KunLun Energy Company Limited

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

昆 侖 能 源 有 限 公 司

(Stock Code 股份代號：00135.HK)

Annual Report **2018** 年報

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Corporate Information
公司資料

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 *(Chief Financial Officer)* (1) (2)

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

WEBSITE
http://www.kunlun.com.hk

董事會

執行董事
凌霄先生*(主席)*(1)
趙永起先生*(行政總裁)*
趙忠勛先生
周遠鴻先生(1)
繆勇先生*(財務總監)*(1) (2)

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

網站
http://www.kunlun.com.hk

Note (1): Appointed as Executive Director on 12 January 2018
(2): Appointed as Chief Financial Officer on 6 November 2018

附註 (1)： 於二零一八年一月十二日獲委任執行董事
(2)： 於二零一八年十一月六日獲委任財務總監

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

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

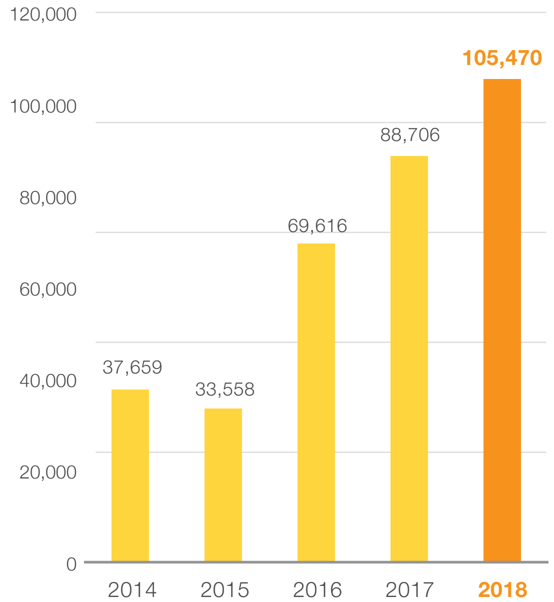
主要股份過戶登記處
Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM11, Bermuda

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

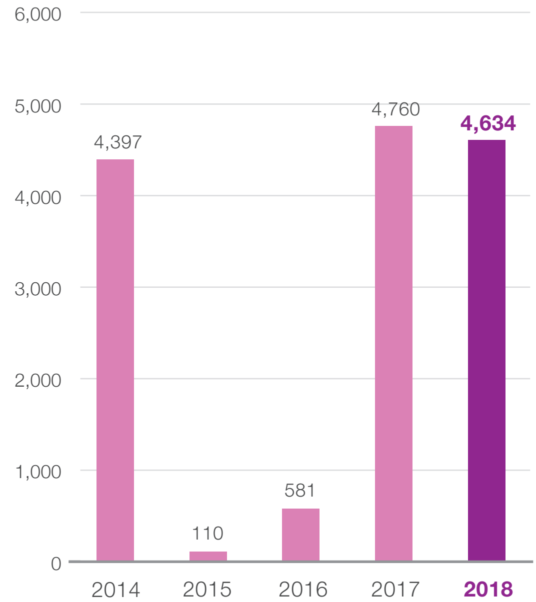
Revenue
收入

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



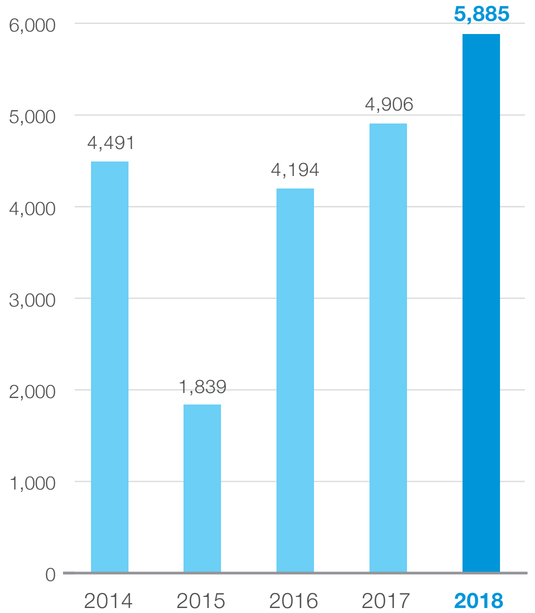
Profit for the year attributable to owners of the Company
本公司股東年內應佔溢利

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



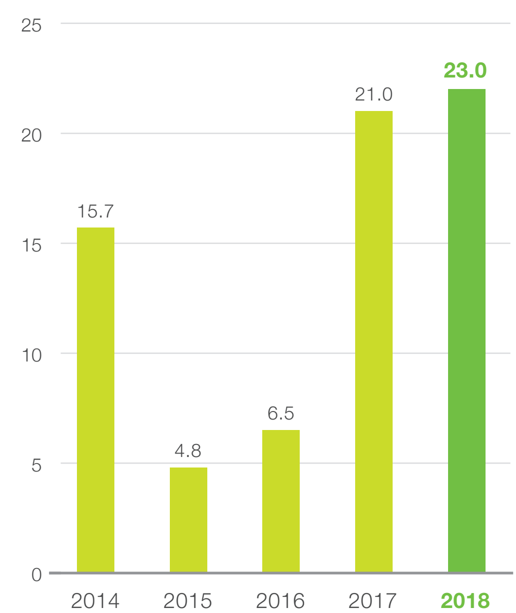
Core profit attributable to owners of the Company
本公司股東應佔核心溢利

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



Dividend per share
每股股息

Currency unit: Renminbi in cents
貨幣單位：人民幣分



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

For the year ended 31 December	截至十二月三十一日止年度	**2018 二零一八年**	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
Revenue and profit	**收入與溢利**						
Revenue	收入	**105,470**	88,706	70,400	69,616	33,558	37,659
Profit before income tax expense	除所得稅費用前溢利	**11,985**	11,480	6,291	6,067	3,971	9,372
Profit for the year	年內溢利	**8,213**	7,949	3,091	2,923	1,870	6,957
Profit for the year attributable to owners of the Company	本公司股東年內應佔溢利	**4,634**	4,760	666	581	110	4,397
Core profit before income tax expense [13]	除所得稅費用前核心溢利 [13]	**13,279**	11,659	10,618	10,394	5,691	9,468
Core profit attributable to owners of the Company [14]	本公司股東應佔核心溢利 [14]	**5,885**	4,906	4,279	4,194	1,839	4,491
Adjusted earnings before interest, taxes, depreciation and amortisation (EBITDA) [15]	經調整利息、稅項、折舊及攤銷前盈利(EBITDA) [15]	**20,303**	18,244	16,660	16,073	10,231	13,905
Assets and liabilities	**資產與負債**						
Non-current assets	非流動資產	**109,930**	107,663	99,711	94,731	75,160	77,672
Current assets	流動資產	**30,657**	32,895	29,223	28,570	15,477	15,531
Non-current liabilities	非流動負債	**31,352**	35,482	22,099	22,099	14,691	14,960
Current liabilities	流動負債	**39,141**	39,451	44,940	42,302	16,972	19,401
Net assets	資產淨額	**70,094**	65,625	61,895	58,900	58,974	58,842
Capital and reserve	**股本與儲備**						
Share capital	股本	**65**	65	65	65	65	65
Reserve	儲備	**17,277**	14,680	15,951	14,588	19,591	19,828
Equity attributable to owners of the Company	本公司股東應佔權益	**42,704**	40,025	37,852	36,324	41,195	41,877
Non-controlling interests	非控制性權益	**27,390**	25,600	24,043	22,576	17,779	16,965

Note: The Group has initially applied HKFRS 9 and HKFRS 15 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. Please see Note 3(z) in the Notes to the Consolidated Financial Statements.

附註：於二零一八年一月一日，本集團已初步應用香港財務報告準則第9號及香港財務報告準則第15號。根據所選的過渡方法，可比較資料並無重列。請參閱綜合財務報表附註之附註3(z)。

Financial and Operational Highlights
財務及業務摘要

For the year ended 31 December	截至十二月三十一日止年度	2018 二零一八年	2017 二零一七年	Increase/ (Decrease) 增加／(減少)
Financial indicators	**財務指標**			
Net profit margin (1)	淨利潤率 (1)	**7.79%**	8.96%	(1.17)
Return on total assets (ROA) (2)	總資產回報率(ROA) (2)	**5.84%**	5.90%	(0.06)
Return on capital employed (ROCE) (3)	淨資本回報率(ROCE) (3)	**12.64%**	12.28%	0.36
Liabilities-to-EBITDA ratio (4)	負債對EBITDA倍數 (4)	**3.47**	4.11	(0.64)
Debts-to-net assets ratio (5)	淨資產負債率 (5)	**55.27%**	68.09%	(12.82)
Gearing ratio (6)	資本負債率 (6)	**35.60%**	40.51%	(4.91)
Debts-to-assets ratio (7)	資產負債率 (7)	**27.56%**	31.79%	(4.23)
Average finance cost (8)	平均融資成本 (8)	**3.89%**	3.65%	0.24
Earnings per share (Basic) (RMB cent)	每股基本盈利(人民幣分)	**57.41**	58.97	
Dividend per share – (RMB cent) (9)	每股股息 —(人民幣分) (9)	**23.0**	21.0	
Dividend payout ratio	派息比例	**40.06%**	35.61%	

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 category of borrowing multiply by its interest rate divided by the total borrowing.

(9) The dividends payable shall be paid in HK$.

(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 LNG 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.

(13) Core profit before income tax expense is defined as profit before income tax expense excluding impairment losses on property, plant and equipment, intangible assets, accounts and other receivables and exchange loss/gain.

(14) Core profit attributable to owners of the Company is defined as profit attributable to owners of the Company excluding impairment losses on property, plant and equipment, intangible assets, accounts and other receivables and exchange loss/gain attributable to owners of the Company and its related tax effect.

(15) Adjusted EBITDA is defined as profit before income tax expense, excluding impairment loss on property, plant and equipment, impairment loss on intangible assets, impairment loss on accounts and other receivables, exchange loss/gain, interest and depreciation, depletion and amortisation.

(16) The Group has initially applied HKFRS 9 and HKFRS 15 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. Please see Note 3(z) in the Notes to the Consolidated Financial Statements.

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税項前盈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、税項、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) 平均融資成本指各種類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。

(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。

(13) 除所得税費用前核心溢利指不包括物業、廠房及設備、無形資產、應收賬款及其他應收款項減值虧損及匯兑虧損／收益之除所得税費用前溢利。

(14) 本公司股東應佔核心溢利指不包括本公司股東應佔之物業、廠房及設備、無形資產、應收賬款及其他應收款項減值虧損及匯兑虧損／收益及其有關税務影響之本公司股東應佔溢利。

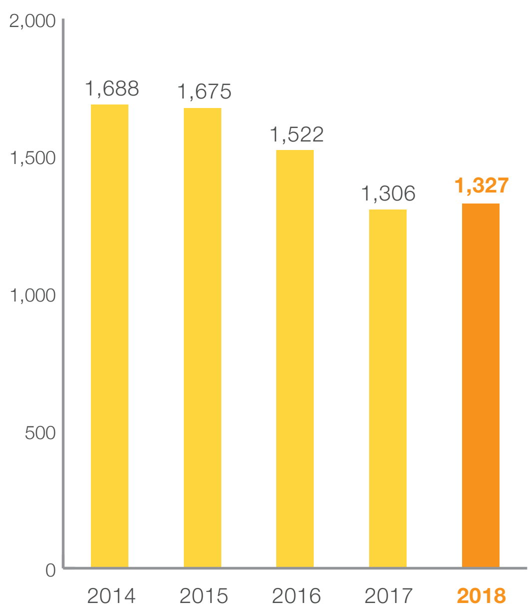
(15) 經調整扣除利息、税項、折舊及攤銷前盈利指不包括物業、廠房及設備減值虧損、無形資產減值虧損、應收賬款及其他應收款項減值虧損、匯兑虧損／收益、利息以及折舊、損耗及攤銷之除所得税費用前溢利。

(16) 於二零一八年一月一日，本集團已初步應用香港財務報告準則第9號及香港財務報告準則第15號。根據所選的過渡方法，可比較資料並無重列，請參閱綜合財務報表附註之附註3(z)。

For the year ended 31 December	截至十二月三十一日止年度	**2018 二零一八年**	2017 二零一七年	2016 二零一六年 (restated) (重列) note 1 附註1	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
Sales volume of products	**產品銷售量**						
Sales volume of crude oil (10,000 barrels)	**原油銷售量** (萬桶)	**1,327**	1,306	1,522	1,522	1,675	1,688
City gas	城市燃氣	**147**	118	92	92	21	24
CNG	CNG	**26**	26	25	25	13	15
LNG	LNG	**42**	38	29	29	23	20
Others	其他	**5**	6	6	6	8	9
Sales volume of natural gas (100 million cubic metres)	**天然氣銷售量** (億立方米)	**220**	188	152	152	65	68

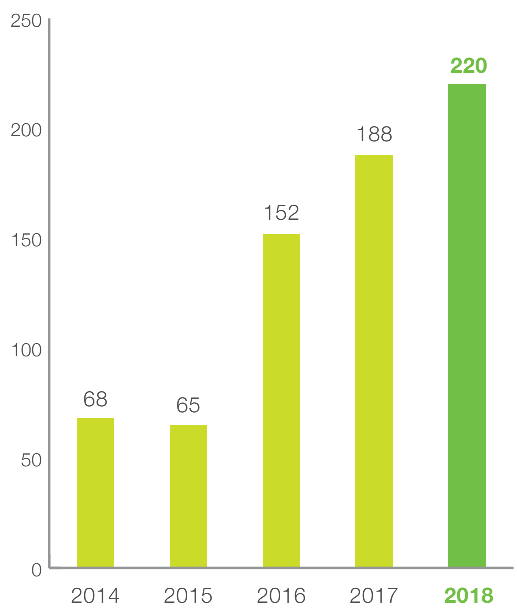
Sales volume of crude oil
原油銷售量

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

For the year ended 31 December	截至十二月三十一日止年度	**2018 二零一八年**	2017 二零一七年	2016 二零一六年 (restated) (重列) note 1 附註1	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
Sales volume of LPG (10,000 tonnes)	**LPG銷售量** (萬噸)	**700**	658	638	638	13	13
LNG gasification volume	LNG氣化量	**189**	128	66	49	35	48
LNG entrucking volume	LNG裝車量	**23**	21	9	8	5	3
LNG processing volume	LNG加工量	**16**	11	5	5	7	9
LNG processing and terminal (100 million cubic metres)	**LNG加工與儲運量** (億立方米)	**228**	160	80	62	47	60
Natural gas pipeline transmission (100 million cubic metres)	**天然氣管輸** (億立方米)	**529**	417	357	357	340	307
Stations in operation	**已運營站點**						
CNG stations	CNG站	**561**	543	540	540	342	338
LNG stations	LNG站	**609**	603	680	680	849	960
LNG plants	LNG工廠	**15**	14	12	12	12	12
LNG terminals	LNG接收站	**3**	3	3	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 unrestated 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 unrestated operating information is more appropriate for year-on-year comparison of the change in the Group's business operation.

附註：

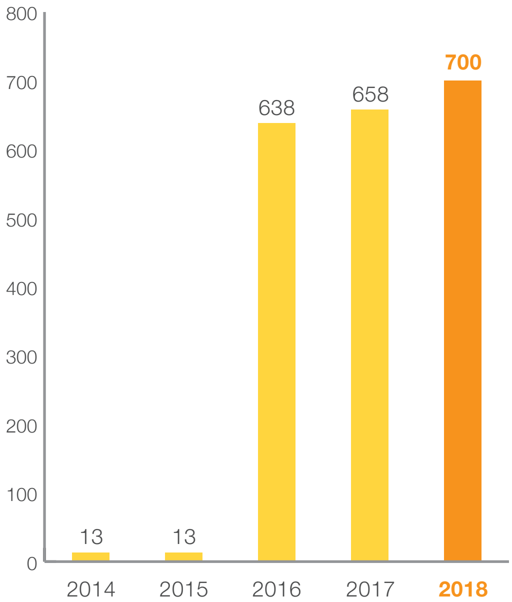
(1) 由於二零一七年完成共同控制下的業務合併，本集團的運營資料已重列，已包括京唐公司的運營數據。

(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。

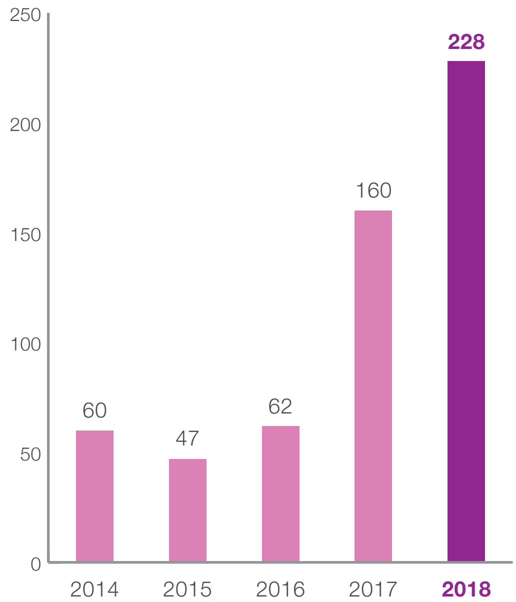
Sales volume of LPG
LPG銷售量

Unit: 10,000 tonnes
單位：萬噸



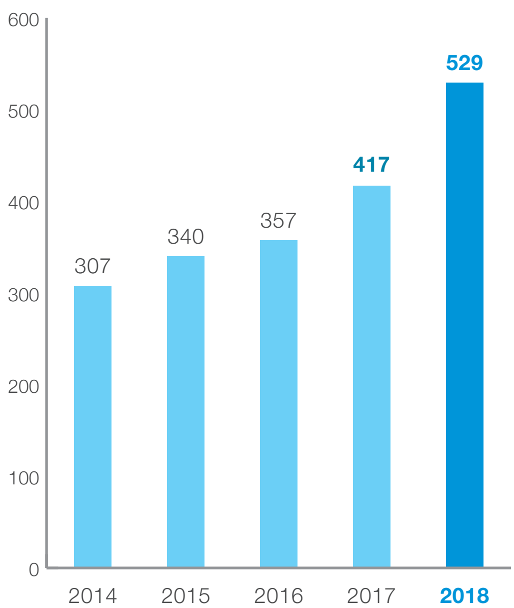
LNG processing and terminal
LNG加工與儲運量

Unit: 100 million cubic metres
單位：億立方米



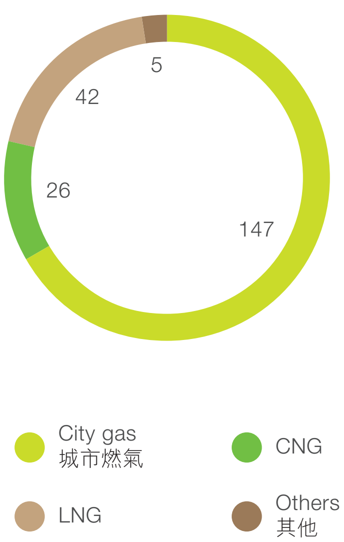
Natural gas pipeline transmission
天然氣管輸

Unit: 100 million cubic metres
單位：億立方米

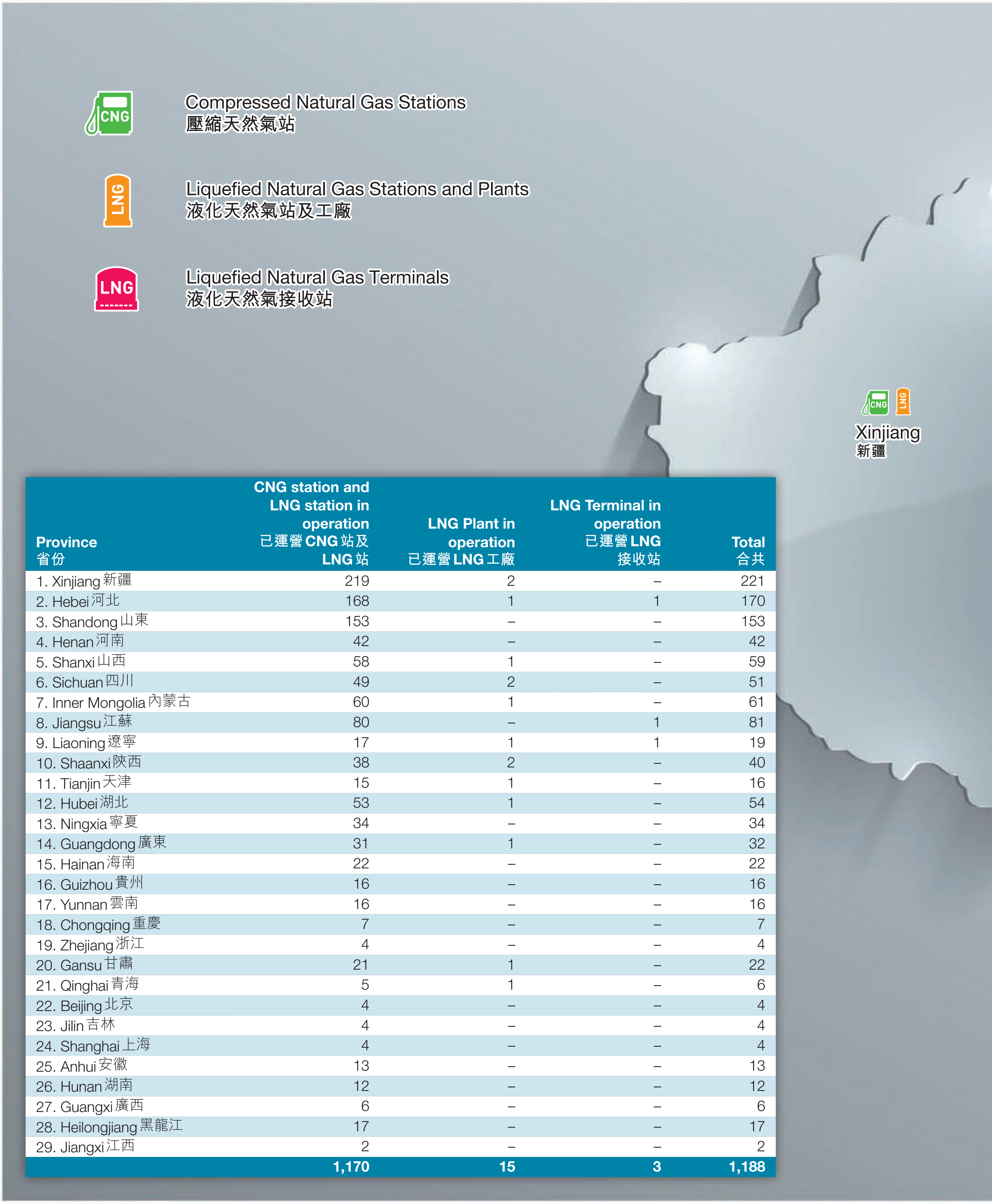


Sales volume of natural gas in 2018
二零一八年天然氣銷售量

Unit: 100 million cubic metres
單位：億立方米

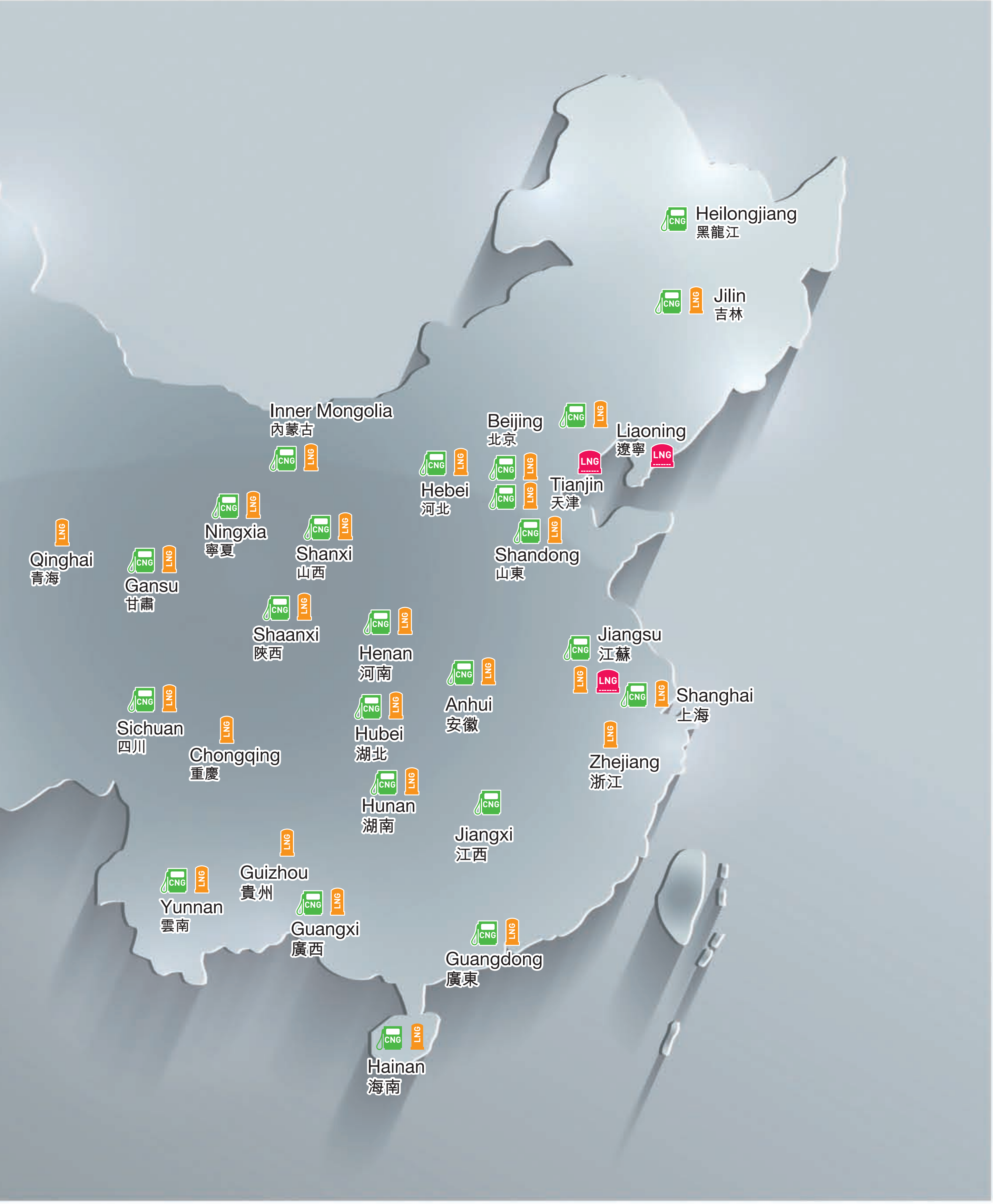


Locations of Natural Gas Business
天然氣業務分佈圖



Province 省份	CNG station and LNG station in operation 已運營CNG站及LNG站	LNG Plant in operation 已運營LNG工廠	LNG Terminal in operation 已運營LNG接收站	Total 合共
1. Xinjiang 新疆	219	2	–	221
2. Hebei 河北	168	1	1	170
3. Shandong 山東	153	–	–	153
4. Henan 河南	42	–	–	42
5. Shanxi 山西	58	1	–	59
6. Sichuan 四川	49	2	–	51
7. Inner Mongolia 內蒙古	60	1	–	61
8. Jiangsu 江蘇	80	–	1	81
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	53	1	–	54
13. Ningxia 寧夏	34	–	–	34
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	21	1	–	22
21. Qinghai 青海	5	1	–	6
22. Beijing 北京	4	–	–	4
23. Jilin 吉林	4	–	–	4
24. Shanghai 上海	4	–	–	4
25. Anhui 安徽	13	–	–	13
26. Hunan 湖南	12	–	–	12
27. Guangxi 廣西	6	–	–	6
28. Heilongjiang 黑龍江	17	–	–	17
29. Jiangxi 江西	2	–	–	2
	1,170	**15**	**3**	**1,188**

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


危险勿动
燃气设备

Chairman's Statement

主席報告

The revenue of the Group reached RMB105,470 million, representing a year-on-year increase of 18.90%; the profit attributable to owners of the Company was RMB4,634 million, representing a year-on-year decrease of 2.65%; earnings per share (basic) were RMB57.41 cents.

本集團實現銷售收入達人民幣1,054.70億元，同比增長18.90%；本公司股東應佔溢利錄得人民幣46.34億元，同比減少2.65%；每股盈利（基本）為人民幣57.41分。

Chairman's Statement
主席報告

BUSINESS REVIEW

Kunlun Energy Company Limited (the "Company") and its subsidiaries (together, the "Group") seized the opportunities to expand in the natural gas industry, made full use of the advantages in its business structure and continued to increase its corporate values.

ANNUAL RESULTS

In 2018, the macro economy of the People's Republic of China (the "PRC") remained stable and the environmental policies facilitated the rapid development of the natural gas market. The government of the PRC implemented various environmental policies, continuously propelled the air pollution prevention and control work and strengthened the coal-to-gas conversion for residential use, heating and industrial use in key areas, through which national natural gas consumption recorded rapid growth and continually maintained double-digit growth. The Company focused on quality development, grasped the favourable opportunities arising from the strong demand for natural gas, and continued to push through reforms and innovations, thus achieved remarkable operating results. The Company was awarded China Gas Association 30th Anniversary Outstanding Contribution Award and the Best Listed Company of China Securities Golden Bauhinia Awards.

During the year, with the joint efforts of all employees, the revenue of the Group reached RMB105,470 million, representing a year-on-year increase of 18.90%; the profit attributable to owners of the Company was RMB4,634 million, representing a year-on-year decrease of 2.65%; earnings per share (basic) were RMB57.41 cents. Excluding the impairment losses on property, plant and equipment, intangible assets, accounts and other receivables and exchange loss and gain, core profit attributable to owners of the Company and core earnings per share (basic) were RMB5,885 million and RMB72.91 cents respectively, representing an increase of 19.96% and 19.96% respectively when compared with last year. In order to reward our shareholders, a final dividend of RMB23.0 cents per share and RMB1,858 million in total was proposed. The dividend payment ratio was 40.06%.

業務回顧

昆侖能源有限公司(「本公司」)及其附屬公司(統稱「本集團」)抓住天然氣產業發展契機，充分發揮產業結構優勢，持續提升企業價值。

全年業績

二零一八年，中華人民共和國(「中國」)宏觀經濟平穩運行，環保政策助力天然氣市場蓬勃發展。中國政府出台多項環保政策，持續推進大氣污染防治工作，強化重點地區的民用、採暖、工業等行業煤改氣，全國天然氣消費量快速增長，繼續保持雙位數增長態勢。本公司聚焦高質量發展目標，抓住天然氣需求旺盛等有利時機，持續深化改革創新，取得了良好的經營業績，本公司獲評中國城市燃氣協會成立30週年突出貢獻獎、中國證券金紫荊獎之最佳上市公司。

本年度，在全體員工共同努力下，本集團實現銷售收入達人民幣1,054.70億元，同比增長18.90%；本公司股東應佔溢利錄得人民幣46.34億元，同比減少2.65%；每股盈利(基本)為人民幣57.41分。如扣除物業、廠房及設備、無形資產、應收賬款及其他應收款項減值虧損，匯兑虧損及收益，本公司股東應佔核心溢利和每股核心盈利(基本)分別為人民幣58.85億元及人民幣72.91分，較去年同期分別增加19.96%和19.96%。為回饋股東的支持，擬派末期股息每股人民幣23.0分，派息總額約人民幣18.58億元，派息率40.06%。

EXPLORATION AND PRODUCTION

During the year, the sales volume of crude oil in the exploration and production business reached 13.27 million barrels, representing a year-on-year increase of 1.61%. During the year, there was an increase in the international oil price when compared with last year, and the average realised crude oil selling price of the Group increased by US$13.67/barrel to US$60.30/barrel as compared with last year. Sales of crude oil for the year was RMB2,068 million, representing a year-on-year increase of 37.41%; and profit before income tax expense was RMB1,250 million, representing a year-on-year increase of 52.44%.

勘探與生產

本年度，勘探與生產業務銷售原油達1,327萬桶，同比增長1.61%。本年度，國際油價較上年同期有所回升，本集團平均實現原油銷售價格較上年同期增加13.67美元╱桶至60.30美元╱桶。全年原油銷售收入錄得人民幣20.68億元，同比增長37.41%；除所得税費用前溢利人民幣12.50億元，同比增長52.44%。

NATURAL GAS SALES

During the year, total sales volume of natural gas was 21,994 million cubic metres, representing a year-on-year increase of 17.16%, among which the city gas sales volume reached 14,712 million cubic metres, representing a year-on-year increase of 24.41%, and 890,000 residential users and 5,680 industrial and commercial users were newly developed, among which, the natural gas sales volume of Hebei, Gansu, Shandong and Jiangsu exceeded 2,000 million cubic metres. During the year, the sales of natural gas products was RMB87,100 million, representing a year-on-year increase of 20.79%; the profit before income tax expense was RMB2,942 million, representing a year-on-year increase of 39.43%.

The Group adhered to the strategy of stimulating retail sales with the construction of branch pipelines, and hence during the year, the Group constructed branch pipelines with length of 528 kilometres. The Group commenced the operations of 5 branch pipelines, including Chuxiong-Panzhihua and Wafangdian-Changxingdao, and completed major construction for 11 branch pipelines. The Group has entered into 89 project cooperation framework agreements, and commenced operations of projects including Beijing Shunyi and Ningxia Wuzhong Taiyang Mountain Development Zone Projects and Shandong Anqiu Gas Project. Zhoukou Power Plant was equipped with the capability for commercial operations, and the Group pushed forward Zengcheng Power Plant Project and Chengdu Tianfu International BioTown Distributed Energy Resources Project as planned.

天然氣銷售

本年度，天然氣銷售總量達219.94億立方米，同比增長17.16%，其中城市燃氣售氣量達147.12億立方米，同比增長24.41%，新開發居民用戶89萬戶、工商業用戶5,680戶，其中河北、甘肅、山東、江蘇四省天然氣銷量均超過20億立方米。本年度，天然氣銷售收入錄得人民幣871.00億元，同比增長20.79%；除所得税費用前溢利為人民幣29.42億元，同比增長39.43%。

秉承堅持支線管道建設帶動終端銷售的策略，本集團全年新建支線528公里。楚雄 — 攀枝花、瓦房店 — 長興島等5條支線投產，11條支線主體完工。簽署89個項目合作框架協議，北京順義、寧夏吳忠太陽山開發區和山東安丘燃氣項目投運，周口電廠具備商業運營條件，增城電廠、成都天府國際生物城分佈式能源項目按計劃推進。

The pace of LPG sales transformation accelerated and the sales volume during the year reached a record high of 7.00 million tonnes, among which, the Group purchased 453,000 tonnes of imported resources, representing a year-on-year increase of 41%, and the retail sales volume had a year-on-year increase of 21.7%. The Group commissioned 19 end-users projects, and the sales capacity increased by 118,000 tonnes.

LPG銷售轉型步伐加快，本年度銷量700.00萬噸，創歷史新高；其中採購進口資源45.3萬噸、同比增長41%，實現終端銷量同比增長21.7%；投運終端項目19個，新增銷售能力11.8萬噸。

LNG PROCESSING AND TERMINAL

The Group maximised its overall benefits of the industrial chain, pushed forward the implementation of the integrated development of LNG terminals, processing plants and CNG/LNG refilling stations. During the year, the sales volume of LNG processing and terminal of the Group was 22,779 million cubic metres, representing a year-on-year increase of 42.41%. Revenue was RMB9,456 million, representing a year-on-year increase of 37.66%. Profit before income tax expense was RMB4,057 million, representing a year-on-year increase of 108.48%.

LNG加工與儲運

本集團立足產業鏈整體效益最大化，推動實施LNG接收站、工廠和終端加注一體化發展。本年度，本集團實現LNG加工與儲運銷售量227.79億立方米，同比增長42.41%；實現收入為人民幣94.56億元，同比增長37.66%；除所得稅費用前溢利為人民幣40.57億元，同比增長108.48%。

1. LNG Terminal

During the year, the annual unloading volume of the LNG terminals of the Group reached 15.13 million tonnes, representing a year-on-year increase of 45.2%; and the volume for gasification and entrucking reached 21,234 million cubic metres, representing a year-on-year increase of 42.49%, in which both achieved record highs. The terminal utilisation rate reached 79.6%, representing a year-on-year increase of 24.7 percentage point, and the turnover of storage tanks increased by 5.6 times when compared with last year, with each of the control indices higher than the average national level. The unloading volume of Jiangsu LNG exceeded 6.50 million tonnes for the first time, thus achieving full operating capacity, and succeeded in unloading the first vessel of the Yamal project supplying LNG to the PRC. The Group commenced roof lifting work for two storage tanks of Tangshan LNG and the expansion work of Jiangsu LNG.

1. LNG接收站

本年度，本集團LNG接收站全年接卸量達到1,513萬噸，同比增長45.2%；氣化和裝車量212.34億立方米，同比增長42.49%，均創歷史新高。接收站利用率達到79.6%，同比提高24.7個百分點，儲罐周轉次數同比增加5.6次，各項控制指標高於全國平均水平。所屬江蘇LNG接卸量首次突破650萬噸，實現滿負荷運轉，成功接卸亞馬爾項目向中國供應的首船LNG。唐山LNG擴建工程兩座儲罐升頂，江蘇LNG擴建工程正式開工建設。

2. LNG Processing

During the year, the Group operated 15 LNG processing plants for the full year, reaching an average workload capacity of 35.9%, which represented a year-on-year increase of 6.4 percentage point, while the fluid production was 1.06 million tonnes, representing a year-on-year increase of 16.9%, which exceeded 1 million tonnes for the first time in recent years. Relying on the plant layout and the capacity of gas storage peak-regulating in each region, the Group completed the feasibility review of the construction projects of LNG gas storage peak-regulating facilities in 6 regions. The Group accelerated the progress of the "Gasification of Yangtze River" and completed the development plans of the "Gasification of Yangtze River" project of Hubei province and Jiangsu province. The Group organised the world's first China-Europe international transport corridors natural gas engine fuel vehicles event with high quality, which promoted the application of LNG in the transportation field under the "The Belt and Road Initiative".

2. LNG加工

本年度，本集團LNG工廠全年運行15座，平均負荷率達到35.9%、同比提高6.4個百分點，產液(生產)106萬噸，同比增長16.9%，近年來首次突破100萬噸。依託工廠佈局各地區儲氣調峰能力，完成6個區域LNG儲氣調峰設施建設項目可研。加快「氣化長江」步伐，完成湖北、江蘇兩省「氣化長江」專項發展規劃。高質量完成全球首次中歐國際交通走廊天然氣發動機燃料汽車拉力活動，有力助推「一帶一路」沿線交通運輸領域LNG應用。

NATURAL GAS PIPELINE

During the year, the natural gas pipeline transmission volume was 52,945 million cubic metres, representing a year-on-year increase of 27.00%. Revenue was RMB9,706 million, representing a year-on-year decrease of 9.75%. Profit before income tax expense was RMB5,021 million, representing a year-on-year decrease of 25.43%.

天然氣管道

本年度，天然氣管道業務輸氣量為529.45億立方米，同比增長27.00%；實現收入為人民幣97.06億元，同比減少9.75%；除所得税費用前溢利為人民幣50.21億元，同比減少25.43%。

BUSINESS PROSPECTS

According to the energy development plan in the PRC, the percentage of natural gas consumption to primary energy consumption structure in China is expected to reach 10% by 2020. It will reach approximately 440.0 billion cubic metres by 2025. The government of the PRC persists in promoting green development, constructing ecological civilisation, frequently implementing a series of policies, facilitating the transformation and upgrading of industries and actively and gradually fostering natural gas as one of the major energies in the contemporary clean energy system. With increasing efforts in the implementation of environmental policies, the demand of natural gas will maintain a robust growth momentum, and the demand will continue to exceed supply in the short run. In 2018, the government of the PRC issued the "Several Opinions on Promoting Coordinated and Stable Development of Natural Gas", speeded up the construction of a system for the production, supply, storage and sales of natural gas, and facilitated the coordination and stable development of natural gas. The relevant authorities successively released documents such as the "Circular on Straightening the Gas Station Price of Natural Gas Used for Residential Purpose" and "Opinions on Accelerating the Construction of Gas Storage Facilities and Improving the Market Mechanism of Gas Storage and Peaking Auxiliary Services", further promoted the reform of natural gas market, and at the same time, implemented the "Three-Year Action Plan for Defending the Blue Sky", hence further facilitated the expansion of the natural gas market. The Ministry of Transport issued the "Administrative Regulations on the Safety Supervision of Hazardous Goods Shipment" and published the "Opinions on Further Advancing the Application of LNG in the Waterborne Transportation Industry (Draft for Comment)", which specified the policy for the use of natural gas in the waterborne traffic, thus greatly promoting the Group's "Gasification of Yangtze River" and LNG utilisation of offshore vessels. The aforementioned favourable policies and the broad prospects for development of the above industry lay a solid foundation for relevant policies and development opportunities for the Group to continually and rapidly expand its natural gas business.

In 2019, the Group will endeavour to seize opportunities in developing China's natural gas market, focus on retail sales development, continue to enhance its corporate values in order to get more returns to its shareholders.

業務展望

按照國家能源發展規劃，中國天然氣在一次能源消費結構中佔比力爭在二零二零年達到10%。二零二五年將達到約4,400億立方米。中國政府堅持推進綠色發展，建設生態文明，密集出台一系列政策，助推產業轉型升級，積極將天然氣逐步培育為現代清潔能源體系主體能源之一。隨著環保政策落實力度進一步加大，天然氣需求仍將保持旺盛的增長勢頭，短期內將繼續維持供不應求的態勢。二零一八年，中國政府發佈《關於促進天然氣協調穩定發展的若干意見》，加快天然氣產供儲銷體系建設，促進天然氣協調穩定發展。有關部門陸續出台了《關於理順居民用氣門站價格的通知》、《關於加快儲氣設施建設和完善儲氣調峰輔助服務市場機制的意見》等文件，進一步推進天然氣市場化改革，同時實施《打贏藍天保衛戰三年行動計劃》，天然氣市場發展空間進一步擴大。交通運輸部出台《船舶載運危險貨物安全監督管理規定》，印發《關於深入推進水運行業應用液化天然氣的意見(徵求意見稿)》，明確了水上交通流域天然氣應用政策，將會極大促進本集團「氣化長江」和近海船舶LNG替代。上述行業的利好政策和廣闊的發展前景為本集團天然氣事業的持續快速發展提供了有力的政策保障和發展契機。

二零一九年，本集團將致力把握中國天然氣市場的發展機遇，聚焦聚力終端市場開發，持續提升企業價值，為股東帶來更多回報。

Fully enhance the natural gas retail sales scale. The Group will continue to adopt the combined strategy of developing new markets and exploring the existing market, and it will also continue to expand the scale of retail market. It will also actively discover and expand into new markets, high-end market, profitable markets and emerging markets, and put more efforts in acquiring high-quality users including residential, industrial and public service sectors. It will promote the merger and acquisition of city gas projects and push forward the plan of developing high-potential quality natural gas generator projects and distributed energy projects.

全力提升天然氣終端銷售規模。繼續採取新市場開發與既有市場挖潛相結合的策略，持續提升終端零售市場規模。積極拓展空白市場、高端市場、高效市場、新興市場，加大居民、工業、公服等優質用戶開發力度；推進整裝城市燃氣項目併購，積極佈局發展潛力大的優質氣電和分佈式能源項目。

Actively promote the branch pipeline constructions to drive the development of retail sales markets. The Group will continue to promote the branch pipeline constructions to drive the development of retail sales, and it will construct 7 branch pipelines including Guizhou Duyun-Kaili, Yunnan Honghe, Hunan Xinhua during 2019, and strive to simultaneously carry out the construction of branch pipelines and the development of retail markets.

積極推進支線建設帶動終端市場發展。持續推進支線建設助力終端市場開發，於二零一九年，建成貴州都匀—凱里、雲南紅河、湖南新化等7條支線，力爭支線建設和終端市場開發同步。

Continue to enhance the LNG industry chain value. The Group will make full use of its advantages in the integration of "terminals + processing plants", coordinate the allocation of resources, continue to optimise the operation efficiency of LNG terminals and to enhance the operation capacity of LNG processing plants. The Group will increase its efforts in promoting the application of natural gas in the transportation field and optimizing the distribution of gas refilling stations.

持續提升LNG產業鏈價值。充分發揮「接收站+工廠」一體化優勢，統籌資源配置，持續優化LNG接收站運行效率，不斷提升LNG工廠運行負荷。加大天然氣在交通領域應用力度，優化加氣站點佈局。

Facilitate the transformation and upgrade of LPG sales in a stable manner. The Group will expand the scale of imported resources as well as explore and optimize the resource channels. It will intensify the marketing management and retail markets development, refine the logistics system, continuously extend the industry chain, accelerate the pace of sales transformation and upgrade, and strive to attain quality development.

穩步推動LPG銷售轉型升級。提升進口資源規模，拓展和優化資源渠道。強化營銷管理和終端市場開發，優化物流系統，持續延伸產業鏈，加快銷售轉型升級步伐，努力實現高質量發展。

FINAL DIVIDEND

The Board recommends the payment of a final dividend of RMB23.0 cents per share (2017: RMB21.0 cents per share) to shareholders whose names appear on the Company's register of members (the "Shareholders Register") on 20 June 2019 (Thursday) subject to the approval at the Annual General Meeting of the Company (the "2019 AGM"). The payment will be made on or before 30 June 2019. The proposed 2018 final dividend amounts to a total of approximately RMB1,858 million and 2017 dividend of RMB1,742 million was paid in 2018. The payout ratio for 2018 (dividend per share divided by basic earnings per share) was approximately 40.06% (2017: 35.61%).

末期股息

董事會建議向於二零一九年六月二十日（星期四）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23.0人民幣分（二零一七年：每股21.0人民幣分），惟須於本公司股東週年大會（「二零一九年股東週年大會」）上獲批准。派付時間將為二零一九年六月三十日或之前。二零一八年建議末期股息總額約人民幣1,858百萬元，二零一七年人民幣1,742百萬元股息已於二零一八年派付。二零一八年派息率（每股股息除以每股基本盈利）約為40.06%（二零一七年：35.61%）。

ANNUAL GENERAL MEETING

The 2019 AGM will be held on 6 June 2019 (Thursday). The Notice of the 2019 AGM, which constitutes part of the circular to shareholders, will be sent together with the 2018 Annual Report. The Notice of the 2019 AGM and the proxy form will also be available on the websites of the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

股東週年大會

二零一九年股東週年大會將於二零一九年六月六日（星期四）舉行。二零一九年股東週年大會通告載於致股東的通函內，並將連同《二零一八年年報》一併寄發予股東。二零一九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（「聯交所」）網站。

CLOSURE OF SHAREHOLDERS REGISTER

For the purposes of determining shareholders' eligibility to attend and vote at the 2019 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 2019 AGM:

Latest time to lodge transfer documents for registration	4:00 p.m. on 31 May 2019 (Friday)
Closure of Shareholders Register	from 3 June 2019 (Monday) to 6 June 2019 (Thursday) (both dates inclusive)
Record date	6 June 2019 (Thursday)

(ii) For determining entitlement to the final dividend:

Latest time to lodge transfer documents for registration	4:00 p.m. on 14 June 2019 (Friday)
Closure of Shareholders Register	from 17 June 2019 (Monday) to 20 June 2019 (Thursday) (both dates inclusive)
Record date	20 June 2019 (Thursday)

暫停辦理股份過戶登記

為確定股東出席二零一九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) 為確定股東出席二零一九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	二零一九年五月三十一日（星期五）下午四時整
暫停辦理股份過戶登記	二零一九年六月三日（星期一）至二零一九年六月六日（星期四）（首尾兩天包括在內）
記錄日期	二零一九年六月六日（星期四）

(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	二零一九年六月十四日（星期五）下午四時整
暫停辦理股份過戶登記	二零一九年六月十七日（星期一）至二零一九年六月二十日（星期四）（首尾兩天包括在內）
記錄日期	二零一九年六月二十日（星期四）

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the 2019 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.

上述有關期間內概不辦理股份過戶登記手續。為符合資格出席二零一九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。

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

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

By order of the Board

承董事會命

Ling Xiao
Chairman and Executive Director

凌霄
主席兼執行董事

Hong Kong, 19 March 2019

香港，二零一九年三月十九日


LNG OYO

Management Discussion and Analysis
管理層討論與分析

Kunlun Energy Company Limited and its subsidiaries continued to develop its natural gas business segment during the year ended 31 December 2018. Profit before income tax expense of the Group for the Year was approximately RMB11,985 million, representing an increase of 4.40% as compared with RMB11,480 million for the last year. Profit attributable to owners of the Company for the Year was approximately RMB4,634 million, representing a decrease of 2.65% as compared with RMB4,760 million for the last year.

昆侖能源有限公司及其附屬公司於截至二零一八年十二月三十一日止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11,985百萬元，比去年金額人民幣11,480百萬元增加4.40%。於本年度本公司股東應佔溢利約為人民幣4,634百萬元，比去年金額人民幣4,760百萬元減少2.65%。

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 2018 (the "Year"). Profit before income tax expense of the Group for the Year was approximately RMB11,985 million, representing an increase of 4.40% as compared with RMB11,480 million for the last year. Profit attributable to owners of the Company for the Year was approximately RMB4,634 million, representing a decrease of 2.65% as compared with RMB4,760 million for the last year.

昆侖能源有限公司(「本公司」)及其附屬公司(統稱「本集團」)於截至二零一八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11,985百萬元,比去年金額人民幣11,480百萬元增加4.40%。於本年度本公司股東應佔溢利約為人民幣4,634百萬元,比去年金額人民幣4,760百萬元減少2.65%。

Revenue

Revenue for the Year was approximately RMB105,470 million, representing an increase of 18.90% as compared with amount of RMB88,706 million for the last year. The increase was mainly due to the expansion of natural gas business.

The Group's revenue was mainly derived from the Natural Gas Sales segment, LNG Processing and Terminal segment and Natural Gas Pipeline segment, which in aggregate accounted for 98.04% (2017: 98.30%) of the Group's total revenue amounting to approximately RMB103,402 million (2017: RMB87,201 million).

收入

本年度之收入約為人民幣105,470百萬元,比去年金額人民幣88,706百萬元增加18.90%。此增加主要是由於天然氣業務擴張所致。

本集團之收入主要來源於天然氣銷售板塊、LNG加工與儲運板塊及天然氣管道板塊,合共佔本集團總收入約人民幣103,402百萬元(二零一七年:人民幣87,201百萬元)之98.04%(二零一七年:98.30%)。

Other losses/gains, net

Other losses, net for the Year was approximately RMB259 million (2017: gains of RMB1,335 million). The losses were mainly due to the exchange loss of RMB758 million (2017: exchange gain of RMB609 million) recognised as a result of depreciation of RMB against US$ during the Year.

其他虧損/收益,淨額

本年度之其他虧損淨額約為人民幣259百萬元(二零一七年:收益人民幣1,335百萬元)。此虧損主要由於本年度內人民幣兑美金貶值引致匯兑損失人民幣758百萬元(二零一七年:匯兑收益人民幣609百萬元)。

Interest income

Interest income for the Year was approximately RMB295 million, representing an increase of 39.81% as compared with amount of RMB211 million for the last year. The increase was mainly due to the increase in average balance of interest-bearing assets such as loans to an associate and joint ventures.

利息收入

本年度之利息收入約為人民幣295百萬元,比去年金額人民幣211百萬元增加39.81%。此增加主要由於可計息的資產(包括向一間聯營公司及合資企業貸款)的平均結餘增加所致。

Purchases, services and others

Purchases, services and others were approximately RMB78,249 million for the Year, representing an increase of 21.99% as compared with amount of RMB64,145 million for the last year. The increase was mainly due to the increase in purchase volume and price of natural gas which was generally in line with the increase in sales of Natural Gas Sales segment.

採購、服務及其他

本年度之採購、服務及其他約為人民幣78,249百萬元,比去年金額人民幣64,145百萬元增加21.99%。此增加主要由於天然氣的採購數量及採購價增加所致,大致上與天然氣銷售板塊之銷售額增加一致。

Employee compensation costs

Employee compensation costs of the Group was approximately RMB4,845 million for the Year, representing an increase of 11.92% as compared with amount of RMB4,329 million for the last year. This increase was mainly due to the increase in average salary resulting from improved business performance as well as economic inflation during the Year.

僱員酬金成本

本年度，本集團之僱員酬金成本約為人民幣4,845百萬元，比去年金額人民幣4,329百萬元增加11.92%。此增加主要由於本年度企業效益提升及經濟通脹導致平均薪酬增加。

Depreciation, depletion and amortisation

Depreciation, depletion and amortisation for the Year was approximately RMB6,189 million, representing an increase of 9.52% as compared with amount of RMB5,651 million for the last year. The increase was mainly attributable to No.4 Shaanxi-Beijing Pipeline which was put into operation at the end of 2017.

折舊、損耗及攤銷

本年度之折舊、損耗及攤銷約為人民幣6,189百萬元，比去年金額人民幣5,651百萬元增加9.52%。此增加主要由於二零一七年末陝京四線投運所致。

Impairment loss on property, plant and equipment

Impairment loss on property, plant and equipment amounted to RMB420 million for the Year, representing a decrease of 30.46% as compared with that of RMB604 million for the last year. Impairment loss recognised during the Year was mainly attributable to a LNG processing plant and certain CNG/LNG stations whose carrying amounts exceeded the recoverable amounts.

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420百萬元，比去年金額人民幣604百萬元減少30.46%。本年度確認的減值虧損主要來自於賬面價值均高於其可收回金額的LNG加工廠以及部分CNG/LNG站。

Selling, general and administrative expenses

Selling, general and administrative expenses for the Year were approximately RMB3,389 million, representing a decrease of 1.71% as compared with amount of RMB3,448 million for the last year. Selling, general and administrative expenses remained fairly stable during the Year.

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3,389百萬元，比去年金額人民幣3,448百萬元減少1.71%。本年度的銷售、一般性和管理費用保持平穩。

Taxes other than income taxes

Taxes other than income taxes for the Year was approximately RMB468 million, representing an increase of 6.12% as compared with amount of RMB441 million for the last year. Taxes other than income taxes remained fairly stable during the Year.

除所得税以外之稅項

本年度，除所得稅以外之稅項約為人民幣468百萬元，比去年金額人民幣441百萬元增加6.12%。本年度的除所得稅以外之稅項保持平穩。

Interest expenses

Interest expenses for the Year was approximately RMB1,130 million, representing a decrease of 1.31% as compared with amount of RMB1,145 million for the last year. The decrease was mainly due to the decrease in average balance of interest-bearing borrowings in 2018.

Total interest incurred for the Year was approximately RMB1,684 million of which RMB554 million was capitalised as construction-in-progress.

利息支出

本年度利息支出約為人民幣1,130百萬元，比去年金額人民幣1,145百萬元減少1.31%。此減少主要由於二零一八年計息的借貸平均結餘減少。

本年內利息發生總額約為人民幣1,684百萬元，其中人民幣554百萬元已於在建工程被資本化。

Share of profits less losses of associates

Share of profits less losses of associates for the Year was approximately RMB858 million, representing an increase of 11.86%, as compared with amount of RMB767 million 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").

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858百萬元，比去年金額人民幣767百萬元增加11.86%。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。

Share of profits less losses of joint ventures

Share of profits less losses of joint ventures for the Year was increased by 38.84% to approximately RMB311 million (2017: RMB224 million). The increase was mainly due to the share of profits from the joint ventures acquired at the end of 2017.

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38.84%至約人民幣311百萬元（二零一七年：人民幣224百萬元）。該增加主要乃由於二零一七年末所併購的合資企業貢獻溢利所致。

Profit before income tax expense

Profit before income tax expense for the Year was approximately RMB11,985 million, representing an increase of 4.40% as compared with amount of RMB11,480 million for the last year.

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11,985百萬元，比去年金額人民幣11,480百萬元增加4.40%。

Income tax expense

Income tax expense for the Year was approximately RMB3,772 million, representing an increase of 6.83% as compared with amount of RMB3,531 million for the last year. The effective tax rate for the Year was 31.47%, which remained fairly stable as compared to that of 30.76% for the last year.

所得稅費用

本年度所得稅費用約為人民幣3,772百萬元，比去年金額人民幣3,531百萬元增加6.83%。本年度實際稅率保持平穩於31.47%（二零一七年：30.76%）。

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

The profit for the Year of the Group was approximately RMB8,213 million, representing an increase of 3.32% as compared with amount of RMB7,949 million for the last year. The profit attributable to owners of the Company for the Year was approximately RMB4,634 million, representing a decrease of 2.65% as compared with amount of RMB4,760 million for the last year.

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8,213百萬元，比去年金額人民幣7,949百萬元增加3.32%。本公司股東應佔本年度溢利約為人民幣4,634百萬元，比去年金額人民幣4,760百萬元減少2.65%。

Liquidity and capital resources

As at 31 December 2018, the carrying value of total assets of the Group was approximately RMB140,587 million, representing an increase of RMB29 million or 0.02% as compared with RMB140,558 million as at 31 December 2017.

The gearing ratio of the Group was 35.60% as at 31 December 2018 compared with 40.51% as at 31 December 2017, representing a decrease of 4.91%. It is computed by dividing the sum of interest-bearing borrowings, convertible bonds and obligations under finance leases of RMB38,744 million (2017: RMB44,682 million) by the total equity, interest-bearing borrowings, convertible bonds and obligations under finance leases of RMB108,838 million (2017: RMB110,307 million).

As at 31 December 2018, the Group has total borrowings of RMB35,235 million which will be repayable as follows:

資產流動性及資本資源

於二零一八年十二月三十一日，本集團總資產之賬面值約為人民幣140,587百萬元，比二零一七年十二月三十一日金額人民幣140,558百萬元增加人民幣29百萬元或0.02%。

本集團於二零一八年十二月三十一日之資本負債率為35.60%，而二零一七年十二月三十一日為40.51%，即減少4.91%。資本負債率乃按計息借貸、可轉換債券與融資租賃承擔之和人民幣38,744百萬元（二零一七年：人民幣44,682百萬元）除以總權益、計息借貸、可轉換債券與融資租賃承擔之和人民幣108,838百萬元（二零一七年：人民幣110,307百萬元）計算。

於二零一八年十二月三十一日，本集團之總借貸人民幣35,235百萬元須按如下償還：

		2018 RMB'million 二零一八年 人民幣百萬元 (Note 30) （附註30）	2017 RMB'million 二零一七年 人民幣百萬元 (Note 30) （附註30）
Within one year	一年內	**7,072**	11,805
Between one to two years	一至兩年	**9,176**	4,431
Between two to five years	兩至五年	**13,559**	20,410
After five years	五年以上	**5,428**	4,455
		35,235	41,101

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

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

During the Year, no share option (2017: none) has been exercised by the senior executives of the Company as all share options were lapsed.

本年度，由於全部購股權已失效，本公司高級行政人員概無行使購股權（二零一七年：無）。

As at 31 December 2018, the Group had net current liabilities of RMB8,484 million. Notwithstanding the net current liabilities of the Group at 31 December 2018, 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:

於二零一八年十二月三十一日，本集團流動負債淨額為人民幣8,484百萬元。儘管本集團於二零一八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：

(i) the Group expects to obtain credit facility from China Petroleum Finance Company Limited ("CP Finance"). On 7 March 2019, the Group obtained a credit facility of RMB20 billion from CP Finance covering a period ending 31 March 2020;

(ii) the Group expects to generate operating cash inflows in the future; and

(iii) the Directors consider that the Group could obtain financing from various sources of funding.

(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。於二零一九年三月七日，本集團從中油財務取得截至二零二零年三月三十一日止期間的承諾信貸人民幣200億元；

(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。

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

因此，綜合財務報表乃按持續經營基準編製。

Use of Proceeds

所得款項用途

Interest Paid

利息支付

The Group paid interest of RMB1,821 million (2017: RMB1,438 million) during the Year.

本集團於本年度支付利息人民幣1,821百萬元（二零一七年：人民幣1,438百萬元）。

Dividend Paid

股息支付

2017 final dividend of RMB21.0 cents per share amounting to RMB1,742 million (2017: 2016 final dividend of RMB6.5 cents per share amounting to RMB522 million) was distributed to owners of the Company during the Year.

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

Pledge of Assets

As at 31 December 2018 and 31 December 2017, no short-term or long-term borrowings were secured by property, plant and equipment or advance operating lease payment.

資產抵押

於二零一八年十二月三十一日及二零一七年十二月三十一日，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

PetroChina Kunlun Gas Co., Ltd. ("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.

於主要項目之新投資

本公司全資附屬公司中石油昆侖燃氣有限公司(「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，包括過渡期收益大約人民幣359百萬元。

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.

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之附註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之附註19。

Employee

As at 31 December 2018, the Group had approximately 42,278 employees globally (excluding the employees under entrustment contracts) (2017: 41,835 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.

僱員

於二零一八年十二月三十一日，本集團在全球僱用約42,278名僱員（通過委託合同聘任除外）（二零一七年：41,835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 RMB23.0 cents (2017: RMB21.0 cents) per share. The proposed dividend will be paid on or before 30 June 2019 to the shareholders whose names appear on the Company's register of the members on 20 June 2019 (Thursday), subject to the approval at the annual general meeting of the Company.

末期股息

董事會建議派付末期股息每股23.0人民幣分（二零一七年：21.0人民幣分）。建議股息將於二零一九年六月三十日或之前向於二零一九年六月二十日（星期四）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。

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.

購入、出售或贖回股份

本公司或其任何附屬公司於本年度概無購入、出售或贖回本公司任何股份。

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted written guidelines on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as its code of conduct regarding 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 2018.

By the Order of the Board

Zhao Yongqi
Executive Director

Hong Kong, 19 March 2019

董事進行證券交易的標準守則

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

經向全體董事作出具體查詢，董事已確認截至二零一八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，二零一九年三月十九日

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 2018 (the "Year").

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」)欣然於截至二零一八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。

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.

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。

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").

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。

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.

本公司於本年度已應用企業管治守則所載之原則及守則條文，並遵守所有守則條文。

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

本公司亦已實施企業管治守則所載之若干建議最佳常規。

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.

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。

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

本公司之主要企業管治原則及常規概述如下：

THE BOARD

董事會

Responsibilities

職責

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.

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.

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。

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.

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。

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

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。

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.

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。

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

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。

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.

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。

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

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。

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.

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 as at 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 and appointed as Chief Financial Officer on 6 November 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 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。

本年度及截至本報告之日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）*
趙忠勛先生
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並於二零一八年十一月六日獲委任財務總監）*

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以及提名委員會成員）*

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。

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.

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。

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

董事會成員互無關聯。

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.

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。

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.

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。

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.

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。

Board Diversity Policy

董事會成員多元化政策

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

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

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.

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, Mr Zhao Zhongxun, Dr Liu Xiao Feng and Mr Sun Patrick will retire by rotation at the Company's forthcoming annual general meeting (the "2019 AGM"). Mr Zhao Zhongxun, Dr Liu Xiao Feng and Mr Sun Patrick are eligible and will offer themselves for re-election at the 2019 AGM.

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，趙忠勛先生、劉曉峰博士及辛定華先生均會於本公司應屆股東週年大會（「二零一九年股東週年大會」）上輪流退任。趙忠勛先生、劉曉峰博士及辛定華先生均合資格於二零一九年股東週年大會上膺選連任。

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。

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 2018 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。董事二零一八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)*	Yes 有參與	Yes 有閱讀
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	趙忠勛先生	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)*	Yes 有參與	Yes 有閱讀
Mr Miao Yong *(appointed on 12 January 2018 and appointed as Chief Financial Officer on 6 November 2018)*	繆勇先生 *(於二零一八年一月十二日獲委任並於二零一八年十一月六日獲委任財務總監)*	Yes 有參與	Yes 有閱讀
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)*	N/A 不適用	N/A 不適用
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)*	N/A 不適用	N/A 不適用
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)*	N/A 不適用	N/A 不適用
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)*	N/A 不適用	N/A 不適用
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

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：

		Attendance/Number of Meetings 出席／會議次數			
Directors 董事		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
Executive Directors:	*執行董事：*				
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)*	3/3	–	–	–
Mr Zhao Yongqi	趙永起先生	4/4	–	–	–
Mr Zhao Zhongxun	趙忠勛先生	3/4	–	–	–
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)*	2/3	–	–	–
Mr Miao Yong *(appointed on 12 January 2018 and appointed as Chief Financial Officer on 6 November 2018)*	繆勇先生 *(於二零一八年一月十二日獲委任並於二零一八年十一月六日獲委任財務總監)*	3/3	–	–	–
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)*	1/1	–	–	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)*	0/1	–	–	–
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)*	0/1	–	–	–
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)*	0/1	–	–	–
Independent Non-executive Directors:	*獨立非執行董事：*				
Mr Li Kwok Sing Aubrey	李國星先生	2/4	3/3	1/1	1/1
Dr Liu Xiao Feng	劉曉峰博士	4/4	3/3	1/1	1/1
Mr Sun Patrick	辛定華先生	2/4	3/3	1/1	1/1

Practices and Conduct of Meetings

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

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

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

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

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

會議常規及操守

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

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

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

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

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.

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。

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 from 1 January 2018 to 12 January 2018 and Mr Ling Xiao was the Chairman from 12 January 2018. Mr Zhao Yongqi acted as the Chief Executive Officer throughout the Year. There is no relationship between the Chairman and Chief Executive Officer.

本年度，本公司之主席及行政總裁分別由不同人士擔任。由二零一八年一月一日至二零一八年一月十二日，黃維和先生擔任董事會主席，由二零一八年一月十二日開始，凌霄先生擔任董事會主席。趙永起先生於本年度為行政總裁。主席及行政總裁並無關係。

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.

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

BOARD COMMITTEES

董事委員會

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.

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

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

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。

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.

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). 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.

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。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。

REMUNERATION COMMITTEE

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

薪酬委員會

本年度，薪酬委員會由三名獨立非執行董事組成。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。

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 2018 二零一八年
RMB1 – RMB1,000,000	人民幣1元至人民幣1,000,000元	1
RMB1,000,001 – RMB2,000,000	人民幣1,000,001元至人民幣2,000,000元	1
RMB2,000,001 – RMB3,000,000	人民幣2,000,001元至人民幣3,000,000元	1
		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. Mr Huang Weihe was the Chairman of the Nomination Committee from 1 January 2018 to 12 January 2018 and Mr Ling Xiao was the Chairman of the Nomination Committee from 12 January 2018.

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及本公司主席。黃維和先生由二零一八年一月一日至二零一八年一月十二日為提名委員會主席，由二零一八年一月十二日開始，由凌霄先生為提名委員會主席。

The main duties of the Nomination Committee include the following:

提名委員會之主要職責包括以下各項：

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;

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;

3. to assess the independence of Independent Non-executive Directors;

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;

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；

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；

3. 評估獨立非執行董事之獨立性；

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；

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.

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。

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

企業管治職能

董事會負責行使企業管治守則規定之下列企業管治職能：

– 制定及檢討本公司企業管治政策及常規；

– 檢討及監察董事及高級管理層之培訓及持續專業發展；

– 檢討及監察本公司有關遵守法律及監管規定之政策及常規；

– 制定、檢討及監察適用僱員及董事之操守準則及合規手冊；及

– 檢討本公司企業管治守則之合規情況及於企業管治報告中之披露。

本年度，董事會考慮以下企業管治事宜：

– 根據企業管治守則採納企業管治職能；

– 審閱本集團持續關連交易年度上限的使用；

– 審閱企業管治守則之合規情況；及

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

– 審閱本公司內部控制及風險管理系統之有效性。

MODEL CODE FOR SECURITIES TRANSACTIONS

進行證券交易之標準守則

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.

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。

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

本公司已採納上市規則附錄十所載之標準守則。

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.

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。

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.

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」)。

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

有關財務報表及核數師酬金之責任

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.

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。

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

董事確認彼等編製本公司本年度財務報表之責任。

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 76 to 82.

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76至82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 RMB13 million (2017: RMB20 million). In addition, approximately RMB2 million (2017: RMB4 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 RMB12 million (2017: RMB10 million).

本年度，畢馬威會計師事務所向本公司及本公司的附屬公司提供審核服務所收取的費用約為人民幣13百萬元（二零一七年：人民幣20百萬元）。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2百萬元（二零一七年：人民幣4百萬元）。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。本年度，本集團的其他核數師就提供審核服務費用約為人民幣12百萬元（二零一七年：人民幣10百萬元）。

SHAREHOLDER RIGHTS AND INVESTOR RELATIONS

(1) General Meeting

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

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

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

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

During the Year, one general meeting was held on 24 May 2018. The attendance records of the Directors to the 2018 general meetings are set out below:—

股東權利及投資者關係

(1) 股東大會

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

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

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，已於二零一八年五月二十四日舉行一次股東大會。董事出席二零一八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)*	1/1
Mr Zhao Yongqi *(Chief Executive Officer)*	趙永起先生*(行政總裁)*	1/1
Mr Zhao Zhongxun	趙忠勛先生	1/1
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)*	0/1
Mr Miao Yong *(appointed on 12 January 2018 and appointed as Chief Financial Officer on 6 November 2018)*	繆勇先生*(於二零一八年一月十二日獲委任並於二零一八年十一月六日獲委任財務總監)*	1/1
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)*	–
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)*	–
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執行董事)*	–
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)*	–
Independent Non-executive Directors	*獨立非執行董事*	
Mr Li Kwok Sing Aubrey	李國星先生	0/1
Dr Liu Xiao Feng	劉曉峰博士	1/1
Mr Sun Patrick	辛定華先生	1/1

(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 requistionist(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决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 of the Company. 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.

風險管理及內部監控

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

董事會透過審核委員會每年評核本集團內部監控系統之效能。該系統涵蓋所有重要監控，包括本公司的財務、營運及遵守法規的監控以及風險管理。經審閱外部諮詢公司發行的評估報告後，董事認為，本集團風險管理及內部控制系統有效及充足。

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

MATERIAL RISK MANAGEMENT AND CONTROL IN 2018

In 2018, the Board received a confirmation from the management on the effectiveness of the Company's risk management and internal control systems.

During the Year, the risk management of the Company focused on monitoring material risks, improving the level of basic management and strengthening compliance management in order to reorganise the Company under its current situation. Through strengthening the internal supervision and inspection, carrying out annual material risk assessment, planning, supervising and implementing the risk management and control strategies, these measures further enhanced the Company's risk prevention capabilities and safeguarded its ability to operate stably and develop sustainably. In 2018, the Company established a synergy mechanism for risk minimisation and elimination. It adhered to the prioritising compliance values, established a more systemic and coordinated risk prevention and control system as well as achieved the integration of ongoing supervision and independent assessment. The Group reports on the risk management and control as follows:

二零一八年度重大風險管控情況

二零一八年，董事會已取得管理層對本公司風險管理及內部監控系統有效性的確認函。

本年度公司風險管理工作以管控重大風險、提升基礎管理水平、加強合規管理工作為重點，立足公司重組現狀，結合公司實際，通過加強內控監督檢查，開展年度重大風險評估、風險管控策略制定與監督落實，進一步增強了公司風險防範能力，保障公司穩健經營、持續發展。二零一八年，公司建立風險降級消除的協同機制。堅持合規優先的價值理念，增強風險防控的系統性和協同性。實現持續監督與獨立評估相綜合，現將風險管控工作彙報如下：

MARKET RISK

The Group enhanced the protection on the operations of the natural gas market, achieved a balance between the demand and supply of resources, closely followed the promulgated policies, promoted the smooth progress of natural gas business, coordinated and carried out orderly market development and continued to optimise its customer structure. The Group strengthened its upstream and downstream coordination, refined the plans for LNG unloading, gasification and entrucking and enhanced the operating capacity of plants, and thus fully demonstrated the emergency peaking capability of terminals.

The Group broadened the resource procurement channels for the liquified gas market and expanded its business scale. It also actively developed the import business, and the import volume grew rapidly. The Group strengthened its efforts in the construction of terminal network. It improved its communication and coordination as well as market research and analysis, and comprehensively implemented the all-level pricing strategy and benchmark management based on the classification of product groups, mode of transport, sales regions and customer differentiation. The Group placed emphasis on the guidance of implementing market strategies and obtained satisfactory results, which effectively enhanced its capability to expand the market.

PROJECT MANAGEMENT RISKS

The Group set up a construction management committee and joined the China Association of Petroleum Engineering and Construction (中國石油工程建設協會). It prepared 15 procedural documents, 68 operation documents, 74 document templates, achieved the "construction unit checklist management", carried out two-level checklist inspection and assessment, and organised two specialized trainings and five project on-site conference trainings. The Group also formed a major construction project management centre, improved the team of construction experts, redeployed experts of and outside the field and the quality supervision station to participate in thorough inspection of construction works, hence effectively improved the quality of construction projects.

市場風險

持續強化天然氣市場運行保障，實現資源供需平衡，並緊密跟蹤政策出台，推動天然氣推順價工作，協調有序開發市場，持續優化客戶結構。強化上下游協調聯動，細化LNG接卸和氣化裝車計劃，提高工廠開工率，充分發揮接收站應急調峰主力軍作用。

擴大液化氣市場資源採購渠道，提升業務規模。積極開展進口業務，進口量快速增長。加大終端網絡建設力度。加強溝通協調，做好市場研判，全面實施按產品組分、運輸方式、銷售區域和客戶類別的差異化梯次定價策略和對標管理。做好日營銷策略指導，取得較好的效果，有效提升終端市場拓展能力。

工程管理風險

成立工程建設管理委員會，加入中國石油工程建設協會，建立了15個程序性文件、68個作業文件，74個文件模板，實現「建設單位清單式管理」，兩級機關清單式檢查考核，組織集中培訓2次，項目現場會議培訓5次，亦成立重大工程項目管理中心，完善工程建設專家庫，抽調行業內、外專家及質量監督總站參與工程全面檢查，有效提高工程項目質量。

HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION RISKS

The Group entered into safety and environmental protection responsibility agreements at various levels, promoted the compliance of the safety production responsibilities, and strengthened the employees' ability to perform safety and environmental protection responsibilities. It introduced the leader coordination mechanism, in which leaders have the responsibility to carry out on-site supervision and assessment. The Group also developed and introduced eight management systems and promoted root problem solving approaches. The Group enhanced efforts in the monitoring of hazardous operations and improved the risk checklist and risk management and control measures. In 2018, a capitalised investment plan for the tackling of safety and environmental potential issues had been fully completed and a monthly reporting mechanism has been established in order to actively construct a prevention dual-mechanism for potential issues tackling and risk prevention and control.

健康安全環保風險

層層簽訂安全環保責任書，推進安全生產責任落實，強化安全環保履職能力提升。建立領導聯繫點機制，領導現場督查督辦，壓實考核責任。制訂並發佈實施8項管理制度，推動問題根源治理。加大危險作業監管力度，完善風險清單和風險管控措施。二零一八年，下達的安全環保隱患治理資本化投資計劃完成率100%，建立月報機制，積極構建隱患治理與風險防控雙重預防機制。

RISK OF PRODUCTION INTERRUPTION AND PRODUCTION CAPACITY MISMATCH

The Company continued to strengthen daily superintendence management, promoted professional management and control. During the year, the Group supervised the policing and inspection of major sites through video surveillance for 2,325 times, and the important production and operation monitoring ratio reached 100%; the dispatch ratio of emergencies reached 100%; and the execution rate of dispatch orders reached 100%; and the Group also strengthened the pipeline integrity management. Moreover, the Group activated 11 second-level units and carried out the integrity management for 44 pipelines. The Group set up a process equipment management HSE committee to provide assurance on organisational system for the prevention of production interruption and production capacity mismatch.

生產中斷與產能不匹配風險

公司持續加強日常監督管理，推進專業化管控。全年通過視頻監控主要場站巡檢情況2,325次，重要生產運行情況監控率100%；突發事件信息報送率100%，調度令執行率達到100%；並加強管道完整性管理。啟動11個二級單位、44條管道完整性管理工作。成立工藝設備管理HSE委員會，為防範生產中斷與產能不匹配提供組織制度保證。

INVESTMENT RISK

The Group was committed to regulating the project approval system. In line with the principles of tempo control, management regulation, risk regulation and prevention and progress amidst stability, the Group will not undertake and invest in projects which fail to meet the company efficiency standards. The Group vigorously developed the market and carried out multiple on-site project investigations to ensure the target market of the projects.

投資風險

著力規範項目審批制度。按照控制節奏、規範管理、規避風險、穩中求進的原則，對達不到公司效益標準的項目不立項，不投入。大力開展市場開發工作。多次赴現場調研項目，確定項目市場。

RISK OF HUMAN RESOURCES

The Group instructed the corresponding units to promote the project manager training schemes, established a project manager talent pool and selected potential project managers. The Group focused more on the productivity of young cadres and ensured effective control of the head count of mid-level management, hence through which, the professional structure and age structure improved significantly.

Regarding the material risks of 2019 confirmed in our assessments, all centralised management departments of the Company integrated the arrangements of major operations, set objectives and specified responsibilities for management and control, identified and ensured key business areas and important management sessions, refined management and control measures and actively promoted the implementation of material risk management.

人力資源風險

指導所屬單位推動項目經理培養計劃，建立項目經理人才庫，選拔項目經理培養人才。加大年輕幹部的使用，中層幹部總量得到有效控制，專業結構、年齡結構得到明顯改善。

針對評估確定的二零一九年度重大風險，公司各業務歸口管理部門結合重點工作安排，制定管控目標，明確管控責任，確認關鍵業務領域和重要管理環節，細化管控措施，積極推進重大風險管理落地。

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 2018 (the "Year").

昆侖能源有限公司(「本公司」)董事會(「董事會」)欣然提呈截至二零一八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。

BUSINESS REVIEW

業務回顧

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 15 to 24 of this annual report.

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15至24頁之主席報告。

(1) Business Strategy

According to the energy development plan in the PRC, the percentage of natural gas consumption to primary energy consumption structure in China is expected to reach 10% by 2020. It will reach approximately 440.0 billion cubic metres by 2025. The government of the PRC persists in promoting green development, constructing ecological civilisation, frequently implementing a series of policies, facilitating the transformation and upgrading of industries and actively and gradually fostering natural gas as one of the major energies in the contemporary clean energy system. With increasing efforts in the implementation of environmental policies, the demand of natural gas will maintain a robust growth momentum, and the demand will continue to exceed supply in the short run. In 2018, the government of the PRC issued the "Several Opinions on Promoting Coordinated and Stable Development of Natural Gas", speeded up the construction of a system for the production, supply, storage and sales of natural gas, and facilitated the coordination and stable development of natural gas. The relevant authorities successively released documents such as the "Circular on Straightening the Gas Station Price of Natural Gas Used for Residential Purpose"

(1) 發展戰略

按照國家能源發展規劃，中國天然氣在一次能源消費結構中佔比力爭在二零二零年達到10%。二零二五年將達到約4,400億立方米。中國政府堅持推進綠色發展，建設生態文明，密集出台一系列政策，助推產業轉型升級，積極將天然氣逐步培育為現代清潔能源體系主體能源之一。隨著環保政策落實力度進一步加大，天然氣需求仍將保持旺盛的增長勢頭，短期內將繼續維持供不應求的態勢。二零一八年，中國政府發佈《關於促進天然氣協調穩定發展的若干意見》，加快天然氣產供儲銷體系建設，促進天然氣協調穩定發展。有關部門陸續出台了《關於理順居民用氣門站價格的通知》、《關於加快儲氣設施建設和完善儲氣調峰輔助服務市場機制的意見》等文件，進一步推進天然氣市場化改革，同時實施《打贏藍天保衛戰三年行動計劃》，天然氣市場發展空間進一步擴大。交通運輸部出台《船舶載運危險貨物安全監督管理規定》，印發《關於深入推進水運行業應用液化天然氣的意見(徵求意見稿)》，明確了水上交通流域天然氣應用政策，將會極大

and "Opinions on Accelerating the Construction of Gas Storage Facilities and Improving the Market Mechanism of Gas Storage and Peaking Auxiliary Services", further promoted the reform of natural gas market, and at the same time, implemented the "Three-Year Action Plan for Defending the Blue Sky", hence further facilitated the expansion of the natural gas market. The Ministry of Transport issued the "Administrative Regulations on the Safety Supervision of Hazardous Goods Shipment" and published the "Opinions on Further Advancing the Application of LNG in the Waterborne Transportation Industry (Draft for Comment)", which specified the policy for the use of natural gas in the waterborne traffic, thus greatly promoting the Group's "Gasification of Yangtze River" and LNG utilisation of offshore vessels. The aforementioned favourable policies and the broad prospects for development of the above industry lay a solid foundation for relevant policies and development opportunities for the Group to continually and rapidly expand its natural gas business.

促進本集團「氣化長江」和近海船舶LNG替代。上述行業的利好政策和廣闊的發展前景為本集團天然氣事業的持續快速發展提供了有力的政策保障和發展契機。

In 2019, the Group will endeavour to seize opportunities in developing China's natural gas market, focus on retail sales development, continue to enhance its corporate values in order to get more returns to its shareholders.

二零一九年，本集團將致力把握中國天然氣市場的發展機遇，聚焦聚力終端市場開發，持續提升企業價值，為股東帶來更多回報。

(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.

(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。

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.

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

(3) Key relationships with stakeholders

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

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

The Group adheres to the principle of 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.

(3) 與利益相關者的主要關係

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

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

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

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 Company Limited ("PetroChina") and other independent third-party customers which are primarily industrial users of the Group's gas products. The ageing analysis and further details of the Group's accounts receivable are set out in Note 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.

本集團以市場為導向，密切監控其產品需求及協調其生產、運輸及市場活動，旨在為其客戶帶來更大價值。本集團已與主要客戶(包括中國石油天然氣股份有限公司(「中國石油」)及其他獨立第三方客戶(主要為本集團燃氣產品的工業用戶))建立長期關係。本集團應收賬款的賬齡分析及進一步詳情載列於綜合財務報表附註之附註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。

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.

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。

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.

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、泰王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。

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the Consolidated Statement of Comprehensive Income on pages 83 and 84.

A final dividend for the year ended 31 December 2017 of RMB21.0 cents per share amounting to approximately RMB1,742 million was paid during the Year. The Directors recommended the payment of a final dividend of RMB23.0 cents per share for the Year, totalling approximately RMB1,858 million.

業績及股息

本集團本年度之業績載於第83及84頁之綜合全面收益表。

本年度已派付截至二零一七年十二月三十一日止年度之末期股息每股21.0人民幣分，合共約人民幣1,742百萬元。董事會建議就本年度派發末期股息每股23.0人民幣分，合共約人民幣1,858百萬元。

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.

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。

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 87 and 88, and Note 28 in the Notes to the Consolidated Financial Statements respectively.

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87及88頁之綜合權益變動表及綜合財務報表附註之附註28。

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.

股本

本公司本年度內之股本變動詳情載於綜合財務報表附註之附註27。

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 31 December 2018 and 2017 were as follows:

本公司可供分派儲備

於二零一八年及二零一七年十二月三十一日，本公司可供分派儲備如下：

		2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Contributed surplus	實繳盈餘	**109**	109
Retained earnings	滾存盈利	**14,340**	15,477
		14,449	15,586

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.

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。

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.

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。

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.

購入、出售或贖回股份

本公司或其任何附屬公司於本年度概無購入、出售或贖回本公司任何股份。

DIRECTORS

The Directors of the Company during the Year are:

Executive Directors:

Mr 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 and appointed as Chief Financial Officer on 6 November 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

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）*
趙忠勛先生
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並於二零一八年十一月六日獲委任財務總監）*
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

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 55, 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 (Stock Code: 00857.HK), 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 natural gas industry.

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

現年五十五歲，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（股份代號：00857.HK）副總裁，同時兼任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，在中國石油與天然氣行業擁有逾30年的工作經驗。

凌先生自二零零一年六月起擔任中國石油新疆石油管理局副局長，自二零零四年八月起擔任西部管道有限責任公司董事長、執行董事、總經理，自二零零九年三月起擔任中國石油西部管道分公司總經理，自二零一三年十一月起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起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，自二零一六年九月起擔任天然氣銷售分公司副總經理及中油管道總經理。二零一七年十二月起任中國石油副總裁及中油管道董事長。

Mr Zhao Yongqi *(Chief Executive Officer)*

Aged 58, was appointed as a Chief Executive Officer in December 2013, appointed as an Executive Director in June 2014 and appointed as a President in March 2016.

Mr Zhao serves as the president of PetroChina Natural Gas Sales Branch Company and as the executive director and president of China Petroleum Hong Kong (Holding) Limited. 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 vice president of PetroChina North China Sales Company in December 1999, the president of PetroChina Inner Mongolia Sales Company in October 2004. He became the president of China Marine Bunker Co., Ltd. in November 2009, the president and an executive director of PetroChina Kunlun Gas Co., Ltd. in August 2011. He became the vice president of PetroChina Natural Gas Sales Branch Company (Natural Gas and Pipeline Branch Company) in November 2017. He has been serving as the president of PetroChina Natural Gas Sales Branch Company since October 2018. Mr Zhao was elected a representative to the 11th National People's Congress of the PRC in January 2008.

趙永起先生*（行政總裁）*

現年五十八歲，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，二零一六年三月獲任為總經理。

趙先生為中國石油天然氣銷售分公司總經理及中國石油天然氣香港有限公司執行董事、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。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總經理及執行董事。二零一七年十一月起任中國石油天然氣銷售分公司副總經理。二零一八年十月起任中國石油天然氣銷售分公司總經理。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。

Mr Zhao Zhongxun

Aged 53, was appointed as an Executive Director of the Company in May 2016.

Mr Zhao is currently the vice president 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 was appointed as the vice president 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 vice president of department of planning and programming of PetroChina since June 2007, the vice president of department of planning and programming of CNPC and PetroChina in May 2011.

趙忠勛先生

現年五十三歲，於二零一六年五月獲委任為本公司執行董事。

趙先生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、中國石油規劃部副總經理。

Mr Zhou Yuanhong

Aged 51, was appointed as an Executive Director on 12 January 2018.

Mr Zhou is currently vice president of M&A Department of CNPC and PetroChina and director of investee companies of CNPC and PetroChina. From May 2002, he was deputy head of finance division of PetroChina Natural Gas and Pipelines Branch Company. From August 2003, he was deputy head of equity management office under M&A Department of PetroChina. From April 2006, Mr Zhou was head of equity management office under M&A Department of CNPC and PetroChina. From July 2008, 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 vice president 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. He has been serving as the president of Strait Energy Industry Fund Management (Xiamen) Co., Ltd. (海峽能源產業基金管理(廈門)有限公司) and the executive president of Strait Energy Limited since November 2018.

周遠鴻先生

現年五十一歲，於二零一八年一月十二日獲委任為本公司執行董事。

周先生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。周先生自二零零二年五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。自二零一八年十一月兼任海峽能源產業基金管理(廈門)有限公司總裁，海峽能源有限公司執行總裁。

Mr Miao Yong *(Chief Financial Officer)*

Aged 46, was appointed as an Executive Director of the Company on 12 January 2018 and Chief Financial Officer of the Company on 6 November 2018.

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

繆勇先生*(財務總監)*

現年四十六歲，於二零一八年一月十二日獲委任為本公司執行董事，並於二零一八年十一月六日獲委任為本公司財務總監。

繆先生為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，在中國石油與天然氣行業擁有逾20年的工作經驗。自二零零九年七月起擔任中國石油財務部副總會計師，自二零一二年六月起擔任中國石油西南管道分公司總會計師，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 69, was appointed as an Independent Non-executive Director of the Company in 1998.

Mr Li 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 56, was appointed as an Independent Non-executive Director of the Company on 16 April 2004.

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

獨立非執行董事

李國星先生

現年六十九歲，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

現年五十六歲，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。

劉博士於企業融資積逾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，自二零一七年九月至二零一八年八月為海信家電集團股份有限公司(股份代號：921)之獨立非執行董事，自二零零八年一月起為宏華集團有限公司(股份代號：196)之獨立非執行董事，及自二零一六年七月起任信達國際控股有限公司(股份代號：111)之獨立非執行董事。自二零一七年五月起擔任新豐泰集團控股有限公司(股份代號：1771)之獨立非執行董事。自二零一八年八月起擔任亞美能源控股有限公司(股份代號：2686)之獨立非執行董事。以上五間公司之已發行股份均於香港聯合交易所有限公司(「聯交所」)上市。彼現亦為瑞銀證券有限責任公司之獨立董事。劉博士分別於一九八八年及一九九四年在英國劍橋大學經濟系先後獲得碩士和博士學位，並於一九八七年在英國巴斯大學獲得發展研究學碩士學位，並於一九八三年在西南財經大學(前稱為中國四川財經學院)獲得經濟學學士學位。

Mr Sun Patrick

Aged 60, was appointed as an Independent Non-executive Director of the Company on 18 February 2016.

Mr Sun is currently an independent non-executive director of Trinity Limited, Sihuan Pharmaceutical Holdings Group Ltd. and China NT Pharma Group Company 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 from 2013 to 2015.

Mr Sun was an independent non-executive director and non-executive chairman of Solomon Systech (International) Limited (2004-2015) and an independent non-executive director of China Railway Signal & Communication Corporation Limited (2015-2018), both of which are listed companies in Hong Kong. Before that, he was the senior country officer and head of investment banking for Hong Kong of JP Morgan Chase, group executive director and head of investment banking for Greater China at Jardine Fleming Holdings Limited. He was a member of the Takeovers & Mergers Panel and the Takeovers Appeal Committee of the Securities and Futures Commission, deputy convenor of the Listing Committee of the Stock Exchange and a council member of the Stock Exchange.

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

辛定華先生

現年六十歲，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。

辛先生現任利邦控股有限公司、四環醫藥控股集團有限公司及中國泰凌醫藥集團有限公司（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，並曾於二零一三年至二零一五年任其主席。

辛先生曾歷任Solomon Systech (International) Limited獨立非執行董事及非執行主席(2004-2015)及中國鐵路通信信號股份有限公司獨立非執行董事(2015-2018)（兩者皆於聯交所上市）。辛先生亦曾任摩根大通銀行香港區總裁兼香港投資銀行部主管，以及怡富控股有限公司集團執行董事兼大中華區投資銀行部主管。彼曾擔任證券及期貨事務監察委員會之收購及合併委員會以及收購上訴委員會委員、聯交所上市委員會副召集人以及聯交所理事會理事。

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

Company Secretary

公司秘書

Mr Cheng Cheng *(Vice President, Company Secretary)*

成城先生*（副總經理、公司秘書）*

Aged 51, 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.

現年五十一歲，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。

Mr Cheng is a senior economist and has over 30 years experience in the oil and gas industry in China including 3 years in Canada as vice president of CNPC International (Canada) Limited. Mr Cheng served as the vice president of Natural Gas Sales Branch Company since October 2018.

成先生為高級經濟師，在中國石油及天然氣行業擁有約三十年經驗，包括在加拿大之CNPC International (Canada) Limited擔任副總裁三年。成先生自二零一八年十月起任天然氣銷售分公司副總經理。

Chief Financial Officer

財務總監

Mr Miao Yong

繆勇先生

Aged 46, was appointed as an Executive Director of the Company on 12 January 2018 and Chief Financial Officer of the Company on 6 November 2018. Mr Miao's biography is set out on the page 64.

現年四十六歲，於二零一八年一月十二日獲委任為本公司執行董事，並於二零一八年十一月六日獲委任為本公司財務總監。繆先生之背景載於第64頁。

DIRECTORS' INTERESTS IN CONTRACTS

董事於合同之權益

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.

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

董事權益

As at 31 December 2018, 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.

於二零一八年十二月三十一日，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。

Ordinary Shares of HK$0.01 Each of the Company

本公司每股面值0.01港元之普通股

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

Note:

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

附註：

李國星先生持有之權益為於本公司普通股之好倉。

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.

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。

SHARE OPTIONS

The 2002 Share Option Scheme expired on 2 June 2012, there were no outstanding share options that remain exercisable by the Directors and/or employees of the Company under the 2002 Share Option Scheme.

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 2018 and 2017 and no share option was outstanding as at 31 December 2018.

購股權

二零零二年購股權計劃於二零一二年六月二日失效。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。

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。截至二零一八年及二零一七年十二月三十一日止年度並無授出新購股權，於二零一八年十二月三十一日，本公司沒有未行使之購股權。

SUBSTANTIAL SHAREHOLDERS' INTEREST IN SHARES

As at 31 December 2018, 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

於二零一八年十二月三十一日，根據證券及期貨條例第336條規定由本公司存置之主要股東登記冊所示，本公司已獲通知下列主要股東擁有本公司已發行股本5%或以上之權益。該等權益為在上文就本公司董事及主要行政人員所披露者以外之權益。

Name 名稱	Number of Shares 股份數目 Direct Interest 直接權益	Number of Shares 股份數目 Indirect Interest 間接權益	Percentage of the total number of Shares in issue 股份總數佔已發行百分比
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」) [1]	–	4,708,302,133 (L) 4,708,302,133（好）	58.33%
PetroChina [1] 中國石油 [1]	–	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」) [2]	–	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:

(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).

(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.

附註：

(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.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 2018, 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，於二零一八年十二月三十一日，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 2018, 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.

於二零一八年十二月三十一日，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 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$6.80 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 2018 and there had been no other exercise of convertible securities, options, warrants or similar rights during the Year.

可換股證券、購股權、認股權證或類似權利

除購股權及附註31所載按轉換價每股6.80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，於二零一八年十二月三十一日，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。

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.

獨立非執行董事之委任

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

CONNECTED TRANSACTIONS

關連交易

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 2018 二零一八年產生之金額 RMB'million 人民幣百萬元	Annual cap for 2018 二零一八年年度上限 RMB'million 人民幣百萬元
(i)	Provision of products by the CNPC Group to the Group 中油集團向本集團提供產品	As disclosed in Company's announcement dated 29 November 2017 and circular dated 1 December 2017 於本公司日期為二零一七年十一月二十九日之公告及二零一七年十二月一日之通函中披露	32,913	37,945
(ii)	Provision of services by the CNPC Group to the Group 中油集團向本集團提供服務	As disclosed in the Company's announcement dated 29 November 2017 and circular dated 1 December 2017 於本公司日期為二零一七年十一月二十九日之公告及二零一七年十二月一日之通函中披露	4,432	11,495
(iii)	Provision of products by the Group to the CNPC Group 本集團向中油集團提供產品	As disclosed in the Company's announcement dated 29 November 2017 and circular dated 1 December 2017 於本公司日期為二零一七年十一月二十九日之公告及二零一七年十二月一日之通函中披露	4,477	7,217
(iv)	Provision of services by the Group to the CNPC Group 本集團向中油集團提供服務	As disclosed in the Company's announcement dated 29 November 2017 and circular dated 1 December 2017 於本公司日期為二零一七年十一月二十九日之公告及二零一七年十二月一日之通函中披露	16,058	16,547

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.

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。

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 225 to 228 of the Annual Report in accordance with Rule 14A.56 of the Listing Rules.

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説明第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225至228頁披露之持續關連交易之以下發現及結論。

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 announcement dated 29 November 2017 and circular dated 1 December 2017 with respect to the aggregated amount of each transaction involved.

獨立核數師並不知悉已披露持續關連交易：

(i) 未獲本公司董事會之批准；

(ii) 未遵守本公司之定價政策（倘交易涉及本集團提供貨品或服務）；

(iii) 未根據有關交易之協議條款進行；及

(iv) 就相關各項交易之總額而言，超逾於以往日期為二零一七年十一月二十九日之公告及二零一七年十二月一日之通函披露之上限。

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

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.

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。

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.

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。

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	52%
Percentage of revenue from sales of goods or rendering of services attributable to the Group's largest customer	19%
Percentage of revenue from sales of goods or rendering of services attributable to the Group's five largest customers	23%

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.

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	52%
本集團最大顧客佔銷售貨物或提呈服務之收入百分比	19%
本集團五大顧客佔銷售貨物或提呈服務之收入百分比	23%

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 RMB1,248,778.

捐款

本年度，本集團作出慈善及其他捐款共達人民幣1,248,778元。

EMOLUMENT POLICY

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

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

薪酬政策

本集團為僱員採納的薪酬政策由薪酬委員會根據僱員之特長、資歷及才能制定。

本公司董事及員工的酬金由薪酬委員會經考慮本公司的經營業績、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。

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.

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。

COMPETING BUSINESS

Save as disclosed below, as at 19 March 2019, 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).

競爭業務

除下述所披露者外，於二零一九年三月十九日，各董事或彼等各自之聯繫人士概無於與本集團業務有或可能有競爭之業務中擁有任何權益（倘各董事為控股股東，則須根據上市規則第8.10條予以披露）。

Name of Director 董事姓名	Name of company 公司名稱	Nature of interest 權益性質	Nature of competing business 競爭業務性質
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 趙忠勛	PetroChina 中國石油	Vice President of Department of Planning and Programming 規劃計劃部副總經理	Exploration, development and product and marketing of crude oil and natural gas 原油及天然氣之勘探、開發與生產及市場推廣

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	Vice President of M&A Department 資本運營部副總經理	Exploration, development and product and marketing of crude oil and natural gas 原油及天然氣之勘探、開發與生產及市場推廣
Miao Yong 繆勇	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, 19 March 2019

香港，二零一九年三月十九日

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

(Incorporated in Bermuda with limited liability)

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)

OPINION

We have audited the consolidated financial statements of Kunlun Energy Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 83 to 245, which comprise the consolidated statement of financial position as at 31 December 2018, 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 2018 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.

意見

本核數師(以下簡稱「我們」)已審核列載於第83頁至第245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二零一八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　貴集團於二零一八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。

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.

意見的基礎

我們已根據香港會計師公會頒布的《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布的《專業會計師道德守則》(「守則」)以及我們對百慕達綜合財務報表的審計相關的道德要求，我們獨立於　貴集團，並已履行這些道德要求以及守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

KEY AUDIT MATTERS

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

關鍵審計事項

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

Assessing impairment of liquefied natural gas ("LNG") processing plants
評估液化天然氣(「LNG」)加工廠的減值

Refer to Note 16 to the consolidated financial statements and the accounting policy 3(m)(ii) on pages 131 to 133.
請參閱綜合財務報表附註16及第131至133頁附註3(m)(ii)的會計政策

The key audit matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
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 2018. 由於LNG價格波動，管理層認為於二零一八年十二月三十一日　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 2018, the Group recognised impairment of RMB126 million in respect of construction in progress, in one of the Group's LNG processing plants. 截至二零一八年十二月三十一日止年度，　貴集團對一個LNG加工廠的在建工程確認減值人民幣126百萬元。 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。	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；

<table>
<tr><th colspan="2">Assessing impairment of liquefied natural gas ("LNG") processing plants
評估液化天然氣(「LNG」)加工廠的減值</th></tr>
<tr><td colspan="2">Refer to Note 16 to the consolidated financial statements and the accounting policy 3(m)(ii) on pages 131 to 133.
請參閱綜合財務報表附註16及第131至133頁附註3(m)(ii)的會計政策</td></tr>
<tr><th>The key audit matter
關鍵審計事項</th><th>How the matter was addressed in our audit
我們的審計如何處理該事項</th></tr>
<tr><td>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模型測算出的可收回金額後確定減值虧損(如有)。在運用折現現金流模型的過程中，管理層需就各項關鍵假設和數據(包括預測未來LNG銷售價格、生產成本和其他運營費用以及採用的折現率)作出重大判斷。</td><td>• comparing the forecast LNG selling prices with external market data;
• 將減值測試中的預測未來LNG銷售價格與市場數據進行比較；

• comparing key financial data, including revenue, production costs and expenses, in the cash flow forecasts with the budgets approved by the board of directors;
• 將減值測試中的關鍵數據(包括收入，生產成本和費用)與經董事會批准的預算中的數據進行比對；

• assessing whether the discount rates applied in the cash flow forecasts were within the range of those adopted by other companies in the same industry;
• 評估減值測試中採用的折現率是否在同行業內可比公司採用的合理範圍內；

• comparing the actual results for the current year with management's estimates in their cash flow forecasts prepared in the previous year to assess the historical accuracy of the management's forecasting process;
• 將本年度的實際結果與上一年準備的減值測試中的管理層估計進行比較，以評估過往管理層預測的準確性；</td></tr>
</table>

Refer to Note 16 to the consolidated financial statements and the accounting policy 3(m)(ii) on pages 131 to 133. *請參閱綜合財務報表附註16及第131至133頁附註3(m)(ii)的會計政策*	
The key audit matter **關鍵審計事項**	**How the matter was addressed in our audit** **我們的審計如何處理該事項**
We identified assessing impairment of LNG processing plants as a key audit matter because the impairment assessments involve the exercise of significant management judgement, particularly in forecasting LNG selling prices, production costs and expenses and in determining appropriate discount rates, all of which could be subject to management bias in their selection. 由於減值測試需要管理層作出重大判斷，尤其是針對未來LNG銷售價格、生產成本和費用的預測以及採用合適的折現率，因此減值測試結果有可能受到管理層偏向的影響，我們認定評估LNG加工廠的減值為本年的關鍵審計事項。	• performing sensitivity analyses of the key assumptions adopted by management, including forecast LNG selling prices, forecast production costs and expenses and the discount rates applied, to assess what changes thereto, either individually or collectively, would result in a different conclusion being reached and assessing whether there were any indicators of management bias in the selection of key assumptions; and • 對減值測試中管理層採納的各項關鍵假設，包括未來LNG銷售價格，生產成本和費用以及採用的折現率，進行敏感性分析，以評估關鍵假設變動單獨或滙總起來對減值測試結果的影響及在釐定各項關鍵假設的過程中是否存在任何管理層偏向的迹象；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.

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。

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.

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。

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

董事就綜合財務報表須承擔的責任

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.

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。

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.

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。

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

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。

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

核數師就審計綜合財務報表承擔的責任

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.

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。

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

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。

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

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：

– 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.

– 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。

– 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對　貴集團內部控制的有效性發表意見。

– 評估董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

– 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對　貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提醒使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致　貴集團不能持續經營。

– Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

– Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

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

KPMG
Certified Public Accountants

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

19 March 2019

— 評估綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。

— 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們只為審計意見承擔責任。

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

我們還向審核委員會提交聲明，説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。

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

出具本獨立核數師報告的審計項目合夥人是李威信。

畢馬威會計師事務所
執業會計師

香港中環
遮打道十號
太子大廈八樓

二零一九年三月十九日

Consolidated Statement of Comprehensive Income
綜合全面收益表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		Note 附註	2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Revenue	收入	6	**105,470**	88,706
Other (losses)/gains, net	其他(虧損)/收益,淨額	7	**(259)**	1,335
Interest income	利息收入	8	**295**	211
Purchases, services and others	採購、服務及其他		**(78,249)**	(64,145)
Employee compensation costs	僱員酬金成本	9	**(4,845)**	(4,329)
Depreciation, depletion and amortisation	折舊、損耗及攤銷		**(6,189)**	(5,651)
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	16	**(420)**	(604)
Selling, general and administrative expenses	銷售、一般性和管理費用		**(3,389)**	(3,448)
Taxes other than income taxes	除所得稅以外之稅項		**(468)**	(441)
Interest expenses	利息支出	10	**(1,130)**	(1,145)
Share of profits less losses of:	應佔溢利減虧損:			
– Associates	– 聯營公司		**858**	767
– Joint ventures	– 合資企業	19	**311**	224
Profit before income tax expense	**除所得稅費用前溢利**	11	**11,985**	11,480
Income tax expense	所得稅費用	13	**(3,772)**	(3,531)
Profit for the year	**年內溢利**		**8,213**	7,949
Other comprehensive income:	**其他全面收益:**			
Item that will not be reclassified to profit or loss:	不可重新分類至損益之項目:			
– Fair value loss on other financial assets (non-recycling), net of tax	– 其他金融資產之公平值虧損(不可轉回至損益),扣除稅項後		**(127)**	–
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:	– 財務報表換算之匯兑差額,扣除零稅項後:			
– Subsidiaries	– 附屬公司		**120**	9
– Associates	– 聯營公司		**(68)**	(18)
– Joint ventures	– 合資企業		**63**	(66)
– Fair value loss on available-for-sale financial assets (recycling), net of tax	– 可供出售金融資產之公平值虧損(可轉回至損益),扣除稅項後		**–**	(139)
Other comprehensive income for the year	**年內其他全面收益**		**(12)**	(214)
Total comprehensive income for the year	**年內全面收益總額**		**8,201**	7,735

Consolidated Statement of Comprehensive Income
綜合全面收益表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		Note 附註	2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Profit for the year attributable to:	年內應佔溢利：			
– Owners of the Company	– 本公司股東		**4,634**	4,760
– Non-controlling interests	– 非控制性權益		**3,579**	3,189
			8,213	7,949
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		**4,654**	4,601
– Non-controlling interests	– 非控制性權益		**3,547**	3,134
			8,201	7,735
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）		**57.41**	58.97
– Diluted (RMB cent)	– 攤薄（人民幣分）		**54.68**	56.21

Note: The Group has initially applied HKFRS 9 and HKFRS 15 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See Note 3(z).

附註： 於二零一八年一月一日，本集團已初步應用香港財務報告準則第9號及香港財務報告準則第15號。根據所選的過渡方法，可比較資料並無重列。請參閱附註3(z)。

The notes on pages 91 to 245 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91至245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 2018 於二零一八年十二月三十一日

		Note 附註	2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Assets	**資產**			
Non-current assets	**非流動資產**			
Property, plant and equipment	物業、廠房及設備	16	**95,933**	95,735
Advanced operating lease payments	預付經營租賃款	17	**3,872**	3,782
Investments in associates	於聯營公司之投資	18	**4,124**	3,515
Investments in joint ventures	於合資企業之投資	19	**2,870**	1,918
Intangible and other non-current assets	無形及其他非流動資產	21	**1,889**	1,525
Deferred tax assets	遞延稅項資產	32	**1,242**	1,188
			109,930	107,663
Current assets	**流動資產**			
Inventories	存貨	23	**1,865**	1,559
Accounts receivable	應收賬款	24	**2,459**	2,846
Prepaid expenses and other current assets	預付款及其他流動資產	25	**5,859**	6,640
Cash and cash equivalents	現金及現金等值項目	26	**20,474**	21,850
			30,657	32,895
Total assets	**總資產**		**140,587**	140,558
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	**25,362**	25,280
Other reserves	其他儲備	28	**17,277**	14,680
			42,704	40,025
Non-controlling interests	**非控制性權益**		**27,390**	25,600
Total equity	**總權益**		**70,094**	65,625

Consolidated Statement of Financial Position
綜合財務狀況表

As at 31 December 2018 於二零一八年十二月三十一日

		Note 附註	**2018 二零一八年 RMB'million 人民幣百萬元**	2017 二零一七年 RMB'million 人民幣百萬元
Liabilities	**負債**			
Current liabilities	**流動負債**			
Accounts payable and accrued liabilities	應付賬款及應計負債	29	**27,355**	26,569
Income tax payable	應付所得税	32	**794**	495
Other tax payable	其他應付税項		**464**	424
Short-term borrowings	短期借貸	30	**7,072**	11,805
Convertible bonds	可轉換債券	31	**3,306**	–
Obligations under finance leases	融資租賃承擔		**150**	158
			39,141	39,451
Non-current liabilities	**非流動負債**			
Long-term borrowings	長期借貸	30	**28,163**	29,296
Convertible bonds	可轉換債券	31	**–**	3,230
Deferred tax liabilities	遞延税項負債	32	**1,292**	1,075
Obligations under finance leases	融資租賃承擔		**53**	193
Other liabilities	其他負債		**1,844**	1,688
			31,352	35,482
Total liabilities	**總負債**		**70,493**	74,933
Total equity and liabilities	**權益及負債總額**		**140,587**	140,558
Net current liabilities	**流動負債淨值**		**(8,484)**	(6,556)
Total assets less current liabilities	**總資產減流動負債**		**101,446**	101,107

Approved and authorised for issue by the board of directors on 19 March 2019.

於二零一九年三月十九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

Note: The Group has initially applied HKFRS 9 and HKFRS 15 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See Note 3(z).

附註：於二零一八年一月一日，本集團已初步應用香港財務報告準則第9號及香港財務報告準則第15號。根據所選的過渡方法，可比較資料並無重列。請參閱附註3(z)。

The notes on pages 91 to 245 form part of these financial statements.

第91至245頁的附註構成本財務報表之一部分。

		Note 附註	Attributable to owners of the Company 本公司股東應佔 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	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
Balances at 1 January 2017	於二零一七年一月一日結餘		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)	–	–	(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

Consolidated Statement of Changes in Equity
綜合權益變動表

For the year ended 31 December 2018 截至二零一八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 1 January 2018 (Note)	於二零一八年一月一日結餘(附註)		65	25,280	14,680	40,025	25,600	65,625
Impact on initial application of HKFRS 9	香港財務報告準則第九號在首次應用之影響	3(z)	-	(234)	-	(234)	-	(234)
Adjusted balances at 1 January 2018	於二零一八年一月一日結餘(調整後)		65	25,046	14,680	39,791	25,600	65,391
Changes in equity for 2018:	**二零一八年權益變動：**							
Profit for the year	年內溢利		-	4,634	-	4,634	3,579	8,213
Other comprehensive income	其他全面收益		-	-	20	20	(32)	(12)
Total comprehensive income for the year	年內全面收益總額		-	4,634	20	4,654	3,547	8,201
Transfer between reserves	儲備間轉撥		-	(2,576)	2,576	-	-	-
Final dividend for 2017	二零一七年末期股息	15	-	(1,742)	-	(1,742)	-	(1,742)
Acquisition from non-controlling interests	向非控制性權益收購		-	-	-	-	(20)	(20)
Dividend to non-controlling interests	屬於非控制性權益之股息		-	-	-	-	(2,891)	(2,891)
Capital contributions from non-controlling interests	非控制性權益之注資		-	-	-	-	1,878	1,878
Disposal of subsidiaries	處置附屬公司		-	-	-	-	(724)	(724)
Issue of shares upon conversion of convertible bonds	可轉換債券轉股所增發的股本	31	-	-	1	1	-	1
			-	(4,318)	2,577	(1,741)	(1,757)	(3,498)
Balances at 31 December 2018	**於二零一八年十二月三十一日結餘**		65	25,362	17,277	42,704	27,390	70,094

Note: The Group has initially applied HKFRS 9 and HKFRS 15 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See Note 3(z).

附註：於二零一八年一月一日，本集團已初步應用香港財務報告準則第9號及香港財務報告準則第15號。根據所選的過渡方法，可比較資料並無重列。請參閱附註3(z)。

The notes on pages 91 to 245 form part of these financial statements.

第91至245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 2018 截至二零一八年十二月三十一日止年度

		Note 附註	2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Cash flows from operating activities	**經營業務所得之現金流量**			
Profit for the year	年內溢利		**8,213**	7,949
Adjustments for:	調整：			
Income tax expense	所得税費用		**3,772**	3,531
Depreciation, depletion and amortisation	折舊、損耗及攤銷		**6,189**	5,651
Share of profits less losses of associates	應佔聯營公司溢利減虧損		**(858)**	(767)
Share of profits less losses of joint ventures	應佔合資企業溢利減虧損		**(311)**	(224)
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	16	**420**	604
Impairment loss on intangible assets	無形資產減值虧損	21	**103**	–
Net losses on disposal of property, plant and equipment	出售物業、廠房及設備之虧損淨額		**10**	–
Net losses on disposal of subsidiaries	出售附屬公司之虧損淨額		**2**	–
Net exchange losses/(gains)	匯兑虧損／(收益)淨額		**758**	(609)
Interest income	利息收入		**(295)**	(211)
Interest expense	利息支出		**1,130**	1,145
Changes in working capital:	營運資金變動：			
Accounts receivable	應收賬款		**(170)**	112
Prepaid expenses and other current assets	預付款以及其他流動資產		**33**	(580)
Inventories	存貨		**(379)**	(317)
Accounts payable and accrued liabilities	應付賬款及應計負債		**1,654**	997
Other tax payable	其他應付税項		**40**	(256)
Cash generated from operations	**經營產生之現金**		**20,311**	17,025
Income tax paid	已付所得税		**(3,293)**	(3,738)
Net cash generated from operating activities	**經營業務產生之現金淨額**		**17,018**	13,287

Consolidated Statement of Cash Flows
綜合現金流量表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		Note 附註	2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Cash flows from investing activities	**投資業務所得之現金流量**			
Dividends received from associates	自聯營公司收取之股息		**470**	329
Dividends received from joint ventures	自合資企業收取之股息		**259**	160
Acquisition of subsidiaries	收購附屬公司		**–**	(1,547)
Acquisition of joint ventures	收購合資企業		**(325)**	(637)
Capital contributions to associates	向聯營公司注資		**(442)**	(207)
Capital contributions to a joint venture	向一間合資企業注資		**(7)**	–
Proceeds from disposal of advance operating lease payments	出售預付經營租賃款之所得款項		**63**	139
Proceeds from disposal of associates	出售聯營公司之所得款項		**53**	10
Proceeds from disposal of subsidiaries	出售附屬公司之所得款項		**68**	–
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項		**604**	422
Decrease/(increase) in amount due from an intermediate holding company	應收中間控股公司款項減少／(增加)		**549**	(6)
Capital expenditure	資本開支		**(8,458)**	(12,330)
Interest received	已收利息		**267**	185
Loans to an associate	貸款予一間聯營公司		**(128)**	(173)
Loans repaid by third parties	第三方償還貸款		**27**	162
Net cash used in investing activities	**投資業務所用之現金淨額**		**(7,000)**	(13,493)
Cash flows from financing activities	**融資活動所得之現金流量**			
Capital contributions from non-controlling interests	非控制性權益注資		**1,726**	1,433
Dividends paid to owners of the Company	已付本公司股東股息	15	**(1,742)**	(522)
Dividends paid to non-controlling interests	已付非控制性權益股息		**(2,800)**	(5,205)
Increase in borrowings	借貸增加		**13,811**	26,377
Repayment of borrowings	償還借貸		**(20,348)**	(17,182)
Interest paid	已付利息		**(1,821)**	(1,438)
Capital element of finance lease rentals paid	已付融資租賃租金本金部份		**(145)**	(146)
Interest element of finance lease rentals paid	已付融資租賃租金利息部份		**(16)**	(24)
Acquisition from non-controlling interests	向非控制性權益收購		**(20)**	(16)
Net cash (used in)/generated from financing activities	**融資活動(所用)／產生之現金淨額**		**(11,355)**	3,277
(Decrease)/increase in cash and cash equivalents	**現金及現金等值項目之(減少)／增加**		**(1,337)**	3,071
Cash and cash equivalents at 1 January	**於一月一日之現金及現金等值項目**		**21,850**	19,165
Effect of foreign exchange rate changes	**匯率變動之影響**		**(39)**	(386)
Cash and cash equivalents at 31 December	**於十二月三十一日之現金及現金等值項目**	26	**20,474**	21,850

Note: The Group has initially applied HKFRS 9 and HKFRS 15 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See Note 3(z).

附註：於二零一八年一月一日，本集團已初步應用香港財務報告準則第9號及香港財務報告準則第15號。根據所選的過渡方法，可比較資料並無重列。請參閱附註3(z)。

The notes on pages 91 to 245 form part of these financial statements.

第91至245頁的附註構成本財務報表之一部分。

1 GENERAL INFORMATION

Kunlun Energy Company Limited (the "Company") is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited. Its ultimate holding company is China National Petroleum Corporation ("CNPC") which is a company established in the People's Republic of China (the "PRC"). The immediate holding company of the Company is 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 2018, PetroChina indirectly owned 58.33% (2017: 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。於二零一八年十二月三十一日，中國石油間接擁有本公司之58.33%股權(二零一七年：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」)、泰王國(「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、從事液化天然氣(「LNG」)加工與儲運業務及輸送天然氣。

1 GENERAL INFORMATION (CONTINUED)

As at 31 December 2018, the Company and its subsidiaries (together, the "Group") had two (2017: two) major production sharing arrangements, located in the PRC and Azerbaijan respectively. On 30 December 1997, the Group entered into an oil production sharing contract (the "Leng Jiapu Contract") to develop and produce crude oil in Liaohe, Liaoning Province, the PRC. In 2002, the Group acquired another production sharing arrangement to develop and produce crude oil in Azerbaijan. Further details in relation to the Leng Jiapu Contract and the Group's share of results and net assets in this arrangement are shown in Note 34.

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)

於二零一八年十二月三十一日,本公司及其附屬公司(統稱「本集團」)有兩(二零一七:兩)項主要產品分成安排,分別位於中國及阿塞拜疆。於一九九七年十二月三十日,本集團訂立一份油田產品分成合同(「冷家堡合同」),以於中國遼寧省遼河開採及生產原油。於二零零二年,本集團取得另一份產品分成安排,以於阿塞拜疆開採及生產原油。該冷家堡合同之其他詳情及本集團於該安排所佔之業績及淨資產載列於附註34。

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。

2 BASIS OF PREPARATION

(a) Statement of compliance

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

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3(z) 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 2018 comprise the Group and the Group's interest in associates and joint ventures.

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

2 編製基準

(a) 合規說明

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

香港會計師公會已頒佈於本集團之本會計期間首次生效或可供提早採納的若干新訂之香港財務報告準則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(z)。

(b) 財務報表編製基準

截至二零一八年十二月三十一日止年度之綜合財務報表包括本集團以及本集團於聯營公司及合資企業之權益。

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

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 2018, the Group had net current liabilities of RMB8,484 million. Notwithstanding the net current liabilities of the Group at 31 December 2018, 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。

於二零一八年十二月三十一日，本集團流動負債淨額為人民幣8,484百萬元。儘管本集團於二零一八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：

2 BASIS OF PREPARATION (CONTINUED)

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

(i) the Group expects to obtain credit facility from China Petroleum Finance Company Limited ("CP Finance"). On 7 March 2019, the Group obtained a credit facility of RMB20 billion from CP Finance covering a period ending 31 March 2020;

(ii) the Group expects to generate operating cash inflows in the future; and

(iii) the Directors consider that the Group could obtain financing from various sources of funding.

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

On 28 September 2017, PetroChina Kunlun Gas Co., Ltd. ("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 would 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。於二零一九年三月七日，本集團從中油財務取得截至二零二零年三月三十一日止期間的承諾信貸人民幣200億元；

(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中石油昆侖燃氣有限公司(「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。

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.

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。

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.

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。

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(p) and 3(q) 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之貸款及該等持有人的其他合約責任根據附註3(p)或3(q)按負債性質於綜合財務狀況表內呈列為金融負債。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

A listing of the Group's principal subsidiaries is set out in Note 40.

(b) Associates and joint ventures

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

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

3 主要會計政策(續)

(a) 附屬公司及非控制性權益(續)

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

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

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

本集團主要附屬公司名單載於附註40。

(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。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Associates and joint ventures (Continued)

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

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with any other long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

3 主要會計政策（續）

(b) 聯營公司及合資企業（續）

聯營公司或合資企業之投資乃根據權益法在綜合財務報表中列賬。根據權益法，投資初始以成本記賬，並經本集團在收購當日應佔被投資單位可識別淨資產公平值超出投資成本（如有）之金額調整。投資成本包括購買價、直接來自收購該投資的其他成本，及構成本集團股本投資一部分的於聯營公司或合資企業的任何直接投資。其後，該投資經本集團在收購後應佔被投資單位之淨資產及與該投資有關之任何減值虧損變動調整。收購當日超出成本之任何金額、本集團本年應佔被投資單位之收購後税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税後其他全面收益項目確認為其他全面收益。

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Associates and joint ventures (Continued)

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

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

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

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

Listings of the Group's principal associates and joint ventures are shown in Notes 41 and 42, respectively.

3 主要會計政策(續)

(b) 聯營公司及合資企業(續)

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

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

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

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

本集團主要聯營公司及合資企業之名單分別載於附註41及42。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Accounting for production sharing contracts

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

(i) its assets, including its share of any assets held jointly;

(ii) its liabilities, including its share of any liabilities incurred jointly;

(iii) its revenue from the sale of its share of the output arising from the joint operations;

(iv) its share of the revenue from the sale of the output by the joint operations; and

(v) its expenses, including its share of any expenses incurred jointly.

(d) Foreign currencies

(i) Functional currency

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

(ii) Translation of foreign currencies

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

3 主要會計政策(續)

(c) 分成合同之會計處理

分成合同構成共同經營業務。本集團須就其於共同經營業務的權益確認下列各項：

(i) 其資產，包括其分佔的共同持有的任何資產；

(ii) 其負債，包括其分佔的共同產生的任何負債；

(iii) 其來自出售其分佔的共同經營業務所出產產品的收益；

(iv) 其分佔的出售共同經營業務所出產產品的收益；及

(v) 其開支，包括其分佔的共同產生的任何開支。

(d) 外幣

(i) 功能貨幣

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

(ii) 外幣換算

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Foreign currencies (Continued)

(ii) Translation of foreign currencies (Continued)

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

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

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

3 主要會計政策（續）

(d) 外幣（續）

(ii) 外幣換算（續）

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Property, plant and equipment

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

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

The Group uses the following useful lives for depreciation purposes:

–	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.

3 主要會計政策（續）

(e) 物業、廠房及設備

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

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

本集團採用以下可使用年期用作折舊：

–	樓宇	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。

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.

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。

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Oil and gas properties

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

3 主要會計政策(續)

(f) 石油及天然氣物業

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Oil and gas properties (Continued)

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

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

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

3 主要會計政策(續)

(f) 石油及天然氣物業(續)

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

中國國土資源部是根據有關當局批准之儲量報告而向申請人發出生產許可證。

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Intangible assets

(i) Goodwill

Goodwill represents the excess of

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

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

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

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

3 主要會計政策(續)

(g) 無形資產

(i) 商譽

商譽指以下之差額：

(i) 已轉讓代價之公平值、於收購對象任何非控股權益之金額與本集團先前所持收購對象股權公平值之總和；與

(ii) 於收購日期應佔收購對象可識別資產及負債之公平值淨值。

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Intangible assets (Continued)

(ii) Other intangible assets

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

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

Both the period and method of amortisation are reviewed annually.

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

3 主要會計政策(續)

(g) 無形資產(續)

(ii) 其他無形資產

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

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

攤銷的年期及方法均每年審閱。

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Other investments in debt and equity securities

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

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

(A) Policy applicable from 1 January 2018

Investments other than equity investments

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

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

3 主要會計政策(續)

(h) 於債務及股本證券的其他投資

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

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

(A) 自二零一八年一月一日起適用之政策

於股本投資以外之投資

本集團所持有之非股本投資分類為以下其中之一種計量類別：

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(A) *Policy applicable from 1 January 2018 (Continued)*

Investments other than equity investments (Continued)

– fair value through other comprehensive income ("FVOCI") – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

– FVPL, if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

3 主要會計政策（續）

(h) 於債務及股本證券的其他投資（續）

(A) *自二零一八年一月一日起適用之政策（續）*

於股本投資以外之投資（續）

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

– 按公平值計入損益，倘若該投資不符合按攤銷成本或按公平值計入其他全面收益（可轉回至損益）計量之標準。該投資之公平值變動（包括利息）於損益內確認。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(A) Policy applicable from 1 January 2018 (Continued)

Equity investments

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

3 主要會計政策(續)

(h) 於債務及股本證券的其他投資(續)

(A) 自二零一八年一月一日起適用之政策(續)

股本投資

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(B) *Policy applicable prior to 1 January 2018*

Investments in securities held for trading were classified as financial assets measured at FVPL. Any attributable transaction costs were recognised in profit or loss as incurred. At the end of each reporting period the fair value was remeasured, with any resultant gain or loss being recognised in profit or loss.

Dated debt securities that the Group had the positive ability and intention to hold to maturity were classified as held-to-maturity securities. Held-to-maturity securities were stated at amortised cost (for impairment see Note 3(m)(i) – policy applicable prior to 1 January 2018).

Investments which did not fall into any of the above categories were classified as available-for-sale financial assets. At the end of each reporting period the fair value was remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve (recycling). Dividend income from equity investments and interest income from debt securities calculated using the effective interest method were recognised in profit or loss in accordance with the policies set out in Notes 3(s)(iv) and 3(s)(v), respectively. Foreign exchange gains and losses arising from debt securities were also recognised in profit or loss. When the investments were derecognised or impaired (see Note 3(m)(i) – policy applicable prior to 1 January 2018), the cumulative gain or loss recognised in equity was reclassified to profit or loss.

3 主要會計政策(續)

(h) 於債務及股本證券的其他投資(續)

(B) *於二零一八年一月一日前適用之政策*

持作買賣之證券投資分類為按按公平值計入損益計量之金融資產。任何應佔交易成本在產生時於損益確認。公平值於各報告期末重新計量,因而產生之任何收益或虧損於損益確認。

本集團擁有正面能力及意向持有至到期日之有期債務證券乃分類為持有至到期日之證券。持有至到期日之證券按攤銷成本列賬(就減值而言,見附註3(m)(i) – 於二零一八年一月一日前適用之政策)。

並不屬於以上任何類別之投資分類為可供出售金融資產。公平值於各報告期末重新計量,由此產生之任何收益或虧損乃於其他全面收益確認,並在權益之公平值儲備(可轉回至損益)中獨立累計。從股本投資所得之股息收入及以實際利率法計算從債務證券所得之利息收入分別按附註3(s)(iv)及3(s)(v)所載之政策於損益確認。因債務證券產生之匯兑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(見附註3(m)(i) – 於二零一八年一月一日前適用之政策),於權益中確認之累計損益會被重新分類至損益。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(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(m)(ii). 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.

3 主要會計政策(續)

(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。

(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(m)(ii)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。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Leased assets (Continued)

(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.

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

3 主要會計政策(續)

(i) 租賃資產(續)

(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。

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Contract assets and contract liabilities

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

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

3 主要會計政策（續）

(k) 合約資產及合約負債

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Contract assets and contract liabilities (Continued)

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

Policy prior to 1 January 2018

In the comparative period, contract balances were recorded for construction contracts at the net amount of costs incurred plus recognised profit less recognised losses and progress billings. These net balances were presented 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, under "Non-current other liabilities" or "Accounts payable and accrued liabilities" on a contract-by-contract basis. Progress billings not yet paid by the customer were included under "Accounts receivable". Amounts received before the related work was performed were presented as "Advances from customers" under "Accounts payable and accrued liabilities". These balances have been reclassified on 1 January 2018 as shown in Note 29 (see Note 3(z)(ii)).

(l) Accounts receivable

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

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

3 主要會計政策(續)

(k) 合約資產及合約負債(續)

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

二零一八年一月一日前的政策

在比較期間，建築合約的合約結餘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入賬。該等淨結餘按逐份合約基準分別在「非流動其他負債」或「應付賬款及應計負債」項下呈列為「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」。如附註29所示，該等結餘已於二零一八年一月一日重新分類(見附註3(z)(ii))。

(l) 應收賬款

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and impairment of assets

(i) Credit losses from financial instruments and contract assets

(A) Policy applicable from 1 January 2018

The Group recognises a loss allowance for ECL on financial assets measured at amortised cost (including cash and cash equivalents, accounts and other receivables and loans to an associate and joint ventures) and debt securities measured at FVOCI (recycling).

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

Measurement of ECLs

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

3 主要會計政策(續)

(m) 信貸虧損和資產減值

(i) 來自金融工具及合約資產的信貸虧損

(A) 自二零一八年一月一日適用之政策

本集團就按攤銷成本計量之金融資產之預期信貸虧損確認虧損撥備(包括現金及現金等值項目、應收賬款及其他應收款項以及貸款予一間聯營公司及合資企業)以及按公平值計入其他全面收益(可轉回至損益)計量之債務證券。

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

計量預期信貸虧損

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

(A) Policy applicable from 1 January 2018 (Continued)

Measurement of ECLs (Continued)

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

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

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

– variable-rate financial assets: current effective interest rate.

3 主要會計政策（續）

(m) 信貸虧損和資產減值（續）

(i) 來自金融工具及合約資產的信貸虧損（續）

(A) 自二零一八年一月一日適用之政策（續）

計量預期信貸虧損（續）

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

倘若貼現的影響重大，預期現金不足額將使用以下貼現率貼現：

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

– 浮動利率金融資產：當前的實際利率。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

(A) Policy applicable from 1 January 2018 (Continued)

Measurement of ECLs (Continued)

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

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

ECLs are measured on either of the following bases:

– 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and

– lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

3 主要會計政策(續)

(m) 信貸虧損和資產減值(續)

(i) 來自金融工具及合約資產的信貸虧損(續)

(A) 自二零一八年一月一日適用之政策(續)

計量預期信貸虧損(續)

於估計預期信貸虧損時考慮的最長期間為本集團承受信貸風險的最長合約期間。

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

預期信貸虧損基於下列其中一個基準計量:

– 12個月的預期信貸虧損:預計在報告日後12個月內可能發生的違約事件而導致的虧損;及

– 整個存續期的預期信貸虧損:預計該等採用預期信貸虧損模式的項目在整個存續期內所有可能發生的違約事件而導致的虧損。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

(A) Policy applicable from 1 January 2018 (Continued)

Measurement of ECLs (Continued)

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

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

3 主要會計政策（續）

(m) 信貸虧損和資產減值（續）

(i) 來自金融工具及合約資產的信貸虧損（續）

(A) 自二零一八年一月一日適用之政策（續）

計量預期信貸虧損（續）

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

(A) Policy applicable from 1 January 2018 (Continued)

Significant increases in credit risk

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

3 主要會計政策(續)

(m) 信貸虧損和資產減值(續)

(i) 來自金融工具及合約資產的信貸虧損(續)

(A) 自二零一八年一月一日適用之政策(續)

信貸風險顯著增加

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

(A) Policy applicable from 1 January 2018 (Continued)

Significant increases in credit risk (Continued)

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

– failure to make payments of principal or interest on their contractually due dates ;

– an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

– an actual or expected significant deterioration in the operating results of the debtor; and

– existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

3 主要會計政策（續）

(m) 信貸虧損和資產減值（續）

(i) 來自金融工具及合約資產的信貸虧損（續）

(A) 自二零一八年一月一日適用之政策（續）

信貸風險顯著增加（續）

特別是，在評估自初始確認後信貸風險是否顯著增加時，會考慮以下資料：

– 未能在合約到期日支付本金或利息；

– 金融工具外部或內部的信貸評級（如有）存在實際或預期的顯著惡化；

– 債務人經營業績存在實際或預期的顯著惡化；及

– 技術、市場、經濟或法律環境的現有或預測的改變對債務人履行其對本集團責任的能力構成重大不利影響。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

(A) Policy applicable from 1 January 2018 (Continued)

Significant increases in credit risk (Continued)

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

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

3 主要會計政策(續)

(m) 信貸虧損和資產減值(續)

(i) *來自金融工具及合約資產的信貸虧損(續)*

(A) 自二零一八年一月一日適用之政策(續)

信貸風險顯著增加(續)

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

(A) Policy applicable from 1 January 2018 (Continued)

Basis of calculation of interest income

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

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

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

– significant financial difficulties of the debtor;

– a breach of contract, such as a default or delinquency in interest or principal payments;

– it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;

3 主要會計政策(續)

(m) 信貸虧損和資產減值(續)

(i) 來自金融工具及合約資產的信貸虧損(續)

(A) 自二零一八年一月一日適用之政策(續)

利息收入的計算基礎

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

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

金融資產出現信貸減值的證據包括以下可觀察事件：

– 債務人面對重大財務困難；

– 違反合約，如拖欠或逾期償還利息或本金；

– 借款人有可能申請破產或需要進行其他財務重組；

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

(A) Policy applicable from 1 January 2018 (Continued)

Basis of calculation of interest income (Continued)

– significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or

– the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

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

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

3 主要會計政策(續)

(m) 信貸虧損和資產減值(續)

(i) 來自金融工具及合約資產的信貸虧損(續)

(A) 自二零一八年一月一日適用之政策(續)

利息收入的計算基礎(續)

– 技術、市場、經濟或法律環境的重大變動對債務人構成不利影響;或

– 因發行人的財務困難使證券的活躍市場消失。

撇銷政策

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

先前撇銷資產的後續撥回於撥回期間於損益內確認為減值撥回。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

(B) Policy applicable prior to 1 January 2018

Prior to 1 January 2018, an "incurred loss" model was used to measure impairment losses on financial assets not classified as at FVPL (e.g. accounts and other receivables and available-for-sale investments). Under the "incurred loss" model, an impairment loss was recognised only when there was objective evidence of impairment. Objective evidence of impairment included:

– significant financial difficulties of the debtor;

– a breach of contract, such as a default or delinquency in interest or principal payments;

– it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

– significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and

– a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

3 主要會計政策(續)

(m) 信貸虧損和資產減值(續)

(i) 來自金融工具及合約資產的信貸虧損(續)

(B) 於二零一八年一月一日前適用之政策

於二零一八年一月一日前,未分類作按公平值計入損益之金融資產(如應收賬款及其他應收款項及可供出售投資)按「已產生虧損」模式計量減值虧損。在「已產生虧損」模式下,減值虧損僅於客觀證據顯示減值時確認。減值之客觀證據包括:

– 債務人面對重大財務困難;

– 違約事件,如未繳付或延遲繳付利息或本金;

– 債務人可能將告破產或進行其他財務重組;

– 科技、市場、經濟或法律環境出現重大變動而對債務人產生不利影響;及

– 股本工具投資之公允價值大幅或持續下降至低於其成本值。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

(B) Policy applicable prior to 1 January 2018 (Continued)

If any such evidence existed, an impairment loss was determined and recognised as follows:

– For accounts and other receivables and other financial assets carried at amortised cost, impairment loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate, where the effect of discounting was material. This assessment was made collectively where these financial assets shared similar risk characteristics, such as similar past due status, and had not been individually assessed as impaired. Future cash flows for financial assets which were assessed for impairment collectively were based on historical loss experience for assets with credit risk characteristics similar to the collective group.

3 主要會計政策（續）

(m) 信貸虧損和資產減值（續）

(i) 來自金融工具及合約資產的信貸虧損（續）

(B) 於二零一八年一月一日前適用之政策（續）

倘存在減值證據，將按以下方式決定及確認減值虧損：

– 按攤銷成本列賬之應收賬款及其他應收款項及其他金融資產之減值虧損，按資產賬面值與估計未來現金流量現值之差額釐定，倘折現影響屬重大，則按金融資產原來實際利率貼現。倘此等金融資產具備類似風險特徵，例如類似逾期情況及並未單獨評估為減值，則有關評估會集體進行。集體評估減值之金融資產之未來現金流量，乃根據與整個類別信貸風險特徵類似之資產之過往虧損經驗得出。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

(B) Policy applicable prior to 1 January 2018 (Continued)

If in a subsequent period the amount of an impairment loss decreased and the decrease could be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss was reversed through profit or loss. A reversal of an impairment loss was only recognised to the extent that it did not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

3 主要會計政策（續）

(m) 信貸虧損和資產減值（續）

(i) 來自金融工具及合約資產的信貸虧損（續）

(B) 於二零一八年一月一日前適用之政策（續）

倘減值虧損在其後期間減少，且客觀上與減值虧損確認後發生之事件有關，則減值虧損會透過損益撥回。減值虧損之撥回不應使資產賬面值超過其在以往年度沒有確認任何減值虧損而應已釐定之金額方會確認。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

(B) Policy applicable prior to 1 January 2018 (Continued)

When the recovery of a trade debtor or other financial assets carried at amortised cost was considered doubtful but not remote, associated impairment losses were recorded using an allowance account. When the Group was satisfied that recovery was remote, the amount considered irrecoverable was written off against the gross carrying amount of those assets directly. Subsequent recoveries of amounts previously charged to the allowance account were reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly were recognised in profit or loss.

– For available-for-sale investments, the cumulative loss that had been recognised in the fair value reserve (recycling) was reclassified to profit or loss. The amount of the cumulative loss that was recognised in profit or loss was the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

3 主要會計政策（續）

(m) 信貸虧損和資產減值（續）

(i) 來自金融工具及合約資產的信貸虧損（續）

(B) 於二零一八年一月一日前適用之政策（續）

倘就以攤銷成本列賬的應收賬款或其他金融資產的可收回性被認為難以預料而並非微乎其微，則有關的減值虧損以撥備賬入賬。倘本集團確認可收回性微乎其微，則視為不可收回的金額直接於該等資產的賬面總值中撇銷。先前在撥備賬中計提的金額如其後被收回，其從撥備賬中撥回。撥備賬的其他變動及其後收回先前直接撇銷的金額均於損益中確認。

– 就可供出售投資而言，已在公平值儲備（可轉回至損益）確認之累計虧損重新分類至損益。在損益確認之累計虧損金額乃收購成本（扣除任何本金還款及攤銷）與現行公平值之差額，扣除任何先前就該資產於損益確認之減值虧損。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

(B) Policy applicable prior to 1 January 2018 (Continued)

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities were not reversed through profit or loss. Any subsequent increase in the fair value of such assets was recognised in other comprehensive income.

Impairment losses recognised in profit or loss in respect of available-for-sale debt securities were reversed if the subsequent increase in fair value could be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances were recognised in profit or loss.

3 主要會計政策(續)

(m) 信貸虧損和資產減值(續)

(i) 來自金融工具及合約資產的信貸虧損(續)

(B) 於二零一八年一月一日前適用之政策(續)

就可供出售股本證券而言，於損益確認之減值虧損不會通過損益撥回。該等資產公平值之任何其後增幅，於其他全面收益中確認。

倘公平值之其後增幅客觀上與減值虧損確認後發生之事件有關，則撥回可供出售債務證券於損益確認之減值虧損。於此等情況下，減值虧損之撥回於損益確認。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(ii) Impairment of other assets

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

- property, plant and equipment;
- oil and gas properties;
- advanced operating lease payments;
- intangible assets;
- goodwill; and
- investment in subsidiaries, associates and joint ventures in the Company's statement of financial position.

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

3 主要會計政策(續)

(m) 信貸虧損和資產減值(續)

(ii) 其他資產減值

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

- 物業、廠房及設備；
- 石油及天然氣物業；
- 預付經營租賃款項；
- 無形資產；
- 商譽；及
- 本公司財務狀況表中於附屬公司、聯營公司及合資企業之投資。

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(ii) *Impairment of other assets (Continued)*

– *Calculation of recoverable amount*

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

– *Recognition of impairment losses*

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

3 主要會計政策（續）

(m) 信貸虧損和資產減值（續）

(ii) *其他資產減值（續）*

– *計算可收回金額*

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

– *確認減值虧損*

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(ii) Impairment of other assets (Continued)

– *Reversals of impairment losses*

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

(iii) Interim financial reporting and impairment

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

(n) Convertible bonds

Convertible bonds that can be converted into ordinary shares at the option of the holder, where the number of shares to be issued is fixed, are accounted for as compound financial instruments, i.e. they contain both a liability component and an equity component.

3 主要會計政策(續)

(m) 信貸虧損和資產減值(續)

(ii) 其他資產減值(續)

– *撥回減值虧損*

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

(ii) 中期財務報告及減值

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

(n) 可轉換債券

可轉換債券可按持有人選擇權轉換為普通股,倘已釐定將予發行的股份數目,則入賬為複合金融工具,即其包含負債部分及權益部分。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Convertible bonds (Continued)

At initial recognition the liability component of the convertible bonds is measured at fair value based on the future interest and principal payments, discounted at the prevailing market rate of interest for similar non-convertible instruments. The equity component is the difference between the initial fair value of the convertible bonds as a whole and the initial fair value of the liability 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. 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 bonds are converted or redeemed.

If the bonds are 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 bonds are redeemed, the convertible bond equity reserve is released directly to retained earnings.

(o) Cash and cash equivalents

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

3 主要會計政策(續)

(n) 可轉換債券(續)

於初始確認時，可轉換債券之負債部分按公平值根據未來利息及本金還款計算，並按類似不可轉換工具之現行市場利率折現。權益部分為整體可轉換債券之初始公平值與負債部分之初始公平值之間之差額。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。

(o) 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兑換成可知數額之現金，並承受極低價值變動風險及於購入時三個月內到期之高流通性投資。現金及現金等值項目根據附註3(m)(i)所載之政策評估預期信貸虧損。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Accounts payable

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

(q) Borrowings

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

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the profit or loss in the period in which they are incurred.

Borrowings are classified as current liabilities unless the Group has unconditional rights to defer settlements of the liabilities for at least 12 months after the end of the reporting period.

(r) 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) 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。

(q) 借貸

借貸初步按公平值減交易成本計量。於初步確認後，計息借貸則採用實際利率法按攤銷成本列賬。

直接來自收購、興建或生產合資格資產且該等資產需經較長時間方會達至預定可使用或出售狀態之一般及特定借貸成本，計入該等資產之成本，直至大致上達至其預定可使用或出售狀態為止。

所有其他借貸成本於其產生期間於損益中確認。

借貸乃分類為流動負債，除非本集團擁有無條件權利可延後償付負債至於報告期末後至少12個月則作別論。

(r) 稅項

期間所得稅費用包括當期及遞延稅項。稅項於損益內確認，惟如與於其他全面收益或直接於權益確認之項目有關，稅項亦分別於其他全面收益或直接於權益中確認。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) 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）

(r) 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。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) 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.

(s) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

3 主要會計政策(續)

(r) 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。

(s) 收入及其他收益

當收益產生自本集團日常業務過程中之貨品銷售、提供之服務或他人使用本集團租賃資產，則本集團會將該收益分類為收入。

收入在產品或服務之控制權轉讓予客戶或在承租人有權使用該資產時獲確認，金額為本集團預期有權收取之承諾代價，不包括代表第三方收取之有關金額。收入不包括增值稅或其他銷售稅，並扣減任何貿易折扣。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Revenue and other income (Continued)

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Sales of goods

Revenue is recognised when the customer takes possession of and accepts the products. If the products are a partial fulfilment of a contract covering other goods and/or services, then the amount of revenue recognised is an appropriate proportion of the total transaction price under the contract, allocated between all the goods and services promised under the contract on a relative stand-alone selling price basis.

3 主要會計政策（續）

(s) 收入及其他收益（續）

倘合約載有向客戶提供超過12個月重大融資利益之融資部分，則收入按應收金額之現值計量，並使用於與客戶之個別融資交易中反映之折現率折現，而利息收入按實際利率法獨立累計。倘合約載有向本集團提供重大融資利益之融資部分，則根據該合約確認之收入包括按實際利率法計算之合約責任所產生之利息開支。本集團運用香港財務報告準則第15號第63段之實際權宜方法，當融資期限為12個月或以下時，則不會就重大融資部分之任何影響調整代價。

關於本集團之收入及其他收益確認政策之進一步詳情如下：

(i) 銷售貨品

收入於客戶管有並接納產品時獲確認。倘產品屬部分履行涵蓋其他貨品及／或服務之合約，則確認之收入金額為合約項下總交易價之適當比例，按相對獨立售價基準根據合約協定之全部貨品及服務之間分配。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Revenue and other income (Continued)

(ii) *Rendering of services*

The Group's revenue from rendering of services is primarily attributable to provision of natural gas pipeline transmission services and LNG gasification and unloading services. Revenue from the rendering of these services is recognised in the profit or loss when control over these services is transferred to the customer upon transmission of the natural gas or the gasification or unloading of LNG.

(iii) *Construction contracts*

A contract with a customer is classified by the Group as a construction contract when the contract relates to work on assets under the control of the customer and therefore the Group's construction activities create or enhance an asset under the customer's control.

When the outcome of a construction contract can be reasonably measured, revenue from the contract is recognised progressively over time using the cost-to-cost method, i.e. based on the proportion of the actual costs incurred relative to the estimated total costs.

The likelihood of the Group earning contractual bonuses for early completion or suffering contractual penalties for late completion are taken into account in making these estimates, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

3 主要會計政策(續)

(s) 收入及其他收益(續)

(ii) *提供服務*

本集團提供服務之收入源於提供管道輸送天然氣服務及LNG氣化及卸載服務。提供該等服務之收入於完成輸送天然氣或LNG氣化或卸載後，將該等服務之控制權轉讓予客戶時在損益表內確認。

(iii) *建築合約*

倘與客戶訂立之合約關乎受客戶控制之資產之工程，並因而本集團之建築活動創立或提升受客戶控制之資產，則本集團將該合約分類為建築合約。

當建築合約之結果能合理計量時，則合約之收入採用成本比例法(即按已產生之實際成本相對於估計總成本之比例為基準)隨時間累進確認。

在作出此等估計時，會計及本集團因提前完工而獲得合約獎勵或因延遲完工而蒙受合約罰款之可能性，因此，收入僅於已確認累計收入金額不太可能出現重大撥回之情況下獲確認。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Revenue and other income (Continued)

(iii) Construction contracts (Continued)

When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

Revenue for construction contracts was recognised on a similar basis in the comparative period under HKAS 11.

(iv) Dividends

– Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

– Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(v) Interest income

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see Note 3(m)(i)).

3 主要會計政策(續)

(s) 收入及其他收益(續)

(iii) 建築合約(續)

當建築合約之結果不能合理計量時，則收入金額僅按預計可收回之所產生之合約成本確認。

建築合約之收入根據香港會計準則第11號於比較期間按類似基準確認。

(iv) 股息

– 非上市投資之股息收入則於確立股東收取股息之權利時確認。

– 上市投資之股息收入乃於有關投資以除息基準報價之時確認。

(v) 利息收入

利息收入於應計時採用實際利率法確認。就按攤銷成本或按公平值計入其他全面收益(可轉回至損益)計量且並無信貸減值之金融資產而言，實際利率應用於資產之總賬面值。就信貸減值之金融資產而言，實際利率應用於資產之攤銷成本(即總賬面值減虧損撥備)(見附註3(m)(i))。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Government grants

Government grants are the gratuitous monetary assets or non-monetary assets that the Group receives from the government, excluding capital injection by the government as an investor. Special funds such as investment grants allocated by the government, if clearly defined in official documents as part of "capital reserve" are dealt with as capital contributions, and not regarded as government grants.

Government grants are recognised when there is reasonable assurance that the grants will be received and the Group is able to comply with the conditions attaching to them. Government grants in the form of monetary assets are recorded based on the amount received or receivable, whereas non-monetary assets are measured at fair value.

Government grants received in relation to assets are recorded as deferred income, and recognised evenly in profit or loss over the assets' useful lives. Government grants received in relation to revenue are recorded as deferred income, and recognised as income in future periods as compensation when the associated future expenses or losses arise; or directly recognised as income in the current period as compensation for past expenses or losses.

3 主要會計政策(續)

(t) 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)

(u) 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.

(v) 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)

(u) 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。

(v) 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。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) 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)

(w) 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。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) 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)

(x) 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。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) 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.

(y) 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)

(x) 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。

(y) 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。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) Changes in accounting policies

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- HKFRS 9, *Financial instruments*
- HKFRS 15, *Revenue from contracts with customers*
- HK(IFRIC) 22, *Foreign currency transactions and advance consideration*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(i) HKFRS 9, Financial instruments

HKFRS 9 replaces HKAS 39, *Financial instruments: recognition and measurement*. It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The Group has applied HKFRS 9 retrospectively to items that existed at 1 January 2018 in accordance with the transition requirements. The Group has recognised the cumulative effect of initial application as an adjustment to the opening equity at 1 January 2018. Therefore, comparative information continues to be reported under HKAS 39.

3 主要會計政策（續）

(z) 會計政策變動

香港會計師公會已頒佈於本集團本會計期間首次生效的數項新訂香港財務報告準則及香港財務報告準則的修訂本。其中，下列發展與本集團的財務報表相關：

- 香港財務報告準則第9號「*金融工具*」
- 香港財務報告準則第15號「*來自客戶合約的收入*」
- 香港（國際財務報告詮釋委員會）詮釋第22號「*外幣交易及預付代價*」

本集團並無採用任何於本會計期間尚未生效的新準則或詮釋。

(i) 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號取代香港會計準則第39號「*金融工具：確認及計量*」。此準則載列金融資產、金融負債及部分非金融項目合約買賣的確認及計量要求。

本集團根據過渡規定追溯應用香港財務報告準則第9號於二零一八年一月一日時已存在的項目。本集團已確認首次應用的累計影響作為於二零一八年一月一日期初權益之調整。因此，根據香港會計準則第39號繼續呈報比較資料。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) Changes in accounting policies (Continued)

(i) HKFRS 9, Financial instruments (Continued)

The following table summarises the impact of transition to HKFRS 9 on retained earnings and reserves and the related tax impact as at 1 January 2018.

		RMB'million 人民幣百萬元
Retained earnings	**滾存盈利**	
Recognition of additional expected credit losses on accounts receivable	就應收賬款確認額外預期信貸虧損	(310)
Related tax	相關税項	76
Net decrease in retained earnings as at 1 January 2018	於二零一八年一月一日之滾存盈利減少淨額	(234)
Fair value reserve (recycling)	**公平值儲備（可轉回至損益）**	
Transferred to fair value reserve (non-recycling) relating to other financial assets now measured at FVOCI as at 1 January 2018	於二零一八年一月一日轉撥至當前按公平值計入其他全面收益計量之其他金融資產相關之公平值儲備（不可轉回至損益）	(167)
Fair value reserve (non-recycling)	**公平值儲備（不可轉回至損益）**	
Transferred from fair value reserve (recycling) relating to other financial assets now measured at FVOCI as at 1 January 2018	於二零一八年一月一日轉自當前按公平值計入其他全面收益計量之其他金融資產相關之公平值儲備（可轉回至損益）	167

Further details of the nature and effect of the changes to previous accounting policies and the transition approach are set out below:

3 主要會計政策（續）

(z) 會計政策變動（續）

(i) 香港財務報告準則第9號「金融工具」（續）

下表概述過渡至香港財務報告準則第9號對於二零一八年一月一日之滾存盈利及儲備之影響以及相關税務影響。

過往會計政策變動的性質及影響以及過渡方式的進一步詳情載列如下：

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) Changes in accounting policies (Continued)

(i) *HKFRS 9, Financial instruments (Continued)*

(a) *Classification of financial assets and financial liabilities*

HKFRS 9 categories financial assets into three principal classification categories: measured at amortised cost, at FVOCI and at FVPL. These supersede HKAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

Under HKFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are not separated from the host. Instead, the hybrid instrument as a whole is assessed for classification.

The following table shows the original measurement categories for each class of the Group's financial assets under HKAS 39 and reconciles the carrying amounts of those financial assets determined in accordance with HKAS 39 to those impacted by and determined in accordance with HKFRS 9.

3 主要會計政策(續)

(z) 會計政策變動(續)

(i) *香港財務報告準則第9號「金融工具」(續)*

(a) *金融資產及金融負債的分類*

香港財務報告準則第9號將金融資產分類為三個主要類別:按攤銷成本、按公平值計入其他全面收益及按公平值計入損益計量。這取代了香港會計準則第39號的持有至到期投資、貸款及應收款項、可供出售金融資產及按公平值計入損益計量的金融資產類別。根據香港財務報告準則第9號,金融資產的分類按管理金融資產的業務模式及其合約現金流的特性釐定。

根據香港財務報告準則第9號,倘若主合約為該準則範圍內之金融資產,則嵌入合約中的衍生工具不再從主合約中分割。取而代之,混合式金融工具須整體評估分類。

下表列示本集團各類金融資產根據香港會計準則第39號劃分之原有計量類別以及該等金融資產根據香港會計準則第39號釐定之賬面值與受香港財務報告準則第9號影響並按其所釐定之賬面值之對賬。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3 主要會計政策(續)

(z) Changes in accounting policies (Continued)

(z) 會計政策變動(續)

(i) HKFRS 9, Financial instruments (Continued)

(i) 香港財務報告準則第9號「金融工具」(續)

(a) Classification of financial assets and financial liabilities (Continued)

(a) 金融資產及金融負債的分類(續)

		HKAS 39 carrying amount as at 31 December 2017 於二零一七年十二月三十一日之香港會計準則第39號賬面值 RMB'million 人民幣百萬元	Reclassification 重新分類 RMB'million 人民幣百萬元	Remeasurement 重新計量 RMB'million 人民幣百萬元	HKFRS 9 carrying amount as at 1 January 2018 於二零一八年一月一日之香港財務報告準則第9號賬面值 RMB'million 人民幣百萬元
Financial assets carried at amortised cost	**按攤銷成本列賬之金融資產**				
Accounts receivable	應收賬款	2,846	–	(310)	2,536
Financial assets measured at FVOCI (non-recyclable)	**按公平值計入其他全面收益計量之金融資產(不可轉回至損益)**				
Other financial assets (note)	其他金融資產(附註)	–	352	–	352
Financial assets classified as available-for-sale under HKAS 39 (note)	**根據香港會計準則第39號分類為可供出售金融資產(附註)**	352	(352)	–	–

Note: Under HKAS 39, equity securities not held for trading were classified as available-for-sale financial assets. These equity securities are classified as at FVPL under HKFRS 9, unless they are eligible for and designated at FVOCI by the Group. As at 1 January 2018, the Group designated other financial assets at FVOCI (non-recycling), as the investment is held for strategic purposes. The amounts have been included in the consolidated statement of financial position under "Intangible and other non-current assets".

附註： 根據香港會計準則第39號，並非持作買賣用途之股本證券分類為可供出售金融資產。根據香港財務報告準則第9號，該等股本證券分類為按公平值計入損益，除非該等股本證券符合資格且由本集團指定其按公平值計入其他全面收益。於二零一八年一月一日，由於投資乃根據策略用途而持有，故本集團指定其他金融資產為按公平值計入其他全面收益(不可轉回至損益)。該金額已計入綜合財務狀況表內的「無形及其他非流動資產」。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) Changes in accounting policies (Continued)

(i) *HKFRS 9, Financial instruments (Continued)*

(a) Classification of financial assets and financial liabilities (Continued)

For an explanation of how the Group classifies and measures financial assets and recognises related gains and losses under HKFRS 9, see respective accounting policy notes in Notes 3(h), (l), (m)(i) and (o).

The measurement categories for all financial liabilities remain the same and the carrying amounts for all financial liabilities at 1 January 2018 have not been impacted by the initial application of HKFRS 9.

The Group did not designate or de-designate any financial asset or financial liability at FVPL at 1 January 2018.

3 主要會計政策（續）

(z) 會計政策變動（續）

(i) *香港財務報告準則第9號「金融工具」（續）*

(a) 金融資產及金融負債的分類（續）

有關本集團如何根據香港財務報告準則第9號分類及計量金融資產及確認相關收益及虧損之解釋，請各別參閱附註3(h)、(l), (m)(i)及(o)的會計政策附註。

所有金融負債之計量類別保持不變，以及於二零一八年一月一日之所有金融負債之賬面值並未受到首次應用香港財務報告準則第9號影響。

本集團於二零一八年一月一日並無指定或取消指定任何金融資產或金融負債為按公平值計入損益入賬。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) Changes in accounting policies (Continued)

(i) *HKFRS 9, Financial instruments (Continued)*

(b) Credit losses

HKFRS 9 replaces the "incurred loss" model in HKAS 39 with the ECL model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the "incurred loss" accounting model in HKAS 39.

The Group applies the new ECL model to financial assets measured at amortised cost (including cash and cash equivalents, accounts and other receivables and loans to an associate and joint ventures).

For further details on the Group's accounting policy for accounting for credit losses, see Note 3(m)(i).

3 主要會計政策(續)

(z) 會計政策變動(續)

(i) *香港財務報告準則第9號「金融工具」(續)*

(b) 信貸虧損

香港財務報告準則第9號以預期信貸虧損模式取代香港會計準則第39號的「已產生虧損」模式。預期信貸虧損模式要求對金融資產的相關信貸風險持續計量，所以確認預期信貸虧損會較香港會計準則第39號的「已產生虧損」會計模式為早。

本集團將新的預期信貸虧損模式應用於按攤銷成本計量之金融資產(包括現金及現金等值項目、應收賬款及其他應收款項以及向一間聯營公司與合資企業貸款)。

有關本集團就到賬信貸虧損之會計政策之進一步詳情，請參閱附註3(m)(i)。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3 主要會計政策(續)

(z) Changes in accounting policies (Continued)

(z) 會計政策變動(續)

(i) HKFRS 9, Financial instruments (Continued)

(i) 香港財務報告準則第9號「金融工具」(續)

(b) Credit losses (Continued)

(b) 信貸虧損(續)

The following table reconciles the closing loss allowance determined in accordance with HKAS 39 as at 31 December 2017 with the opening loss allowance determined in accordance with HKFRS 9 as at 1 January 2018.

下表列示於二零一七年十二月三十一日根據香港會計準則第39號釐定的期末虧損撥備與於二零一八年一月一日根據香港財務報告準則第9號釐定的期初虧損撥備之對賬。

		RMB' million 人民幣百萬元
Loss allowance as at 31 December 2017 under HKAS 39	於二零一七年十二月三十一日根據香港會計準則第39號釐定的虧損撥備	181
Additional credit loss recognised as at 1 January 2018 on accounts receivable	於二零一八年一月一日就應收賬款確認的額外信貸虧損	310
Loss allowance as at 1 January 2018 under HKFRS 9	於二零一八年一月一日根據香港財務報告準則第9號釐定的虧損撥備	491

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) Changes in accounting policies (Continued)

(i) HKFRS 9, Financial instruments (Continued)

(c) Transition

Changes in accounting policies resulting from the adoption of HKFRS 9 have been applied retrospectively, except as described below:

– Information relating to comparative periods has not been restated. Differences in the carrying amounts of financial assets resulting from the adoption of HKFRS 9 are recognised in retained earnings and reserves as at 1 January 2018. Accordingly, the information presented for 2017 continues to be reported under HKAS 39 and thus may not be comparable with the current period.

3 主要會計政策（續）

(z) 會計政策變動（續）

(i) 香港財務報告準則第9號「金融工具」（續）

(c) 過渡

採納香港財務報告準則第9號導致之會計政策變動已追溯應用，惟下文所述者除外：

– 有關比較期間的資料未經重列。採納香港財務報告準則第9號所產生的金融資產賬面值差異於二零一八年一月一日於滾存盈利及儲備內確認。因此，二零一七年呈列的資料繼續根據香港會計準則第39號報告，故未必能夠與當前期間作比較。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) Changes in accounting policies (Continued)

(i) *HKFRS 9, Financial instruments (Continued)*

(c) Transition (Continued)

– The following assessments have been made on the basis of the facts and circumstances that existed as at 1 January 2018 (the date of initial application of HKFRS 9 by the Group):

  – the determination of the business model within which a financial asset is held; and

  – the designation of investments in equity instruments not held for trading to be classified as at FVOCI (non-recycling).

– If, at the date of initial application, the assessment of whether there has been a significant increase in credit risk since initial recognition would have involved undue cost or effort, a lifetime ECL has been recognised for that financial instrument.

3 主要會計政策（續）

(z) 會計政策變動（續）

(i) *香港財務報告準則第9號「金融工具」（續）*

(c) 過渡（續）

– 以下評估乃根據二零一八年一月一日（本集團首次應用香港財務報告準則第9號當日）的事實及情況作出：

  – 釐定持有金融資產的業務模式；及

  – 將並非持作買賣用途之股本證券之投資指定為按公平值計入其他全面收益（不可轉回至損益）。

– 倘若於首次應用之日，評估信貸風險在初始確認後是否顯著增加將要花費過多的成本或勞力，則就該金融工具確認整個存續期預期信貸虧損。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) Changes in accounting policies (Continued)

(ii) HKFRS 15, Revenue from contracts with customers

HKFRS 15 establishes a comprehensive framework for recognising revenue and some costs from contracts with customers. HKFRS 15 replaces HKAS 18, *Revenue*, which covered revenue arising from sale of goods and rendering of services, and HKAS 11, *Construction contracts*, which specified the accounting for construction contracts.

HKFRS 15 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

(a) Timing of revenue recognition

Previously, revenue arising from construction contracts and provision of services was recognised over time, whereas revenue from sale of goods was generally recognised at a point in time when the risks and rewards of ownership of the goods had passed to the customers.

3 主要會計政策(續)

(z) 會計政策變動(續)

(ii) 香港財務報告準則第15號「來自客戶合約的收入」

香港財務報告準則第15號確立一個全面框架，以確認來自客戶合約的收入及若干成本。香港財務報告準則第15號取代香港會計準則第18號「*收入*」(涵蓋銷售貨品及提供服務所產生的收入)及香港會計準則第11號「*工程合同*」(訂明工程合同的會計處理方法)。

香港財務報告準則第15號亦引入額外之定性及定量披露規定，旨在讓財務報表使用者了解客戶合約所產生之收益及現金流量之性質、金額、時間及不確定性。

(a) 收入確認的時間

過往，工程合同及提供服務所產生的收入隨時間確認，而貨品銷售所產生的收入則通常於貨品所有權的風險及回報已轉移予客戶時方可確認。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) Changes in accounting policies (Continued)

(ii) HKFRS 15, Revenue from contracts with customers (Continued)

(a) Timing of revenue recognition (Continued)

Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. This may be at a single point in time or over time. HKFRS 15 identifies the following three situations in which control of the promised good or service is regarded as being transferred over time:

A. When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;

B. 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;

C. 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.

3 主要會計政策（續）

(z) 會計政策變動（續）

(ii) 香港財務報告準則第15號「來自客戶合約的收入」（續）

(a) 收入確認的時間（續）

根據香港財務報告準則第15號，當客戶取得合約中已承諾貨品或服務的控制權時，即可確認收入。收入可於某一時間點或隨時間確認。香港財務報告準則第15號確定以下三種情況為已承諾貨品或服務的控制權被視為隨時間轉移：

A. 當客戶於實體履約時同時接收及耗用實體履約所提供的利益時；

B. 當實體履約創建或改良一項於資產被創建或改良時由客戶控制的資產（如在建工程）時；

C. 當實體履約並無創建可供實體替代使用的一項資產，且該實體對於迄今已完成的履約付款具有可強制執行權時。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) Changes in accounting policies (Continued)

(ii) *HKFRS 15, Revenue from contracts with customers (Continued)*

(a) Timing of revenue recognition (Continued)

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 is considered in determining when the transfer of control occurs.

The adoption of HKFRS 15 does not have a significant impact on how the Group recognises revenue.

(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 of revenue recognition or significantly deferred.

Previously, the Group only applied such a policy when payments were significantly deferred, which was not common in the Group's arrangements with its customers. The Group did not apply such a policy when payments were received in advance.

3 主要會計政策（續）

(z) 會計政策變動（續）

(ii) *香港財務報告準則第15號「來自客戶合約的收入」（續）*

(a) 收入確認的時間（續）

倘若合約條款及實體活動並不屬於該三種情況中的任何一種，則根據香港財務報告準則第15號，實體於某一時間點（即控制權已轉移時）就銷售貨品或服務確認收入。擁有權風險及回報的轉移僅為於釐定控制權何時發生轉移時予以考慮的指標之一。

採納香港財務報告準則第15號不會對本集團確認收入的方式產生重大影響。

(b) 重大融資組成部分

香港財務報告準則第15號規定，當合約包括重大融資組成部分時，實體須就貨幣時間價值調整交易價格，而無論收取客戶付款是否較收入確認明顯提前或嚴重延期。

此前，本集團僅於付款大幅延期時（此在本集團與其客戶間的安排並不常見）採納此政策。本集團並無於提前收取付款時採納此政策。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) Changes in accounting policies (Continued)

(ii) *HKFRS 15, Revenue from contracts with customers (Continued)*

(b) *Significant financing component (Continued)*

It is not common for the Group to receive payments significantly in advance of revenue recognition in the Group's arrangements with its customers. The financing component would not be significant to the contract.

(c) *Presentation of contract assets and liabilities*

Under HKFRS 15, a receivable is recognised only if the Group has an unconditional right to consideration. If the Group recognises the related revenue (see Note 3(s)) before being unconditionally entitled to the consideration for the promised goods and services in the contract, then the entitlement to consideration is classified as a contract asset. Similarly, a contract liability, rather than a payable, is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue. For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis (see Note 3(k)).

3 主要會計政策（續）

(z) 會計政策變動（續）

(ii) *香港財務報告準則第15號「來自客戶合約的收入」（續）*

(b) *重大融資組成部分（續）*

在本集團與其客戶的安排中，本集團收取付款較收入確認大幅提前並不常見。融資部分對合約並不重大。

(c) *呈列合約資產及負債*

根據財務報告準則第15號，應收款項僅於本集團擁有無條件收取代價的權利時確認。倘若本集團在擁有就合約內承諾提供的貨品及服務無條件收取代價的權利前確認相關收入（見附註3(s)），則收取代價的權利被分類為合約資產。同樣地，在本集團確認相關收入前，合約負債（而非應付款項）於客戶支付代價或按合約規定須支付代價且款項已到期時確認。就與客戶的單一合約而言，呈列淨合約資產或淨合約負債。就多個合約而言，不相關合約的合約資產及合約負債概不以淨額基準呈列（見附註3(k)）。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) Changes in accounting policies (Continued)

(ii) HKFRS 15, Revenue from contracts with customers (Continued)

(c) Presentation of contract assets and liabilities (Continued)

Previously, contract balances were presented in the consolidated statement of financial position under "other liabilities" or "accounts payable and accrued liabilities".

To reflect these changes in presentation, the Group has made the following adjustments as at 1 January 2018, as a result of the adoption of HKFRS 15:

A. "Advances from customers" and "deferred income" amounting to RMB8,481 million and RMB400 million respectively, which were previously included in accounts payable and accrued liabilities are now included under "contract liabilities" in accounts payable and accrued liabilities; and

B. "Deferred income" amounting to RMB763 million, which was previously included in non-current other liabilities is now included under "non-current contract liabilities" in non-current other liabilities.

3 主要會計政策(續)

(z) 會計政策變動(續)

(ii) 香港財務報告準則第15號「來自客戶合約的收入」(續)

(c) 呈列合約資產及負債(續)

過往，合約結餘於綜合財務狀況表內之「其他負債」或「應付賬款及應計負債」呈列。

為在呈列中反映該等變動，本集團已於二零一八年一月一日因採納香港財務報告準則第15號而作出下列調整：

A. 過往計入應付賬款及應計負債之金額分別為人民幣8,481百萬元及人民幣400百萬元之「客戶墊款」及「遞延收入」當前計入應付賬款及應計負債內的「合約負債」；及

B. 過往計入非流動其他負債之金額為人民幣763百萬元之「遞延收入」當前計入非流動其他負債內的「非流動合約負債」。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) Changes in accounting policies (Continued)

(iii) HK(IFRIC) 22, Foreign currency transactions and advance consideration

This interpretation provides guidance on determining "the date of the transaction" for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) arising from a transaction in which an entity receives or pays advance consideration in a foreign currency.

The interpretation clarifies that "the date of the transaction" is the date on initial recognition of the non-monetary asset or liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the date of the transaction for each payment or receipt should be determined in this way. The adoption of HK(IFRIC) 22 does not have any material impact on the financial position and the financial result of the Group.

3 主要會計政策(續)

(z) 會計政策變動(續)

(iii) 香港(國際財務報告詮釋委員會)詮釋第22號「外幣交易及預付代價」

此詮釋為確定「交易日期」提供了指引，確定「交易日期」之目的是為了在實體以外幣收取或支付預付代價之交易中確定初始確認相關資產、支出或收入(或其一部分)時使用的匯率。

此詮釋釐清「交易日期」是指因支付或收取預付代價而產生的非貨幣性資產或負債的初始確認日期。倘若在確認相關項目前有多筆支付或收取的款項，則應以此種方式確定每筆款項支付或收取之交易日期。採納香港(國際財務報告詮釋委員會)詮釋第22號對本集團的財務狀況及財務業績並無任何重大影響。

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

4.1 Financial risk factors

Exposure to foreign exchange rate risk, credit risk, liquidity risk and interest rate risk arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks 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 財務風險管理及金融工具公平值

4.1 財務風險因素

本集團一般業務過程中涉及外匯風險、信貸風險、流動資金風險及利率風險承擔。本集團承擔該等風險的情況及本集團用於管理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。

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 Hong Kong dollar ("HK$") and US dollar.

The following table details the Group's exposure at the end of the reporting period to foreign exchange rate risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the year end date. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

4 財務風險管理及金融工具公平值(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(「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。

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)

		Exposure to foreign currencies (expressed in RMB) 外幣風險(以人民幣列示)			
		2018 二零一八年		2017 二零一七年	
		US dollar 美元 RMB'million 人民幣百萬元	**HK$ 港元 RMB'million 人民幣百萬元**	US dollar 美元 RMB'million 人民幣百萬元	HK$ 港元 RMB'million 人民幣百萬元
Accounts receivable and other current assets	應收賬款及其他流動資產	**-**	**10**	5	9
Cash and cash equivalents	現金及現金等值項目	**314**	**33**	360	216
Accounts payable and accrued liabilities	應付賬款及應計負債	**(29)**	**(10)**	(100)	(14)
Borrowings	借貸	**(7,676)**	**(4,859)**	(7,249)	(3,222)
Gross exposure arising from recognised assets and liabilities	已確認資產及負債產生之總風險	**(7,391)**	**(4,826)**	(6,984)	(3,011)

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。

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)。

		2018 二零一八年		2017 二零一七年	
		Increase/(decrease) in foreign exchange rates 匯率上升／(下降)	(Decrease)/increase in profit for the year and retained earnings RMB'million 年內溢利及滾存盈利(減少)／增加 人民幣百萬元	Increase/(decrease) in foreign exchange rates 匯率上升／(下降)	(Decrease)/increase in profit for the year and retained earnings RMB'million 年內溢利及滾存盈利(減少)／增加 人民幣百萬元
US dollar	美元	5%	(370)	5%	(349)
		(5%)	370	(5%)	349
HK$	港元	5%	(241)	5%	(151)
		(5%)	241	(5%)	151

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。

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)*

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 2017.

(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。有關分析乃採用二零一七年之相同基準進行。

(b) *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk arises primarily from accounts receivable.

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

(b) *信貸風險*

信貸風險指交易對手未能履行其合約責任而導致本集團蒙受財務損失之風險。本集團之信貸風險主要來自於應收賬款。

本集團大部分銀行現金及定期存款存放於中國國有銀行及金融機構,管理層相信,信貸風險為低。

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

4.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Depending on market conditions, debtors with balances that are past due over a certain period would be requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for accounts receivable at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is distinguished between the Group's different customer bases and separate the customer bases into the related parties and third parties. The management considered that the credit risk associated with accounts receivable from related parties is low, taking into account the financial position, past experience and other factors of the related parties. The expected credit loss rate for accounts receivable from related parties is immaterial under lifetime ECLs method. Thus, no loss allowance for accounts receivable from related parties was recognised.

4 財務風險管理及金融工具公平值（續）

4.1 財務風險因素（續）

(b) 信貸風險（續）

本集團對所有要求超過若干信貸金額之客戶進行個別信貸評估。該等評估集中於客戶過往償還到期賬項之記錄及目前之還款能力，並考慮客戶之特定資料以及客戶營運之經濟環境。視乎市況，欠款逾期超過一段時間之債務人須於清償所有結欠餘額後，方始獲授任何額外信貸。一般而言，本集團不要求客戶提供抵押品。

本集團按相等於整個存續期的預期信貸虧損（利用撥備矩陣計算）之金額計量應收賬款之虧損撥備。由於本集團過往信貸虧損經驗並未就不同客戶分部呈現顯著不同的虧損模式，故並未就本集團不同客戶群體進一步區分根據逾期情況作出之虧損撥備，並已將客戶群體分為關連方及第三方。通過考慮關連方的財務狀況，過往經驗及其他因素，管理層認為來自關連方的應收賬款的相關信貸風險為低。按照整個存續期的預期信貸虧損方法，來自關連方的應收賬款的預期信貸虧損率並不重大。因此，沒有確認來自關連方的應收賬款的虧損撥備。

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）

(b) Credit risk (Continued)

(b) 信貸風險（續）

The following table provides information about the Group's exposure to credit risk and ECLs for accounts receivable from third parties as at 31 December 2018:

下表提供有關本集團於二零一八年十二月三十一日就應收賬款承受之信貸風險及預期信貸虧損之資料：

		Gross carrying amount 賬面總值 RMB'million 人民幣百萬元	Provision on individual basis 按個別項目基準撥備 RMB'million 人民幣百萬元	ECL rates 預期信貸虧損率 %	ECLs 預期信貸虧損 RMB'million 人民幣百萬元	Loss allowance 虧損撥備 RMB'million 人民幣百萬元
Within 1 year	一年內	1,655	(50)	2.99%	(48)	(98)
Between 1 to 2 years	一至兩年內	271	(9)	22.72%	(59)	(68)
Between 2 to 3 years	兩至三年內	92	(2)	33.40%	(30)	(32)
Between 3 to 4 years	三至四年內	133	(79)	48.14%	(26)	(105)
Between 4 to 5 years	四至五年內	70	(12)	65.43%	(38)	(50)
Over 5 years	五年以上	143	(18)	100.00%	(125)	(143)
		2,364	(170)		(326)	(496)

ECL rates are based on actual loss experience over the past five years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

預期信貸虧損率基於過去五年之實際虧損經驗計算。該等比率根據歷史數據收集期間之經濟狀況、現況與本集團所認為之應收賬款預期存續期內之經濟狀況三者之間之差異進行調整。

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

4.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Comparative information under HKAS 39

Prior to 1 January 2018, an impairment loss was recognised only when there was objective evidence of impairment (see Note 3(m)(i) — policy applicable prior to 1 January 2018). At 31 December 2017, trade receivables of RMB181 million were determined to be impaired.

Accounts receivable that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default.

Accounts receivable that were past due but not impaired related to a number of independent customers that had a good track record with the Group. Based on past experience, management believed that no impairment allowance was necessary in respect of these balances as there had been no significant change in credit quality and the balances were still considered fully recoverable.

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）

香港會計準則第39號的比較資料

二零一八年一月一日前，減值虧損僅在有客觀減值證據時確認(見附註3(m)(i) — 二零一八年一月一日前適用之政策)。於二零一七年十二月三十一日，應收賬款總額人民幣181百萬元已釐定為減值。

未逾期亦未減值之應收賬款與近期並無拖欠還款記錄之廣泛類別之客戶有關。

已逾期但未減值之應收賬款與多名與本集團擁有良好往績記錄之獨立客戶有關。根據過往經驗，管理層認為毋須就該等結餘作出減值撥備，原因是信貸質量並無重大變化，且該等結餘仍被視為可悉數收回。

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)

(b) Credit risk (Continued)

(b) 信貸風險(續)

Movement in the loss allowance account in respect of accounts receivables and contract assets during the year is as follows:

應收賬款及合約資產之虧損撥備賬於年內之變動如下：

		2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Balance at 31 December under HKAS 39	根據香港會計準則第39號於十二月三十一日結餘	**181**	19
Impact on initial application of HKFRS 9 (Note 3(z)(i))	香港財務報告準則第九號在首次應用之影響(附註3(z)(i))	**310**	–
Adjusted balance at 1 January	於一月一日結餘(調整後)	**491**	19
Amounts written off	撇銷之款項	**(8)**	(1)
Impairment losses recognised	確認之減值虧損	**13**	163
Balance at 31 December	於十二月三十一日結餘	**496**	181

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 2018, the Group had net current liabilities of RMB8,484 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。

於二零一八年十二月三十一日，本集團之流動負債淨額為人民幣8,484百萬元。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。

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)

(c) Liquidity risk (Continued)

(c) 流動資金風險(續)

Given the low level of gearing and continued access to funding, the Group believes that its liquidity risk is not material.

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。

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.

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) Interest rate risk

(d) 利率風險

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from borrowings. Borrowings issued at variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's interest rate profile as monitored by management is set out in below.

利率風險為一項金融工具之公平值或未來現金流因市場利率改變而波動所帶來的風險。本集團之利率風險主要源自借貸。按浮動利率及固定利率發出之借貸分別令本集團承受現金流利率風險及公平值利率風險。由管理層監察之本集團利率狀況如下。

The following table details the interest rate profile of the Group's borrowings at the end of the reporting period.

下表詳述本集團於各報告期末之借貸利率狀況。

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)

(d) Interest rate risk (Continued) *(d) 利率風險(續)*

		2018 二零一八年 Effective interest rate 實際利率	2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 Effective interest rate 實際利率	2017 二零一七年 RMB'million 人民幣百萬元
Fixed rate borrowings:	**定息借貸:**				
Bank loans	銀行貸款	**4.55%**	**7,451**	4.42%	7,384
Loans other than bank loans	除銀行貸款以外之貸款	**4.05%**	**24,823**	4.32%	32,285
Convertible bonds	可轉換債券	**4.03%**	**3,306**	4.03%	3,230
Obligations under finance lease	融資租賃承擔	**5.27%**	**203**	5.27%	351
			35,783		43,250
Variable rate borrowings:	**浮息借貸:**				
Loans other than bank loans	除銀行貸款以外之貸款	**4.08%**	**2,961**	2.86%	1,432
Total borrowings	總借貸		**38,744**		44,682
Fixed rate borrowings as a percentage of total borrowings	定息借貸佔總借貸百分比		**92.36%**		96.80%

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

4.1 Financial risk factors (Continued)

(d) Interest rate risk (Continued)

At 31 December 2018, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit for the year and retained earnings by approximately RMB25 million (2017: RMB12 million).

The sensitivity analysis above indicates the instantaneous change in the Group's profit for the year and retained profits that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate borrowings of the Group at the end of the reporting period, the impact on the Group's profit for the year and retained earnings is estimated as an annualised impact on interest expense of such a change in interest rates. The analysis is performed on the same basis as 2017.

4 財務風險管理及金融工具公平值(續)

4.1 財務風險因素(續)

(d) 利率風險(續)

於二零一八年十二月三十一日，假設其他變數維持不變，估計利率整體上升/減少100基點將令本集團年度溢利及滾存盈利減少/增加約人民幣25百萬元(二零一七年：人民幣12百萬元)。

上述敏感度分析顯示，假設利率已於報告期末改變，並已應用於重新計量本集團所持有之該等金融工具，而該等工具令本集團於報告期末須承受公平值利率風險，對本集團之年度溢利(及滾存盈利)將會造成之即時影響。有關本集團於報告期末之浮息借貸所產生之現金流利率風險而言，對本集團年度溢利(及滾存盈利)之影響已按該等利率變動之利息支出之年度化影響作出估計。該項分析按與二零一七年相同之基準進行。

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

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 2018 is 35.60% (2017: 40.51%).

There were no changes in the management's approach to capital management of the Group during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

4 財務風險管理及金融工具公平值(續)

4.2 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。於二零一八年十二月三十一日之資本負債率為35.60%(二零一七年：40.51%)。

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

4.3 Fair value estimation

(a) *Financial assets measured at fair value*

Fair value hierarchy

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

– Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

– Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

– Level 3 valuations: Fair value measured using significant unobservable inputs.

4 財務風險管理及金融工具公平值(續)

4.3 公平值估計

(a) *按公平價計量之金融資產*

公平價層級

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

– 第一級估值：僅使用第一級輸入數據(即於計量日同等資產或負債於活躍市場之未經調整報價)計量之公平值。

– 第二級估值：使用第二級輸入數據(即未能達到第一級之可觀察輸入數據)且並未使用重大不可觀察輸入數據計量之公平值。不可觀察輸入數據為無市場數據之輸入數據。

– 第三級估值：使用重大不可觀察輸入數據計量之公平值。

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)*

		Fair value at 31 December 2018 於二零一八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 2018 categorised into 於二零一八年十二月三十一日的公平值計量分類為 Level 1 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	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 於二零一七年十二月三十一日的公平值計量分類為 Level 1 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	**經常性公平值計量**								
Other financial assets	其他金融資產								
– Listed	–上市	127	127	-	-	-	-	-	-
Available-for-sale financial assets	可供出售金融資產								
– Listed	–上市	-	-	-	-	278	278	-	-
– Unlisted	–非上市	-	-	-	-	74	-	-	74

During the years ended 31 December 2018 and 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.

截至二零一八年及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。

Information about fair value measurements

有關公平值計量之資料

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. As at 31 December 2017, equity securities in the PRC of 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.

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。於二零一七年十二月三十一日，於中國之股本證券人民幣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。

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 2017, 31 December 2017 and 1 January 2018	於二零一七年一月一日、二零一七年十二月三十一日及二零一八年一月一日	74
Disposal	處置	(74)
At 31 December 2018	於二零一八年十二月三十一日	–

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 2017 and 2018.

截至二零一七年及二零一八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。

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

(b) *以公平值以外列賬之金融資產及負債的公平價*

The carrying amounts of the Group's financial instruments carried at cost or amortised cost as of 31 December 2018 and 2017 are not materially different from their fair values.

於二零一八年及二零一七年十二月三十一日,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。

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

4.3 Fair value estimation (Continued)

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

The fair values of long-term borrowings are based on discounted cash flow using applicable discount rates based upon the prevailing market rates of interest available to the Group for financial instruments with substantially the same terms and characteristics at the dates of the statement of financial position. Such discount rates ranged from 4.35% to 4.90% (2017: 4.35% to 4.90%) per annum as at 31 December 2018 depending on the type of the borrowings. An analysis of the carrying amounts of long-term borrowings is presented in Note 30.

4 財務風險管理及金融工具公平值(續)

4.3 公平值估計(續)

(b) *以公平值以外列賬之金融資產及負債的公平價(續)*

長期借貸之公平值乃根據使用適用折現率得出之折現現金流量計算，而有關折現率以本集團於財務狀況表日大致具相同條款及特徵之金融工具可獲得之現行市場利率為基準。於二零一八年十二月三十一日，該等折現率介乎於每年4.35%至4.90%(二零一七年：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 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.

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.

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。

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。

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(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.

(c) Legal contingencies

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

5 關鍵會計估計及判斷（續）

(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。

(c) 法律方面之或然事件

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

6 REVENUE

Revenue mainly represents revenue from the sales of crude oil, the sales of natural gas, LNG processing and terminal business and pipeline transmission of natural gas. Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

6 收入

收入主要指來自銷售原油、銷售天然氣、LNG加工與儲運業務及管道輸送天然氣之收入。來自客戶合約之收入按主要產品及服務類別細分如下：

		2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Disaggregated by major products or service lines	按主要產品或服務類別細分		
– Sales of natural gas products	– 銷售天然氣產品	**86,087**	71,203
– Sales of crude oil	– 銷售原油	**2,068**	1,505
– Revenue from pipeline transmission service	– 管道運輸服務收入	**9,690**	10,746
– Revenue from LNG processing, gasification and entrucking service	– LNG加工、氣化及裝車服務收入	**7,625**	5,252
		105,470	88,706

The Group's revenue are mainly derived from the sales of goods to customers in the PRC and recognised point in time.

本集團之收入主要來自於中國銷售貨品，並於某一時間點確認。

Disaggregation of revenue from contracts with customers is disclosed in Note 36.

來自客戶合約之收入細分於附註36內披露。

7 OTHER (LOSSES)/GAINS, NET

7 其他（虧損）╱收益，淨額

		2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Net exchange (losses)/gains	匯兑（虧損）╱收益淨額	**(758)**	609
Rental income	租金收入	**70**	93
Government grants	政府補貼	**44**	272
Others	其他	**385**	361
		(259)	1,335

8 INTEREST INCOME 8 利息收入

		2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Interest income on:	各項之利息收入：		
– Amounts due from related parties	– 應收關聯方款項	**107**	58
– Bank deposits	– 銀行存款	**188**	153
		295	211

9 EMPLOYEE COMPENSATION COSTS 9 僱員酬金成本

		2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Salaries, wages and allowances	薪金、工資及津貼	**4,364**	3,889
Retirement benefits scheme contributions	退休金計劃供款	**481**	440
		4,845	4,329

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 2018 were RMB481 million (2017: RMB440 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。截至二零一八年十二月三十一日止年度，本集團供款為人民幣481百萬元（二零一七年：人民幣440百萬元）。

10 INTEREST EXPENSES　10 利息支出

		2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Interest expenses on:	各項之利息支出：		
Bank loans	銀行貸款	**298**	400
Senior notes	優先票據	**228**	234
Convertible bonds (Note 31)	可轉換債券（附註31）	**131**	128
Other loans, from:	其他貸款，自：		
– An intermediate holding company	– 一間中間控股公司	**30**	17
– An immediate holding company	– 一間直接控股公司	**177**	107
– CP Finance	– 中油財務	**748**	678
– Fellow subsidiaries	– 同系附屬公司	**59**	143
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	**7**	13
– A third party	– 一名第三方	**6**	8
Less: Amounts capitalised	減：資本化金額	**(554)**	(583)
		1,130	1,145

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 4.19% (2017: 4.08%) per annum for the year ended 31 December 2018.

資本化金額為建造符合條件之資產相關的借貸成本。截至二零一八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4.19%（二零一七年：4.08%）。

11 PROFIT BEFORE INCOME TAX EXPENSE

11 除所得稅費用前溢利

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

除所得稅費用前溢利已扣除以下項目：

		2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Auditors' remuneration	核數師酬金		
– audit services	– 核數服務	**25**	30
– non-audit services	– 非核數服務	**4**	4
Cost of inventories recognised as expense	已確認為開支之存貨成本	**78,487**	64,322
Operating lease expenses	經營租賃開支	**454**	450
Depreciation and depletion of property, plant and equipment	物業、廠房及設備之折舊及損耗	**6,025**	5,487
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**	164
Depreciation, depletion and amortisation	折舊、損耗及攤銷	**6,189**	5,651

12 DIRECTORS' AND EMPLOYEE'S EMOLUMENTS

12 董事及員工之酬金

Details of the emoluments of directors for the years ended 31 December 2018 and 2017 are as follows:

截至二零一八年及二零一七年十二月三十一日止年度各董事之酬金詳情如下：

		2018 二零一八年				
		Directors' fees 董事袍金 RMB'000 人民幣千元	Salaries, allowances and benefits in kind 薪金、津貼及同類福利 RMB'000 人民幣千元	Discretionary bonuses 酌情花紅 RMB'000 人民幣千元	Retirement scheme contributions 退休計劃供款 RMB'000 人民幣千元	2018 Total 二零一八年總計 RMB'000 人民幣千元
Directors:	董事：					
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 Zhao Yongqi	趙永起先生	–	772	–	23	795
Mr Zhao Zhongxun	趙忠勛先生	–	–	–	–	–
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 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 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 Li Kwok Sing Aubrey	李國星先生	257	–	–	–	257
Dr Liu Xiao Feng	劉曉峰博士	215	–	–	–	215
Mr Sun Patrick	辛定華先生	215	–	–	–	215
		687	772	–	23	1,482

12 DIRECTORS' AND EMPLOYEE'S EMOLUMENTS (CONTINUED)

12 董事及員工之酬金(續)

		2017 二零一七年				
		Directors' fees 董事袍金 RMB'000 人民幣千元	Salaries, allowances and benefits in kind 薪金、津貼及同類福利 RMB'000 人民幣千元	Discretionary bonuses 酌情花紅 RMB'000 人民幣千元	Retirement scheme contributions 退休計劃供款 RMB'000 人民幣千元	2017 Total 二零一七年總計 RMB'000 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	趙忠勛先生	–	–	–	–	–
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

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

董事的酌情花紅由薪酬委員會經考慮本集團的經營業績、董事的個人表現和可比較市場數據進行審閱並向董事會作出推薦建議。

12 DIRECTORS' AND EMPLOYEE'S EMOLUMENTS (CONTINUED)

12 董事及員工之酬金（續）

The five individuals whose emoluments were the highest in the Group for the year including one (2017: one) director whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining four (2017: four) individuals during the year are as follows:

本年度支付予本集團五名最高酬金人士包括一名（二零一七年：一名）董事，彼等之酬金已於上述分析中反映。年內應付予餘下四名（二零一七年：四名）人士之酬金如下：

		2018 **二零一八年** **RMB'000** **人民幣千元**	2017 二零一七年 RMB'000 人民幣千元
Salaries and other emoluments	薪金及其他酬金	**6,519**	5,906
Discretionary bonuses	酌情花紅	**–**	–
Retirement scheme contributions	退休計劃供款	**300**	684
		6,819	6,590

The emoluments fell within the following band:	**酬金介乎下列範圍：**	**Number of Individuals 個別人數**	
Below HK$1,000,000	1,000,000港元以下	**1**	2
HK$1,500,001 to HK$2,000,000	1,500,001港元至2,000,000港元	**1**	–
HK$2,000,001 to HK$2,500,000	2,000,001港元至2,500,000港元	**1**	–
HK$2,500,001 to HK$3,000,000	2,500,001港元至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$3,500,001 to HK$4,000,000	3,500,001港元至4,000,000港元	**1**	–

None of the Directors has waived their remuneration during the year ended 31 December 2018 (2017: Nil).

截至二零一八年十二月三十一日止年度，概無董事放棄其酬金（二零一七年：無）。

During the year ended 31 December 2018, 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 (2017: Nil).

截至二零一八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（二零一七年：無）。

13 INCOME TAX EXPENSE 13 所得稅費用

		2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Current tax	**即期稅項**		
– PRC	– 中國	**3,455**	3,470
– Overseas	– 海外	**110**	61
		3,565	3,531
Deferred tax (Note 32(b))	**遞延稅項(附註32(b))**	**207**	–
		3,772	3,531

Hong Kong Profits Tax has not been provided for as the Group has no assessable profit for the year (2017: 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(二零一七年：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% (2017: 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% (2017: 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%(二零一七年：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%(二零一七年：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。

13 INCOME TAX EXPENSE (CONTINUED)

13 所得税費用（續）

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:

本集團除所得税費用前溢利之税款與按照適用於本集團之中國企業所得税税率所計算之理論金額之差異如下：

		2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Profit before income tax expense	除所得税費用前溢利	**11,985**	11,480
Tax calculated at a tax rate of 25% (2017: 25%)	按税率25%（二零一七年：25%）計算之税項	**2,996**	2,870
Under-provision in prior years	過往年度撥備不足	**63**	54
Effect of different tax rates	税率差異之影響	**62**	(26)
Tax effect of income not subject to tax	毋須繳税收入之税務影響	**(80)**	(184)
Tax effect of expenses not deductible for tax purposes	不可扣税支出之税務影響	**220**	186
Tax effect of share of profits less losses of associates	應佔聯營公司溢利減虧損之税務影響	**(145)**	(132)
Tax effect of share of profits less losses of joint ventures	應佔合資企業溢利減虧損之税務影響	**(61)**	(38)
Tax effect of deferred tax not recognised	未確認遞延税項之税務影響	**459**	472
Tax effect of withholding tax on dividends received or receivable	已收或應收股息之預扣税之税務影響	**258**	329
Income tax expense	所得税支出	**3,772**	3,531

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税税率為中國税率，中國為本集團主要業務經營所在之司法管轄區。

14 BASIC AND DILUTED EARNINGS PER SHARE

14 每股基本及攤薄盈利

The calculation of basic earnings per share is based on the Group's profit attributable to owners of the Company of approximately RMB4,634 million (2017: RMB4,760 million) and weighted average number of ordinary shares in issue during the year of approximately 8,072 million shares (2017: 8,072 million shares).

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4,634百萬元(二零一七年：人民幣4,760百萬元)以及年內已發行普通股加權平均數約8,072百萬股(二零一七年：8,072百萬股)計算。

Diluted earnings per share is calculated based on the Group's profit attributable to owners of the Company of approximately RMB4,722 million (2017: RMB4,845 million) and the weighted average number of ordinary shares of approximately 8,635 million shares (2017: 8,620 million shares) after adjusting for the effect of convertible bonds, calculated as follows:

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4,722百萬元(二零一七年：人民幣4,845百萬元)及普通股加權平均數約8,635百萬股(二零一七年：8,620百萬股)按以下計算：

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

(i) 本公司股東應佔溢利(攤薄)

		2018 **二零一八年** **RMB'million** **人民幣百萬元**	2017 二零一七年 RMB'million 人民幣百萬元
Profit attributable to owners of the Company	本公司股東應佔溢利	**4,634**	4,760
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税後影響	**88**	85
Profit attributable to owners of the Company (diluted)	本公司股東應佔溢利(攤薄)	**4,722**	4,845

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

(ii) Weighted average number of ordinary shares (diluted) (ii) 普通股加權平均數(攤薄)

		2018 二零一八年 million shares 百萬股	2017 二零一七年 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	**563**	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)	**8,635**	8,620

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

		2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Proposed final dividend attributable to owners of the Company for 2018 (note (a))	本公司股東應佔擬派之二零一八年末期股息(附註(a))	**1,858**	–
Final dividend attributable to owners of the Company for 2017 (note (b))	本公司股東應佔二零一七年末期股息(附註(b))	**–**	1,742

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）

		2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Final dividend in respect of the previous financial year, approved and paid during the year	上一財政年度的末期股息（於本年度批准及支付）	**1,742**	522

Notes:

(a) At the meeting on 19 March 2019, the Board of Directors proposed final dividend attributable to owners of the Company in respect of 2018 of RMB23.0 cents per share amounting to a total of approximately RMB1,858 million. The amount is based on approximately 8,080 million shares in issue as at 19 March 2019. The financial statements do not reflect this dividend payable as the final dividend was 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 2019 when it is approved at the 2019 Annual General Meeting.

(b) Final dividend attributable to owners of the Company in respect of 2017 of RMB21.0 cents per share amounting to a total of approximately RMB1,742 million were approved by the shareholders in the Annual General Meeting on 24 May 2018. The amount is based on approximately 8,072 million shares in issue as at 20 March 2018 which was paid on 26 June 2018.

附註：

(a) 於二零一九年三月十九日的會議上，董事會建議派發本公司股東應佔二零一八年末期股息每股23.0人民幣分，為數合共約人民幣1,858百萬元。該金額乃基於二零一九年三月十九日已發行之約8,080百萬股股份計算。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，待於二零一九年股東週年大會上獲批准後，該等股息將於截至二零一九年十二月三十一日止年度於權益內列示為滾存盈利之分派。

(b) 本公司股東應佔二零一七年末期股息為每股21.0人民幣分，為數合共約人民幣1,742百萬元，股東已於二零一八年五月二十四日舉行之股東週年大會上批准。該金額乃基於二零一八年三月二十日已發行之約8,072百萬股股份計算，並已於二零一八年六月二十六日支付。

16 PROPERTY, PLANT AND EQUIPMENT 16 物業、廠房及設備

		Buildings 樓宇 RMB'million 人民幣百萬元	Oil and gas properties 石油及天然氣物業 RMB'million 人民幣百萬元	Natural gas pipelines 天然氣管道 RMB'million 人民幣百萬元	Equipment and machinery 設備及機器 RMB'million 人民幣百萬元	Motor vehicles 汽車 RMB'million 人民幣百萬元	Others 其他 RMB'million 人民幣百萬元	Construction in progress 在建工程 RMB'million 人民幣百萬元	Total 總額 RMB'million 人民幣百萬元
Cost:	**成本：**								
Balances at 1 January 2017	於二零一七年一月一日結餘	3,824	12,669	38,259	62,009	3,086	1,436	16,911	138,194
Currency translation differences	貨幣匯兑差額	(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
Balances at 1 January 2018	於二零一八年一月一日結餘	**4,250**	**12,677**	**49,356**	**66,118**	**3,014**	**1,544**	**14,885**	**151,844**
Currency translation differences	貨幣匯兑差額	**2**	**199**	**-**	**2**	**5**	**1**	**5**	**214**
Additions	添置	**35**	**274**	**-**	**336**	**109**	**48**	**7,855**	**8,657**
Disposals	出售	**(126)**	**(204)**	**-**	**(2,267)**	**(327)**	**(48)**	**(690)**	**(3,662)**
Transfers	轉撥	**129**	**-**	**705**	**5,544**	**-**	**-**	**(6,378)**	**-**
Balances at 31 December 2018	於二零一八年十二月三十一日結餘	**4,290**	**12,946**	**50,061**	**69,733**	**2,801**	**1,545**	**15,677**	**157,053**

16 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

16 物業、廠房及設備（續）

		Buildings 樓宇 RMB'million 人民幣百萬元	Oil and gas properties 石油及天然氣物業 RMB'million 人民幣百萬元	Natural gas pipelines 天然氣管道 RMB'million 人民幣百萬元	Equipment and machinery 設備及機器 RMB'million 人民幣百萬元	Motor vehicles 汽車 RMB'million 人民幣百萬元	Others 其他 RMB'million 人民幣百萬元	Construction in progress 在建工程 RMB'million 人民幣百萬元	Total 總額 RMB'million 人民幣百萬元
Accumulated depreciation and depletion:	**累計折舊及損耗：**								
Balances at 1 January 2017	於二零一七年一月一日結餘	1,057	11,440	12,762	20,745	1,993	501	1,837	50,335
Currency translation differences	貨幣匯兑差額	(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
Balances at 1 January 2018	於二零一八年一月一日結餘	1,211	11,613	13,906	24,536	2,189	585	2,069	56,109
Currency translation differences	貨幣匯兑差額	2	122	-	2	2	1	-	129
Charge for the year	本年度支出	151	290	1,559	3,707	246	72	-	6,025
Disposals	出售	(38)	(204)	-	(1,075)	(232)	(14)	-	(1,563)
Impairment loss	減值虧損	-	-	-	188	-	-	232	420
Balances at 31 December 2018	於二零一八年十二月三十一日結餘	1,326	11,821	15,465	27,358	2,205	644	2,301	61,120
Net book value:	**賬面淨值：**								
Balances at 31 December 2018	於二零一八年十二月三十一日結餘	2,964	1,125	34,596	42,375	596	901	13,376	95,933
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

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 2018, the legal title registration of certain of the Group's properties with carrying amount of approximately RMB775 million (2017: RMB598 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 2018, the Group held certain equipment and machinery under finance leases expiring from 2 to 3 years at an effective interest rate of ranging from 5.04% to 5.32% (2017: 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 2018, the net book value of equipment and machinery held under finance leases of the Group was RMB642 million (2017: RMB683 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。

於二零一八年十二月三十一日，本集團若干賬面值約人民幣775百萬元（二零一七年：人民幣598百萬元）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。

於二零一八年十二月三十一日，本集團根據於二年至三年屆滿之融資租賃按實際利率介乎5.04%至5.32%（二零一七年：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。於二零一八年十二月三十一日，以本集團融資租賃持有的設備及機器賬面淨值為人民幣642百萬元（二零一七年：人民幣683百萬元）。

16 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

In view of the fluctuations in LNG supply and prices during the year, the Group performed impairment assessment with respect to certain LNG processing plants, each of which being identified as a cash generating unit.

During the year ended 31 December 2018, impairment of RMB126 million to construction-in-progress of a LNG processing plant was recognised to reduce its carrying amount to the recoverable amount of RMB26 million. During the year ended 31 December 2017, impairment of RMB126 million and RMB201 million were recognised with respect to machinery and equipment and construction in progress, respectively, of certain LNG processing plants to reduce their respective carrying amount to the recoverable amount totalling RMB1,455 million.

The estimate of the recoverable amount of these LNG processing plants was determined based on a value in use calculation, using a discounted cash flow model. Future cash flows were adjusted for risks specific to these LNG processing plants and discounted using a pre-tax discount rate of 14.97% for the current year (2017: ranging from 14.4% to 17.8%).

16 物業、廠房及設備(續)

鑒於年內LNG供應及價格波動，本集團已就其若干LNG加工廠 (其各自為一個現金產生單位)進行減值評估。

截至二零一八年十二月三十一日止年度，LNG加工廠之在建工程減值人民幣126百萬元已予確認，以將其賬面值減至可收回金額人民幣26百萬元。截至二零一七年十二月三十一日止年度，分別就若干LNG加工廠之機器及設備和在建工程分別確認減值人民幣126百萬元及人民幣201百萬元，以將其各別賬面值分別減至可收回金額合共人民幣1,455百萬元。

有關該等LNG加工廠可收回金額之估計乃以折現現金流量模型按使用價值計算釐定。未來現金流量已就該等LNG加工廠特定風險作出調整，並於本年度使用稅前折現率14.97%折現(二零一七年：介乎14.4%至17.8%)。

17 ADVANCED OPERATING LEASE PAYMENTS

17 預付經營租賃款項

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

本集團之預付經營租賃款項主要指土地使用權，包括：

		2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Balance as at 1 January	於一月一日結餘	**3,782**	3,833
Currency translation differences	貨幣匯兌差額	**(1)**	–
Additions	添置	**414**	197
Amortisation for the year	本年度攤銷	**(109)**	(109)
Disposals	出售	**(214)**	(139)
Balance as at 31 December	於十二月三十一日結餘	**3,872**	3,782

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。

18 INVESTMENTS IN ASSOCIATES

18 於聯營公司之投資

		2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Share of net assets	應佔資產淨值	**3,774**	3,165
Goodwill	商譽	**350**	350
		4,124	3,515

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

有關主要聯營公司詳情載於附註41。

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

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」) 2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Gross amounts of the associate's	**聯營公司之總額**		
Current assets	流動資產	**2,030**	2,933
Non-current assets	非流動資產	**14,347**	15,353
Current liabilities	流動負債	**(5,034)**	(4,947)
Non-current liabilities	非流動負債	**(8,317)**	(11,226)
Equity	權益	**3,026**	2,113
Attributable to non-controlling interest	非控制性權益應佔	**72**	(12)
Attributable to the associate's shareholders	聯營公司股東應佔	**2,954**	2,125
Revenue	收入	**11,778**	9,804
Profit from continuing operations	持續經營業務溢利	**2,397**	2,009
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	**(276)**	(79)
Total comprehensive income	全面收益總額	**2,121**	1,930
Attributable to non-controlling interest	非控制性權益應佔	**79**	49
Attributable to the associate's shareholders	聯營公司股東應佔	**2,042**	1,881

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

		Aktobe 2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
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)	本集團權益(附註)	**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	**533**	216
Total comprehensive income attributable to the Group	本集團應佔全面收益總額	**513**	472
Dividend received during the year	年內已收股息	**(304)**	(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	**742**	533

Note: The effective equity interest of Aktobe attributable to the Group is 15.07%, as the 25.12% equity interest in Aktobe was held by a 60% owned subsidiary of the Group.

附註： 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%。

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

Aggregate information of associates that are not individually material:

個別不重要之聯營公司之合併資料：

		2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	個別不重要之聯營公司於綜合財務報表之總賬面值	**3,382**	2,982
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**	277
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**	277

19 INVESTMENTS IN JOINT VENTURES 19 於合資企業之投資

		2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Share of net assets	應佔資產淨值	**2,831**	1,879
Loans to joint ventures	向合資企業貸款	**39**	39
		2,870	1,918

Details of the principal joint ventures are set out in Note 42.

有關主要合資企業之詳情載於附註42。

As at 31 December 2018, included in loans to joint ventures is an amount of RMB39 million (2017: RMB39 million) which is unsecured, interest-free and recoverable on demand.

於二零一八年十二月三十一日向合資企業貸款包括人民幣39百萬元(二零一七年：人民幣39百萬元)，該金額為無抵押、免息及須按要求償還。

As at 31 December 2018 and 2017, the loans to joint ventures are not past due and not impaired.

於二零一八年及二零一七年十二月三十一日，向合資企業貸款並無逾期亦無減值。

19 INVESTMENTS IN JOINT VENTURES (CONTINUED)

Dividends declared from joint ventures are approximately RMB259 million (2017: RMB160 million) for the year ended 31 December 2018.

During the year ended 31 December 2018, the then non-controlling shareholders of Xi'an Qinggang Clean Energy Technology Co., Ltd. ("Qinggang"), Binhai Xinneng Co., Ltd. ("Binhai Xinneng") and Jilin Jigang Clean Energy Co., Ltd. ("Jigang") made unilateral capital injections. Upon completion of such capital injections, the Company's shareholding in Qinggang, Binhai Xinneng and Jigang decreased to 50%. The Directors consider the Company have joint control over Qinggang, Binhai Xinneng and Jigang. Accordingly, Qinggang, Binhai Xinneng and Jigang are classified as joint ventures of the Company as at 31 December 2018.

There is no individually material joint venture which significantly affects the results and/or net assets of the Group at 31 December 2018.

Aggregate information of joint ventures that are not individually material:

19 於合資企業之投資(續)

截至二零一八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259百萬元(二零一七年：人民幣160百萬元)。

於截至二零一八年十二月三十一日止年度，西安慶港潔能科技有限公司(「慶港」)、天津大港油田濱海新能油氣有限公司(「濱海新能」)及吉林吉港清潔能源有限公司(「吉港」)之當時非控股股東已作出單方面注資。當完成該注資後，本公司於慶港、濱海新能及吉港之股權減少至50%。董事認為本公司於慶港、濱海新能及吉港擁有共同控制權。因此，於二零一八年十二月三十一日，慶港、濱海新能及吉港已分類為本公司合資企業。

並無個別屬重要之合資企業對本集團於二零一八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：

		2018 **二零一八年** **RMB'million** **人民幣百萬元**	2017 二零一七年 RMB'million 人民幣百萬元
Aggregate carrying amount of individually immaterial joint ventures in the consolidated financial statements	個別不重要之合資企業於綜合財務報表之總賬面值	**2,870**	1,918
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	**311**	224
– 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	**311**	224

20 INVESTMENTS IN SUBSIDIARIES

20 於附屬公司之投資

Details of the principal subsidiaries are set out in Note 40.

有關主要附屬公司之詳情載於附註40。

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.

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 2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
NCI percentage	非控制性權益百分比	**40%**	40%
Current assets	流動資產	**1,181**	3,392
Non-current assets	非流動資產	**41,505**	40,958
Current liabilities	流動負債	**(5,421)**	(4,717)
Non-current liabilities	非流動負債	**(7,384)**	(11,884)
Net assets	資產淨值	**29,881**	27,749
Carrying amount of NCI	非控制性權益賬面值	**11,948**	11,095
Revenue	收入	**9,553**	10,656
Profit for the year	年內溢利	**3,788**	5,087
Total comprehensive income	全面收益總額	**3,788**	5,087
Profit allocated to NCI	分配至非控制性權益之溢利	**1,461**	2,012
Dividend paid to NCI	已付非控制性權益之股息	**1,765**	2,162
Cash flows generated from operating activities	經營業務所得之現金流量	**7,107**	5,986
Cash flows used in investing activities	投資業務所用之現金流量	**(2,072)**	(8,828)
Cash flows (used in)/ generated from financing activities	融資活動(所用)/所得之現金流量	**(6,403)**	3,102

20 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

20 於附屬公司之投資（續）

		Jiangsu LNG 江蘇LNG 2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
NCI percentage	非控制性權益百分比	**45%**	45%
Current assets	流動資產	**1,248**	1,243
Non-current assets	非流動資產	**4,735**	4,375
Current liabilities	流動負債	**(535)**	(332)
Non-current liabilities	非流動負債	**(294)**	(1,571)
Net assets	資產淨值	**5,154**	3,715
Carrying amount of NCI	非控制性權益賬面值	**2,319**	1,672
Revenue	收入	**2,826**	1,898
Profit for the year	年內溢利	**1,938**	960
Total comprehensive income	全面收益總額	**1,938**	960
Profit allocated to NCI	分配至非控制性權益之溢利	**872**	432
Dividend paid to NCI	已付非控制性權益之股息	**225**	180
Cash flows generated from operating activities	經營業務所得之現金流量	**2,124**	1,516
Cash flows used in investing activities	投資業務所用之現金流量	**(286)**	(12)
Cash flows used in financing activities	融資活動所用之現金流量	**(1,860)**	(879)

20 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

20 於附屬公司之投資(續)

		Jingtang Co. 京唐公司 2018 二零一八年 RMB'million 人民幣百萬元	Jingtang Co. 京唐公司 2017 二零一七年 RMB'million 人民幣百萬元
NCI percentage	非控制性權益百分比	**49%**	49%
Current assets	流動資產	**926**	1,097
Non-current assets	非流動資產	**4,910**	4,888
Current liabilities	流動負債	**(1,114)**	(2,113)
Non-current liabilities	非流動負債	**(33)**	(19)
Net assets	資產淨值	**4,689**	3,853
Carrying amount of NCI	非控制性權益賬面值	**2,298**	1,888
Revenue	收入	**2,371**	1,751
Profit for the year	年內溢利	**1,257**	858
Total comprehensive income	全面收益總額	**1,257**	858
Profit allocated to NCI	分配至非控制性權益之溢利	**616**	420
Dividend paid to NCI	已付非控制性權益之股息	**206**	–
Cash flows generated from operating activities	經營業務所得之現金流量	**1,599**	1,672
Cash flows (used in)/generated from investing activities	投資業務(所用)/所得之現金流量	**(326)**	121
Cash flows used in financing activities	融資活動所用之現金流量	**(1,476)**	(789)

21 INTANGIBLE AND OTHER NON-CURRENT ASSETS

21 無形及其他非流動資產

		2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Intangible assets (note (i))	無形資產（附註(i)）	**323**	458
Prepaid construction costs	預付建造成本	**734**	509
Loans to an associate (note (ii))	向一間聯營公司貸款（附註(ii)）	**301**	173
Loans to joint ventures (note (iii))	向合資企業貸款（附註(iii)）	**290**	–
Other financial assets (Note 22)	其他金融資產（附註22）	**127**	352
Others	其他	**114**	33
		1,889	1,525

Notes:

附註：

(i) The intangible assets mainly comprise goodwill, franchised rights and computer software costs. The movements in intangible assets are as follows:

(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：

		2018 二零一八年 Goodwill 商譽 RMB'million 人民幣百萬元	2018 二零一八年 Others 其他 RMB'million 人民幣百萬元	2018 二零一八年 Total 總計 RMB'million 人民幣百萬元	2017 二零一七年 Goodwill 商譽 RMB'million 人民幣百萬元	2017 二零一七年 Others 其他 RMB'million 人民幣百萬元	2017 二零一七年 Total 總計 RMB'million 人民幣百萬元
At 1 January	於一月一日	**243**	**215**	**458**	243	260	503
Additions	添置	**–**	**32**	**32**	–	10	10
Disposal	出售	**(8)**	**(1)**	**(9)**	–	–	–
Impairment loss	減值虧損	**(96)**	**(7)**	**(103)**	–	–	–
Amortisation for the year	本年度攤銷	**–**	**(55)**	**(55)**	–	(55)	(55)
At 31 December	於十二月三十一日	**139**	**184**	**323**	243	215	458

(ii) As at 31 December 2018, loans to an associate are unsecured, interest-bearing ranging from 4.28% to 4.35% (2017: 4.28% to 4.35%) per annum and with remaining maturity periods over 12 months but less than 2 years (2017: 2 to 3 years).

(ii) 於二零一八年十二月三十一日，向一間聯營公司貸款為無抵押、按每年利率介乎4.28%至4.35%（二零一七年：4.28%至4.35%）計息及餘下屆滿期超過十二個月但少於兩年（二零一七年：2至3年）。

(iii) As at 31 December 2018, loans to joint ventures are unsecured, interest-bearing at 4.99% per annum and with remaining maturity periods over 12 months but less than 2 years.

(iii) 於二零一八年十二月三十一日，向合資企業貸款為無抵押、按每年利率4.99%計息及餘下屆滿期超過十二個月但少於兩年。

22 OTHER FINANCIAL ASSETS

22 其他金融資產

		Note 附註	31 December 2018 二零一八年十二月三十一日 RMB'million 人民幣百萬元	1 January 2018 二零一八年一月一日 RMB'million 人民幣百萬元	31 December 2017 二零一七年十二月三十一日 RMB'million 人民幣百萬元
Equity securities designated at FVOCI (non-recycling):	**指定為按公平值計入其他全面收益計量之股本證券（不可轉回至損益）：**	(ii), (iii)			
– Listed in Australia	– 於澳大利亞上市		**7**	7	–
– Listed in Hong Kong	– 於香港上市		**5**	9	–
– Listed in the PRC	– 於中國上市		**115**	262	–
– Unlisted in the PRC	– 於中國非上市		**–**	74	–
			127	352	–
Available-for-sale equity securities:	**可供出售股本證券：**	(iii)			
– Listed in Australia	– 於澳大利亞上市		**–**	–	7
– Listed in Hong Kong	– 於香港上市		**–**	–	9
– Listed in the PRC	– 於中國上市		**–**	–	262
– Unlisted in the PRC	– 於中國非上市		**–**	–	74
			–	–	352

Notes:

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

(ii) The Group designated other financial assets at FVOCI (non-recycling), as the investments are held for strategic purposes. No dividends were received on these investments during the year (2017: Nil).

(iii) Available-for-sale financial assets were reclassified to equity securities designated at FVOCI (non-recycling) upon the initial application of HKFRS 9 at 1 January 2018 (see Note 3(z)(i)).

附註：

(i) 本集團於綜合財務狀況表按計量等級劃分的其他金融資產之賬面值載於附註4.3(a)。

(ii) 投資乃根據策略用途而持有，因此本集團指定其他金融資產為按公平值計入其他全面收益計量（不可轉回至損益）。本年度並無就該等投資收取任何股息（二零一七年：無）。

(iii) 在二零一八年一月一日首次應用香港財務報告準則第9號後，可供出售金融資產已重新分類至指定為按公平值計入其他全面收益計量（不可轉回至損益）之股本證券（見附註3(z)(i)）。

23 INVENTORIES

23 存貨

Inventories in the consolidated statement of financial position comprise:

綜合財務狀況表中存貨包括：

		2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Natural gas	天然氣	**1,518**	1,148
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	**307**	362
Crude oil in tanks and others	桶裝原油及其他	**40**	49
		1,865	1,559

24 ACCOUNTS RECEIVABLE

24 應收賬款

		31 December 2018 二零一八年十二月三十一日 RMB'million 人民幣百萬元	1 January 2018 二零一八年一月一日 RMB'million 人民幣百萬元	31 December 2017 二零一七年十二月三十一日 RMB'million 人民幣百萬元
Accounts receivable, net of loss allowance (note)	應收賬款，扣除虧損撥備（附註）	**2,459**	2,536	2,846

Note: Upon the adoption of HKFRS 9, an opening adjustment was made to recognise additional ECLs on accounts receivable (see Note 3(z)(i)).

附註： 採納香港財務報告準則第9號後，已作出期初調整，以確認應收賬款之額外預期信貸虧損（見附註3(z)(i)）。

Ageing analysis

賬齡分析

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

截至報告期末，應收賬款（扣除虧損撥備）按發票日期之賬齡分析如下：

		2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Within 3 months	三個月以內	**1,990**	1,957
Between 3 to 6 months	三個月至六個月內	**76**	116
Over 6 months	六個月以上	**393**	773
		2,459	2,846

24 ACCOUNTS RECEIVABLE (CONTINUED)

The Group's revenue from the 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. Further details on the Group's credit policy and credit risk arising from accounts receivable are set out in Note 4.1(b).

24 應收賬款(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。本集團信貸政策及因應收賬款產生之信貸風險之進一步詳情，載列於附註4.1(b)。

25 PREPAID EXPENSES AND OTHER CURRENT ASSETS

25 預付款及其他流動資產

		2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Other receivables, net of credit losses	其他應收款項，扣除信貸虧損後	**955**	1,207
Prepayments to suppliers	向供應商支付的預付款	**2,475**	2,482
Amounts due from the intermediate holding company	應收中間控股公司款項	**39**	588
Loan to a joint venture	向合資企業貸款	**200**	–
Loans to third parties	向第三方貸款	**38**	65
Dividends receivable	應收股息	**93**	1
Value-added tax recoverable	可收回增值稅	**1,692**	2,012
Income tax recoverable	可收回所得稅	**7**	3
Other current assets	其他流動資產	**360**	282
		5,859	6,640

The amounts due from the intermediate holding company are RMB39 million (2017: RMB588 million), which are expected to be settled within one year, and unsecured and interest-bearing at 1.80% per annum (2017: 1.65% to 1.80% per annum).

應收中間控股公司款項為人民幣39百萬元(二零一七年：人民幣588百萬元)，預期於一年內償還，為無抵押及按年利率1.80%(二零一七年：年利率1.65%至1.80%)計息。

Loan to a joint venture is unsecured, interest-bearing at 4.99% per annum and with remaining maturity period of less than one year as at 31 December 2018.

向合資企業貸款為無抵押、按年利率4.99%計息及餘下屆滿期於二零一八年十二月三十一日少於一年。

26 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents comprise:

		2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Cash at bank and on hand	銀行及手頭現金	**18,924**	18,407
Short-term bank deposits	短期銀行存款	**1,550**	3,443
Cash and cash equivalents	現金及現金等值項目	**20,474**	21,850

Cash at bank and bank deposits carry interest at prevailing market rate at 0.39% per annum (2017: 0.33% per annum).

Included in bank deposits, bank balances and cash are amounts of approximately RMB17,393 million (2017: RMB20,671 million) denominated in RMB which are deposited with banks in the PRC. The conversion of these RMB denominated balances into foreign currencies and the remittance of funds out of Mainland China is subject to the rules and regulations of foreign exchange control promulgated by the PRC Government.

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0.39%（二零一七年：年利率0.33%）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17,393百萬元（二零一七年：人民幣20,671百萬元）。該等以人民幣計值之結餘兑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。

26 CASH AND CASH EQUIVALENTS (CONTINUED)

26 現金及現金等值項目（續）

(b) Reconciliation of liabilities arising from financing activities

(b) 融資活動所產生的負債對賬

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.

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 2018	**於二零一八年一月一日**	**41,101**	**3,230**	**351**	**44,682**
Changes from financing cash flows:	**融資現金流量變動：**				
Increase in borrowings	借貸增加	13,811	–	–	13,811
Repayment of borrowings	償還借貸	(20,348)	–	–	(20,348)
Capital element of finance lease rentals paid	已付融資租賃租金本金部份	–	–	(145)	(145)
Interest element of finance lease rentals paid	已付融資租賃租金利息部份	–	–	(16)	(16)
Interest paid	已付利息	(1,767)	(54)	–	(1,821)
Total changes from financing cashflows	**融資現金流量變動總額**	**(8,304)**	**(54)**	**(161)**	**(8,519)**
Effect of foreign exchange rate changes	**匯率變動之影響**	**661**	**–**	**–**	**661**
Other changes:	**其他變動：**				
Interest expenses	利息開支	1,540	131	13	1,684
Transfer to accrued liabilities	轉撥至應計負債	237	–	–	237
Conversion of convertible bonds	轉換可轉換債券	–	(1)	–	(1)
Total other changes	**其他變動總額**	**1,777**	**130**	**13**	**1,920**
At 31 December 2018	**於二零一八年十二月三十一日**	**35,235**	**3,306**	**203**	**38,744**

26 CASH AND CASH EQUIVALENTS (CONTINUED)

26 現金及現金等值項目（續）

(b) Reconciliation of liabilities arising from financing activities (continued)

(b) 融資活動所產生的負債對賬（續）

		Borrowings 借貸 RMB'million 人民幣百萬元	Convertible bonds 可轉換債券 RMB'million 人民幣百萬元	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**	(622)	–	–	(622)
Other changes:	**其他變動：**				
Interest expenses	利息開支	1,579	128	21	1,728
Transfer to accrued liabilities	轉撥至應計負債	(172)	–	–	(172)
Total other changes	**其他變動總額**	1,407	128	21	1,556
At 31 December 2017	**於二零一七年十二月三十一日**	41,101	3,230	351	44,682

27 SHARE CAPITAL 27 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：**		
Ordinary shares of HK$0.01 each	*每股面值0.01港元之普通股*		
At 1 January 2017, 31 December 2017 and 31 December 2018	於二零一七年一月一日、二零一七年十二月三十一日及二零一八年十二月三十一日	**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
Issued and fully paid:	**已發行及悉數繳付：**		
Ordinary shares of HK$0.01 each	*每股面值0.01港元之普通股*		
At 1 January 2017 and 31 December 2017	於二零一七年一月一日及二零一七年十二月三十一日	**8,072**	**65**
Issue of shares upon conversion of convertible bonds (note)	於轉換可轉換債券時發行股份（附註）	**–**	**–**
At 31 December 2018	於二零一八年十二月三十一日	**8,072**	**65**

Note: On 19 November 2018, 170,502 ordinary shares were issued upon conversion of convertible bonds (see Note 31) and the Group's share capital increased by HK$1,705 (approximately RMB1,508) accordingly. The amounts were not presented in the table above as the numbers therein are rounded to the nearest million.

附註： 於二零一八年十一月十九日，170,502股普通股已於轉換可轉換債券時發行（見附註31），因此本集團之股本增加1,705港元（約人民幣1,508元）。有關金額並無在上表呈列，原因為其數目已四捨五入至最接近之百萬。

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 股份溢價	Contributed surplus 實繳盈餘	Employee share-based compensation reserve 僱員以股份為基礎之補償儲備	Merger reserve 合併儲備	Fair value reserve (recycling) 公平值儲備（可轉回至損益）	Fair value reserve (non-recycling) 公平值儲備（不可轉回至損益）	Convertible bond equity reserve 可轉換債券股權儲備	Translation reserve 匯兑儲備	Others 其他	Retained earnings 滾存盈利	Total 總額
		RMB'million 人民幣百萬元	RMB'million 人民幣百萬元	RMB'million 人民幣百萬元	RMB'million 人民幣百萬元	RMB'million 人民幣百萬元	RMB'million 人民幣百萬元	RMB'million 人民幣百萬元	RMB'million 人民幣百萬元	RMB'million 人民幣百萬元	RMB'million 人民幣百萬元	RMB'million 人民幣百萬元
		note (i) 附註(i)	note (ii) 附註(ii)		note (iii) 附註(iii)	note (iv) 附註(iv)	note (v) 附註(v)	note (vi) 附註(vi)	note (vii) 附註(vii)	note (viii) 附註(viii)		
Balances at 1 January 2017	於二零一七年一月一日結餘	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 (Note)	**於二零一七年十二月三十一日結餘**（附註）	32,358	109	–	(23,820)	167	–	195	1,039	4,632	25,280	39,960
Impact on initial application of HKFRS 9	首次應用香港財務報告準則第9號之影響	-	-	-	-	(167)	167	-	-	-	(234)	(234)
Adjusted balances at 1 January 2018	於二零一八年一月一日結餘（調整後）	32,358	109	-	(23,820)	-	167	195	1,039	4,632	25,046	39,726
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	(99)	-	119	-	4,634	4,654
Transfer between reserves	儲備間轉撥	-	-	-	-	-	-	-	-	2,576	(2,576)	-
Final dividend for 2017	二零一七年末期股息	-	-	-	-	-	-	-	-	-	(1,742)	(1,742)
Issue of shares upon conversion of convertible bonds	於轉換可轉換債券時發行股份	1	-	-	-	-	-	-	-	-	-	1
Balances at 31 December 2018	**於二零一八年十二月三十一日結餘**	32,359	109	-	(23,820)	-	68	195	1,158	7,208	25,362	42,639

Note: The Group has initially applied HKFRS 9 and HKFRS 15 at 1 January 2018. Under the transitions method chosen, comparative information is not restated. See Note 3(z).

附註： 本集團已於二零一八年一月一日初步應用香港財務報告準則第9號及香港財務報告準則第15號。根據所選的過渡方法，可比較資料並無重列。見附註3(z)。

28 OTHER RESERVES (CONTINUED)

28 其他儲備(續)

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

(a) 其他儲備組成變動(續)

		Company 本公司					
		Share premium 股份溢價 RMB'million 人民幣百萬元 note (i) 附註(i)	Contributed surplus 實繳盈餘 RMB'million 人民幣百萬元 note (ii) 附註(ii)	Employee share-based compensation reserve 僱員以股份基礎之補償儲備 RMB'million 人民幣百萬元	Convertible bond equity reserve 可轉換債券股權儲備 RMB'million 人民幣百萬元 note (vi) 附註(vi)	Retained earnings 滾存盈利 RMB'million 人民幣百萬元	Total 總額 RMB'million 人民幣百萬元
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
Balances at 31 December 2017 and 1 January 2018	**於二零一七年十二月三十一日及二零一八年一月一日結餘**	**32,358**	**109**	**-**	**195**	**15,477**	**48,139**
Total comprehensive income for the year	年內全面收益總額	**-**	**-**	**-**	**-**	**605**	**605**
Final dividend for 2017	二零一七年末期股息	**-**	**-**	**-**	**-**	**(1,742)**	**(1,742)**
Issue of shares upon conversion of convertible bonds	於轉換可轉換債券時發行股份	**1**	**-**	**-**	**-**	**-**	**1**
Balances at 31 December 2018	**於二零一八年十二月三十一日結餘**	**32,359**	**109**	**-**	**195**	**14,340**	**47,003**

(b) Nature and purpose of other reserves

(b) 其他儲備之性質及目的

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.

附註:

(i) 根據百慕達一九八一年公司法,股份溢價可由本公司作為已繳足紅股,用於繳付即將發行予本公司股東之本公司未發行股份。

28 OTHER RESERVES (CONTINUED)

(b) Nature and purpose of other reserves (continued)

Notes: (continued)

(ii) The contributed surplus represents the difference between the consolidated shareholders' funds of the subsidiaries at the date on which they were acquired by the Group and the amount of the Company's shares issued for the acquisition.

(iii) The merger reserve represents the difference between the considerations and the aggregate share capital of subsidiaries acquired under business combinations under common control.

(iv) Prior to 1 January 2018, fair value reserve (recycling) included the cumulative net change in the fair value of available-for-sale securities held at the end of the reporting period in accordance with HKAS 39. This amount has been reclassified to fair value reserve (non-recycling) upon the initial adoption of HKFRS 9 at 1 January 2018 (see Note 3 (z)(i)).

(v) The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated as FVOCI under HKFRS 9 that are held at the end of the reporting period (see Note 3(h)).

(vi) The convertible bond equity reserve represents the equity component of the convertible bonds at initial recognition.

(vii) 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).

(viii) Others mainly represent capitalisation of retained earnings by subsidiaries and the statutory surplus reserves. Pursuant to the Company Law of the PRC, the Articles of Association and the resolution of Board of Directors of the Group's subsidiaries established in the PRC, the Group's PRC subsidiaries are required to transfer 10% of its net profit to statutory surplus reserves. Appropriation to the statutory surplus reserves may be ceased when the fund aggregates to 50% of those subsidiaries' registered capital. The statutory surplus reserves may be used to make good previous years' losses or to increase the capital of those subsidiaries upon approval.

28 其他儲備(續)

(b) 其他儲備之性質及目的(續)

附註:(續)

(ii) 實繳盈餘指附屬公司於被本集團收購日期之綜合股東資金與本公司為收購而發行之股份金額之差額。

(iii) 合併儲備指於共同控制下業務合併所收購附屬公司之代價與總股本之差額。

(iv) 於二零一八年一月一日以前,公平值儲備(可轉回至損益)包含於報告期末根據香港會計準則第39號所持可供出售證券公平值之累積淨變動。該金額已於二零一八年一月一日初步應用香港財務報告準則第9號後,重新分類至公平值儲備(不可轉回至損益)(見附註3(z)(i))。

(v) 公平值儲備(不可轉回至損益)包含於報告期末所持根據香港財務報告準則第9號指定為按公平值計入其他全面收益計量之股本投資公平值之累積淨變動(見附註3(h))。

(vi) 可轉換債券股權儲備指初始確認的可轉換債券權益部分。

(vii) 匯兑儲備包括換算海外財務報表產生之所有匯兑差額。儲備根據附註3(d)(ii)之會計政策處理。

(viii) 其他主要指附屬公司資本化滾存盈利及法定盈餘公積。根據《中華人民共和國公司法》、章程細則及於中國註冊成立之本集團附屬公司董事會決議,本集團之中國附屬公司須按年溢利淨額之10%提取法定盈餘公積。當法定盈餘公積累計額達到該等附屬公司註冊資本之50%時,可不再計提。法定盈餘公積經批准後可用於彌補先前年度虧損,或增加該等附屬公司之股本。

28 OTHER RESERVES (CONTINUED)

(c) Distributability of other reserves

At 31 December 2018, 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 RMB14,449 million (2017: RMB15,586 million). After the end of the reporting period the Directors proposed a final dividend of RMB23.0 cents per ordinary share (2017: RMB21.0 cents per share), amounting to RMB1,858 million (2017: RMB1,742 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

於二零一八年十二月三十一日，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14,449百萬元（二零一七年：人民幣15,586百萬元）。於報告期末後，董事建議末期股息每股普通股23.0人民幣分（二零一七年：每股21.0人民幣分），達人民幣1,858百萬元（二零一七年：人民幣1,742百萬元）（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

		2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Accounts payable	應付賬款	**2,791**	2,858
Contract liabilities	合約負債	**9,383**	–
Advances from customers	客戶墊款	**–**	8,481
Salaries and welfare payable	應付薪金及福利	**383**	284
Accrued expenses	應計開支	**14**	26
Dividend payable	應付股息	**1,059**	1,069
Interest payable	應付利息	**139**	376
Construction fee and equipment cost payables	應付建設費及設備成本	**10,361**	10,279
Amounts due to related parties	應付關聯方款項		
– Non-controlling interests	– 非控制性權益	**1**	1
– Others	– 其他	**236**	14
Deferred income	遞延收入	**–**	400
Other payables	其他應付款項	**2,988**	2,781
		27,355	26,569

29 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (CONTINUED)

Upon the initial adoption of HKFRS 15 using the cumulative effect method, adjustments were made to the opening balances at 1 January 2018 to reclassify advances from customers and deferred income to contract liabilities (see Note 3(z)(ii)). As at 31 December 2018, the Group also had non-current contract liabilities of RMB744 million (1 January 2018: RMB763 million) which were included under non-current other liabilities and were expected to be recognised as revenue in over 12 months but less than 5 years.

The Group's contract liabilities represent primarily advances received from customers. In certain regions of the PRC, customers of the Group's city gas business are required to use integrated circuit cards and top up in advance before the balances are deducted upon usage of natural gas. Depending on the market conditions and the customers' credit profile, the Group also require advance for certain customers for sales of other natural gas products. These advance payments from customers are recognised as contract liabilities until the natural gas products are sold to the customers. During the year ended 31 December 2018, the amount of RMB8,881 million recognised in contract liabilities at beginning of the year has substantially been recognised as revenue during the year.

Ageing analysis

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

29 應付賬款及應計負債(續)

待初步應用香港財務報告準則第15號採用累計影響法後，已就二零一八年一月一日之期初結餘作出調整，以將客戶墊款及遞延收入重新分類至合約負債(見附註3(z)(ii))。於二零一八年十二月三十一日，本集團亦擁有非流動合約負債人民幣744百萬元(二零一八年一月一日：人民幣763百萬元)，其已計入非流動其他負債內並預期確認為超過十二個月但少於五年之收入。

本集團之合約負債指主要來自客戶之墊款。在中國若干地區，本集團之城市燃氣業務客戶須使用集成電路卡及預先增值，方可於使用天然氣後扣減結餘。視乎市況及客戶信貸狀況，本集團於出售其他天然氣產品時亦會要求若干客戶預先付款。該等來自客戶之預付款項在直至天然氣產品已售予客戶為止之前會確認為合約負債。於截至二零一八年十二月三十一日止年度，年初於合約負債確認之人民幣8,881百萬元已於年內大致確認為收入。

賬齡分析

截至報告期末，應付賬款按發票日期之賬齡分析如下：

		2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Within 3 months	三個月內	**1,875**	2,290
Between 3 to 6 months	三個月至六個月	**124**	109
Over 6 months	六個月以上	**792**	459
		2,791	2,858

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.

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

30 借貸

		2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Short-term borrowings – unsecured	短期借貸 – 無抵押	**5,181**	10,487
Current portion of long-term borrowings	長期借貸之即期部分	**1,891**	1,318
		7,072	11,805
Long-term borrowings – secured	長期借貸 – 有抵押	**8**	22
Long-term borrowings – unsecured	長期借貸 – 無抵押	**30,046**	30,592
Less: Current portion of long-term borrowings	減：長期借貸之即期部分	**(1,891)**	(1,318)
		28,163	29,296
		35,235	41,101

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

借貸之賬面值按以下貨幣計值：

		2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
RMB	人民幣	**22,624**	30,542
US dollar	美元	**7,676**	7,249
Hong Kong dollar	港元	**4,859**	3,222
Japanese yen	日元	**24**	40
Euro	歐元	**52**	48
		35,235	41,101

30 BORROWINGS (CONTINUED)

30 借貸(續)

As at 31 December 2018 and 2017, the borrowings of the Group were repayable as follows:

於二零一八年及二零一七年十二月三十一日，本集團之借貸須按如下償還：

		Bank loans 銀行貸款		Loans other than bank loans 除銀行貸款以外之貸款	
		2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元	**2018 二零一八年 RMB'million 人民幣百萬元**	2017 二零一七年 RMB'million 人民幣百萬元
Within one year	一年內	**3,538**	3,386	**3,534**	8,419
Between one to two years	一至兩年	**1,216**	1,543	**7,960**	2,888
Between two to five years	兩至五年	**692**	1,232	**12,867**	19,178
After five years	五年以後	**2,005**	1,223	**3,423**	3,232
		7,451	7,384	**27,784**	33,717

The following table details the Group's remaining contractual maturity for its borrowings. The information presented is based on the earliest date on which the Group can be required to pay and represents the undiscounted cash flow including principal and interest:

下表詳述本集團之借貸之餘下合約年期。所呈列資料乃以本集團須支付之最早日期為基準，並表示未折現現金流量(包括本金及利息)：

		Bank loans 銀行貸款		Loans other than bank loans 除銀行貸款以外之貸款	
		2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元	**2018 二零一八年 RMB'million 人民幣百萬元**	2017 二零一七年 RMB'million 人民幣百萬元
Within one year	一年內	**3,807**	3,652	**4,576**	9,547
Between one to two years	一至兩年	**1,367**	1,693	**8,790**	4,105
Between two to five years	兩至五年	**1,014**	1,434	**14,247**	20,249
After five years	五年以後	**2,445**	1,473	**3,606**	3,532
		8,633	8,252	**31,219**	37,433

31 CONVERTIBLE BONDS

31 可轉換債券

		2018 二零一八年 Liability 負債 RMB'million 人民幣百萬元	2018 二零一八年 Equity 權益 RMB'million 人民幣百萬元	2018 二零一八年 Total 總計 RMB'million 人民幣百萬元	2017 二零一七年 Liability 負債 RMB'million 人民幣百萬元	2017 二零一七年 Equity 權益 RMB'million 人民幣百萬元	2017 二零一七年 Total 總計 RMB'million 人民幣百萬元
Carrying amount as at 1 January	於一月一日之賬面值	**3,230**	**195**	**3,425**	3,156	195	3,351
Accumulated interest expenses accrued at effective interest rate of 4.03%	按實際利率4.03%累計之利息開支	**131**	**-**	**131**	128	-	128
Accumulated interest paid	已付累計利息	**(54)**	**-**	**(54)**	(54)	-	(54)
Conversion of convertible bonds	可轉換債券之轉換	**(1)**	**-**	**(1)**	-	-	-
Carrying amount as at 31 December	於十二月三十一日之賬面值	**3,306**	**195**	**3,501**	3,230	195	3,425

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 US 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 and further adjusted to HK$6.80 per share with effect from 5 June 2018.

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，其後再調整為每股6.80港元，自二零一八年六月五日起生效。

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

截至二零一七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。

On 19 November 2018, the Convertible Bonds with principal amount of RMB1,000,000 were converted into 170,502 ordinary shares at a conversion price of HK$6.80 per conversion share.

於二零一八年十一月十九日，本金額為人民幣1,000,000元之可轉換債券，已按轉換價每股轉換股6.80港元轉換成170,502股普通股。

31 CONVERTIBLE BONDS (CONTINUED)

31 可轉換債券(續)

The following table details the Group's remaining contractual maturity for its convertible bonds. The information presented is based on the earliest date on which the Group can be required to pay and represents the undiscounted cash flow including principal and interest:

下表詳述本集團之可轉換債券之餘下合約年期。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):

		2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Within one year	一年內	**3,403**	54
Between one to two years	一至兩年	**–**	3,404
		3,403	3,458

32 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

32 綜合財務狀況表中之所得税

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

(a) 綜合財務狀況表中之即期税項為:

		2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Tax payables in respect of subsidiaries in:	附屬公司於以下國家應付之税項:		
– PRC	– 中國	**711**	489
– Peru	– 秘魯	**35**	–
– Thailand	– 泰國	**4**	–
		750	489
Withholding tax on dividend distributed by the subsidiaries	附屬公司分派股息之預扣税	**44**	6
		794	495

As at 31 December 2018, the Group also had income tax recoverable of RMB7 million (2017: RMB3 million) which were included under "prepaid expenses and other current assets".

於二零一八年十二月三十一日,本集團亦擁有可收回所得税人民幣7百萬元(二零一七年:人民幣3百萬元),其已計入「預付款及其他流動資產」項下。

32 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

32 綜合財務狀況表中之所得稅(續)

(b) Deferred tax assets and liabilities recognised:

(b) 已確認之遞延稅項資產及負債：

(i) Movement of each component of deferred tax assets and liabilities

(i) 遞延稅項資產和負債各組成部分之變動

The 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:

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 加速折舊稅項 RMB'million 人民幣百萬元	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 RMB'million 人民幣百萬元	Deferred income 遞延收益 RMB'million 人民幣百萬元	Others 其他 RMB'million 人民幣百萬元 (Note) (附註)	Total 總額 RMB'million 人民幣百萬元
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
Impact on initial application of HKFRS 9	初步應用香港財務報告準則第9號之影響	–	–	–	76	76
At 1 January 2018	**於二零一八年一月一日**	**(248)**	**(392)**	**278**	**551**	**189**
Currency translation differences	貨幣匯兌差額	**-**	**(4)**	**-**	**(2)**	**(6)**
Disposal of subsidiaries	出售附屬公司	**(1)**	**-**	**-**	**(47)**	**(48)**
Credited/(charged) to the consolidated profit or loss	於綜合損益中抵免／(扣除)	**(109)**	**(99)**	**(15)**	**16**	**(207)**
Credited to other comprehensive income	於其他全面收益抵免	**-**	**-**	**-**	**22**	**22**
At 31 December 2018	**於二零一八年十二月三十一日**	**(358)**	**(495)**	**263**	**540**	**(50)**

Note: Upon the initial application of HKFRS 9, the Group has recognised deferred tax assets on the additional credit losses recognised under ECL model (see Note 3(z)(i)).

附註： 在初步應用香港財務報告準則第9號後，本集團已根據預期信貸虧損模式確認額外信貸虧損之遞延稅項資產(見附註3(z)(i))。

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

(b) Deferred tax assets and liabilities recognised: (Continued) (b) 已確認之遞延稅項資產及負債：(續)

(ii) Reconciliation to the consolidated statement of financial position *(ii) 綜合財務狀況表對賬*

		2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Representing:	**指：**		
Deferred tax assets	遞延稅項資產	**1,242**	1,188
Deferred tax liabilities	遞延稅項負債	**(1,292)**	(1,075)
		(50)	113

33 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 2018 and 2017 under non-cancellable operating leases are as follows:

33 承擔

(a) 經營租賃承擔

本集團之經營租賃承擔主要為租賃土地及樓宇以及設備。租賃介乎一至三十年之間，一般不包括續約權利。於二零一八年及二零一七年十二月三十一日，根據不可註銷之經營租賃之未來最低租賃付款如下：

		2018 **二零一八年** **RMB'million** **人民幣百萬元**	2017 二零一七年 RMB'million 人民幣百萬元
Not later than one year	一年內	**325**	279
Later than one year and not later than five years	第二至第五年內	**503**	581
More than five years	五年以上	**782**	627
		1,610	1,487

(b) Capital commitments

(b) 資本承擔

		2018 **二零一八年** **RMB'million** **人民幣百萬元**	2017 二零一七年 RMB'million 人民幣百萬元
Contracted but not provided for:	**已訂約但未作出撥備：**		
Other property, plant and equipment	其他物業、廠房及設備	**1,326**	395
Authorised but not contracted for:	**已批准但未訂約：**		
Oil field development costs	油田開發費用	**281**	285
Other property, plant and equipment	其他物業、廠房及設備	**2,479**	5,490
		2,760	5,775

34 OIL PRODUCTION SHARING CONTRACT

Leng Jiapu Contract

Pursuant to the Leng Jiapu Contract signed in 1997, the Group agreed to acquire 70% of the production sharing interest for RMB1,008 million and to fund its share of cost of the development carried out for the realisation of oil production (the "Development Operations") in the area as defined in the Leng Jiapu Contract (the "LJP Contract Area"), at an estimated cost of US$65.5 million (approximately RMB474 million) in the first two years of the development period and be further responsible for 70% of the development cost after the first two years, in exchange for a 70% share in the oil production from the LJP Contract Area.

Pursuant to the Leng Jiapu Contract, the Group shall bear 70% of the costs required for the Development Operations in the LJP Contract Area which shall be allocated (after deduction of local taxes and enterprise income tax) firstly towards operating costs recovery and thereafter in the proportion of 70% to the Group and 30% to PetroChina towards investment recovery and profit.

The Leng Jiapu Contract provides twenty consecutive years of production sharing from the date of commencement of commercial production and will expire on 31 December 2023.

In connection with the Leng Jiapu Contract, the Group has also entered into an Entrustment Contract with an operational entity owned and operated by CNPC, whereby the latter is entrusted to take up the responsibility as an operator. Under the Entrustment Contract, a Joint Development Management Organisation was established for the performance of the contractual responsibilities under the operatorship.

34 油田產品分成合同

冷家堡合同

根據簽訂於一九九七年的冷家堡合同，本集團同意收購70%之產品分成權益，作價人民幣1,008百萬元，並負擔於冷家堡合同所界定之地區（「冷家堡合同地區」）內就生產石油產品（「開發作業」）應佔之開發成本，首兩年開發期之估計成本為65.5百萬美元（約人民幣474百萬元），此外再負責首兩年後70%之開發成本，以取得冷家堡合同地區70%之產油量。

根據冷家堡合同，本集團負擔冷家堡合同地區內開發作業及生產分成所需之70%成本，產量分配為（經扣除當地稅項及企業所得稅後）先用於收回經營成本，其餘由本集團與中國石油按70%與30%之比例攤分，作為收回投資成本及賺取的利潤。

冷家堡合同規定，由開始商業作業日期起計連續分佔石油產量二十年並將於二零二三年十二月三十一日屆滿。

本集團亦就冷家堡合同與一個由中國石油集團全資擁有並營運之業務實體訂立委託合同，據此，後者獲委託承擔作為作業者的責任。根據委託合同，已成立聯合開發管理組織，履行在作業者合同項下之責任。

34 OIL PRODUCTION SHARING CONTRACT (CONTINUED)

34 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:

				2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
(i)	**Results for the year**	**(i)**	**本年度業績**		
	Income		收入	**979**	762
	Expenses		開支	**(850)**	(745)
(ii)	**Assets and liabilities**	**(ii)**	**資產及負債**		
	Non-current assets		非流動資產	**375**	471
	Current assets		流動資產	**493**	370
	Current liabilities		流動負債	**(81)**	(98)
	Non-current liabilities		非流動負債	**(60)**	–
	Net assets		資產淨值	**727**	743
(iii)	**Capital commitments**	**(iii)**	**資本承擔**		
	Contracted but not provided for		已訂約但未作出撥備	**–**	–

35 RELATED PARTY TRANSACTIONS

35 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 entities which the Group is able to control, jointly control or exercise significant influence over, key management personnel of the Company and CNPC and their close family members and any entity, of any member of a group of which it is a part, provides key management personnel services to the Group's parent.

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,同時本集團能夠控制、共同控制或行使重大影響之企業、本公司及中國石油集團之主要管理人員及彼等之近親家族成員、或一間集團之任何成員公司(為集團之一部分)向本集團之母公司提供主要管理人員服務。

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

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

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

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

35 RELATED PARTY TRANSACTIONS (CONTINUED)

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

(i) (Continued)

- Provision of products by the CNPC Group to the Group amounted to approximately RMB32,913 million (2017: RMB30,984 million) for the year ended 31 December 2018.
- Provision of services by the CNPC Group to the Group amounted to approximately RMB4,432 million (2017: RMB7,667 million) for the year ended 31 December 2018.
- Provision of products by the Group to the CNPC Group amounted to approximately RMB4,477 million (2017: RMB5,450 million) for the year ended 31 December 2018.
- Provision of services by the Group to the CNPC Group amounted to approximately RMB16,058 million (2017: RMB10,591 million), which mainly includes natural gas pipeline transmission services and LNG gasification and unloading services provided by the Group, for the year ended 31 December 2018.

35 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)

- 截至二零一八年十二月三十一日止年度，中油集團向本集團提供產品約人民幣32,913百萬元(二零一七年：人民幣30,984百萬元)。
- 截至二零一八年十二月三十一日止年度，中油集團向本集團提供服務約人民幣4,432百萬元(二零一七年：人民幣7,667百萬元)。
- 截至二零一八年十二月三十一日止年度，本集團向中油集團提供產品約人民幣4,477百萬元(二零一七年：人民幣5,450百萬元)。
- 截至二零一八年十二月三十一日止年度，本集團向中油集團提供服務約人民幣16,058百萬元(二零一七年：人民幣10,591百萬元)，主要包括本集團提供的天然氣管道輸氣服務及LNG氣化及卸載服務。

35 RELATED PARTY TRANSACTIONS (CONTINUED)

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

(ii) The Group has entered into agreements for the sales of natural gas with certain associates and joint ventures of the Group amounting to approximately RMB118 million (2017: RMB113 million) for the year ended 31 December 2018.

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

(iii) As at 31 December 2018 and 2017, amounts due from and to CNPC Group, associates and joint ventures of the Group, which are unsecured and interest-free, except borrowings, loans to an associate, loans to joint ventures and obligations under finance leases, are included in the following accounts captions and summarised as follows:

35 關聯方交易(續)

(a) 與中油集團、聯營公司及合資企業之交易(續)

(ii) 本集團訂立協議，向本集團若干聯營公司及合資企業銷售天然氣，於截至二零一八年十二月三十一日止年度約為人民幣118百萬元(二零一七年：人民幣113百萬元)。

上述(i)及(ii)項之交易根據上市規則第14A章構成關連交易。

(iii) 於二零一八年及二零一七年十二月三十一日，應收及應付予中油集團、本集團之聯營公司及合資企業之款項(除借貸、貸款予一間聯營公司、貸款予合資企業及融資租賃承擔外)為無抵押及免息，已計入下列會計項目內並概述如下：

		2018 **二零一八年** **RMB'million** **人民幣百萬元**	2017 二零一七年 RMB'million 人民幣百萬元
Intangible and other non-current assets	無形及其他非流動資產	**1,009**	387
Accounts receivable	應收賬款	**591**	462
Prepaid expenses and other current assets	預付款及其他流動資產	**239**	588
Accounts payable and accrued liabilities	應付賬款及應計負債	**4,617**	4,226
Borrowings	借貸	**20,779**	27,212
Obligations under finance leases	融資租賃承擔	**114**	217

35 RELATED PARTY TRANSACTIONS (CONTINUED)

35 關聯方交易(續)

(b) Key management compensation

(b) 主要管理層之酬金：

		2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Salaries and allowances	薪金及酬金	**6**	6
Retirement benefits – defined contribution scheme	退休福利 – 界定供款計劃	**–**	1
		6	7

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

During the year ended 31 December 2017, Kunlun Gas, a wholly-owned subsidiary of the Compay, has acquired the equity interest in Jingtang Co. previously 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.

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.

(c) 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，收購中國石油先前所擁有京唐公司的股權。

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。

該等交易乃按本集團之日常業務進行。

36 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 the wholesales and retail sales of various natural gas and LPG products. LNG Processing and Terminal segment is engaged in the processing, unloading, storing, gasification and entrucking of LNG. Natural Gas Pipeline segment is engaged in the transmission of natural gas through pipeline.

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

Segment assets exclude deferred and current taxes, other financial assets, investments in associates and joint ventures ("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.

36 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LPG的批發與零售。LNG加工與儲運板塊從事LNG加工、卸載、儲存、氣化及裝車。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、應佔聯營公司及合資企業之溢利減虧損前之溢利／(虧損)評估經營板塊之表現(「板塊業績」)。

板塊資產不包括遞延及即期稅項、其他金融資產、於聯營公司及合資企業之投資(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、匯兑收益／虧損淨額、公司層面產生之一般性和管理費用及利息支出。

公司資產主要包括公司層面所持有之現金及現金等值項目。

36 SEGMENT INFORMATION (CONTINUED)

36 板塊資料(續)

The segment information provided to the Executive Directors for the reportable segments for the years ended 31 December 2018 and 2017 are as follows:

截至二零一八年及二零一七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：

		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加工與儲運 RMB million 人民幣百萬元	Natural Gas Pipeline 天然氣管道 RMB million 人民幣百萬元	Corporate 公司 RMB million 人民幣百萬元	Inter-company adjustment 公司間調整 RMB million 人民幣百萬元	Total 總計 RMB million 人民幣百萬元
For the year ended 31 December 2018	**截至二零一八年十二月三十一日止年度**							
Gross revenue	總收入	2,068	87,100	9,456	9,706	–	–	108,330
Less: Inter-company adjustment	減：公司間調整	–	(1,013)	(1,831)	(16)	–	–	(2,860)
Revenue from external customers	來自外部客戶之收入	2,068	86,087	7,625	9,690	–	–	105,470
Segment results	板塊業績	466	2,558	4,056	5,021	(1,285)	–	10,816
Share of profits less losses of:	應佔溢利減虧損：							
– Associates	–聯營公司	581	276	1	–	–	–	858
– Joint ventures	–合資企業	203	108	–	–	–	–	311
Profit/(loss) before income tax expense	除所得稅費用前溢利／(虧損)	1,250	2,942	4,057	5,021	(1,285)	–	11,985
Income tax expense	所得稅費用							(3,772)
Profit for the year	年內溢利							8,213
Segment results included:	板塊業績包括：							
– Interest income	–利息收入	7	307	42	24	423	(508)	295
– Depreciation, depletion and amortisation	–折舊、損耗及攤銷	(295)	(2,341)	(1,302)	(2,235)	(16)	–	(6,189)
– Impairment loss on property, plant and equipment	–物業、廠房及設備減值虧損	–	(294)	(126)	–	–	–	(420)
– Interest expenses	–利息支出	–	(215)	(494)	(260)	(669)	508	(1,130)
As at 31 December 2018	**於二零一八年十二月三十一日**							
Non-current assets	非流動資產	1,008	36,990	21,530	41,730	309	–	101,567
Current assets	流動資產	1,756	20,882	2,707	1,278	4,027	–	30,650
Segment assets	板塊資產	2,764	57,872	24,237	43,008	4,336	–	132,217
Investments in associates	於聯營公司之投資	742	3,376	6	–	–	–	4,124
Investments in joint ventures	於合資企業之投資	1,161	1,656	–	–	53	–	2,870
Sub-total	小計	4,667	62,904	24,243	43,008	4,389	–	139,211
Other financial assets	其他金融資產							127
Deferred tax assets	遞延稅項資產							1,242
Others	其他							7
Total assets	總資產							140,587
Additions to non-current segment assets during the year	於本年度添加到非流動板塊資產	301	4,905	1,046	2,851	–	–	9,103

36 SEGMENT INFORMATION (CONTINUED) 36 板塊資料(續)

		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加工與儲運 RMB million 人民幣百萬元	Natural Gas Pipeline 天然氣管道 RMB million 人民幣百萬元	Corporate 公司 RMB million 人民幣百萬元	Inter-company adjustment 公司間調整 RMB million 人民幣百萬元	Total 總計 RMB million 人民幣百萬元
For the 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	72,109	6,869	10,755	–	–	91,238
Less: Inter-company adjustment	減：公司間調整	–	(906)	(1,617)	(9)	–	–	(2,532)
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	(129)	–	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	358	(413)	211
– Depreciation, depletion and amortisation	– 折舊、損耗及攤銷	(225)	(2,315)	(1,277)	(1,818)	(16)	–	(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)	(852)	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

36 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 2018, revenue of approximately RMB20,535 million (2017: RMB16,041 million) is derived from one (2017: one) customer with whom transactions have exceeded 10% of the Group's revenue. The revenue is attributable to the Exploration and Production, Natural Gas Sales, LNG Processing and Terminal and Natural Gas Pipeline segments.

36 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。

截至二零一八年十二月三十一日止年度，收入約人民幣20,535百萬元(二零一七年：人民幣16,041百萬元)乃源自一名(二零一七年：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。

37 ACQUISITION

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 consolidated 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.

37 收購

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綜合財務報表已經重列，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。

38 COMPARATIVE FIGURES

The Group has initially applied HKFRS 9 and HKFRS 15 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. Future details of changes in accounting policies are disclosed in Note 3(z).

38 比較數據

於二零一八年一月一日，本集團已初步應用香港財務報告準則第9號及香港財務報告準則第15號。根據所選的過渡方法，可比較資料並無重列。會計政策變動之進一步詳情於附註3(z)披露。

39 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors on 19 March 2019 and will be submitted to the shareholders for approval at the 2019 Annual General Meeting to be held on 6 June 2019 (Thursday).

39 批准綜合財務報表

該綜合財務報表已於二零一九年三月十九日獲董事會批准，並將提交予股東以於即將於二零一九年六月六日(星期四)召開之二零一九年股東週年大會上審批。

40 PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries, all of which are limited liability companies at 31 December 2018, are as follows:

40 主要附屬公司

本公司二零一八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)）

40 PRINCIPAL SUBSIDIARIES (CONTINUED) 40 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	Baht100 million 100百萬泰銖	Limited liability company 有限責任公司	100.00%
Exploration, production and sales of crude oil in Azerbaijan 在阿塞拜疆勘探、生產及銷售原油				
Fortunemate Assets Limited	BVI 英屬處女群島	US$1 1美元	Limited liability company 有限責任公司	100.00% (note (i)) (附註(i))
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))

40 PRINCIPAL SUBSIDIARIES (CONTINUED) 40 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))
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))
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))

40 PRINCIPAL SUBSIDIARIES (CONTINUED) 40 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	RMB2,951 million 人民幣2,951百萬元	Limited liability company 有限責任公司	55.00% (note (i)) (附註(i))
Jingtang Co. 京唐公司	PRC 中國	RMB3,150 million 人民幣3,150百萬元	Limited liability company 有限責任公司	51.00%
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	RMB20,480 million 人民幣20,480百萬元	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:

(i) Shares are held directly by the Company.

(ii) In accordance with the share purchase agreement dated 8 September 2001, the Group has the rights to variable returns from its involvement with SAPET and has the ability to affect those returns through its power over SAPET. As a result, SAPET is accounted for as a subsidiary of the Company.

Since SAPET Development Peru Inc. is wholly-owned by SAPET, it is also accounted for as the subsidiary of the Company.

附註：

(i) 由本公司直接持有股份。

(ii) 根據日期為二零零一年九月八日之購股協議，本集團有權利因參與SAPET業務而享有可變現回報，並有能力透過其對SAPET擁有的權力而影響該等回報。因此，SAPET被視為本公司之附屬公司。

因SAPET Development Peru Inc.由SAPET全資擁有，故其亦被視為本公司之附屬公司。

41 PRINCIPAL ASSOCIATES

41 主要聯營公司

At 31 December 2018, the Group had interest in the following principal associates:

於二零一八年十二月三十一日，本集團於以下主要聯營公司擁有權益：

Name of 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
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)）
Natural gas distribution in the PRC **在中國分銷天然氣**				
China City Natural Gas Investment Group Co., Ltd. 中油中泰燃氣投資集團有限公司	PRC 中國	RMB1,000 million 人民幣1,000百萬元	Limited liability company 有限責任公司	49.00% (note (iii)) （附註(iii)）

Notes:

(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.

(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.

(iii) Shares held directly by the Company.

附註：

(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) 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) 由本公司直接持有股份。

42 PRINCIPAL JOINT VENTURES

42 主要合資企業

As at 31 December 2018, the Group had interest in the following principal joint ventures:

於二零一八年十二月三十一日，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) （附註）
Production of petro-chemical products in the PRC 於中國生產石油化工產品				
青島慶昕塑料有限公司	PRC 中國	RMB223 million 人民幣223百萬元	Limited liability company 有限責任公司	25.00% (note) （附註）
Natural gas business 天然氣業務				
Qinggang 慶港	PRC 中國	RMB337 million 人民幣337百萬元	Limited liability company 有限責任公司	50.00% (note) （附註）
Binhai Xinneng 濱海新能	PRC 中國	RMB229 million 人民幣229百萬元	Limited liability company 有限責任公司	50.00% (note) （附註）
Jigang 吉港	PRC 中國	RMB657 million 人民幣657百萬元	Limited liability company 有限責任公司	50.00% (note) （附註）

Note: The shares of the above principal joint ventures are held directly by the Company.

附註： 上述主要合資企業的股份由本公司直接持有。

43 COMPANY – LEVEL STATEMENT OF FINANCIAL POSITION

43 公司層面財務狀況表

		Note 附註	2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
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		**973**	80
Investments in subsidiaries	於附屬公司之投資		**53,629**	54,520
Loans to a subsidiary	向一間附屬公司借款		**4,211**	–
			59,744	55,531
Current assets	**流動資產**			
Prepaid expenses and other current assets	預付款及其他流動資產		**4,817**	7,993
Cash and cash equivalents	現金及現金等值項目		**1,995**	4,426
			6,812	12,419
Total assets	**總資產**		**66,556**	67,950
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	**14,340**	15,477
Other reserves	其他儲備	28	**32,663**	32,662
			47,068	48,204

43 COMPANY – LEVEL STATEMENT OF FINANCIAL POSITION (CONTINUED)

43 公司層面財務狀況表(續)

		Note 附註	2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 RMB'million 人民幣百萬元
Liabilities	**負債**			
Current liabilities	**流動負債**			
Accounts payable and accrued liabilities	應付賬款及應計負債		**1,557**	1,463
Short-term borrowings	短期借貸		**–**	3,200
Convertible bonds	可轉換債券	31	**3,306**	–
Income tax payable	應付所得稅		**21**	15
			4,884	4,678
Non-current liabilities	**非流動負債**			
Long-term borrowings	長期借貸		**14,604**	11,838
Convertible bonds	可轉換債券	31	**–**	3,230
			14,604	15,068
Total liabilities	**總負債**		**19,488**	19,746
Total equity and liabilities	**權益及負債總額**		**66,556**	67,950
Net current assets	**流動資產淨值**		**1,928**	7,741
Total assets less current liabilities	**總資產減流動負債**		**61,672**	63,272

44 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 31 December 2018, 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 established in the PRC respectively. PetroChina, an intermediate holding company, produces financial statements available for public use.

44 直接及最終控股人士

於二零一八年十二月三十一日，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。

45 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

45 截至二零一八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，於截至二零一八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 16, *Leases* 香港財務報告準則第16號，*租賃*	1 January 2019 二零一九年一月一日
HK(IFRIC) 23, *Uncertainty over income tax treatments* 香港（國際財務報告詮釋委員會）詮釋第23號，*所得稅處理的不確定性*	1 January 2019 二零一九年一月一日
Annual Improvements to HKFRSs 2015-2017 Cycle 香港財務報告準則二零一五年至二零一七年週期之年度改善	1 January 2019 二零一九年一月一日
Amendments to HKAS 28, Long-term interest in associates and joint ventures 香港會計準則第28號（修訂本），於聯合公司及合資企業之長期權益	1 January 2019 二零一九年一月一日

45 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018 (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 HKFRS 16 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 16, the actual impact upon the initial adoption of this standard 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 standard is initially applied in the Group's interim financial report for the six months ending 30 June 2019. The Group may also change its accounting policy elections, including the transition options, until the standard is initially applied in that financial report.

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.

45 截至二零一八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、新準則及詮釋在初步應用期間預期產生之影響。迄今，本集團已識別香港財務報告準則第16號可能對綜合財務報表產生重大影響之若干層面。預期影響之進一步詳情討論如下。儘管對香港財務報告準則第16號的評估已基本完成，但初步採納本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二零一九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。本集團作為出租人亦作為承租人訂立若干租賃。

45 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018 (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.

HKFRS 16 will primarily affect the Group's accounting as a lessee of leases for property, 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.

45 截至二零一八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，受實際權宜方法的規限，承租人將以類似現有融資租賃會計處理方法將所有租約入賬，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。作為實際的權宜方法，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。

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（現時分類為經營租賃）承租人的會計處理方法。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。

45 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

HKFRS 16, *Leases* (Continued)

HKFRS 16 is effective for annual periods beginning on or after 1 January 2019. As allowed by HKFRS 16, the Group plans to use the practical expedient to grandfather the previous assessment of which existing arrangements are, or contain, leases. The Group will therefore 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. In addition, the Group plans to elect the practical expedient for not applying the new accounting model to short-term leases and leases of low-value assets.

The Group plans to elect to use the modified retrospective approach for the adoption of HKFRS 16 and will recognise the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019 and will not restate the comparative information. As disclosed in Note 33(a), at 31 December 2018 the Group's future minimum lease payments under non-cancellable operating leases amount to RMB1,610 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. Upon the initial adoption of HKFRS 16, the opening balances of lease liabilities and the corresponding right-of-use assets will be adjusted to RMB1,315 million and RMB5,187 million (including a reclassification adjustment of RMB3,872 million from advanced operating lease payments) respectively, after taking account the effects of discounting, as at 1 January 2019.

Other than the recognition of lease liabilities and right-of-use assets, the Group expects that the transition adjustments to be made upon the initial adoption of HKFRS 16 will not be material. However, the expected changes in accounting policies as described above could have a material impact on the Group's consolidated financial statements from 2019 onwards.

45 截至二零一八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號於二零一九年一月一日或之後開始的年度期間生效。如香港財務報告準則第16號所允許，本集團計劃運用實際權宜方法豁免現有安排為租賃或包含租賃的早前評估。本集團會因而僅於在首次應用日期或之後訂立的合約中應用香港財務報告準則第16號中租賃的新釋義，此外，本集團計劃選取實際權宜方法，以免將新會計模式應用於短期租賃及低價值資產租賃。

本集團計劃就採納香港財務報告準則第16號而選用經修訂追溯法，並會於二零一九年一月一日將初步應用的累計影響確認為權益期初結餘調整，並不會重列比較資料。如附註33(a)所披露，於二零一八年十二月三十一日，就租賃土地及樓宇以及設備而言，本集團的不可撤消經營租賃下的未來最低租賃款項為人民幣1,610百萬元，其中大部分款項須於報告日期後一至五年內或於五年後應付。初步採納香港財務報告準則第16號後，租賃負債及相應使用權資產的期初結餘，經計及折現影響後，將於二零一九年一月一日分別調整至人民幣1,315百萬元及人民幣5,187百萬元(包括來自預付經營租賃款項人民幣3,872百萬元之重新分類調整)。

除確認租賃負債及使用權資產外，本集團預期初步採納香港財務報告準則第16號後將予作出的過渡調整並不重大。然而，上述會計政策之預期變動或會對本集團自二零一九年起之綜合財務報表造成重大影響。

INFORMATION ON EXPLORATION AND PRODUCTION SEGMENT

有關勘探與生產板塊之資料

In accordance with the Listing Rule 18.18, this section provides supplemental information on oil and gas producing activities of the Group.

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。

Proved Oil and Gas Reserve Estimates

探明油氣儲量估計

The following table sets forth the Company's estimated proved developed reserves and proved reserves as at December 2016, 2017 and 2018. The tables are formulated on the basis of reports prepared by DeGolyer and MacNaughton and Ryder Scott Company, independent engineering consultancy companies.

下表載列本公司於二零一六年、二零一七及二零一八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。

CRUDE OIL

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 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
2018 Revision	二零一八年修訂	**11.8**	**8.9**
2018 Production	二零一八年產量	**(13.8)**	**(13.8)**
Reserve as at 31 December 2018	於二零一八年十二月三十一日之儲量	**47.3**	**60.0**

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 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
2018 Revision	二零一八年修訂	**4,012.4**	**11,762.5**
2018 Production	二零一八年產量	**(33,389.9)**	**(33,389.9)**
Reserve as at 31 December 2018	於二零一八年十二月三十一日之儲量	**174,599.8**	**187,905.1**

Definition:

The petroleum reserves are classified as follows:

Proved oil and gas reserves – Proved oil and gas reserves are those quantities of oil and gas, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible – from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations – prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.

釋義：

石油儲量分類如下：

探明油氣儲量 — 探明油氣儲量為自給定日期至合同約定權利到期日（除非有證據合理保證該權利能夠得到延期），透過地球科學和工程數據的分析，採用確定性或概率性評估，以現有經濟、作業和政府管制條件，可以合理確定已知油氣藏經濟可採油氣的數量。項目須已開始萃取烴或作業者須合理確定其將於合理時間內開始項目。

(i) The areas of the reservoir considered as proved includes:

(A) The area identified by drilling and limited by fluid contracts, if any, and (B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

(ii) In the absence of data on fluid contracts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more 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.

(i) 可視為已探明油氣藏的區域包括：

(A) 鑽井劃定及流體介面圈定（如有）的地區，及(B) 根據可用地質及工程資料可合理斷定其可以持續用於一定經濟可開採油氣的油氣藏附近未鑽探部份。

(ii) 若缺乏流體介面資料，除非地質、工程或表現資料及可靠技術確定合理存在較低含量，否則油氣藏內之探明儲量乃根據油井滲透所示的最低探明含烴量(LKH)而定。

(iii) 當透過井眼直接觀測已確定最高探明含油量高位(HKO)及存在潛在相關天然氣上限，則除非地質、工程或表現資料及可靠技術確定合理存在較高含量，否則探明石油儲量可分派至油氣藏構造較高的地區。

(iv) 通過應用提高採收率技術（包括但不限於注流體）可以經濟採出的儲量包括在探明儲量之列，倘：

(A)一旦油氣藏（其物業不如整體油氣藏優越）的先導性試驗項目試驗成功、油氣藏或類似油氣藏既定方案作業成功或使用可靠技術的其他證據探明項目和方案所依據的工程方法合理可靠的話；及(B)該項目已獲所有必要人士及實體（包括政府實體）批准進行開發。

(v) 現有的經濟條件包含確定一個油氣藏經濟生產能力的價格和成本。除非由合同約定，該價格是指在本報告期截止日以前的十二個月的算術平均價格，乃確定為該期間內每個月第一天價格的未加權算術平均數，但不包括基於未來條件做出的價格調整。

Developed oil and gas reserves – Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and

(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Undeveloped oil and gas reserves – Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required from recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, or by other evidence using reliable technology establishing reasonable certainty.

已開發油氣儲量 — 已開發油氣儲量為預期可透過以下方式開採的儲量：

(i) 利用現有設備和作業方法，或者開採儲量所需的開發設備成本明顯低於鑽探一口新井所需成本，可從現有油氣井中進行開採的儲量；及

(ii) 當通過除油氣井開採外的其他方式進行開採，利用儲量估計時點已安裝的開採設備和基礎設施可開採的儲量。

未開發油氣儲量 – 未開發油氣儲量指預期可從未鑽區域的新井中採出，或再完井需要較高支出的現有井中採出的儲量。

(i) 未鑽區域的儲量僅限於直接扣除開發間距區域，有一定把握在鑽後能採油，除非證實運用可靠技術能有一定把握在更遠距離在經濟上可生產。

(ii) 倘已採納的開發方案表明計劃在五年內（在特定環境下須較長時間者除外）鑽井，未鑽區域方可分類為擁有未開發儲量。

(iii) 任何未開發儲量的估計均不得包括擬運用流體注入或其他改良採油技術的任何區域，除非該等技術已通過在相同油藏或類似油藏的實際項目，或通過採用可靠技術證實有一定把握的其他證據證明為有效。

Reserve Quantities Information
儲量資料

Results of Operations for Exploration and Production Segment 勘探與生產板塊經營業績

		RMB'million 人民幣百萬元
For the year ended 31 December 2018	**截至二零一八年十二月三十一日止年度**	
Gross revenue	總收入	**2,068**
Less: Inter-company adjustment	減：公司間調整	**–**
Revenue from external customers	來自外部客戶之收入	**2,068**
Segment results	板塊業績	**466**
Share of profits less losses of:	應佔溢利減虧損：	
– Associates	－ 聯營公司	**581**
– Joint ventures	－ 合資企業	**203**
Profit before income tax expense	除所得税費用前溢利	**1,250**
Segment results included:	板塊業績包括：	
– Interest income	－ 利息收入	**7**
– Depreciation, depletion and amortisation	－ 折舊、損耗及攤銷	**(295)**
– Interest expenses	－ 利息支出	**–**

Results of Operations for Exploration and Production Segment (Continued) 勘探與生產板塊經營業績（續）

		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	除所得税費用前溢利	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)

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

		2018 二零一八年 RMB'million 人民幣百萬元	2017 二零一七年 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	**167**	63
Total	總計	**167**	63
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	**652**	633

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