



KunLun Energy Company Limited

(incorporated in Bermuda with limited liability)

昆侖能源有限公司

(Stock Code: 00135.HK)

Annual Report 2017 年報





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BOARD OF DIRECTORS

Executive Directors

Mr Ling Xiao (*Chairman*)⁽¹⁾
Mr Zhao Yongqi (*Chief Executive Officer*)
Mr Zhao Zhongxun
Mr Zhou Yuanhong ⁽¹⁾
Mr Miao Yong ⁽¹⁾

Independent Non-executive Directors

Mr Li Kwok Sing Aubrey
Dr Liu Xiao Feng
Mr Sun Patrick

COMPANY SECRETARY

Mr Cheng Cheng

BERMUDA RESIDENT REPRESENTATIVE

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

AUDITOR

KPMG

BANKERS

Industrial and Commercial 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

董事會

執行董事

凌霄先生 (*主席*)⁽¹⁾
趙永起先生 (*行政總裁*)
趙忠勳先生
周遠鴻先生 ⁽¹⁾
繆勇先生 ⁽¹⁾

獨立非執行董事

李國星先生
劉曉峰博士
辛定華先生

公司秘書

成城先生

駐百慕達代表

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

核數師

畢馬威會計師事務所

往來銀行

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

股份代號

香港聯合交易所有限公司
00135.HK

Note (1): Appointed on 12 January 2018

附註(1)：於二零一八年一月十二日獲委任

WEBSITE

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

PRINCIPAL BOARD COMMITTEES

Audit Committee

Mr Sun Patrick (*Chairman*)
Mr Li Kwok Sing Aubrey
Dr Liu Xiao Feng

Remuneration Committee

Mr Li Kwok Sing Aubrey (*Chairman*)
Dr Liu Xiao Feng
Mr Sun Patrick

Nomination Committee

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

SOLICITOR

Clifford Chance

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 22
Hopewell Centre
183 Queen's Road East
Hong Kong

網站

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

主要董事委員會

審核委員會

辛定華先生 (*主席*)
李國星先生
劉曉峰博士

薪酬委員會

李國星先生 (*主席*)
劉曉峰博士
辛定華先生

提名委員會

凌霄先生 (*主席*)⁽¹⁾
李國星先生
劉曉峰博士
辛定華先生

律師

高偉紳律師行

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11, Bermuda

主要辦事處

香港
干諾道西118號39樓
電話：2522 2282
電子郵件：info@kunlun.com.hk
圖文傳真：2868 1741

主要股份過戶登記處

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

香港股份過戶登記處

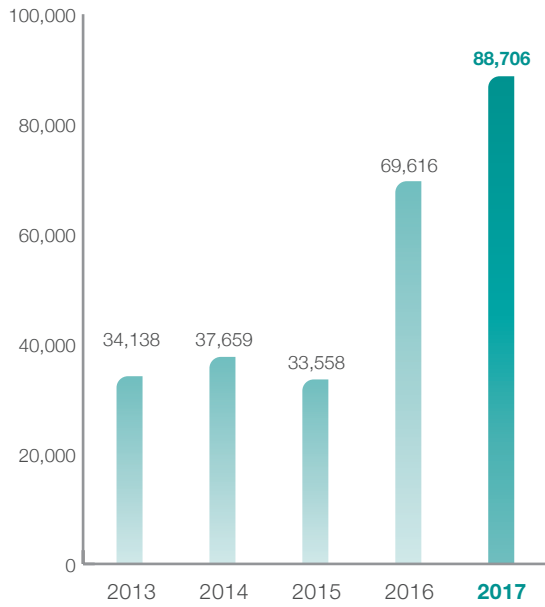
卓佳秘書商務有限公司
香港
皇后大道東183號
合和中心22樓

Financial and Operational Highlights

財務及業務摘要

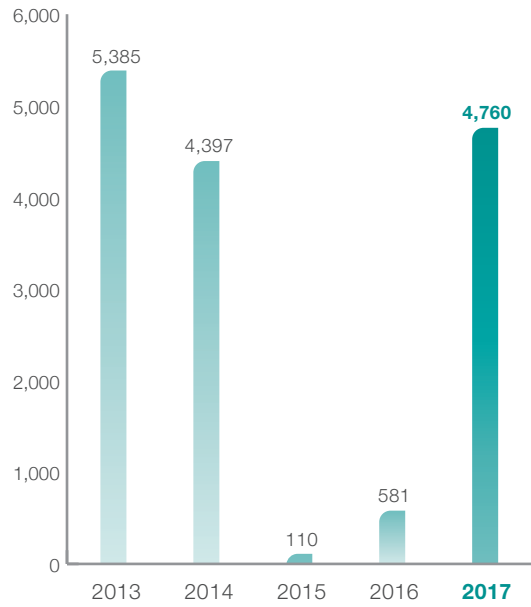
Revenue 收入

Currency unit: Renminbi in millions
貨幣單位：百萬人民幣



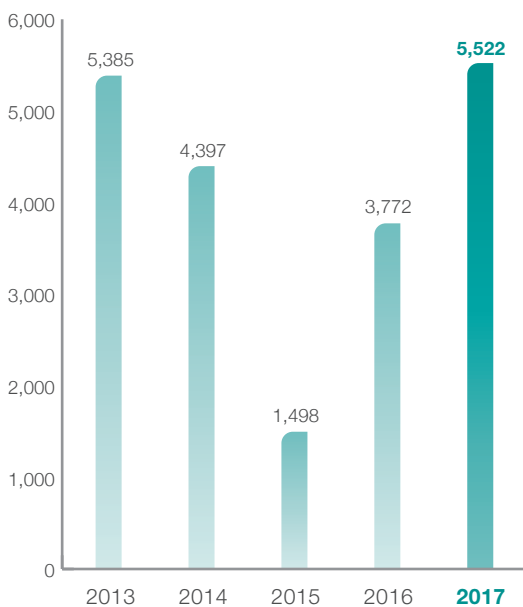
Profit for the year attributable to owners of the Company 本公司股東年內應佔溢利

Currency unit: Renminbi in millions
貨幣單位：百萬人民幣



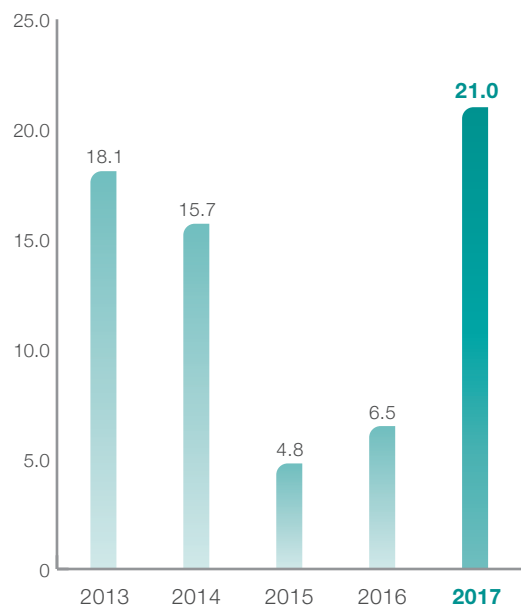
Core profit attributable to owners of the Company 本公司股東應佔核心溢利

Currency unit: Renminbi in millions
貨幣單位：百萬人民幣



Dividend per share 每股股息

Currency unit: RMB cent
貨幣單位：人民幣分



Financial and Operational Highlights

財務及業務摘要

Currency unit: Renminbi in millions

貨幣單位：百萬人民幣

		2017 二零一七年	2016 二零一六年 (restated) (重列) note 10 附註10	2016 二零一六年 (unrestated) (未重列) note 11 附註11	2015 二零一五年 (unrestated) (未重列) note 12 附註12	2014 二零一四年 (unrestated) (未重列) note 12 附註12	2013 二零一三年 (unrestated) (未重列) note 12 附註12
For the year ended							
31 December							
	截至十二月三十一日止年度						
Revenue and profit		收入與溢利					
Revenue	收入	88,706	70,400	69,616	33,558	37,659	34,138
Profit before income tax expense	除所得稅費用前溢利	11,480	6,291	6,067	3,971	9,372	11,282
Profit for the year	年內溢利	7,949	3,091	2,923	1,870	6,957	8,260
Profit for the year attributable to owners of the Company	本公司股東年內應佔溢利	4,760	666	581	110	4,397	5,385
Core profit before income tax expense	除所得稅費用前核心溢利	12,268	10,204	9,980	5,360	9,372	11,282
Core profit attributable to owners of the Company	本公司股東應佔核心溢利	5,522	3,857	3,772	1,498	4,397	5,385
Adjusted earnings before interest, taxes, depreciation and amortisation (EBITDA)	經調整利息、稅項、折舊及攤銷前盈利(EBITDA)	18,853	16,245	15,659	9,900	13,809	15,151
Assets and liabilities		資產與負債					
Non-current assets	非流動資產	107,663	99,711	94,731	75,160	77,672	74,952
Current assets	流動資產	32,895	29,223	28,570	15,477	15,531	17,739
Non-current liabilities	非流動負債	35,482	22,099	22,099	14,691	14,960	15,567
Current liabilities	流動負債	39,451	44,940	42,302	16,972	19,401	21,051
Net assets	資產淨額	65,625	61,895	58,900	58,974	58,842	56,073
Capital and reserve		股本與儲備					
Share capital	股本	65	65	65	65	65	65
Reserve	儲備	14,680	15,951	14,588	19,591	19,828	20,014
Equity attributable to owners of the Company	本公司股東應佔權益	40,025	37,852	36,324	41,195	41,877	39,110
Non-controlling interests	非控制性權益	25,600	24,043	22,576	17,779	16,965	16,963

Financial and Operational Highlights

財務及業務摘要

2017
二零一七年

2016
二零一六年
(restated)
(重列)
note 10
附註 10

For the year ended
31 December

截至十二月三十一日止年度

Financial indicators	財務指標			Increase/ (Decrease) 增加/(減少)
Net profit margin ⁽¹⁾	淨利潤率 ⁽¹⁾	8.96%	4.39%	4.57
Return on total assets (ROA) ⁽²⁾	總資產回報率 (ROA) ⁽²⁾	5.90%	2.43%	3.47
Return on capital employed (ROCE) ⁽³⁾	淨資本回報率 (ROCE) ⁽³⁾	12.28%	7.91%	4.37
Liabilities-to-EBITDA ratio ⁽⁴⁾	負債對 EBITDA 倍數 ⁽⁴⁾	3.97	4.13	(0.16)
Debts-to-net assets ratio ⁽⁵⁾	淨資產負債率 ⁽⁵⁾	68.09%	58.42%	9.67
Gearing ratio ⁽⁶⁾	資本負債率 ⁽⁶⁾	40.51%	36.88%	3.63
Debts-to-assets ratio ⁽⁷⁾	資產負債率 ⁽⁷⁾	31.79%	28.05%	3.74
Average finance cost ⁽⁸⁾	平均融資成本 ⁽⁸⁾	3.65%	3.82%	(0.17)
Earnings per share (Basic) (RMB cent)	每股基本盈利 (人民幣分)	58.97	8.25	
Dividend per share – (RMB cent) ⁽⁹⁾	每股股息 – (人民幣分) ⁽⁹⁾	21.0	6.5	
Dividend payout ratio	派息比例	35.61%	78.79%	

Notes:

- (1) Net profit margin is profit for the year divided by revenue.
- (2) Return on total assets is profit for the year divided by average total assets.
- (3) Return on capital employed is the ratio of profit before income tax expense and interest divided by total assets less current liabilities.
- (4) Liabilities-to-EBITDA ratio is the ratio of total liabilities divided by adjusted EBITDA.
- (5) Debts-to-net assets ratio is the ratio of the sum of interest bearing borrowings, convertible bonds and obligations under finance leases divided by total equity.
- (6) Gearing ratio is the ratio of the sum of interest bearing borrowings, convertible bonds and obligations under finance leases divided by the total equity, interest bearing borrowings, convertible bonds and obligations under finance leases.
- (7) Debts-to-assets ratio is the ratio of the sum of interest bearing borrowings, convertible bonds and obligations under finance leases divided by total assets.
- (8) Average finance cost is the ratio of aggregated amount of each borrowing multiply by its interest rate divided by the total borrowing.
- (9) The dividends payable shall be paid in HK\$. The applicable exchange rate shall be the average exchange rate for RMB to HK\$ as announced by the Hong Kong Association of Banks for the 7 working days prior to the declaration of final dividend, which is RMB1 to HK\$1.2284. Accordingly, proposed final dividend attributable to owners of the Company is HK25.8 cents per share and HK\$2,083 million in total.
- (10) Due to business combinations under common control completed in 2017, the financial information of the Group has been restated to include the financial position and results of operation of PetroChina Jingtang Co., Ltd. ("Jingtang Co.") on a combined basis.
- (11) The financial information of the Group has not been restated for the acquisition of Jingtang Co. as the directors consider that the unrestated financial information is more appropriate for year-on-year comparison of the change in the Group's business operation.
- (12) The financial information of the Group has not been restated for the acquisition of Jingtang Co. and PetroChina Kunlun Gas Co., Ltd ("Kunlun Gas") as the directors consider that the unrestated financial information is more appropriate for year-on-year comparison of the change in the Group's business operation.

附註:

- (1) 淨利潤率指年內溢利除收入。
- (2) 總資產回報率指年內溢利除平均資產總額。
- (3) 淨資本回報率指利息及稅項前溢利除總資產減流動負債。
- (4) 負債對 EBITDA 倍數指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、可轉換債券與融資租賃承擔之和除以總權益。
- (6) 資本負債率指計息借貸、可轉換債券與融資租賃承擔之和除以總權益、計息借貸、可轉換債券與融資租賃承擔之和。
- (7) 資產負債率指計息借貸、可轉換債券與融資租賃承擔之和除以總資產。
- (8) 平均融資成本指借貸成本乘其佔總借貸比例，然後加總。
- (9) 應付股息將以港元支付。適用的匯率為宣佈末期股息日前7個工作日香港銀行公會公佈的人民幣兌港元平均值，即人民幣1元兌1.2284港元。因此，本公司股東應佔擬派之末期股息為每股25.8港仙及總額20.83億港元。
- (10) 由於二零一七年完成共同控制下的業務合併，本集團的財務資料已重列，按合併基準包括中石油京唐液化天然氣有限公司(「京唐公司」)的財務狀況及業績。
- (11) 本集團的財務資料並未就收購京唐公司而重列，原因是董事認為，未重列的財務資料更適合對本集團業務經營的變動按年進行比較。
- (12) 本集團的財務資料並未就收購京唐公司及中石油昆侖燃氣有限公司(「昆侖燃氣」)而重列，原因是董事認為，未重列的財務資料更適合對本集團業務經營的變動按年進行比較。

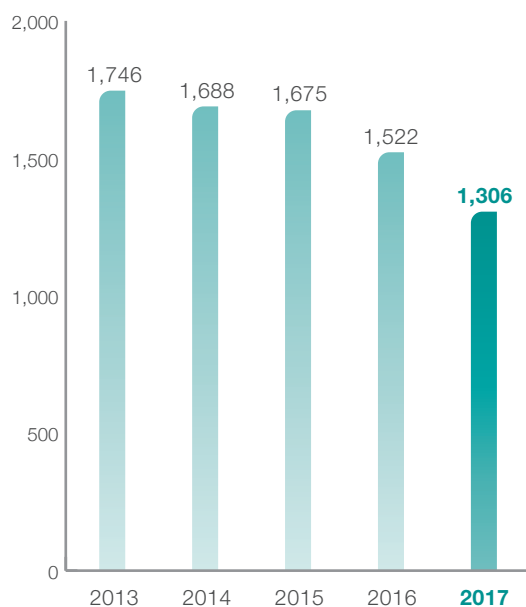
Financial and Operational Highlights

財務及業務摘要

		2017 二零一七年	2016 二零一六年 (restated) (重列) note 1 附註1	2016 二零一六年 (unrestated) (未重列) note 2 附註2	2015 二零一五年 (unrestated) (未重列) note 3 附註3	2014 二零一四年 (unrestated) (未重列) note 3 附註3	2013 二零一三年 (unrestated) (未重列) note 3 附註3
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							
Sales volume of crude oil (10,000 barrels)	原油銷售量 (萬桶)	1,306	1,522	1,522	1,675	1,688	1,746
City gas	城市燃氣	118	92	92	21	24	22
CNG	CNG	26	25	25	13	15	14
LNG	LNG	38	29	29	23	20	15
Others	其他	6	6	6	8	9	11
Sales volume of natural gas (100 million cubic metres)	天然氣銷售量 (億立方米)	188	152	152	65	68	62

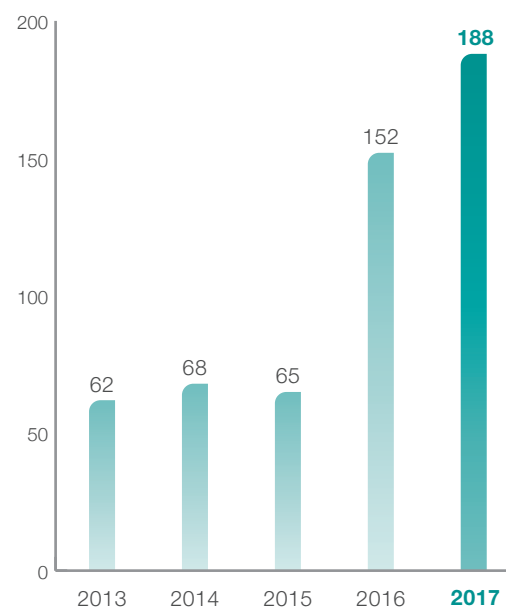
Sales volume of crude oil 原油銷售量

Unit: 10,000 barrels
單位：萬桶



Sales volume of natural gas 天然氣銷售量

Unit: 100 million cubic metres
單位：億立方米



Financial and Operational Highlights

財務及業務摘要

		2017 二零一七年	2016 二零一六年 (restated) (重列) note 1 附註1	2016 二零一六年 (unrestated) (未重列) note 2 附註2	2015 二零一五年 (unrestated) (未重列) note 3 附註3	2014 二零一四年 (unrestated) (未重列) note 3 附註3	2013 二零一三年 (unrestated) (未重列) note 3 附註3
For the year ended 31 December 截至十二月三十一日止年度							
Sales volume of LPG (10,000 tonnes)	LPG銷售量 (萬噸)	658	638	638	13	13	12
LNG gasification volume	LNG氣化量	128	66	49	35	48	65
LNG entrucking volume	LNG裝車量	21	9	8	5	3	3
LNG processing volume	LNG加工量	11	5	5	7	9	9
LNG processing and terminal (100 million cubic metres)	LNG加工與儲運量 (億立方米)	160	80	62	47	60	77
Natural gas pipeline transmission (100 million cubic metres)	天然氣管輸 (億立方米)	417	357	357	340	307	253
Stations in operation	已運營站點						
CNG stations	CNG站	543	540	540	342	338	258
LNG stations	LNG站	603	680	680	849	960	554
LNG plants	LNG工廠	14	12	12	12	12	12
LNG terminals	LNG接收站	3	3	2	2	2	2

Notes:

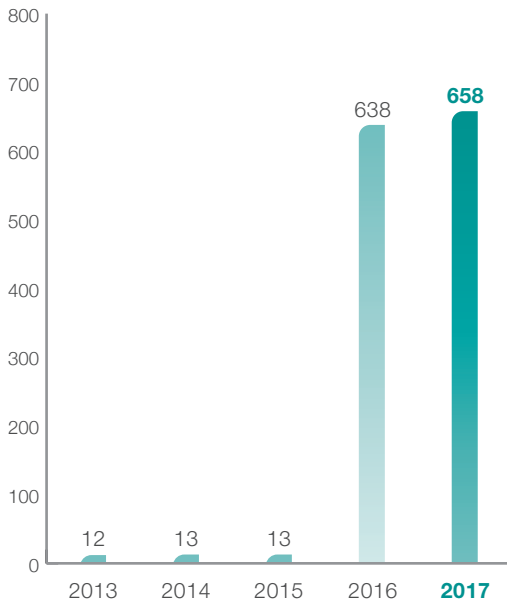
- (1) Due to business combinations under common control completed in 2017, the operating information of the Group has been restated to include the operation data of Jingtang Co..
- (2) The operating information of the Group has not been restated for the acquisition of Jingtang Co. as the directors consider that the unrevised operating information is more appropriate for year-on-year comparison of the change in the Group's business operation.
- (3) The operating information of the Group has not been restated for the acquisition of Jingtang Co. and Kunlun Gas as the directors consider that the unrevised operating information is more appropriate for year-on-year comparison of the change in the Group's business operation.

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，已包括京唐公司的運營數據。
- (2) 本集團的運營資料並未就收購京唐公司而重列，原因是董事認為，未重列的運營資料更適合對本集團業務經營的變動按年進行比較。
- (3) 本集團的運營資料並未就收購京唐公司及昆侖燃氣而重列，原因是董事認為，未重列的運營資料更適合對本集團業務經營的變動按年進行比較。

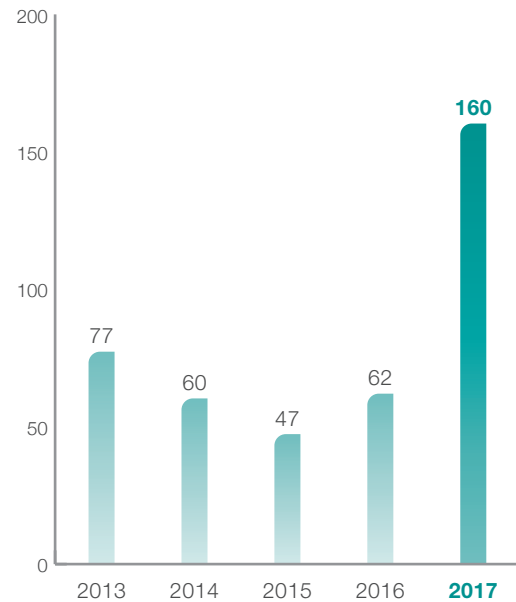
Sales volume of LPG LPG銷售量

Unit: 10,000 tonnes
單位：萬噸



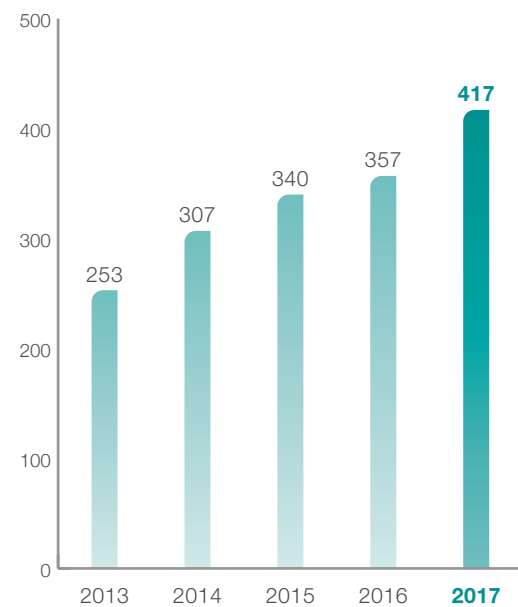
LNG processing and terminal LNG加工與儲運量

Unit: 100 million cubic metres
單位：億立方米



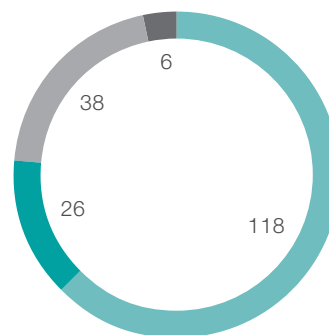
Natural gas pipeline transmission 天然氣管輸

Unit: 100 million cubic metres
單位：億立方米



Sales volume of natural gas in 2017 2017年天然氣銷售量

Unit: 100 million cubic metres
單位：億立方米



- 城市燃氣
- CNG
- LNG
- 其他

Locations of Natural Gas Business

天然氣業務分佈圖



Compressed Natural Gas Stations
壓縮天然氣站



Liquefied Natural Gas Stations and Plants
液化天然氣站及工廠

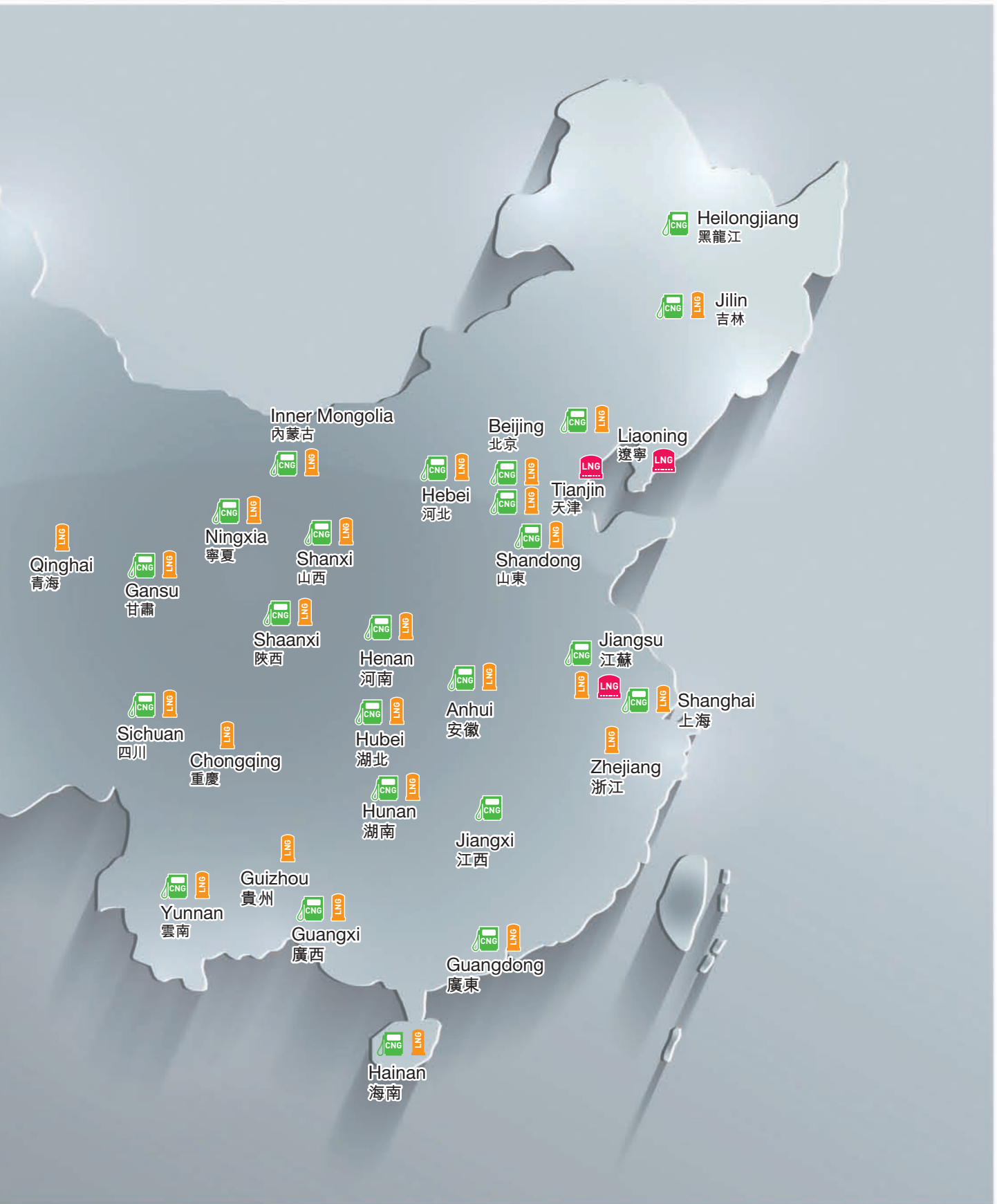


Liquefied Natural Gas Terminals
液化天然氣接收站


Xinjiang
新疆

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	213	2	–	215
2. Hebei 河北	167	2	1	170
3. Shandong 山東	150	–	–	150
4. Henan 河南	42	–	–	42
5. Shanxi 山西	57	1	–	58
6. Sichuan 四川	49	1	–	50
7. Inner Mongolia 內蒙古	57	–	–	57
8. Jiangsu 江蘇	78	–	1	79
9. Liaoning 遼寧	17	1	1	19
10. Shaanxi 陝西	38	2	–	40
11. Tianjin 天津	15	1	–	16
12. Hubei 湖北	52	1	–	53
13. Ningxia 寧夏	32	–	–	32
14. Guangdong 廣東	31	1	–	32
15. Hainan 海南	22	–	–	22
16. Guizhou 貴州	16	–	–	16
17. Yunnan 雲南	16	–	–	16
18. Chongqing 重慶	7	–	–	7
19. Zhejiang 浙江	4	–	–	4
20. Gansu 甘肅	20	1	–	21
21. Qinghai 青海	5	1	–	6
22. Beijing 北京	2	–	–	2
23. Jilin 吉林	3	–	–	3
24. Shanghai 上海	4	–	–	4
25. Anhui 安徽	13	–	–	13
26. Hunan 湖南	11	–	–	11
27. Guangxi 廣西	6	–	–	6
28. Heilongjiang 黑龍江	17	–	–	17
29. Jiangxi 江西	2	–	–	2
	1,146	14	3	1,163

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



Locations of Crude Oil Exploration and Production Business

原油勘探及生產業務分佈圖



BUSINESS REVIEW

The board of directors (the "Board") of Kunlun Energy Company Limited (the "Company") hereby reports the annual result for the year ended 31 December 2017 (the "Year") of the Company and its subsidiaries (together, the "Group") to the shareholders of the Company (the "Shareholders").

In 2017, China's macroeconomic growth picked up, and ecological civilization construction speeded up. Natural gas consumption recorded fast growth, with annual natural gas consumption of 237.3 billion cubic metres, representing an increase of 15.3%. During the Year, the Group made full use of its advantages in assets and business structure, captured market opportunities and effectively balanced market risks. The city gas sales volume recorded rapid growth, and Natural Gas Pipeline transmission volume maintained steady growth. The integrated operation of LNG produced initial results, and its assets structure and business structure continued to be optimised. The Company received the Best Investment Value Award for Listed Companies of China Securities Golden Bauhinia Awards. The Company showed a good momentum of rapid and steady growth in general.

During the Year, the Group's revenue was RMB88,706 million; profit before income tax expense was RMB11,480 million; and profit attributable to the owners of the Company was RMB4,760 million, representing increases of 26.00%, 82.48% and 614.71%, respectively, as compared with last year (restated). Basic earnings per share for the Year were RMB58.97 cents. Excluding the impairment loss on the property, plant and equipment of LNG plants and natural gas sales assets of RMB604 million and the impairment loss on accounts and other receivables of RMB184 million, core profit before income tax for the Year was RMB12,268 million, representing an increase of 20.23% as compared with last year (restated). Core profit and basic core earnings per share attributable to owners of the Company were RMB5,522 million and RMB68.41 cents, respectively, representing increases of 43.17% and 43.18%, respectively, as compared with last year (restated).

The Group agreed to purchase 51% equity interest in PetroChina Jingtang LNG Co., Ltd. ("Jingtang Co.") held by PetroChina Company Limited ("PetroChina") in September 2017, and completed the acquisition of Jingtang Co. in December 2017. Through the acquisition, 3 LNG terminals of PetroChina were all included in the scope of operation and management of the Group, and the Group's intensive operation was further improved.

業務回顧

昆侖能源有限公司(「本公司」)董事會(「董事會」)向各位股東(「股東」)報告本公司及其附屬公司(統稱「本集團」)截至二零一七年十二月三十一日止年度(「本年度」)全年業績。

二零一七年，中國宏觀經濟增速回升，生態文明建設加快推進，天然氣消費量快速增長，全年實現2,373億立方米，增幅達到15.3%。本年度，本集團充分發揮資產和業務結構優勢，搶抓市場機遇，有效平衡市場風險，城市燃氣銷量快速增長，天然氣管道輸氣量穩步增加，LNG一體化運行成效初步顯現，資產結構和業務結構持續優化，獲評中國證券金紫荊獎最具投資價值上市公司，公司整體呈現快速穩健發展良好勢頭。

本年度，本集團實現銷售收入人民幣887.06億元，除所得稅費用前溢利人民幣114.80億元，本公司股東應佔溢利人民幣47.60億元，較去年同期重列後數據分別增加26.00%，82.48%和614.71%。本年度每股基本盈利為人民幣58.97分。如扣除LNG工廠及天然氣銷售資產的物業、廠房及設備減值虧損人民幣6.04億元及應收賬款及其他應收款項減值虧損人民幣1.84億元因素影響，本年度除所得稅費用前核心溢利為人民幣122.68億元，較去年同期重列增加20.23%，本公司股東應佔核心溢利和每股基本核心盈利分別為人民幣55.22億元及人民幣68.41分，較去年同期重列分別增加43.17%和43.18%。

二零一七年九月，本集團收購中國石油天然氣股份有限公司(「中國石油」)所持有之中石油京唐液化天然氣有限公司(「京唐公司」)51%的股權，並在二零一七年十二月正式完成對京唐公司的收購。通過收購事項，中國石油的三座LNG接收站全部納入本集團經營管理範圍，本集團集約化經營能力進一步提升。

In November 2017, No. 4 Shaanxi-Beijing Pipeline commenced operation, which will effectively alleviate the shortage of gas supply in Beijing, Tianjin and Hebei in the winter, facilitate the energy structure optimisation in Beijing and Northern China and promote the air pollution treatment in such regions.

In December 2017, the Group entered into an equity transfer agreement to dispose of its 100% equity interest in Fortunemate Assets Limited held by the Company, which conducts the exploration and production of crude oil in Kursangi and Karabagli oilfields in Azerbaijan. The Company's strategic positioning of being committed to developing comprehensive natural gas utilisation business has become even clearer.

EXPLORATION AND PRODUCTION

During the Year, the sales volume of crude oil in the Exploration and Production business reached 13.06 million barrels, representing a decrease of 2.16 million barrels or 14.19% as compared with 15.22 million barrels for last year. Revenue was RMB1,505 million, representing an increase of RMB14 million or 0.94% as compared with RMB1,491 million for last year. Without the effect of the Company's exit from Xinjiang Oil Production Sharing Contract in August 2016, sales volume of crude oil only decreased by 0.39 million barrels as compared with last year. Average realised crude oil selling price of the Group during the Year was US\$46.63/barrel, representing an increase of US\$11.97 or 34.54% as compared with US\$34.66 for last year. Profit before income tax expense for the Year was RMB820 million, representing an increase of RMB808 million or 6,733.33% as compared with RMB12 million (restated) for last year.

NATURAL GAS SALES

During the Year, Natural Gas Sales volume was 18,772 million cubic metres, representing an increase of 3,583 million cubic metres or 23.59% as compared with 15,189 million cubic metres (restated) for last year. Revenue was RMB72,109 million, representing an increase of RMB17,528 million or 32.11% as compared with RMB54,581 million (restated) for last year. With the increase in sales volume, raw material procurement and production costs, sales and administrative expenses and labour costs increased, which, together with the impairment loss on property, plant and equipment and the impairment loss on accounts and other receivables, resulted in profit before income tax of RMB2,110 million, representing a decrease of RMB448 million or 17.51% as compared with RMB2,558 million (restated) for last year. Excluding the impairment loss on property, plant

二零一七年十一月，陝京四線投運，有效緩解京津冀地區冬季供氣能力不足問題，促進北京及華北地區能源結構優化，有利於該地區大氣污染治理。

二零一七年十二月，本集團簽署關於出售本公司所持有 Fortunemate Assets Limited (在阿塞拜疆 Kursangi 和 Karabagli 油田開展原油勘探和生產業務) 100% 股權的股權轉讓協議，公司致力於拓展天然氣終端綜合利用業務戰略定位更加明確。

勘探與生產

本年度，勘探與生產業務銷售原油 1,306 萬桶，較去年同期 1,522 萬桶減少 216 萬桶或 14.19%；收入為人民幣 15.05 億元，較去年同期人民幣 14.91 億元增加人民幣 0.14 億元或 0.94%；撇除二零一六年八月公司退出新疆合同影響，原油銷售量較去年同期減少 39 萬桶；本年度實現平均原油銷售價格為 46.63 美元/桶，較去年同期 34.66 美元/桶增加 11.97 美元或 34.54%。除所得稅費用前溢利為人民幣 8.20 億元，較去年同期除所得稅費用前人民幣 0.12 億元(重列)增加人民幣 8.08 億元或 6,733.33%。

天然氣銷售

本年度，實現天然氣銷售量 187.72 億立方米，較去年同期 151.89 億立方米(重列)增加 35.83 億立方米或 23.59%；收入為人民幣 721.09 億元，較去年同期人民幣 545.81 億元(重列)增加人民幣 175.28 億元或 32.11%。因銷售規模增長，原料氣採購和生產成本、銷售和管理費用及人工成本增加，加之物業、廠房及設備減值虧損和應收賬款及其他應收款項減值虧損，除所得稅費用前溢利為人民幣 21.10 億元，較去年同期除所得稅費用前溢利人民幣 25.58 億元(重列)減少人民幣 4.48 億元或 17.51%。如扣除天然氣銷售資產的物業、廠房及

and equipment of natural gas sales assets of RMB275 million and the accounts and other receivables of RMB184 million, core profit before income tax of the business segment was RMB2,569 million, representing a decrease of 0.43% as compared with RMB2,580 million (restated) for last year.

During the Year, the Group vigorously promoted projects for city gas and city coal-to-gas conversion, replacement of coal by industrial gas, and oil replacement by gas. The Group developed 110 various utilisation projects and obtained 429,000 new rural coal-to-gas users. City gas sales volume was 11,825 million cubic metres, representing a year-on-year increase of 28.18%. The monthly average Natural Gas Sales volume in Hebei and Jiangsu each exceeded 2,000 million cubic metres, and Natural Gas Sales volume of Shandong, Xinjiang, Gansu each exceeded 1,000 million cubic metres.

For CNG and LNG sales terminals, the Group went all out to reduce costs and increase sales volume. The Group continued to explore potential and improve performance, which has curbed the trend of decline in CNG sales volume. LNG sales volume recorded a significant increase in sales volume as compared with last year.

The development results of natural gas generator and distributed energy projects were fruitful. During the Year, the Group entered into 25 cooperation agreements. The construction of Zengcheng Power Plant commenced, and the construction of Zhoukou Power Plant recorded smooth progress. Operating power plants generated electricity of 6.06 billion kWh during the Year. Heat supply grew by 18% as compared with last year, and gas consumption increased by 4%.

LPG sales focused on key links including increasing resources, strengthening terminals, optimising flows and lowering costs, and recorded sales volume of 6.58 million tonnes for the Year, representing the best operational results achieved in recent years.

LNG PROCESSING AND TERMINAL

During the Year, the Group recorded sales volume of LNG Processing and Terminal of 15,995 million cubic metres, representing an increase of 8,067 million cubic metres or 101.75% as compared with 7,928 million cubic metres (restated) for last year. Revenue was RMB6,869 million, representing an increase of RMB3,606 million or 110.51% as compared with RMB3,263 million (restated) for last year. Profit before income tax expense of the business segment for the Year was RMB1,946 million, representing an increase of 155.78% which turned loss into profit as compared with loss of RMB3,489 million (restated) for last year.

設備減值虧損人民幣2.75億元，及應收賬款及其他應收款項減值虧損人民幣1.84億元，本業務板塊除所得稅費用前核心溢利為人民幣25.69億元，較去年同期人民幣25.80億元(重列)減少0.43%。

本年度，本集團大力推進城鎮燃氣和城鎮煤改氣、工業燃料氣代煤、氣代油等項目。開發各類終端利用項目110個，新增農村煤改氣用戶42.9萬戶。城市燃氣銷售量118.25億立方米、同比增長28.18%。在河北、江蘇兩省天然氣銷量均逾20億立方米，山東、新疆、甘肅三省均超10億立方米。

CNG和LNG終端全力降本增量。深入實施挖潛增效，CNG銷量下滑趨勢得到遏制，LNG銷量較去年有較大幅度增長。

氣電和分布式能源業務發展成果豐碩，全年簽署25個項目合作協議，增城電廠開工，周口電廠建設進展順利。運行的電廠全年發電60.6億千瓦時，供熱量較去年同期增長18%，用氣量增長4%。

LPG銷售突出增資源、強終端、優流向、降成本等關鍵環節，全年銷量657.98萬噸，銷售規模及經營效益創近年來最好水平。

LNG加工與儲運

本年度，本集團實現LNG加工與儲運銷售量159.95億立方米，較去年同期79.28億立方米(重列)增加80.67億立方米或101.75%；收入為人民幣68.69億元，較去年同期人民幣32.63億元(重列)增加人民幣36.06億元或110.51%。本業務板塊除所得稅費用前溢利為人民幣19.46億元，較去年同期虧損人民幣34.89億元(重列)轉虧為盈增加155.78%。

Excluding the impairment loss on the property, plant and equipment of LNG plants RMB329 million, core profit before income tax expense of the business segment was RMB2,275 million, representing an increase of 540.85% as compared with RMB355 million (restated) for last year.

1. LNG Terminal

During the Year, LNG gasification volume of Jiangsu LNG Terminal, Dalian LNG Terminal and Jingtang LNG Terminal under the Group amounted to 12,802 million cubic metres, representing an increase of 6,235 million cubic metres or 94.94% as compared with 6,567 million cubic metres (restated) for last year. LNG unloading volume amounted to 2,100 million cubic metres, representing an increase of 1,237 million cubic metres or 143.34% as compared with 863 million cubic metres for last year.

During the Year, LNG terminals are benefited from the demand growth in domicile natural gas and the enhancement of operating capacity, and Jingtang Terminal started to be available to third parties. Dalian Terminal adopted a staged operation model and its unit energy consumption decreased by 50.8%. Jiangsu Terminal finished the wharf loading project upgrading, with a LNG vessel loading and transfer capacity of 40,000 tonnes.

2. LNG Processing

During the Year, the Group's LNG sales volume was 1,093 million cubic metres, representing an increase of 595 million cubic metres or 119.48% as compared with 498 million cubic metres for last year.

During the Year, 8 LNG processing plants of the Group entered into processing agreements with PetroChina, and the utilisation rate of production equipment of LNG processing plants has improved. 14 LNG processing plants operated during the Year, with an 18.6% increase in utilisation rate.

如扣除 LNG 工廠的物業、廠房及設備減值虧損人民幣 3.29 億元，本業務板塊除所得稅費用前核心溢利為人民幣 22.75 億元，較去年同期人民幣 3.55 億元（重列）增加 540.85%。

1. LNG接收站

本年度，本集團所屬江蘇 LNG 接收站、大連 LNG 接收站、京唐 LNG 接收站 LNG 氣化量 128.02 億立方米，較去年同期 65.67 億立方米（重列）增加 62.35 億立方米或 94.94%；裝車量 21.00 億立方米，較去年同期 8.63 億立方米增加 12.37 億立方米或 143.34%。

本年度 LNG 接收站受益於國內天然氣需求增長，運行負荷提升，京唐接收站實施第三方開放，大連接收站採取階梯運行方式，單位能耗下降 50.8%；江蘇接收站完成碼頭裝船工程改造，具備 4 萬噸 LNG 船舶裝船轉駁能力。

2. LNG加工

本年度，本集團 LNG 銷售量 10.93 億立方米，較去年同期 4.98 億立方米增加 5.95 億立方米或 119.48%；

本年度，本集團 8 家 LNG 工廠與中國石油簽訂委託加工協議，LNG 工廠生產裝置利用率提高，全年 14 座工廠營運，負荷率提升 18.6%。

NATURAL GAS PIPELINE

During the Year, Natural Gas Pipeline transmission volume was 41,689 million cubic metres, representing an increase of 5,958 million cubic metres or 16.67% as compared with 35,731 million cubic metres for last year. As a result of the lowering of prices for cross-province pipeline transmission of natural gas with effective from 1 September 2017, the Group's revenue from the Natural Gas Pipeline transmission business was RMB10,755 million, representing a decrease of RMB928 million or 7.94% as compared with RMB11,683 million (restated) for last year. Profit before income tax expense was RMB6,733 million, representing a decrease of RMB1,312 million (restated) or 16.31% as compared with RMB8,045 million for last year.

BUSINESS PROSPECTS

The National Energy Administration issued the 13th Five-year Plan for Energy Development (the "plan"), which states the objective to increase the percentage of natural gas consumption to primary energy consumption to 10% by 2020 and that the government shall actively promote the oil and gas system reform and the natural gas price mechanism reform and natural gas market development, reduce the natural gas utilisation cost and expand the size of natural gas consumption. In 2018, China will continue to facilitate energy production and consumption revolution to promote the replacement of major energy consumed by green energy with low carbon-emission. Environmental supervision will become an important driving force for rapid growth of the demand for natural gas, and the trend for natural gas to become a major energy in the PRC will become more obvious. It is expected that city gas and industrial gas consumption will maintain rapid growth, and the demand for natural gas generator and distributed energy will steadily increase. Imported natural gas will maintain growth momentum. The macro-environment for the development of the Group will be more favourable.

The Group is confident in capturing development opportunities and effectively making full use of its advantages in assets and business structure in 2018. By centering around structure optimisation, it will continue to advance the development of QHSE system building. It will vigorously develop high-end and high-profitability market and terminal business, expand its natural gas generator, distributed energy and city gas terminal market, and play a positive role in PetroChina's accelerated development of natural gas business and building strategic and valuable projects.

天然氣管道

本年度，天然氣管道業務輸氣量為416.89億立方米，較去年同期357.31億立方米增加59.58億立方米或16.67%；受二零一七年九月一日開始實施的天然氣跨省管道運輸價格下調影響，公司管輸業務收入為人民幣107.55億元，較去年同期人民幣116.83億元(重列)減少人民幣9.28億元或7.94%；除所得稅費用前溢利為人民幣67.33億元，較去年同期人民幣80.45億元(重列)減少人民幣13.12億元或16.31%。

業務展望

國家能源局發佈《能源發展「十三五」規劃》(「規劃」)指出，到二零二零年力爭將天然氣在一次能源的消費比重提升至10%。同時，要積極推進油氣體制改革和天然氣價格機制改革，推動天然氣市場建設，降低天然氣綜合使用成本，擴大天然氣消費規模。二零一八年，國家將繼續推動能源生產和消費革命，推進主體能源綠色低碳更替，環保監管將成為拉動天然氣需求保持較快增長的重要因素，天然氣成為我國主體能源之一的趨勢更加明顯。預計城市燃氣將保持快速增長，天然氣發電及分佈式能源需求穩步增加，進口天然氣保持增長勢頭，本集團發展的宏觀環境更加有利。

二零一八年，本集團有信心把握發展機遇，有效發揮資產和業務結構優勢，繼續圍繞優化結構，深入推進QHSE體系建設，大力開發高端高效市場和終端業務，做大天然氣發電、分佈式能源、城市燃氣等終端市場，在中國石油加快發展天然氣業務、打造戰略性和價值性工程中發揮積極作用。

Fully promote increase in both sales volume and efficiency of city gas.

The Group will strengthen its coordinated development with PetroChina, accelerate the development of new projects, and strive to develop a number of new high-quality and high-efficiency projects. It will strengthen the development of users in the existing regions in which it operates city gas projects, adhere to a flexible marketing strategy, deeply explore users' potential, stabilize market, and realize the increase in sales volume and efficiency. The Group will promote value-added services such as smart home, technical services and physical stores, and build the growth drivers for non-natural gas business.

Coordinate and optimise the integrated LNG operation.

The Group will accelerate the expansion of Jingtang and Jiangsu Terminals, optimise the management of terminals, improve unloading capacity. The Group will further optimise its LNG plant layout, effectively implement contracted processing, raise processing volume, and lower operation cost. It will actively explore the model of making reserves in the summer for later use in the winter and play the role of emergency peak adjustment. The Group will strengthen the cooperation with refined oil distributors and facilitate the construction of oil-gas stations. The Group will continue to expand the construction of the refilling stations along the transportation paths and transportation hubs, optimise its LNG trading network, develop point-to-point supply market, and improve the competitiveness of CNG and LNG in end-users' markets.

Accelerate strategic planning for natural gas generator and distributed energy projects.

The Group will continue to advance the development and construction of natural gas generator projects in key areas such as Beijing, Tianjin, Hebei, Shandong, the Yangtze River Delta and the Pearl River Delta, and expand the size of natural gas generator business. The Group will actively explore the new mode for energy management and utilisation, accelerate the development of distributed energy projects, and expand electricity sales business in an orderly manner.

Advance the construction of key strategic branch pipelines in an orderly manner.

The Group will insist on early development of terminal markets as well as mutual support and promotion of branch pipeline construction and terminal market. During the Year, the Group strives to commence operation of 4 branch pipelines including Tengchong and Taihe and complete the construction of 10 branch pipelines including Chuxiong-Panzhuhua, Yueyang-Linxiang, Honghe and Wafangdian-Changxingdao.

全力推動城市燃氣量效齊增。加強與中國石油的協同發展，加快增量項目開發，努力開發一批優質高效新項目。加強現有城市燃氣項目經營區域內的用戶開發，堅持靈活的營銷策略，深挖用戶潛力，穩定市場、實現增量、提升效益。推進智能家居、技術服務、實體店等增值業務，打造非氣業務增長點。

統籌優化LNG一體化運行。加快京唐、江蘇接收站擴建工程建設，優化接收站運行管理，提升液態裝車能力。進一步優化LNG工廠佈局，實施好工廠委託加工，提高加工量、降低運行成本；積極探索夏儲冬用模式，發揮應急調峰作用。加強與成品油銷售企業合作，推進油氣混合站建設。繼續拓展運輸通道及交通樞紐沿線加氣站建設，優化LNG貿易網絡，大力開發點供市場，提升CNG和LNG終端市場競爭力。

加快氣電和分佈式能源戰略佈局。繼續推進京津冀魯、長三角、珠三角等重點地區氣電項目開發和建設，擴大氣電業務規模。積極探索能源管理和利用新模式，加快拓展分佈式能源項目，有序拓展售電業務。

有序推進重點戰略支線管道建設。堅持終端市場開發先行，支線建設與終端市場互相支撐、互相促進。年內投產運行騰沖、太和等4條支線，力爭建成楚雄-攀枝花、岳陽-臨湘、紅河、瓦房店-長興島等10條支線。

Accelerate the transformation and upgrading of LPG sales.

The Group will consolidate and strive to expand its resources, facilitate the construction of wharf tanks and the commencement of operation of projects under construction, and optimise its three-level network. The Group will strengthen the development of institutional customers and promote the exchange of resources with major domestic distributors to lower operation costs. The Group will strengthen the increase in both sales volume and efficiency of end-users, and establish a big data platform and terminal logistics distribution system for LPG sales using the internet and the internet of things.

By centering around innovations, breakthroughs, quality improvement and efficiency enhancement, the Group will continue to adhere to its operation and management philosophy of safety, environmental protection, compliance with laws and regulations, cooperation and sharing, openness and integration. With the corporate objective of “providing clean energy to serve a harmonious society”, it will continue to implement its market, resource, capital, quality and innovation strategies and actively practice its social responsibility. The Group believes that it will be able to capture the opportunities and overcome the challenges for development, make full use of its industry structure advantages, stick to its philosophy of green development, realise coordinated development with the natural gas business of PetroChina, and play a positive role in the development of ecological civilization and facilitating economic and social development with low carbon emission. It will continue to improve its corporate values and bring favorable returns to its shareholders.

FINAL DIVIDEND

The Board recommends the payment of a final dividend of RMB21.0 cents per share (2016: RMB6.5 cents per share) to Shareholders whose names appear on the Company's register of members (the “Shareholders Register”) on 4 June 2018 (Monday) subject to the approval at the Annual General Meeting of the Company (the “2018 AGM”). The payment will be made on or before 30 June 2018. The proposed 2017 final dividend amounts to a total of approximately RMB1,695 million and 2016 dividend of RMB522 million was paid in 2017. The payout ratio for 2017 (dividend per share divided by basic earnings per share) was approximately 35.61% (2016 restated: 78.79%). The dividends payable shall be paid in HK\$. The applicable exchange rate shall be the average exchange rate for RMB to HK\$ as announced by the Hong Kong Association of Banks for the 7 working days prior to the declaration of final dividend, which is RMB1 to HK\$1.2284. Accordingly, proposed final dividend attributable to owners of the Company is HK25.8 cents per share and HK\$2,083 million in total.

加快實施LPG銷售轉型升級。穩定並努力擴大資源規模，推進碼頭中轉庫建設和在建項目投產，優化三級網絡佈局。加強機構用戶開發，推動與國內主要經銷商互換資源降低運行成本。加強終端增量提效，應用互聯網、物聯網建立LPG銷售大數據平臺和終端物流配送體系。

本集團將圍繞創新突破和提質增效，繼續秉承安全環保、依法合規、合作共享和開放融合的經營管理理念，堅持實施市場、資源、資本、質量、創新戰略，秉承「奉獻清潔能源、服務和諧社會」的企業宗旨，堅持創新驅動，積極踐行社會責任。本集團有信心把握發展的機遇和挑戰，充分發揮產業結構優勢，堅持綠色發展理念，與中國石油天然氣業務實現協同發展，在生態文明建設和促進經濟社會清潔低碳發展中發揮積極作用，持續提升企業價值，為股東帶來較好回報。

末期股息

董事會建議向於二零一八年六月四日(星期一)名列本公司股東名冊(「股東名冊」)上之股東派付末期股息每股21.0人民幣分(二零一六年：每股6.5人民幣分)，惟須于本公司股東週年大會(「二零一八年股東週年大會」)上獲批准。派付時間將為二零一八年六月三十日或之前。二零一七年建議末期股息總額約人民幣1,695百萬元，二零一六年人民幣522百萬元股息已於二零一七年派付。二零一七年派息率(每股股息除以每股基本盈利)約為35.61%(二零一六年重列：78.79%)。應付股息將以港元支付。適用的匯率為宣佈末期股息日前7個工作日香港銀行公會公佈的人民幣兌港元平均值，即人民幣1元兌1.2284港元。因此，本公司股東應佔擬派之末期股息為每股25.8港仙及總額20.83億港元。

ANNUAL GENERAL MEETING

The 2018 AGM will be held on 24 May 2018 (Thursday). The Notice of the 2018 AGM, which constitutes part of the circular to Shareholders, will be sent together with the 2017 Annual Report. The Notice of the 2018 AGM and the proxy form will also be available on the websites of the Company and The Stock Exchange of Hong Kong Limited.

CLOSURE OF SHAREHOLDERS REGISTER

For the purposes of determining Shareholders' eligibility to attend and vote at the 2018 AGM, and entitlement to the final dividend, the Shareholders Register will be closed. Details of such closures are set out below:

- (i) For determining eligibility to attend and vote at the 2018 AGM:

Latest time to lodge transfer documents for registration	4:00 p.m. on 17 May 2018 (Thursday)
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Closure of Shareholders Register	from 18 May 2018 (Friday) to 24 May 2018 (Thursday) (both dates inclusive)
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Record date	24 May 2018 (Thursday)
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- (ii) For determining entitlement to the final dividend:

Latest time to lodge transfer documents for registration	4:00 p.m. on 31 May 2018 (Thursday)
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Closure of Shareholders Register	from 1 June 2018 (Friday) to 4 June 2018 (Monday) (both dates inclusive)
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Record date	4 June 2018 (Monday)
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股東週年大會

二零一八年股東週年大會將於二零一八年五月二十四日(星期四)舉行。二零一八年股東週年大會通告載於致股東的通函內，並將連同《二零一七年年報》一併寄發予股東。二零一八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。

暫停辦理股份過戶登記

為確定股東出席二零一八年股東週年大會並於會上投票的資格以及獲派末期股息的權利，股份過戶登記將暫停辦理，有關詳情載列如下：

- (i) 為確定股東出席二零一八年股東週年大會並於會上投票的資格：

交回股份過戶文件以作登記的最後時限	二零一八年 五月十七日 (星期四) 下午四時整
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暫停辦理股份過戶登記	二零一八年 五月十八日(星期五) 至二零一八年 五月二十四日(星期四) (首尾兩天包括在內)
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記錄日期	二零一八年 五月二十四日(星期四)
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- (ii) 為確定股東獲派末期股息的權利：

交回股份過戶文件以作登記的最後時限	二零一八年 五月三十一日 (星期四) 下午四時整
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暫停辦理股份過戶登記	二零一八年 六月一日(星期五) 至二零一八年 六月四日(星期一) (首尾兩天包括在內)
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記錄日期	二零一八年 六月四日(星期一)
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Chairman's Statement

主席報告

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the 2018 AGM, and to qualify for the final 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 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than the aforementioned latest time.

The Group's development was attributable to the strong support of its shareholders, partners and customers, as well as the dedicated efforts and contribution of all employees. On behalf of the Board, I would like to extend sincere thanks to them. The Group will unswervingly strive to achieve sustainable development and give back to shareholders and employees with better development and results.

By order of the Board

Ling Xiao

Chairman and Executive Director

Hong Kong, 20 March 2018

上述有關期間內概不辦理股份過戶登記手續。為符合資格出席二零一八年股東週年大會並於會上投票以及合資格獲享末期股息，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22樓，以辦理股份過戶登記手續。

本集團的發展得益於股東、合作夥伴及客戶的大力支持，以及全體員工竭誠努力和奉獻。本人謹代表董事會向彼等致以衷心感謝。也堅定不移實現可持續發展，以更好的發展和業績回饋社會、回報股東、造福員工。

承董事會命

凌霄

主席兼執行董事

香港，二零一八年三月二十日

Kunlun Energy Company Limited (the “Company”) and its subsidiaries (together, the “Group”) continued to develop its natural gas business segment during the year ended 31 December 2017 (the “Year”). Profit before income tax expense of the Group for the Year was approximately RMB11,480 million, representing an increase of 82.48% as compared with RMB6,291 million (restated) for the last year. Profit attributable to owners of the Company for the Year was approximately RMB4,760 million, representing an increase of 614.71% as compared with RMB666 million (restated) for the last year.

REVENUE

Revenue for the Year was approximately RMB88,706 million, representing an increase of 26.00% as compared with amount of RMB70,400 million (restated) for the last year. The increase was mainly due to the expansion of natural gas business.

Revenue mostly from the Natural Gas Sales, LNG Processing and Terminal and Natural Gas Pipeline accounted for 98.30% (2016 restated: 97.88%) of the Group’s total revenue amounting to approximately RMB87,201 million (2016 restated: RMB68,909 million).

Other gains, net

Other gains, net for the Year was approximately RMB1,335 million, representing an increase of 98.07% as compared with amount of RMB674 million (restated) for the last year. The increase was mainly due to appreciation of RMB against US\$ during the Year.

Interest income

Interest income for the Year was approximately RMB211 million, representing a decrease of 29.67% as compared with amount of RMB300 million (restated) for the last year. The decrease was mainly due to the decrease in average balance of amounts due from related parties which were interest-bearing.

Purchases, services and others

Purchases, services and others were approximately RMB64,145 million for the Year, representing an increase of 32.77% as compared with amount of RMB48,312 million (restated) for the last year. The increase was mainly due to the increase in purchase volume of natural gas which was generally in line with the increase in sales of natural gas business.

昆侖能源有限公司(「本公司」)及其附屬公司(統稱「本集團」)於截至二零一七年十二月三十一日止年度(「本年度」)繼續擴大天然氣業務板塊。本集團於本年度之除所得稅費用前溢利約為人民幣11,480百萬元，比去年金額人民幣6,291百萬元(重列)增加82.48%。於本年度本公司股東應佔溢利約為人民幣4,760百萬元，比去年金額人民幣666百萬元(重列)增加614.71%。

收入

本年度之收入約為人民幣88,706百萬元，比去年金額人民幣70,400百萬元(重列)增加26.00%。此增加主要是由於天然氣業務擴張所致。

天然氣銷售、LNG加工與儲運及天然氣管道之收入佔本集團總收入98.30%(二零一六年重列：97.88%)，約人民幣87,201百萬元(二零一六年重列：人民幣68,909百萬元)。

其他收益，淨額

本年度之其他收益，淨額約為人民幣1,335百萬元，比去年金額人民幣674百萬元(重列)增加98.07%。此增加主要由於本年度內人民幣兌美金升值。

利息收入

本年度之利息收入約為人民幣211百萬元，比去年金額人民幣300百萬元(重列)減少29.67%。此減少主要由於存放於關聯方款項可計息的本金平均結餘減少所致。

採購、服務及其他

本年度之採購、服務及其他約為人民幣64,145百萬元，比去年金額人民幣48,312百萬元(重列)增加32.77%。此增加主要由於天然氣的採購數量增加所致，大致上與天然氣業務銷售額增加一致。

Management Discussion and Analysis

管理層討論與分析

Employee compensation costs

Employee compensation costs of the Group was approximately RMB4,329 million for the Year, representing an increase of 12.53% as compared with amount of RMB3,847 million (restated) for the last year. This increase was mainly due to the increase in the number of headcount which was generally in line with the expansion of natural gas business during the Year.

Depreciation, depletion and amortisation

Depreciation, depletion and amortisation for the Year was approximately RMB5,651 million, representing a decrease of 0.69% as compared with amount of RMB5,690 million (restated) for the last year. This was mainly due to the impairment of property, plant and equipment in the People's Republic of China (the "PRC") in 2016 which led to the decrease in their carrying amounts in 2017. The effect was net off by the increase in property, plant and equipment transferred from construction in progress during the Year.

Impairment loss on property, plant and equipment

Impairment loss on property, plant and equipment was RMB604 million for the Year, representing a decrease of 84.56% as compared with amount of RMB3,913 million (restated) for the last year. This decrease was mainly due to the recoverable amount of property, plant and equipment was higher than the carrying amount.

Selling, general and administrative expenses

Selling, general and administrative expenses for the Year were approximately RMB3,264 million, representing an increase of 12.09% as compared with amount of RMB2,912 million (restated) for the last year. The increase in selling, general and administrative expenses was generally in line with the expansion of natural gas business and the increase in royalty expenses in Exploration and Production business as a result of the increase in realised crude oil selling price.

Taxes other than income taxes

Taxes other than income taxes for the Year was approximately RMB441 million, representing a decrease of 16.00% as compared with amount of RMB525 million (restated) for the last year. The decrease was mainly due to implementation of VAT Reform that eliminated business tax in the PRC.

僱員酬金成本

本年度，本集團之僱員酬金成本約為人民幣4,329百萬元，比去年金額人民幣3,847百萬元(重列)增加12.53%。此增加主要由於本年度僱員人數增加所致，大致上與天然氣業務擴張一致。

折舊、損耗及攤銷

本年度之折舊、損耗及攤銷約為人民幣5,651百萬元，比去年金額人民幣5,690百萬元(重列)減少0.69%。這主要由於二零一六年中華人民共和國(「中國」)物業、廠房及設備減值導致物業、廠房及設備之賬面值於二零一七年下降所致。該影響被本年度從在建工程轉入的物業、廠房及設備增加所抵銷。

物業、廠房及設備減值虧損

本年度之物業、廠房及設備減值虧損約為人民幣604百萬元，比去年金額人民幣3,913百萬元(重列)減少84.56%。此減少主要由於本年末物業、廠房及設備的可收回金額均高於其賬面價值。

銷售、一般性和管理費用

本年度之銷售、一般性和管理費用約為人民幣3,264百萬元，比去年金額人民幣2,912百萬元(重列)增加12.09%。銷售、一般性和管理費用增加主要由於天然氣業務擴張，且實現原油銷售價格上漲導致勘探與生產業務之礦區使用費增加。

除所得稅以外之稅項

本年度，除所得稅以外之稅項約為人民幣441百萬元，比去年金額人民幣525百萬元(重列)減少16.00%。此減少主要由於中國實施營改增抵銷營業稅所致。

Interest expenses

Interest expenses for the Year was approximately RMB1,145 million, representing an increase of 75.88% as compared with amount of RMB651 million (restated) for the last year. The increase was mainly due to the increase in borrowings in 2017.

Total interest expenses for the Year was approximately RMB1,728 million of which RMB583 million was capitalised under construction-in-progress.

Share of profits less losses of associates

Share of profits less losses of associates for the Year was approximately RMB767 million, representing an increase of 26.78%, as compared with amount of RMB605 million (restated) for the last year. The increase was mainly due to the increase in realised crude oil selling price during the Year that in turn led to the increase in the shared operating result from CNPC-Aktobemunaigas Joint Stock Company ("Aktobe").

Share of profits less losses of joint ventures

Share of profits less losses of joint ventures for the Year was increased by 38.27% to approximately RMB224 million (2016 restated: RMB162 million). The increase was mainly due to the increase in realised crude oil selling price in Oman project during the Year.

Profit before income tax expense

Profit before income tax expense for the Year was approximately RMB11,480 million, representing an increase of 82.48% as compared with amount of RMB6,291 million (restated) for the last year.

Income tax expense

Income tax expense for the Year was approximately RMB3,531 million, representing an increase of 10.34% as compared with amount of RMB3,200 million (restated) for the last year. The effective tax rate (excluding joint ventures and associates) for the Year decreased to 33.66% (2016 restated: 57.93%). The decrease was mainly due to the decrease of impairment loss on property, plant and equipment. Excluding the effect of this, the effective tax rate for the Year was 31.83%. (2016 restated: 33.91%).

利息支出

本年度利息支出約為人民幣1,145百萬元，比去年金額人民幣651百萬元(重列)增加75.88%。此增加主要由於二零一七年借貸增加。

本年內利息支出總額約為人民幣1,728百萬元，其中人民幣583百萬元已於在建工程被資本化。

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767百萬元，比去年金額人民幣605百萬元(重列)增加26.78%。此增加主要由於本年內實現原油銷售價格上漲，從而造成CNPC-Aktobemunaigas Joint Stock Company (「Aktobe」)之應佔經營業績增加。

應佔合資企業溢利減虧損

本年度應佔合資企業溢利減虧損增加38.27%至約人民幣224百萬元(二零一六年重列：人民幣162百萬元)。該增加主要乃由於本年度阿曼項目之實現原油銷售價格上升所致。

除所得稅費用前溢利

本年度除所得稅費用前溢利約為人民幣11,480百萬元，比去年金額人民幣6,291百萬元(重列)增加82.48%。

所得稅費用

本年度所得稅費用約為人民幣3,531百萬元，比去年金額人民幣3,200百萬元(重列)增加10.34%。本年度實際稅率(不包括合資企業及聯營公司)減少至33.66%(二零一六年重列：57.93%)。此減少主要由於物業、廠房及設備減值減少。除此影響之外，本年度實際稅率為31.83%(二零一六年重列：33.91%)。

Management Discussion and Analysis

管理層討論與分析

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

The profit for the Year of the Group was approximately RMB7,949 million, representing an increase of 157.17% as compared with amount of RMB3,091 million (restated) for the last year. The profit attributable to owners of the Company for the Year was approximately RMB4,760 million, representing an increase of 614.71% as compared with amount of RMB666 million (restated) for the last year.

Liquidity and capital resources

As at 31 December 2017, the carrying value of total assets of the Group was approximately RMB140,558 million, representing an increase of RMB11,624 million or 9.02% as compared with RMB128,934 million (restated) as at 31 December 2016.

The Company has issued convertible bonds in 2016 to improve the debt profile:

本年度溢利及本公司股東應佔溢利

本集團之本年度溢利約為人民幣7,949百萬元，比去年金額人民幣3,091百萬元(重列)增加157.17%。本公司股東應佔本年度溢利約為人民幣4,760百萬元，比去年金額人民幣666百萬元(重列)增加614.71%。

資產流動性及資本資源

於二零一七年十二月三十一日，本集團總資產之賬面值約為人民幣140,558百萬元，比二零一六年十二月三十一日金額人民幣128,934百萬元(重列)增加人民幣11,624百萬元或9.02%。

二零一六年內，本公司已發行一份可轉換債券以改善其債務狀況：

Items 項目		Date of issue 發行日期	Nominal Amount 面值 RMB million 人民幣百萬元	Tenor 期限 year 年期	Annual Interest 年利率 %
Convertible bonds (Stock code: 5690) (note)	可轉換債券 (股份代號：5690) (附註)	25 July 2016 二零一六年 七月二十五日	3,350	3	1.625

Note: Please refer to the announcements on the issue of convertible bonds published by the Company on the websites of The Stock Exchange of Hong Kong Limited and the Company in July 2016.

附註：請參閱本公司於二零一六年七月就發行可轉換債券，刊發於香港聯合交易所有限公司網站及本公司網站之公告。

Management Discussion and Analysis

管理層討論與分析

As at 31 December 2017, the Group has total borrowings of RMB41,101 million which will be repayable as follows:

於二零一七年十二月三十一日，本集團之總借貸人民幣41,101百萬元須按如下償還：

		2017	2016
		RMB'million	RMB'million
		二零一七年	二零一六年
		人民幣百萬元	人民幣百萬元
			(restated)
			(重列)
			(Note 30)
			(附註30)
Within one year	一年內	11,805	16,585
Between one to two years	一至兩年	4,431	1,440
Between two to five years	兩至五年	20,410	10,164
After five years	五年以上	4,455	4,316
		41,101	32,505

The carrying amounts of the borrowings are denominated in RMB, US\$, Hong Kong dollars ("HK\$"), Japanese yen and Euro as fully summarised under Note 30 in the Notes to the Consolidated Financial Statements.

如綜合財務報表附註附註30全面概述，借貸之賬面值如以人民幣、美元、港元、日元及歐元計值。

The functional currency of the Company and most of its subsidiaries is RMB and the Company and most of its subsidiaries are exposed to the exchange gain/(loss) when the RMB is appreciated/depreciated against other currencies. 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，當人民幣兌其他貨幣增值／貶值時，本公司及多數附屬公司面臨匯兌收益／(虧損)。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附註4.1。其他財務風險因素則概述於綜合財務報表附註附註4.2及附註4.3。

During the Year, no share option (2016: none) has been exercised by the senior executives of the Company as the exercise price of HK\$12.632 was above the market price of HK\$7.06 on the share option expiry date and the share options were lapsed.

本年度，由於購股權到期當日行使價12.632港元高於市價7.06港元且購股權已失效，本公司高級行政人員概無行使購股權(二零一六年：無)。

As at 31 December 2017, the Group had net current liabilities of RMB6,556 million. Notwithstanding the net current liabilities of the Group at 31 December 2017, the Group's consolidated financial statements have been prepared on a going concern basis because the directors of the Company (the "Directors") are of the opinion that the Group would have adequate funds to meet its obligation, as and when they fall due, having regard to the following:

於二零一七年十二月三十一日，本集團流動負債淨額為人民幣6,556百萬元。儘管本集團於二零一七年十二月三十一日錄得流動負債淨額，本集團綜合財務報表已根據持續經營基準編製，乃由於本公司董事(「董事」)經考慮以下情況後認為本集團將具備充足資金應付其到期債務：

Management Discussion and Analysis

管理層討論與分析

- (i) the Group expected to obtain credit facility from China Petroleum Finance Company Limited (“CP Finance”) amounting to RMB15 billion. On 12 March 2018, the Group obtained the credit facility of RMB15 billion from CP Finance;
- (ii) the Group expects to generate operating cash inflows in the future; and
- (iii) the Directors consider that the Group could obtain financing from various sources of funding.

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

USE OF PROCEEDS

Use of Net Proceeds from Issuance of Convertible Bonds

Reference is made to the Company’s announcements dated 14 July 2016 and 25 July 2016 in relation to, among other things, the issuance of RMB3,350 million in aggregate principal amount of 1.625% US\$ settled convertible bonds due 2019 (stock code: 5690) (the “Convertible Bonds”) (the “CB Announcements”). Consistent with the intended use as disclosed in the CB Announcements, the Company has utilised all of the net proceeds from the issuance of the Convertible Bonds of approximately US\$497 million for the payment for the acquisition of Kunlun Gas. As of 31 December 2017, the net proceeds from the issuance of Convertible Bonds have been fully utilised.

Interest Paid

The Group paid interest of RMB1,438 million (2016 restated: RMB947 million) during the Year.

Dividend Paid

2016 final dividend of RMB6.5 cents per share amounting to RMB522 million (2015: RMB4.8 cents per share amounting to RMB407 million) was distributed to owners of the Company during the Year.

Pledge of assets

As at 31 December 2017 and 31 December 2016, no short-term or long-term borrowings were secured by property, plant and equipment or advance operating lease payment.

- (i) 本集團預期獲得來自中油財務有限責任公司(「中油財務」)的承諾信貸達人民幣150億元。於二零一八年三月十二日，本集團從中油財務取得承諾信貸人民幣150億元；
- (ii) 本集團預期未來產生經營現金流入；及
- (iii) 董事認為，本集團可透過不同資金來源獲得融資。

因此，綜合財務報表乃按持續經營基準編製。

所得款項用途

發行可轉換債券之所得款項淨額用途

茲提述本公司日期為二零一六年七月十四日及二零一六年七月二十五日之公告，內容有關(其中包括)發行於二零一九年到期本金總額為人民幣3,350百萬元的1.625%美元結算可轉換債券(證券代號：5690)(「可轉換債券」)(「可轉換債券公告」)。與可轉換債券公告所披露的擬定用途一致，本公司已動用發行可轉換債券的所有所得款項淨額約497百萬元支付收購昆侖燃氣的款項。於二零一七年十二月三十一日，發行可轉換債券的所得款項淨額已悉數動用。

利息支付

本集團於本年度支付利息人民幣1,438百萬元(二零一六年重列：人民幣947百萬元)。

股息支付

本年度，分派予本公司股東之二零一六年末期股息為每股6.5人民幣分，金額為人民幣522百萬元(二零一五年：每股4.8人民幣分，金額為人民幣407百萬元)。

資產抵押

於二零一七年十二月三十一日及二零一六年十二月三十一日，概無短期或長期借貸以物業、廠房及設備或預付經營租賃款作為抵押。

New investment in major projects

Kunlun Gas, a wholly-owned subsidiary of the Company, entered into acquisition agreement dated 28 September 2017 with PetroChina Company Limited (“PetroChina”), pursuant to which PetroChina has conditionally agreed to sell and Kunlun Gas has conditionally agreed to purchase 51% equity interest in PetroChina Jingtang LNG Co., Ltd (“Jingtang Co.”) at a consideration of approximately RMB1,547 million subject to adjustment on gain or loss of Jingtang Co. during the transition period, as defined in the acquisition agreement. This acquisition will help the Group avoid the horizontal competition between the Group and PetroChina, which will generate synergies among the Group’s businesses, enhance operational efficiency and increase market competitiveness. In the fourth quarter of 2017, Kunlun Gas obtained all the necessary approvals of the government authorities of the acquisition and Jingtang Co. has become a non-wholly-owned subsidiary of the Company upon the completion of acquisition. The final consideration was RMB1,906 million, including the gains during the transition period amounting to approximately RMB359 million.

Material Investments

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

The Group’s major investment in associates are mainly in its Exploration and Production segment. The Group has invested in an associate, Aktobe, located in the Republic of Kazakhstan with an effective equity interest of 15.072%, the detailed financial information of which is summarised in Note 18 in the Notes to the Consolidated Financial Statements.

There is no single material joint venture which significantly affects the results and/or net assets of the Group. Details of the Group’s investments in joint ventures are summarised in Note 19 in the Notes to the Consolidated Financial Statements.

Employee

As at 31 December 2017, the Group had approximately 41,835 employees globally (excluding the employees under entrustment contracts) (2016 restated: 37,417 employees). Remuneration package and benefits were determined in accordance with market terms, industry practice as well as the duties, performance, qualifications and experience of the employees.

於主要項目之新投資

本公司全資附屬公司昆侖燃氣於二零一七年九月二十八日與中國石油天然氣股份有限公司(「中國石油」)訂立收購協議，據此，中國石油已有條件同意出售及昆侖燃氣已有條件同意購買中石油京唐液化天然氣有限公司(「京唐公司」)51%的股權，代價為約人民幣1,547百萬元(可根據京唐公司於過渡損益(定義見該收購協議)而作出調整)。收購有利於本集團避免與中國石油的同業競爭，將有利於發揮本集團業務之間的協同效應、提高運營效率、增強市場競爭力。於二零一七年第四季度，昆侖燃氣就收購事項取得全部所需政府機關之批准，京唐公司於收購事項完成後已成為本公司之非全資附屬公司。最終代價為人民幣1,906百萬元，包括過渡期收益人民幣359百萬元。

重大投資

本集團重大投資為其於聯營公司及合資企業之投資。

本集團於聯營公司之主要投資主要為其勘探與生產板塊。本集團已對位於哈薩克斯坦共和國之聯營公司Aktobe進行投資並擁有15.072%實際股權，Aktobe財務資料詳情概述於綜合財務報表附註附註18。

概無單一重大合資企業重大影響本集團業績及／或資產淨值。本集團於合資企業之投資詳情概述於綜合財務報表附註附註19。

僱員

於二零一七年十二月三十一日，本集團在全球僱用約41,835名僱員(通過委託合同聘任除外)(二零一六年重列：37,417名僱員)。薪酬及有關福利一般根據市場情況、行業慣例及個別僱員之職責、表現、履歷及經驗而釐定。

Final dividend

The Board recommended the payment of a final dividend of RMB21.0 cents (2016: RMB6.5 cents) per share. The proposed dividend will be paid on or before 30 June 2018 to the shareholders whose names appear on the Company's register of the members on 4 June 2018 (Monday), subject to the approval at the annual general meeting of the Company. The dividends payable shall be paid in HK\$. The applicable exchange rate shall be the average exchange rate for RMB to HK\$ as announced by the Hong Kong Association of Banks for the 7 working days prior to the declaration of final dividend, which is RMB1 to HK\$1.2284. Accordingly, proposed final dividend attributable to owners of the Company is HK25.8 cents per share and HK\$2,083 million in total.

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.

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 as its code of conduct regarding Directors' securities transaction.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2017.

By the Order of the Board

Zhao Yongqi
Executive Director

Hong Kong, 20 March 2018

末期股息

董事會建議派付末期股息每股21.0人民幣分(二零一六年:6.5人民幣分)。建議股息將於二零一八年六月三十日或之前向於二零一八年六月四日(星期一)名列股東名冊的股東派付,惟須於本公司股東週年大會上獲批准。應付股息將以港元支付。適用的匯率為宣佈末期股息日前7個工作日香港銀行公會公佈的人民幣兌港元平均值,即人民幣1元兌1.2284港元。因此,本公司股東應佔擬派之末期股息為每股25.8港仙及總額20.83億港元。

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。

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附錄十所載之上市發行人董事進行證券交易之標準守則(「標準守則」)寬鬆之書面指引,作為有關董事證券交易之行為守則。

經向全體董事作出具體查詢,董事已確認截至二零一七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

趙永起
執行董事

香港,二零一八年三月二十日

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 2017 (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.

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」)欣然於截至二零一七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。

本公司於整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。

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, 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、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目標乃定期作出檢討。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 and up to the date of this report, the Board comprised the following Directors:

Executive Directors:

Mr Ling Xiao (*Chairman*) (*appointed on 12 January 2018*)
Mr Zhao Yongqi (*Chief Executive Director*)
Mr Zhao Zhongxun
Mr Zhou Yuanhong (*appointed on 12 January 2018*)
Mr Miao Yong (*appointed on 12 January 2018*)

Independent Non-executive Directors:

Mr Li Kwok Sing Aubrey (*Chairman of the Remuneration Committee and Member of the Audit Committee and the Nomination Committee*)
Dr Liu Xiao Feng (*Member of the Audit Committee, the Remuneration Committee and the Nomination Committee*)
Mr Sun Patrick (*Chairman of the Audit Committee and Member of Remuneration Committee and the Nomination Committee*)

As disclosed in the announcement of the Company dated 3 January 2017, Dr Lau Wah Sum resigned as an Independent Non-executive Director with effect from 1 January 2017 since he had reached the age of retirement. As disclosed in the announcement of the Company dated 12 January 2018, Mr Huang Weihe, Mr Wu Enlai, Mr Ding Shilu and Mr Zhang Yaoming resigned as executive Directors with effect from 12 January 2018, as Mr Huang, Mr Ding and Mr Zhang had reached their respective age of retirement and Mr Wu had work-related reasons.

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。

本年度及直至本報告日期，董事會由以下董事組成：

執行董事：

凌霄先生(主席)(於二零一八年一月十二日獲委任)
趙永起先生(行政總裁)
趙忠勳先生
周遠鴻先生(於二零一八年一月十二日獲委任)
繆勇先生(於二零一八年一月十二日獲委任)

獨立非執行董事：

李國星先生(薪酬委員會主席以及審核委員會及提名委員會成員)
劉曉峰博士(審核委員會、薪酬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)

如本公司日期為二零一七年一月三日的公告所披露，劉華森博士由於已達到退休年齡，已辭任獨立非執行董事，自二零一七年一月一日起生效。如本公司日期為二零一八年一月十二日的公告所披露，黃維和先生、吳恩來先生、丁士爐先生及張耀明先辭任執行董事，自二零一八年一月十二日起生效，原因是黃先生、丁先生及張先生已達到退休年齡，吳先生有工作相關原因。

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 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.

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 Policy

Under Code Provision A.5.6 of the CG Code, the nomination committee (or the board) should have a policy concerning diversity of board members, and should 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") to align the board diversity.

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

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。

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。

董事會成員多元化政策

根據守則條文第A.5.6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」)以配合董事會成員多元化。

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、性別、年齡、種族、文化及教育背景、專業經驗、服務任期及其他資歷。董事會的委任均以用人唯才為原則，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。

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.

In accordance with the Company's Bye-laws Article 97, no director will retire by rotation at the Company's forthcoming annual general meeting.

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.

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。

根據本公司細則第97條，概無董事於本公司應屆股東週年大會須輪流退任。

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。

Corporate Governance Report

企業管治報告

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 2017 are set out belows:—

本年度，各董事已出席多個內部會議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。董事二零一七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
Mr. Ling Xiao (Chairman) (appointed on 12 January 2018)	凌霄先生(主席) (於二零一八年一月十二日獲委任)	N/A 不適用	N/A 不適用
Mr. Zhao Yongqi (Chief Executive Officer)	趙永起先生(行政總裁)	Yes 有參與	Yes 有閱讀
Mr. Zhao Zhongxun	趙忠勳先生	Yes 有參與	Yes 有閱讀
Mr. Zhou Yuanhong (appointed on 12 January 2018)	周遠鴻先生 (於二零一八年一月十二日獲委任)	N/A 不適用	N/A 不適用
Mr. Miao Yong (appointed on 12 January 2018)	繆勇先生 (於二零一八年一月十二日獲委任)	N/A 不適用	N/A 不適用
Mr. Huang Weihe (resigned on 12 January 2018)	黃維和先生 (於二零一八年一月十二日辭任)		Yes 有閱讀
Mr. Wu Enlai (resigned on 12 January 2018)	吳恩來先生 (於二零一八年一月十二日辭任)	Yes 有參與	Yes 有閱讀
Mr. Ding Shilu (resigned on 12 January 2018)	丁士燼先生 (於二零一八年一月十二日辭任)		Yes 有閱讀
Mr. Zhang Yaoming (resigned on 12 January 2018)	張耀明先生 (於二零一八年一月十二日辭任)		Yes 有閱讀
Mr Li Kwok Sing Aubrey	李國星先生	Yes 有參與	Yes 有閱讀
Dr Liu Xiao Feng	劉曉峰博士	Yes 有參與	Yes 有閱讀
Mr Sun Patrick	辛定華先生	Yes 有參與	Yes 有閱讀
Dr Lau Wah Sum (resigned on 1 January 2017)	劉華森博士 (於二零一七年一月一日辭任)	N/A 不適用	N/A 不適用

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, 4 Board meetings, 3 Audit Committee meetings, 1 Remuneration Committee meeting and 1 Nomination Committee meeting 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

根據守則條文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，共舉行四次董事會會議、三次審核委員會會議、一次薪酬委員會會議及一次提名委員會會議。

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	Board 董事會	Attendance/Number of Meetings 出席/會議次數			Nomination Committee 提名委員會
		Audit Committee 審核委員會	Remuneration Committee 薪酬委員會		
<i>Executive Directors:</i>	<i>執行董事：</i>				
Mr Ling Xiao (appointed on 12 January 2018)	凌霄先生 (於二零一八年一月十二日獲委任)	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Mr Zhao Yongqi	趙永起先生	4/4	-	-	-
Mr Zhao Zhongxun	趙忠勛先生	4/4	-	-	-
Mr Zhou Yuanhong (appointed on 12 January 2018)	周遠鴻先生 (於二零一八年一月十二日獲委任)	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Mr Miao Yong (appointed on 12 January 2018)	繆勇先生 (於二零一八年一月十二日獲委任)	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Mr Huang Weihe (resigned on 12 January 2018)	黃維和先生 (於二零一八年一月十二日辭任)	4/4	-	-	1/1
Mr Wu Enlai (resigned on 12 January 2018)	吳恩來先生 (於二零一八年一月十二日辭任)	3/4	-	-	-
Mr Ding Shilu (resigned on 12 January 2018)	丁士廬先生 (於二零一八年一月十二日辭任)	4/4	-	-	-
Mr Zhang Yaoming (resigned on 12 January 2018)	張耀明先生 (於二零一八年一月十二日辭任)	3/4	-	-	-
<i>Independent Non-executive Directors:</i>	<i>獨立非執行董事：</i>				
Mr Li Kwok Sing Aubrey	李國星先生	4/4	3/3	1/1	1/1
Dr Liu Xiao Feng	劉曉峰博士	3/4	3/3	1/1	1/1
Mr Sun Patrick	辛定華先生	4/4	3/3	1/1	1/1
Dr Lau Wah Sum (resigned on 1 January 2017)	劉華森博士 (於二零一七年一月一日辭任)	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用

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 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.

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.

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。

議程及會議文件連同所有適當、完備及可靠資料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，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下一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。

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。

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.

The positions of the Chairman and Chief Executive Officer of the Company are held by different individuals during the Year. Mr Huang Weihe was the Chairman of the Board and Mr Zhao Yongqi acted as the Chief Executive Officer throughout the Year. 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.

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.

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。本年度整年黃維和先生擔任董事會主席及趙永起先生為行政總裁。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會適時取得充分、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。

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。

AUDIT COMMITTEE

During the Year, the Audit Committee comprised three Independent Non-executive Directors (including one Independent Non-executive Director who possesses the appropriate professional qualifications or accounting or related financial management expertise) ⁽¹⁾. 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:

- (a) to review the financial statements and reports and consider any significant or unusual items raised by independent auditor before submission to the Board;
- (b) 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
- (c) 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 3 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.

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.

Note (1): Dr Lau Wah Sum ceased to be a member of the Audit Committee with effect from 1 January 2017.

審核委員會

本年度，審核委員會由三名獨立非執行董事組成，包括一名具有適當專業資格或會計或有關財務管理經驗專業知識之獨立非執行董事⁽¹⁾。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：

- (a) 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；
- (b) 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
- (c) 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，審核委員會已舉行三次會議，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，以及委任獨立核數師。

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。

附註(1)：劉華森博士自二零一七年一月一日起不再為審核委員會成員。

REMUNERATION COMMITTEE

During the Year, the Remuneration Committee comprised three Independent Non-executive Directors throughout the Year ⁽²⁾. 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.

The Remuneration Committee held 1 meeting during the Year to review the remuneration policy and structure of the Company, assess performance of Executive Directors, approve the terms of Executive Directors' services contracts and review and make recommendation of the remuneration packages of the Executive Directors and the senior management for the Year to the Board.

Note (2): Dr Lau Wah Sum ceased to be a member of the Remuneration Committee with effect from 1 January 2017.

薪酬委員會

本年度，薪酬委員會由三名獨立非執行董事⁽²⁾組成。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。

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、評估執行董事之表現、批准執行董事之服務合約之條款及就執行董事與高級管理人員之本年度薪酬待遇進行檢討並向董事會提出建議。

附註(2)：劉華森博士自二零一七年一月一日起不再為薪酬委員會成員。

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 2017
二零一七年

RMB1 – RMB1,000,000	人民幣 1 元至人民幣 1,000,000 元	2
RMB2,000,001 – RMB2,500,000	人民幣 2,000,001 元至人民幣 2,500,000 元	1
		3

NOMINATION COMMITTEE

提名委員會

During the Year, the Nomination Committee comprised of four members including three Independent Non-executive Directors and the Chairman of the Company throughout the Year ⁽³⁾.

本年度，提名委員會由四名成員組成，包括三名獨立非執行董事⁽³⁾及本公司主席。

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：

- | | |
|---|---|
| <p>1. 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;</p> | <p>1. 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；</p> |
| <p>2. 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;</p> | <p>2. 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；</p> |
| <p>3. to assess the independence of Independent Non-executive Directors;</p> | <p>3. 評估獨立非執行董事之獨立性；</p> |
| <p>4. 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;</p> | <p>4. 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；</p> |

Note (3): Dr Lau Wau Sum ceased to be a member of the Nomination Committee with effect from 1 January 2017.

附註(3)：劉華森博士自二零一七年一月一日起不再為提名委員會成員。

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 1 meeting 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

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，提名委員會已舉行一次會議，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、檢討及監察執行及遵守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

- review of the effectiveness of the internal controls and risk management systems of the Company.

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 (the “Employees Written Guidelines”) 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 73 to 79.

- 審閱本公司內部控制及風險管理系統之有效性。

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證券之未公開內幕消息之僱員買賣本公司證券訂立書面指引(「僱員書面指引」)。

有關財務報表及核數師酬金之責任

董事會負責呈現平衡、清晰及明白地評審的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法律規定須予披露之其他資料。

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73至79頁之「獨立核數師報告」。

During the Year, the fees charged by KPMG for the audit of the Company and its subsidiaries amounted to approximately RMB20 million (2016 restated: RMB16 million). In addition, approximately RMB4 million (2016 restated: RMB2 million) was charged by KPMG for non-audit services. The non-audit services mainly consist of taxation services, interim review, advisory and other professional services. The fees charged by other auditors of the Group for audit services during the Year amounted to approximately RMB10 million (2016 restated: RMB4 million).

SHAREHOLDER RIGHTS AND INVESTOR RELATIONS

(1) General Meeting

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.

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.

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

During the Year, two general meetings were held on 2 June 2017 and 19 December 2017 which were the 2017 annual general meeting and the special general meeting for approval of the continuing connected transactions for the years 2018 to 2020, respectively. The attendance records of the Directors to the 2017 general meetings are set out below:—

年內，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20百萬元(二零一六年重列：人民幣16百萬元)。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4百萬元(二零一六年重列：人民幣2百萬元)。而非審核服務主要包括稅務服務、中期審閱、諮詢及其他專業服務。年內，本集團的其他核數師就提供審核服務費用約為人民幣10百萬元(二零一六年重列：人民幣4百萬元)。

股東權利及投資者關係

(1) 股東大會

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通告／股東通函，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。

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。

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。

本年度，已於二零一七年六月二日及二零一七年十二月十九日舉行兩次股東大會。分別為二零一七年股東週年大會及股東特別大會批准二零一八年至二零二零年持續關連交易。董事出席二零一七年股東大會之出席會議次數記錄載列如下：

Directors 董事		Attendance 出席會議次數
Mr. Ling Xiao (Chairman) (appointed on 12 January 2018)	凌霄先生(主席) (於二零一八年一月十二日獲委任)	N/A 不適用
Mr. Zhao Yongqi (Chief Executive Officer)	趙永起先生(行政總裁)	2/2
Mr. Zhao Zhongxun	趙忠勳先生	2/2
Mr. Zhou Yuanhong (appointed on 12 January 2018)	周遠鴻先生 (於二零一八年一月十二日獲委任)	N/A 不適用
Mr. Miao Yong (appointed on 12 January 2018)	繆勇先生(於二零一八年一月十二日獲委任)	N/A 不適用
Mr. Huang Weihe (resigned on 12 January 2018)	黃維和先生(於二零一八年一月十二日 辭任執行董事)	2/2
Mr. Wu Enlai (resigned on 12 January 2018)	吳恩來先生(於二零一八年一月十二日 辭任執行董事)	2/2
Mr. Ding Shilu (resigned on 12 January 2018)	丁士廬先生(於二零一八年一月十二日 辭任執行董事)	2/2
Mr. Zhang Yaoming (resigned on 12 January 2018)	張耀明先生(於二零一八年一月十二日 辭任執行董事)	1/2
<i>Independent Non-executive Directors</i>		
Mr Li Kwok Sing Aubrey	獨立非執行董事 李國星先生	2/2
Dr Liu Xiao Feng	劉曉峰博士	1/2
Mr Sun Patrick	辛定華先生	2/2
Dr Lau Wah Sum (resigned on 1 January 2017)	劉華森博士(於二零一七年一月一日辭任)	N/A 不適用

(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 requisitionist(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 requisitionist(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 requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

(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的事宜,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) 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) 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, the adequacy of resources, qualification and experiences of staff of the Company's accounting and financial functions. 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 2017

In 2017, following the acquisition of PetroChina Kunlun Gas Co., Ltd, in order to strengthen the management and control of material risks and cultivate the risk management culture of the Company, it selected the headquarters and 18 subsidiaries to conduct risk assessment and prepare risk management reports during the Year. After thorough research and analysis of changes internally and in external environment and in view of its objectives for production and operation for 2017, the Group conducted a comprehensive review and analysis of its risk events in 2016, the exceptions to internal control tests, as well as the information on major risks and the risks for the Natural Gas Pipeline segment set out in the risk management reports for the past few years, which has formed the basis for risk assessment of the Company for 2017.

The Group reports on the management and control of its major risks in 2017 as follows:

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，包括財務、營運及遵守法規的監控，風險管理，資源充足程度、本公司會計及財務部門之員工學歷及資歷。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。積極促進風險與業務相融合，充分發揮風險在管理中的導向性作用。

二零一七年度重大風險管控情況

二零一七年度，收購中石油昆侖燃氣有限公司後，為強化重大風險管控，培育公司風險管理文化，本年度選取總部及18家附屬公司開展風險評估和風險管理報告編制工作。在全面研判內外部環境變化的基礎上，本集團緊密圍繞二零一七年度生產經營目標，全面整理分析二零一六年風險事件揭示風險、內控測試例外事項發生情況、與歷年風險管理報告主要風險以及天然氣管道板塊風險數據相結合，形成公司二零一七年度風險評估基礎。

對本集團二零一七年度主要風險管控情況作如下報告：

MARKET RISK

In response to the challenges to be brought by the changes in price policies, the Group analyzed its sales structure analysis in advance, strengthened its communication and coordination with users, enhanced LNG sales in liquid form, and commenced non-natural gas operation, which has effectively mitigated the impacts of the changes in policies. The Group continued to optimise its customer structure, formulated plans for the development of new markets and customers, and refined natural gas sales plans. The Group conducted a survey on the demand for natural gas in winter and made plans in advance, communicated with upstream suppliers in an effective manner to secure steady resources, and made early preparations for allocation of resources for emergency response to effectively cope with market demand.

PROJECT MANAGEMENT RISKS

The Group has in place strict procedures for the review and approval of preliminary designs, the review of design quality of construction drawings and project bidding proposals, project progress, on-site construction quality, construction safety and project inspection for acceptance. The Group strengthened the implementation of the principle of “whoever grants the construction contract must conduct supervision, recruit labour and assume responsibility” to ensure the smooth and orderly progress of projects and transfer of projects with “zero defects” to the production department for production commencement arrangement. The LNG terminal project has achieved preliminary results. Natural gas branch pipeline project made steady progress, and the construction of city gas projects was accelerated.

市場風險

針對價格政策變化帶來的衝擊，提前做好銷售結構分析，加強和用戶溝通協調，加強LNG液態銷售，啟動非氣業務經營，有效緩解政策變化帶來的影響。持續優化客戶結構，制定新市場和客戶開發計劃，細緻編排天然氣銷售計劃，提前做好冬季用氣計劃需求調研和編制，及時與上游銷售單位進行有效溝通，爭取穩定資源，並提前安排好應急資源，有效應對市場需求。

工程管理風險

嚴謹做好初步設計報審、報批，施工圖設計質量，嚴控工程招標方案審查，工程進度，現場施工質量，施工安全，工程驗收關，強化「誰發包、誰監管、誰用工、誰負責」的原則，確保項目平穩有序建設，確保工程「零缺陷」移交生產部門組織投產。LNG接收站項目取得階段性成果，天然氣支線項目建設穩步推進，城市燃氣項目加快建設。

HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION RISKS

With “risk prevention and control” as the core and the objective of continuing to enhance “four key areas and four in-place” and implementing the safety and environmental protection accountability system, the Group coordinated and made comprehensive plans and strengthened process supervision to ensure that the risks are kept under control. The Group further improved the QHSE system by reviewing, designing and issuing implementation plans in accordance with the principle that whoever is responsible for the work shall be also responsible for safety, preparing and revising QHSE system documents and comprehensively regulating risk management. It strengthened and improved all employees’ ability to perform safety and environmental protection responsibilities through the assessment of safety and environmental protection responsibility performance ability. It strengthened the building of HSE standardisation at low-level stations and continued to consolidate the foundation for safety. The Group improved the assessment mechanism, broke down safety and environmental protection responsibility indicators, and entered into safety and environmental protection responsibility letters at various levels. It formulated and implemented the Rules for Assessment of Quality, Occupational Health, Safety and Environmental Protection Performance Indicators, refined assessment indicators, strengthened assessment, and promoted management improvement.

RISK OF PRODUCTION INTERRUPTION AND PRODUCTION CAPACITY MISMATCH

The Group strengthened the three-level dispatch management and ensured that the important production and operation monitoring ratio of 100% through the timely warning of abnormal situations by the SCADA system. The Group strengthened the operation and maintenance management of equipment and improved equipment management to maintain the availability ratio. The Group implemented a number of measures to strengthen pipeline safety and improved the pipeline operation reliability. It prepared and issued the “Gas Transmission Pipeline Integrity Management Guide (Line Part)”, organised entities under the Group to revise management and operation documents, and carried out serious consequence identification and risk assessment. It conducted flood season branch pipeline risk inspections during sensitive times such as winter, flood season and holidays to ensure smooth operation. It completed the preparation of the “Maintenance and Repair System Construction Plan (2018-2022)”, and continued to improve the business skills in respect of dispatch operation, on-site operation, line inspection and maintenance and repair teams.

健康安全環保風險

以「風險防控」為核心，以持續夯實「四個關鍵，四個到位」及安全環保責任制落實為目標，全面統籌策劃，強化過程監管，確保風險受控。進一步完善QHSE體系，按照管工作管安全的原則，對標梳理，頂層設計，發佈實施方案，制修訂QHSE體系文件，全面規範風險管理。以「安全環保履職能力評估」為抓手，強化和提升全員安全環保履職能力。加強基層站隊HSE標準化建設，持續夯實安全基礎。完善考核機制，將安全環保責任指標進行分解，層層簽訂安全環保責任書，並制定實施《質量、職業健康、安全、環保績效指標考核細則》，細化考核指標，加大考核力度，促進管理提升。

生產中斷與產能不匹配風險

加強三級調度管理，通過SCADA系統對異常情況及時預警，確保重要生產運行情況監控率100%。強化設備設施運維管理，提高設備管理水平，確保設備完好率。多措並舉強化管網安全，提高了管網運行可靠性。編制和發佈公司《輸氣管道完整性管理指南（線路部分）》，組織所屬有關企業修訂管理和作業文件，開展高後果區識別和風險評價工作。針對冬季、汛期及節假日等敏感時期，開展汛期支線管道風險排查，確保平穩度汛。編制完成《維搶修體系建設規劃（2018-2022年）》，不斷提升各級調度運行、現場作業、巡線、維搶修等隊伍業務能力。

INVESTMENT MANAGEMENT RISK

The Group improved the investment management and decision-making system, established investment rules and systems matching its own characteristics, and set up an investment management and decision-making system with four levels, being provincial regional companies, the assessment committee (functional departments), external expert review and the general manager office (the board of directors).

RISK OF HUMAN RESOURCES

The Group initially established a selection and recruitment mechanism based on comprehensive assessment.

It adopted differentiated remuneration and established a remuneration system under which remuneration is based on and varies with position and reflects position responsibility and the remuneration matches position performance.

For internal control and risk management, the Company will continue to strengthen risk management and improve internal control system, enhance compliance awareness, and continue to carry out material risk assessment. The Company will prepare risk management strategies, solutions and supervision and improvement plans in light of its own situations in order to ensure the feasibility of the measures and effective management and control in 2018. By placing emphasis on comprehensive improvement in basic management, a solid foundation will be laid for the continuous improvement in operation, overall improvement in management and high-quality and healthy development of the Company.

投資管理風險

完善投資管理決策體系，制定符合自身特點的投資制度體系，形成了省區公司、評估委員會（職能部門）、外部專家評審、總經理辦公會（董事會）四個層級的投資管理決策體系。

人力資源風險

初步建立以綜合考評為基礎的選拔用人機制。

實行差異化薪酬，建立以崗定薪、崗變薪變。體現崗位責任、履崗能力與薪酬水平相對匹配的薪酬制度。

二零一八年公司內控與風險管理工作將以不斷強化風險管理，持續完善內控體系，強化合規意識，持續開展重大風險評估工作，緊密結合公司實際，制定風險管理策略、解決方案及監督改進計劃，確保措施可行，管控落地。以全面提升基礎管理水平為重點，為公司實現經營行為不斷規範、管理水平整體提升，高質量健康發展提供有力保障。

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 2017 (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 on pages 14 to 22 of this annual report.

(1) Business Strategy

The National Energy Administration issued the 13th Five-year Plan for Energy Development, which states the objective to increase the percentage of natural gas consumption to primary energy consumption to 10% by 2020 and that the government shall actively promote the oil and gas system reform and the natural gas price mechanism reform and natural gas market development, reduce the natural gas utilisation cost and expand the size of natural gas consumption. In 2018, China will continue to facilitate energy production and consumption revolution to promote the replacement of major energy consumed by green energy with low carbon-emission. Environmental supervision will become an important driving force for rapid growth of the demand for natural gas, and the trend for natural gas to become a major energy in the PRC will become more obvious. It is expected that city gas and industrial gas consumption will maintain rapid growth, and the demand for natural gas generator and distributed energy will steadily increase. Imported natural gas will maintain growth momentum. The macro-environment for the development of the Group will be more favourable.

The Group is confident in capturing development opportunities and effectively making full use of its advantages in assets and business structure in 2018. By centering around structure optimisation, it will continue to advance the development of QHSE system building. It will vigorously develop high-end and high-profitability market and terminal business, expand its natural gas generator, distributed energy and city gas terminal market, and play

昆侖能源有限公司(「本公司」)董事會(「董事會」)欣然提呈截至二零一七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14至22頁之主席報告。

(1) 發展戰略

國家能源局發佈的《能源發展「十三五」規劃》指出，到二零二零年力爭將天然氣在一次能源的消費比重提升至10%。同時，要積極推進油氣體制改革和天然氣價格機制改革，推動天然氣市場建設，降低天然氣綜合使用成本，擴大天然氣消費規模。二零一八年，國家將繼續推動能源生產和消費革命，推動主體能源綠色低碳更替，環保監管將成為拉動天然氣需求保持較快增長的重要因素，天然氣成為我國主體能源之一的趨勢更加明顯。預計城市燃氣將保持快速增長，天然氣發電及分布式能源需求穩步增加，進口天然氣保持增長勢頭，本集團發展的宏觀環境更加有利。

二零一八年，本集團有信心把握發展機遇，有效發揮資產和業務結構優勢，繼續圍繞優化結構、提質增效，深入推進QHSE體系建設，大力開發高端高效市場和終端業務，做大天然氣發電、分布式能源、城市燃氣等終端市場，在中國加快發展天然氣業務、打造戰略性和價值性工程中發揮積極作用。本集團繼續全力推動城市燃氣量效齊增，統籌優

a positive role in China's accelerated development of natural gas business and building strategic and valuable projects. The Group will continue to fully promote increase in both sales volume and efficiency of city gas, coordinate and optimise the integrated LNG operation, accelerate strategic planning for natural gas generator and distributed energy projects, advance the construction of key strategic branch pipelines in an orderly manner, accelerate the transformation and upgrading of LPG sales.

(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 exploration, production and sales of crude oil, gas operation and service, gas facilities protection, prevention and handling of gas safety accidents, price determination regime of natural gas, environmental protection, and labour security. 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.

(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.

化LNG一體化運行，加快氣電和分布式能源戰略佈局，有序推進重點戰略支線管道建設，加快實施LPG銷售轉型升級。

(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，包括與原油勘探、生產及銷售、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) 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。

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 fair recruitment and treatment of its employees, and has established sound occupational health and safety policies to create a desirable work environment to 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 to closely monitor 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 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 receivables are set out in Note 24 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.

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.

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附註24。年內，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。年內，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。

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。

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its subsidiaries, associates and joint ventures are the exploration and production of crude oil and natural gas in the People's Republic of China (the "PRC"), the Republic of Kazakhstan, the Sultanate of Oman, the Republic of Peru, the Kingdom of Thailand, the Republic of Azerbaijan, and the sales and distribution of natural gas, LNG processing, LNG terminal and transmission of natural gas in the PRC.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the Consolidated Statement of Comprehensive Income on pages 80 and 81.

A final dividend for the year ended 31 December 2016 of RMB6.5 cents per share amounting to approximately RMB522 million was paid during the Year. The Directors recommended the payment of a final dividend of RMB21.0 cents per share for the Year, totalling approximately RMB1,695 million. The dividends payable shall be paid in HK\$. The applicable exchange rate shall be the average exchange rate for RMB to HK\$ as announced by the Hong Kong Association of Banks for the 7 working days prior to the declaration of final dividend, which is RMB1 to HK\$1.2284. Accordingly, proposed final dividend attributable to owners of the Company is HK25.8 cents per share and HK\$2,083 million in total.

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 5.

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 84 and 85, and Note 28 in the Notes to the Consolidated Financial Statements respectively.

SHARE CAPITAL

Details of the movements in share capital of the Company during the Year are set out in Note 27 in the Notes to the Consolidated Financial Statements.

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在中華人民共和國（「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，以及於中國銷售及分銷天然氣、LNG加工、LNG接收站以及輸送天然氣。

業績及股息

本集團本年度之業績載於第80及81頁之綜合全面收益表。

本年度已派付截至二零一六年十二月三十一日止年度之末期股息每股6.5人民幣分，合共約人民幣522百萬元。董事會建議就本年度派發末期股息每股21.0人民幣分，合共約人民幣1,695百萬元。應付股息將以港元支付。適用的匯率為宣佈末期股息日前7個工作日香港銀行公會公佈的人民幣兌港元平均值，即人民幣1元兌1.2284港元。因此，本公司股東應佔擬派之末期股息為每股25.8港仙及總額20.83億港元。

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5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84及85頁之綜合權益變動表及綜合財務報表附註28。

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27。

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 31 December 2017 and 2016 were as follows:

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列)
Contributed surplus	實繳盈餘	109	109
Retained earnings	滾存盈利	15,477	12,536
		15,586	12,645

Under the Companies Act 1981 of Bermuda (as amended), 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 accounts.

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.

本公司可供分派儲備

於二零一七年及二零一六年十二月三十一日，本公司可供分派儲備如下：

	2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列)
Contributed surplus	109	109
Retained earnings	15,477	12,536
	15,586	12,645

據百慕達一九八一年公司法(經修訂)，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 and up to the date of this report are:

Executive Directors:

Mr Ling Xiao (*Chairman*) (*appointed on 12 January 2018*)

Mr Zhao Yongqi (*Chief Executive Officer*)

Mr Zhao Zhongxun

Mr Zhou Yuanhong (*appointed on 12 January 2018*)

Mr Miao Yong (*appointed on 12 January 2018*)

Mr Huang Weihe (*resigned on 12 January 2018*)

Mr Wu Enlai (*resigned on 12 January 2018*)

Mr Ding Shilu (*resigned on 12 January 2018*)

Mr Zhang Yaoming (*resigned on 12 January 2018*)

Independent Non-executive Directors:

Mr Li Kwok Sing Aubrey

Dr Liu Xiao Feng

Mr Sun Patrick

Dr Lau Wah Sum (*resigned on 1 January 2017*)

As disclosed in the announcement of the Company dated 3 January 2017, Dr Lau Wah Sum resigned as an Independent Non-executive Director with effect from 1 January 2017 since he had reached the age of retirement. As disclosed in the announcement of the Company dated 12 January 2018, Mr Huang Weihe, Mr Wu Enlai, Mr Ding Shilu and Mr Zhang Yaoming resigned as Executive Directors with effect from 12 January 2018, as Mr Huang, Mr Ding and Mr Zhang had reached their respective age of retirement and Mr Wu had work-related reasons.

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

於本年度及截至本報告日期，本公司之董事如下：

執行董事：

凌霄先生(主席)(於二零一八年一月十二日獲委任)

趙永起先生(行政總裁)

趙忠勳先生

周遠鴻先生(於二零一八年一月十二日獲委任)

繆勇先生(於二零一八年一月十二日獲委任)

黃維和先生

(於二零一八年一月十二日辭任)

吳恩來先生

(於二零一八年一月十二日辭任)

丁士爐先生

(於二零一八年一月十二日辭任)

張耀明先生

(於二零一八年一月十二日辭任)

獨立非執行董事：

李國星先生

劉曉峰博士

辛定華先生

劉華森博士(於二零一七年一月一日辭任)

如本公司日期為二零一七年一月三日的公告所披露，劉華森博士由於已達到退休年齡，已辭任獨立非執行董事，自二零一七年一月一日起生效。如本公司日期為二零一八年一月十二日的公告所披露，黃維和先生、吳恩來先生、丁士爐先生及張耀明先生辭任執行董事，自二零一八年一月十二日起生效，原因是黃先生、丁先生及張先生已達到退休年齡，吳先生有工作相關原因。

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 Ling Xiao (Chairman)

Aged 54, was appointed as an Executive Director on 12 January 2018, and served as the Chairman from 12 January 2018.

Mr Ling is currently vice president of PetroChina Company Limited ("PetroChina") (Stock Code: 00857.HK), general manager of PetroChina Natural Gas Sales Branch Company (Natural Gas and Pipelines Branch Company) ("Natural Gas Sales Branch Company") and chairman of the board of directors of PetroChina Pipelines Company Limited (中石油管道有限責任公司) ("PetroChina Pipelines"). Mr Ling is a professor-level senior engineer and has over 30 years of experience in the Chinese petroleum and chemical engineering industry. Mr Ling obtained a bachelor's degree in petroleum transportation and storage from East China Petroleum Institute in July 1982. In June 2008, he obtained a doctorate degree in oil and gas storage and transportation from China University of Petroleum (Beijing).

From June 2001 to August 2004, Mr Ling was deputy director of Xinjiang Petroleum Administration. From August 2004 to December 2007, he had successively been chairman of the board of directors and general manager of Western Pipeline Company Limited (西部管道有限責任公司). From December 2007 to March 2009, he acted as executive director, general manager of Western Pipeline Limited Company (西部管道有限責任公司). From March 2009 to November 2013, Mr Ling was general manager of the Western Pipeline Branch Company. From November 2013 to March 2016, he was general manager of PetroChina West-East Gas Pipeline Branch Company (中國石油西氣東輸管道分公司) and general manager of West-East Gas Sales Branch Company (西氣東輸銷售分公司). From March 2016 to September 2016, Mr. Ling was deputy general manager of PetroChina Natural Gas and Pipelines Branch Company and deputy general manager of Natural Gas Sales Branch Company. From September 2016 to November 2017, he was deputy general manager of Natural Gas Sales Branch Company and general manager of PetroChina Pipelines.

董事及高級管理人員之背景

執行董事

凌霄先生(主席)

現年五十四歲，於二零一八年一月十二日委任為執行董事，及自二零一八年一月十二日起擔任主席職務。

凌先生為現任中國石油天然氣股份有限公司(「中國石油」)(股份代號：00857.HK)副總裁，同時兼任中國石油天然氣銷售分公司(天然氣與管道分公司)(「天然氣銷售分公司」)總經理及中石油管道有限責任公司(「中油管道」)董事長。凌先生是教授級高級工程師，在中國石油與化工行業擁有逾30年的工作經驗。凌先生於一九八二年七月自華東石油學院石油儲運專業取得本科學位，並於二零零八年六月自中國石油大學(北京)油氣儲運專業取得博士研究生學位。

凌先生自二零零一年六月至二零零四年八月擔任新疆石油管理局副局長，自二零零四年八月起至二零零七年十二月，擔任西部管道有限責任公司董事長、總經理，自二零零七年十二月至二零零九年三月擔任西部管道有限責任公司執行董事、總經理，自二零零九年三月至二零一三年十一月擔任西部管道分公司總經理，自二零一三年十一月至二零一六年三月擔任中國石油西氣東輸管道分公司總經理及西氣東輸銷售分公司總經理。凌先生自二零一六年三月至二零一六年九月擔任中國石油天然氣與管道分公司副總經理兼天然氣銷售分公司副總經理，自二零一六年九月至二零一七年十一月擔任天然氣銷售分公司副總經理及中油管道總經理。

Mr Zhao Yongqi (Chief Executive Officer)

Aged 57, was appointed as a Chief Executive Officer in December 2013, appointed as an Executive Director in June 2014 and appointed as a general manager in February 2016. Mr Zhao is a professor-level senior economist and he has over 30 years of experience in the oil and gas industry in China. Mr Zhao became the deputy general manager of PetroChina Dagang Oil Fields Sales Company in May 1997, the deputy general manager of PetroChina North China Sales Company in December 1999, the general manager of PetroChina Inner Mongolia Sales Company in October 2004. He became the general manager of China Marine Bunker Co., Ltd. in November 2009, the general manager of PetroChina Kunlun Gas Co., Ltd. ("Kunlun Gas") in August 2011, and began to concurrently serve as an executive director of the same company in October 2011. He became the deputy general manager of PetroChina Natural Gas Sales Branch Company (Natural Gas and Pipeline Branch Company) in November 2017. Mr Zhao was elected a representative to the 11th National People's Congress of the PRC in January 2008.

Mr Zhao Zhongxun

Aged 52, was appointed as an Executive Director of the Company in May 2016. He is currently the deputy general manager of department of planning and programming of China National Petroleum Corporation ("CNPC") and PetroChina. Mr Zhao is a professor-level senior economist. He has nearly 30 years of working experience in the oil industry in China. Mr Zhao obtained a Bachelor of Engineering from China University of Petroleum with a major in management of industrial engineering in 1988, and obtained a EMBA degree from the Business School of the University of Texas (Arlington) in 2006. Mr Zhao was appointed as the deputy general manager of department of planning and programming of PetroChina since October 2006, the deputy director general of department of planning and programming of CNPC and the deputy general manager of department of planning and programming of PetroChina since June 2007, the deputy general manager of department of planning and programming of CNPC and PetroChina in May 2011.

趙永起先生 (行政總裁)

現年五十七歲，於二零一三年十二月獲委任為行政總裁，二零一四年六月獲委任為執行董事，二零一六年二月獲任為總經理。趙先生為教授級高級經濟師，在中國石油及天然氣行業擁有逾三十年的工作經驗。趙先生一九九七年五月起任中國石油大港油田銷售公司副總經理，一九九九年十二月起任中國石油華北銷售分公司副總經理，二零零四年十月起任中國石油內蒙古銷售分公司總經理。二零零九年十一月起任中國船舶燃料有限責任公司總經理，二零一一年八月起任中石油昆侖燃氣有限公司（「昆侖燃氣」）總經理，二零一一年十月起任此公司執行董事。二零一七年十一月起任中國石油天然氣銷售分公司（天然氣與管道分公司）副總經理。趙先生於二零零八年一月當選中國第十一屆全國人大代表。

趙忠勳先生

現年五十二歲，於二零一六年五月獲委任為本公司執行董事。現任中國石油天然氣集團有限公司（「中國石油集團」）、中國石油規劃計劃部副總經理。趙先生為教授級高級經濟師，在中國石油行業有近三十年的工作經驗。趙先生一九八八年畢業於石油大學工業管理工程專業，獲工學學士學位；二零零六年獲美國得克薩斯大學阿靈頓商學院 EMBA 碩士學位。趙先生二零零六年十月起任中國石油規劃計劃部副總經理，二零零七年六月任中國石油集團規劃計劃部副主任、中國石油規劃計劃部副總經理，二零一一年五月獲委任中國石油集團、中國石油規劃計劃部副總經理。

Mr Zhou Yuanhong

Aged 50, was appointed as an Executive Director on 12 January 2018. Mr Zhou is currently deputy general manager of M&A Department of CNPC and PetroChina and director of investee companies of CNPC and PetroChina. Mr Zhou was appointed to the aforementioned positions in October 2016. Mr Zhou obtained a bachelor's degree in accounting from Xi'an Petroleum Institute in June 1991. In November 2003, he obtained a master's degree in international accounting from University of New South Wales in Australia. From May 2002 to August 2003, he was deputy head of finance division of PetroChina Natural Gas and Pipelines Branch Company. From August 2003 to April 2006, he was deputy head of equity management office under M&A Department of PetroChina. From April 2006 to July 2008, Mr Zhou was head of equity management office under M&A Department of CNPC and PetroChina. From July 2008 to October 2016, he was a full-time director and full-time supervisor of M&A Department of CNPC and PetroChina. From October 2016, Mr Zhou has been deputy manager of M&A Department of CNPC and PetroChina and director of investee companies thereof. Mr Zhou is also a director of CNPC Capital Company Limited (Stock Code: 000617.SHE), a listed company on the Shenzhen Stock Exchange.

Mr Miao Yong

Aged 45, was appointed as an Executive Director of the Company on 12 January 2018. Mr. Miao is currently chief accountant of Natural Gas Sales Branch Company. Mr Miao was appointed to the aforementioned position in July 2017. Mr Miao, being a senior accountant, obtained a bachelor's degree in finance and accounting from Xi'an Petroleum Institute in June 1996. In January 2011, he obtained a master's degree in business administration from Qinghua University. Mr Miao has successively worked for China National Oil and Gas Exploration and Development Corporation (中國石油勘探開發公司) and PetroChina in their respective taxation and prices divisions under the finance departments. From July 2009 to June 2012, he was deputy chief accountant of Finance Department of PetroChina. From June 2012 to December 2016, he was chief accountant of PetroChina Southwest Pipelines Branch Company (中國石油西南管道分公司). From December 2016 to July 2017, he was Chief Accountant of PetroChina Pipelines.

周遠鴻先生

現年五十歲，於二零一八年一月十二日獲委任為本公司執行董事。為現任中國石油集團和中國石油資本運營部副總經理，兼中國石油集團以及中國石油所投資公司董事。周先生二零一六年十月獲委任上述職位。周先生於一九九一年六月於西安石油學院會計學專業取得本科學位，於二零零三年十一月自澳大利亞新南威爾士大學國際會計專業取得碩士學位。周先生自二零零二年五月至二零零三年八月擔任中國石油天然氣與管道分公司財務處副處長，自二零零三年八月至二零零六年四月擔任中國石油資本運營部股權管理處副處長，自二零零六年四月至二零零八年七月擔任中國石油集團和中國石油資本運營部股權管理處處長，自二零零八年七月至二零一六年十月擔任中國石油集團和中國石油資本運營部專職董監事。由二零一六年十月起，周先生擔任中國石油集團及中國石油資本運營部副總經理及所投資公司董事。周先生還擔任在深圳證券交易所上市的中國石油集團資本股份有限公司(股份代號：000617.SHE)董事職務。

繆勇先生

現年四十五歲，於二零一八年一月十二日獲委任為本公司執行董事。為現任天然氣銷售分公司總會計師。繆先生二零一七年七月獲委任上述職位。繆先生是高級會計師，於一九九六年六月自西安石油學院工業財務與會計專業取得本科學位，於二零一一年一月自清華大學工商管理專業取得碩士學位。繆先生先後在中國石油勘探開發公司、中國石油財務部稅價處工作，自二零零九年七月至二零一二年六月擔任中國石油財務部副總會計師，自二零一二年六月至二零一六年十二月擔任中國石油西南管道分公司總會計師，自二零一六年十二月至二零一七年七月擔任中油管道總會計師。

Independent Non-executive Directors

Mr Li Kwok Sing Aubrey

Aged 68, was appointed as an Independent Non-executive Director of the Company in 1998. He is chairman of IAM Holdings (Hong Kong) Limited, a Hong Kong based investment firm, and has over 35 years' experience in merchant banking and commercial banking. He is a non-executive director of The Bank of East Asia, Limited, an independent non-executive director of Cafe de Coral Holdings Limited, Kowloon Development Company Limited, Pokfulam Development Company Limited and Tai Ping Carpets International Limited. He was an independent non-executive director of China Everbright International Limited until 24 May 2017. Mr Li has a Master of Business Administration from Columbia University and a Bachelor of Science in Civil Engineering from Brown University.

Dr Liu Xiao Feng

Aged 55, 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 Honghua Group Limited (stock code: 196) since January 2008 and 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 Hisense Kelon Electrical Holdings Company Limited (stock code: 921) since September 2017, 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.

獨立非執行董事

李國星先生

現年六十八歲，於一九九八年獲委任為本公司獨立非執行董事。李先生現為星安控股有限公司（以香港為基地的投資集團）之主席。李先生擁有超過三十五年之商人銀行與商業銀行之經驗。彼亦為東亞銀行有限公司非執行董事及大家樂集團有限公司、九龍建業有限公司、博富臨置業有限公司及太平地氈國際有限公司之獨立非執行董事。李先生為中國光大國際有限公司獨立非執行董事至二零一七年五月二十四日。李先生持有哥倫比亞大學管理碩士學位及布朗大學土木工程理學士學位。

劉曉峰博士

現年五十五歲，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。於企業融資積逾23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。自二零一七年九月起擔任海信科龍電器股份有限公司（股份代號：921）之獨立非執行董事。以上三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 59, was appointed as an Independent Non-executive Director of the Company on 18 February 2016. He is currently an independent non-executive director of Trinity Limited, Sihuan Pharmaceutical Holdings Group Ltd, China NT Pharma Group Company Limited and China Railway Signal & Communication Corporation Limited, all of which are 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. He is a vice-chairman of The Chamber of Hong Kong Listed Companies and was its chairman (2013 – 2015) and Honorary Chief Executive Officer.

Mr Sun was an independent non-executive director and non-executive chairman of Solomon Systech (International) Limited, a non-executive director of Renhe Commercial Holdings Company Limited, an executive director of Value Convergence Holdings Limited and SW Kingsway Capital Holdings Limited (all of which are listed companies in Hong Kong), and an independent non-executive director of China Railway Group Limited (listed on the Stock Exchange and the Shanghai Stock Exchange), China CNR Corporation Limited (which was delisted from the Stock Exchange in May 2015 due to merger with CRRC Corporation Limited) and The Link Management Limited (the manager of The Link Real Estate Investment Trust which is also listed in Hong Kong), 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

現年五十九歲，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。彼現任利邦控股有限公司、四環醫藥控股集團有限公司、中國泰凌醫藥集團有限公司及中國鐵路通信信號股份有限公司（均於聯交所上市）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。彼現為香港上市公司商會副主席，並曾任其主席（二零一三年至二零一五年）及名譽總幹事。

辛先生曾歷任 Solomon Systech (International) Limited 獨立非執行董事及非執行主席、人和商業控股有限公司非執行董事、匯盈控股有限公司執行董事以及新華匯富金融控股有限公司執行董事（該等公司均於聯交所上市）。彼亦曾任中國中鐵股份有限公司（於聯交所及上海證券交易所上市）獨立非執行董事、中國北車股份有限公司（已於二零一五年五月因其與中國中車股份有限公司之合併而於聯交所除牌）獨立非執行董事、以及領展管理有限公司（即於聯交所上市領展房地產投資信託基金之管理人）獨立非執行董事。辛先生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。

Chief Financial Officer

Mr Wang Gang

Aged 53, was appointed as Chief Financial Officer on 12 May 2016. He is a professor-level senior accountant and is currently the chief accountant of the Company. Mr Wang graduated from Beijing Institute of Finance and Trade majoring in financial accounting, and obtained an EMBA degree from the College of Business of the University of Houston in the United States. Mr Wang has about 30 years of working experience in the petroleum industry in China. He previously worked in the supply and sales unit of the Finance Bureau of the Ministry of Petroleum Industry of the PRC, and the infrastructure financing division, financial management division and taxation and prices division of the Finance Bureau of CNPC. He was also previously the deputy head of taxation and prices division of the finance and assets department of CNPC, and the deputy head, and later head, of taxation and prices division of the finance department of PetroChina. Mr Wang was the chief accountant of West-East Gas Pipeline Branch from February 2006, the chief accountant of Kunlun Gas from August 2008, and his current position commenced from May 2016.

Company Secretary

Mr Cheng Cheng (Vice President, Company Secretary)

Aged 50, was appointed as the Company Secretary on 11 July 2016. He served as an Executive Director from June 2004 to May 2016 and is currently a Vice President of the Company. Before joining the Company, Mr Cheng has over 25 years industry experience working at various departments and sections of CNPC including 3 years in Canada as vice president of CNPC International (Canada) Limited. Mr Cheng has a master's degree of Business Administration from the University of Calgary, Canada, a master's degree in Energy and Environment Economy from Scuola Superiore Enrico Mattei, Milan, Italy and Diploma in Petroleum Technical Economy from Jiangnan Institute of Petroleum, the PRC.

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.

財務總監

王剛先生

現年五十三歲，於二零一六年五月十二日獲委任為財務總監。他為教授級高級會計師，現任本公司總會計師。王先生畢業於北京財貿學院財務會計專業，並獲得美國休士頓大學工商管理學院EMBA學位。王先生在中國石油行業有約三十年的工作經驗。彼曾在中國石油工業部財務司供銷事業處，中國石油天然氣總公司財務局基本建設財務處、資金管理處、稅收價格處工作。彼亦曾任中國石油集團財務資產部稅價處副處長，中國石油財務部稅收價格處副處長、處長。王先生於二零零六年二月任西氣東輸管道分公司總會計師，二零零八年八月任昆侖燃氣總會計師，二零一六年五月起任現職。

公司秘書

成城先生(副總經理、公司秘書)

現年五十歲，於二零一六年七月十一日委任為公司秘書。成先生於二零零四年六月至二零一六年五月為執行董事並於現為本公司之副總經理。於加盟本公司前，成先生於中國石油集團之不同部門及處室工作，在行內積逾二十五年經驗，包括在加拿大之CNPC International (Canada) Limited擔任副總裁三年。成先生持有加拿大卡爾加里大學之工商管理碩士學位、意大利米蘭Scuola Superiore Enrico Mattei之能源環境經濟學碩士學位，以及中國江漢石油學院之石油技術經濟文憑。

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 2017, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the 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 are set out below.

Ordinary Shares of HK\$0.01 Each of the Company

Name 姓名		Number of Shares 股份數目	Capacity and Nature of Interests 身份及 權益性質	Percentage of Issued Shares 佔已發行股份 之百分比
Li Kwok Sing Aubrey (note)	李國星(附註)	1,000,000	Beneficial owner 實益擁有人	0.012%

Note:

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

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

Particulars of the share option schemes of the Company are set out in Note 27(b) in the Notes to the Consolidated Financial Statements.

董事權益

於二零一七年十二月三十一日，本公司各董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中，擁有：(a) 根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益或淡倉（包括根據證券及期貨條例之條文被當作或視為本公司任何董事及主要行政人員擁有之權益或淡倉）；或(b) 根據證券及期貨條例第352條須列入本公司所存置之登記冊內之權益或淡倉；或(c) 根據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載列如下。

本公司每股面值0.01港元之普通股

Name 姓名		Number of Shares 股份數目	Capacity and Nature of Interests 身份及 權益性質	Percentage of Issued Shares 佔已發行股份 之百分比
Li Kwok Sing Aubrey (note)	李國星(附註)	1,000,000	Beneficial owner 實益擁有人	0.012%

附註：

李國星先生持有之權益為於本公司普通股之好倉。

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

本公司購股權計劃之詳情載於綜合財務報表附註附註27(b)。

Shares options were granted to the employees of the Company under the executive share option scheme approved by the Board on 3 June 2002 (the "2002 Share Option Scheme"), details of which are set out below:

購股權乃根據董事會於二零零二年六月三日批准之行政人員購股權計劃(「二零零二年購股權計劃」)授予本公司僱員。詳情載列於下文：

Name 姓名	Date of grant 授出日期	Exercise period 行使期間	Exercise price 行使價 HK\$ 港元	Number of Share Options 購股權數目				Outstanding at 31 December 2017 於二零一七年 十二月三十一日 尚未行使 '000 千份
				Outstanding at 1 January 2017 於二零一七年 一月一日 尚未行使 '000 千份	Granted during the Year 於本年度 已授出 '000 千份	Exercised during the Year 於本年度 已行使 '000 千份	Lapsed during the Year 於本年度 已失效 '000 千份	
Employees 僱員	17/05/12 二零一二年 五月十七日	17/08/12 - 16/05/17 二零一二年八月十七日至 二零一七年五月十六日	12.632	14,200	-	-	(14,200)	-
				14,200	-	-	(14,200)	-

The weighted average closing price of the Company's shares immediately before the date on which the share options were lapsed was HK\$6.99.

本公司股份緊接購股權失效日期之前之加權平均收市價為6.99港元。

During the Year, no share options had been exercised by the employees of the Company as the exercise prices of the outstanding share options were above the market price of the Company's shares, and the relevant share options had lapsed. The 2002 Share Option Scheme expired on 2 June 2012, and following lapse of share options as detailed above, there were no outstanding share options that remain exercisable by the Directors and/or employees of the Company under the 2002 Share Option Scheme.

本年度內，由於未行使購股權的行使價高於本公司股份的市價，本公司僱員並無行使購股權，相關購股權已失效。二零零二年購股權計劃於二零一二年六月二日失效。上文詳述的購股權失效後，二零零二年購股權計劃項下並無仍然可由董事及／或本公司僱員行使的未行使購股權。

No new share option scheme was adopted after the expiration of 2002 Share Option Scheme on 2 June 2012. No new option was granted for the year ended 31 December 2017 and 2016.

二零零二年購股權計劃於二零一二年六月二日屆滿後並無採納新購股權計劃。截至二零一七年及二零一六年十二月三十一日止年度並無授出新購股權。

SUBSTANTIAL SHAREHOLDERS' INTEREST IN SHARES

As at 31 December 2017, 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.

主要股東於股份之權益

於二零一七年十二月三十一日，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。

Directors' Report

董事會報告書

Name 名稱	Number of Shares 股份數目		Percentage of the total number of Shares in issue 佔已發行 百分比
	Direct Interest 直接權益	Indirect Interest 間接權益	
Sun World Limited ("Sun World") ⁽¹⁾ (「Sun World」)	4,708,302,133 (L) 4,708,302,133 (好)	–	58.33%
PetroChina Hong Kong Ltd. ("PetroChina Hong Kong") ⁽¹⁾ (「PetroChina Hong Kong」)	–	4,708,302,133 (L) 4,708,302,133 (好)	58.33%
PetroChina ⁽¹⁾ 中國石油	–	4,708,302,133 (L) 4,708,302,133 (好)	58.33%
Fairy King Investments Ltd. ⁽²⁾	277,432,000 (L) 277,432,000 (好)	–	3.43%
CNPC International Ltd. ("CNPCI") ⁽²⁾ (「CNPCI」)	–	277,432,000 (L) 277,432,000 (好)	3.43%
CNODC ⁽²⁾	–	277,432,000 (L) 277,432,000 (好)	3.43%
CNPC ⁽¹⁾⁽²⁾ 中國石油集團	–	4,985,734,133 (L) 4,985,734,133 (好)	61.76%

Notes:

附註：

⁽¹⁾ Sun World is a wholly-owned subsidiary of PetroChina Hong Kong, which in turn is wholly-owned by PetroChina. PetroChina is owned as to 86.47% by CNPC. Accordingly, CNPC is deemed to have interest in the 4,708,302,133 (L) shares held by Sun World. Mr Zhao Yongqi, an Executive Director of the Company is also the director of Sun World, which is a substantial shareholder of the Company (within the meaning of Part XV of the SFO).

⁽¹⁾ Sun World 為 PetroChina Hong Kong 之全資附屬公司，而 PetroChina Hong Kong 由中國石油全資擁有，而中國石油則由中國石油集團擁有 86.47% 權益。因此，中國石油集團被視為於 Sun World 所持之 4,708,302,133 (好) 股股份中擁有權益。本公司執行董事趙永起先生亦為本公司主要股東（定義見證券及期貨條例第 XV 部）Sun World 之董事。

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

⁽²⁾ Fairy King Investments Ltd. 乃 CNPCI 之全資附屬公司，而 CNPCI 由 CNODC 全資擁有，且中國石油集團擁有 CNODC 之 100.00% 權益。因此，中國石油集團被視為於 Fairy King Investments Ltd. 所持之 277,432,000 (好) 股股份中擁有權益。

Save as disclosed above, as at 31 December 2017, 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.

除上文所披露者外，於二零一七年十二月三十一日，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本公司根據證券及期貨條例第 XV 部第 2 及 3 分部之規定而須向本公司披露之任何權益或淡倉。

As at 31 December 2017, 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.

於二零一七年十二月三十一日，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。

CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR SIMILAR RIGHTS

Other than share options as set out in Note 27(b) and the issuance of RMB3,350 million in aggregate principle amount of 1.625% USD settled convertible bonds due 2019 with conversion price of HK\$7.05 per share set out in Note 31 in the Notes to the Consolidated Financial Statements, the Company had no outstanding convertible securities, options, warrants or other similar rights as at 31 December 2017 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.

CONNECTED TRANSACTIONS

The Group conducted the following connected transactions during the Year:

- (i) On 28 September 2017, Kunlun Gas (a wholly-owned subsidiary of the Company) and PetroChina (the controlling shareholder of the Company) entered into an acquisition agreement in relation to the acquisition of 51% equity interest in PetroChina Jingtang LNG Co., Ltd. ("Jingtang Co.") by Kunlun Gas from PetroChina for a consideration of RMB1,546,954,800. Jingtang Co. has become a non-wholly-owned subsidiary of the Company upon completion of the acquisition. Please refer to announcements of the Company dated 28 September 2017 and 14 December 2017 for further details.
- (ii) On 29 December 2017, the Company and CNPC International (Kura) Ltd. (an associate of CNPC, the controlling shareholder of the Company) entered into a sale and purchase agreement in relation to the Company's disposal of 100% equity interest in Fortunemate Assets Limited for a consideration of US\$11,218,000. Please refer to the announcements of the Company dated 29 December 2017 and 22 January 2018 for further details.

可換股證券、購股權、認股權證或類似權利

除綜合財務報表附註附註27(b)所載之購股權及附註31所載按轉換價每股7.05港元發行總金額人民幣3,350百萬元1.625%於二零一九年到期之美元結算可轉換債券外，於二零一七年十二月三十一日，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。

關連交易

年內，本集團進行以下關連交易：

- (i) 於二零一七年九月二十八日，昆侖燃氣(本公司之全資附屬公司)與中國石油(本公司之控股股東)訂立一項收購協議，內容有關昆侖燃氣向中國石油收購中石油京唐液化天然氣有限公司(「京唐公司」)51%的股權，代價為人民幣1,546,954,800元。收購完成後，京唐公司成為本公司的非全資附屬公司。進一步詳情請參閱本公司日期為二零一七年九月二十八日及二零一七年十二月十四日的公告。
- (ii) 於二零一七年十二月二十九日，本公司與CNPC International (Kura) Ltd.(本公司控股股東中國石油集團的聯營公司)訂立一項買賣協議，內容有關以代價11,218,000美元收購Fortunemate Assets Limited的100%股權。進一步詳情請參閱本公司日期為二零一七年十二月二十九日及二零一八年一月二十二日的公告。

Directors' Report

董事會報告書

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.

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 2017 二零一七年產生之金額		Annual cap for 2017 二零一七年 年度上限
		RMB' million 人民幣百萬元	Equivalent to HK\$ million 相約百萬港元	HK\$ million 百萬港元
(i) Provision of products and services by CNPC and its subsidiaries ("CNPC Group") to the Group 中國石油集團及其附屬公司(「中油集團」)向本集團提供產品及服務	As disclosed in the Company's announcement dated 28 December 2015 and circular dated 22 January 2016 於本公司日期為二零一五年十二月二十八日之公告及二零一六年一月二十二日之通函中披露	7,908	9,218	13,232
(ii) Purchase of the Group's share of crude oil by the CNPC Group 中油集團購買本集團之原油分成	As disclosed in Company's announcement dated 7 November 2014 and circular dated 11 November 2014 於本公司日期為二零一四年十一月七日之公告及二零一四年十一月十一日之通函中披露	762	887	3,558
(iii) Rental payments 租賃款項	As disclosed in the Company's announcement dated 28 December 2015 and circular dated 22 January 2016 於本公司日期為二零一五年十二月二十八日之公告及二零一六年一月二十二日之通函中披露	11	13	39
(iv) Purchase of oil and gas products from the CNPC Group by the Group 本集團購買中油集團之石油及天然氣產品	As disclosed in the Company's announcement dated 28 December 2015 and circular dated 22 January 2016 於本公司日期為二零一五年十二月二十八日之公告及二零一六年一月二十二日之通函中披露	30,984	36,116	85,644
(v) Provision of products and services by the Group to the CNPC Group 本集團向中油集團提供產品及服務	As disclosed in the Company's announcement dated 28 December 2015 and circular dated 22 January 2016 於本公司日期為二零一五年十二月二十八日之公告及二零一六年一月二十二日之通函中披露	15,040	17,531	26,080
(vi) Pipeline transmission fee for the transmission of natural gas received and receivable from Beijing Enterprises Holdings Limited and its subsidiaries 已收及應收北京控股有限公司及其附屬公司運輸天然氣之管道運輸費用	As disclosed in the Company's circular dated 19 February 2011 於本公司日期為二零一一年二月十九日之通函中披露	3,419	3,986	N/A 不適合

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 189 to 194 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 7 November 2014 and 28 December 2015 and circulars dated 11 November 2014 and 22 January 2016 with respect to the aggregated amount of each transaction involved.

A copy of the auditor's report 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。本公司獨立核數師所已根據上市規則第14A.56條發出其函件，當中載有其就本集團於年報第189至194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，超逾於以往日期為二零一四年十一月七日和二零一五年十二月二十八日之公告及二零一四年十一月十一日和二零一六年一月二十二日之通函披露之上限。

本公司已向聯交所提供核數師報告之副本。

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.

As disclosed in the announcement of the Company dated 29 November 2017 and the circular of the Company dated 1 December 2017 (the "Circular"), the Company had entered into the New Master Agreement (as detailed in the Circular) with CNPC on 29 November 2017 with respect to, among other things, the renewal of certain continuing connected transactions between the Group and the CNPC Group for the three years ending 31 December 2020. These continuing connected transactions have been duly approved by the independent shareholders of the Company at the special general meeting of the Company held on 19 December 2017. Please refer to the Circular for further details.

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	48%
Percentage of purchases attributable to the Group's five largest suppliers	51%
Percentage of revenue from sales of goods or rendering of services attributable to the Group's largest customer	18%
Percentage of revenue from sales of goods or rendering of services attributable to the Group's five largest customers	25%

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.

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。

如本公司日期為二零一七年十一月二十九日的公告及本公司日期為二零一七年十二月一日的通函(「通函」)所披露，本公司已於二零一七年十一月二十九日與中國石油集團訂立一項新主協議(定義見通函)，內容有關(其中包括)續期本集團與中油集團之間截至二零二零年十二月三十一日止三個年度的若干持續關連交易。持續關連交易已於二零一七年十二月十九日舉行的本公司股東特別大會上獲本公司獨立股東批准。進一步詳情請參閱通函。

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	48%
本集團五大供應商佔採購百分比	51%
本集團最大顧客佔銷售貨物或提呈服務之收入百分比	18%
本集團五大顧客佔銷售貨物或提呈服務之收入百分比	25%

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。

DONATIONS

During the Year, the Group made charitable and other donations amounting to RMB871,557.

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 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 20 March 2018, 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).

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
Ling Xiao 凌霄	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 趙忠勳	PetroChina 中國石油	Deputy General Manager 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

捐款

本年度，本集團作出慈善及其他捐款共達人民幣871,557元。

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。

本公司董事的薪金由薪酬委員會經考慮本公司的經營業績、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。

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，於二零一八年三月二十日，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）。

Directors' Report

董事會報告書

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
Zhou Yuanhong 周遠鴻	PetroChina 中國石油	Deputy General Manager 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	Natural Gas Sales Branch Company 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

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

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

財務狀況表日期後事項

This is no significant event affecting the Company after the date of the statement of financial position.

財務狀況表日期後並無影響本公司之重大事項。

AUDITOR

核數師

The financial statements for the Year have been audited by Messrs KPMG, who retire and, being eligible, offer themselves for re-appointment. A resolution for reappointment of Messrs KPMG as auditor of the Company is to be proposed at the forthcoming annual general meeting of the Company.

本年度之財務報表已由畢馬威會計師事務所審核，而彼將退任並合資格膺選連任。一份有關重新委任畢馬威會計師事務所為本公司核數師之決議案將於本公司應屆股東週年大會上獲提呈。

On behalf of the Board

承董事會命

Zhao Yongqi
Executive Director

趙永起
執行董事

Hong Kong, 20 March 2018

香港，二零一八年三月二十日



**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 80 to 224, which comprise the consolidated statement of financial position as at 31 December 2017, 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 2017 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 ("HKSAs") 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80頁至第224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二零一七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 貴集團於二零一七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。

Independent Auditor's Report

獨立核數師報告

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(e) on pages 101 to 102.
請參閱綜合財務報表附註 16 及第 101 至 102 頁附註 3(e) 的會計政策

The key audit matter

關鍵審計事項

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 2017.

由於 LNG 價格波動，管理層認為於二零一七年十二月三十一日，貴集團 LNG 加工廠的物業、廠房及設備或存在減值風險。

During the year ended 31 December 2017, the Group recognised impairment of RMB128 million and RMB201 million in respect of equipment and machinery and construction in progress, respectively, in certain of the Group's LNG processing plants.

截至二零一七年十二月三十一日，貴集團對部份 LNG 加工廠的設備及機器和在建工程分別確認減值人民幣 128 百萬元及人民幣 201 百萬元。

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 加工廠的賬面價值或無法收回時，管理層會對其進行減值測試。

How the matter was addressed in our audit

我們的審計如何處理該事項

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：

- assessing management's identification of cash-generating unit ("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（「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

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(e) on pages 101 to 102.

請參閱綜合財務報表附註 16 及第 101 至 102 頁附註 3(e) 的會計政策

The key audit matter

關鍵審計事項

Each LNG processing plant operated by the Group has been identified as a separate 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.

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，並在對比其物業、廠房及設備的賬面價值與折現現金流量模型測算出的可收回金額後確定減值虧損（如有）。在運用折現現金流量模型的過程中，管理層需就各項關鍵假設和數據包括在預測未來 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。

How the matter was addressed in our audit

我們的審計如何處理該事項

- 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;
- 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，以評估管理層預測的準確性；

Independent Auditor's Report

獨立核數師報告

Refer to Note 16 to the consolidated financial statements and the accounting policy 3(e) on pages 101 to 102.
請參閱綜合財務報表附註 16 及第 101 至 102 頁附註 3(e) 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.</p> <p>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 Companies Act 1981 of Bermuda, 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 HKSA's 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 HKSA's, 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。
- 評價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.
- 評價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。

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.

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。

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, related safeguards.

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，相關的防範措施。

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.

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。

The engagement partner on the audit resulting in this independent auditor's report is Wilson Wai Shun Lee.

出具本獨立核數師報告的審計項目合夥人是李威信。

KPMG

Certified Public Accountants

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

20 March 2018

畢馬威會計師事務所

執業會計師

香港中環
遮打道十號
太子大廈八樓

二零一八年三月二十日

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Note 附註	2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列) Note 38(b) 附註 38(b)
Revenue	收入	6	88,706	70,400
Other gains, net	其他收益，淨額	7	1,335	674
Interest income	利息收入	8	211	300
Purchases, services and others	採購、服務及其他		(64,145)	(48,312)
Employee compensation costs	僱員酬金成本	9	(4,329)	(3,847)
Depreciation, depletion and amortisation	折舊、損耗及攤銷		(5,651)	(5,690)
Impairment loss on property, plant and equipment	物業、廠房及設備 減值虧損	16	(604)	(3,913)
Impairment loss on accounts and other receivables	應收賬款及其他應收款項 減值虧損		(184)	–
Selling, general and administrative expenses	銷售、一般性和管理費用		(3,264)	(2,912)
Taxes other than income taxes	除所得稅以外之稅項		(441)	(525)
Interest expenses	利息支出	10	(1,145)	(651)
Share of profits less losses of:	應佔溢利減虧損：			
– Associates	– 聯營公司		767	605
– Joint ventures	– 合資企業	19	224	162
Profit before income tax expense	除所得稅費用前溢利	11	11,480	6,291
Income tax expense	所得稅費用	13	(3,531)	(3,200)
Profit for the year	年內溢利		7,949	3,091
Other comprehensive income:	其他全面收益：			
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		9	66
– Associates	– 聯營公司		(18)	(122)
– Joint ventures	– 合資企業		(66)	47
– Fair value loss on available-for-sale financial assets, net of tax	– 可供出售金融資產之 公平值虧損， 扣除稅項後		(139)	(272)
Other comprehensive income	其他全面收益		(214)	(281)
Total comprehensive income for the year	年內全面收益總額		7,735	2,810

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Note 附註	2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列) Note 38(b) 附註 38(b)
Profit for the year attributable to:	年內應佔溢利：			
– Owners of the Company	– 本公司股東		4,760	666
– Non-controlling interests	– 非控制性權益		3,189	2,425
			7,949	3,091
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		4,601	477
– Non-controlling interests	– 非控制性權益		3,134	2,333
			7,735	2,810
Earnings per share for profit attributable to owners of the Company	本公司股東應佔溢利之每股盈利	14		
– Basic (RMB cent)	– 基本(人民幣分)		58.97	8.25
– Diluted (RMB cent)	– 攤薄(人民幣分)		56.21	8.25

The notes on pages 88 to 224 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 88 至 224 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 2017 於二零一七年十二月三十一日

		Note 附註	2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列) Note 38(b) 附註 38(b)
Assets	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	16	95,735	87,859
Advanced operating lease payments	預付經營租賃款	17	3,782	3,833
Investments in associates	於聯營公司之投資	18	3,515	2,803
Investments in joint ventures	於合資企業之投資	19	1,918	1,285
Available-for-sale financial assets	可供出售金融資產	21	352	457
Intangible and other non-current assets	無形及其他非流動資產	22	1,173	2,424
Deferred tax assets	遞延稅項資產	32	1,188	1,050
			107,663	99,711
Current assets	流動資產			
Inventories	存貨	23	1,559	1,242
Accounts receivable	應收賬款	24	2,846	2,958
Prepaid expenses and other current assets	預付款及其他流動資產	25	6,640	5,858
Cash and cash equivalents	現金及現金等值項目	26	21,850	19,165
			32,895	29,223
Total assets	總資產		140,558	128,934

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2017 於二零一七年十二月三十一日

		Note 附註	2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列) Note 38(b) 附註 38(b)
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	27	65	65
Retained earnings	滾存盈利	28	25,280	21,836
Other reserves	其他儲備		14,680	15,951
			40,025	37,852
Non-controlling interests	非控制性權益		25,600	24,043
Total equity	總權益		65,625	61,895
Liabilities	負債			
Current liabilities	流動負債			
Accounts payable and accrued liabilities	應付賬款及應計負債	29	26,569	26,784
Income tax payable	應付所得稅	32	495	725
Other tax payable	其他應付稅項		424	680
Short-term borrowings	短期借貸	30	11,805	16,585
Obligations under finance leases	融資租賃承擔	33	158	166
			39,451	44,940
Non-current liabilities	非流動負債			
Long-term borrowings	長期借貸	30	29,296	15,920
Convertible bonds	可轉換債券	31	3,230	3,156
Deferred tax liabilities	遞延稅項負債	32	1,075	907
Obligations under finance leases	融資租賃承擔	33	193	334
Other liabilities	其他負債		1,688	1,782
			35,482	22,099
Total liabilities	總負債		74,933	67,039
Total equity and liabilities	權益及負債總額		140,558	128,934
Net current liabilities	流動負債淨值		(6,556)	(15,717)
Total assets less current liabilities	總資產減流動負債		101,107	83,994

Approved and authorised for issue by the board of directors on 20 March 2018.

於二零一八年三月二十日獲董事會批准並授權刊發。

Zhao Yongqi

趙永起

Executive Director 執行董事

Miao Yong

繆勇

Executive Director 執行董事

The notes on pages 88 to 224 form part of these financial statements.

第 88 至 224 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 2017 截至二零一七年十二月三十一日止年度

	Note 附註	Attributable to owners of the Company 本公司股東應佔				Non- controlling interests 非控制性權益 RMB'million 人民幣百萬元	Total equity 權益總額 RMB'million 人民幣百萬元
		Share capital 股本 RMB'million 人民幣百萬元	Retained earnings 滾存盈利 RMB'million 人民幣百萬元	Other reserves 其他儲備 RMB'million 人民幣百萬元	Sub-total 小計 RMB'million 人民幣百萬元		
Balances at 31 December 2015, as previously reported		65	22,063	29,628	51,756	22,556	74,312
Business combination under common control	2(b), 38(b)	-	89	1,354	1,443	1,385	2,828
Balances at 1 January 2016, as restated		65	22,152	30,982	53,199	23,941	77,140
Changes in equity for 2016:							
Profit for the year		-	666	-	666	2,425	3,091
Other comprehensive income		-	-	(189)	(189)	(92)	(281)
Total comprehensive income for the year		-	666	(189)	477	2,333	2,810
Transfer between reserves		-	(609)	609	-	-	-
Final dividend for 2015		-	(407)	-	(407)	-	(407)
Lapsed share options		-	34	(34)	-	-	-
Acquisition of PetroChina Kunlun Gas Co., Ltd. ("Kunlun Gas")	38(a)	-	-	(15,612)	(15,612)	-	(15,612)
Issuance of convertible bonds	31	-	-	195	195	-	195
Acquisition of subsidiaries		-	-	-	-	20	20
Disposal of subsidiaries		-	-	-	-	(1)	(1)
Dividend to non-controlling interests		-	-	-	-	(2,608)	(2,608)
Capital contributions from non-controlling interests		-	-	-	-	358	358
		-	(982)	(14,842)	(15,824)	(2,231)	(18,055)
Balances at 31 December 2016		65	21,836	15,951	37,852	24,043	61,895

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

	Note 附註	Attributable to owners of the Company 本公司股東應佔				Non- controlling interests 非控制性權益 RMB'million 人民幣百萬元	Total equity 權益總額 RMB'million 人民幣百萬元	
		Share capital 股本 RMB'million 人民幣百萬元	Retained earnings 滾存盈利 RMB'million 人民幣百萬元	Other reserves 其他儲備 RMB'million 人民幣百萬元	Sub-total 小計 RMB'million 人民幣百萬元			
Balances at 31 December 2016, as previously reported	於二零一六年十二月三十一日結餘 (如以往呈列)		65	21,671	14,588	36,324	22,576	58,900
Business combination under common control	共同控制下之業務合併	2(b), 38(b)	-	165	1,363	1,528	1,467	2,995
Balances at 1 January 2017, as restated	於二零一七年一月一日結餘(重列)		65	21,836	15,951	37,852	24,043	61,895
Changes in equity for 2017:	二零一七年權益變動:							
Profit for the year	年內溢利		-	4,760	-	4,760	3,189	7,949
Other comprehensive income	其他全面收益		-	-	(159)	(159)	(55)	(214)
Total comprehensive income for the year	年內全面收益總額		-	4,760	(159)	4,601	3,134	7,735
Transfer between reserves	儲備間轉撥		-	(833)	833	-	-	-
Final dividend for 2016	二零一六年末期股息	15	-	(522)	-	(522)	-	(522)
Lapsed share options	已失效購股權		-	39	(39)	-	-	-
Acquisition of PetroChina Jingtang LNG Co., Ltd. ("Jingtang Co.")	收購中石油京唐液化天然氣有限公司(「京唐公司」)	2(b), 38(b)	-	-	(1,906)	(1,906)	-	(1,906)
Acquisition from non-controlling interests	向非控制性權益收購		-	-	-	-	(16)	(16)
Dividend to non-controlling interests	屬於非控制性權益之股息		-	-	-	-	(3,029)	(3,029)
Capital contributions from non-controlling interests	非控制性權益之注資		-	-	-	-	1,634	1,634
Disposal of subsidiaries	處置附屬公司		-	-	-	-	(166)	(166)
			-	(1,316)	(1,112)	(2,428)	(1,577)	(4,005)
Balances at 31 December 2017	於二零一七年十二月三十一日結餘		65	25,280	14,680	40,025	25,600	65,625

The notes on pages 88 to 224 form part of these financial statements. 第88至224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 2017 截至二零一七年十二月三十一日止年度

	Note 附註	2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列) Note 38(b) 附註 38(b)
Cash flows from operating activities			
Profit for the year		7,949	3,091
Adjustments for:			
Income tax expense		3,531	3,200
Depreciation, depletion and amortisation		5,651	5,690
Share of profits less losses of associates		(767)	(605)
Share of profits less losses of joint ventures		(224)	(162)
Impairment loss on property, plant and equipment	16	604	3,913
Net losses on disposals of property, plant and equipment		-	35
Net exchange (gains)/losses		(609)	415
Interest income		(211)	(300)
Interest expense		1,145	651
Changes in working capital:			
Accounts receivable		112	(171)
Prepaid expenses and other current assets		(580)	(250)
Inventories		(317)	30
Accounts payable and accrued liabilities		997	1,648
Other tax payable		(256)	(50)
Cash generated from operations		17,025	17,135
Income tax paid		(3,738)	(3,004)
Net cash generated from operating activities		13,287	14,131

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

	Note 附註	2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列) Note 38(b) 附註 38(b)
Cash flows from investing activities			
Dividends received from associates		329	74
Dividends received from joint ventures		160	7
Acquisitions of available-for-sale financial assets		-	(17)
Acquisitions of subsidiaries		(1,547)	(15,564)
Acquisition of joint ventures		(637)	-
Capital contributions to associates		(207)	(32)
Capital contributions to a joint venture		-	(15)
Proceeds from disposal of advance operating lease payments		139	66
Proceeds from disposal of associates		10	-
Proceeds from disposal of property, plant and equipment		422	601
(Decrease)/increase in amount due from an intermediate holding company		(6)	3,389
Capital expenditure		(12,330)	(9,231)
Interest received		185	306
Loans to an associate		(173)	-
Loans repaid by joint ventures		-	56
Loans repaid by third parties		162	28
Net cash used in investing activities		(13,493)	(20,332)
Cash flows from financing activities			
Capital contributions from non-controlling interests		1,433	303
Dividends paid to owners of the Company	28	(522)	(407)
Dividends paid to non-controlling interests		(5,205)	(711)
Increase in borrowings		26,377	17,197
Repayments of borrowings		(17,182)	(7,782)
Interest paid		(1,438)	(947)
Proceeds from issuance of convertible bonds		-	3,348
Capital element of finance lease rentals paid		(146)	(146)
Interest element of finance lease rentals paid		(24)	(31)
Acquisition from non-controlling interests		(16)	-
Net cash generated from financing activities		3,277	10,824
Increase in cash and cash equivalents		3,071	4,623
Cash and cash equivalents at 1 January		19,165	14,380
Effect of foreign exchange rate changes		(386)	162
Cash and cash equivalents at 31 December	26	21,850	19,165

The notes on pages 88 to 224 form part of these financial statements. 第 88 至 224 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 2017 截至二零一七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 (the “Stock Exchange”). Its ultimate holding company is China National Petroleum Corporation (“CNPC”) which is a company established in the People’s Republic of China (the “PRC”). The immediate holding company of the Company is Sun World Limited (“Sun World”), which is a company incorporated in the British Virgin Islands. On 18 December 2008, PetroChina Company Limited (“PetroChina”), a subsidiary of CNPC, acquired 100% equity interest in Sun World. Since then, PetroChina has become an intermediate holding company of the Company. As at 31 December 2017, PetroChina indirectly owned 58.33% (2016: 58.33%) equity interest in the Company.

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

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

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(「聯交所」)上市。本公司的最終控股公司為中國石油天然氣集團有限公司(「中國石油集團」)，一間於中華人民共和國(「中國」)成立之公司。本公司之直接控股公司為Sun World Limited(「Sun World」)，該公司為一間於英屬處女群島註冊成立之公司。於二零零八年十二月十八日，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」)收購Sun World之100%股權。此後，中國石油成為本公司之中間控股公司。於二零一七年十二月三十一日，中國石油間接擁有本公司之58.33%股權(二零一六年：58.33%)。

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

本公司為投資控股公司。本公司之主要附屬公司、聯營公司及合資企業之主要業務位於中國、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」)、阿塞拜疆共和國(「阿塞拜疆」)勘探及生產原油及天然氣，以及於中國銷售天然氣、液化天然氣(「LNG」)加工與儲運業務及輸送天然氣。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

1 GENERAL INFORMATION (CONTINUED)

As at 31 December 2017, the Company and its subsidiaries (together, the “Group”) had two (2016: two) major production sharing arrangements in the PRC and Azerbaijan. On 1 July 1996, the Group entered into an oil production sharing contract (the “Xinjiang Contract”) to develop and produce crude oil in Xinjiang Uygur Autonomous Region, the PRC. On 30 December 1997, the Group entered into another oil production sharing contract (the “Leng Jiapu Contract”) to develop and produce crude oil in Liaohé, Liaoning Province, the PRC. In 2002, the Group acquired the third production sharing arrangement to develop and produce crude oil in Azerbaijan. The Xinjiang Contract expired on 31 August 2016. Further details in relation to the Leng Jiapu contracts and the Group’s share of results and net assets in this arrangement are shown in Note 35.

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)

於二零一七年十二月三十一日，本公司及其附屬公司(統稱「本集團」)在中國及阿塞拜疆有兩(二零一六：兩)項主要產品分成安排。於一九九六年七月一日，本集團訂立油田產品分成合同(「新疆合同」)，於中國新疆維吾爾自治區開採及生產原油。於一九九七年十二月三十日，本集團訂立另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，本集團取得第三份產品分成安排，以於阿塞拜疆開發及生產原油。新疆合同已於二零一六年八月三十一日屆滿。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35。

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 2017 截至二零一七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. Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3(y) 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 and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2017 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 available-for-sale 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披露規定。此等財務報表亦符合聯交所證券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新訂及經修訂之香港財務報告準則。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及以往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(y)。

(b) 財務報表編製基準

截至二零一七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可供出售金融資產除外（按附註3(h)所載之會計政策說明）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七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.

As at 31 December 2017, the Group had net current liabilities of RMB6,556 million. Notwithstanding the net current liabilities of the Group at 31 December 2017, the Group's consolidated financial statements have been prepared on a going concern basis because the directors of the Company (the "Directors") are of the opinion that the Group would have adequate funds to meet its obligation, as and when they fall due, having regard to the following:

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，需要管理層作出可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，有關結果構成判斷以賬面值顯示之資產及負債未能從其他來源獲得的依據。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。

於二零一七年十二月三十一日，本集團流動負債淨額為人民幣6,556百萬元。儘管本集團於二零一七年十二月三十一日錄得流動負債淨額，本集團綜合財務報表已根據持續經營基準編製，乃由於本公司董事（「董事」）經考慮以下情況後認為本集團將具備充足資金應付其到期債務：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七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)

- (i) the Group expected to obtain credit facility from China Petroleum Finance Company Limited (“CP Finance”) amounting to RMB15 billion. On 12 March 2018, the Group obtained the credit facility of RMB15 billion from CP Finance;
- (ii) the Group expects to generate operating cash inflows in the future; and
- (iii) the Directors consider that the Group could obtain financing from various sources of funding.

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

On 28 September 2017, Kunlun Gas, a wholly-owned subsidiary of the Company, entered into the acquisition agreement with PetroChina. Pursuant to the acquisition agreement, Kunlun Gas agreed to purchase and PetroChina agreed to sell 51% equity interest in Jingtang Co. at a consideration of approximately RMB1,547 million. The consideration will be settled in RMB and subject to adjustment by the gains or losses during the transition period, as defined in the acquisition agreement.

2 編製基準(續)

(b) 財務報表編製基準(續)

- (i) 本集團預期獲得來自中油財務有限責任公司(「中油財務」)的承諾信貸達人民幣150億元。於二零一八年三月十二日，本集團從中油財務取得承諾信貸人民幣150億元；
- (ii) 本集團預期未來產生經營現金流入；及
- (iii) 董事認為，本集團可透過不同資金來源獲得融資。

因此，綜合財務報表乃按持續經營基準編製。

於二零一七年九月二十八日，本公司的全資附屬公司昆侖燃氣與中國石油訂立收購協議。根據該收購協議，昆侖燃氣同意收購及中國石油同意出售京唐公司51%的股權，代價約人民幣1,547百萬元。代價將以人民幣支付，並須根據過渡期損益(定義見收購協議)作出調整。

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七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 acquisition was completed on 14 December 2017 and Jingtang Co. has become a non-wholly-owned subsidiary of the Group since then. As PetroChina and the Group are ultimately controlled by CNPC, the acquisition of Jingtang Co. was regarded as business combination under common control. To consistently apply the Group's accounting policy for common control combination, the acquisition has been accounted for based on the principles of merger accounting as set out in Accounting Guideline 5, *Merger Accounting for Common Control Combinations* ("AG 5") issued by the HKICPA. The financial statements of the Group have been prepared using the merger basis of accounting as if the current group structure had been in existence throughout the periods presented. The final consideration was RMB1,906 million, including the gains during the transition period amounting to approximately RMB359 million. During the year ended 31 December 2017, the Group paid RMB1,547 million to PetroChina.

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)

收購於二零一七年十二月十四日完成，而京唐公司自此成為本集團的非全資附屬公司。由於中國石油及本集團最終由中國石油集團控制，因此，收購京唐公司被視為共同控制下業務合併。為了一致地採納本集團有關共同控制合併的會計政策，收購已根據香港會計師公會頒佈的香港會計指引第5號*共同控制合併的合併會計法*（「會計指引第5號」）所載的合併會計原則入賬。本集團的財務報表已採用會計合併基準編製，猶如現時的集團架構已於所示期間一直存在。最終代價為人民幣1,906百萬元，包括過渡期的收益約人民幣359百萬元。截至二零一七年十二月三十一日，過渡期的收益尚未結算。截至二零一七年十二月三十一日止年度，本集團向中國石油支付人民幣1,547百萬元。

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)或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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綜合財務報表附註

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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 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.

A listing of the Group's principal subsidiaries is set out in Note 41.

(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列賬。

本集團主要附屬公司名單載於附註41。

(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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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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). 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.

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 the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

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, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

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。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。

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綜合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本集團之長期權益，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。

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，反之亦然，保留權益不會重新計量。反而，投資繼續按權益法入賬。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Associates and joint ventures (Continued)

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.

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the investments in associates and joint ventures may be impaired or an impairment loss previously recognised no longer exists or may have decreased. If any such indication exists, the investment's recoverable amount is estimated.

- Calculation of recoverable amount

The recoverable amount 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 investment. Where an investment does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of investments that generates cash inflows independently (i.e. a cash-generating unit).

3 主要會計政策(續)

(b) 聯營公司及合資企業(續)

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計量。

於各報告期末均會審閱內部和外來之資料來源，以辨識是否有跡象顯示於聯營公司及合資企業之投資可能已經減值或以往確認之減值虧損不再存在或可能已經減少，倘出現任何有關跡象，便會對資產之可收回金額作出估計。

- 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投資之特定風險之稅前折現率折現至其現值。凡投資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投資組別(即現金產生單位)來釐定可收回金額。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Associates and joint ventures (Continued)

- Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an investment, 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).

- Reversals of impairment losses

An impairment loss 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.

Listings of the Group's principal associates and joint ventures are shown in Notes 42 and 43, respectively.

3 主要會計政策(續)

(b) 聯營公司及合資企業(續)

- 確認減值虧損

當投資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)。

- 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。

本集團主要聯營公司及合資企業之名單分別載於附註42及43。

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綜合財務報表附註

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3 主要會計政策(續)

(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.

(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，包括其分佔的任何共同產生開支。

(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，外匯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. 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。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(包括綜合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。因綜合於二零零五年一月一日前收購之海外業務所產生之商譽於合併中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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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 3 主要會計政策(續)

(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).

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:

- Buildings	40 years or over the remaining period of respective leases whichever is the shorter
- 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.

(e) 物業、廠房及設備

倘物業、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)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	40年或各租賃之餘下期限(以較短者為準)
- 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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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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.

Property, plant and equipment, including oil and gas properties (Note 3(f)) and construction in progress, are reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of a cash generating unit exceeds the higher of its fair value less costs to sell and its value in use, which is the estimated net present value of future cash flows to be derived from the cash generating unit.

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。

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)乃當事件或情況改變顯示賬面值或無法收回時予以檢討是否可能出現減值。減值虧損按現金產生單位之賬面值超逾其公平值減出售成本與其使用價值中之較高者之金額確認，而使用價值乃源於現金產生單位之未來現金流量之估計現值淨額。

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乃資本化為物業、廠房及設備之一部分並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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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期日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、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。成本即期未採用的成本。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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(e)). 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(e))。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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 3 主要會計政策(續)

(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 and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

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.

(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生產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測試及按成本減累計減值虧損列賬。商譽之減值虧損不予回撥。出售實體產生之收益或虧損包括與所出售實體有關之商譽賬面值。

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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綜合財務報表附註

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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. 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.

The carrying amount of each intangible asset is reviewed annually and adjusted for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount and is recognised in profit or loss. The recoverable amount is measured as the higher of fair value less costs to sell and value in use which is the estimated net present value of future cash flows to be derived from the assets.

3 主要會計政策(續)

(g) 無形資產(續)

(ii) 其他無形資產

本集團收購之無形資產乃按成本減累計攤銷(倘具有有限估計可使用年期)及減值虧損列賬。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。

各項無形資產之賬面值會每年審閱，及當有事件或情況變化預示賬面值可能無法收回時就減值作出調整。倘若資產賬面值超過其可收回金額並於損益內確認，則確認減值虧損。可收回金額乃按公平價值減銷售成本與使用價值(即源於該等資產之未來現金流量之估計淨現值)兩者之較高者計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Other investments in debt and equity securities

The Group's and the Company's policies for investments in debt and equity securities, other than investments in subsidiaries, associates and joint ventures, are as follows:

Investments in debt and equity securities are initially stated at fair value, which is their transaction price unless it is determined that the fair value at initial recognition differs from the transaction price and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

Investments in securities held for trading are classified as current assets. Any attributable transaction costs are recognised in profit or loss as incurred. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss. The net gain or loss recognised in profit or loss does not include any dividends or interest earned on these investments as these are recognised in accordance with the policies set out in Notes 3(r)(iv) and (v).

Dated debt securities that the Group and/or the Company have the positive ability and intention to hold to maturity are classified as held-to-maturity securities. Held-to-maturity securities are stated at amortised cost less impairment losses.

3 主要會計政策(續)

(h) 於債務及股本證券的其他投資

本集團及本公司對債務及股本證券投資的會計政策(於附屬公司、聯營公司及合資企業之投資除外)如下:

債務及股本證券投資初始按公平值(即其交易價格)列賬,除非初始確認之公平值與交易價格有所不同,且公平值為相同資產或負債在活躍的市場上的報價,或通過使用從可觀察的市場數據的估值技術計量。成本包括應佔交易成本,惟下文另有指示者除外。此等投資隨後按以下方式入賬,惟須視乎其分類而定:

持作買賣證券投資分類為流動資產。任何應佔交易成本於產生時於損益確認。公平值於各報告期末重新計量,由此產生之任何損益均於損益確認。已於損益確認之損益淨額不包括從該等投資賺取之任何股息或利息,乃由於有關股息或利息將根據附註3(r)(iv)及(v)所載之政策確認。

本集團及/或本公司有明確能力及意願持有至到期之定期債務證券會被分類為持至到期證券。持至到期證券按攤銷成本減減值虧損列賬。

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Investments in securities which do not fall into any of the above categories are classified as available-for-sale securities. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve. As an exception to this, investments in equity securities that do not have a quoted price in an active market for an identical instrument and whose fair value cannot otherwise be reliably measured are recognised in the statement of financial position at cost less impairment losses.

Dividend income from equity securities and interest income from debt securities calculated using the effective interest method are recognised in profit or loss in accordance with the policies set out in Notes 3(r)(iv) and (v), respectively. Foreign exchange gains and losses resulting from changes in the amortised cost of debt securities are also recognised in profit or loss.

When the investments are derecognised or impaired, the cumulative gain or loss recognised in equity is reclassified to profit or loss. Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

(i) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

3 主要會計政策(續)

(h) 於債務及股本證券的其他投資(續)

不屬上述任何類別之證券投資會被分類為可供出售證券。公平值於各報告期末重新計量，由此產生之任何損益乃於其他全面收益確認並在權益中之公平值儲備獨立累計。惟此有例外情況，倘與之相同的工具在活躍市場並無報價及其公平值無法可靠地計量，則股本證券投資於各報告期末按成本減去減值虧損後於財務狀況表確認。

從股本證券所得之股息收入及以實際利率法計算從債券證券所得之利息收入分別按附註3(r)(iv)及(v)所載之政策在損益確認。因債務證券攤銷成本變動產生之匯兌收益及虧損亦於損益確認。

當終止確認該等投資或有關投資出現減值時，於權益中確認的累計損益會被重新分類至損益。於本集團承諾購入/出售投資或投資到期當日，本集團會確認/終止確認有關投資。

(i) 租賃資產

若包含單一或連串交易的一項安排，按其實質內容而不是其法律形式而言可按單一次或連續付款形式在安排期間換取一特定資產的使用權。有關釐定工作乃以評估該項安排的實質內容為基準，而不論該安排是否擁有租賃的法律形式。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 3 主要會計政策(續)

(i) Leased assets (Continued)

(i) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are recognised as property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in Note 3(e). Impairment losses are accounted for in accordance with the accounting policy as set out in Note 3(e). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(ii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(i) 租賃資產(續)

(i) 收購融資租賃下之資產

若本集團以融資租賃獲得資產的使用權，便會以租賃資產公平值或最低租賃付款額的現值中較小者的金額確認為物業、廠房及設備，而相應的負債則於扣除融資費用後列為融資租賃承擔。折舊是在相關的租賃期或資產的可用期限(若本集團很可能取得該資產的所有權)內以一定比率計提，沖銷該資產的成本或估值；有關資產可用期限載列於附註3(e)。減值虧損按照附註3(e)所載的會計政策入賬。租賃付款內含的融資費用會計入租賃期內的損益中，使每個會計期間的融資費用佔承擔餘額的比率大致相同。或有租金在其產生的會計期間即列支於損益。

(ii) 經營租賃支出

本集團按經營租賃協議租用資產而需支付的租金會按租賃期以均等方法在相關的會計期間計入損益內，倘若有其他基準更能代表該租賃資產所帶來的收益的模式，租金支出則會按該基準計入損益內。獲取的租金優惠將作為淨租金總費用中不可缺少的一部分計入損益。或有租金在其發生的相關會計期間內計入損益。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Leased assets (Continued)

(ii) Operating lease charges (Continued)

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of lease term.

(j) Inventories

Inventories include natural gas, liquefied petroleum gas, compressed natural gas, materials for natural gas pipelines, crude oil and marina club debentures and wet berths held for sales 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) Construction contracts

Construction contracts are contracts specifically negotiated with a customer for the construction of an asset or a group of assets, where the customer is able to specify the major structural elements of the design. The accounting policy for contract revenue is set out in Note 3(r)(iii). When the outcome of a construction contract can be estimated reliably, contract costs are recognised as an expense by reference to the stage of completion of the contract at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. When the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as an expense in the period in which they are incurred.

3 主要會計政策(續)

(i) 租賃資產(續)

(ii) 經營租賃支出(續)

收購以經營租賃持有土地之成本按租賃期以直線法攤銷。

(j) 存貨

存貨包括天然氣、液化石油氣、壓縮天然氣、天然氣管道材料、原油及持作出售之游艇會債券及泊位，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) 建築合約

建築合約乃與客戶具體商議的修建本集團一處或多處資產的合約，客戶可指定設計的主要構造元素。合約收益的會計政策載見附註3(r)(iii)。倘能可靠估計建築合約的結果，則合約成本於報告期末按合約完成進度確認為開支。如總合約成本可能超出總合約收益，則預期虧損即時確認為開支。倘無法可靠估計建築合約的結果，則合約成本於所涉期間確認為開支。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Construction contracts (Continued)

Construction contracts in progress at the end of the reporting period are recorded at the net amount of costs incurred plus recognised profit less recognised losses and progress billings, and are presented in the statement of financial position as the “Gross amount due from customers for contract work” (as an asset) or the “Gross amount due to customers for contract work” (as a liability), as applicable. Progress billings not yet paid by the customer are included under “Accounts receivable”. Amounts received before the related work is performed are presented as “Advances from customers” under “Accounts payable and accrued liabilities”.

(l) Accounts receivable

Accounts receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision made for impairment of these receivables. Such provision for impairment is established if there is objective evidence that the Group will not be able to collect amounts due according to the original terms of the receivables. The factors the Group considers when assessing whether an account receivable is impaired include but not limited to significant financial difficulties of the customer, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

(m) Convertible bonds

Convertible bonds that can be converted to equity share capital at the option of the holder, where the number of shares that would be issued on conversion and the value of the consideration that would be received at that time do not vary, are accounted for as compound financial instruments which contain both a liability component and an equity component.

3 主要會計政策(續)

(k) 建築合約(續)

於報告期末的在建工程合約按所涉成本淨額加已確認溢利再減已確認虧損及進度款項，於財務狀況表入賬列為「應收合約工程客戶款項總額」（作為資產）或「應付合約工程客戶款項總額」（作為負債）（視情況而定）。客戶尚未支付的進度款項入賬列為「應收賬款」。於有關工程完工前收取的款項入賬列為「應付賬款及應計負債」項下的「客戶墊款」。

(l) 應收賬款

應收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減去就該等應收款項減值作出之撥備計量。有關減值撥備乃當有客觀證據證明本集團將無法根據應收賬款之原有條款收回到期款項時確定。本集團於評估應收款項是否減值時考慮之因素包括（但不限於）客戶陷入重大財困、欠款人申請破產或進行財務重組之可能性，及違約或拖欠付款。撥備金額乃資產之賬面值與按原有實際利率折現之估計未來現金流量之現值之間的差額。

(m) 可轉換債券

可轉換債券可按持有人選擇權轉換為權益股本，倘轉換時發行的股份數目及可收取代價價值隨後不會變動，則以包含負債部分及權益部分的複合金融工具入賬。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Convertible bonds (Continued)

At initial recognition the liability component of the convertible bonds is measured as the present value of the future interest and principal payments, discounted at the market rate of interest applicable at the time of initial recognition to similar liabilities that do not have a conversion option. Any excess of proceeds over the amount initially recognised as the liability component is recognised as the equity component. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

The liability component is subsequently carried at amortised cost. The interest expense recognised in profit or loss on the liability component is calculated using the effective interest method. The equity component is recognised in the convertible bond equity reserve until either the bond is converted or redeemed.

If the bond is converted, the convertible bond equity reserve, together with the carrying amount of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued. If the bond is redeemed, the convertible bond equity reserve is released directly to retained earnings.

(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.

(o) Accounts payable

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

3 主要會計政策(續)

(m) 可轉換債券(續)

於初始確認時，可轉換債券的負債部分按未來利息及本金還款以初始確認時無轉換權的類似負債所適用市場利率折現後的現值計算。所得款項超過初始確認為負債部分金額的任何差額確認為權益部分。有關發行複合金融工具的交易成本按所得款項的比例分配至負債及權益部分。

負債部分其後按攤銷成本列賬。就負債部分於損益內確認的利息開支乃使用實際利率法計算。權益部分會於可轉換債券權益儲備確認，直至債券被轉換或被贖回為止。

倘債券獲轉換，可轉換債券權益儲備及負債部分賬面值於轉換時轉撥至股本及股份溢價作為已發行股份的代價。倘債券被贖回，則可轉換債券權益儲備將直接轉入滾存盈利。

(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。

(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。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Borrowings

Borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, 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)

(p) 借貸

借貸初步按公平值減交易成本確認。於初步確認後，計息借貸則按攤銷成本列賬，初步確認之金額與贖回價值之任何差額連同任何應付利息及費用，於借貸期內以實際利率法於損益中確認。

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 realised 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。

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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 recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the profit or loss as follows:

(i) Sales of goods

Sales are recognised upon delivery of products and customer acceptance, net of sales taxes and discounts. Revenue is recognised only when the Group has transferred to the buyers significant risks and rewards of ownership of the goods in the ordinary course of the Group's activities, and when the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably and collectability of the related receivables is reasonably assured.

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) 收入確認

收入乃按已收或應收代價之公平值計量。倘經濟利益可能會流入本集團，而收入及成本(如適用)亦能夠可靠計量時，收入便會根據下列基準在損益表內確認：

(i) 銷售貨品

銷售額乃於產品交付而客戶接納時確認，並扣除銷售稅及折扣。收入僅當本集團已於本集團之日常業務活動中將貨品所有權之重大風險及回報轉至買家，且收入金額及就交易產生或將予產生之成本能夠可靠計量及相關應收款項之收回性乃合理得以保證時方予確認。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 3 主要會計政策(續)

(r) Revenue recognition (Continued)

(ii) Rendering of services

Revenue from the rendering of services is recognised in the profit or loss upon performance of the services. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the possible return of service being rendered, or when the amount of revenue and the costs incurred or to be incurred in respect of the transaction cannot be measured reliably.

(iii) Contract revenue

When the outcome of a construction contract can be estimated reliably, revenue is recognised using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to estimated total contract costs for the contract.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

(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.

(r) 收入確認(續)

(ii) 提供服務

提供服務的收入於提供服務時在損益表內確認。假如在收到到期代價、退還服務的可能性方面存在重大不明朗因素，或在收益及相關已發生的成本不能可靠地計量的情況下，則便不會確認收益。

(iii) 合約收入

倘建設合約之結果可被可靠地估計，收入乃使用完成百分比法確認，參照截至計算日為止已錄得之合約成本佔合約之估計合約成本總額百分比計量。

倘建築合約之結果未能可靠地估計，收入僅按可能收回之合約成本而確認。

(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。

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 3 主要會計政策(續)

(r) Revenue recognition (Continued)

(v) Interest income

Interest income is recognised on a time apportioned basis that takes into account the effective yield on the assets.

(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.

(r) 收入確認(續)

(v) 利息收入

利息收入根據資產實際收入以時間比例基準計算。

(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。

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) Share-based compensation

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted, including any market performance conditions (for example, an entity's share price); excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and including the impact of any non-vesting conditions (for example, the requirement for employees to save). Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital for the shares issued. When the options expire or are lapsed, the equity amount recognised in the employee share-based compensation reserve is released directly to retained earnings.

3 主要會計政策(續)

(v) 以股份為基礎之補償

本集團設有一項以權益償付、以股份為基礎之補償計劃，據此，本集團以其股本工具(購股權)作為獲取僱員服務之代價。以授出購股權交換所收取僱員服務之公平值乃確認為一項支出。將列作支出之總金額乃參照已授出之購股權的公平值釐定，當中包括任何市場表現條件(如一間實體之股價)；不包括任何服務及非市場表現歸屬條件之影響(如盈利能力、銷售增長目標及要求僱員於指定時期內仍為本集團僱員)；並包括任何非歸屬條件之影響(如規定員工儲蓄)。非市場表現及服務歸屬條件納入預期可歸屬之購股權數目假設內。已列作支出之總金額將於歸屬期間確認，而該期間所有指定歸屬條件均須達成。此外，於有關情況下，僱員如預先於授出日期前提供服務，該授出日期之公平值是以確認服務開始期限與授出日期之間之期內支出作估計。於各報告期末，本集團會根據非市場表現及服務歸屬條件修訂其估計預期可予歸屬之購股權數目，並於損益內確認修訂原估計數字(如有)之影響及對權益作出相應調整。

當購股權獲行使時，本集團將發行新股。所收取已發行股份之款項(扣除任何直接應佔之交易成本)均撥入股本中。購股權屆滿或已失效時，於僱員以股份為基礎之補償儲備中確認的權益額直接轉至滾存盈利。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) 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)

(w) 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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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) 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.

(x) 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)

(w) 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。

(x) 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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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Changes in presentation currency and accounting policies

(a) Change in presentation currency

The previous consolidated financial statements of the Group have been presented in Hong Kong dollars (“HK\$”). Having considered that most of the Group’s transactions are denominated and settled in RMB following the Company’s acquisition of Kunlun Gas in 2016, the Board of Directors considers that the change of presentation currency from HK\$ to RMB in the consolidated financial statements enables the shareholders of the Company to have a more accurate picture of the Group’s financial performance.

The change in presentation currency have been applied retrospectively. The comparative figures in the consolidated financial statements were translated from HK\$ to RMB using the applicable closing rates for assets and liabilities in the consolidated statement of financial position and applicable average rates that approximated to actual rates for items in the consolidated statement of comprehensive income. Share capital, share premium and reserves were translated at the exchange rate at the date when the respective amounts were determined (i.e. historical exchange rates).

3 主要會計政策(續)

(y) 呈列貨幣與會計政策變動

(a) 呈列貨幣變動

本集團以往的綜合財務報表一直以港元(「港元」)呈列。考慮到二零一六年本公司收購昆侖燃氣後，本集團大部分交易以人民幣計值及結算，董事會認為，於綜合財務報表更改呈列貨幣由港元至人民幣能令本公司股東可更準確地了解本集團財務表現。

呈列貨幣變動已追溯應用。於綜合財務報表中的比較數字已經由港元換算為人民幣。其中於綜合財務狀況表中的資產及負債使用適用的收市匯率，於綜合全面收益表的項目使用適用的(與綜合全面收益表中項目的實際匯率相若)平均匯率、股本、股份溢價及儲備使用按相關金額釐定日的匯率(即歷史匯率)。

Notes to the Consolidated Financial Statements

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Changes in presentation currency and accounting policies (Continued)

(b) New and amended standards adopted by the Group

The HKICPA has issued several amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following amendments are relevant to the Group:

- *Annual Improvements to HKFRSs 2014-2016 Cycle*
- *Amendments to HKAS 7, Statement of cash flows: Disclosure initiative*
- *Amendments to HKAS 12, Income taxes: Recognition of deferred tax assets for unrealised losses*

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. However, additional disclosure has been included in Note 26(b) to satisfy the new disclosure requirements introduced by the amendments to HKAS 7, *Statement of cash flows: Disclosure Initiative*, which require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities including both changes arising from cash flows and non-cash changes. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 主要會計政策(續)

(y) 呈列貨幣與會計政策變動(續)

(b) 本集團採納的新訂及經修訂準則

香港會計師公會已頒佈多項於本集團本會計期間首次生效之香港財務報告準則修訂。其中，與本集團有關的修訂如下：

- *香港財務報告準則二零一四年至二零一六年週期之年度改善*
- *香港會計準則第7號(修訂本)，現金流量表：披露計劃*
- *香港會計準則第12號(修訂本)，所得稅：就未變現虧損確認遞延稅項資產*

該等準則變化均沒有對本集團當前或以往期間如何編製或呈列業績及財務狀況構成重大影響。然而，附註26(b)已加入額外披露，以符合香港會計準則第7號(修訂本)，*現金流量表：披露計劃*引入的新披露規定，該準則要求實體作出披露，以使財務報表使用者可評估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。本集團並無應用於本會計期間尚未生效之任何新訂準則或詮釋。

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4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS 4 財務風險管理及金融工具公平值

4.1 Financial risk factors

Exposure to foreign exchange rate risk, credit risk and liquidity risk arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks 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.

4.1 財務風險因素

本集團一般業務過程中涉及外匯風險、信貸風險及流動資金風險承擔。本集團亦因其於其他實體的股本投資而面臨股本價格風險。本集團承擔該等風險的情況及本集團用於管理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。

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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

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 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(續)

4.1 財務風險因素(續)

(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)

		Exposure to foreign currencies (expressed in Renminbi) 外幣風險 (以人民幣列示)			
		2017 二零一七年		2016 二零一六年	
		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
				(restated) (重列)	(restated) (重列)
				Note 38(b) 附註38(b)	Note 38(b) 附註38(b)
Accounts receivable and other current assets	應收賬款及其他流動資產	5	9	4	12
Cash and cash equivalents	現金及現金等值項目	360	216	591	235
Accounts payable and accrued liabilities	應付賬款及應計負債	(100)	(14)	(30)	(24)
Borrowings	借貸	(7,249)	(3,222)	(7,653)	(2,129)
Gross exposure arising from recognised assets and liabilities	已確認資產及負債產生之總風險	(6,984)	(3,011)	(7,088)	(1,906)

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 財務風險管理及金融工具公平值(續)

4.1 Financial risk factors (Continued)

4.1 財務風險因素(續)

(a) Foreign exchange rate risk (Continued)

(a) 外匯風險(續)

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.

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)。

		2017 二零一七年		2016 二零一六年	
		Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and retained earnings RMB'million	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and retained earnings RMB'million (restated)
		匯率 上升/(下降)	對除稅後 溢利及 滾存盈利 之影響 人民幣百萬元	匯率 上升/(下降)	對除稅後 溢利及 滾存盈利 之影響 人民幣百萬元 (重列)
US dollar	美元	5% (5%)	(293) 293	5% (5%)	(298) 298
HK\$	港元	5% (5%)	(127) 127	5% (5%)	(81) 81

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.

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。

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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 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 2016.

(b) Credit risk

Credit risk arises primarily from cash and cash equivalents, accounts receivable, other receivables, amounts due from related parties and loans to third parties.

A substantial portion of the Group's cash at bank and time deposits are placed with state-owned banks and financial institutions in the PRC and management believes that the credit risk is low.

The Group performs ongoing assessment of the credit quality of its customers. The ageing analysis of accounts receivable is presented in Note 24.

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。有關分析乃採用二零一六年之相同基準進行。

(b) 信貸風險

信貸風險主要產生於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。

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。

本集團持續評估其客戶之信貸質素。應收賬款之賬齡分析呈列於附註24。

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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.

As at 31 December 2017, the Group had net current liabilities of RMB6,556 million. The Group will continue to undertake various measures in order to further improve its liquidity position in the short and longer term.

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。

於二零一七年十二月三十一日，本集團之流動負債淨額為人民幣6,556百萬元。本集團將繼續實施各種舉措，以進一步改善其短期及長期的流動資金狀況。

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For the year ended 31 December 2017 截至二零一七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)

(c) Liquidity risk (Continued)

Given the low 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 29, 30 and 31.

(d) Equity price risk

The Group is exposed to equity price changes arising from equity investments classified as available-for-sale equity securities (Note 21).

The Group's listed investments are listed on the stock exchanges in Australia, Hong Kong and the PRC. Listed investments held in the available-for-sale portfolio have been chosen based on their longer term growth potential and are monitored regularly for performance against expectations. All of the Group's unquoted investments are held for long term strategic purposes.

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)

鑒於資本負債率水平較低以及持續獲得融資，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29、30及31。

(d) 股本價格風險

本集團承受被分類為可供出售股本證券之股本投資所產生之股本價格變動風險(附註21)。

本集團之上市投資乃於澳洲、香港及中國證券交易所上市。在選擇可供出售投資組合中持有的上市證券投資時乃根據其長期增長潛力，並定期監察其表現相對預期的情況。本集團所有非上市投資乃持作長期策略性用途。

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4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

4.1 Financial risk factors (Continued)

(d) Equity price risk (Continued)

At 31 December 2017, it is estimated that an increase/(decrease) of 10% (2016: 10%) in the relevant stock market indices (for listed investments) with all other variables held constant, would have increased/decreased the Group's profit after tax (and retained earnings) and other components of consolidated equity 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)

(d) 股本價格風險(續)

於二零一七年十二月三十一日，假設其他變數維持不變，估計相關股市指數(上市投資)增加/減少10%(二零一六年：10%)，本集團的除稅後溢利(及滾存盈利)及綜合權益其他組成部分將增加/(減少)如下：

	2017		2016	
	二零一七年		二零一六年	
Change in the relevant equity price risk variable:	Effect on profit after tax and retained earnings	Effect on other components of equity	Effect on profit after tax and retained earnings	Effect on other components of equity
	對除稅後溢利及滾存盈利之影響	對綜合權益其他組成部分之影響	對除稅後溢利及滾存盈利之影響	對綜合權益其他組成部分之影響
	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
Increase	10%	26	10%	31
Decrease	(10%)	(26)	(10%)	(31)

(restated)
(重列)

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4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

4.1 Financial risk factors (Continued)

(d) Equity price risk (Continued)

The sensitivity analysis indicates the instantaneous change in the Group's profit after tax (and retained earnings) and other components of consolidated equity that would arise assuming that the changes in the stock market indices or other relevant risk variables 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 equity price risk at the end of the reporting period. It is also assumed that the fair values of the Group's equity investments would change in accordance with the historical correlation with the relevant stock market indices, that none of the Group's available-for-sale investments would be considered impaired as a result of the decrease in the relevant stock market indices, and that all other variables remain constant. The analysis is performed on the same basis for 2016.

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, convertible bonds and obligations under finance leases divided by the sum of total equity, interest-bearing borrowings, convertible bonds and obligations under finance leases. The gearing ratio at 31 December 2017 is 40.51% (2016 restated: 36.88%).

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) 股本價格風險(續)

敏感度分析顯示，假設股市指數或其他相關風險變數之變動已於報告期末產生，並已應用於重新計量本集團所持有之金融工具，而該等工具令本集團於報告期末須承受股本價格風險，對本集團之除稅後溢利（及滾存盈利）及綜合權益的其他部份將會造成之即時影響。亦假設本集團股本投資之公平值將根據與股市指數之歷來相互關係而變動，其他變數保持不變，本集團的可供出售投資不會因股市指數下跌而被認為減值。該項分析按與二零一六年相同之基準進行。

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、可轉換債券及融資租賃承擔之和除以總權益、計息借貸、可轉換債券及融資租賃承擔之和計算）監察資本。於二零一七年十二月三十一日之資本負債率為40.51%（二零一六年重列：36.88%）。

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4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

4.2 Capital risk management (Continued)

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.

4.3 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)

4.2 資本風險管理(續)

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。

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 at 31 December 2017 於二零一七年 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 2017 categorised into			Fair value at 31 December 2016 於二零一六年 十二月三十一日 之公平值 RMB'million 人民幣百萬元 (restated) (重列)	Fair value measurements as at 31 December 2016 categorised into		
		Level 1 於二零一七年十二月三十一日 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 於二零一六年十二月三十一日 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								
Available-for-sale financial assets								
- Listed		278	278	-	383	383	-	-
- Unlisted		74	-	74	74	-	-	74

During the years ended 31 December 2017, 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. The equity securities in the PRC amounted to approximately RMB74 million (31 December 2016 restated: RMB74 million) are stated at cost. These securities do not have quoted market price in an active market and their fair values cannot be reliably measured.

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)

截至二零一七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。於中國之股本證券為數約人民幣74百萬元(二零一六年十二月三十一日重列：人民幣74百萬元)按成本列賬。該等證券並無擁有交投活躍市場之市場報價，其公平值無法可靠計量。

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4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

4 財務風險管理及金融工具公平值(續)

4.3 Fair value estimation (Continued)

4.3 公平值估計(續)

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

(a) 按公平價計量之金融資產(續)

The movements during the year in the balance of these Level 3 fair value measurements are as follows:

本年度內第三級公平值計量結餘之變動如下：

		RMB'million 人民幣百萬元
At 1 January 2016	於二零一六年一月一日	79
Disposal	處置	(22)
Addition	添置	17
At 31 December 2016, 1 January 2017 and 31 December 2017	於二零一六年十二月三十一日， 二零一七年一月一日 及二零一七年十二月三十一日	74

There were no gains or losses from Level 3 fair value measurements recognised in profit or loss and other comprehensive income for the years ended 31 December 2016 and 2017.

截至二零一六年及二零一七年十二月三十一日止年度，概無於損益及其他全面收益表確認第三級公平值計量之收益或虧損。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

The carrying amounts of the Group's financial instruments carried at cost or amortised cost as of 31 December 2017 and 2016 are not materially different from their fair values.

The fair value of convertible bonds is based on discounted cash flow using an appropriate debt yield from comparable bonds in the market, which is similar to the interest rate applied for the recognition of amortised costs.

The fair values other than convertible bonds 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 dates of the statement of financial position. Such discount rates ranged from 4.35% to 4.90% (2016: 4.35% to 4.90%) per annum as at 31 December 2017 depending on the type of the borrowings. An analysis of the carrying amounts of long-term borrowings is presented in Note 30.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements 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.

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

於二零一七年及二零一六年十二月三十一日，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。

可轉換債券之公平值乃按市場可比較債券之適用債券率採用貼現現金流量計算，與確認攤銷成本所採用利率相似。

公平值(可轉換債券除外)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。於二零一七年十二月三十一日，該等折現率介乎於每年4.35%至4.90%(二零一六年：4.35%至4.90%)，須視乎借貸類別而定。長期借貸之賬面值分析於附註30呈列。

5 關鍵會計估計及判斷

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)對估計及判斷進行評估。

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5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Key sources of estimation uncertainty and judgement are described as follows:

(a) Estimation of oil and natural gas reserves

Estimates of oil and natural gas reserves are key elements in the Group's investment decision-making process. They are also an important element in testing for impairment. Changes in proved oil and natural gas reserves, particularly proved developed reserves, will affect unit-of-production depreciation, depletion and amortisation recorded in the Group's consolidated financial statements for property, plant and equipment related to oil and gas production activities. A reduction in proved developed reserves will increase depreciation, depletion and amortisation charges. Proved reserve estimates are subject to revision, either upward or downward, based on new information, such as from development drilling and production activities or from changes in economic factors, including product prices, contract terms or development plans.

(b) Estimation of impairment of non-financial assets

The Group tests at least annually whether goodwill was suffered any impairment. Property, plant and equipment, including oil and gas properties, 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 crude oil and 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.

5 關鍵會計估計及判斷(續)

估計不明朗因素及判斷之主要來源載述下文：

(a) 石油及天然氣儲量之估計

石油及天然氣儲量之估計對本集團之投資決策程序至關重要，同時亦是進行減值測試之重要因素。探明石油及天然氣儲量之變化，尤其是探明已開發儲量，將影響於本集團綜合財務報表就與石油及天然氣生產活動相關之物業、廠房及設備所記錄之單位產量折舊、損耗及攤銷。探明已開發儲量之減少將增加折舊、損耗及攤銷金額。探明儲量估計可根據新資料作出向上或向下修訂，例如，來自開發鑽探及生產活動或來自經濟因素之變化之新資料，包括產品價格、合同條款或開發計劃等。

(b) 非金融資產之減值估計

本集團至少每年檢測商譽是否減值。物業、廠房及設備(包括石油及天然氣物業)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，例如原油及天然氣之未來價格，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。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

6 REVENUE

Revenue mainly represents revenue from sales of crude oil, sales of natural gas, LNG processing and terminal business and transmission of natural gas. Analysis of revenue by segment is shown in Note 37.

6 收入

收入主要指來自銷售原油、銷售天然氣、LNG加工與儲運業務及輸送天然氣之收入。板塊收入分析列示於附註37。

7 OTHER GAINS, NET

7 其他收益，淨額

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列) Note 38(b) 附註38(b)
Net exchange gains/(losses)	滙兌收益／(虧損)淨額	609	(415)
Rental income	租金收入	93	115
Government grants	政府補貼	272	813
Others	其他	361	161
		1,335	674

Government grants for the year ended 31 December 2017 and 2016 mainly represented compensation of reduction in income due to the implementation of Value-Added-Tax Reform from the PRC government. There were no unfulfilled conditions and other contingencies attached to the receipts of these grants. There is no assurance that the Group will continue to receive such grant in the future. During the year ended 31 December 2017, the Group have recognised and received related government grants of RMB272 million (2016 restated: RMB813 million).

截至二零一七年及二零一六年十二月三十一日止年度之政府補貼主要指中國政府對實施增值稅改革導致收入減少的補償。接受該等補貼並無附帶未達成條件和其他或有事項。無法保證本集團將於日後持續收到該補貼。於截至二零一七年十二月三十一日止年度，本集團已確認並收取相關政府補助人民幣272百萬元(二零一六年重列：人民幣813百萬元)。

8 INTEREST INCOME

8 利息收入

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列) Note 38(b) 附註38(b)
Interest income on:	各項之利息收入：		
– Amounts due from related parties	– 應收關聯方款項	58	150
– Bank deposits	– 銀行存款	153	150
		211	300

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

9 EMPLOYEE COMPENSATION COSTS

9 僱員酬金成本

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列) Note 38(b) 附註38(b)
Salaries, wages and allowances	薪金、工資及津貼	3,889	3,426
Retirement benefits scheme contributions	退休金計劃供款	440	421
		4,329	3,847

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. 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 2017 were RMB440 million (2016 restated: RMB421 million).

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。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。截至二零一七年十二月三十一日止年度，本集團供款為人民幣440百萬元（二零一六年重列：人民幣421百萬元）。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

10 INTEREST EXPENSES

10 利息支出

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列) Note 38(b) 附註38(b)
Interest expenses on:	各項之利息支出：		
Bank loans	銀行貸款	400	245
Senior notes	優先票據	234	229
Debentures payable	應付債券	-	23
Convertible bonds (Note 31)	可轉換債券(附註31)	128	54
Other loans, from:	其他貸款，自：		
– An intermediate holding company	– 一間中間控股公司	17	130
– An immediate holding company	– 一間直接控股公司	107	136
– CP Finance	– 中油財務	678	345
– Fellow subsidiaries	– 同系附屬公司	143	58
Finance charges on obligations under finance leases, from:	融資租賃承擔之融資費用，自：		
– A fellow subsidiary	– 一間同系附屬公司	13	18
– A third party	– 一名第三方	8	10
Less: Amounts capitalised	減：資本化金額	(583)	(597)
		1,145	651

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 4.08% (2016 restated: 4.06%) per annum for the year ended 31 December 2017.

資本化金額為建造符合條件之資產而借入資金相關的借貸成本。截至二零一七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4.08% (二零一六年重列：4.06%)。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

11 PROFIT BEFORE INCOME TAX EXPENSE

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

11 除所得稅費用前溢利

除所得稅費用前溢利已扣除以下項目：

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列) Note 38(b) 附註38(b)
Amortisation of advanced operating lease payments and intangible assets	預付經營租賃款及無形資產之攤銷	164	154
Auditors' remuneration	核數師酬金		
– audit services	– 核數服務	30	20
– non-audit services	– 非核數服務	4	2
Cost of inventories recognised as expense	已確認為開支之存貨成本	64,322	48,978
Depreciation and depletion of property, plant and equipment	物業、廠房及設備之折舊及損耗	5,487	5,536
Operating lease expenses	經營租賃開支	450	461

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12 DIRECTORS' AND EMPLOYEE'S EMOLUMENTS

Details of the emoluments of directors for the years ended 31 December 2017 and 2016 are as follows:

12 董事及員工之酬金

截至二零一七年及二零一六年十二月三十一日止年度各董事之酬金詳情如下：

		2017 二零一七年				
		Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	2017 Total	
		薪金、津貼 及同類福利	酌情花紅	退休 計劃供款	二零一七年 總計	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Directors:	董事：					
Mr Huang Weihe (resigned on 12 January 2018)	黃維和先生(於二零一八年 一月十二日辭任)	-	-	-	-	-
Mr Wu Enlai (resigned on 12 January 2018)	吳恩來先生(於二零一八年 一月十二日辭任)	-	-	-	-	-
Mr Zhao Yongqi	趙永起先生	-	642	-	51	693
Mr Zhao Zhongxun	趙忠勳先生	-	-	-	-	-
Mr Ding Shilu (resigned on 12 January 2018)	丁士爐先生(於二零一八年 一月十二日辭任)	-	-	-	-	-
Mr Zhang Yaoming (resigned on 12 January 2018)	張耀明先生(於二零一八年 一月十二日辭任)	-	-	-	-	-
Mr Ling Xiao (appointed on 12 January 2018)	凌霄先生(於二零一八年 一月十二日獲委任)	-	-	-	-	-
Mr Zhou Yuanhong (appointed on 12 January 2018)	周遠鴻先生(於二零一八年 一月十二日獲委任)	-	-	-	-	-
Mr Miao Yong (appointed on 12 January 2018)	繆勇先生(於二零一八年 一月十二日獲委任)	-	-	-	-	-
Mr Li Kwok Sing Aubrey	李國星先生	253	-	-	-	253
Dr Liu Xiao Feng	劉曉峰博士	211	-	-	-	211
Mr Sun Patrick	辛定華先生	211	-	-	-	211
Dr Lau Wah Sum (resigned on 1 January 2017)	劉華森博士(於二零一七年 一月一日辭任)	-	-	-	-	-
		675	642	-	51	1,368

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12 DIRECTORS' AND EMPLOYEE'S EMOLUMENTS (CONTINUED)

12 董事及員工之酬金(續)

		2016 二零一六年				
		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	2016 Total 二零一六年 總計	
		RMB'000 人民幣千元 (restated) (重列)	RMB'000 人民幣千元 (restated) (重列)	RMB'000 人民幣千元 (restated) (重列)	RMB'000 人民幣千元 (restated) (重列)	RMB'000 人民幣千元 (restated) (重列)
Directors:	董事:					
Mr Huang Weihe (appointed on 18 February 2016)	黃維和先生(於二零一六年 二月十八日獲委任)	-	-	-	-	-
Mr Wu Enlai	吳恩來先生	-	-	-	-	-
Mr Zhao Yongqi	趙永起先生	-	399	-	11	410
Mr Zhao Zhongxun (appointed on 12 May 2016)	趙忠勳先生(於二零一六年 五月十二日獲委任)	-	-	-	-	-
Mr Ding Shilu (appointed on 12 May 2016)	丁士爐先生(於二零一六年 五月十二日獲委任)	-	-	-	-	-
Mr Zhang Yaoming (appointed on 12 May 2016)	張耀明先生(於二零一六年 五月十二日獲委任)	-	-	-	-	-
Mr Zhang Bowen (retired on 12 May 2016)	張博聞先生(於二零一六年 五月十二日退任)	-	975	-	122	1,097
Mr Cheng Cheng (resigned on 12 May 2016)	成城先生(於二零一六年 五月十二日辭任)	-	780	-	97	877
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 (appointed on 18 February 2016)	辛定華先生(於二零一六年 二月十八日獲委任)	191	-	-	-	191
Dr Lau Wah Sum (resigned on 1 January 2017)	劉華森博士(於二零一七年 一月一日辭任)	397	-	-	-	397
		1,072	2,154	-	230	3,456

The discretionary bonuses of the directors of the Company 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.

本公司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市場數據進行審閱並向董事會作出推薦建議。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

12 DIRECTORS' AND EMPLOYEE'S EMOLUMENTS (CONTINUED)

The five individuals whose emoluments were the highest in the Group for the Year including one (2016: three) director whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining four (2016: two) individuals during the Year are as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元 (restated) (重列)
Salaries and other emoluments	薪金及其他酬金	5,906	4,550
Discretionary bonuses	酌情花紅	-	-
Retirement scheme contributions	退休計劃供款	684	296
		6,590	4,846

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	2	-
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	-	1
HK\$2,500,001 to HK\$3,000,000	2,500,001 港元元至 3,000,000 港元	1	-
HK\$3,000,001 to HK\$3,500,000	3,000,001 港元至 3,500,000 港元	1	-
HK\$4,000,001 to HK\$4,500,000	4,000,001 港元至 4,500,000 港元	-	1

None of the directors has waived their remuneration during the year ended 31 December 2017 (2016: Nil).

During the year ended 31 December 2017, 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 (2016: Nil).

12 董事及員工之酬金(續)

本年度支付予本集團五名最高酬金人士包括一名(二零一六年:三名)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(二零一六年:兩名)人士之酬金如下:

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元 (restated) (重列)
Salaries and other emoluments	5,906	4,550
Discretionary bonuses	-	-
Retirement scheme contributions	684	296
	6,590	4,846

截至二零一七年十二月三十一日止年度,概無董事放棄其酬金(二零一六年:無)。

截至二零一七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(二零一六年:無)。

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

13 INCOME TAX EXPENSE

13 所得稅費用

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列) Note 38(b) 附註 38(b)
Current tax	即期稅項		
– PRC	– 中國	3,470	3,227
– Overseas	– 海外	61	23
		3,531	3,250
Deferred tax (Note 32(b))	遞延稅項(附註 32(b))	–	(50)
		3,531	3,200

Hong Kong Profits Tax has not been provided for as the Group has no assessable profit for the year (2016: 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(二零一六年：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% (2016: 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% (2016: 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%(二零一六年：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%(二零一六年：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：

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列) Note 38(b) 附註38(b)
Profit before income tax expense	除所得稅費用前溢利	11,480	6,291
Tax calculated at a tax rate of 25% (2016: 25%)	按稅率 25% (二零一六年：25%) 計算之稅項	2,870	1,573
Under-provision in prior years	過往年度撥備不足	54	23
Effect of different tax rates	稅率差異之影響	(26)	118
Tax effect of income not subject to tax	毋須繳稅收入之稅務影響	(184)	(70)
Tax effect of expenses not deductible for tax purposes	不可扣稅支出之稅務影響	186	227
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	(132)	(105)
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	(38)	(27)
Tax effect of deferred tax not recognised	未確認遞延稅項之稅務影響	597	1,277
Tax effect of recognition of deferred tax not recognised in prior years	確認以往年度未確認遞延稅項之稅務影響	(125)	(19)
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	329	203
Income tax expense	所得稅支出	3,531	3,200

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 14 每股基本及攤薄盈利

(a) The calculation of basic earnings per share is based on the Group's profit attributable to owners of the Company of approximately RMB4,760 million (2016 restated: RMB666 million) and weighted average number of ordinary shares in issue during the Year of approximately 8,072 million shares (2016: 8,072 million shares).

Diluted earnings per share is calculated based on the Group's profit attributable to owners of the Company of approximately RMB4,845 million (2016 restated: RMB666 million) and the weighted average number of ordinary shares of approximately 8,620 million shares (2016: 8,072 million shares) after adjusting for the effect of convertible bonds, calculated as follows:

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

(a) 每股基本盈利乃根據本公司股東應佔本集團之溢利約人民幣4,760百萬元(二零一六年重列：人民幣666百萬元)以及年內已發行普通股加權平均數約8,072百萬元(二零一六年：8,072百萬元)計算。

就可轉換債券的影響作出調整後，每股攤薄盈利乃根據本公司股東應佔本集團之溢利約人民幣4,845百萬元(二零一六年重列：人民幣666百萬元)及普通股加權平均數約8,620百萬元(二零一六年：8,072百萬元)按以下計算：

(i) 本公司股東應佔溢利(攤薄)

		2017 二零一七年 RMB million 人民幣百萬元	2016 二零一六年 RMB million 人民幣百萬元 (restated) (重列) Note 38(b) 附註38(b)
Profit attributable to owners of the Company	本公司股東應佔溢利	4,760	666
After tax effect of effective interest on the liability component of convertible bonds	實際利率對可轉換債券的負債部分的除稅後影響	85	-
Profit attributable to owners of the Company (diluted)	本公司股東應佔溢利(攤薄)	4,845	666

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14 BASIC AND DILUTED EARNINGS PER SHARE 14 每股基本及攤薄盈利(續) (CONTINUED)

(ii) Weighted average number of ordinary shares (diluted)	(ii) 普通股加權平均數(攤薄)	2017 二零一七年 million shares 百萬股	2016 二零一六年 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	8,072	8,072
Effect of conversion of convertible bonds	可轉換債券之轉換影響	548	-
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)	8,620	8,072

The effect of the Company's share options and convertible bonds was anti-dilutive for the year ended 31 December 2016. The share options were lapsed during the year ended 31 December 2017.

截至二零一六年十二月三十一日止年度，本公司購股權及可轉換債券的影響為反攤薄。購股權於截止二零一七年十二月三十一日止年度失效。

15 DIVIDEND ATTRIBUTABLE TO OWNERS OF THE COMPANY 15 本公司股東應佔股息

(i) Dividends payable to owners of the Company attributable to the year (i) 本年度應付本公司股東的股息

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列)
Proposed final dividend attributable to owners of the Company for 2017 (note (a))	本公司股東應佔擬派之二零一七年末期股息(附註(a))	1,695	-
Final dividend attributable to owners of the Company for 2016 (note (b))	本公司股東應佔二零一六年末期股息(附註(b))	-	522

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15 DIVIDEND ATTRIBUTABLE TO OWNERS OF THE COMPANY (CONTINUED)

15 本公司股東應佔股息(續)

(ii) Dividends payable to owners of the Company attributable to the previous financial year, approved and paid during the year

(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)

	2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列)
Final dividend in respect of the previous financial year, approved and paid during the year	522	407

Notes:

附註：

- (a) At the meeting on 20 March 2018, the Board of Directors proposed final dividend attributable to owners of the Company in respect of 2017 of RMB21.0 cents per share amounting to a total of approximately RMB1,695 million. The amount is based on approximately 8,072 million shares in issue as at 20 March 2018. The financial statements do not reflect this dividend payable as the final dividends were proposed after the date of the statement of financial position and will be accounted for in equity as an appropriation of retained earnings in the year ending 31 December 2018 when approved at the 2018 Annual General Meeting.
- (b) Final dividend attributable to owners of the Company in respect of 2016 of HK7.4 cents per share (equivalent to RMB6.5 cents) amounting to a total of approximately HK\$597 million (approximately RMB522 million) were approved by the shareholders in the Annual General Meeting on 2 June 2017. The amount is based on approximately 8,072 million shares in issue as at 28 March 2017 which was paid on 30 June 2017.

- (a) 於二零一八年三月二十日的會議上，董事會建議派發本公司股東應佔二零一七年末期股息每股21.0人民幣分，為數合共約人民幣1,695百萬元。該金額乃基於二零一八年三月二十日已發行之約8,072百萬股股份計算。由於上述末期股息擬於財務狀況表日期後派發，因此未反映在該等財務報表內，待於二零一八年股東週年大會上獲批准後，該等股息將會入賬列為權益，作為截至二零一八年十二月三十一日止年度滾存盈利之分派。
- (b) 本公司股東應佔二零一六年末期股息為每股7.4港仙(相等於每股6.5人民幣分)，為數合共約597百萬港元(約人民幣522百萬元)，股東已於二零一七年六月二日舉行之股東週年大會上批准。該金額乃基於二零一七年三月二十八日已發行之約8,072百萬股股份計算，並已於二零一七年六月三十日支付。

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16 PROPERTY, PLANT AND EQUIPMENT

16 物業、廠房及設備

		Buildings	Oil and gas properties	Natural gas Pipelines	Equipment and machinery	Motor Vehicles	Others	Construction in progress	Total
		樓宇	石油及天然氣物業	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
		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 31 December 2015, as previously reported	於二零一五年十二月三十一日結餘 (如以往呈列)	3,691	12,177	34,951	48,652	3,135	1,357	19,406	123,369
Business combination under common control	共同控制下之業務合併	-	-	-	5,214	5	-	13	5,232
Balances at 1 January 2016, as restated	於二零一六年一月一日結餘 (如重列)	3,691	12,177	34,951	53,866	3,140	1,357	19,419	128,601
Currency translation differences	貨幣匯兌差額	3	186	32	49	8	-	25	303
Additions	添置	39	176	3	46	38	74	9,784	10,160
Disposals	出售	(19)	(32)	(16)	(388)	(100)	(3)	(312)	(870)
Transfers	轉撥	110	162	3,289	8,436	-	8	(12,005)	-
Balances at 31 December 2016, as restated	於二零一六年十二月三十一日結餘 (如重列)	3,824	12,669	38,259	62,009	3,086	1,436	16,911	138,194
Balances at 31 December 2016, as previously reported	於二零一六年十二月三十一日結餘 (如以往呈列)	3,824	12,669	38,259	56,490	3,081	1,436	16,898	132,657
Business combination under common control	共同控制下之業務合併	-	-	-	5,519	5	-	13	5,537
Balances at 1 January 2017, as restated	於二零一七年一月一日結餘 (如重列)	3,824	12,669	38,259	62,009	3,086	1,436	16,911	138,194
Currency translation differences	貨幣匯兌差額	(2)	(75)	-	(2)	(4)	(1)	(6)	(90)
Additions	添置	56	83	-	24	40	11	14,181	14,395
Disposals	出售	(11)	-	-	(346)	(108)	(2)	(188)	(655)
Transfers	轉撥	383	-	11,097	4,433	-	100	(16,013)	-
Balances at 31 December 2017	於二零一七年十二月三十一日結餘	4,250	12,677	49,356	66,118	3,014	1,544	14,885	151,844

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16 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

16 物業、廠房及設備(續)

		Buildings	Oil and gas properties	Natural gas Pipelines	Equipment and machinery	Motor Vehicles	Others	Construction in progress	Total
		樓宇	石油及天然氣物業	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
		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:	累計折舊及損耗：								
Balances at 31 December 2015, as previously reported	於二零一五年十二月三十一日結餘 (如以往呈列)	937	10,666	11,626	15,055	1,763	403	-	40,450
Business combination under common control	共同控制下之業務合併	-	-	-	478	2	-	-	480
Balances at 1 January 2016, as restated	於二零一六年一月一日結餘 (如重列)	937	10,666	11,626	15,533	1,765	403	-	40,930
Currency translation differences	貨幣匯兌差額	-	198	2	7	2	1	-	210
Charge for the year	本年度支出	130	562	1,145	3,330	274	95	-	5,536
Disposals	出售	(13)	(33)	(11)	(146)	(48)	(3)	-	(254)
Impairment loss	減值虧損	3	47	-	2,021	-	5	1,837	3,913
Balances at 31 December 2016, as restated	於二零一六年十二月三十一日結餘 (如重列)	1,057	11,440	12,762	20,745	1,993	501	1,837	50,335
Balances at 31 December 2016, as previously reported	於二零一六年十二月三十一日結餘 (如以往呈列)	1,057	11,440	12,762	19,993	1,990	501	1,837	49,580
Business combination under common control	共同控制下之業務合併	-	-	-	752	3	-	-	755
Balances at 1 January 2017, as restated	於二零一七年一月一日結餘 (如重列)	1,057	11,440	12,762	20,745	1,993	501	1,837	50,335
Currency translation differences	貨幣匯兌差額	(1)	(65)	(4)	(11)	(2)	(1)	-	(84)
Charge for the year	本年度支出	147	238	1,148	3,659	227	68	-	5,487
Disposals	出售	(13)	-	-	(190)	(29)	(1)	-	(233)
Impairment loss	減值虧損	21	-	-	333	-	18	232	604
Balances at 31 December 2017	於二零一七年十二月三十一日結餘	1,211	11,613	13,906	24,536	2,189	585	2,069	56,109
Net book value:	賬面淨值：								
Balances at 31 December 2017	於二零一七年十二月三十一日結餘	3,039	1,064	35,450	41,582	825	959	12,816	95,735
Balances at 31 December 2016, as restated	於二零一六年十二月三十一日結餘 (如重列)	2,767	1,229	25,497	41,264	1,093	935	15,074	87,859

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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 2017, the legal title registration of certain of the Group's properties with carrying amount of approximately RMB598 million (2016 restated: RMB615 million) is subject to certain administrative procedures to be completed by the relevant local government authorities. However, 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.

As at 31 December 2017, the Group held certain equipment and machinery under finance leases expiring from 3 to 4 years at an effective interest rate of ranging from 5.04% to 5.32% (2016: 5.04% to 5.32%). At the end of the lease term, the Group has the option to purchase the leased equipment and machinery at a price deemed to be a bargain purchase option. None of the leases includes contingent rentals. As at 31 December 2017, the net book value of equipment and machinery held under finance leases of the Group was RMB683 million (2016 restated: RMB723 million).

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。

於二零一七年十二月三十一日，本集團若干賬面值約人民幣598百萬元(二零一六年重列：人民幣615百萬元)之物業合法業權登記須待相關本地政府機關完成行政手續後方可作實。然而，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。

於二零一七年十二月三十一日，本集團根據於三年至四年屆滿之融資租賃按實際利率介乎5.04%至5.32% (二零一六年：5.04%至5.32%)持有若干設備及機器。於租賃期結束時，本集團有權按視為優惠之購買價購買租賃設備及機器。概無租賃包括或然租金。於二零一七年十二月三十一日，以本集團融資租賃持有的設備及機器賬面淨值為人民幣683百萬元(二零一六年重列：人民幣723百萬元)。

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16 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

During the year ended 31 December 2017, the Group recognised impairment losses on property, plant and equipment of RMB604 million (2016 restated: RMB3,913 million), including RMB329 million (2016 restated: RMB3,844 million) for LNG processing plants. In view of the fluctuations in LNG supply and prices during the year, the Group reassessed the risk exposures of certain of its LNG processing plants (each of these LNG processing plants being a cash generating unit). The carrying amount of the related property, plant and equipment exceeded its estimated recoverable amount as at 31 December 2017 and 2016. Accordingly, impairment losses, amounting to RMB128 million (2016 restated: RMB2,007 million) and RMB201 million (2016 restated: RMB1,837 million), were recognised under “Impairment loss on property, plant and equipment” in the Group’s consolidated statement of comprehensive income with respect to equipment and machinery and construction in progress respectively.

The recoverable amounts of the property, plant and equipment with respect to the LNG processing plants as at 31 December 2017 amounting to RMB1,455 million (2016 restated: RMB3,003 million) were determined based on the value in use calculations applying appropriate pre-tax discount rate of respective LNG processing plants, ranging from 14.4% to 17.8% (2016: 14.8%). LNG price assumptions were primarily based on market expectations.

16 物業、廠房及設備(續)

截至二零一七年十二月三十一日止年度，本集團確認物業、廠房及設備減值虧損人民幣604百萬元(二零一六年重列：人民幣3,913百萬元)，包括LNG加工廠人民幣329百萬元(二零一六年重列：人民幣3,844百萬元)。鑒於年內LNG供應及價格波動，本集團已重新評估其若干LNG加工廠面臨的風險(該等LNG加工廠各自為一個現金產生單位)。於二零一七年及二零一六年十二月三十一日，相關物業、廠房及設備的賬面值超過其估計可收回金額。因此，就設備及機器以及在建工程之減值虧損人民幣128百萬元(二零一六年重列：人民幣2,007百萬元)及人民幣201百萬元(二零一六年重列：人民幣1,837百萬元)分別於本集團綜合全面收益表「物業、廠房及設備之減值虧損」項下確認。

於二零一七年十二月三十一日，有關LNG加工廠的物業、廠房及設備可收回金額為人民幣1,455百萬元(二零一六年重列：人民幣3,003百萬元)，乃採用相關LNG加工廠的適當除稅前折現率由14.4%至17.8%(二零一六年：14.8%)計算之使用價值釐定。LNG價格假設主要基於市場預期。

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17 ADVANCED OPERATING LEASE PAYMENTS

The Group's advanced operating lease payments mainly represent land use rights and comprise:

17 預付經營租賃款項

本集團之預付經營租賃款項主要指土地使用權，包括：

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列) Note 38(b) 附註 38(b)
Balance as at 31 December, as previously stated	於十二月三十一日結餘(如以往呈列)	3,637	3,521
Business combination under common control	共同控制下之業務合併	196	201
Balance as at 1 January, as restated	於一月一日結餘(重列)	3,833	3,722
Currency translation differences	貨幣匯兌差額	-	(6)
Additions	添置	197	283
Amortisation for the year	本年度攤銷	(109)	(100)
Disposals	出售	(139)	(66)
Balance as at 31 December	於十二月三十一日結餘	3,782	3,833

These advanced operating lease payments are amortised over the related lease terms using the straight-line method.

此等預付經營租賃款項乃採用直線法按相關租賃期限予以攤銷。

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18 INVESTMENTS IN ASSOCIATES

18 於聯營公司之投資

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列)
Share of net assets	應佔資產淨值	3,165	2,453
Goodwill	商譽	350	350
		3,515	2,803

Details of the principal associates are set out in Note 42.

有關主要聯營公司詳情載於附註42。

Summarised financial information of a material associate, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

下表闡述一間重大聯營公司之財務資料概要，已就會計政策調整的任何差異作出調整以及對賬至綜合財務報表內賬面值：

		CNPC – Aktobemunaigas Joint Stock Company ("Aktobe") ("Aktobe")	
		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列)
Gross amounts of the associate's	聯營公司之總額		
Current assets	流動資產	2,933	4,993
Non-current assets	非流動資產	15,353	15,346
Current liabilities	流動負債	(4,947)	(5,350)
Non-current liabilities	非流動負債	(11,226)	(14,191)
Equity	權益	2,113	798
Attributable to non-controlling interest	非控制性權益應佔	(12)	(62)
Attributable to the associate's shareholders	聯營公司股東應佔	2,125	860
Revenue	收入	9,804	8,001
Profit from continuing operations	持續經營業務溢利	2,009	1,397
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	(79)	18
Total comprehensive income	全面收益總額	1,930	1,415
Attributable to non-controlling interest	非控制性權益應佔	49	44
Attributable to the associate's shareholders	聯營公司股東應佔	1,881	1,371

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18 INVESTMENTS IN ASSOCIATES (CONTINUED) 18 於聯營公司之投資(續)

		Aktobe	
		2017	2016
		二零一七年	二零一六年
		RMB'million	RMB'million
		人民幣百萬元	人民幣百萬元
			(restated)
			(重列)
Reconciled to the Group's interests in the associate	對賬至本集團於聯營公司之權益		
Group's interest (note (i))	本集團權益(附註(i))	25.12%	25.12%
Group's interest in net assets of the associate at beginning of the year	年初本集團於聯營公司資產淨值之權益	216	-
Total comprehensive income attributable to the Group	本集團應佔全面收益總額	472	345
Dividend received during the year	年內已收股息	(155)	-
Group's interest in net assets of the associate at end of the year	年末本集團於聯營公司資產淨值之權益	533	345
Elimination of unrecognised share of total comprehensive income (note (ii))	對銷未確認應佔全面收益總額(附註(ii))	-	(129)
Carrying amount of interest in the associate at end of the year	年末聯營公司權益之賬面值	533	216

Notes:

- (i) The effective equity interest of Aktobe attributable to the Group is 15.07%, representing 25.12% equity interest in Aktobe held by a 60% owned subsidiary.
- (ii) During the year ended 31 December 2015, share of negative total comprehensive income from Aktobe amounting to RMB129 million was not recognised as the carrying amount of interest in Aktobe has been reduced to zero and the Group has not incurred legal or constructive obligations or made payment on behalf of Aktobe, in accordance with accounting policy set out in Note 3(b). During the year ended 31 December 2016, share of total comprehensive income from Aktobe amounts to RMB345 million and therefore all the previously unrecognised negative total comprehensive income has been eliminated as at 31 December 2016.

附註：

- (i) 由於Aktobe之25.12%股權由本集團擁有60%權益之附屬公司持有，故本集團應佔Aktobe之實際股權為15.07%。
- (ii) 截至二零一五年十二月三十一日止年度，應佔Aktobe負面全面收益總額人民幣129百萬元尚未獲確認，因於Aktobe權益之賬面值已減至零，且根據附註3(b)所載會計政策，本集團並無產生任何法定或推定責任或代表Aktobe作出付款。截至二零一六年十二月三十一日止年度，應佔Aktobe全面收益總額為人民幣345百萬元，故以往未確認的所有負面全面收益總額已於二零一六年十二月三十一日對銷。

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18 INVESTMENTS IN ASSOCIATES (CONTINUED)

Aggregate information of associates that are not individually material:

18 於聯營公司之投資(續)

個別不重要之聯營公司之合併資料：

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列)
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	2,982	2,587
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	277	260
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	-	-
Total comprehensive income	全面收益總額	277	260

19 INVESTMENTS IN JOINT VENTURES

Share of net assets
Loans to joint ventures

Details of the principal joint ventures are set out in Note 43.

As at 31 December 2017, included in loans to joint ventures is an amount of RMB39 million (2016 restated: RMB39 million) which is unsecured, interest-free and recoverable on demand.

As at 31 December 2017 and 2016, the loans to joint ventures are not past due and not impaired.

19 於合資企業之投資

	2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列)
Share of net assets	1,879	1,246
Loans to joint ventures	39	39
	1,918	1,285

有關主要合資企業之詳情載於附註43。

於二零一七年十二月三十一日向合資企業貸款包括人民幣39百萬元(二零一六年重列：人民幣39百萬元)，該金額為無抵押、免息及須按的要求償還。

於二零一七年及二零一六年十二月三十一日，向合資企業貸款並無逾期亦無減值。

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綜合財務報表附註

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19 INVESTMENTS IN JOINT VENTURES (CONTINUED)

Dividends declared from joint ventures are approximately RMB160 million (2016 restated: RMB7 million) for the year ended 31 December 2017.

Share of loss from one joint venture amounting to RMB100 million during the year ended 31 December 2016 was not recognised as the carrying amount of the Group's equity interest in the joint venture has been reduced to zero. The Group has not incurred legal or constructive obligations or made payment on behalf of the joint venture, in accordance with accounting policy set out in Note 3(b).

There is no individually material joint venture which significantly affects the results and/or net assets of the Group at 31 December 2017.

Aggregate information of joint ventures that are not individually material:

19 於合資企業之投資(續)

截至二零一七年十二月三十一日止年度，合資企業宣派之股息約為人民幣160百萬元(二零一六年重列：人民幣7百萬元)。

截至二零一六年十二月三十一日止年度，應佔一間合資企業虧損人民幣100百萬元尚未獲確認，因本集團於該合資企業的股權賬面值已銷減至零。根據附註3(b)所載會計政策，本集團並無產生法定或推定責任或須代表該合資企業作出付款。

並無個別屬重要之合資企業對本集團於二零一七年十二月三十一日之業績及／或資產淨值造成重大影響。

個別不重要之合資企業之合併資料：

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列)
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	1,918	1,285
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	224	162
– 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	–	–
– Total comprehensive income	– 全面收益總額	224	162

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

20 INVESTMENTS IN SUBSIDIARIES

Details of the principal subsidiaries are set out in Note 41.

The following tables list out the information related to PetroChina Beijing Gas Pipeline Co., Ltd (“Beijing Pipeline”), PetroChina Jiangsu LNG Co., Ltd (“Jiangsu LNG”) and Jingtang Co., the three 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.

20 於附屬公司之投資

有關主要附屬公司之詳情載於附註41。

下表列出中石油北京天然氣管道有限公司(「北京管道」)、中國石油江蘇液化天然氣有限公司(「江蘇LNG」)及京唐公司為本集團擁有重大非控制性權益(「非控制性權益」)之三間附屬公司相關之資料。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。

		Beijing Pipeline	
		北京管道	
		2017	2016
		二零一七年	二零一六年
		RMB'million	RMB'million
		人民幣百萬元	人民幣百萬元
			(restated)
			(重列)
NCI percentage	非控制性權益百分比	40%	40%
Current assets	流動資產	3,392	2,673
Non-current assets	非流動資產	40,958	33,999
Current liabilities	流動負債	(4,717)	(10,181)
Non-current liabilities	非流動負債	(11,884)	(937)
Net assets	資產淨值	27,749	25,554
Carrying amount of NCI	非控制性權益賬面值	11,095	10,226
Revenue	收入	10,656	11,637
Profit for the year	年內溢利	5,087	6,039
Total comprehensive income	全面收益總額	5,087	6,039
Profit allocated to NCI	分配至非控制性權益之溢利	2,012	2,416
Dividend paid to NCI	已付非控制性權益之股息	2,162	1,991
Cash flows from operating activities	經營業務所得之現金流量	5,986	7,512
Cash flows from investing activities	投資業務所得之現金流量	(8,828)	(4,455)
Cash flows from financing activities	融資活動所得之現金流量	3,102	(1,139)

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20 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

20 於附屬公司之投資(續)

		Jiangsu LNG	
		江蘇 LNG	
		2017	2016
		二零一七年	二零一六年
		RMB'million	RMB'million
		人民幣百萬元	人民幣百萬元
			(restated)
			(重列)
NCI percentage	非控制性權益百分比	45%	45%
Current assets	流動資產	1,243	672
Non-current assets	非流動資產	4,375	4,642
Current liabilities	流動負債	(332)	(196)
Non-current liabilities	非流動負債	(1,571)	(1,962)
Net assets	資產淨值	3,715	3,156
Carrying amount of NCI	非控制性權益賬面值	1,672	1,420
Revenue	收入	1,898	944
Profit for the year	年內溢利	960	283
Total comprehensive income	全面收益總額	960	283
Profit allocated to NCI	分配至非控制性權益之溢利	432	127
Dividend paid to NCI	已付非控制性權益之股息	180	-
Cash flows from operating activities	經營業務所得之現金流量	1,516	714
Cash flows from investing activities	投資業務所得之現金流量	(12)	(146)
Cash flows from financing activities	融資活動所得之現金流量	(879)	(197)

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20 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

20 於附屬公司之投資(續)

		Jingtang Co. 京唐公司	
		2017	2016
		二零一七年	二零一六年
		RMB'million	RMB'million
		人民幣百萬元	人民幣百萬元
			(restated)
			(重列)
NCI percentage	非控制性權益百分比	49%	49%
Current assets	流動資產	1,097	653
Non-current assets	非流動資產	4,888	4,980
Current liabilities	流動負債	(2,113)	(2,638)
Non-current liabilities	非流動負債	(19)	-
Net assets	資產淨值	3,853	2,995
Carrying amount of NCI	非控制性權益賬面值	1,888	1,467
Revenue	收入	1,751	784
Profit for the year	年內溢利	858	168
Total comprehensive income	全面收益總額	858	168
Profit allocated to NCI	分配至非控制性權益之溢利	420	83
Dividend paid to NCI	已付非控制性權益之股息	-	-
Cash flows from operating activities	經營業務所得之現金流量	1,672	442
Cash flows from investing activities	投資業務所得之現金流量	121	(796)
Cash flows from financing activities	融資活動所得之現金流量	(789)	354

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21 AVAILABLE-FOR-SALE FINANCIAL ASSETS

21 可供出售金融資產

	2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列)
Available-for-sale equity securities: 可供出售股本證券：		
– Listed in Australia – 於澳大利亞上市	7	6
– Listed in Hong Kong – 於香港上市	9	13
– Listed in the PRC – 於中國上市	262	364
– Unlisted in the PRC – 於中國非上市	74	74
	352	457

The carrying amounts of the Group's available-for-sale financial assets in the consolidated statement of financial position by the measurement hierarchy are set out in Note 4.3(a).

本集團於綜合財務狀況表按計量等級劃分的可供出售金融資產之賬面值載於附註4.3(a)。

22 INTANGIBLE AND OTHER NON-CURRENT ASSETS

22 無形及其他非流動資產

	2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列) Note 38(b) 附註38(b)
Intangible assets (note (i)) 無形資產(附註(i))	458	503
Prepaid construction costs 預付建造成本	509	1,825
Loans to an associate (note (ii)) 向一間聯營公司貸款(附註(ii))	173	–
Loans to third parties 向第三方貸款	–	72
Others 其他	33	24
	1,173	2,424

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綜合財務報表附註

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22 INTANGIBLE AND OTHER NON-CURRENT ASSETS (CONTINUED) 22 無形及其他非流動資產(續)

Note:

- (i) The intangible assets mainly comprise goodwill, 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、特許權及電腦軟件成本。無形資產之變動如下：

		2017 二零一七年			2016 二零一六年		
		Goodwill 商譽	Others 其他	Total 總計	Goodwill 商譽	Others 其他	Total 總計
		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
At 31 December, as previously reported	於十二月三十一日 (如以往呈列)	243	258	501	235	309	544
Business combinations under common control	共同控制下之業務合併	-	2	2	-	2	2
At 1 January, as restated	於一月一日結餘(如重列)	243	260	503	235	311	546
Additions	添置	-	10	10	8	3	11
Amortisation for the year	本年度攤銷	-	(55)	(55)	-	(54)	(54)
At 31 December	於十二月三十一日	243	215	458	243	260	503

- (ii) Loans to an associate are unsecured and interest-bearing ranging from 4.28% to 4.35% per annum.

- (ii) 貸款予一間聯營公司為無抵押及按每年4.28%至4.35%計息。

23 INVENTORIES

Inventories in the consolidated statement of financial position comprise:

23 存貨

綜合財務狀況表中存貨包括：

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列)
Natural gas	天然氣	1,148	823
Materials for oil and gas properties and natural gas pipelines	石油、天然氣物業及天然氣管道材料	362	371
Crude oil in tanks and others	桶裝原油及其他	49	48
		1,559	1,242

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24 ACCOUNTS RECEIVABLE

24 應收賬款

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列) Note 38(b) 附註 38(b)
Accounts receivable	應收賬款	3,027	2,977
Less: allowance for doubtful debts (Note 24(b))	減：壞賬撥備(附註24(b))	(181)	(19)
		2,846	2,958

(a) Ageing analysis

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

(a) 賬齡分析

截至報告期末，應收賬款(扣除壞賬撥備)按發票日期之賬齡分析如下：

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列) Note 38(b) 附註 38(b)
Within 3 months	三個月以內	1,957	1,962
Between 3 to 6 months	三個月至六個月內	116	191
Over 6 months	六個月以上	773	805
		2,846	2,958

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24 ACCOUNTS RECEIVABLE (CONTINUED)

(a) Ageing analysis (continued)

The Group's revenue from sales of crude oil and rendering of terminal and pipeline services 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. As at 31 December 2017, accounts receivable of approximately RMB889 million (2016 restated: RMB996 million) were past due but for which the Group has not provided for impairment loss. These accounts receivable relate to a number of independent customers that have a good track record with the Group.

Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

(b) Impairment of accounts receivable

Impairment loss in respect of accounts receivable is recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against accounts receivable directly.

The movement in the allowance for doubtful debts during the year for specific loss components is as follows;

24 應收賬款(續)

(a) 賬齡分析(續)

本集團自原油銷售及提供接收站及管道服務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。於二零一七年十二月三十一日，應收賬款約人民幣889百萬元(二零一六年重列：人民幣996百萬元)已逾期，而本集團並未就減值虧損作出撥備。該等應收賬款來自數家在本集團擁有良好往績記錄之獨立客戶。

根據過往經驗，管理層相信毋須就該等結餘作出減值撥備，原因是信貸品質並無重大變化，且該等結餘仍被視為可悉數收回。

(b) 應收賬款減值

有關應收賬款的減值虧損使用備抵賬入賬，除非本集團相信收回該等款項的可能性很低，在此情況下，減值虧損直接抵銷應收賬款。

年內壞賬撥備(特定虧損部分)變動如下：

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列)
At 1 January	於一月一日	19	19
Impairment loss recognised	已確認減值虧損	163	-
Uncollectible amounts written off	已撇銷無法收回的款項	(1)	-
At 31 December	於十二月三十一日	181	19

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25 PREPAID EXPENSES AND OTHER CURRENT ASSETS 25 預付款及其他流動資產

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列)
Other receivables	其他應收款項	1,256	1,281
Advances to suppliers	向供應商支付的預付款	271	174
Amounts due from related parties	應收關聯方款項		
– Intermediate holding company	– 中間控股公司	588	582
– Others	– 其他	–	2
		2,115	2,039
Less: Provision for impairment	減：減值撥備	(49)	(27)
		2,066	2,012
Loans to third parties	向第三方貸款	65	155
Dividends receivable from associates	應收聯營公司股息	1	94
Value-added tax recoverable	可收回增值稅	2,012	1,403
Prepaid expenses	預付款	2,214	1,466
Other current assets	其他流動資產	282	728
		6,640	5,858

All of the amounts due from related parties are expected to be settled within one year. Except for the amounts due from intermediate holding company of RMB588 million (2016 restated: RMB582 million) which are unsecured and interest bearing at from 1.65% to 1.80% per annum (2016: 1.65% per annum), the other amounts due from related parties are interest free and unsecured.

所有應收關聯方款項預期於一年內償還。惟應收中間控股公司款項人民幣588百萬元(二零一六年重列：人民幣582百萬元)為無抵押及按年利率由1.65%至1.80%(二零一六年：年利率1.65%)計息外，應收關聯方其他款項為免息及無抵押。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

26 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents comprise:

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列) Note 38(b) 附註 38(b)
Cash at bank and on hand	銀行及手頭現金	18,407	18,074
Short-term bank deposits	短期銀行存款	3,443	1,091
Cash and cash equivalents	現金及現金等值項目	21,850	19,165

Cash at bank and bank deposits carry interest at prevailing market rate at 0.33% per annum (2016 restated: 0.32% per annum).

Included in bank deposits, bank balances and cash are amounts of approximately RMB20,671 million (2016 restated: RMB17,985 million) denominated in Renminbi which are deposited with banks in the PRC. The conversion of these Renminbi 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.

26 現金及現金等值項目

(a) 現金及現金等值項目包括：

銀行現金及銀行存款按現行市場年利率0.33%（二零一六年重列：年利率0.32%）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20,671百萬元（二零一六年重列：人民幣17,985百萬元）。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。

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26 CASH AND CASH EQUIVALENTS (CONTINUED)

(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 cash flow statement as cash flows from financing activities.

26 現金及現金等值項目 (續)

(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將分類為融資活動所產生的現金流的負債。

		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	Obligations under finance leases 融資租賃承擔 RMB'million 人民幣百萬元	Total 總計 RMB'million 人民幣百萬元
At 1 January 2017	於二零一七年一月一日	32,505	3,156	500	36,161
Changes from financing cash flows:	融資現金流量變動：				
Increase in borrowings	借貸增加	26,377	-	-	26,377
Repayment of borrowings	償還借貸	(17,182)	-	-	(17,182)
Capital element of finance lease rentals paid	已付融資租賃租金本金部份	-	-	(146)	(146)
Interest element of finance lease rentals paid	已付融資租賃租金利息部份	-	-	(24)	(24)
Interest paid	已付利息	(1,384)	(54)	-	(1,438)
Total changes from financing cashflows	融資現金流量變動總額	7,811	(54)	(170)	7,587
Effect of foreign exchange rate changes	匯率變動之影響	(390)	-	-	(390)
Other changes:	其他變動：				
Interest expenses	利息開支	1,579	128	21	1,728
Net exchange gains	匯兌收益淨額	(232)	-	-	(232)
Transfer to accrued liabilities	轉撥至應計負債	(172)	-	-	(172)
Total other changes	其他變動總額	1,175	128	21	1,324
At 31 December 2017	於二零一七年十二月三十一日	41,101	3,230	351	44,682

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27 SHARE CAPITAL AND SHARE OPTION SCHEMES 27 股本及購股權計劃

(a) Share capital

(a) 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 2016, 31 December 2016 and 31 December 2017	於二零一六年一月一日、 二零一六年十二月三十一日及 二零一七年十二月三十一日	16,000	160
		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
Issue 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 2016, 31 December 2016 and 31 December 2017	於二零一六年一月一日、 二零一六年十二月三十一日及 二零一七年十二月三十一日	8,072	65

27 SHARE CAPITAL AND SHARE OPTION SCHEMES (CONTINUED)

(b) Share option schemes

Pursuant to executive share option scheme (the "2002 Share Option Scheme") of the Company dated 3 June 2002, the directors of the Company are authorised, at any time within ten years after the adoption of the 2002 Share Option Scheme, to grant options to any directors or employees of the Company or any of its subsidiaries to subscribe for the Company's shares at a price not less than the average of the closing prices of the Company's shares on the five trading days immediately preceding the offer date of the options, the closing price of the Company's shares on the offer day or the nominal value of the Company's shares, whichever is the highest. Unless otherwise lapsed or amended, the 2002 Share Option Scheme will be valid and effective for a period of ten years from the date of adoption. The maximum number of shares in respect of which options may be granted under the 2002 Share Option Scheme cannot exceed 10% of the issued share capital of the Company. Notwithstanding aforesaid in this paragraph, the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2002 Share Option Scheme (and under any other shares of the Company) shall not exceed 30% of the shares in issue from time to time.

Options granted under the 2002 Share Option Scheme must be taken up within the period as specified in the offer of the options and no amount shall be payable by the grantee to the exercising of the right to accept an offer of an option. Options granted are exercisable at any time, but not less than 3 months and not more than 10 years from the date on which the option is granted and accepted by the grantee. All of the options are vested to the option holders after 3 months from the date on which the options are granted. The exercise period of the option is 5 years from the grant date.

The 2002 share option scheme expired on 2 June 2012.

27 股本及購股權計劃(續)

(b) 購股權計劃

根據本公司日期為二零零二年六月三日之行政人員購股權計劃(「二零零二年購股權計劃」)，本公司董事獲授權於採納二零零二年購股權計劃後十年內任何時間，可授予本公司或其任何附屬公司之任何董事或僱員認購本公司股份之特權，其作價並不可低於緊接購股權授予日期前五個交易日本公司股份之平均收市價、授予當日本公司股份收市價或本公司股份面值(以最高者為準)。除另行失效或修訂外，二零零二年購股權計劃將於採納當日起計十年內維持有效。根據二零零二年購股權計劃授出之股份最高數目不可超過本公司已發行股本之10%。儘管本段所述者，因行使根據二零零二年購股權計劃(及本公司任何其他股份)授出及尚未獲行使之所有尚未行使購股權而發行股份最高數目不得超過不時已發行股份之30%。

根據二零零二年購股權計劃授出之購股權須於購股權指定授出期內接納，而承授人毋須就行使接納授出購股權之權利而支付款項。已授出之購股權可於購股權授出及獲承授人接納當日起計不少於三個月及不超過十年內任何時間行使。所有購股權於授出購股權後三個月歸屬予購股權持有人。購股權之行使期自授出之日起計五年。

二零零二年購股權計劃已於二零一二年六月二日屆滿。

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27 SHARE CAPITAL AND SHARE OPTION SCHEMES (CONTINUED)

(b) Share option schemes (Continued)

No new share option scheme was adopted after the expiration of 2002 Share Option Scheme on 2 June 2012. No new option was granted for the year ended 31 December 2017 and 2016.

During the year ended 31 December 2017 and 2016, no share options have been exercised by the directors and employees of the Company respectively as the exercise prices of the outstanding share options were above the market price of the Company's shares, and the share options were lapsed.

The movements in the share options granted under the 2002 Share Option Scheme during the year ended 31 December 2016 and 2017 are shown in the following table:

27 股本及購股權計劃(續)

(b) 購股權計劃(續)

於二零零二年購股權計劃於二零一二年六月二日屆滿後並無採納新購股權計劃。截至二零一七年及二零一六年十二月三十一日止年度並無授出新購股權。

截至二零一七年及二零一六年十二月三十一日止年度，由於尚未行使購股權之行使價乃高於本公司股份之市價，本公司董事及僱員概無行使購股權，購股權已失效。

下表披露根據二零零二年購股權計劃授出之購股權於截至二零一六年及二零一七年十二月三十一日止年度之變動：

Name of category of participants	Option type	Number of share options						
		Outstanding at 1 January 2016	Reclassified during the year	Lapsed during the year	Outstanding at 31 December 2016 and 31 December 2017	Reclassified during the year	Lapsed during the year	Outstanding at 31 December 2017
參與者姓名或類別	購股權類別	於二零一六年一月一日 尚未行使 '000 千份	於年內重新分類 '000 千份	於年內失效 '000 千份	於二零一六年十二月三十一日及二零一七年一月一日 尚未行使 '000 千份	於年內重新分類 '000 千份	於年內失效 '000 千份	於二零一七年十二月三十一日 尚未行使 '000 千份
Directors								
董事								
Mr Zhang Bowen (note (iii))	2011 (note (i)) 二零一一年(附註(i))	2,400	(2,400)	-	-	-	-	-
張博聞先生(附註(iii))	2012 (note (ii)) 二零一二年(附註(ii))	2,200	(2,200)	-	-	-	-	-

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27 SHARE CAPITAL AND SHARE OPTION SCHEMES (CONTINUED) 27 股本及購股權計劃(續)

(b) Share option schemes (Continued)

(b) 購股權計劃(續)

Name of category of participants	Option type	Number of share options 購股權數目						
		Outstanding at 1 January 2016	Reclassified during the year	Lapsed during the year	Outstanding at 31 December 2016 and 1 January 2017	Reclassified during the year	Lapsed during the year	Outstanding at 31 December 2017
		於二零一六年 一月一日 尚未行使 '000 千份	於年內 重新分類 '000 千份	於年內 失效 '000 千份	於二零一六年 十二月三十一日 及二零一七年 一月一日 尚未行使 '000 千份	於年內 重新分類 '000 千份	於年內 失效 '000 千份	於二零一七年 十二月三十一日 尚未行使 '000 千份
Mr Cheng Cheng (note (iii))	2011 (note (i)) 二零一一年(附註(i))	1,500	(1,500)	-	-	-	-	-
成城先生(附註(iii))	2012 (note (ii)) 二零一二年(附註(ii))	2,000	(2,000)	-	-	-	-	-
Subtotal		8,100	(8,100)	-	-	-	-	-
小計								

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27 SHARE CAPITAL AND SHARE OPTION SCHEMES (CONTINUED) 27 股本及購股權計劃(續)

(b) Share option schemes (Continued)

(b) 購股權計劃(續)

Name of category of participants		Option type		Number of share options				
				購股權數目				
Name of category of participants		Option type		Outstanding at			Outstanding at	
				Outstanding at 1 January 2016	Reclassified during the year	Lapsed during the year	31 December 2016 and 1 January 2017	Reclassified during the year
		於二零一六年一月一日	於二零一六年一月一日	於二零一六年一月一日	於二零一六年一月一日及二零一七年一月一日	於二零一六年一月一日	於二零一六年一月一日	於二零一七年十二月三十一日
		尚未行使	重新分類	失效	尚未行使	重新分類	失效	尚未行使
		'000	'000	'000	'000	'000	'000	'000
		千份	千份	千份	千份	千份	千份	千份
Other employees	2011 (note (i))	6,000	3,900	(9,900)	-	-	-	-
其他僱員	二零一一年(附註(i))							
	2012 (note (ii))	11,500	4,200	(1,500)	14,200	-	(14,200)	-
	二零一二年(附註(ii))							
Subtotal		17,500	8,100	(11,400)	14,200	-	(14,200)	-
小計								
Total		25,600	-	(11,400)	14,200	-	(14,200)	-
合計								

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27 SHARE CAPITAL AND SHARE OPTION SCHEMES (CONTINUED) 27 股本及購股權計劃(續)

(b) Share option schemes (Continued)

Notes:

- (i) These options were granted on 18 March 2011 with exercise price of HK\$11.730 and exercisable from 18 June 2011 to 17 March 2016.
- (ii) These options were granted on 17 May 2012 with exercise price of HK\$12.632 and exercisable from 17 August 2012 to 16 May 2017.
- (iii) During the year ended 2016, certain directors of the Company ceased to be the directors and their share options were reclassified to share options held by employees as at 31 December 2016.

(b) 購股權計劃(續)

附註：

- (i) 該等購股權於二零一一年三月十八日授出，行使價為11.730港元，可由二零一一年六月十八日至二零一六年三月十七日予以行使。
- (ii) 該等購股權於二零一二年五月十七日授出，行使價為12.632港元，可由二零一二年八月十七日至二零一七年五月十六日予以行使。
- (iii) 截至二零一六年止年度，本公司若干董事不再擔任董事職務及彼等之購股權於二零一六年十二月三十一日已重新分類為僱員所持購股權。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

28 OTHER RESERVES

28 其他儲備

(a) Movements in components of other reserves

(a) 其他儲備組成變動

	Group 本集團										
	Share premium	Contributed surplus	Employee share-based compensation reserve	Merger reserve	Available-for-sale financial assets reserve	Convertible bond equity reserve	Translation reserve	Others	Retained earnings	Total	
	股份溢價	實繳盈餘	僱員以股份為基礎之補償儲備	合併儲備	可供出售之金融資產儲備	可轉換債券儲備	匯兌儲備	其他	滾存盈餘	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	RMB'million 人民幣百萬元	
	note (i) 附註(i)	note (i) 附註(i)		note (ii) 附註(ii)	note (iv) 附註(iv)	note (v) 附註(v)	note (vi) 附註(vi)	note (vii) 附註(vii)			
Balances at 31 December 2015, as previously reported	於二零一五年十二月三十一日 (如以往重列)	32,358	109	73	(7,771)	488	-	1,066	3,305	22,063	51,691
Business combination under common control	共同控制下之業務合併	-	-	-	1,326	-	-	-	28	89	1,443
Balances at 1 January 2016, as restated	於二零一六年一月一日結餘 (如重列)	32,358	109	73	(6,445)	488	-	1,066	3,333	22,152	53,134
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	(214)	-	25	-	666	477
Transfer between reserves	儲備間轉撥	-	-	-	-	-	-	-	609	(609)	-
Final dividend for 2015	二零一五年末期股息	-	-	-	-	-	-	-	-	(407)	(407)
Lapsed share options	已失效購股權	-	-	(34)	-	-	-	-	-	34	-
Issuance of convertible bonds	發行可轉換債券	-	-	-	-	-	195	-	-	-	195
Acquisition of Kunlun Gas	收購昆侖燃氣	-	-	-	(15,612)	-	-	-	-	-	(15,612)
Balances at 31 December 2016	於二零一六年十二月三十一日結餘	32,358	109	39	(22,057)	274	195	1,091	3,942	21,836	37,787
Balances at 31 December 2016, as previously reported	於二零一六年十二月三十一日 (如以往重列)	32,358	109	39	(23,383)	274	195	1,091	3,905	21,671	36,259
Business combination under common control	共同控制下之業務合併	-	-	-	1,326	-	-	-	37	165	1,528
Balances at 1 January 2017, as restated	於二零一七年一月一日結餘 (如重列)	32,358	109	39	(22,057)	274	195	1,091	3,942	21,836	37,787
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	(107)	-	(52)	-	4,760	4,601
Transfer between reserves	儲備間轉撥	-	-	-	143	-	-	-	690	(833)	-
Final dividend for 2016	二零一六年末期股息	-	-	-	-	-	-	-	-	(522)	(522)
Lapsed share options	已失效購股權	-	-	(39)	-	-	-	-	-	39	-
Acquisition of Jingtang Co.	收購京唐公司	-	-	-	(1,906)	-	-	-	-	-	(1,906)
Balances at 31 December 2017	於二零一七年十二月三十一日結餘	32,358	109	-	(23,820)	167	195	1,039	4,632	25,280	39,900

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

28 OTHER RESERVES (CONTINUED)

(a) Movements in components of other reserves (Continued)

28 其他儲備(續)

(a) 其他儲備組成變動(續)

		Company 本公司					
		Share premium	Contributed surplus	Employee share-based compensation reserve	Convertible bond equity reserve	Retained earnings	Total
		股份溢價	實繳盈餘	僱員以 股份基礎之 補償儲備	可轉換 債券股 權儲備	滾存盈餘	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
		note (i) 附註(i)	note (ii) 附註(ii)		note (v) 附註(v)		
Balances at 31 December 2015 and 1 January 2016, as restated	於二零一五年十二月三十一日 及二零一六年一月一日結餘 (如重列)	32,358	109	73	-	13,646	46,186
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	(737)	(737)
Final dividend for 2015	二零一五年末期股息	-	-	-	-	(407)	(407)
Issuance of convertible bonds	發行可轉換債券	-	-	-	195	-	195
Lapsed share options	已失效購股權	-	-	(34)	-	34	-
Balances at 31 December 2016, as restated	於二零一六年十二月三十一日結餘 (如重列)	32,358	109	39	195	12,536	45,237
Balances at 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日 及二零一七年一月一日結餘	32,358	109	39	195	12,536	45,237
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	3,424	3,424
Final dividend for 2016	二零一六年末期股息	-	-	-	-	(522)	(522)
Lapsed share options	已失效購股權	-	-	(39)	-	39	-
Balances at 31 December 2017	於二零一七年十二月三十一日結餘	32,358	109	-	195	15,477	48,139

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28 OTHER RESERVES (CONTINUED)

(b) Nature and purpose of other reserves

Notes:

- (i) Under the Companies Act 1981 of Bermuda, 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.
- (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) Available-for-sale financial assets reserve comprises the cumulative net change in the fair value of available-for-sale securities held at the end of the reporting period and is dealt with in accordance with the accounting policies in Notes 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 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 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.

28 其他儲備(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，股份溢價賬可由本公司用於繳付向本公司股東發行之入賬列為繳足紅股之尚未發行股份。
- (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) 可供出售金融資產儲備包括於報告期末所持可供出售證券公平值之累積淨變動，且根據附註3(h)之會計政策處理。
- (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財務報表產生之所有匯兌差額。儲備根據附註3(d)(ii)之會計政策處理。
- (vii) 其他主要指法定盈餘公積。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，該等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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28 OTHER RESERVES (CONTINUED)

(c) Distributability of other reserves

At 31 December 2017, the aggregate amount of other reserves available for distribution to equity shareholders of the Company, as calculated under the Companies Act 1981 of Bermuda (as amended) was RMB15,586 million (2016 restated: RMB12,645 million). After the end of the reporting period the directors proposed a final dividend of RMB21.0 cents per ordinary share (2016: RMB6.5 cents per share), amounting to RMB1,695 million (2016 restated: RMB522 million) (Note 15). This dividend has not been recognised as a liability at the end of the reporting period.

28 其他儲備(續)

(c) 可分派其他儲備

於二零一七年十二月三十一日，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(經修訂)計算)為人民幣15,586百萬元(二零一六年重列：人民幣12,645百萬元)。於報告期末後，董事建議末期股息每股普通股21.0人民幣分(二零一六年：每股6.5人民幣分)，達人民幣1,695百萬元(二零一六年重列：人民幣522百萬元)(附註15)。該股息於報告期末並未確認為一項負債。

29 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

29 應付賬款及應計負債

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列) Note 38(b) 附註38(b)
Accounts payable	應付賬款	2,858	3,289
Advances from customers	客戶墊款	8,481	7,145
Salaries and welfare payable	應付薪金及福利	284	255
Accrued expenses	應計開支	26	21
Dividend payable	應付股息	1,069	3,246
Interest payable	應付利息	376	205
Construction fee and equipment cost payables	應付建設費及設備成本	10,279	9,765
Amounts due to related parties	應付關聯方款項		
– Non-controlling interests	– 非控制性權益	1	185
– Others	– 其他	14	11
Deferred income	遞延收入	400	278
Other payables	其他應付款項	2,781	2,384
		26,569	26,784

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29 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (CONTINUED)

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

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列) Note 38(b) 附註 38(b)
Within 3 months	三個月內	2,290	2,448
Between 3 to 6 months	三個月至六個月	109	446
Over 6 months	六個月以上	459	395
		2,858	3,289

The average 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.

截至報告期末，應付賬款按發票日期之賬齡分析如下：

採購貨品之平均賒賬期為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賒賬限期內。應付賬款及應計負債之合約年期均為一年內。

30 BORROWINGS

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列) Note 38(b) 附註 38(b)
Short-term borrowings – unsecured	短期借貸 – 無抵押	10,487	12,149
Current portion of long-term borrowings	長期借貸之即期部分	1,318	4,436
		11,805	16,585
Long-term borrowings – secured	長期借貸 – 有抵押	22	167
Long-term borrowings – unsecured	長期借貸 – 無抵押	30,592	20,189
Less: Current portion of long-term borrowings	減：長期借貸之即期部分	(1,318)	(4,436)
		29,296	15,920
		41,101	32,505

30 借貸

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30 BORROWINGS (CONTINUED)

The carrying amounts of the borrowings are denominated in the following currencies:

30 借貸(續)

借貸之賬面值以下列貨幣計值：

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列) Note 38(b) 附註 38(b)
Renminbi	人民幣	30,542	22,627
US dollar	美元	7,249	7,653
Hong Kong dollar	港元	3,222	2,129
Japanese yen	日元	40	57
Euro	歐元	48	39
		41,101	32,505

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列) Note 38(b) 附註 38(b)
Total borrowings:	總借貸：		
– At fixed rates	– 按定息	39,669	29,971
– At floating rates	– 按浮息	1,432	2,534
		41,101	32,505

Weighted average effective interest rates:	加權平均實際利率：		
– Bank loans	– 銀行貸款	3.31%	3.75%
– Loans from an immediate holding company	– 來自一間直接控股公司之貸款	4.05%	4.19%
– Loans from an intermediate holding company	– 來自一間中間控股公司之貸款	2.00%	2.77%
– Loans from CP Finance	– 來自中油財務之貸款	4.17%	4.98%
– Loans from fellow subsidiaries	– 來自同系附屬公司之貸款	3.73%	3.58%
– Senior notes	– 優先票據	3.31%	3.31%

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30 BORROWINGS (CONTINUED)

As at 31 December 2017 and 2016, the borrowings of the Group were repayable as follows:

		Bank loans 銀行貸款		Loans other than bank loans 除銀行貸款以外之貸款	
		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列)	2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列) Note 38(b) 附註 38(b)
Within one year	一年內	3,386	3,648	8,419	12,937
Between one to two years	一至兩年	1,543	1,390	2,888	50
Between two to five years	兩至五年	1,232	1,596	19,178	8,568
After five years	五年以後	1,223	904	3,232	3,412
		7,384	7,538	33,717	24,967

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. 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:

於二零一七年及二零一六年十二月三十一日，本集團之借貸須按如下償還：

下表詳述本集團之非衍生金融負債之餘下合約年期。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 銀行貸款		Loans other than bank loans 除銀行貸款以外之貸款	
		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列)	2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列) Note 38(b) 附註 38(b)
Within one year	一年內	3,652	3,921	9,547	13,519
Between one to two years	一至兩年	1,693	1,536	4,105	502
Between two to five years	兩至五年	1,434	1,764	20,249	9,298
After five years	五年以後	1,473	1,083	3,532	3,863
		8,252	8,304	37,433	27,182

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31 CONVERTIBLE BONDS

31 可轉換債券

		2017 二零一七年			2016 二零一六年		
		Liability 負債 RMB'million 人民幣百萬元	Equity 權益 RMB'million 人民幣百萬元	Total 總計 RMB'million 人民幣百萬元	Liability 負債 RMB'million 人民幣百萬元 (restated) (重列)	Equity 權益 RMB'million 人民幣百萬元 (restated) (重列)	Total 總計 RMB'million 人民幣百萬元 (restated) (重列)
Carrying amount as at 1 January	於一月一日之賬面值	3,156	195	3,351	-	-	-
Par value of convertible bonds issued during 2016	於二零一六年發行之可轉換債券之面值	-	-	-	3,153	197	3,350
Transaction costs	交易成本	-	-	-	(28)	(2)	(30)
Carrying amount on initial recognition	於初始確認時之賬面值	-	-	-	3,125	195	3,320
Accumulated interest expense accrued at effective interest rate of 4.03%	按實際利率4.03%累計之利息開支	128	-	128	54	-	54
Accumulated interest paid (inclusive of arrangement fee)	已付累計利息 (包括安排費用)	(54)	-	(54)	(23)	-	(23)
Carrying amount as at 31 December	於十二月三十一日之賬面值	3,230	195	3,425	3,156	195	3,351

On 13 July 2016, the Company entered into a subscription agreement, pursuant to which the Company agreed to issue convertible bonds due in 2019 (the "Convertible Bonds") with principal amount of RMB3,350 million to third parties. The Convertible Bonds are denominated in RMB bear interest of 1.625% and will be settled in United States dollars. The conversion price was HK\$7.13 per share (translated into HK\$ at the fixed RMB to HK\$ exchange rate of 0.8625) as at the date of issuance and is subject to anti-dilutive adjustments. The issuance of Convertible Bonds was completed on 25 July 2016. The conversion price was adjusted to HK\$7.05 per share with effect from 15 June 2017.

During the year ended 31 December 2017 and 2016, there was no conversion of the convertible bonds into shares in the Company by the bondholders.

於二零一六年七月十三日，本公司訂立一份認購協議，據此，本公司同意向第三方發行本金額為人民幣3,350百萬元於二零一九年到期之可轉換債券（「可轉換債券」）。人民幣計值的可轉換債券按1.625%計息及將以美元結算。於發行日，轉換價為每股7.13港元（按人民幣兌港元的固定匯率0.8625換算為港元）並可作出反攤薄調整。發行可轉換債券於二零一六年七月二十五日完成。轉換價已調整為每股7.05港元，自二零一七年六月十五日起生效。

截至二零一七年及二零一六年十二月三十一日止年度，本公司債券持有人概無將可轉換債券換算為股份。

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31 CONVERTIBLE BONDS (CONTINUED)

The following table details the Group's remaining contractual maturity for its financial liability. 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:

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列)
Within one year	一年內	54	54
Between one to two years	一至兩年	3,404	54
Between two to five years	兩至五年	-	3,404
		3,458	3,512

31 可轉換債券(續)

下表詳述本集團之金融負債之餘下合約年期。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)：

32 INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION

(a) Current tax in the statement of financial position represents:

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列) Note 38(b) 附註38(b)
Tax payables in respect of subsidiaries in:	附屬公司於以下國家應付之稅項：		
- PRC	- 中國	489	562
		489	562
Withholding tax on dividend distributed by the subsidiaries	附屬公司分派股息之預扣稅	6	163
		495	725

32 財務狀況表中之所得稅

(a) 財務狀況表中之流動稅項為：

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32 INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION (CONTINUED) 32 財務狀況表中之所得稅 (續)

(b) Deferred tax assets and liabilities recognised:

The movements in net deferred tax assets/(liabilities) are as follows:

(b) 已確認之遞延稅項資產及負債：

遞延稅項資產／(負債)淨額變動如下：

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列)
At 1 January	於一月一日	143	112
Currency translation differences	貨幣匯兌差額	9	(19)
Credited to the consolidated profit or loss (Note 13)	於綜合損益中抵免(附註13)	-	50
Charged to other comprehensive income	於其他全面收益扣除	(39)	-
At 31 December	於十二月三十一日	113	143
Representing:	指：		
Deferred tax assets	遞延稅項資產	1,188	1,050
Deferred tax liabilities	遞延稅項負債	(1,075)	(907)
		113	143

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32 INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION (CONTINUED) 32 財務狀況表中之所得稅(續)

(b) Deferred tax assets and liabilities recognised: (Continued)

The movements in deferred tax assets/(liabilities) during the year without taking into consideration of the offsetting of balances within the same tax jurisdiction, are as follows:

(b) 已確認之遞延稅項資產及負債：(續)

年內遞延稅項資產／(負債)之變動(並無考慮抵銷同一稅務司法權區的結餘)如下：

		Accelerated tax depreciation	Undistributed profits of PRC and overseas subsidiaries, associate and joint ventures 中國及海外附屬公司、聯營公司及合資企業之未分配利益	Deferred income	Others	Total
		加速折舊稅項 RMB'million 人民幣百萬元	未分配利益 RMB'million 人民幣百萬元	遞延收益 RMB'million 人民幣百萬元	其他 RMB'million 人民幣百萬元	總額 RMB'million 人民幣百萬元
At 1 January 2016, as restated	於二零一六年一月一日 (如重列)	(290)	(235)	223	414	112
Currency translation differences	貨幣匯兌差額	(17)	-	-	(2)	(19)
Credited/(charged) to the consolidated profit or loss	於綜合損益中抵免/(扣除)	38	(50)	49	13	50
At 31 December 2016, as restated	於二零一六年十二月三十一日 (如重列)	(269)	(285)	272	425	143
At 1 January 2017	於二零一七年一月一日	(269)	(285)	272	425	143
Currency translation differences	貨幣匯兌差額	6	2	-	1	9
Credited/(charged) to the consolidated profit or loss	於綜合損益中抵免/(扣除)	15	(109)	6	88	-
Charged to other comprehensive income	於其他全面收益扣除	-	-	-	(39)	(39)
At 31 December 2017	於二零一七年十二月三十一日	(248)	(392)	278	475	113

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33 OBLIGATIONS UNDER FINANCE LEASE

At 31 December 2017, the Group had obligations under finance leases repayable as follows:

33. 融資租賃承擔

於二零一七年十二月三十一日，本集團須償還的融資租賃承擔如下：

		2017 二零一七年		2016 二零一六年	
		Present value of the minimum lease payments 最低租賃付 款之現值 RMB'million 人民幣百萬元	Total minimum lease payments 最低租賃 付款總值 RMB'million 人民幣百萬元	Present value of the minimum lease payments 最低租賃付 款之現值 RMB'million 人民幣百萬元 (restated) (重列)	Total minimum lease payments 最低租賃 付款總值 RMB'million 人民幣百萬元 (restated) (重列)
Within 1 year	一年內	158	161	166	170
After 1 year but within 2 years	於一年後但於兩年內	143	153	151	161
After 2 years but within 5 years	於兩年後但於五年內	50	57	183	210
		193	210	334	371
		351	371	500	541
Less: Total future interest expenses	減：未來利息開支總額		(20)		(41)
Present value of lease obligations	租賃承擔之現值		351		500

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34 COMMITMENTS

(a) Operating lease commitments

Operating lease commitments of the Group are mainly for leasing of land and buildings and equipment. Leases range from one to thirty years and usually do not contain renewal options. Future minimum lease payments as of 31 December 2017 and 2016 under non-cancellable operating leases are as follows:

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列) Note 38(b) 附註 38(b)
Not later than one year	一年內	279	251
Later than one year and not later than five years	第二至第五年內	581	482
More than five years	五年以上	627	512
		1,487	1,245

(b) Capital commitments

(b) 資本承擔

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列)
Contracted but not provided for:	已訂約但未作出撥備：		
Oil field development costs	油田開發費用	-	-
Acquisitions of/capital contributions to investments	收購投資項目／向投資項目出資	-	-
Other property, plant and equipment	其他物業、廠房及設備	395	6,811
		395	6,811
Authorised but not contracted for:	已批准但未訂約：		
Oil field development costs	油田開發費用	285	522
Acquisitions of/capital contributions to investments	收購投資項目／向投資項目出資	-	3,523
Other property, plant and equipment	其他物業、廠房及設備	5,490	12,875
		5,775	16,920

35 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 commencing from the completion of the Development Operations. The production sharing period commenced on 1 March 1998.

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.

35 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，由開發作業竣工日期起計連續分佔石油產量二十年。本集團由一九九八年三月一日起分佔石油產量。

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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35 OIL PRODUCTION SHARING CONTRACT (CONTINUED)

35 油田產品分成合同(續)

Leng Jiapu Contract (Continued)

冷家堡合同(續)

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:

本年度有關本集團於冷家堡合同之權益之資產、負債及業績概要於綜合財務報表確認概述如下：

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列)
(i) Results for the year	(i) 本年度業績		
Income	收入	762	555
Expenses	開支	(745)	(767)
(ii) Assets and liabilities	(ii) 資產及負債		
Non-current assets	非流動資產	471	564
Current assets	流動資產	370	299
Current liabilities	流動負債	(98)	(206)
Non-current liabilities	非流動負債	-	-
Net assets	資產淨值	743	657
(iii) Capital commitments	(iii) 資本承擔		
Contracted but not provided for	已訂約但未作出撥備	-	-

36 RELATED PARTY TRANSACTIONS

36 關聯方交易

CNPC, the controlling shareholder of the Company, is a state-controlled enterprise directly controlled by the PRC government. The PRC government is the ultimate controlling party of the Company. Related parties include CNPC and its subsidiaries (together, the "CNPC Group"), other state-owned enterprises and their subsidiaries which the PRC government has control, joint control or significant influence over the enterprises which the Group is able to control, jointly control or exercise significant influence over, key management personnel of the Company and CNPC, 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.

中國石油集團(本公司控股股東)為由中國政府直接控制之國有企業。中國政府為本公司之最終控股方。關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,以及本集團能夠控制、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、彼等之近親家族成員任何實體、或一間集團之任何成員公司(為集團之一部分)向本集團之母公司提供主要管理人員服務。

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綜合財務報表附註

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36 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 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 Xinjiang Contract and the Leng Jiapu Contract (together, the "PSAs") with the CNPC Group in 1996 and 1997 respectively and (ii) certain supplemental agreements, including a fifth supplemental agreement on 6 November 2014 for connected transactions for the three years ended 31 December 2017, for the purpose of renewing the terms of the previously signed master agreement and supplemental agreements.

Under the PSAs 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.

36 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) 本集團與中油集團分別於一九九六年及一九九七年訂立(i)新疆合同及冷家堡合同(統稱為「生產分成協議」)，及(ii)若干補充協議(包括於二零一四年十一月六日有關截至二零一七年十二月三十一日止三個年度關連交易的第五份補充協議)，以續訂早前簽署的總協議及補充協議的期限。

根據生產分成協議及總協議，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等。

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36 RELATED PARTY TRANSACTIONS (CONTINUED)

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

(i) (Continued)

- Provision of general products and services by the CNPC Group to the Group amounted to approximately RMB7,908 million (2016 restated: RMB3,528 million) for the year ended 31 December 2017 which includes interest charged on the loans and advances obtained from CNPC, PetroChina, Sun World and fellow subsidiaries of approximately RMB959 million (2016 restated: RMB687 million).
- Purchase of the Group's share of crude oil production by the CNPC Group amounted to approximately RMB762 million (2016 restated: RMB875 million) for the year ended 31 December 2017.

36 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)

- 截至二零一七年十二月三十一日止年度，中油集團向本集團提供之一般產品及服務為數約人民幣7,908百萬元(二零一六年重列：人民幣3,528百萬元)包括就自中國石油集團、中國石油、Sun World及同系附屬公司獲得之貸款及墊款計算之利息約為人民幣959百萬元(二零一六年重列：人民幣687百萬元)。
- 截至二零一七年十二月三十一日止年度，中油集團購買本集團之原油生產分成約為人民幣762百萬元(二零一六年重列：人民幣875百萬元)。

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36 RELATED PARTY TRANSACTIONS (CONTINUED)

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

(i) (Continued)

- Rental payments by the Group for leasing of certain offices and warehouses in Hong Kong and the PRC from the CNPC Group amounted to approximately RMB11 million (2016 restated: RMB18 million) for the year ended 31 December 2017.
- Purchase of crude oil, natural gas, refined oil products, chemical products and other ancillary or similar products by the Group from the CNPC Group amounted to approximately RMB30,984 million (2016 restated: RMB27,310 million) for the year ended 31 December 2017.
- Provision of general products and services by the Group to the CNPC Group amounted to approximately RMB15,040 million (2016 restated: RMB10,569 million) for the year ended 31 December 2017.

- (ii) The Group has entered into agreements for the sales of natural gas with certain associates of the Group amounting to approximately RMB113 million (2016 restated: RMB70 million) for the year ended 31 December 2017.

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

36 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)

- 截至二零一七年十二月三十一日止年度，本集團就於香港及中國向中油集團租賃若干辦公室及倉庫作出之租賃付款約為人民幣11百萬元(二零一六年重列：人民幣18百萬元)。
- 截至二零一七年十二月三十一日止年度，本集團向中油集團購買原油、天然氣、煤油產品、化工產品及其他附屬或同類產品約為人民幣30,984百萬元(二零一六年重列：人民幣27,310百萬元)。
- 截至二零一七年十二月三十一日止年度，本集團向中油集團提供之一般產品及服務約為人民幣15,040百萬元(二零一六年重列：人民幣10,569百萬元)。

- (ii) 本集團訂立協議，向本集團若干聯營公司銷售天然氣，於截至二零一七年十二月三十一日止年度約為人民幣113百萬元(二零一六年重列：人民幣70百萬元)。

上述(i)及(ii)項之交易根據聯交所證券上市規則第14A章構成關連交易。

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36 RELATED PARTY TRANSACTIONS (CONTINUED)

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

- (iii) As at 31 December 2017 and 2016, amounts due from and to CNPC Group and joint ventures of the Group, which are unsecured and interest free, except borrowings, loans to an associate and obligations under finance leases, are included in the following accounts captions and summarised as follows:

36 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)

- (iii) 於二零一七年及二零一六年十二月三十一日，應收及應付予中油集團、本集團之合資企業之款項(除借貸、貸款予一間聯營公司及融資租賃承擔外)為無抵押及免息，已計入下列會計項目內並概述如下：

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列) Note 38(b) 附註38(b)
Intangible and other non-current assets	無形及其他非流動資產	387	1,411
Accounts receivable	應收賬款	462	658
Prepaid expenses and other current assets	預付款及其他流動資產	588	584
Accounts payable and accrued liabilities	應付賬款及應計負債	4,226	4,838
Borrowings	借貸	27,212	18,159
Obligations under finance leases	融資租賃承擔	217	319

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36 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with Beijing Enterprises Holdings Limited (“Beijing Enterprises Holdings”) and its subsidiaries (together, the “Beijing Enterprises Group”)

Beijing Pipeline has entered into an agreement with PetroChina (the “Natural Gas Transmission Agreement”), pursuant to which PetroChina has commissioned Beijing Pipeline for the transmission of natural gas to its designated natural gas buyers and Beijing Pipeline has commissioned PetroChina to collect from such natural gas buyers payments relating to the natural gas transmission. Under the terms of the Natural Gas Transmission Agreement, the pipeline transmission fee shall be payable on such basis as set out in the agreement entered into between PetroChina and the relevant natural gas buyers. A subsidiary of Beijing Enterprises Holdings, a non-controlling interests in Beijing Pipeline, is one of such natural gas buyers designated by PetroChina. Revenue from transmission of natural gas received and receivable from the Beijing Enterprises Group amounted to approximately RMB3,419 million (2016 restated: RMB5,104 million) for the year ended 31 December 2017. This transaction constituted connected transactions in accordance with Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange.

(c) Key management compensation

36 關聯方交易(續)

(b) 與北京控股有限公司(「北京控股」)及附屬公司(統稱「北京控股集團」)之交易

北京管道與中國石油訂立一份協議(「天然氣輸送協議」)，據此，中國石油委託北京管道向其指定天然氣買方輸送天然氣，而北京管道已委託中國石油代其向該等天然氣買方收取有關輸送天然氣之款項。根據天然氣輸送協議條款，管道輸送費將根據中國石油與相關天然氣買方訂立之協議所載之基準支付。北京控股之一間附屬公司(北京管道之非控制性權益)為中國石油指定之該等天然氣買方之一。截至二零一七年十二月三十一日止年度，已收及應收北京控股集團之來自輸送天然氣之收入達約為人民幣3,419百萬元(二零一六年重列：人民幣5,104百萬元)。該交易根據聯交所證券上市規則第14A章構成關連交易。

(c) 主要管理層之酬金：

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列)
Salaries and allowances	薪金及酬金	6	7
Retirement benefits – defined contribution scheme	退休福利 – 界定供款計劃	1	1
		7	8

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

36 RELATED PARTY TRANSACTIONS (CONTINUED)

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

During the year ended 31 December 2017, Kunlun Gas, a wholly-owned subsidiary of the Company, has acquired the equity interest in Jingtang Co. owned by PetroChina pursuant to the terms and conditions of the acquisition agreement dated 28 September 2017 and entered into between Kunlun Gas and PetroChina in respect of the acquisition.

During the year ended 31 December 2016, the Company has acquired the entire equity interest in Kunlun Gas owned by PetroChina pursuant to the terms and conditions of the acquisition agreement dated 28 December 2015 and entered into between the Company and PetroChina in respect of the acquisition.

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 on terms comparable to those with other entities that are not state-controlled.

36 關聯方交易(續)

(d) 與中國其他國有實體之交易

截至二零一七年十二月三十一日止年度，本公司之全資附屬公司昆侖燃氣已根據昆侖燃氣與中國石油就收購事項於二零一七年九月二十八日所訂立收購協議之條款及條件，收購中國石油所擁有京唐公司的股權。

截至二零一六年十二月三十一日止年度，根據本公司與中國石油就收購事項於二零一五年十二月二十八日所訂立收購協議之條款及條件，本公司已收購中國石油所擁有昆侖燃氣的全部股權。

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。

該等交易乃按與其他非國有實體相若之條款於本集團之日常業務過程中進行。

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37 SEGMENT INFORMATION

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

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

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

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").

Total assets exclude deferred and current taxes, available-for-sale financial assets, investments in associates and joint ventures ("segment assets"), 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.

37 板塊資料

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

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

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。天然氣銷售板塊從事天然氣不同產品及LNG的批發與零售。LNG加工與儲運板塊從事LNG加工、卸載、儲存、氣化及運輸。天然氣管道板塊從事通過管道輸送天然氣業務。

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

總資產不包括遞延及即期稅項、可供出售金融資產、於聯營公司及合資企業之投資(即「板塊資產」)，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所持有之現金及現金等值項目。

The segment information provided to the Executive Directors for the reportable segments for the years ended 31 December 2017 and 2016 are as follows:

截至二零一七年及二零一六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：

	截至二零一七年 十二月三十一日止年度	Exploration and Production 勘探與生產 RMB million 人民幣百萬元	Natural Gas Sales 天然氣 銷售 RMB million 人民幣百萬元	Processing and Terminal LNG 加工與終端 RMB million 人民幣百萬元	LNG Terminal LNG 加工與終端 RMB million 人民幣百萬元	Natural Gas Pipeline 天然氣 管道 RMB million 人民幣百萬元	Inter- company adjustment 公司間調整 RMB million 人民幣百萬元	Total 總計 RMB million 人民幣百萬元
For the year ended 31 December 2017		1,505	72,109	6,869	10,755	-	91,238	
Gross revenue	總收入	-	(906)	(1,617)	(9)	-	(2,532)	
Less: Inter-company adjustment	減：公司間調整							
Revenue from external customers	來自外部客戶之收入	1,505	71,203	5,252	10,746	-	88,706	
Segment results	板塊業績	114	1,826	1,945	6,733	-	10,489	
Share of profits less losses of:	應佔溢利減虧損：							
- Associates	- 聯營公司	490	276	1	-	-	767	
- Joint ventures	- 合資企業	216	8	-	-	-	224	
Profit/(loss) before income tax expense	除所得稅費用前溢利/(虧損)	820	2,110	1,946	6,733	(129)	11,480	
Income tax expense	所得稅費用						(3,531)	
Profit for the year	年內溢利						7,949	
Segment results included:	板塊業績包括：							
- Interest income	- 利息收入	6	225	25	10		211	
- Depreciation, depletion and amortisation	- 折舊、損耗及攤銷	(225)	(2,315)	(1,277)	(1,818)		(5,651)	
- Impairment loss on property, plant and equipment	- 物業、廠房及設備減值虧損	-	(275)	(329)	-		(604)	
- Interest expenses	- 利息支出	(1)	(263)	(405)	(37)	413	(1,145)	
As at 31 December 2017	於二零一七年十二月三十一日							
Non-current assets	非流動資產	999	37,023	21,473	41,176	19	100,690	
Current assets	流動資產	1,422	18,551	3,661	3,472	5,786	32,892	
Segment assets	板塊資產	2,421	55,574	25,134	44,648	5,805	133,582	
Investments in associates	於聯營公司之投資	533	2,976	6	-	-	3,515	
Investments in joint ventures	於合資企業之投資	1,109	756	-	-	53	1,918	
Sub-total	小計	4,063	59,306	25,140	44,648	5,858	139,015	
Available-for-sale financial assets	可供出售金融資產						352	
Deferred tax assets	遞延稅項資產						1,188	
Others	其他						3	
Total assets	總資產						140,558	
Additions to non-current segment assets during the year	於本年度添加到非流動板塊資產	223	3,483	918	9,978	-	14,602	

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37 板塊資料 (續)

37 SEGMENT INFORMATION (CONTINUED)

	截至二零一六年十二月三十一日止年度					Inter-company adjustment 公司間調整 RMB million 人民幣百萬元	Total 總計 RMB million 人民幣百萬元
	Exploration and Production 勘探與生產 RMB million 人民幣百萬元	Natural Gas Sales 天然氣銷售 RMB million 人民幣百萬元	LNG Processing and Terminal LNG加工與碼頭 RMB million 人民幣百萬元	Natural Gas Pipeline 天然氣管道 RMB million 人民幣百萬元	Corporate 公司 RMB million 人民幣百萬元		
For the year ended 31 December 2016, as restated							
Gross revenue	1,491	54,581	3,263	11,663	-	71,018	
Less: Inter-company adjustment	-	(84)	(525)	(9)	-	(618)	
Revenue from external customers	1,491	54,497	2,738	11,674	-	70,400	
Segment results	(489)	2,283	(3,489)	8,045	(826)	5,524	
Share of profits less losses of:							
- Associates	338	267	-	-	-	605	
- Joint ventures	163	8	-	-	(9)	162	
Profit/(loss) before income tax expense	12	2,558	(3,489)	8,045	(835)	6,291	
Income tax expense	-	-	-	-	-	(3,200)	
Profit for the year	-	-	-	-	-	3,091	
Segment results included:							
- Interest income	29	442	6	35	362	300	
- Depreciation, depletion and amortisation	(665)	(2,290)	(1,091)	(1,752)	(2)	(5,690)	
- Impairment loss on property, plant and equipment	(47)	(22)	(3,844)	-	-	(3,913)	
- Interest expenses	-	(404)	(178)	(42)	(601)	(651)	
As at 31 December 2016, as restated							
Non-current assets	1,133	38,086	20,667	34,209	21	94,116	
Current assets	1,372	20,459	2,180	2,718	2,468	29,197	
Segment assets	2,505	58,545	22,847	36,927	2,489	123,313	
Investments in associates	216	2,582	5	-	-	2,803	
Investments in joint ventures	1,114	117	-	-	54	1,285	
Sub-total	3,835	61,244	22,852	36,927	2,543	127,401	
Available-for-sale financial assets	-	-	-	-	-	457	
Deferred tax assets	-	-	-	-	-	1,050	
Others	-	-	-	-	-	26	
Total assets	-	-	-	-	-	128,934	
Additions to non-current segment assets during the year	362	3,862	894	5,336	-	10,454	

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

37 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 2017, revenue of approximately RMB15,800 million (2016 restated: RMB11,444 million) is derived from one (2016: one) customer with whom transactions have exceeded 10% of the Group's revenues. The revenue is attributable to the Exploration and Production, Natural Gas Sales, LNG Processing and Terminal and Natural Gas Pipeline segments.

38 ACQUISITION

(a) 2016 business combination under common control

On 28 December 2015, the Company entered into the acquisition agreement with PetroChina ("Agreement"), pursuant to which, the Company has agreed to purchase, and PetroChina has agreed to sell, the entire equity interest in Kunlun Gas at a cash consideration of approximately RMB14,827 million, subject to adjustment on gain or loss of Kunlun Gas during the transition period, as defined in the Agreement. The acquisition was completed on 31 May 2016, and Kunlun Gas has become a wholly-owned subsidiary of the Company since then. As PetroChina and the Group are ultimately controlled by CNPC, the acquisition of Kunlun Gas was regarded as business combination under common control. To consistently apply the Group's accounting policy for common control combination, the acquisition has been accounted for based on the principles of merger accounting in accordance with AG 5 issued by the HKICPA. The financial statements of the Group have been prepared using the merger basis of accounting as if the current group structure had been in existence throughout the periods presented. The final consideration of RMB15,612 million payable by the Group has been treated as an equity transaction.

37 板塊資料(續)

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

截至二零一七年十二月三十一日止年度，收入約人民幣15,800百萬元(二零一六年重列：人民幣11,444百萬元)乃源自一名(二零一六年：一名)客戶，而與其交易佔本集團收入10%以上。收入來自勘探與生產，天然氣銷售，LNG加工與儲運以及天然氣管道板塊。

38 收購

(a) 二零一六年共同控制下之業務合併

於二零一五年十二月二十八日，本公司與中國石油訂立收購議(「該協議」)，據此，本公司同意收購及中國石油同意出售中國石油所持有的昆侖燃氣之全部股權，現金代價約人民幣14,827百萬元(根據昆侖燃氣於過渡期損益(定義見該協議)而作出調整)。收購於二零一六年五月三十一日完成，而昆侖燃氣自此成為本公司的全資附屬公司。由於中國石油及本集團最終由中國石油集團控制，因此，收購昆侖燃氣視為共同控制下業務合併。為了一致地採納本集團有關共同控制合併的會計政策，收購已根據香港會計師公會頒佈的香港會計指引第5號所載的合併會計原則。本集團的財務報告已採用會計合併基準編製，猶如現時的集團架構已於所示期間一直存在。本集團最終支付的代價人民幣15,612百萬元已為股權交易。

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

38 ACQUISITION

(b) 2017 business combination under common control

As mentioned in Note 2(b) to these consolidated financial statements, the acquisition of Jingtang Co. has been accounted for in accordance with AG 5. Accordingly, the assets and liabilities of Jingtang Co. acquired by the Group have been accounted for at historical cost and the financial statements of the Group for periods prior to the combination have been restated to include the financial position and results of operation of Jingtang Co. on a combined basis. The final consideration of RMB1,906 million payable by the Group has been treated as an equity transaction. The details of the restated balances are as follows:

38 收購

(b) 二零一七年共同控制下之業務合併

誠如該等綜合財務報表附註2(b)所述，收購京唐公司根據會計指引第5號列賬。因此，本集團所收購的京唐公司的資產及負債按歷史成本列賬，及本集團於合併前的財務報表已經重列，以包括京唐公司的財務狀況及經營業績（以綜合基準）。本集團最終支付的代價人民幣1,906百萬元已視為股權交易。重列餘額的詳情如下：

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綜合財務報表附註

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38 ACQUISITION (CONTINUED)

(b) 2017 business combination under common control (Continued)

The summarised results of operations for the year ended 31 December 2016 and the financial position as at 31 December 2016 are set out below:

38 收購(續)

(b) 二零一七年共同控制下之業務合併(續)

截至二零一六年十二月三十一日止年度之經營業績及於二零一六年十二月三十一日之財務狀況之概要載列如下：

		The Group 本集團 RMB'million 人民幣百萬元 (as previously reported) (如以往呈列)	Jingtang Co. 京唐公司 RMB'million 人民幣百萬元	Inter-company eliminations 公司間抵消 RMB'million 人民幣百萬元	The Group 本集團 RMB'million 人民幣百萬元 (restated) (重列)
Results of operations for the year ended 31 December 2016	截至二零一六年十二月三十一日止年度之經營業績				
Revenue	收入	69,616	784	-	70,400
Other gains, net	其他收益·淨額	674	-	-	674
Interest income	利息收入	297	3	-	300
Purchases, services and others	採購、服務及其他	(48,191)	(121)	-	(48,312)
Employee compensation costs	僱員酬金成本	(3,810)	(37)	-	(3,847)
Depreciation, depletion and amortisation	折舊、損耗及攤銷	(5,411)	(279)	-	(5,690)
Impairment loss on property, plant and equipment	物業、廠房及設備之減值虧損	(3,913)	-	-	(3,913)
Selling, general and administrative expenses	銷售、一般性和管理費用	(2,890)	(22)	-	(2,912)
Taxes other than income taxes	除所得稅以外之其他稅項	(507)	(18)	-	(525)
Interest expenses	利息支出	(565)	(86)	-	(651)
Share of profits less losses of:	應佔溢利減虧損：				
- Associates	- 聯營公司	605	-	-	605
- Joint ventures	- 合資企業	162	-	-	162
Profit before income tax expense	除所得稅費用前溢利	6,067	224	-	6,291
Income tax expense	所得稅費用	(3,144)	(56)	-	(3,200)
Profit for the year	年內溢利	2,923	168	-	3,091

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

38 ACQUISITION (CONTINUED)

(b) 2017 business combination under common control (Continued)

		The Group 本集團 RMB'million 人民幣百萬元 (as previously reported) (如以往呈列)	Jingtang Co. 京唐公司 RMB'million 人民幣百萬元	Inter-company eliminations 公司間抵消 RMB'million 人民幣百萬元	The Group 本集團 RMB'million 人民幣百萬元 (restated) (重列)
Results of operations for the year ended 31 December 2016 (Continued)	截至二零一六年 十二月三十一日 止年度之經營業績(續)				
Other comprehensive income:	其他全面收益：				
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	66	-	-	66
- Associates	- 聯營公司	(122)	-	-	(122)
- Joint ventures	- 合資企業	47	-	-	47
- Fair value loss on available-for-sale financial assets, net of tax	- 可供出售金融資產之 公平值虧損， 扣除稅項後	(272)	-	-	(272)
Other comprehensive income	其他全面收益	(281)	-	-	(281)
Total comprehensive income for the year	年內全面收益總額	2,642	168	-	2,810

38 收購(續)

(b) 二零一七年共同控制下之業務合併(續)

		The Group 本集團 RMB'million 人民幣百萬元 (as previously reported) (如以往呈列)	Jingtang Co. 京唐公司 RMB'million 人民幣百萬元	Inter-company eliminations 公司間抵消 RMB'million 人民幣百萬元	The Group 本集團 RMB'million 人民幣百萬元 (restated) (重列)
Results of operations for the year ended 31 December 2016 (Continued)	截至二零一六年 十二月三十一日 止年度之經營業績(續)				
Other comprehensive income:	其他全面收益：				
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	66	-	-	66
- Associates	- 聯營公司	(122)	-	-	(122)
- Joint ventures	- 合資企業	47	-	-	47
- Fair value loss on available-for-sale financial assets, net of tax	- 可供出售金融資產之 公平值虧損， 扣除稅項後	(272)	-	-	(272)
Other comprehensive income	其他全面收益	(281)	-	-	(281)
Total comprehensive income for the year	年內全面收益總額	2,642	168	-	2,810

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

38 ACQUISITION (CONTINUED)

38 收購(續)

(b) 2017 business combination under common control (Continued)

(b) 二零一七年共同控制下之業務合併(續)

		The Group 本集團	Jingtang Co. 京唐公司	Inter-company eliminations 公司間抵消	The Group 本集團
		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
		(as previously reported) (如以往呈列)			(restated) (重列)
Results of operations for the year ended 31 December 2016 (Continued)	截至二零一六年 十二月三十一日 止年度之經營業績(續)				
Profit for the year attributable to:	年內應佔溢利：				
- Owners of the Company	- 本公司股東	581	85	-	666
- Non-controlling interests	- 非控制性權益	2,342	83	-	2,425
		2,923	168	-	3,091
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	392	85	-	477
- Non-controlling interests	- 非控制性權益	2,250	83	-	2,333
		2,642	168	-	2,810
Earnings per share for profit attributable to owners of the Company	本公司股東應佔溢利之 每股盈利				
- Basic (RMB cent)	- 基本(人民幣分)	7.20	1.05	-	8.25
- Diluted (RMB cent)	- 攤薄(人民幣分)	7.20	1.05	-	8.25

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

38 ACQUISITION (CONTINUED)

(b) 2017 business combination under common control (Continued)

38 收購(續)

(b) 二零一七年共同控制下之業務合併(續)

		The Group 本集團 RMB'million 人民幣百萬元 (as previously reported) (如以往呈列)	Jingtang Co. 京唐公司 RMB'million 人民幣百萬元	Inter-company eliminations 公司間抵消 RMB'million 人民幣百萬元	The Group 本集團 RMB'million 人民幣百萬元 (restated) (重列)
Financial position as at 31 December 2016	於二零一六年十二月三十一日 之財務狀況				
Non-current assets	非流動資產				
Property, plant and equipment	物業、廠房及設備	83,077	4,782	–	87,859
Advanced operating lease payments	預付經營租賃款 payments	3,637	196	–	3,833
Investments in associates	於聯營公司之投資	2,803	–	–	2,803
Investments in joint ventures	於合資企業之投資	1,285	–	–	1,285
Available-for-sale financial assets	可供出售金融資產	457	–	–	457
Intangibles and other non-current assets	無形資產及其他非流動資產	2,422	2	–	2,424
Deferred tax assets	遞延稅項資產	1,050	–	–	1,050
		94,731	4,980	–	99,711
Current assets	流動資產				
Inventories	存貨	1,242	–	–	1,242
Accounts receivable	應收賬款	2,767	191	–	2,958
Prepaid expenses and other current assets	預付款及其他流動資產	5,398	460	–	5,858
Cash and cash equivalents	現金及現金等值項目	19,163	2	–	19,165
		28,570	653	–	29,223
Total assets	總資產	123,301	5,633	–	128,934

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

38 ACQUISITION (CONTINUED)

(b) 2017 business combination under common control (Continued)

38 收購(續)

(b) 二零一七年共同控制下之業務合併(續)

		The Group 本集團	Jingtang Co. 京唐公司	Inter-company eliminations 公司間抵消	The Group 本集團
		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
		(as previously reported) (如以往呈列)			(restated) (重列)
Financial position as at 31 December 2016 (Continued)	於二零一六年十二月三十一日 之財務狀況(續)				
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	65	2,600	(2,600)	65
Retained earnings	滾存盈利	21,671	324	(159)	21,836
Other reserves	其他儲備	14,588	71	1,292	15,951
		36,324	2,995	(1,467)	37,852
Non-controlling interests	非控制性權益	22,576	-	1,467	24,043
Total equity	總權益	58,900	2,995	-	61,895
Current liabilities	流動負債				
Accounts payable and accrued liabilities	應付賬款及應計負債	26,704	80	-	26,784
Income tax payable	應付所得稅	693	32	-	725
Other tax payable	其他應付稅項	654	26	-	680
Short-term borrowings	短期借貸	14,085	2,500	-	16,585
Obligations under finance leases	融資租賃承擔	166	-	-	166
		42,302	2,638	-	44,940

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

38 ACQUISITION (CONTINUED)

(b) 2017 business combination under common control (Continued)

		The Group 本集團 RMB'million 人民幣百萬元 (as previously reported) (如以往呈列)	Jingtang Co. 京唐公司 RMB'million 人民幣百萬元	Inter-company eliminations 公司間抵消 RMB'million 人民幣百萬元	The Group 本集團 RMB'million 人民幣百萬元 (restated) (重列)
Financial position as at 31 December 2016 (Continued)	於二零一六年十二月三十一日 之財務狀況(續)				
Non-current liabilities	非流動負債				
Long-term borrowings	長期借貸	15,920	-	-	15,920
Convertible bonds	可轉換債券	3,156	-	-	3,156
Deferred tax liabilities	遞延稅項負債	907	-	-	907
Obligations under finance leases	融資租賃承擔	334	-	-	334
Other liabilities	其他負債	1,782	-	-	1,782
		22,099	-	-	22,099
Total liabilities	總負債	64,401	2,638	-	67,039
Total equity and liabilities	總權益及負債	123,301	5,633	-	128,934
Net current liabilities	流動負債淨額	(13,732)	(1,985)	-	(15,717)
Total assets less current liabilities	總資產減流動負債	80,999	2,995	-	83,994

38 收購(續)

(b) 二零一七年共同控制下之業務合併(續)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

38 ACQUISITION (CONTINUED)

(b) 2017 business combination under common control (Continued)

38 收購(續)

(b) 二零一七年共同控制下之業務合併(續)

		The Group 本集團 RMB'million 人民幣百萬元 (as previously reported) (如以往呈列)	Jingtang Co. 京唐公司 RMB'million 人民幣百萬元	Inter-company eliminations 公司間抵消 RMB'million 人民幣百萬元	The Group 本集團 RMB'million 人民幣百萬元 (restated) (重列)
Cash flows for the year ended 31 December 2016	截至二零一六年十二月三十一日止年度之現金流量				
Net cash generated from operating activities	經營業務所得之現金淨額	13,689	442	-	14,131
Net cash used in investing activities	投資業務所用之現金淨額	(19,536)	(796)	-	(20,332)
Net cash generated from financing activities	融資活動所得之現金淨額	10,470	354	-	10,824
Net increase in cash and cash equivalents	現金及現金等值項目之增加淨額	4,623	-	-	4,623
Cash and cash equivalents at 1 January 2016	於二零一六年一月一日之現金及現金等值項目	14,378	2	-	14,380
Effect of foreign exchange rate changes	匯率變動之影響	162	-	-	162
Cash and cash equivalents at 31 December 2016	於二零一六年十二月三十一日之現金及現金等值項目	19,163	2	-	19,165

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

39 COMPARATIVE FIGURES

As a result of the change in presentation currency and application of AG 5, certain comparative figures have been restated. Further details are disclosed in Notes 3(y)(a) and 38.

40 APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors on 20 March 2018 and will be submitted to the shareholders for approval at the 2018 Annual General Meeting to be held on 24 May 2018 (Thursday).

41 PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries, all of which are limited liability companies at 31 December 2017, are as follows:

39 比較數據

由於呈列貨幣變動及採納會計指引第5號，若干比較數據已經重列。進一步詳情於附註3(y)(a)及附註38披露。

40 批准綜合財務報表

該綜合財務報表已於二零一八年三月二十日獲董事會批准，並將提交予股東以於即將於二零一八年五月二十四日(星期四)召開之二零一八年股東週年大會上審批。

41 主要附屬公司

本公司二零一七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))

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

41 PRINCIPAL SUBSIDIARIES (CONTINUED)

41 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 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	Baht 100 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))
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	RMB1,102 million 人民幣 1,102 百萬元	Limited liability company 有限責任公司	100.00% (note (i)) (附註(i))

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

41 PRINCIPAL SUBSIDIARIES (CONTINUED)

41 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)				
Kunlun Energy Investment Shandong Company Limited 昆侖能源投資(山東)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	100.00% (note (i)) (附註(i))
Huagang 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))
Xi'an Qinggang Clean Energy Technology Company Limited 西安慶港潔能科技有限公司	PRC 中國	RMB330 million 人民幣330百萬元	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))
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))
Binhai New Energy Co., Ltd. 天津大港油田濱海新能油氣有限公司	PRC 中國	RMB224 million 人民幣224百萬元	Limited liability company 有限責任公司	51.00% (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))
Jilin Jigang Clean Energy Company Limited 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	51.00% (note (i)) (附註(i))

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

41 PRINCIPAL SUBSIDIARIES (CONTINUED)

41 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)				
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))
Jiangsu LNG 江蘇LNG	PRC 中國	RMB2,651 million 人民幣2,651百萬元	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	RMB2,880 million 人民幣2,880百萬元	Limited liability company 有限責任公司	51.00%
PetroChina Dalian LNG Co., Ltd. 中石油大連液化天然氣有限公司	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 (i)) (附註(i))
Beijing Pipeline 北京管道	PRC 中國	RMB17,733 million 人民幣17,733百萬元	Limited liability company 有限責任公司	60.00% (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))

Notes:

附註：

- (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.

- (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。

Since SAPET Development Peru Inc. is wholly-owned by SAPET, it is also accounted for as the subsidiary of the Company.

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。

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

42 PRINCIPAL ASSOCIATES

At 31 December 2017 and 2016, the Group had interest in the following principal associates:

Name of associates 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	Equity joint venture 股份合資企業	49.00% (note (iii)) (附註(iii))
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Notes:

附註：

- | | |
|--|--|
| (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. | (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)。 |
| (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. | (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%。 |
| (iii) Shares held directly by the Company. | (iii) 由本公司直接持有股份。 |

42 主要聯營公司

於二零一七年及二零一六年十二月三十一日，本集團於以下主要聯營公司擁有權益：

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

43 PRINCIPAL JOINT VENTURES

As at 31 December 2017 and 2016, the Group had interest in the following principal joint ventures:

43 主要合資企業

於二零一七年及二零一六年十二月三十一日，本集團於以下主要合資企業擁有權益：

Name of joint ventures 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 (i)) (附註(i))
Manufacturing of steel pipe in the PRC 於中國製造鋼管				
華油鋼管有限公司	PRC 中國	RMB468 million 人民幣468百萬元	Equity joint venture 股份合資企業	39.56% (note (i) and (ii)) (附註(i)及(ii))
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	Equity joint venture 股份合資企業	25.00% (note (i)) (附註(i))

Notes:

附註：

- | | |
|---|---|
| (i) The shares of the above principal joint ventures are held directly by the Company. | (i) 上述主要合資企業的股份由本公司直接持有。 |
| (ii) In accordance with the joint venture agreement, the Group and the other investor agreed to share control of the entity and have rights to the net assets of the arrangement. | (ii) 根據合資企業協議，本公司及其他投資者同意共同控制實體及有權享有該安排的資產淨值。 |

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44 COMPANY – LEVEL STATEMENT OF FINANCIAL POSITION

44 公司層面財務狀況表

			2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列)
Assets	資產			
Non-current assets	非流動資產			
Investments in associates	於聯營公司之投資		931	931
Investments in joint ventures	於合資企業之投資		80	82
Investments in subsidiaries	於附屬公司之投資		54,520	52,712
Intangible and other non-current assets	無形及其他非流動資產		-	401
			55,531	54,126
Current assets	流動資產			
Prepaid expenses and other current assets	預付款及其他流動資產		7,993	11,945
Cash and cash equivalents	現金及現金等值項目		4,426	1,073
			12,419	13,018
Total assets	總資產		67,950	67,144
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	27	65	65
Retained earnings	滾存盈利	28	15,477	12,536
Other reserves	其他儲備	28	32,662	32,701
			48,204	45,302

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

44 COMPANY – LEVEL STATEMENT OF FINANCIAL POSITION (CONTINUED)

44 公司層面財務狀況表(續)

		Note	2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 RMB'million 人民幣百萬元 (restated) (重列)
Liabilities	負債			
Current liabilities	流動負債			
Accounts payable and accrued liabilities	應付賬款及應計負債		1,463	1,165
Short-term borrowings	短期借貸		3,200	7,963
Income tax payable	應付所得稅		15	10
			4,678	9,138
Non-current liabilities	非流動負債			
Long-term borrowings	長期借貸		11,838	9,548
Convertible bonds	可轉換債券	31	3,230	3,156
			15,068	12,704
Total liabilities	總負債		19,746	21,842
Total equity and liabilities	權益及負債總額		67,950	67,144
Net current assets	流動資產淨值		7,741	3,880
Total assets less current liabilities	總資產減流動負債		63,272	58,006

45 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 31 December 2017, the directors consider the immediate parent and ultimate controlling party of the Group to be Sun World and CNPC which are incorporated in the BVI and the PRC respectively. PetroChina, an intermediate holding company, produces financial statements available for public use.

45 直接及最終控股人士

於二零一七年十二月三十一日，董事認為本公司直接母公司及最終控股人士為Sun World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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綜合財務報表附註

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46 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2017 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

46 截至二零一七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、新準則及詮釋，於截至二零一七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的會計期間生效

HKFRS 9, <i>Financial instruments</i> 香港財務報告準則第9號， <i>金融工具</i>	1 January 2018 二零一八年一月一日
HKFRS 15, <i>Revenue from contracts with customers</i> 香港財務報告準則第15號， <i>來自客戶合約之收入</i>	1 January 2018 二零一八年一月一日
Amendments to HKFRS 2, <i>Share-based payment: Classification and measurement of share-based payment transactions</i> 香港財務報告準則第2號(修訂本)， <i>以股份支付：以股份支付交易之分類及計量</i>	1 January 2018 二零一八年一月一日
Amendments to HKAS 40, <i>Investment property: Transfers of investment property</i> 香港會計準則第40號(修訂本)， <i>投資物業：投資物業轉撥</i>	1 January 2018 二零一八年一月一日
HK(IFRIC) 22, <i>Foreign currency transactions and advance consideration</i> 香港(國際財務報告詮釋委員會)詮釋第22號， <i>外幣交易及預付代價</i>	1 January 2018 二零一八年一月一日
HKFRS 16, <i>Leases</i> 香港財務報告準則第16號， <i>租賃</i>	1 January 2019 二零一九年一月一日
HK(IFRIC) 23, <i>Uncertainty over income tax treatments</i> 香港(國際財務報告詮釋委員會)詮釋第23號， <i>所得稅處理的不確定性</i>	1 January 2019 二零一九年一月一日

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

46 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretation is expected to be in the period of initial application. So far the Group has identified some aspects of the new standards which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. While the assessment has been substantially completed for HKFRS 9 and HKFRS 15, the actual impacts upon the initial adoption of the standards may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standards are initially applied in the Group's interim financial report for the six months ending 30 June 2018. The Group may also change its accounting policy elections, including the transition options, until the standards are initially applied in that financial report.

HKFRS 9, *Financial instruments*

HKFRS 9 will replace the current standard on accounting for financial instruments, HKAS 39, *Financial instruments: Recognition and measurement*. HKFRS 9 introduces new requirements for classification and measurement of financial assets, calculation of impairment of financial assets and hedge accounting. On the other hand, HKFRS 9 incorporates without substantive changes the requirements of HKAS 39 for recognition and derecognition of financial instruments and the classification of financial liabilities.

Expected impacts of the new requirements on the Group's consolidated financial statements are as follows: HKFRS 9 is effective for annual periods beginning on or after 1 January 2018 on a retrospective basis. The Group plans to use the exemption from restating comparative information and will recognise any transition adjustments against the opening balance of equity at 1 January 2018.

46 截至二零一七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 (續)

本集團正在評估該等修訂、新準則及詮釋在首次應用期間預期產生之影響。迄今，本集團已識別若干對綜合財務報表產生重大影響之新訂準則。預期影響之進一步詳情討論如下。由於本集團尚未完成其評估，進一步影響將於適時確認及於釐定是否於該等新訂準則生效前採納該等準則及採取何種過渡方法（是否存在新訂準則批准之其他方法）時予以考慮。儘管對香港財務報告準則第9號及香港財務報告準則第15號的評估已基本完成，但初步採納有關準則的實際影響可能不同，原因是迄今為止完成的評估乃基於本集團現有資料，在有關準則初步應用於本集團截至二零一八年六月三十日止六個月的中期財務報告前，可能發現其他影響。在有關準則初步應用於該財務報告前，本集團亦可能變更其選擇的會計政策，包括過渡選擇權。

香港財務報告準則第9號，*金融工具*

香港財務報告準則第9號將取代有關金融工具會計處理方法的現有準則香港會計準則第39號，*金融工具：確認及計量*。香港財務報告準則第9號引入分類及計量金融資產、計算金融資產減值及對沖會計的新規定。另一方面，香港財務報告準則第9號納入且並無大幅變動香港會計準則第39號有關確認及終止確認金融工具及金融負債分類的規定。

新規定對本集團綜合財務報表之預計影響如下：香港財務報告準則第9號對二零一八年一月一日或之後開始的年度期間追溯生效。本集團計劃採用重述比較資料的豁免，並會將過渡調整從於二零一八年一月一日的期初結餘中扣除而確認。

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46 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

HKFRS 9, *Financial instruments* (Continued)

(a) *Classification and measurement*

HKFRS 9 contains three principal classification categories for financial assets: measured at (1) amortised cost, (2) fair value through profit or loss (“FVTPL”) and (3) fair value through other comprehensive income (“FVTOCI”):

- The classification for debt instruments is determined based on the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the asset. If a debt instrument is classified as FVTOCI, then interest revenue, impairment and gains/losses on disposal will be recognised in profit or loss.
- For equity securities, the classification is FVTPL regardless of the entity’s business model. The only exception is if the equity security is not held for trading and the entity irrevocably elects to designate that security as FVTOCI. If an equity security is designated as FVTOCI then only dividend income on that security will be recognised in profit or loss. Gains, losses and impairments on that security will be recognised in other comprehensive income without recycling.

The Group has assessed that its financial assets currently measured at amortised cost and FVTPL will continue with their respective classification and measurements upon the adoption of HKFRS 9.

46 截至二零一七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(續)

香港財務報告準則第9號，*金融工具*(續)

(a) *分類及計量*

香港財務報告準則第9號包括金融資產的三個主要分類類別：(1)按攤銷成本計量、(2)透過損益按公平值計量(「FVTPL」)及(3)透過其他全面收益按公平值計量(「FVTOCI」)如下：

- 債務工具分類乃根據實體管理金融資產的業務模式及資產的合約現金流量特性釐定。倘債務工具分類為FVTOCI，則利息收入、減值及出售收益／虧損將於損益內確認。
- 就股本證券而言，FVTPL之分類不計及實體之業務模式。唯一不同的是倘股本證券並非持作買賣及實體不可撤回地選擇指定該證券為FVTOCI。倘股本證券被指定為FVTOCI，則只有該證券的股息收入將於損益確認。該證券之收益、虧損及減值將於其他全面收益確認，不得循環使用。

本集團評估，其當前按攤銷成本及FVTPL計量的金融資產將於採納香港財務報告準則第9號後持續遵循各自的分類及計量。

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46 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

HKFRS 9, *Financial instruments* (Continued)

(a) *Classification and measurement (Continued)*

With respect to the Group's financial assets currently classified as "available-for-sale", these are investments in equity securities which the Group has the option to irrevocably designate as FVTOCI (without recycling) on transition to HKFRS 9. The Group plans to elect this designation option for available-for-sale investments held on 1 January 2018 and will recognise any fair value changes in respect of these investments in other comprehensive income as they arise. This will give rise to a change in accounting policy as the current accounting policy for available-for-sale equity investments is to recognise fair value changes in other comprehensive income until disposal or impairment, when gains or losses are recycled to profit or loss in accordance with the Group's policies set out in Note 3(h). This change in policy will have no impact on the Group's net assets and total comprehensive income.

The classification and measurement requirements for financial liabilities under HKFRS 9 are largely unchanged from HKAS 39, except that HKFRS 9 requires the fair value change of a financial liability designated at FVTPL that is attributable to changes of that financial liability's own credit risk to be recognised in other comprehensive income (without reclassification to profit or loss). The Group currently does not have any financial liabilities designated at FVTPL and therefore this new requirement will not have any impact on the Group on adoption of HKFRS 9.

46 截至二零一七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 (續)

香港財務報告準則第9號，*金融工具* (續)

(a) *分類及計量 (續)*

就本集團目前分類為「可供出售」之金融資產而言，該等資產為過渡至香港財務報告準則第9號時股本證券中本集團可選擇在過渡到香港財務報告準則第9號時不可撤回地指定為FVTOCI (不可轉回至損益)。本集團計劃就於二零一八年一月一日持有的可供出售投資選擇該指定選擇權，並將於該等投資的公平值出現變動時在其他全面收益確認。這將導致會計政策發生變動，因可供出售股本投資之當前會計政策乃為確認出售前其他全面收益之公平值變動或當根據附註3(h)所載本集團政策循環使用損益中的收益或虧損時作出減值。該政策變動將不會對本集團資產淨值及全面收益總額產生影響。

香港財務報告準則第9號項下金融負債之分類及計量與香港會計準則第39號很大程度上保持一致，惟香港財務報告準則第9號規定，因該金融負債自身信貸風險而指定按FVTPL計量之金融負債的公平值變動於其他全面收益(不得重新分類至損益)確認。本集團目前並無指定按FVTPL計量的金融負債，故該新規定對本集團採納香港財務報告準則第9號並無任何影響。

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46 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

HKFRS 9, *Financial instruments* (Continued)

(b) *Impairment*

The new impairment model in HKFRS 9 replaces the “incurred loss” model in HKAS 39 with an “expected credit loss” model. Under the expected credit loss model, it will no longer be necessary for a loss event to occur before an impairment loss is recognised. Instead, an entity is required to recognise and measure expected credit losses as either 12-month expected credit losses or lifetime expected credit losses, depending on the asset and the facts and circumstances. Based on a preliminary assessment, the new requirement is not likely to have significant impact on the Group.

HKFRS 15, *Revenue from contracts with customers*

HKFRS 15 establishes a comprehensive framework for recognising revenue from contracts with customers. HKFRS 15 will replace the existing revenue standards, HKAS 18, *Revenue*, which covers revenue arising from sale of goods and rendering of services, and HKAS 11, *Construction contracts*, which specifies the accounting for revenue from construction contracts.

Based on the assessment completed to date, the Group has identified the following areas which are expected to be affected:

46 截至二零一七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(續)

香港財務報告準則第9號，*金融工具*(續)

(b) *減值*

香港財務報告準則第9號的新減值模式以「預計信貸虧損」模式取代香港會計準則第39號的「已產生虧損」。根據預計信貸虧損模式，於減值虧損確認前毋須再發生虧損事件。取而代之，根據資產及事實與情況，實體須確認及計量預計信貸虧損為12個月預計信貸虧損或存續期預計信貸虧損。根據初步評估，新規定不大可能對本集團造成重大影響。

香港財務報告準則第15號，*來自客戶合約收入*

香港財務報告準則第15號建立了確認來自客戶合約收入的全面框架。香港財務報告準則第15號將取代現有收入準則：香港會計準則第18號，*收益*(涵蓋銷售貨物及提供服務所產生的收入)及香港會計準則第11號，*建築合約*(訂明建築合約收入的會計處理方法)。

根據迄今為止完成的初步評估，本集團已識別以下預期受到影響的方面：

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46 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

HKFRS 15, Revenue from contracts with customers (Continued)

(a) Timing of revenue recognition

The Group's revenue recognition policies are disclosed in Note 3(r). Currently, revenue arising from construction contracts and the provision of services is recognised over time, whereas revenue from the sale of goods is generally recognised when the risks and rewards of ownership have passed to the customers.

Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. HKFRS 15 identifies 3 situations in which control of the promised good or service is regarded as being transferred over time:

- (i) When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;
- (ii) When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced;
- (iii) When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under HKFRS 15 the entity recognises revenue for the sale of that good or service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that will be considered in determining when the transfer of control occurs.

46 截至二零一七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 (續)

香港財務報告準則第15號，來自客戶合約收入 (續)

(a) 收入確認時間

本集團的收入確認政策披露於附註3(r)。目前，建築合約及提供服務所產生之收入隨時間予以確認，而銷售貨物之收入通常於風險及所有權得益轉移至客戶時予以確認。

根據香港財務報告準則第15號，收入於客戶獲得合約內所承諾貨物及服務之控制權時予以確認。香港財務報告準則第15號識別所承諾貨品或服務之控制權被視為隨時間轉移之3種情況：

- (i) 當客戶同時收到及耗用實體所營運所產生實體業績提供的利益時；
- (ii) 當實體業績增設或提高於資產被增設或提高時客戶所控制的資產(如半成品)時；
- (iii) 當實體業績並無增設對實體有其他用途之資產及實體有強制執行權利要求就迄今完成之業績付款時。

倘合約條款及實體業務並不屬於該3種情況之任何一種，則根據香港財務報告準則第15號，實體於單一時間點(即控制權已轉移時)確認出售該貨物或服務之收入。風險及所有權得益轉讓僅為釐定控制權轉移時考慮的其中一項指標。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

46 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

HKFRS 15, *Revenue from contracts with customers* (Continued)

(a) *Timing of revenue recognition (Continued)*

The Group has assessed that the new revenue standard is not likely to have significant impact on how it recognises revenue from construction contracts.

(b) *Significant financing component*

HKFRS 15 requires an entity to adjust the transaction price for the time value of money when a contract contains a significant financing component, regardless of whether the payments from customers are received significantly in advance or in arrears.

Currently, the Group would only apply such a policy when payments are significantly deferred, which is currently not common in the Group's arrangements with its customers. Currently, the Group does not apply such a policy when payments are received in advance. The financing component would not be significant to the contract.

HKFRS 16, *Leases*

As disclosed in Note 3(i), currently the Group classifies leases into finance leases and operating leases and accounts for the lease arrangements differently, depending on the classification of the lease. The Group enters into some leases as the lessor and others as the lessee.

46 截至二零一七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(續)

香港財務報告準則第15號，來自客戶合約收入(續)

(a) 收入確認時間(續)

本集團經評估後認為，新收入準則不大可能對本集團確認建築合同的收入的方式造成重大影響。

(b) 重大融資組成部分

香港財務報告準則第15號規定實體須於合約包含重大融資組成部分時就貨幣時間價值調整交易價格，而不論是否大幅提前或延後收到客戶的付款。

目前，本集團僅會在付款大幅遞延時應用該政策，而在目前本集團與客戶之安排中並不常見。目前本集團在提早收款時並無採用該政策。融資組成部分對合約並不重大。

香港財務報告準則第16號，租賃

誠如附註3(i)所披露，本集團目前將租賃分類為融資租賃及經營租賃，並根據租賃分類於不同租賃安排中入賬。本集團作為出租人與其他人士作為承租人訂立若干租賃。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

46 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

HKFRS 16, Leases (Continued)

HKFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once HKFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, i.e. at the commencement date of the lease the lessee will recognise and measure a lease liability at the present value of the minimum future lease payments and will recognise a corresponding “right-of-use” asset. After initial recognition of this asset and liability, the lessee will recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

46 截至二零一七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 (續)

香港財務報告準則第16號，租賃 (續)

預期香港財務報告準則第16號將不會大幅影響出租人根據租約將彼等權利及義務入賬的方式。然而，一旦採納香港財務報告準則第16號，承租人將不再區分融資租賃及經營租賃。相反，受實際權益方法的規限，承租人將以類似方式將所有租約入賬列作現有融資租賃會計處理方法，即於該租約開始日期，承租人將按最低日後租賃款項的現值確認及計量租賃負債，及將確認相應的「使用權」資產。於初步確認該資產及負債後，承租人將確認租賃負債結餘所產生的利息開支及使用權資產折舊，而非於租期內按系統基準確認根據經營租約所產生的租賃開支的現有政策。作為實際的權益方法，承租人可選擇不將此會計模式應用於短期租賃（即租期為12個月或以下）及低價值資產的租賃，於該等情況下，租金開支將繼續於租期內按系統基準確認。

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46 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

HKFRS 16, *Leases* (Continued)

HKFRS 16 will primarily affect the Group's accounting as a lessee of leases for properties, plant and equipment which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease. As disclosed in Note 34(a), at 31 December 2017 the Group's future minimum lease payments under non-cancellable operating leases amount to RMB1,487 million for leasing of land and buildings and equipment, the majority of which is payable either between 1 and 5 years after the reporting date or in more than 5 years. Some of these amounts may therefore need to be recognised as lease liabilities, with corresponding right-of-use assets, once HKFRS 16 is adopted. The Group will need to perform a more detailed analysis to determine the amounts of new assets and liabilities arising from operating lease commitments on adoption of HKFRS 16, after taking into account the applicability of the practical expedient and adjusting for any leases entered into or terminated between now and the adoption of HKFRS 16 and the effects of discounting.

HKFRS 16 is effective for annual periods beginning on or after 1 January 2019. The standard offers different transition options and practical expedients, including the practical expedient to grandfather the previous assessment of which existing arrangements are, or contain, leases. If this practical expedient is chosen, the Group will apply the new definition of a lease in HKFRS 16 only to contracts that are entered into on or after the date of initial application. If the practical expedient is not chosen, the Group will need to reassess all of its decisions about which existing contracts are, or contain, leases, using the new definition. Depending on whether the Group elects to adopt the standard retrospectively or follow a modified retrospective method of recognising a cumulative-effect adjustment to the opening balance of equity at the date of initial application, the Group may or may not need to restate comparative information for any changes in accounting resulting from the reassessment.

46 截至二零一七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(續)

香港財務報告準則第16號，*租賃*(續)

香港財務報告準則第16號將主要影響本集團作為物業、廠房及設備承租人就若干物業(現時分類為經營租賃)的會計處理方法。預期應用新會計模式將導致資產及負債均有所增加，及影響租約期間於損益表確認開支的時間。誠如附註34(a)所披露，於二零一七年十二月三十一日，本集團於不可撤銷經營租約項下就租賃土地及樓宇以及設備的未來最低租約款項將達人民幣1,487百萬元，大部分於報告日期後一至五年內或五年後支付。因此，一旦採納香港財務報告準則第16號，若干該等款項可能須按照相應使用權資產確認為租賃負債。經考慮實際權益方法的適用性及調整現時與採納香港財務報告準則第16號之間已訂立或終止的任何租約及折讓影響後，本集團將須進行更為詳細的分析以釐定於採納香港財務報告準則第16號時經營租約承擔所產生的新資產及負債的金額。

香港財務報告準則第16號於二零一九年一月一日或之後開始的年度期間生效。該準則提供不同的過渡選擇權及實際權益之計，包括豁免現有安排為租賃或包含租賃的早前評估的實際權益之計。如選擇該實際權益之計，本集團將僅於初步應用日期或之後訂立的合約應用香港財務報告準則第16號中租賃的新釋義。如未選擇該實際權益之計，本集團將需要使用新釋義重新評估其有關哪些現有合約為租賃或包含租賃的所有決定。視乎本集團選擇追溯採納該準則或遵循經修訂追溯法確認初步應用之日權益期初結餘的累計影響調整而定，本集團未必一定需要重述因重新評估而導致的會計變動之比較資料。

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 2015, 2016 and 2017. 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

下表載列本公司於二零一五年、二零一六年及二零一七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 2014	於二零一四年 十二月三十一日之儲量	65.0	84.8
2015 Revision	二零一五年修訂	21.7	16.7
2015 Production	二零一五年產量	(17.2)	(17.2)
Reserve as at 31 December 2015	於二零一五年 十二月三十一日之儲量	69.5	84.3
2016 Revision	二零一六年修訂	(1.5)	(0.4)
2016 Production	二零一六年產量	(15.6)	(15.6)
Reserve as at 31 December 2016	於二零一六年 十二月三十一日之儲量	52.4	68.3
2017 Revision	二零一七年修訂	10.3	10.0
2017 Production	二零一七年產量	(13.4)	(13.4)
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

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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 2014	於二零一四年 十二月三十一日之儲量	79,952.6	127,834.5
2015 Revision	二零一五年修訂	103,375.7	82,795.9
2015 Production	二零一五年產量	(722.9)	(722.9)
Reserve as at 31 December 2015	於二零一五年 十二月三十一日之儲量	182,605.4	209,907.5
2016 Revision	二零一六年修訂	66,155.8	63,508.0
2016 Production	二零一六年產量	(31,291.0)	(31,291.0)
Reserve as at 31 December 2016	於二零一六年 十二月三十一日之儲量	217,470.2	242,124.5
2017 Revision	二零一七年修訂	18,814.9	(284.2)
2017 Production	二零一七年產量	(32,307.8)	(32,307.8)
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

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.

- (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.

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。項目須已開始萃取烴或作業者須合理確定其將於合理時間內開始項目。

- (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。

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- (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 favorable 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.
- (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, 乃確定為每個月該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。

Developed oil and gas reserves – Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

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) 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.
- (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。

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.

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) 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.
- (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。

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儲量資料

Results of Operations for Exploration and Production Segments 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 2017	截至二零一七年 十二月三十一日止年度	
Gross revenue	總收入	1,505
Less: Inter-company adjustment	減：公司間調整	-
Revenue from external customers	來自外部客戶之收入	1,505
Segment results	板塊業績	114
Share of profits less losses of:	應佔溢利減虧損：	
– Associates	– 聯營公司	490
– Joint ventures	– 合資企業	216
Profit before income tax expense	除所得稅費用前溢利	820
Segment results included:	板塊業績包括：	
– Interest income	– 利息收入	6
– Depreciation, depletion and amortisation	– 折舊、損耗及攤銷	(225)
– Interest expenses	– 利息支出	(1)

Reserve Quantities Information

儲量資料

RMB' million
人民幣百萬元

For the year ended 31 December 2016	截至二零一六年 十二月三十一日止年度	
Gross revenue	總收入	1,491
Less: Inter-company adjustment	減：公司間調整	-
Revenue from external customers	來自外部客戶之收入	1,491
Segment results	板塊業績	(489)
Share of profits less losses of:	應佔溢利減虧損：	
– Associates	– 聯營公司	338
– Joint ventures	– 合資企業	163
Profit before income tax expense	除所得稅費用前溢利	12
Segment results included:	板塊業績包括：	
– Interest income	– 利息收入	29
– Depreciation, depletion and amortisation	– 折舊、損耗及攤銷	(565)
– Impairment loss on property, plant and equipment	– 物業、廠房及設備減值虧損	(47)

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

		2017 二零一七年 RMB'million 人民幣百萬元	2016 二零一六年 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	63	169
Total	總計	63	169
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	633	500



KunLun Energy Company Limited
昆侖能源有限公司

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