



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)

Brighter Sky
昂首邁進 in Action
翔揚淨空

ANNUAL REPORT 年報
2020





51



Acquired, merged and newly established gas projects
併購和新設燃氣項目

414



Gas projects of the Group
本集團燃氣項目

31



Covering provinces, cities and autonomous
regions across the country
遍佈全國省市自治區

1,081,100



Number of new users
新增用戶

12,358,100



Cumulative users
累計用戶

37,763



Natural gas sales volume million cubic metres
天然氣銷量百萬立方米

87,995



Natural gas sales business revenue RMB million
天然氣銷售業務實現收入人民幣百萬元



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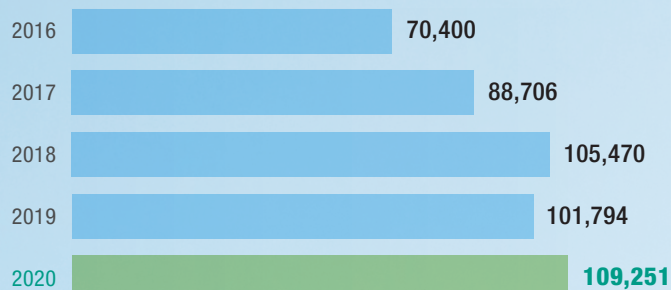
FINANCIAL AND OPERATIONAL HIGHLIGHTS

財務及業務摘要

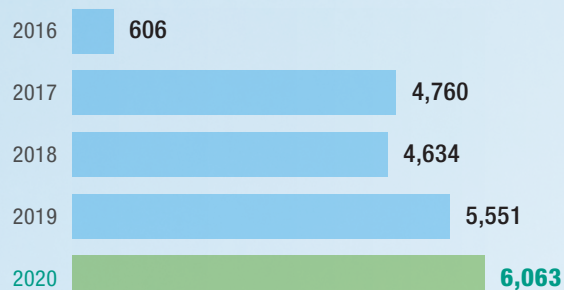
Currency unit: Renminbi million
 貨幣單位：人民幣百萬元



Revenue 收入



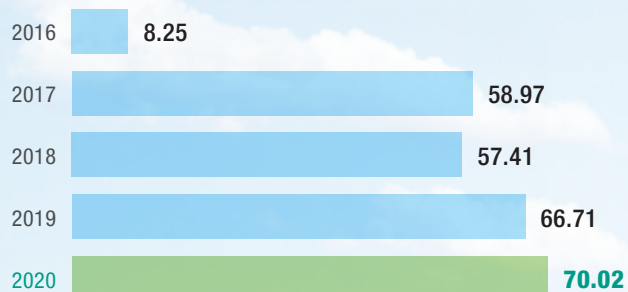
Profit for the year attributable to owners of the Company 本公司股東年內應佔溢利



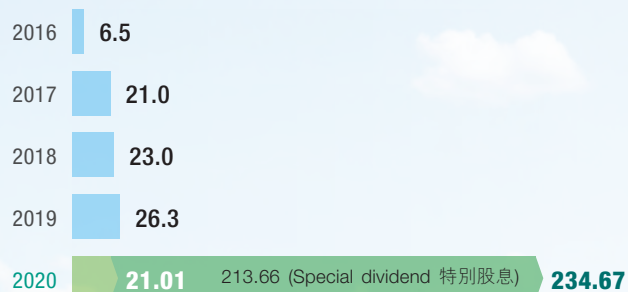
Currency unit: Renminbi cent
 貨幣單位：人民幣分



Earnings per share (Basic) 每股盈利（基本）



Dividend per share 每股股息

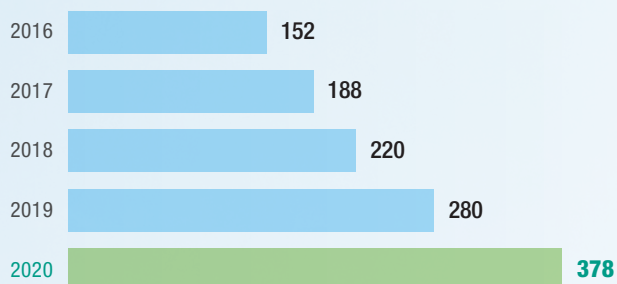




Sales volume of natural gas 天然氣銷售量

Unit: 100 million cubic metres

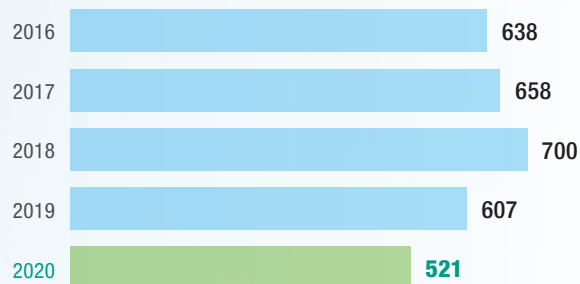
單位：億立方米



Sales volume of LPG LPG銷售量

Unit: 10,000 tonnes

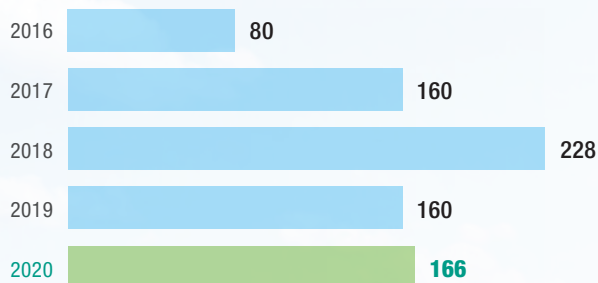
單位：萬噸



LNG gasification, entrucking and processing volume LNG氣化、裝車和加工量

Unit: 100 million cubic metres

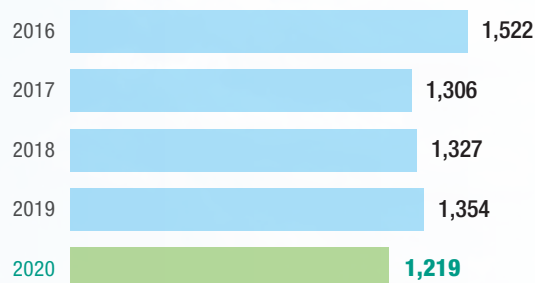
單位：億立方米



Equity sales volume of crude oil 原油權益銷售量

Unit: 10,000 barrels

單位：萬桶



FINANCIAL AND OPERATIONAL HIGHLIGHTS

財務及業務摘要

Currency unit: Renminbi million

貨幣單位：人民幣百萬元

For the year ended 31 December	截至十二月三十一日 止年度	2020	2019	2019	2018	2017	2016
		二零二零年	二零一九年 (restated) (重列)	二零一九年 (unrestated) (未重列)	二零一八年 (unrestated) (未重列)	二零一七年 (unrestated) (未重列)	二零一六年 (unrestated) (未重列)
			note 9 附註9	note 10 附註10	note 10 附註10	note 10 附註10	note 10 附註10
Revenue and profit	收入與溢利						
Revenue	收入	109,251	101,794	113,313	105,470	88,706	70,400
Profit before income tax expense	除所得稅費用前溢利	8,107	7,014	13,645	11,985	11,480	6,291
Core profit before income tax expense ⁽¹¹⁾	除所得稅費用前 核心溢利 ⁽¹¹⁾	7,562	7,797	14,427	13,279	11,659	10,618
Profit for the year	年內溢利	9,732	9,571	9,571	8,213	7,949	3,091
Profit for the year attributable to owners of the Company	本公司股東年內 應佔溢利	6,063	5,551	5,551	4,634	4,760	666
- continuing operations	- 持續經營業務	3,580	2,423	-	-	-	-
- discontinued operations	- 已終止持續 經營業務	2,483	3,128	-	-	-	-
Core profit attributable to owners of the Company ⁽¹²⁾	本公司股東應佔 核心溢利 ⁽¹²⁾	5,506	6,252	6,252	5,885	4,906	4,279
- continuing operations	- 持續經營業務	3,022	3,124	-	-	-	-
- discontinued operations	- 已終止持續 經營業務	2,484	3,128	-	-	-	-
Adjusted earnings before interest, taxes, depreciation and amortisation (EBITDA) ⁽¹³⁾	經調整扣除利息、 稅項、折舊及 攤銷前盈利 (EBITDA) ⁽¹³⁾	12,342	12,406	21,491	20,303	18,244	16,660
Assets and liabilities	資產與負債						
Non-current assets	非流動資產	81,145	118,247	118,247	109,930	107,663	99,711
Current assets	流動資產	73,843	29,650	29,650	30,657	32,895	29,223
Non-current liabilities	非流動負債	25,868	29,415	29,415	31,352	35,482	22,099
Current liabilities	流動負債	44,593	39,297	39,297	39,141	39,451	44,940
Net assets	資產淨額	84,527	79,185	79,185	70,094	65,625	61,895
Capital and reserve	股本與儲備						
Share capital	股本	71	71	71	65	65	65
Reserve	儲備	21,956	21,433	21,433	17,277	14,680	15,951
Equity attributable to owners of the Company	本公司股東應佔權益	53,584	49,988	49,988	42,704	40,025	37,852
Non-controlling interests	非控制性權益	30,943	29,197	29,197	27,390	25,600	24,043

For the year ended 31 December	截至十二月三十一日 止年度	2020	2019	Increase/ (Decrease)
		二零二零年	二零一九年 (restated) (重列)	增加/(減少)
Financial indicators	財務指標			
Net profit margin ⁽¹⁾	淨利潤率 ⁽¹⁾	5.30%	4.53%	0.77
Return on total assets (ROA) ⁽²⁾	總資產回報率(ROA) ⁽²⁾	5.48%	4.71%	0.77
Return on capital employed (ROCE) ⁽³⁾	淨資本回報率(ROCE) ⁽³⁾	11.12%	11.54%	(0.42)
Liabilities-to-Adjusted EBITDA ratio ⁽⁴⁾	負債對經調整EBITDA倍數 ⁽⁴⁾	4.87	4.62	0.25
Debts-to-net assets ratio ⁽⁵⁾	淨資產負債率 ⁽⁵⁾	33.52%	44.35%	(10.83)
Gearing ratio ⁽⁶⁾	資本負債率 ⁽⁶⁾	25.11%	30.72%	(5.61)
Debts-to-assets ratio ⁽⁷⁾	資產負債率 ⁽⁷⁾	18.28%	23.74%	(5.46)
Average finance cost ⁽⁸⁾	平均融資成本 ⁽⁸⁾	3.68%	4.14%	(0.46)
Earnings per share (Basic) (RMB cent)	每股盈利(基本)(人民幣分)	70.02	66.71	
- continuing operations	- 持續經營業務	41.34	29.12	
- discontinued operations	- 已終止持續經營業務	28.68	37.59	
Dividend per share (RMB cent)	每股股息(人民幣分)	234.67	26.30	
- final	- 末期	21.01	26.30	
- special	- 特別	213.66	-	
Dividend payout ratio	派息比例	30.01%	39.42%	

Notes:

- (1) Net profit margin is profit for the year from continuing operations divided by revenue from continuing operations.
- (2) Return on total assets is profit for the year from continuing operations divided by average total assets from continuing operations.
- (3) Return on capital employed is the ratio of profit before income tax expense and interest from continuing operations divided by total assets less current liabilities from continuing operations.
- (4) Liabilities-to-Adjusted EBITDA ratio is the ratio of total liabilities from continuing operations divided by adjusted EBITDA.
- (5) Debts-to-net assets ratio is the ratio of the sum of interest-bearing borrowings and lease liabilities divided by total equity.
- (6) Gearing ratio is the ratio of the sum of interest-bearing borrowings, and lease liabilities divided by the sum of total equity, interest-bearing borrowings and lease liability.
- (7) Debts-to-assets ratio is the ratio of the sum of interest-bearing borrowings and lease liabilities divided by total assets.
- (8) Average finance cost is the ratio of aggregated amount of each category of borrowing multiply by its interest rate divided by the total borrowing from continuing operations.
- (9) Due to certain Group's businesses are classified as discontinued operations in 2020. The financial information of the Group has been restated.
- (10) The financial information of the Group has not been restated for the potential disposal of discontinued operations as the directors consider that the unrevised financial information is more appropriate for year-on-year comparison of the change in the Group's business operation.
- (11) Core profit before income tax expense is defined as profit before income tax expense excluding impairment losses on property, plant and equipment, intangible assets, accounts and other receivables and exchange gain/loss.
- (12) Core profit attributable to owners of the Company is defined as profit attributable to owners of the Company excluding impairment losses on property, plant and equipment, intangible assets, accounts and other receivables and exchange gain/loss attributable to owners of the Company and its related tax effect.
- (13) Adjusted EBITDA is defined as profit before income tax expense from continuing operations, excluding impairment loss on property, plant and equipment, impairment loss on intangible assets, impairment loss on accounts and other receivables, exchange gain/loss, interest and depreciation, depletion and amortisation.

附註:

- (1) 淨利潤率指持續經營業務年內溢利除持續經營業務收入。
- (2) 總資產回報率指持續經營業務年內溢利除持續經營業務平均資產總額。
- (3) 淨資本回報率指持續經營業務利息及稅項前溢利除持續經營業務總資產減流動負債。
- (4) 負債對經調整EBITDA倍數指持續經營業務總負債除經調整利息、稅項、折舊及攤銷前盈利。
- (5) 淨資產負債率指計息借貸與租賃負債之和除以總權益。
- (6) 資本負債率指計息借貸與租賃負債之和除以總權益、計息借貸與租賃負債之和。
- (7) 資產負債率指計息借貸與租賃負債之和除以總資產。
- (8) 平均融資成本指各種類借貸成本乘其佔持續經營業務總借貸比例，然後加總。
- (9) 由於二零二零年本集團部份業務已分類為已終止持續經營業務。本集團的財務資料已重列。
- (10) 本集團財務資料未就有意出售已終止持續經營業務進行重列，原因是董事認為未經重列的財務資料更適合同比較本集團業務營運的變化情況。
- (11) 除所得稅費用前核心溢利指不包括物業、廠房及設備、無形資產、應收賬款及其他應收款項減值虧損及匯兌收益/虧損之除所得稅費用前溢利。
- (12) 本公司股東應佔核心溢利指不包括本公司股東應佔之物業、廠房及設備、無形資產、應收賬款及其他應收款項減值虧損及匯兌收益/虧損及其有關稅務影響之本公司股東應佔溢利。
- (13) 經調整扣除利息、稅項、折舊及攤銷前溢利指不包括物業、廠房及設備減值虧損、無形資產減值虧損、應收賬款及其他應收款項減值虧損、匯兌收益/虧損、利息以及折舊、損耗及攤銷之持續經營業務除所得稅費用前溢利。

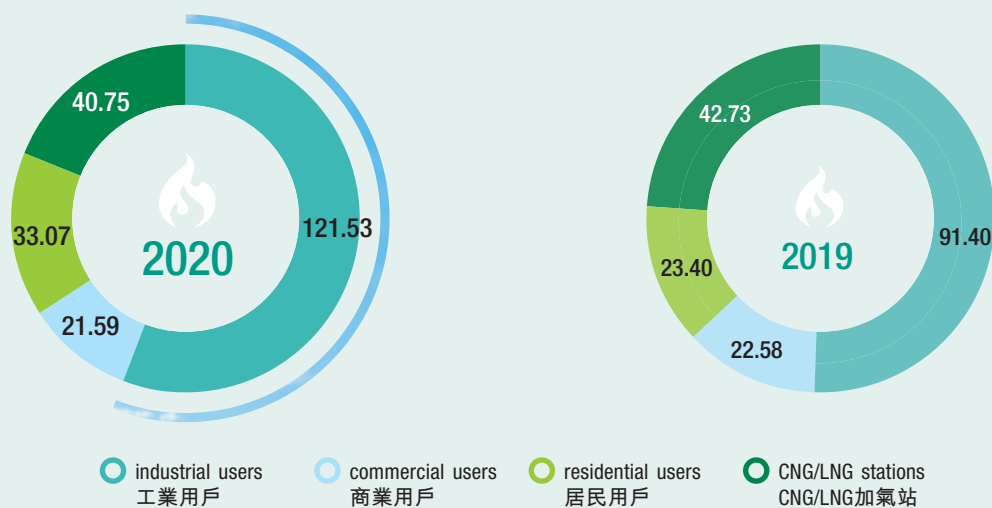
FINANCIAL AND OPERATIONAL HIGHLIGHTS

財務及業務摘要

		2020 二零二零年	2019 二零一九年	2018 二零一八年	2017 二零一七年	2016 二零一六年 (restated) (重列) note 1 附註1
For the year ended 31 December	截至十二月三十一日 止年度					
Sales volume of products	產品銷售量					
City gas	城市燃氣	274	200	147	118	92
CNG	CNG	23	29	26	26	25
LNG	LNG	78	48	42	38	29
Others	其他	3	3	5	6	6
Sales volume of natural gas (100 million cubic metres)	天然氣銷售量 (億立方米)	378	280	220	188	152
Sales volume of LPG (10,000 tonnes)	LPG銷售量 (萬噸)	521	607	700	658	638
Stations in operation	已運營站點					
CNG stations	CNG站	562	562	561	543	540
LNG stations	LNG站	615	612	609	603	680

Sales volume of retail gas 天然氣零售氣量

Unit: 100 million cubic metres
單位：億立方米



		2020	2019	2019	2018	2017	2016
		二零二零年	二零一九年	二零一九年	二零一八年	二零一七年	二零一六年
For the year ended 31 December		截至十二月三十一日 止年度	(restated)			(restated)	
			(重列)			(重列)	
			note 2			note 1	
			附註2			附註1	
LNG gasification volume	LNG氣化量	113	122	162	189	128	66
LNG entrucking volume	LNG裝車量	29	18	24	23	21	9
LNG processing volume	LNG加工量	24	20	20	16	11	5
LNG processing and terminal	LNG加工與儲運量						
(100 million cubic metres)	(億立方米)	166	160	206	228	160	80
Plants and terminals in operation	已運營工廠和接收站						
LNG plants	LNG工廠	15	14	14	15	14	12
LNG terminals	LNG接收站	2	2	3	3	3	3
Equity sales volume of crude oil	原油權益銷售量						
(10,000 barrels)	(萬桶)	1,219	1,354	1,354	1,327	1,306	1,522
Natural gas pipeline transmission	天然氣管輸						
(100 million cubic metres)	(億立方米)	—	—	556	529	417	357

Notes:

- (1) Due to business combinations under common control completed in 2017, the operating information of the Group has been restated to include the operation data of Jingtang Co.
- (2) Due to certain Group's businesses are classified as discontinued operations in 2020. The financial information of the Group has been restated.

附註：

- (1) 由於二零一七年完成共同控制下的業務合併，本集團的運營資料已重列，以包括京唐公司的運營數據。
- (2) 由於二零二零年本集團部份業務已分類為已終止持續經營業務，本集團的財務資料已重列。

LOCATIONS OF NATURAL GAS BUSINESS

天然氣業務分佈圖



Province 省份	CNG station and LNG station in operation 已運營CNG站及LNG站	LNG Plant in operation 已運營LNG工廠	LNG Terminal in operation 已運營LNG接收站	Total 合共
1. Xinjiang 新疆	209	2	-	211
2. Hebei 河北	227	2	1	230
3. Shandong 山東	144	1	-	145
4. Henan 河南	41	-	-	41
5. Shanxi 山西	10	1	-	11
6. Sichuan 四川	67	2	-	69
7. Inner Mongolia 內蒙古	34	1	-	35
8. Jiangsu 江蘇	71	-	1	72
9. Liaoning 遼寧	44	1	-	45
10. Shaanxi 陝西	20	1	-	21
11. Tianjin 天津	5	-	-	5
12. Hubei 湖北	43	1	-	44
13. Ningxia 寧夏	29	-	-	29
14. Guangdong 廣東	19	1	-	20
15. Hainan 海南	24	-	-	24
16. Guizhou 貴州	14	-	-	14
17. Yunnan 雲南	16	-	-	16
18. Zhejiang 浙江	17	-	-	17
19. Gansu 甘肅	26	1	-	27
20. Qinghai 青海	5	1	-	6
21. Beijing 北京	32	-	-	32
22. Jilin 吉林	4	-	-	4
23. Shanghai 上海	7	-	-	7
24. Anhui 安徽	9	-	-	9
25. Hunan 湖南	23	-	-	23
26. Guangxi 廣西	8	-	-	8
27. Heilongjiang 黑龍江	15	-	-	15
28. Jiangxi 江西	5	-	-	5
29. Fujian 福建	6	-	-	6
30. Tibet 西藏	3	-	-	3
	1,177	15	2	1,194



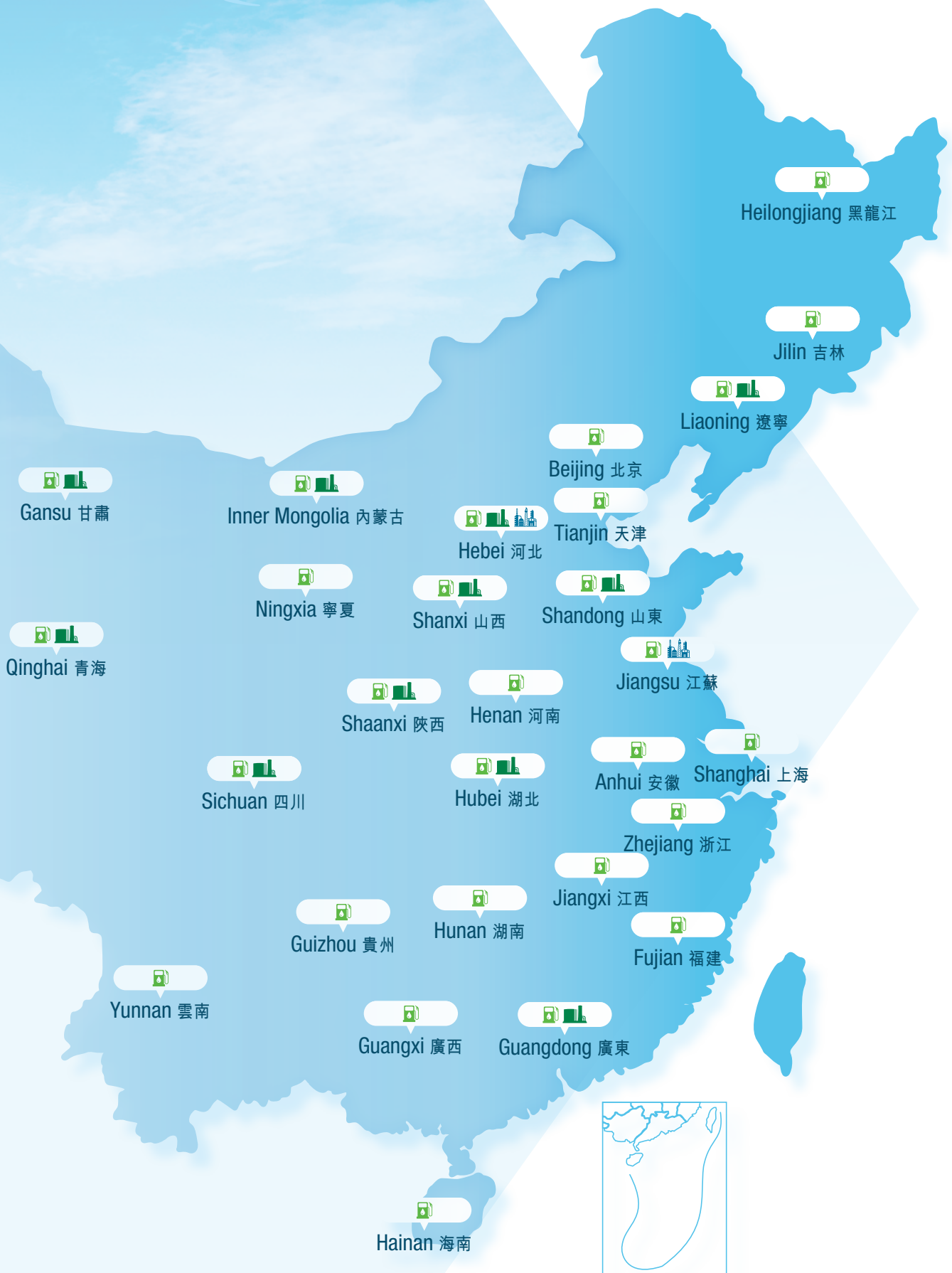
Xinjiang 新疆



Tibet 西藏

LOCATIONS OF NATURAL GAS BUSINESS

天然氣業務分佈圖



LOCATIONS OF CRUDE OIL EXPLORATION AND PRODUCTION BUSINESS

原油勘探及生產業務分佈圖



Peru 秘魯

LOCATIONS OF CRUDE OIL EXPLORATION AND PRODUCTION BUSINESS

原油勘探及生產業務分佈圖



CHAIRMAN'S STATEMENT

主席報告



Fu Bin 付斌
Chairman and Executive Director
主席兼執行董事



With an aim to facilitate high-quality development, the Group will vigorously push forward the implementation of the five strategies of “innovation, green operation, market, capital and low cost”.

To promote green development, the Group will smooth the different business strategy, and expedite its transformation from a natural gas distributor into an internationally renowned and China's first-class integrated green energy provider.

本集團將以高質量發展為主題，大力實施「創新、綠色、市場、資本、低成本」五大戰略。

把綠色作為發展之路，推動戰略接替，加快由天然氣經銷商向國際知名、國內一流綠色能源綜合供應商的轉型。



Dear shareholders,

During the year ended 31 December 2020 (the “Year”), the revenue of Kunlun Energy Company Limited (the “Company”) and its subsidiaries (together, the “Group”) reached RMB109,251 million, representing a year-on-year increase of RMB7,457 million or 7.33%; the profit before income tax was RMB8,107 million, representing a year-on-year increase of RMB1,093 million or 15.58%; the profit attributable to owners of the Company was RMB6,063 million, representing a year-on-year increase of RMB512 million or 9.22%. Earnings per share (basic) was RMB70.02 cents. Under the challenging environment of the outbreak of the COVID-19 epidemic and the sharp decline in international oil prices, the Group made great efforts to explore the natural gas end-user market. The sales volume of natural gas for the Year reached 37,763 million cubic metres, representing a year-on-year increase of 9,734 million cubic metres or 34.73%, recording a profit before income tax of RMB5,019 million, which represented a year-on-year increase of RMB1,101 million or 28.10%. The Natural Gas Sales segment achieved increase in sales and efficiency, further highlighting the role as the Company's main growth driver.

尊敬的各位股東：

於截至二零二零年十二月三十一日止年度（「本年度」），昆侖能源有限公司（「本公司」）及其附屬公司（統稱「本集團」）實現收入人民幣1,092.51億元，同比增加人民幣74.57億元或7.33%；除所得稅前溢利人民幣81.07億元，同比增加人民幣10.93億元或15.58%；本公司股東應佔溢利人民幣60.63億元，同比增加人民幣5.12億元或9.22%。每股盈利（基本）為人民幣70.02分。在新冠肺炎疫情和國際油價大幅下跌的嚴峻形勢下，本集團大力開發天然氣終端市場，全年實現天然氣銷量377.63億立方米，同比增加97.34億立方米或34.73%，實現除所得稅前溢利人民幣50.19億元，同比增加人民幣11.01億元或28.10%，天然氣銷售業務實現量效齊增，主要成長性業務地位進一步凸顯。

BUSINESS REVIEW

In 2020, faced with the severe impact on the economy and the society brought by the COVID-19 epidemic, the PRC government exercised overall leadership and took decisive measures to effectively curb the spread of the epidemic, and made proactive efforts to establish a new development pattern of “dual circulation”, enabling the economy to stabilize and recover within a short period of time. China registered a year-on-year GDP growth rate of 2.3% in 2020, becoming the main driver for the recovery of the global economy. Meanwhile, with the further implementation of the new national energy security strategy and the establishment of “peak carbon dioxide emissions and carbon neutrality goals”, efforts have been made to accelerate low-carbon transformation of the energy structure, ushering in a new round of great opportunities for the development of the clean energy sector. The national production volume and the net imported volume of natural gas during the Year was 324 billion cubic metres, representing a year-on-year increase of 5.6%, continuing to maintain a growth momentum.

Faced with the market downward pressure and the impact of the epidemic, the Group coordinated its efforts to fight against the epidemic while promoting production and operation, maintaining a stable and smooth operation during the Year and achieving better-than-expected operating results. We achieved substantial growth in the sales of natural gas, made great progress in the development

業務回顧

二零二零年，面對新冠肺炎疫情對經濟社會帶來的嚴重衝擊，中央政府統攬全局、果斷決策，有力有效遏制疫情傳播勢頭，積極構建「雙循環」新發展格局。經濟在短期內企穩回暖，全年國內生產總值同比增長2.3%，成為推動全球經濟復蘇的主要力量。同時，國家深入推進能源安全新戰略，提出「碳达峰、碳中和」目標指引，能源結構低碳轉型全面提速，清潔能源發展迎來新一輪重大機遇。全年天然氣表觀消費量3,240億立方米，同比增長5.6%，繼續保持增長勢頭。

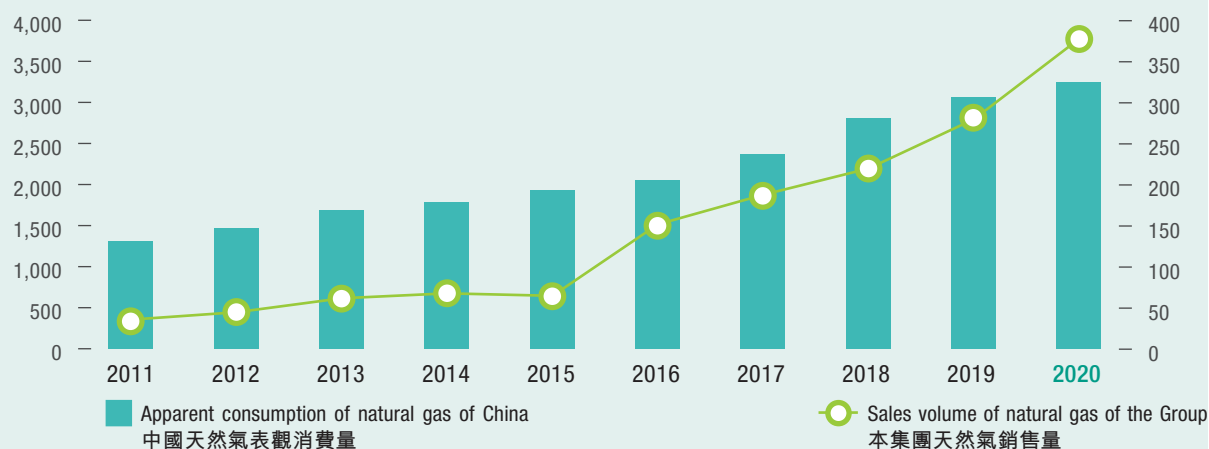
面對市場下行壓力和疫情影響，本集團統籌疫情防控與生產經營，全年生產運行平穩有序，經營業績整體好於預期。天然氣銷量大幅增長，新項目開發取得明顯成效，LNG接收站氣化外輸能力進一步提升，LPG業務進入多個省會終端市場，非氣業務初步形

A ten-year comparison between the apparent consumption of natural gas of China and the Group's sales volume of natural gas

中國十年天然氣表觀消費量與本集團天然氣銷售量對比

Unit: 100 million cubic metres

單位：億立方米



of new projects, further enhanced the gasification and transmission capacity of LNG terminals, and extended the LPG business into the end-user market of several provincial capital cities. Furthermore, we have built up a brand reputation for the non-gas business, and further enhanced environment, social and corporate governance (“ESG”) information disclosure and governance. In addition, the Group entered into the equity transfer agreement with China Oil & Gas Pipeline Network Corporation (“PipeChina”) to sell the equity interests in PetroChina Beijing Gas Pipeline Co., Ltd (“Beijing Pipeline”) and PetroChina Dalian LNG Co., Ltd (“Dalian LNG”), allowing the Company to further focus on the development of its natural gas end-user business and seize the golden development opportunity for the clean energy sector, so as to continuously improve market scale and operational efficiency of its natural gas end-user business.

BUSINESS PROSPECTS

Currently, the China economy has shifted from rapid growth to high-quality development. In light of the significant strategic progress made in the epidemic containment, and with the economy returning to the growth track, the GDP growth forecast was set at above 6% in the Report on the Work of the Government for the year. The high-quality development of the macro-economy is expected to drive rigid demands for clean energies, including natural gas. Following the establishment of the “dual carbon goals”, the industry has witnessed accelerated low-carbon transformation of the energy structure, while natural gas is expected to play a greater bridging and supporting role during this historical process. Under the carbon reduction and carbon trading policy, there will be ample room for development in the industrial, transportation and power generation sectors in the short term. As the development of the natural gas industry fits well with the “six stabilities, six guarantees” requirement and national policies of new urbanization and rural revitalization, this sector is expected to have robust market demands in the medium to long term. According to relevant forecast, the consumption of natural gas in China by the end of the “14th Five-Year” plan period will reach 420 billion to 440 billion cubic metres, with an average annual growth rate of about 5.7%.

成品牌效應，環境、社會和企業管治(ESG)信息披露及管治能力持續增強。此外，本集團與國家石油天然氣管網集團有限公司(「國家管網集團」)成功簽署中石油北京天然氣管道有限公司(「北京管道公司」)及中石油大連液化天然氣有限公司(「大連LNG公司」)股權轉讓協議，更加聚焦天然氣終端業務開發，搶抓清潔能源發展黃金機遇期，持續提升天然氣終端市場規模和經營效益。

業務展望

當前，中國經濟已由高速增長階段轉向高質量發展階段。隨著新冠肺炎疫情防控取得重大戰略成果，經濟發展逐步邁入正軌，今年的政府工作報告提出了GDP增長6%以上的預期目標，宏觀經濟高質量發展將帶動包括天然氣在內的清潔能源需求剛性增長。隨著「雙碳目標」的提出，能源結構低碳轉型全面提速，天然氣在這一歷史進程中的橋梁和支撐作用將進一步顯現。近期看，在碳減排及碳交易政策的推動下，工業、交通、發電領域空間較大。中長期看，天然氣產業與國家「六穩六保」要求、新型城鎮化建設、鄉村振興的政策導向高度契合，市場需求韌性強勁。根據有關預測，「十四五」末中國天然氣消費量將達4,200億方-4,400億方，年均增速保持在5.7%左右。



During the “14th Five-Year” plan period, energy transformation and oil and gas system reform will present the Company with more opportunities than challenges. With an aim to facilitate high-quality development, the Group will vigorously push forward the implementation of the five strategies of “innovation, green operation, market, capital and low cost”. Taking innovations as the primary driver, the Group will put effort in system, commercial model and corporate culture. The Group will facilitate innovations by focusing on the natural gas business and strive to improve the value of business chain through the process of innovation. By adopting a market-oriented strategy, the Group will promote the overall development of all business lines while tailor solutions for different business segments, so as to consolidate its advantages in resources for precise resource allocation. The Group will push forward the cooperation in joint ventures, and will put proactive efforts to build a win-win industry ecosystem, with an aim to facilitate transformation and upgrading of the local economy and energy structure. Quality and efficiency enhancement is the fundamental policy in development, and thus efforts have been made to promote cost reduction and efficiency enhancement in all aspects, so as to strengthen our core competitiveness in low-cost operation. To promote green development, the Group will smooth the different business strategies, and expedite its transformation from a natural gas distributor into an internationally renowned and China’s first-class integrated green energy provider.

2021 marks the first year of the “14th Five-Year” plan. Focusing on the new stage of development, the Group will implement new development strategy to fulfill its new development vision. Through consolidation of the advantage in resources, the Group will make full effort to expand market shares, optimize structure, reduce costs, improve service quality and enhance cooperation, with an aim to promote the high-quality development of the natural gas business. The Group will focus on the following aspects:

「十四五」期間，能源轉型及油氣體制改革給公司帶來的機遇大於挑戰。本集團將以高質量發展為主題，大力實施「創新、綠色、市場、資本、低成本」五大戰略。將創新作為第一動力、以體制機制創新、商業模式創新、企業文化創新為引領，圍繞產業鏈部署創新鏈、依靠創新鏈提升價值鏈。把市場作為發展之基，實現整體推進和分類施策相配套，集中優勢和精準發力相銜接。全方位推進合資合作，積極構建行業競合共贏生態圈，助力地方經濟和能源結構轉型升級。把提質增效作為發展之策，深入挖掘各環節降本增效潛力，充分發揮低成本的核心競爭力。把綠色作為發展之路，推動戰略接替，加快由天然氣經銷商向國際知名、國內一流綠色能源綜合供應商的轉型。

2021年是「十四五」起步之年，本集團將立足發展新階段、實施新發展戰略、踐行新發展使命，集中優勢資源，全力以赴擴市場、優結構、降成本、強服務、重合作，推動天然氣業務高質量發展邁上新台階。重點做好以下幾個方面工作：

Expand the end-user retail sales business scale. The Group will continue to focus on the city gas projects in order to explore new markets and maintain stable profit. The Group will step up efforts to explore new markets, and explore potential opportunities in and facilitate profit enhancement of its existing customers, with an aim to achieve sales improvement and profit enhancement in terms of the end-user retail market and ensure sustainable and steady growth of the core businesses. The Group will give full play to the capital platform and speed up the development of the market share of the end-user in certain provinces. The Group will explore the end-user integrated and comprehensive energy service business, and satisfy comprehensive energy demand through distributive energy projects and intelligent micro pipe network gas supply services. Through the establishment of the digital city gas pipeline network platform, the Group will facilitate the intelligent management and digital transformation of its production and operation. The Group will continue to push forward the “quality and efficiency enhancement” program, and explore the “Amoeba” management model, so as to continuously improve the profitability of the end-user business.

Promote the synergetic development of LNG industrial chain.

The Group will make effort to improve the sales system of liquefied product with “Terminals and processing plants as base, self-operated stations and end-users as support, logistic optimization as security, and tank distribution as an auxiliary”. Through the combination of commissioned processing and self-operations, the Group will optimize the business mode of LNG plants, so as to strengthen stable resource supply and increase capacity utilization rate of LNG plants. In addition, the Group will further optimize the functional positioning of the plants, and seize the opportunity arising from the development of inland waterway transportation to proactively develop the end-user refilling business.

提升終端零售業務規模。堅持把城燃項目作為市場開發和穩定效益的重中之重，強化新市場開發和現有客戶挖潛增效，實現終端零售市場量效齊增，確保主營業務持續穩健增長。發揮資本平台作用，加快推進整裝終端項目開發。探索用戶側終端一體化集成和綜合能源服務業務，通過分布式能源和智能微網服務滿足綜合用能需求。構建城燃管網數字化平台，推動生產經營智能化管理、數字化轉型。繼續實施「提質增效」工程，探索「阿米巴」管理模式，持續提升終端業務盈利能力。

推進LNG產業鏈協同發展。健全「以接收站和工廠為基礎、自營站點為支撐、終端用戶為依托、物流優化為保障、罐箱配送為輔助」的液態銷售體系。優化LNG工廠商務模式，委託加工、自主經營相結合，強化資源保障，提升LNG工廠開工率。進一步優化工廠功能定位，搶抓內河航運發展契機，積極布局終端加注業務。



Optimize the development of full industrial chain for LPG business. Efforts will be made to speed up the construction of terminal storage tanks, further expand its LPG resource channels and increase foreign procurement quantity, so as to ensure resource supply. The Group will proactively participate in the government-led market consolidation, so as to facilitate the construction of LPG network of the end-user and increase its market shares in the end-user market. By keeping a close watch on the development of the “rural gas program”, the Group will speed up the planning and pilot construction of the storage tanks in stations and micromanagement network gas supply business, and tailor solutions for various cities and organize timely promotion activities to nurture new business lines. Effort will be made to enhance the establishment of information system and optimize logistics and distribution, so as to ensure steady development of the LPG business.

Explore new energy and non-gas businesses. The Group will step up efforts in energy conservation and emission reduction, and facilitate the green and low-carbon transformation of its existing stations, with an aim to develop integrated green energy supply stations featured with new energy power generation, power charging and gas supply. Leveraging on the unique advantages of gas-powered generators such as short construction period, rapid peak-buffering response and environmentally-friendly operation, the Group will speed up the development of peak-buffering natural gas generator projects as well as quality photovoltaic, wind power and hydrogen energy projects. The Group will strengthen top-level instruction, and promote the integrated construction and development of its core businesses and non-gas business. Upholding the business philosophy of “enhancing competitiveness with best services”, the Group will strive to improve customer experiences, enhance customer royalty and explore value-added service business. Effort will be made to implement the three-step strategy of “promoting synergetic effects, mutual interaction and paralleled development between natural gas and non-gas businesses” by establishing online and offline services system, exploring extended value of customer base and building an “Internet + energy + lifestyle” business ecosystem.

In the coming year, the Group will actively follow the development trend of nationwide low-carbon transformation in energy structure and oil and gas system reform, and will always take its responsibility to its Shareholders, employees and society seriously. The Group will take proactive measures to capture development opportunities of the industry, focus on high-quality development of its businesses, enhance energy conservation and efficiency improvement of its business operation, continue to push forward the establishment of its ESG system, and make continuous effort to improve company value, striving to create greater return to the Shareholders.

完善LPG全產業鏈布局。加快碼頭儲庫建設進度，持續拓展LPG資源渠道，加大外採力度，全力保障資源供應。積極參與政府主導的市場整合行動，推進LPG終端網絡建設，提高終端市場佔有率。密切關注「燃氣下鄉」政策導向，加快儲氣罐站和微管網供氣業務規劃編製和試點建設，因地制宜、適時推廣，探索培育新發展業態。提升信息化水平，優化物流配送，提高LPG業務穩健發展保障能力。

拓展新能源及非氣業務。加大節能減排力度，推動現有場站綠色低碳改造，探索新能源發電、充電、供氣一體化的綠色能源綜合供應站；發揮氣電機組建設周期短、調峰響應快、環境友好等獨特優勢，加快氣電調峰及優質光伏、風電、氫能項目布局。加強頂層設計，主營業務和非氣業務一體推進、一體開發；堅持「服務就是競爭力」，提升客戶體驗、增加客戶粘性、拓展服務增值空間，大力實施以氣促非、氣非互動、氣非並重三步走戰略；構建線上線下服務體系，深入挖掘客戶延伸價值，著力打造「互聯網+能源+生活」多業態生活圈。

在新的一年裏，本集團將主動順應國家能源結構低碳轉型發展趨勢和油氣體制改革形勢，始終秉持對股東、員工、社會高度負責的態度，積極搶抓行業發展機遇，聚焦業務高質量發展，強化生產運行能源節約和效率提升，持續推進ESG體系建設，不斷提升企業價值，努力以更加優異的業績回饋廣大股東。

FINAL DIVIDEND AND SPECIAL DIVIDEND

The Board recommends the payment of a final dividend of RMB21.01 cents per share and a special dividend of RMB213.66 cents per share, totalling RMB234.67 cents per share (2019: RMB26.3 cents per share) to shareholders whose names appear on the Company's register of members (the "Shareholders Register") on 3 June 2021 (Thursday). The payment of the final dividend is subject to the approval of the Shareholders at the Annual General Meeting of the Company (the "2021 AGM") and the payment of the special dividend is subject to (i) the completion of the disposal of 60% equity interest in Beijing Pipeline and 75% equity interest in Dalian LNG (the "Transaction") in accordance with the terms and conditions under the equity transfer agreement ("Equity Transfer Agreement") entered into between the Company and PipeChina on 20 December 2020; (ii) the receipt by the Company of the proceeds from the Transaction; and (iii) the approval of the Shareholders at the 2021 AGM. The payment is expected to be made on or before 30 July 2021 (Friday). The proposed 2020 final dividend and special dividend amounts to a total of approximately RMB20,320 million and 2019 dividend of RMB2,277 million was paid in 2020. The payout ratio for 2020 (final dividend per share divided by basic earnings per share) was approximately 30.01% (2019: 39.42%).

The Transaction is conditional upon the satisfaction of certain conditions as set out under the Equity Transfer Agreement, and thus the Transaction contemplated thereunder may or may not proceed. Further, as the special dividend is subject to the completion of the Transaction, the receipt by the Company of the proceeds from the Transaction and the approval of the Shareholders at the 2021 AGM, the special dividend may or may not be paid. Shareholders and potential investors should exercise caution when dealing in the Shares.

ANNUAL GENERAL MEETING

The 2021 AGM will be held on 26 May 2021 (Wednesday). The Notice of the 2021 AGM, which constitutes part of the circular to shareholders, will be sent to the Shareholders together with the 2020 Annual Report. The Notice of the 2021 AGM and the proxy form will also be available on the websites of the Company and The Stock Exchange of Hong Kong Limited.

末期股息及特別股息

董事會建議向於二零二一年六月三日(星期四)名列本公司股東名冊(「股東名冊」)之股東派付末期股息每股人民幣21.01分及特別股息每股人民幣213.66分，合共每股人民幣234.67分(二零一九年：每股人民幣26.3分)。派付末期股息須經股東於本公司股東週年大會(「二零二一年股東週年大會」)批准，而派付特別股息須待(i)根據本公司與國家管網集團於二零二零年十二月二十日訂立的股權轉讓協議(「股權轉讓協議」)的條款及條件完成出售北京管道公司60%股權及大連LNG公司75%股權(「該交易」)；(ii)本公司接獲該交易的所得款項；及(iii)股東於二零二一年股東週年大會批准後方可作實。預期款項將於二零二一年七月三十日(星期五)或之前支付。擬派二零二零年末期股息及特別股息總額約人民幣20,320百萬元，而二零一九年股息人民幣2,277百萬元已於二零二零年派付。二零二零年派息率(每股末期股息除以每股基本盈利)約為30.01%(二零一九年：39.42%)。

該交易須待股權轉讓協議項下所載若干條件達成後方可作實，因此其項下擬進行的該交易未必能夠進行。此外，由於特別股息須待該交易完成、本公司接獲該交易的所得款項及股東於二零二一年股東週年大會批准後方可作實，故未必會派付特別股息。股東及潛在投資者於買賣股份時應審慎行事。

股東週年大會

二零二一年股東週年大會將於二零二一年五月二十六日(星期三)舉行。二零二一年股東週年大會通告載於致股東的通函內，並將連同《二零二零年年報》一併寄發予股東。二零二一年股東週年大會通告及代表委任表格將登載於本公司及香港聯合交易所有限公司網站。

CLOSURE OF SHAREHOLDERS REGISTER

For the purposes of determining Shareholders' eligibility to attend and vote at the 2021 AGM, and entitlement to the final dividend and special dividend, the Shareholders Register will be closed. Details of such closures are set out below:

暫停辦理股份過戶登記

為確定股東出席二零二一年股東週年大會並於會上投票的資格以及獲派末期股息及特別股息的權利，股份過戶登記將暫停辦理，有關詳情載列如下：

2021

For determining eligibility to attend and vote at the 2021 AGM:

為確定股東出席二零二一年股東週年大會並於會上投票的資格：

20 May 5月

Thursday (4:00 p.m.)
星期四 (下午四時整)

Latest time to lodge transfer documents for registration
交回股份過戶文件以作登記的最後時限

21-26 May 5月

Friday-Wednesday (both dates inclusive)
星期五-星期三 (首尾兩天包括在內)

Closure of Shareholders Register
暫停辦理股份過戶登記

26 May 5月

Wednesday
星期三

Record date
記錄日期

For determining entitlement to the final dividend and special dividend:

為確定股東獲派末期股息及特別股息的權利：

1 June 6月

Tuesday (4:00 p.m.)
星期二 (下午四時整)

Latest time to lodge transfer documents for registration
交回股份過戶文件以作登記的最後時限

2-3 June 6月

Wednesday-Thursday (both dates inclusive)
星期三-星期四 (首尾兩天包括在內)

Closure of Shareholders Register
暫停辦理股份過戶登記

3 June 6月

Thursday
星期四

Record date
記錄日期

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the 2021 AGM, and to qualify for the final dividend and special dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Branch Registrar in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than the aforementioned latest time.

ACKNOWLEDGEMENT

The Group's success was attributable to 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

Fu Bin

Chairman and Executive Director

Hong Kong, 23 March 2021

上述有關期間內概不辦理股份過戶登記手續。為符合資格出席二零二一年股東週年大會並於會上投票以及合資格獲享末期股息及特別股息，所有填妥的過戶表格連同有關股票須於不遲於上述最後時限前，送達本公司於香港之股份過戶登記分處卓佳秘書商務有限公司，地址為香港皇后大道東183號合和中心54樓，以辦理股份過戶登記手續。

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

付斌

主席兼執行董事

香港，二〇二一年三月二十三日

CHIEF EXECUTIVE OFFICER'S STATEMENT

行政總裁報告



The Group adhered to the market-oriented approach and leveraged on its resource advantages. Targeted policies have been implemented in the existing market to expand sales, which was complemented by multi-pronged measures intended for development of and expansion into potential markets, leading to increases in sales and efficiency of the natural gas end-user business, whose core role as the Company's main growth driver stands out further.

堅持市場導向，發揮資源優勢，存量市場精準施策擴銷增量，潛在市場多措並舉開發擴張，天然氣終端業務實現量效齊增，核心業務成長性進一步顯現。



In 2020, faced with the challenging environment amidst the outbreak of the COVID-19 epidemic and the sharp decline in international oil price, increasing pressure of economic downturn and profound change in the supply and demand of natural gas, all staff members of the Company remained committed to our corporate vision and forged ahead with persistent determination. By focusing on high-quality development of the natural gas business and continuing to promote integrated and synergetic operation, we pushed forward the implementation of reform and innovation, and set the first priority to ensure secure and stable operation of the industrial chain and create lucrative return for the shareholders, achieving stellar results in production and operation.

OPERATING RESULTS

During the Year, the Group recorded revenue of RMB109,251 million, representing a year-on-year increase of RMB7,457 million or 7.33%; profit before income tax was RMB8,107 million, representing a year-on-year increase of RMB1,093 million or 15.58%; profit attributable to owners of the Company was RMB6,063 million, representing a year-on-year increase of RMB512 million or 9.22%. Earnings per share (basic) was RMB70.02 cents.

2020年，面對新冠肺炎疫情流行、國際油價大幅下挫、經濟下行壓力加大、天然氣供需格局深刻變化的嚴峻形勢，公司全體員工堅守初心、砥礪前行，聚焦天然氣業務高質量發展，堅持一體化協同，深化改革創新，把保障產業鏈安全平穩運行和回饋股東作為第一責任，生產經營取得良好業績。

經營業績

本年度，本集團實現收入人民幣1,092.51億元，同比增加人民幣74.57億元或7.33%；除所得稅前溢利人民幣81.07億元，同比增加人民幣10.93億元或15.58%；本公司股東應佔溢利人民幣60.63億元，同比增加人民幣5.12億元或9.22%。每股盈利(基本)為人民幣70.02分。

CHIEF EXECUTIVE OFFICER'S STATEMENT 行政總裁報告



Qian Zhijia 錢治家

Chief Executive Officer and Executive Director

行政總裁兼執行董事

Natural gas sales

The Group adhered to the market-oriented approach and leveraged on its resource advantages. Targeted policies have been implemented in the existing market to expand sales, which was complemented by multi-pronged measures intended for development of and expansion into potential markets, leading to increases in sales and efficiency of the natural gas end-user business, whose core role as the Company's main growth driver stands out further. Through strengthened capital operation and innovative cooperation modes such as heating and power cogeneration and energy management contract, our companies in Shandong, Hubei and other provinces achieved breakthroughs in the hybrid reform of city gas projects while the companies in Sichuan province developed a new pattern of joint oil and gas stations, creating the effect of economies of scale in the development of end-user projects. Through effective resources consolidation, natural gas value-added business started to show economies of scale, and the end-user business was transformed from the traditional natural gas sales to the "natural gas+" marketing. During the Year, the Group operated 44 projects which were acquired through acquisitions and mergers, newly established and invested by way of capital increase, and had equity interests in 7 projects. The Group had 414 gas projects, located in 31 provinces, autonomous regions and municipalities across the country.

During the Year, natural gas sales volume was 37,763 million cubic metres, representing a year-on-year increase of 34.73%, among which, retail gas sales volume was 21,694 million cubic metres, representing a year-on-year increase of 20.45%. The number of new users amounted to 1,081,100, including 1,076,700 new residential users and 4,400 new industrial and commercial users, and the cumulative number of users has reached 12,358,100, representing a year-on-year increase of 9.59%. The Natural Gas Sales business recorded a revenue of RMB87,995 million, representing a year-on-year increase of 20.33%. Profit before income tax was RMB5,019 million, representing a year-on-year increase of 28.10%.

天然氣銷售

堅持市場導向，發揮資源優勢，存量市場精準施策擴銷增量，潛在市場多措並舉開發擴張，天然氣終端業務實現量效齊增，核心業務成長性進一步顯現。加大資本運營力度，創新熱電聯供、合同能源管理等合作模式，山東、湖北等公司城燃混改取得突破，四川公司開創油氣合建新局面，終端項目開發呈現規模效應。有效整合資源，天然氣增值業務規模效益初顯，終端業務從傳統的天然氣銷售向「天然氣+」營銷邁進。本年度，併購、新設、增資擴股控股項目44個，參股項目7個。本集團燃氣項目達到414個，遍佈全國31個省、自治區、直轄市。

本年度，實現天然氣銷量377.63億立方米，同比增加34.73%，其中，實現零售氣量216.94億立方米，同比增長20.45%；新增用戶108.11萬戶，其中新增居民用戶107.67萬戶，新增工商業用戶0.44萬戶，累計用戶已達1,235.81萬戶，同比增長9.59%。天然氣銷售業務實現收入人民幣879.95億元，同比增長20.33%；除所得稅前溢利人民幣50.19億元，同比增長28.10%。

LPG sales

The sustainable enhancement of development capacity was the focus of the Group, to achieve which, the Group continued to expand resources channels, expedite construction of LPG sales channels and networks, constantly strengthen its safety management capability and marketing capability, continuously optimize resources and customer structure, and steadily increase the proportion and profit of end-user retail sales. The Group proactively developed the direct sales industrial customers, and carried out direct sales and distribution business for residential end-users. The Group has developed a total of 410,000 customers and extended its business into the markets of many provincial capital cities. The Group also optimized resource allocation and enhanced the operation efficiency of self-owned railways, automobiles and storage stations, so as to reduce logistics operation costs.

During the Year, LPG sales volume was 5.2117 million tonnes, representing a year-on-year decrease of 14.20%. This business recorded a revenue of RMB14,775 million, representing a year-on-year decrease of 30.72%. Profit before income tax was RMB550 million, representing a year-on-year decrease of 3.34%.

LNG processing and terminal

During the Year, the Group maintained the secure and smooth production and operation of the LNG terminals, achieving the target in general. The expansion work of Jingtang LNG terminal was overall completed, while the expansion work of Jiangsu LNG terminal proceeded as scheduled, leading to significant improvement in the gasification and transmission capacity of the terminals. By giving full play to the advantages of the integrated LNG industrial chain, the Group proactively pushed forward the planning and development of the transportation sector, achieving substantial increase in the sales of liquefied products and effective consolidation of the business chain and value chain of LNG.



LPG 銷售

本集團圍繞持續提升發展能力，繼續拓展資源渠道，加快LPG銷售渠道和網絡建設，持續提升安全管理能力和營銷水平，不斷優化資源和客戶結構，終端零售比例和創效能力穩步提升。積極開發工業直供客戶，全面開展民用終端直營配送，累計開發客戶41萬戶，進入多個省會市場。優化資源配置，提高自有鐵路車輛、庫站運行效率，降低物流運營成本。

本年度，實現LPG銷量521.17萬噸，同比減少14.20%；實現收入人民幣147.75億元，同比減少30.72%；除所得稅前溢利人民幣5.50億元，同比減少3.34%。

LNG 加工與儲運

本年度，本集團保持LNG接收站安全平穩生產運行，運營效率總體符合預期。京唐LNG接收站擴建工程整體完工，江蘇LNG接收站擴建工程如期推進，接收站氣化外輸能力明顯提升。充分發揮LNG產業鏈一體化優勢，積極推進交通領域規劃布局，液態銷售大幅提升，LNG業務鏈價值鏈得到有效整合。

CHIEF EXECUTIVE OFFICER'S STATEMENT

行政總裁報告

During the Year, LNG gasification and entrucking volume of Jingtang and Jiangsu LNG terminals amounted to 14,249 million cubic metres in total, representing a year-on-year increase of 1.89%. The average capacity of these two LNG terminals recorded a year-on-year increase of 1.5 percentage points as compared with last year. 15 LNG processing plants were put into operation during the Year, and sales volume of self-operation reached 1,369 million cubic metres while sales volume of commissioned processing amounted to 1,041 million cubic metres, totaling 2,410 million cubic metres. Sales volume of commissioned processing and self-operation increased by 192 million cubic metres and 164 million cubic metres year-on-year, respectively. The average production capacity of 14 plants under continuous operation was 43.76%, similar to last year.

During the Year, LNG Processing and Terminal business recorded revenue of RMB8,649 million, representing a year-on-year increase of 10.71%. Profit before income tax was RMB2,596 million, representing a year-on-year increase of 14.56%.

Exploration and production

During the Year, as international crude oil price declined significantly as compared with last year, the average realized crude oil selling price of the Group decreased to US\$38.71/barrel from US\$54.54/barrel of last year. During the Year, the sales volume of crude oil of the Group was 12.19 million barrels, representing a decrease of 1.35 million barrels or 9.97% compared with 13.54 million barrels of last year. Sales revenue of crude oil was RMB1,266 million, representing a year-on-year decrease of 36.83%. Loss before income tax was RMB244 million, representing a year-on-year decrease of 122.39% in profit.

Discontinued operations

On 22 December 2020, the Group entered into the equity transfer agreement with PipeChina to sell 60% equity interests in Beijing Pipeline and 75% equity interests in Dalian LNG to PipeChina at the basic transaction consideration of approximately RMB40,886 million. The transaction has been approved by shareholders at the special general meeting held on 12 March 2021 with a high number of votes for and will be completed on 31 March 2021.

本年度，京唐和江蘇LNG接收站共實現LNG氣化裝車量142.49億立方米，同比增加1.89%；兩座LNG接收站平均負荷率同比增加1.5百分點。全年實現15座LNG工廠運行，實現自產自銷13.69億立方米，實現委託加工量10.41億立方米，合計24.10億立方米；委託加工量同比增加1.92億立方米，自產自銷量同比增加1.64億立方米。14座持續運行工廠平均生產負荷率43.76%，同比持平。

本年度，LNG加工與儲運業務實現收入人民幣86.49億元，同比增加10.71%；除所得稅前溢利人民幣25.96億元，同比增加14.56%。

勘探與生產

本年度，國際油價同比大幅回落，本集團平均實現原油銷售價格從去年54.54美元／桶下降至38.71美元／桶。本年度，本集團銷售原油1,219萬桶，較去年1,354萬桶減少135萬桶或9.97%。原油銷售收入人民幣12.66億元，同比減少36.83%；除所得稅前虧損人民幣2.44億元，同比減少利潤122.39%。

已終止持續經營業務

2020年12月22日，本集團與國家管網集團簽署股權轉讓協議，向國家管網集團出售北京管道公司60%股權和大連LNG公司75%股權，基礎交易對價約為人民幣408.86億元。本交易已於2021年3月12日在特別股東大會上高票通過，並將於2021年3月31日完成交割。



During the Year, the pipeline transmission volume and LNG gasification and entrucking volume of the discontinued operations was 49,329 million cubic metres and 3,513 million cubic metres respectively. Revenue amounted to RMB10,076 million, representing a year-on-year decrease of 12.53%. Profit before income tax was RMB5,137 million, representing a year-on-year decrease of 22.53%.

ACKNOWLEDGEMENT

Over the past year, in the face of the unexpected outbreak of the COVID-19 epidemic and impacts of low oil prices, all staff members of the Company held fast to their positions and responsibilities despite grave challenges, in an effort to ensure secure and stable supply of natural gas for every household and the steady production and operation of the Company. I would like to extend my heartfelt gratitude to all employees of the Company. In the future, I, together with the management, will fully implement decisions of the Board, adhere to the Company's work arrangement and give our best efforts to expand market shares, optimize structure, reduce costs, improve service quality and enhance cooperation, with an aim to promote the high-quality development of the natural gas sales business, and live up to the expectations from vast investors and all parts of the society.

By order of the Board

Qian Zhijia
Chief Executive Officer and Executive Director

Hong Kong, 23 March 2021

致謝

過去一年，面對突如其來的新冠肺炎和低油價衝擊，公司廣大員工逆行而上，堅守崗位，堅守責任，確保千家萬戶安全平穩用氣，保障公司正常生產經營。本人謹此對公司廣大員工致以衷心謝意。未來，我將與管理層成員一道，全面落實董事會決策，圍繞公司工作部署，全力以赴擴市場、優結構、降成本、強服務、重合作，推動天然氣銷售業務高質量發展邁上新台階，不辜負廣大投資者和社會各界的期望。

承 董 事 會 命

錢治家
行政總裁兼執行董事

香港，二零二一年三月二十三日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

The Group continued to develop its Natural Gas Sales Segment during the Year. Profit before income tax expense from continuing operations of the Group for the Year was approximately RMB8,107 million, representing an increase of 15.58% as compared with RMB7,014 million (restated) for the last year. Profit attributable to owners of the Company for the Year was approximately RMB6,063 million, representing an increase of 9.22% as compared with RMB5,551 million (restated) for the last year.

本集團於本年度繼續擴大天然氣銷售板塊。本集團於本年度持續經營業務之除所得稅費用前溢利約為人民幣8,107百萬元，比去年金額人民幣7,014百萬元(重列)增加15.58%。於本年度本公司股東應佔溢利約為人民幣6,063百萬元，比去年金額人民幣5,551百萬元(重列)增加9.22%。



The Group continued to develop its Natural Gas Sales segment during the Year. Profit before income tax expense from continuing operations of the Group for the Year was approximately RMB8,107 million, representing an increase of 15.58% as compared with RMB7,014 million (restated) for the last year. Profit attributable to owners of the Company for the Year was approximately RMB6,063 million, representing an increase of 9.22% as compared with RMB5,551 million (restated) for the last year.

Revenue

Revenue from continuing operations for the Year was approximately RMB109,251 million, representing an increase of 7.33% as compared with the amount of RMB101,794 million (restated) for the last year. Due to the decrease of international crude oil price and weakened market demands as a result of the COVID-19 epidemic, the prices of the Group's natural gas products decreased in different degrees. However, as the epidemic situation in China has been brought under control, and driven by the increasing demands for natural gas, sales volume of natural gas recorded rapid growth, leading to an increase in the revenue of the Natural Gas Sales segment.

Other gains, net

Other gains, net from continuing operations for the Year was approximately RMB1,141 million (2019: RMB44 million (restated)). The increase was mainly due to increase in exchange gains resulted from appreciation of RMB against US\$ during the Year.

Purchases, services and others

Purchases, services and others from continuing operations for the Year were approximately RMB90,292 million, representing an increase of 8.89% as compared with amount of RMB82,922 million (restated) for the last year. The increase was mainly due to the increase in purchase volume which was generally in line with the increase in sales of Natural Gas Sales segment.

本集團於本年度繼續擴大天然氣銷售板塊。本集團於本年度持續經營業務之除所得稅費用前溢利約為人民幣8,107百萬元，比去年金額人民幣7,014百萬元(重列)增加15.58%。於本年度本公司股東應佔溢利約為人民幣6,063百萬元，比去年金額人民幣5,551百萬元(重列)增加9.22%。

收入

本年度之持續經營業務收入約為人民幣109,251百萬元，比去年金額人民幣101,794百萬元(重列)增加7.33%。受國際原油價格下滑及COVID-19疫情削減市場需求的影響，本集團的天然氣產品價格出現不同程度的下降。但由於國內疫情管控得當，在天然氣增量需求的帶動下，天然氣銷量快速增長，使天然氣銷售板塊收入增加。

其他收益，淨額

本年度之持續經營業務其他收益淨額約為人民幣1,141百萬元(二零一九年：人民幣44百萬元(重列))。此收益增加主要由於本年度內人民幣兌美金升值導致匯兌收益增加所致。

採購、服務及其他

本年度持續經營業務之採購、服務及其他約為人民幣90,292百萬元，比去年金額人民幣82,922百萬元(重列)增加8.89%。此增加主要由於天然氣的採購數量增加所致，大致上與天然氣銷售板塊之銷售額增加一致。

Employee compensation costs

Employee compensation costs from continuing operations for the Year was approximately RMB4,700 million, representing a decrease of 0.91% as compared with amount of RMB4,743 million (restated) for the last year. Employee compensation costs for the year remained stable, which was mainly because the increase in total remuneration was set off by the reduction or waiver of employer's contribution for certain social insurance schemes.

Depreciation, depletion and amortisation

Depreciation, depletion and amortisation from continuing operations for the Year was approximately RMB4,402 million, representing an increase of 10.74% as compared with amount of RMB3,975 million (restated) for the last year. The increase was mainly due to the depreciation charge attributable to the newly acquired subsidiaries during the Year and 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 from continuing operations for the Year were approximately RMB2,689 million, representing a decrease of 11.28% as compared with amount of RMB3,031 million (restated) for the last year. The decrease was mainly due to the decrease in royalty expenses as a result of lower revenue from Exploration and Production segments. The decrease was also due to the decrease in transportation expenses and travelling expenses as a result of COVID-19 and the Company's effort in cost control.

Interest expenses

Interest expenses from continuing operations for the Year was approximately RMB708 million, representing a decrease of 21.25% as compared with amount of RMB899 million (restated) for the last year. The decrease was mainly due to a lower interest rate for the super short-term commercial papers of RMB1,000 million and medium-term notes of RMB1,000 million issued during the Year and the lower average borrowing balance as compared to the last year.

Total interest expenses from continuing operations for the Year was approximately RMB1,147 million of which RMB439 million was capitalised under construction-in-progress.

僱員酬金成本

本年度，本集團之持續經營業務僱員酬金成本約為人民幣4,700百萬元，比去年金額人民幣4,743百萬元(重列)減少0.91%。本年度僱員酬金成本保持平穩，主要由於若干社保計劃之僱主供款減免政策影響抵銷了工資總額的增長。

折舊、損耗及攤銷

本年度持續經營業務之折舊、損耗及攤銷約為人民幣4,402百萬元，比去年金額人民幣3,975百萬元(重列)增加10.74%。此增加主要由於年內新收購附屬公司的相關折舊費及去年末從在建工程轉入物業、廠房及設備增加所致。

銷售、一般性和管理費用

本年度持續經營業務之銷售、一般性和管理費用約為人民幣2,689百萬元，比去年金額人民幣3,031百萬元(重列)減少11.28%。此減少主要由於勘探與生產板塊的收益減少而導致礦區使用費減少所致。有關減少亦由於COVID-19疫情及本公司控制成本導致運輸費及差旅費減少所致。

利息支出

本年度持續經營業務利息支出約為人民幣708百萬元，比去年金額人民幣899百萬元(重列)減少21.25%。此減少主要由於本年內發行金額人民幣1,000百萬元的超短期融資券及人民幣1,000百萬元的中期票據的利率較低及平均借貸餘額相比去年減少所致。

本年內持續經營業務利息支出總額約為人民幣1,147百萬元，其中人民幣439百萬元已於在建工程被資本化。



Share of profits less losses of associates

Share of profits less losses of associates for the Year was approximately RMB340 million, representing a decrease of 64.25%, as compared with amount of RMB951 million (restated) for the last year. The decrease was mainly due to the decrease in the shared operating result from CNPC-Aktobemunaigas Joint Stock Company as a result of lower international crude oil price during the Year.

Liquidity and capital resources

As at 31 December 2020, the carrying value of total assets of the Group was approximately RMB154,988 million, representing an increase of RMB7,091 million or 4.79% as compared with RMB147,897 million as at 31 December 2019.

The gearing ratio of the Group was 25.11% as at 31 December 2020 compared with 30.72% as at 31 December 2019, representing a decrease of 5.61%. It is computed by dividing the sum of interest-bearing borrowings and lease liabilities of RMB28,337 million (2019: RMB35,117 million) by the sum of total equity, interest-bearing borrowings and lease liabilities of RMB112,864 million (2019: RMB114,302 million).

應佔聯營公司溢利減虧損

本年度應佔聯營公司溢利減虧損約為人民幣340百萬元，比去年金額人民幣951百萬元(重列)減少64.25%。此減少主要由於本年內國際原油價格下降，從而造成CNPC-Aktobemunaigas Joint Stock Company之應佔經營業績減少。

資產流動性及資本資源

於二零二零年十二月三十一日，本集團總資產之賬面值約為人民幣154,988百萬元，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7,091百萬元或4.79%。

本集團於二零二零年十二月三十一日之資本負債率為25.11%，而二零一九年十二月三十一日為30.72%，即減少5.61%。資本負債率乃按計息借貸與租賃負債之和人民幣28,337百萬元(二零一九年：人民幣35,117百萬元)除以總權益、計息借貸與租賃負債之和人民幣112,864百萬元(二零一九年：人民幣114,302百萬元)計算。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

As at 31 December 2020, the Group has total borrowings of RMB27,673 million which will be repayable as follows:

於二零二零年十二月三十一日，本集團之總借貸人民幣27,673百萬元須按如下償還：

		2020 RMB'million 二零二零年 人民幣百萬元 (Note 29) (附註29)	2019 RMB'million 二零一九年 人民幣百萬元 (Note 29) (附註29)
Within one year	一年內	5,182	8,772
Between one to two years	一至兩年	4,244	2,314
Between two to five years	兩至五年	12,039	17,076
After five years	五年以上	6,208	6,337
		27,673	34,499

The functional currency of the Company and most of its subsidiaries is RMB. As such, the Group is exposed to exchange rate risks arisen from borrowings denominated in other currencies raised by the Company or these subsidiaries. The Group will incur exchange gain/loss from such foreign currency borrowings when RMB appreciates/depreciates against other currencies. The details of the Group's financial risk factors (including foreign exchange rate risk) are summarised under Note 4.1 in the Notes to the Consolidated Financial Statements. Other financial risk factors are summarised in Note 4.2 and Note 4.3 in the Notes to the Consolidated Financial Statements.

本公司及多數附屬公司功能貨幣為人民幣。因此，由於本公司及此等附屬公司的其他貨幣計值之借貸，本集團面臨由此產生的匯兌風險。當人民幣兌其他貨幣增值／貶值時，本集團面臨匯兌收益／虧損。有關本集團財務風險因素(包括匯率風險)之詳情概述於綜合財務報表附註之附註4.1。其他財務風險因素則概述於綜合財務報表附註之附註4.2及附註4.3。

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

本年度，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：無)。

Pledge of Assets

As at 31 December 2020, certain property, plant and equipment of the Group amounting to RMB756 million (2019: RMB21 million) were pledged to banks for loan facilities granted to the Group.

資產抵押

於二零二零年十二月三十一日，本集團若干物業、廠房及設備為人民幣756百萬元(二零一九年：人民幣21百萬元)已就本集團獲授之貸款融資抵押予銀行。

New Investment in Major Projects

During the year ended 31 December 2020, PetroChina Kunlun Gas Co., Ltd. ("Kunlun Gas"), a wholly-owned subsidiary of the Company, entered into equity transfer agreement to acquire equity interests in 22 entities at a consideration of approximately RMB1,486 million. This acquisition will help the Group to achieve rapid development in target markets, generate synergies among the Group's businesses, enhance operational efficiency and increase market competitiveness. Upon the completion of the Acquisition, 22 entities have become the subsidiaries of Kunlun Gas.

於主要項目之新投資

於截至二零二零年十二月三十一日止年度，本公司全資附屬公司中石油昆侖燃氣有限公司(「昆侖燃氣」)訂立股權轉讓協議，以代價約人民幣1,486百萬元收購22間實體之股權。此項收購將有助本集團在目標市場迅速發展、發揮本集團業務之間的協同效應、提高運營效率並增強市場競爭力。於收購事項完成後，22間實體已成為昆侖燃氣之附屬公司。

Material disposal

On 22 December 2020, the Group entered into an agreement with PipeChina, pursuant to which the Company has conditionally agreed to sell and PipeChina has conditionally agreed to purchase the Company's equity interests in Beijing Pipeline and Dalian LNG at a base consideration of approximately RMB40,886 million (subject to the adjustments according to the price adjustment mechanism as set out in the agreement). Each of Beijing Pipeline, which used to be reported under the Group's "Natural Gas Pipeline" segment, and Dalian LNG, which used to be reported under the Group's "LNG Processing and Terminal" segment, represented a separate major line of the Group's business. Consequently, Beijing Pipeline and Dalian LNG were presented as discontinued operations with the associated assets and liabilities presented as a disposal group classified as held-for-sale in these financial statements.

Reference is made to the announcement of the Company dated 22 December 2020 in relation to the disposal of 60% equity interest in Beijing Pipeline and 75% equity interest in Dalian LNG.

Material Investments

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

There is no single material associate or joint venture which significantly affects the results and/or net assets of the Group. Details of the Group's investments in associates and joint venture are in Note 17 and Note 18 respectively in the Notes to the Consolidated Financial Statements.

Non-adjusting Event after the Reporting Period

Pursuant to the material disposal, the agreement entered into with PipeChina for the disposal of 60% equity interest in Beijing Pipeline and 75% equity interest in Dalian LNG was approved by shareholders at the special general meeting held on 12 March 2021.

Employee

As at 31 December 2020, the Group had approximately 36,396 employees globally, excluding the employees under entrustment contracts (2019: 37,085 employees (restated)). 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.

重大出售事項

於二零二零年十二月二十二日，本集團與國家管網集團訂立協議，據此本公司已有條件同意出售而國家管網集團已有條件同意收購本公司所持有北京管道公司及大連LNG公司之股權，基礎代價約為人民幣40,886百萬元（需根據協議所載價格調整機制進行調整）。北京管道公司（過往於本集團「天然氣管道」板塊下呈報）及大連LNG公司（過往於本集團「LNG加工與儲運」板塊下呈報）各自呈列為本集團之獨立主要業務線。因此，北京管道公司及大連LNG公司於該等財務報表中呈列為已終止持續經營業務，而相關資產及負債則呈列為分類為持作出售之出售組別。

茲提述本公司日期為二零二零年十二月二十二日內容有關出售北京管道公司60%股權及大連LNG公司75%股權的公告。

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。

概無單一重大聯營公司或合資企業重大影響本集團業績及／或資產淨值。本集團於聯營公司和合資企業之投資詳情分別概述於綜合財務報表附註之附註17和附註18。

報告期後非調整事項

根據重大出售事項，就出售北京管道公司60%股權及大連LNG公司75%股權與國家管網集團訂立的協議已於二零二一年三月十二日舉行的股東特別大會上獲股東批准。

僱員

於二零二零年十二月三十一日，本集團在全球僱用約36,396名僱員（通過委託合同聘任除外）（二零一九年：37,085名僱員（重列））。薪酬及有關福利根據市場情況、行業慣例及個別僱員之職責、表現、履歷及經驗而釐定。

Contingent Liability

The Group is a defendant in certain lawsuits as well as the named party in other proceeding. While the outcomes of such contingencies, lawsuits or other proceeding cannot be determined at present, management believes that any resulting liabilities will not have a material adverse effect on the financial position or financial performance of the Group.

DIVIDEND

Dividend Policy

The dividend policy of the Company allows shareholders to share the Company's profits and also enables the Company to retain sufficient reserves for its future development. Under the circumstances that the Company makes profits and has no effect on the Group's normal business operation, the Company intends to share its profits with its shareholders in the form of annual dividend, which shall be in a total distribution amount of not less than 25% of the Group's annual consolidated profit attributable to the owners of the Company, on the condition that it shall be subject to the following "Criteria".

Criteria:

1. When proposing the declaration of any dividends, the Board shall consider, among other things, the business conditions and strategies of the Company and its subsidiaries (the "Group"), the expected working capital needs and future expansion plans, surplus, contractual restrictions, actual and expected national financial conditions, macroeconomic conditions and other factors as the Board deems relevant.
2. The dividend rate will vary every year according to the above criterion and the Company will not assure the distribution of any specific amounts of dividend at any particular period or the distribution of dividends at any particular dividend yield.

或然負債

本集團為若干案件之被告及其他訴訟之指定方。儘管現時未能釐定該等或然事件、法律訴訟或其他訴訟之結果，惟管理層相信任何由此產生之負債不會對本集團之財務狀況或財務業績造成重大不利影響。

股息

股息政策

本公司之股息政策允許股東分享本公司的利潤，同時亦可為本公司的未來發展保留足夠的儲備。在本公司盈利且不影響本集團正常經營的情況下，本公司擬以年度股息形式與股東分享溢利，每年派息總額不少於本公司擁有人應佔本集團合併年度溢利之25%，惟需受以下「考慮因素」所限。

考慮因素：

1. 董事會在建議宣派任何股息時，應考慮(其中包括)本公司及其附屬公司(「本集團」)的業務狀況及策略、預期營運資金需求及日後擴張計劃、盈餘、合同限制、實際及預期的國家財政狀況、宏觀經濟狀況及董事會認為有關之其他因素。
2. 每年的股息率將會因應以上所述因素而有所差異，本公司不會確保在任何特定期間派發任何特定金額的股息或按任何特定的派息率派發股息。

FINAL DIVIDEND AND SPECIAL DIVIDEND

The Board recommends the payment of a final dividend of RMB21.01 cents per share and a special dividend of RMB213.66 cents per share, totalling RMB234.67 cents per share (2019: RMB26.3 cents per share) to shareholders whose names appear on the Company's register of members (the "Shareholders Register") on 3 June 2021 (Thursday). The payment of the final dividend is subject to the approval of the Shareholders at the Annual General Meeting of the Company (the "2021 AGM") and the payment of the special dividend is subject to (i) the completion of the disposal of 60% equity interest in Beijing Pipeline and 75% equity interest in Dalian LNG (the "Transaction") in accordance with the terms and conditions under the equity transfer agreement ("Equity Transfer Agreement") entered into between the Company and PipeChina on 20 December 2020; (ii) the receipt by the Company of the proceeds from the Transaction; and (iii) the approval of the Shareholders at the 2021 AGM. The payment is expected to be made on or before 30 July 2021 (Friday). The proposed 2020 final dividend and special dividend amounts to a total of approximately RMB20,320 million and 2019 dividend of RMB2,277 million was paid in 2020. The payout ratio for 2020 (final dividend per share divided by basic earnings per share) was approximately 30.01% (2019: 39.42%).

The Transaction is conditional upon the satisfaction of certain conditions as set out under the Equity Transfer Agreement, and thus the Transaction contemplated thereunder may or may not proceed. Further, as the special dividend is subject to the completion of the Transaction, the receipt by the Company of the proceeds from the Transaction and the approval of the Shareholders at the 2021 AGM, the special dividend may or may not be paid. Shareholders and potential investors should exercise caution when dealing in the Shares.

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 Year.

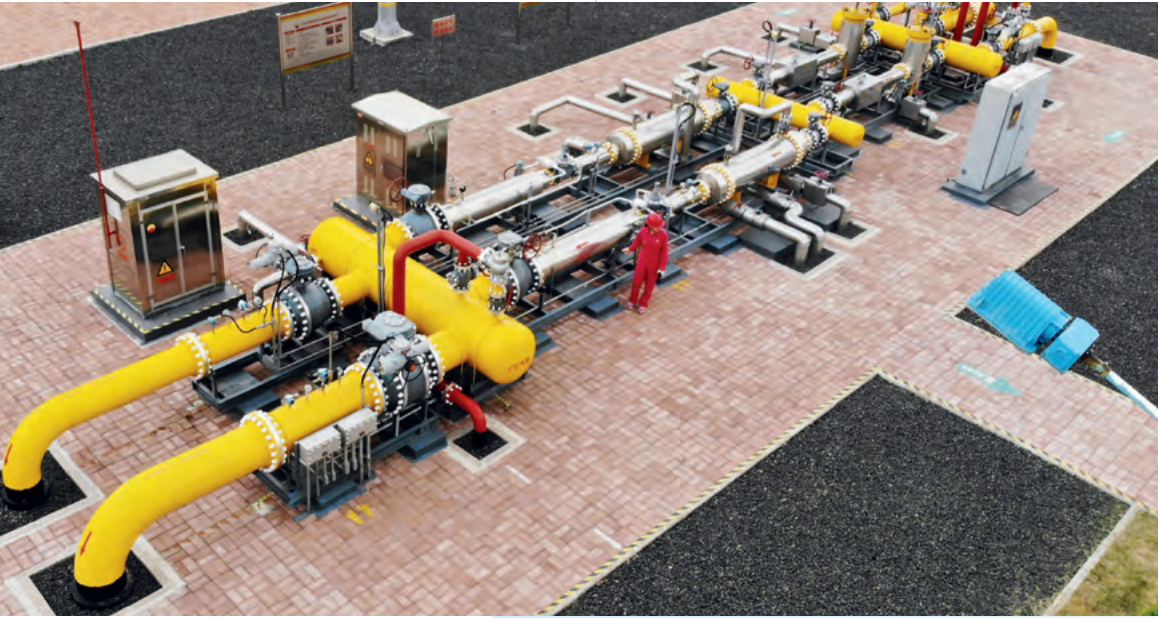
末期股息及特別股息

董事會建議向於二零二一年六月三日(星期四)名列本公司股東名冊(「股東名冊」)之股東派付末期股息每股人民幣21.01分及特別股息每股人民幣213.66分，合共每股人民幣234.67分(二零一九年：每股人民幣26.3分)。派付末期股息須經股東於本公司股東週年大會(「二零二一年股東週年大會」)批准，而派付特別股息須待(i)根據本公司與國家管網集團於二零二零年十二月二十日訂立的股權轉讓協議(「股權轉讓協議」)的條款及條件完成出售北京管道公司60%股權及大連LNG公司75%股權(「該交易」)；(ii)本公司接獲該交易的所得款項；及(iii)股東於二零二一年股東週年大會批准後方可作實。預期款項將於二零二一年七月三十日(星期五)或之前支付。擬派二零二零年末期股息及特別股息總額約人民幣20,320百萬元，而二零一九年股息人民幣2,277百萬元已於二零二零年派付。二零二零年派息率(每股末期股息除以每股基本盈利)約為30.01%(二零一九年：39.42%)。

該交易須待股權轉讓協議項下所載若干條件達成後方可作實，因此其項下擬進行的該交易未必能夠進行。此外，由於特別股息須待該交易完成、本公司接獲該交易的所得款項及股東於二零二一年股東週年大會批准後方可作實，故未必會派付特別股息。股東及潛在投資者於買賣股份時應審慎行事。

購入、出售或贖回股份

本公司或其任何附屬公司於本年度概無購入、出售或贖回本公司任何股份。



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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) as its code of conduct regarding dealings in the Company’s securities by Directors.

Specific enquiry has been made of all the Directors, and the Directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2020.

By the Order of the Board

Qian Zhijia

Chief Executive Officer and Executive Director

Hong Kong, 23 March 2021

董事進行證券交易的標準守則

本公司已採納條款不比香港聯合交易所有限公司證券上市規則(「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，作為有關董事買賣本公司證券之行為守則。

經向全體董事作出具體查詢，董事已確認截至二零二零年十二月三十一日止年度內一直遵守標準守則。

承董事會命

錢治家

行政總裁兼執行董事

香港，二零二一年三月二十三日

CORPORATE GOVERNANCE REPORT

企業管治報告

The board of directors (the “Board”) of Kunlun Energy Company Limited (the “Company”, and together with its subsidiaries, the “Group”) is pleased to present this Corporate Governance Report in the Company’s annual report for the year ended 31 December 2020 (the “Year”).

The Company recognises the importance of good corporate governance to the Company’s healthy growth and has devoted considerable efforts to identifying and formulating corporate governance practices appropriate to the needs of its business.

The Company’s corporate governance practices are based on the principles (the “Principles”), code provisions (the “Code Provisions”) and certain recommended best practices (the “Recommended Best Practices”) as set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”).

The Company has applied the Principles and the Code Provisions as set out in the CG Code and complied with all the Code Provisions throughout the Year. If there is any deviation from the CG Code, the Company will explain in the appropriate section.

The Company has also put in place certain Recommended Best Practices as set out in the CG Code.

The Company periodically reviews its corporate governance practices to ensure that these continue to meet the requirements of the CG Code, and acknowledges the important role of its Board in providing effective leadership and direction to Company’s business, and in ensuring transparency and accountability of Company’s operations.

The key corporate governance principles and practices of the Company are summarised as follows:

THE BOARD

Responsibilities

The overall management of the Company’s business is vested in the Board, which assumes the responsibility for leadership and control of the Company. The Board is collectively responsible for promoting the success of the Company by directing and supervising its affairs. All directors of the Company (the “Directors”) should take decisions objectively in the interests of the Company.

昆侖能源有限公司(「本公司」)及其附屬公司統稱「本集團」董事會(「董事會」)欣然於截至二零二零年十二月三十一日止年度(「本年度」)本公司年報內呈報此份企業管治報告。

本公司深明良好企業管治對本公司健全發展之重要性，並已致力尋求及制定切合其業務需要之企業管治常規。

本公司之企業管治常規乃建基於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14所載企業管治守則(「企業管治守則」)內所列之原則(「原則」)、守則條文(「守則條文」)及若干建議最佳常規(「建議最佳常規」)而釐定。

本公司於本年度已應用企業管治守則所載之原則及守則條文，並遵守所有守則條文。若與企業管治守則有所偏離，本公司將在有關部份作出解釋。

本公司亦已實施企業管治守則所載之若干建議最佳常規。

本公司定期檢討其企業管治常規以確保該等常規持續符合企業管治守則之規定，並確認其董事會於為本公司業務提供有效領導及方向，以及確保本公司營運之透明度及問責性上之重要角色。

本公司之主要企業管治原則及常規概述如下：

董事會

職責

董事會擁有本公司業務之整體管理權，承擔本公司之領導及監控職責，並共同負責指引及監督本公司之業務以促使其成功。本公司全體董事(「董事」)以本公司之利益作出客觀決策。

The Board takes responsibility for all major matters of the Company, including the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, establishment of ESG system, material transactions (in particular those which may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters.

All Directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary, with a view to ensuring that Board procedures and all applicable rules and regulations are followed.

Each Director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

The day-to-day management, administration and operation of the Company are delegated to the Chief Executive Officer and the senior management. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the abovementioned officers.

The Board fully supports the Chief Executive Officer and the senior management to discharge their responsibilities.

When the Board delegates aspects of its management and administration functions to management, it has given clear directions as to the powers of management, in particular, with respect to the circumstances where management shall report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company.

The Company adopted written terms established on division of functions reserved to the Board and delegated to the management.

The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities.

董事會負責本公司一切重大事務，包括批准及監察一切政策事宜、整體策略及預算、內部監控及風險管理系統、ESG體系建設、重大交易(尤其涉及利益衝突者)、財務資料、委任董事及其他重大財務及經營事宜。

為確保董事會程序及所有適用規則及規例均獲得遵守，全體董事均有充足及適時之途徑取得一切有關資料及公司秘書之意見及服務。

經向董事會提出要求，每名董事一般可在適當情況下尋求獨立專業意見，費用由本公司支付。

本公司之日常管理、行政及營運已轉授予行政總裁及高級管理人員。已授權之職能及工作乃定期作出檢討。上述行政人員訂立任何重大交易前須獲得董事會批准。

董事會對行政總裁及高級管理人員履行職責提供全面支持。

當董事會授權其管理及行政職能之範疇予管理層時，已就管理層之職權作出清晰指示，尤其是涉及管理層在何種情況下須作出匯報及事先取得董事會批准後方可代表本公司作出決定或訂立任何承諾。

本公司已採納既定書面職權範圍，從而劃分董事會所保留之職能及管理層獲授之授權。

本公司已就其董事及高級管理人員可能會面對由企業活動產生之法律行動，為董事及行政人員之職責作適當之保險安排。

Composition

The Board has the necessary balance of skills and experience appropriate to the requirements of the business of the Company. There is a strong element of independence in the Board, which can effectively exercise independent judgement.

During the Year, the Board comprised the following Directors:

Executive Directors:

Mr Fu Bin (*Chairman*) (*appointed on 19 November 2020*)
(*Chairman of the Nomination Committee*)
Mr Qian Zhijia (*Chief Executive Officer*)
(*appointed on 19 November 2020*)
Mr Zhou Yuanhong
Mr Miao Yong (*Chief Financial Officer*)
Mr Ling Xiao (*resigned on 19 November 2020*)
Mr Zhao Yongqi (*resigned on 19 November 2020*)

Mr Zhao Zhongxun (*resigned on 19 May 2020*)

Independent Non-executive Directors:

Dr Liu Xiao Feng (*Chairman of the Remuneration Committee and Member of the Audit Committee and the Nomination Committee*)
Mr Sun Patrick (*Chairman of the Audit Committee and Member of the Remuneration Committee and the Nomination Committee*)
Mr Tsang Yok Sing Jasper (*Member of the Audit Committee, the Remuneration Committee and the Nomination Committee*)
Mr Li Kwok Sing Aubrey (*retired on 27 May 2020 and did not offer himself for re-election*)

組成

董事會具有適合本公司業務需要均衡之技能與經驗。董事會具有高度獨立性，可有效行使獨立判斷。

本年度董事會由以下董事組成：

執行董事：

付斌先生(主席)(於二零二零年十一月十九日獲委任)(提名委員會主席)
錢治家先生(行政總裁)
(於二零二零年十一月十九日獲委任)
周遠鴻先生
繆勇先生(財務總監)
凌霄先生(於二零二零年十一月十九日辭任)
趙永起先生
(於二零二零年十一月十九日辭任)
趙忠勛先生(於二零二零年五月十九日辭任)

獨立非執行董事：

劉曉峰博士(薪酬委員會主席及審核委員會及提名委員會成員)
辛定華先生(審核委員會主席及薪酬委員會及提名委員會成員)
曾鈺成先生(審核委員會、薪酬委員會及提名委員會成員)
李國星先生(於二零二零年五月二十七日退任，並不膺選連任)

CORPORATE GOVERNANCE REPORT

企業管治報告

The list of Directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time.

None of the members of the Board is related to one another.

During the Year, the Board at all times met the requirements of the Listing Rules relating to:

- (1) the appointment of at least three Independent Non-executive Directors with at least one Independent Non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise;
- (2) the appointment of independent non-executive directors representing at least one-third of the board.

The Company has received written annual confirmation from each Independent Non-executive Director of his independence pursuant to the requirements of the Listing Rules. The Company considers all Independent Non-executive Directors to be independent in accordance with the independence guidelines set out in the Listing Rules.

The Independent Non-executive Directors bring a wide range of business and financial expertise, experiences and independent judgement to the Board. Through active participation in Board meetings, taking the lead in managing issues involving potential conflict of interests, serving on Board committees, scrutinising the Company's performance and monitoring performance reporting, all Independent Non-executive Directors make various contributions to the effective direction of the Company.

Board Diversity

Under Rule 13.92 of the Listing Rules, the nomination committee (or the board) shall have a policy concerning diversity of board members, and shall disclose the policy or a summary of the policy in the Corporate Governance Report. The Board has adopted a Board Diversity Policy (the "Board Diversity Policy") and Nomination Policy to align the board diversity.

董事名單(按類別劃分)亦不時根據上市規則於本公司所刊發之所有企業通訊中披露。

董事會成員互無關聯。

本年度，董事會於任何時間均符合上市規則：

- (1) 有關董事會須委任最少三名獨立非執行董事，而最少一位獨立非執行董事具備合適之專業資格或會計或有關財務管理專業知識之規定；
- (2) 委任的獨立非執行董事必須佔董事會成員人數至少三分之一。

本公司已根據上市規則之規定接獲每名獨立非執行董事就其獨立性而呈交之年度書面確認。按照上市規則所載之獨立性指引，本公司認為全體獨立非執行董事均屬獨立。

獨立非執行董事為董事會帶來廣泛之業務及財務專業知識、經驗及獨立判斷。透過積極參與董事會會議、領導管理涉及潛在利益衝突之事項、服務董事委員會、監察本公司表現及監管績效報告，全體獨立非執行董事對本公司之有效指引作出不同貢獻。

董事會成員多元化

根據上市規則第13.92條，提名委員會(或董事會)應訂有涉及董事會成員多元化的政策，並於企業管治報告內披露其政策或政策摘要。董事會已採納董事會成員多元化政策(「董事會成員多元化政策」)及提名政策以配合董事會成員多元化。

Nomination Policy

Selection criteria and principles

The Nomination Committee will consider the following factors upon the assessment of candidates:

- (1) Review on the structure, size, composition and diversity of the Board at least once a year, and also make recommendations to the Board on any proposed changes to align with the Company's strategies.
- (2) Fully consider the Board Diversity Policy, individual performance, individual capability, professionalism, knowledge, experience and time that can be devoted to the Company, personal credibility, the Listing Rules of the Stock Exchange and applicable laws and regulations etc.; identify candidate(s) with appropriate qualifications to be member(s) of the Board, and select or make recommendations to the Board on the selection of individual(s) nominated as director(s).
- (3) Make recommendations to the Board on the relevant matters regarding the director(s) and succession plans for the director(s) (in particular, the Chairman and chief executive).

Board Diversity Policy

Selection of candidates will be based on a range of diversity criteria, including but not limited to, skills, knowledge, experience, gender, age, ethnicity, and educational background etc. Board appointments will be made on meritocracy, contribution to the Board and candidates will be considered against objective criteria, with due regard to the benefits of the diversity on the Board.

提名政策

甄選標準及原則

提名委員會在評估人選時將考慮以下因素：

- (1) 對董事會的架構、人數、組成及成員多元化，至少每年作一次檢討，並就任何為配合本公司的策略擬作出的變動向董事會提出建議。
- (2) 充分考慮本公司董事會成員多元化政策、個人履職情況、個人能力、專業、知識、經驗及可投入本公司的時間、個人信譽、聯交所上市規則及適用法律法規等；物色具備合適資格可成為董事會成員的人士，並挑選或就挑選獲提名為董事的人士向董事會提出推薦建議。
- (3) 就董事以及董事（尤其是主席及主要行政人員）繼任計劃之相關事宜向董事會提出推薦建議。

董事會成員多元化政策

考慮人選將按一系列多元化標準為基準進行甄選，包括但不限於候選人的技能、知識、經驗、性別、年齡、種族及教育背景等。董事會的委任均以用人唯才為原則，為董事會作出貢獻，並於考慮人選時以客觀條件充分顧及董事會成員多元化之裨益。

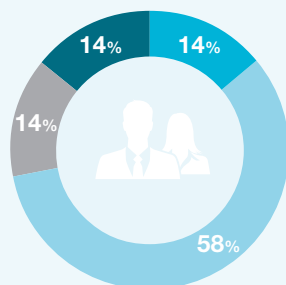
CORPORATE GOVERNANCE REPORT

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As at 31 December 2020, the Board diversity of the Company in terms of age, years of service and title are shown as follows:

截至二零二零年十二月三十一日，本公司董事會成員於年齡、作為董事會成員年期及職銜多元化列示如下：

Age Group 年齡區間



40-49
(Age 歲)



50-59
(Age 歲)

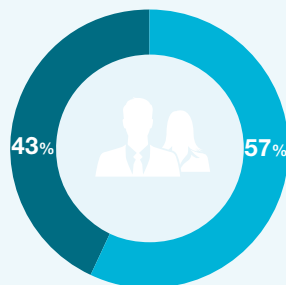


60-69
(Age 歲)



Above 70
以上
(Age 歲)

Designation 職銜

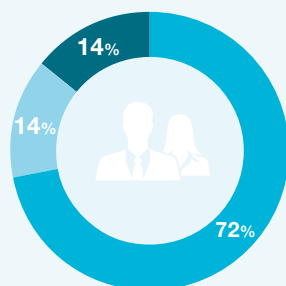


Executive Directors
執行董事



Independent Non-executive Directors
獨立非執行董事

Number of Years as Board Members 作為董事會成員年期



0-3
(Years 年)



4-6
(Years 年)



Over 12
以上
(Years 年)

Appointment and Re-election of Directors

Code Provision A.4.1 stipulates that Non-executive Directors should be appointed for a specific term, subject to re-election. Each Non-executive Director has entered into a formal letter of appointment with the Company for a specific term of three years, subject to the retirement and re-election in accordance with the Bye-laws of the Company.

Code Provision A.4.2 stipulates that all Directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Pursuant to the Bye-laws of the Company which provide that every Director appointed by the Board to fill a casual vacancy during the Year shall retire at the next general meeting and every Director (including those appointed for a specific term) shall be subject to retirement at least once every three years. Code Provisions A.4.1 and A.4.2 have been fully complied.

Mr Fu Bin and Mr Qian Zhijia was appointed as executive directors on 19 November 2020 and will hold office until the forthcoming annual general meeting of the Company and, being eligible, have offered themselves for re-election.

In accordance with Bye-law 97 of the Company's Bye-laws, Mr Zhou Yuanhong and Mr Miao Yong will retire by rotation at the forthcoming annual general meeting of the Company and, being eligible, have offered themselves for re-election.

As disclosed in the announcement of the Company dated 19 November 2020, Mr Ling Xiao resigned as Executive Director with effect from 19 November 2020 due to the reason of his other work engagements, and Mr Zhao Yongqi resigned as Executive Director with effect from 19 November 2020 due to having reached the age of retirement.

As disclosed in the announcement of the Company dated 19 May 2020, Mr Zhao Zhongxun resigned as Executive Director with effect from 19 May 2020 due to the reason of his other work engagements.

In accordance with Bye-law 97 of the Company's Bye-laws, Mr Li Kwok Sing Aubrey retired at the 2020 Annual General Meeting, and has not offered himself for re-election at the 2020 Annual General Meeting due to having reached the age of retirement.

委任及重選董事

守則條文A.4.1規定非執行董事之委任應有指定任期，並須接受重新選舉。每位非執行董事已與本公司簽訂一份正式委任書，指定任期為三年，惟須根據本公司細則退任及重選連任。

守則條文A.4.2規定所有為填補臨時空缺而被委任之董事應在接受委任後的首次股東大會上接受股東選舉。每名董事(包括有指定任期的董事)須輪流退任，至少每三年一次。

根據本公司細則，董事會於本年度為填補臨時空缺所委任之每名董事均須於下屆股東大會上退任，而每名董事(包括有指定任期者)均須最少每三年退任一次。本公司已全面遵守守則條文A.4.1及A.4.2。

付斌先生及錢治家先生於二零二零年十一月十九日獲委任為執行董事，他們之任期將於本公司應屆股東週年大會屆滿，惟彼等符合資格及願意膺選連任。

根據本公司之公司細則第97條，周遠鴻先生及繆勇先生將於本公司應屆股東週年大會上輪流退任，惟彼等符合資格及願意膺選連任。

誠如本公司日期為二零二零年十一月十九日的公告所披露，因工作調動原因，凌霄先生辭任執行董事，並於二零二零年十一月十九日起生效；及因達到退休年齡，趙永起先生辭任執行董事，並於二零二零年十一月十九日生效。

誠如本公司日期為二零二零年五月十九日的公告所披露，因工作調動原因，趙忠勳先生辭任執行董事，並於二零二零年五月十九日生效。

根據本公司之公司細則第97條，李國星先生已於二零二零年股東週年大會上退任，且因已屆退休年齡而不在二零二零年股東週年大會膺選連任。

Training for Directors

Each newly appointed Director receives comprehensive, formal and tailored induction on the first occasion of his appointment, so as to ensure that he has appropriate understanding of the business and operations of the Company and that he is fully aware of his responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

There are also arrangements in place for providing continuing briefing and professional development to Directors whenever necessary.

During the Year, each of the Directors has attended various in-house briefings and internal or external seminars/trainings, and has read internal or external newsletters, updates and other reading materials covering topics such as business of the Company, corporate governance, industry knowledge, regulatory updates, finance and management. The training records of the Directors in 2020 are set out belows:

董事培訓

每名新委任之董事均在其首次接受委任時獲得全面、正式兼特為其而設之就任須知，以確保彼等對本公司之業務及運作均有適當之理解，以及完全知悉其於上市規則及有關監管規定下之職責。

需要時，本公司亦安排向董事提供持續介紹及專業發展。

本年度，各董事已出席多個內部簡介及內部或外部研討會／培訓，並已閱讀內部或外部實時通訊、快訊及其他閱讀材料，涵蓋主題如本公司業務、企業管治、行業知識、監管更新、財務及管理。董事二零二零年培訓記錄載列如下：

Attending seminar/ meeting/forum/ giving lecture at seminar 出席座談會/ 會議/論壇/ 參與座談會演講	Reading materials relating to the Group, daily business or responsibilities of Directors 閱覽有關集團、 日常業務或董事 職責等材料
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Executive Directors:	執行董事：		
Mr Fu Bin (Chairman) (appointed on 19 November 2020)	付斌先生(主席) (於二零二零年十一月十九日獲委任)	Yes 有	Yes 有
Mr Qian Zhijia (Chief Executive Officer) (appointed on 19 November 2020)	錢治家先生(行政總裁) (於二零二零年十一月十九日獲委任)	Yes 有	Yes 有
Mr Zhou Yuanhong	周遠鴻先生	Yes 有	Yes 有
Mr Miao Yong (Chief Financial Officer)	繆勇先生(財務總監)	Yes 有	Yes 有
Mr Ling Xiao (resigned on 19 November 2020)	凌霄先生 (於二零二零年十一月十九日辭任)	Yes 有	Yes 有
Mr Zhao Yongqi (resigned on 19 November 2020)	趙永起先生 (於二零二零年十一月十九日辭任)	Yes 有	Yes 有
Mr Zhao Zhongxun (resigned on 19 May 2020)	趙忠勛先生 (於二零二零年五月十九日辭任)	Yes 有	Yes 有
Independent Non-executive Directors:	獨立非執行董事：		
Dr Liu Xiao Feng	劉曉峰博士	Yes 有	Yes 有
Mr Sun Patrick	辛定華先生	Yes 有	Yes 有
Mr Tsang Yok Sing Jasper	曾鈺成先生	Yes 有	Yes 有
Mr Li Kwok Sing Aubrey (retired on 27 May 2020 and did not offer himself for re-election)	李國星先生(於二零二零年五月二十七日 退任，並不膺選連任)	Yes 有	Yes 有

Board Meetings

Number of Meetings and Directors' Attendance

Code Provision A.1.1 stipulates that regular Board meetings should be held at least four times a year at approximately quarterly intervals for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company.

During the Year, six Board meetings, two Audit Committee meetings, one Remuneration Committee meeting and three Nomination Committee meetings were held.

The attendance record of each Director at the meetings of the Board, the Audit Committee, the Remuneration Committee and the Nomination Committee during the Year is set out below:

董事會會議

會議次數及董事的出席率

守則條文A.1.1規定，董事會定期會議應每年召開至少四次，大約每季一次，以審閱並批准財務及經營業績，以及考慮並批准本公司之整體策略及政策。

本年度，共舉行六次董事會會議、兩次審核委員會會議、一次薪酬委員會會議及三次提名委員會會議。

本年度，每名董事於董事會、審核委員會、薪酬委員會及提名委員會會議之出席記錄載列如下：

Directors 董事	Attendance/Number of Meetings 出席/會議次數				
	Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	
<i>Executive Directors:</i>	<i>執行董事：</i>				
Mr Fu Bin (Chairman) (appointed on 19 November 2020)	付斌先生(主席) (於二零二零年十一月十九日獲委任)	2/2	-	-	1/1
Mr Qian Zhijia (Chief Executive Officer) (appointed on 19 November 2020)	錢治家先生(行政總裁) (於二零二零年十一月十九日獲委任)	2/2	-	-	-
Mr Zhou Yuanhong	周遠鴻先生	6/6	-	-	-
Mr Miao Yong (Chief Financial Officer)	繆勇先生(財務總監)	5/6	-	-	-
Mr Ling Xiao (resigned on 19 November 2020)	凌霄先生 (於二零二零年十一月十九日辭任)	4/4	-	-	2/2
Mr Zhao Yongqi (resigned on 19 November 2020)	趙永起先生 (於二零二零年十一月十九日辭任)	4/4	-	-	-
Mr Zhao Zhongxun (resigned on 19 May 2020)	趙忠勛先生 (於二零二零年五月十九日辭任)	1/1	-	-	-
<i>Independent Non-executive Directors:</i>	<i>獨立非執行董事：</i>				
Dr Liu Xiao Feng	劉曉峰博士	6/6	2/2	1/1	3/3
Mr Sun Patrick	辛定華先生	6/6	2/2	1/1	3/3
Mr Tsang Yok Sing Jasper	曾鈺成先生	6/6	2/2	1/1	3/3
Mr Li Kwok Sing Aubrey (retired on 27 May 2020 and did not offer himself for re-election)	李國星先生(於二零二零年五月二十七日退任，並不膺選連任)	1/1	1/1	-	1/1

Practices and Conduct of Meetings

Notices of regular Board meetings are served to all Directors at least 14 days before the meetings and reasonable notice is generally given for other Board meetings. For committee meetings, notices are served in accordance with the required notice period stated in the relevant terms of reference.

Agenda and Board papers together with all appropriate, complete and reliable information are normally sent to all Directors/ committee members at least 3 days before each Board meeting or committee meeting to keep the Directors abreast of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each Director also have separate and independent access to the senior management whenever necessary.

The Chairman, Chief Executive Officer, President, Chief Financial Officer and Company Secretary will attend Board and committee meetings, when necessary, to advise on business developments, financial and accounting matters, statutory compliance, corporate governance and other major aspects of the Company.

Minutes of all Board meetings and committee meetings are kept by the Company Secretary. Minutes are prepared after each meeting and the final version is signed by the Chairman or the chairman of the relevant committees (as the case may be) and confirmed by the Board in the following Board Meeting or by the relevant committee in the following committee meeting (as the case may be). The confirmed minutes are kept for future reference and Directors' inspection.

According to current Board practice, any material transaction, which involves a conflict of interests for a substantial shareholder or a Director, will be considered and dealt with by the Board at a duly convened Board meeting. The Company's Bye-laws also contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

會議常規及操守

董事會定期會議通知至少於會議前14日向全體董事發出，而其他董事會會議一般會發出合理通知。委員會會議將根據有關職權範圍所訂之所須通知期發出通知。

議程及董事會文件連同所有適當、完備及可靠資料一般至少於各董事會會議或委員會會議舉行前三天送交全體董事／委員會成員，以令董事知悉本公司之最近發展及財政狀況，並能夠在掌握有關資料之情況下作出決定。需要時，董事會及每名董事亦有個別及獨立途徑接觸高級管理人員。

需要時，主席、行政總裁、總裁、財務總監及公司秘書將出席董事會及委員會會議，以就本公司之業務發展、財務及會計事宜、法規遵守、企業管治及其他重要方面提供意見。

所有董事會會議及委員會會議之會議記錄由公司秘書備存。會議紀錄於各會議後編製，而最後定稿則由主席或相關委員會主席（視情況而定）簽署，並於下一次董事會會議由董事會或於一下次委員會會議由相關委員會（視情況而定）確認。經確認之會議紀錄乃備存供日後參照及董事查閱之用。

根據現行董事會常規，任何涉及主要股東或董事之利益衝突之重大交易，將由董事會於正式召開之董事會會議上作出考慮及處理。本公司細則亦載有條文，規定董事於批准該等董事或彼等任何聯繫人士有重大利益之交易之會議上放棄投票，且不計入會議法定人數。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code Provision A.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and Chief Executive Officer should be clearly established and set out in writing.

The Company fully supports the division of responsibility between the Chairman of the Board and the Chief Executive Officer to ensure a balance of power and authority.

During the Year, the positions of the Chairman and Chief Executive Officer of the Company are held by different individuals. Mr Ling Xiao was the Chairman of the Board from 1 January 2020 to 19 November 2020 and Mr Fu Bin was the Chairman from 19 November 2020, and Mr Zhao Yongqi acted as the Chief Executive Officer from 1 January 2020 to 19 November 2020, and Mr Qian Zhijia acted as the Chief Executive Officer from 19 November 2020. There is no relationship between the Chairman and Chief Executive Officer.

There are written terms on the general division of responsibilities between the Chairman and the Chief Executive Officer. The Chairman provides leadership and is responsible for the effective functioning of the Board in accordance with good corporate governance practice. With the support of the senior management, the Chairman is also responsible for ensuring that the Directors receive adequate, complete and reliable information in a timely manner and appropriate briefing on issues arising at Board meetings. The Chief Executive Officer focuses on implementing objectives, policies and strategies approved and delegated by the Board. He is in charge of the Company's day-to-day management and operations. The Chief Executive Officer is also responsible for developing strategic plans and formulating the organisational structure, control systems and internal procedures and processes for the Board's approval.

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Stock Exchange's website and the Company's website and are available to shareholders upon request.

主席及行政總裁

守則條文A.2.1規定主席與行政總裁之角色應有區分，並不應由一人同時兼任。主席與行政總裁之間職責之分工應清楚界定並以書面列載。

本公司全力支持董事會主席與行政總裁之職責分工，以確保權力和授權分佈均衡。

本年度，本公司之主席及行政總裁分別由不同人士擔任。由二零二零年一月一日至二零二零年十一月十九日，凌霄先生擔任董事會主席，而由二零二零年十一月十九日開始，付斌先生擔任董事會主席，及由二零二零年一月一日至二零二零年十一月十九日，趙永起先生為行政總裁，而由二零二零年十一月十九日開始，錢治家先生為行政總裁。主席及行政總裁並無關係。

主席及行政總裁有書面列載一般職責分工範圍。根據良好企業管治常規，主席作出領導並負責董事會之有效運作。在高級管理人員之支持下，主席同時負責確保董事適時取得充分、完備及可靠之資料及適當知悉董事會會議上之事項。行政總裁集中執行董事會批准及轉授之目標、政策及策略。彼負責本公司之日常管理及經營。行政總裁同時負責開發策略計劃及制定組織架構、監控系統及內部程序及過程，以供董事會批准。

董事委員會

董事會成立三個委員會，包括審核委員會、薪酬委員會及提名委員會，以監督本公司事務之特定範疇。本公司所有董事委員會均按書面界定職權範圍成立。董事委員會之職權範圍刊載於聯交所網站及本公司網站，如股東有需要時亦可向公司索取有關資料參閱。

All Independent Non-executive Directors of the Company are the members of each of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company.

The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

AUDIT COMMITTEE

During the Year, the Audit Committee comprised four Independent Non-executive Directors from 1 January 2020 to 27 May 2020, and since Mr Li Kwok Sing Aubrey retired on 27 May 2020 at the 2020 Annual General Meeting, and has not offered himself for re-election at the 2020 Annual General Meeting, the Audit Committee comprised three Independent Non-executive Directors from 27 May 2020 to 31 December 2020. Throughout the Year, the Audit Committee included one Independent Non-executive Director who possesses the appropriate professional qualifications or accounting or related financial management expertise. Mr Sun Patrick was the Chairman of the Audit Committee throughout the Year. None of the members of the Audit Committee is a former partner of the Company's existing independent auditor.

The main duties of the Audit Committee include the following:

1. to review the financial statements and reports and consider any significant or unusual items raised by independent auditor before submission to the Board;
2. to review the relationship with the independent auditor by reference to the work performed by the independent auditor, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of the independent auditor; and
3. to review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.

During the Year, the Audit Committee held two meetings, to review the financial results and reports, financial reporting and compliance procedures, the report on the Company's internal control and risk management review and processes and the appointment of the independent auditor.

本公司全體獨立非執行董事為本公司審核委員會、薪酬委員會及提名委員會各自之成員。

董事委員會獲提供充足資源以履行其職責，並可按合理要求，在適當之情況下尋求獨立專業意見，費用由本公司支付。

審核委員會

本年度，由二零二零年一月一日至二零二零年五月二十七日，審核委員會由四名獨立非執行董事組成，及自二零二零年五月二十七日李國星先生於二零二零年股東週年大會上退任，且不在二零二零年股東週年大會膺選連任，由二零二零年五月二十七日至二零二零年十二月三十一日，審核委員會由三名獨立非執行董事組成。於整年度，審核委員會包括一名具有適當專業資格或會計或有關財務管理專業知識之獨立非執行董事。辛定華先生為本年度審核委員會主席。概無審核委員會成員為本公司現任獨立核數師之前任合夥人。

審核委員會之主要職責包括下列各項：

1. 在向董事會提交財務報表及報告前，審閱有關財務報表及報告，並考慮由獨立核數師所提出之任何重大或不尋常項目；
2. 參照獨立核數師所進行之工作、彼等之薪酬及聘用條款以檢討與獨立核數師之關係，並就獨立核數師之委任、重新委任及罷免向董事會提出建議；及
3. 檢討本公司之財務報告制度、內部監控系統及風險管理系統及相關程序的充足程度及有效性。

本年度，審核委員會已舉行兩次會議，以審閱財務業績及報告、財務報告及合規程序、本公司內部監控及風險管理檢討及程序報告，以及獨立核數師之委任。

The Company's annual results for the Year has been reviewed by the Audit Committee.

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

There is no different view taken by the Audit Committee from the Board regarding the selection, appointment, resignation or dismissal of the independent auditor.

REMUNERATION COMMITTEE

During the Year, the Remuneration Committee comprised four Independent Non-executive Directors from 1 January 2020 to 27 May 2020, and since Mr Li Kwok Sing Aubrey retired on 27 May 2020 at the 2020 Annual General Meeting, and has not offered himself for re-election at the 2020 Annual General Meeting, the Remuneration Committee comprised three Independent Non-executive Directors from 27 May 2020 to 31 December 2020. During the Year, Mr Li Kwok Sing Aubrey was the Chairman of the Remuneration Committee from 1 January 2020 to 27 May 2020 and Dr Liu Xiao Feng was the Chairman of the Remuneration Committee from 27 May 2020. The primary objectives of the Remuneration Committee include reviewing the management's remuneration proposals with reference to the Board's corporate goals and objectives, making recommendations to the Board for approval of the remuneration policy and structure and making recommendation or determining the remuneration packages of the Directors and the senior management. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his associates will participate in deciding his own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

The Remuneration Committee normally meets annually for reviewing the remuneration policy and structure and determination of the annual remuneration packages of the Executive Directors and the senior management and other related matters. The Company Secretary is responsible for collection and administration of the human resources data and making recommendations to the Remuneration Committee for consideration. The Remuneration Committee shall consult the Chairman and/or the Chief Executive Officer of the Company about these recommendations on remuneration policy and structure and remuneration packages.

審核委員會已審閱本公司本年度之全年業績。

概無任何可能會對本公司之持續經營能力造成重大疑慮之事件或情況之重大不確定因素。

就獨立核數師之甄選、委任、辭任或罷免，董事會與審核委員會並無不同意見。

薪酬委員會

本年度，由二零二零年一月一日至二零二零年五月二十七日，薪酬委員會由四名獨立非執行董事組成，及自二零二零年五月二十七日李國星先生於二零二零年股東週年大會上退任，且不在二零二零年股東週年大會膺選連任，由二零二零年五月二十七日至二零二零年十二月三十一日，薪酬委員會由三名獨立非執行董事組成。本年度，由二零二零年一月一日至二零二零年五月二十七日，李國星先生擔任薪酬委員會主席，而由二零二零年五月二十七日開始，劉曉峰博士擔任薪酬委員會主席。薪酬委員會之基本目標包括經參考董事會之公司目標及目的而檢討管理層之薪酬建議，向董事會提出建議以批准薪酬政策及架構及就董事及高級管理人員薪酬待遇提出建議或釐定薪酬待遇。薪酬委員會亦負責設立具透明度之程序以制訂此等薪酬政策及架構，確保概無董事或其任何聯繫人將參與自行釐定薪酬，而薪酬將參照個人及本公司表現以及市場慣例及狀況釐定。

薪酬委員會一般每年開會一次，以檢討薪酬政策及架構及釐定執行董事與高級管理人員之年度薪酬待遇及其他有關事項。公司秘書負責收集及管理人力資源數據，並向薪酬委員會提出建議，以供考慮。薪酬委員會將就該等有關薪酬政策及架構及薪酬待遇之建議諮詢本公司主席及／或行政總裁。

The Remuneration Committee held one meeting during the Year to review the remuneration policy and structure of the Company.

本年度，薪酬委員會已開會一次，以檢討本公司之薪酬政策及架構。

The remuneration paid to the senior management by band for the Year is set out as below:

本年度支付予高級管理人員之薪酬按範圍載列如下：

Senior Management emolument

高級管理人員之酬金

		Year 2020 二零二零年
RMB1,000,001 – RMB2,000,000	人民幣1,000,001元至人民幣2,000,000元	1
RMB2,000,001 – RMB3,000,000	人民幣2,000,001元至人民幣3,000,000元	1
		2

NOMINATION COMMITTEE

During the Year, the Nomination Committee comprised five members from 1 January 2020 to 27 May 2020, and since Mr Li Kwok Sing Aubrey retired on 27 May 2020 at the 2020 Annual General Meeting, and has not offered himself for re-election at the 2020 Annual General Meeting, the Nomination Committee comprised four members from 27 May 2020 to 31 December 2020, including the Chairman of the Company. During the Year, Mr Ling Xiao was the Chairman of the Nomination Committee from 1 January 2020 to 19 November 2020 and Mr Fu Bin was the Chairman of the Nomination Committee from 19 November 2020.

提名委員會

本年度，由二零二零年一月一日至二零二零年五月二十七日，提名委員會由五名成員組成，及自二零二零年五月二十七日李國星先生於二零二零年股東週年大會上退任，且不在二零二零年股東週年大會膺選連任，由二零二零年五月二十七日至二零二零年十二月三十一日，提名委員會由四名成員組成，包括本公司主席。本年度，由二零二零年一月一日至二零二零年十一月十九日，凌霄先生擔任提名委員會主席，而由二零二零年十一月十九日開始，付斌先生擔任提名委員會主席。

The main duties of the Nomination Committee include the following:

提名委員會之主要職責包括以下各項：

- to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
 - to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
 - to assess the independence of Independent Non-executive Directors;
 - to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the Chief Executives;
- 至少每年一次審閱董事會之架構、規模及組成(包括技能、知識及經驗)，並就為配合本公司之企業策略而擬對董事會作出變動提出建議；
 - 物色具備合適資格可成為董事會成員之個人，並甄選提名有關人士出任董事或就此向董事會提出建議；
 - 評估獨立非執行董事之獨立性；
 - 就有關委任或重新委任董事以及董事(尤其是主席及主要行政人員)繼任計劃之相關事項向董事會提出建議；

5. to regularly review the time required from a Director to perform his responsibilities; and
6. to do such other things to enable the Nomination Committee to discharge its powers and functions conferred to it by the Board.

In performing its duties, due regards would be given to the Listing Rules and the associated guidance.

The Nomination Committee held three meetings during the Year to review Board composition, proposal for Directors' re-election on retirement, the appointment of new Director as well as the objectives set for implementing the Board Diversity Policy.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the following corporate governance functions as required under the CG Code:

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

During the Year, the Board considered the following corporate governance matters:

- adoption of corporate governance functions under the CG Code;
- review the usage of annual caps on continuing connected transactions of the Group;
- review the compliance with the CG Code; and
- review of the effectiveness of the internal controls and risk management systems of the Company.

5. 定期審閱董事履行其職責所需之時間；及
6. 進行其他事項以令提名委員會履行董事會賦予其之權力及職能。

履行職責時須妥為遵守上市規則及相關指引。

本年度，提名委員會已舉行三次會議，以審閱董事會組成、建議重選退任董事、委任新董事以及為實施董事會成員多元化政策而設定的目標。

企業管治職能

董事會負責行使企業管治守則規定之下列企業管治職能：

- 制定及檢討本公司企業管治政策及常規；
- 檢討及監察董事及高級管理層之培訓及持續專業發展；
- 檢討及監察本公司有關遵守法律及監管規定之政策及常規；
- 制定、檢討及監察適用僱員及董事之操守準則及合規手冊；及
- 檢討本公司企業管治守則之合規情況及於企業管治報告中之披露。

本年度，董事會考慮以下企業管治事宜：

- 根據企業管治守則採納企業管治職能；
- 審閱本集團持續關連交易年度上限的使用；
- 審閱企業管治守則之合規情況；及
- 審閱本公司內部控制及風險管理系統之有效性。

MODEL CODE FOR SECURITIES TRANSACTIONS

Code Provision A.6.4 stipulates that directors must comply with their obligations under the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 to the Listing Rules and, in addition, the Board should establish written guidelines no less exacting than the Model Code for relevant employees in respect of their dealings in the securities of the issuer.

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made to all the Directors, and the Directors have confirmed that they have complied with the Model Code throughout the Year.

The Company has also established written guidelines – Code for Securities Transactions by Relevant Employees in respect of the dealings in the Company’s securities by employees who are likely to be in possession of unpublished inside information of the Company.

RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS AND AUDITOR’S REMUNERATION

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

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the Year.

The statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the “Independent Auditor’s Report” on pages 87 to 93.

During the Year, the fees charged by KPMG for the audit of the Company and its subsidiaries amounted to approximately RMB22 million (2019: RMB18 million). In addition, approximately RMB1 million (2019: RMB2 million) was charged by KPMG for non-audit services. The non-audit services mainly consist of taxation services, advisory and other professional services. The fees charged by other auditors of the Group for audit services and non-audit services during the Year amounted to approximately RMB7 million and RMB4 million respectively (2019: RMB10 million and RMB3 million respectively).

進行證券交易之標準守則

守則條文A.6.4規定董事必須遵守上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)之責任，另外，董事會應就有關僱員買賣發行人證券事宜訂立不比標準守則寬鬆之書面指引。

本公司已採納上市規則附錄十所載之標準守則。

經向全體董事作出具體查詢，董事已確認於本年度內一直遵守標準守則。

本公司亦就可能擁有關於本公司未公開內幕消息之僱員買賣本公司證券訂立書面指引－有關僱員進行證券交易守則。

有關財務報表及核數師酬金之責任

董事會負責呈現平衡、清晰及明白的有關年度報告及中期報告、涉及內幕消息之公告及根據上市規則及其他監管規定須予披露之其他資料的評審。

董事確認彼等編製本公司本年度財務報表之責任。

本公司獨立核數師就彼等對財務報表之報告責任聲明載於第87至93頁之「獨立核數師報告」。

本年度，畢馬威會計師事務所向本公司及本公司的附屬公司提供審核服務所收取的費用約為人民幣22百萬元(二零一九年：人民幣18百萬元)。此外，畢馬威會計師事務所提供非審核服務所收取的費用約為人民幣1百萬元(二零一九年：人民幣2百萬元)。而非審核服務主要包括稅務服務、諮詢及其他專業服務。本年度，本集團的其他核數師就提供審核服務及非審核服務收取的費用分別約為人民幣7百萬元及人民幣4百萬元(二零一九年：分別人民幣10百萬元及人民幣3百萬元)。

SHAREHOLDER RIGHTS AND INVESTOR RELATIONS

(1) General Meeting

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. The Chairman of the Board as well as the Chairmen of the Audit Committee, the Remuneration Committee and the Nomination Committee or, in their absence, other members of the respective committees, are available to answer questions at the shareholders' meetings.

Under the Listing Rules, any vote of shareholders at a general meeting will be taken by poll except where the Chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Details of the poll procedures are included in all notices/circulars to shareholders and will be explained during the proceedings of meetings.

Poll results will be posted on the website of the Stock Exchange and the Company subsequent to the close of the shareholders meeting.

Separate resolutions are proposed at general meetings on each substantial issue, including the election of individual Directors.

股東權利及投資者關係

(1) 股東大會

本公司之股東大會為股東及董事會提供機會進行溝通。董事會主席及審核委員會、薪酬委員會及提名委員會主席或(在彼等缺席時)各委員會之其他委員，將在股東大會上回答提問。

根據上市規則，除主席以誠信原則作出決定容許純粹有關程序或行政事宜之決議案將以舉手方式表決外，股東於股東大會上作出之所有表決必須以投票方式進行。表決程序詳情已載列所有股東通告／通函，並將於會議進行期間解釋。

表決結果將於股東大會後在聯交所及本公司網站刊載。

於股東大會上，將就各重大事項(包括選舉個別董事)提呈獨立決議案。

CORPORATE GOVERNANCE REPORT

企業管治報告

During the Year, two general meetings were held on 27 May 2020 and 27 October 2020 which were the 2020 annual general meeting and the special general meeting for approval of the revision of annual caps for the continuing connected transactions in 2020, new master agreement and the continuing connected transactions for the years 2021 to 2023, respectively. The attendance records of the Directors to the 2020 general meetings are set out below:

本年度，已於二零二零年五月二十七日及二零二零年十月二十七日舉行兩次股東大會，其分別為二零二零年股東週年大會及股東特別大會以批准修訂持續關連交易於二零二零年之年度上限、新主協議及二零二一年至二零二三年之持續關連交易。董事出席二零二零年股東大會之出席會議次數記錄載列如下：

Directors 董事		Attendance/ Number of Meetings 出席／會議次數	
		Annual General Meeting 股東週年大會	Special General Meeting 股東特別大會
<i>Executive Directors:</i>		<i>執行董事：</i>	
Mr Fu Bin (Chairman) (appointed on 19 November 2020)	付斌先生(主席)(於二零二零年十一月十九日獲委任)	-	-
Mr Qian Zhijia (Chief Executive Officer) (appointed on 19 November 2020)	錢治家先生(行政總裁)(於二零二零年十一月十九日獲委任)	-	-
Mr Zhou Yuanhong	周遠鴻先生	1/1	1/1
Mr Miao Yong (Chief Financial Officer)	繆勇先生(財務總監)	0/1	1/1
Mr Ling Xiao (resigned on 19 November 2020)	凌霄先生(於二零二零年十一月十九日辭任)	1/1	1/1
Mr Zhao Yongqi (resigned on 19 November 2020)	趙永起先生(於二零二零年十一月十九日辭任)	1/1	1/1
Mr Zhao Zhongxun (resigned on 19 May 2020)	趙忠勛先生(於二零二零年五月十九日辭任)	-	-
<i>Independent Non-executive Directors:</i>		<i>獨立非執行董事：</i>	
Dr Liu Xiao Feng	劉曉峰博士	1/1	1/1
Mr Sun Patrick	辛定華先生	1/1	1/1
Mr Tsang Yok Sing Jasper	曾鈺成先生	1/1	0/1
Mr Li Kwok Sing Aubrey (retired on 27 May 2020 and did not offer himself for re-election)	李國星先生(於二零二零年五月二十七日退任，並不膺選連任)	0/1	-

The Code provision A.6.7 provides that non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. However, Mr Li Kwok Sing Aubrey, the former Independent Non-executive Director, was not able to attend the annual general meeting of the Company held on 27 May 2020 due to other engagements, and Mr Tsang Yok Sing Jasper, the Independent Non-executive Director, was not able to attend the special general meeting held on 27 October 2020 due to other engagements. Save as disclosed above, all other Independent Non-executive Directors had attended the annual general meeting held on 27 May 2020 and special general meeting held on 27 October 2020 to answer questions and collect views of shareholders.

(2) Rights of Shareholders to Convene Special General Meeting

A special general meeting shall be convened on the written requisition of shareholder(s) holding at the date of the deposit of the registration not less than one-tenth of the paid-up capital of the Company which as at the date of the deposit carries the voting right at general meetings of the Company deposited at the registered office of the Company in Bermuda (Clarendon House, 2 Church Street, Hamilton HM11, Bermuda) and the principal place of business of the Company in Hong Kong (39/F, 118 Connaught Road West, Hong Kong) for the attention of the Board.

The written requisition shall specify the objects of the special general meeting and signed by the requisitioner(s). If the Board does not, within 21 days from the date of deposit of the written requisition, proceed duly to convene the special general meeting the requisitioner(s) or any of them representing more than one-half of the total voting rights of all of them, may convene the special general meeting in the same manner, as nearly as possible, as that in which special general meeting may be convened by the Board, provided that any special general meeting so convened shall not be held after the expiration of 3 months from the date of deposit of the written requisition, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

守則條文A.6.7規定，非執行董事應出席股東大會及對股東之意見有公正的了解。然而，因其他事務，前獨立非執行董事李國星先生未能出席本公司於二零二零年五月二十七日舉行之股東週年大會，以及因其他事務，獨立非執行董事曾鈺成先生未能出席本公司於二零二零年十月二十七日舉行之股東特別大會。除上述披露外，所有其他獨立非執行董事均已出席於二零二零年五月二十七日舉行之股東週年大會及於二零二零年十月二十七日舉行之股東特別大會，以回應提問及聽取股東之意見。

(2) 股東召開股東特別大會之權利

股東特別大會可應股東(在提交請求之日其持有本公司於提交請求之日附有本公司股東大會表決權之繳足股本不少於十分之一)之書面要求召開。書面要求須提交至本公司百慕達註冊辦事處(地址為Clarendon House, 2 Church Street, Hamilton HM11, Bermuda)及本公司香港主要營業處(地址為香港干諾道西118號39樓)，收件人為董事會。

書面要求須訂明股東特別大會之目的及經要求人士簽署。倘董事會未能於書面要求提交日期起計二十一日內處理正式召開股東特別大會，要求人士或佔彼等總投票權超過半數之任何人士可盡可能按董事會可能召開股東特別大會的方式召開股東特別大會，惟所召開的任何股東特別大會不得自書面要求提交日期起計三個月屆滿後召開，而要求人士因董事會未能舉行股東特別大會而產生之合理開支將由本公司補償。

(3) Shareholders' Communication

Corporation communications such as interim reports, annual reports and circulars are sent to the shareholders in a timely manner and are also available on the website of the Company. The Company's website provides the shareholders with the corporate information, such as principal business activities and latest development of the Group, as well as the share price and dividend history of the Company. Also, it provides information on corporate governance and corporate social responsibilities of the Group as well as the compositions and functions of the Board and the committees. For efficient communication with shareholders and in the interest of environmental protection, arrangements were made to allow shareholders to elect to receive corporate communications of the Company by electronic means through the Company's website.

Shareholders are provided with contact details of the Company, such as telephone hotline, fax number, email address and postal address, in order to enable them to make any query that they may have with respect to the Company. They can also send their enquiries to the Board through these means.

(4) Constitutional Documents

Changes in the Company's constitutional documents may only be effected by way of special resolution. During the Year, there were no changes in any of the Company's constitutional documents.

(5) Investor Relations

The Company continues to enhance communications and relationships with its investors. Designated senior management maintains regular dialogue with institutional investors and analysts to keep them abreast of the Company's developments. Enquiries from investors are dealt with in an informative and timely manner.

To promote effective communication, the Company also maintains website at <http://www.kunlun.com.hk>, where extensive information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are posted.

(3) 與股東之溝通

中期報告、年度報告及通函等公司通訊將及時派發予股東並可於本公司網站上查閱。本公司網站向股東提供企業資料，如本集團之主要業務活動及最新發展以及本公司之股份價格及歷史股息。網站亦提供有關本集團企業管治及企業社會責任之資料以及董事會及委員會組成及職能之資料。為有效的與股東溝通及有利於環境保護，本公司已做出安排使股東可以選擇以電子方式通過本公司網站收取本公司之公司資訊。

為使股東作出有關本公司的任何查詢，本公司向彼等提供如熱線電話、傳真號、郵箱及通訊地址等本公司聯繫資料。股東亦可透過該等方式向董事會查詢。

(4) 組織章程文件

本公司組織章程文件的變動需由特別決議通過。於本年度，本公司組織章程文件於並無任何變動。

(5) 投資者關係

本公司持續加強與其投資者之溝通及關係。特定高級管理人員與機構投資者及分析員定期對話，協助彼等了解本公司之發展。本公司會對投資者之查詢作出詳盡及適時之回應。

為促進有效溝通，本公司同時設有網站（網址為 <http://www.kunlun.com.hk>），以刊載詳盡資料及更新本公司之業務發展及經營、財務資料、企業管治常規及其他資料。

RISK MANAGEMENT AND INTERNAL CONTROLS

It is the responsibility of the Board to ensure that the Company maintains sound and effective internal controls to safeguard the shareholders investment and the Company's assets. The internal control system of the Company comprises a well-established organisational structure and comprehensive policies and standards. The Company also has an internal audit department, which is responsible for monitoring the internal governance of the Group and overseeing the risk management and internal control system of the Group.

The Board, through the Audit Committee, assesses annually the effectiveness of the Group's internal control system which covers all material controls, including financial, operational and compliance controls as well as risk management of the Company. The Board acknowledges that such risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. Having reviewed the assessment report issued by an external advisory firm, the Board considers that the risk management and internal control systems of the Group are effective and adequate.

The Group has been attaching great importance to internal control and risk management. The Company continued to facilitate the building of its internal control system, gradually built and improved a comprehensive risk management system, and effectively promoted its operation in compliance with the laws and regulations. It actively pushed forward the integration of risk management and business and gave full play to the guiding role of risks in its management.

MATERIAL RISK MANAGEMENT AND CONTROL IN 2020

In 2020, in accordance with the requirement and arrangement of the Board and the management, and under the risk-oriented and compliance-based principle, the Company's internal control and risk management work was focused on optimization of procedures, implementation of effective supervision and enhancement of material risk management and control, further strengthening the Company's capability in risk prevention, and enabling the Company to achieve high-quality development with all tasks for the year successfully and smoothly accomplished. In addition, the Company was rated by PetroChina Company Limited in its internal control operation evaluation as an "outstanding" unit for three consecutive years.

風險管理及內部監控

董事會負責確保本公司之內部監控系統穩健妥善而且有效，以保障股東之投資及本公司之資產。本公司之內部監控系統包含完善之公司架構以及全面之政策及標準。本公司亦設有內部審計部門，負責監控本集團內部管治及監督本集團風險管理及內部控制系統。

董事會透過審核委員會每年評核本集團內部監控系統之效能。該系統涵蓋所有重要監控，包括本公司的財務、營運及遵守法規的監控以及風險管理。董事會明白，設計有關風險管理及內部控制系統的原意乃管理而非排除未能達成業務目標的風險，並只能就重大錯誤陳述或損失提供合理而非絕對的保證。經審閱外部諮詢公司發行的評估報告後，董事認為，本集團風險管理及內部控制系統有效及充足。

本集團歷來高度重視內控與風險管理工作，本公司不斷推進內控體系建設，逐步建立和完善全面風險管理體系，有效促進了依法合規經營。積極促進風險管理與業務相融合，充分發揮風險在管理中的導向性作用。

二零二零年度重大風險管控情況

二零二零年，本公司內部控制與風險管理工作按照董事會、管理層的要求和部署，以風險為導向，以依法合規為目標，以流程優化、有效監督和強化重大風險管控為重點，進一步增強了公司風險防範能力，為公司實現高品質發展提供有力保障，並順利及圓滿地完成了本年度各項工作。而且，本公司連續三年被中國石油天然氣股份有限公司評為內控運行「傑出」單位。

1. Market Risk

The Group proactively facilitated the resumption of work and operation of the end-users. For end-users that have not yet resumed work or operation, the Group conducted inspection of their actual situation and promptly tracked their operation resumption plan to prevent customer loss. Meanwhile, the Group made full preparation for gas supply to customers once operation is resumed, so as to ensure timely distribution and supply of gas upon resumption of operation. For end-users that have resumed operation, while sparing no efforts in guaranteeing resource supply, the Group also adopted a well-structured marketing strategy to boost their gas consumption back to the pre-epidemic level as soon as possible. Furthermore, through enhanced communication and coordination with production enterprises and users, the Group helped address the shortage in transportation capacity during the epidemic and mitigated the imbalance between supply and demand to some extent. Great efforts were exerted to optimize its sales structure and increase the sales volume of retail business with high efficiency, in order to maintain stable profit. The Group also adopted a proactive marketing strategy targeted at non-resident customers having gas consumption of over 10,000 cubic metres, and implemented a sales volume expansion strategy, for the purpose of customer loss prevention, ultimately recording an increase in end-user sales of nearly 50 million cubic metres. By focusing on the priority tasks such as cultivating the existing niche markets, development of new markets, active initiatives for stable gas supply and rigorous promotion of rational pricing, the Group managed to effectively address the risk of declining end-user sales caused by the epidemic, fully eliminate or mitigate the impacts by some degrees, and achieve the established goals of continuous rapid growth of end-user sales and expansion of customer base.

1. 市場風險

本集團積極推進終端使用者復工復產，對於未復工復產的使用者，做好情況摸查，及時跟蹤掌握客戶復產計劃，嚴密防範客戶流失，同時做好復產供氣準備，確保客戶復產後及時送氣供氣。對於已復產的用戶全力保障資源供應，本集團合理搭配行銷策略，儘早實現復產用戶用氣量水準恢復。而且，本集團加強與生產企業和用戶的溝通協調，協調解決疫情期間運輸受限難題，有限緩解供需不平衡的矛盾，努力優化銷售結構，提升高效零售銷量，穩定經營效益。本集團亦採取積極行銷策略，甄選增量空間1萬立方米以上的非居民客戶，實施擴銷增量策略，避免客戶流失，終端銷售增量近5000萬立方米。圍繞存量市場挖潛、推進市場開發、積極穩定保供、著力推價順價等重點工作，有效化解疫情帶來的終端銷量下滑風險，全力消除或降低影響程度範圍，實現終端銷量保持較快增長，客戶規模持續擴大的既定目標。

2. Risks related to the development of national policy

The Group paid close attention to new industry policies and carried out careful interpretation and analysis on policies introduced by the government, such as the “Notice on Strengthening Supervision on the Transmission and Distribution Price of Natural Gas” (《關於加強天然氣輸配價格監管的通知》), the “Notice on Temporary Reduction of Natural Gas Cost for Non-resident Purpose in Supporting Resumption of Work and Production” (《關於階段性降低非居民用氣成本支持企業復工復產的通知》) and the white paper titled “Energy in China’s New Era” (《新時代的中國能源發展》), etc., to analyze and study the market changes and industry trends brought by policy changes and develop response strategies in advance, so as to effectively prevent and mitigate policy risks and their impacts. Besides, the Group actively cooperated with local governments in policy implementation by taking the initiative to adjust the retail price of natural gas and bringing the impact on price reduction to the industry, so as to ensure that its downstream corporate customers could benefit from favorable policies in a timely manner. In response to the requirements under the “Notice on Taking Special Measures to Address Safety Problems Related to LPG Cylinders and Bottled LPG” (《關於開展液化石油氣瓶和瓶裝液化石油氣安全專項整治的通知》) released jointly by the State Administration for Market Regulation, the Ministry of Housing and Urban-Rural Development and other three equivalent authorities, the Group actively participated and cooperated with local governments in consolidating the LPG market and regulating markets and the industry, to continuously increase its market share. Furthermore, the Group also strengthened the cooperation with the upstream entities to seek simultaneous decrease in gas purchase price, and established relevant system to collect market information on a weekly basis to promptly follow policy changes made by provincial governments, marketing strategies of competitors, gas consumption of major customers and other key information, so as to mitigate the risk of narrowing sales margin.

2. 國家政策導向風險

本集團緊密關注行業政策發佈、針對國家出台的《關於加強天然氣輸配價格監管的通知》、《關於階段性降低非居民用氣成本支持企業復工復產的通知》、《新時代的中國能源發展》白皮書等政策進行認真解讀，分析研判政策帶來的市場變化和行業走勢，提前制定應對策略，有效防範並降低政策風險和影響程度。而且，本集團積極配合地方政府政策實施，主動調節零售價格，做好價格下降空間傳導，確保下游用氣企業及時享受政策利好。響應市場監管總局、住房和城鄉建設部等五部委下發的《關於開展液化石油氣瓶和瓶裝液化石油氣安全專項整治的通知》有關要求，本集團積極參與和配合各地政府開展液化石油氣市場整合，規範市場和行業管理，使市場佔有率不斷提高。此外，本集團加強與上游單位對接，爭取購氣價格同步下降，建立每周市場信息收集制度，及時瞭解各省政策變動、競爭對手營銷策略、重點客戶用氣情況等關鍵信息，減弱銷售價差下降風險。

3. Health, Safety and Environmental Protection Risks

The Group continued to improve its systems and strengthen its management foundation, and implemented a routine management mechanism to continuously promote its consistent performance of pipeline compliance inspection and detection, internal and external pipeline detection, identification of high risk areas, flood prevention and other tasks. Besides, being committed to improve its digital management and control system, the Group facilitated digital pipeline management under its three-year special rectification action plan, and conducted pilot rollout of the pipeline management modules in its production management system, effectively improving its management and control efficiency and giving full play to cross monitoring. The Group took vigorous measures to address potential safety hazards and violations, achieving the annual targets of full monitoring and inspection coverage of all second-tier and third-tier subsidiaries with the accomplishment of all project tasks. In addition, the Group strengthened contingency plan management and enhanced emergency and accident management. Given its high attention to event reporting, the Group continuously strengthened the statistical analysis of event-related information, especially events related to pipelines and users, and made strenuous efforts to investigate event cause from the management perspective, identify system deficiency and develop preventive measures. There was no report of major safety hazards during the Year.

4. Risks related to gas metering

The Group carried out daily maintenance to ensure smooth operation of metering equipment. Paying close attention to the equipment that has not been inspected due to the COVID-19 epidemic, the Group requested all subsidiaries to conduct risk assessment, strengthen parameter monitoring and management and have the equipment inspected as soon as possible, so as to avoid omitting inspection. In addition, the Group conducted special inspection on the metering system of customers suffering with severe gas loss and analysis on the gas loss data, and strengthened online monitoring and detection of the operation of the meters to identify gas theft and leakage in a timely manner. The Group also tracked and calculated gas loss on a quarterly basis, and summarized and promoted the relevant experience in management and control. Taking advantage of the transformation of its metering and delivery system, the Group directed its subsidiaries to manage gas metering in an orderly manner, conduct special study and pass the inspection upon acceptance, and primarily established its metering management system based on the results of the study. There were no report of major and serious disputes or accidents in relation to metering matters during the Year.

3. 健康安全環保風險

本集團完善體系建設，夯實管理基礎，及以常態化管理機制，繼續推動管道檢驗檢測合規性、內外檢測、高後果區排查、防汛等各項工作穩步實施。此外，本集團提升數位化管控，並落實公司三年專項整治行動方案管道數位化要求，開展試點上線生產管理系統管道管理模組，有效提升管控效能，及充分發揮異體監督作用，以鐵手腕狠抓安全隱患和違章，完成年度區域內二、三級單位監督檢查覆蓋率100%、專項任務完成率100%。而且，本集團加強應急預案管理和故事件管理，及高度重視事件資訊報送工作，不斷加強事件資訊統計分析，尤其是管網端和用戶端的事件，認真查找管理原因，排查制度缺陷，制定預防措施，全年未發生重大安全風險。

4. 計量風險

本集團會做好日常維護，確保計量設備運行正常，及對受疫情影響未能送檢的設備重點關注，要求各單位進行風險評估並加強參數監視管理，盡快補檢，避免應檢未檢現象。而且，本集團對損耗大戶實施專項計量檢查和損耗分析及強化在線儀表運行狀態監測、監控，及時發現偷、漏氣情況，每季度跟蹤計量差損情況，總結推廣管控經驗。本集團因勢利導順應計量交接方式轉變，指導所屬單位計量管理工作有序推進及開展專題研究並通過驗收，依據研究成果初步建立了公司計量管理，全年未發生重特大計量爭議和事故。

5. Investment Risk

With a focus on its core business, the Group invests only in sizeable, profitable and quality equity projects by clarifying the multidimensional selection criteria for equity acquisition and merger projects in terms of strategic approach, profitability and other aspects. Moreover, the Group strengthens the management of equity investment projects from the source through stringent selection of shareholders, in-depth due diligence and analysis of risks in legal affairs, financial affairs, security, social stability and other areas, so as to effectively ensure the risk control and compliance management requirements. Furthermore, the Group carried out the planning and research on its business development and improved its planning, analysis and assessment system. The detailed plans prepared by the Group would then be used as key reference for the establishment of primary working programmes. While adhering to the working mechanism of “multi-level accountability and multi-layer inspection”, the Group would take into account the management capability of different provincial companies from an overall perspective, and implement differentiated authorization management, with an emphasis on the accountability of the granted authorization, so as to achieve unification of power and responsibilities. In addition, the Group strictly executed its four-step project approval procedure of pre-review, evaluation, headquarter review and corporate decision making, and thus projects that failed to meet the profitability standards would not be approved and implemented. With a more scientific decision-making procedure for investment projects, the Group effectively prevented and controlled risks in market development and investment, ensuring the quality and profitability of the investments.

5. 投資風險

本集團聚焦公司主業，明確股權併購專案在戰略導向、盈利能力等多維度篩選標準，堅持有規模、有效益、有品質的股權投資，及加強股權投資專案源頭管理，嚴格股東甄選，深入盡職調查，做好法律、財務、安全、社會穩定等方面風險識別分析，有效落實風險防控及合規管理要求。而且，本集團深入開展公司業務發展規劃研究，完善規劃分析評估體系，將規劃作為前期工作計劃立項的主要依據，堅持分級負責、層層把關的工作機制，統籌考慮省區公司管理水準，實行差異化授權管理，重視授權後管理責任，權責統一。此外，本集團把好專案立項預審查、評估、機關審查、公司決策「四個關口」，達不到效益標準的專案不批覆、不實施，使投資專案決策程式更加科學，有效防控市場開發投資風險，確保專案品質和效益。

6. Management Risk of Engineering Projects

The Group continued to improve its professional project management system to further strengthen the project construction management, and took various measures to perfect the administrative measures on project construction and refine regulations on project risk management, so as to enhance the operability of each project. In addition, the Group further enriched inspection means to improve quality of supervision and inspection, and carried out special inspections and supervisions on major projects, key areas and coal-to-gas conversion project by organizing comprehensive inspections on engineering projects of the Company. All key projects were inspected while the others were checked on a random basis, and such inspection covered all companies in any provinces where such engineering projects are located, which was effective for precaution, alert and supervision. Efforts have been made to regulate the performance of contracts by the contractors so as to have the orderly development of the projects. In addition, the Group continued to enhance the implementation of the “five requirements” regarding the contractors, strengthened the supervision on contractors from every aspects including entry barrier, use of services, assessment and result application, and put in place the “contractor blacklist” system. Under the principle of “service users to conduct evaluation and take responsibility”, the Group organized the second-tier subsidiaries to conduct annual assessment on the contractors, enhanced management over contract performance by the contractors and initiated review of major projects after bidding, effectively preventing management risks of engineering projects.

6. 工程項目管理風險

本集團持續完善專業化專案管理體系，進一步夯實工程建設管理基礎，及先後完善工程建設項目管理辦法，細化項目風險管理規定，增加項目單位的可操作性。而且，本集團進一步豐富檢查手段，提高監督檢查工作品質，及開展重點項目、重點區域、煤改氣專項檢查、專項督導，組織開展公司工程建設項目綜合檢查，做到了重點項目必檢，其他項目抽檢，有工程建設項目的省區公司全覆蓋，起到良好防範提醒監督作用，以規範承包商履約行為，保障項目有序推進。此外，本集團繼續強化落實承包商「五關」要求，從承包商准入、使用、評價和結果應用等各個環節加強承包商監管，落實承包商「黑名單」制度。按照誰使用、誰評價、誰負責的原則，本集團組織二級單位開展承包商年度評價，強化承包商履約行為管理，首次啟動重大項目標後復查，有效防範工程項目管理風險。

7. Risks related to managing loss-making subsidiaries

From the perspective of strengthening the “Four Awareness”, the Group strived to gain a clear understanding of the overall situation and formed a shared commitment within the Group. We deployed a team of outstanding talents and consolidated group resources to tackle the difficult tasks in phasing out loss-making subsidiaries in a limited time frame. Furthermore, the Group also specified key milestones in phasing out such subsidiaries according to the loss-making subsidiaries phase-out plan, and deepened and refined the work plan in the principle of compliance with applicable laws and regulations and differentiated policies for various subsidiaries. With the head of each subsidiary at the provincial or regional level acting as the primary person-in-charge of loss-making subsidiaries phase-out task, the members of the senior management, assistants and assistant to the president of such subsidiaries were responsible for the direction, supervision and coordination in their designated regions. Special assistance and guidance were given to regions with greater number of loss-making subsidiaries, with concerted effort to tackle the problems. Various departments of the headquarters proactively fulfilled their responsibility and worked together to create synergetic effect and push the tasks forward. In addition, the Group made loss-making subsidiaries phase-out as a part of the performance assessment of its subsidiaries and align their performance in this aspect with compensation distribution and payment as well as the performance appraisal of the key leaders.

7. 虧損企業管治風險

本集團從強化「四個意識」的角度，認清形勢、統一思想，抽調精兵強將，集中優勢兵力，搶抓剩餘的有限時間，堅決打贏壓減攻堅戰。而且，本集團按照壓減方案明確壓減節點堅持依法合規、一企一策，深化、細化工作方案，省區公司主要領導作為壓減工作的第一責任人，公司領導班子成員和助理、副總師按照劃定的負責區域，加強指導、督促及協調，對壓減任務較重的地區，開展專項對接與幫扶指導，集中力量破解難題；機關各職能部門按照責任，主動擔當、齊抓共管、協同推進。此外，本集團將壓減工作納入各單位的業績考核內容，與各單位的薪酬分配兌現掛鉤，與主要領導的考核評價掛鉤。

8. Risks related to strategic partners

To effectively prevent the risks arising from strategic partner selection, the Group, based on its corporate management needs, further revised and improved its strategic partner selection methods. To accommodate its corporate management needs, the Group raised the selection criteria and selected excellent partners to form the alliance which leverages complementary strengths. In addition, during the preliminary assessment of equity investment projects, the Group strictly implemented its strategic partner selection methods and strengthened partner due diligence, so as to promptly identify risks affecting capital contribution and limitations on equity interest of the joint venture projects. No joint venture cooperation with prohibited parties was allowed. The Group also enhanced equity management by enhancing exercise of rights by the contributors, strengthening communication and coordination with the strategic partners and tracking the operation and contract performance of the strategic partners, so as to assess their impacts on the joint venture companies in a timely manner, come up with effective response measures and prevent operational risks.

9. Legal Risk

Sticking to the requirement of “compliance with applicable laws and regulations”, and through the identification of legal compliance risks relating to the business operation and various positions as well as guidance on the prevention and control measures, the Group strived to address and prevent various legal risks. Besides, the Group regulated the antitrust compliance actions in the systems and operations to improve the antitrust investigation, response and coordination mechanism. In addition, the Group strengthened the instruction and training regarding major steps of contract management, and further pushed forward the application of the contract management informatization and standardisation. The Group improved the safety of contractual transactions by promoting whole-cycle contract management and contract performance supervision. Putting more efforts to deal with lawsuits, the Group also took full advantage of all kinds of legal resources to mitigate lawsuit risks in a timely manner and effectively protect its legitimate rights and interests.

8. 戰略合作夥伴風險

為有效防範合作股東甄選風險，本集團結合公司管理需要，進一步修訂完善合作股東甄選辦法及結合公司管理需要，提高合作股東選擇標準，優選合作夥伴，實現強強聯合，優勢互補。此外，在股權投資項目前期論證中，本集團嚴格執行合作股東甄選辦法，加強對合作夥伴的盡職調查力度，及時發現影響合資合作的出資、股權受限等方面的風險，嚴禁與禁止類夥伴進行合資合作。而且，本集團加強對股權管理力度，強化出資人行權，加強與合作股東的溝通協調，跟蹤合作股東經營狀況和履約情況，及時評估對合資公司的影響，提出有效應對措施，防範經營風險。

9. 法律風險

本集團牢牢把握「依法合規」底線要求，通過對業務、崗位的法律合規風險識別與防控措施指引，防範和化解各類法律風險。此外，本集團從制度和業務操作運行環節規範反壟斷合規行為，完善反壟斷調查應對協調機制。而且，本集團加強合同管理重點環節的指導和培訓，強化合同管理資訊化、合同文本標準化，通過加強合同全流程管理約束和履約監督，增進合同交易安全，及加大訴訟案件處理力度，充分利用各類法律資源，及時化解法律訴訟風險，有力維護公司合法權益。

10. Risks related to organizational structure

To improve the organization's operation efficiency, the Group actively promoted the optimization and integration of its third-tier organization structure following the principle of "one city, one managing body". Furthermore, the Group issued the "Notice on Further Advancing the Optimization and Integration of the Third-tier Management Structure of the Company" (《關於深入推進公司所屬三級管理機構優化整合工作的通知》), which stipulates binding targets on all subsidiaries to further promote the optimization and integration. In addition, the Group tightened the equity investment authorization by strictly controlling the number and size of investment projects. The Group signed the Statement of Delayer Target (《壓減目標責任書》) with each subsidiary at the provincial level, which sets out the time schedule for completing delayer task and specifies the delayer target of no less than 25% and the rules for evaluating the delayer performance. The Group reviewed with its subsidiaries at the provincial level and there were 17 subsidiaries disposed during the Year. Based on the fulfillment of the benchmark return indicators of the ultimate holding company, the Group selected the best projects, eliminated the projects that fail to meet the standards after taking into consideration of the size and expected economic benefits, in order to ensure the control over the investments. Projects not included into the proposed equity investment plan for the Year shall not be put into implementation, effectively mitigating the risk of losing control over the establishment of subsidiaries under the multi-level authorization system of equity investment.

10. 組織結構風險

為提高組織運行效率，本集團按照「一個地市，一個管理主體」積極推進三級機構優化整合。而且，本集團印發《關於深入推進公司所屬三級管理機構優化整合工作的通知》，各單位在公司下達的控制指標內，深入推進三級管理機構優化整合。此外，本集團加強股權投資授權，嚴控投資項目數量和規模，並通過與各省區公司簽署《壓減目標責任書》，按照不低於25%壓減率下達指標，明確完成壓減時間節點，制訂壓減考核細則，與省公司對接梳理新增股權處置項目17家。在滿足集團公司投資項目基準收益系列指標基礎上，結合項目規模及經濟效益的預期排序，優中選優、優勝劣汰，保證投資控制在總盤子裡，及對未納入年度股權投資建議計劃的項目不得實施投資，有效防範股權投資分級授權情況下公司設立失控風險。

DIRECTORS' REPORT

董事會報告書

The board of directors (the “Board”) of Kunlun Energy Company Limited (the “Company”) is pleased to present their annual report and the audited consolidated financial statements for the year ended 31 December 2020 (the “Year”).

BUSINESS REVIEW

A detailed review of the results of each business segment of the Company and its subsidiaries (together, the “Group”), major risks and uncertainties facing the Group's business operations, and the Group's business prospects are set out in the Chairman's Statement and Chief Executive Officer's Statement on pages 12 to 27 of this annual report, the discussion thereof forms part of this Directors' Report.

(1) Business Strategy

Currently, the China economy has shifted from rapid growth to high-quality development. In light of the significant strategic progress made in the epidemic containment, and with the economy returning to the growth track, the GDP growth forecast was set at above 6% in the Report on the Work of the Government for the year. The high-quality development of the macro-economy is expected to drive rigid demands for clean energies, including natural gas. Following the establishment of the “dual carbon goals”, the industry has witnessed accelerated low-carbon transformation of the energy structure, while natural gas is expected to play a greater bridging and supporting role during this historical process. Under the carbon reduction and carbon trading policy, there will be ample room for development in the industrial, transportation and power generation sectors in the short term. As the development of the natural gas industry fits well with the “six stabilities, six guarantees” requirement and national policies of new urbanization and rural revitalization, this sector is expected to have robust market demands in the medium to long term. According to relevant forecast, the consumption of natural gas in China by the end of the “14th Five-Year” plan period will reach 420 billion to 440 billion cubic metres, with an average annual growth rate of about 5.7%.

昆侖能源有限公司(「本公司」)董事會(「董事會」)欣然提呈截至二零二零年十二月三十一日止年度(「本年度」)之年報連同經審核綜合財務報表。

業務回顧

對本公司及其附屬公司(統稱「本集團」)各業務板塊業績、本集團業務營運面臨之主要風險及不確定因素以及本集團業務展望之詳細審閱載於本年報第12至27頁之主席報告及行政總裁報告，當中之討論構成本董事會報告書一部份。

(1) 發展戰略

當前，中國經濟已由高速增長階段轉向高質量發展階段。隨著新冠肺炎疫情防控取得重大戰略成果，經濟發展逐步邁入正軌，今年的政府工作報告提出了GDP增長6%以上的預期目標，宏觀經濟高質量發展將帶動包括天然氣在內的清潔能源需求剛性增長。隨著「雙碳目標」的提出，能源結構低碳轉型全面提速，天然氣在這一歷史進程中的橋梁和支撐作用將進一步顯現。近期看，在碳減排及碳交易政策的推動下，工業、交通、發電領域空間較大。中長期看，天然氣產業與國家「六穩六保」要求、新型城鎮化建設、鄉村振興的政策導向高度契合，市場需求韌性強勁。根據有關預測，「十四五」末中國天然氣消費量將達4,200億方-4,400億方，年均增速保持在5.7%左右。

During the “14th Five-Year” plan period, energy transformation and oil and gas system reform will present the Company with more opportunities than challenges. With an aim to facilitate high-quality development, the Group will vigorously push forward the implementation of the five strategies of “innovation, green operation, market, capital and low cost”. Taking innovations as the primary driver, the Group will put effort in system, commercial model and corporate culture. The Group will facilitate innovations by focusing on the natural gas business and strive to improve the value of business chain through the process of innovation. By adopting a market-oriented strategy, the Group will promote the overall development of all business lines while tailor solutions for different business segments, so as to consolidate its advantages in resources for precise resource allocation. The Group will push forward the cooperation in joint ventures, and will put proactive efforts to build a win-win industry ecosystem, with an aim to facilitate transformation and upgrading of the local economy and energy structure. Quality and efficiency enhancement is the fundamental policy in development, and thus efforts have been made to promote cost reduction and efficiency enhancement in all aspects, so as to strengthen our core competitiveness in low-cost operation. To promote green development, the Group will smooth the different business strategies, and expedite its transformation from a natural gas distributor into an internationally renowned and China’s first-class integrated green energy provider.

(2) Compliance with laws and regulations

The Group’s business are mainly operated by its subsidiaries in the PRC and overseas, which in their businesses should abide by the relevant laws and regulations, including those relating to gas operation and service, gas facilities protection, prevention and handling of gas safety accidents, price determination regime of natural gas, environmental protection, labour security, exploration, production and sales of crude oil. The Group has also obtained the requisite business licenses, qualifications, approvals and permits which are necessary for conducting its operations in the PRC and overseas.

During the Year, to the best of the knowledge and information of the directors of the Company (the “Directors”), the Group has complied with the relevant laws, regulations and other applicable requirements that have a significant impact on the Group and there have not been any illegal or non-compliant acts which would materially impact the Group’s normal and continuing operations.

「十四五」期間，能源轉型及油氣體制改革給公司帶來的機遇大於挑戰。本集團將以高質量發展為主題，大力實施「創新、綠色、市場、資本、低成本」五大戰略。將創新作為第一動力、以體制機制創新、商業模式創新、企業文化創新為引領，圍繞產業鏈部署創新鏈、依靠創新鏈提升價值鏈。把市場作為發展之基，實現整體推進和分類施策相配套，集中優勢和精準發力相銜接。全方位推進合資合作，積極構建行業競合共贏生態圈，助力地方經濟和能源結構轉型升級。把提質增效作為發展之策，深入挖掘各環節降本增效潛力，充分發揮低成本的核心競爭力。把綠色作為發展之路，推動戰略接替，加快由天然氣經銷商向國際知名、國內一流綠色能源綜合供應商的轉型。

(2) 遵守法律法規

本集團業務主要由附屬公司在中國及海外經營，有關附屬公司在業務中應遵守相關法律及法規，包括與燃氣經營及服務、燃氣設施保護、燃氣安全事故的預防及處理、天然氣定價制度、環保及勞動保障、原油勘探、生產及銷售有關的法律及法規。本集團亦已就在中國及海外進行經營取得必要的營業執照、資格、批准及許可。

於本年度，據本公司董事（「董事」）所深知及所信，本集團已遵守對本集團有重大影響的相關法律、法規及其他適用規定，並無任何非法或不合規行為將對本集團的正常及持續經營造成重大影響。

(3) Key relationships with stakeholders

The Group recognises the importance of good corporate governance to its healthy growth and strives to maintain effective communication with its stakeholders, including its shareholders, investors, employees, customers and suppliers. This has facilitated the Group's sustainable development in various aspects, including its business operation, environmental protection and work environment.

Corporate communications are provided to the shareholders of the Company in a timely manner. The Directors participated in the general meetings held during the Year to enable effective communication with the shareholders. The Company also continues to enhance communications and relationship with its investors. Designated senior management maintains regular dialogue with institutional investors and analysts to keep them abreast of the development of the Company.

The Group adheres to the principle of fairness in recruitment and treatment of its employees, and has established sound occupational health and safety policies to create a desirable work environment for its employees. Remuneration package and benefits of the employees are determined in accordance with market terms, industry practice as well as duties, performance, qualification and experience of the employees.

The Group adopts a market-oriented approach, closely monitors the demand for its products and coordinate its production, transmission and marketing activities with an aim to provide greater value to its customers. The Group has established long-term relationship with its major customers, including PetroChina Company Limited ("PetroChina") and other independent third-party customers which are primarily industrial users of the Group's gas products. The ageing analysis and further details of the Group's accounts receivable are set out in Note 22 in the Notes to the Consolidated Financial Statements. The Group did not rely on any major customer during the Year, and will continue to adopt multiple measures to develop users and expand marketing channels.

At the same time, the Group adopts scientific approach in managing its supply chain and controlling costs of raw materials. The Group has also received strong support from its largest supplier, PetroChina, in maintaining stable supply for its midstream and downstream natural gas business. The Group has maintained a good relationship, and did not have any significant disputes, with its major customers and suppliers during the Year.

(3) 與利益相關者的主要關係

本集團深明良好的企業管治對公司穩健發展極為重要並致力於與利益相關者(包括其股東、投資者、僱員、客戶及供應商)維持有效溝通。此舉促進本集團於業務營運、環境保護及工作環境等若干方面的可持續發展。

本公司為其股東及時提供公司通訊。董事已出席本年度舉行的股東大會，以便與股東進行有效溝通。本公司亦持續改善與其投資者的溝通及關係。指定高級管理人員維持與機構投資者及分析師的定期對話，以使彼等了解本公司最新發展。

本集團以公平原則聘請及對待僱員，並已制定良好的職業健康及安全政策，為其僱員創造理想的工作環境。僱員薪酬待遇及福利根據市場條款、行業慣例以及僱員之職責、表現、履歷及經驗釐定。

本集團以市場為導向，密切監控其產品需求及協調其生產、運輸及市場活動，旨在為其客戶帶來更大價值。本集團已與主要客戶(包括中國石油天然氣股份有限公司(「中國石油」)及其他獨立第三方客戶(主要為本集團燃氣產品的工業用戶))建立長期關係。本集團應收賬款的賬齡分析及進一步詳情載列於綜合財務報表附註之附註22。本年度，本集團並無依賴任何主要客戶，並將繼續採取多種措施開發用戶及拓展營銷渠道。

同時，本集團科學管理其供應鏈及控制原材料成本。本集團於維持其中下游天然氣業務的穩定供應方面，亦得其最大供應商中國石油的大力支持。本年度，本集團與主要客戶及供應商維持良好關係，且與其之間並無任何重大爭議。

The Group has upheld its mission of “Low-Carbon Economy Green Development” in its long-term business strategy. It has placed a great emphasis on environmental protection by promoting energy conservation and emission reduction with a view to contributing to the sustainable development of the environment and maintaining long-term growth of the Group.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its subsidiaries, associates and joint ventures are the sales of natural gas, sales of liquefied petroleum gas (“LPG”) and liquefied natural gas (“LNG”) processing and terminal business 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.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the Consolidated Statement of Comprehensive Income on pages 94 and 95.

A final dividend for the year ended 31 December 2019 of RMB26.3 cents per share amounting to approximately RMB2,277 million was paid during the Year. The Directors recommended the payment of a final dividend of RMB21.01 cents per share for the Year and a special dividend of RMB213.66 cents per share, amounting to a total of approximately RMB20,320 million.

FIVE YEAR FINANCIAL SUMMARY

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

RESERVES

Movements in the reserves of the Group and of the Company during the Year are set out in the Consolidated Statement of Changes in Equity on pages 98 and 99, and Note 26 in the Notes to the Consolidated Financial Statements respectively.

本集團堅守使命，以「低碳經濟、綠色發展」為其長期業務策略。本集團極其重視保護環境，透過節能減排保護環境措施，促進環境的可持續發展及維持本集團長期發展。

主要業務

本公司為投資控股公司，其附屬公司、聯營公司及合資企業主要於中國銷售天然氣、銷售液化石油氣（「LPG」）及從事液化天然氣（「LNG」）加工與儲運業務，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從事勘探及生產原油及天然氣。

業績及股息

本集團本年度之業績載於第94及95頁之綜合全面收益表。

本年度已派付截至二零一九年十二月三十一日止年度之末期股息每股人民幣26.3分，合共約人民幣2,277百萬元。董事會建議就本年度派發末期股息每股人民幣21.01分及特別股息每股人民幣213.66分，合共約人民幣20,320百萬元。

五年財務概要

本集團過去五個財務年度之業績及資產與負債概要載於第4頁。

儲備

本集團及本公司於本年度內儲備之變動情況分別載於第98及99頁之綜合權益變動表及綜合財務報表附註之附註26。

SHARE CAPITAL

Details of the movements in share capital of the Company during the Year are set out in Note 25 in the Notes to the Consolidated Financial Statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 31 December 2020 and 2019 were as follows:

		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
Contributed surplus	實繳盈餘	109	109
Retained earnings	滾存盈利	19,508	17,779
		19,617	17,888

Under the Bermuda Companies Act 1981, the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- (a) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws or the laws of Bermuda would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

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 Year.

股本

本公司本年度內之股本變動詳情載於綜合財務報表附註之附註25。

本公司可供分派儲備

於二零二零年及二零一九年十二月三十一日，本公司可供分派儲備如下：

	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
Contributed surplus	109	109
Retained earnings	19,508	17,779
	19,617	17,888

據百慕達一九八一年公司法，本公司之實繳盈餘賬可供進行分派。然而，本公司在下列情況下，不得自實繳盈餘中宣派或派付股息，或作出分派：

- (a) 於其負債到期時無法償還，或作出派付後無法償還負債；或
- (b) 其資產之可變現價值低於其負債及已發行股本及股份溢價之總額。

優先權

本公司之細則及百慕達法例均無優先認購股份權利條文規定本公司須按比例向現有股東發行新股。

購入、出售或贖回股份

本公司或其任何附屬公司於本年度概無購入、出售或贖回本公司任何股份。

DIRECTORS

The directors of the Company during the Year are:

Executive Directors:

Mr Fu Bin (*Chairman*)
(appointed on 19 November 2020)
Mr Qian Zhijia (*Chief Executive Officer*)
(appointed on 19 November 2020)
Mr Zhou Yuanhong
Mr Miao Yong (*Chief Financial Officer*)
Mr Ling Xiao (*resigned on 19 November 2020*)
Mr Zhao Yongqi (*resigned on 19 November 2020*)
Mr Zhao Zhongxun (*resigned on 19 May 2020*)

Independent Non-executive Directors:

Dr Liu Xiao Feng
Mr Sun Patrick
Mr Tsang Yok Sing Jasper
Mr Li Kwok Sing Aubrey (*retired on 27 May 2020 and did not offer himself for re-election*)

As disclosed in the announcement of the Company dated 19 November 2020, Mr Ling Xiao resigned as Executive Director with effect from 19 November 2020 due to the reason of his other work engagements, and Mr Zhao Yongqi resigned as Executive Director with effect from 19 November 2020 due to having reached the age of retirement.

As disclosed in the announcement of the Company dated 19 May 2020, Mr Zhao Zhongxun resigned as Executive Director with effect from 19 May 2020 due to the reason of his other work engagements.

In accordance with Bye-law 97 of the Company's Bye-laws, Mr Li Kwok Sing Aubrey retired at the 2020 Annual General Meeting, and has not offered himself for re-election at the 2020 Annual General Meeting because he has reached the age of retirement.

None of the Directors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

PERMITTED INDEMNITY

During the Year, the Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities.

董事

於本年度本公司之董事如下：

執行董事：

付斌先生(主席)
(於二零二零年十一月十九日獲委任)
錢治家先生(行政總裁)
(於二零二零年十一月十九日獲委任)
周遠鴻先生
繆勇先生(財務總監)
凌霄先生(於二零二零年十一月十九日辭任)
趙永起先生(於二零二零年十一月十九日辭任)
趙忠勳先生(於二零二零年五月十九日辭任)

獨立非執行董事：

劉曉峰博士
辛定華先生
曾鈺成先生
李國星先生(於二零二零年五月二十七日
退任，並不膺選連任)

誠如本公司日期為二零二零年十一月十九日的公告所披露，因工作調動原因，凌霄先生辭任執行董事，並於二零二零年十一月十九日起生效；及因達到退休年齡，趙永起先生辭任執行董事，並於二零二零年十一月十九日生效。

誠如本公司日期為二零二零年五月十九日的公告所披露，因工作調動原因，趙忠勳先生辭任執行董事，並於二零二零年五月十九日生效。

根據本公司之公司細則第97條，李國星先生已於二零二零年股東週年大會上退任，且因已屆退休年齡而不在二零二零年股東週年大會膺選連任。

概無董事與本公司訂立不可由本公司於一年內不作補償(法定賠償除外)而終止之服務合同。

經准許的彌償

本年度，本公司已就其董事及高級管理人員可能會面對由企業活動產生之法律行動，為董事及行政人員之職責作適當之投保安排。

BRIEF BIOGRAPHICAL DETAILS IN RESPECT OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr Fu Bin (Chairman)

Aged 56, Mr Fu was appointed as an Executive Director of the Company on 19 November 2020, and served as the Chairman of the Board from 19 November 2020. He is also the chairman of the Nomination Committee.

Mr Fu is currently executive director of PetroChina Natural Gas Marketing Company (中國石油天然氣銷售分公司), president of PetroChina Natural Gas and Pipelines Company (中國石油天然氣與管道分公司), and executive director and president of China Petroleum Hong Kong (Holding) Limited (中國石油天然氣香港有限公司).

Mr Fu, being a senior economist, obtained a bachelor's degree in engineering and a master's degree in engineering from China University of Petroleum, East China, and China University of Petroleum, Beijing, respectively, and completed the EMBA course at the University of Houston.

Mr Fu has over 30 years of experience in the Chinese petroleum and gas industry. Since 1992, Mr Fu had worked in China National Petroleum Corporation Marketing Company (中國石油天然氣總公司銷售公司), China National Petroleum Marketing Corporation (中國石油銷售總公司) and the Refining and Marketing Company of PetroChina Company Limited ("PetroChina") (中國石油天然氣股份有限公司煉油與銷售分公司). Mr Fu became executive vice president and president of China Marine Bunker (PetroChina) Co., Ltd. (中國船舶燃料有限責任公司) in November 2003 and July 2007 respectively. He became vice president of PetroChina Marketing Company (中國石油銷售分公司) in November 2009, president of PetroChina Sichuan Marketing Company (中國石油四川銷售分公司) as well as president of Sichuan Petroleum Corporation (四川省石油集團公司) in October 2014, and president of PetroChina Marketing Company in April 2018. He became executive director of PetroChina Natural Gas Marketing Company, president of PetroChina Natural Gas and Pipelines Company, and executive director and president of China Petroleum Hong Kong (Holding) Limited in October 2020.

董事及高級管理人員之背景

執行董事

付斌先生(主席)

現年五十六歲，付先生於二零二零年十一月十九日獲委任為本公司執行董事，及自二零二零年十一月十九日起擔任董事會主席職務。彼亦為本公司提名委員會主席。

付先生現兼任中國石油天然氣銷售分公司執行董事，中國石油天然氣與管道分公司總經理及中國石油天然氣香港有限公司執行董事及總經理。

付先生為正高級經濟師，先後在華東石油學院取得工學學士學位、中國石油大學(北京)取得工學碩士學位，並在美國休斯頓大學修讀完成EMBA課程。

付先生在中國石油與天然氣行業擁有逾三十年的工作經驗。自一九九二年起，先後在中國石油天然氣總公司銷售公司、中國石油銷售總公司、中國石油天然氣股份有限公司(「中國石油」)煉油與銷售分公司任職；自二零零三年十一月起任中國船舶燃料有限責任公司常務副總經理；二零零七年七月起任中國船舶燃料有限責任公司總經理；二零零九年十一月起任中國石油銷售分公司副總經理；二零一四年十月起任中國石油四川銷售分公司總經理兼四川省石油集團公司總經理；二零一八年四月起任中國石油銷售分公司總經理；二零二零年十月起任中國石油天然氣銷售分公司執行董事、中國石油天然氣與管道分公司總經理，同時兼任中國石油天然氣香港有限公司執行董事兼總經理。

Mr Qian Zhijia (*Chief Executive Officer*)

Aged 55, Mr Qian was appointed as an Executive Director and Chief Executive Officer of the Company on 19 November 2020.

Mr Qian is currently president of PetroChina Natural Gas Marketing Company (中國石油天然氣銷售分公司).

Mr Qian, being a senior engineer, obtained a bachelor's degree in engineering and a doctorate degree in engineering from Southwest Petroleum University, and completed the EMBA course at the University of Houston.

Mr Qian has over 30 years of experience in the Chinese petroleum and gas industry and had worked in Sichuan Petroleum Administration Bureau (四川石油管理局) and PetroChina Southwest Oil and Gas Field Company (中國石油西南油氣田分公司) since July 1989. He became vice president of PetroChina Southwest Oil and Gas Field Company in December 2009, as well as vice president of PetroChina Natural Gas Southwest Marketing Company (中國石油天然氣銷售西南分公司) in December 2016 concurrently. In May 2017, Mr Qian became executive vice president of PetroChina Southwest Oil and Gas Field Company and vice president of PetroChina Natural Gas Southwest Marketing Company. In July 2018, Mr Qian became president of PetroChina Natural Gas Southwest Marketing Company and vice president of PetroChina Southwest Oil and Gas Field Company. In January 2019, Mr Qian became vice president of the Company and vice president of PetroChina Natural Gas Marketing Company. In October 2020, Mr Qian became president of PetroChina Natural Gas Marketing Company.

Mr Zhou Yuanhong

Aged 53, Mr Zhou was appointed as an Executive Director of the Company on 12 January 2018.

Mr Zhou is a Senior Accountant, now appointed as the Deputy General Manager of the Capital Operation Department of China National Petroleum Corporation and a Director of CNPC Capital Company Limited. With a working experience of more than 30 years in the petroleum and natural gas industry, Mr Zhou has long been engaged in financial management and capital operation in PetroChina and possesses extensive knowledge and experience in financial management and capital operation.

Mr Zhou successively obtained a bachelor's degree from Xi'an Shiyou Institute and a master's degree from the University of New South Wales, Australia.

錢治家先生(*行政總裁*)

現年五十五歲，錢先生於二零二零年十一月十九日獲委任為本公司執行董事及行政總裁。

錢先生現任中國石油天然氣銷售分公司總經理。

錢先生為正高級工程師，先後在西南石油學院取得工學學士和工學博士學位，並在美國休斯頓大學修讀完成EMBA課程。

錢先生在中國石油與天然氣行業擁有逾三十年的工作經驗。自一九八九年七月起先後在四川石油管理局和中國石油西南油氣田分公司任職，二零零九年十二月起任中國石油西南油氣田分公司副總經理，二零一六年十二月起兼任中國石油天然氣銷售西南分公司副總經理，二零一七年五月起任中國石油西南油氣田分公司常務副總經理兼中國石油天然氣銷售西南分公司副總經理，二零一八年七月起任中國石油天然氣銷售西南分公司總經理兼中國石油西南油氣田分公司副總經理，二零一九年一月起任本公司副總經理、中國石油天然氣銷售分公司副總經理，二零二零年十月起任中國石油天然氣銷售分公司總經理。

周遠鴻先生

現年五十三歲，周先生於二零一八年一月十二日獲委任為本公司執行董事。

周先生為高級會計師，現任中國石油天然氣集團公司資本營運部副總經理及中國石油集團資本股份有限公司董事。憑藉在石油與天然氣行業累計逾三十年的工作經驗，周先生於中國石油長期從事財務管理及資本營運工作，且擁有豐富的金融管理及資本營運經驗。

周先生先後獲得西安石油大學的學士學位及澳大利亞新南威爾士大學的碩士學位。

DIRECTORS' REPORT

董事會報告書

Mr Miao Yong (Chief Financial Officer)

Aged 47, Mr Miao was appointed as an Executive Director of the Company on 12 January 2018 and Chief Financial Officer of the Company on 6 November 2018.

Mr Miao, being a senior accountant, has over 20 years of working experience in the oil and gas industry in PRC. From July 2009, he was deputy chief accountant of Finance Department of PetroChina. From June 2012, he was chief accountant of PetroChina Southwest Pipelines Branch Company (中國石油西南管道分公司). From December 2016, he was Chief Accountant of PetroChina Pipelines. From July 2017, he was Chief Accountant of PetroChina Natural Gas Marketing Company.

Independent Non-executive Directors

Dr Liu Xiao Feng

Aged 58, Dr Liu was appointed as an Independent Non-executive Director of the Company on 16 April 2004.

Dr Liu has more than 23 years of experience in corporate finance and has worked in various international financial institutions since 1993, including N.M. Rothschild & Sons, NM Rothschild & Sons (Hong Kong) Limited, JP Morgan Chase, DBS Asia Capital Limited, China Resources Capital Holdings Company Limited. He was an independent non-executive director of Haier Electronics Group Company Limited (stock code: 1169) since June 2007 up to June 2014, an independent non-executive director of Hisense Home Appliances Group Company Limited (stock code: 921) since September 2017 up to August 2018, an independent non-executive director of Honghua Group Limited (stock code: 196) since January 2008, an independent non-executive director of Cinda International Holdings Limited (stock code: 111) since July 2016, the independent non-executive director of Sunfonda Group Holdings Limited (stock code: 1771) since May 2017 and the independent non-executive director of AAG Energy Holdings Limited (stock code: 2686) since August 2018, the issued shares of all of which are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). He is also currently an independent director of UBS Securities Co., Ltd. Dr Liu obtained a master's degree and a Ph.D. from the Faculty of Economics, University of Cambridge in 1988 and 1994 respectively, a Master of Science degree in Development Studies from the University of Bath, England, in 1987, and a Bachelor of Economics degree from Southwest University of Finance and Economics, China (previously known as Sichuan Institute of Finance and Economics, China) in 1983.

繆勇先生(財務總監)

現年四十七歲，繆先生於二零一八年一月十二日獲委任為本公司執行董事，並於二零一八年十一月六日獲委任為本公司財務總監。

繆先生為高級會計師，在中國石油與天然氣行業擁有逾二十年的工作經驗。自二零零九年七月起擔任中國石油財務部副總會計師，自二零一二年六月起擔任中國石油西南管道分公司總會計師，二零一六年十二月起擔任中油管道總會計師及二零一七年七月起擔任中國石油天然氣銷售分公司總會計師。

獨立非執行董事

劉曉峰博士

現年五十八歲，劉博士於二零零四年四月十六日獲委任為本公司獨立非執行董事。

劉博士於企業融資積逾二十三年經驗並自一九九三年以來曾任職若干國際金融機構，包括：洛希爾父子有限公司、洛希爾父子(香港)有限公司、摩根大通公司、星展亞洲融資有限公司、華潤金融控股有限公司。彼自二零零七年六月至二零一四年六月為海爾電器集團有限公司(股份代號：1169)之獨立非執行董事，自二零一七年九月至二零一八年八月為海信家電集團股份有限公司(股份代號：921)之獨立非執行董事，自二零零八年一月起為宏華集團有限公司(股份代號：196)之獨立非執行董事，及自二零一六年七月起任信達國際控股有限公司(股份代號：111)之獨立非執行董事。自二零一七年五月起擔任新豐泰集團控股有限公司(股份代號：1771)之獨立非執行董事。自二零一八年八月起擔任亞美能源控股有限公司(股份代號：2686)之獨立非執行董事。以上五間公司之已發行股份均於香港聯合交易所有限公司(「聯交所」)上市。彼現亦為瑞銀證券有限責任公司之獨立董事。劉博士分別於一九八八年及一九九四年在英國劍橋大學經濟系先後獲得碩士和博士學位，並於一九八七年在英國巴斯大學獲得發展研究學碩士學位，並於一九八三年在西南財經大學(前稱為中國四川財經學院)獲得經濟學學士學位。

Mr Sun Patrick

Aged 62, Mr Sun was appointed as an Independent Non-executive Director of the Company on 18 February 2016.

Mr Sun is currently an independent non-executive director of Sihuan Pharmaceutical Holdings Group Ltd., which is listed on the Stock Exchange. He is also an independent non-executive director of CRRC Corporation Limited and China Railway Construction Corporation Limited, both of which are listed on the Stock Exchange and the Shanghai Stock Exchange.

Mr Sun was an independent non-executive director of China Railway Signal & Communication Corporation Limited (2015–2018), Trinity Limited (2008–2020), China NT Pharma Group Co., Ltd. (2010–2019), all of which are listed companies in Hong Kong, and Chairman of the Chamber of Hong Kong Listed Companies (2013–2015). Before that, he was the senior country officer and head of investment banking for Hong Kong of JP Morgan Chase, group executive director and head of investment banking for Greater China at Jardine Fleming Holdings Limited. He was a member of the Takeovers & Mergers Panel and the Takeovers Appeal Committee of the Securities and Futures Commission, deputy convenor of the Listing Committee of the Stock Exchange and a council member of the Stock Exchange.

Mr Sun graduated from the Wharton School of the University of Pennsylvania, the United States, with a Bachelor of Science degree in Economics in 1981. Mr Sun also completed the Stanford Executive Program of Stanford Business School, the United States, in 2000. Mr Sun is a fellow of the Association of Chartered Certified Accountants, the United Kingdom, and a fellow of the Hong Kong Institute of Certified Public Accountants.

辛定華先生

現年六十二歲，辛先生於二零一六年二月十八日獲委任為本公司獨立非執行董事。

辛先生現任四環醫藥控股集團有限公司(於聯交所上市)獨立非執行董事。彼亦現任中國中車股份有限公司及中國鐵建股份有限公司(均於聯交所及上海證券交易所上市)獨立非執行董事。

辛先生曾歷任中國鐵路通信信號股份有限公司(二零一五年至二零一八年)、利邦控股有限公司(二零零八年至二零二零年)、中國泰凌醫藥集團有限公司(二零一零年至二零一九年)(均為香港上市公司)獨立非執行董事，及香港上市公司商會主席(二零一三年至二零一五年)。辛先生亦曾任摩根大通銀行香港區總裁兼香港投資銀行部主管，以及怡富控股有限公司集團執行董事兼大中華區投資銀行部主管。彼曾擔任證券及期貨事務監察委員會之收購及合併委員會以及收購上訴委員會委員、聯交所上市委員會副召集人以及聯交所理事會理事。

辛先生於一九八一年畢業於美國賓夕法尼亞大學沃頓商學院，持有經濟理學學士學位。辛先生亦於二零零零年完成美國斯坦福大學商學院史丹福行政人員課程。辛先生為英國特許公認會計師公會資深會員以及香港會計師公會資深會員。

Mr Tsang Yok Sing Jasper

Aged 73, Mr Tsang was appointed as an Independent Non-executive Director of the Company on 27 August 2019.

Mr. Tsang is currently an independent non-executive director of Beijing Tong Ren Tang Chinese Medicine Company Limited (stock code: 3613), and DTXS Silk Road Investment Holdings Company Limited (stock code: 0620) both are listed on the Stock Exchange, an honorary professor at the Chinese University of Hong Kong, convenor of Hong Kong Vision Research Programme (香港願景計劃), vice chairman of Hong Kong Policy Research Institute Limited and an advisor of the Democratic Alliance for the Betterment and Progress of Hong Kong. Mr. Tsang also dedicates himself to education in Hong Kong. Mr. Tsang obtained a Bachelor of Arts degree and certificate in education from the University of Hong Kong in 1968 and 1981, respectively. He then obtained a master's degree in education from the University of Hong Kong in 1983. He is currently a manager of Pui Kiu Primary School and supervisor of Pui Kiu Middle School and Pui Kiu College.

From 1992 to 2003, Mr. Tsang was the chairman of the Democratic Alliance for the Betterment of Hong Kong (民主建港聯盟). From 1993 to 2013, Mr. Tsang was a member of the National Committee of the Chinese People's Political Consultative Conference. From 1996 to 2000, he served as a member of the Standing Committee on Language Education and Research. From 1996 to 2005, he was a member of the Council of the Open University of Hong Kong. From 1997 to 1998, he was a member of the Provisional Legislative Council of the Hong Kong Special Administrative Region ("HKSAR"). From 1998 to 2016, he was a member of the Legislative Council of the HKSAR. From 2002 to 2008, he was a member of the Executive Council of the HKSAR. From 2008 to 2016, he was the president of the 4th and the 5th Legislative Council of the HKSAR. In addition, from 2001 to 2007, he was a non-executive Director of the Securities and Futures Commission. From 2002 to 2008, he was a member of the Disaster Relief Fund Advisory Committee. From 2003 to 2008, he was a member of the Independent Commission Against Corruption Complaints Committee. From 2005 to 2008, he was a member of the Executive Committee of the Commission on Strategic Development and a board member of the Airport Authority. From 2017 to 2018, he served as a member of the Task Force on Land Supply.

曾鈺成先生

現年七十三歲，曾先生於二零一九年八月二十七日獲委任為本公司獨立非執行董事。

曾先生現任北京同仁堂國藥有限公司(股份代號：3613)及大唐西市絲路投資控股有限公司(股份代號：0620)(均於聯交所上市)獨立非執行董事、香港中文大學榮譽教授、香港願景計劃召集人、香港政策研究所副主席，以及民主建港協進聯盟會務顧問。曾先生還致力於香港教育事業。曾先生於一九六八年取得香港大學文學士學位，一九八一年取得香港大學教育文憑，一九八三年取得香港大學教育碩士學位。曾先生現為培僑小學校董、培僑中學校監、培僑書院校監。

一九九二年至二零零三年期間，曾先生擔任民主建港聯盟主席，一九九三年至二零一三年任中國人民政治協商會議全國委員會委員，一九九六年至二零零零年任語文教育及研究常務委員會委員，一九九六年至二零零五年任香港公開大學校董，一九九七年至一九九八年任香港特別行政區(「香港特別行政區」)臨時立法會議員，一九九八年至二零一六年任香港特別行政區立法會議員，二零零二年至二零零八年任香港特別行政區行政會議成員，二零零八年至二零一六年任香港特別行政區第四屆至第五屆立法會主席。此外，曾先生於二零零一年至二零零七年擔任證券及期貨事務監察委員會非執行董事，二零零二年至二零零八年任賑災基金諮詢委員會委員，二零零三年至二零零八年任廉政公署投訴委員會委員，二零零五年至二零零八年任策略發展委員會行政委員會委員兼香港機場管理局成員，二零一七年至二零一八年任土地供應專責小組成員。

Company Secretary

Mr Xie Mao (Company Secretary)

Aged 50, Mr Xie was appointed as Company Secretary of the Company on 17 December 2020.

Mr Xie is a senior economist and holds a Master of Business Administration from Zhejiang University and served as a visiting fellow at Stanford University. Mr Xie has been appointed as the secretary to the Board since May 2016 and is affiliated person of the Hong Kong Institute of Chartered Secretaries. Mr Xie has 30 years of work experience in the petroleum and natural gas industry and has worked in several oil and gas companies of PetroChina.

Chief Financial Officer

Mr Miao Yong

Aged 47, Mr Miao was appointed as an Executive Director of the Company on 12 January 2018 and Chief Financial Officer of the Company on 6 November 2018. Mr Miao's biography is set out on page 74.

DIRECTORS' INTERESTS IN CONTRACTS

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

公司秘書

謝茂先生(公司秘書)

現年五十歲，謝先生於二零二零年十二月十七日獲委任為本公司公司秘書。

謝先生為高級經濟師，於浙江大學工商管理學院取得工商管理碩士及曾於斯坦福大學擔任訪問學者。謝先生自二零一六年五月起被任命為本公司董事會秘書，是香港特許秘書公會聯席成員。謝先生在石油與天然氣行業擁有三十年的工作經驗，先後在中國石油之數家石油及天然氣公司任職。

財務總監

繆勇先生

現年四十七歲，繆先生於二零一八年一月十二日獲委任為本公司執行董事，並於二零一八年十一月六日獲委任為本公司財務總監。繆先生之背景載於第74頁。

董事於合同之權益

於本年度年結日或年內任何時間，本公司、其任何同系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，而本公司董事或與董事有關聯之任何實體直接或間接於其中佔有重大權益之交易、安排或合同。

DIRECTORS' INTERESTS

As at 31 December 2020, none of the Directors and chief executive of the Company had any 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 Commencement of the Securities and Futures 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, pursuant to Section 352 of the SFO, to be entered into the register maintained by the Company; or which (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuer under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), to be notified to the Company and the Stock Exchange.

Save as disclosed above, at no time during the Year 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 executives 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.

SHARE OPTIONS

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

董事權益

於二零二零年十二月三十一日，概無本公司董事及主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中，擁有：(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益或淡倉(包括根據證券及期貨條例之條文被當作或視為本公司任何董事及主要行政人員擁有之權益或淡倉)；或(b)根據證券及期貨條例第352條須列入本公司所存置之登記冊內之權益或淡倉；或(c)根據聯交所證券上市規則(「上市規則」)下之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。

除上文所披露者外，本公司或其任何附屬公司、同系附屬公司或控股公司於本年度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短倉。

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。

SUBSTANTIAL SHAREHOLDERS' INTEREST IN SHARES 主要股東於股份之權益

As at 31 December 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.

於二零二零年十二月三十一日，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 之百分比
		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) 4,708,302,133 (好)	-	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) 4,708,302,133 (好)	54.38%
Fairy King Investments Ltd. ⁽²⁾	Fairy King Investments Ltd. ⁽²⁾	277,432,000 (L) 277,432,000 (好)	-	3.20%
CNPC International Ltd. ("CNPCI") ⁽²⁾	CNPC International Ltd. ([「CNPCI」]) ⁽²⁾	-	277,432,000 (L) 277,432,000 (好)	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) 277,432,000 (好)	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) 4,985,734,133 (好)	57.58%

Notes:

- (1) PetroChina Hong Kong is wholly owned by PetroChina, which in turn is 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.

附註：

- (1) 中石油香港為中國石油全資擁有，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(好)股股份中擁有權益。
- (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(好)股股份中擁有權益。

DIRECTORS' REPORT

董事會報告書

Save as disclosed above, as at 31 December 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 31 December 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 members of the Group, or any options in respect of such capital.

CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR SIMILAR RIGHTS

The Company had no outstanding convertible securities, options, warrants or other similar rights as at 31 December 2020 and there had been no other exercise of convertible securities, options, warrants or similar rights during the Year.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the Independent Non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the Independent Non-executive Directors are independent.

除上文所披露者外，於二零二零年十二月三十一日，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。

於二零二零年十二月三十一日，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的權益。

可換股證券、購股權、認股權證或類似權利

於二零二零年十二月三十一日，本公司並無尚未行使之可換股證券、購股權、認股權證或其他類似權利，且於年內亦無其他獲行使之可換股證券、購股權、認股權證或類似權利。

獨立非執行董事之委任

本公司已收到各位獨立非執行董事根據上市規則第3.13條發出之年度獨立確認書。本公司認為，所有獨立非執行董事均為獨立人士。

CONNECTED TRANSACTIONS

Continuing connected transactions under the Listing Rules, which are required to be disclosed in accordance with Chapter 14A of the Listing Rules, are as follows.

關連交易

上市規則項下之持續關連交易，須根據上市規則第14A章進行如下披露：

Nature of transactions 交易性質	Details 詳情	Amount incurred for 2020 二零二零年產生之金額 RMB'million 人民幣百萬元	Annual cap for 2020 二零二零年年度上限 RMB'million 人民幣百萬元
(i) Provision of products by the CNPC Group to the Group 中油集團向本集團提供產品	As disclosed in Company's announcement dated 11 September 2020 and circular dated 5 October 2020 於本公司日期為二零二零年九月十一日之公告及二零二零年十月五日之通函中披露	56,960	78,575
(ii) Provision of services by the CNPC Group to the Group 中油集團向本集團提供服務	As disclosed in Company's announcement dated 11 September 2020 and circular dated 5 October 2020 於本公司日期為二零二零年九月十一日之公告及二零二零年十月五日之通函中披露	6,777	13,433
(iii) Provision of products by the Group to the CNPC Group 本集團向中油集團提供產品	As disclosed in Company's announcement dated 29 November 2017 and circular dated 1 December 2017 於本公司日期為二零一七年十一月二十九日之公告及二零一七年十二月一日之通函中披露	3,335	8,409
(iv) Provision of services by the Group to the CNPC Group 本集團向中油集團提供服務	As disclosed in Company's announcement dated 29 November 2017 and circular dated 1 December 2017 於本公司日期為二零一七年十一月二十九日之公告及二零一七年十二月一日之通函中披露	15,285	21,244

DIRECTORS' REPORT

董事會報告書

The aforesaid continuing connected transactions have been reviewed by Independent Non-executive Directors of the Company. The Independent Non-executive Directors confirmed that the aforesaid continuing connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or better; and (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

In accordance with Rule 14A.56 of the Listing Rules, the Board engaged the independent auditor of the Company to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The independent auditor of the Company has issued its letter containing its following findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 206 to 210 of the Annual Report in accordance with Rule 14A.56 of the Listing Rules.

Nothing has come to the independent auditor's attention that the disclosed continuing connected transactions:

- (i) have not received the approval of the Company's Board of Directors;
- (ii) are not in accordance with the pricing policies of the Company if the transactions involve provision of goods or services by the Group;
- (iii) have not been entered into in accordance with the relevant agreements governing the transactions; and
- (iv) have exceeded the cap disclosed in previous announcements dated 29 November 2017 and 11 September 2020 and circulars dated 1 December 2017 and 5 October 2020 with respect to the aggregated amount of each transaction involved.

A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

上述持續關連交易已經本公司獨立非執行董事審閱。獨立非執行董事確認，上述持續關連交易乃(a)於本集團之日常及正常業務過程中；(b)按一般商業條款或更佳條款；及(c)根據規管上述交易之有關協議條款訂立，並屬公平合理及符合本公司股東之整體利益。

根據上市規則第14A.56條，董事會已委聘本公司獨立核數師，根據香港核證委聘準則第3000號「對過往財務資料進行審核或審閱以外的核證委聘」及參考香港會計師公會頒佈之實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」對本集團之持續關連交易進行報告。本公司獨立核數師已根據上市規則第14A.56條發出其函件，當中載有其就本集團於年報第206至210頁披露之持續關連交易之以下發現及結論。

獨立核數師並不知悉已披露持續關連交易：

- (i) 未獲本公司董事會之批准；
- (ii) 未遵守本公司之定價政策(倘交易涉及本集團提供貨品或服務)；
- (iii) 未根據有關交易之協議條款進行；及
- (iv) 就相關各項交易之總額而言，超逾於以往日期為二零一七年十一月二十九日及二零二零年九月十一日之公告及二零一七年十二月一日及二零二零年十月五日之通函披露之上限。

本公司已向聯交所提供核數師信函之副本。

The Company has confirmed that it has complied with the disclosure requirements in respect of the aforesaid continuing connected transactions in accordance with Chapter 14A of the Listing Rules.

MANAGEMENT CONTRACTS

The Group has entered into certain entrustment management contracts in relation to the management and operation of the Leng Jiapu Contract and PetroChina Beijing Gas Pipeline Co., Ltd.

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of the Group's purchases and revenue from sales of goods or rendering of services attributable to major suppliers and customers are as follows:

Percentage of purchases attributable to the Group's largest supplier	69%
Percentage of purchases attributable to the Group's five largest suppliers	72%
Percentage of revenue from sales of goods or rendering of services attributable to the Group's largest customer	8%
Percentage of revenue from sales of goods or rendering of services attributable to the Group's five largest customers	10%

PetroChina, a listed subsidiary of CNPC, is the Group's largest supplier and customer.

Save for the above, none of the Directors, their associates or any shareholders (which to the knowledge of the close directors owns more than 5% of the number of issued shares of the Company) has an interest in the major suppliers or customers noted above.

DONATIONS

During the Year, the Group made charitable and other donations amounting to RMB4,005,911.

本公司已確認，其就上述持續關連交易已遵守上市規則第14A章之披露規定。

管理合同

本集團已就管理及運營冷家堡合同及中石油北京天然氣管道有限公司訂立若干委託管理合同。

主要顧客及供應商

主要供應商及顧客佔本集團採購及銷售貨物或提呈服務之收入之百分比如下：

本集團最大供應商佔採購百分比	69%
本集團五大供應商佔採購百分比	72%
本集團最大顧客佔銷售貨物或提呈服務之收入百分比	8%
本集團五大顧客佔銷售貨物或提呈服務之收入百分比	10%

中國石油集團之上市附屬公司中國石油為本集團之最大供應商及顧客。

除上述者外，董事、彼等之緊密聯繫人士或就各董事所知擁有本公司已發行股份數目5%以上之任何股東概無於本集團上述主要供應商或顧客中擁有權益。

捐款

本年度，本集團作出慈善及其他捐款共達人民幣4,005,911元。

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the Directors and the employees of the Company are reviewed and recommended by the Remuneration Committee to the Board, having regard to the Company's operating results, individual performance and comparable market statistics.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the knowledge of the Directors, it is confirmed that there is sufficient public float of more than 25% of the Company's issued shares during the Year.

COMPETING BUSINESS

Save as disclosed below, as at 23 March 2021, none of the Directors and their respective associates had any interest in a business which competes or may compete with the businesses of the Group (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them were a controlling shareholder).

薪酬政策

本集團為僱員採納的薪酬政策由薪酬委員會根據僱員之特長、資歷及才能制定。

本公司董事及員工的酬金由薪酬委員會經考慮本公司的經營業績、個人表現和可比較市場數據進行審閱並向董事會作出推薦建議。

足夠公眾持股量

根據董事從公開途徑獲得的資料所得悉，董事確認本年度本公司維持於佔已發行股本逾25%之足夠公眾持股量。

競爭業務

除下述所披露者外，於二零二一年三月二十三日，各董事或彼等各自之聯繫人士概無於與本集團業務有或可能有競爭之業務中擁有任何權益(倘各董事為控股股東，則須根據上市規則第8.10條予以披露)。

Name of Director 董事姓名	Name of company 公司名稱	Nature of interest 權益性質	Nature of competing business 競爭業務性質
Fu Bin (<i>appointed on 19 November 2020</i>) 付斌(於二零二零年十一月十九日獲委任)	PetroChina Natural Gas Marketing Company 中國石油天然氣銷售分公司	Executive Director 執行董事	Marketing of natural gas 天然氣市場推廣
	PetroChina Natural Gas and Pipelines Company 中國石油天然氣與管道分公司	President 總經理	Planning and Management Natural Gas and Pipeline Business 天然氣與管道業務的規劃與管理
	China Petroleum Hong Kong (Holding) Limited 中國石油天然氣香港有限公司	Executive Director and President 執行董事兼總經理	Investment Holding Company 投資控股公司
Qian Zhijia (<i>appointed on 19 November 2020</i>) 錢治家(於二零二零年十一月十九日獲委任)	PetroChina Natural Gas Marketing Company 中國石油天然氣銷售分公司	President 總經理	Marketing of natural gas 天然氣市場推廣
Zhou Yuanhong 周遠鴻	CNPC 中國石油集團	Vice President of M&A Department 資本運營部副總經理	Exploration, development and product and marketing of crude oil and natural gas 原油及天然氣之勘探、開發與生產及市場推廣
Miao Yong 繆勇	PetroChina Natural Gas Marketing Company 中國石油天然氣銷售分公司	Chief Accountant 總會計師	Marketing of natural gas 天然氣市場推廣
Ling Xiao (<i>resigned on 19 November 2020</i>) 凌霄(於二零二零年十一月十九日辭任)	PetroChina 中國石油	Vice President 副總裁	Exploration, development and product and marketing of crude oil and natural gas 原油及天然氣之勘探、開發與生產及市場推廣
Zhao Zhongxun (<i>resigned on 19 May 2020</i>) 趙忠勛(於二零二零年五月十九日辭任)	PetroChina 中國石油	Vice President of Department of Planning and Programming 規劃計劃部副總經理	Exploration, development and product and marketing of crude oil and natural gas 原油及天然氣之勘探、開發與生產及市場推廣

As the Board is independent of the boards of the above entities, the Company has therefore been capable of carrying on its businesses independently of, and at arm's length from, the above businesses.

由於本公司董事會獨立於上述公司董事會，因此本公司能夠獨立於上述業務按公平原則經營其本身業務。

EVENTS AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION

The outbreak of novel coronavirus disease (COVID-19) epidemic in early 2020 has led to a series of precautionary and control measures implemented across the globe and also casted downward pressure on domestic and international energy prices. It may have certain impacts on the Group's business operations. The Group will pay close attention to the development of the epidemic and assess its impact on the financial position, cash flows and operating results. Up to the date of issue of these financial statements, the assessment is still in progress and the related impact could not be reasonably estimated at this stage.

AUDITOR

The financial statements for the Year have been audited by Messrs KPMG.

According to the relevant regulations issued by the Ministry of Finance of the PRC and the State-owned Assets Supervision and Administration Commission of the State Counsel, PetroChina, the controlling shareholder of the Company, shall change its auditor if such auditor has served continuously for certain period of time. PetroChina is intended to recommend at its forthcoming annual general meeting the appointment of Messrs PricewaterhouseCoopers as its international auditor for the year 2021. The Board considers that it would be more efficient and cost effective to appoint Messrs PricewaterhouseCoopers as the auditor of the Company for the year 2021. Accordingly the Board, with the recommendation of the Audit Committee of the Company recommends at the 2021 AGM the appointment of Messrs PricewaterhouseCoopers as the auditor of the Company for the year 2021.

On behalf of the Board

Qian Zhijia

Chief Executive Officer and Executive Director

Hong Kong, 23 March 2021

財務狀況表日期後事項

於二零二零年初爆發新型冠狀病毒 (COVID-19) 疫情已導致全球各地實施一系列預防及控制措施，亦已對國內外能源價格造成下調壓力。此可能會對本集團之業務營運產生若干影響。本集團將密切留意疫情之發展以及評估其對財務狀況、現金流量及經營業績之影響。截至該等財務報表刊發之日期，評估仍在進行中，且相關影響在現階段未能作合理估計。

核數師

本年度之財務報表已由畢馬威會計師事務所審核。

根據中國財政部及國務院國有資產監督管理委員會頒布之相關規則，中國石油(為本公司控股股東)將更換其核數師，若該核數師已連續服務滿一定年限。中國石油意欲在其應屆股東週年大會上推薦聘用羅兵咸永道會計師事務所為其二零二一年國際核數師。董事會認為，委任羅兵咸永道會計師事務所為本公司二零二一年核數師更具效率及成本效益。因此，董事會根據本公司審核委員會的推薦，推薦在二零二一年股東週年大會上委聘羅兵咸永道會計師事務所為本公司二零二一年核數師。

代表董事會

錢治家

行政總裁兼執行董事

香港，二零二一年三月二十三日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



Independent auditor's report to the shareholders of Kunlun Energy Company Limited

(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Kunlun Energy Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 94 to 232, which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 2020 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

獨立核數師報告

致昆侖能源有限公司股東

(於百慕達註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審核列載於第94頁至232頁昆侖能源有限公司(以下簡稱「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零二零年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的《香港財務報告準則》(「香港財務報告準則」)真實而中肯地反映 貴集團於二零二零年十二月三十一日的綜合財務狀況及 貴集團截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露要求妥為擬備。

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》(「香港審計準則」)進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(「守則」)以及我們對百慕達綜合財務報表的審計相關的道德要求，我們獨立於 貴集團，並已履行這些道德要求以及守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

關鍵審計事項

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

Assessing impairment of liquefied natural gas (“LNG”) processing plants

評估液化天然氣(「LNG」)加工廠的減值

Refer to note 16 to the consolidated financial statements and the accounting policy 3(m)(ii) on pages 132 to 134. 請參閱綜合財務報表附註16及第132至134頁附註3(m)(ii)的會計政策。

<p>The Key Audit Matter 關鍵審計事項</p>	<p>How the matter was addressed in our audit 我們的審計如何處理該事項</p>
<p>As at 31 December 2020, the Group's property, plant and equipment in respect of the Group's LNG processing plants amounted to RMB7,715 million. 於二零二零年十二月三十一日，就 貴集團的LNG加工廠而言， 貴集團的物業、廠房及設備為人民幣7,715百萬元。</p> <p>In view of the volatile LNG prices, management considered that there were indicators that the Group's property, plant and equipment attributable to different LNG processing plants may be impaired as at 31 December 2020. 由於LNG價格波動， 管理層認為於二零二零年十二月三十一日 貴集團LNG加工廠的物業、廠房及設備或存在減值風險。</p> <p>Management performs impairment assessments of the Group's LNG processing plants whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. 每當事件或情況改變顯示 貴集團LNG加工廠的賬面值或無法收回時，管理層會對其進行減值測試。</p>	<p>Our audit procedures to assess impairment of LNG processing plants included the following: 我們就評估LNG加工廠的減值的審計程序包括以下程序：</p> <ul style="list-style-type: none"> • assessing management's identification of CGU, the allocation of assets to each CGU and the methodology adopted in the preparation of the discounted cash flow forecasts with reference to our understanding of the Group's LNG processing business and the requirements of the prevailing accounting standards; • 根據我們對 貴集團LNG加工業務的理解及相關會計準則的要求，評估 貴集團現金產生單位的認定、各項資產在現金產生單位之間的分配以及採用的折現現金流模型是否適當； • assessing management's cash flow forecast for each CGU by comparing the key assumptions adopted by management, in particular, forecast LNG selling prices, forecast production costs and expenses and the discount rate applied, with our understanding, experience and knowledge of the Group's LNG processing business and the LNG industry in general; • 通過將管理層採用的假設，特別是未來LNG銷售價格，生產成本和費用及採用的折現率，與我們對 貴集團LNG加工業務和LNG行業的理解進行比較，對各現金產生單位的折現現金流模型作出評估；

Assessing impairment of liquefied natural gas (“LNG”) processing plants (Continued) 評估液化天然氣(「LNG」)加工廠的減值(續)	
<i>Refer to note 16 to the consolidated financial statements and the accounting policy 3(m)(ii) on pages 132 to 134. 請參閱綜合財務報表附註16及第132至134頁附註3(m)(ii)的會計政策。</i>	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
<p>Each LNG processing plant operated by the Group has been identified as a separate cash-generating unit (“CGU”) for impairment assessment purposes. Management compares the carrying amount of the property, plant and equipment allocated to each CGU with respective recoverable amount, which is estimated by preparing a discounted cash flow forecast, to determine the amount of impairment loss, if any. The preparation of discounted cash flow forecasts involves the exercise of significant management judgement in determining the relevant inputs to the discounted cash flow forecasts and the assumptions adopted therein, including forecast LNG selling prices, forecast production costs and expenses and the discount rates applied.</p> <p>在進行減值測試時，管理層將每個LNG加工廠認定為獨立的現金產生單位(「現金產生單位」)，並在對比其物業、廠房及設備的賬面值與折現現金流模型測算出的可收回金額後確定減值虧損(如有)。在運用折現現金流模型的過程中，管理層需就各項關鍵假設和數據(包括預測未來LNG銷售價格、生產成本和其他運營費用以及採用的折現率)作出重大判斷。</p>	<ul style="list-style-type: none"> comparing the forecast LNG selling prices with external market data; 將減值測試中的預測未來LNG銷售價格與市場數據進行比較； comparing key financial data, including revenue, production costs and expenses, in the cash flow forecasts with the budgets approved by the board of directors; 將減值測試中的關鍵數據(包括收入、生產成本和費用)與經董事會批准的預算中的數據進行比對； assessing whether the discount rates applied in the cash flow forecasts were within the range of those adopted by other companies in the same industry; 評估減值測試中採用的折現率是否在同行業內可比公司採用的合理範圍內； comparing the actual results for the current year with management’s estimates in their cash flow forecasts prepared in the previous year to assess the historical accuracy of the management’s forecasting process and to assess whether there is any indication of management bias; 將本年度的實際結果與上一年準備的減值測試中的管理層估計進行比較，以評估過往管理層預測的準確性；

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Assessing impairment of liquefied natural gas ("LNG") processing plants (Continued)

評估液化天然氣(「LNG」)加工廠的減值(續)

Refer to note 16 to the consolidated financial statements and the accounting policy 3(m)(ii) on pages 132 to 134. 請參閱綜合財務報表附註16及第132至134頁附註3(m)(ii)的會計政策。

The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
<p>We identified assessing impairment of LNG processing plants as a key audit matter because the impairment assessments involve the exercise of significant management judgement, particularly in forecasting LNG selling prices, production costs and expenses and in determining appropriate discount rates, all of which could be subject to management bias in their selection. 由於減值測試需要管理層作出重大判斷，尤其是針對未來LNG銷售價格、生產成本和費用的預測以及採用合適的折現率，因此減值測試結果有可能受到管理層偏向的影響，我們認定評估LNG加工廠的減值為本年的關鍵審計事項。</p>	<ul style="list-style-type: none">performing sensitivity analyses of the key assumptions adopted by management, including forecast LNG selling prices, forecast production costs and expenses and the discount rates applied, to assess what changes thereto, either individually or collectively, would result in a different conclusion being reached and assessing whether there were any indicators of management bias in the selection of key assumptions; and對減值測試中管理層採納的各項關鍵假設，包括未來LNG銷售價格，生產成本和費用以及採用的折現率，進行敏感性分析，以評估關鍵假設變動單獨或滙總起來對減值測試結果的影響及在釐定各項關鍵假設的過程中是否存在任何管理層偏向的跡象；及assessing the disclosures in the consolidated financial statements in respect of the impairment assessment of LNG processing plants with reference to the requirements of the prevailing accounting standards.根據現行會計準則的要求，評估 貴集團綜合財務報表中有關LNG加工廠減值測試的披露。

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

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

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

綜合財務報表及核數師報告以外信息

貴公司董事須對其他信息負責。其他信息包括刊載於年報內的全部信息，但不包括綜合財務報表及我們的核數師報告。

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒布的《香港財務報告準則》及香港《公司條例》的披露要求擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

貴集團的審核委員會須協助董事履行監督貴集團的財務報告過程的責任。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們是按照百慕達一九八一年公司法第90條的規定，僅向整體股東報告。除此之外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評估董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提醒使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Alex Chung Chuen Choi.

KPMG

Certified Public Accountants

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

23 March 2021

- 評估綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們只為審計意見承擔責任。

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，為消除威脅而採取之行動及已應用的防範措施。

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是蔡忠銓。

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

二零二一年三月二十三日

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

		Note 附註	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 (Restated) (重列)
Continuing operations	持續經營業務			
Revenue	收入	6	109,251	101,794
Other gains, net	其他收益·淨額	7	1,141	44
Interest income	利息收入	8	330	265
Purchases, services and others	採購·服務及其他		(90,292)	(82,922)
Employee compensation costs	僱員酬金成本	9	(4,700)	(4,743)
Depreciation, depletion and amortisation	折舊·損耗及攤銷	11	(4,402)	(3,975)
Impairment loss on property, plant and equipment	物業·廠房及設備減值虧損	16	-	(404)
Selling, general and administrative expenses	銷售·一般性和管理費用		(2,689)	(3,031)
Taxes other than income taxes	除所得稅以外之稅項		(347)	(385)
Interest expenses	利息支出	10	(708)	(899)
Share of profits less losses of:	應佔溢利減虧損:			
- Associates	- 聯營公司	17	340	951
- Joint ventures	- 合資企業	18	183	319
Profit before income tax expense	除所得稅費用前溢利	11	8,107	7,014
Income tax expense	所得稅費用	13	(2,313)	(2,405)
Profit for the year from continuing operations	持續經營業務年內溢利		5,794	4,609
Discontinued operations	已終止持續經營業務			
Profit for the year from discontinued operations	已終止持續經營業務年內溢利	35	3,938	4,962
Profit for the year	年內溢利		9,732	9,571
Other comprehensive income:	其他全面收益:			
Item that will not be reclassified to profit or loss:	不可重新分類至損益之項目:			
- Fair value gain on other financial assets (non-recycling), net of tax	- 其他金融資產之公平價值收益(不可轉至損益), 扣除稅項後		31	65
Items that may be reclassified subsequently to profit or loss:	其後可重新分類至損益之項目:			
- Exchange differences on translation of financial statements, net of nil tax, of:	- 財務報表換算之匯兌差額, 扣除零稅項後:			
- Subsidiaries	- 附屬公司		(93)	168
- Associates	- 聯營公司		(92)	14
- Joint ventures	- 合資企業		(85)	20
Other comprehensive income for the year	年內其他全面收益		(239)	267
Total comprehensive income for the year	年內全面收益總額		9,493	9,838

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

	Note 附註	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 (Restated) (重列)
Profit for the year attributable to owners of the Company from	本公司股東應佔年內溢利		
- continuing operations	- 持續經營業務	3,580	2,423
- discontinued operations	- 已終止持續經營業務	2,483	3,128
	35	6,063	5,551
Profit for the year attributable to non-controlling interests from	非控制性權益應佔年內溢利		
- continuing operations	- 持續經營業務	2,214	2,186
- discontinued operations	- 已終止持續經營業務	1,455	1,834
	35	3,669	4,020
Profit for the year	年內溢利	9,732	9,571
Total comprehensive income for the year attributable to owners of the Company from	本公司股東應佔年內全面收益總額		
- continuing operations	- 持續經營業務	3,390	2,651
- discontinued operations	- 已終止持續經營業務	2,483	3,128
		5,873	5,779
Total comprehensive income for the year attributable to:	年內應佔全面收益總額：		
- Owners of the Company	- 本公司股東	5,873	5,779
- Non-controlling interests	- 非控制性權益	3,620	4,059
		9,493	9,838
Basic earnings per share for profit attributable to owners of the Company (RMB cent) from	本公司股東應佔溢利之每股基本盈利 (人民幣分)		
- continuing operations	- 持續經營業務	41.34	29.12
- discontinued operations	- 已終止持續經營業務	28.68	37.59
	14(a)	70.02	66.71
Diluted earnings per share for profit attributable to owners of the Company (RMB cent) from	本公司股東應佔溢利之每股攤薄盈利 (人民幣分)		
- continuing operations	- 持續經營業務	41.34	28.38
- discontinued operations	- 已終止持續經營業務	28.68	36.26
	14(b)	70.02	64.64

The notes on pages 102 to 232 form part of these financial statements. Details of dividends payable to owners of the Company attributable to the profit for the year are set out in Note 15.

第102至232頁的附註構成本財務報表之一部分。年內溢利應付本公司股東的股息詳情載於附註15。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2020 於二零二零年十二月三十一日

		Note 附註	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
Assets	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	16	67,877	105,776
Investments in associates	於聯營公司之投資	17	6,186	5,712
Investments in joint ventures	於合資企業之投資	18	3,348	3,203
Intangible and other non-current assets	無形及其他非流動資產	20	2,440	2,190
Deferred tax assets	遞延稅項資產	29	1,294	1,366
			81,145	118,247
Current assets	流動資產			
Inventories	存貨	21	925	1,398
Accounts receivable	應收賬款	22	4,085	2,792
Prepaid expenses and other current assets	預付款及其他流動資產	23	8,153	6,820
Cash and cash equivalents	現金及現金等值項目	24	16,273	18,640
Assets associated with a disposal group classified as held-for-sale	與分類為持作出售之出售組別相關之資產	35	44,407	-
			73,843	29,650
Total assets	總資產		154,988	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	25	71	71
Retained earnings	滾存盈利	26	31,557	28,484
Other reserves	其他儲備	26	21,956	21,433
			53,584	49,988
Non-controlling interests	非控制性權益		30,943	29,197
Total equity	總權益		84,527	79,185

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
綜合財務狀況表

As at 31 December 2020 於二零二零年十二月三十一日

			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
Liabilities				
Current liabilities	流動負債			
Accounts payable and accrued liabilities	應付賬款及應計負債	27	28,093	29,300
Income tax payable	應付所得稅	29	604	728
Other tax payable	其他應付稅項		212	272
Short-term borrowings	短期借貸	28	5,182	8,772
Lease liabilities	租賃負債		158	225
Liabilities associated with a disposal group classified as held-for-sale	與分類為持作出售之出售組別相關之負債	35	10,344	-
			44,593	39,297
Non-current liabilities	非流動負債			
Long-term borrowings	長期借貸	28	22,491	25,727
Deferred tax liabilities	遞延稅項負債	29	1,438	1,697
Lease liabilities	租賃負債		506	393
Other liabilities	其他負債		1,433	1,598
			25,868	29,415
Total liabilities	總負債		70,461	68,712
Total equity and liabilities	權益及負債總額		154,988	147,897
Net current assets/(liabilities)	流動資產/(負債)淨值		29,250	(9,647)
Total assets less current liabilities	總資產減流動負債		110,395	108,600

Approved and authorised for issue by the board of directors on 23 March 2021.

於二零二一年三月二十三日獲董事會批准並授權刊發。

Qian Zhijia
錢治家

Executive Director 執行董事

Miao Yong
繆勇

Executive Director 執行董事

The notes on pages 102 to 232 form part of these financial statements.

第102至232頁的附註構成本財務報表之一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

		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		
Note	股本	滾存盈利	其他儲備	小計	非控制性權益	權益總額	
附註	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
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
Changes in equity for 2019:	二零一九年權益變動:						
Profit for the year	年內溢利	-	5,551	-	5,551	4,020	9,571
Other comprehensive income	其他全面收益	-	-	228	228	39	267
Total comprehensive income for the year	年內全面收益總額	-	5,551	228	5,779	4,059	9,838
Transfer between reserves	儲備間轉撥	-	(598)	598	-	-	-
Final dividend for 2018	二零一八年末期股息	15	(1,831)	-	(1,831)	-	(1,831)
Acquisition from non-controlling interests	向非控制性權益收購	-	-	-	-	(73)	(73)
Dividend to non-controlling interests	屬於非控制性權益之股息	-	-	-	-	(3,222)	(3,222)
Capital contributions from non-controlling interests	非控制性權益之注資	-	-	-	-	853	853
Acquisition through business combination	透過業務合併進行收購	-	-	-	-	236	236
Disposal of subsidiaries	處置附屬公司	-	-	-	-	(46)	(46)
Issue of shares upon conversion of convertible bonds	可轉換債券轉股所增發的股份	6	-	3,330	3,336	-	3,336
		6	(2,429)	3,928	1,505	(2,252)	(747)
Balances at 31 December 2019	於二零一九年十二月三十一日結餘	71	28,484	21,433	49,988	29,197	79,185

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

		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
Changes in equity for 2020:	二零二零年權益變動：						
Profit for the year	年內溢利	-	6,063	-	6,063	3,669	9,732
Other comprehensive income	其他全面收益	-	-	(190)	(190)	(49)	(239)
Total comprehensive income for the year	年內全面收益總額	-	6,063	(190)	5,873	3,620	9,493
Transfer between reserves	儲備間轉撥	-	(713)	713	-	-	-
Final dividend for 2019	二零一九年末期股息	15	(2,277)	-	(2,277)	-	(2,277)
Acquisition from non-controlling interests	向非控制性權益收購	-	-	-	-	(20)	(20)
Dividend to non-controlling interests	屬於非控制性權益之股息	-	-	-	-	(3,521)	(3,521)
Capital contributions from non-controlling interests	非控制性權益之注資	-	-	-	-	620	620
Acquisition through business combination	透過業務合併進行收購	34	-	-	-	1,047	1,047
		-	(2,990)	713	(2,277)	(1,874)	(4,151)
Balances at 31 December 2020	於二零二零年十二月三十一日結餘	71	31,557	21,956	53,584	30,943	84,527

The notes on pages 102 to 232 form part of these financial statements.

第102至232頁的附註構成本財務報表之一部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

		Note 附註	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
Cash flows from operating activities	經營業務所得之現金流量			
Profit for the year from	年內溢利			
– continuing operations	– 持續經營業務		5,794	4,609
– discontinued operations	– 已終止持續經營業務	35	3,938	4,962
Profit for the year	年內溢利		9,732	9,571
Adjustments for:	調整：			
Income tax expense	所得稅費用		3,512	4,074
Depreciation, depletion and amortisation	折舊、損耗及攤銷		6,963	6,350
Share of profits less losses of associates	應佔聯營公司溢利減虧損		(340)	(951)
Share of profits less losses of joint ventures	應佔合資企業溢利減虧損		(183)	(319)
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損		–	404
Impairment loss on intangible assets	無形資產減值虧損		–	16
Net losses/(gains) on disposal of property, plant and equipment	出售物業、廠房及設備之虧損/(收益)淨額		16	(2)
Net losses on disposal of subsidiaries	出售附屬公司之虧損淨額		9	–
Net exchange (gains)/losses	匯兌(收益)/虧損淨額		(621)	288
Interest income	利息收入		(369)	(274)
Interest expense	利息支出		825	988
Changes in working capital:	營運資金變動：			
Accounts receivable	應收賬款		(1,134)	(244)
Prepaid expenses and other current assets	預付款以及其他流動資產		676	(358)
Inventories	存貨		354	471
Accounts payable and accrued liabilities	應付賬款及應計負債		736	275
Other tax payable	其他應付稅項		19	(192)
Cash generated from operations	經營產生之現金		20,195	20,097
Income tax paid	已付所得稅		(3,457)	(4,012)
Net cash generated from operating activities	經營業務產生之現金淨額		16,738	16,085

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

			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
Cash flows from investing activities	投資業務所得之現金流量			
Dividends received from associates	自聯營公司收取之股息		283	781
Dividends received from joint ventures	自合資企業收取之股息		278	208
Acquisition of subsidiaries	收購附屬公司	34	(1,217)	(667)
Acquisition of associates	收購聯營公司		(163)	(737)
Capital contributions to associates	向聯營公司注資		(445)	(777)
Capital contributions to joint ventures	向合資企業注資		(281)	(201)
Proceeds from disposal of associates	出售聯營公司之所得款項		99	112
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項		403	594
(Increase)/decrease in amounts due from an intermediate holding company	應收中間控股公司款項(增加)/減少		(1,680)	24
Capital expenditure	資本開支		(6,802)	(9,932)
Interest received	已收利息		350	284
Loans repaid by/(to) an associate	一間聯營公司償還/(獲授)貸款		330	(59)
Loans repaid by a joint venture	一間合資企業償還貸款		10	80
Loans repaid by third parties	第三方償還貸款		2	13
Net cash used in investing activities	投資業務所用之現金淨額		(8,833)	(10,277)
Cash flows from financing activities	融資活動所得之現金流量			
Capital contributions from non-controlling interests	非控制性權益注資		620	807
Dividends paid to owners of the Company	已付本公司股東股息	15 & 24(b)	(2,277)	(1,831)
Other dividends paid	已付其他股息	24(b)	(4,202)	(3,165)
Increase in borrowings	借貸增加	24(b)	16,616	9,343
Repayment of borrowings	償還借貸	24(b)	(18,627)	(10,986)
Repayment of convertible bonds	償還可轉換債券	24(b)	-	(10)
Interest paid	已付利息	24(b)	(1,423)	(1,558)
Capital element of lease rentals paid	已付租賃租金本金部份	24(b)	(462)	(301)
Interest element of lease rentals paid	已付租賃租金利息部份	24(b)	(33)	(31)
Acquisition from non-controlling interests	向非控制性權益收購		(20)	(73)
Net cash used in financing activities	融資活動所用之現金淨額		(9,808)	(7,805)
Decrease in cash and cash equivalents	現金及現金等值項目之減少		(1,903)	(1,997)
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		(47)	163
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等值項目	24	16,690	18,640

The notes on pages 102 to 232 form part of these financial statements.

第102至232頁的附註構成本財務報表之一部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

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”). 4,708,302,133 shares of the Company which was previously held by Sun World Limited, the former immediate holding company of the Company, was transferred to PetroChina Hong Kong Limited (“PetroChina HK”), which is a company incorporated in Hong Kong and is in turn wholly-owned by PetroChina Company Limited (“PetroChina”), a subsidiary of CNPC, on 14 May 2019. Since then PetroChina HK has become the immediate holding company of the Company. As at 31 December 2020, PetroChina indirectly owned 54.38% (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 principal activities of its principal subsidiaries, associates and joint ventures are the sales of natural gas, sales of liquefied petroleum gas (“LPG”) and liquefied natural gas (“LNG”) processing and terminal business in the PRC and the exploration and production of crude oil and natural gas in the PRC, the Republic of Kazakhstan (“Kazakhstan”), the Sultanate of Oman (“Oman”), the Republic of Peru (“Peru”), the Kingdom of Thailand (“Thailand”) and the Republic of Azerbaijan (“Azerbaijan”).

1 一般資料

昆侖能源有限公司(「本公司」)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。於二零一九年五月十四日，由本公司前直接控股公司Sun World Limited持有之本公司4,708,302,133股股份已轉讓予中石油香港有限公司(「中石油香港」)，為一間於香港註冊成立之公司，其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。自此，中石油香港已成為本公司之直接控股公司。於二零二零年十二月三十一日，中國石油間接擁有本公司之54.38%股權(二零一九年：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從事天然氣銷售、液化石油氣(「LPG」)銷售及從事液化天然氣(「LNG」)加工與儲運業務以及於中國、哈薩克斯坦共和國(「哈薩克斯坦」)、阿曼蘇丹國(「阿曼」)、秘魯共和國(「秘魯」)、泰國(「泰國」)及阿塞拜疆共和國(「阿塞拜疆」)勘探及生產原油及天然氣。

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

1 GENERAL INFORMATION (CONTINUED)

As at 31 December 2020, the Company and its subsidiaries (together, the “Group”) had two (2019: two) major production sharing arrangements, located in the PRC and Azerbaijan respectively. On 30 December 1997, the Group entered into an oil production sharing contract (the “Leng Jiapu Contract”) to develop and produce crude oil in Liaohe, Liaoning Province, the PRC. In 2002, the Group acquired another production sharing arrangement to develop and produce crude oil in Azerbaijan. Further details in relation to the Leng Jiapu Contract and the Group’s share of results and net assets in this arrangement are shown in Note 31.

The oil operations in the PRC are conducted through production sharing arrangements with PetroChina, whereas the oil operations in Azerbaijan are conducted through production sharing arrangements with both PetroChina and a third party. The Group is entitled to a fixed percentage of assets, liabilities, income and expenses of those oil operations in accordance with the respective oil production sharing contracts entered into with PetroChina and the third party.

1 一般資料(續)

於二零二零年十二月三十一日，本公司及其附屬公司(統稱「本集團」)有兩(二零一九年：兩)項主要產品分成安排，分別位於中國及阿塞拜疆。於一九九七年十二月三十日，本集團訂立一份油田產品分成合同(「冷家堡合同」)，以於中國遼寧省遼河開採及生產原油。於二零零二年，本集團取得另一份產品分成安排，以於阿塞拜疆開採及生產原油。該冷家堡合同之其他詳情及本集團於該安排所佔之業績及淨資產載列於附註31。

本集團於中國之產油業務，乃透過與中國石油訂立之產品分成安排而進行，而於阿塞拜疆之產油業務，乃透過與中國石油及一名第三方訂立之產品分成安排而進行。本集團可根據與中國石油及第三方分別訂立之油田產品分成合同而享有該等產油業務固定百分比之資產、負債、收入及支出。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2 BASIS OF PREPARATION

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3(x) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2020 comprise the Group and the Group’s interest in associates and joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis except for other financial assets which are stated at their fair value as explained in the accounting policies set out in Note 3(h).

2 編製基準

(a) 合規說明

該等財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之所有適用之香港財務報告準則(「香港財務報告準則」)而編製，該統稱包括所有適用之個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋、香港公認會計原則及香港公司條例之披露規定。此等財務報表亦符合香港聯合交易所有限公司證券上市規則(「上市規則」)之適用披露條文。本集團採納的重要會計政策於下文披露。

香港會計師公會已頒佈於本集團之本會計期間首次生效或可供提早採納的若干香港財務報告準則修訂本。初次應用該等與本集團有關之香港財務報告準則所引致當前會計期間之會計政策變動，已反映於該等財務報表內，有關資料列載於附註3(x)。

(b) 財務報表編製基準

截至二零二零年十二月三十一日止年度之綜合財務報表包括本集團以及本集團於聯營公司及合資企業之權益。

編製該財務報表的計量基準為歷史成本法，惟下列以公平值入賬之其他金融資產除外(按附註3(h)所載之會計政策說明)。

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2 BASIS OF PREPARATION (CONTINUED)

(b) Basis of preparation of the financial statements (Continued)

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 5.

3 SIGNIFICANT ACCOUNTING POLICIES

(a) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

2 編製基準(續)

(b) 財務報表編製基準(續)

編製符合香港財務報告準則之財務報表，需要管理層作出會影響所採用之政策及資產、負債與收支之申報金額的判斷、估計及假設。估計及相關假設乃根據過往經驗及相信於該等情況下為合理之多個其他因素而定，有關結果構成未能從其他來源獲得的資產及負債賬面值之判斷依據。實際結果或會有異於該等估計。

估計及相關假設均會持續審閱。倘會計估計之修訂僅影響估計修訂期間，則於該期間內確認修訂，倘會計估計之修訂對當期及未來期間均有影響，則於修訂及未來期間確認修訂。

管理層於應用香港財務報告準則時作出對財務報表及估計不確定因素之主要來源有重大影響之判斷，於附註5論述。

3 主要會計政策

(a) 附屬公司及非控制性權益

附屬公司為由本集團控制之實體。當本集團因參與該實體之營運而獲得或有權享有其可變回報，並能夠運用其對該實體之權力影響上述回報，本集團即對該實體擁有控制權。評估本集團是否有權力時，僅考慮(本集團及其他方持有的)實質權利。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Subsidiaries and non-controlling interests (Continued)

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with Notes 3(o) and 3(p) depending on the nature of the liability.

3 主要會計政策(續)

(a) 附屬公司及非控制性權益(續)

於附屬公司的投資自控制權開始當日起至控制權終止當日止綜合計入綜合財務報表。集團內部結餘、交易及現金流量以及集團內部交易所產生之任何未變現溢利於編製綜合財務報表時悉數對銷。集團內部交易所產生之未變現虧損按與未變現收益相同的方式對銷，但只限於沒有證據顯示減值的情況。

非控制性權益指非由本公司直接或間接應佔之附屬公司權益，且本集團並未與該等權益持有人協定任何額外條款以致本集團整體須就該等符合金融負債定義之權益而承擔合約責任。就各業務合併而言，本集團可選擇按公平值或其應佔附屬公司可識別資產淨值的非控制性權益比例部分計量任何非控制性權益。

非控制性權益在綜合財務狀況表於權益內與本公司權益股東應佔權益分開呈列。本集團業績中之非控制性權益於綜合全面收益表內呈列，作為該年度損益總額及全面收益總額於本公司非控制性權益與權益股東之間之分配。非控制性權益持有人的貸款及該等持有人的其他合約責任根據附註3(o)及3(p)按負債性質於綜合財務狀況表內呈列為金融負債。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Subsidiaries and non-controlling interests (Continued)

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 3(h)) or, when appropriate, the cost on initial recognition of an investment in an associate or a joint venture (see Note 3(b)).

In the Company's statement of financial position, an investment in subsidiary is stated at cost less impairment losses (see Note 3(m)(ii)).

A listing of the Group's principal subsidiaries is set out in Note 39.

(b) Associates and joint ventures

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group or Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

3 主要會計政策(續)

(a) 附屬公司及非控制性權益(續)

本集團於附屬公司權益之變動，如無導致失去控制權，則入賬列為股本交易，而綜合權益內的控股及非控制性權益金額則予以調整以反映相關權益變動，但並不調整商譽，且不確認任何收益或虧損。

當集團失去對附屬公司的控制權時，則入賬為出售該附屬公司全部權益，因此而產生的收益或虧損於損益確認。失去控制權當日於該前附屬公司留存的任何權益按公平值確認且該金額視為初步確認金融資產(見附註3(h))時的公平值或(倘適用)初步確認於聯營公司或合資企業(見附註3(b))投資的成本。

在本公司之財務狀況表內，於附屬公司之投資以成本減減值虧損(見附註3(m)(ii))列賬。

本集團主要附屬公司名單載於附註39。

(b) 聯營公司及合資企業

聯營公司指本集團或本公司對其有重大影響力，但無法控制或共同控制其管理(包括參與財務及經營政策決定)之實體。

合資企業為一項安排，據此本集團或公司及其他訂約方同意共同控制該安排，及對該安排之淨資產享有權利。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Associates and joint ventures (Continued)

An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate or joint venture that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment. At each reporting date, the Group assesses whether there is any objective evidence that the investment is impaired. Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised as profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised as other comprehensive income.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with any other long-term interests that in substance form part of the Group's net investment in the associate or the joint venture (after applying the expected credit loss model to such other long-term interests where applicable (see Note 3(m)(i))).

3 主要會計政策(續)

(b) 聯營公司及合資企業 (續)

聯營公司或合資企業之投資乃根據權益法在綜合財務報表中列賬。根據權益法，投資初始以成本記賬，並經本集團在收購當日應佔被投資單位可識別淨資產公平值超出投資成本(如有)之金額調整。投資成本包括購買價、直接來自收購該投資的其他成本，及構成本集團股本投資一部分的於聯營公司或合資企業的任何直接投資。其後，該投資經本集團在收購後應佔被投資單位之淨資產及與該投資有關之任何減值虧損變動調整。於各報告日期，本集團評估有否任何客觀證據顯示投資出現減值。收購當日出成本之任何金額、本集團本年應佔被投資單位之收購後稅後業績及任何減值虧損會確認為損益，而本集團應佔被投資單位之收購後稅後其他全面收益項目確認為其他全面收益。

當本集團須分擔聯營公司或合資企業虧損額超出其所佔權益時，本集團之權益應減少至零，並且不再確認額外虧損，惟本集團須履行法定或推定責任，或須代表被投資單位作出付款則除外。就此而言，本集團之權益為以權益法核算投資之賬面值及任何其他長期權益，該等長期權益實質為本集團對聯營公司或合資企業淨投資之一部分(向相關其他長期權益應用預期信貸虧損模型後(如適用)(請參閱附註3(m)(i)))。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Associates and joint ventures (Continued)

Unrealised profits and losses resulting from transactions between the Group and its associates and joint venture are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 3(h)).

In the Company's statement of financial position, investments in associates and joint ventures are stated at cost less impairment losses. Impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount (see Note 3(m)(ii)).

Listings of the Group's principal associates and joint ventures are shown in Notes 40 and 41, respectively.

3 主要會計政策(續)

(b) 聯營公司及合資企業 (續)

本集團與聯營公司及合資企業之間交易所產生之未變現損益均按本集團所佔被投資單位之權益比率抵銷，惟未變現虧損為已轉讓資產之減值提供證據則除外；如屬這種情況，未變現虧損應立即於損益內確認。

倘於聯營公司之投資成為於合資企業之投資，或反之亦然，保留權益不會重新計量。相反，投資繼續按權益法入賬。

在所有其他情況下，當本集團不再對聯營公司有重大影響力或對合資企業擁有共同控制權時，則按出售該被投資單位之全部權益入賬，而所產生之盈虧將於損益內確認。於喪失重大影響力或共同控制權時仍保留於前任被投資單位之任何權益乃按公平值確認，而該金額將被視為一項金融資產初始確認之公平值(見附註3(h))。

在本公司之財務狀況表內，於聯營公司及合資企業之投資按成本減減值虧損列賬。減值虧損乃透過比較投資的可收回金額及其賬面值(見附註3(m)(ii))計量。

本集團主要聯營公司及合資企業之名單分別載於附註40及41。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Accounting for production sharing contracts

Production sharing contracts constitute joint operations. The Group shall recognise in relation to its interest in joint operations:

- (i) its assets, including its share of any assets held jointly;
- (ii) its liabilities, including its share of any liabilities incurred jointly;
- (iii) its revenue from the sale of its share of the output arising from the joint operations;
- (iv) its share of the revenue from the sale of the output by the joint operations; and
- (v) its expenses, including its share of any expenses incurred jointly.

(d) Foreign currencies

(i) Functional currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The Company’s functional currency is Renminbi (“RMB”). The consolidated financial statements are presented in RMB.

(ii) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

3 主要會計政策(續)

(c) 分成合同之會計處理

分成合同構成共同經營業務。本集團須就其於共同經營業務的權益確認下列各項：

- (i) 其資產，包括其分佔的共同持有的任何資產；
- (ii) 其負債，包括其分佔的共同產生的任何負債；
- (iii) 其來自出售其分佔的共同經營業務所出產產品的收益；
- (iv) 其分佔的出售共同經營業務所出產產品的收益；及
- (v) 其開支，包括其分佔的共同產生的任何開支。

(d) 外幣

(i) 功能貨幣

本集團每個實體之財務報表所列項目均以該實體營運所在之主要經濟環境之貨幣（「功能貨幣」）計量。本公司之功能貨幣為人民幣（「人民幣」）。綜合財務報表以人民幣呈列。

(ii) 外幣換算

年內，外幣交易按交易日適用之匯率換算。以外幣計值的貨幣資產及負債則按呈報期末的匯率換算。匯兌盈虧於損益確認。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Foreign currencies (Continued)

(ii) Translation of foreign currencies (Continued)

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Company initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into presentation currency at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items, including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into presentation currency at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the translation reserve. Goodwill arising on consolidation of a foreign operation acquired before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

3 主要會計政策(續)

(d) 外幣(續)

(ii) 外幣換算(續)

按過往成本以外幣為單位計量之非貨幣資產及負債，按交易日之匯率換算。交易日是指本公司初始確認相關非貨幣資產或負債的日期。以外幣計值並以公平值列賬之非貨幣資產及負債按計量公平值當日之匯率換算。

海外業務之業績按與交易日期之適用匯率相若之匯率換算為呈報貨幣。財務狀況表項目(包括合併於二零零五年一月一日或以後收購之海外業務所產生之商譽)按呈報期末之收市匯率換算為呈報貨幣。所產生之匯兌差額於其他全面收益確認並獨立累計於匯兌儲備的權益內。因合併於二零零五年一月一日前收購之海外業務所產生之商譽按收購海外業務當日適用之匯率換算。

出售海外業務時，有關該海外業務之匯兌差額之累計數額於確認出售損益時由權益重新分類至損益。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Property, plant and equipment

Property, plant and equipment, including oil and gas properties (Note 3(f)) and construction in progress, are initially recorded in the consolidated statement of financial position at cost where it is probable that they will generate future economic benefits. Cost represents the purchase price of the asset and other costs incurred to bring the asset into existing use. For construction in progress, cost comprises direct costs of construction as well as interest charges, and foreign exchange differences on related borrowed funds to the extent that they are regarded as an adjustment to interest charges, during the periods of construction. Construction in progress is transferred to property, plant and equipment when the asset is substantially ready for its intended use. Subsequent to their initial recognition, property, plant and equipment are carried at cost less accumulated depreciation, depletion and amortisation (including any impairment) (see Note 3(m)(ii)).

Depreciation to write-off the cost of each asset, other than oil and gas properties (Note 3(f)), to their residual values over their estimated useful lives is calculated using the straight-line method.

The Group uses the following useful lives for depreciation purposes:

- Interests in buildings	40 years or over the remaining period of respective leases whichever is the shorter
- Leasehold land leased for own use	lease term
- Natural gas pipelines	10-30 years
- Equipment and machinery	4-30 years
- Motor vehicles	4-14 years
- Others	5-12 years

No depreciation is provided for construction in progress until the assets are completed and ready for use.

3 主要會計政策(續)

(e) 物業、廠房及設備

倘若物業、廠房及設備(包括石油及天然氣物業(附註3(f))以及在建工程)將來可能產生經濟利益,其會初步按成本於綜合財務狀況表入賬。成本指資產之購買價及資產達至現時用途產生之其他成本。就在建工程而言,成本包括建築期間的直接建築成本、利息支出及被視為利息支出調整之相關借款之匯兌差額。在建工程於實質可作擬定用途時,將轉入物業、廠房及設備內。於初始確認後,物業、廠房及設備按成本減累計折舊、損耗及攤銷(含任何減值)(見附註3(m)(ii))入賬。

折舊乃採用直線法計算以按其估計可使用年期撇銷每項資產(石油及天然氣物業除外(附註3(f)))之成本至其剩餘價值。

本集團採用以下可使用年期用作折舊:

- 樓宇權益	40年或各租賃之餘下期限(以較短者為準)
- 租賃以作自用之租賃土地	租賃期
- 天然氣管道	10-30年
- 設備及機器	4-30年
- 汽車	4-14年
- 其他	5-12年

在建工程在完工及可投入使用前不計提折舊。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Property, plant and equipment (Continued)

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of each reporting period.

During the year ended 31 December 2020, the management has revised the classification of the Group's certain property, plant and equipment. Such reclassification does not result in changes on the residual value and useful lives of property, plant and equipment and has no material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

Gains and losses on disposals of property, plant and equipment are determined by reference to their carrying amounts and are recorded in profit or loss.

Interest and other costs on borrowings to finance the construction of property, plant and equipment are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Costs for repair and maintenance activities are expensed as incurred except for costs of components that result in improvements or betterments which are capitalised as part of property, plant and equipment and depreciated over their useful lives.

3 主要會計政策(續)

(e) 物業、廠房及設備 (續)

該等資產之剩餘價值及可使用年期均於各報告期末予以審閱並作出適當調整。

於截至二零二零年十二月三十一日止年度，管理層修訂本集團若干物業、廠房及設備的分類。有關重新分類並無導致物業、廠房及設備剩餘價值及可使用年期的變動，亦沒有對本集團編製或呈報當前或過往期間之業績及財務狀況構成重大影響。

出售物業、廠房及設備產生之收益及虧損按比較所得款項與賬面值而釐定，並於損益內列賬。

有關撥作興建物業、廠房及設備之借貸產生之利息及其他成本乃於需完成及籌備資產作其擬定用途之期間內予以資本化。除可達到改良或修繕目的之項目成本並資本化為物業、廠房及設備之一部分按其可使用年期折舊外，其他按計劃進行維修及保養活動發生之費用於發生時確認為支出。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Oil and gas properties

The successful efforts method of accounting is used for oil and gas exploration and production activities. Under this method, all costs for development wells, support equipment and facilities, and proved mineral interests in oil and gas properties are capitalised. Geological and geophysical costs are expensed when incurred. Costs of exploratory wells are capitalised as construction in progress pending determination of whether the wells find proved oil and gas reserves. Proved oil and gas reserves are the estimated quantities of crude oil and natural gas, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulation before the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain regardless of whether the estimate is a deterministic estimate or probabilistic estimate. Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period before the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period unless prices are defined by contractual arrangements, excluding escalations based upon future conditions. The cost shall be that prevailing at the end of the period.

3 主要會計政策(續)

(f) 石油及天然氣物業

石油及天然氣勘探與生產活動採用成效會計法處理。根據此方法，開發油氣井、支援設備及設施以及石油及天然氣物業中之探明礦產權益之所有成本均予以資本化。所產生地質及地球物理勘探費用皆費用化。作為在建工程之油氣井之成本乃根據該等油氣井是否發現探明油氣儲量而決定是否予以資本化。探明油氣儲量為自給定日期至合同約定權利到期日(除非有證據合理保證該權利能夠得到延期)，透過地球科學和工程數據的分析，採用確定性評估或概率性評估，以現有經濟、作業和政府管制條件，可以合理確定已知油氣藏經濟可採的原油及天然氣的估計量。現有的經濟條件包含確定一個油氣藏經濟生產能力的價格和成本。除非由合同約定，該價格是指在報告期截止日以前的十二個月的平均價格，確定為每月第一天價格的非加權算術平均價，但不包括基於未來條件做出的價格調整。成本即期末採用的成本。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Oil and gas properties (Continued)

Exploratory wells in areas not requiring major capital expenditure are evaluated for economic viability within one year of completion of drilling. The related well costs are expensed as dry holes if it is determined that such economic viability is not attained. Otherwise, the related well costs are reclassified to oil and gas properties and are subject to impairment review (Note 3(m)(ii)). For exploratory wells that are found to have economically viable reserves in areas where major capital expenditure will be required before production can commence, the related well costs remain capitalised only if additional drilling is underway or firmly planned. Otherwise the related well costs are expensed as dry holes. The Group does not have any significant costs of unproved properties capitalised in oil and gas properties.

The Ministry of Land and Resources in China issues production licenses to applicants on the basis of the reserve reports approved by relevant authorities.

The cost of oil and gas properties is amortised at the field level based on the units of production method. Units of production rates are based on oil and gas reserves estimated to be recoverable from existing facilities based on the current terms of the Group's production licenses. The Group's oil and gas reserves estimates include only crude oil and condensate and natural gas which management believes can be reasonably produced within the current terms of these production licenses.

3 主要會計政策(續)

(f) 石油及天然氣物業(續)

於無需投入大量資本開支之地域之油氣井乃於完成鑽探之一年期內按經濟可行性予以評估。倘若釐定該等油氣井並不存在經濟可行性，則相關油氣井成本乃作為乾井支銷。否則，相關油氣井成本需重新分類至石油及天然氣物業，並進行減值檢討(附註3(m)(ii))。至於在可開始投產前將需投入大量資本開支之地域發現具有經濟可行儲量之勘探油氣井，相關油氣井成本僅當正在進行或已正式計劃額外鑽探時仍維持資本化。否則，相關油氣井成本乃作為乾井支銷。本集團於石油及天然氣物業中已資本化未探明物業中並無任何重大成本。

中國國土資源部是根據有關當局批准之儲量報告而向申請人發出生產許可證。

石油及天然氣物業之成本乃以油田為單位按單位產量法予以攤銷。單位產量率乃根據本集團產礦許可證之現有期限，按油氣儲量在現有設施中之估計可採量計算。本集團之石油及天然氣儲量估計僅包括管理層認為可於此等採礦許可證現有期限內合理開採之原油及凝析油及天然氣。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Intangible assets

(i) Goodwill

Goodwill represents the excess of

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination. Separately recognised goodwill is tested annually for impairment (see Note 3(m) (ii)). Impairment losses on goodwill are not reversed.

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

3 主要會計政策(續)

(g) 無形資產

(i) 商譽

商譽指以下之差額：

- (i) 已轉讓代價之公平值、於收購對象任何非控股權益之金額與本集團先前所持收購對象股權公平值之總和；與
- (ii) 於收購日期應佔收購對象可識別資產及負債之公平值淨值。

如(ii)項之金額大於(i)項，則有關差額即時於損益中確認為議價購買之收益。

商譽按成本減累計減值虧損列賬。業務合併所得之商譽會被分配至各個現金產生單位或各組現金產生單位(預期會產生合併協同效益)。單獨確認的商譽乃每年進行減值(見附註3(m) (ii))測試。商譽之減值虧損不予回撥。

年內出售現金產生單位時，任何應佔購入商譽之金額會於計算出售交易之盈虧時計入其中。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Intangible assets (Continued)

(ii) Other intangible assets

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note 3(m)(ii)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives.

Both the period and method of amortisation are reviewed annually.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

3 主要會計政策(續)

(g) 無形資產(續)

(ii) 其他無形資產

本集團收購之其他無形資產乃按成本減累計攤銷(倘若具有有限估計可使用年期)及減值虧損(見附註3(m)(ii))列賬。有關內部產生之商譽及品牌之開支於產生期間確認作開支。

具有有限可使用年期之無形資產之攤銷乃於資產估計可使用年期內以直線法在損益中扣除。

攤銷的年期及方法均每年審閱。

評估為具有無限可使用年期之無形資產不會攤銷。任何確定為具有無限可使用年期之無形資產會每年檢討，以釐定事件及情況是否繼續支持該資產列為具有無限可使用年期。倘若並無無限可使用年期，則資產之使用年期評估會由無限變成有限，並自變動日期起根據上文所載使用年期有限之無形資產攤銷政策於未來入賬。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Other investments in debt and equity securities

The Group's policies for investments in debt and equity securities, other than investments in subsidiaries, associates and joint ventures, are set out below.

Investments in debt and equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investments. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVPL") for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 4.3. These investments are subsequently accounted for as follows, depending on their classification.

(i) Investments other than equity investments

Non-equity investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method (see Note 3(r)(v)).

3 主要會計政策(續)

(h) 於債務及股本證券的其他投資

本集團就於債務及股本證券之投資(於附屬公司、聯營公司及合資企業之投資除外)之政策載列如下。

於債務及股本證券之投資乃在本集團承諾購入/出售投資當日確認/終止確認。投資初步按公平值加直接應佔交易成本列賬，惟按公平值計入損益(「按公平值計入損益」)之投資除外，該等投資之交易成本直接於損益內確認。有關本集團釐定金融工具公平值之方法的解釋，請參閱附註4.3。該等投資隨後根據其分類按以下方法入賬。

(i) 於股本投資以外之投資

本集團所持有之非股本投資分類為以下其中之一種計量類別：

- 攤銷成本，倘若所持投資用作收回合約現金流(僅代表本金及利息付款)。投資之利息收入按實際利率法計算(見附註3(r)(v))。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Other investments in debt and equity securities (Continued)

(i) Investments other than equity investments (Continued)

- fair value through other comprehensive income (“FVOCI”) – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- FVPL, if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

3 主要會計政策(續)

(h) 於債務及股本證券的其他投資(續)

(i) 於股本投資以外之投資(續)

- 按公平值計入其他全面收益(「按公平值計入其他全面收益」) – 可轉回至損益，倘若投資之合約現金流僅包括本金及利息付款，並且持有投資之目的為同時收回合約現金流及出售的業務模式。公平值之變動於其他全面收益內確認，惟預期信貸虧損、利息收入(按實際利率法計算)及匯兌收益及虧損則於損益內確認。當終止確認該投資時，於其他全面收益內累計之金額由權益轉回至損益。
- 按公平值計入損益，倘若該投資不符合按攤銷成本或按公平值計入其他全面收益(可轉回至損益)計量之標準。該投資之公平值變動(包括利息)於損益內確認。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Other investments in debt and equity securities (Continued)

(ii) Equity investments

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income in accordance with the policy set out in Note 3(r)(iv).

3 主要會計政策(續)

(h) 於債務及股本證券的其他投資(續)

(ii) 股本投資

於股本證券之投資被分類為按公平值計入損益，除非該股本投資並非以交易為目的持有且於初步確認投資時，本集團作出不可撤銷的選擇，指定投資為按公平值計入其他全面收益(不可轉回至損益)，由此，隨後公平值之變動於其他全面收益內確認。該等選擇以逐個工具為基礎作出，但僅會在發行人認為投資滿足股本之定義的情況下作出。作出該選擇後，於其他全面收益內累計之金額仍將保留在公平值儲備(不可轉回至損益)內直至完成投資出售。於出售時，於公平值儲備(不可轉回至損益)內累計之金額轉入滾存盈利，且不會轉回至損益。股本證券投資產生之股息(不論分類為按公平值計入損益或按公平值計入其他全面收益)將根據附註3(r)(iv)所載政策作為其他收益於損益確認。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease components and non-lease components, the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

3 主要會計政策(續)

(i) 租賃資產

本集團於合約開始時評估合約是否屬於(或包含)租賃。倘合約為換取代價而轉移已識別資產於一段時間內之使用控制權，則合約屬於(或包含)租賃。倘客戶既有權指示已識別資產之使用又有權獲取有關使用帶來之絕大部分經濟利益，則控制權已被轉移。

(i) 作為承租人

對於包含租賃部分及非租賃部分之合約，本集團已選擇不將非租賃部分分開處理，而是就所有租賃將各租賃部分及任何相關之非租賃部分作為單一租賃部分入賬。

本集團於租賃開始日期確認使用權資產及租賃負債，惟租期為12個月或以下之短期租賃或低價值資產租賃除外。當本集團就低價值資產訂立租賃時，本集團會按租賃之個別情況決定是否將租賃資本化。與該等並未資本化之租賃相關之租賃付款於租期內有系統地確認為開支。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Leased assets (Continued)

(i) As a lessee (Continued)

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

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Notes 3(e) and 3(m)(ii)).

3 主要會計政策(續)

(i) 租賃資產(續)

(i) 作為承租人(續)

在租賃資本化之情況下，租賃負債初步於租期內按應付租賃付款之現值確認，並使用租賃隱含之利率或(倘有關利率難以釐定)相關增量借貸利率貼現。於初步確認後，租賃負債按攤銷成本計量，而利息支出使用實際利率法計算。計量租賃負債時不會計入並非視乎指數或利率而定之可變租賃付款，因此有關付款會於其產生之會計期間自損益扣除。

於租賃資本化時確認之使用權資產初步按成本計量，其中包括租賃負債之初始金額加上於開始日期或之前作出之任何租賃付款以及任何已產生之初始直接成本。在適用情況下，使用權資產之成本亦包括拆卸並移除相關資產或修復相關資產或其所在場地之估計成本(折現至其現值)減去任何已收取之租賃優惠。使用權資產其後按成本減累計折舊及減值虧損(見附註3(e)及3(m)(ii))列賬。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Leased assets (Continued)

(i) As a lessee (Continued)

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

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis.

3 主要會計政策(續)

(i) 租賃資產(續)

(i) 作為承租人(續)

倘指數或利率變動導致未來租賃付款有變，或本集團對預期根據剩餘價值擔保之應付金額所作之估計有變，或因本集團重新評估是否合理確定將行使購買、延長或終止選擇權而導致變動，則重新計量租賃負債。倘租賃負債在此等情況下重新計量，則對使用權資產之賬面值作相應調整，或(倘使用權資產之賬面值已減至零)將有關調整列入損益。

於綜合財務狀況表中，長期租賃負債之流動部分乃按於報告期後12個月內到期應付之合約付款之現值釐定。

(ii) 作為出租人

倘本集團為出租人，則本集團於租賃開始時釐定各租賃屬於融資租賃抑或經營租賃。倘租賃將相關資產擁有權附帶之絕大部分風險及回報轉移至承租人，則分類為融資租賃。在其他情況下，則分類為經營租賃。

倘合約包含租賃及非租賃部分，則本集團按相對獨立售價將合約代價分配至各部分。

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For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Inventories

Inventories include natural gas products, liquefied petroleum gas (“LPG”), materials for natural gas pipelines and crude oil which are stated at the lower of cost and net realisable value. Cost of inventories is primarily determined by the weighted average cost method, which comprises raw materials, direct labour, other direct costs and related production overheads, but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

(k) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see Note 3(r)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses (“ECLs”) in accordance with the policy set out in Note 3(m)(i) and are reclassified to receivables when the right to the consideration has become unconditional (see Note 3(l)).

A contract liability is recognised when the customer pays refundable consideration before the Group recognises the related revenue (see Note 3(r)). A contract liability would also be recognised if the Group has an unconditional right to receive refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see Note 3(l)).

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

3 主要會計政策(續)

(j) 存貨

存貨包括天然氣產品、液化石油氣(「LPG」)、天然氣管道材料及原油，均按成本與可變現淨值中之較低者列賬。存貨成本主要按加權平均成本法釐定，包括原材料、直接勞工、其他直接成本及相關生產開支，但不包括借貸成本。可變現淨值為於日常業務過程中之估計售價減去完工成本及銷售開支。

(k) 合約資產及合約負債

在本集團有權無條件獲取合約所載付款條款代價前確認收入(見附註3(r))時確認合約資產。合約資產按附註3(m)(i)所載政策就預期信貸虧損(「預期信貸虧損」)進行評估，並在代價權利成為無條件後重新分類至應收款項(見附註3(l))。

本集團確認相關收入(見附註3(r))前，合約負債於客戶支付可退回代價時確認。如本集團擁有無條件權利於本集團確認相關收入前收取可退回代價，則合約負債亦會確認。在該等情況下，相應應收款項亦予確認(見附註3(l))。

就與客戶訂立的單一合約而言，已呈列淨合約資產或淨合約負債。就多份合約而言，不相關合約的合約資產及合約負債不會按淨額基準呈列。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Accounts receivable

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (see Note 3(k)).

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see Note 3(m)(i)).

(m) Credit losses and impairment of assets

(i) Credit losses from financial instruments and contract assets

The Group recognises a loss allowance for ECL on financial assets measured at amortised cost (including cash and cash equivalents, accounts and other receivables, including loans to an associate and joint ventures, which are held for the collection of contractual cash flows which represent solely payments of principal and interest) and debt securities measured at FVOCI (recycling).

Other financial assets measured at fair value, including equity securities designated at FVOCI (non-recycling), are not subject to the ECL assessment.

3 主要會計政策(續)

(l) 應收賬款

應收款項於本集團擁有無條件收取代價的權利時確認。倘支付應付代價前僅須經過一段時間，則具有無條件收取代價的權利。倘本集團具有無條件收取代價的權利前已確認收入，則該金額作為合約資產列賬(見附註3(k))。

應收款項採用實際利率法，以攤銷成本減信貸虧損撥備列賬(見附註3(m)(i))。

(m) 信貸虧損和資產減值

(i) 來自金融工具及合約資產的信貸虧損

本集團就按攤銷成本計量之金融資產之預期信貸虧損確認虧損撥備(包括現金及現金等值項目、應收賬款及其他應收款項包括貸款予一間聯營公司及合資企業(持有以收取合約現金流，僅代表本金及利息付款))以及按公平值計入其他全面收益(可轉回至損益)計量之債務證券。

其他按公平值計量之金融資產，包括按公平值計入其他全面收益指定之股本證券(不可轉回至損益)，毋須進行預期信貸虧損評估。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and impairment of assets (Continued)

- (i) Credit losses from financial instruments and contract assets (Continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

For undrawn loan commitments, expected cash shortfalls are measured as the difference between (i) the contractual cash flows that would be due to the Group if the holder of the loan commitment draws down on the loan and (ii) the cash flows that the Group expects to receive if the loan is drawn down.

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, accounts and other receivables: effective interest rate determined at initial recognition or an approximation thereof; and
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

3 主要會計政策(續)

(m) 信貸虧損和資產減值 (續)

- (i) 來自金融工具及合約資產的信貸虧損(續)

計量預期信貸虧損

預期信貸虧損是信貸虧損的概率加權估計。信貸虧損以所有預期現金不足額(即本集團根據合約應得的現金流以及本集團預期收到的現金流之間的差額)的現值計量。

對於未支取的貸款承擔，預期現金不足額按(i)倘若貸款承擔之持有人提取貸款，則應付本集團之合約現金流，與(ii)倘若貸款已提取，本集團預期將收取之現金流兩者之間之差額計量。

倘若貼現的影響重大，預期現金不足額將使用以下貼現率貼現：

- 固定利率金融資產以及應收賬款及其他應收款項：初始確認時釐定的實際利率或其近似值；及
- 浮動利率金融資產：當前的實際利率。

於估計預期信貸虧損時考慮的最長期間為本集團承受信貸風險的最長合約期間。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and impairment of assets (Continued)

- (i) Credit losses from financial instruments and contract assets (Continued)

Measurement of ECLs (Continued)

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for accounts receivable, lease receivables and contract assets, are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

3 主要會計政策(續)

(m) 信貸虧損和資產減值 (續)

- (i) 來自金融工具及合約資產的信貸虧損(續)

計量預期信貸虧損(續)

於計量預期信貸虧損時，本集團考慮合理及有據而無需花費過多的成本或勞力所獲得的資料。這包括過去事件、當前狀況和未來經濟狀況預測等資料。

預期信貸虧損基於下列其中一個基準計量：

- 12個月的預期信貸虧損：預計在報告日後12個月內可能發生的違約事件而導致的虧損；及
- 整個存續期的預期信貸虧損：預計該等採用預期信貸虧損模式的項目在整個存續期內所有可能發生的違約事件而導致的虧損。

應收賬款、租賃應收款項及合約資產的虧損撥備一般是以整個存續期的預期信貸虧損的金額計量。該等金融資產的預期信貸虧損是利用基於本集團過往信貸虧損經驗的撥備矩陣進行估算，並在報告當日按債務人的個別因素及對當前和預測整體經濟狀況的評估進行調整。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and impairment of assets (Continued)

- (i) Credit losses from financial instruments and contract assets (Continued)

Measurement of ECLs (Continued)

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

3 主要會計政策(續)

(m) 信貸虧損和資產減值 (續)

- (i) 來自金融工具及合約資產的信貸虧損(續)

計量預期信貸虧損(續)

至於所有其他金融工具，本集團會以相等於12個月的預期信貸虧損金額確認虧損撥備，除非自初始確認後該金融工具的信貸風險顯著增加，在此情況下，虧損撥備會以整個存續期的預期信貸虧損金額計量。

信貸風險顯著增加

在評估金融工具的信貸風險自初始確認後是否顯著增加時，本集團將於報告當日評估金融工具的違約風險並與初始確認時評估的違約風險作比較。在進行此項重新評估時，本集團認為當下列情況發生時為違約事件：(i) 借款人不可能在本集團無追索權(例如：實現擔保)(如持有)的情況下向本集團悉數支付其信貸義務；或(ii) 該金融資產逾期超過90日。本集團會考慮合理及有理據的定量及定性資料，包括過往經驗及無需花費過多的成本或勞力所獲得的前瞻性資料。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments and contract assets (Continued)

Significant increases in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

3 主要會計政策(續)

(m) 信貸虧損和資產減值 (續)

(i) 來自金融工具及合約 資產的信貸虧損(續)

信貸風險顯著增加(續)

特別是，在評估自初始確認後信貸風險是否顯著增加時，會考慮以下資料：

- 未能在合約到期日支付本金或利息；
- 金融工具外部或內部的信貸評級(如有)存在實際或預期的顯著惡化；
- 債務人經營業績存在實際或預期的顯著惡化；及
- 技術、市場、經濟或法律環境的現有或預測的改變對債務人履行其對本集團責任的能力構成重大不利影響。

根據金融工具的性質，信貸風險顯著增加的評估按個別項目或集體基準進行。當評估以集體基準進行時，會按照金融工具的共同信貸風險特徵(例如過期狀態及信貸風險評級)歸類。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and impairment of assets (Continued)

- (i) Credit losses from financial instruments and contract assets (Continued)

Significant increases in credit risk (Continued)

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

Basis of calculation of interest income

Interest income recognised in accordance with Note 3(r)(v) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

3 主要會計政策(續)

(m) 信貸虧損和資產減值 (續)

- (i) 來自金融工具及合約資產的信貸虧損(續)

信貸風險顯著增加(續)

預期信貸虧損在每個報告日重新計量，以反映自初始確認後金融工具信貸風險的變化。預期信貸虧損金額的任何變化均在損益中確認為減值收益或虧損。本集團在確認所有金融工具的減值收益或虧損時，會透過虧損撥備科目對其賬面值進行相應調整，惟按公平值計入其他全面收益(可轉回至損益)計量之債務證券投資除外，其虧損撥備將於其他全面收益內確認並於公平值儲備(可轉回至損益)內累計。

利息收入的計算基礎

根據附註3(r)(v)確認之利息收入按金融資產的賬面總值計算，除非金融資產出現信貸減值，在此情況下，利息收入按金融資產的攤銷成本(即賬面總值減虧損撥備)計算。

於每個報告日，本集團評估金融資產是否出現信貸減值。當一項或多項對金融資產未來現金流的估計有負面影響的事件發生時，金融資產會被視為出現信貸減值。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments and contract assets (Continued)

Basis of calculation of interest income (Continued)

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

3 主要會計政策(續)

(m) 信貸虧損和資產減值 (續)

(i) 來自金融工具及合約資產的信貸虧損(續)

利息收入的計算基礎 (續)

金融資產出現信貸減值的證據包括以下可觀察事件：

- 債務人面對重大財務困難；
- 違反合約，如拖欠或逾期償還；
- 借款人有可能申請破產或需要進行其他財務重組；
- 技術、市場、經濟或法律環境的重大變動對債務人構成不利影響；或
- 因發行人的財務困難使證券的活躍市場消失。

撇銷政策

倘若沒有實際可回收的前景，金融資產的賬面總額(部分或全部)會被撇銷。一般情況下，撇銷金額是本集團認為債務人沒有可產生足夠的現金流的資產或收入來源以償還該撇銷款項。

先前撇銷資產的後續撥回於撥回期間於損益內確認為減值撥回。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and impairment of assets (Continued)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment, including right-of-use assets
- oil and gas properties;
- intangible assets;
- goodwill; and
- investments in subsidiaries, associates and joint ventures in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not ready for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

3 主要會計政策(續)

(m) 信貸虧損和資產減值 (續)

(ii) 其他資產減值

於各報告期末審閱內部及外部資料來源，以識別是否有跡象顯示以下資產可能出現減值，或(商譽除外)先前已確認之減值虧損不再存在或可能已減少：

- 物業、廠房及設備(包括使用權資產)；
- 石油及天然氣物業；
- 無形資產；
- 商譽；及
- 本公司財務狀況表中於附屬公司、聯營公司及合資企業之投資。

倘有任何上述跡象，則需估計資產之可收回金額。此外，就商譽、未可供使用之無形資產及具有無限期可用年期之無形資產而言，無論是否存在任何減值跡象，每年均會評估其可收回金額。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and impairment of assets (Continued)

(ii) Impairment of other assets (Continued)

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

- Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

3 主要會計政策(續)

(m) 信貸虧損和資產減值 (續)

(ii) 其他資產減值(續)

- 計算可收回金額

資產之可收回金額是公平值減銷售成本與使用價值兩者之較高者。在評估使用價值時，估計未來現金流量按可反映當時市場對貨幣時間值之估計及該資產之特定風險之稅前折現率折現至其現值。凡資產所產生之現金流入基本上並非獨立於其他資產所產生之現金流入，則就獨立地產生現金流入之最小資產組別(即現金產生單位)來釐定可收回金額。

- 確認減值虧損

當資產或其所屬現金產生單位之賬面值高於其可收回金額時，便會在損益中確認減值虧損。就現金產生單位確認之減值虧損會予以分配，首先降低分配至現金產生單位(或一組單位)之任何商譽之賬面值，然後按比例降低單位(或一組單位)中其他資產之賬面值，但資產賬面值不會降至低於其個別公平值減去銷售成本(如可計量)或使用價值(如可確定)。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and impairment of assets (Continued)

(ii) Impairment of other assets (Continued)

– *Reversals of impairment losses*

An impairment loss in respect of assets other than goodwill is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(iii) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year.

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, deposits held with banks and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL in accordance with the policy set out in Note 3(m)(i).

3 主要會計政策(續)

(m) 信貸虧損和資產減值 (續)

(ii) 其他資產減值(續)

– 撥回減值虧損

倘用作釐定可收回金額之估計出現正面變動，則會撥回有關商譽以外資產之減值虧損。所撥回之減值虧損，以假設過往年度並無確認減值虧損下原應獲釐定之資產賬面值為限。所撥回之減值虧損於確認撥回之年度計入損益表。

(iii) 中期財務報告及減值

根據上市規則，本集團須根據香港會計準則第34號「中期財務報告」編製財政年度首六個月之中期財務報告。於中期期間完結後，本集團已應用與財政年度末相同之減值測試、確認及撥回準則。

(n) 現金及現金等值項目

現金及現金等值項目包括銀行及手頭現金、存放於銀行之存款以及可隨時兌換成可知數額之現金，並承受極低價值變動風險及於購入時三個月內到期之高流通性投資。現金及現金等值項目根據附註3(m)(i)所載之政策評估預期信貸虧損。

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Accounts payable

Accounts payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(p) Borrowings

Borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the profit or loss in the period in which they are incurred.

Borrowings are classified as current liabilities unless the Group has unconditional rights to defer settlements of the liabilities for at least 12 months after the end of the reporting period.

(q) Taxation

Income tax expense for the period comprises current and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3 主要會計政策(續)

(o) 應付賬款

應付賬款初步按公平值確認，其後採用實際利率法按已攤銷成本計量。

(p) 借貸

借貸初步按公平值減交易成本計量。於初步確認後，計息借貸則採用實際利率法按攤銷成本列賬。

直接來自收購、興建或生產合資格資產且該等資產需經較長時間方會達至預定可使用或出售狀態之一般及特定借貸成本，計入該等資產之成本，直至大致上達至其預定可使用或出售狀態為止。

所有其他借貸成本於其產生期間於損益中確認。

借貸乃分類為流動負債，除非本集團擁有無條件權利可延後償付負債至於報告期末後至少12個月則作別論。

(q) 稅項

期間所得稅費用包括當期及遞延稅項。稅項於損益內確認，惟如與於其他全面收益或直接於權益確認之項目有關，稅項亦分別於其他全面收益或直接於權益中確認。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Taxation (Continued)

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Group, associates and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from initial recognition of goodwill. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

3 主要會計政策(續)

(q) 稅項(續)

當期所得稅支出乃根據本集團、聯營公司及合資企業經營所在並產生應課稅收入之國家於結算日已實行或大致實行之稅法計算。管理層就適用稅務法例詮釋所規限之情況定期評估報稅表之狀況，並在適用情況下根據預期須向稅務機關支付之稅款確定撥備。

遞延所得稅乃採用負債法就資產負債之稅基與彼等於綜合財務報表之賬面值兩者之暫時差異予以確認。然而，倘遞延稅項負債產生自初步確認商譽，則不予確認。倘初步確認一項交易(業務合併除外)中之資產及負債於交易時產生之遞延所得稅既不影響會計處理亦不影響應課稅溢利或虧損，則此遞延所得稅不予入賬。遞延所得稅乃採用於財政年度結算日前已實行或大致實行並預期於相關遞延所得稅資產變現或遞延所得稅負債清償時適用之稅率(及稅法)釐定。

遞延所得稅資產僅當未來應課稅溢利很有可能與可動用之暫時差異抵銷時方予確認。

遞延所得稅乃就於附屬公司、聯營公司及合資企業之投資產生之暫時差異計提撥備，惟倘回撥暫時差異之時可由本集團控制且暫時差異於可預見將來可能不會回撥則除外。

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Taxation (Continued)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Group also incurs various other taxes and levies that are not income tax. "Taxes other than income taxes", which form part of operating expenses, primarily comprise resource tax, urban construction tax, education surcharges and business tax.

(r) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

3 主要會計政策(續)

(q) 稅項(續)

倘有合法可執行權利將即期稅項資產與即期稅項負債互相抵銷，及當遞延所得稅資產及負債乃由同一稅務機關向同一應課稅實體或不同應課稅實體徵收之所得稅，且在此情況下擬按淨額基準處理結餘時，遞延所得稅資產及負債方可互相抵銷。

本集團亦產生多種除所得稅以外之其他稅項及徵費。「除所得稅以外之稅項」構成經營支出的一部分，主要包括資源稅、城市維護建設稅、教育費附加費和營業稅。

(r) 收入及其他收益

當收益產生自本集團日常業務過程中之貨品銷售、提供之服務或他人使用本集團租賃資產，則本集團會將該收益分類為收入。

收入在產品或服務之控制權轉讓予客戶或在承租人有權使用該資產時獲確認，金額為本集團預期有權收取之承諾代價，不包括代表第三方收取之有關金額。收入不包括增值稅或其他銷售稅，並扣減任何貿易折扣。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Revenue and other income (Continued)

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Sales of goods

Revenue is recognised when the customer takes possession of and accepts the products. If the products are a partial fulfilment of a contract covering other goods and/or services, then the amount of revenue recognised is an appropriate proportion of the total transaction price under the contract, allocated between all the goods and services promised under the contract on a relative stand-alone selling price basis.

3 主要會計政策(續)

(r) 收入及其他收益(續)

倘合約載有向客戶提供超過12個月重大融資利益之融資部分，則收入按應收金額之現值計量，並使用於與客戶之個別融資交易中反映之折現率折現，而利息收入按實際利率法獨立累計。倘合約載有向本集團提供重大融資利益之融資部分，則根據該合約確認之收入包括按實際利率法計算之合約責任所產生之利息開支。本集團運用香港財務報告準則第15號第63段之實際權宜方法，當融資期限為12個月或以下時，則不會就重大融資部分之任何影響調整代價。

關於本集團之收入及其他收益確認政策之進一步詳情如下：

(i) 銷售貨品

收入於客戶管有並接納產品時獲確認。倘產品屬部分履行涵蓋其他貨品及／或服務之合約，則確認之收入金額為合約項下總交易價之適當比例，按相對獨立售價基準根據合約協定之全部貨品及服務之間分配。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Revenue and other income (Continued)

(ii) Rendering of services

The Group's revenue from rendering of services is primarily attributable to provision of natural gas pipeline transmission services and LNG gasification and unloading services. Revenue from the rendering of these services is recognised in the profit or loss when control over these services is transferred to the customer upon transmission of the natural gas or the gasification or unloading of LNG.

(iii) Construction contracts

A contract with a customer is classified by the Group as a construction contract when the contract relates to work on assets under the control of the customer and therefore the Group's construction activities create or enhance an asset under the customer's control.

When the outcome of a construction contract can be reasonably measured, revenue from the contract is recognised progressively over time using the cost-to-cost method, i.e. based on the proportion of the actual costs incurred relative to the estimated total costs.

The likelihood of the Group earning contractual bonuses for early completion or suffering contractual penalties for late completion are taken into account in making these estimates, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

3 主要會計政策(續)

(r) 收入及其他收益(續)

(ii) 提供服務

本集團提供服務之收入源於提供管道輸送天然氣服務及LNG氣化及卸載服務。提供該等服務之收入於完成輸送天然氣或LNG氣化或卸載後，將該等服務之控制權轉讓予客戶時在損益表內確認。

(iii) 建築合約

倘與客戶訂立之合約關乎受客戶控制之資產之工程，並因而本集團之建築活動創立或提升受客戶控制之資產，則本集團將該合約分類為建築合約。

當建築合約之結果能合理計量時，則合約之收入採用成本比例法(即按已產生之實際成本相對於估計總成本之比例為基準)隨時間累積確認。

在作出此等估計時，會計及本集團因提前完工而獲得合約獎勵或因延遲完工而蒙受合約罰款之可能性，因此，收入僅於已確認累計收入金額不太可能出現重大撥回之情況下獲確認。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Revenue and other income (Continued)

(iii) Construction contracts (Continued)

When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

(iv) Dividends

- Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.
- Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(v) Interest income

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see Note 3(m)(i)).

3 主要會計政策(續)

(r) 收入及其他收益(續)

(iii) 建築合約(續)

當建築合約之結果不能合理計量時，則收入金額僅按預計可收回之所產生之合約成本確認。

(iv) 股息

- 非上市投資之股息收入則於確立股東收取股息之權利時確認。
- 上市投資之股息收入乃於有關投資以除息基準報價之時確認。

(v) 利息收入

利息收入於應計時採用實際利率法確認。就按攤銷成本或按公平值計入其他全面收益(可轉回至損益)計量且並無信貸減值之金融資產而言，實際利率應用於資產之總賬面值。就信貸減值之金融資產而言，實際利率應用於資產之攤銷成本(即總賬面值減虧損撥備)(見附註3(m)(i))。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Government grants

Government grants are the gratuitous monetary assets or non-monetary assets that the Group receives from the government, excluding capital injection by the government as an investor. Special funds such as investment grants allocated by the government, if clearly defined in official documents as part of “capital reserve” are dealt with as capital contributions, and not regarded as government grants.

Government grants are recognised when there is reasonable assurance that the grants will be received and the Group is able to comply with the conditions attaching to them. Government grants in the form of monetary assets are recorded based on the amount received or receivable, whereas non-monetary assets are measured at fair value.

Government grants received in relation to assets are recorded as deferred income, and recognised evenly in profit or loss over the assets' useful lives. Government grants received in relation to revenue are recorded as deferred income, and recognised as income in future periods as compensation when the associated future expenses or losses arise; or directly recognised as income in the current period as compensation for past expenses or losses.

3 主要會計政策(續)

(s) 政府補助

政府補助是本集團從政府無償取得的貨幣性資產或非貨幣性資產，但不包括政府以投資者身份向本集團投入的資本。政府撥入的投資補助等專項撥款中，國家相關文件規定作為「資本儲備」處理的，也屬於資本性投入的性質，不屬於政府補助。

政府補助在能夠滿足政府補助所附條件，並能夠收到時，予以確認。政府補助為貨幣性資產的，按照收到或應收的金額計量。政府補助為非貨幣性資產的，按照公平值計量。

與資產相關的政府補助，本集團將其確認為遞延收益，並在相關資產可使用年期限內平均分配，計入當期損益。與收益相關的政府補助，如果用於補償本集團以後期間的相關費用或損失的，本集團將其確認為遞延收益，並在確認相關費用的期間計入損益；如果用於補償本集團已發生的相關費用或損失的，則直接計入當期收益。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: (i) the Group has a present legal or constructive obligation as a result of past events; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) reliable estimates of the amount can be made.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(u) Retirement benefit plans

The Group contributes to various employee retirement benefit plans organised by PRC municipal and provincial governments under which it is required to make monthly contributions to these plans at prescribed rates for its employees in the PRC. The relevant PRC municipal and provincial governments undertake to assume the retirement benefit obligations of existing and future retired employees of the Group in the PRC. The Group has similar retirement benefit plans for its employees in its overseas operations. Contributions to these PRC and overseas plans are charged to expense as incurred. The Group currently has no additional material obligations outstanding for the payment of retirement and other post retirement benefits of employees in the PRC or overseas other than the monthly contributions described above.

3 主要會計政策(續)

(t) 撥備

如(i)本集團因過往事件須承擔現時法定或推定責任；(ii)履行該責任很有可能導致資源流出；及(iii)所涉金額能可靠估計時，則須確認環境修復、重建成本及法律索償撥備。

如有多項類似的責任，履行該等責任導致資源流出的可能性乃透過整體考慮某責任類別釐定。即使同類別責任中任何一項可能導致資源流出之機會不大，但仍會確認撥備。

撥備乃採用稅前貼現率按預期履行該責任所需開支之現值計量，該稅前利率反映現時市場對貨幣時間價值及該責任之特定風險之評估。因時間推移產生之撥備增加乃確認為利息支出。

(u) 退休福利計劃

本集團參與由中國市級及省級政府設立之多項僱員退休福利計劃，據此須為其於中國之僱員每月按指定比率向該等計劃作出供款。有關中國市級及省級政府承諾履行本集團於中國之現有及未來退休僱員之退休福利責任。本集團亦為其海外經營業務之僱員設有類似退休福利計劃。向該等中國及海外計劃作出之供款均於產生時列為支出。除上述每月供款外，本集團現時並無就支付中國或海外僱員之退休及其他退休後福利而尚未履行之額外重大責任。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

3 主要會計政策(續)

(v) 關聯方

- (a) 倘屬以下人士，即該人士或該人士之近親與本集團有關連：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司的主要管理層成員。
- (b) 倘符合下列任何條件，即實體與本集團有關連：
- (i) 該實體與本集團屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關連)。
 - (ii) 一間實體為另一實體的聯營公司或合資企業(或另一實體為成員公司之集團旗下成員公司之聯營公司或合資企業)。
 - (iii) 兩間實體均為同一第三方的合資企業。
 - (iv) 一間實體為第三方實體的合資企業，而另一實體為該第三方實體的聯營公司。
 - (v) 實體為本集團或與本集團有關連之實體就僱員福利設立的離職後福利計劃。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Related parties (Continued)

- (b) An entity is related to the Group if any of the following conditions applies: (Continued)
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(w) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management and Executive Directors for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 主要會計政策(續)

(v) 關聯方(續)

- (b) 倘符合下列任何條件，即實體與本集團有關連：(續)
- (vi) 實體受(a)所識別人士控制或受共同控制。
- (vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。
- (viii) 實體或實體所屬集團的任何成員公司向集團母公司提供主要管理層成員服務。

個人之近親指預期與實體進行交易時可影響或受該人士影響的家庭成員。

(w) 板塊報告

經營板塊及財務報表所呈報各板塊項目之金額，乃取自定期向本集團最高行政管理層和執行董事提供用作向本集團各項業務及地理位置分配資源並評估其表現之財務資料。

個別重大之經營板塊不會為財務報告目的而合計，除非有關板塊具有類似經濟特性，並且具有類似的產品及服務性質、生產工序性質、客戶類型或類別、分銷產品或提供服務方法以及監管環境性質。個別非重大之經營板塊倘符合上述大多數準則可予合計。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Changes in accounting policies

The HKICPA has issued a number of amendments that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(y) Non-current assets classified as held-for-sale and discontinued operations

(i) Non-current assets held-for-sale

A non-current asset (or disposal group) is classified as held-for-sale if it is highly probable that its carrying amount will be recovered through a sale transaction rather than through continuing use and the asset (or disposal group) is available-for-sale in its present condition. A disposal group is a group of assets to be disposed of together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all the assets and liabilities of that subsidiary are classified as held-for-sale when the above criteria for classification as held-for-sale are met, regardless of whether the Group will retain a non-controlling interest in the subsidiary after the sale.

3 主要會計政策(續)

(x) 會計政策變動

香港會計師公會已頒佈多項於本集團之本會計期間首次生效之修訂本。該等準則變化均沒有對本集團編製或呈報當前或過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。

(y) 分類為持作出售之非流動資產及已終止持續經營業務

(i) 持作出售之非流動資產

倘非流動資產(或出售組別)之賬面值極有可能透過銷售交易而非透過持續使用予以收回,且該資產(或出售組別)以其現狀即可供出售,則分類為持有以供出售。出售組別是指將於同一交易一中併出售之一組資產,而與該等資產直接相關之負債亦會於該交易中轉移。

當本集團承諾進行涉及失去一間附屬公司控制權之出售計劃時,不論本集團是否將於出售後保留該附屬公司之非控股權益,只要符合上述分類為持作出售之條件,該附屬公司之所有資產及負債分類為持作出售。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Non-current assets classified as held-for-sale and discontinued operations (Continued)

(i) Non-current assets held-for-sale (Continued)

Immediately before classification as held for sale, the measurement of the non-current assets (and all individual assets and liabilities in a disposal group) is brought up-to-date in accordance with the accounting policies before the classification. Then, on initial classification as held-for-sale and until disposal, the non-current assets (except for certain assets as explained below), or disposal groups, are recognised at the lower of their carrying amount and fair value less costs to sell. The principal exceptions to this measurement policy so far as the financial statements of the Group and the Company are concerned are deferred tax assets and financial assets (other than investments in subsidiaries). These assets, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in Note 3.

Impairment losses on initial classification as held-for-sale, and on subsequent remeasurement while held-for-sale, are recognised in profit or loss. As long as a non-current asset is classified as held-for-sale, or is included in a disposal group that is classified as held for sale, the non-current asset is not depreciated or amortised.

3 主要會計政策(續)

(y) 分類為持作出售之非流動 資產及已終止持續經 營業務(續)

(i) 持作出售之非流動資 產(續)

緊接被歸類為持作出售之前，非流動資產(及出售組別內的所有個別資產及負債)之計量均根據分類前之會計政策更新。其後，於首次分類為持作出售及直至出售為止，該等非流動資產(以下闡釋之若干資產除外)或出售組別乃按其賬面值及公平值減出售成本之較低者確認。就本集團及本公司之財務報表而言，本計量政策之主要例外情況為遞延稅項資產及金融資產(於附屬公司之投資除外)。該等資產(即使為持作出售資產)將繼續按附註3其他部分所載之政策計量。

於首次分類為持作出售及持作出售的其後計量而產生之減值虧損，均於損益中確認。只要一項非流動資產分類為持作出售或被計入分類為持作出售之出售組別內，該非流動資產毋須折舊或攤銷。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Non-current assets classified as held-for-sale and discontinued operations (Continued)

(ii) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held-for-sale (see (i) above), if earlier. It also occurs if the operation is abandoned.

Where an operation is classified as discontinued, a single amount is presented on the face of the statement of profit or loss, which comprises:

- the post-tax profit or loss of the discontinued operation; and
- the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal groups constituting the discontinued operation.

3 主要會計政策(續)

(y) 分類為持作出售之非流動 資產及已終止持續經 營業務(續)

(ii) 已終止持續經營業務

已終止持續經營業務為本集團業務之一部分，其營運及現金流可與本集團其他業務清楚區分，且為一項按業務或地區劃分之獨立主要業務，或作為出售一項按業務或地區劃分之獨立主要業務之單一統籌計劃之一部分，或為一間純粹為轉售而收購之附屬公司。

倘業務被出售或符合分類為持作出售之條件(見上文(i))(以較早者為準)，則分類為已終止持續經營業務。撤出業務時，有關業務亦分類為已終止持續經營業務。

倘若業務分類為已終止持續經營，則於損益表按單一數額呈列，當中包含：

- 已終止持續經營業務之除稅後損益；及
- 就構成已終止持續經營業務之資產或出售組別，計量公平值減銷售成本或於出售時確認之除稅後損益。

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4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

4.1 Financial risk factors

Exposure to foreign exchange rate risk, credit risk, liquidity risk and interest rate risk arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks in continuing operations are described below.

Risk management is carried out by the management of the Group under policies approved by the Board of Directors. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. There has been no change to the Group's exposure to the risks mentioned above or the manner in which it manages and measures the risks.

(a) Foreign exchange rate risk

The Group is exposed to foreign exchange rate risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currencies of the operations to which the transactions relate. The currency giving rise to this risk is primarily United States dollar ("US dollar"). The Group is also exposed to foreign exchange rate risk in respect of the borrowings and cash and cash equivalents which are denominated in Hong Kong dollar ("HK\$") and US dollar.

The following table details the Group's exposure at the end of the reporting period to foreign exchange rate risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the year end date. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

4 財務風險管理及金融工具公平值

4.1 財務風險因素

本集團一般業務過程中涉及外匯風險、信貸風險、流動資金風險及利率風險承擔。本集團承擔該等風險的情況及本集團用於管理持續經營業務的該等風險的財務風險管理政策及慣例載述於下文。

風險管理由本集團管理層根據董事會批准之政策進行。管理層管理及監控該等風險，以確保及時和有效地採取適當之措施。上述本集團所面臨之風險以及管理及監控風險之方式並無變動。

(a) 外匯風險

本集團承受的外匯風險主要來自產生以外幣(即與交易有關的業務所涉及的功能貨幣以外的貨幣)計值的應收款項、應付款項及現金結餘的買賣交易。引致此項風險的貨幣主要為美元(「美元」)。本集團亦就以港元(「港元」)及美元計值的借貸及現金及現金等值項目承受外匯風險。

下表詳列本集團於報告期末所承受之外匯風險，該等外匯風險乃因以相關實體之功能貨幣以外之貨幣計值之已確認資產或負債而產生。就呈報目的而言，風險承擔額以人民幣列示，並以年結日之即期匯率換算。換算海外業務之財務報表至本集團之呈報貨幣所產生之差額不包括在內。

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4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

4.1 Financial risk factors (Continued)

(a) Foreign exchange rate risk (Continued)

4 財務風險管理及金融工具公平值(續)

4.1 財務風險因素(續)

(a) 外匯風險(續)

Exposure to foreign currencies
(expressed in RMB)
外幣風險
(以人民幣列示)

		2020 二零二零年		2019 二零一九年	
		US dollar 美元	HK\$ 港元	US dollar 美元	HK\$ 港元
		RMB'million 人民幣百萬元	RMB'million 人民幣百萬元	RMB'million 人民幣百萬元	RMB'million 人民幣百萬元
Accounts receivable and other current assets	應收賬款及其他流動資產	10	4	202	10
Cash and cash equivalents	現金及現金等值項目	67	37	190	63
Accounts payable and accrued liabilities	應付賬款及應計負債	(44)	(17)	(30)	(127)
Borrowings	借貸	(6,501)	(2,648)	(7,815)	(4,968)
Gross exposure arising from recognised assets and liabilities	已確認資產及負債產生之總風險	(6,468)	(2,624)	(7,453)	(5,022)

The Group did not enter into any hedge contracts during any of the years presented to hedge against its foreign exchange rate risk. However, management monitors the related foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

本集團並無於任何所呈列年度內訂立任何對沖合約以對沖外匯風險。然而，管理層密切監察相關外幣風險，並將於必要時考慮對沖重大外幣風險。

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4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

4.1 Financial risk factors (Continued)

(a) Foreign exchange rate risk (Continued)

The following table indicates the instantaneous change in the Group's profit after tax (and retained earnings) that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

		2020 二零二零年		2019 二零一九年	
		Increase/ (decrease) in foreign exchange rates	(Decrease)/ increase in profit for the year and retained earnings RMB'million 年內溢利 及滾存盈利 (減少)/增加 人民幣百萬元	Increase/ (decrease) in foreign exchange rates	(Decrease)/ increase in profit for the year and retained earnings RMB'million 年內溢利 及滾存盈利 (減少)/增加 人民幣百萬元
		匯率 上升/(下降)		匯率 上升/(下降)	
US dollar	美元	5%	(323)	5%	(373)
		(5%)	323	(5%)	373
HK\$	港元	5%	(131)	5%	(251)
		(5%)	131	(5%)	251

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax and retained earnings measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of the reporting period for presentation purposes.

下表列示倘本集團於報告期末面對重大風險的匯率於該日出現變動時，本集團的除稅後溢利(及滾存盈利)的即時變動(假設所有其他風險變數維持不變)。

上表呈列的分析結果乃本集團各實體的除稅後溢利及滾存盈利所受即時影響的總額(按各自的功能貨幣計量)，並按報告期末現行匯率換算為人民幣，以供呈列之用。

4 財務風險管理及金融工具公平值(續)

4.1 財務風險因素(續)

(a) 外匯風險(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

4.1 Financial risk factors (Continued)

(a) Foreign exchange rate risk (Continued)

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for 2019.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk arises primarily from accounts receivable.

A substantial portion of the Group's cash at bank and time deposits is placed with state-owned banks and financial institutions in the PRC and management believes that the credit risk is low.

4 財務風險管理及金融工具公平值(續)

4.1 財務風險因素(續)

(a) 外匯風險(續)

敏感度分析已假設匯率之變動已用於重新計量本集團所持有並於報告期末使本集團面臨外幣風險之金融工具，包括以借方或貸方之功能貨幣以外貨幣作單位之本集團內公司間應付及應收賬款。此分析不包括將海外業務之財務報表換算成本集團之呈列貨幣所產生之差額。有關分析乃採用二零一九年之相同基準進行。

(b) 信貸風險

信貸風險指交易對手未能履行其合約責任而導致本集團蒙受財務損失之風險。本集團之信貸風險主要來自於應收賬款。

本集團大部分銀行現金及定期存款存放於中國國有銀行及金融機構，管理層相信，信貸風險為低。

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4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

4.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Depending on market conditions, debtors with balances that are past due over a certain period would be requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for accounts receivable at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience indicates significantly different loss patterns for different customer segments, the loss allowance based on past due status is distinguished between the Group's different customer bases and the customer bases are separated into the related parties and third parties. The management considered that the credit risk associated with accounts receivable from related parties is low, taking into account the financial position, past experience and other factors of the related parties. The expected credit loss rate for accounts receivable from related parties is immaterial under lifetime ECLs method. Thus, no loss allowance for accounts receivable from related parties was recognised.

4 財務風險管理及金融工具公平值(續)

4.1 財務風險因素(續)

(b) 信貸風險(續)

本集團對所有要求超過若干信貸金額之客戶進行個別信貸評估。該等評估集中於客戶過往償還到期賬項之記錄及目前之還款能力，並考慮客戶之特定資料以及客戶營運之經濟環境。視乎市況，欠款逾期超過一段時間之債務人須於清償所有結欠餘額後，方始獲授任何額外信貸。一般而言，本集團不要求客戶提供抵押品。

本集團按相等於整個存續期的預期信貸虧損(利用撥備矩陣計算)之金額計量應收賬款之虧損撥備。由於本集團過往信貸虧損經驗就不同客戶分部呈現顯著不同的虧損模式，故就本集團不同客戶群體進一步區分根據逾期情況作出之虧損撥備，並已將客戶群體分為關連方及第三方。通過考慮關連方的財務狀況，過往經驗及其他因素，管理層認為來自關連方的應收賬款的相關信貸風險為低。按照整個存續期的預期信貸虧損方法，來自關連方的應收賬款的預期信貸虧損率並不重大。因此，沒有確認來自關連方的應收賬款的虧損撥備。

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4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

4.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for accounts receivable from third parties:

		2020 二零二零年				
		Gross carrying amount	Provision on individual basis	ECL rates	ECLs	Loss allowance
		賬面總值	按個別項目基準撥備	預期信貸虧損率	預期信貸虧損	虧損撥備
		RMB'million	RMB'million	%	RMB'million	RMB'million
		人民幣百萬元	人民幣百萬元		人民幣百萬元	人民幣百萬元
Within 1 year	一年內	2,672	-	3.68%	(98)	(98)
Between 1 to 2 years	一至兩年內	159	(3)	26.51%	(41)	(44)
Between 2 to 3 years	兩至三年內	112	(12)	41.38%	(41)	(53)
Between 3 to 4 years	三至四年內	97	(6)	72.18%	(66)	(72)
Between 4 to 5 years	四至五年內	65	(64)	100.00%	(1)	(65)
Over 5 years	五年以上	282	(85)	100.00%	(197)	(282)
		3,387	(170)		(444)	(614)

		2019 二零一九年				
		Gross carrying amount	Provision on individual basis	ECL rates	ECLs	Loss allowance
		賬面總值	按個別項目基準撥備	預期信貸虧損率	預期信貸虧損	虧損撥備
		RMB'million	RMB'million	%	RMB'million	RMB'million
		人民幣百萬元	人民幣百萬元		人民幣百萬元	人民幣百萬元
Within 1 year	一年內	1,510	(13)	3.16%	(47)	(60)
Between 1 to 2 years	一至兩年內	277	(13)	23.45%	(62)	(75)
Between 2 to 3 years	兩至三年內	166	(14)	35.81%	(54)	(68)
Between 3 to 4 years	三至四年內	70	(29)	60.79%	(25)	(54)
Between 4 to 5 years	四至五年內	120	(66)	89.28%	(48)	(114)
Over 5 years	五年以上	179	(35)	100.00%	(144)	(179)
		2,322	(170)		(380)	(550)

4 財務風險管理及金融工具公平值(續)

4.1 財務風險因素(續)

(b) 信貸風險(續)

下表提供有關本集團就第三方應收賬款承受之信貸風險及預期信貸虧損之資料：

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4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

4.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

ECL rates are based on actual loss experience over the past five years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance account in respect of accounts receivable and contract assets during the year is as follows:

4 財務風險管理及金融工具公平值(續)

4.1 財務風險因素(續)

(b) 信貸風險(續)

預期信貸虧損率基於過去五年之實際虧損經驗計算。該等比率根據歷史數據收集期間之經濟狀況、現況與本集團所認為之應收賬款預期存續期內之經濟狀況三者之間之差異進行調整。

應收賬款及合約資產之虧損撥備賬於年內之變動如下：

		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
Balance at 1 January	於一月一日結餘	550	496
Amounts written off	撇銷之款項	(9)	(5)
Impairment losses recognised, net	確認之減值虧損，淨額	73	59
Balance at 31 December	於十二月三十一日結餘	614	550

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4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

4.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

The carrying amounts of cash and cash equivalents, accounts receivable, other receivables, amounts due from related parties and loans to third parties included in the consolidated statement of financial position represent the Group's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

The Group has no significant concentration of credit risk.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Group's liquidity risk management involves maintaining sufficient cash and cash equivalents and availability of funding through an adequate amount of committed credit facilities. Management prepares monthly cash flow budget to ensure that the Group will always have sufficient liquidity to meet its financial obligations as they fall due. The Group arranges and negotiates financing with financial institutions and maintains a certain level of standby credit facilities to reduce the Group's liquidity risk.

4 財務風險管理及金融工具公平值(續)

4.1 財務風險因素(續)

(b) 信貸風險(續)

綜合財務狀況表所載之現金及現金等值項目、應收賬款、其他應收款項、應收關聯方款項及向第三方貸款之賬面值為代表本集團面臨之最大信貸風險。並無其他金融資產面對重大信貸風險。

本集團並無重大集中之信貸風險。

(c) 流動資金風險

流動資金風險為本集團難以履行須提供現金或另一金融資產以清償財務負債之相關責任之風險。

本集團之流動資金風險管理涉及維持充足現金及現金等值項目，以及透過適當之授信額度提供可用資金。管理層每月編製現金流量預算以確保本集團擁有足夠的流動資金履行到期財務義務。本集團安排並與金融機構進行融資磋商，保持一定水平的備用授信額度以降低本集團的流動資金風險。

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4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

4.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

Based on the existing level of gearing and continued access to funding, the Group believes that its liquidity risk is not material.

Analysis of the Group's financial liabilities based on the remaining period at the date of the consolidated statement of financial position to the contractual maturity dates are presented in Notes 27 and 28.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from borrowings. Borrowings issued at variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's interest rate profile as monitored by management is set out in below.

The following table as reported to the management of the Group, details the interest rate risk profile of the Group's borrowings at the end of the reporting period.

4 財務風險管理及金融工具公平值(續)

4.1 財務風險因素(續)

(c) 流動資金風險(續)

鑒於目前資本負債率水平以及持續獲得融資，本集團相信其流動資金風險並不高。

根據綜合財務狀況表日至合約到期日餘下期間對本集團金融負債所作之分析列示於附註27及28。

(d) 利率風險

利率風險為一項金融工具之公平值或未來現金流因市場利率改變而波動所帶來的風險。本集團之利率風險主要源自借貸。按浮動利率及固定利率發出之借貸分別令本集團承受現金流利率風險及公平值利率風險。由管理層監察之本集團利率狀況如下。

下表(誠如向本集團管理層所匯報者)詳述本集團於報告期末之借貸利率風險狀況。

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4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

4.1 Financial risk factors (Continued)

(d) Interest rate risk (Continued)

		2020 二零二零年		2019 二零一九年	
		Effective interest rate 實際利率	RMB'million 人民幣百萬元	Effective interest rate 實際利率	RMB'million 人民幣百萬元
Fixed rate borrowings:	定息借貸：				
Bank loans	銀行貸款	4.47%	9,794	4.63%	8,583
Loans other than bank loans	除銀行貸款 以外之貸款	3.51%	15,231	4.03%	22,894
Lease liabilities	租賃負債	4.28%	664	4.36%	618
			25,689		32,095
Variable rate borrowings:	浮息借貸：				
Loans other than bank loans	除銀行貸款 以外之貸款	1.70%	2,648	3.55%	3,022
Net exposure	風險淨額		2,648		3,022

At 31 December 2020, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit for the year and retained earnings by approximately RMB22 million (2019: RMB25 million).

於二零二零年十二月三十一日，假設其他變數維持不變，估計利率整體上升／減少100基點將令本集團年度溢利及滾存盈利減少／增加約人民幣22百萬元(二零一九年：人民幣25百萬元)。

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

4.1 Financial risk factors (Continued)

(d) Interest rate risk (Continued)

The sensitivity analysis above indicates the instantaneous change in the Group's profit for the year and retained profits that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate borrowings of the Group at the end of the reporting period, the impact on the Group's profit for the year and retained earnings is estimated as an annualised impact on interest expense of such a change in interest rates. The analysis is performed on the same basis as 2019.

4.2 Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, optimise returns for owners and to minimise its cost of capital. In meeting its objectives of managing capital, the Group may issue new shares, adjust its debt levels or the mix between short-term and long-term borrowings.

The Group monitors capital on the basis of the gearing ratio which is calculated as the sum of interest-bearing borrowings and lease liabilities divided by the sum of total equity, interest-bearing borrowings and lease liabilities. The gearing ratio at 31 December 2020 is 25.11% (2019: 30.72%).

There were no changes in the management's approach to capital management of the Group during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

4 財務風險管理及金融工具公平值(續)

4.1 財務風險因素(續)

(d) 利率風險(續)

上述敏感度分析顯示，假設利率已於報告期末改變，並已應用於重新計量本集團所持有之該等金融工具，而該等工具令本集團於報告期末須承受公平值利率風險，對本集團之年度溢利及滾存盈利將會造成之即時影響。有關本集團於報告期末之浮息借貸所產生之現金流利率風險而言，對本集團年度溢利及滾存盈利之影響已按該等利率變動之利息支出之年度化影響作出估計。該項分析按與二零一九年相同之基準進行。

4.2 資本風險管理

本集團管理資本之目標是保障其持續經營之能力，以優化股東回報及降低其資本成本。於達至本集團之資本管理目標方面，本集團可發行新股份、調整其負債水平或短期與長期借貸之間的組合。

本集團根據資本負債率(以計息借貸及租賃負債之和除以總權益、計息借貸及租賃負債之和計算)監察資本。於二零二零年十二月三十一日之資本負債率為25.11%(二零一九年:30.72%)。

管理層對本集團的資本管理方針在年內並無變更。本公司及其附屬公司均不受來自外部的資本要求所限。

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4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

4.3 Fair value estimation

(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.

4 財務風險管理及金融工具公平值(續)

4.3 公平值估計

(a) 按公平價計量之金融資產

公平價層級

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架構。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無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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4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

4.3 Fair value estimation (Continued)

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

Fair value hierarchy (Continued)

	Fair value at 31 December 2020 於二零二零年 十二月三十一日 之公平值 RMB'million 人民幣百萬元	Fair value measurements as at 31 December 2020 categorised into			Fair value at 31 December 2019 於二零一九年 十二月三十一日 之公平值 RMB'million 人民幣百萬元	Fair value measurements as at 31 December 2019 categorised into		
		Level 1 於二零二零年十二月三十一日的 公平值計量分類為 第一級 RMB'million 人民幣百萬元	Level 2 第二級 RMB'million 人民幣百萬元	Level 3 第三級 RMB'million 人民幣百萬元		Level 1 於二零一九年十二月三十一日的 公平值計量分類為 第一級 RMB'million 人民幣百萬元	Level 2 第二級 RMB'million 人民幣百萬元	Level 3 第三級 RMB'million 人民幣百萬元
Recurring fair value measurements								
Other financial assets								
- Listed	239	239	-	-	202	202	-	-

During the years ended 31 December 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 occurred.

Information about fair value measurements

As at the date of the 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 31 December 2020 and 2019 were not materially different from their fair values.

4 財務風險管理及金融工具公平值(續)

4.3 公平值估計(續)

(a) 按公平價計量之金融資產(續)

公平價層級(續)

截至二零二零年及二零一九年十二月三十一日止年度，第一級及第二級之間並無轉撥亦無轉入第三級或自第三級轉出。本集團的政策乃於公平值等級之間發生轉移的報告期末時確認有關轉移。

有關公平值計量之資料

於財務狀況表日期，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) 以公平值以外列賬之金融資產及負債的公平價

於二零二零年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。

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4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

4.3 Fair value estimation (Continued)

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

The fair values of long-term borrowings are based on discounted cash flow using applicable discount rates based upon the prevailing market rates of interest available to the Group for financial instruments with substantially the same terms and characteristics at the date of the statement of financial position. Such discount rates ranged from 2.58% to 4.32% (2019: 3.26% to 4.37%) per annum as at 31 December 2020 depending on the type of the borrowings. An analysis of the carrying amounts of long-term borrowings is presented in Note 28.

5 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

Accounting judgments and estimates are regularly evaluated by the Group, based on historical experience and other factors which include expectations of future events that are believed to be reasonable under the circumstances.

Significant sources of estimation uncertainty arise from the impairment of LNG processing plants and are described as follows:

Property, plant and equipment, including construction in progress, are reviewed for possible impairments whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Determination as to whether and how much an asset is impaired involves management estimates and judgements such as future prices of natural gas, discount rate used in discounting the projected cash flows and production profile. However, the impairment reviews and calculations are based on assumptions that are consistent with the Group's business plans. Favourable changes to some assumptions may allow the Group to avoid the need to impair any assets in these years, whereas unfavourable changes may cause the assets to become impaired. Note 16 contains further information about the risk factors and carrying amounts of the LNG processing plants.

4 財務風險管理及金融工具公平值(續)

4.3 公平值估計(續)

(b) 以公平值以外列賬之金融資產及負債的公平價(續)

長期借貸之公平值乃根據使用適用折現率得出之折現現金流量計算，而有關折現率以本集團於財務狀況表日大致具相同條款及特徵之金融工具可獲得之現行市場利率為基準。於二零二零年十二月三十一日，該等折現率介乎於每年2.58%至4.32%（二零一九年：3.26%至4.37%），須視乎借貸類別而定。長期借貸之賬面值分析於附註28呈列。

5 關鍵會計判斷及估計

本集團定期根據過往經驗及其他因素（包括對未來事件在當前情況下認為合理之預期）對會計判斷及估計進行評估。

估計不明朗因素主要來自LNG加工廠減值，載述如下：

物業、廠房及設備(包括在建工程)乃每當事件或情況變化顯示賬面值可能無法收回時予以檢討是否可能減值。確定資產是否減值及減值之金額涉及管理層之估計及判斷，例如天然氣之未來價格，貼現預計現金流所用之貼現率及出產情況。然而，減值檢討及計算乃根據與本集團之業務計劃一致之假設而作出。若干假設之有利變動或會令本集團避免於該等年度對任何資產進行減值，而不利變動或會使資產減值。有關LNG加工廠風險因素及賬面值詳情載於附註16。

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6 REVENUE

Revenue mainly represents revenue from the sales of natural gas, sales of LPG, LNG processing and terminal business and sales of crude oil. Disaggregation of revenue from contracts with customers within the scope of HKFRS 15 by major products or service lines is as follows:

6 收入

收入主要指來自天然氣銷售、LPG銷售、LNG加工與儲運業務及銷售原油之收入。香港財務報告準則第15號範圍內之來自客戶合約之收入按主要產品及服務類別細分如下：

		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 (Restated) (重列)
Continuing operations	持續經營業務		
Disaggregated by major products or service lines	按主要產品或服務類別細分		
- Sales of natural gas products	- 銷售天然氣產品	86,881	72,502
- Sales of LPG	- LPG銷售	14,740	21,292
- Revenue from LNG processing and terminal service	- LNG 加工與儲運服務收入	6,364	5,996
- Sales of crude oil	- 銷售原油	1,266	2,004
		109,251	101,794

The Group's revenue are substantially derived from the sales of goods to customers in the PRC and recognised at a point in time.

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its sales and service contracts such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the sales or service contracts that had an original expected duration of one year or less.

Disaggregation of revenue from contracts with customers is disclosed in Note 33.

本集團之收入主要來自於中國銷售貨品予客戶，並於某一時間點確認。

由於本集團已對其銷售或服務合約應用香港財務報告準則第15號第121段之實際權宜方法，因此上述資料並不包括有關倘本集團根據原預期年期為一年或以下之銷售或服務合約達成剩餘履約責任而將有權收取之收入之資料。

來自客戶合約之收入細分於附註33內披露。

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7 OTHER GAINS, NET

7 其他收益，淨額

		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 (Restated) (重列)
Continuing operations	持續經營業務		
Net exchange gains/(losses)	匯兌收益／(虧損)淨額	621	(289)
Rental income	租金收入	86	52
Government grants	政府補貼	47	54
Net (losses)/gains on disposal of property, plant and equipment	出售物業、廠房及設備 (虧損)／收益淨額	(8)	4
Others	其他	395	223
		1,141	44

8 INTEREST INCOME

8 利息收入

		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 (Restated) (重列)
Continuing operations	持續經營業務		
Interest income on:	各項之利息收入：		
– Amounts due from related parties	– 應收關聯方款項	157	90
– Bank deposits	– 銀行存款	173	175
		330	265

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9 EMPLOYEE COMPENSATION COSTS

9 僱員酬金成本

		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 (Restated) (重列)
Continuing operations	持續經營業務		
Salaries, wages and allowances	薪金、工資及津貼	4,506	4,291
Retirement benefits scheme contributions	退休金計劃供款	194	452
		4,700	4,743

As stipulated by the regulations of the PRC, the Group participates in various defined contribution retirement plans organised by municipal and provincial governments for its staff. The Group is required to make contributions to the retirement plans at rates ranging from 14% to 20% of the salaries, bonus and certain allowances of its staff. In view of the outbreak of COVID-19, the PRC government has reduced the employer's contribution rate for certain social insurance schemes during the year ended 31 December 2020. The Group has no other material obligation for the payment of pension benefits associated with these plans beyond the annual contributions described above. The Group's contributions for the year ended 31 December 2020 were RMB194 million (2019: RMB452 million (restated)).

按照中國法規之規定，本集團參與由省級及市級政府機構為其員工籌辦的各類定額供款退休計劃。本集團須按其員工薪金、花紅及若干津貼之14%至20%向退休計劃作出供款。由於爆發COVID-19，中國政府於截至二零二零年十二月三十一日止年度降低若干社保計劃的僱主供款費率。除上述之年度供款外，本集團無須承擔與該等計劃有關之其他退休福利付款重大責任。截至二零二零年十二月三十一日止年度，本集團供款為人民幣194百萬元（二零一九年：人民幣452百萬元（經重列））。

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10 INTEREST EXPENSES

10 利息支出

		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 (Restated) (重列)
Continuing operations	持續經營業務		
Interest expenses on:	各項之利息支出：		
Bank loans	銀行貸款	480	487
Senior notes	優先票據	206	240
Convertible bonds	可轉換債券	-	44
Other loans, from:	其他貸款，自：		
- CP Finance	- 中油財務	273	238
- Fellow subsidiaries	- 同系附屬公司	157	318
Interests on lease liabilities	租賃負債之利息	31	28
Less: Amounts capitalised	減：資本化金額	(439)	(456)
		708	899

Amounts capitalised are borrowing costs that are attributable to the construction of qualifying assets. The average interest rate used to capitalise such borrowing cost was 4.04% (2019: 4.36%) per annum for the year ended 31 December 2020.

資本化金額為建造符合條件之資產相關之借貸成本。截至二零二零年十二月三十一日止年度，資本化此等借貸成本所用之平均年利率為4.04%（二零一九年：4.36%）。

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11 PROFIT BEFORE INCOME TAX EXPENSE FROM CONTINUING OPERATIONS

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

11 持續經營業務除所得稅費用前溢利

持續經營業務除所得稅費用前溢利已扣除以下項目：

		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 (Restated) (重列)
Continuing operations	持續經營業務		
Auditors' remuneration*	核數師酬金*		
– audit services	– 核數服務	26	26
– non-audit services	– 非核數服務	5	4
Cost of inventories recognised as expense	已確認為開支之存貨成本	90,420	83,100
Depreciation charge and depletion of	以下項目之折舊支出及損耗		
– owned property, plant and equipment	– 自有物業、廠房及設備	3,879	3,592
– right-of-use assets	– 使用權資產	436	326
Amortisation cost of	以下項目之攤銷成本		
– intangible assets	– 無形資產	87	57
Depreciation, depletion and amortisation	折舊、損耗及攤銷	4,402	3,975

* The auditors' remuneration for discontinued operations is RMB3 million (2019: RMB3 million) during the year ended 31 December 2020.

* 於截至二零二零年十二月三十一日止年度，已終止持續經營業務的核數師酬金為人民幣3百萬元(二零一九年：人民幣3百萬元)。

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12 DIRECTORS' AND EMPLOYEE'S EMOLUMENTS

12 董事及員工之酬金

Details of the emoluments of directors for the years ended 31 December 2020 and 2019 are as follows:

截至二零二零年及二零一九年十二月三十一日止年度各董事之酬金詳情如下：

		2020 二零二零年				2020 Total 二零二零年 總計 RMB'000 人民幣千元
		Directors' fees 董事袍金 RMB'000 人民幣千元	Salaries, allowances and benefits in kind 薪金、津貼及同類福利 RMB'000 人民幣千元	Discretionary bonuses 酌情花紅 RMB'000 人民幣千元	Retirement scheme contributions 退休計劃供款 RMB'000 人民幣千元	
Directors:	董事：					
Mr Fu Bin (appointed on 19 November 2020)	付斌先生(於二零二零年十一月十九日獲委任)	-	-	-	-	-
Mr Qian Zhijia (appointed on 19 November 2020)	錢治家先生(於二零二零年十一月十九日獲委任)	-	-	-	-	-
Mr Ling Xiao (resigned on 19 November 2020)	凌霄先生(於二零二零年十一月十九日辭任)	-	-	-	-	-
Mr Zhao Yongqi (resigned on 19 November 2020)	趙永起先生(於二零二零年十一月十九日辭任)	-	972	-	54	1,026
Mr Zhao Zhongxun (resigned on 19 May 2020)	趙忠勛先生(於二零二零年五月十九日辭任)	-	-	-	-	-
Mr Zhou Yuanhong	周遠鴻先生	-	-	-	-	-
Mr Miao Yong	繆勇先生	-	-	-	-	-
Mr Li Kwok Sing Aubrey (resigned on 27 May 2020)	李國星先生(於二零二零年五月二十七日辭任)	110	-	-	-	110
Dr Liu Xiao Feng	劉曉峰博士	270	-	-	-	270
Mr Sun Patrick	辛定華先生	270	-	-	-	270
Mr Tsang Yok Sing Jasper	曾鈺成先生	270	-	-	-	270
		920	972	-	54	1,946

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12 DIRECTORS' AND EMPLOYEE'S EMOLUMENTS (CONTINUED)

12 董事及員工之酬金(續)

		2019 二零一九年				
		Salaries, allowances and benefits in kind 薪金、津貼 及同類福利	Discretionary bonuses 酌情花紅	Retirement scheme contributions 退休計劃供款	2019 Total 二零一九年 總計	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
Directors:	董事：					
Mr Ling Xiao	凌霄先生	-	-	-	-	
Mr Zhao Yongqi	趙永起先生	-	888	-	74	
Mr Zhao Zhongxun	趙忠勳先生	-	-	-	-	
Mr Zhou Yuanhong	周遠鴻先生	-	-	-	-	
Mr Miao Yong	繆勇先生	-	-	-	-	
Mr Li Kwok Sing Aubrey	李國星先生	264	-	-	264	
Dr Liu Xiao Feng	劉曉峰博士	220	-	-	220	
Mr Sun Patrick	辛定華先生	220	-	-	220	
Mr Tsang Yok Sing Jasper	曾鈺成先生	77	-	-	77	
		781	888	-	74	
					1,743	

The discretionary bonuses of the Directors are reviewed and recommended by the Remuneration Committee to the Board of Directors, having regard to the Group's operating results, individual performance and comparable market statistics.

董事的酌情花紅由薪酬委員會經考慮本集團的經營業績、董事的個人表現和可比較市場數據進行審閱並向董事會作出推薦建議。

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12 DIRECTORS' AND EMPLOYEE'S EMOLUMENTS (CONTINUED)

The five individuals whose emoluments were the highest in the Group for the year including one (2019: one) director whose emolument is reflected in the analysis presented above. The emoluments payable to the remaining four (2019: four) individuals during the year are as follows:

12 董事及員工之酬金(續)

本年度本集團五名最高酬金人士包括一名(二零一九年:一名)董事,彼等之酬金已於上述分析中反映。年內應付予餘下四名(二零一九年:四名)人士之酬金如下:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Salaries and other emoluments	薪金及其他酬金	5,765	5,879
Discretionary bonuses	酌情花紅	-	-
Retirement scheme contributions	退休計劃供款	604	678
		6,369	6,557

The emoluments fell within the following band:	酬金介乎下列範圍:	Number of Individuals 個別人數	
Below HK\$1,000,000	1,000,000 港元以下	-	1
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至1,500,000 港元	2	1
HK\$1,500,001 to HK\$2,000,000	1,500,001 港元至2,000,000 港元	1	1
HK\$3,000,001 to HK\$3,500,000	3,000,001 港元至3,500,000 港元	1	-
HK\$3,500,001 to HK\$4,000,000	3,500,001 港元至4,000,000 港元	-	1

None of the Directors has waived their remuneration during the year ended 31 December 2020 (2019: Nil).

截至二零二零年十二月三十一日止年度,概無董事放棄其酬金(二零一九年:無)。

During the year ended 31 December 2020, the Company did not incur any severance payment to any director for loss of office or any payment as inducement to any director to join the Company (2019: Nil).

截至二零二零年十二月三十一日止年度,本公司並無因任何董事離職而支付遣散費或支付任何款項作為任何董事加入本公司之補償(二零一九年:無)。

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13 INCOME TAX EXPENSE

13 所得稅費用

		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
Current tax	即期稅項		
– PRC	– 中國	3,296	3,636
– Overseas	– 海外	71	246
		3,367	3,882
Under-provision in respect of prior years	過往年度撥備不足	15	47
Deferred tax (Note 29(b))	遞延稅項(附註29(b))	130	145
		3,512	4,074
Income tax expense attributable to profit from:	以下各項所得溢利應佔的所得稅費用：		
– continuing operations	– 持續經營業務	2,313	2,405
– discontinued operations	– 已終止持續經營業務	1,199	1,669

Hong Kong profits tax has not been provided for as the Group has no assessable profit for the year (2019: Nil).

由於本集團於本年度並無應課稅溢利，故並無就香港利得稅計提撥備(二零一九年：無)。

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% (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% (2019: 15% to 20%).

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%(二零一九年：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%(二零一九年：15%至20%)。

Income tax on overseas profits has been calculated on the estimated assessable profit for the year at the applicable rates of taxation prevailing in the jurisdictions in which the Group operates.

海外溢利之所得稅已按本年度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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13 INCOME TAX EXPENSE (CONTINUED)

The tax on the Group's profit before income tax expense differs from the theoretical amount that would arise using the corporate income tax rate in the PRC applicable to the Group as follows:

13 所得稅費用(續)

本集團除所得稅費用前溢利之稅款與按照適用於本集團之中國企業所得稅稅率所計算之理論金額之差異如下：

		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
Profit before income tax expense from	以下各項的除所得稅費用前溢利		
- continuing operations	- 持續經營業務	8,107	7,014
- discontinued operations	- 已終止持續經營業務	5,137	6,631
Profit before income tax expense	除所得稅費用前溢利	13,244	13,645
Tax calculated at a tax rate of 25% (2019: 25%)	按稅率25% (二零一九年：25%)計算之稅項	3,311	3,411
Under-provision in prior years	過往年度撥備不足	15	47
Effect of different tax rates	稅率差異之影響	(157)	(25)
Tax effect of income not subject to tax	毋須繳稅收入之稅務影響	(200)	(75)
Tax effect of expenses not deductible for tax purposes	不可扣稅支出之稅務影響	93	184
Tax effect of share of profits less losses of associates	應佔聯營公司溢利減虧損之稅務影響	(67)	(164)
Tax effect of share of profits less losses of joint ventures	應佔合資企業溢利減虧損之稅務影響	(29)	(61)
Tax effect of deferred tax not recognised	未確認遞延稅項之稅務影響	261	356
Tax effect of withholding tax on dividends received or receivable	已收或應收股息之預扣稅之稅務影響	285	401
Income tax expense	所得稅支出	3,512	4,074

The domestic income tax rate used in the calculation above is the PRC tax rate which is the jurisdiction where the operations of the Group are substantially based.

上表計算所用之國內所得稅稅率為中國稅率，中國為本集團主要業務經營所在之司法管轄區。

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14 BASIC AND DILUTED EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share from continuing and discontinued operations is based on:

- (i) Profit attributable to owners of the Company (basic)

	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 (Restated) (重列)
Profit attributable to owners of the Company from		
– continuing operations – 持續經營業務	3,580	2,423
– discontinued operations – 已終止持續經營業務	2,483	3,128
Profit attributable to owners of the Company (basic)	6,063	5,551

- (ii) Weighted average number of ordinary shares in issue during the year of approximately 8,659 million shares (2019: 8,321 million shares).

14 每股基本及攤薄盈利

(a) 每股基本盈利

持續經營及已終止持續經營業務的每股基本盈利乃根據以下各項計算：

- (i) 本公司股東應佔溢利(基本)

	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 (Restated) (重列)
Profit attributable to owners of the Company from		
– continuing operations – 持續經營業務	3,580	2,423
– discontinued operations – 已終止持續經營業務	2,483	3,128
Profit attributable to owners of the Company (basic)	6,063	5,551

- (ii) 年內已發行普通股加權平均數約8,659百萬股(二零一九年：8,321百萬股)。

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14 BASIC AND DILUTED EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings per share

The calculation of diluted earnings per share from continuing and discontinued operations is based on:

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

14 每股基本及攤薄盈利(續)

(b) 每股攤薄盈利

持續經營業務及已終止持續經營業務的每股攤薄盈利按以下計算：

- (i) 本公司股東應佔溢利(攤薄)

		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 (Restated) (重列)
Continuing operations	持續經營業務		
Profit attributable to owners of the Company (basic)	本公司股東應佔溢利(基本)	3,580	2,423
After tax effect of effective interest on the liability component of convertible bonds from continuing operations	持續經營業務中實際利率對可轉換債券的負債部分的除稅後影響	-	26
Profit attributable to owners of the Company (diluted)	本公司股東應佔溢利(攤薄)	3,580	2,449
Discontinued operations	已終止持續經營業務		
Profit attributable to owners of the Company (basic and diluted)	本公司股東應佔溢利(基本及攤薄)	2,483	3,128
Profit attributable to owners of the Company (diluted)	本公司股東應佔溢利(攤薄)	6,063	5,577

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14 BASIC AND DILUTED EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings per share (Continued)

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

		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 31 December	於十二月三十一日的普通股加權平均數	8,659	8,321
Effect of conversion of convertible bonds	可轉換債券之轉換影響	-	307
Weighted average number of ordinary shares (diluted) at 31 December	於十二月三十一日的普通股加權平均數(攤薄)	8,659	8,628

14 每股基本及攤薄盈利(續)

(b) 每股攤薄盈利(續)

- (ii) 普通股加權平均數(攤薄)

15 DIVIDEND ATTRIBUTABLE TO OWNERS OF THE COMPANY

- (i) Dividends payable to owners of the Company attributable to the year

		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
Proposed final dividend attributable to owners of the Company for 2020 (note (a))	本公司股東應佔擬派之二零二零年末期股息(附註(a))	1,819	-
Proposed special dividend attributable to owners of the Company for 2020 (note (a))	本公司股東應佔擬派之二零二零年特別股息(附註(a))	18,501	-
Final dividend attributable to owners of the Company for 2019 (note (b))	本公司股東應佔二零一九年末期股息(附註(b))	-	2,277

15 本公司股東應佔股息

- (i) 本年度應付本公司股東的股息

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15 DIVIDEND ATTRIBUTABLE TO OWNERS OF THE COMPANY (CONTINUED)

(ii) Dividends payable to owners of the Company attributable to the previous financial year, approved and paid during the year

	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
Final dividend in respect of the previous financial year, approved and paid during the year	2,277	1,831

Notes:

- (a) The Board recommends the payment of a final dividend of RMB21.01 cents per share and a special dividend of RMB213.66 cents per share, totalling RMB234.67 cents per share (2019: RMB26.3 cents per share) to shareholders whose names appear on the Company's register of members (the "Shareholders Register") on 3 June 2021 (Thursday). The payment of the final dividend is subject to the approval of the Shareholders at the Annual General Meeting of the Company (the "2021 AGM") and the payment of the special dividend is subject to (i) the completion of the disposal of 60% equity interest in PetroChina Beijing Gas Pipeline Co., Ltd ("Beijing Pipeline") and 75% equity interest in PetroChina Dalian LNG Co., Ltd ("Dalian LNG") (the "Transaction") in accordance with the terms and conditions under the equity transfer agreement ("Equity Transfer Agreement") entered into between the Company and China Oil & Gas Pipeline Network Corporation ("PipeChina") on 20 December 2020; (ii) the receipt by the Company of the proceeds from the Transaction; and (iii) the approval of the Shareholders at the 2021 AGM. The payment is expected to be made on or before 30 July 2021 (Friday). The proposed 2020 final dividend and special dividend amounts to a total of approximately RMB20,320 million.

The Transaction is conditional upon the satisfaction of certain conditions as set out under the Equity Transfer Agreement, and thus the Transaction contemplated thereunder may or may not proceed. Further, as the special dividend is subject to the completion of the Transaction, the receipt by the Company of the proceeds from the Transaction and the approval of the Shareholders at the 2021 AGM, the special dividend may or may not be paid. Shareholders and potential investors should exercise caution when dealing in the Shares.

- (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 were 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 on 24 July 2020.

15 本公司股東應佔股息(續)

(ii) 上一財政年度應付本公司股東的股息 (於本年度批准及支付)

	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
Final dividend in respect of the previous financial year, approved and paid during the year	2,277	1,831

附註:

- (a) 董事會建議向於二零二一年六月三日(星期四)名列本公司股東名冊(「股東名冊」)之股東派付末期股息每股人民幣21.01分及特別股息每股人民幣213.66分, 合共每股人民幣234.67分(二零一九年: 每股人民幣26.3分)。派付末期股息須經股東於本公司股東週年大會(「二零二一年股東週年大會」)批准, 而派付特別股息須待(i)根據本公司與國家石油天然氣管網集團有限公司(「國家管網集團」)於二零二零年十二月二十日訂立的股權轉讓協議(「股權轉讓協議」)的條款及條件完成出售中石油北京天然氣管道有限公司(「北京管道公司」)60%股權及中石油大連液化天然氣有限公司(「大連LNG公司」)75%股權(「該交易」); (ii)本公司接獲該交易的所得款項; 及(iii)股東於二零二一年股東週年大會批准後方可作實。預期款項將於二零二一年七月三十日(星期五)或之前支付。擬派二零二零年末期股息及特別股息總額約人民幣20,320百萬元。

該交易須待股權轉讓協議項下所載若干條件達成後方可作實, 因此其項下擬進行的該交易未必能夠進行。此外, 由於特別股息須待該交易完成、本公司接獲該交易的所得款項及股東於二零二一年股東週年大會批准後方可作實, 故未必會派付特別股息。股東及潛在投資者於買賣股份時應審慎行事。

- (b) 本公司股東應佔二零一九年末期股息為每股人民幣26.3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, 並已於二零二零年七月二十四日支付。

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16 PROPERTY, PLANT AND EQUIPMENT

16 物業、廠房及設備

		Leasehold		Oil and gas	Natural gas	Equipment		Motor	Construction		Total
		Buildings	land leased			properties	pipelines		and	Others	
		樓宇	租賃以作自用 之租賃土地	天然氣物業	天然氣管道	設備及機器	汽車	其他	在建工程	總額	
		RMB'million	RMB'million	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	人民幣百萬元	人民幣百萬元	
Cost:	成本:										
Balances at 1 January 2019	於二零一九年一月一日結餘	4,648	4,152	12,946	50,061	69,956	2,803	1,553	15,677	161,796	
Currency translation differences	貨幣匯兌差額	2	-	203	-	5	2	-	3	215	
Additions	添置	233	431	208	-	666	63	84	8,866	10,551	
Acquisition through business combination	透過業務合併進行收購	79	161	-	-	1,752	4	2	132	2,130	
Disposals	出售	(154)	(169)	(21)	-	(860)	(205)	(10)	(141)	(1,560)	
Transfers	轉撥	354	-	-	1,511	6,999	-	3	(8,867)	-	
Balances at 31 December 2019	於二零一九年十二月三十一日結餘	5,162	4,575	13,336	51,572	78,518	2,667	1,632	15,670	173,132	
Balances at 1 January 2020	於二零二零年一月一日結餘	5,162	4,575	13,336	51,572	78,518	2,667	1,632	15,670	173,132	
Currency translation differences	貨幣匯兌差額	(5)	(1)	(266)	-	(1)	(7)	(2)	(6)	(288)	
Additions	添置	402	584	184	-	142	31	128	7,393	8,864	
Acquisition through business combination (Note 34)	透過業務合併進行收購(附註34)	360	-	-	-	3,482	13	8	348	4,211	
Transfer to disposal group classified as held-for-sale (Note 35)	轉撥至分類為持作出售之出售組別(附註35)	(1,945)	(701)	-	(50,626)	(18,662)	(103)	-	(406)	(72,443)	
Disposals	出售	(119)	(179)	(2,109)	(1)	(689)	(262)	(28)	(112)	(3,499)	
Transfers	轉撥	164	34	-	386	4,945	1	202	(5,732)	-	
Reclassification	重新分類	1,531	(46)	-	(1,102)	(2,005)	12	1,610	-	-	
Balances at 31 December 2020	於二零二零年十二月三十一日結餘	5,550	4,266	11,145	229	65,730	2,352	3,550	17,155	109,977	

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16 PROPERTY, PLANT AND EQUIPMENT
(CONTINUED)

16 物業、廠房及設備(續)

		Leasehold		Oil and gas	Natural gas	Equipment		Motor	Construction	Total
		Buildings	land leased			properties	and			
		for own use	for own use	properties	pipelines	and				
		租賃以作自用	租賃以作自用	石油及	天然氣管道	設備及機器		汽車	其他	在建工程
		樓宇	之租賃土地	天然氣物業	天然氣管道	設備及機器		汽車	其他	在建工程
		RMB'million	RMB'million	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	人民幣百萬元	人民幣百萬元
Accumulated depreciation and depletion and impairment: 累計折舊及損耗以及減值:										
Balances at 1 January 2019	於二零一九年一月一日結餘	1,326	-	11,821	15,465	27,358	2,205	644	2,301	61,120
Currency translation differences	貨幣匯兌差額	-	-	173	-	2	2	-	-	177
Charge for the year	本年度支出	249	164	268	1,442	3,881	188	101	-	6,293
Disposals	出售	(11)	(23)	(21)	-	(371)	(185)	(1)	(26)	(638)
Impairment loss	減值虧損	1	-	-	-	325	2	41	35	404
<hr/>										
Balances at 31 December 2019	於二零一九年十二月三十一日結餘	1,565	141	12,241	16,907	31,195	2,212	785	2,310	67,356
<hr/>										
Balances at 1 January 2020	於二零二零年一月一日結餘	1,565	141	12,241	16,907	31,195	2,212	785	2,310	67,356
Currency translation differences	貨幣匯兌差額	(3)	-	(241)	-	(2)	(6)	(1)	-	(253)
Charge for the year	本年度支出	366	182	312	1,445	4,310	132	123	-	6,870
Transfer to disposal group classified as held-for-sale (Note 35)	轉撥至分類為持作出售之出售組別(附註35)	(731)	(134)	-	(17,967)	(9,936)	(81)	-	-	(28,849)
Disposals	出售	(103)	(34)	(2,104)	(1)	(505)	(249)	(28)	-	(3,024)
Reclassification	重新分類	527	-	-	(323)	(1,063)	-	859	-	-
<hr/>										
Balances at 31 December 2020	於二零二零年十二月三十一日結餘	1,621	155	10,208	61	23,999	2,008	1,738	2,310	42,100
<hr/>										
Net book value: 賬面淨值:										
Balances at 31 December 2020	於二零二零年十二月三十一日結餘	3,929	4,111	937	168	41,731	344	1,812	14,845	67,877
<hr/>										
Balances at 31 December 2019	於二零一九年十二月三十一日結餘	3,597	4,434	1,095	34,665	47,323	455	847	13,360	105,776

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16 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The buildings of the Group are mainly located in the PRC.

Other assets mainly comprises of containers, roads, bridges and others.

As at 31 December 2020, certain property, plant and equipment of the Group were pledged to banks for loan facilities granted to the Group. See Note 28.

As at 31 December 2020, the legal title registration of certain of the Group's properties with carrying amount of approximately RMB878 million (2019: RMB851 million) is subject to certain administrative procedures to be completed by the relevant local government authorities. The Board of Directors of the Company is of the opinion that the risks and rewards of using these assets have been transferred to the Group.

Certain of the Group's property, plant and equipment are situated on leasehold land in the PRC which was granted for use by the relevant government authorities to the Group at nil consideration with no specific terms of usage.

In view of the fluctuations in LNG supply and prices during the year, the Group performed impairment assessment with respect to certain LNG processing plants, each of which being identified as a cash generating unit.

As at 31 December 2020, the Group's property, plant and equipment in respect of the Group's LNG processing plants amounted to RMB7,715 million (2019: RMB7,830 million). No impairment was recognised with respect to LNG processing plants for the year ended 31 December 2020 and 2019.

The estimate of the recoverable amount of these LNG processing plants was determined based on a value in use calculation, using a discounted cash flow model. Future cash flows were adjusted for risks specific to these LNG processing plants and discounted using a pre-tax discount rate ranging from 14.06% to 15.70% for the current year (2019: 13.65% to 15.34%).

16 物業、廠房及設備(續)

本集團之樓宇主要位於中國。

其他資產主要包括集裝箱、道路、橋樑及其他。

於二零二零年十二月三十一日，本集團若干物業、廠房及設備已就本集團獲授之貸款融資抵押予銀行。請參閱附註28。

於二零二零年十二月三十一日，本集團若干賬面值約人民幣878百萬元(二零一九年：人民幣851百萬元)之物業合法業權登記須待相關地方政府機關完成若干行政手續後方可作實。本公司董事會認為，使用該等資產之風險及回報已轉移至本集團。

本集團若干物業、廠房及設備均位於中國之租賃土地上，而該土地已由相關政府機關以零代價劃撥予本集團使用，且無特定使用期限。

鑒於年內LNG供應及價格波動，本集團已就其若干LNG加工廠(其各自為一個現金產生單位)進行減值評估。

於二零二零年十二月三十一日，本集團LNG加工廠項目相關之本集團物業、廠房及設備金額為人民幣7,715百萬元(二零一九年：人民幣7,830百萬元)。截至二零二零年及二零一九年十二月三十一日止年度，並無就LNG加工廠確認減值。

有關該等LNG加工廠可收回金額之估計乃以折現現金流量模型按使用價值計算釐定。未來現金流量已就該等LNG加工廠特定風險作出調整，並於本年度使用稅前折現率14.06%至15.70%折現(二零一九年：13.65%至15.34%)。

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16 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Right-of-use assets

The analysis of the net book value of the Group's right-of-use assets by class of underlying asset is as follows:

16 物業、廠房及設備(續)

使用權資產

以下為本集團按相關資產類別劃分之使用權資產賬面淨值分析：

			31 December 2020 二零二零年 十二月三十一日	31 December 2019 二零一九年 十二月三十一日
		Notes 附註	RMB'million 人民幣百萬元	RMB'million 人民幣百萬元
Buildings, carried at depreciated cost	以折舊成本列賬之樓宇	(i)	377	302
Leasehold land leased for own use, carried at depreciated cost	以折舊成本列賬之租賃 以作自用之租賃土地	(ii)	4,111	4,434
Equipment and machinery, carried at depreciated cost	以折舊成本列賬之設備 及機器	(iii)	753	697
Motor vehicles, carried at depreciated cost	以折舊成本列賬之汽車		5	5
Others, carried at depreciated cost	以折舊成本列賬之其他 項目		68	5
			5,314	5,443

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16 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Right-of-use assets (Continued)

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

16 物業、廠房及設備(續)

使用權資產(續)

與於損益確認之租賃相關之支出項目之分析如下：

		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 (Restated) (經重列)
Continuing operations	持續經營業務		
Depreciation charge of right-of-use assets by class of underlying asset:	按相關資產類別劃分之使用權資產折舊支出：		
Buildings	樓宇	174	111
Leasehold land leased for own use	租賃以作自用之租賃土地	167	150
Equipment and machinery	設備及機器	75	65
Others	其他	20	-
		436	326
Interest on lease liabilities (Note 10)	租賃負債利息(附註10)	31	28
Expense relating to short-term leases	與短期租賃相關之支出	335	363

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16 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Right-of-use assets (Continued)

During the year, additions to right-of-use assets in both continuing and discontinued operations were RMB1,092 million (2019: RMB834 million). The right-of-use assets of RMB161 million were acquired through business combination during the year ended 31 December 2019. Additions to right-of-use assets of RMB27 million was transferred to assets associated with a disposal group classified as held-for-sale as at 31 December 2020.

Details of total cash outflows for leases is set out in Notes 24(c).

(i) Buildings, carried at depreciated cost

The Group has obtained the right to use buildings as its warehouses and offices through tenancy agreements. The leases typically run for an initial period of 2 to 10 years.

(ii) Leasehold land leased for own use

The Group has obtained the right to use of certain leasehold land in the PRC. The leases typically run for a period of 10 to 50 years.

(iii) Equipment and machinery

The Group leases equipment and machinery under leases expiring from 16 to 20 years. Some leases include an option to purchase the leased equipment at the end of the lease term at a price deemed to be a bargain purchase option.

16 物業、廠房及設備(續)

使用權資產(續)

年內，持續經營業務及已終止持續經營業務的使用權資產添置為人民幣1,092百萬元(二零一九年：人民幣834百萬元)。於截至二零一九年十二月三十一日止年度使用權資產人民幣161百萬元乃透過業務合併獲得。於二零二零年十二月三十一日，使用權資產添置人民幣27百萬元轉撥至與分類為持作出售之出售組別相關之資產。

租賃現金流出總額之詳情載列於附註24(c)。

(i) 以折舊成本列賬之樓宇

本集團已透過租賃合約取得用作其貨倉及辦公室之樓宇之使用權。一般而言，有關租賃初步為期兩年至十年。

(ii) 租賃以作自用之租賃土地

本集團已取得若干位於中國之租賃土地之使用權。一般而言，有關租賃為期十年至五十年。

(iii) 設備及機器

本集團根據於十六年至二十年內屆滿之租賃去租賃設備及機器。部分租賃包含選擇權，於租期屆滿時可按被視為議價購買選擇權之價格購買有關租賃設備。

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17 INVESTMENTS IN ASSOCIATES

17 於聯營公司之投資

		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
Share of net assets	應佔資產淨值	5,836	5,362
Goodwill	商譽	350	350
		6,186	5,712

Details of the principal associates are set out in Note 40.

有關主要聯營公司詳情載於附註40。

There is no individually material associate which significantly affects the results and net assets of the Group at 31 December 2020.

並無個別屬重要之聯營公司對本集團於二零二零年十二月三十一日之業績及資產淨值造成重大影響。

Aggregate information of associates that are not individually material:

個別不重要之聯營公司之合併資料：

		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
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	個別不重要之聯營公司於綜合財務報表之總賬面值	6,186	5,712
Aggregate amounts of the Group's share of those associates'	本集團應佔該等聯營公司之總金額		
Profit from continuing operations	持續經營業務溢利	340	951
Post-tax profit or loss from discontinued operations	已終止持續經營業務除稅後損益	-	-
Other comprehensive income	其他全面收益	(92)	14
Total comprehensive income	全面收益總額	248	965

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18 INVESTMENTS IN JOINT VENTURES

18 於合資企業之投資

		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
Share of net assets	應佔資產淨值	3,310	3,163
Loan to a joint venture	向一間合資企業貸款	38	40
		3,348	3,203

Details of the principal joint ventures are set out in Note 41.

有關主要合資企業之詳情載於附註41。

There is no individually material joint venture which significantly affects the results and net assets of the Group at 31 December 2020.

並無個別屬重要之合資企業對本集團於二零二零年十二月三十一日之業績及資產淨值造成重大影響。

Aggregate information of joint ventures that are not individually material:

個別不重要之合資企業之合併資料：

		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
Aggregate carrying amount of individually immaterial joint ventures in the consolidated financial statements	個別不重要之合資企業於綜合財務報表之總賬面值	3,348	3,203
Aggregate amounts of the Group's share of those joint ventures'	本集團應佔該等合資企業之總金額		
- Profit from continuing operations	- 持續經營業務溢利	183	319
- Post-tax profit or loss from discontinued operations	- 已終止持續經營業務除稅後損益	-	-
- Other comprehensive income	- 其他全面收益	(85)	20
- Total comprehensive income	- 全面收益總額	98	339

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19 INVESTMENTS IN SUBSIDIARIES

Details of the principal subsidiaries are set out in Note 39.

The following tables list out the information related to PetroChina Jiangsu LNG Co., Ltd. (“Jiangsu LNG”) and PetroChina Jingtang LNG Co., Ltd. (“Jingtang Co.”). Both are the subsidiaries of the Group which have material non-controlling interests (“NCI”). The summarised financial information presented below represents the amounts before any inter-company elimination.

19 於附屬公司之投資

有關主要附屬公司之詳情載於附註39。

下表列出中國石油江蘇液化天然氣有限公司(「江蘇LNG」)及中石油京唐液化天然氣有限公司(「京唐公司」)之相關資料。該兩家公司均為本集團的附屬公司，擁有重大非控制性權益(「非控制性權益」)。以下所呈列之財務資料概要指於任何公司間沖銷前之金額。

		Jiangsu LNG	
		江蘇LNG	
		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
NCI percentage	非控制性權益百分比	45%	45%
Current assets	流動資產	1,276	1,040
Non-current assets	非流動資產	4,855	4,847
Current liabilities	流動負債	(405)	(539)
Non-current liabilities	非流動負債	(93)	(90)
Net assets	資產淨值	5,633	5,258
Carrying amount of NCI	非控制性權益賬面值	2,535	2,366
Revenue	收入	2,454	2,363
Profit and total comprehensive income for the year	年內溢利及全面收益總額	1,422	1,253
Profit allocated to NCI	分配至非控制性權益之溢利	640	564
Dividend paid to NCI	已付非控制性權益之股息	473	614
Cash flows generated from operating activities	經營業務所得之現金流量	1,740	1,453
Cash flows used in investing activities	投資業務所用之現金流量	(924)	(1,006)
Cash flows used in financing activities	融資活動所用之現金流量	(1,074)	(1,329)

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19 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

19 於附屬公司之投資(續)

		Jingtang Co.	
		京唐公司	
		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
NCI percentage	非控制性權益百分比	49%	49%
Current assets	流動資產	1,596	801
Non-current assets	非流動資產	4,949	5,077
Current liabilities	流動負債	(317)	(641)
Non-current liabilities	非流動負債	(884)	(279)
Net assets	資產淨值	5,344	4,958
Carrying amount of NCI	非控制性權益賬面值	2,619	2,429
Revenue	收入	1,895	1,932
Profit and total comprehensive income for the year	年內溢利及全面收益總額	985	956
Profit allocated to NCI	分配至非控制性權益之溢利	483	468
Dividend paid to NCI	已付非控制性權益之股息	294	319
Cash flows generated from operating activities	經營業務所得之現金流量	1,179	1,319
Cash flows used in investing activities	投資業務所用之現金流量	(1,847)	(184)
Cash flows generated from (used in) financing activities	融資活動產生(所用)之現金流量	3	(1,259)

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20 INTANGIBLE AND OTHER NON-CURRENT ASSETS 20 無形及其他非流動資產

		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
Intangible assets (note (i))	無形資產(附註(i))	1,554	1,017
Prepaid construction costs	預付建造成本	378	525
Loans to associates	向聯營公司貸款	30	360
Other financial assets (note (ii))	其他金融資產(附註(ii))	239	202
Others	其他	239	86
		2,440	2,190

Notes:

- (i) The intangible assets mainly comprise goodwill, contract relationships, franchised rights and computer software costs. The movements in intangible assets are as follows:

附註：

- (i) 無形資產主要包括商譽、合同關係、特許權及電腦軟件成本。無形資產之變動如下：

		2020 二零二零年			2019 二零一九年		
		Goodwill 商譽 RMB'million 人民幣百萬元	Others 其他 RMB'million 人民幣百萬元	Total 總計 RMB'million 人民幣百萬元	Goodwill 商譽 RMB'million 人民幣百萬元	Others 其他 RMB'million 人民幣百萬元	Total 總計 RMB'million 人民幣百萬元
At 1 January	於一月一日	352	665	1,017	139	184	323
Additions	添置	-	13	13	8	23	31
Acquisition through business combination (Note 34)	透過業務合併進行收購(附註34)	175	518	693	205	531	736
Transfer to disposal group classified as held-for-sale	轉撥至分類為持作出售之出售組別	-	(42)	(42)	-	-	-
Disposal	出售	(34)	-	(34)	-	-	-
Impairment loss	減值虧損	-	-	-	-	(16)	(16)
Amortisation for the year	本年度攤銷	-	(93)	(93)	-	(57)	(57)
At 31 December	於十二月三十一日	493	1,061	1,554	352	665	1,017

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20 INTANGIBLE AND OTHER NON-CURRENT ASSETS (CONTINUED)

Notes: (Continued)

(ii)

		31 December 2020 二零二零年 十二月三十一日 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
Equity securities designated at FVOCI (non-recycling):	指定為按公平值計入其他全面收益計量之股本證券(不可轉回至損益):		
- Listed in Australia	- 於澳大利亞上市	7	7
- Listed in Hong Kong	- 於香港上市	3	4
- Listed in the PRC	- 於中國上市	229	191
		239	202

The carrying amounts of the Group's other financial assets in the consolidated statement of financial position by the measurement hierarchy are set out in Note 4.3(a).

The Group designated other financial assets at FVOCI (non-recycling), as the investments are held for strategic purposes. No dividends were received on these investments during the year (2019: Nil). Fair value gain on other financial asset (non-recycling) of RMB31 million (2019: RMB65 million), net of tax of RMB6 million (2019: RMB10 million) was recognised in other comprehensive income during the year.

21 INVENTORIES

Inventories in the consolidated statement of financial position comprise:

		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
Natural gas	天然氣	885	1,168
Materials for natural gas pipelines	天然氣管道材料	-	185
Crude oil in tanks and others	桶裝原油及其他	40	45
		925	1,398

20 無形及其他非流動資產 (續)

附註：(續)

(ii)

		31 December 2020 二零二零年 十二月三十一日 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
Equity securities designated at FVOCI (non-recycling):	指定為按公平值計入其他全面收益計量之股本證券(不可轉回至損益):		
- Listed in Australia	- 於澳大利亞上市	7	7
- Listed in Hong Kong	- 於香港上市	3	4
- Listed in the PRC	- 於中國上市	229	191
		239	202

本集團於綜合財務狀況表按計量等級劃分的其他金融資產之賬面值載於附註4.3(a)。

由於有關投資乃根據策略用途而持有，因此本集團指定其他金融資產為按公平值計入其他全面收益計量(不可轉回至損益)。本年度並無就該等投資收取任何股息(二零一九年：無)。其他金融資產(不可轉回至損益)的公平值收益人民幣31百萬元(二零一九年：人民幣65百萬元)(扣除稅項人民幣6百萬元(二零一九年：人民幣10百萬元))年內於其他全面收益確認。

21 存貨

綜合財務狀況表中存貨包括：

		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
Natural gas	天然氣	885	1,168
Materials for natural gas pipelines	天然氣管道材料	-	185
Crude oil in tanks and others	桶裝原油及其他	40	45
		925	1,398

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22 ACCOUNTS RECEIVABLE

22 應收賬款

		31 December 2020 二零二零年 十二月三十一日 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
Accounts receivable, net of loss allowance	應收賬款，扣除虧損撥備	4,085	2,792

Ageing analysis

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:

賬齡分析

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：

		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
Within 3 months	三個月以內	3,407	2,284
Between 3 to 6 months	三個月至六個月內	189	78
Over 6 months	六個月以上	489	430
		4,085	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. Further details on the Group's credit policy and credit risk arising from accounts receivable are set out in Note 4.1(b).

本集團自提供接收站及管道服務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。本集團信貸政策及因應收賬款產生之信貸風險之進一步詳情，載列於附註4.1(b)。

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23 PREPAID EXPENSES AND OTHER CURRENT ASSETS

23 預付款及其他流動資產

		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
Other receivables, net of credit losses	其他應收款項，扣除信貸虧損後	1,149	1,752
Prepayments	預付款	2,798	2,487
Amounts due from an intermediate holding company	應收中間控股公司款項	1,590	15
Loans to joint ventures	向合資企業貸款	400	410
Loans to third parties	向第三方貸款	23	25
Dividends receivable	應收股息	93	93
Value-added tax recoverable	可收回增值稅	1,950	1,839
Income tax recoverable	可收回所得稅	8	8
Other current assets	其他流動資產	142	191
		8,153	6,820

The amounts due from an intermediate holding company are RMB1,590 million (2019: RMB15 million), which are expected to be settled within one year, and unsecured and interest-bearing at 1.80% per annum (2019: 1.80% per annum).

應收中間控股公司款項為人民幣1,590百萬元(二零一九年:人民幣15百萬元)，預期於一年內償還，為無抵押及按年利率1.80%(二零一九年:年利率1.80%)計息。

Loans to joint ventures are unsecured, interest-bearing at 4.99% per annum (2019: 4.99% per annum) and expected to be settled within one year as at 31 December 2020.

於二零二零年十二月三十一日，向合資企業貸款為無抵押、按年利率4.99%計息(二零一九年:年利率4.99%)及預期於一年內償還。

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24 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents comprise:

		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
Cash at bank and on hand	銀行及手頭現金	14,277	18,132
Short-term bank deposits	短期銀行存款	1,996	508
Cash and cash equivalents from continuing operations	持續經營業務現金及現金等值項目	16,273	18,640
Cash and cash equivalents included in a disposal group classified as held-for-sale	計入一組分類為持作出售之出售組別之現金及現金等值項目	417	-
Cash and cash equivalents	現金及現金等值項目	16,690	18,640

Cash at bank and bank deposits carry interest at prevailing weighted average market rate at 0.56% per annum (2019: 0.39% per annum).

Included in bank deposits, bank balances and cash are amounts of approximately RMB13,828 million (2019: RMB16,852 million) denominated in RMB which are deposited with banks in the PRC. The conversion of these RMB denominated balances into foreign currencies and the remittance of funds out of Mainland China is subject to the rules and regulations of foreign exchange control promulgated by the PRC Government.

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

24 現金及現金等值項目

(a) 現金及現金等值項目包括：

	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
--	--	--

銀行現金及銀行存款按現行加權平均市場年利率0.56% (二零一九年：年利率0.39%) 計息。

銀行存款、銀行結餘及現金包括存放於中國內地銀行並以人民幣計值之款額約人民幣13,828百萬元(二零一九年：人民幣16,852百萬元)。該等以人民幣計值之結餘兌換為外幣及將資金匯出中國內地均須符合中國政府頒佈之外匯管制規則及法規。

(b) 融資活動所產生的負債對賬

下表詳述本集團融資活動所產生的負債變動，包括現金流量及非現金流量導致的變動。融資活動所產生的負債指本集團綜合現金流量表中現金流量過往分類為或未來現金流量將分類為融資活動所產生的現金流量的負債。

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24 CASH AND CASH EQUIVALENTS (CONTINUED)

(b) Reconciliation of liabilities arising from financing activities (continued)

24 現金及現金等值項目(續)

(b) 融資活動所產生的負債對賬(續)

		Borrowings 借貸 RMB'million 人民幣百萬元	Convertible bonds 可轉換債券 RMB'million 人民幣百萬元	Lease liabilities 租賃負債 RMB'million 人民幣百萬元	Dividend payables 應付股息 RMB'million 人民幣百萬元	Total 總計 RMB'million 人民幣百萬元
At 1 January 2020	於二零二零年一月一日	34,499	-	618	1,116	36,233
Changes from financing cash flows:	融資現金流量變動:					
Increase in borrowings	借貸增加	16,616	-	-	-	16,616
Repayment of borrowings	償還借貸	(18,627)	-	-	-	(18,627)
Capital element of lease rentals paid	已付租賃租金本金部份	-	-	(462)	-	(462)
Interest element of lease rentals paid	已付租賃租金利息部份	-	-	(33)	-	(33)
Interest paid	已付利息	(1,423)	-	-	-	(1,423)
Dividends paid to owners of the Company	已付本公司股東股息	-	-	-	(2,277)	(2,277)
Other dividends paid	已付其他股息	-	-	-	(4,202)	(4,202)
Total changes from financing cashflows	融資現金流量變動總額	(3,434)	-	(495)	(6,479)	(10,408)
Effect of foreign exchange rate changes	匯率變動之影響	(647)	-	-	-	(647)
Other changes:	其他變動:					
Net changes in lease liabilities during the year	年內租賃負債淨變動	-	-	546	-	546
Interest expenses	利息開支	1,375	-	32	-	1,407
Transfer from accrued liabilities	轉自應計負債	57	-	-	-	57
Dividends to owners of the Company	本公司股東股息	-	-	-	2,277	2,277
Dividends to non-controlling interests	非控制性權益股息	-	-	-	3,521	3,521
Acquisition through business combination (Note 34)	透過業務合併進行收購(附註34)	2,323	-	-	-	2,323
Transfer to disposal group classified as held-for-sale (Note 35)	轉撥至分類為持作出售之出售組別(附註35)	(6,500)	-	(37)	-	(6,537)
Total other changes	其他變動總額	(2,745)	-	541	5,798	3,594
At 31 December 2020	於二零二零年十二月三十一日	27,673	-	664	435	28,772

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24 CASH AND CASH EQUIVALENTS (CONTINUED)

24 現金及現金等值項目(續)

(b) Reconciliation of liabilities arising from financing activities (continued)

(b) 融資活動所產生的負債對賬(續)

		Borrowings 借貸 RMB'million 人民幣百萬元	Convertible bonds 可轉換債券 RMB'million 人民幣百萬元	Lease liabilities 租賃負債 RMB'million 人民幣百萬元	Dividend payables 應付股息 RMB'million 人民幣百萬元	Total 總計 RMB'million 人民幣百萬元
At 31 December 2018	於二零一八年十二月三十一日	35,235	3,306	203	1,059	39,803
Impact on initial application of HKFRS 16	初步應用香港財務報告準則第16號之影響	-	-	641	-	641
At 1 January 2019	於二零一九年一月一日	35,235	3,306	844	1,059	40,444
Changes from financing cash flows:	融資現金流量變動:					
Increase in borrowings	借貸增加	9,343	-	-	-	9,343
Repayment of borrowings	償還借貸	(10,986)	-	-	-	(10,986)
Repayment of convertible bonds	償還可轉換債券	-	(10)	-	-	(10)
Capital element of lease rentals paid	已付租賃租金本金部份	-	-	(301)	-	(301)
Interest element of lease rentals paid	已付租賃租金利息部份	-	-	(31)	-	(31)
Interest paid	已付利息	(1,530)	(28)	-	-	(1,558)
Dividends paid to owners of the Company	已付本公司股東股息	-	-	-	(1,831)	(1,831)
Other dividends paid	已付其他股息	-	-	-	(3,165)	(3,165)
Total changes from financing cashflows	融資現金流量變動總額	(3,173)	(38)	(332)	(4,996)	(8,539)
Effect of foreign exchange rate changes	匯率變動之影響	239	-	-	-	239
Other changes:	其他變動:					
Net changes in lease liabilities during the year	年內租賃負債淨變動	-	-	78	-	78
Interest expenses	利息開支	1,568	44	28	-	1,640
Transfer (to)/from accrued liabilities	(轉撥至)/轉自應計負債	(29)	24	-	-	(5)
Conversion of convertible bonds	轉換可轉換債券	-	(3,336)	-	-	(3,336)
Dividends to owners of the Company	本公司股東股息	-	-	-	1,831	1,831
Dividends to non-controlling interests	非控制性權益股息	-	-	-	3,222	3,222
Acquisition through business combination	透過業務合併進行收購	659	-	-	-	659
Total other changes	其他變動總額	2,198	(3,268)	106	5,053	4,089
At 31 December 2019	於二零一九年十二月三十一日	34,499	-	618	1,116	36,233

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24 CASH AND CASH EQUIVALENTS (CONTINUED)

(c) Total cash outflows for leases

Amounts included in the consolidated statement of cash flows for leases comprise the following:

		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
Within operating cash flows	經營現金流量中	390	418
Within investing cash flows	投資現金流量中	490	265
Within financing cash flows	融資現金流量中	495	332
		1,375	1,015

These amounts relate to the following:

		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
Lease rentals paid	已付租賃租金	885	750
Additions of leasehold lands leased for own use	添置租賃作自用之租賃土地	490	265
		1,375	1,015

24 現金及現金等值項目(續)

(c) 租賃現金流出總額

就租賃計入綜合現金流量表之金額包括以下各項：

	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
Within operating cash flows	390	418
Within investing cash flows	490	265
Within financing cash flows	495	332
	1,375	1,015

該等金額與下列各項有關：

	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
Lease rentals paid	885	750
Additions of leasehold lands leased for own use	490	265
	1,375	1,015

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25 SHARE CAPITAL

25 股本

		Number of ordinary shares million 普通股數目 百萬股	Nominal value of ordinary shares HK\$'million 普通股面值 百萬港元
Authorised:	法定：		
<i>Ordinary shares of HK\$0.01 each</i>	<i>每股面值0.01港元之普通股</i>		
At 1 January 2019, 31 December 2019 and 31 December 2020	於二零一九年一月一日、 二零一九年十二月三十一日及 二零二零年十二月三十一日	16,000	160

		2020 二零二零年		2019 二零一九年	
		Number of ordinary shares million 普通股數目 百萬股	Nominal value of ordinary shares RMB'million 普通股面值 人民幣百萬元	Number of ordinary shares million 普通股數目 百萬股	Nominal value of ordinary shares RMB'million 普通股面值 人民幣百萬元
Issued and fully paid:	已發行及悉數繳付：				
<i>Ordinary shares of HK\$0.01 each</i>	<i>每股面值0.01港元 之普通股</i>				
At 1 January	於一月一日	8,659	71	8,072	65
Issue of shares upon conversion of convertible bonds (note)	於轉換可轉換 債券時發行股份 (附註)	-	-	587	6
At 31 December	於十二月三十一日	8,659	71	8,659	71

Note: On 19 November 2019, 586,240,903 ordinary shares were issued upon conversion of convertible bonds and the Group's share capital increased by HK\$5,862,409 (approximately RMB5,153,090) accordingly. The amounts presented in the table above are rounded for presentation of balance as at 31 December 2019.

附註：於二零一九年十一月十九日，586,240,903股普通股已於轉換可轉換債券時發行，因此本集團之股本增加5,862,409港元(約人民幣5,153,090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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26 OTHER RESERVES

(a) Movements in components of other reserves

26 其他儲備

(a) 其他儲備組成變動

		Group 本集團								
		Share premium	Contributed surplus	Merger reserve	Fair value reserve (non- recycling) (公平值儲備 (不可轉回至 損益))	Convertible bond equity reserve (可轉換債券 股權儲備)	Translation reserve (匯兌儲備)	Others (其他)	Retained earnings (滾存盈利)	Total (總額)
		RMB'million 人民幣百萬元	RMB'million 人民幣百萬元	RMB'million 人民幣百萬元	RMB'million 人民幣百萬元	RMB'million 人民幣百萬元	RMB'million 人民幣百萬元	RMB'million 人民幣百萬元	RMB'million 人民幣百萬元	RMB'million 人民幣百萬元
		note (i) 附註(i)	note (ii) 附註(ii)	note (iii) 附註(iii)	note (iv) 附註(iv)	note (v) 附註(v)	note (vi) 附註(vi)	note (vii) 附註(vii)		
Balances at 31 December 2018 and 1 January 2019	於二零一八年十二月 三十一日及二零一九年 一月一日結餘	32,359	109	(23,820)	68	195	1,158	7,208	25,362	42,639
Total comprehensive income for the year	年內全面收益總額	-	-	-	50	-	178	-	5,551	5,779
Transfer between reserves	儲備間轉撥	-	-	-	-	-	-	598	(598)	-
Final dividend for 2018	二零一八年末期股息	-	-	-	-	-	-	-	(1,831)	(1,831)
Issue of shares upon conversion of convertible bonds (note)	於轉換可轉換債券時 發行股份(附註)	3,525	-	-	-	(195)	-	-	-	3,330
Balances at 31 December 2019	於二零一九年 十二月三十一日結餘	35,884	109	(23,820)	118	-	1,336	7,806	28,484	49,917
Balances at 31 December 2019 and 1 January 2020	於二零一九年十二月 三十一日及二零二零年 一月一日結餘	35,884	109	(23,820)	118	-	1,336	7,806	28,484	49,917
Total comprehensive income for the year	年內全面收益總額	-	-	-	24	-	(214)	-	6,063	5,873
Transfer between reserves	儲備間轉撥	-	-	-	-	-	-	713	(713)	-
Final dividend for 2019	二零一九年末期股息	-	-	-	-	-	-	-	(2,277)	(2,277)
Balances at 31 December 2020	於二零二零年 十二月三十一日結餘	35,884	109	(23,820)	142	-	1,122	8,519	31,557	53,513

Note: During the year ended 31 December 2019, the Group's outstanding convertible bonds with carrying amount of RMB3,336 million were converted into ordinary shares. Accordingly, the carrying amount of these convertible bonds, together with the related convertible bond equity reserve, was derecognised with an amount of RMB3,525 million, being the excess over the par value of the ordinary shares issued, recognised as share premium in this connection.

附註：於截至二零一九年十二月三十一日止年度，本集團賬面值為人民幣3,336百萬元之尚未行使可轉換債券轉換為普通股。因此，該等可轉換債券之賬面值連同相關可轉換債券權益儲備終止確認，超過已發行普通股面值之人民幣3,525百萬元，就此確認為股份溢價。

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26 OTHER RESERVES (CONTINUED)

(a) Movements in components of other reserves (Continued)

		Company 本公司				
		Share premium	Contributed surplus	Convertible bond equity reserve	Retained earnings	Total
		股份溢價	實繳盈餘	可轉換債券 股權儲備	滾存盈利	總額
		RMB'million 人民幣百萬元	RMB'million 人民幣百萬元	RMB'million 人民幣百萬元	RMB'million 人民幣百萬元	RMB'million 人民幣百萬元
		note (i) 附註(i)	note (ii) 附註(ii)	note (v) 附註(v)		
Balances at 31 December 2018 and 1 January 2019	於二零一八年十二月 三十一日及二零一九年 一月一日結餘	32,359	109	195	14,340	47,003
Total comprehensive income for the year	年內全面收益總額	-	-	-	5,270	5,270
Final dividend for 2018	二零一八年末期股息	-	-	-	(1,831)	(1,831)
Issue of shares upon conversion of convertible bonds	於轉換可轉換債券時 發行股份	3,525	-	(195)	-	3,330
Balances at 31 December 2019	於二零一九年 十二月三十一日結餘	35,884	109	-	17,779	53,772
Balances at 31 December 2019 and 1 January 2020	於二零一九年十二月 三十一日及二零二零年 一月一日結餘	35,884	109	-	17,779	53,772
Total comprehensive income for the year	年內全面收益總額	-	-	-	4,006	4,006
Final dividend for 2019	二零一九年末期股息	-	-	-	(2,277)	(2,277)
Balances at 31 December 2020	於二零二零年 十二月三十一日結餘	35,884	109	-	19,508	55,501

(b) Nature and purpose of other reserves

Notes:

- (i) Under the Bermuda Companies Act 1981, the share premium account may be applied by the Company in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.

26 其他儲備(續)

(a) 其他儲備組成變動(續)

(b) 其他儲備之性質及目的

附註：

- (i) 根據百慕達一九八一年公司法，股份溢價可由本公司作為已繳足紅股，用於繳付即將發行予本公司股東之本公司未發行股份。

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26 OTHER RESERVES (CONTINUED)

(b) Nature and purpose of other reserves (continued)

Notes: (continued)

- (ii) The contributed surplus represents the difference between the consolidated shareholders' funds of the subsidiaries at the date on which they were acquired by the Group and the amount of the Company's shares issued for the acquisition.
- (iii) The merger reserve represents the difference between the considerations and the aggregate share capital of subsidiaries acquired under business combinations under common control.
- (iv) The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated as FVOCI under HKFRS 9 that are held at the end of the reporting period (see Note 3(h)).
- (v) The convertible bond equity reserve represents the equity component of the convertible bonds at initial recognition.
- (vi) The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in Note 3(d)(ii).
- (vii) Others mainly represent capitalisation of retained earnings by subsidiaries and the statutory surplus reserves. Pursuant to the Company Law of the PRC, the Articles of Association and the resolution of Board of Directors of the Group's subsidiaries established in the PRC, the Group's PRC subsidiaries are required to transfer 10% of its net profit to statutory surplus reserves. Appropriation to the statutory surplus reserves may be ceased when the fund aggregates to 50% of those subsidiaries' registered capital. The statutory surplus reserves may be used to make good previous years' losses or to increase the capital of those subsidiaries upon approval.

26 其他儲備(續)

(b) 其他儲備之性質及目的(續)

附註：(續)

- (ii) 實繳盈餘指附屬公司於被本集團收購日期之綜合股東資金與本公司為收購而發行之股份金額之差額。
- (iii) 合併儲備指於共同控制下業務合併所收購附屬公司之代價與總股本之差額。
- (iv) 公平值儲備(不可轉回至損益)包含於報告期末所持根據香港財務報告準則第9號指定為按公平值計入其他全面收益計量之股本投資公平值之累積淨變動(見附註3(h))。
- (v) 可轉換債券股權儲備指初始確認的可轉換債券權益部分。
- (vi) 匯兌儲備包括換算海外業務財務報表產生之所有匯兌差額。該儲備根據附註3(d)(ii)之會計政策處理。
- (vii) 其他主要指附屬公司資本化滾存盈利及法定盈餘公積。根據《中華人民共和國公司法》、章程細則及於中國註冊成立之本集團附屬公司董事會決議，本集團之中國附屬公司須按年溢利淨額之10%提取法定盈餘公積。當法定盈餘公積累計額達到該等附屬公司註冊資本之50%時，可不再計提。法定盈餘公積經批准後可用於彌補先前年度虧損，或增加該等附屬公司之股本。

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26 OTHER RESERVES (CONTINUED)

(c) Distributability of other reserves

At 31 December 2020, the aggregate amount of other reserves available for distribution to equity shareholders of the Company, as calculated under the Bermuda Companies Act 1981 was RMB19,617 million (2019: RMB17,888 million). After the end of the reporting period the Directors proposed a final dividend of RMB21.01 cents and a special dividend of RMB213.66 cents per ordinary share (2019: RMB26.3 cents per share), amounting to RMB20,320 million (2019: RMB2,277 million) (Note 15). This dividend has not been recognised as a liability at the end of the reporting period.

26 其他儲備(續)

(c) 可分派其他儲備

於二零二零年十二月三十一日，可供向本公司權益股東分派之其他儲備總金額(根據百慕達一九八一年公司法計算)為人民幣19,617百萬元(二零一九年：人民幣17,888百萬元)。於報告期末後，董事建議末期股息每股普通股人民幣21.01分和特別股息每股普通股人民幣213.66分(二零一九年：每股人民幣26.3分)，達人民幣20,320百萬元(二零一九年：人民幣2,277百萬元)(附註15)。該股息於報告期末並未確認為一項負債。

27 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

27 應付賬款及應計負債

		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
Accounts payable	應付賬款	3,355	2,214
Contract liabilities	合約負債	10,911	9,800
Salaries and welfare payable	應付薪金及福利	312	342
Accrued expenses	應計開支	14	16
Dividend payable	應付股息	435	1,116
Interest payable	應付利息	72	144
Construction fee and equipment cost payables	應付建設費及設備成本	8,239	10,079
Amounts due to related parties	應付關聯方款項		
– Non-controlling interests	– 非控制性權益	1	1
– Others	– 其他	82	380
Other payables	其他應付款項	4,672	5,208
		28,093	29,300

As at 31 December 2020, the Group also had non-current contract liabilities of RMB591 million (2019: RMB776 million) which were included under non-current other liabilities and were expected to be recognised as revenue in over 12 months but less than 5 years.

於二零二零年十二月三十一日，本集團亦擁有非流動合約負債人民幣591百萬元(二零一九年：人民幣776百萬元)，其已計入非流動其他負債內並預期確認為超過十二個月但少於五年之收入。

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27 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (CONTINUED)

The Group's contract liabilities represent primarily advances received from customers. In certain regions of the PRC, customers of the Group's city gas business are required to use integrated circuit cards and top up in advance before the balances are deducted upon usage of natural gas. Depending on the market conditions and the customers' credit profile, the Group also requires advance for certain customers for sales of other natural gas products. These advance payments from customers are recognised as contract liabilities until the natural gas products are sold to the customers. During the year ended 31 December 2020, the amount of RMB9,800 million (2019: RMB9,383 million) recognised in contract liabilities at beginning of the year has substantially been recognised as revenue during the year.

The Group is a defendant in certain lawsuits as well as the named party in other proceeding. While the outcomes of such contingencies, lawsuits or other proceeding cannot be determined at present, management believes that any resulting liabilities will not have a material adverse effect on the financial position or financial performance of the Group.

Ageing analysis

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

		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
Within 3 months	三個月內	2,751	1,620
Between 3 to 6 months	三個月至六個月	159	81
Over 6 months	六個月以上	445	513
		3,355	2,214

The typical credit period on purchase of goods is 90 days. The Group has financial risk management policies in place to ensure that all payables fall within the credit time frame. The contractual maturity date of accounts payable and accrued liabilities is within one year.

27 應付賬款及應計負債(續)

本集團之合約負債指主要來自客戶之墊款。在中國若干地區，本集團之城市燃氣業務客戶須使用集成電路卡及預先增值，方可於使用天然氣後扣減結餘。視乎市況及客戶信貸狀況，本集團於出售其他天然氣產品時亦會要求若干客戶預先付款。該等來自客戶之預付款項在直至天然氣產品已售予客戶為止之前會確認為合約負債。於截至二零二零年十二月三十一日止年度，年初於合約負債確認之人民幣9,800百萬元(二零一九年：人民幣9,383百萬元)已於年內大致確認為收入。

本集團為若干案件之被告及其他訴訟之指定方。儘管現時未能釐定該等或然事件、法律訴訟或其他訴訟之結果，惟管理層相信任何由此產生之負債不會對本集團之財務狀況或財務業績造成重大不利影響。

賬齡分析

截至報告期末，應付賬款按發票日期之賬齡分析如下：

採購貨品之除賬期通常為90日。本集團已制定財務風險管理政策，以確保所有應付款項處於除賬限期內。應付賬款及應計負債之合約年期均為一年內。

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28 BORROWINGS

28 借貸

		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
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	3,014	3,540
Current portion of long-term borrowings	長期借貸之即期部分	2,168	5,208
		5,182	8,772
Long-term borrowings – secured (note)	長期借貸 – 有抵押(附註)	780	–
Long-term borrowings – unsecured	長期借貸 – 無抵押	23,879	30,935
Less: Current portion of long-term borrowings	減：長期借貸之即期部分	(2,168)	(5,208)
		22,491	25,727
		27,673	34,499

Note: As at 31 December 2020, certain property, plant and equipment of the Group amounting to RMB756 million (2019: RMB21 million) were pledged to banks for loan facilities granted to the Group.

附註：於二零二零年十二月三十一日，本集團若干物業、廠房及設備為人民幣756百萬元(二零一九年：人民幣21百萬元)，該款項已就本集團獲授之貸款融資抵押予銀行。

The carrying amounts of the borrowings are denominated in the following currencies:

借貸之賬面值按以下貨幣計值：

		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
RMB	人民幣	18,450	21,645
US dollar	美元	6,501	7,815
Hong Kong dollar	港元	2,648	4,968
Japanese yen	日元	18	18
Euro	歐元	56	53
		27,673	34,499

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28 BORROWINGS (CONTINUED)

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

28 借貸(續)

於二零二零年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：

		Bank loans		Loans other than bank loans	
		銀行貸款		除銀行貸款以外之貸款	
		2020	2019	2020	2019
		二零二零年	二零一九年	二零二零年	二零一九年
		RMB'million	RMB'million	RMB'million	RMB'million
		人民幣百萬元	人民幣百萬元	人民幣百萬元	人民幣百萬元
Within one year	一年內	1,970	3,609	3,212	5,163
Between one to two years	一至兩年	1,970	346	2,274	1,968
Between two to five years	兩至五年	3,197	1,975	8,842	15,101
After five years	五年以後	2,657	2,653	3,551	3,684
		9,794	8,583	17,879	25,916

The following table details the Group's remaining contractual maturity for its borrowings. The information presented is based on the earliest date on which the Group can be required to pay and represents the undiscounted cash flow including principal and interest:

下表詳述本集團之借貸之餘下合約年期。所呈列資料乃以本集團須支付之最早日期為基準，並表示未折現現金流量(包括本金及利息)：

		Bank loans		Loans other than bank loans	
		銀行貸款		除銀行貸款以外之貸款	
		2020	2019	2020	2019
		二零二零年	二零一九年	二零二零年	二零一九年
		RMB'million	RMB'million	RMB'million	RMB'million
		人民幣百萬元	人民幣百萬元	人民幣百萬元	人民幣百萬元
Within one year	一年內	2,216	3,913	3,672	6,103
Between one to two years	一至兩年	2,188	569	3,086	2,800
Between two to five years	兩至五年	3,852	2,403	9,055	16,181
After five years	五年以後	3,234	3,151	3,985	3,758
		11,490	10,036	19,798	28,842

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29 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION 29 綜合財務狀況表中之所得稅

(a) Current tax in the consolidated statement of financial position represents:

(a) 綜合財務狀況表中之即期稅項為：

		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
Tax payables in respect of subsidiaries in:	附屬公司於以下國家應付之稅項：		
– the PRC	– 中國	586	649
– Peru	– 秘魯	9	2
– Thailand	– 泰國	8	9
		603	660
Withholding tax on dividend distributed by the subsidiaries	附屬公司分派股息之預扣稅	1	68
		604	728

As at 31 December 2020, the Group also had income tax recoverable of RMB8 million (2019: RMB8 million) which were included under “prepaid expenses and other current assets”.

於二零二零年十二月三十一日，本集團亦擁有可收回所得稅人民幣8百萬元(二零一九年：人民幣8百萬元)，其已計入「預付款及其他流動資產」項下。

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29 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

29 綜合財務狀況表中之所得稅 (續)

(b) Deferred tax assets and liabilities recognised:

(b) 已確認之遞延稅項資產及負債：

(i) Movement of each component of deferred tax assets and liabilities

(i) 遞延稅項資產和負債各組成部分之變動

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

年內於綜合財務狀況表確認之遞延稅項資產/(負債)之組成部分及變動如下：

		Accelerated tax depreciation	Undistributed profits of PRC and overseas subsidiaries, associate and joint ventures	Deferred income	Others	Revaluation surplus from business combination	Total
		加速折舊稅項	及合資企業之未分配利益	遞延收益	其他	來自業務合併之重估盈餘	總額
		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
At 1 January 2019	於二零一九年一月一日	(358)	(495)	263	540	-	(50)
Currency translation differences	貨幣匯兌差額	(3)	(2)	-	-	-	(5)
Acquisition through business combination	透過業務合併進行收購	-	-	-	66	(185)	(119)
(Charged)/credited to the consolidated profit or loss	於綜合損益中(扣除)/抵免	(43)	(105)	(2)	5	-	(145)
Credited to other comprehensive income	於其他全面收益抵免	-	-	-	(12)	-	(12)
At 31 December 2019	於二零一九年十二月三十一日	(404)	(602)	261	599	(185)	(331)
At 1 January 2020	於二零二零年一月一日	(404)	(602)	261	599	(185)	(331)
Currency translation differences	貨幣匯兌差額	1	2	-	-	-	3
Acquisition through business combination (Note 34)	透過業務合併進行收購(附註34)	-	-	-	(21)	(128)	(149)
Transfer to disposal group classified as held-for-sale (Note 35)	轉撥至分類為持作出售之出售組別(附註35)	373	98	-	(2)	-	469
(Charged)/credited to the consolidated profit or loss	於綜合損益中(扣除)/抵免	(75)	(47)	(136)	128	-	(130)
Credited to other comprehensive income	於其他全面收益抵免	-	-	-	(6)	-	(6)
At 31 December 2020	於二零二零年十二月三十一日	(105)	(549)	125	698	(313)	(144)

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29 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(b) Deferred tax assets and liabilities recognised: (Continued)

- (ii) Reconciliation to the consolidated statement of financial position

29 綜合財務狀況表中之所得稅 (續)

(b) 已確認之遞延稅項資產及負債：(續)

- (ii) 綜合財務狀況表對賬

		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
Representing:	指：		
Deferred tax assets	遞延稅項資產	1,294	1,366
Deferred tax liabilities	遞延稅項負債	(1,438)	(1,697)
		(144)	(331)

30 COMMITMENTS

Capital commitments

30 承擔

資本承擔

		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
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	927	896
		927	1,047
Authorised but not contracted for:	已批准但未訂約：		
Oil field development costs	油田開發費用	5	453
Other property, plant and equipment	其他物業、廠房及設備	543	877
		548	1,330

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31 OIL PRODUCTION SHARING CONTRACT

Leng Jiapu Contract

Pursuant to the Leng Jiapu Contract signed in 1997, the Group agreed to acquire 70% of the production sharing interest for RMB1,008 million and to fund its share of cost of the development carried out for the realisation of oil production (the “Development Operations”) in the area as defined in the Leng Jiapu Contract (the “LJP Contract Area”), at an estimated cost of US\$65.5 million (approximately RMB474 million) in the first two years of the development period and be further responsible for 70% of the development cost after the first two years, in exchange for a 70% share in the oil production from the LJP Contract Area.

Pursuant to the Leng Jiapu Contract, the Group shall bear 70% of the costs required for the Development Operations in the LJP Contract Area which shall be allocated (after deduction of local taxes and enterprise income tax) firstly towards operating costs recovery and thereafter in the proportion of 70% to the Group and 30% to PetroChina towards investment recovery and profit.

The Leng Jiapu Contract provides twenty consecutive years of production sharing from the date of commencement of commercial production and will expire on 31 December 2023.

In connection with the Leng Jiapu Contract, the Group has also entered into an Entrustment Contract with an operational entity owned and operated by CNPC, whereby the latter is entrusted to take up the responsibility as an operator. Under the Entrustment Contract, a Joint Development Management Organisation was established for the performance of the contractual responsibilities under the operatorship.

31 油田產品分成合同

冷家堡合同

根據簽訂於一九九七年的冷家堡合同，本集團同意收購70%之產品分成權益，作價人民幣1,008百萬元，並負擔於冷家堡合同所界定之地區（「冷家堡合同地區」）內就生產石油產品（「開發作業」）應佔之開發成本，首兩年開發期之估計成本為65.5百萬美元（約人民幣474百萬元），此外再負責首兩年後70%之開發成本，以取得冷家堡合同地區70%之產油量。

根據冷家堡合同，本集團負擔冷家堡合同地區內開發作業及生產分成所需之70%成本，產量分配為（經扣除當地稅項及企業所得稅後）先用於收回經營成本，其餘由本集團與中國石油按70%與30%之比例攤分，作為收回投資成本及賺取的利潤。

冷家堡合同規定，由開始商業作業日期起計連續分佔石油產量二十年並將於二零二三年十二月三十一日屆滿。

本集團亦就冷家堡合同與一個由中國石油集團全資擁有並營運之業務實體訂立委託合同，據此，後者獲委託承擔作為作業者的責任。根據委託合同，已成立聯合開發管理組織，履行在作業者合同項下之責任。

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31 OIL PRODUCTION SHARING CONTRACT (CONTINUED)

Leng Jiapu Contract (Continued)

The summary of assets, liabilities and results for the year recognised in the consolidated financial statements in relation to the Group's interest in the Leng Jiapu Contract is as follows:

		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
(i) Results for the year	(i) 本年度業績		
Income	收入	657	973
Expenses	開支	(810)	(843)
(ii) Assets and liabilities	(ii) 資產及負債		
Non-current assets	非流動資產	394	339
Current assets	流動資產	541	653
Current liabilities	流動負債	(169)	(73)
Non-current liabilities	非流動負債	-	-
Net assets	資產淨值	766	919
(iii) Capital commitments	(iii) 資本承擔		
Contracted but not provided for	已訂約但未作出撥備	-	151

31 油田產品分成合同(續)

冷家堡合同(續)

本年度於綜合財務報表所確認有關本集團於冷家堡合同之權益之資產、負債及業績概述如下：

32 RELATED PARTY TRANSACTIONS

CNPC, the controlling shareholder of the Company, is a state-controlled enterprise directly controlled by the PRC government. 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.

32 關聯方交易

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。關聯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(為集團之一部分並向本集團之母公司提供主要管理人員服務)。

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32 RELATED PARTY TRANSACTIONS (CONTINUED)

In addition to the related party information shown elsewhere in the consolidated financial statements, the following is a summary of significant related party transactions entered into in the ordinary course of business in both continuing and discontinued operations between the Group and its related parties during the years and balances arising from related party transactions at the end of the years indicated below:

(a) Transactions with 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.

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.

32 關聯方交易(續)

除於綜合財務報表其他部分提供之關聯方資料之外，本集團與其關聯方於年內於持續經營業務及已終止持續經營業務之一般業務範圍內訂立之重大關聯方交易及年末有關連人士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聯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聯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)訂立若干補充協議(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。

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。

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32 RELATED PARTY TRANSACTIONS (CONTINUED)

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

(i) (Continued)

- Provision of products by the CNPC Group to the Group amounted to approximately RMB56,960 million (2019: RMB35,821 million) for the year ended 31 December 2020.
- Provision of services by the CNPC Group to the Group amounted to approximately RMB6,777 million (2019: RMB9,410 million) for the year ended 31 December 2020.
- Provision of products by the Group to the CNPC Group amounted to approximately RMB3,335 million (2019: RMB5,653 million) for the year ended 31 December 2020.
- Provision of services by the Group to the CNPC Group amounted to approximately RMB15,285 million (2019: RMB16,486 million), which mainly includes natural gas pipeline transmission services and LNG gasification and unloading services provided by the Group, for the year ended 31 December 2020.

32 關聯方交易(續)

(a) 與中油集團、聯營公司及合資企業之交易(續)

(i) (續)

- 截至二零二零年十二月三十一日止年度，中油集團向本集團提供產品約人民幣56,960百萬元(二零一九年：人民幣35,821百萬元)。
- 截至二零二零年十二月三十一日止年度，中油集團向本集團提供服務約人民幣6,777百萬元(二零一九年：人民幣9,410百萬元)。
- 截至二零二零年十二月三十一日止年度，本集團向中油集團提供產品約人民幣3,335百萬元(二零一九年：人民幣5,653百萬元)。
- 截至二零二零年十二月三十一日止年度，本集團向中油集團提供服務約人民幣15,285百萬元(二零一九年：人民幣16,486百萬元)，主要包括本集團提供的天然氣管道輸氣服務及LNG氣化及卸載服務。

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32 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with 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 RMB1,179 million and RMB522 million (2019: RMB727 million and RMB23 million), respectively, for the year ended 31 December 2020.

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

- (iii) As at 31 December 2020 and 2019, amounts due from and to 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:

		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
Intangible and other non-current assets	無形及其他非流動資產	167	422
Accounts receivable	應收賬款	1,338	1,020
Prepaid expenses and other current assets	預付款及其他流動資產	2,188	519
Accounts payable and accrued liabilities	應付賬款及應計負債	6,928	5,746
Borrowings	借貸	18,375	18,713
Lease liabilities	租賃負債	48	40

32 關聯方交易(續)

(a) 與中油集團、聯營公司及合資企業之交易(續)

- (ii) 本集團訂立協議，向本集團若干聯營公司及合資企業銷售天然氣，於截至二零二零年十二月三十一日止年度分別約為人民幣1,179百萬元及人民幣522百萬元(二零一九年：人民幣727百萬元及人民幣23百萬元)。

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：

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32 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Key management compensation

		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
Salaries and allowances	薪金及酬金	3	4
Retirement benefits – defined contribution scheme	退休福利 – 界定供款計劃	-	-
		3	4

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

Apart from the aforementioned transactions and the transactions with 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.

32 關聯方交易(續)

(b) 主要管理層之酬金

		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
Salaries and allowances	薪金及酬金	3	4
Retirement benefits – defined contribution scheme	退休福利 – 界定供款計劃	-	-
		3	4

(c) 與中國其他國有實體之交易

除上述交易及與中油集團、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。

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33 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 oil and gas related activities and derives its revenue from its four operating segments: Natural Gas Sales, Sales of LPG, LNG Processing and Terminal and Exploration and Production.

The composition of reportable segments of the Group has changed in the year ended 31 December 2020 following the potential disposal of discontinued operations (Note 35). Reportable segments are aligned with financial information provided regularly to the Group's executive management.

Due to such a change in the reportable segments, the previously reported segment results for the year ended 31 December 2019 have been restated to be comparable with the revised segmentation approach as required by HKFRS 8 *Operating Segments*.

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

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

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

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

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

33 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和天然氣相關業務，其收入來自四個營運板塊：天然氣銷售、LPG銷售、LNG加工與儲運及勘探與生產。

於潛在出售已終止持續經營業務(附註35)後，本集團已於截至二零二零年十二月三十一日止年度變更可報告板塊的組成。可報告板塊與定期向本集團行政管理層提供的財務資料一致。

由於可報告板塊出現有關變更，先前報告的截至二零一九年十二月三十一日止年度的板塊業績已予重列以可與香港財務報告準則第8號經營板塊所規定的經修訂細分方法比較。

天然氣銷售板塊從事不同天然氣產品的零售及分銷與貿易。LPG銷售板塊從事不同LPG產品的批發與零售。LNG加工與儲運板塊從事LNG加工、卸載、儲存、氣化及裝車。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之溢利/(虧損)評估經營板塊之表現(「板塊業績」)。

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

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

公司資產主要包括公司層面所持有之現金及現金等值項目。

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33 板塊資料(續)

33 SEGMENT INFORMATION (CONTINUED)

The segment information provided to the Executive Directors for the reportable segments for the years ended 31 December 2020 and 2019 are as follows:

截至二零二零年及二零一九年十二月三十一日止年度向執行董事提供的可報告板塊的板塊資料如下：

	Natural Gas Sales	Sales of LPG	LPG Sales	Processing and Terminal	LNG Production	Exploration and Production	Corporate	Inter-company adjustment	Total
	RMB'million 人民幣百萬元	RMB'million 人民幣百萬元	RMB'million 人民幣百萬元	RMB'million 人民幣百萬元	RMB'million 人民幣百萬元	RMB'million 人民幣百萬元	RMB'million 人民幣百萬元	RMB'million 人民幣百萬元	RMB'million 人民幣百萬元
For the year ended 31 December 2020	截至二零二零年十二月三十一日止年度								
Continuing operations	87,995	14,775	8,649	1,266	-	-	-	-	112,685
Gross revenue	(1,114)	(35)	(2,285)	-	-	-	-	-	(3,434)
Less: Inter-company adjustment									
Revenue from external customers	86,881	14,740	6,364	1,266	-	-	-	-	109,251
Segment results	4,502	550	2,593	(249)	188	-	-	-	7,584
Share of profits less losses of:									
- Associates	435	-	3	(98)	-	-	-	-	340
- Joint ventures	82	-	-	103	(2)	-	-	-	183
Profit/(loss) before income tax expense	5,019	550	2,596	(244)	186	-	-	-	8,107
Segment results included:									
- Interest income	622	2	46	8	299	-	-	(647)	330
- Depreciation, depletion and amortisation	(2,875)	(97)	(1,075)	(321)	(34)	-	-	-	(4,402)
- Interest expenses	(399)	(10)	(486)	(1)	(459)	647	-	-	(708)
- Net exchange gains/(losses)	(4)	-	-	(13)	638	-	-	-	621
As at 31 December 2020	於二零二零年十二月三十一日								
Segment assets	73,530	3,564	17,672	2,214	2,526	-	-	-	99,506
Investments in associates	5,472	-	384	330	-	-	-	-	6,186
Investments in joint ventures	2,053	-	-	1,241	54	-	-	-	3,348
Additions to non-current segment assets during the year	6,969	-	968	238	-	-	-	-	8,175
Additions to non-current segment assets through acquisition of subsidiaries during the year	4,904	-	-	-	-	-	-	-	4,904

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33 板塊資料(續)

33 SEGMENT INFORMATION (CONTINUED)

	Natural Gas Sales	Sales of LPG	Processing and Terminal LNG	Exploration and Production	Corporate	Inter-company adjustment	Total
	RMB'million 人民幣百萬元 (Restated) (重列)	RMB'million 人民幣百萬元 (Restated) (重列)	RMB'million 人民幣百萬元 (Restated) (重列)	RMB'million 人民幣百萬元 (Restated) (重列)	RMB'million 人民幣百萬元 (Restated) (重列)	RMB'million 人民幣百萬元 (Restated) (重列)	RMB'million 人民幣百萬元 (Restated) (重列)
For the year ended 31 December 2019	截至二零一九年十二月三十一日止年度						
Continuing operations	持續經營業務						
Gross revenue	73,128	21,328	7,812	2,004	-	-	104,272
Less: Inter-company adjustment	(626)	(36)	(1,816)	-	-	-	(2,478)
Revenue from external customers	72,502	21,292	5,996	2,004	-	-	101,794
Segment results	3,489	569	2,265	250	(829)	-	5,744
Share of profits less losses of:							
- Associates	329	-	1	621	-	-	951
- Joint ventures	100	-	-	219	-	-	319
Profit/(loss) before income tax expense	3,918	569	2,266	1,090	(829)	-	7,014
Segment results included:	板塊業績包括:						
- Interest income	523	2	25	9	492	(786)	265
- Depreciation, depletion and amortisation	(2,534)	(89)	(1,034)	(297)	(21)	-	(3,975)
- Impairment loss on property, plant and equipment	(377)	-	(27)	-	-	-	(404)
- Interest expenses	(478)	(13)	(442)	-	(752)	786	(899)
- Net exchange gains/(losses)	1	-	-	(37)	(254)	-	(290)
As at 31 December 2019	於二零一九年十二月三十一日						
Segment assets	61,941	3,381	20,620	2,915	1,439	-	90,296
Investments in associates	4,632	-	382	698	-	-	5,712
Investments in joint ventures	1,706	-	-	1,442	55	-	3,203
Additions to non-current segment assets during the year	5,640	-	1,072	283	-	-	6,995
Additions to non-current segment assets through acquisition of subsidiaries during the year	2,866	-	-	-	-	-	2,866

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33 SEGMENT INFORMATION (CONTINUED)

Reconciliations of reportable segment profit and assets

33 板塊資料(續)

可報告板塊溢利及資產的對賬

		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 (Restated) (重列)
Reportable segment profit	可報告板塊溢利		
Profit before income tax expense from continuing operations	持續經營業務的除所得稅費用前溢利	8,107	7,014
Income tax expense	所得稅費用	(2,313)	(2,405)
Profit for the year from continuing operations	持續經營業務年內溢利	5,794	4,609
Profit for the year from discontinued operations	已終止持續經營業務年內溢利	3,938	4,962
Profit for the year	年內溢利	9,732	9,571

		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
Reportable segment assets	可報告板塊資產		
Continuing operations	持續經營業務		
Segment assets	板塊資產	99,506	90,296
Investment in associates	於聯營公司之投資	6,186	5,712
Investment in joint ventures	於合資企業之投資	3,348	3,203
Deferred tax assets	遞延稅項資產	1,294	1,366
Income tax recoverable	可收回所得稅	8	8
Other financial assets	其他金融資產	239	202
Discontinued operations	已終止持續經營業務		
Segment assets*	板塊資產*	44,407	47,110
Total assets	總資產	154,988	147,897

* The segment assets of discontinued operations as at 31 December 2020 is represented as assets associated with a disposal group classified as held-for-sale in the consolidated statement of financial position.

* 於二零二零年十二月三十一日，已終止持續經營業務的板塊資產為綜合財務狀況表內與分類為持作出售之出售組別相關之資產。

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33 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 year ended 31 December 2020, revenue of approximately RMB18,620 million (2019: RMB22,139 million) is derived from one (2019: one) customer with whom transactions have exceeded 10% of the Group's revenue. The revenue is attributable to the Natural Gas Sales, Sales of LPG, LNG Processing and Terminal and Exploration and Production segments.

34 ACQUISITIONS

During the year ended 31 December 2020, PetroChina Kunlun Gas Co., Ltd ("Kunlun Gas"), a wholly-owned subsidiary of the Company, entered into equity transfer agreements (the "Agreements") to acquire equity interests in 22 entities at a total cash consideration of RMB1,486 million (the "Acquisition"). Upon the completion of the Acquisition, 22 entities (the "acquired entities") have become the subsidiaries of Kunlun Gas.

33 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。

截至二零二零年十二月三十一日止年度，收入約人民幣18,620百萬元(二零一九年：人民幣22,139百萬元)乃源自一名(二零一九年：一名)客戶，而與其交易佔本集團收入10%以上。收入來自天然氣銷售，LPG銷售，LNG加工與儲運以及勘探與生產板塊。

34 收購

於截至二零二零年十二月三十一日止年度，本公司全資附屬公司中石油昆侖燃氣有限公司(「昆侖燃氣」)訂立股權轉讓協議(「該等協議」)，以總現金代價人民幣1,486百萬元購買22間實體之股權(「收購事項」)。於收購事項完成後，22間實體(「被收購實體」)已成為昆侖燃氣之附屬公司。

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34 ACQUISITIONS (CONTINUED)

The fair value of the identifiable assets and liabilities of the acquired entities at the Acquisition date were as follows:

34 收購(續)

被收購實體於收購事項日期之可識別資產及負債之公平值如下:

		RMB'million 人民幣百萬元
Property, plant and equipment	物業、廠房及設備	4,211
Investments in joint ventures	於合資企業之投資	46
Intangible and other non-current assets	無形及其他非流動資產	518
Deferred tax assets	遞延稅項資產	1
Inventories	存貨	41
Accounts receivable	應收賬款	184
Prepaid expenses and other current assets	預付款及其他流動資產	456
Cash and cash equivalents	現金及現金等值項目	694
Accounts payable and accrued liabilities	應付賬款及應計負債	(1,259)
Short-term borrowings	短期借貸	(1,085)
Long-term borrowings	長期借貸	(1,238)
Deferred tax liabilities	遞延稅項負債	(150)
Other liabilities	其他負債	(61)
Fair value of identifiable net assets acquired	已收購可識別淨資產之公平值	2,358
Non-controlling interests	非控制性權益	(1,047)
Goodwill	商譽	175
Total consideration	總代價	1,486
Less: cash and cash equivalents acquired	減: 已收購現金及現金等值項目	(694)
Net cash outflow	現金流出淨額	792

Apart from net cash outflow for the acquisition of the acquired entities of RMB792 million, the Group also repaid consideration payable for entities acquired in 2019 amounted to RMB425 million during the year.

The gross contractual amounts of accounts receivables at the date of acquisition were amounted to RMB184 million. No contractual cash flows was expected to be uncollectable at the date of acquisition.

除收購被收購實體產生的現金流出淨額人民幣792百萬元外，本集團亦於年內償付就二零一九年所收購實體應付的代價人民幣425百萬元。

於收購日期應收賬款的總合約金額為人民幣184百萬元。於收購日期預期概無合約現金流為無法收回。

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34 ACQUISITIONS (CONTINUED)

The non-controlling interests recognised at the date of acquisition was measured by reference to the proportionate shares of the fair value of the net identifiable assets at the date of acquisition.

The goodwill is attributable mainly to the benefit arising from the exploration of new markets in Henan, Hebei, Jiangxi and other cities and synergies expected to be achieved from integrating the entities into the Group's existing businesses. None of the goodwill recognised is expected to be deductible for income tax purpose.

Acquisition-related costs amounting to RMB7 million have been charged to selling, general and administrative expenses in the consolidated statement of comprehensive income for the year ended 31 December 2020.

Included in the revenue and profit for the year ended 31 December 2020 are RMB2,814 million and RMB25 million, respectively, contributed from the acquired entities since the Acquisition date.

Had the Acquisition been completed on 1 January 2020, revenue and profit contributed from the acquired entities for the year would have been RMB4,200 million and RMB9 million, respectively.

2019 business combination

On 15 August 2019, Kunlun Gas, a wholly-owned subsidiary of the Company, entered into equity transfer agreements to acquire equity interests in seventeen entities at a total cash consideration of RMB1,640 million (the "2019 Acquisition"). The 2019 Acquisition was completed on 31 August 2019. Upon the completion of the 2019 Acquisition, fifteen entities have become the subsidiaries of Kunlun Gas while two entities have become the associates of Kunlun Gas.

34 收購(續)

於收購日期確認之非控制性權益乃經參考於收購日期應佔可識別淨資產之公平值之比例後計量。

商譽主要來自拓展河南、河北、江西及其他城市之新市場所帶來之益處及將實體整合至本集團現有業務而預期將產生之協同效應。概無已確認之商譽預期可用作扣除所得稅。

人民幣7百萬元之收購相關成本已自截至二零二零年十二月三十一日止年度之綜合全面收益表之銷售、一般性和管理費用內扣除。

自收購事項日期起由被收購實體貢獻之人民幣2,814百萬元及人民幣25百萬元已分別計入截至二零二零年十二月三十一日止年度之年度收入與溢利。

倘收購事項於二零二零年一月一日完成，則被收購實體於本年度貢獻之收入與溢利將分別為人民幣4,200百萬元及人民幣9百萬元。

二零一九年業務合併

於二零一九年八月十五日，本公司全資附屬公司昆侖燃氣訂立股權轉讓協議，以總現金代價人民幣1,640百萬元購買十七間實體之股權（「二零一九年收購事項」）。二零一九年收購事項已於二零一九年八月三十一日完成。於二零一九年收購事項完成後，十五間實體已成為昆侖燃氣之附屬公司而兩間實體已成為昆侖燃氣之聯營公司。

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35 DISCONTINUED OPERATIONS

On 22 December 2020, the Group entered into an agreement with PipeChina, pursuant to which the Company has conditionally agreed to sell and PipeChina has conditionally agreed to purchase the Company's equity interests in Beijing Pipeline and Dalian LNG at a base consideration of approximately RMB40,886 million (subject to the adjustments according to the price adjustment mechanism as set out in the agreement). Each of Beijing Pipeline, which used to be reported under the Group's "Natural Gas Pipeline" segment, and Dalian LNG, which used to be reported under the Group's "LNG Processing and Terminal" segment, represented a separate major line of the Group's business. Consequently, Beijing Pipeline and Dalian LNG were presented as discontinued operations with the associated assets and liabilities presented as a disposal group classified as held-for-sale in these financial statements.

Financial information relating to the discontinued operations is set out below.

35 已終止持續經營業務

於二零二零年十二月二十二日，本集團與國家管網集團訂立協議，據此本公司已有條件同意出售而國家管網集團已有條件同意收購本公司所持有北京管道公司及大連LNG公司之股權，基礎代價約為人民幣40,886百萬元（需根據協議所載價格調整機制進行調整）。北京管道公司（過往於本集團「天然氣管道」板塊下呈報）及大連LNG公司（過往於本集團「LNG加工與儲運」板塊下呈報）各自呈列為本集團之獨立主要業務線。因此，北京管道公司及大連LNG公司於該等財務報表中呈列為已終止持續經營業務，而相關資產及負債則呈列為分類為持作出售之出售組別。

已終止持續經營業務之財務資料載列如下。

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35 DISCONTINUED OPERATIONS (CONTINUED)

(a) Result of the discontinued operations

Profit for the year from the discontinued operations is analysed as follows:

35 已終止持續經營業務(續)

(a) 已終止持續經營業務之業績

來自已終止持續經營業務之年內溢利分析如下：

2020 二零二零年		Beijing Pipeline 北京管道公司 RMB'million 人民幣百萬元	Dalian LNG 大連LNG公司 RMB'million 人民幣百萬元	Total 總計 RMB'million 人民幣百萬元
Revenue	收入	9,022	1,054	10,076
Other gains, net	其他收益·淨額	238	4	242
Interest income	利息收入	15	24	39
Purchases, services and others	採購、服務及其他	(1,861)	(137)	(1,998)
Employee compensation costs	僱員酬金成本	(370)	(44)	(414)
Depreciation, depletion and amortisation	折舊、損耗及攤銷	(2,320)	(241)	(2,561)
Selling, general and administrative expenses	銷售、一般性和管理費用	(36)	(2)	(38)
Taxes other than income taxes	除所得稅以外之稅項	(74)	(18)	(92)
Interest expenses	利息支出	(117)	-	(117)
Profit before taxation	除稅前溢利	4,497	640	5,137
Income tax expense	所得稅費用	(1,046)	(153)	(1,199)
Profit for the year	年內溢利	3,451	487	3,938
Attributable to:	以下人士應佔：			
Owners of the Company	本公司股東	2,117	366	2,483
Non-controlling interests	非控制性權益	1,334	121	1,455
Profit for the year	年內溢利	3,451	487	3,938

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35 DISCONTINUED OPERATIONS (CONTINUED)

(a) Result of the discontinued operations
(Continued)

2019 二零一九年		Beijing Pipeline 北京管道公司 RMB'million 人民幣百萬元	Dalian LNG 大連LNG公司 RMB'million 人民幣百萬元	Total 總計 RMB'million 人民幣百萬元
Revenue	收入	10,144	1,375	11,519
Other gains, net	其他收益，淨額	307	13	320
Interest income	利息收入	9	—	9
Purchases, services and others	採購、服務及其他	(2,075)	(119)	(2,194)
Employee compensation costs	僱員酬金成本	(348)	(43)	(391)
Depreciation, depletion and amortisation	折舊、損耗及攤銷	(2,129)	(246)	(2,375)
Selling, general and administrative expenses	銷售、一般性和 管理費用	(69)	(12)	(81)
Taxes other than income taxes	除所得稅以外之稅項	(63)	(24)	(87)
Interest expenses	利息支出	(89)	—	(89)
Profit before taxation	除稅前溢利	5,687	944	6,631
Income tax expense	所得稅費用	(1,431)	(238)	(1,669)
Profit for the year	年內溢利	4,256	706	4,962
Attributable to:	以下人士應佔：			
Owners of the Company	本公司股東	2,600	528	3,128
Non-controlling interests	非控制性權益	1,656	178	1,834
Profit for the year	年內溢利	4,256	706	4,962

35 已終止持續經營業務(續)

(a) 已終止持續經營業務之
業績(續)

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35 DISCONTINUED OPERATIONS (CONTINUED)

(b) Cash flows from the discontinued operations

Cash flows for the year from the discontinued operations are analysed as follows:

2020 二零二零年		Beijing Pipeline 北京管道公司 RMB'million 人民幣百萬元	Dalian LNG 大連LNG公司 RMB'million 人民幣百萬元	Total 總計 RMB'million 人民幣百萬元
Net cash generated from operating activities	經營業務產生之現金淨額	5,954	668	6,622
Net cash used in investing activities	投資業務所用之現金淨額	(1,028)	(30)	(1,058)
Net cash used in financing activities	融資活動所用之現金淨額	(5,531)	(638)	(6,169)
Net cash outflows	現金流出淨額	(605)	-	(605)

35 已終止持續經營業務(續)

(b) 來自已終止持續經營業務之現金流量

來自已終止持續經營業務之年內現金流量分析如下：

2019 二零一九年		Beijing Pipeline 北京管道公司 RMB'million 人民幣百萬元	Dalian LNG 大連LNG公司 RMB'million 人民幣百萬元	Total 總計 RMB'million 人民幣百萬元
Net cash generated from operating activities	經營業務產生之現金淨額	6,329	986	7,315
Net cash used in investing activities	投資業務所用之現金淨額	(3,378)	(388)	(3,766)
Net cash used in financing activities	融資活動所用之現金淨額	(2,765)	(598)	(3,363)
Net cash inflows	現金流入淨額	186	-	186

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35 DISCONTINUED OPERATIONS (CONTINUED)

(c) Assets and liabilities associated with the disposal group classified as held-for-sale

The assets and liabilities associated with discontinued operations and presented as the disposal group classified as held-for-sale as at 31 December 2020 are as follows:

		NOTE 附註	Beijing Pipeline 北京管道公司 RMB'million 人民幣百萬元	Dalian LNG 大連LNG公司 RMB'million 人民幣百萬元	Total 總計 RMB'million 人民幣百萬元
Property, plant and equipment	物業、廠房及設備	16	41,058	2,536	43,594
Intangible and other non-current assets	無形及其他非流動資產		83	20	103
Inventories	存貨		159	1	160
Accounts receivable	應收賬款		25	-	25
Prepaid expenses and other current assets	預付款及其他流動資產		107	1	108
Cash and cash equivalents	現金及現金等值項目	24(a)	417	-	417
Assets associated with the disposal group classified as held-for-sale	與分類為持作出售之出售組別相關之資產		41,849	2,558	44,407
Accounts payable and accrued liabilities	應付賬款及應計負債		3,147	63	3,210
Income tax payable	應付所得稅		49	-	49
Other tax payable	其他應付稅項		46	33	79
Borrowings	借貸		6,500	-	6,500
Lease liabilities	租賃負債		33	4	37
Deferred tax liabilities	遞延稅項負債	29	403	66	469
Liabilities associated with the disposal group classified as held-for-sale	與分類為持作出售之出售組別相關之負債		10,178	166	10,344

35 已終止持續經營業務(續)

(c) 與分類為持作出售之出售組別相關之資產及負債

於二零二零年十二月三十一日與已終止持續經營業務相關並呈列為分類為持作出售之出售組別之資產及負債載列如下：

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36 NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

Pursuant to the potential disposal of discontinued operations (Note 35), the agreement entered into with PipeChina for the disposal of 60% equity interest in Beijing Pipeline and 75% equity interest in Dalian LNG was approved by shareholders at the special general meeting held on 12 March 2021.

37 COMPARATIVE FIGURES

Certain comparative figures have been adjusted to conform to the disclosure requirement in respect of the changes in segment reporting and discontinued operations set out in Note 33 and Note 35, respectively, to the consolidated financial statements.

38 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors on 23 March 2021 and will be submitted to the shareholders for adoption at the 2021 Annual General Meeting to be held on 26 May 2021 (Wednesday).

36 報告期後非調整事項

根據已終止持續經營業務潛在出售事項(附註35)，與國家管網集團所訂立有關出售北京管道公司60%股權及大連LNG公司75%股權的協議，已於二零二一年三月十二日舉行的股東特別大會上獲股東批准。

37 比較數據

若干比較數字已作調整以符合綜合財務報表附註33及附註35分別所載有關板塊報告及已終止持續經營業務變動之披露規定。

38 批准綜合財務報表

該綜合財務報表已於二零二一年三月二十三日獲董事會批准，並將提交予股東以於即將於二零二一年五月二十六日(星期三)召開之二零二一年股東週年大會上採納。

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39 PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries, all of which are limited liability companies at 31 December 2020, are as follows:

39 主要附屬公司

本公司二零二零年十二月三十一日之主要附屬公司(均為有限責任公司)之詳情如下:

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Particulars of issued and paid up capital/ registered capital 已發行及繳足股本/ 註冊資本之詳情	Type of legal entity 法定實體類別	Percentage of equity interest attributable to the Group 本集團應佔 權益百分比
Exploration, production and sales of crude oil in the PRC 在中國勘探、生產及銷售原油				
Beckbury International Limited	British Virgin Islands "BVI" 英屬處女群島	US\$1 1美元	Limited liability company 有限責任公司	100.00% (note (i)) (附註(i))
Exploration, production and sales of crude oil in Peru 在秘魯勘探、生產及銷售原油				
SAPET Development Corporation ("SAPET")	United States of America 美國	100 ordinary shares no par value 100股普通股無面值	Limited liability company 有限責任公司	50.00% (note (ii)) (附註(ii))
SAPET Development Peru Inc.	United States of America 美國	100 ordinary shares no par value 100股普通股無面值	Limited liability company 有限責任公司	50.00% (note (ii)) (附註(ii))
Exploration, production and sales of crude oil in Thailand 在泰國勘探、生產及銷售原油				
Central Place Company Limited	Hong Kong 香港	160 ordinary shares 160股普通股	Limited liability company 有限責任公司	100.00%
Sino-U.S. Petroleum Inc.	United States of America 美國	US\$1,000 1,000美元	Limited liability company 有限責任公司	100.00%
CNPCHK (Thailand) Limited	Thailand 泰國	Baht100 million 100百萬泰銖	Limited liability company 有限責任公司	100.00%
Exploration, production and sales of crude oil in Azerbaijan 在阿塞拜疆勘探、生產及銷售原油				
Fortunemate Assets Limited	BVI 英屬處女群島	US\$1 1美元	Limited liability company 有限責任公司	100.00% (note (i)) (附註(i))

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39 PRINCIPAL SUBSIDIARIES (CONTINUED)

39 主要附屬公司(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Particulars of issued and paid up capital/ registered capital 已發行及繳足股本/ 註冊資本之詳情	Type of legal entity 法定實體類別	Percentage of equity interest attributable to the Group 本集團應佔 權益百分比
Exploration, production and sales of crude oil in Kazakhstan 在哈薩克斯坦勘探、生產及銷售原油				
CNPC International (Caspian) Limited	BVI 英屬處女群島	US\$100 100美元	Limited liability company 有限責任公司	60.00%
Natural gas business 天然氣業務				
Kunlun Gas 昆侖燃氣	PRC 中國	RMB8,560 million 人民幣8,560百萬元	Limited liability company 有限責任公司	100.00% (note (i)) (附註(i))
Xinjiang Xinjie Co., Ltd. 新疆新捷股份有限公司	PRC 中國	RMB4,370 million 人民幣4,370百萬元	Limited liability company 有限責任公司	98.50% (note (i)) (附註(i))
華油天然氣股份有限公司	PRC 中國	RMB2,082 million 人民幣2,082百萬元	Limited liability company 有限責任公司	77.88% (note (i)) (附註(i))
CNPC Shennan Oil Technology Development Co., Ltd. 海南中油深南石油技術開發有限公司	PRC 中國	RMB3,102 million 人民幣3,102百萬元	Limited liability company 有限責任公司	100.00% (note (i)) (附註(i))
Kunlun Energy Investment Shandong Company Limited 昆侖能源投資(山東)有限公司	PRC 中國	RMB1,700 million 人民幣1,700百萬元	Limited liability company 有限責任公司	100.00% (note (i)) (附註(i))
Huangang Gas Group Company Limited 華港燃氣集團有限公司	PRC 中國	RMB1,500 million 人民幣1,500百萬元	Limited liability company 有限責任公司	51.00% (note (i)) (附註(i))
四川川港燃氣有限責任公司	PRC 中國	RMB900 million 人民幣900百萬元	Limited liability company 有限責任公司	51.00% (note (i)) (附註(i))
新疆博瑞能源有限公司	PRC 中國	RMB500 million 人民幣500百萬元	Limited liability company 有限責任公司	94.00% (note (i)) (附註(i))

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39 PRINCIPAL SUBSIDIARIES (CONTINUED)

39 主要附屬公司(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Particulars of issued and paid up capital/ registered capital 已發行及繳足股本/ 註冊資本之詳情	Type of legal entity 法定實體類別	Percentage of equity interest attributable to the Group 本集團應佔 權益百分比
Natural gas business (Continued) 天然氣業務(續)				
昆侖能源青海有限公司	PRC 中國	RMB195 million 人民幣195百萬元	Limited liability company 有限責任公司	100.00% (note (i)) (附註(i))
Kunlun Energy (Liaoning) Company Limited 昆侖能源(遼寧)有限公司	PRC 中國	RMB192 million 人民幣192百萬元	Limited liability company 有限責任公司	100.00% (note (i)) (附註(i))
昆侖能源西藏有限公司	PRC 中國	RMB48 million 人民幣48百萬元	Limited liability company 有限責任公司	100.00% (note (i)) (附註(i))
昆侖能源(甘肅)有限公司	PRC 中國	RMB105 million 人民幣105百萬元	Limited liability company 有限責任公司	100.00% (note (i)) (附註(i))
Cangzhou Gas Limited Company Petrochina 滄州中油燃氣有限公司	PRC 中國	RMB200 million 人民幣200百萬元	Limited liability company 有限責任公司	51.00% (note (i)) (附註(i))
Petrochina Tianjin Gas Pipeline Co., Ltd. 中石油天津天然氣管道有限公司	PRC 中國	RMB255 million 人民幣255百萬元	Limited liability company 有限責任公司	100.00% (note (i)) (附註(i))
Jiangsu LNG 江蘇LNG	PRC 中國	RMB3,166 million 人民幣3,166百萬元	Limited liability company 有限責任公司	55.00% (note (i)) (附註(i))
Jingtang Co. 京唐公司	PRC 中國	RMB3,150 million 人民幣3,150百萬元	Limited liability company 有限責任公司	51.00%
Dalian LNG 大連LNG公司	PRC 中國	RMB2,600 million 人民幣2,600百萬元	Limited liability company 有限責任公司	75.00% (note (iii)) (附註(iii))
Beijing Pipeline 北京管道公司	PRC 中國	RMB21,408 million 人民幣21,408百萬元	Limited liability company 有限責任公司	60.00% (note (iii)) (附註(iii))

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39 PRINCIPAL SUBSIDIARIES (CONTINUED)

Notes:

- (i) Shares are held directly by the Company.
- (ii) In accordance with the share purchase agreement dated 8 September 2001, the Group has the rights to variable returns from its involvement with SAPET and has the ability to affect those returns through its power over SAPET. As a result, SAPET is accounted for as a subsidiary of the Company.

Since SAPET Development Peru Inc. is wholly-owned by SAPET, it is also accounted for as the subsidiary of the Company.

- (iii) The entities are classified under discontinued operations during the year.

39 主要附屬公司(續)

附註：

- (i) 由本公司直接持有股份。
- (ii) 根據日期為二零零一年九月八日之購股協議，本集團有權利因參與SAPET業務而享有可變現回報，並有能力透過其對SAPET擁有的權力而影響該等回報。因此，SAPET被視為本公司之附屬公司。

因SAPET Development Peru Inc.由SAPET全資擁有，故其亦被視為本公司之附屬公司。

- (iii) 該等實體年內列入已終止持續經營業務項下。

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40 PRINCIPAL ASSOCIATES

At 31 December 2020, the Group had interest in the following principal associates:

40 主要聯營公司

於二零二零年十二月三十一日，本集團於以下主要聯營公司擁有權益：

Name of associate 聯營公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Particulars of issued and paid up capital/ registered capital 已發行及繳足股本/ 註冊資本之詳情	Type of legal entity 法定實體類別	Percentage of equity interest attributable to the Group 本集團應佔 權益百分比
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Exploration, production and sales of crude oil in Kazakhstan

在哈薩克斯坦勘探、生產及銷售原油

Aktobe	Kazakhstan 哈薩克斯坦	8,946,470 common shares of 1,500 tenge each (note (i)) 8,946,470股每股面值 1,500堅戈之普通股 (附註(i))	Joint-stock company 股份制公司	15.07% (note (ii)) (附註(ii))
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Natural gas distribution in the PRC

在中國分銷天然氣

China City Natural Gas Investment Group Co., Ltd. 中油中泰燃氣投資集團有限公司	PRC 中國	RMB1,000 million 人民幣1,000百萬元	Limited liability company 有限責任公司	49.00% (note (iii)) (附註(iii))
Qingdao Port Dongjiakou Liquid Chemical Terminal Co., Ltd. 青島港董家口液體化工碼頭有限公司	PRC 中國	RMB710 million 人民幣710百萬元	Limited liability company 有限責任公司	49.00% (note (iii)) (附註(iii))

Notes:

附註：

- | | |
|--|---|
| <p>(i) Issued and paid up share capital of Aktobe consists of 8,946,470 ordinary shares and 943,955 preference shares. The preference shares give their holders the right to participate in general shareholders' meetings without voting rights generally.</p> <p>(ii) The effective equity interest of Aktobe attributable to the Group is 15.07% as the 25.12% equity interest in Aktobe is held by a non-wholly owned subsidiary in which the Group holds a 60% equity interest.</p> <p>(iii) Shares held directly by the Company.</p> | <p>(i) Aktobe 已發行及繳足股本包括 8,946,470 股普通股及 943,955 股優先股。優先股賦予其持有人權利參與股東週年大會(而通常沒有投票權)。</p> <p>(ii) 由於 Aktobe 之 25.12% 股權由本集團持有 60% 股權之非全資附屬公司持有，故本集團應佔 Aktobe 之實際股權為 15.07%。</p> <p>(iii) 由本公司直接持有股份。</p> |
|--|---|

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41 PRINCIPAL JOINT VENTURES

As at 31 December 2020, the Group had interest in the following principal joint ventures:

41 主要合資企業

於二零二零年十二月三十一日，本集團於以下主要合資企業擁有權益：

Name of joint venture 合資企業名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Particulars of issued and paid up capital/ registered capital 已發行及繳足股本/ 註冊資本之詳情	Type of legal entity 法定實體類別	Percentage of equity interest attributable to the Group 本集團應佔 權益百分比
Exploration, production and sales of crude oil in Oman 在阿曼勘探、生產及銷售原油				
Mazoon Petrogas (BVI) Limited	BVI 英屬處女群島	50,000 ordinary shares of US\$1 each 50,000股每股面值 1美元之普通股	Limited liability company 有限責任公司	50.00% (note) (附註)
Production of petro-chemical products in the PRC 於中國生產石油化工產品				
青島慶昕塑料有限公司	PRC 中國	RMB223 million 人民幣223百萬元	Limited liability company 有限責任公司	25.00% (note) (附註)
Natural gas business 天然氣業務				
Xi'an Qinggang Clean Energy Technology Co., Ltd. 西安慶港潔能科技有限公司	PRC 中國	RMB337 million 人民幣337百萬元	Limited liability company 有限責任公司	50.00% (note) (附註)
Binhai New Energy Co., Ltd. 天津大港油田濱海新能油氣有限公司	PRC 中國	RMB229 million 人民幣229百萬元	Limited liability company 有限責任公司	50.00% (note) (附註)
Jilin Jigang Clean Energy Co., Ltd. 吉林吉港清潔能源有限公司	PRC 中國	RMB657 million 人民幣657百萬元	Limited liability company 有限責任公司	50.00% (note) (附註)

Note: The shares of the above principal joint ventures are held directly by the Company.

附註：上述主要合資企業的股份由本公司直接持有。

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42 COMPANY – LEVEL STATEMENT OF FINANCIAL POSITION

42 公司層面財務狀況表

		31 December 2020 二零二零年 十二月三十一日 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	7	9
Investments in associates	於聯營公司之投資	1,306	1,306
Investments in joint ventures	於合資企業之投資	971	973
Investments in subsidiaries	於附屬公司之投資	58,314	56,114
Loans to a subsidiary	貸款予一間附屬公司	-	4,211
Other non-current assets	其他非流動資產	1	-
		60,599	62,613
Current assets	流動資產		
Prepaid expenses and other current assets	預付款及其他流動資產	3,325	5,218
Cash and cash equivalents	現金及現金等值項目	1,738	687
		5,063	5,905
Total assets	總資產	65,662	68,518
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	71	71
Retained earnings	滾存盈利	19,508	17,779
Other reserves	其他儲備	35,993	35,993
		55,572	53,843
Liabilities	負債		
Current liabilities	流動負債		
Accounts payable and accrued liabilities	應付賬款及應計負債	918	1,013
Short-term borrowings	短期借貸	-	3,486
Income tax payable	應付所得稅	17	32
Lease liabilities	租賃負債	2	2
		937	4,533

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

42 COMPANY – LEVEL STATEMENT OF FINANCIAL POSITION (CONTINUED)

42 公司層面財務狀況表(續)

		31 December 2020 二零二零年 十二月三十一日 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
		Note 附註	
Non-current liabilities	非流動負債		
Long-term borrowings	長期借貸	9,149	10,135
Lease liabilities	租賃負債	4	7
		9,153	10,142
Total liabilities	總負債	10,090	14,675
Total equity and liabilities	權益及負債總額	65,662	68,518
Net current assets	流動資產淨值	4,126	1,372
Total assets less current liabilities	總資產減流動負債	64,725	63,985

43 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

43 直接及最終控股人士

At 31 December 2020, the Directors consider the immediate parent and ultimate controlling party of the Group to be PetroChina HK and CNPC which are incorporated in the BVI and established in the PRC, respectively. PetroChina, an intermediate holding company, produces financial statements available for public use.

於二零二零年十二月三十一日，董事認為本集團直接母公司及最終控股人士為中石油香港有限公司及中國石油集團，分別於英屬處女群島及中國註冊成立。中國石油，為一間間接控股公司，編製可供公眾人士使用之財務報表。

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44 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2020

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and a new standard, HKFRS 17 *Insurance contracts*, which are not yet effective for the year ended 31 December 2020 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

44 截至二零二零年十二月三十一日止年度已頒佈但並未生效的修訂、新準則及詮釋的可能影響

截至該等財務報表發佈日期，香港會計師公會已頒佈多項修訂及一項新準則香港財務報告準則第17號「保險合約」，於截至二零二零年十二月三十一日止年度仍未生效，亦未採納在該等財務報表中。該等發展包括以下可能與本集團相關之修訂。

Effective for
accounting periods
beginning on or after
於以下日期或之後開始之
會計期間生效

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, <i>Interest Rate Benchmark Reform – Phase 2</i> 香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、 香港財務報告準則第4號及香港財務報告準則第16號(修訂本)[利率基準改革 — 第二階段]	1 January 2021 二零二一年一月一日
Amendments to HKFRS 3, <i>Reference to the Conceptual Framework</i> 香港財務報告準則第3號(修訂本)[對概念框架之提述]	1 January 2022 二零二二年一月一日
Amendments to HKAS 16, <i>Property, Plant and Equipment: Proceeds before Intended Use</i> 香港會計準則第16號(修訂本)[物業、廠房及設備：作擬定用途前之所得款項]	1 January 2022 二零二二年一月一日
Amendments to HKAS 37, <i>Onerous Contracts – Cost of Fulfilling a Contract</i> 香港會計準則第37號(修訂本)[虧損性合約 – 履行合約之成本]	1 January 2022 二零二二年一月一日
Annual Improvements to HKFRSs 2018–2020 Cycle 香港財務報告準則二零一八年至二零二零年週期之年度改進	1 January 2022 二零二二年一月一日
Amendments to HKAS 1, <i>Classification of Liabilities as Current or Non-current</i> 香港會計準則第1號(修訂本)[分類負債為流動或非流動]	1 January 2023 二零二三年一月一日

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

本集團現正評估該等修訂及新準則於首次應用期間之預期影響。目前本集團認為採納該等修訂及新準則對綜合財務報表應不會造成重大影響。

RESERVE QUANTITIES INFORMATION

儲量資料

INFORMATION ON EXPLORATION AND PRODUCTION SEGMENT

In accordance with the Listing Rule 18.18, this section provides supplemental information on oil and gas producing activities of the Group.

Proved Oil and Gas Reserve Estimates

The following table sets forth the Company's estimated proved developed reserves and proved reserves as at December 2018, 2019 and 2020. The tables are formulated on the basis of reports prepared by DeGolyer and MacNaughton and Ryder Scott Company, independent engineering consultancy companies.

CRUDE OIL

有關勘探與生產板塊之資料

根據上市規則第18.18條，本節提供有關本集團油氣生產活動的補充資料。

探明油氣儲量估計

下表載列本公司於二零一八年、二零一九年及二零二零年十二月之估計探明已開發儲量及探明儲量。該等表格乃根據獨立工程顧問公司DeGolyer and MacNaughton和Ryder Scott Company編製之報告而編製。

原油

		Proved developed reserves (Estimation) 探明已開發 儲量(估計) (million barrels) (百萬桶)	Proved reserves (Estimation) 探明儲量 (估計) (million barrels) (百萬桶)
Reserve as at 31 December 2017	於二零一七年十二月三十一日 之儲量	49.3	64.9
2018 Revision	二零一八年修訂	11.8	8.9
2018 Production	二零一八年產量	(13.8)	(13.8)
Reserve as at 31 December 2018	於二零一八年十二月三十一日 之儲量	47.3	60.0
2019 Revision	二零一九年修訂	6.8	8.8
2019 Production	二零一九年產量	(13.7)	(13.7)
Reserve as at 31 December 2019	於二零一九年十二月三十一日 之儲量	40.4	55.1
2020 Revision	二零二零年修訂	9.9	10.7
2020 Production	二零二零年產量	(12.3)	(12.3)
Reserve as at 31 December 2020	於二零二零年十二月三十一日 之儲量	38.0	53.5

RESERVE QUANTITIES INFORMATION

儲量資料

NATURAL GAS

天然氣

		Proved developed reserves (Estimation) 探明已開發儲量(估計) (million cu feet) (百萬立方呎)	Proved reserves (Estimation) 探明儲量(估計) (million cu feet) (百萬立方呎)
Reserve as at 31 December 2017	於二零一七年十二月三十一日之儲量	203,977.3	209,532.5
2018 Revision	二零一八年修訂	4,012.4	11,762.5
2018 Production	二零一八年產量	(33,389.9)	(33,389.9)
Reserve as at 31 December 2018	於二零一八年十二月三十一日之儲量	174,599.8	187,905.1
2019 Revision	二零一九年修訂	1,855.5	1,089.8
2019 Production	二零一九年產量	(32,926.1)	(32,926.1)
Reserve as at 31 December 2019	於二零一九年十二月三十一日之儲量	143,529.2	156,068.8
2020 Revision	二零二零年修訂	5,954.7	9,435.9
2020 Production	二零二零年產量	(26,121.6)	(26,121.6)
Reserve as at 31 December 2020	於二零二零年十二月三十一日之儲量	123,362.3	139,383.1

Definition:

The petroleum reserves are classified as follows:

Proved oil and gas reserves – Proved oil and gas reserves are those quantities of oil and gas, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible – from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations – prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.

釋義：

石油儲量分類如下：

探明油氣儲量 – 探明油氣儲量為自給定日期至合同約定權利到期日(除非有證據合理保證該權利能夠得到延期)，透過地球科學和工程數據的分析，採用確定性或概率性評估，以現有經濟、作業和政府管制條件，可以合理確定已知油氣藏經濟可採油氣的數量。項目須已開始萃取煙或作業者須合理確定其將於合理時間內開始項目。

- (i) The areas of the reservoir considered as proved includes:
- (A) The area identified by drilling and limited by fluid contracts, if any, and (B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.
- (ii) In the absence of data on fluid contracts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.
- (iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.
- (iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:
- (A) Successful testing by a pilot project in an area of the reservoir with properties no more favourable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and (B) The project has been approved for development by all necessary parties and entities, including governmental entities.
- (v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.
- (i) 可視為已探明油氣藏的區域包括：
- (A) 鑽井劃定及流體介面圈定(如有)的地區，及(B)根據可用地質及工程資料可合理斷定其可以持續用於一定經濟可開採油氣的油氣藏附近未鑽探部份。
- (ii) 若缺乏流體介面資料，除非地質、工程或表現資料及可靠技術確定合理存在較低含量，否則油氣藏內之探明儲量乃根據油井滲透所示的最低探明含烴量(LKH)而定。
- (iii) 當透過井眼直接觀測已確定最高探明含油量高位(HKO)及存在潛在相關天然氣上限，則除非地質、工程或表現資料及可靠技術確定合理存在較高含量，否則探明石油儲量可分派至油氣藏構造較高的地區。
- (iv) 通過應用提高採收率技術(包括但不限於注流體)可以經濟採出的儲量包括在探明儲量之列，倘：
- (A)一旦油氣藏(其物業不如整體油氣藏優越)的先導性試驗項目試驗成功、油氣藏或類似油氣藏既定方案作業成功或使用可靠技術的其他證據探明項目和方案所依據的工程方法合理可靠的話；及(B)該項目已獲所有必要人士及實體(包括政府實體)批准進行開發。
- (v) 現有的經濟條件包含確定一個油氣藏經濟生產能力的價格和成本。除非由合同約定，該價格是指在本報告期截止日以前的十二個月的算術平均價格，乃確定為該期間內每個月第一天價格的未加權算術平均數，但不包括基於未來條件做出的價格調整。

RESERVE QUANTITIES INFORMATION

儲量資料

Developed oil and gas reserves – Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

- (i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and
- (ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Undeveloped oil and gas reserves – Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required from recompletion.

- (i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.
- (ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.
- (iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, or by other evidence using reliable technology establishing reasonable certainty.

已開發油氣儲量 – 已開發油氣儲量為預期可透過以下方式開採的儲量：

- (i) 利用現有設備和作業方法，或者開採儲量所需的開發設備成本明顯低於鑽探一口新井所需成本，可從現有油氣井中進行開採的儲量；及
- (ii) 當通過除油氣井開採外的其他方式進行開採，利用儲量估計時點已安裝的開採設備和基礎設施可開採的儲量。

未開發油氣儲量 – 未開發油氣儲量指預期可從未鑽區域的新井中採出，或再完井需要較高支出的現有井中採出的儲量。

- (i) 未鑽區域的儲量僅限於直接扣除開發間距區域，有一定把握在鑽後能採油，除非證實運用可靠技術能有一定把握在更遠距離在經濟上可生產。
- (ii) 倘已採納的開發方案表明計劃在五年內(在特定環境下須較長時間者除外)鑽井，未鑽區域方可分類為擁有未開發儲量。
- (iii) 任何未開發儲量的估計均不得包括擬運用流體注入或其他改良採油技術的任何區域，除非該等技術已通過在相同油藏或類似油藏的實際項目，或通過採用可靠技術證實有一定把握的其他證據證明為有效。

Results of Operations for Exploration and Production Segment

勘探與生產板塊經營業績

RMB'million
人民幣百萬元

For the year ended 31 December 2020	截至二零二零年十二月三十一日止年度	
Gross revenue	總收入	1,226
Less: Inter-company adjustment	減：公司間調整	-
Revenue from external customers	來自外部客戶之收入	1,226
Segment results	板塊業績	(249)
Share of profits less losses of:	應佔溢利減虧損：	
- Associates	- 聯營公司	(98)
- Joint ventures	- 合資企業	103
Profit before income tax expense	除所得稅費用前溢利	(244)
Segment results included:	板塊業績包括：	
- Interest income	- 利息收入	8
- Depreciation, depletion and amortisation	- 折舊、損耗及攤銷	(321)
- Interest expenses	- 利息支出	(1)
- Net exchange losses	- 匯兌虧損淨額	(13)

RMB'million
人民幣百萬元

For the year ended 31 December 2019	截至二零一九年十二月三十一日止年度	
Gross revenue	總收入	2,004
Less: Inter-company adjustment	減：公司間調整	-
Revenue from external customers	來自外部客戶之收入	2,004
Segment results	板塊業績	250
Share of profits less losses of:	應佔溢利減虧損：	
- Associates	- 聯營公司	621
- Joint ventures	- 合資企業	219
Profit before income tax expense	除所得稅費用前溢利	1,090
Segment results included:	板塊業績包括：	
- Interest income	- 利息收入	9
- Depreciation, depletion and amortisation	- 折舊、損耗及攤銷	(297)
- Interest expenses	- 利息支出	-
- Net exchange losses	- 匯兌虧損淨額	(37)

RESERVE QUANTITIES INFORMATION

儲量資料

Costs Incurred for Property Acquisitions, Exploration and Production:

物業收購、勘探與生產產生之成本：

Costs Incurred for Property Acquisitions, Exploration and Development Activities

物業收購、勘探與開發活動產生之成本

		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
The Group	本集團		
Property acquisition costs	物業收購成本	-	-
Exploration costs	勘探成本	-	-
Development cost	開發成本	13	130
Total	總計	13	130
Equity method investments	權益法投資		
Share of costs of property acquisition, exploration and development of associates and joint ventures	分佔聯營公司及合資企業的物業收購、勘探及開發成本	476	652

BOARD OF DIRECTORS

Executive Directors

Mr Fu Bin (*Chairman*)
(Appointed on 19 November 2020)
Mr Qian Zhijia (*Chief Executive Officer*)
(Appointed on 19 November 2020)
Mr Zhou Yuanhong
Mr Miao Yong (*Chief Financial Officer*)
Mr Ling Xiao (*Chairman*)
(Resigned on 19 November 2020)
Mr Zhao Yongqi (*Chief Executive Officer*)
(Resigned on 19 November 2020)
Mr Zhao Zhongxun
(Resigned on 19 May 2020)

Independent Non-executive Directors

Dr Liu Xiao Feng
Mr Sun Patrick
Mr Tsang Yok Sing Jasper
Mr Li Kwok Sing Aubrey
(Retired on 27 May 2020 and did not offer himself for re-election)

COMPANY SECRETARY

Mr Xie Mao
(Appointed on 17 December 2020)
Mr Cheng Cheng
(Resigned on 17 December 2020)

BERMUDA RESIDENT REPRESENTATIVE

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

AUDITOR

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

BANKERS

Industrial and Commercial Banking 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

付斌先生(*主席*)
(於二零二零年十一月十九日獲委任)
錢治家先生(*行政總裁*)
(於二零二零年十一月十九日獲委任)
周遠鴻先生
繆勇先生(*財務總監*)
凌霄先生(*主席*)
(於二零二零年十一月十九日辭任)
趙永起先生(*行政總裁*)
(於二零二零年十一月十九日辭任)
趙忠勳先生
(於二零二零年五月十九日辭任)

獨立非執行董事

劉曉峰博士
辛定華先生
曾鈺成先生
李國星先生
(於二零二零年五月二十七日退任，
並不膺選連任)

公司秘書

謝茂先生
(於二零二零年十二月十七日獲委任)
成城先生
(於二零二零年十二月十七日辭任)

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
於《財務匯報局條例》下的註冊
公眾利益實體核數師

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>

CORPORATE INFORMATION

公司資料

PRINCIPAL BOARD COMMITTEES

Audit Committee

Mr Sun Patrick (*Chairman*)
Dr Liu Xiao Feng
Mr Tsang Yok Sing Jasper
Mr Li Kwok Sing Aubrey
(Retired on 27 May 2020 and did not offer himself for re-election)

Remuneration Committee

Dr Liu Xiao Feng (*Chairman*)
Mr Sun Patrick
Mr Tsang Yok Sing Jasper
Mr Li Kwok Sing Aubrey (*Chairman*)
(Retired on 27 May 2020 and did not offer himself for re-election)

Nomination Committee

Mr Fu Bin (*Chairman*)
(Appointed on 19 November 2020)
Dr Liu Xiao Feng
Mr Sun Patrick
Mr Tsang Yok Sing Jasper
Mr Ling Xiao (*Chairman*)
(Resigned on 19 November 2020)
Mr Li Kwok Sing Aubrey
(Retired on 27 May 2020 and did not offer himself for re-election)

SOLICITOR

King & Wood Mallesons
(The Company engages Clifford Chance in 2020 and King & Wood Mallesons in 2021)

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11, Bermuda

PRINCIPAL OFFICE

39/F., 118 Connaught Road West
Hong Kong
Telephone: 2522 2282
E-mail: info@kunlun.com.hk
Fax: 2868 1741

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
李國星先生
(於二零二零年五月二十七日退任，並不膺選連任)

薪酬委員會

劉曉峰博士(*主席*)
辛定華先生
曾鈺成先生
李國星先生(*主席*)
(於二零二零年五月二十七日退任，並不膺選連任)

提名委員會

付斌先生(*主席*)
(於二零二零年十一月十九日獲委任)
劉曉峰博士
辛定華先生
曾鈺成先生
凌霄先生(*主席*)
(於二零二零年十一月十九日辭任)
李國星先生
(於二零二零年五月二十七日退任，並不膺選連任)

律師

金杜律師事務所
(本公司於二零二零年聘用高偉紳律師行及於二零二一年聘用金杜律師事務所)

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



KunLun Energy Company Limited
昆侖能源有限公司

Room 3907-3910 39/F, 118 Connaught Road West, Hong Kong
香港干諾道西118號39樓3907-3910室

Tel 電話: (852) 2522-2282 Fax 傳真: (852) 2868-1741

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

