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

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

(Stock Code: 1829)
(股份代號：1829)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2017

截至2017年6月30日止六個月中期業績公告

INTERIM RESULTS HIGHLIGHTS

- Revenue amounted to RMB9,374.7 million, representing an increase of RMB981.2 million or 11.7% from RMB8,393.5 million for the six months ended June 30, 2016.
- Gross profit amounted to RMB1,568.7 million, representing an increase of RMB357.9 million or 29.6% from RMB1,210.8 million for the six months ended June 30, 2016.
- Profit from operations amounted to RMB906.8 million, representing an increase of RMB375.9 million or 70.8% from RMB 530.9 million for the six months ended June 30, 2016.
- Profit attributable to the owners of the parent amounted to RMB610.0 million, representing a decrease of RMB190.4 million or 23.8% from RMB800.4 million for the six months ended June 30, 2016.
- The Directors do not recommend the payment of interim dividends

中期業績摘要

- 收入為人民幣9,374.7百萬元，較截至2016年6月30日止六個月人民幣8,393.5百萬元增長人民幣981.2百萬元或11.7%。
- 毛利為人民幣1,568.7百萬元，較截至2016年6月30日止六個月人民幣1,210.8百萬元增長人民幣357.9百萬元或29.6%。
- 經營溢利為人民幣906.8百萬元，較截至2016年6月30日止六個月人民幣530.9百萬元增長人民幣375.9百萬元或70.8%。
- 母公司擁有人應佔溢利為人民幣610.0百萬元，較截至2016年6月30日止六個月人民幣800.4百萬元下降人民幣190.4百萬元或23.8%。
- 董事不建議派付中期股息。

* *For identification purposes only*

* *僅供識別*

INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2017

The Board announces the unaudited operating results of the Group for the Period and a comparison with the operating results for the Corresponding Period in 2016. The results of the Group were prepared based on the consolidated financial statements, which were prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (the "IASB") and the disclosure requirements of the Hong Kong Companies Ordinance.

INTERIM RESULTS

The consolidated financial information set out below is extracted from the unaudited interim financial report prepared in accordance with the International Accounting Standard 34, "Interim financial reporting" issued by the IASB and the disclosure requirements under the Listing Rules as set out in the Group's 2017 interim report which will be despatched to the Shareholders separately.

截至2017年6月30日止六個月的中期業績

董事會宣佈本集團於本期間的未經審計經營業績，以及2016年同期經營業績的比較。本集團業績乃基於根據國際會計準則委員（「國際會計準則委員會」）會頒佈的國際財務報告準則以及香港公司條例的披露要求編製的合併財務報表而編製。

中期業績

以下載列的合併財務資料乃摘錄自根據由國際會計準則委員會頒佈的國際會計準則第34號「中期財務報告」及《上市規則》的披露規定編製的未經審計中期財務報告，並分別載入本集團將寄發予股東的2017年中期報告內。

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS – UNAUDITED

中期簡明合併損益表－未經審計

		Notes 附註	For the six months ended June 30, 截至6月30日止六個月 2017 2017年 (Unaudited) (未經審計) *RMB'000* 人民幣千元	 2016 2016年 (Unaudited) (未經審計) *RMB'000* 人民幣千元
REVENUE	**收入**	*4*	**9,374,718**	8,393,529
Cost of sales	銷售成本		**(7,806,034)**	(7,182,684)
Gross profit	**毛利**		**1,568,684**	1,210,845
Other revenue	其他收入	*4*	**148,707**	6,784
Other income/(expenses), net	其他收入／(開支) 淨額	*4*	**13,232**	(12,615)
Selling and distribution expenses	銷售及分銷開支		**(369,670)**	(403,447)
Administrative expenses	行政開支		**(345,349)**	(312,829)
Other operating income/(expenses)	其他經營收入／(開支)		**(108,760)**	42,121
PROFIT FROM OPERATIONS	**經營溢利**		**906,844**	530,859
Finance income	財務收入	*5*	**162,612**	558,067
Finance expenses	財務開支	*5*	**(259,217)**	(35,079)
Net finance income/(expenses)	財務收入／(開支) 淨額	*5*	**(96,605)**	522,988
Share of profits and losses of:	應佔以下溢利及虧損：			
Associates	聯營公司		**11,636**	5,735
Joint ventures	合營公司		**8,779**	4,021
PROFIT BEFORE TAX	**除稅前溢利**		**830,654**	1,063,603
Income tax	所得稅	*6*	**(219,961)**	(259,435)
PROFIT FOR THE PERIOD	**本期間溢利**		**610,693**	804,168
Attributable to:	歸屬於：			
Owners of the parent	母公司擁有人	*7*	**609,962**	800,360
Non-controlling interests	非控股權益		**731**	3,808
			610,693	804,168
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**			
Basic and diluted (RMB)	**基本及攤薄 (人民幣)**		**15 cents**	19 cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – UNAUDITED

中期簡明合併綜合收益表 — 未經審計

		For the six months ended June 30, 截至6月30日止六個月	
		2017	2016
		2017年	2016年
		(Unaudited)	(Unaudited)
		(未經審計)	(未經審計)
		RMB'000	*RMB'000*
		人民幣千元	*人民幣千元*
PROFIT FOR THE PERIOD	**本期間溢利**	**610,693**	804,168
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	**4,805**	(12,410)
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	**(364)**	(194)
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	**(28,055)**	5,975
Total comprehensive income for the period	**本期間綜合收益總額**	**587,079**	797,539
Attributable to:	**歸屬於：**		
Owners of the parent	母公司擁有人	**586,247**	793,562
Non-controlling interests	非控股權益	**832**	3,977
		587,079	797,539

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – UNAUDITED

中期簡明合併財務狀況表－未經審計

June 30, 2017

2017年6月30日

		Notes 附註	As at June 30, 2017 於2017年6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元	As at December 31, 2016 於2016年12月31日 (Audited) (經審計) 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		**1,717,956**	1,605,717
Investment properties	投資物業		**20,432**	20,988
Prepaid land lease payments	預付土地租賃款項		**1,783,235**	1,797,297
Intangible assets	無形資產		**9,354**	9,587
Investments in associates	對聯營公司的投資		**430,683**	265,836
Investments in joint ventures	對合營公司的投資		**306,695**	297,916
Trade and other receivables	貿易及其他應收款項	9	**521,410**	553,937
Amounts due from contract customers	應收合同客戶款項	8	**2,224,776**	2,547,471
Deferred tax assets	遞延稅項資產		**393,482**	411,536
Other non-current assets	其他非流動資產		**592,123**	593,076
Total non-current assets	**非流動資產總額**		**8,000,146**	8,103,361
CURRENT ASSETS	**流動資產**			
Inventories	存貨		**908,490**	495,736
Trade and other receivables	貿易及其他應收款項	9	**10,069,393**	8,121,101
Amounts due from contract customers	應收合同客戶款項	8	**4,401,591**	4,693,622
Restricted deposits	受限制存款		**1,206,375**	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		**6,520,143**	5,942,003
Cash and cash equivalents	現金及現金等價物		**18,395,713**	19,541,868
Total current assets	**流動資產總額**		**41,501,705**	39,348,918
CURRENT LIABILITIES	**流動負債**			
Borrowings	借貸		**483,562**	576,695
Receipts in advance	預收款項		**14,748,988**	12,473,750
Trade and other payables	貿易及其他應付款項	10	**18,008,068**	17,541,253
Defined benefit obligations	設定受益義務		**10,222**	26,850
Tax payable	應繳稅項		**120,244**	501,728
Total current liabilities	**流動負債總額**		**33,371,084**	31,120,276
NET CURRENT ASSETS	**流動資產淨額**		**8,130,621**	8,228,642
TOTAL ASSETS LESS CURRENT LIABILITIES	**資產總額減流動負債**		**16,130,767**	16,332,003

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – UNAUDITED (CONTINUED)

中期簡明合併財務狀況表 – 未經審計(續)

June 30, 2017

2017年6月30日

		Note 附註	As at June 30, 2017 於2017年6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元	As at December 31, 2016 於2016年12月31日 (Audited) (經審計) RMB'000 人民幣千元
TOTAL ASSETS LESS CURRENT LIABILITIES	**資產總額減流動負債**		**16,130,767**	16,332,003
NON-CURRENT LIABILITIES	**非流動負債**			
Borrowings	借貸		**502,311**	469,728
Trade and other payables	貿易及其他應付款項	10	**77,255**	81,206
Defined benefit obligations	設定受益義務		**359,323**	359,323
Deferred tax liabilities	遞延税項負債		**47,214**	46,193
Total non-current liabilities	**非流動負債總額**		**986,103**	956,450
Net assets	**淨資產**		**15,144,664**	15,375,553
EQUITY	**權益**			
Issued capital	已發行股本		**4,125,700**	4,125,700
Reserves	儲備		**10,946,594**	11,202,815
Total equity attributable to owners of the parent	**母公司擁有人應佔權益總額**		**15,072,294**	15,328,515
Non-controlling interests	**非控股權益**		**72,370**	47,038
Total equity	**權益總額**		**15,144,664**	15,375,553

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

未經審計中期簡明合併財務報表附註

1. CORPORATE 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 Guanganmenwai Street, Beijing, PRC.

The Company and its subsidiaries (the "Group") are mainly engaged in international construction contracting business and trading business.

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").

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 June 30, 2017, 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 PRC.

1. 公司資料

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」)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。

本公司及其附屬公司(「本集團」)主要從事國際工程承包業務及貿易業務。

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」)。

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2017年6月30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,本公司的控股公司及最終控股公司是於中國成立的國機。

2.1 BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements for the six months ended June 30, 2017 have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting and the disclosure requirements of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

2.1 編製基準

截至2017年6月30日止六個月的未經審計中期簡明合併財務報表已按國際會計準則(「國際會計準則」)第34號「中期財務報告」及香港聯交所證券上市規則的披露規定編製。

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2016. The interim condensed consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand, except when otherwise indicated.

未經審計中期簡明合併財務報表並不包括年度財務報表所要求的所有資料及披露信息，並應連同本集團截至2016年12月31日止的年度財務報表一併閱讀。中期簡明合併財務報表以人民幣（「人民幣」）呈列，除另有指明外，所有金額均湊整至最接近千位。

2.2 IMPACT OF NEW AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS

2.2 新訂及經修訂國際財務報告準則的影響

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2016, except for the adoption of the new and revised International Financial Reporting Standards ("IFRSs") as of 1 January 2017. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. These new and revised IFRSs do not impact the interim condensed consolidated financial statements of the Group.

編製未經審計中期簡明合併財務報表所採納的會計政策與編製本集團截至2016年12月31日止年度的年度財務報表所用者一致，惟於截至2017年1月1日所採納的新訂及經修訂國際財務報告準則（「國際財務報告準則」）除外。本集團尚未提前採納任何其他已頒佈但尚未生效的準則、詮釋或修訂。該等新訂及經修訂國際財務報告準則不會影響本集團的中期簡明合併財務報表。

The nature and the impact of each amendment or interpretation are described below:

各修訂或詮釋的性質及影響載述如下：

Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative

國際會計準則第7號（修訂）「現金流量表：披露動議」

The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). On initial application of the amendment, entities are not required to provide comparative information for preceding periods. The Group is not required to provide additional disclosures in its interim condensed consolidated financial statements, but will disclose additional information in its annual consolidated financial statements for the year ended 31 December 2017.

該等修訂要求實體提供有關彼等融資活動所產生的負債變動的披露資料，包括現金流量產生的變動及非現金變動（如匯兑收益或虧損）。於首次應用修訂時，實體毋須提供以前期間的比較資料。本集團毋須於其中期簡明合併財務報表內作出額外披露，惟將於其截至2017年12月31日止年度的年度合併財務報表內披露額外資料。

Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity 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.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

The Group applied the amendments retrospectively. However, their application has no effect on the Group's financial position and performance as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

Amendments to IFRS 12 included in Annual Improvements Cycle – 2014-2016 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12

The amendments clarify that the disclosure requirements in IFRS 12, other than those in paragraphs B10-B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

國際會計準則第12號(修訂)「所得税:對未確認虧損確認遞延税項資產」

該等修訂釐清實體需要考慮税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税利潤的來源有所限制。此外,該等修訂就實體應如何釐定未來應課税利潤提供指引,並解釋應課税利潤可包括收回超過賬面值的部分資產的情況。

實體需要追溯應用該等修訂。然而,於首次應用該等修訂時,最早比較期間期初權益的變動可在期初留存收益(或在適當情況於權益的另一組成部分)中確認,而並非在期初留存收益和權益的其他組成部分之間分配。應用此項寬免措施的實體必須披露此事實。

本集團已追溯應用該等修訂。然而,由於本集團並無任何可扣減暫時差額或該等修訂範圍內的資產,故應用該等修訂對本集團的財務狀況及業績並無任何影響。

國際財務報告準則第12號的修訂2014年至2016年週期之國際財務報告之年度改進披露於其他實體之權益:澄清國際財務報告準則第12號中披露規定之範圍

該等修訂釐清國際財務報告準則第12號中的披露規定(除B10-B16段外)適用於已劃分至持作出售或已包括在某處置組且該處置組已劃分至持作出售的附屬公司、合營公司或聯營公司中的實體權益(或其在合營公司或聯營公司中的部分權益)。

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 its financial statements.

Amendments to IFRS 2	*Classification and Measurement of Share-based Payment Transactions*[1]
Amendments to IFRS 4	*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*[1]
IFRS 9	*Financial Instruments*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
IFRS 15	*Revenue from Contracts with Customers*[1]
Amendments to IFRS 15	*Clarifications to IFRS 15 Revenue from Contracts with Customers*[1]
IFRS 16	*Leases*[2]
IFRS 17	*Insurance Contracts*[3]
IFRIC 22	*Foreign Currency Transactions and Advance consideration*[1]
IFRIC 23	*Uncertainty over Income Tax Treatments*[2]
Amendments to IAS 40	*Transfers of Investment Property*[1]
Annual Improvements 2014-2016 Cycles	*Amendments to IFRS 1 and Amendments to IAS 28*[1]

1 Effective for annual periods beginning on or after 1 January 2018

2 Effective for annual periods beginning on or after 1 January 2019

3 Effective for annual periods beginning on or after 1 January 2021

4 No mandatory effective date yet determined but is available for adoption

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application.

2.3 已頒佈但尚未生效之國際財務報告準則

本集團於其財務報表內並無應用以下已頒佈但尚未生效之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*[1]
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*[1]
國際財務報告準則第9號	*金融工具*[1]
國際財務報告準則第10號及國際會計準則第28號的修訂本	*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	*客戶合同收入*[1]
國際財務報告準則第15號的修訂本	*國際財務報告準則第15號客戶合同收入*[1]
國際財務報告準則第16號	*租賃*[2]
國際財務報告準則第17號	*保險合約*[3]
國際財務報告詮釋委員會第22號	*外幣交易和墊付代賣*[1]
國際財務報告詮釋委員會第23號	*所得稅處理的不確定性*[2]
國際會計準則第40號的修訂本	*投資物業的轉讓*[1]
2014年至2016年週期的年度改進	*國際財務報告準則第1號的修訂及國際會計準則第28號的修訂*[1]

1 於2018年1月1日或之後開始之年度期間生效

2 於2019年1月1日或之後開始之年度期間生效

3 於2021年1月1日或之後開始之年度期間生效

4 尚未釐定強制性生效日期惟可供採納

本集團正評估此等新訂及經修訂國際財務報告準則於首次應用時之影響。

3. 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 services, tendering agency services and logistics services.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources 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 and losses of associates and joint ventures, interest income from bank deposits, finance costs related to defined benefit plans, investment income on financial assets, gain on disposal of a subsidiary, 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 associates 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.

3. 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）的設計、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、設計服務、招標代理服務及物流服務。

管理層單獨監察本集團經營分部的業績，以就資源分配及表現評估作出決策。分部表現乃根據可報告之分部溢利／虧損評估，此乃經調整除稅前溢利／虧損之計量指標。經調整除稅前溢利／虧損乃貫徹以本集團除稅前溢利計量，惟應佔聯營公司及合營公司之溢利及虧損、銀行存款之利息收入、與設定受益計劃有關之財務成本、金融資產投資收益、處置附屬公司收益、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／開支均不計入該計量內。

分部資產不包括於聯營公司及合營公司之投資、預付土地租賃款項、無形資產、遞延稅項資產、定期存款、現金及現金等價物、按公允價值計入損益的股本投資、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。

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.

分部負債不包括設定受益義務、應繳稅項、遞延稅項負債及其他未分配總部及企業負債，此乃由於該等負債以集團形式管理。

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.

各分部間的銷售及轉撥乃參考向第三方銷售所採用之售價，按當時市價進行交易。

(a) Segment revenue, results, assets and liabilities

(a) 分部收入、業績、資產及負債

		Six months ended June 30, 2017 截至2017年6月30日止六個月			
		Construction contracts 建造合同 (Unaudited) (未經審計) *RMB'000* *人民幣千元*	Trading business 貿易業務 (Unaudited) (未經審計) *RMB'000* *人民幣千元*	Services business 服務業務 (Unaudited) (未經審計) *RMB'000* *人民幣千元*	Total 合計 (Unaudited) (未經審計) *RMB'000* *人民幣千元*
Segment revenue:	**分部收入：**				
Sales to external customers	銷售予外部客戶	**5,078,631**	**3,681,762**	**614,325**	**9,374,718**
Intersegment sales	分部間銷售	**15,259**	**58,833**	**262,478**	**336,570**
Reportable segment revenue	**可報告分部收入**	**5,093,890**	**3,740,595**	**876,803**	**9,711,288**
Reportable segment profit	**可報告分部溢利**	**569,310**	**83,165**	**133,586**	**786,061**
Finance income on receivables from customers	應收客戶款項的財務收入	**26,408**	**21,495**	**72**	**47,975**
Finance costs	財務成本	**83**	**6,675**	**4,947**	**11,705**
Depreciation and amortisation	折舊及攤銷	**–**	**–**	**557**	**557**
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	**50,039**	**(2,236)**	**15,394**	**63,197**
– Amounts due from contract customers	－應收合同客戶款項	**45,556**	**–**	**–**	**45,556**

		As at June 30, 2017 於2017年6月30日			
		Construction contracts 建造合同 (Unaudited) (未經審計) *RMB'000* *人民幣千元*	Trading business 貿易業務 (Unaudited) (未經審計) *RMB'000* *人民幣千元*	Services business 服務業務 (Unaudited) (未經審計) *RMB'000* *人民幣千元*	Total 合計 (Unaudited) (未經審計) *RMB'000* *人民幣千元*
Reportable segment assets	**可報告分部資產**	**15,384,122**	**4,746,332**	**1,630,760**	**21,761,214**
Reportable segment liabilities	**可報告分部負債**	**26,796,830**	**6,249,480**	**4,933,791**	**37,980,101**

(a) Segment revenue, results, assets and liabilities (continued)

(a) 分部收入、業績、資產及負債（續）

		Six months ended June 30, 2016 截至2016年6月30日止六個月			
		Construction contracts 建造合同 (Unaudited) （未經審計） *RMB'000* *人民幣千元*	Trading business 貿易業務 (Unaudited) （未經審計） *RMB'000* *人民幣千元*	Services business 服務業務 (Unaudited) （未經審計） *RMB'000* *人民幣千元*	Total 合計 (Unaudited) （未經審計） *RMB'000* *人民幣千元*
Segment revenue:	**分部收入：**				
Sales to external customers	銷售予外部客戶	4,544,033	3,376,544	472,952	8,393,529
Intersegment sales	分部間銷售	–	109,508	249,354	358,862
Reportable segment revenue	**可報告分部收入**	4,544,033	3,486,052	722,306	8,752,391
Reportable segment profit	**可報告分部溢利**	684,034	40,038	28,273	752,345
Finance income on receivables from customers	應收客戶款項的財務收入	75,650	5,028	–	80,678
Finance costs	財務成本	2,436	13,994	6,584	23,014
Depreciation and amortisation	折舊及攤銷	673	497	1,665	2,835
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	(93,037)	(596)	14,711	(78,922)
– Amounts due from contract customers	－應收合同客戶款項	36,501	–	–	36,501

		As at December 31, 2016 於2016年12月31日			
		Construction contracts 建造合同 (Audited) （經審計） *RMB'000* *人民幣千元*	Trading business 貿易業務 (Audited) （經審計） *RMB'000* *人民幣千元*	Services business 服務業務 (Audited) （經審計） *RMB'000* *人民幣千元*	Total 合計 (Audited) （經審計） *RMB'000* *人民幣千元*
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 period is unallocated to segments as such expenditure is managed on a group basis.

期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。

(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

		For the six months ended June 30, 截至6月30日止六個月	
		2017	2016
		2017年	2016年
		(Unaudited)	(Unaudited)
		(未經審計)	(未經審計)
		RMB'000	*RMB'000*
		人民幣千元	*人民幣千元*
Revenue:	**收入：**		
Reportable segment revenue	可報告分部收入	**9,711,288**	8,752,391
Elimination of intersegment revenue	分部間收入抵銷	**(336,570)**	(358,862)
		9,374,718	8,393,529
Profit:	**溢利：**		
Reportable segment profit	可報告分部溢利	**786,061**	752,345
Share of profits and losses of associates	應佔聯營公司溢利及虧損	**11,636**	5,735
Share of profits and losses of joint ventures	應佔合營公司溢利及虧損	**8,779**	4,021
Investment income on financial assets	金融資產投資收益	**84,179**	–
Gain on disposal of a subsidiary	處置附屬公司收益	**58,861**	–
Other income, net	其他收入淨額	**5,047**	4,247
Other operating income/(expenses)	其他經營收入／(開支)	**(7)**	(300)
Interest income from bank deposits	來自銀行存款的利息收入	**114,637**	204,840
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	**(6,085)**	(6,965)
Unallocated foreign exchange gains/(losses), net	未分配匯兑收益／(虧損)淨額	**(172,161)**	143,591
Depreciation and amortisation	折舊及攤銷	**(60,293)**	(43,911)
Profit before tax	除税前溢利	**830,654**	1,063,603

(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)**

		As at June 30, 2017 於2017年6月30日 (Unaudited) (未經審計) *RMB'000* *人民幣千元*	As at December 31, 2016 於2016年12月31日 (Audited) (經審計) *RMB'000* *人民幣千元*
Assets:	**資產：**		
Reportable segment assets	可報告分部資產	**21,761,214**	20,213,790
Elimination of intersegment receivables	分部間應收款項抵銷	**(4,264,824)**	(4,371,002)
		17,496,390	15,842,788
Restricted deposits	受限制存款	**1,206,375**	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	**6,520,143**	5,942,003
Cash and cash equivalents	現金及現金等價物	**18,395,713**	19,541,868
Property, plant and equipment	物業、廠房及設備	**1,717,956**	1,605,717
Prepaid land lease payments	預付土地租賃款項	**1,783,235**	1,797,297
Intangible assets	無形資產	**9,354**	9,587
Long-term assets	長期資產	**7,935**	–
Investments in joint ventures	對合營公司的投資	**306,695**	297,916
Investments in associates	對聯營公司的投資	**430,683**	265,836
Deferred tax assets	遞延税項資產	**393,482**	411,536
Other non-current assets	其他非流動資產	**592,123**	593,076
Other unallocated assets	其他未分配資產	**641,767**	590,067
		49,501,851	47,452,279
Liabilities:	**負債：**		
Reportable segment liabilities	可報告分部負債	**37,980,101**	35,409,597
Elimination of intersegment payables	分部間應付款項抵銷	**(4,159,917)**	(4,266,965)
		33,820,184	31,142,632
Defined benefit obligations	設定受益義務	**369,545**	386,173
Tax payable	應繳税項	**120,244**	501,728
Deferred tax liabilities	遞延税項負債	**47,214**	46,193
		34,357,187	32,076,726

(c) Geographical information

(c) 地理區域資料

Revenue from external customers	來自外部客戶的收入	For the six months ended June 30, 截至6月30日止六個月 2017 2017年 (Unaudited) (未經審計) *RMB'000* *人民幣千元*	2016 2016年 (Unaudited) (未經審計) *RMB'000* *人民幣千元*
Mainland China	中國大陸	**3,110,849**	3,046,672
The Republic of Angola	安哥拉共和國	**1,868,000**	672,919
Pakistan	巴基斯坦	**1,247,431**	818,858
United States	美國	**655,501**	237,011
Argentina	阿根廷	**563,622**	145,179
Venezuela	委內瑞拉	**435,851**	614,912
Lao People's Democratic Republic	老撾人民民主共和國	**214,835**	228,305
Serbia	塞爾維亞	**160,524**	275,232
Cameroon	喀麥隆	**159,512**	269,152
Sri Lanka	斯里蘭卡	**109,315**	57,335
Others	其他	**849,278**	2,027,954
		9,374,718	8,393,529

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。

Non-current assets	非流動資產	As at June 30, 2017 於2017年6月30日 (Unaudited) (未經審計) *RMB'000* *人民幣千元*	As at December 31, 2016 於2016年12月31日 (Audited) (經審計) *RMB'000* *人民幣千元*
Mainland China	中國大陸	**3,641,749**	3,624,257
Others	其他	**53,679**	363,269
		3,695,428	3,987,526

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

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

(d) Information about major customers

The Group did not derive more than 10% of its total revenue from any single customer for the six months ended June 30, 2017 and June 30, 2016, respectively.

(d) 有關主要客戶的資料

截至2017年6月30日及2016年6月30日止六個月，本集團並無自任何單一客戶產生總收入10%以上。

4. REVENUE, OTHER INCOME/(EXPENSES), NET

4. 收入、其他收入／(開支)淨額

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts; an appropriate proportion of contract revenue of construction contracts; the value of services rendered; and gross rental income received and receivable from investment properties during the period.

收入是指期內扣除退貨備抵及貿易折扣的已售貨品發票淨值、建造合同應佔合同收入、所提供服務價值以及已收及應收投資物業的租金收入總額。

An analysis of revenue, other revenue and other income/(expenses), net is as follows:

本集團的收入、其他收入及其他收入／(開支)淨額分析如下：

		For the six months ended June 30, 截至6月30日止六個月	
		2017	2016
		2017年	2016年
		(Unaudited)	(Unaudited)
		(未經審計)	(未經審計)
		RMB'000	*RMB'000*
		人民幣千元	*人民幣千元*
Revenue	**收入**		
Construction contracts	建造合同	**5,078,631**	4,544,033
Trading business	貿易業務	**3,681,762**	3,376,544
Service business	服務業務	**614,325**	472,952
		9,374,718	8,393,529
Other revenue	**其他收入**		
Investment income on financial assets	金融資產投資收益	**84,179**	–
Gain on disposal of a subsidiary	處置附屬公司收益	**58,861**	–
Government grants	政府補貼	**5,667**	6,784
		148,707	6,784
Other income/(expenses), net	**其他收入／(開支)淨額**		
Net losses on disposal of items of property, plant and equipment	處置物業、廠房及設備項目的虧損淨額	**(613)**	(1,045)
Net gains/(losses) on foreign currency forward exchange contracts and interest rate swaps	遠期外匯合同及利率掉期的收益／(虧損)淨額	**27,453**	(14,177)
Others	其他	**(13,608)**	2,607
		13,232	(12,615)

5. PROFIT BEFORE TAX

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

(a) Finance income and finance expenses

5. 除稅前溢利

本集團之除稅前溢利乃扣除／(計入) 以下各項後得出：

(a) 財務收入及財務開支

		For the six months ended June 30, 截至6月30日止六個月 **2017** **2017年** **(Unaudited)** **(未經審計)** ***RMB'000*** ***人民幣千元***	2016 2016年 (Unaudited) (未經審計) *RMB'000* *人民幣千元*
Finance income on receivables from customers	應收客戶款項的財務收入	**47,975**	80,678
Foreign exchange gains	匯兑收益	**–**	272,549
Interest income	利息收入	**114,637**	204,840
Finance income	財務收入	**162,612**	558,067
Interest cost recognised in respect of defined benefit obligations	就設定受益義務確認的利息成本	**6,085**	6,965
Interest expenses on borrowings	借貸利息開支	**11,705**	23,014
Foreign exchange losses	匯兑虧損	**233,227**	–
Bank charges and others	銀行費用及其他	**8,200**	5,100
Finance expenses	財務開支	**259,217**	35,079
Net finance income/(expenses) recognised in profit or loss	於損益確認的財務收入／(開支) 淨額	**(96,605)**	522,988

(b) **Other items** (b) **其他項目**

		For the six months ended June 30, 截至6月30日止六個月	
		2017	2016
		2017年	2016年
		(Unaudited)	(Unaudited)
		(未經審計)	(未經審計)
		RMB'000	*RMB'000*
		人民幣千元	*人民幣千元*
Amortisation	攤銷		
– Prepaid land lease payments	－預付土地租賃款項	**18,193**	19,484
– Intangible assets	－無形資產	**1,526**	1,591
– Long-term assets	－長期資產	**3,637**	1,285
		23,356	22,360
Depreciation	折舊		
– Property, plant and equipment	－物業、廠房及設備	**36,937**	23,468
– Investment properties	－投資物業	**557**	918
		37,494	24,386
Impairment losses/(reversal of impairment) on	減值虧損／(減值撥回)		
– Trade and other receivables	－貿易及其他應收款項	**63,197**	(78,922)
– Amounts due from contract customers	－應收合同客戶款項	**45,556**	36,501
		108,753	(42,421)
Operating lease charges	經營租賃費用		
– Lease of properties	－租賃物業	**16,329**	13,032
– Lease of other assets	－租賃其他資產	**–**	502
		16,329	13,534
Cost of construction contracts	建造合同成本	**3,988,895**	3,604,354
Cost of goods sold	商品銷售成本	**3,436,837**	3,229,683
Cost of services provided	所提供服務的成本	**380,302**	348,647
		7,806,034	7,182,684

6. INCOME TAX

Pursuant to the relevant laws and regulations in the PRC, the statutory enterprise income tax rate of 25% was applied to the Group for the six months ended June 30, 2017 and 2016, except for two subsidiaries of the Group which were entitled to the preferential tax rate of 15% (2016: 15%) because they were 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% (2016: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries (or jurisdictions) in which the Group operates.

6. 所得稅

根據中國相關法律及法規，本集團於截至2017年及2016年6月30日止六個月應用的法定企業所得稅稅率為25%，惟本集團的兩家附屬公司因被中國地方政府認定為高新技術企業而有權享有15%（2016年：15%）的優惠稅率除外。

香港利得稅乃就期內在香港產生的估計應課稅溢利按16.5%（2016年：16.5%）的稅率提撥。於其他地區的應課稅利潤乃按本集團營運所在的國家（或司法權區）的適用稅率計算稅項。

		For the six months ended June 30, 截至6月30日止六個月	
		2017 **2017年** **(Unaudited)** **(未經審計)** ***RMB'000*** ***人民幣千元***	2016 2016年 (Unaudited) (未經審計) *RMB'000* *人民幣千元*
Current income tax – Mainland China	即期所得稅 — 中國大陸	**197,970**	248,975
Current income tax – Hong Kong	即期所得稅 — 香港	**–**	1,201
Current income tax – Others	即期所得稅 — 其他	**2,813**	1,715
Deferred income tax	遞延所得稅	**19,178**	7,544
Total tax charge for the period	本期間稅項支出總額	**219,961**	259,435

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:

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：

		For the six months ended June 30, 截至6月30日止六個月	
		2017	2016
		2017年	2016年
		(Unaudited)	(Unaudited)
		（未經審計）	（未經審計）
		RMB'000	*RMB'000*
		人民幣千元	*人民幣千元*
Profit before tax	除稅前溢利	**830,654**	1,063,603
Tax at the statutory tax rate	按法定稅率計算的稅項	**207,664**	265,901
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	**(4,879)**	(3,973)
Income not subject to tax	毋需課稅收益	**(12,125)**	(5,695)
Expenses not deductible for tax	不可扣稅開支	**29,301**	3,202
Tax charge at the Group's effective rate	按本集團實際稅率計算的稅項支出	**219,961**	259,435

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

7. 歸屬於母公司普通權益持有人的每股盈利

The calculation of the basic earnings per share amount is based on the profit for the six months ended June 30, 2017 attributable to ordinary equity holders of the parent and the weighted average number of 4,125,700,000 (six months ended June 30, 2016: 4,125,700,000) ordinary shares in issue during the period.

每股基本盈利乃按截至2017年6月30日止六個月歸屬於母公司普通權益持有人的溢利及期內已發行普通股的加權平均數4,125,700,000股（截至2016年6月30日止六個月：4,125,700,000股）計算。

The calculation of basic earnings per share is based on:

每股基本盈利的計算乃基於：

		For the six months ended June 30, 截至6月30日止六個月	
		2017	2016
		2017年	2016年
		(Unaudited)	(Unaudited)
		(未經審計)	(未經審計)
		RMB'000	*RMB'000*
		人民幣千元	*人民幣千元*
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	**609,962**	800,360

		Number of shares 股份數目 For the six months ended June 30, 截至6月30日止六個月	
		2017	2016
		2017年	2016年
		Thousands shares	*Thousands shares*
		千股	*千股*
Shares	**股份**		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	計算每股基本盈利所用的期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 six months ended June 30, 2017 and 2016.

本集團於截至2017年及2016年6月30日止六個月並無已發行具潛在攤薄性的普通股。

8. AMOUNTS DUE FROM CONTRACT CUSTOMERS

8. 應收合同客戶款項

		As at June 30, 2017 於2017年6月30日 (Unaudited) (未經審計) *RMB'000* *人民幣千元*	As at December 31, 2016 於2016年12月31日 (Audited) (經審計) *RMB'000* *人民幣千元*
Gross amounts due from contract customers	應收合同客戶款項總額		
– Current portion	－流動部分	**4,401,591**	4,693,622
– Non-current portion	－非流動部分	**2,224,776**	2,547,471
		6,626,367	7,241,093
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	**98,199,433**	93,105,326
Less: Progress billings	減：進度款項	**91,573,066**	85,864,233
		6,626,367	7,241,093

9. TRADE AND OTHER RECEIVABLES

9. 貿易及其他應收款項

		Notes 附註	**As at June 30, 2017 於2017年6月30日 (Unaudited) (未經審計) *RMB'000* *人民幣千元***	As at December 31, 2016 於2016年12月31日 (Audited) (經審計) *RMB'000* *人民幣千元*
Bills receivable	應收票據		**42,769**	68,184
Trade receivables	貿易應收款項		**7,014,006**	5,619,071
Less: Allowance for doubtful debts	減：呆賬撥備	*(b)*	**(945,585)**	(840,205)
Trade and bills receivables	貿易應收款項及應收票據	*(a)*	**6,111,190**	4,847,050
Advances to suppliers	向供應商預付款項		**2,308,364**	2,024,858
Other receivables	其他應收款項		**2,245,123**	1,873,834
Less: Allowance for doubtful debts	減：呆賬撥備	*(b)*	**(73,874)**	(70,704)
			2,171,249	1,803,130
Portion classified as non-current assets	分類為非流動資產的部分		**(521,410)**	(553,937)
Current portion	流動部分	*(e)*	**10,069,393**	8,121,101

(a) Ageing analysis

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

(a) 賬齡分析

根據發票日期，於報告期末的貿易應收款項及應收票據經扣除撥備的賬齡分析如下：

		As at June 30, 2017 於2017年6月30日 (Unaudited) (未經審計) *RMB'000* *人民幣千元*	As at December 31, 2016 於2016年12月31日 (Audited) (經審計) *RMB'000* *人民幣千元*
Within 3 months	3個月以內	**3,222,979**	2,819,832
3 months to 6 months	3個月至6個月	**836,120**	199,330
6 months to 1 year	6個月至1年	**880,175**	610,301
Over 1 year	1年以上	**1,171,916**	1,217,587
		6,111,190	4,847,050

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

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

(b) Impairment of trade and other receivables

The movements in provision for impairment of trade receivables and other receivables are as follows:

(b) 貿易及其他應收款項減值

貿易應收款項及其他應收款項減值撥備的變動如下：

		As at June 30, 2017 於2017年6月30日 (Unaudited) (未經審計) *RMB'000 人民幣千元*	As at December 31, 2016 於2016年12月31日 (Audited) (經審計) *RMB'000 人民幣千元*
At January 1	於1月1日	**910,909**	716,504
Impairment losses recognised	已確認的減值虧損	**69,130**	220,577
Transfer in from amounts due from contract customers	轉撥自應收合同客戶款項	**45,353**	38,069
Impairment losses reversed	已撥回的減值虧損	**(5,933)**	(61,004)
Amount written off as uncollectible	撇銷不可收回的金額	**–**	(3,237)
		1,019,459	910,909

(c) Trade and bills receivables that are not impaired

The ageing analysis of the trade and bills receivables that are not individually nor collectively considered to be impaired is as follows:

(c) 未減值的貿易應收款項及應收票據

既未單獨亦未集體視為減值的貿易應收款項及應收票據的賬齡分析如下：

		As at June 30, 2017 於2017年6月30日 (Unaudited) (未經審計) *RMB'000* *人民幣千元*	As at December 31, 2016 於2016年12月31日 (Audited) (經審計) *RMB'000* *人民幣千元*
Neither past due nor impaired	既未逾期亦未減值	**1,955,592**	1,507,269
Less than 3 months past due	逾期3個月以內	**247,803**	79,081
3 months to 6 months past due	逾期3至6個月	**120,062**	50,238
6 months to 1 year past due	逾期6個月至1年	**200,821**	150,714
More than 1 year past due	逾期1年以上	**89,112**	271,541
		2,613,390	2,058,843

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.

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出減值撥備。

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

(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:

		As at June 30, 2017 於2017年6月30日 (Unaudited) (未經審計) *RMB'000* *人民幣千元*	As at December 31, 2016 於2016年12月31日 (Audited) (經審計) *RMB'000* *人民幣千元*
SINOMACH	國機	**10,594**	10,155
Fellow subsidiaries	同系附屬公司	**68,106**	55,461

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 June 30, 2017, certain borrowings of RMB6,093,000 (December 31, 2016: RMB4,362,000) were secured by the Group's bills receivables.

(e) 於2017年6月30日,若干借貸人民幣6,093,000元(2016年12月31日:人民幣4,362,000元)由本集團的應收票據作為質押。

(f) As at June 30, 2017, certain borrowings of RMB1,920,000 (December 31, 2016: Nil) were secured by the Group's trade receivables and equity interest in a subsidiary held by non-controlling shareholder.

(f) 於2017年6月30日,若干借貸人民幣1,920,000元(2016年12月31日:無)由本集團的貿易應收款項及非控股股東於附屬公司所持股本權益作為質押。

10. TRADE AND OTHER PAYABLES

10. 貿易及其他應付款項

		As at June 30, 2017 於2017年6月30日 (Unaudited) (未經審計) *RMB'000* *人民幣千元*	As at December 31, 2016 於2016年12月31日 (Audited) (經審計) *RMB'000* *人民幣千元*
Bills payable	應付票據	**277,679**	115,623
Trade payables	貿易應付款項	**12,792,836**	13,012,654
		13,070,515	13,128,277
Accrued salaries, wages and benefits	應計薪金、工資及福利	**1,011,943**	1,022,817
Other taxes payable	其他應繳稅項	**11,372**	80,356
Other payables	其他應付款項	**3,012,286**	3,180,134
Derivative financial instruments	衍生金融工具	**56,732**	120,151
Dividends payable	應付股息	**842,647**	3,782
Interest payable	應付利息	**2,573**	5,736
Others	其他	**77,255**	81,206
		18,085,323	17,622,459
Less: Portion classified as current liabilities	減：分類為流動負債的部分	**(18,008,068)**	(17,541,253)
Non-current portion	非流動部分	**77,255**	81,206

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：

		As at June 30, 2017 於2017年6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元	As at December 31, 2016 於2016年12月31日 (Audited) (經審計) RMB'000 人民幣千元
Within 3 months	3個月以內	**4,236,804**	4,789,865
3 months to 6 months	3個月至6個月	**855,145**	517,075
6 months to 1 year	6個月至1年	**1,094,189**	921,771
Over 1 year	1年以上	**6,884,377**	6,899,566
		13,070,515	13,128,277

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

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：

		As at June 30, 2017 於2017年6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元	As at December 31, 2016 於2016年12月31日 (Audited) (經審計) RMB'000 人民幣千元
SINOMACH	國機	**550**	2,029
Fellow subsidiaries	同系附屬公司	**698,156**	722,559

11. DIVIDENDS

(a) Dividends payable to shareholders of the Company attributable to the interim period

The Directors do not recommend the payment of any interim dividend for the six months ended June 30, 2017 (six months ended June 30, 2016: nil).

(b) Dividends payable to shareholders of the Company attributable to the previous financial year, approved during the interim period

On June 26, 2017 upon the approval at the annual general meeting, the Company declared final dividend in respect of the financial year ended December 31, 2016 of RMB0.2042 per share (2015: RMB0.1989 per share), with total amount of approximately RMB842,467,940 (2015: RMB820,601,730).

11. 股息

(a) 中期期間應付予本公司股東股息

董事不建議派付截至2017年6月30日止六個月的任何中期股息(截至2016年6月30日止六個月:無)。

(b) 於中期期間內批准之過往財政年度應付予本公司股東股息

於2017年6月26日經股東週年大會批准後,本公司就截至2016年12月31日止財政年度宣派末期股息每股人民幣0.2042元(2015年:每股人民幣0.1989元),總金額約為人民幣842,467,940元(2015年:人民幣820,601,730元)。

12. BUSINESS COMBINATION UNDER COMMON CONTROL

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. Thus, the acquisition was considered to be business combination under common control. The acquisition date is May 31, 2016, which is determined by the date of equity transfer. 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.

12. 同一控制下的業務合併

本集團於2016年5月31日以人民幣532,678,100元的總現金代價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。因此，收購視為同一控制下的業務合併。收購日期為2016年5月31日，乃根據股權轉讓日期釐定。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。

The carrying amounts of the consolidated assets and liabilities of China National Complete Engineering Corporation and its subsidiaries as at the acquisition date and the comparative financial figures were as follows:

中國成套工程有限公司及其附屬公司於收購日期的合併資產及負債賬面值以及比較財務數據如下：

		As at May 31, 2016 於2016年5月31日	As at December 31, 2015 於2015年12月31日
		RMB'000 人民幣千元	*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	對聯營公司的投資	**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	遞延税項資產	**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	應繳税項	**(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	遞延税項負債	**(25,694)**	(25,009)
Non-controlling interests	非控股權益	**(10,977)**	(10,972)
Total identifiable net assets at carrying amounts, net of non-controlling interests	按賬面值呈列的可識別淨資產總額，扣減非控股權益	**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**	

13. DISPOSAL OF A SUBSIDIARY

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 subscription of an approximately 19.29% equity interest in 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.

13. 出售一家附屬公司

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，作為本公司於SINOMACHINT認購約19.29%權益的代價。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。

		As at January 1, 2017 於2017年1月1日 *RMB'000 人民幣千元*
Net assets disposed of:	出售以下各項的淨資產：	
Property, plant and equipment	物業、廠房及設備	**954**
Current trade and other receivables	流動貿易及其他應收款項	**52,517**
Cash and cash equivalents	現金及現金等價物	**73,316**
Receipts in advance	預收款項	**(33,782)**
Current trade and other payables	流動貿易及其他應付款項	**(15,570)**
Tax payable	應繳稅項	**(2,567)**
		74,868
Gain on disposal of a subsidiary	處置附屬公司收益	**58,861**
Consideration	代價	**133,729**

		As at January 1, 2017 於2017年1月1日 *RMB'000 人民幣千元*
Satisfied by:	支付方式：	
Equity interest of approximately 19.29% in SINOMACHINT	於SINOMACHINT的約19.29%的權益	**133,729**

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

與出售一家附屬公司有關的現金及現金等價物流出淨額的分析載列如下：

		As at January 1, 2017 於2017年1月1日 *RMB'000 人民幣千元*
Cash consideration	現金代價	**–**
Cash and bank balances disposed of	已出售現金及銀行結餘	**(73,316)**
Net outflow of cash and cash equivalents in respect of the disposal of a subsidiary	處置附屬公司相關的現金及現金等價物流出淨額	**(73,316)**

I. INDUSTRY OVERVIEW

In the first half of 2017, the global economy showed a good momentum of growth while various risks can never be ignored. Internationally, under periodic recovery of manufacturing and trade as well as stable development of the global financial market, although there was a good momentum in general; at the same time, the threat of risks such as rising of trade protectionism and uncertainty of economic policies, especially monetary policy of developed economies on recovery of the world economy, was further intensified. In addition, economic imbalance resulted in a series of development problems such as geopolitical conflict and great powers' interference in heated regions and debated issues. Such problems were intertwined and mutually causal, becoming major factors for increased vulnerability of the global economy. Domestically, China's economy maintained a stable development momentum with growth and improvement, more positive changes took place in the economic field, favorable factors supporting high and medium-speed economic growth and development towards high and medium-level were further increased, and the stable development momentum with good performance was more obvious. Gross domestic product in the first half of the year was RMB38,149.0 billion, with a year-on-year increase of 6.9%.

(I) Engineering Contracting Industry

In the first half of 2017, foreign engineering contracting industry of China reached a business turnover of US$67.28 billion, with a year-on-year increase of 1.9%; newly signed contracts amounted to US$123.78 billion. There were 359 projects with a newly signed contract value of more than US$50 million, increased by 12 as compared to the same period of last year, totalling US$105.62 billion and accounting for 85.3% of the total amount of newly

I. 行業概覽

2017年上半年，世界經濟出現向好勢頭，但各類風險也不容忽視。從國際來看，在製造業與貿易的周期性復蘇以及全球金融市場的穩定發展下，總體雖有向好勢頭，但同時，貿易保護主義抬頭、發達經濟體經濟政策特別是貨幣政策不確定等風險對世界經濟復蘇的威脅程度加大的特徵也更為突出。不僅如此，經濟失衡引發系列發展問題，如地緣政治衝突、大國插手熱點地區和爭議問題等，這些問題相互糾纏、互為因果，成為全球經濟脆弱性增強的重要因素。從國內來看，我國經濟延續了去年以來穩中有進、穩中向好的發展態勢，經濟領域出現了更多的積極變化，支撐經濟保持中高速增長和邁向中高端水平的有利因素進一步增多，穩中向好的發展態勢更加明顯。上半年國內生產總值381,490億元，同比增長6.9%。

(一) 工程承包行業

2017年上半年，我國對外承包工程完成營業額672.8億美元，同比增長1.9%，新簽合同金額1,237.8億美元，新簽合同金額在5,000萬美元以上的項目359個，比去年同期增加12個，合計1,056.2億美元，佔新簽合同金額的85.3%。新簽合同的行業主要集中在交通運輸、建築和電力工程，佔比分別為25.3%、25.3%和18.8%。總的來說，目前全球經濟復蘇伊始，能源資源價格維持低位，非洲、拉美等資源型國家財政收入減少，基建投資增長乏

signed contracts. The sectors for these newly signed contracts were mainly transportation, construction and power engineering, accounting for 25.3%, 25.3% and 18.8%, respectively. Overall, it is currently the beginning of the global economic recovery, and the prices for energy resources remain low, which results in the decrease in financial revenue and the slow growth of investment in infrastructural construction of resource-based countries in Africa and Latin America. With the emergence of trade protectionism, internal and external competition is getting more intense and the security situation in individual countries and regions also become serious, which has a far-reaching influence on international engineering contracting business. However, favorable factors such as the gradually warming world economy and the benefits brought by the policy of "the Belt and Road" show that the international engineering contracting industry is still confronted with both opportunities and challenges.

力，貿易保護主義抬頭，內外競爭加劇，個別國家和地區安全形勢嚴峻，對國際工程承包影響深遠。但是也有世界經濟漸漸回暖，「一帶一路」的政策紅利不斷被釋放等利好因素，國際承包工程市場仍然是機遇與風險並存。

On one hand, business development is still confronted with some major difficulties and challenges. Currently the international environment is undergoing profound changes, recovery is still weak for the world economy, and the RMB exchange rate has been fluctuating significantly since the first half of the year with a trend of appreciation, which also has a material impact on receivables and business development and so on. Various risks including political risk, safety risk and economic risk are still prominent, and enterprises are faced with greater uncertainty in business development and investment. For example, financial pressure is intensified in some African and Latin American countries with shortage in construction fund, and Chinese enterprises encounter certain difficulties for their business development in such regions. Meanwhile, enterprises of

一方面，業務發展仍面臨一些突出的困難和挑戰。目前國際環境正在發生深刻變化，世界經濟復蘇仍然脆弱；人民幣匯率上半年以來波動較大，處於升值趨勢，也對應收賬款、業務發展等產生重大影響；政治風險、安全風險、經濟風險等各類風險問題依然突出，企業在拓展業務、開展投資時面臨的不確定性增加。如部分非洲、拉美國家財政壓力加大，建設資金匱乏，中國企業在該地區業務發展遭遇一定困難。同時，各國企業通過結構調整、技術創新和跨國經營，謀求更大的發展空間，中國企業普遍感受在國際市場所面臨的外部競爭不斷加劇。此外，由於行業內企業業務主要集中在中低端領域，傳統競爭優勢下降、同質化競爭問題依然突出、企業的經營管理能力仍有待進一步提升等方面成為制約行業企業發展的瓶頸。

various countries are seeking for greater room for development through structural adjustment, technological innovation and multinational operation. Generally Chinese enterprises continuously feel intensified external competition in the international market. Besides, as the business of enterprises of the industry mainly focus on mid and low-end fields, the traditional competitive advantages decrease, the problems of homogeneous competition are still serious and further improvement is still required in the operation and management capacity of enterprises, which have become the bottleneck restraining corporate development in the industry.

On the other hand, the industry is at the juncture of rare opportunities for history-making development. Presently, boosting economic growth with infrastructure construction has become a common understanding, with great demand for satisfying infrastructure needs in developing countries, upgrading and transforming infrastructure in developed countries and connecting the regions. Centered on "the Belt and Road" Initiative and continuous deepening of international capacity cooperation, "the Belt and Road" Forum for International Cooperation that was just concluded achieved a series of objectives including deepening project cooperation, promoting facilities interconnection, improving industrial investment and strengthening financial cooperation. With the capital support of hundreds of billions of yuan provided by financial institutions such as Silk Road Fund, China Development Bank and the Export-Import Bank of China, the market in the countries along "the Belt and Road" region will continue to be the growth point and driving force for industrial development, which provides rare opportunities for further development of China's foreign engineering contracting industry.

另一方面，行業正處於難得的歷史發展機遇期。目前，通過基礎設施建設拉動經濟增長成為普遍共識，發展中國家彌補基建缺口、發達國家基礎設施更新改造、區域互聯互通的需求旺盛。圍繞「一帶一路」倡議和產能合作的國際合作不斷深化，剛剛結束的「一帶一路」國際合作高峰論壇達成了深化項目合作、促進設施聯通，擴大產業投資、加強金融合作的一系列重要成果，通過絲路基金、國家開發銀行、中國進出口銀行等金融機構提供超過幾千億人民幣的資金支持，「一帶一路」沿線國家市場將繼續成為行業發展的增長點和驅動力，這為中國對外承包工程行業下一步發展提供了難得的機遇。

(II) Trading Industry

In the first half of the year, the import and export volume of China reached RMB13.14 trillion, with an increase of 19.6%; of which the export volume was RMB7.21 trillion, with an increase of 15.0%; the import volume was RMB5.93 trillion, with an increase of 25.7%; and the trade surplus was RMB1.28 trillion, narrowed by 17.7%.

Since this year, accelerated pace of world economic growth and rebounding international market signified optimal economic situation in recent years. However, the international environment remains grim and complex, and there are still a number of uncertain factors influencing China's foreign trade development. At the same time, the foundation to support the continuous development of foreign trade is not yet firm.

International organizations such as International Monetary Fund made upward adjustment in the first half of the year to the projected growth rate of the world economy, while primary commodity price showed significant year-on-year increase, and the global commodity trade growth rate and international market demand saw significant improvement. According to the statistics of the World Trade Organization, in the first five months of this year, the total import volume of 71 economies, which accounted for more than 90% of the global trade, increased by 10.2%, of which the import demand of the US, EU and Japan increased by 7.6%, 8% and 11.2%, respectively.

The improvement of the international economic environment has also greatly driven the rapid improvement of China's foreign trade. In the first half of the year, China's foreign trade generally ran well. From the layout of the international market, the export to and import from countries along "the Belt

（二）貿易行業

上半年，我國進出口額13.14萬億元人民幣，增長19.6%；其中出口7.21萬億元，增長15.0%；進口5.93萬億元，增長25.7%；貿易順差1.28萬億元，收窄17.7%。

今年以來，世界經濟增長加快，國際市場回暖，是近年來最好的經濟形勢，但國際環境依然嚴峻複雜，影響我國外貿發展的不確定因素仍然很多，支撐外貿持續向好的基礎尚不牢固。

國際貨幣基金組織等國際組織在上半年都調高了對世界經濟增長速度的預期，初級商品價格同比明顯上漲，全球貨物貿易增長速度和國際市場需求明顯回升。據世界貿易組織的統計，今年前五個月，佔全球貿易90%以上的71個經濟體進口合計增長了10.2%，其中美國、歐盟、日本進口需求分別增長7.6%、8%和11.2%。

國際經濟環境的改善也有力地帶動了我國對外貿易快速的大幅度的回升。上半年，我國外貿總體運行良好，從國際市場佈局來看，對「一帶一路」沿線國家的進出口增長比較快，其中對東盟、印度、俄羅斯進出口分別增長了21.9%、30.4%和33.1%。從國內區域佈局來看，中部地區對外貿易增長

and Road" region saw relatively more rapid growth, with the volume of export to and import from ASEAN, India and Russia growing by 21.9%, 30.4% and 33.1%, respectively. From the domestic regional layout, foreign trade in the middle regions grew by 26.8%, 25.7% in the western regions and 18.5% in the eastern regions, with the growth of foreign trade in the middle and western regions faster than the eastern regions. In terms of product structure, the export growth of electromechanical products was faster than the export of labor-intensive products. The export and import volume of general trade increased by 20.5%, and the growth rate is higher than 16.1% of the processing trade. In terms of the structure of the operating entities, the export and import volume of private enterprises increased by 20.4%, with the proportion of foreign trade in total trading volume improved. In addition, new forms of foreign trade saw rapid growth, with the export and import volume of cross-border e-commerce retail increased by 66.7% and the export of market procurement trade increased by 27.8%. Pilots for comprehensive foreign trade service stably advanced.

26.8%，西部地區增長25.7%，東部地區增長18.5%，中西部地區對外貿易增長快於東部地區。從產品結構來看，機電產品出口增長快於勞動密集型產品出口增長。一般貿易進出口增長20.5%，增速高於加工貿易的16.1%。從經營主體結構來看，民營企業進出口增長20.4%，在外貿總額中佔比有所上升。此外，外貿新業態迅猛增長，跨境電商零售進出口增速高達66.7%，市場採購貿易出口增長27.8%，外貿綜合服務企業試點穩步推進。

Meanwhile, however, the world economy did not enter into a sustained rising period, and the foundation for the recovery of external demand was not firmly established. The economic globalization characterized by export-oriented in the past was further being influenced by trade friction. Some major economies long practicing free trade attributed a series of problems such as income gap mainly to economic globalization. In such economies changes in policies appear, trade investment protectionism resurfaces significantly and the "Sword of Trade Protection" is threatening global trade. The fluctuation of RMB exchange rate is increasing, while the ability to control exchange rate risk for some enterprises remains weak. The new round of industrial process for

但是同時，世界經濟並沒有進入持續的上升期，外需回升的基礎並不穩固。過去的以出口導向為特徵經濟全球化正受到貿易摩擦的進一步影響，一些長期主張自由貿易的主要經濟體把收入差距等一系列問題主要歸咎於經濟全球化，在這些經濟體出現了政策的轉向，貿易投資保護主義明顯抬頭，「貿易保護之劍」高懸於全球貿易頭上；人民幣匯率波動加大，部分企業控制匯率風險能力較弱；國內要素成本高企，新一輪產業過程並不順利，與越南、印度、印度尼西亞等新興經濟體，以及美國、歐盟、日本等發達國家之間的產業競爭更加激烈。這些因素都會對全球化以及全球經濟未來的走勢產生深遠的影響。

domestic enterprises with high cost was not running well, and the industrial competition among such enterprises and emerging economies, such as Vietnam, India and Indonesia, and developed countries, such as the US, EU and Japan, is getting more intense. Such factors may all have far-reaching impact on globalization and the future trend of global economy.

(III) Design Consulting Industry

Presently, the survey and design industry of China is at a critical period of transformation and development. On the one hand, the reform and opening up have brought about unprecedented prosperity of the industry with its strength multiplied. Currently the survey and design industry has more than 20,000 enterprises in total and more than 3 million practitioners with a total business income of nearly RMB3 trillion, of which more than 60% is from general engineering contracting and project management. Overseas business volume was increased by nearly five times in the past ten years. The basic situation shows that the general technological strength of China's survey and design industry is increasing and its market share is growing, gradually approximating the international advanced management and operation level. With increasing improvement in international market competitiveness, it showed the sound market expectation and prospect of "Going Global". At the same time, it indicates that the reform path of EPC and establishing international engineering corporations is successful, which plays a positive role in enterprise restructuring and business upgrading, strengthening alliance and cooperation among various specialized fields and driving "Going Global" of related industries such as equipment manufacturing, engineering materials and installation construction. At the same time, it lays a sound foundation for the future development.

（三）設計諮詢行業

當前，我國勘察設計行業正處於轉型發展的關鍵時期。一方面，反映在改革開放使行業空前繁榮，實力成倍增長。目前勘察設計行業共有企業2萬餘家，從業人員超過300萬人，總營業收入將近3萬億元，其中60%以上的營業收入來自於工程總承包與項目管理，海外營業額在10年中增長了近5倍。基本狀況表明，我國勘察設計行業總體技術實力在增強，市場份額在增長，與國際先進管理、經營水平逐步接近，國際市場競爭能力日益提升，展現了「走出去」良好的市場預期和前景；同時也説明開展工程總承包、創建國際型工程公司的改革之路是成功的，為企業結構調整與業務升級，加強各專業領域之間的聯合與合作，帶動裝備製造、工程材料、安裝施工等相關產業「走出去」發揮了積極作用，也為今後發展奠定了良好基礎。

On the other hand, reform needs to be deepened, policies need to be improved, and the industry is being faced with the arduous task of supply side structural reform. There are still some problems in terms of market environment. The problems of highly fragmented and segmented system, industrial barriers and local protection still exist; each field of engineering consultation is independent without organic combination; the lack of pricing mechanism measuring engineering design labor results in disorderly competition; and reform on market entrance and regulatory oversight still needs rigorous advancement. More problems are faced in terms of implementation of "Going Global" strategy. Internationally, the global economic growth rate is lowered, the negative impact of international financial crisis still exists, the force for economic recovery is insufficient and market is weak. Domestically, unregulated competition happens frequently in contracting of overseas projects, understanding of international engineering standards is insufficient, and some enterprises have deficient management and operation mode, insufficient reform and inadequate risk management, resulting in loss of expected profits.

另一方面，改革需要深化，政策需要完善，行業正在面臨供給側結構性改革的艱巨任務。在市場環境方面依然存在一些問題，包括：條塊切割、行業壁壘、地方保護問題依然存在；工程諮詢各領域相互獨立，沒能有機結合；衡量工程設計勞動成果的計價機制缺失，產生無序競爭；市場准入及監管方式的改革還需要大力推進。在實施「走出去」發展戰略方面，面臨的問題更加突出：在國際，全球經濟增速下降，國際金融危機的負面影響依然存在，經濟復蘇乏力，市場趨於疲軟；在國內，企業承攬境外工程的無序競爭時有發生，對國際通行的工程標準規範掌握不夠，一些企業組織管理與經營模式落後、改革不到位、風險管理粗放，導致預期利潤受到損失。

II. BUSINESS OVERVIEW

In the first half of the year, faced with severe external situation, the Company overcame difficulties and worked arduously to maintain stable operation in general. In the Period, the revenue from the International Engineering Contracting Business accounting for about 54.2% of the total revenue, with the gross profit accounting for about 69.5% of the total gross profit, laying a sound foundation for fulfilling the annual business goal.

II. 業務概覽

上半年，面對嚴峻的外部形勢，公司克服困難、努力奮鬥，總體運營穩定。本期間，國際工程承包業務佔總收入約54.2%，毛利佔毛利總額約69.5%，為實現全年業務目標打下了一定基礎。

Since this year, engineering contracting business is faced with more intense market competition with the room for project profit further compressed. Impacted by downturn of petroleum price, development of some businesses of traditional market is faced with severe situation. The debt status of certain countries is worsened, severely influencing project execution. Impacted by safety situation, some projects are still under halt.

今年以來，工程承包業務面臨的市場競爭更加激烈，項目盈利空間繼續被壓縮；受石油價格低迷的影響，部份傳統市場業務開發形勢嚴峻；個別國家債務狀況惡化，嚴重影響項目執行；受安全局勢影響，部份項目仍繼續處於停工狀態。

(I) International Engineering Contracting Business

The Group is an international leading engineering contracting and services supplier, with a primary focus on EPC projects and particular expertise in the power sector. International Engineering Contracting Business is one of the traditional core businesses of the Group, accounting for about 54.2% of the total income of the Group in the Period. The income from the power sector accounts for about 68.1% of the total income of the International Engineering Contracting Business, while the gross profit of the power sector accounts for about 78.4% of the total gross profit of the International Engineering Contracting Business, with the gross profit rate maintained at about 24.7%, holding a leading position in the industry. On one hand, the Company continuously strengthens the development in the traditional market to consolidate its mainstream position in the power industry of traditional market by deepening regionalized and localized construction, deeply promoting precision project management and strictly implementing quality and risk monitoring; and on the other hand, the Company makes efforts in developing new market, making innovation on investment and financing mode, broadening financing channels, actively conducting international cooperation and improving industrial chain, with significant achievements gained.

(一) 國際工程承包業務

本集團是國際領先的工程承包與服務商，主要專注於EPC項目，特別專長於電力能源行業。國際工程承包業務為本集團傳統核心業務之一，約佔於本期間的本集團總收入的54.2%。其中，電力能源行業收入佔本集團國際工程承包業務總收入約68.1%，而電力能源行業的毛利則佔國際工程承包業務總毛利約78.4%，毛利率保持在約24.7%，處於行業領先水平。公司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 Period, together with comparative figures for the Corresponding Period in 2016:

下表載列本期間國際工程承包業務詳情，以及2016年同期的比較數字：

				Six months ended June 30, 2017 截至2017年6月30日止六個月 *RMB million 人民幣百萬元*	**% of Total 佔總額%**	Six months ended June 30, 2016 截至2016年6月30日止六個月 *RMB million 人民幣百萬元*	Increase/ (decrease) 增加／(減少)
Revenue	**收入**	Power	電力能源	**3,457.5**	68.1	2,761.8	25.2%
		Transportation and telecommunications	交通運輸及電子通訊	**672.7**	13.3	163.4	311.7%
		Non-Core Sectors	非核心行業	**948.4**	18.6	1,618.8	(41.4%)
		Total	**合計**	**5,078.6**	100.0	4,544.0	11.8%
Gross profit	**毛利**	Power	電力能源	**854.0**	78.4	683.6	24.9%
		Transportation and telecommunications	交通運輸及電子通訊	**134.4**	12.3	29.8	351.0%
		Non-Core Sectors	非核心行業	**101.3**	9.3	226.2	(55.2%)
		Total	**合計**	**1,089.7**	100.0	939.6	16.0%

				Six months ended June 30, 2017 截至2017年6月30日止六個月 *US$ million 百萬美元*	**% of Total 佔總額%**	Six months ended June 30, 2016 截至2016年6月30日止六個月 *US$ million 百萬美元*	Increase/ (decrease) 增加／(減少)
Value of newly effective contracts	**新生效合同金額**	Power	電力能源	**153.9**	27.8	242.1	(36.4%)
		Transportation and telecommunications	交通運輸及電子通訊	**–**	–	3.0	(100.0%)
		Non-Core Sectors	非核心行業	**398.9**	72.2	176.3	126.2%
		Total	**合計**	**552.8**	100.0	421.4	31.2%

				As at June 30, 2017 於 2017年 6月30日 US$ million 百萬美元	% of Total 佔總額%	As at December 31, 2016 於 2016年 12月31日 US$ million 百萬美元	Increase/ (decrease) 增加／ (減少)
Backlog	**未完成合同量**	Power	電力能源	**5,747.3**	65.8	6,095.4	(5.7%)
		Transportation and telecommunications	交通運輸及電子通訊	**676.1**	7.8	774.1	(12.7%)
		Non-Core Sectors	非核心行業	**2,309.1**	26.4	2,045.9	12.9%
		Total	**合計**	**8,732.5**	100.0	8,915.4	(2.1%)
Signed contracts pending to be effective	**已簽約待生效合同**	Power	電力能源	**6,692.7**	36.9	6,980.2	(4.1%)
		Transportation and telecommunications	交通運輸及電子通訊	**5,567.5**	30.7	2,611.0	113.2%
		Non-Core Sectors	非核心行業	**5,885.4**	32.4	5,605.6	5.0%
		Total	**合計**	**18,145.6**	100.0	15,196.8	19.4%

As at June 30, 2017, the Group had undertaken engineering contracting projects in more than 48 countries over the world, primarily in Asia, Africa, Europe and South America. The following map indicates the locations of our engineering contracting projects from January 1, 2009 to June 30, 2017:

截至2017年6月30日，本集團的工程承包項目遍及全球超過48個國家，主要在亞洲、非洲、歐洲及南美洲。以下地圖顯示於2009年1月1日至2017年6月30日我們工程承包項目的位置：

The following table sets forth a breakdown of the revenue from the Group's international engineering contracting projects by geographic locations for the Period, together with the comparative figures for the Corresponding Period in 2016:

下表載列本集團於本期間與2016年同期按地區劃分的國際工程承包項目收入明細：

		Six months ended June 30, 截至6月30日止六個月			
		2017 **2017年**		2016 2016年	
		RMB million ***人民幣百萬元***	***% of Total*** ***佔總額%***	*RMB million* *人民幣百萬元*	*% of Total* *佔總額%*
Asia	亞洲	2,163.7	42.6	2,324.3	51.1
Africa	非洲	1,596.1	31.4	1,073.7	23.6
Europe	歐洲	178.0	3.5	372.4	8.2
South America	南美洲	995.5	19.6	773.2	17.0
North America	北美洲	145.3	2.9	0.4	0.1
Total	**合計**	5,078.6	100.0	4,544.0	100.0

1. *Sound project execution*

In the first half of the year, stable condition was maintained in general in terms of project execution. A batch of projects was successfully completed and another batch gained significant advancement, with no occurrence of major safety accidents. In the process of project execution, the Company attached great awareness to the performance of social responsibilities, continuously improving its brand recognition and reputation.

In terms of project completion, the ribbon cutting ceremony for the 220KV electricity transmission and transformation project for Morro Bento, Angola, was held on January 25, 2017. The Governor of Luanda and The Minister of Ministry of Energy of Angola joined to congratulate, and expressed high recognition and cordial thanks to CMEC's project team in their speech.

On May 4, newly constructed FGD (Flue Gas Desulfurization) system of No. 2 Subproject of Kostolac Power Station Project I in Serbia undertaken by our Company obtained a temporary taking-over certificate issued by the owner. By then, the whole desulfurization system was delivered to the owner and the quality assurance period started. The desulfurization system of the project is the first set of desulfurization equipment in Serbia and even in the whole Southeastern Europe. After the system was put into operation, all its emission indices were far lower than the emission value required in the contract while meeting

1. *項目執行情況良好*

上半年，項目執行情況總體平穩，有一批項目順利完工，一批項目取得重大進展，未發生重大安全事故，項目執行過程中注重履行社會責任，品牌美譽度和知名度持續提升。

在完工項目方面，安哥拉毛魯本脫220千伏輸變電項目於2017年1月25日舉行剪彩儀式。安哥拉羅安達省長和能源部部長到場祝賀，並在致辭中表達了對CMEC項目部工作的高度認可和真摯感謝。

5月4日，我司承建的塞爾維亞科斯托拉茨電站一期項目第二子項新建排煙脱硫系統獲得了業主簽發的臨時接收證書(taking-over certificate)，至此整個脱硫系統順利移交給業主，進入質保期。該項目的脱硫系統是塞爾維亞甚至整個東南歐的第一套脱硫設備，系統投入運行後，所有的排放指標遠低於合同要求排放值，同時均滿足歐盟的排放要求，脱硫系統的順利移交運行將對塞爾維亞的環保事業做出重大的貢獻。

the emission requirement of the EU. The successful handover of the desulfurization system will make great contribution to the environmental protection undertaking of Serbia.

On May 18, No. 6 600MW steam turbine generating set of Venezuela central power plant obtained FAC (final acceptance certificate). Implementation of the project started in May 2012 and completed 168-hour full-load trial run testing 83 days ahead of schedule on May 8, 2016. The quality assurance period successfully ended in May this year when the generating set operated soundly with FAC obtained, which marked successful contract performance for the project.

5月18日，委內瑞拉中央電廠6號600兆瓦蒸汽輪機發電機組項目取得最終驗收證書，該項目於2012年5月開始執行，2016年5月8日提前83天完成168小時滿負荷試運行考核，今年5月質保期順利結束，機組運行狀態良好，取得了最終驗收證書，標志着該項目履約圓滿完成。

On May 27, Liouesso hydropower supporting power transmission and transformation project of the Republic of Congo successfully passed final acceptance examination. The President, Prime Minister and Moderator of the Republic of Congo, Director of Land Control and Major Project Department, Director of Water Conservancy and Energy Department, Chinese Ambassador in the Republic of Congo and local media attended the final acceptance testing ceremony. Representatives of all the parties strongly affirmed the work achievements of CMEC. The successful implementation of the project greatly improved power transmission in the northern regions of the Republic of Congo, making contribution to the economic development and improvement of the civilians' life quality in the Republic of Congo.

5月27日，剛果（布）利韋索水電站配套輸變電項目順利通過最終驗收，剛果（布）總統、總理、議長、國土整治與重大工程部長、水利能源部長、中國駐剛（布）大使及當地媒體均莅臨最終驗收儀式現場，各方代表對CMEC的工作成績給予了積極肯定。該項目的成功實施，極大地改善了剛果（布）北部地區的電力輸送，為剛果（布）經濟發展和人民生活水平提高做出了貢獻。

A number of projects received extensive attention and achieved great advancement. On January 18, the Pakistan Thar power station project had a commencing ceremony for boiler steel structure hoisting. It was an important node for the implementation of the project, with great significance for advancement of the project. On January 23, commencing ceremony was held for coal mine capacity expansion project of the KOSTOLAC-B Power Station Project II, Serbia, with installation site commencement permit signed on site, which marked that the coal mine capacity expansion part of the KOSTOLAC-B Power Station Project II formally entered the stage of on-site equipment installation. On February 8, the first two meter-gauge locomotives of the Argentina Railway Project successfully arrived in Buenos Aires and delivery ceremony was held. It was the first time for Belgrano Railway receiving new locomotives in the past 39 years. Such officials as Minister of the Ministry of Transport of Argentina watched the whole process of unloading the locomotives and showed their satisfaction for the locomotives provided by CMEC. Relevant media of Argentina also offered highly favorable comments on the Argentina Railway Project, and are of the view that the 107 locomotives provided by CMEC and 2,500 train carriages already delivered will have great driving effect on the Belgrano Program to strengthen Northern Argentina.

一批項目廣受關注，取得重大進展。1月18日，巴基斯坦塔爾電站項目舉行鍋爐鋼結構吊裝開工儀式，這是該項目執行中的重要節點，對項目推進意義重大。1月23日，塞爾維亞科斯托拉茨B電站項目二期工程煤礦擴容項目舉行開工典禮，現場簽署了安裝現場啟動許可，標誌着塞爾維亞KOSTOLAC-B電站項目二期工程煤礦擴容部份正式進入現場設備安裝階段。2月8日，阿鐵項目首兩台米軌機車順利抵達布市並舉行交車儀式，這是貝爾格拉諾鐵路39年來第一次接收到新的機車，阿根廷交通部長等領導觀看了機車卸貨全過程，並對CMEC所供機車表示非常滿意。阿根廷相關媒體也對阿鐵項目給予了高度的評價，認為CMEC提供的107台機車和已經交貨的2,500台火車車廂將對振興阿根廷北部的貝爾格拉諾計劃產生巨大的推動作用。

On April 13, a group led by the Ambassador and Counsellor of Chinese Embassy in Angola visited and inspected the site of the SOYO United Cyclic Power Station Project. When knowing that the project donated water purifying devices to the municipal government, repaired roads and offered loans to the local people in addition to providing employment opportunities, the Ambassador gave favorable comments on the social responsibility assumed by region, and showed his hope that CMEC will continue to make efforts in creating public recognition while creating projects. Besides, 420KV GIS (Geographic Information System) under the project created the world's fastest record in terms of installation and commissioning speed, realized one-time success of main transformer/station transformer inverse power transmission on June 28, and started 48h empty-load run timing.

4月13日，中國駐安哥拉大使館大使、參贊等一行訪問視察了索約(SOYO)聯合循環電站項目現場，當得知除解決就業崗位以外，該項目還向市政府捐贈淨水裝置、義務修繕道路等舉措以及將為當地提供惠民貸款時，大使對CMEC在當地擔負起的社會責任表示贊許，並希望繼續努力，要創工程，更要創口碑。此外，該項目項下的420千伏地理信息系統安裝調試速度創造全球最快紀錄，並於6月28日實現主變／廠變倒送電一次成功，進入48h空載運行計時。

In May, government officials of Angola such as Minister of the Ministry of National Defense, Ministry of Construction and Governor of Cabinda inspected the Cabinda Infrastructure Construction Project undertaken by CNCEC, a subsidiary of CMEC, and showed their satisfaction for the project quality and schedule. They praised that CNCEC has played an important role in the development and planning of Cabinda in the past years and made great contribution to the improvement of infrastructure construction in Cabinda. They also expressed their hope of continual cooperation with CNCEC in the future in infrastructure construction projects.

5月，安哥拉國防部長、建設部長和卡賓達省長等政府領導視察了CMEC附屬公司中國成套承建的卡賓達基礎設施建設項目，並對項目質量和進度表示滿意，稱贊中國成套在卡賓達近幾年的發展和規劃中扮演了重要角色，為改善卡賓達省地區的基礎設施建設等做出了很大的貢獻，希望在今後的城市基礎設施建設項目中能與中國成套繼續合作。

On May 9, commencing ceremony was held for 400KV power transformation station undertaken by CMEC under the Angola Lauca Connection Line Project. After constructed, the project will revamp the power system of Huambo, Angola, and the civilians will enjoy more stable power service; in particular, it will make great contribution to the leapfrog development of the inland regions.

5月9日，CMEC承建的安哥拉Lauca連接線項目項下400千伏變電站舉行了開工奠基儀式，該項目建成後將使安哥拉萬博電力系統舊貌換新顏，民眾將享受到更加穩定的電力服務，特別是其將為內陸地區實現跨越式發展作出巨大貢獻。

In addition, a number of projects received extensive favorable comments. M. Phin-Saravan project in Laos, half a year after obtaining the temporary Taking-Over Certificate issued by the project owner, received the certificate of merit delivered by the project owner in March this year, expressing the project owner's thanks and appreciation for the wisdom and diligence of CMEC in the process of implementation of M. Phin-Saravan project.

此外，還有一批項目廣受好評。老撾孟聘項目在獲得項目業主簽發的臨時接收證書(Taking-Over Certificate)半年後，於今年3月收到項目業主送來的獎狀，對CMEC執行孟聘項目過程中展現的聰明才智以及勤奮嚴謹表達感謝和表揚。

On May 11, on the eve of "the Belt and Road" Forum for International Cooperation, President Macri of Argentina accepted the interview of CCTV (China Central Television). When talking about "the Belt and Road" Initiative, President Macri gave full affirmation to CMEC for its professionalization and sense of social responsibilities during implementation of the Argentina Railway Project. He also indicated that Argentina will continue to cooperate with CMEC in infrastructure interconnection between China and Argentina.

5月11日，「一帶一路」國際合作高峰論壇前夕，阿根廷總統馬克里接受了中央電視台採訪，當談到「一帶一路」倡議時，馬克里總統對CMEC在執行阿鐵項目過程中表現出的專業性、社會責任感予以充分的肯定，並表示未來中阿在基礎設施互聯互通合作過程中，將會繼續與CMEC合作。

2. *Continuously deepened market development*

On February 24, CMEC entered into a cooperation memorandum for Indonesia 600MW Gas Turbine power station project in Jakarta.

On April 10, witnessed by envoy of China-Pakistan Economic Corridor, CMEC and Pakistan ThalNova Power Thar (Private) Limited entered into an EPC contract for the ThalNova power station project at Thar Block-II, Sindh, Pakistan. The formal signing of the project is another milestone for CMEC in the implementation of the national "the Belt and Road" Initiative – China – Pakistan Economic Corridor Policy. It will also further improve the influence of CMEC on the engineering contracting market in Pakistan and the neighboring regions.

On May 17, witnessed by President Xi Jinping and President Macri, Chairman Sun Bai and Minister of Ministry of Transportation of the Argentina Republic signed the supplementary agreement on the Phase I of Belgrano Cargo Railway Rehabilitation Project in the Great Hall of the People with a total contract value of US$1.6 billion. The supplementary agreement on Phase I signed is the supplementation for equipment purchase and civil work construction based on the Phase I project under implementation. The signing of the agreement showed the recognition of the Argentinian government for the Phase I project implemented by CMEC as well as the desire and confidence of the Argentinian government to cooperate with CMEC.

2. *市場開發持續深入*

2月24日，CMEC在雅加達簽署了印尼600兆瓦燃機電站項目合作備忘錄。

4月10日，在中巴經濟走廊特使的見證下，CMEC與巴基斯坦ThalNova電力公司共同簽署了巴基斯坦信德省塔爾煤田II區塊ThalNova電站項目EPC合同，該項目的正式簽約是CMEC落實國家「一帶一路」－中巴經濟走廊政策的又一豐碑，也將進一步提升CMEC在巴基斯坦及周邊地區工程承包市場的影響力。

5月17日，在習近平主席與馬克里總統的見證下，孫柏董事長與阿根廷交通部部長在人民大會堂共同簽署了貝爾格拉諾貨運鐵路改造項目一期工程增補的協議，總合同金額為16億美元。此次簽署的一期增補協議，是在正在執行的項目一期工程項目基礎上對設備採購及土建施工的新增，通過此次簽約彰顯了阿根廷政府對於CMEC執行的一期項目的高度認可以及與CMEC合作的強烈願望和信心。

On May 22, CMEC and GE signed a memorandum of understanding for joint development of coal fired power plant project in the Sub-Sahara African Region, having in-depth communication on the potential opportunities for coal fired power plant project in the region and working plan for the next step. With the signature of the memorandum of understanding, CMEC and GE will conduct closer cooperation in the Sub-Sahara African Region in terms of coal fired power plant project.

5月22日，CMEC與通用電氣共同簽署了在撒哈拉南部非洲共同開發燃煤電站項目的諒解備忘錄，就該地區潛在燃煤電站項目機會及下一步工作計劃進行深入溝通。隨着該諒解備忘錄的簽訂，CMEC將與通用電氣在撒哈拉南部非洲燃煤電站項目上展開更緊密的合作。

On June 9, Vice President Zhou Qingyu of China Development Bank had field survey on the project site of Nord-Malé-Atoll Hotel, the first hotel project to be developed by CMEC in Maldives. Vice President Zhou raised key questions concerning the project planning and management mode of the hotel after constructed. In addition, he showed recognition and support for the development direction and the concept of investment business planning of CMEC in the Maldives market, giving highly favorable comments on the Company's innovative business model when practicing "the Belt and Road" Initiative.

6月9日，國家開發銀行副行長周清玉實地考察了CMEC擬在馬爾代夫開發的第一個酒店項目－北馬累環礁酒店島項目現場，周副行長詢問了項目的規劃以及建成後的酒店管理模式等關鍵問題，並對CMEC在馬爾代夫市場的發展方向以及投資業務規劃設想表示認同並支持，對公司踐行「一帶一路」的創新業務模式給予了高度評價。

(II) Trading Business

In the first half of this year, the Company's Trading Business made progress while maintaining stable performance, continuing to develop toward the direction of high quality and sustainability. Each operating entity, fearless of difficulties and challenges with great sense of transformation and sense of core, has continuously explored and summarized new business mode, with new progress achieved in terms of business coordination.

The following table sets forth the details of the Trading Business for the Period, together with the comparative figures for the Corresponding Period in 2016:

（二）貿易業務

今年上半年，公司貿易業務穩中求進，繼續向有質量可持續方向發展，板塊內各經營單位不懼困難挑戰，轉型意識強、核心意識強，不斷探索、總結業務新模式，並在業務協同方面取得新進展。

下表載列截至本期間貿易業務詳情連同2016年同期的比較數字：

				Six months ended June 30, 2017 截至2017年6月30日止六個月 *RMB million 人民幣百萬元*	**% of Total 佔總額%**	Six months ended June 30, 2016 截至2016年6月30日止六個月 *RMB million 人民幣百萬元*	Increase/ (decrease) 增加／(減少)
Revenue	**收入**	International trade	國際貿易	**2,836.4**	77.0	2,162.9	31.1%
		Domestic trade	國內貿易	**845.4**	23.0	1,213.6	(30.3%)
		Total	合計	**3,681.8**	100.0	3,376.5	9.0%
Gross profit	**毛利**	International trade	國際貿易	**213.3**	87.1	115.1	85.3%
		Domestic trade	國內貿易	**31.6**	12.9	31.8	(0.6%)
		Total	合計	**244.9**	100.0	146.9	66.7%

Based on its continuous progress in terms of new product development, along with recovery of the mining market and recognition of foreign large clients for our specialization and industrialization, CMIPC has had its product orders rapidly increased. Presently it is the major supplier of various reputable enterprises in domestic and overseas construction machinery industry. Besides, the express railway brake disk K68 developed by CMIPC has completed the running test of 600,000km, with 200 pieces already delivered this year. The critical part of axle head grounding device of express railway – conducting friction disc, the research and development of which was undertaken by CMEC Precision Production (Jiangsu) Co., Ltd.* (中設精工製造江蘇有限公司), has entered mass installation and operation after 600,000km testing, and installed and run on the latest CR400BF express railway.

中設裝備基於在開發新產品方面的持續發力，加之礦業市場的復蘇，以及國外大客戶對我們專業化、實業化的高度認可，產品訂單迅猛增長。目前是國內外工程機械行業多家知名企業的主要供應商。此外，中設裝備開發的高鐵剎車盤K68已完成了60萬公里的跑車考核，今年以來已交付200件。中設精工製造江蘇有限公司參與研發並生產的高鐵軸端接地裝置關鍵部件－導電摩擦盤經過60萬公里考核，現已批量裝車運行，並在最新「復興號」CR400BF高鐵裝車運行。

Eastern China Business Division stably promotes various businesses of CMEC New Energy. In terms of engineering, it realized significant improvement as compared to the same period of the previous year, developing the business mode centered on photovoltaic engineering construction, photovoltaic equipment supply trade and lighting engineering. In terms of domestic photovoltaic engineering, it completed projects in the first half of the year such as Yulong II, Kipor Power and Hangzhou Bay Benduo with a total capacity of 25.57MW; and it delivered the photovoltaic units of 30MW. In terms of lighting engineering, works mainly involved follow-up on the Beijing headquarters building, Shanghai CMEC Plaza and New Building of Zhengzhou No. 6 People's Hospital in the first half of the year.

華東事業部穩步推進中設新能源各項業務。工程方面，較去年同期有大幅增長，已形成了以光伏項目工程建設、光伏設備供貨貿易、照明工程為核心的業務模式。國內光伏工程方面，上半年已完成玉龍二期、開普動力、杭州灣奔多等項目，總計25.57兆瓦；出貨光伏組件30兆瓦。照明工程方面，上半年主要跟進北京總部大樓、上海中設廣場、鄭州六院新大樓項目。

China-East Resources Import & Export Co., Ltd.* (中經東源進出口有限責任公司) ("China-East Resources") maintained stable development. It actively promoted the construction of Thailand regional center, achieving great progress in housing construction and rubber factory projects. It advanced traditional trading business and developed Japan Venex recreational dress product for which it has become the only designated import agent and general agent in Northern China Region. Through multiple means including distributor pilot sales, internet sales and cooperation with the sports circle, it started to establish and expand the product sales channels. The mode of network marketing structure is a new attempt for China-East Resources, with great significance for the future trade development.

中經東源進出口有限責任公司(「中經東源」)保持穩定發展。積極推進泰國區域中心建設，在房屋建設項目和橡膠廠項目上取得較大進展。傳統貿易業務都在正常的推進中，並新開發了日本Venex休養服飾產品，現已成為唯一指定進口代理商以及華北區總代理資格。通過分銷商試點銷售、互聯網銷售以及與體育界合作等多種方式，開始建立和拓展產品的銷售渠道。這種網絡營銷架構的模式對中經東源來說是新的嘗試，對未來的貿易發展很有意義。

In terms of cross-border e-commerce, the Company made continuous exploration. In the first half of the year, China National Machinery & Equipment Import & Export (Suzhou) Co., Ltd.* (中設(蘇州)機械設備工程有限公司) developed internet plus overseas one-stop platform business centered on the European and American market. With cross-border e-commerce as the cutting-in point, it combined e-commerce business with local promotion business to establish the supply chain service system with the mode of overseas warehouse stock, thus to move forward the front end of the existing international trade, deepen penetration into the local European and American market, conduct local trade and contend for local market share.

在跨境電商方面，公司不斷進行探索。上半年，中設(蘇州)機械設備工程有限公司拓展以歐美市場為核心的互聯網+海外一站式平台業務，以跨境電商為切入點，將電商業務與本地地推業務結合，搭建以海外倉備貨為模式的供應鏈服務系統，把現有的國際貿易的前端前移，深入到歐美本土，開展本地貿易，搶佔本地市場佔有率。

(III) Services Business

Among the Services Business of the Company, the tendering business continued to see explosive growth in the first half of the year, with the completed entrustment amount having increased by 1,426% year-on-year and bid-winning amount realizing a year-on-year increase of 2,505%.

(三) 服務業務

公司服務業務中的招標業務，上半年繼續呈爆發式增長，完成委託金額同比增長1,426%，完成中標金額同比增長2,505%。

The following table sets forth the details of the Group's Service Business for the Period, together with the comparative figures for the Corresponding Period in 2016:

下表載列本集團於本期間服務業務詳情連同2016年同期的比較數字：

				Six months ended June 30, 2017 截至2017年6月30日止六個月 *RMB million 人民幣百萬元*	**% of Total 佔總額%**	Six months ended June 30, 2016 截至2016年6月30日止六個月 *RMB million 人民幣百萬元*	Increase/ (decrease) 增加／(減少)
Revenue	**收入**	Logistics services	物流服務	**76.6**	12.5	73.8	3.8%
		Design consulting services	設計諮詢及服務	**279.8**	45.5	221.3	26.4%
		Exhibition services	展覽服務	**2.2**	0.4	32.4	(93.2%)
		Tendering agency services	招標代理服務	**11.3**	1.8	11.0	2.7%
		Export-import agency services	進出口代理服務	**4.3**	0.7	10.7	(59.8%)
		Others	其他	**240.1**	39.1	123.8	93.9%
		Total	**合計**	**614.3**	100.0	473.0	29.9%
Gross profit	**毛利**	**Total**	**合計**	**234.1**	100.0	124.3	88.3%

Design consulting business showed stable development in the Period. Two group members in this sector displayed various growing tendency of different extent. In addition, it made continuous progress in terms of policy setting, scientific and technological innovation, investment and mergers and acquisitions, PPP project promotion and strategy making, with great advancement realized.

設計諮詢業務，本期間發展穩定，板塊內兩家成員單位各項指標均呈不同程度增長態勢，並在制度建設、科技創新、投資併購、PPP項目推進、板塊戰略制定等方面不斷發力，取得良好進展。

China Machinery R&D continued to lead the field of electric machinery experiment station testing technology in terms of industrial engineering, signing more than 20 general contracting projects in the first half of the year distributed in 11 provinces (municipalities) in China. It maintained the development advantages of main business and continuously improved its service value; brought into play the advantage in integrated technology, promoted innovative application and realized expansion in such terms as industrial park and industrial real estate. In terms of power and new energy engineering, it implemented the differentiated operation and development strategy, realizing stable advancement from point to surface. In terms of architectural engineering, it continuously created new height in civil buildings, insisting to improve its brand influence with technological characteristics in fragmented fields such as school and health care. In terms of municipal works and environmental protection engineering, it kept pace with the overall development to realize flourishing development. In March this year, China Machinery R&D was approved to establish Hunan Province Postdoctoral Research Station Cooperative R&D Center and Postdoctoral Innovation and Entrepreneurship Base, and in May it was approved to establish "Changsha Enterprise Technology Center". Such actions will further promote the cooperation with higher education institutions and research institutes while creating favorable conditions for the Company to introduce high-level talents, strengthen talent cultivation and improve technological innovation capacity.

中機院在工業工程方面，持續領跑電機試驗站測試技術領域，上半年新簽總包項目20餘項，分佈在全國11個省(市)；保持主業發展優勢，不斷提升服務價值；發揮集成技術優勢，推進創新應用，並在工業園區、工業地產等方面拓展延伸。在電力與新能源工程方面，貫徹差異化經營發展戰略，由點到面，穩步推進。在建築工程方面，民用建築不斷刷新新高度，堅持以技術特色在學校、醫療等細分領域提升品牌影響力。在市政與環保工程方面，緊跟發展大勢，實現蓬勃發展。今年3月，中機院獲批設立湖南省博士後科研流動站協作研發中心、博士後創新創業實踐基地，5月又獲批「長沙市企業技術中心」，此舉將進一步推動與高校、科研院所合作，並為公司引進高層次人才、強化人才培養、提升技術創新能力等創造條件。

JiKan Research Institute realized significant improvement in aspects such as production, operation and scientific and technological innovation. In terms of production and operation, it expanded the regional market and business field of survey with its technological advantages, with significant effect gained. Monitoring business of surveying and mapping engineering realized rapid growth, with application of new technology extensively carried out. Engineering design accumulated power for development, expanding brand influence and realizing rapid growth by specialized improvement and technological cooperation. For engineering testing, it extended the fields of testing to seek for points of profit growth. Environmental protection engineering kept pace with national hot spots of investment closely, with a promising development prospect to realize breakthrough. Engineering contracting was stably advanced in project execution, and PPP project exploration and practice were carried out actively. International engineering localization was fruitful, and specialized contracting of geotechnical engineering realized powerful overseas expansion with rapid growth realized in scale of business. In terms of scientific and technological innovation, presently JiKan Research Institute has 17 research projects in progress; in addition, it has four research platforms and two innovation teams including provincial key laboratories and engineering centers.

機勘院在生產經營、科技創新等方面都有明顯提升。生產經營方面，工程勘察利用技術優勢，拓展勘察區域市場和業務領域，成效顯著；測繪工程監測業務迅速增長，新技術應用廣泛開展；工程設計蓄力發展，通過專業提升與技術合作，擴大品牌影響力，增長迅速；工程檢測延伸檢測領域，尋找利潤增長點；環保工程緊跟國家投資熱點，發展前景可期，爭取實現突破；工程承包在執行項目穩步推進，並積極開展PPP項目的探索實踐；國際工程屬地化建設卓有成效，岩土工程專業承包海外拓展有力，業務規模增長迅速。科技創新方面，目前機勘院在研項目共17項，還擁有省級重點實驗室和工程技術中心等4個科研平台、2個創新團隊。

III. HUMAN RESOURCES

As at June 30, 2017, the Group had approximately 3,681 (December 31, 2016: 3,627) employees. Employees' remuneration comprises basic salary and performance salary. The performance salary is determined according to the assessment of the performance of all staff. The Company does not adopt any pre- or post-IPO share award scheme or share option scheme.

III. 人力資源

截至2017年6月30日，本集團僱用員工約3,681人（2016年12月31日：3,627人）。員工薪酬包括基本薪金及績效薪金。績效薪金乃根據全體員工的表現評估釐定。本公司概無採納任何首次公開發售前或後股份獎勵計劃或購股權計劃。

The Company provides systematic and effective training for the employees. The Company also provides sustainable and specific educational training for the senior management, middle management as well as technical and operational staff with a view to improving the quality and ability of the staff at different levels.

本公司為員工提供有系統及有效的培訓。本公司亦為高級管理層、中級管理層以及技術及營運人員提供可持續及特別教育培訓，旨在提升不同級別員工的質素及能力。

IV. FINANCIAL POSITION AND OPERATING RESULTS

IV. 財務狀況及經營業績

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

以下討論應與本集團的未經審計中期財務報表，連同本業績公告所載的隨附附註及當中其他章節一併閱讀。

1. Overview

For the Period, both of the Group's revenue and gross profit increased to a certain extent, and the gross profit margin of core businesses was still maintained at a relatively high level.

1. 概覽

於本期間，本集團收入、毛利均有一定幅度增長，核心業務毛利率仍保持較高水平。

2. Revenue

The Group generated its revenue from the International Engineering Contracting Business, Trading Business and Services Business.

For the Period, the Group's revenue amounted to approximately RMB9,374.7 million, representing an increase of 11.7% as compared with the Group's revenue of RMB8,393.5 million for the Corresponding Period in 2016.

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。

於本期間，本集團的收入約為人民幣9,374.7百萬元，較本集團於2016年同期的收入人民幣8,393.5百萬元增加11.7%。

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

下表載列於所示期間本集團三個業務分部各自的收入金額及佔本集團總收入的百分比：

		Six months ended June 30, 截至6月30日止六個月			
		2017 2017年		2016 2016年	
		RMB million 人民幣百萬元	***% of Total 總額的%***	*RMB million 人民幣百萬元*	*% of Total 總額的%*
International Engineering Contracting Business	**國際工程承包業務**				
Power	電力能源	**3,457.5**	**36.9**	2,761.8	32.9
Transportation and telecommunications	交通運輸及電子通訊	**672.7**	**7.2**	163.4	1.9
Non-Core Sectors	非核心行業	**948.4**	**10.1**	1,618.8	19.3
Trading Business	**貿易業務**				
International trade	國際貿易	**2,836.4**	**30.3**	2,162.9	25.8
Domestic trade	國內貿易	**845.4**	**9.0**	1,213.6	14.5
Services Business	**服務業務**	**614.3**	**6.5**	473.0	5.6
Total	**總計**	**9,374.7**	**100**	8,393.5	100

1) International Engineering Contracting Business

For the Period, the Group's revenue generated from the International Engineering Contracting Business amounted to RMB5,078.6 million, which accounted for 54.2% of the Group's total revenue for the Period, representing an increase of 11.8% as compared with approximately RMB4,544.0 million for the Corresponding Period in 2016, primarily due to the increase in revenue from the power, transportation and telecommunications sectors.

1) 國際工程承包業務

於本期間，本集團的國際工程承包業務收入為人民幣5,078.6百萬元，佔於本期間本集團總收入54.2%及較2016年同期約人民幣4,544.0百萬元增加11.8%，主要由於電力能源、交通運輸及電子通訊行業收入增加。

For the Period, revenue from the power sector amounted to RMB3,457.5 million, representing an increase of 25.2% as compared with RMB2,761.8 million for the Corresponding Period in 2016, primarily due to the significant progress of the power projects in Asia in the first half of the year, which generated higher revenue as compared with the first half of 2016.

於本期間，電力能源行業收入為人民幣3,457.5百萬元，比2016年同期人民幣2,761.8百萬元增加25.2%，主要由亞洲電力項目上半年取得較大進展，相比2016年上半年取得收入較多。

For the Period, revenue from the transportation and telecommunications sector amounted to RMB672.7 million, representing an increase of 311.7% as compared with RMB163.4 million for the Corresponding Period in 2016, primarily attributable to the significant progress of the railway reconstruction project in South America in the first half of the year, which generated higher revenue as compared with the first half of 2016.

於本期間，交通運輸及電子通訊行業收入為人民幣672.7百萬元，比2016年同期人民幣163.4百萬元增加311.7%，主要由於南美洲鐵路改造項目上半年取得較大進展，相比2016年上半年取得收入較多。

For the Period, revenue from the Non-Core Sectors amounted to RMB948.4 million, representing a decrease of 41.4% as compared with RMB1,618.8 million for the Corresponding Period in 2016, primarily due to the greater progress achieved by the cement plant and house construction projects in Asia in the first half of 2016, which generated higher revenue as compared with that for the first half of 2017.

於本期間，非核心行業收入為人民幣948.4百萬元，比2016年同期人民幣1,618.8百萬元減少41.4%，主要由於亞洲的水泥廠及房屋建設項目於2016年上半年取得較大進展，相比2017年上半年取得收入較多。

2) Trading Business

For the Period, the Group's revenue generated from the Trading Business reached RMB3,681.8 million, which accounted for 39.3% of the Group's total revenue for the Period, representing an increase of 9.0% as compared with RMB3,376.5 million for the Corresponding Period in 2016, which was primarily attributable to the increase in revenue from international trade.

For the Period, revenue from the international trade amounted to RMB2,836.4 million, representing an increase of 31.1% as compared with RMB2,162.9 million for the Corresponding Period in 2016, mainly because of the certain growth of passenger cars sector as well as the exporting sector for mechanical products and forging and casting goods in Africa.

For the Period, revenue from domestic trade amounted to RMB845.4 million, representing a decrease of 30.3% as compared with RMB1,213.6 million for the Corresponding Period in 2016, mainly due to the decrease in the trading volume of solar energy components.

2) 貿易業務

於本期間，本集團的貿易業務收入為人民幣3,681.8百萬元，佔本集團於本期間總收入39.3%及較2016年同期人民幣3,376.5百萬元增加9.0%，主要由於國際貿易收入增加。

於本期間，國際貿易收入為人民幣2,836.4百萬元，比2016年同期人民幣2,162.9百萬元增加31.1%，主要由於非洲的小客車業務、機械產品、鑄鍛件出口業務有一定增長。

於本期間，國內貿易收入為人民幣845.4百萬元，比2016年同期人民幣1,213.6百萬元減少30.3%，主要由於太陽能組件業務量的減少。

3) Services Business

For the Period, the Group's revenue generated from the Services Business amounted to RMB614.3 million, which accounted for 6.5% of the Group's total revenue for the Period, representing an increase of 29.9% as compared with RMB473.0 million for the Corresponding Period in 2016, mainly due to the increase in revenue from design, leasing and consulting services sectors as compared with the Corresponding Period in 2016.

3) 服務業務

於本期間，本集團的服務業務收入為人民幣614.3百萬元，佔本集團於本期間總收入6.5%及較2016年同期人民幣473.0百萬元增加29.9%，主要由於設計業務、租賃業務及諮詢服務收入較2016年同期有所增加。

3. Cost of sales

For the Period, the Group's cost of sales increased by 8.7% to RMB7,806.0 million from RMB7,182.7 million for the Corresponding Period in 2016.

3. 銷售成本

於本期間，本集團的銷售成本為人民幣7,806.0百萬元，而2016年同期則為人民幣7,182.7百萬元，增幅為8.7%。

4. Gross Profit and Gross Profit Margin

1) *Gross Profit*

During the Period, the Group's gross profit amounted to RMB1,568.7 million, representing an increase of 29.6% as compared with RMB1,210.8 million for the Corresponding Period in 2016.

Gross profit of the Group for the Period consist of the following:

4. 毛利及毛利率

1) *毛利*

於本期間，本集團的毛利為人民幣1,568.7百萬元，較2016年同期人民幣1,210.8百萬元增加29.6%。

於本期間，本集團毛利構成情況如下：

		Six months ended June 30, 截至6月30日止六個月			
		2017 2017年		2016 2016年	
		RMB million 人民幣百萬元	***% of Total 總額的%***	*RMB million 人民幣百萬元*	*% of Total 總額的%*
International Engineering Contracting Business	**國際工程承包業務**				
Power	電力能源	**854.0**	**54.4**	683.6	56.4
Transportation and Telecommunications	交通運輸及電子通訊	**134.4**	**8.6**	29.8	2.5
Non-Core Sectors	非核心行業	**101.3**	**6.5**	226.2	18.7
Trading Business	**貿易業務**				
International trade	國際貿易	**213.3**	**13.6**	115.1	9.5
Domestic trade	國內貿易	**31.6**	**2.0**	31.8	2.6
Services Business	**服務業務**	**234.1**	**14.9**	124.3	10.3
Total	**總計**	**1,568.7**	**100**	1,210.8	100

i) International Engineering Contracting Business

For the Period, the Group's gross profit from the International Engineering Contracting Business amounted to RMB1,089.7 million, which accounted for 69.5% of the Group's total gross profit for the Period, representing an increase of 16.0% as compared with RMB939.6 million for the Corresponding Period in 2016, primarily due to the increase in gross profit resulted from the increase of revenue in the power, transportation and telecommunications sectors.

For the Period, gross profit of the power sector amounted to RMB854.0 million, representing an increase of 24.9% as compared with RMB683.6 million for the Corresponding Period in 2016, primarily due to the significant progress of the power projects in Asia in the first half of the year.

For the Period, gross profit of the transportation and telecommunications sector amounted to RMB134.4 million, representing an increase of 351.0% as compared with RMB29.8 million for the Corresponding Period in 2016, mainly attributable to the significant progress of the railway reconstruction project in South America in the first half of the year.

i) 國際工程承包業務

於本期間，本集團國際工程承包業務的毛利為人民幣1,089.7百萬元，佔本集團本期間總毛利69.5%，較2016年同期人民幣939.6百萬元增加16.0%，主要由於電力能源、交通運輸及電子通訊行業收入增加引起的毛利增加。

於本期間，電力能源行業毛利為人民幣854.0百萬元，比2016年同期人民幣683.6百萬元增加24.9%，主要由於亞洲電力項目上半年取得較大進展。

於本期間，交通運輸及電子通訊行業毛利為人民幣134.4百萬元，比2016年同期人民幣29.8百萬元增加351.0%，主要由於南美洲鐵路改造項目上半年取得較大進展。

For the Period, gross profit of the Non-Core Sectors amounted to RMB101.3 million, representing a decrease of 55.2% as compared with RMB226.2 million for the Corresponding Period in 2016, primarily due to the significant progress achieved by the cement plant and house construction projects in Asia in the first half of 2016.

於本期間，非核心行業毛利為人民幣101.3百萬元，比2016年同期人民幣226.2百萬元減少55.2%，主要由於亞洲的水泥廠及房屋建設項目於2016年上半年取得較大進展。

ii) *Trading Business*

For the Period, the Group's gross profit from the Trading Business amounted to RMB244.9 million, which accounted for 15.6% of the Group's total gross profit for the Period, representing an increase of 66.7% as compared with RMB146.9 million for the Corresponding Period in 2016, primarily due to the increase in gross profit resulting from the revenue increase of international trade.

ii) *貿易業務*

於本期間，本集團貿易業務的毛利為人民幣244.9百萬元，佔本集團本期間總毛利15.6%及較2016年同期人民幣146.9百萬元增加66.7%，主要是國際貿易收入增加引起的毛利增加。

iii) *Services Business*

For the Period, the Group's gross profit from the Services Business amounted to RMB234.1 million, which accounted for 14.9% of the Group's total gross profit for the Period, representing an increase of 88.3% as compared with RMB124.3 million for the Corresponding Period in 2016, primarily due to the increases in revenue generated from consulting services, designing and leasing as compared with the Corresponding Period in 2016.

iii) *服務業務*

於本期間，本集團服務業務的毛利為人民幣234.1百萬元，佔本集團本期間總毛利14.9%及較2016年同期人民幣124.3百萬元增加88.3%，主要由於諮詢服務收入、設計收入及租金收入較2016年同期有所增加。

2) *Gross Profit Margin*

During the Period, the Group's gross profit margin increased by 2.3 percentage points to approximately 16.7% from 14.4% for the Corresponding Period in 2016.

Gross profit margins of the Group for the Period consist of the following:

2) *毛利率*

於本期間，本集團的毛利率約16.7%，由2016年同期的14.4%增長2.3個百分點。

於本期間，本集團毛利率構成情況如下：

		Six months ended June 30, 截至6月30日止六個月 2017 2017年 %	 2016 2016年 %
International Engineering Contracting Business	**國際工程承包業務**	**21.5**	20.7
Power	電力能源	**24.7**	24.7
Transportation and telecommunications	交通運輸及電子通訊	**20.0**	18.2
Non-Core Sectors	非核心行業	**10.7**	14.0
Trading Business	**貿易業務**	**6.7**	4.4
International trade	國際貿易	**7.5**	5.3
Domestic trade	國內貿易	**3.7**	2.6
Services Business	**服務業務**	**38.1**	26.3
Total	**總計**	**16.7**	14.4

i) *International Engineering Contracting Business*

For the Period, the Group's gross profit margin for the International Engineering Contracting Business was 21.5%, as compared with 20.7% for the Corresponding Period in 2016, representing a slight increase as compared to the Corresponding Period in 2016.

i) *國際工程承包業務*

於本期間，本集團國際工程承包業務的毛利率為21.5%，而2016年同期為20.7%，與2016年同期相比略有增長。

For the Period, the gross profit margin of the power sector was 24.7%, which remained relatively stable at the Corresponding Period in 2016.

於本期間，電力能源行業毛利率為24.7%，與2016年同期基本持平。

For the Period, the gross profit margin of the transportation and telecommunications sector was 20.0%, compared with 18.2% for the Corresponding Period in 2016, which increased slightly as compared with that in the Corresponding Period in 2016.

於本期間，交通運輸及電子通訊行業毛利率為20.0%，而2016年同期則為18.2%。與2016年同期相比略有增長。

For the Period, the gross profit margin of the Non-Core Sectors was 10.7%, representing a decrease of 3.3% as compared with 14.0% for the Corresponding Period in 2016, primarily attributable to the decrease in gross profit margin of house construction projects in Africa due to the impact of exchange rate of Euros against RMB.

於本期間，非核心行業毛利率為10.7%，比2016年同期的14.0%，下降了3.3%，主要由於非洲的房建項目由於受歐元兑人民幣匯率影響毛利率有所降低。

ii) Trading Business

For the Period, the gross profit margin of the Group's Trading Business increased by 2.3% to 6.7%, compared with approximately 4.4% for the Corresponding Period in 2016, primarily due to the higher gross profit margins from the business of casting supplies and export of passenger cars to Africa conducted in the first half of this year.

ii) 貿易業務

於本期間，本集團貿易業務毛利率為6.7%，而2016年同期則約為4.4%，上升了2.3%，主要由於今年上半年執行的鑄件及出口非洲的小客車業務貿易毛利率較高。

iii) *Services Business*

For the Period, the Group's gross profit margin for the Service Business increased by 11.8% to 38.1%, as compared with approximately 26.3% for the Corresponding Period in 2016, primarily due to the higher gross profit margins for consulting services and leasing business implemented in the first half of the year.

iii) *服務業務*

於本期間，本集團服務業務的毛利率為38.1%，而2016年同期則約為26.3%，上升了11.8%，主要由於今年上半年執行的諮詢服務業務及租賃業務毛利率較高。

5. Other Revenue

The Group's other revenue increased by 2,086.8% to RMB148.7 million for the Period as compared with RMB6.8 million for the Corresponding Period in 2016. This increase was mainly attributable to the increase in investment income from disposal of subsidiaries' equity.

5. 其他收入

於本期間，本集團的其他收入為人民幣148.7百萬元，較2016年同期人民幣6.8百萬元增長2,086.8%。有關增長主要由於處置附屬公司股權的投資收益增加。

6. Other Income and Expenses, Net

The Group's other income and expenses, net amounted to RMB13.2 million for the Period as compared with RMB(12.6) million for the Corresponding Period in 2016. The other income and expenses, net was mainly attributable to the income for the Period arising from the fair value change on foreign currency forward exchange contracts.

6. 其他收支淨額

於本期間，本集團的其他收支淨額為人民幣13.2百萬元，而2016年同期則為人民幣(12.6)百萬元。其他收支淨額主要由於遠期結售匯合同公允價值變動產生的本期間收益。

7. Selling and Distribution Expenses

The Group's selling and distribution expenses decreased by 8.4% to RMB369.7 million for the Period as compared with RMB403.4 million for the Corresponding Period in 2016.

7. 銷售及分銷開支

於本期間，本集團的銷售及分銷開支為人民幣369.7百萬元，較2016年同期人民幣403.4百萬元減少8.4%。

8. Administrative Expenses

The Group's administrative expenses increased by 10.4% to RMB345.3 million for the Period as compared with approximately RMB312.8 million for the Corresponding Period in 2016, primarily due to the increase in expense for depreciation charges and research and development charges.

8. 行政開支

於本期間，本集團的行政開支為人民幣345.3百萬元，較2016年同期約人民幣312.8百萬元增加10.4%，主要是折舊費用、研發費用支出增加。

9. Other Operating Expense

The Group's other operating expense was RMB108.8 million for the Period as compared with RMB(42.1) million for the Corresponding Period in 2016. This increase was mainly due to the increase in provisions for impairment of trade receivables of the Company for the Period.

9. 其他經營開支

於本期間，本集團的其他經營開支為人民幣108.8百萬元，2016年同期為人民幣(42.1)百萬元。有關增加主要由於公司本期應收賬款減值撥備增加。

10. Profit from Operations

The Group's profit from operations increased by 70.8% to RMB906.8 million for the Period as compared with RMB530.9 million for the Corresponding Period in 2016. This increase was mainly attributable to the increase in the overall gross profit of the Company.

10. 經營溢利

於本期間，本集團的經營溢利為人民幣906.8百萬元，較2016年同期人民幣530.9百萬元增加70.8%。該增加主要由於公司整體毛利增加。

11. Finance Income/Finance Expenses

The Group's finance income decreased by 70.9% to RMB162.6 million for the Period as compared with RMB558.1 million for the Corresponding Period in 2016. The Group's finance expenses increased by 638.5% to RMB259.2 million for the Period as compared with approximately RMB35.1 million for the Corresponding Period in 2016. This change was mainly attributable to the increase in exchange losses caused by exchange rate fluctuations. As a result, the Group's net finance income decreased to RMB(96.6) million for the Period as compared with the net finance income of RMB523.0 million for the Corresponding Period in 2016.

11. 財務收入／財務開支

於本期間，本集團的財務收入為人民幣162.6百萬元，較2016年同期人民幣558.1百萬元減少70.9%。於期內，本集團的財務開支為人民幣259.2百萬元，較2016年同期約人民幣35.1百萬元增加638.5%。有關變動主要由於匯率波動導致的匯兑損失的增加。因此，於本期間內，本集團的財務收入淨額為人民幣(96.6)百萬元，2016年同期的財務收入淨額為人民幣523.0百萬元。

12. **Income Tax**

The Group's income tax decreased by 15.2% to RMB220.0 million for the Period as compared with RMB259.4 million for the Corresponding Period in 2016, mainly due to the decrease in profit before tax.

13. **Profit for the Period**

As a result of the foregoing, the Group's net profit decreased by 24.1% to RMB610.7 million for the Period as compared with RMB804.2 million for the Corresponding Period in 2016, and its net profit margin decreased by 3.1% to 6.5% for the Period as compared with 9.6% for the Corresponding Period in 2016, which was mainly due to the decrease of profit resulted from the increase in exchange losses.

14. **Profit Attributable to the Owners of the Parent**

The profit attributable to the owners of the parent decreased by 23.8% to RMB610.0 million for the Period as compared with RMB800.4 million for the Corresponding Period in 2016.

15. **Profit Attributable to the Holders of Non-Controlling Interests**

The profit attributable to the holders of non-controlling interests of the Group amounted to RMB0.7 million for the Period as compared with a profit of RMB3.8 million for the Corresponding Period in 2016.

16. **Liquidity and Capital Resources**

As at June 30, 2017, the Group's cash and cash equivalents decreased marginally by 5.9% to RMB18,395.7 million as compared with RMB19,541.9 million as at December 31, 2016, mainly due to the increase in restricted cash.

12. **所得稅**

於本期間，本集團的所得稅為人民幣220.0百萬元，較2016年同期人民幣259.4百萬元減少15.2%，主要是除稅前溢利下降導致。

13. **本期間溢利**

由於上文所述，本集團於本期間的淨溢利為人民幣610.7百萬元，較2016年同期人民幣804.2百萬元減少24.1%，而本期間的淨溢利率為6.5%，較2016年同期9.6%下降3.1%。主要是由於匯兌損失增加導致溢利下降。

14. **歸屬於母公司擁有人溢利**

於本期間，歸屬於母公司擁有人溢利為人民幣610.0百萬元，較2016年同期人民幣800.4百萬元減少23.8%。

15. **歸屬於非控股權益持有人溢利**

於本期間，歸屬於本集團非控股權益持有人溢利為人民幣0.7百萬元，而2016年同期溢利人民幣3.8百萬元。

16. **流動資金及資本資源**

截至2017年6月30日，本集團的現金及現金等價物為人民幣18,395.7百萬元，較2016年12月31日人民幣19,541.9百萬元減少5.9%，主要由於受限貨幣資金增加。

As at June 30, 2017, the Group's borrowings decreased by approximately 5.8% to RMB985.9 million as compared with RMB1,046.4 million as at December 31, 2016. RMB483.6 million (including RMB24.8 million of long-term borrowings due within one year) was short-term borrowings and the remaining amount of RMB502.3 million was long-term borrowings.

截至2017年6月30日，本集團的借貸為人民幣985.9百萬元，較2016年12月31日人民幣1,046.4百萬元減少約5.8%。人民幣483.6百萬元（包括人民幣24.8百萬元於一年內到期的長期借貸）為短期借貸，而其餘人民幣502.3百萬元為長期借貸。

17. Major investment

As at June 30, 2017, the Group's investments in associates increased by 62.0% to RMB430.7 million as compared with RMB265.8 million as at December 31, 2016, mainly due to the investment in China National Machinery Industry International Co., Ltd. and the increased investment in coal-electric project in Pakistan pursuant to the investment plan; the Group's investments in joint ventures increased to RMB306.7 million from RMB297.9 million as at December 31, 2016, mainly due to the income from investment in CMEC New Energy, a joint venture of the Group.

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 subscription of an approximately 19.29% equity interest in 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.

17. 主要投資

截至2017年6月30日，本集團對聯營公司投資為人民幣430.7百萬元，較2016年12月31日人民幣265.8百萬元增加62.0%，增加的原因主要為對中國機械國際合作有限公司的投資以及按照投資計劃逐步增加對巴基斯坦煤電項目的投資；對合營公司投資為人民幣306.7百萬元，2016年12月31日為人民幣297.9百萬元，增加的原因主要為對合營公司中設新能源的投資收益。

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，作為本公司於SINOMACHINT認購約19.29%權益的代價。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。

18. Subsequent Events

There are no subsequent events occurred after June 30, 2017, which may have a significant effect on the assets and liabilities on future operations of the Group.

18. 期後事項

於2017年6月30日後並無發生任何對本集團未來營運的資產及負債有重大影響的期後事項。

V. LIQUIDITY

Our principal sources of funds have been cash generated from operations and 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 and financed the remainder primarily through bank borrowings and proceeds from the listing of the H Shares on the Stock Exchange on December 21, 2012 (the "**Listing**").

V. 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，我們主要靠經營所產生的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H股於2012年12月21日在聯交所上市(「上市」)所得款項籌措。

1. Cash flows

The following table sets forth a summary of our cash flows for the Period, with the comparative figures for the Corresponding Period in 2016:

1. 現金流量

下表載列我們於本期間的現金流量概況，連同2016年同期的比較數字：

		Six months ended June 30, 截至6月30日止六個月	
		2017 **2017年** ***(RMB million)*** ***(人民幣百萬元)***	2016 2016年 *(RMB million)* *(人民幣百萬元)*
Net cash flows from operating activities	經營活動所得的現金流量淨額	**406.9**	211.0
Net cash flows used in investing activities	投資活動所用的現金流量淨額	**(1,326.4)**	(1,219.8)
Net cash flows used in financing activities	融資活動所用的現金流量淨額	**(54.5)**	(314.8)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加／（減少）淨額	**(974.0)**	(1,323.6)
Cash and cash equivalents at the beginning of the Period	本期間初的現金及現金等價物	**19,541.9**	21,032.9
Effect of foreign exchange rate changes, (net)	匯率變動的淨影響	**(172.2)**	143.6
Cash and cash equivalents at the end of the Period	本期間末的現金及現金等價物	**18,395.7**	19,852.9

As at June 30, 2017, the Group's cash and cash equivalents decreased by 5.9% to RMB18,395.7 million as compared with RMB19,541.9 million as at December 31, 2016. The cash and cash equivalents are mainly denominated in RMB. The decrease was primarily due to the increase in cash paid for the investing activities.

截至2017年6月30日，本集團的現金及現金等價物約為人民幣18,395.7百萬元，而截至2016年12月31日則為人民幣19,541.9百萬元，降幅為5.9%。現金及現金等價物主要以人民幣計值。主要由於投資活動支付的現金增加。

2. **Cash flows from operating activities**

For the Period, we had net cash flows from operating activities of RMB406.9 million. Net cash used in operating activities was a result of operating profit before changes in working capital in the amount of RMB830.7 million, a cash inflow due to changes in working capital of RMB989.2 million and income tax paid in the amount of RMB582.2 million. The changes in working capital mainly included an increase in receipts in advance of RMB2,275.2 million, a decrease in receivables for construction contracts of RMB569.2 million, an increase in trade and other receivables of RMB2,047.3 million and a decrease in trade and other payables of RMB305.3 million.

3. **Cash flows from investing activities**

For the Period, our net cash flows used in investing activities were RMB(1,326.4) million. Our cash outflow from investing activities primarily consisted of restricted cash increase of RMB860.9 million and expenses on infrastructure projects of RMB103.1 million.

4. **Cash flows from financing activities**

For the Period, our net cash flows used in financing activities were RMB(54.5) million. Our cash outflow from financing activities primarily consisted of repayment of borrowings in the amount of RMB392.1 million. Cash inflow primarily consisted of borrowings raised in the amount of RMB331.5 million.

2. **來自經營活動的現金流量**

於本期間，我們經營活動所得的現金流量淨額為人民幣的406.9百萬元。經營活動所用的現金淨額乃來自營運資金變動前的經營溢利人民幣830.7百萬元、因營運資金變動致使現金流入人民幣989.2百萬元及已付所得稅人民幣582.2百萬元。營運資金變動主要包括預收款項增加人民幣2,275.2百萬元，建造合同應收款項減少人民幣569.2百萬元以及貿易及其他應收款項增加人民幣2,047.3百萬元，貿易及其他應付款項減少人民幣305.3百萬元。

3. **來自投資活動的現金流量**

於本期間，我們投資活動所用的現金流量淨額為人民幣(1,326.4)百萬元，我們投資活動的現金流出主要包括受限貨幣資金增加860.9百萬元以及基建項目的支出人民幣103.1百萬元。

4. **來自融資活動的現金流量**

於本期間，我們融資活動所用的現金流量淨額為人民幣(54.5)百萬元。我們融資活動的現金流出主要包括償還借款人民幣392.1百萬元。現金流入主要包括取得借款人民幣331.5百萬元。

5. Capital Expenditures and Capital Commitments

Our capital expenditures consisted primarily of the purchase of property, plant and equipment, investment properties, lease prepayments and intangible assets. The Group's capital expenditures decreased by 14.4% to RMB108.5 million for the Period as compared with RMB126.7 million for the Corresponding Period in 2016, mainly due to the decrease of input in the construction of the Group's infrastructure projects of fixed assets as compared with that for the Corresponding Period in 2016.

Our capital commitments mainly include the value of contracts signed but not yet completed of engineering work under construction and investment business. On June 30, 2017, the capital commitments of the Group was RMB1,236.7 million, representing an increase of approximately 25.2% as compared with RMB987.9 million on December 31, 2016. It was mainly attributable to the increase in the value of contracts signed but not yet paid for infrastructure projects of fixed assets.

5. 資本開支和資本承擔

我們的資本開支主要包括購買物業、廠房及設備、投資物業、預付租賃款項及無形資產。於本期間，本集團的資本開支為人民幣108.5百萬元，較2016年同期的人民幣126.7百萬元減少14.4%，主要由於本集團固定資產基建項目投入較2016年同期有所減少。

我們的資本承擔主要包括在建工程以及投資業務項下已簽訂合同但尚未執行完的合同款項。2017年6月30日，本集團的資本承擔為人民幣1,236.7百萬元，較2016年12月31日的人民幣987.9百萬元增加25.2%，主要由於本集團固定資產基建項目已簽訂合同但未支付的合同款增加所致。

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 turnover days of the average trade payables of the Company for the Period, together with the comparative figures for the Corresponding Period in 2016:

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、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。

下表載列本期間內本公司平均貿易應收款項及平均貿易應付款項的週轉天數，連同2016年同期的比較數字：

		Six months ended June 30, 2017 **截至2017年6月30日止六個月** **days** **天數**	Six months ended June 30, 2016 截至2016年6月30日止六個月 days 天數
Turnover days of the average trade receivables for the Trading Business *(Note 1)*	貿易業務平均貿易應收款項的週轉天數*（附註1）*	105	93
Turnover days of the average trade payables *(Note 2)*	平均貿易應付款項的週轉天數*（附註2）*	298	309

Note 1: The average trade receivables for the Trading Business are the sum of opening balance and the closing balance of trade receivables for the Trading Business divided by two. The turnover days of the average trade receivables for the Trading Business are the average trade receivables for the Trading Business divided by revenue of the Trading Business and multiplied by 180.

附註1： 貿易業務平均貿易應收款項乃將貿易業務貿易應收款項期初結餘與期末結餘的總和再除二得出。貿易業務平均貿易應收款項的週轉天數乃將貿易業務平均貿易應收款項除以貿易業務收入再乘以180得出。

Note 2: The average trade payables are the sum of opening balance and the closing balance of trade 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 180.

附註2： 平均貿易應付款項乃將貿易應付款項期初結餘與期末結餘的總和再除二得出。平均貿易應付款項的週轉天數乃將平均貿易應付款項除以銷售成本再乘以180得出。

The following table sets forth the aging analysis of trade and bill receivables (net of allowance of doubtful debts) based on the invoice date as at June 30, 2017 and December 31, 2016:

下表載列截至2017年6月30日及2016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 June 30, 2017 於2017年6月30日 *(RMB million)* *（人民幣百萬元）*	As at December 31, 2016 於2016年12月31日 *(RMB million)* *（人民幣百萬元）*
Within 3 months	3個月以內	**3,223.0**	2,819.8
3 months to 6 months	3個月至6個月	**836.1**	199.3
6 months to 1 year	6個月至1年	**880.2**	610.3
Over 1 year	1年以上	**1,171.9**	1,217.7
		6,111.2	4,847.1

The Group's credit policies with its customers for the Period remained the same as that for the Corresponding Period in 2016. We continuously enhanced our management of trade and bills receivables to reduce our 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 June 30, 2017, allowance for doubtful debts for our trade and bill receivables amounted to RMB945.6 million, accounting for 13.4% of our trade and bill receivables, compared with RMB840.2 million, accounting for 14.8% of our trade and bill receivables as at December 31, 2016.

於本期間，本集團與其客戶的信貸政策與2016年同期相同。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。截至2017年6月30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945.6百萬元，佔我們貿易應收款項及應收票據的13.4%。而截至2016年12月31日則為人民幣840.2百萬元，佔我們貿易應收款項及應收票據的14.8%。

(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.

(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、工資及福利以及應付同系附屬公司款項。

The following table sets forth the aging analysis of our trade and bills payables based on the invoice date as at June 30, 2017 and December 31, 2016:

下表載列截至2017年6月30日及2016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：

		As at June 30, 2017 於2017年6月30日 *(RMB million)* *(人民幣百萬元)*	As at December 31, 2016 於2016年12月31日 *(RMB million)* *(人民幣百萬元)*
Within 3 months	3個月以內	**4,236.8**	4,789.9
3 months to 6 months	3個月至6個月	**855.1**	517.1
6 months to 1 year	6個月至1年	**1,094.2**	921.8
Over 1 year	1年以上	**6,884.4**	6,899.5
		13,070.5	13,128.3

The Group's credit policies with its suppliers for the Period remained the same as that for 2016.

於本期間，本集團與其供應商的信貸政策與2016年相同。

VI. INDEBTEDNESS

VI. 債務

1. Borrowings

1. 借貸

Our consolidated borrowings as at June 30, 2017 and December 31, 2016 for the purpose of calculating the indebtedness of our Company were as follows:

截至2017年6月30日及2016年12月31日，我們用以計算本公司債務的合併借貸如下：

		As at June 30, 2017 於2017年6月30日 (RMB million) (人民幣百萬元)	As at December 31, 2016 於2016年12月31日 (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	**425.9**	281.7
secured	有擔保	**32.9**	193.2
Subtotal	小計	**458.8**	474.9
Add: current portion of long-term borrowings	加：長期借貸的流動部分	**24.8**	101.8
Subtotal	小計	**483.6**	576.7
Non-current:	非流動：		
Long-term borrowings	長期借貸		
Bank loans	銀行貸款		
unsecured	無擔保	**249.9**	278.1
secured	有擔保	**277.2**	293.4
Subtotal	小計	**527.1**	571.5
Less: current portion of long-term borrowings	減：長期借貸的流動部分	**24.8**	101.8
Subtotal	小計	**502.3**	469.7
Total	總計	**985.9**	1,046.4

Our short-term borrowings primarily include credit borrowings, mortgage borrowings and pledge borrowings from commercial banks and other financial institutions. As at June 30, 2017, our short-term borrowings (including the current portion of long-term borrowings) amounted to RMB483.6 million, accounting for 49.1% 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、抵押借貸及質押借貸。截至2017年6月30日，我們的短期借貸（包括長期借貸的流動部分）為人民幣483.6百萬元，佔我們的借貸總額49.1%。

Our long-term borrowings primarily included credit, mortgage and pledge borrowings from commercial banks and other financial institutions. These included bank borrowings related to projects financed by export seller's credit, with the total balance of such borrowings (including the current portion) amounting to approximately RMB527.1 million as at June 30, 2017. As at June 30, 2017, our long-term borrowings (excluding the current portion) amounted to RMB502.3 million, accounting for 50.9% of our total borrowings. The decrease in our interest-bearing borrowings to RMB985.9 million as at June 30, 2017 was primarily due to the repayment of short-term bank borrowings using cash generated from our business operations with a view to reducing our finance expenses.

長期借貸主要包括來自商業銀行及其他金融機構的信用、抵押及質押借貸。該等借貸包括與由出口賣方信貸融資的項目有關的銀行借貸，截至2017年6月30日，該等借貸（包括流動部分）的結餘總額約為人民幣527.1百萬元。截至2017年6月30日，不包括流動部分的長期借貸為人民幣502.3百萬元，佔我們借貸總額的50.9%。我們的計息借貸截至2017年6月30日減少至人民幣985.9百萬元，主要由於以我們業務經營產生的現金償還短期銀行借貸（旨在減少我們的財務開支）。

All borrowings were denominated in RMB, US$ and JPY and were subject to interest rates ranging from 1.25% to 6.23% per annum.

所有借貸均以人民幣、美元及日元計值並以每年利率1.25%至6.23%計息。

There had been no material defaults in repayment of our bank borrowings and breaches of the finance covenants during the Period. The maturity profile of our interest-bearing borrowings as at June 30, 2017 and December 31, 2016 was as follows:

於本期間，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。截至2017年6月30日及2016年12月31日，我們的計息借貸到期日如下：

		As at June 30, 2017 於2017年6月30日 (RMB million) (人民幣百萬元)	As at December 31, 2016 於2016年12月31日 (RMB million) (人民幣百萬元)
Within 1 year or on demand	1年以內或實時還款	**483.6**	576.7
After 1 year but within 2 years	1年至2年	**145.3**	208.8
After 2 years but within 5 years	2年至5年	**168.3**	154.9
After 5 years	5年以上	**188.7**	106.0
Total	總計	**985.9**	1,046.4

The Group monitors its capital on the basis of gearing ratio. Gearing ratio is derived by dividing total borrowings by total assets and multiplied by 100%. As of June 30, 2017, the Group's gearing ratio was 2.0%, 0.2 percentage point lower than 2.2% as of December 31, 2016, mainly due to the repayment of borrowings.

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。截至2017年6月30日，本集團的槓桿比率為2.0%，較截至2016年12月31日的2.2%下降0.2個百分點，主要由於償還借貸。

2. Contingent liabilities

The Group was involved in a number of legal proceedings and claims against either the Company or the subsidiaries of the 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.

2. 或有負債

本集團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。

For our export-import agency services, the Group issued irrevocable letters of guarantee through certain banks to buyers for the benefit of sellers, which guarantee the repayment of advances paid by the buyers, plus interest if applicable, if and when the total or part of the advances becomes repayable to the buyers from the sellers in accordance with the relevant contracts. These letters of guarantee are typically issued to provide security to a buyer in paying an advance to a seller before the actual goods are received, and the Group does not receive separate consideration for issuing such letters of guarantee. In order for the Group to issue these letters of guarantee, the Group requires the sellers to provide it with security interests on their assets or guarantees from third parties that must be sufficient to cover the total outstanding amount under the respective letters of guarantee issued.

本集團通過若干銀行就我們的進出口代理服務為賣方利益向買方發出不可撤銷的保函，當賣方根據相關合同須向買方償還全部或部分墊款時，保函將擔保償還買方已支付的預付款加利息（如適用）。發出該等保函一般是為買方提供保證以在收到實際貨物前向賣方支付預付款，本集團並不就發出該等保函而另外收取對價。為了能讓本集團發出該等保函，本集團要求賣方向本集團提供有關資產或彼等自第三方取得的擔保項下的抵押權益，該等抵押權益必須足夠償還各項已發出保函項下的未償還總額。

VII. 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.

VII. 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.

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. 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

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，決定本集團是否須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。就貿易業務而言，本公司及其貿易附屬公司須向中國信保購買統一出口信用保險；就由

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. 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.

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。

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.

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。

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.

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(其中包括)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(尤其是該等發展中國家政府)之間的合作，與國內外承包商競爭。

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.

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集中於對價格、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集中於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。憑借在國際貿易業務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蕩的國家及地區。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，並借着投購建築、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，盡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. As to Cuba, following a resumption of formal diplomatic ties between the two countries and the removal of Cuba from the U.S. government's State Sponsors of Terrorism list, a series of amendments to OFAC's Cuban Assets Control Regulations and Section 746.4 of Export Administration Regulations administered by the Department of Commerce's Bureau of Industry and Security have substantially expanded the range of transactions in which U.S. persons are allowed to engage with Cuba. Hence the Sanctions Undertakings no longer cover Iran and Cuba.

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」，標誌着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。就古巴而言，繼兩國恢復正式外交關係及美國政府將古巴從國家恐怖主義支持者名單中移除後，對外國資產管制局的古巴資產管制條例及美國商務部工業與安全局所實施的出口管理條例第746.4條作出的一系列修訂大幅擴展了美籍人士可在古巴進行的交易範圍。因此，制裁承諾不再涉及伊朗及古巴。

Following the regulatory changes in the United States, the Company decided to cautiously approach the Iranian and Cuba markets. The Company's potential activities in Iran are limited and only to civilian infrastructure projects. The Company plans to undertake construction projects and carry out trading and service businesses in Cuba through a subsidiary to be established or any other physical presences in Cuba. Further, every potential project in Iran and Cuba must be (1) reviewed by the Company's internal export compliance office, (2) reviewed by outside legal counsel, and (3) approved by the general manager of the Company.

隨着美國監管的變化，本公司決定謹慎地進入伊朗及古巴市場。本公司在伊朗展開的潛在業務僅限於民用基礎設施項目。本公司計劃透過在古巴將予設立的附屬公司或任何其他實體機構於古巴承接建設項目及開展貿易及服務業務。此外，在伊朗及古巴開展的每個潛在項目均須：(1)經本公司內部的出口管制辦公室審核；(2)經外部的法律顧問審核；及(3)獲本公司總經理同意。

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.

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 and Cuba is so limited, any adverse impact from changes to Iran and Cuba 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在伊朗及古巴開展活動面臨的風險有限，故美國變更對伊朗及古巴的裁對我們產生的不利影響極小。

VIII. PROSPECTS AND OUTLOOK FOR THE SECOND HALF OF THE YEAR

(I) International Engineering Contracting Business

1. In terms of project development, firstly, we shall keep pace with the national strategy and related policies closely and accelerate our pace to be integrated with "the Belt and Road" regional market. Secondly, we shall think more "out of the box", break the boundaries of countries and regions and pay more attention to multinational projects for comprehensive development with our advantages.

2. Emphasize pipeline, cooperate to promote the coming-into-effect contracts and implementation of the projects, thus to consolidate the foundation of the Company for future development.

3. Innovate on operation mode, strengthen capacity construction, improve industrial chain and enhance research on engineering technology, thus to form advantages of the Company and promote integration of project construction and operation.

4. Deepen regionalized and localized construction, emphasize the driving effect of regional center on different businesses; actively promote the construction of new regional centers in association with practical business stage to expand the internationalized layout of the Company.

5. Deepen international cooperation, especially strategic cooperation with leading enterprises, continuously improve the depth and breadth of cooperation, and strive for breakthrough in terms of new fields, market and mode.

VIII. 本年度下半年前景及展望

（一）國際工程承包業務

1. 在項目開發上，一是要緊跟國家戰略及相關政策，加速對接「一帶一路」區域市場。二是要解放思想，打破國別、區域等限制，利用公司的優勢，多關注跨國項目，進行綜合性開發。

2. 做好存量，對簽約待生效的項目，要上下協力促生效、抓執行，夯實公司未來發展基礎。

3. 創新經營模式，加強能力建設，完善產業鏈條，加大對工程技術的研究，形成公司的優勢，推進項目建營一體化的程度。

4. 深化區域化、屬地化建設，強化區域中心對各板塊業務的帶動作用，結合業務實際，積極推進新的區域中心建設，拓展公司的國際化佈局。

5. 深化國際合作，特別是與領先企業的戰略合作，不斷擴大合作的深度廣度，爭取在新領域、新市場、新模式方面的突破。

6. Strengthen organizational, resource and mechanism construction of institutions stationed abroad, familiarize with overseas institutions in all aspects and understand the conditions of overseas market.

6. 加強駐外機構的組織、資源和機制建設，全面梳理海外機構狀況，了解海外市場情況。

(II) Trading Business

（二）貿易業務

1. Unshakably insist the existing effective mode, summarize experience for promotion in a timely manner.

1. 堅定不移地堅持現有的行之有效的模式，及時總結經驗、不斷推廣。

2. Continue to emphasize cooperation to realize general assistance. Internally, we shall match more business sectors such as design consultation to deeply excavate the potential for cooperation with other business sectors; and externally we shall make use all the useful social resources with vision, capacity and efficiency.

2. 要繼續做好協同，開展大協助。對內要與設計諮詢板塊等更多的業務板塊對接，深挖與其他業務板塊協同的潛力；對外要有眼力、有能力、有效力地去利用社會上一切有用的資源。

3. Pay timely attention to and have timely study of national, local and company-level strategic plans and specific policies to make full and good use of useful policies for generation of benefits.

3. 及時關注並研究國家、地方和公司的各項戰略規劃和具體政策，用足、用好有用的政策，產生效益。

4. Strictly control risks, further improve business review rules, and carefully identify the massive project information to avoid risks.

4. 要嚴控風險，進一步完善業務評審規則，在有大量項目信息湧入的情況下，要仔細甄別，規避風險。

(III) Design Consulting Business

1. Put forth efforts in innovative development, identify the positioning of the design consulting sector, continuously strengthen the technological support and innovation capacity support for business of the Company; realize innovation on operation mode and improvement in management mode; strengthen the cultivation of core capacity and talents.

2. Put forth efforts in internal cooperation, continuously improve the sense of service and service capacity to develop a specialized service team.

3. Put forth efforts in promoting mergers and acquisitions and reorganization, hold fast the opportunities of related national policies, and seek for the objects of reorganization fit for development strategy of the Company to continuously improve and expand our capacity.

4. Put forth efforts in promoting the implementation of PPP projects, choose key projects correctly, strictly control risks, make sound analysis on the profit making mode and soundly promote the implementation of PPP projects.

（三）設計諮詢業務

1. 着力創新發展，要明確設計諮詢板塊的定位，不斷加強對公司業務的技術支撐和創新能力支撐；要在經營模式上創新、管理模式上提升；要加強核心能力、核心人才的培育。

2. 着力內部協同，要不斷提升服務意識，提升服務能力，打造一支專業化服務隊伍。

3. 着力推進合併與收購及重組，充分抓住國家相關政策機遇，尋求適合公司發展戰略的重組對象，不斷提升、擴充自身能力。

4. 着力推動PPP項目的實施，要選好重點項目，嚴格把控風險，分析好盈利模式，穩固推進PPP項目的實施。

IX. OTHER INFORMATION

1. Compliance with the Model Code for Securities Transactions

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

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.

2. Compliance with the Corporate Governance Code

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and enhance corporate value and accountability. The Company has adopted the CG Code as its own code of corporate governance. The Company has complied with the code provisions as set out in the CG Code during the Period and up to the date of this announcement except for code provision A.4.2 of the CG Code. Currently, since the last election for the current session of the Board was on February 20, 2014, according to the code provision A.4.2 of the CG Code that every director should be subject to retirement by rotation at least once

IX. 其他資料

1. 遵守《進行證券交易的標準守則》

本公司已採納《標準守則》，作為董事及監事進行證券交易的行為守則，其條款不遜於《標準守則》所載的規定準則。對全體董事及監事作出特定查詢後，所有董事及監事均確認，於本期間內，彼等均一直遵守《標準守則》。

本公司亦已採納一套其條款不遜於《標準守則》所訂標準的僱員進行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僱員遵照規定買賣本公司證券。

2. 遵守《企業管治守則》

本集團致力於維持企業管治的高標準，以保障股東利益及提高公司價值和問責性。本公司已採用《企業管治守則》作為其企業管治守則。本公司於本期間及截至本公告日期一直遵守《企業管治守則》所載的守則條文，惟《企業管治守則》之守則條文A.4.2條除外。目前，由於本屆董事會乃於2014年2月20日選舉產生，按照《企業管治守則》之守則條文A.4.2條規定，每位董事應至少每三年輪席退任一次，故董事會須於2017年2月20日輪席退任。由於事關整個董事會，須考慮眾多因素以

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.

3. **Purchase, Sale or Redemption of the Listed Securities**

During the Period, 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.

4. **Interim Dividend**

The Directors do not recommend the payment of interim dividends during the Period.

5. **Review of Interim Results by the Audit Committee**

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

確保本公司高級管理層順利延續，因此本屆董事會將繼續履行其職責，直至股東大會選舉出下一屆董事會。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》。

3. **購買、出售或贖回上市證券**

本期間內，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。

4. **中期股息**

董事不建議於本期間派付中期股息。

5. **審計委員會審閱中期業績**

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

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

審計委員會已與管理層共同審閱會計準則，並討論了本集團的內部控制及財務報告事宜(包括審閱中期業績)。本集團於本期間的中期業績已獲審計委員會審閱。審計委員會認為，中期業績已遵從適用會計準則及法律法規，而本公司亦已作出適當披露。

6. Publication of the Unaudited Interim Results and Interim Report for the Period on the Respective Websites of the Stock Exchange and the Company

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

6. 分別於聯交所及本公司的網站刊登本期間的未經審計中期業績及中期報告

本中期業績公告分別於聯交所網站(www.hkexnews.hk)及本公司網站(www.cmec.com)上刊登。根據適用於報告期間的《上市規則》規定，本公司將於適當時候向股東寄發載有本期間業績初步公告中所載關於本公司的所有資料的本期間中期報告，並分別在聯交所及本公司的網站上刊登。

X. DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

X. 定義及技術術語表

"Audit Committee" 「審計委員會」	the audit committee of the Board 董事會審計委員會
"Board" 「董事會」	the board of Directors of the Company 本公司董事會
"CG Code" 「《企業管治守則》」	the Corporate Governance Code set out in Appendix 14 to the Listing Rules 截於《上市規則》附錄十四之《企業管治守則》
"China United" 「中國聯合」	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 of the Company as at the date of December 11, 2012 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，並為國機的全資附屬公司、本公司關連人士及於2012年12月11日持有本公司1.00%股權的創辦人
"China Machinery R&D" 「中機院」	China Machinery International Engineering Design & Research Institute Co., Ltd.* (中機國際工程設計研究院有限責任公司), a company incorporated in the PRC and a wholly-owned subsidiary of the Company 中機國際工程設計研究院有限責任公司，一家於中國註冊成立的公司並為本公司全資附屬公司
"CMEC New Energy" 「中設新能源」	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), a joint venture company owned as to 50% and 50% by the Company and Wuxi Guolian Environmental Energy Group Co., Ltd.* (無錫國聯環保能源集團有限公司) 中設國聯無錫新能源發展有限公司，為本公司與無錫國聯環保能源集團有限公司分別持有50%股權的合營公司
"CMIPC" 「中設裝備」	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 wholly-owned subsidiary of the Company 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" 「中成套」	China National Complete Engineering Corporation* (中國成套工程有限公司), a corporation established in the PRC on September 5, 1985 and wholly-owned by the Company 中國成套工程有限公司，一家於1985年9月5日在中國成立的企業，由本公司全資擁有

"Company", "our Company", or "CMEC"	China Machinery Engineering Corporation* (中國機械設備工程有限公司), 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」	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，且除文意另有所指外，包括(i)我們前身及(ii)就本公司成為其現有附屬公司的控股公司之前的時期而言，本公司及其現有附屬公司或(視情況而定)其前身運營之業務
"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」	我們國際工程承包業務的核心行業為電力能源行業、交通運輸行業及電子通訊行業
"Corresponding Period in 2016"	the six months ended June 30, 2016
「2016年同期」	截至2016年6月30日止六個月
"Director(s)"	the director(s) of our Company
「董事」	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」	我們股本中的普通股，每股面值為人民幣1.00元，乃以人民幣認購及繳足
"EPC"	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」	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
"EU"	European Union
「歐盟」	歐洲聯盟
"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」	美國通用電氣公司，一家於美國註冊成立的公司，其主要業務包括(其中包括)工程及發電服務

"Group" or "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」	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 Main Board in the Stock Exchange and subscribed for and traded in HK$
「H股」	我們普通股本中的境外上市外資股，每股面值人民幣1.00元，以港元認購及買賣，並於聯交所主板上市
"Hong Kong dollars" or "HK$"	Hong Kong dollars, the lawful currency of the Hong Kong Special Administration Region of the PRC
「港元」	港元，中國香港特別行政區法定貨幣
"INED(s)"	the independent non-executive Director(s) of our Company
「獨立非執行董事」	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」	由本集團開展，並以EPC項目為重點的國際工程承包業務
"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」	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
"JYP"	Japanese Yen, the lawful currency of the Japan
「日圓」	日圓，日本法定貨幣
"KV"	unit of electric potential, kilovolt. 1 KV=1,000 volts
「千伏」	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」	能源單位千瓦。1千瓦＝1,000瓦特
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
「《上市規則》」	《聯交所證券上市規則》(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》」	《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」	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" 「非核心行業」	any sectors that do not fall within the Core Sectors of our International Engineering Contracting Business 任何並非屬於我們國際工程承包業務核心行業的行業
"OFAC" 「外國資產管制局」	the Office of Foreign Assets Control of the US Department of the Treasury 美國財政部屬下外國資產管制局
"Period" 「本期間」	the six months ended June 30, 2017 截至2017年6月30日止六個月
"PRC" or "China" 「中國」	The People's Republic of China excluding, for the purpose of this announcement, Hong Kong Special Administration Region of the PRC, the Macau Special Administration Region of the PRC and Taiwan 中華人民共和國，就本公告而言，不包括中國香港特別行政區、中國澳門特別行政區及台灣
"PPP" 「PPP」	Public-Private Partnership 政府和社會資本合作模式
"RMB" or "Renminbi" 「人民幣」	Renminbi yuan, the lawful currency of the PRC 人民幣，中國法定貨幣
"Services Business" 「服務業務」	the design consulting services, logistics services, exhibition services, tendering agency services, export-import agency services and other services conducted by the Group 本集團開展的設計諮詢服務、物流服務、展覽服務、招標代理服務、進出口代理服務及其他服務
"Share(s)" 「股份」	share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, including our Domestic Shares and H Shares 本公司股本中每股面值人民幣1.00元的股份，包括內資股及H股
"Shareholder(s)" 「股東」	holder(s) of our Share(s) 我們的股份持有人
"SINOMACH" 「國機」	China National Machinery Industry Corporation* (中國機械工業集團有限公司), a state-owned enterprise established in the PRC on May 21,1988, our controlling shareholder 我們的控股股東中國機械工業集團有限公司，一家於1988年5月21日在中國成立的國有企業
"Sinosure" 「中國信保」	China Export & Credit Insurance Corporation (中國出口信用保險公司), a policy-oriented insurance company specializing in export credit insurance in the PRC and an independent third party 中國出口信用保險公司，一家在中國專營出口信用保險的政策性保險公司和獨立第三方
"Stock Exchange" 「聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司

"Supervisor(s)" 「監事」	one (or all) of our Company's supervisors 本公司的一名（或全體）監事
"the Belt and Road" 「一帶一路」	the Silk Road Economic Belt and the 21st-Century Maritime Silk Road 絲綢之路經濟帶和21世紀海上絲綢之路
"Trading Business" 「貿易業務」	the international and domestic trading business conducted by our Group 本集團進行的國際和國內貿易業務
"UN" 「聯合國」	the United Nations 聯合國
"United States" or "U.S." or "US" 「美國」	the United States of America, its territories, its possessions and all areas subject to its jurisdiction 美利堅合眾國、其領土、屬地及受其司法管轄的所有地區
"US dollars" or "US$" or "USD" 「美元」	United States dollars, the lawful currency of the United States 美元，美國的法定貨幣
"%" 「%」	per cent 百分比

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

* *指中國公司或實體名稱的英文譯名或相反情況，僅供識別。*

By Order of the Board
China Machinery Engineering Corporation*
SUN Bai
Chairman

承董事會命
中國機械設備工程股份有限公司
董事長
孫柏

Beijing, the PRC, August 28, 2017

中國北京，2017年8月28日

As at the date of this announcement, the executive Directors are Mr. SUN Bai (Chairman) and Mr. ZHANG Chun (President); the non-executive Directors are Mr. WANG Zhian, Mr. YU Benli and Mr. ZHANG Fusheng; and the INEDs are Mr. LIU Li, Ms. LIU Hongyu, Mr. FANG Yongzhong and Mr. WU Tak Lung.

於本公告日期，執行董事為孫柏先生（董事長）及張淳先生（總裁）；非執行董事為王治安先生、余本禮先生及張福生先生；以及獨立非執行董事為劉力先生、劉紅宇女士、方永忠先生及吳德龍先生。

* *For identification purposes only*

* *僅供識別*