



# 中國油氣控股有限公司 SINO OIL AND GAS HOLDINGS 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: 702

Annual Report **2019** 年報



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# CORPORATE INFORMATION

## DIRECTORS

### Executive Directors

Dr. Dai Xiaobing (*Chairman*)

Mr. King Hap Lee (*Chief Executive Officer*)

Mr. Wan Tze Fan Terence

### Non-executive Directors

Mr. Chen Hua

Mr. Huang Shaowu

Ms. Chai Lin

### Independent Non-executive Directors

Professor Wong Lung Tak Patrick

Dr. Wang Yanbin

Dr. Dang Weihua

## COMPANY SECRETARY

Ms. Yim Siu Hung

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

44/F, Office Tower

Convention Plaza

1 Harbour Road, Wanchai

Hong Kong

## REGISTERED OFFICE

Clarendon House, 2 Church Street

Hamilton HM11

Bermuda

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17/F., Hopewell Centre

183 Queen's Road East, Wanchai

Hong Kong

## 董事

### 執行董事

戴小兵博士 (*主席*)

景哈利先生 (*行政總裁*)

溫子勳先生

### 非執行董事

陳華先生

黃紹武先生

柴琳女士

### 獨立非執行董事

黃龍德教授

王延斌博士

黨偉華博士

## 董事會秘書

嚴筱虹女士

## 總辦事處及主要營業地點

香港

灣仔港灣道1號

會展廣場辦公大樓

44樓

## 註冊辦事處

Clarendon House, 2 Church Street

Hamilton HM11

Bermuda

## 香港股份過戶登記分處

香港中央證券登記有限公司

香港

灣仔皇后大道東183號

合和中心17樓1712-1716室

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited  
4th Floor North Cedar House  
41 Cedar Avenue  
Hamilton HM12  
Bermuda

## HONG KONG LEGAL ADVISOR

Michael Li & Co.  
19/F, Prosperity Tower  
39 Queen's Road Central, Central, Hong Kong

## BERMUDA LEGAL ADVISOR

Conyers Dill & Pearman  
2901 One Exchange Square  
8 Connaught Place, Central  
Hong Kong

## AUDITOR

BDO Limited  
Certified Public Accountants  
25th Floor, Wing On Centre  
111 Connaught Road Central  
Hong Kong

## STOCK CODE

702

## WEBSITE

[www.sino-oilgas.hk](http://www.sino-oilgas.hk)

## 主要股份過戶登記處

MUFG Fund Services (Bermuda) Limited  
4th Floor North Cedar House  
41 Cedar Avenue  
Hamilton HM12  
Bermuda

## 香港法律顧問

李智聰律師事務所  
香港中環皇后大道中39號  
豐盛創建大廈19樓

## 百慕達法律顧問

Conyers Dill & Pearman  
香港  
中環康樂廣場8號  
交易廣場第1座2901室

## 核數師

香港立信德豪會計師事務所有限公司  
執業會計師  
香港  
干諾道中111號  
永安中心25樓

## 股份代號

702

## 網址

[www.sino-oilgas.hk](http://www.sino-oilgas.hk)

# FIVE YEAR FINANCIAL SUMMARY

		Year ended 31 December 2019 截至2019年 12月31日 止年度	Year ended 31 December 2018 截至2018年 12月31日 止年度	Year ended 31 December 2017 截至2017年 12月31日 止年度	Year ended 31 December 2016 截至2016年 12月31日 止年度	Year ended 31 December 2015 截至2015年 12月31日 止年度 (restated) (經重列)
		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
<b>Revenue</b>	<b>營業額</b>					
- Continuing operations	- 持續經營業務	476,614	427,867	497,935	333,553	56,411
- Discontinued operations	- 已終止經營業務	-	-	-	5,058	10,610
		<u>476,614</u>	<u>427,867</u>	<u>497,935</u>	<u>338,611</u>	<u>67,021</u>
<b>Result</b>	<b>業績</b>					
- Continuing operations	- 持續經營業務					
Loss before income tax expense	除所得稅支出前虧損	(222,650)	(382,926)	(158,026)	(98,335)	(46,219)
Income tax expense	所得稅支出	(4,992)	(2,959)	(1,535)	(1,243)	(6,112)
		<u>(227,642)</u>	<u>(385,885)</u>	<u>(159,561)</u>	<u>(99,578)</u>	<u>(52,331)</u>
- Discontinued operations	- 已終止經營業務					
Profit/(loss) before income tax expense	除所得稅支出前溢利/(虧損)	-	-	-	5,509	(422,428)
Income tax expense	所得稅支出	-	-	-	-	(2,952)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>5,509</u>	<u>(425,380)</u>
Loss for the year	本年度虧損	<u>(227,642)</u>	<u>(385,885)</u>	<u>(159,561)</u>	<u>(94,069)</u>	<u>(477,711)</u>
Loss attributable to:	以下人士應佔虧損：					
<b>Owners of the Company</b>	<b>本公司擁有人</b>					
Loss for the year from continuing operations	本年度持續經營業務之虧損	(230,952)	(376,922)	(160,367)	(102,495)	(53,141)
Profit/(loss) for the year from discontinued operations	本年度已終止經營業務之溢利/(虧損)	-	-	-	5,509	(425,380)
		<u>(230,952)</u>	<u>(376,922)</u>	<u>(160,367)</u>	<u>(96,986)</u>	<u>(478,521)</u>
<b>Non-controlling interest</b>	<b>非控股權益</b>					
Profit/(loss) for the year from continuing operations	本年度持續經營業務之溢利/(虧損)	3,310	(8,963)	806	2,917	810
		<u>(227,642)</u>	<u>(385,885)</u>	<u>(159,561)</u>	<u>(94,069)</u>	<u>(477,711)</u>
				(restated) (經重列)	(restated) (經重列)	(restated) (經重列)
Loss per share	每股虧損					
- Basic (HK cents)	- 基本(港仙)	(6.90)	(15.64)	(9.55)	(5.56)	(26.82)
- Diluted (HK cents)	- 攤薄(港仙)	(6.90)	(15.64)	(9.55)	(5.56)	(26.82)

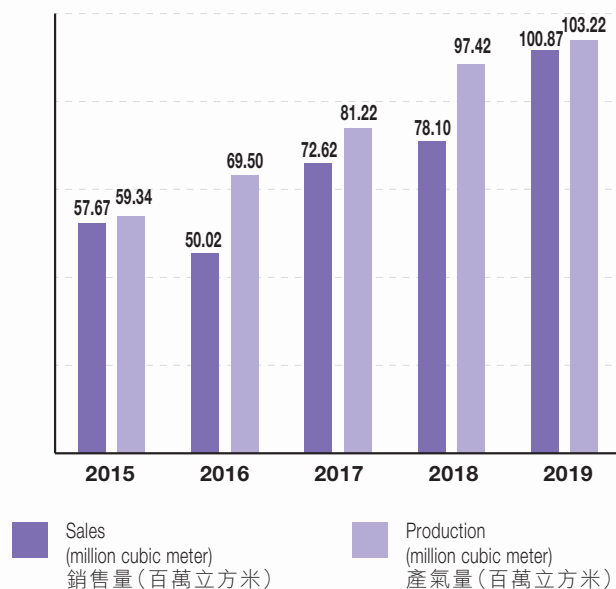
# 五年財務概要

		As at 31 December 2019 於2019年 12月31日 HK\$'000 千港元	As at 31 December 2018 於2018年 12月31日 HK\$'000 千港元	As at 31 December 2017 於2017年 12月31日 HK\$'000 千港元	As at 31 December 2016 於2016年 12月31日 HK\$'000 千港元	As at 31 December 2015 於2015年 12月31日 HK\$'000 千港元
<b>Assets and liabilities</b>	<b>資產與負債</b>					
Non-current assets	非流動資產	4,404,156	4,441,642	4,787,070	4,335,653	4,251,704
Net current (liabilities)/assets	流動(負債)/資產淨值	(1,182,466)	(951,994)	(204,291)	220,904	(208,848)
Non-current liabilities	非流動負債	(574,673)	(481,042)	(1,418,284)	(1,464,914)	(539,551)
Net assets	資產淨值	2,647,017	3,008,606	3,164,495	3,091,643	3,503,305
Non-controlling interests	非控股權益	(8,832)	(5,709)	(16,655)	(15,512)	(14,668)
Equity attributable to owners of the Company	本公司擁有人 應佔權益	2,638,185	3,002,897	3,147,840	3,076,131	3,488,637

2019 total gas production and gas sales recorded were approximately 103.22 million cubic meter and 100.87 million cubic meter respectively

2019年總產氣量及銷售量分別約為103.22百萬立方米及100.87百萬立方米

million  
cubic meter  
百萬立方米



2019 pipeline gas sales accounted for 100% of total gas sales

2019年管道銷售佔總銷售量之100%

15.9%

Residential piped sales  
民用管道銷售

84.1%

Industrial piped sales  
工業用管道銷售

2019 CBM Sales Mix  
2019全年煤層氣銷售構成

# BUSINESS STRUCTURE

## 業務架構圖



**1**

**Coalbed Methane Business**  
煤層氣業務

The Group holds 70% interest of Sanjiao CBM Block through a production sharing contract, which PetroChina is the business partner of the project

集團透過產品分成合同擁有三交煤層氣區塊70%的權益，項目合作夥伴為中石油

**2**

**Raw Coal Washing Project**  
原煤洗選業務

The Group holds a 75% equity interest of a raw coal washing project company located in Qinshui Basin, Shanxi Province

集團擁有位於山西沁水盆地一家原煤洗選項目公司75%權益

**3**

**Crude Oil Business**  
原油業務

The Group is actively seeking for merger and acquisitions opportunities of oil and gas project in North America and China

集團現正積極尋求北美及中國原油及天然氣項目併購

**4**

**Financial Services Business**  
金融服務業務

The Group holds a wholly-owned financial leasing subsidiary in Shaanxi Province

集團於陝西擁有一家全資附屬融資租賃公司

**5**

**LNG Station Project**  
液化天然氣項目

The Group holds a 30% equity interest of a LNG project located in Shanxi Province (the project is construction in progress)

集團擁有位於山西的一個液化天然氣項目30%權益（該項目於在建中）

## Strategic Goal

### 戰略目標

Dedicated to become a professional international oil & gas explorer and producer

致力於成為專業的國際化油氣勘探開發商

## Corporate Value

### 企業價值觀

People Oriented

Effective Use of Resources

Bring Harmony with Great Virtue

以人為本 善用資源 厚德載物

## Business Principle

### 經營方針

Equal emphasis on business and capital

Equal attention to resources and talent

實業與資本並重 資源與人才並舉

## Enterprise Spirit

### 企業精神

Passion Efficiency Execution

激情 高效 執行力



# CHAIRMAN'S STATEMENT

## Dear Shareholders,

On behalf of the board of directors (the "Board") of Sino Oil and Gas Holdings Limited (the "Company", and together with its subsidiaries, collectively the "Group"), I hereby present the annual results of the Group for the year ended 31 December 2019.

## Overview

Looking back on 2019, the world's political and economic situation is becoming more and more complicated coupled with the emergence of new coronavirus, China and the global economy are facing unprecedented challenges. Nevertheless, the prevention and control of air pollution and the promotion of the universal use of natural gas are still the main direction of national policy. According to "China Natural Gas Development Report (2019)", China's natural gas consumption will continue to increase until 2050. The Group remains cautiously optimistic about the long-term development prospects of the industry.

In accordance with the "Opinions on the Pilot Project of Comprehensive Reform for the Energy Revolution in Shanxi", Shanxi was identified by the state to start a pilot project for the comprehensive reform of the energy revolution and build a nationwide unconventional natural gas base in last year. Currently, the comprehensive development of two coalbed methane industrialization bases in the Qinshui Basin and the eastern edge of Ordos Basin has been undergoing, and that is where Sanjiao CBM Project is located. With the support of national policies and

## 各位股東：

本人謹代表中國油氣控股有限公司（「本公司」，連同其附屬公司統稱「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的年度業績。

## 概覽

回顧2019年，世界政經情況越趨複雜，加上新型肺炎病毒的出現，中國及環球經濟均前所未有的挑戰。儘管如此，大氣污染防治工作以及推進天然氣普及使用，依然是國家政策的大方向。《中國天然氣發展報告(2019)》預計，2050年前中國天然氣消費將保持增長趨勢。集團對行業長遠發展前景仍然審慎樂觀。

根據《關於在山西開展能源革命綜合改革試點的意見》，去年山西被國家確定為能源革命綜合改革試點，建設全國非常規天然氣基地。目前，沁水盆地、鄂爾多斯盆地東緣兩個煤層氣產業化基地全面開發的格局已經形成，



local government measures as well as the efforts of our team, the project is growing steadily. During the year, both production and sales volume exceeded 100 million cubic meters, the sales to production ratio reached 97.7% and the earnings before tax, interest, depreciation and amortization of the project increased substantially by approximately 54%. The level of large-scale development of the coalbed methane industry in Shanxi will keep increasing in 2020. The Group believes that the project has laid a solid foundation for development and revenue generating. It will bring long-term stable income.

The overdue unredeemed convertible note in the second half of 2019 has imposed quite some financial pressure to the Group and the management has explored various plans during the year in order to reduce the financial burden of the Group. The Company and the note holder, after some discussions, have reached a conditional agreement to extend the maturity date to 29 September 2020. The extension would ease the immediate financial position of the Group and enable the management of the Company to have more time to discuss with the note holder on certain proposed settlement arrangements for the convertible note as well as to negotiate with other potential investors who may be interested in acquiring the convertible note. In addition, the Group has pragmatically formulated a series of measures and plans. Apart from raising funds, it also has effectively implemented rigorous cost management and prudent financial policies, and did achieve certain results in 2019. During the year, the group's administrative expenses and financial costs have been reduced by approximately 20% respectively as compared with 2018.

而三交煤層氣項目正位處其中。在國家政策及地方政府措施支持，以及項目團隊努力下，項目得以平穩增長，年內產銷量均突破一億立方米，產銷比率達97.7%，項目稅息折舊及攤銷前利潤更大幅上升約54%。2020年，山西將持續提高煤層氣產業規模化發展水平，集團相信項目已建立穩固的發展以及盈利基礎，並將帶來長遠穩定收益。

2019年下半年已逾期未贖回的可換股票據為集團帶來相當大的財務壓力，管理層已於年內探討多個方案，旨在減輕本集團的財務負擔。管理層現積極與票據持有人就有關問題進行磋商，經討論後，本公司及票據持有人已達成有條件協議，將到期日延後至2020年9月29日。上述之展期將可舒緩本集團即時之財務狀況，讓管理層有更多時間與票據持有人就可換股票據之建議償付安排進行討論以及與有意收購可換股票據之其他潛在投資者進行磋商。此外，集團務實地制訂了一系列的措施及計劃，除了募集資金外，亦已切實執行嚴謹之成本管理，以及審慎之財務政策，而於2019年內取得了一定成果。年內，集團行政費用及財務成本均較2018年減少約兩成。



# CHAIRMAN'S STATEMENT

## Prospect

The coronavirus pandemic has re-escalated the tension of China-US trade war and also has put even greater downward pressure on the mainland and the global economy. In light of this, the Group will maintain a prudent financial management strategy and conduct debt management with a proactive attitude. At the same time, the Group will further improve operating effectiveness and efficiency, monitor costs, and strengthen risk management to quickly respond to the unforeseeable market changes.

Due to the uncertain market prospects, the Group currently does not have any plans for major investments or acquisitions of assets, but will continue to carefully explore opportunities to expand its oil and gas business portfolio. In the face of various difficulties, the Group will be cautious in tackling different issues that causing market uncertainties whilst we shall always be prepared for upcoming development and strengthen the foundation of our business.

## 願景

新型冠狀病毒全球大流行再次加劇了中美貿易戰的緊張態勢，為內地以致全球經濟增添更大的下行壓力。有鑒於此，集團將維持審慎理財策略，並以積極的態度進行債務管理。與此同時，本集團將進一步提升營運效益及效率，監控成本，並加強風險管理以迅速回應不可預見之市場變化。

由於市場前景不明朗，集團目前並無任何重大投資或收購資產之計劃，但將繼續謹慎地發掘機會以擴充旗下油氣業務組合。面對種種難關，集團將一方面謹慎應對導致市場不確定性的各類因素，另一方面繼續為推動未來發展做好準備工作，穩固業務根基。



## Appreciation

Lastly, I, on behalf of the Group, would like to express my heartfelt gratitude to our shareholders, business partners and investors for their trust and support over the years. I would also like to extend my deepest appreciation to all our staff members. The Group will dedicate to achieve and exceed our goals and will bring fruitful returns to our shareholders as always.

**Dai Xiaobing**  
Chairman

Hong Kong, 31 March 2020

## 致謝

最後，本人謹代表集團向多年來信任和支持本集團的各位股東、業務夥伴及投資者致以衷心的謝意，亦向全體員工表達誠摯的感激。本集團將一如以往，竭誠實現並超越既定目標，以保障股東的合理回報。

主席  
**戴小兵**

香港，2020年3月31日



# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

During the year ended 31 December 2019, Sino Oil and Gas Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) recorded a total revenue of approximately HK\$476,614,000 (2018: HK\$427,867,000), which has increased by approximately 11.39% as compared with that of last year. The turnover included the sales of coalbed methane (“CBM”) in our Sanjiao CBM Project of approximately HK\$120,900,000 (2018: HK\$89,406,000), the sales derived from raw coal washing project located in Qinshui Basin, Shanxi Province of approximately HK\$350,353,000 (2018: HK\$331,488,000), and the income from the financial services business in Shaanxi Province of approximately HK\$5,361,000 (2018: HK\$6,973,000).

For the financial year of 2019, the Group recorded a net loss of approximately HK\$227,642,000 (2018: net loss HK\$385,885,000), which significantly decreased by approximately 41% compared with that of last year. The decrease of loss was mainly attributable to the significant growth in earning in the operation of the Sanjiao CBM Project and the successful control of cost during the year. During the year, the Group recorded earnings before interest, taxes, depreciation and amortization (“EBITDA”) of approximately HK\$98,152,000.

During the year, the Sanjiao CBM Project recorded CBM sales revenue approximately HK\$120,900,000 and EBITDA approximately HK\$87,918,000, which increased by approximately 35.23% and 53.86% respectively as compared with that of last year while the sale-to-production rate has reached 97.70%. The sales volume of CBM in 2019 successfully exceeded 100 million cubic meters, approximately 100.87 million cubic meters (2018: 78.10 million cubic meters) with a significant increase of nearly 30% as compared with last year. Further, the raw coal washing operation also continued to have a steady performance during the year.

In addition, the Group’s settlement of part of its financial liabilities, resulting in a significant drop in financial costs; meanwhile, the Group implemented strict cost management during the year and achieved reduction in administrative expenses by approximately 19.4% as compared with last year. Unlike last year, there was no significant expected credit losses and impairment loss incurred.

## 業務回顧

截至2019年12月31日止十二個月內，中國油氣控股有限公司（「本公司」）及其附屬公司（「本集團」）之錄得營業額為約476,614,000港元（2018年：427,867,000港元），營業額較去年上升約11.39%。營業額分別來自於三交煤層氣項目銷售約120,900,000港元（2018年：89,406,000港元）、山西沁水盆地之原煤洗選業務收入約350,353,000港元（2018年：331,488,000港元）以及陝西金融服務業務收入約5,361,000港元（2018年：6,973,000港元）。

於2019財政年度，本集團錄得淨虧損約227,642,000港元（2018年：淨虧損385,885,000港元），較去年大幅下降約41%，主要由於三交煤層氣項目營運收益的顯著增長，以及年內集團成功控制成本。本年度，本集團錄得稅息折舊及攤銷前利潤（「EBITDA」）約為98,152,000港元。

年內，三交煤層氣項目錄得銷售額約120,900,000港元以及EBITDA約87,918,000港元，分別較去年上升約35.23%及53.86%，而產銷比率則達97.70%。煤層氣銷售量於2019年突破一億立方米，達約10,087萬立方米（2018年：約7,810萬立方米），較去年大幅上升近三成。再者，年內原煤洗選業務亦繼續取得穩定表現。

另外，集團已償還部份貸款令財務成本顯著下降；同時，去年集團執行嚴格成本管理，亦取得一定成績，行政費用較去年減少約19.4%；而去年集團有計提預期信貸減值以及商譽減值虧損，年內則並沒有類似重大減值準備。

The interest income amounted to approximately HK\$32,658,000 (2018: HK\$30,536,000) included in “other income”, mainly derived from the refundable deposits of CAD40 million of the Group’s possible acquisitions located in Alberta, Canada and short-term investment.

During the year, the Group was exposed to certain key risks and uncertainties which have been disclosed in note 45 to the consolidated financial statements.

### Natural Gas and Oil Exploitation

#### **Coalbed Methane Exploitation—Sanjiao Block in the Ordos Basin**

##### **Project Overview**

Through its wholly-owned subsidiary Orion Energy International Inc. (“Orion”), the Group entered into a production sharing contract (“PSC”) with China National Petroleum Corporation (“PetroChina”), its partner in the PRC, for exploration, utilization and production of the CBM field in the Sanjiao block, located in the Ordos Basin in Shanxi and Shaanxi provinces. The Group has a 70% interest in the PSC. The PSC covers a block in the Ordos Basin in Shanxi and Shaanxi provinces, with a total site area of 383 square kilometers. According to a competent person’s updated report provided to the Company by the end of 2015, the proved and probable CBM reserves of Sanjiao CBM Project amounted to approximately 8.301 billion cubic meters and the net present value at 10% discount of the future revenue of the reserve was approximately HK\$11.498 billion.

Following the approval of its overall development plan by the National Development and Reform Commission (“NDRC”) in 2015, Sanjiao CBM Project was granted a mining permit by the Ministry of Land and Resources of the PRC with an approved CBM production capacity of 500 million cubic meters per annum in July 2017, which shall be valid for 25 years. Accordingly, all necessary administrative approvals under the current PRC laws and regulations have been granted for exploration, development, exploitation and production of Sanjiao CBM Project.

另披露於其他收入的利息收入金額約32,658,000港元（2018年：30,536,000港元），該利息收入主要來自本集團位於加拿大阿爾伯特省的擬收購項目的可退還按金40,000,000加元，以及短期投資。

年內，本集團所面對的某些主要風險和不明朗因素經已載於綜合財務報表附註45。

### 天然氣及石油開採

#### **煤層氣開採 – 鄂爾多斯盆地三交區塊**

##### **項目總覽**

本集團透過旗下全資附屬公司奧瑞安能源國際有限公司（「奧瑞安」），與中國夥伴中國石油天然氣集團公司（「中石油」）訂立生產分成合同（「PSC」），在中國山西及陝西省鄂爾多斯盆地三交區塊進行煤層氣田勘探、開採及生產，並享有當中70%權益。PSC覆蓋中國山西省及陝西省鄂爾多斯盆地合共383平方公里之區塊。根據一份由合資格人士於2015年底向本公司提供之儲量報告更新，三交煤層氣項目之淨儲量（已證實+概略）約為83.01億立方米，而該儲量未來收入淨現值（10%折現）約為114.98億港元。

三交煤層氣項目繼2015年總體開發方案獲國家發展和改革委員會（「國家發改委」）批覆後，於2017年7月份獲國家國土資源部授予《採礦許可證》，獲准開採的生產規模為每年5億立方米煤層氣，開採有效期為25年。至此，三交煤層氣項目由勘探階段進入開發、開採、生產階段，依據中國現行法律法規所需要的行政許可均已齊備。

# MANAGEMENT DISCUSSION AND ANALYSIS

## Infrastructure

As at 31 December 2019, the Sanjiao CBM Project has completed a total of 122 wells, comprising 70 multilateral horizontal wells and 52 vertical wells. Out of the total 122 wells, 91 wells were in the normal dewatering and gas producing stage, of which 92 wells had accessed to a gas collection pipeline network. A ground pipeline network of approximately 18 kilometers, inter-well pipelines of approximately 64.9 kilometers, and outbound pipelines of approximately 17 kilometers were completed. Approximately total 71.4 kilometers of 10KV power grid and branch power line were also built.

To cope with the increasing production volume of Sanjiao CBM Project, the Group has undertaken the expansion of the processing station. Its daily processing capacity will reach 750,000 cubic meters upon completion while its total daily processing capacity of CBM is 500,000 cubic meters now.

## Sales

During the year, Sanjiao CBM Project recorded EBITDA of approximately HK\$87,918,000 (2018: HK\$57,141,000) with an increase of approximately 53.86% compared with last year. The CBM sales revenue amounted to approximately HK\$120,900,000 (2018: HK\$89,406,000) with an increase of approximately 35.23% compared with last year. The production and sales volume of CBM were approximately 103.22 million cubic meters (2018: 97.42 million cubic meters) and 100.87 million cubic meters (2018: 78.10 million cubic meters) respectively, resulting in a gas sale-to-production rate of approximately 97.7% (2018: 80%), which has significantly improved as compared with last year. For the year, industrial and residential piped CBM sales accounted for approximately 84.1% (2018: 85.3%) and approximately 15.9% (2018: 14.7%) of total sales respectively, which was similar to that of last year.

In addition, government subsidy and part of VAT tax refund of approximately HK\$38,886,000 (2018: HK\$25,866,000) for sales of CBM were received and included in "other income" during the year. The operation of Sanjiao CBM Project continued to have a steady growth, and the Group believes that the project will bring sustained and stable profits.

## 基礎建設

截至2019年12月31日止，三交煤層氣項目累計完成鑽井共122口，其中70口為多分支水平井，餘下的52口為直井。在上述122口井中，正常排採井為91口，當中接入集氣管網的井為92口。另三交地面系統工程方面，已建成區內集氣幹線約18公里，集氣支線約64.9公里，外輸管線約17公里；並架設總長度約71.4公里的10KV輸電幹線及電力支線。

為配合三交煤層氣項目不斷提升的煤層氣產量，集團已開展擴建煤層氣增壓脫水站的工作，其日處理能力達至75萬立方米。目前，煤層氣增壓脫水站總煤層氣日處理能力為50萬立方米。

## 銷售

年內，三交煤層氣項目錄得EBITDA約87,918,000港元（2018年：57,141,000港元）較去年上升約53.86%。煤層氣銷售額約120,900,000港元（2018年：89,406,000港元），較去年上升約35.23%。三交煤層氣項目錄得煤層氣產量約10,322萬立方米（2018年：9,742萬立方米），煤層氣銷售量約10,087萬立方米（2018年：7,810萬立方米），而平均產銷比率亦比去年有明顯進步，達97.7%（2018年：80%）。年內，工業用和民用管道煤層氣銷售分別佔總銷售約84.1%（2018年：85.3%），及15.9%（2018年：14.7%），與去年相若。

此外，於年內收到銷售煤層氣之政府補貼及部份增值稅退稅額約38,886,000港元（2018年：25,866,000港元），並已入賬及披露於其他收入。三交煤層氣項目之營運已日漸成熟，本集團相信項目會帶來持續而穩定的收入。

## Raw Coal Washing Project Located in Shanxi Province

The Group owned a 75% equity interest of a raw coal washing project located in Qinshui Basin, Shanxi Province. During the year, the performance of the business was stable. The revenue from the raw coal washing business was approximately HK\$350,353,000 (2018: HK\$331,488,000). Among the mix of the turnover during the period, the raw coal washing business accounted for approximately 96% of the revenue, and the raw coal processing business accounted for approximately 4%.

## Others

The Group owned a finance leasing company, Shaanxi Zhao Yin Finance Leasing Company Limited in Shaanxi Province. The major purpose of the establishment of this finance leasing company is to seek for proper financing options for the Group's business development. Further it also provides short-term investment opportunities for the Group. During the year, it recorded a gross income of approximately HK\$5,361,000 (2018: HK\$6,973,000).

## Possible Acquisition – Oilfield in Alberta, Canada

With the purpose of further enriching the Group's resources reserves, apart from actively seeking suitable oil and gas blocks in China, the Group is also exploring investment opportunities in overseas upstream businesses. The Group hence entered into two non-legally-binding memorandums of understanding ("MOUs") in June and September 2014. The acquisition targets are oil and gas fields located in Alberta Province, Canada. However, since the new coronavirus became a global pandemic, the epidemic has hit global oil demand; at the same time the negotiations among major oil-producing countries on production reduction agreement have broken down which has escalated the price war; and coupled with the Group's current financial pressure, the Company must carefully reconsider the feasibility of the project and/or any appropriate adjustments to investment strategies is required under current situation.

## 位於山西省的原煤洗選項目

本集團擁有一間位於山西省沁水盆地之原煤洗選項目之75%權益。年內，原煤洗選業務表現穩定，收入約350,353,000港元（2018年：331,488,000港元）。年內營業額結構中，原煤洗選業務約佔96%，原煤加工業務約佔4%。

## 其他

本集團於陝西擁有一家融資租賃公司—陝西兆銀融資租賃有限公司。此融資租賃公司主要為集團尋求合適的融資途徑及來源以配合集團業務，同時亦為集團提供短期的投資機會。年內，該業務錄得收入約5,361,000港元（2018年：6,973,000港元）。

## 潛在的收購項目—位於加拿大阿爾伯特省的油田區塊

為進一步充實集團的資源儲備，除在國內尋求合適油氣區塊外，集團亦積極拓展海外上游業務，物色優質投資機會。集團於2014年6月及9月訂立兩份不具法律約束力之諒解備忘錄（「該等備忘錄」）。收購目標原為位於加拿大阿爾伯特省之油氣田，但鑒於新型冠狀病毒肺炎進入全球大流行，疫情打擊全球石油需求，同時主要產油國減產協議破裂，讓價格戰升級，且再加上集團現時整體財務壓力沉重，公司必須再審慎考慮項目目前的可行性及／或對投資策略作出適當的調整。



# MANAGEMENT DISCUSSION AND ANALYSIS

## Summary of Resources

The Group's oil and gas reserves, as at 31 December 2019, are summarized as follows:

### Category

### 類別

### Coalbed Methane Reserve

### 煤層氣儲量

Billion cubic feet (Gross)  
十億立方英尺(總額)

Proved (1P)	證實(1P)	127.8	(Note a)
Proved and Probable (2P)	證實及概略(2P)	424.3	(附註a)

(a) The Company has made an estimation on the reserve as at 31 December 2019 on the basis of a competent person's report prepared in accordance with the standards for "Petroleum Resources Management System" recognized under Chapter 18 of the Listing Rules on the Sanjiao CBM Field reserves as of 30 September 2015, adjusted and updated based on CBM production volume.

(b) Reserve translation reference: one cubic meter of natural gas is equivalent to approximately 35.2 cubic feet.

## Capital Expenditure

For the year ended 31 December 2019, the total expenditure capitalised for the Sanjiao CBM Project was approximately HK\$67 million (2018: HK\$52 million), which mainly comprises of (i) construction works in progress of oil and gas fields, (ii) direct expenses and (iii) finance expenses, The breakdown of which is as follows:

- (i) Construction works in progress of oil and gas field mainly representing drilling expenses approximately HK\$54 million (2018: HK\$12 million), dewatering expenses amounted to approximately HK\$3 million (2018: HK\$1 million) and ground facility expenditure amounted to approximately HK\$5 million (2018: HK\$4 million).
- (ii) During the year 2019, there is no significant direct expenses incurred as capital expenditure in respect of Sanjiao CBM Project (2018: HK\$23 million as direct labour cost and HK\$7 million as other direct cost); and
- (iii) The total finance expenses capitalised during the year was approximately HK\$5 million (2018: HK\$5 million).

For the year ended 31 December 2019, the Group incurred around HK\$6 million (2018: HK\$7 million) drilling costs for the farm-in project in Canada as disclosed in note 17 to the consolidated financial statements.

## 資源概覽

本集團於2019年12月31日的油氣儲備概述如下：

(a) 本公司以一份由合資格人士，按上市規則第18章認可的「石油資源管理體系」標準編製以三交煤層氣田於2015年9月30日之儲量作為基礎，再按煤層氣產量作出調整更新，估算截止至2019年12月31日的煤層氣儲量。

(b) 儲量換算參考：天然氣每立方米約等於35.2立方英尺。

## 資本支出

截至2019年12月31日止年內，投入三交煤層氣項目的總資本化的支出約為67,000,000港元（2018年：52,000,000港元），其中主要為(i)油氣田之在建工程，(ii)直接支出及(iii)財務支出，明細如下：

- (i) 油氣田之在建工程主要為鑽井工程支出約54,000,000港元（2018年：12,000,000港元），排採工程支出共約3,000,000港元（2018年：1,000,000港元）及地面工程支出共約5,000,000港元（2018年：4,000,000港元）。
- (ii) 2019年內三交煤層氣項目並沒有重大資本化的直接支出（2018年：直接工資23,000,000港元及其他直接支出7,000,000港元）；及
- (iii) 年內資本化的總財務支出約為5,000,000港元（2018年：5,000,000港元）。

截至2019年12月31日，本集團已就位於加拿大的farm-in項目產生鑽探開支約6,000,000港元（2018年：7,000,000港元）（載於綜合財務報表附註17）。

## FINANCIAL REVIEW

### Liquidity and Financial Resources

As at 31 December 2019, the net assets of the Group were approximately HK\$2,647,000,000 (31 December 2018: HK\$3,009,000,000) while its total assets were approximately HK\$4,977,000,000 (31 December 2018: HK\$4,963,000,000). As at 31 December 2019, the Group had external borrowings including the liability component of convertible note of approximately HK\$1,710,000,000 (31 December 2018: HK\$1,595,000,000), and the gearing ratio based on total assets was approximately 34.36% (31 December 2018: 32.14%). Information on the Group's collateral assets and repayment of the Group's borrowings is set out in notes 32 and 33 to the consolidated financial statements. As at 31 December 2019, the current ratio was approximately 0.33 (31 December 2018: 0.35).

In respect of the issue of the Group's net current liabilities position as at 31 December 2019, the convertible note with a principal amount of HK\$1,014 million due in September 2019 and unredeemed, posing a relatively great financial pressure to the Group. The Group has explored various plans during the year in order to reduce the financial burden of the Group. The management has actively engaged in the discussion of the above issue with the note holder. Although no binding plans or terms have been reached, both parties have conducted in-depth discussion on several feasible options. The options include but are not limited to, (i) negotiating with other potential investors who are interested in acquiring the convertible notes; (ii) exploring the possibilities with the note holder to amend terms of the convertible note so as to extend its maturity.

Following the said discussions, the Company and the note holder have agreed to enter into a deed of amendment on 23 March 2020 for the extension of the maturity date, which shall be extended to 29 September 2020. The Directors considered that the extension would ease the immediate financial burden of the Group and enable the management of the Company to have more time to discuss with the note holder on certain proposed settlement arrangements for the convertible note as well as to negotiate with other potential investors who may be interested in acquiring the convertible note. Please see the Company's announcement dated 23 March 2020 for details.

The Company will also consider other possible financing options and debt restructuring exercises to strengthen the liquidity of the Group. Though there is no concrete timeline for materializing the above plans yet, the Company is of the view that the growth of the coalbed methane operation in Shanxi and the improvement in the Group's financial result are positive factors to the potential investors and financiers as well as the existing shareholders. Having taken into account the available financial resources of the Group, the above measures and the successful experience in 2018 which settling most of the short term financial obligations through equity financing, the directors of the Company, including the Audit Committee, share the view that the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in foreseeable future, and accordingly, the going concern issue will be resolved.

## 財務回顧

### 流動資金及財政資源

於2019年12月31日，本集團的資產淨值約為2,647,000,000港元（2018年12月31日：3,009,000,000港元），總資產值則約為4,977,000,000港元（2018年12月31日：4,963,000,000港元）。於2019年12月31日，本集團的總借貸包括可換股票據之負債部分約為1,710,000,000港元（2018年12月31日：1,595,000,000港元），負債比例按資產總值計算約為34.36%（2018年12月31日：32.14%）。有關本集團已抵押資產及借貸償還期限的詳情載於綜合財務報表附註32及附註33。於2019年12月31日的流動比率約為0.33（2018年12月31日：0.35）。

就截至2019年12月31日出現流動負債淨值的問題，當中以於2019年9月已逾期未贖回的本金為1,014,000,000港元之可換股票據構成的財務壓力較大。本集團亦已於年內探討多個計劃，旨在減輕本集團的財務負擔。管理層現積極與票據持有人就有關問題進行磋商，雖然尚未達成任何具約束力的方案或條款，但已就若干個可行方案進行深入討論，包括但不限於，(i)與潛在投資者討論從票據持有人收購可換股票據；並(ii)與票據持有人探討延長可換股票據到期日之可能性。

經進行上述討論後，於2020年3月23日本公司及票據持有人已同意就延長到期日訂立修訂契據，將到期日延長至2020年9月29日。董事認為，上述之展期將舒緩本集團即時之財務壓力，讓管理層有更多時間與票據持有人就可換股票據之建議償付安排進行討論以及與有意收購可換股票據之其他潛在投資者進行磋商。詳情請見公司於2020年3月23日發出之公佈。

本公司將同時會考慮其他可行融資選項及債務重組方案。雖然目前仍未有具體時間表以落實上述計劃，本公司認為位於山西之煤層氣項目營運之增長及本集團業績的改善，對潛在投資者及融資人是正面因素。經考慮本集團可得的財務資源，上述措施及於2018年透過股本融資以支付即期債務的成功經驗，本公司董事，包括審核委員會，均認為本集團於可預見之未來將會擁有充足營運資金，為其經營業務撥付款項及履行其到期之財務責任，因此持續經營問題將會解決。

# MANAGEMENT DISCUSSION AND ANALYSIS

## Foreign Exchange Fluctuations

The Group is exposed to currency risk primarily through sales and purchase transactions and recognized liabilities and assets that are denominated in a currency other than the functional currency of the operations to which they relate. As at 31 December 2019, no related hedges were made by the Group. In respect to trade and other receivables and payables held in currencies other than the functional currency of the operations to which they relate, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

## Employees and Remuneration Policies

As at 31 December 2019, the Group employed approximately 312 employees. The remuneration policy of the Group is based on the prevailing remuneration level in the market and the performance of respective companies and individual employees.

## Environmental Protection

The Group is responsible for its impact to the environmental protection arising from its business operations. During the year, the Group strictly complied with the local environmental regulation of the PRC. Details are disclosed in the Environmental, Social, and Governance Report 2019 to be issued by the Company pursuant to the Listing Rules.

## 外匯波動

本集團承受之貨幣風險主要源自以有關業務之功能貨幣以外之貨幣計值之買賣交易及已確認資產和負債。於2019年12月31日，本集團並無作出相關對沖。就以有關業務之功能貨幣以外之貨幣持有之應收款項及應付款項，本集團在必要時按即期匯率買賣外匯以解決短期不均衡，以此確保風險處於可接受水準。

## 僱員薪酬政策

於2019年12月31日，本集團的僱員約有312人。本集團之薪酬政策主要按現行市場薪酬水準及各有關公司及個別僱員之表現釐訂。

## 環境保護

本集團須為業務經營對環境的影響承擔責任。年內，本集團緊守中國當地的環保法規。詳情將載於本公司根據上市規則而發佈之2019年環境、社會及管治報告書內。

### PROSPECTS

The trade war between China and the United States has been heating up since 2019, while the new coronavirus disease emerged in China by the end of last year. These have brought huge uncertainty to Chinese economy. Although the coronavirus outbreak in China is about to be under control and social and economic activities will gradually resume normal, it is expected that China's macro economy will experience swift downturn in 2020, and natural gas consumption growth will also slow down. However, according to the National Bureau of Statistics, natural gas production of 2019 in China was 173.6 billion cubic meters with an increase of 9.8% year-on-year; natural gas consumption reached 302.2 billion cubic meters with an increase of 8.4% year-on-year. The overall trend of increasing in natural gas demand is expected to remain unchanged, and the sector still has huge potential of development. For the Group's CBM project, the sales volume of 2019 also increased significantly by nearly 30% as compared with last year. In the long run, the Group believes that the Sanjiao CBM Project will continue to have steady growth with increasing competitiveness. Its profitability will hence be further enhanced with good prospects.

Looking ahead, on the one hand the Group will put into its greatest effort to release the short term financial burden as soon as possible, and on the other hand the Group will focus its resources to speed up the development of the Sanjiao CBM Project. We will formulate a solid plan to increase productivity of the CBM project so as to lay a solid foundation for the Group's expansion of its business, so as to sustain a long-term and healthy development. Riding on this foundation, the Group will assess the feasibility of diversified business development in a prudent and pragmatic manner, and hope to enhance the sustainability and stability of the business returns and to have a balance of business risk. As a result, the Group can maintain a long-term momentum of growth, and generate substantial returns for shareholders in the future.

### 前景

自2019年開始中美國貿易戰一直持續升溫，加上去年底出現的新型冠狀病毒肺炎，為中國經濟帶來巨大不確定性。儘管中國疫情形勢已稍趨穩定，社會經濟發展會逐漸恢復正常運作，但預期2020年中國宏觀經濟增長將迅速放緩，而天然氣消費增速亦將會減慢。不過根據國家統計局數據顯示，2019年中國天然氣產量1736億立方米，同比增長9.8%；天然氣表觀消費量達到3,022億立方米，同比增長8.4%。天然氣需求不斷提升的整體格局將會不變，行業依然潛藏巨大發展機遇。而本集團的煤層氣項目，2019年銷售量亦較去年有明顯增長，大幅上升近三成。長遠而言，集團相信三交煤層氣項目將繼續穩定發展，核心競爭力逐步提高，盈利能力進一步增強，前景良好。

展望未來，集團已一方面積極儘快處理短期內面對的財務壓力，同時會繼續集中資源推動三交煤層氣項目的建設發展，制定明確的計劃，提升產能，為集團開拓業務版圖以及長期健康發展鋪墊穩固的基石。在此基石上，集團將以審慎務實的態度評估多元化業務發展之可行性，冀望平衡業務組合回報的穩定性，分散業務風險同時維持長遠的增長動力，將來可為股東締造豐厚的回報。

# DIRECTORS AND SENIOR MANAGEMENT PROFILES

## BOARD OF DIRECTORS

### Executive Directors

**Dr. Dai Xiaobing**, aged 52, was appointed as Executive Director of the Company in May 2010 and Chairman of the Board of the Company in September 2011. Dr. Dai is in charge of the overall affairs of the Group. He is also responsible for the Group's human resources management (including human resources planning, personnel deployment, remuneration scheme and staff training), capital operation (including financing, investment and merger and acquisition of projects) and technology management (including introduction and application of technology), etc. Dr. Dai was awarded a PhD in Econometrics by the School of Economics, Jilin University, the PRC. Dr. Dai is experienced in the corporate finance sector as well as merger and acquisitions and corporate restructuring of companies in the PRC. He is also familiar with the capital market in the PRC. Dr. Dai had been one of the co-founder of China Securities Journal organized by Xinhua News Agency and was a journalist, department head and deputy general manager of the agency, through which he has extensive experience in government public relations and investor relations. He was also an independent director of Jiangxi Ganneng Co., Ltd. (江西贛能股份有限公司), a company listed on the Shenzhen Stock Exchange.

**Mr. King Hap Lee**, aged 57, was appointed as Chief Executive Officer of the Company in November 2010 and Executive Director of the Company in September 2011. Currently, Mr. King serves as Executive Director and Chief Executive Officer (and Deputy Chairman of the Board). Mr. King is responsible for the Group's strategic planning, operation planning, external relationship and organizational management (including rules and systems, organizational structure and corporate culture). Mr. King holds a bachelor degree of engineering and a master degree of business administration from Xian Jiaotong University and Guanghua School of Management of Peking University respectively. He worked for various central government departments and state-owned enterprises for a considerable period of time and has extensive experience in government organizations and enterprises management. He was the deputy director and chairman of Workers Union of Mechanic and Electronic Products Importation and Exportation Office of the State Council, the deputy general manager of 中國機械工業供銷深圳集團公司 (China Machinery Industry Marketing & Supply Shenzhen Group Corporation\*) and managing director of 中機香港公司 (China National Machinery Hong Kong Company\*).

## 董事會

### 執行董事

**戴小兵博士**，52歲，於2010年5月獲委任為本公司之執行董事，並於2011年9月獲委任為本公司董事會主席。戴博士主持本集團全面工作，並負責本集團的人力管理，包括人力規劃、人事調配、薪酬設計及職員培訓；資本運營，包括融資、投資、項目併購；技術管理，包括技術引進和技術應用等。戴博士持有中國吉林大學商學院計量經濟學博士學位，在企業融資和中國企業併購與企業重組方面擁有豐富的經驗，彼亦熟悉中國之資本市場。戴博士曾參與創辦新華通訊社主辦的《中國證券報》，歷任記者、部門主任和報社副總經理，期間積累了豐富的政府公共關係和投資者關係等資源。他曾擔任江西贛能股份有限公司之獨立董事（於深圳交易所上市的公司）。

**景哈利先生**，57歲，於2010年11月獲委任為本公司行政總裁，並於2011年9月獲委任為本公司之執行董事，現為本公司執行董事及行政總裁（兼董事會副主席）。景先生負責本集團的戰略規劃；營運計畫；對外關係；組織管理，包括規章制度、組織架構和企業文化。景先生早年就讀於西安交通大學和北京大學光華管理學院並分別獲得工學學士和工商管理碩士學位，曾長期任職於中央國家機關和國有企業，擁有多政府機關及企業管理工作經驗。曾任國務院機電產品進出口辦公室副處長及工會主席、中國機械工業供銷深圳集團公司副總經理、以及中機香港公司董事總經理。

## 董事及高層管理人員簡介

**Mr. Wan Tze Fan Terence**, aged 55, was appointed as Executive Director of the Company in March 2009. He is also the chief financial officer of the Company. Mr. Wan is responsible for the Group's financial management (including investment budget, allocation of funding, control on sales as well as inspection and audit of financial matters), legal matters (including tracking on legal matters, risk control and compliance monitoring) and internal affairs of the headquarter of the Group. Mr. Wan holds a bachelor degree of commerce and a master degree of business administration. He has years of experience in accounting and financial management and has worked for international accounting firms and listed companies in Hong Kong. He is a fellow member of Hong Kong Institute of Certified Public Accountants and a Certified Practising Accountant of CPA Australia. He is also an independent non-executive director of China Primary Energy Holdings Limited which is listed on the Hong Kong Stock Exchange.

### Non-executive Director

**Mr. Chen Hua**, aged 54, was appointed as Non-executive Director of the Company in June 2014. Mr. Chen holds a bachelor degree and founded the Kingkey Group Limited ("Kingkey Group") in 1994. He is the founder, chairman and chief executive officer of Kingkey Group. Kingkey Group is a Chinese well-known brand with an integrated business comprising property development, hotel, property management, financial investment, golf club and beverage operations. Kingkey Group has invested and developed total construction area of over 5 million square metres and its constructions have been awarded various prizes by different cities, provinces and the state. It is one of the Top 50 Property Enterprises in China and renowned in the property sector across the nation. Kingkey Group took four years to complete the 'KK100' Complex which has become the landmark of Shenzhen and one of the tallest complex building in the world. Mr. Chen also actively involves in various community charities and has accumulated hundreds of millions RMB charitable donations over the years.

**溫子勳先生**，55歲，於2009年3月獲委任為本公司之執行董事，現為本公司之財務總監，負責本集團的財務管理，包括投資預算、資金調撥、銷售監管以及財務巡查和審計；法務，包括法規跟蹤、風險控制和合規監管；本集團本部內務。溫先生持有商科學士學位及工商管理碩士學位，擁有多年會計及財務管理經驗，並曾在國際會計師事務所及香港上市公司等工作。溫先生為香港會計師公會資深會員及澳洲會計師公會註冊會計師，他亦為中國基礎能源控股有限公司之獨立非執行董事，這公司於香港聯合交易所上市。

### 非執行董事

**陳華先生**，54歲，於2014年6月獲委任為本公司之非執行董事。陳先生本科學歷，於1994年創立京基集團有限公司（「京基集團」），為京基集團的創始人、董事長兼行政總裁。京基集團為中國的知名品牌企業，集合房地產、酒店、物業管理、金融投資、高爾夫俱樂部、餐飲等多元化產業的大型集團公司，投資開發的總建築面積超過500萬平方米，多次獲得市、省及國家頒發的各類獎項，是中國房地產50強企業之一，在全國地產界享有極高的聲譽。京基集團用四年時間傾力打造的京基100城市綜合體項目，目前已成為深圳最高建築地標，亦是世界上最高的綜合體之一。陳先生積極參與各項社會公益慈善事業，歷年累計慈善捐贈超過數億元人民幣。

## DIRECTORS AND SENIOR MANAGEMENT PROFILES

**Mr. Huang Shaowu**, aged 49, was appointed as Non-executive Director of the Company in June 2014. Mr. Huang was the main founder for Shenzhen Aisidi Co., Ltd. (“Aisidi”) (shares of which are listed on the Shenzhen Stock Exchange) in 1998 and it is the “Fortune” 500 enterprises in China. Mr. Huang is currently a director of Aisidi, the chairman of Shenzhen Sinomaster Investment Group Co., Ltd. (深圳市神州通投資集團有限公司, “SMT”) which is the controlling shareholder of Aisidi, the chairman and general manager of 贛江新區全球星投資管理有限公司 which is major shareholder of Aisidi. SMT is a large investment conglomerate with investments in mobile internet and related businesses, energy, optical communication, ecological agriculture, supply chain and real estate businesses.

**Ms. Chai Lin**, aged 35, was appointed as Non-executive Director of the Company in April 2018. Ms. Chai has been the general manager of the investment management department of China Huarong International Holdings Limited (“China Huarong”) since August 2017. She served as the deputy general manager at a subsidiary of China Huarong in Shenzhen from November 2016 to August 2017 and the general manager of the Southern China Wealth Management Centre of China Industrial International Trust Limited from September 2013 to September 2016. Ms. Chai obtained a bachelor’s degree in accounting and a master’s degree in business administration from Sun Yat-sen University in July 2007 and December 2016 respectively. Ms. Chai has been a non-executive director of Beautiful China Holdings Company Limited, the shares of which are listed on the Hong Kong Stock Exchange (stock code: 706), since April 2018.

**黃紹武先生**，49歲，於2014年6月獲委任為本公司之非執行董事。黃先生於1998年作為主要創始人創立的深圳市愛施德股份有限公司（「愛施德」）（股份於深圳證券交易所上市），為《財富》中國500強企業。黃先生現為愛施德董事，現任愛施德控股股東深圳市神州通投資集團有限公司（「神州通投資集團」）董事長及愛施德主要股東贛江新區全球星投資管理有限公司董事長兼總經理。神州通投資集團是一家大型的綜合性民營投資企業集團，投資領域包括移動互聯網及相關產業、能源、光通信、生態農業、供應鏈及地產等領域。

**柴琳女士**，35歲，於2018年4月獲委任為本公司之非執行董事。柴女士自2017年8月起一直擔任中國華融國際控股有限公司（「中國華融」）投資管理部總經理。柴女士曾於2016年11月至2017年8月於中國華融位於深圳之一間附屬公司擔任副總經理及於2013年9月至2016年9月擔任興業國際信託有限公司華南財富中心之總經理。柴女士分別於2007年7月及2016年12月取得中山大學會計學士學位及工商管理碩士學位。柴女士自2018年4月起一直擔任美麗中國控股有限公司（其股份於香港聯合交易所上市（股份代號：706））之非執行董事。

### Independent Non-executive Director

**Professor Wong Lung Tak Patrick**, *BBS, JP*, aged 72, was appointed as an Independent Non-Executive Director of the Company in August 2010. Professor Wong is a Certified Public Accountant (Practising) in Hong Kong and Managing Practising Director of Patrick Wong CPA Limited. He is also a Chartered Secretary and a Certified Tax Advisor. He has over 40 years' experience in the accountancy profession. Professor Wong was accorded Doctor of Philosophy in Business, was awarded a Badge of Honour by the Queen of England, was appointed a Justice of the Peace and was awarded a Bronze Bauhinia Star (BBS) by the Hong Kong Government of SAR. He was appointed Adjunct Professor, School of Accounting and Finance, The Hong Kong Polytechnic University from 2002 to 2013. Professor Wong is currently an independent non-executive director of Galaxy Entertainment Group Limited, CC Land Holdings Limited, Water Oasis Group Limited, Winox Holdings Limited, Li Bao Ge Group Limited and BAIC Motor Corporation Limited and he resigned as independent non-executive director of Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited, Real Nutraceutical Group Limited and National Arts Entertainment and Culture Group Limited on 23 June 2017, 12 October 2017 and 1 January 2019 respectively, all of which are listed on the Hong Kong Stock Exchange.

### 獨立非執行董事

**黃龍德教授**，*BBS*，*太平紳士*，72歲，於2010年8月獲委任為本公司之獨立非執行董事。黃教授為香港執業會計師，並為黃龍德會計師事務所有限公司的執行董事。黃教授亦是特許秘書及註冊稅務師。彼於會計專業擁有逾四十年經驗。黃教授取得商業哲學博士學位，獲英女皇頒發榮譽獎章，獲委任為太平紳士，並獲香港特別行政區政府頒授銅紫荊星章。彼於2002年至2013年獲香港理工大学會計及金融學院委任為兼任教授。黃教授現為銀河娛樂集團有限公司、中渝置地控股有限公司、奧思集團有限公司、盈利時控股有限公司、利寶閣集團有限公司及北京汽車股份有限公司的獨立非執行董事，並分別於2017年6月23日、2017年10月12日及2019年1月1日辭任廣州白雲山醫藥集團股份有限公司、瑞年國際有限公司及國藝娛樂文化集團有限公司的獨立非執行董事，該些公司均於香港聯合交易所上市。



## DIRECTORS AND SENIOR MANAGEMENT PROFILES

**Dr. Wang Yanbin**, aged 63, was appointed as an Independent Non-Executive Director of the Company in September 2011. Dr. Wang is a professor and tutor for doctoral candidates of China University of Mining & Technology (Beijing), and head of the Scientific Research Office of China University of Mining & Technology (Beijing). Dr. Wang holds a bachelor degree in coalfield geology from the faculty of geology of Huainan Mining Institute in China. He also holds a master degree in coal petrology and coalfield geology and a doctor degree in coalfield, oil and gas geology and organic geochemistry from China University of Mining & Technology (Beijing). Prior to 1993, Dr. Wang mainly engaged in teaching and scientific research on coalfield geology and coalbed methane geology. Since 1993, he has focused on geological research on coalfield geology, oil, natural gas and coalbed methane. He has led the development of a project for the National Natural Science Foundation of China, and few scientific projects for China National Petroleum Corporation and China Petrochemical Corporation. Dr. Wang has also participated in more than 30 scientific projects in cooperation with various oil fields and Mining Bureaus nationwide. He was granted the State Scientific and Technological Progress Award for several times and has published 3 books and more than 70 academic papers.

**Dr. Dang Weihua**, aged 54, was appointed as an Independent Non-Executive Director of the Company in July 2013. Dr. Dang currently works for 北京德恒(武漢)律師事務所 as a lawyer. Prior to this, he served as the General Manager of Shenzhen Branch of Changjiang Securities Company Limited ("Changjiang Securities") and the Chief Representative of Shenzhen Representative Office of Changjiang Securities, Deputy General Manager of Asset Preservation Department and Legal & Compliance Department of Changjiang Securities. Dr. Dang had worked in Changjiang Securities (formerly known as Hubei Securities Company Limited) for 23 years and served in different departments and positions. He has extensive experience in securities industry. Dr. Dang holds a master degree of business administration at Zhongnan University of Economics and Law. He was awarded a PhD in Econometrics by the School of Economics, Jilin University. Dr. Dang holds Chinese lawyer qualification as well as securities practice qualification.

**王延斌博士**，63歲，於2011年9月獲委任為本公司之獨立非執行董事。王博士現為中國礦業大學(北京)教授、博士生導師，以及中國礦業大學(北京)科研處處長。王博士持有中國淮南礦業學院地質系煤田地質學士學位，以及中國礦業大學北京煤岩學和煤田地質學碩士學位及煤田、油氣地質學及有機地球化學博士學位。於1993年前，主要從事與煤田地質和煤層氣地質有關的教學科研工作。1993年以後，主要從事與煤田地質、石油天然氣和煤層氣有關的地質研究，先後主理國家自然科學基金項目，以及中國石油天然氣集團總公司、中國石化集團總公司等多項科技項目，與全國各油田和礦務局合作科技項目30餘項，先後多次獲得國家科技進步獎，出版專著3部，發表學術論文70餘篇。

**黨偉華博士**，54歲，於2013年7月獲委任為本公司之獨立非執行董事。黨博士現於北京德恒(武漢)律師事務所從事律師工作，在此之前，他曾先後擔任長江證券股份有限公司(「長江證券」)深圳分公司總經理兼深圳代表處首席代表職務、長江證券的資產保全部、法律合規部副總經理，黨博士任職於長江證券(前身為湖北證券有限責任公司)二十三年，歷任不同部門及職位，於業內累積豐富經驗。黨博士持有中南財經政法大學的工商管理碩士學位，以及於吉林大學商學院獲數量經濟學博士學位。黨博士持有國家法律執業資格，以及證券從業資格。

### Senior Management

**Ms. Yim Siu Hung** was appointed as the Company Secretary of the Company in December 2011 mainly responsible for the Group's legal compliance work. Ms. Yim has joined the Company since August 2005 and holds a bachelor degree in law from Nottingham Trent University, UK and a bachelor degree in accountancy from City University of Hong Kong. She is a fellow member of both The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute. She has years of extensive experience in the company secretarial sector and has worked for international accounting and law firms and listed companies in Hong Kong.

**Dr. Rao Mengyu** has been working for Orion Energy International Inc. (a wholly-owned subsidiary of the Company since November 2010) since December 2007 and now serves as the Chief Geologist of the Group, mainly responsible for geology research and exploration work of the Company's Sanjiao coalbed methane project. Dr. Rao graduated from the Department of Geology of Anhui University of Science & Technology. In 2005, Dr. Rao was awarded a PhD in Geology by the China University of Petroleum (East China). He was engaged in research work for the oil and gas geology fundamental theories and coalbed methane ("CBM") development technology in the post-doctoral station of the College of Petroleum and Natural Gas Engineering, China University of Petroleum (Beijing). He has over 20 years of experience in the industry and has years of experience in onsite work and indoor scientific research in respect of CBM projects. Dr. Rao has published 24 research papers in the journals such as Acta Petrolei Sinica, and also is one of the principal participants in the scientific research achievement of "Research, development and application of CBM multi-lateral horizontal well". Such achievement was awarded the second prize of science and technology advancement in 2009 by the China National Coal Association.

### 高層管理人員

**嚴筱虹女士**，於2011年12月獲委任為本公司之董事會秘書，主要負責處理本集團法律及法規相關事宜。嚴女士於2005年8月加入本公司，持有英國Nottingham Trent University的法律學士學位及香港城市大學的會計學士學位，亦為香港特許秘書公會及英國特許公司治理公會的資深會員。嚴女士於董事會秘書範疇擁有多年豐富經驗，並曾在國際會計師事務所和律師事務所以及香港上市公司等工作。

**饒孟餘博士**，自2007年12月起於奧瑞安能源國際有限公司（於2010年11月成為本公司之全資附屬公司）工作，現為本集團總地質師，主要負責本公司三交煤層氣項目的地質研究及勘探等工作。饒博士畢業於安徽理工大學地質系，於2005年獲得中石油大學（華東）地質學理學博士學位，並曾在中國石油大學（北京）石油與天然氣工程學院博士後站從事油氣基礎理論及煤層氣開發工藝的研究工作。他於行內有逾二十年工作經驗，擁有多年從事煤層氣項目的現場工作經驗和室內科研經歷。饒博士曾在《石油學報》等期刊上發表科研論文二十四篇，亦是「煤層氣多分支水平井研發與應用」科技成果的主要參與人之一，該成果並榮獲2009年度中國煤炭工業協會科技進步二等獎。

## DIRECTORS AND SENIOR MANAGEMENT PROFILES

### 董事及高層管理人員簡介

**Mr. Mei Ximin** joined the Company in September 2015. Mr. Mei currently serves as Executive Vice President of the Group and General Manager of Orion Energy International Inc., responsible for the Company's coordination in relation to the government's public affairs and assisting in the production and operation of Orion Energy International Inc. Mr. Mei obtained a bachelor degree in economics from Jilin University in 1983. He was granted the professional title of senior economist in 1995. Before joining the Company, Mr. Mei had served as the Director of the Bureau of Commodity Prices of Jilin Province and senior executive of 吉林國聯集團公司. He had served as vice president of a Hong Kong listed company since 2008.

**Mr. Tan Xin** joined the Company in February 2015 as Vice President of the Group, mainly responsible for financing and business mergers and acquisitions of the Company. Mr. Tan graduated from the Department of World Economy of Shanghai University of Finance and Economics majoring in international finance, and obtained his master degree from Nankai University in Tianjin. He has extensive experience in international finance and investment banking. Mr. Tan once worked in China Construction Bank, Shenzhen Branch, and acted as cadre at sub-section level and economist in the Foreign Exchange Department of China Construction Bank and General Department of China Investment Bank. Thereafter, he served as the deputy general manager of 中國遠東國際貿易公司, the general manager of China Affairs Department of 香港首億國際金融有限公司 and the general manager of 深圳市佳泰隆投資擔保有限公司.

**梅喜民先生**，於2015年9月加入本公司，現為本集團常務副總裁兼奧瑞安能源國際有限公司總經理，負責本公司有關政府公共事務協調工作，協助管理奧瑞安能源國際有限公司的生產和運營。梅先生於1983年獲吉林大學經濟學學士學位，並於1995年獲高級經濟師職稱。梅先生加入本公司前，曾在吉林省物價局擔任處長和吉林國聯集團公司擔任高級管理人員，自2008年起曾出任香港上市公司副總裁。

**談心先生**，於2015年2月加入本公司，擔任本集團副總裁，主要負責本公司融資及業務併購。談先生畢業於上海財經大學世界經濟系國際金融專業，並於天津南開大學完成了研究生課程，在國際金融及投資銀行領域擁有豐富經驗。談先生曾於中國建設銀行深圳市分行工作，曾先後在建設銀行外匯處、中國投資銀行綜合部工作，任副科級幹部、經濟師。其後先後出任中國遠東國際貿易公司副總經理、香港首億國際金融有限公司中國事務部總經理及深圳市佳泰隆投資擔保有限公司總經理。

\* For identification purpose only

### CORPORATE GOVERNANCE PRACTICES

The Board of Directors (the “Board”) is committed to maintain and develop high standards of corporate governance practices for the purpose of providing a framework and solid foundation for its business operation and development. Effective corporate governance provides probity, transparency, accountability which contributes to the corporate success and enhancement of shareholder value.

The Company complied with all the code provisions set out in the Corporate Governance Code (“CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) throughout the year ended 31 December 2019 except for code provisions E.1.2 and A.5.1 with details set out below:

Code provision E.1.2 requires the chairman of the board to attend the annual general meeting. Dr. Dai Xiaobing, chairman of the Board, was unable to attend the annual general meeting of the Company held on 31 May 2019 due to other business engagement. The annual general meeting was chaired and conducted by Mr. Wan Tze Fan Terence, an executive director of the Company.

Upon the resignation of Mr. Wong Kwok Chuen Peter as independent non-executive director, member of Audit Committee, Remuneration Committee and Nomination Committee on 31 December 2018, the Company had yet to meet the following requirements of the Listing Rules of having independent non-executive directors representing at least one-third of the Board under Rule 3.10A; the Audit Committee comprising a minimum of three members under Rule 3.21; and the Remuneration Committee and Nomination Committee comprising a majority of independent non-executive directors under Rule 3.25 and code provision A.5.1 of the CG Code respectively.

On 29 March 2019, Dr. Dang Weihua, an independent non-executive director of the Company, was appointed as member of Audit Committee, Remuneration Committee and Nomination Committee and on 30 March 2019, Mr. He Lin Feng resigned as non-executive director of the Company. Since then, the Company has fully complied with all the requirements set out under the Listing Rules as mentioned above.

### 企業管治常規

本公司董事會（「董事會」）竭力維持及發展高水平的企業管治，目的為其業務營運及發展提供一個架構及穩固基礎。有效的企業管治通過高度誠信，具透明度及負責任的處事態度，為企業成功作出重要貢獻，並提升股東價值。

本公司於截至2019年12月31日止年度已遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載的《企業管治守則》（「管治守則」）的全部守則條文，唯守則條文第E.1.2及A.5.1條除外，其詳情如下：

守則條文第E.1.2條規定，董事會主席應出席股東週年大會。戴小兵博士因處理公司業務未能出席本公司於2019年5月31日舉行之股東週年大會。股東週年大會由本公司執行董事溫子勳先生主持及進行相關議程。

黃國全先生於2018年12月31日辭任本公司之獨立非執行董事及審核委員會、薪酬委員會和提名委員會之成員後，本公司尚未符合以下上市規則之規定，包括第3.10A條有關獨立非執行董事必須佔董事會成員人數至少三分之一的規定；第3.21條有關審核委員會最少由三名成員組成；以及第3.25條及企業管治守則的守則條文第A.5.1條分別有關薪酬委員會及提名委員會大部分成員須為獨立非執行董事組成。

於2019年3月29日，本公司獨立非執行董事黨偉華博士獲委任為審核委員會、薪酬委員會和提名委員會之成員，以及於2019年3月30日，何林峰先生辭任本公司非執行董事之職位。自此，本公司已全面遵守上述上市規則所載之所有規定。

# CORPORATE GOVERNANCE REPORT

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code (the “Model Code”) for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules as the Company’s code of conduct and rules governing dealing by all directors in the securities of the Company.

All the Directors have confirmed that they have complied with the required standard regarding directors’ securities dealings set out in the Model Code during the year.

## THE BOARD OF DIRECTORS

As at 31 December 2019, the Board comprises three executive Directors, namely Dr. Dai Xiaobing (Chairman), Mr. King Hap Lee (Chief Executive Officer) and Mr. Wan Tze Fan Terence; three Non-executive Directors, namely Mr. Chen Hua, Mr. Huang Shaowu and Ms. Chai Lin; and three Independent Non-executive Directors (“INEDs”), namely Professor Wong Lung Tak Patrick, Dr. Wang Yanbin and Dr. Dang Weihua.

## 遵守董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載的上市公司董事進行證券交易的標準守則（「標準守則」），作為本公司監管全體董事買賣本公司證券的操守準則和規則。

全體董事已確認，彼等於整個年度內一直遵守標準守則所載有關董事買賣證券所需的準則。

## 董事會

於2019年12月31日，董事會包括三名執行董事，即戴小兵博士（主席）、景哈利先生（行政總裁）及溫子勳先生，三位非執行董事，即陳華先生、黃紹武先生及柴琳女士，以及三位獨立非執行董事（「獨立非執行董事」），即黃龍德教授、王延斌博士及黨偉華博士。

The individual attendance records of each Director at the meetings of the Board, Audit Committee, Remuneration Committee, Nomination Committee and general meeting during the year are set out below:

各董事於董事會、審核委員會、薪酬委員會、提名委員會會議及股東大會之個別出席記錄載列如下：

## Number of meetings attended/held during term of office in 2019

## 於2019年任職期間出席／舉行的會議次數

		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Annual General Meeting 股東週年大會
<b>Number of meetings held during the year</b>	<b>本年度內舉行會議次數</b>	5	3	1	1	1
<b>Executive Directors</b>	<b>執行董事</b>					
Dai Xiaobing (Chairman)	戴小兵(主席)	5/5	-	1/1	1/1	0/1
King Hap Lee (Chief Executive Officer)	景哈利(行政總裁)	4/5	-	-	-	1/1
Wan Tze Fan Terence	溫子勳	5/5	-	-	-	1/1
<b>Non-executive Directors</b>	<b>非執行董事</b>					
Chen Hua	陳華	0/5	-	-	-	0/1
Huang Shaowu	黃紹武	3/5	-	-	-	0/1
He Lin Feng (resigned on 30 March 2019)	何林峰(於2019年3月30日辭任)	0/1	-	-	-	-
Chai Lin	柴琳	4/5	-	-	-	0/1
<b>Independent Non-executive Director</b>	<b>獨立非執行董事</b>					
Wong Lung Tak Patrick	黃龍德	5/5	3/3	1/1	1/1	1/1
Wang Yanbin	王延斌	5/5	3/3	-	-	0/1
Dang Weihua	黨偉華	3/5	2/3	1/1	1/1	0/1

Notes :

附註：

- The Audit Committee comprises Professor Wong Lung Tak Patrick, Dr. Wang Yanbin and Dr. Dang Weihua.
- Dr. Dai Xiaobing, Professor Wong Lung Tak Patrick and Dr. Dang Weihua are members of the Remuneration Committee and the Nomination Committee.

- 審核委員會成員為黃龍德教授、王延斌博士及黨偉華博士。
- 戴小兵博士、黃龍德教授及黨偉華博士為薪酬委員會及提名委員會的成員。

# CORPORATE GOVERNANCE REPORT

Apart from the fiduciary duty and statutory responsibility towards the Company and the Group, the Board is responsible for the management of the business and affairs of the Group with the objective of enhancing the Company and shareholder value. Key responsibilities include formulation of the Group's overall strategies, setting of corporate and management targets, monitoring of operational and financial matters, approval of major capital expenditures, material acquisitions and disposal of assets, corporate or financial restructuring, material borrowings and any issuing, or buying back, of equity securities. Responsibility for delivering Company's objectives and running the business on a day-to-day basis is delegated to divisional management who have been given clear guidelines and directions as to their authority. The Board also delegates certain specific responsibilities to three committees (Audit Committee, Remuneration Committee and Nomination Committee). The composition and functions of each committee are described below.

The Board includes at least three INEDs which is in compliance with Rule 3.10(1) of the Listing Rules. Professor Wong Lung Tak Patrick has appropriate qualifications and accounting related financial expertise required under Rule 3.10(2) of the Listing Rules. Upon the resignation of Mr. Wong Kwok Chuen Peter as an INED on 31 December 2018, the Company had yet to meet the requirement of having INEDs representing at least one-third of the Board under Rule 3.10A of the Listing Rules. The Company was required to comply with aforesaid Listing Rule within three months from 31 December 2018 pursuant to Rules 3.11 of the Listing Rules. Upon the resignation of Mr. He Lin Feng as Non-executive Director on 30 March 2019, the composition of the Board has been in compliance with Rule 3.10A of the Listing Rules accordingly.

The Company has received from each of the independent non-executive directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. All the INEDs are independent under these independence criteria, and with their wide range of skills and experience to the Group, they are capable to effectively exercise independent judgment on issues of strategy, performance, risk and people through their contribution at Board and committee meetings.

There is no financial, business, family or other material or relevant relationship between the Directors.

董事會除對本公司及本集團負有誠信責任及法定責任外，董事會亦負責管理本集團的業務及事務，目的乃提升本公司及股東的價值。主要責任包括制訂本集團的整體策略、設定公司及管理目標、監控營運及財務事宜、批准主要資本開支、重大收購及出售資產、公司或財務重組、重大借貸及任何發行或購回股本證券。各部門管理人員負責實現本公司的目標和本公司業務的日常營運工作，並已就該等人員的職權給予彼等清晰的指引及指示。董事會同時分派特定職責予三個委員會（審核委員會、薪酬委員會及提名委員會），每個委員會的組成及功能在下文說明。

董事會包括至少三名獨立非執行董事，符合上市規則第3.10(1)條的規定，黃龍德教授擁有上市規則第3.10(2)條所規定的適當資格及相關會計財務專長。黃國全先生於2018年12月31日辭任獨立非執行董事後，本公司未符合上市規則第3.10A條有關獨立非執行董事必須佔董事會成員人數至少三分之一之規定，根據上市規則第3.11條，本公司須自2018年12月31日起計三個月內遵守上述上市規則，由於何林峰先生於2019年3月30日辭任非執行董事一職，據此，董事會的組成符合上市規則第3.10A條的規定。

本公司已接獲各獨立非執行董事之年度確認書，確認彼等符合上市規則第3.13條所載有關彼等的獨立性之規定。根據該等獨立性標準，全部獨立非執行董事均具獨立性，並在管理本集團方面擁有豐富技能及經驗，彼等可透過於董事會及委員會會議所付出的貢獻，就策略、表現、風險及人員事宜有效作出獨立判斷。

董事間並不存在任何財務、業務、家族或其他重大或相關關係。

The Board has extensive corporate and strategic planning and industry experience for discharging their duties as Directors in the best interest of the Company and that the current board size is adequate for its present operations. Each of the Directors keeps abreast of his responsibilities as a Director of the Company and of the conduct, business activities and development of the Company.

On appointment to the Board, each Director receives a comprehensive induction package covering the general, statutory and regulatory obligations of being a Director to ensure that he is sufficiently aware of his responsibilities under the Listing Rules and other relevant regulatory requirements. All Directors and senior management are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Directors are regularly briefed on the business operations and policies of the Company and from time to time provided with written training materials to develop and refresh their professional skills.

All the Directors, namely Dr. Dai Xiaobing, Mr. King Hap Lee, Mr. Wan Tze Fan Terence, Mr. Chen Hua, Mr. Huang Shaowu, Ms. Chai Lin, Professor Wong Lung Tak Patrick, Dr. Wang Yanbin and Dr. Dang Weihua participated in continuous professional development by reading materials and attending seminars on corporate governance, regulatory development and other relevant topics with an emphasis on the roles, functions and duties of a director of a listed company in compliance with the CG Code during the year.

The Company updates the Directors from time to time with development in the laws and regulations relevant to their role as director of the Company. Directors are also encouraged to update their skills, knowledge and familiarity with the Group through initial induction, ongoing participation at Board and committee meetings.

董事會各董事均具備履行彼等責任所需的豐富企業策略規劃及行業經驗，並以本公司最佳利益為依歸。董事會的現有規模足以應付其目前營運所需。各董事須瞭解擔任本公司董事所須負的責任，並瞭解操守、本公司業務活動及發展的最新情況。

在獲委任加入董事會時，各董事將收到一份詳盡之入職資料，涵蓋作為董事在一般、法律及監管規定上所須履行責任之資料，以確保其充分瞭解其於上市規則及其他相關監管規定下之責任。本公司鼓勵全體董事和高級管理層參與持續專業發展，以發展及更新彼等的知識及技能。董事定期獲簡介本公司業務營運和政策，以及不時獲提供書面培訓材料以發展及重溫專業技能。

所有董事，即戴小兵博士、景哈利先生、溫子勳先生、陳華先生、黃紹武先生、柴琳女士、黃龍德教授、王延斌博士及黨偉華博士，為符合管治守則，於年內透過閱讀有關企業管治、監管規定的發展和其他相關主題的讀物及參加相關研討會，參與重點在於上市公司董事的角色、職能及責任之持續專業發展。

本公司不時向董事提供與擔任本公司董事相關的法律及法規之發展的更新資料。本公司亦會鼓勵董事透過就任須知、持續參與董事會會議及委員會會議來更新彼等的技能、知識及對本集團的瞭解。



# CORPORATE GOVERNANCE REPORT

The Company's senior management regularly supplies the Board and its committees with adequate information in a timely manner to enable them to make informed decisions. Monthly updates as required in C.1.2 of the CG Code are provided by the senior management to all Directors to enable them to be apprised of the circumstances of the Company and to discharge their duties. All Directors have access to Board papers and related materials that will assist them for decision making. Any Director, wishing to do so in the furtherance of his duties, may take professional advice at the Company's expense as arranged by the Company.

The biographical details of the Directors are listed in the section of "Directors and Senior Management Profiles" in this annual report and the INEDs are expressly identified in all of the Company's publication such as circular, announcement or relevant corporate communications in which the names of Directors of the Company are disclosed. The Company maintains on its website and on the Stock Exchange's website a list of its directors with their role and function.

## DIRECTORS' AND OFFICERS' INSURANCE

The Company continues to subscribe for an insurance policy to indemnify the Directors and senior executives of the Group from any losses, claims, damages, liabilities and expenses, including without limitation, any proceedings brought against them, arising from the performance of their duties pursuant to their appointment under their respective service agreements entered into with the Company. The current policy shall be under constant review to ensure that the insurance cover is appropriate.

本公司高級管理人員定期向董事會及其委員會適時提供充足的資料，以令彼等作出知情決定。高級管理人員會根據管治守則第C.1.2條的規定每月提供更新資料予所有董事，使彼等了解本公司的現況，以履行其職責。全體董事均有權使用將有助於彼等作出決定的董事會文件及相關資料。任何董事因履行職責可由本公司安排尋求獨立專業意見，由此所產生的費用將由本公司承擔。

董事的履歷詳情載於本年報「董事及高層管理人員簡介」一節，而獨立非執行董事均可在本公司披露本公司董事姓名的所有刊物（如通函、公佈或相關企業通訊）中明確識別。於本公司網站及聯交所網站上已列載本公司的董事及其角色和職能。

## 董事及要員的投保安排

本公司續保一份保單，乃關於彌償本集團董事及高級行政人員因根據與本公司訂立之相關服務協議項下之委聘履行彼等之職責而產生之任何損失、索償、損害賠償、債務及開支（包括但不限於針對彼等提出之任何訴訟）。現有保單將獲定期檢討以確保投保安排適當。

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of Chairman and Chief Executive Officer are segregated and performed by two separate individuals, Dr. Dai Xiaobing and Mr. King Hap Lee respectively, to ensure a balance of power and authority. Dr. Dai Xiaobing as the Chairman of the Company provides leadership to the Board and ensures that the Board discharges its responsibilities effectively and the Directors receive complete, accurate and timely information and are properly briefed on issues arising at Board meetings. He also holds annually meeting with the independent non-executive directors without the presence of other directors. Dr. Dai Xiaobing is in charge of the overall affairs of the Group. He is also responsible for the Group's human resources management (including human resources planning, personnel deployment, remuneration scheme and staff training), capital operation (including financing, investment and merger and acquisition of projects) and technology management (including introduction and application of technology). The Chief Executive Officer, Mr. King Hap Lee, is responsible for the Group's strategic planning, operation planning, external relationship and organizational management (including rules and systems, organizational structure and corporate culture).

## NON-EXECUTIVE DIRECTORS

Each of Mr. Chen Hua, Mr. Huang Shaowu, Professor Wong Lung Tak Patrick, Dr. Wang Yanbin and Dr. Dang Weihua, being non-executive Directors and INEDs of the Company, has entered into a service contract with the Company for a term of two years. In accordance with the Company's Bye-laws, at each AGM of the Company, one third (or the number nearest to but not less than one-third) of the Directors shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years and, being eligible, offer themselves for re-election. As such, all the non-executive Directors and INEDs are regarded as appointed for a specific term. Furthermore, the Company's Bye-laws provide that any Director appointed by the Board to fill a casual vacancy in the Board or as an additional member of the Board shall hold office only until the first general meeting of the Company and shall then be eligible for re-election at such meeting.

## 主席及行政總裁

主席與行政總裁的角色清楚劃分，分別由戴小兵博士及景哈利先生擔任，以確保權力和權利得以平衡。戴小兵博士作為本公司主席領導董事會並確保董事會能有效地履行其職責及確保董事獲得完整、準確且及時的資料及適當地獲悉董事會會議上提出的事宜，本公司主席每年與獨立非執行董事舉行一次沒有其他董事出席的會議。戴小兵博士主持本集團全面工作，並負責本集團的人力管理，包括人力規劃、人事調配、薪酬設計及職員培訓；資本運營，包括融資、投資及項目併購；技術管理，包括技術引進和技術應用等。行政總裁景哈利先生負責本集團的戰略規劃；營運計劃；對外關係；組織管理，包括規章制度、組織架構和企業文化。

## 非執行董事

本公司之非執行董事及獨立非執行董事陳華先生、黃紹武先生、黃龍德教授、王延斌博士及黨偉華博士，分別與本公司訂立為期兩年之服務合約。另按照本公司章程細則規定，於本公司每屆股東週年大會上，三分之一董事（或最接近三分之一但不少於三分之一之數目）須輪席告退，惟各董事須最少每三年輪席告退一次，屆時均符合資格並可膺選連任，故此，所有非執行董事及獨立非執行董事據此亦被視為以指定任期委任。根據本公司章程細則規定，任何獲董事會委任以填補臨時空缺或新加入董事會的董事的任期將直至其獲委任後首屆股東大會為止，並符合資格於該大會上膺選連任。

## BOARD COMMITTEES

The Board has established three committees delegated with various responsibilities, including Audit Committee, Remuneration Committee and Nomination Committee. All the Board committees perform their distinct roles in accordance with their respective terms of reference which are available on the websites of the Company and the Stock Exchange. The meetings and proceedings of the committees are governed by the provisions contained in the Bye-laws of the Company for regulating the meetings and proceedings of Directors unless otherwise stipulated in their respective terms of reference.

## AUDIT COMMITTEE

The Audit Committee assists the Board in discharging its responsibilities for financial reporting and corporate control. The Committee comprises three INEDs, namely Professor Wong Lung Tak Patrick, Dr. Wang Yanbin and Dr. Dang Weihua, and is chaired by Professor Wong Lung Tak Patrick.

The Company had yet to have an Audit Committee comprising a minimum of three members required under Rule 3.21 of the Listing Rules upon the resignation of Mr. Wong Kwok Chuen Peter on 31 December 2018. The Company was required to comply with aforesaid Listing Rule within three months from 31 December 2018 pursuant to Rule 3.23 of the Listing Rules. As such, Dr. Dang Weihua, an INED, was appointed as a member of the Audit Committee with effect from 29 March 2019 to comply with the aforesaid Listing Rule.

Except for the above, the Company has complied with Rule 3.21 of the Listing Rules which requires that the audit committee must comprise non-executive directors only and must be chaired by an INED, at least one of the audit committee member is an INED who possesses appropriate professional qualifications or accounting or related financial management expertise and the majority of the audit committee are INEDs.

## 董事委員會

董事會轄下已成立三個委員會，並將分派各種職責，分別為審核委員會、薪酬委員會及提名委員會。全部董事委員會均按其各自的職權範圍履行其特定的職務，而該職權範圍於本公司網站及聯交所網站可供查閱。除非各自的職權範圍另有規定外，各委員會之會議及程序均受本公司的章程細則規定，以規管各會議及其程序。

## 審核委員會

審核委員會負責協助董事會履行財務報告及企業監控的責任。審核委員會包括三名獨立非執行董事，即黃龍德教授、王延斌博士及黨偉華博士。黃龍德教授是審核委員會的主席。

就黃國全先生於2018年12月31日辭任後，本公司暫未符合上市規則第3.21條有關審核委員會最少由三名成員組成的規定。根據上市規則第3.23條，本公司須由2018年12月31日起計3個月內遵守上述上市規則。因此，獨立非執行董事黨偉華博士獲委任為審核委員會成員，自2019年3月29日起生效，以遵守上述上市規則。

除上文所述外，本公司已遵守上市規則第3.21條之規定，即審核委員會須全部由非執行董事組成以及必須由獨立非執行董事擔任主席、最少一名成員為具有適當專業資格或會計或相關財務管理經驗之獨立非執行董事、及大部份的審核委員會成員為獨立非執行董事。

None of the Audit Committee members are members of the former or existing auditors of the Company. Three meetings of the Audit Committee were held during the year. The Audit Committee discharges its duties which include to review the completeness, accuracy and fairness of the Company's financial statements, evaluating the Company's auditing scope and procedures as well as its risk management and internal control systems, to review the interim and final financial statements before their submission to the Board and the annual general meeting for approval, and to make recommendation on the appointment of external auditor and approve the remuneration and terms of engagement of external auditor. The Audit Committee is provided with sufficient resources, including independent access to and advice from external auditors.

The terms of reference of the Audit Committee which set out the Audit Committee's authority and duties are available on the websites of the Company and the Stock Exchange.

## REMUNERATION COMMITTEE

The Company's objective for its remuneration policy is to maintain fair and competitive packages based on business requirements and industry practice. The Remuneration Committee comprises three members including one Executive Director and two INEDs, namely Dr. Dai Xiaobing, Professor Wong Lung Tak Patrick and Dr. Dang Weihua. The committee is chaired by an INED, Professor Wong Lung Tak Patrick. The Company has complied with Rule 3.25 of the Listing Rules which requires that the remuneration committee has a majority of the member being INEDs and must be chaired by an INED.

With reference to business needs and company development, individual performance and contribution, changes in relevant markets and general economic situation, the Remuneration Committee has adopted the model set out in B.1.2(c)(ii) of the CG Code where the Committee reviews and recommends to the Board on the Company's policy and structure for remuneration of the Directors and senior management. During the review process, no individual director is involved in decisions relating to his own remuneration.

The terms of reference of the Remuneration Committee setting out the Remuneration Committee's authority and duties are available on the websites of the Company and the Stock Exchange.

審核委員會的成員並非本公司前任或現任核數師，該委員會於年內舉行了三次會議。審核委員會已履行其職責，包括檢討公司財務報表的完整性、準確性及公平性、評估本公司的審核範圍和程序以及本公司的風險管理和內部監控系統、在中期和末期財務報表遞交給董事會並在股東週年大會上批准前對該等報表進行審閱、就外聘核數師的委任提供建議、以及批准外聘核數師的薪酬及聘用條款。審核委員會獲提供充足資源，包括獨立會晤外聘核數師及獲得外聘核數師的意見。

載有本公司審核委員會權力及職責之審核委員會職權範圍可於本公司網站及聯交所網站查閱。

## 薪酬委員會

本公司的薪酬政策旨在根據業務需要及行業慣例維持公平且具競爭力的薪酬計劃。董事會已設立薪酬委員會，包括一名執行董事及兩名獨立非執行董事共三名成員，分別為戴小兵博士、黃龍德教授及黨偉華博士為薪酬委員會成員。該委員會的主席是獨立非執行董事黃龍德教授。本公司已遵守上市規則第3.25條之規定，即薪酬委員會之成員過半為獨立非執行董事，且必須由獨立非執行董事擔任主席。

參照業務需求及公司發展情況、個人表現及貢獻、有關市場及整體經濟狀況的變動，薪酬委員會已採納管治守則B.1.2(c)(ii)條所載之模式，就本公司董事及高級管理人員的薪酬政策及架構進行檢討，並向董事會提供意見。於檢討過程中，任何董事不會參予有關其本人薪酬的決定。

載有薪酬委員會權力及職責之薪酬委員會職權範圍可於本公司網站及聯交所網站查閱。

## NOMINATION COMMITTEE

The Nomination Committee comprises one Executive Director and two INEDs, namely Dr. Dai Xiaobing, Professor Wong Lung Tak Patrick and Dr. Dang Weihua. Dr. Dai Xiaobing acts as Chairman of the Nomination Committee.

The Board has adopted a Board Diversity Policy which aims to set out the approach to achieve diversity on the Board to ensure that the Board has the balance of skills, experience and diversity of perspectives, including but not limited to gender, age, cultural and educational background, professional experience, knowledge and skills. In identifying suitable candidates, the Nomination Committee will consider candidates with the objective criteria with due regard of the benefits of diversity on the Board.

The Nomination Committee bases on the aforesaid criteria when making recommendations to the Board on the nomination and appointment of directors, assesses the independence of INEDs, review the structure, size and composition of the Board at least annually and makes recommendations on any proposed changes to the Board to complement the Company's corporate strategy. The terms of reference of the Nomination Committee are made available on the websites of the Company and the Stock Exchange.

The policy for the nomination of directors performed by the Nomination Committee during the year ended 31 December 2019 is on the basis that the Nomination Committee is responsible to make recommendations to the Board on the selection, appointment and re-appointment of directors to ensure that the Board have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. The selection criteria used by the Nomination Committee in assessing the suitability of a candidate include character and integrity, professional qualifications, knowledge, and diversity aspects under the Board Diversity Policy of the Company. With regard to nomination procedures, any Board member may nominate or invite a candidate for appointment as Director to be considered by the Nomination Committee. The Nomination Committee will then evaluate such candidate based on the criteria set out above to determine whether such candidate is qualified for directorship and then make recommendation for consideration and approval by the Board.

## 提名委員會

本公司提名委員會由一名執行董事及兩名獨立非執行董事組成，分別為戴小兵博士、黃龍德教授及黨偉華博士，戴小兵博士為提名委員會主席。

董事會已採納一項董事會多元化政策。該政策旨在為達到董事會多元化而訂出之方法，以確保董事會具備所需技巧、經驗及多樣的觀點與角度，包括（但不限於）性別、年齡、文化及教育背景、專業經驗、知識及技能。提名委員會物色合適人選時，會考慮有關人選的長處，並以客觀條件充分顧及董事會成員多元化的裨益。

提名委員會按照上述準則，就提名及委任董事向董事會提出建議，以及評核獨立非執行董事的獨立性。提名委員會至少每年檢討董事會之架構、人數及組成，並就任何為配合公司策略而擬對董事會作出的變動提出建議。提名委員會之職權範圍可於本公司網站及聯交所網站查閱。

於2019年12月31日止年度內，提名委員會執行的有關提名董事的政策旨在就甄選、委任及重新委任董事向董事會提供意見，以確保董事會具備符合本公司業務所需的適當技能、經驗及多樣的觀點。提名委員會在評核候選人是否合適時所採用之甄選標準包括品格與誠信、專業資格、知識及本公司董事會成員多元化政策所提述的多元化因素。有關提名程序，任何董事會成員可提名或邀請候選人擔任董事以供提名委員會考慮。提名委員會將根據上述標準評核該候選人，以決定該候選人是否合資格擔任董事職務及向董事會提供意見以作考慮及批准。

## CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance functions within its terms of reference. Its duties include to develop and review the Company's policies and practices on corporate governance; review and monitor the training and continuous professional development of directors and senior management and the Company's policies and practices on compliance with legal and regulatory requirements; develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report as required under Appendix 14 of the Listing Rules.

## ACCOUNTABILITY AND AUDIT

### External Auditor

BDO Limited was re-appointed as external auditor of the Company by shareholders at the 2019 Annual General Meeting until the conclusion of the next annual general meeting.

During the year, the fees paid or payable to the external auditor of the Company, BDO Limited were approximately HK\$1,600,000 for audit service rendered (excluding disbursement fees) to the Group. The reporting responsibilities of BDO Limited are stated in the Independent Auditor's Report contained in this Annual Report.

### Financial Reporting

The Group had net current liabilities of HK\$1,182,466,000 as at 31 December 2019. The convertible note with principal amount together with related interests of HK\$1,196,520,000 (2018: HK\$1,237,265,000) was matured in September 2019. The Group failed to redeem the convertible note upon its maturity. As at 31 December 2019, these overdue convertible note and related interests of HK\$1,196,520,000 and the default interest (included in other payables and accruals) of HK\$56,831,000 became immediately repayable. In addition to the convertible note, the Group had current borrowings of HK\$94,474,000, trade and other payables and accruals (excluded default interest) of HK\$389,087,000 as at 31 December 2019 while the Group only maintained its cash and cash equivalents of HK\$3,728,000.

## 企業管治職能

董事會依照企業管治職權範圍負責執行企業管治職務，職務包括制定及檢討本公司的企業管治政策及常規；檢討及監察董事及高級管理人員的培訓及持續專業發展；以及本公司在遵守法律及監管規定方面的政策及常規；制定、檢討及監察僱員及董事的操守準則及合規手冊（如有）；以及檢討本公司遵守上市規則附錄十四管治守則的情況及在《企業管治報告》內的披露。

## 問責及審核

### 外聘核數師

香港立信德豪會計師事務所有限公司已於2019年股東週年大會上經股東批准獲續聘為本公司外聘核數師，任期直至下屆股東週年大會結束時為止。

於本年度內，就本集團獲提供的審核服務（不包括支出費用），已支付或應付予本公司外聘核數師香港立信德豪會計師事務所有限公司的酬金約為1,600,000港元。香港立信德豪會計師事務所有限公司的申報責任載於本年報內的「獨立核數師報告書」。

## 財務報告

於2019年12月31日，本集團的流動負債淨額為1,182,466,000港元。本金額連同相關利息為1,196,520,000港元（2018年：1,237,265,000港元）之可換股票據於2019年9月到期。本集團未能於可換股票據到期時將其贖回。於2019年12月31日，該等已逾期可換股票據及相關利息1,196,520,000港元以及違約利息（計入其他應付款項及預提費用）56,831,000港元須即時償還。除可換股票據外，於2019年12月31日，本集團的流動借貸為94,474,000港元、應付賬款、其他應付款項及預提費用（不包括違約利息）為389,087,000港元，而本集團現金及現金等價物則僅為3,728,000港元。

# CORPORATE GOVERNANCE REPORT

The Auditor is of the opinion that the above conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

In view of the above circumstances, the directors of the Company have prepared a cash flow forecast of the Group. In preparing the cash flow forecast, the directors of the Company have given careful consideration to its operating needs, the future liquidity of the Group and its available sources of financing in assessing whether the Group will be able to repay the outstanding debts and be able to finance its future working capital and other financial requirements.

Certain measures have been and are being taken to mitigate the liquidity pressure and to improve the financial position of the Group in the cash flow forecast, which include, but are not limited to, the following:

- (a) Three shareholders and directors of the Company have confirmed that they will provide continuing and sufficient financial support to the Group when the Group face difficulties in repaying the overdue principal and interests in relation to the above-mentioned borrowings and convertible note and to finance its operations for at least twelve months from the end of the reporting period. During the year, one of the directors and a shareholder have provided loans totaling HK\$10,000,000 to the Company for meeting the daily financial needs and obligations which arise.
- (b) The Group has been actively negotiating with the convertible note holder to renew or extend the maturity date of the convertible note or enter into other possible note restructuring measures. Subsequent to the reporting date, the Company has entered into a deed of convertible note amendment pursuant to which the note holder agreed to extend the maturity date to 29 September 2020 conditionally.
- (c) The Group is also actively identifying any other possible financing options and debt restructuring exercises to strengthen the liquidity of the Group.

核數師認為上述情況顯示存在重大不確定因素，可能對本集團持續經營能力構成重大疑問。

鑑於上述情況，本公司董事已編制本集團之現金流量預測。於編製現金流量預測之過程中，本公司董事於評估本集團能否償還未償債務及能否為未來營運資金及其他融資需求撥付資金時，審慎考慮本集團之營運所需、未來之流動資金和能否獲得融資。

本集團已經且正在採取若干措施以減輕其流動資金壓力，及提高本集團於現金流量預測之財務狀況，其中包括但不限於以下各項：

- (a) 本公司三名股東及董事已確認，彼等將於本集團難以償還上述借貸及可換股票據之逾期本金及利息以及撥付其自報告期末起計至少十二個月之營運所需時，為本集團提供持續足夠財務支持。於年內，一名董事與一名股東向本公司提供合共10,000,000港元貸款，以應付日常財務需要及所產生之責任。
- (b) 本集團一直積極與可換股票據持有人進行磋商，以重續或延長可換股票據到期日，或採取其他可能票據重組措施。於報告日後，本公司已訂立可換股票據修訂契據，據此，票據持有人有條件地同意將到期日延至2020年9月29日。
- (c) 本集團正積極尋求任何其他可行融資選擇和債務重組活動，以加強本集團之流動資金狀況。

The Directors are of the opinion that, taking into account the above-mentioned plans and measures, the Group would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from the date of the consolidated financial statements. Accordingly, it is appropriate to prepare the consolidated financial statements for the year ended 31 December 2019 on a going concern basis. Please refer to Note 3(b)(ii) to the consolidated financial statements.

Since the Auditor was unable to verify the financial position of the three shareholders and directors who are individuals and providing financial support to the Group and to assess whether they have sufficient financial capability to provide their aforementioned financial support to the Group. Accordingly, the Auditor was unable to be satisfied regarding the Group's ability to continue as a going concern and to conclude on the appropriateness of the director's use of going concern basis of accounting in preparing the consolidated financial statements. Please also refer to the Independent Auditor's Report set out on page 57 to page 61 of this annual report.

The Board is accountable for proper stewardship of the Company's affairs, and is responsible for ensuring that the Group keeps fair and accurate accounting records which disclose its financial position. The Directors also acknowledge their responsibility to prepare the financial statements of the Group in accordance with statutory requirements and applicable accounting standards. This responsibility extends to both interim and annual reports.

考慮到上述計劃及措施，董事認為本集團將具備足夠的營運資金以撥付其營運所需，並於自報告期末起計未來十二個月內能履行其到期財務責任。因此，董事認為按持續經營基準編製截至2019年12月31日止年度的綜合財務報表乃恰當之舉。請參閱綜合財務報表附註3(b)(ii)。

然而，核數師未能核實三名股東及董事（均為個人及向本集團提供財務支持）的財務狀況，以便評估彼等是否具備足夠的財務能力向本集團提供上述財務支持。因此，核數師未能信納本集團持續經營的能力，並就董事使用持續經營會計基準編製綜合財務報表之合適性作出總結。請另參閱載於本年報第57至第61頁「獨立核數師報告書」。

董事會有責任適當地管理本公司業務，並負責確保本集團保存披露其財政狀況所需的公平及準確的會計記錄。董事亦知悉，彼等的責任是根據法定要求及適用會計準則編製本集團的財務報表。董事亦須承擔編製中期報告及年報的責任。



## Risk Management and Internal Control

The Board acknowledges its responsibility to establish, maintain and review the effectiveness of the Group's risk management and internal control systems to ensure that shareholders' investments and the Group's assets are safeguarded. The Group's systems of risk management and internal control include the setting up of a management structure with limits of authority and internal audit function and are designed to help the Group to identify and manage the significant risks amid achieving its business objectives, protect its assets against unauthorized use or disposition, ensure the maintenance of proper accounting records for the provision of financial information for internal use or for publication and ensure compliance with relevant laws and regulations. The systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate the risks of failure to achieve the Group's business objectives.

During the year, the nature of the Group's operation remained unchanged comparing with that of last year. In order to maintain effective and efficient risk management and internal control systems, the Group performs review for the risk management and internal control systems systematically on a regular basis which covers financial, operational, and compliance controls.

On behalf of the Board, the Audit Committee reviews at least annually the effectiveness of the Group's risk management and internal control systems regarding financial management and reporting, the effectiveness and efficiency of operations and compliance with laws and regulations. Where areas for improvement in respect of the design and implementation of risk management and internal control systems are identified, actions will be taken as recommended to refine the systems. Significant internal control issues are reported on a timely basis to ensure prompt and appropriate actions are taken. During the year, no significant control failures or weaknesses have been noted. The Board considers that these systems of risk management and internal control are effective and sufficient to guarantee the Group in achieving its business objectives and there are adequate resources, staff qualifications and experience, training programmes in respect of the Group's accounting, internal audit and financial reporting functions.

## 風險管理和內部監控

董事會明瞭其有責任設立、維持及檢討本集團風險管理及內部監控系統的有效性，以確保股東投資及本集團資產受到保障。本集團風險管理及內部監控系統包括設定管理架構及其權限和內部審核功能，旨在協助本集團識別及管理實現業務目標所面對之重大風險，保障資產免於未經授權挪用或處置，維護妥當之會計記錄以提供財務資料供內部使用或作發表之用以及確保遵守相關法例及規例。上述系統旨在合理地（但並非絕對地）保證並無重大失實陳述或損失，並管理而非杜絕本集團未能實現業務目標之風險。

於年內，本集團的運營性質與上年度比較沒有變動，為了可維持有效而高效率的風險管理及內部監控系統，本集團定期對風險管理及內部監控系統作出有系統的檢討，包括財務、營運及合規監控。

審核委員會代表董事會最少每年檢討一次財務管理及財務報告的風險管理及內部監控的有效性、營運是否有效及富效率和有否遵守有關法例及規例。如發現風險管理及內部監控系統的設計及實施有需改善之處，會按建議採取優化上述系統的措施。重大內部監控問題會及時彙報，以確保及時採取適當措施。於年內，並無發現任何重大監控失當或缺失。董事會認為該等風險管理及內部監控系統行之有效，足以確保本集團能夠達致其業務目標。本集團關於會計、內部審核及財務申報職能部門之資源、具合適資歷及經驗的員工及培訓課程均屬充裕。

The Company strictly complies with the requirements of the Securities and Futures Ordinance (“SFO”) and the Listing Rules, particularly, in the disclosure of inside information and financial reporting. The Company discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the safe harbours as set out in the SFO. Before the information is fully disclosed to the public, the Company ensures the information is kept strictly confidential. If the Company believes that the necessary degree of confidentiality cannot be maintained or confidentiality may not be preserved, the Company would immediately disclose the information to the public. The Company is committed to ensure that information contained in announcements or circulars are not false or misleading as to a material fact, or false or misleading through the omission of a material fact. The Company discloses its information in an open, fair and just manner by disseminating information to the public through publication of corporate information on the websites of the Stock Exchange and the Company respectively.

## COMPANY SECRETARY

The Company Secretary of the Company, Ms. Yim Siu Hung, is a full-time employee of the Company and has day-to-day knowledge of the Company’s affairs. The Directors have access to the advice and services of the Company Secretary regarding board procedures, and relevant laws, rules and regulations. For the year ended 31 December 2019, Ms. Yim has complied with paragraph 3.29 of the Listing Rules by taking no less than 15 hours of relevant professional training.

## SHAREHOLDERS’ RIGHTS

Pursuant to Section 74 of the Companies Act 1981 of Bermuda (the “Act”) and Bye-law 58 of the Bye-laws of the Company, shareholders holding in aggregate not less than 10% of the paid-up capital of the Company carrying the right of voting at general meetings of the Company have the right, by written requisition to the Board or the Company Secretary of the Company, to request a special general meeting to be called by the Board for the transaction of any business specified in such requisition, and such meeting shall be held within two months after the deposit of such requisition. If the directors do not within twenty-one days from the date of the deposit of the requisition proceed to convene such meeting, any of the requisitionists representing more than one half of the total voting rights of all of them, may themselves convene a meeting to be held within three months from the said date.

本公司嚴格遵循證券及期貨條例（「證券及期貨條例」）和上市規則的規定，尤其是有關內幕消息和財務資料的披露。本公司在合理切實可行的情況下，會儘快披露內幕消息，除非有關消息屬證券及期貨條例所規定屬於任何安全港範圍內。本公司在向公眾全面披露有關消息前，會確保該消息絕對保密。若本公司認為無法保持所需的機密性，或該消息可能未保密，會即時向公眾披露該消息。本公司致力確保公告或通函中所載的資料就重大事實而言並不屬虛假或具誤導性或並不因遺漏重大事實而屬虛假或具誤導性。本公司通過聯交所網站及本公司網站發放企業資訊，以使其資料可以公開、公平、公正的方式披露予公眾。

## 董事會秘書

本公司的董事會秘書為嚴筱虹女士，她為本公司的全職僱員，並瞭解本公司的每日運作情況。董事可就董事會程序及相關法律，法規和規章向董事會秘書尋求意見及服務。嚴女士於截至2019年12月31日止年度已遵守上市規則第3.29條接受了不少於15小時的相關專業培訓。

## 股東權利

根據百慕達1981年公司法（「公司法」）第74條及本公司之章程細則第58條，持有不少於10%本公司已繳足股本而有權於股東大會投票之股東有權透過向本公司董事會或董事會秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項，而有關會議須於遞交有關要求後之兩個月內舉行。倘於提交要求當日起計21日內，董事會並無著手召開有關大會，則提出要求人士（佔彼等全體之總投票權一半以上者）可自行召開大會，惟按此方式召開之任何大會須於有關日期起計三個月內舉行。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

Any number of shareholders representing not less than 5% of the total voting rights of the Company at the date of the requisition or not less than 100 shareholders of the Company are entitled to put forward a proposal for consideration at a general meeting of the Company. Shareholders should follow the requirements and procedures as set out in Section 79 of the Act for putting forward such proposal at a general meeting. The procedures for shareholders to propose a person for election as a director are made available on our website as required by the Listing Rules. The requisition of the proposals made by shareholders may be addressed to the Company Secretary at the Company's head office and principal place of business in Hong Kong.

Annual general meetings and special general meetings provide a useful forum for shareholders to share views with the Board. Members of the Board (also including members of the Audit, Remuneration and Nomination Committees) attend shareholders' meetings and make themselves available to answer shareholders' questions. Enquiries of shareholders may also be put to the Board by contacting the Company Secretary by phone or email, as stated in our website, [www.sino-oilgas.hk](http://www.sino-oilgas.hk).

### COMMUNICATION WITH INVESTORS

The Board recognizes the importance of good communication with shareholders as well as investors. During the year, information regarding the Group's operational and financial performances is disseminated to shareholders and investors in a timely manner through a number of channels include interim and annual reports, announcements, circulars and press releases. Electronic copies of these documents and general information of the Group's operation can be obtained through the Company's website. Throughout 2019, the Company also avails itself of opportunities to deliver and explain its strategies to shareholders and the investor community, through communication with financial analysts, fund managers and potential investors. The Company will continue to promote and enhance investor relations and communication with its investors.

於提出要求當日佔不少於本公司總投票權5%之股東(不論任何人數)或不少於100名之本公司股東,有權於本公司股東大會上提出建議以供考慮。股東於股東大會上提出之有關建議須根據公司法第79條所載列之規定及程序作出。股東提名一名人士參選董事的程序已根據上市規則於本公司網站刊載。股東可致函本公司香港總辦事處及主要營業地點向董事會秘書提出建議。

股東週年大會及股東特別大會亦為股東與董事會交流意見提供了一個有效平台。董事會成員(也包括審核委員會、薪酬委員會及提名委員會成員)出席股東大會,並於會議上回答股東提問。股東亦可透過刊載於本公司網站 [www.sino-oilgas.hk](http://www.sino-oilgas.hk) 的電話號碼和電郵地址聯絡本公司的董事會秘書以便向董事會作出查詢。

### 與投資者的溝通

董事會認識到與股東及投資者保持良好聯繫的重要性,年內,本公司就有關本集團運營及財務表現等資料,透過多種管道適時向股東及投資者傳達,該等資料包括中期報告及年報、公佈、通函、以及新聞稿。此等企業通訊文件的電子版及有關本集團營運的一般資料可於本公司網站取得。於2019年,本公司也透過積極與分析員、基金經理及潛在投資者交流把握機會與股東及投資者溝通及解釋本公司的策略,本公司會繼續促進及提升與投資者的關係及溝通。

# REPORT OF THE DIRECTORS

## 董事會報告書

The directors submit their annual report together with the audited consolidated financial statements for the year ended 31 December 2019, which are set out on pages 62 to 220.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group is principally engaged in (i) exploration, development and production of coalbed methane, (ii) raw coal washing and sale of raw and cleaned coal, (iii) exploitation and sale of crude oil and natural gas and (iv) provision for financial services in China.

### BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2019 is set out in the section headed "Management Discussion and Analysis" on pages 12 to 19 of this annual report.

### SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in note 39 to the consolidated financial statements.

### DIVIDENDS AND DIVIDEND POLICY

The Board has resolved not to recommend the payment of a dividend for the year ended 31 December 2019 (2018: Nil).

The Company considers stable and sustainable returns to its shareholders to be our goal. In deciding whether to propose a dividend and its amount, the Board takes into account the Group's earnings performance, financial and cash flow position, investment requirements, future prospects and other factors which the Board deems relevant. The Company will continue to review the dividend policy from time to time and there is no assurance that dividends will be paid in any particular amount for any given period. The payment of dividend is also subject to the requirements of Bermuda laws and the Company's Memorandum of Association and Bye-laws.

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year are set out in note 16 to the consolidated financial statements.

董事會謹此提呈此年度報告以及載於第62頁至第220頁之截至2019年12月31日止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，而本集團主要於中國從事(i)勘探、開發及生產煤層氣、(ii)原煤洗選及銷售原煤及精煤、(iii)開採及銷售原油及天然氣及(iv)提供金融服務。

### 業務回顧

本集團截至2019年12月31日止年度的業務回顧載於本年報第12至19頁「管理層討論與分析」一節。

### 附屬公司

本公司附屬公司之詳情載於綜合財務報表附註39。

### 股息及股息政策

董事會已決議不會建議支付截至2019年12月31日止年度之股息(2018年：無)。

本公司以提供穩定及可持續回報予股東作為目標，在決定是否建議派發股息及釐定股息金額時，董事會將考慮本集團之收益表現、財務及現金流狀況、投資需求、未來前景及董事會視為相關之其他因素。本公司會不時檢討股息政策及不保證會在任何指定期間派付任何特定金額的股息，派付股息亦受百慕達法律及本公司組織章程大綱及公司細則規定所限。

### 物業、廠房及設備

本集團年內物業、廠房及設備之變動詳情載於綜合財務報表附註16。

# REPORT OF THE DIRECTORS

## SHARE CAPITAL

Details of the movements in the share capital of the Company during the year are set out in note 37 to the consolidated financial statements.

## RESERVES

Details of movements in reserves of the Company and the Group during the year are set out in note 37 to the consolidated financial statements and the Consolidated Statement of Changes in Equity respectively.

## FINANCIAL SUMMARY

A summary of results, assets and liabilities of the Group for the last five financial years is set out on pages 4 and 5.

## MAJOR CUSTOMERS AND SUPPLIERS

The aggregate sales to the Group's five largest customers took up 83% and the largest customer accounted for 27% of the Group's revenue for the year. The aggregate purchases attributable to the Group's five largest suppliers accounted for 99% and the largest supplier accounted for 78% of the Group's total purchases for the year.

At no time during the year have the directors, their associates or any shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) had any interest in these major customers and suppliers.

## 股本

本公司於年內股本變動之詳情載於綜合財務報表附註37。

## 儲備

本公司及本集團於年內儲備之變動詳情分別載於綜合財務報表附註37及綜合權益變動表。

## 財務概要

本集團最近五個財政年度之業績、資產及負債之概要載於第4及5頁。

## 主要客戶及供應商

本年度本集團五大客戶之總銷售額佔本年度收入之83%，而最大客戶之總銷售額則佔本年度收入的27%。本集團五大供應商及最大供應商分別佔本集團於本年度總採購額99%及78%。

於年內任何時間，概無任何董事、彼等之聯繫人士或據董事所知擁有本公司股本5%以上之本公司任何股東，於此等主要客戶及供應商中擁有任何權益。

## DIRECTORS

The directors of the Company during the year and up to the date of this report were:

### Executive Directors

Dr. Dai Xiaobing (*Chairman*)  
Mr. King Hap Lee (*Chief Executive Officer*)  
Mr. Wan Tze Fan Terence

### Non-executive Director

Mr. Chen Hua  
Mr. Huang Shaowu  
Mr. He Lin Feng (*resigned on 30 March 2019*)  
Ms. Chai Lin

### Independent Non-executive Directors

Professor Wong Lung Tak Patrick  
Dr. Wang Yanbin  
Dr. Dang Weihua

Pursuant to the Company's bye-law 87(1), Mr. Wan Tze Fan Terence, Professor Wong Lung Tak Patrick and Dr. Wang Yanbin will retire by rotation and, being eligible, will offer themselves for re-election. All other remaining directors continue in office.

## DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment other than statutory compensation.

## 董事

本公司年內及截至本報告刊發日期止之在任董事如下：

### 執行董事

戴小兵博士 (*主席*)  
景哈利先生 (*行政總裁*)  
溫子勳先生

### 非執行董事

陳華先生  
黃紹武先生  
何林峰先生 (*於2019年3月30日辭任*)  
柴琳女士

### 獨立非執行董事

黃龍德教授  
王延斌博士  
黨偉華博士

溫子勳先生、黃龍德教授及王延斌博士將依據本公司章程細則第87(1)條輪席告退，並合資格及願意重選連任，所有其他董事均仍然留任。

## 董事之服務合約

擬在應屆股東週年大會上候選連任之董事概無與本公司訂立不可於一年內由本公司不作出賠償(法定賠償除外)而終止之服務合約。

# REPORT OF THE DIRECTORS

## DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2019, the interests and short positions of the directors (the "Directors") or chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register maintained by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules were as follows:

## 董事於股份及相關股份中之權益

於2019年12月31日，本公司董事（「董事」）或行政總裁於本公司或其任何相聯法團（具有證券及期貨條例（「證券及期貨條例」）第XV部所賦予之涵義）之股份、相關股份或債券中擁有誠如本公司根據證券及期貨條例第352條存置之登記冊所載或根據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」）而須知會本公司及聯交所之權益及淡倉如下：

Name of Director 董事姓名	Long/short position 好倉/淡倉	Interests in shares/ underlying shares 於股份及 相關股份中權益	Nature of interest 權益性質	Number of shares/ underlying shares of the Company held 所持本公司股份/ 相關股份數目	Percentage of issued shares 佔已發行 股份百分比
Dai Xiaobing 戴小兵	Long position 好倉	Shares 股份	Beneficial owner/Interest of controlled corporation 實益擁有人/受控制公司權益	158,504,000	4.74%
	Short position 淡倉	Shares 股份	Beneficial owner/Interest of controlled corporation 實益擁有人/受控制公司權益	137,524,500	4.11%
	Long position 好倉	Underlying shares 相關股份	Interest of controlled corporation 受控制公司權益	6,012,500,000	179.72%
	Long position 好倉	Share options 購股權	Beneficial owner (Note 2) 實益擁有人(附註2)	3,600,000	0.11%
	King Hap Lee 景哈利	Long position 好倉	Shares 股份	Beneficial owner 實益擁有人	1,400,000
	Long position 好倉	Share options 購股權	Beneficial owner 實益擁有人	3,600,000	0.11%
Wan Tze Fan Terence 溫子勳	Long position 好倉	Shares 股份	Beneficial owner 實益擁有人	3,366,000	0.10%
	Long position 好倉	Share options 購股權	Beneficial owner 實益擁有人	3,600,000	0.11%
Chen Hua 陳華	Long position 好倉	Underlying shares 相關股份	Interest of controlled corporation (Note 3) 受控制公司權益(附註3)	76,897,179	2.30%
Wong Lung Tak Patrick 黃龍德	Long position 好倉	Share options 購股權	Beneficial owner 實益擁有人	300,000	0.01%
Wang Yanbin 王延斌	Long position 好倉	Share options 購股權	Beneficial owner 實益擁有人	300,000	0.01%

## Notes:

- (1) Particulars of directors' interests in the share options of the Company are set out in the section "Share Option Scheme".
- (2) Sino Oil and Gas Resources Investments Limited ("SOGRI") owns 85,119,500 shares and has short position of 70,800,000 shares. SOGRI is wholly owned by Dr. Dai Xiaobing. Pursuant to the SFO, Dr. Dai is taken to have interests and short position in such shares. In addition, Dr. Dai beneficially owns 73,384,500 shares and has short position of 66,724,500 shares.

Unless the context requires otherwise, capitalized terms used in this paragraph shall have the same meanings as defined in the announcement issued by the Company on 31 May 2016. On 31 May 2016, the Company entered into the Subscription Agreement with Crescent Spring Investment Holdings Limited (the "Bondholder") pursuant to which the Company issued to the Bondholder the Convertible Bonds in the aggregate principal amount of US\$130,000,000 on 29 September 2016, and Sino Oil and Gas Resources Limited ("SOGR"), a company wholly owned by Dr. Dai Xiaobing, entered into a Put and Call Option Deed with the Bondholder pursuant to which the Bondholder grants to SOGR an irrevocable and unconditional right (but without obligation) to purchase some or all of the Convertible Bonds at the Call Option Purchase Price during the Call Option Period, and SOGR grants to the Bondholder an irrevocable and unconditional right (but without obligation) to require SOGR to purchase some or all of the Convertible Bonds at the Put Option Purchase Price during the Put Option Period. Based on the conversion price of HK\$0.168 per share, a maximum of 6,012,500,000 shares may be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds in full. Further details are set out in the announcements and circular issued by the Company on 31 May 2016, 30 September 2016 and 12 July 2016 respectively. Pursuant to the SFO, the Convertible Bonds give rise to an interest in 6,012,500,000 underlying shares of the Bondholder and the Put and Call Option Deed gives rise to an interest in 6,012,500,000 underlying shares of the Company of SOGR and Dr. Dai Xiaobing and short position of 6,012,500,000 underlying shares of the Bondholder.

## 附註：

- (1) 董事於本公司購股權的權益詳情載於「購股權計劃」一節。
- (2) 中國油氣資源投資有限公司(「SOGRI」)持有85,119,500股股份的權益及70,800,000股股份的淡倉。SOGRI由戴小兵博士全資擁有。根據證券及期貨條例，戴博士被視為於該等股份中擁有權益及淡倉。此外，戴博士實益擁有73,384,500股股份及持有66,724,500股股份的淡倉。

除文義另有所指外，本段中所採用之詞彙與本公司於2016年5月31日刊發之公佈所界定者具有相同涵義。於2016年5月31日，本公司與Crescent Spring Investment Holdings Limited (「債券持有人」) 訂立認購協議，據此，本公司於2016年9月29日發行本金總額130,000,000美元之可換股債券予債券持有人；以及由戴小兵博士全資擁有的中國油氣資源有限公司(「SOGR」)，與債券持有人訂立認沽及認購期權契據，據此，債券持有人授予SOGR一項不可撤回及無條件權利(但並無責任)，可於認購期權期間內按認購期權購買價購入部份或全部可換股債券，而SOGR授予債券持有人一項不可撤回及無條件權利(但並無責任)，可要求SOGR於認沽期權期間內按認沽期權購買價購入部份或全部可換股債券。根據換股價每股0.168港元，於悉數行使可換股債券所附之換股權後將予配發及發行最多6,012,500,000股股份，有關詳情載於本公司於2016年5月31日及2016年9月30日發出之公告及2016年7月12日發出之通函。根據證券及期貨條例，債券持有人按照可換股債券持有本公司6,012,500,000股相關股份權益，而SOGR及戴小兵博士按照認沽及認購期權契據持有6,012,500,000股相關股份權益及債券持有人按照認沽及認購期權契據持有6,012,500,000股相關股份之淡倉。



# REPORT OF THE DIRECTORS

(3) 76,897,179 underlying shares are owned by 天津京基酒店有限公司, a wholly owned subsidiary of 京基集團有限公司 which is owned as to 90% by Mr. Chen Hua. Pursuant to the SFO, Mr. Chen is taken to be interested in such underlying shares.

Save as disclosed above, as at 31 December 2019, none of the Directors nor the chief executive had any interests or short positions in the securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## Share Option Scheme

The Company currently has a share option scheme (the "Scheme") which was adopted by way of an ordinary resolution passed by the shareholders at the Annual General Meeting of the Company held on 28 May 2010.

The Scheme are in full compliance with the relevant requirements of Chapter 17 of the Listing Rules. The purpose of the Scheme is to enable the Company to recognise the contributions of the participants to the Group and to motivate the participants to continuously work to the benefit of the Group by offering to the participants an opportunity to have personal interest in the share capital of the Company.

The eligible participants includes any full-time and part-time employee (including Directors) of the Company or its subsidiaries, any suppliers, consultants, agents and advisers. The Scheme became effective on 28 May 2010 and, unless otherwise cancelled or amended, will remain in force for 10 years from the date of coming into effect.

(3) 76,897,179相關股份由天津京基酒店有限公司持有，其為京基集團有限公司的全資附屬公司，後者由陳華先生擁有90%權益，根據證券及期貨條例，陳先生被視為於該等相關股份中擁有權益。

除上文所披露者外，於2019年12月31日，根據證券及期貨條例第352條存置之登記冊所載，概無董事或行政總裁於本公司或其相聯法團（具有證券及期貨條例第XV部所賦予之涵義）之證券中擁有任何權益或淡倉，或擁有須根據標準守則知會本公司及聯交所之任何權益或淡倉。

## 購股權計劃

本公司現有一購股權計劃（「計劃」），計劃於2010年5月28日舉行的股東週年大會上經股東通過普通決議案而採納。

計劃完全符合上市規則第17章之有關規定。計劃之目的為透過向參與者提供擁有本公司股本權益之機會，肯定其對本集團之貢獻，並激勵其繼續為本集團之利益而工作。

計劃之合資格參與者包括本公司或其附屬公司之任何全職或兼職僱員（包括董事）及任何供應商、諮詢人、代理及顧問。計劃於2010年5月28日生效，而除非另行註銷或修訂，否則計劃將由生效日期起計10年內有效。

Pursuant to the Scheme, the maximum number of shares in respect of which options may be granted under the Scheme 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 shareholders in general meeting. However, the total maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes must not exceed 30% of the shares in issue from time to time. As at 31 December 2019, there are outstanding options for subscription of 41,200,000 shares under the Scheme, representing 1.23% of the issued shares of the Company.

Under the Scheme, the maximum entitlement for any eligible person (other than a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates) is that the total number of shares issued and to be issued upon exercise of all options granted and to be granted in any 12-month period up to and including the date of the latest grant does not exceed 1% of the shares of the Company in issue at the relevant time. Any further grant of share options in excess of this limit is subject to shareholders' approval in general meeting. Share options to be granted 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 of the Company. In addition, any grant of share options to a substantial shareholder or an independent non-executive director of the Company or any of their respective associates, when aggregated with all share options (whether exercised, cancelled or outstanding) already granted to any of them during the 12-month period up to the date of grant, in excess of 0.1 percent of the shares of the Company in issue and with an aggregate value in excess of HK\$5,000,000 (based on the closing price of the shares at the date of each grant of the options), is subject to shareholders' approval in general meeting of the Company.

根據計劃可能授出之購股權涉及之股份數目最多不得超過於批准限制日期之已發行本公司股份之10%，股東可於股東大會上更新該限制。然而，因行使根據計劃及任何其他購股權計劃授出的所有尚未行使及有待行使之購股權而可能發行之最高股份數目總額須不得超過不時已發行股份之30%。於2019年12月31日，於計劃下尚有可認購41,200,000股股份的購股權尚未行使，佔本公司已發行股份約1.23%。

根據計劃，任何合資格人士（不包括本公司之主要股東或獨立非執行董事或彼等各自之任何聯繫人士）之配額最多為截至最後授出日期（包括該日）止任何12個月期間內授出及將授出之所有購股權獲行使時發行及將發行之股份總數不得超過於有關時間之本公司已發行股份之1%，任何進一步授出之購股權倘超過此限制，則須得到股東於股東大會上批准。向本公司董事或行政總裁或主要股東或其任何聯繫人士授出購股權，均須待本公司獨立非執行董事批准，方可作實。此外，如果向本公司主要股東或獨立非執行董事或其任何聯繫人士授出的任何購股權，連同其於直至授出日期的十二個月期間獲授的所有購股權（不論是否已經行使、註銷或尚未行使）合共超過本公司已發行股份0.1%，且總值超過5,000,000港元（按每次購股權授出當日股份收市價計算），則須待股東於本公司股東大會批准，方可作實。

## REPORT OF THE DIRECTORS

The period within which an option may be exercised under the Scheme will be determined by the Board in its absolute discretion. Under the Scheme, an option may not be exercised after the expiration of 10 years from the date of grant of the option.

Pursuant to the Scheme, the exercise price in relation to each option shall be determined by the Board in its absolute discretion, but in any event shall not be less than the higher of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of grant of such option; and (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of such option.

Some further disclosures relating to the Scheme are set out in note 36 to the consolidated financial statements.

As at 31 December 2019, the directors and employees of the Group had the following personal interests in options to subscribe for shares of the Company granted at nominal consideration under the Scheme. Each option gives the holder the right to subscribe for one share. Details of share options held by the Directors and employees of the Group and movements in such holdings during the year ended 31 December 2019 are as follows:

計劃之購股權可行使之期限將由董事會絕對酌情釐定，計劃之購股權不得於授出購股權日期起計十年屆滿後行使。

根據計劃，每份購股權之行使價將由董事會絕對酌情釐定，惟於任何情況下均不可低於下列兩者中之較高者：(i) 股份於授出購股權日期在聯交所每日報價表載列之收市價；及(ii) 股份於緊接授出購股權日期前5個營業日在聯交所每日報價表載列之平均收市價。

有關計劃之若干進一步披露載於綜合財務報表附註36。

於2019年12月31日，本集團董事及僱員於根據計劃以名義上的代價授出可認購本公司股份之購股權中擁有以下之個人權益，每份購股權賦予持有人認購1股股份之權利。本集團董事及僱員於截至2019年12月31日止年度所持購股權及該等持股量之變動詳情載於下表：

	Number of options 購股權數目		Date of grant (D.M.Y) 授出日期 (日.月.年)	Exercise period (D.M.Y) 行使期限(日.月.年)	Exercise price per share HK\$ 每股股份之 行使價 港元
	Outstanding at 1 January 2019 於2019年 1月1日 尚未行使	Outstanding at 31 December 2019 於2019年 12月31日 尚未行使			
<b>Directors 董事</b>					
Dai Xiaobing 戴小兵	3,600,000	3,600,000	06.12.2011	06.12.2011-05.12.2021	2.76
King Hap Lee 景哈利	3,600,000	3,600,000	06.12.2011	06.12.2011-05.12.2021	2.76
Wan Tze Fan Terence 溫子勳	3,600,000	3,600,000	06.12.2011	06.12.2011-05.12.2021	2.76
Wong Lung Tak Patrick 黃龍德	300,000	300,000	06.12.2011	06.12.2011-05.12.2021	2.76
Wang Yanbin 王延斌	300,000	300,000	06.12.2011	06.12.2011-05.12.2021	2.76
<b>Employees 僱員</b>	29,800,000	29,800,000	06.12.2011	06.12.2011-05.12.2021	2.76
Total 合計	41,200,000	41,200,000			

Note:

(1) No option lapsed or was granted or exercised during the year.

附註：

(1) 於年內並無購股權失效或獲授出或行使。

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the sections "Directors' Interests in Shares and Underlying Shares" and "Share Option Scheme", at no time during the year was the Company or any of its associated corporations a party to any arrangement to enable the directors of the Company or any of their spouses or children under eighteen years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## 董事購買股份或債券之權利

除於「董事於股份及相關股份中之權益」及「購股權計劃」兩節中所披露者外，本公司或其任何相聯法團概無於年內任何時間訂立任何安排，致使本公司董事或彼等任何配偶或18歲以下子女藉購入本公司或任何其他公司機構之股份或債券而獲益。

# REPORT OF THE DIRECTORS

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS

As at 31 December 2019, the following persons, not being a Director or chief executive of the Company, had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

## 主要股東及其他人士之權益

於2019年12月31日，以下人士（並非本公司董事或行政總裁）於根據證券及期貨條例第336條存置之登記冊所載於本公司之股份或相關股份中擁有權益或淡倉：

Name	Long/short position	Interests in shares/underlying shares	Nature of interest	Number of shares/underlying shares held	Percentage of issued shares
名稱	好倉／淡倉	於股份及相關股份權益	權益性質	所持股份／相關股份數目	佔已發行股份百分比
<b>Substantial shareholders</b>					
<b>主要股東</b>					
Bright Achieve Investments Limited (Note 1) 亮達投資有限公司(附註1)	Long position 好倉	Shares 股份	Beneficial owner 實益擁有人	719,763,500	21.51%
Lai Chun Lam 賴俊霖	Long position 好倉	Shares 股份	Beneficial owner 實益擁有人	398,000,000	11.90%
Zhang Victor Ri Chun 張日春	Long position 好倉	Shares 股份	Beneficial owner 實益擁有人	398,000,000	11.90%
<b>Other persons</b>					
<b>其他人士</b>					
Wong Chun Chau 黃振宙	Long position 好倉	Shares 股份	Beneficial owner 實益擁有人	278,780,000	8.33%
Zhuo Kun 卓坤	Long position 好倉	Shares 股份	Beneficial owner 實益擁有人	278,780,000	8.33%
Crescent Spring Investment Holdings Limited (Note 2) (附註2)	Long position 好倉	Underlying shares 相關股份	Beneficial owner 實益擁有人	6,012,500,000	179.72%
	Short position 淡倉	Underlying shares 相關股份	Beneficial owner 實益擁有人	6,012,500,000	179.72%
	Long position 好倉	Shares 股份	Security interest 保證權益	137,524,500	4.11%
Sino Oil and Gas Resources Limited (Note 2) 中國油氣資源有限公司(附註2)	Long position 好倉	Underlying shares 相關股份	Beneficial owner 實益擁有人	6,012,500,000	179.72%

## Notes:

1. Bright Achieve Investments Limited is wholly and beneficially owned by Mr. Chen Jiajun, being the son of Mr. Chen Hua, a non-executive director of the Company.
2. Crescent Spring Investment Holdings Limited (“Crescent”) owns convertible bonds in the principal amount of US\$130,000,000 carrying the right to convert into shares of the Company at a conversion price of HK\$0.168 per share. Based on the conversion price of HK\$0.168 per share, a maximum of 6,012,500,000 shares may be allotted and issued upon exercise of the conversion rights attaching to the convertible bonds in full. The convertible bonds give rise to an interest in 6,012,500,000 underlying shares of Crescent.

Unless the context requires otherwise, capitalized terms used in this paragraph shall have the same meanings as defined in the Company’s announcement dated 31 May 2016. Pursuant to the Put and Call Option Deed entered into between Crescent and Sino Oil and Gas Resources Limited (“SOGR”), a company wholly owned by Dr. Dai Xiaobing, Crescent grants to SOGR an irrevocable and unconditional right (but without obligation) to purchase some or all of the Convertible Bonds at the Call Option Purchase Price during the Call Option Period, and SOGR grants to Crescent an irrevocable and unconditional right (without obligation) to require SOGR to purchase some or all of the Convertible Bonds at the Put Option Purchase Price during the Put Option Period. The Put and Call Option Deed gives rise to an interest in 6,012,500,000 underlying shares of each of SOGR and Dr. Dai Xiaobing and short position of 6,012,500,000 underlying shares of Crescent.

Crescent also holds security interest in 137,524,500 shares of the Company.

## 附註：

1. 亮達投資有限公司由陳家俊先生（為本公司非執行董事陳華先生的兒子）全資及實益擁有。
2. Crescent Spring Investment Holdings Limited（「Crescent」）持有本公司本金總額為130,000,000美元之可換股債券，有權以換股價每股0.168港元兌換為本公司的股份。根據換股價每股0.168港元，於悉數行使可換股債券所附之換股權後將予配發及發行最多6,012,500,000股股份。根據可換股債券，Crescent持有本公司6,012,500,000股相關股份權益。

除文義另有所指外，本段落所採用之詞彙與本公司於2016年5月31日刊發之公佈所界定者具有相同涵義。根據Crescent與由戴小兵博士全資擁有的中國油氣資源有限公司（「SOGR」）訂立的認沽及認購期權契據，Crescent授予SOGR一項不可撤回及無條件權利（但並無責任），可於認購期權期間內按認購期權購買價購入部份或全部可換股債券，而SOGR 授予Crescent一項不可撤回及無條件權利（但並無責任），可要求 SOGR 於認沽期權期間內按認沽期權購買價購入部份或全部可換股債券。按照認沽及認購期權契據，SOGR及戴小兵博士持有本公司6,012,500,000股相關股份權益及Crescent持有6,012,500,000股相關股份之淡倉。

Crescent亦持有本公司137,524,500股股份保證權益。

# REPORT OF THE DIRECTORS

Crescent is a wholly-owned subsidiary of China Huarong International Holdings Limited (中國華融國際控股有限公司) which in turn is owned as to 88.1% by Huarong Real Estate Co., Ltd. (華融置業有限責任公司) (“Huarong Real Estate”) and 11.9% by Huarong Zhiyuan Investment & Management Co., Ltd. (華融致遠投資管理有限責任公司) (“Huarong Zhiyuan”). Both Huarong Real Estate and Huarong Zhiyuan are wholly owned by China Huarong Asset Management Co., Ltd. (中國華融資產管理股份有限公司) which is in turn owned as to 77.49% by Ministry of Finance of the People’s Republic of China (中華人民共和國財政部). Pursuant to the SFO, China Huarong International Holdings Limited, Huarong Real Estate, China Huarong Asset Management Co., Ltd. and Ministry of Finance of the People’s Republic of China are deemed to have the aforesaid interests and short position held by Crescent.

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

## RETIREMENT SCHEMES

The employees of the Group’s subsidiaries in the PRC are members of retirement schemes operated by local authorities in the PRC. The Group also operates a defined contribution scheme covering full time employees in Hong Kong. Details of employee retirement benefits are set out in note 35 to the consolidated financial statements.

## DIRECTORS’ REMUNERATION AND HIGHEST PAID INDIVIDUALS’ EMOLUMENTS

Particulars of the directors’ remuneration and highest paid individuals’ emoluments are set out in note 11 and note 12 to the consolidated financial statements respectively.

Crescent是中國華融國際控股有限公司的全資附屬公司，華融置業有限責任公司（「華融置業」）及華融致遠投資管理有限責任公司（「華融致遠」）分別持有中國華融國際控股有限公司的88.1%權益及11.9%權益。華融置業及華融致遠均由中國華融資產管理股份有限公司全資擁有，後者則由中華人民共和國財政部持有77.49%權益。根據證券及期貨條例，中國華融國際控股有限公司、華融置業、中國華融資產管理股份有限公司及中華人民共和國財政部也被視為持有上述Crescent的權益及淡倉。

除上文所披露者外，於2019年12月31日，本公司並無接獲任何其他人士（不包括本公司之董事或行政總裁）告知於根據證券及期貨條例第336條存置之登記冊所記錄於本公司股份或相關股份中擁有權益或淡倉。

## 退休計劃

本集團於中國之附屬公司僱員乃中國地方機關營辦之退休計劃之成員。本集團亦營辦一個定額供款計劃，成員包括香港之全職僱員。僱員退休福利詳情載列於綜合財務報表附註35。

## 董事及最高薪人士之酬金

有關董事及最高薪人士之酬金之詳情已分別載於綜合財務報表附註11及附註12。

## PERMITTED INDEMNITY

Pursuant to the Company's Bye-laws, subject to the applicable laws and regulations, the directors shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices. Such permitted indemnity provision has been in force throughout the year and is still in force. In addition, the Company has arranged appropriate directors' and officers' liability insurance coverage for the directors and senior executives of the Group.

## DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 48 to the consolidated financial statements, no transactions, arrangements or contracts of significance subsisting during or at the end of the year to which the Company or any of its subsidiaries was a party and in which a director of the Company or an entity connected with a director was materially interested, either directly or indirectly.

## PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of its directors, as of the date of this report, there is sufficient public float of the shares with not less than 25% of the total issued shares of the Company as required under the Listing Rules.

## PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

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

## 獲准許的彌償

根據本公司的章程細則，並受適用法律及法規所規限，董事就彼等基於其職位履行其職務而產生或蒙受的所有訴訟、費用、收費、損失、賠償及開支，均可自本公司的資產及溢利獲得彌償，確保免就此受損。該等獲准許的彌償條文於年內及直至現在仍然有效。再者，本公司已就本集團董事及高級行政人員購買合適的董事及行政人員責任保險。

## 董事於合約中之權益

除綜合財務報表附註48所披露者外，本公司董事或與該董事有關連的實體概無在本公司或其任何附屬公司於年內或結束時訂立且仍然生效之重要交易、安排或合約中直接或間接擁有任何重大權益。

## 公眾持股量

根據本公司可取得的資料及據董事所知，於本報告日期，公眾人士持有本公司所有已發行股份不少於25%，符合上市規則的規定。

## 購買、贖回或出售上市證券

截至2019年12月31日止年度，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。



# REPORT OF THE DIRECTORS

## 董事會報告書

### PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's bye-laws or the laws in Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

### AUDITOR

The consolidated financial statements for the year have been audited by BDO Limited who retires and, being eligible, offers for re-appointment.

By order of the Board

**Dai Xiaobing**

*Chairman*

Hong Kong, 31 March 2020

### 優先購股權

根據本公司之章程細則或百慕達法例，並無有關優先購股權之規定以致本公司須就此按比例向現有股東提呈發售新股。

### 核數師

本年度綜合財務報表經香港立信德豪會計師事務所有限公司審核，該核數師現依章卸任，惟願意受聘連任。

承董事會命

主席

**戴小兵**

香港，2020年3月31日

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告書



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永安中心25樓

### TO THE SHAREHOLDERS OF SINO OIL AND GAS HOLDINGS LIMITED

*(incorporated in Bermuda with limited liability)*

### DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Sino Oil and Gas Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) set out on pages 62 to 220, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of 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.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the “Basis for Disclaimer of Opinion” section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### 致中國油氣控股有限公司股東

*(於百慕達註冊成立之有限公司)*

### 不發表意見

本核數師(以下簡稱「本行」)獲委聘審核中國油氣控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)列載於第62至220頁之綜合財務報表，此綜合財務報表包括於2019年12月31日之綜合財務狀況表與截至該日止年度之綜合全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(包括主要會計政策概要)。

吾等對 貴集團之綜合財務報表不發表意見。由於本報告「不發表意見基礎」一節所述之事項關係重大，故吾等未能取得足夠適當之審核憑證，以為該等綜合財務報表提供審核意見基礎。就所有其他方面而言，吾等認為綜合財務報表已根據香港公司條例之披露規定妥為編製。

# INDEPENDENT AUDITOR'S REPORT

## BASIS FOR DISCLAIMER OF OPINION

### Scope Limitation Relating to the Going Concern Basis of Preparing the Consolidated Financial Statements

As set out in Note 3(b)(ii) to the consolidated financial statements, the Group had net current liabilities of HK\$1,182,466,000 as at 31 December 2019. The convertible note with principal amount together with related interests of HK\$1,196,520,000 (2018: HK\$1,237,265,000) was matured in September 2019. The Group failed to redeem the convertible note upon its maturity. As at 31 December 2019, these overdue convertible note and related interests of HK\$1,196,520,000 and the default interest (included in other payables and accruals) of HK\$56,831,000 became immediately repayable. In addition to the convertible note, the Group had current borrowings of HK\$94,474,000, trade and other payables and accruals (excluded default interest) of HK\$389,087,000 as at 31 December 2019 while the Group only maintained its cash and cash equivalents of HK\$3,728,000.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern, and therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

As detailed in Note 3(b)(ii) to the consolidated financial statements, in view of the above circumstances, the directors have prepared a cash flow forecast of the Group which takes into account of the major assumption that three shareholders and directors would be able to provide continuing and sufficient financial support to the Group to meet its operating needs and financial obligations. The directors consider the Group will have sufficient working capital to meet its operating and financing needs as and when they fall due within the twelve months from 31 December 2019. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

The appropriateness of the preparation of the consolidated financial statements on the going concern basis largely depends on whether the above-mentioned major assumption taken into account by the directors in the going concern assessment are achievable.

## 不發表意見基礎

### 關於按持續經營基準編製綜合財務報表之範圍限制

誠如綜合財務報表附註3(b)(ii)所載，於2019年12月31日，貴集團有流動負債淨值1,182,466,000港元。本金額連同相關利息為1,196,520,000港元（2018年：1,237,265,000港元）之可換股票據於2019年9月到期。貴集團無法於可換股票據到期時將其贖回。於2019年12月31日，該等已逾期可換股票據及相關利息1,196,520,000港元以及違約利息（計入其他應付款項及預提費用）56,831,000港元須即時償還。除可換股票據外，貴集團有流動借貸94,474,000港元、應付賬款、其他應付款項及預提費用（不包括違約利息）389,087,000港元，而貴集團僅持有現金及現金等價物3,728,000港元。

上述情況顯示存在重大不確定因素，可能對貴集團持續經營能力構成重大疑問，因此，其可能無法在日常業務過程中變現其資產及償還其負債。

誠如綜合財務報表附註3(b)(ii)所詳述，鑒於上述情況，董事已編製貴集團現金流量預測，當中考慮到三名股東及董事能否向貴集團提供持續足夠財務支持以滿足其營運所需及財務責任的主要假設。董事認為貴集團將具備足夠的營運資金以撥付其自2019年12月31日起計十二個月內營運及逾期融資需要。因此，董事信納按持續經營基準編製綜合財務報表乃恰當之舉。

按持續經營基準編製綜合財務報表是否恰當，很大程度上取決於上述經董事於持續經營評估中所考慮的主要假設能否實現。

## BASIS FOR DISCLAIMER OF OPINION (Continued)

However, we were unable to verify the financial position of the three shareholders and directors who are individuals and providing financial support to the Group and to assess whether they have sufficient financial capability to provide their aforementioned financial support to the Group. There were no other satisfactory audit procedures that we could adopt to assess whether the Group had sufficient resources to meet its operating and financing needs for the foreseeable future. Accordingly, we were unable to satisfy ourselves regarding the Group's ability to continue as a going concern and to conclude on the appropriateness of the director's use of going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements do not include any adjustments that may be necessary should the going concern basis of preparation be determined to be inappropriate. These would include any adjustments to write down the Group's assets to their net realisable amounts, to provide for any liabilities which may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively.

We disclaimed our audit opinion on the consolidated financial statements of the Group for the year ended 31 December 2018 due to the same limitation of scope of work as mentioned above. Such scope limitations remained unresolved in our audit of the consolidated financial statements of the Group for the year ended 31 December 2019. Our audit opinion is also modified because of the possible effects of the unresolved matters on the comparability of the current period's figures and the corresponding figures in the consolidated financial statements of the Group for the year ended 31 December 2019.

## 不發表意見基礎(續)

然而，吾等無法核實三名股東及董事（均為個人及向貴集團提供財務支持）的財務狀況，及評估彼等是否具備足夠的財務能力向貴集團提供上述財務支持。吾等並無其他滿意的核數程序可採納，以評估貴集團是否具備足夠的資源以撥付其於可預見未來的營運及融資需要。因此，吾等無法信納貴集團持續經營的能力，並就董事使用持續經營會計基準編製綜合財務報表之合適性作出總結。

綜合財務報表不包含倘釐定持續經營編製基準並不適當所作出之任何必需調整，這可能包括撇減貴集團資產至可變現淨值、就可能產生之任何負債計提撥備，以及將非流動資產及非流動負債分別重新分類為流動資產及流動負債等任何調整。

吾等因遇到上述相同工作範圍限制，故對貴集團截至2018年12月31日止年度之綜合財務報表不發表審核意見。該等工作範圍限制於吾等審核貴集團截至2019年12月31日止年度之綜合財務報表時仍未解決。由於該等未解決事項可能對本期間數據及相應數據的可比較性造成影響，吾等亦對貴集團截至2019年12月31日止年度的綜合財務報表發表保留意見。

# INDEPENDENT AUDITOR'S REPORT

## DIRECTORS' RESPONSIBILITIES 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 Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("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 also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

## 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（「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編製真實而公平地反映情況的綜合財務報表，及董事釐定對編製綜合財務報表屬必要的有關內部監控，以使該等綜合財務報表不會存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，董事須負責評估 貴集團持續經營的能力，並披露與持續經營有關的事項（如適用）。除非董事擬將 貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法，否則須採用以持續經營為基礎的會計法。

董事亦須負責履行監督 貴集團財務報告流程的責任。審核委員會協助董事履行彼等在此方面的職責。

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

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report. 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.

However, because of the matter described in the "Basis for Disclaimer of Opinion" section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

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

### **BDO Limited**

*Certified Public Accountants*

### **Cheung Or Ping**

Practising Certificate Number P05412

Hong Kong, 31 March 2020

## 核數師就審核綜合財務報表須承擔的責任

本行之責任是根據香港會計師公會頒佈的香港審計準則對 貴集團的綜合財務報表進行審核並發出核數師報告。本行根據百慕達1981年公司法第90條僅向全體股東報告，不作其他用途。本行並不就本報告之內容對任何其他人士承擔任何義務或接受任何責任。

然而，由於本報告「不發表意見基礎」一節所述之事項，故本行未能取得足夠適當之審核憑證，以為該等綜合財務報表提供審核意見基礎。

根據香港會計師公會之專業會計師道德守則（「守則」），本行獨立於 貴集團，並已根據守則履行其他道德責任。

### **香港立信德豪會計師事務所有限公司**

*執業會計師*

### **張珂屏**

執業證書號碼P05412

香港，2020年3月31日

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2019

		Notes 附註	2019 HK\$'000 千港元	2018 HK\$'000 千港元
Revenue	營業額	6 & 15	476,614	427,867
Direct cost	直接成本		(417,228)	(393,815)
Gross profit	毛利		59,386	34,052
Other income	其他收入	7	73,193	56,972
Other losses, net	其他虧損淨額	8	(16,480)	(57,939)
Selling and distribution expenses	銷售及分銷費用		(8,912)	(2,485)
Administrative expenses	行政費用		(71,541)	(88,801)
Loss from operations	經營虧損		35,646	(58,201)
Finance costs	融資成本	9(a)	(258,321)	(324,547)
Share of profit/(loss) of an associate	應佔一家聯營公司溢利/(虧損)	22	25	(178)
Loss before income tax expense	除所得稅支出前虧損	9	(222,650)	(382,926)
Income tax expense	所得稅支出	10	(4,992)	(2,959)
<b>Loss for the year</b>	<b>本年度虧損</b>		<b>(227,642)</b>	<b>(385,885)</b>
Other comprehensive income, after tax Item that may be reclassified to profit or loss:	其他全面收益，除稅後 可能重新分類至 損益之項目：			
Exchange differences on translating foreign operations	換算海外業務之 匯兌差異		(133,494)	(291,292)
Item that will not be reclassified to profit or loss:	不得重新分類至 損益之項目：			
Changes in fair value of equity investments designated at fair value through other comprehensive income	指定按公平值透過 其他全面收益列賬的 權益投資之公平值變動		(453)	(4,453)
Other comprehensive income for the year, after tax	本年度其他全面收益， 除稅後		(133,947)	(295,745)
<b>Total comprehensive income for the year</b>	<b>本年度全面收益總額</b>		<b>(361,589)</b>	<b>(681,630)</b>

# 綜合全面收益表

截至2019年12月31日止年度

		Notes 附註	2019 HK\$'000 千港元	2018 HK\$'000 千港元
Loss attributable to:	以下人士應佔虧損：			
Owners of the Company	本公司擁有人		<b>(230,952)</b>	(376,922)
Non-controlling interests	非控股權益		<b>3,310</b>	(8,963)
			<b>(227,642)</b>	(385,885)
Total comprehensive income attributable to:	以下人士應佔全面收益總額：			
Owners of the Company	本公司擁有人		<b>(364,712)</b>	(671,007)
Non-controlling interests	非控股權益		<b>3,123</b>	(10,623)
			<b>(361,589)</b>	(681,630)
			<b>HK cents 港仙</b>	HK cents 港仙
<b>Loss per share</b>	<b>每股虧損</b>			
- Basic and diluted	- 基本及攤薄	14	<b>(6.90)</b>	(15.64)



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Notes 附註	2019 HK\$'000 千港元	2018 HK\$'000 千港元
<b>Non-current assets</b>			
Property, plant and equipment	16	2,020,056	2,026,855
Oil and gas exploration and evaluation assets	17	70,870	61,600
Right-of-use assets	18(b)	11,171	–
Payment for leasehold land held for own use	18(a)	–	3,915
Intangible assets	19	2,107,856	2,174,607
Goodwill	20	11,347	11,596
Interest in a joint venture	21	–	–
Interest in an associate	22	57,549	57,977
Financial assets at fair value through profit or loss	23	16,237	38,301
Equity investments designated at fair value through other comprehensive income	24	503	956
Deposits and prepayments	27	44,152	52,365
Loans receivable	25	64,415	13,470
Total non-current assets		4,404,156	4,441,642
<b>Current assets</b>			
Inventories	26	9,906	11,950
Financial assets at fair value through profit or loss	23	15,956	19,399
Trade, notes and other receivables, deposits and prepayments	27	456,571	365,106
Short-term investment	28	67,104	69,216
Loans receivable	25	8,725	18,290
Amount due from a joint venture	21	320	320
Restricted cash at banks	29(a)	10,096	–
Cash and cash equivalents	29(b)	3,728	36,949
Total current assets		572,406	521,230
<b>Total assets</b>		4,976,562	4,962,872

# 綜合財務狀況表

於2019年12月31日

	Notes 附註	2019 HK\$'000 千港元	2018 HK\$'000 千港元	
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables and accruals	應付賬款、其他應付款項及預提費用	30	(445,918)	(331,682)
Borrowings	借貸	32	(94,474)	(16,956)
Convertible note	可換股票據	33	(1,198,804)	(1,118,267)
Financial liabilities at fair value through profit or loss	按公平值透過損益列賬的財務負債	33	(46)	(257)
Deferred income	遞延收入	43	(1,921)	–
Lease liabilities	租賃負債	18(c)	(4,778)	–
Taxation	稅項		(8,931)	(6,062)
Total current liabilities	流動負債總額		(1,754,872)	(1,473,224)
<b>Net current liabilities</b>	<b>流動負債淨值</b>		(1,182,466)	(951,994)
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		3,221,690	3,489,648
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Provisions	撥備	31	(12,146)	(8,594)
Borrowings	借貸	32	(417,136)	(460,167)
Deferred income	遞延收入	43	(132,691)	–
Lease liabilities	租賃負債	18(c)	(2,340)	–
Deferred tax liabilities	遞延稅項負債	34	(10,360)	(12,281)
Total non-current liabilities	非流動負債總額		(574,673)	(481,042)
<b>NET ASSETS</b>	<b>資產淨值</b>		2,647,017	3,008,606
<b>Capital and reserves attributable to owners of the Company</b>	<b>本公司擁有人應佔資本及儲備</b>			
Share capital	股本	37(a)	334,544	334,544
Reserves	儲備		2,303,641	2,668,353
Equity attributable to owners of the Company	本公司擁有人應佔權益		2,638,185	3,002,897
Non-controlling interests	非控股權益	40	8,832	5,709
<b>TOTAL EQUITY</b>	<b>總權益</b>		2,647,017	3,008,606

On behalf of the directors  
代表董事會

**Dai Xiaobing**  
戴小兵  
Director  
董事

**Wan Tze Fan Terence**  
溫子勳  
Director  
董事

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 December 2019  
截至2019年12月31日止年度

Equity attributable to owners of the Company  
本公司擁有人應佔權益

		Share capital (note 37(a))	Share premium (note 37(c)(i))	Contributed surplus (note 37(c)(ii))	Share option reserve (note 37(c)(iii))	Fair value	Exchange reserve (note 37(c)(vi))	Accumulated losses (note 37(c)(vii))	Total	Non-controlling interests	Total
						reserve (non-recycling) (note 37(c)(iv))					
						公平值儲備 (不得重分類)					
		股本 (附註37(a))	股份溢價 (附註37(c)(i))	繳納盈餘 (附註37(c)(ii))	購股權儲備 (附註37(c)(iii))	至損益 (附註37(c)(iv))	匯兌儲備 (附註37(c)(vi))	累計虧損 (附註37(c)(vii))	總計	非控股權益	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	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>At 1 January 2018</b>	<b>於2018年1月1日</b>	165,388	4,120,104	81,043	107,853	(2,188)	5,006	(1,338,792)	3,138,414	16,332	3,154,746
Loss for the year	本年度虧損	-	-	-	-	-	-	(376,922)	(376,922)	(8,963)	(385,885)
Other comprehensive income	其他全面收益	-	-	-	-	(4,453)	(289,632)	-	(294,085)	(1,680)	(295,745)
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	(4,453)	(289,632)	(376,922)	(671,007)	(10,623)	(681,630)
Issue of shares (note 37(a)(i))	發行股份 (附註37(a)(i))	169,156	366,334	-	-	-	-	-	535,490	-	535,490
Released upon lapse of share options (note 37(a)(ii))	於購股權失效時撥回 (附註37(a)(ii))	-	-	-	(72,725)	-	-	72,725	-	-	-
<b>At 31 December 2018 and at 1 January 2019</b>	<b>於2018年12月31日及 2019年1月1日</b>	334,544	4,486,438	81,043	35,128	(6,641)	(284,626)	(1,642,989)	3,002,897	5,709	3,008,606
Loss for the year	本年度虧損	-	-	-	-	-	-	(230,952)	(230,952)	3,310	(227,642)
Other comprehensive income	其他全面收益	-	-	-	-	(453)	(133,307)	-	(133,760)	(187)	(133,947)
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	(453)	(133,307)	(230,952)	(364,712)	3,123	(361,589)
<b>At 31 December 2019</b>	<b>於2019年12月31日</b>	<b>334,544</b>	<b>4,486,438</b>	<b>81,043</b>	<b>35,128</b>	<b>(7,094)</b>	<b>(417,933)</b>	<b>(1,873,941)</b>	<b>2,638,185</b>	<b>8,832</b>	<b>2,647,017</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 December 2019  
截至2019年12月31日止年度

	Notes 附註	2019 HK\$'000 千港元	2018 HK\$'000 千港元
<b>Operating activities</b>	<b>經營業務</b>		
Loss before income tax expense	除所得稅支出前虧損	<b>(222,650)</b>	(382,926)
Adjustments for:	調整項目：		
Depreciation on property, plant and equipment	物業、廠房及設備折舊	16 <b>36,211</b>	34,401
Depreciation on right-of-use assets	使用權資產折舊	18(b) <b>6,171</b>	–
Amortisation on intangible assets	無形資產之攤銷	19 <b>20,099</b>	23,373
Amortisation on payment for leasehold land held for own use	自用租賃土地付款之攤銷	18(a) <b>–</b>	240
Amortisation of deferred income	遞延收入之攤銷	43 <b>(1,921)</b>	–
Interest expense	利息支出	9(a) <b>258,321</b>	324,547
Interest income	利息收入	7 <b>(32,658)</b>	(30,536)
Change in fair value of financial assets at fair value through profit or loss	按公平值透過損益列賬之財務資產公平值變動	8 <b>9,043</b>	(29,131)
Change in fair value of financial liabilities at fair value through profit or loss	按公平值透過損益列賬之財務負債公平值變動	8 <b>(211)</b>	(37,638)
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	8 <b>–</b>	(59)
Written off of property, plant and equipment	註銷物業、廠房及設備	8 <b>329</b>	163
Written off of other receivables	註銷其他應收賬款	8 <b>47</b>	–
Share of (profit)/loss of an associate	應佔一家聯營公司(溢利)/虧損	22 <b>(25)</b>	178
Impairment loss on goodwill	商譽減值虧損	20 <b>–</b>	39,244
Impairment loss on intangible assets	無形資產減值虧損	19 <b>–</b>	45,734
Expected credit losses on financial assets measured at amortised cost recognised	按已確認攤銷成本計量之財務資產之預期信貸虧損	8 <b>4,422</b>	31,769
<b>Operating profit before changes in working capital</b>	<b>營運資金變動前經營溢利</b>	<b>77,178</b>	19,359
Decrease in inventories	存貨減少	<b>1,811</b>	2,488
(Increase)/decrease in trade, notes and other receivables, deposits and prepayments	應收賬款、應收票據及其他應收賬款、按金及預付款項(增加)/減少	<b>(51,637)</b>	91,460
Increase/(decrease) in trade and other payables and accruals	應付賬款、其他應付款項及預提費用增加/(減少)	<b>19,046</b>	(100,750)
Increase in restricted cash at banks	受限制銀行現金增加	<b>(10,244)</b>	–
Cash generated from operations	經營業務產生之現金	<b>36,154</b>	12,557
PRC enterprise income tax paid	已付中國企業所得稅	<b>(4,065)</b>	(4,690)
<b>Net cash generated from operating activities</b>	<b>經營業務產生之現金淨額</b>	<b>32,089</b>	7,867

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 December 2019

截至2019年12月31日止年度

	Notes 附註	2019 HK\$'000 千港元	2018 HK\$'000 千港元
<b>Investing activities</b>			
Payment of purchase of property, plant and equipment	16	(73,821)	(52,833)
Proceeds from disposal of property, plant and equipment		-	198
Payment of purchase of oil and gas exploration and evaluation assets	17	(6,415)	(7,092)
Settlement of financial assets at fair value through profit or loss	50(b)(iv)	16,818	14,169
Increase in loans receivable		(47,060)	(15,431)
Proceeds from repayment of loans receivable		4,409	48,924
Production sharing received under joint operation	43	138,366	-
Interest received		26	41
<b>Net cash from/(used in) investing activities</b>		<b>32,323</b>	<b>(12,024)</b>
<b>Financing activities</b>			
Proceeds from issue of shares	37	-	535,490
Proceeds from borrowings		53,130	30,000
Repayment of borrowings		(8,638)	(106,962)
Proceeds from corporate bonds, net		-	6,000
Partial redemption of corporate bonds		(21,400)	-
Redemption of convertible notes upon expiry	33	-	(309,136)
Repayment of advances from shareholders		(2,265)	(32,503)
Advances from a shareholder		11,320	20,950
Repayment of lease liabilities	18(c)	(5,683)	-
Interest paid		(89,908)	(110,084)
<b>Net cash (used in)/from financing activities</b>		<b>(63,444)</b>	<b>33,755</b>
<b>Net increase in cash and cash equivalents</b>		<b>968</b>	<b>29,598</b>
<b>Cash and cash equivalents at 1 January</b>		<b>36,949</b>	<b>21,766</b>
<b>Effect of foreign exchange rate changes</b>		<b>(34,189)</b>	<b>(14,415)</b>
<b>Cash and cash equivalents at 31 December, representing cash and bank balances</b>	29(b)	<b>3,728</b>	<b>36,949</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 December 2019

2019年12月31日

### 1. GENERAL

Sino Oil and Gas Holdings Limited (the “Company”) was incorporated as an exempted company with limited liability in Bermuda on 2 November 1999 under the Companies Act 1981 of Bermuda (as amended) and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (“The Stock Exchange”) on 9 February 2000. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business of the Company was located at Suite 1201-1202, 12/F, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong, and subsequently in September, changed to 44/F, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong.

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in note 39.

### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

#### (a) Adoption of new/revised HKFRSs – effective 1 January 2019

HKFRS 16  
香港財務報告準則第16號  
HK(IFRIC)-Int<sup>+</sup> 23  
香港(國際財務報告詮釋委員會)–詮釋第23號  
Amendments to HKFRS 9  
香港財務報告準則第9號(修訂本)  
Amendments to HKAS<sup>#</sup> 28  
香港會計準則第28號(修訂本)  
Annual Improvements to  
HKFRSs 2015-2017 Cycle  
2015年至2017年週期香港財務報告準則  
的年度改進

<sup>+</sup> Hong Kong (International Financial Reporting Interpretation Committee) – Interpretations

<sup>#</sup> Hong Kong Accounting Standards

### 1. 一般資料

中國油氣控股有限公司(「本公司」)根據百慕達1981年公司法(經修訂)於1999年11月2日在百慕達註冊成立為受豁免有限公司,其股份於2000年2月9日於香港聯合交易所有限公司(「聯交所」)主板上市。本公司之註冊辦事處位於Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。本公司之主要營業地點位於香港德輔道中189號李寶椿大廈12樓1201-1202室,其後於9月變更為香港灣仔港灣道1號會展廣場辦公大樓44樓。

本公司為一家投資控股公司,其附屬公司之主要業務載於附註39。

### 2. 採納香港財務報告準則

#### (a) 採納新訂/經修訂香港財務報告準則 – 2019年1月1日起生效

Leases  
租賃  
Uncertainty over Income Tax Treatments  
所得稅處理的不確定性  
Prepayment Features and Negative Compensation  
具有負補償的提前還款特性  
Long-term Interests in Associates and Joint Ventures  
於聯營公司及合營企業的長期權益  
Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23  
香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號之修訂本

## 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### (a) Adoption of new/revised HKFRSs – effective 1 January 2019 (Continued)

The impact of the adoption of HKFRS 16 Leases have been summarised below. The other new or amended HKFRSs that are effective from 1 January 2019 did not have any significant impact on the Group’s accounting policies.

#### Adoption of HKFRS 16

HKFRS 16 brings significant changes in accounting treatment for lease accounting, primarily for accounting for lessees. It replaces HKAS 17 Leases (“HKAS 17”), HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease, HK(SIC)-Int 15 Operating Leases-Incentives and HK(SIC)-Int 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. From a lessee’s perspective, almost all leases are recognised in the statement of financial position as right-of-use assets and lease liabilities, with the narrow exception to this principle for leases which the underlying assets are of low-value or are determined as short-term leases. From a lessor’s perspective, the accounting treatment is substantially unchanged from HKAS 17.

#### New definition of leases

Under HKFRS 16, a lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A contract conveys the right to control the use of an identified asset for a period of time when the customer, throughout the period of use, has both: (a) the right to obtain substantially all of the economic benefits from use of the identified asset; and (b) the right to direct the use of the identified asset.

## 2. 採納香港財務報告準則 (續)

### (a) 採納新訂／經修訂香港財務報告準則－2019年1月1日起生效 (續)

採納香港財務報告準則第16號租賃的影響概述如下。其他自2019年1月1日起生效的新訂或經修訂香港財務報告準則對本集團的會計政策概無任何重大影響。

#### 採納香港財務報告準則第16號

香港財務報告準則第16號對租賃會計的會計處理作出重大更改，主要是承租人的會計處理方面。其取代香港會計準則第17號租賃（「香港會計準則第17號」）、香港（國際財務報告詮釋委員會）－詮釋第4號釐定安排是否包括租賃、香港（準則詮釋委員會）－詮釋第15號經營租賃－優惠及香港（準則詮釋委員會）－詮釋第27號評估涉及租賃法律形式交易之內容。從承租人角度來看，絕大部分租賃於財務狀況表確認為使用權資產及租賃負債，惟相關資產價值較低或被釐定為短期租賃的租賃等少數該原則的例外情況除外。從出租人角度來看，會計處理與香港會計準則第17號大致相同。

#### 租賃的新定義

根據香港財務報告準則第16號，租賃界定為賦予權利以於一段時間內使用一項資產（相關資產）的權利換取代價的合約或合約的一部分。當客戶於整個使用期間內擁有：(a)自使用已識別資產獲得絕大部分經濟利益的權利；及(b)指示已識別資產的用途的權利時，則合約賦予權利於一段時間內控制已識別資產的用途。

## 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### (a) Adoption of new/revised HKFRSs – effective 1 January 2019 (Continued)

#### Accounting as a lessee

Under HKAS 17, a lessee has to classify a lease as an operating lease or a finance lease based on the extent to which risks and rewards incidental to ownership of a lease asset lie with the lessor or the lessee. If a lease is determined as an operating lease, the lessee would recognise the lease payments under the operating lease as an expense over the lease term. The asset under the lease would not be recognised in the consolidated statement of financial position of the lessee.

Under HKFRS 16, for all leases (irrespective of they are operating leases or finance leases and except for short-term leases and leases of low-value assets), the Group is required to: (a) recognise right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of future lease payments; (b) recognise depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss and other comprehensive income; and (c) separately present the total amount of cash paid into a principal portion and interest within financing activities and operating activities in the consolidated statement of cash flows. Under HKFRS 16, right-of-use assets are tested for impairment in accordance with HKAS 36 Impairment of Assets. This replaces the previous requirement to recognise a provision for onerous lease contracts.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office furniture.

## 2. 採納香港財務報告準則(續)

### (a) 採納新訂／經修訂香港財務報告準則－2019年1月1日起生效(續)

#### 作為承租人的會計處理

根據香港會計準則第17號，承租人須根據出租人或承租人承擔租賃資產擁有權隨附風險及回報的程度，將租賃分類為經營租賃或融資租賃。倘租賃釐定為經營租賃，承租人將於租期內將經營租賃項下的租賃付款確認為開支。租賃項下的資產將不會於承租人的綜合財務狀況表內確認。

根據香港財務報告準則第16號，本集團須就所有租賃（不論為經營租賃或融資租賃，短期租賃及低價值資產租賃除外）：(a)於綜合財務狀況表確認使用權資產及租賃負債，初步按未來租賃付款的現值計量；(b)於綜合損益及其他全面收益表確認使用權資產及租賃負債利息的折舊；及(c)於綜合現金流量表將已付現金總額分開呈列為本金部分（於融資活動呈列）及利息（於經營活動呈列）。根據香港財務報告準則第16號，使用權資產將根據香港會計準則第36號資產減值進行減值測試。其取代過往確認虧損性租賃合約撥備的規定。

與短期租賃及低價值資產租賃相關的付款以直線法於損益中確認為開支。短期租賃乃租賃期為12個月或以下的租賃。低價值資產包括小型辦公室傢俱。



## 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### (a) Adoption of new/revised HKFRSs – effective 1 January 2019 (Continued)

#### Transitions

The Group has applied HKFRS 16 using modified retrospective approach with a date of initial application of 1 January 2019, under which the cumulative effect of initial application is recognised as at 1 January 2019. As a result, the comparative information presented in 2018 has not been restated and continues to be reported under HKAS 17 and related interpretations as allowed by the transition provision in HKFRS 16.

The Group has recognised the lease liabilities at the date of 1 January 2019 for leases previously classified as operating leases applying HKAS 17 and measured those lease liabilities at the present value of the remaining lease payments, discounted using the Group’s incremental borrowing rates as at 1 January 2019.

The Group has elected to recognise the right-of-use assets as at 1 January 2019 at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position immediately before the date of initial application. Leasehold land and land use rights are reclassified and recognised as right-of-use assets under HKFRS 16. For all these right-of-use assets, the Group has applied HKAS 36 Impairment of Assets as at 1 January 2019 to assess if there was any impairment as on that date.

## 2. 採納香港財務報告準則 (續)

### (a) 採納新訂／經修訂香港財務報告準則－2019年1月1日起生效 (續)

#### 過渡

本集團已採用修正追溯法應用香港財務報告準則第16號，首次應用日期為2019年1月1日，據此，首次應用的累計影響於2019年1月1日確認。因此，誠如香港財務報告準則第16號的過渡條文所准許，於2018年呈列的比較資料並無重列，並繼續根據香港會計準則第17號及相關詮釋呈報。

本集團已於2019年1月1日就先前應用香港會計準則第17號分類為經營租賃的租賃確認租賃負債，並按餘下租賃付款採用本集團於2019年1月1日的增量借款利率貼現的現值計量該等租賃負債。

本集團已選擇按相等於租賃負債的金額確認於2019年1月1日的使用權資產，並按與緊接首次應用日期前於綜合財務狀況表確認的租賃有關的任何預付或累計租賃付款金額進行調整。租賃土地及土地使用權根據香港財務報告準則第16號重新分類並確認為使用權資產。就所有該等使用權資產而言，本集團已於2019年1月1日應用香港會計準則第36號資產減值以評估該日有否出現任何減值。

## 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### (a) Adoption of new/revised HKFRSs – effective 1 January 2019 (Continued)

#### Transitions (Continued)

The Group has also applied the follow practical expedients: (i) applied a single discount rate to a portfolio of leases with reasonably similar characteristics; (ii) applied the exemption of not to recognise right-of-use assets and lease liabilities for leases with term that will end within 12 months of the date of initial application and accounted for those leases as short-term leases; (iii) excluded the initial direct costs from the measurement of the right-of-use asset at 1 January 2019; and (iv) used hindsight in determining the lease terms if the contracts contain options to extend or terminate the leases.

#### Impact to the consolidated financial statements

As mentioned above, the Group has applied HKFRS 16 using modified retrospective approach from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the simplified transition approach in the standard. The reclassifications and the adjustments arising from HKFRS 16 are therefore recognised in the opening balances on 1 January 2019.

## 2. 採納香港財務報告準則 (續)

### (a) 採納新訂／經修訂香港財務報告準則－2019年1月1日起生效 (續)

#### 過渡 (續)

本集團亦已應用下列可行權宜方法：(i) 就具有合理相似特徵的租賃組合應用單一貼現率；(ii) 就租期將於首次應用日期起計12個月內結束的租賃應用不確認使用權資產及租賃負債的豁免，並將該等租賃列作短期租賃入賬；(iii) 於2019年1月1日計量使用權資產時撇除初步直接成本；及(iv) 倘合約包含延長或終止租賃的選擇權，則於事後釐定租期。

#### 對綜合財務報表的影響

誠如上文所述，本集團已自2019年1月1日起採用修正追溯法應用香港財務報告準則第16號，惟按該準則的簡化過渡方法所允許，並無重列2018年報告期間的比較數字。因此，因香港財務報告準則第16號產生的重新分類及調整已於2019年1月1日的期初結餘確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2019

## 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### (a) Adoption of new/revised HKFRSs – effective 1 January 2019 (Continued)

#### Impact to the consolidated financial statements (Continued)

The following table summarised the impact of transition to HKFRS 16 on consolidated statement of financial position as of 31 December 2018 to that of 1 January 2019 (increase/(decrease)):

		Increase/ (decrease) 增加/(減少) HK\$'000 千港元
<b>Assets</b>	<b>資產</b>	
Increase in right-of-use assets (note 18(b))	使用權資產增加(附註18(b))	17,631
Decrease in payments for leasehold land held for own use	自用租賃土地付款減少	(3,915)
Decrease in prepayments	預付款項減少	(1,995)
Increase in total assets	總資產增加	11,721
<b>Liabilities</b>	<b>負債</b>	
Increase in lease liabilities (current)	租賃負債增加(流動)	4,446
Increase in lease liabilities (non-current)	租賃負債增加(非流動)	7,275
Increase in total liabilities	總負債增加	11,721

## 2. 採納香港財務報告準則(續)

### (a) 採納新訂/經修訂香港財務報告準則 – 2019年1月1日起生效(續)

#### 對綜合財務報表的影響(續)

下表概述過渡至香港財務報告準則第16號對截至2018年12月31日至2019年1月1日的綜合財務狀況表的影響(增加/(減少)):

**2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)**

**(a) Adoption of new/revised HKFRSs – effective 1 January 2019 (Continued)**

**Impact to the consolidated financial statements (Continued)**

The following reconciliation explains how the operating lease commitments disclosed applying HKAS 17 at the end of 31 December 2018 could be reconciled to the lease liabilities at the date of initial application recognised in the consolidated statement of financial position as at 1 January 2019:

		HK\$'000 千港元
Operating lease commitment disclosed as at 31 December 2018	於2018年12月31日披露的經營租賃承擔	17,983
Less: exemption for short-term leases	減：短期租賃之豁免	(4,301)
Less: future interest expense	減：未來利息開支	(1,961)
Total lease liabilities as at 1 January 2019 (note 18(c))	於2019年1月1日的租賃負債總額(附註18(c))	<u>11,721</u>

The weighted average lessee’s incremental borrowing rate applied to lease liabilities recognised in the consolidated statement of financial position as at 1 January 2019 is 12.00%.

**2. 採納香港財務報告準則(續)**

**(a) 採納新訂／經修訂香港財務報告準則－2019年1月1日起生效(續)**

**對綜合財務報表的影響(續)**

以下對賬說明於2018年12月31日結束時應用香港會計準則第17號披露的經營租賃承擔如何可與於2019年1月1日的綜合財務狀況表中確認於首次應用日期的租賃負債進行對賬：

於2019年1月1日，應用於綜合財務狀況表內所確認租賃負債之承租人加權平均增量借款利率為12.00%。

## 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### (a) Adoption of new/revised HKFRSs – effective 1 January 2019 (Continued)

#### Annual Improvements to HKFRSs 2015-2018 Cycle – Amendments to HKFRS 3, Business Combinations

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 3 which clarifies that when a joint operator of a business obtains control over a joint operation, this is a business combination achieved in stages and the previously held equity interest should therefore be remeasured to its acquisition date fair value.

#### Annual Improvements to HKFRSs 2015-2018 Cycle – Amendments to HKFRS 11, Joint Arrangements

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 11 which clarify that when a party that participates in, but does not have joint control of, a joint operation which is a business and subsequently obtains joint control of the joint operation, the previously held equity interest should not be remeasured to its acquisition date fair value.

#### Annual Improvements to HKFRSs 2015-2018 Cycle – Amendments to HKAS 12, Income Taxes

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 12 which clarify that all income tax consequences of dividends are recognised consistently with the transactions that generated the distributable profits, either in profit or loss, other comprehensive income or directly in equity.

## 2. 採納香港財務報告準則(續)

### (a) 採納新訂／經修訂香港財務報告準則－2019年1月1日起生效(續)

#### 2015年至2018年週期香港財務報告準則的年度改進－香港財務報告準則第3號(修訂本)業務合併

根據年度改進過程頒佈之修訂對現時並不明確之多項準則作出微細及不急切之修改，包括對香港財務報告準則第3號之修訂，其闡明當一項業務之共同經營者取得對合營業務之控制權時，則為分階段達致之業務合併，因此先前持有之股權應重新計量至其收購日期之公平值。

#### 2015年至2018年週期香港財務報告準則的年度改進－香港財務報告準則第11號(修訂本)合營安排

根據年度改進過程頒佈之修訂對現時並不明確之多項準則作出微細及不急切之修改，包括對香港財務報告準則第11號之修訂，其闡明當參與一項屬業務之合營業務但並無取得該合營業務共同控制權之一方其後取得合營業務之共同控制權，則先前持有之股權不應重新計量至其收購日期之公平值。

#### 2015年至2018年週期香港財務報告準則的年度改進－香港會計準則第12號(修訂本)所得稅

根據年度改進過程頒佈之修訂對現時並不明確之多項準則作出微細及不急切之修改，包括對香港會計準則第12號之修訂，其闡明股息之所有所得稅後果與產生可分派溢利之交易按一致之方式於損益、其他全面收益或直接於權益內確認。

## 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### (a) Adoption of new/revised HKFRSs – effective 1 January 2019 (Continued)

#### Annual Improvements to HKFRSs 2015-2018 Cycle – Amendments to HKAS 23, Borrowing Costs

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 23 which clarifies that a borrowing made specifically to obtain a qualifying asset which remains outstanding after the related qualifying asset is ready for its intended use or sale would become part of the funds an entity borrows generally and therefore included in the general pool.

#### HK(IFRIC)-Int 23 – Uncertainty over Income Tax Treatments

HK(IFRIC)-Int 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of HKAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of HKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. Upon adoption of the interpretation, the Group considered whether it has any uncertain tax positions arising from the transfer pricing on its intergroup sales. Based on the Group’s tax compliance and transfer pricing study, the Group determined that it is probable that its transfer pricing policy will be accepted by the tax authorities. Accordingly, the interpretation did not have any impact on the financial position or performance of the Group.

## 2. 採納香港財務報告準則(續)

### (a) 採納新訂／經修訂香港財務報告準則－2019年1月1日起生效(續)

#### 2015年至2018年週期香港財務報告準則的年度改進－香港會計準則第23號(修訂本)借貸成本

根據年度改進過程頒佈之修訂對現時並不明確之多項準則作出微細及不急切之修改，包括對香港會計準則第23號之修訂，其闡明為取得合資格資產而特別作出之借貸倘於相關合資格資產已可供用作擬定用途或出售後仍未償還，則將成為實體整體所借資金之一部分，並因此計入整體資金池。

#### 香港(國際財務報告詮釋委員會)－詮釋第23號－所得稅處理之不確定性

香港(國際財務報告詮釋委員會)－詮釋第23號處理於稅項處理涉及影響應用香港會計準則第12號之不確定性(通常稱為「不確定稅項狀況」)之情況下有關所得稅(即期及遞延)之會計處理。該詮釋不適用於香港會計準則第12號範圍以外之稅項或徵稅，具體而言亦不包括與有關不確定稅項處理之權益及處罰相關之規定。該詮釋明確處理以下事項：(i)實體是否單獨考慮不確定稅項處理；(ii)實體就稅務機關審查稅項處理所作之假設；(iii)實體如何釐定應課稅溢利或稅項虧損、稅基、未動用稅項虧損、未動用稅項抵免及稅率；及(iv)實體如何考慮事實及情況變化。於採納該詮釋後，本集團考慮其是否有任何因其集團內銷售之轉移定價而產生之不確定稅項狀況。根據本集團之稅項合規及轉移定價研究，本集團釐定其轉移定價政策可能將獲稅務機關接納。因此，該詮釋並無對本集團之財務狀況或表現造成任何影響。

## 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### (a) Adoption of new/revised HKFRSs – effective 1 January 2019 (Continued)

#### Amendments to HKFRS 9 – Prepayment Features with Negative Compensation

The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at fair value through other comprehensive income if specified conditions are met – instead of at fair value through profit or loss.

#### Amendments to HKAS 28 – Long-term Interests in Associates and Joint Ventures

Amendments to HKAS 28 clarify that the scope exclusion of HKFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies HKFRS 9, rather than HKAS 28, including the impairment requirements under HKFRS 9, in accounting for such long-term interests. HKAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The Group assessed its business model for its long-term interests in associates and joint ventures upon adoption of the amendments on 1 January 2019 and concluded that the long-term interests in associates and joint ventures continued to be measured at amortised cost in accordance with HKFRS 9. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

## 2. 採納香港財務報告準則(續)

### (a) 採納新訂／經修訂香港財務報告準則－2019年1月1日起生效(續)

#### 香港財務報告準則第9號(修訂本)－具有負補償的提前還款特性

該等修訂澄清在符合指定條件下，附帶負補償的可預付財務資產可按攤銷成本計量或按公平值透過其他全面收益列賬，而非按公平值透過損益列賬。

#### 香港會計準則第28號(修訂本)－於聯營公司及合營企業的長期權益

香港會計準則第28號(修訂本)澄清，香港財務報告準則第9號之除外範圍僅包括應用權益法的於聯營公司或合營企業之權益，而不包括實質上構成於該聯營公司或合營企業投資淨額一部分且並無應用權益法之長期權益。因此，實體應用香港財務報告準則第9號(包括香港財務報告準則第9號項下之減值規定)而非香港會計準則第28號將該等長期權益入賬。僅於確認聯營公司或合營企業虧損及於聯營公司或合營企業之投資淨額減值之情況下，香港會計準則第28號其後應用於投資淨額(包括長期權益)。於2019年1月1日採納有關修訂後，本集團就其於聯營公司及合營企業之長期權益評估其業務模式，並得出於聯營公司及合營企業之長期權益繼續根據香港財務報告準則第9號按攤銷成本計量之結論。因此，該等修訂並無對本集團之財務狀況或表現造成任何影響。

## 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### (b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group’s consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKFRS 3 香港財務報告準則第3號(修訂本)	Definition of a business <sup>1</sup> 業務定義 <sup>1</sup>
Amendments to HKAS 1 and HKAS 8 香港會計準則第1號及香港會計準則第8號(修訂本)	Definition of material <sup>1</sup> 重大定義 <sup>1</sup>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7 香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號(修訂本)	Interest Rate Benchmark Reform <sup>1</sup> 利率基準改革 <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28 香港財務報告準則第10號及香港會計準則第28號(修訂本)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup> 投資者與其聯營公司或合營企業之間出售或注入資產 <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2020

<sup>2</sup> No mandatory effective date yet determined but available for adoption

## 2. 採納香港財務報告準則(續)

### (b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則

本集團並無提前採納下列已頒佈但尚未生效之新訂／經修訂香港財務報告準則，但有關準則可能與本集團之綜合財務報表相關。

<sup>1</sup> 於2020年1月1日或之後開始的年度期間生效

<sup>2</sup> 強制生效日期尚未釐定，惟可供採納



## 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### (b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

#### Amendments to HKFRS 3 – Definition of a business

The amendments clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 January 2020. Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

## 2. 採納香港財務報告準則(續)

### (b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

#### 香港財務報告準則第3號(修訂本)－業務定義

該等修訂澄清業務之定義及就其提供額外指引。該等修訂澄清一組整合活動及資產須至少包括一項投入及一項實質性過程，而兩者共同對創造產出之能力作出重大貢獻，方可視為一項業務。業務於並不包括創造產出所需之所有投入及過程之情況下亦可存在。該等修訂移除對市場參與者是否有能力取得業務並繼續產生產出之評估。相反，該等修訂關注已取得投入及已取得之實質性過程是否共同對創造產出之能力作出重大貢獻。該等修訂亦收窄對產出之定義，集中於向客戶提供之貨物或服務、投資收入或來自一般活動之其他收入。此外，該等修訂提供有關評估已取得過程是否屬實質性之指引，並引入選擇性公平值集中測試，以便就一組已取得活動及資產是否屬一項業務進行簡化評估。本集團預期自2020年1月1日起事先採納該等修訂。由於對在首次應用日期或之後發生之交易或其他事件事先應用該等修訂，故本集團於過渡日期將不受該等修訂影響。

## 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### (b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

#### Amendments to HKAS 1 and HKAS 8 – Definition of material

The amendments provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group’s consolidated financial statements.

#### Amendments to HKFRS 9, HKAS 39 and HKFRS 7 – Interest Rate Benchmark Reform

The amendments address the effects of interbank offered rate reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments are effective for annual periods beginning on or after 1 January 2020. Early application is permitted. The amendments are not expected to have any significant impact on the Group’s consolidated financial statements.

## 2. 採納香港財務報告準則(續)

### (b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

#### 香港會計準則第1號及香港會計準則第8號(修訂本)－重大定義

該等修訂提供重大之新定義。新定義指出，倘遺漏、錯誤陳述或隱藏資料可合理預期將影響一般用途財務報表之主要使用者基於該等財務報表作出之決定，則有關資料屬重大。該等修訂澄清重大性將取決於有關資料之性質或程度。倘錯誤陳述資料可合理預期將影響主要使用者所作出之決定，則有關錯誤陳述屬重大。本集團預期自2020年1月1日起事採納該等修訂。該等修訂預期不會對本集團之綜合財務報表造成任何重大影響。

#### 香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號(修訂本)－利率基準改革

該等修訂處理銀行同業拆息改革對財務報告之影響。該等修訂提供暫時紓緩措施，以讓對沖會計處理可於替換現有利率基準前之不確定期間繼續進行。此外，該等修訂要求各公司就其對沖關係向投資者提供額外資料，而有關資料直接受該等不確定因素影響。該等修訂於2020年1月1日或之後開始的年度期間生效，並獲准提早應用。該等修訂預期不會對本集團之綜合財務報表造成任何重大影響。

## 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### (b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

#### Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor’s profit or loss only to the extent of the unrelated investor’s interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

## 3. BASIS OF PREPARATION

### (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRS”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## 2. 採納香港財務報告準則(續)

### (b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

#### 香港財務報告準則第10號及香港會計準則第28號(修訂本)－投資者與其聯營公司或合營企業之間出售或注入資產

該等修訂處理香港財務報告準則第10號及香港會計準則第28號之間有關處理投資者與其聯營公司或合營企業出售或注入資產之規定不一致之處。該等修訂規定投資者與其聯營公司或合營企業出售或注入資產構成一項業務時須全數確認收益或虧損。就涉及不構成業務之資產的交易而言，有關交易所帶來之收益或虧損僅須就不相關投資者於該聯營公司或合營企業之權益於投資者之損益內確認。該等修訂將予事先應用。香港會計師公會於2016年1月移除香港財務報告準則第10號及香港會計準則第28號(修訂本)之先前強制生效日期，而新強制生效日期將於完成對聯營公司及合營企業之會計處理的更全面檢討後釐定。然而，該等修訂現時可供採納。

## 3. 編製基準

### (a) 合規聲明

綜合財務報表乃按照所有適用之香港財務報告準則、香港會計準則及詮釋(下文統稱為「香港財務報告準則」)及香港公司條例之披露規定編製。此外，綜合財務報表亦載有符合香港聯合交易所有限公司證券上市規則規定之適用披露資料。

### 3. BASIS OF PREPARATION (Continued)

#### (b) Basis of measurement and going concern assumption

##### (i) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair values as explained in the accounting policies set out below.

##### (ii) Going concern basis

The Group had net current liabilities of HK\$1,182,466,000 as at 31 December 2019. The convertible note with principal amount together with related interests of HK\$1,196,520,000 (2018: HK\$1,237,265,000) was matured in September 2019. The Group failed to redeem the convertible note upon its maturity. As at 31 December 2019, these overdue convertible note and related interests of HK\$1,196,520,000 and the default interest (included in other payables and accruals) of HK\$56,831,000 became immediately repayable. In addition to the convertible note, the Group had current borrowings of HK\$94,474,000, trade and other payables and accruals (excluded default interest) of HK\$389,087,000 as at 31 December 2019 while the Group only maintained its cash and cash equivalents of HK\$3,728,000.

The above conditions indicate the existence of material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and, therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

In view of such circumstances, the directors of the Company have prepared a cash flow forecast of the Group. In preparing the cash flow forecast, the directors of the Company have given careful consideration to its operating needs, the future liquidity of the Group and its available sources of financing in assessing whether the Group will be able to repay the outstanding debts and be able to finance its future working capital and other financial requirements.

### 3. 編製基準 (續)

#### (b) 計量基準及持續經營假設

##### (i) 計量基準

綜合財務報表乃採用歷史成本為基礎編製，惟如下文所載會計政策所述，若干財務工具乃以公平值計量。

##### (ii) 持續經營基準

於2019年12月31日，本集團有流動負債淨值1,182,466,000港元。本金金額連同相關利息為1,196,520,000港元（2018年：1,237,265,000港元）之可換股票據於2019年9月到期。本集團無法於可換股票據到期時將其贖回。於2019年12月31日，該等已逾期可換股票據及相關利息1,196,520,000港元以及違約利息（計入其他應付款項及預提費用）56,831,000港元須即時償還。除可換股票據外，於2019年12月31日，本集團有即期借貸94,474,000港元、應付賬款及其他應付款項以及預提費用（不包括違約利息）389,087,000港元，而本集團僅有現金及現金等價物3,728,000港元。

上述情況顯示存在著重大不確定因素，可能對本集團繼續按持續經營基準營運之能力構成重大疑慮，因此，其可能無法在日常業務過程中變現其資產及償還其負債。

鑒於上述情況，本公司董事已編製本集團之現金流量預測。於編製現金流量預測之過程中，本公司董事於評估本集團能否償還未償債務及能否為未來營運資金及其他融資需求撥付資金時，審慎考慮本集團之營運所需、未來之流動資金和能否獲得融資。

## 3. BASIS OF PREPARATION (Continued)

### (b) Basis of measurement and going concern assumption (Continued)

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

Certain measures have been and are being taken to mitigate the liquidity pressure and to improve the financial position of the Group in the cash flow forecast, which include, but are not limited to, the following:

- (a) Three shareholders and directors of the Company have confirmed that they will provide continuing and sufficient financial support to the Group when the Group face difficulties in repaying the overdue principal and interests in relation to the above-mentioned borrowings and convertible note and to finance its operations for at least twelve months from the end of the reporting period. During the year, one of the directors and a shareholder have provided loans totaling of HK\$10,000,000 to the Company for meeting the daily financial needs and obligations which arose.
- (b) The Group has been actively negotiating with the convertible note holder to renew or extend the maturity date of the convertible note or to enter into other possible note restructuring measures. Subsequent to the reporting date, the Company has entered into a deed of convertible note amendment pursuant to which the note holder has agreed to extend the maturity date to 29 September 2020 conditionally. The details of the deed are set out in note 33 to the consolidated financial statements.
- (c) The Group is also actively identifying any other possible financing options and debt restructuring exercises to strengthen the liquidity of the Group.

The Directors are of the opinion that, taking into account the above-mentioned plans and measures, the Group would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from the date of the consolidated financial statements. Accordingly, it is appropriate to prepare the consolidated financial statements for the year ended 31 December 2019 on a going concern basis.

## 3. 編製基準(續)

### (b) 計量基準及持續經營假設(續)

#### (ii) 持續經營基準(續)

本集團已經且正在採取若干措施以減輕其流動資金壓力，及提高本集團於現金流量預測之財務狀況，其中包括但不限於以下各項：

- (a) 本公司三名股東及董事已確認，彼等將於本集團難以償還上述借貸及可換股票據之逾期本金及利息以及撥付其自報告期末起計至少十二個月之營運時，為本集團提供持續足夠財務支持。年內，其中一名董事及一名股東已向本公司提供合共10,000,000港元之貸款，以應付日常財務需要及所產生之責任。
- (b) 本集團一直積極與可換股票據持有人進行磋商，以重續或延長可換股票據到期日，或採取其他可行票據重組措施。於報告日期後，本公司已訂立可換股票據修訂契據，據此，票據持有人有條件地同意將到期日延長至2020年9月29日。契據詳情載於綜合財務報表附註33。
- (c) 本集團亦正積極尋求任何其他可行融資選擇及債務重組活動，以加強本集團之流動資金狀況。

考慮到上述計劃及措施，董事認為本集團將具備足夠的營運資金以撥付其營運所需，並於自綜合財務報表日期起計未來十二個月內能履行其到期財務責任。因此，按持續經營基準編製截至2019年12月31日止年度的綜合財務報表乃恰當之舉。

### 3. BASIS OF PREPARATION (Continued)

#### (b) Basis of measurement and going concern assumption (Continued)

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

Notwithstanding the above, material uncertainty exists as to whether the directors of the Company will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the continuing and sufficient financial support from the three shareholders and directors of the Company to the Group to meet its operating and financing needs in foreseeable future.

The consolidated financial statements do not include any adjustments that may be necessary should the going concern basis of preparation be determined to be inappropriate. These would include any adjustments to write down the Group's assets to their net realisable amounts, to provide for any liabilities which may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively.

#### (c) Functional and presentation currency

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

### 3. 編製基準 (續)

#### (b) 計量基準及持續經營假設 (續)

##### (ii) *持續經營基準 (續)*

儘管如上文所述，本公司董事能否完成上述計劃及措施存在重大不確定性。本集團是否能持續經營業務將取決於來自本公司三名股東及董事向本集團提供之持續足夠財務支持，以滿足其於可預見將來之營運及融資需求。

綜合財務報表不包含倘釐定持續經營編製基準並不適當所作出之任何必需調整，其可能包括撇減本集團資產至其可變現淨值、就可能產生之任何負債計提撥備，以及將非流動資產及非流動負債分別重新分類為流動資產及流動負債之任何調整。

#### (c) 功能及呈報貨幣

本集團各實體之綜合財務報表內之項目，均採用該實體經營業務所在之主要經濟環境之貨幣計量。綜合財務報表乃以港元（亦即本公司之功能貨幣）呈報。

## 4. SIGNIFICANT ACCOUNTING POLICIES

### (a) Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (the "Group"). Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

## 4. 主要會計政策

### (a) 業務合併及綜合基準

綜合財務報表包括本公司及其附屬公司（「本集團」）之財務報表。集團內公司間之交易及結餘連同未變現溢利均於編製綜合財務報表時全數對銷。未變現虧損亦予以對銷，除非有關交易顯示已轉讓資產出現減值，在此情況下，虧損於損益賬內確認。

於年內收購或出售之附屬公司之業績，乃由收購日期起或截至出售日期止（如適當）列入綜合全面收益表。必要時，附屬公司之財務報表將予調整以使其會計政策與本集團其他成員公司所使用者一致。

收購附屬公司或業務採用收購法入賬。收購成本乃按所轉讓資產、所產生負債及本集團（作為收購方）發行之股權於收購當日之公平值總額計量。所收購可辨別資產及所承擔負債則主要按收購當日之公平值計量。本集團先前所持被收購方之股權以收購當日公平值重新計量，而所產生之收益或虧損則於損益賬內確認。本集團可按每宗交易選擇以公平值或被收購方之可識別資產淨值應佔比例計算現時於附屬公司之擁有權權益之非控股權益。除非香港財務報告準則有規定其他計量基準，否則所有其他非控股權益均按公平值計量。所產生之收購相關成本列作支出，除非該等成本乃於發行股本工具時產生，在該情況下，有關成本乃從權益中扣除。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (a) Business combination and basis of consolidation (Continued)

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

#### 4. 主要會計政策 (續)

##### (a) 業務合併及綜合基準 (續)

收購方將予轉讓之任何或有代價按收購日期之公平值確認。其後對代價之調整僅於調整源出於計量期(最長為收購日期起計十二個月)內所取得有關於收購日期之公平值之新資料時,方以商譽確認。所有其他分類為資產或負債之或有代價之其後調整均於損益賬內確認。

當本集團失去附屬公司控制權,出售損益乃按以下兩者之差額計算:(i)已收代價之公平值與任何保留權益之公平值之總額;與(ii)該附屬公司之資產(包括商譽)及負債與任何非控股權益過往之賬面值。先前於其他全面收益確認與附屬公司有關之金額以相同方式入賬,猶如有關資產或負債已經出售。

收購後,現時於附屬公司之擁有權權益之非控股權益之賬面值為該等權益於初步確認時之款額加以非控股權益應佔權益其後變動之部分。即使會導致非控股權益出現虧絀結餘,全面收益總額乃歸屬於非控股權益。



## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (b) Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

### (c) Goodwill

Goodwill is initially recognised at cost being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests in the acquiree and the acquisition date fair value of the acquirer's previously held equity interest in the acquiree over the fair value of identifiable assets and liabilities acquired.

Where the fair value of identifiable assets and liabilities exceed the aggregate of the fair value of consideration paid, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of the acquirer's previously held equity interest in the acquiree, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

## 4. 主要會計政策 (續)

### (b) 附屬公司

附屬公司為本公司可行使控制權的被投資方。以下三個因素全部滿足時，本公司控制該被投資方：對被投資方的權力、來自被投資方可變回報的風險或權利及利用其權力影響該等可變回報的能力。當有事實或情況顯示任何該等控制因素可能出現變動時，控制權會被重新評估。

在本公司之財務狀況表中，於附屬公司之投資按成本扣除減值虧損（如有）列賬。附屬公司之業績按已收及應收股息由本公司入賬。

### (c) 商譽

商譽初步按成本確認，即所轉讓代價、已確認之被收購方之非控股權益金額及收購方先前所持被收購方股權之收購當日公平值之總額超出所收購可辨別資產及負債公平值之金額。

倘可辨別資產及負債之公平值超出已付代價之公平值、被收購方之任何非控股權益金額及收購方先前所持被收購方股權之收購當日公平值之總額，則超出部分於重估後於收購日期在損益賬內確認。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (c) Goodwill (Continued)

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units that are expected to benefit from the synergies of the acquisition. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, by comparing its carrying amount with its recoverable amount (see note 4(s)), and whenever there is an indication that the unit may be impaired.

For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount to each asset in the unit. However, the loss allocated to each asset will not reduce the individual asset's carrying amount to below its fair value less cost of disposal (if measurable) or its value in use (if determinable), whichever is the higher. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

#### 4. 主要會計政策 (續)

##### (c) 商譽 (續)

商譽按成本減任何減值虧損計量。就減值測試而言，因收購而產生之商譽分配至相關預期受惠於收購所帶來協同效益之各現金產生單位。現金產生單位為可識別之最小資產組合，該等資產組合產生之現金流入很大程度上獨立於其他資產或資產組之現金流入。獲分配商譽之現金產生單位每年透過比較其賬面值及其可收回金額（見附註4(s)）及每當有跡象顯示單位可能出現減值時進行減值測試。

就於某一財政年度進行收購產生之商譽而言，獲分配商譽之現金產生單位會於該財政年度完結之前進行減值測試。倘現金產生單位之可收回金額低於該單位之賬面值，則本集團首先會分配減值虧損以減少分配予該單位之任何商譽之賬面值，再根據該單位之各項資產之賬面值按比例分配至該單位之其他資產。然而，獲分配至各資產之虧損將不會減少個別資產之賬面值至低於其公平值減出售成本（如可計量）或其使用價值（如可釐定）之兩者較高者。商譽之任何減值虧損於損益賬內確認，且不會在其後期間撥回。

## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (d) Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amount are adjusted for the Group's share of the post-acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associate are not recognised unless there is an obligation to make good those losses.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate. Where unrealised losses provide evidence of impairment of the asset transferred they are recognised immediately in profit or loss.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

## 4. 主要會計政策 (續)

### (d) 聯營公司

聯營公司為本集團對其擁有重大影響力之實體，既非附屬公司，亦非合營安排。重大影響力指有權力參與被投資方之財務及經營決策，但並非對該等政策擁有控制或聯合控制權。

聯營公司乃採用權益法入賬，據此聯營公司按成本初步確認，此後其賬面值於聯營公司之資產淨值內調整以反映本集團應佔收購後變動，惟超過本集團於聯營公司之權益之虧損不會確認，除非有責任彌補該等虧損。

本集團與其聯營公司之間的交易產生之損益僅於不相關投資者於聯營公司擁有權益時方才確認。該等交易產生之投資者分佔聯營公司溢利及虧損與聯營公司之賬面值對銷。倘未變現虧損證明所轉移資產出現減值，則即時於損益賬確認。

就聯營公司已付之任何溢價高於已收購本集團應佔可識別資產、負債及或有負債之公平值乃撥充資本，計入聯營公司之賬面值內。倘客觀證據證明聯營公司投資已出現減值，則投資的賬面值按與其他非財務資產相同的方式進行減值測試。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (e) Joint arrangements

The group is a party to a joint arrangement where there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The group classifies its interests in joint arrangements as either:

- Joint ventures: where the group has rights to only the net assets of the joint arrangement; or
- Joint operations: where the group has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:

- The structure of the joint arrangement;
- The legal form of joint arrangements structured through a separate vehicle;
- The contractual terms of the joint arrangement agreement; and
- Any other facts and circumstances (including any other contractual arrangements).

#### 4. 主要會計政策 (續)

##### (e) 聯合安排

當有合約安排賦予本集團及至少一名其他訂約方之相關安排活動之共同控制權時，本集團為聯合安排之訂約方。共同控制乃根據控制附屬公司之相同原則予以評估。

本集團將其於聯合安排之權益分類為：

- 合營企業：倘本集團僅對聯合安排之資產淨值擁有控制權；或
- 合營業務：倘本集團對聯合安排之資產及負債責任均擁有控制權。

於評估有關於聯合安排之權益之分類時，本集團會考慮：

- 聯合安排之架構；
- 透過獨立實體組織之合營安排之法律形式；
- 聯合安排協議之合約條款；及
- 任何其他事實及情況（包括任何其他合約安排）。

## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (e) Joint arrangements (Continued)

#### *Joint venture*

The Group accounts for its interests in joint ventures in the same manner as investments in associates (i.e. using the equity method – see note 4(d)).

Any premium paid for an investment in a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the investment in joint venture. Where there is objective evidence that the investment in a joint venture has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

#### *Joint operations*

The Group accounts for its interests in joint operations by recognising its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations.

Some arrangements have been assessed by the Group as joint operations as both parties to the contract are responsible for the assets and obligations in proportion to their respective interest, whether or not the arrangement is structured through a separate vehicle. This evaluation applies to the Group's interests in production sharing arrangement.

The Group entered into a production sharing arrangement in China. The Group is required to bear exploration, development and operating costs together with a PRC partner based on each partner's participating interest and/or the terms stipulated under the arrangement. Once production occurs, the annual production or revenue is allocated among the partners.

## 4. 主要會計政策 (續)

### (e) 聯合安排 (續)

#### *合營企業*

本集團採用與於聯營公司之投資相同之方式(即使用權益法—見附註4(d))將其於合營企業之權益列賬。

任何支付作投資合營企業而較本集團應佔已購入可識別資產、負債及或然負債的公平值更高的溢價將獲資本化，並計入於合營企業的投資的賬面值。倘有客觀證據顯示於合營企業的投資已出現減值，則該投資的賬面值將會以與其他非財務資產相同的方式進行減值測試。

#### *合營業務*

本集團根據按合約獲賦予之權利及義務，透過確認其應佔資產、負債、收入及費用將其合營業務之權益入賬。

本集團評估部分安排為合營業務，原因是合約雙方均按彼等各自之權益比例對資產及義務負有責任，而不論安排是否透過獨立工具構成。此項評估適用於本集團於生產分成安排之權益。

本集團於中國訂有生產分成安排。本集團須按照各合作夥伴之參與權益及／或該安排所訂明之條款，與中國合作夥伴共同承擔勘探、開發及營運成本。於進行生產後，年度生產或營業額隨即分配予各合作夥伴。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (e) Joint arrangements (Continued)

###### *Joint operations (Continued)*

The Group accounts for the payment received from PRC partner in relation to its sharing portion of production costs as follows: (i) for expenses incurred are recognised as a deduction in reporting the related expenses in profit or loss on a systematic basis; and (ii) for the cost of an asset are recognised as deferred income which is subsequently amortised to profit or loss over the useful life of the asset as a reduction of production expenses.

##### (f) Property, plant and equipment

The property, plant and equipment are stated in the consolidated statement of financial position at cost less accumulated depreciation and accumulated impairment losses.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

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

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells is capitalised as oil and gas properties under property, plant and equipment.

#### 4. 主要會計政策 (續)

##### (e) 聯合安排 (續)

###### *合營業務 (續)*

本集團向中國合作夥伴就其所佔生產成本之分佔部分收取之款項入賬之情況如下：(i)就所招致之開支而言，於損益中按系統基準確認為於呈報相關開支時之扣減；及(ii)就資產成本而言，確認為遞延收入，其後按該資產之可使用年期攤銷至損益以作為生產開支之扣減。

##### (f) 物業、廠房及設備

物業、廠房及設備乃按照成本扣除累計折舊及累計減值虧損於綜合財務狀況表列賬。

物業、廠房及設備之成本包括其購入價及收購項目之直接應佔成本。

其後成本包括在資產賬面值內，或僅於與項目有關之未來經濟利益可能流向本集團且項目成本能可靠計量時確認為獨立資產（視何者適用而定）。替補部分之賬面值予以終止確認。所有其他維修及保養開支於其產生之財政期間在損益賬確認為開支。

興建、安裝或完成平台、管道等基建設施及鑽探開發井之開支乃撥充作物業、廠房及設備項下之油氣資產。

## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis except for oil and gas properties which are depreciated by the units of production method. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

- Building	20 years
- Leasehold improvements	The shorter of their estimated useful lives or the lease term
- Compressed natural gas ("CNG") station, building and ancillary facilities	20 years
- Oil and gas properties	Unit-of-production method utilising only proved and probable oil and gas reserve as the depletion base
- Furniture, fixtures and office equipment	3 - 10 years
- Motor vehicles	4 - 5 years

## 4. 主要會計政策 (續)

### (f) 物業、廠房及設備 (續)

物業、廠房及設備(除油氣資產以生產單位法折舊外)於估計可用年限內按直線基準折舊,以註銷其扣除預計剩餘價值後之成本。於各報告期間結束時,均會檢討可用年限、剩餘價值及折舊方法,並視需要作出調整。可用年限如下:

- 樓宇	20年
- 租賃物業裝修	估計可用年限或租賃期間(以較短者為準)
- 壓縮天然氣 ("CNG") 站、樓宇及配套設施	20年
- 油氣資產	運用生產單位法, 僅將已證實+概略油氣儲量為消耗基礎
- 傢俬、固定裝置及辦公室設備	3至10年
- 汽車	4至5年

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Construction in progress is stated at cost less impairment losses. Cost comprises direct costs of construction as well as borrowing costs capitalized during the periods of construction and installation. Capitalisation of these costs ceases and the construction in progress is transferred to the appropriate class of property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

#### 4. 主要會計政策 (續)

##### (f) 物業、廠房及設備 (續)

在建工程按成本減去減值虧損入賬。成本包括直接建築成本，以及建築及安裝期間之資本化借貸成本。當資產投入擬定用途所需之準備工作大致完成時，該等成本便會停止資本化，而在建工程亦會轉入適當類別之物業、廠房及設備內。在建工程在完工並可隨時投入擬定用途前不計提任何折舊準備。

資產之賬面值如高於估計可收回金額，則會立即撇減至可收回金額。

出售物業、廠房及設備項目之收益或虧損，乃出售所得款項淨額與其賬面值之差額，且會於出售時於損益中確認。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2019

## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (g) Intangible assets (other than goodwill)

#### (i) Acquired intangible assets

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is provided on a straight-line basis over their useful lives as follows:

- |                                |  |
|--------------------------------|--|
| - Oil and gas operation rights | Unit-of-production method utilising only proved and probable oil and gas reserve as the depletion base |
| - Favourable supplier contract | 10 years   |

Motor vehicle registration licenses with indefinite useful lives are carried at cost less any accumulated impairment losses.

The amortisation expense is recognised in profit or loss and included in direct costs.

## 4. 主要會計政策(續)

### (g) 無形資產(商譽除外)

#### (i) 所收購之無形資產

單獨收購之無形資產初步按成本確認。於業務合併中收購之無形資產成本為收購日期之公平值。隨後，有限使用年期之無形資產按成本減累計攤銷及累計減值虧損列賬。

攤銷於如下使用年內按直線法撥備：

- |            |                           |
|------------|---------------------------|
| - 油氣營運權    | 運用生產單位法，僅將已證實+概略油氣儲量為消耗基礎 |
| - 優惠之供應商合約 | 10年                       |

具無限使用年期之汽車登記牌照按成本減任何累計減值虧損列賬。

攤銷費用在損益賬內確認並計入直接成本內。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (g) Intangible assets (other than goodwill) (Continued)

###### (ii) Impairment

Intangible assets with finite lives are tested for impairment when there is an indication that an asset may be impaired. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that they may be impaired. Intangible assets are tested for impairment by comparing their carrying amounts with their recoverable amounts (see note 4(s)).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount; however, the carrying amount should not be increased above the lower of its recoverable amount and the carrying amount that would have resulted had no impairment loss been recognised for the asset in prior years. All reversals are recognised in the income statement immediately.

#### 4. 主要會計政策 (續)

##### (g) 無形資產 (商譽除外) (續)

###### (ii) 減值

具有有限使用年期之無形資產每當有跡象顯示資產可能出現減值時進行減值測試。具有無限使用年期之無形資產及尚未可供使用之無形資產均會每年進行減值測試，不論其有否出現任何可能減值跡象。無形資產透過比較其賬面值及其可收回金額為其進行減值測試 (見附註4(s))。

倘資產之可收回金額估計低於其賬面值，則資產之賬面值會調低至其可收回金額。

減值虧損即時確認為開支。

倘減值虧損其後撥回，則資產之賬面值增加至其經修訂之估計可收回金額；然而，賬面值不應增加高於其可收回金額與倘資產於過往年度並無確認減值虧損而導致之賬面值兩者較低者。所有撥回即時在收益表內確認。

## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (h) Oil and gas exploration and evaluation assets

Oil and gas exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

The licence costs paid in connection with a right to explore are capitalised as oil and gas exploration and evaluation asset. Once the legal right to explore has been acquired, costs directly associated with an exploration well are capitalised as gas exploration and evaluation assets until the drilling of the well is complete and the results have been evaluated. These costs include directly attributable employee remuneration, materials and fuel used, rig costs and payments made to contractors.

Geological and geophysical costs are also capitalised as oil and gas exploration and evaluation asset.

If extractable coalbed methane or oil are found and, subject to further appraisal activity (e.g., the drilling of additional wells), are likely to be capable of being commercially developed, the costs continue to be carried as an intangible assets while sufficient/continued progress is made in assessing the commerciality of the coalbed methane or oil. Costs directly associated with appraisal activity undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of coalbed methane, including the costs of appraisal wells where coalbed methane or oil were not found, are initially capitalised as an intangible asset.

All such capitalised costs are subject to technical, commercial and management review as well as review for indicators of impairment at least once a year. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off to profit or loss.

## 4. 主要會計政策 (續)

### (h) 油氣勘探及評估資產

油氣勘探及評估活動包括尋找礦產資源、釐定技術可行性及評估已識別資源之商業可行性。

已支付有關勘探權之特許權費用乃資本化為油氣勘探及評估資產。倘合法勘探權被收購，與勘探井直接相關之成本將資本化為天然氣勘探及評估資產，直至鑽井結束及就結果進行評估為止。該等成本包括直接應佔僱員薪酬、所用物料及燃料費、鑽機成本及向承包商支付之款項。

地質及地球物理成本亦資本化為油氣勘探及評估資產。

如發現可萃取煤層氣或石油，且根據進一步評估活動（例如，新井鑽探），該等煤層氣可能能夠進行商業開發，則在評估煤層氣之商業性取得充分／繼續進展時，成本將繼續作為無形資產入賬。與最初發現煤層氣或石油之後進行之釐定儲集層之大小、特性及商業潛力之評估活動直接相關之成本（包括評估未發現煤層氣或石油之乾井之成本）將初步資本化為無形資產。

所有該等資本化成本每年至少須接受一次技術、商業及管理審核，以及減值指標檢討，以確定繼續開發或以其他方式萃取有關儲量價值之意圖。如情況有變，有關成本將於損益中註銷。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (h) Oil and gas exploration and evaluation assets (Continued)

When proved reserves of coalbed methane or oil are identified, development is sanctioned by management and approved by relevant government bodies, the relevant capitalised expenditure is first assessed for impairment and (if required) any impairment loss is recognised, then the remaining balance is reclassified to intangible assets and oil and gas properties under property, plant and equipment. After reclassification, amortisation or depreciation will be provided for the respective assets consistent with the relevant accounting policy. No amortisation or depreciation is charged during the exploration and evaluation phase.

##### (i) Payments for leasehold land held for own use (accounting policy until 31 December 2018)

Payments for leasehold land held for own use under operating leases represent up-front payments to acquire long-term interests in lessee-occupied properties. These payments are stated at cost and are amortised over the period of the lease on a straight-line basis as an expense.

##### (j) Leasing

###### A. Accounting policies applied from 1 January 2019

The Group assesses at contract inception whether a 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.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### 4. 主要會計政策 (續)

##### (h) 油氣勘探及評估資產 (續)

當釐定煤層氣或石油之已證實儲量，且管理層及有關政府機構已批准開發時，有關資本化開支將首先接受減值評估及任何減值虧損將獲確認（如必要），之後，剩餘結餘將重新分類至無形資產及物業、廠房及設備項下之油氣資產。重新分類後，將根據相關會計政策，就各項資產計提攤銷或折舊撥備。在勘探及評估階段期間，不作任何攤銷或折舊。

##### (i) 自用租賃土地付款 (於2018年 12月31日前之會計政策)

經營租賃之自用租賃土地付款指收購承租人自用物業長期權益之前期付款。該等付款按成本列賬，並於租賃期內按直線基準攤銷為開支。

##### (j) 租賃

###### A. 自2019年1月1日起應用之會計政策

本集團於合約開始時評估合約是否屬或包含租賃。倘合約賦予權利於一段時間內以代價交換以控制已識別資產的用途，則該合約屬或包含租賃。

本集團對所有租賃應用單一確認及計量方法，惟短期租賃及低價值資產租賃除外。本集團確認作出租賃付款之租賃負債以及代表使用相關資產之權利之使用權資產。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2019

## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (j) Leasing (Continued)

#### A. Accounting policies applied from 1 January 2019 (Continued)

##### (a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Land use right	20 years
Plant and equipment	Over the remaining of lease term
Office premises and staff quarters	Over the remaining of lease term

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

## 4. 主要會計政策 (續)

### (j) 租賃 (續)

#### A. 自2019年1月1日起應用之會計政策 (續)

##### (a) 使用權資產

使用權資產於租賃開始日期(即相關資產可供使用之日期)確認。使用權資產按成本減任何累計折舊及任何減值虧損計量,並就任何重新計量租賃負債作出調整。使用權資產之成本包括已確認之租賃負債金額、已發生之初始直接成本以及於開始日期或之前作出之租賃付款減已收取之任何租賃優惠。使用權資產在以下資產之租期及估計可使用年期(以較短者為準)內按直線法計提折舊:

土地使用權	20年
廠房及設備	於餘下租期內
辦公室物業及員工宿舍	於餘下租期內

倘租賃資產之擁有權於租期結束前轉讓予本集團,或成本反映已行使購買選擇權,則折舊以資產之估計可使用年期計算。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (j) Leasing (Continued)

##### A. Accounting policies applied from 1 January 2019 (Continued)

##### (b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

#### 4. 主要會計政策 (續)

##### (j) 租賃 (續)

##### A. 自2019年1月1日起應用之會計政策 (續)

##### (b) 租賃負債

於租賃開始日期，租賃負債按租賃期內作出之租賃付款之現值予以確認。租賃付款包括固定付款（含實質固定款項）減任何應收租賃優惠、取決於指數或利率之可變租賃款項以及預期根據剩餘價值擔保支付之金額。租賃付款亦包括本集團合理確定行使其購買選擇權之行使價及在租期反映本集團行使終止選擇權時，有關終止租賃之罰款。不取決於指數或利率之可變租賃付款在出現觸發付款之事件或條件之期間內確認為開支。

在計算租賃付款之現值時，由於租賃中所隱含之利率不易確定，本集團在租賃開始日期使用其增量借款利率。在開始日期之後，租賃負債之金額將會增加以反映利息之增加及就已作出之租賃付款減少。此外，如有修改、租期變動、租賃付款變動（即租賃付款日後因指數或利率變動出現變動）或購買相關資產之選擇權的評估變動，則重新計量租賃負債之賬面值。

## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (j) Leasing (Continued)

#### A. Accounting policies applied from 1 January 2019 (Continued)

##### (c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of certain lease properties (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

#### B. Accounting policies applied until 31 December 2018

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to lessee. All other leases are classified as operating leases.

##### *The Group as lessee*

The total rentals payable under the operating leases are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

## 4. 主要會計政策 (續)

### (j) 租賃 (續)

#### A. 自2019年1月1日起應用之會計政 策 (續)

##### (c) 短期租賃

本集團對其若干租賃物業之短期租賃應用短期租賃 (即自開始日期起計租期為12個月或以下以及不含購買選擇權之租賃) 確認豁免。

短期租賃之租賃付款於租期內以直線法確認為開支。

#### B. 於2018年12月31日前應用之會計 政策

當租賃條款轉移與擁有權有關之絕大部分風險及回報予承租人時，租賃分類為融資租賃。所有其他租賃分類為經營租賃。

##### *本集團作為承租人*

經營租賃之應付租金總額在租賃期內按直線法確認計入損益。所收取之租賃優惠於租賃期內確認為租金開支總額之一部分。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (k) Financial Instruments

###### (i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

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

###### *Debt instruments*

Subsequent measurement of debt instruments depends on the Company’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

#### 4. 主要會計政策 (續)

##### (k) 財務工具

###### (i) 財務資產

財務資產(並無重大融資成分的應收賬款除外)初步按公平值計量,倘屬並非按公平值透過損益列賬(「FVTPL」)的項目,則加收購或發行直接應佔的交易成本計量。並無重大融資成分的應收賬款按交易價格初步計量。

所有常規財務資產買賣於交易日期(即本公司承諾購買或出售資產當日)確認。常規買賣指須於一般按有關市場的規例或慣例訂立的時限內交付資產的財務資產買賣。

於釐定具有內含衍生工具的財務資產的現金流量是否僅為支付本金及利息時,應整體考慮該等財務資產。

###### *債務工具*

債務工具的後續計量視乎本公司管理資產的業務模式以及資產的現金流量特徵而定。本公司將其債務工具分為以下三種計量類別:

**攤銷成本:** 為收取合約現金流量而持有,且其現金流量僅為支付本金及利息的資產按攤銷成本計量。按攤銷成本計量的財務資產其後採用實際利率法計量。利息收入、外匯收益及虧損以及減值於損益中確認。終止確認時產生的任何收益於損益中確認。



## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (k) Financial Instruments (Continued)

#### (i) Financial assets (Continued)

##### Debt instruments (Continued)

Fair value through other comprehensive income ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

FVTPL: Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, not designated as effective hedging instruments and financial assets which include embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

## 4. 主要會計政策 (續)

### (k) 財務工具 (續)

#### (i) 財務資產 (續)

##### 債務工具 (續)

按公平值透過其他全面收益列賬 (「FVOCI」): 為收取合約現金流量及出售財務資產而持有, 且資產的現金流量僅為支付本金及利息的資產按FVOCI列賬。按FVOCI列賬之債務投資其後按公平值計量。採用實際利率法計算的利息收入、外匯收益及虧損以及減值於損益中確認。其他收益及虧損淨額於其他全面收益中確認。於終止確認時, 其他全面收益累計的收益及虧損重新分類至損益。

FVTPL: 按FVTPL列賬之財務資產包括持作買賣的財務資產、於初步確認時指定為按FVTPL列賬之財務資產, 或強制要求按公平值計量的財務資產。倘為於近期出售或購回而收購財務資產, 則該等財務資產分類為持作買賣。並無指定為有效對沖工具之衍生工具及含有財務資產之內含式衍生工具亦分類為持作買賣, 惟該等衍生工具被指定為有效對沖工具則除外。現金流量並非僅為支付本金及利息的財務資產, 不論其業務模式如何, 均按FVTPL分類及計量。儘管根據上文所述的標準, 債務工具可分類為按攤銷成本計量或按FVOCI列賬, 但於初步確認時, 倘能夠消除或顯著減少會計錯配, 則債務工具可指定為按FVTPL列賬。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (k) Financial Instruments (Continued)

###### (i) Financial assets (Continued)

###### Equity instruments

On initial recognition of an equity investment that is not held for trading and not contingent consideration required by an acquirer in a business combination, the Company could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at fair value through other comprehensive income are measured at fair value. Dividend income are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss. Dividend income are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

#### 4. 主要會計政策 (續)

##### (k) 財務工具 (續)

###### (i) 財務資產 (續)

###### 股本工具

於初步確認並非持作買賣且並非收購方於業務合併中要求的或然代價的股權投資時，本公司能不可撤回地選擇於其他全面收益中呈列投資公平值的後續變動。該選擇乃按個別投資作出。按公平值透過其他全面收益列賬之股權投資乃按公平值計量。股息收入於損益內確認，除非股息收入明確表示該金額屬收回投資成本的一部分。其他收益及虧損淨額於其他全面收益確認且不會重新分類至損益。所有其他股本工具分類為FVTPL，而公平值變動、股息及利息收入則於損益內確認。股息收入於損益內確認，除非股息收入明確表示該金額屬收回投資成本的一部分。其他收益及虧損淨額於其他全面收益確認且不會重新分類至損益。所有其他股本工具分類為FVTPL，而公平值變動、股息及利息收入則於損益內確認。

## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (k) Financial Instruments (Continued)

#### (ii) Impairment loss on financial assets

The Company recognises loss allowances for expected credit loss (“ECL”) on financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12-month ECLs: these are the ECLs that result from possible default events within twelve months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the assets’ original effective interest rate.

The Company has elected to measure loss allowances for trade receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a provision matrix that is based on the Company’s historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets, the ECLs are based on the 12-month ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

## 4. 主要會計政策 (續)

### (k) 財務工具 (續)

#### (ii) 財務資產之減值虧損

本公司就按攤銷成本計量的財務資產的預期信貸虧損(「預期信貸虧損」)確認虧損撥備。預期信貸虧損按以下其中一項基準計量：(1)12個月預期信貸虧損：其為於報告日期後十二個月內可能發生之違約事件導致的預期信貸虧損；及(2)全期預期信貸虧損：此乃於財務工具預計年期內所有可能發生之違約事件導致的預期信貸虧損。於估計預期信貸虧損時所考慮的最長期間為本公司面臨信貸風險的最長合約期間。

預期信貸虧損是信貸虧損的概率加權估計。信貸虧損乃基於根據合約應付本公司的所有合約現金流量與本公司預期收取的所有現金流量之間的差額計量。該差額其後按與資產原有實際利率相近的比率貼現。

本公司已選用香港財務報告準則第9號簡化法對應收賬款的虧損撥備進行計量，並已根據全期預期信貸虧損計算預期信貸虧損。本公司已根據本公司過往信貸虧損經驗設立撥備矩陣，並按債務人特定的前瞻性因素及經濟環境作出調整。

就其他財務資產而言，預期信貸虧損根據12個月預期信貸虧損計量。然而，信貸風險自產生起顯著增加時，則撥備將根據全期預期信貸虧損作出。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (k) Financial Instruments (Continued)

###### (ii) Impairment loss on financial assets (Continued)

Stage 1: Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs;

Stage 2: Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs;

Stage 3: Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

#### 4. 主要會計政策 (續)

##### (k) 財務工具 (續)

###### (ii) 財務資產之減值虧損 (續)

第1階段：自初步確認以來信貸風險並無大幅增加之財務工具，以及虧損撥備乃按等同12個月預期信貸虧損之金額進行計量之財務工具；

第2階段：自初步確認以來信貸風險大幅增加，惟財務資產並無出現信貸減值之財務工具，以及虧損撥備乃按等同全期預期信貸虧損之金額進行計量之財務工具；

第3階段：於報告日期出現信貸減值之財務資產(購入或源生已出現信貸減值財務資產除外)，以及虧損撥備乃按等同全期預期信貸虧損之金額進行計量之財務資產。

當釐定財務資產的信貸風險是否自初步確認後大幅增加，並於估計預期信貸虧損時，本公司考慮到相關及毋須花費不必要成本或精力即可獲得的合理及可靠資料。此包括根據本公司過往經驗及已知信貸評估得出定量及定性之資料分析，並包括前瞻性資料。

## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (k) Financial Instruments (Continued)

#### (ii) Impairment loss on financial assets (Continued)

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due unless the Group has reasonable and supportable information that demonstrates otherwise.

The Company considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due; unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

#### (iii) Financial liabilities

The Company classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at fair value through profit or loss are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

#### Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

## 4. 主要會計政策 (續)

### (k) 財務工具 (續)

#### (ii) 財務資產之減值虧損 (續)

本公司假定倘財務資產逾期超過30天，則其信貸風險已大幅增加，除非本集團擁有合理有據之資料反對此一假定，則另作別論。

本公司認為財務資產於下列情況下出現信貸減值：(1) 借款人不大可能在本公司不採取追索權行動（例如變現擔保，如持有）下向本公司悉數支付其信貸義務；或(2) 該財務資產逾期超過90日，除非本集團擁有合理有據之資料顯示採用較寬鬆的違約標準更為合適。

信貸減值財務資產的利息收入乃根據財務資產的攤銷成本（即總賬面值減虧損撥備）計算。就並無信貸減值的財務資產，利息收入根據總賬面值計算。

#### (iii) 財務負債

本公司按照負債產生的目的對其財務負債進行分類。按公平值透過損益列賬之財務負債乃按公平值初步計量，而按攤銷成本計量的財務負債則按公平值減所產生的直接應佔成本初步計量。

#### 按FVTPL列賬之財務負債

按FVTPL列賬之財務負債包括持作買賣的財務負債以及於初步確認後指定按FVTPL列賬之財務負債。

倘為於近期出售而收購財務負債，則該等財務負債分類為持作買賣。衍生工具（包括獨立內含衍生工具）亦分類為持作買賣，惟該等衍生工具被指定為有效對沖工具則除外。持作買賣負債之收益或虧損於損益內確認。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (k) Financial Instruments (Continued)

###### (iii) Financial liabilities (Continued)

###### Financial liabilities at FVTPL (Continued)

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial liability at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Financial liabilities may be designated upon initial recognition as at FVTPL if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognising gains or losses on them on a different basis; (ii) the liabilities are part of a group of financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial liability contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise, except for the gains and losses arising from the Company's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

#### 4. 主要會計政策 (續)

##### (k) 財務工具 (續)

###### (iii) 財務負債 (續)

###### 按FVTPL列賬之財務負債 (續)

倘一份合約包含一項或多項內含衍生工具，則整份混合式合約將被指定為按公平值透過損益列賬之財務負債，除非有關內含衍生工具不會對現金流量產生重大影響，或此內含衍生工具被明確禁止拆分。

符合以下條件之財務負債可於初步確認時指定為按FVTPL列賬：(i)有關指定能消除或大大減低因按照不同基準計量有關負債或確認其收益或虧損而出現之不一致處理情況；(ii)根據列明之風險管理策略，該等負債為一組受管理且其表現乃按公平值基準估值之財務負債之其中一部分；或(iii)該財務負債包含需單獨入賬之內含衍生工具。

於初步確認後，按公平值透過損益列賬之財務負債乃按公平值計量，而公平值變動於變動產生期間內於損益確認，惟本公司自身信貸風險所產生的收益及虧損除外，有關收益及虧損呈列於其他全面收益且其後不得重新分類至損益表。於損益表確認的公平值收益或虧損淨額並不包括任何就該等財務負債所收取的利息。

## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (k) Financial Instruments (Continued)

#### (iii) Financial liabilities (Continued)

##### Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables and accruals, borrowings and the debt element of convertible loan note issued by the Company are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

#### (iv) Convertible notes

Convertible loan notes issued by the Group that contain both the liability and conversion option components are classified separately into their respective items on initial recognition. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the proceeds of the issue of the convertible loan notes and the fair value assigned to the liability component, representing the conversion option for the holder to convert the loan notes into equity, is included in equity (convertible note equity reserve).

## 4. 主要會計政策 (續)

### (k) 財務工具 (續)

#### (iii) 財務負債 (續)

##### 按攤銷成本計量的財務負債

按攤銷成本計量的財務負債包括應付賬款、其他應付款項及預提費用、借貸及本公司所發行可換股貸款票據之債務部分，其後使用實際利率法按攤銷成本計量。相關利息支出於損益賬確認。

當負債終止確認時，以及在攤銷過程中，收益或虧損會在損益賬內確認。

#### (iv) 可換股票據

本集團發行之可換股貸款票據包括負債及兌換權部分，於初步確認時分別歸類至相關項目。將以指定金額現金或其他財務資產交換本公司本身指定數目之股本工具結算之兌換權分類為股本工具。

初步確認時，負債部分之公平值按同類非可換股債項之現行市場利率釐定。發行之可換股貸款票據之所得款項與撥入負債部分（即持有人將貸款票據兌換為權益之兌換權）之公平值差額計入權益之可換股票據權益儲備。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (k) Financial Instruments (Continued)

###### (iv) Convertible notes (Continued)

In subsequent periods, the liability component of the convertible loan notes is carried at amortised cost using the effective interest method. The equity component, represented by the option to convert the liability component into ordinary shares of the Company, will remain in convertible note equity reserve until the embedded option is exercised in which case the balance stated in convertible note equity reserve will be transferred to share capital and share premium. Where the option remains unexercised at the expiry dates, the balance stated in convertible note equity reserve will be released to the accumulated losses. No gain or loss is recognised upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible loan notes using the effective interest method.

###### (v) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

###### (vi) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

#### 4. 主要會計政策 (續)

##### (k) 財務工具 (續)

###### (iv) 可換股票據 (續)

於其後期間，可換股貸款票據之負債部分使用實際利率法按攤銷成本列賬。權益部分（即將負債部分兌換為本公司普通股之選擇權）保留於可換股票據權益儲備，直至附帶選擇權獲行使為止，在此情況下，可換股票據權益儲備之結餘將轉撥至股本及股份溢價。倘選擇權於到期日仍未行使，則可換股票據權益儲備之結餘將轉撥至累計虧損。選擇權兌換或到期時不會確認任何收益或虧損。

與發行可換股貸款票據相關之交易成本，按分配所得款項之比例分配至負債及權益部分。與權益部分相關之交易成本會直接於權益扣除。與負債部分相關之交易成本計入負債部分之賬面值，並以實際利率法於可換股貸款票據期限內攤銷。

###### (v) 實際利率法

實際利率法乃計算財務資產或財務負債之攤銷成本以及於有關期間分配利息收入或利息支出之方法。實際利率乃於財務資產或負債之預期年期或（倘適用）較短期間用作準確折現估計未來現金收款或付款之利率。

###### (vi) 股本工具

由本公司發行之股本工具按已收取之所得款項扣除直接發行成本入賬。



## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (k) Financial Instruments (Continued)

#### (vii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the loss allowance, being the ECL provision measured in accordance with principles of the accounting policy set out in note 4(k)(ii); and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the principles of HKFRS 15.

#### (viii) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

## 4. 主要會計政策 (續)

### (k) 財務工具 (續)

#### (vii) 財務擔保合約

財務擔保合約乃在債務工具根據其原始或修訂條款到期時特定債務人無法還款之情況下要求發行人向持有人支付特定金額以補償其所受損失之合約。由本集團發行之並非指定為按公平值透過損益列賬之財務擔保合約，初步按其公平值減發行財務擔保合約直接應佔之交易成本確認。於初步確認後，本集團以下列較高者計量財務擔保合約：(i)虧損撥備金額，即根據附註4(k)(ii)所載的會計政策原則計量預期信貸虧損撥備；及(ii)初步確認金額減(如適用)根據香港財務報告準則第15號之原則確認的累計攤銷。

#### (viii) 終止確認

倘涉及財務資產之未來現金流量之合約權利屆滿，或倘財務資產已經轉讓而有關轉讓符合香港財務報告準則第9號之終止確認標準，則本集團終止確認該項財務資產。

倘由於重新磋商財務負債之條款，本集團向債權人發行其自身股本工具以支付全部或部分之財務負債，則已發行之股本工具為已付代價並於抵銷財務負債或其部分日期按彼等之公平值初步確認及計量。倘已發行股本工具之公平值不能可靠計量，則股本工具將按可反映所抵銷財務負債之公平值計量。所抵銷財務負債或其部分之賬面值與已付代價之差額於本年度損益賬中確認。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (l) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held at call with banks, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank deposits which are restricted to use are included in “Restricted cash at banks”. Restricted cash at banks are excluded from cash and cash equivalents in the consolidated statements of cash flows.

##### (m) Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents 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.

##### (n) Provision and contingent liabilities

###### (i) Provisions

###### General

Provision are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### 4. 主要會計政策 (續)

##### (l) 現金及現金等價物

現金及現金等價物包括手頭現金及銀行通知存款以及其他具高流動性之短期投資，此等投資可隨時變現為可知數量之現金，而所須承受之價值變動風險屬輕微。限制使用之銀行存款計入「受限制銀行現金」。受限制銀行現金並不計入綜合現金流量表項下之現金及現金等價物。

##### (m) 存貨

存貨初步按成本確認，其後按成本及可變現淨值兩者中之較低數額確認。成本包括所有採購成本、加工成本及將存貨運輸至現時地點及變成現狀所產生之其他成本。成本以加權平均法計算。可變現淨值指以日常業務過程中之估計售價減去估計完工成本及銷售所需之估計成本後所得之數。

##### (n) 撥備及或有負債

###### (i) 撥備

###### 一般情況

倘若本集團須就過往事件承擔現有法律或推定責任，而本集團有可能須履行有關責任，且能夠可靠地估計有關責任數額，則會確認撥備。

已確認為撥備之數額乃計及有關責任之風險及不確定因素後，於報告期間結束時履行現有責任所需代價之最佳估計數額。倘撥備以預期履行現有責任之現金流量計算，則其賬面值為該等現金流量之現值。

倘預期結算撥備所需之部分或全部經濟利益可自第三方收回，且幾乎肯定能收回償付金額及應收款項金額能可靠地計量，則該應收款項將確認為資產。

## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (n) Provision and contingent liabilities (Continued)

#### (i) Provisions (Continued)

##### *Decommissioning liability*

Decommissioning liability is recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. A corresponding amount equivalent to the provision is recognised as part of the cost of the related oil and gas properties. The amount recognised is the estimated cost of decommissioning, discounted to its present value. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to oil and gas properties.

#### (ii) Contingent liability

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

## 4. 主要會計政策 (續)

### (n) 撥備及或有負債 (續)

#### (i) 撥備 (續)

##### *停止運作負債*

本集團因過往事件產生現有法律或推定責任，並可能流出資源以清償該責任而有關責任之金額能可靠估計時，則確認停止運作負債。相等於有關撥備之相應金額確認為相關油氣資產成本之一部分。所確認之金額為停止運作之估計成本並經折現至其現值。停止運作之估計時間或停止運作成本估計數字之變動乃透過將撥備之調整金額及油氣資產之相應調整金額記錄入賬之方式在未來處理。

#### (ii) 或有負債

或有負債指一項因已發生事件而可能引致之責任，而其存在與否僅取決於日後是否發生一件或以上並非完全受本集團控制之不確定事件而定。或有負債亦可能是已發生事件所引致之現有承擔，但由於可能不需要有經濟資源流出，或承擔金額不能可靠地計量而未有確認。

或有負債不予確認，但須於財務報表中披露。當經濟資源流出之可能性改變而可能導致資源流出時，則或有負債將確認為撥備。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (o) Income tax

Income tax for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

#### 4. 主要會計政策 (續)

##### (o) 所得稅

年內所得稅包括即期稅項及遞延稅項。

即期稅項乃按已就毋須就所得稅課稅或不可扣減所得稅之項目作出調整之日常業務損益，按報告期間結束時已頒佈或實際頒佈之稅率計算。

遞延稅項乃就財務報告之資產及負債之賬面值與就稅務所用相應數值間之暫時差額確認。除不影響會計或應課稅溢利之商譽及已確認資產及負債外，所有應課稅暫時差額之遞延稅項負債均會確認。遞延稅項資產僅在應課稅溢利可供扣減暫時差額抵銷時確認。遞延稅項乃按適用於資產或負債之賬面值獲變現或結算之預期方式及於各報告期末已頒佈或實際頒佈之稅率計量。

除本集團可控制暫時差額之撥回而暫時差額有可能在可預見未來不予撥回之情況外，因投資附屬公司、聯營公司及共同控制實體而引致之應課稅暫時差額會確認遞延稅項負債。

所得稅乃於損益賬內確認，惟所得稅與直接於其他全面收益確認之項目有關則除外，在此情況下，稅項亦於其他全面收益確認，或當與直接在權益確認之項目有關時，稅項則直接於權益確認。

## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (p) Foreign currencies

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which they operate (the “functional currency”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which case, the exchange differences are also recognised directly in other comprehensive income.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign exchange reserve (attributed to minority interests as appropriate). Exchange differences recognised in profit or loss of group entities’ separate financial statements on the translation of long-term monetary items forming part of the Group’s net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as foreign exchange reserve.

## 4. 主要會計政策 (續)

### (p) 外幣

本集團旗下各實體以其經營業務所在之主要經濟環境之貨幣(「功能貨幣」)以外其他貨幣進行之交易，乃按交易當日之匯率入賬。以外幣為單位之貨幣資產及負債按報告期間結束時之匯率換算。以外幣表示公平值之非貨幣項目按公平值釐定當日之現行匯率重新換算。以外幣歷史成本計量之非貨幣項目毋須重新換算。

因結算及換算貨幣項目所產生之匯兌差異，於產生期間之損益賬內確認。重新換算按公平值列賬之非貨幣項目所產生之匯兌差異計入期內損益賬，惟重新換算有關收益及虧損而直接於其他全面收益確認之非貨幣項目所產生之匯兌差異，亦直接於其他全面收益確認。

綜合賬目時，海外業務之收入及支出項目以年內平均匯率換算為本集團之呈報貨幣(即港元)，除非期內匯率大幅波動，在此情況下，則按進行該等交易時之相若匯率換算。所有海外業務之資產及負債均以報告期間結束時之匯率換算。所產生之匯兌差異(如有)，於其他全面收益確認，並於權益累計入賬為外匯儲備(在適當情況下歸屬於少數股東權益)。於換算構成本集團於所涉海外業務之部分投資淨額之長期貨幣項目時，在本集團旗下各實體獨立財務報表之損益賬內確認之匯兌差異則重新分類至其他全面收益，並於權益累計入賬為外匯儲備。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (p) Foreign currencies (Continued)

On disposal of a foreign operation, the cumulative exchange differences recognised in the exchange reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of reporting period. Exchange differences arising are recognised in the exchange reserve.

##### (q) Employee's benefits

###### (i) Short term employee benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

###### (ii) Defined contribution retirement plan

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees.

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the Scheme. The assets of the Scheme are held separately from those of the Group in an independently administered fund. The Group's contributions as employer vest fully with the employees when contributed into the Scheme.

#### 4. 主要會計政策 (續)

##### (p) 外幣 (續)

出售海外業務時，外匯儲備內確認該業務截至出售日期止之累計匯兌差異將重新分類至損益賬，作為出售損益之一部分。

於2005年1月1日或之後，於收購海外業務時產生之所收購可辨別資產之商譽及公平值調整乃作為該海外業務之資產及負債處理，並按報告期間結束時之現行匯率進行換算。產生之匯兌差異乃於外匯儲備內確認。

##### (q) 僱員福利

###### (i) 短期僱員福利

短期僱員福利是指預計在僱員提供相關服務之年度報告期結束後十二個月以前將全數結付之僱員福利(終止福利除外)。短期僱員福利於僱員提供相關服務之年度確認。

###### (ii) 界定供款退休計劃

向界定供款退休計劃作出之供款於僱員提供服務時在損益賬內確認為開支。

本集團根據強制性公積金計劃條例，為其香港所有僱員設立界定供款強制性公積金退休福利計劃(「該計劃」)。供款乃以僱員之基本薪金百分比作出，並根據該計劃之規則於應付時在損益賬內扣除。該計劃之資產乃存放於一個獨立管理之基金內，與本集團之資產分開持有。當本集團向該計劃供款後，僱員有權完全享有僱主供款。

## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (q) Employee's benefits (Continued)

#### (ii) Defined contribution retirement plan (Continued)

The Group has joined a mandatory central pension scheme organised by the PRC government for certain of its employees, the assets of which are held separately from those of the Group. Contributions made are based on a percentage of the eligible employees' salaries and are charged to profit or loss as they became payable, in accordance with the rules of the scheme. The employer's contributions vest fully once they are made.

### (r) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the share option reserve.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the Group obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at the end of each reporting period.

## 4. 主要會計政策 (續)

### (q) 僱員福利 (續)

#### (ii) 界定供款退休計劃 (續)

本集團已為若干僱員參加由中國政府管理之強制性中央退休金計劃，計劃資產與本集團資產分開持有。供款乃以合資格僱員之薪金百分比作出，並根據計劃之規則於應付時在損益賬內扣除。僱主供款於作出供款時即全數歸屬僱員。

### (r) 以股份支付之款項

向僱員及提供類似服務之其他人士支付股本結算以股份支付之款項，乃以股本工具於授出日期之公平值計量。

於股本結算以股份支付之款項授出日期釐定之公平值會於歸屬期內根據最終將會歸屬之本集團股本工具之估計，按直線法支銷。於各報告期間結束時，本集團會修訂預期將歸屬之股本工具數目之估計數字。對原估計進行修訂(如有)所產生之影響乃於餘下歸屬期於損益賬內確認，並對購股權儲備作出相應調整。

與其他人士所進行股本結算以股份付款之交易，乃以所獲貨品或服務之公平值計量，惟倘公平值未能可靠地估計，則將於本集團獲得貨品或交易方提供服務當日以授出股本工具之公平值計量。

就現金結算以股份支付之款項而言，相等於所獲貨品或服務部分之負債按於各報告期間結束時釐定之當前公平值確認。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (s) Impairment of assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment under cost model;
- intangible assets;
- oil and gas exploration and evaluation assets; and
- investments in subsidiaries, joint venture and associate.

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Value in use is based on the estimated future cash flows expected to be derived from the asset or cash generating unit (see note 4(c)), 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 or cash generating unit.

#### 4. 主要會計政策 (續)

##### (s) 資產之減值 (財務資產除外)

於每個報告期間結束時，本集團審閱下列資產之賬面值，以判斷是否有任何跡象顯示該等資產出現減值虧損，或先前確認之減值虧損已不復存在或已有所減少：

- 成本模式下之物業、廠房及設備；
- 無形資產；
- 油氣勘探及評估資產；及
- 於附屬公司、合營企業及聯營公司之投資。

倘資產之可收回金額 (即公平值減銷售成本之差額與使用價值之較高者) 估計低於其賬面值，則資產之賬面值會調低至其可收回金額。減值虧損即時確認為開支。

倘減值虧損其後撥回，則資產之賬面值增加至其經修訂之估計可收回金額，惟增加後之賬面值不可超逾倘資產於過往年度並無確認減值虧損而原應釐定之賬面值。減值虧損撥回即時確認為收入。

使用價值按資產或現金產生單位產生之估計日後現金流量計算 (見附註4(c))，並使用除稅前折現率折現至現值，而有關折現率反映現時市場所評估之金額之時間值及資產或現金產生單位之特定風險。



## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (t) Capitalisation of borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### (u) Government grants

Government grants are recognised when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

### (v) Related parties

(i) *A person or a close member of that person's family is related to the Group if that person:*

- (a) has control or joint control over the Group;
- (b) has significant influence over the Group; or
- (c) is a member of key management personnel of the Group or the Company's parent.

## 4. 主要會計政策 (續)

### (t) 借貸成本資本化

需要相當長時間才可以投入原定用途或銷售之合資格資產在購入、建設或生產過程中直接引致之借貸成本，均撥充資本作為該等資產之部分成本。將有待用於該等資產之特定借貸作臨時投資所賺取之收入，已從撥充資本之借貸成本中扣除。所有其他借貸成本均於產生期間於損益賬內確認。

### (u) 政府補貼

政府補貼於合理確信將會獲得及本集團符合其所附條件時予以確認。補償本集團所產生開支之補貼於產生開支期間有系統地於損益賬確認為收益。補償本集團資產成本之補貼自該資產之賬面值扣減，其後按該資產之可使用年期以扣減折舊開支之方式於損益賬有效確認。

### (v) 關連人士

(i) *倘適用下列情況，該名人士或該名人士之近親家屬成員便被視為與本集團有關聯：*

- (a) 對本集團有控制權或共同控制權；
- (b) 對本集團有重大影響力；或
- (c) 為本集團或本公司母公司主要管理人員。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (v) Related parties (Continued)

(ii) An entity is related to the Group if any of the following conditions apply:

- (a) 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).
- (b) One entity is 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).
- (c) Both entities are joint ventures of the same third party.
- (d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (e) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
- (f) The entity is controlled or jointly controlled by a person identified in (i).
- (g) A person identified in (i)(a) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
- (h) 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 parent of the Group.

#### 4. 主要會計政策 (續)

##### (v) 關連人士 (續)

(ii) 倘適用下列情況，該實體便被視為與本集團有關聯：

- (a) 該實體及本集團屬同一集團之成員（即各母公司、附屬公司及同系附屬公司互相關聯）。
- (b) 一個實體為另一實體之合營企業（或為某一集團之成員之聯營企業或合營企業，而該另一實體為此集團之成員）。
- (c) 兩個實體皆為相同第三方之合營企業。
- (d) 一個實體為第三實體之合營企業及另一實體為第三實體之聯營企業。
- (e) 該實體為本集團或與本集團有關聯之實體之僱員福利而設之離職後福利計劃。
- (f) 該實體受(i)部分所識別之人士控制或共同控制。
- (g) 於(i)(a)所識別對實體有重大影響之人士，或是實體（或實體之母公司）高級管理人員。
- (h) 該實體或一組任何成員部分向本集團或本集團母公司提供主要管理人員服務。

## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (v) Related parties (Continued)

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 and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependents of that person or that person's spouse or domestic partner.

### (w) Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, 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.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- (a) provides all of the benefits received and consumed simultaneously by the customer;
- (b) creates or enhances an asset that the customer controls as the Group performs; or
- (c) does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

## 4. 主要會計政策 (續)

### (v) 關連人士 (續)

某一人士之近親家屬成員指預期可影響該人士與實體進行買賣或於買賣時受該人士影響之有關家屬成員並包括：

- (a) 該名人士之子女及配偶或家庭夥伴；
- (b) 該名人士之配偶或家庭夥伴之子女；及
- (c) 該名人士或該名人士之配偶或家庭夥伴之受養人。

### (w) 收入確認

客戶合約收益於貨品或服務控制權轉讓至客戶時按能反映本集團預期就轉讓該等貨品或服務而有權獲得的代價金額確認，惟不包括代表第三方收取的金額。收入不包括增值稅或其他銷售稅，並扣除任何交易折扣。

貨品或服務的控制權可隨時間或於某一時間點進行轉讓，取決於合約條款與適用於合約的法律。倘本集團在履約過程中符合以下條件，則貨品或服務的控制權乃隨時間進行轉讓：

- (a) 提供客戶同步收取及消耗的所有利益；
- (b) 本集團履約時創建或提升由客戶控制的資產；或
- (c) 並無產生對本集團有替代用途的資產，且本集團可強制執行權利以收取迄今已完成履約的款項。

倘貨品或服務的控制權隨時間轉讓，則收入乃於整個合約期間經參考完成履行履約責任的進度確認。否則，收入於客戶獲得貨品或服務控制權的時間點確認。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (w) Revenue recognition (Continued)

###### (i) Sales of coalbed methane (“CBM”)

Revenue from sales of CBM through pipelines is recognised when the coalbed methane passes through the built-in gas metre which is taken to be the point in time when the customer has accepted the coalbed methane delivered and the related risks and rewards of ownership has been transferred.

###### (ii) Sales of raw and cleaned coal

Revenue from sales of raw and cleaned coal is recognised when the raw and/or cleaned coal is delivered to customers’ designated location and the customer accepts and takes control of the raw and/or cleaned coal. There is generally one performance obligation and the consideration includes no variable element.

Receipt in advance related to consideration received for the sales of raw and/or cleaned coal are included in “Trade and other payables and accruals”.

###### (iii) Other income

###### Interest income

Interest income, which mainly includes interest income from financial services and bank interest income, is accrued on a time-apportioned basis by reference to the principal outstanding using the effective interest method.

#### 4. 主要會計政策 (續)

##### (w) 收入確認 (續)

###### (i) 銷售煤層氣

透過管道銷售煤層氣之收入在煤層氣經過內置煤層氣儀表時(即視為客戶接收已送達煤層氣及其擁有權相關之風險及回報獲轉讓之時間點)確認。

###### (ii) 銷售原煤及精煤

原煤及精煤銷售收入在原煤及／或精煤交付予客戶指定地點且客戶接收並控制原煤及／或精煤時確認。一般而言，此包含一項履約責任，而代價並不包括可變因素。

有關就原煤及／或精煤銷售收取的代價的預收款項計入「應付賬款、其他應付款項及預提費用」。

###### (iii) 其他收入

###### 利息收入

利息收入主要包括財務服務利息收入及銀行利息收入，它們就未償還本金額使用實際利率法按時間比例基準累計。

## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (w) Revenue recognition (Continued)

#### *Contract assets and liabilities*

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Upon initial adoption of HKFRS 15, receipts in advance represent contract liabilities within the scope of HKFRS 15. The Group continue to include it under "Trade and other payables and accruals".

#### *Contract costs*

The Group recognises an asset from the costs incurred to fulfil a contract when those costs meet all of the following criteria:

- (a) the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- (b) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (c) the costs are expected to be recovered.

The asset recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the cost relate. The asset is subject to impairment review.

## 4. 主要會計政策 (續)

### (w) 收入確認 (續)

#### *合約資產及負債*

合約資產指本集團就換取本集團已向客戶轉讓的服務收取代價的權利(尚未成為無條件)。相反,應收賬款指本集團收取代價的無條件權利,即代價付款到期前僅須待時間推移。

合約負債指本集團因已自客戶收取代價(或到期收取的代價款項),而須向客戶轉讓服務的責任。

初步採納香港財務報告準則第15號後,預收款項指香港財務報告準則第15號範圍內的合約負債。本集團繼續將其計入「應付賬款、其他應付款項及預提費用」項下。

#### *合約成本*

本集團須在當有關成本符合以下所有標準時,自履行合約所產生之成本確認資產:

- (a) 有關成本與實體可明確識別之合約或預期合約有直接關係;
- (b) 有關成本令實體將用於履行(或持續履行)日後履約責任之資源得以產生或有所增加;及
- (c) 有關成本預期可收回。

已確認之資產其後按系統化基準攤銷至損益,該基準與向客戶轉讓該成本相關之貨品或服務一致。資產須進行減值檢討。

## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

### (a) Critical accounting judgements

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results 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.

#### (i) Units of production for depreciation and amortisation

Oil and gas properties are depreciated and intangible assets are amortised using the units of production method over total proved developed and undeveloped oil and gas reserves. This results in depreciation and amortisation charge proportional to the depletion of the anticipated remaining production from the field. Each item's life, which is assessed annually, having regard to both its physical life limitations and to present assessments of economically recoverable reserves of the field at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves. The calculation of the units of production rate of depreciation and amortisation could be affected by actual future production which may differ from current forecast production based on total proved reserves. Changes to proved reserves could arise due to changes in the factors or assumptions used in estimating reserves, including price assumptions. If there is any changes in the assumptions used, the calculation will be changed prospectively.

## 5. 重大會計判斷及估計不明朗因素之主要理據

### (a) 重大會計判斷

於應用本集團之會計政策時，董事須就未能從其他來源取得之資產及負債之賬面值作出判斷、估計及假設。估計及相關假設乃根據過往經驗及其他被視為相關之因素而作出。實際結果可能有別於該等估計。

估計及相關假設會按持續基準檢討。會計估計之修訂於該估計修訂之期間確認（倘該修訂僅影響該期間），或於修訂期間及未來期間確認（倘該修訂影響現時及未來期間）。

#### (i) 生產單位之折舊及攤銷

油氣資產及無形資產乃使用生產單位法就證實之已開發及未開發總油氣儲量分別進行折舊及攤銷。這導致按油田之預計剩餘生產量消耗比例計之折舊及攤銷費用。各項目之壽命每年經考慮其實際壽命限制及資產所處之油田經濟上可採儲備之現時估計後評估。該等計算需要採用估計及假設，包括可採儲備量。生產單位之折舊率及攤銷率之計算可能受或不同於基於證實總儲量之當前預測生產量之實際未來生產量影響。證實儲量可能因估計儲量時採用之因素或假設（包括價格假設）變動而變動。若採用之假設發生任何變動，計算或將變動。

## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

### (a) Critical accounting judgements (Continued)

#### (ii) Going concern assessment

As disclosed in Note 3(b)(ii) to the consolidated financial statements, there are number of conditions indicate the existence of material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and, therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors have prepared a cash flow forecast of the Group and are of the opinion that, taking into account the plans and measures mentioned in Note 3(b)(ii), the Group would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from the date of the consolidated financial statements. Accordingly, the directors are of the opinion that it is appropriate to prepare the financial statements for the year ended 31 December 2019 on a going concern basis, notwithstanding material uncertainty exists.

## 5. 重大會計判斷及估計不明朗因素之主要理據 (續)

### (a) 重大會計判斷 (續)

#### (ii) 持續經營評估

誠如綜合財務報表附註3(b)(ii)中所披露，不同情況顯示存在著重大不確定因素，可能對本集團繼續按持續經營基準營運之能力構成重大疑慮，因此，可能無法在日常業務過程中變現資產及償還負債。

董事已編製本集團現金流量預測，並考慮到附註3(b)(ii)所述之計劃及措施，認為本集團將具備足夠的營運資金以撥付其營運所需，並於自綜合財務報表日期起計未來十二個月內能履行其到期財務責任。因此，董事認為，儘管重大不確定因素存在，按持續經營基準編製截至2019年12月31日止年度的財務報表乃恰當之舉。

## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

### (b) Key sources of estimation uncertainty

In the process of applying the Group's accounting policies which are described in note 4, management has made certain key assumptions concerning the future and other key sources of estimated uncertainty at the end of reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as discussed below.

#### (i) Impairment of property, plant and equipment and intangible assets

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its 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, which requires significant judgment relating to level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of revenue and operating costs. Changes in these estimates could have a significant impact on the carrying value of the assets and could result in additional impairment charge or reversal of impairment in future periods.

## 5. 重大會計判斷及估計不明朗因素之主要理據 (續)

### (b) 估計不明朗因素之主要理據

於應用本集團會計政策(載於附註4)之過程中,管理層曾就報告期間結束時估計不確定因素之未來及其他主要來源作出若干重要假設,有關假設可能帶有導致於下個財政年度對資產及負債之賬面值作出重大調整之重大風險如下文討論。

#### (i) 物業、廠房及設備以及無形資產減值

資產之可收回金額為其公平值減出售成本及使用價值之較高者。在評估使用價值時,按除稅前折現率將估計之日後現金流量折現至現值,而有關折現率須反映現時市場所評估之金額之時間值及與資產相關之特定風險,當中須對收入水準及經營成本金額作出重大判斷。本集團利用所有現有資料對可收回金額作合理估算,包括基於合理及可支持之假設以及收入及經營費用之推算作估算。該等估計之變動可能對資產之賬面值造成重大影響,並可能導致在未來期間計提額外減值開支或作出減值撥回。



## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

### (b) Key sources of estimation uncertainty (Continued)

#### (ii) Impairment allowance on financial assets measured at amortised cost

The Group makes allowances for financial assets measured at amortised cost based on assumptions about risk of default and expected loss rates. The Group used judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates as at year ended date.

The Group's management reassesses the impairment of financial assets measured at amortised cost as at the year ended date. Where the expectation is different from the original estimate, such differences will affect the carrying value of receivables and thus the impairment loss in the year in which such estimate is changed.

#### (iii) Income tax and deferred tax

The Group is subject to income tax in a number of jurisdictions. Significant judgement is required in determining the provision for income taxes. Transactions and calculations may exist for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised to the extent that management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and tax in the periods in which such estimate is changed.

## 5. 重大會計判斷及估計不明朗因素之主要理據 (續)

### (b) 估計不明朗因素之主要理據 (續)

#### (ii) 按攤銷成本計量之財務資產減值撥備

本集團基於有關違約風險及預期虧損率之假設就按攤銷成本計量之財務資產作出撥備。於年度完結日期，本集團根據其過往歷史、現時市況及前瞻性估計，通過判斷作出該等假設及選擇減值計算之輸入數據。

本集團管理層於年度完結日期重新評估按攤銷成本計量之財務資產減值。倘預期有別於原本估計，則有關差異將於有關估計變動之年度影響應收賬款之賬面值，並因而影響減值虧損。

#### (iii) 所得稅及遞延稅項

本集團須繳納不同司法權區之所得稅。釐定所得稅撥備時需要作出重大判斷。許多交易及計算方法在日常業務過程中難以確定最終稅項。本集團按照會否出現額外應繳稅項之估計確認預期稅務事宜所產生之負債。倘該等事宜之最終稅務結果與起初記賬之金額不同，則該等差額將會影響作出有關決定期間之所得稅及遞延稅項撥備。

由於管理層認為日後應課稅溢利可能用於抵銷暫時差額或稅項虧損，故確認與若干暫時差額及稅項虧損有關之遞延稅項資產。倘預期有別於原本估計，則有關差異將於有關估計變動之期間影響遞延稅項資產及稅項之確認。

## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

### (b) Key sources of estimation uncertainty (Continued)

#### (iv) Contingencies

Periodically, the Group assesses potential liabilities related to any lawsuits or claims brought against the Group or any asserted claims. Although it is typically very difficult to determine the timing and ultimate outcome of such actions, the Group uses its best judgement to determine if it is probable that it will incur an expense related to the settlement or final adjudication of such matters and whether a reasonable estimation of such probable loss, if any, can be made. In accordance with HKAS 37, Provisions, Contingent Liabilities and Contingent Assets, the Group accrues a liability when it believes a loss is probable and the amount of loss can be reasonably estimated. Due to the inherent uncertainties related to the eventual outcome of litigation, although the Group believes that the estimates and judgement are reasonable, it is possible that certain matters may be resolved for amounts materially different from any estimated provisions or previous disclosures.

#### (v) Estimation of assets retirement obligations

Provision is recognised for the future decommissioning and restoration of oil and gas properties. The amount of provision recognised is the present value of the estimate future expenditure. The estimation of the future expenditure is based on current local conditions and requirements, including legal requirements, technology, price level, etc. In addition to these factors, the present value of these estimated future expenditure is also impacted by the estimation of the economic lives of oil and gas properties. Changes in any of these estimates will impact the operating results and the financial position of the Group over the remaining economic lives of the oil and gas properties.

## 5. 重大會計判斷及估計不明朗因素之主要理據 (續)

### (b) 估計不明朗因素之主要理據 (續)

#### (iv) 或有事項

本集團定期評估任何有關向本集團提出之訴訟或申索或任何聲稱申索之潛在負債。儘管一般而言難以確定該等事宜之時間及最終結果，本集團將作出最佳判斷確定會否因和解或最終判決該等事宜而產生開支，以及能否就該等可能虧損(如有)作出合理估計。根據香港會計準則第37號撥備、或有負債及或有資產，本集團於其相信有可能出現虧損並可合理地估計虧損金額時產生負債。由於訴訟最終結果內在之不穩定因素，儘管本集團相信估計及判斷屬合理，仍可能導致若干事宜獲解決金額與估計撥備或先前披露者出現重大差異。

#### (v) 對資產棄置報廢之估計

本集團就油氣資產未來之棄置及重置確認撥備，其金額乃確認為估計未來開支之現值。未來開支之估計乃基於當地現有狀況及有關規定作出，包括法律規定、技術及價格水平等。除該等因素外，對油氣資產經濟年期之估計亦會影響估計未來開支之現值。任何該等估計之變動將影響本集團於油氣資產之剩餘經濟年內之經營業績及財務狀況。

## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

### (b) Key sources of estimation uncertainty (Continued)

#### (vi) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating unit to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate the present value.

#### (vii) Fair value measurements

A number of assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted);
- Level 2: Observable direct or indirect inputs other than Level 1 inputs;
- Level 3: Unobservable inputs (i.e. not derived from market data).

## 5. 重大會計判斷及估計不明朗因素之主要理據 (續)

### (b) 估計不明朗因素之主要理據 (續)

#### (vi) 商譽減值

釐定商譽是否出現減值須估計商譽所屬配現金產生單位之使用價值。計算使用價值時需要董事估計現金產生單位預期將產生之現金流量及合適之折現率以計算現值。

#### (vii) 公平值計量

列入本集團財務報表之若干資產及負債要求按公平值計量及／或披露公平值。

本集團財務及非財務資產及負債之公平值計量盡可能使用市場可觀察參數及數據。釐定公平值計量所採用之參數根據所採用估值技術所使用之參數的可觀察程序歸類為不同等級(「公平值層級」):

- 第1級: 活躍市場對相同項目之報價(未經調整);
- 第2級: 第1級參數以外之可觀察直接或間接參數;
- 第3級: 無法觀察參數(即並非源自市場數據)。

## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

### (b) Key sources of estimation uncertainty (Continued)

#### (vii) Fair value measurements (Continued)

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures a number of items at fair value:

- Financial assets at fair value through profit or loss (note 23);
- Equity investments designated at fair value through other comprehensive income (note 24); and
- Financial liabilities at fair value through profit or loss (note 33).

For more detailed information in relation to the fair value measurement of the items above, please refer to the applicable notes.

## 5. 重大會計判斷及估計不明朗因素之主要理據 (續)

### (b) 估計不明朗因素之主要理據 (續)

#### (vii) 公平值計量 (續)

將某一項目歸類為上述等級乃基於所採用對項目之公平值計量有重大影響的參數之最低等級。項目於各等級之間轉撥乃於發生期間內確認。

本集團按公平值計量多個項目：

- 按公平值透過損益列賬之財務資產 (附註23)；
- 指定為按公平值透過其他全面收益列賬之股權投資 (附註24)；及
- 按公平值透過損益列賬之財務負債 (附註33)。

有關上述項目公平值計量之進一步資料，請參閱適用附註。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 6. REVENUE

The revenue of the Group are derived from (i) exploration, development and production of coalbed methane, (ii) raw coal washing and sale of raw and cleaned coal, and (iii) provision for financial services.

Revenue from contracts with customers within the scope of HKFRS 15 are disaggregated as follows:

## 6. 營業額

本集團之主要營業額是源自(i)勘探、開發及生產煤層氣、(ii)原煤洗選和銷售原煤及精煤及(iii)提供財務服務。

香港財務報告準則第15號範圍內之客戶合約收益分類如下：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
<b>Revenue from contracts with customers within the scope of HKFRS 15 are disaggregated by products:</b>	<b>香港財務報告準則第15號範圍內按產品分類之客戶合約收益如下：</b>		
Coalbed methane	煤層氣	120,900	89,406
Raw and cleaned coal	原煤及精煤	350,353	331,488
		<b>471,253</b>	420,894
<b>Revenue from other sources:</b>	<b>其他來源之收益：</b>		
Interest income from financial services	財務服務利息收入	5,361	6,973
		<b>476,614</b>	427,867

Disaggregation by the timing of revenue recognition and by geographic markets is set out in notes 15(a) and 15(b)(i) to the consolidated financial statements, respectively.

按收入確認之時間及按市場地區劃分之分類分別載於綜合財務報表附註15(a)及15(b)(i)。

7. OTHER INCOME

7. 其他收入

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Interest income	利息收入		
– bank deposits	– 銀行存款	26	41
– short-term investment	– 短期投資	9,487	9,922
– others (note (a))	– 其他(附註(a))	23,145	20,573
Total interest income on financial assets measured at amortised cost	按攤銷成本計量之財務資產之利息收入總額	<b>32,658</b>	30,536
Government subsidies and grants (note (b))	政府補貼及補助(附註(b))	<b>39,111</b>	25,866
Others	其他	<b>1,424</b>	570
		<b>73,193</b>	56,972

Notes:

- (a) It mainly represents the interest income from the refundable deposits paid for possible acquisitions of Canada oil fields. Details are set out in note 27(c) to the consolidated financial statements.
- (b) It mainly represents the regular subsidies received during the year from relevant government authority on the sales of CBM and VAT refund on the sales of CBM from local tax bureau. Both of them were generated from the Sanjiao CBM Project.

附註：

- (a) 此乃主要就可能收購加拿大油田之已付可退還按金的利息收入。詳情載於綜合財務報表附註27(c)。
- (b) 此主要為相關政府部門對產生之煤層氣銷售並於年內收到的恆常補貼及當地稅務部門退回增值稅。兩者都是源自三交煤層氣項目。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 8. OTHER LOSSES, NET

## 8. 其他虧損淨額

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Change in fair value of financial assets at fair value through profit or loss	按公平值透過損益列賬之財務資產公平值變動	(9,043)	29,131
Change in fair value of financial liabilities at fair value through profit or loss (note 33)	按公平值透過損益列賬之財務負債公平值變動(附註33)	211	37,638
Impairment loss on goodwill (note 20)	商譽減值虧損(附註20)	-	(39,244)
Impairment loss on intangible assets (note 19)	無形資產減值虧損(附註19)	-	(45,734)
Written off of property, plant and equipment	註銷物業、廠房及設備	(329)	(163)
Written off of other receivables	註銷其他應收賬款	(47)	-
Gain on disposal of property, plant and equipment	出售物業、廠房及設備所得收益	-	59
Exchange losses, net	匯兌虧損淨額	(2,850)	(8,033)
Expected credit losses on financial assets measured at amortised cost recognised*	按攤銷成本計量之財務資產之已確認預期信貸虧損*	(4,422)	(31,769)
Others	其他	-	176
		<b>(16,480)</b>	<b>(57,939)</b>

\* The following table shows the charges for ECLs on financial assets measured at amortised cost for the year recognised in the consolidated statement of comprehensive income:

\* 下表顯示於綜合全面收益表內確認之按攤銷成本計量之財務資產就預期信貸虧損的年內支出：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Charge for the year:	年內支出：		
Loans receivable (note 25(a))	應收貸款(附註25(a))	677	-
Other receivables (note 27(g))	其他應收賬款(附註27(g))	341	24,754
Other deposits (note 27(h))	其他按金(附註27(h))	2,766	5,279
Short-term investment (note 28)	短期投資(附註28)	638	1,736
		<b>4,422</b>	<b>31,769</b>

9. LOSS BEFORE INCOME TAX EXPENSE

Loss before income tax expense arrived at after charging:

9. 除所得稅支出前虧損

除所得稅支出前虧損已扣除：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
<b>(a) Finance costs</b>	<b>(a) 融資成本</b>		
Interest expense on financial liabilities not at fair value through profit or loss:	並非按公平值透過損益列賬的財務負債之利息支出：		
Interest on corporate bonds	企業債券之利息	<b>33,496</b>	34,238
Interest on borrowings	借款利息	<b>94,229</b>	28,366
Imputed interest on convertible notes (note 33)	可換股票據之應歸利息 (附註33)	<b>114,732</b>	246,837
Interest on lease liabilities (note 18(d))	租賃負債之利息 (附註18(d))	<b>1,268</b>	-
Others	其他	<b>1,005</b>	1,131
		<b>244,730</b>	310,572
Less: interest capitalised in qualifying assets*	減：轉入合格資產之資本化利息*	<b>(5,003)</b>	(6,784)
		<b>239,727</b>	303,788
Other finance costs:	其他融資成本：		
Amortisation of convertible notes transaction costs (note 33)	可換股票據的交易成本之攤銷(附註33)	<b>6,625</b>	8,833
Amortisation of corporate bonds transaction costs	企業債券的交易成本之攤銷	<b>11,969</b>	11,926
		<b>18,594</b>	20,759
		<b>258,321</b>	324,547

\* Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 15.24% (2018: 18.00%) to expenditure on qualifying assets.

\* 本年轉入合格資產之借貸成本是指用於按資產的一般性貸款以15.24% (2018年：18.00%)的利率予以資本化。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2019

## 9. LOSS BEFORE INCOME TAX EXPENSE (Continued)

## 9. 除所得稅支出前虧損(續)

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
<b>(b) Employee costs (including directors' remuneration in note 11)</b>	<b>(b) 員工成本(包括董事酬金(附註11))</b>		
Salaries, wages and other benefits	薪金、工資及其他福利	41,776	42,045
Contributions to defined contribution retirement plan	定額供款退休計劃之供款	2,263	759
		<b>44,039</b>	<b>42,804</b>
<b>(c) Other items</b>	<b>(c) 其他項目</b>		
Auditor's remuneration	核數師酬金	1,600	1,700
Cost of inventories sold recognised as expenses <sup>#</sup>	已確認為費用的 已售存貨成本 <sup>#</sup>	323,109	308,918
Depreciation on property, plant and equipment (note 16)	物業、廠房及設備之折舊 (附註16)	36,211	34,401
Amortisation on payments for leasehold land held for own use (note 18(a))	自用租賃土地付款之攤銷 (附註18(a))	-	240
Amortisation on intangible assets <sup>#</sup> (note 19)	無形資產之攤銷 <sup>#</sup> (附註19)	20,099	23,373
Amortisation on deferred income <sup>#</sup> (note 43)	遞延收入之攤銷 <sup>#</sup> (附註43)	(1,921)	-
Minimum lease payments under operating lease – property rentals	經營租賃之最低租賃款項 – 物業租金	-	9,508

<sup>#</sup> Included in "direct costs" in the consolidated statement of comprehensive income.

<sup>#</sup> 計入綜合全面收益表之「直接成本」。

## 10. INCOME TAX EXPENSE

Pursuant to the rules and regulations of Bermuda, Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax under such jurisdictions for the years ended 31 December 2019 and 2018.

No provision for Hong Kong profits tax has been made as the group companies which have estimated assessable profits subject to Hong Kong profits tax had estimated tax losses available to offset against the estimated assessable profits for both years.

Profits of the subsidiaries established in the PRC are subject to the Enterprise Income Tax ("EIT"). Under the Law of the People's Republic of China and Implementation Regulation on EIT, the tax rate of the PRC subsidiaries is 25% for the years ended 31 December 2019 and 2018.

- (a) The amount of income tax expense, charged to the consolidated statement of comprehensive income, represents:

## 10. 所得稅支出

根據百慕達、開曼群島及英屬處女群島規則及規例，本集團截至2019年及2018年12月31日止年度毋須繳付相關司法權區之任何所得稅。

由於集團公司（擁有須繳納香港利得稅之估計應課稅溢利）有估計稅項虧損可抵銷於該兩個年度之估計應課稅溢利，故並無計提香港利得稅撥備。

於中國成立之附屬公司之溢利須繳納企業所得稅。根據中華人民共和國法律及企業所得稅實施條例，中國附屬公司於截至2019年及2018年12月31日止年度之稅率均為25%。

- (a) 於綜合損益及其他全面收益表扣除的所得稅支出包括：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Current income tax	即期所得稅		
– PRC EIT	– 中國企業所得稅		
– Tax for the year	– 本年度稅項	(5,642)	(3,400)
– Under-provision in respect of prior year	– 對往年不足的撥備	(1,032)	(878)
		<b>(6,674)</b>	(4,278)
Deferred tax for the year (note 34)	年內之遞延稅項(附註34)	<b>1,682</b>	1,319
Income tax expense	所得稅支出	<b>(4,992)</b>	(2,959)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 10. INCOME TAX EXPENSE (Continued)

- (b) The income tax expense for the year can be reconciled to the Group's loss before income tax expense per the consolidated statement of comprehensive income as follows:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Loss before income tax expense	除所得稅支出前虧損	222,650	382,926
Tax credit on loss before income tax expense, calculated at 25% (2018: 25%)	所得稅支出前虧損的稅務抵減，按25% (2018年：25%) 計算	57,345	95,732
Effect of different tax rates of subsidiaries operating in other jurisdiction	於其他司法權區營運之附屬公司不同稅率之影響	(19,432)	(16,808)
Tax effect of non-deductible expenses and non-taxable income	不可扣除支出及毋須課稅收入之稅務影響	(41,873)	(82,229)
Tax effect of tax losses not recognised	未確認之稅項虧損之稅務影響	-	1,224
Under-provision in respect of prior years	對往年的撥備不足	(1,032)	(878)
Income tax expense	所得稅支出	<b>(4,992)</b>	<b>(2,959)</b>

At the end of reporting period, the Group had estimated unused tax losses of approximately HK\$14,558,000 (2018: HK\$14,558,000) available for offset against future profits. The tax losses are subject to the final assessment by the tax authorities in the respective jurisdictions where the tax losses arising from. No deferred tax asset has been recognised in respect of the estimated unused tax losses due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately HK\$ 11,513,000 (2018: HK\$11,513,000) that may be carried forward for a period of five years from their respective year of origination. The remaining unrecognised tax losses may be carried forward indefinitely.

In respect of deferred tax liabilities, details are set out in note 34 to the consolidated financial statements.

## 10. 所得稅支出 (續)

- (b) 本年度之所得稅支出與綜合全面收益表之本集團除所得稅支出前虧損對賬如下：

於報告期間結束時，本集團已估計可用作抵扣未來溢利之尚未動用稅項虧損約為14,558,000港元（2018年：14,558,000港元）。稅項虧損須待產生稅項虧損之相關司法權區之稅務機關作最後評稅。由於無法預測未來溢利來源，故並無就所估計之尚未動用之稅項虧損確認遞延稅項資產。計入未確認稅項虧損之虧損約為11,513,000港元（2018年：11,513,000港元），可自產生各年度起結轉五年。剩下未確認稅項虧損則可無限期結轉。

有關遞延稅項負債之詳情載列於綜合財務報表附註34。

## 11. DIRECTORS' REMUNERATION

Directors' emoluments are disclosed as follows:

For the year ended 31 December 2019

## 11. 董事酬金

董事酬金披露如下：

截至2019年12月31日止年度

		Directors' fees	Salaries, allowances and benefits	Retirement scheme contributions	Total
		董事袍金	薪金、津貼及福利	退休計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Executive directors	執行董事				
Dai Xiaobing	戴小兵	-	2,582	18	2,600
King Hap Lee	景哈利	-	2,000	18	2,018
Wan Tze Fan Terence	溫子勳	-	2,000	18	2,018
		-	6,582	54	6,636
Independent non-executive directors	獨立非執行董事				
Wong Lung Tak Patrick	黃龍德	200	-	-	200
Wang Yanbin	王延斌	200	-	-	200
Dang Weihua	黨偉華	200	-	-	200
		600	-	-	600
Non-executive directors	非執行董事				
Chen Hua	陳華	200	-	-	200
Huang Shaowu	黃紹武	200	-	-	200
He Lin Feng <sup>4</sup>	何林峰 <sup>4</sup>	50	-	-	50
Chai Lin <sup>3</sup>	柴琳 <sup>3</sup>	-	-	-	-
		450	-	-	450
		1,050	6,582	54	7,686

Salaries, allowances and other benefits paid to or for the executive directors are generally emoluments in respect of those persons' other services in connection with the management of the affairs of the Company and its subsidiaries.

已付或應付執行董事之薪金、津貼及其他福利通常為有關該等人士對本公司及其附屬公司管理層事務所提供之其他服務之薪酬。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 11. DIRECTORS' REMUNERATION (Continued)

Directors' emoluments are disclosed as follows: (Continued)

For the year ended 31 December 2018

## 11. 董事酬金(續)

董事酬金披露如下：(續)

截至2018年12月31日止年度

		Directors' fees	Salaries, allowances and benefits	Retirement scheme contributions	Total
		董事袍金	薪金、津貼及福利	退休計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Executive directors	執行董事				
Dai Xiaobing	戴小兵	-	2,535	18	2,553
King Hap Lee	景哈利	-	2,000	18	2,018
Wan Tze Fan Terence	溫子勳	-	2,000	18	2,018
		-	6,535	54	6,589
Independent non-executive directors	獨立非執行董事				
Wong Kwok Chuen Peter <sup>2</sup>	黃國全 <sup>2</sup>	200	-	-	200
Wong Lung Tak Patrick	黃龍德	200	-	-	200
Wang Yanbin	王延斌	200	-	-	200
Dang Weihua	黨偉華	200	-	-	200
		800	-	-	800
Non-executive directors	非執行董事				
Chen Hua	陳華	200	-	-	200
Huang Shaowu	黃紹武	200	-	-	200
He Lin Feng <sup>4</sup>	何林峰 <sup>4</sup>	200	-	-	200
Chen Chun Dong Jason <sup>1</sup>	程振東 <sup>1</sup>	24	-	-	24
Chai Lin <sup>3</sup>	柴琳 <sup>3</sup>	-	-	-	-
		624	-	-	624
		1,424	6,535	54	8,013

## 11. DIRECTORS' REMUNERATION (Continued)

Notes:

1. Resigned on 15 November 2017
2. Resigned on 31 December 2018
3. Appointed on 1 April 2018
4. Resigned on 30 March 2019

During the years ended 31 December 2019 and 2018, no emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as a compensation for loss of office. None of the directors waived or agreed to waive any remuneration for the years ended 31 December 2019 and 2018.

## 12. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2018: three) were directors of the Company whose emoluments are disclosed in note 11. The emolument of the remaining two (2018: two) individuals is as follows:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Salaries and other emoluments	薪金及其他酬金	<b>4,000</b>	4,000

## 11. 董事酬金 (續)

附註：

1. 於2017年11月15日辭任
2. 於2018年12月31日辭任
3. 於2018年4月1日獲委任
4. 於2019年3月30日辭任

截至2019年及2018年12月31日止年度，本集團並無向任何董事支付酬金作為彼等加入或於加入本集團時之獎勵或作為離職之補償。截至2019年及2018年12月31日止年度，概無董事放棄或同意放棄任何酬金。

## 12. 最高薪人士

本集團五位最高薪人士中，三位（2018年：三位）為本公司之董事，其酬金已在附註11披露。其餘兩位（2018年：兩位）最高薪人士之酬金如下：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 12. INDIVIDUALS WITH HIGHEST EMOLUMENTS (Continued)

The emoluments paid or payable to members of senior management (non-director individual) were within the following bands:

Below HK\$1,000,000	1,000,000港元以下
HK\$1,000,000 - HK\$1,500,000	1,000,000港元至1,500,000港元

No emoluments were paid by the Group to the above highest paid non-director individual as an inducement to join or upon joining the Group or as a compensation for loss of office.

## 13. DIVIDEND

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

## 12. 最高薪人士 (續)

已支付或應付予高級管理層成員(非董事人士)之酬金介乎下列範圍:

2019 Number of individuals 人數	2018 Number of individuals 人數
5	5
3	3
<b>8</b>	<b>8</b>

本集團並無向上述最高薪非董事人士支付酬金作為彼加入或於加入本集團時之獎勵或作為離職之補償。

## 13. 股息

董事不建議派發截至2019年12月31日止年度任何股息(2018年:無)。

## 14. LOSS PER SHARE

During the year ended 31 December 2018, the Group has conducted a share consolidation (note 37(a)(iii)). In determining the weighted average number of ordinary shares in issue for the year ended 31 December 2018, the Share Consolidation (as defined in note 37(a)(iii)) has been regarded as completed since 1 January 2017.

### (a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to owners of the Company of HK\$230,952,000 (2018: loss of HK\$376,922,000) and the weighted average number of 3,345,439,000 ordinary shares (2018: 2,410,333,000) ordinary shares) in issue during the year.

### (b) Diluted loss per share

Diluted loss per share for the years ended 31 December 2019 and 2018 is the same as the basic loss per share of the Company's outstanding share options and convertible notes, where applicable, had an anti-dilutive effect on the basic loss per share for the years ended 31 December 2019 and 2018.

## 14. 每股虧損

截至2018年12月31日止年度，本集團已進行股份合併(附註37(a)(iii))。於釐定截至2018年12月31日止年度已發行普通股之加權平均數時，股份合併(定義見附註37(a)(iii))已自2017年1月1日起被視作為完成。

### (a) 每股基本虧損

每股基本虧損乃根據本公司股權持有人的應佔虧損230,952,000港元(2018年：虧損376,922,000港元)，以及年內已發行普通股之加權平均數3,345,439,000股(2018年：2,410,333,000股)普通股計算。

### (b) 每股攤薄虧損

截至2019年12月31日及2018年12月31日止年度，每股攤薄虧損與每股基本虧損相同，因本公司尚未行使之購股權及可換股票據(如適用)，對截至2019年及2018年12月31日止年度內的每股基本虧損具有反攤薄影響。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2019

## 15. SEGMENT REPORTING

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group has four (2018: four) operating and reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

Coalbed methane:	Exploration, development and production of coalbed methane
Raw and cleaned coal:	Raw coal washing and sale of raw and cleaned coal
Oil and gas exploitation:	Exploitation and sale of crude oil and natural gas
Financial services:	Provision for financial services

There are no sales or trading transactions between the business segments. Corporate revenue and expenses are not allocated to the operating segments as they are not included in the measurement of the segments' results used by the chief operating decision-maker in the assessment of segment performance.

## 15. 分部報告

本集團按主要經營決策者審閱並用以作出策略性決策之報告釐定其經營分部。

本集團擁有四個(2018年：四個)營運及可報告分部。由於各自業務提供不同產品及服務並需要不同業務策略，故分部須獨立管理。以下為本集團各可報告分部營運之概要：

煤層氣：	勘探、開發和生產煤層氣
原煤及精煤：	原煤洗選和銷售原煤及精煤
石油和天然氣開採：	開採及銷售原油和天然氣
財務服務：	提供財務服務

業務分部間並無出售或買賣交易。企業收入及開支不分配至各經營分部，原因是主要經營決策者評估分部表現所採用的分部業績計算並無包括有關收益及開支在內。

15. SEGMENT REPORTING (Continued)

(a) Business segments

Segment information about these businesses is set out as follows:

For the year ended 31 December 2019

15. 分部報告(續)

(a) 業務分部

有關該等業務之分部資料載列如下：

截至2019年12月31日止年度

		Coalbed methane 煤層氣 HK\$'000 千港元	Raw and cleaned coal 原煤及精煤 HK\$'000 千港元	Oil and gas exploitation 石油和 天然氣開採 HK\$'000 千港元	Financial Services 財務服務 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Results</b>	<b>業績</b>						
Revenue from external customers:	來自外界客戶之收入：						
- Within the scope of HKFRS 15	- 香港財務報告準則第15號範圍	120,900	350,353	-	-	-	471,253
- Interest income from financial services	- 財務服務利息收入	-	-	-	5,361	-	5,361
		<u>120,900</u>	<u>350,353</u>	<u>-</u>	<u>5,361</u>	<u>-</u>	<u>476,614</u>
Segment results <sup>182</sup>	分部業績 <sup>182</sup>	32,759	18,180	19,885	3,034	(24,958)	48,900
Change in fair value of financial liabilities at fair value through profit or loss	按公平值透過損益列賬之財務負債之公平值變動	-	-	-	-	211	211
Change in fair value of financial assets at fair value through profit or loss	按公平值透過損益列賬之財務資產之公平值變動	-	(9,043)	-	-	-	(9,043)
Expected credit loss on financial assets measured at amortised cost recognised	按攤銷成本計量之財務資產之已確認預期信貸虧損	(341)	-	(2,766)	(677)	(638)	(4,422)
Finance costs	融資成本	-	(1,714)	-	(93)	(256,514)	(258,321)
Share of profit of an associate	應佔一家聯營公司溢利	25	-	-	-	-	25
Profit/(loss) before income tax expense	除所得稅支出前溢利/(虧損)	<u>32,443</u>	<u>7,423</u>	<u>17,119</u>	<u>2,264</u>	<u>(281,899)</u>	<u>(222,650)</u>
Income tax expense	所得稅支出	-	(4,019)	-	(973)	-	(4,992)
Profit/(loss) for the year	本年度溢利/(虧損)	<u>32,443</u>	<u>3,404</u>	<u>17,119</u>	<u>1,291</u>	<u>(281,899)</u>	<u>(227,642)</u>
<b>Assets and liabilities</b>	<b>資產及負債</b>						
Reportable segment assets <sup>3</sup>	可報告分部資產 <sup>3</sup>	<u>4,241,366</u>	<u>139,469</u>	<u>362,870</u>	<u>75,294</u>	<u>157,563</u>	<u>4,976,562</u>
Reportable segment liabilities <sup>3</sup>	可報告分部負債 <sup>3</sup>	<u>465,479</u>	<u>63,819</u>	<u>16</u>	<u>5,830</u>	<u>1,794,401</u>	<u>2,329,545</u>
<b>Other segment information</b>	<b>其他分部資料</b>						
Depreciation and amortisation	折舊及攤銷	<u>55,389</u>	<u>6,195</u>	<u>-</u>	<u>101</u>	<u>796</u>	<u>62,481</u>
Capital expenditure incurred during the year	年內產生之資本支出	<u>66,627</u>	<u>7,185</u>	<u>6,689</u>	<u>-</u>	<u>9</u>	<u>80,510</u>
Timing of revenue recognition within the scope of HKFRS 15:	香港財務報告準則第15號範圍內之確認收入之時間：						
- a point in time	- 於某個時間點	120,900	350,353	-	-	-	471,253
- over time	- 於一段時間內	-	-	-	-	-	-
		<u>120,900</u>	<u>350,353</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>471,253</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 15. SEGMENT REPORTING (Continued)

### (a) Business segments (Continued)

Segment information about these businesses is set out as follows:

For the year ended 31 December 2018

## 15. 分部報告(續)

### (a) 業務分部(續)

有關該等業務之分部資料載列如下：

截至2018年12月31日止年度

	Coalbed methane 煤層氣 HK\$'000 千港元	Raw and cleaned coal 原煤及精煤 HK\$'000 千港元	Oil and gas exploitation 石油和天然氣開採 HK\$'000 千港元	Financial services 財務服務 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Results</b>	<b>業績</b>					
Revenue from external customers:	來自外界客戶之收入：					
- Within the scope of HKFRS 15	89,406	331,488	-	-	-	420,894
- Interest income from financial services	-	-	-	6,973	-	6,973
	89,406	331,488	-	6,973	-	427,867
Segment results <sup>162</sup>	5,888	13,211	19,205	11,874	(58,401)	(8,223)
Change in fair value of financial liabilities at fair value through profit or loss	-	-	-	-	37,638	37,638
Change in fair value of financial assets at fair value through profit or loss	-	29,131	-	-	-	29,131
Impairment loss on intangible assets	-	(45,734)	-	-	-	(45,734)
Impairment loss on goodwill	-	(39,244)	-	-	-	(39,244)
Expected credit loss on financial assets measured at amortised cost recognised	(754)	-	(5,279)	-	(25,736)	(31,769)
Finance costs	-	(1,126)	-	(1,181)	(322,240)	(324,547)
Share of loss of an associate	(178)	-	-	-	-	(178)
Profit/(loss) before income tax expense	4,956	(43,762)	13,926	10,693	(368,739)	(382,926)
Income tax expense	-	(2,164)	-	(795)	-	(2,959)
Profit/(loss) for the year	4,956	(45,926)	13,926	9,898	(368,739)	(385,885)
<b>Assets and liabilities</b>	<b>資產及負債</b>					
Reportable segment assets <sup>3</sup>	4,356,810	151,097	324,110	34,225	96,630	4,962,872
Reportable segment liabilities <sup>3</sup>	305,688	14,848	15	1,137	1,632,578	1,954,266
<b>Other segment information</b>	<b>其他分部資料</b>					
Depreciation and amortisation	51,253	5,687	-	105	969	58,014
Capital expenditure incurred during the year	51,675	1,040	8,672	17	101	61,505
Timing of revenue recognition within the scope of HKFRS 15:	香港財務報告準則第15號範圍內之確認收入之時間：					
- a point in time	89,406	331,488	-	-	-	420,894
- over time	-	-	-	-	-	-
	89,406	331,488	-	-	-	420,894

## 15. SEGMENT REPORTING (Continued)

### (a) Business segments (Continued)

Notes:

1. Unallocated results mainly include salaries, expenses relating to short-term leases, rental expense and professional fees for Hong Kong head office.
2. The segment result of coalbed methane included government subsidies and grants of HK\$38,886,000 (2018: HK\$25,866,000).
3. Unallocated assets mainly include, cash and cash equivalents, short term investment and equity investments designated at fair value through other comprehensive income and unallocated liabilities mainly include loans from a director and a shareholder, corporate bonds, convertible note and financial liabilities at fair value through profit or loss.

### (b) Geographical information and major customers

The following table provides an analysis of the Group's revenue from external customers and non-current assets other than financial instruments ("specified non-current assets").

#### (i) Revenue from external customers

The following is an analysis of the Group's revenue by geographical location of the customers:

## 15. 分部報告(續)

### (a) 業務分部(續)

附註：

1. 未分配業績主要包括薪金、與短期租賃相關之費用、租金及專業費用等香港總辦事處開支。
2. 煤層氣之分部業績包括政府補貼及補助38,886,000港元(2018年：25,866,000港元)。
3. 未分配資產主要包括現金和現金等價物、短期投資和指定按公平值透過其他全面收益列賬之權益投資，未分配負債主要包括、來自董事及股東之貸款、企業債券、可換股票據和按公平值透過損益列賬之財務負債。

### (b) 地區資料及主要客戶

下表就本集團來自外界客戶之收益及除財務工具以外之非流動資產(「指定非流動資產」)進行分析。

#### (i) 來自外界客戶之收益

本集團按客戶地區劃分之收益分析如下：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Hong Kong (place of domicile)	香港(所在地)	-	-
The PRC	中國	476,614	427,867
		<b>476,614</b>	<b>427,867</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 15. SEGMENT REPORTING (Continued)

### (b) Geographical information and major customers (Continued)

#### (ii) Specified non-current assets

The information of the Group's specified non-current assets by geographical location of the assets is detailed below:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Hong Kong (place of domicile)	香港(所在地)	2,419	3,118
The PRC	中國	4,224,432	4,309,794
Canada	加拿大	70,870	61,600
		<b>4,297,721</b>	<b>4,374,512</b>

#### (iii) Information about major customers

During the years ended 31 December 2019, there were three (2018: five customers) contributed to 10% or more revenue to the Group's total revenue.

## 15. 分部報告(續)

### (b) 地區資料及主要客戶(續)

#### (ii) 指定非流動資產

有關本集團按資產地區劃分之指定非流動資產之資料詳述如下：

#### (iii) 主要客戶資料

截至2019年12月31日止年度，三個客戶(2018年：五個客戶)貢獻本集團之總收入達10%或多於10%。

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
	<b>Segment 分部</b>		
Customer A	Raw and cleaned coal	126,328	N/A
客戶A	原煤及精煤		不適用
Customer B	Coalbed methane	120,900	89,406
客戶B	煤層氣		
Customer C	Raw and cleaned coal	70,160	29,054
客戶C	原煤及精煤		
Customer D	Raw and cleaned coal	N/A	82,023
客戶D	原煤及精煤	不適用	
Customer E	Raw and cleaned coal	N/A	65,410
客戶E	原煤及精煤	不適用	
Customer F	Raw and cleaned coal	N/A	41,190
客戶F	原煤及精煤	不適用	

N/A: Transactions during the year did not exceed 10% of the Group's revenue

不適用：年度交易金額不多於本集團收入的10%

16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

		Building	Leasehold improvements	CNG station and ancillary facilities	Construction in progress	Oil and gas properties	Furniture, fixtures and office equipment	Motor vehicles	Total
		樓宇	租賃物業裝修	CNG站及配套设施	在建工程	油氣資產	傢俬、固定裝置及辦公室設備	汽車	總計
		HK\$'000	HK\$'000	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	千港元	千港元
<b>Costs:</b>	<b>成本：</b>								
At 1 January 2018	於2018年1月1日	1,730	711	374,127	104,618	1,716,915	6,229	13,290	2,217,620
Additions	添置	-	90	9,390	19,313	22,849	173	1,018	52,833
Transfer	轉撥	-	-	-	(11,663)	11,663	-	-	-
Disposal for the year	年內出售	-	(127)	-	-	-	(185)	(559)	(871)
Exchange adjustments	匯兌調整	(79)	(18)	(16,624)	(4,554)	(80,175)	(272)	(453)	(102,175)
At 31 December 2018	於2018年12月31日	1,651	656	366,893	107,714	1,671,252	5,945	13,296	2,167,407
Additions	添置	28	71	-	41,225	31,203	802	492	73,821
Transfer	轉撥	-	-	-	(9,466)	9,466	-	-	-
Written off	撇銷	-	(299)	-	-	-	(299)	-	(598)
Exchange adjustments	匯兌調整	(34)	(9)	(7,134)	(2,608)	(34,240)	(126)	(202)	(44,353)
At 31 December 2019	於2019年12月31日	1,645	419	359,759	136,865	1,677,681	6,322	13,586	2,196,277

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 16. PROPERTY, PLANT AND EQUIPMENT (Continued)

## 16. 物業、廠房及設備(續)

		Building	Leasehold improvements	CNG station and ancillary facilities	Construction in progress	Oil and gas properties	Furniture, fixtures and office equipment	Motor vehicles	Total
		樓宇	租賃物業裝修	CNG站及配套设施	在建工程	油氣資產	傢俬、固定裝置及辦公室設備	汽車	總計
		HK\$'000	HK\$'000	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	千港元	千港元
<b>Accumulated depreciation and impairment</b>	<b>累計折舊及減值</b>								
At 1 January 2018	於2018年1月1日	159	163	44,020	-	49,442	4,259	9,185	107,228
Charge for the year (note 9(c))	年內支出(附註9(c))	82	126	19,174	-	13,153	312	1,554	34,401
Written back on disposal	出售撥回	-	(60)	-	-	-	(156)	(551)	(767)
Exchange adjustments	匯兌調整	(1)	(7)	-	-	-	(110)	(192)	(310)
		<u>240</u>	<u>222</u>	<u>63,194</u>	<u>-</u>	<u>62,595</u>	<u>4,305</u>	<u>9,996</u>	<u>140,552</u>
At 31 December 2018	於2018年12月31日	240	222	63,194	-	62,595	4,305	9,996	140,552
Charge for the year (note 9(c))	年內支出(附註9(c))	82	186	17,986	-	14,031	1,185	2,741	36,211
Written off	撇銷	-	(109)	-	-	-	(160)	-	(269)
Exchange adjustments	匯兌調整	-	(5)	-	-	-	(99)	(169)	(273)
		<u>322</u>	<u>294</u>	<u>81,180</u>	<u>-</u>	<u>76,626</u>	<u>5,231</u>	<u>12,568</u>	<u>176,221</u>
At 31 December 2019	於2019年12月31日	322	294	81,180	-	76,626	5,231	12,568	176,221
<b>Carrying amount:</b>	<b>賬面值:</b>								
At 31 December 2019	於2019年12月31日	<u>1,323</u>	<u>125</u>	<u>278,579</u>	<u>136,865</u>	<u>1,601,055</u>	<u>1,091</u>	<u>1,018</u>	<u>2,020,056</u>
At 31 December 2018	於2018年12月31日	<u>1,411</u>	<u>434</u>	<u>303,699</u>	<u>107,714</u>	<u>1,608,657</u>	<u>1,640</u>	<u>3,300</u>	<u>2,026,855</u>

## 16. PROPERTY, PLANT AND EQUIPMENT (Continued)

### Impairment assessment

For the purpose of impairment testing, CNG station and ancillary facilities, oil and gas properties, construction in progress and certain furniture, fixtures and office equipment, motor vehicles, right-of-use assets (note 18(b)) and intangible asset (note 19) are allocated to the Sanjiao CBM Project, representing an individual cash generating unit (“CGU”). As at the end of the years ended 31 December 2019 and 2018, the directors of the Company did not identify any impairment indicators in Sanjiao CBM Project. Nevertheless, the recoverable amount of Sanjiao CBM Project as at the end of these reporting periods were estimated, based on value in use (“VIU”) calculations using cash flow projections from formally approved budgets and capital expenditure which reflects the development and production plan of this CGU. The recoverable amounts were estimated to be higher than the carrying amounts of the non-financial assets of Sanjiao CBM Project. As such, no impairment loss was recognised. The pre-tax discount rate used in the VIU calculation at 31 December 2019 was 16.46% (2018: 18.27%).

For the purpose of impairment testing, certain leasehold improvements, furniture, fixtures and office equipment, motor vehicles, right-of-use assets and intangible asset (note 19) and goodwill (note 20) are allocated to the raw and cleaned coal CGU. The recoverable amount of the raw and cleaned coal CGU is determined based on either fair value less costs to disposal or VIU whichever is higher. The recoverable amount of the raw and cleaned coal CGU has been determined from VIU calculation based on cash flow projections from formally approved budgets covering a six-year period, which is the remaining contractual period of the coal washing leased factory. Management considered that the budgets should cover the remaining contractual period of the coal washing leased factory as it reflects the development and production plan of this CGU.

As at 31 December 2019, the recoverable amounts for the year ended 31 December 2019 were estimated to be higher than the carrying amounts of the non-financial assets of raw and cleaned coal CGU. As such, no impairment loss was recognised. The pre-tax discount rate used in the VIU calculations at 31 December 2019 was 21.04% (2018: 21.88%).

## 16. 物業、廠房及設備(續)

### 減值評估

就減值測試而言，CNG站及配套設施、油氣資產、在建工程及若干傢俬、固定裝置及辦公室設備、汽車、使用權資產(附註18(b))及無形資產(附註19)分配至三交煤層氣項目，代表一個獨立現金產生單位(「現金產生單位」)。於截至2019年及2018年12月31日止年度結束時，本公司董事並無於三交煤層氣項目識別任何減值跡象。儘管如此，三交煤層氣項目於該等報告期間結束時之可收回金額按照使用價值(「使用價值」)計算採用自正式批准預算及資本支出(反映此現金產生單位之開發及生產計劃)之現金流量預測估計。可收回金額估計高於三交煤層氣項目非財務資產之賬面值。因此，並無確認減值虧損。於2019年12月31日，計算使用價值所用之稅前折現率為16.46%(2018年：18.27%)。

就減值測試而言，若干租賃物業裝修、傢俬、固定裝置及辦公室設備、汽車、使用權資產及無形資產(附註19)以及商譽(附註20)分配至原煤及精煤現金產生單位。原煤及精煤現金產生單位之可收回金額乃以公平值減出售成本或使用價值中之較高者釐定。原煤及精煤現金產生單位之可收回金額自正式批准包含六年期(即洗煤租賃廠之餘下合約期)預算之現金流量預測之使用價值計算釐定。管理層認為，預算應包含洗煤租賃廠餘下合約期，原因在於其反映此現金產生單位之開發及生產計劃。

於2019年12月31日，截至2019年12月31日止年度之可收回金額估計將高於非財務資產(即原煤及精煤現金產生單位)之賬面值。因此，並無確認減值虧損。於2019年12月31日，計算使用價值所用之稅前折現率為21.04%(2018年：21.88%)。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 16. PROPERTY, PLANT AND EQUIPMENT (Continued)

### Impairment assessment (Continued)

As at 31 December 2018, the carrying amounts of the assets and liabilities belonging to the raw and cleaned coal CGU were amounting to RMB60,253,000 while the recoverable amount of the raw and cleaned coal CGU, as determined by an independent professional firm of valuers, based on VIU calculation using cash flow projections from formally approved budgets and capital expenditure was RMB27,192,000, which was RMB33,061,000 less than the respective carrying amounts. As such, the directors of the Company determined an impairment loss of RMB33,061,000 (equivalent to HK\$39,244,000) which was fully allocated to goodwill (note 20) and was recognised in the consolidated statement of comprehensive income. No impairment loss was allocated to assets other than mentioned above. Details of the key assumptions used in VIU are set out in note 20 to the consolidated financial statements.

Notes:

- (a) It mainly represents oil and gas properties under construction as at the end of the reporting period.
- (b) It represents gas wells located in Sanjiao block as at the end of the reporting period.

## 16. 物業、廠房及設備(續)

### 減值評估(續)

於2018年12月31日，歸屬於原煤及精煤現金產生單位之資產與負債賬面值為人民幣60,253,000元，而原煤及精煤現金產生單位之可收回金額為人民幣27,192,000元（乃經一家獨立專業估值師行按照使用價值計算採用自正式批准預算及資本支出之現金流量預測釐定），有關金額低於其賬面值人民幣33,061,000元。因此，本公司董事釐定減值虧損為人民幣33,061,000元（相等於39,244,000港元），並全數分配至商譽（附註20）及於綜合全面收益表內確認。概無減值虧損分配至上文所述以外之資產。有關使用價值所採用之主要假設之詳情載於綜合財務報表附註20。

附註：

- (a) 其主要表示於報告期間結束時之在建油氣資產。
- (b) 其表示於報告期間結束時位於三交區塊之氣井。

## 17. OIL AND GAS EXPLORATION AND EVALUATION ASSETS

## 17. 油氣勘探及評估資產

		HK\$'000 千港元
<b>Cost:</b>	<b>成本：</b>	
At 1 January 2018	於2018年1月1日	57,255
Additions	添置	7,092
Interest capitalised	資本化利息	1,580
Exchange adjustments	匯兌調整	(4,327)
		<hr/>
At 31 December 2018	於2018年12月31日	61,600
Additions	添置	6,415
Interest capitalised	資本化利息	274
Exchange adjustments	匯兌調整	2,581
		<hr/>
At 31 December 2019	於2019年12月31日	<u>70,870</u>

## 17. OIL AND GAS EXPLORATION AND EVALUATION ASSETS (Continued)

### Canada Farm-in Project

In October 2015, the Company's subsidiary, SOG Energy Inc., entered into a farm-in agreement ("farm-in agreement") with a Canadian company ("Farmor"). Pursuant to the farm-in agreement, the Company became as a Farmee shall drill the test well within an area ("farm-out Land") agreed between the Farmor and Farmee. When the Farmee has drilled the test well to an agreed depth and if the anticipated output from any zone in the farm-out Land are reasonably anticipated to be covered the cost of drilling, equipping and operating of the wells, Farmee shall case the well and conduct production test. Once the Farmee caps the test well with the obligation to conduct production test and has performed all related obligations under farm-in agreement to Farmor's reasonable satisfaction, Farmee shall earn the interests in the farm-out Land, subject to the reservation to Farmor therefrom the agreed royalty. No consideration is paid by the Group to the Farmor, but the Group needs to be responsible for all the costs of the drilling. Under this farm-in agreement, the Farmor giving up future economic benefits, in the form of its oil reserves, in exchange for a reduction in future funding obligations. The Group recognises its expenditure under the agreement in respect of its own interest and that retained by the Farmor, as and when the costs are incurred. The Group accounts for its expenditure under the agreement in the same way as directly incurred exploration and evaluation expenditure. Up to 31 December 2019, the Company incurred around HK\$70,870,000 drilling costs for this farm-in project (2018: HK\$61,600,000).

The Group classified this farm-in project as oil exploration and evaluation assets under HKFRS 6. The directors have assessed the impairment of this oil exploration and evaluation assets in accordance with the criteria under HKFRS 6 and by reference to the progress in the implementation of this farm-in project during the year. The directors concluded that there are neither facts nor circumstances which may indicate that the carrying amount of this oil exploration and evaluation assets has exceeded the recoverable amount as at the end of reporting period.

## 17. 油氣勘探及評估資產(續)

### 加拿大Farm-in項目

於2015年10月，本公司附屬公司 SOG Energy Inc.與一家加拿大公司 (「Farmor」) 訂立farm-in協議 (「farm-in協議」)。根據farm-in協議，本公司 (作為 Farmee) 將於Farmor與Farmee協定的面積 (「farm-out土地」) 內鑽探測試井。於 Farmee已鑽探測試井至協定深度時，倘合理地預測來自farm-out土地內任何區域的預測產量將覆蓋鑽探、裝備及營運油井的成本，Farmee將加蓋油井並進行生產測試。一旦Farmee在進行生產測試責任下將測試井封頂，並獲Farmor合理信納其已履行farm-in協議項下所有相關責任，Farmee將獲取farm-out土地的權益，惟須向Farmor支付約定的礦權費。本集團並無向Farmor支付任何代價，惟本集團需負責所有鑽探成本。根據此 farm-in協議，Farmor放棄日後經濟利益 (以其石油儲量)，以換取降低日後提供資金之責任。於成本產生時，本集團會就其自身權益及由Farmor保留的權益確認其於有關協議項下的開支。本集團會按相同方式將其於協議項下的開支列賬為直接產生的勘探及評估支出。直至2019年12月31日，本公司已就此farm-in項目產生鑽探成本約70,870,000港元 (2018年：61,600,000港元)。

根據香港財務報告準則第6號，本集團將該farm-in項目分類為石油勘探及評估資產。按照香港財務報告準則第6號項下標準及經參考年內執行該farm-in項目的進度，董事已評估該石油勘探及評估資產的減值。董事推定，於報告期間結束時，概無任何事實或情況可能顯示該石油勘探及評估資產的賬面值已超過其可收回金額。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 18. LEASES

### (a) Land use right (before 1 January 2019)

At 1 January 2018	於2018年1月1日	4,356
Amortisation for the year (note 9(c))	年內攤銷(附註9(c))	(240)
Exchange adjustment	匯兌調整	(201)
At 31 December 2018	於2018年12月31日	3,915

### (b) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Land use right	Plant and equipment	Office premises and staff quarters	Total	
	土地使用權	廠房及設備	辦公室物業及員工宿舍	總計	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	
	Note (i)	Note (ii)	Note (i)		
	附註(i)	附註(ii)	附註(i)		
Arising from initial application of HKFRS 16 (note 2(a))	就首次應用香港財務報告準則第16號而產生(附註2(a))	3,915	9,038	4,678	17,631
Amortisation/depreciation for the year (note 18(d))	年內攤銷/折舊(附註18(d))	(230)	(3,713)	(2,228)	(6,171)
Exchange adjustments	匯兌調整	(80)	(140)	(69)	(289)
At 31 December 2019	於2019年12月31日	3,605	5,185	2,381	11,171

(i) Land use right and office premises and staff quarters belong to the Sanjiao CBM CGU.

(ii) Plant and equipment belongs to the raw and cleaned coal CGU.

## 18. 租賃

### (a) 土地使用權(2019年1月1日前)

HK\$'000  
千港元

### (b) 使用權資產

年內，本集團使用權資產之賬面值及其變動如下：

(i) 土地使用權以及辦公室物業及員工宿舍屬三交煤層氣現金產生單位。

(ii) 廠房及設備屬原煤及精煤現金產生單位。

## 18. LEASES (Continued)

### (c) Lease liabilities

The carrying amounts of the Group's lease liabilities and the movements during the year are as follows:

		HK\$'000 千港元
Arising from initial application of HKFRS 16 (note 2(a))	就首次應用香港財務報告準則第16號而產生(附註2(a))	11,721
Accretion of interest recognised during the year (note 9(a))	年內已確認利息增加(附註9(a))	1,268
Lease payments	租賃付款	(5,683)
Exchange adjustments	匯兌調整	(188)
At 31 December 2019	於2019年12月31日	<u>7,118</u>

		HK\$'000 千港元
Analysed into:	分析為：	
Current portion	流動部分	4,778
Non-current portion	非流動部分	<u>2,340</u>

The maturity analysis of lease liabilities (2018: Nil) is disclosed in note 45(b) to the consolidated financial statements.

租賃負債(2018年：無)之到期分析於綜合財務報表附註45(b)披露。

### (d) The amounts recognised in profit or loss in relation to leases are as follows:

### (d) 於損益確認與租賃有關之金額如下：

		2019 HK\$'000 千港元
Interest on lease liabilities (note 9(a))	租賃負債利息(附註9(a))	1,268
Depreciation on right-of-use assets (note 18(a))	使用權資產折舊(附註18(a))	6,171
Expense relating to short-term leases	與短期租賃相關之費用	5,660
Total amount recognised in profit or loss	於損益確認之總金額	<u>13,099</u>

The total cash outflow for leases is set out in note 41(c) to the consolidated financial statements.

租賃現金流出總額載於綜合財務報表附註41(c)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 19. INTANGIBLE ASSETS

## 19. 無形資產

		Motor vehicle registration licenses 汽車登記牌照 HK\$'000 千港元	Operation right 營運權 HK\$'000 千港元	Favourable supplier agreement 優惠供應商協議 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Costs:</b>	<b>成本：</b>				
At 1 January 2018	於2018年1月1日	2,272	2,327,132	71,173	2,400,577
Exchange adjustments	匯兌調整	-	(111,637)	(3,414)	(115,051)
At 31 December 2018	於2018年12月31日	2,272	2,215,495	67,759	2,285,526
Exchange adjustments	匯兌調整	-	(47,485)	-	(47,485)
At 31 December 2019	於2019年12月31日	2,272	2,168,010	67,759	2,238,041
<b>Accumulated amortisation and impairment:</b>	<b>累計攤銷及減值：</b>				
At 1 January 2018	於2018年1月1日	-	27,425	19,573	46,998
Amortisation for the year (note 9(c))	本年度攤銷 (附註9(c))	-	18,096	5,277	23,373
Impairment loss for the year (note 8)	本年度減值虧損 (附註8)	-	-	45,734	45,734
Exchange adjustments	匯兌調整	-	(2,361)	(2,825)	(5,186)
At 31 December 2018	於2018年12月31日	-	43,160	67,759	110,919
Amortisation for the year (note 9(c))	本年度攤銷 (附註9(c))	-	20,099	-	20,099
Exchange adjustments	匯兌調整	-	(833)	-	(833)
At 31 December 2019	於2019年12月31日	-	62,426	67,759	130,185
<b>Carrying amount:</b>	<b>賬面值：</b>				
At 31 December 2019	於2019年12月31日	2,272	2,105,584	-	2,107,856
At 31 December 2018	於2018年12月31日	2,272	2,172,335	-	2,174,607

## 19. INTANGIBLE ASSETS (Continued)

### Operation right

As at 31 December 2019 and 2018, the Group's operation right represents the right under a production sharing arrangement (note 42) which gives the Group the right to participate in the production of coalbed methane with details as follows:

Gas fields 氣田	Location 地點	Expiry date 到期日
Sanjiao CBM Project 三交煤層氣項目	Shanxi Province, the PRC 中國山西省	2036

The operation right is initially recognised at its fair value on the date of acquisition by reference to a professional valuation prepared by Asset Appraisal Limited. Subsequent to the reporting period, the operation right is measured using the cost model.

Amortisation is provided to write off the cost of the operation right using the units of production method based on the amount of proved and probable oil and gas reserves. Amortisation is charged to "direct costs" in the consolidated statement of comprehensive income.

For the purpose of impairment testing, the operation right was allocated to the Sanjiao CBM Project. During the years ended 31 December 2019 and 2018, the directors of the Company did not identify any impairment indicators in Sanjiao CBM Project. Details of the estimation of the recoverable amount of this CGU are set out in note 16 to the consolidated financial statements.

### Favourable supplier agreement

Favourable supplier agreement represented the coal supplier agreement with one of the Group's subsidiaries. According to the agreement, the supplier would provide raw coal at 3% lower than the market price. The favourable supplier agreement had estimated useful lives of ten years.

During the year ended 31 December 2018, the favourable supplier agreement has been early terminated by the supplier. The management of the Group considered that the favourable supplier agreement had no value upon early termination and full impairment was made.

## 19. 無形資產(續)

### 營運權

於2019年及2018年12月31日，本集團之營運權是一項產品分成安排(附註42)內之權利，讓本集團有權參與煤層氣生產，詳情如下：

營運權初步按收購當日之公平值經參考中誠達資產評估顧問有限公司編製之專業估值後確認。於報告期間後，營運權採用成本模式計量。

撇銷營運權成本乃按證實及概略油氣儲量以生產單位法進行攤銷。攤銷在綜合全面收益表之「直接成本」內扣除。

就減值測試而言，營運權分配至三交煤層氣項目。於截至2019年及2018年12月31日止年度，本公司董事並無於三交煤層氣項目識別任何減值跡象。本現金產生單位之可收回金額估計詳情載於綜合財務報表附註16。

### 優惠之供應商協議

優惠之供應商協議指本集團一家附屬公司之煤炭供應商協議。根據協議，供應商將按低於市價3%之價格供應原煤。優惠之供應商協議估計可用年期為十年。

截至2018年12月31日止年度，優惠之供應商協議已被供應商提早終止。本集團管理層認為，優惠之供應商協議於被提早終止時已無價值，故已作出全數減值。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 20. GOODWILL

## 20. 商譽

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
<b>Cost</b>	<b>成本</b>		
At 1 January	於1月1日	<b>95,693</b>	100,515
Exchange adjustments	匯兌調整	<b>(2,051)</b>	(4,822)
		<b>93,642</b>	95,693
		<b>93,642</b>	95,693
<b>Accumulated impairment loss:</b>	<b>累計減值虧損：</b>		
At 1 January	於1月1日	<b>84,097</b>	48,638
Impairment loss recognised in the year (note 8)	年內確認之 減值虧損(附註8)	-	39,244
Exchange adjustments	匯兌調整	<b>(1,802)</b>	(3,785)
		<b>82,295</b>	84,097
At 31 December	於12月31日	<b>82,295</b>	84,097
		<b>82,295</b>	84,097
<b>Carrying amount</b>	<b>賬面值</b>		
At 31 December	於12月31日	<b>11,347</b>	11,596
		<b>11,347</b>	11,596

During the year ended 31 December 2015, the Group has acquired 75% equity interest of Golden Glow Holdings Limited and its subsidiaries (collectively known as “Golden Glow Group”) for a consideration of RMB135,000,000 (equivalent to HK\$168,656,000). The excess of the cost of purchase over the net fair value of the identifiable net assets of Golden Glow Group of RMB83,713,000 (equivalent to HK\$104,583,000) was recorded as goodwill and allocated to the CGU in the raw and cleaned coal CGU.

Save as disclosed in note 19, the revenue stream of the raw and cleaned coal CGU was adversely affected during the year ended 31 December 2018 after the early termination of the favourable supplier agreement. Hence, the directors of the Company considered that these circumstances led to a further recognition of impairment loss of the CGU and an impairment loss of approximately RMB33,061,000 (equivalent to HK\$39,244,000) was provided for the year ended 31 December 2018. Details of the impairment testing are set out in note 16 to the consolidated financial statements.

截至2015年12月31日止年度內，本集團收購Golden Glow Holdings Limited及其附屬公司(統稱「Golden Glow集團」)之75%股權，代價為人民幣135,000,000元(相等於168,656,000港元)。收購成本超出Golden Glow集團可識別資產淨值淨公平值之部分人民幣83,713,000元(相等於104,583,000港元)作為商譽入賬及分配至原煤及精煤現金產生單位之現金產生單位。

除附註19所披露者外，截至2018年12月31日止年度，原煤及精煤現金產生單位之收益流於優惠之供應商協議被提前終止後受到負面影響。因此，本公司董事認為該等情況導致進一步確認現金產生單位之減值虧損，並已就截至2018年12月31日止之年度減值虧損約人民幣33,061,000元(相等於39,244,000港元)計提撥備。減值測試詳情載於綜合財務報表附註16。

## 20. GOODWILL (Continued)

The following are key assumptions on which management has based its cash flow projections for the period covered by the most recent budgets:

		2019	2018
Pre-tax discount rate	除稅前折現率	21.04%	21.88%
Operating margin	經營利潤率	1.50%	2.58%
Growth rate	增長率	2.40%	2.40%

The discount rate used is pre-tax and reflect specific risks relating to the relevant CGU. The operating margin have been based on past experience and the growth rate was determined by considering both internal and external factors for the first five years and terminal growth rate not exceeding the long term average growth rate of the same industry.

## 20. 商譽(續)

以下為管理層根據最近預算包含期間其現金流量預測作出之主要假設：

所用之折現率乃稅前折現率並反映有關現金產生單位之特定風險。經營利潤率根據過往經驗釐定，而增長率則透過考慮首五年內部及外部因素以及終端增長率不超過相同行業的長期平均增長率而釐定。

## 21. INTEREST IN A JOINT VENTURE

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
As at 1 January	於1月1日	-	-
Share of loss for the year (note (a))	年內分佔虧損(附註(a))	-	-
As at 31 December	於12月31日	-	-
Amount due from a joint venture (note (b))	應收一家合營企業款項(附註(b))	320	320
		<b>320</b>	<b>320</b>

Notes:

- (a) Share of loss has been fully recognised up to the investment in a joint venture during the year ended 31 December 2015. No further share of loss is required to be recognised for the years ended 31 December 2019 and 2018.
- (b) The amount due from a joint venture is unsecured, interest free and repayable on demand.

The Group has a 50% (2018: 50%) interest in a joint venture, Smart Win International Limited, a company incorporated in the BVI and operating in Hong Kong. The primary activity of Smart Win International Limited is investment holding.

## 21. 於一家合營企業之權益

附註：

- (a) 截至2015年12月31日止年度，本集團於一家合營企業之投資之應佔虧損已悉數確認。截至2019年及2018年12月31日止年度，毋須進一步確認應佔虧損。
- (b) 應收一家合營企業款項為無抵押、免息及須按要即時償還。

本集團於合營企業凱智國際有限公司擁有50% (2018年：50%) 權益，後者為於英屬維爾京群島註冊成立並於香港經營業務之公司。凱智國際有限公司之主要業務為投資控股。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 21. INTEREST IN A JOINT VENTURE (Continued)

The contractual arrangement provides the Group with only the rights to the net assets of the joint arrangement, with the rights to the assets and obligation for the liabilities of the joint arrangement resting primarily with Smart Win International Limited. Under HKFRS 11, this joint arrangement is classified as a joint venture and has been included in the consolidated financial statements using the equity method. In the opinion of the directors of the Company, this joint venture is not material to the Group, and the summarised financial information in relation to the joint venture is presented below:

## 21. 於一家合營企業之權益(續)

合約安排僅向本集團提供對合營安排資產淨值之權利，而對合營安排資產之權利及負債之義務主要歸於凱智國際有限公司。根據香港財務報告準則第11號，該合營安排分類為合營企業並使用權益法於綜合財務報表入賬。本公司董事認為，該合營企業對本集團影響不大，而有關合營企業之財務資料概要呈列如下：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Loss for the year	年內虧損	(296)	(554)
Other comprehensive income	其他全面收益	-	-
Total comprehensive income	總全面收益	(296)	(554)

22. INTEREST IN AN ASSOCIATE

22. 於一家聯營公司之權益

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
As at 1 January	於1月1日	57,977	59,137
Share of profit/(loss) for the year	年內分佔溢利/(虧損)	25	(178)
Exchange adjustments	匯兌調整	(453)	(982)
As at 31 December	於12月31日	<u>57,549</u>	<u>57,977</u>

Details of the Group's associate are as follows:

有關本集團聯營公司之詳情載列如下：

Name of company	Form of business structure	Place of incorporation	Percentage of ordinary share indirectly held	Principal activity
公司名稱	業務架構形式	註冊成立地點	普通股百分比	主要業務
山西國梁煤層氣開發有限公司	Sino-foreign equity joint venture 中外合資企業	The PRC 中國	30%	Development and operation of a liquefied natural gas plant in the PRC to produce liquefied coalbed methane 於中國發展及經營液化天然氣處理站以生產液化煤層氣

In the opinion of the directors of the Company, this associate is not material to the Group, and the financial information in respect of the Group's associate is set out below:

本公司董事認為，該聯營公司對本集團的影響不大，本集團聯營公司的財務資料呈列如下：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Profit/(loss) for the year	年內溢利/(虧損)	83	(593)
Other comprehensive income	其他全面收益	-	-
Total comprehensive income	總全面收益	<u>83</u>	<u>(593)</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

## 23. 按公平值透過損益列賬之財務資產

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Contingent consideration in relation to acquisition of subsidiaries	收購附屬公司之或有代價		
– Non-current portion	– 非流動部份	16,237	38,301
– Current portion	– 流動部份	15,956	19,399
		<b>32,193</b>	57,700

During the year ended 31 December 2015, the Group had acquired 75% equity interests of Golden Glow Group, which the vendor irrevocably guaranteed the Group that from 1 October 2015 until 30 September 2021, six years in total, the total net profit after income tax expense attributable to Golden Glow Group per annum should not be less than RMB30,000,000 (the “Guaranteed Profit”). Contingent consideration represented the fair value of the amounts to be received by the Group if the Golden Glow Group fails to meet the Guaranteed Profit.

截至2015年12月31日止年度內，本集團收購Golden Glow集團之75%股權，當中賣方不可撤回地向本集團擔保由2015年10月1日起至2021年9月30日止之合共6年內，每年Golden Glow集團應佔之除所得稅支出後總純利應不少於人民幣30,000,000元（「保證溢利」）。或有代價指倘Golden Glow集團未能滿足保證溢利，本集團將收取之金額的公平值。

### 23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

The Group has engaged an independent firm of valuers to assess the fair value of the Guaranteed Profit as at the end of reporting period. The fair value of the contingent consideration arrangement was estimated by applying the income approach at a pre-tax discount rate of 21.04% (2018: 21.88%). In assessing the adjustments to reflect credit risk in the fair value measurement process, the directors of the Company did not consider the credit risk to be significant as the vendor of Golden Glow Group still owns the non-controlling interest with carrying value of HK\$8,832,000 (2018: HK\$5,709,000) (note 40) and had good settlement record of the shortfall of the Guaranteed Profit.

During the year ended 31 December 2019, the Group has received RMB9,773,000 (equivalent to HK\$11,092,000) (2018: RMB12,000,000 (equivalent to HK\$14,169,000)) (note 50(b)(iv)) of the shortfall of the Guaranteed Profit for the year ended 31 December 2018 (the "Shortfall 2018"). The remaining balance of Shortfall 2018 of approximately RMB3,957,000 (equivalent to HK\$4,426,000) (note 27(b)) is expected to be settled in 2020 while the remaining balance of shortfall of the Guaranteed Profit for the year ended 31 December 2017 approximately RMB5,045,000 (equivalent to HK\$5,767,000) (note 27(b)) was fully settled in 2019. The Group estimated the shortfall of the Guaranteed Profit for the year ended 31 December 2019 attributable to the Group would be approximately RMB14,837,000 (2018: RMB13,730,000). Details of summarised financial information of Golden Glow Group are set out in note 40 to the consolidated financial statements.

### 23. 按公平值透過損益列賬之財務資產(續)

本集團已委任一家獨立估值師行，以評估保證溢利於報告期間結束時之公平值。或有代價安排之公平值乃採用收入法按除稅前折現率21.04% (2018年：21.88%) 進行估計。於公平值計量過程中評估反映信貸風險之調整時，本公司董事認為信貸風險並不重大，原因是Golden Glow集團仍擁有賬面值為8,832,000港元 (2018年：5,709,000港元) 之非控股權益(附註40)，並擁有良好之保證溢利差額償付記錄。

截至2019年12月31日止年度內，本集團已收取截至2018年12月31日止年度保證溢利之差額(「2018年差額」)人民幣9,773,000元(相等於11,092,000港元)(2018年：人民幣12,000,000元(相等於14,169,000港元))(附註50(b)(iv))。2018年差額之餘額約人民幣3,957,000元(相等於4,426,000港元)(附註27(b))預期將於2020年償付，而截至2017年12月31日止年度保證溢利差額之餘額約人民幣5,045,000元(相等於5,767,000港元)(附註27(b))已於2019年悉數償付。本集團估計，本集團應佔截至2019年12月31日止年度保證溢利之差額將約為人民幣14,837,000元(2018年：人民幣13,730,000元)。Golden Glow集團之財務資料概要載於綜合財務報表附註40。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 24. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

## 24. 指定按公平值透過其他全面收益列賬之股權投資

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Listed securities in Hong Kong, at fair value	香港上市證券， 按公平值	503	956

As at 31 December 2019 and 2018, the listed securities represented the equity interests in companies that are listed on the Main Board of The Stock Exchange.

於2019年及2018年12月31日，上市證券指於聯交所主板上市之公司之股權。

During the year ended 31 December 2019, net fair value loss amounted to HK\$453,000 (2018: HK\$4,453,000) was recognised in other comprehensive income.

截至2019年12月31日止年度內，淨公平值虧損453,000港元（2018年：4,453,000港元）已於其他全面收益內確認。

The fair values of listed equity investments are based on quoted market prices.

上市股權投資之公平值乃以市場報價為基準。

25. LOANS RECEIVABLE

25. 應收貸款

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Loans receivable	應收貸款	78,282	36,332
Less: impairment loss (note (h))	減：減值虧損(附註(h))	(5,142)	(4,572)
Loans receivable, net	應收貸款淨額	<b>73,140</b>	<b>31,760</b>

As at 31 December 2019 and 2018, the loans receivable in the Group's financial services were as follows:

於2019年及2018年12月31日，本集團財務服務之應收貸款如下：

Notes:

附註：

- (a) In October 2019, the Group entered into a five-year agreement with a private company in the PRC, an independent third party, to grant facilities up to RMB70,000,000, interest bearing at 10% per annum and secured by its 80% equity interests in a company registered in Kyrgyz Republic which holds the oil exploration rights in and such rights were also registered in Kyrgyz Republic. As at 31 December 2019, RMB37,070,000 was advanced.

- (a) 於2019年10月，本集團與一家中國民營企業（一名獨立第三方）訂立五年協議，以授出金額最高為人民幣70,000,000元之融資。該融資按年利率10%計息，並以其於一家在吉爾吉斯共和國註冊之公司之80%股權作抵押。該公司持有石油勘探權，而有關權利亦已於吉爾吉斯共和國註冊。於2019年12月31日已墊付人民幣37,070,000元。

Management of the Group believed that there is no significant change in credit risk since initial recognition and a 12-month ECL of HK\$677,000 was recognised for the year ended 31 December 2019.

本集團管理層相信，信貸風險自首次確認起概無顯著變動。截至2019年12月31日止年度已確認12個月預期信貸虧損677,000港元。

- (b) In May 2018, the Group entered into a five-year agreement with a provincial hospital, an independent third party, in the PRC, to grant facilities up to RMB40,000,000 and secured by certain medical equipment. In May 2018 and November 2018, the Group advanced two loans to the provincial hospital of RMB10,000,000 and RMB3,000,000 and repayable in May 2023 and November 2023 respectively.

- (b) 於2018年5月，本集團與一家中國省級醫院（一名獨立第三方）訂立五年協議，以授出金額最高為人民幣40,000,000元之融資，並以若干醫療設備作抵押。於2018年5月及2018年11月，本集團向該省級醫院墊付兩筆金額分別為人民幣10,000,000元及人民幣3,000,000元之貸款。該等貸款分別須於2023年5月及2023年11月償還。

In May 2019, the Group further advanced a loan of RMB5,000,000, interest bearing at 8% per annum and repayable in May 2024. In order to finance the facility, the Group obtained a bank loan which is secured by bank deposit. Details of the restricted cash at banks and bank loan are set out in notes 29(a) and 32 to the consolidated financial statements, respectively.

於2019年5月，本集團進一步墊付人民幣5,000,000元之貸款，該貸款按年利率8%計息，並須於2024年5月償還。為撥款融資，本集團以銀行存款作抵押以取得銀行貸款。受限制銀行現金及銀行貸款之詳情分別載於綜合財務報表附註29(a)及32。

Management of the Group assessed the recoverability and believed that there was no significant change in credit risk since initial recognition, and the effect on ECL was not material for the year ended 31 December 2019 (2018: Nil).

本集團管理層已評估可收回性，彼等相信，信貸風險自首次確認起概無顯著變動，而截至2019年12月31日止年度對預期信貸虧損之影響亦不重大（2018年：無）。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 25. LOANS RECEIVABLE (Continued)

Notes: (Continued)

- (c) In March 2019, the Group advanced a loan to a private company in the PRC, an independent third party, of RMB21,000,000. The loan was secured by certain machinery and equipment, interest bearing at 8% per annum and repayable in March 2024. As at 31 December 2019, the Group has assessed the recoverability and the loss allowance based on lifetime ECL. The management of the Group believed the current provision of RMB4,000,000 is sufficient and no further ECL is required.
- (d) The Group is not permitted to sell or repledge the collateral in absence of default by the borrowers. The borrowers are obliged to settle the amounts in accordance with the terms set out in the relevant contracts.
- (e) At the end of the reporting period, the Group has assessed the recoverability of all loans and considered that all loans (except for the loans mentioned in notes (a) and (c) above) were of good credit quality and have not been a significant increase in credit risk since initial recognition. Management considers that the loss allowance calculated based on 12-month ECL was not material and the balances were considered fully recoverable. Therefore, no ECL was recognised.
- (f) Analysed for reporting purpose as:

## 25. 應收貸款 (續)

附註：(續)

- (c) 於2019年3月，本集團向一家中國民營企業（一名獨立第三方）墊付貸款人民幣21,000,000元。該貸款以若干機器及設備作抵押，按年利率8%計息及須於2024年3月償還。於2019年12月31日，本集團已根據全期預期信貸虧損評估可收回性及虧損撥備。本集團管理層認為現時的撥備人民幣4,000,000元屬足夠，毋須確認進一步預期信貸虧損。
- (d) 在借方並無違約的情況下，本集團不得出售抵押品或將其轉押。借方有義務根據相關合約所載條款償還有關款項。
- (e) 於報告期結束時，本集團已評估所有貸款之可收回性，並認為所有貸款（上文附註(a)及(c)所述之貸款除外）之信貸質素良好，且信貸風險自初步確認以來並無顯著增加。管理層認為按12個月預期信貸虧損計算之虧損撥備並不重大，結餘被視為可完全收回。因此，毋須確認預期信貸虧損。
- (f) 就報告目的進行之分析：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Current assets	流動資產	8,725	18,290
Non-current assets	非流動資產	64,415	13,470
		<b>73,140</b>	<b>31,760</b>

## 25. LOANS RECEIVABLE (Continued)

Notes: (Continued)

- (g) The maximum exposure to credit risk as at the end of the reporting dates was the carrying value of the loans receivable and the committed undrawn facilities of RMB54,930,000 (equivalent to HK\$61,445,000).
- (h) Movements in the loss allowance account in respect of loans receivable during the year is as follows:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Balance as at 1 January	於1月1日之結餘	4,572	4,803
Impairment loss recognised during the year (note 8)	年內已確認減值虧損 (附註8)	677	-
Exchange adjustments	匯兌調整	(107)	(231)
Balance as at 31 December	於12月31日之結餘	<u>5,142</u>	<u>4,572</u>

## 25. 應收貸款(續)

附註：(續)

- (g) 於報告期結束時，最高信貸風險為應收貸款及承諾未提取融資之賬面值人民幣54,930,000元(相等於61,445,000港元)。
- (h) 年內應收貸款的虧損撥備賬變動如下：

## 26. INVENTORIES

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Spare parts, consumables and others	備件、耗材及其他	<u>9,906</u>	<u>11,950</u>

## 26. 存貨



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 27. TRADE, NOTES AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

## 27. 應收賬款、應收票據及其他應收賬款、按金及預付款項

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
<b>Non-current assets</b>	<b>非流動資產</b>		
Deposits and prepayments (note (a))	按金及預付款項(附註(a))	<b>44,152</b>	52,365
<b>Current assets</b>	<b>流動資產</b>		
Trade receivables	應收賬款	<b>29,306</b>	22,012
Less: impairment loss (note (f))	減：減值虧損(附註(f))	<b>(310)</b>	(316)
		<b>28,996</b>	21,696
Notes receivable	應收票據	<b>5,761</b>	2,401
Other receivables (note (b))	其他應收賬款(附註(b))	<b>86,916</b>	54,753
Less: impairment loss (note (g))	減：減值虧損(附註(g))	<b>(25,940)</b>	(26,014)
		<b>60,976</b>	28,739
Other deposits (note (c))	其他按金(附註(c))	<b>322,609</b>	290,581
Less: impairment loss (note (h))	減：減值虧損(附註(h))	<b>(13,591)</b>	(10,337)
		<b>309,018</b>	280,244
Utility deposits	水電按金	<b>172</b>	2,453
Prepayments (note (d))	預付款項(附註(d))	<b>51,648</b>	29,573
		<b>456,571</b>	365,106

## 27. TRADE, NOTES AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

Notes:

- (a) The balance included prepayments and deposits paid for exploration costs of HK\$44,152,000 (2018: HK\$52,365,000) on the Group's construction in progress.
- (b) The balances mainly included interest receivables of short-term investment of HK\$23,215,000 (2018: HK\$14,545,000), receivables of Shortfall 2018 of HK\$4,426,000 (2018: Shortfall 2017 of HK\$5,767,000) (note 23) and consideration receivables of HK\$24,000,000 (2018: HK\$24,000,000) which represented the outstanding consideration arising from disposal of certain oil fields in the PRC in 2016 and secured by the operation rights of the oil fields (the "Secured Assets").

In respect of the assessment of recoverability of interest receivables of short-term investment, details are set out in note 28 to the consolidated financial statements.

### Consideration receivables

During the year ended 31 December 2018, the outstanding consideration was not settled on schedule and the financial conditions of the debtor deteriorated. The Group noted that this deteriorated the debtor's ability to settle the outstanding consideration. Based on the assessment of the management, the involved costs and time of recovery of the Secured Assets outweighed the expected economic benefits which could be generated. As such, the Group believed that the credit risk of the consideration receivable has significantly increased and the full recovery of consideration receivable was not expected. Therefore, a lifetime ECL of HK\$24,000,000 (note (g)) was recognised for the year ended 31 December 2018.

### Other receivables

As at 31 December 2019 and 2018, the management of the Group believed that the credit risk of certain other receivables has significantly increased and full recovery was not expected, full impairment was made in prior years and no further ECL was recognised for the year ended 31 December 2019 (2018: HK\$754,000) (note (g)). For the remaining of other receivables, management of the Group believed that the credit risk has not been significantly increased since initial recognition, a 12-month ECL of HK\$341,000 was recognised for the year ended 31 December 2019 (2018: HK\$960,000) (note (g)).

## 27. 應收賬款、應收票據及其他應收賬款、按金及預付款項(續)

附註：

- (a) 餘款包括本集團在建工程之為勘探成本支付的預付款項及按金44,152,000港元(2018年：52,365,000港元)。
- (b) 餘款主要包括應收短期投資利息23,215,000港元(2018年：14,545,000港元)、應收2018年差額4,426,000港元(2018年：2017年差額5,767,000港元)(附註23)及應收代價24,000,000港元(2018年：24,000,000港元)，即於2016年出售若干中國油田所產生之未付代價，並以油田營運權作抵押(「已抵押資產」)。

有關應收短期投資利息之可收回性評估詳情載於綜合財務報表附註28。

### 應收代價

截至2018年12月31日止年度，未付代價並未如期結清，且債務人之財務狀況轉差。本集團注意到，此情況令債務人清償未付代價之能力轉差。根據管理層之評估，收回已抵押資產所涉及之成本及時間超過可產生之預期經濟利益。因此，本集團相信應收代價之信貸風險已顯著增加，而預期將不能悉數收回應收代價。因此，截至2018年12月31日止年度已確認全期預期信貸虧損24,000,000港元(附註(g))。

### 其他應收賬款

於2019年及2018年12月31日，本集團管理層相信，若干其他應收賬款之信貸風險大幅增加，並預期將未能全數收回有關款項，且已於過往年度作出全面減值及並無於截至2019年12月31日止年度確認進一步之預期信貸虧損(2018年：754,000港元)(附註(g))。就餘下之其他應收賬款而言，本集團管理層相信，信貸風險自初始確認以來並無大幅增加，故於截至2019年12月31日止年度確認12個月預期信貸虧損341,000港元(2018年：960,000港元)(附註(g))。

## 27. TRADE, NOTES AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

Notes: (Continued)

- (c) The balances mainly represented refundable deposits of HK\$240,363,000 (2018: HK\$230,532,000) paid for possible acquisition of Canada oil fields as disclosed in the Company's announcement dated 30 June 2014 and 1 September 2014 respectively and interest receivables of HK\$81,228,000 (2018: HK\$58,311,000) in relation to these deposits (collectively the "Refundable deposits and related interest receivables").

On 30 June 2014, a wholly-owned subsidiary of the Company has entered into the first non-legally binding memorandum of understanding ("MOU 1") with Jade Million Co Ltd, (the "Vendor") in relation to a possible acquisitions of the interests of certain oil and gas blocks in Canada ("Target 1"). According to the MOU 1, the Group paid a refundable deposit of Canadian Dollars ("CAD") 30,000,000 which is interest-free to the Vendor in July 2014. On 1 September 2014, the Group entered into another memorandum of understanding ("MOU 2") with Vendor and paid a refundable deposit of CAD 10,000,000 which is interest bearing at 4.5% per annum in relation to a possible acquisition of the interests of certain oil and gas blocks (other than Target 1) in Canada ("Target 2"). On 30 April 2015, 31 December 2015 and 30 September 2016, 30 June 2017, 29 December 2017, 31 January 2019 and 31 July 2019, the Group and the Vendor agreed in writing to further extend the time limit for entering into formal agreements in respect of MOUs and the exclusive periods as set out in the MOUs to 31 December 2015 and 30 September 2016, 30 June 2017, 31 December 2017, 30 September 2018, 31 July 2019 and 31 July 2020, respectively.

On 30 June 2016, supplemental agreements for MOU 1 and MOU 2 were signed for interest charge based on the outstanding deposits at the rate of 8.5% per annum commencing from 1 December 2014 and 1 May 2015 respectively up to the refund of the Deposits.

Save and except for the aforesaid extension of the time limit for entering into formal agreements and the exclusive periods, all other terms of the MOUs shall remain unchanged. Up to the date of this report, the Group is still performing the due diligence review.

## 27. 應收賬款、應收票據及其他應收賬款、按金及預付款項(續)

附註：(續)

- (c) 餘款主要指本公司分別於2014年6月30日及2014年9月1日之公佈披露之可能收購加拿大油田之已付可退還按金240,363,000港元(2018年：230,532,000港元)及相關按金之應收利息81,228,000港元(2018年：58,311,000港元)(統稱「可退還按金及相關應收利息」)。

於2014年6月30日，本公司全資附屬公司已與Jade Million Co Ltd(「賣方」)訂立第一份不具法律約束力之諒解備忘錄(「諒解備忘錄1」)，內容有關可能收購加拿大若干油氣區塊(「目標1」)之權益。根據諒解備忘錄1，本集團已於2014年7月向賣方支付免息之可退還按金30,000,000加元(「加元」)。於2014年9月1日，本集團與賣方訂立另一份諒解備忘錄(「諒解備忘錄2」)，內容有關可能收購加拿大若干油氣區塊(「目標2」，目標1以外區塊)之權益，並支付按每年4.5%計息之可退還按金10,000,000加元。於2015年4月30日、2015年12月31日、2016年9月30日、2017年6月30日、2017年12月29日、2019年1月31日及2019年7月31日，本集團及賣方書面同意進一步延長就該等諒解備忘錄訂立正式協議的期限及該等諒解備忘錄所載的獨家有效期，兩者分別延至2015年12月31日、2016年9月30日、2017年6月30日、2017年12月31日、2018年9月30日、2019年7月31日及2020年7月31日。

於2016年6月30日，已分別就諒解備忘錄1及諒解備忘錄2簽署補充協議，內容有關根據尚未支付按金按每年8.5%計回利息，分別從2014年12月1日及2015年5月1日開始計算利息，直至退還按金為止。

除上述延長訂立正式協議的期限及該等獨家有效期外，該等諒解備忘錄所有其他條款維持不變。截至本報告日期，本集團仍在進行盡職審查。

## 27. TRADE, NOTES AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

Notes: (Continued)

- (c) (Continued)  
As these MOUs are non-legally binding and the Group can unconditionally withdraw from this transaction any time and the deposits will be fully refundable by 31 July 2020 if no further renewal of the aforesaid extension. As such, the deposits were classified as current assets as at the end of the reporting periods.

As at 31 December 2019, a 12-month ECL of HK\$2,766,000 (2018: HK\$5,279,000) (note (h)) on the refundable deposits and related interest receivables were recognised in the profit or loss respectively after considering the value of the interests in Target 1 and Target 2, management of the Group believed that there is no significant change in credit risk since initial recognition.

- (d) The balance mainly included prepayment to raw coal suppliers of HK\$50,293,000 (2018: HK\$23,529,000) for the coal washing factory.

## 27. 應收賬款、應收票據及其他應收賬款、按金及預付款項(續)

附註：(續)

- (c) (續)  
由於該等諒解備忘錄不具法律約束力，本集團可無條件隨時退出此項交易。倘無進一步延長上述期限，按金會於2020年7月31日前予以全數退還。因此，按金於各報告期間結束時分類為流動資產。

於2019年12月31日，經考慮目標1及目標2之權益價值後，分別於損益就可退還按金及相關應收利息確認12個月預期信貸虧損2,766,000港元（2018年：5,279,000港元）（附註(h)），本集團管理層相信，信貸風險自初步確認以來並無顯著變動。

- (d) 餘款主要包括原煤洗選廠之預付原煤供應商款項50,293,000港元（2018年：23,529,000港元）。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 27. TRADE, NOTES AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

Notes: (Continued)

- (e) The ageing analysis of trade receivables, net of loss allowance, based on invoice date at the end of reporting period is as follows:

Current or within 30 days                      即期或少於30天

The average credit period granted to customers is 0-30 days from the invoice date. The Group does not hold any collateral as security.

Receivables that were past due but not impaired related to a number of independent customers that had a good track record with the Group. Based on past experience, management believed that no impairment allowance was necessary in respect of these balances as there had been no significant change in credit quality and the balances were still considered fully recoverable.

The Group applies the HKFRS 9 simplified approach to measure ECLs at an amount equal to a lifetime expected loss allowance for trade receivables. The ECL is assessed collectively using a provision matrix with appropriate groupings based on debtors' aging. During the year ended 31 December 2019 and 2018, ECL based on the provision matrix was immaterial and no additional ECL was recognised.

Expected loss rates are based on actual loss experience over the past two years. These rates are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

## 27. 應收賬款、應收票據及其他應收賬款、按金及預付款項(續)

附註：(續)

- (e) 於報告期間結束時按發票日呈報之應收賬款(扣除虧損撥備)之賬齡分析如下：

	2019 HK\$'000 千港元	2018 HK\$'000 千港元
Current or within 30 days	<b>28,996</b>	21,696

本集團給客戶的平均信貸期為開單日起0至30天。本集團並無持有任何抵押品作抵押。

已逾期但未減值的應收款項與多名與本集團有良好往績紀錄的獨立客戶有關。基於過往經驗，由於信貸質素並無重大變動及餘款仍被視為可悉數收回，故管理層相信毋須就該等餘款計提減值撥備。

本集團應用香港財務報告準則第9號簡化法按等同應收賬款之全期預期信貸虧損撥備之金額計量預期信貸虧損。預期信貸虧損根據應收賬款之賬齡使用撥備矩陣按適當分組進行集體評估。截至2019年及2018年12月31日止年度，根據撥備矩陣評估之預期信貸虧損並不重大，故此並無確認額外預期信貸虧損。

預期虧損率乃根據過往兩年之實際虧損經驗得出。該等比率會作出調整以反映收集歷史數據期間之經濟狀況、當前狀況及本集團對應收款項預期年限內之經濟狀況的看法的差異。

27. TRADE, NOTES AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

Notes: (Continued)

- (f) The movements in the loss allowance amount in respect of trade receivables during the year are as follows:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
<b>Balance as at 1 January</b>	<b>於1月1日之結餘</b>	<b>316</b>	332
Exchange adjustments	匯兌調整	<b>(6)</b>	(16)
<b>Balance as at 31 December</b>	<b>於12月31日之結餘</b>	<b>310</b>	316

- (g) The movements in the loss allowance amount in respect of other receivables during the year are as follows:

		12-month ECL Stage 1 12個月 預期信貸虧損 第1階段 HK\$'000 千港元	Lifetime ECL (individually assessed) Stage 3 全期 預期信貸虧損 (個別評估) 第3階段 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Balance as at 1 January 2018</b>	<b>於2018年1月1日之結餘</b>	960	392	1,352
Impairment loss recognised during the year (note 8)	年內確認之減值虧損 (附註8)			
Consideration receivable (note (b) above)	應收代價 (上文附註(b))	-	24,000	24,000
Other receivables (note (b) above)	其他應收賬款 (上文附註(b))	-	754	754
Exchange adjustments	匯兌調整	(46)	24,754 (46)	24,754 (92)
<b>Balance as at 31 December 2018</b>	<b>於2018年12月31日之結餘</b>	914	25,100	26,014
Impairment loss recognised during the year (note 8)	年內確認之減值虧損 (附註8)			
Other receivables (note (b) above)	其他應收賬款 (上文附註(b))	341	-	341
Exchange adjustments	匯兌調整	(25)	(390)	(415)
<b>Balance as at 31 December 2019</b>	<b>於2019年12月31日之結餘</b>	1,230	24,710	25,940

27. 應收賬款、應收票據及其他應收賬款、按金及預付款項 (續)

附註：(續)

- (f) 年內有關應收賬款之虧損撥備金額變動如下：

- (g) 年內有關其他應收賬款之虧損撥備金額變動如下：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 27. TRADE, NOTES AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

Notes: (Continued)

(h) The movements in the loss allowance amount in respect of other deposits under 12-month ECL (stage 1) during the year is as follows:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
<b>Balance as at 1 January</b>	<b>於1月1日之結餘</b>	<b>10,337</b>	5,724
Impairment loss recognised during the year (note 8)	年內確認之減值虧損 (附註8)	<b>2,766</b>	5,279
Exchange adjustments	匯兌調整	<b>488</b>	(666)
<b>Balance as at 31 December</b>	<b>於12月31日之結餘</b>	<b>13,591</b>	10,337

## 28. SHORT-TERM INVESTMENT

Balance at 1 January	於1月1日之結餘	<b>69,216</b>	74,472
Impairment loss	減值虧損	<b>(4,822)</b>	(4,285)
Exchange adjustments	匯兌調整	<b>2,710</b>	(971)
Balance at 31 December	於12月31日之結餘	<b>67,104</b>	69,216

On 10 July 2014, the Group entered into a subscription agreement with a PRC company which engaged in investment and consultancy services ("Investee") (an independent third party) to acquire bonds issued by the Investee. During the years ended 31 December 2018 and 2019, the maturity date of the bonds were further extended for another 1 year to 1 May 2019 and 3 May 2020 respectively with other terms remain unchanged. The bonds are guaranteed by the Investee's related companies which are private companies in the PRC and bears fixed interest at 13% per annum.

## 27. 應收賬款、應收票據及其他應收賬款、按金及預付款項 (續)

附註：(續)

(h) 年內根據12個月預期信貸虧損(第1階段)計算之其他按金之虧損撥備金額變動如下：

## 28. 短期投資

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Balance at 1 January	於1月1日之結餘	<b>69,216</b>	74,472
Impairment loss	減值虧損	<b>(4,822)</b>	(4,285)
Exchange adjustments	匯兌調整	<b>2,710</b>	(971)
Balance at 31 December	於12月31日之結餘	<b>67,104</b>	69,216

於2014年7月10日，本集團與一間從事投資及顧問服務之中國公司(「被投資方」)(一名獨立第三方)訂立認購協議，以收購被投資方發行之債券。截至2018年及2019年12月31日止年度，該等債券到期日分別進一步延長1年至2019年5月1日及2020年5月3日，其他條款維持不變。該等債券由被投資方之關連公司(為中國民營企業)作擔保，並按固定年利率13%計息。

## 28. SHORT-TERM INVESTMENT (Continued)

The Group assessed the recoverability of the short-term investment and related interest receivables (note 27(b)) on a collective basis and considered that there has not been a significant increase in credit risk since initial recognition, therefore the ECL is based on 12-month ECL. A loss allowance of HK\$638,000 was recognised for the year ended 31 December 2019 (2018: a 12-month ECL of HK\$1,736,000) to reflect current and forward-looking information on macro-economic factors affecting the ability of the Investee to settle the receivables.

The maximum exposure to credit risk as at the end of the reporting dates was the carrying value of the short-term investment.

The movements in the loss allowance account in respect of short-term investment during the year is as follows:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
<b>Balance as at 1 January</b>	<b>於1月1日之結餘</b>	<b>4,285</b>	2,733
Impairment loss recognised during the year (note 8)	年內確認之減值虧損 (附註8)	<b>638</b>	1,736
Exchange adjustments	匯兌調整	<b>(101)</b>	(184)
<b>Balance as at 31 December</b>	<b>於12月31日之結餘</b>	<b>4,822</b>	4,285

Note: The balance includes ECLs of short-term investment and related interest receivables.

## 28. 短期投資 (續)

本集團已按集體基準評估短期投資及相關應收利息(附註27(b))之可收回性，並認為信貸風險自初步確認以來並無顯著增加，因此預期信貸虧損乃按12個月預期信貸虧損計量。於截至2019年12月31日止年度確認虧損撥備638,000港元(2018年：12個月預期信貸虧損1,736,000港元)，以反映影響被投資方支付應收賬款之能力之宏觀經濟因素之前瞻性資料。

於報告期結束時，最高信貸風險為短期投資之賬面值。

年內有關短期投資之虧損撥備賬變動如下：

附註：結餘包括短期投資之預期信貸虧損及相關應收利息。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 29. CASH AND BANK BALANCES

### (a) Restricted cash at banks

Balance at 31 December	於12月31日之結餘
Denominated in Renminbi ("RMB")	以人民幣計值

As at 31 December 2019, the Group had cash deposit of approximately HK\$672,000 (equivalent to RMB602,000) (2018: HK\$Nil) with a designated bank as collateral for the Group's bank borrowings (note 32).

As at the same date, the Group had a restricted bank deposits of HK\$3,940,000 (equivalent to RMB3,522,000) was frozen to facilitate a legal investigation not related to the Group.

With respect of the remaining restricted bank deposits of HK\$5,484,000 (equivalent to RMB4,903,000), they were frozen by Beijing No. 1 Intermediate People's Court in the PRC as an interim measure in relation to a pending arbitration of the outstanding exploration costs payable between a wholly-owned subsidiary of the Company and a construction contractor at the end of the reporting period. In January 2020, both parties mediated and signed a settlement agreement. As at the date of this report, the restrictions on these bank deposits have been released.

The conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.

The bank balances were all deposited in banks in the PRC with high credit ratings or with good reputation. The credit risk is not material.

## 29. 現金及銀行結餘

### (a) 受限制銀行現金

2019 HK\$'000 千港元	2018 HK\$'000 千港元
10,096	—
9,027	—

於2019年12月31日，本集團於指定銀行存有現金按金約為672,000港元（相等於人民幣602,000元）（2018年：零港元），作為本集團銀行借貸之抵押（附註32）。

於同日，本集團之受限制銀行存款3,940,000港元（相等於人民幣3,522,000元）已被凍結，以協助一宗與本集團無關之法律調查。

就餘下受限制銀行存款5,484,000港元（相等於人民幣4,903,000元）而言，該等存款被中國北京市第一中級人民法院凍結，作為有關於報告期間結束時本公司之全資附屬公司與工程承建商之間就未付之應付勘探成本之未決仲裁之過渡性措施。於2020年1月，雙方已進行調解，並簽署和解協議。於本報告日，該等銀行存款之限制已獲解除。

將以人民幣計值的結餘兌換為外幣及將以該等外幣計值的銀行結餘及現金匯出中國，均須遵守中國政府頒佈的相關外匯管制規則及規例。

銀行結餘存放於中國具備高信用評級或具備良好信譽之銀行。信貸風險並不重大。

29. CASH AND BANK BALANCES  
(Continued)

(b) Cash and cash equivalents

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Cash and bank balances, denominated in	以下列貨幣計值之現金及銀行結餘		
– HKD and USD	– 港元及美元	1,256	26,655
– RMB	– 人民幣	2,430	10,126
– CAD	– 加元	25	26
– Others	– 其他	17	142
		<b>3,728</b>	<b>36,949</b>

Cash and cash equivalents of HK\$2,430,000 (equivalent to RMB2,172,000) (2018: HK\$10,126,000 (equivalent to RMB8,858,000)) were denominated in RMB. The conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.

As at 31 December 2019 and 2018, the bank balances were deposited in banks in the PRC, Hong Kong and Canada with high credit ratings or with good reputation. The credit risk is not material.

29. 現金及銀行結餘 (續)

(b) 現金及現金等價物

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Cash and bank balances, denominated in	以下列貨幣計值之現金及銀行結餘		
– HKD and USD	– 港元及美元	1,256	26,655
– RMB	– 人民幣	2,430	10,126
– CAD	– 加元	25	26
– Others	– 其他	17	142
		<b>3,728</b>	<b>36,949</b>

2,430,000港元(相等於人民幣2,172,000元)(2018年: 10,126,000港元(相等於人民幣8,858,000元))之現金及現金等價物以人民幣計值。將以人民幣計值的結餘兌換為外幣及將以該等外幣計值的銀行結餘及現金匯出中國,均須遵守中國政府頒佈的相關外匯管制規則及規例。

於2019年及2018年12月31日,銀行結餘存放於中國、香港及加拿大具備高信用評級或具備良好信譽之銀行。信貸風險並不重大。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2019

## 30. TRADE AND OTHER PAYABLES AND ACCRUALS

Current Liabilities	流動負債
Trade payables (note (a))	應付賬款 (附註(a))
Other payables and accruals (note (b))	其他應付款項及預提費用 (附註(b))
Receipt in advance (note (c))	預收款項 (附註(c))
Amounts due to shareholders (note (d))	應付股東款項 (附註(d))

## 30. 應付賬款、其他應付款項及預提費用

	2019 HK\$'000 千港元	2018 HK\$'000 千港元
	<b>11,385</b>	–
	<b>403,515</b>	326,367
	<b>16,648</b>	–
	<b>14,370</b>	5,315
	<b>445,918</b>	331,682

Notes:

- (a) The amount mainly represented raw coal costs payable to a major raw coal supplier.

The ageing analysis of trade payables based on invoice date at the end of reporting period is as follows:

Within 30 days	30日內
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The average credit period granted by suppliers is 0-30 days from the invoice date.

- (b) The amounts mainly included exploration costs and related interest payable of approximate HK\$232,425,000 (2018: HK\$256,881,000) in respect of oil and gas properties and default interest of HK\$56,831,000 (2018: HK\$Nil) respectively.
- (c) The amount represented received in advance from sales of cleaned coal.
- (d) The balances were unsecured, interest-free and repayable on demand.

附註：

- (a) 該金額主要為支付予主要原煤供應商的原煤成本。

應付賬款於報告期間結束時按發票日之賬齡分析如下：

	2019 HK\$'000 千港元	2018 HK\$'000 千港元
	<b>11,385</b>	–

供應商給本集團的平均信貸期為開單日起0至30天。

- (b) 該金額主要包括分別有關油氣資產之應付勘探成本及相關利息約232,425,000港元(2018年：256,881,000港元)及違約利息56,831,000港元(2018年：零港元)。
- (c) 該金額為精煤銷售預收款。
- (d) 該結餘為無抵押，免息及須按要求即時償還。

### 31. PROVISIONS

### 31. 撥備

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Balance at 1 January	於1月1日之結餘	8,594	6,709
Provision for environmental restoration and decommissioning costs	環境修復及 停止使用費之撥備	3,791	2,291
Exchange adjustments	匯兌調整	(239)	(406)
		<u>12,146</u>	<u>8,594</u>
Balance at 31 December	於12月31日之結餘	<u>12,146</u>	<u>8,594</u>

The provision for environmental restoration and decommissioning costs for 2019 and 2018 represented directors' estimated assets retirement obligations relating to the Sanjiao CBM Project as set out in note 42 to the consolidated financial statements.

2019年及2018年環境修復及停止使用費之撥備指與三交煤層氣項目(載於綜合財務報表附註42)有關之董事估計資產棄置報廢責任。

### 32. BANK AND OTHER BORROWINGS

### 32. 銀行及其他借貸

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Bank borrowings – secured (note (a))	銀行有抵押借貸(附註(a))	2,797	–
Other borrowings – unsecured (note (b))	其他無抵押借貸(附註(b))	44,677	3,556
Corporate bonds – unsecured (note (c))	無抵押企業債券(附註(c))	464,136	473,567
		<u>511,610</u>	<u>477,123</u>
On demand or within one year	按要求或一年內償還	94,474	16,956
More than one year, but not exceeding two years	超過一年, 但不超過兩年	16,000	6,000
More than two years, but not exceeding five years	超過兩年, 但不超過五年	331,700	361,200
More than five years	超過五年	69,436	92,967
		<u>511,610</u>	<u>477,123</u>
Amount due within one year included in current liabilities	列入流動負債 一年內到期之金額	(94,474)	(16,956)
Non-current portion	非流動部分	<u>417,136</u>	<u>460,167</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2019

## 32. BANK AND OTHER BORROWINGS (Continued)

(a) As at 31 December 2019, the Group had borrowings with principal amount of RMB5,000,000 advanced from a local bank in the PRC. The bank loan was obtained to finance the loan granted to a provincial hospital (note 25(b)). The loan was secured by the principal repayments from the provincial hospital deposited at a designated bank account (note 29(a)), carried fixed interest at 6.53% per annum and repayable in May 2020. It was fully settled in February 2020.

(b) As at 31 December 2019, the Group had outstanding borrowings with principal amount of HK\$44,677,000. Out of which HK\$10,000,000 was advanced from a director and a shareholder of the Company, unsecured, interest bearing at 12% per annum and repayable on demand. The remaining balance mainly represented a loan of HK\$33,558,000 (equivalent to RMB30,000,000) from an individual third party in the PRC, unsecured and repayable by end of April 2020. These borrowings were pledged by the income generated from the Sanjiao CBM Project or guaranteed by a director of a wholly-owned subsidiary of the Group, carried fixed interest rates ranging from 24% to 30% per annum.

Other borrowings of HK\$3,556,000 as at 31 December 2018 was settled during the year.

(c) The Group's corporate bonds carried fixed interest rates ranging from 5.00% to 8.00% per annum with maturity in 1 to 8 years.

(d) The range of effective interest rates on the Group's borrowings for the years ended 31 December 2019 and 2018 are as follows:

## 32. 銀行及其他借貸(續)

(a) 於2019年12月31日，本集團有本金額為人民幣5,000,000元之借貸，乃來自中國本地銀行之墊款。本集團取得該銀行借貸以撥付授予省級醫院之貸款(附註25(b))。該貸款以該省級醫院存放於指定銀行賬戶之本金還款作抵押(附註29(a))，按固定年利率6.53%計息及須於2020年5月償還。該貸款已於2020年2月全數償還。

(b) 於2019年12月31日，本集團有本金額為44,677,000港元之未償還借貸。有關借貸中之10,000,000港元為來自本公司董事及股東之墊款，並為無抵押、按年利率12%計息及須按要求償還。剩餘結餘主要為來自中國獨立第三方之貸款33,558,000港元(相等於人民幣30,000,000元)，並為無抵押及須於2020年4月底前償還。該等借貸以三交煤層氣項目所產生的收入作抵押或由本集團全資附屬公司之董事擔保，按介乎24%至30%之固定年利率計息。

於2018年12月31日之其他借貸3,556,000港元已於年內償付。

(c) 本集團之企業債券按介乎5.00%至8.00%之固定年利率計息，年期為1至8年。

(d) 截至2019年及2018年12月31日止年度內，本集團借貸的實際利率為下列範圍：

	2019	2018
Bank borrowings – secured	6.53%	–
Other borrowings – unsecured	12.00%-30.00%	30.00%
Corporate bonds – unsecured	5.00%-8.00%	5.00%-8.00%

### 33. CONVERTIBLE NOTES

The convertible notes recognised in the consolidated statement of financial position are calculated as follows:

### 33. 可換股票據

於綜合財務狀況表確認之可換股票據計算如下：

		<b>Liability component</b>	<b>Derivative component</b>	<b>Total</b>
		<b>負債部分</b>	<b>衍生部分</b>	<b>總計</b>
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 1 January 2018	於2018年1月1日	1,238,031	37,895	1,275,926
Released upon expiry	於到期時撥回	(309,136)	-	(309,136)
Amortisation of transaction costs (note 9(a))	交易成本之攤銷 (附註9(a))	8,833	-	8,833
Imputed interest expense (note 9(a))	應歸利息支出(附註9(a))	246,837	-	246,837
Interest paid	已付利息	(66,298)	-	(66,298)
Change in fair value (note 8)	公平值變動(附註8)	-	(37,638)	(37,638)
		<hr/>	<hr/>	<hr/>
At 31 December 2018	於2018年12月31日	1,118,267	257	1,118,524
Amortisation of transaction costs (note 9(a))	交易成本之攤銷 (附註9(a))	6,625	-	6,625
Imputed interest expense (note 9(a))	應歸利息支出(附註9(a))	114,732	-	114,732
Interest paid	已付利息	(40,820)	-	(40,820)
Change in fair value (note 8)	公平值變動(附註8)	-	(211)	(211)
		<hr/>	<hr/>	<hr/>
At 31 December 2019	於2019年12月31日	<u>1,198,804</u>	<u>46</u>	<u>1,198,850</u>

## 33. CONVERTIBLE NOTES (Continued)

### Convertible note 1

The Company issued convertible note in an aggregate principal amount of HK\$200,000,000 with a 8% coupon rate on 1 February 2016. The convertible note was denominated in Hong Kong dollars and will mature in two years from the issue date. The note can be converted into ordinary shares of the Company at the holder's option at the rate of HK\$0.207 (note) per share. Imputed interest expense on the convertible note was charged at the rate of 18.96% calculated using the effective interest method.

The convertible note was fully repaid during the year ended 31 December 2018.

### Convertible note 2

The Company issued convertible note in an aggregate principal amount of HK\$160,000,000 with a 8% coupon rate on 26 May 2016. The convertible note was denominated in Hong Kong dollars and will mature in two years from the issue date. The note can be converted into ordinary shares of the Company at the holders' option at the rate of HK\$0.207 (note) per share. Imputed interest expense on the convertible note was charged at the rate of 18.96% calculated using the effective interest method.

The convertible note is personally guaranteed by two directors of the Company, Dr Dai Xiaobing and Mr King Hap Lee, to the bondholders.

The convertible note was fully repaid during the year ended 31 December 2018.

## 33. 可換股票據(續)

### 可換股票據(一)

本公司於2016年2月1日發行本金總額為200,000,000港元且票息率為8%之可換股票據。可換股票據以港元計值，自發行日期起計兩年內到期。票據可依據持有人之選擇以每股0.207港元之價格(附註)轉換為本公司之普通股。可換股票據之應歸利息支出乃使用實際利息法按利率18.96%計算。

於截至2018年12月31日止年度，可換股票據已悉數償還。

### 可換股票據(二)

本公司於2016年5月26日發行本金總額為160,000,000港元且票息率為8%之可換股票據。可換股票據以港元計值，自發行日期起計兩年內到期。票據可依據持有人之選擇以每股0.207港元之價格(附註)轉換為本公司之普通股。可換股票據之應歸利息支出乃使用實際利息法按利率18.96%計算。

可換股票據由本公司之兩位董事(戴小兵博士及景哈利先生)向債券持有人提供個人擔保。

於截至2018年12月31日止年度，可換股票據已悉數償還。

### 33. CONVERTIBLE NOTES (Continued)

#### Convertible note 3

The Company issued convertible note in an aggregate principal amount of US\$130,000,000 with a 8% coupon rate on 29 September 2016. The convertible note was denominated in US dollars and will mature in three years from the issue date. The note can be converted into ordinary shares of the Company at the holder's option at the rate of HK\$0.207 (note) per share. Imputed interest expense on the convertible note was charged at the rate of 22.85% calculated using the effective interest method.

The convertible note was secured by the issued shares of two subsidiaries of the Company, Power Great Limited and Orion Energy International Inc., by way of first fixed legal charge to the bondholder as continuing security.

The convertible option should be separated from the liability component and accounted for as a derivative liability with subsequent changes in fair value recognised in profit or loss. It was because the host contract (i.e. liability component) was denominated in a currency which was not the functional currency of the Company. Hence, this does not meet the fixed for fixed criteria. The Convertible note 3 was matured but not redeemed in September 2019. Pursuant to the terms of the Convertible note 3, when the convertible note is not redeemed on the maturity day, the convertible option attaching to the convertible note will continue to the exercisable up to, and including, the close of business on the date upon which the full amount of the moneys payable by the Company in respect of such convertible note has been duly and irrevocably received by the holder. Accordingly, the derivative liability is still measured at fair values after the maturity of the Convertible note 3. The fair values at 31 December 2019 and 2018, assessed by an independent valuer, was calculated using the binomial options pricing model.

During the year ended 31 December 2019 and up to the date of this report, there was not any breach of covenants of any borrowings as a result of the default of Convertible note 3.

### 33. 可換股票據 (續)

#### 可換股票據 (三)

本公司於2016年9月29日發行本金總額為130,000,000美元且票息率為8%之可換股票據。可換股票據以美元計值，自發行日期起計三年內到期。票據可依據持有人之選擇以每股0.207港元之價格(附註)轉換為本公司之普通股。可換股票據之應歸利息支出乃使用實際利息法按利率22.85%計算。

可換股票據以本公司之兩家附屬公司威遠有限公司和奧瑞安能源國際有限公司之已發行股份，透過第一固定法定押記之方式向債券持有人作持續抵押。

換股選擇權應獨立於負債部分，並入賬列作衍生負債，其後公平值如有變動則在損益確認。此乃由於主合約(即負債部分)以非本公司功能貨幣之貨幣計值。因此，這不符合固定換固定標準。於2019年9月，可換股票據(三)已到期，惟未獲贖回。根據可換股票據(三)之條款，倘可換股票據於到期日未獲贖回，則可換股票據所附帶之換股權將繼續可予行使，直至(及包括)持有人正式及不可撤回地收取本公司就該可換股票據應付之全數金額當日結束營業時為止。因此，於可換股票據(三)到期後，衍生負債仍按公平值計量。於2019年及2018年12月31日之公平值由獨立估值師進行評估，乃使用二項式期權定價模型計算。

於截至2019年12月31日止年度及直至本報告日期，概無因可換股票據(三)之違約而違反任何借貸契約。



## 33. CONVERTIBLE NOTES (Continued)

### Convertible note 3 (Continued)

Details of key input assumptions of the valuations were set out in note 50(b)(ii) to the consolidated financial statements. As at 31 December 2019 and 2018, there were changes in the fair value of derivative liability compared to the end of reporting period that recognised in profit or loss during the years ended 31 December 2019 and 2018 (note 8).

Subsequent to the reporting date, the Company has entered into a deed of amendment pursuant to which the Company and Convertible note 3 holder have conditionally agreed to extend the maturity date of the convertible note to 29 September 2020. The deed of amendment is subject to inter alia, the approval of the shareholders of the Company and share charge of certain subsidiaries of the Company. The details of the proposed alterations of the terms of the Convertible note 3 are set out in the Company's announcement dated 23 March 2020.

Note:

Pursuant to the terms of Convertible note 3, whenever the Company has issued any shares at a price lower than the conversion price thereof, the conversion price would be adjusted to the reduced price. The conversion price of Convertible note 3 has been adjusted upon the completion of subscription of shares (note 37(a)(i)) and the completion of the share consolidation (note 37(a)(iii)) during the year 2018. As at 31 December 2019 and 2018, the conversion price was HK\$0.168 per share.

## 33. 可換股票據(續)

### 可換股票據(三)(續)

估值主要輸入數據假設之詳情載於綜合財務報表附註50(b)(ii)。於2019年及2018年12月31日，衍生負債之公平值較報告期間結束時(已於截至2019年及2018年12月31日止年度之損益確認)有所變動(附註8)。

於報告日期後，本公司已訂立修訂契據，據此，本公司及可換股票據(三)持有人已有條件同意將該可換股票據之到期日延長至2020年9月29日。修訂契據須待(其中包括)本公司股東批准及本公司若干附屬公司之股份押記後，方可落實。建議修訂可換股票據(三)之條款之詳情載於本公司日期為2020年3月23日之公佈。

附註：

根據可換股票據(三)之條款，當本公司按低於其換股價之價格發行任何股份時，換股價將調整至該較低價格。在2018年內完成認購股份(附註37(a)(i))及完成股份合併(附註37(a)(iii))後，可換股票據(三)之換股價已作調整。於2019年及2018年12月31日，換股價為每股0.168港元。

### 34. DEFERRED TAX LIABILITIES

Details of the deferred tax liabilities recognised and movements during the year were as follows:

### 34. 遞延稅項負債

年內確認之遞延稅項負債之詳情及變動如下：

		<b>Intangible assets 無形資產</b>
		HK\$'000 千港元
At 1 January 2018	於2018年1月1日	(14,235)
Credited to profit or loss (note 10(a))	計入損益賬(附註10(a))	1,319
Exchange adjustments	匯兌調整	635
At 31 December 2018	於2018年12月31日	(12,281)
Credited to profit or loss (note 10(a))	計入損益賬(附註10(a))	1,682
Exchange adjustments	匯兌調整	239
At 31 December 2019	於2019年12月31日	(10,360)

Pursuant to the PRC Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises in the PRC. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. As at 31 December 2019 and 2018, no deferred tax has been recognised for withholding taxes, as there is no distributable profit for the Group's subsidiaries established in the PRC.

根據中國稅法，於中國之外資企業向境外投資者宣派股息會被徵收10%預扣稅。倘中國與境外投資者之司法權區訂有稅務條約，則可能應用較低之預扣稅率。於2019年及2018年12月31日，並無就預扣稅確認遞延稅項，原因是本集團於中國成立之附屬公司並無可供分派之溢利。

## 35. EMPLOYEE RETIREMENT BENEFITS

- (a) The Group operates a Mandatory Provident Fund Scheme (the “MPF scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees 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, both the employer and each employee are required to make contributions to the plan at 5% of the employee’s relevant income, subject to a cap of monthly relevant income of HK\$30,000 (2018: HK\$30,000) by each party. Contributions to the plan vest immediately.
- (b) Pursuant to the relevant labour rules and regulations in the PRC, the Group participates in defined contribution retirement benefit schemes (the “Schemes”) organised by the relevant local government authorities, whereby the Group is required to make contributions to the Schemes at a rate ranging from 21%-30% (2018: 21% to 30%) of the eligible employees’ salaries. The local government authorities are responsible for the entire pension obligations payable to the retired employees. The obligations are calculated based on a certain percentage of the basic payroll.

## 35. 僱員退休福利

- (a) 本集團根據香港強制性公積金計劃條例，為根據香港僱傭條例受僱之僱員設立強制性公積金計劃（「強積金計劃」）。強積金計劃乃由獨立信託人管理之界定供款退休計劃。根據強積金計劃，僱主及各僱員各自須按僱員之有關收入之5%作出供款，惟各方每月有關收入以30,000港元（2018年：30,000港元）為上限。向計劃作出之供款即時歸僱員所有。
- (b) 根據中國相關勞動規則及法規，本集團參與由有關當地政府機關管理之界定供款退休福利計劃（「該等計劃」）。據此，本集團須按合資格僱員的薪金向該等計劃作出介乎21%至30%（2018年：21%至30%）的供款。當地政府機關須對應付退休僱員之全部退休金負責。該等責任乃根據基本薪金之某個百分比計算。

### 36. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

The Company operates a share option scheme which was adopted on 28 May 2010 for a period of ten years commencing from 28 May 2010 whereby the directors of the Company are authorised, at their discretion, to invite employees of the Group, including directors of any companies within the Group, to take up options to subscribe for shares of the Company. The terms and conditions of the grant are determined by the Board at the time of grant. The exercisable period of an option is not to exceed a period of ten years commencing the date the share options be granted. The options give the holder the right to subscribe for ordinary shares in the Company. A nominal consideration of HK\$1 is payable by the grantee upon acceptance of an option. Options would be forfeited should the employee leave the Group. All the existing share options were granted under the scheme.

- (a) The terms and conditions of the share options that existed during the year ended 31 December 2019 were as follows and all options are settled by physical delivery of shares:

Date of grant 授出日期	Vesting condition 歸屬條件	Exercise period 行使期限	Adjusted exercise price 經調整行使價	Number of options 購股權數目 '000 千份	Contractual life of options 購股權合約年期
<b>Options granted to directors:</b> 授予董事之購股權：					
- on 6 December 2011 - 於2011年12月6日	Immediately 即時	6 December 2011 to 5 December 2021 2011年12月6日至2021年12月5日	HK\$2.76 2.76港元	11,400	10 years 10年
<b>Options granted to employees:</b> 授予僱員之購股權：					
- on 6 December 2011 - 於2011年12月6日	Immediately 即時	6 December 2011 to 5 December 2021 2011年12月6日至2021年12月5日	HK\$2.76 2.76港元	29,800	10 years 10年
Total share options 購股權總數				41,200	

### 36. 股本結算以股份付款之交易

本公司於2010年5月28日採納一項購股權計劃，自2010年5月28日起計為期10年，據此，本公司董事獲授權酌情向本集團僱員（包括本集團任何成員公司之董事）授出購股權，以認購本公司股份。授出之條款及條件由董事會於授出時釐定。購股權之可予行使期不得超過自購股權授出日期起計10年。購股權賦予持有人權利認購本公司普通股。承授人於接納購股權時，須支付象徵式代價1港元。倘僱員離開本集團，則將沒收有關購股權。現有之所有購股權乃根據計劃授出。

- (a) 以下為截至2019年12月31日止年度存在之購股權之條款及條件，所有購股權均透過實際交付股份結算：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 36. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued)

(b) The number and weighted exercise prices of share options are as follows:

## 36. 股本結算以股份付款之交易 (續)

(b) 購股權之數目及加權行使價如下：

		2019		2018	
		Adjusted weighted average exercise price	Number of share options	Adjusted weighted average exercise price	Number of share options
		經調整加權平均行使價	購股權數目	經調整加權平均行使價	購股權數目
		HK\$	'000	HK\$	'000
		港元	千份	港元	千份
Outstanding at beginning of the year	於年初尚未行使	2.76	41,200	2.36	1,438,000
Share consolidation during the year (note)	年內股份合併(附註)	-	-	-	(1,294,200)
Lapsed during the year	年內失效	-	-	2.22	(102,600)
Outstanding at the end of the year	於年末尚未行使	2.76	41,200	2.76	41,200
Exercisable at the end of the year	於年末可予行使	2.76	41,200	2.76	41,200

Note: The exercise prices of and the number of shares entitled to be subscribed for under the outstanding share options have been adjusted following the completion of the Share Consolidation (note 37(a)(iii)). The options outstanding at 31 December 2019 had adjusted exercise prices of HK\$2.76 (2018: HK\$2.76) and a weighted average remaining contractual life of 1.93 years (2018: 2.93 years).

附註：根據尚未行使之購股權而有權認購之股份行使價及股份數目已於完成股份合併(附註37(a)(iii))後調整。於2019年12月31日尚未行使之購股權之經調整行使價為2.76港元(2018年：2.76港元)，而加權平均餘下合約年期為1.93年(2018年：2.93年)。

### 37. CAPITAL AND RESERVES

#### (a) Share capital

(i) Authorised and issued share capital

### 37. 資本及儲備

#### (a) 股本

(i) 法定及已發行股本

		2019		2018	
		Number of shares	Amount	Number of shares	Amount
		股份數目	金額	股份數目	金額
		'000	HK\$'000	'000	HK\$'000
		千股	千港元	千股	千港元
<b>Authorised</b>	<b>法定</b>				
At 1 January	於1月1日	<b>10,000,000</b>	<b>1,000,000</b>	40,000,000	400,000
Increase in authorised share capital	法定股本增加	-	-	15,000,000	600,000
Share consolidation (iii)	股份合併(iii)	-	-	(45,000,000)	-
		<b>10,000,000</b>	<b>1,000,000</b>	<b>10,000,000</b>	<b>1,000,000</b>
<b>Issued and fully paid</b>	<b>已發行及繳足</b>				
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股				
At beginning of the year	於年初	<b>3,345,439</b>	<b>334,544</b>	16,538,791	165,388
Shares issued before Share Consolidation	於股份合併前發行之股份	-	-	11,340,000	113,400
Share consolidation (iii)	股份合併(iii)	-	-	(25,090,912)	-
Shares issued after Share Consolidation	於股份合併後發行之股份	-	-	557,560	55,756
		<b>3,345,439</b>	<b>334,544</b>	<b>3,345,439</b>	<b>334,544</b>

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，並在本公司大會上每股可獲一票投票權。所有普通股對本公司之餘下資產享有同等權益。

## 37. CAPITAL AND RESERVES (Continued)

### (a) Share capital (Continued)

#### (i) Authorised and issued share capital (Continued)

##### *Increase in authorised share capital*

On 22 June 2018, the authorised share capital of the Company was increased from HK\$400,000,000 to HK\$500,000,000 by an creation of an additional 10,000,000,000 shares with a nominal value of HK\$0.01 each.

On 9 August 2018, the authorised share capital of the Company was increased from HK\$500,000,000 to HK\$1,000,000,000 by an creation of an additional 5,000,000,000 shares with a nominal value of HK\$0.1 each.

##### *Issue of shares during the year ended 31 December 2018*

On 26 January 2018, the Company entered into a subscription agreement with an independent third party for the subscription of a total of 3,380,000,000 new ordinary shares of the Company at HK\$0.053 per share. The subscription was completed on 12 March 2018 and the Company received a proceeds of approximately HK\$179,140,000.

On 21 June 2018, the Company entered into a subscription agreement with an independent third party for the subscription of 3,980,000,000 new ordinary shares of the Company at HK\$0.036 per share. The Company received a proceeds of approximately HK\$143,280,000.

On 27 June 2018, the Company entered into a subscription agreement with an independent third party for the subscription of 3,980,000,000 new ordinary shares of the Company at HK\$0.03 per share. The Company received a proceeds of approximately HK\$119,400,000.

On 12 October 2018, the Company entered into two subscription agreements with two independent third parties for the subscription of each of 278,780,000 new ordinary shares of the Company at HK\$0.168 per share. The Company received a total proceeds of approximately HK\$93,670,000.

## 37. 資本及儲備(續)

### (a) 股本(續)

#### (i) 法定及已發行股本(續)

##### *法定股本增加*

於2018年6月22日，本公司法定股本透過增設10,000,000,000股每股面值0.01港元之股份，由400,000,000港元增加至500,000,000港元。

於2018年8月9日，本公司法定股本透過增設5,000,000,000股每股面值0.1港元之股份，由500,000,000港元增加至1,000,000,000港元。

##### *截至2018年12月31日止年度發行之股份*

於2018年1月26日，本公司與一名獨立第三方訂立認購協議，內容有關以每股0.053港元認購合共3,380,000,000股本公司新普通股。於2018年3月12日，認購事項已落實完成，本公司收取所得款項約179,140,000港元。

於2018年6月21日，本公司與一名獨立第三方訂立認購協議，內容有關以每股0.036港元認購3,980,000,000股本公司新普通股。本公司收取所得款項約143,280,000港元。

於2018年6月27日，本公司與一名獨立第三方訂立認購協議，內容有關以每股0.03港元認購3,980,000,000股本公司新普通股。本公司收取所得款項約119,400,000港元。

於2018年10月12日，本公司與兩名獨立第三方訂立兩份認購協議，內容有關以每股0.168港元分別認購278,780,000股本公司新普通股。本公司收取所得款項合共約93,670,000港元。

### 37. CAPITAL AND RESERVES (Continued)

#### (a) Share capital (Continued)

##### (ii) Lapse of vested share options

In 2019, no share options lapsed (2018: 102,600,000 share options lapsed).

##### (iii) Share Consolidation

With effect from 9 August 2018, every ten issued and unissued existing shares of par value of HK\$0.01 each in the share capital of the Company were consolidated into one consolidated share (the “Consolidated Share”) of par value of HK\$0.10 each (the “Share Consolidation”). All Consolidated Shares rank pari passu in all respects with each other.

The Share Consolidation has led to adjustments to (i) the conversion price and the number of Consolidated Shares falling to be issued upon the exercise of the conversion rights attaching to the convertible note in accordance with the terms and conditions of the convertible note; and (ii) the exercise price of the share options and the number of Consolidated Shares falling to be issued upon exercise of the subscription rights attaching to the share options in accordance with the terms and conditions of the share option scheme of the Company. These adjustments have been taken up elsewhere in these consolidated financial statements.

### 37. 資本及儲備(續)

#### (a) 股本(續)

##### (ii) 已歸屬購股權之失效

於2019年，概無購股權失效(2018年：102,600,000份購股權失效)。

##### (iii) 股份合併

自2018年8月9日起，本公司股本中每十股每股面值0.01港元之已發行及未發行現有股份合併為一股每股面值0.10港元之合併股份(「合併股份」)(「股份合併」)。所有合併股份彼此之間在所有方面享有同等權益。

股份合併導致以下調整：(i)可換股票據的換股價及其附帶的換股權按照可換股票據之條款及條件獲行使時須予發行的合併股份數目；及(ii)購股權之行使價及其附帶的認購權按照本公司購股權計劃之條款及條件獲行使時須予發行的合併股份數目。該等調整已於該等綜合財務報表其他部分獲採納。



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## 37. CAPITAL AND RESERVES (Continued) (b) The Company

## 37. 資本及儲備(續) (b) 本公司

		Share capital	Share premium	Contributed surplus	Share option reserve	Fair value reserve (non-recycling) (note 37(c)(iv)) 公平值儲備(不得重分類至損益) (附註37(c)(iv))	Accumulated losses	Total
	Notes 附註	股本 HK\$'000 千港元	股份溢價 HK\$'000 千港元	繳納盈餘 HK\$'000 千港元	購股權儲備 HK\$'000 千港元	HK\$'000 千港元	累計虧損 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2018	於2018年1月1日	165,388	4,120,104	81,043	107,853	(2,188)	(1,759,776)	2,712,424
Loss for the year	本年度虧損	-	-	-	-	-	(338,101)	(338,101)
Other comprehensive income	其他全面收益	-	-	-	-	(4,453)	-	(4,453)
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	(4,453)	(338,101)	(342,554)
Issue of shares	發行股份 37(a)(i)	169,156	366,334	-	-	-	-	535,490
Released upon lapse of share options	於購股權失效時撥回 37(a)(ii)	-	-	-	(72,725)	-	72,725	-
At 31 December 2018	於2018年12月31日	334,544	4,486,438	81,043	35,128	(6,641)	(2,025,152)	2,905,360
Loss for the year	本年度虧損	-	-	-	-	-	(293,884)	(293,884)
Other comprehensive income	其他全面收益	-	-	-	-	(453)	-	(453)
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	(453)	(293,884)	(294,337)
At 31 December 2019	於2019年12月31日	334,544	4,486,438	81,043	35,128	(7,094)	(2,319,036)	2,611,023

### 37. CAPITAL AND RESERVES (Continued)

#### (c) Nature and purpose of reserves

##### (i) Share premium

Share premium represents premium arising from the issue of shares at a price in excess of their par value per share. Share premium is not distributable but may be applied in paying up unissued shares of the Company to be issued to equity holders as fully paid bonus shares or to provide the premiums on repurchase of own shares.

##### (ii) Contributed surplus

Contributed surplus arose when the Company issues shares in exchange for the shares of subsidiaries being acquired, and represented the difference between the nominal value of the Company's shares issued and the value of net assets of the subsidiaries acquired under the group reorganisation in 1999 in preparation for the listing of the Company's shares on The Stock Exchange of Hong Kong. Under the Companies Act 1981 of Bermuda (as amended), contributed surplus is available for distribution to equity holders. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- it is or would after the payment, be unable to pay its liabilities as they become due; or
- the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

##### (iii) Share option reserve

The share option reserve represents the fair value of the actual or estimated number of unexercised share options granted by the Company and recognised in accordance with the accounting policy adopted for share-based payments as set in note 4(r).

##### (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 fair value through other comprehensive income under HKFRS 9 that are held at the end of the reporting period. Prior to 1 January 2018, this reserve included the cumulative net change in the fair value of available-for-sale investments held at the end of the reporting period in accordance with HKAS 39. This amount has been reclassified to fair value reserve (non-recycling) upon the initial adoption of HKFRS 9 at 1 January 2018.

### 37. 資本及儲備(續)

#### (c) 儲備性質及用途

##### (i) 股份溢價

股份溢價指以超出股份每股面值價格發行股份而產生之溢價。股份溢價不可分派但可用作繳清本公司將作為繳足紅股向權益持有人發行之未發行股份或為購回本身股份提供溢價。

##### (ii) 繳納盈餘

繳納盈餘來自本公司發行股份以交換所購入附屬公司之股份，相當於本公司已發行股份面值與1999年為籌備本公司股份在香港聯合交易所上市而進行之集團重組所購入附屬公司資產淨值之間之差額。根據百慕達1981年公司法(經修訂)，繳納盈餘可供分派予權益持有人。然而，倘發生下列情況，本公司不可自繳納盈餘宣派或派付股息或作出分派：

- 派付後導致無法或可能無法償還到期負債；或
- 導致資產之可變現價值低於負債、已發行股本及股份溢價賬之總額。

##### (iii) 購股權儲備

購股權儲備為本公司已授出之實際或估計數目之尚未行使購股權之公平值，並已按照附註4(r)就以股份支付之款項所採納會計政策確認入賬。

##### (iv) 公平值儲備(不得重分類至損益)

公平值儲備(不得重分類至損益)包含於報告期間結束時持有之根據香港財務報告準則第9號指定按公平值透過其他全面收益列賬之股權投資之累計公平值變動淨額。於2018年1月1日前，該儲備包括根據香港會計準則第39號於報告期間結束時持有之可供出售金融資產之累計公平值變動淨額。於2018年1月1日首次採納香港財務報告準則第9號後，該金額已重新分類至公平值儲備(不得重分類至損益)。

## 37. CAPITAL AND RESERVES (Continued)

### (c) Nature and purpose of reserves (Continued)

#### (v) Convertible note equity reserve

The reserve represents the equity component (i.e. option to convert the notes into shares) of the convertible notes issued by the Company.

#### (vi) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations outside Hong Kong which were dealt with in accordance with the accounting policy as set out in note 4(p) to the consolidated financial statements.

#### (vii) Accumulated losses

Cumulative net gains and losses recognised in profit or loss.

### (d) Distribution 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 (as amended), the Company's contributed surplus in the amount of HK\$81,043,000 (2018: HK\$81,043,000) is currently not available for distribution. The Company's share premium account in the amount of HK\$4,486,438,000 as at 31 December 2019 (2018: HK\$4,486,438,000) may be distributed in the form of fully paid bonus shares.

## 37. 資本及儲備(續)

### (c) 儲備性質及用途(續)

#### (v) 可換股票據權益儲備

儲備代表本公司發行之可換股票據之權益部分(即將票據轉換為股份之選擇權)。

#### (vi) 匯兌儲備

匯兌儲備包括因換算香港以外業務之財務報表所產生之所有外匯差額，乃按照綜合財務報表附註4(p)所載之會計政策處理。

#### (vii) 累計虧損

累計淨收益及虧損於損益確認。

### (d) 分派儲備

於2019年12月31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1981年公司法(經修訂)，本公司之繳納盈餘81,043,000港元(2018年：81,043,000港元)現不可分派。於2019年12月31日，本公司之股份溢價賬為4,486,438,000港元(2018年：4,486,438,000港元)可以繳足紅股方式分派。

38. COMPANY LEVEL STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

38. 本公司於2019年12月31日之財務狀況表

	Notes 附註	2019		2018	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>Non-current assets</b>					
Interests in subsidiaries	39		<b>4,393,332</b>		4,500,578
Equity investments designated at fair value through other comprehensive income	24		<b>503</b>		956
Total non-current assets			<b>4,393,835</b>		4,501,534
<b>Current assets</b>					
Other receivables, deposits and prepayments			<b>2,002</b>		3,042
Cash and cash equivalents			<b>159</b>		24,904
Total current assets			<b>2,161</b>		27,946
<b>Total assets</b>			<b>4,395,996</b>		4,529,480
<b>Current liabilities</b>					
Other payables and accruals			<b>(111,987)</b>		(32,029)
Convertible note			<b>(1,198,804)</b>		(1,118,267)
Borrowings			<b>(57,000)</b>		(13,400)
Financial liabilities at fair value through profit or loss			<b>(46)</b>		(257)
			<b>(1,367,837)</b>		(1,163,953)
<b>Net current liabilities</b>			<b>(1,365,676)</b>		(1,136,007)
<b>Total assets less current liabilities</b>			<b>3,028,159</b>		3,365,527
<b>Non-current liabilities</b>					
Borrowings			<b>(417,136)</b>		(460,167)
Total non-current liabilities			<b>(417,136)</b>		(460,167)
<b>NET ASSETS</b>			<b>2,611,023</b>		2,905,360
<b>Capital and reserves attributable to owners of the Company</b>					
Share capital	37(a)		<b>334,544</b>		334,544
Reserves	37(b)		<b>2,276,479</b>		2,570,816
<b>TOTAL EQUITY</b>			<b>2,611,023</b>		2,905,360

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2019

## 39. INTERESTS IN SUBSIDIARIES

Details of principal subsidiaries as at 31 December 2019 and 2018 are listed below. The class of shares held is ordinary unless stated otherwise.

## 39. 於附屬公司之權益

於2019年及2018年12月31日主要附屬公司之詳情載列如下。除另有說明者外，所持股份類別為普通股。

Name of company 公司名稱	Note 附註	Place of incorporation/ operation 註冊成立/ 經營地點	Particular of issued and paid up capital 已發行及 繳足股本詳情	Proportion of ownership interest 擁有權百分比			Principal activity 主要業務
				Group's effective holding 本集團 實際持股量	Held by the Company 由本公司持有	Held by a subsidiary 由一家 附屬公司持有	
Wiseley Investments Limited 偉利投資有限公司		The BVI 英屬維爾京群島	100 ordinary shares of US\$1.00 each 100股每股面值1.00美元之普通股	100%	100%	-	Investment holding 投資控股
Easy Sino Investments Limited 慧領投資有限公司		Hong Kong 香港	1 ordinary share of HK\$1.00 1股普通股股本為1.00港元	100%	100%	-	Provision of administrative services to group companies 向集團公司提供行政服務
Chuang Xin Management Services Limited 創新管理服務有限公司		Hong Kong 香港	2 ordinary shares of HK\$2.00 2股普通股股本為2.00港元	100%	100%	-	Provision of management services to group companies 向集團公司提供管理服務
Grand Rise Development Limited 浩晉發展有限公司		Hong Kong 香港	100 ordinary shares of HK\$100 100股普通股股本為100港元	100%	100%	-	Investment holding 投資控股
Power Great Limited 威遠有限公司		The Cayman Islands 開曼群島	1 ordinary share of US\$1.00 each 1股每股面值1.00美元之普通股	100%	100%	-	Investment holding 投資控股
Superb China Limited 秀華有限公司		The BVI 英屬維爾京群島	100 ordinary shares of US\$1.00 each 100股每股面值1.00美元之普通股	100%	100%	-	Investment holding 投資控股
Bi Tuo Yuan Technology (Shenzhen) Co., Ltd 鉅拓源科技(深圳)有限公司	i	The PRC 中國	Registered capital RMB500,000 註冊資本人民幣500,000元	100%	-	100%	Inactive 無業務
Orion Energy International Inc. ("OEI") 奧瑞安能源國際有限公司(「奧瑞安」)		The Cayman Islands 開曼群島	100,000,000 ordinary shares of US\$0.001 each 100,000,000股每股面值 0.001美元之普通股	100%	-	100%	Exploration, development and production of coalbed methane 勘探、開發和生產煤層氣

39. INTERESTS IN SUBSIDIARIES  
(Continued)

39. 於附屬公司之權益(續)

Name of company 公司名稱	Note 附註	Place of incorporation/ operation 註冊成立/ 經營地點	Particular of issued and paid up capital 已發行及 繳足股本詳情	Proportion of ownership interest 擁有權百分比			Principal activity 主要業務
				Group's effective holding 本集團 實際持股量	Held by the Company 由本公司持有	Held by a subsidiary 由一家 附屬公司持有	
Xian Hong Chang Co., Inc. 西安鴻昌石油開發服務有限公司	i	The PRC 中國	Registered capital RMB51,700,000 註冊資本人民幣51,700,000元	100%	-	100%	Inactive 無業務
Pipeline International Limited 國際管網有限公司		Hong Kong 香港	1 ordinary share of HK\$1.00 1股普通股股本為1.00港元	100%	-	100%	Investment holding 投資控股
Metro Standard Limited 衡城有限公司		Hong Kong 香港	1 ordinary share of HK\$1.00 1股普通股股本為1.00港元	100%	-	100%	Inactive 無業務
Ultraway International Limited 超揚國際有限公司		Hong Kong 香港	1 ordinary share of HK\$1.00 1股普通股股本為1.00港元	100%	100%	-	Investment holding 投資控股
SOG Energy Inc.		Canada 加拿大	1 ordinary share of CAD1.00 each 1股每股面值1.00加元之普通股	100%	-	100%	Participation in oil and gas projects 參與油氣項目
Sino Executive Limited		The BVI 英屬維爾京群島	100 ordinary shares of US\$1.00 each 100股每股面值1.00美元之普通股	100%	100%	-	Investment holding 投資控股
Total Orient Global Limited		The BVI 英屬維爾京群島	100 ordinary shares of US\$1.00 each 100股每股面值1.00美元之普通股	100%	100%	-	Investment holding 投資控股
Abundant Discovery Limited 溢發有限公司		The BVI 英屬維爾京群島	100 ordinary shares of US\$1.00 each 100股每股面值1.00美元之普通股	100%	100%	-	Investment holding 投資控股

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 39. INTERESTS IN SUBSIDIARIES (Continued)

## 39. 於附屬公司之權益(續)

Name of company 公司名稱	Note 附註	Place of incorporation/ operation 註冊成立/ 經營地點	Particular of issued and paid up capital 已發行及 繳足股本詳情	Proportion of ownership interest 擁有權百分比			Principal activity 主要業務
				Group's effective holding 本集團 實際持股量	Held by the Company 由本公司持有	Held by a subsidiary 由一家 附屬公司持有	
Golden Glow Holdings Limited		The BVI 英屬維爾京群島	100 ordinary shares of US\$1.00 each 100股每股面值1.00美元之普通股	75%	-	75%	Investment holding 投資控股
安澤縣佳潤鑫成煤業有限公司 (「安澤縣佳潤鑫成」)	i	The PRC 中國	Registered capital RMB50,000,000 註冊資本人民幣50,000,000元	75%	-	75%	Raw coal washing and sales of raw and cleaned coal 原煤洗選及銷售原煤及精煤
Soperton Limited		The BVI 英屬維爾京群島	1 ordinary share of US\$1.00 each 1股每股面值1.00美元之普通股	100%	100%	-	Investment holding 投資控股
SOG Capital Limited 兆銀資本有限公司		Hong Kong 香港	1 ordinary share of HK\$1.00 1股普通股股本為1.00港元	100%	-	100%	Investment holding 投資控股
陝西兆銀融資租賃有限公司	i	The PRC 中國	Registered capital RMB300,000,000 註冊資本人民幣300,000,000元	100%	-	100%	Financial services 金融服務
Taijin Finance Group Limited 泰金金融集團有限公司		Hong Kong 香港	10,000 ordinary shares of HK\$10,000 10,000股普通股股本為10,000港元	100%	-	100%	Inactive 無業務

Note:

i Registered under the laws of the PRC as a wholly-owned foreign enterprise

None of the subsidiaries had issued any debt securities at the end of the year.

附註：

i 根據中國法律登記為外資獨資企業

年末，概無附屬公司發行任何債務證券。

#### 40. NON-CONTROLLING INTERESTS

The Golden Glow Group, 75% owned subsidiaries of the Company, has material non-controlling interests ("NCI"). The NCI of all other subsidiaries that are not 100% owned by the Group are considered to be immaterial.

Summarised financial information in relation to the Golden Glow Group, before intra-group eliminations, is presented below:

#### 40. 非控股權益

本公司擁有75%權益之附屬公司Golden Glow集團擁有重大非控股權益(「非控股權益」)。所有並非由本集團100%擁有非控股權益之其他附屬公司被視為並不重大。

有關Golden Glow集團(於集團內部抵銷前)之財務資料概要呈列如下:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
<b>For the year ended 31 December</b>			
	<b>截至12月31日止年度</b>		
Revenue	收入	<b>350,353</b>	331,488
Profit/(loss) for the year	年內溢利/(虧損)	<b>13,240</b>	(35,852)
Total comprehensive income for the year	年內全面收入總額	<b>13,988</b>	(42,492)
Profit/(loss) allocated to NCI	分配至非控股權益之溢利/(虧損)	<b>3,310</b>	(8,963)
<b>For the year ended 31 December</b>			
	<b>截至12月31日止年度</b>		
Cash flows generated from/(used in) operating activities	經營業務所得/(所用)之現金流量	<b>13,505</b>	(1,411)
Cash flows used in investing activities	投資活動所用之現金流量	<b>(7,185)</b>	(1,040)
Cash flows used in financing activities	融資活動所用之現金流量	<b>(5,138)</b>	39
Net cash inflows/(outflows)	現金流入/(流出)淨額	<b>1,182</b>	(2,412)



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 40. NON-CONTROLLING INTERESTS (Continued)

## 40. 非控股權益 (續)

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
<b>As at 31 December</b>	<b>於12月31日</b>		
Current assets	流動資產	<b>67,535</b>	34,190
Non-current assets	非流動資產	<b>23,965</b>	3,024
Current liabilities	流動負債	<b>(45,811)</b>	(2,098)
Non-current liabilities	非流動負債	<b>(10,360)</b>	(12,281)
Net assets	資產淨值	<b>35,329</b>	22,835
Accumulated non-controlling interests	累計非控股權益	<b>8,832</b>	5,709

## 41. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

## 41. 綜合現金流量表附註

### (a) Significant non-cash transactions

### (a) 重大非現金交易

- (i) During the year ended 31 December 2019, finance costs of HK\$5,003,000 (2018: HK\$6,784,000) was capitalised as property, plant and equipment and oil and gas exploration and evaluation assets (note 9(a)).
- (ii) During the year ended 31 December 2019, provision for environmental restoration and decommissioning costs was increased by HK\$3,791,000 (2018: increased by HK\$2,291,000) was included in the property, plant and equipment (note 16).

- (i) 截至2019年12月31日止年度，融資成本5,003,000港元（2018年：6,784,000港元）已資本化為物業、廠房及設備以及油氣勘探及評估資產（附註9(a)）。
- (ii) 截至2019年12月31日止年度，環境修復和停止使用費撥備增加3,791,000港元（2018年：增加2,291,000港元）已計入物業、廠房及設備（附註16）內。

41. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Reconciliation of liabilities arising from financing activities

	As at 1 January 2019 於2019年1月1日 HK\$'000 千港元	Financing cash flow 融資現金流量 HK\$'000 千港元	Non-cash changes 非現金變動		At 31 December 2019 於2019年12月31日 HK\$'000 千港元
			Interest expense recognised 已確認利息支出 HK\$'000 千港元	Effect of exchange difference 匯兌差異之影響 HK\$'000 千港元	
Year ended 31 December 2019 截至2019年12月31日止年度					
Borrowings 借貸	477,123	(24,991)	60,052	(574)	511,610
Convertible note 可換股票據	1,118,267	(40,820)	121,357	-	1,198,804
Lease liabilities 租賃負債	11,721	(5,683)	1,268	(188)	7,118
	<u>1,607,111</u>	<u>(71,494)</u>	<u>182,677</u>	<u>(762)</u>	<u>1,717,532</u>

	As at 1 January 2018 於2018年1月1日 HK\$'000 千港元	Financing cash flow 融資現金流量 HK\$'000 千港元	Non-cash changes 非現金變動		At 31 December 2018 於2018年12月31日 HK\$'000 千港元
			Interest expense recognised 已確認利息支出 HK\$'000 千港元	Effect of exchange difference 匯兌差異之影響 HK\$'000 千港元	
Year ended 31 December 2018 截至2018年12月31日止年度					
Borrowings 借貸	533,888	(130,355)	74,530	(940)	477,123
Convertible note 可換股票據	1,238,031	(375,434)	255,670	-	1,118,267
	<u>1,771,919</u>	<u>(505,789)</u>	<u>330,200</u>	<u>(940)</u>	<u>1,595,390</u>

(c) Total cash flows for leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

		2019 HK\$'000 千港元
Within operating activities 經營業務內		(5,660)
Within financing activities 融資活動內		(5,683)
		<u>(11,343)</u>

41. 綜合現金流量表附註(續)

(b) 融資活動產生之負債之對賬

(c) 租賃之現金流量總額

計入綜合現金流量表之租賃之現金流量總額如下：

## 42. PRODUCTION SHARING ARRANGEMENT

As at 31 December 2019 and 2018, the Group has a production sharing arrangement in respect of the development and production of coalbed methane in the PRC.

On 28 March 2006, OEI (which the Group acquired on 15 November 2010) entered into the Sanjiao CBM Project with China United Coalbed Methane Corporation Ltd (“CUCMCL”) (the “PRC partner”) for the exploration, development, production and sale of the coalbed methane and other related or derivative products that may exist in a total exploration area of approximately 383 square kilometers subject to reduction in accordance with the Sanjiao CBM Project located in the Erdos Basin of Shanxi and Shaanxi Provinces in the PRC (the “Contract Area”).

Pursuant to the Sanjiao CBM Project, OEI is engaged as the foreign partner and operator to provide the necessary technology know how and assign its competent experts to explore, develop, produce and sell coalbed methane or coalbed methane products extracted from the Contract Area. OEI and PRC partner have formed a joint management committee as required under the Sanjiao CBM Project and appointed representatives as members of the committee (the “Joint Management Committee”). The Joint Management Committee is responsible to oversee the operation in the Contract Area.

In April 2009, CUCMCL transferred all of its interest and associated obligations with respect to certain gas fields, including the areas covered by the Sanjiao CBM Project, to PetroChina. The transfer was approved by the State-owned Assets Supervision and Administration Commission of the State Council. PetroChina joined the Joint Management Committee of the Sanjiao CBM Project.

## 42. 產品分成安排

於2019年及2018年12月31日，本集團在中國有一項與煤層氣開發及生產有關之產品分成安排。

於2006年3月28日，奧瑞安（本集團於2010年11月15日收購該公司）與中聯煤層氣有限責任公司（「中聯煤層氣」）（「中方夥伴」）訂立三交煤層氣項目，內容有關按照位於中國山西省及陝西省之鄂爾多斯盆地（「合約地區」）之三交煤層氣項目勘探、開發、生產及銷售可能在約383平方公里總勘探面積（有待削減）內存在之煤層氣及其他有關或衍生產品。

根據三交煤層氣項目，奧瑞安作為外方夥伴及營運商，提供必要之技術知識及委派稱職之專家以從合約地區勘探、開發、生產及銷售所提取之煤層氣或煤層氣產品。奧瑞安與中方夥伴已根據三交煤層氣項目要求成立聯合管理委員會（「聯管會」）及委任代表出任該委員會之成員。聯管會負責監督合約地區之營運。

於2009年4月，中聯煤層氣把其於若干油氣田（包括有關三交煤層氣項目所覆蓋之區域）之所有權益及相關責任轉移予中石油。該項轉移已獲國務院國有資產監督管理委員會批准。中石油已加入三交煤層氣項目之聯管會。

## 42. PRODUCTION SHARING ARRANGEMENT (Continued)

Under the Sanjiao CBM Project, the development of the Contract Area is divided into the exploration phase development and production phase. OEI is required to conduct core testing and run pilot production to ascertain the potential commercial value of the coalbed methane field in the planned exploration area. The exploration phase has an initial term of four years and expired on 1 July 2010. The PRC partner has extended the exploration period to 30 June 2012 in order to develop a larger production scale. Based on the supplementary agreement of the Sanjiao CBM Project dated 28 October 2010, the exploration period was extended to 6 years to 30 June 2012. The exploration period has been further extended to 30 June 2014 by way of a further supplementary agreement of the Sanjiao CBM Project dated on 6 July 2012. In December 2014, a further supplementary agreement of the Sanjiao CBM Project was signed, the exploration period has been further extended to 30 June 2016. All costs incurred in the exploration phase shall be borne by OEI.

On 20 November 2015, the Group received the official written notification from NEA for the approval of ODP and the project then enter into the development and production phase. On commencement of the development and production phase, all the development and operating costs shall be borne as to 70% by OEI and 30% by the PRC partner, except if the PRC partner chooses not to participate in a particular site. If the PRC partner chooses not to participate in a particular site, all the development and operating cost will be fully borne by OEI. Also, the PRC partner's participation can be less than 30% for certain wells in respect of which the PRC partner will not need to bear the development costs or will bear at a specifically agreed percentage. As a result, the profit sharing ratio will be adjusted according to their actual participating interest in the coalbed methane field and the portion of the development and operating costs to be borne by the PRC partner is solely depending on its participation level.

The Sanjiao CBM Project has a term of thirty years, with production period not more than twenty consecutive years beginning from the date of commencement of commercial production to the expiry date of the production period as specified in the ODP, unless production is suspended or abandoned in accordance with the Sanjiao CBM Project or under special circumstances, the production period can be extended with the approval of the relevant PRC authority.

## 42. 產品分成安排(續)

根據三交煤層氣項目，合約地區之開發分為勘探期、開發及生產期。奧瑞安須進行主要測試及試產以確定在規劃勘探區內之煤層氣田之潛在商業價值。勘探期初步為期四年，於2010年7月1日屆滿。中方夥伴已將勘探期延期至2012年6月30日，以擴大生產規模。根據日期為2010年10月28日之三交煤層氣項目補充協議，勘探期已延期為六年至2012年6月30日。根據日期為2012年7月6日之三交煤層氣項目之進一步補充協議，勘探期已進一步延期至2014年6月30日。於2014年12月，簽訂三交煤層氣項目之進一步補充協議，勘探期已進一步延期至2016年6月30日。勘探期產生之所有成本應由奧瑞安承擔。

於2015年11月20日，本集團接獲國家能源局官方書面通知(內容有關批准總體開發方案)，項目隨後進入開發及生產階段。當開發及生產期展開後，所有開發及經營成本將會由奧瑞安及中方夥伴各自按70%及30%之比例承擔，惟倘中方夥伴選擇不參與開採某一特定地點，則作別論。倘中方夥伴選擇不參與開採某一特定地點，則奧瑞安將會悉數承擔所有與此有關之開發及經營成本。此外，中方夥伴在若干油氣井之參與亦可少於30%，而中方夥伴就此毋須承擔開採成本，又或將承擔一個特別協定之百分比。因此，溢利分成比率將會根據彼等各自於煤層氣田之實際參與權益而作出調整，而中方夥伴將承擔之開發及經營成本部分僅取決於其參與程度而定。

三交煤層氣項目為期三十年，生產期由商業生產開始日期起至生產期到期日(根據總體開發方案所指定)止不可多於連續二十年，除非根據三交煤層氣項目暫停生產或放棄生產或因特別情況生產期在有關中國政府機關批准下續期。

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## 43. DEFERRED INCOME

Deferred income mainly represents payments received from PRC partner relating to assets used for the operation and production of coalbed methane under the production sharing arrangement (note 42). The deferred income will be amortised over the expected useful life of the relevant assets as a reduction of production expenses.

## 43. 遞延收入

遞延收入主要指於生產分成安排(附註42)下自就用於煤層氣營運及生產之資產之相關中國合作夥伴收取之款項。遞延收入將於相關資產之預期可使用年內予以攤銷以作為生產開支之扣減。

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
At 1 January	於1月1日	-	-
Receipts during the year	年內收取	138,366	-
Amortisation for the year (note 9(c))	年內攤銷(附註9(c))	(1,921)	-
Exchange adjustments	匯兌調整	(1,833)	-
		<hr/>	<hr/>
At 31 December	於12月31日	134,612	-
		<hr/>	<hr/>
Analysed into:	分析為:		
Current portion	流動部分	1,921	-
Non-current portion	非流動部分	132,691	-
		<hr/>	<hr/>

## 44. 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 owners 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 higher owners' 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.

Consistent with industry practice, the capital structure of the Group consists of net debts, which include other payables and accruals, provisions, borrowings and lease liabilities, net of restricted cash at banks and cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

## 44. 資本管理

本集團管理資本之首要目標乃保障本集團能夠繼續以持續經營基準經營，從而透過與風險水平相對應之產品及服務定價以及獲得合理成本之融資，繼續為擁有人創造回報及向其他利益相關者帶來利益。

本集團積極及定期對資本架構開展檢討及管理，從而使較高借貸水平情況下可能產生之較高擁有人回報與良好資本狀況帶來之好處及保障之間取得平衡，並因應經濟環境之變化對資本架構作出調整。

在遵從行業慣例之情況下，本集團之資本架構包括淨債務(其中包括扣除受限制銀行現金以及現金及現金等價物之其他應付款項及預提費用、撥備、借貸及租賃負債)及本公司擁有人應佔權益(包括已發行股本及儲備)。

#### 44. CAPITAL MANAGEMENT (Continued)

The directors review the capital structure regularly. As part of this review, the directors consider the cost of capital and the risks associated with class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through payment of dividends, new share issue as well as the issue of new debts or repayment of existing debts. The net debts-to-equity ratios at 31 December 2019 and 2018 and 1 January 2019 were as follows:

#### 44. 資本管理(續)

董事定期對資本架構進行檢討。作為檢討工作之一部分，董事對資本成本及各類資本之相關風險進行審議。根據董事之建議，本集團將透過支付股息、新股發行、發行新增債務或償還現有債務，使整體資本架構保持平衡。於2019年及2018年12月31日以及2019年1月1日之債務淨值對權益比率如下：

		31 December 2019 2019年 12月31日 HK\$'000 千港元	1 January 2019 2019年 1月1日 HK\$'000 千港元	31 December 2018 2018年 12月31日 HK\$'000 千港元
Total debts:	債務總額：			
Trade and other payables and accruals	應付賬款、其他應付款項及預提費用	445,918	331,682	331,682
Borrowings	借貸	511,610	477,123	477,123
Provisions	撥備	12,146	8,594	8,594
Convertible note	可換股票據	1,198,804	1,118,267	1,118,267
Financial liabilities at fair value through profit or loss	按公平值透過損益列賬之財務負債	46	257	257
Lease liabilities	租賃負債	7,118	11,721	-
		<b>2,175,642</b>	<b>1,947,644</b>	1,935,923
Less: Restricted cash at banks	減：受限制銀行存款	(10,096)	-	-
Cash and cash equivalents	現金及現金等價物	(3,728)	(36,949)	(36,949)
Net debts	債務淨值	<b>2,161,818</b>	<b>1,910,695</b>	1,898,974
Equity	權益	<b>2,647,017</b>	<b>3,008,606</b>	3,008,606
Net debts-to-equity ratio	債務淨值對權益比率	<b>82%</b>	<b>64%</b>	63%

Note: The Group has initially applied HKFRS 16 using the modified retrospective approach to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17. This resulted in an increase in the Group's net debt and hence the Group's gearing ratio increased from 63% to 64% on 1 January 2019 when compared with the position as at 31 December 2018. Under this approach, the comparative information is not restated.

附註：本集團已採用修正追溯法初次應用香港財務報告準則第16號，以就先前根據香港會計準則第17號分類為經營租賃之租賃確認相關租賃負債。這導致本集團之淨債務有所增加，因此，與2018年12月31日之狀況相比，本集團於2019年1月1日之負債比例由63%增加至64%。在此方法下，比較資料並無重列。

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

本公司及其任何附屬公司並不受外部實施之資本規定所規限。

## 45. FINANCIAL RISK MANAGEMENT

Exposure to credit, liquidity, interest rate, currency risks, commodity price risk and equity price risk arises in the normal course of the Group's business. These risks are limited by the Group's financial management policies and practices described below.

### (a) Credit risk

The Group is exposed to credit risk in relation to its short-term investment, loans receivable, trade, note and other receivables, deposits, and cash at banks. Their carrying amounts represent the Group's maximum exposure to credit risk in relation to financial assets.

To manage the credit risk associated with trade receivables, the Company adopts risk control to assess the credit quality of the customers and debtors, taking into account their financial positions and past experience. The Company has monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

#### (i) Trade, notes and other receivables and deposits

The Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The ECLs also incorporate forward looking information. The Company provides information about the Company's exposure to credit risk and ECLs for trade receivables as at 31 December 2019 and 2018 respectively.

In respect of notes receivables, they represented bank acceptance bills which were issued by banks in the PRC with high credit-rating or with good reputation. There was no recent history of default and the management has assessed that the ECLs was not material for the years ended 31 December 2019 and 2018.

As at 31 December 2019 and 2018, the Group had no significant concentration of credit risk.

## 45. 財務風險管理

信貸、流動資金、利率、貨幣風險、商品價格風險及股本價格風險會於本集團之日常業務過程中產生。該等風險乃透過本集團之財務管理政策及常規(見下文)得以限制。

### (a) 信貸風險

本集團面臨有關其短期投資、應收貸款、應收賬款、應收票據、其他應收賬款、按金及銀行現金的信貸風險。該等項目之賬面值代表本集團就其財務資產承受之最高信貸風險。

為管理與應收賬款有關之信貸風險，本公司採納風險控制措施評估客戶及債務人之信貸質素，當中計及彼等之財務狀況及過往經驗。本公司設有監察程序，以確保採取跟進行動收回逾期債務。

#### (i) 應收賬款、應收票據及其他應收賬款及按金

本集團應用香港財務報告準則第9號規定之簡化模式為預期信貸虧損計提撥備，該準則准許就應收賬款採用全期預期虧損撥備。為計量預期信貸虧損，應收賬款已根據共有信貸風險特點及逾期日數進行分組。預期信貸虧損亦計入前瞻性資料。本公司提供有關分別於2019年及2018年12月31日本公司就應收賬款面臨之信貸風險及預期信貸虧損之資料。

就應收票據而言，該等票據指由中國具有高信貸評級或良好聲譽之銀行所發行之銀行承兌票據。截至2019年及2018年12月31日止年度內，並無近期違約紀錄，而管理層已評估預期信貸虧損並不重大。

於2019年及2018年12月31日，本集團概無重大信貸集中風險。

## 45. FINANCIAL RISK MANAGEMENT (Continued)

### (a) Credit risk (Continued)

#### (ii) Cash with banks

The Company expects that there is no significant credit risk associated with cash at banks since they are placed at banks with high credit-ratings or with good reputation. There has been no history of default in relation to these banks and thus the risk of default is regarded as low. No loss allowance provision for bank balances was recognised for the years ended 31 December 2019 and 2018.

### (b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation.

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 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.

## 45. 財務風險管理 (續)

### (a) 信貸風險 (續)

#### (ii) 銀行現金

本公司預期並無與銀行現金有關之重大信貸風險，此乃由於該等現金乃存放於具有高信貸評級或良好聲譽之銀行。該等銀行並無違約紀錄，故違約風險被視為屬低。截至2019年及2018年12月31日止年度，概無就銀行結餘作出虧損撥備。

### (b) 流動資金風險

流動資金風險乃本集團未能於財務責任到期時履行有關責任之風險。本集團管理流動資金之方法是盡量確保具備足夠流動資金應付到期負債，令本集團毋須承擔不能接受之虧損或聲譽受損風險。

本集團旗下個別經營實體自行負責現金管理，包括現金盈餘之短期投資及借貸以彌補預期現金需求，惟倘借貸金額超過預先釐定之授權限額時須經本公司董事會批准。本集團之政策為定期監察其流動資金需求及其有否遵守借貸契約，以確保其維持足夠之現金儲備及隨時可變現之有價證券，以及在主要財務機構之信貸額度足夠應付其短期及較長期之流動資金需要。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2019

## 45. FINANCIAL RISK MANAGEMENT (Continued)

### (b) Liquidity risk (Continued)

The contractual maturities of financial liabilities are shown as below:

## 45. 財務風險管理 (續)

### (b) 流動資金風險 (續)

財務負債之合約到期情況如下：

		Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
		賬面值	合約未折現現金流量總額	1年內或按要 求	1年以上 但2年以下	2年以上 但5年以下	5年以上
		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
<b>2019</b>	<b>2019年</b>						
Trade and other payables and accruals	應付賬款、其他應付款項及預提費用	445,918	445,918	445,918	-	-	-
Convertible note	可換股票據	1,198,804	1,196,520	1,196,520	-	-	-
Borrowings	借貸	511,610	666,547	132,119	48,827	376,417	109,184
Lease liabilities	租賃負債	7,118	7,787	5,014	2,773	-	-
<b>Total</b>	<b>總計</b>	<b>2,163,450</b>	<b>2,316,772</b>	<b>1,779,571</b>	<b>51,600</b>	<b>376,417</b>	<b>109,184</b>
<b>2018</b>	<b>2018年</b>						
Trade and other payables and accruals	應付賬款、其他應付款項及預提費用	331,682	331,682	331,682	-	-	-
Convertible note	可換股票據	1,014,000	1,237,265	1,237,265	-	-	-
Borrowings	借貸	477,123	675,288	50,495	36,096	434,793	153,904
<b>Total</b>	<b>總計</b>	<b>1,822,805</b>	<b>2,244,235</b>	<b>1,619,442</b>	<b>36,096</b>	<b>434,793</b>	<b>153,904</b>

## 45. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Interest rate risk

At 31 December 2019 and 2018, the Group's fair value interest rate risk arises primarily from borrowings and convertible notes. Borrowings and convertible notes were issued at fixed rates which expose the Group to fair value interest rate risk. The Group has no cash flow interest rate risk as there are no borrowings which bear floating interest rates. The Group has not used any financial instruments to hedge potential fluctuations in interest rates.

At 31 December 2019, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would increase/decrease the Group's loss for the year by approximately HK\$23,000,000 (2018: HK\$ 48,161,000) before the consideration of capitalisation of interest. The sensitivity analysis has been determined assuming that the change in interest rates had occurred at the end of reporting period and had been applied to the exposure to interest rate risk for the borrowings in existence at that date. The 100 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date.

### (d) Currency risk

The Group is exposed to currency risk primarily through recognised assets and liabilities that are denominated in a currency other than the functional currency of the operations to which they relate. At 31 December 2019 and 2018, no related hedges were made by the Group.

## 45. 財務風險管理 (續)

### (c) 利率風險

於2019年及2018年12月31日，本集團之公平值利率風險主要來自借貸及可換股票據。本集團因按固定利率發放借貸及發行可換股票據而承受公平值利率風險。由於沒有借貸按浮動利率計息，故此本集團並無現金流量利率風險。本集團並未採用任何財務工具對沖利率潛在波動。

於2019年12月31日，估計在所有其他變數維持不變之情況下，利率總體增加／降低100個基點將令本集團本年度虧損增加／減少約23,000,000港元（2018年：48,161,000港元）（不計及資本化利息）。敏感度分析乃假設利率變動於報告期間結束時已發生，且已計入於該日存在之借貸利率風險後釐定。增加或減少100個基點為管理層對下一年度報告日期之前期間利率之可能合理變動之評估。

### (d) 貨幣風險

本集團承受之貨幣風險主要源自以有關業務之功能貨幣以外之貨幣計值之已確認資產及負債。於2019年及2018年12月31日，本集團並無作出相關對沖。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2019

## 45. FINANCIAL RISK MANAGEMENT (Continued)

### (d) Currency risk (Continued)

#### (i) Exposure to currency risk

The following table details the Group's exposure at the end of reporting period date 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. The sensitivity analysis includes balances between group companies where the denomination of the balances is in a currency other than the functional currencies of the lender or the borrower.

	2019				2018				
	Australian dollars 澳元 '000 千元	USD 美元 '000 千元	RMB 人民幣 '000 千元	CAD 加元 '000 千元	Australian dollars 澳元 '000 千元	USD 美元 '000 千元	RMB 人民幣 '000 千元	CAD 加元 '000 千元	
Short-term investment	短期投資	-	-	64,300	-	-	64,300	-	
Trade and other receivables	應收賬款及其他應收賬款	-	3	93,241	-	3	12,430	-	
Restricted cash at banks	受限制銀行現金	-	-	9,027	-	-	-	-	
Cash and cash equivalents	現金及現金等價物	1	113	2,168	3	2	107	4	
Amounts due from group companies	應收集團公司款項	-	130,000	25,639	1,421	-	130,000	25,000	14,133
Trade and other payables and accruals	應付賬款、其他應付款項及預提費用	-	-	(267,381)	-	-	(224,723)	-	
Amounts due to group companies	應付集團公司款項	-	(187,381)	(349,656)	(890)	-	(224,232)	(290,276)	(10,576)
Convertible note	可換股票據	-	(130,000)	-	-	-	(130,000)	-	
Lease liabilities	租賃負債	-	(6,364)	-	-	-	-	-	
Overall net exposure	整體風險淨值	1	(193,629)	(422,622)	534	2	(224,122)	(406,473)	3,561

## 45. 財務風險管理 (續)

### (d) 貨幣風險 (續)

#### (i) 所承受之貨幣風險

下表載列本集團於報告期間結束時因確認以有關實體之功能貨幣以外之貨幣計值之資產或負債而承受之貨幣風險詳情。敏感度分析包括集團內公司間之結餘，而該等結餘乃以貸方或借方之功能貨幣以外之貨幣計值。

## 45. FINANCIAL RISK MANAGEMENT (Continued)

### (d) Currency risk (Continued)

#### (ii) Sensitivity analysis

The following table indicates the approximate change in the Group's (loss)/profit after income tax expense and accumulated losses and other components of consolidated equity in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of reporting period. The sensitivity analysis includes balances between Group companies where the denomination of the balances is in a currency other than the functional currencies of the lender or the borrower. A positive number below indicates an decrease in loss/increase in profit and decrease in accumulated losses where the HKD weakens against the relevant currency. For a strengthening of the HKD against the relevant currency, there would be an equal and opposite impact on loss/profit and accumulated losses, and the balances below would be negative.

		2019		2018	
		<b>(Increase)/ decrease in loss after taxation and accumulated losses</b>		<b>(Increase)/ decrease in loss after taxation and accumulated losses</b>	
<b>Weakening in HKD</b>		<b>除稅後虧損 及累計虧損</b>		<b>除稅後虧損 及累計虧損</b>	
<b>港元貶值</b>		<b>(增加)/減少</b>		<b>港元貶值 (增加)/減少</b>	
<b>%</b>		<b>HK\$'000</b>		<b>%</b>	
		<b>千港元</b>		<b>千港元</b>	
RMB	人民幣	2%	(3,891)	2%	(3,156)
CAD	加元	2%	240	2%	308

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of reporting period and had been applied to each of the Group entities' exposure to currency risk for the financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

## 45. 財務風險管理 (續)

### (d) 貨幣風險 (續)

#### (ii) 敏感度分析

下表顯示於報告期間結束時對本集團構成重大風險之外匯匯率之可能合理變動造成本集團除所得稅支出後(虧損)/溢利及累計虧損以及綜合權益其他組成部分之概約變動。敏感度分析包括本集團內公司間之結餘，而該等結餘乃以貸方或借方之功能貨幣以外之貨幣計值。倘港元兌相關貨幣疲弱，以下正數表示虧損減少/溢利增加及累計虧損減少。當港元兌有關貨幣強勁，則可能對虧損/溢利及累計虧損造成金額等同但相反之影響，故以下結餘可能會為負數。

敏感度分析乃假設外匯匯率之變動於報告期間結束時已發生及已應用於本集團旗下各實體該日存續之財務工具所涉及之貨幣風險，而所有其他變數(尤其是利率)保持不變釐定。

## 45. FINANCIAL RISK MANAGEMENT (Continued)

### (d) Currency risk (Continued)

#### (ii) Sensitivity analysis (Continued)

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the end of the next reporting period. In this respect, it is assumed that the pegged rate between the HKD and the USD would be materially unaffected by any changes in movement in value of the USD against other currencies. Results of the analysis as presented in the above table represent an aggregation of the effects on each of the Group entities' profit or loss after income tax expense and equity measured in the respective functional currencies, translated into HKD at the exchange rate ruling at the end of reporting period for presentation purposes. The analysis is performed on the same basis for 2018.

### (e) Equity price risk

The Group is exposed to equity price changes arising from equity instruments classified as available-for-sale equity securities which are listed on the Stock Exchange of Hong Kong. Listed investments held in the available-for-sale portfolio have been chosen based on their longer term growth potential and are monitored regularly for performance against expectations. The portfolio is diversified in terms of industry distribution, in accordance with the limits set by the Group.

The Group is also exposed to equity price risk arising from changes in the Company's own share price to the extent that the Company's own equity instruments underlie the fair values of derivatives liabilities of the Group. At the end of reporting period, the Group is exposed to this risk through the conversion rights attached to the convertible note issued by the Company as disclosed in note 33.

#### Sensitivity analysis

The sensitivity analysis on equity price risk includes the Group's financial instruments, which fair value or future cash flows will fluctuate because of changes in their corresponding or underlying asset's equity price. If the prices of the respective equity instruments had been 20% higher/lower, loss for the year would increase/decrease by nil (2018: nil) and other component of equity would increase/decrease by HK\$101,000 (2018: HK\$191,000).

## 45. 財務風險管理 (續)

### (d) 貨幣風險 (續)

#### (ii) 敏感度分析 (續)

所述之變動指管理層對直至下一個報告期間結束止期間之外匯匯率之可能合理變動之評估。就此而言，假定港元及美元之聯繫匯率不會受到美元兌其他貨幣之任何價值變動之重大影響。上表列示之分析結果指對本集團旗下各實體按各功能貨幣計算並按報告期間結束時之現行匯率換算為港元以供呈列之用之除所得稅支出後損益及權益之影響總額。該分析乃按與2018年相同之基準進行。

### (e) 股本價格風險

本集團承受因分類為可供出售股本證券（於香港聯交所上市）而產生之股本工具之股本價格變動風險。於可供出售金融資產組合內持有之上市投資乃根據其較長期增長潛力而選擇，並根據預期對表現進行定期監察。投資組合根據本集團設定之限制分散於不同行業。

倘本集團之衍生工具負債公平值建基於本公司本身之股本工具，則本集團亦因本公司本身之股價變動而承受股本價格風險。誠如附註33所披露，於報告期間結束時，本集團因本公司所發行可換股票據附帶之換股權而承受此風險。

#### 敏感度分析

股本價格風險之敏感度分析包括本集團之財務工具，其公平值或未來現金流量將會因其相應或相關資產之股本價格變動而波動。倘各股本工具之價格上升／下跌20%，本年度虧損將增加／減少零（2018年：零），而其他股本部分則將增加／減少101,000港元（2018年：191,000港元）。

#### 46. COMMITMENTS

##### (a) Operating lease commitments – Lessee

As at 31 December 2018, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

		2018 HK\$'000 千港元
Within 1 year	1年內	10,451
After 1 year but within 5 years	1年後但5年內	7,532
		17,983

The Group is the lessee of a number of properties held under operating leases. The leases typically run for an initial period of one to six years without an extension option. None of the leases includes contingent rentals.

##### (b) Capital commitments

Commitments in respect of the Sanjiao CBM Project

就三交煤層氣項目之承擔

#### 46. 承擔

##### (a) 經營租賃承擔 – 承租人

於2018年12月31日，應付不可撤銷經營租賃之未來最低租賃款項總額如下：

		2018 HK\$'000 千港元
Within 1 year	1年內	10,451
After 1 year but within 5 years	1年後但5年內	7,532
		17,983

本集團為根據經營租賃持有多項物業之承租人。一般而言，該等租賃之初步期間介乎1至6年，並無續期選擇權。所有租賃概無包括或有租金。

##### (b) 資本承擔

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Commitments in respect of the Sanjiao CBM Project	就三交煤層氣項目之承擔	18,412	23,842

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 47. CONTINGENT LIABILITIES

### Environmental liabilities

The Group engages in the exploration, development and production of coalbed methane resources. The consequence of coalbed mining includes dismantlement and demolition of infrastructure in the mining sites. The Group may have obligations to make payments for restoration and rehabilitation of the land after the sites have been extracted. As at 31 December 2019, a provision of HK\$12,146,000 (2018: HK\$8,594,000) was made in the consolidated statement of financial position (note 31).

## 48. RELATED PARTY TRANSACTIONS

Other than disclosed elsewhere in the financial statements, no related party transactions have been entered into during the year which might reasonably affect any decisions made by the users of these consolidated financial statements

### Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 11, all the highest paid employees as disclosed in note 12, and other six (2018: six) senior management personnel are as follows:

Short-term employee benefits	短期僱員福利
Post-employment benefits	離職後福利

Total remuneration is included in "employee costs" (see note 9(b)).

## 47. 或有負債

### 有關環保之負債

本集團經營煤層氣資源之勘探、開發和生產，而進行煤層開採之後果包括拆遷及拆除礦場之基本設施。本集團或須負責在礦場完成開採後，支付礦區土地復原及復墾之費用。於2019年12月31日，綜合財務狀況表內作出了12,146,000港元（2018年：8,594,000港元）之撥備（附註31）。

## 48. 關連人士交易

除財務報表內另行披露者外，年內概無訂立可能對該等綜合財務報表使用者任何已作出之決定產生合理影響之關連人士交易。

### 主要管理人員酬金

本集團主要管理人員酬金（包括附註11所披露之已向本公司董事支付之款項、附註12所披露之已向全體最高薪僱員支付之款項及向六名（2018年：六名）其他高級管理人員支付之款項）如下：

	2019 HK\$'000 千港元	2018 HK\$'000 千港元
Short-term employee benefits	16,907	16,690
Post-employment benefits	-	-
	<u>16,907</u>	<u>16,690</u>

酬金總額乃計入「員工成本」中（見附註9(b)）。

#### 49. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts of the Group's financial assets and financial liabilities recognised as at 31 December 2019 and 2018 may be categorised as follows:

#### 49. 財務資產及財務負債之分類概要

於2019年及2018年12月31日確認之本集團財務資產及財務負債之賬面值分類如下：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
<b>Financial assets</b>	<b>財務資產</b>		
Financial assets at fair value through profit or loss	按公平值透過損益列賬之財務資產	<b>32,193</b>	57,700
Equity investments designated at fair value through other comprehensive income	指定按公平值透過其他全面收益列賬之股權投資	<b>503</b>	956
Financial assets measured at amortised cost	按攤銷成本計量之財務資產	<b>584,592</b>	488,181
		<b>617,288</b>	546,837
<b>Financial liabilities</b>	<b>財務負債</b>		
Financial liabilities at fair value through profit or loss	按公平值透過損益列賬之財務負債	<b>46</b>	257
Financial liabilities measured at amortised cost	按攤銷成本計量之財務負債	<b>2,146,802</b>	1,909,468
		<b>2,146,848</b>	1,909,725



## 50. FAIR VALUE MEASUREMENT

### (a) Financial instruments not measured at fair value

Financial instruments not measured at fair value include trade, notes and other receivables, deposits, loans receivable, short-term investment, restricted cash at banks, cash and cash equivalents, trade and other payables, accruals, borrowings and convertible notes. The fair value of all these financial assets and financial liabilities are not materially different from their carrying amounts.

The fair value of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of level 2 and level 3 financial instruments, as well as the relationship between key observable inputs and fair value are set out below.

## 50. 公平值計量

### (a) 並非按公平值計量之財務工具

並非按公平值計量之財務工具包括應收賬款、應收票據及其他應收賬款、按金、應收貸款、短期投資、受限制銀行現金、現金及現金等價物、應付賬款及其他應付款項、預提費用、借貸及可換股票據。所有該等財務資產及財務負債之公平值均與其賬面值相若。

具有標準條款及條件並於流動性活躍市場買賣的財務資產及財務負債的公平值乃參考市場報價釐定。

下文載列於釐定第2層及第3層財務工具之公平值計量時所運用的估值技術及重大不可觀察輸入數據，以及主要可觀察數據與公平值之間的關係。

**50. FAIR VALUE MEASUREMENT (Continued)**

**(b) Financial instruments measured at fair value  
Information about level 3 fair value measurements**

- (i) The fair value of contingent consideration is estimated using a discounted cash flow method.

**Significant unobservable inputs**

		2019	2018
Pre-tax discount rate	除稅前折現率	21.04%	21.88%
Growth rate	增長率	2.40%	2.40%

Increase in pre-tax discount rate and growth rate by 1% and the 1% would decrease the fair value of the contingent consideration by HK\$164,000 and HK\$315,000.

- (ii) The fair value of derivative component in convertible notes is estimated using a binomial options pricing model.

**Significant unobservable inputs**

		2019	2018
Dividend yield	股息收益率	0%	0%
Volatility	波動性	62.87%	62.68%

Increase in the volatility by 1% would increase the fair value of the derivative component in convertible notes by HK\$7,530.

**50. 公平值計量(續)**

**(b) 按公平值計量之財務工具  
有關第3層公平值計量的資料**

- (i) 或有代價之公平值使用現金流量折現法估算。

**重大不可觀察輸入數據**

		2019	2018
Pre-tax discount rate	除稅前折現率	21.04%	21.88%
Growth rate	增長率	2.40%	2.40%

除稅前折現率及增長率分別增加1%及此1%將導致或有代價公平值分別減少164,000港元及315,000港元。

- (ii) 可換股票據衍生部分之公平值使用二項式期權定價模型估算。

**重大不可觀察輸入數據**

		2019	2018
Dividend yield	股息收益率	0%	0%
Volatility	波動性	62.87%	62.68%

波動性增加1%將導致可換股票據衍生部分的公平值增加7,530港元。

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## 50. FAIR VALUE MEASUREMENT (Continued)

### (b) Financial instruments measured at fair value (Continued)

(iii) The following table provides an analysis of financial instruments carried at fair value by level of fair value hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## 50. 公平值計量(續)

### (b) 按公平值計量之財務工具(續)

(iii) 下表提供按公平值列賬的財務工具按公平值層級劃分之分析：

- 第1層：相同資產或負債於活躍市場之報價(未經調整)；
- 第2層：使用可直接(即價格)或間接(即由價格衍生)觀察但不包括第1層內報價之資產或負債之數據；及
- 第3層：並非根據可觀察市場數據之資產或負債之數據(不可觀察數據)。

		2019			
		Level 1 第1層 HK\$'000 千港元	Level 2 第2層 HK\$'000 千港元	Level 3 第3層 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Financial asset at fair value through profit or loss</b>	<b>按公平值透過損益列賬之財務資產</b>				
- Contingent consideration	- 或然代價	-	-	32,193	32,193
<b>Financial assets at fair value through other comprehensive income</b>	<b>按公平值透過其他全面收益列賬之財務資產</b>				
- Listed securities in Hong Kong at fair value	- 香港上市證券(按公平值)	503	-	-	503
<b>Financial liabilities at fair value through profit or loss</b>	<b>按公平值透過損益列賬之財務負債</b>				
- Derivative component in convertible note	- 可換股票據之衍生部分	-	-	(46)	(46)

		2018			
		Level 1 第1層 HK\$'000 千港元	Level 2 第2層 HK\$'000 千港元	Level 3 第3層 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Financial asset at fair value through profit or loss</b>	<b>按公平值透過損益列賬之財務資產</b>				
- Contingent consideration	- 或然代價	-	-	57,700	57,700
<b>Financial assets at fair value through other comprehensive income</b>	<b>按公平值透過其他全面收益列賬之財務資產</b>				
- Listed securities in Hong Kong at fair value	- 香港上市證券(按公平值)	956	-	-	956
<b>Financial liabilities at fair value through profit or loss</b>	<b>按公平值透過損益列賬之財務負債</b>				
- Derivative component in convertible note	- 可換股票據之衍生部分	-	-	(257)	(257)

There were no transfers between levels during the year.

年內各層級之間並無發生任何轉讓。

50. FAIR VALUE MEASUREMENT (Continued)

(b) Financial instruments measured at fair value (Continued)

- (iv) Reconciliation for financial instruments carried at fair value based on significant unobservable inputs (Level 3) are as follows:

50. 公平值計量(續)

(b) 按公平值計量之財務工具(續)

- (iv) 根據重大不可觀察輸入數據(第3層)按公平值入賬的財務工具之對賬如下:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
<b>Financial assets at fair value through profit or loss</b>	<b>按公平值透過損益列賬之財務資產</b>		
At 1 January	於1月1日	57,700	51,606
Change in fair value (note 8)	公平值變動(附註8)	(9,043)	29,131
Receivables (note 27(b))	應收賬款(附註27(b))	(4,426)	(5,767)
Settled during the year (note 23)	年內結算(附註23)	(16,818)	(14,169)
Exchange adjustments	匯兌調整	4,780	(3,101)
		<u>32,193</u>	<u>57,700</u>
At 31 December	於12月31日		
<b>Financial liabilities at fair value through profit or loss</b>	<b>按公平值透過損益列賬之財務負債</b>		
At 1 January	於1月1日	257	37,895
Change in fair value (note 8)	公平值變動(附註8)	(211)	(37,638)
		<u>46</u>	<u>257</u>
At 31 December	於12月31日		

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 51. EVENTS AFTER REPORTING PERIOD

- (a) In view of the outbreak of Coronavirus Disease 2019 (“COVID-19”) in the PRC, it had impacts on the overall economy in the PRC. The Group will closely monitor the development and situation of COVID-19, continuing to assess its impacts on the financial position and operating results of the Group and take necessary action to mitigate the business risk in the PRC. Up to the date of this report, COVID-19 has not resulted in material impact to the Group.
- (b) Subsequent to the year end, the Company and the note holder of the Convertible note 3 have conditionally agreed to extend the maturity date of the Convertible note 3 to 29 September 2020. Details are set out in note 33 to the consolidated financial statements.

## 52. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 31 March 2020.

## 51. 報告期後事項

- (a) 鑒於2019年冠狀病毒疾病(「COVID-19」)在中國爆發，已對中國整體經濟造成影響。本集團將會密切監察COVID-19的發展及情況，持續評估其對本集團財務狀況及經營業績的影響，並採取必要行動以盡量減低於中國的業務風險。直至本報告日期，COVID-19並未對本集團帶來重大影響。
- (b) 於年結日後，本公司及可換股票據(三)的票據持有人有條件同意延長可換股票據(三)的到期日至2020年9月29日。詳情載於綜合財務報表附註33。

## 52. 綜合財務報表之審批

綜合財務報表已由董事會於2020年3月31日審批及授權刊發。



**中國油氣控股有限公司**  
**SINO OIL AND GAS HOLDINGS LIMITED**