[redacted]

中国石油化工股[redacted]

CHINA PETROLEUM & CHEM[redacted]

## 3 Principal Financial Data and Indicators

### 3.1 Principal Financial Data and Indicators Prepared in Accordance with China Accounting Standards for Business Enterprises ("ASBE") for the year ended 31 December 2017 of the Company

| Items | As at 31 December 2017 RMB million | As at 31 December 2016 RMB million | Changes from the end of the last year % | As at 31 December 2015 RMB million |
|---|---|---|---|---|
| T[illegible] | 1,595,504 | 1,498,609 | 6.47 | 1,447,268 |
| T[illegible] C[illegible] | 727,244 | 712,232 | 2.11 | 677,538 |

| Items | Year ended 31 December 2017 RMB million | 2016 RMB million | Changes over the same period of last year % | 2015 RMB million |
|---|---|---|---|---|
| N[illegible] | 190,935 | 214,543 | (11.00) | 165,740 |
| O[illegible] | 2,360,193 | 1,930,911 | 22.23 | 2,020,375 |
| N[illegible] C[illegible] | 51,119 | 46,416 | 10.13 | 32,281 |
| N[illegible] C[illegible] | 45,582 | 29,713 | 53.41 | 28,901 |
| [illegible] (%) | 7.14 | 6.68 | 0.46 [illegible] | 5.07 |
| B[illegible] (RMB) | 0.422 | 0.383 | 10.18 | 0.267 |
| D[illegible] (RMB) | 0.422 | 0.383 | 10.18 | 0.267 |

## 4. Changes in Share Capital and Shareholdings of the Principal Shareholders

### 4.1 Changes in the share capital

T [illegible] S [illegible] C [illegible]

### 4.2 Number of shareholders and their shareholdings

A [illegible] 31 D [illegible] 2017, [illegible] S [illegible] C [illegible] 508,659 [illegible] 502,590 [illegible] A [illegible] 6,069 [illegible] H [illegible]. A [illegible] 28 F [illegible] 2018, [illegible] S [illegible] C [illegible] 496,137. S [illegible] C [illegible] H [illegible] K [illegible] L [illegible] R [illegible] ( H [illegible] K [illegible] L [illegible] R [illegible]).

### (1) Shareholdings of top ten shareholders

T [illegible] 31 D [illegible] 2017 [illegible]

U [illegible]: S [illegible]

| Name of shareholders | Nature of Shareholders | Percentage of shareholdings % | Total number of shares held | Changes of shareholding[1] | shares subject to pledges or lock-up |
|---|---|---|---|---|---|
| C [illegible] P [illegible] C [illegible] | S [illegible] - [illegible] S [illegible] | 70.86 | 85,792,671,101 | 0 | 0 |
| HKSCC N [illegible] L [illegible][2] | H S [illegible] | 20.96 | 25,379,806,872 | 153,819 | U [illegible] |
| 中國證券金融股份有限公司 | A S [illegible] | 2.75 | 3,331,730,143 | 1,470,304,825 | 0 |
| HKSCC N [illegible] L [illegible] | A S [illegible] | 0.33 | 400,982,945 | 39,831,541 | 0 |
| 中央匯金資產管理有限責任公司 | A S [illegible] | 0.27 | 322,037,900 | 0 | 0 |
| 長江證券股份有限公司 | A S [illegible] | 0.07 | 88,458,695 | 17,261,400 | 0 |
| 中國工商銀行-上證50交易型開放式指數證券投資基金 | A S [illegible] | 0.07 | 80,551,930 | 2,693,300 | 0 |
| 交通銀行股份有限公司-滙豐晉信大盤股票型證券投資基金 | A S [illegible] | 0.06 | 68,970,054 | 23,033,290 | 0 |
| 國泰君安證券股份有限公司 | A S [illegible] | 0.05 | 54,884,077 | (76,251,129) | 0 |
| 全國社保基金一一五組合 | A S [illegible] | 0.04 | 54,190,722 | 54,190,722 | 0 |

N [illegible] 1: A [illegible] 31 D [illegible] 2016. [illegible] HKHS [illegible]

N [illegible] 2: S [illegible] C [illegible] B [illegible] C [illegible] I [illegible] L [illegible] - [illegible] C [illegible] P [illegible] C [illegible] 553,150,000 H [illegible] ( [illegible] ) T 0.[illegible] T

T ( T ( T 5 0 T 2.69 DC B)T ( , ( )T ( )T CID 404 DC B)T ( ( )T 09 404

S

:

## 5. Business Review and Prospects

### Business Review

I[illegible] 2017, [illegible] C[illegible] (GDP) [illegible] 6.9%. I[illegible] D[illegible] C[illegible] T[illegible] C[illegible] F[illegible]

### 5.1 Market Review

#### (1) Crude Oil & Natural Gas Market

I[illegible] 2017, [illegible] 4 [illegible]

### (2) Refined Oil Products Market

[illegible]

### (3) Chemical Products Market

[illegible]

## 5.2 Production & Operations Review

### (1) Exploration and Production

[illegible]

**Summary of Operations for the Exploration and Production Segment**

| | 2017 | 2016 | 2015 | Change from 2016 to 2017 (%) |
|---|---|---|---|---|
| [illegible] | 448.79 | 431.29 | 471.91 | 4.1 |
| [illegible] | 293.66 | 303.51 | 349.47 | (3.2) |
| [illegible] | 248.88 | 253.15 | 296.34 | (1.7) |
| [illegible] | 44.78 | 50.36 | 53.13 | (11.1) |
| [illegible] | 912.50 | 766.12 | 734.79 | 19.1 |

## (2) Refining

I 2017, ... 1.17. T C ... GB V ... GB VI ... T ... LPG, ... I 2017, C ... 239 ... 1.3% ... 151 ... 1.2% ... 5.5% ...

### Summary of Operations for the Refining Segment

U :

| | 2017 | 2016 | 2015 | Change from 2016 to 2017 (%) |
|---|---|---|---|---|
| R | 238.50 | 235.53 | 236.49 | 1.3 |
| G | 150.67 | 149.17 | 148.38 | 1.0 |
| G | 57.03 | 56.36 | 53.98 | 1.2 |
| D | 66.76 | 67.34 | 70.05 | (0.9) |
| K | 26.88 | 25.47 | 24.35 | 5.5 |
| L | 38.60 | 38.54 | 38.81 | 0.2 |
| L (%) | 75.85 | 76.33 | 76.50 | (0.48) |
| R (%) | 94.88 | 94.70 | 94.75 | 0.18 |

N : I 100% .

## (3) Marketing and distribution

I[illegible] 2017, [illegible] C[illegible] [illegible] I[illegible] 2017, [illegible] 199 [illegible] 178 [illegible] 2.9% [illegible].

### Summary of Operations for the Marketing and Distribution Segment

| | 2017 | 2016 | 2015 | Change from 2016 to 2017 (%) |
|---|---|---|---|---|
| T[illegible] ([illegible]) | 198.75 | 194.84 | 189.33 | 2.0 |
| T[illegible] ([illegible]) | 177.76 | 172.70 | 171.37 | 2.9 |
| R[illegible] ([illegible]) | 121.56 | 120.14 | 119.03 | 1.2 |
| D[illegible] ([illegible]) | 56.20 | 52.56 | 52.34 | 6.9 |
| A[illegible] ([illegible]/[illegible]) | 3,969 | 3,926 | 3,896 | 1.1 |

| | 31 December 2017 | 31 December 2016 | 31 December 2015 | Change from the end of the previous year to the end of the reporting period (%) |
|---|---|---|---|---|
| T[illegible] S[illegible] | 30,633 | 30,603 | 30,560 | 0.1 |
| N[illegible] | 30,627 | 30,597 | 30,547 | 0.1 |

(4) **Chemicals**

[illegible] 2017, [illegible] 11.61 [illegible] 5.0% [illegible] 89.0% [illegible] 63.0%. [illegible] 12.2% [illegible] 78.5 [illegible].

**Summary of Operations for the Chemicals Segment**

[illegible]

| | 2017 | 2016 | 2015 | Change from 2016 to 2017 (%) |
|---|---|---|---|---|
| [illegible] | 11,610 | 11,059 | 11,118 | 5.0 |
| [illegible] | 15,938 | 15,201 | 15,065 | 4.8 |
| [illegible] | 848 | 857 | 843 | (1.1) |
| [illegible] | 9,439 | 9,275 | 8,994 | 1.8 |
| [illegible] | 1,220 | 1,242 | 1,282 | (1.8) |

[illegible] 100% [illegible].

**(5) Research and Development**

### (7) Capital Expenditures

[illegible]

## 5.3 Business Prospects

### (1) Market Outlook

[illegible]

### (2) Operations

[illegible]

**Exploration and Production:** [illegible] I 2018, [illegible] 290 [illegible] 41 [illegible] 974.1 [illegible]

**Refining:** [illegible] GB VI [illegible] I 2018, [illegible] 239 [illegible] 152 [illegible]

**Marketing and Distribution:** [illegible]

**Research and Development:** [illegible] R&D [illegible]

**Capital Expenditures:** I 2018, [illegible] RMB 117 [illegible] RMB 48.5 [illegible] RMB 28.8 [illegible] GB VI [illegible] RMB 18.5 [illegible] RMB 17.7 [illegible] II [illegible] H [illegible] RMB 3.5 [illegible] R&D [illegible].

## (1) Turnover and other operating revenues

I[illegible] 2017, [illegible] C[illegible] RMB 2,300.5 [illegible] 22.4% [illegible] 2016. T[illegible] M[illegible] C[illegible]

T[illegible] C[illegible] 2017 [illegible] 2016:

| | Sales volume (thousand tonnes) | | | Average realised price (RMB/tonne, RMB/thousand cubic meters) | | |
|---|---|---|---|---|---|---|
| | Year ended 31 December | | | Year ended 31 December | | |
| | 2017 | 2016 | Change (%) | 2017 | 2016 | Change (%) |
| C[illegible] | 6,567 | 6,808 | (3.5) | 2,390 | 1,628 | 46.8 |
| N[illegible] ([illegible]) | 22,529 | 19,008 | 18.5 | 1,290 | 1,258 | 2.5 |
| G[illegible] | 83,933 | 77,480 | 8.3 | 6,941 | 6,386 | 8.7 |
| D[illegible] | 88,848 | 91,492 | (2.9) | 5,038 | 4,482 | 12.4 |
| K[illegible] | 25,557 | 25,164 | 1.6 | 3,531 | 2,807 | 25.8 |
| B[illegible] | 35,964 | 32,248 | 11.5 | 4,855 | 4,054 | 19.8 |
| M[illegible] | 10,267 | 7,146 | 43.7 | 6,038 | 5,325 | 13.4 |
| S[illegible] | 13,199 | 12,223 | 8.0 | 8,155 | 7,488 | 8.9 |
| S[illegible] | 1,304 | 1,369 | (4.7) | 8,556 | 7,113 | 20.3 |
| S[illegible] | 1,128 | 1,098 | 2.7 | 11,913 | 9,608 | 24.0 |
| C[illegible] | 698 | 714 | (2.2) | 2,010 | 1,612 | 24.7 |

M[illegible] C[illegible] I[illegible] 2017, [illegible] RMB 69.2 [illegible] 45.8% [illegible] 2016. T[illegible] 2017.

I[illegible] 2017, [illegible] R[illegible] S[illegible] M[illegible] D[illegible] S[illegible] RMB 1,324.4 [illegible] 56.1% [illegible] C[illegible] 17.2% [illegible] 2016, [illegible] T[illegible] RMB 1120.4 [illegible] 14.8% [illegible] 2016, [illegible] 84.6% [illegible] T[illegible] RMB 204.0 [illegible] 31.8% [illegible] 2016, [illegible] 15.4% [illegible]

C . . . . C . . . S . . . . RMB 373.8 . . . , . . 31.5% 2016, . . 15.8% . C . ' . . . . . . . T . . . . .

(2) **Operating expenses**

I 2017, C ' . . RMB 2,288.7 . . . , . . 23.5% . . 2016, . . . . . T . . . :

**Purchased crude oil, products and operating supplies and expenses** RMB 1,770.7 . . . , . . 28.3% . 2016, . . 77.4% . . :

C . . . RMB 497.1 . . . , . . 33.0% . . 2016. T . . . 2017 211.03 . . ( . . . ), . . 4.3% . 2016. T . . . RMB 2,655 . , . . 27.4% 2016.

T C ' . . . RMB 300.5 . . . , . . 23.3% . 2016. T . . . . . . , . . .

T C ' . . . . RMB 503.9 . . . , . . 27.7% . 2016. T . . . . . . . .

T C ' . . . RMB 469.2 . . . , . . 27.6% . 2016. T . . . . . . . . .

**Selling, general and administrative expenses** RMB 65.0 . . . , . . 1.0% 2016.

**Depreciation, depletion and amortisation** RMB 115.3 . . . , . . RMB 6.9 . . 6.4% . 2016. T . . . , . . E . & D . S , , . RMB 4.9 . . 2016.

**Exploration expenses** RMB 11.1 . . . , . . 0.5% .

## 6.2 Assets, Liabilities, Equity and Cash Flows

T [illegible] C [illegible]. T [illegible].

### (1) Assets, liabilities and equity

U[illegible]: RMB [illegible]

| | As of 31 December 2017 | As of 31 December 2016 | Change |
|---|---|---|---|
| T[illegible] | 1,595,504 | 1,498,609 | 96,895 |
| C[illegible] | 529,049 | 412,261 | 116,788 |
| N[illegible]-[illegible] | 1,066,455 | 1,086,348 | (19,893) |
| T[illegible] | 742,614 | 667,374 | 75,240 |
| C[illegible] | 579,446 | 485,543 | 93,903 |
| N[illegible]-[illegible] | 163,168 | 181,831 | (18,663) |
| T[illegible] | | | |
| [illegible] C[illegible] | 726,120 | 710,994 | 15,126 |
| S[illegible] | 121,071 | 121,071 | 0 |
| R[illegible] | 605,049 | 589,923 | 15,126 |
| N[illegible]-[illegible] | 126,770 | 120,241 | 6,529 |
| T[illegible] | 852,890 | 831,235 | 21,655 |

A[illegible] 31 D[illegible] 2017, C[illegible]' [illegible] RMB 1,595.5 [illegible], [illegible] RMB 96.9 [illegible] 2016, [illegible]:

C[illegible] RMB 529.0 [illegible], [illegible] RMB 116.8 [illegible] 2016, [illegible] RMB 30.2 [illegible] RMB 18.2 [illegible], [illegible] RMB 51.2 [illegible] RMB 33.8 [illegible].

N[illegible]-[illegible] RMB 1,066.5 [illegible], [illegible] RMB 19.9 [illegible] 2016. T[illegible], [illegible] ( ) RMB 39.8 [illegible], [illegible] RMB 10.9 [illegible]. E[illegible] RMB 13.6 [illegible], [illegible] RMB 11.8 [illegible].

**(3) Contingent Liabilities**

P [illegible] M [illegible] G [illegible] C [illegible] T [illegible] P [illegible] S [illegible] E [illegible] A [illegible] R [illegible].

**(4) Capital Expenditures**

P [illegible] C [illegible] E [illegible] B [illegible] R [illegible] P [illegible] A [illegible] R [illegible].

**(5) Research & development expenses and environmental expenditures**

R [illegible] & [illegible] I [illegible] 2017, [illegible] & [illegible] RMB 6.423 [illegible].

E [illegible] C [illegible] I [illegible] 2017, C [illegible] RMB 7.851 [illegible].

**(6) Measurement of fair values of derivatives and relevant system**

T [illegible] C [illegible].

**Items relevant to measurement of fair values** U[illegible]: RMB [illegible]

| Items | Beginning of the year | End of the year | Profits and losses from variation of fair values in the current year | Accumulated variation of fair values recorded as equity | Impairment loss provision of the current year | Funding source |
|---|---|---|---|---|---|---|
| F[illegible] | | | | | | |
| [illegible] | | 51,196 | 196 | | | S[illegible] |
| S[illegible] D[illegible] | | 51,196 | 196 | | | |
| A[illegible] | 262 | 178 | | (9) | | S[illegible] |
| S[illegible] | 262 | 178 | | (9) | | |
| D[illegible] | 314 | (522) | (353) | | | S[illegible] |
| C[illegible] | (4,024) | (1,617) | 103 | (1,314) | | S[illegible] |
| **Total** | (3,448) | 49,235 | (54) | (1,323) | | |

## 6.3 Analysis of financial statements prepared under ASBE

**(1) Under ASBE, the operating income and operating profit or loss by reportable segments were as follows:**

| | Year ended 31 December | |
|---|---|---|
| | **2017** | **2016** |
| | **RMB million** | **RMB million** |
| **Operating income** | | |
| E[illegible] P[illegible] S[illegible] | 157,505 | 115,939 |
| R[illegible] S[illegible] | 1,011,853 | 855,786 |
| M[illegible] D[illegible] S[illegible] | 1,224,197 | 1,052,857 |
| C[illegible] S[illegible] | 437,743 | 335,114 |
| C[illegible] O[illegible] | 974,850 | 739,947 |
| E[illegible] | (1,445,955) | (1,168,732) |
| **Consolidated operating income** | **2,360,193** | **1,930,911** |
| **Operating (loss)/profit** | | |
| E[illegible] P[illegible] S[illegible] | (47,399) | (58,531) |
| R[illegible] S[illegible] | 64,047 | 55,808 |
| M[illegible] D[illegible] S[illegible] | 32,011 | 32,385 |
| C[illegible] S[illegible] | 22,796 | 20,769 |
| C[illegible] O[illegible] | (3,160) | 2,912 |
| E[illegible] | (1,655) | 1,581 |
| F[illegible] | 20,325 | 22,465 |
| **Consolidated operating profit** | **86,965** | **77,389** |
| **Net profit attributable to equity shareholders of the Company** | **51,119** | **46,416** |

**Operating profit:** I[illegible] 2017, [illegible] C[illegible] RMB 87.0 [illegible], [illegible] RMB 9.6 [illegible] 2016.

**Net profit:** I[illegible] 2017, [illegible] C[illegible] RMB 51.1 [illegible], [illegible] RMB 4.7 [illegible] 10.1% [illegible] 2016.

## (2) Financial data prepared under ASBE

| | As of 31 December 2017 RMB million | As of 31 December 2016 RMB million | Change |
|---|---|---|---|
| T | 1,595,504 | 1,498,609 | 96,895 |
| N - | 161,988 | 180,541 | (18,553) |
| S ’ | 854,070 | 832,525 | 21,545 |

A 2017, C ’ RMB 1,595.5 , RMB 96.9 2016. T RMB 116.8 .

A 2017, C ’ - RMB 162.0 , RMB 18.6 2016. T -

A 2017, ’ C RMB 854.1 , RMB 21.5 2016. T C .

## (3) The results of the principal operations by segments

| Segments | Operation income RMB million | Operation cost RMB million | Gross profit margin* (%) | Increase/ (decrease) of operation income on a year-on-year basis (%) | Increase/ (decrease) of operation cost on a year-on-year basis (%) | Increase/ (decrease) of gross profit margin on a year-on-year basis (%) |
|---|---|---|---|---|---|---|
| E P | 157,505 | 154,224 | (3.5) | 35.9 | 20.0 | 11.8 |
| R | 1,011,853 | 703,743 | 8.7 | 18.2 | 26.6 | (0.4) |
| M k D | 1,224,197 | 1,127,374 | 7.6 | 16.3 | 17.2 | (0.8) |
| C | 437,743 | 386,111 | 11.2 | 30.6 | 33.3 | (1.8) |
| C O | 974,850 | 963,246 | 1.2 | 31.7 | 32.6 | (0.6) |
| E | (1,445,955) | (1,444,300) | N/A | N/A | N/A | N/A |

## 7. Report of the Board of Directors

### 7.1 Proposals for dividend distribution

A 17 B , B RMB 0.40 ( ). , RMB 0.10 ( ). , RMB 0.50 ( ).

T 14 J 2018 (T ) S C . 4 J 2018 (M ). I H , H H K R L 1712-1716 17 F H C , 183 Q ' R E , C H K 4:30 28 M 2018 (M ) . T H , S C . 29 M 2018 (T ) 4 J 2018 (M ) ( ).

T RMB, S -H K S C P RMB H K D T H K D RMB H K D P ' B C .

I E I T L P ' R C 1 J 2008 , S C . 10% - H S S C . A H S S C . HKSCC N L , , - . T , . I H S , . S C . , H S C .

I H H K M 10% , C ,

S C . 10%. S H S 10% C , , S C . 10%. I , H S (E A ) 10% , S C . , S C . S C . . S H S 10% 20% C , , S C . , . I H S 20% C , , C , , S C . 20%.

P N T P R P , S -H , K , S C (關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知) (C 2014 N . 81):

F H S S C . S -H , K , S C P , 20% . T .

F H , K , S E ( , ) A S S C . S -H , K , S C P , C 10% 5 0 T (42 0 T ( )

## 7.2 Core competitiveness analysis

### 7.3 Major suppliers and customers

D … C … 48.8% … C … 15.5% … C …

T … C … 2017 … RMB 159,918 … 6.8% … C … (S … ) … RMB 87,349 … 3.7% …

D … C … T … C … C … ’ …

## 8 Financial statements

### 8.1 Auditors' opinion

F[illegible] □U[illegible] A[illegible]

A[illegible]'[illegible] S[illegible] □N[illegible]

### 8.2 Financial Statements

8.2.1 F[illegible] A[illegible], S[illegible]
B[illegible] E[illegible]

**Consolidated and Parent Balance Sheets**

U[illegible]:RMB [illegible]

| Items | At 31 December 2017 | | At 31 December 2016 | |
|---|---|---|---|---|
| Assets | Consolidated | Parent | Consolidated | Parent |
| **Current assets** | | | | |
| C[illegible]k[illegible] | 165,004 | 92,545 | 142,497 | 98,250 |
| F[illegible] [illegible] | 51,196 | 48,179 | | |
| B[illegible] | 16,207 | 157 | 13,197 | 471 |
| A[illegible] | 68,494 | 37,609 | 50,289 | 38,332 |
| O[illegible] | 16,467 | 63,820 | 25,596 | 45,643 |
| P[illegible] | 4,901 | 4,429 | 3,749 | |

| Items | At 31 December 2017 | | At 31 December 2016 | |
|---|---|---|---|---|
| | Consolidated | Parent | Consolidated | Parent |
| **Liabilities and shareholders' equity** | | | | |

| | At 31 December 2017 | | At 31 December 2016 | |
|---|---|---|---|---|
| Items | Consolidated | Parent | Consolidated | Parent |
| **Liabilities and shareholders' equity** | | | | |
| **Shareholders' equity** | | | | |
| S [illegible] | 121,071 | 121,071 | 121,071 | 121,071 |
| C [illegible] | 119,557 | 68,789 | 119,525 | 68,769 |
| O [illegible] | (4,413) | 196 | (932) | 263 |
| S [illegible] | 888 | 482 | 765 | 393 |
| S [illegible] | 199,682 | 199,682 | 196,640 | 196,640 |
| R [illegible] | 290,459 | 177,049 | 275,163 | 182,440 |
| **Total equity attributable to shareholders of the Company** | 727,244 | 567,269 | 712,232 | 569,576 |
| **Minority interests** | 126,826 | | 120,293 | |
| **Total shareholders' equity** | 854,070 | 567,269 | 832,525 | 569,576 |
| **Total liabilities and shareholders' equity** | 1,595,504 | 1,002,495 | 1,498,609 | 977,725 |

## Consolidated and Parent Income Statement

U[illegible]:RMB [illegible]

| Items | Year ended 31 December 2017 Consolidated | 2017 Parent | 2016 Consolidated | 2016 Parent |
|---|---|---|---|---|
| **Operating income** | 2,360,193 | 857,478 | 1,930,911 | 726,178 |
| L[illegible]: O[illegible] | 1,890,398 | 633,114 | 1,492,165 | 513,514 |
| S[illegible] | 235,292 | 158,480 | 232,006 | 158,373 |
| S[illegible] | 56,055 | 2,670 | 49,550 | 2,365 |
| G[illegible] | 78,928 | 44,982 | 74,155 | 41,724 |
| F[illegible] | 1,560 | 2,642 | 6,611 | 3,851 |
| E[illegible] | 11,089 | 10,614 | 11,035 | 11,012 |
| I[illegible] | 21,791 | 14,372 | 17,076 | 14,044 |
| A[illegible]: (L[illegible])/[illegible] | (13) | 179 | (216) | 33 |
| I[illegible] | 19,060 | 38,058 | 30,779 | 43,519 |
| A[illegible] | (1,518) | (887) | (1,487) | (413) |
| O[illegible] | 4,356 | 1,784 | | |
| **Operating profit** | 86,965 | 29,738 | 77,389 | 24,434 |
| A[illegible]: N[illegible] | 1,317 | 474 | 4,706 | 2,812 |
| L[illegible]: N[illegible] | 1,709 | 725 | 2,218 | 1,117 |
| **Profit before taxation** | 86,573 | 29,487 | 79,877 | 26,129 |
| L[illegible]: I[illegible] | 16,279 | (928) | 20,707 | 2,539 |
| **Net profit** | 70,294 | 30,415 | 59,170 | 23,590 |
| I[illegible] | | | 86 | |

| | Year ended 31 December | | | |
|---|---|---|---|---|
| | 2017 | | 2016 | |
| **Items** | **Consolidated** | **Parent** | **Consolidated** | **Parent** |
| **Attributable to:** | | | | |
| E[illegible] C[illegible] | 51,119 | 30,415 | 46,416 | 23,590 |
| M[illegible] | 19,175 | | 12,754 | |
| **Basic earnings per share** | 0.422 | N/A | 0.383 | N/A |
| **Diluted earnings per share** | 0.422 | N/A | 0.383 | N/A |
| **Net profit** | 70,294 | 30,415 | 59,170 | 23,590 |
| **Other comprehensive income** | | | | |
| *I[illegible] ([illegible]):* | | | | |
| C[illegible] | (1,580) | 53 | 2,014 | 557 |
| C[illegible] | (57) | | (24) | |
| S[illegible] /([illegible]) [illegible] | 1,053 | (120) | 45 | (149) |
| F[illegible] | (3,792) | | 4,298 | |
| **Total other comprehensive income** | (4,376) | (67) | 6,333 | 408 |
| **Total comprehensive income** | 65,918 | 30,348 | 65,503 | 23,998 |
| **Attributable to:** | | | | |
| E[illegible] C[illegible] | 47,638 | 30,348 | 53,468 | 23,998 |
| M[illegible] | 18,280 | | 12,035 | |

## Consolidated and Parent Cash Flow Statement

U[illegible]:RMB [illegible]

| Items | Year ended 31 December 2017 Consolidated | 2017 Parent | 2016 Consolidated | 2016 Parent |
|---|---|---|---|---|
| **Cash flows from operating activities:** | | | | |
| C[illegible] [illegible] | 2,644,126 | 1,000,467 | 2,163,695 | 831,578 |
| R[illegible] | 2,158 | 1,304 | 2,434 | 1,323 |
| O[illegible] [illegible] | 57,287 | 42,913 | 77,436 | 85,932 |
| **Sub-total of cash inflows** | 2,703,571 | 1,044,684 | 2,243,565 | 918,833 |
| C[illegible] | (2,041,977) | (653,412) | (1,547,868) | (504,152) |
| C[illegible] | (68,260) | (37,054) | (62,602) | (35,190) |
| P[illegible] | (328,304) | (200,995) | (316,062) | (189,557) |
| O[illegible] [illegible] | (74,095) | (35,502) | (102,490) | (50,638) |
| **Sub-total of cash outflows** | (2,512,636) | (926,963) | (2,029,022) | (779,537) |
| **Net cash flow from operating activities** | 190,935 | 117,721 | 214,543 | 139,296 |

| Items | Year ended 31 December | | | |
| --- | --- | --- | --- | --- |
| | 2017 | | 2016 | |
| | Consolidated | Parent | Consolidated | Parent |
| C [illegible]: | | | | |
| C [illegible] | 4,729 | 18,919 | 31,489 | 29,002 |
| C [illegible] | 8,506 | 23,842 | 4,028 | 22,233 |
| N [illegible] | 1,313 | 252 | 440 | 1,885 |
| O [illegible] | 52,304 | 23,270 | 2,914 | 1,488 |
| N [illegible] | 80 | 1 | 2,027 | 2,027 |

| | Year ended 31 December | | | |
|---|---|---|---|---|
| | 2017 | | 2016 | |
| **Items** | **Consolidated** | **Parent** | **Consolidated** | **Parent** |
| **Cash flows from financing activities:** | | | | |
| [illegible] | 946 | | 343 | |
| [illegible] | 946 | | 343 | |
| [illegible] | 524,843 | 106,407 | 506,097 | 153,790 |
| **Sub-total of cash inflows** | 525,789 | 106,407 | 506,440 | 153,790 |
| [illegible] | (536,380) | (133,663) | (569,091) | (192,828) |
| [illegible] | (45,763) | (38,392) | (30,396) | (21,826) |
| [illegible] | (7,539) | | (6,553) | |
| [illegible] | (155) | | | |
| **Sub-total of cash outflows** | (582,298) | (172,055) | (599,487) | (214,654) |
| **Net cash flow from financing activities** | (56,509) | (65,648) | (93,047) | (60,864) |
| **Effects of changes in foreign exchange rate** | (353) | | 256 | |
| **Net (decrease)/increase in cash and cash equivalents** | (11,250) | (15,811) | 55,535 | 41,667 |

## Consolidated Statement of Changes in Equity

| | Share capital RMB million | Capital reserve RMB million | Other comprehensive income RMB million | Specific reserve RMB million | Surplus reserves RMB million | Retained earnings RMB million | Total shareholders' equity attributable to equity shareholders of the Company RMB million | Minority interests RMB million | Total shareholders' equity RMB million |
|---|---|---|---|---|---|---|---|---|---|
| B[illegible] 1 J[illegible] 2016 | 121,071 | 121,576 | (7,984) | 612 | 196,640 | 245,623 | 677,538 | 112,027 | 789,565 |
| C[illegible] | | | | | | | | | |
| 1. N[illegible] | | | | | | 46,416 | 46,416 | 12,754 | 59,170 |
| 2. O[illegible] | | | 7,052 | | | | 7,052 | (719) | 6,333 |
| T[illegible] | | | 7,052 | | | 46,416 | 53,468 | 12,035 | 65,503 |
| T[illegible] [illegible]: | | | | | | | | | |
| 3. A[illegible]: | | | | | | | | | |
| A[illegible] | | | | | | | | | |
| D[illegible] | | | | | | (16,829) | (16,829) | | (16,829) |
| 4. T[illegible] | | (30) | | | | | (30) | 263 | 233 |
| 5. D[illegible] [illegible] [illegible] | | | | | | (47) | (47) | (39) | (86) |
| 6. D[illegible] | | | | | | | | (6,146) | (6,146) |
| 7. A[illegible] [illegible] | | (2,137) | | | | | (2,137) | 2,137 | |
| T[illegible] [illegible] | | (2,167) | | | | (16,876) | (19,043) | (3,785) | (22,828) |
| 8. N[illegible] [illegible] | | | | 153 | | | 153 | 7 | 160 |
| 9. O[illegible] | | 116 | | | | | 116 | 9 | 125 |
| **Balance at 31 December 2016** | 121,071 | 119,525 | (932) | 765 | 196,640 | 275,163 | 712,232 | 120,293 | 832,525 |

| | Share capital RMB million | Capital reserve RMB million | Other comprehensive income RMB million | Specific reserve RMB million | Surplus reserves RMB million | Retained earnings RMB million | Total shareholders' equity attributable to equity shareholders of the Company RMB million | Minority interests RMB million | Total shareholders' equity RMB million |
|---|---|---|---|---|---|---|---|---|---|
| B[illegible] 1 J[illegible] 2017 | 121,071 | 119,525 | (932) | 765 | 196,640 | 275,163 | 712,232 | 120,293 | 832,525 |
| C[illegible] | | | | | | | | | |
| 1. N[illegible] | | | | | | 51,119 | 51,119 | 19,175 | 70,294 |
| 2. O[illegible] | | | (3,481) | | | | (3,481) | (895) | (4,376) |
| T[illegible] | | | (3,481) | | | 51,119 | 47,638 | 18,280 | 65,918 |
| T[illegible]: | | | | | | | | | |
| 3. A[illegible]: | | | | | | | | | |
| A[illegible] | | | | | 3,042 | (3,042) | | | |
| D[illegible] | | | | | | (32,689) | (32,689) | | (32,689) |
| 4. T[illegible] | | (13) | | | | | (13) | 724 | 711 |
| 5. D[illegible] | | | | | | | | (12,501) | (12,501) |
| T[illegible] | | (13) | | | 3,042 | (35,731) | (32,702) | (11,777) | (44,479) |
| 6. N[illegible] | | | | 123 | | | 123 | 3 | 126 |
| 7. O[illegible] | | 45 | | | | (92) | (47) | 27 | (20) |
| **Balance at 31 December 2017** | 121,071 | 119,557 | (4,413) | 888 | 199,682 | 290,459 | 727,244 | 126,826 | 854,070 |

## Statement of Changes in Equity

| | Share capital RMB million | Capital reserve RMB million | Other comprehensive income RMB million | Specific reserve RMB million | Surplus reserves RMB million | Retained earnings RMB million | Total shareholders' equity RMB million |
|---|---|---|---|---|---|---|---|
| B[illegible] 1 J[illegible] 2016 | 121,071 | 68,716 | (145) | 313 | 196,640 | 175,679 | 562,274 |
| C[illegible] | | | | | | | |
| 1. N[illegible] | | | | | | 23,590 | 23,590 |
| 2. O[illegible] | | | 408 | | | | 408 |
| T[illegible] | | | 408 | | | 23,590 | 23,998 |
| T[illegible], [illegible] [illegible]: | | | | | | | |
| 3. A[illegible]: | | | | | | | |
| A[illegible] | | | | | | | |
| D[illegible] | | | | | | (16,829) | (16,829) |
| T[illegible], [illegible] [illegible] | | | | | | (16,829) | (16,829) |
| 4. N[illegible] | | | | 80 | | | 80 |
| 5. O[illegible] | | 53 | | | | | 53 |
| **Balance at 31 December 2016** | 121,071 | 68,769 | 263 | 393 | 196,640 | 182,440 | 569,576 |

| | Share capital RMB million | Capital reserve RMB million | Other comprehensive income RMB million | Specific reserve RMB million | Surplus reserves RMB million | Retained earnings RMB million | Total shareholders' equity RMB million |
|---|---|---|---|---|---|---|---|
| B[illegible] 1 J[illegible] 2017 | 121,071 | 68,769 | 263 | 393 | 196,640 | 182,440 | 569,576 |
| C[illegible] | | | | | | | |
| 1. N[illegible] | | | | | | 30,415 | 30,415 |
| 2. O[illegible] | | | (67) | | | | (67) |
| T[illegible] | | | (67) | | | 30,415 | 30,348 |
| T[illegible], [illegible] [illegible]: | | | | | | | |
| 3. A[illegible]: | | | | | | | |
| A[illegible] [illegible] | | | | | 3,042 | (3,042) | |
| D[illegible] | | | | | | (32,689) | (32,689) |
| T[illegible], [illegible] [illegible] | | | | | 3,042 | (35,731) | (32,689) |
| 4. N[illegible] [illegible] | | | | 89 | | | 89 |
| 5. O[illegible] | | 20 | | | | (75) | (55) |
| **Balance at 31 December 2017** | 121,071 | 68,789 | 196 | 482 | 199,682 | 177,049 | 567,269 |

8.2.2 S[illegible] I[illegible] F[illegible] R[illegible] S[illegible]

**Consolidated Income Statement**

U[illegible]:RMB [illegible]

| | Year ended 31 December | |
|---|---|---|
| | **2017** | **2016** |
| **Turnover and other operating revenues** | | |
| T[illegible] | 2,300,470 | 1,880,190 |
| O[illegible] | 59,723 | 50,721 |
| | 2,360,193 | 1,930,911 |
| **Operating expenses** | | |
| P[illegible] | (1,770,651) | (1,379,691) |
| S[illegible] | (64,973) | (64,360) |
| D[illegible] | (115,310) | (108,425) |
| E[illegible] | (11,089) | (11,035) |
| P[illegible] | (74,854) | (63,887) |
| T[illegible] | (235,292) | (232,006) |
| O[illegible] ([illegible])/[illegible] | (16,554) | 5,686 |
| **Total operating expenses** | (2,288,723) | (1,853,718) |
| **Operating profit** | 71,470 | 77,193 |

## Consolidated Statement of Comprehensive Income

U[illegible]:RMB [illegible]

| | Year ended 31 December | |
|---|---|---|
| | **2017** | **2016** |
| **Profit for the year** | 70,418 | 59,444 |
| **Other comprehensive income:** | | |
| *I[illegible]):* | | |
| C[illegible] | (1,580) | 2,014 |
| A[illegible]-[illegible] | (57) | (24) |
| S[illegible] | 1,053 | 45 |
| F[illegible] | (3,792) | 4,298 |
| **Total items that may be reclassified subsequently to profit or loss** | (4,376) | 6,333 |
| **Total other comprehensive (loss)/income** | (4,376) | 6,333 |
| **Total comprehensive income for the year** | 66,042 | 65,777 |
| **Attributable to:** | | |
| O[illegible] C[illegible] | 47,763 | 53,724 |
| N[illegible]-[illegible] | 18,279 | 12,053 |
| **Total comprehensive income for the year** | 66,042 | 65,777 |

## Balance Sheet

U[illegible]:RMB [illegible]

| | At 31 December 2017 | | At 31 December 2016 | |
|---|---|---|---|---|
| | Consolidated | Parent | Consolidated | Parent |
| **Non-current assets** | | | | |
| P[illegible] | 650,774 | 329,814 | 690,594 | 373,020 |
| C[illegible] | 118,645 | 50,046 | 129,581 | 49,277 |
| G[illegible] | 8,634 | | 6,353 | |
| I[illegible] | | 245,156 | | 238,264 |
| I[illegible] | 79,726 | 15,579 | 66,116 | 14,691 |
| I[illegible] | 51,361 | 14,822 | 50,696 | 15,496 |
| A[illegible] | 1,676 | 395 | 11,408 | 297 |
| D[illegible] | 15,131 | 6,834 | 7,214 | |
| L[illegible] | 58,526 | 6,916 | 54,241 | 6,114 |
| L[illegible] | 81,982 | 14,072 | 70,145 | 14,731 |
| **Total non-current assets** | 1,066,455 | 683,634 | 1,086,348 | 711,890 |
| **Current assets** | | | | |
| C[illegible] | 113,218 | 72,309 | 124,468 | 88,120 |
| T[illegible] | 51,786 | 20,236 | 18,029 | 10,130 |
| F[illegible] | 51,196 | 48,179 | | |
| T[illegible] | 68,494 | 37,609 | 50,289 | 38,332 |
| B[illegible] | 16,207 | 157 | 13,197 | 471 |
| D[illegible] | | 16,327 | | 5,454 |
| I[illegible] | 186,693 | 44,933 | 156,511 | 46,942 |
| P[illegible] | 41,455 | 79,111 | 49,767 | 76,386 |
| **Total current assets** | 529,049 | 318,861 | 412,261 | 265,835 |

| | At 31 December 2017 | | At 31 December 2016 | |
|---|---|---|---|---|
| | Consolidated | Parent | Consolidated | Parent |
| **Current liabilities** | | | | |
| S[illegible] | 55,338 | 33,454 | 56,239 | 50,574 |
| L[illegible] S[illegible] G[illegible] C[illegible] [illegible] | 25,311 | 3,214 | 18,580 | 2,703 |
| T[illegible] | 200,073 | 83,449 | 174,301 | 75,787 |
| B[illegible] | 6,462 | 3,155 | 5,828 | 2,761 |
| A[illegible] | 279,247 | 194,291 | 224,544 | 148,997 |
| I[illegible] | 13,015 | | 6,051 | |

8.2.3 D[illegible] ASBE [illegible] IFRS ([illegible])

(1) E[illegible] ASBE [illegible] IFRS [illegible]:

| Items | Year ended 31 December 2017 RMB million | 2016 RMB million |
|---|---|---|
| N[illegible] ASBE | 70,294 | 59,170 |
| A[illegible]: | | |
| G[illegible] | 110 | 114 |
| S[illegible] | 126 | 160 |
| O[illegible] | (112) | |
| **Profit for the year under IFRS*** | 70,418 | 59,444 |

(2) E[illegible] ASBE [illegible] IFRS [illegible]:

| Items | 2017 31 December RMB million | 2016 31 December RMB million |
|---|---|---|
| S[illegible]' [illegible] ASBE | 854,070 | 832,525 |
| A[illegible]: | | |
| G[illegible] | (1,180) | (1,290) |
| **Total equity under IFRS*** | 852,890 | 831,235 |

* T[illegible] IFRS [illegible] 31 D[illegible] 2016 [illegible] 2017 [illegible] P[illegible] C[illegible].

## 8.3 Changes in accounting polices

A[illegible] □N[illegible]

M[illegible] F[illegible] N[illegible].42 A[illegible] S[illegible] B[illegible] E[illegible] N[illegible].16 A[illegible] S[illegible] B[illegible] E[illegible] C[illegible] K[illegible] [2017 N[illegible]. 30 A[illegible]. T[illegible] C[illegible] ASBE [illegible] 31 D[illegible] 2017, [illegible] 31 D[illegible] 2016 [illegible] 2015 [illegible]. T[illegible] C[illegible]'[illegible]

| Content and Reasons for Changes of Accounting Policy | Items affected | Amount affected in 2016 (RMB in millions) | Amount affected in 2015 (RMB in millions) |
|---|---|---|---|
| G[illegible] C[illegible] 2017 [illegible] T[illegible] 2016 [illegible] 2015 [illegible] | L[illegible] | 1,487 | 693 |
| | N[illegible] | L[illegible] 258 | L[illegible] 264 |
| | N[illegible] | L[illegible] 1,745 | L[illegible] 957 |

## 8.4 The Group has no material accounting errors during the reporting period.

## 8.5 Changes in the scope of consolidation as compared with those for last annual report

A[illegible] □N[illegible]

O[illegible] 27 A[illegible] 2017, S[illegible] C[illegible]., S[illegible] C[illegible].'[illegible] G[illegible] P[illegible] C[illegible]., L[illegible] BP C[illegible] E[illegible] C[illegible] I[illegible] L[illegible] G[illegible] P[illegible] C[illegible]., L[illegible] 50% [illegible] S[illegible] SECCO P[illegible] C[illegible] L[illegible] (S[illegible] SECCO) [illegible] BP C[illegible] E[illegible] C[illegible] I[illegible] L[illegible]. O[illegible] 26 O[illegible] 2017, [illegible] RMB 10,135 [illegible]. B[illegible], S[illegible] C[illegible]. [illegible] 30% [illegible] 20% [illegible] S[illegible] SECCO, [illegible]. A[illegible], S[illegible] C[illegible]. [illegible] 100% [illegible] S[illegible] SECCO, [illegible] S[illegible] C[illegible].

( ) [illegible] ([illegible])

| | Year ended 31 December | |
|---|---|---|
| | **2017** | **2016** |
| | **Number of shares** | **Number of shares** |
| [illegible] | | |
| [illegible] 31 D [illegible] | 121,071,209,646 | 121,071,209,646 |
| [illegible] ([illegible]) | | |
| [illegible] 31 D [illegible] | 121,071,209,646 | 121,071,209,646 |

8.6.4 D [illegible]

D [illegible] C [illegible]:

| | Year ended 31December | |
|---|---|---|
| | **2017** | **2016** |
| | **RMB million** | **RMB million** |
| D [illegible] | | |
| RMB 0.10 [illegible] (2016: RMB 0.079 [illegible]) | 12,107 | 9,565 |
| D [illegible] | | |
| RMB 0.40 [illegible] (2016: RMB 0.17 [illegible]) | 48,428 | 20,582 |
| | 60,535 | 30,147 |

P [illegible] C [illegible]' A [illegible] A [illegible]
D [illegible]' [illegible]

P 23 M 2018, 31 D 2017 RMB 0.40 (2016: RMB 0.17) RMB 48,428 (2016: RMB 20,582 ) A G M . F

D C :

| | Year ended 31December | |
|---|---|---|
| | 2017 | 2016 |
| | RMB million | RMB million |
| F RMB 0.17 (2016: RMB 0.06 ) | 20,582 | 7,264 |

P A G M 28 J 2017, RMB 0.17 RMB 20,582 18 J 2017 . A 31 D 2017.

P A G M 18 M 2016, RMB 0.06 RMB 7,264 23 J 2016 . A 31 D 2016.

8.6.5 T[illegible] A[illegible] R[illegible] B[illegible] R[illegible]

| | 2017<br>31 December<br>RMB million | 2016<br>31 December<br>RMB million |
|---|---|---|
| A[illegible] | 56,203 | 39,994 |
| A[illegible] S[illegible] G[illegible] C[illegible] [illegible] | 7,941 | 6,398 |
| A[illegible] | 4,962 | 4,580 |
| | 69,106 | 50,972 |
| L[illegible]: I[illegible] | (612) | (683) |
| T[illegible] | 68,494 | 50,289 |
| B[illegible] | 16,207 | 13,197 |
| | 84,701 | 63,486 |

T[illegible] ([illegible]) [illegible]:

| | 2017<br>31 December<br>RMB million | 2016<br>31 December<br>RMB million |
|---|---|---|
| [illegible] | 83,984 | 63,051 |
| B[illegible] | 573 | 233 |
| B[illegible] | 43 | 177 |
| O[illegible] | 101 | 25 |
| | 84,701 | 63,486 |

[illegible]:

| | 2017 | 2016 |
|---|---|---|
| | **RMB million** | **RMB million** |
| B[illegible] 1 J[illegible] | 683 | 525 |
| P[illegible] | 49 | 238 |
| [illegible] | (100) | (8) |
| [illegible] | (21) | (72) |
| O[illegible] | 1 | |
| B[illegible] 31 D[illegible] | 612 | 683 |

[illegible]

[illegible]

8.6.6 T[illegible] A[illegible] B[illegible] P[illegible]

| | 2017<br>31 December<br>RMB million | 2016<br>31 December<br>RMB million |
|---|---|---|
| A[illegible] | 177,224 | 154,882 |
| A[illegible] S[illegible] G[illegible] C[illegible] | | |
| [illegible] | 13,350 | 13,168 |
| A[illegible] | 9,499 | 6,251 |

35ID 4327 BDC BT/T1 1CID 43

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8.6.7 S [illegible] R [illegible]

I [illegible] G [illegible]:

| | 2017 | 2016 |
|---|---|---|
| | RMB million | RMB million |
| **Turnover** | | |
| E [illegible] | | |
| E [illegible] | 69,168 | 47,443 |
| I [illegible] | 77,804 | 58,954 |
| | 146,972 | 106,397 |
| R [illegible] | | |
| E [illegible] | 132,478 | 102,983 |
| I [illegible] | 874,271 | 747,317 |
| | 1,006,749 | 850,300 |
| M [illegible] | | |
| E [illegible] | 1,191,902 | 1,027,373 |
| I [illegible] | 3,962 | 3,480 |
| | 1,195,864 | 1,030,853 |
| C [illegible] | | |
| E [illegible] | 373,814 | 284,289 |
| I [illegible] | 49,615 | 38,614 |
| | 423,429 | 322,903 |
| C [illegible] | | |
| E [illegible] | 533,108 | 418,102 |
| I [illegible] | 440,303 | 320,367 |
| | 973,411 | 738,469 |
| E [illegible] | (1,445,955) | (1,168,732) |

| | 2017<br>RMB million | 2016<br>RMB million |
|---|---|---|
| **Turnover** | 2,300,470 | 1,880,190 |
| **Other operating revenues** | | |
| E [illegible] | 10,533 | 9,542 |
| R [illegible] | 5,104 | 5,486 |
| M [illegible] | 28,333 | 22,004 |
| C [illegible] | 14,314 | 12,211 |
| C [illegible] | 1,439 | 1,478 |
| **Other operating revenues** | 59,723 | 50,721 |
| **Turnover and other operating revenues** | 2,360,193 | 1,930,911 |
| **Result** | | |
| **Operating (loss)/profit** | | |
| B [illegible] | | |
| E [illegible] | (45,944) | (36,641) |
| R [illegible] | 65,007 | 56,265 |
| M [illegible] | 31,569 | 32,153 |
| C [illegible] | 26,977 | 20,623 |
| C [illegible] | (4,484) | 3,212 |
| E [illegible] | (1,655) | 1,581 |
| **Total segment operating profit** | 71,470 | 77,193 |
| **Share of profits/(losses) from associates and joint ventures** | | |
| E [illegible] | 1,449 | (1,203) |
| R [illegible] | 989 | 1,075 |
| M [illegible] | 2,945 | 2,362 |
| C [illegible] | 9,621 | 5,696 |
| C [illegible] | 1,521 | 1,376 |
| **Aggregate share of profits from associates and joint ventures** | 16,525 | 9,306 |

| | 2017 | 2016 |
|---|---|---|
| | **RMB million** | **RMB million** |
| **Investment income/(losses)** | | |
| E [illegible] | 40 | 24 |
| R [illegible] | 28 | (4) |
| M [illegible] | 90 | 90 |
| C [illegible] | 86 | 119 |
| C [illegible] | 18 | 34 |
| **Aggregate investment income** | 262 | 263 |
| **Net finance costs** | (1,560) | (6,611) |
| **Profit before taxation** | 86,697 | 80,151 |

| | At 31 December 2017 RMB million | At 31 December 2016 RMB million |
|---|---|---|
| **Assets** | | |
| **Segment assets** | | |
| E[illegible] | 343,404 | 402,476 |
| R[illegible] | 273,123 | 260,903 |
| M[illegible] | 309,727 | 292,328 |
| C[illegible] | 158,472 | 144,371 |
| C[illegible] | 170,045 | 95,263 |
| **Total segment assets** | 1,254,771 | 1,195,341 |
| I[illegible] | 131,087 | [illegible] |
| A[illegible] | [illegible] | 11,408 |
| D[illegible] | 15,131 | 7,214 |
| C[illegible] | | |
| [illegible] | 165,004 1 | 142,49704 |

| | Year ended 31 December | |
|---|---|---|
| | **2017** | **2016** |
| | **RMB million** | **RMB million** |
| **Capital expenditure** | | |
| E[illegible] | 31,344 | 32,187 |
| R[illegible] | 21,075 | 14,347 |
| M[illegible] | 21,539 | 18,493 |
| C[illegible] | 23,028 | 8,849 |
| C[illegible] | 2,398 | 2,580 |
| | 99,384 | 76,456 |
| **Depreciation, depletion and amortisation** | | |
| E[illegible] | 66,843 | 61,929 |
| R[illegible] | 18,408 | 17,209 |
| M[illegible] | 15,463 | 14,540 |
| C[illegible] | 12,873 | 12,654 |
| C[illegible] | 1,723 | 2,093 |
| | 115,310 | 108,425 |
| **Impairment losses on long-lived assets** | | |
| E[illegible] | 13,556 | 11,605 |
| R[illegible] | 1,894 | 1,655 |
| M[illegible] D[illegible] | 675 | 267 |
| C[illegible] | 4,922 | 2,898 |
| C[illegible] | 211 | |
| | 21,258 | 16,425 |

T[illegible]

| | Year ended 31 December | |
|---|---|---|
| | **2017** | **2016** |
| | **RMB million** | **RMB million** |
| **External sales** | | |
| M[illegible] C[illegible] | 1,758,365 | 1,488,117 |
| S[illegible] | 269,349 | 152,068 |
| O[illegible] | 332,479 | 290,726 |
| | 2,360,193 | 1,930,911 |

| | **2017** | **2016** |
|---|---|---|
| | **31 December** | **31 December** |
| | **RMB million** | **RMB million** |
| **Non-current assets** | | |
| M[illegible] C[illegible] | 979,329 | 1,000,209 |
| O[illegible] | 48,572 | 45,887 |
| | 1,027,901 | 1,046,096 |

## 9. Repurchase, Sales and Redemption of Shares

D[illegible] S[illegible] C[illegible] S[illegible] C[illegible]

## 10. Model Code for Securities Transactions by Directors

E[illegible] S[illegible] C[illegible] M[illegible] C[illegible] S[illegible] T[illegible] D[illegible] L[illegible] C[illegible] A[illegible] 10 [illegible] H[illegible] K[illegible] L[illegible] R[illegible] 31 D[illegible] 2017. I[illegible] S[illegible] C[illegible] R[illegible] G[illegible] S[illegible] H[illegible] C[illegible] D[illegible] S[illegible] S[illegible] M[illegible] C[illegible] S[illegible] M[illegible] C[illegible] S[illegible] T[illegible] C[illegible] E[illegible] S[illegible] C[illegible] S[illegible]

## 11. Compliance with Corporate Governance Code

[illegible]

[illegible]

## 12. Review of Annual Results

[illegible]

[illegible]

**China Petroleum & Chemical Corporation**
**Huang Wensheng**

[illegible]

B[illegible] PRC, 23 M[illegible] 2018

[illegible]

[illegible]