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中國機械設備工程股份有限公司
China Machinery Engineering Corporation*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(於中華人民共和國註冊成立的股份有限公司)

(Stock Code: 1829)

(股份代號：1829)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2018

截至2018年12月31日止年度 之業績公告

2018 ANNUAL RESULTS HIGHLIGHTS

- Revenue amounted to RMB28,862.6 million, representing an increase of RMB1,487.5 million or 5.4% from RMB27,375.1 million for the year ended December 31, 2017.
- Net profit attributable to owners of the parent amounted to RMB2,131.5 million, representing an increase of RMB356.5 million or 20.1% from RMB1,775.0 million for the year ended December 31, 2017.
- Basic earnings per share amounted to RMB0.52, representing an increase of RMB0.09 or 20.9% from RMB0.43 for the year ended December 31, 2017.
- The Board recommended to distribute a final dividend of RMB0.2067 (pre-tax) per Share for 4,125,700,000 Shares for 2018, representing a total amount of RMB852,782,190 (pre-tax).

2018年全年業績摘要

- 收入為人民幣28,862.6百萬元，較截至2017年12月31日止年度人民幣27,375.1百萬元增加人民幣1,487.5百萬元或5.4%。
- 歸屬於母公司擁有人的淨溢利為人民幣2,131.5百萬元，較截至2017年12月31日止年度人民幣1,775.0百萬元增加人民幣356.5百萬元或20.1%。
- 每股基本盈利為人民幣0.52元，較截至2017年12月31日止年度人民幣0.43元增加人民幣0.09元或20.9%。
- 董事會建議派付2018年末期股息，就4,125,700,000股股份每股人民幣0.2067元（稅前），合共人民幣852,782,190元（稅前）。

The Board is pleased to announce the following audited consolidated results of the Group for the year ended December 31, 2018, together with the comparative figures for the year ended December 31, 2017 for comparison. The results of the Group were prepared based on the consolidated financial statements, which were prepared in accordance with IFRS issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance.

董事會欣然宣佈本集團截至2018年12月31日止年度的以下經審計合併業績，連同用於比較的截至2017年12月31日止年度的比較數字。本集團業績乃基於根據國際會計準則理事會頒佈的國際財務報告準則以及香港公司條例的披露要求編製的合併財務報表而編製。

CONSOLIDATED STATEMENT OF PROFIT OR LOSS **合併損益表**

Year ended December 31, 2018

截至2018年12月31日止年度

			2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
REVENUE	收入	5	28,862,688	27,375,112
Cost of sales	銷售成本	6	(24,166,735)	(22,086,067)
Gross profit	毛利		4,695,953	5,289,045
Other revenue	其他收入	5	106,938	212,281
Other (expenses)/income, net	其他(開支)/收入淨額	5	(84,556)	193,635
Selling and distribution expenses	銷售及分銷開支		(1,254,072)	(1,082,591)
Administrative expenses	行政開支		(1,283,522)	(1,163,616)
Impairment losses on financial and contract assets, net	金融及合同資產 減值虧損淨額		(625,666)	-
Other operating expenses	其他經營開支		(3,137)	(425,230)
PROFIT FROM OPERATIONS	經營溢利		1,551,938	3,023,524
Finance income	財務收入	6(a)	1,314,914	394,126
Finance expenses	財務開支	6(a)	(208,318)	(1,162,253)
Net finance (expenses)/income	財務(開支)/收入淨額	6(a)	1,106,596	(768,127)
Share of profits and losses of:	應佔以下溢利及虧損：			
Joint ventures	合營公司		34,167	23,507
Associates	聯營公司		133,066	82,021
PROFIT BEFORE TAX	除稅前溢利		2,825,767	2,360,925
Income tax	所得稅	7	(689,926)	(584,298)
PROFIT FOR THE YEAR	年內溢利		2,135,841	1,776,627
Attributable to:	歸屬於：			
Owners of the parent	母公司擁有人		2,131,540	1,774,959
Non-controlling interests	非控股權益		4,301	1,668
			2,135,841	1,776,627
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	每股盈利			
	母公司普通權益持有人 應佔每股盈利		52(分)	43(分)
Basic and diluted (RMB)	基本及攤薄(人民幣)		52 cents	43 cents

**CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME**

Year ended December 31, 2018

合併綜合收益表

截至2018年12月31日止年度

	Notes 附註	2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
PROFIT FOR THE YEAR	年內溢利	2,135,841	1,776,627
OTHER COMPREHENSIVE INCOME	其他綜合收益		
Other comprehensive income that will not to be reclassified to profit or loss in subsequent periods:	於後續期間不能重分類進損益的其他綜合收益：		
Remeasurement of defined benefit obligations	重新計量設定受益義務	(19,360)	9,360
Equity investments designated at fair value through other comprehensive income	以公允價值計量且變動計入其他綜合收益的股權投資	(24,851)	—
Share of other comprehensive income of associates	分佔聯營公司其他綜合收益	(25,622)	—
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	於後續期間不能重分類進損益的其他綜合收益淨額	(69,833)	9,360
Other comprehensive income that may be reclassified into profit or loss in subsequent periods:	於後續期間能重分類進損益的其他綜合收益：		
Changes in fair value of available-for-sale investments	可供出售投資公允價值變動	—	(436)
Share of other comprehensive income of associates	分佔聯營公司其他綜合收益	—	(21,648)
Exchange differences on translation of financial statements of overseas subsidiaries	換算海外附屬公司的財務報表產生的匯兌差額	(53,376)	(64,587)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	於後續期間能重分類進損益的其他綜合收益淨額	(53,376)	(86,671)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	年內其他綜合收益(扣除稅項)	(123,209)	(77,311)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年內綜合收益總額	2,012,632	1,699,316
Attributable to:	歸屬於：		
Owners of the parent	母公司擁有人	2,008,234	1,697,723
Non-controlling interests	非控股權益	4,398	1,593
		2,012,632	1,699,316

**CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**

December 31, 2018

合併財務狀況表

2018年12月31日

		December 31, 2018 12月31日 RMB'000 人民幣千元	December 31, 2017 2017年 12月31日 RMB'000 人民幣千元 (Restated) (重述)
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	2,293,698	1,995,823
Investment properties	投資物業	640,115	631,662
Prepaid land lease payments	預付土地租賃款項	1,755,868	1,808,241
Intangible assets	無形資產	464,816	465,879
Investments in joint ventures	對合營公司的投資	380,590	346,423
Investments in associates	對聯營公司的投資	1,102,433	1,050,268
Trade and other receivables	貿易及其他應收款項	3,905,768	847,059
Amounts due from contract customers	應收合同客戶款項	-	1,923,798
Deferred tax assets	遞延稅項資產	561,201	348,186
Other non-current assets	其他非流動資產	897,782	376,678
Equity investments designated at fair value through other comprehensive income	以公允價值計量且變動計入其他綜合收益的股權投資	425,890	-
Total non-current assets	非流動資產總額	12,428,161	9,794,017
CURRENT ASSETS	流動資產		
Inventories	存貨	578,900	670,468
Trade and other receivables	貿易及其他應收款項	11,520,437	10,884,327
Amounts due from contract customers	應收合同客戶款項	-	5,374,496
Contract assets	合同資產	3,977,833	-
Restricted deposits	受限制存款	1,211,805	1,363,525
Time deposits with original maturity over three months	原始到期日超過三個月 的定期存款	5,013,871	6,784,311
Cash and cash equivalents	現金及現金等價物	21,383,610	21,479,315
Total current assets	流動資產總額	43,686,456	46,556,442
CURRENT LIABILITIES	流動負債		
Borrowings	借貸	878,403	754,847
Receipts in advance	預收款項	-	15,796,358
Contract liabilities	合同負債	14,941,065	-
Trade and other payables	貿易及其他應付款項	21,811,779	21,017,404
Defined benefit obligations	設定受益義務	33,114	33,775
Tax payable	應繳稅項	527,133	122,035
Total current liabilities	流動負債總額	38,191,494	37,724,419
NET CURRENT ASSETS	流動資產淨額	5,494,962	8,832,023
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減流動負債	17,923,123	18,626,040

Continued/...
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**CONSOLIDATED STATEMENT OF
FINANCIAL POSITION (CONTINUED)**

December 31, 2018

合併財務狀況表(續)

2018年12月31日

			December 31, 2018 2018年 12月31日 <i>RMB'000</i> 人民幣千元	December 31, 2017 2017年 12月31日 <i>RMB'000</i> 人民幣千元 (Restated) (重述)
NON-CURRENT LIABILITIES	非流動負債			
Borrowings	借貸		106,356	161,522
Trade and other payables	貿易及其他應付款項	<i>11</i>	746,769	541,326
Defined benefit obligations	設定受益義務		462,384	451,801
Deferred tax liabilities	遞延稅項負債		94,360	90,642
Total non-current liabilities	非流動負債總額		1,409,869	1,245,291
Net assets	淨資產		16,513,254	17,380,749
EQUITY	權益			
Issued capital	已發行股本	<i>12</i>	4,125,700	4,125,700
Reserves	儲備		12,301,708	13,174,786
Total equity attributable to owners of the parent	母公司擁有人應佔權益 總額		16,427,408	17,300,486
Non-controlling interests	非控股權益		85,846	80,263
Total equity	權益總額		16,513,254	17,380,749

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

1. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which comprise all standards and interpretations approved by the International Accounting Standards Board (the “IASB”). These financial statements also comply with the applicable disclosure provision of the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange of Hong Kong Limited (the “HKSE”). The Group has adopted all those new and revised IFRSs that are first effective for the accounting period beginning January 1, 2018 in preparing the financial statements for the year ended December 31, 2018. The Group has not early adopted any new and revised IFRSs that are not yet effective.

2. BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention, except for derivative financial instruments which have been measured at fair value and financial assets at fair value through other comprehensive income (“FVOCI”). These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

財務報表附註

2018年12月31日

1. 合規聲明

該等財務報表乃根據國際財務報告準則（「國際財務報告準則」）編製。國際財務報告準則包括經國際會計準則理事會（「國際會計準則理事會」）批准的全部準則及詮釋。該等財務報表亦符合香港聯合交易所有限公司（「香港聯交所」）主板證券上市規則中適用的披露規定。本集團已在編製截至2018年12月31日止年度的財務報表時採納所有在自2018年1月1日開始的會計期間首次生效的有關新訂及經修訂國際財務報告準則。本集團概無提早採納尚未生效的任何新訂及經修訂國際財務報告準則。

2. 編製基準

該等財務報表乃按歷史成本慣例編製，惟按公允價值計量的衍生金融工具及以公允價值計量且其變動計入其他綜合收益（「以公允價值計量且其變動計入其他綜合收益」）的金融資產除外。該等財務報表乃以人民幣（「人民幣」）呈列，而除另有指明外，所有數值均調整至最接近的千位數。

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements:

Amendments to IFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i>
Amendments to IFRS 4	<i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts</i>
IFRS 9	<i>Financial Instruments</i>
IFRS 15	<i>Revenue from Contracts with Customers</i>
Amendments to IFRS 15	<i>Clarifications to IFRS 15 Revenue from Contracts with Customers</i>
Amendments to IAS 40	<i>Transfers of Investment Property</i>
IFRIC 22	<i>Foreign Currency Transactions and Advance Consideration</i>
<i>Annual Improvements 2014-2016 Cycle</i>	Amendments to IFRS 1 and IAS 28

Except for the amendments to IFRS 4, *Annual Improvements 2014-2016 Cycle* and IFRS 2, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the new and revised IFRSs are described below:

- (a) IFRS 9 financial instruments replaces IAS 39 financial instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

With the exception of hedge accounting, which the Group has applied prospectively, the Group has recognised the transition adjustments against the applicable opening balances in equity at 1 January 2018. Therefore, the comparative information was not restated and continues to be reported under IAS 39.

3. 會計政策變更及披露

本集團已就本年度的財務報表首次採納下列新訂及經修訂國際財務報告準則：

國際財務報告準則第2號的修訂本	股份付款交易的分類及計量
國際財務報告準則第4號的修訂本	應用國際財務報告準則第9號「金融工具」及國際財務報告準則第4號「保險合同」
國際財務報告準則第9號	金融工具
國際財務報告準則第15號	客戶合同收入
國際財務報告準則第15號的修訂本	釐清國際財務報告準則第15號「客戶合同收入」
國際會計準則第40號的修訂本	投資物業轉讓
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
2014年至2016年週期的年度改進	國際財務報告準則第1號及國際會計準則第28號的修訂本

除國際財務報告準則第4號的修訂本、2014年至2016年週期的年度改進和國際財務報告準則第2號（其與本集團財務報表的編製無關）外，新訂及經修訂國際財務報告準則的性質及影響如下：

- (a) 國際財務報告準則第9號「金融工具」於2018年1月1日或以後開始的年度期間取代國際會計準則第39號「金融工具：確認及計量」，其中引入了適用於金融工具三方面的會計要求：分類及計量、減值及對沖會計處理。

除本集團已採用未來適用法之對沖會計處理外，本集團已於2018年1月1日在適用之權益期初結餘確認過渡調整。因此，比較資料並無重列且將繼續根據國際會計準則第39號呈報。

Classification and measurement

The following information sets out the impacts of adopting IFRS 9 on the statement of financial position, including the effect of replacing IAS 39's incurred credit loss calculations with IFRS 9's expected credit losses ("ECLs").

A reconciliation between the carrying amounts under IAS 39 and the balances reported under IFRS 9 as at 1 January 2018 is as follows:

分類及計量

以下資料載列採納國際財務報告準則第9號對財務狀況表的影響，包括以國際財務報告準則第9號項下的預期信貸虧損（「預期信貸虧損」）取代國際會計準則第39號項下的已產生信貸虧損計算所產生的影響。

於2018年1月1日，國際會計準則第39號項下的賬面值與國際財務報告準則第9號項下所呈報的結餘之對賬如下：

	Measurement category 計量類別		Carrying amount 賬面值		Difference 差額 RMB'000 人民幣千元
	IAS 39 國際會計準則 第39號	IFRS 9 國際財務報告 準則第9號	IAS 39 國際會計 準則第39號 RMB'000 人民幣千元	IFRS 9 國際財務報 告準則第9號 RMB'000 人民幣千元	
Financial assets 金融資產					
Listed equity investments 上市股權投資	Available-for-sale financial assets at FVOCI 以公允價值計量且其變動計入其他綜合收益的可供出售金融資產	Financial assets at FVOCI 以公允價值計量且其變動計入其他綜合收益的金融資產	10,021	10,021	—
Unlisted equity investments 非上市股權投資	Available-for-sale financial assets at cost 以成本計量的可供出售金融資產	Financial assets at FVOCI 以公允價值計量且其變動計入其他綜合收益的金融資產	366,657	411,980	45,323
Trade and other receivables 貿易及其他應收款項	Loans and receivables 貸款及應收款項	Financial assets at amortised cost 按攤餘成本計量的金融資產	11,731,386	11,646,575	(84,811)
Restricted deposits 受限制存款	Loans and receivables 貸款及應收款項	Financial assets at amortised cost 按攤餘成本計量的金融資產	1,363,525	1,363,525	—
Time deposits with original maturity over three months 原始到期日超過三個月的定期存款	Loans and receivables 貸款及應收款項	Financial assets at amortised cost 按攤餘成本計量的金融資產	6,784,311	6,784,311	—
Cash and cash equivalents 現金及現金等價物	Loans and receivables 貸款及應收款項	Financial assets at amortised cost 按攤餘成本計量的金融資產	21,479,315	21,479,315	—
Net difference 淨差額					(39,488)

	Measurement category 計量類別		Carrying amount 賬面值		Difference 差額 RMB'000 人民幣千元
	IAS 39 國際會計準則 第39號	IFRS 9 國際財務報告 準則第9號	IAS 39 國際會計 準則第39號 RMB'000 人民幣千元	IFRS 9 國際財務報 告準則第9號 RMB'000 人民幣千元	
Non-financial assets 非金融資產					
Contract assets 合同資產			7,298,294	7,268,718	(29,576)
Deferred tax assets 遞延稅項資產			348,186	376,783	28,597
Net difference 淨差額					(979)
Total net difference 淨差額總額					(40,467)
Financial liabilities 金融負債					
Trade and other payables (other than derivative financial instruments) 貿易及其他應付款項(衍 生金融工具除外)	Financial liabilities at amortised cost 按攤餘成本計量 的金融負債	Financial liabilities at amortised cost 按攤餘成本計量 的金融負債	21,547,304	21,547,304	—
Derivative financial instruments 衍生金融工具	Financial liabilities at fair value 按公允價值計量 的金融負債	Financial liabilities at fair value 按公允價值計量 的金融負債	11,426	11,426	—
Interest-bearing bank and other borrowings 付息銀行貸款及 其他借款	Financial liabilities at amortised cost 按攤餘成本計量 的金融負債	Financial liabilities at amortised cost 按攤餘成本計量 的金融負債	916,369	916,369	—
Net difference 淨差額					—
Non-financial liabilities 非金融負債					
Deferred tax liabilities 遞延稅項負債			90,642	101,973	11,331
Net difference 淨差額					11,331
Total net difference 淨差額總額					11,331

*Impact on reserves and retained profits**對儲備及保留溢利的影響*

The impact of transition to IFRS 9 on reserves and retained profits is as follows:

過渡至國際財務報告準則第9號對儲備及保留溢利的影響如下：

		Reserves 儲備 RMB'000 人民幣千元
Available-for-sale investment revaluation reserve	可供出售投資重估儲備	
Closing balance under IAS 39 (December 31, 2017)	國際會計準則第39號項下年末結餘 (2017年12月31日)	(7,295)
Reclassification of available-for-sale investment revaluation reserve	重新分類可供出售投資重估儲備	7,295
Opening balance under IFRS 9 (January 1, 2018)	國際財務報告準則第9號項下年初結餘 (2018年1月1日)	<u><u>—</u></u>
Fair value reserve of financial assets at FVOCI	以公允價值計量且其變動計入其他綜合收益的金融資產的公允價值儲備	
Closing balance under IAS 39 (December 31, 2017)	國際會計準則第39號項下年末結餘 (2017年12月31日)	—
Reclassification of available-for-sale investment revaluation reserve	重新分類可供出售投資重估儲備	(7,295)
Unlisted equity investments and investment products from available-for-sale investments at cost to FVOCI	非上市股權投資及投資產品從以成本計量變更為以公允價值計量且其變動計入其他綜合收益計量的可供出售投資	45,323
Deferred tax liability in relation to the above	與上述各項相關的遞延稅項負債	<u>(11,331)</u>
Opening balance under IFRS 9 (January 1, 2018)	國際財務報告準則第9號項下年初結餘 (2018年1月1日)	<u><u>26,697</u></u>
		Retained Profits 保留溢利 RMB'000 人民幣千元
Retained earnings	保留溢利	
Closing balance under IAS 39 (December 31, 2017)	國際會計準則第39號項下年末結餘 (2017年12月31日)	8,486,646
Impairment losses on financial and contract assets, net	金融及合同資產減值虧損淨額	(114,387)
Deferred tax in relation to the above	與上述各項相關的遞延稅項	<u>28,597</u>
Opening balance under IFRS 9 (January 1, 2018)	國際財務報告準則第9號項下年初結餘 (2018年1月1日)	<u><u>8,400,856</u></u>

- (b) IFRS 15 and its amendments replace IAS 11 *Construction Contracts*, IAS 18 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15, establishes a new five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under IFRSs.

The Group has adopted IFRS 15 using the modified retrospective method of adoption. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group has elected to apply the standard to contracts that are not completed as at 1 January 2018. The adoption of IFRS 15 had no material impact on the Group's financial statements.

- (b) 國際財務報告準則第15號及其修訂取代國際會計準則第11號「建造合同」、國際會計準則第18號「收益」及相關詮釋，除有限例外情況外，適用於所有因與客戶簽訂合約而產生的收益。國際財務報告準則第15號確立一個五步模式，以來自客戶合同之收入入賬。根據國際財務報告準則第15號，收益按能反映實體預期就向客戶轉讓貨物或服務而在交換中獲取之代價金額進行確認。國際財務報告準則第15號的原則為計量及確認收益提供更加系統化的方法。該準則亦引入全面定性及定量披露規定，包括分拆收益總額、關於履行責任的資料、不同時期之間的合同資產及負債賬目結餘的變動，以及主要判斷及估計。該準則將取代國際財務報告準則項下所有現行收入確認規定。

本集團使用經修訂追溯採納法採納國際財務報告準則第15號。根據此方法，該項準則適用於初始應用日期的所有合同，或僅適用於當日尚未完成的合同。本集團選擇將該項準則應用於截至2018年1月1日尚未完成的合同。採納國際財務報告準則第15號對本集團財務報表並無重大影響。

The cumulative effect of the initial application of IFRS 15 was recognised as an adjustment to the opening balance of retained profits as at 1 January 2018. Therefore, the comparative information was not restated and continues to be reported under IAS 11, IAS 18 and related interpretations.

Set out below are the amounts by which each financial statement line item was affected as at 1 January 2018 as a result of the adoption of IFRS 15:

		<i>Notes</i> <i>附註</i>	Increase/ (decrease) 增加/(減少) <i>RMB'000</i> 人民幣千元
Assets	資產		
Contract assets	合同資產	<i>(i)</i>	7,268,718
Amounts due from contract customers	應收合同客戶款項	<i>(i)</i>	<u>(7,268,718)</u>
Total assets	資產總額		<u><u>—</u></u>
Liabilities	負債		
Contract liabilities	合同負債	<i>(ii)</i>	15,796,358
Receipts in advance	預收款項	<i>(ii)</i>	<u>(15,796,358)</u>
Total liabilities	負債總額		<u><u>—</u></u>

Set out below are the amounts by which each financial statement line item was affected as at 31 December 2018 and for the year ended 31 December 2018 as a result of the adoption of IFRS 15. The adoption of IFRS 15 has had no material impact on the Group's profit or loss or other comprehensive income, or on the Group's operating, investing and financing cash flows, but has had impact on the consolidated statement of financial position of the Group. The first column shows the amounts recorded under IFRS 15 and the second column shows what the amounts would have been had IFRS 15 not been adopted.

首次應用國際財務報告準則第15號的累計影響確認為於2018年1月1日保留溢利年初結餘調整。因此，並無呈列比較資料，且繼續根據國際會計準則第11號、國際會計準則第8號及相關詮釋呈報。

下表載列於2018年1月1日因採納國際財務報告準則第15號而受影響的各財務報表項目金額：

下表載列於2018年12月31日及截至2018年12月31日止年度因採納國際財務報告準則第15號而受影響的各財務報表項目金額。採納國際財務報告準則第15號對本集團損益或其他綜合收益或本集團經營、投資及融資現金流量並無重大影響，但對本集團綜合財務狀況表造成影響。首欄載列根據國際財務報告準則第15號入賬的金額，而第二欄則載列倘並未採納國際財務報告準則第15號下的金額。

Consolidated statement of financial position
as at 31 December 2018:

於2018年12月31日綜合財務狀況表：

		Amounts prepared under 根據以下準則編製的金額			
		Notes	IFRS 15 國際財務報告 準則第15號 RMB'000 人民幣千元	Previous IFRS 過往國際財務 報告準則 RMB'000 人民幣千元	Increase/ (decrease) 增加/(減少) RMB'000 人民幣千元
		附註			
Contract assets	合同資產	(i)	4,875,615	-	4,875,615
Amounts due from contract customers	應收合同客戶款項	(i)	-	4,875,615	(4,875,615)
Contract liabilities	合同負債	(ii)	14,941,065	-	14,941,065
Receipts in advance	預收款項	(ii)	-	14,941,065	(14,941,065)

The nature of the adjustments as at 1 January 2018 and the reasons for the changes in the statement of financial position as at 31 December 2018 are described below:

於2018年1月1日的調整性質及於2018年12月31日財務狀況表出現變動的理
由如下：

(i) Construction services

Before the adoption of IFRS 15, contract costs were recognised as an asset provided it was probable that they would be recovered. Such costs represented an amount due from the customers and were recorded as amounts due from contract customers in the statement of financial position before the construction services were billed to customers. Upon the adoption of IFRS 15, a contract asset is recognised when the Group performs by transferring goods or services to customers and the Group's right to consideration is conditional. Accordingly, the Group reclassified RMB7,268,718,000 from amounts due from contract customers to contract assets as at 1 January 2018.

Upon adoption of IFRS 15, the non-current contract assets are included in other non-current assets. As at 31 December 2018, the adoption of IFRS 15 resulted in a decrease in amounts due from contract customers of RMB4,875,615,000 and an increase in current and non-current contract assets of RMB4,875,615,000.

(i) 建築服務

於採納國際財務報告準則第15號前，基於合同成本可能收回，故合同成本分類為資產。該等成本指應收客戶款項，並於就建築服務向客戶發出發票前於財務狀況表入賬為應收合同客戶款項。於採納國際財務報告準則第15號後，當本集團透過轉讓貨物或服務予客戶而履約，且本集團收取代價的權利變為有條件後，合同資產會予以確認。因此，本集團將人民幣7,268,718,000元的金額自應收合同客戶款項重新分類至2018年1月1日的合同資產。

於採納國際財務報告準則第15號後，非流動合同資產計入其他非流動資產。於2018年12月31日，採納國際財務報告準則第15號導致應收合同客戶款項減少人民幣4,875,615,000元，而流動和非流動合同資產則增加人民幣4,875,615,000元。

(ii) Consideration received from customers in advance

Before the adoption of IFRS 15, the Group recognised consideration received for construction services, trading services or services business yet to be rendered or delivered from customers in advance as advances received from customers which are included in receipts in advance. Under IFRS 15, the amount is classified as contract liabilities.

Therefore, upon adoption of IFRS 15, the Group reclassified RMB15,796,358,000 from receipts in advance to contract liabilities as at 1 January 2018 in relation to the consideration received from customers in advance as at 1 January 2018.

As at 31 December 2018, under IFRS 15, RMB14,941,065,000 was reclassified from receipts in advance to contract liabilities in relation to the consideration received from customers in advance for construction services, trading services or services business yet to be rendered or delivered.

(ii) 從預收客戶款項收取的代價

於採納國際財務報告準則第15號前，本集團將來自預收客戶款項的尚未提供或交付建築服務、買賣服務或服務業務的已收代價確認為預收客戶款項，有關金額計入預收款項。根據國際財務報告準則第15號，金額分類為合同負債。

因此，於採納國際財務報告準則第15號後，本集團將人民幣15,796,358,000元的名額自預收款項重新分類至2018年1月1日與2018年1月1日客戶預付款項已收代價有關的合同負債。

於2018年12月31日，根據國際財務報告準則第15號，人民幣14,941,065,000元自預收款項重新分類至與尚未提供或交付建築服務、買賣服務或服務業務來自預收客戶款項的已收代價有關的合同負債。

- (c) Amendments to IAS 40 clarify when an entity should transfer property, including property under construction or development, into or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments have had no impact on the financial position or performance of the Group.
- (d) IFRIC 22 provides guidance on how to determine the date of the transaction when applying IAS 21 to the situation where an entity receives or pays advance consideration in a foreign currency and recognises a non-monetary asset or liability. The interpretation clarifies that 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) is the date on which an entity initially recognises the non-monetary asset (such as a prepayment) or non-monetary liability (such as deferred income) arising from the payment or receipt of the advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the entity must determine the transaction date for each payment or receipt of the advance consideration. The interpretation has had no impact on the Group's financial statements as the Group's accounting policy for the determination of the exchange rate applied for initial recognition of non-monetary assets or non-monetary liabilities is consistent with the guidance provided in the interpretation.
- (c) 國際會計準則第40號修訂本釐清實體將物業轉入或轉出投資物業的時間，其中包括在建或發展中物業。修訂本訂明當物業符合或不再符合投資物業的定義時，以及有證據顯示用途變動時，發生用途變動。如管理層僅有意改變物業用途，並不構成用途變動的證據。修訂本對本集團的財務狀況或表現並無影響。
- (d) 國際財務報告詮釋委員會公告第22號就對實體以外幣收取或支付墊付代價以及確認非貨幣資產或負債的情況應用國際會計準則第21號時如何確定交易日期提供指引。該詮釋澄清，為釐定初始確認相關資產、費用或收益(或其中一部分)時所採用的匯率，交易日期為實體初步確認支付或收取預付款項產生的非貨幣性資產(如預付款項)或非貨幣性負債(如遞延收入)的日期。若確認有關項目前支付或收取多筆預付款項，則實體必須對支付或收取的每一筆預付代價確定交易日。由於本集團就釐定初始確認非貨幣資產或非貨幣負債的適用匯率的會計政策與該詮釋所訂明的指引一致，該詮釋對本集團財務報表並無影響。

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- (a) Construction contracts: this segment mainly undertakes engineering, procurement and construction (“EPC”) contracting business of overseas infrastructure-related construction projects (including hydropower, thermal power or other engineering projects) in various countries.
- (b) Trading business: this segment mainly engages in the business of importing and/or exporting various machinery, electrical and instrumental products for domestic and overseas customers.
- (c) Services business: this segment mainly engages in providing export-import agency services, design consulting services, tendering agency services, logistics services and other services.

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group’s profit before tax except that share of profits less losses of associates and joint ventures, gain on disposal of a subsidiary, interest income from bank deposits, finance costs related to defined benefit plans, dividend income, fair value gains/losses from the Group’s financial instruments, other income/expenses, unallocated income/expenses as well as head office and corporate income/expenses are excluded from such measurement.

Segment assets exclude investments in associates and joint ventures, prepaid land lease payments, intangible assets, deferred tax assets, time deposits, cash and cash equivalents, other non-current assets and other unallocated head office and corporate assets as these assets are managed on a group basis.

4. 經營分部資料

就管理目的而言，本集團已按產品及服務劃分業務單位，三個可報告之經營分部如下：

- (a) 建造合同：本分部主要在各國從事海外基礎設施相關的施工項目（包括水電、火電或其他工程項目）的工程、採購及施工（「EPC」）承包業務。
- (b) 貿易業務：本分部主要從事為國內外客戶進口及／或出口各種機械、電力及工具產品業務。
- (c) 服務業務：本分部主要從事提供進出口代理服務、設計諮詢服務、招標代理服務、物流服務及其他服務。

管理層單獨監察本集團經營分部的業績，以就資源分配及表現評估作出決策。分部表現乃根據可報告之分部溢利／虧損評估，此乃經調整除稅前溢利／虧損之計量指標。經調整除稅前溢利／虧損乃貫徹以本集團除稅前溢利計量，惟應佔聯營公司及合營公司之溢利減虧損、處置附屬公司收益、銀行存款之利息收入、與設定受益計劃有關之財務成本、股息收入、本集團金融工具之公允價值收益／虧損、其他收入／開支、未分配利息／開支以及總部及企業收入／開支不計入該計量內。

分部資產不包括於聯營公司及合營公司之投資、預付土地租賃款項、無形資產、遞延稅項資產、定期存款、現金及現金等價物、其他非流動資產及其他未分配總部及企業資產，此乃由於該等資產以集團為基礎管理。

Segment liabilities exclude defined benefit obligations, tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

(a) Segment revenue, results, assets and liabilities

Year ended December 31, 2018 截至2018年12月31日止年度		Construction contracts 建造合同 RMB'000 人民幣千元	Trading business 貿易業務 RMB'000 人民幣千元	Services business 服務業務 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Segment revenue (note 5):	分部收入(附註5):				
Sales to external customers	銷售予外部客戶	18,280,930	8,476,535	2,105,223	28,862,688
Intersegment sales	分部間銷售	724,325	166,471	313,028	1,203,824
Reportable segment revenue	可報告分部收入	19,005,255	8,643,006	2,418,251	30,066,512
Reportable segment profit	可報告分部溢利	1,567,250	81,661	444,454	2,093,365
Finance income on receivables from customers	應收客戶款項的財務收入	203,643	71,185	-	274,828
Finance costs	財務成本	129,630	40,050	1,538	171,218
Depreciation and amortisation	折舊及攤銷	6,452	2,934	22,269	31,655
Provision/(reversal of provision) for impairment losses	減值虧損撥備/ (撥備撥回)				
- Trade and other receivables	- 貿易及其他應收款項	595,422	7,184	27,529	630,135
- Contract assets	- 合同資產	(4,469)	-	-	(4,469)
- Inventories	- 存貨	-	1,537	-	1,537
Reportable segment assets	可報告分部資產	16,829,240	6,171,792	1,902,942	24,903,974
Reportable segment liabilities	可報告分部負債	31,406,436	7,994,214	4,085,957	43,486,607

Capital expenditure for the year is not allocated to segments as such expenditure is managed on a group basis.

分部負債不包括設定受益義務、應付稅項、遞延稅項負債及其他未分配總部及企業負債，此乃由於該等負債以集團為基礎管理。

各分部間的銷售及轉撥乃參考向第三方銷售所採用之售價，按當時市價進行交易。

(a) 分部收入、業績、資產及負債

年內資本開支未攤分子各分部，乃由於有關開支以集團為基礎管理。

(a) **Segment revenue, results, assets and liabilities (Continued)**

Year ended December 31, 2017
(Restated)
截至2017年12月31日止年度(重述)

Segment revenue:
Sales to external customers
Intersegment sales

分部收入：
銷售予外部客戶
分部間銷售

Reportable segment revenue

可報告分部收入

Reportable segment profit

可報告分部溢利

Finance income on receivables
from customers
Finance costs
Depreciation and amortisation
Provision (reversal of provision)
for impairment losses
– Trade and other receivables
– Amounts due from contract
customers
– Inventories

應收客戶款項的財務收入
財務成本
折舊及攤銷
減值虧損撥備/
(撥備撥回)
– 貿易及其他應收款項
– 應收合同客戶款項
– 存貨

Reportable segment assets

可報告分部資產

Reportable segment liabilities

可報告分部負債

(a) 分部收入、業績、資產及負債(續)

Construction contracts 建造合同 RMB'000 人民幣千元	Trading business 貿易業務 RMB'000 人民幣千元	Services business 服務業務 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
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17,019,527	8,085,262	2,270,323	27,375,112
546,635	143,181	586,338	1,276,154

<u>17,566,162</u>	<u>8,228,443</u>	<u>2,856,661</u>	<u>28,651,266</u>
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1,783,424	67,559	625,218	2,476,201
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60,792	43,913	–	104,705
34,830	19,016	14,898	68,744
11,627	5,857	10,630	28,114
384,242	(1,583)	24,913	407,572
13,386	–	–	13,386
–	3,562	–	3,562

17,769,042	5,645,391	2,021,677	25,436,110
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31,104,234	7,895,755	4,749,276	43,749,265
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(b) Reconciliation of reportable segment revenue, profit/loss, assets and liabilities

(b) 可報告分部收入、溢利／虧損、資產及負債的對賬

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
Revenue:	收入：		
Reportable segment revenue	可報告分部收入	30,066,512	28,651,266
Elimination of intersegment revenue	分部間收入抵銷	(1,203,824)	(1,276,154)
		28,862,688	27,375,112
Profit:	溢利：		
Reportable segment profit	可報告分部溢利	2,093,365	2,476,201
Share of profits and losses of joint ventures	應佔合營公司溢利及虧損	34,167	23,507
Share of profits and losses of associates	應佔聯營公司溢利及虧損	133,066	82,021
Gain on disposal of a subsidiary	處置附屬公司收益	-	58,861
Dividend income from equity investments at fair value through other comprehensive income	按公允價值計量且其變動計入其他綜合收益的股權投資的股息收益	3,868	-
Investment income on financial assets	金融資產的投資收益	93,111	-
Dividend income from available-for-sale investments	可供出售投資股息收入	-	197,551
Other income, net	其他收入淨額	23,979	15,756
Other operating expenses	其他經營開支	(1,600)	(740)
Interest income from bank deposits	來自銀行存款之利息收入	267,881	289,421
Interest cost recognised in respect of defined benefit retirement plans	就設定受益退休計劃確認的利息成本	(18,430)	(14,300)
Unallocated foreign exchange gains/(losses), net	未分配之匯兌收益／(虧損)淨額	364,442	(607,314)
Depreciation and amortisation	折舊及攤銷	(168,082)	(160,039)
Profit before tax	除稅前溢利	2,825,767	2,360,925

(b) Reconciliation of reportable segment revenue, profit/loss, assets and liabilities (Continued)

(b) 可報告分部收入、溢利／虧損、資產及負債的對賬(續)

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
Assets:	資產：		
Reportable segment assets	可報告分部資產	24,903,974	25,436,110
Elimination of intersegment receivables	分部間應收款項抵銷	(5,370,896)	(5,809,697)
		<u>19,533,078</u>	<u>19,626,413</u>
Restricted deposits	受限制存款	1,211,805	1,363,525
Time deposits with original maturity over three months	原始到期日超過三個月的定期存款	5,013,871	6,784,311
Cash and cash equivalents	現金及現金等價物	21,383,610	21,479,315
Property, plant and equipment	物業、廠房及設備	2,293,698	1,995,823
Prepaid land lease payments	預付土地租賃款項	1,755,868	1,808,241
Intangible assets	無形資產	464,816	465,879
Long-term assets	長期資產	82,136	55,846
Investments in joint ventures	對合營公司的投資	380,590	346,423
Investments in associates	對聯營公司的投資	1,102,433	1,050,268
Deferred tax assets	遞延稅項資產	561,201	348,186
Other non-current assets	其他非流動資產	897,782	376,678
Equity investments designated at fair value through other comprehensive income	以公允價值計量且其變動計入其他綜合收益的股權投資	425,890	-
Other unallocated assets	其他未分配資產	1,007,839	649,551
		<u>56,114,617</u>	<u>56,350,459</u>
Liabilities:	負債：		
Reportable segment liabilities	可報告分部負債	43,486,607	43,749,265
Elimination of intersegment payables	分部間應付款項抵銷	(5,002,235)	(5,749,261)
		<u>38,484,372</u>	<u>38,000,004</u>
Defined benefit obligations	設定受益義務	495,498	485,576
Tax payable	應付稅項	527,133	122,035
Deferred tax liabilities	遞延稅項負債	94,360	90,642
Other unallocated liabilities	其他未分配負債	-	271,453
		<u>39,601,363</u>	<u>38,969,710</u>

(c) Geographical information

(c) 地理區域資料

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
Revenue from external customers	來自外部客戶的收入		
Mainland China	中國大陸	9,703,766	11,884,484
Pakistan	巴基斯坦	4,740,988	3,161,574
The Republic of Angola	安哥拉共和國	3,523,316	3,520,043
Ivory Coast	科特迪瓦	1,306,505	800,730
Cameroon	喀麥隆	1,172,322	297,069
Argentina	阿根廷	1,001,570	1,317,761
Laos	老撾	900,835	1,185,088
Ukraine	烏克蘭	696,509	1,063
United States	美國	690,489	958,950
Zambia	贊比亞	688,208	111,027
Others	其他	4,438,180	4,137,323
		28,862,688	27,375,112

The revenue information above is based on the locations of the customers.

以上收入資料乃按客戶地域劃分。

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
Non-current assets	非流動資產		
Mainland China	中國大陸	5,481,563	5,032,651
Others	其他	973,367	448,013
		6,454,930	5,480,664

The non-current asset information above is based on the locations of the assets and excludes investments in joint ventures and associates, financial instruments and deferred tax assets.

以上非流動資產資料乃按資產所在地域劃分，不包括對合營公司和聯營公司的投資、金融工具及遞延稅項資產。

(d) Information about major customers

(d) 有關主要客戶之資料

No revenue was generated from sales to a single customer which amounted to more than 10% of the Group's revenue for the year ended December 31, 2018 (2017: Nil).

截至2018年12月31日止年度，並無銷售所產生的收入佔本集團收入10%以上的單一客戶(2017年：無)。

5. REVENUE, OTHER REVENUE AND EXPENSES 5. 收入、其他收入及開支

An analysis of revenue, other revenue and other expenses, net is as follows:

收入、其他收入及其他開支淨額分析如下：

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
<i>Revenue from contracts with customers</i>	客戶合同收入		
Construction contracts	建造合同	18,280,930	17,019,527
Trading business	貿易業務	8,476,535	8,085,262
Services business	服務業務	2,105,223	2,270,323
		<u>28,862,688</u>	<u>27,375,112</u>

Revenue from contracts with customers

客戶合同收入

(i) Disaggregated revenue information

(i) 經分拆收入資料

For the year ended 31 December 2018

截至2018年12月31日止年度

Segments	分部	Construction contracts 建造合同	Trading business 貿易業務	Services business 服務業務	Total 合計
Type of goods or service	貨物或服務類型				
Construction contracts	建造合同	18,280,930	-	-	18,280,930
Trading business	貿易業務	-	8,476,535	-	8,476,535
Services business	服務業務	-	-	2,105,223	2,105,223
Total revenue from contracts with customers	客戶合同收入總額	<u>18,280,930</u>	<u>8,476,535</u>	<u>2,105,223</u>	<u>28,862,688</u>
Geographic markets	地區市場				
Asia	亞洲	8,101,783	6,086,276	1,911,751	16,099,810
Africa	非洲	7,572,529	162,075	104,932	7,839,536
Europe	歐洲	1,020,420	1,412,562	28,631	2,461,613
South America	南美洲	1,140,609	351,300	45,732	1,537,641
North America	北美洲	445,589	434,904	13,069	893,562
Oceania	大洋洲	-	29,418	1,108	30,526
Total revenue from contracts with customers	客戶合同收入總額	<u>18,280,930</u>	<u>8,476,535</u>	<u>2,105,223</u>	<u>28,862,688</u>
Timing of revenue recognition	確認收入時間點				
Construction transferred over time	於一段時間內轉讓的建造	18,280,930	-	-	18,280,930
Trading transferred at a point of time	於某個時間點轉讓的貿易	-	8,476,535	-	8,476,535
Services transferred over time	於一段時間內轉讓的服務	-	-	2,105,223	2,105,223
Total revenue from contracts with customers	客戶合同收入總額	<u>18,280,930</u>	<u>8,476,535</u>	<u>2,105,223</u>	<u>28,862,688</u>

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

For the year ended 31 December 2018

Segments	分部	Construction contracts 建造合同	Trading business 貿易業務	Services business 服務業務	Total 合計
Revenue from contracts customers	客戶合同收入				
External customers	外部客戶	18,280,930	8,476,535	2,105,223	28,862,688
Intersegment sales	分部間銷售	413,935	135,172	647,950	1,197,057
		18,694,865	8,611,707	2,753,173	30,059,745
Intersegment adjustments and eliminations	分部間調整及抵銷	(413,935)	(135,172)	(647,950)	(1,197,057)
Total revenue from contracts with customers	客戶合同收入總額	<u>18,280,930</u>	<u>8,476,535</u>	<u>2,105,223</u>	<u>28,862,688</u>

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Construction contracts

The performance obligation is satisfied over time as services are rendered and payment is generally due within 180 days from the date of billing. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

Trading business

The performance obligation is satisfied upon delivery of the products and payment is generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required.

客戶合同收入與分部資料中披露的金額之對賬載列如下：

截至2018年12月31日止年度

Construction contracts 建造合同	Trading business 貿易業務	Services business 服務業務	Total 合計
18,280,930	8,476,535	2,105,223	28,862,688
413,935	135,172	647,950	1,197,057
18,694,865	8,611,707	2,753,173	30,059,745
(413,935)	(135,172)	(647,950)	(1,197,057)
<u>18,280,930</u>	<u>8,476,535</u>	<u>2,105,223</u>	<u>28,862,688</u>

(ii) 履約責任

有關本集團的履約責任的資料概述如下：

建造合同

履約責任會隨著服務提供而予以履行，而付款一般於出具發票日期起計180天內到期支付。由於本集團收取最終付款的權利取決於合同所訂明的若干期間內客戶對服務素質的滿意度，若干百分比的付款由客戶保留，直至保固期結束為止。

貿易業務

履約責任於交付產品後履行，而付款支付一般於交付後30至90日內到期支付，惟新客戶（一般需要提前付款）除外。

Services business

The performance obligation is satisfied over time as services are recognised over the performance progress of the services in accordance with the proportion of the accumulated and actual contract costs in the total estimated contract costs.

服務業務

隨著服務提供而履行的履約責任乃按照估計合同成本總額中累計及實際合同成本比例隨著服務履約進程予以確認。

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(重述)
Other revenue	其他收入		
Dividend income from equity investments at fair value through other comprehensive income	按公允價值計量且其變動計入其他綜合收益的股權投資股息收入	3,868	-
Investment income on financial assets	金融資產的投資收益	93,111	-
Dividend income from available-for-sale investments	可供出售投資股息收入	-	197,551
Government grants	政府補貼	9,959	14,730
		<u>106,938</u>	<u>212,281</u>
Other expenses, net	其他開支淨額		
Net gains on disposal of items of property, plant and equipment	處置物業、廠房及設備項目的收益淨額	14,020	1,026
Gain on disposal of a subsidiary	處置附屬公司的收益	-	58,861
Net (losses)/gains on foreign currency forward exchange contracts	遠期外匯合約的(虧損)/收益淨額	(85,648)	57,424
Others	其他	(12,928)	76,324
		<u>(84,556)</u>	<u>193,635</u>

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

(a) Finance income and finance expenses

		2018 2018年 <i>RMB'000</i> 人民幣千元	2017 2017年 <i>RMB'000</i> 人民幣千元 (Restated) (重述)
Finance income on receivables from customers	應收客戶款項的財務收入	274,828	104,705
Foreign exchange gains	匯兌收益	772,205	-
Interest income	利息收入	267,881	289,421
Finance income	財務收入	<u>1,314,914</u>	<u>394,126</u>
Interest cost recognised in respect of defined benefit obligations	就設定受益義務確認的利息成本	18,430	14,300
Interest expenses on borrowings	借貸利息開支	171,218	68,744
Foreign exchange losses	匯兌虧損	-	1,069,213
Bank charges and others	銀行費用及其他	18,670	9,996
Finance expenses	財務開支	<u>208,318</u>	<u>1,162,253</u>
Net finance income/(expenses) recognised in profit or loss	於損益確認的財務收入/(開支)淨額	<u><u>1,106,596</u></u>	<u><u>(768,127)</u></u>

(b) Staff costs

6. 除稅前溢利

本集團之除稅前溢利已扣除/(計入)：

(a) 財務收入及財務開支

		2018 2018年 <i>RMB'000</i> 人民幣千元	2017 2017年 <i>RMB'000</i> 人民幣千元 (Restated) (重述)
Salaries, wages and other benefits	薪金、工資及其他福利	1,857,845	1,637,467
Contributions to defined contribution retirement plans	設定退休供款計劃的供款	214,083	171,169
Expenses recognised in respect of defined benefit retirement plans	就設定受益退休計劃確認的開支	6,460	21,510
		<u><u>2,078,388</u></u>	<u><u>1,830,146</u></u>

(b) 員工成本

(c) Other items

(c) 其他項目

		Notes 附註	2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
Amortisation	攤銷			
– Prepaid land lease payments	– 預付土地租賃款項		47,859	46,641
– Intangible assets	– 無形資產		24,842	16,716
– Long-term assets	– 長期資產		10,361	18,116
			<u>83,062</u>	<u>81,473</u>
Depreciation	折舊			
– Property, plant and equipment	– 物業、廠房及設備		98,863	96,955
– Investment properties	– 投資物業		17,812	9,725
			<u>116,675</u>	<u>106,680</u>
Impairment losses/ (reversal of impairment) on	減值虧損/(減值撥回)			
– Trade and other receivables	– 貿易及其他應收款項	10(b)	630,135	407,572
– Inventories	– 存貨		1,537	3,562
– Amounts due from customers	– 應收客戶款項		–	(1,985)
– Contract assets	– 合同資產		(4,469)	–
Foreseeable contract losses	可預計合同虧損		–	15,371
Amount included in other operating expenses	包含在其他經營開支的金額		<u>627,203</u>	<u>424,520</u>
Operating lease charges	經營租賃費用			
– Lease of properties	– 租賃物業		42,625	37,165
– Lease of other assets	– 租賃其他資產		1,087	1,178
			<u>43,712</u>	<u>38,343</u>
Auditors' remuneration, including tax and disbursements	核數師薪酬，含稅項及代墊費用		<u>9,580</u>	<u>9,144</u>
Rental income from investment properties	來自投資物業的租賃收入			
– Gross rental	– 毛租金		139,039	92,025
– Direct outgoings	– 直接支出		(35,615)	(32,458)
– Net rental	– 淨租金		<u>103,424</u>	<u>59,567</u>
Cost of construction contracts	建造合同成本		14,794,835	13,155,732
Cost of goods sold	商品銷售成本		7,987,184	7,613,956
Cost of services provided	所提供服務的成本		1,384,716	1,316,379
			<u>24,166,735</u>	<u>22,086,067</u>

7. INCOME TAX

Pursuant to the relevant laws and regulations in the PRC, the statutory enterprise income tax rate of 25% is applied to the Group's mainland China subsidiaries for the years ended December 31, 2018 and 2017, except for certain mainland China subsidiaries of the Group which were entitled to the preferential tax rate of 15% (2017: 15%) because they are recognised as high and new technology enterprises by the local governments in the PRC.

Hong Kong profits tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries (or jurisdictions) in which the Group operates.

7. 所得稅

根據中國相關法律及法規，本集團的中國內地附屬公司於截至2018年及2017年12月31日止年度適用的法定企業所得稅稅率為25%，惟本集團的某些中國內地附屬公司因被中國當地政府認定為高新技術企業而有權享有15% (2017年：15%) 的優惠稅率。

香港利得稅乃就年內在香港產生的估計應課稅溢利按16.5% (2017年：16.5%) 的稅率提撥。於其他地區的應課稅利潤乃按本集團營運所在的國家 (或司法權區) 的適用稅率計算稅項。

		2018 2018年 <i>RMB'000</i> 人民幣千元	2017 2017年 <i>RMB'000</i> 人民幣千元 (Restated) (重述)
Current income tax – Mainland China	即期所得稅－中國大陸	870,552	459,559
Current income tax – Hong Kong	即期所得稅－香港	474	1,368
Current income tax – Others	即期所得稅－其他	9,183	4,323
Deferred income tax	遞延所得稅	<u>(190,283)</u>	<u>119,048</u>
Total tax charge for the year from continuing operations	來自持續經營業務的年度稅項支出總額	<u>689,926</u>	<u>584,298</u>

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the countries (or jurisdictions) in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

按本公司及其大多數附屬公司所註冊國家(或司法權區)的法定稅率計算之除稅前溢利適用之稅項開支與按實際稅率計算之稅項開支的對賬如下：

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
Profit before tax from continuing operations	來自持續經營業務的除稅前溢利	2,825,767	2,360,925
Tax at the statutory tax rate	按法定稅率計算的稅項	706,442	590,231
Lower tax rate(s) for specific provinces or enacted by local authority	特定省份或地方當局制定的較低稅率	(20,230)	(10,575)
Share of profits of joint ventures and associates not subject to tax	毋需課稅的應佔合營公司和聯營公司溢利	(41,808)	(26,382)
Income not subject to tax	毋需課稅的收入	(19,294)	(53,347)
Adjustments in respect of current tax of previous periods	就過往期間即期稅項作出的調整	9,967	(1,178)
Expenses not deductible for tax	不可扣稅開支	45,971	66,324
Tax losses utilised from previous periods	使用過往期間的稅項虧損	(151)	(4,520)
Others	其他	9,029	23,745
Tax charge at the Group's effective rate from continuing operations	來自持續經營業務的按本集團實際稅率計算的稅項支出	689,926	584,298

The share of tax attributable to associates and joint ventures amounting to RMB33,266,000 (2017(Restated): RMB20,505,000) and RMB8,542,000 (2017(Restated): RMB5,877,000), respectively, is included in "Share of profits and losses of joint ventures and associates" in the consolidated statement of profit or loss.

應佔聯營公司及合營公司稅項分別為人民幣33,266,000元(2017年(重述): 人民幣20,505,000元)及人民幣8,542,000元(2017年(重述): 人民幣5,877,000元), 已計入合併損益表「應佔合營公司及聯營公司溢利及虧損」內。

8. DIVIDENDS

8. 股息

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
Proposed final dividend of RMB0.2067 (2017: RMB0.1659) per ordinary share	擬派末期股息每股普通股 人民幣0.2067元(2017年： 人民幣0.1659元)	852,782	684,454

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

擬派的本年度末期股息須獲本公司股東於應屆股東週年大會上批准。

In addition, a special dividend of RMB0.04 per share (RMB165,028,000 in total) for the year ended December 31, 2017 was declared and paid in 2018.

此外，2018年宣派並支付截至2017年12月31日止年度的特別股息，每股人民幣0.04元（總計人民幣165,028,000元）。

Pursuant to the State Administration of Taxation Circular Guoshuihan [2008] No. 897, the Company is required to withhold a 10% enterprise income tax when it distributes dividends to its non-resident enterprise shareholders out of the profit earned in 2008 and beyond. In respect of all shareholders whose names appear on the Company's register of members who are not individuals, which are considered as non-resident enterprise shareholders, the Company will distribute the dividends after deducting enterprise income tax at the rate of 10%.

按照國家稅務總局頒佈的通知（國稅函[2008]第897號），本公司自2008年及以後的所得利潤向其非居民企業股東派發股息時，需要代扣10%的企業所得稅。對於名列本公司股東名冊的所有非個人股東（即被視為非居民企業的股東），本公司將在扣除10%的所得稅後派發股息。

Due to the repeal of Guoshuifa [1993] No. 45 Circular on the Questions Concerning Tax on the Profits Earned by Enterprises with Foreign Investment, Foreign Enterprises and Individual Foreigners from the Transfer of Stocks (Stock Rights) and on Dividend Income, the Company is required from January 4, 2011 under the Individual Income Tax Law of the PRC and its implementation rules and regulations to withhold and pay individual income tax at rates ranging from 10% to 20% when it distributes dividends to its non-PRC resident individual shareholders out of the profit earned in 2010 and beyond.

由於《關於外商投資企業、外國企業和外籍個人取得股票（股權）轉讓收益和股息所得稅收問題的通知》（國稅發[1993]第45號）已經廢止，自2011年1月4日起本公司應根據《中華人民共和國個人所得稅法》及其實施條例及規定，自2010年及以後所得利潤向非中國居民個人股東派發股息時，須代扣代繳10%至20%的個人所得稅。

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of 4,125,700,000 (2017: 4,125,700,000) ordinary shares.

The calculation of basic earnings per share is based on:

Earnings

Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation

盈利

計算每股基本盈利所用的歸屬於母公司普通權益持有人的溢利

2018	2017
2018年	2017年
RMB'000	RMB'000
人民幣千元	人民幣千元
	(Restated)
	(重述)

2,131,540	1,774,959
------------------	------------------

Number of shares
股份數目

2018	2017
2018年	2017年
Thousand	Thousand
shares	shares
千股	千股

Shares

Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation

股份

計算每股基本盈利所用的年內已發行普通股的加權平均數

4,125,700	4,125,700
------------------	------------------

The Group had no potentially dilutive ordinary shares in issue during the years ended December 31, 2018 and 2017.

9. 歸屬於母公司普通權益持有人的每股盈利

每股基本盈利乃按年內歸屬於母公司普通權益持有人的溢利及普通股的加權平均數4,125,700,000股(2017年:4,125,700,000股)計算。

每股基本盈利的計算如下：

2018	2017
2018年	2017年
RMB'000	RMB'000
人民幣千元	人民幣千元
	(Restated)
	(重述)

2,131,540	1,774,959
------------------	------------------

Number of shares
股份數目

2018	2017
2018年	2017年
Thousand	Thousand
shares	shares
千股	千股

4,125,700	4,125,700
------------------	------------------

截至2018年及2017年12月31日止年度，本集團並無潛在攤薄已發行普通股。

10. TRADE AND OTHER RECEIVABLES

10. 貿易及其他應收款項

			2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
Bills receivable	應收票據		162,411	127,799
Trade receivables	貿易應收款項		7,250,344	7,622,852
Long-term trade receivables	長期貿易應收款項		3,371,567	268,000
Less: Allowance for doubtful debts	減：呆賬撥備	(b)	(1,919,227)	(1,251,305)
Trade and bills receivables	貿易應收款項及應收票據	(a)	8,865,095	6,767,346
Advances to suppliers	預付供應商款項		3,416,686	2,394,573
Other receivables	其他應收款項		2,660,486	2,242,953
Debt investments	債權投資		598,581	403,123
Less: Allowance for doubtful debts	減：呆賬撥備	(b)	(114,643)	(76,609)
			3,144,424	2,569,467
Total	合計		15,426,205	11,731,386
Portion classified as non-current assets	分類為非流動資產的部分		(3,905,768)	(847,059)
Current portion	流動部分		11,520,437	10,884,327

(a) Ageing analysis

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

(a) 賬齡分析

根據發票日期，於報告期末的貿易應收款項及應收票據經扣除虧損撥備的賬齡分析如下：

			2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
Within 3 months	3個月以內		5,820,715	3,886,251
3 months to 6 months	3個月至6個月		299,755	160,899
6 months to 1 year	6個月至1年		1,297,292	1,397,411
Over 1 year	1年以上		1,447,333	1,322,785
			8,865,095	6,767,346

(a) Ageing analysis (Continued)

There are no unified standard credit terms granted to customers of the international engineering constructing business and trading business. The credit terms granted to customers of the international engineering constructing business are negotiated individually on a case-by-case basis and set forth in the relevant contracts. The credit terms granted to customers of the trading business are normally about three to six months. The bills receivable are generally due within 180 days from the date of issuance.

(b) Impairment of trade and other receivables

The movements in the loss allowance for impairment of trade receivables and other receivables are as follows:

(a) 賬齡分析(續)

國際工程承包業務及貿易業務的客戶並無獲授統一標準信貸期。授予國際工程承包業務客戶的信貸期乃按個別情況逐次獨立協定，並載列於有關合同內。授予貿易業務客戶的信貸期一般約為三至六個月。應收票據一般於發行日期起計180日內到期。

(b) 貿易及其他應收款項減值

貿易及其他應收款項減值的虧損撥備變動載列如下：

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
At January 1	於1月1日	1,330,435	924,993
Effect of adoption of IFRS 9	採納國際財務報告準則 第9號的影響	84,811	-
At beginning of year (restated)	於年初(重述)	1,415,246	924,993
Impairment losses recognised	已確認的減值虧損	678,248	429,932
Impairment losses reversed	已撥回的減值虧損	(48,113)	(22,360)
Impairment losses arising from disposal of a subsidiary	處置一間附屬公司產生的 減值虧損	-	(381)
Amount written off as uncollectible	撇銷不可收回的金額	(11,511)	(4,270)
At end of year	於年末	<u>2,033,870</u>	<u>1,327,914</u>

(b) Impairment of trade and other receivables
(Continued)

*Impairment under IFRS 9 for the year
ended 31 December 2018*

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing of trade receivables for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2018

Within 1 year	一年內
1 year to 2 years	一年至兩年
2 years to 3 years	兩年至三年
Over 3 years	超過三年

(b) 貿易及其他應收款項減值(續)

*截至2018年12月31日止年度國際財務
報告準則第9號項下減值*

於各報告日期採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於具有類似虧損模式的多個客戶分類組別的貿易應收款項的賬齡釐定。該計算反映概率加權結果、貨幣時值及於報告日期可得的有關過往事項、當前條件及未來經濟條件預測的合理及可靠資料。

下表使用撥備矩陣載列有關本集團貿易應收款項信貸風險狀況的資料：

於2018年12月31日

Gross carrying amount	Expected credit losses	Expected credit loss rate
總賬面值	預期信貸 虧損	預期信貸 虧損率
<i>(RMB'000)</i>	<i>(RMB'000)</i>	
人民幣千元	人民幣千元	
3,457,528	34,951	1.01%
637,546	20,237	3.17%
163,393	27,352	16.74%
399,944	332,530	83.14%
4,658,411	415,070	

(b) Impairment of trade and other receivables (Continued)

Impairment under IAS 39 for the year ended 31 December 2017

Included in the above provision for impairment of trade receivables, which was measured based on incurred credit losses under IAS 39, as at 31 December 2017 was a provision for individually impaired trade receivables of RMB1,053,558,000 (Restated) with an aggregate carrying amount before provision of RMB2,150,187,000 (Restated).

Included in the above provision for impairment of other receivables, which was measured based on incurred credit losses under IAS 39, as at 31 December 2017, was a provision for individually impaired other receivables of RMB60,456,000 (Restated) with an aggregate carrying amount before provision of RMB1,371,438,000 (Restated).

The individually impaired trade and other receivables as at 31 December 2017 related to customers that were in financial difficulties or were in default in interest and/or principal payments and only a portion of the receivables is expected to be recovered.

(c) Trade and other receivables that are not impaired

The ageing analysis of the trade and bills receivables as at 31 December 2017 that were not individually nor collectively considered to be impaired under IAS 39 is as follows:

Neither past due nor impaired
Less than 3 months past due
3 months to 6 months past due
6 months to 1 year past due
More than 1 year past due

(b) 貿易及其他應收款項減值(續)

截至2017年12月31日止年度國際會計準則第39號項下的減值

於2017年12月31日，上述根據國際會計準則第39號項下已產生的信貸虧損計量的貿易應收款項減值撥備中個別認定的貿易應收款項減值撥備人民幣1,053,558,000元(重述)，其撥備前的賬面總額為人民幣2,150,187,000元(重述)。

於2017年12月31日，上述根據國際會計準則第39號項下已產生的信貸虧損計量的其他應收款項減值撥備中個別認定的其他應收款項減值撥備人民幣60,456,000元(重述)，其撥備前的賬面總額為人民幣1,371,438,000元(重述)。

於2017年12月31日，個別認定的貿易及其他應收款項減值涉及陷入財務困難或逾期支付利息及／或本金的若干客戶，且預計僅有一部分應收款項可予收回。

(c) 未減值的貿易及其他應收款項

於2017年12月31日，根據國際會計準則第39號既無個別亦無共同被視為減值的貿易應收款項及應收票據的賬齡分析如下：

	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
既未逾期亦未減值	2,053,017
逾期3個月以內	98,643
逾期3個月至6個月	51,653
逾期6個月至1年	154,958
逾期1年以上	60,549
	<hr/>
	2,418,820
	<hr/> <hr/>

(c) **Trade and other receivables that are not impaired (Continued)**

Receivables that were neither past due nor impaired related to a large number of diversified customers for whom there was no recent history of default.

Receivables 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 believes that no impairment allowance under IAS 39 was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable.

(d) **The amounts due from related parties of the Group included in the trade and other receivables are analysed as follows:**

SINOMACH	國機
Fellow subsidiaries	同系附屬公司
Associates	聯營公司
Joint venture	合營公司

These balances are unsecured, non-interest-bearing and repayable on credit terms similar to those offered to the major customers of the Group.

(e) As at December 31, 2018 and December 31, 2017, none of the Group's borrowings were secured by the Group's trade receivables.

(c) **未減值的貿易及其他應收款項(續)**

既未逾期亦未減值的應收款項與近期並無違約記錄的多個分散的客戶有關。

已逾期但未減值的應收款項涉及多個與本集團有良好往績記錄的獨立客戶。根據過往經驗，管理層認為無須就該等結餘作出國際會計準則第39號項下的減值撥備，原因為信貸品質並無重大變動且該等結餘仍被視為可悉數收回。

(d) **應收本集團關聯方款項(計入貿易及其他應收款項)分析如下：**

	2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
	902,995	584,544
	52,367	39,331
	7,941	-
	299	-
	<u>963,602</u>	<u>623,875</u>

該等結餘為無擔保、不計息並按相近於本集團主要客戶獲提供的信貸期償還。

(e) 於2018年12月31日及2017年12月31日，本集團概無借貸由本集團的貿易應收款項作為抵押。

11. TRADE AND OTHER PAYABLES

11. 貿易及其他應付款項

		2018 2018年 <i>RMB'000</i> 人民幣千元	2017 2017年 <i>RMB'000</i> 人民幣千元 (Restated) (重述)
Bills payable	應付票據	137,157	173,595
Trade payables	貿易應付款項	<u>16,538,909</u>	<u>16,050,304</u>
		<u>16,676,066</u>	<u>16,223,899</u>
Accrued salaries, wages and benefits	應計薪金、工資及福利	843,845	923,679
Other taxes payable	其他應繳稅項	232,599	185,888
Long-term payables	長期應付款項	267,435	541,102
Long-term payables due within one year	一年內到期之長期應付款項	789,582	740,458
Other payables	其他應付款項	<u>3,749,021</u>	<u>2,943,704</u>
		22,558,548	21,558,730
Less: Portion classified as current liabilities	減：分類為流動負債的部分	<u>(21,811,779)</u>	<u>(21,017,404)</u>
Non-current portion	非流動部分	<u>746,769</u>	<u>541,326</u>

An ageing analysis of the bills payable and trade payables as at the end of the reporting period, based on the invoice date, is as follows:

根據發票日期，於報告期末的應付票據及貿易應付款項的賬齡分析如下：

		2018 2018年 <i>RMB'000</i> 人民幣千元	2017 2017年 <i>RMB'000</i> 人民幣千元 (Restated) (重述)
Within 3 months	3個月以內	5,627,392	4,434,347
3 months to 6 months	3個月至6個月	739,826	1,124,594
6 months to 1 year	6個月至1年	1,819,844	2,821,977
Over 1 year	1年以上	<u>8,489,004</u>	<u>7,842,981</u>
		<u>16,676,066</u>	<u>16,223,899</u>

11. TRADE AND OTHER PAYABLES (CONTINUED)

The trade payables are non-interest-bearing and are usually paid within the agreed period, usually due within 180 days. The bills payable are generally due within 180 days from the date of issuance.

The amounts due to related parties of the Group included in trade payables, which are unsecured, interest-free and have no fixed terms of repayment, are analysed as follows:

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(重述)
SINOMACH	國機	101,514	2,193
Fellow subsidiaries	同系附屬公司	840,214	860,415
Joint ventures	合營公司	36,797	-
Associates	聯營公司	32,261	25,921
		1,010,786	888,529

12. ISSUED CAPITAL**11. 貿易及其他應付款項(續)**

貿易應付款項為不計息，通常於協定期間內支付且通常於180日內到期。應付票據通常於發行日期起計180日內到期。

應付本集團關聯方款項(計入貿易應付款項)分析如下，該等款項為無擔保、免息，且並無固定還款期：

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Ordinary shares, issued and fully paid	已發行及繳足的普通股		
Domestic shares of RMB1.00 each	每股人民幣1.00元的內資股	3,217,430	3,217,430
H shares of RMB1.00 each	每股人民幣1.00元的H股	908,270	908,270
		4,125,700	4,125,700

12. 已發行股本

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Ordinary shares, issued and fully paid	已發行及繳足的普通股		
Domestic shares of RMB1.00 each	每股人民幣1.00元的內資股	3,217,430	3,217,430
H shares of RMB1.00 each	每股人民幣1.00元的H股	908,270	908,270
		4,125,700	4,125,700

New major projects in countries along “the Belt and Road” initiative were gradually implemented while development of new projects slowed down. As affected by such factors, the value of newly signed contracts for foreign engineering contracting projects decreased in 2018, with turnover in general remaining stable. Overall, opportunities and challenges coexisted in the current international engineering contracting industry.

1. *Continuing expansion of international market demands*

There were no fundamental changes in the overall development direction of the international infrastructure market. According to McKinsey, it is estimated that, by 2030, countries will need to invest USD57 trillion in roads, bridges, ports, power plants, water supply and other infrastructures to accommodate to the paces of global economic growth. The World Economic Outlook Report, which was released by the International Monetary Fund in October 2018, also predicted that Asia’s economy will grow by 5.4% in 2019 and remain a global leader. Economic growth in sub-Saharan Africa is accelerating and is expected to grow by 3.8%, surpassing the 3.1% recorded in 2018. Market analysis are of the opinion that the rapid economic growth and the acceleration of industrialization and urbanization in Asia and Africa will raise the demand for infrastructure construction in various countries. In terms of international infrastructure market demand, the demand for new infrastructure construction in emerging economies and developing countries will also continue to increase.

「一帶一路」沿線國家新簽大項目陸續實施、新項目開發放緩。受此等因素影響，2018年對外承包工程新簽約合同金額有所下降，營業額基本保持平穩。總的來說，目前國際工程承包行業形勢依然是機遇和挑戰並存。

1. 國際市場需求持續擴大

國際基建市場的總體發展趨勢沒有發生根本性變化。據麥肯錫測算，到2030年，為適應全球經濟增長的步伐，各國需要在道路、橋梁、港口、發電廠、供水及其他基礎設施領域投入57萬億美元。國際貨幣基金組織2018年10月發佈的《世界經濟展望報告》也預測，2019年亞洲經濟將增長5.4%，繼續保持全球領先地位；撒哈拉以南非洲地區經濟增長加速，預計將增長3.8%，超過2018年的3.1%。市場分析認為，亞非地區經濟的較快增長和工業化、城鎮化進程的加快將推高各國基礎設施建設的需求。從國際基建市場的需求來看，新興經濟體和發展中國家新建基礎設施的需求也將持續擴大。

2. *Favorable conditions in “the Belt and Road” initiative with promising international cooperation environment*

For domestic macro policies, the overall environment for deepening of international cooperation under “the Belt and Road” initiative continued to be promising. The newly established National Agency for International Development and Cooperation further streamlined the institutional mechanism for external cooperation management. The 5th Anniversary Symposium for “the Belt and Road”, the Beijing Summit of the China-Africa Cooperation Forum and the first Import Expo, which were held in 2018, all put forward new tasks and demands. In 2019, in order to resolve the key issues of building “the Belt and Road”, among others, major projects, financial support, investment environment, risk control, the relevant government departments and financial institutions will gradually introduce and improve supporting policies. In order to implement China-Africa cooperation in the field of facilities connectivity, the Chinese

2. 「一帶一路」政策利好，國際合作環境向好

從國內宏觀政策來看，深化「一帶一路」國際合作的總體環境也在持續向好。新成立的國家國際發展合作署，進一步理順了對外合作管理的體制機制；2018年舉行的「一帶一路」5週年座談會、中非合作論壇北京峰會、首屆進口博覽會都提出了新的任務和要求。2019年，為解決重大項目、金融支撐、投資環境、風險管控等共建「一帶一路」的關鍵問題，相關政府主管部門和金融機構將陸續出台和完善支持政策；為落實設施聯通領域的中非合作，中國政府將同非洲聯盟編製《中非基礎設施合作規劃》，支持中國企業以「投建營一體化」等模式參與非洲基礎設施建設，同非洲各國實施一批互聯互通重點項目，並承諾以政府援助、金融機構和企業投融資等方式向非洲提供資金支持；截至2018年11月底，中國已同140多個國家和國際組織簽署了「一帶一路」合作協議，中國政府與有關國家的政策溝通力度還將進一步加大，雙邊

government will prepare a plan for the cooperation of infrastructure in China and Africa with the African Union, thereby supporting Chinese enterprises to participate in infrastructure construction in Africa in the form of “investment, construction and operation integration”, implementing a number of key connectivity projects with African countries, and providing financial support to Africa by means of government assistance, financial institutions and enterprise investment and financing. By the end of November 2018, China signed “the Belt and Road” initiative cooperation agreement with more than 140 countries and international organizations. The policy communication between the PRC government and countries concerned will further be enhanced, and the infrastructure projects under the bilateral cooperation framework are expected to maintain on a certain scale. In addition, with the continuing expansion of the international impact of “the Belt and Road” initiative, western governments and multilateral financial institutions have become more willing to participate in “the Belt and Road” projects. A growing number of western governments are planning and promoting cooperation between domestic and Chinese companies in third-country markets.

Judging by existing facts, the huge demand in international markets, the expected bonus from domestic policies, good opportunities in international cooperation and international trade will lay a solid foundation for sustainable and steady development of the industry.

合作框架下的基建項目預計將保持一定規模；隨着「一帶一路」倡議的國際影響持續擴大，西方國家政府、多邊金融機構參與「一帶一路」項目的意願也日益增強，越來越多的西方國家政府正在籌劃並推動本國企業與中國企業在第三國市場開展合作。

事實證明，國際市場的巨大需求、國內政策的預期紅利、國際合作和國際貿易的良好機遇都將成為行業持續穩步發展的基礎。

3. *Business development is at risk of uncertain changes in the international politics and economy*

Uncertainties arising from changes in international political and economic conditions cannot be neglected. Firstly, there are still considerable uncertainties surrounding the Sino-US economic and trade relations, which is bound to have a significant impact on the world economy and politics, leading to increased downside risks to the world economy. Secondly, the trend of “reverse globalization” and trade protectionism threaten the steady growth of global trade, in particular the business expansion in developed markets. Thirdly, there is a possible intensification of fluctuations in international financing and commodity markets, while the spiking US dollar will aggravate the exchange rate fluctuation of the international infrastructure market. Fourthly, the international trade rules are subject to re-adjustment. Fifthly, there are more prominent risk exposures arising from political instability and regime changes in certain countries. Sixthly, recovery of financial condition environment in certain markets was prolonged as affected by the fluctuation of the prices of bulk commodities, such as oil. Seventhly, the international security risks resulting from terrorism remain one of the top priority concerns.

3. 業務發展面臨國際政治經濟形勢變化不確定的風險

國際政治經濟形勢變化所帶來的不確定性因素不容忽視。一是中美經貿關係仍有很大不確定性，勢必對世界政經形勢產生重大影響，世界經濟下行風險增大；二是「逆全球化」思潮和貿易保護主義威脅全球貿易穩定增長，特別影響企業對發達市場的業務拓展；三是國際金融和商品市場波動可能加劇，美元加息將加劇國際基建市場的匯率波動；四是國際貿易規則面臨重塑；五是部分國家政局不穩、政權更迭帶來的風險凸顯；六是受石油等大宗物資價格波動的影響，部分市場的財政環境改善尚需時日；七是由恐怖主義形成的國際安全風險仍需高度重視。

4. *Market expansion faces dramatic changes on the demand side and intensifying competition on the supply side*

Profound changes also occurred in market expansion. Firstly, on the demand side, the business model underwent profound changes. Overseas government projects demonstrated a downward trend, with private projects becoming mainstream. Commercial loan model is projected to surpass the “double-preferential loans” and other government preferential loan projects. Secondly, business structure is changing rapidly. Take energy projects for instance, while fossil energy projects will subsist in certain areas for a certain period of time, green and alternative energy will become the mainstream for future energy projects. Meanwhile, cross-regional, inter-operable integrated projects are more attractive for owners and more competitive. Thirdly, with the gradual increase of owners’ requirements, integration projects covering investment, construction and operation have become mainstream. On the supply side, competition in the same industry is further intensified, with professional engineering companies gaining more strength, and manufacturing companies following close behind.

4. 市場拓展面臨需求端巨大變化及供給端競爭加劇

市場拓展層面，也在發生着深刻變化。在需求端，一是業務模式發生深刻變化。海外政府類項目呈下降趨勢，私人項目成為主流。商業貸款模式將超過「兩優貸款」等政府優惠貸款類項目。二是業務結構正快速轉變。如能源類項目，化石能源項目雖然在一定區域一定時間內仍會存在，但綠色能源、新能源將成為未來能源項目的主流。同時，跨區域、具有互通性質的綜合類項目對業主更具吸引力和競爭力。三是業主要求逐步提高，投建營一體化項目已經成為主流。在供給端，同行業競爭進一步加劇，前有專業工程公司日益強大，後有製造類公司等也在奮起直追。

B. Trading Business

In 2018, China's foreign trade was generally stable with steady progress made. Thanks to the recorded high of import and export scales, China's leading position as the largest goods trading country was further consolidated. The total value of foreign trade imports and exports amounted to RMB30.51 trillion, representing a year-on-year increase of 9.7%. Among which, amounts of export amounted to RMB16.42 trillion, up by 7.1%; amounts of import amounted to RMB14.09 trillion, up by 12.9%; and trade surplus reached RMB2.33 trillion, narrowing by 18.3%. The total value of foreign trade imports and exports, denominated in US dollars, amounted to USD4.62 trillion, representing an increase of 12.6%, among which, amounts of export amounted to USD2.48 trillion, up by 9.9%; amounts of import amounted to USD2.14 trillion, up by 15.8%; and trade surplus reached USD351.76 billion, narrowing by 16.2%. Foreign trade in 2018 primarily demonstrated the following six features:

1. **The scale reached a historic high.** Last year, all of China's total imports and exports, export volume and import volume set new records in history, reaching new heights. Moreover, China's trade in goods is growing faster than the average growth rate of large trading countries and major economies, such as the United States, Germany and Japan.
2. **Trade structure continued to be optimized.** Optimization was achieved in five aspects including international market layout, domestic regional layout, commodity structure, entities of operation and method of trading.

B. 貿易業務

2018年，我國對外貿易總體平穩，穩中有進，進出口規模創歷史新高，貨物貿易第一大國地位更加鞏固。外貿進出口總值人民幣30.51萬億元，同比增長9.7%。其中，出口人民幣16.42萬億元，增長7.1%；進口人民幣14.09萬億元，增長12.9%；貿易順差人民幣2.33萬億元，收窄18.3%。按美元計價，外貿進出口總值4.62萬億美元，增長12.6%；其中，出口2.48萬億美元，增長9.9%；進口2.14萬億美元，增長15.8%；貿易順差351.76億美元，收窄16.2%。2018年對外貿易主要呈現六個方面的特點：

1. **規模創歷史新高。**去年我國進出口的總額，出口額和進口額都創歷史新記錄，站上了一個新的高度。並且，我國貨物貿易的增速要快於美國、德國、日本等貿易大國和主要經濟體的平均增速。
2. **貿易結構持續優化。**在國際市場佈局、國內區域佈局、商品結構、經營主體、貿易方式五個方面均實現了優化。

3. **The conversion between old and new drivers in foreign trade development was accelerated.** New foreign trade business environment continued to improve, with the establishments of 22 new cross-border e-commerce comprehensive pilot areas and 6 market procurement trade mode pilots. Cross-border e-commerce market procurement trading maintained high-speed growth for three consecutive years, becoming a new highlight of foreign trade growth, coupled with a steady growth in the exports of products featuring high-quality, high-tech, and high added-value.
4. **The development of foreign trade became more balanced.** Import growth for 2018 increased by 15.8%, with the contribution rate to import and export growth reaching 56.6%, exceeding that of export growth, and became an important driving force behind the growth of foreign trade. This is a major indication of a more balanced development of China's foreign trade.
5. **The contribution to national economic and social development was increased.** In 2018, China's import linkage tax reached RMB1.97 trillion, representing an increase of 4% and accounting for 12.6% of China's tax revenue. A rapid growth in import and export made positive contributions to employment promotion, industrial upgrading and balancing international payment balances.
3. **外貿發展的新舊動能加快轉換。**外貿新業態發展的環境不斷改善，新設了22個跨境電商綜合試驗區和6個市場採購貿易方式的試點，跨境電商市場採購貿易連續三年保持了高速增長，成為外貿增長的新亮點，高質量、高技術、高附加值產品出口穩步增長。
4. **外貿發展更趨平衡。**2018年全年進口增長15.8%，對進出口增長的貢獻率超過出口，達到56.6%，成為拉動外貿增長的重要動力，這是我國外貿平衡發展的一個重要跡象。
5. **對國民經濟和社會發展貢獻增強。**2018年我國進口環節稅收人民幣1.97萬億元，增長4%，佔我國稅收收入的12.6%，進出口較快增長，為促進就業、推動產業升級、平衡國際收支都作出了積極貢獻。

6. **China was playing an important role in the development of global economy and trade.** According to the statistics of the World Trade Organization, in the first three quarters of 2018, China's amounts of import accounted for 10.9% of the amounts of the world, representing an increase of 0.7%. Import growth contributed 16.8% to the growth of global import. In particular, we successfully held the first China International Import Expo in 2018, which provided new opportunities to countries and regions around the world to export their goods and services to China, and established a new platform for countries to share the benefits of Chinese development, and injected new impetus into world economic growth.

C. Services Business

1. **The survey and design industry entered a brand-new stage of development.** It is a new age marked by the juxtaposition of challenges of continuous growth and increased competition in the industry, the simultaneous driving of market demand and that of enterprise endogenous changes, the deepening and evolution of competition pattern and the acceleration of enterprise business model innovation, and the digital age driven by the industry IT innovation and development. The arrival of the new development stage made the innovation and development of the survey and design industry imminent, while also provided numerous challenges and boundless opportunities for enterprises.

6. **對全球經濟貿易發展發揮重要作用。**根據世界貿易組織統計數據，2018年前三季度，我國進口佔全球份額提高0.7%，達到10.9%，進口增長對全球進口增長了貢獻率達到16.8%，特別是2018年我們成功舉辦了首屆中國國際進口博覽會，為世界各國、各地區提供對華出口的新機遇，為各國共享中國發展紅利搭建新平台，也為世界經濟增長注入了新動力。

C. 服務業務

1. **勘察設計行業步入全新發展階段。**行業持續增長與競爭加劇的挑戰並存、市場需求驅動與企業內生變革驅動並存、競爭格局深化演進與企業商業模式創新加速、行業信息化技術創新發展驅動的數字時代已經到來。新發展階段的到來，使得勘察設計行業創新發展迫在眉睫，同時也給企業帶來巨大挑戰和無限機遇。

2. **The project contracting model brought new opportunities for design consulting services.** In recent years, China considered the works on optimizing organization model of engineering construction, carrying out engineering project contracting and establishing whole-process project consultation as important measures for promoting the sustainable and healthy development of the construction industry. Establishment of engineering project contracting and establishing whole-process project consulting pilots by various local construction authorities, and the mass adoption of engineering project contracting model by the government in investment in housing construction and in municipal projects have provided more engineering project contracting market opportunities for the design consulting agencies. Meanwhile, most of the economic construction for countries along “the Belt and Road” initiative adopted the engineering project contracting model. Under the tide of economic globalization, the engineering projects undertaken by design consultation agencies must be in line with international standards. All such factors created a remarkable opportunity to deepen the reform for the survey and design industry.

2. 工程總承包模式為設計諮詢服務帶來新機遇。近年來，國家把完善工程建設組織模式、推行工程總承包、培育全過程工程諮詢作為推動建築業持續健康發展的重要措施。各地建設主管部門開展工程總承包和全過程諮詢試點，政府投資的房建、市政工程開始大量採用工程總承包模式，為設計諮詢機構提供了更多的工程總承包市場機會。同時，「一帶一路」沿線國家經濟建設大多採用工程總承包模式，在經濟全球化大潮下，設計諮詢機構承接的工程項目必須與國際接軌。這些都為勘察設計行業深化改革創造了良好的時機。

3. Design consultation agencies entered a phase of transformation and upgrading. The profound changes in the construction market and industry led to the reorganization of the design consultation agencies and the reshaping of the state of the industry. Design institutes have successively completed company system reform, and developed towards the direction of enterprization and corporatization, which is, to complete an in-depth reform in the development of the industry structure towards engineering companies and engineering consulting companies. It was also a powerful initiative for design consulting agencies to accelerate the transformation and upgrading process and innovation development in the areas of development prospects, comprehensive benefits and strategic businesses, laying a solid foundation for carrying out whole-process project consulting and engineering project contracting business.

3. 設計諮詢機構步入轉型升級階段。建築市場和行業的深刻變革引發了設計諮詢機構的重組和業態重塑。設計院陸續完成公司制改革，朝企業化、公司化的方向發展，即向工程公司、工程諮詢公司業態結構發展，完成了更深層次的改革。這本身也是設計諮詢機構向發展空間、綜合效益、戰略性業務等方面加快轉型升級和創新發展有力舉措，也為開展全過程諮詢和工程總承包業務奠定了良好的基礎。

4. **Design consultation agencies were subject to further improvement.** Although many design consultation agencies began to undertake engineering project contracting business upon completion of the industry restructuring, they remained unfit for the engineering project contracting model in terms of, among other aspects, institution establishment and business scope. Most of the design consultation agencies had not yet formed a project-based organizational structure, and still suffered from issues such as the general engineering contracting management structure being unsound, and the lack of qualified project management personnel for engineering project contracting business. In particular, continuous improvement and promotion in many aspects are required for design consultation agencies wishing to expand to the international market and compete with other international agencies, including a standardized system conforming to international standards, familiarity with international engineering standards, improvement in the level of information technology, establishment of a project management information platform, and a quality assurance system covering the whole process including planning and design.

4. 設計諮詢機構仍需進一步完善。雖然很多設計諮詢機構在完成業態重塑後，都在承接工程總承包業務，但是機構設置、業務範圍等方面還不適應工程總承包模式。大多數設計諮詢機構還未形成以工程項目為基礎的組織構架，存在工程總承包管理組織機構仍不健全，缺乏合格的工程總承包項目管理人才等不利條件。尤其是設計諮詢機構想要走向國際市場，參與國際競爭，仍然還需要諸多方面不斷完善和提升，包括標準體系與國際接軌、熟悉國際工程標準、提高信息化水平、完善項目管理信息化平台、將質量保證體系覆蓋規劃、設計全過程等方面。

II. BUSINESS OVERVIEW

A. International Engineering Contracting Business

We are a leading international engineering contractor and service provider in China, focusing on the EPC projects, particularly in the power industry. Our International Engineering Contracting Business is one of the Company's traditional core businesses, accounting for about 63.3% of the Company's total revenue in 2018.

In 2018, amid a severe external environment, the International Engineering Contracting Business stood up to pressure and maintained a steady development.

The following table sets forth the details of the International Engineering Contracting Business for the year ended December 31, 2018 and the comparative figures for the year ended December 31, 2017:

II. 業務概覽

A. 國際工程承包業務

我們是中國領先的國際工程承包與服務商，主要專注於EPC項目，特別專長於電力能源行業。我們的國際工程承包業務為本公司傳統核心業務之一，約佔2018年本公司總收入的63.3%。

2018年，國際工程承包業務面對嚴峻的外部環境，頂住壓力，積極作為，保持了平穩的發展。

下表載列截至2018年12月31日止年度國際工程承包業務詳情，以及截至2017年12月31日止年度的比較數字：

Unit: RMB million
單位：人民幣百萬元

		2018	% of Total	2017	Year-on- year Growth/ (Decline) 按年增長/ (減少)
		2018年	總額的%	2017年	
Revenue 收入	Power 電力能源	12,537.2	68.6%	12,067.9	3.9%
	Transportation and Telecommunications 交通運輸及電子通訊	1,335.6	7.3%	2,022.9	-34.0%
	Non-Core Sectors 非核心行業	4,408.1	24.1%	2,928.7	50.5%
	Total 總計	18,280.9	100.0%	17,019.5	7.4%
Gross profit 毛利	Power 電力能源	2,517.8	72.2%	2,675.1	-5.9%
	Transportation and Telecommunications 交通運輸及電子通訊	343.6	9.9%	701.3	-51.0%
	Non-Core Sectors 非核心行業	624.7	17.9%	487.4	28.2%
	Total 總計	3,486.1	100.0%	3,863.8	-9.8%

1. *Simultaneous efforts in traditional and new markets*

In response to the national policies, such as “the Belt and Road” initiative, and market changes, the development direction of key market projects was adjusted, with resources allocation concentrated on highlighting key features, fine products, long-term efficiency and innovation. We have completed the contract signing for a large number of new projects in traditional markets, such as the mine mouth coal power plant project at Thar Block-II, Pakistan, the social security housing project in Ukraine, the tourism island project in the Maldives, the expansion of continental high voltage power grid and operation and maintenance projects in Equatorial Guinea and operation and maintenance projects. We also achieved major breakthroughs in many new market projects, such as the housing project in Pyeongchang, South Korea, the drinking water treatment plant project in Democratic Republic of Congo, the iron ore project in Sierra Leone, the LNG receiving station project in Sao Tome, the apartment construction project in Australia, and the cement plant project in Tajikistan.

1. 傳統市場和新市場同時發力

針對「一帶一路」等國家政策和市場的變化趨勢，重新梳理了重點市場項目開發方向，將資源集中以突出重點、突出精品、突出長效、突出創新，實現了巴基斯坦塔爾煤田II區塊坑口燃煤電站項目、烏克蘭保夫障性住房建設項目、馬爾代夫旅遊島項目、赤道幾內亞大陸高壓電網擴建、運維項目等一批傳統市場新項目的簽約，也實現了韓國平昌房建項目、剛果(金)飲用水處理廠項目、塞拉利昂鐵礦項目、聖多美LNG接收站項目、澳大利亞公寓樓建設項目、塔吉克斯坦水泥廠項目等諸多新市場項目的重大突破。



Note: The map is provided only for illustrative purposes and not drawn to scale. It is not intended to accurately show the exact location of our engineering contracting projects.

註：此地圖僅供說明用途，並非按比例編繪。地圖的目的並非準確顯示我們的工程承包項目的精確位置。

The following table sets forth a breakdown of the revenue from the Group's International Engineering Contracting Business by geographic locations for the year ended December 31, 2018:

下表載列截至2018年12月31日止年度按地理位置劃分的本集團國際工程承包業務收入明細：

		2018	
		2018年	% of
		RMB million	Total
		人民幣百萬元	總額的%
Asia	亞洲	8,101.8	44.3%
South America	南美洲	1,140.6	6.3%
North America	北美洲	445.6	2.4%
Africa	非洲	7,572.5	41.4%
Europe	歐洲	1,020.4	5.6%
Total	總計	18,280.9	100.0%

2. *Progress made in the development of new models*

In cooperation with Pingdingshan Group, the Russian Irkutsk refinery plant project, which adopted the integrated operation-driven development model of “EPC + Investment + Capacity Cooperation”, achieved remarkable results. For the combustion engine project in Hambantota Port, Sri Lanka, it has adopted the investment + EPC model. The Group has formed multi-level, multi-domain, multi-mode cooperative relationships with GE, Siemens and other external strategic partners, resulting in a more in-depth cooperation mode and a closer cooperative relationship. The Group also formed industrial alliances with domestic partners, such as Dongfang Electric Corporation (“DEC”) and China XD Group Co., Ltd. (“XD Group”). Through vertical and horizontal connectivity of industrial chain and peers complementing one another’s disadvantages, the scope of cooperation had expanded with closer partnership.

2. 新模式開發有進展

與平煤集團合作的俄羅斯伊爾庫茨克煉油廠項目，採用了「EPC+投資+產能合作」的綜合運作主導型開發模式，取得較好效果。斯里蘭卡漢班托塔港燃機電站項目，採用投資+EPC模式。與通用電氣、西門子等外部戰略夥伴已經形成了多層次、多領域、多模式的合作關係，合作模式更加深入、合作關係粘度更高。與中國東方電氣集團有限公司（「東方電氣」）、中國西電集團公司（「西電」）等國內夥伴締結產業聯盟，通過產業鏈的縱橫聯通，同行間的長短互濟，合作範圍更加廣闊，夥伴關係更加緊密。

The following table sets forth the operational details of the International Engineering Contracting Business for the year ended December 31, 2018 and the comparative figures for the year ended December 31, 2017:

下表載列截至2018年12月31日止年度國際工程承包業務的運營詳情，以及截至2017年12月31日止年度的比較數字：

Unit: USD million
單位：百萬美元

				As at December 31, 2018 於2018年 12月31日	% of Total 總額的%	As at December 31, 2017 於2017年 12月31日	Increase/ (Decrease) 增長/(減少)
Value of newly signed contracts	新簽約 合同金額	Power	電力能源	1,336.4	28.4%	1,848.8	-27.7%
		Transportation and Telecommunications	交通運輸及 電子通訊	844.2	17.9%	2,968.9	-71.6%
		Non-Core Sectors	非核心行業	2,525.5	53.7%	1,237.4	104.1%
		Total	總計	4,706.1	100.0%	6,055.1	-22.3%
Backlog	未完成 合同量	Power	電力能源	7,255.1	68.1%	5,492.4	32.1%
		Transportation and Telecommunications*	交通運輸及 電子通訊*	456.1	4.3%	733.3	-37.8%
		Non-Core Sectors	非核心行業	2,936.1	27.6%	2,793.6	5.1%
		Total	總計	10,647.3	100.0%	9,019.3	18.0%

* The amount of the contracts, for which income was recognised by net amount, was deducted from the backlog.

* 以淨額確認收入的合同金額已在未完成合同量中扣除。

3. *Keeping abreast of international energy trends*

Following the changing trend of international energy market and focusing on capturing new energy projects, the Company signed a contract in respect of a geothermal project in Kenya, which was our first geothermal power station project and laid a solid foundation for the development of the new geothermal energy market. The wind power project in Kenya was also put into operation. The photovoltaic power plant project was signed and went in force in Ukraine, which will become the largest single photovoltaic power plant in Europe when completed. In addition, photovoltaic projects were also signed in Bangladesh and Malaysia, respectively. After the completion of the power plant project in Jhang, Pakistan, the Company will have gas turbine power stations ranging from class E to H, solar photovoltaic, wind power, geothermal and other types of clean energy, green energy project performance, virtually realizing a basic coverage of all new energy categories.

3. 緊跟國際能源趨勢

順應國際能源市場變化趨勢，着力捕捉新能源類項目。在肯尼亞簽署了地熱項目，該項目是公司的首個地熱電站項目，為打開地熱新能源市場奠定了基礎，肯尼亞風電項目也已生效；在烏克蘭簽約並生效了光伏項目，該項目建成後將成為歐洲最大單體光伏電站；在孟加拉、馬來西亞也分別簽署光伏項目。待到巴基斯坦吉航電站項目完工後，公司將擁有從E級到H級系列燃機電站、太陽能光伏、風能、地熱等各類清潔能源、綠色能源的項目業績，基本實現對新能源類別項目的全覆蓋。

4. *Actively engaging in external cooperation*

The Group actively participated in China's four major home diplomacy activities, made full use of diplomatic ties and other market opportunities, expanded its operations into new markets such as Sao Tome and Dominica, and continued to promote the CMEC brand and services to existing and new customers. In addition to deepening our cooperation with Siemens, GE, Black & Veatch, DEC and XD Group and other leading domestic and overseas enterprises, the Group also signed new strategic cooperation agreements with Hangzhou Boiler Group Co., Ltd., China Zhongyuan Engineering Corp. and Qingjian Group Co., Ltd. Focusing on overseas investment industrialization, African smart grid and new technology overseas applications, the Group commenced close cooperation with its business partners, and established a new model of compatible and interactive development.

4. 積極開展對外合作

積極參加中國四大主場外交活動，充分利用建交或復交等市場機遇，拓展了聖多美、多米尼加等新市場，持續向新老朋友推介CMEC品牌與服務。除了不斷深化與西門子、通用電氣、Black & Veatch、東方電氣、西電等國內外領軍企業的合作外，還與杭州鍋爐集團股份有限公司、中國中原對外工程有限公司、青建集團股份有限公司等新簽署了戰略合作協議，圍繞海外投資工業化、非洲智能電網及新技術海外應用等領域展開緊密合作，建立起包容聯動式發展的新模式。

5. Sound project execution

Currently, the Company is operating more than 100 projects, and the overall execution is sound, without any major safety, quality, delay or other issues being discovered. The construction of Phase I of the power station project in Serbia was successfully completed, while the water supply and sewage treatment projects in Sri Lanka were officially put into operation. The Company's first overseas new energy investment project, namely the IPP project for photovoltaic power station in Maldives was officially put into commercial operation and began to receive electricity charges. Pakistan Thar block two power station commenced works on boiler foundation. The Cote d'Ivoire power grid project held the opening ceremony. The unit 1 of Pakistan NJ hydropower project achieved successful synchronization, while unit 2 received unit acceptance certificate. The project is one of hydropower stations under construction with largest total installed capacity and the highest technical difficulty level in Pakistan.

The Company made progress in project refinement and management. The Company has optimized its project design plan, effectively saved costs and improved construction quality. It has added scientific and technological elements to its logistics operation, and introduced QR code into logistics procedures by using advanced technologies. The Company also achieved unattended stationing at substations by using drones for inspection, thus reducing labor costs and improving project efficiency.

The Company further strengthened quality control over monthly report and completion summary of projects. It continued to conduct routine inspections in the implementation phase of projects, with a focus on inspecting and supervising 14 projects, including the Pakistan Jhang project.

5. 項目執行情況良好

在手執行項目超過100個，執行情況整體良好，未發生重大安全、質量、拖期等問題。塞爾維亞電站一期工程順利完工，斯里蘭卡供水和污水處理項目正式投運，公司首個海外新能源投資項目馬爾代夫光伏電站IPP項目正式進入商業運行並開始收到電費。巴基斯坦塔爾二期電站實現鍋爐基礎開工，科特迪瓦電網項目舉行開工典禮，巴基斯坦NJ項目首台機組並網發電成功，並獲得第二台機組接收證書，該項目為巴基斯坦在建的總裝機容量最大、技術難度最高的水電站之一。

公司在項目的精細化管理方面取得進步。對項目設計方案進行優化，有效節約成本，提升施工質量；增添科技元素，利用先進技術，將二維碼引入物流環節，利用無人機進行勘測，對變電站實行無人值守，減少人力成本，提升項目效益。

進一步加強項目月報和完工總結的質量控制。持續開展在執行項目的常態化巡查，重點巡查和督查了巴基斯坦吉航項目等14個項目。

6. *Drill internal skills*

In 2018, the Company completed the reorganization of CNEEC, further enhanced its ability in controlling the industry chain. Our engineering contracting team experienced rapid growth. The after-sales management office was officially established, with industrial chain continued its back office extension. The level of purchasing management continued to improve, achieving complete coverage of engineering projects. The construction of engineering contracting business management platform yielded periodic results, while the whole life cycle management system of EPC project continued to improve.

7. *More in-depth regionalization and localization*

Regional companies in Singapore and Dubai began to take root in the local area and started expanding to surrounding regions, both having obtained credit lines from local banks. The Singapore regional company completed the technology platform investment; India Industrial Park project completed the first phase, and is advancing investment and other follow-up works. The Dubai regional company, in coordination with a number of departments, connected with resources in the Middle East, and played the role of a regional platform. The localization level continued to deepen, from hiring local staff, local procurement and subcontracting, to working with local design institutes and carrying out co-development projects with local enterprises. The Company also vigorously expanded the opportunities of neighboring countries, gradually achieving win-win symbiosis with the local economy and society.

6. 苦練內功

2018年公司完成中電工重組工作，對產業鏈的把控能力進一步增強，工程承包板塊自身隊伍快速成長，售後管理處正式設立，產業鏈持續向後端延伸。採購管理水平不斷提升，實現工程項目的完整覆蓋。工程承包業務管理平台建設取得階段性成果，EPC項目全生命週期管理體系繼續完善。

7. 區域化、屬地化更加深入

新加坡、迪拜區域公司開始在當地紮根並輻射周邊，均已取得當地銀行授信。新加坡區域公司完成科技平台的投資，印度工業園項目已經完成一期工程，正在推進招商等後續工作；迪拜區域公司配合多個部門對接中東資源，發揮區域平台作用。屬地化程度不斷加深，從僱傭當地員工，當地採購分包，到與當地設計院合作，以及與當地企業共同開發項目，並大力拓展周邊國家項目機遇，逐步與當地經濟社會共生共贏。

B. Trading Business

In 2018, the Trading Business adhered to the philosophy of focusing on the main businesses and returning to its core operations, continued to explore innovative ideas, and proceeded business transformation and upgrading. The overall business continued to move towards the direction of quality and efficiency-oriented development, while profitability was further elevated.

The following table sets forth the details of the Trading Business for the year ended December 31, 2018 and the comparative figures for the year ended December 31, 2017:

B. 貿易業務

2018年，貿易業務堅持聚焦主業、回歸核心，繼續創新思路、轉型升級，整體業務持續向質量效益型方向發展，盈利水平進一步提升。

下表載列截至2018年12月31日止年度貿易業務詳情連同截至2017年12月31日止年度的比較數字：

Unit: RMB million
單位：人民幣百萬元

				2018	% of Total	2017	Year-on-year Growth/ (Decline) 按年增長/ (減少)
				2018年	總額的%	2017年	
Revenue	收入	International trade	國際貿易	7,003.4	82.6%	6,501.0	7.7%
		Domestic trade	國內貿易	1,473.1	17.4%	1,584.3	-7.0%
		Total	總計	8,476.5	100.0%	8,085.3	4.8%
Gross profit	毛利	International trade	國際貿易	418.1	85.4%	416.0	0.5%
		Domestic trade	國內貿易	71.3	14.6%	55.3	28.9%
		Total	總計	489.4	100.0%	471.3	3.8%

1. Multi-parallel measures for business development

Traditional markets continued to be consolidated, while the scale of emerging markets has been gradually formed. China-East Resources Import & Export Co., Ltd.* (中經東源進出口有限責任公司), a core subsidiary of the Company in Trading Business, successfully entered the Canadian market in North America, with various projects conducted smoothly. China Machinery Industrial Products Co., Ltd.* (中設集團裝備製造有限責任公司) made further strides towards the direction of market, customer and product diversification, and currently has opened up the European market and the domestic market. Increased efforts were dedicated to product development and technical investment in high-end casting and forging parts. Bulk production for high-speed rail brake disc had commenced. The construction of the casting and forging engineering technology R&D center has also began.

2. Results of model innovation are beginning to manifest

The “Internet + Overseas Operation Platform Project” model has yielded initial results. The Company applied online + offline marketing strategies targeted at small and medium-sized distributors in Europe and America. The Company also actively leveraged on local policies to carry out “import bonded processing” business, and is in the process of exploring new business models. Trading segment strengthened its collaboration with the construction segment in overseas photovoltaic projects, and had made great strides.

1. 業務開發多措并举

傳統市場繼續穩固，新興市場逐漸形成規模。公司貿易業務核心子公司中經東源進出口有限責任公司成功進入北美加拿大市場，各個項目執行順利。中設集團裝備製造有限責任公司進一步向市場、客戶、產品多元化方向發展，目前已打開歐洲市場、國內市場；高端鑄鍛件在產品開發、技術投入等方面加大力度，高鐵制動盤進入批量化生產，鑄鍛件工程技術研發中心開始建設。

2. 模式創新成果顯現

「互聯網+海外運營平台項目」取得初步實效，採用線上+線下相結合的方式，針對歐美市場中小經銷商進行營銷；積極利用地方政策，開展「進口保稅加工」業務，正探索新的業務模式。貿易板塊強化與工程板塊在海外光伏項目上的協同合作，業務有了長足進步。

3. Continued to pursue sector management

The Company continued to promote the transformation and upgrading of Trade Business, actively promoted the science and technology funds, achievement transformation and declaration as a new high-tech enterprise. The Company introduced guidance opinions on innovation businesses under the trading services sector, and released the Blacklist of Trading Business. It also put greater efforts in promoting sub-brands, and regulated the sub-brand management.

C. Services Business

In 2018, the number of completed projects accumulated under the tendering business of our Services Business recorded a faster growth as compared to the previous year. With the continuous expansion in major customer base, the balanced development in core markets and core customers, as well as the active introduction of internal collaborative works, our Services Business maintained steady growth in general.

Outstanding results were once again recorded in the design consulting business. We strove to implement the sector development strategies, continued to maintain the growth trend, thus further improving science and technology level and elevating various fields to a new height.

3. 板塊管理工作繼續發力

持續推進貿易業務轉型升級。積極推進科技基金與成果轉化工作和申報高新技術企業工作。出台貿服板塊創新類業務指導意見，發佈《貿易業務負面清單》。加大貿易子品牌推廣力度，規範子品牌的管理。

C. 服務業務

2018年，服務業務中的招標業務累計完成的項目數量同比上升較快，大客戶渠道不斷鞏固發展，核心市場、核心客戶發展均衡，積極開展內部協同，整體保持了穩中有升的態勢。

設計諮詢業務方面再創佳績，努力踐行板塊發展戰略，持續保持增長態勢，科技水平更進一步，各項工作邁上了新台階。

1. *Fruitful achievements in scientific and technological innovation*

China Machinery R&D was among the first batch of whole-process engineering consulting pilots in Hunan Province, with approval for the provincial science and technology innovation platform, and was awarded the status of Advanced Enterprise in BIM Application of China. JiKan Research Institute was included in the cultivation plan of the National Key Laboratory in Shaanxi Province, approved for national postdoctoral research workstation and awarded the first prize in the SINOMACH Group Science and Technology Award.

Special technology incubator project was orderly promoted, as special projects, such as Sponge City and the informationization across space, sky and ground surfaces, formed certain market transformation capacity. The above two design institutes were granted with 37 new patents, 22 software copyrights and 15 awards at the provincial and ministerial levels or above.

2. *Remarkable achievements in business expansion*

Design consulting business sector focused on the direction of national macro policy support, adapted to the transformation of investment model and market changes, established the management and control system for new business models, and attached close attention to key markets and large-scale

1. 科技創新成果豐碩

中機院躋身於湖南省首批全過程工程諮詢試點單位，獲批了省級科技創新平台，榮獲了全國「BIM應用先進企業」；機勘院入選陝西省的國家重點實驗室的培育計劃，獲批了國家博士後科研工作站，榮獲「國機集團科學技術獎」一等獎。

專項科技孵化項目有序推進，海綿城市、空天地信息化等專項已形成一定的市場轉化能力。上述兩家設計院新獲專利授權37項，軟件著作權22項，獲得省部級以上獎勵15項。

2. 業務拓展卓有成效

設計諮詢業務板塊重點研究了國家宏觀政策支持方向，適應投資模式的轉變和市場變化，建立新業務模式的管控體系，狠抓重點市場和大型項目。在經營佈局上，深度挖掘異地

projects. For management layout, it deepened the excavation of off-site regional markets, moderately expanded the scale of operation, established additional branches and strengthened localization.

The Company continued to obtain general contracting qualification for construction works. China Machinery R&D has newly obtained level two general contracting qualification for professional eco-friendly construction, level three general contracting qualification for construction engineering and power engineering works, and grade A engineering consulting credit rating. JiKan Research Institute has newly obtained level one general contracting qualification for building construction.

地區市場，適度加大經營規模，增設分支機構並加強屬地化建設。

公司不斷獲取施工工程總承包資質：中機院新增環保工程專業施工總承包二級資質、建築工程和電力工程施工總承包三級資質、工程諮詢資信評價甲級資格；機勘院新增建築工程施工總承包一級資質。

3. Steady improvement in management system

The Company attached great importance to talent development, and earnestly strengthened system building. The Company took initiatives to introduce professional teams, mid-to-high end leading talents and academic leaders required for development. Among which, two were experts under special allowance scheme of the State Council, and one was awarded the title of provincial survey and design master.

The following table sets forth the details of the Services Business for the year ended December 31, 2018 and the comparative figures for the year ended December 31, 2017:

3. 管理體系日臻完善

高度重視人才建設，切實加強制度建設。積極引進發展需要的專業化團隊、中高端領軍人才和學科帶頭人。2人獲批國務院特殊津貼專家，1人榮獲省級勘察設計大師稱號。

下表載列截至2018年12月31日止年度服務業務詳情連同截至2017年12月31日止年度的比較數字：

Unit: RMB million
單位：人民幣百萬元

			2018	% of Total	2017	Year-on-year Growth/ (Decline)
			2018年	總額的%	2017年	按年增長/ (減少)
Revenue	收入	Design consulting services	1,040.8	49.4%	1,036.0	0.5%
		Logistics services	290.7	13.8%	332.7	-12.6%
		Export-import agency services	41.1	2.0%	26.0	58.1%
		Tendering agency services	33.2	1.6%	20.6	61.2%
		Others	699.4	33.2%	855.0	-18.2%
		Total	總計	2,105.2	100.0%	2,270.3
Gross profit	毛利	Design consulting services	253.7	35.2%	231.0	9.8%
		Logistics services	103.8	14.4%	202.0	-48.6%
		Export-import agency services	38.7	5.4%	38.1	1.6%
		Tendering agency services	11.5	1.6%	11.8	-2.5%
		Others	312.8	43.4%	471.0	-33.6%
		Total	總計	720.5	100.0%	953.9

D. Emerging Business

The three major emerging business segments, namely asset management, construction logistics and agriculture development, were formed. On the basis of the existing business units and business scale of each emerging business segment, the Company has gradually expanded its current businesses and scope of operation, and increased the level of business income and profitability, thereby improving our business performance and providing replenishment funds and support.

Various works under asset management business progressed smoothly. The Beijing general headquarter complex building project completed five-party acceptance. The tenant recruitment for Shanghai CMEC Plaza was basically completed. Shenzhen CMEC Plaza was recognized as an urban intelligent industrial park by Shenzhen City. The occupation rate of Changsha CMEC Plaza Office Building B exceeded 50%, while Xi'an CMEC Plaza successfully made progress as planned.

In respect of the logistics business, the Company continued its expansion to external business, and won bids for various projects such as the Ethiopia oil and gas field project of GCL-Poly and the Serbia power plant project of Shanghai Electric. The Company left its marks in key oil and gas field regions such as Iraq and Chad, and established business relationships with state-owned enterprise clients such as DEC and China Energy Engineering Corporation Limited.

The agricultural development operations expanded steadily. A project site has been located for the China-Ukraine International Agricultural Demonstration Cooperation Park project and a memorandum was executed, signifying a solid step in the development of Ukraine-based overseas business expansion.

D. 新興業務

以資產管理、工程物流、農業開發為基礎形成3大新興業務板塊。公司基於各新興業務板塊現有業務單元和業務規模，逐步擴大現有業務和經營範圍，提高業務收入和利潤水平，為業績提升，提供補充與支持。

資產管理業務各項工作進展順利，北京總部綜合樓項目已完成五方驗收，上海中設廣場招商基本完成，深圳中設廣場被深圳市認定為城市智慧產業園區，長沙中設廣場B棟寫字樓的入駐率過半，西安中設廣場按計劃順利推進。

物流業務方面，公司不斷拓展外部業務，中標了保利協鑫埃塞油氣田、上海電氣塞爾維亞電廠等項目，在伊拉克、乍得等重點油氣區域都有所建樹，發展了東方電氣、中國能源建設股份有限公司等央企客戶。

農業開發業務穩步拓展，中烏國際農業示範合作園區項目已確定項目廠址並簽署了備忘錄，以烏克蘭為基地的海外業務開拓又邁出了堅實的一步。

E. Important Events

1. *Completion of the acquisition of CNEEC*

On November 24, 2017, the Company and SINOMACH entered into an acquisition agreement, pursuant to which, the Company has agreed to acquire the entire equity interest in CNEEC for an aggregate consideration of RMB1,980,031,000 (equivalent to approximately HK\$2,349,766,807) (the “Acquisition”). The Acquisition was completed on April 4, 2018. The Acquisition is a key step for SINOMACH Group to honor its non-competition undertakings, which would enable the Company to better utilize such business integration to strengthen the competitiveness of its core businesses. The Acquisition enabled the Company to rapidly expand its assets and scale of business by external merger and acquisition, and to further enhance the Company’s capabilities in design, supervision, operation and maintenance of engineering projects, and to further improve the Company’s service capabilities in a complete project cycle. The Acquisition also reinforced the market position of the Company’s engineering contracting business in traditional areas by consolidating relationships with partners, and developed business in a larger scale and with stepped up efforts to enter new markets and areas. It also helped to expand the Company’s talent pool for the International Engineering Contracting Business, and improve its talent team structure. Details for the transaction

E. 重要事件

1. 完成的收購中電工

於2017年11月24日，本公司與國機訂立收購協議（「收購事項」），據此，本公司同意以人民幣1,980,031,000元的總對價（相當於約2,349,766,807港元）收購中電工的全部股權，收購事項已於2018年4月4日完成。該收購事項是國機集團恪守其避免同業競爭承諾的一項重要舉措，且能使本公司更好地利用有關業務整合以提升其核心業務的競爭力。該收購事項令本公司通過外部併購快速擴大資產及業務規模，進一步提升設計、監督、運營及維護工程項目方面的能力，進而提升本公司於整個項目週期中的服務能力。該收購事項亦將通過鞏固合作夥伴關係以鞏固本公司在傳統領域工程承包業務中的市場地位，通過進入新的市場和領域以更大規模及更有力的方式發展業務。這亦有助於擴大本公司的國際工程承包業務人才庫，並改善人才隊伍結構。有關交易的詳情請參見本公司於聯交所網站及本公司

are set out in the Company's announcements dated November 24, 2017, January 12, 2018 and April 9, 2018, respectively, on the websites of the Stock Exchange and the Company.

2. *Establishment of Henan Pingmei Shenma Far East Chemical Co., Ltd. (“Henan Pingmei”) through joint investment*

On November 26, 2018, the Company, China Pingmei Shenma Energy Chemical Group Limited Liability Company (“Pingmei”) and SINOMACH INTERNATIONAL, China Machinery Industry International Cooperation Co., Ltd. (“SINOMACH INTERNATIONAL”) entered into a joint venture agreement in relation to the establishment of Henan Pingmei through joint investment. The total registered capital of Henan Pingmei is RMB450,000,000, of which RMB67,500,000 was contributed by the Company, representing 15% equity interest in Henan Pingmei. The establishment of Henan Pingmei aims to jointly promote technical exchanges in the early stage of chemical projects of “the Belt and Road” areas. In addition, the establishment of Henan Pingmei is consistent with the strategic layout of “the Belt and Road”, as well as the core principal business and development strategies of the Company. It is also the first cooperation of the Company with a large state-owned enterprise in coal chemicals for joint development of an overseas chemical project. Being the largest local state-owned enterprise in Henan Province, Pingmei has technological and

網站分別刊發的日期為2017年11月24日、2018年1月12日和2018年4月9日的公告。

2. *投資參股成立河南平煤神馬遠東化工有限公司(「河南平煤」)*

於2018年11月26日，本公司、中國平煤神馬能源化工集團有限責任公司(「平煤」)及中國機械工業國際合作公司就共同出資成立河南平煤訂立合資協議。河南平煤之總註冊資本為人民幣450,000,000元，本公司出資人民幣67,500,000元，持有河南平煤的15%的股權。設立河南平煤，目的在於共同推進在「一帶一路」地區化工項目的前期技術交流。成立河南平煤符合國家「一帶一路」的戰略佈局，符合本公司核心業務和本公司發展戰略，是本公司首次聯合煤化工大型國有企業，合作開發境外化工項目。作為河南省最大的地方國有企業，平煤擁有化工行業的技術和資金優勢，有利於本公司開發化工行業項目，有利於各方優勢互補。有關交易的詳情請

capital advantages in the chemical industry, which are helpful in the development of chemical industry projects by the Company, and is favourable for inducing complementary advantages. Details for the transaction are set out in the Company's announcements dated December 21, 2018 and December 27, 2018, respectively, on the websites of the Stock Exchange and the Company.

參見本公司於聯交所網站及本公司網站分別刊發的日期為2018年12月21日和2018年12月27日的公告。

III. FINANCIAL POSITION AND OPERATING RESULTS

The following discussion should be read in conjunction with the financial statements of the Group together with the accompanying notes included in this results announcement and other sections therein.

1. Overview

The Group's profitability improved in 2018. Profit before taxation increased by 19.7% to RMB2,825.8 million in 2018 as compared to RMB2,360.9 million in 2017.

2. Revenue

The Group generated its revenue from the International Engineering Contracting Business, Trading Business and Services Business. The Group's revenue increased by 5.4% to RMB28,862.6 million in 2018 as compared to RMB27,375.1 million in 2017.

III. 財務狀況及經營業績

在閱讀下述討論時，請一併參閱包含在本業績公告及其他章節中本集團的財務報表及附註。

1. 概覽

本集團的盈利於2018年有所增加。2018年除稅前溢利為人民幣2,825.8百萬元，較2017年的人民幣2,360.9百萬元增加19.7%。

2. 收入

本集團的收入來自國際工程承包業務、貿易業務及服務業務。2018年，本集團的收入為人民幣28,862.6百萬元，較2017年的人民幣27,375.1百萬元增長5.4%。

The following table sets out, for the periods indicated, the amount and percentage of our total revenue by each of our three business segments:

下表載列於所示期間三個業務分部各自的金額及佔總收入的百分比：

		Year ended December 31, 截至12月31日止年度			
		2018		2017	
		2018年		2017年	
		(RMB		(RMB	
		million)	(%)	million)	(%)
		(人民幣	(%)	(人民幣	(%)
		百萬元)	(%)	百萬元)	(%)
International Engineering Contracting Business	國際工程承包業務				
Power	電力能源	12,537.2	43.4%	12,067.9	44.1%
Transportation and Telecommunications	交通運輸及電子通訊	1,335.6	4.6%	2,022.9	7.4%
Non-Core Sectors	非核心行業	4,408.1	15.3%	2,928.7	10.7%
Subtotal	小計	18,280.9	63.3%	17,019.5	62.2%
Trading Business	貿易業務				
International trade	國際貿易	7,003.4	24.3%	6,501.0	23.7%
Domestic trade	國內貿易	1,473.1	5.1%	1,584.3	5.8%
Subtotal	小計	8,476.5	29.4%	8,085.3	29.5%
Services Business	服務業務	2,105.2	7.3%	2,270.3	8.3%
Total	總計	28,862.6	100.0%	27,375.1	100.0%

1) International Engineering Contracting Business

The Group's revenue generated from the International Engineering Contracting Business increased by 7.4% to RMB18,280.9 million in 2018 as compared to RMB17,019.5 million in 2017, primarily due to the increase in the revenue generated from the Power and Non-Core Sectors.

1) 國際工程承包業務

2018年，本集團的國際工程承包業務收入為人民幣18,280.9百萬元，而2017年則為人民幣17,019.5百萬元，增幅為7.4%，主要由於電力能源及非核心行業收入有所增加。

The revenue generated from the Power Sector increased by 3.9% to RMB12,537.2 million in 2018 as compared to RMB12,067.9 million in 2017, primarily due to the significant progress in the power station projects in Asia.

The revenue generated from the Transportation and Telecommunications Sector decreased by 34% to RMB1,335.6 million in 2018 as compared to RMB2,022.9 million in 2017, primarily due to the significant progress in the railway improvement project in South America and the communications project in Africa during the corresponding previous year.

The revenue generated from the Non-Core Sectors increased by 50.5% to RMB4,408.1 million in 2018 as compared to RMB2,928.7 million in 2017, primarily due to the significant progress of the water plant projects in Africa during the year.

2) *Trading Business*

The Group's revenue generated from the Trading Business increased by 4.8% to RMB8,476.5 million in 2018 as compared to RMB8,085.3 million in 2017, primarily due to the increase in the revenue from international trade.

The revenue generated from the international trade increased by 7.7% to RMB7,003.4 million in 2018 as compared to RMB6,501.0 million in 2017, primarily due to the increase in revenue from grain re-export business in Europe.

The revenue generated from the domestic trade decreased by 7.0% to RMB1,473.1 million in 2018 as compared to RMB1,584.3 million in 2017, primarily due to the decrease in the business volume of the solar energy components as compared to the corresponding previous year.

2018年電力能源行業收入為人民幣12,537.2百萬元，比2017年人民幣12,067.9百萬元上升3.9%，主要由於亞洲的電站項目本年有較大進展。

2018年交通運輸及電子通訊行業收入為人民幣1,335.6百萬元，比2017年人民幣2,022.9百萬元減少34%，主要由於上年同期南美洲的鐵路改造項目以及非洲通訊項目有較大進展。

2018年非核心行業收入為人民幣4,408.1百萬元，比2017年人民幣2,928.7百萬元增加50.5%，主要由於非洲的水廠項目本年有較大進展。

2) *貿易業務*

2018年，本集團的貿易業務收入為人民幣8,476.5百萬元，而2017年則為人民幣8,085.3百萬元，增幅為4.8%，主要由於國際貿易收入有所增加。

2018年，國際貿易收入為人民幣7,003.4百萬元，比2017年人民幣6,501.0百萬元增加7.7%，主要由於歐洲的糧食轉口業務收入有所增加。

2018年，國內貿易收入為人民幣1,473.1百萬元，比2017年人民幣1,584.3百萬元減少7.0%，主要由於太陽能組件業務較上年同期有所下降。

3) Services Business

The Group's revenue generated from the Services Business decreased by 7.3% to RMB2,105.2 million in 2018 as compared to RMB2,270.3 million in 2017, primarily due to the decrease in revenue generated from logistics business as compared to the corresponding previous year.

3. Cost of sales

The Group's cost of sales increased by 9.4% to RMB24,166.7 million in 2018 as compared to RMB22,086.1 million in 2017, primarily due to the increase in costs as a result of the increase in revenues from the relevant industries.

4. Gross profit and gross profit margin

(i) *Gross profit of the Group in 2018 consists of the followings:*

3) 服務業務

2018年，本集團的服務業務收入為人民幣2,105.2百萬元，而2017年則為人民幣2,270.3百萬元，降幅為7.3%，主要由於物流業務收入較上年同期有所下降。

3. 銷售成本

2018年，本集團的銷售成本為人民幣24,166.7百萬元，而2017年則為人民幣22,086.1百萬元，增幅為9.4%，主要是由於各行業的收入增加導致的成本相應增加。

4. 毛利及毛利率

(i) *2018年本集團毛利構成情況如下：*

		Year ended December 31, 截至12月31日止年度			
		2018 2018年		2017 2017年	
		(RMB million) (人民幣 百萬元)	(%) (%)	(RMB million) (人民幣 百萬元)	(%) (%)
International Engineering Contracting Business	國際工程承包業務				
Power	電力能源	2,517.8	53.7%	2,675.1	50.6%
Transportation and Telecommunications	交通運輸及電子通訊	343.6	7.3%	701.3	13.3%
Non-Core Sectors	非核心行業	624.7	13.3%	487.4	9.2%
Subtotal	小計	<u>3,486.1</u>	<u>74.3%</u>	<u>3,863.8</u>	<u>73.1%</u>
Trading Business	貿易業務				
International trade	國際貿易	418.1	8.9%	416.0	7.9%
Domestic trade	國內貿易	71.3	1.5%	55.3	1.0%
Subtotal	小計	<u>489.4</u>	<u>10.4%</u>	<u>471.3</u>	<u>8.9%</u>
Services Business	服務業務	<u>720.5</u>	<u>15.3%</u>	<u>953.9</u>	<u>18.0%</u>
Total	總計	<u><u>4,696.0</u></u>	<u><u>100.0%</u></u>	<u><u>5,289.0</u></u>	<u><u>100.0%</u></u>

(ii) *Gross profit margins of the Group in 2018 are set out below:*

(ii) 2018年本集團毛利率載於下表：

		Year ended December 31,	
		截至12月31日止年度	
		2018	2017
		2018年	2017年
		(%)	(%)
		(%)	(%)
International Engineering			
Contracting Business	國際工程承包業務	19.1%	22.7%
Power	電力能源	20.1%	22.2%
Transportation and Telecommunications	交通運輸及電子通訊	25.7%	34.7%
Non-Core Sectors	非核心行業	14.2%	16.6%
Trading Business			
International trade	貿易業務	5.8%	5.8%
International trade	國際貿易	6.0%	6.4%
Domestic trade	國內貿易	4.8%	3.5%
Services Business	服務業務	34.2%	42.0%
Total	總計	16.3%	19.3%

The Group's gross profit decreased by 11.2% to RMB4,696.0 million in 2018 as compared to RMB5,289.0 million in 2017. This decrease is mainly attributable to the decrease in the gross profit of International Engineering Contracting Business and Services Business as compared to the corresponding previous year.

2018年，本集團的毛利為人民幣4,696.0百萬元，而2017年則為人民幣5,289.0百萬元，降幅為11.2%。此降幅主要由於國際工程承包業務及服務業務的毛利較上年同期有所減少。

1) International Engineering Contracting Business

1) 國際工程承包業務

(a) Gross Profit

(a) 毛利

The gross profit generated from the International Engineering Contracting Business decreased by 9.8% to RMB3,486.1 million in 2018 as compared to RMB3,863.8 million in 2017, primarily due to the decrease in gross profit from the Power and Transportation and Telecommunications Sectors.

2018年，國際工程承包業務毛利為人民幣3,486.1百萬元，而2017年則為人民幣3,863.8百萬元，減少9.8%，主要是由於電力能源、交通運輸及電子通訊行業毛利有所減少。

The gross profit generated from the Power Sector decreased by 5.9% to RMB2,517.8 million in 2018 as compared to RMB2,675.1 million in 2017, primarily due to the decline in gross profit margin of projects with significant progress made during the year as compared to that of previous projects.

The gross profit generated from the Transportation and Telecommunications Sector decreased by 51.0% to RMB343.6 million in 2018 as compared to RMB701.3 million in 2017, primarily due to the significant progress in the railway improvement project in South America during the corresponding period of previous year.

The gross profit generated from the Non-Core Sectors increased by 28.2% to RMB624.7 million in 2018 as compared to RMB487.4 million in 2017, primarily due to the significant progress of the water plant project in Africa during the year.

(b) Gross Profit Margin

The gross profit margin generated from the International Engineering Contracting Business decreased to 19.1% in 2018 as compared to 22.7% in 2017, primarily due to the decline in the gross profit margin from the Power, Transportation and Telecommunications and Non-Core Sectors as compared to the corresponding previous year.

2018年，電力能源行業毛利為人民幣2,517.8百萬元，而2017年為人民幣2,675.1百萬元，減少5.9%，主要由於當年有較大進展的項目毛利率較之前的項目毛利率有所降低。

2018年，交通運輸及電子通訊行業毛利為人民幣343.6百萬元，而2017年為人民幣701.3百萬元，減少51.0%，主要由於上年同期南美洲鐵路改造項目取得較大進展。

2018年，非核心行業毛利為人民幣624.7百萬元，比2017年的人民幣487.4百萬元增加28.2%，主要由於非洲的水廠項目本年有較大進展。

(b) 毛利率

2018年，國際工程承包業務毛利率下降至19.1%，而2017年則為22.7%，主要由於電力能源、交通運輸及電子通訊以及非核心業務毛利率較上年同期均有所下降。

The gross profit margin generated from the Power Sector slightly decreased to 20.1% in 2018 as compared to 22.2% in 2017, primarily due to the decline in gross profit margin of projects with significant progress made during the year as compared to that of previous projects.

The gross profit margin generated from the Transportation and Telecommunications Sector was 25.7% in 2018 as compared to 34.7% in 2017, primarily due to the lower gross profit margin of the road improvement projects in Africa.

The gross profit margin generated from the Non-Core Sectors was 14.2% in 2018 as compared to 16.6% in 2017, primarily due to the higher gross profit margin from the house construction projects in Africa, which were completed in 2017.

2) *Trading Business*

(a) *Gross Profit*

The gross profit generated from the Trading Business increased by 3.8% to RMB489.4 million in 2018 as compared to RMB471.3 million in 2017, primarily due to the increase in gross profit from both international trade and domestic trade.

2018年，電力能源行業毛利率為20.1%，2017年則為22.2%，較上年同期略有減少，主要由於當年有較大進展的項目毛利率較之前的項目毛利率有所降低。

2018年，交通運輸及電子通訊行業毛利率為25.7%，而2017年則為34.7%，主要由於本期非洲的道路修復項目毛利率較低。

2018年，非核心行業毛利率為14.2%，而2017年則為16.6%，主要由於2017年完工的非洲房屋建設項目毛利率較高。

2) *貿易業務*

(a) *毛利*

2018年，貿易業務毛利為人民幣489.4百萬元，比2017年的人民幣471.3百萬元增加3.8%，主要由於國際業務和國內業務的毛利均有所增加。

The gross profit generated from international trade increased by 0.5% to RMB418.1 million in 2018 as compared to RMB416.0 million in 2017, which was basically the same as that of the corresponding previous year.

The gross profit generated from the domestic trading business increased by 28.9% to RMB71.3 million in 2018 as compared to RMB55.3 million in 2017, primarily due to the increase in the business volume of casting and forging products and domestic grain trade.

(b) Gross Profit Margin

The gross profit margin generated from the Trading Business was 5.8% in 2018, which was basically the same as that of the corresponding previous year.

The gross profit margin generated from the international trading business was 6.0% in 2018 as compared to 6.4% in 2017, decreasing slightly as compared to the corresponding previous year.

The gross profit margin generated from the domestic trading business was 4.8% in 2018 as compared to 3.5% in 2017, primarily due to the decrease in the business volume of aluminum with lower gross profit margin in the previous year.

2018年，國際貿易業務毛利為人民幣418.1百萬元，比2017年的人民幣416.0百萬元增加0.5%，與上年同期基本持平。

2018年，國內貿易業務毛利為人民幣71.3百萬元，比2017年的人民幣55.3百萬元增加28.9%，主要由於鑄鍛件及國內糧食貿易業務量增加。

(b) 毛利率

2018年，貿易業務毛利率為5.8%，與上年同期持平。

2018年，國際貿易業務毛利率為6.0%，而2017年為6.4%，較上年同期略有降低。

2018年，國內貿易業務毛利率為4.8%，2017年為3.5%，主要由於上年毛利率較低的鋁型材項目業務量有所下降。

3) *Services Business*

(a) *Gross Profit*

The gross profit generated from the Services Business decreased by 24.5% to RMB720.5 million in 2018 as compared to RMB953.9 million in 2017, primarily due to the decrease in both gross profit and gross profit margin generated from logistics business.

(b) *Gross Profit Margin*

The gross profit margin generated from the Services Business was 34.2% in 2018 as compared to 42.0% in 2017, primarily due to the decline in gross profit margin of logistics business as a result of fierce market competition and the decrease in revenue generated from technology service business with higher gross profit margin of the previous year.

5. **Other revenue**

The Group's other revenue amounted to RMB106.9 million in 2018 as compared to RMB212.3 million in 2017, mainly attributable to the decrease in revenue generated from wealth management products as compared to the corresponding previous year.

6. **Other income and expenses, net**

The Group's other income and expenses, net amounted to RMB(84.6) million in 2018 as compared to income of RMB193.6 million in 2017, mainly attributable to the increase in loss from fair value changes of foreign currency forward exchange contracts.

3) *服務業務*

(a) *毛利*

2018年，服務業務毛利為人民幣720.5百萬元，比2017年的人民幣953.9百萬元減少24.5%，主要由於物流業務收入減少及毛利率同時降低的影響。

(b) *毛利率*

2018年，服務業務毛利率為34.2%，而2017年則為42.0%，主要由於物流業務由於市場競爭激烈毛利率有所下降，以及上年同期毛利率較高的技術服務業務收入有所下降。

5. **其他收入**

2018年，本集團的其他收入為人民幣106.9百萬元，而2017年則為人民幣212.3百萬元，主要由於理財產品收益較上年同期有所減少。

6. **其他收支淨額**

2018年，本集團的其他收支淨額為人民幣(84.6)百萬元，而2017年則為收入人民幣193.6百萬元，主要由於遠期外匯合約公允價值變動損失增加。

7. Selling and marketing expenses

The Group's selling and marketing expenses increased by 15.8% to RMB1,254.1 million in 2018 as compared to RMB1,082.6 million in 2017, mainly attributable to the increase in labor costs.

8. Administrative expenses

The Group's administrative expenses increased by 10.3% to RMB1,283.5 million in 2018 as compared to RMB1,163.6 million in 2017, mainly attributable to the increase in labor costs and research and development expenses.

9. Impairment loss on financial and contract assets/other operating expenses

The Group's impairment loss on financial and contract assets and other operating expenses increased by 47.9% to RMB628.8 million in 2018 as compared to RMB425.2 million in 2017, mainly attributable to the increase in provision for impairment loss on receivables as compared to that in 2017 as a result of implementation of new accounting standards.

10. Profit from operations

The Group's profit from operations decreased by 48.7% to RMB1,551.9 million in 2018 as compared to RMB3,023.5 million in 2017, mainly attributable to the decrease in gross profit, as well as the increase in selling and administrative expenses, provision for impairment and loss on changes in fair value of foreign currency forward contracts.

7. 銷售及市場營銷開支

2018年，本集團的銷售及市場營銷開支為人民幣1,254.1百萬元，而2017年則為人民幣1,082.6百萬元，增幅為15.8%，主要由於人工成本有所增加。

8. 行政開支

2018年，本集團的行政開支為人民幣1,283.5百萬元，而2017年則為人民幣1,163.6百萬元，增幅為10.3%，主要由於人工成本及研發費用有所增加。

9. 金融及合同資產減值虧損／其他經營開支

2018年，本集團的金融及合同資產減值虧損和其他經營開支為人民幣628.8百萬元，而2017年則為人民幣425.2百萬元，增幅為47.9%，主要由於受執行新會計準則影響，應收賬款減值撥備較2017年增加。

10. 經營溢利

2018年，本集團的經營溢利為人民幣1,551.9百萬元，而2017年則為人民幣3,023.5百萬元，降幅為48.7%，主要由於毛利減少、銷售及行政費用增加、減值撥備增加及外匯遠期合約的公允價值變動損失增加。

11. Finance income/finance expenses

In 2018, the Group's finance income amounted to RMB1,314.9 million as compared to RMB394.1 million in 2017, representing an increase of 233.6% as compared to the corresponding previous year, mainly attributable to greater exchange gain recorded during the year.

In 2018, the Group's finance expenses amounted to RMB208.3 million as compared to RMB1,162.3 million in 2017, representing a decrease of 82.1% as compared to the corresponding previous year, mainly attributable to greater exchange gain this year.

Thus, in 2018, net finance income of the Group amounted to RMB1,106.6 million as compared to RMB(768.1) million in 2017.

12. Income tax

The Group's income tax increased by 18.1% to RMB689.9 million in 2018 as compared to RMB584.3 million in 2017, mainly attributable to the effect of the increase in the profit before tax.

13. Profit for the year

As a result of the foregoing, the Group's net profit for the year increased by 20.2% to RMB2,135.8 million in 2018 as compared to RMB1,776.6 million in 2017 and its net profit margin was 7.4% in 2018 as compared to 6.5% in 2017.

14. Net profit attributable to owners of the parent

The net profit attributable to owners of the parent increased by 20.1% to RMB2,131.5 million in 2018 as compared to RMB1,775.0 million in 2017.

11. 財務收入／財務開支

2018年，本集團的財務收入為人民幣1,314.9百萬元，而2017年則為人民幣394.1百萬元，較上年同期增加233.6%，主要由於今年有較大匯兌收益。

2018年，本集團的財務開支為人民幣208.3百萬元，而2017年則為人民幣1,162.3百萬元，較上年同期減少82.1%，主要由於今年有較大匯兌收益。

因此，2018年，本集團的財務收入淨額為人民幣1,106.6百萬元，2017年為財務淨收入人民幣(768.1)百萬元。

12. 所得稅

2018年，本集團的所得稅為人民幣689.9百萬元，而2017年則為人民幣584.3百萬元，增幅為18.1%。主要由於除稅前溢利增加的影響。

13. 年內溢利

由於上文所述，2018年，本集團的年內淨溢利為人民幣2,135.8百萬元，而2017年則為人民幣1,776.6百萬元，增幅為20.2%，其於2018年的淨溢利率為7.4%，而2017年則為6.5%。

14. 歸屬於母公司擁有人的淨溢利

2018年，歸屬於母公司擁有人的淨溢利為人民幣2,131.5百萬元，而2017年則為人民幣1,775.0百萬元，增幅為20.1%。

15. Profit attributable to the holders of non-controlling interests

The profit attributable to the holders of non-controlling interests of the Group amounted to RMB4.3 million in 2018 as compared to profit of RMB1.7 million in 2017, which slightly increased from the corresponding previous year.

16. Liquidity and capital resources

As at December 31, 2018, the Group's cash and cash equivalents amounted to RMB21,383.6 million, compared to RMB21,479.3 million as at December 31, 2017, which was basically remained steady as compared to the corresponding previous year.

As at December 31, 2018, the Group's borrowings amounted to RMB984.8 million, compared to RMB916.4 million as at December 31, 2017, representing an increase of 7.5%. RMB878.4 million (including RMB9.8 million of long-term borrowings due within one year) was short-term borrowings and RMB106.4 million was long-term borrowings.

The borrowings were denominated in either RMB, US dollars or Japanese Yen and were subject to interest rates ranging from 1.00% to 6.00% per annum.

17. Capital expenditures

The Group's capital expenditures consisted primarily of the purchase of property, plant and equipment, intangible assets and land lease prepayments. In 2018, the Group's capital expenditure was RMB503.9 million, representing a decrease of 34.1% as compared to RMB764.4 million in 2017, mainly attributable to the completion of some of the infrastructure projects.

15. 歸屬於非控股權益持有人溢利

2018年，歸屬於本集團非控股權益持有人溢利為人民幣4.3百萬元，2017年為溢利人民幣1.7百萬元，較上年同期略有增加。

16. 流動資金及資本資源

於2018年12月31日，本集團持有現金及現金等價物為人民幣21,383.6百萬元，而於2017年12月31日則為人民幣21,479.3百萬元，與上年同期基本持平。

於2018年12月31日，本集團借貸為人民幣984.8百萬元，而於2017年12月31日則為人民幣916.4百萬元，增幅為7.5%。短期借貸為人民幣878.4百萬元（含一年內到期的長期借貸人民幣9.8百萬元），長期借貸為人民幣106.4百萬元。

該等借貸均以人民幣、美元或日元計值並以每年利率1.00%至6.00%計息。

17. 資本開支

本集團的資本開支主要包括購買物業、廠房及設備、無形資產及預付土地租賃款項。2018年，本集團的資本開支為人民幣503.9百萬元，而2017年則為人民幣764.4百萬元，降幅為34.1%，主要由於基建項目部分已完工。

18. Gearing ratio

In 2018, the Group's gearing ratio (total borrowings divided by total assets) was 1.8%, representing a slight increase as compared to 1.6% in 2017, mainly attributable to the increase in short-term borrowings.

19. Major acquisition and disposals and significant investments

Please see the paragraphs headed "II. BUSINESS OVERVIEW – E. Important Events" on page 67 of this announcement.

20. Contingent liabilities

We were involved in a number of legal proceedings and claims against either our Company or subsidiaries of our Company in the ordinary course of business. While the outcomes of such contingencies, lawsuits or other proceedings cannot be determined at present, the Directors believe that any resulting liabilities will not have a material adverse impact on the financial position, liquidity or operating results of the Group.

21. Event after reporting period

On March 26, 2019, the Board resolved that a final dividend of RMB0.2067 per share is to be distributed to the Shareholders, subject to approval of the Shareholders at the forthcoming annual general meeting. Such final dividends proposed after the end of the reporting period have not been recognised as liabilities as at the end of the reporting period.

18. 槓桿比率

2018年，本集團的槓桿比率（借貸總額除以總資產）為1.8%，與2017年的1.6%相比略有增加，主要是由於短期借款的增加。

19. 重大收購及出售及重大投資

請參閱本公告第67頁「II. 業務概覽—E. 重要事件」一段。

20. 或有負債

我們於日常業務中涉及多宗針對本公司或本公司附屬公司的法律訴訟及申訴。雖然目前未能確定該等或有事件、訴訟或其他法律程序的結果，董事相信任何由此引致的負債不會對本集團的財務狀況、流動資金或經營業績產生重大不利影響。

21. 報告期後的事項

2019年3月26日，董事會決議向股東派發每股人民幣0.2067元的末期股息，惟須獲股東於應屆股東週年大會上批准。於報告期末後擬派的末期股息尚未確認為報告期末的負債。

IV. RISK FACTORS AND RISK MANAGEMENT

We are exposed to various types of risks, including currency risk, interest rate risk, credit risk, liquidity risk, competition risk and investment risk, etc., in the normal course of our business. Our management continuously monitors our exposure to these risks to ensure appropriate measures are in place and are implemented in a timely and effective manner.

1. Currency Risk

Currency risk arises primarily from sales and purchases and our International Engineering Contracting Business overseas and overseas financing which give rise to receivables, payables and cash balances that are primarily denominated in U.S. dollars and Euros. As a matter of policy and in compliance with the PRC laws and regulations, we are not allowed to widely engage in hedging activities. Therefore, we entered into foreign currency forward contracts to lock in the value in RMB for some of our future cash receipts, primarily in respect of the proceeds of our international engineering contracting projects to reduce our currency risk and to obtain certainty of forecasted income generated from the deferred payments to be received from the project owners. The Group maintains and follows the internal policies and controls for managing the use of derivative financial instruments and will not participate in pure speculative arbitrage activities.

IV. 風險因素及風險管理

我們於日常業務過程中面臨多類風險，包括貨幣風險、利率風險、信用風險、流動資金風險、競爭風險及投資風險等。我們的管理層不斷監督我們面臨的該等風險以確保適當的措施實施到位且及時有效地執行。

1. 貨幣風險

貨幣風險主要來自海外的銷售和採購及我們的國際工程承包業務以及海外融資產生之主要以美元及歐元計價的應收款項、應付款項及現金結餘。由於按照政策及中國法律和法規，我們不得廣泛從事對沖活動，因此我們主要就國際工程承包項目的收款訂立遠期外匯合約，以鎖定我們部分未來現金收入的人民幣價值，務求降低貨幣風險及確保從項目業主獲得由於延遲付款所產生的預測收入。本集團維繫及遵守有關規範使用衍生金融工具的內部政策及控制，不參與純粹的投機套利活動。

2. Interest Rate Risk

Interest rate risk arises primarily from borrowings and bank deposits, of which the borrowings bearing interests at variable rates and at fixed rates expose us to cash flow interest rate risk and fair value interest rate risk, respectively. The Company regularly reviews and monitors the mix of our fixed and variable rate borrowings, either through managing the contractual terms of interest-bearing financial assets and liabilities or using of interest rate swaps in order to manage our interest rate risks.

3. Credit Risk

Our credit risk is primarily attributable to trade and other receivables. The Company has a credit policy in place and our exposure to these credit risks is monitored on an ongoing basis. With respect to the International Engineering Contracting Business, credit terms granted are negotiated individually on a case-by-case basis and are set forth in the relevant engineering contracting contracts. The Company conducts monthly reviews of credit risks and end-of-credit-term period reviews to determine if the Group needs to make any necessary provisions for credits that we have extended to customers. We evaluate our customer's credit status and repayment capability through establishing an appropriate business evaluation system. Meanwhile, we implemented the policy to buy export credit insurance. For the Trading Business, the Company and the trading subsidiaries are required to buy unified export credit insurance from Sinasure; for the International Engineering Contracting Business financed by export seller's credit, the Group typically buys export credit insurance from Sinasure for its projects to meet its financing needs as well as to control credit risk for trade and other receivables. Our credit risk arising from trade and other receivables relates to a number of independent customers.

2. 利率風險

利率風險主要來自借貸及銀行存款，其中按浮動利率及固定利率計息的借貸分別使我們面臨現金流量利率風險及公允價值利率風險。本公司通過管理計息金融資產及負債的合同條款或對利率掉期的使用定期檢討及監察固定利率借貸與浮動利率借貸的比例，以管理利率風險。

3. 信用風險

信用風險主要來自貿易及其他應收款項。本公司已制定合適的信貸政策並持續監控面臨的該等信用風險。就國際工程承包業務，我們給予的信貸期視乎個別情況通過協商釐定，並載列於有關工程承包合同。本公司每月及於信貸期末審查信用風險，以決定本集團是否須就給予客戶的信貸作出任何必要撥備。我們通過建立合適的業務評估系統，評估客戶的信用狀況及付款能力。同時，我們實行購買出口信用保險政策。就貿易業務，本公司及其貿易附屬公司須向中國信保購買統一出口信用保險；就由出口賣方信貸融資的國際工程承包業務，本集團一般會為其項目向中國信保購買出口信用保險，以應付財務需要以及控制貿易及其他應收款項的信用風險。我們貿易及其他應收款項的信用風險與多名獨立客戶有關。

4. Liquidity Risk

Liquidity risk is the risk that the Group is unable to raise sufficient funds at the balance sheet date to meet its financial obligations when they fall due. To manage liquidity risk, the Company prepares both annual and quarterly financial budgets which include budgeting for capital and utilization of credit facilities to plan and consolidate various financial resources to meet the needs of its business, operations and development. Furthermore, the Group monitors and maintains a level of cash and cash equivalents the management considered adequate to finance its operations and mitigate the effects of fluctuations in cash flow.

5. Competition Risk

Competition risk arises primarily from the Group's competition with both domestic and foreign companies in its International Engineering Contracting Business and the International Trading Business. For the competition in the International Engineering Contracting Business, engineering contractors from developed countries such as the U.S., Japan and European countries, not only possess advanced technology, but also have relatively large advantages in global branch networks, information collection, management and construction capabilities, adaptability and brand recognition. The Company will continue to leverage our competitive advantage in pricing, especially for projects in the developing countries, benefiting from competitive labor cost and equipment price. Meanwhile, the Company will continue to leverage the cooperation between the PRC government and foreign governments (especially those of the developing countries) to compete with both domestic and foreign contractors. The competition in the International Trading Business focuses on the price and quality of

4. 流動資金風險

流動資金風險指本集團於結算日未能籌集足夠資金以應付到期的財務負債的風險。為管理流動資金風險，本公司編製年度和季度財務預算，包括對資本和信用額度動用的預算，以計劃和鞏固各種財務資源滿足其業務、營運及發展的需要。此外，本集團監察及維持管理層認為足以為其營運提供資金及減少現金流量波動影響的現金及現金等價物水平。

5. 競爭風險

競爭風險主要來自本集團就其國際工程承包業務及國際貿易業務與國內外公司進行競爭。就國際工程承包業務的競爭，發達國家（如美國、日本及歐洲國家）的工程承包商不僅具備領先的技術，在全球分支網絡、資訊搜集、管理及施工能力、適應性及品牌認知度等各個方面均具有較大的優勢。受益於具有競爭性的勞動力成本和設備價格，尤其針對在發展中國家的項目，本公司將繼續利用價格方面的競爭優勢；同時本公司將繼續把握中國政府與外國政府（尤其是發展中國家政府）之間的合作，與國內外承包商競爭。就國際貿易業務的競爭，主要集中於國內外供應商生產產品的價格及質量。儘管競爭激烈，然而由於國際貿易市場非常巨大，本公司將利用自身的融資能力及增值服務繼續與國內外公司競爭。憑藉在國際貿易業務40

products manufactured by domestic and foreign suppliers. While competition is intense, given the international trading market is considerably vast, the Company will continue to compete with the domestic and foreign companies by capitalizing on its financing capabilities and value-adding services. With more than 40 years of operating history in the international Trading Business, the Directors believe the Group has an edge over the domestic competitors within the industry in terms of our extensive sales and marketing networks, long-established experiences in the international trading market, well-trained business talents, strong capabilities in providing financing solutions and good reputation.

6. Investment Risk

Investment risk mainly represents any discrepancy between actual return and anticipated return from investment. Investment risk is caused by factors which are out of the Company's control or contingent factors which cannot be ascertained when making an investment decision, relevant advance payments for certain projects, decrease of investment in infrastructure by non-governmental investment institutions resulting from changes in policies, significant outlay of working capital over extended period of time, and governmental approvals from and regulatory compliance with various governmental departments when implementing the investment projects. The Company has set up an investment review committee and engaged independent third parties such as financial advisors, taxation advisors and legal counsels during the investment process to carry out comprehensive due diligence, analysis and deliberation with a view to improving the level of decision-making in investment and managing investment risks.

多年的經營歷史，董事相信，本集團所擁有的廣泛銷售及市場營銷網絡、在國際貿易市場長期累積的經驗、訓練有素的商業人才、提供融資方案的強大能力及良好的聲譽，令本集團比國內同行競爭者更具優勢。

6. 投資風險

投資風險主要指投資的實際回報及預期回報之間的差異。導致投資風險的原因包括受本公司控制範圍之外的因素或作出投資決定時無法確定的隨機因素的影響，墊付若干項目的有關款項，政策變動造成非政府投資機構對基礎設施建設的投資減少，在較長期間內動用大量營運資金，執行投資項目需自不同政府部門取得政府批准或需遵守有關政府部門的監管規例等。本公司已成立投資審查委員會，並在投資過程中聘請財務顧問、稅務顧問、法律顧問等獨立第三方機構進行充分的盡職調查及分析論證，以提高投資決策水平、管控投資風險。

7. Overseas Project Risk

Currently, most of the projects of the International Engineering Contracting Business are conducted overseas, especially in developing countries or less-developed regions (including some countries and regions in constant social or political turbulence). These businesses are subject to constantly changing economic, regulatory, social and political conditions in the overseas jurisdictions. Adverse foreign conditions might cause project disruptions, losses of assets and personnel, as well as other indirect losses. Meanwhile, the demand for the International Engineering Contracting Business depends on the general level of activity and growth in the industries in which the Group operates and serves. The actual portfolio of the engineering contracting projects differs year from year due to macroscopic factors such as macro economic conditions, government investment plans, demographic trends, political stability, consumer confidence and requirements for industries or markets access, which will have an effect on investment in and number of new projects available, and might even cause delays in or cancellations of the ongoing projects. While we take into consideration projected costs and target profit margin during the pricing process of our engineering contracting projects, profitability and revenue of our International Engineering Contracting may still be affected. When facing force majeure, the Company typically seeks to manage potential losses through contractual arrangement which protects us against liabilities and provides for indemnities from project owners, subcontractors and suppliers, as well as purchase of construction, installation and engineering all-risks insurance and third-party liability insurance.

7. 海外項目風險

目前，我們大部分的國際工程承包業務項目於海外進行，尤其是發展中國家或發展較落後的地區，當中包括一些社會和政治持續動蕩的國家及地區。這些業務受到海外司法權區域內不斷改變的經濟、監管、社會及政治情況影響，不利的海外情況可能導致項目受阻、資產及人員損失及其他間接虧損。國際工程承包業務的需求同時取決於本集團所經營及提供服務的行業的整體活動及增長水平。基於宏觀經濟狀況、政府投資計劃、人口趨勢、政治穩定性、消費者信心及行業要求或市場准入等宏觀因素，我們每年工程承包項目的實際組合不同，隨之導致對可參與的新項目投資金額與數目產生影響，甚至使得我們進行中的項目有所延誤或被取消。儘管我們於工程承包項目之定價過程中已考慮預計成本及目標利潤率，我們國際工程承包的盈利能力及收益仍可收到影響。面對不可抗力事件，本公司一般會尋求透過合約安排規避我們所承擔的責任及規定項目業主、分包商及供應商作出彌償保證，並憑藉購買建築、安裝及工程一切險與第三方責任保險控制潛在虧損。

8. Engineering Management Risk

Engineering management risk arises primarily from contract performance, safety and quality and post-project transfer risk that are associated with the International Engineering Contracting Business. Contract performance risk arises when project owners and other contractual counterparties of our International Engineering Contracting Business may not be able to fulfil their obligations owed to the Group or the conditions precedent to the contracts for the projects. Safety and quality risk arises from the dangerous activities that are decided by the nature of construction work involved in our International Engineering Contracting Business. Despite the fact that the Company ensures compliance with the requisite safety requirements and standards, it is subject to inherent risks of geological catastrophes, fire, toxic gas, equipment failure and explosion and so on. Our employees are also subject to personal injury or properties risks caused by the environment with unstable security. The risks mentioned above could result in a delay in the engineering contracting projects, extended construction time and efforts of our management, suspension of our operations or even imposition of legal liabilities. The Company endeavors to lower its exposure to the abovementioned potential risks associated with the International Engineering Contracting Business by taking measures including making contractual arrangements with the project owners in the event of disruption to the projects due to force majeure, seeking indemnities from the project owners, subcontractors and suppliers, purchasing construction, installation and engineering all-risks insurance, third-party liability insurance and personal accident insurance, strengthening our internal control system to ensure a safe and high quality working environment for our projects, as well as maintaining close communications with the project owners and local governmental authorities.

8. 工程管理風險

工程管理風險主要來自國際工程承包業務所涉及的履約、安全及品質與工程移交後的風險。履約風險來自於我們的國際工程承包業務的項目業主及其他合約對手方可能無法履行其對本集團項目合約的責任或先決條件。安全及品質風險來源於我們的國際工程承包業務所參與的建築工程的性質所決定的危險活動。儘管本公司確保遵守必要的安全要求及標準，我們仍面臨地質災難、火災、毒氣、設備故障及爆炸等固有風險。我們的僱員亦面臨因不穩定安全環境而產生的人身傷害及財產風險。以上風險可能導致我們的工程承包項目延誤、工程時間延長及管理工作加重、營運暫停，甚至須承擔法律責任。本公司透過採取多項措施，包括與項目業主就不可抗力事件而導致項目受阻訂立合約安排，尋求項目業主、分包商及供貨商作出彌償保證，以及購買建築、安裝及工程一切險、第三方責任保險以及人身意外傷害保險，強化我們的內部監控系統以確保項目具備安全及優質的工作環境，以及與項目業主及地方政府機關維持緊密聯繫，務求降低我們所面臨的上述與國際工程承包業務有關的潛在風險。

Post-project transfer risk arises from operational or quality issues that may arise during the course of actual use and operation due to natural factors such as hurricanes and tsunamis or improper operation or maintenance by the project owner's operational staff after a completed project is transferred to the project owner. According to the contracts, the Group is then no longer liable for any warranty obligations or other liabilities. However, since some projects are associated with national interests and people's livelihood or bear significant influences in the local areas, any flaws or defects in quality that occur after project completion may adversely compromise our reputation, as well as negatively impact customers' overall evaluation on us. Some of the project owners may require us to bear costs for continuous maintenance or replacement of relevant components, causing us losses not foreseeable under the contracts. The Company will keep on stepping up the training for the project owner's operational staffs and endeavor to enter into operational maintenance support contracts with the project owners, so as to enhance the operational and maintenance capabilities of the project owners' operational staffs and avoid or reduce quality issues caused by improper human errors as many as possible. At the same time, the Company emphasizes on the cultivation of core markets and the sustainable development of the business while attaching importance to collecting opinions and comments from the customers, actively communicating with clients, as well as being committed to maintaining good social benefits and corporate interests.

工程移交後風險來自項目業主接收完工項目後，在使用及運行過程中，工程可能因颶風及海嘯等自然原因或項目業主運營人員操作或維護不當等原因產生運行或品質問題。此時根據合同，本集團不再承擔任何質保義務或其他責任。但是由於某些工程關乎國計民生或在當地有較大影響，項目完工後產生的任何質量瑕疵或缺陷可能會給我們的聲譽帶來不利影響，導致客戶對我們的整體評價降低。部分項目業主可能會要求我們繼續投入成本進行維修或更換相應組件，由此將給我們帶來合同預期之外的損失。本公司將繼續加大對項目業主運營人員的培訓力度，盡力與項目業主簽訂運行維護支持合同，提高項目業主運營人員的運行維護水平，盡量避免或減少因人為操作不當原因導致的質量問題發生。同時，本公司注重業務開發的核心市場培養和可持續發展，注重收集客戶的意見和建議，與客戶積極溝通，努力維護良好的社會效益和企業利益。

9. Corruption Risk

Currently, the PRC government has been strengthening its anti-corruption efforts and governments of various countries for which we have undertaken works are also enhancing their regulatory efforts in anti-commercial bribery. Personal non-compliance or corruption of any employee will bring material adverse impact to the reputation of our Company. Being an international engineering contractor and service provider, the Group cannot avoid carrying out necessary and work-related communications with the PRC government, governments of countries where our works are conducted, Chinese financial institutions and project owners. During this process, we may be exposed to risks associated with personal non-compliance of employees or even corruption risks. The Company will continuously strengthen its internal control and further improve its anti-corruption regime as well as strengthening accountabilities. The Company has already, at the same time, embarked on staff's compliance trainings, so as to enhance the compliance awareness of the staff and increase their compliance consciousness.

10. Sanctions Risk

We are a company incorporated in the PRC and we comply with all applicable PRC laws and regulations, undertake the international commitments and international obligations made by China and the relevant resolutions passed by the United Nations Security Council. However, as a result of our international activities, we are also subject to the laws and regulations of the various countries and regions in which we do business. In order to prevent and control the risk of sanctions, we established an export control internal compliance program (ICP) within the Company. The Company's ICP adopts the principle of

9. 舞弊風險

當前，中國政府反腐敗力度日趨加強，我們承攬工程的各國政府亦日益強化反商業賄賂的監管力度，任何僱員的個人違規或舞弊行為，將會給公司聲譽帶來重大不利影響。本集團作為國際工程承包與服務商，與中國政府、工程所在國政府、中國金融機構、項目業主不可避免地進行必要的溝通及工作聯繫，在此過程中，我們可能面臨涉及僱員個人違規的風險，甚至舞弊風險。本公司將持續加強內部控制，進一步完善公司反舞弊制度，強化責任追究，同時已經開展員工合規培訓，提高彼等合規意識，增強彼等遵規守法的自覺性。

10. 制裁風險

我們為在中國註冊成立的公司，須遵守所有適用的中國法律法規，承擔中國的國際承諾和國際義務、聯合國安理會的有關決議。然而，由於從事國際業務，我們亦須遵守我們開展業務所在不同國家及地區的法律法規。為了防控制裁風險，我們在公司內部建立了出口管制內控合規機制(ICP)。公司ICP採取的是全面控制原則(CATCH-ALL)，並且ICP的管控範圍和內容將結合國際出口管制形勢變化和可能給公

comprehensive control (CATCH-ALL), and the scope and content of the ICP control will be adjusted in time in accordance with the changes in the international export control situation and the possible impact on the business of the Company. In particular, if any of our transactions is conducted in or through the United States, or otherwise involves U.S. persons, U.S. dollar clearing in the United States or U.S.-origin goods, U.S. sanctions regulations may be applicable to some or all of such transactions.

In recent years the U.S. sanctions landscape has evolved substantially, especially those targeted at Iran and Cuba. January 16, 2016 marked the “Implementation Day”, which marked the full execution of sanctions relief promised to Iran as part of the Joint Comprehensive Plan of Action (JCPOA) as negotiated by Iran, the P5+1 (United States, Russia, China, France, United Kingdom, Germany) and the EU and endorsed by the UN (“Iran Nuclear Deal”). In exchange for curtailing certain nuclear-related activities, Iran was granted relief from certain U.S., EU, and UN sanctions. However, the United States announced on May 8, 2018 that it will withdraw from the Iran Nuclear Deal and restore sanctions against Iran. So the Company decided to terminate all business ties in Iran thereafter from a prudent perspective and the Company has no existing or implemented project in Iran.

As to Cuba, following a resumption of formal diplomatic ties between the two countries under the Obama administration and the removal of Cuba from the U.S. government’s State Sponsors of Terrorism list, a series of amendments to OFAC’s Cuban Assets Control Regulations and Section 746.4 of Export Administration Regulations administered by the Bureau of Industry and Security of United States Department of Commerce expanded

司業務帶來的影響而及時調整。尤其是，倘我們的任何交易在美國或通過美國開展，或以其他方式涉及美籍人士、於美國的美元結算或美國原產貨品，則美國制裁法規可能適用於部分或全部該等交易。

近年來，美國制裁格局大幅演變，尤其是針對伊朗及古巴的制裁。2016年1月16日為「執行日」，標誌著向伊朗承諾的制裁解除（為伊朗、P5+1（美國、俄羅斯、中國、法國、英國、德國）及歐盟談判並經聯合國認可的聯合全面行動計劃（JCPOA）的一部分）得到全面執行（「伊朗核協議」）。作為伊朗減少若干核相關活動的交換，伊朗免於美國、歐盟及聯合國的若干制裁。然而，美國於2018年5月8日宣佈將退出伊朗核協議並恢復對伊朗的制裁。因此，本公司審慎決定終止在伊朗的所有業務關係，且本公司在伊朗並無現有或已實施項目。

至於古巴，繼古巴、美國兩國於奧巴馬政府執政時恢復正式外交關係及美國政府將古巴從國家恐怖主義支持者名單中剔除後，對外國資產管制局的古巴資產管制條例及美國商務部工業與安全局所實施的出口管理條例第746.4條作出的一系列修訂，擴展了美籍人士可在古巴進行的交易範圍。然而，從2017年11月開始，特朗普政府開始撤回奧巴馬政府所施行的部分（並非全部）變革，並重新收緊美國對

the range of transactions in which U.S. persons are allowed to engage with Cuba. However, beginning in November 2017, the Trump administration began to reverse some (but not all) of the changes made by the Obama administration and to re-tighten the US embargo against Cuba. These changes included the creation of the State Department “List of Restricted Entities and Subentities Associated with Cuba” that identifies entities that are “under the control of, or act for or on behalf of, the Cuban military, intelligence, or security services or personnel” (the “Cuba Restricted List”). U.S. Persons are prohibited from engaging in certain direct financial transactions with entities on the Cuba Restricted List. Additionally, the Commerce Department will deny licenses in most cases for exports of U.S.-origin items for use by entities on the Cuba Restricted List. Furthermore, on March 4, 2019, the Trump administration announced that it would authorize U.S. nationals to file a limited range of civil claims against entities operating in Cuba pursuant to Title III of the Cuban Liberty and Democratic Solidarity Act of 1996 (also known as the Helms-Burton Act). Following the regulatory changes in the United States and taking into account the local economic conditions, no potential project carried out in Cuba has been approved by the general manager of the Company. The Company has no existing or implemented project in Cuba and has expressed no willingness to carry out business in Cuba market recently. Pursuant to our ICP control, every potential project carried out in Cuba must be (1) reviewed by the Company’s internal export compliance office, (2) reviewed by outside legal counsel, and (3) approved by the general manager of the Company.

古巴的禁運。這些變革包括國務院增設「與古巴有關的受限制實體及子實體名單」，當中列明「在古巴軍事、情報或保安部門或人員的控制下或為其行事」的實體（「古巴限制名單」）。美籍人士被禁止與古巴限制名單所列的實體進行某些直接金融交易。此外，大部份供古巴限制清單所列的實體使用的美國產品均不獲商務部授予出口許可證。另外，在2019年3月4日，特朗普政府宣佈將授權美國國民根據1996年《古巴自由與民主聲援法》（亦稱為《赫爾姆斯－伯頓法》）第三章對古巴境內的實體提出有限的民事訴訟。因應美國的監管變化並考慮到當地的經濟狀況，本公司總經理並未批准於古巴進行任何潛在項目。本公司在古巴並無現有或已實施的項目，並且於近期無意在古巴市場開展業務。根據我們的ICP管控，在古巴開展的每個潛在項目均須(1)經本公司內部的出口管制辦公室審核；(2)經外部的法律顧問審核；及(3)獲本公司總經理批准。

Notwithstanding the Trump Administration's revised sanctions policies vis-à-vis Iran and Cuba, we believe we have been in compliance with the Sanctions Undertakings made at the time of the Listing as regards to economic sanctions. We also believe that our internal control policies targeted at sanctions compliance, and in particular our internal compliance program on export control, are sound and sufficient to assist us in navigating the evolving international sanctions landscape. Despite the far-reaching and complex nature of U.S. sanctions programs, our limited activities in the United States and rigorous internal control policies will minimize our exposure and liability to any potential sanctions violations. Of course, it is not possible to foresee which countries or organizations the U.S. government may place under sanctions in the future. However, previous U.S. administrations, including the Trump administration, have provided either a "wind-down" period, or issued a general or specific license, in order to allow affected firms to terminate operations and withdraw from countries placed under new sanctions. Though the termination or forfeiture of any business operations or revenue in relation to any newly sanctioned counterparties, industries, projects or countries, may cause an adverse impact on our operations, financial condition, or ability to carry on business in the jurisdictions concerned, we strive to reduce such hazards through proactive political and economic risk assessment, along with timely legal advice from experienced external counsel. Furthermore, as a result of the foregoing, the Company's exposure in Cuba is so limited that any adverse impact from changes to Cuba sanction by the United States will be minimal.

雖然特朗普政府修訂對伊朗及古巴的制裁政策，但我們認為，我們一直遵守上市時就經濟制裁所作的承諾。我們亦認為，我們針對制裁合規的內部控制政策，尤其是針對出口控制的內部合規方案屬健全，足以在國際制裁格局演變的進程中為我們導航。儘管美國制裁計劃十分深遠複雜，但我們在美國進行的業務有限，且內部控制政策嚴格，將最大限度降低違反潛在制裁的風險及責任。當然，我們不可能預見未來美國政府會對哪些國家或組織實施制裁。然而，往屆美國政府（包括特朗普政府）會給予「緩衝」期，或是頒發一般或特別許可證，以使受影響的公司終止在新受制裁的國家內經營或撤離該等國家。儘管終止與任何新受制裁交易方、行業、項目或國家相關的業務活動，或沒收相關收入可能對我們在所涉及司法管轄區的經營、財務狀況或從事業務的能力造成不利影響，但我們爭取透過積極的政治經濟分析評估，並且及時向經驗豐富的外部顧問尋求法律意見來減少該等危害。此外，由於如上所述本公司在古巴開展活動面臨的風險有限，故美國變更對古巴的制裁對我們產生的不利影響極小。

V. OUTLOOK

In 2019, the Company will adhere to the overarching theme of “seeking progress while maintaining stability”, strive to the principle of high-quality development, and lay down a solid foundation for the new phase of strategic planning through reform and innovation, cooperation and passionate works.

(I) Business Development Strategy

1. *Engineering Contracting Business*

(1) *Market development based on new development concept*

The Company will pay close attention to the directions of national policies, adapt to the market characteristics, break through the limitations of individual projects, actively make use of various high-end platforms, multi-bilateral economic and trade cooperation mechanisms and diplomatic opportunities, and strive to provide “one-stop” solutions tailored for customer needs.

(2) *Endeavour to improve contract conversion rate with a problem-oriented mentality*

The Company will study and analyze the “choke points” for the execution of contracted projects earnestly, concentrate on the streamlining process, endeavour to improve the conversion rate and strive for the implementation of the projects.

V. 前景展望

2019年，公司將堅持穩中求進工作總基調，堅持高質量發展的原則，改革創新、團結協作、奮發有為，為新一期戰略規劃的實現打下決定性基礎。

(一) 業務發展戰略

1. 工程承包業務

(1) 立足新發展理念開拓市場

要密切關注國家政策導向，適應市場特點，打破單個項目局限，積極利用各類高端平台、多雙邊經貿合作機制以及外交機遇，圍繞客戶需求，努力提供「一站式」的解決方案。

(2) 立足問題導向努力提升簽約轉化率

要認真研究、分析已簽約項目的生效「堵點」，集中力量疏通，努力提升簽約轉化率，力促生效。

- (3) *Continue to improve performance capacity by meeting high quality development requirements*

The Company will overcome various difficulties and pressures, take active initiatives, continuously improve the lean and professional management level of projects, actively promote the application of new technologies, improve and enhance the method and level of project supervision, and adopt targeted approaches for risky projects in a timely manner.

- (4) *Elevate market competitiveness with model innovation and industrialization*

The Company will continue to promote investment-driven EPC, actively explore relevant comprehensive operation-driven development models, and enhance the overall market competitiveness.

- (5) *Continue to strengthen the control of the industrial chain with CMEC characteristics*

The Company will constantly improve the industrial chain, make full use of integrated resources, and constantly strengthen CMEC's preliminary consultation, and remote online monitoring, diagnosis, operation maintenance capabilities of

- (3) 立足高質量發展要求持續提升履約水平

要克服各種困難和壓力，主動作為，不斷提升項目精益化、專業化管理水平，積極推進新技術的應用，持續完善和提高項目監管方式和水平，對高風險項目及時採取針對性措施。

- (4) 立足模式創新和工業化提升市場競爭力

持續推進投資拉動EPC，積極探索相關綜合運作主導型開發模式，提升綜合市場競爭力。

- (5) 立足中設特色繼續強化產業鏈掌控能力

不斷完善產業鏈條，充分利用已併入資源，不斷加強CMEC前期諮詢、電站遠程在線監測與診斷及運營維護能力，增

power stations; enhance the integrated competitiveness of construction and operation, optimize the industrial chain, and strive to form a differentiated competitive advantage with new technology.

(6) *Make constant improvements to the professional level of engineering contracting management*

In line with the high-end market demand, as well as the trend of rising level on project scale and complexity, the Company will effectively improve the professional management level of all key procedures.

2. Trading Business

(1) *Continuous optimization of trade categories*

The Company will focus on fast-growth categories in line with national industrial development strategies, create star cash flow products, drive the steady growth of income, improve the category management mechanism, to achieve continuous optimization of the trade category.

強建營一體化競爭力，完善產業鏈條，嘗試以新技術形成差異化競爭優勢。

(6) 不斷提升工程承包管理專業化水平

順應高端市場需求，以及項目規模和複雜程度日漸提高的趨勢，有效提升各關鍵環節的專業化管理水平。

2. 貿易業務

(1) 持續優化貿易品類

重點關注增長快、符合國家產業發展戰略的品類，打造明星現金流產品，驅動收入的穩定增長，完善品類管理機制，實現貿易品類持續優化。

(2) *Increase the investments in scientific research*

The Company will take full advantage of existing research institutes and equipment enterprise resources, increase the investments in the core links of the equipment technology-based trade industry chain, and build a technology-based trading business with high technology content.

(3) *In-depth promotion of subsidiary regulatory management*

The Company will further standardize subsidiary management, strengthen the scientific management of subsidiaries, enhance risk prevention and control, and ensure the healthy development of all business sectors.

(4) *Actively promote trade regionalization and localization*

The Company will continue to promote the construction of regional trade centers in Southeast Asia and the Caribbean, promote the construction of the North American integrated business center with Canada at the heart, and advance the transformation of “trade + EPC” towards integrated corporate trading.

(5) *Vigorously develop new trading business model*

The Company will continue to develop the “trade +” integrated trade service model with CMEC characteristics, and further enhance the profitability of trading business.

(2) 加強科研投入

充分利用已有科研院所和裝備企業資源，加大對裝備科技型貿易產業鏈核心環節的投入，打造具有高技術含量的科技型貿易業務。

(3) 深入推進子公司規範治理

進一步規範子公司管理，加強子公司的科學治理，加強風險防控，確保板塊業務穩健發展。

(4) 積極推進貿易區域化、屬地化

繼續推進東南亞、加勒比區域貿易中心建設，推進以加拿大為中心的北美綜合業務中心建設，推動「貿易+EPC」向綜合商社型貿易的轉型。

(5) 大力發展新型貿易業務模式

繼續發展具有CMEC特色的「貿易+」綜合貿易服務模式，進一步提升貿易業務的盈利能力。

3. *Services Business*

- (1) **Closely following the national strategy and simultaneously promote the domestic and foreign markets.** The Company will constantly strengthen the construction of the national branch layout, continue to promote the services business, especially the international layout of the design consulting sector, and raise the internationalization capacity.
- (2) **The Company will promote innovation and cultivate core businesses.** Based on the application and development of cutting-edge technology, and with the technical research and development capability to support the global development of CMEC, the Company will focus on special technology incubation projects such as Sponge City, and strive to create core competitive advantages and effectively promote the conversion of scientific and technological achievements.
- (3) **Strengthen project management and promote transformation and upgrading.** The Company will improve the management system of major projects, strengthen process and target management, standardize the management process of engineering contracting business, improve risk control capability, and promote the transformation and upgrading.

3. 服務業務

- (1) 緊跟國家戰略，堅持國內國外兩個市場併舉。不斷加強全國佈局的分支機構建設，持續推進服務業務特別是設計諮詢領域的國際化佈局，提升國際化能力。
- (2) 抓好創新孵化，培育核心業務。以前沿高新科技的應用研發為基礎，形成支撐CMEC全球發展的技術研發能力，重點抓好海綿城市等專項科技孵化項目，努力培育核心競爭優勢，切實推進科技成果轉化。
- (3) 強化項目管理，促進轉型升級。完善重大項目的管理體系，強化過程和目標管理，規範工程承包業務管理流程，提高風控能力，促進轉型升級。

- (4) **Strengthen expertise.** By grasping the opportunity of constructing “whole process consulting pilot unit”, the Company will meet market demand, constantly complement various areas of expertise, broaden the business scope and promote comprehensive strength.

- (4) **補強專業能力。**以「全過程諮詢試點單位」建設為契機，面向市場需求，不斷補齊專業能力，拓寬業務範圍，促進綜合實力的提升。

(II) Corporate Management Strategy

(二) 公司管理戰略

1. *Full implementation of the Company's new phase of strategy*

The Company's new phase of strategic planning has been formulated. 2019 is not only the year of new strategy implementation, but also a critical year to improve and strengthen our high-quality development and the system foundation for sustainable development. The Company will emphasize on strategy execution, ensuring tangible effect of the strategies.

2. *Spare no efforts to promote reform*

The Company will adhere to the main line of supply-side structural reform, study and implement the philosophy of “consolidation, enhancement, promotion and streamline”, drive and deepen the reform of state-owned enterprises led by supply-side structural reform. The Company will continue to focus on the pain points and difficulties encountered in the development process, and explore a breakthrough point for a new phase of development reform.

1. *全面貫徹落實公司新一期戰略*

公司新一輪戰略規劃已制訂完畢，2019年是新戰略的落地之年，也是完善並夯實我們高質量發展、可持續發展體制機制基礎的攻堅之年，要重執行抓落地，確保戰略落在實處。

2. *全力推進改革落地*

我們要堅持以供給側結構性改革為工作主線，認真研究和落實「鞏固、增強、提升、暢通」八個關鍵字，以供給側結構性改革帶動、深化國企改革。繼續圍繞公司發展中的痛點和難點，尋找並確定新一輪的發展改革突破口。

3. *Continuous consolidation of management foundation*

Facing the new historical tasks and new requirements brought by the reform and opening up, the management support system must evolve and develop to become more modern, scientific and effective.

The Company will further strengthen strategic control and research, enhance scientific governance, elevate investor maintenance and market value management, innovate financing channels and models, improve investment and financing management system, boost scientific level of financial management. The Company will also strengthen the building and management of its talent team, strengthen the legal and risk prevention and control system, enhance the level of informatization, strengthen integrated management and services, improve audit efficiency, implement export control requirements and untiringly monitor production safety.

3. 持續夯實管理基礎

面對改革開放再出發的歷史新任務和新要求，管理支撐體系必須要作出更加現代化、科學化、實效化的演進與發展。

要進一步加強戰略管控與研究，強化科學治理，加強投資者維護和市值管理，創新融資渠道與模式，完善投融資管理體系，提升財務管理科學化水平，強化人才隊伍建設和管理，強化法律及風險防控體系，提升信息化水平，加強綜合管理與服務，提升審計效能，落實出口管制要求，緊抓安全生產不放鬆。

FINAL DIVIDEND

The Board recommended the distribution of a final dividend of RMB0.2067 (pre-tax) per Share for 4,125,700,000 Shares for the year ended December 31, 2018, representing a total amount of RMB852,782,190 (pre-tax).

According to the articles of association of the Company, dividends will be denominated and declared in Renminbi. Dividends on Domestic Shares will be paid in Renminbi and dividends on H Shares will be paid in Hong Kong dollars.

The proposed final dividend is subject to Shareholders' approval at the upcoming annual general meeting of the Company (the "AGM"). Subject to approval, the final dividend is expected to be distributed on or before September 30, 2019 to the holders of Domestic Shares and H Shares whose names appear in the register of member of the Company on the record date for dividend distribution. The Company will issue a separate announcement regarding the date of the upcoming AGM, the record date for the payment of H Share dividends and the dates of closure of register of members of the Company.

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and enhance corporate value and accountability. The Company has adopted the CG Code as its own code of corporate governance. The Company has complied with the code provisions as set out in the CG Code during the year ended December 31, 2018 and up to the date of this announcement except for code provision A.4.2 and F.1.2 of the CG Code.

末期股息

董事會建議派付截至2018年12月31日止年度的末期股息，就4,125,700,000股股份每股人民幣0.2067元(稅前)，合共人民幣852,782,190元(稅前)。

根據本公司章程規定，股息將以人民幣計值和宣派。內資股的股息將以人民幣支付，而H股的股息則以港元支付。

擬派發的末期股息須經股東於本公司應屆股東週年大會(「股東週年大會」)上批准。經批准後，末期股息預計於2019年9月30日或之前分派予於股息分派記錄日期名列本公司股東名冊的內資股及H股持有人。本公司將就應屆股東週年大會日期、支付H股股息的記錄日期及本公司暫停辦理股份過戶登記日期刊發獨立公告。

企業管治

本集團致力於維持企業管治的高標準以確保股東利益及提高企業價值及問責性。本公司已採用《企業管治守則》作為其企業管治守則。本公司於截至2018年12月31日止年度及直至本公告日期一直遵守《企業管治守則》所載的守則條文，惟《企業管治守則》之守則條文A.4.2及F.1.2條除外。

Pursuant to the code provision A.4.2 of the CG Code that every director should be subject to retirement by rotation at least once every three years, the second session of the Board which was elected on February 20, 2014 shall retire the office by rotation on February 20, 2017. As it concerns the entire Board, various factors were considered to ensure the senior management of the Company appropriately continues, therefore, the second session of the Board continued to perform their duties until the election of the third session of the Board which was elected at the 2018 second extraordinary general meeting of the Company held on March 5, 2018. Since then, the Company has rectified its compliance with the code provision A.4.2 of the CG Code.

Pursuant to the code provision F.1.2 of the CG Code that the appointment of the company secretary should be dealt with by a physical board meeting rather than a written resolution. The appointment of the current joint company secretaries of the Company (the “**Joint Company Secretaries**”) was dealt with by a written resolution in February 2018. The Board considers that, prior to the execution of the written resolution to appoint the current Joint Company Secretaries, all Directors were individually consulted on the matter without any dissenting opinion and there was no need to approve the matter by a physical board meeting instead of a written resolution.

The Company will continue to review and enhance its corporate governance practices on explanation in the case of non-compliance as necessary to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company adopted the Model Code as its own code of conduct regarding securities transactions by Directors and Supervisors on terms no less exacting than the required standard set out in the Model Code. Upon specific enquiry of all the Directors and Supervisors, all the Directors and Supervisors confirmed that they had complied with the Model Code during the year ended December 31, 2018.

按照《企業管治守則》之守則條文A.4.2條規定，每位董事應至少每三年輪值退任一次，故2014年2月20日選出的第二屆董事會須於2017年2月20日輪值退任。由於事關整個董事會，須考慮眾多因素以確保本公司的高級管理人員順利延續，故此第二屆董事會繼續履行其職務直至本公司於2018年3月5日召開的2018年第二次臨時股東大會選舉產生的第三屆董事會為止。自此，本公司已修正其遵守《企業管治守則》之守則條文A.4.2條規定。

根據《企業管治守則》之守則條文F.1.2條規定，委任公司秘書須透過實質召開董事會會議（而非以書面決議案方式）處理，而委任本公司現任聯席公司秘書（「**聯席公司秘書**」）乃透過於2018年2月之一項書面決議案處理。董事會認為，於執行委任現任聯席公司秘書之書面決議案之前，已就該事宜向全體董事進行獨立諮詢且並無任何異議，故並無必要實質召開董事會會議取代書面決議案以批准該事宜。

本公司將繼續檢討及提升其有關不合規事件之解釋（如需要）的企業管治常規，以確保遵守《企業管治守則》。

證券交易的標準守則

本公司已採納《標準守則》，作為董事及監事進行證券交易的行為守則，其條款不遜於《標準守則》所載的規定準則。對全體董事及監事查詢後，全體董事及監事均確認，彼等於截至2018年12月31日止年度一直遵守《標準守則》。

The Company also adopted its own code of conduct regarding employees' securities transactions on terms no less exacting than the standard set out in the Model Code for the compliance by its relevant employees who are likely to be in possession of unpublished price-sensitive information or inside information of the Company in respect of their dealings in the Company's securities.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

During the year ended December 31, 2018, the Company did not redeem any of its H Shares listed on the Stock Exchange nor did the Company or any of its subsidiaries purchase or sell any of such Shares.

AUDITORS

Ernst & Young (安永會計師事務所) and Ernst & Young Hua Ming LLP (Special General Partnership) (安永華明會計師事務所 (特殊普通合夥)) were appointed as the Company's international and domestic auditors, respectively, for the year ended December 31, 2018. The 2018 consolidated financial statements of the Company prepared in accordance with IFRS have been audited by Ernst & Young.

REVIEW OF ANNUAL RESULTS BY THE AUDIT COMMITTEE

The Company established the Audit Committee and adopted the written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system. The Audit Committee comprises one non-executive Director, namely Mr. ZHANG Fusheng and two independent non-executive Directors, namely Mr. LIU Li (committee chairman) and Ms. LIU Hongyu.

本公司亦已採納一套條款不遜於《標準守則》所訂標準的僱員證券交易行為守則，以供可能掌握本公司未公開價格敏感資料或內幕消息的相關僱員遵照規定買賣本公司證券。

購買、出售或贖回上市證券

截至2018年12月31日止年度，本公司並無贖回其於聯交所上市的任何H股，而本公司或其任何附屬公司亦無購買或出售任何該等股份。

核數師

截至2018年12月31日止年度，安永會計師事務所及安永華明會計師事務所(特殊普通合夥)分別獲委任為本公司國際核數師及境內核數師。根據國際財務報告準則編製的本公司2018年合併財務報表已由安永會計師事務所審核。

審計委員會審閱全年業績

本公司已遵照《企業管治守則》成立審計委員會，並採納其書面職權範圍。審計委員會的主要職責為審閱及監督財務申報程序及內部監控制度。審計委員會由一名非執行董事(即張福生先生)及兩名獨立非執行董事(即劉力先生(委員會主席)及劉紅宇女士)組成。

The Audit Committee has jointly reviewed with the management on the accounting standards, and discussed internal control and financial reporting matters (including the review of the annual results) of the Group. The Group's annual results for the year ended December 31, 2018 have been reviewed by the Audit Committee. The Audit Committee considered that the annual results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

PUBLICATION OF THE AUDITED CONSOLIDATED ANNUAL RESULTS AND 2018 ANNUAL REPORT ON THE RESPECTIVE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cmec.com). In accordance with the requirements under the Listing Rules which are applicable to the reporting period, the 2018 annual report containing all the information about the Company set out in this preliminary announcement of results for the year ended December 31, 2018 will be dispatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

審計委員會已與管理層共同審閱會計準則，並討論了本集團的內部控制及財務報告事宜（包括審閱全年業績）。本集團於截至2018年12月31日止年度的全年業績已經審計委員會審閱。審計委員會認為，全年業績已遵從適用會計準則及法律法規，而本公司亦已作出適當披露。

分別於聯交所及本公司的網站刊登經審計合併全年業績及2018年年報

本全年業績公告分別於聯交所網站 (www.hkexnews.hk) 及本公司網站 (www.cmec.com) 上刊登。根據適用於報告期的《上市規則》規定，本公司將於適當時候向股東寄發載有該截至2018年12月31日止年度業績初步公告中所載的關於本公司所有數據的2018年年報，並分別在聯交所及本公司的網站上刊登。

DEFINITIONS AND GLOSSARY OF 定義及技術術語表 TECHNICAL TERMS

“Audit Committee” 「審計委員會」	the audit committee of the Board 董事會審計委員會
“Board” 「董事會」	the board of Directors 董事會
“CG Code” 「《企業管治守則》」	the Corporate Governance Code set out in Appendix 14 to the Listing Rules 載於《上市規則》附錄十四之《企業管治守則》
“China Machinery R&D” 「中機院」	China Machinery International Engineering Design & Research Institute Co., Ltd.* (中機國際工程設計研究院有限責任公司), a company incorporated in the PRC and a wholly-owned subsidiary of the Company 中機國際工程設計研究院有限責任公司，一家於中國註冊成立的公司並為本公司全資附屬公司
“CNEEC” 「中電工」	China National Electric Engineering Co., Ltd.* (中國電力工程有限公司), a limited liability company incorporated in the PRC in October 1979 (including all CNEEC subsidiaries, except where the context otherwise requires), which is wholly-owned by SINOMACH 中國電力工程有限公司，一家於1979年10月在中國註冊成立的有限責任公司(包括中電工所有附屬公司，除非文義另有所指)，由國機全資擁有
“Company”, “Our Company” or “CMEC” 「公司」、「本公司」或 「CMEC」	China Machinery Engineering Corporation* (中國機械設備工程股份有限公司), a joint stock company with limited liability incorporated in the PRC on January 18, 2011, and except where the context indicates otherwise, includes (i) our predecessors and (ii) with respect to the period before our Company became the holding company of its present subsidiaries, the business operated by it and its present subsidiaries or (as the case may be) its predecessors 中國機械設備工程股份有限公司，一家於2011年1月18日在中國註冊成立的股份有限公司；除非文義另有所指，否則包括：(i)我們的前身及(ii)就本公司成為其現時附屬公司的控股公司前的期間而言，其及其現時附屬公司或(視情況而定)其前身經營的業務
“Core Sectors” 「核心行業」	the core sectors of our International Engineering Contracting Business which are the power sector, transportation and telecommunications sector 我們國際工程承包業務的核心行業為電力能源行業、交通運輸行業及電子通訊行業

“developing countries”	refers to the 139 countries worldwide with low income, low middle income and upper middle income economies which as defined by World Bank are those with gross national income (GNI) per capita less than USD12,475
「發展中國家」	世界銀行所定義收入處於低水平、中低水平及中高水平的全球139個國家，其人均國民總收入低於12,475美元
“Director(s)” 「董事」	the director(s) of our Company 本公司董事
“Domestic Share(s)” 「內資股」	ordinary shares in our capital, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi 我們股本中的普通股，每股面值為人民幣1.00元，乃以人民幣認購及繳足
“EPC” 「EPC」	a common form of contracting arrangement whereby the contractor is commissioned by the project owner to carry out such project work as design, procurement, construction and trial operations, or any combination of the above, either through the contractor’s own labor or by subcontracting part or all of the project work, and be responsible for the quality, safety, timely delivery and cost of the project 承包安排的常見形式，即承包商受項目擁有人的委託進行設計、採購、施工及試工等項目工作，或任何上述的組合（無論是通過承包商本身的人員或分包部分或所有項目工作），並對項目的質量、安全、工期及成本負責
“EU” 「歐盟」	European Union 歐洲聯盟
“GDP” 「國內生產總值」	the gross domestic product 國內生產總值
“GE” 「通用電氣」	General Electric Company, a company incorporated in the United States, whose principal activities include, among others, engineering and power generation services 通用電氣公司，在美國註冊成立的公司，主要業務為（其中包括）工程及發電服務
“Group”, “we” and “us” 「集團」或「我們」	the Company and, except where the context otherwise requires, all its subsidiaries 本公司及除文義另有所指外，其所有附屬公司
“H Share(s)” 「H股」	overseas listed foreign shares in our ordinary share capital with a nominal value of RMB1.00 each, subscribed for and traded in HK\$ and which are listed on the Main Board in the Stock Exchange 我們普通股本中的境外上市外資股，每股面值人民幣1.00元，以港元認購及買賣，並於聯交所主板上市

“Hong Kong dollars” or “HK\$” 「港元」	Hong Kong dollars, the lawful currency of the Hong Kong Special Administration Region of the PRC 港元，中國香港特別行政區法定貨幣
“IFRS” 「國際財務報告準則」	International Financial Reporting Standards 國際財務報告準則
“independent third party(ies)” 「獨立第三方」	person(s) or company(ies) which is (are) independent of the directors, supervisors, controlling shareholder, substantial shareholder and the chief executive (such terms as defined in the Listing Rules) of the Company or any of its subsidiaries or an associate of any of them 獨立於本公司或其任何附屬公司董事、監事、控股股東、主要股東及行政總裁(定義見《上市規則》)或任何一方的聯繫人的個人或公司
“International Engineering Contracting Business” 「國際工程承包業務」	the International Engineering Contracting Business conducted by our Group with a primary focus on EPC projects 由本集團開展，並以EPC項目為重點的國際工程承包業務
“IPP” 「IPP」	independent power producer 獨立發電廠
“JiKan Research Institute” 「機勘院」	China JiKan Research Institute of Engineering Investigations and Design Co., Ltd.* (機械工業勘察設計研究院有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company 機械工業勘察設計研究院有限公司，一家於中國註冊成立的公司並為本公司全資附屬公司
“Listing” 「上市」	listing of our H Shares on the Stock Exchange 我們的H股在聯交所上市
“Listing Rules” 「《上市規則》」	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time 《聯交所證券上市規則》(經不時修訂)
“Model Code” 「《標準守則》」	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules 《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》
“Non-Core Sectors” 「非核心行業」	any sectors that do not fall within the Core Sectors of our International Engineering Contracting Business 任何並非屬於我們國際工程承包業務核心行業的行業
“OFAC” 「外國資產管制局」	the Office of Foreign Assets Control of the US Department of the Treasury 美國財政部屬下外國資產管制局

<p>“PRC” or “China” 「中國」</p>	<p>The People’s Republic of China excluding, for the purpose of this announcement only, Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan 中華人民共和國，僅就本公告而言，不包括中國香港特別行政區、中國澳門特別行政區及台灣</p>
<p>“RMB” or “Renminbi” 「人民幣」</p>	<p>Renminbi yuan, the lawful currency of the PRC 人民幣元，中國法定貨幣</p>
<p>“Services Business” 「服務業務」</p>	<p>the design consulting services, logistics services, tendering agency services, export-import agency services and other services conducted by the Group 本集團開展的設計諮詢服務、物流服務、招標代理服務、進出口代理服務及其他服務</p>
<p>“Share(s)” 「股份」</p>	<p>share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, including our Domestic Shares and H Shares 本公司股本中每股面值人民幣1.00元的股份，包括內資股及H股</p>
<p>“Shareholder(s)” 「股東」</p>	<p>holder(s) of our Share(s) 我們的股份持有人</p>
<p>“SINOMACH” 「國機」</p>	<p>China National Machinery Industry Corporation* (中國機械工業集團有限公司), a state-owned enterprise established in the PRC on May 21, 1988, our controlling shareholder 我們的控股股東中國機械工業集團有限公司，一家於1988年5月21日在中國成立的國有企業</p>
<p>“Sinosure” 「中國信保」</p>	<p>China Export & Credit Insurance Corporation (中國出口信用保險公司), a policy-oriented insurance company specializing in export credit insurance in the PRC and an independent third party 中國出口信用保險公司，一家在中國專營出口信用保險的政策性保險公司和獨立第三方</p>
<p>“Stock Exchange” 「聯交所」</p>	<p>The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司</p>
<p>“subsidiary(ies)” 「附屬公司」</p>	<p>has the meaning ascribed thereto under the Listing Rules 具有《上市規則》賦予該詞的涵義</p>
<p>“Supervisor(s)” 「監事」</p>	<p>the supervisor(s) of the Company 本公司監事</p>
<p>“the Belt and Road” 「一帶一路」</p>	<p>the Silk Road Economic and the 21st-Century Maritime Silk Road 絲綢之路經濟帶和21世紀海上絲綢之路</p>
<p>“Trading Business” 「貿易業務」</p>	<p>the international and domestic trading business conducted by our Group 本集團進行的國際和國內貿易業務</p>
<p>“UN” 「聯合國」</p>	<p>the United Nations 聯合國</p>

“United States” or “U.S.” or “US” 「美國」	the United States of America, its territories, its possessions and all areas subject to its jurisdiction 美利堅合眾國，其領土、屬地及受限於其司法管轄權的所有地區
“US dollars” or “U.S. dollars” or “USD” 「美元」	United States dollars, the lawful currency of the United States 美元，美國的法定貨幣
“%” 「%」	per cent. or percentage 百分比

* *Denotes English translation of the name of a Chinese company or entity or vice versa and is provided for identification purposes only.*

* 指中國公司或實體名稱的英文譯名或相反情況，僅供識別。

By order of the Board
China Machinery Engineering Corporation*
ZHANG Chun
Chairman

承董事會命
中國機械設備工程股份有限公司
董事長
張淳

Beijing, the PRC, March 26, 2019

中國北京，2019年3月26日

As at the date of this announcement, the Executive Directors are Mr. ZHANG Chun and Mr. HAN Xiaojun; the Non-executive Directors are Mr. YU Benli and Mr. ZHANG Fusheng; and the Independent Non-executive Directors are Mr. LIU Li, Ms. LIU Hongyu, Mr. FANG Yongzhong and Mr. WU Tak Lung.

於本公告日期，執行董事為張淳先生及韓曉軍先生；非執行董事為余本禮先生及張福生先生；以及獨立非執行董事為劉力先生、劉紅宇女士、方永忠先生及吳德龍先生。

* *For identification purposes only*

* 僅供識別