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)

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Chairman's Statement
董事長致辭

SUN Bai *Chairman*
孫柏 *董事長*

Dear Shareholders,

In 2016, the global political and economic situation was complex and varied with "black swan events" like "Brexit" and the American presidential election. Because of the weak recovery and imbalanced development of the global economy and feeble international trading and investment, the economic growth momentum was still lacking. Affected by factors including the frequent emergence of trade protectionism, intensified global trend of slowing economy and changeful situation of the Euro zone, the global productivity declined and innovation was hampered, driving the global economy becoming gradually stuck in "low-growth trap". The growth rate of the global economy in 2016 decreased to 2.4%, which recorded the minimum value since the economic crisis in 2009.

尊敬的各位股東：

2016年，全球政治經濟形勢複雜多變，從「英國脱歐」到美國大選，「黑天鵝」事件此起彼伏。全球經濟復蘇乏力且不均衡，國際貿易和投資疲弱，增長動力不足，受貿易保護主義抬頭、逆經濟全球化趨勢加劇、歐元區局勢多變等影響，全球生產率降低、創新受阻，全球經濟逐漸陷入「低增長陷阱」。2016年全球經濟增長率跌至2.4%，創下2009年金融危機以來最低值。

From China's perspective, on the contrary, 2016 was not only the opening year to the runoff stage of building a well-off society in an all-round way, but also a fortified year to push supply-side structural reform. China entered a "new normal" economic stage. Reforms in state-owned enterprises, finance and taxation, banking and other key areas were actively promoted. The overall economy remained stable with robust development momentum. According to relevant statistics issued by the National Bureau of Statistics, the GDP of China in 2016 grew at a rate of 6.7%, which was generally consistent with the projected target at the beginning of the year.

反觀中國國內，2016年是中國全面建成小康社會決勝階段的開局之年，也是推進供給側結構性改革的攻堅之年。中國經濟進入新常態，國企、財稅、金融等重點領域的改革積極推進，整體經濟環境發展企穩向好。根據國家統計局公佈相關數據，2016年中國國內生產總值(GDP)增速為6.7%，與年初預計目標基本一致。

We pursued innovation to drive development, promptly adapted to the "new normal" of the economic development and strived to seize the opportunities in the historical strategies of "the Belt and Road" initiative and the "Supply-side Structural Reform", so as to maintain a sound and healthy development of all results of performance. In November 2016, the Company was awarded as the "Best Brand Value Award for Listed Companies" in "the Sixth Session of Chinese Listed Companies (Hong Kong) Financial Forum and Golden Bauhinia Awards" and I was also honored to receive an individual award of the "Leader of the Most Influential Listed Company", which demonstrated a high recognition held by the capital market with regard to the Company and me.

我們堅持創新驅動發展，積極適應經濟發展新常態，力求抓住「一帶一路」和「供給側結構性改革」這兩項歷史性戰略機遇，保持了各項業績的平穩健康發展。2016年11月，公司在「第六屆中國上市公司（香港）財經論壇暨中國證券金紫荊獎」活動中榮獲「最具品牌價值上市公司」獎項，本人也榮獲「最具影響力上市公司領袖」個人獎項，體現了資本市場對公司及本人的高度認可。

BUSINESS REVIEW

業務回顧

In 2016, facing the complex and ever-changing external environment, adhering to the guiding principle of "consolidating foundation and developing innovation", on the one hand, the Company continuously enhanced expansion efforts in the traditional markets; on the other hand, the Company actively expanded into new markets, seeking to innovate investment and financing models, broaden financing channels, actively carry out international cooperation and improve the industrial chain.

2016年，面對複雜多變的外部形勢，公司秉承「夯實基礎，創新開拓」的指導思想，一方面不斷加大傳統市場開拓力度，另一方面，努力開拓新市場，創新投融資模式，拓寬融資渠道，積極開展國際合作，完善產業鏈條。

In the first half of 2016, the Company completed the acquisition of the entire equity interests of CNCEC, which provided the Company with substantial non-organic growth. This also represented another successful merger after the successful acquisition of Jikan Research Institute in 2015, which can develop better synergistic effect through sharing resources and complementing the markets.

2016年上半年，公司完成了中成套全部股權的收購，為公司帶來了豐厚的非有機增長。這是繼2015年成功收購機勘院後又一次成功併購，可以通過資源共享，市場互補，形成更好的協同效應。

Chairman's Statement
董事長致辭

In respect of the International Engineering Contracting Business, the Company simultaneously expanded the traditional and new markets, which achieved remarkable results. The International Engineering Contracting Business is one of the Company's traditional core businesses, which contributed approximately 60% of the Company's total revenue. Our engineering contracting projects spread out in more than 48 countries and regions over the world, with a primary focus in Asia, Africa, Europe and South America. The overall performance of the implementation of projects on hand was stable and a number of the Company's projects made good progress thus attracting a lot of attention. For example, the Bafoussam Stadium and Limbe Stadium in Cameroon were inspected by the Confederation of African Football in April 2016 and passed acceptance test. Some other projects including the SOYO phase I project in Angola made smooth progress. In respect of completed projects, the project regarding the No.6 power unit of the central power plant in Venezuela completed the operational reliability test 83 days ahead of schedule, effectively alleviating the power shortage situation in Venezuela. The said project obtained provisional acceptance certificate and also won the "SINOMACH Quality Award". For the TENAGA wind power project in Pakistan, which is the Company's first overseas wind power EPC project, the Company strictly controlled the quality and proactively fulfilled its social responsibilities, and was thus highly rated by all walks of life.

在國際工程承包業務方面，傳統市場與新市場的開拓併舉，並取得顯著成效。國際工程承包業務作為本公司傳統核心業務之一，其收入貢獻約佔於本公司總收入的60%。我們的工程承包項目遍及全球超過48個國家和地區，主要分佈在亞洲、非洲、歐洲和南美洲。公司在手項目執行情況總體平穩，有一批項目受到高度關注並取得良好進展。例如，喀麥隆巴富薩姆和林貝體育場項目，於去年4月迎來非洲足聯的考察並通過驗收。其他一些項目如安哥拉索約I期項目均進展順利。完工項目方面，委內瑞拉中央電廠6號發電機組項目提前83天完成可靠性運行測試，有效緩解了委內瑞拉缺電限電的現狀，順利取得臨時驗收證明，還榮獲「國機質量獎」。巴基斯坦迪拿戈風電項目是公司在海外承攬的第一個風力發電EPC總承包項目，該項目嚴控質量，積極履行社會責任，獲得各界高度好評。

In 2016, our newly signed projects experienced a dramatic rise including several projects with a contract amount of over USD300 million; for instance the Nam Ou phase II transmission line project in Laos, the expansion and construction project of the gas turbine combination circulation power station in Basra, Iraq. The newly effective projects comprised primarily the South Nunn power transmission and distribution project in Laos, Gampaha, Attanagalla and Minuwangoda Integrated Water Supply Scheme in Sri Lanka, the expansion and construction project of the gas turbine combination circulation power station in Basra, Iraq, and the Lauca power transmission system project in Angola. In addition, the Company actively expanded new markets abroad. In Africa, the Company entered into a contract in respect of its first 400KV power transmission project in Kenya; in Israel, the Company entered into a contract in relation to the new football field project in Bat Yam, Tel Aviv.

2016年，公司在新簽約項目方面表現出強勁的上升趨勢，新簽多個金額在3億美元以上的項目，如老撾烏江電站II期輸變電項目、伊拉克巴士拉燃機聯合循環電站擴建項目等；新生效項目主要有老撾南納恩輸變電項目、斯里蘭卡阿塔那水廠項目、伊拉克巴士拉燃機聯合循環電站擴建項目、安哥拉拉烏卡輸電系統項目等。此外，公司積極拓展海外新市場。在非洲肯尼亞簽署了第一個400千伏輸變電項目；在以色列簽署了特拉維夫巴特亞姆新足球場項目。

In respect of investment-driven EPC, the Thar coal-electric project in Pakistan was officially implemented in April 2016. The project was the first coal-electric integration project having been executed in Pakistan, which promoted the investment-driven EPC model achieving substantial breakthroughs. As for expansion into new sectors, the Company constantly developed new segments within the power energy market. In the field of solar power, the Company participated in the 1.5 MW solar power IPP project in Maldives, and entered into an implementation agreement and a power purchase agreement.

投資拉動EPC方面，巴基斯坦塔爾煤電項目於2016年4月已正式落地執行，該項目是巴基斯坦首個落地的煤電一體化項目，也是投資拉動EPC模式取得實質性突破。在新領域開拓方面，公司不斷在電力能源市場上開拓細分領域。在太陽能領域中，參與了馬爾代夫1.5兆瓦太陽能IPP項目，而且已簽訂執行協議、購電協議。

In respect of the cooperation with international leading enterprises, the Company renewed the strategic cooperation agreement with GE in the second half of 2016. Through the strategic cooperation with General Electric, the Company successfully signed the KIPETO wind power project in Kenya and the Omar single circulation gas turbine power station project in Nigeria, which built a sound model for Chinese and American enterprises to jointly expand into a third market.

與國際領先企業合作方面，2016年下半年，公司與通用電氣續簽了戰略合作協議，通過與通用電氣的戰略合作，成功簽約肯尼亞基佩托風電項目、尼日利亞奧瑪單循環燃機電站等項目，樹立了中美兩國企業共同拓展第三方市場的良好典範。

In respect of the Trading Business, the Company continued to increase the transformation and upgrading efforts on the basis of integration and transformation in the past and under the direction of solidifying business model and enhancing profitability, to continuously promote the reform of segmental management system. Under unfavorable market environment, the high-end castings and forgings, electrical, new energy, textile machinery parts and other core businesses further clarified the direction for development and formulated an expansion model bearing their own characteristics. The Company actively explored cross-border e-commerce and other new business models, pushed forward the industrialization of investment, continuously improved the one-stop integrated service capabilities, and actively shifted to an integrated service provider. The Company also further deepened the cooperation with local governments and set up a trade value-adding service platform.

貿易業務方面，在過去整合與轉型的基礎上，以固化經營模式，積極提升盈利能力，繼續加大轉型升級力度，持續推進板塊化管理體系改革。其中高端鑄鍛件、電氣、新能源、紡機零部件等核心業務在行業環境不利的形勢下，進一步明確了發展方向並且形成了具有各自特色的發展模式。公司也積極探索跨境電商等新業務模式；穩妥推進實業化投資，不斷提高一站式綜合服務能力，積極向綜合服務商轉變；公司還不斷深化與地方政府合作，並搭建了貿易增值服務平台。

Chairman's Statement
董事長致辭

In 2016, the Company has been actively looking for new growth points under our services business and achieved stable development. The tendering business witnessed an explosive growth as compared with last year with the commission rate and tendering amount increased by 469% and 390% year on year. With respect to design consulting, the Company established the design consulting management department in 2016. In April, China Machinery R&D set up a "Sponge City Technology Research Center", which has been approved as the "Integrated Technology of Sponge City Construction-Hunan Engineering Research Center" in September. It is the first provincial engineering research center at the sponge city construction field in Hunan Province. The Jikan Research Institute has completed a number of national and provincial major special research projects, one of which has won the second prize of scientific and technological progress in Shaanxi Province. It also established the China-Angola Geotechnical Science and Technology Cooperation Demonstration Base, planned to set up underground space research institute, and actively researched on integrated corridor and other underground projects.

2016年，本公司在服務業務方面積極尋找新的增長點，發展穩定。招標業務較上年有爆發式增長，委託金額同比增長469%，中標金額同比增長390%。設計諮詢方面，公司於2016年成立設計諮詢管理部。4月，中機院成立了「海綿城市技術研究中心」，並在9月獲批成為「海綿城市建設集成技術湖南省工程研究中心」，這是湖南省首家在海綿城市建設領域的省級工程研究中心。機勘院完成了多個國家及省級重大專項研究項目，其中一項獲得陝西省科技進步二等獎，建立了中國－安哥拉岩土工程科技合作示範基地，並籌劃成立地下空間研究院，積極研究綜合管廊等地下工程項目。

DEVELOPMENT STRATEGIES

Firstly, as for the International Engineering Contracting Business, the Company will continue to improve its comprehensive competitive strength through steady development. We shall fortify our foothold on the traditional business, closely embrace the market, and strengthen the research and layout in key markets. In particular, we shall set business goals and strengthen the market layout so as to actively respond to "the Belt and Road" initiative of the government. We shall also put our efforts into promoting completions and signing new contracts, and continue to improve the quality of compliance to ensure attaining business indicators and stable development. We shall continue to improve our industrial chain, including the integration and upgrading of the supervision and construction platform, actively expand after-sales services, and promote the process of assimilating project construction and operation. Besides, we shall continue to explore innovating the financing model and business model, deepen our foreign cooperation, strengthen the establishment of policies and systems and enhance the level of management refinement.

發展戰略

首先，公司在國際工程承包業務方面，將繼續平穩發展提高綜合競爭實力。立足傳統業務，緊緊圍繞市場，加強重點市場的研究與佈局，尤其是積極響應政府「一帶一路」倡議，設定目標，加強市場佈局；全力促成交，繼續抓簽約，持續提高履約質量，確保完成經營指標及業務穩定發展；持續完善產業鏈條，包括整合升級監理建造平台，積極拓展售後服務，推進項目建營一體化進程等；要繼續探索融資模式及業務模式的創新，深化對外合作，加強制度和體系建設，提升管理精細化水平。

In respect of the Trading Business segment, the Company will continue to research and develop core products, develop core business and consolidate core markets, making development towards the direction of "high quality and sustainability". We shall continue to promote the transformation and upgrading of traditional trading business into high value-added business, actively promote various "Trading + Internet" business models and rapidly solidify those models; actively promote overseas regional set up of the Trading Business; continue building our core brands, continue strengthening our core businesses, and improve our control ability and profitability; pragmatically carry out industrial investment; and continue deepening and implementing cooperation with local governments.

在貿易業務板塊，本公司將繼續研發核心產品、發展核心業務、鞏固核心市場，要向「有質量可持續」方向發展。繼續推動傳統貿易業務向高附加值業務方向的轉型升級，積極嘗試「貿易+互聯網」的各種業務模式，並盡快固化模式；積極推進貿易業務的海外區域化建設；持續打造核心品牌，繼續做強做大核心業務，提高掌控及盈利能力；務實開展實業化投資；繼續深化、做實地方政府合作。

In respect of the design consulting segment, the Company will strengthen its technological advantages, build up its core competencies, and work hard to enlarge its business scale and improve its profitability. In terms of scientific and technological innovation, the Company will keep enhancing its capabilities with great efforts, and strive to attain ahead-of-the-industry innovations which will form new core competencies by more researches and applications in the prospective scientific fields which affect the Company's development; meanwhile, the Company will make the best of technologies supporting platforms, and coordinate the design consulting more with other business segments to realize the simultaneous developments in home and overseas markets.

在設計諮詢板塊，公司還將強化技術優勢，打造核心競爭力，努力提升業務規模與盈利能力。在科技創新方面，公司將砥礪奮進，繼續加強自身實力，對影響公司發展的前瞻性科技領域加強研究與應用，力爭取得在行業領先的創新成果，形成新的核心競爭力；同時充分發揮技術支撐平台的作用，加大與其他業務板塊的協同，實現國內外市場的併舉發展。

Apart from continuing to polish the three core business segments above, the Company will forge three emerging segments this year. The first one is CMEC agriculture, which is in compliance with the strategic requirement of the cooperation on agriculture with countries along "the Belt and Road" route and will help the developing countries industrialize and modernize their agricultural field. The second one is CMEC property, which will mainly turn the low-efficiency property assets within the Group into modernized offices and industrial parks by leveraging high and new technologies. The third one is CMEC logistics, which will primarily develop the Company's logistics and transportation service and improve its professional service capability. The Company will endeavor to be the world's leading international engineering contractor and service provider. With CMEC's expansion into diversified areas, we strive to become a world-leading integrated enterprise.

除了繼續加強以上三個核心板塊之外，公司於今年還將打造三個新興板塊。一是中設農業板塊，順應與「一帶一路」沿線國家農業合作的戰略要求，幫助發展中國家實現農業工業化及現代化。二是中設置業板塊，主要盤活集團內部的低效的物業資產，利用高新科技技術，打造現代化辦公場所及工業園區。三是中設物流板塊，主要開拓公司的物流運輸服務，加強專業服務能力。公司將努力打造成全球領先的國際工程承包與服務商。隨著CMEC向多元化領域拓展，我們力爭成為全球領先的綜合型企業。

Chairman's Statement
董事長致辭

OUTLOOK

In 2017, the international situation is expected to be more complex, the competition will be more intense, and uncertainties caused by factors such as exchange rate fluctuations will be more prominent. Under these circumstances, the Company faces more challenges in its development. The Company's business philosophy for this year is to adhere to the strategic leadership, achieve steady progress, make comprehensive layout, optimize our management, and improve our quality and efficiency. The Company will further consolidate the market position, lay a solid foundation and continue to build the six management systems including engineering contracting business management, legal risk management, financial management, investment and financing management, corporate culture and social responsibility.

In May 2017, "the Belt and Road" Summit Forum will be held in Beijing, and I believe it will become the focus of the market. As China's first industrial and trade enterprise and China's first batch of enterprises which implemented the strategy of "Going out", the Company will actively respond to "the Belt and Road" policy. Relying on the two national key strategies of "the Belt and Road" and "Going out", coupled with the Company's steady and mature overseas business network and excellent risk control system, the Company will achieve good performance again and make satisfactory achievements for the Shareholders.

At last, on behalf of the Board, I would like to take this opportunity to express my sincere gratitude to the Shareholders who extend concern and support for CMEC over the years, the senior management team which has been dedicated to their work and all the staffs members who have been working with untiring efforts.

SUN Bai
Chairman

Beijing, the PRC
March 28, 2017

未來展望

2017年，國際形勢預計將更加複雜，競爭將更加激烈，由匯率波動等帶來的不確定性更加突出，給公司的發展提出了更多挑戰。今年公司經營工作的指導思想是，堅持戰略引領，穩中求進，全面佈局，優化管理，提質增效。公司將進一步夯實市場地位，打下堅實基礎，持續建設六大管理體系，包括工程承包業務管理、法律風險管理、財務管理、投融資管理、企業文化、社會責任。

2017年5月北京將舉辦「一帶一路」高峰論壇，相信這將成為市場焦點。本公司作為中國第一家工貿企業，也是最早一批「走出去」的中國企業，將積極響應「一帶一路」政策，依託「一帶一路」與「走出去」這兩項國家重點戰略，加上公司穩健成熟的海外業務網絡及優良的風險控制體系，本公司將再創佳績，向廣大股東交上一份滿意的答卷。

最後，本人藉此機會謹代表董事會向長期以來關心和支持中國機械工程的廣大股東、熱忱工作的高級管理團隊及不懈努力的全體員工致以最誠摯的謝意。

孫柏
董事長

中國北京
2017年3月28日

Company Profile
公司簡介

The Company was established in 1978 and was the first state-owned industrial and trading enterprise in the PRC. The Company is a subsidiary controlled by SINOMACH. The Company was listed on the Main Board of the Stock Exchange on December 21, 2012. As at December 31, 2016, the Company had a total of 908,270,000 H Shares and 3,217,430,000 non-tradable Domestic Shares issued. The Company has a primary focus on EPC projects and particular expertise in the power sector, capable of providing one-stop customized and integrated engineering contracting solutions and services. The Company also conducts the Trading Business, Services Business and the Investment and Financing Business.

本公司成立於1978年，是中國第一家大型工貿企業，是國機控股的附屬公司。本公司於2012年12月21日在聯交所主板上市。於2016年12月31日，本公司已發行合共908,270,000股H股及3,217,430,000股尚未流通的內資股。本公司主要專注於EPC項目，特別專長於電力能源行業，能夠提供一站式訂製及綜合工程承包方案及服務。本公司亦從事貿易業務、服務業務及投融資業務。

Prospects for Enterprise Development: Becoming the world's leading international engineering contractor and service provider and transforming itself into a first class conglomerate in the world through cutting-edge innovation and value creation.

企業發展遠景：全球領先的國際工程承包商和服務商，正轉型為創新領先、價值創造、全球一流、綜合型企業。

Competitive Strengths: Brand reputation, operational model, business network, professional team, business operation, financial planning.

競爭優勢：品牌聲譽、運營模式、業務網絡、專業團隊、商務運作、融資策劃。

International Engineering Contracting Business: With over 30 years of experience in the International Engineering Contracting Business, the Company is able to provide project owners with one-stop customized and integrated turnkey solutions and services to manage and implement engineering contracting projects, especially in developing countries, and has undertaken engineering contracting projects in more than 48 countries, primarily in Asia, Africa, Europe and South America. Power, transportation and telecommunications sectors are the Company's Core Sectors. The Company is also engaged in the non-Core Sectors, such as water supply and treatment projects, building and construction projects, manufacturing and processing plant projects and mining and resources exploitation projects.

國際工程承包業務：本公司在國際工程承包業務方面擁有逾30年經驗，能夠為項目業主提供管理及實施工程承包項目的一站式訂製及綜合交鑰匙方案及服務，尤其是於發展中國家，並已在超過48個國家承接工程承包項目，主要分佈於亞洲、非洲、歐洲及南美洲。電力能源、交通運輸及電子通訊行業是本公司的核心行業。本公司亦從事非核心行業，如供水及水處理項目、房屋及建築項目、製造和加工工廠項目以及採礦和資源開採項目。

Trading Business: The Company conducts the Trading Business through its sales and marketing network which covers over 150 countries and regions. The sales and marketing network is established through years of international engineering contracting and trading experiences and business transactions involving export and import of products and services to and from these countries and regions.

貿易業務：本公司通過覆蓋已超過150個國家及地區的銷售及營銷網絡進行貿易業務。銷售及市場營銷網絡是通過涉及向此等國家及地區出口和自此等國家及地區進口產品及服務的多年國際工程承包及貿易經驗及業務交易而建立。

Services Business: The Company is engaged in a certain extent on the Services Business, mainly including design consulting services, logistics services, exhibition services, tendering agency services and export-import agency services.

服務業務：本公司從事一定程度的服務業務，主要包括：設計諮詢服務、物流服務、展覽服務、招標代理服務、進出口代理服務等。

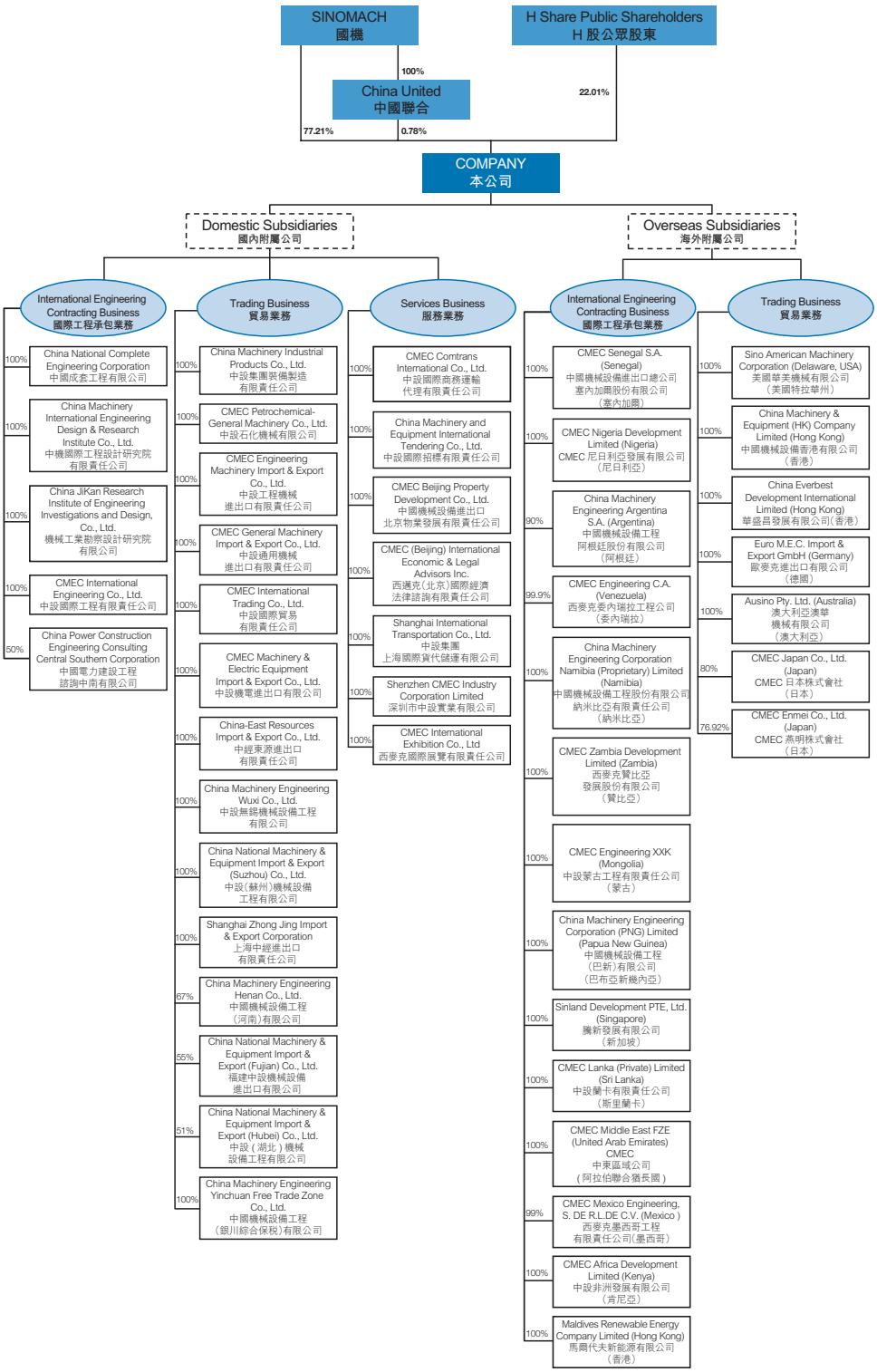
Investment and Financing Business: The Company is engaged in overseas and domestic concession investments in engineering contracting projects and associated financing business. The Company carries out engineering contracting project construction with capital through investments in projects; invests in and acquires and merges upstream and downstream enterprises through equity participation and shareholding etc. to optimize the industrial chain sectors of engineering contracting; improves our business competitiveness and profitability through trade industrialization investments.

投融資業務：本公司從事境內外工程承包項目特許投資業務及相關融資業務。本公司通過項目投資，帶資進行工程承包項目建設；通過參股、控股等方式對上下游企業進行投資併購，完善工程承包產業鏈環節；通過貿易實業化投資，提高業務競爭力和盈利能力。

Company Profile
公司簡介

Corporate Structure: As at December 31, 2016, the Company's corporate structure was as follows:

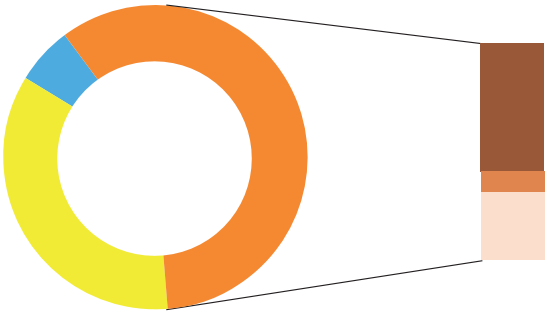
企業架構：於2016年12月31日，本公司企業架構如下：



Key Operating and Financial Data
重要經營及財務數據

Revenue Structure in 2016
2016年收入結構

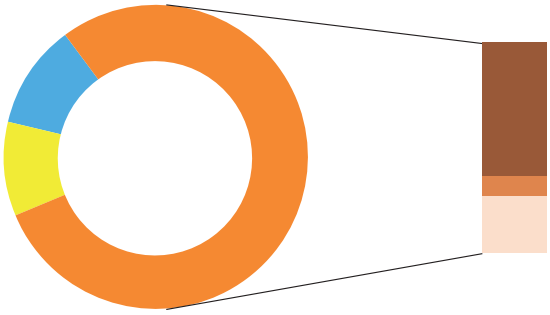
Unit: RMB million
單位：人民幣百萬元



	Revenue 收入	Revenue Breakdown 收入佔比
IEC 工程板塊	12,385	59%
-Power 電力能源	7,290	35%
-Transportation and Telecommunication 交通運輸及電子通訊	1,267	6%
-Non-Core Sectors 非核心行業	3,828	18%
Trading 貿易板塊	7,309	35%
Services Business 服務業務	1,323	6%
Total 總計	21,017	100%

Gross Profit Structure in 2016
2016年毛利結構

Unit: RMB million
單位：人民幣百萬元

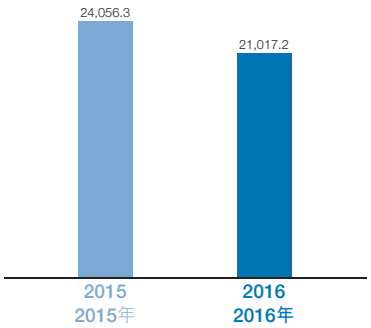


	Gross Profit 毛利	Gross Profit Breakdown 毛利佔比
IEC 工程板塊	2,811	79%
-Power 電力能源	1,781	50%
-Transportation and Telecommunication 交通運輸及電子通訊	272	8%
-Non-Core Sectors 非核心行業	758	21%
Trading 貿易板塊	353	10%
Services Business 服務業務	380	11%
Total 總計	3,544	100%

Key Operating and Financial Data
重要經營及財務數據

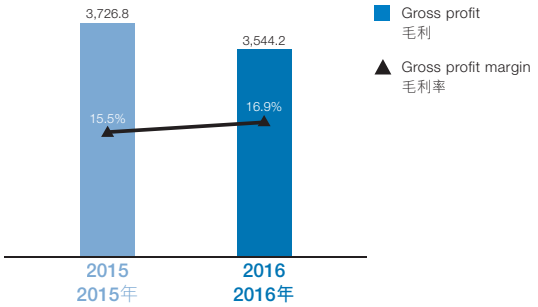
1. Revenue
收入

Unit: RMB million
單位：人民幣百萬元



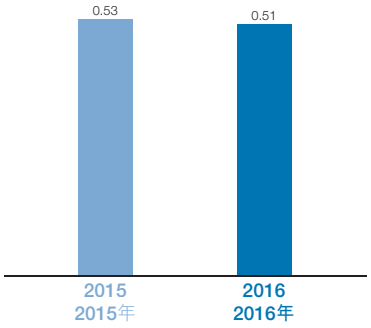
2. Gross Profit and Gross Profit Margins
毛利及毛利率

Unit: RMB million
單位：人民幣百萬元



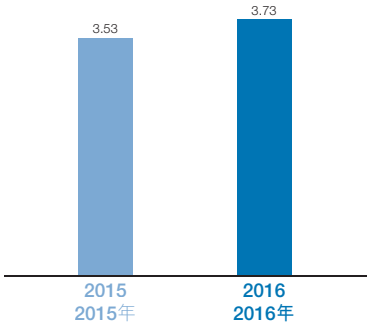
3. Basic Earnings per Share
每股基本盈利

Unit: RMB
單位：人民幣



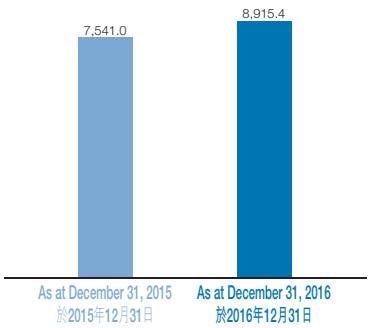
4. Net Asset Per Share
每股淨資產

Unit: RMB
單位：人民幣



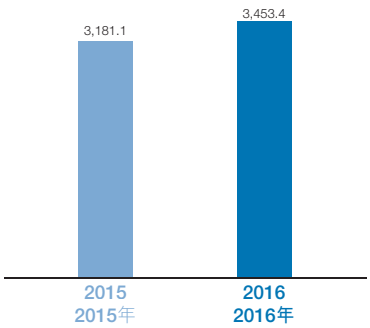
5. Backlog for the International Engineering Contracting Business
國際工程承包業務未完成合同量

Unit: US$ million
單位：百萬美元



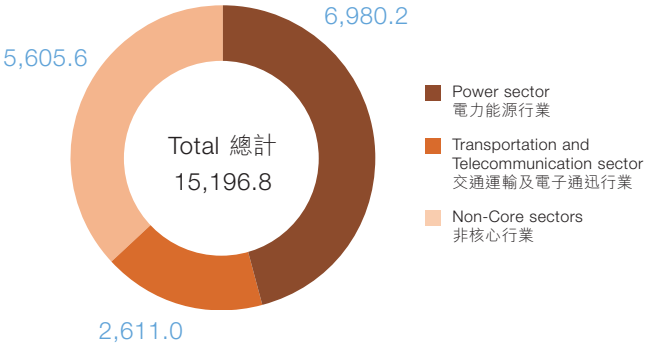
6. Newly Effective Contract Value for the International Engineering Contracting Business
國際工程承包業務的新生效合同金額

Unit: US$ million
單位：百萬美元

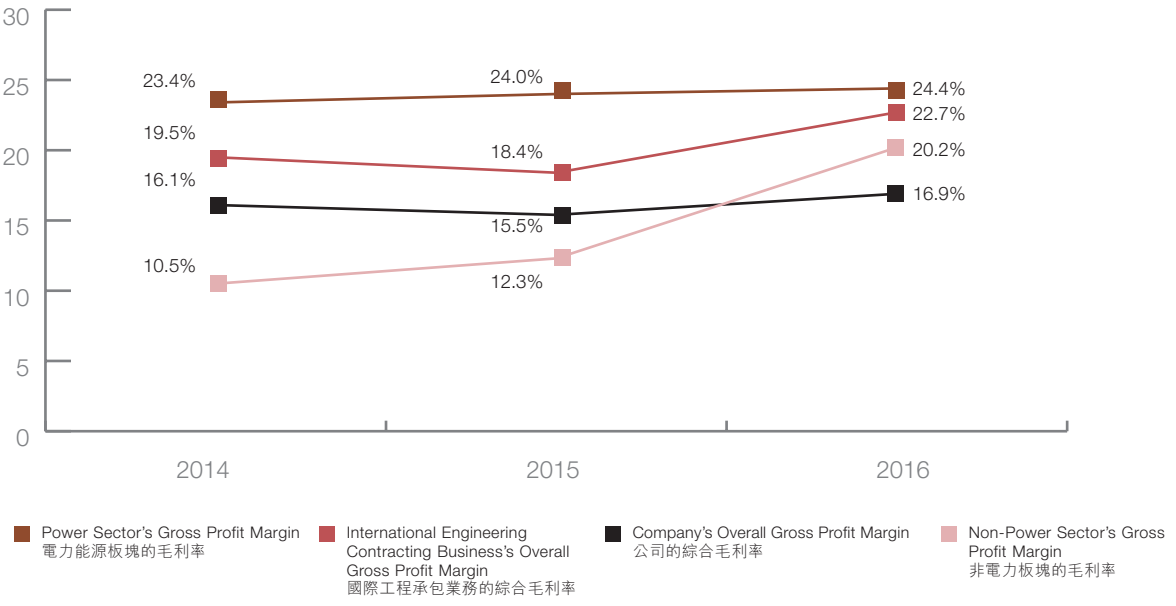


7. Signed Contracts Pending to be Effective for the International Engineering Contracting Business
國際工程承包業務的已簽約待生效合同

As at December 31, 2016
於2016年12月31日
Unit: US$ million
單位：百萬美元



8. Gross Profit Margin for the International Engineering Contracting Business
國際工程承包業務的毛利率



Financial Highlights
財務摘要

		Year ended December 31, 截至12月31日止年度				
		2016	2015	2014	2013	2012
		2016年	2015年	2014年	2013年	2012年
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		人民幣千元	*人民幣千元*	*人民幣千元*	*人民幣千元*	*人民幣千元*
			(Restated)* (重述)*			
Revenue	收入	**21,017,236**	24,056,269	23,746,597	21,426,272	21,296,063
Gross profit	毛利	**3,544,191**	3,726,821	3,814,298	3,742,458	3,731,510
Other revenue and other income/ (expenses), net	其他收入及其他收入／（開支）淨額	**14,892**	(6,264)	(77,395)	365,826	22,115
Operating expenses	經營開支	**(1,991,968)**	(1,934,119)	(1,641,864)	(1,780,132)	(1,690,383)
Profit from operations	經營溢利	**1,567,115**	1,786,438	2,095,039	2,328,152	2,063,242
Profit before taxation	除税前溢利	**2,783,930**	2,996,868	2,764,856	2,664,105	2,615,878
Income tax	所得税	**(674,140)**	(787,908)	(645,105)	(703,864)	(687,716)
Profit for the year	年內溢利	**2,109,790**	2,208,960	2,119,751	1,960,241	1,928,162
Other comprehensive income for the year	年內其他綜合收益	**74,536**	(11,906)	(18,890)	14,745	(3,720)
Total comprehensive income for the year	年內綜合收益總額	**2,184,326**	2,197,054	2,100,861	1,974,986	1,924,442
Profit attribute to:	溢利歸屬於：					
– Owners of the parent	– 母公司擁有人	**2,106,521**	2,204,777	2,119,470	1,959,257	1,927,689
– Non-controlling interests	– 非控股權益	**3,269**	4,183	281	984	473
Total comprehensive income attributable to:	綜合收益總額歸屬於：					
– Owners of the parent	– 母公司擁有人	**2,180,909**	2,192,817	2,099,652	1,974,823	1,925,325
– Non-controlling interests	– 非控股權益	**3,417**	4,237	1,209	163	(883)
Basic and diluted earnings per share (expressed in RMB per share)	每股基本及攤薄盈利（以每股人民幣元計值）	**0.51**	0.53	0.51	0.47	0.58
Total non-current assets	非流動資產總額	**8,103,361**	6,854,702	5,868,844	6,049,264	6,833,778
Total current assets	流動資產總額	**39,348,918**	37,097,851	32,221,003	25,903,900	27,936,051
Total assets	資產總額	**47,452,279**	43,952,553	38,089,847	31,953,164	34,769,829
Total non-current liabilities	非流動負債總額	**956,450**	882,288	729,052	407,162	581,888
Total current liabilities	流動負債總額	**31,120,276**	28,523,824	24,198,264	19,789,941	24,270,518
Total liabilities	負債總額	**32,076,726**	29,406,112	24,927,316	20,197,103	24,852,406
Total equity attributable to owners of the parent	母公司擁有人應佔權益總額	**15,328,515**	14,500,886	13,136,369	11,739,625	9,920,341
Non-controlling interests	非控股權益	**47,038**	45,555	26,162	16,436	(2,918)
Total equity	權益總額	**15,375,553**	14,546,441	13,162,531	11,756,061	9,917,423
Total equity and liabilities	權益及負債總額	**47,452,279**	43,952,553	38,089,847	31,953,164	34,769,829

* Restatement is based on business combination under common control as a result of the acquisition of China National Complete Engineering Corporation* (中國成套工程有限公司) in May 2016, which is stated in note 2.1 to the financial statements in this annual report.

* 重述是基於本年報財務報表附註2.1所述由於2016年5月收購中國成套工程有限公司而在同一控制下的業務合併。

I. INDUSTRY OVERVIEW

In 2016, the domestic and international economic environment is still intricate, while the world economy continues to adjust in depth, with risk increasing due to all kinds of changes. From the international perspective, the global economic growth slowed down as compared with 2015, among which the economic growth of developed countries varied, while that of developing countries gradually stabilized. International trade growth continued to slump, but global capital flows intensified, pushing up commodity prices with greater volatility. From domestic perspective, China's overall economic situation became steady and better while in a slowdown, with a reasonable economic cycle, and an upgrade of quality and efficiency. However, the trend of stability and improvement of the economy is not yet solid, impacted by conflicts of overcapacity and upgrade of demand structure, lack of internal drive for economic growth and accumulation of financial risks.

A. International Engineering Contracting Industry

In 2016, the total new contract value of infrastructure engineering projects in the global market was approximately USD1,053 billion; whilst the total new contract value of infrastructure engineering projects in developing countries reached approximately USD978 billion in 2016, accounting for approximately 92.9% of the total new contract value of infrastructure engineering projects in the global market. The new contract value of power, transportation and telecommunications sectors in developing countries together contributed approximately 83.3% of the total new contract value of infrastructure engineering projects in developing countries in 2016, of which power, transportation and telecommunications sectors each accounted for approximately 37.1%, 28.7% and 17.5%, respectively, of the said value.

Note: Certain information and data in this section headed "Industry Overview" are extracted from the Ipsos Report.

I. 行業概覽

2016年，國內外經濟環境依然錯綜複雜，世界經濟繼續深度調整，各類變化帶來的風險也在提升。從國際看，全球經濟增速較2015年有所放緩，發達經濟體增長格局出現分化，新興市場和發展中經濟體整體增速逐漸企穩；國際貿易增速持續低迷，全球資本流動加劇，大宗商品價格受資本流動影響回升但起伏波動較大。從國內看，我國經濟形勢總體緩中趨穩、穩中向好，經濟運行保持在合理區間，質量和效益提高，但經濟穩中向好的趨勢尚不牢固，仍存在產能過剩和需求結構升級矛盾突出、經濟增長內生動力不足、金融風險有所積聚等問題。

A. 國際工程承包行業

於2016年，全球市場的基礎設施建設工程項目新合同總金額約為10,530億美元，其中發展中國家於2016年的基礎設施建設工程項目新合同總金額達至約9,780億美元，佔全球市場的基礎設施建設工程項目新合同總金額的約92.9%。於2016年，發展中國家的電力能源、交通運輸及電子通訊分部的新合同金額合共佔發展中國家的基礎設施建設工程項目新合同總金額的約83.3%，其中電力能源、交通運輸及電子通訊分部分別佔上述金額的約37.1%、28.7%及17.5%。

註： 本「行業概覽」章節中的某些資料和資料乃摘錄自益普索報告。

In 2016, China's foreign engineering contracting projects achieved a turnover of RMB1,058.92 billion (equivalent to USD159.42 billion, with a growth of 3.5% on a year over year basis), while new contracts value amounted to RMB1,620.79 billion (equivalent to USD244.01 billion, with a growth of 16.2% on a year over year basis). In 2016, PRC enterprises signed 8,158 new contracts for foreign engineering contracting projects in 61 countries along "the Belt and Road", with an amount of USD126.03 billion, accounting for 51.6% of China's total new contracts value for foreign engineering contracting projects during the same period, with a growth of 36% on a year over year basis. The amount of turnover reached USD75.97 billion, accounting for 47.7% of the total at the same period, with a growth of 9.7% on a year over year basis.

2016年，我國對外承包工程業務完成營業額人民幣10,589.2億元(折合1,594.2億美元，同比增長3.5%)，新簽合同額人民幣16,207.9億元(折合2,440.1億美元，同比增長16.2%)。2016年，我國企業在「一帶一路」沿線61個國家新簽對外承包工程項目合同8,158份，新簽合同額1,260.3億美元，佔同期我國對外承包工程新簽合同總額的51.6%，同比增長36%；完成營業額759.7億美元，佔同期總額的47.7%，同比增長9.7%。

New contract value of power (electricity) sector in China grew from around USD29.7 billion in 2014 to around USD52.7 billion in 2016 with a compound annual growth rate of about 33.1%. The growth in the new contract value of power (electricity) sector in China is primarily driven by increased investment in infrastructure and facilities, which creates new market demand for foreign-funded engineering contracting projects in China. The top 10 Chinese contractors accounting for approximately 44.8%, or approximately USD13,260 million, of the total revenue generated from international projects in the power sector in the global market in 2016. Amongst these top 10 Chinese contractors CMEC ranked third with about 3.5% share.

中國電力能源(電力)分部的新合同金額從2014年的約297億美元增至2016年的約527億美元，複合年增長率約為33.1%。中國電力能源(電力)分部新合同金額的增長主要由於基礎設施及設備投資增加，為中國的外資工程承包項目創造了新的市場需求。於2016年，中國十大承包商佔全球市場電力能源行業國際項目所產生的總收入的約44.8%或約13,260百萬美元。CMEC在中國十大承包商中排名第三，約佔3.5%的份額。

In 2016, international engineering contracting industry is still in a period of important strategic opportunities, and the international infrastructure construction market still maintained a strong demand. From the perspective of the markets in regions in which the Company conducts its major business:

2016年，國際工程承包行業仍處於重要戰略機遇期，國際基礎設施建設市場仍保持了旺盛需求。從我公司主要的業務地區市場來看：

1. Asian Market

Due to policy restrictions, fluctuations of exchange rate, political deterioration and other factors, the risk landscape of some Asian countries has deteriorated since 2015. However, generally speaking, Asia remains as the first in the global market, with a rapid growth in turnover as well. The GDP of East Asia and Central Asia increases fast, while the engineering contracting market of the Middle East region has displayed a declining trend. As Southeast Asia and South Asia have been more popular in recent years, China increased infrastructural investments in these regions, but competitiveness and market share of Japanese and Korean enterprises were also very significant.

2. African market

Africa has traditionally been our market with a competitive edge and is now in the early stages of industrialization, with pressing need for infrastructure construction, particularly in the areas of transportation, power plants and industrialization development. In 2016, some African countries suffered from frequent political turmoils, terrorist attacks and other emergencies. Among these countries, the state fiscal revenue of some countries of resource-based economy was reduced by the slump of international oil prices.

1. 亞洲市場

受政策限制、匯率波動、政治惡化等因素影響，2015年以來，部分亞洲國家風險增加，但總體來説亞洲仍然佔全球市場份額第一，且營業額迅猛增長。東亞和中亞GDP增長較快，中東地區工程承包市場有下降趨勢，東南亞、南亞近年來頗受青睞，中國也一直加大對該區域的基建投資，但日韓企業競爭能力和市場佔有率也非常高。

2. 非洲市場

非洲歷來是我們的傳統優勢市場，現正處於工業化起步階段，其迫切需要基礎設施，特別在交通、電站及工業化發展領域。2016年，一些非洲國家政局動蕩，恐怖襲擊等意外事件頻發，部分資源型經濟國家更是被國際石油價格所累，國家財政收入減少。

3. Latin American market

Latin American market is vulnerable to external demand and capital flows, with higher financing costs. However, the growth rate of its engineering contracting projects is high and China's market share in the region is increasing. In recent years, the trend of the economic and trade relations between China and Latin America has diversified. In order to promote mutual cooperation in infrastructure construction, China has set up a dedicated loan of USD20 billion, provided USD10 billion of preferential loans and established a USD5 billion Sino-Latin American cooperation fund as well as a USD30 billion Sino-Latin American production capacity special fund. Although the development prospect is looking up, the market risk cannot be ignored, mainly due to factors such as political instability, low integrity, corruption and inefficiency of governments, financial and currency risk and exchange rate instability.

3. 拉美市場

拉美市場易受外部需求和資本流向影響，融資成本較高，但工程承包增長速度快，我國在該區市場份額不斷增加。近幾年，中拉經貿關係呈現多元化趨勢，為推動中拉基礎設施領域合作，中方設立200億美元中拉基礎設施建設專項貸款，提供100億美元優惠性質貸款、設立50億美元中拉合作基金和300億美元中拉產能合作專項基金。雖然發展前景較好，但市場風險也不容忽視，主要是政局不穩，政府低誠信、腐敗和低效率，金融貨幣風險和匯率不穩等。

4. Central and Eastern Europe market

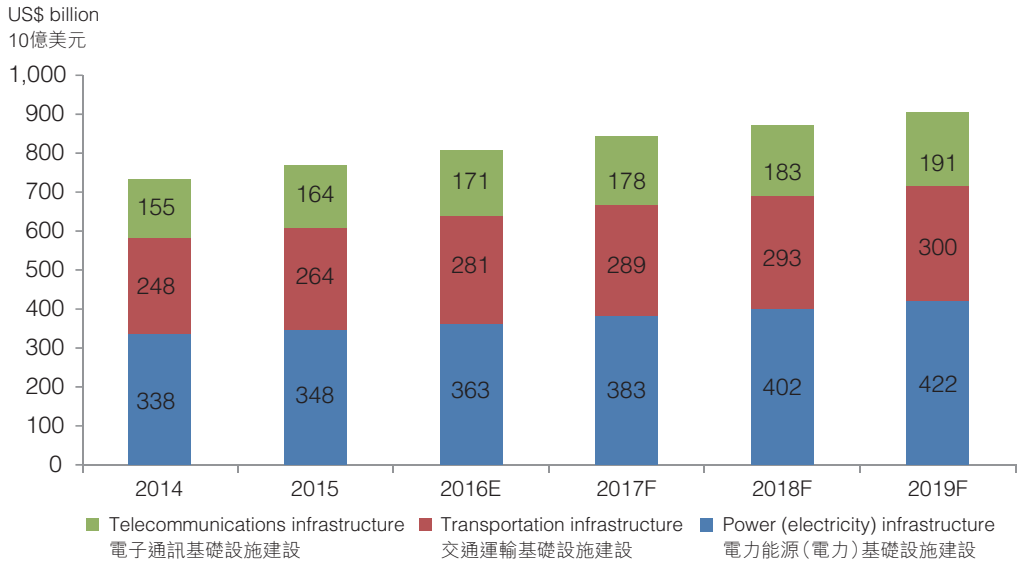
Due to the financial crisis and the crisis of sovereign debt, economic recession in Central and Eastern Europe is significant, coupled with insufficient internal driving force, obvious economic fluctuation phenomenon, increasing risk level and greater downturn in the engineering contracting turnover. In addition, its market is mature with stringent technical standards, market access requirements and labor policy. China only accounted for about 1.6% of the market. In recent years, due to the need for reviving the economy, the region has a greater inclination towards attracting foreign investment, which has brought along opportunities for Chinese enterprises to enter the market in the region.

4. 中東歐市場

受金融危機和主權債務危機影響，中東歐地區經濟衰退嚴重，內生動力不足，經濟波動現象明顯，風險水平增加，工程承包營業額下降較大，且其市場成熟，技術標準、市場准入要求及勞工政策嚴格，我國僅佔該市場約1.6%。近年，由於恢復經濟需要，本區市場吸引外資的意願增強，為中國企業進入本地區市場帶來機遇。

New contract value of infrastructure engineering projects by types of infrastructure engineering projects in developing countries from 2014 to 2019

2014年至2019年按基礎設施建設類別呈列的發展中國家基礎設施建設工程項目的新合同金額



Sources: ENR; PwC & Oxford Economics; Ipsos research and analysis

資料來源：工程新聞記錄；普華永道與牛津經濟研究院；益普索研究及分析

The development of the international engineering contracting industry mainly displays the following characteristics:

從國際工程承包行業發展來看，主要呈現以下特點：

1. Continuous expansion of business scale

In 2016, the turnover and the amount of new contracts of China's foreign engineering contracting business continued to grow. In particular, both the amounts of new contracts and the market share of China's foreign engineering contracting business along "the Belt and Road" region had a significant growth compared with those in 2015, almost accounting for half of the total foreign engineering contracting business, and became the main support for the industry business growth in 2016. In contrast, the growth of business in Africa, Europe and Latin America significantly slackened.

1. 業務規模繼續擴大

2016年，我國對外承包工程業務完成營業額和新簽合同額持續增長，尤其是在「一帶一路」區域的對外工程承包，不管是新簽合同額還是佔比，都較2015年增長明顯，幾乎佔據了對外工程承包的半壁江山，成為2016年行業業務增長的主要支撐，相比之下，在非洲、歐洲、拉美地區的業務增長明顯放

Moreover, the share of large projects increased, in which 815 projects each had a contract value of more than USD50 million (an increase of 91 projects compared with the number in the same period last year), with a total of USD206.7 billion, accounting for 84.7% of the total amount of new contracts. Among those large projects with a value of more than USD50 million, the average amount of a single contract was about USD250 million. A large number of cooperation projects involving international production capacity and infrastructure interconnection projects along the regions such as Yaji Railway and Sino-Pakistan Economic Corridor have been successfully implemented, constantly breaking the record of overseas projects, while projects are becoming increasingly high-end and comprehensive, with greater contract value and more innovative structures.

緩。大型項目佔比也越來越多，去年合同額在5,000萬美元以上的項目有815個（比上年同期增加91個），合計2,067億美元，佔新簽合同總額的84.7%；5,000萬美元以上的大項目，平均單個合同金額約2.5億美元。亞吉鐵路、中巴經濟走廊項下等一大批國際產能合作和基礎設施互聯互通項目成功實施，不斷刷新著海外項目紀錄，項目越來越高端、綜合性越來越強、合同金額越來越大、模式越來越新。

2. Active progress of business model transition

Relying on investment and cooperation on international production capacity, the transition and momentum in upgrading the international engineering contracting industry are significantly enhanced, with further acceleration in business areas like engineering-related investment and "integration of construction and operation". BOT (build-operate-transfer), PPP (public-private-partnership), BOO (build-own-operate) projects have a greater share in foreign engineering contracting business, while the number of projects with integration development of infrastructure, energy resources and complementary industrial projects has further increased, leading to a more diversified business in the industry.

2. 業務模式轉型積極推進

依托投資和國際產能合作，國際工程承包行業轉型升級動力顯著增強，在工程相關投資和「建營一體化」等業務領域的發展進一步加快，BOT（建設、經營、移交）、PPP（公共私營合作制）、BOO（建設、擁有、經營）項目在對外承包工程業務中的比重進一步加大，集基礎設施、能源資源和配套工業項目為一體的綜合開發項目進一步增加，行業業務更為多元化。

3. Significant changes in the notions of development

First of all, pursuant to the diversified demand of the international market for contracting business, the development notion of enterprises has changed from being "builders" of the project to "participants" of the economic and social development in the host countries. Certain enterprises grasp the project initiative to achieve a stable development in the host countries through assisting the overall regional planning and development for the country. In different stages of implementation of the project, the advantages in areas such as talent, technology, market and capital are fully utilized and marketing, management and profit centers are moved forward, so as to deploy business resources globally and continuously deepen localization, evolving into a multinational company. Secondly, enterprises have more regard to social responsibility and sustainable development, conduct close and effective communication with project owners and local stakeholders, and closely integrate environmental protection and social factors with all phases of projects, so as to continuously enhance the sustainability of overseas projects.

3. 發展理念顯著轉變

首先，隨著國際市場對承包商業務需求的多樣化，企業發展理念正由工程項目的「建設者」向東道國經濟社會發展的「參與者」轉變。部分企業通過協助外方進行整體區域規劃和開發，把握項目主導權，實現企業在東道國的穩定發展。在項目實施各個階段，充分發揮東道國人才、技術、市場、資金等優勢，將營銷、管理和利潤中心前移，全球化佈局業務調配資源，屬地化程度不斷深入，正朝著真正跨國公司邁進。其次，企業更加注重履行社會責任和可持續發展，與項目業主、當地利益相關方進行密切有效的溝通，將環保、社會因素與工程項目的各環節緊密結合，不斷提升海外項目的可持續性。

4. Tightened risk management

In 2016, although peace and stability are preserved under the overall international security, undercurrent is surging with intertwining security threats and the wrestling between leading powers, regional conflicts and military competition have been constantly hiking. In particular, some regions along "the Belt and Road" display high political risk, poor legal environment, significant exchange rate risk, complex religious and ethnic issues, leading to a significant impact on the implementation of projects.

4. 更嚴謹的風險管理

2016年，國際安全形勢在總體和平穩定的大局勢下暗流湧動，多種安全威脅交織出現，大國間的戰略博弈、地區衝突和軍事競爭勢頭不斷上升。尤其是，「一帶一路」沿線部分區域政治風險高、法律環境差、匯率風險大，宗教和民族問題關係複雜，對項目的執行有較大影響。

In addition, commodity prices such as international oil remained low, leading to a reduction of fiscal revenue in countries with resource-based economy in Africa, Latin America and Central Asia. As a result, infrastructure projects of some countries were forced to postpone or delay, while payment delay occurred in some ongoing projects, causing some signed projects difficult to become effective and commence construction.

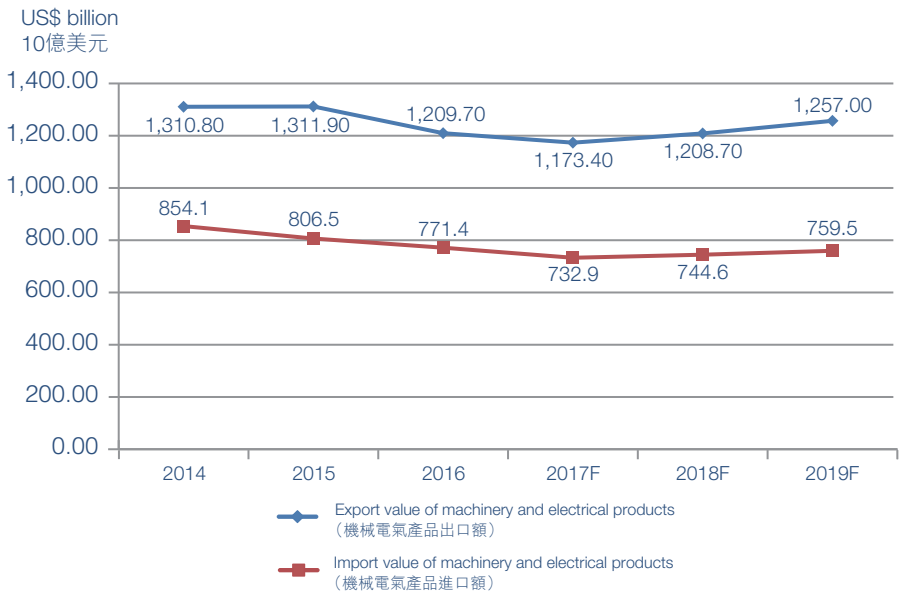
此外，國際石油等大宗商品價格低位徘徊，導致非洲、拉美、中亞等資源型經濟國家財政收入減少，一些國家的基礎設施項目被迫推遲或延後，部分在建項目出現工程款支付延遲，部分已簽約項目難以開工和實施的問題。

B. Trading Business

B. 貿易業務

In 2016, China's overall foreign trade stabilized and improved. National import and export amount reached RMB24.3 trillion (equivalent to nearly USD3.7 trillion), reduced by 0.9%, which is 6.1% lower than that of 2015. The export amount reached RMB13.84 trillion, reduced by 2.0%, while import amount reached RMB10.49 trillion, increased by 0.6%. General trade import and export accounted for 55% of the total amount of import and export, with an increase of 1% over the previous year. Netting the amount of import and export, there was a favorable balance of RMB3.35 trillion, representing a decrease by 9.1% compared to that of 2015.

2016年，我國外貿總體實現了回穩向好。全國進出口額達人民幣24.3萬億元（折合將近3.7萬億美元），下降0.9%，降幅比2015年收窄了6.1%。其中，出口額達人民幣13.84萬億元，下降2.0%；進口額達人民幣10.49萬億元，增長0.6%。一般貿易進出口佔進出口總值的比重為55%，比上年提高1%。進出口相抵，順差人民幣3.35萬億元，較2015年減少9.1%。



In 2016, the operation of the annual foreign trade mainly had the following characteristics. First, the commodity structure was constantly optimized, and exported goods changed from consumer goods to consumer goods and investment products. Second, the composition of trading operators was constantly optimized, with export of private enterprises increased by 0.8%, accounting for 46% of the total amount and became the largest trading operators. Third, patterns of trade were constantly optimized, with general trade export increased by 0.4%, accounting for 53.8%. The domestic value-added rate of processing trade reached 44.6%, with an increase of 0.6%. Fourth, new patterns of business became a new driving force, with import and export of cross-border online retailers in pilot regions having reached RMB163.7 billion, with an increase over 100%. The export of procurement trade reached RMB203.9 billion, with an increase of 16% as compared to previous year. Fifth, the diversification of international market has made some progress, with a faster growth in trade between certain countries along "the Belt and Road" regions.

2016年，全年外貿運行主要呈現以下特點：一是商品結構在不斷優化，出口商品從以消費品為主轉向消費品和投資品並重。二是貿易主體結構在不斷優化，民營企業出口佔比達到46%，提高0.8%，成為第一大貿易主體。三是貿易方式在不斷優化，一般貿易出口佔53.8%，提高了0.4%。加工貿易國內增值率達到44.6%，提高了0.6%。四是新業態成為新動力，試點區域跨境電商進出口人民幣1,637億元，增長1倍以上。市場採購貿易出口人民幣2,039億元，較往年增長16%。五是國際市場多元化取得一定進展，部分「一帶一路」沿線國家貿易增長較快。

In addition, optimization of import and export made good progress. In terms of export, export of goods with traditional advantages in China still maintained growth and good competitive advantages in 2016. Under the advantages of China's abundant capital, perfect industrial system and strong manufacturing capacity, China's enterprises accelerated their pace of globalization, promoting cooperation on international production capacity, as well as the export of manufacturing equipment and high value-adding products.

另外，在產品優進優出方面取得良好進展。從出口方面看，2016年我國傳統優勢產品出口仍保持增長和良好的競爭優勢，同時得益於我國充裕的資本、完善的工業體系以及強大的製造能力，我國企業在加快走出去和推進國際產能合作中也帶動了裝備製造和高附加值產品的出口。

In terms of import, import of commodity such as crude oil and copper continuously maintained a growing momentum, indicating that China's domestic economy operated smoothly with a resumption of demand. The outcomes of expansion of import and optimization of import structure emerged, with a faster growth in the import of high-tech products such as advanced technology, key parts and important equipment. Imports of mechanical and electrical products increased by 1.9%, of which import of turbojet engines, ships and automatic measuring and analyzing instrument increased by 26.8%, 26.6% and 10.7%, respectively.

In general, China's foreign trade is undergoing a historic transition from great quantity to good quality, with acceleration in the formation of new and competitive foreign trade advantages stressing technology, standards, brand, quality and service, of which new technologies, new business patterns and new models are becoming the new driving force of foreign trade development.

C. Service Industry

Along with rapid economic growth in China, industry structure has been transformed into tertiary industry from secondary industry. Service industry is expected to be the driving force to develop Chinese economy in the "New Normal" stage. In 2016, the value added of the tertiary industry reached RMB38,422.1 billion, increased by 12.5% as compared to 2015, accounting for 51.6% of China's GDP.

從進口方面看，原油、銅等大宗商品進口量繼續保持增長勢頭，這表明我國國內經濟平穩運行，需求有所回升。與此同時，擴大進口和優化進口結構的政策效應顯現，部分先進技術、關鍵零部件和重要設備等高新技術產品進口有較快增長。機電產品進口增長1.9%，其中渦輪噴氣發動機進口增長26.8%，船舶增長26.6%，計量檢測分析自控儀器及器具增長10.7%。

總的來說，我國外貿正在實現由大到強的歷史性轉變，以技術、標準、品牌、質量、服務為核心的外貿競爭新優勢加快形成，新技術、新業態、新模式正在成為外貿發展新的動能。

C. 服務業

隨著中國經濟的快速增長，產業結構已由第二產業向第三產業轉型。預期服務業將成為「新常態」下發展中國經濟的驅動力。於2016年，第三產業的增值為人民幣384,221億元，較2015年增加12.5%，佔中國GDP的51.6%。

Industrial boundaries have been increasingly blurred within the reformed business ecosystem, which have brought increased cooperation within industries in a form of mergers and acquisitions by intensifying the industry concentration. With more mergers and acquisitions transactions in China, industrial concentration ratio is expected to be enhanced further in the future and engineering surveying and design industry will accelerate marketization as its final goal. In addition, following the development of internet information and technologies, it is expected that more enterprises in the same industry have less interaction with one another under a fierce competition environment compared to the past and more enterprises will continuously reform their business mode by influencing various industries and existing mature industries and this trend to renovate business model will last for the time being.

於改革業務生態系統中，行業界線日益模糊，其透過加大行業集中度，以併購形式增加了各行業間的合作。隨著中國併購交易的不斷增加，預計未來行業集中度將進一步增強，工程勘察設計行業將加速實現市場化的最終目標。此外，隨著互聯網信息技術的發展，預計與過往相比，在激烈的競爭環境下同行業間互動減少的企業將增加，且更多的企業將透過影響各行業及現有成熟行業不斷改革其業務模式，該革新業務模式的趨勢將暫時持續。

As the service industry becomes the major driving force of economic growth, the goal to build a well-off society in various sectors is set to double the GDP per capita of 2010 in the year of 2020. With a decreasing growth rate of the economy, the development of service industry plays an important role with medium-high growth rate compared to the recession of the manufacturing industry.

隨著服務業成為經濟增長的主要驅動力，全面建設小康社會的目標為2020年人均GDP較2010年翻一番。而經濟增長率不斷下降，與製造業的衰退相比，服務業將以中高增長率發展，發揮重要作用。

II. BUSINESS OVERVIEW

II. 業務概覽

A. International Engineering Contracting Business

A. 國際工程承包業務

We are a leading international engineering contractor and service provider in China, focusing on the EPC projects, particularly in the power and energy industry. Our international engineering contracting business is one of the Company's traditional core businesses, accounting for about 58.9% of the Company's total revenue in 2016.

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2016本公司總收入的58.9%。

In 2016, the international engineering contracting business adhered to the guiding principle of "consolidating foundation and developing innovation", actively responding to national policies such as "the Belt and Road" initiative to strengthen strategy research and market deployment. On the one hand, the Company continued to enhance expansion efforts in traditional markets through the deepening of regional and territorial construction, so as to consolidate the leading position in the power industry of traditional market. At the same time, refined project management is elaborately promoted to strictly monitor quality and risk. On the other hand, the Company actively expanded into new markets, seeking to innovate investment and financing models, broaden financing channels, actively carry out international cooperation and improve the industrial chain, so as to achieve remarkable results.

2016年，國際工程承包業務秉承「夯實基礎，創新開拓」的指導思想，積極響應「一帶一路」等國家政策，強化戰略研究與市場佈局。一方面不斷加大傳統市場開拓力度，通過深化區域化、屬地化建設，鞏固在傳統市場電力行業的主流地位；同時，深入推進項目精細化管理，嚴把質量、風險關；另一方面，努力開拓新市場，創新投融資模式，拓寬融資渠道，積極開展國際合作，完善產業鏈條，取得顯著成效。

The following table sets forth the details of the International Engineering Contracting Business for the year ended December 31, 2016 and the comparative figures for the year ended December 31, 2015:

下表載列截至2016年12月31日止年度國際工程承包業務詳情，以及截至2015年12月31日止年度的比較數字：

Unit: RMB million
單位：人民幣百萬元

		2016 **2016年**	% of Total **總額的%**	2015 2015年	Year-on-year Growth /(Decline) 按年增長／(減少)
Revenue **收入**	Power 電力能源	**7,290.2**	**58.9%**	7,261.7	0.4%
	Transportation and Telecommunications 交通運輸及電子通訊	**1,267.0**	**10.2%**	3,850.2	-67.1%
	Non-Core Sectors 非核心行業	**3,827.9**	**30.9%**	2,861.6	33.8%
	Total **總計**	**12,385.1**	**100.0%**	13,973.5	-11.4%
Gross profit **毛利**	Power 電力能源	**1,781.1**	**63.3%**	1,746.0	2.0%
	Transportation and Telecommunications 交通運輸及電子通訊	**272.1**	**9.7%**	613.5	-55.6%
	Non-Core Sectors 非核心行業	**758.2**	**27.0%**	209.5	261.9%
	Total **總計**	**2,811.4**	**100.0%**	2,569.0	9.4%

1. Overall good project implementation

In 2016, the Company had 43 projects under construction. The overall performance of project implementation was stable without any material accidents. The Company focused on the fulfillment of social responsibilities and greatly improved the value of its brand and popularity.

In respect of completed projects, the project regarding No.6 power unit of the central power plant in Venezuela completed the operational reliability test 83 days ahead of schedule, effectively alleviating the power shortage situation in Venezuela. The said project obtained provisional acceptance certificate and also won the "SINOMACH Quality Award". For the TENAGA wind power project in Pakistan, which is the Company's first overseas wind power EPC project, the Company strictly controlled the quality and proactively fulfilled its social responsibilities, and was thus highly rated by all walks of life.

In respect of project implementation, a number of the Company's projects made good progress thus attracting a lot of attention. For example, Bafoussam Stadium and Limbe Stadium in Cameroon were inspected by the Confederation of African Football in April 2016 and passed acceptance test. Some other projects including SOYO phase I project in Angola and Pakistan Thar coal-fired power project made smooth progress.

As at December 31, 2016, we undertook engineering contracting projects in more than 48 countries and regions over the world, with a primary focus in Asia and Africa. There were a number of successfully completed projects and ongoing projects in South America and Europe. The following map indicates the locations of our engineering contracting projects from 2009 to 2016.

1. 項目執行整體良好

2016年，公司在執行項目共43個，項目執行情況總體平穩，未發生重大安全事故，注重履行社會責任，大幅提升品牌美譽度和知名度。

在完工項目方面，委內瑞拉中央電廠6號發電機組項目提前83天完成可靠性運行測試，有效緩解了委內瑞拉缺電限電的現狀，順利取得臨時驗收證明，還榮獲「國機質量獎」。巴基斯坦迪拿戈風電項目是公司在海外承攬的第一個風力發電EPC總承包項目，該項目嚴控質量，積極履行社會責任，獲得各界高度好評。

在執行項目方面，公司有一批項目受到高度關注並取得良好進展。例如，喀麥隆巴富薩姆和林貝體育場項目，於去年4月迎來非洲足聯的考察並通過驗收。其他一些項目如安哥拉索約I期項目、巴基斯坦塔爾煤電項目等均進展順利。

於2016年12月31日，我們的工程承包項目遍及全球48餘個國家和地區，主要分佈在亞洲及非洲，南美洲和歐洲也有諸多成功的完工和在建項目。以下地圖顯示我們自2009年至2016年的工程承包項目之位置。

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： 此地圖僅供説明用途，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, 2016:

下表載列截至2016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：

		2016 2016年 *RMB million* *人民幣百萬元*	% of Total 總額的%
Asia	亞洲	**5,695.5**	**46.0%**
South America	南美洲	**2,075.8**	**16.8%**
North America	北美洲	**51.9**	**0.4%**
Africa	非洲	**3,492.8**	**28.2%**
Europe	歐洲	**1,069.1**	**8.6%**
Total	**總計**	**12,385.1**	**100.0%**

2. Excellent performance of market development

Breakthroughs in large projects. In 2016, our newly signed projects experienced a dramatic rise including several projects with a contract amount of over USD300 million, e.g. Nam Ou phase II transmission line project in Laos, the expansion and construction project of the gas turbine combination circulation power station in Basra, Iraq, and the Omar single circulation gas turbine power station project in Nigeria. The newly effective projects comprised primarily South Nunn power transmission and distribution project in Laos, Gampaha, Attanagalla and Minuwangoda Integrated Water Supply Scheme in Sri Lanka, the expansion and construction project of the gas turbine combination circulation power station in Basra, Iraq, and the Lauca power transmission system project in Angola.

Progress in expansion into new markets. In Africa, the Company entered into a contract in respect of its first 400KV power transmission project in Kenya; in the Middle East, the Company entered into a contract in relation to the new football field project in Bat Yam, Tel Aviv, Israel.

Achievements in creating new fields. The Company constantly developed new segments within the power energy market that it is familiar with. In the field of wind power, the Company entered into a contract in respect of KIPETO wind power project in Kenya; in the field of solar power, the Company participated in the 1.5 MW solar power IPP project in Maldives, and entered into an implementation agreement and a power purchase agreement.

2. 市場開發佳績頻傳

大項目推進有突破。2016年，公司新簽約項目情況呈現強勁上升勢頭，新簽多個金額在3億美元以上的項目，如老撾烏江電站II期輸變電項目、伊拉克巴士拉燃機聯合循環電站擴建項目、尼日利亞奧瑪單循環燃機電站項目等；新生效項目主要有老撾南納恩輸變電項目、斯里蘭卡阿塔那水廠項目、伊拉克巴士拉燃機聯合循環電站擴建項目、安哥拉拉烏卡輸電系統項目等。

新市場開拓有進展。在非洲，簽署了在肯尼亞的第一個400千伏輸變電項目；在中東，簽署了以色列特拉維夫巴特亞姆市新足球場項目。

新領域開拓有建樹。公司在熟悉的電力能源市場不斷開拓細分領域。在風電領域，簽署了肯尼亞KIPETO風電項目；在太陽能領域，參與了馬爾代夫1.5兆瓦太陽能IPP項目，已簽訂執行協議、購電協議。

3. Continuous innovation in investment and financing models

Investment-driven EPC models achieved substantial breakthroughs. The Thar coal-electric project in Pakistan was officially implemented.

Financing channels and models were continuously widened and financing means experienced continuous innovation. While consolidating the export buyer's credit business, the Company restarted the export seller's credit business, and studied and designed seller's credit project re-financing scheme to solve the possible risks in terms of exchange rate, interest rate and collection of foreign currency in the seller's credit business. At present, the Company is proactively promoting the implementation of its first seller's credit re-financing project.

4. Continuous intensification of international cooperation

The Company continued to intensify the strategic cooperation with domestic and overseas leading enterprises including GE and Siemens, and further consolidated the collaboration and cooperation between enterprises in terms of industry consolidation, market development and information exchange. In addition, the Company optimised the cooperation mode and process to give full play to the advantages of all parties to achieve a win-win situation.

3. 投融資模式持續創新

投資拉動EPC模式取得實質性突破，巴基斯坦塔爾煤電項目已正式落地執行。

融資渠道和模式不斷拓寬，融資手段持續創新。在穩固發展出口買方信貸業務的同時，重啟出口賣方信貸業務，並研究設計賣貸項目再融資方案來解決賣貸業務可能產生的匯率、利率以及首個收匯等風險，目前正積極推動首個賣貸再融資項目的落地。

4. 國際合作不斷深化

公司不斷將與GE、西門子等國內外領先企業的戰略合作推向縱深，持續深化企業間在產業聯合、市場開拓和信息交流等方面的協作與配合，優化合作模式和流程，充分發揮各方優勢，實現雙贏局面。

In 2016, the Company entered into an agreement on strategic cooperation with GE, and established exclusive cooperation relationship with GE in relation to individual projects. At present, the Company has entered contracts for KIPETO wind power project in Kenya, Omar single circulation gas turbine power station project in Nigeria, etc. through the strategic cooperation with GE. Moreover, the Company has entered into a strategic agreement with WorleyParsons, an international renowned design consulting company.

2016年，公司與GE續簽了戰略合作協議，並在個別項目上與GE建立排他合作關係，目前，公司已通過與GE的戰略合作，成功簽約肯尼亞KIPETO風電項目、尼日利亞奧瑪單循環燃機電站等項目。此外，還與國際知名設計諮詢公司－沃利帕森簽署了戰略協議。

5. Deepening of Regionalization cum Localization

In respect of regionalization, the Company adopted "special zone management" for companies in such two regions as Singapore and Dubai, which were allowed to conduct and test in advance, and offered support in terms of finance, investment and financing, etc. to fully accelerate the regionalization cum localization of the engineering contracting business.

In respect of localization, the Company has made a big leap in terms of site in situ design, local procurement, cooperation with local enterprises, etc. in Belarus, Serbia, Angola and other markets.

5. 區域化、屬地化程度持續加深

區域化方面，公司對新加坡、迪拜兩個區域公司採取「特區式管理」，允許先行先試，並在財務、投融資等方面給予支持，全力加速工程承包業務的區域化和屬地化進程。

屬地化方面，白俄羅斯、塞爾維亞、安哥拉等市場已在現場就地設計、就地採購、與本地企業合作等方面向前邁出一大步。

6. Major improvement in management of critical junctures along the industrial chain

In respect of construction supervision capacity, the Company's own construction supervision capacity has been constantly reinforced. The business participation and integration of Beijing Scientech International Project Management Co., Ltd.* (北京興電國際工程管理有限公司) and Harbin Power System Engineering and Research Institute Co., Ltd.* (哈爾濱電站設備成套設計研究所有限公司) ("**HPI**"), which are managed by the Company under custodianship, with the Company were further promoted. The construction supervision work system has been preliminarily formed.

6. 產業鏈關鍵節點管理能力有力提升

在監理建造能力方面，公司自有監理監造能力不斷加強，北京興電國際工程管理有限公司和哈爾濱電站設備成套設計研究所有限公司(「**哈成套**」)在受公司托管的帶領下與公司業務的參與和融合度進一步提高，監理監造工作體系初步形成。

In respect of centralized procurement management, the procurement management platform has been put into operation and has covered all the projects under construction and newly signed projects, providing powerful guarantee for the efficiency and compliance of procurement management.

在集中採購管理方面，採購管理平台已經投運，現已覆蓋公司全部在執行項目和新簽約項目，有力保障了採購管理的高效合規。

In respect of after-sales services, the Company vigorously built its power station operation and maintenance capacity. The establishment of the power station after-sales services and remote diagnosis capacity backed by HPI made continuous advancement.

在售後服務方面，著力構建自有電站運維能力，以哈成套為基礎的電站售後服務及遠程診斷能力建設也在持續推進中。

The following table sets forth the operational details of the International Engineering Contracting Business for the year ended December 31, 2016 and the comparative figures for the year ended December 31, 2015:

下表載列截至2016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2015年12月31日止年度的比較數字：

Unit: US$ million
單位：百萬美元

				2016	% of Total	2015	Year-on-year Growth/ (Decline)
				2016年	**總額的%**	2015年	按年增長／(減少)
Amount of newly effective contracts	**新生效合同金額**	Power	電力能源	**2,350.0**	**68.0%**	2,144.8	9.6%
		Transportation and Telecommunications	交通運輸及電子通訊	**233.1**	**6.8%**	25.8	803.5%
		Non-Core Sectors	非核心行業	**870.3**	**25.2%**	1,010.5	-13.9%
		Total	**總計**	**3,453.4**	**100.0%**	3,181.1	8.6%

Unit: US$ million
單位：百萬美元

				As at December 31, 2016 於2016年12月31日	% of Total 總額的%	As at December 31, 2015 於2015年12月31日	Increase/ (Decrease) 增長／(減少)
Backlog	**未完成合同量**	Power	電力能源	**6,095.4**	**68.4%**	4,743.5	28.5%
		Transportation and Telecommunications*	交通運輸及電子通訊*	**774.1**	**8.7%**	1,194.1	-35.2%
		Non-Core Sectors	非核心行業	**2,045.9**	**22.9%**	1,603.4	27.6%
		Total	**總計**	**8,915.4**	**100.0%**	7,541.0	18.2%
Signed contracts pending to be effective	**已簽約待生效合同**	Power	電力能源	**6,980.2**	**45.9%**	7,494.4	-6.9%
		Transportation and Telecommunications	交通運輸及電子通訊	**2,611.0**	**17.2%**	1,049.0	148.9%
		Non-Core Sectors	非核心行業	**5,605.6**	**36.9%**	3,647.5	53.7%
		Total	**總計**	**15,196.8**	**100.0%**	12,190.9	24.7%

* 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。

B. Trading Business

In 2016, the Trading Business continued to increase the transformation and upgrading efforts on the basis of integration and transformation in the past and under the direction of solidifying business model and enhancing profitability, to continuously promote the reform of the modularized management system; actively explore cross-border e-commerce and other new business model; to push forward the industrialization of investment, continuously improve the one-stop integrated service capabilities, and actively shift to an integrated service provider; to further deepen the cooperation with local governments; and to enhance brand building efforts; and to consolidate cooperation with other business segments of SINOMACH and the Company, and strictly control risks while developing our business, which have achieved results.

The following table sets forth the details of the Trading Business for the year ended December 31, 2016 and the comparative figures for the year ended December 31, 2015:

B. 貿易業務

2016年，貿易業務在過去整合與轉型的基礎上，以固化經營模式，提升盈利能力為方向，繼續加大轉型升級力度，持續推進板塊化管理體系改革；積極進行跨境電商等新業務模式探索；穩妥推進實業化投資，不斷提高一站式綜合服務能力，積極向綜合服務商轉變；繼續深化與地方政府合作；加大品牌建設力度；以及加大國機與本公司其他業務板塊的合作，在積極發展業務的同時，嚴格把控風險，取得了一定效果。

下表載列截至2016年12月31日止年度貿易業務詳情連同截至2015年12月31日止年度的比較數字：

Unit: RMB million
單位：人民幣百萬元

				2016	% of Total	2015	Year-on-year Growth/ (Decline)
				2016年	**總額的%**	2015年	按年增長／(減少)
Revenue	收入	International trade	國際貿易	**4,878.3**	**66.7%**	6,890.2	-29.2%
		Domestic trade	國內貿易	**2,430.5**	**33.3%**	1,718.1	41.5%
		Total	**總計**	**7,308.8**	**100.0%**	8,608.3	-15.1%
Gross profit	毛利	International trade	國際貿易	**290.4**	**82.2%**	596.2	-51.3%
		Domestic trade	國內貿易	**62.7**	**17.8%**	48.6	29.0%
		Total	**總計**	**353.1**	**100.0%**	644.8	-45.2%

1. Steady development of core business

Under unfavorable market environment, the high-end castings and forgings, electrical, new energy, textile machinery parts and other core business of the trading segment of CMEC further clarified the direction for development and formulated an expansion model bearing their own characteristics.

Industrial investment was steadily moving forward. CMIPC Huajin Casting Co., Ltd.* (山西中設華晉鑄造有限公司) and CMIPC Jiangsu Precision Machinery Manufacturing Company* (中設裝備(江蘇)精工機械製造公司), in which CMIPC invested, are operating well. Also, CMIPC has established China Machinery Metal Jiangsu Co., Ltd.* (國機金屬江蘇有限公司) jointly with Chongqing Materials Research Institute Co., Ltd.* (重慶材料研究院有限公司) ("**Chongqing Research Institute**") and conducted cooperation with China National Erzhong Group Co.* (中國第二重型機械集團公司) in various businesses such as the Jiuyi electric shovel project. The work for which CMEC Engineering Machinery and Tianjin Chuandong Institute* (天津傳動研究院) under the SINOMACH Group jointly acquired Sanyuan Construction (Tianjin) Electric Co., Limited* (三源建築(天津)電氣有限公司) was orderly progressing.

2. Progress achieved on overseas regional business exploration

CMIPC was in the process of establishing an integrated regional center in Australia, which can directly sell to end users forging and casting goods thereby shortening the nodes of the supply chain.

1. 核心業務發展平穩

CMEC貿易板塊的高端鑄鍛件、電氣、新能源、紡機零部件等核心業務在行業環境不利的形勢下，進一步明確了發展方向並且形成了具有各自特色的發展模式。

實業化投資穩步向前。中設裝備投資的山西中設華晉鑄造有限公司和中設裝備(江蘇)精工機械製造公司運行良好；同時中設裝備與重慶材料研究院有限公司(「**重材院**」)合資成立了國機金屬江蘇有限公司及與中國第二重型機械集團公司在久益電鏟項目等多項業務上開展了合作。中設工程機械與國機集團下屬的天津傳動研究院共同出資收購三源建築(天津)電氣有限公司的工作也在有序推進中。

2. 海外區域化經營探索取得進展

中設裝備正在建設澳洲區域綜合中心，通過縮短供應鏈環節，直接為最終用戶提供鑄鍛件配件的銷售。

East Resources has many years of establishment in Thailand as the center of the Southeast Asia region, and has sound customer and social relations, which has initially formed a gradient development trend, and has actively explored property development projects in the Thai market.

東源在以泰國為中心的東南亞地區深耕多年，擁有良好的客戶及社會關係，初步形成了項目梯度開發態勢，積極探索在泰國市場開發房地產項目。

Core market development on the Caribbean Sea by CMEC International Trading has also made certain results. In particular, the tender of roof photovoltaic power station projects in respect of the schools at Curacao has been awarded and the framework agreement has been signed in relation to materials supply from Curacao.

中設國貿的加勒比海核心市場開發也取得了一定的效果。其中，庫拉索學校屋頂光伏電站項目已中標並簽約，庫拉索建材供貨項目已簽訂框架協議。

3. Increasingly pragmatic cooperation with the government

3. 政府合作趨向務實

The Company continued to deepen cooperation with the local governments of Yinchuan and Zhumadian and has set up a trade value-adding service platform to achieve CMEC localized "one-stop" trade value-adding services through the provision of supply chain trading services and financing services.

公司不斷深化與銀川、駐馬店等地方政府的合作，搭建了貿易增值服務平台，通過提供供應鏈貿易服務與融資服務，從而實現CMEC屬地化「一站式」貿易增值服務。

C. Services Business

C. 服務業務

In 2016, the Company's tendering business and exhibition business under our Services Business have been actively looking for new growth points and achieved stable development. The tendering business witnessed an explosive growth as compared with last year with the commission rate and tendering amount up by 469% and 390% year on year. The exhibition business kept expanding the service market and has been seeking to achieve personalized and value-adding services and building quality projects closely adhering to such business objectives, which has maintained leading position in the industry.

2016年，公司服務業務中的招標業務、展覽業務積極尋找新的增長點，發展穩定。招標業務較上年有爆發式增長，委託金額同比增長469%，中標金額同比增長390%；展覽業務持續拓寬服務領域，不斷追求個性服務和增值服務，緊緊圍繞業務經營目標打造精品項目，繼續保持行業領先地位。

With respect to design consulting, the Company has established the design consulting management department in 2016 as the management department of our design consulting business, and has made great efforts in building the management structure, enhancing connection and cooperation with other business segments, promoting market coordination among enterprises within the segment and strengthening scientific research and technological innovation ability. As a result, the scale and profitability of our design consulting business achieved significant improvement.

設計諮詢方面，公司於2016年成立設計諮詢管理部，作為設計諮詢業務的歸口管理部門，並在搭建管理架構、加強與其他板塊的業務對接與合作、推進板塊內企業間的市場協作、強化科研與技術創新能力等方面做出諸多努力，設計諮詢業務的規模與盈利能力得到顯著提升。

1. Scientific and technological innovation capacity keep strengthening

In April 2016, China Machinery R&D set up a "Sponge City Technology Research Center", which has been approved as the "Integrated Technology of Sponge City Construction – Hunan Engineering Research Center" in September 2016. It is the first provincial engineering research center at the sponge city construction field in Hunan Province, laying a foundation for the Company to seize the initiative in research of the field. JiKan Research Institute has completed a number of national and provincial major special research projects, one of which has won the second prize of scientific and technological progress in Shaanxi Province, established China-Angola Geotechnical Science and Technology Cooperation Demonstration Base, and planned to set up underground space research institute, actively researched on integrated corridor and other underground projects. In addition, Zheng Jianguo, the chief engineer of JiKan Research Institute, was awarded the title of "National Engineering Survey and Design Master". At this point, four experts from Jikan Research Institute have been honored this title, ranking the forefront of similar units throughout the country.

1. 科技創新能力持續強化

2016年4月，中機院成立了「海綿城市技術研究中心」，並在2016年9月獲批成為「海綿城市建設集成技術湖南省工程研究中心」，這是湖南省首家在海綿城市建設領域的省級工程研究中心，為公司在該領域研究方面搶佔了先機、奠定了基礎。機勘院完成了多個國家及省級重大專項研究項目，其中一項獲得陝西省科技進步二等獎，建立了中國－安哥拉岩土工程科技合作示範基地，並籌劃成立地下空間研究院，積極研究綜合管廊等地下工程項目。此外，機勘院鄭建國總工程師榮膺「全國工程勘察設計大師」稱號，至此，機勘院已有四位專家獲此殊榮，居全國同類單位前列。

2. The support from the Company's core business has improved

In 2016, China Machinery R&D provided nearly 50 pre-technical advisory services to the Company, including domestic and foreign technology and business visits, technical program preparation, tender offer, technical review etc. In respect of the provision of on-site technical support services, it provided permanent on-site technical services for our Puttalam coal power project in Sri Lanka and other projects. Jikan Research Institute concentrated on the technical support of the overseas business of the Company and provided professional and permanent on-site technical services for the construction work of the pile foundation of our Soyo power station project in Angola and Thar coal-electric integration project in Pakistan. Besides, with the support of its oversea offices, it constantly increased the cooperation with the Company and other engineering contracting enterprises.

2. 對公司核心業務的支撐作用有所提升

2016年，中機院為公司提供前期技術諮詢服務近50項，包括國內外技術和商務考察、技術方案編製、投標報價、技術評審等；在提供現場技術支持服務方面，為公司斯里蘭卡普特拉姆燃煤電站等項目提供常駐現場技術服務。機勘院集中優勢力量做好公司海外業務的技術支撐，為安哥拉索約電站、巴基斯坦塔爾煤電等項目的樁基施工提供了專業化和常駐現場的技術服務，並以海外辦事處為支點，不斷加大與公司及其他工程承包企業的合作。

The following table sets forth the details of the Services Business for the year ended December 31, 2016 and the comparative figures for the year ended December 31, 2015:

下表載列截至2016年12月31日止年度服務業務詳情連同截至2015年12月31日止年度的比較數字：

Unit: RMB million
單位：人民幣百萬元

				2016 2016年	% of Total 總額的%	2015 2015年	Year-on-year Growth/ (Decline) 按年增長／(減少)
Revenue	收入	Design consulting services	設計諮詢服務	**461.4**	**34.9%**	266.1	73.4%
		Logistics services	物流服務	**213.7**	**16.2%**	369.1	-42.1%
		Exhibition services	展覽服務	**197.2**	**14.9%**	244.4	-19.3%
		Export-import agency services	進出口代理服務	**32.4**	**2.4%**	58.2	-44.3%
		Tendering agency services	招標代理服務	**33.2**	**2.5%**	12.2	172.1%
		Others	其他	**385.4**	**29.1%**	524.5	-26.5%
		Total	**總計**	**1,323.3**	**100.0%**	1,474.5	-10.3%
Gross profit	毛利	Design consulting services	設計諮詢服務	**134.5**	**35.4%**	119.6	12.5%
		Logistics services	物流服務	**126.0**	**33.2%**	193.3	-34.8%
		Exhibition services	展覽服務	**32.4**	**8.5%**	41.8	-22.5%
		Export-import agency services	進出口代理服務	**30.7**	**8.1%**	54.8	-44.0%
		Tendering agency services	招標代理服務	**10.1**	**2.7%**	3.8	165.8%
		Others	其他	**46.0**	**12.1%**	99.7	-53.9%
		Total	**總計**	**379.7**	**100.0%**	513.0	-26.0%

D. Important Events

1. Completion of the acquisition of CNCEC

On February 5, 2016, the Company and SINOMACH entered into an acquisition agreement, pursuant to which the Company agreed to acquire the entire equity interests in CNCEC for an aggregate consideration of RMB532,678,100. The acquisition was completed in May 2016. The acquisition demonstrates SINOMACH's strict adherence to its non-competition undertakings, and enables the Company to better utilize relevant business integration to strengthen the competitiveness of its core businesses, optimize resource allocation and further consolidate the position of the Company as SINOMACH's flagship enterprise in conducting international engineering contracting business. The acquisition has expanded the scale of the International Engineering Contracting Business, developed into the business of distinctive agricultural segment and expanded the Company's business frontier around the world. For further details, please refer to the Company's announcements published on February 5 and May 23, 2016 on the respective websites of the Stock Exchange and the Company.

D. 重要事件

1. 完成中成套的收購

於2016年2月5日，本公司與國機訂立收購協議，據此，本公司同意收購中成套全部股權，總代價為人民幣532,678,100元。收購事項於2016年5月完成。收購事項是國機恪守其避免同業競爭的體現，並使得本公司更好地利用有關業務整合提升我們核心業務的競爭力，優化資源配置，進一步鞏固本公司作為國機旗下國際工程承包旗艦企業的地位，為本公司擴大了國際工程承包業務領域，開拓了獨具特色的農業板塊業務，拓寬本公司在全球的業務版圖。有關進一步詳情，請參閱本公司於2016年2月5日及5月23日分別於聯交所及本公司網站刊發的公告。

2. Investment in relation to the Formation of Zhongzhe High-speed Railway Bearing Co., Ltd.* (中浙高鐵軸承有限公司) ("Zhongzhe Bearing")

On October 26, 2016, the Company, Luoyang Bearing Science & Technology Co., Ltd, Guangming Railroad Holdings Co., Ltd. and CRRC Equity Investment Co., Ltd.* (中車股權投資有限公司) entered into an investment agreement for the establishment of Zhongzhe Bearing. Zhongzhe Bearing had a total registered capital of RMB250,000,000. The Company made a capital contribution of RMB25,000,000 and held 10% of the equity interest of Zhongzhe Bearing. The formation of Zhongzhe Bearing would enable each joint venture partner to synchronise their respective research and development capabilities, manufacturing technologies, resources and sales channels in the development, manufacturing and sales of railway bearings, and would allow the Company to further increase its market share in developing and manufacturing high-end forging and casting products, especially those related to high-speed railway and urban rail transit. The formation of Zhongzhe Bearing was in furtherance of the Company's strategy to improve its industrial supply chain and strengthen the Group's overall competitiveness. For further details, please refer to the Company's announcement published on October 26, 2016 on the respective websites of the Stock Exchange and the Company.

2. 投資參股成立中浙高鐵軸承有限公司(「中浙軸承」)

於2016年10月26日，本公司、洛陽軸研科技股份有限公司、光明鐵道控股有限公司及中車股權投資有限公司就共同出資成立中浙軸承訂立出資協議書。中浙軸承之總註冊資本為人民幣250,000,000元，本公司出資人民幣25,000,000元，持有中浙軸承的10%的股權。成立中浙軸承將使各合營夥伴整合各自之研發能力、製造技術、資源及銷售渠道以開發、製造及銷售鐵路軸承，並將使本公司得以進一步增加其在開發及生產高端鍛造產品方面之市場份額，尤其是與高鐵及城軌交通有關之該等產品。成立中浙軸承乃進一步踐行本公司策略以改善其行業供應鏈及鞏固本集團之整體競爭力。有關進一步詳情，請參閱本公司於2016年10月26日分別於聯交所及本公司網站刊發的公告。

3. Investment in relation to the Formation of China Machinery Metal Jiangsu Co., Ltd.* (國機金屬江蘇有限公司) ("CMMC")

On November 30, 2016, CMIPC, Chongqing Research Institute and Jiangyin Nangong Forging Co., Ltd. entered into a shareholders' agreement and formulated the articles of association for the establishment of a new joint venture company, CMMC. CMMC has a total registered capital of RMB100,000,000. The Company will make a capital contribution of RMB25,000,000 and hold 25% of the equity interest of CMMC. The formation of CMMC is in furtherance of the Company's strategy to improve its industrial supply chain and strengthen the Group's overall competitiveness in the market of developing and producing high-end casting and forging products and will further expand CMIPC's product range from forging and casting goods for traditional mining machinery and engineering machinery classes to forging and casting goods for plant equipment, energy and offshore oil and gas equipment. For further details, please refer to the Company's announcement published on November 30, 2016 on the respective websites of the Stock Exchange and the Company.

3. 投資參股成立國機金屬江蘇有限公司(「國機金屬」)

於2016年11月30日，中設裝備、重材院及江陰南工鍛造有限公司訂立股權合作協議及編製組織章程細則，合資成立新合營公司國機金屬。國機金屬的總註冊資本應為人民幣100,000,000元，本公司應出資人民幣25,000,000元，持有國機金屬25%的股權。成立國機金屬旨在促進本公司銳意改善其工業供應鏈以及加強本集團在開發及生產高端鑄鍛件產品市場的整體競爭力，並將進一步擴充中設裝備的產品範圍，從傳統的礦山機械、工程機械類鑄鍛件產品，進一步向電站設備、能源、海洋油氣裝備類鑄鍛件產品延伸。有關進一步詳情，請參閱本公司於2016年11月30日分別於聯交所及本公司網站刊發的公告。

4. Disposal of CMEC International Exhibition Co., Ltd. ("CMEC Expo") and investment in SINOMACHINT

On December 14, 2016, the Company, SINOMACH, CNMTC, Sinomach Capital Holdings Ltd. and SINOMACHINT entered into a share subscription agreement, pursuant to which, the Company agreed to transfer all its equity interest in CMEC Expo to SINOMACHINT as capital contributions of RMB73,682,200 made by the Company to SINOMACHINT. Upon completion of the transaction, the Company held approximately 19.29% of the total equity interest of SINOMACHINT, and CMEC Expo ceased to be a subsidiary of the Company. The transaction was completed in January 2017.

The reorganization of SINOMACHINT was a strategic step to consolidate and integrate the diversified exhibition resources and talents of SINOMACH into one platform, namely SINOMACHINT. By virtue of the integrated exhibition resources and talents, SINOMACHINT was able to acquire other companies in the exhibition services industry and further increase its market shares in domestic and international exhibition market. On the other hand, the Company mainly focused on the International Engineering Contracting Business and the Trading Business, while the exhibition services conducted by CMEC Expo only formed a small part of the Group's businesses. Through the restructuring of CMEC Expo and its incorporation into SINOMACHINT in exchange for the equity interest of SINOMACHINT, the Company would be able to concentrate the resources on the further development of its core business, as well as improve its operational efficiency and receive dividends and investment returns from SINOMACHINT. For further details, please refer to the Company's announcement published on the respective website of the Stock Exchange and the website of the Company on December 14, 2016.

4. 出售西麥克國際展覽有限責任公司(「西麥克展覽」)及入股SINOMACHINT

於2016年12月14日，本公司、國機、中國機床、國機資本控股有限公司以及SINOMACHINT訂立股權認股協議，本公司同意將其於西麥克展覽的全部股本權益轉讓予SINOMACHINT，作為本公司注資SINOMACHINT股本人民幣73,682,200元，於交易完成後，本公司持有SINOMACHINT全部股本權益約19.29%，而西麥克展覽不再為本公司之附屬公司。交易於2017年1月完成。

SINOMACHINT之重組乃將國機內分散的展覽資源及人才鞏固和整合至一個平台(即SINOMACHINT)之戰略性步驟。憑借整合後的展覽資源及人才，SINOMACHINT能夠收購展覽服務行業內的其他公司，並進一步擴展其在國內及國際展覽市場之市場份額。另一方面，本公司主要專注於國際工程承包業務及貿易業務，而西麥克展覽所進行的展覽服務只構成本集團業務的小部份。透過重組西麥克展覽並併入SINOMACHINT以換取SINOMACHINT的股本權益，本公司將能夠集中資源進一步發展其核心業務，同時可提升營運效率並收取SINOMACHINT之股息及取得其投資回報。有關進一步詳情，請參閱本公司於2016年12月14日分別於聯交所及本公司網站刊發的公告。

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 annual report and other sections therein.

1. Overview

The Group's profitability dropped slightly in 2016. Profit before taxation decreased by 7.1% to RMB2,783.9 million in 2016 compared to RMB2,996.9 million in 2015.

2. Revenue

The Group generated its revenue from the International Engineering Contracting Business, Trading Business and Services Business. The Group's revenue dropped by 12% to RMB21,017.2 million in 2016 compared to RMB24,056.3 million in 2015.

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

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年報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2016年略有下降。2016年除税前溢利為人民幣2,783.9百萬元，較2015年的人民幣2,996.9百萬元減少7.1%。

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。2016年，本集團的收入為人民幣21,017.2百萬元，較2015年的人民幣24,056.3百萬元降低12%。

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			
		2016 2016年		2015 2015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	**7,290.2**	**34.7%**	7,261.7	30.2%
Transportation and Telecommunications	交通運輸及電子通訊	**1,267.0**	**6.0%**	3,850.2	16.0%
Non-Core Sectors	非核心行業	**3,827.9**	**18.2%**	2,861.6	11.9%
Trading Business	**貿易業務**				
International trade	國際貿易	**4,878.3**	**23.2%**	6,890.2	28.7%
Domestic trade	國內貿易	**2,430.5**	**11.6%**	1,718.1	7.1%
Services Business	**服務業務**	**1,323.3**	**6.3%**	1,474.5	6.1%
Total	**總計**	**21,017.2**	**100.0%**	24,056.3	100.0%

1) International Engineering Contracting Business

The Group's revenue generated from the International Engineering Contracting Business decreased by 11.4% to RMB12,385.1 million in 2016 compared to RMB13,973.5 million in 2015, primarily due to the decrease in the revenue generated from the transportation and telecommunications sector.

The revenue generated from the power sector increased by 0.4% to RMB7,290.2 million in 2016 as compared to RMB7,261.7 million in 2015, and remained stable compared with 2015.

The revenue generated from the transportation and telecommunications sector decreased by 67.1% to RMB1,267.0 million in 2016 as compared to RMB3,850.2 million in 2015, primarily due to the delay in the progress of the railway rehabilitation project in South America in the first half of 2016 under the impact of the local government transitioning, resulting in the decrease in revenue as compared with that in 2015.

The revenue generated from the Non-Core Sectors increased by 33.8% to RMB3,827.9 million in 2016 as compared to RMB2,861.6 million in 2015, primarily due to the significant progress of the water plant and house construction projects in Africa and Asia in 2016 with higher revenue as compared with that in 2015.

1) 國際工程承包業務

2016年，本集團的國際工程承包業務收入為人民幣12,385.1百萬元，而2015年則為人民幣13,973.5百萬元，降幅為11.4%，主要由於交通運輸及電子通訊行業收入有一定幅度下降。

2016年電力能源行業收入為人民幣7,290.2百萬元，比2015年人民幣7,261.7百萬元上升0.4%，與2015年相比基本持平。

2016年交通運輸及電子通訊行業收入為人民幣1,267.0百萬元，比2015年人民幣3,850.2百萬元下降67.1%，主要由於南美洲的鐵路改造項目於2016年上半年受當地政府換屆影響，項目進展出現一定拖延，相比2015年取得收入較少。

2016年非核心行業收入為人民幣3,827.9百萬元，比2015年人民幣2,861.6百萬元增加33.8%，主要由於非洲和亞洲的水廠及房屋建設項目於2016年取得較大進展，相比2015年取得收入較多。

2) Trading Business

The Group's revenue generated from the Trading Business decreased by 15.1% to RMB7,308.8 million in 2016 compared to RMB8,608.3 million in 2015, primarily due to the decrease in the revenue from international trade.

The revenue generated from international trade decreased by 29.2% to RMB4,878.3 million in 2016 as compared to RMB6,890.2 million in 2015, primarily due to the substantial decrease in grain re-export business in Europe in 2016 as compared with the large trading volume of the same in 2015.

The revenue generated from domestic trade increased by 41.5% to RMB2,430.5 million in 2016 as compared to RMB1,718.1 million in 2015, primarily due to the increase in the business volume of the procurement of solar energy components.

3) Services Business

The Group's revenue generated from the Services Business decreased by 10.3% to RMB1,323.3 million in 2016 compared to RMB1,474.5 million in 2015, primarily due to the decrease in external orders of solar energy components processing and logistics business.

2) 貿易業務

2016年，本集團的貿易業務收入為人民幣7,308.8百萬元，而2015年則為人民幣8,608.3百萬元，降幅為15.1%，主要由於國際貿易收入有所減少。

2016年，國際貿易收入為人民幣4,878.3百萬元，比2015年人民幣6,890.2百萬元減少29.2%，主要原因是2015年貿易量較大的，位於歐洲的糧食轉口業務2016年出現較大幅度減少。

2016年，國內貿易收入為人民幣2,430.5百萬元，比2015年人民幣1,718.1百萬元增加41.5%，主要由於太陽能組件供貨業務量的增加。

3) 服務業務

2016年，本集團的服務業務收入為人民幣1,323.3百萬元，而2015年則為人民幣1,474.5百萬元，降幅為10.3%，主要由於太陽能組件加工裝配服務以及物流業務的外部訂單量下降的影響。

3. Cost of sales

The Group's cost of sales decreased by 14.1% to RMB17,473.0 million in 2016 compared to RMB20,329.4 million in 2015, primarily due to the decrease in the business volume of the International Engineering Contracting Business and the Trading Business, as well as the decrease in both revenues and costs from the relevant sectors.

3. 銷售成本

2016年，本集團的銷售成本為人民幣17,473.0百萬元，而2015年則為人民幣20,329.4百萬元，降幅為14.1%，主要是由於國際工程承包業務以及貿易業務的業務量下降，相關板塊業務收入成本均有所降低。

4. Gross profit and gross profit margin

(i) Gross profit of the Group in 2016 consists of the followings:

4. 毛利及毛利率

(i) 2016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			
		2016 2016年		2015 2015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	**1,781.1**	**50.2%**	1,746.0	46.8%
Transportation and Telecommunications	交通運輸及電子通訊	**272.1**	**7.7%**	613.5	16.5%
Non-Core Sectors	非核心行業	**758.2**	**21.4%**	209.5	5.6%
Trading Business	**貿易業務**				
International trade	國際貿易	**290.4**	**8.2%**	596.2	16.0%
Domestic trade	國內貿易	**62.7**	**1.8%**	48.6	1.3%
Services Business	**服務業務**	**379.7**	**10.7%**	513.0	13.8%
Total	**總計**	**3,544.2**	**100.0%**	3,726.8	100.0%

(ii) Gross profit margins of the Group in 2016 are set out below:

(ii) 2016年本集團毛利率載於下表：

		Year ended December 31, 截至12月31日止年度	
		2016 2016年	2015 2015年
		(%)	*(%)*
International Engineering Contracting Business	**國際工程承包業務**	**22.7%**	18.4%
Power	電力能源	**24.4%**	24.0%
Transportation and Telecommunications	交通運輸及電子通訊	**21.5%**	15.9%
Non-Core Sectors	非核心行業	**19.8%**	7.3%
Trading Business	**貿易業務**	**4.8%**	7.5%
International trade	國際貿易	**6.0%**	8.7%
Domestic trade	國內貿易	**2.6%**	2.8%
Services Business	**服務業務**	**28.7%**	34.8%
Total	**總計**	**16.9%**	15.5%

The Group's gross profit decreased by 4.9% to RMB3,544.2 million in 2016 compared to RMB3,726.8 million in 2015. This decrease is mainly attributable to the decrease in the gross profit of the transportation and telecommunications sector.

2016年，本集團的毛利為人民幣3,544.2百萬元，而2015年則為人民幣3,726.8百萬元，降幅為4.9%。此降幅主要由於交通運輸及電子通訊行業的毛利減少。

1) International Engineering Contracting Business

(a) Gross Profit

The gross profit generated from the International Engineering Contracting Business increased by 9.4% to RMB2,811.4 million in 2016 as compared to RMB2,569.0 million in 2015, primarily due to the increase in gross profit from the Non-Core Sectors.

The gross profit generated from the power sector increased by 2.0% to RMB1,781.1 million in 2016 as compared to RMB1,746.0 million in 2015, which remained stable compared with the same period in 2015.

The gross profit generated from the transportation and telecommunications sector decreased by 55.6% to RMB272.1 million in 2016 as compared to RMB613.5 million in 2015, primarily due to the decrease in the revenue as compared to that in 2015 as the railway rehabilitation project in South America was affected by the local government transitioning in the first half of 2016.

The gross profit generated from the Non-Core Sectors increased by 261.9% to RMB758.2 million in 2016 as compared to RMB209.5 million in 2015, primarily due to the significant progress of the water plant and house construction projects in Africa and Asia with higher revenue in 2016.

1) 國際工程承包業務

(a) 毛利

2016年，國際工程承包業務毛利為人民幣2,811.4百萬元，而2015年則為人民幣2,569.0百萬元，增加9.4%，主要是由於非核心業務毛利增加。

2016年，電力能源行業毛利為人民幣1,781.1百萬元，而2015年為人民幣1,746.0百萬元，增加2.0%，與上年同期基本持平。

2016年，交通運輸及電子通訊行業毛利為人民幣272.1百萬元，而2015年為人民幣613.5百萬元，減少55.6%，主要由於南美洲鐵路改造項目於2016年上半年受當地政府換屆影響，相比2015年取得收入較少。

2016年，非核心行業毛利為人民幣758.2百萬元，比2015年的人民幣209.5百萬元增加261.9%，主要由於非洲和亞洲的水廠及房屋建設項目於2016年取得較大進展。

(b) Gross Profit Margin

The gross profit margin generated from the International Engineering Contracting Business slightly increased to 22.7% in 2016 as compared to 18.4% in 2015, primarily due to the increase in the gross profit margin from the transportation and telecommunications sector and Non-Core Sectors.

The gross profit margin generated from the power sector was 24.4% in 2016 as compared to 24.0% in 2015, which remained relatively stable.

The gross profit margin generated from the transportation and telecommunications sector increased to 21.5% in 2016 as compared to 15.9% in 2015, primarily due to the high gross profit margin from the expressway and telecommunications expansion projects in Africa.

The gross profit margin generated from the Non-Core Sectors increased to 19.8% in 2016 as compared to 7.3% in 2015, primarily due to the high gross profit margin from the house construction projects in Africa which was completed in 2016.

(b) 毛利率

2016年，國際工程承包業務毛利率小幅上升至22.7%，而2015年則為18.4%，主要由於交通運輸及電子通訊行業以及非核心行業的毛利率上升。

2016年，電力能源行業毛利率為24.4%，2015年則為24.0%，維持相對穩定。

2016年，交通運輸及電子通訊行業毛利率增至21.5%，而2015年則為15.9%，主要由於位於非洲的高速公路和電子通訊擴建項目毛利率較高。

2016年，非核心行業毛利率升至19.8%，而2015年則為7.3%，主要由於2016年完工的非洲房屋建設項目毛利率較高。

2) Trading Business

(a) Gross Profit

The gross profit generated from the Trading Business decreased by 45.2% to RMB353.1 million in 2016 as compared to RMB644.8 million in 2015, primarily due to the decrease in gross profit from international trade.

The gross profit generated from international trade decreased by 51.3% to RMB290.4 million in 2016 as compared to RMB596.2 million in 2015, primarily due to the decrease in both the business volume and gross profit margin of the grain re-export business in Europe.

The gross profit generated from the domestic trading business increased by 29.0% to RMB62.7 million in 2016 as compared to RMB48.6 million in 2015, primarily due to the better economic outcomes received in from the business of the high-end casting and forgings.

(b) Gross Profit Margin

The gross profit margin generated from the Trading Business was 4.8% in 2016 as compared to 7.5% in 2015, primarily due to the decrease in gross profit margin from international trade.

The gross profit margin generated from the international trading business was 6.0% in 2016 as compared to 8.7% in 2015, primarily due to the substantial decrease in gross profit margin from the grain re-export business in Europe.

2) 貿易業務

(a) 毛利

2016年，貿易業務毛利為人民幣353.1百萬元，比2015年的人民幣644.8百萬元減少45.2%，主要由於國際貿易毛利有所減少。

2016年，國際貿易業務毛利為人民幣290.4百萬元，比2015年的人民幣596.2百萬元減少51.3%，主要由於歐洲糧食轉口業務量及毛利率同時降低。

2016年，國內貿易業務毛利為人民幣62.7百萬元，比2015年的人民幣48.6百萬元增加29.0%，主要是高端鑄鍛件業務取得較好的經濟效益。

(b) 毛利率

2016年，貿易業務毛利率為4.8%，而2015年則為7.5%，主要由於國際貿易毛利率降低。

2016年，國際貿易業務毛利率為6.0%，而2015年則為8.7%，主要由於歐洲糧食轉口業務毛利率降低較多。

The gross profit margin generated from the domestic trading business was 2.6% in 2016 as compared to 2.8% in 2015, which remained stable compared with that of 2015.

2016年，國內貿易業務毛利率為2.6%，2015年為2.8%，與2015年基本持平。

3) Services Business

(a) Gross Profit

The gross profit generated from the Services Business decreased by 26.0% to RMB379.7 million in 2016 as compared to RMB513.0 million in 2015, primarily due to the decrease in revenue from the logistics services business as compared with that for the same period in 2015.

3) 服務業務

(a) 毛利

2016年，服務業務毛利為人民幣379.7百萬元，比2015年的人民幣513.0百萬元減少26.0%，主要由於物流服務業務收入低於上年同期。

(b) Gross Profit Margin

The gross profit margin generated from the Services Business was 28.7% in 2016 as compared to 34.8% in 2015, primarily due to the decrease in the proportion of gross profit of logistics business and the decrease in gross profit margin from the design consulting services business in the year as compared with that in 2015.

(b) 毛利率

2016年，服務業務毛利率為28.7%，而2015年則為34.8%，主要由於本年度物流業務毛利所佔比重下降及設計諮詢服務業務毛利率低於上年。

5. Other revenue

The Group's other revenue amounted to RMB29.1 million in 2016 as compared to RMB14.9 million in 2015. This increase is mainly attributable to the increase in subsidy received by the Company.

5. 其他收入

2016年，本集團的其他收入為人民幣29.1百萬元，而2015年則為人民幣14.9百萬元，主要由於公司取得的補貼款增加。

6. Other income and expenses, net

The Group's other income and expenses, net amounted to RMB(14.2) million in 2016 as compared to income of RMB(21.2) million in 2015, mainly attributable to the increase in non-operating income.

6. 其他收支淨額

2016年，本集團的其他收支淨額為人民幣(14.2)百萬元，而2015年則為收入人民幣(21.2)百萬元，主要由於營業外收入增加。

7. Selling and marketing expenses

The Group's selling and marketing expenses increased to RMB1,103.9 million in 2016 as compared to RMB1,148.4 million in 2015, which remained relatively stable.

7. 銷售及市場營銷開支

2016年，本集團的銷售及市場營銷開支為人民幣1,103.9百萬元，而2015年則為人民幣1,148.4百萬元，與上年同期基本持平。

8. Administrative expenses

The Group's administrative expenses amounted to RMB725.4 million in 2016 as compared to RMB718.0 million in 2015, which remained relatively stable.

8. 行政開支

2016年，本集團的行政開支為人民幣725.4百萬元，而2015年則為人民幣718.0百萬元，與上年同期基本持平。

9. Other operating expenses

The Group's other operating expenses increased by 140.0% to RMB162.7 million in 2016 as compared to RMB67.8 million in 2015. This increase is mainly attributable to the increase in provision for impairment on receivables as compared to that in 2015.

9. 其他經營開支

2016年，本集團的其他經營開支為人民幣162.7百萬元，而2015年則為人民幣67.8百萬元，增幅為140.0%。此增幅主要由於應收賬款減值撥備較2015年增加。

10. Profit from operations

The Group's profit from operations decreased by 12.3% to RMB1,567.1 million in 2016 as compared to RMB1,786.4 million in 2015, primarily due to the decrease in gross profit and the increase in provision for assets impairment.

10. 經營溢利

2016年，本集團的經營溢利為人民幣1,567.1百萬元，而2015年則為人民幣1,786.4百萬元，降幅為12.3%。主要由於毛利減少及資產減值撥備增加。

11. Finance income/finance expenses

In 2016, the Group's finance income amounted to RMB1,248.7 million as compared to RMB1,263.5 million in 2015, which remained relatively stable.

In 2016, the Group's finance expenses amounted to RMB46.9 million as compared to RMB51.9 million in 2015, which represented a decrease as compared to the previous year.

Thus, in 2016, net finance income of the Group amounted to RMB1,201.8 million as compared to RMB1,211.7 million in 2015, which remained relatively stable.

12. Income tax

The Group's income tax decreased by 14.4% to RMB674.1 million in 2016 as compared to RMB787.9 million in 2015. This decrease was mainly due to the collective effects attributable to the decrease in the profit before tax, tax free income and assets impairment and etc..

13. Profit for the year

As a result of the foregoing, the Group's net profit for the year decreased by 4.5% to RMB2,109.8 million in 2016 as compared to RMB2,209.0 million in 2015 and its net profit margin was 10.0% in 2016 as compared to 9.2% in 2015.

11. 財務收入／財務開支

2016年，本集團的財務收入為人民幣1,248.7百萬元，而2015年則為人民幣1,263.5百萬元，與上年同期基本持平。

2016年，本集團的財務開支為人民幣46.9百萬元，而2015年則為人民幣51.9百萬元，與上年同期相比有所下降。

因此，2016年，本集團的財務收入淨額為人民幣1,201.8百萬元，2015年為財務淨收入人民幣1,211.7百萬元，與上年同期基本持平。

12. 所得税

2016年，本集團的所得税為人民幣674.1百萬元，而2015年則為人民幣787.9百萬元，降幅為14.4%。主要由於除税前溢利降低及免税收入及資產減值等因素的共同影響。

13. 年內溢利

由於上文所述，2016年，本集團的年內淨溢利為人民幣2,109.8百萬元，而2015年則為人民幣2,209.0百萬元，降幅為4.5%，其於2016年的淨溢利率為10.0%，而2015年則為9.2%。

14. Profit attributable to the Shareholders

The profit attributable to the Shareholders decreased by 4.5% to RMB2,106.5 million in 2016 compared to RMB2,204.8 million in 2015.

14. 歸屬於股東溢利

2016年，歸屬於股東溢利為人民幣2,106.5百萬元，而2015年則為人民幣2,204.8百萬元，降幅為4.5%。

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

The profit attributable to the holders of non-controlling interests of the Group decreased by 21.4% to RMB3.3 million in 2016 as compared to profit of RMB4.2 million in 2015.

15. 歸屬於非控股權益持有人溢利

2016年，歸屬於本集團非控股權益持有人溢利為人民幣3.3百萬元，而2015年則為溢利人民幣4.2百萬元，降幅為21.4%。

16. Liquidity and capital resources

As at December 31, 2016, the Group's cash and cash equivalents amounted to RMB19,541.9 million, compared to RMB21,032.9 million as at December 31, 2015, representing a decrease of 7.1%, primarily due to the increase of time deposits for more than 3 months and cash payment for acquiring CNCEC.

As at December 31, 2016, the Group's borrowings amounted to RMB1,046.4 million, compared to RMB940.2 million as at December 31, 2015, representing an increase of 11.3%. RMB576.7 million (including RMB101.8 million of long-term borrowings due within one year) was short-term borrowings and RMB469.7 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 0.05% to 6.76% per annum.

16. 流動資金及資本資源

於2016年12月31日，本集團持有現金及現金等價物為人民幣19,541.9百萬元，而於2015年12月31日則為人民幣21,032.9百萬元，降幅為7.1%，主要由於3個月以上定期存款增加及收購中成套支付現金。

於2016年12月31日，本集團借貸為人民幣1,046.4百萬元，而於2015年12月31日則為人民幣940.2百萬元，增幅為11.3%。短期借貸為人民幣576.7百萬元（含一年內到期的長期借貸人民幣101.8百萬元），長期借貸為人民幣469.7百萬元。

該等借貸均以人民幣、美元或日元計值並以每年利率0.05%至6.76%計息。

17. Capital expenditures

Our capital expenditures consisted primarily of the purchase of property, plant and equipment, intangible assets and land lease prepayments. In 2016, the Group's capital expenditure was RMB626.0 million, representing an increase of 24.0% as compared to RMB504.7 million in 2015, mainly due to satisfactory progress made in the construction of infrastructure projects which are fixed assets.

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。2016年，本集團的資本開支為人民幣626.0百萬元，而2015年則為人民幣504.7百萬元，增幅為24.0%，主要由於固定資產基建項目實施取得一定進展。

18. Gearing ratio

In 2016, the Group's gearing ratio (total borrowings divided by total assets) was 2.2%, representing an increase of 0.1% as compared to 2.1% in 2015, mainly due to the increase in short-term borrowings.

18. 槓桿比率

2016年，本集團的槓桿比率（借貸總額除以總資產）為2.2%，與2015年的2.1%相比增長0.1%，主要是由於短期借款的增加。

19. Major acquisition and disposals and significant investments

Please see the paragraphs headed "II. BUSINESS OVERVIEW – D. Important Events" on pages 40 to 43 of this annual report.

19. 重大收購及出售及重大投資

請參閱本年報第40至43頁「II.業務概覽－D. 重要事件」一段。

20. Contingent liabilities

We were involved in a number of legal proceedings and claims against either our Company or a subsidiary 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.

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. Event after reporting period

On March 28, 2017, the Board resolved that a final dividend of RMB0.2042 per share is to be distributed to the Shareholders, subject to approval of the Shareholders at the forthcoming annual general meeting. Such final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

In December 2016, the Company entered into a conditional equity subscription agreement to dispose of its entire equity interest in CMEC Expo to SINOMACHINT as consideration for the Company's equity investment of RMB73,682,200 into SINOMACHINT. Upon completion of all conditions of the equity subscription agreement, the Company shall own approximately 19.29% of the total equity interest in SINOMACHINT, and CMEC Expo shall no longer be a subsidiary of the Company. In January 2017, all conditions of the equity subscription agreement were completed.

21. 報告期後的事項

2017年3月28日，董事會決議向股東派發每股人民幣0.2042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。

於2016年12月，本公司達成有條件的股東認購協議約定將本公司持有的西麥克展覽全部股本權益轉讓予SINOMACHINT，作為對SINOMACHINT增資人民幣73,682,200元的注資，於該協議所有條件完成後，本公司將持有SINOMACHINT的全部股本權益的約19.29%，而西麥克展覽不再是本公司的子公司。於2017年1月，上述協定條件全部完成。

IV. LIQUIDITY

Our principal sources of funds have been cash generated from operations, various short-term and long-term bank borrowings and lines of credit, as well as equity contributions from Shareholders. Our liquidity requirements derive primarily from our working capital needs, purchases of fixed assets and the servicing of our indebtedness.

We have historically met our working capital and other liquidity requirements principally from cash generated from operations, while financing the remainder primarily through bank borrowings and proceeds from the Listing.

IV. 流動資金

我們的資金主要來自經營所產生的現金、各種短期及長期銀行借貸及信用額度以及股東注資。我們的流動資金需求主要來自營運資金的需要、購買固定資產及償還我們的債務。

一直以來，我們主要靠經營活動所得現金來滿足營運資金及其他流動資金需求，而剩餘金額主要通過銀行借貸和上市籌措。

1. Cash Flows

The following table sets forth a summary of our cash flows for the year ended December 31, 2016, with the comparing figures for the year ended December 31, 2015:

1. 現金流量

下表載列截至2016年12月31日止年度我們的現金流量概況，以及截至2015年12月31日止年度的比較數字：

		Year ended December 31, 截至12月31日止年度	
		2016	2015
		2016年	2015年
			(Restated)
			（重述）
		RMB million	RMB million
		人民幣百萬元	*人民幣百萬元*
Net cash generated from operating activities	經營活動產生的現金淨額	**2,176.8**	3,513.2
Net cash used in investing activities	投資活動所用的現金淨額	**(3,354.2)**	(735.9)
Net cash used in financing activities	融資活動所用的現金淨額	**(750.8)**	(763.3)
Net increase/decrease in cash and cash equivalents	現金及現金等價物增加／減少淨額	**(1,928.2)**	2,014.0
Cash and cash equivalents at beginning of year	年初的現金及現金等價物	**21,032.9**	18,806.8
Effect of foreign exchange rate changes, net	匯率變動的淨影響	**437.2**	212.1
Cash and cash equivalents at end of year	年末的現金及現金等價物	**19,541.9**	21,032.9

As at December 31, 2016, the Group's cash and cash equivalents amounted to RMB19,541.9 million, compared to RMB21,032.9 million as at December 31, 2015, representing a decrease of 7.1%. The main source of the Group's operating capital is the receipts from engineering projects.

於2016年12月31日，本集團持有現金及現金等價物為人民幣19,541.9百萬元，而於2015年12月31日則為人民幣21,032.9百萬元，降幅為7.1%。本集團的業務資金來源主要為工程項目收款。

2. Cash Flows from Operating Activities

For the year ended December 31, 2016, we had net cash generated from operating activities of RMB2,176.8 million. Net cash inflow generated from operating activities was mainly attributable to changes in working capital, which resulted in a cash inflow of RMB951.1 million in 2016. The changes in working capital mainly included (i) an increase in receipts in advance of RMB2,284.4 million, (ii) an increase in trade and other payables of RMB328.1 million, (iii) an increase in trade and other receivables of RMB217.2 million, and (iv) an increase in receivables for construction contracts of RMB1,374.0 million. In 2016, cash generated from profit from operations amounted to RMB1,997.1 million, cash inflow from changes in working capital was RMB951.1 million and income tax paid was RMB771.4 million, which resulted in net cash inflow generated from operating activities of RMB2,176.8 million.

2. 來自經營活動的現金流量

截至2016年12月31日止年度，我們經營活動產生的現金淨額為人民幣2,176.8百萬元。經營活動產生的現金淨流入主要原因是營運資金的變動影響，2016年營運資金變動致使現金流入人民幣951.1百萬元。營運資金變動主要包括(i)預收款項增加人民幣2,284.4百萬元、(ii)貿易及其他應付款項增加人民幣328.1百萬元、(iii)貿易及其他應收款項增加人民幣217.2百萬元及(iv)建造合同應收款項增加人民幣1,374.0百萬元。2016年經營溢利產生的現金為人民幣1,997.1百萬元，營運資金變動現金流入人民幣951.1百萬元，支付所得稅人民幣771.4百萬元，因此經營活動產生的現金淨流入為人民幣2,176.8百萬元。

3. Cash Flows from Investing Activities

For the year ended December 31, 2016, our net cash used in investing activities was RMB(3,354.2) million. Our cash outflow from investing activities mainly consisted of (i) net cash outflow from investments in time deposits with maturity of three months or longer of RMB1,906.9 million, (ii) payments for acquisition of property, plant and equipment of RMB568.8 million, (iii) payments for acquisition of a subsidiary under common control of RMB532.7 million, and (iv) payments for investment in an associate of RMB542.8 million.

3. 來自投資活動的現金流量

截至2016年12月31日止年度，我們投資活動所用的現金淨額為人民幣(3,354.2)百萬元。我們投資活動的現金流出主要包括(i)投資於三個月及以上定期存款現金淨流出1,906.9百萬元，(ii)支付收購物業、廠房及設備的款項人民幣568.8百萬元，(iii)取得同一控制下子公司支付人民幣532.7百萬元，(iv)投資於聯營公司支付人民幣542.8百萬元。

4. Cash Flows from Financing Activities

For the year ended December 31, 2016, our net cash used in financing activities was RMB(750.8) million. Our cash inflow from financing activities primarily consisted of proceeds from borrowings of RMB855.7 million. Such amount was partially offset by (i) repayment of borrowings from banks of RMB749.5 million and (ii) dividends paid to Shareholders of RMB820.6 million.

4. 來自融資活動的現金流量

截至2016年12月31日止年度，我們融資活動所用的現金淨額為人民幣(750.8)百萬元。我們融資活動的現金流入主要包括借貸所得款項人民幣855.7百萬元。部分該等金額已由(i)償還銀行借貸人民幣749.5百萬元及(ii)派付人民幣820.6百萬元股息予股東所抵銷。

5. Capital Expenditures and Capital Commitments

Our capital expenditures consisted primarily of the purchase of buildings, certain equipments, lease prepayments and intangible assets. In 2016, the Group's capital expenditure was RMB626.0 million, representing an increase of 24.0% as compared to RMB504.7 million in 2015, mainly due to satisfactory progress made in the construction of infrastructure projects of fixed assets.

Our capital commitments mainly include the value of contracts signed but not yet completed and the value of contracts not yet signed but the budget of which have been authorized. In 2016, the capital commitments of the Group was RMB987.9 million, representing a decrease of approximately 42.6% as compared with RMB1,721.5 million in 2015. It was mainly attributed to a greater investment made by the Company in investment projects and in the construction of infrastructure projects of fixed assets in this year.

5. 資本開支和資本承擔

我們的資本開支主要包括購買樓宇、特定設備、預付租賃款項及無形資產。2016年，本集團的資本開支為人民幣626.0百萬元，而2015年則為人民幣504.7百萬元，增幅為24.0%，主要由於固定資產基建項目實施取得一定進展。

我們的資本承擔主要包括在建工程項下已簽訂合同但尚未執行完的合同款項以及預算已批准但尚未簽訂合同的款項。2016年，本集團的資本承擔為人民幣987.9百萬元，較2015年的人民幣1,721.5百萬元減少約42.6%，主要由於本年度公司的投資項目及固定資產基建項目有較大投入。

6. Working Capital

(a) Trade and other receivables

Our trade and other receivables primarily consist of trade and bill receivables, advances to suppliers, other receivables related to agency services and amount due from or advances to fellow subsidiaries.

The following table sets forth the turnover days of the average trade receivables and the average trade payables of the Company for the years ended December 31, 2016 and 2015.

6. 營運資金

(a) 貿易及其他應收款項

我們的貿易及其他應收款項主要包括貿易應收款項及應收票據、向供應商預付款項、代理服務相關的其他應收款項及應收或墊付同系附屬公司款項。

下表載列於截至2016年及2015年12月31日止年度本公司平均貿易應收款項及平均貿易應付款項的周轉天數。

		Year ended December 31, 截至12月31日止年度	
		2016 **2016年** ***(RMB million)*** ***（人民幣百萬元）***	2015 2015年 *(RMB million)* *（人民幣百萬元）*
The turnover days of the average trade receivables *(Note 1)*	平均貿易應收款項的周轉天數*（附註1）*	78	63
The turnover days of the average trade payables *(Note 2)*	平均貿易應付款項的周轉天數*（附註2）*	268	224

Note 1: The average trade receivables are the sum of opening balance and the closing balance of trade receivables and bills receivables (net of allowance of doubtful debts) divided by two. The turnover days of the average trade receivables are the average trade receivables divided by total revenue and multiplied by 360.

附註1： 平均貿易應收款項乃將貿易應收款項及應收票據（扣除呆賬撥備）年初結餘與年末結餘的總和再除二得出。平均貿易應收款項的周轉天數乃將平均貿易應收款項除以總收入再乘以360得出。

Note 2: The average trade payables are the sum of opening balance and the closing balance of trade and bills payables divided by two. The turnover days of the average trade payables are the average trade payables divided by cost of sales and multiplied by 360.

附註2： 平均貿易應付款項乃將貿易應付款項及應付票據年初結餘與年末結餘的總和再除二得出。平均貿易應付款項的周轉天數乃將平均貿易應付款項除以銷售成本再乘以360得出。

The following table sets forth the aging analysis of trade and bills receivables (net of allowance of doubtful debts) based on the invoice date as at December 31, 2016 and 2015.

下表載列於2016年及2015年12月31日貿易應收款項及應收票據(扣除呆賬撥備)按發票日期的賬齡分析。

		As at December 31 於12月31日	
		2016	2015
		2016年	2015年
		(RMB million)	*(RMB million)*
		(人民幣百萬元)	*(人民幣百萬元)*
Within 3 months	3個月以內	**2,819.9**	2,699.3
3 months to 6 months	3個月至6個月	**199.3**	531.1
6 months to 1 year	6個月至1年	**610.3**	326.9
Over 1 year	1年以上	**1,217.6**	660.1
		4,847.1	4,217.4

The Group's credit policies with its customers for the year ended December 31, 2016 remained consistent as that for the year ended December 31, 2015. We continually enhanced our management of trade and bills receivables to reduce the exposure to doubtful debts. In addition, we made allowance for doubtful debts after fully considering the nature of trade and bills receivables and their collectability. As at December 31, 2016, allowance provided for doubtful debts for our trade and bills receivables amounted to RMB840.2 million, accounting for 14.8% of our trade and bills receivables, as compared to RMB647.8 million, accounting for 13.3% of our trade and bills receivables as at December 31, 2015. The increase in allowance for doubtful debt from 2015 to 2016 was primarily due to the provision we made in connection with certain trade receivables from our International Engineering Contracting Business and Trading Business as a result of evidences of significant financial difficulties of debtors that came into our attention.

截至2016年12月31日止年度，本集團與其客戶的信貸政策與截至2015年12月31日止年度相同。我們不斷加強貿易應收款項及應收票據的管理，以求減低所承擔的呆賬風險。此外，充分考慮貿易應收款項及應收票據的性質及其可收回金額後，我們就呆賬計提撥備。於2016年12月31日，我們就貿易應收款項及應收票據所作的呆賬撥備為人民幣840.2百萬元，佔我們貿易應收款項及應收票據的14.8%，而於2015年12月31日則為人民幣647.8百萬元，佔我們貿易應收款項及應收票據的13.3%。2015年至2016年呆賬撥備增加主要由於我們因得悉有證據顯示債務人出現嚴重財困而就國際工程承包業務及貿易業務的若干貿易應收款項計提撥備。

(b) Trade and other payables

Our trade and other payables primarily consist of trade and bills payables, other payables related to agency services, accrued salaries, wages and benefits and amounts due to fellow subsidiaries.

The following table sets forth the aging analysis of our trade and bills payables based on the invoice date as at December 31, 2016 and 2015:

		As at December 31 於12月31日	
		2016 **2016年** ***(RMB million)*** ***（人民幣百萬元）***	2015 2015年 *(RMB million)* *（人民幣百萬元）*
Within 3 months	3個月以內	**4,789.9**	4,941.4
3 months to 6 months	3個月至6個月	**517.1**	1,256.7
6 months to 1 year	6個月至1年	**921.8**	1,378.5
Over 1 year	1年以上	**6,899.5**	5,330.7
		13,128.3	12,907.3

The Group's credit policies with its suppliers for the year ended December 31, 2016 remained the same as that for the year ended December 31, 2015.

(b) 貿易及其他應付款項

我們的貿易及其他應付款項主要包括貿易應付款項及應付票據、代理服務相關的其他應付款項、應計薪金、工資及福利及欠同系附屬公司款項。

下表載列於2016年及2015年12月31日我們貿易應付款項及應付票據按發票日期的賬齡分析：

截至2016年12月31日止年度，本集團與其供應商的信貸政策與截至2015年12月31日止年度相同。

V. INDEBTEDNESS

1. Borrowings

Our consolidated borrowings as at December 31, 2016 and 2015 for the purpose of calculating the indebtedness of our Group were as follows:

V. 債務

1. 借貸

於2016年及2015年12月31日，我們用以計算本集團債務的合併借貸如下：

		As at December 31 於12月31日	
		2016 **2016年**	2015 2015年 (Restated) （重述）
		(RMB million) ***人民幣百萬元***	*(RMB million)* *人民幣百萬元*
Current:	流動：		
Short-term borrowings	短期借貸		
Bank loans	銀行貸款		
unsecured	無擔保	**281.7**	158.7
secured	有擔保	**193.2**	21.0
Subtotal	小計	**474.9**	179.7
Add: current portion of long-term borrowings	加：長期借貸的流動部分	**101.8**	363.4
Subtotal	小計	**576.7**	543.1
Non-current:	非流動：		
Long-term borrowings	長期借貸		
Bank loans	銀行貸款		
unsecured	無擔保	**278.1**	397.1
secured	有擔保	**293.4**	363.4
Subtotal	小計	**571.5**	760.5
Less: current portion of long-term borrowings	減：長期借貸的流動部分	**101.8**	363.4
Subtotal	小計	**469.7**	397.1
Total	總計	**1,046.4**	940.2

Our short-term borrowings primarily include credit borrowings, mortgage borrowings and guarantee borrowings from commercial banks and other financial institutions. As at December 31, 2016, our short-term borrowings (including the current portion of long-term borrowings) amounted to RMB576.7 million, accounting for 55.1% of our total borrowings.

短期借貸主要包括來自商業銀行及其他金融機構的信用借貸、抵押借貸及保證借貸。於2016年12月31日，我們的短期借貸（包括長期借貸的流動部分）為人民幣576.7百萬元，佔我們的借貸總額55.1%。

Our long-term borrowings primarily included credit and guarantee borrowings from commercial banks. These included bank borrowings related to engineering projects, with the total balance of such borrowings (including the current portion) amounting to approximately RMB571.5 million as at December 31, 2016. As at December 31, 2016, our long-term borrowings (excluding the current portion) amounted to RMB469.7 million, accounting for 44.9% of our total borrowings. The increase in our interest-bearing borrowings to RMB1,046.4 million as at December 31, 2016 was primarily due to the increase in bank borrowings as a result of undertaking the engineering projects and infrastructure projects.

長期借貸主要包括來自商業銀行的信用及保證借貸。該等借貸包括與工程項目有關的銀行借貸，於2016年12月31日，該等借貸（包括流動部分）的結餘總額約為人民幣571.5百萬元。於2016年12月31日，不包括流動部分的長期借貸為人民幣469.7百萬元，佔我們借貸總額的44.9%。我們的計息借貸於2016年12月31日增加至人民幣1,046.4百萬元，主要由於工程項目及基建項目新增銀行借款所致。

All borrowings were denominated in either RMB, USD or Japanese Yen and were subject to interest rates ranging from 0.05% to 6.76% per annum.

所有借貸均以人民幣、美元或日元計值並以每年利率0.05%至6.76%計息。

There had been no material defaults in repayment of our bank borrowings and no material breaches of the finance covenants during the year ended December 31, 2016.

於截至2016年12月31日止年度我們在償還銀行借貸方面概無重大違約情況，亦無嚴重違反融資契約的情況。

The maturity profile of our interest-bearing borrowings as at December 31, 2016 and 2015 is as follows:

於2016年及2015年12月31日，我們的計息借貸到期日如下：

		As at December 31 於12月31日	
		2016 **2016年**	2015 2015年 (Restated) （重述）
		(RMB million) ***（人民幣百萬元）***	*(RMB million)* *（人民幣百萬元）*
Within 1 year or on demand	1年以內或實時還款	**576.7**	543.1
After 1 year but within 2 years	1年至2年	**208.8**	90.0
After 2 years but within 5 years	2年至5年	**154.9**	303.8
After 5 years	5年以上	**106.0**	3.3
Total	總計	**1,046.4**	940.2

2. Gearing Ratio

The Group monitors capital on the basis of the gearing ratio. Gearing ratio is derived by dividing total borrowings by total assets multiplied by 100%. In 2016, the Group's gearing ratio (total borrowings divided by total assets) was 2.2%, maintained stable as compared to 2.1% as recorded in 2015.

2. 槓桿比率

本集團以槓桿比率基準管理資本。槓桿比率乃將借貸總額除以資產總額再乘以100%得出。2016年，本集團的槓桿比率（借貸總額除以總資產）為2.2%，與2015年的2.1%相比基本持平。

3. Contingent Liabilities

We were involved in a number of legal proceedings and claims against either our Company or a subsidiary 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.

3. 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。

VI. 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

The Group is exposed to currency risk primarily through sales and purchases and our International Engineering Contracting Business overseas and overseas financing which give rise to receivables, payables and cash balances that are denominated in foreign currencies other than the functional currency of our operations, RMB, to which these transactions relate. The currencies giving rise to this risk are primarily US dollars and Euros. The Group 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 under such projects. As a matter of policy and in compliance with the PRC laws and regulations, we are not allowed to widely engage in hedging activities. Hence, our foreign currency hedging activities were limited to these foreign currency forward contracts. Our foreign currency forward contracts corresponded to our business volume, i.e. the amounts and terms of such contracts corresponded to the amounts of the foreign currency expected to be received from our business. We do not enter hedging instruments for speculation. The Group maintains and follows the internal policies and controls for managing our Group's use of derivative financial instruments.

VI. 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

本集團面臨貨幣風險，主要是通過在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以外幣（我們與此等交易相關的業務的功能貨幣人民幣除外）計價的應收款項、應付款項及現金結餘。產生該風險的貨幣主要有美元及歐元。本集團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根據該等項目將自項目業主收取的延遲付款所產生的預測收入。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，我們的外幣對沖活動限於此等遠期外匯合約。我們的遠期外匯合約與我們的業務量相匹配，即該等合同的金額及條款與業務上預計將收取的外匯款項相匹配。我們並無訂立對沖投機風險的工具。本集團維持及遵守有關規範本集團使用衍生金融工具的內部政策及控制。

2. Interest Rate Risk

Interest rate risk arises primarily from borrowings and bank deposits. 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, only either through managing the contractual terms of interest-bearing financial assets and liabilities or through the use of interest rate swaps in order to manage our interest rate risks. Like our currency risk hedging activities, our use of interest rate swaps is also subject to our internal control policy of derivative financial instruments.

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. Credit terms extended to our customers are determined on a case-by-case basis, depending on credit assessment carried out by our management. The credit terms granted to customers of our Trading Business are normally about three to six months. With respect to the Group's 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 as an internal control measure to determine if the Group needs to make any necessary provisions for credits that we have extended to customers. As to credit risk for trade and other receivables, we first evaluate our customer's credit status and its ability to guarantee the payment through establishing an appropriate business evaluation system. Meanwhile, as part of our risk control mechanism on trade and other receivables, we implemented the policy to buy export credit insurance.

2. 利率風險

利率風險主要來自於借貸及銀行存款。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。本公司僅通過管理計息金融資產及負債的合同條款或通過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。與我們的貨幣風險對沖活動相類似，我們使用利率掉期亦須遵守衍生金融工具的內部控制政策。

3. 信用風險

信用風險主要來自於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。我們給予客戶的信貸期乃根據管理層作出的信用評估，視乎個別情況而定。我們給予貿易業務客戶的信貸期一般約為三至六個月。在本集團的國際工程承包業務方面，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。作為內部監控措施，本公司每個月審查信用風險，亦會於信貸期末作出審查，決定本集團是否就給予客戶的信貸作出任何必要的撥備。就涉及貿易及其他應收款項的信用風險，我們通過建立合適的業務評估系統，首先評估客戶的信用狀況，以及其擔保還款的能力。與此同時，作為貿易及其他應收款項的風險控制機制的一部分，我們實行購買出口信用保險政策。就貿易業務

For the Trading Business, the Company and the trading subsidiaries are required to buy unified export credit insurance from Sinosure; for the International Engineering Contracting Business financed by export seller's credit, the Group typically buys export credit insurance from Sinosure 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. As at December 31, 2016, 9.4% of the total trade and other receivables was due from our largest customer (2015: 8.7%), and 21.5% of the total trade and other receivables was due from the five largest customers (2015: 23.2%).

而言，本公司及其貿易子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而言，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。於2016年12月31日，貿易及其他應收款項總額中有9.4%來自我們的最大客戶（2015年：8.7%），而貿易及其他應收款項總額中有21.5%來自五大客戶（2015年：23.2%）。

4. Liquidity Risk

Liquidity risk is the risk that the Group has net current liabilities at the balance sheet date. The Group is exposed to liquidity risk if it is unable to raise sufficient funds 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. As at December 31, 2015 and 2016, our net current assets amounted to RMB8,574.0 million and RMB8,228.6 million, respectively.

4. 流動資金風險

流動資金風險指本集團於結算日擁有流動負債淨額的風險。倘本集團未能籌集足夠資金以應付到期的財務負債，則其將承受流動資金風險。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。於2015年及2016年12月31日，我們的流動資產淨額分別為人民幣8,574.0百萬元及人民幣8,228.6百萬元。

5. Competition Risk

The Group competes with both domestic and foreign contractors in its International Engineering Contracting Business. Competition generally stems from price, design, variety of the services provided, service quality, financial solutions, business models and environmental standards. Similar to other Chinese contractors in the industry, the Group faces competition from engineering contractors with advanced technology from the developed countries such as the U.S., Japan and various European countries as the latter have relatively large competitive advantages in global branch networks, information collection, management and construction capabilities, adaptability and brand recognition, among other areas. 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. The Company will also 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 Group competes with both Chinese and foreign companies in our international trading business. Competition with Chinese companies engaged in the international trading business focuses on price, range of products, and range of suppliers and customers, whereas competition with foreign companies focuses on the price and quality of products manufactured by Chinese and foreign suppliers. While competition in the international trading market is intense, given this market is considerably vast, the Company will continue to compete with the Chinese and foreign companies by capitalizing on its financing capabilities and value-adding services. With more than 30 years of operating history in the international trading business, the Directors believe the Group has an edge over the PRC 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.

5. 競爭風險

本集團就其國際工程承包業務與國內外的承包商競爭。競爭主要由價格、設計、所提供服務的多樣性、服務質量、融資方案、業務模式及環境標準所造成。如同行業中其他中國承包商，本集團面對來自發達國家（如美國、日本及多個歐洲國家）且具備領先技術的工程承包商的競爭，後者在全球分支網絡、信息搜集、管理及施工能力、適應性及品牌認知度等各個方面擁有較大的競爭優勢。本公司將繼續藉助在價格方面的競爭優勢，尤其在發展中國家的項目，並受益於具競爭性的勞動力成本和設備價格。本公司亦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。

本集團與中外公司就國際貿易業務進行競爭。與從事國際貿易業務的中國公司競爭源於對價格、產品範圍及供應商及客戶的範圍的競爭，而與國外公司的競爭則來自中外供應商生產產品的價格及質量的競爭。儘管國際貿易市場競爭激烈，然而由於該市場非常巨大，本公司將利用自身的融資能力及增值服務繼續與中外公司競爭。憑藉在國際貿易業務30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，令本集團比中國同行競爭者更具優勢。

6. Investment Risk

Investment risk mainly represents any discrepancy between actual return from investment and anticipated return caused by factors which are out of the Company's control or contingent factors which cannot be ascertained when making an investment decision. In addition, it is also associated with relevant advance payments for certain projects, decrease of investment in infrastructure by non-governmental investment institutions resulting from changes in policies, and significant outlay of working capital over extended period of time. Governmental approvals from and regulatory compliance with various governmental departments may also increase uncertainties 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.

6. 投資風險

投資風險主要指由於本公司控制範圍以外的因素或在作出投資決定時無法確定的隨機因素的影響，投資的實際回報及預期回報之間的差異。此外亦與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及在較長期間內動用大量營運資金等有關。自不同政府部門取得政府批准及遵守有關政府部門的監管規例亦可能增加執行投資項目時的不確定因素。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，分析論證，以提高投資決策水平，管控投資風險。

7. Overseas Management 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). The International Engineering Contracting Business is therefore subject to constantly changing economic, regulatory, social and political conditions in the overseas jurisdictions in which we conduct business or operate our projects.

To the extent that the Group's overseas business or operation is affected by unexpected and adverse foreign economic, regulatory, social and political conditions, the Group may experience project disruptions, losses of assets and personnel, as well as other indirect losses. In some of the high-risk locations where the Group has employees, business or operations, the Group may incur additional costs in safeguarding our personnel and assets. The Company typically seeks to manage potential losses through contractual arrangement which protects us against liabilities due to force majeure 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. 海外管理風險

目前，我們大部分的國際工程承包業務項目於海外進行，尤其是在發展中國家或發展較落後的地區，當中包括一些社會或政治持續動盪的國家及地區。因此，國際工程承包業務在我們進行業務或經營項目的海外司法權區內受到其不斷改變的經濟、監管、社會及政治情況影響。

倘本集團的海外業務或營運受到意料之外及不利的外國經濟、監管、社會及政治情況影響，本集團可能經歷項目受阻、資產及人員損失及其他間接虧損。在一些本集團擁有僱員、業務或營運的高風險地區內，本集團或會產生額外成本以保障我們的人員及資產。本公司一般尋求透過合約安排規避我們因不可抗力事件而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，並藉著投購建築、安裝及工程一切險以及第三方責任保險，以控制潛在虧損。

8. Project Risk

Project risk relates to risk associated with the projects for our International Engineering Contracting Business. While the Directors consider power, transportation and telecommunications sectors to be our Core Sectors, demand for the International Engineering Contracting Business which is principally international in nature 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 many factors not within our control, including but not limited to, general economic conditions, government investment plans, demographic trends, political stability, consumer confidence and requirements for industries or markets access. Any fluctuations in these macroscopic factors will have an impact on the demand for the International Engineering Contracting Business. They may lead to an increase or a decrease of investment in and number of new projects available to the Group, the type of projects that the Group can undertake and 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 of the International Engineering Contracting Business may still be affected and our revenue may experience fluctuations.

In addition, project owners and other contractual counterparties of our International Engineering Contracting Business may not be able to fulfil their contractual obligations owed to the Group or the conditions precedent to the contracts for the projects, which could negatively impact the Group's revenue, working capital, cash flows and results of operations.

8. 項目風險

項目風險與我們的國際工程承包業務項目所涉及的風險有關。儘管董事視電力能源、交通運輸及電子通訊行業為我們的核心行業，但對我們的國際工程承包業務的需求（主要為國際性）則取決於本集團經營所在及提供服務的行業的整體活動及增長水平。基於非我們所能控制的多個因素，包括但不限於普遍經濟狀況、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，我們的工程承包項目的實際組合每年不同。該等宏觀因素的任何波動將對我們的國際工程承包業務之需求造成影響，可能導致本集團可參與的新項目投資金額及數目以及本集團可進行的項目類型增加或減少及令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到預計成本及目標利潤率，我們的國際工程承包業務之盈利能力仍可能受到影響，而我們的收益可能出現波動。

此外，我們的國際工程承包業務的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合約責任或先決條件，這可能對本集團的收入、營運資金、現金流量及營運業績構成負面影響。

9. Safety and Quality Risk

Due to the nature of construction work involved in our International Engineering Contracting Business, the Group's projects may involve certain inherently dangerous activities, including operations on aerial platform, underground construction, use of heavy machinery and working with flammable and explosive materials. 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. Besides, the employees are subject to personal risks caused by the environment with unstable security. Any personal injury or loss of life the employees may suffer, damage to or destruction of properties and equipment and other losses caused by force majeure in the situations mentioned above would result in the 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 our 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.

9. 安全及品質風險

由於我們的國際工程承包業務所參與的建築工程的性質，本集團的項目可能涉及若干本質上危險的活動，包括於架空平台工作、地下建設、使用重型機械及於工作時使用易燃及爆炸性物料。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。此外，我們的僱員還面對因不穩定安全環境而產生的人身風險。僱員可能遭受的人身傷害及身亡、財產及設備受損或受到破壞及其他由上述情況的不可抗力事件造成的損失，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、分包商及供應商作出彌償保證，以及投購建築、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上述與我們的國際工程承包業務有關的潛在風險。

10. Post-project Transfer Risk

Our international engineering contracting projects are contractually completed after the warranty period expires and the project owner issues a final acceptance certificate. During the course of use and operation by the project owner, operational or quality issues may arise due to natural factors such as hurricanes and tsunamis or improper operation or maintenance by the project owner's operational staff. 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. Since corporate reputation is the cornerstone for our expansion of markets, 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 much 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.

10. 工程移交後風險

我們的國際工程承包項目在質保期結束並由項目業主簽發最終接收證書之後即已在合同意義上全部完成。在項目業主實際使用及運行過程中，工程可能會因為颶風、海嘯等自然因素或者項目業主運營人員操作或維護不當的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品質瑕疵或缺陷，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。企業聲譽是我們開拓市場的基石，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準，儘量避免或減少因人為操作不當原因導致的品質問題發生。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。

11. Corruption Risk

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 ordinary 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 staffs and increase their compliance consciousness.

11. 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普通溝通及工作聯繫，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。

12. Sanctions Risk

We are a company incorporated in the PRC and we comply with all applicable PRC laws and regulations. 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 particular, if any of our transactions is conducted in or through the United States, or otherwise involves US persons, US dollar clearing in the United States or US-origin goods, US 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. 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. In exchange for curtailing certain nuclear-related activities, Iran was granted relief from certain U.S., EU, and UN sanctions.

Following the regulatory changes in the United States, the Company decided to cautiously approach the Iranian market. The Company's potential activities in Iran are limited and only to civilian infrastructure projects. Further, every potential project in Iran 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.

On February 2017, the U.S. Department of the Treasury imposed sanctions on 13 people and a dozen companies in response to Iran's recent ballistic missile test. The Trump Administration was careful in pointing out these new sanctions measures were undertaken pursuant to existing statutory authorities that target Iran's weapons of mass destruction (WMD) and ballistic missile activities, but that did not affect implementation of the JCPOA.

12. 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。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。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。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。

隨著美國監管的變化，本公司決定謹慎地進入伊朗市場。本公司在伊朗展開的潛在業務僅限於民用基礎設施項目。此外，在伊朗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)獲本公司總經理同意。

2017年2月，美國財政部對與伊朗近期彈道導彈試驗有關的13名個人及十二家公司實施制裁。特普朗政府慎重指出，該等新制裁措施是根據針對伊朗大規模殺傷性武器及彈道導彈活動的現有法定權限實施，並不影響聯合全面行動計劃的實施。

Although there is some uncertainty with regard to the Trump Administration's policy vis-à-vis various U.S. sanctions regimes, we have been in compliance with the undertakings made at the time of the Listing as regards 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 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 council. Furthermore, as a result of the foregoing, CMEC's exposure in Iran is so limited, any adverse impact from changes to Iran sanctions by the United States will be minimal.

雖然特普朗政府對有關美國制裁體制的政策存在不確定性，但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，往屆美國政府會給予緩和期，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CMEC在伊朗開展活動面臨的風險有限，故美國變更伊朗制裁對我們產生的不利影響極小。

VII. PROSPECTS

In 2017, with heightened competitions, the international landscape became more complex, and the uncertainties caused by exchange rate fluctuations are more prominent. Under these circumstances, the Company faces more challenges in its development. The Company's business philosophy for this year is to adhere to the strategic leadership, achieve steady progress, make comprehensive layout, optimize our management, improve our quality and efficiency, and strive to complete the five-year strategic planning objectives so as to lay a solid foundation for a sustainable development of the Company.

(A) Business Development Strategies

1. Engineering Contracting Business

We aim to improve our comprehensive competitive strength in the engineering contracting business through steady development. We shall fortify our foothold on the traditional business, closely embrace the market, strengthen the research and layout in key markets. In particular, we shall set business goals and strengthen the market layout so as to actively respond to "the Belt and Road" initiative of the government. We shall also put our efforts into promoting completions and signing new contracts, and continue improving the quality of compliance to ensure attaining business indicators and stable development. We shall continue to improve our industrial chain, including the integration of upgrading the supervision and construction platform, actively expand after-sales services, and promote the process of assimilating project construction and operation. Besides, we shall continue to explore and innovate the financing model and business model, deepen our foreign cooperation, strengthen the establishment of policies and systems and enhance the level of management refinement.

VII. 前景

2017年，國際形勢更加複雜，競爭更加激烈，由匯率波動等帶來的不確定性更加突出，給公司的發展提出了更多挑戰。今年公司經營工作的指導思想是，堅持戰略引領，穩中求進，全面佈局，優化管理，提質增效，努力完成五年戰略規劃目標，為公司可持續發展打下堅實基礎。

(一)業務發展戰略

1. 工程承包業務

工程承包業務要平穩發展，提高綜合競爭實力。要立足傳統業務，緊緊圍繞市場，加強重點市場的研究與佈局，尤其是積極響應政府「一帶一路」倡議，設定目標，加強市場佈局；全力促成交，繼續抓簽約，持續提高履約質量，確保完成經營指標及業務穩定發展；持續完善產業鏈條，包括整合升級監理建造平台，積極拓展售後服務，推進項目建營一體化進程等；要繼續探索融資模式及業務模式的創新，深化對外合作，加強制度和體系建設，提升管理精細化水平。

2. Trading Business

The Trading Business shall focus on the core markets, core businesses and core products, and make development towards the direction of "high quality and sustainability". We shall continue to promote the transformation and upgrading of traditional trading business into high value-added business, and actively promote various "Internet + Trading" business models and rapidly solidify those models; actively promote overseas regional establishment of the Trading Business; continue building and expanding our core brands, continue strengthening our core businesses, and improve our control ability and profitability; pragmatically carry out industrial investment; and continue deepening and implementing cooperation with local governments.

3. Design and Consulting Business

In respect of our design and consulting business, we shall strengthen the technological advantages and build our core competitiveness. We shall strive to enhance the scale of business and profitability, continue enhancing the strength of scientific and technological innovation; fully stimulate the vitality of scientific and technological innovation, strengthen the research and application in forward-looking scientific and technological fields which can promote the development of the Company; strive to achieve the leading innovation results in the industry and form a new core competitiveness. At the same time, we give full play to the role of the technical support platform, and increase cooperation with other business segments to achieve the simultaneous development of domestic and foreign markets.

2. 貿易業務

貿易業務要向核心市場、核心業務、核心產品聚焦，要向「有質量可持續」方向發展。繼續推進傳統貿易業務向高附加值業務方向的轉型升級，積極推進「互聯網+貿易」的各種業務模式的嘗試，並盡快固化模式；積極推進貿易業務的海外區域化建設；持續打造核心品牌，繼續做強做大核心業務，提高掌控及盈利能力；務實開展實業化投資；繼續深化、做實地方政府合作。

3. 設計諮詢業務

設計與諮詢業務要強化技術優勢，打造核心競爭力。要努力提升業務規模與盈利能力，繼續增強科技創新實力；充分激發科技創新活力，對影響公司發展的前瞻性科技領域加強研究與應用，力爭取得在行業領先的創新成果，形成新的核心競爭力；同時充分發揮技術支撐平台的作用，加大與其他業務板塊的協同，實現國內外市場的並舉發展。

(B) Management Strategies of the Company

1. To improve key management system step by step

To improve the Company's management system of the lifecycle of EPC projects on an ongoing basis by continuously enhancing the elaborate administration level; to further complete the investment management structure by enhancing the establishment of investment management system to upgrade investment and financing capabilities; to uplift finance management level by deepening budget management and cost management so as to press ahead functional operation and enhance support for overseas business and strengthen basic finance management; to bring into full play the effect of service guarantee and value creation brought forth by the legal management system to increase anti-risk awareness, compliance management and legal monitoring management; to enhance corporate culture and social responsibility management, thus improving the impact and brand value of the Company both in domestic and overseas markets.

2. To constantly improve the level of management

To improve the systems within the Board and the Supervisory Board so as to promote professional and elaborate compliance management; to improve strategic control and research by deploying and implementing new strategies of the Company at an opportune time; to strengthen forward-looking research on Southestern Asia and other hotspot cities around "the Belt and Road" region; to continuously uplift comprehensive management and service level and enhance informationalization construction; to adhere to the risk-oriented principle and enhance auditing results; to strengthen safety awareness and ensure continual stabilization of production and safety of the Company.

(二)公司管理戰略

1. 逐步完善核心管理體系

持續完善公司EPC項目全生命週期管理體系，不斷提升項目精細化管理水平；進一步完善投資管理架構，加強投資管理體系建設，提升投融資管理能力；不斷提升財務管理水平，深化預算管理和成本費用管理，進一步推進職能前移，加大對海外業務的支持力度並夯實財務基礎管理；充分發揮法律管理體系的服務保障和價值創造作用，持續加強法律風險防範、合規管理和法律監督管理；加強企業文化、社會責任管理，持續提升公司在國內外市場的影響力和品牌價值。

2. 不斷提升管理水平

加強董事會、監事會建設，促進合規管理專業化和精細化；加強戰略管控與研究，適時部署公司新戰略規劃的制定與落地工作，圍繞「一帶一路」戰略佈局，加強對東南亞等熱點市場的前瞻性研究；不斷提升綜合管理服務水平，加強信息化建設；堅持風險導向，不斷提升審計效果；強化安全生產意識，確保公司安全生產形勢的持續穩定等。

Major Corporate Events for the Year
本年度企業大事記

January 一月

1.1 **CMEC was Named "The Most Influential Enterprise of Alibaba Group Import Sources in 2015 (2015年度阿里巴巴集團進口貨源最有影響力企業)"**

On January 12, our vice president Ai Wei was invited to lead a delegation to participate in the "Alibaba Group Global B2B Ecological Summit". CMEC, as one of the important partners of Alibaba Group for import sources, was named "The Most Influential Enterprise of Alibaba Group Import Sources in 2015".

1.1 **CMEC被評為2015年度阿里巴巴集團進口貨源最有影響力企業**

1月12日，艾威副總裁受邀率隊參加了「阿里巴巴集團全球B2B生態峰會」。CMEC作為阿里巴巴集團進口貨源的重要合作夥伴之一，被評為2015年度阿里巴巴集團進口貨源最有影響力企業的榮譽稱號。

February 二月

2.1 **Chairman Sun Bai Met with Mr. Sirisena, Sri Lanka's President**

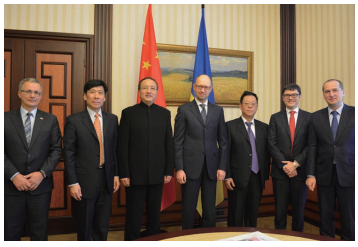
On February 10, our Chairman Sun Bai met with Maithripala Sirisena, Sri Lanka's President, in Sri Lanka's presidential palace.

2.1 **孫柏董事長拜會斯里蘭卡西里塞納總統**

2月10日，孫柏董事長在斯里蘭卡總統官邸拜會了斯里蘭卡總統邁特里帕拉·西里塞納閣下。

Major Corporate Events for the Year
本年度企業大事記

March 三月



3.1 **Chairman SUN Bai Met with Mr. Arseniy Petrovych Yatsenyuk, Ukraine's Prime Minister**

On March 4, our Chairman Sun Bai met with Mr. Arseniy Petrovych Yatsenyuk, Ukraine's Prime Minister, in Kiev and had a work meeting with him. The Minister of the Agricultural Ministry and the Minister of the Infrastructure Ministry of Ukraine also attended the meeting.

3.1 **孫柏董事長拜會烏克蘭總理亞採紐克先生**

3月4日，孫柏董事長在基輔拜會了烏克蘭國家內閣總理亞採紐克先生並舉行了工作會談，烏農業部長、烏基礎設施部長也同時出席會議。

3.2 **Chairman SUN Bai Met with the Prime Minister of Georgia**

On March 11, the delegation led by our Chairman Sun Bai met with Mr. Giorgi Kvirikashvili, the Prime Minister of Georgia, in the office of the Prime Minister.

3.2 **孫柏董事長拜訪格魯吉亞總理**

3月11日，孫柏董事長一行在格魯吉亞總理府拜訪了格魯吉亞總理喬爾治•科維利卡史利閣下。

Major Corporate Events for the Year
本年度企業大事記

April 四月

4.1 **President Zhang Chun Met with A Delegation Headed by Bangladeshi Dacca Mayor**

On April 11, our President Zhang Chun met with a delegation led by Annisul Huq (Mayor of Bangladeshi Dacca).

4.1 **張淳總裁會見孟加拉國達卡市市長一行**

4月11日，張淳總裁會見了孟加拉國達卡市市長Annisul Huq先生一行。

4.2 **The High Speed Rail Brakes of CMIPC Officially Begins its Manned Business Traffic**

The K68 brake discs of high-speed railways with 250 km per hour provided by CMIPC officially began its passenger and business traffic.

4.2 **中設裝備高鐵剎車盤正式進行載人商業運行**

由中設裝備供貨的時速250公里高速動車組的K68型制動盤正式進行載人商業運行。

4.3 **Ceremony of the Opening and Financing Close of the Project for the Thar Mine and Power Plant in Pakistan Was Held Successfully**

The opening ceremony of the project for the Thar Block II mine and power plant in Pakistan was held successfully at the site of the Thar project in Xinde Province on April 11. Our Chairman Sun Bai and vice president Wang Tianyi attended the ceremony.

Being one of the projects prioritized for implementation under the "the Belt and Road" – "the Energy Planning of the China-Pakistan Economic Corridor" initiative, this project is the first coal-power integrated development project put into operation in Pakistan, which opened up a new episode where Pakistan can use local coal to solve the problem of power shortage more independently and more stably.

4.3 **巴基斯坦塔爾煤礦和電站項目開工及融資關閉慶祝儀式順利舉行**

巴基斯坦塔爾II區塊煤礦及電站項目開工儀式於4月11日在信德省塔爾項目現場順利舉行。孫柏董事長、王天翼副總裁出席儀式。

該項目作為「一帶一路」－「中巴經濟走廊能源規劃」優先實施項目之一，是巴基斯坦首個落地的煤電一體化開發項目，開創了巴基斯坦更獨立更穩定地利用本地煤解決電力短缺的新局面。

Major Corporate Events for the Year
本年度企業大事記

May 五月

5.1 **Prime Minister of Cameroon Visited the Limbe Stadium**
The Prime Minister of Cameroon visited Limbe Stadium, inspected the venue of African Cup of Nations in person and made an examination as to the construction of the Limbe Stadium on May 9. The Prime Minister and all other Ministers spoke highly of CMEC and its excellent performance and expressed their satisfaction with the Stadium.

5.1 **喀麥隆總理參觀林貝體育場**
喀麥隆總理於5月9日蒞臨林貝體育場親自視察非洲杯場館，對於體育場的建設情況進行了考察。對於體育場的良好佳績，總理及各部長對於CMEC公司給出了高度的評價與讚賞。

5.2 **Changsha CMEC Plaza Held its Grand Signage Unveiling Ceremony**
CMEC held a grand signage unveiling ceremony for Changsha CMEC Plaza - CMIE Engineering Technology R & D Center at the front of the southern gate of the newly-built center on May 11. Our President Zhang Chun, chief financial officer and secretary of the Board Zhou Yamin, and vice president Zhang Wei attended the ceremony.

5.2 **長沙中設廣場入住揭牌儀式隆重舉行**
5月11日，CMEC長沙中設廣場－中機國際工程技術研發中心大樓入駐揭牌儀式在新落成的中機國際研發中心大樓南門前坪隆重舉行。張淳總裁、財務總監兼董事會秘書周亞民、副總裁張煒出席了入駐揭牌儀式。

5.3 **CMEC was Awarded the Legal Team of the Year in the Category of Manufacturing & Engineering by In-House Community**

On May 26, the In-House Community Counsels of the Year Awards & Celebration 2016 was staged in Hong Kong. CMEC stood out among other top international corporations and won the "Legal Team of the Year" award in the category of Manufacturing & Engineering.

The awards of In-House Community - an influential legal media, are known as the Oscar awards in the legal field. The honor is a high recognition of CMEC's legal team.

5.3 **CMEC榮獲In-House Community年度全球工程類最佳公司法務團隊大獎**

5月26日，「In-House Community」年度公司法務頒獎典禮在中國香港舉行。CMEC在與其他國際頂尖跨國公司的角逐中脱穎而出，最終榮獲「年度全球工程類最佳公司法務團隊大獎」。

In-House Community作為深具影響力的法律媒體，其獎項被譽為「法律行業的奧斯卡」。獲此殊榮，是對CMEC法務團隊專業能力的高度肯定。

5.4 **The Raiser Hammer Developed Jointly by China Machinery Industrial and Jinan Forging Institute（濟南鑄鍛所）Obtained Prize of Innovative Foundry Equipment**

The raiser hammer developed jointly by China Machinery Industrial and Jinan Forging Institute was on display at the 14th China International Foundry Expo of 2016 and obtained the Prize of Innovative Foundry Equipment. This product was originally designed by China Machinery Industrial, with its appearance and optimum structure design made by Jinan Forging Institute. It has now been awarded with a utility model patent, and its invention patent is expected to be obtained next year.

5.4 **中設裝備公司與濟南鑄鍛所合作研發的冒口錘榮獲鑄造裝備創新獎**

由中設裝備公司和濟南鑄鍛所合作開發的冒口錘，在2016年第十四屆中國國際鑄造博覽會上展出，榮獲鑄造裝備創新獎。該產品是由中設裝備公司進行原始設計，濟南鑄鍛所進行外觀及結構優化設計，現已獲得實用新型專利，預計明年取得發明專利。

Major Corporate Events for the Year
本年度企業大事記

June 六月

6.1 **The Closing Meeting for the Mergers and Acquisition as well as Reorganization of CMEC and CNCEC was Successfully Hosted**

On June 1, our Chairman Sun Bai, President ZHANG Chun and Chief Financial Officer and Secretary to the Board Zhou Yamin and the others attended the "Closing Meeting for the Mergers and Acquisition as well as Reorganization of China Machinery Engineering Corporation and China National Complete Engineering Corporation" at the headquarters of CNCEC. The convening of the closing meeting marked the completion of the mergers and acquisition as well as reorganization project of CNCEC, which formally became a wholly-owned subsidiary of CMEC.

6.1 **CMEC與中成套併購重組交割大會順利完成**

6月1日，董事長孫柏、總裁張淳、財務總監兼董事會秘書周亞民等一行赴中成套召開「中國機械設備工程股份有限公司與中國成套工程有限公司併購重組交割大會」。本次交割大會的召開宣告中成套併購重組項目成功完成，中成套正式成為CMEC全資子公司。

6.2 **CMEC Won the GoldenBee Good Overseas CSR Practice**

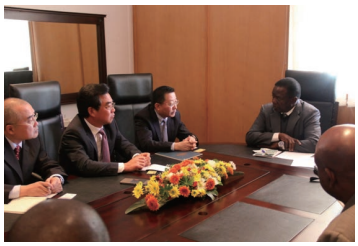
On June 6 to June 7, "the 11th Global Corporate Social Responsibility Forum: China and the 2015 GoldenBee CSR China Honor Roll Unveiling Ceremony" was held in Beijing. CMEC won the "GoldenBee Good Overseas CSR Practice" for Brest Power Plant, a 427MW combined cycle power project in Belarus.

During its international expansion, CMEC actively explores the way of fulfilling overseas corporate social responsibility and ranked among the best Chinese enterprises in this regard. Meanwhile, CMEC's corporate social responsibility practice was included in the "2015 GoldenBee Competitive CSR Practice".

6.2 **CMEC榮獲金蜜蜂·海外履責獎**

6月6日－7日，「第十一屆全球企業社會責任國際論壇暨中國及2015年金蜜蜂企業社會責任中國榜發佈典禮」在北京舉行。CMEC憑借「白俄羅斯別列佐夫427MW聯合循環電站項目」獲得「金蜜蜂·海外履責獎」獎項。

CMEC在走出去的過程中，積極探索海外企業社會責任實踐路線，成為中國企業走出去履行社會責任實踐的優秀企業之一。同時，我公司履行企業社會責任實踐案例入選《2015金蜜蜂責任競爭力案例集》。



6.3 **President Zhang Chun Paid A Visit to the Vice-president of Zimbabwe**

On June 8, accompanied by Chinese ambassador to Zimbabwe HUANG Ping, President ZHANG Chun paid a visit to Mr. Mnangagwa, Vice-president of Zimbabwe at the presidential palace.

6.3 **張淳總裁拜會津巴布韋副總統**

6月8日，在中國駐津巴布韋大使黃屏的陪同下，張淳總裁在總統府拜會了津巴布韋副總統姆南加古瓦閣下。

6.4 **The Protocol and the Memorandum of Understanding of the Serbia Project was Signed in the Presence of the President of the PRC, Xi Jinping**

On June 18, in the presence of the President of the PRC, Xi Jinping and the President of Serbia, Tomislav Nikolić, our President ZHANG Chun and assistant general manager of Ploy Group entered into the "Protocol on Finance and Establishment of Serbian Garbage Power Plant" with the Minister of Energy and Mining of Serbia, Aleksandar Antic. Meanwhile, our President Zhang Chun entered into the "Memorandum of Understanding on Belgrade Sewage Plant Project" with the mayor of Belgrade, Sinisa Mali.

On the same day, our President Zhang Chun signed the "Cooperation Memorandum in relation to Gacko Coal-fired Power Plant" with the assistant general manager of Ploy Group and Bosnian Serb Federal Energy Minister.

6.4 **中國國家主席習近平見證塞爾維亞項目協定書和諒解備忘錄的簽署**

6月18日，在中國國家主席習近平和塞爾維亞總統尼科利奇的見證下，張淳總裁、保利集團總經理助理同塞爾維亞礦產能源部長安蒂奇簽署了《關於融資和建設塞爾維亞垃圾發電廠的議定書》。同時，還同塞爾維亞貝爾格萊德市市長馬里簽署了《貝爾格萊德市污水廠項目諒解備忘錄》。

同日，張淳總裁與保利集團總經理助理、波黑塞族聯邦能源部長簽署了《Gacko燃煤電站合作備忘錄》。

Major Corporate Events for the Year
本年度企業大事記

July 七月

7.1 **CMEC renewed the MoU for strategic cooperation with GE**

On July 13, our President Zhang Chun visited the head office of General Electric (GE) together with his delegation, and received a warm welcome from Mr. Steve Bolze, the president of GE. They agreed that these two companies would continue their worldwide cooperation to develop the markets and expand their businesses together so as to make a deeper-level cooperation relationship. Finally, President Zhang Chun renewed the memorandum of understanding regarding the strategic cooperation between CMEC and GE with Mr. Steve Bolze.

7.1 **CMEC與通用電氣共同續簽戰略合作備忘錄**

7月13日，張淳總裁訪問了通用電氣總部，通用電氣總裁Steve Bolze先生熱情會見了張淳總一行。雙方領導一致表示兩家公司將繼續擴大全球範圍內的合作，共同開發市場，拓展業務，推動兩家合作關係向更高的層次發展。最後，張淳總裁和Steve Bolze先生共同續簽了CMEC和通用電氣進行戰略合作的備忘錄。

7.2 **President Zhang Chun Met with Asian Infrastructure Investment Bank (AIIB) Vice President**

On July 27, our President Zhang Chun met with Dr. D.J. Pandian, Vice President and Chief Investment Officer in the head office of the Asian Infrastructure Investment Bank (AIIB). The two sides introduced their history and business scope respectively and made discussions on future cooperation.

7.2 **張淳總裁拜會亞洲基礎設施投資銀行(AIIB)副總裁**

7月27日，張淳總裁前往亞洲基礎設施投資銀行(AIIB)總部拜會了亞投行副總裁兼首席投資官D.J.Pandian博士。雙方分別介紹了各自的歷史背景及業務範圍，並就未來合作的領域進行了探討。

August 八月

8.1 **CMEC and GD Power Development Co., Ltd. Signed a Strategic Cooperation Framework Agreement for Overseas Investment Business**

CMEC and GD Power Development Co., Ltd. signed a strategic cooperation framework agreement for overseas investment business on August 9. Under the agreement, the two parties will establish a long-term strategic partnership in joint investment in and development of overseas electricity projects.

8.1 **CMEC與國電電力發展股份有限公司簽署海外投資業務戰略合作框架協議**

8月9日，CMEC與國電電力發展股份有限公司簽署了關於海外投資業務的戰略合作框架協議。根據協議內容，雙方擬在共同投資開發海外電力項目領域建立長期戰略合作夥伴關係。

Major Corporate Events for the Year
本年度企業大事記

September 九月

9.1 **The Main Structure of CMEC Headquarters Office Building Roofed**

On September 30, the topping out ceremony for the main structure of CMEC Headquarters Office Building was smoothly held at the construction site.

9.1 **CMEC總部綜合樓主體結構榮耀封頂**

9月30日，總部綜合樓項目的主體結構封頂儀式在施工現場順利開啟。

October 十月

10.1 **Vice President Wang Hong visited the Prime Minister of the Republic of Cameroon**

On October 14, our Vice President Wang Hong went to Cameroon and visited Mr. Philémon Yang, the Prime Minister of the Republic of Cameroon, and they had amicable exchange and communications.

10.1 **王紅副總裁拜會喀麥隆共和國總理**

10月14日，王紅副總裁赴喀麥隆拜會了喀麥隆共和國總理菲勒蒙·揚，雙方進行了友好交流和溝通。

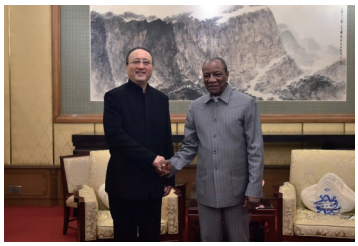
10.2 **Deputy Party Secretary Yu Bo Attended the 8th "Love Knows No Borders" International Charity Sale by the Ministry of Foreign Affairs**

On October 22, the 8th "Love Knows No Borders" International Charity Sale, which was initiated by Ms. Qian Wei, wife of the Foreign Minister Wang Yi, was held at the outdoor warm-up field of the National Stadium. Themed with "Building Bridges for Heart-to-Heart Connectivity", the charity sale will donate the fund it has raised to China Foundation for Poverty Alleviation, and the fund will be ultimately used to build bridges in poverty-stricken areas in Lingyun County and Tianlin County of Guangxi Zhuang Autonomous Region. Deputy Party Secretary Yu Bo, on behalf of CMEC, accepted the honorary certificate for the donation issued by Foreign Minister Wang Yi.

10.2 **於波副書記出席第八屆外交部「大愛無國界」國際義賣活動**

10月22日，由王毅外長夫人錢韋女士發起的第八屆「大愛無國界」國際義賣活動在國家體育場室外熱身場舉行。本屆義賣主題為「同心共築便民橋」，所籌善款將通過中國扶貧基金會，為廣西壯族自治區凌雲縣和田林縣貧困地區修建便民橋。黨委副書記於波在會上代表CMEC接受王毅外長頒發的捐贈榮譽證書。

Major Corporate Events for the Year
本年度企業大事記



10.3 **Chairman Sun Bai Met With Guinea President Mr. Conte**
On October 31, our Chairman Sun Bai met with Guinea President Mr. Conte who visited China at Diaoyutai State Guesthouse.

10.3 **孫柏董事長拜會幾內亞總統孔戴先生**
10月31日，孫柏董事長在釣魚台國賓館拜會了訪華的幾內亞總統孔戴先生。

November 十一月

11.1 **Chairman Sun Bai Met With Bosnian Serb President Mr. Dodik**
On November 4, our Chairman Sun Bai met with Bosnian Serb President Mr. Dodik and his delegation.

11.1 **孫柏董事長拜會波黑塞族總統多吉克先生**
11月4日，孫柏董事長拜會了波黑塞族總統多吉克先生一行。

11.2 **The 4th Brand Exhibition of CMEC Achieved Great Success**

On November 22, the 4th Brand Exhibition of CMEC was held in Bangkok, Thailand. Having regard to the success of the previous three exhibitions and themed with "CMEC, Your Partner for Success", the exhibition was staged in Thailand, the core market of CMEC in Southeast Asia. Laying equal stress on trade services and engineering contracting business and integrating exhibition and theme promotional event, the exhibition has achieved expected effects and a great success.

11.2 **CMEC第四屆品牌展取得圓滿成功**

11月22日，CMEC第四屆品牌展在泰國曼谷隆重召開，此次品牌展是在前三屆成功舉辦的基礎上，選定在CMEC東南亞核心市場泰國召開，以「CMEC，你發展的夥伴」為主題，貿易服務業務與工程成套業務並重，展覽與主題推介活動相結合，達到了預期的效果，取得了圓滿成功。

Major Corporate Events for the Year
本年度企業大事記

11.3 **CMEC Claimed 2016 China Securities Golden Bauhinia Award**

The 6th China Listed Company (Hong Kong) Financial Forum & China Securities "Golden Bauhinia Awards" Ceremony was held on November 23. CMEC was granted the "Award for the Most Influential Leader of Listed Companies" and the "Award for the Listed Company with Best Brand Value" for its excellent performance in 2016.

11.3 **CMEC榮獲2016中國證券金紫荊獎**

11月23日，第六屆中國上市公司（香港）財經論壇暨中國證券金紫荊獎頒獎典禮隆重舉行。CMEC憑借2016年優異表現，榮獲「最具影響力上市公司領袖」和「最具品牌價值上市公司」獎項。

December 十二月

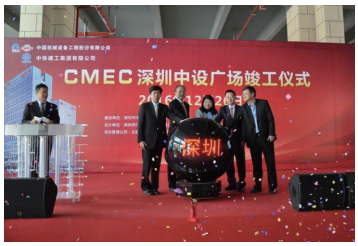
12.1 **CMEC Claimed Overseas CSR Disclosure Award**

On December 1, the Honor Roll of GoldenBee Excellent CSR Report 2016 was published on the "9th International Seminar on China's CSR Report". The corporate social responsibility report of CMEC in 2015 won and was awarded the "GoldenBee Excellent CSR Report 2016 – Overseas CSR Disclosure Award".

12.1 **CMEC榮獲「海外責任信息披露獎」**

12月1日，金蜜蜂2016優秀企業社會責任報告榜單於「第九屆中國企業社會責任報告國際研討會」上發佈，《CMEC 2015年社會責任報告》從中脱穎而出，榮獲「金蜜蜂2016優秀企業社會責任報告·海外責任信息披露獎」。

Major Corporate Events for the Year
本年度企業大事記



12.2 **Completion Ceremony of CMEC Shenzhen Plaza was Held**

The completion ceremony of CMEC Shenzhen Plaza was held on December 26. Our Chairman Sun Bai, President Zhang Chun, Chief Financial Officer Zhou Yamin attended the ceremony.

12.2 **深圳中設廣場竣工儀式隆重舉行**

12月26日，CMEC深圳中設廣場竣工儀式隆重舉行。孫柏董事長、張淳總裁、周亞民財務總監等出席竣工儀式。

The Board is pleased to present its report together with the audited consolidated financial statements of the Group prepared in accordance with IFRS for the year ended December 31, 2016.

董事會欣然提呈根據國際財務報告準則編製的本集團截至2016年12月31日止年度的報告，連同經審計合併財務報表。

GLOBAL OFFERING

全球發售

The Company was incorporated as a part of the reorganization undergone by the Group in preparation for the Listing by converting its predecessor into a joint stock company with limited liability under the Companies Law in the PRC on January 18, 2011. The Company's H Shares were listed on the Stock Exchange on the Listing Date.

2011年1月18日，為籌備上市，作為本集團重組的一部分，根據中國公司法，本公司通過其前身改制成為一家股份有限公司，以成立本公司。本公司的H股於上市日期在聯交所上市。

PRINCIPAL ACTIVITIES

主要業務

The Company is a leading international engineering contracting and services provider with a primary focus on EPC projects and particular expertise in the power sector, capable of providing one-stop customized and integrated engineering contracting solutions and services. The Company also conducts the Trading Business and Services Business.

本公司為領先的國際工程承包及服務商，主要專注於EPC項目，特別專長於電力能源行業，能夠提供一站式訂製及綜合工程承包方案及服務。本公司亦從事貿易業務及服務業務。

Details of the Company's principal subsidiaries are set out in note 1 to the financial statements of the Company in this annual report.

本公司主要附屬公司的詳情載於本年報本公司財務報表附註1。

RESULTS

業績

The audited results of the Group for the year ended December 31, 2016 are set out in consolidated statement of profit or loss and the consolidated statement of comprehensive income in this annual report. The financial position of the Group and the Company as at December 31, 2016 is set out in the consolidated statement of financial position and the statement of financial position in this annual report, respectively. The cash flows of the Group for the year ended December 31, 2016 are set out in the consolidated statement of cash flows in this annual report.

本集團截至2016年12月31日止年度的經審計業績載於本年報合併損益表及合併綜合收益表。本集團及本公司於2016年12月31日的財務狀況分別載於本年報合併財務狀況表及財務狀況表。本集團截至2016年12月31日止年度的現金流量情況載於本年報合併現金流量表。

A discussion and analysis of the Group's performance during the year and the key factors affecting its results and financial position are set out in the section headed "Management Discussion and Analysis" of this annual report.

本集團年內表現的討論與分析以及影響其業績及財務狀況的主要因素載於本年報「管理層討論與分析」一節。

Report of Directors
董事會報告

FINAL DIVIDENDS

The Board recommended the distribution of a final dividend of RMB0.2042 per Share (pre-tax) for 4,125,700,000 Shares for the year ended December 31, 2016, representing a total amount of RMB842,467,940 (pre-tax).

According to the Articles of Association, 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 AGM. Subject to approval, the final dividend is expected to be distributed on or before October 31, 2017 to the holders of Domestic Shares and H Shares whose name appear in the register of members 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.

In accordance with tax law and relevant requirements under taxation regulatory institutions of the PRC, the Company is required to withhold 10% enterprise income tax when it distributes the final dividend for the year ended December 31, 2016 to all non-resident enterprise shareholders (including HKSCC Nominees Limited, other nominees, trustees or other entities and organizations, who will be deemed as non-resident enterprise shareholders) whose names appear on the H share register of members of the Company on the dividend record date*.

* The Company will make an announcement on the period of closure of register of members of H Shares (for dividend entitlement) and the dividend record date in the circular and the notice of AGM in due course.

末期股息

董事會建議派付截至2016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0.2042元（税前），合共人民幣842,467,940元（税前）。

根據組織章程細則規定，股息將以人民幣計值和宣發。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股東週年大會上批准。經批准後，末期股息預計於2017年10月31日或之前分派予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。

根據税法及中國税務監管機構的有關要求，本公司向於股息記錄日期*名列公司H股股東名冊上的所有非居民企業股東（包括香港中央結算（代理人）有限公司、其他代理人、受託人或其他團體及組織，將被視為非居民企業股東）派發截至2016年12月31日止年度之末期股息時，須預扣10%的企業所得税。

* 本公司將適時於股東週年大會通函及通告內公佈暫停辦理H股股份（就股息權利而言）過戶登記期間及股息記錄日期。

Pursuant to the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》), the Implementation Regulations of the Individual Income Tax Law (《中華人民共和國個人所得稅法實施條例》), the Law of the People's Republic of China on the Administration of Tax Collection (《中華人民共和國稅收徵收管理法》) and other relevant laws and regulations and based on the Company's consultation with the relevant PRC tax authorities, the Company is required to withhold and pay 20% individual income tax for the Company's individual H shareholders whose names appear on the register of members of H shares of the Company (the "**Individual H Shareholders**"). Pursuant to the Notice on Matters concerning the Levy and Administration of Individual Income Tax after the Repeal of Guo Shui Fa [1993] No.045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) issued by the State Administration of Tax of the PRC and the letter titled "Tax arrangements on dividends paid to Hong Kong residents by Mainland companies" issued by the Stock Exchange, the overseas resident individual shareholders of the shares issued by domestic non-foreign invested enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax arrangements between the countries where they reside and China and the tax arrangements between China mainland and Hong Kong (Macau). The Company will identify the country of domicile of the Individual H Shareholders according to their registered address on the H share register of members of the Company on the dividend record date* (the "**Registered Address**"). The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the Individual H Shareholders and for any claims arising from or in connection with any delay in or inaccurate determination of the tax status or tax treatment of the Individual H Shareholders or any disputes over the withholding mechanism or arrangements. Details of arrangements are as follows:

根據《中華人民共和國個人所得稅法》、《中華人民共和國個人所得稅法實施條例》和《中華人民共和國稅收徵收管理法》等相關法律法規及基於本公司與中國有關稅務當局的諮詢，本公司須為名列本公司H股股東名冊之本公司H股個人股東(「**H股個人股東**」)代扣代繳20%的個人所得稅。根據國家稅務總局《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》及聯交所題為「有關香港居民就內地企業派發股息的稅務安排」的函件，持有境內非外商投資企業在香港發行的股份的境外居民個人股東，可根據其居民身份所屬國家與中國簽署的稅收協定及內地和香港(澳門)間稅收安排的規定，享受相關稅收優惠。公司須根據股息記錄日期*名列公司H股股東名冊的H股個人股東的登記地址(「**登記地址**」)確定其居民身份。對於H股個人股東的納稅身份或稅務待遇及因H股個人股東的納稅身份或稅務待遇未能及時確定或不準確確定而引致或相關的任何申索或對於代扣機制或安排的任何爭議，本公司概不負責，亦不承擔任何責任。安排詳情如下：

* The Company will make an announcement on the period of closure of register of members of H Shares (for dividend entitlement) and the dividend record date in the circular and the notice of AGM in due course.

* 本公司將適時於股東週年大會通函及通告內公佈暫停辦理H股股份(就股息權利而言)過戶登記期間及股息記錄日期。

- For Individual H Shareholders who are Hong Kong or Macau residents or those whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of the Individual H Shareholders.

- H股個人股東為香港或澳門居民或其住所所在國與中國簽訂股息稅率為10%的稅收協定的，本公司將按10%的稅率代扣代繳個人所得稅。

- For Individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of less than 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of the Individual H Shareholders. If relevant Individual H Shareholders would like to apply for a refund of the additional amount of tax withheld and paid, the Company can assist the relevant shareholder to handle the application for the underlying preferential tax benefits pursuant to the tax treaties, provided that the relevant shareholder shall submit to the Company the information required under the "Notice of the State Administration of Taxation on issuing the Administrative Measures on Preferential Treatment Entitled by Non-residents under Tax Treaties" (Notice of the State Administration of Taxation, 2015 No.60) (《國家稅務總局關於發佈<非居民納稅人享受稅收協定待遇管理辦法>的公告》(國家稅務總局公告2015年第60號)) (the "**Tax Treaties Notice**") on or before the commencement date of the closure of register of members.* Upon examination and approval by competent tax authorities, the Company will assist in refunding the additional amount of tax withheld and paid.

- H股個人股東住所所在國為與中國簽訂股息稅率低於10%的稅收協定的，本公司將按10%的稅率代扣代繳股息的個人所得稅。如相關H股個人股東欲申請退還多扣繳稅款，本公司可根據稅收協定代為辦理享受有關稅收協定待遇的申請，但股東須於暫停辦理股份過戶登記的開始日期*或之前向本公司呈交《國家稅務總局關於發佈<非居民納稅人享受稅收協定待遇管理辦法>的公告》(國家稅務總局公告2015年第60號)(「**稅收協定通知**」)規定的資料，經主管稅務機關審核批准後，本公司將協助退還多扣繳稅款。

- For Individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of more than 10% but less than 20%, the Company will finally withhold and pay individual income tax at the actual tax rate stipulated in the relevant tax treaty.

- H股個人股東住所所在國為與中國簽訂股息稅率高於10%但低於20%的稅收協定的，本公司將最終按相關稅收協定實際稅率代扣代繳個人所得稅。

* The Company will make an announcement on the period of closure of register of members of H Shares (for dividend entitlement) and the dividend record date in the circular and the notice of AGM in due course.

* 本公司將適時於股東週年大會通函及通告內公佈暫停辦理H股股份(就股息權利而言)過戶登記期間及股息記錄日期。

- For Individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 20%, or a country which has not entered into any tax treaties with the PRC, or under any other circumstances, the Company will finally withhold and pay individual income tax at the rate of 20% on behalf of the Individual H Shareholders.

- H股個人股東住所所在國為與中國簽訂股息税率20%的税收協定的、與中國並沒有簽訂任何税收協定的或在任何其他情況下，本公司將最終按20%税率代扣代繳個人所得税。

- According to the relevant requirements under the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Finance Tax [2016] No. 127), jointly published by the Ministry of Finance, State Administration of Taxation and China Securities Regulatory Commission, the Company shall withhold an individual income tax at the rate of 20% on dividend derived from the H Shares of the Company acquired through the Shenzhen-Hong Kong Stock Connect by mainland individual investors. For dividend received by domestic securities investment funds from investing in the H Shares of the Company through the Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The Company will not withhold the income tax on dividend derived from the H Shares of the Company acquired through the Shenzhen-Hong Kong Stock Connect for domestic enterprise investors, and those domestic enterprise investors shall report and pay the relevant tax themselves.

- 根據財政部、國家税務總局、中國證券監督管理委員會聯合發佈的《關於深港股票市場交易互聯互通機制試點有關税收政策的通知》(財税[2016]127號)，對內地個人投資者通過深港通投資本公司H股取得的股息紅利，由本公司按照20%的税率代扣個人所得税。對內地證券投資基金通過深港通投資本公司H股取得的股息紅利，參照個人投資者徵税。內地企業投資者通過深港通投資本公司H股取得的股息紅利，本公司對內地企業投資者不代扣股息紅利所得税款，應納税款由企業自行申報繳納。

If the domicile of an Individual H Shareholder is not the same as the Registered Address or if the Individual H Shareholder would like to apply for a refund of the additional amount of tax finally withheld and paid, the Individual H Shareholder shall notify and provide relevant supporting documents to the Company on or before the commencement date of the closure of register of members.* Upon examination of the supporting documents by the relevant tax authorities, the Company will follow the guidance given by the tax authorities to implement relevant tax withholding and payment provisions and arrangements. Individual H Shareholders may either personally or appoint a representative to attend to the procedures in accordance with the requirements under the Tax Treaties Notices if they do not provide the relevant supporting documents to the Company within the time period stated above.

如H股個人股東的住所與登記地址不符或希望申請退還最終多扣繳的稅款，H股個人股東須於暫停辦理股份過戶登記的開始日期*或之前通知本公司並提供相關證明文件，證明文件經相關稅務機關審核後，本公司會遵守稅務機關的指引執行與代扣代繳相關的規定和安排。如H股個人股東在上述期限前未能向本公司提供相關證明文件，可按稅收協定通知的有關規定自行或委託代理人辦理有關手續。

Shareholders are recommended to consult their tax advisers regarding the PRC, Hong Kong and other tax implications arising from or in connection with their holding and disposal of the H Shares.

建議股東應向彼等的稅務顧問諮詢有關擁有及處置H股所涉及或相關的中國、香港及其他稅務影響的意見。

AGM AND CLOSURE OF REGISTER

股東週年大會及暫停辦理股份過戶登記

The circular and the notice of the forthcoming AGM will be published and dispatched to the Shareholders in accordance with the requirements of the Listing Rules and the Articles of Association. The Company will make an announcement on the period of closure of register of members of H Shares in the circular and the notice of the AGM in due course.

應屆股東週年大會的通函及通告將根據上市規則規定及組織章程細則適時公佈並寄予股東。本公司將適時於股東週年大會通函及通告內公佈暫停辦理H股股份過戶登記期間。

* The Company will make an announcement on the period of closure of register of members of H Shares (for dividend entitlement) and the dividend record date in the circular and the notice of AGM in due course.

* 本公司將適時於股東週年大會通函及通告內公佈暫停辦理H股股份（就股息權利而言）過戶登記期間及股息記錄日期。

BUSINESS REVIEW

A review of the business of the Group during the year, a discussion on the Group's future business development and the financial and operational key performance indicators employed by the Directors in measuring the performance of our business are set out in the sections headed "Chairman's Statement" on pages 2 to 8 of this annual report, "Key Operating and Financial Data" on pages 11 to 13 of this annual report, "Management Discussion and Analysis — II. Business Overview" on pages 25 to 43 of this annual report and "Management Discussion and Analysis — VII. Prospects" on pages 79 to 81 of this annual report. The financial risk management objectives and policies of the Group are set out in note 37 to the financial statements in this annual report. Significant events that have an effect on the Group subsequent to the financial year ended December 31, 2016 are set out in note 38 to the financial statements in this annual report.

業務回顧

對本集團年內業務的回顧、有關本集團未來業務發展的討論及董事評估業務表現時使用的財務與經營主要表現指標，載於以下章節：本年報第2頁至第8頁的「董事長致辭」，本年報第11頁至第13頁的「重要經營及財務數據」，本年報第25頁至第43頁的「管理層討論與分析—II.業務概覽」及本年報第79頁至第81頁的「管理層討論與分析—VII.前景」。本集團的財務風險管理目標及政策載於本年報財務報表附註37。截至2016年12月31日止財政年度後對本集團有影響的重大事項，載於本年報財務報表附註38。

PRINCIPAL RISKS AND UNCERTAINTIES

A number of factors may affect the results and business operations of the Group, some of which are inherent to the industries the Group operates in and some are from external sources. As regards the principal risks and uncertainties facing the Group, please refer to the section headed "Management Discussion and Analysis – VI. Risk Factors and Risk Management" on pages 67 to 78 of this annual report.

主要風險及不確定因素

諸多因素可能影響本集團的業績及業務經營，部分因素屬本集團所參與經營的行業所固有的，部分因素則來源於外部。有關本集團面臨的主要風險及不確定因素，請參閱本年報第67至78頁「管理層討論與分析－VI.風險因素及風險管理」一節。

KEY RELATIONSHIPS

(i) Employees

We are in strict compliance with the Labor Contract Law of the People's Republic of China and the laws and regulations of labor and employment in overseas areas of operation, respect human rights, implement equal and non-discriminatory labor and employment policies, and equally treat staffs of different races, nationalities, ethnic groups, genders, ages and religions, and firmly prohibit the employment of child laborers, oppose all forms of employment discrimination and forced labor, and establish equal labor relations that meet the prescribed requirements with employees.

重要關係

(i) 僱員

我們嚴格遵守《中華人民共和國勞動合同法》及海外運營所在地勞動用工的法律法規，尊重人權，奉行平等、非歧視的勞動用工政策，平等對待不同種族、國籍、民族、性別、年齡、宗教信仰的員工，堅決杜絕使用童工，反對各種形式的就業歧視和強迫勞動，與員工建立平等規範的勞工關係。

We focus on identifying the value of employees, constantly strengthening the development and training of talents, broadening the career development channels of staffs, optimizing the training system, enriching the ways of incentives for talents, and try our best to activate the enthusiasm and creativity of staffs.

我們注重挖掘員工價值，不斷加強對人才開發與培養，拓寬員工職業發展通道，優化完善培訓體系，豐富人才激勵方式，最大限度地調動員工的積極性和創造性。

We build a good career development environment for our staffs, improve our talent reserve mechanism, optimize reasonable talent structure, form a team of key talents, establish a talent flow mechanism, improve our talent training system so as to mainly solve the problem of shortage and default of key talents, which lays a foundation for the Company to cultivate innovative international talents.

我們為員工營造良好的職業發展環境，完善人才儲備機制，健全合理的人才結構，打造關鍵的人才隊伍，建立人才流動機制，完善人才培訓體系，重點解決公司關鍵人才短缺、斷檔問題，為公司培養創新性國際人才奠定基礎。

We made efforts to form core competitive advantages of elites and leading talents in the industry as well as build a transparent and open development environment. We develop a career development channel system of "smooth vertical development and horizontal cross-sector development" for our staffs and help our staffs build a reasonable career development plan, which form a broad career development platform for our staffs and promote their sustainable development.

我們致力打造產業精英和行業領軍人才的核心競爭優勢，營造透明公開的發展環境，為員工開闢「縱向通暢、橫向互通」的職業發展通道體系，幫助員工建立合理的職業發展規劃，為員工打造廣闊的職業發展平台，促進員工持續發展。

We respect the opinions of our staffs, carry out democratic management, and constantly promote and improve the democratic management system for the enterprise which mainly includes the trade union system and the congress of staffs system, and further open up the channels of democratic participation, democratic management and democratic supervision for staffs.

我們尊重員工意見，實行民主管理，不斷推進和完善以工會制度、職工代表大會制度為主要內容的企業民主管理體系，進一步暢通職工民主參與、民主管理、民主監督的渠道。

(ii) Customers

Our major customers are primarily project owners of our engineering contracting projects for our International Engineering Contracting Business, and many of them are governments, governmental agencies or state-owned entities of overseas countries.

(ii) 客戶

我們的重要客戶主要為我們國際工程承包業務中工程承包項目的項目業主，許多項目業主為政府、政府機構或海外國家的國有單位。

To ensure delivery of quality services to our customers, we adopt strict internal control and risk management systems throughout the entire process of a project.

為保證向客戶提供優質的服務，我們在整個項目流程中採用嚴格的內部控制及風險管理制度。

We have developed long-standing relationships with a number of our customers.

我們已與許多客戶建立了長期合作關係。

There are no unified standard credit terms granted to customers of the construction business and trading business. The credit terms granted to customers of the construction 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 receivables are generally due within 180 days from the date of issuance. The Group's credit policy is set out in note 37(a) to the audited consolidated financial statements of the Company in this annual report. An ageing analysis of our trade receivable is set out in note 22(a) to the audited consolidated financial statements of the Company in this annual report.

建造業務及貿易業務的客戶並無獲授統一標準信貸期。授予建造業務客戶的信貸期乃按個別情況逐次協議，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。本集團的信貸政策載於本年報本公司經審計合併財務報表附註37(a)。貿易應收款項的賬齡分析載於本年報本公司經審計合併財務報表附註22(a)。

(iii) Suppliers and Subcontractors

(iii) 供應商及分包商

In almost all of our engineering contracting projects, we act as the main contractor managing and overseeing the entire project while we procure equipment and machinery for the construction of our projects from various suppliers and subcontract works to subcontractors in areas including design, exploration, logistics, installation, construction and supervision.

在我們的大多數工程承包項目中，我們為負責管理及監督整個項目的總承包商，同時，我們自多個供應商採購我們項目建設所需的設備及機械，並將包括設計、勘探、物流、安裝、建築及監管等工程分包予分包商。

We carefully select our suppliers and subcontractors, primarily based on their qualifications, track record, financial strength and proposed fees and we maintain an updated list of qualified and reliable suppliers and subcontractors with a proven track record and long-term relationship with us. We entered into agreements with our suppliers and subcontractors in relation to each project and we require our suppliers and subcontractor to comply with service standards. We have a number of measures to manage and monitor the performance of our suppliers and subcontractors in terms of both quality and delivery time and to ensure compliance with the applicable safety and other requirements.

我們審慎選擇供應商及分包商，主要基於其資質、往績記錄、財務實力及報價。我們保留優質可靠的供應商及擁有良好往績記錄及長期合作關係的分包商的最新名單。我們就各個項目與供應商及分包商訂立協議並要求其遵守服務準則。就質量及交付時間而言，我們採取多種措施對供應商及分包商的表現進行管理及監控，保證其遵守適用安全及其他規定。

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. An ageing analysis of our trade receivable is set out in note 24 to the audited consolidated financial statements of the Company in this annual report.

貿易應付款項為免息，通常於協議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。貿易應收款項的賬齡分析載於本年報本公司經審計合併財務報表附註24。

ENVIRONMENTAL POLICIES

We are subject to different levels of local environmental laws and regulations governing air pollution, noise emissions, hazardous substances, water and waste discharge and treatment and other environmental matters depending on the relevant local jurisdiction in which we operate. Through our quality, safety and environmental protection control management system, we ensure compliance with safety and environmental requirements through various stages: (1) at the design stage, we ensure that our design is compliant with applicable safety and environmental laws, regulations and mandatory standards and enhance environmental awareness and professional ethics of the designers through education and trainings; (2) at the procurement stage, we check and control the equipment and materials used by ourselves and our subcontractors and ensure that the procurement meets safety and environmental requirements; and (3) at the construction stage, we seek to manage factors that may affect safety and environmental protection during the construction process through establishing safety and environmental management objectives, identifying hazardous substances, and abiding by preventive measures and trainings.

環保政策

我們須遵守我們經營所在的相關當地司法管轄區有關管治空氣污染、噪聲排放、有害物質、廢水及廢物排放及處理情況及其他環境事宜的不同級別地方環境法律法規。我們通過質量、安全及環境保護管控系統，確保透過以下不同階段遵守安全及環保規定：(1)於設計階段，確保我們的設計符合適用安全及環境法律法規及法定標準，並通過教育與培訓提升設計師的環保意識及專業道德；(2)於採購階段，我們檢查及管控我們自用及分包商所用的設備及材料，確保採購符合安全及環保規定；及(3)於建設階段，通過設立安全及環保管理目標，識別有害物質及堅持預防措施及培訓，我們致力於管理建設過程中可能影響安全及環保的因素。

COMPLIANCE WITH LAWS AND REGULATIONS

To the best knowledge of our Directors, in 2016, we were in compliance with all relevant PRC laws and regulations in all material respects and have obtained all necessary licenses, approvals and permits from relevant and appropriate regulatory authorities for our business operations in the PRC; the operations of our overseas subsidiaries were not in breach of any applicable laws and regulations of the relevant jurisdictions and our overseas subsidiaries' business operations were in compliance with the applicable laws and regulations of the jurisdictions in all material respects where the overseas subsidiaries were incorporated.

遵守法律及法規

據董事所深知，於2016年，我們於所有重大方面均遵守相關中國法律法規，並就中國的業務經營自相關監管部門取得所有必要的執照、批准及許可；我們海外附屬公司的經營並無違反相關司法管轄區的任何適用法律法規，且我們海外附屬公司的業務經營亦於所有重大方面符合有關海外附屬公司註冊成立所在司法管轄區的適用法律法規。

PERMITTED INDEMNITY

Pursuant to the Articles of Association, the Company is entitled to establish a necessary system of insurance for the liabilities of its Directors, Supervisors and senior management for the purpose of lowering the risk that may be incurred from regular performance of duties by such parties. The Company has arranged for appropriate insurance coverage for Directors', Supervisors' and senior management's liabilities in respect of legal actions against its Directors, Supervisors and senior management arising out of corporate activities.

獲准許的彌償

根據組織章程細則規定，本公司有權就董事、監事及高級管理人員責任設立必要的保險制度，以降低該等人員正常履行職責而可能引致的風險。本公司已為董事、監事及高級管理人員投購合適的保險，保障彼等因企業活動而可能承擔的訴訟責任。

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year ended December 31, 2016 or subsisted at the end of the year.

股票掛鈎協議

截至2016年12月31日止年度期間或年度結束時，本公司概無訂立任何股票掛鈎協議將會或可能導致本公司發行股份，或規定本公司訂立任何協議將會或可能導致本公司發行股份。

FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities for the last five financial years is set out in the section headed "Financial Highlights" of this annual report. This summary does not form part of the audited consolidated financial statements.

財務概要

本集團於過往五個財政年度的業績、資產及負債之概要載於本年報「財務摘要」一節。本概要並不構成經審計合併財務報表的一部分。

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended December 31, 2016, the Group's five largest suppliers accounted for 8.64% (2015: 11.00%) of the Group's total purchases. The Group's largest supplier accounted for 2.58% (2015: 4.27%) of the Group's total purchases.

For the year ended December 31, 2016, the Group's sales to its five largest customers accounted for 21.99% (2015: 30.85%) of the Group's total sales. The Group's sales to its largest customer accounted for 6.89% (2015: 12.69%) of the Group's total sales.

None of the Directors of the Company or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) had any interest in the Group's five largest customers and suppliers.

主要客戶及供應商

截至2016年12月31日止年度，本集團的五大供應商佔本集團採購總額的8.64%（2015年：11.00%）。本集團的最大供應商佔本集團採購總額的2.58%（2015年：4.27%）。

截至2016年12月31日止年度，本集團向其五大客戶作出的銷售額佔本集團銷售總額21.99%（2015年：30.85%）。本集團向其最大客戶作出的銷售額佔本集團銷售總額6.89%（2015年：12.69%）。

本公司董事或彼等任何緊密聯繫人或任何股東（就董事所深知，擁有本公司已發行股本5%以上）概無於本集團五大客戶及供應商擁有任何權益。

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended December 31, 2016 are set out in note 14 to the financial statements in this annual report.

物業、廠房及設備

本集團於截至2016年12月31日止年度的物業、廠房及設備的變動詳情載於本年報財務報表附註14。

ISSUED CAPITAL

Details of movements in the issued capital of the Group during the year ended December 31, 2016 are set out in note 29 to the financial statements in this annual report.

已發行股本

本集團於截至2016年12月31日止年度的已發行股本變動詳情載於本年報財務報表附註29。

RESERVES

Details of movements in the reserves of the Group during the year ended December 31, 2016 are set out in note 30 to the financial statements in this annual report, and details of movements in the reserves of the Group during the year ended December 31, 2016 are set out in the consolidated statement of changes in equity in this annual report.

儲備

本集團於截至2016年12月31日止年度的儲備變動詳情載於本年報財務報表附註30，而本集團於截至2016年12月31日止年度的儲備變動詳情載於本年報合併權益變動表內。

DISTRIBUTABLE RESERVES

As at December 31, 2016, the Company's reserves available for distribution, calculated in accordance with the provisions of Companies Law, amounted to approximately RMB6,037.35 million (as at December 31, 2015: 5,248.49 million).

可分派儲備

於2016年12月31日，根據公司法條文計算本公司可供分派的儲備約為人民幣6,037.35百萬元（於2015年12月31日：人民幣5,248.49百萬元）。

BANK LOAN AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at December 31, 2016 are set out in note 25 to the financial statements of the Group in this annual report.

銀行貸款及其他借貸

本集團於2016年12月31日的銀行貸款及其他借貸之詳情載於本年報本集團財務報表附註25。

BOARD

The Directors during the year ended December 31, 2016 and up to the date of this report were:

Executive Directors:

Mr. SUN Bai *(Chairman)*
Mr. ZHANG Chun *(President)*

Non-executive Directors:

Mr. WANG Zhian
Mr. YU Benli
Mr. ZHANG Fusheng

INEDs:

Mr. LIU Li
Ms. LIU Hongyu
Mr. FANG Yongzhong
Mr. WU Tak Lung

BOARD OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Biographical details of the current Directors, Supervisors and senior management of the Group are set out in the section headed "Directors, Supervisors, Senior Management and Employees" of this annual report.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the INEDs and the Company considers such Directors to be independent for the year ended December 31, 2016.

董事會

於截至2016年12月31日止年度內及直至本報告日期，董事包括：

執行董事：

孫柏先生*（董事長）*
張淳先生*（總裁）*

非執行董事：

王治安先生
余本禮先生
張福生先生

獨立非執行董事：

劉力先生
劉紅宇女士
方永忠先生
吳德龍先生

董事會、監事及高級管理人員

本集團現任董事、監事及高級管理人員的履歷詳情載於本年報「董事、監事、高級管理人員及僱員」一節。

獨立非執行董事的獨立性確認書

本公司已接獲各獨立非執行董事根據上市規則第3.13條的規定作出其符合獨立性之年度確認書，且本公司認為該等董事於截至2016年12月31日止年度內皆為獨立人士。

SERVICE CONTACT AND LETTER OF APPOINTMENTS OF DIRECTORS AND SUPERVISORS

董事及監事的服務合同及委任函

As approved at the extraordinary general meeting of the Company on February 20, 2014, (i) Mr. SUN Bai and Mr. ZHANG Chun have been re-appointed as executive Directors of the second session of the Board, (ii) Mr. WANG Zhian has been re-appointed and Mr. YU Benli and Mr. ZHANG Fusheng have been appointed as non-executive Directors of the second session of the Board, (iii) Mr. LIU Li, Ms. LIU Hongyu and Mr. FANG Yongzhong have been re-appointed and Mr. WU Tak Lung has been appointed as INEDs of the second session of the Board, whose term of service commenced on February 20, 2014 until the expiration of the term of the second session of the Board, and (iv) Mr. QUAN Huaqiang and Mr. QIAN Xiangdong have been re-appointed as shareholder representative Supervisors for the second session of the Supervisory Board. Mr. BAI Ming has been re-appointed as the staff representative Supervisor for the second session of the Supervisory Board on January 24, 2014 and he together with Mr. QUAN Huaqiang and Mr. QIAN Xiangdong formed the second session of the Supervisory Board. Their term of service commenced on February 20, 2014 until the expiration of the term of the second session of the Supervisory Board.

經2014年2月20日本公司舉行的臨時股東大會批准，(i)孫柏先生及張淳先生已獲重新委任為第二屆董事會執行董事；(ii)王治安先生已獲重新委任，及余本禮先生及張福生先生已獲委任為第二屆董事會非執行董事；(iii)劉力先生、劉紅宇女士及方永忠先生已獲重新委任，及吳德龍先生已獲委任為第二屆董事會獨立非執行董事，彼等的任期自2014年2月20日起直至第二屆董事會屆滿為止；及(iv)全華強先生及錢向東先生已獲重新委任為第二屆監事會股東代表監事。白明先生已於2014年1月24日獲重新委任為第二屆監事會職工代表監事，彼與全華強先生及錢向東先生組成第二屆監事會。彼等的任期自2014年2月20日起直至第二屆監事會屆滿為止。

After their appointment, all members of the second session of the Board have entered into service contracts and/or appointment letters with the Company for a term of three years, commencing from February 20, 2014 and ending on February 19, 2017 or on the date when the third session of the Board is elected by the Shareholders. The Company shall have power to enter into service contracts and/or appointment letters with the members of the second session of the Supervisory Board.

彼等獲委任後，第二屆董事會的全體成員已與本公司訂立服務合同及／或委任函，任期為三年，自2014年2月20日起，至2017年2月19日或股東選出第三屆董事會之日止。本公司有權與第二屆監事會成員訂立服務合同及／或委任函。

For the year ended December 31, 2016, none of the Directors or Supervisors had entered or proposed to enter into a service contract and/or appointment letter with any member of the Group which will not expire or is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

截至2016年12月31日止年度，概無董事及監事與本集團任何成員公司訂立或擬訂立於一年後屆滿或本公司不得在一年內毋須作出賠償（法定賠償除外）而可終止的任何服務合同及／或委任函。

DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No Director or Supervisor had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year ended December 31, 2016.

董事及監事於重大合約之權益

截至2016年12月31日止年度，各董事及監事概無於本公司或其任何附屬公司所訂立對本集團業務而言屬重大的任何合約中直接或間接擁有重大權益。

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended December 31, 2016.

管理合約

截至2016年12月31日止年度，概無就本公司整體業務或其任何主要部分的管理及行政訂立或訂有任何合約。

EMOLUMENT POLICY

A remuneration committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices.

The Company does not adopt any pre- or post-IPO share award scheme and share option scheme as incentive to eligible employees.

薪酬政策

已設立薪酬委員會，旨在根據本集團的經營業績、董事與高級管理人員的個人表現及可資比較的市場慣例，檢討本集團的薪酬政策以及所有董事及高級管理人員的薪酬架構。

本公司概無採納任何首次公開發售前或後股份獎勵計劃及購股權計劃，作為對合資格僱員的獎勵。

REMUNERATION OF DIRECTORS, SUPERVISORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the directors, supervisors and five highest paid individuals are set out in notes 8 and 9 to the financial statements in this annual report.

董事、監事及五位最高薪酬人士的薪酬

有關董事、監事及五位最高薪酬人士的薪酬詳情載於本年報財務報表附註8及9。

Report of Directors
董事會報告

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS DURING THE YEAR

Mr. LIU Li, an INED, has been ceased as independent director of Beijing Oil HBP Group (華油惠博普科技股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 002554) in the second half of 2016. On April 13, 2017, Mr. LIU has been appointed as independent director of Cnpc Capital Company Limited (中國石油集團資本股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 000617).

Mr. WU Tak Lung, an INED, has been appointed as an independent non-executive director, members of nomination committee and risk management committee of Huarong Investment Stock Corporation Limited (華融投資股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 2277) on November 7, 2016, March 13, 2017 and April 13, 2017, respectively. On December 1, 2016, Mr. WU has been appointed as an independent non-executive director, the chairman of audit committee, members of remuneration committee and nomination committee of Kam Hing International Holdings Limited (錦興國際控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 2307). He was an independent non-executive director of Aupu Group Holding Company Limited (奧普集團控股有限公司), which was delisted on September 30, 2016.

Mr. ZHANG Chun, an executive Director and president of the Company, has been ceased as director of China National Guo Lian Development New Energy (Wuxi) Co., Ltd. (中設國聯無錫新能源發展有限公司) in March 2017.

As at the date of this report of directors, there were no changes to the Director's, Supervisor's or senior management's information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

本年度內董事資料變動

於2016年下半年，獨立非執行董事劉力先生不再擔任在深圳證券交易所上市的華油惠博普科技股份有限公司（股票代碼：002554）的獨立董事。於2017年4月13日，劉先生獲委任在深圳證券交易所上市的中國石油集團資本股份有限公司（股票代碼：000617）的獨立董事。

獨立非執行董事吳德龍先生分別於2016年11月7日，2017年3月13日及2017年4月13日獲委任為聯交所主板上市公司華融投資股份有限公司（股份代號：2277）之獨立非執行董事、提名委員會及風險管理委員會成員。於2016年12月1日，吳先生獲委任為聯交所主板上市公司錦興國際控股有限公司（股份代號：2307）之獨立非執行董事、審計委員會主席、薪酬委員會及提名委員會成員。彼為奧普集團控股有限公司之獨立非執行董事，該公司於2016年9月30日獲除牌。

於2017年3月，本公司執行董事兼總裁張淳先生不再擔任中設國聯無錫新能源發展有限公司的董事。

截至本董事會報告日期，董事、監事或高級管理人員的資料概無任何變動而須根據上市規則第13.51B(1)條予以披露。

INTERESTS, SHORT POSITIONS AND SHARE OPTION SCHEME OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at December 31, 2016, none of the Directors, Supervisors or members of the senior management of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which would have to be notified to the Company and the Stock Exchange pursuant to divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

董事、監事及高級管理人員於股份、相關股份及債券的權益、淡倉及購股權

於2016年12月31日，概無本公司董事、監事或高級管理人員於本公司或其相關法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的權益或淡倉（包括彼等根據證券及期貨條例的該等條文被當做或被視為擁有的權益或淡倉），或按證券及期貨條例第352條記載於本公司於該條所指的登記冊內的權益或淡倉，或根據《標準守則》須知會本公司及聯交所的權益或淡倉。

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

No time during the year ended December 31, 2016 were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director, Supervisor or their respective spouse or children under 18 years of age, or were any such rights exercised by them; nor was the Company and any of its subsidiaries a party to any arrangement to enable the Directors, the Supervisors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

董事及監事購買股份或債券的權利

截至2016年12月31日止年度期間，概無授予任何董事、監事或彼等各自的配偶或未滿18歲的子女通過購入本公司股份或債券的方式而獲益的權利，或由彼等行使任何該等權利；亦無由本公司或其任何附屬公司作出安排以令董事、監事，或彼等各自的配偶或未滿18歲的子女於任何其他法人團體獲得該等權利。

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at December 31, 2016, so far as it was known by or otherwise notified to any Directors or the chief executive of the Company, the particulars of the corporations or persons (other than a Director, Supervisor or chief executive of the Company) which had 5% or more interests and short positions in the Shares and the underlying Shares as recorded in the register kept under section 336 of the SFO were as follows:

主要股東及其他人士於股份、相關股份及債券的權益及淡倉

於2016年12月31日，據任何董事或本公司最高行政人員所知或以其他方式獲知會，根據證券及期貨條例第336條存置的登記冊所記錄擁有股份及相關股份5%或以上權益及淡倉的法團或人士（董事、監事或本公司最高行政人員除外）詳情如下：

Long positions and Short positions in the Shares 股份的好倉及淡倉

Name of Shareholders 股東名稱	Class of Shares 股份類別	Capacity/ Nature of Interest 身份／權益性質	Number of Issued Shares/Underlying Shares Held (Shares) 所持已發行股份／相關股份的數目（股）	Approximate Percentage of Shareholding in the Relevant Class of Shares *(Note 1)* *(%)* 佔有關股份類別股權概約百分比 *（附註1）* *(%)*	Approximate Percentage of Shareholding in the Total Shares *(Note 1)* *(%)* 佔股份總額股權概約百分比 *（附註1）* *(%)*
SINOMACH 國機	Domestic Shares 內資股	Interests of beneficial owner and controlled corporation 實益擁有人權益及受控法團權益	3,217,430,000 *(Note 2)* (Long position) *（附註2）*（好倉）	100%	77.99%
SSF 社保基金理事會	H Shares H股	Interests of beneficial owner 實益擁有人權益	81,352,000 (Long position) （好倉）	8.96%	1.97%
BNP Paribas Jersey Nominee Company Limited BNP Paribas Jersey Nominee Company Limited	H Shares H股	Nominee for another person 另一名人士之代名人	52,556,000 *(Note 3)* (Long position) *（附註3）*（好倉）	5.78%	1.27%
BNP Paribas Jersey Trust Corporation Limited BNP Paribas Jersey Trust Corporation Limited	H Shares H股	Trustee 受託人	52,556,000 *(Note 3)* (Long position) *（附註3）*（好倉）	5.78%	1.27%
Cheah Capital Management Limited 切亞資本管理有限公司	H Shares H股	Interests of controlled corporation 受控法團權益	52,556,000 *(Note 3)* (Long position) *（附註3）*（好倉）	5.78%	1.27%

Name of Shareholders 股東名稱	Class of Shares 股份類別	Capacity/ Nature of Interest 身份／權益性質	Number of Issued Shares/Underlying Shares Held (Shares) 所持已發行股份／相關股份的數目（股）	Approximate Percentage of Shareholding in the Relevant Class of Shares *(Note 1)* *(%)* 佔有關股份類別股權概約百分比 *（附註1）* *(%)*	Approximate Percentage of Shareholding in the Total Shares *(Note 1)* *(%)* 佔股份總額股權概約百分比 *（附註1）* *(%)*
Cheah Company Limited 切亞有限公司	H Shares H股	Interests of controlled corporation 受控法團權益	52,556,000 *(Note 3)* (Long position) *（附註3）*（好倉）	5.78%	1.27%
Value Partners Group Limited 惠理集團有限公司	H Shares H股	Interests of controlled corporation 受控法團權益	52,556,000 *(Note 3)* (Long position) *（附註3）*（好倉）	5.78%	1.27%
Cheah Cheng Hye 謝清海	H Shares H股	Founder of a discretionary trust 全權信託創立人	52,556,000 *(Note 3)* (Long position) *（附註3）*（好倉）	5.78%	1.27%
To Hau Yin 杜巧賢	H Shares H股	Interests of spouse 配偶權益	52,556,000 *(Note 3)* (Long position) *（附註3）*（好倉）	5.78%	1.27%
Morgan Stanley 摩根士丹利	H Shares H股	Interests of controlled corporation 受控法團權益	58,581,190 *(Note 4)* (Long position) *（附註4）*（好倉）	6.44%	1.42%
			6,433,962 *(Note 5)* (Short position) *（附註5）*（淡倉）	0.70%	0.16%
GIC Private Limited 新加坡政府投資公司	H Shares H股	Investment manager 投資經理	45,454,000 (Long position)（好倉）	5.00%	1.10%

Notes:

(1) This percentage is calculated on the basis of the number of underlying Shares/total Shares that had been issued by the Company as of December 31, 2016.

(2) SINOMACH was beneficially interested in 3,185,260,000 Domestic Shares, representing approximately 77.21% of our total share capital. China United was beneficially interested in 32,170,000 Domestic Shares, representing approximately 0.78% of our total share capital. Since China United is a wholly-owned subsidiary of SINOMACH, SINOMACH is, therefore, deemed to be interested in the Domestic Shares held by China United.

The following shares which are referred to in the notes above represent the same block of shares in which all the relevant parties are deemed under the SFO to be interested.

(3) The 52,556,000 Shares as referred to in note 3 above.

BNP Paribas Jersey Trust Corporation Limited, as trustee of The C H Cheah Family Trust, has 100% interest over BNP Paribas Jersey Nominee Company Limited. BNP Paribas Jersey Nominee Company Limited has 100% interest over Cheah Company Limited which in turn has 100% interest over Cheah Capital Management Limited. Cheah Capital Management Limited has 21.82% interest over Value Partners Group Limited which in turn has 100% interest over Value Partners Hong Kong Limited. Value Partners Hong Kong Limited has 100% interest over Value Partners Limited.

The C H Cheah Family Trust was set up by Mr. Cheah Cheng Hye. Madam To Hau Yin is the spouse of Mr. Cheah Cheng Hye and accordingly is deemed to be interested in the 52,556,000 Shares.

(4) The 58,581,190 Shares as referred to in note 4 above.

Among these 58,581,190 Shares, 43,792,231 Shares were held by Morgan Stanley Investment Management Company, an indirect non-wholly-owned subsidiary of Morgan Stanley, 7,554,746 Shares were held by Morgan Stanley & Co. International plc, an indirect wholly-owned subsidiary of Morgan Stanley, 267,000 Shares were held by Morgan Stanley Capital Services LLC, an indirect wholly-owned subsidiary of Morgan Stanley, 5,832,000 Shares were held by Morgan Stanley & Co. LLC, an indirect wholly-owned subsidiary of Morgan Stanley, 1,135,213 were held by Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., an indirect non-wholly-owned subsidiary of Morgan Stanley. Accordingly, Morgan Stanley is deemed to be interested in 58,581,190 Shares.

附註：

(1) 該百分比乃以本公司於2016年12月31日已發行的相關股份數目／股份總數計算。

(2) 國機於3,185,260,000股內資股中實益擁有權益，佔我們總股本約77.21%。中國聯合於32,170,000股內資股中擁有實益權益，佔我們總股本約0.78%。由於中國聯合為國機的全資附屬公司，因此，國機被視為於中國聯合所持內資股中擁有權益。

上文附註所述的以下股份指根據證券及期貨條例視為擁有權益的所有相關各方的同一批股份。

(3) 上文附註3所述的52,556,000股股份。

BNP Paribas Jersey Trust Corporation Limited（作為The C H Cheah Family Trust的受託人）擁有BNP Paribas Jersey Nominee Company Limited全部權益。BNP Paribas Jersey Nominee Company Limited擁有切亞有限公司全部權益，而切亞有限公司擁有切亞資本管理有限公司全部權益。切亞資本管理有限公司擁有惠理集團有限公司21.82%權益，而惠理集團有限公司擁有惠理基金管理香港有限公司全部權益。惠理基金管理香港有限公司擁有惠理基金管理公司全部權益。

The C H Cheah Family Trust由謝清海先生成立。杜巧賢女士為謝清海先生的配偶，故此被視為於52,556,000股股份中擁有權益。

(4) 上文附註4所述的58,581,190股股份。

於該等58,581,190股股份中，43,792,231股股份由摩根士丹利的間接非全資附屬公司Morgan Stanley Investment Management Company所持有、7,554,746股股份由摩根士丹利的間接全資附屬公司Morgan Stanley & Co. International plc所持有、267,000股股份由摩根士丹利的間接全資附屬公司Morgan Stanley Capital Services LLC所持有、5,832,000股股份由摩根士丹利的間接全資附屬公司Morgan Stanley & Co. LLC所持有、1,135,213股股份由摩根士丹利的間接非全資附屬公司Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.所持有。因此，摩根士丹利被視為於58,581,190股股份中擁有權益。

(5) These 6,433,962 Shares as referred to in note 5 above.

Among these 6,433,962 Shares, 4,283,641 Shares were held by Morgan Stanley & Co. International plc, an indirect wholly-owned subsidiary of Morgan Stanley, 1,431,281 Shares were held by Morgan Stanley Capital Services LLC, an indirect wholly-owned subsidiary of Morgan Stanley, 719,040 Shares were held by Morgan Stanley & Co. LLC, an indirect wholly-owned subsidiary of Morgan Stanley. Accordingly, Morgan Stanley is deemed to be interested in 6,433,962 Shares.

Save as disclosed above, and as at December 31, 2016, the Directors were not aware of any persons (who were not Directors, Supervisors or the chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed under divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to section 336 of the SFO, to be entered in the register referred to therein.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended December 31, 2016, 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.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the Companies Law, which would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

(5) 上文附註5所述的6,433,962股股份。

於該等6,433,962股股份中，4,283,641股股份由摩根士丹利的間接全資附屬公司Morgan Stanley & Co. International plc所持有，1,431,281股股份由摩根士丹利的間接全資附屬公司Morgan Stanley Capital Services LLC所持有，719,040股股份由摩根士丹利的間接全資附屬公司Morgan Stanley & Co. LLC所持有。因此，摩根士丹利被視為於6,433,962股股份中擁有權益。

除上文披露者外，於2016年12月31日，董事並不知悉，任何人士（並非董事、監事或本公司主要行政人員）於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部規定須予披露的權益或淡倉，或須根據證券及期貨條例第336條登記於該條所述的股東名冊的權益或淡倉。

購買、出售或贖回上市證券

於截至2016年12月31日止年度，本公司並無贖回其於聯交所上市之任何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。

優先認股權

組織章程細則或公司法概無條文規定本公司須向現有股東按比例提呈發售新股的優先認股權。

NON-COMPETITION UNDERTAKING

SINOMACH entered into a non-competition agreement dated July 12, 2011 as supplemented by a supplemental agreement dated December 10, 2012 (together as "**Non-Competition Agreement**") with the Company. Pursuant to the agreement, SINOMACH provided certain non-competition undertakings to the Company and granted the option to acquire certain retained business which overlaps with the Company's International Engineering Contracting Business in the Core Sectors (the "**Relevant Sectors**") and right of first refusal for any new business opportunities in relation to the Relevant Sectors. Pursuant to the Non-competition Agreement, the INEDs are responsible for reviewing the implementation of the undertakings under the agreement on an annual basis. During the year, the INEDs have reviewed the implementation of the Non-Competition Agreement and confirmed that SINOMACH has been in full compliance with the agreement and there was no breach by SINOMACH.

SINOMACH has confirmed in writing to the Company of its compliance with the Non-competition Agreement for disclosure in this annual report during the year ended December 31, 2016. Furthermore, as contemplated in the Non-competition Agreement, SINOMACH shall transfer all its equity interest in CNCEC, CNEEC and China National Automation Control System Corporation ("**CACS**") to the Company within three years after the Listing. The acquisition of the entire equity interests of CNCEC by the Company was completed on May 23, 2016. The acquisitions of the equity interest in CNEEC and CACS by the Company are currently expected to be delayed. Please refer to the announcement and circular both published on February 5, 2016 and the announcement published on May 23, 2016 on the respective websites of the Stock Exchange and the Company for further details.

避免同業競爭承諾

國機與本公司於2011年7月12日簽訂避免同業競爭協議，並經日期為2012年12月10日的補充協議所補充（統稱「**避免同業競爭協議**」）。根據協議，國機向本公司作出若干避免同業競爭承諾，並授予收購與本公司於核心行業（「**相關行業**」）國際工程承包業務重疊的部分保留業務的選擇權及就相關行業所產生的新商機的優先選擇權。根據避免同業競爭協議，獨立非執行董事每年負責檢討協議項下承諾的執行情況。年內，獨立非執行董事已對避免同業競爭協議的遵守情況作了檢討，並確認國機完全遵守有關協議，且概無作出任何違反行為。

截至2016年12月31日止年度，國機已以書面形式向本公司確認，其已就避免同業競爭協議的遵守情況於本年報中作出披露。此外，根據避免同業競爭協議，國機應於上市後三年內向本公司轉讓其於中成套、中電工及中國自動化控制系統總公司（「**中國自控**」）的全部股權。本公司於2016年5月23日完成收購中成套的全部股權。目前預計本公司會延遲收購中電工及中國自控的股權。詳情請參閱在聯交所網站及本公司網站分別刊發的2016年2月5日的公告及通函以及2016年5月23日的公告。

DIRECTORS' AND SUPERVISORS' INTEREST IN COMPETING BUSINESS

As at December 31, 2016, none of the Directors, the Supervisors or their respective close associates had engaged in or had any interest in any business which competes or may compete with the businesses of the Group.

董事及監事於競爭性業務中的權益

於2016年12月31日，概無董事、監事或彼等各自的緊密聯繫人從事或於任何與本集團業務形成競爭或可能形成競爭的業務中擁有權益。

CONNECTED TRANSACTION

關連交易

I. Connected Transactions

I. 關連交易

1. The acquisition of 100% equity interest in China National Complete Engineering Corporation*

On February 5, 2016, the Company and SINOMACH entered into an acquisition agreement, pursuant to which the Company has agreed to acquire, and SINOMACH has agreed to dispose of, the entire equity interest in CNCEC for an aggregate consideration of RMB532,678,100 (equivalent to approximately HK$634,299,170), subject to the terms and conditions of the acquisition agreement (the "**Acquisition**"). The Acquisition is a key and timely 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 business. It is in line with the strategic planning of SINOMACH Group and the Company, which helps to optimize resource allocation to enhance corporate competitiveness of the Company. The Acquisition would also effectively strengthen the Company's business position in the agricultural sector to enhance the strength and depth of its business diversification, and expand the business presence of the Company by effectively entering new regions. The Acquisition was completed on May 23, 2016. Details for the transaction are set out in the Company's announcement and circular both made on February 5, 2016 and the announcement made on May 23, 2016 respectively on the respective websites of the Stock Exchange and the Company.

1. 收購中國成套工程有限公司100%股權

於2016年2月5日，本公司與國機訂立收購協議，根據該協議及在其條款及條件的規限下，本公司已同意以人民幣532,678,100元的總對價（相當於約634,299,170港元）收購中成套的全部股權，而國機亦已同意出售（「**收購事項**」）。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且及時的舉措，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。該收購事項符合國機集團及本公司的戰略規劃，可幫助本公司優化資源配置以提高企業競爭力。該收購事項亦能有效鞏固本公司在農業領域的商業地位以提高其業務多元化的強度及深度，及透過有效進入新區域而擴充本公司的業務範圍。該收購事項於2016年5月23日完成。該交易的詳情載於在聯交所網站及本公司網站分別刊發的2016年2月5日的公告及通函以及2016年5月23日的公告。

2. The formation of Zhongzhe Bearing

On October 26, 2016, the Company, Luoyang Bearing Science & Technology Co., Ltd, Guangming Railroad Holdings Co., Ltd and CRRC Equity Investment Co., Ltd* have entered into an investment agreement to jointly invest in and establish of a new joint venture company, Zhongzhe Bearing. Upon establishment, the Zhongzhe Bearing has a total registered capital of RMB250,000,000 and is owned as to 10% by the Company, 40% by Luoyang Bearing Science & Technology Co., Ltd, 35% by Guangming Railroad Holdings Co., Ltd and 15% by CRRC Equity Investment Co., Ltd*, respectively. The Company had made RMB25,000,000 in cash as capital contribution. The formation of Zhongzhe Bearing would enable each JV partner to synchronise their respective research capacities, manufacturing technologies, resources and sales channels in the development, manufacturing and sales of railway bearings, and would allow the Company to further increase its market share in developing and manufacturing high-end forging and casting products, especially those related to high-speed railway and urban rail transit. It would also be in furtherance of the Company's strategy to improve its industrial supply chain and strengthen the Group's overall competitiveness. Details for the transaction are set out in the Company's announcement made on October 26, 2016 on the respective websites of the Stock Exchange and the Company.

2. 成立中浙軸承

於2016年10月26日，本公司、洛陽軸研科技股份有限公司、光明鐵道控股有限公司及中車股權投資有限公司已就聯合投資成立新合營公司中浙軸承訂立投資協議。於成立後，中浙軸承的總註冊資本為人民幣250,000,000元，分別由本公司、洛陽軸研科技股份有限公司、光明鐵道控股有限公司及中車股權投資有限公司擁有10%、40%、35%及15%的權益。本公司已支付人民幣25,000,000元作為注資。成立中浙軸承將使各合營夥伴整合彼等各自之研發能力、製造技術、資源及銷售渠道以開發、製造及銷售鐵路軸承，並將使本公司得以進一步增加其在開發及生產高端鍛造產品方面之市場份額，尤其是與高鐵及城軌交通有關之產品。成立中浙軸承乃進一步踐行本公司策略以改善其行業供應鏈及鞏固本集團之整體競爭力。有關交易的詳情載於在聯交所網站及本公司網站分別刊發的2016年10月26日的公告。

3. The formation of CMMC

On November 30, 2016, CMIPC, Chongqing Research Institute and Jiangyin Nangong Forging Co., Ltd entered into a shareholders' agreement and formulated the articles of associations for the establishment of a new joint venture company, CMMC. CMMC has a total registered capital of RMB100,000,000. The Company make a capital contribution of RMB25,000,000 and hold 25% of the equity interest of CMMC. The formation of CMMC is in furtherance of the Company's strategy to improve its industrial supply chain and strengthen the Group's overall competitiveness in the market of developing and producing high-end casting and forging products and will further expand CMIPC's product range from forging and casting goods for traditional mining machinery and engineering machinery classes to forging and casting goods for plant equipment, energy and offshore oil and gas equipment. For further details, please refer to the Company's announcement published on November 30, 2016 on the respective website of the Stock Exchange and the Company.

3. 成立國機金屬

於2016年11月30日，中設裝備、重材院及江陰南工鍛造有限公司就成立新合營公司國機金屬訂立股東協議並制定組織章程細則。國機金屬的總註冊資本為人民幣100,000,000元。本公司出資人民幣25,000,000元，持有國機金屬25%的股權。成立國機金屬將促進本公司完善其工業供應鏈的策略並加強本集團於開發及生產高端鍛造產品市場中的整體競爭力，並將進一步將中設裝備的產品範圍從傳統的採礦機械及工程機械類的鍛造產品擴充至工廠設備、能源及海洋油氣裝備類的鍛造產品。有關進一步詳情，請參閱本公司於2016年11月30日分別於聯交所及本公司網站刊發的公告。

4. Disposal of CMEC Expo and subscription of shares in SINOMACHINT

On December 14, 2016, the CNMTC, SINOMACH Capital, SINOMACH and SINOMACHINT entered into an equity subscription agreement pursuant to which each of the Company, CNMTC and SINOMACH Capital has agreed to subscribe for new shares to be issued by SINOMACHINT. The Company has agreed to transfer its entire equity interest in CMEC Expo to SINOMACHINT as capital contribution amounting to RMB73,682,200 of the increased share capital of SINOMACHINT. Upon completion, the Company would hold approximately 19.29% of the entire equity interest in SINOMACHINT, and CMEC Expo would cease to be a subsidiary of the Company. The transaction is a strategic step to consolidate and integrate the exhibition resources and talents scattered within the SINOMACH group into one platform, i.e. SINOMACHINT. Leveraging on the integrated exhibition resources and talents, SINOMACHINT is able to acquire other companies in the exhibition services industry and further expand its market shares in both domestic and international exhibition markets. On the other hand, the Company's primary focus is on international engineering contracting business and trading business, while the exhibition service carried out by CMEC Expo only constitutes a small part of the Group's business; by restructuring CMEC Expo into SINOMACHINT in exchange for the equity interest in SINOMACHINT, the Company will be able to concentrate on further developing its core businesses while increase its operating efficiency and receiving dividends and investment returns generated by SINOMACHINT. Details for the transaction are set out in the Company's announcement made on December 14, 2016 on the respective websites of the Stock Exchange and the Company.

4. 處置西麥克展覽及認購SINOMACHINT的股份

於2016年12月14日，本公司、中國機床、國機資本控股有限公司、國機及SINOMACHINT訂立了股權認購協議，根據該協議，本公司、中國機床、國機資本控股有限公司均已同意認購SINOMACHINT將予發行的新股。本公司已同意將其於西麥克展覽的全部股本權益轉讓予SINOMACHINT，作為相等於SINOMACHINT股本增加額人民幣73,682,200元的注資。完成後，本公司將持有SINOMACHINT全部股本權益的約19.29%，而西麥克展覽將不再為本公司的附屬公司。該交易乃為將國機集團內分散的展覽資源及人才鞏固並整合至一個平台（即SINOMACHINT）的戰略性步驟。憑藉整合後的展覽資源及人才，SINOMACHINT能夠收購展覽服務行業內的其他公司，並進一步擴展其在國內及國際展覽市場的市場份額。另一方面，本公司主要專注於國際工程承包業務及貿易業務，而西麥克展覽所進行的展覽服務只構成本集團業務的小部分。透過重組西麥克展覽並併入SINOMACHINT以換取SINOMACHINT的股本權益，本公司將能夠集中資源進一步發展其核心業務，同時可提升營運效率並收取SINOMACHINT的股息及取得其投資回報。該交易的詳情載於在聯交所網站及本公司網站分別刊發的2016年12月14日的公告。

II. Continuing Connected Transaction

The connected transactions of the Company are also related party transactions, which are disclosed in note 35 to the financial statements in accordance with International Accounting Standard 24 "Related Party Disclosure".

The table below set out the annual caps and the actual transaction amount of such connected transactions for 2016:

II. 持續關連交易

亦屬關聯方交易的本公司關連交易已根據國際會計準則第24號「關聯方披露」於財務報表的附註35披露。

下表載列該等關連交易於2016年的年度上限及實際交易金額：

	Connected Transactions **關連交易**	**Connected Person** **關連人士**	**Annual cap for 2016** *(Note (i))* **2016年的年度上限** *(附註(i))*	**Actual Transaction Amount for 2016** **2016年的實際交易金額**
1	Provision of engineering services and products by our Group to SINOMACH Group 本集團向國機集團提供工程服務及產品	China National Machinery Industry Corporation 中國機械工業集團有限公司	RMB2,600.0 million 人民幣2,600.0百萬元	RMB682.4 million 人民幣682.4百萬元

	Connected Transactions 關連交易	Connected Person 關連人士	Annual cap for 2016 (Note (i)) 2016年的年度上限 (附註(i))	Actual Transaction Amount for 2016 2016年的實際交易金額
2	Receipt of engineering services and products from SINOMACH Group by our Group 本集團接受國機集團的工程服務及產品	China Machine-Building International Corporation 中國機械對外經濟技術合作有限公司 China Machinery Industry Construction Group INC. 中國機械工業建設集團有限公司 Harbin Power System Engineering and Research Institute Co., Ltd. 哈爾濱電站設備成套設計研究所有限公司 Shanghai Sino-Perfect Co., Ltd. 上海中浦供銷有限公司 IPPR Engineering International Co., Ltd. 京興國際工程管理有限公司 Beijing Scientech International Project Management Co., Ltd. 北京興電國際工程管理有限公司. China Electric Design & Research Institute Co., Ltd. 中機中電設計研究院 China Third Design & Research Institute Co., Ltd. 機械工業第三設計研究院 IPPR International Engineering Design & Research Institute Co., Ltd. 中元國際工程設計研究院	RMB2,700.0 million 人民幣2,700.0百萬元	RMB193.0 million 人民幣193.0百萬元

Connected Transactions 關連交易	Connected Person 關連人士	Annual cap for 2016 (Note (i)) 2016年的年度上限（附註(i)）	Actual Transaction Amount for 2016 2016年的實際交易金額
	China Ocean Engineering Construction General Bureau 中海工程建設總局		
	China IPPR International Engineering Co., Ltd. 中國中元國際工程有限公司		
	Zhengzhou Zhongxing Project Supervision Co., Ltd. 鄭州中興工程監理有限公司		
	China National Machinery Industry Corporation 中國機械工業集團有限公司		
	Sinomach Finance Co., Ltd. 國機財務有限責任公司		
	China Sea International Travel Service Co., Ltd. 中海國際旅行社有限公司		
	Guangzhou Kinte Industrial Co., Ltd. 廣州擎天實業有限公司		
	China National General Machinery Engineering Corporation 中國通用機械工程有限公司		
	Changchun Research Institute for Mechanical Science Co., Ltd. 長春機械科學研究院有限公司		

	Connected Transactions 關連交易	Connected Person 關連人士	Annual cap for 2016 (Note (i)) 2016年的年度上限 (附註(i))	Actual Transaction Amount for 2016 2016年的實際交易金額
		Shenyang Academy of Instrumentation Science Co., Ltd. 瀋陽儀表科學研究院有限公司 SINOMACH Chinaperfect (HK) Co., Ltd. 國機浦發(香港)有限公司		
3	Trading procurement by our Group from SINOMACH Group 本集團向國機集團進行貿易採購	N/A 不適用	RMB330.0 million 人民幣330.0百萬元	RMBNIL 人民幣零元
4	Sales of trading products by our Group to SINOMACH Group 本集團向國機集團銷售貿易產品	N/A 不適用	RMB50.0 million 人民幣50.0百萬元	RMBNIL 人民幣零元

	Connected Transactions 關連交易	Connected Person 關連人士	Annual cap for 2016 (Note (i)) 2016年的年度上限 (附註(i))	Actual Transaction Amount for 2016 2016年的實際交易金額
5	Provision of integrated services by our Group to SINOMACH Group 本集團向國機集團提供綜合服務	Tianjin Tianchuan New Energy and Electric Co., Ltd. 天津天傳新能源電氣有限公司 China National Electric Engineering Co., Ltd. 中國電力工程有限公司 China Machine-Building International Corporation 中國機械對外經濟技術合作有限公司 Cambodia Tatay Hydropower Co., Ltd. 柬埔寨達岱水電有限公司 China Sinogy Electric Engineering Co., Ltd. 中機國能電力有限公司 China National Automotive Industry International Cooperation 中國汽車工業國際合作有限公司 Sinomach Exhibition Co., Ltd. 國機環球(北京)展覽有限公司 SUMEC Machinery & Electric Co., Ltd. 江蘇蘇美達機電有限公司 SUMEC Textile & Light Industry Co., Ltd. 江蘇蘇美達輕紡國際貿易有限公司 SUMEC Hardware & Tools Co., Ltd. 江蘇蘇美達五金工具有限公司	RMB110.0 million 人民幣110.0百萬元	RMB75.6 million 人民幣75.6百萬元

Connected Transactions 關連交易	Connected Person 關連人士	Annual cap for 2016 (Note (i)) 2016年的年度上限 (附註(i))	Actual Transaction Amount for 2016 2016年的實際交易金額
	Guangdong CMIC Import & Export Co., Ltd. 廣東艾希機械對外合作有限公司		
	SUMEC International Technology Co., Ltd. 江蘇蘇美達國際技術貿易有限公司		
	China Machine Building International Hebei Co., Ltd. 河北中機合作有限公司		
	Xiamen Hualong Import & Export Corporation 廈門華隆進出口公司		
	Jiangsu LINHAI Group 江蘇林海動力機械集團公司		
	CMIC HEILONGJIANG IMPORT & EXPORT CO., LTD. 黑龍江中經進出口有限公司		
	SIPPR Engineering Group Co., Ltd. 機械工業第六設計研究院有限公司		
	Wise Welding Technology & Engineering Co., Ltd. 北京中電華強焊接工程技術有限公司		
	YTO International Ltd. 一拖國際經濟貿易有限公司		

Connected Transactions 關連交易	Connected Person 關連人士	Annual cap for 2016 (Note (i)) 2016年的年度上限（附註(i)）	Actual Transaction Amount for 2016 2016年的實際交易金額
	YTO (Luoyang) Diesel Engine Co., Ltd. 一拖（洛陽）柴油機有限公司		
	SUMEC Group Corporation 江蘇蘇美達集團有限公司		
	China Ocean Aviation Group Limited 中國海洋航空集團有限公司		
	CHANGCHUN RESEARCH INSTITUTE FOR MECHANICAL SCIENCE CO., LTD. 長春機械科學研究院有限公司		
	China-Africa Machinery Corp. 中非重工投資有限公司		
	Beijing Materials Handling Research Institute 北京起重運輸機械設計研究院		
	China National Heavy Machinery Corporation 中國重型機械有限公司		
	Linhai Co., Ltd. 林海股份有限公司		

	Connected Transactions 關連交易	Connected Person 關連人士	Annual cap for 2016 (Note (i)) 2016年的年度上限（附註(i)）	Actual Transaction Amount for 2016 2016年的實際交易金額
6	Financing services to our Group from SINOMACH Group 國機集團向本集團提供金融服務	Sinomach Finance Co., Ltd. 國機財務有限責任公司		
	(1) deposit services (1) 存款服務		RMB3,300.0 million (Note (ii)) 人民幣3,300.0百萬元（附註(ii)）	RMB3,283.2 million (Note (ii)) 人民幣3,283.2百萬元（附註(ii)）
	(2) entrusted deposit services (2) 委託存款服務		RMB700.0 million 人民幣700.0百萬元	RMBNIL 人民幣零元

Notes:

(i) The annual cap is disclosed in the announcement and circular of the Company dated November 14, 2014 and November 17, 2014, respectively and such new annual cap was approved by Shareholders at the 2014 third extraordinary general meeting of the Company on December 31, 2014 (the "**2014 Third EGM**")

(ii) The actual transaction amount represents the highest daily deposit balance.

附註：

(i) 年度上限已於本公司日期分別為2014年11月14日及2014年11月17日的公告及通函內披露，該新年度上限已獲股東於2014年12月31日本公司舉行的2014年第三屆臨時股東大會（「**2014年第三屆臨時股東大會**」）批准。

(ii) 實際交易金額代表每日最高存款結餘。

1. Provision of engineering services and products by our Group to SINOMACH Group

A renewed provision of engineering services and products agreement (the "**Renewed Provision of Engineering Services and Products Agreement**") was entered into on November 14, 2014 by and between the Company and SINOMACH to provide engineering services and products, including but not limited to, undertaking turnkey project and provision of general contracting services in the power sector and procurement services and products to SINOMACH Group for the engineering contracting projects undertaken by SINOMACH Group, in particular those engineering contracting projects subcontracted to our Group by SINOMACH Group, details of which were disclosed in the Company's announcement and circular published on November 14 and 17, 2014, respectively. The Renewed Provision of Engineering Services and Products Agreement and the proposed annual caps for the years ended December 31, 2015, 2016 and 2017 for the continuing connected transactions contemplated thereunder have been approved by the 2014 Third EGM.

The Renewed Provision of Engineering Services and Products Agreement is able to increase the revenue and profits of the International Engineering Contracting Business and to expand the Group's market share in the international engineering contracting market. In particular, it is able to allow us to participate in certain large-scale engineering contracting projects undertaken by SINOMACH Group in situations where the relevant engineering contracting projects have been undertaken by SINOMACH Group and it has been impracticable to transfer such engineering contracting projects to the Group.

1. 本集團向國機集團提供工程服務及產品

重訂提供工程服務和產品框架協議(「**重訂提供工程服務和產品框架協議**」)已由本公司與國機於2014年11月14日訂立。據此,本集團就國機集團所承接的工程承包項目,尤其是國機集團分包予本集團的工程承包項目,向國機集團提供工程服務及產品,包括(但不限於)承接交鑰匙項目、提供電力能源行業的總承包服務以及採購服務及產品,有關詳情於本公司分別於2014年11月14日及17日刊登的公告及通函內披露。重訂提供工程服務和產品框架協議及其項下擬進行的持續關連交易於截至2015年、2016年及2017年12月31日止年度之建議年度上限已獲2014年第三屆臨時股東大會批准。

重訂提供工程服務和產品框架協議可增加國際工程承包業務的收入及盈利,並擴大本集團於國際工程承包市場的市場份額。尤其是,該框架協議讓我們可以參與由國機集團承接的某些大型工程承包項目,該等項目一直由國機集團承接且難以轉交本集團。

Please refer to relevant disclosure below for principal terms and conditions of the Renewed Provision of Engineering Services and Products Agreement.

有關重訂提供工程服務和產品框架協議的主要條款及條件，請參見下文相關披露。

SINOMACH is the controlling shareholder of the Company and is, together with its subsidiaries, a connected person of the Company under the Listing Rules.

國機為本公司的控股股東，因此根據上市規則，其連同其附屬公司為本公司的關連人士。

During the reporting period, the annual cap of this continuing connected transaction for 2016 was RMB2,600.0 million and the actual transaction amount was RMB682.4 million.

於報告期內，本持續關連交易於2016年的年度上限為人民幣2,600.0百萬元，而實際交易金額則為人民幣682.4百萬元。

2. Receipt of engineering services and products from SINOMACH Group by our Group

2. 本集團接受國機集團提供的工程服務及產品

A renewed receipt of engineering services and products agreement (the "**Renewed Receipt of Engineering Services and Products Agreement**") was entered into on November 14, 2014 by and between the Company and SINOMACH to receive engineering services and products from SINOMACH Group, including but not limited to, design, installation, construction, building, subcontracting and procurement services and products relating to its engineering contracting projects, details of which were disclosed in the Company's announcement and circular published on November 14 and 17, 2014, respectively. The Renewed Receipt of Engineering Services and Products Agreement and the proposed annual caps for the years ending December 31, 2015, 2016 and 2017 for the continuing connected transactions contemplated thereunder have been approved by the 2014 Third EGM.

重訂接受工程服務和產品框架協議(「**重訂接受工程服務和產品框架協議**」)已由本公司與國機於2014年11月14日訂立。據此，本集團接受國機集團提供的工程服務及產品，包括(但不限於)與其工程承包項目有關的設計、安裝、施工、建設、分包及採購服務及產品，有關詳情於本公司分別於2014年11月14日及17日刊登的公告及通函內披露。重訂接受工程服務和產品框架協議及其項下擬進行的持續關連交易於截至2015年、2016年及2017年12月31日止年度之建議年度上限已獲2014年第三屆臨時股東大會批准。

The Renewed Receipt of Engineering Services and Products Agreement is able to allow the Group to subcontract part of our construction works in line with the common practice of participants in the international engineering contracting market. In view of the fact that SINOMACH Group is a well-established participant with good reputation within the international engineering contracting market which possesses strong capacity and experience in the manufacturing, design, research and development of various engineering products, the Group has preference in sourcing relevant engineering services and products from SINOMACH Group to gain benefits from such technical strengths of them.

重訂接受工程服務和產品框架協議使本集團可分包部分建築工程，此乃與國際工程承包市場參與者的慣常做法相符。鑒於國機集團在國際工程承包市場營運成熟且聲名顯赫，不僅擁有突出的能力，而且在各類工程產品的製造、設計、研發方面亦累積豐富經驗，本集團優先向國機集團採購相關工程服務及產品，以從其技術優勢獲益。

Please refer to relevant disclosure below for principal terms and conditions of the Renewed Receipt of Engineering Services and Products Agreement.

有關重訂接受工程服務和產品框架協議的主要條款及條件，請參見下文相關披露。

SINOMACH is the controlling shareholder of the Company and is, together with its subsidiaries, a connected person of the Company under the Listing Rules.

國機為本公司的控股股東，因此根據上市規則，其連同其附屬公司為本公司的關連人士。

During the reporting period, the annual cap of this continuing connected transaction for 2016 was RMB2,700.0 million and the actual transaction amount was RMB193.0 million.

於報告期內，本持續關連交易於2016年的年度上限為人民幣2,700.0百萬元，而實際交易金額則為人民幣193.0百萬元。

3. Trading procurement by our Group from SINOMACH Group

A renewed trading procurement agreement (the "**Renewed Trading Procurement Agreement**") was entered into on November 14, 2014 by and between the Company and SINOMACH to source various trading products from SINOMACH Group to support our Trading Business, which consist of, but not limited to, agriculture machinery and equipment, agriculture transportation vehicles, logging equipment and mining equipment, details of which were disclosed in the Company's announcement and circular published on November 14 and 17, 2014, respectively. The Renewed Trading Procurement Agreement and the proposed annual caps for the years ended December 31, 2015, 2016 and 2017 for the continuing connected transactions contemplated thereunder have been approved by the 2014 Third EGM.

In the view of the strong manufacturing capacity of SINOMACH Group, the Trading Procurement Agreement is able to facilitate the Trading Business.

Please refer to relevant disclosure below for principal terms and conditions of the Renewed Trading Procurement Agreement.

SINOMACH is the controlling shareholder of the Company and is, together with its subsidiaries, a connected person of the Company under the Listing Rules.

During the reporting period, the annual cap of this continuing connected transaction for 2016 was RMB330.0 million and the actual transaction amount was RMB nil.

3. 本集團向國機集團進行貿易採購

重訂貿易採購框架協議(「**重訂貿易採購框架協議**」)已由本公司與國機於2014年11月14日訂立。據此,本集團自國機集團採購各種貿易產品,包括(但不限於)農業機械設備、農業運輸車輛、測井設備及採礦設備,以支持我們的貿易業務,有關詳情於本公司分別於2014年11月14日及17日刊登的公告及通函內披露。重訂貿易採購框架協議及其項下擬進行的持續關連交易於截至2015年、2016年及2017年12月31日止年度之建議年度上限已獲2014年第三屆臨時股東大會批准。

鑒於國機集團的產能強大,貿易採購框架協議可促進貿易業務。

有關重訂貿易採購框架協議的主要條款及條件,請參見下文相關披露。

國機為本公司的控股股東,因此根據上市規則,其連同其附屬公司為本公司的關連人士。

於報告期內,本持續關連交易於2016年的年度上限為人民幣330.0百萬元,而實際交易金額則為人民幣零元。

4. Sales of trading products by our Group to SINOMACH Group

A renewed trading procurement agreement (the "**Renewed Trading Sales Agreement**") was entered into on November 14, 2014 by and between the Company and SINOMACH to sell various trading products to SINOMACH Group under the Trading Business, details of which were disclosed in the Company's announcement and circular published on November 14 and 17, 2014, respectively. The Renewed Trading Sales Agreement and the proposed annual caps for the years ended December 31, 2015, 2016 and 2017 for the continuing connected transactions contemplated thereunder have been approved by the 2014 Third EGM.

The Renewed Trading Sales Agreement is able to increase the revenue and profits of the Trading Business and to expand the market share in the international trading market.

Please refer to relevant disclosure below for principal terms and conditions of the Renewed Trading Sales Agreement.

SINOMACH is the controlling shareholder of the Company and is, together with its subsidiaries, a connected person of the Company under the Listing Rules.

During the reporting period, the annual cap of this continuing connected transaction for 2016 was RMB50.0 million and the actual transaction amount was RMB nil.

4. 本集團向國機集團銷售貿易產品

重訂貿易銷售框架協議(「**重訂貿易銷售框架協議**」)已由本公司與國機於2014年11月14日訂立。據此,本集團向國機集團出售貿易業務的多種貿易產品,有關詳情於本公司分別於2014年11月14日及17日刊登的公告及通函內披露。重訂貿易銷售框架協議及其項下擬進行的持續關連交易於截至2015年、2016年及2017年12月31日止年度之建議年度上限已獲2014年第三屆臨時股東大會批准。

重訂貿易銷售框架協議能增加我們貿易業務的收入及溢利,擴大我們在國際貿易市場的市場份額。

有關重訂貿易銷售框架協議的主要條款及條件,請參見下文相關披露。

國機為本公司的控股股東,因此根據上市規則,其連同其附屬公司為本公司的關連人士。

於報告期內,本持續關連交易於2016年的年度上限為人民幣50.0百萬元,而實際交易金額則為人民幣零元。

5. Provision of integrated services by our Group to SINOMACH Group

A renewed integrated services agreement (the "**Renewed Integrated Services Agreement**") was entered into on November 14, 2014 by and between the Company and SINOMACH to provide integrated services such as legal services, exhibition and conference services, storage and transportation services, tendering services, agency services, property management services and design services to SINOMACH Group in respect of the business undertaken by SINOMACH Group, details of which were disclosed in the Company's announcement and circular published on November 14 and 17, 2014, respectively. The Renewed Integrated Services Agreement and the proposed annual caps for the years ended December 31, 2015, 2016 and 2017 for the continuing connected transactions contemplated hereunder have been approved by the 2014 Third EGM.

SINOMACH Group has engaged the Group to provide them with certain integrated services which the Group is qualified in providing. The Renewed Integrated Services Agreement is able to increase the revenue and profits of the Group.

Please refer to relevant disclosure below for principal terms and conditions of the Renewed Integrated Services Agreement.

SINOMACH is the controlling shareholder of the Company and is, together with its subsidiaries, a connected person of the Company under the Listing Rules.

During the reporting period, the annual cap of this continuing connected transaction for 2016 was RMB110.0 million and the actual transaction amount was RMB75.6 million.

5. 本集團向國機集團提供綜合服務

重訂綜合服務框架協議(「**重訂綜合服務框架協議**」)已由本公司與國機於2014年11月14日訂立。據此,本集團就國機集團所承接的業務向國機集團提供綜合服務(例如法律諮詢服務、展覽及會議服務、倉存及運輸服務、招標服務、代理服務、物業管理服務及設計諮詢服務),有關詳情於本公司分別於2014年11月14日及17日刊登的公告及通函內披露。重訂綜合服務框架協議及其項下擬進行的持續關連交易於截至2015年、2016年及2017年12月31日止年度之建議年度上限已獲2014年第三屆臨時股東大會批准。

國機集團已聘請本集團向彼等提供本集團合資格提供的某些綜合服務。重訂綜合服務框架協議可增加本集團的收入及盈利。

有關重訂綜合服務框架協議的主要條款及條件,請參見下文相關披露。

國機為本公司的控股股東,因此根據上市規則,其連同其附屬公司為本公司的關連人士。

於報告期內,本持續關連交易於2016年的年度上限為人民幣110.0百萬元,而實際交易金額則為人民幣75.6百萬元。

Principal terms of the agreements

Each of the Provision of Engineering Services and Products Agreement, Receipt of Engineering Services and Products Agreement, Trading Procurement Agreement, Trading Sales Agreement and Integrated Services Agreement (collectively "**Original Agreements**") is a framework agreement that comprises the general terms and conditions upon which the Group and SINOMACH Group shall carry out the particular type of transactions contemplated thereunder. Members of SINOMACH Group and members of the Group may from time to time enter into detailed agreements in respect of the specific services and/or products to be provided or received by the Group, provided that the terms of such detailed agreements shall not be inconsistent with the terms of the respective framework agreement. The actual services and/or products to be provided or received by our Group shall be subject to such detailed agreements entered into between the relevant member of SINOMACH Group and the relevant member of the Group from time to time.

Each of the Renewed Provision of Engineering Services and Products Agreement, Renewed Receipt of Engineering Services and Products Agreement, Renewed Trading Procurement Agreement, Renewed Trading Sales Agreement and Renewal Integrated Services Agreement (collectively "**Renewed Agreements**") is to extend the terms to another 3 years commencing from January 1, 2015 and ending on December 31, 2017 and may be renewed on terms to be agreed upon by SINOMACH and the Company. Each of such framework agreements (i) may be terminated by a non-defaulting party by serving a written default notice to the defaulting party stipulating the relevant breach and the defaulting party having failed to remedy such breach within a reasonable period after its receipt of the default notice; and (ii) shall be terminated automatically if the performance of the transactions contemplated thereunder will be in breach of the requirements under the Listing Rules or the necessary approvals required under the Listing Rules or relevant waivers from the Stock Exchange cannot be obtained.

協議的主要條款

提供工程服務和產品框架協議、接受工程服務和產品框架協議、貿易採購框架協議、貿易銷售框架協議及綜合服務框架協議(統稱「**原框架協議**」)均為框架協議，本集團及國機集團須按其中所載一般條款及條件進行擬根據該等協議進行的特定種類交易。國機集團成員公司及本集團成員公司可不時就將由本集團提供或接受的特定服務及／或產品訂立詳細協議，但該等詳細協議的條款不得抵觸相應框架協議的條款。本集團實際提供或接受的服務及／或產品視乎國機集團相關成員公司及本集團相關成員公司不時訂立的詳細協議而定。

重訂提供工程服務和產品框架協議、重訂接受工程服務和產品框架協議、重訂貿易採購框架協議、重訂貿易銷售框架協議及重訂綜合服務框架協議(統稱「**重訂框架協議**」)將各協議年期延長三年，自2015年1月1日起至2017年12月31日止，並可按國機與本公司商定的條款續期。每一份該等框架協議可在下列情況下終止：(i)非違約方向違約方發出說明有關違反行為的書面違約通知，而違約方於收到違約通知後一段合理期間內仍無法彌補有關違反行為；及(ii)若履行據此擬進行的交易將違反上市規則規定或不能取得上市規則規定的必要批准或聯交所授予的相關豁免，則自動終止。

All other material terms and conditions of the Original Agreements remained unchanged except for the new pricing policy and new payment terms. Each of the Reviewed Provision of Engineering Services and Products Agreement, Reviewed Receipt of Engineering Services and Products Agreement, Reviewed Trading Procurement Agreement and Reviewed Integrated Services Agreement adopts new pricing policies, pursuant to which the price payable for the subject services and/or products thereunder shall be determined in accordance with, among others, price prescribed by the PRC government, price range guided by the PRC government, price guided by an industry association, price negotiated between the parties and market price. Pursuant to the new payment terms, the installment of payment for each stage of the transaction shall be determined after negotiation between the parties, based on the situation of the implementation progress of the relevant project/transaction under each contract. Details for the terms and conditions of the Original Agreements and new pricing policy and new payment terms for the Renewed Agreements were disclosed in the Prospectus, the Company's announcement and circular published on November 14 and 17, 2014, respectively.

除新定價政策及新支付條款外，原框架協議的所有其他重大條款及條件維持不變。重訂提供工程服務和產品框架協議、重訂接受工程服務和產品框架協議、重訂貿易採購框架協議及重訂綜合服務框架協議分別採納新定價政策，據此，就其項下的標的服務及／或產品應付的價格將根據（其中包括）中國政府規定的價格、中國政府指引的價格範圍、行業協會指引的價格、各方協定的價格及市價釐定。根據新支付條款，各交易階段的分期付款應由各方根據各合同項下有關項目／交易的執行進度狀況經協商後釐定。原框架協議的條款及條件及重訂框架協議的新定價政策及新支付條款之詳情已於招股章程、本公司分別於2014年11月14日及17日刊登的公告及通函內披露。

6. Financing services to our Group from SINOMACH Group

A new financial service agreement dated November 14, 2014 (the "**New Financial Services Agreement**") entered into by and between the Company and Sinomach Finance Co., Ltd. (the "**Finance Company**"), a subsidiary of SINOMACH Group, on June 20, 2013 (the "**Financial Services Agreement**") to replace the Financial Services Agreement which will be automatically terminated once the New Financial Services Agreement becomes effective. The New Financial Services Agreement has become effective upon approved by the 2014 Third EGM for a revised term for 3 years from January 1, 2015 to December 31, 2017, thus the Financial Services Agreement has been automatically terminated. The proposed annual caps for the years ended December 31, 2015, 2016 and 2017 for the continuing connected transactions contemplated under the New Financial Services Agreement have been approved by the 2014 Third EGM.

Financial services and major terms

The major terms of the Financial Services Agreement remain unchanged. Pursuant to the New Financial Services Agreement, the Finance Company agrees to provide to the Group the following financial services:

Type 1 – Deposit Services

The Finance Company will provide deposit taking services for current deposits, call deposits, 7-day deposits and time deposits (3-month, 6-month and 1-year). The Finance Company offers interest rates for the Group's deposits according to the rates to be published by People's Bank of China (the "**PBOC**") and no lower than those offered by commercial banks in the PRC for provision of similar services to the Group.

6. 國機集團向本集團提供之金融服務

本公司與國機財務有限責任公司(「**財務公司**」)(國機集團的附屬公司)於2014年11月14日訂立以取代日期為2013年6月20日的金融服務合作協議(「**金融服務合作協議**」)的新金融服務合作協議(「**新金融服務合作協議**」)一經生效後,金融服務合作協議將自動終止。新金融服務合作協議經本公司於2014年第三屆臨時股東大會批准生效,經修訂的三年年期為2015年1月1日至2017年12月31日,因此金融服務合作協議已自動終止。新金融服務合作協議項下擬進行的持續關連交易於截至2015年、2016年及2017年12月31日止年度之建議年度上限已獲2014年第三屆臨時股東大會批准。

金融服務及主要條款

金融服務合作協議的主要條款保持不變。根據新金融服務合作協議,財務公司同意向本集團提供下列金融服務:

第一類 – 存款服務

財務公司將提供活期存款、協定存款、7天通知存款、定期存款(期限分別為:3個月、6個月及1年)等接受存款服務。財務公司按中國人民銀行(「**中國人民銀行**」)公佈的利率及不低於中國商業銀行就提供予本集團的類似服務提供的利率計付本集團的存款利息。

Type 2 – General Loan Services

The Finance Company will provide various types of loans to the Group (including working capital loans, fixed assets loans, finance leases and purchaser's credit business). The Finance Company may also provide integrated credit facilities to the Group according to the needs of the Group, which include letters of guarantee, letters of credit, bill acceptance and discounting. In connection with the provision of the general loan services, the Finance Company will charge interests according to the rates published by the PBOC and shall not charge interest rates higher than those set by commercial banks in the PRC for similar loans or credit facilities, and that no security over assets will be required from the Group.

第二類 – 一般貸款服務

財務公司將向本集團提供各類貸款(包括流動資金貸款、固定資產貸款、融資租賃及買方信貸業務)。財務公司亦可根據本集團需要向本集團提供包括保函、信用證、票據承兑及貼現等的綜合信用額度。就所提供的一般貸款服務,財務公司按中國人民銀行公佈的利率及不高於中國商業銀行就提供類似貸款或信用額度提供的利率收取貸款利息,以及無需本集團提供任何資產抵押擔保。

Type 3 – Entrusted Loan Services

It is a standalone transaction not relating to any other types of services under the Financial Services Agreement. Under this type of service, the Group will provide entrusted deposits (the "**Entrusted Deposits**") to the Finance Company, and the Finance Company will then lend the full amount of the Entrusted Deposits to the relevant members of the Group designated by the Group on the same day (the "**Entrusted Loan Services**"). The Finance Company commits that no security over assets will be required from the Group. In relation to the provision of Entrusted Loan Services to the Group, the Finance Company shall not charge fees which are higher than those set by commercial banks in the PRC for similar services.

第三類 – 委託貸款服務

此乃獨立交易,與金融服務合作協議項下的任何其他類型的服務無關。根據此類別服務,本集團將向財務公司提供委託存款(「**委託存款**」)及財務公司繼而將於同日將委託存款全數轉借於本集團指定的本集團相關成員公司(「**委託貸款服務**」)。財務公司承諾無需本集團提供任何資產抵押擔保。財務公司向本集團提供委託貸款服務,收取費用的標準不高於中國商業銀行所收取同類服務費用的標準。

Type 4 – General Financial Services

The general financial services to be provided by the Finance Company to the Group include collection, payment and settlement services, handling issuance of letters of guarantee and letters of credit, handling of bill acceptance and discounting, financial and financing consultation, arrangement of credit certification and related consultation and agency services, underwriting of corporate bonds and Services Business which the Finance Company are approved by China Banking Regulatory Commission to carry out. The Finance Company will charge service fees for the provision of the aforesaid services. Such service fees shall not be higher than those charged by commercial banks in the PRC for similar services.

The pricing policy of the Finance Company is subject to the guidelines set by the governmental authorities. Therefore, the fees charged by the Finance Company for its services to be provided to the Company are comparable to those charged by the financial institutions in the PRC for similar services. Furthermore, the Finance Company is subject to various rules and regulations issued by the governmental authorities in relation to its provision of deposit services, including the mandatory requirements on its asset-liability ratios, and has established comprehensive internal control and risk management systems, and implemented corporate governance guidelines in accordance with the relevant regulatory requirements.

For details for the New Financial Services Agreement, please refer to the Company's announcement and circular published on November 14 and 17, 2014, respectively, on the respective websites of the Stock Exchange and the Company.

第四類 – 一般金融服務

財務公司將向本集團提供的一般金融服務包括：收付款及結算、開具保函及信用證、辦理票據承兑及貼現、辦理財務和融資顧問、辦理信用鑒證及相關的諮詢及代理業務、承銷企業債券以及經中國銀行業監督管理委員會批准的可從事的服務業務。財務公司將就上述服務收取相應服務費。有關服務費不高於中國商業銀行所收取類似服務費用的標準。

財務公司的定價政策須受政府機關制訂的指引規限。因此，財務公司就其向本公司提供的服務收取的費用，與金融機構於中國就類似服務收取的費用相若。此外，財務公司須受政府機關就其提供存款服務（包括其資產負債率的強制規定）發佈的各種不同規則及法規規限，並已根據相關監管規定設立全面內部監控及風險管理系統，並實施企業管治指引。

有關新金融服務合作協議的詳情，請參閱本公司在聯交所網站及本公司網站分別刊發的2014年11月14日及17日的公告及通函。

The Finance Company is a subsidiary of SINOMACH which is the controlling shareholder of the Company and is a connected person of the Company under the Listing Rules.

財務公司為本公司的控股股東國機的附屬公司，因此根據上市規則，其為本公司的關連人士。

During the reporting period, the cap for the maximum daily deposit balance (including any interest accrued thereon) with the Finance Company was RMB3,300.0 million and the actual amount was RMB3,283.2 million. The annual cap for the Entrusted Deposits with the Finance Company was RMB700.0 million (including any interest accrued thereon) and no actual transaction occurred for the year ended December 31, 2016.

於報告期內，在財務公司的每日最高存款結餘（包括其任何應計利息）上限為人民幣3,300.0百萬元，而實際金額為人民幣3,283.2百萬元。在財務公司的委託存款的年度上限為人民幣700.0百萬元（包括其任何應計利息），而截至2016年12月31日止年度，並無發生實際交易。

The "receipt of integrated services from fellow subsidiaries" as set out in note 35 to the financial statements in this annual report occured after the Company's disposal of CMEC Expo in December 2016 whereby CMEC Expo provided some exhibition services to the Group. Such transactions constituted de minimis continuing connected transactions which is fully exempt from the relevant reporting, announcement and Shareholders' approval requirements pursuant to Rule 14A.76(1) of the Listing Rules and hence was not included in the continuing connected transactions set out below.

本年報財務報表附註35所載的「接受來自於同系附屬公司的綜合服務」乃於本公司在2016年12月處置西麥克展覽後發生，因此西麥克展覽向本集團提供了若干展覽服務。根據上市規則第14A.76(1)條，有關交易構成符合最低豁免水平的持續關連交易，可獲全面豁免遵守有關申報、公告及股東批准規定，因此未納入下文所載的持續關連交易。

The INEDs have reviewed each of the above mentioned continuing connected transactions and confirmed that the transactions have been conducted:

獨立非執行董事已審閱上述各項持續關連交易，並確認該等交易：

(1) in the ordinary and usual course of business of the Company;

(1) 在本公司日常業務中進行；

(2) on normal commercial terms or, if there are no sufficient comparable transactions to determine whether they are on normal commercial terms, from the perspective of the Company, on terms no less favorable than the terms available to or from independent third parties; and

(2) 按照一般商業條款進行，若可供比較的交易不足以判斷該等交易的條款是否為一般商業條款時，則對本公司而言，該等交易的條款不遜於獨立第三方可取得或獲提供的條款；及

(3) in accordance with relevant agreements governing the relevant transactions on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

(3) 乃根據有關交易的協議條款進行，而交易條款屬公平合理，並符合股東的整體利益。

Pursuant to Rule 14A.56 of the Listing Rules, the Board engaged the auditor of the Company to conduct a limited assurance engagement on the above continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditors' Letter on Continuing Connected Transactions under Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has reported their conclusion to the Board stating that:

a. nothing has come to the auditors' attention that causes the auditor to believe that the non-exempt continuing connected transactions have not been approved by the Board;

b. for transactions involving the provision of goods or services by the Group, nothing has come to the auditors' attention that causes the auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Company;

c. nothing has come to the auditors' attention that causes the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and

d. with respect to the aggregate amount of each of the non-exempt continuing connected transactions set out above, nothing has come to the auditors' attention that causes the auditor to believe that the non-exempt continuing connected transactions have exceeded the maximum aggregate annual value disclosed above.

根據上市規則第14A.56條，董事會已委聘本公司核數師按照香港會計師公會所頒佈的香港核證委聘準則第3000號「歷史財務資料審計或審閱以外之核證委聘」及參考實務説明第740號「關於上市規則所述持續關連交易的核數師函件」就上述持續關連交易履行有限核證委聘。核數師已將彼等的結果向董事會匯報，當中指出：

a. 核數師並無注意到任何事項令彼等相信該等不獲豁免的持續關連交易未獲董事會批准；

b. 就本集團提供貨品或服務所涉及的交易而言，核數師並無注意到任何事項令彼等相信該等交易在所有重大方面未有按照本公司的定價政策進行；

c. 核數師並無注意到任何事項令彼等相信該等交易在所有重大方面未有按照規管該等交易的相關協議所進行；及

d. 就上述各項不獲豁免的持續關連交易之總金額而言，核數師並無注意到任何事項令彼等相信該等不獲豁免的持續關連交易之金額超出上文所披露的年度上限總額。

The auditor has issued their unqualified letter containing their findings and conclusions in respect of the abovementioned transactions in accordance with Rule 14A.56 of the Listing Rules. The Company has provided a copy of the said letter to the Stock Exchange.

核數師已根據上市規則第14A.56條發出載有彼等對上述交易的調查結果與結論的無保留意見函件。本公司已向聯交所提供上述函件的副本。

In respect of the above-mentioned non-exempt connected transactions, the Directors also confirmed that the Company was in compliance with the disclosure requirements under Chapter 14A of the Listing Rules.

就上述不獲豁免的關連交易而言，董事亦確認本公司已遵循上市規則第14A章的披露規定。

POST BALANCE SHEET EVENTS

The material post balance sheet events are disclosed in note 38 to the audited consolidated financial statements of the Company.

結算日後事項

重大結算日後事項於本公司經審計合併財務報表附註38內予以披露。

AUDIT COMMITTEE

The Audit Committee had reviewed together with the management and external auditor of the Company the accounting principles and policies adopted by the Group and the audited consolidated financial statements for the year ended December 31, 2016.

審計委員會

審計委員會已與本公司的管理層及外聘核數師審閱本集團採納的會計準則及政策以及截至2016年12月31日止年度經審計合併財務報表。

CODE OF CONDUCT REGARDING EMPLOYEES' SECURITIES TRANSACTIONS

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 or inside information of the Company in respect of their dealings in the Company's securities.

僱員進行證券交易的行為守則

本公司亦已採納其僱員證券交易的行為守則，該套守則所載條款不遜於《標準守則》所訂標準，由可能擁有本公司未公佈股價敏感或內幕資料的相關僱員在買賣本公司證券時遵守。

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to 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, 2016 and up to the date of this report. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

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公司價值及問責性。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2016年12月31日止年度至本報告日期一直遵守《企業管治守則》所載的守則條文。本公司將繼續檢討及提升其企業管治常規，以確保遵守《企業管治守則》。

SUFFICIENCY OF PUBLIC FLOAT

The Stock Exchange granted to the Company a waiver (the "**Public Float Waiver**") from strict compliance with Rule 8.08(1) of the Listing Rules. Pursuant to the Public Float Waiver, the Company's prescribed minimum percentage of Shares which must be in public hands must not be less than 22.01% of the total issued share capital of the Company. Based on information publicly available to the Company and to the knowledge of the Directors, at least 22.01% of the Company's total issued share capital, the prescribed minimum percentage of public float approved by the waiver and permitted under the Listing Rules, are held by the public at all times as of the date of this report.

充足的公眾持股量

聯交所向本公司授予豁免批准本公司毋須嚴格遵守上市規則第8.08(1)條的規定（「**公眾持股量規定豁免**」）。根據公眾持股量規定豁免，公眾於本公司持有的指定最低股份百分比不得少於本公司已發行總股本的22.01%。根據本公司可公開的資料及就董事所知，截至本報告日期，本公司已發行總股本中至少22.01%（該豁免規定且根據上市規則所批准的指定最低公眾持股量百分比）一直由公眾持有。

INDEPENDENT AUDITORS

At the 2014 second extraordinary general meeting of the Company held on October 20, 2014, Ernst & Young (安永會計師事務所) was appointed as the Company's external international auditor in place of KPMG (畢馬威會計師事務所) 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)) was appointed as the Company's domestic auditor. The 2016 consolidated financial statements of the Company prepared in accordance with IFRS have been audited by Ernst & Young.

Save as disclosed above, there were no changes of independent auditors in the past 3 years.

獨立核數師

於2014年10月20日舉行的本公司2014年第二次臨時股東大會上，安永會計師事務所取代畢馬威會計師事務所獲委任為本公司外聘國際核數師，而安永華明會計師事務所（特殊普通合夥）獲委任為本公司境內核數師。安永會計師事務所已審計本公司按國際財務報告準則編製的2016年合併財務報表。

除上文所披露者外，於過往三年，獨立核數師概無變動。

A resolution for the reappointment of Ernst & Young as the independent auditors of the Company will be proposed at the forthcoming AGM.

本公司將於應屆股東週年大會提呈一項決議案續聘安永會計師事務所為本公司之獨立核數師。

COMPLIANCE WITH SANCTIONS UNDERTAKINGS

恪守制裁承諾

As disclosed in the Prospectus, the Company and the Directors have covenanted to the Stock Exchange that they will not, directly or indirectly, (1) use any of the proceeds from the Global Offering, or make such proceeds available to any individual or entity, to fund any activities in or business of or with (i) any individual or entity or (ii) in any country or territory, that at the time of such funding, is the target of any sanctions administered by OFAC, or (2) engage in any activity that is sanctionable under the ISA (as amended by the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010) or the Executive Order 13590 (the "**Executive Order**") for so long as the ISA and Executive Order remain in effect (the "**Sanctions Undertakings**"). The Directors confirmed that both the Company and the Directors were in compliance with the Sanctions Undertakings as at the date of this report. In particular, the Company has taken the following measures to ensure compliance with the Sanctions Undertakings:

誠如招股章程所披露，本公司及董事已向聯交所承諾，彼等將不會直接或間接(1)動用任何全球發售所得款項，或向任何個人或實體提供該等所得款項，以向在(i)任何個人或實體或(ii)任何國家或領土（彼等於下述撥資之時，為外國資產管制局所實施的任何制裁的目標）開展的任何活動或彼等本身或與彼等進行的任何業務提供資金；或(2)於伊朗制裁法（經2010年全面伊朗制裁、問責及撤資法案修訂）或執行令13590號（「**執行令**」）保持有效期間內參與受伊朗制裁法及執行令所制裁的任何活動（「**制裁承諾**」）。董事作出確認，截至本報告日期，本公司及董事均恪守制裁承諾。尤其是，本公司已採取下列措施，以確保遵守制裁承諾：

1. Proceeds Account – The Company has opened and maintained separate designated bank accounts for the proceeds from the Listing in Hong Kong as at the date of this report (the "**Proceeds Accounts**"). The Proceeds Accounts are segregated from other normal bank accounts of our Company and designated for the sole use of deposit and deployment of the proceeds from Listing. With such segregation and designation, the Proceeds Accounts record all transactions and activities within these bank accounts and trace the flow of funds in and out of the Proceeds Accounts.

1. 所得款項賬目－本公司已就截至本報告日期於香港上市的所得款項開立及維持單獨的指定銀行賬戶（「**所得款項賬戶**」）。所得款項賬戶獨立於本公司的其他一般銀行賬戶，並指定作唯一用途，即存入及調配上市所得款項。鑑於上述賬戶是獨立及指定賬戶，所得款項賬戶會記錄在該等銀行賬戶內進行的所有交易及活動，並可追蹤所得款項賬目的資金流進出情況。

2. Accounting measures – The Company has ensured that separate books and records are in place to monitor the activities, including deposits and disbursements, of the Proceeds Accounts.

2. 會計措施－本公司已確保擁有分立的賬簿及記錄，以監察所得款項賬目的存入及支出等活動。

3. Internal control policies – We have formulated a dedicated set of internal control policies particularly in respect of the Proceeds Accounts to regulate various aspects of operating the Proceeds Accounts, such as the designated use, record keeping (e.g. the underlying documents for projects or transactions towards which the proceeds will be applied), regular review, responsible personnel to be appointed, accountability and reporting line and other necessary operational procedures.

4. Internal compliance program on export control (the "**ICP**") – With the Company's existing ICP platform, the export control office has continued to be responsible for project screening, evaluation and approval from an export control perspective to ensure the nature and location of the activities or business, as well as the identity of the counterparties and products involved, etc., would not violate the Sanctions Undertakings.

In recent years the US sanctions landscape has evolved substantially, especially those targeted at Iran. 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. In exchange for curtailing certain nuclear-related activities, Iran was granted relief from certain U.S., EU, and UN sanctions.

Considering the recent development in the sanctions landscape on Iran, Holland & Knight LLP, the Company's special counsel on sanctions, has advised that: (i) the Company, being a non-U.S. company, is now able to conduct business in Iran. The remaining sanctions and restrictions with regard to Iran will not substantially affect potential business activities of the Company in Iran; (ii) the Company would be able to fully engage potential business opportunities in a number of Iranian industrial sectors; and (iii) the Company would be able to engage in the full spectrum of activities in these areas, from engineering, procurement, and management to the supply of components, services, and technology. For further details, please refer to the Company's announcement published on the website of the Stock Exchange and the website of the Company on March 23, 2016.

3. 內部控制政策－我們已制定一套專用的內部控制政策，尤其是在所得款項賬戶上，以規範操作所得款項賬戶的多個方面，如指定用途、記錄保存（如將動用所得款項的項目或交易的相關文件）、定期審閱、將予委任的負責人員、問責及匯報程序以及其他必要營運程序。

4. 有關出口管制的內控合規機制（「**內控合規機制**」）－憑借本公司現有的內控合規機制平台，出口管制辦公室已繼續負責從出口管制層面進行項目篩選、評估及批准，確保所涉及的活動或業務的性質及地點以及交易對手的身份及產品等將不違反制裁承諾。

近年來，美國制裁格局發生了巨大變化，尤其是針對伊朗的制裁變動。2016年1月16日被定為「執行日」，標誌著經伊朗、P5+1（美國、俄羅斯、中國、法國、英國、德國）及歐盟談判及聯合國批准，全面解除對伊朗的制裁成為《聯合全面行動計劃》的一部分。作為伊朗減少若干核相關活動的交換，美國、歐盟及聯合國解除對伊朗的若干制裁。

考慮到伊朗制裁格局的近期發展，本公司制裁特別顧問Holland & Knight LLP告知：(i)作為一間非美國公司，本公司目前可於伊朗開展業務。其他有關伊朗的制裁及限制將不會對本公司於伊朗的潛在業務活動產生重大影響；(ii)本公司將能夠於伊朗的多個行業領域全面尋求潛在商機；及(iii)本公司將能夠全面參與該等領域的業務活動，從工程、採購及管理再到部件、服務及技術供應。詳情請參閱本公司於2016年3月23日發佈於聯交所網站及本公司網站的公告。

In addition, given the new development in the the sanctions landscape on Cuba, Holland & Knight LLP has advised the Company that, despite the remaining U.S. embargo on Cuba, the Company (and its shareholders and investors) would face very limited risks in engaging in Cuba activities if done from outside of U.S., and similarly limited risks if done under U.S. authorization from or through a U.S. subsidiary of the Company. With Cuba having been removed from the U.S. Department of State's State Sponsors of Terrorism ("**SST**") list, the reputational risks and heightened due diligence (especially for non-U.S. financial institutions) associated with transactions involving countries placed on SST list has been reduced significantly, even though the U.S. embargo remains in place. For further details, please refer to the Company's announcement published on the website of the Stock Exchange and the website of the Company on December 19, 2016.

此外，考慮到古巴制裁格局的新發展，Holland & Knight LLP告知本公司：儘管美國對古巴繼續禁運，但倘在美國境外參與古巴活動，本公司（及其股東與投資者）面臨的風險非常有限，倘根據本公司的美國授權或透過本公司的一間美國附屬公司參與古巴活動，亦會面臨類似的風險。美國國務院已將古巴從國家恐怖主義支持者（「**恐怖主義支持者**」）名單中刪除，儘管美國禁運仍然持續，但與涉及名列恐怖主義支持者名單的國家進行交易的信譽風險及高度盡職調查（尤其是非美金融機構）已顯著降低。詳情請參閱本公司於2016年12月19日發佈於聯交所網站及本公司網站的公告。

By Order of the Board
SUN Bai
Chairman

承董事會命
孫柏
董事長

Beijing, PRC, March 28, 2017

中國北京，2017年3月28日

CORPORATE GOVERNANCE REPORT

The Board is pleased to present this corporate governance report in the annual report of the Company for year ended December 31, 2016 (the "**Year**"). In addition, certain information regarding the Directors and the board committees has been updated as at the date of this annual report.

企業管治報告

董事會欣然呈列本公司截至2016年12月31日止年度(「**本年度**」)之年報所載之企業管治報告。此外,於本年報日期,若干有關董事及董事委員會的資料經已更新。

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of Shareholders and to enhance corporate value and accountability. The CG Code has been adopted as the Company's own code of corporate governance. Except for the code provision A.4.2 of the CG Code in Appendix 14 of the Listing Rules, the Company complied with the provisions required in the CG Code during the period from January 1, 2016 to December 31, 2016. Currently, since the last election for the current session of the Board of the Company was on February 20, 2014, according to the code provision A.4.2 of the Code that every director should be subject to retirement by rotation at least once every three years, the Board shall retire the office by rotation on February 20, 2017. As it matters to the whole Board, various factors shall be considered to ensure the senior management of the Company well continues, therefore, the current session of the Board will continue to perform their duties until the next session of Board has been elected by the general meeting. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

企業管治常規

本集團致力維持高水平的企業管治,以保障股東權益以及提升企業價值及問責性。本公司以企業管治守則作為公司本身的企業管治守則。除上市規則附錄十四企業管治守則條文A.4.2條外,本公司自2016年1月1日起至2016年12月31日止年度內謹遵企業管治守則條文之規定。目前,由於本公司本屆董事會於2014年2月20日最後獲選,按照守則條文A.4.2條,每位董事至少每三年輪值退任的規定,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的高級管理層順利延續,故此本屆董事會將繼續履行其職務直到股東大會選出新一屆董事會為止。本公司將繼續檢討並提升其企業管治常規,以確保符合企業管治守則。

Chairman and President

Under the code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and performed by different individuals. Under the current organization structure of the Company, Mr. SUN Bai is the Chairman of the Board and Mr. ZHANG Chun is the President. The balance of power and authority is ensured by the operation of the senior management and the Board, which comprise experienced and high caliber individuals. Pursuant to the Articles of Association, the primary duties and responsibilities of the Chairman of the Board include:

a) presiding over the shareholders' general meetings and convening and presiding over meetings of the Board, examining the implementation of the resolutions of the Board;

b) organizing the formulation of regulations on the operation of the Board, and coordinating the operation of the Board;

董事長及總裁

根據企業管治守則之守則條文A.2.1條,董事長及行政總裁之角色應有所區分,應由不同人士擔任。於本公司目前的組織架構下,孫柏先生為董事長及張淳先生為總裁。由經驗豐富的人才組成的高級管理人員及董事會可確保權力與職權平衡。根據組織章程細則,董事長的主要職務及職責包括:

a) 主持股東大會以及召開並主持董事會會議、檢討董事會決議案的實施;

b) 組織制定有關董事會運作的規例及協調董事會運作;

c) receiving regular or non-regular performance reports on the Company's senior management; and

d) giving opinions guiding the execution of board resolutions and signing the Company's share certificates, debentures and other important documents.

The major responsibilities of the president of the Company include:

a) leading the production, operation and management of the Company, and reporting his works to the Board;

b) organizing the implementation of the resolutions of the Board, the Company's annual business plans and investment plans;

c) preparing the Company's annual budgets and final accounts, and providing recommendations to the Board;

d) formulating the plans for merger, division or reorganization of the wholly-owned subsidiaries and controlled subsidiaries of the Company;

e) preparing plans for the establishment of the Company's basic management system and the internal management structure, preparing plans for the establishment of domestic and overseas branches of the Company, formulating specific rules and regulations of the Company;

f) appointing or removing the management personnel, except for those that shall be appointed or removed by the Board;

g) formulating the remunerations, benefits and incentive programs, as well as the appointment and removal of the Company's employees;

c) 接收本公司高級管理人員的定期或非定期表現報告；及

d) 提供意見以指引董事會決議案的執行以及簽署公司股票、債權證與其他重要文件。

本公司總裁的主要職責包括：

a) 領導本公司的生產、營運及管理並向董事會匯報；

b) 組織董事會決議案、本公司年度業務計劃及投資計劃的實施；

c) 編製本公司年度預算及全年賬目並向董事會提供建議；

d) 制定合併、分拆或重組本公司全資附屬公司及受控附屬公司的計劃；

e) 編製建立本公司基本管理系統及內部管理架構的計劃、編製建立本公司國內及海外分公司的計劃、制定本公司特殊規則及規例；

f) 委任或撤職管理人員（須由董事會委任或撤職的人士除外）；

g) 制定薪酬、福利及獎勵計劃、委任及撤職本公司僱員；

h) proposing to convene an extraordinary board meeting when emergency arises; and

i) determining on investment, financing, contracts and transactions of the Company within the scope of authorization of the Board.

The chairman of the Company held a meeting with the non-executive Directors (including the INEDs) without the presence of the executive Directors during the Year.

SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company adopted the Model Code as its own code of conduct regarding Directors' securities transactions. 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.

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.

h) 於出現緊急事件時建議召開特別董事會會議；及

i) 釐定屬董事會授權範疇的本公司投資、融資、合約及交易。

於年內，本公司董事長與非執行董事（包括獨立非執行董事）在執行董事迴避的情況下舉行一次會議。

董事及監事的證券交易

本公司已採納《標準守則》，作為其董事進行證券交易的行為守則。對全體董事及監事的專門查詢後，各董事及監事均確認，彼等於年內一直遵守《標準守則》。

本公司已採納一套其條款不遜於《標準守則》所訂標準的僱員證券交易的自身行為守則，以供可能掌握本公司的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。

Corporate Governance Report
企業管治報告

BOARD OF DIRECTORS

The Board is primarily responsible for overseeing and supervising the management of the business affairs and the overall performance of the Group. The Board sets the Group's values and standards and ensures that the requisite financial and human resources support are in place for the Group to achieve its objectives. The functions performed by the Board include but not limited to formulating the Group's business plans and strategies, reviewing the Company's financial results and performance and approving its interim and annual results; approving appointment, removal or re-appointment of the Board members upon the recommendation of the Nomination Committee of the Board; approving the remuneration package of directors and senior management of the Company upon the recommendation of the Remuneration Committee established by the Board, deciding all significant financial (including major capital expenditure) and operational issues, formulating, monitoring and reviewing the Group's corporate governance, and all other functions reserved to the Board under the Articles and Association. The Board may from time to time delegate certain functions to senior management of the Group if and when considered appropriate. The senior management is mainly responsible for the execution of the business plans, strategies and policies adopted by the Board and assigned to it from time to time.

All Directors shall ensure that they carry out their duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its Shareholders at all times.

董事會

董事會主要負責監察及監管本集團的業務事宜管理及整體表現。董事會確立本集團的價值及標準，並確保本集團擁有必需的財務及人力資源支持以達至其目標。董事會履行的職能包括但不限於制定本集團業務計劃及策略、審閱本公司財務業績及表現以及批准其中期及年度業績；於獲得董事會的提名委員會推薦建議後批准委任、撤職或重新委任董事會成員；於獲得董事會成立的薪酬委員會推薦建議後批准本公司董事及高級管理人員的薪酬組合、決定所有重大財務（包括主要資本開支）及經營問題；制定、監察及檢討本集團的企業管治；以及根據組織章程細則由董事會保留的所有其他職能。董事會可於有需要時不時向本集團高級管理人員轉授若干職能。高級管理人員主要負責執行董事會採納及向其不時轉授的業務計劃、戰略及政策。

全體董事須確保彼等本著真誠並遵守適用法律及法規，以及於任何時間按本公司及其股東之利益履行職責。

Currently, the Board comprises the following nine Directors:

Executive Directors
SUN Bai *(Chairman)*
ZHANG Chun *(President)*

Non-Executive Directors
WANG Zhian
YU Benli
ZHANG Fusheng

INEDs
LIU Li
LIU Hongyu
FANG Yongzhong
WU Tak Lung

The biographical details of each of the Directors are set out in the section headed "Directors, Supervisors, Senior Management and Employees" of this annual report.

Save as disclosed in this annual report, there was no financial, business, family or other material relationship among the Directors.

The two Executive Directors are responsible for the leadership and control of the Company and overseeing the Group's businesses, strategic decisions and performances and are collectively responsible for promoting the success of the Company by directing and supervising its affairs.

The four INEDs are responsible for ensuring a high standard of financial and other mandatory reporting of the Board as well as providing a balance in the Board in order to effectively exercise independent judgment on the corporate actions of the Company so as to protect shareholders' interest and overall interest of the Group.

董事會目前由以下九名董事組成：

執行董事
孫柏*（董事長）*
張淳*（總裁）*

非執行董事
王治安
余本禮
張福生

獨立非執行董事
劉力
劉紅宇
方永忠
吳德龍

各董事的個人履歷載於本年報「董事、監事、高級管理人員及僱員」一節。

除於本年報披露者外，董事之間概無任何財務、業務、親屬或其他重要關係。

兩名執行董事負責領導及控制本公司並監管本集團的業務、策略決策及表現，並集體負責透過指導及監管本公司之事務推動其成功發展。

四名獨立非執行董事負責確保董事會作出高水平的財務及其他法定報告，並平衡董事會，以就本公司的公司行動有效行使獨立判斷，從而保護股東利益及本集團的整體利益。

Throughout the Year, the Company had at all times met the requirement of the Listing Rules that the number of INEDs must represent at least one-third of the Board members and at least one of the INEDs shall have appropriate professional qualifications of accounting or related financial management expertise. The Company has four INEDs currently representing four-ninths of the Board and therefore the Company has complied with the Listing Rules.

於整個年度，本公司於任何時候符合上市規則的規定，規定獨立非執行董事的人數須佔董事會成員至少三分之一，且至少一名獨立非執行董事擁有適當的專業會計資格或相關財務管理專業。本公司現時有四名獨立非執行董事，佔董事會的九分之四，因此本公司已遵守上市規則。

All Directors, including the INEDs, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The INEDs were invited to serve on the Audit Committee, the Remuneration Committee, the Nomination Committee, the Strategy and Development Committee and the Operation and Risk Management Committee.

全體董事（包括獨立非執行董事）令董事會具備廣泛珍貴之業務經驗、知識及專業技能，從而提高董事會履行職能的效能和效益。獨立非執行董事獲邀加入本公司審計委員會、薪酬委員會、提名委員會、戰略與發展委員會以及經營與風險管理委員會。

As regards the CG Code provision requiring directors to disclose the number and nature of offices held in public companies or organizations and other significant commitments as well as their identity and the time involved to the issuer, the Directors agreed to disclose their commitments to the Company in a timely manner.

就有關要求董事向發行人披露彼等於公眾公司或組織機構任職的次數及性質，以及其他重大承擔，連同彼等之身份及投入時間之企業管治守則條文而言，董事同意及時向本公司披露彼等之承擔。

The Company has arranged appropriate insurance coverage on the liabilities of the Directors and senior management in respect of any legal actions taken against them arising out of performing their duties. The insurance coverage is reviewed on an annual basis.

本公司已為董事及高級管理人員投購合適的責任保險，保障彼等因履行職務而可能要承擔的訴訟責任。該保險範圍乃按年檢討。

Confirmation of Independence

獨立性確認書

Each of the INEDs has made an annual confirmation of independence by reference to Rule 3.13 of the Listing Rules and the Board is satisfied that all INEDs were independent and met the independent guidelines set out in Rule 3.13 of the Listing Rules, up to the date of this annual report.

各名獨立非執行董事已根據上市規則第3.13條作出年度獨立性確認書。董事會信納全體獨立非執行董事均為獨立，並於截至本年報日期符合上市規則第3.13條所載的獨立性指引。.

Directors' Induction and Continuous Professional Development

Each newly appointed Director has received formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

The Company has from time to time provided briefings to all Directors to develop and refresh the Directors' duties and responsibilities. Continuing briefing and professional development for Directors will be arranged whenever necessary. The Directors are provided with monthly updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge his or her duties. All Directors are also encouraged to attend relevant training courses at the Company's expense. They have been required to provide the Company with their training records.

During the Year, all Directors had participated in continuous professional development ("**CPD**") to develop and refresh their knowledge and skills by reading materials and/or attending briefings by legal counsels or seminars organised by professional bodies on corporate governance or updates on laws, rules and regulations relating to the roles, functions and duties of a director.

董事之入職及持續專業發展

每名新委任董事均將於首次接受委任時獲得正式、全面及專門的入職簡介，以確保對本公司的業務及營運均有適當的理解，並充分知悉董事於上市規則及相關法定規定下的責任及義務。

本公司不時為全體董事舉行簡介會，以提高及重溫董事的職能及責任。如有需要，會為董事安排持續的簡介會及專業發展。董事亦可每月獲取有關本公司表現、狀況及前景的最新消息，使整個董事會及各董事得以履行彼等的職責。全體董事亦獲鼓勵出席相關的培訓課程，費用由本公司承擔。彼等須向本公司提供其培訓記錄。

於本年度內，所有董事均參與持續專業發展(「**持續專業發展**」)，透過閱讀有關企業管治或有關董事角色、職能及責任的法律、規則及法規最新資料的材料及／或出席法律顧問的簡介會或專業團體舉辦的講座，以發展及更新彼等的知識及技能。

Individual record of each Director who received training for the Year is summarised as follows:

本年度接受培訓的各董事的個人記錄概述如下：

Directors 董事		Types of CPD 持續專業發展的種類 *(Notes)* *（附註）*
Executive Directors	**執行董事**	
Mr. SUN Bai	孫柏先生	A and B A及B
Mr. ZHANG Chun	張淳先生	A and B A及B
Non-executive Directors	**非執行董事**	
Mr. WANG Zhian	王治安先生	A and B A及B
Mr. YU Benli	余本禮先生	A and B A及B
Mr. ZHANG Fusheng	張福生先生	A and B A及B
INEDs	**獨立非執行董事**	
Mr. LIU Li	劉力先生	A and B A及B
Ms. LIU Hongyu	劉紅宇女士	A and B A及B
Mr. FANG Yongzhong	方永忠先生	A and B A及B
Mr. WU Tak Lung	吳德龍先生	A and B A及B

Notes:

A: attending seminars/forums/workshops/conferences relevant to the business or directors' duties

B: studying regulatory updates on laws, rules and regulations relating to directors' roles and functions

All Directors had provided the Company with their training records for the Year.

附註：

A: 出席有關業務或董事職責的研討會／論壇／工作坊／會議

B: 學習有關董事角色及職能的法律、規則及法規的監管事項更新資料

全體董事已向本公司提供彼等本年度培訓記錄。

Meetings of Board and Board Committees and Directors' Attendance Records

The Company adopts the practice of holding board meetings regularly, at least four times a year. Notices of not less than fourteen days are given for all regular board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting. For other Board and committee meetings, reasonable notice is generally given. The agenda and accompanying board papers are dispatched to the Directors or committee members at least fourteen days before the regular meetings and at least five days before the extraordinary meetings to ensure that they have sufficient time to review the papers and be adequately prepared for the meetings. When the Directors or committee members are unable to attend a meeting, he or she may appoint in writing another Director to attend the meeting on his or her behalf. The power of attorney shall specify the scope of authorization. The proxy shall exercise the rights of the Director within the scope of the authorization. A Director failing to attend the board meeting in person or by proxy shall be deemed as having waived his or her voting rights at such meeting.

The Joint Company Secretaries or his/her delegate are responsible for keeping all minutes of the Board meetings and the Board committees. Draft minutes are normally circulated to Directors for comments within a reasonable time after each meeting and the final version is open for Directors' inspection. According to the Listing Rules, any directors and their close associates with a material interest in the transactions to be discussed at the Board meetings will abstain from voting on resolutions approving such transactions and will not be counted in the quorum at meetings.

Any Director wishing to do so in the furtherance of his or her duties may take independent professional advice at the Company's expense. Directors get familiar with the Group's principal activities through initial induction, ongoing participation at the Board and committee meetings, and meeting with key members of management. The Directors are encouraged to update their skills and knowledge.

董事會及董事會委員會的會議及董事的出席記錄

本公司採納定期舉行董事會會議之慣例，最少一年舉行四次會議。全體董事將獲發不少於十四天之通知以召開定期董事會會議，令全體董事均有機會出席定期會議並討論議程事項。就其他董事會及委員會會議而言，一般將獲發合理通知。會議議程及隨附之董事會文件最少於定期會議舉行之前十四天及臨時會議舉行之前五天寄發予董事或委員會成員，以確保彼等有足夠時間審閱文件及為會議作充足準備。倘董事或委員會成員未能出席會議，彼可以用書面形式委任另一名董事代其出席會議。授權書須訂明授權範圍。委任代表可行使授權範圍內的董事權利。未能親身或委任代表出席董事會會議的董事視作已放棄彼等於有關會議上的投票權。

聯席公司秘書或其委任代表負責保存董事會會議及董事會委員會的所有會議記錄。會議記錄草案一般會於每次會議之後的合理時間內發給董事傳閱，以供發表意見，最終版本可供董事查閱。根據上市規則，任何於董事會會議上將予討論的交易中擁有重大利益的董事及彼等的緊密聯繫人，均須就批准有關交易的決議案放棄投票，且不得計入會議的法定人數。

任何董事可為履行職責而尋求獨立專業意見，費用由本公司承擔。董事可透過初始入職、持續參與董事會及委員會會議，以及與管理層主要成員會面，藉以熟悉本集團的主要業務。董事獲鼓勵更新彼等技能及知識。

In 2016 and as of March 28, 2017, the Company held sixteen Board meetings (including written resolutions), one extraordinary general meeting, one annual general meeting and two class meeting (collectively, the "**Shareholders' Meetings**"). Details of attendance of the Directors are as follows:

於2016年及截至2017年3月28日，公司已舉行十六次董事會會議（包括書面決議）、一次臨時股東大會、一次股東週年大會及兩次類別股東大會（合稱「**股東大會**」）。董事出席詳情載列如下：

Directors 董事		Board meetings 董事會會議	Shareholders' Meetings 股東大會
Executive Directors	**執行董事**		
Mr. SUN Bai	孫柏先生	16/16	4/4
Mr. ZHANG Chun	張淳先生	16/16	4/4
Non-Executive Directors	**非執行董事**		
Mr. WANG Zhian	王治安先生	16/16	4/4
Mr. YU Benli	余本禮先生	16/16	4/4
Mr. ZHANG Fusheng	張福生先生	16/16	4/4
INEDs	**獨立非執行董事**		
Mr. LIU Li	劉力先生	16/16	4/4
Ms. LIU Hongyu	劉紅宇女士	16/16	4/4
Mr. FANG Yongzhong	方永忠先生	16/16	4/4
Mr. WU Tak Lung	吳德龍先生	16/16	4/4

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy and discussed all measurable objectives set for implementing the policy.

The Company recognises and embraces the benefits of diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All the appointments of the Board members will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

董事會成員多元化政策

董事會採納董事會成員多元化政策，並就政策實施討論所有重要目標。.

本公司認同及著重董事會成員多元化所帶來的裨益。本公司致力確保董事會擁有適合本公司業務所需而在技能、經驗及在意見多元化方面取得平衡。所有董事會成員的委任將繼續以甄選優秀人才為基準，並充分顧及董事會成員多元化的裨益。甄選候選人將按多方面作考慮，包括但不限於性別、年齡、文化及教育背景、經驗（專業或其他方面）、技能及知識。將會按照獲甄選候選人將會為董事會帶來的益處及貢獻而作出最終決定。

BOARD COMMITTEES

The Board has established, with written terms of reference, five Board committees, namely the audit committee (the "**Audit Committee**"), the remuneration committee (the "**Remuneration Committee**"), the nomination Committee (the "**Nomination Committee**"), the strategy and development committee (the "**Strategy and Development Committee**") and the operation and risk management committee (the "**Operation and Risk Management Committee**") (together, the "**Board Committees**"), to oversee particular aspects of the Company's affairs. The Board Committees are provided with sufficient resources to discharge their duties.

The written terms of reference for each Audit Committee, Remuneration Committee and Nomination Committee are in line with the Listing Rules and they are posted on the respective websites of the Stock Exchange and the Company.

董事會委員會

董事會已成立五個擁有書面職權範圍的董事會委員會，即審計委員會（「**審計委員會**」）、薪酬委員會（「**薪酬委員會**」）、提名委員會（「**提名委員會**」）、戰略與發展委員會（「**戰略與發展委員會**」）以及經營與風險管理委員會（「**經營與風險管理委員會**」）（統稱「**董事會委員會**」），以監察本公司特定範疇的事務。董事會委員會獲提供充足資源以履行彼等職能。

審計委員會、薪酬委員會及提名委員會的書面職權範圍均符合上市規則，並分別刊載於聯交所及本公司網站。

Audit Committee

The Board established the Audit Committee with written terms of reference in compliance with the CG Code. The Audit Committee comprises two INEDs and one non-executive Director, namely Mr. LIU Li, Ms. LIU Hongyu and Mr. WANG Zhian, the majority of them are INEDs. Mr. LIU Li is the chairman of the Audit Committee.

The primary duties of the Audit Committee include, among others:

a) To review the financial statements and reports and consider any significant or unusual items raised by the internal audit division or external auditor before submission to the Board;

b) To review the relationship with the external auditor by reference to the work performed by the auditor, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of external auditor; and

c) To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and internal audit system and associated procedures, including the adequacy of the resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function.

In 2016 and as of March 28, 2017, the Audit Committee held seven meetings to review and supervise the financial reporting process and internal control review. It had in conjunction with Ernst & Young, the existing external auditor of the Company, reviewed the Group's the unaudited interim results for 2016 and audited results for the year ended December 31, 2016 and recommended the same to the Board for their consideration and approval. The Audit Committee was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made. The Audit Committee also carried out and discharged its other duties as set out in the CG Code.

審計委員會

董事會根據企業管治守則成立審計委員會，並以書面制定其職權範圍。審計委員會由兩名獨立非執行董事及一名非執行董事組成，即劉力先生、劉紅宇女士及王治安先生，大部分成員為獨立非執行董事。劉力先生為審計委員會主席。

審計委員會的主要職責包括（其中包括）：

a) 於呈交董事會前審閱財務報表及報告，並考慮內部審計機構或外聘核數師提出之任何重大或不尋常項目；

b) 透過參考核數師進行的工作、其費用及委聘條款檢討與外聘核數師的關係，並就委任、重新委任及罷免外聘核數師向董事會提出建議；及

c) 檢討本公司的財務申報系統、內部監控系統以及內部審計系統及相關程序的充足度與成效，包括資源充足度、員工資格及經驗、培訓課程及本公司的會計及財務申報職能預算。

於2016年及截至2017年3月28日，審計委員會曾召開七次會議，審閱及監察財務申報程序及內部監控。其與本公司現任外聘核數師安永會計師事務所審閱本集團2016年未經審計中期業績及截至2016年12月31止年度的經審計業績，並就此向董事會作出建議，以供董事會考慮及批准。審計委員會認為，編製該等業績符合適用會計準則及規定，且已作出足夠的披露。審計委員會亦履行其於企業管治守則所載的其他職責。

Details of attendance of the Audit Committee meetings are as follows:

審計委員會會議的出席詳情如下：

Directors 董事		Attendance 出席次數
Mr. LIU Li *(Chairman)*	劉力先生*（主席）*	7/7
Ms. LIU Hongyu	劉紅宇女士	7/7
Mr. WANG Zhian	王治安先生	7/7

Remuneration Committee

The Board established the Remuneration Committee with written terms of reference in compliance with the CG Code. The Remuneration Committee comprises two INEDs and one non-executive Director, namely Mr. FANG Yongzhong, Mr. WANG Zhian and Mr. LIU Li, the majority of them are INEDs. Mr. FANG Yongzhong is the chairman of the Remuneration Committee.

The primary duties of the Remuneration Committee include, among others:

a) To make recommendations to the Board on the Company's policy and structure for remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing the remuneration policy;

b) To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives; and

c) To determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management, or to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

薪酬委員會

董事會根據企業管治守則成立薪酬委員會，並以書面制定其職權範圍。薪酬委員會由兩名獨立非執行董事及一名非執行董事組成，即方永忠先生、王治安先生及劉力先生，大部分成員為獨立非執行董事。方永忠先生為薪酬委員會主席。

薪酬委員會之主要職責包括（其中包括）：

a) 就本公司董事及高級管理人員的薪酬政策及構架，及就設立正規而具透明度的程序制定薪酬政策，向董事會提出建議；

b) 因應董事會所訂企業的方針及目標而檢討及批准管理層的薪酬建議；及

c) 以授權職責釐定個別執行董事及高級管理人員的薪酬待遇，或就個別執行董事及高級管理人員的薪酬待遇向董事會提出建議。

In 2016 and as of March 28, 2017, the Remuneration Committee held three meetings to review the remuneration packages of the senior management and relevant remuneration, performance systems of the Company.

於2016年及截至2017年3月28日，薪酬委員會舉行三次會議，以審閱高級管理人員的薪酬待遇以及公司薪酬、績效相關制度。

Details of attendance of the Remuneration Committee meetings are as follows:

薪酬委員會會議的出席詳情如下：

Directors **董事**		**Attendance** **出席次數**
Mr. FANG Yongzhong *(Chairman)*	方永忠先生*（主席）*	3/3
Mr. WANG Zhian	王治安先生	3/3
Mr. LIU Li	劉力先生	3/3

Remuneration Policy of Directors

Each Director has entered into service contract or letter of appointment with the Company. Each executive Director is entitled to an annual fixed fee (tax included) pursuant to the service contract entered into with the Company. The fee includes, among others, salaries, benefits, duty subsidies and pension contribution as determined in accordance with the laws and regulations of the PRC and the policy guidance issued by the senior regulatory authorities as well as the duties, performance and working experience of the executive Director. Meanwhile, the executive Director is also entitled to management bonus as determined by the Board or the Remuneration Committee with reference to the overall operating results and performance of the Company. The decision to grant such management bonus was made by the general meeting or the Board under the authorization of the general meeting. Each non-executive Director and each INED is entitled to fixed subsidy, which is determined with reference to the prevailing market price, pursuant to the service contract or letter of appointment entered into with the Company. Reasonable fees incurred by the Directors during their services in the Company shall be borne by the Company.

董事薪酬政策

各董事已與本公司訂立服務合同或委任函。各執行董事根據其與本公司訂立的服務合同於每年獲得固定的袍金(含税)。該袍金包括本公司按中國法律法規和上級監管機構發佈的政策指引、根據執行董事的職務、表現及工作經驗釐定的工資、福利、崗位津貼及退休金供款等。同時，執行董事亦可獲得董事會或薪酬委員會參考本公司的整體經營業績及其表現後釐定的管理花紅。管理花紅的發放事宜由股東大會或由股東大會授權董事會決定。各非執行董事和各獨立非執行董事根據其與本公司訂立的服務合同或委任函獲得固定津貼，該津貼是參考現行市價釐定。董事在其為本公司提供服務期間招致的合理費用由本公司承擔。

Nomination Committee

The Board established the Nomination Committee with written terms of reference in compliance with the CG Code. The Nomination Committee comprises two INEDs and one Executive Director, namely Ms. LIU Hongyu, Mr. FANG Yongzhong and Mr. SUN Bai, the majority of them are INEDs. Mr. SUN Bai is the chairman of the Nomination Committee.

The primary duties of the Nomination Committee include, among others:

a) To review the structure, size and composition of the Board on a regular basis according to the operating activities, asset size and equity structure of the Company and make recommendations regarding any proposed changes;

提名委員會

董事會根據企業管治守則成立提名委員會，並以書面制定其職權範圍。提名委員會由兩名獨立非執行董事及一名執行董事組成，即劉紅宇女士、方永忠先生及孫柏先生，大部分成員為獨立非執行董事。孫柏先生為提名委員會主席。

提名委員會之主要職責包括(其中包括)：

a) 根據本公司之業務活動、資產規模及股權架構定期檢討董事會之架構、規模及組成，並就任何建議變動提出建議；

b) To make recommendations to the Board on appointment or re-appointment of and succession planning for Directors;

c) To identify candidates who are qualified/suitable to join the Board and to select or make recommendations to the Board on the selection of candidates nominated for directorships;

d) To assess the candidates for the senior management of the Company and its wholly-owned and controlled subsidiaries, and provide appraisal opinions to the Board; and

e) To assess the independence of the INEDs.

In 2016 and as of March 28, 2017, no Nomination Committee meeting was held while the Nomination Committee dealt with matters by participating in the Board meetings, among others, to discuss and assess the independence of the INEDs.

b) 就董事委任或重新委任及繼任計劃向董事會提出建議；

c) 物色合資格／適合加入董事會的人選，並作出選擇或就選擇獲提名擔任董事人選向董事會提出建議；

d) 評估本公司及其全資及受控附屬公司之高級管理人員人選，並向董事會提供評估意見；及

e) 評估獨立非執行董事之獨立性。

於2016年及截至2017年3月28日，提名委員會並無舉行會議，提名委員會乃透過參與董事會會議處理事宜，其中包括，以討論及評估獨立非執行董事之獨立性。

Strategy and Development Committee

The Strategy and Development Committee comprises two Executive Directors, one Non-Executive Director and one INED, namely Mr. SUN Bai, Mr. ZHANG Chun, Mr. YU Benli and Mr. LIU LI. Mr. SUN Bai is the chairman of Strategy and Development Committee.

The primary duties of the Strategy and Development Committee include, among others:

a) To conduct research in respect of, and formulating the strategy and business development of our Company, including the medium to long term plans, and supervising the implementation of our Company's strategic planning;

b) To present assessment reports on the implementation of our Company's strategic planning, management and business development; and

c) To research and analyze major issues encountered by our Company in the course of its development.

In 2016 and as of March 28, 2017, the Strategy and Development Committee held two meetings to review and update the Five-Year Strategic Planning Report.

戰略與發展委員會

戰略與發展委員會由兩名執行董事、一名非執行董事及一名獨立非執行董事組成，即孫柏先生、張淳先生、余本禮先生及劉力先生。孫柏先生為戰略與發展委員會主席。

戰略與發展委員會之主要職責包括（其中包括）：

a) 就本公司的策略及業務發展（包括中長期計劃）進行研究及制定策略，並監督本公司策略規劃之實施；

b) 就本公司策略規劃、管理及業務發展之實施呈列評估報告；及

c) 研究及分析本公司於發展過程中遇上的重大事項。

於2016年及截至2017年3月28日，戰略與發展委員會會舉行兩次會議，以審議更新公司五年戰略規劃報告。

Details of attendance of the Strategy and Development Committee meeting are as follows:

戰略與發展委員會會議的出席詳情如下：

Directors 董事		Attendance 出席次數
Mr. SUN Bai *(Chairman)*	孫柏先生*（主席）*	2/2
Ms. ZHANG Chun	張淳先生	2/2
Mr. YU Benli	余本禮先生	2/2
Mr. LIU LI	劉力先生	2/2

Operation and Risk Management Committee

The Operation and Risk Management Committee comprises one Executive Director, two Non-Executive Directors and one INED, namely Mr. ZHANG Chun, Mr. WANG Zhian, Mr. ZHANG Fusheng and Mr. FANG Yongzhong. Mr. ZHANG Chun is the chairman of Operation and Risk Management Committee.

The primary duties of the Operation and Risk Management Committee include, among others:

a) To review and evaluate the progress of significant investments, operating activities, and significant business operation;

b) To review and evaluate the decision making standards and mechanisms as regards significant operating decisions, significant risks, significant events, and significant business procedures; and

c) To establish sound and comprehensive risk management, strategies and solutions in respect of the risk management and internal control system with a view to ensuring the effective and efficient operation of such system.

In 2016 and as of March 28, 2017, the Operation and Risk Management Committee held one meeting to discuss and consider the "Overall Risk Management Report for 2016 (2016全面風險管理報告)" of the Company.

經營與風險管理委員會

經營與風險管理委員會由一名執行董事、兩名非執行董事及一名獨立非執行董事組成，分別為張淳先生、王治安先生、張福生先生及方永忠先生。張淳先生為經營與風險管理委員會主席。

經營與風險管理委員會之主要職責包括（其中包括）：

a) 審閱及評估重大投資、營運活動及主要業務過程；

b) 檢討及評估有關重大營運決策、主要風險、重大事項及主要業務程序之決策準則及機制；及

c) 就風險管理及內部監控系統建立有效及全面風險管理、戰略及解決方案，以確保系統得以有效運作。

於2016年及截至2017年3月28日，經營與風險管理委員會舉行一次會議，以討論及審議本公司2016年全面風險管理報告。

Details of attendance of the Operation and Risk Management Committee meetings are as follows:

經營與風險管理委員會會議的出席詳情如下：

Directors 董事		Attendance 出席次數
Mr. ZHANG Chun *(Chairman)*	張淳先生*（主席）*	1/1
Mr. WANG Zhian	王治安先生	1/1
Mr. ZHANG Fusheng	張福生先生	1/1
Mr. FANG Yongzhong	方永忠先生	1/1

Delegation by the Board

董事會授權

The Board reserves its decision-making right over all major matters of the Company, including approval and monitoring of all policy matters, overall strategies and budgets, risk management system, material transactions (in particular those that may involve conflict of interests), financial information and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

董事會保留於本公司所有主要事項之決策權，包括：批准及監察所有政策事宜、整體策略及預算、風險管理系統、重大交易（特別是可能涉及利益衝突之交易）、財務資料以及其他重大財務及營運事宜。董事可尋求獨立專業意見以履行其職責，費用由本公司承擔，且本公司鼓勵董事跟高級管理人員進行獨立溝通及諮詢。

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to significant transactions entered into by the management as defined under the relevant Working Rules for the General Manager (《總經理工作規則》).

本集團之日常管理、行政及營運已授權高級管理人員處理。授權功能及責任由董事會定期檢討。根據相關《總經理工作規則》所界定，管理層訂立重大交易前須取得董事會之批准。

Corporate Governance Report
企業管治報告

Corporate Governance Functions of the Board

The Board recognizes that corporate governance should be the collective responsibility of the Directors which include:

a. To develop, review and implement the Company's policy and practices on corporate governance;

b. To review and monitor the training and continuous professional development to the Directors and senior management;

c. To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

d. To develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors;

e. To review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report; and

f. To develop, review and monitor the implementation of the Shareholders' communication policy to ensure its effectiveness, and make recommendation to the Board where appropriate to enhance Shareholders' relationship with the Company.

董事會的企業管治職能

董事會認為企業管治乃董事的共同責任，當中包括：

a. 制定、檢討及實行本公司的企業管治政策及常規；

b. 檢討及監察董事與高級管理人員的培訓及持續專業發展；

c. 檢討及監察本公司遵守法例及監管規定的政策及常規；

d. 制定、檢討及監察適用於僱員及董事的行為守則及合規手冊（如有）；

e. 檢討本公司遵守企業管治守則及企業管治報告的披露的合規情況；及

f. 制定、檢討及監察股東通訊政策的實施以確保其成效，並於適當情況下向董事會提供建議，以加強股東與本公司的關係。

Appointment and Re-election of Directors

Each of the Executive Directors and Non-Executive Directors has entered into a service contract with the Company on February 20, 2014 for a term commencing from the date of the general meeting at which the respective executive Directors or non-executive Directors were appointed, until the end of the term of the second session of the Board and may be terminated in accordance with the respective terms of the service agreements.

Each of the INEDs has signed a letter of appointment with the Company on February 20, 2014 for a term commencing from the date of the general meeting at which the respective INEDs were appointed until the end of the term of the second session of the Board.

None of the Directors has a service agreement which is not terminable by the Group within one year without payment of compensation (other than statutory compensation).

In accordance with the Articles of Association, all Directors shall be elected or replaced at the Shareholders' general meetings with a term of office of three years. Upon expiry of the term of office, a director shall be eligible to offer himself for re-election and reappointment. Any person appointed by the Board to fill a casual vacancy or as an addition to the Board shall hold office until the Company's next AGM and that person shall then be eligible for re-election and reappointment.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, monitoring the appointment, re-election and succession planning of Directors.

委任及重選董事

各執行董事及非執行董事均於2014年2月20日與本公司訂立服務合同，任期為自股東大會選舉其為執行董事或非執行董事之日起，至第二屆董事會任期結束之日止，並可根據服務協議各自的條款予以終止。

各獨立非執行董事均於2014年2月20日與本公司簽立委任函，任期為自股東大會選舉其為獨立非執行董事之日起，至第二屆董事會任期結束之日止。

概無董事已訂立本集團不得於一年內毋須作出賠償（法定賠償除外）而終止的任何服務協議。

根據組織章程細則，全體董事須於股東大會上膺選或更換，任期為三年。於任期屆滿後，董事合資格膺選連任及重新委任。由董事會委任以填補董事會空缺或作為新增董事的任何人士，其任期直至本公司下屆股東週年大會為止，而該名人士其後合資格膺選連任及重新委任。

委任、重選及罷免董事的程序及過程載於組織章程細則。提名委員會負責審閱董事會組成、監察董事的委任、重選及繼任計劃。

Remuneration of Directors, Supervisors and Senior Management

董事、監事及高級管理人員的薪酬

Particulars of the Directors' and Supervisors' remuneration for the Year are set out in note 8 to the consolidated financial statements.

本年度的董事及監事薪酬詳情載於合併財務報表的附註8。

There were eight employees being classified as senior management during the Year. Pursuant to code provision of B.1.5 of the CG Code, the annual remuneration of the members of the senior management (other than the Directors and Supervisors) for the Year by band is set out below:

於本年度，共有八名僱員被歸類為高級管理人員。根據企業管治守則第B.1.5條守則條文，高級管理人員（董事及監事除外）的年度薪酬等級載列如下：

Remuneration bands (RMB) 薪酬等級（人民幣元）		Number of individuals 人數
0 to 1,000,000	0至1,000,000	1
1,000,001 to 1,500,000	1,000,001至1,500,000	–
1,500,001 to 2,000,000	1,500,001至2,000,000	7

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

董事對財務報表的責任

The Directors acknowledge their responsibility for the preparation of the consolidated financial statements for the Year, which give a true and fair view of the state of affairs of the Company and the Group's results and cash flows for the year then ended and are properly prepared on a going concern basis in accordance with the applicable statutory requirements and accounting standards.

董事知悉彼等的責任為編製本年度的合併財務報表。合併財務報表真實公平地反映本公司事務狀況及本集團於截至該日止年度的業績及現金流量，並根據適用法律規定及會計準則按持續經營基準妥善編製。

Pursuant to code provision C.1.1 of the CG Code, the management provides such explanation and information to the Board to enable it to make an informed assessment of the financial and other information put before the Board for approval. The Company also provides the members of the Board with monthly updates on the Company's performance, financial positions and prospects.

根據企業管治守則第C.1.1條守則條文，管理層向董事會提供該等說明及資料，使董事會可就有待其批准的財務及其他資料作出知情評估。本公司亦會每月向董事會成員提供有關本公司業績、財務狀況及前景的更新資料。

The Directors were not aware of any material uncertainties which may affect the Company's business or cast significant doubt upon the Company's ability to continue as a going concern.

董事並不知悉可能影響本公司業務或對本公司的持續經營能力造成重大疑問的任何重大不確定因素。

Ernst & Young has also stated its reporting responsibility in the independent auditor's report of the consolidated financial statements for the Year.

安永會計師事務所已於本年度的合併財務報表的獨立核數師報告內作出其申報責任聲明。

INTERNAL CONTROL AND RISK MANAGEMENT

內部監控及風險管理

The Board has overall and ongoing responsibility to maintain sound and effective risk management and internal control systems of the Company in order to manage rather than eliminate risk of failure to achieve business objective, and to provide reasonable but not absolute assurance against material misstatement or loss.

董事會持續全權負責維持本公司穩健及有效的風險管理及內控系統，該系統旨在管理可能導致無法達到業務目標之風險，而非排除此風險，並提供合理而非絕對的保證，以免出現錯誤陳述或損失。

The Board executes the decision-making right over operation. It endeavors to establish and improve the internal control policies and plans and supervise the implementation of the internal control system to safeguard shareholder investments and Company assets, thus being responsible for the establishment and supervision of the internal control system of the Company. It is the responsibility of the Board to establish, improve, review and effectively implement the internal control system.

董事會執行營運決策權，並致力建立及改善內部監控政策與計劃，以及監管內部監控系統的實施，以保障股東投資與公司資產，故董事會負責建立及監察本公司之內部監控系統。董事會之職責為建立、改善、檢討並有效實行內部監控系統。

In terms of management structure, the Company has optimized the organizational structure and implemented a flat management. The relevant functional departments are sufficiently staffed, taking charge of financial operations and monitoring, risk management, internal audit and anti-corruption. In addition, the Company arranges reasonable budgets to provide regular trainings for the staff of the Company and its subsidiaries performing functions such as finance, risk management and internal audit so as to ensure that they are fully qualified and experienced.

管理架構上，公司優化了組織結構設置，實行了扁平化管理。相關職能部門配備了充足的人員，負責財務運作和監控、風險管理、內部審計、反舞弊等具體工作。此外，公司安排合理預算，定期為公司及附屬公司財務、風險管理、內部審計等職能員工提供培訓，確保其擁有足夠的素質和經驗。

All departments are under direct leadership of the President of the Company, who is thereby enable to report instantly to the Board on the operations of each department and problems received. Accordingly, any significant matter (if subject to disclosure to the market) identified by the staff could be reported to the management in a timely, accurate and effective manner.

公司總裁與各部門直接對接，並能將各部門運作情況及反映的問題及時向董事會匯報。因此，員工發現的重大情況（如需在市場披露）能夠被及時、準確、有效地傳遞到

The management of the Company assessed such significant matter in accordance with internal management requirements and procedures in a timely manner and made corresponding decisions. The decisions of the management of the Company could be implemented accurately and timely under supervision.

公司管理層。公司管理層根據相應的內部管理規定和程序及時評估這些重大情況，並制定相應決策。公司管理層的決策能夠正確、及時地貫徹和監督執行。

In respect of the system, the Company further deepened the system construction in 2016. The Company formulated and revised more than 40 rules and regulations on the basis of "Rules and Regulations Compilation (2014) (規章制度文件彙編(2014))" released in 2014, which continuously improved the scientific nature, pertinence and effectiveness of the system and laid down a solid foundation for the creation of a systems and procedures mechanism featured by close interconnection, high functionality and clear monitoring and control interface. The Company launched a total of 11 new policies in respect of the complete engineering sector, with a focus on the administration of the preliminary phase and the implementation process of our projects, including "Implementing Rules on Key Progress Node Assessment Management in EPC Projects (EPC 總承包項目關鍵進度節點考核管理實施細則)", "Regulations on Design of EPC Projects (EPC 總承包項目設計管理規定)" and so on. The launching of these systems effectively refined the Company's experience accumulated over the years and strongly strengthened standardization throughout project implementation.

在制度方面，2016年公司進一步深化制度建設；在2014年編製發佈的《規章制度文件彙編(2014)》的基礎上，公司共制定、修訂了40餘項規章制度，不斷提高制度的科學性、針對性、有效性，為形成銜接緊密、操作性強、管控界面清晰的制度流程體系打下良好基礎。其中，工程成套板塊共出台新制度11項，重點面向項目前期和執行過程管理，包括《EPC總承包項目關鍵進度節點考核管理實施細則》、《EPC總承包項目設計管理規定》等。這些制度的出台有效提煉了公司多年積累的項目經驗，有力保障了項目執行全過程的規範性。

In 2016, the Company focused on refined project management and speeded up the building of professional competence. The Company continued to expand the coverage of centralized procurement by enhancing the dynamic management of qualified suppliers, standardization of the procurement process for our projects and controlling the risks arising from procurement so as to achieve the principle of "sunshine procurement". The Company steadily stepped up post project evaluation efforts by continual revisions from our project experience. Together with the compliance management systems the Company has developed, including the "Measures on Accountability for Violation and Fraud of CMEC's Employees (CMEC 員工違規與舞弊責任追究辦法)" and "Measures for Commission of CMEC (CMEC 佣金管理辦法)", the above measures laid the foundation for prevention and punishment of violation and fraud, as well as establishment and safeguarding the lawful and compliant operation.

2016年，公司同時致力細化項目管理，加快專業化能力建設；持續推進集中採購，加強對合格供應商的動態管理，規範項目採購流程，控制採購風險，實現「陽光採購」；穩步推進項目後評價工作，不斷總結項目經驗。結合公司已制定的《CMEC員工違規與舞弊責任追究辦法》、《CMEC佣金管理辦法》等合規管理制度，上述措施為防範並懲治違規、舞弊行為，建立並維護公司依法、合規經營秩序奠定了基礎。

In 2016, the Company has continued to strengthen financial fundamental work, and has improved the systems implementation, material financial issues reporting and accounting settlement regulating. The Company has launched its financial information system upgrading and promoted deep integration of information technology and financial management. Through system modification and the improvement of the review and assessment mechanism, the Company put forward "one-stop management model" to build up a post evaluation mechanism for the Trading Business, so as to form a management chain of "pre-trade review and assessment, in-progress tracking and post-trade conclusion and evaluation" over the entire process, providing favorable guarantee for risk control, operation model transformation and a sustainable development with quality.

2016年，公司持續加強財務基礎工作，在制度執行落地、重大財務事項報告、規範會計核算等方面有所提升；啟動財務信息系統的升級工作，促進信息技術與財務管理的深度整合。通過修訂制度、完善評審機制，提出「一站式管理模式」，建立貿易業務後評價工作機制，形成事前評審、事中跟蹤、事後總結評價的全程管理鏈條，為貿易業務的風險管控、轉變經營模式、可持續有質量發展提供了有利保障。

In financial risk prevention and supporting system, the Company has continued to hold the reporting procedures for material financial issues, implemented further systemization in the supervision and administration of the two tiered corporate and business departments; and has improved the system throughout the entire life-cycle of EPC projects. The Company has implemented close-ended administration of review and assessment results; has improved the commission management and project evaluation system; and has built up a comprehensive project supervision and inspection system. The Company has continued to prepare reporting procedures of material financial issues for supervision and inspection of critical and Chinese financing projects, and worked out financial management systems of overseas branches.

在財務風險防控及配套體系方面，公司堅持重大財務事項報告制度，同時深化公司及事業部兩級監督管理體系；完善EPC項目全生命週期制度體系；實施評審結果閉環管理；改進佣金管理和項目考核體系；建立完善項目督查體系，持續開展對重點和中方融資項目的督查工作制定重大財務事項報告制度，並擬定境外分支機構財務管理制度等。

DISCLOSURE OF INSIDE INFORMATION

The Group acknowledges its responsibilities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) and the Listing Rules and the overriding principle that inside information should be announced immediately when it is the subject of a decision. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts its affairs with close regard to the disclosure requirement under the Listing Rules as well as the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission of Hong Kong in June 2012;
- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and its website;
- the Group has strictly prohibited unauthorized use of confidential or inside information; and
- the Group has established and implemented procedures for responding to external enquiries about the Group's affairs, so that only the Executive Directors, the joint company secretaries and investor relations officers are authorized to communicate with parties outside the Group.

During the Year, the Board assessed the risk management and internal control systems of the Company and its subsidiaries such as financial control, operation control, compliance control and risk management systems and was not aware of any material problems or any material mistakes. The Board believes that the current monitoring system of the Company is effective and that the qualifications and experience of the staff performing accounting and financial reporting functions and the training programs of the Company as well as the experiences and resources for setting the budget of the Company are adequate.

披露內幕消息

本集團知悉其根據香港法例第571章證券及期貨條例及上市規則所應履行的責任，整體原則是內幕消息必須在有所決定後即時公佈。處理及發佈內幕消息的程序及內部監控措施如下：

- 本集團處理事務時會充分考慮上市規則項下的披露規定以及香港證券及期貨事務監察委員會於二零一二年六月頒佈的「內幕消息披露指引」；
- 本集團已透過財務報告、公告及公司網站等途徑向公眾廣泛及非獨家披露資料，實施及披露其公平披露政策；
- 本集團已嚴格禁止未經授權使用機密或內幕消息；及
- 本集團已就外界查詢本集團事務訂立及執行回應程序，據此，僅執行董事、聯席公司秘書及投資者關係專員方獲授權與本集團外部人士溝通。

董事會在本年度內對本公司及其附屬公司的財務監控、運作監控、合規監控及風險管理等風險管理及內控系統進行審查，未發現公司內部控制存在任何重大問題，或出現任何重大失誤。董事會認為本公司目前的監控體系是有效的，並認為本公司進行會計及財務匯報的員工的資歷和經驗、員工培訓及有關預算方面的經驗和資源是足夠的。

The Group's risk management and internal control systems will be reviewed and assessed on an on-going basis by the Audit Committee and Operation and Risk Management Committee, respectively, which will report the same to the Board, and will be further reviewed and assessed at least once each year by the Board.

審計委員會以及經營與風險管理委員會將持續檢討及評估本集團之風險管理及內部監控系統，並向董事會匯報結果，而董事會則每年最少對本集團之內部監控系統進行一次進一步檢討及評估。

INTERNAL AUDIT

The audit department of the Company will conduct independent review and assessment on the appropriateness, rationality and effectiveness of the governance, risk management and internal control system. The audit department is under the supervision and guidance of the Audit Committee, and will provide analysis and recommendation for the Board and the senior management. It is responsible for all material control, including financial, operational, compliance and risk management. In 2016, the audit department did not discover any circumstances involving fraud, non-compliance or violation against laws, regulations and rules or severe insufficient control.

內部審計

公司審計部對集團治理、風險管理及內部控制系統的恰當性、合理性和有效性進行獨立審查和評價，接受審計委員會的監督和指導，並為董事會和高級管理人員提供分析及建議。其工作涵蓋所有重大的監控，包括財務、運營、合規及風險管理。在2016年，審計部並無發現任何涉嫌欺詐、違規或觸犯法例、規則及規例或嚴重監控不足的情況。

INDEPENDENT AUDITORS' REMUNERATION

For the year ended December 31, 2016, the remunerations (pre-tax) paid or payable to the external auditors in respect of audit services and review service amounted to RMB7.94 million and RMB2.40 million, respectively. The amount for 2016 review service comprised the service fee on review of interim financial statements. The Audit Committee was satisfied that the review service in 2016 did not affect the independence of the auditor.

獨立核數師薪酬

截至2016年12月31日止年度，付予或應付予外聘核數師有關審計服務及審閱服務的薪酬（税前）分別為人民幣7.94百萬元及人民幣2.40百萬元。2016年審閱服務的費用為審閱中期財務報表的服務費用。審計委員會對2016年度審閱服務並沒有影響到核數師的獨立性感到滿意。

JOINT COMPANY SECRETARIES

Mr. ZHOU Yamin ("**Mr. Zhou**") acts as the secretary to the Board, one of the joint company secretaries of the Company and an authorised representative of the Company. He is responsible for advising the Board on corporate governance matters and ensuring that the Board policies and procedures, and the applicable laws, rules and regulations are followed.

聯席公司秘書

周亞民先生（「**周先生**」）擔任董事會秘書、本公司聯席公司秘書及本公司授權代表。彼負責就企業管治事宜向董事會提供意見，並確保已遵從董事會政策與程序，以及適用法例、規則及規例。

In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company also engages Ms. TSANG Fung Chu ("**Ms. Tsang**"), as its joint company secretary to assist Mr. Zhou to discharge his duties as company secretary of the Company. For the purpose of code provision F.1.1 of the CG Code, Ms. Tsang keeps close contact with Mr. Zhou, being the person with sufficient seniority at the Company.

為維持良好企業管治並確保遵守上市規則與適用香港法例，本公司亦委聘曾鳳珠女士(「**曾女士**」)為其聯席公司秘書，以協助周先生履行其作為本公司公司秘書之職務。就企業管治守則之守則條文F.1.1而言，曾女士與周先生緊密聯繫，周先生屬本公司之高層人士。

For the Year under review, Mr. Zhou and Ms. Tsang have undertaken 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

於回顧年度，為遵守上市規則第3.29條，周先生及曾女士已分別接受15個小時之相關專業培訓。

SHAREHOLDERS' RIGHTS

股東權利

To safeguard Shareholders' interests and rights, when the Company convenes an AGM, Shareholders holding 3% or more of the total voting shares of the Company shall be entitled to propose new resolutions to the Company in writing which should be submitted to the convener 10 days prior to the convening of the general meeting. The convener of the general meeting shall issue a supplemental notice of general meeting to other Shareholders within 2 days of the receipt of such proposal and incorporate such newly proposed matters falling within the scope of duties of the general meeting into the agenda of such meeting. The new agenda shall be tabled to the general meeting for consideration.

為保障股東權益及權利，倘本公司召開股東週年大會，持有本公司具表決權股份總數3%或以上的股東有權以書面形式向本公司提出新決議案，書面建議須於召開股東大會之前10天呈交召集人。股東大會召集人須於接獲有關建議2天內向其他股東發出股東大會補充通知，將符合股東大會職責範圍的相關新建議事項加入大會議程。新議程將於股東大會上提出以供審議。

Shareholders can submit their written recommendations through the following facsimile, e-mail or postal address:

股東可通過以下傳真、電郵、郵寄的地址向公司提交書面建議：

Facsimile: 86 10 6332 1086
E-mail: ir@mail.cmec.com
Postal address: No. 178 Guang'anmenwai Street, Beijing, the PRC (Postal Code: 100055)

傳真：86 10 6332 1086
電郵：ir@mail.cmec.com
郵寄地址：中國北京廣安門外大街178號（郵編：100055）

Pursuant to article 57 of the Articles of Association, general meetings shall be convened where Shareholders who individually or jointly hold 10% or more of the Shares make a request to convene an extraordinary general meeting in writing. The matter for consideration proposed by the party requesting the holding of the extraordinary general meeting shall be included in the agenda of such meeting.

根據組織章程細則第57條，倘個別或共同持有10%或以上股份的股東作出書面要求召開臨時股東大會，則須召開股東大會。要求舉行臨時股東大會的人士所提呈以供審議的事項須加入該大會的議程。

As for proposing a person for election as a director, the procedures are set out in the Articles of Association which is available on the respective websites of the Stock Exchange and the Company.

至於建議一名人士膺選董事方面，有關程序載於組織章程細則內，而組織章程細則可分別於聯交所及本公司的網站查閱。

All resolutions put forward at shareholder meetings will be voted on by poll based on shareholding pursuant to the Listing Rules and poll results will be posted on the respective websites of the Stock Exchange and the Company in a timely manner after each shareholder meeting.

於股東大會提呈之所有決議案將根據上市規則以按股數投票方式表決，而表決結果將於各股東大會後適時分別刊載於聯交所及本公司的網站。

Enquiries to the Board

向董事會查詢

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to Room 804, 8/F, Tower 1, South Sea Centre, 75 Mody Road, Tsimshatsui East, Kowloon, Hong Kong, and provide sufficient contact information for the timely and proper handling and record keeping of the relevant enquiries.

有意就本公司事宜向董事會作出查詢的股東可將查詢送交香港九龍尖沙咀東麼地道75號南洋中心第1座8樓804室，並提供足夠的聯絡資料，以便有關查詢及時獲得公司恰當的處理和記錄。

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

與股東之溝通及投資者關係

In 2012, the Company successfully completed its Listing in Hong Kong. Through roadshow presentations around the globe, its investor relations website, investor enquiry hotline, investor mailbox and other communication channels, the Company maintains close liaisons with investors worldwide in a timely and efficient manner. Moreover, through investment forums, corporate visits, teleconferences and various other channels, the Company maintains proactive and frank exchanges with investors and analysts. The Company has attached great importance to listening to Shareholders and investors and accepting reasonable suggestions and opinions from them. It strives to continuously enhance its operating results, present a true picture of the

於2012年，本公司成功在香港完成上市。本公司透過於世界各地進行的路演、其投資者關係網站、投資者查詢熱線、投資者信箱及其他溝通渠道，及時並有效保持與全球各地投資者的緊密聯繫。此外，本公司透過投資論壇、公司訪問、電話會議及各類其他渠道，積極及真誠與投資者及分析師交流。本公司十分重視聆聽並接受股東及投資者的合理建議和意見，致力持續改善其營運業績、向股東及投資者呈列本

Company's financial and operational status to Shareholders and investors, actively facilitate the internal communications in respect of the feedback from the capital market, and continuously perfect and enrich the system aiming to canvass information in relation to investor relations. The management over investor relations involves an all-faceted interactive communication process.

公司的真實財務與營運狀況、積極促進有關來自資本市場反饋意見的內部交流，以及持續優化及加強系統，目的是宣揚有關投資者關係的資料。投資者關係管理涉及全面互動溝通程序。

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable shareholders and investors to make informed investment decisions. In 2017, the Company will gradually develop a systematic structure of investor relations featured by its own characteristics. The Company aims at actively participating in all kinds of summits in capital market and strengthen communication with investors, as well as strive to achieve timely and transparent information disclosures.

本公司認為，與股東之有效溝通對改善投資者關係及了解本集團業務、表現及策略甚為重要。本公司亦確認適時及非選擇性披露資料之重要性，將有助股東及投資者作出知情投資決定。在2017年，公司將逐步形成具有自身特色的投資者關係體系架構。公司旨在積極參加資本市場各類峰會活動，加強與投資者的溝通互動，努力使信息及時披露及具透明度。

The AGM provides opportunity for shareholders to communicate directly with the Directors. The chairman of the Board, the president of the Company, the chairman of each of the Board Committees and the external auditor of the Company, Ernst & Young, will attend the AGM to answer Shareholders' questions.

股東週年大會為股東提供直接與董事溝通的機會。董事長、本公司總裁、各董事委員會主席及本公司外聘核數師安永會計師事務所將出席股東週年大會，以回應股東提問。

To promote effective communication, the Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and its Shareholders and maintains a website at www.cmec.com, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access. The Company also maintained frequent contacts with Shareholders and investors through various channels such as meetings, telephone and emails. For example, we will convene telephone meetings to answer enquiries from Shareholders and investors, as well as arrange one-on-one conversation with investors. In addition, we arranged on-site visits to the Group's projects and non-deal roadshows for investors and research analysts.

為推動有效溝通，本公司採納股東通訊政策，旨在建立本公司與其股東的雙向關係及溝通，並設有網站www.cmec.com，以供公眾人士查閱有關本公司業務營運及發展、財務資料、企業管治常規及其他資料的最新消息。本公司亦透過會議、電話及電郵等各種渠道與股東及投資者保持緊密聯繫，例如，召開電話會議回覆股東及投資者的提問及安排一對一的投資者訪談等。另外，我們為投資者及研究分析師安排集團項目的實地考察及非交易路演。

The Company has adopted a shareholders' communication policy with the objective of ensuring that the Shareholders, both individual and institutional shareholders (collectively, the "**Shareholder(s)**") and, in appropriate circumstances, the investment community at large, are provided with ready, equal, balanced and understandable information about the Company (including its financial performance, strategic goals and plans, material developments and governance) in a timely manner, for the purpose of enabling the Shareholders to exercise their rights in an informed manner, and allowing them and the investment community to engage actively with the Company.

本公司已採納股東溝通政策，目標是確保股東，包括個人及機構（以下統稱「**股東**」），及在適當情況下包括一般投資人士，均可適時取得方便、相同、平衡及容易理解的本公司資料（包括其財務表現、策略目標及計劃、重大發展及管治），一方面使股東可在知情情況下行使權力，另一方面也讓股東及投資人士與本公司加強溝通。

Information about the Company will be communicated to the Shareholders and the investment community mainly through the Company's financial reports (interim and annual reports), annual general meetings and other general meetings that may be convened, as well as by making available all the disclosures submitted to the Stock Exchange and its corporate communications on the respective websites of the Stock Exchange and the Company.

本公司向股東及投資人士傳達本公司資料的主要渠道為：本公司的財務報告（中期及年度報告）、股東週年大會及其他可能召開的股東大會，並將所有呈交予聯交所的披露資料及公司通訊分別登載在聯交所及本公司網站。

INFORMATION DISCLOSURE

資料披露

The Company discloses information in compliance with the Listing Rules, and publishes periodic reports and announcements to the public in accordance with the relevant laws and regulations. The primary focus of the Company is to ensure information disclosure is timely, fair, accurate, truthful and complete, thereby enabling Shareholders, investors as well as the public to make rational and informed decisions regarding the Company.

本公司根據上市規則披露資料，並根據相關法例及規例定期向公眾人士公佈報告及公告。本公司重點確保及時、公平、準確、真誠及完整地披露資料，讓股東、投資者及公眾人士得以作出有關本公司的理性及知情決定。

CONSTITUTIONAL DOCUMENTS

章程文件

There were no changes in the constitutional documents of the Company during the Year and up to the date of this annual report.

於本年度及截至本年報日期止，本公司的章程文件概無任何變動。

Pursuant to Rule 13.90 of the Listing Rules, the Company has posted the Article of Association on the respective websites of the Stock Exchange and the Company.

根據上市規則第13.90條，本公司已於聯交所及本公司網頁內發佈組織章程細則。

Corporate Governance Report
企業管治報告

2016 ANNUAL GENERAL MEETING

All Shareholders are encouraged to attend the forthcoming AGM and exercise their right to vote. Further details of business to be conducted at the general meeting will be set out in the circular and notice to the Shareholders to be sent and posted on the respective websites of the Stock Exchange and the Company in due course.

2016年股東週年大會

本公司鼓勵全體股東出席應屆股東週年大會並行使彼等表決權。有關將於股東大會進行之事宜的進一步詳情載於稍後寄發予股東之通函及通告內，該等通函及通告亦將適時分別於聯交所及本公司網站內刊發。

Report of the Supervisory Board
監事會報告

The Supervisory Board is pleased to present this report of the Supervisory Board in the annual report of the Company for the year ended December 31, 2016.

監事會欣然呈列載於本公司於截至2016年12月31日止年度的年報的監事會報告。

In 2016, all members of the Supervisory Board have earnestly performed their supervisory functions to safeguard the rights and interests of the Group and the Shareholders in accordance with the Companies Law, the Articles of Associations, the Rules of Procedures of the Supervisory Board and the relevant provisions in the Listing Rules. Members of the Supervisory Board carried out examination of the Company's financial accounts and supervision of the Directors, the president and other senior management for their compliance with the laws, administrative regulations and the Articles of Association in executing their respective duties.

2016年，監事會全體成員依照公司法、組織章程細則、監事會議事規則及上市規則的有關規定，認真履行監督職責，維護本集團及股東的權益。監事會成員對本公司財務賬目進行檢查並對董事、總裁及其他高級管理人員行使其各自職責時對法律、行政法規及組織章程細則的遵守情況進行監督。

I. MEMBERS OF THE SUPERVISORY BOARD

I. 監事會成員

Mr. QUAN Huaqiang, Mr. QIAN Xiangdong and Mr. BAI Ming are the members of the second session of the Supervisory Board. Their term of service commenced on February 20, 2014 until the expiration of the term of second session of the Supervisory Board.

全華強先生、錢向東先生及白明先生為第二屆監事會成員。彼等的任期自2014年2月20日起直至第二屆監事會屆滿為止。

As announced by the Company on January 24, 2014, Mr. BAI Ming has been re-appointed as the staff representative Supervisor for the second session of the Supervisory Board at the employees' general meeting. And at the extraordinary general meeting held on February 20, 2014, Mr. QUAN Huaqiang and Mr. QIAN Xiangdong have been re-appointed as the Shareholder representative Supervisors for the second session of the Supervisory Board.

如本公司於2014年1月24日宣佈，白明先生已於職工代表大會上獲重選為第二屆監事會的職工代表監事。於2014年2月20日舉行的臨時股東大會上，全華強先生及錢向東先生已獲續聘為第二屆監事會股東代表監事。

Report of the Supervisory Board
監事會報告

II. MEETINGS OF THE SUPERVISORY BOARD

During the year of 2016 and up to the date of this annual report (being March 28), three meetings of the Supervisory Board were held.

On March 29, 2016, the Company held the sixth meeting of the second session of the Supervisory Board to consider the 2015 audited financial report and the 2015 results announcement of the Company and the 2015 report of the Supervisory Board of the Company.

On August 30, 2016, the Company held the seventh meeting of the second session of the Supervisory Board to consider the 2016 unaudited interim financial report and the 2016 interim results announcement of the Company.

On March 28, 2017, the Company held the eighth meeting of the second session of the Supervisory Board to consider the 2016 audited financial report and the 2016 results announcement of the Company and the 2016 report of the Supervisory Board of the Company.

II. 監事會會議情況

於2016年度內至本年報日期(3月28日),監事會舉行了3次會議。

於2016年3月29日,本公司舉行第二屆監事會第六次會議,以審議本公司2015年經審計財務報告及2015年業績公告和本公司2015年監事會報告。

於2016年8月30日,本公司舉行第二屆監事會第七次會議,以審議本公司2016年未經審計中期財務報告及2016年中期業績公告。

於2017年3月28日,本公司舉行第二屆監事會第八次會議,以審議本公司2016年經審計財務報告及2016年業績公告和本公司2016年監事會報告。

III. INDEPENDENT OPINION ISSUED BY THE SUPERVISORY BOARD ON RELEVANT MATTERS

1. Management of the Company

The management of the Company faithfully fulfilled their duties and responsibilities as stipulated in the laws, regulations and the Articles of Association, and earnestly implemented the resolutions approved by the Board. Till now, the Supervisory Board did not discover that the Board and senior management had abused their rights and functions or any of their actions that were prejudicial to the interests of the Company, Shareholders and staff of the Company, or in any way violated the laws, regulations and the Articles of Association.

III. 監事會就有關事項發表的獨立意見

1. 本公司管理情況

本公司管理層忠實履行了法律、法規及組織章程細則規定的職責,認真執行了董事會通過的各項決議。至今監事會未發現董事會及高級管理人員濫用職權,或損害本公司利益及侵犯股東及本公司員工權益的任何行為,亦未違反法律、法規及組織章程細則。

2. Operation of the Company

In 2016, the Company strictly complied with the laws and regulations, operated in accordance with the Listing Rules. The Company managed to achieve satisfying results in areas of operation, cost control, project origination, implementation and management, internal management, work safety and market expansion, resulting in a strong and excellent company which laid a solid foundation for the smooth and faster development. The Company further strengthened the systems of internal controls, and enhanced, in particular, the system of business processes and responsibility assignment of all functional departments of the Company, making further progress in corporate governance.

3. Implementation of the resolutions of General Meetings

In 2016 and up to the date of this annual report, the member of the Supervisory Board attended 4 General Meetings and sit in on 16 meetings of the Board, exercising supervision in respect of the lawfulness and compliance of the procedures of the matters considered by the Board meetings.

The Supervisory Board made no objection to the reports and motions tabled at the general meetings and considered that the Board earnestly implemented the resolutions approved by the general meetings.

2. 本公司營運情況

於2016年內，本公司能夠嚴格執行法律、法規，按上市規則運作。本公司營運、成本控制、項目規劃、實施及管理、內部管理、工作安全及市場開拓等方面均取得了令人滿意的成績，為公司做優做強，實現更好更快發展奠定了堅實基礎。本公司進一步加強了內部控制的各項制度，特別是完善了本公司各職能部門的業務流程體系和責任分配，企業管治水平進一步提高。

3. 股東大會決議案執行情況

於2016年度內至本年報日期，監事會成員出席了4次股東大會，列席參加了16次董事會會議，對董事會會議審議之事項的程序合法性和合規性實施監督。

監事會對於股東大會上提呈的各項報告和議案並無異議，並認為董事會認真執行了經股東大會批准的各項決議案。

Report of the Supervisory Board
監事會報告

4. Financial matters of the Company

Members of the Supervisory Board monitored and examined the financial management system and the financial condition and reviewed relevant financial information of the Company. Upon examination, the Supervisory Board concluded that the Company had strictly complied with the relevant financial laws, regulations and financial policies, and that the financial system has an integrated structure; the financial management system was sound and implemented effectively; the accounting treatment was in line with the consistency principles; and the Company's financial reports gave an objective and fair view of the financial position and operating results of the Company.

The Supervisory Board reviewed the unqualified audit opinions issued by 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)) in respect of the audited consolidated financial statements of the Company for the year ended December 31, 2016 prepared in accordance with IFRS and Accounting Standards for Business Enterprises of the PRC respectively, and raised no objection to such reports.

5. Connected Transactions

The Supervisory Board reviewed the connected transactions between the Group and SINOMACH and its subsidiaries (including Sinomach Finance Co., Ltd.) and its respective connected persons during the reporting period, and was of the opinion that all the connected transactions complied with the relevant requirements of the Stock Exchange, and that the pricing of the connected transactions was reasonable, open and fair and there was not any matter prejudicial to the interests of the Company or Shareholders.

4. 本公司財務事項

監事會成員對本公司的財務管理制度和財務狀況進行了監督檢查，審閱了本公司相關財務資料。通過審查，監事會認為本公司嚴格遵守了相關金融法律、法規及財務政策，財務系統組織結構完整，財務管理制度健全且獲有效執行；會計處理方法遵循了一貫性原則；本公司財務報告客觀、公允地反映了本公司的財務狀況及營運業績。

監事會審閱了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)分別就根據國際財務報告準則及中國企業會計準則編製的截至2016年12月31日止年度的經審計合併財務報表出具的無保留意見的審計報告，對該報告無異議。

5. 關連交易

監事會對報告期間內本集團及國機及其附屬公司(包括國機財務有限責任公司)不時與其關連人士進行的關連交易進行了審查，認為全部關連交易均符合聯交所的有關規定，關連交易的定價亦屬合理、公開及公允，並無發現任何損害本公司或股東利益的事項。

Report of the Supervisory Board
監事會報告

In 2017, the Supervisory Board will continue to carry out its fiduciary duties to implement effective supervision on the Company, its Directors and senior management in accordance with the relevant provisions of the Companies Law, the Articles of Association, the Terms of Reference for the Supervisory Board and the Listing Rules; and pay close attention to the operation and management status of the Company as well as any significant development of the Company, so as to facilitate the profit growth of the Company and to dutifully protect the interests of all Shareholders and the Company. In addition, the Supervisory Board will further consolidate resources for supervision so as to enhance our management, helping and ensuring the realization of the Company's targets for all works in 2017.

2017年，監事會將依據公司法、組織章程細則、監事會職權範圍及上市規則的有關規定，繼續謹遵誠信原則，對本公司、其董事及高級管理人員實施有效監督，且密切關注本公司的營運及管理情況，並關注本公司的任何重大發展，藉以促進本公司的盈利增長，並忠實維護全體股東及本公司的利益。另外，監事會將進一步整合監督資源，促進管理提升，助力和保障公司2017年度各項工作目標的順利實現。

By Order of the Supervisory Board
QUAN Huaqiang
Chairman of the Supervisory Board

Beijing, the PRC, March 28, 2017

承監事會命
全華強
監事會主席

中國北京，2017年3月28日

Directors, Supervisors, Senior Management and Employees
董事、監事、高級管理人員及僱員

I. EXECUTIVE DIRECTORS

Mr. SUN Bai (孫柏)

Mr. SUN, aged 59, was appointed as the chairman and an executive Director of the Company on April 19, 2013, and the party secretary of the Communist Party of China committee ("**CPC Committee**") (黨委書記) on February 18, 2013. He has more than 30 years of management experience. From November 1980 to January 1994, he worked in Changchun Testing Machine Institution (長春試驗機研究所). Mr. SUN joined Zhonggong Electrical and Mechanical Development Corporation (中工機電發展總公司) in January 1994 and then served as its general manager from May 1994 to June 1999. From June 1999 to August 2005, he worked as the general manager of China North Industrial Equipment Corporation (中國北方工業裝備總公司), which changed its name to China North Industrial Equipment Co. Ltd. (中國北方工業裝備有限公司). He joined CNCEC as its general manager in August 2005 and also served as its chairman of the board from December 2011. On March 14, 2013, Mr. SUN has resigned as the general manager of CNCEC.

Mr. SUN obtained a master's degree of economics from Jilin University (吉林大學) in 1993. He is a senior economist.

Mr. ZHANG Chun (張淳)

Mr. ZHANG, aged 48, is currently an executive Director and the president of the Company, and was appointed on March 16, 2012. He has more than 20 years of management experience. In July 1991, he joined China National Electric Equipment Corporation (中國電工設備總公司), the predecessor of China National Electric Engineering Co., Ltd. (中國電力工程有限公司) ("**CNEEC**"), as a sales representative and worked in that company until August 1993. Mr. ZHANG

I. 執行董事

孫柏先生

孫先生，現年59歲，於2013年4月19日獲委任為本公司董事長兼執行董事，並於2013年2月18日獲委任為本公司中國共產黨委員會書記(「**黨委書記**」)。彼擁有超過30年管理經驗。1980年11月至1994年1月，孫先生於長春試驗機研究所任職。孫先生於1994年1月加入中工機電發展總公司，其後於1994年5月至1999年6月擔任該公司的總經理。1999年6月至2005年8月，彼擔任中國北方工業裝備總公司總經理，該公司其後更名為中國北方工業裝備有限公司。彼於2005年8月加入中成套擔任總經理，並自2011年12月起擔任董事長。於2013年3月14日，孫先生辭任中成套總經理。

孫先生於1993年取得吉林大學經濟學碩士學位。彼為高級經濟師。

張淳先生

張先生，現年48歲，現任本公司執行董事兼總裁，於2012年3月16日獲委任。彼擁有超過20年管理經驗。於1991年7月，彼加入中國電工設備總公司(中國電力工程有限公司的前身)(「**中電工**」)擔任業務員，並一直於該公司任職至1993年8月。張先生隨後加入本公司，並於1993年8月至2002

then joined our Company, and held various positions from August 1993 to May 2002, including sales representative, project manager, representative and chief representative of the Representative Office of our Company in Bangladesh. After returning to China, Mr. ZHANG joined China National Machinery & Equipment Corporation Group (中國機械裝備(集團) 公司), the predecessor of SINOMACH, in May 2002 as the director of the department of operational management. Mr. ZHANG later became the director of the department of engineering and served at that position until August 2011. Mr. ZHANG was the vice president of our Company from August 2011 until March 2012. From March 2014 to the present, Mr. ZHANG has been acting as chairman of CNEEC. From October 2014 to March 2017, Mr. ZHANG was a director of China National Guo Lian Development New Energy (Wuxi) Co., Ltd.（中設國聯無錫新能源發展有限公司）.

年5月間，在本公司先後擔任多個職務，包括業務員、項目經理以及駐孟加拉國國代表處的代表和首席代表。張先生返回中國後，於2002年5月加入中國機械裝備（集團）公司（國機的前身）擔任經營管理部部長，其後擔任工程事業部部長，並擔任該職位直至2011年8月。2011年8月，張先生獲委任為本公司副總裁並擔任該職位直至2012年3月。張先生自2014年3月至今兼任中電工的董事長。自2014年10月至2017年3月，張先生擔任中設國聯無錫新能源發展有限公司的董事。

In 1991, Mr. ZHANG graduated from Tsinghua University (清華大學) with a bachelor' s degree in thermal engineering. Mr. ZHANG is a professorate senior engineer.

1991年，張先生畢業於清華大學熱能工程專業，並取得學士學位。張先生為教授級高級工程師。

II. NON-EXECUTIVE DIRECTORS

II. 非執行董事

Mr. WANG Zhian (王治安)

王治安先生

Mr. WANG, aged 66, is currently a non-executive Director of the Company, and was appointed on January 13, 2011. He has over 30 years of experience in the electricity and mechanical engineering industries. From January 1977 to June 1999, Mr. WANG served at China Machinery Industry Third Installation Engineering Corporation (中國機械工業第三安裝工程公司), which was a subsidiary of China Machinery Industry Installation Corporation (中國機械工業安裝總公司) and held various positions at the same company, including technician, engineer, manager of the engineering department, vice manager and manager.

王先生，現年66歲，現任本公司非執行董事，於2011年1月13日獲委任。彼擁有超過30年的電力及機械工程經驗。自1977年1月到1999年6月，王先生任職於中國機械工業第三安裝工程公司（中國機械工業安裝總公司的附屬公司），並曾先後於該公司擔任過技術員、工程師、工程處主任、副經理及經理等職務。

From June 1999 to June 2001, Mr. WANG was promoted to deputy general manager and then general manager of China Machinery Industry Installation Corporation. Subsequently, in June 2001, China Machinery Industry Installation

於1999年6月至2001年6月間，王先生晉升為中國機械工業安裝總公司副總經理和總經理。其後，於2001年6月，中國機械工業安裝總公司更名為

Corporation changed its name to China CMIIC Engineering & Construction Corporation (中國機械工業建設總公司), a subsidiary of SINOMACH, and Mr. WANG served as the general manager of that company until September 2010. Mr. WANG has been a director of China Perfect Machinery Industry Corp., Ltd. (中國浦發機械工業股份有限公司), a subsidiary of SINOMACH, since September 2010 and was a director of China Power Engineering Co., Ltd. (中國電力工程股份有限公司), a subsidiary of SINOMACH, from December 2010 to November 2011.

中國機械工業建設總公司(國機的附屬公司),王先生擔任該公司總經理直至2010年9月。王先生自2010年9月起一直擔任中國浦發機械工業股份有限公司(國機的附屬公司)董事,並於2010年12月至2011年11月期間擔任中國電力工程股份有限公司(國機的附屬公司)董事。

In 1976, Mr. WANG completed his studies in electric machinery and apparatus and graduated from Xi'an Jiaotong University (西安交通大學). Mr. WANG is a professorate professional engineer.

1976年,王先生畢業於西安交通大學電機電器專業。王先生為教授級高級工程師。

Mr. YU Benli (余本禮)

Mr. YU, aged 63, is currently a non-executive Director of the Company, and was appointed on February 20, 2014. He has more than 30 years of experience in machinery industry. From June 1977 to December 1979, Mr. YU served at The People's Bank of China, Nanjing Branch. From December 1979 to October 1983, he served at Jiangsu Machinery Equipment Import & Export Corporation (江蘇機械設備進出口公司), a subsidiary of the Company. From October 1983 to January 1988, Mr. YU served at Sino American Machinery Corporation (美國華美機械有限公司), a subsidiary of the Company and was stationed in the United States. From January 1988 to April 2013, he served at SUMEC Group Corporation (江蘇蘇美達集團公司), a subsidiary of SINOMACH and the predecessors of which are Jiangsu Machinery Equipment Import & Export Corporation (江蘇機械設備進出口公司) and China Jiangsu Machinery Equipment Import & Export Corporation (中設江蘇機械設備進出口集團公司). He held a number of positions including assistant general manager, deputy general manager, general manager and chairman. Currently, Mr. YU is also the chairman of China Perfect Machinery Industry Corp., Ltd. (中國浦發機械工業股份有限公司), a subsidiary of SINOMACH, chairman of China Machine Tool Sales and Technology Services

余本禮先生

余先生,現年63歲,現任本公司非執行董事,於2014年2月20日獲委任。彼於機械行業擁有超過30年經驗。自1977年6月至1979年12月,余先生任職於中國人民銀行南京分行。自1979年12月至1983年10月,彼任職於江蘇機械設備進出口公司(本公司的附屬公司)。於1983年10月至1988年1月,余先生任職於美國華美機械有限公司(本公司的附屬公司),並留駐於美國。於1988年1月至2013年4月,彼任職於江蘇蘇美達集團公司(國機的附屬公司),其前身為江蘇機械設備進出口公司及中設江蘇機械機械設備進出口集團公司。彼曾先後擔任多個職位,包括總經理助理、副總經理、總經理及董事長。目前,余先生為中國浦發機械工業股份有限公司(國機的附屬公司)的董事長、中國機床銷售與技術服務有限公司(國機的附屬公司)的董事長及中國機械國際合作有限公司(國機的附屬公司)董事。於2014年2月,余先生辭任中國機床銷

Co., Ltd. (中國機床銷售與技術服務有限公司), a subsidiary of SINOMACH and director of China National Machinery Industry International Co., Ltd. (中國機械國際合作有限公司), a subsidiary of SINOMACH. Mr. YU has resigned as the chairman of China Machine Tool Sales and Technology Services Co., Ltd. (中國機床銷售與技術服務有限公司), a subsidiary of SINOMACH, in February 2014.

售與技術服務有限公司(國機的附屬公司)之董事長。

Mr. YU graduated from Nanjing Jinling Vocational University (南京市金陵職業大學) with a degree in business operation. He is a senior international business specialist.

余先生畢業於南京市金陵職業大學商務經營專業，為高級國際商務師。

Mr. ZHANG Fusheng (張福生)

張福生先生

Mr. ZHANG, aged 64, is currently a non-executive Director of the Company, and was appointed on February 20, 2014. He has more than 30 years of experience in equipment manufacturing industry. He began his career with Zhejiang Automotive Industrial Corporation (浙江省汽車工業公司) in July 1980 and was promoted to assistant manager in August 1986. In April 1988, Mr. ZHANG was appointed as deputy county magistrate of Zhejiang Province Yongjia County People's Government (浙江省永嘉縣人民政府). From May 1990 to August 1998, he held the positions of deputy general manager and general manager of China Automotive Industrial Import & Export Zhejiang Branch (中國汽車工業進出口浙江公司), a subsidiary of SINOMACH. From August 1998 to February 2012, he was the general manager of China Automotive Import & Export Corporation (中國汽車進出口總公司), a subsidiary of SINOMACH.

張先生，現年64歲，現任本公司非執行董事，並於2014年2月20日獲委任。張先生擁有超過30年的裝備製造行業經驗。張先生於1980年7月就職於浙江省汽車工業公司，並於1986年8月晉升為副經理。1988年4月，張先生被任命為浙江省永嘉縣人民政府副縣長。1990年5月至1998年8月，張先生曾就職於中國汽車工業進出口浙江公司(國機的附屬公司)，歷任副總經理及總經理。1998年8月至2012年2月，張先生曾擔任中國汽車進出口總公司(國機的附屬公司)總經理。

Since February 2012, Mr. ZHANG has been the chairman of China National Machinery Industry International Co., Ltd. (中國機械國際合作有限公司), a subsidiary of SINOMACH. Mr. ZHANG has been a director of CNEEC, a subsidiary of SINOMACH from November 2, 2011 to January 2016, and a director of CNCEC since December 29, 2011. Since June 2016, Mr. ZHANG has been a director of China CAMC Engineering Co., Ltd. (中工國際工程股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 002051).

2012年2月至今張先生擔任中國機械國際合作有限公司(國機的附屬公司)董事長。自2011年11月2日至2016年1月，張先生擔任中電工(國機的附屬公司)董事，並於2011年12月29日起擔任中成套董事。自2016年6月至今，張先生擔任在深圳證券交易所上市的中工國際工程股份有限公司(股票代碼：002051)的董事。

In 2000, Mr. ZHANG graduated from Wuhan University of Technology (武漢理工大學) with a master's degree in business administration. Mr. ZHANG is a professional senior engineer.

2000年，張先生畢業於武漢理工大學，獲得工商管理碩士學位。張先生為教授級高級工程師。

III. INDEPENDENT NON-EXECUTIVE DIRECTORS

III. 獨立非執行董事

Mr. LIU Li (劉力)

劉力先生

Mr. LIU, aged 61, is currently an independent non-executive Director of the Company, and was appointed on January 13, 2011. He was a teacher at the department of physics, the Beijing Institute of Iron and Steel (北京鋼鐵學院) from September 1984 to January 1986. From January 1986 to date, Mr. LIU has been holding various teaching positions at the Guanghua School of Management (光華管理學院), and its predecessor, the department of economics of the school of economics and management (經濟學院經濟管理系), Peking University, including lecturer, associate professor, professor, supervisor for doctoral students, the director of the finance department and a director of the MBA program at the Guanghua School of Management, Peking University. Mr. LIU is also a deputy director of the Research Center of Finance & Securities at Peking University.

劉先生，現年61歲，現任本公司獨立非執行董事，於2011年1月13日獲委任。1984年9月 至1986年1月， 劉先生曾任北京鋼鐵學院物理系教師。自1986年1月至今，劉先生在北京大學光華管理學院以及其前身經濟學院經濟管理系任教，歷任講師、副教授、教授、博士生導師以及北京大學光華管理學院金融系主任及MBA項目主任。劉先生亦為北京大學金融與證券研究中心副主任。

Currently, Mr. LIU is also an independent non-executive director of Bank of Communications Co., Ltd. (交通銀行股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 3328) and an independent non-executive director of China International Capital Corporation Limited (中國國際金融股份有限公司) (stock code:3908). Besides, he is nominated as the chairman of Corporate Governance Committee and the members of both Audit Committee and Risk Control Committee. He is also an independent director of Success Electronics Ltd (宇順電子股份有限公司) (stock code: 002289) and Cnpc Capital Company Limited (中國石油集團資本股份有限公司) (stock code: 000617), both of which were listed on Shenzhen Stock Exchange.

目前，劉先生擔任在聯交所主板上市的交通銀行股份有限公司(股份代號：3328)之獨立非執行董事及中國國際金融股份有限公司(股份代號：3908)之獨立非執行董事，並被提名為公司治理委員會主席、審計委員會及風險控制委員會成員。彼亦擔任均於深圳證券交易所上市的宇順電子股份有限公司(股票代碼：002289)及中國石油集團資本股份有限公司(股票代碼：000617)的獨立董事。

In addition, Mr. LIU had been an independent non-executive director of Metallurgical Corporation of China Ltd. (中國冶金科工股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1618) and the Shanghai Stock Exchange (stock code: 601618), and an independent director of Langfang Development Co., Ltd. (廊坊發展股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600149), and Beijing Oil HBP Group (華油惠博普科技股份有限公司), a company listed on Shenzhen Stock Exchange (stock code:002554) during the past three years.

In 1982 and 1984, Mr. LIU graduated from Peking University with a bachelor's degree and a master's degree in physics, respectively. Mr. LIU is also a member of the Chinese Institute of Certified Public Accountants (non-practicing).

Ms. LIU Hongyu (劉紅宇)

Ms. LIU, aged 54, is currently an independent non-executive Director of the Company and was appointed on January 13, 2011. From July 1985 to May 1988, she served as an officer at the financial management office of the People's Bank of China Sichuan branch (四川省人民銀行). From May 1988 to April 1993, Ms. LIU served as a legal consultant for the Agricultural Bank of China (Beijing Branch) and from April 1993 to April 2004, she was the director at Beijing Tongda Law Offices (北京同達律師事務所). In 2004, Beijing Tongda Law Offices and Jincheng Law Firm (金誠律師事務所) merged and the merged firm was renamed as Beijing Jincheng & Tongda Law Firm (北京金誠同達律師事務所) where Ms. LIU became its founding partner. From April 2005 to June 2011, Ms. LIU served as an independent director of Founder Technology Group Corporation (方正科技集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600601). From June 2006 to June 2012, Ms. LIU served as an independent director of Chongqing Three Gorges Water Conservancy and Electric Power Co.,Ltd (重慶三峽水利電力(集團)股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600116). From June 2009 to September 10, 2015, Ms. LIU served as an independent director of CRED-Chongshi Real Estate Corporation Limited (中房重實地產股份有限公司) (previously

此外，劉先生於過去三年內曾擔任在聯交所主板及上海證券交易所上市的中國冶金科工股份有限公司(股份代號：1618；上海證券交易所股票代碼：601618)獨立非執行董事一職，在上海證券交易所上市的廊坊發展股份有限公司(股票代碼：600149)及在深圳證券交易所上市的華油惠博普科技股份有限公司(股票代碼：002554)的獨立董事。

於1982年及1984年，劉先生畢業自北京大學，分別獲得物理學學士及碩士學位。劉先生亦為中國註冊會計師協會會員(非執業)。

劉紅宇女士

劉女士，現年54歲，現任本公司獨立非執行董事，於2011年1月13日獲委任。在1985年7月至1988年5月間，曾擔任四川省人民銀行金融管理處幹部。在1988年5月至1993年4月間，劉女士曾擔任中國農業銀行北京分行法律顧問，並在1993年4月至2004年4月間任北京市同達律師事務所主任。2004年，北京市同達律師事務所與金誠律師事務所合併更名為北京金誠同達律師事務所，劉女士任北京金誠同達律師事務所創始合夥人。在2005年4月至2011年6月間，劉女士曾擔任在上海證券交易所上市的方正科技集團股份有限公司(股票代碼：600601)的獨立董事。在2006年6月至2012年6月間，劉女士曾擔任在上海證券交易所上市的重慶三峽水利電力(集團)股份有限公司(股票代碼：600116)的獨立董事。在2009年6月至2015年9月10日間，劉女士曾擔任在深圳證券交易所上市的中房重實地產股份有限公司(原名為重慶國際實業投資股份有限公司)(股票代碼：000736)的獨

named as Chongqing International Enterprise Investment Co., Ltd. (重慶國際實業投資股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 000736). From August 2010 to August 2016, Ms. LIU served as an external supervisor of the Bank of Beijing Co., Ltd. (北京銀行股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601169). Currently, Ms.LIU is an independent director of Lanpec Technologies Limited (甘肅藍科石化高新裝備股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601798), and the Bank of Beijing Co., Ltd. (北京銀行股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601169), and an independent non-executive director of Gome Electrical Appliances Holding Limited (國美電器控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 00493).

立董事。在2010年8月至2016年8月間，劉女士曾擔任在上海證券交易所上市的北京銀行股份有限公司（股票代碼：601169）的外部監事。現時，劉女士擔任在上海證券交易所上市的甘肅藍科石化高新裝備股份有限公司（股票代碼：601798）的獨立董事、在上海證券交易所上市的北京銀行股份有限公司（股票代碼：601169）的獨立董事，以及在聯交所主板上市的公司國美電器控股有限公司（股份代號：00493）的獨立非執行董事。

In 1985, Ms. LIU graduated from Southwest University of Politics and Law (西南政法大學) with a bachelor's degree in law, as well as from the Graduate School of the Chinese Academy of Social Sciences (中國社會科學院研究生院) in economic law in 1998. Ms. LIU also obtained an EMBA degree from the Guanghua School of Management, Peking University in 2003.

1985年，劉女士畢業於西南政法大學，獲法律學士學位。1998年，劉女士從中國社會科學院研究生院的經濟法專業畢業。2003年，劉女士獲得北京大學光華管理學院的高級管理人員工商管理碩士學位。

Mr. FANG Yongzhong (方永忠)

方永忠先生

Mr. FANG, aged 65, is currently an independent non-executive Director of our Company, and was appointed on July 29, 2011. In September 1971, he joined the construction machinery factory of the Shenyang Railway Bureau (瀋陽鐵路局施工機械廠). Mr. FANG then joined the engineering department of the Shenyang Railway Bureau (瀋陽鐵路局瀋陽工程處) and held a number of positions within the bureau including technician, assistant engineer, engineer, vice section chief, section chief, vice departmental director and departmental director between February 1977 and August 1994.

方先生，現年65歲，現任本公司獨立非執行董事，於2011年7月29日獲委任。彼於1971年9月加入瀋陽鐵路局施工機械廠。方先生其後於1977年2月至1994年8月間先後在瀋陽鐵路局瀋陽工程處擔任技術員、助理工程師、工程師、副段長、段長、副處長和處長等不同職務。

Mr. FANG was appointed as a vice director of the Shenyang sub-bureau of the Shenyang Railway Bureau in August 1994 and between August 1994 and December 1999, he was also general manager of Shenyang Engineering Corporation of the Shenyang Railway Bureau. From December 1999 to December 2003, Mr. FANG served at Shenyang Railway Engineering Construction Group Co., Ltd. (瀋陽鐵路工程建設集團限公司) as the chairman of the board and general manager. From December 2003 to March 2008, Mr. FANG held various positions at China Railway No.9 Group Co., Ltd. (中鐵九局集團有限公司) including director, deputy general manager and vice chairman of the board of directors. From March 2008 to December 2012, Mr. FANG was also an external director of China Railway Science & Industry Group (中鐵科工集團有限公司) ("**CRSIG**"), China Railway No. 5 Engineering Group Co., Ltd. (中鐵五局(集團)有限公司) ("**China Railway No.5 Bureau**"), China Overseas Engineering Group Co., Ltd. (中國海外工程有限責任公司) ("**COVEC**") and China Railway & Airport Construction Group Corporation (中國中鐵航空港建設集團有限公司) ("**CACCC**") and is a supervisor and the chairman of the supervisory board of China Railway Construction and Engineering Group (中鐵建工集團有限公司) ("**CRCEG**"). These five companies are subsidiaries of China Railway Group Limited (中國中鐵股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 00390) and the Shanghai Stock Exchange (stock code: 601390).

方先生於1994年8月獲任為瀋陽鐵路局瀋陽分局副局長，並於1994年8月至1999年12月間於瀋陽鐵路局瀋陽工程總公司擔任總經理。在1999年12月至2003年12月間，方先生加入瀋陽鐵路工程建設集團有限公司擔任董事長兼總經理。在2003年12月至2008年3月間，方先生於中鐵九局集團有限公司擔任不同職務，包括董事、副總經理及副董事長等。在2008年3月至2012年12月，方先生亦是中鐵科工集團有限公司(「**中鐵科工集團**」)、中鐵五局(集團)有限公司(「**中鐵五局**」)、中國海外工程有限責任公司(「**中國海外工程公司**」)及中國中鐵航空港建設集團有限公司(「**中國中鐵航空港建設公司**」)的外部董事，及中鐵建工集團有限公司(「**中鐵建工集團**」)的監事及監事會主席。這五家公司為在聯交所主板及上海證券交易所上市的中國中鐵股份有限公司(聯交所股份代號：00390；上海證券交易所股票代碼：601390)的附屬公司。

As an external director, Mr. FANG participates in board meetings of CRSIG, China Railway No.5 Bureau, COVEC and CACCC, representing the interests of the respective shareholder, China Railway Group Limited. However, Mr. FANG is not involved in the day to day management of CRSIG, China Railway No.5 Bureau, COVEC and CACCC. As a supervisor and the chairman of the supervisory board of CRCEG, Mr. Fang participates in meetings of the supervisory board and the board of directors of CRCEG, representing the interests of the shareholder, China Railway Group Limited. However, Mr. FANG is not involved in the day to day management of CRCEG.

作為外部董事，方先生分別代表股東中國中鐵股份有限公司的權益，參與中鐵科工集團、中鐵五局、中國海外工程公司及中國中鐵航空港建設公司的董事會會議。然而，方先生不參與中鐵科工集團、中鐵五局、中國海外工程公司及中國中鐵航空港建設公司的日常管理。作為中鐵建工集團的監事及監事會主席，方先生代表股東中國中鐵股份有限公司的權益，參與中鐵建工集團的監事會及董事會會議。然而，方先生不參與中鐵建工集團的日常管理。

Mr. FANG completed his studies in railway engineering (工程系鐵道工程專業) and graduated from the Shanghai Railway Institute (上海鐵道學院) in 1977, and also obtained an EMBA in decision-making management from International East-West University (美國國際東西方大學決策管理學) in December 1995. Mr FANG is a senior engineer and a registered national first class architect.

1977年，方先生畢業於上海鐵道學院工程系鐵道工程專業，並於1995年12月從美國國際東西方大學決策管理學系畢業，取得高級管理人員工商管理碩士學位。方先生為高級工程師和國家一級註冊建造師。

Mr. WU Tak Lung (吳德龍)

吳德龍先生

Mr. WU, aged 51, is currently an independent non-executive Director of the Company, and was appointed on February 20, 2014. He is a member of Hong Kong Institute of Certified Public Accountants, a fellow member of Hong Kong Securities Institute, the Association of Chartered Certified Accountants, the Taxation Institute of Hong Kong and the Hong Kong Institute of Chartered Secretaries. Mr. WU was awarded the bachelor's degree of Accounting by the Hong Kong Baptist University and the master's degree of business administration (MBA) jointly by the university of Manchester and the University of Wales.

吳先生，51歲，現任本公司獨立非執行董事，於2014年2月20日獲委任。彼為香港會計師公會會員、香港證券專業學會、英國特許公認會計師公會、香港稅務學會及香港特許秘書公會資深會員。吳先生獲香港浸會大學頒授會計學學士學位，並獲曼徹斯特大學及韋爾斯大學聯合頒發工商管理碩士學位。

Mr. WU had worked in an international accounting firm, Deloitte Touche Tohmatsu, for five years, and was then employed by several listed and private companies in Hong Kong as head of corporate finance and executive director. Mr. WU currently served as an independent non-executive director of Kam Hing International Holdings Limited (錦興國際控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 2307), Huarong Investment Stock Corporation Limited (華融投資股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 2277), Beijing Media Corporation Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1000), First Tractor Company Limited, a company listed on both the Main Board of the Stock Exchange (stock code: 00038), and the Shanghai Stock Exchange (stock code: 601038), and Sinomax Group Limited (盛諾集團有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1418). Moreover, he was an independent non-executive director of Valuetronics Holdings Limited, a company listed on the Singapore Stock Exchange and Aupu Group Holding Company, a company listed on the Main Board of the Stock Exchange (stock code: 0477), which was delisted on September 30, 2016, in the last three years.

吳先生曾於一家國際核數師行德勤•關黃陳方會計師行工作五年，其後於香港多間上市及私人公司服務，擔任企業融資主管及執行董事。吳先生現為錦興國際控股有限公司(聯交所主板上市的公司，股份代號：2307)，華融投資股份有限公司(聯交所主板上市的公司，股份代號：2277)、北青傳媒股份有限公司(聯交所主板上市的公司，股份代號：1000)、第一拖拉機股份有限公司(同時在聯交所主板(股份代號：00038)及上海證券交易所(股票代碼：601038)上市的公司)及盛諾集團有限公司(聯交所主板上市的公司，股份代號：1418)的獨立非執行董事。此外，彼曾於過去三年內在鴻通電子控股有限公司(一家於新加坡交易所上市之公司)、奧普集團控股有限公司(聯交所主板上市的公司，股份代號：0477，該公司於2016年9月30日獲除牌)擔任獨立非執行董事。

Mr. WU is currently a member of Jiangsu People's Political Consultative Committee, member of the Council and the Court of Hong Kong Baptist University, the honorary chairman of the North Kwai Chung Scout and the executive vice president of Hongkong-Guangdong Youth Exchange Promotion Association.

吳先生現為江蘇省政協委員、香港浸會大學校董暨諮議會榮譽委員、北葵涌童軍名譽會長及粵港青年交流促進會常務副主席。

IV. SUPERVISORS

Mr. QUAN Huaqiang (全華強)

Mr. QUAN, aged 46, is currently a Supervisor of the Company, and was appointed on January 13, 2011. He worked in the finance department of Beijing Yanshan Petrochemical Corporation (北京燕山石油化工公司) from August 1991 to July 1994. From July 1994 to October 1997, Mr. QUAN was initially employed as an accountant and then in May 1995, he became manager of the finance department of Universal Import and Export Company (中機通用進出口公司財務部) until October 1997. Mr. QUAN was appointed by China National Machinery Import & Export Corporation ("**CMC**") (中國機械進出口集團) as finance manager for the CMC Ukraine Office in October 1997 and worked there until January 1999, and then was appointed as manager of the finance department of CMC General Electrical Parts Import and Export Company (中機機電配件進出口公司) by CMC until May 2001. In May 2001, Mr. QUAN was appointed by China General Technology Group (中國通用技術集團) as general manager of the finance department of China International Advertising Corporation (中國國際廣告公司財務部) and subsequently was appointed as manager of the funds management department of the general finance department of China General Technology Group in May 2004.

IV. 監事

全華強先生

全先生，現年46歲，現為本公司監事，於2011年1月13日獲委任。彼曾在1991年8月至1994年7月間在北京燕山石油化工公司財務處工作。在1994年7月至1997年10月間，全先生最初被聘為中機通用進出口公司財務部會計，其後於1995年5月晉升為經理直至1997年10月。在1997年10月，全先生受中國機械進出口集團(「**中國機械進出口集團**」)委派到中國機械進出口集團烏克蘭辦事處擔任財務經理直至1999年1月，並於其後獲中國機械進出口集團委派到中機機電配件進出口公司擔任財務部經理直至2001年5月。2001年5月，全先生獲中國通用技術集團委派擔任中國國際廣告公司財務部總經理，其後於2004年5月擔任中國通用技術集團財務總部資金管理部經理。

From March 2005 to December 2006, Mr. QUAN served at Sinomach Finance Co., Ltd. (國機財務有限責任公司) as a deputy general manager. From September 2010 to August 2011, Mr. QUAN was the chairman of the Supervisory Board of China Automobile Trading Co., Ltd. (中國進口汽車貿易有限公司). Mr. QUAN had worked as the head of the internal audit inspection department of SINOMACH from December 2006 to May 2015. From May 2015 to the present, Mr. QUAN has been working as the head of Property and Finance Department of SINOMACH. From April 2016 to the present, Mr.QUAN has been working as a member of the Standing Committee of the CPC of China National Erzhong Group Co. (中國第二重型機械集團公司) and the chief accountant of China Erzhong Group (Deyang) Heavy Industries Co.. Ltd. (二重集團（德陽）重型裝備股份有限公司). Mr. QUAN has also been serving as the chairman of the Supervisory Board of the Company since November 2008. Since August 2011, Mr. QUAN is a chairman of the Supervisory Committee of Sinomach Automobile Co., Ltd. (國機汽車股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600335).

在2005年3月至2006年12月間，全先生在國機財務有限責任公司擔任副總經理。2010年9月至2011年8月間，全先生在中國進口汽車貿易有限公司擔任監事會主席。在2006年12月至2015年5月間，全先生在國機擔任內部審計稽查部部長。自2015年5月至今，全先生擔任國機資產財務部部長。自2016年4月至今，全先生擔任中國第二重型機械集團公司黨委常委及二重集團（德陽）重型裝備股份有限公司總會計師。全先生從2008年11月以來擔任本公司監事會主席。全先生自2011年8月至今擔任在上海證券交易所上市的國機汽車股份有限公司（股票代碼：600335）的監事會主席。

In 1991, Mr. QUAN graduated from the Jiangxi Institute of Finance and Economics (江西財經學院) with a bachelor's degree in accounting. Mr. QUAN is a senior accountant.

全先生在1991年畢業於江西財經學院，並取得會計學學士學位。全先生為高級會計師。

Mr. QIAN Xiangdong (錢向東)

Mr. QIAN, aged 48, a senior accountant, is a supervisor of the Company, and was appointed on January 13, 2011. He joined the Education Department of the Ministry of Machinery Industry in June 1997. From September 1998 to August 2006, Mr. QIAN held various positions, including the Financial and Audit Department officer, vice manager, vice chief accountant and deputy general manager at China National Harvester Machinery Corporation (中國收獲機械總公司), a subsidiary of SINOMACH. From September 2006 to September 2008, Mr. QIAN served as an financial controller of the Tianjin Design & Research Institute of Electric Drive (天津電氣傳動設計研究所), a subsidiary of SINOMACH. Since 2008, Mr. QIAN has been serving as a deputy general manager and chief financial officer of China United.

錢向東先生

錢先生，現年48歲，高級會計師，為本公司監事，於2011年1月13日獲委任。彼於1997年6月加入機械工業部教育司。1998年9月至2006年8月間，錢先生曾先後擔任中國收獲機械總公司（國機的附屬公司）財務審計部的幹部、副經理、副總會計師及副總經理等職務。自2006年9月至2008年9月期間，錢先生擔任天津電氣傳動設計研究所（國機的附屬公司）財務總監。2008年至今，錢先生一直擔任中國聯合副總經理兼財務總監。

Mr. BAI Ming (白明)

Mr. BAI, aged 49, is currently a supervisor of the Company and was appointed on January 7, 2011. In March 1992, Mr. BAI joined the Company and was employed as an accountant at the finance department of the Company until December 1999. From December 1999 to September 2005, he was employed as an accountant at CMEC International Engineering, a subsidiary of the Company. Mr. BAI was a deputy general manager of the project auditing division of the Company from September 2005 to May 2007. He was the director of the project auditing division of the audit department of the Company from May 2007 to September 2009 and has been a deputy general manager of the audit department of the Company since September 2009.

Mr. BAI graduated from the Beijing Institute of Machinery Industry (北京機械工業學院) in 1991, majoring in industrial accounting and is an international certified public accountant, senior credit manager and an enterprise risk manager.

V. SENIOR MANAGEMENT

Mr. JIN Chunsheng (靳春生)

Mr. JIN, aged 60, is a vice president of our Company and is in charge of our Company's International Engineering Contracting Business. Mr. JIN has over 30 years of experience in the machinery and equipment industry and has held various positions within our Company. Mr. JIN joined our Company in February 1982, and he worked as a sales representative from February 1982 to August 1986. During such period, Mr. JIN also studied English for almost one year at the Tianjin Institute of Foreign Languages (天津外國語學院). From August 1986 to August 1989, Mr. JIN was assigned by our Company to work as a project manager of American Machinery. After returning to China in August 1989, Mr. JIN was appointed as director of the department responsible for the export of complete sets of equipment until June 1999, and was subsequently promoted to a

白明先生

白先生，現年49歲，現為本公司監事，於2011年1月7日獲委任。在1992年3月，白先生加入本公司，直至1999年12月受聘為本公司財務部會計。自1999年12月至2005年9月間，白先生受聘為中設國際工程（本公司的附屬公司）會計。自2005年9月至2007年5月間，白先生曾擔任本公司的項目審計部副總經理。自2007年5月至2009年9月間，彼為本公司審計部項目審計處處長，並自2009年9月至今一直擔任本公司審計部副總經理。

於1991年，白先生畢業於北京機械工業學院工業會計專業。白先生為國際（註冊）會計師、高級信用管理師及企業風險管理師。

V. 高級管理人員

靳春生先生

靳先生，現年60歲，現任本公司副總裁，主管國際工程承包業務。靳先生擁有超過30年的機械設備行業經驗，並曾在本公司內擔任多個職務。靳先生於1982年2月加入本公司。靳先生於1982年2月至1986年8月間擔任業務員的工作，並在此期間曾在天津外國語學院進修英語約一年。1986年8月至1989年8月間，靳先生獲本公司委任擔任美國華美機械項目經理。1989年8月回國後，靳先生獲委任為本公司成套設備出口處處長直至1999年6月，並於其後晉升為中設國際工程的副總經理直至2001年11月。2001年11月至2004年12月間，靳先生曾擔

deputy general manager of CMEC International Engineering until November 2001. Mr. JIN was a deputy general manager of China Machinery-building International Corporation (中國機械對外經濟技術合作總公司) from November 2001 to December 2004 and was appointed as a vice president of our Company in December 2004. In 1982, Mr. JIN obtained his bachelor's degree in hydraulic machinery from Gansu University of Technology (甘肅工業大學). Mr. JIN is a professorial engineer.

任中國機械對外經濟技術合作總公司副總經理，並於2004年12月獲委任為本公司副總裁。1982年，靳先生畢業於甘肅工業大學水力機械專業，並獲得學士學位。靳先生為教授級工程師。

Mr. ZHANG Jianguo (張建國)

Mr. ZHANG, aged 56, is a vice president of our Company and is in charge of our Company's trade and other business. Prior to joining our Company, Mr. ZHANG was a lecturer at Peking University (北京大學) from July 1987 to May 1991. In May 1991, Mr. ZHANG joined our Company and he was appointed as a deputy general manager of the department of human resources and education of our Company in June 1993. Mr. ZHANG was subsequently promoted as a vice director of the general office of our Company and held that position from December 1993 to January 1998. In 1998, Mr. ZHANG was appointed as a deputy general manager of CMEC Tendering, and was promoted to the general manager thereof in July 2001 and held that position until June 2007. In March 2005, Mr. ZHANG was also appointed as an assistant general manager of our Company. Mr. ZHANG has been a vice president of our Company since May 2006. Mr. ZHANG is a senior economist and graduated from Peking University with a master's degree in history in 1987.

張建國先生

張先生，現年56歲，現任本公司副總裁，主管本公司貿易及其他業務。在加入本公司之前，在1987年7月至1991年5月間，張先生曾任北京大學講師，張先生於1991年5月加入本公司，並於1993年6月獲委任為本公司人教部副總經理。其後張先生於1993年12月至1998年1月期間擔任本公司辦公室副主任。張先生於1998年被任命為中設招標副總經理，於2001年7月晉升為該公司的總經理，並擔任這一職務直至2007年6月。2005年3月，張先生亦被任命為本公司總經理助理。張先生自2006年5月起出任本公司副總裁。張先生為高級經濟師。張先生在1987年畢業於北京大學，取得歷史學碩士學位。

Mr. ZHOU Yamin (周亞民)

Mr. ZHOU, aged 53, is the chief financial officer, secretary to the Board and joint company secretary of our Company. He has more than 30 years of management experience. Mr. ZHOU took various positions in China Machinery Industry Installation Company (中國機械工業安裝總公司) from October 1983 to June 2001, including bookkeeper of the finance department, accountant, vice departmental director of the finance department and manager of the finance department. From June 2001 to February 2002, Mr. ZHOU served as deputy chief accountant and manager of the department of financial assets for China CMIIC Engineering & Construction Corporation. From February 2002 to December 2004, Mr. ZHOU was appointed as the chief accountant of China CMIIC Engineering & Construction Corporation and from December 2004 to July 2011, he served as the deputy general manager and chief financial officer for China CMIIC Engineering & Construction Corporation. In July 2011, Mr. ZHOU joined our Company and was appointed as the chief financial officer of the Company. He has been serving as the secretary to the Board and joint company secretary of our Company since June 26, 2014. Mr. ZHOU graduated from Beijing Technology and Business University and the Open University of China (北京工商大學和中央廣播電視大學) with a bachelor's degree in management in July 2004, majoring in accounting. Mr. ZHOU is a senior accountant, a member of the Chinese Institute of Certified Public Accountants (non-practising), an international certified practising accountant and a senior international finance manager.

周亞民先生

周先生，現年53歲，現任本公司財務總監兼董事會秘書兼聯席公司秘書。彼擁有超過30年管理經驗。周先生曾於1983年10月至2001年6月期間在中國機械工業安裝總公司先後擔任財務處會計、會計師、財務處副處長和財務部經理，其後於2001年6月至2002年2月於中國機械工業建設總公司擔任副總會計師兼資產財務部經理。周先生於2002年2月至2004年12月獲委任為中國機械工業建設總公司的總會計師。周先生在2004年12月至2011年7月間擔任中國機械工業建設總公司副總經理兼財務總監。2011年7月，周先生加入本公司擔任本公司財務總監，並自2014年6月26日起兼任董事會秘書及聯席公司秘書。於2004年7月，周先生從北京工商大學和中央廣播電視大學會計學專業畢業，取得管理學學士學位。周先生為高級會計師、中國註冊會計師協會會員（非執業）、國際註冊執業會計師和國際高級財務管理師。

Mr. WANG Tianyi (王天翼)

Mr. WANG, aged 56, is currently vice president of our Company (appointed in January 2014) and secretary of the discipline inspection committee (appointed in December 2013). He is responsible for the general management of the Company. Mr. WANG has over 30 years of experience in corporate and financial management. Mr. WANG joined our Company in January 2014. Before joining our Company, during the period from October 1980 to August 1988, Mr. WANG served at the business division of the finance department under the Ministry of First Machinery Industry and the auditing division directly under the auditing bureau of the National Machinery Industry Committee. From August 1988 to April 1993, Mr. WANG served as the deputy director of the office of the auditing bureau of National Audit Office in the Ministry of Mechanical and Electronic Industry and the chief of the general division of such auditing bureau. From April 1993 to May 1998, Mr. WANG served as the chief of the auditing division directly under the auditing bureau of National Audit Office in MMI. Thereafter, Mr. WANG served as the deputy general manager of the auditing department, the deputy general manager of the financial department and the chief of the first financial division, the general manager of the financial department and the director of asset financial department in China National Machinery and Equipment (Group) Company (中國機械裝備(集團)公司) during the period from May 1998 to October 2003. During the period from October 2003 to December 2010, Mr. WANG served as deputy general manager, financial controller and secretary of the discipline inspection committee of China National Electric Equipment Corporation. During the period from December 2010 to January 2014, Mr. WANG served as deputy general manager, financial controller and secretary of the discipline inspection committee of China National Electric Engineering Co., Ltd. Mr. WANG graduated from the Correspondence Teaching College of Renmin University of China (中國人民大學函授學院) majoring in industrial accounting in 1987. Mr. WANG is a senior accountant.

王天翼先生

王先生，現年56歲，現任本公司副總裁（於2014年1月獲委任），並擔任紀委書記（於2013年12月獲委任）。彼負責本公司的綜合管理。王先生於企業和財務管理方面擁有超過30年經驗。王先生於2014年1月加入本公司。在加入本公司前，王先生於1980年10月至1988年8月期間，先後任職於第一機械工業部財務司事業處、國家機械工業委員會審計局直屬單位審計處。王先生於1988年8月至1993年4月歷任審計署駐機械電子工業部審計局辦公室副主任、綜合處處長。於1993年4月至1998年5月，王先生擔任審計署駐機械工業部審計局直屬單位審計處處長。其後，王先生於1998年5月至2003年10月任職於中國機械裝備（集團）公司，歷任審計部副總經理、財務部副總經理兼財務一處處長、財務部總經理、資產財務部部長。於2003年10月至2010年12月期間，王先生先後擔任中國電工設備總公司的副總經理、財務總監、紀委書記。於2010年12月至2014年1月期間，王先生擔任中國電力工程有限公司的副總經理、財務總監、紀委書記。王先生於1987年從中國人民大學函授學院畢業，主修工業會計。王先生為高級會計師。

Ms. WANG Hong (王紅)

Ms. WANG, aged 54, is currently a vice president of our Company (appointed in January 2014). She is responsible for International Engineering Contracting Business. Ms. WANG has over 30 years of experience in power engineering contracting field. Ms. WANG joined our Company in June 2006. Before joining our Company, during the period from January 1984 to January 1987, Ms. WANG served as project manager of printing machinery research institute of Ministry of Machinery. From January 1987 to January 1991, Ms. WANG served as project manager of China Automatic Control System Corporation (中國自動化控制系統總公司). From January 1991 to January 2006, Ms. WANG served as project manager, an assistant general manager and deputy general manager of the second engineering department, general manager of the fourth engineering department and deputy general manager of China Machinery-Building International Corporation. From June 2006 to May 2010, Ms. WANG served as deputy general manager and general manager of the third business department of the Company, as well as general manager of the third engineering business department of the Company, and was promoted to an assistant general manager of our Company in October 2011. Ms. WANG has also served as general manager of CMEC International Engineering since January 2012. Ms. WANG graduated from the Jilin University of Technology (吉林工業大學) majoring in computer application in 1984. Ms. WANG is an engineering and technical expert entitled to the special allowance of the State Council.

王紅女士

王女士，現年54歲，現任本公司副總裁（於2014年1月獲委任）。彼負責國際工程承包業務。王女士於電力工程承包領域擁有超過30年經驗。王女士於2006年6月加入本公司。在加入本公司前，王女士於1984年1月至1987年1月間，擔任機械部印刷機械研究所項目經理。自1987年1月至1991年1月間，擔任中國自動化控制系統總公司的項目經理。王女士於1991年1月至2006年1月任職於中國機械對外經濟技術合作總公司，歷任項目經理、第二工程部總經理助理、第二工程部副總經理、第四工程部總經理及該公司的副總經理。王女士於2006年6月至2010年5月先後擔任本公司第三事業部副總經理、總經理及第三工程成套事業部總經理，並於2011年10月晉升為本公司總經理助理。王女士自2012年1月起兼任中設國際工程的總經理。王女士於1984年從吉林工業大學畢業，主修計算器應用專業。王女士為享受國務院特殊津貼的工程技術專家。

Ms. AI Wei (艾威)

Ms. AI, aged 47, is currently a vice president of our Company (appointed in November 2014) and is in charge of the import and export trading businesses of our Company. Ms. AI has over 20 years of experience in the management of trading businesses. Ms. AI joined our Company in July 1991. During the period from January 1992 to January 1998, Ms. AI served at CMEC Machine Tool Co., Ltd. (中設機床工具有限責任公司). From January 1998 to August 2005, Ms. AI served as manager of the third division of CMEC International Trading Co., Ltd., and she was promoted and worked as deputy general manager from September 2005 to May 2007. Thereafter, Ms. AI was appointed as general manager of CMEC General Machinery Import & Export Co., Ltd. in May 2007 and served at that position until October 2013. Ms. AI was promoted and worked as an assistant general manager of our Company in May 2010 and was appointed as deputy general manager of China Perfect Machinery Industry Corp., Ltd. (中國浦發機械工業股份有限公司) from October 2013 to November 2014. Ms. AI served as the director of China National Guo Lian Development New Energy (Wuxi) Co., Ltd. (中設國聯無錫新能源發展有限公司) from October 2014 to March 2017. Ms. AI graduated from Peking University majoring in economics and management in 1991. Ms. AI is a senior international business specialist.

艾威女士

艾女士，現年47歲，現任本公司副總裁（於2014年11月獲委任），主管本公司的進出口貿易業務。艾女士擁有超過20年的貿易業務管理經驗。艾女士於1991年7月加入本公司，於1992年1月至1998年1月間任職於中設機床工具有限責任公司。於1998年1月至2005年8月間，艾女士擔任中設國際貿易有限責任公司三分部經理，並於2005年9月晉升為副總經理直至2007年5月，其後於2007年5月被任命為中設通用機械進出口有限責任公司的總經理，並擔任這一職務直至2013年10月。彼於2010年5月晉升為本公司總經理助理並於2013年10月起獲委任為中國浦發機械工業股份有限公司的副總經理直至2014年11月。自2014年10月至2017年3月，艾女士擔任中設國聯無錫新能源發展有限公司的董事。艾女士於1991年在北京大學畢業，主修經濟管理。艾女士為高級國際商務師。

Mr. ZHANG Wei (張煒)

Mr. ZHANG, aged 53, is currently a vice president of our Company (appointed in September 2015). He is responsible for our Company's design and consultancy services. Mr. ZHANG has over 30 years of experience in engineering survey, design, technology and administrative management. From July 1983 to January 1989, he taught at Hefei University of Technology (合肥工業大學). Prior to his joining our Company, he held a number of positions within laboratory of investigation & research institute of Ministry of Machinery including director and chief engineer, vice section chief of Geotechnical Engineering Section and president assistant from January 1989 to March 1996. From April 1996 to December 2014, he successively held the posts of chief engineer, vice president, president and CPC Committee of China Jikan Research Institute of Engineering Investigations and Design, Co., Ltd., and has been a chairman since December 2014. Mr. ZHANG obtained a master's degree from Hefei University of Technology (合肥工業大學) in 1988, majoring in hydrogeology and engineering geology, and obtained a master's degree in business administration (MBA) from Xi'an Jiaotong University (西安交通大學) in 2004. Currently, Mr. ZHANG is professor of engineering. He was awarded the title of National Engineering Survey and Design Master in 2006.

張煒先生

張先生，現年53歲，現任本公司副總裁（於2015年9月獲委任）。彼負責本公司的設計諮詢業務。張先生擁有超過30年的工程勘察、設計、技術及行政管理經驗。於1983年7月至1989年1月間，張先生曾於合肥工業大學任教。在加入本公司前，張先生曾於1989年1月至1996年3月期間先後擔任機械部勘察研究院試驗室主任、主任工程師、岩土工程處副處長及院長助理。於1996年4月至2014年12月期間歷任機械工業勘察設計研究院有限公司總工程師、副院長、院長、黨委書記，並於2014年12月擔任董事長至今。張先生於1988年獲得合肥工業大學碩士學位，主修水文地質與工程地質並於2004年獲得西安交通大學工商管理碩士學位。張先生為教授級高級工程師，並於2006年榮獲全國工程勘測設計大師稱號。

Mr. FANG Yanshui (方彥水)

Mr. FANG, aged 46, is currently the vice president of our Company (appointed in February 2017), and is in charge of our Company's international engineering contracting business. He has over 20 years of experience in engineering contracting. Mr. FANG joined our Company in August 1993. Mr. FANG successively served as a sales representative, the deputy general manager of the Third International Engineering Department under No.4 Complete Engineering Department, the deputy general manager of No.4 Department and the general manager and the Secretary of General Party Branch of the Third International Engineering Department and the general manager of No.4 Complete Engineering Department. Mr. FANG was promoted to the assistant to the general manager of our Company and the general manager of No.4 Department in September 2015. Mr. FANG graduated from Hunan University in 1993, majoring in industrial foreign trade. Mr. FANG is a senior engineer.

方彥水先生

方先生，現年46歲，現任本公司副總裁（於2017年2月獲委任），主管本公司的國際工程承包業務。彼擁有超過20年的工程承包業務經驗。方先生於1993年8月加入本公司，歷任業務員、第四成套事業部國際工程三部副總經理、第四事業部副總經理兼國際工程三部總經理、黨總支書記、第四工程成套事業部總經理，並於2015年9月晉升為本公司總經理助理及第四事業部總經理。方先生於1993年在湖南大學畢業，主修工業外貿。方先生為高級工程師。

Mr. TONG Zigang (童自剛)

Mr. TONG, aged 46, is currently the vice president of our Company (appointed in February 2017) and is in charge of our Company's International Engineering Contracting Business. He has over 20 years of experience in engineering contracting business. Mr. TONG joined our Company in June 2006. Prior to his joining our Company, Mr. TONG successively served as a sales representative of the Second Engineering Department and the deputy general manager of the Fourth Engineering Department of China Machinery-building International Corporation (中國機械對外經濟技術合作總公司) from August 1994 to June 2006. During the period from June 2006 to September 2015, Mr. TONG successively served as the general manager of the Second International Engineering Department and the Sixth International Engineering Department under No.3 Complete Engineering Department of the Company, the deputy general manager and the general manager of No.3 Complete Engineering Department. Mr. TONG was promoted to the assistant to the general manager of our Company and the general manager of the Third Department in September 2015. Mr. TONG graduated from Beijing University of Technology in 1994, majoring in mechanical engineering and manufacturing, and obtained a bachelor's degree in engineering, Mr. TONG graduated from the School of Economics at Renmin University of China (中國人民大學), majoring in global economy as an incumbency graduate student, and obtained a master's degree in economics in 2000. Mr. TONG is a senior engineer. Mr. TONG also obtained the International Premium Project Manager (IPMP Class A, 國際特級項目經理) which was awarded by the International Project Management Association (IPMA, 國際項目管理協會).

童自剛先生

童先生，現年46歲，現任本公司副總裁（於2017年2月獲委任），主管本公司的國際工程承包業務。彼擁有超過20年的工程承包業務經驗。童先生於2006年6月加入本公司。於加入本公司前，童先生曾於1994年8月至2006年6月先後擔任中國機械對外經濟技術合作總公司第二工程部業務員及第四工程部副總經理。童先生於2006年6月至2015年9月間先後擔任本公司第三工程成套事業部國際工程二部及國際工程六部總經理、事業部副總經理及事業部總經理。並於2015年9月晉升為本公司總經理助理兼第三事業部總經理。童先生於1994年畢業於北京工業大學，主修機械設計及製造，獲工學學士學位，於2000年畢業於中國人民大學經濟學院，在職研究生世界經濟專業，獲經濟學碩士學位。童先生為高級工程師。童先生亦獲得由國際項目管理協會(IPMA)授予的國際特級項目經理（IPMP A級）資格。

VI. EMPLOYEES

As at December 31, 2016, the Group had 3,627 employees in total. The following table sets forth the number of employees according to different job functions:

VI. 僱員

於2016年12月31日，本集團共有3,627名僱員。下表載列按不同職能劃分的僱員數目：

		Number of employees 僱員數目
Business Staff	**業務人員**	**3,293**
International Engineering Contracting Business	國際工程承包業務	2,644
Trading Business	貿易業務	462
Services Business	服務業務	187
Management, finance and administration	**管理、財務和行政**	**300**
Others	**其他**	**34**
Total	**合計**	**3,627**

The following tables set forth the Group's staff structure by geographical location, academic qualification, designation and age, respectively:

下表分別載列按地理位置、學歷、職稱及年齡劃分的本集團員工架構：

Analysis of the Group's staff by geographical location

按地理位置劃分的本集團員工分析

No. 編號	Geographical location 地理位置		Number of staff 員工數目	Percentage 百分比
1	China	中國	3,296	90.9%
2	Asia (excluding China and Turkey)	亞洲（不包括中國及土耳其）	147	4.1%
3	Africa	非洲	87	2.4%
4	Europe (including Turkey)	歐洲（包括土耳其）	48	1.3%
5	North America	北美洲	1	0.0%
6	South America	南美洲	48	1.3%
	Total	**合計**	3,627	**100%**

Analysis of the Group's staff by academic qualification *按學歷劃分的本集團員工分析*

No. 編號	Academic qualification 學歷		Number of staff 員工數目	Percentage 百分比
1	Postgraduate or above	研究生或以上	969	26.7%
2	Undergraduate	學士學位	2,138	58.9%
3	College diploma or below	專科文憑或以下	520	14.3%
	Total	**合計**	**3,627**	**100%**

Analysis of the Group's staff by designation *按職稱劃分的本集團員工分析*

No. 編號	Designation 職稱		Number of staff 員工數目	Percentage 百分比
1	Senior Grade	高級	745	20.5%
2	Intermediate Grade	中級	1,094	30.2%
3	Junior Grade and below	初級及以下	1,788	49.3%
	Total	**合計**	**3,627**	**100%**

Analysis of the Group's staff by age *按年齡劃分的本集團員工分析*

No. 編號	Age 年齡		Number of staff 員工數目	Percentage 百分比
1	56 years old and above	56歲及以上	171	4.7%
2	46-55 years old	46至55歲	622	17.1%
3	36-45 years old	36至45歲	659	18.2%
4	35 years old and below	35歲及以下	2,175	60.0%
	Total	**合計**	**3,627**	**100%**

1. Staff Incentives

In 2016, the Company improved performance management system and formulated overall reform plan for optimization of business department's positions, performance and salary. The Company will further perfect the above plan upon the determination. The Company also (a) improved three-level training system of the Company; (b) completed the standardization of the overseas on-site practice of university students; and (c) further standardized revenue management of each business division.

In terms of staff cultivating, the Company formulates the construction plans for talent teams and strives to create the Company's six talent teams, including "senior management personnel, project management personnel, engineering and technical personnel, professional management personnel, marketing personnel, investment and capital operation personnel", which reinforces the base of key talent reserve.

The Company will establish diversified career development channels in the future, especially continue to focus on building development channels for core business staff, further improve the retirement schemes, and therefore ensure both the development channels and retirement schemes are in place, in order for employees to share development opportunities and reform results. The Company will further establish and perfect a more rational, open and scientific employment system by constantly consolidating the fruits of talents introduction and enhancing the exchanges between the cadre and the talents.

1. 僱員獎勵

2016年，公司完善了績效管理體系，形成事業部崗位、績效與薪酬優化項目整體改革方案，待國家相關政策明確後，公司將進一步修改完善上述方案。公司亦(a)完善了公司內部三級培訓體系；(b)完成大學生海外現場實習規範；及(c)進一步規範了各事業部的收入管理。

在人才培養方面，公司制定人才隊伍建設規劃，著力打造公司「高級管理人才、項目管理人才、工程技術人才、專業管理人才、市場營銷人才、投資和資本運作人才」六支人才隊伍，夯實關鍵人才儲備根基。

在未來，公司要建立多元化職業發展通道，尤其會繼續著力打通核心業務人員的晉升通道，進一步完善人員退出機制，形成晉升有通道，退出有機制的局面，讓員工共享發展機遇及改革成果。公司還將通過不斷鞏固人才引進成果，加強幹部與人才的交流，進一步制定及完善更合理、公開和科學的僱傭制度。

2. Staff Remuneration

For the year ended December 31, 2016, the Group incurred staff costs of approximately RMB1,527.9 million. Staff's remuneration comprises basic salary and performance salary. The performance salary is determined according to the assessment of performance of the whole staff. In 2016, Remuneration Policy Committee, Remuneration Supervision Committee and Remuneration Performance Appraisal Committee of the Board focus on promoting the reform of remuneration system and re-establishing the structure of remuneration system.

3. Staff Training

In respect of staff training, in 2016, the Company built a two level training system with the headquarters, each department office and subsidiary as main body, innovated in training methods and devoted greater efforts to training in-service cadres at all levels and new recruits.

We provide systematic and effective training for our employees. We provide sustainable and specific education training for our senior management, middle management as well as technical and operational staff with a view to improving the quality and ability of our staff at different levels.

To regulate the management of staff training, the Company has formulated comprehensive measures for administering employees' education and training, which effectively promote the establishment of the Company's education training system. The Company focuses on the training needs of the senior management, middle management, technical and operational staff as well as the development needs of the Company when formulating and implementing education training programmes. The Company aims to implement a diversified training system for the staff so as to encourage the staff to participate in training.

2. 僱員薪酬

截至2016年12月31日止年度，本集團產生的員工成本約人民幣1,527.9百萬元。僱員薪酬由基本工資和績效工資兩部分組成。績效工資依據本集團全員業績考核結果確定。於2016年，本公司董事會薪酬政策委員會、薪酬監督委員會及薪酬績效考核委員會著重推進薪酬制度改革及重新搭建公司薪酬體系架構。

3. 僱員培訓

在人才培訓方面，2016年，公司構建以公司本部和各部室、子公司為主體的兩級培訓體系，創新培訓方式，並加大對各級在職幹部員工和新入職員工的培訓力度。

我們為僱員提供系統性及實效性培訓，分別對高級管理人員、中層管理人員以及各專業技術及業務人員進行高持續性及強針對性的教育培訓，以不斷提高各級僱員的素質及能力。

為對僱員培訓實行規範化管理，本公司已制定完善的員工教育和培訓管理辦法，卓有成效地推進公司教育培訓體系建設。在教育培訓計劃的制定和實施過程中，尤其關注高層管理人員、中層管理人員、各專業技術及業務人員的培訓需求，並根據本公司不斷發展的需要，實現配套的員工多樣化培訓體系，以鼓勵更多僱員參與培訓。

The Company will further strengthen to train young cadre in the future and establish different levels of cadre, which lays the foundation for the sustainable development of the Company. The Company will also improve three-level talents training system among overseas, domestic institutions and the Company to ensure the comprehensive coverage of senior management, middle management and every ordinary staff of the Company in the training system.

在未來，公司將進一步加強培育年輕幹部，形成人才梯隊，為公司可持續發展奠定基礎。公司還將進一步完善公司海外、國內院校及公司內部的三級人才培訓體系，確保培訓體制能夠全面覆蓋到公司高級管理人員、中層管理人員及每一位普通員工。

4. Guarantee of Staff Rights

The Group strictly complies with the relevant PRC laws and regulations and makes contributions to various pension contribution plans, medical insurance plans, unemployment insurance plans, maternity insurance plans and personal injury insurance plans.

4. 員工權利保障

本集團嚴格遵守相關中國法律法規，對各種養老保險計劃、醫療保險計劃、失業保險計劃、生育保險計劃及人身傷害保險計劃作出供款。

Independent Auditor's Report
獨立核數師報告

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To the shareholders of China Machinery Engineering Corporation
(Established in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of China Machinery Engineering Corporation (the "Company") and its subsidiaries (the "Group") set out on pages 221 to 372, which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

致中國機械設備工程股份有限公司股東
(於中華人民共和國註冊成立的股份有限公司)

意見

本核數師(以下簡稱「我們」)已審核第221頁至第372頁所載中國機械設備工程股份有限公司(「貴公司」)及其附屬公司(「貴集團」)的合併財務報表,包括於2016年12月31日的合併財務狀況表、截至該日止年度的合併損益表、合併綜合收益表、合併權益變動表和合併現金流量表,以及合併財務報表附註,包括主要會計政策概要。

我們認為,該等合併財務報表已根據國際會計準則委員會(「國際會計準則委員會」)頒佈的國際財務報告準則(「國際財務報告準則」)真實而公平地反映貴集團於2016年12月31日的合併財務狀況以及彼等截至該日止年度的合併財務業績及合併現金流量,並已按照香港公司條例的披露規定妥為編製。

意見基礎

我們已根據香港會計師公會(「香港會計師公會」)頒佈的香港核數準則(「香港核數準則」)進行審核。我們根據該等準則須承擔的責任在本報告中「核數師就審核合併財務報表須承擔的責任」中進一步詳述。根據香港會計師公會之專業會計師職業道德守則(簡稱「守則」),我們獨立於貴集團,並已遵循守則履行其他職業道德責任。我們相信,我們所獲得的審核憑證能充足和適當地為我們的意見提供基礎。

KEY AUDIT MATTERS

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

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

關鍵審核事項

根據我們的專業判斷，關鍵審核事項為我們審核本期合併財務報表中最重要的事項。此等事項是我們在整體審核合併財務報表和作出意見時進行處理的，而不會就此等事項單獨發表意見。就下文各事項，我們在報告中描述我們的審核過程處理該事宜的方法。

我們已履行了本報告「核數師就審核合併財務報表承擔的責任」部分闡述的責任，包括與該等事項相關的責任。相應地，我們的審核工作包括執行為應對評估的合併財務報表重大錯誤陳述風險而設計的審核程序。我們執行審核程序的結果，包括應對下述關鍵審核事項所執行的程序，為隨附合併財務報表發表審核意見提供了基礎。

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 關鍵審核事項在審核中的處理方法
Revenue recognition for construction contracts *建造合同收入確認* The Company derives a significant portion of its revenues from construction-type contracts that are accounted for by applying the percentage-of-completion (POC) method. 貴公司收入主要來自建造類合同，該類合同按完工百分比法入賬。	We tested the internal controls of the Company over its processes to record contract costs and contract revenues under the percentage-of-completion (POC) method. 我們對貴公司按完工百分比法記錄合同成本及合同收入的流程進行了內控測試。
The POC method involves the use of significant management judgement and estimates including estimates of the progress towards completion, the scope of deliveries and services required, total contract cost, remaining costs to completion, total contract revenues and contract risks. In addition, revenue, cost and gross profit realised on such contracts can vary (sometimes significantly) from the Company's original estimates because of changes in conditions. 使用完工百分比法涉及重大管理層判斷及估計，包括對竣工進度的估計，交付範圍及所需服務、合同成本總額、竣工尚需發生的成本、合同收入總額及合同風險。此外，建造合同實際發生的收入、成本及毛利會因條件變更而偏離（有時嚴重偏離）貴公司的初始估計。	We evaluated the judgements and estimations of management in determining the estimated total contract costs through the review of contract cost budget and other relevant project documentation, and the discussion of the status of projects under construction with management, finance and technical staff of the Company. 我們透過檢查合同成本預算及相關項目文件及與貴公司管理層、財務及技術員工討論在建項目的狀態，評估管理層確定估計合同成本總額所作判斷及估計。 We performed tests of details, including the vouching to invoices or other source documents, for the costs incurred, and to assess the status of the projects under sampling basis. 基於抽樣基礎，我們進行具體測試，包括檢查已產生的成本之發票或其他源文檔，及評估項目狀態。
The disclosures about construction contracts are included in notes 5 and 21 to the consolidated financial statements. 有關建造合同的披露載於合併財務報表附註5及21。	We retested the calculation of the percentage-of-completion for certain key projects. 我們就若干關鍵項目重新測試完工百分比的計算。

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 關鍵審核事項在審核中的處理方法
Allowances for impairment of trade receivables *貿易應收款項減值撥備* The Group has significant trade receivables from customers. Allowances for the impairment of these balances are estimated by management through the application of significant judgement and use of subjective assumptions. Evidence of impairment may include indicators that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in economic conditions that correlate with defaults. 貴集團有來自客戶的大量貿易應收款項。該等餘額的減值撥備由管理層運用重大判斷及主觀假設進行估計。減值證據可能包括一名債務人或一組債務人有跡象正經歷財務困難、違約或拖欠利息或本金，彼等有可能進入破產或其他財務重組，且有可觀察數據表明估計未來現金流量將明顯減少，如與違約相關的經濟狀況發生變更。 The disclosures about allowances for impairment of trade receivables are included in note 22 to the consolidated financial statements. 貿易應收款項減值撥備的披露載於合併財務報表附註22。	We evaluated the Group's assumptions for both the collective and individual impairment allowance assessments and tested key internal controls over the Group's impairment procedures. 我們對貴集團按組合和個別認定的減值撥備假設進行評估，並對貴集團減值程序的關鍵內部控制進行測試。 We selected aged debtor of material balances where no or little provision was recognised and assessed the adequacy of impairment provision as determined by management. 我們挑選並無確認或已確認較少撥備的重大長賬齡餘額，並評估管理層所釐定減值撥備的充足性。 We obtained direct external confirmations for trade receivable balances on a sample basis. 我們基於抽樣基礎獲得有關貿易應收款項餘額的直接外部確認函證。 We selected individual trade receivable balances on sample basis where a provision was recognised and assessed the rationale behind management's judgements. 我們基於抽樣基礎挑選已確認撥備的個別認定的貿易應收款項餘額，並評估管理層所作判斷的理由。

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 關鍵審核事項在審核中的處理方法
Foreseeable contract losses *預計合同虧損* The Group is required to make a provision for foreseeable losses on construction or service contracts when it is probable that total contract costs are expected to exceed total contract revenue. 當合同成本總額預期將超過合同收入總額時，貴集團須就建造或服務合同預計虧損計提撥備。 The disclosures about foreseeable contract losses are included in notes 6 and 21 to the consolidated financial statements. 有關合同預計虧損的披露載於合併財務報表附註6及21。	We obtained an understanding of management's processes of identifying contracts with foreseeable losses and suspended construction contracts, and the related accounting estimation process to ascertain the amount of foreseeable losses of such contracts. 我們了解管理層識別預計虧損建造合同或停工建造合同的程序，以及確認該等合同預計虧損金額的相關會計估計程序。 We evaluated and tested the effectiveness of relevant internal controls over the identification of contract losses and suspended contracts together with the related estimated provision. 我們評估並測試識別合同虧損以及停工合同的內部控制及相關撥備的有效性。 For major contracts, we assessed management's bases and assumptions used in the estimation of foreseeable contract losses and also checked the calculation of the foreseeable contract losses provided for in the financial statements. 就主要合同而言，我們評估管理層估計合同預計虧損所應用的基準及假設，並檢查財務報表中計提的合同預計虧損的計算。

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

年報所載的其他資料

貴公司董事須對其他資料承擔責任。其他資料包括年報中所包含的所有資料，但不包括合併財務報表及我們就此發出的核數師報告。

我們對合併財務報表作出的意見並無涵蓋其他資料，且我們不會對其他資料發表任何形式的核證結論。

就審核合併財務報表而言，我們的責任為閱讀其他資料，從而考慮其他資料是否與合併財務報表或我們在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。倘若我們基於已進行的工作認為其他資料出現重大錯誤陳述，我們須報告有關事實。我們就此並無須報告的事項。

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

董事就合併財務報表須承擔的責任

貴公司董事須負責根據國際會計準則委員會頒佈之國際財務報告準則及香港公司條例之披露規定，編製表達真實且公平之合併財務報表，及落實其認為編製合併財務報表所必要的內部控制，以使合併財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

編製合併財務報表時，貴公司董事須負責評估貴集團持續經營的能力，並披露與持續經營有關的事項（如適用）。除非貴公司董事擬將貴公司清盤或停止營運，或除此之外並無其他實際可行的辦法，否則須採用以持續經營為會計基礎。

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

審計委員會協助貴公司董事履行職責、監督貴集團的財務報告過程。

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

核數師就審核合併財務報表須承擔的責任

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

我們的目標為合理確保合併財務報表整體不存在由於欺詐或錯誤而導致的重大錯誤陳述，並出具載有我們意見的核數師報告。我們報告乃僅向全體股東（作為整體）作出，不作其他用途。我們概不就本報告的內容對任何其他人士承擔任何責任或接受任何負債。

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

合理確定屬高層次的核證，惟不能保證根據香港核數準則進行的審核工作總能發現所存在的重大錯誤陳述。錯誤陳述可源於欺詐或錯誤，倘合理預期個別或整體錯誤陳述可影響使用者根據該等合併財務報表作出的經濟決定時，則被視為重大錯誤陳述。

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

我們根據香港核數準則進行審核的工作之一，是運用專業判斷，並在整個審核過程保持專業懷疑態度。我們亦：

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- 識別及評估合併財務報表由於欺詐或錯誤而導致的重大錯誤陳述風險，針對該等風險設計及執行審核程序，以及獲得充足及適當的審核憑證為我們的意見提供基礎。由於欺詐可能涉及合謀、偽造、故意遺漏、誤導性陳述或凌駕內部控制的情況，因此未能發現因欺詐而造成的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- 了解與審核有關的內部控制，以設計在各種情況下均恰當的審核程序，但並非旨在對貴集團的內部控制的有效性發表意見。

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- 評估所用會計政策是否恰當，以及貴公司董事所作出的會計估計和相關披露是否合理。

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- 對董事採用的以持續經營為會計基礎是否恰當作出總結，並根據已獲取的審核憑證，確定是否存在可能對貴集團持續經營的能力構成重大疑慮的事件或情況等重大不確定因素。倘我們認為存在重大不確定因素，則須在核數師報告中提請注意合併財務報表內的相關披露，或如果相關披露不足，則須修訂我們的意見。我們的結論乃基於截至核數師報告日期所獲得的審核憑證。然而，未來事件或情況可能導致貴集團無法持續經營。

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

- 評估合併財務報表（包括披露）的整體呈列方式、架構及內容，以及合併財務報表是否公允地反映相關交易及事項。

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

- 就貴集團內各實體或業務活動的財務資料獲得充足且適當的審核憑證，以就合併財務報表發表意見。我們須負責指導、監督和執行貴集團的審核工作。我們須為我們的審核意見承擔全部責任。

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

我們就（其中包括）審核工作的計劃範圍、時間安排以及重大審核發現（包括我們在審核過程中發現的任何內部控制的重大缺失）與審計委員會進行溝通。

Independent Auditor's Report
獨立核數師報告

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

我們亦向審計委員會作出聲明，確認我們已遵守有關獨立性的道德要求，並就所有被合理認為可能影響我們獨立性的關係和其他事宜以及相關防範措施（如適用）與彼等進行溝通。

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

我們通過與審計委員會溝通，釐定對本期合併財務報表審核工作而言至關重要的事項，即關鍵審核事項。除非法律或法規不容許公開披露此等事項，或於極罕有的情況下，我們認為披露此等事項可合理預期的不良後果將超越公眾知悉此等事項的利益而不應於報告中披露，否則我們會於核數師報告中描述此等事項。

The engagement partner on the audit resulting in this independent auditor's report is Yim Chi Hung Henry.

負責此審核項目及簽發本獨立核數師報告的項目合夥人為嚴志雄。

Ernst & Young
Certified Public Accountants
Hong Kong

March 28, 2017

安永會計師事務所
執業會計師
香港

2017年3月28日

Consolidated Statement of Profit or Loss
合併損益表

Year ended December 31, 2016 • 截至2016年12月31日止年度

		Notes 附註	2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元 (Restated) (重述)
REVENUE	**收入**	5	**21,017,236**	24,056,269
Cost of sales	銷售成本		**(17,473,045)**	(20,329,448)
Gross profit	**毛利**		**3,544,191**	3,726,821
Other revenue	其他收入	5	**29,062**	14,941
Other expenses, net	其他開支淨額	5	**(14,170)**	(21,205)
Selling and distribution expenses	銷售及分銷開支		**(1,103,944)**	(1,148,373)
Administrative expenses	行政開支		**(725,366)**	(717,983)
Other operating expenses	其他經營開支		**(162,658)**	(67,763)
PROFIT FROM OPERATIONS	**經營溢利**		**1,567,115**	1,786,438
Finance income	財務收入	6	**1,248,682**	1,263,534
Finance expenses	財務開支	6	**(46,905)**	(51,877)
Net finance income	財務收入淨額	6	**1,201,777**	1,211,657
Share of profits and losses of:	應佔以下溢利及虧損：			
Joint ventures	合營公司		**13,401**	(1,031)
Associates	聯營公司		**1,637**	(196)
PROFIT BEFORE TAX	**除稅前溢利**	6	**2,783,930**	2,996,868
Income tax	所得稅	10	**(674,140)**	(787,908)
PROFIT FOR THE YEAR	**年內溢利**		**2,109,790**	2,208,960
Attributable to:	歸屬於：			
Owners of the parent	母公司擁有人		**2,106,521**	2,204,777
Non-controlling interests	非控股權益		**3,269**	4,183
			2,109,790	2,208,960
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**			
Basic and diluted (RMB)	**基本及攤薄（人民幣）**	13	**51 cents (分)**	53 cents (分)

Consolidated Statement of Comprehensive Income
合併綜合收益表

Year ended December 31, 2016 • 截至2016年12月31日止年度

		2016 2016年 *RMB'000* *人民幣千元*	2015 2015年 *RMB'000* *人民幣千元* (Restated) （重述）
PROFIT FOR THE YEAR	**年內溢利**	**2,109,790**	2,208,960
OTHER COMPREHENSIVE INCOME	**其他綜合收益**		
Other comprehensive income not to be reclassified into profit or loss in subsequent periods:	未於後續期間重新分類至損益的其他綜合收益：		
Remeasurement of defined benefit obligations	重新計量設定受益義務	**9,990**	(24,820)
Other comprehensive income to be reclassified into profit or loss in subsequent periods:	於後續期間重新分類至損益的其他綜合收益：		
Changes in fair value of an available-for-sale investment	可供出售投資公允價值變動	**563**	1,058
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兑差額	**63,983**	11,856
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**年內綜合收益總額**	**2,184,326**	2,197,054
Attributable to:	**歸屬於：**		
Owners of the parent	母公司擁有人	**2,180,909**	2,192,817
Non-controlling interests	非控股權益	**3,417**	4,237
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**年內綜合收益總額**	**2,184,326**	2,197,054

Consolidated Statement of Financial Position
合併財務狀況表

December 31, 2016 • 2016年12月31日

		Notes 附註	**December 31, 2016 2016年 12月31日 *RMB'000* *人民幣千元***	December 31, 2015 2015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	*14*	**1,605,717**	1,119,807
Investment properties	投資物業	*15*	**20,988**	22,035
Prepaid land lease payments	預付土地租賃款項	*16*	**1,797,297**	1,792,357
Intangible assets	無形資產	*17*	**9,587**	9,498
Investments in joint ventures	對合營公司的投資	*18*	**297,916**	210,014
Investments in associates	對聯營公司的投資	*19*	**265,836**	53,765
Trade and other receivables	貿易及其他應收款項	*22*	**553,937**	72,676
Amounts due from contract customers	應收合同客戶款項	*21*	**2,547,471**	2,660,045
Deferred tax assets	遞延稅項資產	*26*	**411,536**	358,698
Other non-current assets	其他非流動資產	*28*	**593,076**	555,807
Total non-current assets	**非流動資產總額**		**8,103,361**	6,854,702
CURRENT ASSETS	**流動資產**			
Inventories	存貨	*20*	**495,736**	448,504
Trade and other receivables	貿易及其他應收款項	*22*	**8,121,101**	8,067,472
Amounts due from contract customers	應收合同客戶款項	*21*	**4,693,622**	2,947,620
Restricted deposits	受限制存款	*23*	**554,588**	566,265
Time deposits with original maturity over three months	原始到期日超過三個月的定期存款	*23*	**5,942,003**	4,035,091
Cash and cash equivalents	現金及現金等價物	*23*	**19,541,868**	21,032,899
Total current assets	**流動資產總額**		**39,348,918**	37,097,851
CURRENT LIABILITIES	**流動負債**			
Borrowings	借貸	*25*	**576,695**	543,155
Receipts in advance	預收款項		**12,473,750**	10,189,331
Trade and other payables	貿易及其他應付款項	*24*	**17,541,253**	17,191,277
Defined benefit obligations	設定受益義務	*27*	**26,850**	34,374
Tax payable	應繳稅項		**501,728**	565,687
Total current liabilities	**流動負債總額**		**31,120,276**	28,523,824
NET CURRENT ASSETS	**流動資產淨額**		**8,228,642**	8,574,027
TOTAL ASSETS LESS CURRENT LIABILITIES	**資產總額減流動負債**		**16,332,003**	15,428,729

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Consolidated Statement of Financial Position
合併財務狀況表

December 31, 2016 • 2016年12月31日

		Notes 附註	December 31, 2016 2016年 12月31日 RMB'000 人民幣千元	December 31, 2015 2015年 12月31日 RMB'000 人民幣千元 (Restated) (重述)
TOTAL ASSETS LESS CURRENT LIABILITIES	**資產總額減流動負債**		**16,332,003**	15,428,729
NON-CURRENT LIABILITIES	**非流動負債**			
Borrowings	借貸	*25*	**469,728**	397,078
Trade and other payables	貿易及其他應付款項	*24*	**81,206**	73,959
Defined benefit obligations	設定受益義務	*27*	**359,323**	384,812
Deferred tax liabilities	遞延稅項負債	*26*	**46,193**	26,439
Total non-current liabilities	**非流動負債總額**		**956,450**	882,288
Net assets	**淨資產**		**15,375,553**	14,546,441
EQUITY	**權益**			
Issued capital	已發行股本	*29*	**4,125,700**	4,125,700
Reserves	儲備	*30*	**11,202,815**	10,375,186
Total equity attributable to owners of the parent	**母公司擁有人應佔權益總額**		**15,328,515**	14,500,886
Non-controlling interests	**非控股權益**		**47,038**	45,555
Total equity	**權益總額**		**15,375,553**	14,546,441

Director Sun Bai
董事 孫柏

Director Zhang Chun
董事 張淳

Consolidated Statement of Changes in Equity
合併權益變動表

Year ended December 31, 2016 • 截至2016年12月31日止年度

		Attributable to owners of the parent 母公司擁有人應佔							Non-controlling interests 非控股權益	Total equity 權益總額
		Issued capital 已發行股本	Capital reserve 資本儲備	Available-for-sale investment revaluation reserve 可供出售投資重估儲備	Statutory surplus reserve 法定盈餘公積金	Exchange fluctuation reserve 匯兑波動儲備	Retained profits 保留溢利	Sub-total 小計		
		RMB'000 人民幣千元	*RMB'000 人民幣千元*	*RMB'000 人民幣千元*	*RMB'000 人民幣千元*	*RMB'000 人民幣千元*	*RMB'000 人民幣千元*	*RMB'000 人民幣千元*	*RMB'000 人民幣千元*	*RMB'000 人民幣千元*
		(note 29) (附註29)	*(note 30) (附註30)*							
At January 1, 2016 (Restated)	**於2016年1月1日(重述)**	**4,125,700**	**3,370,907**	**2,142**	**892,246**	**17,430**	**6,092,461**	**14,500,886**	**45,555**	**14,546,441**
Profit for the year	年內溢利	-	-	-	-	-	2,106,521	2,106,521	3,269	2,109,790
Other comprehensive income for the year	年內其他綜合收益									
Exchange differences on translation of foreign operations	外幣報表折算差額	-	-	-	-	63,835	-	63,835	148	63,983
Re-measurement losses on defined benefit plans, net of tax	設定受益計劃評估虧損，扣稅後	-	-	-	-	-	9,990	9,990	-	9,990
Changes in fair value of available-for-sale investments, net of tax	可供出售投資公允價值變動，扣稅後	-	-	563	-	-	-	563	-	563
Total comprehensive income for the year	年內綜合收益總額	-	-	563	-	63,835	2,116,511	2,180,909	3,417	2,184,326
Business combination under common control *(note 31)*	同一控制下的業務合併*(附註31)*	-	(532,678)	-	-	-	-	(532,678)	-	(532,678)
Dividends paid to shareholders of the Company	付予本公司股東的股息	-	-	-	-	-	(820,602)	(820,602)	-	(820,602)
Profit appropriation to reserves	轉撥至儲備的溢利	-	-	-	178,508	-	(178,508)	-	-	-
Dividends paid to non-controlling shareholders of subsidiaries	付予附屬公司非控股股東的股息	-	-	-	-	-	-	-	(1,934)	(1,934)
At December 31, 2016	**於2016年12月31日**	**4,125,700**	**2,838,229***	**2,705***	**1,070,754***	**81,265***	**7,209,862***	**15,328,515**	**47,038**	**15,375,553**

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Consolidated Statement of Changes in Equity
合併權益變動表

Year ended December 31, 2016 • 截至2016年12月31日止年度

		Attributable to owners of the parent 母公司擁有人應佔							Non-controlling interests 非控股權益	Total equity 權益總額
		Issued capital 已發行股本	Capital reserve 資本儲備	Available-for-sale investment revaluation reserve 可供出售投資重估儲備	Statutory surplus reserve 法定盈餘公積金	Exchange fluctuation reserve 匯兑波動儲備	Retained profits 保留溢利	Sub-total 小計		
		RMB'000 人民幣千元	*RMB'000 人民幣千元*	*RMB'000 人民幣千元*	*RMB'000 人民幣千元*	*RMB'000 人民幣千元*	*RMB'000 人民幣千元*	*RMB'000 人民幣千元*	*RMB'000 人民幣千元*	*RMB'000 人民幣千元*
		(note 29) (附註29)	*(note 30) (附註30)*							
At January 1, 2015	**於2015年1月1日**	4,125,700	3,421,998	1,084	701,362	5,620	4,880,605	13,136,369	26,162	13,162,531
Business combination under common control	同一控制下的業務合併	–	103,163	–	–	8	111,250	214,421	11,117	225,538
At January 1, 2015 (Restated)	於2015年1月1日（重述）	4,125,700	3,525,161	1,084	701,362	5,628	4,991,855	13,350,790	37,279	13,388,069
Profit for the year	年內溢利	–	–	–	–	–	2,204,777	2,204,777	4,183	2,208,960
Other comprehensive income for the year	年內其他綜合收益									
Exchange differences on translation of foreign operations	外幣報表折算差額	–	–	–	–	11,802	–	11,802	54	11,856
Re-measurement losses on defined benefit plans, net of tax	設定受益計劃評估虧損，扣稅後	–	–	–	–	–	(24,820)	(24,820)	–	(24,820)
Changes in fair value of available-for-sale investments, net of tax	可供出售投資公允價值變動，扣稅後	–	–	1,058	–	–	–	1,058	–	1,058
Total comprehensive income for the year	年內綜合收益總額	–	–	1,058	–	11,802	2,179,957	2,192,817	4,237	2,197,054
Business combination under common control *(note 31)*	同一控制下的業務合併*（附註31）*	–	(171,353)	–	–	–	–	(171,353)	–	(171,353)
Acquisition of non-controlling interests	收購非控股權益	–	1,030	–	–	–	–	1,030	(10,123)	(9,093)
Capital contribution into a subsidiary from a non-controlling shareholder	一名非控股股東向附屬公司的資本投入	–	–	–	–	–	–	–	16,450	16,450
Dividends paid to shareholders of the Company	付予本公司股東的股息	–	–	–	–	–	(838,755)	(838,755)	–	(838,755)
Dividends paid to then shareholder of a common control acquisition entity	付予當時同一控制下收購實體股東的股息	–	–	–	–	–	(49,712)	(49,712)	–	(49,712)
Profit appropriation to reserves	轉撥至儲備的溢利	–	–	–	190,884	–	(190,884)	–	–	–
Adjustment of deferred tax arising from valuation surplus	由於預估盈餘調整遞延稅項	–	16,069	–	–	–	–	16,069	–	16,069
Dividends paid to non-controlling shareholders of subsidiaries	付予附屬公司非控股股東的股息	–	–	–	–	–	–	–	(2,288)	(2,288)
At December 31, 2015	**於2015年12月31日**	4,125,700	3,370,907*	2,142*	892,246*	17,430*	6,092,461*	14,500,886	45,555	14,546,441

* These reserve accounts comprise the consolidated reserves of RMB11,202,815,000 (December 31, 2015: RMB10,375,186,000) in the consolidated statement of financial position as at December 31, 2016.

* 該等儲備款項包括列入2016年12月31日的合併財務狀況表中的合併儲備人民幣11,202,815,000元（2015年12月31日：人民幣10,375,186,000元）。

Consolidated Statement of Cash Flows
合併現金流量表

Year ended December 31, 2016 • 截至2016年12月31日止年度

		Notes 附註	2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元 (Restated) (重述)
CASH FLOWS FROM OPERATING ACTIVITIES	**來自經營活動的現金流量**			
Profit before tax:	除税前溢利：		**2,783,930**	2,996,868
Adjustments for:	調整項目：			
Finance costs	財務成本		**24,257**	25,977
Foreign exchange differences, net	匯兑差額淨額		**(774,680)**	(505,523)
Share of profits and losses of associates	應佔聯營公司溢利及虧損		**(1,637)**	196
Share of profits and losses of joint ventures	應佔合營公司溢利及虧損		**(13,401)**	1,031
Interest income	利息收入	6(a)	**(385,346)**	(463,759)
Net losses/(gains) on disposal of items of property, plant and equipment	處置物業、廠房及設備項目的淨損失／(收益)	5	**3,803**	(6,124)
Dividend income from unquoted equity securities	非上市股本證券股息收入	5	**(10,969)**	(9,396)
Net losses on foreign currency forward exchange contracts and interest rate swaps	遠期外匯合約及利率掉期損失淨額	5	**69,943**	48,335
Depreciation	折舊	6(c)	**79,320**	51,680
Amortisation	攤銷	6(c)	**59,807**	53,499
Impairment and foreseeable contract losses	減值和可預計合同虧損	6(c)	**162,058**	66,272
			1,997,085	2,259,056
(Increase)/decrease in inventories	存貨(增加)／減少		**(47,232)**	336,580
(Increase)/decrease in amounts due from contract customers	應收合同客戶款項(增加)／減少		**(1,373,998)**	401,132
(Increase) in trade and other receivables	貿易及其他應收款項(增加)		**(217,157)**	(892,411)
Increase in receipts in advance	預收款項增加		**2,284,420**	1,855,227
Increase in trade and other payables	貿易及其他應付款項增加		**328,052**	207,334
(Increase)/decrease in defined benefit obligations	設定受益義務(增加)／減少		**(23,023)**	7,576
Cash generated from operations	經營活動現金流入		**2,948,147**	4,174,494
Income tax paid	已付所得税		**(771,372)**	(661,267)
Net cash flows from operating activities	經營活動產生的現金流量淨額		**2,176,775**	3,513,227

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Consolidated Statement of Cash Flows
合併現金流量表

Year ended December 31, 2016 • 截至2016年12月31日止年度

		Notes 附註	**2016** **2016年** ***RMB'000*** ***人民幣千元***	2015 2015年 *RMB'000* *人民幣千元* (Restated) （重述）
CASH FLOWS FROM INVESTING ACTIVITIES	**來自投資活動的現金流量**			
Interest received	已收利息		**385,346**	463,759
Dividends received	已收股息		**10,969**	9,396
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目		**(568,756)**	(412,570)
Purchases of available-for-sale investments	購買可供出售投資		**(37,276)**	(307,813)
Proceeds from disposal of items of property, plant and equipment	處置物業、廠房及設備項目的所得款項		**770**	11,508
Proceeds from disposal of items of other intangible assets	處置其他無形資產的所得款項		**–**	680
Disposal of an associate	處置一家聯營公司		**25,500**	–
Proceeds from settlement of forward exchange contracts and interest rate swaps	結算遠期外匯合約及利率掉期的所得款項		**(30,130)**	2,829
Proceeds from disposal of available-for-sale investments	處置可供出售投資的所得款項		**758**	196
Additions of prepaid land lease payments	添置預付土地租金		**(51,463)**	(38,551)
Additions of other intangible assets	添置其他無形資產		**(5,756)**	(6,557)
Additions of other long-term assets	添置其他長期資產		**(53,495)**	(1,939)
Purchases of financial instruments classified as other receivables	購買分類為其他應收款項的金融工具		**(10,000)**	(150,000)
Acquisition of a subsidiary under common control	收購受同一控制的附屬公司		**(532,678)**	(171,353)
Investments in associates	對聯營公司的投資		**(542,754)**	(52,303)
Investments in joint ventures	對合營公司的投資		**(100,000)**	(160,977)
Placing of restricted deposits	存放受限制存款		**(12,162)**	(306,534)
Proceeds from redemption of restricted deposits	贖回受限制存款所得款項		**73,840**	299,110
Placing of non-pledged time deposits with original maturity of over three months when acquired	存放獲取時原始到期日超過三個月的無抵押定期存款		**(31,925,131)**	(49,737,276)
Proceeds from redemption of non-pledged time deposits with original maturity of over three months when acquired	贖回獲取時原始到期日超過三個月的無抵押定期存款所得款項		**30,018,219**	49,822,534
Net cash flows used in investing activities	投資活動所用的現金流量淨額		**(3,354,199)**	(735,861)

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Consolidated Statement of Cash Flows
合併現金流量表

Year ended December 31, 2016 • 截至2016年12月31日止年度

		Notes 附註	**2016** **2016年** ***RMB'000*** ***人民幣千元***	2015 2015年 *RMB'000* *人民幣千元* (Restated) (重述)
CASH FLOWS FROM FINANCING ACTIVITIES	**來自融資活動的現金流量**			
Proceeds from borrowings	借貸所得款項		**855,693**	1,281,550
Repayment of borrowings	償還借貸		**(749,503)**	(1,147,083)
Capital contribution from a non-controlling shareholder	一名非控股股東的資本投入		**–**	16,450
Dividends paid	已付股息		**(820,602)**	(893,082)
Purchase of non-controlling interests	購買非控股權益		**–**	(9,093)
Dividends paid to non-controlling shareholders	已付非控股股東的股息		**(8,296)**	(336)
Interest paid	已付利息		**(28,125)**	(11,756)
Net cash flows used in financing activities	融資活動所用的現金流量淨額		**(750,833)**	(763,350)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**現金及現金等價物增加／（減少）淨額**		**(1,928,257)**	2,014,016
Cash and cash equivalents at beginning of year	年初的現金及現金等價物		**21,032,899**	18,806,778
Effect of foreign exchange rate changes, net	匯率變動的影響淨額		**437,226**	212,105
CASH AND CASH EQUIVALENTS AT END OF YEAR	**年末的現金及現金等價物**	*23*	**19,541,868**	21,032,899
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	**現金及現金等價物餘額分析**			
Cash and bank balances	現金及銀行結餘		**26,038,459**	25,634,255
Restricted deposits balances	受限制存款結餘		**(554,588)**	(566,265)
Time deposits with original maturity of over three months	原始到期日超過三個月的定期存款		**(5,942,003)**	(4,035,091)
Cash and cash equivalents as stated in the statement of cash flows	現金流量表所列現金及現金等價物	*23*	**19,541,868**	21,032,899

1. CORPORATE AND GROUP INFORMATION

China Machinery Engineering Corporation (the "Company") is a joint stock company with limited liability established in the People's Republic of China (the "PRC"). The registered office of the Company is located at No. 178 Guang'anmenwai Street, Beijing, PRC.

The Company was established on January 18, 2011 as part of the reorganisation (the "Reorganisation") of China National Machinery & Equipment Import & Export Corporation (the "Predecessor"), a state-owned enterprise. The Company and its subsidiaries (collectively the "Group") are mainly engaged in the international construction business and trading business.

Prior to the Reorganisation and establishment of the Company, the core business of the Group was controlled and operated by the Predecessor. The Predecessor was wholly owned by China National Machinery Industry Corporation ("SINOMACH", 中國機械工業集團有限公司). Pursuant to the Reorganisation, the Predecessor transferred its core business together with related assets and liabilities to the Company. Upon establishment, the Company had a total of 3,300 million issued ordinary shares, with a par value of RMB1.00 each. The Company issued to SINOMACH 3,267 million shares, or 99% of the total issued shares, in exchange for the above transfer of business and assets and liabilities from the Predecessor. The Company also issued 33 million shares, or 1% of the total issued shares, to China United Engineering Corporation ("China United", 中國聯合工程), a wholly-owned subsidiary of SINOMACH for a cash consolidation of RMB46,930,900.

On December 21, 2012, the Company became listed on the Main Board of The Stock Exchange of Hong Kong Limited ("HKSE"). The Company issued 718,000,000 H shares at HK$5.40 per share by initial public offering ("IPO") to investors in Hong Kong and overseas. Pursuant to the IPO, a total of 71,800,000 domestic state-owned shares of RMB1.00 each owned by SINOMACH and China United in aggregate were converted into H shares on a one-for-one basis and transferred to the National Council for Social Security Fund of the PRC ("SSF").

1. 公司及集團資料

中國機械設備工程股份有限公司(「本公司」)為在中華人民共和國(「中國」)註冊成立的股份有限公司。本公司的註冊辦事處位於中國北京市廣安門外大街178號。

作為國有企業中國機械設備進出口總公司(「前身」)重組(「重組」)的一部分,本公司於2011年1月18日成立。本公司及其附屬公司(統稱為「本集團」)主要從事國際工程業務及貿易業務。

在重組及成立本公司以前,本集團的核心業務由前身控制及經營。前身由中國機械工業集團有限公司(「國機」)全資擁有。根據重組,前身將其核心業務連同相關資產及負債轉讓予本公司。成立後,本公司擁有合共3,300百萬股每股面值人民幣1.00元的已發行普通股。本公司向國機發行3,267百萬股股份,或已發行股份總數的99%,以交換前身轉讓的上述業務及資產及負債。本公司亦向國機的全資附屬公司中國聯合工程公司(「中國聯合」)發行33百萬股股份,或已發行股份總數的1%,現金對價為人民幣46,930,900元。

於2012年12月21日,本公司於香港聯合交易所有限公司(「香港聯交所」)主板上市。本公司透過首次公開發售(「首次公開發售」),按每股股份5.40港元的價格向香港及海外投資者發行718,000,000股H股。基於首次公開發售,國機及中國聯合共同擁有的合共71,800,000股每股面值人民幣1.00元的國有內資股已按一換一的基準轉為H股,並轉讓予中國全國社會保障基金理事會(「社保基金理事會」)。

1. CORPORATE AND GROUP INFORMATION (*CONTINUED*)

On January 2, 2013, the over-allotment option granted by the Company was fully exercised, and the Company issued and allotted an aggregate of 107,700,000 H shares at HK$5.40 per share. Accordingly, a total of 10,770,000 domestic state-owned shares of RMB1.00 each owned by SINOMACH and China United were converted into H shares on a one-for-one basis and transferred to the SSF. As at December 31, 2016, a total of 908,270,000 H shares were listed on the HKSE.

In the opinion of the directors of the Company (the "Directors"), the holding company and the ultimate holding company of the Company was SINOMACH, which was established in the People's Republic of China.

Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

1. 公司及集團資料（續）

於2013年1月2日，本公司授出的超額配股權已獲悉數行使。因此，本公司已按每股股份5.40港元發行及配發合共107,700,000股H股。因此，國機及中國聯合擁有的10,770,000股每股面值人民幣1.00元的國有內資股已按一換一的基礎轉為H股，並轉讓予社保基金理事會。於2016年12月31日，合共908,270,000股H股在香港聯交所上市。

根據本公司董事（「董事」）的意見，國機（於中華人民共和國成立）為本公司的控股公司及最終控股公司。

附屬公司資料

本公司附屬公司的詳細資料如下：

	Name 名稱	Place and date of incorporation/ registration 註冊成立／註冊地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股／註冊股本面值	Percentage of equity attributable to the Company 本公司應佔權益百分比 Direct 直接	 Indirect 間接	Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
1	CMEC International Engineering Co., Ltd. 中設國際工程有限責任公司	The PRC September 9, 1997 中國 1997年9月9日	RMB50,000,000 人民幣50,000,000元	100%	–	Construction contracting and trading 施工承包及貿易	Limited liability company 有限責任公司
2	China Everbest Development International Limited 華盛昌發展有限公司	Hong Kong SAR August 12, 1988 香港特別行政區 1988年8月12日	HKD22,136,400 22,136,400港元	100%	–	Trading and security investment 貿易及證券投資	–

1. CORPORATE AND GROUP INFORMATION *(CONTINUED)*

1. 公司及集團資料*（續）*

Information about subsidiaries *(continued)*

附屬公司資料*（續）*

	Name 名稱	Place and date of incorporation/ registration 註冊成立／註冊地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股／註冊股本面值	Percentage of equity attributable to the Company 本公司應佔權益百分比 Direct 直接	 Indirect 間接	Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
3	China Machinery & Equipment (HK) Company Limited 中國機械設備香港有限公司	Hong Kong SAR September 20, 1983 香港特別行政區 1983年9月20日	HKD25,115,970 25,115,970港元	100%	–	Trading 貿易	–
4	CMEC Engineering Machinery Import & Export Co., Ltd. 中設工程機械進出口有限責任公司	The PRC January 9, 1995 中國 1995年1月9日	RMB20,000,000 人民幣20,000,000元	100%	–	Trading 貿易	Limited liability company 有限責任公司
5	CMEC Comtrans International Co., Ltd. 中設國際商務運輸代理有限責任公司	The PRC March 5, 1997 中國 1997年3月5日	RMB20,000,000 人民幣20,000,000元	100%	–	Transportation agency 運輸代理	Limited liability company 有限責任公司
6	Ausino Pty. Ltd. 澳大利亞澳華機械有限公司	Australia September 13, 1984 澳大利亞 1984年9月13日	AUD3,974,486 3,974,486澳元	100%	–	Trading 貿易	–
7	Shanghai International Transportation Co., Ltd. 中設集團上海國際貨代儲運有限公司	The PRC January 30, 1996 中國 1996年1月30日	RMB10,820,000 人民幣10,820,000元	100%	–	Transportation agency 運輸代理	Limited liability company 有限責任公司
8	Shenzhen CMEC Industry Corporation Limited 深圳市中設實業有限公司	The PRC March 18, 1992 中國 1992年3月18日	RMB9,200,000 人民幣9,200,000元	100%	–	Storage and property service 儲存及物業服務	Limited liability company 有限責任公司

1. CORPORATE AND GROUP INFORMATION *(CONTINUED)*

1. 公司及集團資料*（續）*

Information about subsidiaries *(continued)*

附屬公司資料*（續）*

	Name 名稱	Place and date of incorporation/ registration 註冊成立／註冊地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股／註冊股本面值	Percentage of equity attributable to the Company 本公司應佔權益百分比 Direct 直接	 Indirect 間接	Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
9	CMEC International Trading Co., Ltd. 中設國際貿易有限責任公司	The PRC January 16, 1995 中國 1995年1月16日	RMB8,000,000 人民幣8,000,000元	100%	–	Trading 貿易	Limited liability company 有限責任公司
10	CMEC Machinery & Electric Equipment Import & Export Co., Ltd. 中設機電進出口有限公司	The PRC January 16, 1995 中國 1995年1月16日	RMB20,000,000 人民幣20,000,000元	100%	–	Trading 貿易	Limited liability company 有限責任公司
11	CMEC International Exhibition Co., Ltd. 西麥克國際展覽有限責任公司	The PRC January 9, 1995 中國 1995年1月9日	RMB11,000,000 人民幣11,000,000元	100%	–	Exhibition services 展覽服務	Limited liability company 有限責任公司
12	CMEC Beijing Property Development Co., Ltd. 中國機械設備進出口北京物業發展有限責任公司	The PRC January 15, 1985 中國 1985年1月15日	RMB5,000,000 人民幣5,000,000元	100%	–	Property management and rental 物業管理及租賃	Limited liability company 有限責任公司
13	CMEC General Machinery Import & Export Co., Ltd. 中設通用機械進出口有限責任公司	The PRC January 9, 1995 中國 1995年1月9日	RMB6,000,000 人民幣6,000,000元	100%	–	Trading 貿易	Limited liability company 有限責任公司

1. CORPORATE AND GROUP INFORMATION *(CONTINUED)*

1. 公司及集團資料*（續）*

Information about subsidiaries *(continued)*

附屬公司資料*（續）*

	Name 名稱	Place and date of incorporation/ registration 註冊成立／註冊地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股／註冊股本面值	Percentage of equity attributable to the Company 本公司應佔權益百分比 Direct 直接	 Indirect 間接	Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
14	China Machinery and Equipment International Tendering Co., Ltd. 中設國際招標有限責任公司	The PRC April 29, 1996 中國 1996年4月29日	RMB5,000,000 人民幣5,000,000元	100%	–	Tendering for construction contracts 建造合同招標	Limited liability company 有限責任公司
15	China Machinery Industrial Products Co., Ltd. 中設集團裝備製造有限責任公司	The PRC February 6, 2002 中國 2002年2月6日	RMB75,000,000 人民幣75,000,000元	100%	–	Trading 貿易	Limited liability company 有限責任公司
16	CMEC Petrochemical-General Machinery Co., Ltd. 中設石化機械有限公司	The PRC January 16, 1995 中國 1995年1月16日	RMB5,000,000 人民幣5,000,000元	100%	–	Trading 貿易	Limited liability company 有限責任公司
17	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	The PRC October 5, 1993 中國 1993年10月5日	RMB300,000,000 人民幣300,000,000元	100%	–	Engineering design, contracting and supervision 工程設計、承包及監理	Limited liability company 有限責任公司
18	China-East Resources Import & Export Co., Ltd. 中經東源進出口有限責任公司	The PRC July 22, 1993 中國 1993年7月22日	RMB20,000,000 人民幣 20,000,000元	100%	–	Trading and construction contracting 貿易及施工承包	Limited liability company 有限責任公司

1. CORPORATE AND GROUP INFORMATION *(CONTINUED)*

1. 公司及集團資料*(續)*

Information about subsidiaries *(continued)*

附屬公司資料*(續)*

	Name 名稱	Place and date of incorporation/ registration 註冊成立／註冊地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股／註冊股本面值	Percentage of equity attributable to the Company 本公司應佔權益百分比 Direct 直接	 Indirect 間接	Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
19	China National Machinery & Equipment Import & Export (Suzhou) Co., Ltd. 中設(蘇州)機械設備工程有限公司	The PRC February 20, 1987 中國 1987年2月20日	RMB19,562,000 人民幣 19,562,000元	100%	–	Trading 貿易	Limited liability company 有限責任公司
20	Shanghai Zhong Jing Import & Export Corporation 上海中經進出口有限責任公司	The PRC December 21, 1995 中國 1995年12月21日	RMB4,580,000 人民幣 4,580,000元	100%	–	Trading 貿易	Limited liability company 有限責任公司
21	China Machinery Engineering Wuxi Co., Ltd. 中設無錫機械設備工程有限公司	The PRC April 9, 1987 中國 1987年4月9日	RMB38,000,000 人民幣 38,000,000元	100%	–	Trading 貿易	Limited liability company 有限責任公司
22	Sino American Machinery Corporation 美國華美機械有限公司	United States of America ("USA") August 22, 1983 美利堅合眾國(「美國」) 1983年8月22日	USD1,918,476 1,918,476美元	100%	–	Trading 貿易	–
23	Euro M.E.C. Import & Export GmbH 歐麥克進出口有限公司	Germany March 9, 1990 德國 1990年3月9日	DEM100,000 100,000德國馬克	100%	–	Trading 貿易	–

1. CORPORATE AND GROUP INFORMATION *(CONTINUED)*

1. 公司及集團資料*（續）*

Information about subsidiaries *(continued)*

附屬公司資料*（續）*

	Name 名稱	Place and date of incorporation/ registration 註冊成立／註冊地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股／註冊股本面值	Percentage of equity attributable to the Company 本公司應佔權益百分比 Direct 直接	 Indirect 間接	Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
24	CMEC Japan Co., Ltd. CMEC CMEC日本株式會社	Japan April 2, 1986 日本 1986年4月2日	JPY50,000,000 50,000,000日圓	80%	–	Trading 貿易	–
25	China Machinery Engineering Henan Co., Ltd. 中國機械設備工程（河南）有限公司	The PRC April 17, 1997 中國 1997年4月17日	RMB4,180,000 人民幣4,180,000元	67%	–	Trading 貿易	Limited liability company 有限責任公司
26	CMIC Enmei Co., Ltd. CMIC燕明株式會社	Japan May 13, 1994 日本 1994年5月13日	JPY26,000,000 26,000,000日圓	76.92%	–	Trading 貿易	–
27	CMEC (Beijing) International Economic & Legal Advisors Inc. 西邁克（北京）國際經濟法律諮詢有限責任公司	The PRC September 24, 1993 中國 1993年9月24日	RMB500,000 人民幣500,000元	100%	–	Legal consultancy 法律諮詢	Limited liability company 有限責任公司
28	China National Machinery & Equipment Import & Export (Fujian) Co., Ltd. 福建中設機械設備進出口有限公司	The PRC February 21, 2001 中國 2001年2月21日	RMB5,460,000 人民幣5,460,000元	55%	–	Trading 貿易	Limited liability company 有限責任公司

1. CORPORATE AND GROUP INFORMATION *(CONTINUED)*

1. 公司及集團資料*（續）*

Information about subsidiaries *(continued)*

附屬公司資料*（續）*

	Name 名稱	Place and date of incorporation/ registration 註冊成立／註冊地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股／註冊股本面值	Percentage of equity attributable to the Company 本公司應佔權益百分比 Direct 直接	Indirect 間接	Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
29	China National Machinery & Equipment Import & Export (Hubei) Co., Ltd. 中設（湖北）機械設備工程有限公司	The PRC November 30, 2007 中國 2007年11月30日	RMB5,000,000 人民幣5,000,000元	51%	–	Trading 貿易	Limited liability company 有限責任公司
30	CMEC Senegal S.A. 中國機械設備進出口總公司塞內加爾股份有限公司	Senegal April 20, 2009 塞內加爾 2009年4月20日	XOF10,000,000 10,000,000西非法郎	100%	–	Construction contracting 施工承包	–
31	CMEC Engineering, C.A. 西麥克委內瑞拉工程公司	Venezuela March 11, 2011 委內瑞拉 2011年3月11日	VEF200,000 200,000強勢玻利瓦爾	99.90%	0.10%	Construction contracting 施工承包	–
32	CMEC Nigeria Development Limited CMEC尼日利亞發展有限公司	Nigeria March 25, 2011 尼日利亞 2011年3月25日	NGN20,000,000 20,000,000奈拉	100%	–	Construction contracting 施工承包	–
33	China Machinery Engineering Argentina S.A. 中國機械設備工程阿根廷股份有限公司	Argentina July 30, 2012 阿根廷 2012年7月30日	ARS429,000 429,000比索	90%	10%	Construction contracting 施工承包	–

1. CORPORATE AND GROUP INFORMATION *(CONTINUED)*

1. 公司及集團資料*（續）*

Information about subsidiaries *(continued)*

附屬公司資料*（續）*

	Name 名稱	Place and date of incorporation/ registration 註冊成立／註冊地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股／註冊股本面值	Percentage of equity attributable to the Company 本公司應佔權益百分比 Direct 直接	 Indirect 間接	Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
34	China Power Construction Engineering Consulting Central Southern Corporation 中國電力建設工程諮詢中南有限公司	The PRC January 11,1993 中國 1993年1月11日	RMB5,000,000 人民幣 5,000,000元	50%	–	Engineering design 工程設計	Limited liability company 有限責任公司
35	China Machinery Engineering Corporation Namibia (Proprietary) Limited 中國機械設備工程股份有限公司納米比亞有限責任公司	Namibia June 11, 2013 納米比亞 2013年6月11日	NAD20,000 20,000 納米比亞元	100%	–	Construction contracting 施工承包	–
36	China Machinery Engineering Corporation (PNG) Limited 中國機械設備工程（巴新）有限公司	Papua New Guinea January 22, 2014 巴布亞新幾內亞 2014年1月22日	USD50,000 50,000美元	100%	–	Construction contracting 施工承包	–
37	Sinland Development PTE, Ltd. 騰新發展有限公司	Singapore July 22, 2014 新加坡 2014年7月22日	USD1,000,000 1,000,000美元	100%	–	Construction contracting 施工承包	–
38	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	The PRC February 23, 1989 中國 1989年2月23日	RMB105,000,000 人民幣 105,000,000元	100%	–	Construction research and design 施工勘測及設計	Limited liability company 有限責任公司

1. CORPORATE AND GROUP INFORMATION *(CONTINUED)*

1. 公司及集團資料*（續）*

Information about subsidiaries *(continued)*

附屬公司資料*（續）*

	Name 名稱	Place and date of incorporation/ registration 註冊成立／註冊地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股／註冊股本面值	Percentage of equity attributable to the Company 本公司應佔權益百分比 Direct 直接	 Indirect 間接	Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
39	CMEC Lanka (Private) Limited 中設蘭卡有限責任公司	Sri Lanka February 12, 2015 斯里蘭卡 2015年2月12日	USD1,000,000 1,000,000美元	100%	–	Business service 業務服務	–
40	CMEC Middle East FZE 中東區域公司	United Arab Emirates January 20, 2015 阿拉伯聯合猶長國 2015年1月20日	USD1,370,000 1,370,000美元	100%	–	Construction service 施工服務	–
41	China National Complete Engineering Corporation 中國成套工程有限公司	The PRC September 5,1985 中國 1985年9月5日	RMB100,348,774 人民幣 100,348,774元	100%	–	Construction contracting 施工承包	Limited liability company 有限責任公司
42	CMEC Mexico Engineering, S.DE R.L.DE C.V. 西麥克墨西哥工程有限責任公司	Mexico August 3, 2015 墨西哥 2015年8月3日	USD100,000 100,000美元	99%	1%	Construction contracting 施工承包	–
43	CMEC Zambia Development Limited 西麥克贊比亞發展股份有限公司	Zambia September 14, 2015 贊比亞 2015年9月14日	USD10,000 10,000美元	100%	–	Construction contracting 施工承包	–

1. CORPORATE AND GROUP INFORMATION *(CONTINUED)*

1. 公司及集團資料*（續）*

Information about subsidiaries *(continued)*

附屬公司資料*（續）*

	Name 名稱	Place and date of incorporation/ registration 註冊成立／註冊地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股／註冊股本面值	Percentage of equity attributable to the Company 本公司應佔權益百分比 Direct 直接	 Indirect 間接	Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
44	CMEC Africa Development Limited 中設非洲發展有限公司	Kenya December 16, 2015 肯尼亞 2015年12月16日	KES20,480,000 20,480,000先令	100%	–	Construction contracting 施工承包	–
45	China Machinery Engineering Yinchuan Free Trade Zone Co., Ltd. 中國機械設備工程（銀川綜合保稅）有限公司	The PRC June 23, 2016 中國 2016年6月23日	RMB5,000,000 人民幣5,000,000元	100%	–	Construction contracting 施工承包	Limited liability company 有限責任公司
46	Maldives Renewable Energy Company Limited 馬爾代夫新能源有限公司	Hong Kong SAR February 4, 2016 香港特別行政區 2016年2月4日	USD1 1美元	100%	–	Construction contracting 施工承包	–
47	CMEC Engineering XXK 中設蒙古工程有限責任公司	Mongolia November 30, 2016 蒙古 2016年11月30日	USD100,000 100,000美元	100%	–	Construction contracting 施工承包	–

2.1 BASIS OF PREPARATION

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"), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments and available-for-sale investments which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended December 31, 2016. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

2.1 編製基準

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」,包括經國際會計準則委員會(「國際會計準則委員會」)批准的全部準則及詮釋)及香港公司條例的披露要求編製。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可供出售投資除外。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。

綜合基準

合併財務報表包括本公司及其附屬公司(統稱「本集團」)截至2016年12月31日止年度的財務報表。附屬公司為本公司直接或間接控制的實體(包括結構性實體)。當本集團對涉及投資對象的浮動回報承擔風險或享有權利,以及能透過對投資對象的權力(即賦予本集團現有能力以主導投資對象相關活動的既存權利)影響該等回報時,即取得控制權。

倘本公司直接或間接擁有少於投資對象大多數投票或類似權利,則本集團於評估其是否對投資對象擁有權力時會考慮一切相關事實及情況,包括:

(a) 與投資對象其他投票持有人的合約安排;

(b) 其他合約安排所產生的權利;及

(c) 本集團的投票權及潛在投票權。

2.1 BASIS OF PREPARATION *(CONTINUED)*

Basis of consolidation *(continued)*

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.1 編製基準*（續）*

綜合基準*（續）*

附屬公司的財務報表乃按與本公司相同的報告期及一致的會計政策編製。附屬公司的業績自本集團取得控制權當日起綜合入賬，並繼續綜合直至失去有關控制權當日為止。

損益及其他綜合收益各組成部分均歸屬於本集團母公司的擁有人及非控股權益，即使此舉引致非控股權益出現負數結餘。與本集團成員公司之間的交易有關的所有集團內部資產及負債、權益、收入、開支及現金流量於綜合入賬時悉數對銷。

倘有任何事實及情況表明上述三項控制權條件的其中一項或多項有變，本集團會重新評估是否控制被投資方。附屬公司的所有權權益在沒有失去控制權的情況下發生變動，則按權益交易入賬。

倘本集團失去對一家附屬公司的控制權，則其撤銷確認(i)該附屬公司的資產（包括商譽）及負債；(ii)任何非控股權益的賬面值及(iii)於權益內記錄的累計換算差額；並確認(i)所收代價的公允價值；(ii)所保留任何投資的公允價值及(iii)損益中任何因此產生的盈餘或虧損。依據本集團直接處置相關資產或負債的相同基準，先前於其他綜合收益內確認的本集團應佔部分重新分類至損益或保留溢利（倘適當）。

2.1 BASIS OF PREPARATION *(CONTINUED)*

Basis of consolidation *(continued)*

Business combinations under common control

As set out in note 31, on May 31, 2016, the Group acquired the 100% equity interest in China National Complete Engineering Corporation. The Company and China National Complete Engineering Corporation were under the common control of SINOMACH both before and after the acquisition and such control was not transitory. On September 30, 2015, the Group acquired the 100% equity interest in China JiKan Research Institute of Engineering Investigations and Design, Co.,Ltd. The Company and China JiKan Research Institute of Engineering Investigations and Design, Co.,Ltd. were under the common control of SINOMACH both before and after the acquisition and such control was not transitory. Thus, the acquisitions were considered to be business combinations under common control. Accordingly, the consolidated statement of profit or loss and the consolidated statement of comprehensive income include the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under common control, where this is a shorter period, regardless of the date of the common control combination. The net assets of the combining entities or businesses are combined using the existing book values from the controlling parties' perspective. No amount is recognised in consideration for goodwill or excess of the acquirers' interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of the common control combination, to the extent of the continuation of the controlling party's interest.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting are recognised as expenses in the period in which they are incurred.

2.1 編製基準*（續）*

綜合基準*（續）*

同一控制下的業務合併

如附註31所載，本集團於2016年5月31日收購中國成套工程有限公司的100%股權。收購前後，本公司與中國成套工程有限公司均受國機的同一控制，且控制權不是暫時的。本集團於2015年9月30日收購機械工業勘察設計研究院有限公司的100%股權。收購前後，本公司與機械工業勘察設計研究院有限公司均受國機的同一控制，且控制權不是暫時的。因此，收購視為同一控制下的業務合併。因此，合併損益表及合併綜合收益表包括財務報表最早列報日或者合併實體或業務開始受同一控制之日起計的期間（以較短期間為準）各合併實體或業務的業績，而不論同一控制合併的日期。被合併實體或業務的淨資產以控制方而言所存在的賬面值合併。在控制方之權益持續之情況下，於同一控制合併中並無就商譽或收購方應佔被收購方可識別資產、負債及或有負債的公允淨值超過於收購成本的金額予以確認。

交易成本，包括專家服務費、註冊費、向股東提供資料產生的費用、合併先前單個業務產生的成本或損失，以及其他與採用合併會計法計算的同一控制下合併有關的成本，於產生期間確認為支出。

2.2 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 10, IFRS 12 and IAS 28	*Investment Entities: Applying the Consolidation Exception*
Amendments to IFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*
IFRS 14	*Regulatory Deferral Accounts*
Amendments to IAS 1	*Disclosure Initiative*
Amendments to IAS 16 and IAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*
Amendments to IAS 16 and IAS 41	*Agriculture: Bearer Plants*
Amendments to IAS 27	*Equity Method in Separate Financial Statements*
Annual Improvements 2012-2014 Cycle	Amendments to a number of IFRSs

2.2 會計政策變更及披露

本集團於本年度的財務報表內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10號、國際財務報告準則第12號及國際會計準則第28號的修訂本	*投資實體：應用綜合例外情況*
國際財務報告準則第11號的修訂本	*收購共同經營權益的會計法*
國際財務報告準則第14號	*監管遞延賬目*
國際會計準則第1號的修訂本	*披露動議*
國際會計準則第16號及國際會計準則第38號的修訂本	*澄清可接納的折舊及攤銷法*
國際會計準則第16號及國際會計準則第41號的修訂本	*農業：生產性植物*
國際會計準則第27號的修訂本	*獨立財務報表中的權益法*
2012年至2014年週期的年度改進	多項國際財務報告準則的修訂本

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(CONTINUED)*

Except for the amendments to IFRS 10, IFRS 12 and IAS 28, amendments to IFRS 11, IFRS 14, amendments to IAS 16 and IAS 41, amendments to IAS 27, and certain amendments included in the *Annual Improvements 2012-2014 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the amendments are described below:

(a) Amendments to IAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:

(i) the materiality requirements in IAS 1;

(ii) that specific line items in profit or loss and the statement of financial position may be disaggregated;

(iii) that entities have flexibility as to the order in which they present the notes to financial statements; and

(iv) that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and profit or loss. The amendments have had no significant impact on the Group's financial statements.

2.2 會計政策變更及披露*(續)*

除國際財務報告準則第10號、國際財務報告準則第12號及國際會計準則第28號的修訂本、國際財務報告準則第11號的修訂本、國際財務報告準則第14號、國際會計準則第16號及國際會計準則第41號的修訂本、國際會計準則第27號的修訂本以及*2012年至2014年週期的年度改進*所包含與編製本集團的財務報表無關的若干修訂本外，各修訂本的性質及影響如下：

(a) 國際會計準則第1號的修訂本載有針對財務報表的呈列方式及披露範圍的改進。該等修訂本釐清：

(i) 國際會計準則第1號內重要性的規定；

(ii) 損益表及財務狀況表內特定項目可以細分；

(iii) 實體可靈活處理呈列財務報表附註的先後次序；及

(iv) 使用權益法入賬的應佔聯營公司及合營企業的其他綜合收益必須作為單獨項目匯總呈列，並且分類為將會或不會於往後重新分類至損益的項目。

此外，該等修訂釐清於財務狀況表及損益表內呈列額外小計時適用的規定。該等修訂本對本集團的財務報表並無重大影響。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(CONTINUED)*

(b) Amendments to IAS 16 and IAS 38 clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are applied prospectively. The amendments have had no impact on the financial position or performance of the Group as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

(c) *Annual Improvements to IFRSs 2012-2014 Cycle* issued in September 2014 sets out amendments to a number of IFRSs. Details of the amendments are as follows:

IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations:* Clarifies that changes to a plan of sale or a plan of distribution to owners should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. Accordingly, there is no change in the application of the requirements in IFRS 5. The amendments also clarify that changing the disposal method does not change the date of classification of the non-current assets or disposal group held for sale. The amendments are applied prospectively. The amendments have had no impact on the Group as the Group did not have any change in the plan of sale or disposal method in respect of the disposal group held for sale during the year.

2.2 會計政策變更及披露*（續）*

(b) 國際會計準則第16號及國際會計準則第38號的修訂本釐清國際會計準則第16號及國際會計準則第38號的原則，即收益反映經營業務（其中資產是一部分）所產生的經濟利益模式，而不是透過使用資產所耗費的經濟利益模式。因此，收益法不能用於折舊物業、廠房及設備，而僅可在非常有限的情況下用以攤銷無形資產。該等修訂本對未來適用。由於本集團並無使用收益法計算其非流動資產的折舊，故該等修訂本對本集團的財務狀況或表現並無任何影響。

(c) 於2014年9月頒佈的*國際財務報告準則2012年至2014年週期的年度改進*載列多項國際財務報告準則修訂。該等修訂本的詳情如下：

國際財務報告準則第5號*持作出售的非流動資產及已終止經營業務*：釐清出售計劃或向擁有人進行分派的計劃有所轉變不應被視為新出售計劃，而是對於原有計劃的延續。因此，應用國際財務報告準則第5號的規定並無改變。該等修訂本亦釐清，更改出售方法不會改變持作出售的非流動資產或出售組別的分類日期。該等修訂本對未來適用。由於本集團於本年度並無改變涉及持作出售的出售組別的出售計劃或出售方法，故該等修訂本對本集團並無影響。

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to IFRS 2	*Classification and Measurement of Share-based Payment Transactions*[2]
Amendments to IFRS 4	*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*[2]
IFRS 9	*Financial Instruments*[2]
Amendments to IFRS 10 and IAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
IFRS 15	*Revenue from Contracts with Customers*[2]
Amendments to IFRS 15	*Clarifications to IFRS 15 Revenue from Contracts with Customers*[2]
IFRS 16	*Leases*[3]
Amendments to IAS 7	*Disclosure Initiative*[1]
Amendments to IAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*[1]
Amendments to IAS 40	*Transfers of Investment Property*[2]
IFRIC 22	*Foreign Currency Transactions and Advance Consideration*[2]
Amendments to IFRS 12 Included in Annual Improvements 2014-2016 Cycle	*Disclosure of Interests in Other Entities*[1]
Amendments to IFRS 1 Included in Annual Improvements 2014-2016 Cycle	*First –Time Adoption of International Financial Reporting Standards*[2]
Amendments to IAS 28 Included in Annual Improvements 2014-2016 Cycle	*Investments in Associates and Joint Ventures*[2]

1 Effective for annual periods beginning on or after 1 January 2017

2 Effective for annual periods beginning on or after 1 January 2018

3 Effective for annual periods beginning on or after 1 January 2019

4 No mandatory effective date yet determined but is available for adoption

2.3 已頒佈但尚未生效的國際財務報告準則

本集團並未於該等財務報表內應用以下已頒佈但未生效的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*[2]
國際財務報告準則第4號的修訂本	*在國際財務報告準則第4號保險合約下應用國際財務報告準則第9號金融工具*[2]
國際財務報告準則第9號	*金融工具*[2]
國際財務報告準則第10號及國際會計準則第28號(2011年)的修訂本	*投資者與其聯營公司或合營公司之間的資產出售或投入*[4]
國際財務報告準則第15號	*客戶合約收入*[2]
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號客戶合約收入*[2]
國際財務報告準則第16號	*租賃*[3]
國際會計準則第7號的修訂本	*披露動議*[1]
國際會計準則第12號的修訂本	*就未變現虧損確認遞延稅項資產*[1]
國際會計準則第40號的修訂本	*投資物業轉讓*[2]
國際財務報告詮釋委員會–詮釋第22號	*外幣交易及預付對價*[2]
國際財務報告準則第12號的修訂本(納入年度改進(2014-2016)週期)	*在其他實體中權益的披露*[1]
國際財務報告準則第1號的修訂本(納入年度改進(2014-2016)週期)	*首次採納國際財務報告準則*[2]
國際會計準則第28號的修訂本(納入年度改進(2014-2016)週期)	*對聯營公司及合營公司的投資*[2]

1 於2017年1月1日或之後開始的年度期間生效

2 於2018年1月1日或之後開始的年度期間生效

3 於2019年1月1日或之後開始的年度期間生效

4 尚未釐定強制生效日期，但可供採納

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS *(CONTINUED)*

Further information about those IFRSs that are expected to be applicable to the Group is as follows:

The IASB issued amendments to IFRS 2 in June 2016 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding a certain amount in order to meet the employee's tax obligation associated with the share-based payment; and the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. The amendments introduce an exception so that a share-based payment transaction with net share settlement features for withholding a certain amount in order to meet the employee's tax obligation is classified in its entirety as an equity-settled share-based payment transaction when certain conditions are met. Furthermore, the amendments clarify that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. The Group expects to adopt the amendments from 1 January 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效的國際財務報告準則*(續)*

預期將適用於本集團的該等國際財務報告準則的進一步資料如下：

國際會計師公會於2016年6月頒佈的國際財務報告準則第2號(修訂本)闡述三大範疇：歸屬條件對計量以現金結算以股份為基礎付款交易的影響；為僱員履行與以股份為基礎付款的稅務責任而預扣若干金額的以股份為基礎付款交易(附有淨額結算特質)的分類；以及對以股份為基礎付款交易的條款及條件作出令其分類由現金結算變為權益結算的修訂時的會計處理方法。該等修訂明確說明計量以權益結算以股份為基礎付款時歸屬條件的入賬方法亦適用於以現金結算以股份為基礎付款。該等修訂引入一個例外情況，在符合若干條件時，為履行僱員稅務責任而預扣若干金額的以股份為基礎付款交易(附有淨額結算特質)，將整項分類為以股本結算以股份為基礎付款交易。此外，該等修訂明確說明，倘以現金結算以股份為基礎付款交易的條款及條件有所修訂，令其成為以權益結算以股份為基礎付款交易，該交易自修訂日期起作為以權益結算的交易入賬。本集團預期自2018年1月1日起採納該等修訂。該等修訂預期不會對本集團財務報表產生任何重大影響。

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (*CONTINUED*)

In July 2014, the IASB issued the final version of IFRS 9, bringing together all phases of the financial instruments project to replace IAS 39 and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt IFRS 9 from 1 January 2018. During 2016, the Group performed a high-level assessment of the impact of the adoption of IFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Group in the future. The expected impacts arising from the adoption of IFRS 9 are summarised as follows:

(a) Classification and measurement

The Group does not expect that the adoption of IFRS 9 will have a significant impact on the classification and measurement of its financial assets. It expects to continue measuring at fair value all financial assets currently held at fair value. Equity investments currently held as available for sale will be measured at fair value through other comprehensive income as the investments are intended to be held for the foreseeable future and the Group expects to apply the option to present fair value changes in other comprehensive income. Gains and losses recorded in other comprehensive income for the equity investments cannot be recycled to profit or loss when the investments are derecognised.

2.3 已頒佈但尚未生效的國際財務報告準則(*續*)

於2014年7月，國際會計準則理事會頒佈國際財務報告準則第9號的最終版本，將金融工具項目的所有階段集於一起以代替國際會計準則第39號及國際財務報告準則第9號的全部先前版本。該準則引入分類及計量、減值及對沖會計處理的新規定。本集團預期自2018年1月1日起採納國際財務報告準則第9號。2016年，本集團已就採納國際財務報告準則第9號的影響進行高層次評估。該初步評估乃以目前可獲得資料為基礎，或會因進一步詳細分析或未來本集團獲得更多合理及有支持性的資料而有所變動。應用國際財務報告準則第9號的預期影響概述如下：

(a) 分類及計量

本集團預期採納國際財務報告準則第9號將不會對其金融資產的分類及計量造成重大影響。預期將繼續以公允價值計量現時以公允價值持有的所有金融資產。由於該等投資擬於可見未來持有，而本集團預期於其他全面收益採納以呈列公允價值變動，故現時持有可供銷售的股本投資將按公允價值計入其他全面收益。倘投資獲終止確認，為股本投資於其他全面收益記錄的收益及虧損不得重新計入損益。

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (*CONTINUED*)

(b) Impairment

IFRS 9 requires an impairment on debt instruments recorded at amortised cost or at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts that are not accounted for at fair value through profit or loss under IFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses that are estimated based on the present value of all cash shortfalls over the remaining life of all of its trade and other receivables. The Group will perform a more detailed analysis which considers all reasonable and supportable information, including forward-looking elements, for estimation of expected credit losses on its trade and other receivables upon the adoption of IFRS 9.

Amendments to IFRS 10 and IAS 28 (2011) address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed in December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for application now.

2.3 已頒佈但尚未生效的國際財務報告準則*(續)*

(b) 減值

國際財務報告準則第9號規定並無根據國際財務報告準則第9號按公允價值計入損益的項目以攤銷成本或按公允價值計入其他全面收益的債務工具、應收租賃款項、貸款承諾及財務擔保合約須作減值，並將根據預期信貸虧損模式或按十二個月基準或可使用基準入賬。本集團預期採納簡化方式，並將根據於所有其貿易及其他應收款項餘下年期內的所有現金差額現值估計之可使用預期虧損入賬。本集團將進行更詳細分析，其將考慮所有合理及輔助資料(包括前瞻因素)，以估計於採納國際財務報告準則第9號後其貿易及其他應收款項的預期信貸虧損。

國際財務報告準則第10號及國際會計準則第28號(2011年)(修訂本)處理國際財務報告準則第10號及國際會計準則第28號之間有關投資者與其聯營公司或合營公司之間的資產出售或注資兩者規定的不一致之處。該等修訂規定，當投資者與其聯營公司或合營公司之間的資產出售或注資構成一項業務時，須全數確認收益或虧損。當交易並無構成一項業務時，由該交易產生的收益或虧損於該投資者的損益內確認，惟僅以不相關投資者於該聯營公司或合營公司的權益為限。該等修訂將來應用。國際財務報告準則第10號與國際會計準則第28號(修訂本)的過往強制性生效日期已於2015年12月刪除，將在完成對聯營公司及合營公司會計賬目的更廣泛審查後釐定新的強制性生效日期。然而，目前已可應用修訂本。

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (*CONTINUED*)

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. In April 2016, the IASB issued amendments to IFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licences of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt IFRS 15 and decrease the cost and complexity of applying the standard. The Group expects to adopt IFRS 15 on 1 January 2018 and is currently assessing the impact of IFRS 15 upon adoption.

2.3 已頒佈但尚未生效的國際財務報告準則*(續)*

國際財務報告準則第15號建立一個新的五步模式，將應用於自客戶合約產生的收益。根據國際財務報告準則第15號，收益按能反映實體預期向客戶轉讓貨物或服務而換取的代價金額確認。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有結構的方法。該準則亦引入廣泛的定性及定量披露規定，包括分拆收益總額、關於履約責任、不同期間之間合約資產及負債賬目結餘的變動以及主要判斷及估計的資料。該準則將取代國際財務報告準則項下所有現時收益確認的規定。於2016年4月，國際會計準則理事會頒佈國際財務報告準則第15號的修訂，解釋採納該準則的不同實施問題，包括識別履約責任，主事人與代理人及知識產權許可有關的應用指引，以及準則採納的過渡。該等修訂亦擬協助確保實體於採納香港財務報告準則第15號時能更加一致地應用及降低應用有關準則的成本及複雜性。本集團預期於2018年1月1日採納香港財務報告準則第15號，目前正評估採納香港財務報告準則第15號的影響。

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (*CONTINUED*)

IFRS 16 replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in IAS 40. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from the accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between operating leases and finance leases. The Group expects to adopt IFRS 16 on 1 January 2019 and is currently assessing the impact of IFRS 16 upon adoption.

2.3 已頒佈但尚未生效的國際財務報告準則*(續)*

國際財務報告準則第16號取代國際會計準則第17號*租賃*、國際財務報告詮釋委員會－詮釋第4號*釐定安排是否包括租賃*、準則詮釋委員會－詮釋第15號*經營租賃－優惠*及準則詮釋委員會－詮釋第27號*評估涉及租賃法律形式交易的內容*。該準則載列確認、計量、呈列及披露租賃的原則，並要求承租人就大多數租賃確認資產及負債。該準則包括給予承租人兩項租賃確認豁免－低價值資產租賃及短期租賃。於租賃開始日期，承租人將確認於租賃期作出租賃付款為負債(即租賃負債)及代表可使用相關資產的權利為資產(即有使用權資產)。除非有使用權資產符合國際會計準則第40號投資物業的定義，有使用權資產其後按成本減累計折舊及任何減值虧損計量。租賃負債其後會就反映租賃負債利息而增加及因租賃付款而減少。承租人將須分別確認租賃負債的利息開支及有使用權資產的折舊開支。承租人將亦須於若干事件發生時重新計量租賃負債，例如由於用於釐定該等付款的一項指數或比率變更而引致租賃期變更及未來租賃付款變更。承租人一般將重新計量租賃負債的數額確認為有使用權資產的調整。國際財務報告準則第16號大致沿用國際會計準則第17號內出租人的會計處理方式。出租人將繼續使用與國際會計準則第17號相同的分類原則對所有租賃進行分類，並將之分為經營租賃及融資租賃。本集團預期於2019年1月1日採納國際財務報告準則第16號，目前正評估採納國際財務報告準則第16號的影響。

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (*CONTINUED*)

Amendments to IAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments will result in additional disclosure to be provided in the financial statements. The Group expects to adopt the amendments from 1 January 2017.

Amendments to IAS 12 were issued with the purpose of addressing the recognition of deferred tax assets for unrealised losses related to debt instruments measured at fair value, although they also have a broader application for other situations. The amendments clarify that an entity, when assessing whether taxable profits will be available against which it can utilise a deductible temporary difference, needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. The Group expects to adopt the amendments from 1 January 2017.

2.3 已頒佈但尚未生效的國際財務報告準則*(續)*

國際會計準則第7號(修訂)要求實體作出披露，以使財務報表使用者可評估融資活動所產生的負債變動，包括現金流量及非現金流量變動產生的變動。該等修訂將導致須於財務報表作出額外披露。本集團預期自2017年1月1日起採納該等修訂。

雖然國際會計準則第12號(修訂)可更廣泛應用於其他情況，但其頒佈目的為說明就與以公允價值計量的債務工具相關的未變現虧損確認遞延稅項資產。該等修訂清楚說明實體於評估是否有應課稅溢利可用作抵扣可扣減暫時差異時，需要考慮稅務法例是否對於可扣減暫時差異轉回時可用作抵扣的應課稅溢利的來源有所限制。此外，該等修訂就實體應如何釐定未來應課稅溢利提供指引，並解釋應課稅溢利可包括收回超過賬面值的部分資產的情況。本集團預期自2017年1月1日起採納該等修訂。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

2.4 主要會計政策概要

於聯營公司及合營公司的投資

聯營公司為本集團擁有一般不少於20%股份投票權的長期權益且本集團可對其行使重大影響力的實體。重大影響力指有權參與投資對象的財務及營運政策決定，但並非控制或共同控制該等政策。

合營公司指一種合營安排，對安排擁有共同控制權的訂約方據此對合營公司的淨資產擁有權利。共同控制指按照合約協定對一項安排所共有的控制，共同控制僅在有關活動要求享有控制權的訂約方作出一致同意的決定時存在。

本集團於聯營公司及合營公司的投資乃採用權益會計法，按本集團應佔的淨資產減任何減值虧損在合併財務狀況表列賬。

倘若會計政策存在任何不一致，將會作出相應調整。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Investments in associates and joint ventures *(continued)*

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

2.4 主要會計政策概要*（續）*

於聯營公司及合營公司的投資*（續）*

本集團所佔聯營公司及合營公司的收購後業績及其他綜合收益分別計入合併損益表及合併其他綜合收益表。此外，倘於聯營公司或合營公司的權益直接確認出現變動，則本集團會於合併權益變動表確認其應佔任何變動（倘適用）。因本集團與其聯營公司或合營公司之間的交易而產生的未變現收益及虧損將以本集團於聯營公司或合營公司的投資為限予以對銷，惟倘未變現虧損為所轉讓資產減值的憑證則除外。收購聯營公司或合營公司所產生的商譽計入本集團於聯營公司或合營公司投資的一部分。

倘於聯營公司的投資變為對合營公司的投資（反之亦然），則不會重新計量保留權益，該投資將繼續根據權益法入賬。在所有其他情況下，倘失去對聯營公司的重大影響力或對合營公司的共同控制權，本集團會按其公允價值計量及確認任何剩餘投資。聯營公司或合營公司於失去重大影響力或共同控制權時的賬面值與剩餘投資及出售所得款項的公允價值之間的任何差額於損益內確認。

當於聯營公司或合營公司的投資分類為持作出售時，該投資根據國際財務報告準則第5號*持作出售非流動資產及已終止經營業務*入賬。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Business combinations and goodwill

Business combinations other than business combination under common control are accounted for using the acquisition method. Under the acquisition method, the consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 is measured at fair value with changes in fair value either recognised in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

2.4 主要會計政策概要*（續）*

業務合併及商譽

除同一控制下的業務合併外，業務合併乃採用收購法列賬。收購法下，轉讓對價乃以收購日期的公允價值計量，該公允價值為本集團轉讓的資產於收購日期的公允價值、本集團向被收購方前擁有人承擔的負債及本集團為換取被收購方控制權而發行的股本權益的總和。

當本集團收購一項業務時，會根據合同條款、於收購日期的經濟環境及相關條件，評估須承擔的金融資產及負債，以作出適合的分類及標示，其中包括分離被收購方主合同中的嵌入式衍生工具。

如業務合併分階段進行，先前持有的股本權益按其於收購日期的公允價值重新計量，所產生的任何損益在損益中確認。

收購方將轉讓的任何或有對價按收購日期的公允價值確認。屬金融工具並分類為資產或負債且屬於國際會計準則第39號範圍內的或有對價按公允價值計量，其公允價值變動於損益內或作為其他全面收益的變動確認。分類為權益的或有對價不重新計量，其後續結算在權益中入賬。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Business combinations and goodwill *(continued)*

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at December 31. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

2.4 主要會計政策概要*(續)*

業務合併及商譽*(續)*

商譽初步按成本計量，即已轉讓對價、非控股權益的確認金額及本集團先前持有的被收購方股本權益的任何公允價值總額，與所收購可識別淨資產及所承擔負債之間的差額。如對價與其他項目的總額低於所收購淨資產的公允價值，該差額於重新評估後將於損益內確認為議價購買收益。

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽須每年作減值測試，若有事件發生或情況改變顯示賬面值有可能減值時，則會更頻密地進行測試。本集團於12月31日進行商譽的年度減值測試。為進行減值測試，因業務合併而購入的商譽自收購日期起被分配至預期可從合併產生的協同效益中獲益的本集團各現金產生單位或現金產生單位組別，而無論本集團其他資產或負債是否已分配至該等單位或單位組別。

減值乃通過評估與商譽有關的現金產生單位（或現金產生單位組別）的可收回金額釐定。當現金產生單位（或現金產生單位組別）的可收回金額低於賬面金額時，減值虧損便予以確認。已就商譽確認的減值虧損不得於隨後期間撥回。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Business combinations and goodwill *(continued)*

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its investment properties, derivative financial instruments and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

2.4 主要會計政策概要*（續）*

業務合併及商譽*（續）*

如商譽分配至現金產生單位（或現金產生單位組別）而該單位的部分業務已出售，則在釐定出售損益時，與所出售業務相關的商譽會計入該業務的賬面金額。在該等情況下出售的商譽乃根據所出售業務及現金產生單位的保留份額的相對價值進行計量。

公允價值計量

於各報告期末，本集團按公允價值計量其投資物業、衍生金融工具及股權投資。公允價值為市場參與者之間於計量日期進行的有序交易中，出售資產所收取或轉讓負債所支付之價格。公允價值計量假設出售資產或轉讓負債的交易於該資產或負債的主要市場，或在無主要市場的情況下，則於對該資產或負債最有利的市場進行。主要或最有利市場須為本集團能參與的市場。假設市場參與者基於最佳經濟利益行事，資產或負債的公允價值使用市場參與者為資產或負債定價所用假設計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Fair value measurement *(continued)*

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 主要會計政策概要*(續)*

公允價值計量*(續)*

非金融資產之公允價值計量會計及市場參與者將資產用於最高價值及最佳用途或售予會將資產用於最高價值及最佳用途之另一名市場參與者而產生經濟利益的能力。

本集團針對不同情況使用不同估值方法，確保有足夠數據計量公允價值，並盡量利用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

公允價值於財務報表計量或披露之所有資產及負債，均基於對公允價值計量整體而言屬重要之最低層輸入數據按下述公允價值層級分類：

第一層－按同等資產或負債於活躍市場之報價（未經調整）計算

第二層－按估值方法計算（計量公允價值的重要最低層輸入數據可直接或間接觀察）

第三層－按估值方法計算（計量公允價值的重要最低層輸入數據不可觀察）

對於按經常性基準於財務報表確認之資產及負債，本集團於各報告期末重新評估分類（基於對公允價值計量整體而言屬重大之最低層輸入數據），以確定有否在不同層級之間轉移。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, construction contract assets, financial assets and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

2.4 主要會計政策概要*(續)*

非金融資產減值

當資產(存貨、建造合同資產、金融資產及投資物業除外)存在減值跡象或須對資產進行年度減值測試時,會估計資產的可收回金額。資產的可收回金額是指資產或現金產生單位的使用價值與其公允價值減出售成本兩者之中的較高者,並以個別資產釐定,除非該資產並不產生很大程度上獨立於其他資產或資產組別的現金流入,在此情況下可收回金額按資產所屬現金產生單位釐定。

僅當資產的賬面值超過其可收回金額時方可確認減值虧損。評估使用價值時,估計未來現金流量乃以反映當前市場評定的貨幣時間價值以及資產特有風險的稅前折現率折現至其現值。減值虧損乃於其在與該已減值資產的功能一致的該等開支類別中產生期間自損益表中扣除。

在每個報告期末均會評估是否有跡象表明之前確認的減值虧損可能不復存在或有所減少。若存在該跡象,則會估計可收回金額。僅當用於釐定資產的可收回金額的估計有所改變時,先前就該資產確認的減值虧損(商譽除外)才可轉回,但轉回後的數額不能高於假設以往年度沒有就該資產確認減值虧損而原應釐定的賬面值(扣除任何折舊/攤銷)。該減值虧損的轉回於產生期間計入損益表,除非資產以重估金額入賬,於此情況下,則減值虧損撥回將根據該重估資產的相關會計政策入賬。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

2.4 主要會計政策概要*(續)*

關聯方

倘一方符合以下條件，則視為與本集團有關聯：

(a) 倘該方屬以下人士或該人士的家庭近親成員，且該人士：

(i) 控制或共同控制本集團；

(ii) 對本集團有重大影響力；或

(iii) 為本集團或本集團母公司的主要管理層成員；

或

(b) 倘該方為符合下列任何條件的實體：

(i) 該實體與本集團屬同一集團的成員公司；

(ii) 實體為另一實體的聯營公司或合營公司(或為另一實體的母公司、附屬公司或同系附屬公司)；

(iii) 該實體與本集團均為同一第三方的合營公司；

(iv) 實體為第三方實體的合營公司，而另一實體為該第三方實體的聯營公司；

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Related parties *(continued)*

(b) (continued)

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

2.4 主要會計政策概要*（續）*

關聯方*（續）*

(b)（續）

(v) 實體為本集團或與本集團有關聯的實體就僱員利益設立的離職福利計劃；及該退休福利計劃之資助僱主；

(vi) 實體受(a)所識別人士控制或共同控制；

(vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體（或該實體的母公司）主要管理層成員；及

(viii) 該實體或一個集團任何成員公司（該實體屬一部分），向本集團或本集團母公司提供主要管理人員服務。

物業、廠房及設備以及折舊

除在建工程外，物業、廠房及設備按成本減累計折舊及任何累計減值虧損列賬。當一項物業、廠房及設備分類為持作出售或當其組成為持作出售的處置組合的一部分時，其毋須折舊並根據國際財務報告準則第5號入賬。物業、廠房及設備項目成本包括其購入價及使資產達致其擬定用途的運作狀況及地點的任何直接應佔成本。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Property, plant and equipment and depreciation *(continued)*

Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

2.4 主要會計政策概要 *(續)*

物業、廠房及設備以及折舊 *(續)*

成本亦可包括由權益轉撥外幣購買物業、廠房及設備合資格作現金流量對沖的任何損益。

物業、廠房及設備項目投產後產生的維修及保養等開支，一般於產生期間計入損益表。於符合確認標準的情況下，大型檢測開支計入資產賬面值，作為重置成本。倘物業、廠房及設備之重要部分須定期更換，則本集團確認該等部分為具特定使用年期之個別資產並相應計提折舊。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Property, plant and equipment and depreciation *(continued)*

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2.72% to 3.8%
Office and other equipment	9.5% to 19.0%
Motor vehicles	11.88%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.4 主要會計政策概要*（續）*

物業、廠房及設備以及折舊*（續）*

折舊乃以直線法在估計使用年期內將各物業、廠房及設備項目的成本撇銷至其剩餘價值。就此而言使用的主要年率如下：

樓宇	2.72%至3.8%
辦公室及其他設備	9.5%至19.0%
汽車	11.88%

倘物業、廠房及設備項目的各部分有不同的可使用年期，該項目的成本將在各部分之間作合理分配，而每部分將個別計提折舊。剩餘價值、使用年期及折舊方法至少於各財政年度結算日檢討，並於適當時調整。

初始確認的物業、廠房及設備項目（包括任何重要部分）於出售或預期使用不會再產生未來經濟利益時終止確認。於資產終止確認年度在損益表確認的任何出售或報廢收益或虧損，乃有關資產出售所得款項淨額與賬面值之差額。

在建工程指正在建設的樓宇，按成本減任何減值虧損入賬且不計提折舊。成本包括建設期間建設的直接成本及相關借入資金的資本化借貸成本。在建工程於落成可用時按適當類別重新分類至物業、廠房及設備。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured at cost including transaction costs both at initial recognition and subsequent to initial recognition.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties or inventories, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with the policy stated under "Property, plant and equipment and depreciation" above. For a transfer from inventories to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of profit or loss.

2.4 主要會計政策概要*(續)*

投資物業

投資物業乃於土地及樓宇持有之收益，用以賺取租金收入及／或資本升值，而非用於產品或服務之生產或供應或行政用途；或於日常業務營運中銷售。該等物業乃按成本計量，包括初始確認及初始確認後的交易成本。

報廢或出售投資物業所產生的任何收益或虧損於報廢或出售年度在損益表內確認。

由投資物業轉為自用物業或存貨時，該物業其後會計入賬的認定成本為改變用途當日的公允價值。如本集團的自用物業轉為投資物業，本集團直至改變用途當日前會根據「物業、廠房及設備以及折舊」所述的政策把該物業入賬，而物業於當日的賬面值與公允價值的任何差額則根據上述「物業、廠房及設備以及折舊」所述的政策列作重估。由存貨轉為投資物業時，該物業於當日的賬面值與先前的公允價值的任何差額於損益表中確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over the estimated useful life of 2 to 5 years.

2.4 主要會計政策概要*（續）*

無形資產（商譽除外）

單獨取得的無形資產於初始確認時按成本計量。通過業務合併取得的無形資產的成本為收購日期的公允價值。無形資產的可使用年期評定為有限期或無限期。有限期的無形資產隨後按可使用經濟年期攤銷，於有跡象顯示無形資產可能出現減值時評估減值。有限可使用年期的無形資產的攤銷期及攤銷方法至少於各財政年度結算日檢討一次。

無固定年期的無形資產將每年個別地或者於現金產生單位層面進行減值測試。該等無形資產不進行攤銷。無固定年期的無形資產須每年評估其可使用年期，以確定無固定年期的評估是否依然可行。否則，可使用年期的評估從無固定年期變更為有固定年期，將採用未來適用法進行會計處理。

軟件

已購買的軟件乃按成本減任何減值虧損列賬，按其估計可用年期（兩至五年）以直線法攤銷。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Intangible assets (other than goodwill) *(continued)*

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

2.4 主要會計政策概要*(續)*

無形資產(商譽除外)*(續)*

研究及開發費用

所有研究費用均於產生時自損益表扣除。

新產品開發計劃產生的開支僅於本集團證明在技術上能夠完成無形資產令其可供使用或出售、有意完成及有能力使用或出售該資產、該資產將如何帶來日後經濟利益、具有完成計劃所需的資源且能夠可靠地計量開發期間支出時，方會資本化並以遞延方式入賬。未能符合此等條件的產品開發開支概於發生時列作開支。

經營租賃

由出租人保留資產所有權的絕大部分報酬與風險的租賃均以經營租賃入賬。如本集團為出租人，本集團將按照租賃年期以直線法，分別將根據經營租賃租賃的資產計入非流動資產及將根據經營租賃的應收租金計入損益表內。如本集團為承租人，則本集團根據經營租賃應付的租金(扣除自出租人收取的任何優惠金額)將以直線法於租期內自損益表扣除。

根據經營租賃支付的預付土地租金在初期以成本列賬，其後於租期以直線法進行確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39.

2.4 主要會計政策概要*（續）*

投資及其他金融資產

初始確認及計量

金融資產於初始確認時會被分類為按公允價值計入損益的金融資產、貸款及應收款項及可供出售金融資產，如適用。金融資產於初始確認時，乃按公允價值加收購金融資產所產生的交易成本計量（惟按公允價值計入損益的金融資產則除外）。

循正常渠道購買及銷售金融資產於交易日（即本集團承諾購買或銷售資產當日）確認，循正常渠道購買或銷售指規定資產於特定期間內（一般由規則或市場慣例確立）付運的金融資產買賣。

後續計量

金融資產的後續計量乃按其如下分類進行：

按公允價值計入損益的金融資產

按公允價值計入損益的金融資產包括持作買賣之金融資產及於初始確認時指定為按公允價值計入損益的金融資產。金融資產如以短期賣出為目的而購買，則分類為持作買賣金融資產。除非衍生工具（包括已作獨立確認的隱含衍生工具）按國際會計準則第39號定義被指定為實際對沖工具，否則亦會分類為持作買賣金融資產。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Investments and other financial assets *(continued)*

Subsequent measurement (continued)

Financial assets at fair value through profit or loss (continued)

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as finance costs in the statement of profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition" below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IAS 39 are satisfied.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated as at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

2.4 主要會計政策概要*（續）*

投資及其他金融資產*（續）*

後續計量（續）

按公允價值計入損益的金融資產（續）

按公允價值計入損益的金融資產於財務狀況表中按公允價值列賬，而公允價值正變動淨額則於損益表中呈列為其他收入及收益，公允價值負變動淨額則呈列為財務費用。該等公允價值變動淨額不包括該等金融資產根據下文「收入確認」所載政策確認賺取之任何股息或利息。

於初始確認時指定為按公允價值計入損益的金融資產，於初始確認日期且僅當符合國際會計準則第39號之標準時方會作此指定。

嵌入主合約之衍生工具入賬列作獨立衍生工具，倘其經濟特徵及風險與主合約的經濟特徵及風險並無密切聯繫且主合約並非持作買賣或指定按公允價值計入損益，則按公允價值入賬。該等嵌入式衍生工具按公允價值計量，公允價值的變動於損益表中確認。僅在合約條款變動大幅改變現金流量或在金融資產按公允價值重新分類至損益類別時方會按要求重新評估。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Investments and other financial assets *(continued)*

Subsequent measurement (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance income in the statement of profit or loss.

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

2.4 主要會計政策概要*（續）*

投資及其他金融資產*（續）*

後續計量（續）

貸款及應收款項

貸款及應收款項乃是有固定或可確定付款金額但並無在一個活躍市場上報價的非衍生金融資產。經初步計量後，該等資產其後以實際利率法根據已攤銷的成本（扣減任何減值撥備）計量。攤銷成本通過計入任何收購時的折讓或溢價計算，包括屬於實際利率不可分割部分的費用或成本。實際利率攤銷包括在損益表內的財務收入中。

可供出售金融投資

可供出售金融投資乃上市及非上市股權投資及債務證券之非衍生金融資產。分類為可供出售之股權投資指既未分類為持作買賣亦未指定為按公允價值計入損益之投資。該類別中的債務證券指有意無限期持有之證券，且該等證券可能會因應流動資金需求或應對市況變動而出售。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Investments and other financial assets *(continued)*

Subsequent measurement (continued)

Available-for-sale financial investments (continued)

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in changes in fair value of available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the statement of profit or loss in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to the statement of profit or loss in other gains or losses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in the statement of profit or loss as other income in accordance with the policies set out for "Revenue recognition" below.

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

2.4 主要會計政策概要*(續)*

投資及其他金融資產*(續)*

後續計量(續)

可供出售金融投資(續)

於初始確認後，可供出售金融投資其後以公允價值計量，而未變現收益或虧損則於可供出售投資重估儲備公允價值變動中確認為其他綜合收益，直至投資被終止確認(屆時，累計收益或虧損於損益表其他收入內確認)或被釐定出現減值為止，此時，累計收益或虧損由可供出售投資重估儲備重新分類至損益表其他收益或虧損內。於持有可供出售金融投資時所賺取之利息及股息分別列作利息收入及股息收入，並根據下文「收入確認」所載政策於損益表確認為其他收入。

當非上市股權投資之公允價值由於(a)合理公允價值估計範圍之變動相對該投資而言實屬重大，或(b)上述範圍內之各種估計之概率未能合理評估且須用以估算公允價值，而未能可靠計算時，則該等投資將按成本扣除任何減值虧損列賬。

本集團評估於短期內出售其可供出售金融資產之能力及意圖是否仍然合適。倘於罕見情況下，因市場交投淡靜，本集團因而無法買賣有關金融資產，則倘管理層有能力並有意於可見將來持有該等金融資產或持有至到期日，本集團可選擇將該等資產重新分類。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Investments and other financial assets *(continued)*

Subsequent measurement (continued)

Available-for-sale financial investments (continued)

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.4 主要會計政策概要*（續）*

投資及其他金融資產*（續）*

後續計量（續）

可供出售金融投資（續）

就從可供出售類別重新分類之金融資產而言，於重新分類日期的公允價值賬面值成為其新的已攤銷成本及該項資產過往已於權益確認之收益或虧損於損益中以實際利率按投資餘下可使用年期攤銷。新的已攤銷成本與到期金額之任何差額同樣以實際利率按該資產餘下可使用年期攤銷。倘該項資產其後釐定為出現減值，於權益中所載之相關金額則須重新分類至損益表。

終止確認金融資產

金融資產（或如適用，一項金融資產的一部分或一組同類金融資產的一部分）在下列情況將首先終止確認（即從本集團的合併財務狀況表中刪除）：

- 收取該項資產所得現金流量的權利經已屆滿；或
- 本集團已轉讓其收取該項資產所得現金流量的權利，或已根據「轉付」安排，在未有嚴重延緩第三方的情況下，就有關權利全數承擔支付已收現金流量的責任；及(a)本集團已轉讓該項資產的絕大部分風險及回報；或(b)本集團既無轉讓亦無保留該項資產絕大部分風險及回報，但已轉讓該項資產的控制權。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Derecognition of financial assets *(continued)*

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2.4 主要會計政策概要*（續）*

終止確認金融資產*（續）*

倘本集團轉讓其收取一項資產所得現金流量的權利或已訂立轉付安排，會評估其有否保留該項資產擁有權的風險及回報，以及保留的程度。倘本集團既無轉讓或保留該項資產的絕大部分風險及回報，亦無轉讓該項資產的控制權，本集團會在本集團持續參與該項資產的前提下繼續確認該已轉讓資產。於該情況下，本集團亦確認相關負債。已轉讓資產及相關負債乃按反映本集團保留的權利及義務的基準計量。

本集團以擔保形式持續涉及轉讓資產，該已轉讓資產乃以該項資產之原賬面值及本集團可能需要支付之最高代價兩者之較低者計量。

金融資產減值

本集團於各個報告期末評估是否存在客觀跡象顯示一項或一組金融資產出現減值。倘於初始確認資產後發生一項或多項事件對該項或該組金融資產的估計未來現金流量所造成的影響乃能夠可靠地估計，則該項或該組金融資產存在減值。減值跡象可包括一名或一組債務人正面臨重大經濟困難、違約或未能償還利息或本金、彼等有可能破產或進行其他財務重組，以及有可觀察數據顯示估計未來現金流量出現可計量的減少，例如欠款數目變動或出現與違約相關的經濟狀況。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Impairment of financial assets *(continued)*

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

2.4 主要會計政策概要*（續）*

金融資產減值*（續）*

按攤銷成本列賬的金融資產

就按攤銷成本列賬的金融資產而言，本集團首先會按個別基準就單項重大的金融資產或按組合基準就單項非重大的金融資產，個別評估是否存在減值。倘本集團認定按個別基準經評估的金融資產（無論具重要性與否）並無客觀跡象顯示存有減值，則該項資產會歸入一組具有相似信貸風險特性的金融資產內，並共同評估該組金融資產是否存在減值。經個別評估減值的資產，其減值虧損會予確認或繼續確認入賬，而不會納入綜合減值評估之內。

任何經確定的減值虧損金額按該資產賬面值與估計未來現金流量（不包括尚未產生的未來信貸虧損）現值的差額計量。估計未來現金流量的現值以金融資產的初始實際利率（如初次確認時計算的實際利率）折現。

該資產的賬面值會通過使用撥備而減少，而虧損於損益表確認。利息收入於減少賬面值中持續產生，且採用計量減值虧損時用以折現未來現金流量的利率累計。倘日後收回不可實現及所有抵押品已變現或已轉讓予本集團，則撇清貸款及應收款項連同任何相關撥備。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Impairment of financial assets *(continued)*

Financial assets carried at amortised cost (continued)

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other operating income/expenses in the statement of profit or loss.

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

2.4 主要會計政策概要*（續）*

金融資產減值*（續）*

按攤銷成本列賬的金融資產（續）

倘在其後期間估計減值虧損金額由於確認減值之後發生的事項增加或減少，則透過調整撥備賬增加或減少先前確認的減值虧損。倘於其後收回已撇賬款，該項收回將計入損益表內的其他經營收入／開支。

按成本列賬的資產

倘有客觀跡象表明一項無報價股本工具已發生減值虧損，而該項工具由於公允價值無法可靠計量而並無按公允價值列賬，或一項衍生資產與該無報價權益工具相聯繫且必須以該無報價權益工具進行交割，則損失之金額按資產之賬面值和估計未來現金流量之現值（以當前市場一相似金融資產之回報率為折現率折現）的差額計量，並按類似金融資產的現時市場回報率進行貼現。該等資產之減值虧損不予轉回。

可供出售之金融投資

就可供出售之金融投資而言，本集團將於各報告期末評估一項投資或一組投資有否出現客觀減值憑證。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Impairment of financial assets *(continued)*

Available-for-sale financial investments (continued)

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the statement of profit or loss, is removed from other comprehensive income and recognised in the statement of profit or loss.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss – is removed from other comprehensive income and recognised in the statement of profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through the statement of profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

2.4 主要會計政策概要*(續)*

金融資產減值*(續)*

可供出售之金融投資(續)

倘可供出售之資產減值，包括其成本(扣除任何本金付款及攤銷)與現時公允價值之差額在扣除先前於損益表確認之任何減值虧損後之金額，從其他綜合收入中剔除並於損益表內確認。

倘股權投資被分類為可供出售，則客觀憑證將包括該項投資之公允價值大幅或長期跌至低於其成本值。「重大」乃相對於投資之原有成本而評估，而「持續」則相對於出現公允價值低於其原有成本之時期而評估。倘出現減值憑證，則累計虧損(按收購成本與現時公允價值之差額減該項投資先前在損益表內確認之任何減值虧損計量)從其他綜合收益中剔除，並於損益表確認。分類為可供出售之股本工具之減值虧損不會自損益表撥回，其公允價值之增加經扣除減值後直接於其他綜合收益中確認。

確定「重大」或「持續」需要作出判斷。在作出判斷時，本集團會評估(其中包括)投資的公允價值低於其成本的持續時間或程度等因素。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bills payable, derivative financial instruments and interest-bearing bank and other borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

2.4 主要會計政策概要*(續)*

金融負債

初始確認及計量

於初始確認的金融負債會被分類為按公允價值計入損益的金融負債或貸款及借貸。

所有金融負債初始按公允價值確認，如屬貸款或借貸，則扣除直接應佔交易成本。

本集團的金融負債包括貿易及其他應付款項、應付票據、衍生金融工具以及計息銀行及其他借貸。

後續計量

金融負債的後續計量按如下分類進行：

按公允價值計入損益的金融負債

按公允價值計入損益的金融負債包括持作買賣的金融負債及於初始確認時指定為按公允價值計入損益的金融負債。

如果獲取該金融負債的目的是為了在近期再次購買，則分類為可持作買賣金融負債。此項目包括本集團所擁有的衍生金融工具，但並不是國際會計準則第39號所定義的對沖工具。單獨嵌入衍生工具也分類為持作買賣金融負債，除非他們被設計成為有效的對沖工具。持作買賣金融負債的收益或虧損於損益表中確認。於損益表確認的公允價值變動淨損益不包括任何金融負債的相關利息。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Financial liabilities *(continued)*

Subsequent measurement (continued)

Financial liabilities at fair value through profit or loss (continued)

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IAS 39 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation.

2.4 主要會計政策概要*（續）*

金融負債*（續）*

後續計量（續）

按公允價值計入損益的金融負債（續）

只有符合國際會計準則第39號的規定時，方可在初始確認時指定為按公允價值計入損益的金融負債。

貸款及借貸

經初始確認後，計息貸款及借貸隨後以實際利率法按攤銷成本計量，除非貼現影響為微不足道，在該情況下則按成本列賬。當負債終止確認及按實際利率法進行攤銷程序時，其收益及虧損在損益表內確認。

攤銷成本於計及收購事項任何折讓或溢價及屬實際利率不可或缺一部分的費用或成本後計算。實際利率攤銷計入損益表的財務費用內。

財務擔保合約

本公司發出的財務擔保合約乃因特定債務人無法按債務工具的條款支付到期款項，而須向合約持有人支付款項以彌補其因此招致的損失之合約。財務擔保合約初始乃按公允價值並就與發出擔保直接相關的交易成本進行調整後，確認為負債。於初始確認後，本集團按以下兩者中之較高者計量財務擔保合約：(i)於報告期末繳付現有負債所需開支之最佳估計金額；及(ii)初始確認之金額減（倘適用）累計攤銷。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risk and interest rate risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss.

2.4 主要會計政策概要 *(續)*

終止確認金融負債

於負債項下的責任被解除或取消或屆滿時，金融負債將被終止確認。

如現有金融負債由同一債權人以條款大相徑庭的負債所取代，或現有負債條款作出重大修訂，此類置換或修訂將被視為終止確認本來的負債及確認新負債，有關賬面值的差額於損益表中確認。

抵銷金融工具

於具現有法定權利抵銷確認金額及有意以淨額結算，或同時變賣資產及償還負債，金融資產及金融負債互相抵銷並於財務狀況表內呈報淨額。

衍生金融工具

初始確認及後續計量

本集團利用遠期貨幣合約及利率掉期交易等衍生金融工具管理其與外幣及利率波動有關之風險。該等衍生金融工具初始按訂立衍生合約當日之公允價值確認，其後則按公允價值重新計量。倘衍生工具之公允價值為正數，則以資產列賬，而倘公允價值為負數則以負債列賬。

衍生工具公允價值發生變動所產生之收益或虧損乃直接計入損益表。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Derivative financial instruments *(continued)*

Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

- Where the Group expects to hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the end of the reporting period, the derivative is classified as non-current (or separated into current and non-current portions) consistently with the classification of the underlying item.

- Embedded derivatives that are not closely related to the host contract are classified consistently with the cash flows of the host contract.

- Derivative instruments that are designated as, and are effective hedging instruments, are classified consistently with the classification of the underlying hedged item. The derivative instruments are separated into current portions and non-current portions only if a reliable allocation can be made.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the specific identification of cost and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

2.4 主要會計政策概要*（續）*

衍生金融工具*（續）*

流動與非流動分類對比

並非指定為有效對沖工具之衍生工具根據對事實及情況之評估（即相關合約現金流量）分類為流動及非流動，或分開為流動或非流動部分。

- 當本集團預期持有衍生工具作為經濟對沖（而並無應用對沖會計處理方法）至超過報告期末後12個月期間，該衍生工具乃與相關項目之分類一致分類為非流動（或分開為流動及非流動部分）。

- 與主合約並非密切聯繫之附帶在內衍生工具乃與主合約之現金流量一致分類。

- 指定為及為有效對沖工具之衍生工具乃與相關對沖項目之分類一致分類。衍生工具僅於可作出可靠分配時分開為流動部分及非流動部分。

存貨

存貨按成本及可變現淨值（以較低者為準）列賬。成本按具體成本確認基準釐定，在製品及製成品的成本包括直接材料、直接勞工及按適當比例計算的間接費用。可變現淨值按預計售價減完成及出售所產生的任何估計成本計算。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

2.4 主要會計政策概要*(續)*

現金及現金等價物

就合併現金流量表而言，現金及現金等價物包括手頭現金及活期存款，以及短期且流動性極高的投資，該等投資可隨時兑換為已知數額的現金且價值轉變風險並不重大，並於購入後三個月內到期，減須於通知時償還並構成本集團現金管理一部分的銀行透支。

就合併財務狀況表而言，現金及現金等價物包括用途不受限制的手頭現金及銀行存款(包括定期存款及性質與現金類似的資產)。

撥備

倘因過往事件導致現有債務(法定或推定)及日後可能需要有資源流出以償還債務，則確認撥備，惟必須能可靠估計有關債務金額。

倘折現的影響重大，則確認的撥備金額為預期需用作償還債務的未來支出於報告期末的現值。因時間流逝而產生的折現現值增額，列作財務費用計入損益表。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 主要會計政策概要*（續）*

所得税

所得税包括即期及遞延税項。有關損益外確認項目的所得税於損益外確認，不論是否於其他綜合收益或直接於權益內確認。

本期與以往期間的即期税項資產和負債根據於報告期末已頒佈或已大致頒佈的税率（及税法），並考慮本集團業務所在國家的現有詮釋及慣例，按預期自税務當局收回或付予税務當局的金額計算。

遞延税項以負債法就於報告期末資產及負債的税項基準及其用作財務申報的賬面值之間的所有暫時性差額作出撥備。

除以下情況外，遞延税項負債就所有應課税暫時差額予以確認：

- 當遞延税項負債來自初始確認商譽或並非業務合併的交易的資產或負債，而於交易時並不影響會計溢利或應課税溢利或虧損；及
- 就與於附屬公司、聯營公司及合營公司的投資有關的應課税暫時差額而言，除非撥回暫時差額的時間可以控制及暫時差額可能不會在可見將來撥回。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Income tax *(continued)*

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

2.4 主要會計政策概要*（續）*

所得稅*（續）*

就所有可扣稅暫時差額、承前未用稅項抵免和未用稅項虧損確認遞延稅項資產，惟以日後有可能出現應課稅溢利可利用該等可扣稅暫時差額、承前未用稅項抵免和未用稅項虧損予以抵銷為限，除非：

- 於初始確認非業務合併的交易中的資產或負債產生與可扣稅暫時差額有關的遞延稅項資產，而有關遞延稅項資產於進行交易時對會計溢利或應課稅溢利或虧損均無影響；及

- 對涉及附屬公司、聯營公司及合營公司投資的可扣稅暫時差額而言，僅在暫時差額有可能在可見將來撥回，以及日後可用該等暫時差額抵銷可能出現的應課稅溢利時，方會確認遞延稅項資產。

遞延稅項資產的賬面值會於各報告期末檢討，倘不再可能有足夠應課稅溢利可用於抵免全部或部分遞延稅項資產，則會予以扣減。未確認的遞延稅項資產會於各報告期末重估和於可能有足夠應課稅溢利可收回全部或部分遞延稅項資產時確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Income tax *(continued)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

2.4 主要會計政策概要*（續）*

所得稅*（續）*

遞延稅項資產和負債乃根據於報告期末前已實施或大致實施的稅率（和稅法），按預期於資產獲變現或負債償還期間適用的稅率計算。

倘存在以即期稅項資產抵銷即期稅項負債的合法權利，而遞延稅項乃涉及同一課稅實體和同一稅務機關，則遞延稅項資產和遞延稅項負債可互相抵銷。

政府資助

政府資助在能合理地確保可收取有關資助並符合一切附帶條件的情況下，按其公允價值予以確認。如資助與開支項目有關，則將有系統地按照擬補償的成本被費用化期間予以確認為收入。

若補貼與資產相關，則將其公允價值貸記至遞延收入賬目，並在相關資產的預期使用年限內每年按等額計入損益表，或扣除自資產的賬面值，透過減少折舊開支的方式計入損益表。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

(b) from construction contracts, on the percentage of completion basis, as further explained in the accounting policy for "Construction contracts" below;

(c) from the rendering of services, on the percentage of completion basis, as further explained in the accounting policy for "Contracts for services" below;

(d) rental income, on a time proportion basis over the lease terms;

(e) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset; and

(f) dividend income, when the shareholders' right to receive payment has been established.

2.4 主要會計政策概要*(續)*

收入確認

收入乃於本集團可能獲得經濟利益而該收入能可靠地計算時，按下列基準予以確認：

(a) 就貨品銷售而言，倘所有權的重大風險及回報已轉移至買方，且本集團並無保留一般視為與所有權相關的管理權或已售貨品的有效控制權時確認；

(b) 就建造合同而言，按完成百分比基準確認，詳情載於下文「建造合同」會計政策；

(c) 就提供服務而言，按完成百分比基準確認，詳情載於下文「服務合同」會計政策；

(d) 租金收入按租賃期內時間比例確認；

(e) 利息收入乃根據適用的實際利率按時間基準累計，而實際利率乃按金融工具的預計年期或更短年期（如適用）估計日後現金收入準確貼現至金融資產的賬面淨值之利率；及

(f) 倘股東收取款項的權利獲成立，則為股息收入。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Construction contracts

Contract revenue comprises the agreed contract amount and appropriate amounts from variation orders, claims and incentive payments. Contract costs incurred comprise direct materials, the costs of subcontracting, direct labour and an appropriate proportion of variable and fixed construction overheads.

Revenue from fixed price construction contracts is recognised using the percentage of completion method, measured by reference to the proportion of costs incurred to date to the estimated total cost of the relevant contract.

Revenue from cost plus construction contracts is recognised using the percentage of completion method, by reference to the recoverable costs incurred during the period plus the related fee earned, measured by the proportion of costs incurred to date to the estimated total cost of the relevant contract.

Provision is made for foreseeable losses as soon as they are anticipated by management. Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as an amount due from contract customers. Where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is treated as an amount due to contract customers.

Contracts for services

Contract revenue on the rendering of services comprises the agreed contract amount. Costs of rendering services comprise labour and other costs of personnel directly engaged in providing the services and attributable overheads.

2.4 主要會計政策概要*（續）*

建造合同

合同收入包括商定的合同金額以及來自工程變更、索賠和激勵收入。合同成本包括直接材料、轉包成本、直接工資和按比例分攤的可變動和固定建造費用。

來自固定價格建造合同的收入採用完成百分比法確認，乃參考迄今為止已產生的成本相當於相關合同的合同成本總額的百分比計量。

來自成本加建造合同的收入採用完成百分比法確認，乃參考於該期間產生的可收回成本加相關收費確認，乃參考迄今為止所產生的成本相當於相關合同成本總額的比例計算。

一旦管理層預計將發生損失，則應計提準備。如果累計合同已發生成本加已確認的利潤減已確認的損失超過工程進度款，則超出部分作為應收合同客戶款項。如果工程進度款超過累計已發生合同成本加已確認的利潤減已確認的損失，則超出部分作為應付合同客戶款項。

服務合同

提供服務產生的合同收入包括商定的合同金額。提供服務產生的成本包括勞工及其他直接從事提供服務之員工成本及應佔費用。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Contracts for services *(continued)*

Revenue from the rendering of services is recognised based on the percentage of completion of the transaction, provided that the revenue, the costs incurred and the estimated costs to completion can be measured reliably. The percentage of completion is established by reference to the costs incurred to date as compared to the total costs to be incurred under the transaction. Where the outcome of a contract cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Provision is made for foreseeable losses as soon as they are anticipated by management.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as an amount due from contract customers. Where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is treated as an amount due to contract customers.

Employee benefits

Pension schemes

The Group contributes on a monthly basis to various defined contribution retirement schemes organised by the relevant municipal and provincial governments in the PRC. The municipal and provincial governments undertake to assume the retirement benefits payable to all existing and future retired employees under these plans and the Group has no further obligations for post-retirement benefits beyond the contributions made. The contributions to the schemes are recognised as and when incurred.

2.4 主要會計政策概要 *(續)*

服務合同 *(續)*

提供服務產生的收入乃根據該交易完成百分比確認，惟此等收入及產生的成本以及達致完成的估計成本須可靠地計量。完成百分比乃參考迄今為止所產生的成本相當於該交易成本總額的比例計算。倘合約結果無法可靠計量，則收入根據能夠收回的實際合同成本予以確認。

一旦管理層預計將發生損失，則應計提準備。

如果累計合同已發生成本加已確認的利潤減已確認的損失超過工程進度款，則超出部分作為應收合同客戶款項。如果工程進度款超過累計已發生合同成本加已確認的利潤減已確認的損失，則超出部分作為應付合同客戶款項。

僱員福利

養老金福利

本集團按月向中國有關市級及省級政府組織的多項設定供款退休計劃供款。市級及省級政府承諾向參加上述計劃的所有現有及日後退休僱員支付退休福利，而除供款外，本集團毋須再支付任何退休後福利。上述計劃供款於產生時確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Employee benefits *(continued)*

Pension schemes (continued)

The Group implements a pension annuity plan, pursuant to which the Group pays contributions to the plan regularly and the Group has no further obligation thereto once the required contributions have been made. The contributions are recognised as employee benefit expenses when incurred.

In addition, the Group also pays supplemental pension subsidies to employees who retired before January 1, 2010. Such supplemental pension subsidies mainly comprised monthly cash payment to the retirees for life as determined by the Group upon their respective retirement and subject to cost of living adjustments. The supplemental pension subsidies scheme is an unfunded scheme. As detailed in note 27 below, these defined benefit obligations recognised were assessed using the projected unit credit actuarial valuation method; the cost of providing such subsidies is charged to the statement of profit or loss so as to spread the service cost over the average lives of such former employees, in accordance with the actuarial reports which contained full valuations of the plans for each of the relevant accounting periods.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government securities which have maturity approximating to the terms of the related pension liability.

Re-measurements arising from experience adjustments and changes in actuarial assumptions are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

2.4 主要會計政策概要*（續）*

僱員福利*（續）*

養老金福利（續）

本集團實行一項退休年金計劃，據此，本集團定期向該計劃供款，而除作出規定供款外，本集團並無其他供款責任。有關供款於產生時確認為僱員福利。

此外，本集團亦向於2010年1月1日前退休的僱員支付補充退休津貼。有關補充退休津貼主要包括一旦僱員退休，由本集團釐定按月向退休人員現金支付的生活費（受生活成本調整所規限）。補充退休津貼計劃為一項未經撥款計劃。按下文附註27所述，該等已確認的設定受益義務根據預計單位進賬精算估值法評估，而根據載有各有關會計期間所有計劃金額的精算報告，提供該等津貼的成本於利潤表內扣除，以便在有關前僱員的平均服務年期內分攤服務成本。

設定受益義務的現值乃採用政府證券利率折現估計未來現金流出額而釐定，而該等證券的到期日與有關養老金責任年期相若。

來自經驗調整的重新計量及精算假設的變動均於合併財務狀況表中即時確認，於其產生期間於其他綜合收益扣除或計入。重新計量並不會於其後期間重新分類至損益。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Employee benefits *(continued)*

Pension schemes (continued)

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under finance expenses and allocated by function as part of "cost of sales", "selling and marketing expenses" or"administrative expenses" in the consolidated statement of profit or loss:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- net interest expense or income

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.4 主要會計政策概要*(續)*

僱員福利*(續)*

養老金福利(續)

利息淨額乃採用貼現率將設定負債或資產淨額進行貼現計算。本集團在合併損益表財務開支項下按功能確認以下設定義務淨額的變動並按功能分配為「銷售成本」、「銷售及市場營銷開支」或「行政開支」:

- 服務成本,包括當期服務成本、過往服務成本、縮減及不定期結算的收益及虧損
- 利息開支或收入淨額

借貸成本

購買、建造或生產合資格資產(即需要一段頗長時間始能投入其擬定用途或出售的資產)而直接產生的借貸成本,均資本化為該等資產成本的一部分。當該等資產大致上可作擬定用途或出售時,則終止將該等借貸成本資本化。特定借貸於撥作合資格資產的支出前用作短暫投資所賺取的投資收入,從資本化的借貸成本中扣除。所有其他借貸成本均於其產生期間列為開支。借貸成本包括實體因借貸而產生的利息及其他成本。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

2.4 主要會計政策概要*（續）*

股息

末期股息於股東在股東大會批准時確認為負債。

由於本公司組織大綱及章程細則授予董事宣派中期股息的權力，因此中期股息的建議及宣派可同時進行。故此，中期股息於建議及宣派時即時確認為負債。

外幣

該等財務報表以本公司的功能貨幣人民幣列示。本集團旗下各實體自行釐定其功能貨幣，各實體的財務報表項目均以其功能貨幣計量。本集團旗下實體入賬的外幣交易初步按交易日彼等各自功能貨幣的匯率列賬。以外幣列值的貨幣資產及負債按於報告期末的功能貨幣匯率進行換算。結算或換算貨幣項目產生的差額於損益表內確認。

因結算或換算貨幣項目產生的差額於損益確認，惟指定作為對沖本集團海外業務投資淨額一部分的貨幣項目除外。該等貨幣項目於其他綜合收益確認，直至投資淨額出售為止，此時累計金額乃重新分類至損益。因該等貨幣項目的匯兑差額而產生的税項支出及抵免亦於其他綜合收益列賬。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Foreign currencies *(continued)*

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

2.4 主要會計政策概要*（續）*

外幣*（續）*

按歷史成本列賬並以外幣計量的非貨幣項目，採用初始交易日期的匯率換算。按公允價值列賬並以外幣計量的非貨幣項目，採用計量公允價值日期的匯率換算。換算按公允價值列賬的非貨幣項目產生的收益或虧損按與確認項目公允價值變動的收益或虧損一致的方式處理（即公允價值收益或虧損於其他綜合收益或損益內確認的項目的換算差額亦分別於其他綜合收益或損益內確認）。

若干海外附屬公司的功能貨幣為人民幣以外的貨幣。於報告期末，該等實體的資產及負債按報告期末的匯率換算為人民幣，其損益表則按年內的加權平均匯率換算為人民幣。

因此而產生的匯兑差額於其他綜合收益內確認，並累計為匯兑波動儲備。於出售海外業務時，與該項特定海外業務有關的其他綜合收益部分於損益表內確認。

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Foreign currencies *(continued)*

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SUMMARY OF SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

2.4. 主要會計政策概要 *(續)*

外幣 *(續)*

收購海外業務產生的任何商譽及對因收購而產生的資產及負債的賬面值作出的任何公允價值調整作海外業務的資產及負債處理，並按收市匯率換算。

就合併現金流量表而言，海外附屬公司的現金流量按現金流量日期的匯率換算為人民幣。海外附屬公司於年內經常產生的現金流量則按該年度的加權平均匯率換算為人民幣。

3. 重大會計判斷及估計概要

本集團財務報表的編製需要管理層作出判斷、估計及假設，而該等判斷、估計及假設會影響收入、開支、資產及負債的呈報金額及其隨附披露以及或有負債的披露。有關該等假設及估計的不明朗因素可能導致須就日後受影響的資產或負債的賬面金額作出重大調整。

判斷

於應用本集團會計政策的過程中，除作出涉及估計的判斷外，管理層已作出對財務報表內已確認金額構成最大影響的以下判斷：

3. SUMMARY OF SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(CONTINUED)*

Judgements *(continued)*

Percentage of completion of construction work

The Group recognises revenue according to the percentage of completion of individual contracts for construction work, which requires estimation to be made by management. The stage of completion is estimated by reference to the actual costs incurred over the total budgeted costs, and the corresponding contract revenue is also estimated by management. Due to the nature of the activity undertaken in construction contracts, the date at which the activity is entered into and the date at which the activity is completed usually fall into different accounting periods. Hence, the Group reviews and revises the estimates of both contract revenue and contract costs in the budget prepared for each contract as the contract progresses. Where the actual contract revenue is less than estimated or actual contract costs are more than estimated, a foreseeable loss may arise.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

3. 重大會計判斷及估計概要*(續)*

判斷*(續)*

建設工程完工百分比

本集團根據個別建設工程合同的完工百分比確認收入，而完工百分比需要管理層作出估計。完工階段乃參考已產生的實際成本佔總預算成本的比例估計得出，而相應合同收入亦由管理層作出估計。由於根據建造合同所承接活動的性質使然，活動訂立日期及活動完成日期通常處於不同的會計期間。因此，隨著合同的進行，本集團會審閱及修訂就各合同訂立的預算所估計的合同收入及合同成本。倘實際合同收入低於預期或實際合同成本高於預期，則或會產生可預見虧損。

投資物業及自用物業的劃分

本集團判斷物業是否符合投資物業的條件，並已制定出此類判斷的標準。投資物業指為賺取租金或資本升值或同時為這兩個目的而持有的物業。因此，本集團考慮一項物業產生的現金流量是否大部分獨立於本集團持有的其他資產。有些物業的一部分是為賺取租金或資本升值而持有，而另一部分是為用於生產或供應貨品或服務或行政用途而持有。如果該等部分可以分開出售（或按融資租賃分開出租），則本集團會分開對相關部分進行會計處理。如果該等部分不能分開出售，則只有在為用於生產或供應貨品或服務或行政用途而持有的部分並不重大的情況下，該物業方為投資物業。本集團會對各項物業進行獨立判斷，以確定配套服務是否足以導致物業不符合投資物業的定義。

3. SUMMARY OF SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(CONTINUED)*

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Deferred income tax

Deferred tax assets relating to certain temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The realisation of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise which will be recognised in profit or loss in the period in which such a reversal takes place.

The carrying amount of deferred tax assets as at December 31, 2016 was RMB411,536,000 (December 31, 2015: RMB358,698,000). More details are given in note 26.

Impairment of trade and other receivables

The Group maintains an allowance for the estimated loss arising from the inability of its customers to make the required payments. The Group makes its estimates based on the ageing of its trade and other receivable balances, customers' creditworthiness, and historical write-off experience. If the financial condition of its customers will deteriorate such that the actual impairment loss might be higher than expected, the Group would be required to revise the basis for making the allowance and its future results would be affected.

3. 重大會計判斷及估計概要*(續)*

估計的不確定性

很有可能導致須對下個財政年度資產及負債的賬面金額作出重大調整的未來主要假設及於報告期末的估計不明朗因素的其他主要來源論述如下。

遞延所得稅

與若干暫時性差額及稅項虧損有關的遞延稅項資產於管理層認為日後有可能出現應課稅溢利可用作抵銷該等暫時性差額或稅項虧損時確認。遞延稅項資產的實現主要取決於未來是否有足夠的溢利或應課稅暫時性差額在將來可供動用。如實際產生的未來溢利少於預期值，則可能發生遞延稅項資產的重大撥回，並在該撥回發生期間的損益內確認。

於2016年12月31日，遞延稅項資產的賬面值為人民幣411,536,000元（2015年12月31日：人民幣358,698,000元）。更多詳情載於附註26。

貿易應收款項及其他應收款項減值

本集團就客戶無力支付要求款項產生的估計虧損作出撥備。本集團根據貿易應收款項及其他應收款項結餘的賬齡、客戶的信譽及過往撇銷情況進行估計。倘客戶的財務狀況惡化，實際減值虧損將高於估計，且本集團須修正撥備基準，且未來業績將受到影響。

3. SUMMARY OF SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(CONTINUED)*

Estimation uncertainty *(continued)*

Impairment of trade and other receivables (continued)

The carrying amount of trade and other receivables as at December 31, 2016 and 2015 are given in note 22.

3. 重大會計判斷及估計概要*(續)*

估計的不確定性*(續)*

貿易應收款項及其他應收款項減值(續)

於2016年及2015年12月31日，貿易應收款項及其他應收款項的賬面值載於附註22。

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, exhibition services, design consulting services, tendering agency services and logistics services.

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、展覽服務、設計諮詢服務、招標代理服務及物流服務。

4. OPERATING SEGMENT INFORMATION *(CONTINUED)*

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 an associate and joint ventures, interest income from bank deposits, finance costs related to defined benefit plans, dividend income, fair value gains/losses from the Group's financial instruments as well as head office and corporate income/expenses are excluded from such measurement.

Segment assets exclude investments in an associate and joint ventures, prepaid land lease payments, intangible assets, deferred tax assets, time deposits, cash and cash equivalents, equity investments at fair value through profit or loss, derivative financial instruments and other unallocated head office and corporate assets as these assets are managed on a group basis.

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.

4. 經營分部資料*(續)*

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，此乃經調整除税前溢利／虧損之計量指標。經調整除税前溢利／虧損乃貫徹以本集團除税前溢利計量，惟應佔聯營公司及合營公司之溢利減虧損、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、遞延税項資產、定期存款、現金及現金等價物、按公允價值計入損益賬的股本投資、衍生金融工具及其他未分配總部及企業資產，此乃由於該等資產以集團形式管理。

分部負債不包括設定受益義務、應付税項、遞延税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形式管理。

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。

4. OPERATING SEGMENT INFORMATION *(CONTINUED)*

4. 經營分部資料（續）

(a) Segment revenue, results, assets and liabilities

(a) 分部收入、業績、資產及負債

Year ended December 31, 2016	截至2016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:	分部收入：				
Sales to external customers	銷售予外部客戶	**12,385,082**	**7,308,786**	**1,323,368**	**21,017,236**
Intersegment sales	分部間銷售	**77,302**	**79,433**	**648,717**	**805,452**
Reportable segment revenue	**可報告分部收入**	**12,462,384**	**7,388,219**	**1,972,085**	**21,822,688**
Reportable segment profit	**可報告分部溢利**	**1,834,015**	**47,239**	**181,239**	**2,062,493**
Finance income on receivables from customers	應收客戶款項的財務收入	**109,406**	**32,086**	**–**	**141,492**
Finance costs	財務成本	**161**	**13,011**	**11,085**	**24,257**
Depreciation and amortisation	折舊及攤銷	**4,377**	**2,525**	**3,563**	**10,465**
Provision of impairment losses	減值虧損撥備				
– Trade and other receivables	－貿易及其他應收款項	**110,166**	**26,868**	**22,539**	**159,573**
– Amounts due from contract customers	－應收合同客戶款項	**2,485**	**–**	**–**	**2,485**
Reportable segment assets	**可報告分部資產**	**14,523,170**	**4,190,692**	**1,499,928**	**20,213,790**
Reportable segment liabilities	**可報告分部負債**	**24,277,521**	**6,014,039**	**5,118,037**	**35,409,597**

Capital expenditure for the year is unallocated to segments as such expenditure is managed on a group basis.

年內資本開支未攤分予各分部，乃由於有關開支按集團為基礎管理。

4. OPERATING SEGMENT INFORMATION *(CONTINUED)*

4. 經營分部資料*(續)*

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

(a) 分部收入、業績、資產及負債*(續)*

Year ended December 31, 2015 (Restated)	截至2015年12月31日止年度（重述）	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:	**分部收入：**				
Sales to external customers	銷售予外部客戶	13,973,541	8,608,267	1,474,461	24,056,269
Intersegment sales	分部間銷售	–	157,677	714,224	871,901
Reportable segment revenue	**可報告分部收入**	13,973,541	8,765,944	2,188,685	24,928,170
Reportable segment profit	**可報告分部溢利**	1,805,473	324,827	272,101	2,402,401
Finance income on receivables from customers	應收客戶款項的財務收入	160,535	9,350	–	169,885
Finance costs	財務成本	665	10,014	15,298	25,977
Depreciation and amortisation	折舊及攤銷	1,346	698	1,887	3,931
Provision/(reversal of provision) of 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	(17,373)	29,037	13,326	24,990
– Amounts due from contract customers	－應收合同客戶款項	37,329	(87)	–	37,242
– Inventories	－存貨	4,040	–	–	4,040
Reportable segment assets	**可報告分部資產**	13,143,699	3,777,228	1,020,513	17,941,440
Reportable segment liabilities	**可報告分部負債**	23,036,322	4,970,524	4,209,110	32,215,956

4. OPERATING SEGMENT INFORMATION *(CONTINUED)*

4. 經營分部資料*(續)*

(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

		2016 2016年 *RMB'000* *人民幣千元*	2015 2015年 *RMB'000* *人民幣千元* (Restated) (重述)
Revenue:	**收入：**		
Reportable segment revenue	可報告分部收入	**21,822,688**	24,928,170
Elimination of intersegment revenue	分部間收入抵銷	**(805,452)**	(871,901)
		21,017,236	24,056,269
Profit:	**溢利：**		
Reportable segment profit	可報告分部溢利	**2,062,493**	2,402,401
Share of profits and losses of joint ventures	應佔合營公司溢利及虧損	**13,401**	(1,031)
Share of profits and losses of associates	應佔聯營公司溢利及虧損	**1,637**	(196)
Dividend income	股息收入	**10,969**	9,396
Other income, net	其他收入淨額	**14,290**	11,670
Other operating expenses	其他經營開支	**(600)**	(1,492)
Interest income from bank deposits	來自銀行存款的利息收入	**385,346**	480,163
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	**(12,170)**	(14,900)
Unallocated foreign exchange gains, net	未分配的匯兑收益淨額	**437,226**	212,105
Depreciation and amortisation	折舊及攤銷	**(128,662)**	(101,248)
Profit before tax	除税前溢利	**2,783,930**	2,996,868

4. OPERATING SEGMENT INFORMATION *(CONTINUED)*

4. 經營分部資料*(續)*

(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)*

		2016 2016年 *RMB'000* *人民幣千元*	2015 2015年 *RMB'000* *人民幣千元* (Restated) (重述)
Assets:	**資產：**		
Reportable segment assets	可報告分部資產	**20,213,790**	17,941,440
Elimination of intersegment receivables	分部間應收款項抵銷	**(4,371,002)**	(3,821,156)
		15,842,788	14,120,284
Restricted deposits	受限制存款	**554,588**	566,265
Time deposits with original maturity over three months	原始到期日超過三個月的定期存款	**5,942,003**	4,035,091
Cash and cash equivalents	現金及現金等價物	**19,541,868**	21,032,899
Property, plant and equipment	物業、廠房及設備	**1,605,717**	1,119,807
Prepaid land lease payments	預付土地租賃款項	**1,797,297**	1,792,357
Intangible assets	無形資產	**9,587**	9,498
Investments in joint ventures	對合營公司的投資	**297,916**	210,014
Investments in associates	對聯營公司的投資	**265,836**	53,765
Deferred tax assets	遞延稅項資產	**411,536**	358,698
Other non-current assets	其他非流動資產	**593,076**	555,807
Other unallocated assets	其他未分配資產	**590,067**	98,068
		47,452,279	43,952,553
Liabilities:	**負債：**		
Reportable segment liabilities	可報告分部負債	**35,409,597**	32,215,956
Elimination of intersegment payables	分部間應付款項抵銷	**(4,266,965)**	(3,821,156)
		31,142,632	28,394,800
Defined benefit obligations	設定受益義務	**386,173**	419,186
Tax payable	應付稅項	**501,728**	565,687
Deferred tax liabilities	遞延稅項負債	**46,193**	26,439
		32,076,726	29,406,112

4. OPERATING SEGMENT INFORMATION *(CONTINUED)*

(c) Geographical information

Revenue from external customers

4. 經營分部資料*(續)*

(c) 地理區域資料

來自外部客戶的收入

		2016	2015
		2016年	2015年
		RMB'000	*RMB'000*
		人民幣千元	*人民幣千元*
			(Restated) (重述)
Mainland China	中國大陸	**7,699,881**	7,943,908
The Republic of Angola	安哥拉共和國	**2,010,419**	1,064,735
Pakistan	巴基斯坦	**1,940,818**	809,236
Argentina	阿根廷	**1,113,519**	3,075,409
Venezuela	委內瑞拉	**892,534**	2,431,675
Lao People's Democratic Republic	老撾人民民主共和國	**867,113**	721,752
Serbia	塞爾維亞	**772,356**	397,950
Hong Kong	香港	**687,203**	203,093
United States	美國	**543,302**	729,445
Maldives	馬爾代夫	**525,150**	264,018
Others	其他	**3,964,941**	6,415,048
		21,017,236	24,056,269

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。

4. OPERATING SEGMENT INFORMATION *(CONTINUED)*

(c) Geographical information *(continued)*

Non-current assets

		2016	2015
		2016年	2015年
		RMB'000	*RMB'000*
		人民幣千元	*人民幣千元*
			(Restated)
			(重述)
Mainland China	中國大陸	**3,624,257**	3,008,838
Others	其他	**363,269**	7,535
		3,987,526	3,016,373

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.

(d) Information about major customers

No revenue was generated from sales by the construction contracts segment to a single customer which amounted to more than 10% of the Group's revenue for the year ended December 31, 2016 (2015: RMB3,053,293,000).

5. REVENUE, OTHER REVENUE AND EXPENSES

Revenue principally represents an appropriate proportion of contract revenue of construction contracts; the net invoiced value of goods sold, after allowances for returns and trade discounts; and the value of services rendered during the year.

4. 經營分部資料*(續)*

(c) 地理區域資料*(續)*

非流動資產

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) 有關主要客戶的資料

截至2016年12月31日止年度，建造合同分部對單一客戶銷售所產生的收入佔本集團收入10%以上的金額為人民幣零元(2015年：人民幣3,053,293,000元)

5. 收入、其他收入及開支

收入主要指建造合同應佔合同收入、年內扣除退貨及貿易折扣的已售貨品發票淨值以及所提供服務價值。

5. REVENUE, OTHER REVENUE AND EXPENSES *(CONTINUED)*

5. 收入、其他收入及開支*(續)*

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

本集團的收入、其他收入及其他開支淨額分析如下：

		2016	2015
		2016年	2015年
		RMB'000	*RMB'000*
		人民幣千元	*人民幣千元*
			(Restated)
			（重述）
Revenue	**收入**		
Construction contracts	建造合同	**12,385,082**	13,973,541
Trading business	貿易業務	**7,308,786**	8,608,267
Services business	服務業務	**1,323,368**	1,474,461
		21,017,236	24,056,269
Other revenue	**其他收入**		
Dividend income from unquoted equity securities	非上市股本證券股息收入	**10,969**	9,396
Government grants	政府補貼	**18,093**	5,545
		29,062	14,941
Other expenses, net	**其他開支淨額**		
Net gains/(losses) on disposal of items of property, plant and equipment	處置物業、廠房及設備項目的收益／(虧損)淨額	**(3,803)**	6,124
Net losses on foreign currency forward exchange contracts and interest rate swaps	遠期外匯合同及利率掉期的虧損淨額	**(69,943)**	(48,335)
Others	其他	**59,576**	21,006
		(14,170)	(21,205)

6. PROFIT BEFORE TAX

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

(a) Finance income and finance expenses

6. 除税前溢利

本集團之除税前溢利已扣除／(計入)：

(a) 財務收入及財務開支

		Notes 附註	2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 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		**141,492**	169,885
Foreign exchange gains	匯兑收益		**721,844**	613,486
Interest income	利息收入		**385,346**	480,163
Finance income	財務收入		**1,248,682**	1,263,534
Interest cost recognised in respect of defined benefit obligations	就設定受益義務確認的利息成本	*27*	**12,170**	14,900
Interest expenses on borrowings	借貸利息開支	*7*	**24,257**	25,977
Bank charges and others	銀行費用及其他		**10,478**	11,000
Finance expenses	財務開支		**46,905**	51,877
Net finance income recognised in profit or loss	於損益確認的財務收入淨額		**1,201,777**	1,211,657

6. PROFIT BEFORE TAX *(CONTINUED)*

6. 除税前溢利*(續)*

(b) Staff costs

(b) 員工成本

		Notes 附註	2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元 (Restated) (重述)
Salaries, wages and other benefits	薪金、工資及其他福利		**1,399,330**	1,546,788
Contributions to defined contribution retirement plans	設定供款退休計劃的供款		**134,426**	124,751
(Income)/expenses recognised in respect of defined benefit retirement plans	就設定受益退休計劃確認的（收益）／開支	27	**(5,890)**	430
			1,527,866	1,671,969

(c) Other items

(c) 其他項目

		Notes 附註	2016 2016年 RMB'000 人民幣千元	2015 2015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	16	**46,523**	45,949
– Intangible assets	－無形資產	17	**5,667**	5,294
– Long-term assets	－長期資產		**7,617**	2,256
			59,807	53,499
Depreciation	折舊			
– Property, plant and equipment	－物業、廠房及設備	14	**76,804**	50,253
– Investment properties	－投資物業	15	**2,516**	1,427
			79,320	51,680
Impairment losses on	減值虧損			
– Trade and other receivables	－貿易及其他應收款項	22	**159,573**	24,990
– Inventories	－存貨		**–**	4,040
– Amounts due from contract customers	－應收合同客戶款項	21	**12,673**	31,181
Foreseeable contract losses	可預計合同虧損	21	**(10,188)**	6,061
Amount included in other operating expenses	包含在其他經營開支的金額		**162,058**	66,272

6. PROFIT BEFORE TAX *(CONTINUED)*

(c) Other items *(continued)*

6. 除税前溢利*(續)*

(c) 其他項目*(續)*

		2016 2016年 *RMB'000* *人民幣千元*	2015 2015年 *RMB'000* *人民幣千元* (Restated) (重述)
Operating lease charges	經營租賃費用		
– Lease of properties	– 租賃物業	**30,138**	31,969
– Lease of other assets	– 租賃其他資產	**9**	46
		30,147	32,015
Auditors' remuneration, include tax and disbursements	核數師薪酬，含税和代墊費用	**10,340**	9,470
Rental income from investment properties	來自投資物業的租賃收入		
– Gross rental	– 毛租金	**14,809**	18,866
– Direct outgoings	– 直接支出	**(2,261)**	(2,750)
– Net rental	– 淨租金	**12,548**	16,116
Cost of construction contracts	建造合同成本	**9,573,656**	11,404,563
Cost of goods sold	已售貨品成本	**6,955,770**	7,963,429
Cost of services provided	所提供服務的成本	**943,619**	961,456
		17,473,045	20,329,448

7. INTEREST EXPENSES ON BORROWINGS

7. 借貸利息開支

An analysis of interest expenses on borrowings is as follows:

借貸的利息開支分析如下：

		2016 **2016年** ***RMB'000*** *人民幣千元*	2015 2015年 *RMB'000* *人民幣千元* (Restated) （重述）
Interest expenses on borrowings	借貸利息開支	**24,257**	25,977

8. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION

8. 董事、行政總裁及監事薪酬

		2016 **2016年** ***RMB'000*** *人民幣千元*	2015 2015年 *RMB'000* *人民幣千元* (Restated) （重述）
Fees	袍金	**1,120**	1,120
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	**2,094**	2,168
Performance related bonuses	與表現掛鈎的花紅	**2,244**	2,186
Pension scheme contributions	退休金計劃供款	**144**	132
		5,602	5,606

8. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION *(CONTINUED)*

8. 董事、行政總裁及監事薪酬 *(續)*

Executive directors, non-executive directors, the chief executive and supervisors

執行董事、非執行董事、行政總裁及監事

		Fees 袍金 *RMB'000* *人民幣千元*	Salaries, allowances and benefits in kind 薪金、津貼及實物利益 *RMB'000* *人民幣千元*	Performance related bonuses 與表現掛鈎的花紅 *RMB'000* *人民幣千元*	Pension scheme contributions 退休金計劃供款 *RMB'000* *人民幣千元*	Total remuneration 薪酬合計 *RMB'000* *人民幣千元*
2016	**2016年**					
Executive directors:	執行董事：					
Mr. Sun Bai	孫柏先生	–	634	1,122	48	1,804
Mr. Zhang Chun *(note (1))*	張淳先生*（附註(1)）*	–	634	1,122	48	1,804
		–	1,268	2,244	96	3,608
Non-executive directors:	非執行董事：					
Mr. Wang Zhian	王治安先生	80	34	–	–	114
Mr. Zhang Fusheng	張福生先生	80	27	–	–	107
Mr. Yu Benli	余本禮先生	80	28	–	–	108
		240	89	–	–	329
Independent non-executive directors:	獨立非執行董事：					
Mr. Liu Li	劉力先生	220	–	–	–	220
Ms. Liu Hongyu	劉紅宇女士	220	–	–	–	220
Mr. Fang Yongzhong	方永忠先生	220	–	–	–	220
Mr. Wu Tak Lung	吳德龍先生	220	–	–	–	220
		880	–	–	–	880
Supervisors:	監事：					
Mr. Quan Huaqiang	全華強先生	–	–	–	–	–
Mr. Qian Xiangdong	錢向東先生	–	–	–	–	–
Mr. Bai Ming	白明先生	–	737	–	48	785
		–	737	–	48	785
		1,120	2,094	2,244	144	5,602

Note:

(1) Mr. Zhang Chun is the chief executive of the Company.

附註：

(1) 張淳先生為本公司行政總裁。

8. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION *(CONTINUED)*

8. 董事、行政總裁及監事薪酬 *(續)*

Executive directors, non-executive directors, the chief executive and supervisors *(continued)*

執行董事、非執行董事、行政總裁及監事 *(續)*

		Fees 袍金 *RMB'000* *人民幣千元*	Salaries, allowances and benefits in kind 薪金、津貼及實物利益 *RMB'000* *人民幣千元*	Performance related bonuses 與表現掛鈎的花紅 *RMB'000* *人民幣千元*	Pension scheme contributions 退休金計劃供款 *RMB'000* *人民幣千元*	Total remuneration 薪酬合計 *RMB'000* *人民幣千元*
2015 (Restated)	**2015年**（重述）					
Executive directors:	執行董事：					
Mr. Sun Bai	孫柏先生	–	601	1,093	44	1,738
Mr. Zhang Chun *(note (1))*	張淳先生*（附註(1)）*	–	601	1,093	44	1,738
		–	1,202	2,186	88	3,476
Non-executive directors:	非執行董事：					
Mr. Wang Zhian	王治安先生	80	27	–	–	107
Mr. Zhang Fusheng	張福生先生	80	22	–	–	102
Mr. Yu Benli	余本禮先生	80	20	–	–	100
		240	69	–	–	309
Independent non-executive directors:	獨立非執行董事：					
Mr. Liu Li	劉力先生	220	–	–	–	220
Ms. Liu Hongyu	劉紅宇女士	220	–	–	–	220
Mr. Fang Yongzhong	方永忠先生	220	–	–	–	220
Mr. Wu Tak Lung	吳德龍先生	220	–	–	–	220
		880	–	–	–	880
Supervisors:	監事：					
Mr. Quan Huaqiang	全華強先生	–	–	–	–	–
Mr. Qian Xiangdong	錢向東先生	–	–	–	–	–
Mr. Bai Ming	白明先生	–	897	–	44	941
		–	897	–	44	941
		1,120	2,168	2,186	132	5,606

Note:

(1) Mr. Zhang Chun is the chief executive of the Company.

附註：

(1) 張淳先生為本公司行政總裁。

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two directors, details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining three (2015: three) highest paid employees who are neither a director, chief executive nor supervisor of the Company are as follows:

9. 五位最高薪酬僱員

年內，五位最高薪酬僱員包括兩名董事彼等的薪酬詳情載於上述附註8。年內既非董事、非行政總裁亦非監事的餘下三名（2015年：三名）最高薪酬僱員的薪酬詳情如下：

		2016 **2016年** ***RMB'000*** ***人民幣千元***	2015 2015年 *RMB'000* *人民幣千元* (Restated) （重述）
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	**1,617**	1,226
Performance related bonuses	與表現掛鈎的花紅	**2,860**	2,782
Pension scheme contributions	退休金計劃供款	**143**	132
		4,620	4,140

The number of non-director non-chief executive and non-supervisor highest paid employees whose remuneration fell within the following band is as follows:

薪酬在以下範圍的非董事、非行政總裁及非監事最高薪酬僱員人數如下：

		Number of employees **僱員人數**	
		2016 **2016年**	2015 2015年 (Restated) （重述）
HK$1,500,001 to HK$2,000,000	1,500,001港元至2,000,000港元	**3**	3

10. 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 for the years ended December 31, 2016 and 2015, except for two subsidiaries of the Group which were entitled to the preferential tax rate of 15% (2015: 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% (2015: 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.

10. 所得税

根據中國相關法律及法規，本集團於截至2016年及2015年12月31日止年度適用的法定企業所得税税率為25%，惟本集團的兩家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%（2015年：15%）的優惠税率。

香港利得税乃就年內在香港產生的估計應課税溢利按16.5%（2015年：16.5%）的税率提撥。於其他地區的應課税利潤乃按本集團營運所在的國家（或司法權區）的適用税率計算税項。

		2016	2015
		2016年	2015年
		RMB'000	*RMB'000*
		人民幣千元	*人民幣千元*
			(Restated) （重述）
Current income tax – Mainland China	即期所得税－中國大陸	**693,689**	860,742
Current income tax – Hong Kong	即期所得税－香港	**10,756**	2,709
Current income tax – Others	即期所得税－其他	**2,982**	7,579
Deferred income tax	遞延所得税	**(33,287)**	(83,122)
Total tax charge for the year	年度税項支出總額	**674,140**	787,908

10. INCOME TAX *(CONTINUED)*

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 are as follows:

10. 所得稅（續）

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：

		2016 **2016年** ***RMB'000*** ***人民幣千元***	2015 2015年 *RMB'000* *人民幣千元* (Restated) （重述）
Profit before tax	除稅前溢利	**2,783,930**	2,996,868
Tax at the statutory tax rate	按法定稅率計算的稅項	**695,983**	749,217
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	**(10,696)**	(8,889)
Share of losses/(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虧損／（溢利）	**(3,760)**	306
Income not subject to tax	毋需課稅的收益	**(12,311)**	–
Adjustments in respect of current tax of previous periods	就過往期間即期所得稅作出的調整	**(5,594)**	21,257
Expenses not deductible for tax	不可扣稅開支	**15,137**	20,378
Tax losses utilised from previous periods	使用過往期間的稅項虧損	**(3,204)**	–
Others	其他	**(1,415)**	5,639
Tax charge at the Group's effective rate	按本集團實際稅率計算的稅項支出	**674,140**	787,908

The share of tax attributable to associates and joint ventures amounting to RMB410,000 (2015: RMB49,000) and RMB3,350,000 (2015: RMB257,000), 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410,000元（2015年：人民幣49,000元）及人民幣3,350,000元（2015年：人民幣257,000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。

11. PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

The consolidated profit attributable to owners of the parent for the year ended December 31, 2016 includes a profit of RMB1,772,370,000 (2015: RMB1,908,837,000) which has been dealt with in the financial statements of the Company.

11. 歸屬於母公司擁有人的溢利

截至2016年12月31日止年度歸屬於母公司擁有人的合併溢利包括已於本公司財務報表入賬的溢利人民幣1,772,370,000元（2015年：人民幣1,908,837,000元）。

12. DIVIDENDS

12. 股息

		2016	2015
		2016年	2015年
		RMB'000	*RMB'000*
		人民幣千元	*人民幣千元*
			(Restated) （重述）
Proposed final dividend of RMB0.2042 (2015: RMB0.1989) per ordinary share	擬派末期股息每股普通股人民幣0.2042元（2015年：人民幣0.1989元）	**842,468**	820,602

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。

12. DIVIDENDS *(CONTINUED)*

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 dividend after deducting enterprise income tax at the rate of 10%.

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 (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]45號)), the Company is required from 4 January 2011 under the Individual Income Tax Law of the PRC (中華人民共和國個人所得稅法) 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.

12. 股息*(續)*

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。

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]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》及其實施條例的規定,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。

13. 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 (2015: 4,125,700,000) ordinary shares.

The calculation of basic earnings per share is based on:

13. 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（2015年：4,125,700,000股）計算。

每股基本盈利的計算如下：

		2016	2015
		2016年	2015年
		RMB'000	*RMB'000*
		人民幣千元	*人民幣千元*
			(Restated)
			（重述）
Earnings	**盈利**		
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation	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	**2,106,521**	2,204,777

		Number of shares	
		股份數目	
		2016	2015
		2016年	2015年
		Thousand shares	*Thousand shares*
		千股	*千股*
			(Restated)
			（重述）
Shares	**股份**		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	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 2016 and 2015.

截至2016年及2015年12月31日止年度，本集團並無潛在攤薄已發行普通股。

14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Buildings 樓宇 *RMB'000* *人民幣千元*	Motor vehicles 汽車 *RMB'000* *人民幣千元*	Office and other equipment 辦公及其他設備 *RMB'000* *人民幣千元*	Construction In progress 在建工程 *RMB'000* *人民幣千元*	Total 總計 *RMB'000* *人民幣千元*
Cost:	**成本：**					
At January 1, 2015 (Restated)	於2015年1月1日（重述）	566,298	132,590	118,293	290,665	1,107,846
Additions	添置	9,825	8,260	17,799	376,686	412,570
Transfer from investment properties	撥自投資物業	1,897	–	–	–	1,897
Transfer to investment properties	撥入投資物業	(17,438)	–	–	–	(17,438)
Disposals	處置	(1,411)	(6,194)	(13,606)	–	(21,211)
At December 31, 2015 (Restated)	於2015年12月31日（重述）	559,171	134,656	122,486	667,351	1,483,664
At January 1, 2016 (Restated)	於2016年1月1日（重述）	**559,171**	**134,656**	**122,486**	**667,351**	**1,483,664**
Additions	添置	**311,267**	**13,111**	**73,795**	**170,583**	**568,756**
Transfer to investment properties	撥入投資物業	**(25,339)**	**–**	**–**	**–**	**(25,339)**
Disposals	處置	**(6,319)**	**(6,390)**	**(8,494)**	**–**	**(21,203)**
At December 31, 2016	於2016年12月31日	**838,780**	**141,377**	**187,787**	**837,934**	**2,005,878**
Accumulated depreciation:	**累計折舊：**					
At January 1, 2015 (Restated)	於2015年1月1日（重述）	(194,386)	(74,912)	(62,562)	–	(331,860)
Charge for the year	年內支出	(23,568)	(14,100)	(12,585)	–	(50,253)
Transfer from investment properties	撥自投資物業	(897)	–	–	–	(897)
Transfer to investment properties	撥入投資物業	3,313	–	–	–	3,313
Written back on disposals	處置後撥回	742	5,388	9,710	–	15,840
At December 31, 2015 (Restated)	於2015年12月31日（重述）	(214,796)	(83,624)	(65,437)	–	(363,857)
At January 1, 2016 (Restated)	於2016年1月1日（重述）	**(214,796)**	**(83,624)**	**(65,437)**	**–**	**(363,857)**
Charge for the year	年內支出	**(33,872)**	**(17,913)**	**(25,019)**	**–**	**(76,804)**
Transfer to investment properties	撥入投資物業	**23,707**	**–**	**–**	**–**	**23,707**
Written back on disposals	處置後撥回	**4,753**	**4,476**	**7,564**	**–**	**16,793**
At December 31, 2016	於2016年12月31日	**(220,208)**	**(97,061)**	**(82,892)**	**–**	**(400,161)**
Net book value:	**賬面淨值：**					
At December 31, 2015 (Restated)	於2015年12月31日（重述）	344,375	51,032	57,049	667,351	1,119,807
At December 31, 2016	於2016年12月31日	**618,572**	**44,316**	**104,895**	**837,934**	**1,605,717**

14. PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

(a) The analysis of net book value of buildings is as follows:

14. 物業、廠房及設備*(續)*

(a) 樓宇的賬面淨值分析如下：

		2016 **2016年** ***RMB'000*** ***人民幣千元***	2015 2015年 *RMB'000* *人民幣千元* (Restated) (重述)
Outside Hong Kong	香港以外		
– Long-term leases	－長期租賃	**43,681**	33,261
– Medium-term leases	－中期租賃	**563,429**	269,688
– Freehold	－永久業權	**11,462**	41,426
		618,572	344,375

(b) As at December 31, 2016, certain of the Group's borrowing were secured by certain of the Group's buildings with an aggregate net book value of RMB3,603,000 (2015: RMB10,848,000).

(b) 於2016年12月31日，本集團若干借貸由本集團賬面總淨值為人民幣3,603,000元（2015年：人民幣10,848,000元）的若干樓宇作抵押。

15. INVESTMENT PROPERTIES

15. 投資物業

		2016 2016年 *RMB'000* *人民幣千元*	2015 2015年 *RMB'000* *人民幣千元* (Restated) (重述)
Cost:	**成本：**		
At the beginning of the year	於年初	**38,899**	23,358
Disposals	處置	**(2,450)**	–
Transfer from property, plant and equipment	撥自物業、廠房及設備	**25,339**	17,438
Transfer to property, plant and equipment	撥入物業、廠房及設備	**–**	(1,897)
At the end of the year	於年末	**61,788**	38,899
Accumulated depreciation:	**累計折舊：**		
At the beginning of the year	於年初	**(16,864)**	(13,021)
Charge for the year	年內支出	**(2,516)**	(1,427)
Written back on disposals	處置後撥回	**2,287**	–
Transfer from property, plant and equipment	撥自物業、廠房及設備	**(23,707)**	(3,313)
Transfer to property, plant and equipment	撥入物業、廠房及設備	**–**	897
At the end of the year	於年末	**(40,800)**	(16,864)
Net book value:	**賬面淨值：**	**20,988**	22,035

The Group's investment properties consist of five commercial properties outside Hong Kong. The directors of the Company have determined that the investment properties are commercial assets, based on the nature, characteristics and risks of each property. The Group's investment properties were revalued on 31 December 2016 based on valuations performed by Savills Corporate Appraisal and Advisory Limited, a firm of independent qualified valuers in Hong Kong, at RMB150,047,000.

本集團的投資物業包括香港以外五個商業物業。本公司董事已根據每項物業之性質、特徵及風險，釐定屬商業資產的投資物業。本集團的投資物業於2016年12月31日經第一太平戴維斯估值及專業顧問有限公司(香港的獨立合資格估值師事務所)重新估值為人民幣150,047,000元。

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 33(a) to the financial statements.

投資物業以經營租賃方式租予第三者，其進一步概要詳情載於財務報表附註33(a)。

15. INVESTMENT PROPERTIES *(CONTINUED)*

15. 投資物業*(續)*

Fair value hierarchy

公允價值層級

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

下表列示本集團投資物業公允價值計量層級：

Recurring fair value measurement for: 經常性公允價值計量：		**Fair value as at December 31, 2016 Significant unobservable inputs (Level 3) 於2016年12月31日的公允價值重大不可觀察輸入數據（第3級）** ***RMB'000 人民幣千元***	Fair value as at December 31, 2015 Significant unobservable inputs (Level 3) 於2015年12月31日的公允價值重大不可觀察輸入數據（第3級） *RMB'000 人民幣千元*
Commercial properties	商業物業	**150,047**	142,856

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2015: Nil).

年內，第1級與第2級之間並無公允價值計量轉移，亦無轉入或轉出第3級（2015年：無）。

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

投資物業所用估值方法及主要估值輸入數據概述如下：

	Valuation techniques 估值方法	**Significant unobservable inputs 重大不可觀察輸入數據**	**Range or weighted average 範圍或加權平均 2016 2016年**	2015 2015年
Commercial properties 商業物業	Term and reversion 年期及復歸	Estimated rental value (per s.q.m. and per month) 估計租金價值（每平方米每月）	**28 to 213 28至213**	25 to 218 25至218
		Rent growth (p.a.) 租金增長率（每年）	**0% 0%**	0% 0%
		Long term vacancy rate 長期空置率	**0% 0%**	0% 0%
		Yield 回報率	**4% to 6.5% 4%至6.5%**	4% to 6.5% 4%至6.5%

15. INVESTMENT PROPERTIES *(CONTINUED)*

Fair value hierarchy *(continued)*

Under the income approach, the term and reversion approach in particular, the rental income derived from the existing tenancies with due allowance for the reversionary potential of the property is capitalised at the capitalisation rate. The estimated total net leased income is capitalised over the remaining term of land use rights of the property at an appropriate market yield expected by investors for the type of properties.

15. 投資物業（續）

公允價值層級（續）

按照收益法，尤其是年期及復歸法，現有租約內的租金收入連同該物業復歸潛力的適當補償按資本化率予以資本化。估計租金淨收益總額按投資者對不同類型物業預期的適當市場回報率於物業餘下的土地使用權年期內予以資本化。

16. PREPAID LAND LEASE PAYMENTS

16. 預付土地租賃款項

		2016 **2016年** ***RMB'000*** *人民幣千元*	2015 2015年 *RMB'000* *人民幣千元* (Restated) （重述）
Cost:	**成本：**		
At the beginning of the year	於年初	**1,986,665**	1,901,129
Addition	添置	**51,463**	85,536
At the end of the year	於年末	**2,038,128**	1,986,665
Accumulated amortisation:	**累計攤銷：**		
At the beginning of the year	於年初	**(194,308)**	(148,359)
Charge for the year	年內支出	**(46,523)**	(45,949)
At the end of the year	於年末	**(240,831)**	(194,308)
Net book value:	**賬面淨值：**	**1,797,297**	1,792,357

16. PREPAID LAND LEASE PAYMENTS *(CONTINUED)*

The leasehold land is situated in Mainland China and is held under a long term lease.

As at December 31, 2016, certain of the Group's borrowings were secured by certain of the Group's leasehold land with an aggregate net book value of RMB56,198,000 (2015:Nil).

16. 預付土地租賃款項*(續)*

租賃土地位於中國大陸，並根據長期租約持有。

於2016年12月31日，本集團若干借貸由本集團總賬面淨值為人民幣56,198,000元（2015年：無）的若干租賃土地作抵押。

17. INTANGIBLE ASSETS

17. 無形資產

		2016	2015
		2016年	2015年
		RMB'000	*RMB'000*
		人民幣千元	*人民幣千元*
			(Restated)
			（重述）
Cost:	**成本：**		
At the beginning of the year	於年初	**13,308**	16,715
Additions	添置	**5,756**	6,557
Disposals	處置	**(3,141)**	(9,964)
At the end of the year	於年末	**15,923**	13,308
Accumulated amortisation:	**累計攤銷：**		
At the beginning of the year	於年初	**(3,810)**	(7,787)
Charge for the year	年內支出	**(5,667)**	(5,294)
Disposals	處置	**3,141**	9,271
At the end of the year	於年末	**(6,336)**	(3,810)
Net book value:	**賬面淨值：**	**9,587**	9,498

18. INVESTMENTS IN JOINT VENTURES

18. 對合營公司的投資

		2016 2016年 *RMB'000* *人民幣千元*	2015 2015年 *RMB'000* *人民幣千元*
Share of net assets	應佔資產淨額	**297,916**	210,014

Particulars of the joint ventures are as follows:

合營公司的詳細資料如下：

Name 名稱	Particulars of issued shares held 所持有已發行股份詳情	Place and date of registration 註冊地點及日期	Percentage of ownership interest, voting power and profit sharing 所有權權益、投票權及溢利分配百分比	Principal activities 主要業務
China National Guo Lian Development New Energy (Wuxi) Co., Ltd. 中設國聯無錫新能源發展有限公司	Registered capital of RMB400,000,000 註冊資本為人民幣400,000,000元	The PRC November 4, 2014 中國 2014年11月4日	50% 50%	Engineering design 工程設計
CMIPC Huajin Casting Co., Ltd. 山西中設華晉鑄造有限公司	Registered capital of RMB251,390,000 註冊資本為人民幣251,390,000元	The PRC March 31, 2015 中國 2015年3月31日	34% 34%	Metal casting production 金屬鑄造生產

18. INVESTMENTS IN JOINT VENTURES *(CONTINUED)*

18. 對合營公司的投資*(續)*

The following table illustrates the summarised financial information of China National Guo Lian Development New Energy (Wuxi) Co., Ltd.:

下表列示中設國聯無錫新能源發展有限公司的財務資料概要：

		2016 **2016年** ***RMB'000*** *人民幣千元*	2015 2015年 *RMB'000* *人民幣千元*
Current assets	流動資產	**213,681**	188,154
Non-current assets	非流動資產	**1,019,468**	579,694
Current liabilities	流動負債	**(325,603)**	(348,013)
Non-current liabilities	非流動負債	**(450,251)**	(201,769)
		457,295	218,066
Non-controlling interests	非控股權益	**(31,885)**	(18,646)
Total equity attributable to owners of the parent	母公司擁有人應佔權益總額	**425,410**	199,420
Proportion of the Group's ownership	本集團擁有權比例	**50%**	50%
Group's share of net assets of the joint venture	本集團應佔合營公司的資產淨額	**212,705**	99,710
Revenue	收入	**82,495**	13,149
Cost of sales	銷售成本	**(34,767)**	(5,944)
Expenses	開支	**(21,724)**	(6,799)
Profit before tax	除税前溢利	**26,004**	406
Tax	税項	**(16)**	(1,120)
Profit/(loss) after tax	除税後溢利／（虧損）	**25,988**	(714)
Other comprehensive income	其他綜合收益	**–**	–
Total comprehensive income/(loss)	綜合收益／（虧損）總額	**25,988**	(714)
Proportion of the Group's ownership	本集團擁有權比例	**50%**	50%
Group's share of profit/(loss) after tax of the joint venture	本集團應佔合營公司的除税後溢利／（虧損）	**12,994**	(357)
Share of total comprehensive income/(loss)	應佔綜合收益／（虧損）總額	**12,994**	(357)

18. INVESTMENTS IN JOINT VENTURES *(CONTINUED)*

18. 對合營公司的投資*（續）*

The following table illustrates the summarised financial information of CMIPC Huajin Casting Co., Ltd.:

下表列示山西中設華晉鑄造有限公司的財務資料概要：

		2016 **2016年** ***RMB'000*** ***人民幣千元***	2015 2015年 *RMB'000* *人民幣千元*
Current assets	流動資產	**251,935**	295,160
Non-current assets	非流動資產	**220,364**	221,458
Current liabilities	流動負債	**(220,192)**	(266,934)
Non-current liabilities	非流動負債	**–**	(260)
Net assets	資產淨額	**252,107**	249,424
Proportion of the Group's ownership	本集團擁有權比例	**34%**	34%
Group's share of net assets of the joint venture	本集團應佔合營公司的資產淨額	**85,716**	84,804
Revenue	收入	**300,589**	214,989
Cost of sales	銷售成本	**(265,961)**	(182,606)
Expenses	開支	**(33,431)**	(34,363)
Profit/(loss) before tax	除税前溢利／（虧損）	**1,197**	(1,980)
Tax	税項	**–**	–
Profit/(loss) after tax	除税後溢利／（虧損）	**1,197**	(1,980)
Other comprehensive income	其他綜合收益	**–**	–
Total comprehensive income/(loss)	綜合收益／（虧損）總額	**1,197**	(1,980)
Proportion of the Group's ownership	本集團擁有權比例	**34%**	34%
Group's share of profit/(loss) after tax of the joint venture	本集團應佔合營公司的除税後溢利／（虧損）	**407**	(673)
Share of total comprehensive income/(loss)	應佔綜合收益／（虧損）總額	**407**	(673)

19. INVESTMENTS IN ASSOCIATES

19. 對聯營公司的投資

		2016 2016年 *RMB'000* *人民幣千元*	2015 2015年 *RMB'000* *人民幣千元* (Restated) （重述）
Share of net assets	應佔資產淨額	**265,836**	53,765

The Group's trade receivable and payable balances with the associate are disclosed in notes 22 and 24 to the financial statements, respectively.

本集團與聯營公司的貿易應收款項及應付款項結餘分別於財務報表附註22及24披露。

Particulars of the associates are as follows:

聯營公司的詳情如下：

Name 名稱	Particulars of issued shares held 所持有已發行股份詳情	Place and date of registration 註冊地點及日期	Percentage of ownership interest, voting power and profit sharing 所有權權益、投票權及溢利分配百分比	Principal activities 主要業務
Engro Powergen Thar (Private) Limited	PKR11,321,146,000	Pakistan September 23, 2014	35%	Power station construction and operation
安格魯塔爾電力公司	11,321,146,000 巴基斯坦盧比	巴基斯坦 2014年9月23日	35%	電站建造及運營
Ningguo Investment Co., Ltd.	RMB5,000,000	The PRC March 27,2014	40%	Investment in infrastructure
寧國中成投資有限公司	人民幣5,000,000元	中國 2014年3月27日	40%	基礎設施投資

19. INVESTMENTS IN ASSOCIATES *(CONTINUED)*

19. 對聯營公司的投資*（續）*

The following table illustrates the summarised financial information of Engro Powergen Thar (Private) Limited:

下表列示安格魯塔爾電力公司的財務資料概要：

		2016 **2016年** ***RMB'000*** ***人民幣千元***	2015 2015年 *RMB'000* *人民幣千元*
Current assets	流動資產	**88,475**	18,194
Non-current assets	非流動資產	**2,124,713**	136,896
Current liabilities	流動負債	**(143,366)**	(5,654)
Non-current liabilities	非流動負債	**(1,313,876)**	–
Net assets	資產淨額	**755,946**	149,436
Proportion of the Group's ownership	本集團擁有權比例	**35%**	35%
Group's share of net assets of the associate	本集團應佔聯營公司的資產淨額	**264,581**	52,303
Income/(expenses)	收益／（開支）	**5,302**	(225)
Profit/(loss) before tax	除税前溢利／（虧損）	**5,302**	(225)
Tax	税項	**(35)**	(4)
Profit/(loss) after tax	除税後溢利／（虧損）	**5,267**	(229)
Other comprehensive income	其他綜合收益	**–**	–
Total comprehensive income/(loss)	綜合收益／（虧損）總額	**5,267**	(229)
Proportion of the Group's ownership	本集團擁有權比例	**35%**	35%
Group's share of income after tax of the associate	本集團應佔聯營公司的除税後溢利	**1,843**	–
Share of total comprehensive income	應佔綜合收益總額	**1,843**	–

20. INVENTORIES

20. 存貨

		2016 2016年 *RMB'000* *人民幣千元*	2015 2015年 *RMB'000* *人民幣千元* (Restated) （重述）
Goods in transit	在途商品	**73,547**	51,295
Entrusted processing materials	委託加工物資	**153,277**	120,319
Finished goods	製成品	**220,256**	179,716
Completed properties held for sale	持作待售已竣工物業	**50,562**	101,214
		497,642	452,544
Provision for impairment	減值撥備	**(1,906)**	(4,040)
		495,736	448,504

21. AMOUNTS DUE FROM CONTRACT CUSTOMERS

21. 應收合同客戶款項

		2016 2016年 *RMB'000* *人民幣千元*	2015 2015年 *RMB'000* *人民幣千元* (Restated) （重述）
Gross amounts due from contract customers	應收合同客戶款項總額		
– Current portion	－流動部分	**4,693,622**	2,947,620
– Non-current portion	－非流動部分	**2,547,471**	2,660,045
		7,241,093	5,607,665
Contract costs incurred plus recognised profits less recognised losses to date	迄今已產生合同成本加已確認溢利減已確認虧損	**93,105,326**	80,151,275
Less: Progress billings	減：進度款項	**85,864,233**	74,543,610
		7,241,093	5,607,665

21. AMOUNTS DUE FROM CONTRACT CUSTOMERS *(CONTINUED)*

21. 應收合同客戶款項*(續)*

The movements in provision for recognised losses of amounts due from contract customers are as follows:

應收合同客戶款項的已確認減值虧損撥備變動如下：

		2016 2016年 *RMB'000* *人民幣千元*	2015 2015年 *RMB'000* *人民幣千元* (Restated) (重述)
At January 1	於1月1日	**57,931**	82,771
Impairment losses recognised	已確認的減值虧損	**117,997**	31,181
Foreseeable contract losses recognised	已確認的可預計合同虧損	**–**	6,061
Transfer out to trade and other receivables	轉出至貿易及其他應收款項	**(38,069)**	(62,082)
Impairment losses reversed	已撥回的減值虧損	**(105,324)**	–
Foreseeable contract losses reversed	已撥回的可預計合同虧損	**(10,188)**	–
At December 31	於12月31日	**22,347**	57,931

22. TRADE AND OTHER RECEIVABLES

22. 貿易及其他應收款項

		Notes *附註*	2016 2016年 *RMB'000* *人民幣千元*	2015 2015年 *RMB'000* *人民幣千元* (Restated) (重述)
Bills receivables	應收票據		**68,184**	251,541
Trade receivables	貿易應收款項		**5,619,071**	4,613,603
Less: Allowance for doubtful debts	減：呆賬撥備	*(b)*	**(840,205)**	(647,777)
Trade and bills receivables	貿易應收款項及應收票據	*(a)*	**4,847,050**	4,217,367
Advances to suppliers	向供應商預付款項		**2,024,858**	1,755,077
Other receivables	其他應收款項		**1,873,834**	2,236,431
Less: Allowance for doubtful debts	減：呆賬撥備	*(b)*	**(70,704)**	(68,727)
			1,803,130	2,167,704
Portion classified as non-current assets	分類為非流動資產的部分		**(553,937)**	(72,676)
Current portion	流動部分	*(e)*	**8,121,101**	8,067,472

22. TRADE AND OTHER RECEIVABLES *(CONTINUED)*

22. 貿易及其他應收款項*(續)*

(a) Ageing analysis

(a) 賬齡分析

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 provisions, is as follows:

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撥備的賬齡分析如下：

		2016	2015
		2016年	2015年
		RMB'000	*RMB'000*
		人民幣千元	*人民幣千元*
			(Restated)
			（重述）
Within 3 months	3個月以內	**2,819,832**	2,699,262
3 months to 6 months	3個月至6個月	**199,330**	531,141
6 months to 1 year	6個月至1年	**610,301**	326,929
Over 1 year	1年以上	**1,217,587**	660,035
		4,847,050	4,217,367

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 receivables are generally due within 180 days from the date of issuance. The Group's credit policy is set out in note 37(a).

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。本集團的信貸政策載於附註37(a)。

22. TRADE AND OTHER RECEIVABLES *(CONTINUED)*

22. 貿易及其他應收款項*(續)*

(b) Impairment of trade and other receivables

(b) 貿易及其他應收款項減值

The movements in provision for impairment of trade receivables and other receivables are as follows:

貿易應收款項及其他應收款項減值撥備的變動如下：

		2016 **2016年** ***RMB'000*** *人民幣千元*	2015 2015年 *RMB'000* *人民幣千元* (Restated) (重述)
At January 1	於1月1日	**716,504**	631,845
Impairment losses recognised	已確認的減值虧損	**220,577**	75,875
Transfer in from amounts due from contract customers	轉撥自應收合同客戶款項	**38,069**	62,080
Impairment losses reversed	已撥回的減值虧損	**(61,004)**	(50,885)
Amount written off as uncollectible	撇銷不可收回的金額	**(3,237)**	(2,411)
		910,909	716,504

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB693,457,000 (December 31, 2015: RMB520,187,000) with an aggregate carrying amount before provision of RMB1,613,328,000 (December 31, 2015: RMB1,210,400,000).

計入上述貿易應收款項的減值撥備為單獨認定的貿易應收款項減值撥備人民幣693,457,000元（2015年12月31日：人民幣520,187,000元），撥備前的賬面總值為人民幣1,613,328,000元（2015年12月31日：人民幣1,210,400,000元）。

22. TRADE AND OTHER RECEIVABLES *(CONTINUED)*

22. 貿易及其他應收款項*(續)*

(b) Impairment of trade and other receivables *(continued)*

(b) 貿易及其他應收款項減值*(續)*

Included in the above provision for impairment of other receivables is a provision for individually impaired other receivables of RMB62,005,000 (December 31, 2015: RMB61,315,000) with an aggregate carrying amount before provision of RMB1,022,095,000 (December 31, 2015: RMB1,886,758,000).

計入上述其他應收款項的減值撥備為單獨認定的其他應收款項減值撥備人民幣62,005,000元(2015年12月31日：人民幣61,315,000元)，撥備前的賬面總值為人民幣1,022,095,000元(2015年12月31日：人民幣元1,886,758,000元)。

The individually impaired trade and other receivables relate 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.

單獨認定的貿易及其他應收款減值項涉及存在財務困難或拖欠利息及／或本金付款的客戶，且預期僅可收回部分應收款。

(c) Trade and bills receivables that are not impaired

(c) 未減值的貿易應收款項及應收票據

The ageing analysis of the trade and bills receivables that are not individually nor collectively considered to be impaired is as follows:

既未單獨亦未共同視為減值的貿易應收款項及應收票據的賬齡分析如下：

		2016 **2016年** ***RMB'000*** *人民幣千元*	2015 2015年 *RMB'000* *人民幣千元* (Restated) (重述)
Neither past due nor impaired	既未逾期亦未減值	**1,507,269**	2,067,395
Less than 3 months past due	逾期3個月以內	**79,081**	111,401
3 months to 6 months past due	逾期3個月至6個月	**50,238**	42,192
6 months to 1 year past due	逾期6個月至1年	**150,714**	118,378
More than 1 year past due	逾期1年以上	**271,541**	128,452
		2,058,843	2,467,818

22. TRADE AND OTHER RECEIVABLES *(CONTINUED)*

(c) Trade and bills receivables that are not impaired *(continued)*

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

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

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

22. 貿易及其他應收款項*(續)*

(c) 未減值的貿易應收款項及應收票據*(續)*

既未逾期亦未減值的應收款項與近期並無拖欠記錄的多名分散的客戶有關。

逾期但並未減值的應收款項與多名獨立客戶有關，彼等與本集團具有良好的往績記錄。根據過往經驗，由於信貸質量並無重大變化且該等結餘仍被視為可悉數收回，故管理層相信毋須就該等結餘作減值撥備。

(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：

		2016 **2016年** ***RMB'000*** ***人民幣千元***	2015 2015年 *RMB'000* *人民幣千元* (Restated) (重述)
SINOMACH	國機	**10,155**	9,833
Fellow subsidiaries	同系附屬公司	**55,461**	43,324

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

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) As at December 31, 2016 and December 31, 2015, none of the Group's borrowings were secured by the Group's trade receivables.

(e) 於2016年12月31日及2015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。

23. CASH AND CASH EQUIVALENTS AND RESTRICTED DEPOSITS

23. 現金及現金等價物及受限制存款

		2016 2016年 *RMB'000* *人民幣千元*	2015 2015年 *RMB'000* *人民幣千元* (Restated) (重述)
Cash and bank balances	現金及銀行結餘	**26,038,459**	25,634,255
Less: Restricted deposits	減：受限制存款	**(554,588)**	(566,265)
Less: Non-pledged time deposits with original maturity of over three months when acquired	減：收購時原到期日為三個月以上的無抵押定期存款	**(5,942,003)**	(4,035,091)
Cash and cash equivalents in the statement of financial position and in the consolidated statement of cash flows	於財務狀況表及合併現金流量表的現金及現金等價物	**19,541,868**	21,032,899

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to RMB16,201,473,000 (2015: RMB18,528,872,000).The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

截至報告期末，本集團以人民幣（「人民幣」）計值的現金及銀行結餘為人民幣16,201,473,000元（2015年：人民幣18,528,872,000元）。人民幣不可自由兑換成其他貨幣。然而，根據中國大陸《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團可透過獲授權經營外匯業務的銀行將人民幣兑換成其他貨幣。

23. CASH AND CASH EQUIVALENTS AND RESTRICTED DEPOSITS *(CONTINUED)*

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and restricted deposits are deposited with creditworthy banks with no recent history of default.

23. 現金及現金等價物及受限制存款*（續）*

銀行現金按每日銀行存款利率的浮動利率計息。短期定期存款的存款期介乎一日至三個月，視乎本集團的即時現金需求而定，並按相關短期定期存款利率計息。銀行結餘及受限制存款存放於近期無拖欠記錄且信譽良好的銀行。

24. TRADE AND OTHER PAYABLES

24. 貿易及其他應付款項

		2016 **2016年** ***RMB'000*** ***人民幣千元***	2015 2015年 *RMB'000* *人民幣千元* (Restated) （重述）
Bills payable	應付票據	**115,623**	198,639
Trade payables	貿易應付款項	**13,012,654**	12,708,648
		13,128,277	12,907,287
Accrued salaries, wages and benefits	應計薪金、工資及福利	**1,022,817**	907,850
Other taxes payable	其他應繳稅項	**80,356**	85,346
Other payables	其他應付款項	**3,180,134**	3,246,816
Derivative financial instruments	衍生金融工具	**120,151**	80,765
Dividends payable	應付股息	**3,782**	10,144
Interest payable	應付利息	**5,736**	9,604
Others	其他	**81,206**	17,424
		17,622,459	17,265,236
Less: Portion classified as current liabilities	減：分類為流動負債的部分	**(17,541,253)**	(17,191,277)
Non-current portion	非流動部分	**81,206**	73,959

24. TRADE AND OTHER PAYABLES *(CONTINUED)*

24. 貿易及其他應付款項*(續)*

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：

		2016	2015
		2016年	2015年
		RMB'000	*RMB'000*
		人民幣千元	*人民幣千元*
			(Restated)
			（重述）
Within 3 months	3個月以內	**4,789,865**	4,941,403
3 months to 6 months	3個月至6個月	**517,075**	1,256,742
6 months to 1 year	6個月至1年	**921,771**	1,378,482
Over 1 year	1年以上	**6,899,566**	5,330,660
		13,128,277	12,907,287

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.

貿易應付款項為免息，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。

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,

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、免息並無固定還款期：

		2016	2015
		2016年	2015年
		RMB'000	*RMB'000*
		人民幣千元	*人民幣千元*
			(Restated)
			（重述）
SINOMACH	國機	**2,029**	2,579
Fellow subsidiaries	同系附屬公司	**722,559**	839,178

25. BORROWINGS

25. 借貸

		2016 2016年			2015(Restated) 2015年（重述）		
		Effective interest rate(%) 實際利率(%)	Maturity 到期日	*RMB'000* *人民幣千元*	Effective interest rate(%) 實際利率(%)	Maturity 到期日	*RMB'000* *人民幣千元*
Current	**流動**						
Short term bank loans:	短期銀行貸款：						
– Unsecured	– 無擔保	0.28-6.76	2017 2017年	281,645	2.2-6.33	2016 2016年	158,724
– Secured	– 有擔保	3.60-4.79	2017 2017年	193,213	4.32-5.07	2016 2016年	21,019
Current portion of long term bank loans:	長期銀行貸款的流動部分						
– Unsecured	– 無擔保	1.25-1.55	2017 2017年	1,252	–		–
– Secured	– 有擔保	2.35	2017 2017年	100,585	2.33-2.35	2016 2016年	363,412
				576,695			543,155
Non-current	**非流動**						
Long term bank loans:	長期銀行貸款：						
– Unsecured	– 無擔保	0.05-4.99	2018-2022 2018年至2022年	278,128	0.05-6.15	2017-2022 2017年至2022年	397,078
– Secured	– 有擔保	5.45	2018-2025 2018年至2025年	191,600	–		–
				469,728			397,078
				1,046,423			940,233

25. BORROWINGS *(CONTINUED)*

Bank loans repayable

25. 借貸*（續）*

應償還銀行貸款

		2016 2016年 *RMB'000* *人民幣千元*	2015 2015年 *RMB'000* *人民幣千元* (Restated) （重述）
Analysed into:	分析為：		
Within one year	一年以內	**576,695**	543,155
In the second year	第二年	**208,852**	90,000
In the third to fifth years, inclusive	第三年至第五年（包括首尾兩年）	**154,852**	303,805
Above five years	五年以上	**106,024**	3,273
		1,046,423	940,233

Notes:

(a) As at December 31, 2016, certain borrowings of RMB20,000,000 (December 31, 2015: RMB20,000,000) were secured by the Group's property, plant and equipment (note 14).

(b) As at December 31, 2016, certain borrowings of RMB269,436,000 (December 31, 2015: RMB362,462,000) were guaranteed by the Company.

(c) As at December 31, 2016, no borrowing (December 31, 2015: RMB950,000) was secured by the Group's restricted deposits.

(d) As at December 31, 2016, no borrowing (December 31, 2015: RMB1,019,000) was secured by an outward documentary bill.

(e) As at December 31, 2016, certain borrowings of RMB4,362,000 (December 31, 2015: Nil) were secured by the Group's bills receivables.

(f) As at December 31, 2016, certain borrowings of RMB191,600,000 (December 31, 2015: Nil) were secured by certain of the Group's leasehold land(note 16).

附註：

(a) 於2016年12月31日，若干借貸人民幣20,000,000元（2015年12月31日：人民幣20,000,000元）由本集團的物業、廠房及設備作為抵押（附註14）。

(b) 於2016年12月31日，若干借貸人民幣269,436,000元（2015年12月31日：人民幣362,462,000元）由本公司作擔保。

(c) 於2016年12月31日，概無由本集團受限制存款作為質押的借貸（2015年12月31日：人民幣950,000元）。

(d) 於2016年12月31日，概無由出口押匯作為抵押的借貸（2015年12月31日：人民幣1,019,000元）。

(e) 於2016年12月31日，若干借貸人民幣4,362,000元（2015年12月31日：人民幣零元）由本集團應收票據作為質押。

(f) 於2016年12月31日，若干借貸人民幣191,600,000元（2015年12月31日：人民幣零元）由本集團若干租賃土地作為抵押（附註16）。

26. DEFERRED TAX

26. 遞延稅項

Deferred tax assets

遞延稅項資產

		Provision for impairment of assets 資產減值撥備 RMB'000 人民幣千元	Construction contracts 建造合同 RMB'000 人民幣千元	Provisions and accruals 撥備及應計費用 RMB'000 人民幣千元	Changes in fair value of derivative financial instruments 衍生金融工具公允價值變動 RMB'000 人民幣千元	Surplus on revaluation of non-current assets 非流動資產重估盈餘 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At January 1, 2016 (Restated)	於2016年1月1日(重述)	184,186	105,990	179,685	20,088	(132,317)	1,066	358,698
Deferred tax credited/(debited) to profit or loss	於損益中計入/(扣除)的遞延稅項	37,579	(10,298)	16,365	9,847	–	(655)	52,838
At December 31, 2016	於2016年12月31日	221,765	95,692	196,050	29,935	(132,317)	411	411,536
At January 1, 2015 (Restated)	於2015年1月1日(重述)	167,370	84,397	153,682	7,437	(148,386)	151	264,651
Deferred tax credited to profit or loss	於損益中計入的遞延稅項	16,816	21,593	26,003	12,651	16,069	915	94,047
At December 31, 2015 (Restated)	於2015年12月31日(重述)	184,186	105,990	179,685	20,088	(132,317)	1,066	358,698

Deferred tax assets have not been recognised in respect of the following items:

尚未就下列項目確認遞延稅項資產：

		2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元 (Restated) (重述)
Tax losses	稅項虧損	**6,373**	7,420
Other deductible temporary differences	其他可抵扣暫時差額	**238,278**	232,706
		244,651	240,126

26. DEFERRED TAX *(CONTINUED)*

26. 遞延税項*（續）*

Deferred tax liabilities

遞延税項負債

		Withholding taxes 預扣税金 *RMB'000 人民幣千元*	Others 其他 *RMB'000 人民幣千元*	Total 總計 *RMB'000 人民幣千元*
At January 1, 2016 (Restated)	於2016年1月1日（重述）	**24,901**	**1,538**	**26,439**
Deferred tax debited/(credited) to profit or loss	於損益表中扣除／（計入）的遞延税項	**19,641**	**(90)**	**19,551**
Deferred tax debited to other comprehensive income	於其他綜合收益中扣除的遞延税項	**–**	**203**	**203**
At December 31, 2016	於2016年12月31日	**44,542**	**1,651**	**46,193**
At January 1, 2015 (Restated)	於2015年1月1日（重述）	13,503	1,767	15,270
Deferred tax debited/(credited) to profit or loss	於損益表中扣除／（計入）的遞延税項	11,398	(473)	10,925
Deferred tax debited to other comprehensive income	於其他綜合收益中扣除的遞延税項	–	244	244
At December 31, 2015 (Restated)	於2015年12月31日（重述）	24,901	1,538	26,439

27. DEFINED BENEFIT OBLIGATIONS

The Group's obligations in respect of defined benefit retirement plans at the end of the reporting period were computed by a firm of independent actuaries, Towers Watson, using the projected unit credit method.

(a) The provisions for defined benefit obligations recognised in the statement of financial position are shown as follows:

27. 設定受益義務

本集團於報告期末就該等設定受益退休計劃須承擔的責任由獨立精算師公司韜睿惠悅諮詢公司採用預計單位貸記法計算。

(a) 於財務狀況表內確認的設定受益義務撥備列示如下：

		2016 2016年 *RMB'000* *人民幣千元*	2015 2015年 *RMB'000* *人民幣千元* (Restated) （重述）
Retirement and other supplemental benefit obligations	退休及其他補充受益義務	**386,173**	419,186
Less: Portion classified as current liabilities	減：分類為流動負債的部分	**26,850**	34,374
Non-current portion	非流動部分	**359,323**	384,812

(b) The movements in present value of defined benefit obligations are as follows:

(b) 設定受益義務現值變動如下：

		2016 2016年 *RMB'000* *人民幣千元*	2015 2015年 *RMB'000* *人民幣千元* (Restated) （重述）
At the beginning of year	於年初	**419,186**	412,890
Interest costs on benefit obligations	受益義務的利息成本	**12,170**	14,900
Past service costs/(revenue)	以往服務成本／（收入）	**(5,890)**	430
Benefits paid during the year	年內的已付福利	**(29,303)**	(33,854)
Re-measurement losses/(gains) recognised in other comprehensive income	於其他綜合收益內確認的重新計量虧損／（收益）	**(9,990)**	24,820
At the end of the year	於年末	**386,173**	419,186

27. DEFINED BENEFIT OBLIGATIONS *(CONTINUED)*

27. 設定受益義務*(續)*

(c) The net expenses recognised in profit or loss in respect of the provisions for defined benefit obligations of the Group are as follows:

(c) 本集團於損益內就設定受益義務撥備而確認的開支淨額如下：

		2016 **2016年** ***RMB'000*** ***人民幣千元***	2015 2015年 *RMB'000* *人民幣千元* (Restated) (重述)
Interest cost on defined benefit obligations recognised in finance expense	於財務開支內確認的設定受益義務的利息成本	**12,170**	14,900
Past service cost recognised/(reversed) in administrative expenses	於行政開支內確認／（轉回）的以往服務成本	**(5,890)**	430
		6,280	15,330

(d) The principal actuarial assumptions used in valuing the provisions for defined benefit obligations as at the end of 2016 and 2015 are as follows:

(d) 估算於2016年及2015年末的設定受益義務撥備所使用的主要精算假設如下：

		2016 **2016年** ***RMB'000*** ***人民幣千元***	2015 205年 *RMB'000* *人民幣千元* (Restated) (重述)
Discount rates	折現率	**3.00%**	3.00%
Cost of living adjustment for civil retirees and retirees	離退休人員生活成本調整	**3.00%**	3.00%
Cost of living adjustment for beneficiaries	遺屬生活成本調整	**0.00%**	0.00%
Medical cost increase rate	醫療成本增長率	**8.00%**	8.00%
Cost of living adjustment and allowance for early retirees	提前退休人員生活成本調整及撥備	**4.50%**	4.50%
Cost of social insurance contribution and housing fund contribution adjustment for early retirees	提前退休人員社會保險繳費及住房公積金成本調整	**10.00%**	10.00%

27. DEFINED BENEFIT OBLIGATIONS *(CONTINUED)*

27. 設定受益義務*(續)*

(e) A one percentage point change in the assumed rate of increase in cost of living adjustment for civil retirees and retirees would have the following effects:

(e) 假設離退休人員生活成本調整增長率變動一個百分點的影響如下：

		Increase/ (decrease) in rate 增長率上升／(下降)	2016 2016年 *RMB'000 人民幣千元*	2015 2015年 *RMB'000 人民幣千元* (Restated) (重述)
Increase in effect on the defined benefit obligations	對設定受益義務的影響增加	1%	**21,123**	23,734
Decrease in effect on the defined benefit obligations	對設定受益義務的影響減少	(1%)	**(18,600)**	(20,832)

A one percentage point change in other assumptions would not have any significant impact on net defined benefit obligation.

其餘假設內變動一個百分點將不會對設定受益義務淨額造成重大影響。

(f) Expected distributions of benefit payments in the future years out of the defined benefit obligations are as follows:

(f) 未來年度內於設定受益義務範圍外的預期受益付款如下：

		2016 2016年 *RMB'000 人民幣千元*	2015 2015年 *RMB'000 人民幣千元* (Restated) (重述)
Within the next 12 months	未來12個月內	**32,162**	31,396
Between 1 and 2 years	1至2年	**31,509**	30,913
Between 2 and 5 years	2至5年	**87,634**	87,304
Between 5 and 10 years	5至10年	**123,328**	125,284
Over 10 years	10年以上	**246,705**	256,766
Total expected payments	預期付款總額	**521,338**	531,663

The average duration of the defined benefit obligation at the end of the reporting period is 9 years (2015: 9 years).

於報告期末設定受益義務的平均久期為9年（2015年：9年）。

28. OTHER NON-CURRENT ASSETS

28. 其他非流動資產

		2016 2016年 *RMB'000* *人民幣千元*	2015 2015年 *RMB'000* *人民幣千元* (Restated) （重述）
Available-for-sale investments	可供出售投資		
Listed equity investments, at fair value	上市股權投資，按公允價值		
Hong Kong	香港	**2,565**	2,625
Shanghai	上海	**8,038**	7,227
		10,603	9,852
Unlisted equity investments, at cost	非上市股權投資，按成本	**582,473**	545,955
		593,076	555,807

29. ISSUED CAPITAL

29. 已發行股本

		2016 2016年 *RMB'000* *人民幣千元*	2015 2015年 *RMB'000* *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

30. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 225 to 226 of the financial statements.

30. 儲備

本集團於本年度及過往年度的儲備金額及其變動於財務報表第225至226頁的合併權益變動表內呈列。

31. BUSINESS COMBINATION UNDER COMMON CONTROL

As set out in note 35(c), on May 31, 2016, the Group acquired the 100% equity interest in China National Complete Engineering Corporation at a total cash consideration of RMB532,678,100. The Company and China National Complete Engineering Corporation were under the common control of SINOMACH both before and after the acquisition, and such control was not transitory. The acquisition date is May 31, 2016, which is determined by the date of equity transfer. On September 30, 2015, the Group acquired the 100% equity interest in China JiKan Research Institute of Engineering Investigations and Design, Co.,Ltd. at a total cash consideration of RMB171,352,600. The Company and China JiKan Research Institute of Engineering Investigations and Design, Co.,Ltd. were under the common control of SINOMACH both before and after the acquisition, and such control was not transitory. The acquisition date is September 30, 2015, which is determined by the date of equity transfer. Thus, the acquisitions were considered to be business combinations under common control.

31. 同一控制下的業務合併

誠如附註35(c)所載，於2016年5月31日，本集團以現金總代價人民幣532,678,100元收購中國成套工程有限公司100%股權。於收購之前及之後，本公司與中國成套工程有限公司均由國機共同控制，且有關控制並非臨時。收購日期為2016年5月31日，乃根據股權轉讓日期釐定。於2015年9月30日，本集團收購機械工業勘察設計研究院有限公司的100%股權，總現金代價為人民幣171,352,600元。於收購之前及之後，本公司與機械工業勘察設計研究院有限公司均由國機控制，且有關控制並非臨時。收購日期為2015年9月30日，乃根據股權轉讓日期釐定。因此，該等收購事項被視為同一控制下的業務合併。

31. BUSINESS COMBINATION UNDER COMMON CONTROL *(CONTINUED)*

31. 同一控制下的業務合併*(續)*

The carrying amounts of the consolidated assets and liabilities of China National Complete Engineering Corporation and its subsidiaries as at the acquisition date and December 31, 2015 were as follows:

中國成套工程有限公司及其附屬公司於收購日期及2015年12月31日的綜合資產及負債賬面值如下：

		As at May 31, 2016 於2016年5月31日 *RMB'000 人民幣千元*	As at December 31, 2015 於2015年12月31日 *RMB'000 人民幣千元*
Property, plant and equipment	物業、廠房及設備	**30,192**	31,276
Intangible assets	無形資產	**2**	2
Investment in an associate	於聯營公司的投資	**1,462**	1,462
Non-current trade and other receivables	非流動貿易及其他應收款項	**2,351**	2,353
Deferred tax assets	遞延稅項資產	**2,180**	2,403
Inventories	存貨	**376,882**	194,415
Current trade and other receivables	流動貿易及其他應收款項	**668,978**	548,002
Restricted deposits	受限制存款	**281,084**	252,130
Cash and cash equivalents	現金及現金等價物	**602,986**	688,285
Borrowings	借貸	**(77,599)**	(114,880)
Receipts in advance	預收款項	**(997,647)**	(718,228)
Current trade and other payables	流動貿易及其他應付款項	**(375,973)**	(436,734)
Current defined benefit obligations	流動設定受益義務	**–**	(2,970)
Tax payable	應繳稅項	**(58,874)**	(53,312)
Non-current defined benefit obligations	非流動設定受益義務	**(24,170)**	(24,170)
Deferred tax liabilities	遞延稅項負債	**(25,694)**	(25,009)
Total identifiable net assets at carrying amounts	按賬面值呈列的可識別淨資產總額	**406,160**	345,025
Non-controlling interests	非控股權益	**(10,977)**	(10,972)
		395,183	334,053
Surplus of consideration over net asset carrying value	代價較資產賬面淨值的盈餘	**137,495**	
Satisfied by cash	以現金支付	**532,678**	

31. BUSINESS COMBINATION UNDER COMMON CONTROL *(CONTINUED)*

31. 同一控制下的業務合併*(續)*

An analysis of the cash flows of cash and cash equivalents in respect of the acquisition of China National Complete Engineering Corporation is as follows:

就收購中國成套工程有限公司的現金及現金等價物的現金流量分析如下：

		RMB'000 *人民幣千元*
Cash consideration paid	已付現金代價	**532,678**
Cash and bank balances acquired	所收購現金及銀行結餘	**–**
Net outflow of cash and cash equivalents included in cash flows from investing activities	計入投資活動所得現金流量的現金及現金等價物流出淨額	**532,678**

31. BUSINESS COMBINATION UNDER COMMON CONTROL (*CONTINUED*)

31. 同一控制下的業務合併 *(續)*

The carrying amounts of the assets and liabilities of China JiKan Research Institute of Engineering Investigations and Design, Co.,Ltd. as at the acquisition date and December 31, 2014 were as follows:

機械工業勘察設計研究院有限公司於收購日期及2014年12月31日的資產及負債的賬面值如下：

		September 30, 2015 2015年 9月30日 *RMB'000* *人民幣千元*	December 31, 2014 2014年 12月31日 *RMB'000* *人民幣千元*
Property, plant and equipment	物業、廠房及設備	39,912	41,334
Prepaid land lease payments	預付土地租賃款項	61,177	7,682
Intangible assets	無形資產	127	154
Non-current trade and other receivables	非流動貿易及其他應收款項	278	40,374
Deferred tax assets	遞延税項資產	3,366	3,369
Current trade and other receivables	流動貿易及其他應收款項	351,398	282,895
Amounts due from contract customers	應收合同客戶款項	333,469	319,796
Restricted deposits	受限制存款	–	6,476
Cash and cash equivalents	現金及現金等價物	123,736	193,645
Receipts in advance	預收款項	(595,838)	(655,435)
Current trade and other payables	流動貿易及其他應付款項	(160,240)	(89,247)
Current defined benefit obligations	流動設定受益義務	(1,720)	(1,810)
Tax payable	應繳税項	(2,460)	(1,293)
Non-current trade and other payables	非流動貿易及其他應付款項	(14,945)	(12,228)
Non-current defined benefit obligations	非流動設定受益義務	(25,440)	(25,440)
Deferred tax liabilities	遞延税項負債	(1,328)	(1,329)
Total identifiable net assets at carrying amounts	按賬面值呈列的可識別淨資產總額	111,492	108,943
Surplus of consideration over net asset carrying value	代價較資產賬面淨值的盈餘	59,861	
Satisfied by cash	以現金支付	171,353	

31. BUSINESS COMBINATION UNDER COMMON CONTROL (*CONTINUED*)

An analysis of the cash flows of cash and cash equivalents in respect of the acquisition of China JiKan Research Institute of Engineering Investigations and Design, Co.,Ltd. is as follows:

31. 同一控制下的業務合併(*續*)

就收購機械工業勘察設計研究院有限公司的現金及現金等價物的現金流量分析如下：

		RMB'000 *人民幣千元*
Cash consideration paid	已付現金代價	171,353
Cash and bank balances acquired	所收購現金及銀行結餘	–
Net outflow of cash and cash equivalents included in cash flows from investing activities	計入投資活動所得現金流量的現金及現金等價物流出淨額	171,353

32. CONTINGENT LIABILITIES

Legal contingencies

The Company and certain subsidiaries of the Group are defendants in certain lawsuits as well as the named parties in other proceedings arising in the normal course of business. While the outcomes of such contingencies, lawsuits or other proceedings cannot be determined at present, the directors of the Company believe that any resulting liabilities will not have a material adverse impact on the financial position, liquidity, or operating results of the Group.

32. 或有負債

法律或有事件

在正常業務過程中，本公司及本集團的若干附屬公司為某些訴訟中的被告及在其他法律程序的被點名方。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，本公司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。

33. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties (note 15 to the financial statements) under operating lease arrangements, with leases negotiated for terms ranging from 1 to 6 years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At December 31, 2016, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

33. 經營租賃安排

(a) 作為出租人

本集團根據經營租賃安排租賃其投資物業(財務報表附註15)，議定租期介乎一至六年。租賃條款一般亦要求租戶支付保證金及規定可根據當時市況定期調整租金。

於2016年12月31日，本集團根據與租戶訂立的不可撤銷經營租賃到期應收的未來最低租金總額如下：

		2016 **2016年** ***RMB'000*** *人民幣千元*	2015 2015年 *RMB'000* *人民幣千元* (Restated) (重述)
Within one year	一年以內	**12,282**	11,813
In the second to fifth years, inclusive	第二年至第五年（包括首尾兩年）	**4,509**	6,532
Over five years	五年以上	**–**	282
		16,791	18,627

33. OPERATING LEASE ARRANGEMENTS *(CONTINUED)*

(b) As lessee

The Group leases certain of its office properties and office equipment under operating lease arrangements. Leases for properties and office equipment are negotiated for terms ranging from 1 to 3 years.

At December 31, 2016, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

33. 經營租賃安排*（續）*

(b) 作為承租人

本集團根據經營租賃安排承租若干辦公室物業及辦公設備。該等物業及辦公設備的議定租期介乎一至三年。

於2016年12月31日，本集團根據不可撤銷經營租賃到期應付的未來最低租金總額如下：

		2016 **2016年** ***RMB'000*** ***人民幣千元***	2015 2015年 *RMB'000* *人民幣千元* (Restated) （重述）
Within one year	一年以內	**3,372**	16,244
In the second to fifth years, inclusive	第二年至第五年（包括首尾兩年）	**825**	2,404
		4,197	18,648

34. COMMITMENTS

In addition to the operating lease commitments detailed in note 33(b) above, the Group had the following capital commitments at the end of the reporting period:

34. 承擔

除上文附註33(b)詳述的經營租賃承擔外，本集團於報告期末擁有以下資本承擔：

		2016 2016年 *RMB'000* *人民幣千元*	2015 2015年 *RMB'000* *人民幣千元* (Restated) （重述）
Contracted, but not provided for:	已訂約但未撥備：		
Land and buildings	土地及樓宇	**466,312**	732,551
Capital contributions in respect of associates and available-for-sale investments	對聯營公司及可供出售投資的資本投入	**521,593**	988,975
		987,905	1,721,526

35. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

(b) The transactions below were conducted in the ordinary course of business of the Group and are in accordance with the terms agreed between the Group and its related parties:

35. 關聯方交易

(a) 除該等財務報表其他部分詳述的交易外，本集團於年內與關聯方曾進行以下交易：

(b) 下列交易乃於本集團一般業務過程中根據本集團與其關聯方議定的條款進行：

		2016 **2016年** ***RMB'000*** ***人民幣千元***	2015 2015年 *RMB'000* *人民幣千元* (Restated) （重述）
Receipt of engineering services and products from	接受來自於下列各方的工程服務及產品		
– Fellow subsidiaries	－同系附屬公司	**193,035**	479,329
Receipt of integrated services from	接受來自於下列各方的綜合服務		
– Fellow subsidiaries	－同系附屬公司	**574**	591
Provision of engineering services to	向下列各方提供工程服務		
– SINOMACH	－國機	**682,358**	233,488
Provision of integrated services to	向下列各方提供綜合服務		
– Fellow subsidiaries	－同系附屬公司	**75,598**	80,000
– SINOMACH	－國機	**–**	7,460
Net deposit placed with	於下列各方的存款淨額		
– A fellow subsidiary	－一家同系附屬公司	**197,817**	1,377,321
Interest income received from	向下列各方收取的利息收入		
– A fellow subsidiary	－一家同系附屬公司	**58,682**	53,951

35. RELATED PARTY TRANSACTIONS *(CONTINUED)*

35. 關聯方交易*（續）*

(c) Outstanding balances with related parties:

(c) 關聯方的結欠餘額：

		2016 **2016年** ***RMB'000*** ***人民幣千元***	2015 2015年 *RMB'000* *人民幣千元* (Restated) （重述）
Cash deposits placed with	於下列各方的現金存款		
– A fellow subsidiary	－一家同系附屬公司	**2,590,025**	2,392,208
Trade and other receivables due from	應收下列各方的貿易及其他應收款項		
– SINOMACH	－國機	**10,155**	9,833
– Fellow subsidiaries	－同系附屬公司	**55,461**	43,324
Receipts in advance from	自下列各方收取的預收款項		
– SINOMACH	－國機	**351,240**	189,700
– Fellow subsidiaries	－同系附屬公司	**12,943**	18,824
Trade and other payables due to	欠付下列各方的貿易及其他應付款項		
– SINOMACH	－國機	**2,029**	2,579
– Fellow subsidiaries	－同系附屬公司	**722,559**	839,178
Advances to	支付下列各方的預付款項		
– Fellow subsidiaries	－同系附屬公司	**27,229**	23,844

Note:

Except for the balances of cash deposits placed with a fellow subsidiary which accrue interest at relevant market rates, the balances due from related parties are unsecured, interest-free and have no fixed terms of repayment.

As disclosed in note 31, the Group acquired the 100% interest in China National Complete Engineering Corporation from SINOMACH in 2016. This acquisition also constituted a connected transaction under Hong Kong Listing Rules.

As disclosed in note 31, the Group acquired the 100% interest in China JiKan Research Institute of Engineering Investigations and Design, Co., Ltd. from China United Engineering Corporation, a subsidiary of SINOMACH in 2015. This acquisition also constituted a connected transaction under Hong Kong Listing Rules.

附註：

除於一家同系附屬公司的現金存款結餘按相關市場利率計息外，應收關聯方的結餘為無擔保、免息且並無固定還款期。

誠如附註31所披露，於2016年本集團向國機收購中國成套工程有限公司的100%權益。此收購亦構成香港上市規則所規定的關連交易。

誠如附註31所披露，於2015年本集團已向國機的附屬公司中國聯合工程公司收購機械工業勘察設計研究院有限公司的100%權益。此收購亦構成香港上市規則所規定的關連交易。

35. RELATED PARTY TRANSACTIONS *(CONTINUED)*

(d) Compensation of key management personnel of the Group:

35. 關聯方交易（續）

(d) 本集團主要管理人員的薪酬：

		2016 **2016年** ***RMB'000*** ***人民幣千元***	2015 2015年 *RMB'000* *人民幣千元* (Restated) （重述）
Short term employee benefits	短期僱員福利	**15,588**	13,888
Post-employment benefits	離職後福利	**523**	500
Total compensation paid to key management personnel	向主要管理人員支付的薪酬總額	**16,111**	14,388

Further details of directors' and the chief executive's emoluments are included in note 8 to the financial statements.

董事及行政總裁薪酬的進一步詳情載於財務報表附註8。

(e) Commitments with related parties

As at December 31, 2016, there was no significant commitment with related parties.

(e) 關聯方承諾

於2016年12月31日，概無重大關聯方承諾。

36. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

36. 按類別劃分的金融工具

各類金融工具於報告期末的賬面值如下：

December 31, 2016 2016年12月31日		Available-for-sale financial assets 可供出售金融資產 *RMB'000* *人民幣千元*	Loans and receivables 貸款及應收款項 *RMB'000* *人民幣千元*	Total 總計 *RMB'000* *人民幣千元*
Other non-current assets	其他非流動資產	593,076	–	593,076
Amounts due from contract customers	應收合同客戶款項	–	7,241,093	7,241,093
Financial assets included in trade and other receivables	計入貿易及其他應收款項的金融資產	–	6,096,243	6,096,243
Restricted deposits	受限制存款	–	554,588	554,588
Time deposits with original maturity over three months	原始到期日超過三個月的定期存款	–	5,942,003	5,942,003
Cash and cash equivalents	現金及現金等價物	–	19,541,868	19,541,868
		593,076	39,375,795	39,968,871

December 31, 2016 2016年12月31日		Financial liabilities at fair value through profit or loss – held for trading 按公允價值並透過損益計量的金融負債 – 持作買賣 *RMB'000* *人民幣千元*	Financial liabilities at amortised cost 按攤銷成本列賬的金融負債 *RMB'000* *人民幣千元*	Total 總計 *RMB'000* *人民幣千元*
Financial liabilities included in trade and other payables	計入貿易及其他應付款項的金融負債	–	16,314,147	16,314,147
Derivative financial instruments, included in trade and other payables	計入貿易及其他應付款項的衍生金融工具	120,151	–	120,151
Interest-bearing bank and other borrowings	計息銀行及其他借貸	–	1,046,423	1,046,423
		120,151	17,360,570	17,480,721

36. FINANCIAL INSTRUMENTS BY CATEGORY *(CONTINUED)*

36. 按類別劃分的金融工具*(續)*

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

各類金融工具於報告期末的賬面值如下：

December 31, 2015 (Restated) 2015年12月31日(重述)		Financial assets at fair value through profit or loss – held for trading 按公允價值並透過損益計量的金融資產－持作買賣 *RMB'000 人民幣千元*	Available-for-sale financial assets 可供出售金融資產 *RMB'000 人民幣千元*	Loans and receivables 貸款及應收款項 *RMB'000 人民幣千元*	Total 總計 *RMB'000 人民幣千元*
Other non-current assets	其他非流動資產	–	555,807	–	555,807
Amounts due from contract customers	應收合同客戶款項	–	–	5,607,665	5,607,665
Financial assets included in trade and other receivables	計入貿易及其他應收款項的金融資產	414	–	6,311,981	6,312,395
Restricted deposits	受限制存款	–	–	566,265	566,265
Time deposits with original maturity over three months	原始到期日超過三個月的定期存款	–	–	4,035,091	4,035,091
Cash and cash equivalents	現金及現金等價物	–	–	21,032,899	21,032,899
		414	555,807	37,553,901	38,110,122

December 31, 2015 (Restated) 2015年12月31日(重述)		Financial liabilities at fair value through profit or loss – held for trading 按公允價值並透過損益計量的金融負債－持作買賣 *RMB'000 人民幣千元*	Financial liabilities at amortised cost 按攤銷成本列賬的金融負債 *RMB'000 人民幣千元*	Total 總計 *RMB'000 人民幣千元*
Financial liabilities included in trade and other payables	計入貿易及其他應付款項的金融負債	–	16,163,707	16,163,707
Derivative financial instruments, included in trade and other payables	計入貿易及其他應付款項的衍生金融工具	80,765	–	80,765
Interest-bearing bank and other borrowings	計息銀行及其他借貸	–	940,233	940,233
		80,765	17,103,940	17,184,705

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables and amounts due from contract customers. Management has a credit policy in place and the exposures to this credit risk are monitored on an ongoing basis.

The Group primarily evaluates customers' credit status and their ability to guarantee payment through its establishment of an appropriate business evaluation system. The Group generally requires customers to settle progress billings in accordance with contracted terms and other debts in accordance with agreements. Credit terms may be granted to customers, depending on credit assessment carried out by management on an individual basis. Also, in order to properly manage the credit risk on trade and other receivables, the Group has issued policies on the purchase of export credit insurance. To protect against credit risk in its trading business, the Group usually buys unified export credit insurance from China Export & Credit Insurance Corporation if needed.

The Group's significant concentration of credit risk stems from its significant trade and other receivables due from individual customers.

37. 財務風險管理及公允價值

本集團的日常業務過程中面臨信用風險、流動資金風險、利率風險及貨幣風險。本集團面臨的該等風險以及本集團用以管理該等風險的財務風險管理政策及慣常做法如下。

(a) 信用風險

本集團的信用風險主要歸屬於貿易及其他應收款項以及應收合同客戶款項。管理層已制定信貸政策並持續監控面臨的此項信用風險。

本集團主要通過建立一個適當的業務評價制度以評估客戶的信用狀況及其保證支付的能力。本集團一般要求客戶按照合同條款清償進度款項及根據協議清償其他債務。根據管理層對各個案進行的信用評估，可能向客戶授予信貸期。此外，為適當管理貿易及其他應收款項的信用風險，本集團制定了購買出口信用保險的政策。為防範貿易業務中的信用風險，本集團一般向中國出口信用保險公司購買統一的出口信用保險（倘需要）。

本集團的信用風險明顯集中於個別客戶的重大貿易及其他應收款項。

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(CONTINUED)*

(a) Credit risk *(continued)*

As at December 31, 2016, 9% of the total trade and other receivables were due from the Group's largest customer (2015: 9%) and 21% of the total trade and other receivables were due from the five largest customers (2015: 23%).

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 22 to the financial statements.

(b) Liquidity risk

The funding needs of the Company and its subsidiary entities are raised and allocated by the Group. Fund raising from external sources by subsidiary entities is subject to approval by the Company. The Company and its subsidiary entities manage cash flows according to their own business approval processes. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with loan covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirement in the short and longer term.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date that the Group can be required to pay:

37. 財務風險管理及公允價值*(續)*

(a) 信用風險*(續)*

於2016年12月31日，貿易及其他應收款項總額中有9%(2015年：9%)應向本集團最大客戶收取，而貿易及其他應收款項總額中有21%(2015年：23%)應向五大客戶收取。

有關本集團面臨的貿易及其他應收款項的信用風險的進一步定量披露載於財務報表附註22。

(b) 流動資金風險

本公司及其附屬實體的資金需求由本集團籌集及分配。附屬實體向外部來源籌集資金應得到本公司的批准。本公司及其附屬實體通過其自身的業務審批流程管理現金流量。本集團的政策是定期監察目前及預期的流動資金要求及其借貸契約的合規情況，確保其維持足夠的現金儲備及取得主要金融機構的充足的資金承諾額度，以滿足其短期及較長期的流動資金要求。

下表詳述於報告期末本集團的金融負債的剩餘合同期限，其依據的是合同未折現現金流量(含使用合同利率或依據報告期末的通行利率(如為浮動)計算的利息支付)以及本集團必須付款的最早日期：

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(CONTINUED)*

37. 財務風險管理及公允價值*(續)*

(b) Liquidity risk *(continued)*

(b) 流動資金風險*(續)*

		Contractual undiscounted cash outflow 合同未折現現金流出				
		Within 1 year or on demand 1年以內或按要求還款 *RMB'000 人民幣千元*	1 to 2 years 1到2年 *RMB'000 人民幣千元*	2 to 5 years 2到5年 *RMB'000 人民幣千元*	Over 5 years 5年以上 *RMB'000 人民幣千元*	Total 總計 *RMB'000 人民幣千元*
December 31, 2016	**2016年12月31日**					
Borrowings	借貸	**576,695**	**229,209**	**188,876**	**118,330**	**1,113,110**
Trade and bills payables, included in trade and other payables	計入貿易及其他應付款項的貿易應付款項及應付票據	**13,128,277**	**–**	**–**	**–**	**13,128,277**
Derivative financial instruments, included in trade and other payables	計入貿易及其他應付款項的衍生金融工具	**83,508**	**36,643**	**–**	**–**	**120,151**
Other payables, included in trade and other payables	計入貿易及其他應付款項的其他應付款項	**3,180,134**	**–**	**–**	**–**	**3,180,134**
		16,968,614	**265,852**	**188,876**	**118,330**	**17,541,672**
Derivatives settled gross:	總額計算衍生工具：					
Foreign currency forward exchange contracts:	遠期外匯合約：					
– Outflow	– 流出	**582,064**	**416,220**	**–**	**–**	**998,284**
– Inflow	– 流入	**(533,890)**	**(384,283)**	**–**	**–**	**(918,173)**

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(CONTINUED)*

37. 財務風險管理及公允價值*(續)*

(b) Liquidity risk *(continued)*

(b) 流動資金風險*(續)*

		Contractual undiscounted cash outflow 合同未折現現金流出				
		Within 1 year or on demand 1年以內或按要求還款	1 to 2 years 1到2年	2 to 5 years 2到5年	Over 5 years 5年以上	Total 總計
		RMB'000 人民幣千元	*RMB'000 人民幣千元*	*RMB'000 人民幣千元*	*RMB'000 人民幣千元*	*RMB'000 人民幣千元*
December 31, 2015(Restated)	**2015年12月31日(重述)**					
Borrowings	借貸	579,274	110,899	310,505	3,275	1,003,953
Trade and bills payables, included in trade and other payables	計入貿易及其他應付款項的貿易應付款項及應付票據	12,907,287	–	–	–	12,907,287
Derivative financial instruments, included in trade and other payables	計入貿易及其他應付款項的衍生金融工具	24,230	34,117	22,418	–	80,765
Other payables, included in trade and other payables	計入貿易及其他應付款項的其他應付款項	3,246,816	–	–	–	3,246,816
		16,757,607	145,016	332,923	3,275	17,238,821
Interest rate swaps (net settled)	利率掉期(淨額結算)	95	–	–	–	95
Derivatives settled gross:	總額計算衍生工具:					
Foreign currency forward exchange contracts:	遠期外匯合約:					
– Outflow	– 流出	1,144,471	824,863	389,616	–	2,358,950
– Inflow	– 流入	(1,126,618)	(799,065)	(384,283)	–	(2,309,966)

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(CONTINUED)*

37. 財務風險管理及公允價值*(續)*

(c) Interest rate risk

(c) 利率風險

The Group's interest rate risk arises primarily from amounts due from contract customers, bank deposits and interest bearing borrowings. Deposits and borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group regularly reviews and monitors the mix of fixed and variable rate borrowings either through the contractual terms of the interest-bearing financial assets and liabilities or through the use of interest rate swaps in order to manage its interest rate risks.

本集團的利率風險主要來自於應收合同客戶款項、銀行存款及計息借貸。按浮動利率及固定利率發放的存款及借貸分別使本集團面臨現金流量利率風險及公允價值利率風險。本集團通過計息金融資產及負債的合同條款或通過利率掉期的使用定期審查及監察固定利率及浮動利率的借貸比例，以管理其利率風險。

(i) Interest rate profile

(i) 利率概況

The following table details the interest rate profile of the Group's net instruments (interest-bearing financial assets less interest-bearing financial liabilities) at the end of the reporting period, after taking into account the effect of interest rate swaps:

下表詳述計及利率掉期的影響，本集團於報告期末的淨工具（計息金融資產減計息金融負債）利率概況：

		2016 **2016年** ***RMB'000*** *人民幣千元*	2015 2015年 *RMB'000* *人民幣千元* (Restated) （重述）
Net fixed rate instruments:	**淨固定利率工具：**		
Amounts due from contract customers	應收合同客戶款項	**2,547,471**	2,660,045
Bank deposits	銀行存款	**9,399,385**	13,756,306
Less: Borrowings	減：借貸	**854,903**	577,982
		11,091,953	15,838,369
Net variable rate instruments:	**淨浮動利率工具：**		
Bank deposits	銀行存款	**16,639,074**	11,877,949
Less: Borrowings	減：借貸	**191,520**	362,251
		16,447,554	11,515,698

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(CONTINUED)*

(c) Interest rate risk *(continued)*

(ii) Sensitivity analysis

At December 31, 2016, it is estimated that a general increase/decrease of 100 basis points in interest rates of net variable rate instruments, with all other variables held constant, would increase/decrease the Group's profit after tax and retained profits by approximately RMB123,357,000 (2015: RMB80,765,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to cash flow interest rate risk for non-derivative financial instruments in existence at the end of the reporting period.

The estimated 100 basis points increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of the next annual reporting period. The sensitivity analysis is performed on the same basis as 2015.

37. 財務風險管理及公允價值*(續)*

(c) 利率風險*(續)*

(ii) 敏感性分析

於2016年12月31日，淨浮動利率工具的利率總體上浮／下浮100個基點而所有其他變量保持不變，估計將導致本集團的除税後溢利及保留溢利分別增加／減少約人民幣123,357,000元(2015年：人民幣80,765,000元)。

上述敏感性分析假設利率變動於報告期末發生並適用於報告期末存在的非衍生金融工具面臨的現金流量利率風險。

估計100個基點的上浮或下浮代表管理層對直至下一個年度報告期末期間內的合理可能利率變動的評估。敏感性分析按2015年的相同基礎進行。

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(CONTINUED)*

(d) Currency risk

(i) Forecast transactions

The Group uses foreign currency forward exchange contracts to hedge some of its currency risk in respect of committed future sales transactions. At December 31, 2016, the Group had foreign currency forward exchange contracts hedged against forecast transactions with a net fair value of RMB75,062,000 (2015: RMB62,767,000), recognised as derivative financial instruments recorded in "trade and other payables".

(ii) Recognised assets and liabilities

Changes in the fair value of foreign currency forward exchange contracts on monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss (see note 5). The fair value of foreign currency forward exchange contracts used by the Group on monetary assets and liabilities denominated in foreign currencies at December 31, 2016 was RMB45,089,000, recognised as derivative financial instruments recorded in "trade and other payables" (2015: RMB17,985,000 recorded in "trade and other payables") and none recorded in "trade and other receivables"(2015: RMB414,000).

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

37. 財務風險管理及公允價值*(續)*

(d) 貨幣風險

(i) 預測交易

本集團利用遠期外匯合約對沖其於已承諾未來銷售交易的部分貨幣風險。於2016年12月31日，本集團為對沖預測交易的遠期外匯合約淨公允價值為人民幣75,062,000元（2015年：人民幣62,767,000元），確認為記錄於「貿易及其他應付款項」的衍生金融工具。

(ii) 已確認資產及負債

有關以外幣計價的貨幣資產及負債的遠期外匯合約的公允價值變動於損益中確認(見附註5)。本集團於2016年12月31日就以外幣計價的貨幣資產及負債使用的遠期外匯合約的公允價值為人民幣45,089,000元，確認為記錄於「貿易及其他應付款項」中的衍生金融工具(2015年：人民幣17,985,000元記錄於「貿易及其他應付款項」）及並無款項記錄於「貿易及其他應收款項」(2015年：人民幣414,000元)。

就其他以外幣計價的貨幣資產及負債而言，本集團確保通過於必要時以即期匯率買入或賣出外匯以解決短期不平衡，令淨風險保持在一個可接受的水平。

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(CONTINUED)*

37. 財務風險管理及公允價值*(續)*

(d) Currency risk *(continued)*

(d) 貨幣風險*(續)*

(iii) Sensitivity analysis

(iii) 敏感性分析

The following table indicates the instantaneous change in the Group's profit after tax and retained profits that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at those dates, assuming all other risk variables remained constant.

下表顯示倘若本集團於報告期末有重大敞口的外匯匯率於該等日期出現變動，假設所有其他風險變量保持不變，本集團的除税後溢利及保留溢利可能產生的實時變更。

		2016 **2016年**		2015 (Restated) 2015年（重述）	
		Increase/ (decrease) in foreign exchange rate **外匯匯率增加／(減少)** **%** **%**	**Increase/ (decrease) in profit after tax and retained profits** **除税後溢利及保留溢利增加／(減少)** ***RMB'000*** *人民幣千元*	Increase/ (decrease) in foreign exchange rate 外匯匯率增加／(減少) % %	Increase/ (decrease) in profit after tax and retained profits 除税後溢利及保留溢利增加／(減少) *RMB'000* *人民幣千元*
USD	美元	**5**	**403,789**	5	319,895
USD	美元	**(5)**	**(403,789)**	(5)	(319,895)
XAF	中非金融合作法郎	**5**	**16,577**	5	24,628
XAF	中非金融合作法郎	**(5)**	**(16,577)**	(5)	(24,628)
EUR	歐元	**10**	**12,947**	10	42,296
EUR	歐元	**(10)**	**(12,947)**	(10)	(42,296)
HKD	港元	**5**	**(317)**	5	1,966
HKD	港元	**(5)**	**317**	(5)	(1,966)

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(CONTINUED)*

(d) Currency risk *(continued)*

(iii) Sensitivity analysis (continued)

Results of the analysis presented in the above table represent an aggregate of the instantaneous effects on each of the Group entities' profit after tax and retained profits measured in the respective foreign currencies, translated into RMB at the exchange rates ruling at the end of each reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including intercompany payables and receivables within the Group which are denominated in currencies other than the functional currencies of the lenders or the borrowers. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis as 2015.

37. 財務風險管理及公允價值*（續）*

(d) 貨幣風險*（續）*

(iii) 敏感性分析（續）

上表呈列的分析結果代表對本集團各實體的除税後溢利及保留溢利（按各自的外幣計量，並就列報而言按各報告期末的匯率換算成人民幣）的總計實時影響。

敏感性分析假設外匯匯率變動已被應用於重新計量本集團持有的令本集團於報告期末面臨外匯風險的金融工具，包括本集團內公司間的以貸方或借方的功能貨幣以外的貨幣計價的應付款項及應收款項。分析不包括境外業務的財務報表換算為本集團的呈列貨幣產生的差異。分析按2015年的相同基礎進行。

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(CONTINUED)*

37. 財務風險管理及公允價值*(續)*

(e) Fair values

(e) 公允價值

(i) Financial instruments carried at fair value

(i) 以公允價值列賬的金融工具

The following table presents the carrying value of financial instruments measured at fair value at the end of the reporting period across the two levels of the fair value hierarchy defined in IFRS 7 *Financial Instruments: Disclosures* with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

下表呈列以公允價值計量的金融工具於報告期末在國際財務報告準則第7號「金融工具：披露」所界定的公允價值層級的兩個層級的賬面值，各金融工具的公允價值完全依據對該公允價值計量而言屬重要的最低層級輸入參數歸類。層級定義如下：

The Group's financial instruments carried at fair value as at December 31, 2016 and 2015 are measured under level 1 or level 2.

本集團於2016年及2015年12月31日按公允價值列賬的金融工具均按第1級或第2級計量。

		2016 2016年 Fair value measurement using 採用以下數據的公允價值計量			2015 (Restated) 2015年(重述) Fair value measurement using 採用以下數據的公允價值計量		
		Quoted prices in active markets (Level 1) 於活躍市場的報價(第1級) *RMB'000* *人民幣千元*	Significant observable inputs (Level 2) 重大可觀察輸入數據(第2級) *RMB'000* *人民幣千元*	Total 總計 *RMB'000* *人民幣千元*	Quoted prices in active markets (Level 1) 於活躍市場的報價(第1級) *RMB'000* *人民幣千元*	Significant observable inputs (Level 2) 重大可觀察輸入數據(第2級) *RMB'000* *人民幣千元*	Total 總計 *RMB'000* *人民幣千元*
Assets	**資產**						
Available-for-sale investments, included in other non-current assets	計入其他非流動資產的可供出售投資	**10,603**	**–**	**10,603**	9,852	–	9,852
Derivative financial instruments, included in trade and other receivables	計入貿易及其他應收款項的衍生金融工具						
– Foreign currency forward exchange contracts	– 遠期外匯合約	**–**	**–**	**–**	–	414	414
Liabilities	**負債**						
Derivative financial instruments, included in trade and other payables	計入貿易及其他應付款項的衍生金融工具						
– Foreign currency forward exchange contracts	– 遠期外匯合約	**–**	**120,151**	**120,151**	–	80,752	80,752
– Interest rate swaps	– 利率掉期	**–**	**–**	**–**	–	13	13

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(CONTINUED)*

(e) Fair values *(continued)*

(ii) Fair values of financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments which were stated at cost or amortised cost are not materially different from their fair values as at December 31, 2015 and 2016 except the following:

37. 財務風險管理及公允價值*(續)*

(e) 公允價值*(續)*

(ii) 非按公允價值列賬的金融工具的公允價值

於2016年 及2015年12月31日，本集團按成本或攤銷成本列賬的金融工具的賬面值與其公允價值並無重大差異，以下除外：

		2016 2016年		2015 (Restated) 2015年(重述)	
		Book value **賬面值** ***RMB'000*** *人民幣千元*	**Fair value*** **公允價值*** ***RMB'000*** *人民幣千元*	Book value 賬面值 *RMB'000* *人民幣千元*	Fair value* 公允價值* *RMB'000* *人民幣千元*
Non current portion of amounts due from contract customers	應收合同客戶款項的非流動部分	**2,547,471**	**2,726,876**	2,660,045	2,496,534

* The fair value of amounts due from contract customers as at December 31, 2016 and 2015 are measured under level 2.

* 於2016年及2015年12月31日的應收合同客戶款項公允價值按第2級計量。

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(CONTINUED)*

(e) Fair values *(continued)*

(iii) Estimation of fair values

(1) Receivables and borrowings

The fair value is estimated as the present value of the future cash flows discounted at the market interest rate at the end of the reporting period.

(2) Derivatives

Derivative financial instruments, including forward currency contracts and interest rate swaps, are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The carrying amounts of forward currency contracts and interest rate swaps are the same as their fair values.

37. 財務風險管理及公允價值*（續）*

(e) 公允價值*（續）*

(iii) 公允價值的估計

(1) 應收款項及借貸

公允價值估計為未來現金流量按報告期末的市場利率折現的現值。

(2) 衍生工具

衍生金融工具（包括遠期貨幣合約及利率掉期合約）採用類似遠期定價及掉期模式的估值技術，按現值計量。該等模型採用多項市場觀察輸入數據，如交易對手信貸質量、外匯即期、遠期利率和利率曲線。遠期貨幣合約和利率掉期合約的賬面值與其公允價值相同。

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(CONTINUED)*

(f) Capital management

The Group monitors capital on the basis of the gearing ratio. The gearing ratio is derived by dividing total borrowings by total assets multiplied by 100%. In 2016, the Group's gearing ratio (total borrowings RMB1,046,423,000 divided by total assets RMB47,452,278,000) was 2.2%, representing an increase of 0.1% as compared to 2.1% (total borrowings RMB940,233,000 divided by total assets RMB43,952,553,000) as recorded in 2015, mainly due to the increase in short-term borrowings.

37. 財務風險管理及公允價值*(續)*

(f) 資本管理

本集團以槓桿比率基準管理資本。槓桿比率乃將借貸總額除以資產總額再乘以100%得出。2016年，本集團的槓桿比率（借貸總額人民幣1,046,423,000元除以總資產人民幣47,452,278,000元）為2.2%，與2015年的2.1%（借貸總額人民幣940,233,000元除以總資產人民幣43,952,553,000元）相比增長0.1%，主要是由於短期借款的增加。

38. SUBSEQUENT EVENT

On March 28, 2017, the board of directors of the Company resolved that a final dividend of RMB0.2042 per share is to be distributed to the shareholders, subject to approval of the shareholders at the forthcoming annual general meeting. Such final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

In December 2016, the Company entered into a conditional equity subscription agreement to dispose of its entire equity interest in CMEC International Exhibition Co., Ltd. ("CMEC Expo") to China National Machinery Industry International Co., Ltd. ("SINOMACHINT") as consideration for the Company's equity investment of RMB73,682,200 into SINOMACHINT. Upon completion of all conditions of the equity subscription agreement, the Company shall own approximately 19.29% of the total equity interest in SINOMACHINT, and CMEC Expo shall no longer be a subsidiary of the Company. In January 2017, all conditions of the equity subscription agreement were completed.

38. 期後事項

於2017年3月28日，本公司董事會決議向股東派付末期股息每股人民幣0.2042元，惟須待股東於應屆股東週年大會上批准。於報告期末後建議派發的有關末期股息尚未在報告期末確認為負債。

於2016年12月，本公司訂立有條件權益認購協議，向中國機械國際合作有限公司（「SINOMACHINT」）出售所持西麥克國際展覽有限責任公司（「西麥克展覽」）的全部權益，作為本公司向SINOMACHINT權益投資人民幣73,682,200元的代價。完成權益認購協議的所有條件後，本公司將擁有SINOMACHINT權益總額約19.29%，而西麥克展覽將不再是本公司的附屬公司。於2017年1月，權益認購協議的所有條件已告完成。

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

39. 本公司的財務狀況表

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

有關本公司於報告期末的財務狀況表的資料如下：

		2016 2016年 *RMB'000* *人民幣千元*	2015 2015年 *RMB'000* *人民幣千元*
NON-CURRENT ASSETS	**非流動資產**		
Property, plant and equipment	物業、廠房及設備	**461,600**	400,006
Investment properties	投資物業	**12,721**	13,264
Prepaid land lease payments	預付土地租賃款項	**1,431,032**	1,416,394
Intangible assets	無形資產	**5,207**	4,093
Investments in subsidiaries	對附屬公司的投資	**3,229,870**	2,164,726
Investment in a joint venture	對合營公司的投資	**200,000**	99,711
Amounts due from contract customers	應收合同客戶款項	**2,540,917**	2,641,870
Deferred tax assets	遞延稅項資產	**304,075**	259,439
Other non-current assets	其他非流動資產	**562,007**	537,007
Total non-current assets	非流動資產總額	**8,747,429**	7,536,510
CURRENT ASSETS	**流動資產**		
Inventories	存貨	**8,304**	8,345
Trade and other receivables	貿易及其他應收款項	**7,957,615**	7,843,066
Amounts due from contract customers	應收合同客戶款項	**2,964,413**	1,847,884
Restricted deposits	受限制存款	**307,766**	306,853
Time deposits with original maturity over three months	原始到期日超過三個月的定期存款	**5,510,940**	3,833,596
Cash and cash equivalents	現金及現金等價物	**13,269,614**	15,615,298
Total current assets	流動資產總額	**30,018,652**	29,455,042

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(CONTINUED)*

39. 本公司的財務狀況表*(續)*

		2016 2016年 *RMB'000* *人民幣千元*	2015 2015年 *RMB'000* *人民幣千元*
CURRENT LIABILITIES	**流動負債**		
Receipts in advance	預收款項	**9,015,959**	7,579,044
Trade and other payables	貿易及其他應付款項	**14,017,577**	14,489,442
Defined benefit obligations	設定受益義務	**21,000**	22,964
Tax payable	應繳稅項	**389,733**	454,443
Total current liabilities	流動負債總額	**23,444,269**	22,545,893
NET CURRENT ASSETS	**流動資產淨額**	**6,574,383**	6,909,149
TOTAL ASSETS LESS CURRENT LIABILITIES	**資產總額減流動負債**	**15,321,812**	14,445,659
NON-CURRENT LIABILITIES	**非流動負債**		
Trade and other payables	貿易及其他應付款項	**–**	56,535
Defined benefit obligations	設定受益義務	**221,540**	243,520
Total non-current liabilities	非流動負債總額	**221,540**	300,055
Net assets	**淨資產**	**15,100,272**	14,145,604
EQUITY	**權益**		
Issued capital	已發行股本	**4,125,700**	4,125,700
Reserves	儲備	**10,974,572**	10,019,904
Total equity	**權益總額**	**15,100,272**	14,145,604

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(CONTINUED)*

39. 本公司的財務狀況表*(續)*

A summary of the Company's reserves is as follows:

本公司的儲備概要如下：

		Capital reserve 資本儲備 RMB'000 人民幣千元	Statutory surplus reserve 法定盈餘公積金 RMB'000 人民幣千元	Retained profits 保留溢利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At January 1, 2015	於2015年1月1日	3,863,104	701,362	4,383,737	8,948,203
Profit for the year	年內溢利	–	–	1,908,837	1,908,837
Re-measurement losses on defined benefit plans, net of tax	設定受益計劃評估虧損，扣稅後	–	–	(14,450)	(14,450)
Total comprehensive income for the year	年內綜合收益總額	–	–	1,894,387	1,894,387
Dividends paid to shareholders of the Company	付予本公司股東的股息	–	–	(838,755)	(838,755)
Profit appropriation to reserves	轉撥至儲備的溢利	–	190,884	(190,884)	–
Adjustment of deferred tax arising from revaluation surplus	來自重估盈餘的遞延稅項調整	16,069	–	–	16,069
At December 31, 2015	於2015年12月31日	3,879,173	892,246	5,248,485	10,019,904
Profit for the year	**年內溢利**	**–**	**–**	**1,772,370**	**1,772,370**
Re-measurement losses on defined benefit plans, net of tax	**設定受益計劃評估虧損，扣稅後**	**–**	**–**	**2,900**	**2,900**
Total comprehensive income for the year	**年內綜合收益總額**	**–**	**–**	**1,775,270**	**1,775,270**
Dividends paid to shareholders of the Company	**付予本公司股東的股息**	**–**	**–**	**(820,602)**	**(820,602)**
Profit appropriation to reserves	**轉撥至儲備的溢利**	**–**	**178,508**	**(178,508)**	**–**
At December 31, 2016	**於2016年12月31日**	**3,879,173**	**1,070,754**	**6,024,645**	**10,974,572**

40. APPROVAL OF THE FINANCIAL STATEMENTS

40. 批准財務報表

The financial statements were approved and authorised for issue by the board of directors on March 28, 2017.

財務報表已於2017年3月28日獲董事會批准及授權刊發。

Glossary of Terms
詞彙表

"AGM"	the annual general meeting of the Company	「股東週年大會」	指	本公司股東週年大會
"Articles of Association"	the articles of association of the Company, adopted on February 14, 2011 and as amended, supplemented or otherwise modified from time to time	「組織章程細則」	指	本公司於2011年2月14日採納的組織章程細則(經不時修訂、補充或以其他方式修改)
"Audit Committee"	the audit committee of the Board	「審計委員會」	指	董事會審計委員會
"Board"	the board of Directors of the Company	「董事會」	指	本公司董事會
"BOT"	Build-Operate-Transfer, a business model in which the proprietor grants the rights to a contracted enterprise by concession agreement to undertake the financing, design, construction, operation and maintenance of a project (mainly infrastructure projects), which enterprise can charge users a fee during the concession period to cover its costs of investment, operations and maintenance as well as reasonable returns, and, upon expiration of the concession period, the relevant facilities will be transferred back to the proprietor	「BOT」	指	建設－經營－轉讓，即業主通過特許經營協議授權簽約企業承擔項目(主要為基建項目)融資、設計、施工、營運及維護的一種商業模式，該企業可於特許經營期內向使用者收費從而彌補其投資、營運及維護成本以及收取合理的回報，而於特許經營期屆滿後，相關設施將交還業主
"BROT"	Build-Rent-Operate-Transfer	「BROT」	指	建設－租賃－經營－轉讓
"CG Code"	the Corporate Governance Code set out in Appendix 14 to the Listing Rules	「企業管治守則」	指	上市規則附錄14所載之企業管治守則
"China Machinery R&D"	China Machinery International Design and Research Institute Co., Ltd. (中機國際工程設計研究院有限責任公司), a wholly-owned subsidiary of our Company established in the PRC on October 5, 1993 with limited liability	「中機院」	指	中機國際工程設計研究院有限責任公司，一家於1993年10月5日在中國成立的本公司全資附屬有限責任公司

Glossary of Terms
詞彙表

"China United"	China United Engineering Corporation* (中國聯合工程公司), an enterprise established in the PRC on January 21, 1984 and a wholly-owned subsidiary of SINOMACH, our connected person and our Promoter who holds 1.00% equity interest in our Company as at the date of December 11, 2012	「中國聯合」	指	中國聯合工程公司，一家於1984年1月21日在中國成立的企業，國機的全資附屬公司。中國聯合為我們的關連人士暨發起人，於2012年12月11日持有本公司1.00%股權
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules	「緊密聯繫人」	指	具有上市規則所賦予的涵義
"CMEC Comtrans"	CMEC Comtrans International Co., Ltd.* (中設國際商務運輸代理有限責任公司), a wholly-owned subsidiary of our Company established in the PRC on March 5, 1997 with limited liability	「中設商運」	指	中設國際商務運輸代理有限責任公司，一家於1997年3月5日在中國成立的有限責任公司，並為本公司的全資附屬公司
"CMEC Expo"	CMEC International Exhibition Co., Ltd.* (西麥克國際展覽有限責任公司), a wholly-owned subsidiary of our Company established in the PRC on January 9, 1995 with limited liability	「西麥克展覽」	指	西麥克國際展覽有限責任公司，一家於1995年1月9日在中國成立的有限責任公司，並為本公司的全資附屬公司
"CMEC International Engineering"	CMEC International Engineering Co., Ltd.* (中設國際工程有限責任公司), a wholly-owned subsidiary of our Company established in the PRC on September 9, 1997 with limited liability	「中設國際工程」	指	中設國際工程有限責任公司，一家於1997年9月9日在中國成立的有限責任公司，並為本公司的全資附屬公司
"CMEC Machinery & Electric"	CMEC Machinery & Electric Equipment Import & Export Co., Ltd.* (中設機電進出口有限公司), a wholly-owned subsidiary of our Company established in the PRC on January 16, 1995 with limited liability	「中設機電」	指	中設機電進出口有限公司，一家於1995年1月16日在中國成立的有限責任公司，並為本公司的全資附屬公司
"CMEC Tendering"	China Machinery and Equipment International Tendering Co., Ltd.* (中設國際招標有限責任公司), a wholly-owned subsidiary of our Company established in the PRC on April 29, 1996 with limited liability	「中設招標」	指	中設國際招標有限責任公司，一家於1996年4月29日在中國成立的有限責任公司，並為本公司的全資附屬公司

"CMIPC"	China Machinery Industrial Products Co., Ltd.* (中設集團裝備製造有限責任公司), a company established in the PRC on February 6, 2002 and a subsidiary wholly-owned by the Company	「中設裝備」	指	中設集團裝備製造有限責任公司，一家於2002年2月6日在中國成立的公司，並為本公司全資擁有的附屬公司
"CNCEC"	China National Complete Engineering* (中國成套工程有限公司), a corporation established in the PRC on September 5, 1985 and wholly-owned by SINOMACH on February 5, 2016. The Company and SINOMACH entered into an acquisition agreement, pursuant to and subject to the terms and conditions of which, the Company agreed to acquire the entire equity interest in CNCEC	「中成套」	指	中國成套工程有限公司，一家於1985年9月5日在中國成立的公司，並於2016年2月5日由國機全資擁有，本公司與國機訂立收購協議，根據協議條款及條件並在其規限下，本公司同意收購中成套的全部股權
"CNMTC"	China National Machine Tool Sales and Technical Service Corporation (中國機床銷售與技術服務有限公司), a company incorporated in the PRC on September 8, 1983 with limited liability and a wholly-owned subsidiary of SINOMACH	「中國機床」	指	中國機床銷售與技術服務有限公司，於1983年9月8日在中國註冊成立之有限公司，為國機之全資附屬公司
"Company", "Our Company" or "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	「公司」、「本公司」或「中國機械工程」	指	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
"Companies Law"	Company Law in the PRC (中華人民共和國公司法), adopted by the Standing Committee of the National People' Congress on October 27, 2005 and which became effective on January 1, 2006, as amended, supplemented or otherwise modified from time to time	「公司法」	指	全國人民代表大會常務委員會於2005年10月27日採納並於2006年1月1日生效的中華人民共和國公司法(經不時修訂、增補或以其他形式修改)

Glossary of Terms
詞彙表

"controlling shareholder"	has the meaning ascribed thereto under the Listing Rules	「控股股東」	指	具有上市規則所賦予的涵義
"Core Sectors"	the core sectors of our International Engineering Contracting Business which are the power sector, transportation sector and telecommunications sector	「核心行業」	指	我們的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"	according to the World Bank, developing countries can refer to the countries with low-and middle-income economies, which are those with a gross national income per capita of less than US$12,275	「發展中國家」	指	根據世界銀行的資料，發展中國家可指經濟體收入處於低及中水平的國家，其人均國民總收入少於12,275美元
"Director(s)"	the director(s) of the Company	「董事」	指	本公司董事
"Domestic Shares"	ordinary shares in our capital, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi	「內資股」	指	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
"ENR"	Engineering News-Record magazine, a publication that provides news, analyses, commentary and data about the global construction industry and an independent third party	「ENR」	指	Engineering News-Record雜誌，一本提供有關全球建造業消息、分析、評論及數據的刊物，為一名獨立第三方
"EPC" or "design, procurement and construction" or "turnkey"	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	「EPC」或「設計、採購及施工」或「交鑰匙」	指	承包安排的常見形式，即承包商受項目業主的委託進行設計、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
"GDP"	gross domestic product	「國內生產總值」、「GDP」	指	國內生產總值

Glossary of Terms
詞彙表

"GE"	U.S. 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」	指	美國通用電氣公司，一家於美國註冊成立的公司，其主營業務包括（其中包括）工程及發電服務
"Global Offering"	The offering by the Company of 825,700,000 H Shares for subscription by the public in Hong Kong and placing with professional and institutional investors outside the United Stated in December 2012	「全球發售」	指	本公司於2012年12月提呈發售825,700,000股H股，供香港公眾認購，並配售予美國境外的專業及機構投資者
"Group", "Our Group", "we" or "us"	the Company and, except where the context otherwise requires, all its subsidiaries	「集團」、「本集團」或「我們」	指	本公司及除文義另有所指外，包括其所有附屬公司
"H Share(s)"	overseas listed foreign shares in our ordinary share capital with a nominal value of RMB1.00 each, which are listed on the Stock Exchange and subscribed for and traded in HK$	「H股」	指	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，於聯交所上市，並以港元認購及買賣
"HK$"	Hong Kong dollars, the lawful currency of the Hong Kong Special Administration Region	「港元」	指	港元，香港特別行政區法定貨幣
"IFRS"	International Financial Reporting Standards	「國際財務報告準則」	指	國際財務報告準則
"independent third party(ies)"	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 and its subsidiaries or an associate of any of them	「獨立第三方」	指	獨立於本公司及其附屬公司的任何董事、監事、控股股東、主要股東及行政總裁（定義見上市規則）或其任何各自的聯繫人的個人或公司
"INED(s)"	the independent non-executive Director(s) of our Company	「獨立非執行董事」	指	本公司獨立非執行董事
"International Engineering Contracting Business"	the International Engineering Contracting Business conducted by our Group with a primary focus on EPC projects	「國際工程承包業務」	指	由本集團開展，並以EPC項目為重點的國際工程承包業務

Glossary of Terms
詞彙表

"IPP"	independent power producer	「IPP」	指	獨立發電廠
"Ipsos"	Ipsos Hong Kong Limited, an independent third party, is part of Ipsos SA and it conducts research on market profiles, market size, share and segmentation analyses, distribution and value analyses, competitor tracking and corporate intelligence; it is responsible for conducting a research on the industry information included in this annual report and providing the relevant data	「益普索」	指	益普索香港有限公司*，一名獨立第三方，為Ipsos SA的一部分，其開展市場概況、市場規模、份額及細分分析、分銷及價值分析、競爭對手追蹤及企業情報的研究；其對本年報內的行業數據展開調查並提供相關數據
"Ipsos Report"	a report prepared by Ipsos Hong Kong Limited, an independent third party, on the global infrastructure engineering industry and international trading industry in general, and the infrastructure engineering industry and international trading industry in the developing countries in particular, which was commissioned by us and issued on March 28, 2016	「益普索報告」	指	由我們委託獨立第三方益普索香港有限公司*於2016年3月28日刊發有關全球基建工程行業與國際貿易行業的整體情況（特別是有關發展中國家的基建工程行業與國際貿易行業）的報告
"ISA"	the United States Iran Sanctions Act, as amended (P.L. 104-172, August 5, 1996) (formerly the Iran and Libya Sanctions Act of 1996)	「伊朗制裁法」	指	美國的伊朗制裁法，經修訂（P.L. 104-172，1996年8月5日）（前稱1996年伊朗及利比亞制裁法）
"JiKan Research Institute"	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 incorporated in the PRC and a wholly-owned subsidiary of the Company	「機勘院」	指	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
"KV"	unit of electric potential, kilovolt. 1kV = 1,000 volts	「千伏」	指	電壓單位千伏。1千伏=1,000伏特
"KW"	unit of energy, kilowatt. 1 kW = 1,000 watts	「千瓦」	指	能源單位千瓦。1千瓦=1,000瓦特

Glossary of Terms
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"Listing"	listing of our H Shares on the Stock Exchange	「上市」	指	我們的H股在聯交所上市
"Listing Date"	December 21, 2012	「上市日期」	指	2012年12月21日
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time	「上市規則」	指	香港聯合交易所有限公司證券上市規則(經不時修訂、補充或以其他方式修改)
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules	「標準守則」	指	上市規則附錄十所載之上市發行人董事進行證券交易的標準守則
"MW"	Unit of energy, megawatt. 1 MW = 1,000 kW. The installed capacity of power plants is generally expressed in MW	「兆瓦」	指	能源單位兆瓦。1兆瓦=1,000千瓦。發電廠裝機容量通常以兆瓦表示
"Non-Core Sectors"	any sectors that do not fall within the Core Sectors of our International Engineering Contracting Business	「非核心行業」	指	任何並非屬於我們國際工程承包業務核心行業的行業
"OFAC"	the Office of Foreign Assets Control of the US Department of the Treasury	「外國資產管制局」	指	美國財政部屬下外國資產管制局
"PRC"	The People's Republic of China	「中國」	指	中華人民共和國
"Prospectus"	the prospectus of the Company dated December 11, 2012	「招股章程」	指	本公司日期為2012年12月11日的招股章程
"RMB" or "Renminbi"	Renminbi yuan, the lawful currency of the PRC	「人民幣」	指	人民幣，中國法定貨幣
"Services Business"	The design consulting services, logistics services, exhibition services, tendering agency services, export-import agency services and other services conducted by the Group	「服務業務」	指	本集團開展的設計諮詢服務、物流服務、展覽服務、招標代理服務、進出口代理服務及其他服務

Glossary of Terms
詞彙表

"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time	「證券及期貨條例」	指	香港法例第571章證券及期貨條例(經不時修訂、補充或以其他方式修改)
"Share(s)"	share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, including our Domestic Shares and H Shares	「股份」	指	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
"Shareholder(s)"	holder(s) of our Share(s)	「股東」	指	我們股份的持有人
"SINOMACH"	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	「國機」	指	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
"SINOMACHINT"	China National Machinery Industry International Co., Ltd. (中國機械國際合作有限公司), a company incorporated in the PRC on May 21, 1988 with limited liability and a wholly-owned subsidiary of SINOMACH	「SINOMACHINT」	指	中國機械國際合作有限公司,於一九八八年五月二十一日在中國註冊成立之有限公司,為國機之全資附屬公司
"SINOMACH Group"	SINOMACH and its subsidiaries, which excludes our Group	「國機集團」	指	國機及其附屬公司,不包括本集團
"Sinosure"	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	「中國信保」	指	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
"SSF"	National Council for Social Security Fund of the PRC (中華人民共和國全國社會保障基金理事會)	「社保基金理事會」	指	中華人民共和國全國社會保障基金理事會
"Stock Exchange"	The Stock Exchange of Hong Kong Limited	「聯交所」	指	香港聯合交易所有限公司

"Supervisor(s)"	one (or all) of our Company's supervisors	「監事」	指	本公司的一名(或全體)監事
"Supervisory Board"	the supervisory board of our Company	「監事會」	指	本公司監事會
"the Belt and Road"	the Silk Road Economic Belt and the 21st-Century Maritime Silk Road	「一帶一路」	指	絲綢之路經濟帶和21世紀海上絲綢之路
"Trading Business"	the international and domestic trading business conducted by our Group	「貿易業務」	指	本集團進行的國際和國內貿易業務
"UN"	the United Nations	「聯合國」	指	聯合國
"United States" or "U.S." or "US"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction	「美國」	指	美利堅合眾國、其領土、其屬地及受其司法管轄的所有地區
"US dollars" or "US$" or "USD"	United States dollars, the lawful currency of the United States	「美元」	指	美元,美國的法定貨幣
"%"	percent or percentage	「%」	指	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。

Corporate Information
公司資料

LEGAL NAME OF THE COMPANY

中國機械設備工程股份有限公司

ENGLISH NAME OF THE COMPANY

China Machinery Engineering Corporation*

BOARD OF DIRECTORS

Executive Directors

Mr. SUN Bai *(Chairman)*
Mr. ZHANG Chun *(President)*

Non-executive Directors

Mr. WANG Zhian
Mr. YU Benli
Mr. ZHANG Fusheng

Independent Non-executive Directors

Mr. LIU Li
Ms. LIU Hongyu
Mr. FANG Yongzhong
Mr. WU Tak Lung

SUPERVISORS

Mr. QUAN Huaqiang *(Chairman)*
(Shareholder representative supervisor)
Mr. QIAN Xiangdong *(Shareholder representative supervisor)*
Mr. BAI Ming *(Staff representative supervisor)*

JOINT COMPANY SECRETARIES

Mr. ZHOU Yamin
Ms. TSANG Fung Chu

AUTHORIZED REPRESENTATIVES

Mr. ZHANG Chun
Mr. ZHOU Yamin

* *For Identification Purposes Only*

本公司法定名稱

中國機械設備工程股份有限公司

本公司英文名稱

China Machinery Engineering Corporation*

董事會

執行董事

孫柏先生*(董事長)*
張淳先生*(總裁)*

非執行董事

王治安先生
余本禮先生
張福生先生

獨立非執行董事

劉力先生
劉紅宇女士
方永忠先生
吳德龍先生

監事

全華強先生*(監事長)*
(股東代表監事)
錢向東先生*(股東代表監事)*
白明先生*(職工代表監事)*

聯席公司秘書

周亞民先生
曾鳳珠女士

授權代表

張淳先生
周亞民先生

* *僅供識別*

AUDIT COMMITTEE

Mr. LIU Li *(Chairman)*
Mr. WANG Zhian
Ms. LIU Hongyu

審計委員會

劉力先生*(主席)*
王治安先生
劉紅宇女士

NOMINATION COMMITTEE

Mr. SUN Bai *(Chairman)*
Ms. LIU Hongyu
Mr. FANG Yongzhong

提名委員會

孫柏先生*(主席)*
劉紅宇女士
方永忠先生

REMUNERATION COMMITTEE

Mr. FANG Yongzhong *(Chairman)*
Mr. WANG Zhian
Mr. LIU Li

薪酬委員會

方永忠先生*(主席)*
王治安先生
劉力先生

STRATEGY AND DEVELOPMENT COMMITTEE

Mr. SUN Bai *(Chairman)*
Mr. ZHANG Chun
Mr. YU Benli
Mr. LIU Li

戰略與發展委員會

孫柏先生*(主席)*
張淳先生
余本禮先生
劉力先生

OPERATION AND RISK MANAGEMENT COMMITTEE

Mr. ZHANG Chun *(Chairman)*
Mr. WANG Zhian
Mr. ZHANG Fusheng
Mr. FANG Yongzhong

經營與風險管理委員會

張淳先生*(主席)*
王治安先生
張福生先生
方永忠先生

INDEPENDENT AUDITORS

International Auditors
Ernst & Young

PRC Auditors
Ernst & Young Hua Ming LLP (Special General Partnership)

獨立核數師

國際核數師
安永會計師事務所

中國核數師
安永華明會計師事務所(特殊普通合夥)

PRINCIPAL BANKS

China Development Bank
The Export-Import Bank of China
Industrial and Commercial Bank of China Limited
Bank of China Limited
CITIC Bank
China Merchants Bank (Beijing Branch)
Bank of Communications (Beijing Dongdan Sub-branch)

主要往來銀行

國家開發銀行
中國進出口銀行
中國工商銀行
中國銀行股份有限公司
中信銀行
招商銀行(北京分行)
交通銀行(北京東單支行)

Corporate Information
公司資料

REGISTERED OFFICE AND HEAD OFFICE IN THE PRC

No. 178 Guang'anmenwai Street
Beijing, PRC

中國註冊辦事處及本部

中國北京市
廣安門外大街178號

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 804, 8/F, Tower 1
South Sea Centre
75 Mody Road
Tsimshatsui East
Kowloon, Hong Kong

香港主要營業地點

香港九龍
尖沙咀東
麼地道75號
南洋中心
第1座8樓804室

HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

香港H股股份過戶登記處

香港中央證券登記有限公司
香港灣仔
皇后大道東183號
合和中心
17樓1712-1716室

LEGAL ADVISORS

As to Hong Kong Laws
Shearman & Sterling

As to PRC Laws
Tian Yuan Law Firm

法律顧問

關於香港法律
美國謝爾曼 • 思特靈律師事務所

關於中國法律
天元律師事務所

STOCK CODE

01829

股份代號

01829

INVESTOR INQUIRIES

Investor Hotline: 86 10 6331 2262
Fax No: 86 10 6332 1086

投資者諮詢

投資者熱線：86 10 6331 2262
傳真：86 10 6332 1086

COMPANY'S WEBSITE

www.cmec.com

公司網站

www.cmec.com

中國機械設備工程股份有限公司

China Machinery Engineering Corporation*

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* *僅供識別*