



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)

2020

Interim Report

中期報告



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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr Ling Xiao (*Chairman*)

Mr Zhao Yongqi (*Chief Executive Officer*)

Mr Zhou Yuanhong

Mr Miao Yong (*Chief Financial Officer*)

Independent Non-Executive Directors

Dr Liu Xiao Feng

Mr Sun Patrick

Mr Tsang Yok Sing Jasper

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*)

周遠鴻先生

繆勇先生 (*財務總監*)

獨立非執行董事

劉曉峰博士

辛定華先生

曾鈺成先生

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>

PRINCIPAL BOARD COMMITTEES

Audit Committee

Mr Sun Patrick (*Chairman*)
Dr Liu Xiao Feng
Mr Tsang Yok Sing Jasper

Remuneration Committee

Dr Liu Xiao Feng (*Chairman*)
Mr Sun Patrick
Mr Tsang Yok Sing Jasper

Nomination Committee

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

SOLICITORS

Clifford Chance

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11, Bermuda

PRINCIPAL OFFICE

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PRINCIPAL REGISTRARS

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

REGISTRARS IN HONG KONG

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

主要董事委員會

審核委員會

辛定華先生 (*主席*)
劉曉峰博士
曾鈺成先生

薪酬委員會

劉曉峰博士 (*主席*)
辛定華先生
曾鈺成先生

提名委員會

凌霄先生 (*主席*)
劉曉峰博士
辛定華先生
曾鈺成先生

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
電子郵件：info@kunlun.com.hk
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

Profit attributable to owners of the Company was RMB2,363 million, representing a decrease of 24.82%.
本公司股東應佔溢利人民幣23.63億元，減少24.82%。

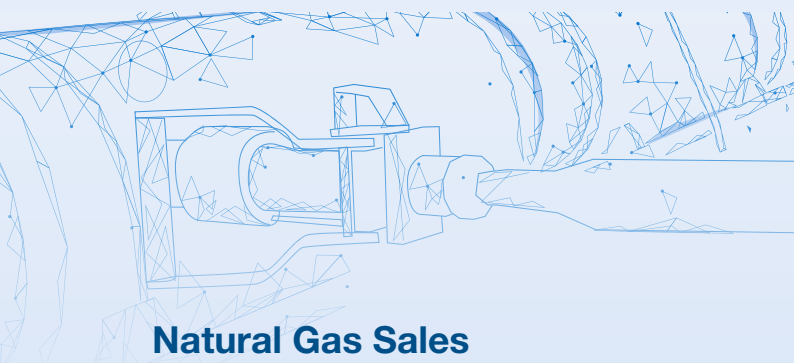
Revenue 收入

The revenue for the Period was approximately

RMB52,254 million,

representing a decrease of 2.41%.

本期內之收入約為人民幣522.54億元，減少2.41%。



Natural Gas Sales 天然氣銷售

the Group's natural gas sales volume was

**16,072 million
cubic metres,**

representing an increase of 27.61%.

天然氣銷售量160.72億立方米，增加27.61%。

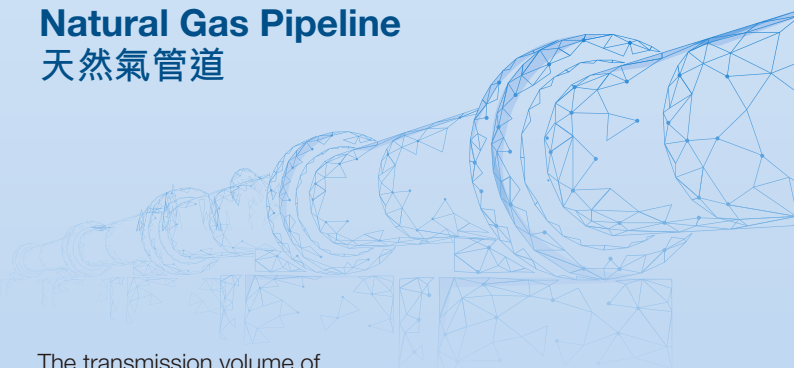
Natural Gas Pipeline 天然氣管道

The transmission volume of Natural Gas Pipeline business was

**27,866 million
cubic metres,**

representing a decrease of 1.42%.

天然氣管道業務輸氣量為278.66億立方米，減少1.42%。



LNG Processing and Terminal LNG 加工與儲運

LNG gasification and entrucking volume totally was

**7,743 million
cubic metres,**

representing a decrease of 18.02%.

LNG氣化裝車量共77.43億立方米，減少18.02%。



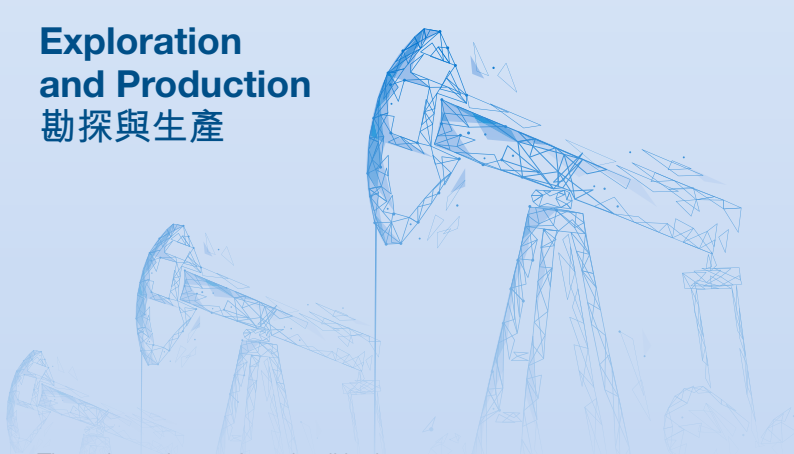
Exploration and Production 勘探與生產

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

6.13 million barrels

representing a decrease of 9.85%.

勘探與生產業務銷售原油613萬桶，減少9.85%。



I am pleased to report the results of Kunlun Energy Company Limited (the “Company”) and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2020 (the “Period”) to the shareholders on behalf of the board of directors.

BUSINESS REVIEW

During the Period, the sudden outbreak of the coronavirus pandemic had a huge impact on the economy and the society of the People’s Republic of China (the “PRC”). Thankfully, the PRC government gave a strong response by taking decisive actions and implementing scientific measures to prevent and control the pandemic, thereby effectively containing the spread of the virus. Also, the resumption of work and production have been promoted in an orderly manner and the economy has been recovering at a steady pace. In the second quarter of 2020, PRC’s GDP achieved a year-on-year growth of 3.2%, returning to positive territory from a decline of 6.8% in the first quarter. The national production volume and the net imported volume of natural gas in the first half of the year increased by 4.0% year-on-year, with the growth rate picking up month by month. Affected by both the drop in international oil prices and the coronavirus pandemic, the performance of some of the Company’s business segments in the first half of the year did not turn as good as expected, but has begun to pick up momentum as the business environment improves.

The Group was on a dual mission of preventing and controlling the COVID-19 pandemic and ensuring operational development. With its strong sense of responsibility for its shareholders, employees and society, the Group made extra efforts and fulfilled its responsibilities to facilitate the collective prevention and control of the pandemic in its regions, thus ensuring zero cases of infection in the production and office sites. Aided by a stable workforce, the Group’s production and operation were smooth and steady in an orderly manner. It also helped other gas-consuming companies to resume work and production. It drew up a special plan for

本人謹代表昆侖能源有限公司(「本公司»)董事會向各位股東報告本公司及其附屬公司(統稱「本集團»)截至二零二零年六月三十日止六個月(「本期內»)業績。

業務回顧

本期內，突如其來的新冠肺炎疫情給中華人民共和國(「中國»)經濟社會帶來巨大沖擊。中國政府積極部署、科學防控、強力應對，有效控制疫情蔓延態勢，有序推進復工復產，經濟穩步復蘇回暖。二季度國內生產總值同比增長3.2%，由一季度下降6.8%轉負為正。上半年國內天然氣表觀消費量同比增長4.0%，增速逐月回升。受國際油價下跌和新冠肺炎疫情疊加影響，上半年公司部分業務板塊業績表現未達預期，但隨經營環境向好已步入改善通道。

本集團面對新冠肺炎疫情防控和經營發展雙重任務，秉持對股東、員工、社會高度負責的態度，突出強化聯防聯控，嚴格落實屬地責任，有力確保了生產和辦公場所零感染，生產運行平穩、項目有序復工和員工隊伍穩定，助力用氣企業復工復產。制定抗疫期間天然氣供應保障專項方案，建立資源保障綠色通道，保障客戶用氣穩定供應，確保全國多家定點醫療機構及防護物資生產等各類企業用氣需求。在湖北地區，公司統籌資源調配、強化安全管控，所屬加氣站24小時不間斷服務，保證各地公交

Chairman Statement

主席報告

ensuring the natural gas supply during the pandemic, and set up an accelerated route for resource guarantee to ensure a stable supply of gas for customers, including many designated medical institutions, manufacturers of protective supplies and other different entities across the country. In Hubei Province, the Group coordinated the deployment of resources, strengthened safety management and control, and provided 24-hour uninterrupted service at its gas refilling stations to ensure the normal operation of public transportation. It gave priority to the gas demand of designated hospitals and key pharmaceutical companies in the region, and completed efficiently the emergency pipe laying and gas transmission works for Wuhan Huoshenshan, Shiyan, Xiantao and other designated hospitals. It also managed to meet the gas demand of 76 manufacturers of protective supplies, which exceeded 240,000 cubic metres everyday. When the pandemic was at its most severe stage, the Group went into communities to provide users with top-up service to reduce the risk of infection that could have been caused by payment in person at business halls. A total of 114 communities were served, with 10,388 times of service provided and 100,851 households covered.

The Group proactively adapted to the macro trend of the oil and gas system reform in the country and seized opportunities that is vital to the development of the industry during this strategic period. It sought to exchange complementary advantages with entities within the industry in both upstream and downstream and strengthen cooperation with them. The Group adhered to high-quality development, actively carried out special projects to improve the quality and efficiency of its operation, to minimize the impact caused by the pandemic and the sharp drop in international oil price with dozens of strong initiatives, including enhancement through optimization, cost reduction and enhancement of operational efficiency. The Group vigorously developed end-user projects, such as urban gas, and users. Its natural gas sales scale continued to expand, the LPG sales structure continued to be optimised, and the expansion projects of the LNG terminals and other projects progressed as scheduled. The Group adhered to green and low-carbon development, strengthened the establishment of its ESG system, and won the “Asia Power Sector for 2020 – Best ESG” award issued by the Institutional Investor.

線路正常運行；優先保障定點救治醫院及重點醫藥生產企業用氣需求，高效完成武漢火神山、十堰、仙桃等定點救治醫院緊急管道敷設通氣任務，全額滿足76家防護物資生產企業用氣需求，日供氣達到24萬方以上；疫情嚴重時期，深入社區為用戶提供充值服務，降低營業廳集中繳費可能導致的感染風險，累計服務社區114個，服務10,388次，覆蓋用戶100,851戶。

本集團積極順應國內油氣體制改革大勢，主動搶抓產業發展重要的戰略機遇期，謀求與上下游各市場主體優勢互補、深度合作。本集團堅持高質量發展，積極開展提質增效專項行動，以優化增效、降本增效、經營增效等數十項有力舉措對沖疫情和國際油價深幅下跌的衝擊。全力開發城鎮燃氣等終端項目和用戶，天然氣銷售規模不斷擴大，LPG銷售結構持續優化，LNG接收站擴建等項目按計劃推進。堅持綠色低碳發展，加強ESG體系建設，榮獲《機構投資者》(Institutional Investor) 2020年度亞洲能源行業最佳ESG公司獎項。

During the Period, the Group recorded revenue of RMB52,254 million, representing a decrease of RMB1,289 million or 2.41% compared with the revenue for the same period of last year; profit before income tax was RMB6,131 million, representing a decrease of RMB1,542 million or 20.10% compared with the profit before income tax for the same period of last year; the profit attributable to owners of the Company was RMB2,363 million, representing a decrease of RMB780 million or 24.82% compared with the profit attributable to owners of the Company for the same period of last year. Earnings per share (basic) was RMB27.29 cents. Excluding the impairment loss on accounts receivable and exchange loss, the core profit attributable to owners of the Company and core earnings per share (basic) was RMB2,625 million and RMB30.32 cents respectively, representing a decrease of 18.53% and 23.97% respectively when compared with the same period of last year.

NATURAL GAS SALES

The Group took full advantage of integrated operation brought by the optimization and adjustment of the natural gas sales management system of its parent company, adopted the strengthening and expansion of its end-user business as its core strategy, and increased its efforts to develop the end-user market, with breakthroughs achieved in some key projects. It promoted the construction of joint oil and gas stations in cooperation with refined oil selling companies under PetroChina Company Limited (“PetroChina”), and 13 out of 100 oil and gas stations in Sichuan was put into operation with sales exceeding 40 million cubic meters during the Period. During the Period, the Company developed a total of 31 new projects in 20 provinces, autonomous regions and municipalities, including 26 projects which were acquired through mergers and acquisitions or newly developed and are mainly located in Hubei, Shandong, Jiangsu, Anhui and Jiangxi provinces, and 5 projects which the Company has equity interest in. During the Period, the Group had 373 city gas projects, located in 31 provinces, municipalities and autonomous regions across the country.

本期內，本集團實現收入人民幣522.54億元，較去年同期收入減少人民幣12.89億元或2.41%；除所得稅前溢利人民幣61.31億元，較去年同期除所得稅前溢利減少人民幣15.42億元或20.10%；本公司股東應佔溢利人民幣23.63億元，較去年同期本公司股東應佔溢利減少人民幣7.80億元或24.82%。每股盈利(基本)為人民幣27.29分。如扣除應收賬款減值虧損及匯兌虧損，本公司股東應佔核心溢利和每股核心盈利(基本)分別為人民幣26.25億元及人民幣30.32分，較去年同期分別減少18.53%和23.97%。

天然氣銷售

本集團充分發揮母公司天然氣銷售管理體制優化調整帶來的一體化優勢，把做強做大終端業務作為核心戰略，加大終端市場開發力度，部分重點項目取得突破性進展。推進與中國石油天然氣股份有限公司(「中國石油」)成品油銷售企業合作的油氣合建站建設，四川百座合建站已投運13座，本期內累計銷量逾4,000萬方。本期內，公司在20個省、自治區、直轄市共開發31個新項目，其中：併購及新設的控股項目26個，主要分佈在湖北、山東、江蘇、安徽、江西等省市；參股項目5個。本期內，本集團城市燃氣項目達到373個，遍佈全國31個省、市、自治區。

Chairman Statement

主席報告

During the Period, total natural gas sales volume was 16,072 million cubic metres, representing a year-on-year increase of 27.61%, of which the retail gas sales volume was 10,018 million cubic metres, representing a year-on-year increase of 20.30%. During the Period, the number of new users amounted to 288,800, including 287,400 new residential users and 1,431 new industrial and commercial users; the cumulative number of users reached 11,565,700.

During the Period, the Natural Gas Sales business recorded revenue of RMB43,338 million, representing a year-on-year decrease of 1.66%; profit before income tax was RMB2,364 million, representing a year-on-year decrease of 0.63%.

LNG PROCESSING AND TERMINAL

The Group ensured the safe and smooth production and operation of the three LNG terminals in Jingtang, Jiangsu and Dalian. As the Group overcame the impact of the pandemic and resumed operation expeditiously, the expansion projects of Jingtang LNG Terminal and Jiangsu LNG Terminal progressed as scheduled. Utilising the value of the LNG business chain to its full advantage, the Group actively promoted the integrated development of its LNG business and greatly increased the sales of its liquefied products in the transportation sector.

During the Period, affected by the pandemic and the domestic economic downturn, LNG gasification and entrucking volume of Jiangsu LNG Terminal, Jingtang LNG Terminal and Dalian LNG Terminal under the Group amounted to 7,743 million cubic metres in total, representing a year-on-year decrease of 18.02%; the average terminal utilisation rate decreased 11.46 percentage points. 14 LNG processing plants were put into operation and the processing volume of LNG processing plants was 1,166 million cubic metres, representing a year-on-year increase of 17.42%; the production capacity was 44.15%, representing a year-on-year increase of 0.25 percentage points.

During the Period, the LNG Processing and Terminal business recorded revenue of RMB4,344 million, representing a year-on-year decrease of 8.84%; profit before income tax was RMB1,371 million, representing a year-on-year decrease of 24.75%.

本期內，實現天然氣銷售總量160.72億立方米，同比增加27.61%，其中，實現零售氣量100.18億立方米，同比增長20.30%。本期內，新增用戶28.88萬戶，其中新增居民用戶28.74萬戶，新增工商業用戶1,431戶，累計用戶已達1,156.57萬戶。

本期內，天然氣銷售業務實現收入人民幣43.38億元，同比減少1.66%；除所得稅前溢利人民幣23.64億元，同比減少0.63%。

LNG 加工與儲運

安全平穩組織京唐、江蘇、大連三個LNG接收站生產運行，克服疫情影響，迅速組織復工，京唐LNG接收站、江蘇LNG接收站擴建工程符合預期進度。充分發揮LNG業務鏈價值，積極推進LNG業務一體化發展，大力提升交通領域液態銷量。

本期內，受疫情和國內經濟下行的影響，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77.43億立方米，同比減少18.02%，接收站平均利用率同比下降11.46個百分點。實現14座LNG工廠運行，LNG工廠加工量11.66億立方米，同比增長17.42%；生產負荷率44.15%，同比增長0.25個百分點。

本期內，LNG加工與儲運業務實現收入人民幣43.44億元，同比減少8.84%；除所得稅前溢利人民幣13.71億元，同比減少24.75%。

NATURAL GAS PIPELINE

During the Period, PetroChina Beijing Gas Pipeline Co., Ltd. continued to improve its safety management level, accelerated the construction of interconnection projects and maintained the safe and stable operation of its pipelines. As the Group adhered to its strategy of driving end-user sales with the construction of branch pipelines, the key branch projects during the Period were carried out in an orderly manner. Projects including the Shidian branch in Yunnan Province and the Yuelin branch in Hunan Province were completed, and the branch projects in Chaozhou and Heihe were progressing normally. The Hengyan branch in Hunan Province and the Jinnan branch in Tianjin Province have already commenced construction.

During the Period, the transmission volume amounted to 27,866 million cubic metres, representing a year-on-year decrease of 1.42%. The revenue of the Natural Gas Pipeline business reached RMB5,330 million, representing a year-on-year increase of 2.52%; profit before income tax was RMB3,004 million, representing a year-on-year decrease of 5.71%.

EXPLORATION AND PRODUCTION

During the Period, as international crude oil price declined significantly compared with the same period of last year, the average realised crude oil selling price of the Group decreased to US\$40.31/barrel from US\$56.01/barrel of the same period of last year. During the Period, the sales volume of crude oil of the Group was 6.13 million barrels, representing a decrease of 0.67 million barrels or 9.85% compared with the same period of last year. Sales revenue of crude oil was RMB600 million, representing a year-on-year decrease of 40.42%. Loss before income tax was RMB175 million.

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，加快互聯互通工程建設，保持管道運行安全平穩。堅持以支線管道建設帶動終端銷售的策略，本期內重點支線項目有序推進，雲南施甸、湖南嶽臨支線等項目完工，潮州支線、黑河等支線項目正常推進，湖南衡炎支線、天津津南2個項目開工建設。

本期內，實現輸氣量278.66億立方米，同比減少1.42%。天然氣管道業務實現收入人民幣53.30億元，同比增長2.52%；除所得稅前溢利人民幣30.04億元，同比減少5.71%。

勘探與生產

本期內，受國際油價較去年同期大幅下跌影響，本集團平均實現原油銷售價格從去年同期的56.01美元／桶下降至40.31美元／桶。本期內，本集團銷售原油613萬桶，較去年同期減少67萬桶或9.85%。原油銷售收入為人民幣6.00億元，同比減少40.42%；除所得稅前虧損人民幣1.75億元。

Chairman Statement

主席報告

BUSINESS PROSPECTS

The PRC government continues to uphold the “six stabilities” and “six guarantees” as its core measures to coordinate the prevention and control of the pandemic as well as economic and social development. Sporadic outbreaks of COVID-19 have been efficiently contained and the economic recovery measures have achieved outstanding results. Organisations around the world are optimistic about China’s economic development prospects. Many of the domestic and overseas analytical institutions believe that China’s economic resilience is strong, and the fundamentals of its economy, showing an economic stability and long-term development, remain unchanged. In the second half of the year, the PRC government will continue to implement strategies to expand its domestic demand, promote a higher level of opening to the overseas market, accelerate the establishment of a “dual circulation” development pattern in which domestic economic cycle plays a leading role, continue to introduce tax and fee reductions, release liquidity, and optimize the business environment, which will be beneficial for the Group’s further optimization of its business layout, market development, and quality and efficiency improvement.

This year is the final year for the implementation of the “Three-Year Action Plan for Defending the Blue Sky” (打贏藍天保衛戰三年行動計劃). All regions will strengthen the prevention and control of air pollution in key regions while environmental protection policies will continue to promote natural gas demand. New urbanization will drive the growth of investment and consumption. According to the “Notice on Accelerating the Work on Enhancing the Strengths and Rectifying the Weaknesses of the County Urbanization” (關於加快開展縣城城鎮化補短板強弱項工作的通知) promulgated by The National Development and Reform Commission, it proposed to improve gas storage facilities and gas pipeline networks, accelerate the construction of local gas supply network and develop Combined Heat and Power and clean energy to push forward centralised heating. As China Oil & Gas Pipeline Network Corporation (the “PipeChina”) has begun to operate, the process of the natural gas market reform will be further accelerated. With the expeditious interconnection of pipeline networks and the further standardization of market order, the Group will enjoy better opportunities for development and ampler market space.

業務展望

中國政府以「六穩」「六保」為核心舉措，統籌疫情防控和經濟社會發展，點狀疫情得到及時控制，經濟復蘇成效顯著，全球各機構對中國經濟發展前景持樂觀態度。國內外多家分析機構認為，中國經濟韌性很強，經濟穩中向好、長期向好的基本面沒有改變。下半年國家繼續實施擴大內需戰略，推進更高水平對外開放，加快形成以國內大循環為主體、國內國際雙循環相互促進的新發展格局，繼續出台減稅降費、釋放流動性、優化營商環境的政策措施，有利於本集團進一步優化佈局、開拓市場、提質增效。

今年是實現《打贏藍天保衛戰三年行動計劃》的收官年，各地深化重點地區大氣污染治理攻堅戰，環保政策將持續促進天然氣需求增長。新型城鎮化將帶動投資和消費增加，國家發展改革委印發《關於加快開展縣城城鎮化補短板強弱項工作的通知》，提出完善燃氣儲氣設施和燃氣管網，加快建設局域供氣網絡，發展熱電聯產及清潔能源集中供熱。隨著國家石油天然氣管網集團有限公司（「國家管網公司」）正式運營，天然氣市場化改革進程進一步提速，管網互聯互通格局加快形成，市場秩序進一步規範，公司迎來更好的發展機遇和市場空間。

The Group is confident of seizing development opportunities brought by the natural gas market reform. It will give full play to its own advantages and commence practical cooperation with different partners and different types of funds. It will also continue to increase the scale of the end-user market, promote the continual, rapid and healthy development of the natural gas industry in the PRC, thereby providing cleaner and more efficient energy for economic and social development as well as the development of ecological civilization construction.

Fully expand the retail sales market scale. The Group will perform cooperating targets optimization, adopt innovative business model, integrate its in-depth market development into local development planning and provincial network layout, make full use of brand and peak-shaving advantages, pay close attention to opportunities arising from the mixed reform of local state-owned enterprises and actively promote cooperation with different types of gas enterprises. Taking full advantage of its competitive edge in integrated operation, the Group will strengthen the existing market in order to expand sales, increase sales volume and enhance efficiency. It will also strive to attract customers with high quality for city gas and vehicle refilling, and focus on enhancing sales performance in business areas including industry and public utilities. The Group will continue to push ahead the development of power generation and distributed energy projects, and increase cooperation with various domestic power companies based on the development trend of integrating gas and electricity.

Enhance the planning and preparation and promote key project constructions. The Group will review the advantages and challenges it may face in the new market structure, new trends and new changes and prepare the “14th Five-year” development plan, so as to ensure the stable and high-quality development of all businesses, with natural gas retail sales business as the core. The Group will speed up the key project constructions so as to ensure that the expansion work of Jingtang LNG terminal and Jiangsu LNG terminal will be completed on schedule, and it will also accelerate the construction of branch pipelines including those in Chaozhou, Guandong and Hengyan, Hunan to drive the growth of terminal sales.

本集團有信心抓住天然氣市場化改革帶來的發展機遇，充分發揮自身優勢，與各方夥伴、各類資本開展務實合作，不斷提升終端市場規模，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多清潔高效的能源。

全力擴大終端零售市場規模。 優選合作目標，創新商務模式，將市場開發深度融入地方發展規劃和省網佈局，充分利用品牌和調峰優勢，緊盯地方國資混改機會，積極推進與各類燃氣企業合作。充分發揮一體化優勢，強化存量市場擴銷提量增效，積極開發城市燃氣、交通加注等高質高效客戶，著力提升工業、公服等業務銷量效益。繼續推進發電與分布式能源項目開發，按照氣電融合發展的思路，加大與國內各類電力企業合作力度。

強化規劃編制和推進重點項目建設。 根據市場新格局、新形勢、新變化，梳理本集團發展的優勢和挑戰，做好「十四五」發展規劃編制，確保以天然氣終端零售業務為核心的各項業務積極穩健高質量發展。加快重點項目工程建設，確保京唐LNG接收站、江蘇LNG接收站擴建工程按期完工，加快廣東潮州、湖南衡炎等支線建設，帶動終端銷量提升。

Chairman Statement

主席報告

Accelerate the integrated development of LNG industrial chain. The Group will implement regional business planning, emphasize on the value creation process in terminal refilling, conduct the unified resource procurement, unified logistics distribution, and unified management standards, as well as integrate and ensure smooth flows of the production, delivery, sales, storage and trading segments, thus promoting its integrated development. The Group will accelerate the business development of LNG application in vehicles and ships, fully implement the market development of LNG transportation segment in pilot provinces, strengthen cooperation with major LNG vehicle manufacturers, logistic companies and financial corporates in the PRC, optimize business models, promote industry-finance integration, as well as facilitate the promotion and application of LNG vehicles and ships.

Promote the quality and efficiency enhancement of LPG sales business. The Group will speed up the development of retail sales business, expand the market and benefits of LPG sales business, promote the pilot programs for industrial customers' dual gas sources, small storage tanks and LPG distributed energy, continue promoting direct sales and distribution model, create growth in end-user sales business, thereby achieving the increase of sales and efficiency in retail sales. The Group will consolidate LPG resource support, enhance the resource replacement and coordination within the system, expand the import channels of Kazakhstan LPG resources and increase the import scale of Manzhouli, Russia.

Actively promote the development of new energy business and non-gas layout. The Group actively developed new energy business, participated in new business researches and project implementation on areas such as “wind-gas complementation; light-gas complementation; water-gas complementation”, and facilitated in setting up the pilot demonstration project on the integrated development of natural gas generator and new energy, and the pilot demonstration project for hydrogen energy utilization. The Group will also broaden the scale of non natural gas business, explore customer demands, expand service connotation and values, establish its own brand and standards to manifest specific characteristics and strengths, form the synergetic development layout of both natural gas and non-natural gas.

加快推動LNG產業鏈一體化發展。實施區域業務統籌，突出終端加注的價值環節，統一資源採購，統一物流配送、統一管理標準，整合暢通產、運、銷、儲、貿環節，推進一體化發展。加快車船用LNG業務發展，全面推進試點省份LNG交通領域市場開發，加強與國內主要LNG車輛生產企業、物流企業、金融企業合作，優化商務模式，推動產融結合，促進LNG車船推廣應用。

著力推進LPG銷售業務提質增效。加快終端零售開發進程，拓展LPG銷售業務市場領域和效益空間，推進工業客戶雙氣源、小型儲罐供氣和LPG分布式能源試點，持續推廣直營配送模式，打造終端業務增長極，實現終端增量增效。夯實LPG資源支撐，加強系統內資源置換協調，擴大哈薩克斯坦LPG進口通道，提升滿洲里俄羅斯LPG進口規模。

積極推進新能源業務發展和非氣業務佈局。積極佈局新能源業務，參與「風氣互補、光氣互補、水氣互補」等新業態研究，推進實施氣電與新能源融合發展試點項目，打造氫能利用試點示範項目。擴大非氣業務規模，挖掘客戶需求，擴大服務內涵和價值，建立自有品牌和標準，體現特色和優勢，構建氣非協同發展格局。

The Group will continue to take its responsibility for its shareholders, employees and society seriously, actively follow the general trend of national oil and gas system reforms, seize opportunities for high-quality development of the energy industry. While providing safe and reliable gas supply as well as quality and efficient customer services to different types of users, the Group will help the government to achieve the targets of energy saving and emission reduction and contribute to the construction of a better PRC and strive to create more returns to shareholders.

INTERIM DIVIDEND

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

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, 25 August 2020

本集團將繼續秉持對股東、員工、社會高度負責的態度，積極順應國家油氣體制改革大勢，搶抓能源產業高質量發展的機遇，為各類用戶提供安全穩定的燃氣供應和優質高效的客戶服務，助力國家實現節能減排目標，助力美麗中國建設，努力為股東帶來更多回報。

中期股息

董事會已議決不宣派本期內之中期股息。

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，二零二零年八月二十五日

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 during the period ended 30 June 2020 (the “Period”). Profit before income tax expense of the Group for the Period was approximately RMB6,131 million, representing a decrease of 20.10% as compared with RMB7,673 million for the same period of last year. Profit attributable to owners of the Company for the Period was approximately RMB2,363 million, representing a decrease of 24.82% as compared with RMB3,143 million for the same period of last year.

Revenue

Revenue for the Period was approximately RMB52,254 million, representing a decrease of 2.41% as compared with amount of RMB53,543 million for the same period of last year. The decrease was mainly due to the effect of COVID-19 and the decrease of international crude oil price which lowered the revenue from certain segments of the Company in various extent.

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 98.85% (same period of 2019: 98.12%) of the Group’s total revenue amounting to approximately RMB51,654 million (same period of 2019: RMB52,536 million).

Other gains, net

Other gains, net for the Period was approximately RMB257 million, representing an increase of 61.64% as compared with amount of RMB159 million for the same period of last year. The increase was mainly due to the increase in government grants compared with the same period of last year.

Interest income

Interest income for the Period was approximately RMB159 million, representing a decrease of 15.87% as compared with amount of RMB189 million for the same period of last year. The decrease was mainly due to the decrease in average balance of interest-bearing amounts due from related parties.

Purchases, services and others

Purchases, services and others were approximately RMB39,275 million for the Period, representing a decrease of 0.22% as compared with amount of RMB39,363 million for the same period of last year. Purchases, services and others remained fairly stable during the Period.

昆侖能源有限公司(「本公司」)及其附屬公司(統稱「本集團」)於截至二零二零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。本集團於本期內之除所得稅費用前溢利約為人民幣6,131百萬元，比去年同期金額人民幣7,673百萬元減少20.10%。於本期內本公司股東應佔溢利約為人民幣2,363百萬元，比去年同期金額人民幣3,143百萬元減少24.82%。

收入

本期內之收入約為人民幣52,254百萬元，比去年同期金額人民幣53,543百萬元減少2.41%。此減少主要是由於受新冠肺炎疫情和國際油價下跌影響，公司各業務板塊都呈現不同程度下跌。

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98.85%(二零一九年同期：98.12%)，約人民幣51,654百萬元(二零一九年同期：人民幣52,536百萬元)。

其他收益，淨額

本期內之其他收益淨額約為人民幣257百萬元，比去年同期金額人民幣159百萬元增加61.64%。此增加主要由於政府補貼比去年同期增加所致。

利息收入

本期內之利息收入約為人民幣159百萬元，比去年同期金額人民幣189百萬元減少15.87%。此減少主要由於可計息的應收關連方款項的平均結餘減少所致。

採購、服務及其他

本期內之採購、服務及其他約為人民幣39,275百萬元，比去年同期金額人民幣39,363百萬元減少0.22%。本期內的採購、服務及其他保持平穩。

Management Discussion and Analysis

管理層討論與分析

Employee compensation costs

Employee compensation costs of the Group was approximately RMB2,230 million for the Period, representing a decrease of 2.83% as compared with amount of RMB2,295 million for the same period of last year. Employee compensation costs remained fairly stable during the Period.

Depreciation, depletion and amortisation

Depreciation, depletion and amortisation for the Period was approximately RMB3,472 million, representing an increase of 10.78% as compared with amount of RMB3,134 million for the same period of last year. This was mainly due to the increase in property, plant and equipment transferred from construction in progress at the end of last year.

Selling, general and administrative expenses

Selling, general and administrative expenses for the Period were approximately RMB1,104 million, representing a decrease of 17.92% as compared with amount of RMB1,345 million for the same period of last year. The decrease was mainly due to the decrease in transportation expenses and royalty expenses.

Taxes other than income taxes

Taxes other than income taxes for the Period was approximately RMB207 million, representing a decrease of 3.27% as compared with amount of RMB214 million for the same period of last year. Taxes other than income taxes remained fairly stable during the Period.

Interest expenses

Interest expenses for the Period was approximately RMB525 million, representing a decrease of 6.75% as compared with amount of RMB563 million for the same period of last year. The decrease was mainly due to a lower average borrowing balance during the Period.

Total interest expenses for the Period was approximately RMB821 million of which RMB296 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2,230百萬元，比去年同期金額人民幣2,295百萬元減少2.83%。本期內的僱員酬金成本保持平穩。

折舊、損耗及攤銷

本期內之折舊、損耗及攤銷約為人民幣3,472百萬元，比去年同期金額人民幣3,134百萬元增加10.78%。這主要由於去年末從在建工程轉入的物業、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1,104百萬元，比去年同期金額人民幣1,345百萬元減少17.92%。該減少主要由於運輸開支及礦區使用費減少所致。

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207百萬元，比去年同期金額人民幣214百萬元減少3.27%。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525百萬元，比去年同期金額人民幣563百萬元減少6.75%。該減少主要由於本期內平均借貸結餘較低所致。

本期內利息支出總額約為人民幣821百萬元，其中人民幣296百萬元已於在建工程被資本化。

Management Discussion and Analysis

管理層討論與分析

Share of profits less losses of associates

Share of profits less losses of associates for the Period was approximately RMB205 million, representing a decrease of 60.58%, as compared with amount of RMB520 million for the same period of last year. The decrease was mainly due to the decrease in share of operating result from CNPC-Aktobemunaigas Joint Stock Company (“Aktobe”) as a result of lower international crude oil price during the Period.

Share of profits less losses of joint ventures

Share of profits less losses of joint ventures for the Period decreased by 60.80% to approximately RMB69 million (same period of 2019: RMB176 million). The decrease was mainly due to the decrease in share of operating result from the Oman project as a result of lower international crude oil price during the Period.

Profit before income tax expense

Profit before income tax expense for the Period was approximately RMB6,131 million, representing a decrease of 20.10% as compared with amount of RMB7,673 million for the same period of last year.

Income tax expense

Income tax expense for the Period was approximately RMB1,939 million, representing a decrease of 19.34% as compared with amount of RMB2,404 million for the same period of last year. The effective tax rate (excluding joint ventures and associates) for the Period decreased slightly to 33.11% (same period of 2019: 34.46%).

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205百萬元，比去年同期金額人民幣520百萬元減少60.58%。此減少主要由於本期內國際原油價格下降，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減少60.80%至約人民幣69百萬元（二零一九年同期：人民幣176百萬元）。該減少主要由於本期內國際原油價格下降，從而造成阿曼項目之應佔經營業績減少。

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6,131百萬元，比去年同期金額人民幣7,673百萬元減少20.10%。

所得稅費用

本期內所得稅費用約為人民幣1,939百萬元，比去年同期金額人民幣2,404百萬元減少19.34%。本期內實際稅率（不包括合資企業及聯營公司）輕微減少至33.11%（二零一九年同期：34.46%）。

Management Discussion and Analysis

管理層討論與分析

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

The profit for the Period of the Group was approximately RMB4,192 million, representing a decrease of 20.44% as compared with amount of RMB5,269 million for the same period of last year. The profit attributable to owners of the Company for the Period was approximately RMB2,363 million, representing a decrease of 24.82% as compared with amount of RMB3,143 million for the same period of last year.

LIQUIDITY AND CAPITAL RESOURCES

As at 30 June 2020, the carrying value of total assets of the Group was approximately RMB151,480 million, representing an increase of RMB3,583 million or 2.42% as compared with RMB147,897 million as at 31 December 2019.

The gearing ratio of the Group was 31.13% as at 30 June 2020 compared with 30.72% as at 31 December 2019, representing an increase of 0.41 percentage points. It is computed by dividing the sum of interest-bearing borrowings (including convertible bonds, if any) and lease liabilities of RMB35,906 million (31 December 2019: RMB35,117 million) by the sum of total equity, interest-bearing borrowings (including convertible bonds, if any) and lease liabilities of RMB115,348 million (31 December 2019: RMB114,302 million).

As at 30 June 2020, the Group has total borrowings of RMB35,298 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4,192百萬元，比去年同期金額人民幣5,269百萬元減少20.44%。本公司股東應佔本期內溢利約為人民幣2,363百萬元，比去年同期金額人民幣3,143百萬元減少24.82%。

資產流動性及資本資源

於二零二零年六月三十日，本集團總資產之賬面值約為人民幣151,480百萬元，比二零一九年十二月三十一日金額人民幣147,897百萬元增加人民幣3,583百萬元或2.42%。

本集團於二零二零年六月三十日之資本負債率為31.13%，而二零一九年十二月三十一日為30.72%，即增加0.41百分點。資本負債率乃按計息借貸（包括可轉換債券（如有））與租賃負債之和人民幣35,906百萬元（二零一九年十二月三十一日：人民幣35,117百萬元）除以總權益、計息借貸（包括可轉換債券（如有））與租賃負債之和人民幣115,348百萬元（二零一九年十二月三十一日：人民幣114,302百萬元）計算。

於二零二零年六月三十日，本集團之總借貸人民幣35,298百萬元須按如下償還：

| | | 31 December 2020 二零二零年 RMB million 人民幣百萬元 | 31 December 2019 二零一九年 十二月三十一日 RMB million (Note 19) (附註19) 人民幣百萬元 |
|---------------------------|------|---|---|
| Within one year | 一年內 | 8,333 | 8,772 |
| Between one to two years | 一至兩年 | 3,809 | 2,314 |
| Between two to five years | 兩至五年 | 16,203 | 17,076 |
| After five years | 五年以上 | 6,953 | 6,337 |
| | | 35,298 | 34,499 |

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, Thai Bahts and Nuevos Soles.

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.

During the Period, no share option (same period of 2019: none) has been exercised by the senior executives of the Company as all share options were lapsed.

As at 30 June 2020, the Group had net current liabilities of RMB8,505 million. Notwithstanding the net current liabilities of the Group at 30 June 2020, 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 amounting to RMB26.0 billion, of which RMB12.7 billion is undrawn as at 30 June 2020;
- (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.

USE OF PROCEEDS

Interest Paid

The Group paid interest of RMB819 million (same period of 2019: RMB805 million) during the Period.

Dividend Paid

2019 final dividend of RMB26.3 cents per share amounting to RMB2,277 million was distributed to owners subsequently on 24 July 2020. 2018 final dividend of RMB23.0 cents per share amounting to RMB1,831 million was distributed to owners of the Company on 28 June 2019.

現金及現金等值項目以人民幣、美元、港元、泰銖及新索爾持有。

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)。

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(二零一九年同期：無)。

於二零二零年六月三十日，本集團流動負債淨額為人民幣8,505百萬元。儘管本集團於二零二零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) 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260億元，於二零二零年六月三十日其中人民幣127億元未提取；
- (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。

所得款項用途

利息支付

本集團於本期內支付利息人民幣819百萬元(二零一九年同期：人民幣805百萬元)。

股息支付

二零一九年末期股息為每股人民幣26.3分，金額為人民幣2,277百萬元，其後於二零二零年七月二十四日分派予本公司股東。二零一八年末期股息為每股人民幣23.0分，金額為人民幣1,831百萬元，已於二零一九年六月二十八日分派予本公司股東。

PLEDGE OF ASSETS

As at 30 June 2020, certain property, plant and equipment of the Group amounting to RMB880 million (31 December 2019: RMB21 million) were pledged to banks for loan facilities granted to the Group.

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 2020, the Group had approximately 37,575 employees globally (excluding the employees under entrustment contracts) (same period of 2019: 37,946 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 2020.

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.

資產抵押

於二零二零年六月三十日，本集團若干物業、廠房及設備為人民幣880百萬元(二零一九年十二月三十一日：人民幣21百萬元)已就本集團獲授之貸款融資抵押予銀行。

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

於二零二零年六月三十日，本集團在全球僱用約37,575名僱員(通過委託合同聘任除外)(二零一九年同期：37,946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二零二零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。

Management Discussion and Analysis

管理層討論與分析

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.

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 2020.

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。

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，董事已確認截至二零二零年六月三十日止期間內一直遵守標準守則。

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.

DIRECTORS' INTERESTS IN SHARES

As at 30 June 2020, none of the directors or chief executives of the Company has the interests or short positions 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.

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.

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

SHARE OPTIONS

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

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。

董事於股份之權益

於二零二零年六月三十日，本公司各董事及主要行政人員並沒持有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。

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。

本公司每股面值0.01 港元之普通股。

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。

Management Discussion and Analysis

管理層討論與分析

SUBSTANTIAL SHAREHOLDERS' INTEREST IN SHARES

主要股東於股份之權益

As at 30 June 2020, 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.

於二零二零年六月三十日，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 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) | – | 54.38% |
| 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) | 54.38% |
| Fairy King Investments Ltd. | Fairy King Investments Ltd. | 277,432,000 (L) | – | 3.20% |
| CNPC International Ltd. ("CNPCI") ⁽²⁾ | CNPC International Ltd. (「CNPCI」) ⁽²⁾ | – | 277,432,000 (L) | 3.20% |
| 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) | 3.20% |
| 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) | 57.58% |

Management Discussion and Analysis

管理層討論與分析

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) Based on the Disclosure of Interests Online (DION) System of the Stock Exchange, 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 2020, 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 2020, 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, 25 August 2020

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) 根據聯交所之線上權益披露(DION)系統，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，於二零二零年六月三十日，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。

於二零二零年六月三十日，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，二零二零年八月二十五日

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 2020 截至二零二零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 | |
|--|------------|---|-----------------------|
| | | 2020 二零二零年 | 2019 二零一九年 |
| | | RMB million 人民幣百萬元 | RMB million 人民幣百萬元 |
| | Note 附註 | | |
| Revenue | 4 | 52,254 | 53,543 |
| Other gains, net | 5 | 257 | 159 |
| Interest income | | 159 | 189 |
| Purchases, services and others | | (39,275) | (39,363) |
| Employee compensation costs | | (2,230) | (2,295) |
| Depreciation, depletion and amortisation | | (3,472) | (3,134) |
| Selling, general and administrative expenses | | (1,104) | (1,345) |
| Taxes other than income taxes | | (207) | (214) |
| Interest expenses | 6 | (525) | (563) |
| Share of profits less losses of: | | | |
| – Associates | | 205 | 520 |
| – Joint ventures | | 69 | 176 |
| Profit before income tax expense | 7 | 6,131 | 7,673 |
| Income tax expense | 8 | (1,939) | (2,404) |
| Profit for the period | | 4,192 | 5,269 |
| Other comprehensive income: | | | |
| Item that will not be reclassified to profit or loss: | | | |
| – Fair value (loss)/gain on other financial assets (non-recycling), net of tax | | (18) | 92 |
| Items that may be reclassified subsequently to profit or loss: | | | |
| – Exchange differences on translation of financial statements, net of nil tax, of: | | | |
| – Subsidiaries | | 1 | (56) |
| – Associates | | (31) | 10 |
| – Joint ventures | | 19 | 1 |
| Other comprehensive income for the period | | (29) | 47 |
| Total comprehensive income for the period | | 4,163 | 5,316 |

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 2020 截至二零二零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 | |
|--|----------------------------|---|-----------------------|
| | | 2020 二零二零年 | 2019 二零一九年 |
| | | 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 | 2,363 | 3,143 |
| – Non-controlling interests | – 非控制性權益 | 1,829 | 2,126 |
| | | 4,192 | 5,269 |
| 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 | 2,343 | 3,181 |
| – Non-controlling interests | – 非控制性權益 | 1,820 | 2,135 |
| | | 4,163 | 5,316 |
| 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) | 27.29 | 36.85 |

The notes on pages 31 to 54 form part of this interim financial report.

第31至54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 2020 於二零二零年六月三十日

| | | | 30 June 2020 二零二零年 六月三十日 RMB million 人民幣百萬元 | 31 December 2019 二零一九年 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 | 105,946 | 105,776 |
| Investments in associates | 於聯營公司之投資 | 12 | 5,802 | 5,712 |
| Investments in joint ventures | 於合資企業之投資 | 13 | 3,255 | 3,203 |
| Intangible and other non-current assets | 無形及其他非流動資產 | 14 | 2,653 | 2,190 |
| Deferred tax assets | 遞延稅項資產 | | 1,358 | 1,366 |
| | | | 119,014 | 118,247 |
| Current assets | 流動資產 | | | |
| Inventories | 存貨 | | 1,489 | 1,398 |
| Accounts receivable | 應收賬款 | 15 | 2,718 | 2,792 |
| Prepaid expenses and other current assets | 預付款及其他流動資產 | | 7,561 | 6,820 |
| Cash and cash equivalents | 現金及現金等值項目 | | 20,698 | 18,640 |
| | | | 32,466 | 29,650 |
| Total assets | 總資產 | | 151,480 | 147,897 |
| 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 | 71 | 71 |
| Retained earnings | 滾存盈利 | | 28,481 | 28,484 |
| Other reserves | 其他儲備 | | 21,502 | 21,433 |
| | | | 50,054 | 49,988 |
| Non-controlling interests | 非控制性權益 | | 29,388 | 29,197 |
| Total equity | 總權益 | | 79,442 | 79,185 |

Unaudited Consolidated Interim Statement of Financial Position

未經審核綜合中期財務狀況表

As at 30 June 2020 於二零二零年六月三十日

| | | | 30 June 2020 二零二零年 六月三十日 RMB million 人民幣百萬元 | 31 December 2019 二零一九年 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 | 31,883 | 29,300 |
| Income tax payable | 應付所得稅 | | 477 | 728 |
| Other tax payable | 其他應付稅項 | | 143 | 272 |
| Short-term borrowings | 短期借貸 | 19 | 8,333 | 8,772 |
| Lease liabilities | 租賃負債 | | 135 | 225 |
| | | | 40,971 | 39,297 |
| Non-current liabilities | 非流動負債 | | | |
| Long-term borrowings | 長期借貸 | 19 | 26,965 | 25,727 |
| Deferred tax liabilities | 遞延稅項負債 | | 1,772 | 1,697 |
| Lease liabilities | 租賃負債 | | 473 | 393 |
| Other liabilities | 其他負債 | | 1,857 | 1,598 |
| | | | 31,067 | 29,415 |
| Total liabilities | 總負債 | | 72,038 | 68,712 |
| Total equity and liabilities | 權益及負債總額 | | 151,480 | 147,897 |
| Net current liabilities | 流動負債淨值 | | 8,505 | 9,647 |
| Total assets less current liabilities | 總資產減流動負債 | | 110,509 | 108,600 |

The notes on pages 31 to 54 form part of this interim financial report. 第31至54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 2020 截至二零二零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(a) | (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 | | — | 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 |

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 2020 截至二零二零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 2020 | 於二零二零年一月一日結餘 | 71 | 28,484 | 21,433 | 49,988 | 29,197 | 79,185 |
| Profit for the period | 本期內溢利 | – | 2,363 | – | 2,363 | 1,829 | 4,192 |
| Other comprehensive income | 其他全面收益 | – | – | (20) | (20) | (9) | (29) |
| Total comprehensive income for the period | 本期內全面收益總額 | – | 2,363 | (20) | 2,343 | 1,820 | 4,163 |
| Transfer between reserves | 儲備間轉撥 | – | (89) | 89 | – | – | – |
| Final dividend for 2019 | 二零一九年末期股息 | – | (2,277) | – | (2,277) | – | (2,277) |
| Dividend to non-controlling interests | 屬於非控制性權益之股息 | – | – | – | – | (2,038) | (2,038) |
| Capital contribution from non-controlling interests | 非控制性權益之注資 | – | – | – | – | 198 | 198 |
| Acquisition from non-controlling interests | 向非控制性權益收購 | – | – | – | – | (13) | (13) |
| Disposal of subsidiaries | 處置附屬公司 | – | – | – | – | (11) | (11) |
| Acquisition of subsidiaries | 收購附屬公司 | – | – | – | – | 235 | 235 |
| | | – | (2,366) | 89 | (2,277) | (1,629) | (3,906) |
| Balances at 30 June 2020 | 於二零二零年六月三十日結餘 | 71 | 28,481 | 21,502 | 50,054 | 29,388 | 79,442 |

The notes on pages 31 to 54 form part of this interim financial report. 第31至54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 2020 截至二零二零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 | |
|---|----------------------------|---|--|
| | | 2020 二零二零年 RMB million 人民幣百萬元 | 2019 二零一九年 RMB million 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 | 9,208 | 9,992 |
| Tax paid | 已付稅項 | (2,117) | (2,433) |
| Net cash generated from operating activities | 經營活動所得之現金淨額 | 7,091 | 7,559 |
| Investing activities | 投資活動 | | |
| Capital expenditure | 資本開支 | (4,576) | (4,980) |
| Other cash flows arising from investing activities | 投資活動所得之其他現金流量 | 528 | 541 |
| Net cash used in investing activities | 投資活動所用之現金淨額 | (4,048) | (4,439) |
| 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) |
| Dividend paid to non-controlling interests | 已付非控制性權益股息 | (528) | (423) |
| Increase in borrowings | 借貸增加 | 11,621 | 3,321 |
| Repayments of borrowings | 償還借貸 | (11,158) | (5,939) |
| Other cash flows used in financing activities | 融資活動所用之其他現金流量 | (910) | (822) |
| Net cash used in financing activities | 融資活動所用之現金淨額 | (975) | (5,694) |
| Net increase/(decrease) in cash and cash equivalents | 現金及現金等值項目之增加/(減少)淨額 | 2,068 | (2,574) |
| Cash and cash equivalents at 1 January | 於一月一日之現金及現金等值項目 | 18,640 | 20,474 |
| Effect of foreign exchange rate changes | 匯率變動之影響 | (10) | (55) |
| Cash and cash equivalents at 30 June | 於六月三十日之現金及現金等值項目 | 20,698 | 17,845 |

The notes on pages 31 to 54 form part of this interim financial report. 第31至54頁之附註構成本中期財務報告的一部分。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

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 2020, PetroChina indirectly owned 54.38% (31 December 2019: 54.38%) 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.

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 25 August 2020.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2019 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2020 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

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。於二零二零年六月三十日，中國石油間接擁有本公司之54.38%股權(二零一九年十二月三十一日：54.38%)。

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。

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，並於二零二零年八月二十五日獲授權刊發。

編製本中期財務報告所採納之會計政策與編製二零一九年年度財務報表所採納者相同，惟預期於二零二零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。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

2 BASIS OF PREPARATION (CONTINUED)

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 2019 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 55 to 56.

As at 30 June 2020, the Group had net current liabilities of RMB8,505 million. Notwithstanding the net current liabilities of the Group at 30 June 2020, 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 RMB26.0 billion, of which RMB12.7 billion is undrawn as at 30 June 2020;
- (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)

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，有助於了解自編製二零一九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55至56頁。

於二零二零年六月三十日，本集團的流動負債淨額為人民幣8,505百萬元。儘管本集團於二零二零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260億元，於二零二零年六月三十日其中人民幣127億元未提取；
- (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。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

3 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued following amendments to HKFRSs that are first effective for the current accounting period of the Group.

- Amendments to HKFRS 3, *Definition of a Business*
- Amendments to HKFRS 9, HKAS 37 and HKFRS 7, *Interest Rate Benchmark Reform*
- Amendments to HKAS 1 and HKAS 8, *Definition of Material*

None of the developments have 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.

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.

5 OTHER GAINS, NET

3 會計政策變動

香港會計師公會已頒佈下列香港財務報告準則修訂本，乃於本集團之本會計期間首次生效。

- 香港財務報告準則第3號(修訂本)、「業務之定義」
- 香港財務報告準則第9號、香港會計準則第37號及香港財務報告準則7號(修訂本)、「利率基準改革」
- 香港會計準則第1號及香港會計準則第8號(修訂本)、「重大之定義」

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。

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 其他收益，淨額

Six months ended 30 June

截至六月三十日止六個月

| 2020 | 2019 |
|-------------|-------------|
| 二零二零年 | 二零一九年 |
| 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 | (211) | (49) |
| Rental income | 租金收入 | 32 | 21 |
| Government grants | 政府補貼 | 183 | 82 |
| Others | 其他 | 253 | 105 |
| | | 257 | 159 |

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

6 INTEREST EXPENSES

6 利息支出

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|---------------------------|---------|---|--|
| | | 2020 二零二零年 RMB million 人民幣百萬元 | 2019 二零一九年 RMB million 人民幣百萬元 |
| Interest expenses | 利息支出 | 821 | 877 |
| Less: amounts capitalised | 減：資本化金額 | (296) | (314) |
| Total interest expenses | 總利息支出 | 525 | 563 |

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 4.70% (six months ended 30 June 2019: 4.66%) per annum for the six months ended 30 June 2020.

資本化金額即為與建造符合條件之資產相關的借貸成本。截至二零二零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4.70%（截至二零一九年六月三十日止六個月：4.66%）。

7 PROFIT BEFORE INCOME TAX EXPENSE

7 除所得稅費用前溢利

Items charged in arriving at the profit before income tax expense include:

除所得稅費用前溢利已扣除以下項目：

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|---|--------------|---|--|
| | | 2020 二零二零年 RMB million 人民幣百萬元 | 2019 二零一九年 RMB million 人民幣百萬元 |
| Amortisation of intangible assets | 無形資產之攤銷 | 39 | 29 |
| Depreciation and depletion of | 以下項目之折舊及損耗 | | |
| – owned property, plant and equipment | – 自有物業、廠房及設備 | 3,225 | 2,941 |
| – right-of-use assets | – 使用權資產 | 208 | 164 |
| Cost of inventories recognised as expense | 已確認為開支之存貨成本 | 38,137 | 39,541 |
| Impairment loss on accounts receivable | 應收賬款減值虧損 | 69 | 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 | |
|---------------------|-------------|---|--|
| | | 2020 二零二零年 RMB million 人民幣百萬元 | 2019 二零二零年 RMB million 人民幣百萬元 |
| Current tax | 即期稅項 | | |
| – PRC | – 中國 | 1,842 | 1,977 |
| – Overseas | – 海外 | 14 | 185 |
| | | 1,856 | 2,162 |
| Deferred tax | 遞延稅項 | 83 | 242 |
| | | 1,939 | 2,404 |

Hong Kong Profits Tax has not been provided for as the Group has no assessable profit for the six months ended 30 June 2020 (six months ended 30 June 2019: 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 2019: 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 2019: 15% to 20%).

Income tax on overseas profits has been calculated on the estimated assessable profit for the six months ended 30 June 2020 at the applicable rates of taxation prevailing in the jurisdictions in which the Group operates.

由於本集團於截至二零二零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(截至二零一九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%(截至二零一九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%(截至二零一九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二零二零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 RMB2,363 million (six months ended 30 June 2019: RMB3,143 million) and weighted average number of ordinary shares in issue during the six months ended 30 June 2020 of approximately 8,659 million shares (six months ended 30 June 2019: 8,080 million shares).

(b) Diluted earnings per share for the six months ended 30 June 2020 is the same as the basic earning per share as there were no potentially dilutive ordinary shares issued.

Diluted earnings per share for the six months ended 30 June 2019 was calculated based on the Group's profit attributable to owners of the Company of approximately RMB3,186 million and the weighted average number of ordinary shares of approximately 8,645 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2,363百萬元(截至二零一九年六月三十日止六個月: 人民幣3,143百萬元)以及截至二零二零年六月三十日止六個月內已發行普通股加權平均數約8,659百萬股(截至二零一九年六月三十日止六個月: 8,080百萬股)計算。

(b) 由於並無潛在攤薄已發行普通股, 故截至二零二零年六月三十日止六個月之每股攤薄盈利與每股基本盈利相同。

就可轉換債券的影響作出調整後, 截至二零一九年六月三十日止六個月之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3,186百萬元及普通股加權平均數約8,645百萬股計算, 計算如下:

(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 | |
| | | 2020 | 2019 |
| | | 二零二零年 | 二零一九年 |
| | | 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 | 2,363 | 3,143 |
| 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 |
| Profit attributable to owners of the Company (diluted) | 本公司股東應佔溢利(攤薄) | 2,363 | 3,186 |

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9 BASIC AND DILUTED EARNINGS PER SHARE (CONTINUED) 9 每股基本及攤薄盈利(續)

(b) (Continued)

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

(b) (續)

(ii) 普通股加權平均數(攤薄)

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|---|---------------------|---|--|
| | | 2020 二零二零年 million shares 百萬股 | 2019 二零一九年 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 | 8,659 | 8,080 |
| Effect of conversion of convertible bonds | 可轉換債券之轉換影響 | — | 565 |
| 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) | 8,659 | 8,645 |

10 DIVIDENDS

(a) 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.

(b) Final dividend attributable to owners of the Company in respect of 2019 of RMB26.3 cents per share amounting to a total of approximately RMB2,277 million was approved by the shareholders in the Annual General Meeting on 27 May 2020. The amount is based on approximately 8,659 million shares in issue as at 24 March 2020, which was paid subsequently on 24 July 2020.

With reference to the Company's announcement dated 8 June 2020, shareholders were given an option to receive the dividend either in RMB or in HKD. The Directors do not consider the derivative embedded in such arrangement to have material impact to these interim financial statements.

10 股息

(a) 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。

(b) 本公司股東應佔二零一九年末期股息為每股26.3人民幣分，為數合共約人民幣2,277百萬元，股東已於二零二零年五月二十七日舉行之股東週年大會上批准。該金額乃基於二零二零年三月二十四日已發行之約8,659百萬股股份計算，其後已於二零二零年七月二十四日支付。

經參考本公司日期為二零二零年六月八日之公告，股東可選擇以人民幣或港元收取股息。董事認為該安排所含之衍生工具並無對該等中期財務報表產生重大影響。

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10 DIVIDENDS (CONTINUED)

- (c) The Directors do not recommend a payment of an interim dividend for the six months ended 30 June 2020 (six months ended 30 June 2019: Nil).

11 PROPERTY, PLANT AND EQUIPMENT

(a) Right-of-use assets

During the six months ended 30 June 2020, 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 RMB342 million.

The Group recognised depreciation charge of right-of-use assets of RMB208 million during the period ended 30 June 2020 (six months ended 30 June 2019: RMB164 million).

(b) Acquisitions and disposals of owned assets

During the six months ended 30 June 2020, the Group acquired items of property, plant and equipment with a cost of RMB3,579 million (six months ended 30 June 2019: RMB2,974 million). Items of property, plant and equipment with a net book value of RMB286 million were disposed of during the six months ended 30 June 2020 (six months ended 30 June 2019: RMB181 million).

The Group recognised depreciation charge of owned property, plant and equipment of RMB3,225 million during the six months ended 30 June 2020 (six months ended 30 June 2019: 2,941 million).

10 股息(續)

- (c) 董事不建議派發截至二零二零年六月三十日止六個月之中期股息(截至二零一九年六月三十日止六個月：無)。

11 物業、廠房及設備

(a) 使用權資產

截至二零二零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342百萬元。

本集團於截至二零二零年六月三十日止期間確認使用權資產折舊支出人民幣208百萬元(截至二零一九年六月三十日止六個月：人民幣164百萬元)。

(b) 收購及出售自有資產

截至二零二零年六月三十日止六個月內，本集團收購物業、廠房及設備項目之成本為人民幣3,579百萬元(截至二零一九年六月三十日止六個月：人民幣2,974百萬元)。賬面淨值為人民幣286百萬元之物業、廠房及設備項目已於截至二零二零年六月三十日止六個月內出售(截至二零一九年六月三十日止六個月：人民幣181百萬元)。

截至二零二零年六月三十日止六個月內，本集團已確認自有物業、廠房及設備之折舊支出人民幣3,225百萬元(截至二零一九年六月三十日止六個月：人民幣2,941百萬元)。

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未經審核中期財務報告附註

12 INVESTMENTS IN ASSOCIATES

12 於聯營公司之投資

| | | 30 June | 31 December |
|---------------------|--------|--------------------|-------------|
| | | 2020 | 2019 |
| | | 二零二零年 | 二零一九年 |
| | | 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 | 5,452 | 5,362 |
| Goodwill | 商譽 | 350 | 350 |
| | | 5,802 | 5,712 |

13 INVESTMENTS IN JOINT VENTURES

13 於合資企業之投資

| | | 30 June | 31 December |
|-------------------------|---------|--------------------|-------------|
| | | 2020 | 2019 |
| | | 二零二零年 | 二零一九年 |
| | | 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 | 3,214 | 3,163 |
| Loans to joint ventures | 向合資企業貸款 | 41 | 40 |
| | | 3,255 | 3,203 |

As at 30 June 2020, included in loans to joint ventures is an amount of RMB41 million (31 December 2019: RMB40 million) which is unsecured, interest-free and repayable on demand.

於二零二零年六月三十日向合資企業貸款包括人民幣41百萬元(二零一九年十二月三十一日：人民幣40百萬元)，該金額為無抵押、免息及須按要求償還。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

14 INTANGIBLE AND OTHER NON-CURRENT ASSETS

14 無形及其他非流動資產

| | | 30 June 2020 二零二零年 六月三十日 RMB million 人民幣百萬元 | 31 December 2019 二零一九年 十二月三十一日 RMB million 人民幣百萬元 |
|---------------------------------|-----------------|--|--|
| Intangible assets (note (i)) | 無形資產(附註(i)) | 1,576 | 1,017 |
| Prepaid construction costs | 預付建造成本 | 740 | 525 |
| Loans to associates (note (ii)) | 向聯營公司貸款(附註(ii)) | 66 | 360 |
| Other financial assets | 其他金融資產 | 182 | 202 |
| Others | 其他 | 89 | 86 |
| | | 2,653 | 2,190 |

Note:

- (i) During the six months ended 30 June 2020, the Group acquired certain subsidiaries. As at the date of the interim report, the valuation of net identifiable assets acquired in connection with these acquisitions has not been finalised. As at 30 June 2020, the balance included identifiable intangible assets of RMB597 million (31 December 2019: Nil) which is determined on a provisional basis subject to the final valuation.
- (ii) Loans to associates are unsecured, interest-bearing ranging from 3.91% to 4.35% per annum (31 December 2019: 4.28% to 4.35%) and repayable after one year.

附註：

- (i) 截至二零二零年六月三十日止六個月，本集團已收購若干附屬公司。於中期報告日期，與該等收購相關之可識別淨資產估值尚未最終確認。於二零二零年六月三十日，已計入可識別無形資產之結餘人民幣597百萬元(二零一九年十二月三十一日：無)乃按臨時準則釐定，須就最終估算作調整。
- (ii) 向聯營公司貸款為無抵押、按年利率介乎3.91%至4.35%(二零一九年十二月三十一日：4.28%至4.35%)計息及須於一年後償還。

15 ACCOUNTS RECEIVABLE

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:

15 應收賬款

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 2020 二零二零年 六月三十日 RMB million 人民幣百萬元 | 31 December 2019 二零一九年 十二月三十一日 RMB million 人民幣百萬元 |
|-----------------------|----------|--|--|
| Within 3 months | 三個月以內 | 1,856 | 2,284 |
| Between 3 to 6 months | 三個月至六個月內 | 287 | 78 |
| Over 6 months | 六個月以上 | 575 | 430 |
| | | 2,718 | 2,792 |

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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未經審核中期財務報告附註

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: | | | |
| <i>Ordinary shares of HK\$0.01 each</i> | 法定： | | |
| At 1 January 2019, | 每股面值 0.01 港元之普通股 | | |
| 30 June 2019, | 於二零一九年一月一日、 | | |
| 31 December 2019, | 二零一九年六月三十日、 | | |
| 1 January 2020 and | 二零一九年十二月三十一日、 | | |
| 30 June 2020 | 二零二零年一月一日及 | 16,000 | 160 |
| | 二零二零年六月三十日 | | |
| | | | |
| | | 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: | | | |
| <i>Ordinary shares of HK\$0.01 each</i> | 已發行及悉數繳付： | | |
| At 1 January 2019 | 每股面值 0.01 港元之普通股 | 8,072 | 65 |
| Issue of shares upon conversion | 於二零一九年一月一日 | | |
| of convertible bond (note) | 於轉換可轉換債券時發行股份(附註) | 11 | 1 |
| | | | |
| At 30 June 2019 and | 於二零一九年六月三十日及 | | |
| 1 July 2019 | 二零一九年七月一日 | 8,083 | 66 |
| Issue of shares upon conversion | 於轉換可轉換債券時發行股份(附註) | | |
| of convertible bond (note) | | 576 | 5 |
| | | | |
| At 31 December 2019, | 於二零一九年十二月三十一日、 | | |
| 1 January 2020 and | 二零二零年一月一日及 | | |
| 30 June 2020 | 二零二零年六月三十日 | 8,659 | 71 |

Note: During the six months ended 30 June 2019, 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.

During the six months ended 31 December 2019, 575,669,721 ordinary shares were issued upon conversion of convertible bonds and the Group's capital increased by HK\$5,756,697 (approximately RMB5,062,410) accordingly. The amounts presented in the table above are rounded for presentation of balance as at 31 December 2019.

附註：截至二零一九年六月三十日止六個月，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。

截至二零一九年十二月三十一日止六個月，575,669,721股普通股已於轉換可轉換債券時發行而本集團之股本因而增加5,756,697港元(約人民幣5,062,410元)。於上表呈列之金額已就呈列於二零一九年十二月三十一日之結餘而四捨五入。

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未經審核中期財務報告附註

17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(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.

17 金融工具公平值計量

(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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未經審核中期財務報告附註

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)

Fair value hierarchy (Continued)

| | | Fair value measurements as at 30 June 2020 categorised into | | | Fair value at 31 December 2019 | Fair value measurements as at 31 December 2019 categorised into | | |
|-----------------------------------|-------------|---|----------------------|-------------|--------------------------------|---|-------------|-------------|
| | | Level 1 | Level 2 | Level 3 | | Level 1 | Level 2 | Level 3 |
| | | 於二零二零年六月三十日之公平值 | 於二零二零年六月三十日的公平值計量分類為 | | 於二零一九年十二月三十一日之公平值 | 於二零一九年十二月三十一日的公平值計量分類為 | | |
| | | RMB million | 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 | 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 | 182 | 182 | - | 202 | 202 | - | - |

During the six months ended 30 June 2020 and 2019, 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.

Information about fair value measurements

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.

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

The carrying amounts of the Group's financial instruments carried at cost or amortised cost as of 30 June 2020 and 31 December 2019 are not materially different from their fair values.

(a) 按公平值計量之金融資產(續)

公平值等級(續)

截至二零二零年及二零一九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。

有關公平值計量之資料

於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) 除公平值以外列賬之金融資產及負債的公平值

於二零二零年六月三十日及二零一九年十二月三十一日，本集團按成本或攤銷成本計量之金融工具之賬面值與其公平值並無重大差異。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

18 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

18 應付賬款及應計負債

| | | 30 June | 31 December |
|--|------------|--------------------|-------------|
| | | 2020 | 2019 |
| | | 二零二零年 | 二零一九年 |
| | | 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 | 3,101 | 2,214 |
| Contract liabilities | 合約負債 | 8,687 | 9,800 |
| Salaries and welfare payable | 應付薪金及福利 | 563 | 342 |
| Accrued expenses | 應計開支 | 243 | 16 |
| Dividends payable | 應付股息 | 4,903 | 1,116 |
| Interest payable | 應付利息 | 124 | 144 |
| Construction fee and equipment cost payables | 應付建設費及設備成本 | 8,670 | 10,079 |
| 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 | 158 | 380 |
| Other payables | 其他應付款項 | 5,433 | 5,208 |
| | | 31,883 | 29,300 |

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

18 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (CONTINUED) 18 應付賬款及應計負債(續)

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

截至報告期末，應付賬款按發票日期之賬齡分析如下：

| | | 30 June 2020 二零二零年 六月三十日 RMB million 人民幣百萬元 | 31 December 2019 二零一九年 十二月三十一日 RMB million 人民幣百萬元 |
|-----------------------|----------|--|--|
| Within 3 months | 三個月以內 | 2,206 | 1,620 |
| Between 3 to 6 months | 三個月至六個月內 | 188 | 81 |
| Over 6 months | 六個月以上 | 707 | 513 |
| | | 3,101 | 2,214 |

19 BORROWINGS 19 借貸

| | | 30 June 2020 二零二零年 六月三十日 RMB million 人民幣百萬元 | 31 December 2019 二零一九年 十二月三十一日 RMB million 人民幣百萬元 |
|---|----------------|--|--|
| Short-term borrowings – secured (note) | 短期借貸 – 有抵押(附註) | – | 24 |
| Short-term borrowings – unsecured | 短期借貸 – 無抵押 | 7,635 | 3,540 |
| Current portion of long-term borrowings | 長期借貸之即期部分 | 698 | 5,208 |
| | | 8,333 | 8,772 |
| Long-term borrowings – secured (note) | 長期借貸 – 有抵押(附註) | 794 | – |
| Long-term borrowings – unsecured | 長期借貸 – 無抵押 | 26,869 | 30,935 |
| Less: Current portion of long-term borrowings | 減：長期借貸之即期部分 | (698) | (5,208) |
| | | 26,965 | 25,727 |
| | | 35,298 | 34,499 |

Note: As at 30 June 2020, certain property, plant and equipment of the Group amounting to RMB880 million (31 December 2019: RMB21 million) were pledged to banks for loan facilities granted to the Group.

附註：於二零二零年六月三十日，本集團若干物業、廠房及設備人民幣880百萬元(二零一九年十二月三十一日：人民幣21百萬元)已就本集團獲授之貸款融資抵押予銀行。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

19 BORROWINGS (CONTINUED)

As at 30 June 2020 and 31 December 2019, the borrowings of the Group were repayable as follows:

| | | Bank loans 銀行貸款 | | Loans other than bank loans 除銀行貸款以外之貸款 | |
|---------------------------|------|--|--|--|--|
| | | 30 June 2020 二零二零年 六月三十日 RMB million 人民幣百萬元 | 31 December 2019 二零一九年 十二月三十一日 RMB million 人民幣百萬元 | 30 June 2020 二零二零年 六月三十日 RMB million 人民幣百萬元 | 31 December 2019 二零一九年 十二月三十一日 RMB million 人民幣百萬元 |
| Within one year | 一年內 | 2,626 | 3,609 | 5,707 | 5,163 |
| Between one to two years | 一至兩年 | 408 | 346 | 3,401 | 1,968 |
| Between two to five years | 兩至五年 | 3,026 | 1,975 | 13,177 | 15,101 |
| After five years | 五年以上 | 3,217 | 2,653 | 3,736 | 3,684 |
| | | 9,277 | 8,583 | 26,021 | 25,916 |

As at 30 June 2020, included in the loans other than bank loans were unsecured borrowings from CP Finance and a fellow subsidiary, which bore interest ranging from 1.13% to 4.75% per annum (31 December 2019: 2.00% to 4.95% per annum). During the six months ended 30 June 2020, the Group issued super short-term commercial papers of RMB1,000 million and medium-term notes of RMB1,000 million, which bore interest of 1.80% and 2.43% per annum, respectively. As at 30 June 2020, loans other than bank loans also included senior notes issued by the Company of RMB3,511 million (31 December 2019: RMB6,943 million), which bore interest of 3.75% per annum.

19 借貸(續)

於二零二零年六月三十日及二零一九年十二月三十一日，本集團之借貸須按如下償還：

於二零二零年六月三十日，除銀行貸款以外的貸款乃來自中油財務及一間同系附屬公司之借貸，為無抵押及按年利率介乎1.13%至4.75%（二零一九年十二月三十一日：年利率介乎2.00%至4.95%）計息。截至二零二零年六月三十日止六個月，本集團已發行超短期融資券人民幣1,000百萬元以及中期票據人民幣1,000百萬元，分別按年利率1.80%及2.43%計息。於二零二零年六月三十日，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3,511百萬元（二零一九年十二月三十一日：人民幣6,943百萬元），按年利率3.75%計息。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

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, 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。

The segment information provided to the Executive Directors for the reportable segments for the six months ended 30 June 2020 and 2019 are as follows:

截至二零二零年及二零一九年六月三十日止六個月，向執行董事提供的可報告板塊的板塊資料如下：

| | Natural Gas Sales 天然氣銷售 RMB million 人民幣百萬元 | LNG Processing and Terminal LNG加工與儲存 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 2020 | | | | | | | |
| Gross revenue | 43,338 | 4,344 | 5,330 | 600 | - | - | 53,612 |
| Less: Inter-company adjustment | (500) | (843) | (15) | - | - | - | (1,358) |
| Revenue from external customers | 42,838 | 3,501 | 5,315 | 600 | - | - | 52,254 |
| Segment results | 2,133 | 1,370 | 3,004 | (217) | (483) | - | 5,857 |
| Share of profits less losses of: | | | | | | | |
| - Associates | 204 | 1 | - | - | - | - | 205 |
| - Joint ventures | 27 | - | - | 42 | - | - | 69 |
| Profit/(loss) before income tax expense | 2,364 | 1,371 | 3,004 | (175) | (483) | - | 6,131 |
| Income tax expense | | | | | | | (1,939) |
| Profit for the period | | | | | | | 4,192 |
| Segment results included: | | | | | | | |
| - Interest income | 281 | 31 | 11 | 3 | 192 | (359) | 159 |
| - Depreciation, depletion and amortisation | (1,413) | (634) | (1,181) | (231) | (13) | - | (3,472) |
| - Interest expenses | (308) | (233) | (49) | (4) | (290) | 359 | (525) |
| Additions to non-current segment assets during the period | 3,624 | 260 | 598 | 34 | - | - | 4,516 |
| | | | | | | | |
| As at 30 June 2020 | | | | | | | |
| Segment assets | 65,052 | 23,407 | 43,510 | 2,730 | 6,188 | - | 140,867 |
| Investments in associates | 4,752 | 383 | - | 667 | - | - | 5,802 |
| Investments in joint ventures | 1,697 | - | - | 1,503 | 55 | - | 3,255 |

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

20 板塊資料(續)

20 SEGMENT INFORMATION (CONTINUED)

| | | Natural Gas Sales 天然氣銷售 RMB million 人民幣百萬元 | LNG Processing and Terminal 加工與碼頭 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 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 | 截至二零一九年 | | | | | | | |
| 30 June 2019 | 六月三十日止六個月 | | | | | | | |
| Gross revenue | 總收入 | 44,069 | 4,765 | 5,199 | 1,007 | - | - | 55,040 |
| Less: inter-company adjustment | 源：公司間調整 | (649) | (839) | (9) | - | - | - | (1,497) |
| Revenue from external customers | 來自外部客戶之收入 | 43,420 | 3,926 | 5,190 | 1,007 | - | - | 53,543 |
| Segment results | 板塊業績 | 2,187 | 1,822 | 3,186 | 153 | (371) | - | 6,977 |
| Share of profits less losses of: | 應佔溢利減虧損： | | | | | | | |
| - Associates | - 聯營公司 | 150 | - | - | 370 | - | - | 520 |
| - Joint ventures | - 合資企業 | 42 | - | - | 133 | 1 | - | 176 |
| Profit/(loss) before income tax expense | 除所得稅費用前 溢利/(虧損) | 2,379 | 1,822 | 3,186 | 656 | (370) | - | 7,673 |
| Income tax expense | 所得稅費用 | - | - | - | - | - | - | (2,404) |
| Profit for the period | 本期內溢利 | | | | | | | 5,269 |
| Segment results included: | 板塊業績包括： | | | | | | | |
| - Interest income | - 利息收入 | 292 | 17 | 13 | 4 | 267 | (404) | 189 |
| - Depreciation, depletion and amortisation | - 折舊、損耗及攤銷 | (1,260) | (643) | (1,067) | (152) | (12) | - | (3,134) |
| - Interest expense | - 利息支出 | (260) | (214) | (57) | - | (436) | 404 | (563) |
| Additions to non-current segment assets during the period | 於本期內 添加到非流動板塊資產 | 2,327 | 538 | 962 | 86 | 11 | - | 3,924 |
| As at 31 December 2019 | 於二零一九年十二月三十一日 | | | | | | | |
| Segment assets | 板塊資產 | 65,006 | 23,424 | 44,622 | 2,915 | 1,439 | - | 137,406 |
| Investments in associates | 於聯營公司之投資 | 4,632 | 382 | - | 688 | - | - | 5,712 |
| Investments in joint ventures | 於合資企業之投資 | 1,706 | - | - | 1,442 | 55 | - | 3,203 |

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

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 2020, revenue of approximately RMB9,736 million (six months ended 30 June 2019: RMB10,172 million) is derived from one (six months ended 30 June 2019: 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

| | | 30 June 2020 二零二零年 六月三十日 RMB million 人民幣百萬元 | 31 December 2019 二零一九年 十二月三十一日 RMB million 人民幣百萬元 |
|---|-------------------|--|--|
| Contracted but not provided for: | 已訂約但未作出撥備： | | |
| - Oil field development costs | - 油田開發費用 | - | 151 |
| - Other property, plant and equipment | - 其他物業、廠房及設備 | 874 | 896 |
| | | 874 | 1,047 |
| Authorised but not contracted for: | 已批准但未訂約： | | |
| - Oil field development costs | - 油田開發費用 | 243 | 453 |
| - Other property, plant and equipment | - 其他物業、廠房及設備 | 440 | 877 |
| | | 683 | 1,330 |

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。

截至二零二零年六月三十日止六個月，收入約人民幣9,736百萬元(截至二零一九年六月三十日止六個月：人民幣10,172百萬元)乃源自一名(截至二零一九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。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

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。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

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 RMB27,599 million (six months ended 30 June 2019: RMB15,491 million) for the six months ended 30 June 2020.
- Provision of services by the CNPC Group to the Group amounted to approximately RMB2,017 million (six months ended 30 June 2019: RMB2,082 million) for the six months ended 30 June 2020.
- Provision of products by the Group to the CNPC Group amounted to approximately RMB2,036 million (six months ended 30 June 2019: RMB2,112 million) for the six months ended 30 June 2020.
- Provision of services by the Group to the CNPC Group amounted to approximately RMB7,700 million (six months ended 30 June 2019: RMB8,060 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 2020.

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。

- 截至二零二零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27,599百萬元(截至二零一九年六月三十日止六個月：人民幣15,491百萬元)。
- 截至二零二零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2,017百萬元(截至二零一九年六月三十日止六個月：人民幣2,082百萬元)。
- 截至二零二零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2,036百萬元(截至二零一九年六月三十日止六個月：人民幣2,112百萬元)。
- 截至二零二零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7,700百萬元(截至二零一九年六月三十日止六個月：人民幣8,060百萬元)，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。

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)

(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 RMB645 million (six months ended 30 June 2019: RMB630 million) for the six months ended 30 June 2020.

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

- (iii) As at 30 June 2020 and 31 December 2019, 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:

(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，於截至二零二零年六月三十日止六個月約為人民幣645百萬元(截至二零一九年六月三十日止六個月：人民幣630百萬元)。

上述(i)及(ii)項之交易根據上市規則第14A章構成關連交易。

- (iii) 於二零二零年六月三十日及二零一九年十二月三十一日，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，已計入下列會計項目內並概述如下：

| | | 30 June 2020 二零二零年 六月三十日 RMB million 人民幣百萬元 | 31 December 2019 二零一九年 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 | 140 | 422 |
| Accounts receivable | 應收賬款 | 830 | 1,020 |
| Prepaid expenses and other current assets | 預付款及其他流動資產 | 1,534 | 519 |
| Accounts payable and accrued liabilities | 應付賬款及應計負債 | 8,413 | 5,746 |
| Borrowings | 借貸 | 19,275 | 18,713 |
| Lease liabilities | 租賃負債 | 45 | 40 |

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

22 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Key management compensation

| | | Six months ended 30 June | |
|---|--------------|--------------------------|-------------|
| | | 截至六月三十日止六個月 | |
| | | 2020 | 2019 |
| | | 二零二零年 | 二零一九年 |
| | | 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 | 3 |
| Retirement benefits – defined contribution scheme | 退休金 – 界定供款計劃 | - | - |
| | | 3 | 3 |

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

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.

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

22 關連方交易(續)

(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 | |
| | | 2020 | 2019 |
| | | 二零二零年 | 二零一九年 |
| | | 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 | 3 |
| Retirement benefits – defined contribution scheme | 退休金 – 界定供款計劃 | - | - |
| | | 3 | 3 |

(c) 與中國其他國有實體之交易

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。

該等交易乃按本集團之日常業務進行。

23 IMPACTS OF COVID-19 PANDEMIC

The COVID-19 pandemic since early 2020 has brought about additional uncertainties in the Group's operating environment and has impacted the Group's operations and financial position.

The Group has been closely monitoring the impact of the developments on the Group's business and has put in place contingency measures. The Group will keep the contingency measures under review as the situation evolves.

23 新冠肺炎疫情影響

新冠肺炎疫情自二零二零年初以來為本集團之經營環境帶來額外不明朗因素，並影響本集團之營運及財務狀況。

本集團一直密切監察疫情發展對本集團業務之影響，並已採取應變措施。本集團將隨著形勢發展繼續實行應變措施。



**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 54 which comprises the consolidated interim statement of financial position of Kunlun Energy Company Limited (the “Company”) as at 30 June 2020 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54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二零二零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。

Review Report

審閱報告

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 2020 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

25 August 2020

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二零二零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

二零二零年八月二十五日

KunLun Energy Company Limited
昆侖能源有限公司

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

