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延長石油國際有限公司

YANCHANG PETROLEUM INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00346)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO THE ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

Reference is made to the announcement of Yanchang Petroleum International Limited (the “**Company**”) dated 26 March 2020 (the “**Annual Results Announcement**”) in relation to the audited annual results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2019. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Annual Results Announcement.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to provide below supplemental information in respect of the Annual Results Announcement.

EXTRACT OF THE INDEPENDENT AUDITOR’S REPORT

The following is an extract of the independent auditor’s report on the Group’s consolidated financial statements for the year ended 31 December 2019:

Opinion

We have audited the consolidated financial statements of Yanchang Petroleum International Limited (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 48 to 139, which comprise the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to note 3(b) to the consolidated financial statements which describes that the Group is obligated to repay convertible bonds, bank borrowings and interest, interest on secured term loan and capital and interest element of lease liabilities totaling HK\$779,619,000 within one year and that the Group's ability to meet these liquidity requirements depends on its ability to generate sufficient net cash inflows from future operations and/or other sources. These facts and circumstances indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

The consolidated financial statements have been prepared on a going concern basis, the validity of which is dependent on the Group's ability to generate sufficient net cash inflows from future operations and/or other sources to meet its liquidity commitments. Further details are set out in note 3(b). The consolidated financial statements do not include any adjustments that would result should the Group be unable to continue to operate as a going concern.

Save as the aforesaid, the other contents of the Annual Results Announcement remain unchanged.

By order of the Board
Yanchang Petroleum International Limited
Mr. Li Yi
Chairman

Hong Kong, 28 October 2020

Executive Directors:

Mr. Li Yi (*Chairman*)
Ms. Sha Chunzhi
Mr. Feng Yinguo
Mr. Li Jun

Independent Non-Executive Directors:

Mr. Ng Wing Ka
Mr. Leung Ting Yuk
Mr. Sun Liming
Dr. Mu Guodong