



KunLun Energy Company Limited

(incorporated in Bermuda with limited liability 於百慕達註冊之有限公司)

昆侖能源有限公司

(Stock Code 股份代號 : 00135.HK)

2019

Interim Report

中期報告



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BOARD OF DIRECTORS

Executive Directors

Mr Ling Xiao (*Chairman*)
Mr Zhao Yongqi (*Chief Executive Officer*)
Mr Zhao Zhongxun
Mr Zhou Yuanhong
Mr Miao Yong (*Chief Financial Officer*)

Independent Non-Executive Directors

Mr Li Kwok Sing Aubrey
Dr Liu Xiao Feng
Mr Sun Patrick
Mr Tsang Yok Sing Jasper⁽¹⁾

COMPANY SECRETARY

Mr Cheng Cheng

BERMUDA RESIDENT REPRESENTATIVE

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

AUDITOR

KPMG

BANKERS

Industrial and Commercial Bank of China Limited
China Construction Bank Corporation
Bank of China Limited
Agricultural Bank of China Limited
Bank of China (Hong Kong) Limited

STOCK CODE

The Stock Exchange of Hong Kong Limited
00135.HK

WEBSITE

<http://www.kunlun.com.hk>

董事會

執行董事

凌霄先生 (*主席*)
趙永起先生 (*行政總裁*)
趙忠勳先生
周遠鴻先生
繆勇先生 (*財務總監*)

獨立非執行董事

李國星先生
劉曉峰博士
辛定華先生
曾鈺成先生⁽¹⁾

公司秘書

成城先生

駐百慕達代表

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

核數師

畢馬威會計師事務所

往來銀行

中國工商銀行股份有限公司
中國建設銀行股份有限公司
中國銀行股份有限公司
中國農業銀行股份有限公司
中國銀行(香港)有限公司

股份代號

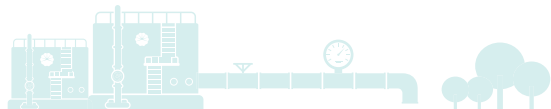
香港聯合交易所有限公司
00135.HK

網站

<http://www.kunlun.com.hk>

Note (1): Appointed on 27 August 2019.

附註(1)：於二零一九年八月二十七日獲委任。



PRINCIPAL BOARD COMMITTEES

Audit Committee

Mr Sun Patrick (*Chairman*)
Mr Li Kwok Sing Aubrey
Dr Liu Xiao Feng
Mr Tsang Yok Sing Jasper⁽¹⁾

Remuneration Committee

Mr Li Kwok Sing Aubrey (*Chairman*)
Dr Liu Xiao Feng
Mr Sun Patrick
Mr Tsang Yok Sing Jasper⁽¹⁾

Nomination Committee

Mr Ling Xiao (*Chairman*)
Mr Li Kwok Sing Aubrey
Dr Liu Xiao Feng
Mr Sun Patrick
Mr Tsang Yok Sing Jasper⁽¹⁾

SOLICITORS

Clifford Chance

REGISTERED OFFICE

Clarendon House
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Hamilton HM11, Bermuda

PRINCIPAL OFFICE

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Fax: 2868 1741

PRINCIPAL REGISTRARS

Conyers Corporate Services (Bermuda) Limited
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REGISTRARS IN HONG KONG

Tricor Secretaries Limited
Level 54
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Note (1): Appointed on 27 August 2019.

主要董事委員會

審核委員會

辛定華先生 (*主席*)
李國星先生
劉曉峰博士
曾鈺成先生⁽¹⁾

薪酬委員會

李國星先生 (*主席*)
劉曉峰博士
辛定華先生
曾鈺成先生⁽¹⁾

提名委員會

凌霄先生 (*主席*)
李國星先生
劉曉峰博士
辛定華先生
曾鈺成先生⁽¹⁾

律師

高偉紳律師行

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11, Bermuda

主要辦事處

香港
干諾道西118號39樓
電話：2522 2282
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圖文傳真：2868 1741

主要股份過戶登記處

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

香港股份過戶登記處

卓佳秘書商務有限公司
香港
皇后大道東183號
合和中心
54樓

附註(1)：於二零一九年八月二十七日獲委任。

Profit attributable to owners of the Company was RMB3,143 million, representing an increase of 1.65%.

本公司股東應佔溢利人民幣 31.43 億元，增加 1.65%。

Revenue 收入

The revenue for the Period was approximately

RMB53,543 million,

representing an increase of 7.96%. The increase was mainly due to the expansion of natural gas business.

本期內之收入約為人民幣 535.43 億元，增加 7.96%。增加主要是由於天然氣業務擴張所致。



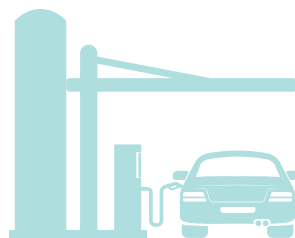
Natural Gas Sales 天然氣銷售

the Group's natural gas sales volume was

12,595 million cubic metres,

representing an increase of 20.33%

天然氣銷售量 125.95 億立方米，增加 20.33%



Natural Gas Pipeline 天然氣管道

The transmission volume of Natural Gas Pipeline business was

28,268 million cubic metres,

representing an increase of 7.61%

天然氣管道業務輸氣量為 282.68 億立方米，增加 7.61%

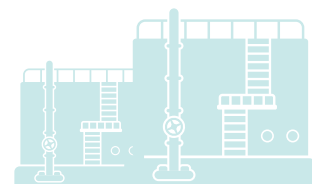
LNG Processing and Terminal LNG 加工與儲運

LNG gasification and entrucking volume totally was

9,445 million cubic metres,

representing an increase of 0.06%.

LNG 氣化裝車量共 94.45 億立方米，增加 0.06%。



Exploration and Production 勘探與生產

The sales volume of crude oil in the Exploration and Production business was

6.80 million barrels

勘探與生產業務銷售原油 680 萬桶





BUSINESS REVIEW

I am pleased to report the results of Kunlun Energy Company Limited (the “Company”) and its subsidiaries (together, the “Group”) for the six months ended 30 June 2019 (the “Period”) to the shareholders on behalf of the Board of Directors (the “Board”).

During the Period, the Chinese government continues to intensify its effort on opening up to the outside world and domestic reduction on fees and taxes, to optimise and upgrade the industrial structure, and the emerging industries continue to release new vitality in economic development. The overall economy of the People’s Republic of China (the “PRC”) is generally stable and in steady progress, with GDP growth of 6.3% in the first half of this year. With the progressing of the State’s awareness on ecological civilisation, the “Blue Sky Defence War” continues to have a fruitful harvest, and strict governance will be imposed on the three major pollution sources such as industry, coal and motor vehicles. Following the full launch of the 4-years second round of central government eco-environmental protection inspection, the natural gas utilisation level of all provinces, autonomous regions and municipalities will continue to increase. In the first half of the year, the national production volume and the net imported volume of natural gas was 149.3 billion cubic metres, representing a year-on-year increase of 10.8%, and demand for natural gas maintained at a double-digit rapid growth.

業務回顧

本人謹代表昆侖能源有限公司(「本公司」)董事會(「董事會」)向各位股東報告本公司及其附屬公司(統稱「本集團」)截至二零一九年六月三十日止六個月(「本期內」)業績。

本期內，中國政府繼續加大對外開放和對內減費降稅的力度，產業結構持續優化升級，新興產業不斷釋放經濟發展新活力，中華人民共和國(「中國」)經濟總體平穩、穩中有進，上半年國內生產總值增長6.3%。隨著國家生態文明建設的深入推進，擴大藍天保衛戰成果，加強工業、燃煤、機動車三大污染源治理，為期四年的第二輪中央生態環境保護督察的全面啟動，將促進各省、自治區、直轄市天然氣終端利用水平的持續提升。上半年全國天然氣表觀消費量1,493億立方米，同比增長10.8%，用氣需求保持兩位數快速增長。

Chairman Statement

主席報告



The Group adhered to the concepts of new development, employed them as its guiding principle and took its responsibility seriously for its shareholders, employees and society. It proactively seized opportunities during this strategic period vital to the development of the industry and adapted to the macro trend of the oil and gas system reform in the country. It sought to exchange complementary advantages with the entities within the industry in upstream and downstream, strengthen cooperation with them, and jointly establish an ecosystem based on mutual benefits and win-win situations for the natural gas industrial chain. Benefiting from the new sale integration system for natural gas in PetroChina Company Limited (“PetroChina”), the Group systematically reconstructed its business management structure, organisational and control system, and business operation model, thereby eliminating the systematic and structural hurdles that had long hampered the growth of sales and the improvement of efficiency in its end-users business. As a result, the retail sales volume of its natural gas retail sales business increased significantly. The new advantages of LNG integrated operation were initially established, and the operating results were obviously better than expected. The Company's development momentum and vitality have been continuously enhanced by the special reform of the “Double Hundred Action”.

The Group captured the strategic opportunities in the development of the PRC natural gas industry and conformed to the trend of China's oil and gas system reform. The Group combined with optimisation adjustment made by PetroChina on the natural gas sales management system, relied on resource advantages and synergy, adhered to high-quality development, vigorously developed the end-users projects, such as city gas, and users, endeavored to increase the sales volume of natural gas end-user consumption, continued to create the advantages in LNG's “extraction, storage, production, distribution, sales” integrated operations, accelerated the application of LNG in vehicle and ship business, and promoted the launch of “Double-Hundred Action” special reform measures, thereby enhanced the competitiveness and the development momentum and vitality of the Group.

本集團堅持以新發展理念為引領，秉持對股東、員工、社會高度負責的態度，主動搶抓產業發展重要的戰略機遇期，積極順應國內油氣體制改革大勢，謀求與上下游各市場主體優勢互補、深度合作，共建天然氣產業鏈互利共贏的生態圈。在中國石油天然氣股份有限公司（「中國石油」）天然氣新銷售體制的助推下，系統性重構業務管理架構、組織管控體系和商務運營模式，破解了長期制約終端業務擴銷增效的體制性、結構性矛盾，天然氣終端零售量大幅提升，LNG一體化運營新優勢初步確立，經營業績明顯好於預期。公司的發展動力和活力在“雙百行動”專項改革的推動下，不斷增強。

本集團搶抓中國天然氣產業發展的戰略機遇期，順應中國油氣體制改革大勢，結合中國石油對天然氣銷售管理體制的優化調整，依託資源優勢和協同效應，堅持高質量發展，大力開發城鎮燃氣等終端項目和用戶，全力提高天然氣終端利用銷量，持續打造LNG「採、儲、產、配、銷」一體化運營優勢，加快LNG車船利用業務佈局，推動「雙百行動」專項改革措施落地，增強競爭力和發展的動力與活力。



During the Period, the Group recorded revenue of RMB53,543 million, representing an increase of RMB3,950 million or 7.96% compared with the revenue for the same period of last year; profit before income tax expense was RMB7,673 million, representing an increase of RMB442 million or 6.11% compared with the profit before income tax expense for the same period of last year; profit attributable to owners of the Company was RMB3,143 million, representing an increase of RMB51 million or 1.65% compared with the profit attributable to owners of the Company for the same period of last year.

NEW PROJECT DEVELOPMENT

Since PetroChina has optimised and overhauled the natural gas sales management system in October 2018, the Group has focused more on the development of natural gas end-users retail business. During the Period, 14 new development projects have commenced operation with the increase in the annual retail sales capability of 600 million cubic metres, 26 projects completed business registration and are expected to increase in annual retail sales capability of 1,500 million cubic metres. During the Period, the number of city gas projects of the Group amounted to 340, covering 31 provinces, cities and autonomous regions across the country.

In addition, taking advantage of the “Gasification in Longjiang” Strategic Cooperation Framework Agreement” entered into between PetroChina and the government of Heilongjiang Province, the Group will fully tap into the resources of Sino-Russian Eastern Pipeline and make all-out effort to promote the development of end-users utilisation projects in order to support the strategic implementation of “Gasification in Longjiang”. The Group and the refined oil sales companies of PetroChina jointly drew up a blueprint for the “promotion of joint development of oil and gas”, with a plan to construct 100 oil and gas joint refilling stations across Sichuan Province within three years.

本期內，本集團實現收入人民幣535.43億元，較去年同期收入增加人民幣39.50億元或7.96%；除所得稅前溢利人民幣76.73億元，較去年同期除所得稅前溢利增加人民幣4.42億元或6.11%；本公司股東應佔溢利人民幣31.43億元，較去年同期本公司股東應佔溢利增加人民幣0.51億元或1.65%。

新項目開發

自二零一八年十月中國石油對天然氣銷售管理體制優化調整後，本集團更加專注發展天然氣終端零售業務。本期內，14個新開發項目實現投產，新增年零售能力6億立方米；26個項目完成公司註冊，預計新增年零售能力15億立方米。本期內，本集團城市燃氣項目達到340個，遍佈全國31個省、市、自治區。

此外，借助中國石油與黑龍江省政府簽署《「氣化龍江」戰略合作框架協議》的有利契機，本集團將充分利用中俄東線的資源，全力推進終端利用項目開發，服務「氣化龍江」戰略實施。本集團和中國石油成品油銷售公司共繪「油氣互促發展」藍圖，規劃三年內將在四川全省建設100座集加油和加氣於一體的油氣合建站。



NATURAL GAS SALES

The Group actively responded to the country's call for "Defending the Blue Sky" (「藍天保衛戰」), fully leveraged its resources, made joint efforts and collaborated with each unit, vigorously promoted the development of new retail gas users base, actively expanded the scope of the consumption in gas of the existing users, effectively enhanced its sales efficiency and achieved increase in both sales volume and efficiency. During the Period, total natural gas sales volume recorded 12,595 million cubic metres, representing a year-on-year increase of 20.33%, among which, city gas sales volume recorded 8,995 million cubic metres, representing a year-on-year increase of 25.17%. During the Period, the number of new users amounted to 327,000, including 324,000 new residential users and 2,383 new industrial and commercial users and the cumulative number of users has reached more than 10 million.

The Group adhered to the strategy of stimulating retail sales with the construction of branch pipelines, and promoted the key branch pipeline projects in an orderly manner during the Period. In which, the Group commenced the operations of 3 branch pipeline projects including Liaoning Wafangdian-Changxingdao branch pipeline, Shandong Donggang meter and regulator station, Miluo Pingjiang branch pipeline, started the construction of 5 branch pipeline projects including Chaozhou natural gas pipeline project, Haimen city gas, Tai'erzhuang natural gas utilisation project, Yunnan Anning natural gas utilisation project, and continued to advance the construction of 8 branch pipeline projects including Yunnan Honghe branch pipeline, Guizhou Duyun Kaili branch pipeline and Changsha Yiyang.

During the Period, Natural Gas Sales business recorded revenue of RMB44,069 million, representing a year-on-year increase of 7.84%. Profit before income tax was RMB2,379 million, representing a year-on-year increase of 1.97%.

天然氣銷售

本集團積極響應國家「藍天保衛戰」號召，充分發揮資源優勢，上下協同，大力推進燃氣終端新用戶開發，積極擴大現有用戶用氣規模，有效提升銷售效益，實現量效齊增。本期內，實現天然氣總銷量125.95億立方米，同比增加20.33%，其中，城市燃氣實現銷量89.95億立方米，同比增長25.17%。本期內，新增用戶32.7萬戶，其中新增居民用戶32.4萬戶，新增工商業用戶2,383戶，累計用戶已達1000萬戶以上。

秉承支線管道建設帶動終端銷售策略，本期內重點支線項目有序推進，其中，遼寧瓦房店—長興島支線、山東東港末站、汨羅平江支線等3個支線項目投產，潮州天然氣管道工程、海門城市燃氣、台兒莊天然氣利用項目、雲南安寧天然氣利用項目等5個支線項目開工，繼續推進雲南紅河支線、貴州都勻凱裡支線、長沙益陽等8個支線項目建設。

本期內，天然氣銷售業務實現收入人民幣440.69億元，同比增長7.84%；除所得稅前溢利人民幣23.79億元，同比增長1.97%。



LNG PROCESSING AND TERMINAL

The Group made full use of its special advantages of “terminals + processing plants”, optimised the operation efficiency of LNG terminals through “gasification and transmission”, “direct sales in liquid form” and “pipeline resource integration”, effectively supported the efficient production of processing plants and sales of terminal stations in liquid forms and enhanced the operation capacity of processing plants, thereby resulting in an increase in the overall value of LNG business chain.

During the Period, LNG gasification and entrucking volume of Jiangsu LNG Terminal, Jingtang LNG Terminal and Dalian LNG Terminal under the Group amounted to 9,445 million cubic metres in total, representing a year-on-year increase of 0.06%. Average terminal utilisation rate increased 0.4 percentage point to 70.8% as compared with the same period of last year. 12 LNG processing plants were put into operation and the processing volume of LNG processing plants was 993 million cubic metres, representing a year-on-year increase of 375 million cubic metres. The production capacity was 43.9%, representing a year-on-year increase of 20.9 percentage points.

During the Period, LNG Processing and Terminal business recorded revenue of RMB4,765 million, representing a year-on-year increase of 17.83%. Profit before income tax was RMB1,822 million, representing a year-on-year increase of 5.56%.

NATURAL GAS PIPELINE

During the Period, PetroChina Beijing Gas Pipeline Co., Ltd. continued to improve its safety management level and accelerated the construction of interconnection projects with safe and stable operation of the pipelines. During the Period, the transmission volume of the Group amounted to 28,268 million cubic metres, representing a year-on-year increase of 7.61%. The revenue of Natural Gas Pipeline business reached RMB5,199 million, representing a year-on-year increase of 2.93% and profit before income tax was RMB3,186 million, representing a year-on-year increase of 14.48%.

LNG 加工與儲運

本集團充分發揮「接收站+工廠」獨特優勢，通過「氣化外輸」「液態直銷」「管道資源串換」等方式，優化 LNG 接收站運行效率，有效支撐工廠效益生產和終端站點液態銷售，提升工廠運行負荷，實現 LNG 業務鏈整體價值提升。

本期內，本集團所屬江蘇 LNG 接收站、京唐 LNG 接收站、大連 LNG 接收站共實現 LNG 氣化裝車量 94.45 億立方米，同比增加 0.06%；碼頭平均利用率同比提高 0.4 個百分點至 70.8%。實現 12 座 LNG 工廠運行，LNG 工廠加工量 9.93 億立方米，同比增加 3.75 億立方米；生產負荷率 43.9%，同比提高 20.9 個百分點。

本期內，LNG 加工與儲運業務實現收入人民幣 47.65 億元，同比增長 17.83%；除所得稅前溢利人民幣 18.22 億元，同比增長 5.56%。

天然氣管道

本期內，中石油北京天然氣管道有限公司持續提升安全管理水平，加快推進互聯互通工程建設，管道運行安全平穩。本期內，本集團實現輸氣量 282.68 億立方米，同比增長 7.61%。天然氣管道業務實現收入人民幣 51.99 億元，同比增長 2.93%；除所得稅前溢利人民幣 31.86 億元，同比增長 14.48%。



EXPLORATION AND PRODUCTION

During the Period, the sales volume of crude oil of the Group was 6.80 million barrels, representing an increase of 0.19 million barrels or 2.87% compared with 6.61 million barrels for the same period of last year. During the Period, as international crude oil price declined compared with the same period of last year, the average realised crude oil selling price of the Group decreased to US\$56.01/barrel from US\$57.88/barrel during the same period of last year.

During the Period, the sales revenue of crude oil was RMB1,007 million, representing a year-on-year increase of 6.90%. Profit before income tax was RMB656 million, representing a decrease of RMB18 million or 2.67% from RMB674 million for the same period of last year.

BUSINESS PROSPECTS

The International Energy Agency considers that Asia-Pacific region is the main origin of growth in global natural gas demand at present and predicts that Asia will continue to lead the growth in global natural gas consumption in the coming 5 years. China will account for close to 40% of global consumption growth. Various authoritative organisations predict that the natural gas consumption in the PRC this year will exceed 300,000 million cubic metres. According to the national energy development plan, in the PRC, proportion of natural gas in the primary energy consumption structure will be strived to reach 10% in 2020 and the natural gas market will still have a great room for development in the coming years. In the first half of this year, the State Council issued the “Opinions on Promoting State Level Economic Technology Development Zone Innovation and Upgrading for Reforms and Opening-up of New Highlands” (關於推進國家級經濟技術開發區創新提升打造改革開放新高地的意見), showing its support for the state level economic technology development zones to introduce market-oriented reforms on the price of the non-residential use of natural gas pursuant to the regulations. It also issued documents including “Measures on Fair and Open Supervision of Oil and Gas Pipeline Network Facilities” (油氣管網設施公平開放監督辦法), thereby continuing to promote the construction of a system for the production, supply, storage and sales of natural gas for its coordination and development. Meanwhile, following the extensive implementation of the “Three-Year Action Plan for Defending the Blue Sky”, and the joint statements by the Ministry of Transport and National Development and Reform Commission on giving priority to secure and speed up the approval of Changjiang LNG terminal, the room for growth of the natural gas market will continue to expand.

勘探與生產

本期內，本集團銷售原油680萬桶，較去年同期661萬桶增加19萬桶或2.87%。本期內，國際油價較去年同期有所回落，本集團平均實現原油銷售價格從去年同期的57.88美元／桶下降至56.01美元／桶。

本期內，原油銷售收入為人民幣10.07億元，同比增長6.90%；除所得稅前溢利人民幣6.56億元，較去年同期人民幣6.74億元減少人民幣0.18億元或2.67%。

業務展望

國際能源署認為，亞太地區是當前全球天然氣需求增長的主要來源，預計未來5年亞洲仍將引領全球天然氣消費增長，中國將佔全球消費增長的近40%。多家權威機構預測今年中國天然氣消費量將突破3,000億立方米。按照國家能源發展規劃，中國天然氣在一次能源消費結構中佔比力爭二零二零年達到10%，未來天然氣市場仍有較大發展空間。上半年，國務院印發《關於推進國家級經濟技術開發區創新提升打造改革開放新高地的意見》，提出支持國家級經濟技術開發區按規定開展非居民用天然氣價格市場化改革，出台了《油氣管網設施公平開放監管辦法》等文件，持續推進天然氣產供儲銷體系建設協調發展。同時，隨著《打贏藍天保衛戰三年行動計劃》的深入實施，以及交通運輸部、國家發改委聯合發文優先保障並加快審批長江LNG加注接收碼頭項目，天然氣市場增長空間將持續提高。



These macro environments are very beneficial to the development of the Group. In the context of the nation's deepening of the oil and gas system reforms, the development of the natural gas retail business will play a vital supportive role in PetroChina's forming of the value chain of the natural gas market in the PRC. The Group is confident and capable of seizing development opportunities, with the practical cooperation with various partners and in respect of various types of capitals, and will make an all-out effort in creating the "golden terminal" of natural gas sales and promote the continual, rapid and healthy development of the natural gas industry in the PRC, thereby building up cleaner and more efficient natural gas resources for the economic, social development, ecological civilisation.

Increase market expansion to achieve growth in both sales volume and efficiency of natural gas retail business.

The Group will strengthen cooperation with local governments, increase collaboration with local gas industry enterprises, give priority to high-quality, efficient and sustainable markets and projects, increase its business scale and market share expeditiously and fully promote the implementation of a number of key projects. The Group will also accelerate the operation of new projects and the orderly development of existing projects, continue to step up its efforts in the development of high-quality users as well as vigorously increase the income, reduce the expenditures and increase efficiency, in order to increase the profitability of the natural gas retail sales and to achieve increase in both sales volume and efficiency.

Accelerate the construction progress of strategic and major branch pipeline projects.

The Group will persist in the integrated development of newly added branch pipeline projects and drive the development of downstream market, using the downstream market to support the natural gas sales of branch pipelines. During the year, the Group will commence the construction of Jintan-Jiangning branch pipeline and Jieyang branch pipeline, and commence the operations of 8 branch pipelines, including Yunnan Honghe branch pipeline, Guizhou Duyun Kaili branch pipeline, and Changsha Yiyang. The Group will also ensure that the projects including Jieyang natural gas pipeline, Xianyou-Yongchun-Dehua natural gas pipeline project, Hengyang-Yanling natural gas branch pipeline project, Jintan-Jiangning branch pipeline, and Haimen Linjiang natural gas supply project will be proceeded as planned.

這些宏觀環境對本集團的發展十分有利。在國家深化油氣體制改革背景下，天然氣終端零售業務的發展將對中國石油打造天然氣產業價值鏈發揮重要支撐作用。本集團有信心、有能力把握發展機遇，與各方夥伴、各類資本開展務實合作，全力以赴打造天然氣銷售「黃金終端」，推動國內天然氣產業持續快速健康發展，為經濟社會發展和生態文明建設提供更加清潔高效的天然氣資源。

加大市場開拓實現天然氣終端零售業務量效齊增。加強與地方政府協作，深化與地方燃氣企業合資合作，優選高質量、高效益、可持續的市場和項目，快速擴大業務規模和市場份額，全力推動一批重點項目落地。加快新項目投產和存量市場滾動開發，持續加強優質用戶開發力度，大力實施開源節流降本增效工程，提升天然氣終端銷售盈利能力，實現增量增效。

加快戰略性重點支線項目建設進程。堅持支線加新項目一體化發展，以支線帶動下游市場開發，以下游市場支撐支線天然氣銷售。年內，實現金壇-江寧支線、揭陽支線開工建設，雲南紅河支線、貴州都勻凱裡支線、長沙益陽等8條支線投產。確保揭陽天然氣管道、仙遊-永春-德化天然氣管線工程、衡陽-炎陵天然氣支線管道工程、金壇-江寧支線、海門臨江天然氣供氣工程等按計劃推進。

Chairman Statement

主席報告



Continue to promote LNG business integration. The Group will construct a whole industrial chain LNG liquid sales system with “Terminals and processing plants as base, self-operated stations and end-users as support, logistic optimisation as security, and tank distribution as an auxiliary” thereby focusing on exploring the potentials of LNG integrated operations. The Group will adhere to focusing on benefits, optimise the business operation mode of LNG processing plants, coordinate the balance in resource allocations, differentiate pricing strategies, and further improve the production load of LNG processing plants.

Promote in full force the expansion of sales and volume of the LPG retail business. The Group will strengthen predictions on markets, increase sales and purchases of LPG, accelerate the introduction of natural gas from Russia and the additional offshore import. The Group will select quality projects which will be put into operation as well as setup a standardised, safe and unified direct sales and distribution demonstration project, in order to increase retail development capabilities and efficiency. The Group will also extend its operations, and actively promote the gas supply pilot program for small storage tanks and the procurement and supply of chemical raw materials.

The Group will continue to adhere to the concepts of openness, inclusiveness and win-win cooperation, persist in high-quality development, make full use of its advantages in industrial structure, further advance in business integration as well as continuously enhance its asset efficiency and corporate value so as to strive to bring more returns to its shareholders.

INTERIM DIVIDEND

The Board does not recommend the declaration of interim dividend for the Period.

持續推進 LNG 業務一體化實施。 構建「以接收站和工廠為基礎、自營站點為支撐、終端用戶為依託、物流優化為保障、罐箱配送為輔助」的全產業鏈 LNG 液態銷售體系，挖掘 LNG 一體化運營潛能。堅持以效益為中心，優化 LNG 工廠商務運行模式，統籌平衡資源配置，差別化制定價格策略，進一步提高 LNG 工廠生產負荷。

全力推進 LPG 終端業務擴銷增量。 加強對市場的預測預判，提高資源購銷量，加快俄氣引進和海上進口增量。優選落地項目，打造規範、安全、統一的直營配送示範項目，提高終端零售開發能力和效率。開展延伸經營，積極推進小型儲罐供氣試點和化工產品原料的採購供應。

本集團將繼續秉承開放包容、合作共贏的理念，堅持高質量發展不動搖，充分發揮產業結構優勢，進一步推進業務整合，持續增強資產創效能力，不斷提升企業價值，努力為廣大股東帶來更多回報。

中期股息

董事會已議決不宣派本期內之中期股息。



ACKNOWLEDGEMENT

The Group relied on the steadfast support of all its customers, business partners and shareholders and the dedicated efforts of all employees. On behalf of the Board, I would like to extend sincere thanks to them.

By order of the Board

Ling Xiao

Chairman

Hong Kong, 27 August 2019

致謝

本集團有賴全體客戶、業務夥伴以及股東的大力支持和全體員工的辛勤工作，本人謹代表董事會向彼等致以衷心的謝意。

承董事會命

主席

凌霄

香港，二零一九年八月二十七日

Management Discussion and Analysis

管理層討論與分析



Kunlun Energy Company Limited (the “Company”) and its subsidiaries (together, the “Group”) continued to develop its business in LNG Processing and Terminal and Natural Gas Sales segments which recorded growth on varying extents during the period ended 30 June 2019 (the “Period”). Profit before income tax expense of the Group for the Period was approximately RMB7,673 million, representing an increase of 6.11% as compared with RMB7,231 million for the last period. Profit attributable to owners of the Company for the Period was approximately RMB3,143 million, representing an increase of 1.65% as compared with RMB3,092 million for the last period.

Revenue

Revenue for the Period was approximately RMB53,543 million, representing an increase of 7.96% as compared with amount of RMB49,593 million for the last period. The increase was mainly due to the expansion of natural gas business.

The Group’s revenue was mainly derived from the Natural Gas Sales segment, LNG Processing and Terminal segment and Natural Gas Pipeline segment, which in aggregate accounted for 98.12% (same period of 2018: 98.10%) of the Group’s total revenue amounting to approximately RMB52,536 million (same period of 2018: RMB48,651 million).

Other gains, net

Other gains, net for the Period was approximately RMB159 million, representing an increase of 50.00% as compared with amount of RMB106 million for the last period. The increase was mainly due to decrease in exchange loss resulted from depreciation of RMB against US\$ to a lesser extent compared with the same period of last year.

Interest income

Interest income for the Period was approximately RMB189 million, representing an increase of 76.64% as compared with amount of RMB107 million for the last period. The increase was mainly due to the increase in average balance of interest-bearing financial assets including cash and cash equivalents and amounts due from related parties.

Purchases, services and others

Purchases, services and others were approximately RMB39,363 million for the Period, representing an increase of 8.67% as compared with amount of RMB36,223 million for the last period. The increase was mainly due to the increase in purchase volume of natural gas which was generally in line with the increase in sales of Natural Gas Sales segment.

昆侖能源有限公司(「本公司」)及其附屬公司(統稱「本集團」)於截至二零一九年六月三十日止期間(「本期內」)繼續擴大LNG加工與儲運及天然氣銷售業務板塊，並實現了不同程度增長。本集團於本期內之除所得稅費用前溢利約為人民幣7,673百萬元，比去年同期金額人民幣7,231百萬元增加6.11%。於本期內本公司股東應佔溢利約為人民幣3,143百萬元，比去年同期金額人民幣3,092百萬元增加1.65%。

收入

本期內之收入約為人民幣53,543百萬元，比去年同期金額人民幣49,593百萬元增加7.96%。此增加主要是由於天然氣業務擴張所致。

本集團之收入主要來源於天然氣銷售板塊、LNG加工與儲運板塊及天然氣管道板塊，合共佔本集團總收入98.12%(二零一八年同期：98.10%)，約人民幣52,536百萬元(二零一八年同期：人民幣48,651百萬元)。

其他收益，淨額

本期內之其他收益淨額約為人民幣159百萬元，比去年同期金額人民幣106百萬元增加50.00%。此增加主要由於人民幣兌美金之貶值幅度低於去年同期導致匯兌虧損減少所致。

利息收入

本期內之利息收入約為人民幣189百萬元，比去年同期金額人民幣107百萬元增加76.64%。此增加主要由於可計息的金融資產包括現金及現金等值項目及應收關連方款項的平均結餘增加所致。

採購、服務及其他

本期內之採購、服務及其他約為人民幣39,363百萬元，比去年同期金額人民幣36,223百萬元增加8.67%。此增加主要由於天然氣的採購數量增加所致，大致上與天然氣銷售板塊之銷售額增加一致。



Employee compensation costs

Employee compensation costs of the Group was approximately RMB2,295 million for the Period, representing an increase of 17.27% as compared with amount of RMB1,957 million for the last period. This increase was mainly due to the increase in average salary resulting from improved business performance as well as economic inflation during the Period.

Depreciation, depletion and amortisation

Depreciation, depletion and amortisation for the Period was approximately RMB3,134 million, representing an increase of 2.38% as compared with amount of RMB3,061 million for the last period. This was mainly due to the increase in property, plant and equipment arising from right-of-use assets recognised upon the adoption of HKFRS 16 during the Period.

Selling, general and administrative expenses

Selling, general and administrative expenses for the Period were approximately RMB1,345 million, representing an increase of 13.22% as compared with amount of RMB1,188 million for the last period. The increase was mainly due to the increase in loss allowance of accounts receivable and the rest of the increase was in line with the expansion of natural gas business.

Taxes other than income taxes

Taxes other than income taxes for the Period was approximately RMB214 million, representing an increase of 4.90% as compared with amount of RMB204 million for the last period. Taxes other than income taxes remained fairly stable during the Period.

Interest expenses

Interest expenses for the Period was approximately RMB563 million, representing a decrease of 2.09% as compared with amount of RMB575 million for the last period. Interest expenses remained fairly stable during the Period.

Total interest expenses for the Period was approximately RMB877 million of which RMB314 million was capitalised under construction-in-progress.

僱員酬金成本

本期內，本集團之僱員酬金成本約為人民幣2,295百萬元，比去年同期金額人民幣1,957百萬元增加17.27%。此增加主要由於本期內企業效益提升及經濟通脹導致平均薪酬增加。

折舊、損耗及攤銷

本期內之折舊、損耗及攤銷約為人民幣3,134百萬元，比去年同期金額人民幣3,061百萬元增加2.38%。這主要由於本期內產生自採納香港財務報告準則第16號後確認的使用權資產的物業、廠房及設備增加所致。

銷售、一般性和管理費用

本期內之銷售、一般性和管理費用約為人民幣1,345百萬元，比去年同期金額人民幣1,188百萬元增加13.22%。該增加主要由於應收賬款的虧損撥備增加，而其餘增加為天然氣業務擴張所致。

除所得稅以外之稅項

本期內，除所得稅以外之稅項約為人民幣214百萬元，比去年同期金額人民幣204百萬元增加4.90%。本期內的除所得稅以外之稅項保持平穩。

利息支出

本期內利息支出約為人民幣563百萬元，比去年同期金額人民幣575百萬元減少2.09%。本期內的利息支出保持平穩。

本期內利息支出總額約為人民幣877百萬元，其中人民幣314百萬元已於在建工程被資本化。



Share of profits less losses of associates

Share of profits less losses of associates for the Period was approximately RMB520 million, representing a decrease of 7.80%, as compared with amount of RMB564 million for the last period. The decrease was mainly due to the decrease in realised crude oil selling price during the Period that in turn led to the decrease in the shared operating result from CNPC-Aktobemunaigas Joint Stock Company (“Aktobe”).

Share of profits less losses of joint ventures

Share of profits less losses of joint ventures for the Period increased by 155.07% to approximately RMB176 million (same period of 2018: RMB69 million). The increase was mainly due to the increase in sale volume of crude oil in Oman project during the Period.

Profit before income tax expense

Profit before income tax expense for the Period was approximately RMB7,673 million, representing an increase of 6.11% as compared with amount of RMB7,231 million for the last period.

Income tax expense

Income tax expense for the Period was approximately RMB2,404 million, representing an increase of 9.72% as compared with amount of RMB2,191 million for the last period. The effective tax rate (excluding joint ventures and associates) for the Period increased slightly to 34.46% (same period of 2018: 33.21%).

應佔聯營公司溢利減虧損

本期內應佔聯營公司溢利減虧損約為人民幣520百萬元，比去年同期金額人民幣564百萬元減少7.80%。此減少主要由於本期內實現原油銷售價格下降，從而造成CNPC-Aktobemunaigas Joint Stock Company（「Aktobe」）之應佔經營業績減少。

應佔合資企業溢利減虧損

本期內應佔合資企業溢利減虧損增加155.07%至約人民幣176百萬元（二零一八年同期：人民幣69百萬元）。該增加主要乃由於本期內阿曼項目之原油銷售量增加所致。

除所得稅費用前溢利

本期內除所得稅費用前溢利約為人民幣7,673百萬元，比去年同期金額人民幣7,231百萬元增加6.11%。

所得稅費用

本期內所得稅費用約為人民幣2,404百萬元，比去年同期金額人民幣2,191百萬元增加9.72%。本期內實際稅率（不包括合資企業及聯營公司）輕微增加至34.46%（二零一八年同期：33.21%）。



Profit for the Period and profit attributable to owners of the Company

The profit for the Period of the Group was approximately RMB5,269 million, representing an increase of 4.54% as compared with amount of RMB5,040 million for the last period. The profit attributable to owners of the Company for the Period was approximately RMB3,143 million, representing an increase of 1.65% as compared with amount of RMB3,092 million for the last period.

LIQUIDITY AND CAPITAL RESOURCES

As at 30 June 2019, the carrying value of total assets of the Group was approximately RMB139,596 million, representing a decrease of RMB991 million or 0.70% as compared with RMB140,587 million as at 31 December 2018.

The gearing ratio of the Group was 33.31% as at 30 June 2019 compared with 35.60% as at 31 December 2018, representing a decrease of 2.29 percentage points. It is computed by dividing the sum of interest-bearing borrowings, convertible bonds and lease liabilities of RMB36,657 million (31 December 2018: RMB38,744 million) by the total equity, interest-bearing borrowings, convertible bonds and lease liabilities of RMB110,039 million (31 December 2018: RMB108,838 million).

As at 30 June 2019, the Group has total borrowings of RMB32,656 million which will be repayable as follows:

本期內溢利及本公司股東應佔溢利

本集團之本期內溢利約為人民幣5,269百萬元，比去年同期金額人民幣5,040百萬元增加4.54%。本公司股東應佔本期內溢利約為人民幣3,143百萬元，比去年同期金額人民幣3,092百萬元增加1.65%。

資產流動性及資本資源

於二零一九年六月三十日，本集團總資產之賬面值約為人民幣139,596百萬元，比二零一八年十二月三十一日金額人民幣140,587百萬元減少人民幣991百萬元或0.70%。

本集團於二零一九年六月三十日之資本負債率為33.31%，而二零一八年十二月三十一日為35.60%，即減少2.29百分點。資本負債率乃按計息借貸、可轉換債券與租賃負債之和人民幣36,657百萬元(二零一八年十二月三十一日：人民幣38,744百萬元)除以總權益、計息借貸、可轉換債券與租賃負債之和人民幣110,039百萬元(二零一八年十二月三十一日：人民幣108,838百萬元)計算。

於二零一九年六月三十日，本集團之總借貸人民幣32,656百萬元須按如下償還：

		31 December 2018	
		2019	二零一八年
		二零一九年	十二月三十一日
		RMB million	RMB million
		人民幣百萬元	人民幣百萬元
			Note 19
			附註19
Within one year	一年內	8,695	7,072
Between one to two years	一至兩年	864	9,176
Between two to five years	兩至五年	17,639	13,559
After five years	五年以上	5,458	5,428
		32,656	35,235

The carrying amounts of the borrowings are denominated in RMB, US\$, Hong Kong dollars, Japanese yen and Euro.

借貸之賬面值以人民幣、美元、港元、日元及歐元計值。

Management Discussion and Analysis

管理層討論與分析



The cash and cash equivalents are held in RMB, US\$, Hong Kong dollars and Thai Bahts.

現金及現金等值項目以人民幣、美元、港元及泰銖持有。

The functional currency of the Company and most of its subsidiaries is RMB and the Company and most of its subsidiaries are exposed to the exchange gain/(loss) when the RMB is appreciated/depreciated against other currencies.

本公司及多數附屬公司功能貨幣為人民幣，當人民幣兌其他貨幣增值／貶值時，本公司及多數附屬公司面臨匯兌收益／（虧損）。

During the Period, no share option (same period of 2018: none) has been exercised by the senior executives of the Company as all share options were lapsed.

本期內，由於全部購股權已失效，本公司高級行政人員概無行使購股權（二零一八年同期：無）。

As at 30 June 2019, the Group had net current liabilities of RMB9,650 million. Notwithstanding the net current liabilities of the Group at 30 June 2019, the Group's consolidated interim financial statements have been prepared on a going concern basis because the directors of the Company (the "Directors") are of the opinion that the Group would have adequate funds to meet its obligation, as and when they fall due, having regard to the following:

於二零一九年六月三十日，本集團流動負債淨額為人民幣9,650百萬元。儘管本集團於二零一九年六月三十日錄得流動負債淨額，本集團綜合中期財務報表已根據持續經營基準編製，乃由於本公司董事（「董事」）經考慮以下情況後認為本集團將具備充足資金應付其到期債務：

- (i) the Group has committed credit from China Petroleum Finance Company Limited amounting to RMB20 billion, of which RMB10.3 billion is undrawn as at 30 June 2019;
- (ii) the Group expects to generate operating cash inflows in the future; and
- (iii) the Directors consider that the Group could obtain financing from various sources of funding.

- (i) 本集團獲得來自中油財務有限責任公司的承諾信貸達人民幣200億元，於二零一九年六月三十日其中人民幣103億元未提取；
- (ii) 本集團預期未來產生經營現金流入；及
- (iii) 董事認為，本集團可透過不同資金來源獲得融資。

Consequently, the consolidated interim financial statements have been prepared on a going concern basis.

因此，綜合中期財務報表乃按持續經營基準編製。

USE OF PROCEEDS

Interest Paid

The Group paid interest of RMB805 million (same period of 2018: RMB1,001 million) during the Period.

Dividend Paid

2018 final dividend of RMB23.0 cents per share amounting to RMB1,831 million (2018: 2017 final dividend of RMB21.0 cents per share amounting to RMB1,742 million) was distributed to owners of the Company during the Period.

所得款項用途

利息支付

本集團於本期內支付利息人民幣805百萬元（二零一八年同期：人民幣1,001百萬元）。

股息支付

本期內，分派予本公司股東之二零一八年末期股息為每股23.0人民幣分，金額為人民幣1,831百萬元（二零一八年：二零一七年末期股息為每股21.0人民幣分，金額為人民幣1,742百萬元）。



PLEDGE OF ASSETS

As at 30 June 2019, no short-term or long-term borrowings were secured by property, plant and equipment.

MATERIAL INVESTMENTS

Material investments of the Group are its investments in associates and in joint ventures.

The Group's major investment in associates are mainly in its Exploration and Production segment. The Group has invested in an associate, Aktobe, located in the Republic of Kazakhstan with an effective equity interest of 15.072%.

There is no single material joint venture which significantly affects the results and/or net assets of the Group.

EMPLOYEE

As at 30 June 2019, the Group had approximately 37,946 employees globally (excluding the employees under entrustment contracts) (same period of 2018: 38,608 employees). Remuneration package and benefits were determined in accordance with market terms, industry practice as well as the duties, performance, qualifications and experience of the employees.

INTERIM DIVIDEND

The Board of Directors has resolved not to recommend the payment of any interim dividend for the period ended 30 June 2019.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the Period.

CORPORATE GOVERNANCE

The Company is committed to the maintenance of stringent corporate governance practices and procedures with a view to enhancing investor confidence and the Company's accountability and transparency. The Company strives to maintain high corporate governance standard. The Board of Directors is of the view that the Company has complied with all the code provisions in the Code on Corporate Governance Practices during the Period.

資產抵押

於二零一九年六月三十日，概無短期或長期借貸以物業、廠房及設備作為抵押。

重大投資

本集團重大投資為其於聯營公司及合資企業之投資。

本集團於聯營公司之主要投資主要為其勘探與生產板塊。本集團已對位於哈薩克斯坦共和國之聯營公司Aktobe進行投資並擁有15.072%實際股權。

概無單一重大合資企業重大影響本集團業績及／或資產淨值。

僱員

於二零一九年六月三十日，本集團在全球僱用約37,946名僱員（通過委託合同聘任除外）（二零一八年同期：38,608名僱員）。薪酬及有關福利一般根據市場情況、行業慣例及個別僱員之職責、表現、資歷及經驗而釐定。

中期股息

董事會決議不派發截至二零一九年六月三十日止期間的任何中期股息。

購入、出售或贖回股份

本公司或其任何附屬公司於本期內概無購入、出售或贖回本公司任何股份。

企業管治

本公司致力於維持嚴謹的企業管治常規及程序，旨在提升投資者信心及本公司的問責性及透明度。本公司竭力維持高企業管治標準。董事會認為，本公司於本期內已遵守企業管治常規守則的所有守則條文。

Management Discussion and Analysis

管理層討論與分析



REVIEW OF INTERIM FINANCIAL INFORMATION

Pursuant to paragraph 46(6) of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”), the Board of Directors of the Company wishes to confirm that the Audit Committee of the Company has reviewed with the management the accounting policies and standards adopted by the Company and its subsidiaries and discussed the internal control and financial reporting matters related to the preparation of the unaudited interim financial report for the Period.

The unaudited consolidated interim financial information of the Group for the Period has been reviewed by the Audit Committee of the Company and has also been reviewed by the Company's auditor, KPMG, in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity* issued by the Hong Kong Institute of Certified Public Accountants, whose unmodified review report is included in the interim report to be sent to shareholders.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted written guidelines on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as its code of conduct regarding directors' securities transaction.

Specific enquiry has been made of all the directors and the directors have confirmed that they have complied with the Model Code throughout the period ended 30 June 2019.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Group's business to which the Company, any of its subsidiaries, its fellow subsidiaries or its holding companies was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the Period or at any time during the Period.

審閱中期財務資料

根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十六第46(6)段規定，本公司之董事會確認就編製本期內之未經審核中期財務報告一事，本公司之審核委員會與管理層已審閱本公司及其附屬公司所採納之會計政策及準則，以及討論內部監控及財務申報等事宜。

本公司審核委員會及本公司核數師畢馬威會計師事務所已根據香港會計師公會頒佈之《香港審閱工作準則》第2410號「實體的獨立核數師對中期財務資料的審閱」審閱本集團本期內之未經審核綜合中期財務資料。畢馬威會計師事務所之未經修訂審閱報告將收錄於致股東的中期報告內。

董事進行證券交易的標準守則

本公司已採納條款不比上市規則附錄十所載之上市發行人董事進行證券交易之標準守則(「標準守則」)寬鬆之書面指引，作為有關董事證券交易之行為守則。

經向全體董事作出具體查詢，董事已確認截至二零一九年六月三十日止期間內一直遵守標準守則。

董事於合同之權益

於本期內終結日或本期內任何時間，本公司、其任何附屬公司、同集團附屬公司或其控股公司概無訂立對本集團業務而言為重大，而本公司董事直接或間接於其中佔有重大權益之合同。



DIRECTORS' INTERESTS IN SHARES

As at 30 June 2019, the interests or short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities Future Ordinance (the "SFO")) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such director and chief executive of the Company is taken or deemed to have under such provisions of the SFO); or which (b) were required to be entered into the register maintained by the Company, pursuant to Section 352 of the SFO; or which (c) were required to be notified to the Company and the Stock Exchange, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules are set out below.

Ordinary shares of HK\$0.01 each of the Company.

董事於股份之權益

於二零一九年六月三十日，本公司各董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中，擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益或淡倉（包括根據證券及期貨條例之條文被當作或視為本公司任何董事及主要行政人員擁有之權益或淡倉）；或(b)根據證券及期貨條例第352條須列入本公司所存置之登記冊內之權益或淡倉；或(c)根據上市規則所載《上市發行人董事進行證券交易之標準守則》須知會本公司及聯交所之權益或淡倉載列如下。

本公司每股面值0.01 港元之普通股。

Name	姓名	Number of shares 股份數目	Capacity and nature of interests 身份及權益性質	Percentage of issued shares 佔已發行股份之百分比
Li Kwok Sing Aubrey (Note)	李國星(附註)	1,000,000	Beneficial owner 實益擁有人	0.012%

Note: The interests held by Mr Li Kwok Sing Aubrey represent long position in the shares of the Company.

附註：李國星先生持有之權益為於本公司股份之好倉。

Save as disclosed above, at no time during the Period was the Company or any of its subsidiaries, its fellow subsidiaries and its holding companies a party to any arrangement to enable the directors and chief executive of the Company (including their spouses and children under 18 years of age) to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporations.

除上文所披露者外，本公司或其任何附屬公司、同集團附屬公司或控股公司於本期內任何時間概無參與任何安排，以致本公司董事及主要行政人員（包括彼等之配偶或十八歲以下之子女）持有本公司或其相聯法團之股份或相關股份或債券之任何權益或淡倉。

Management Discussion and Analysis

管理層討論與分析



SHARE OPTIONS

During the Period, the Company does not have any outstanding share options granted to the directors and employees of the Company.

SUBSTANTIAL SHAREHOLDERS' INTEREST IN SHARES

As at 30 June 2019, the register of substantial shareholders maintained under section 336 of the SFO, showed that the Company has been notified of the following interests, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the directors and the chief executive of the Company.

購股權

本期內，本公司並沒有授予本公司董事及僱員之任何未行使購股權。

主要股東於股份之權益

於二零一九年六月三十日，根據證券及期貨條例第336條規定由本公司存置之主要股東登記冊所示，本公司已獲通知下列主要股東擁有本公司已發行股本5%或以上之權益。該等權益為在上文就本公司董事及主要行政人員所披露者以外之權益。

Name	名稱	Number of shares 股份數目		Percentage of issued shares 佔已發行股份 總數百分比
		Direct interest 直接權益	Indirect interest 間接權益	
PetroChina Hong Kong Ltd. ("PetroChina Hong Kong") ⁽¹⁾	中石油香港有限公司 ("中石油香港") ⁽¹⁾	4,708,302,133 (L)	–	58.25%
PetroChina Company Limited ("PetroChina") ⁽¹⁾	中國石油天然氣股份 有限公司 ("中國石油") ⁽¹⁾	–	4,708,302,133 (L)	58.25%
Fairy King Investments Ltd.	Fairy King Investments Ltd.	277,432,000 (L)	–	3.43%
CNPC International Ltd. ("CNPCI") ⁽²⁾	CNPC International Ltd. ("CNPCI") ⁽²⁾	–	277,432,000 (L)	3.43%
China National Oil and Gas Exploration and Development Corporation ("CNODC") ⁽²⁾	中國石油天然氣勘探 開發公司("CNODC") ⁽²⁾	–	277,432,000 (L)	3.43%
China National Petroleum Corporation ("CNPC") ⁽¹⁾⁽²⁾	中國石油天然氣集團公司 ("中國石油集團") ⁽¹⁾⁽²⁾	–	4,985,734,133 (L)	61.68%



Notes:

- (1) PetroChina Hong Kong is wholly-owned by PetroChina, which is in turn owned as to 80.80% by CNPC. Accordingly, CNPC is deemed to have interest in the 4,708,302,133 (L) shares held by PetroChina Hong Kong.
- (2) Fairy King Investments Ltd. is a wholly-owned subsidiary of CNPCI, which in turn is wholly-owned by CNODC, which is in turn owned as to 100.00% by CNPC. Accordingly, CNPC is deemed to have interest in the 277,432,000 (L) shares held by Fairy King Investments Ltd..

Save as disclosed above, as at 30 June 2019, the directors and the chief executive of the Company were not aware of any person (other than a director or chief executive of the Company) who had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

As at 30 June 2019, the directors and the chief executive of the Company were not aware of any person (other than a director or chief executive of the Company) who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or any options in respect of such capital.

By the Order of the Board

Zhao Yongqi
Executive Director

Hong Kong, 27 August 2019

附註：

- (1) 中石油香港乃中國石油之全資附屬公司，而中國石油則由中國石油集團擁有80.80%權益。因此，中國石油集團被視為於中石油香港所持之4,708,302,133股(L)股份中擁有權益。
- (2) Fairy King Investments Ltd.乃CNPCI之全資附屬公司，而CNPCI由CNODC全資擁有，且中國石油集團擁有CNODC之100.00%權益。因此，中國石油集團被視為於Fairy King Investments Ltd.所持之277,432,000股(L)股份中擁有權益。

除上文所披露者外，於二零一九年六月三十日，本公司董事及主要行政人員並不知悉任何人士(本公司董事或主要行政人員除外)於本公司之股份或相關股份中擁有本公司根據證券及期貨條例第XV部第2及3分部之規定而須向本公司披露之任何權益或淡倉。

於二零一九年六月三十日，本公司董事及主要行政人員並不知悉任何人士(本公司董事或主要行政人員除外)直接或間接擁有附帶在一切情況下可在本集團內任何其他成員公司的股東大會上投票的權利的任何類別股本面值10%或以上或擁有該等股本之任何購股權。

承董事會命

執行董事
趙永起

香港，二零一九年八月二十七日

Unaudited Consolidated Interim Statement of Comprehensive Income

未經審核綜合中期全面收益表

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月



		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年	2018 二零一八年
		RMB million 人民幣百萬元	RMB million 人民幣百萬元
	Note 附註		
Revenue	4	53,543	49,593
Other gains, net	5	159	106
Interest income		189	107
Purchases, services and others		(39,363)	(36,223)
Employee compensation costs		(2,295)	(1,957)
Depreciation, depletion and amortisation		(3,134)	(3,061)
Selling, general and administrative expenses		(1,345)	(1,188)
Taxes other than income taxes		(214)	(204)
Interest expenses	6	(563)	(575)
Share of profits less losses of:			
– Associates		520	564
– Joint ventures		176	69
Profit before income tax expense	7	7,673	7,231
Income tax expense	8	(2,404)	(2,191)
Profit for the period		5,269	5,040
Other comprehensive income:			
Item that will not be reclassified to profit or loss:			
– Fair value gain/(loss) on other financial assets (non-recycling), net of tax		92	(99)
Items that may be reclassified subsequently to profit or loss:			
– Exchange differences on translation of financial statements, net of nil tax, of:			
– Subsidiaries		(56)	57
– Associates		10	(12)
– Joint ventures		1	16
Other comprehensive income for the period		47	(38)
Total comprehensive income for the period		5,316	5,002

Unaudited Consolidated Interim Statement of Comprehensive Income

未經審核綜合中期全面收益表

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年	2018 二零一八年
		RMB million 人民幣百萬元	RMB million 人民幣百萬元
	Note 附註		
Profit for the period attributable to:	本期內應佔溢利：		
– Owners of the Company	– 本公司股東	3,143	3,092
– Non-controlling interests	– 非控制性權益	2,126	1,948
		5,269	5,040
Total comprehensive income for the period attributable to:	本期內應佔全面 收益總額：		
– Owners of the Company	– 本公司股東	3,181	3,076
– Non-controlling interests	– 非控制性權益	2,135	1,926
		5,316	5,002
Earnings per share for profit attributable to owners of the Company	本公司股東應佔 溢利之每股盈利		
– Basic (RMB cent)	– 基本(人民幣分)	9	38.90
– Diluted (RMB cent)	– 攤薄(人民幣分)		36.85

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See Note 3.

附註：於二零一九年一月一日，本集團已使用經修訂追溯法初步應用香港財務報告準則第16號。根據此方法，可比較資料並無重列。請參閱附註3。

The notes on pages 31 to 66 form part of this interim financial report.

第31至66頁之附註構成本中期財務報告的一部分。

Unaudited Consolidated Interim Statement of Financial Position

未經審核綜合中期財務狀況表

As at 30 June 2019 於二零一九年六月三十日



			30 June 2019 二零一九年 六月三十日 RMB million 人民幣百萬元	31 December 2018 二零一八年 十二月三十一日 RMB million 人民幣百萬元
Assets	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	11	100,424	95,933
Advanced operating lease payments	預付經營租賃款		—	3,872
Investments in associates	於聯營公司之投資	12	4,009	4,124
Investments in joint ventures	於合資企業之投資	13	2,848	2,870
Intangible and other non-current assets	無形及其他非流動資產	14	2,163	1,889
Deferred tax assets	遞延稅項資產		1,304	1,242
			110,748	109,930
Current assets	流動資產			
Inventories	存貨		1,830	1,865
Accounts receivable	應收賬款	15	2,398	2,459
Prepaid expenses and other current assets	預付款及其他流動資產		6,775	5,859
Cash and cash equivalents	現金及現金等值項目		17,845	20,474
			28,848	30,657
Total assets	總資產		139,596	140,587
Equity	權益			
Capital and reserves attributable to owners of the Company	本公司股東應佔股本及儲備			
Share capital	股本	16	66	65
Retained earnings	滾存盈利		26,599	25,362
Other reserves	其他儲備		17,451	17,277
			44,116	42,704
Non-controlling interests	非控制性權益		29,266	27,390
Total equity	總權益		73,382	70,094

Unaudited Consolidated Interim Statement of Financial Position

未經審核綜合中期財務狀況表

As at 30 June 2019 於二零一九年六月三十日

			30 June 2019 二零一九年 六月三十日 RMB million 人民幣百萬元	31 December 2018 二零一八年 十二月三十一日 RMB million 人民幣百萬元
Liabilities	負債			
Current liabilities	流動負債			
Accounts payable and accrued liabilities	應付賬款及應計負債	18	25,563	27,355
Income tax payable	應付所得稅		523	794
Other tax payable	其他應付稅項		171	464
Short-term borrowings	短期借貸	19	8,695	7,072
Convertible bonds	可轉換債券		3,284	3,306
Lease liabilities	租賃負債		262	150
			38,498	39,141
Non-current liabilities	非流動負債			
Long-term borrowings	長期借貸	19	23,961	28,163
Deferred tax liabilities	遞延稅項負債		1,616	1,292
Lease liabilities	租賃負債		455	53
Other liabilities	其他負債		1,684	1,844
			27,716	31,352
Total liabilities	總負債		66,214	70,493
Total equity and liabilities	權益及負債總額		139,596	140,587
Net current liabilities	流動負債淨值		(9,650)	(8,484)
Total assets less current liabilities	總資產減流動負債		101,098	101,446

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See Note 3.

附註：於二零一九年一月一日，本集團已使用經修訂追溯法初步應用香港財務報告準則第16號。根據此方法，可比較資料並無重列。請參閱附註3。

The notes on pages 31 to 66 form part of this interim financial report.

第31至66頁之附註構成本中期財務報告的一部分。

Unaudited Consolidated Interim Statement of Changes in Equity

未經審核綜合中期權益變動表

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月



		Attributable to owners of the Company				Non-controlling interests	Total equity
		本公司股東應佔					
		Share capital	Retained earnings	Other reserves	Sub-total		
股本	滾存盈利	其他儲備	小計	非控制性權益	權益總額		
Note	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	
附註	人民幣百萬元	人民幣百萬元	人民幣百萬元	人民幣百萬元	人民幣百萬元	人民幣百萬元	
Balances at 1 January 2018	於二零一八年一月一日結餘	65	25,046	14,680	39,791	25,600	65,391
Profit for the period	本期內溢利	—	3,092	—	3,092	1,948	5,040
Other comprehensive income	其他全面收益	—	—	(16)	(16)	(22)	(38)
Total comprehensive income for the period	本期內全面收益總額	—	3,092	(16)	3,076	1,926	5,002
Transfer between reserves	儲備間轉撥	—	3	(3)	—	—	—
Final dividend for 2017	二零一七年末期股息	10(a)	(1,742)	—	(1,742)	—	(1,742)
Disposal of subsidiaries	處置附屬公司	—	—	—	—	(576)	(576)
Dividend to non-controlling interests	屬於非控制性權益之股息	—	—	—	—	(223)	(223)
Acquisition from non-controlling interests	向非控制性權益收購	—	—	—	—	(6)	(6)
		—	(1,739)	(3)	(1,742)	(805)	(2,547)
Balances at 30 June 2018	於二零一八年六月三十日結餘	65	26,399	14,661	41,125	26,721	67,846

Unaudited Consolidated Interim Statement of Changes in Equity

未經審核綜合中期權益變動表

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

		Attributable to owners of the Company				Non-controlling interests	Total equity
		本公司股東應佔					
		Share capital	Retained earnings	Other reserves	Sub-total		
股本	滾存盈利	其他儲備	小計	非控制性權益	權益總額		
Note		RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
附註		人民幣百萬元	人民幣百萬元	人民幣百萬元	人民幣百萬元	人民幣百萬元	人民幣百萬元
Balances at 1 January 2019	於二零一九年一月一日結餘	65	25,362	17,277	42,704	27,390	70,094
Profit for the period	本期內溢利	–	3,143	–	3,143	2,126	5,269
Other comprehensive income	其他全面收益	–	–	38	38	9	47
Total comprehensive income for the period	本期內全面收益總額	–	3,143	38	3,181	2,135	5,316
Transfer between reserves	儲備間轉撥	–	(75)	75	–	–	–
Final dividend for 2018	二零一八年末期股息	10(b)	(1,831)	–	(1,831)	–	(1,831)
Issue of share upon conversion of convertible bonds	於轉換可轉換債券時發行股份		1	61	62	–	62
Dividend to non-controlling interests	屬於非控制性權益之股息		–	–	–	(386)	(386)
Capital contribution from non-controlling interests	非控制性權益之注資		–	–	–	134	134
Acquisition from non-controlling interests	向非控制性權益收購		–	–	–	(7)	(7)
		1	(1,906)	136	(1,769)	(259)	(2,028)
Balances at 30 June 2019	於二零一九年六月三十日結餘	66	26,599	17,451	44,116	29,266	73,382

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See Note 3.

附註：於二零一九年一月一日，本集團已使用經修訂追溯法初步應用香港財務報告準則第16號。根據此方法，可比較資料並無重列。請參閱附註3。

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第31至66頁之附註構成本中期財務報告的一部分。

Unaudited Consolidated Interim Condensed Statement of Cash Flows

未經審核綜合中期簡明現金流量表

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月



Six months ended 30 June

截至六月三十日止六個月

2019 2018

二零一九年 二零一八年

RMB million RMB million

人民幣百萬元 人民幣百萬元

		2019	2018
		二零一九年	二零一八年
		RMB million	RMB million
		人民幣百萬元	人民幣百萬元
Operating activities	經營活動		
Cash generated from operations	經營業務所得之現金	9,992	9,422
Tax paid	已付稅項	(2,433)	(1,891)
Net cash generated from operating activities	經營活動所得之現金淨額	7,559	7,531
Investing activities	投資活動		
Capital expenditure	資本開支	(4,980)	(4,065)
Other cash flows arising from investing activities	投資活動所得之其他現金流量	541	871
Net cash used in investing activities	投資活動所用之現金淨額	(4,439)	(3,194)
Financing activities	融資活動		
Dividend paid to equity shareholders of the Company	已付本公司權益股東股息	(1,831)	(1,742)
Dividend paid to non-controlling interests	已付非控制性權益股息	(423)	(104)
Increase in borrowings	借貸增加	3,321	5,739
Repayments of borrowings	償還借貸	(5,939)	(11,649)
Other cash flows used in financing activities	融資活動所用之其他現金流量	(822)	(1,090)
Net cash used in financing activities	融資活動所用之現金淨額	(5,694)	(8,846)
Net decrease in cash and cash equivalents	現金及現金等值項目之減少淨額	(2,574)	(4,509)
Cash and cash equivalents at 1 January	於一月一日之現金及現金等值項目	20,474	21,850
Effect of foreign exchange rate changes	匯率變動之影響	(55)	107
Cash and cash equivalents at 30 June	於六月三十日之現金及現金等值項目	17,845	17,448

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See Note 3.

附註：於二零一九年一月一日，本集團已使用經修訂追溯法初步應用香港財務報告準則第16號。根據此方法，可比較資料並無重列。請參閱附註3。

The notes on pages 31 to 66 form part of this interim financial report.

第31至66頁之附註構成本中期財務報告的一部分。



1 GENERAL INFORMATION

Kunlun Energy Company Limited (the “Company”) is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited. Its ultimate holding company is China National Petroleum Corporation (“CNPC”) which is a company established in the People’s Republic of China (the “PRC”). The immediate holding company of the Company is PetroChina Hong Kong Limited, which is a company incorporated in Hong Kong, and is in turn wholly-owned by PetroChina Company Limited (“PetroChina”), a subsidiary of CNPC. As at 30 June 2019, PetroChina indirectly owned 58.25% (31 December 2018: 58.33%) equity interest in the Company.

The address of the Company’s principal office and registered office are 39/F, 118 Connaught Road West, Hong Kong and Clarendon House, 2 Church Street, Hamilton HM11, Bermuda, respectively.

The Company acts as an investment holding company. The Company and its subsidiaries are collectively referred to as the “Group”. The principal activities of its principal subsidiaries, associates and joint ventures are the sales of natural gas, liquefied natural gas (“LNG”) processing and terminal business, transmission of natural gas in the PRC and the exploration and production of crude oil and natural gas in the PRC, the Republic of Kazakhstan, the Sultanate of Oman, the Republic of Peru, the Kingdom of Thailand and the Republic of Azerbaijan.

1 一般資料

昆侖能源有限公司(「本公司」)為於百慕達註冊成立為獲豁免有限公司，而其股份在香港聯合交易所有限公司上市。本公司的最終控股公司為中國石油天然氣集團有限公司(「中國石油集團」)，一間於中華人民共和國(「中國」)成立之公司。本公司之直接控股公司為中石油香港有限公司，該公司為一間於香港註冊成立之公司，由中國石油集團之附屬公司中國石油天然氣股份有限公司(「中國石油」)全資擁有。於二零一九年六月三十日，中國石油間接擁有本公司之58.25%股權(二零一八年十二月三十一日：58.33%)。

本公司之主要辦事處及註冊辦事處地址分別為香港干諾道西118號39樓及Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。

本公司為投資控股公司。本公司及其附屬公司統稱「本集團」。本公司之主要附屬公司、聯營公司及合資企業之主要業務為於中國銷售天然氣、從事液化天然氣(「LNG」)加工與儲運業務、輸送天然氣以及於中國、哈薩克斯坦共和國、阿曼蘇丹國、秘魯共和國、泰國及阿塞拜疆共和國勘探及生產原油及天然氣。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註



2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 27 August 2019.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2018 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2019 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated interim financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2018 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG's independent review report to the Board of Directors is included on pages 67 to 68.

2 編製基準

本中期財務報告已根據香港聯合交易所有限公司證券上市規則(「上市規則」)之適用披露規定及香港會計師公會(「香港會計師公會」)頒佈之《香港會計準則》(「香港會計準則」)第34號「*中期財務報告*」的規定而編製，並於二零一九年八月二十七日獲授權刊發。

編製本中期財務報告所採納之會計政策與編製二零一八年年度財務報表所採納者相同，惟預期於二零一九年年度財務報表內反映的會計政策變動除外。該等會計政策變動的詳情載於附註3。

按照香港會計準則第34號編製之中期財務報告需要管理層作出判斷、估計及假設，從而影響會計政策之應用，以及按本年截至報告日為止呈報之資產及負債、收入及支出之金額。實際結果有可能與估計有差異。

本中期財務報告載有簡明綜合中期財務報表及部分說明性附註。附註所載的解釋，有助於了解自編製二零一八年年度財務報表以來，對本集團財務狀況和業績表現方面的變動構成重要影響的事件和交易。簡明綜合中期財務報表及有關附註並不包括根據香港財務報告準則(「香港財務報告準則」)的規定編製之全份財務報表之所有資料。

本中期財務報告未經審核，但已由畢馬威會計師事務所根據香港會計師公會頒佈之《香港審閱工作準則》第2410號「*實體的獨立核數師對中期財務資料的審閱*」進行審閱。畢馬威會計師事務所致董事會之獨立審閱報告收錄於第67至68頁。



2 BASIS OF PREPARATION (CONTINUED)

As at 30 June 2019, the Group had net current liabilities of RMB9,650 million. Notwithstanding the net current liabilities of the Group at 30 June 2019, the Group's consolidated interim financial statements have been prepared on a going concern basis because the directors of the Company (the "Directors") are of the opinion that the Group would have adequate funds to meet its obligation, as and when they fall due, having regard to the following:

- (i) the Group has committed credit from China Petroleum Finance Company Limited ("CP Finance") amounting to RMB20 billion, of which RMB10.3 billion is undrawn as at 30 June 2019;
- (ii) the Group expects to generate operating cash inflows in the future; and
- (iii) the Directors consider that the Group could obtain financing from various sources of funding.

Consequently, the consolidated interim financial statements have been prepared on a going concern basis.

2 編製基準(續)

於二零一九年六月三十日，本集團的流動負債淨額為人民幣9,650百萬元。儘管本集團於二零一九年六月三十日錄得流動負債淨額，本集團綜合中期財務報表已根據持續經營基準編製，乃由於本公司董事（「董事」）經考慮以下情況後認為本集團將具備充足資金支付其到期債務：

- (i) 本集團獲得來自中油財務有限責任公司（「中油財務」）的承諾信貸達人民幣200億元，於二零一九年六月三十日其中人民幣103億元未提取；
- (ii) 本集團預期未來產生經營現金流入；及
- (iii) 董事認為，本集團可透過不同資金來源獲得融資。

因此，綜合中期財務報表乃按持續經營基準編製。



3 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a new HKFRS, HKFRS 16, *Leases*, and a number of amendments to HKFRSs that are first effective for the current accounting period of the Group.

Except for HKFRS 16, *Leases*, none of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

HKFRS 16, *Leases*

HKFRS 16 replaces HKAS 17, *Leases*, and the related interpretations, HK(IFRIC) 4, *Determining whether an arrangement contains a lease*, HK(SIC) 15, *Operating leases — incentives*, and HK(SIC) 27, *Evaluating the substance of transactions involving the legal form of a lease*. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less ("short-term leases") and leases of low-value assets. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

The Group has initially applied HKFRS 16 as from 1 January 2019. The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below.

3 會計政策變動

香港會計師公會已頒佈於本集團之本會計期間首次生效之新訂香港財務報告準則，香港財務報告準則第16號「租賃」，以及多項香港財務報告準則之修訂。

除香港財務報告準則第16號「租賃」外，該等準則變化均沒有對本集團於本中期財務報告內如何編製或呈列當前或以往期間之業績及財務狀況構成重大影響。本集團並未採納任何於本會計期間尚未生效之新訂準則或詮釋。

香港財務報告準則第16號「租賃」

香港財務報告準則第16號取代香港會計準則第17號「租賃」及相關詮釋、香港（國際財務報告詮釋委員會）詮釋第4號「釐定安排是否包括租賃」、香港（詮釋常務委員會）詮釋第15號「經營租賃 — 優惠」及香港（詮釋常務委員會）詮釋第27號「評估涉及租賃法律形式交易之實質」。其就承租人引入單一會計模式，並規定承租人就所有租賃確認使用權資產及租賃負債，惟租期為12個月或以下之租賃（「短期租賃」）及低價值資產之租賃除外。出租人之會計規定大致保留香港會計準則第17號之規定。

本集團自二零一九年一月一日起首次應用香港財務報告準則第16號。本集團已選擇使用經修訂追溯法，因此於二零一九年一月一日將首次應用之累計影響確認為權益期初結餘調整。比較資料並無重列及繼續根據香港會計準則第17號予以呈報。

有關過往會計政策變動之性質及影響以及所應用過渡方法之進一步詳情載列如下。



3 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

HKFRS 16, Leases (Continued)

(a) Changes in the accounting policies

(i) New definition of a lease

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group applies the new definition of a lease in HKFRS 16 only to contracts that were entered into or changed on or after 1 January 2019. For contracts entered into before 1 January 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases.

Accordingly, contracts that were previously assessed as leases under HKAS 17 continue to be accounted for as leases under HKFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

3 會計政策變動(續)

香港財務報告準則第16號「租賃」(續)

(a) 會計政策變動

(i) 租賃之新定義

租賃定義之變動主要與控制權之概念有關。香港財務報告準則第16號根據客戶是否於一段期間內控制已識別資產之使用來定義租賃，其可藉所界定之使用量而釐定。倘客戶有權主導可識別資產之使用以及有權從使用可識別資產獲得絕大部分經濟利益時，即表示擁有控制權。

本集團僅就於二零一九年一月一日或之後訂立或變更之合約應用香港財務報告準則第16號中租賃之新定義。就於二零一九年一月一日之前訂立之合約而言，本集團已使用過渡性實際權宜方法以豁免屬租賃或包含租賃之現有安排之過往評估。

因此，先前根據香港會計準則第17號評估為租賃之合約繼續根據香港財務報告準則第16號入賬列為租賃，而先前評估為非租賃服務安排之合約則繼續入賬列為待執行合約。

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3 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

HKFRS 16, *Leases* (Continued)

(a) *Changes in the accounting policies (Continued)*

(ii) Lessee accounting

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets. As far as the Group is concerned, these newly capitalised leases are primarily in relation to property, plant and equipment.

When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

3 會計政策變動(續)

香港財務報告準則第16號「租賃」(續)

(a) 會計政策變動(續)

(ii) 承租人會計處理

香港財務報告準則第16號剔除先前香港會計準則第17號要求承租人將租賃分類為經營租賃或融資租賃之規定。反之，當本集團為承租方，其須將所有租賃資本化，包括先前根據香港會計準則第17號分類為經營租賃之租賃，惟該等短期租賃及低價值資產租賃除外。就本集團而言，此等新資本化租賃主要與物業、廠房及設備有關。

當本集團就低價值資產訂立租賃時，本集團決定是否按個別租賃基準將租賃資本化。與該等未資本化租賃相關之租賃付款於租期內按系統基準確認為開支。

倘租賃資本化，則租賃負債初始於租期內按應付租賃付款之現值確認，使用租賃中隱含之利率貼現，或倘無法輕易釐定該利率，則使用相關遞增借貸利率。初始確認後，租賃負債按攤銷成本計量，而利息支出使用實際利率法計算。並非基於指數或利率之可變租賃付款並無納入租賃負債之計量，故於其產生之會計期間計入損益。



3 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

HKFRS 16, Leases (Continued)

(a) Changes in the accounting policies (Continued)

(ii) Lessee accounting (Continued)

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received.

For the Group, the right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(iii) Lessor accounting

The accounting policies applicable to the Group as a lessor remain substantially unchanged from those under HKAS 17.

3 會計政策變動(續)

香港財務報告準則第16號「租賃」(續)

(a) 會計政策變動(續)

(ii) 承租人會計處理(續)

當租賃資本化時，已確認之使用權資產初始按成本計量，其中包括租賃負債之初始金額加上於開始日期或之前作出之任何租賃付款，以及已產生之任何初始直接成本。於適用情況下，使用權資產之成本亦包括拆除及移除相關資產或恢復相關資產或其所在場地之成本估算，有關估算貼現至其現值，並減去任何已收取之租賃優惠。

就本集團而言，使用權資產後續以成本減累計折舊及減值虧損列賬。

當指數或利率變動導致未來租賃付款有所變動，或本集團剩餘價值擔保下預計應付金額之估計有所變動，或因重新評估本集團能否合理確定會行使購買、延長或終止選擇權導致發生變動時，則將重新計量租賃負債。當租賃負債以此方式重新計量，則對使用權資產之賬面值作出相應調整，或倘使用權資產之賬面值減至零，則於損益入賬。

(iii) 出租人會計處理

本集團作為出租人適用之會計政策與香港會計準則第17條項下之規定大致相同。



3 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

HKFRS 16, Leases (Continued)

(b) Transitional impact

At the date of transition to HKFRS 16 (i.e. 1 January 2019), the Group determined the length of the remaining lease terms and measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rates at 1 January 2019. The weighted average of the incremental borrowing rates used for determination of the present value of the remaining lease payments was 4.275%.

To ease the transition to HKFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of HKFRS 16:

- (i) the Group elected not to apply the requirements of HKFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of HKFRS 16, i.e. where the lease term ends on or before 31 December 2019;
- (ii) when measuring the lease liabilities at the date of initial application of HKFRS 16, the Group applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment); and
- (iii) when measuring the right-of-use assets at the date of initial application of HKFRS 16, the Group relied on the previous assessment for onerous contract provisions as at 31 December 2018 as an alternative to performing an impairment review.

3 會計政策變動 (續)

香港財務報告準則第16號「租賃」(續)

(b) 過渡影響

於過渡至香港財務報告準則第16號日期(即二零一九年一月一日), 本集團釐定剩餘租賃年期, 並按剩餘租賃付款之現值(於二零一九年一月一日按相關遞增借貸利率貼現)計量先前分類為經營租賃之租賃之租賃負債。用於釐定剩餘租賃付款現值之遞增借貸利率之加權平均數為4.275%。

為順利過渡至香港財務報告準則第16號, 本集團於首次應用香港財務報告準則第16號日期應用以下確認豁免及實際權宜方法:

- (i) 本集團選擇不就確認租賃負債及使用權資產對剩餘租期於首次應用香港財務報告準則第16號日期起計12個月內屆滿(即租期於二零一九年十二月三十一日或之前屆滿)之租賃應用香港財務報告準則第16號之規定;
- (ii) 當計量於首次應用香港財務報告準則第16號日期之租賃負債時, 本集團就具有合理類似特徵之租賃組合(例如於類似經濟環境中屬類似相關資產類別且剩餘租期相若之租賃)應用單一貼現率; 及
- (iii) 當計量於首次應用香港財務報告準則第16號日期之使用權資產時, 本集團已以前於二零一八年十二月三十一日就虧損性合約撥備作出之評估為依據, 以替代減值檢討。



3 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

HKFRS 16, Leases (Continued)

(b) Transitional impact (Continued)

The difference between the operating lease commitments as at 31 December 2018 and the opening balance for lease liabilities recognised as at 1 January 2019 arise primarily from short-term leases and other leases with remaining lease term ending on or before 31 December 2019 and the discounting effect of future lease payments for the remaining leases.

The right-of-use assets in relation to leases previously classified as operating leases have been recognised at an amount equal to the amount recognised for the remaining lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position at 31 December 2018.

So far as the impact of the adoption of HKFRS 16 on leases previously classified as finance leases is concerned, the Group is not required to make any adjustments at the date of initial application of HKFRS 16, other than changing the captions for the balances. Accordingly, instead of “obligations under finance leases”, these amounts are included within “lease liabilities”, and the depreciated carrying amount of the corresponding leased asset is identified as a right-of-use asset. There is no impact on the opening balance of equity.

The Group presents right-of-use assets in “property, plant and equipment” and presents lease liabilities separately in the consolidated statement of financial position.

3 會計政策變動(續)

香港財務報告準則第16號「租賃」(續)

(b) 過渡影響(續)

於二零一八年十二月三十一日之經營租賃承擔及於二零一九年一月一日確認之租賃負債期初結餘之差額主要來自短期租賃及剩餘租期將於二零一九年十二月三十一日或之前屆滿之其他租賃，以及剩餘租賃之未來租賃付款之貼現影響。

與先前分類為經營租賃之租賃相關的使用權資產已按相等於剩餘租賃負債所確認額之金額確認，並按於二零一八年十二月三十一日之綜合財務狀況表確認之與該租賃相關之任何預付或應計租賃付款金額進行調整。

就採納香港財務報告準則第16號對先前分類為融資租賃之租賃之影響而言，除更改結餘說明文字外，本集團毋須於首次應用香港財務報告準則第16號日期作出任何調整。因此，該等款項乃計入「租賃負債」而非「融資租賃承擔」，且相應租賃資產經折舊之賬面值已識別為使用權資產。權益期初結餘則未受到任何影響。

本集團於「物業、廠房及設備」中呈報使用權資產及於綜合財務狀況表中獨立呈報租賃負債。

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3 CHANGES IN ACCOUNTING POLICIES (CONTINUED) 3

會計政策變動(續)

HKFRS 16, Leases (Continued)

香港財務報告準則第16號「租賃」(續)

(b) Transitional impact (Continued)

(b) 過渡影響(續)

The following table summarises the impacts of the adoption of HKFRS 16 on the Group's consolidated statement of financial position:

下表概述採納香港財務報告準則第16號對本集團綜合財務狀況表所產生之影響：

Line items in the consolidated statement of financial position impacted by the adoption of HKFRS 16:	綜合財務狀況表中受採納香港財務報告準則第16號影響之項目：	Carrying amount at 31 December 2018 於二零一八年十二月三十一日之賬面值 RMB million 人民幣百萬元	Reclassification 重新分類 RMB million 人民幣百萬元	Capitalisation of operating lease contracts 經營租賃合約資本化 RMB million 人民幣百萬元	Carrying amount at 1 January 2019 於二零一九年一月一日之賬面值 RMB million 人民幣百萬元
Property, plant and equipment	物業、廠房及設備	95,933	4,102	641	100,676
— equipment and machinery	— 設備及機器	42,375	(642)	—	41,733
— right-of-use assets	— 使用權資產	—	4,744	641	5,385
Advanced operating lease payments	預付經營租賃款	3,872	(3,872)	—	—
Total non-current assets	非流動資產總額	109,930	230	641	110,801
Prepaid expenses and other current assets	預付款及其他流動資產	5,859	(230)	—	5,629
Current assets	流動資產	30,657	(230)	—	30,427
Lease liabilities (current) (note)	租賃負債(即期)(附註)	150	—	149	299
Current liabilities	流動負債	39,141	—	149	39,290
Net current liabilities	流動負債淨額	(8,484)	(230)	(149)	(8,863)
Total assets less current liabilities	總資產減流動負債	101,446	—	492	101,938
Lease liabilities (non-current) (note)	租賃負債(非即期)(附註)	53	—	492	545
Total non-current liabilities	非流動負債總額	31,352	—	492	31,844
Net assets	資產淨值	70,094	—	—	70,094

Note: The carrying amounts of obligations under finance lease at 1 January 2019 were included in lease liabilities.

附註：二零一九年一月一日之融資租賃承擔賬面值已計入租賃負債。

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3 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

HKFRS 16, Leases (Continued)

(b) Transitional impact (Continued)

The analysis of the net book value of the Group's right-of-use assets by class of underlying asset at the end of the reporting period and at the date of transition to HKFRS 16 is as follows:

		At 30 June 2019 於二零一九年 六月三十日 RMB million 人民幣百萬元	At 1 January 2019 於二零一九年 一月一日 RMB million 人民幣百萬元
Included in "Property, plant and equipment":	計入「物業、 廠房及設備」:		
Leasehold land leased for own use, carried at depreciated cost	租賃以作自用之租賃土地 (按折舊成本列賬)	3,875	3,872
Plant, machinery and equipment, carried at depreciated cost	廠房、機器及設備 (按折舊成本列賬)	1,403	1,513
		5,278	5,385

(c) Impact on the financial result and cash flows of the Group

After the initial recognition of right-of-use assets and lease liabilities as at 1 January 2019, the Group as a lessee is required to recognise interest expenses accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. There is no significant change on the reported profit before income tax expense in the Group's consolidated interim statement of comprehensive income, as compared to the results if HKAS 17 had been applied during the period.

3 會計政策變動(續)

香港財務報告準則第16號「租賃」(續)

(b) 過渡影響(續)

本集團使用權資產於報告期末及於過渡至香港財務報告準則第16號日期按相關資產類別劃分之賬面淨值分析如下：

(c) 對本集團財務業績及現金流量之影響

於二零一九年一月一日初始確認使用權資產及租賃負債後，本集團(作為承租人)須確認租賃負債尚未支付餘額應計之利息支出及使用權資產折舊，而非按先前之政策，即於租期內按直線法確認經營租賃項下產生之租金開支。相比倘於該期間內應用香港會計準則第17號而得出之結果，此舉並未對本集團綜合中期全面收益表所呈報之除所得稅費用前溢利產生重大影響。



3 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

HKFRS 16, Leases (Continued)

(c) *Impact on the financial result and cash flows of the Group (Continued)*

In the consolidated statement of cash flows, the Group as a lessee is required to split rentals paid under capitalised leases into their capital element and interest element. These elements are classified as financing cash outflows, similar to how leases previously classified as finance leases under HKAS 17 were treated, rather than as operating cash outflows, as was the case for operating leases under HKAS 17. Although total cash flows are unaffected, the adoption of HKFRS 16 therefore results in a significant change in presentation of cash flows within the consolidated statement of cash flows.

Upon the adoption of HKFRS16, the Group presented capital element of lease rentals paid of RMB126 million and interest element of lease rentals paid of RMB17 million under the financing activities in the consolidated interim condensed statement of cash flows.

The following table may give an indication of the estimated impact of adoption of HKFRS 16 on the Group's financial result for the six months ended 30 June 2019, by adjusting the amounts reported under HKFRS 16 in these interim financial statements to compute estimates of the hypothetical amounts that would have been recognised under HKAS 17 if this superseded standard had continued to apply to 2019 instead of HKFRS 16, and by comparing these hypothetical amounts for 2019 with the actual 2018 corresponding amounts which were prepared under HKAS 17.

3 會計政策變動(續)

香港財務報告準則第16號「租賃」(續)

(c) *對本集團財務業績及現金流量之影響(續)*

於綜合現金流量表內，本集團(作為承租人)須將資本化租賃項下之已付租金分拆至其本金部分及利息部分。該等部分分類為融資現金流出(與根據香港會計準則第17號先前分類為融資租賃之租賃之處理方式類似)，而非(倘屬香港會計準則第17號項下之經營租賃)經營現金流出。儘管現金流量總額未受影響，採納香港財務報告準則第16號導致綜合現金流量表內現金流量之呈列發生重大變動。

採納香港財務報告準則第16號後，本集團將已付租賃租金本金部份人民幣126百萬元及已付租賃租金利息部份人民幣17百萬元呈列於綜合中期簡明現金流量表內的融資活動項下。

下表或可表明於截至二零一九年六月三十日止六個月採用香港財務報告準則第16號對本集團財務業績之估計影響，該表通過調整於該等中期財務報表根據香港財務報告準則第16號呈報之金額，以計算根據香港會計準則第17號確認之估計假設金額(倘該被取代準則繼續適用於二零一九年而非香港財務報告準則第16號)，並將該等二零一九年假設金額與根據香港會計準則第17號編製之二零一八年實際相應金額進行比較。

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3 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

HKFRS 16, Leases (Continued)

(c) Impact on the financial result and cash flows of the Group (Continued)

3 會計政策變動(續)

香港財務報告準則第16號「租賃」(續)

(c) 對本集團財務業績及現金流量之影響(續)

		2019 二零一九年			2018 二零一八年	
		Amounts reported under HKFRS 16 (A)	Add back: HKFRS 16 depreciation and interest expenses (B)	Deduct: Estimated amounts related to operating leases as if under HKAS 17 (note) (C)	Hypothetical amounts for 2019 as if under HKAS 17 (D=A+B-C)	Compared to amounts reported for 2018 under HKAS 17
		(A)	(B)	(C)	(D=A+B-C)	
		RMB million 人民幣百萬元	RMB million 人民幣百萬元	RMB million 人民幣百萬元	RMB million 人民幣百萬元	RMB million 人民幣百萬元
Financial result for the six months ended 30 June 2019 impacted by the adoption of HKFRS 16:	截至二零一九年六月三十日止六個月受採納香港財務報告準則第16號所影響之財務業績：					
Profit from operations	經營溢利	8,236	90	(99)	8,227	7,806
Interest expenses	利息支出	(563)	12	—	(551)	(575)
Profit before income tax expense	除所得稅費用前溢利	7,673	102	(99)	7,676	7,231
Profit for the period	本期內溢利	5,269	102	(99)	5,272	5,040

Note: The “estimated amounts related to operating leases” is an estimate of the amounts of the cash flows in 2019 that relate to leases which would have been classified as operating leases, if HKAS 17 had still applied in 2019. This estimate assumes that there were no differences between rentals and cash flows and that all of the new leases entered into in 2019 would have been classified as operating leases under HKAS 17, if HKAS 17 had still applied in 2019. Any potential net tax effect is ignored.

附註：「經營租賃相關估計金額」為（倘香港會計準則第17號於二零一九年仍適用）與分類為經營租賃之租賃相關之二零一九年估計現金流量金額。該估計假設租金與現金流量間並無差異，且（倘香港會計準則第17號於二零一九年仍適用）所有於二零一九年新訂立之租賃將根據香港會計準則第17號分類為經營租賃。任何潛在淨稅務影響均忽略不計。

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4 REVENUE

Revenue mainly represents revenue from sales of natural gas, LNG processing and terminal business, pipeline transmission of natural gas and sales of crude oil.

Disaggregation of revenue from contracts with customers is disclosed in Note 20.

4 收入

收入主要指來自銷售天然氣、LNG加工與儲運業務、管道輸送天然氣及銷售原油之收入。

來自客戶合約之收入細分於附註20內披露。

5 OTHER GAINS, NET

5 其他收益，淨額

Six months ended 30 June
截至六月三十日止六個月

2019	2018
二零一九年	二零一八年
RMB million	RMB million
人民幣百萬元	人民幣百萬元

Net exchange losses	匯兌虧損淨額	(49)	(168)
Rental income	租金收入	21	28
Government grants	政府補貼	82	23
Others	其他	105	223
		159	106

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6 INTEREST EXPENSES

6 利息支出

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 RMB million 人民幣百萬元	2018 二零一八年 RMB million 人民幣百萬元
Interest expenses	利息支出	877	807
Less: Amounts capitalised	減：資本化金額	(314)	(232)
Total interest expenses	總利息支出	563	575

Amounts capitalised are borrowing costs that are attributable to the construction of qualifying assets. The average interest rate used to capitalise such borrowing costs was 4.66% (six months ended 30 June 2018: 3.74%) per annum for the six months ended 30 June 2019.

資本化金額即為與建造符合條件之資產相關的借貸成本。截至二零一九年六月三十日止六個月，資本化此等借貸成本所用之平均年利率為4.66%（截至二零一八年六月三十日止六個月：3.74%）。

7 PROFIT BEFORE INCOME TAX EXPENSE

7 除所得稅費用前溢利

Items charged/(credited) in arriving at the profit before income tax expense include:

除所得稅費用前溢利已扣除／（計入）以下項目：

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 RMB million 人民幣百萬元	2018 二零一八年 RMB million 人民幣百萬元
Amortisation of advanced operating lease payments	預付經營租賃款之攤銷	—	55
Amortisation of intangible assets	無形資產之攤銷	29	26
Depreciation, depletion and amortisation of property, plant and equipment	物業、廠房及設備之折舊、損耗及攤銷	3,105	2,980
Cost of inventories recognised as expense	已確認為開支之存貨成本	39,541	36,466
Operating lease expenses under HKAS 17	根據香港會計準則第17號之經營租賃開支	—	217
Impairment loss/(reversal of impairment loss) on accounts receivable	應收賬款減值虧損／（減值虧損撥回）	43	(43)

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8 INCOME TAX EXPENSE

8 所得稅費用

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 RMB million 人民幣百萬元	2018 二零一八年 RMB million 人民幣百萬元
Current tax	即期稅項		
– PRC	– 中國	1,977	1,750
– Overseas	– 海外	185	65
		2,162	1,815
Deferred tax	遞延稅項	242	376
		2,404	2,191

Hong Kong Profits Tax has not been provided for as the Group has no assessable profit for the six months ended 30 June 2019 (six months ended 30 June 2018: Nil).

In accordance with the relevant PRC income tax rules and regulations, the PRC corporate income tax rate applicable to the Group's subsidiaries in the PRC is principally 25% (six months ended 30 June 2018: 25%). The operations of the Group's certain regions in the PRC have qualified for certain tax incentives in the form of a preferential income tax rates ranging from 15% to 20% (six months ended 30 June 2018: 15% to 20%).

Income tax on overseas profits has been calculated on the estimated assessable profit for the six months ended 30 June 2019 at the applicable rates of taxation prevailing in the jurisdictions in which the Group operates.

由於本集團於截至二零一九年六月三十日止六個月內並無應課稅溢利，故並無就香港利得稅計提撥備(截至二零一八年六月三十日止六個月：無)。

根據相關中國所得稅法規及規定，適用於本集團於中國之附屬公司之中國企業所得稅稅率主要為25%(截至二零一八年六月三十日止六個月：25%)。本集團在中國若干地區之經營符合若干稅務優惠條件，該等優惠以所得稅稅率形式體現，而稅率介於15%至20%(截至二零一八年六月三十日止六個月：15%至20%)。

海外溢利之所得稅已按截至二零一九年六月三十日止六個月內之估計應課稅溢利及本集團經營所在之司法管轄區之現行適用稅率計算。

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9 BASIC AND DILUTED EARNINGS PER SHARE

- (a) The calculation of basic earnings per share is based on the Group's profit attributable to owners of the Company of approximately RMB3,143 million (six months ended 30 June 2018: RMB3,092 million) and weighted average number of ordinary shares in issue during the six months ended 30 June 2019 of approximately 8,080 million shares (six months ended 30 June 2018: 8,072 million shares).
- (b) Diluted earnings per share is calculated based on the Group's profit attributable to owners of the Company of approximately RMB3,186 million (six months ended 30 June 2018: RMB3,138 million) and the weighted average number of ordinary shares of approximately 8,645 million shares (six months ended 30 June 2018: 8,623 million shares) after adjusting for the effect of convertible bonds, calculated as follows:

(i) **Profit attributable to owners of the Company (diluted)**

9 每股基本及攤薄盈利

- (a) 每股基本盈利乃根據本公司股東應佔本集團之溢利約人民幣3,143百萬元(截至二零一八年六月三十日止六個月: 人民幣3,092百萬元)以及截至二零一九年六月三十日止六個月內已發行普通股加權平均數約8,080百萬股(截至二零一八年六月三十日止六個月: 8,072百萬股)計算。
- (b) 就可轉換債券的影響作出調整後, 每股攤薄盈利乃根據本公司股東應佔本集團之溢利約人民幣3,186百萬元(截至二零一八年六月三十日止六個月: 人民幣3,138百萬元)及普通股加權平均數約8,645百萬股(截至二零一八年六月三十日止六個月: 8,623百萬股)按以下計算:

(i) **本公司股東應佔溢利(攤薄)**

		Six months ended 30 June	
		截至六月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		RMB million	RMB million
		人民幣百萬元	人民幣百萬元
Profit attributable to owners of the Company	本公司股東應佔溢利	3,143	3,092
After tax effect of effective interest on the liability component of convertible bonds	實際利率對可轉換債券的負債部分的除稅後影響	43	46
Profit attributable to owners of the Company (diluted)	本公司股東應佔溢利(攤薄)	3,186	3,138

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9 BASIC AND DILUTED EARNINGS PER SHARE (CONTINUED)

(b) (Continued)

(ii) Weighted average number of ordinary shares (diluted)

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 million shares 百萬股	2018 二零一八年 million shares 百萬股
Weighted average number of ordinary shares at 30 June	於六月三十日的普通股加權平均數	8,080	8,072
Effect of conversion of convertible bonds	可轉換債券之轉換影響	565	551
Weighted average number of ordinary shares (diluted) at 30 June	於六月三十日的普通股加權平均數(攤薄)	8,645	8,623

10 DIVIDENDS

- (a) Final dividend attributable to owners of the Company in respect of 2017 of RMB21.0 cents per share amounting to a total of approximately RMB1,742 million was approved by the shareholders in the Annual General Meeting on 24 May 2018. The amount is based on approximately 8,072 million shares in issue as at 20 March 2018 which was paid on 26 June 2018.
- (b) Final dividend attributable to owners of the Company in respect of 2018 of RMB23.0 cents per share amounting to a total of approximately RMB1,831 million was approved by the shareholders in the Annual General Meeting on 6 June 2019. The amount is based on approximately 8,080 million shares in issue as at 19 March 2019 which was paid on 28 June 2019.
- (c) The Directors do not recommend a payment of an interim dividend for the six months ended 30 June 2019 (six months ended 30 June 2018: Nil).

10 股息

- (a) 本公司股東應佔二零一七年末期股息為每股21.0人民幣分，為數合共約人民幣1,742百萬元，股東已於二零一八年五月二十四日舉行之股東週年大會上批准。該金額乃基於二零一八年三月二十日已發行之約8,072百萬股股份計算，並已於二零一八年六月二十六日支付。
- (b) 本公司股東應佔二零一八年末期股息為每股23.0人民幣分，為數合共約人民幣1,831百萬元，股東已於二零一九年六月六日舉行之股東週年大會上批准。該金額乃基於二零一九年三月十九日已發行之約8,080百萬股股份計算，並已於二零一九年六月二十八日支付。
- (c) 董事不建議派發截至二零一九年六月三十日止六個月之中期股息(截至二零一八年六月三十日止六個月：無)。



11 PROPERTY, PLANT AND EQUIPMENT

(a) Right-of-use assets

As discussed in Note 3, the Group has initially applied HKFRS 16 using the modified retrospective method and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under HKAS 17 and reclassify advanced operating lease payments with net book value of RMB3,872 million to right-of-use assets. Further details on the net book value of the Group's right-of-use assets by class of underlying asset are set out in Note 3.

During the six months ended 30 June 2019, the Group entered into a number of lease agreements for use of leasehold land, and therefore recognised the additions to right-of-use assets of RMB79 million. Items of right-of-use assets with a net book value of RMB22 million were disposed of during the six months ended 30 June 2019.

The Group recognised depreciation charge of right-of-use assets of RMB164 million during the period ended 30 June 2019.

(b) Acquisitions and disposals of owned assets

During the six months ended 30 June 2019, the Group acquired items of property, plant and equipment with a cost of RMB2,974 million (six months ended 30 June 2018: RMB2,260 million). Items of property, plant and equipment with a net book value of RMB181 million were disposed of during the six months ended 30 June 2019 (six months ended 30 June 2018: RMB1,571 million).

11 物業、廠房及設備

(a) 使用權資產

如附註3所述，本集團已使用經修訂追溯法初步應用香港財務報告準則第16號，並於二零一九年一月一日期初結餘作出調整，以將有關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為使用權資產，並將預付經營租賃款（賬面淨值為人民幣3,872百萬元）重新分類至使用權資產。有關本集團按有關資產分類之使用權資產賬面值之進一步詳情載列於附註3。

截至二零一九年六月三十日止六個月內，本集團就使用租賃土地訂立若干租賃協議，並因此確認使用權資產添置人民幣79百萬元。賬面淨值為人民幣22百萬元之使用權資產項目已於截至二零一九年六月三十日止六個月內出售。

本集團於截至二零一九年六月三十日止期間確認使用權資產折舊支出人民幣164百萬元。

(b) 收購及出售自有資產

截至二零一九年六月三十日止六個月內，本集團收購成本為人民幣2,974百萬元（截至二零一八年六月三十日止六個月：人民幣2,260百萬元）之物業、廠房及設備項目。賬面淨值為人民幣181百萬元物業、廠房及設備已於截至二零一九年六月三十日止六個月內出售（截至二零一八年六月三十日止六個月：人民幣1,571百萬元）。

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12 INVESTMENTS IN ASSOCIATES

12 於聯營公司之投資

		30 June	31 December
		2019	2018
		二零一九年	二零一八年
		六月三十日	十二月三十一日
		RMB million	RMB million
		人民幣百萬元	人民幣百萬元
Share of net assets	應佔資產淨值	3,659	3,774
Goodwill	商譽	350	350
		4,009	4,124

13 INVESTMENTS IN JOINT VENTURES

13 於合資企業之投資

		30 June	31 December
		2019	2018
		二零一九年	二零一八年
		六月三十日	十二月三十一日
		RMB million	RMB million
		人民幣百萬元	人民幣百萬元
Share of net assets	應佔資產淨值	2,809	2,831
Loans to joint ventures	向合資企業貸款	39	39
		2,848	2,870

As at 30 June 2019, included in loans to joint ventures is an amount of RMB39 million (31 December 2018: RMB39 million) which is unsecured, interest-free and recoverable on demand.

於二零一九年六月三十日向合資企業貸款包括人民幣39百萬元(二零一八年十二月三十一日：人民幣39百萬元)，該金額為無抵押、免息及須按要求償還。

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14 INTANGIBLE AND OTHER NON-CURRENT ASSETS

14 無形及其他非流動資產

		30 June 2019 二零一九年 六月三十日 RMB million 人民幣百萬元	31 December 2018 二零一八年 十二月三十一日 RMB million 人民幣百萬元
Intangible assets	無形資產	295	323
Prepaid construction costs	預付建造成本	1,219	734
Loans to an associate (note (i))	向一間聯營公司貸款(附註(i))	301	301
Loans to joint ventures (note (ii))	向合資企業貸款(附註(ii))	—	290
Other financial assets	其他金融資產	236	127
Others	其他	112	114
		2,163	1,889

Notes:

附註：

- (i) Loans to an associate are unsecured, interest-bearing ranging from 4.28% to 4.35% per annum and with remaining maturity periods over 12 months but less than 2 years.
- (ii) Loans to joint ventures were unsecured and interest-bearing at 4.99% per annum.

- (i) 向一間聯營公司貸款為無抵押、按每年利率介乎4.28%至4.35%計息及餘下屆滿期超過十二個月但少於兩年。
- (ii) 向合資企業貸款為無抵押及按每年利率4.99%計息。

15 ACCOUNTS RECEIVABLE

15 應收賬款

As of the end of the reporting period, the ageing analysis of accounts receivable, based on the invoice date and net of loss allowance, is as follows:

截至報告期末，應收賬款(扣除虧損撥備)按發票日期之賬齡分析如下：

		30 June 2019 二零一九年 六月三十日 RMB million 人民幣百萬元	31 December 2018 二零一八年 十二月三十一日 RMB million 人民幣百萬元
Within 3 months	三個月以內	1,640	1,990
Between 3 to 6 months	三個月至六個月內	312	76
Over 6 months	六個月以上	446	393
		2,398	2,459

The Group's revenue from rendering of terminal and pipeline services and sales of crude oil are generally collectable within a period ranging from 30 to 90 days from the invoice date while the sales of natural gas are made in cash or on credit terms no more than 90 days.

本集團自提供接收站及管道服務以及原油銷售的收入一般於發票日期起計30日至90日期間收回，而銷售天然氣以現金支付或信貸期不超過90日。

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16 SHARE CAPITAL

16 股本

		Number of ordinary shares 普通股數目 million 百萬股	Nominal value of ordinary shares 普通股面值 HK\$ million 百萬港元
Authorised:	法定：		
<i>Ordinary shares of HK\$0.01 each</i>	<i>每股面值0.01港元之普通股</i>		
At 1 January 2018,	於二零一八年一月一日、		
30 June 2018,	二零一八年六月三十日、		
31 December 2018,	二零一八年十二月三十一日、		
1 January 2019 and	二零一九年一月一日及		
30 June 2019	二零一九年六月三十日	16,000	160
		Number of ordinary shares 普通股數目 million 百萬股	Nominal value of ordinary shares 普通股面值 RMB million 人民幣百萬元
Issued and fully paid:	已發行及悉數繳付：		
<i>Ordinary shares of HK\$0.01 each</i>	<i>每股面值0.01港元之普通股</i>		
At 1 January 2018,	於二零一八年一月一日、		
30 June 2018,	二零一八年六月三十日、		
31 December 2018 and	二零一八年十二月三十一日及		
1 January 2019	二零一九年一月一日	8,072	65
Issue of shares upon conversion of convertible bonds (note)	於轉換可轉換債券時發行股份(附註)	11	1
At 30 June 2019	於二零一九年六月三十日	8,083	66

Note: During the period, 10,571,182 ordinary shares were issued upon conversion of convertible bonds. The Group's share capital increased by HK\$105,712 (approximately RMB90,680) accordingly and such amount was presented as RMB1 million in the table above as the balance as at 30 June 2019 therein is rounded to the nearest million.

附註：本期內，10,571,182股普通股已於轉換可轉換債券時發行。本集團之股本因而增加105,712港元(約人民幣90,680元)，而該金額於上表呈列為人民幣1百萬元，原因為於二零一九年六月三十日之結餘已四捨五入至最接近之百萬。



17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

17 金融工具公平值計量

(a) Financial assets measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

(a) 按公平值計量之金融資產

公平值等級

下表呈列本集團金融工具之公平值，該等金融工具於報告期末按經常性基準計量，並分類為香港財務報告準則第13號「公平值計量」所界定之三級公平值等級。將公平值計量分類之層級乃經參考如下估值方法所用數據之可觀察性及重要性後釐定：

- 第一級估值：僅使用第一級輸入數據（即於計量日同等資產或負債於活躍市場之未經調整報價）計量之公平值。
- 第二級估值：使用第二級輸入數據（即未能達到第一級之可觀察輸入數據）且並未使用重大不可觀察輸入數據計量之公平值。不可觀察輸入數據為沒有市場數據之輸入數據。
- 第三級估值：使用重大不可觀察輸入數據計量之公平值。

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17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

17 金融工具公平值計量 (續)

(a) Financial assets measured at fair value (Continued)

(a) 按公平值計量之金融資產 (續)

Fair value hierarchy (Continued)

公平值等級 (續)

		Fair value measurements as at 30 June 2019			Fair value measurements as at 31 December 2018		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
		於二零一九年六月三十日之公平值			於二零一八年十二月三十一日之公平值		
		RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
		人民幣百萬元	人民幣百萬元	人民幣百萬元	人民幣百萬元	人民幣百萬元	人民幣百萬元
Recurring fair value measurements	經常性公平值計量						
Other financial assets - Listed	其他金融資產 - 上市	236	236	-	127	127	-

During the six months ended 30 June 2019 and 2018, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

截至二零一九年及二零一八年六月三十日止六個月，第一級及第二級之間並無轉撥，或轉入到或轉出自第三級。本集團之政策為於發生轉撥之報告期末確認各公平值等級類別之間轉撥。

Information about fair value measurements

有關公平值計量之資料

As at the date of the consolidated interim statement of financial position, all the listed equity securities are stated at fair values, which have been determined by reference to bid prices quoted in the respective stock exchanges.

於本綜合中期財務狀況表日期，所有上市之股本證券均按公平值列賬，乃經參考分別於相關聯交所之買入價而釐定。

(b) Fair value of financial assets and liabilities carried at other than fair value

(b) 除公平值以外列賬之金融資產及負債的公平值

The carrying amounts of the Group's financial instruments carried at cost or amortised cost as of 30 June 2019 and 31 December 2018 are short-term in nature and are not materially different from their fair values.

於二零一九年六月三十日及二零一八年十二月三十一日，本集團按成本或攤銷成本計量之金融工具之賬面值屬短期性質，與其公平值並無重大差異。

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18 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

18 應付賬款及應計負債

		30 June	31 December
		2019	2018
		二零一九年	二零一八年
		六月三十日	十二月三十一日
		RMB million	RMB million
		人民幣百萬元	人民幣百萬元
Accounts payable	應付賬款	3,024	2,791
Contract liabilities	合約負債	8,141	9,383
Salaries and welfare payable	應付薪金及福利	724	383
Accrued expenses	應計開支	358	14
Dividends payable	應付股息	1,021	1,059
Interest payable	應付利息	149	139
Construction fee and equipment cost payables	應付建設費及設備成本	8,751	10,361
Amounts due to related parties	應付關連方款項		
– Non-controlling interests	– 非控制性權益	1	1
– Others	– 其他	134	236
Other payables	其他應付款項	3,260	2,988
		25,563	27,355

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18 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (CONTINUED)

As of the end of the reporting period, the ageing analysis of accounts payable, based on the invoice date, is as follows:

		30 June 2019 二零一九年 六月三十日 RMB million 人民幣百萬元	31 December 2018 二零一八年 十二月三十一日 RMB million 人民幣百萬元
Within 3 months	三個月以內	1,339	1,875
Between 3 to 6 months	三個月至六個月內	176	124
Over 6 months	六個月以上	1,509	792
		3,024	2,791

截至報告期末，應付賬款按發票日期之賬齡分析如下：

19 BORROWINGS

19 借貸

		30 June 2019 二零一九年 六月三十日 RMB million 人民幣百萬元	31 December 2018 二零一八年 十二月三十一日 RMB million 人民幣百萬元
Short-term borrowings – unsecured	短期借貸 – 無抵押	2,674	5,181
Current portion of long-term borrowings	長期借貸之即期部分	6,021	1,891
		8,695	7,072
Long-term borrowings – secured	長期借貸 – 有抵押	–	8
Long-term borrowings – unsecured	長期借貸 – 無抵押	29,982	30,046
Less: Current portion of long-term borrowings	減：長期借貸之即期部分	(6,021)	(1,891)
		23,961	28,163
		32,656	35,235

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19 BORROWINGS (CONTINUED)

19 借貸(續)

As at 30 June 2019 and 31 December 2018, the borrowings of the Group were repayable as follows:

於二零一九年六月三十日及二零一八年十二月三十一日，本集團之借貸須按如下償還：

		Bank loans		Loans other than bank loans	
		銀行貸款		除銀行貸款以外之貸款	
		30 June	31 December	30 June	31 December
		2019	2018	2019	2018
		二零一九年	二零一八年	二零一九年	二零一八年
		六月三十日	十二月三十一日	六月三十日	十二月三十一日
		RMB million	RMB million	RMB million	RMB million
		人民幣百萬元	人民幣百萬元	人民幣百萬元	人民幣百萬元
Within one year	一年內	4,529	3,538	4,166	3,534
Between one to two years	一至二年	428	1,216	436	7,960
Between two to five years	二至五年	780	692	16,859	12,867
After five years	五年以後	2,007	2,005	3,451	3,423
		7,744	7,451	24,912	27,784

As at 30 June 2019, included in the loans other than bank loans were unsecured borrowings from an immediate holding company, an intermediate holding company, a fellow subsidiary and CP Finance, which bore interest ranging from 2.00% to 4.95% per annum (31 December 2018: 2.00% to 4.95% per annum). As at 30 June 2019, loans other than bank loans also included senior notes issued by the Company of RMB6,836 million (31 December 2018: RMB6,818 million), which bore interest ranging from 2.875% to 3.750% per annum.

於二零一九年六月三十日，除銀行貸款以外的貸款乃來自一間直接控股公司、一間中間控股公司、一間同系附屬公司及中油財務之借貸，為無抵押及按每年利率介乎2.00%至4.95%計息（二零一八年十二月三十一日：每年利率介乎2.00%至4.95%）。於二零一九年六月三十日，除銀行貸款以外的貸款包括由本公司發行之優先票據為人民幣6,836百萬元（二零一八年十二月三十一日：人民幣6,818百萬元），為按每年利率介乎2.875%至3.750%計息。



20 SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker which is determined as the Executive Directors of the Company.

The Group organises its business around products and services. From the products and services perspective, the Group is engaged in a broad range of petroleum related activities and derives its revenue from its four operating segments: Natural Gas Sales, LNG Processing and Terminal, Natural Gas Pipeline and Exploration and Production.

The Natural Gas Sales segment is engaged in the wholesales and retail sales of various natural gas and LPG products. LNG Processing and Terminal segment is engaged in the processing, unloading, storing, gasification and entrucking of LNG. Natural Gas Pipeline segment is engaged in the transmission of natural gas through pipeline. The Exploration and Production segment is engaged in the exploration, development, production and sales of crude oil and natural gas.

The Executive Directors assess the performance of the operating segments based on each segment's profit/(loss) before income tax expense, share of profits less losses of associates and joint ventures ("segment results").

Segment assets exclude deferred and current taxes, other financial assets, investments in associates and joint ventures, as all of which are managed on a central basis.

Corporate income and expenses, net, mainly refers to interest income earned from cash and cash equivalents, net exchange gains/losses, general and administrative expenses and interest expenses incurred at corporate level.

Corporate assets mainly comprise cash and cash equivalents held at corporate level.

20 板塊資料

營運板塊之呈報方式與向主要營運決策者提供之內部報告貫徹一致，乃由本公司執行董事決定。

本集團按產品及服務組織其業務。就產品及服務而言，本集團廣泛從事一系列石油相關業務，其收入來自四個營運板塊：天然氣銷售、LNG加工與儲運、天然氣管道及勘探與生產。

天然氣銷售板塊從事批發與零售天然氣及LPG之不同產品。LNG加工與儲運板塊從事LNG加工、卸載、儲存、氣化及裝車。天然氣管道板塊從事通過管道輸送天然氣業務。勘探與生產板塊從事原油及天然氣之勘探、開發、生產和銷售。

執行董事根據各板塊之除所得稅費用、應佔聯營公司及合資企業之溢利減虧損前溢利／(虧損)評估經營板塊之表現(「板塊業績」)。

板塊資產不包括遞延及即期稅項、其他金融資產、於聯營公司及合資企業之投資，因以上各項均集中管理。

公司收支淨額主要指現金及現金等值項目所賺取的利息收入、匯兌收益／虧損淨額、公司層面產生之一般性和管理費用及利息支出。

公司資產主要包括公司層面所持有之現金及現金等值項目。

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20 SEGMENT INFORMATION (CONTINUED)

20 板塊資料 (續)

	Natural Gas Sales 天然氣銷售 RMB million 人民幣百萬元	LNG Processing and Terminal 加工與儲運 RMB million 人民幣百萬元	Natural Gas Pipeline 天然氣管道 RMB million 人民幣百萬元	Exploration and Production 勘探與生產 RMB million 人民幣百萬元	Corporate 公司 RMB million 人民幣百萬元	Inter-company adjustment 公司間調整 RMB million 人民幣百萬元	Total 總計 RMB million 人民幣百萬元
For the six months ended 30 June 2018							
截至二零一八年六月三十日止六個月							
Gross revenue	40,865	4,044	5,051	942	-	-	50,902
Less: inter-company adjustment	(484)	(816)	(9)	-	-	-	(1,309)
Revenue from external customers	40,381	3,228	5,042	942	-	-	49,593
Segment results	2,140	1,725	2,783	237	(287)	-	6,598
Share of profits less losses of:							
- Associates	137	1	-	426	-	-	564
- Joint ventures	56	-	-	11	2	-	69
Profit/(loss) before income tax expense	2,833	1,726	2,783	674	(285)	-	7,231
Income tax expense							(2,191)
Profit for the period							5,040
Segment results included:							
- Interest income	104	12	10	3	184	(206)	107
- Depreciation, depletion and amortisation	(1,167)	(635)	(1,117)	(134)	(8)	-	(3,061)
- Interest expenses	(100)	(288)	(123)	-	(290)	206	(575)
As at 31 December 2018							
於二零一八年十二月三十一日							
Segment assets	57,872	24,237	43,008	2,764	4,336	-	132,217
Investments in associates	3,376	6	-	742	-	-	4,124
Investments in joint ventures	1,656	-	-	1,161	53	-	2,870
Additions to non-current segment assets during the year	4,905	1,046	2,851	301	-	-	9,103

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20 SEGMENT INFORMATION (CONTINUED)

Neither the Group's revenue is derived from nor the Group's non-current assets are located in the place of domicile of the Company.

For the six months ended 30 June 2019, revenue of approximately RMB10,172 million (six months ended 30 June 2018: RMB9,840 million) is derived from one (six months ended 30 June 2018: one) customer with whom transactions have exceeded 10% of the Group's revenues. The revenue is attributable to the Natural Gas Sales, LNG Processing and Terminal, Natural Gas Pipeline and Exploration and Production segments.

21 COMMITMENTS

Capital commitments

Contracted but not provided for:

- Other property, plant and equipment

已訂約但未作出撥備：

- 其他物業、廠房及設備

30 June

2019

二零一九年

六月三十日

RMB million

人民幣百萬元

31 December

2018

二零一八年

十二月三十一日

RMB million

人民幣百萬元

1,539

1,326

Authorised but not contracted for:

- Oil field development costs
- Other property, plant and equipment

已批准但未訂約：

- 油田開發費用
- 其他物業、廠房及設備

270

281

2,645

2,479

2,915

2,760

22 RELATED PARTY TRANSACTIONS

CNPC, the controlling shareholder of the Company, is a state-controlled enterprise directly controlled by the PRC government. The PRC government is the ultimate controlling party of the Company. Related parties include CNPC and its subsidiaries (together, the "CNPC Group"), other state-owned enterprises and their subsidiaries which the PRC government has control, joint control or significant influence over, the entities which the Group is able to control, jointly control or exercise significant influence over, key management personnel of the Company and CNPC and their close family members and any entity, of any member of a group of which it is a part, provides key management personnel services to the Group's parent.

20 板塊資料(續)

本集團之收入並非源自本公司所在地，而本集團之非流動資產亦並非位於本公司所在地。

截至二零一九年六月三十日止六個月，收入約人民幣10,172百萬元(截至二零一八年六月三十日止六個月：人民幣9,840百萬元)乃源自一名(截至二零一八年六月三十日止六個月：一名)客戶，而與其之交易佔本集團收入之10%以上。收入來自天然氣銷售、LNG加工與儲運、天然氣管道以及勘探與生產板塊。

21 承擔

資本承擔

22 關連方交易

中國石油集團(本公司控股股東)為由中國政府直接控制之國有企業。中國政府為本公司之最終控股方。關連方包括中國石油集團及其附屬公司(統稱「中油集團」)，由中國政府控制、共同控制或施加重大影響之其他國有企業及彼等之附屬公司，同時本集團能夠控制、共同控制或行使重大影響之企業、本公司及中國石油集團之主要管理人員及彼等之近親家族成員、或一間集團之任何成員公司(為集團之一部分)向本集團之母公司提供主要管理人員服務。



22 RELATED PARTY TRANSACTIONS (CONTINUED)

In addition to the related party information shown elsewhere in the interim financial report, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties during the period and balances arising from related party transactions at the end of the period indicated below:

(a) Transactions with the CNPC Group, associates and joint ventures

The Group has extensive transactions with other companies in the CNPC Group. Due to these relationships, it is possible that the terms of the transactions between the Group and other members of the CNPC Group are not the same as those that would result from transactions with other related parties or wholly unrelated parties.

The principal related party transactions with the CNPC Group and associates and joint ventures of the Group which were carried out in the ordinary course of business, are as follows:

- (i) The Group entered into (i) the Leng Jiapu Contract with the CNPC Group in 1997 and (ii) certain supplemental agreements, including a sixth supplemental agreement on 29 November 2017 for connected transactions for the three years ending 31 December 2020, for the purpose of renewing the terms of the previously signed master agreement and supplemental agreements.

22 關連方交易(續)

除於中期財務報告其他部分提供之關連方資料之外，本集團與其關連方於本期內於一般業務範圍內訂立之重大關連方交易及期末關連方交易產生之結餘概述如下：

(a) 與中油集團、聯營公司及合資企業之交易

本集團與中油集團其他成員公司有廣泛的交易和業務聯繫。由於此等關係，本集團與中油集團其他成員公司之間的交易條款可能與其他關連方或毫無相關人士之間的交易條款有所不同。

與中油集團及本集團之聯營公司及合資企業的主要關連方交易乃於日常業務過程中進行，並載列如下：

- (i) 本集團(i)於一九九七年與中油集團訂立冷家堡合同及(ii)若干補充協議(包括於二零一七年十一月二十九日有關截至二零二零年十二月三十一日止三個年度關連交易的第六份補充協議)，以續訂早前簽署的總協議及補充協議的期限。



22 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with the CNPC Group, associates and joint ventures (Continued)

(i) (Continued)

Under the Leng Jiapu Contract and the master agreement, a framework for a range of products and services to be procured from the CNPC Group to the Group and vice versa including oil and gas products, general products and services, financial services and rental services is provided.

- Provision of products by the CNPC Group to the Group amounted to approximately RMB15,491 million (six months ended 30 June 2018: RMB16,628 million) for the six months ended 30 June 2019.
- Provision of services by the CNPC Group to the Group amounted to approximately RMB2,082 million (six months ended 30 June 2018: RMB1,401 million) for the six months ended 30 June 2019.
- Provision of products by the Group to the CNPC Group amounted to approximately RMB2,112 million (six months ended 30 June 2018: RMB1,999 million) for the six months ended 30 June 2019.
- Provision of services by the Group to the CNPC Group amounted to approximately RMB8,060 million (six months ended 30 June 2018: RMB7,841 million), which mainly includes natural gas pipeline transmission services and LNG gasification and unloading services provided by the Group, for the six months ended 30 June 2019.

22 關連方交易(續)

(a) 與中油集團、聯營公司及合資企業之交易(續)

(i) (續)

根據冷家堡合同及總協議，已規定本集團將向中油集團採購以及中油集團將向本集團採購的產品及服務範圍，包括油氣產品、一般產品及服務、金融服務及租賃服務。

- 截至二零一九年六月三十日止六個月，中油集團向本集團提供產品約人民幣15,491百萬元(截至二零一八年六月三十日止六個月：人民幣16,628百萬元)。
- 截至二零一九年六月三十日止六個月，中油集團向本集團提供服務約人民幣2,082百萬元(截至二零一八年六月三十日止六個月：人民幣1,401百萬元)。
- 截至二零一九年六月三十日止六個月，本集團向中油集團提供產品約人民幣2,112百萬元(截至二零一八年六月三十日止六個月：人民幣1,999百萬元)。
- 截至二零一九年六月三十日止六個月，本集團向中油集團提供服務約人民幣8,060百萬元(截至二零一八年六月三十日止六個月：人民幣7,841百萬元)，主要包括本集團提供的天然氣管道輸氣服務及LNG氣化及卸載服務。

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22 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with the CNPC Group, associates and joint ventures (Continued)

- (ii) The Group has entered into agreements for the sales of natural gas with certain associates and joint ventures of the Group amounting to approximately RMB47 million (six months ended 30 June 2018: RMB50 million) for the six months ended 30 June 2019.

The above transactions in (i) and (ii) constituted connected transactions in accordance with Chapter 14A of the Listing Rules.

- (iii) As at 30 June 2019 and 31 December 2018, amounts due from and to the CNPC Group, associates and joint ventures of the Group, which are unsecured and interest-free except borrowings, loans to an associate, loans to joint ventures and lease liabilities, are included in the following accounts captions and summarised as follows:

		30 June 2019 二零一九年 六月三十日 RMB million 人民幣百萬元	31 December 2018 二零一八年 十二月三十一日 RMB million 人民幣百萬元
Intangible and other non-current assets	無形及其他非流動資產	731	1,009
Accounts receivable	應收賬款	501	591
Prepaid expenses and other current assets	預付款及其他流動資產	736	239
Accounts payable and accrued liabilities	應付賬款及應計負債	7,231	4,617
Borrowings	借貸	17,978	20,779
Lease liabilities	租賃負債	63	114

22 關連方交易(續)

(a) 與中油集團、聯營公司及合資企業之交易(續)

- (ii) 本集團訂立協議，向本集團若干聯營公司及合資企業銷售天然氣，截至二零一九年六月三十日止六個月約人民幣47百萬元(截至二零一八年六月三十日止六個月：人民幣50百萬元)。

上述交易(i)和(ii)根據上市規則第14A章構成關連交易。

- (iii) 於二零一九年六月三十日及二零一八年十二月三十一日，應收及應付予中油集團、本集團之聯營公司及合資企業之款項(除借貸、貸款予一間聯營公司、貸款予合資企業及租賃負債外)為無抵押及免息，已計入下列會計科目內並概述如下：

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註



22 RELATED PARTY TRANSACTIONS (CONTINUED)

22 關連方交易(續)

(b) Key management compensation

(b) 主要管理層之酬金

		Six months ended 30 June	
		截至六月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		RMB million	RMB million
		人民幣百萬元	人民幣百萬元
Salaries and allowances	薪金及酬金	3	2
Retirement benefits – defined contribution scheme	退休金 – 界定供款計劃	-	-
		3	2

(c) Transactions with other state-controlled entities in the PRC

(c) 與中國其他國有實體之交易

Apart from the aforementioned transactions with the CNPC Group, associates and joint ventures, the Group has transactions with other state-controlled entities include but not limited to (i) sales and purchases of goods and services; (ii) purchases of assets; (iii) lease of assets; and (iv) bank deposits and borrowings.

除上述交易與中油集團、聯營公司及合資企業之交易外，本集團與其他國有實體之交易包括(但不限於)(i)銷售及購買貨品及服務；(ii)購買資產；(iii)租賃資產；及(iv)銀行存款及借貸。

These transactions are conducted in the ordinary course of the Group's business.

該等交易乃按本集團之日常業務進行。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註



23 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, except for convertible bonds with carrying amount at 30 June 2019 of RMB10 million that were fully repaid, all the remaining convertible bonds were converted and 575,669,721 ordinary shares were issued in this connection. As a result, share capital of the Company was increased by HK\$5,756,697 (approximately RMB5,062,411).

24 COMPARATIVE FIGURES

The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective method. Under this approach, comparative information is not restated. Further details of the changes in accounting policies are disclosed in Note 3.

23 報告期後之非調整事項

報告期末後，除了於二零一九年六月三十日賬面值為人民幣10百萬元之可轉換債券獲悉數償還外，餘下可轉換債券皆轉換為普通股而就此已發行575,669,721股普通股。因此，本公司股本增加5,756,697港元（約人民幣5,062,411元）。

24 比較數據

於二零一九年一月一日，本集團已使用經修訂追溯法初步應用香港財務報告準則第16號。根據此方法，可比較資料並無重列。進一步詳情請參閱附註3披露之會計政策變動。



TO THE BOARD OF DIRECTORS OF KUNLUN ENERGY COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 24 to 66 which comprises the consolidated interim statement of financial position of Kunlun Energy Company Limited (the “Company”) as at 30 June 2019 and the consolidated interim statement of comprehensive income, the consolidated interim statement of changes in equity and the consolidated interim condensed statement of cash flows for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

致昆侖能源有限公司董事會

(於百慕達註冊成立的有限公司)

引言

我們已審閱列載於第24至66頁昆侖能源有限公司(「貴公司」)的中期財務報告，此中期財務報告包括於二零一九年六月三十日的綜合中期財務狀況表與截至該日止六個月期間的綜合中期全面收益表、綜合中期權益變動表和綜合中期簡明現金流量表，以及其他附註解釋。《香港聯合交易所有限公司證券上市規則》規定，就中期財務報告編製必須符合有關規則的有關條文以及香港會計師公會頒佈的《香港會計準則》第34號「*中期財務報告*」。董事須負責根據《香港會計準則》第34號編製及列報中期財務報告。

我們的責任是根據我們的審閱對中期財務報告作出結論，並按照委聘之條款僅向全體董事報告，除此之外本報告不可用作其他用途。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。

審閱範圍

我們已根據香港會計師公會頒佈之《香港審閱工作準則》第2410號「*實體的獨立核數師對中期財務資料的審閱*」進行審閱。審閱中期財務報告包括向負責財務和會計事務的主要人員作出查詢，及應用分析性和其他審閱程序。審閱的範圍遠較根據《香港審計準則》進行審核的範圍為小，故不能保證我們會注意到在審核中可能會被發現的所有重大事項。因此，我們不會發表審核意見。



CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2019 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

KPMG

Certified Public Accountants

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

27 August 2019

結論

根據我們的審閱工作，我們並無注意到任何事項使我們相信於二零一九年六月三十日的中期財務報告在各重大方面未按照《香港會計準則》第34號「*中期財務報告*」編製。

畢馬威會計師事務所

執業會計師

香港中環
遮打道十號
太子大廈八樓

二零一九年八月二十七日

KunLun Energy Company Limited
昆侖能源有限公司

<http://www.kunlun.com.hk>

