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

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(於中華人民共和國註冊成立的股份有限公司)

(Stock Code: 1829)

(股份代號：1829)

**ANNOUNCEMENT  
RENEWAL OF CERTAIN  
CONTINUING CONNECTED  
TRANSACTIONS  
PROPOSED NEW ANNUAL CAPS  
AND  
RECEIPT OF INTEGRATED  
SERVICES AGREEMENT**

公告

續訂若干持續關連交易  
建議新年度上限  
及  
接受綜合服務框架協議

Reference is made to the Company's announcement and circular dated November 14, 2014 and November 17, 2014, respectively (the "Publication"), which disclosed that the Company entered into various agreements for certain continuing connected transactions with SINOMACH on November 14, 2014. As further described herein, the Company, in accordance with the Listing Rules, intends to renew or revise such continuing connected transactions.

茲提述本公司日期分別為2014年11月14日及2014年11月17日的公告及通函（「公佈」），其披露本公司於2014年11月14日與國機簽訂了若干持續關連交易的多份框架協議。誠如本公告進一步描述，本公司擬根據上市規則續訂或修訂該等持續關連交易。

The Publication disclosed, *inter alia*, certain continuing connected transactions that are governed by the following continuing connected transaction agreements:

公佈披露（其中包括）由以下持續關連交易協議規管的若干持續關連交易：

- (a) Renewed Provision of Engineering Services and Products Agreement;
- (b) Renewed Receipt of Engineering Services and Products Agreement;
- (c) Renewed Trading Procurement Agreement;
- (d) Renewed Trading Sales Agreement;

- (a) 重訂提供工程服務和產品框架協議；
- (b) 重訂工程服務和產品框架協議；
- (c) 重訂貿易採購框架協議；
- (d) 重訂貿易銷售框架協議；

(e) Renewed Integrated Services Agreement; and

(f) New Financial Services Agreement.

Each of the Renewed Provision of Engineering Services and Products Agreement, the Renewed Receipt of Engineering Services and Products Agreement, the Renewed Trading Procurement Agreement, the Renewed Trading Sales Agreement, the Renewed Integrated Services Agreement and the New Financial Services Agreement has a current term due to expire on December 31, 2017, respectively.

As the Group is expected to continue the aforesaid continuing connected transactions after December 31, 2017, the Company will comply with the relevant provisions of Chapter 14A of the Listing Rules in relation to the continuing connected transactions. Thus, on October 19, 2017, the Company re-entered into the 2018 Provision of Engineering Services and Products Agreement, the 2018 Receipt of Engineering Services and Products Agreement, the 2018 Trading Procurement Agreement, the 2018 Trading Sales Agreement, the 2018 Integrated Services Agreement and the 2018 Financial Services Agreement, respectively, with SINOMACH to (i) extend the term of their respective predecessors for another three years to December 31, 2020; and (ii) provide for new annual caps for the respective continuing connected transactions based on reasons including internal estimates, historical transaction amounts and future business needs.

The Company also entered into the Receipt of Integrated Services Agreement with SINOMACH, pursuant to which, the Group will receive integrated services including but not limited to, exhibition and conference services, technological research and development services, management consulting services, design consulting services, property leasing and management services from SINOMACH Group.

The Receipt of Integrated Services Agreement is a framework agreement that comprises the general terms and conditions upon which the Group and SINOMACH Group shall carry out the particular type of transactions contemplated thereunder. Members of SINOMACH Group and members of the Group may from time to time enter into detailed agreements in respect of the specific services to be

(e) 重訂綜合服務框架協議；及

(f) 新金融服務合作協議。

重訂提供工程服務和產品框架協議、重訂接受工程服務和產品框架協議、重訂貿易採購框架協議、重訂貿易銷售框架協議、重訂綜合服務框架協議及新金融服務合作協議的現有年期均於2017年12月31日屆滿。

由於本集團預計將於2017年12月31日後繼續進行上述持續關連交易，本公司將遵守上市規則第14A章項下有關持續關連交易的相關規定，因此，於2017年10月19日，本公司與國機分別續簽2018提供工程服務和產品框架協議、2018接受工程服務和產品框架協議、2018貿易採購框架協議、2018貿易銷售框架協議、2018綜合服務框架協議及2018金融服務合作協議，以(i)將其各原訂年期延長三年至2020年12月31日；及(ii)根據內部估計、歷史交易金額及日後業務需要等原因規定各持續關連交易的新年度上限。

本公司亦與國機訂立接受綜合服務框架協議，據此，本集團將接受國機集團提供的綜合服務，包括但不限於展覽及會議服務、科技研究開發服務、管理諮詢服務、設計諮詢服務、物業租賃和管理服務。

接受綜合服務框架協議為框架協議，本集團及國機集團須按其中所載一般條款及條件進行擬根據該協議進行的特定種類交易。國機集團成員公司及本集團成員公司可不時就將由本集

received by the Group, provided that the terms of such detailed agreements shall not be inconsistent with the terms of such framework agreement. The actual services to be received by the Group shall be subject to such detailed agreements entered into between the relevant member of SINOMACH Group and the relevant member of the Group from time to time.

The Receipt of Integrated Services Agreement is for a term commencing from January 1, 2018 and ending on December 31, 2020 and may be renewed on terms to be agreed upon by SINOMACH and the Company. Such framework agreement (i) may be terminated by a non-defaulting party by serving a written default notice to the defaulting party stipulating the relevant breach and the defaulting party having failed to remedy such breach within a reasonable period after its receipt of the default notice; and (ii) shall be terminated automatically if the performance of the transactions contemplated thereunder will be in breach of the requirements under the Listing Rules or the necessary approvals required under the Listing Rules or relevant waivers from the Stock Exchange cannot be obtained.

### **Listing Rules Implication**

As of the date of this announcement, SINOMACH directly and indirectly holds approximately 77.99% of the issued share capital of the Company. It is a controlling shareholder and thus a connected person of the Company according to Rule 14A.07(1) of the Listing Rules. The Finance Company is a subsidiary of SINOMACH, and is therefore a connected person of the Company according to Rule 14A.07(4) of the Listing Rules. Therefore, the transactions between the Group and SINOMACH Group and those between the Company and the Finance Company constitute connected transactions of the Company under Rule 14A.25 of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profit ratio) for the proposed new annual caps in respect of the continuing connected transactions contemplated under the 2018 Provision of Engineering Services and Products Agreement, the 2018 Receipt of Engineering Services and Products Agreement and the 2018 Financial Services Agreement exceed 5%, these three agreements and the proposed new annual caps in respect of the

團接受的特定服務訂立詳細協議，但該等詳細協議的條款不得抵觸該框架協議的條款。本集團實際接受的服務視乎國機集團相關成員公司及本集團相關成員公司不時訂立的詳細協議而定。

接受綜合服務框架協議的年期由2018年1月1日起至2020年12月31日止，並可按國機與本公司商定的條款續期。該框架協議可在下列情況下終止：(i)非違約方向違約方發出說明有關違反行為的書面違約通知，而違約方於收到違約通知後一段合理期間內仍無法彌補有關違反行為；及(ii)若履行據此擬進行的交易將違反上市規則規定或不能取得上市規則規定的必要批准或聯交所授予的相關豁免，則自動終止。

### **上市規則的涵義**

於本公告日期，國機直接及間接持有本公司約77.99%的已發行股本。其為控股股東，故根據上市規則第14A.07(1)條，屬於本公司關連人士。財務公司為國機的附屬公司，故根據上市規則第14A.07(4)條，屬於本公司關連人士。因此，根據上市規則第14A.25條，本集團與國機集團之間的交易以及本公司與財務公司之間的交易構成本公司的關連交易。

由於2018提供工程服務和產品框架協議、2018接受工程服務和產品框架協議及2018金融服務合作協議項下擬進行持續關連交易的建議新年度上限的一個或多個適用百分比率（利潤率除外）高於5%，故該等三項協議及其下擬進行持

continuing connected transactions contemplated thereunder are subject to the reporting, annual review, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (other than the profit ratio) is more than 0.1% but less than 5% for the proposed new annual caps in respect of the 2018 Trading Procurement Agreement, the 2018 Trading Sales Agreement, the 2018 Integrated Services Agreement and the Receipt of Integrated Services Agreement, these four agreements and the proposed annual caps in respect of the continuing connected transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from the Independent Shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

### **Extraordinary General Meeting**

The First EGM will be held to seek the approval and ratification of the Non-exempt CCT Agreements and the Non-exempt Annual Caps from the Independent Shareholders.

SINOMACH will abstain from voting at the First EGM on resolutions to approve the Non-exempt CCT Agreements and the Non-exempt Annual Caps.

An Independent Board Committee, comprising all the INEDs who do not have a material interest in the transactions contemplated under the Non-exempt CCT Agreements, has been established to advise the Independent Shareholders in relation to the Non-exempt CCT Agreements, as well as the fairness and reasonableness of the Non-exempt Annual Caps, taking into account the recommendations concerning the same provided by an independent financial adviser. Platinum has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, further information concerning the Non-exempt CCT Agreements, as well as the Non-exempt Annual Caps, a letter from the Independent Board Committee to the Independent Shareholders

續關連交易的建議新年度上限須遵守上市規則第14A章項下的申報、年度審閱、公告及獨立股東批准之規定。

由於2018貿易採購框架協議、2018貿易銷售框架協議、2018綜合服務框架協議及接受綜合服務框架協議之建議新年度上限的最高適用百分比率（利潤率除外）高於0.1%但低於5%，該等四項協議及其項下擬進行持續關連交易之建議年度上限須遵守上市規則第14A.76(2)條項下的申報及公告之規定，但可獲豁免遵守獨立股東批准之規定。

### **臨時股東大會**

本公司將召開第一次臨時股東大會尋求獨立股東對不獲自動豁免持續關連交易協議及不獲自動豁免年度上限的批准及認可。

國機將於第一次臨時股東大會上就批准不獲自動豁免持續關連交易協議及不獲自動豁免年度上限的決議案放棄投票。

本公司已成立由全體於不獲自動豁免持續關連交易協議項下擬進行交易中無重大權益的獨立非執行董事組成的獨立董事委員會，以在考慮獨立財務顧問就相同事項的推薦意見後就該等不獲自動豁免持續關連交易協議及不獲自動豁免年度上限的公平性及合理性向獨立股東提供意見。百德能已獲委任為獨立財務顧問就此向獨立董事委員會及獨立股東提供意見。

本公司將寄發予所有股東一份通函，通函中載有（其中包括）不獲自動豁免持續關連交易協議以及不獲自動豁免年度上限的進一步資料、

containing the recommendation of the Independent Board Committee, a letter of advice from Platinum to the Independent Board Committee and the Independent Shareholders, together with a notice to convene the First EGM in order to approve, confirm and ratify the Non-exempt CCT Agreements as well as the Non-exempt Annual Caps will be dispatched to all Shareholders. Such circular is expected to be dispatched to the Shareholders as soon as practicable and within 15 business days after the publication of this announcement.

獨立董事委員會致獨立股東的函件（當中載列獨立董事委員會推薦意見）、百德能致獨立董事委員會及獨立股東的意見函件，以及召開第一次臨時股東大會以批准、確認及追認不獲自動豁免持續關連交易協議以及不獲自動豁免年度上限的通告。通函預期將在實際可行情況下盡快及於刊發本公告後15個營業日內向股東寄發。

## I. INTRODUCTION

Reference is made to the Company's announcement and circular dated November 14, 2014 and November 17, 2014, respectively (the "**Publication**"), which disclosed that the Company entered into various agreements for certain continuing connected transactions with SINOMACH on November 14, 2014. As further described herein, the Company, in accordance with the Listing Rules, intends to renew or revise such continuing connected transactions.

The Publication disclosed, *inter alia*, certain continuing connected transactions that are governed by the following continuing connected transaction agreements:

- (a) Renewed Provision of Engineering Services and Products Agreement;
- (b) Renewed Receipt of Engineering Services and Products Agreement;
- (c) Renewed Trading Procurement Agreement;
- (d) Renewed Trading Sales Agreement;
- (e) Renewed Integrated Services Agreement; and
- (f) New Financial Services Agreement.

Each of the Renewed Provision of Engineering Services and Products Agreement, the Renewed Receipt of Engineering Services and Products Agreement, the Renewed Trading Procurement Agreement, the Renewed Trading Sales Agreement, the Renewed Integrated Services Agreement and the New Financial Services Agreement has a current term due to expire on December 31, 2017, respectively.

## I. 緒言

茲提述本公司日期分別為2014年11月14日及2014年11月17日的公告及通函（「公佈」），其披露本公司於2014年11月14日與國機簽訂了若干持續關連交易的多份框架協議。誠如本公告進一步描述，本公司擬根據上市規則續訂或修訂該等持續關連交易。

公佈披露（其中包括）由以下持續關連交易協議規管的若干持續關連交易：

- (a) 重訂提供工程服務和產品框架協議；
- (b) 重訂工程服務和產品框架協議；
- (c) 重訂貿易採購框架協議；
- (d) 重訂貿易銷售框架協議；
- (e) 重訂綜合服務框架協議；及
- (f) 新金融服務合作協議。

重訂提供工程服務和產品框架協議、重訂接受工程服務和產品框架協議、重訂貿易採購框架協議、重訂貿易銷售框架協議、重訂綜合服務框架協議及新金融服務合作協議的現有年期均於2017年12月31日屆滿。

As the Group is expected to continue the aforesaid continuing connected transactions after December 31, 2017, the Company will comply with the relevant provisions of Chapter 14A of the Listing Rules in relation to the continuing connected transactions. Thus, on October 19, 2017, the Company re-entered into the 2018 Provision of Engineering Services and Products Agreement, the 2018 Receipt of Engineering Services and Products Agreement, the 2018 Trading Procurement Agreement, the 2018 Trading Sales Agreement, the 2018 Integrated Services Agreement and the 2018 Financial Services Agreement, respectively, with SINOMACH to (i) extend the term of their respective predecessors for another three years to December 31, 2020, and (ii) provide for new annual caps for the respective continuing connected transactions based on reasons including internal estimates, historical transaction amounts and future business needs.

On the same date, the Company also entered into the Receipt of Integrated Services Agreement with SINOMACH for a term of three years, pursuant to which the Group will receive integrated services including but not limited to, exhibition and conference services, technological research and development services, management consulting services, design consulting services, property leasing and management services from SINOMACH Group.

## **II. THE NON-EXEMPT CCT AGREEMENTS SUBJECT TO REPORTING, ANNUAL REVIEW, ANNOUNCEMENT AND THE INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENTS**

### **A. 2018 Provision of Engineering Services and Products Agreement**

#### ***Summary of the terms of the Renewed Provision of Engineering Services and Products Agreement***

##### *Date*

November 14, 2014

##### *Parties*

- (1) The Company; and
- (2) SINOMACH

由於本集團預計將於2017年12月31日後繼續進行上述持續關連交易，本公司將遵守上市規則第14A章項下有關持續關連交易的相關規定，因此，於2017年10月19日，本公司與國機分別續簽2018提供工程服務和產品框架協議、2018接受工程服務和產品框架協議、2018貿易採購框架協議、2018貿易銷售框架協議、2018綜合服務框架協議及2018金融服務合作協議，以(i)將其各原訂年期延長三年至2020年12月31日，及(ii)根據內部估計、歷史交易金額及日後業務需要等原因規定各持續關連交易的新年度上限。

於同日，本公司亦與國機訂立為期三年的接受綜合服務框架協議，據此，本集團將接受國機集團提供的綜合服務，包括但不限於展覽及會議服務、科技研究開發服務、管理諮詢服務、設計諮詢服務、物業租賃和管理服務。

## **II. 須遵守申報、年度審閱、公告及獨立股東批准規定的不獲自動豁免持續關連交易協議**

### **A. 2018提供工程服務和產品框架協議**

#### ***重訂提供工程服務和產品框架協議條款概要***

##### *日期*

2014年11月14日

##### *訂約方*

- (1) 本公司；及
- (2) 國機

## *Background and Material Terms*

Pursuant to the Renewed Provision of Engineering Services and Products Agreement and the historical transactions, as part of its International Engineering Contracting Business, the Group provided engineering services and products, including but not limited to, undertaking turnkey project, providing general contracting services and procuring services and products to SINOMACH Group for the engineering contracting projects undertaken by SINOMACH Group, in particular those engineering contracting projects subcontracted to the Group by SINOMACH Group.

The Renewed Provision of Engineering Services and Products Agreement is a framework agreement that comprises the general terms and conditions upon which the Group and SINOMACH Group shall carry out a particular type of transactions contemplated thereunder. Members of SINOMACH Group and members of the Group may from time to time enter into detailed agreements in respect of the specific services and/or products to be provided by the Group, provided that the terms of such detailed agreements shall not be inconsistent with the terms of the framework agreement. The actual services and/or products to be provided by the Group shall be subject to such detailed agreements entered into between the relevant member of SINOMACH Group and the relevant member of the Group from time to time.

The Renewed Provision of Engineering Services and Products Agreement is for a term commencing from November 14, 2014 and ending on December 31, 2017 and may be renewed on terms to be agreed upon by SINOMACH and the Company. Such framework agreement (i) may be terminated by a non-defaulting party by serving a written default notice to the defaulting party stipulating the relevant breach and the defaulting party having failed to remedy such breach within a reasonable period after its receipt of the default notice; and (ii) shall be terminated automatically if the performance of the transactions contemplated thereunder will be in breach of the requirements under the Listing Rules, or the necessary approvals required under the Listing Rules or relevant waivers from the Stock Exchange cannot be obtained.

## *背景及主要條款*

根據重訂提供工程服務和產品框架協議及過往交易（作為其國際工程承包業務的一部份），本集團已就國機集團所承接的工程承包項目，尤其是國機集團分包予本集團的工程承包項目，向國機集團提供工程服務及產品，包括（但不限於）承接交鑰匙項目、提供總承包服務以及採購服務及產品。

重訂提供工程服務和產品框架協議為框架協議，本集團及國機集團須按其中所載一般條款及條件進行擬根據該協議進行的特定種類交易。國機集團成員公司及本集團成員公司可不時就將由本集團提供的特定服務及／或產品訂立詳細協議，但該等詳細協議的條款不得抵觸該框架協議的條款。本集團實際提供的服務及／或產品視乎國機集團相關成員公司及本集團相關成員公司不時訂立的詳細協議而定。

重訂提供工程服務和產品框架協議的年期由2014年11月14日起 至2017年12月31日止，並可按國機與本公司商定的條款續期。該框架協議可在下列情況下終止：(i)非違約方向違約方發出說明有關違反行為的書面違約通知，而違約方於收到違約通知後一段合理期間內仍無法彌補有關違反行為；及(ii)若履行據此擬進行的交易將違反上市規則規定或不能取得上市規則規定的必要批准或聯交所授予的相關豁免，則自動終止。

## Pricing Policy

According to the Renewed Provision of Engineering Services and Products Agreement and our internal control measures as further described below in relation to pricing policy, the price at which the Group provides services and/or products to SINOMACH Group shall be determined according to the following principles (each a “**Provision of Engineering Services Pricing Policy**”) in such order: (i) the Government Prescribed Price; (ii) the Government Guided Price; (iii) the Industry Guided Price; (iv) the price which shall be negotiated and agreed between the relevant member of the Group and the relevant member of SINOMACH Group (x) based on the principle of cost plus reasonable margin such that the price is not less than the cost to be estimated by the relevant member of the Group and the expected margin for the relevant member of the Group will be not lower than 2%, and (y) such that the price and expected margin will be no less favourable than those the Group would obtain from independent third parties when providing the same or similar types of services and/or products.

In relation to Provision of Engineering Services Pricing Policies (i), (ii) and (iii) above, as at the date of this announcement, there are no applicable Government Prescribed Price, Government Guided Price and Industry Guided Price. Should any of the Government Prescribed Price, the Government Guided Price or the Industry Guided Price be available in the future, the Company will make appropriate public announcements to inform the investors of the details of those policies as applicable.

Should the Government Prescribed Price, the Government Guided Price and the Industry Guided Price be available, the pricing of the relevant products or services will be determined as follows:

- (i) The Government Prescribed Price will be adopted as the actual price for the relevant product or service;

## 定價政策

根據重訂提供工程服務和產品框架協議及我們的內部監控措施（如下文就定價政策所進一步載述），本集團向國機集團提供服務及／或產品的價格須根據以下相關次序的原則（各為一項「**提供工程服務定價政策**」）釐定：(i)政府定價；(ii)政府指導價；(iii)行業指導價；(iv)本集團相關成員公司與國機集團相關成員公司(x)根據成本加合理利潤率原則（從而使該價格不低於本集團相關成員公司的測算成本及本集團相關成員公司的預期利潤率不低於2%）商定的價格，及(y)從而使該價格及預期利潤率將不遜於本集團提供相同或類似服務及／或產品時向獨立第三方所取得者。

就上述提供工程服務定價政策(i)、(ii)及(iii)而言，於本公告日期，並無適用政府定價、政府指導價及行業指導價。倘日後可取得任何政府定價、政府指導價或行業指導價，本公司將作出適當公告知會投資者該等適用政策的詳情。

如可獲得政府定價、政府指導價及行業指導價，則相關產品或服務的定價可釐定如下：

- (i) 政府定價將採納為相關產品或服務的實際價格；



- (ii) in the case of the Government Guided Price or the Industry Guided Price in the International Engineering Contracting Business, the project manager who is in charge of an engineering contracting project will select a suitable price within the guided price range, after taking into consideration comprehensive factors including the scope of work, labor costs and geographical location of the relevant engineering contracting project, and then based on the contract value of the project, submit it to the management and/or the deputy general manager, the general manager, the chairman of the Board or the Board for final review and approval; and
- (iii) in the case of the Government Guided Price or the Industry Guided Price in the Trading Business, the related personnel in charge of the trading and services business will select a suitable price within the guided price range, after taking into consideration comprehensive factors including the technical parameters and logistics services of the relevant products and services, and then based on the contract value, submit it to the management and/or the deputy general manager, the general manager, the chairman of the Board or the Board for final review and approval.
- (ii) 就國際工程承包業務的政府指導價或行業指導價而言，負責工程承包項目的項目經理經全面考慮包括相關工程承包項目的工作範圍、勞工成本及地理位置在內的因素，繼而按照項目的承包額，將於指導價格範圍內挑選合適價格並提交管理層及／或副總經理、總經理、董事長或董事會作最終審閱及審批；及
- (iii) 就貿易業務的政府指導價或行業指導價而言，負責貿易及服務業務的相關人員經全面考慮包括相關產品及服務的技術參數及物流服務在內的因素，繼而按照承包額，將於指導價格範圍內挑選合適價格並提交管理層及／或副總經理、總經理、董事長或董事會作最終審閱及審批。

(The above pricing mechanism in relation to Provision of Engineering Services Pricing Policies (i), (ii) and (iii) is hereinafter referred to as the “Applicable Special Pricing Policy”.)

(上述有關提供工程服務定價政策(i)、(ii)及(iii)的定價機制於下文統稱為「適用特別定價政策」。)

#### *Payment Terms*

#### *支付條款*

The proportion of the payment for each stage of the transaction shall be determined after negotiation between the relevant member of the Group and the relevant member of the SINOMACH Group, based on the situation and the implementation progress of the project and it shall be expressly agreed in detail in the individual agreement to be entered into pursuant to the Renewed Provision of Engineering Services and Products Agreement. The relevant member of the Group shall issue a corresponding invoice promptly. In the event that the relevant member of SINOMACH Group fails to make the payment according to the time agreed upon under the individual agreement, the relevant member of

本集團相關成員公司與國機集團相關成員公司將根據工程的情況及實施進度協商確定交易各階段款項的付款比例，並具體地在根據重訂提供工程服務和產品框架協議訂立的個別合約中明確約定。本集團相關成員公司應及時開具相應發票。如國機集團相關成員公司未能按個別合約約定時間付款，本集團相關成員公司可與

the Group and the relevant member of SINOMACH Group shall negotiate to offer appropriate grace period and calculate the interest of the unpaid payment during the grace period at the benchmark interest rate published by the PBOC over the same period.

### ***2018 Provision of Engineering Services and Products Agreement***

As the Renewed Provision of Engineering Services and Products Agreement will expire on December 31, 2017, the 2018 Provision of Engineering Services and Products Agreement was re-entered into on October 19, 2017 by and between the Company and SINOMACH, subject to the approval by the Independent Shareholders, to (i) extend the current term of the Renewed Provision of Engineering Services and Products Agreement for another three years to December 31, 2020, and (ii) provide for new annual caps as further described below. The proposed annual caps for the years ending December 31, 2018, 2019 and 2020 for the provision of services and products by the Group to SINOMACH Group under the 2018 Provision of Engineering Services and Products Agreement are RMB3,900 million, RMB3,900 million and RMB3,900 million, respectively.

### ***Pricing Policy and Payment Terms***

The pricing policy, payment terms and all other material terms and conditions of the 2018 Provision of Engineering Services and Products Agreement remained the same as the Renewed Provision of Engineering Services and Products Agreement.

### ***Historical Annual Caps and Historical Transaction Values***

The table below sets out the annual caps and actual transaction values of the continuing connected transactions under the Renewed Provision of Engineering Services and Products Agreement for the years ended December 31, 2014, 2015 and 2016 and the six months ended June 30, 2017 and the year ending December 31, 2017 (only for annual cap).

國機集團相關成員公司協商給予適當寬限期，並按中國人民銀行公佈的同期基準利率計算寬限期內未付款項的利息。

### ***2018提供工程服務和產品框架協議***

由於重訂提供工程服務和產品框架協議將於2017年12月31日到期，2018提供工程服務和產品框架協議由本公司及國機於2017年10月19日續訂（有待獨立股東批准），以(i)將重訂提供工程服務和產品框架協議之現時年期延長三年至2020年12月31日，及(ii)提供新年度上限（如下文所進一步載述）。2018提供工程服務和產品框架協議項下本集團向國機集團提供之服務及產品於截至2018年、2019年及2020年12月31日止年度之建議年度上限分別為人民幣3,900,000,000元、人民幣3,900,000,000元及人民幣3,900,000,000元。

### ***定價政策及支付條款***

2018提供工程服務和產品框架協議的定價政策、支付條款及所有其他重大條款及條件與重訂提供工程服務和產品框架協議相同。

### ***歷史年度上限及歷史交易金額***

下表載列重訂提供工程服務和產品框架協議項下持續關連交易於截至2014年、2015年及2016年12月31日止年度及截至2017年6月30日止六個月以及截至2017年12月31日止年度（僅就年度上限而言）之年度上限及實際交易金額。

Transaction	交易	For the years ended December 31, 截至12月31日止年度			For the six months ended June 30, 2017
		2014	2015	2016	截至 6月30日 止六個月 2017年
		2014年	2015年	2016年	
		(RMB millions)			
		(人民幣百萬元)			
Provision of engineering services and products by the Group to SINOMACH Group	本集團向國機集團提供工程服務及產品				
- Actual transaction values	- 實際交易金額	-	-	682.4	234.5
- Annual caps	- 年度上限	573	2,300	2,600	3,000
					(for the year ending December 31, 2017)
					(截至2017年 12月31日止年度)

The aforesaid actual transaction values were affected by various factors which was not within the Group's control including the fact that (i) the commencement of certain projects for providing engineering services to SINOMACH Group was behind original schedule; and (ii) the progress of certain projects for providing engineering services to SINOMACH Group was behind original schedule.

上述實際交易金額受到本集團無法控制的各種原因影響，其中包括：(i)若干向國機集團提供工程服務的項目開工日期晚於原有時間表；及(ii)若干向國機集團提供工程服務的項目執行進度晚於原有時間表。

#### **Proposed Annual Caps for 2018, 2019 and 2020 and Basis of Determination**

#### **2018年、2019年及2020年建議年度上限及釐定基準**

The table below sets out the annual caps for the transactions contemplated under the Renewed Provision of Engineering Services and Products Agreement for the year ending December 31, 2017 and the proposed new annual caps for the years ending December 31, 2018, 2019 and 2020, respectively, under the 2018 Provision of Engineering Services and Products Agreement.

下表載列重訂提供工程服務和產品框架協議項下擬進行交易於截至2017年12月31日止年度之年度上限及2018提供工程服務和產品框架協議項下分別於截至2018年、2019年及2020年12月31日止年度之建議新年度上限。

Transaction	交易	Years ending December 31, 截至12月31日止年度			
		2017	2018	2019	2020
		2017年	2018年	2019年	2020年
		(RMB millions)			
		(人民幣百萬元)			
Provision of engineering services and products by the Group to SINOMACH Group	本集團向國機集團提供工程服務及產品	3,000	3,900	3,900	3,900

The proposed new annual caps are calculated after taking into account the following bases and assumptions and on the principal assumptions that, for the duration of the projected period, there will not be any adverse change or disruption in the global economic conditions, market conditions, operation and business environment or government policies which may materially affect the businesses of SINOMACH Group and/or the Group:

- (a) the historical transaction amounts under the Renewed Provision of Engineering Services and Products Agreements disclosed above, as well as the expected amount to be generated from the connected transactions contracts already being implemented during the period of execution;
- (b) the nature of services and products required under the specific contracts already signed or agreed between members of the Group and members of SINOMACH Group;
- (c) the expected duration and progress of the relevant engineering contracting projects, and the potential concentration of transaction amounts incurred in a certain financial year due to acceleration or deceleration of the implementation progress of projects ;
- (d) the expected increase in demand by SINOMACH Group for engineering services and products from the Group, or new engineering contracting projects with relatively large transaction amounts intended to be taken up by SINOMACH Group which will be subsequently subcontracted to the Group;
- (e) the historical transaction amounts under the provision of engineering services and products to SINOMACH Group by CNEEC and CNCEC (which have been quite high historically), and the anticipated increase in the demand by SINOMACH Group for engineering services and products from CNEEC and CNCEC. As announced in the announcement dated June 26, 2013, the Company entered into the Equity Custodian Agreement with SINOMACH, pursuant to which SINOMACH has entrusted the Company to manage CNEEC and CNCEC, being wholly-owned subsidiaries of SINOMACH, for an annual service fee of RMB1.5 million. The Equity Custodian Agreement has an initial term commencing on June 26, 2013 and was automatically extended to June 26, 2015, while the total term of the Equity Custodian Agreement shall not exceed three years from the Listing Date. As disclosed in the Prospectus, SINOMACH intends to

建議新年度上限經考慮以下基準及假設及基於可能對國機集團及／或本集團的業務構成重大影響的全球經濟狀況、市況、營運及商業環境或政府政策於整個預測期間內並無任何不利變動或紊亂之主要假設後計得：

- (a) 上文披露的重訂提供工程服務和產品框架協議下的歷史交易金額以及已經開始執行的關連交易合同在執行期內預計產生的金額；
- (b) 本集團成員公司與國機集團相關成員公司已簽訂或同意落實的特定合同下所需的服務及產品性質；
- (c) 相關工程承包項目的預計年期及進度，在執行項目進度提前或者放緩導致交易金額可能集中在某一財政年度；
- (d) 國機集團對本集團工程服務及產品需求的預期增幅，或國機集團擬承接交易額相當大的新工程承包項目，其後將分包予本集團；
- (e) 中電工及中成套向國機集團提供工程服務和產品項下的歷史交易金額（過往曾經頗高）及國機集團對中電工及中成套工程服務及產品需求的預期增幅。誠如日期為2013年6月26日的公告所公佈，本公司與國機訂立股權託管協議，據此，國機已委託本公司管理中電工及中成套（均為國機的全資附屬公司），年度服務費為人民幣1,500,000元。股權託管協議的初步期限由2013年6月26日起並自動延期至2015年6月26日止，但股權託管協議的總期限自上市日期起不得超過三年。如招股章程所披露，國機計劃於上市日期後三年內向本公司轉讓其於中電工及中成套的全部股權（「建議注資」）。本公司於

transfer all its equity interest in CNEEC and CNCEC to the Company within three years after the Listing Date (the “**Proposed Injection**”). The acquisition of the entire equity interests of CNCEC by the Company was completed on May 23, 2016. The acquisition of the equity interest in CNEEC is currently expected to be delayed. Since CNEEC and CNCEC have been providing engineering services and products to other members of SINOMACH Group, it is expected that once the Proposed Injection is altogether completed, these existing transactions will become continuing connected transactions with regard to the provision of engineering services and products by members of the Group to members of SINOMACH Group;

- (f) the estimated increase in the average market prices for the relevant engineering services and products due to inflation and the general economic growth of the PRC;
- (g) the expected impact on the increment of the transaction amounts based on the movement of RMB against USD for 2015 and 2016 and on the assumption that annual movement of RMB against USD for the next three years (2018-2020) would follow a similar trend; and
- (h) the expected increase in the number of engineering contracting projects arising from the global engineering contracting industry, and the engineering projects newly acquired each year with a certain transaction amount incurred, on the assumption that the global engineering contracting industry will continue to develop.

***Reasons for and Benefits of Re-Entering into the 2018 Provision of Engineering Services and Products Agreement***

The 2018 Provision of Engineering Services and Products Agreement is able to increase the revenue and profits of the International Engineering Contracting Business and to expand the Group’s market share in the international engineering contracting market. In particular, the 2018 Provision of Engineering Services and Products Agreement is able to allow the Group to participate in certain large-scale engineering contracting projects undertaken by SINOMACH Group in situations where the relevant engineering contracting projects have been by certain reasons (e.g. the Group was not able to meet certain tendering or execution requirements, or certain engineering contracting projects were previously undertaken and followed-up

2016年5月23日完成收購中成套的全部股權。目前預計會延遲收購中電工的股權。因中電工及中成套一直向國機集團的其他成員公司提供工程服務及產品，預計一旦建議注資全部完成，該等現有交易將成為關於本集團成員公司向國機集團成員公司提供工程服務及產品的持續關連交易；

- (f) 相關工程服務及產品的平均市價在通脹及中國經濟整體增長影響下的估計升幅；
- (g) 基於2015-2016年人民幣兌美元匯率波動情形，假設2018-2020未來三年中每年人民幣兌美元匯率均出現類似的波動，預期對交易額增量的影響；及
- (h) 假設全球工程承包行業將持續發展，全球工程承包行業所導致的工程承包項目數量的預期增加及每年會新簽約生效一定交易金額的工程項目。

***續訂2018提供工程服務和產品框架協議的理由及好處***

2018提供工程服務和產品框架協議能夠增加國際工程承包業務的收入及溢利並擴大本集團於國際工程承包市場的市場份額。尤其是2018提供工程服務和產品框架協議讓本集團可以參與由國機集團直接承接的若干大型工程承包項目，該等項目由於若干原因（如本集團未能符合若干招標或訂約要求，或若干工程承包項目

by SINOMACH Group directly) undertaken by SINOMACH Group. Most of the engineering contracting projects subcontracted to the Group by SINOMACH Group are large-scale projects which last for a few years. The relationship between the Group and SINOMACH Group has been mutually beneficial, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **B. 2018 Receipt of Engineering Services and Products Agreement**

### *Summary of the terms of the Renewed Receipt of Engineering Services and Products Agreement*

#### *Date*

November 14, 2014

#### *Parties*

- (1) The Company; and
- (2) SINOMACH

#### *Background and Material Terms*

Pursuant to the Renewed Receipt of Engineering Services and Products Agreement and the historical transactions, as part of its International Engineering Contracting Business, the Group received engineering services and products, which largely are design, installation, construction, building, subcontracting and procurement services and products relating to the engineering contracting projects within the Core Sectors, from SINOMACH Group.

The Renewed Receipt of Engineering Services and Products Agreement is a framework agreement that comprises the general terms and conditions upon which the Group and SINOMACH Group shall carry out a particular type of transactions contemplated thereunder. Members of SINOMACH Group and members of the Group may from time to time enter into detailed agreements in respect of the specific services and/or products to be received by the Group, provided that the terms of such detailed agreements shall not be inconsistent with the terms of the framework agreement. The actual services and/or products to be received by the Group shall be subject to such detailed agreements entered into between the relevant member of SINOMACH Group and the relevant member of the Group from time to time.

先前由國機集團直接承接及跟進)一直由國機集團負責。國機集團分包予本集團的工程承包項目大部分為歷時數年的大型項目。本集團與國機集團一直維持的互利、公平、合理關係符合本公司及股東整體利益。

## **B. 2018接受工程服務和產品框架協議**

### *重訂接受工程服務和產品框架協議條款概要*

#### *日期*

2014年11月14日

#### *訂約方*

- (1) 本公司；及
- (2) 國機

#### *背景及主要條款*

根據重訂接受工程服務和產品框架協議及過往交易(作為其國際工程承包業務的一部份)，本集團已接受國機集團提供的工程服務及產品，其中一大部分為核心行業內與工程承包項目有關的設計、安裝、施工、建設、分包及採購服務及產品。

重訂接受工程服務和產品框架協議為框架協議，本集團及國機集團須按其中所載一般條款及條件進行擬根據該協議進行的特定種類交易。國機集團成員公司及本集團成員公司可不時就將由本集團接受的特定服務及／或產品訂立詳細協議，但該等詳細協議的條款不得抵觸該框架協議的條款。本集團實際接受的服務及／或產品視乎國機集團相關成員公司及本集團相關成員公司不時訂立的詳細協議而定。

The Renewed Receipt of Engineering Services and Products Agreement is for a term commencing from November 14, 2014 and ending on December 31, 2017 and may be renewed on terms to be agreed upon by SINOMACH and the Company. Such framework agreement (i) may be terminated by a non-defaulting party by serving a written default notice to the defaulting party stipulating the relevant breach and the defaulting party having failed to remedy such breach within a reasonable period after its receipt of the default notice; and (ii) shall be terminated automatically if the performance of the transactions contemplated thereunder will be in breach of the requirements under the Listing Rules or the necessary approvals required under the Listing Rules or relevant waivers from the Stock Exchange cannot be obtained.

### *Pricing Policy*

According to the Renewed Receipt of Engineering Services and Products Agreement, the price at which the Group receives services and products from SINOMACH Group shall all be determined according to the following principles (each a “**Receipt of Engineering Services Pricing Policy**”) in such order: (i) the Government Prescribed Price; (ii) the Government Guided Price; (iii) the Industry Guided Price; (iv) the price determined through tender offer or price bidding process involving a member of SINOMACH Group and two or more suppliers who are independent third parties; and (v) should no suppliers be able to meet our requirements, no offers or bids be received through tender offer or price bidding process, or the offers or bids obtained do not satisfy our tendering or bidding requirements, the price shall be negotiated and agreed between the relevant member of the Group and the relevant member of SINOMACH Group after having referred to the prices at which (x) the relevant member of SINOMACH Group provides the same or similar types of services and/or products to independent third parties and (y) the relevant member of the Group had historically received the same or similar types of services and/or products from independent third parties by comparing its historical transactions with two or more independent third parties in the past three years prior to entering into the current contemplated transaction.

重訂接受工程服務和產品框架協議的年期由2014年11月14日起 至2017年12月31日止，並可按國機與本公司商定的條款續期。該框架協議可在下列情況下終止：(i)非違約方向違約方發出說明有關違反行為的書面違約通知，而違約方於收到違約通知後一段合理期間內仍無法彌補有關違反行為；及(ii)若履行據此擬進行的交易將違反上市規則規定或不能取得上市規則規定的必要批准或聯交所授予的相關豁免，則自動終止。

### *定價政策*

根據重訂接受工程服務和產品框架協議，本集團自國機集團接受服務及產品的價格全部須根據以下相關次序的原則（各為一項「**接受工程服務定價政策**」）釐定：(i)政府定價；(ii)政府指導價；(iii)行業指導價；(iv)本集團通過向國機集團成員公司及兩家或以上供應商（該等供應商為獨立第三方）招標或詢價確定的價格；及(v)倘無符合條件的供應商，或者並無透過招標或詢價過程收到任何開價或出價，或所取得的開價或出價並未滿足我們的開價或出價要求，本集團相關成員公司在參考(x)國機集團相關成員公司向獨立第三方提供同類或相似的服務及／或產品及(y)本集團相關成員公司過往向獨立第三方取得同類或相似服務及／或產品的價格後，透過於訂立現時擬進行交易之前比較其於過往三年與兩名或以上獨立第三方所訂立的歷史交易，與國機集團相關成員公司商定價格。

In relation to Receipt of Engineering Services Pricing Policies (i), (ii) and (iii) above, as at the date of this announcement, there are no applicable Government Prescribed Price, Government Guided Price and Industry Guided Price. Should any of the Government Prescribed Price, the Government Guided Price or the Industry Guided Price be available in the future, the Company will make appropriate public announcements to inform the investors of the details of those policies as applicable.

Should Receipt of Engineering Services Pricing Policies (i), (ii) and (iii) above under the Renewed Receipt of Engineering Services and Products Agreement be applicable in the future, they will adopt the Applicable Special Pricing Policy (as disclosed on pages 8 and 9 in this announcement).

In relation to Receipt of Engineering Services Pricing Policy (iv) above, the Company has been implementing a set of internal control procedures in connection with its well-established International Engineering Contracting Business and Trading Business. All bidding parties participating in the Company's engineering contracting projects must be on the Company's list of qualified and reliable suppliers which is reviewed by the functional departments responsible for the engineering contracting business and trading and services business on a regular basis. The relevant business manager is responsible for convening a review team which will review the tenders or biddings and conduct comprehensive review based on aspects including but not limited to technology, quality, commercial terms and offered prices from the suppliers. Pursuant to the relevant internal policies of the Company, depending on the type and contract value of the underlying engineering contracting project, the result of the assessment will be submitted to (i) the finance department, the legal department and functional departments in charge of relevant business, and/or (ii) the management, the deputy general manager, the general manager, the chairman of the Board or the Board for final review and approval.

就上述接受工程服務定價政策(i)、(ii)及(iii)而言，於本公告日期，並無適用的政府定價、政府指導價及行業指導價。倘日後可取得任何政府定價、政府指導價或行業指導價，本公司將作出適當公開公告知會投資者該等適用政策的詳情。

如重訂接受工程服務和產品框架協議項下的上述接受工程服務定價政策(i)、(ii)及(iii)於日後適用，彼等將採納適用特別定價政策（如本公告第8和9頁所披露）。

就上述接受工程服務定價政策(iv)而言，本公司已就其完備的國際工程承包業務和貿易業務實施一套內部監控程序。參與本公司工程承包項目的所有投標者必須位列本公司合資格及可靠供應商名單，該名單由負責工程承包業務和貿易及服務業務的職能部門定期檢討及審核。相關業務經理負責召集評審團隊，將按包括但不限於該等供應商的技術、質量、商業條款及報價等因素檢討招標或投標並進行全面評審。根據本公司相關內部政策，視乎相關工程承包項目的類型及承包額，評估的結果將提呈予(i)財務部、法律部和負責管理相關業務的職能部門，及／或(ii)管理層、副總經理、總經理、董事長或董事會作最終審閱及批准。



In relation to Receipt of Engineering Services Pricing Policy (v), in order to ensure the transactions will be conducted on normal commercial terms (or terms no less favourable to the Company than terms available from the independent third parties), pursuant to the Renewed Receipt of Engineering Services and Products Agreement, the Company will be entitled to require SINOMACH Group to provide all information relevant to the pricing policies under such agreement, including but not limited to information pertaining to the transactions between SINOMACH Group and other independent third parties in providing the same or similar types of services and/or products. Furthermore, the Group will compare the price against its transactions with two or more independent third parties in the past three years prior to entering into the current contemplated transaction. If in the unlikely event that no such comparisons are available and there is no alternative product or service to choose from, taking into account the uniqueness of the product or service concerned, the Group would still agree on a price with SINOMACH Group based on Receipt of Engineering Services Pricing Policy (v) in the absence of such comparisons and solely based on the historical transactions between the relevant member of SINOMACH Group and other independent third parties. Based on the foregoing, the Directors are of the view that such Receipt of Engineering Services Pricing Policy can ensure the transactions to be entered into pursuant to the Renewed Provision of Engineering Services and Products Agreement will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its Shareholders as a whole.

#### *Payment Terms*

The proportion of the payment for each stage of the transaction shall be determined after negotiation between the relevant member of the Group and the relevant member of the SINOMACH Group, based on the specific situation and the implementation progress of the relevant project and it shall be expressively agreed in detail in each individual agreement to be entered into pursuant to the Renewed Receipt of Engineering Services and Products Agreement.

就接受工程服務定價政策(v)而言，為確保交易將按正常商業條款(或不遜於獨立第三方向本公司提供的條款)進行，根據重訂接受工程服務和產品框架協議，本公司將有權要求國機集團提供與該協議下定價政策有關的所有資料，包括但不限於國機集團與其他獨立第三方提供相同或類似種類服務及／或產品時所進行交易有關的資料。此外，本集團於訂立現時擬進行交易之前，將會比較其於過往三年與兩名或以上獨立第三方所訂立交易的價格。倘在不大可能出現之情況下(即無法作出比較，且並無其他產品或服務可供選擇)，經考慮有關產品或服務的獨特性後，本集團將在不進行上述比較的情況下，僅基於國機集團相關成員公司與其他獨立第三方之間的歷史交易，仍然認同其與國機集團基於接受工程服務定價政策(v)所達致的價格。基於上述理由，董事認為該接受工程服務定價政策可確保根據重訂提供工程服務和產品框架協議訂立之交易能夠按照正常商業條款進行，且不會損害本公司及其股東的整體利益。

#### *支付條款*

本集團相關成員公司與國機集團相關成員公司將根據相關工程的具體情況及實施進度協商確定交易各階段款項的付款比例，並具體地在根據重訂接受工程服務和產品框架協議訂立的個別合約中分別明確約定。

## ***2018 Receipt of Engineering Services and Products Agreement***

As the Renewed Receipt of Engineering Services and Products Agreement will expire on December 31, 2017, the 2018 Receipt of Engineering Services and Products Agreement was re-entered into on October 19, 2017 by and between the Company and SINOMACH, subject to the approval by the Independent Shareholders, to (i) extend the current term of the Renewed Receipt of Engineering Services and Products Agreement for another three years to December 31, 2020, and (ii) provide for new annual caps as further described below. The proposed annual caps for the years ending December 31, 2018, 2019 and 2020 for the receipt of services and products by the Group from SINOMACH Group under the 2018 Receipt of Engineering Services and Products Agreement are RMB2,500 million, RMB2,500 million and RMB2,500 million, respectively.

### ***Pricing Policy and Payment Terms***

The pricing policy, payment terms and all other material terms and conditions of the 2018 Receipt of Engineering Services and Products Agreement remained the same as the Renewed Receipt of Engineering Services and Products Agreement.

### ***Historical Annual Caps and Historical Transaction Values***

The table below sets out the annual caps and actual transaction values of the continuing connected transactions under the Renewed Receipt of Engineering Services and Products Agreement for the years ended December 31, 2014, 2015 and 2016 and the six months ended June 30, 2017 and the year ending December 31, 2017 (only for annual cap).

## **2018接受工程服務和產品框架協議**

由於重訂接受工程服務和產品框架協議將於2017年12月31日到期，2018接受工程服務和產品框架協議由本公司及國機於2017年10月19日續訂（有待獨立股東批准），以(i)將重訂接受工程服務和產品框架協議之現時年期延長三年至2020年12月31日，及(ii)提供新年度上限（如下文所進一步載述）。2018接受工程服務和產品框架協議項下本集團接受國機集團之服務及產品於截至2018年、2019年及2020年12月31日止年度之建議年度上限分別為人民幣2,500,000,000元、人民幣2,500,000,000元及人民幣2,500,000,000元。

### **定價政策及支付條款**

2018接受工程服務和產品框架協議的定價政策、支付條款及所有其他重大條款及條件與重訂接受工程服務和產品框架協議相同。

### **歷史年度上限及歷史交易金額**

下表載列重訂接受工程服務和產品框架協議項下持續關連交易於截至2014年、2015年及2016年12月31日止年度及截至2017年6月30日止六個月以及截至2017年12月31日止年度（僅就年度上限而言）之年度上限及實際交易金額。

Transaction	交易	For the years ended December 31, 截至12月31日止年度			For the six months ended June 30, 2017
		2014	2015	2016	截至 6月30日 止六個月 2017年
		2014年	2015年	2016年	
		(RMB millions)			
		(人民幣百萬元)			
Receipt of engineering services and products by the Group from SINOMACH Group	本集團接受國機集團工程服務及產品				
- Actual transaction values	- 實際交易金額	1,236.54	478.87	193	26.9
- Annual caps	- 年度上限	1,500	2,400	2,700	3,100
					(for the year ending December 31, 2017)
					(截至2017年 12月31日止年度)

The aforesaid actual transaction values were affected by various factors including the fact that (i) certain engineering projects were suspended; (ii) the progress of some active projects was behind original schedule; (iii) the actual effective time of some projects was behind the time originally scheduled; and (iv) the relative works originally planned to be subcontracted to connected persons were eventually executed by independent third parties.

上述實際交易金額受到各種原因影響，其中包括：(i)若干工程項目出現暫停；(ii)部份在執行項目進度晚於原有時間表；(iii)部份項目的實際生效時間給晚於原有計劃的生效時間；及(iv)原先計劃分包關連人士的相關工作最終由獨立第三方執行。

**Proposed Annual Caps for 2018, 2019 and 2020 and Basis of Determination**

The table below sets out the annual caps for the transactions contemplated under the Renewed Receipt of Engineering Services and Products Agreement for the year ending December 31, 2017 and the proposed new annual caps for the years ending December 31, 2018, 2019 and 2020, respectively, under the 2018 Receipt of Engineering Services and Products Agreement.

Transaction	交易	Years ending December 31, 截至12月31日止年度			
		2017 2017年	2018 2018年	2019 2019年	2020 2020年
Receipt of engineering services and products by the Group from SINOMACH Group	本集團接受國機集團工程服務及產品	3,100	2,500	2,500	2,500

The proposed new annual caps are calculated after taking into account the following bases and assumptions and on the principal assumptions that, for the duration of the projected period, there will not be any adverse change or disruption in the global economic conditions, market conditions, operation and business environment or government policies which may materially affect the businesses of SINOMACH Group and/or the Group:

- (a) the historical transaction amounts under the Renewed Receipt of Engineering Services and Products Agreements disclosed above, as well as the expected amount to be generated from the connected transactions contracts already being implemented during the period of execution;

**2018年、2019年及2020年建議年度上限及釐定基準**

下表載列重訂接受工程服務和產品框架協議項下擬進行交易於截至2017年12月31日止年度之年度上限及2018接受工程服務和產品框架協議項下分別於截至2018年、2019年及2020年12月31日止年度之建議新年度上限。

建議新年度上限經考慮以下基準及假設及基於可能對國機集團及／或本集團的業務構成重大影響的全球經濟狀況、市況、營運及商業環境或政府政策於整個預測期間內並無任何不利變動或紊亂之主要假設後計得：

- (a) 上文披露的重訂接受工程服務和產品框架協議下的歷史交易金額以及已經開始執行的關連交易合同在執行期內預計產生的金額；

- |  |  |
|--|--|
| <p>(b) the nature of services and products required under the engineering contracting projects already undertaken by the Group and specific contracts signed or agreed between members of the Group and members of SINOMACH Group;</p>   | <p>(b) 本集團已承接的工程承包項目及本集團成員公司與國機集團成員公司已簽訂或同意落實的特定合同下所需的服務及產品性質；</p>   |
| <p>(c) the expected duration and progress of the Group's relevant engineering contracting projects, and the potential concentration of transaction amounts incurred in a certain financial year due to acceleration or deceleration of the implementation progress of projects ;</p>   | <p>(c) 本集團相關工程承包項目的預計年期及進度，在執行項目進度提前或者放緩導致交易金額可能集中在某一財政年度；</p>   |
| <p>(d) the expected increase in demand by the Group for engineering services and products;</p>   | <p>(d) 本集團對工程服務及產品需求的預期增幅；</p>   |
| <p>(e) the historical transaction amounts under the receipt of engineering services and products from SINOMACH Group by CNEEC and CNCEC, and the anticipated increase in the demand by CNEEC and CNCEC for the provision of engineering services and products by SINOMACH Group. Since other members of SINOMACH Group have been providing engineering services and products to CNEEC and CNCEC, it is expected that once the Proposed Injection is completed, these existing transactions will become continuing connected transactions with regard to the provision of engineering services and products by members of SINOMACH Group to members of the Group;</p> | <p>(e) 中電工及中成套接受國機集團工程服務和產品項下的歷史交易金額及中電工及中成套對國機集團提供工程服務及產品需求的預期增幅。由於國機集團的其他成員公司一直向中電工及中成套提供工程服務及產品，預期一經建議注資完成，關於國機集團相關成員公司向本集團成員公司提供工程服務及產品的該等現有交易將成為持續關連交易；</p> |

- |   |   |
|---|---|
| <p>(f) the estimated increase in the average market prices for the relevant engineering services and products due to inflation and the general economic growth of the PRC;</p>  | <p>(f) 相關工程服務及產品平均市價受通脹及中國整體經濟增長影響下的預計升幅；</p>                                       |
| <p>(g) the expected impact on the increment of transaction amounts based on the movement of RMB against USD for 2015 and 2016 and on the assumption that annual movement of RMB against USD for the next three years (2018-2020) would follow a similar trend;</p>  | <p>(g) 基於2015-2016年人民幣兌美元匯率波動情形，假設2018-2020未來三年中每年人民幣兌美元匯率均出現類似的波動，預期對交易額增量的影響；</p> |
| <p>(h) the expected increase in the number of engineering contracting projects arising from the global engineering contracting industry, and the engineering projects newly acquired each year with a certain transaction amount incurred, on the assumption that the global engineering contracting industry will continue to develop; and</p> | <p>(h) 假設全球工程承包行業將持續發展，全球工程承包行業所導致的工程承包項目數量的預期增加及每年會新簽約生效一定交易金額的工程項目；及</p>          |
| <p>(i) the actual and expected increase in the number of engineering contracting projects which will be subcontracted to the relevant members of SINOMACH Group owing to the increase in the number of subsidiaries of SINOMACH as a result of its reorganization and expansion.</p>  | <p>(i) 由於國機附屬公司數目因重組及擴張而增加，令分包予國機集團相關成員公司的工程承包項目數目出現實際及預期增長。</p>                    |

## ***Reasons for and Benefits of Re-Entering the 2018 Receipt of Engineering Services and Products Agreement***

The 2018 Receipt of Engineering Services and Products Agreement allows the Group to subcontract part of the Group's works under a project in line with the common practice of the industry players in the international engineering contracting market. The Group has an internal list of identified subcontractors who are able to provide various engineering services and products to satisfy the needs of the International Engineering Contracting Business from time to time. Such list includes both members of SINOMACH Group and other independent third parties, who have been identified by the Group with reference to their market reputation, prices and quality of services and products which they offer and if applicable, performance under previous engagements with the Group. The Group also at times chooses the Group's subcontractors through tendering process if there is no appropriate subcontractor on the list of identified subcontractors that can fulfill the requirements of the Group. However, in view of the fact that SINOMACH Group is a well-established industry player with good reputation within the international engineering contracting market, which possesses strong capacity and experience in the manufacturing, design, research and development of various engineering services and products, the Group has preference in sourcing relevant engineering services and products from SINOMACH Group to benefit from such technical strengths of SINOMACH Group. Furthermore, taking into account the long history of cooperative relationship between the Group and SINOMACH Group, the Group considers that the 2018 Receipt of Engineering Services and Products Agreement is able to enhance completion of the engineering contracting projects undertaken by the Group at efficient timing and with better quality. Therefore, the 2018 Receipt of Engineering Services and Products Agreement is beneficial to the Group and the continuous development of the International Engineering Contracting Business.

## ***續訂2018接受工程服務和產品框架協議的理由及好處***

2018接受工程服務和產品框架協議使本集團可分包部分項目工程，此乃與國際工程承包行業參與者的慣常做法相符。本集團內部有一份確定的分包商名單，該等分包商有能力提供各種工程服務及產品，可滿足國際工程承包業務的不時之需。該名單包括國機集團相關成員公司及其他獨立第三方，由本集團參考彼等的市場聲譽以及彼等提供的服務及產品價格及質量，以及（如適用）過往與本集團合作時的表現後確定。如本集團未能從分包商名單里選擇合適的分包商，於是本集團亦會通過招標程序選擇分包商。然而，鑒於國機集團於國際工程承包市場為發展完善且聲譽良好的行業參與者，不單產能強大，在製造、設計、研發各類工程服務及產品方面亦具備豐富經驗，本集團傾向自國機集團尋求相關工程服務及產品，以自其技術優勢獲益。此外，考慮到本集團與國機集團的合作關係歷史悠久，本集團認為2018接受工程服務和產品框架協議使我們所承接的工程承包項目能高效地及以更好質量完成。因此，2018接受工程服務和產品框架協議有利於本集團及國際工程承包業務的持續發展。

## C. 2018 Financial Services Agreement

### *Summary of the terms of the New Financial Services Agreement*

#### *Date*

November 14, 2014

#### *Parties*

- (1) The Company; and
- (2) the Finance Company

#### *Material Terms and Pricing Policy*

Pursuant to the New Financial Services Agreement, the Finance Company agreed to provide to the Group the following financial services:

#### Type 1 – Deposit Services

The Finance Company would provide deposit-taking services for current deposits, call deposits, 7-day deposits and time deposits (3-month, 6-month and 1-year). Pursuant to the New Financial Services Agreement, the Finance Company offers interest rates for the Group's deposits which should be the high-end of the benchmark interest rate and the interval for the floating interests rates published by the PBOC from time to time for deposits with financial institutions in the PRC (while the interest rate should be no less than the that offered by the Finance Company to SINOMACH Group for deposits of the same type and term).

#### Type 2 – General Loan Services

The Finance Company would provide various types of loans to the Group (including working capital loans, fixed assets loans, finance leases and purchaser's credit business). The Finance Company may also provide integrated credit facilities to the Group according to the needs of the Group, which include loans, letters of guarantee, letters of credit as well as bill acceptance and discounting. Pursuant to the New Financial Services Agreement, in connection with the provision of the general loan services, the Finance Company will charge interests according to the rates published by the PBOC and shall not charge interest rates higher than (i) those set by financial institutions in the PRC for similar loans, and (ii) those offered by the Finance Company to SINOMACH Group for similar loans. In addition, no security over assets will be required from the Group.

## C. 2018金融服務合作協議

### *新金融服務合作協議條款概要*

#### *日期*

2014年11月14日

#### *訂約方*

- (1) 本公司；及
- (2) 財務公司

#### *主要條款及定價政策*

根據新金融服務合作協議，財務公司同意向本集團提供下列金融服務：

#### 第一類 – 存款服務

財務公司將提供活期存款、協定存款、7天通知存款、定期存款（期限分別為：3個月、6個月及1年）等各種類型接受存款服務。根據新金融服務合作協議，財務公司為本集團提供的存款利率將按中國人民銀行不時頒佈的中國金融機構存款基準利率及利率浮動區間的上限計付（而該利率不低於由財務公司向國機集團提供的同類同期存款的利率）。

#### 第二類 – 一般貸款服務

財務公司將向本集團提供各類貸款（包括流動資金貸款、固定資產貸款、融資租賃及買方信貸業務）。財務公司可根據本集團需要向本集團提供包括貸款、保函、信用證以及票據承兌及貼現等的綜合授信額度。根據新金融服務合作協議，就所提供的一般貸款服務，財務公司按中國人民銀行公佈的利率及不高於(i)中國金融機構提供類似貸款的利率，及(ii)財務公司向國機集團提供類似貸款的利率計付貸款利息。此外，本集團無需提供任何資產抵押擔保。



### Type 3 – Entrusted Loan Services

It is a standalone transaction not relating to any other types of services under the Financial Services Agreement. Under this type of service, the Group would provide the Entrusted Deposits to the Finance Company, and the Finance Company would then lend the Entrusted Loans to the entities designated by the Group on the same day. Pursuant to the New Financial Services Agreement, in relation to the provision of the Entrusted Loan Services to the Group, the Finance Company shall not charge service fees which are higher than (i) those set by the financial institutions in the PRC for similar services; and (ii) those offered by the Finance Company to SINOMACH Group for similar services.

### Type 4 – General Financial Services

The general financial services to be provided by the Finance Company to the Group include collection, payment and settlement services, handling issuance of letters of guarantee and letters of credit, handling of bill acceptance and discounting, financial and financing consultation, arrangement of credit certification and related consultation and agency services, underwriting of corporate bonds and other businesses which the Finance Company are approved by the CBRC to carry out.

Pursuant to the New Financial Services Agreement, the Finance Company will charge service fees for the provision of the general financial services. Such service fees shall not be higher than (i) those charged by financial institutions in the PRC for similar services; and (ii) those offered by the Finance Company to SINOMACH Group for similar services.

In relation to Type 1 service (Deposit Services), since the interest rate offered by the Finance Company is the high-end of the benchmark rate permitted and regulated by the PBOC, no other financial institutions can offer a better interest rate to the Group. Please also refer to paragraph headed “Reasons for and Benefits of entering into the New Financial Services Agreement” for reasons that the Group may choose to make deposits with the Finance Company over other financial institutions.

### 第三類 – 委託貸款服務

此乃獨立交易，與金融服務合作協議項下的任何其他類型的服務無關。根據此類別服務，本集團將向財務公司提供委託存款及財務公司繼而將於同日將委託貸款借予本集團指定的實體。根據新金融服務合作協議，就向本集團提供的委託貸款服務，財務公司的服務收費標準不高於(i)中國金融機構就提供類似服務的收費標準；及(ii)財務公司向國機集團提供類似服務的收費標準。

### 第四類 – 一般金融服務

財務公司將向本集團提供的一般金融服務包括：收付款及結算服務、開具保函及信用證、辦理票據承兌及貼現、財務和融資顧問、信用鑒證及相關的諮詢及代理服務、承銷企業債券以及經中國銀監會批准的可從事的其他業務。

根據新金融服務合作協議，財務公司將就提供一般金融服務收取服務費。有關服務費不得高於(i)中國金融機構就提供類似服務的收費標準；及(ii)財務公司向國機集團提供類似服務的收費標準。

就第一類服務（存款服務）而言，由於財務公司所提供利率為中國人民銀行所允許及監管的基準利率上限，故並無其他金融機構可向本集團提供更佳利率。有關本集團選擇於財務公司而非其他金融機構存款的理由，請同時參閱「訂立新金融服務合作協議的理由及好處」一段。

In relation to Type 2 service (general loan services) and Type 3 service (entrusted loan services) and Type 4 service (general financial services) under the New Financial Services Agreement, the departments in charge of the International Engineering Contracting Business and the trading and services business together with the department in charge of investment and capital management, or the department in charge of investment and capital management alone will collect the information of the interest rates for similar loans, service fees for similar financial services and other relevant information from the Finance Company and two or more financial institutions which are independent third parties by making direct enquires with the relevant party.

After collecting the above-mentioned information, the relevant department(s) will make record of the results of the enquiries and conduct assessment based on different factors. For Type 2 services, the predominant factors of assessment are the interest rate for similar loans, whether security over assets will be required, and any limitations on the use of the loans. For Type 3 and Type 4 services, the lowest quotation of the service fees charged for the entrusted loan services or the general financial services is the predominant factor of assessment.

The assessment result will be submitted to the senior management and/or the general manager, the chairman of the Board or the Board for final review and approval depending on the transaction amount concerned.

The New Financial Services Agreement is for a fixed term of three years, commencing from November 14, 2014.

### *Payment Terms*

#### Type 1 – Deposit Services

For current deposits, the Finance Company shall pay the principal and interest of the deposit upon withdrawal of the deposit by the Group. For time deposits, the Finance Company shall pay the principal and interest of the deposits on time in accordance with the deposit period as agreed with the Group.

就新金融服務合作協議項下第二類服務（一般貸款服務）、第三類服務（委託貸款服務）及第四類服務（一般金融服務）而言，主理國際工程承包業務和貿易及服務業務的部門連同主理投資及資本管理的部門或僅主理投資及資本管理的部門將透過直接諮詢相關人士向財務公司及兩家或以上金融機構（為獨立第三方）收集類似貸款的利率資料、類似財務服務的服務費用及其他相關資料。

經收集上述資料後，相關部門將記錄諮詢的結果並按不同因素進行評估。就第二類服務而言，評估的主導因素符合類似貸款的利率，不論是否需要資產抵押擔保及對貸款用途是否有任何限制。就第三類及第四類服務而言，委託貸款服務或一般金融服務所收取的服務費用最低報價為評估的主導因素。

評估結果視乎有關交易金額將提呈高級管理層及／或總經理、董事長或董事會作最終檢討及審批。

新金融服務合作協議的年期固定為三年，由2014年11月14日起開始。

### *支付條款*

#### 第一類 – 存款服務

對於活期存款，財務公司應在本集團辦理取款時支付存款本金及利息。對於定期存款，財務公司應根據與本集團約定的存款期限按時支付存款本金和利息。

## Type 2 – General Loan Services

The Group shall repay the principal and interest of the loan on time in accordance with the repayment schedule as agreed in the individual loan contract.

## Type 3 – Entrusted Loan Services

The Group shall pay the related service fees upon completion of the release of the Entrusted Loans by the Finance Company.

## Type 4 – General Financial Services

The Group shall pay the related service fees upon rendering such services by the Finance Company.

Except as disclosed above, all other material terms and conditions of the Financial Services Agreement have remained unchanged.

### ***The 2018 Financial Services Agreement***

As the New Financial Service Agreement will expire on December 31, 2017, the 2018 Financial Services Agreement was entered into on October 19, 2017 by and between the Company and the Finance Company, subject to the approval by the Independent Shareholders, to set a revised term for three years from January 1, 2018 to December 31, 2020.

### ***Pricing Policy and Payment Terms***

The pricing policy, payment terms and all other material terms and conditions of the 2018 Financial Services Agreement remained the same as the New Financial Services Agreement, except for the following adjustments:

#### Type 1 – Deposit Services

The Finance Company would provide current deposits, call deposits, deposits with maturity of 1-day and 7-day respectively and time deposits (3-month, 6-month, 1-year, 3-years and other deposit periods as required by the regulatory policies).

#### Type 2 – General Loan Services

The Finance Company will provide various types of loans to the Group (including working capital loans, fixed assets loans, finance leases, purchaser's credit business, consume credit and domestic factoring).

## 第二類 – 一般貸款服務

本集團應按個別貸款合同約定的還款時間表按時償還貸款本金及利息。

## 第三類 – 委託貸款服務

本集團將在財務公司完成委託貸款的發放後支付相關服務費用。

## 第四類 – 一般金融服務

本集團將在財務公司提供相關服務後支付相關服務費用。

除上文所披露者外，金融服務合作協議的所有其他主要條款及條件維持不變。

### ***2018金融服務合作協議***

由於新金融服務合作協議將於2017年12月31日到期，本公司與財務公司於2017年10月19日訂立2018金融服務合作協議（有待獨立股東批准），經修訂的三年年期設定為2018年1月1日至2020年12月31日。

### ***定價政策及支付條款***

2018金融服務合作協議的定價政策、支付條款及所有其他重大條款及條件與新金融服務合作協議相同除了以下修訂：

#### 第一類 – 存款服務

財務公司將提供活期存款、協定存款、通知存款（期限分別為：1天和7天）、定期存款（期限分別為：3個月、6個月、1年、3年及其他符合監管政策要求的其他存期）等各種類型。

#### 第二類 – 一般貸款服務

財務公司將向本集團提供各類貸款（包括流動資金貸款、固定資產貸款、融資租賃、買方信貸業務、消費信貸及國內保理）。

### Type 3 – General Financial Services

The general financial services to be provided by the Finance Company to the Group include collection, payment and settlement services, provision of entrusted loans, issuance of letters of guarantee and bank guarantee, issuance of bank letters of credit, handling of bank acceptance, handling of bill acceptance and discounting, financial and financing consultation, arrangement of credit certification and related consultation and agency services, underwriting of corporate bonds designated investment business, acceptance bill custody business, trans-bank cash management platform service and other businesses which are approved by CBRC to carry out. The Finance Company would charge the corresponding fees.

In relation to the Entrusted Loans, the Finance Company shall complete the release of the Entrusted Loans on the date of receipts of the Entrusted Deposits of the Group and its subsidiaries, and commit that the Group and its subsidiaries would repay the loans by their own, without provision of any guarantee by the Group and its subsidiaries, provided that the Group will require guarantee for the Entrusted Loans business of its subsidiaries, the Finance Company shall cooperate to complete the relevant procedures according to the instruction from the Group.

Except as disclosed above, all other material terms and conditions of the 2018 Financial Services Agreement have remained unchanged.

#### ***Historical Annual Caps and Historical Transaction Values***

The Group has closely monitored the progress of its continuing connected transactions. As of the date of this announcement, the actual maximum daily deposit balance placed by the Group with the Finance Company under the New Financial Services Agreement has not exceeded the original annual cap for the year ended December 31, 2014 and the annual caps for each of the three years ended/ending December 31, 2015, 2016 and 2017. The table below sets out the annuals caps and actual transaction values of the continuing connected transactions under the New Financial Services Agreement for the year ended December 31, 2014, 2015 and 2016 and the six months ended June 30, 2017 and the year ending December 31, 2017 (only for annual cap).

### 第三類 – 一般金融服務

財務公司將向本集團提供的一般金融服務包括：收付款及結算服務、提供委託貸款、開具保函及代開銀行保函、代開銀行信用證、代理銀行承兌總匯票、辦理票據承兌及貼現、財務和融資顧問、信用鑒證及相關的諮詢及代理服務、承銷企業債券委託投資業務、承兌匯票託管業務、跨銀行現金管理平台服務以及經中國銀監會批准的可從事的其他業務。財務公司將收取相應手續費。

關於委託貸款，財務公司在收到本集團及其下屬子公司委托存款的當日完成委托貸款的發放，並承諾本集團及其下屬子公司償貸自主，無需本集團及其下屬子公司提供任何擔保，但如本集團對下屬子公司的委托貸款業務提出擔保要求，財務公司將按照本集團指示配合辦理相關手續。

除上文所披露者外，2018金融服務合作協議的所有其他主要條款及條件維持不變。

#### ***歷史年度上限及歷史交易金額***

本集團密切關注其持續關連交易的進展情況。於本公告日期，本集團根據新金融服務合作協議在財務公司的實際每日最高存款結餘未超過截至2014年12月31日止年度的初始年度上限以及截至2015年、2016年及2017年12月31日止三個年度各年的年度上限。下表載列新金融服務合作協議項下持續關連交易截至2014年、2015年及2016年12月31日止年度及截至2017年6月30日止六個月以及截至2017年12月31日止年度（僅就年度上限而言）之年度上限及實際交易金額。

Transaction	交易	For the years ended/ending December 31, 截至12月31日止年度			For the six months ended June 30, 2017
		2014	2015	2016	截至 2017年 6月30日止 六個月
		2014年	2015年	2016年	
			(RMB millions) (人民幣百萬元)		
Financing services to the Group from SINOMACH Group (Deposit Services)	國機集團向本集團 提供金融服務 (存款服務)				
- Actual transaction values (Note)	- 實際交易金額 (附註)	740	2,290.33	3,283.2	3,201.2
- Annual caps	- 年度上限	750	3,300	3,300	3,300
					(for the year ending December 31, 2017) (截至2017年 12月31日 止年度)

Note: The actual transaction amount represents the highest daily deposit balance.

附註：實際交易金額代表每日最高存款結餘。

## **Proposed Annual Caps for 2018, 2019 and 2020 and Basis of Determination**

### **Type 1 – Deposit Services**

The Company estimates that the proposed caps for the maximum daily deposit balance (including any interest accrued thereon) with the Finance Company for each of the three years ending December 31, 2018, 2019 and 2020 are RMB3,900 million, after taking into account the following bases and assumptions: (i) the relatively large amounts of cash and cash equivalents of the Group for the year ended December 31, 2016 and for the six months ended June 30, 2017 and the assumptions that the cash balance of the Company will continue to grow as compared with that disclosed in the Company's interim report of 2017; (ii) the operating cash flow requirements and financial needs of the Group for its operations and future business expansion; (iii) the anticipated increase in the demand for the deposit services from CNEEC and CNCEC since they have large amounts of cash and cash equivalent which will be consolidated with the Group's cash and cash equivalents balance and increase the demand for the deposit services by the Group after the Proposed Injection; (iv) the estimated future annual cash increment on the basis of annual cash flows over previous years; (v) the potential cash increment arising from possible issuance of bonds, convertible bonds and shares; (vi) the expected impact on the cash balance based on the movement of RMB against USD for 2015 and 2016 and on the assumption that annual movement of RMB against USD for the next three years (2018-2020) would follow a similar trend; (vii) the relative stability of deposit balances placed by the Group with the Finance Company and (viii) the expected increase in deposits income and reduction in control risks by placing deposits with a connected person of the Company on the basis that the Finance Company is under the supervision of the CBRC and it has been maintaining satisfactory operating results and financial position with good risks control and well-regulated management in the past three years.

### **Type 2 – General Loan Services**

In view of the facts that (i) the general loan services provided by the Finance Company to the Group are on normal commercial terms which are similar to or more favorable than those offered from independent third parties for comparable services in the PRC, and (ii) no security over the assets of the Group will be granted in respect of the general loan services, the general loan services are exempt from reporting, announcement and Independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules. As such, no annual cap has been set for such services.

## **2018年、2019年及2020年建議年度上限及釐定基準**

### **第一類 – 存款服務**

本公司估計於截至2018年、2019年及2020年12月31日止三個年度每年在財務公司的每日最高存款結餘（包括其任何應計利息）的建議上限為人民幣3,900,000,000元，乃經考慮以下基準及假設：(i)本集團於截至2016年12月31日止年度及截至2017年6月30日止六個月持有相對較高的現金及現金等價物及假設本公司現金餘額會在本公司2017年中期報告基礎上繼續增長；(ii)本集團對其營運及日後業務擴張所需經營現金流及財務需要；(iii)預期中電工及中成套對存款服務的需求將增加，因為彼等於建議注資後擁有大量現金及現金等價物將與本集團現金及現金等價物結餘綜合入賬及提高本集團對存款服務的需求；(iv)根據過往年度每年現金流量的情況，預計未來每年現金增量；(v)未來潛在發債發可轉債發股帶來的現金增量；(vi)基於2015-2016年人民幣兌美元匯率波動情形，假設2018-2020未來三年中每年人民幣兌美元匯率均出現類似的波動，預期對現金餘額的影響；(vii)本集團在財務公司的存款比例基本穩定及(viii)財務公司受中國銀監會監管，過去三年來一直維持優良的經營業績及財務狀況，且風險控制良好，管理規範，於本公司的關連人士存放存款預期可增加存款收入及降低監控風險後釐定。

### **第二類 – 一般貸款服務**

由於(i)財務公司向本集團提供的一般貸款服務乃根據正常商業條款訂立，與獨立第三方於中國提供相類似服務的條款相若或更優惠，及(ii)本集團無需就將予授出的一般貸款服務提供任何資產抵押，故一般貸款服務獲豁免遵守上市規則第14A.90條項下的申報、公告及獨立股東批准的規定。因此，並無就此項服務設定年度上限。

### Type 3 – General Financial Services

The Company estimates that the proposed annual caps for the total fees to be charged by the Finance Company for the provision of general financial services for each of the three years ending December 31, 2018, 2019 and 2020 are RMB25 million, after taking into account of the historical demands for similar services and the costs incurred by members of the Group for similar services in the last three years.

#### ***Reasons for and Benefits of Entering into the 2018 Financial Services Agreement***

The Finance Company is a non-bank financial institution authorized and regulated by the CBRC and provides financial services in compliance with the rules and other operational requirements of the CBRC. The main reasons for entering into the 2018 Financial Services Agreement with the provisions set out above by the Company are as follows:

- (i) the terms and conditions that the Finance Company agrees with the Company under the 2018 Financial Services Agreement are no less favorable than those offered by other financial institutions that are independent third parties to the Group for similar services;
- (ii) the pricing policy of the Finance Company is subject to the guidelines set by the CBRC or PBOC (as applicable). Therefore, the fees charged by the Finance Company for its services to be provided to the Company are comparable to those charged by the financial institutions in the PRC for similar services. Furthermore, the Finance Company is subject to various rules and regulations issued by the CBRC in relation to its provision of deposit services, including the mandatory requirements on its asset-liability ratios, and has established comprehensive internal control and risk management systems, and implemented corporate governance guidelines in accordance with the relevant regulatory requirements; and

### 第三類 – 一般金融服務

本公司估計於截至2018年、2019年及2020年12月31日止三個年度每年財務公司就提供一般金融服務而收取費用總額的建議年度上限為人民幣25,000,000元，乃經計及本集團成員公司於過去三年就類似服務的過往需求及所產生的成本而釐定。

#### ***訂立2018金融服務合作協議的理由及好處***

財務公司乃獲中國銀監會授權及規管的非銀行金融機構及按照中國銀監會的規例及其他營運規定提供金融服務。本公司訂立提供上述金融服務的2018金融服務合作協議的主要原因如下：

- (i) 財務公司就2018金融服務合作協議與本公司協定的條款及條件不遜於屬獨立第三方的其他金融機構就類似服務提供予本集團的條款及條件；
- (ii) 財務公司的定價政策須受中國銀監會或中國人民銀行（倘適用）制訂的指引規限。因此，財務公司就其向本公司提供的服務收取的費用，與金融機構於中國就類似服務收取的費用相若。此外，財務公司須受中國銀監會就其提供存款服務（包括其資產負債率的強制規定）發佈的各種不同規則及法規規限，並已根據相關監管規定設立全面內部監控及風險管理系統，並實施企業管治指引；及

(iii) the 2018 Financial Services Agreement does not prohibit the Group from using the services offered by other financial institutions in the PRC. In addition, the Finance Company is able to offer better comprehensive services and/or lower rates (in cases where the rates or fees concerned are not regulated by any applicable laws and regulations) which are not available in the case of other financial institutions, such that the services available under the 2018 Financial Services Agreement would be more favourable to the Group as a whole. The Group is free to make its selection according to the fees and quality of services. The Group may (but is not obliged to) utilize the financial services provided by the Finance Company. The Group will therefore be able to manage its current capital and cash flow position in a more efficient and advantageous manner.

#### **D. Measures of Internal Control**

To ensure the Company's conformity with the above pricing policy and payment terms from time to time, the Company would adopt a series of internal control policies, including connected transaction management methods and management rules in the internal control management handbook, for its daily operation. Such internal control policies would be conducted and supervised by the relevant department of the Company and are as follows:

(i) the Company has adopted and implemented a management system on connected transactions and relevant management systems, such as the internal control management handbook. According to such management systems, the relevant department in charge of the engineering contracting business, trading and services business, investment and financing, and fund management business is responsible for the information gathering on and monitoring of connected transactions, and conducting evaluation on the fairness of the transaction terms and the pricing terms, and the legal department is responsible for examining connected transaction agreements and continuing connected transaction agreements in compliance with applicable laws and regulations, company policies, relevant framework agreements and the Listing Rules;

(iii) 2018金融服務合作協議並無禁止本集團使用中國其他金融機構提供的服務。此外，財務公司能提供其他金融機構未能提供的更佳全面服務及／或較低利率（如有關利率或收費不受任何適用的法例法規所規管），致使根據2018金融服務合作協議可獲的服務對本集團整體而言更為有利。本集團可自由按服務收費及質量作出其選擇。本集團可（但非必須）使用財務公司所提供的金融服務。因此，本集團可以更有效及更有利的方式管理其現有資金及現金流量狀況。

#### **D. 內部監控措施**

為確保本公司不時遵守上述定價政策及支付條款，本公司將於其日常營運中採納一系列內部監控措施，包括關連交易管理辦法及內部監控管理手冊中的管理規則。該等內部監控措施將由本公司相關部門進行及監察並載列如下：

(i) 本公司採納及實施一項關連交易管理辦法和內部監控管理手冊等相關管理制度。根據這些管理制度，負責管理工程承包業務、貿易及服務業務、投融資及資金管理業務的相關部門負責收集有關關連交易的資訊及監察關連交易，並評估交易條款及定價條款之公平性，以及法律部負責審查關連交易協議及持續關連交易協議是否遵守適用法律法規、公司政策、有關框架協議及上市規則之規定；



- (ii) the Operation and Risk Management Committee, the Audit Committee and the Supervisory Board will each conduct random internal assessments on the internal control measures in respect of connected transactions and the financial information of the Company, in order to ensure that such internal control measures remain complete and effective. Furthermore, the Audit Committee convenes meetings at least twice a year to discuss and assess the implementation of connected transactions;
  - (iii) the INEDs have also reviewed and would continue to review the non-exempt continuing connected transactions to ensure that the relevant agreements are entered into on normal commercial terms or on terms no less favorable to the Company than those available to or from independent third parties, in the ordinary and usual course of business of the Company, fair and reasonable, and carried out pursuant to the terms of such agreements;
  - (iv) while the new payment terms under each of the Non-exempt CCT Agreements are regarded to be in line with market practice and consistent with the terms that have been adopted by the Group with other independent third parties, the relevant business departments for the International Engineering Contracting Business and the Trading Business will continue to monitor the payment terms in the Group's transactions with other independent third parties to ensure that the payment terms under each of the Non-exempt CCT Agreements will not deviate from the market practice or be less favourable than that with other independent third parties; and
  - (v) the Company's external auditors will conduct an interim review and a year-end audit on the Company's internal control measures relating to continuing connected transactions. They will also conduct an annual review on the pricing and annual cap of such non-exempt continuing connected transactions.
- (ii) 經營與風險管理委員會、審計委員會及監事會將隨機對與關連交易有關的內部監控措施及本公司財務資料進行內部評估，以確保該等內部監控措施完整及有效。此外，審計委員會每年召開至少兩次會議，討論並評估關連交易的執行情況；
  - (iii) 獨立非執行董事亦已審閱及將會繼續審閱非豁免持續關連交易，以確保相關協議乃在本公司日常及正常業務過程中按正常商業條款或不遜於本公司向獨立第三方或獨立第三方向本公司提供之條款訂立，屬公平合理，並且根據該等協議之條款履行；
  - (iv) 各不獲自動豁免持續關連交易協議項下的新支付條款被視為符合市場慣例並與本集團與其他獨立第三方所採納的條款保持一致，國際工程承包業務及貿易業務的相關業務部門將繼續監控本集團與其他獨立第三方進行交易的支付條款，確保各不獲自動豁免持續關連交易協議項下的支付條款將不偏離市場慣例或不遜於與其他獨立第三方所訂立者；及
  - (v) 本公司之外部核數師將對本公司與持續關連交易有關之內部監控措施進行中期審閱及年終審計。彼等亦將對該等非豁免持續關連交易之定價及年度上限進行年度審核。

***Additional risk management measures under the 2018 Financial Services Agreement to safeguard the interests of the Company***

**根據2018金融服務合作協議保障本公司利益的額外風險管理措施**

- (i) The Company is entitled to obtain the audited annual financial reports and relevant permits and business licenses of the Finance Company to monitor and assess the financial position of the Finance Company;
  - (ii) The Company's relevant department in charge of investment and financing, and fund management business will review deposits with the Finance Company from time to time;
  - (iii) A director of the Finance Company, who is a member of the Company's senior management, is entitled to monitor the risk exposures of the Company's deposits placed with the Finance Company;
  - (iv) The Company is entitled to request the Finance Company to provide certain regulatory indicators within 20 working days after the end of each quarter, and in case of any regulatory indicators that do not comply with relevant regulations and may result in materials risks, the Company will re-assess whether to continue receiving any services from the Finance Company;
  - (v) The Company may at any point of time request for the deposited funds to be withdrawn from the Finance Company, partially or fully, at its discretion, to test and ensure the liquidity and safety of the deposited funds; and
  - (vi) The relevant responsible personnel of the Finance Company will monitor the maximum daily balance of the deposits and interest in respect of the deposits on a daily basis to ensure the aggregate amount does not exceed the annual cap; should the case of any potential deposit balance at a day end exceed the annual cap, the excess fund will be automatically transferred to the Company's designated bank account in a third party bank.
- (i) 本公司有權取得財務公司的經審核年度財務報告、相關許可證及營業執照，並對財務公司的財務狀況進行監控及評估；
  - (ii) 本公司負責投融資及資金管理的相關部門將不時審閱財務公司存款的相關情況；
  - (iii) 一名財務公司的董事（為本公司高級管理層成員）有權對本公司於財務公司的存款風險狀況進行監督；
  - (iv) 本公司有權要求財務公司每季度結束後20個工作日內提供各項監管指標，如發現任何監管指標不符合相關法規並可能導致重大風險，則本公司將重新評估是否繼續接受財務公司所提供的服務；
  - (v) 本公司可隨時要求全額或部分提取在財務公司所存款項，以測試及確保所存款項的流動性及安全性；及
  - (vi) 財務公司相關負責人士將監控每天最高存款結餘及利息，確保總額不會超出年度上限，若當日存款結餘潛在上會超過年度上限，則把超出部分自動轉撥至本公司指定的第三方銀行戶口。

## E. Listing Rules Implication

As of the date of this announcement, SINOMACH directly and indirectly holds approximately 77.99% of the issued share capital of the Company. It is a controlling shareholder and thus a connected person of the Company according to Rule 14A.07(1) of the Listing Rules. The Finance Company is a subsidiary of SINOMACH, and is therefore a connected person of the Company according to Rule 14A.07(4) of the Listing Rules. Therefore, the transactions between the Group and SINOMACH Group and those between the Company and the Finance Company constitute connected transactions of the Company under Rule 14A.25 of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profit ratio) for the proposed new annual caps in respect of the continuing connected transactions contemplated under the 2018 Provision of Engineering Services and Products Agreement and the 2018 Receipt of Engineering Services and Products Agreement exceed 5%, these two agreements and the proposed new annual caps in respect of the continuing connected transactions contemplated thereunder are subject to the reporting, annual review, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to the 2018 Financial Services Agreement, the Finance Company agrees to provide to the Group three types of financial services: (i) Deposit Services; (ii) general loan services; and (iii) general financial services.

## E. 上市規則的涵義

於本公告日期，國機直接及間接持有本公司約77.99%的已發行股本。其為控股股東，因此根據上市規則第14A.07(1)條，屬於本公司關連人士。財務公司為國機的附屬公司，故根據上市規則第14A.07(4)條，屬於本公司關連人士。因此，根據上市規則第14A.25條，本集團與國機集團之間的交易以及本公司與財務公司之間的交易構成本公司的關連交易。

由於2018提供工程服務和產品框架協議及2018接受工程服務和產品框架協議項下擬進行持續關連交易的建議新年度上限的一個或多個適用百分比率（利潤率除外）高於5%，故該兩項協議以及其項下擬進行持續關連交易的建議新年度上限須遵守上市規則第14A章項下的申報、年度審閱、公告及獨立股東批准之規定。

根據2018金融服務合作協議，財務公司同意向本集團提供三類金融服務：(i)存款服務；(ii)一般貸款服務；及(iii)一般金融服務。

(i) Type 1 – Deposit Services

The deposits to be made by the Group pursuant to the Deposit Services will constitute financial assistance to be provided by the Group to a connected person not in the ordinary and usual course of business of the Group but on normal commercial terms (or better to the Group). As one or more of the applicable percentage ratios (other than the profit ratio) for the proposed new annual caps in respect of the deposit transactions contemplated under the 2018 Financial Services Agreement exceed 5%, the Deposit Services and the proposed new annual caps in respect of the Deposit Services are subject to the reporting, annual review, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Deposit Services also constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules.

(ii) Type 2 – General Loan Services

The general loan services under the 2018 Financial Services Agreement to be provided by the Finance Company to the Group will constitute financial assistance to be provided by a connected person for the benefit of the Group. As such services will be provided on normal commercial terms which are similar to or more favourable than those offered by independent third parties for comparable services in the PRC, and no security over the assets of the Group will be granted in respect of the general loan services, the general loan services are exempt from reporting, announcement and Independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

(iii) Type 3 – General Financial Services

Under the Listing Rules, the general financial services under the 2018 Financial Services Agreement to be provided by the Finance Company to the Group will constitute continuing connected transactions of the Company, which will be exempt from the Independent Shareholders' approval requirement but are subject to the reporting and announcement requirements as one or more of the applicable percentage ratios (other than the profit ratio), where applicable, on an annual basis, is expected to be more than 0.1% but less than 5% under Rule 14A.76(2) of the Listing Rules.

(i) 第一類 – 存款服務

本集團根據存款服務作出的存款將構成本集團向關連人士提供的財務協助，而有關財務協助並非於本集團的一般及日常業務過程中提供，但按正常商業條款（或對本集團有利的條款）提供。由於2018金融服務合作協議項下擬進行存款交易的建議新年度上限的一個或多個適用百分比率（利潤率除外）高於5%，故存款服務及有關存款服務的建議新年度上限須遵守上市規則第14A章項下的申報、年度審閱、公告及獨立股東批准之規定。存款服務根據上市規則第14章亦構成本公司的須予披露交易。

(ii) 第二類 – 一般貸款服務

財務公司根據2018金融服務合作協議向本集團提供的一般貸款服務將構成由關連人士為本集團的利益提供的財務協助。由於有關服務將根據正常商業條款訂立，與獨立第三方於中國提供相類似服務的條款相若或更優惠，且本集團無需就將予授出的一般貸款服務提供任何資產抵押，故一般貸款服務獲豁免遵守上市規則第14A.90條項下的申報、公告及獨立股東批准的規定。

(iii) 第三類 – 一般金融服務

根據上市規則，財務公司根據2018金融服務合作協議向本集團提供一般金融服務將構成本公司的持續關連交易，由於根據上市規則第14A.76(2)條，有關交易的一個或多個適用百分比率（利潤率除外）（倘適用）按年度基準計算預期高於0.1%但低於5%，故有關交易將獲豁免遵守獨立股東批准規定，惟須遵守申報及公告規定。

The First EGM will be held to seek the approval and ratification of the Non-exempt CCT Agreements and the Non-exempt Annual Caps from the Independent Shareholders.

SINOMACH will abstain from voting at the First EGM on resolutions to approve the Non-exempt CCT Agreements and the Non-exempt Annual Caps.

An Independent Board Committee, comprising all the INEDs who do not have a material interest in the transactions contemplated under the Non-exempt CCT Agreements, has been established to advise the Independent Shareholders in relation to the Non-exempt CCT Agreements, as well as the fairness and reasonableness of the Non-exempt Annual Caps, taking into account the recommendations concerning the same provided by an independent financial adviser. Platinum has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, further information concerning the Non-exempt CCT Agreements, as well as the Non-exempt Annual Caps, a letter from the Independent Board Committee to the Independent Shareholders containing the recommendation of the Independent Board Committee, a letter of advice from Platinum to the Independent Board Committee and the Independent Shareholders, together with a notice to convene the First EGM in order to approve, confirm and ratify the Non-exempt CCT Agreements as well as the Non-exempt Annual Caps will be dispatched to all Shareholders. Such circular is expected to be dispatched to the Shareholders as soon as practicable and within 15 business days after the publication of this announcement.

本公司將召開第一次臨時股東大會尋求獨立股東對不獲自動豁免持續關連交易協議及不獲自動豁免年度上限的批准及認可。

國機將於第一次臨時股東大會上就批准不獲自動豁免持續關連交易協議及不獲自動豁免年度上限的決議案放棄投票。

本公司已成立由全體於不獲自動豁免持續關連交易協議項下擬進行交易中無重大權益的獨立非執行董事組成的獨立董事委員會，以在考慮獨立財務顧問就相同事項的推薦意見後就該等不獲自動豁免持續關連交易協議及不獲自動豁免年度上限的公平性及合理性向獨立股東提供意見。百德能已獲委任為獨立財務顧問，就此向獨立董事委員會及獨立股東提供意見。

本公司將寄發予所有股東一份通函，通函中載有（其中包括）不獲自動豁免持續關連交易協議以及不獲自動豁免年度上限的進一步資料、獨立董事委員會致獨立股東的函件（當中載列獨立董事委員會推薦意見）、百德能致獨立董事委員會及獨立股東的意見函件，以及召開第一次臨時股東大會以批准、確認及追認不獲自動豁免持續關連交易協議以及不獲自動豁免年度上限的通告。通函預期將在實際可行情況下盡快及於刊發本公告後15個營業日內向股東寄發。

## F. Directors' Opinion

The Directors (excluding the INEDs who are members of the Independent Board Committee and whose views will be expressed in the forthcoming circular after taking into account the advice from the Independent Financial Adviser) confirm that (i) the terms of the continuing connected transactions under the Non-exempt CCT Agreements (including the Non-exempt Annual Caps) are fair and reasonable; (ii) the continuing connected transactions under the Non-exempt CCT Agreements are on normal commercial terms or better and in the ordinary and usual course of business of the Group; and (iii) the continuing connected transactions under the Non-exempt CCT Agreements (including the Non-exempt Annual Caps) are in the interests of the Company and the Shareholders as a whole.

Save for Mr. YU Benli (“**Mr. YU**”) and Mr. ZHANG Fusheng (“**Mr. ZHANG**”), none of the Directors (including the INEDs) holds management position in any member of SINOMACH Group that is involved in the connected transactions being considered or the Finance Company or has any material interests in the Non-exempt CCT Agreements and the transactions thereunder and hence Mr. YU and Mr. ZHANG have abstained from voting on the board resolutions approving the entering into of the Non-exempt CCT Agreements and the Non-exempt Annual Caps.

## F. 董事的意見

董事（不包括成為獨立董事委員會成員的獨立非執行董事，彼等的意見將於考慮獨立財務顧問之建議後於即將刊發的通函內發表）確認(i)不獲自動豁免持續關連交易協議項下的持續關連交易（包括不獲自動豁免年度上限）條款屬公平合理；(ii)不獲自動豁免持續關連交易協議項下的持續關連交易乃按正常或更好的商業條款於本集團日常業務過程中訂立；及(iii)不獲自動豁免持續關連交易協議項下的持續關連交易（包括不獲自動豁免年度上限）符合本公司及股東的整體利益。

除了余本禮先生（「余先生」）及張福生先生（「張先生」），概無董事（包括獨立非執行董事）於涉及本次審議之關連交易的國機集團任何成員公司或財務公司持有管理職位或於不獲自動豁免持續關連交易協議及其項下的交易中擁有任何重大權益，故余先生及張先生就批准訂立不獲自動豁免持續關連交易協議及不獲自動豁免年度上限的董事會決議案放棄投票。

### III. CONTINUING CONNECTED TRANSACTIONS EXEMPT FROM THE INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENT

#### A. 2018 Trading Procurement Agreement

##### *Summary of the terms of the Renewed Trading Procurement Agreement*

###### *Date*

November 14, 2014

###### *Parties*

(1) The Company; and

(2) SINOMACH

###### *Background and Material Terms*

Pursuant to the Renewed Trading Procurement Agreement and the historical transactions, the Group sourced various trading products, including but not limited to agriculture machinery and equipment, agriculture transportation vehicles, logging equipment and mining equipment, for the Trading Business from SINOMACH Group.

The Renewed Trading Procurement Agreement is a framework agreement that comprises the general terms and conditions upon which the Group and SINOMACH Group shall carry out a particular type of transactions contemplated thereunder. Members of SINOMACH Group and members of the Group may from time to time enter into detailed agreements in respect of the specific products to be received by the Group, provided that the terms of such detailed agreements shall not be inconsistent with the terms of the framework agreement. The actual products to be received by the Group shall be subject to such detailed agreements entered into between the relevant member of SINOMACH Group and the relevant member of the Group from time to time.

### III. 獲豁免遵守獨立股東批准規定的持續關連交易

#### A. 2018貿易採購框架協議

##### *重訂貿易採購框架協議條款概要*

###### *日期*

2014年11月14日

###### *訂約方*

(1) 本公司；及

(2) 國機

###### *背景及主要條款*

根據重訂貿易採購框架協議及過往交易，本集團已自國機集團採購各種貿易產品，包括（但不限於）農業機械設備、農業運輸車輛、測井設備及採礦設備，以支持貿易業務。

重訂貿易採購框架協議為框架協議，本集團及國機集團須按其中所載一般條款及條件進行擬根據該協議進行的特定種類交易。國機集團成員公司及本集團成員公司可不時就將由本集團接受的特定產品訂立詳細協議，但該等詳細協議的條款不得抵觸該框架協議的條款。本集團實際接受的產品視乎國機集團相關成員公司及本集團相關成員公司不時訂立的詳細協議而定。

The Renewed Trading Procurement Agreement is for a term commencing from November 14, 2014 and ending on December 31, 2017 and may be renewed on terms to be agreed upon by SINOMACH and the Company. Such framework agreement (i) may be terminated by a non-defaulting party by serving a written default notice to the defaulting party stipulating the relevant breach and the defaulting party having failed to remedy such breach within a reasonable period after its receipt of the default notice; and (ii) shall be terminated automatically if the performance of the transactions contemplated thereunder will be in breach of the requirements under the Listing Rules or the necessary approvals required under the Listing Rules or relevant waivers from the Stock Exchange cannot be obtained.

### *Pricing Policy*

According to the Renewed Trading Procurement Agreement, the price at which the Group procures products from SINOMACH Group shall all be determined according to the following principles (each a “**Trading Procurement Pricing Policy**”) in such order: (i) the Government Prescribed Price; (ii) the Government Guided Price; (iii) the Industry Guided Price; (iv) the price determined through tender offer or price bidding process involving a member of SINOMACH Group and two or more suppliers who are independent third parties; and (v) should no suppliers be able to meet our requirements, no offers or bids be received through tender offer or price bidding process, or the offers or bids obtained do not satisfy our tendering or bidding requirements, the price shall be negotiated and agreed between the relevant member of the Group and the relevant member of SINOMACH Group after having referred to the prices at which (x) the relevant member of SINOMACH Group provides the same or similar types of products to independent third parties and (y) the relevant member of the Group had historically received the same or similar types of products from independent third parties by comparing its historical transactions with two or more independent third parties in the past three years prior to entering into the current contemplated transaction.

重訂貿易採購框架協議的年期由2014年11月14日起至2017年12月31日止，並可按國機與本公司商定的條款續期。該框架協議可在下列情況下終止：(i)非違約方向違約方發出說明有關違反行為的書面違約通知，而違約方於收到違約通知後一段合理期間內仍無法彌補有關違反行為；及(ii)若履行據此擬進行的交易將違反上市規則規定或不能取得上市規則規定的必要批准或聯交所授予的相關豁免，則自動終止。

### *定價政策*

根據重訂貿易採購框架協議，本集團向國機集團採購產品的價格須全部根據以下相關次序的原則（各為一項「**貿易採購定價政策**」）釐定：(i)政府定價；(ii)政府指導價；(iii)行業指導價；(iv)本集團通過向國機集團成員公司及兩家或以上供應商（該等供應商為獨立第三方）招標或詢價確定的價格；及(v)倘無符合條件的供應商，或者並無透過招標或詢價過程收到任何開價或出價，或所取得的開價或出價並未滿足我們的開價或出價要求，本集團相關成員公司在參考(x)國機集團相關成員公司向獨立第三方提供同類或相似產品及(y)本集團相關成員公司過往向獨立第三方取得同類或相似產品的價格後，透過於訂立現時擬進行交易之前比較其於過往三年與兩名或以上獨立第三方所訂立的歷史交易，與國機集團相關成員公司商定價格。



In relation to Trading Procurement Pricing Policies (i), (ii) and (iii) above, as at the date of this announcement, there are no applicable Government Prescribed Price, Government Guided Price and Industry Guided Price. Should any of the Government Prescribed Price, the Government Guided Price or the Industry Guided Price be available in the future, the Company will make appropriate public announcements to inform the investors of the details of those policies as applicable.

Should Trading Procurement Pricing Policies (i), (ii) and (iii) above under the Renewed Trading Procurement Agreement be applicable in the future, they will adopt the Applicable Special Pricing Policy (as disclosed on pages 8 and 9 in this announcement).

In relation to Trading Procurement Pricing Policy (iv) above, the Company has been implementing a set of internal control procedures in connection with its well-established Trading Business. All bidding parties participating in the Company's trading procurement must be on the Company's list of qualified and reliable suppliers which is reviewed by the functional departments responsible for the trading and services business on a regular basis. The relevant business manager is responsible for convening a review team which will review the tenders or biddings and conduct comprehensive review based on aspects including but not limited to technology, quality, commercial terms and offered prices from the suppliers. Pursuant to the relevant internal policies of the Company, depending on the type and price of the relevant products, the result of the assessment will be submitted to (i) the finance department, the legal department and functional departments in charge of relevant business, and/or (ii) the management, the deputy general manager, the general manager, the chairman of the Board or the Board for final review and approval.

就上述貿易採購定價政策(i)、(ii)及(iii)而言，於本公告日期，並無適用的政府定價、政府指導價及行業指導價。倘日後可取得任何政府定價、政府指導價或行業指導價，本公司將作出適當公開公告知會投資者該等適用政策的詳情。

如重訂貿易採購框架協議項下的上述貿易採購定價政策(i)、(ii)及(iii)於日後適用，彼等將採納適用特別定價政策（如本公告第8和9頁所披露）。

就上述貿易採購定價政策(iv)而言，本公司已就其完備的貿易業務實施一套內部監控程序。參與本公司貿易採購的所有投標者必須位列本公司合資格及可靠供應商名單，該名單由負責貿易及服務業務的職能部門定期檢討及審核。相關業務經理負責召集評審團隊，將按包括但不限於該等供應商的技術、質量、商業條款及報價等因素檢討招標或投標並進行全面評審。根據本公司相關內部政策，視乎相關產品的類型及價格，評估的結果將提呈予(i)財務部、法律部和負責管理相關業務的職能部門，及／或(ii)管理層、副總經理、總經理、董事長或董事會作最終審閱及批准。

### *Payment Terms*

The proportion of the payment for each stage of the transaction shall be determined after negotiation between the relevant member of the Group and the relevant member of the SINOMACH Group, based on the specific situation and the implementation progress of the receipt of products and it shall be expressively agreed in detail in each individual agreement to be entered into pursuant to the Renewed Trading Procurement Agreement.

Except as disclosed above, all other material terms and conditions of the Renewed Trading Procurement Agreement have remained unchanged.

### *The 2018 Trading Procurement Agreement*

As the Renewed Trading Procurement Agreement will expire on December 31, 2017, the 2018 Trading Procurement Agreement was re-entered into on October 19, 2017 by and between the Company and SINOMACH to (i) extend the current term of the Renewed Trading Procurement Agreement for another three years to December 31, 2020, and (ii) provide for new annual caps as further described below. The proposed annual caps for the years ending December 31, 2018, 2019 and 2020 for the trading procurement by the Group from SINOMACH Group under the 2018 Trading Procurement Agreement are RMB800 million, RMB800 million and RMB800 million, respectively.

### *Pricing Policy and Payment Terms*

The pricing policy, payment terms and all other material terms and conditions of the 2018 Trading Procurement Agreement remained the same as the Renewed Trading Procurement Agreement.

### *支付條款*

本集團相關成員公司與國機集團相關成員公司將根據接受產品的具體情況及實施進度協商確定交易各階段款項的付款比例，並具體地在根據重訂貿易採購框架協議訂立的個別合約中分別明確約定。

除上文所披露者外，重訂貿易採購框架協議之所有其他重大條款及條件維持不變。

### *2018貿易採購框架協議*

由於重訂貿易採購框架協議將於2017年12月31日到期，2018貿易採購框架協議由本公司及國機於2017年10月19日續訂，以(i)將重訂貿易採購框架協議之現時年期延長三年至2020年12月31日，及(ii)提供新年度上限（如下文所進一步載述）。2018貿易採購框架協議項下本集團自國機集團之貿易採購於截至2018年、2019年及2020年12月31日止年度之建議年度上限分別為人民幣800,000,000元、人民幣800,000,000元及人民幣800,000,000元。

### *定價政策及支付條款*

2018貿易採購框架協議的定價政策、支付條款及所有其他重大條款及條件與重訂貿易採購框架協議相同。

**Historical Annual Caps and Historical Transaction Values**

**歷史年度上限及歷史交易金額**

The table below sets out the annual caps and actual transaction values of the continuing connected transactions under the Renewed Trading Procurement Agreement for the years ended December 31, 2014, 2015 and 2016 and the six months ended June 30, 2017 and the year ending December 31, 2017 (only for annual cap).

下表載列重訂貿易採購框架協議項下持續關連交易於截至2014年、2015年及2016年12月31日止年度及截至2017年6月30日止六個月以及截至2017年12月31日止年度（僅就年度上限而言）之年度上限及實際交易金額。

Transaction	交易	For the years ended December 31, 截至12月31日止年度			For the six months ended June 30, 2017 截至 6月30日 止六個月 2017年
		2014	2015	2016	
		2014年	2015年	2016年	
		(RMB millions)			
		(人民幣百萬元)			
Trading procurement by the Group from SINOMACH Group	本集團向國機集團 進行貿易採購				
– Actual transaction values	– 實際交易金額	21	–	–	–
– Annual caps	– 年度上限	21	300	330	360
					(for the year ending December 31, 2017) (截至 2017年 12月31日 止年度)

The aforesaid actual transaction values were affected by various factors including (i) trading activities and industry growth of machinery and electronic products worldwide and in China; (ii) implementation progress in execution of trading business contracts between the Company and connected parties; and (iii) foreign exchange volatility in RMB against major trading currencies.

上述實際交易金額受到各種原因影響，其中包括：(i)全球及中國機電產品貿易活躍度和行業增速；(ii)本公司與關連方在執行貿易業務合同的推進情況；及(iii)人民幣兌主要貿易貨幣的匯率波動幅度。

**Proposed Annual Caps for 2018, 2019 and 2020 and Basis of Determination**

The table below sets out the annual caps for the transactions contemplated under the Renewed Trading Procurement Agreement for the year ending December 31, 2017 and the proposed new annual caps for the years ending December 31, 2018, 2019 and 2020, respectively, under the 2018 Trading Procurement Agreement.

**2018年、2019年及2020年建議年度上限及釐定基準**

下表載列重訂貿易採購框架協議項下擬進行交易於截至2017年12月31日止年度之年度上限及2018貿易採購框架協議項下分別於截至2018年、2019年及2020年12月31日止年度之建議新年度上限。

Transaction	交易	Years ending December 31, 截至12月31日止年度			
		2017 2017年	2018 2018年	2019 2019年	2020 2020年
		(RMB millions) (人民幣百萬元)			
Trading procurement by the Group from SINOMACH Group	本集團向國機集團進行貿易採購	360	800	800	800

The proposed new annual caps are calculated after taking into account the following bases and assumptions and on the principal assumptions that, for the duration of the projected period, there will not be any adverse change or disruption in the global economic conditions, market conditions, operation and business environment or government policies which may materially affect the businesses of SINOMACH Group and/or the Group:

建議新年度上限經考慮以下基準及假設及基於可能對國機集團及／或本集團的業務構成重大影響的全球經濟狀況、市況、營運及商業環境或政府政策於整個預測期間內並無任何不利變動或紊亂之主要假設後計得：

- |  |   |
|--|---|
| (i) the historical transaction amounts under the Renewed Trading Procurement Agreement disclosed above;  | (i) 上文披露的重訂貿易採購框架協議下的歷史交易金額；                |
| (ii) the nature of products required under the specific contracts already signed or agreed between members of the Group and members of SINOMACH Group; | (ii) 本集團成員公司與國機集團成員公司已簽訂或同意落實的特定合同下所需的產品性質； |
| (iii) the products delivery dates under the relevant trading contracts;  | (iii) 相關貿易合同所載的產品交付日期；                      |
| (iv) the expected increase in costs on manufacturing the relevant products;  | (iv) 相關產品生產成本的預期增幅；                         |
| (v) the expected increase in demand by the Group for various products;   | (v) 本集團對各種產品的需求的預期增幅；                       |

- (vi) the historical transaction amounts generated from the trading procurement of CNEEC and CNCEC from SINOMACH Group, and the anticipated increase in the demand by CNEEC and CNCEC for the provision of various products by SINOMACH Group. Since other members of SINOMACH Group have been providing various products to CNEEC and CNCEC, it is expected that once the Proposed Injection is completed, these existing transactions will become continuing connected transactions with regard to the selling of trading products by members of SINOMACH Group to members of the Group;
  - (vii) the estimated increase in the average market prices for the relevant products due to inflation and development of the manufacturing and trading markets in the PRC;
  - (viii) the expected impact on the increment of the transaction amounts based on the movement of RMB against USD for 2015 and 2016 and on the assumption that annual movement of RMB against USD for the next three years (2018-2020) would follow a similar trend; and
  - (ix) the actual and expected increase in the demand by the Group for the provision of various products by SINOMACH Group owing to the increase in the number of subsidiaries of SINOMACH as a result of its strategic reorganization and expansion in 2013.
- (vi) 中電工及中成套向國機集團進行貿易採購產生的歷史交易金額，及中電工及中成套對國機集團提供多種產品需求的預期增幅。由於國機集團的其他成員公司一直向中電工及中成套提供多種產品，預期一經建議注資完成，關於國機集團相關成員公司向本集團成員公司銷售貿易產品的該等現有交易將成為持續關連交易；
  - (vii) 相關產品平均市價受通脹及中國製造及貿易市場發展影響下的預計升幅；
  - (viii) 基於2015-2016年人民幣兌美元匯率波動情形，假設2018-2020未來三年中每年人民幣兌美元匯率均出現類似的波動，預期對交易額增量的影響；及
  - (ix) 由於國機附屬公司數目因2013年策略性重組及擴張而增加，令本集團對國機集團提供的多種產品出現實際及預期需求增長。

***Reasons for and Benefits of Re-Entering into the 2018 Trading Procurement Agreement***

The Group has an internal list of identified suppliers who are able to provide various products to satisfy the needs of the Trading Business from time to time. Such list includes both members of SINOMACH Group and other independent third parties, who have been identified by the Group by reference to their market reputation, prices and quality of products which they offer and if applicable, performance under previous engagements with the Group. SINOMACH Group is a group of companies,

***續訂2018貿易採購框架協議的理由及好處***

本集團內部有一份確定的供應商名單，該等供應商有能力提供各種產品，可滿足貿易業務的不時之需。該名單包括國機集團成員公司及其他獨立第三方，由本集團參考彼等的市場聲譽以及彼等提供的產品價格及質量，以及（如適用）過往與本集團合作時的表現後確定。國機

which has a long history of manufacturing various products in the PRC and is renowned as being able to produce high quality machinery and equipment, especially those for electronic, energy, agricultural, forestry and geology industries. In order to facilitate the Trading Business and in view of the strong manufacturing capacity of SINOMACH Group, the Group has been sourcing various products from SINOMACH Group for the Trading Business. Furthermore, taking into account the long history of cooperative relationship between the Group and SINOMACH Group, the Group considers that the 2018 Trading Procurement Agreement is able to assure that the best quality products are available for the Trading Business. Therefore, the 2018 Trading Procurement Agreement is beneficial to the Group and the development of the Trading Business.

## **B. 2018 Trading Sales Agreement**

### ***Summary of the terms of the Renewed Trading Sales Agreement***

#### *Date*

November 14, 2014

#### *Parties*

- (1) The Company; and
- (2) SINOMACH

#### *Background and Material Terms*

Pursuant to the Renewed Trading Sales Agreement and the historical transactions, the Group sold various trading products to SINOMACH Group under its Trading Business.

The Renewed Trading Sales Agreement is a framework agreement that comprises the general terms and conditions upon which the Group shall sell various products to SINOMACH Group. Members of SINOMACH Group and members of the Group may from time to time enter into detailed agreements in respect of the specific products to be provided by the Group, provided that the terms of such detailed agreements shall not be inconsistent with the terms of the Renewed Trading Sales

集團為具備多年在中國生產各種產品經驗的集團公司，並以生產優質機械設備的能力著稱，尤其在電子、能源、農業、林木及地質行業所需的機械設備方面。鑒於國機集團的產能強大，為促進貿易業務，本集團一直為貿易業務自國機集團採購各種產品。此外，考慮到本集團與國機集團的合作關係歷史悠久，本集團認為2018貿易採購框架協議可確保貿易業務可獲得最優質的產品。因此，2018貿易採購框架協議有利於本集團及貿易業務的發展。

## **B. 2018貿易銷售框架協議**

### ***重訂貿易銷售框架協議條款概要***

#### *日期*

2014年11月14日

#### *訂約方*

- (1) 本公司；及
- (2) 國機

#### *背景及主要條款*

根據重訂貿易銷售框架協議及過往交易，本集團於其貿易業務項下向國機集團出售各類貿易產品。

重訂貿易銷售框架協議為框架協議，本集團須按其中所載一般條款及條件向國機集團出售各類產品。國機集團成員公司及本集團成員公司可不時就將由本集團提供的特定產品訂立詳細協議，但該等詳細協議的條款不得抵觸重訂貿

Agreement. The actual products to be provided by the Group shall be subject to such detailed agreements entered into between the relevant member of SINOMACH Group and the relevant member of the Group from time to time.

The Renewed Trading Sales Agreement is for a term commencing from November 14, 2014 and ending on December 31, 2017 and may be renewed on terms to be agreed upon by SINOMACH and the Company. The Renewed Trading Sales Agreement (i) may be terminated by a non-defaulting party by serving a written default notice to the defaulting party stipulating the relevant breach and the defaulting party having failed to remedy such breach within a reasonable period after its receipt of the default notice and (ii) shall be terminated automatically if the performance of the transactions contemplated thereunder will be in breach of the requirements under the Listing Rules or the necessary approvals required under the Listing Rules or relevant waivers from the Stock Exchange cannot be obtained.

#### *Pricing Policy*

According to the Renewed Trading Sales Agreement, the price at which the Group sell trading products to SINOMACH Group shall be determined according to the following principles (each a “**Trading Sales Pricing Policy**”) in such order: (i) the Government Prescribed Price; (ii) the Government Guided Price; (iii) the Industry Guided Price; and (iv) the price determined through negotiation which will not be lower than the Market Price.

In relation to Trading Sales Pricing Policies (i), (ii) and (iii) above, as at the date of this announcement, there are no applicable Government Prescribed Price, Government Guided Price and Industry Guided Price. Should any of the Government Prescribed Price, the Government Guided Price or the Industry Guided Price be available in the future, the Company will make appropriate public announcements to inform the investors of the details of those policies as applicable.

Should Trading Sales Pricing Policies (i), (ii) and (iii) above under the Renewed Trading Sales Agreement be applicable in the future, they will adopt the Applicable Special Pricing Policy (as disclosed on pages 8 and 9 in this announcement).

易銷售框架協議的條款。本集團實際提供的產品視乎國機集團相關成員公司及本集團相關成員公司不時訂立的詳細協議而定。

重訂貿易銷售框架協議的年期由2014年11月14日起至2017年12月31日止，並可按國機與本公司商定的條款續期。重訂貿易銷售框架協議可在下列情況下終止：(i)非違約方向違約方發出說明有關違反行為的書面違約通知，而違約方於收到違約通知後一段合理期間內仍無法彌補有關違反行為；及(ii)若履行據此擬進行的交易將違反上市規則規定或不能取得上市規則規定的必要批准或聯交所授予的相關豁免，則自動終止。

#### *定價政策*

根據重訂貿易銷售框架協議，本集團向國機集團銷售貿易產品的價格須根據以下相關次序的原則（各為一項「**貿易銷售定價政策**」）釐定：(i)政府定價；(ii)政府指導價；(iii)行業指導價；及(iv)協商釐定的將不低於市場價的價格。

就上述貿易銷售定價政策(i)、(ii)及(iii)而言，於本公告日期，並無適用的政府定價、政府指導價及行業指導價。倘日後可取得任何政府定價、政府指導價或行業指導價，本公司將作出適當公開公告知會投資者該等適用政策的詳情。

如重訂貿易銷售框架協議項下的上述貿易銷售定價政策(i)、(ii)及(iii)於日後適用，彼等將採納適用特別定價政策（如本公告第8和9頁所披露）。

Since the trading products under the Renewed Trading Sales Agreement are essentially merchandises available in the open market which will be sourced by the Group, the Directors are of the view that any transactions to be priced based on Trading Sales Pricing Policy (iv) will be conducted on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

#### *Payment Terms*

The proportion of the payment for each stage of the transaction shall be determined after negotiation between the relevant member of the Group and the relevant member of the SINOMACH Group, based on the situation and the implementation progress of the provision of the products and it shall be expressly agreed in detail in the individual agreement to be entered into pursuant to the Renewed Trading Sales Agreement. The relevant member of the Group shall issue corresponding invoice promptly. In the event that the relevant member of SINOMACH Group fails to make the payment according to the time agreed upon under the individual agreement, the relevant member of the Group and the relevant member of SINOMACH Group shall negotiate to offer appropriate grace period and calculate the interest of the unpaid payment during the grace period at the benchmark interest rate published by the PBOC over the same period.

#### **2018 Trading Sales Agreement**

As the Renewed Trading Sales Agreement will expire on December 31, 2017, the 2018 Trading Sales Agreement was re-entered into on October 19, 2017 by and between the Company and SINOMACH to (i) extend the current term of the Renewed Trading Sales Agreement for another three years to December 31, 2020, (ii) further amend the pricing policy and payment terms (if necessary), and (iii) provide for new annual caps as further described below. The proposed annual caps for the years ending December 31, 2018, 2019 and 2020 for the trading sales by the Group to SINOMACH Group under the 2018 Trading Sales Agreement are RMB200 million, RMB200 million and RMB200 million, respectively.

由於重訂貿易銷售框架協議項下的貿易產品屬本集團可於公開市場採購的基本貨品，董事認為根據貿易銷售定價政策(iv)定價的任何交易將按照正常商業條款進行，並符合本公司及股東的整體利益。

#### *支付條款*

本集團相關成員公司與國機集團相關成員公司將根據提供產品的情況及實施進度協商確定交易各階段款項的付款比例，並具體地在根據重訂貿易銷售框架協議訂立的個別合約中明確約定。本集團相關成員公司應及時開具相應發票。如國機集團相關成員公司未能按個別合約約定時間付款，本集團相關成員公司可與國機集團相關成員公司協商給予適當寬限期，並按中國人民銀行公佈的同期基準利率計算寬限期內未付款項的利息。

#### **2018貿易銷售框架協議**

由於重訂貿易銷售框架協議將於2017年12月31日到期，本公司及國機於2017年10月19日續訂2018貿易銷售框架協議，以(i)將重訂貿易銷售框架協議之現時年期延長三年至2020年12月31日，(ii)進一步修訂定價政策及支付條款(如必要)，及(iii)提供新年度上限(如下文所進一步載述)。2018貿易銷售框架協議項下本集團對國機集團之貿易銷售於截至2018年、2019年及2020年12月31日止年度之建議年度上限分別為人民幣200,000,000元、人民幣200,000,000元及人民幣200,000,000元。



### Pricing Policy and Payment Terms

The pricing policy, payment terms and all other material terms and conditions of the 2018 Trading Sales Agreement remained the same as the Renewed Trading Sales Agreement.

### Historical Annual Caps and Historical Transaction Values

The table below sets out the annual caps and actual transaction values of the continuing connected transactions under the Renewed Trading Sales Agreement for the years ended December 31, 2014, 2015 and 2016 and the six months ended June 30, 2017 and the year ending December 31, 2017 (only for annual cap).

Transaction	交易	For the years ended December 31, 截至12月31日止年度			For the six months ended June 30, 2017 截至 6月30日 止六個月
		2014	2015	2016	2017年
Trading sales by the Group to SINOMACH Group	本集團向國機集團 進行貿易銷售				
– Actual transaction costs	– 實際交易金額	–	–	–	–
– Annual caps	– 年度上限	–	50	50	50 (for the year ending December 31, 2017) (截至 2017年 12月31日 止年度)

No historical transaction values in the past were mainly due to trading business of the Company focusing on oversea markets with customers being mainly independent third parties.

### 定價政策及支付條款

2018貿易銷售框架協議的定價政策、支付條款及所有其他重大條款及條件與重訂貿易銷售框架協議相同。

### 歷史年度上限及歷史交易金額

下表載列重訂貿易銷售框架協議項下持續關連交易於截至2014年、2015年及2016年12月31日止年度及截至2017年6月30日止六個月以及截至2017年12月31日止年度（僅就年度上限而言）之年度上限及實際交易金額。

過往沒有歷史交易金額的原因主要是由於本公司貿易業務主要面向海外市場客戶主要是獨立第三方。

***Proposed Annual Caps for 2018, 2019 and 2020 and Basis of Determination***

The table below sets out the annual caps for the transactions contemplated under the Renewed Trading Sales Agreement for the year ending December 31, 2017 and the proposed new annual caps for the years ending December 31, 2018, 2019 and 2020, respectively, under the 2018 Trading Sales Agreement.

**2018年、2019年及2020年建議年度上限及釐定基準**

下表載列重訂貿易銷售框架協議項下擬進行交易於截至2017年12月31日止年度之年度上限及2018貿易銷售框架協議項下分別於截至2018年、2019年及2020年12月31日止年度之建議新年度上限。

Transaction	交易	Years ending December 31, 截至12月31日止年度			
		2017 2017年	2018 2018年	2019 2019年	2020 2020年
			(RMB millions) (人民幣百萬元)		
Trading sales by the Group to SINOMACH Group	本集團向國機集團 進行貿易銷售	50	200	200	200

The proposed new annual caps are calculated after taking into account the following bases and assumptions and on the principal assumptions that, for the duration of the projected period, there will not be any adverse change or disruption in the global economic conditions, market conditions, operation and business environment or government policies which may materially affect the businesses of SINOMACH Group and/or the Group:

- (a) the historical transaction amounts under the Renewed Trading Sales Agreements disclosed above;
- (b) the nature of products required under the specific contracts already signed or agreed between members of the Group and members of SINOMACH Group;
- (c) the historical transaction amounts under the trading sales to SINOMACH Group by CNEEC and CNCEC, and the anticipated increase in the demand by SINOMACH Group for the provision of various trading products by CNEEC and CNCEC. Since CNEEC and CNCEC have been providing various trading products to other members of SINOMACH Group, it is expected that once the Proposed Injection is completed, these existing transactions will become continuing connected transactions with regard to the selling of trading projects by members of the Group to members of SINOMACH Group;
- (d) the estimated increase in the average market prices for the relevant products due to inflation and development of the PRC manufacturing and trading markets;
- (e) the expected impact on the increment of the transaction amounts based on the movement of RMB against USD for 2015 and 2016 and on the assumption that annual movement of RMB against USD for the next three years (2018-2020) would follow a similar trend; and
- (f) the actual and expected increase in the demand by SINOMACH Group for the provision of various trading products by the Group owing to the increase in the number of subsidiaries of SINOMACH as a result of its strategic reorganization and expansion in 2013.

建議新年度上限經考慮以下基準及假設及基於可能對國機集團及／或本集團的業務構成重大影響的全球經濟狀況、市況、營運及商業環境或政府政策於整個預測期間內並無任何不利變動或紊亂之主要假設後計得：

- (a) 上文披露的重訂貿易銷售框架協議項下的歷史交易金額；
- (b) 本集團成員公司與國機集團成員公司已簽訂或同意落實的特定合同下所需的產品性質；
- (c) 中電工及中成套向國機集團進行貿易銷售項下的歷史交易金額，及國機集團對中電工及中成套提供多種貿易產品之需求之預期增幅。由於中電工及中成套一直向國機集團的其他成員公司提供多種貿易產品，預期一經建議注資完成，關於本集團成員公司向國機集團成員公司銷售貿易項目的該等現有交易將成為持續關連交易；
- (d) 相關產品平均市場價在通脹及中國製造業以及貿易市場發展的影響下的預期增幅；
- (e) 基於2015-2016年人民幣兌美元匯率波動情形，假設2018-2020未來三年中每年人民幣兌美元匯率均出現類似的波動，預期對交易額增量的影響；及
- (f) 由於國機附屬公司數目因2013年策略性重組及擴張而增加，令國機集團對本集團提供的多種產品出現實際及預期需求增長。

## ***Reasons for and Benefits of Re-Entering into the 2018 Trading Sales Agreement***

The 2018 Trading Sales Agreement is expected to increase the revenue and profits of the Trading Business and to expand the market share in the international trading market if and when any member of SINOMACH Group enters into specific contracts with the Group and engages the Group in providing products for them. Therefore, the Group considers that the 2018 Trading Sales Agreement is beneficial to the Group and the development of the Trading Business.

### **C. 2018 Integrated Services Agreement**

#### ***Summary of the terms of the Renewed Integrated Services Agreement***

##### *Date*

November 14, 2014

##### *Parties*

- (1) The Company; and
- (2) SINOMACH

##### *Background and Material Terms*

Pursuant to the Renewed Integrated Services Agreement and the historical transactions, the Group provided integrated services such as legal services, exhibition and conference services, storage and transportation services, tendering services, agency services, property management services and design services to SINOMACH Group in respect of the business undertaken by SINOMACH Group.

The Renewed Integrated Services Agreement is a framework agreement that comprises the general terms and conditions upon which the Group and SINOMACH Group shall carry out the particular type of transactions contemplated thereunder. Members of SINOMACH Group and members of the Group may from time to time enter into detailed agreements in respect of the specific services to be provided by the Group, provided that the terms of such detailed agreements shall not be inconsistent with the terms of the framework agreement. The actual services to be provided by the Group shall be subject to such detailed agreements entered into between the relevant member of SINOMACH Group and the relevant member of the Group from time to time.

## **續訂2018貿易銷售框架協議的理由及好處**

2018貿易銷售框架協議預期將增加我們貿易業務的收入及溢利，倘國機集團任何成員公司與本集團訂立特定合同，由我們向其提供產品，更將擴大我們在國際貿易市場的市場份額。因此，本集團認為2018貿易銷售框架協議有利於本集團及貿易業務的發展。

### **C. 2018綜合服務框架協議**

#### **重訂綜合服務框架協議條款概要**

##### *日期*

2014年11月14日

##### *訂約方*

- (1) 本公司；及
- (2) 國機

##### *背景及主要條款*

根據重訂綜合服務框架協議及過往交易，本集團已就國機集團所承接的業務向國機集團提供綜合服務（如法律諮詢服務、展覽及會議服務、倉存及運輸服務、招標服務、代理服務、物業管理服務及設計諮詢服務）。

重訂綜合服務框架協議為框架協議，本集團及國機集團須按其中所載一般條款及條件進行擬根據該協議進行的特定種類交易。國機集團成員公司及本集團成員公司可不時就將由本集團提供的特定服務訂立詳細協議，但該等詳細協議的條款不得抵觸該框架協議的條款。本集團實際提供的服務視乎國機集團相關成員公司及本集團相關成員公司不時訂立的詳細協議而定。

The Renewed Integrated Services Agreement is for a term commencing from November 14, 2014 and ending on December 31, 2017 and may be renewed on terms to be agreed upon by SINOMACH and the Company. Such framework agreement (i) may be terminated by a non-defaulting party by serving a written default notice to the defaulting party stipulating the relevant breach and the defaulting party having failed to remedy such breach within a reasonable period after its receipt of the default notice; and (ii) shall be terminated automatically if the performance of the transactions contemplated thereunder will be in breach of the requirements under the Listing Rules or the necessary approvals required under the Listing Rules or relevant waivers from the Stock Exchange cannot be obtained.

### *Pricing Policy*

According to the Renewed Integrated Services Agreement, the price at which the Group provides integrated services to SINOMACH Group shall be determined according to the following principles (each an “**Integrated Services Pricing Policy**”) in such order: (i) the Government Prescribed Price; (ii) the Government Guided Price; (iii) the Industry Guided Price; and (iv) the price determined through negotiation which will not be lower than the Market Price.

In relation to Integrated Services Pricing Policies (i), (ii) and (iii) above, as at the date of this announcement, there are no applicable Government Prescribed Price, Government Guided Price and Industry Guided Price. Should any of the Government Prescribed Price, the Government Guided Price or the Industry Guided Price be available in the future, the Company will make appropriate public announcements to inform the investors of the details of those policies as applicable.

Should Integrated Services Pricing Policies (i), (ii) and (iii) above under the Renewed Integrated Services Agreement be applicable in the future, they will adopt the Applicable Special Pricing Policy (as disclosed on pages 8 and 9 in this announcement).

重訂綜合服務框架協議的年期由2014年11月14日起至2017年12月31日止，並可按國機與本公司商定的條款續期。該框架協議可在下列情況下終止：(i)非違約方向違約方發出說明有關違反行為的書面違約通知，而違約方於收到違約通知後一段合理期間內仍無法彌補有關違反行為；及(ii)若履行據此擬進行的交易將違反上市規則規定或不能取得上市規則規定的必要批准或聯交所授予的相關豁免，則自動終止。

### *定價政策*

根據重訂綜合服務框架協議，本集團向國機集團提供綜合服務的價格須根據以下相關次序的原則（各為一項「**綜合服務定價政策**」）釐定：(i)政府定價；(ii)政府指導價；(iii)行業指導價；及(iv)協商釐定的將不低於市場價的價格。

就上述綜合服務定價政策(i)、(ii)及(iii)而言，於本公告日期，並無適用的政府定價、政府指導價及行業指導價。倘日後可取得任何政府定價、政府指導價或行業指導價，本公司將作出適當公開公告知會投資者該等適用政策的詳情。

如重訂綜合服務框架協議項下的上述綜合服務定價政策(i)、(ii)及(iii)於日後適用，彼等將採納適用特別定價政策（如本公告第8和9頁所披露）。

Since the services to be provided under the Renewed Integrated Services Agreement are services that may ordinarily be provided by other independent third parties and the price will not be lower than the Market Price, the Directors are of the view that any transactions to be priced based on Integrated Services Pricing Policy (iv) will be conducted on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

#### *Payment Terms*

The proportion of the payment for each stage of the transaction shall be determined after negotiation between the relevant member of the Group and the relevant member of the SINOMACH Group, based on the situation and the implementation progress of the provision of services and it shall be expressly agreed in detail in the individual agreement to be entered into pursuant to the Renewed Integrated Services Agreement. The relevant member of the Group shall issue corresponding invoice promptly. In the event that the relevant member of SINOMACH Group fails to make the payment according to the time agreed upon under the individual agreement, the relevant member of the Group and the relevant member of SINOMACH Group shall negotiate to offer appropriate grace period and calculate the interest of the unpaid payment during the grace period at the benchmark interest rate published by the PBOC over the same period.

#### **2018 Integrated Services Agreement**

As the Renewed Integrated Services Agreement will expire on December 31, 2017, the 2018 Integrated Services Agreement was re-entered into on October 19, 2017 by and between the Company and SINOMACH to (i) extend the current term of the Renewed Integrated Services Agreement for another three years to December 31, 2020, (ii) further amend the pricing policy and payment terms as further described below, and (iii) provide for new annual caps as further described below. The proposed annual caps for the years ending December 31, 2018, 2019 and 2020 for the provision of integrated services by the Group to SINOMACH Group under the 2018 Integrated Services Agreement are RMB500 million, RMB500 million and RMB500 million, respectively.

由於根據重訂綜合服務框架協議提供的服務乃一般可由其他獨立第三方提供的服務且價格將不低於市場價，董事認為根據綜合服務定價政策(iv)定價的任何交易將按照正常商業條款進行，並符合本公司及股東的整體利益。

#### *支付條款*

本集團相關成員公司與國機集團相關成員公司將根據提供服務的情況及實施進度協商確定交易各階段款項的付款比例，並具體地在根據重訂綜合服務框架協議訂立的個別合約中明確約定。本集團相關成員公司應及時開具相應發票。如國機集團相關成員公司未能按個別合約約定時間付款，本集團相關成員公司可與國機集團相關成員公司協商給予適當寬限期，並按中國人民銀行公佈的同期基準利率計算寬限期內未付款項的利息。

#### **2018綜合服務框架協議**

由於重訂綜合服務框架協議將於2017年12月31日到期，本公司及國機於2017年10月19日續訂2018綜合服務框架協議，以(i)將重訂綜合服務框架協議之現時年期延長三年至2020年12月31日，(ii)進一步修訂定價政策及支付條款（如下文所進一步載述），及(iii)提供新年度上限（如下文所進一步載述）。2018綜合服務框架協議項下本集團向國機集團提供之綜合服務於截至2018年、2019年及2020年12月31日止年度之建議年度上限分別為人民幣500,000,000元、人民幣500,000,000元及人民幣500,000,000元。

### Pricing Policy and Payment Terms

The pricing policy, payment terms and all other material terms and conditions of the 2018 Integrated Services Agreement remained the same as the Renewed Integrated Services Agreement.

### Historical Annual Caps and Historical Transaction Values

The table below sets out the annual caps actual transaction values of the continuing connected transactions under the Renewed Integrated Services Agreement for the years ended December 31, 2014, 2015 and 2016 and the six months ended June 30, 2017 and the year ending December 31, 2017 (only for annual cap).

Transaction	交易	For the years ended December 31, 截至12月31日止年度			For the six months ended June 30, 2017 截至 6月30日 止六個月 2017年
		2014	2015	2016	
Provision of integrated services by the Group to SINOMACH Group	本集團向國機集團提供綜合服務				
– Actual transaction costs	– 實際交易金額	2.3	87.46	75.6	23.9
– Annual caps	– 年度上限	53	100	110	120
					(for the year ending December 31, 2017) (截至2017年12月31日止年度)

The aforesaid actual transaction values were affected by various factors including (i) activities and industry growth of the relevant businesses, including design consulting services, conferences and exhibitions, and tender agent in China; and (ii) implementation progress in execution of integrated trading business contracts between the Company and connected parties.

### 定價政策及支付條款

2018綜合服務框架協議的定價政策、支付條款及所有其他重大條款及條件與重訂綜合服務框架協議相同。

### 歷史年度上限及歷史交易金額

下表載列重訂綜合服務框架協議項下持續關連交易於截至2014年、2015年及2016年12月31日止年度及截至2017年6月30日止六個月以及截至2017年12月31日止年度（僅就年度上限而言）之年度上限及實際交易金額。

上述實際交易金額受到各種原因影響，其中包括：(i)中國設計諮詢服務、會議展覽、招標代理等相關業務的活躍度和行業增速；及(ii)本公司與關連方在執行綜合貿易業務合同的推進情況。

**Proposed Annual Caps for 2018, 2019 and 2020 and Basis of Determination**

The table below sets out the annual caps for the transactions contemplated under the Renewed Integrated Services Agreement for the year ending December 31, 2017 and the proposed new annual caps for the years ending December 31, 2018, 2019 and 2020, respectively, under the 2018 Integrated Services Agreement.

**2018年、2019年及2020年建議年度上限及釐定基準**

下表載列重訂綜合服務框架協議項下擬進行交易於截至2017年12月31日止年度之年度上限及2018綜合服務框架協議項下分別於截至2018年、2019年及2020年12月31日止年度之建議新年度上限。

Transaction	交易	Years ending December 31, 截至12月31日止年度			
		2017 2017年	2018 2018年	2019 2019年	2020 2020年
Provision of integrated services by the Group to SINOMACH Group	本集團向國機集團提供綜合服務	120	500	500	500

The proposed new annual caps are calculated after taking into account the following bases and assumptions and on the principal assumptions that, for the duration of the projected period, there will not be any adverse change or disruption in the global economic conditions, market conditions, operation and business environment or government policies which may materially affect the businesses of SINOMACH Group and/or the Group:

建議新年度上限經考慮以下基準及假設及基於可能對國機集團及／或本集團的業務構成重大影響的全球經濟狀況、市況、營運及商業環境或政府政策於整個預測期間內並無任何不利變動或紊亂之主要假設後計得：

- (a) the historical transaction amounts under the Renewed Integrated Services Agreements disclosed above;
- (a) 上文披露的重訂綜合服務框架協議下的歷史交易金額；
- (b) the nature of services required under the specific contracts signed or agreed between members of the Group and members of SINOMACH Group;
- (b) 本集團成員公司與國機集團成員公司已簽訂或同意落實的特定合同下所需的服務性質；



- |   |   |
|---|---|
| (c) the expected increase in demand by SINOMACH Group for the integrated services;  | (c) 國機集團對綜合服務的需求的預期升幅；  |
| (d) the historical transaction amounts under the provision of integrated services to SINOMACH Group by CNEEC and CNCEC, and the anticipated increase in the demand by SINOMACH Group for the provision of integrated services by CNEEC and CNCEC. Since CNEEC and CNCEC have been providing integrated services to other members of SINOMACH Group, it is expected that once the Proposed Injection is completed, these existing transactions will become continuing connected transactions with regard to the provision of integrated services by members of the Group to members of SINOMACH Group; | (d) 中電工及中成套向國機集團提供綜合服務項下的歷史交易金額，及國機集團對中電工及中成套提供綜合服務需求的預期增幅。由於中電工及中成套一直向國機集團的其他成員公司提供綜合服務，預期一經建議注資完成，關於本集團成員公司向國機集團成員公司提供綜合服務的該等現有交易將成為持續關連交易； |
| (e) the estimated increase in the average market prices for such integrated services due to inflation and development of the Group's business relating to such integrated services;   | (e) 有關綜合服務的平均市價在通脹及本集團的有關該等綜合服務業務的發展影響下的預計升幅；   |
| (f) the expected impact on the increment of the transaction amounts based on the movement of RMB against USD for 2015 and 2016 and on the assumption that annual movement of RMB against USD for the next three years (2018-2020) would follow a similar trend; and   | (f) 基於2015-2016年人民幣兌美元匯率波動情形，假設2018-2020未來三年中每年人民幣兌美元匯率均出現類似的波動，預期對交易額增量的影響；及   |
| (g) the actual and expected increase in the demand by SINOMACH Group for the provision of integrated services by the Group owing to the increase in the number of subsidiaries of SINOMACH as a result of its strategic reorganization and expansion in 2013.   | (g) 由於國機附屬公司數目因2013年策略性重組及擴張而增加，令國機集團對本集團提供的綜合服務出現實際及預期需求增長。  |

## ***Reasons for and Benefits of Re-Entering into the 2018 Integrated Services Agreement***

The Group is qualified in providing various integrated services, such as legal services, exhibition and conference services, storage and transportation services, tendering services, agency services, property management services and design services, and is well-recognized with its experience in providing such integrated services. SINOMACH Group has therefore engaged the Group to provide them with such integrated services. The 2018 Integrated Services Agreement is expected to increase the revenue and profits of the Group, and therefore the Group considers that the 2018 Integrated Services Agreement is beneficial to the Group and the development of the Group's business generally.

### **D. Receipt of Integrated Services Agreement**

#### *Date*

October 19, 2017

#### *Parties*

- (i) The Company; and
- (ii) SINOMACH

#### *Background and Material Terms*

Pursuant to the Receipt of Integrated Services Agreement, the Group received integrated services, including but not limited to exhibition and conference services, technological research and development service, management consulting services, design consulting services, property leasing and management services in respect of the services business from SINOMACH Group.

## **續訂2018綜合服務框架協議的理由及好處**

本集團合資格提供多種綜合服務（如法律諮詢服務、展覽及會議服務、倉存及運輸服務、招標服務、代理服務、物業管理服務及設計諮詢服務），並以提供該等綜合服務的經驗聞名，故國機集團聘用本集團向彼等提供該等綜合服務。2018綜合服務框架協議預期將增加本集團的收入及溢利，本集團因此認為2018綜合服務框架協議有利於本集團以及本集團業務的全面發展。

### **D. 接受綜合服務框架協議**

#### *日期*

2017年10月19日

#### *訂約方*

- (1) 本公司；及
- (2) 國機

#### *背景及主要條款*

根據接受綜合服務框架協議，本集團將就服務業務接受國機集團提供的綜合服務，包括但不限於展覽及會議服務、科技研究開發服務、管理諮詢服務、設計諮詢服務、物業租賃和管理服務。

The Receipt of Integrated Services Agreement is a framework agreement that comprises the general terms and conditions upon which the Group and SINOMACH Group shall carry out the particular type of transactions contemplated thereunder. Members of SINOMACH Group and members of the Group may from time to time enter into detailed agreements in respect of the specific services to be received by the Group, provided that the terms of such detailed agreements shall not be inconsistent with the terms of the framework agreement. The actual services to be received by the Group shall be subject to such detailed agreements entered into between the relevant member of SINOMACH Group and the relevant member of the Group from time to time.

The Receipt of Integrated Services Agreement is for a term commencing from January 1, 2018 and ending on December 31, 2020 and may be renewed on terms to be agreed upon by SINOMACH and the Company. Such framework agreement (i) may be terminated by a non-defaulting party by serving a written default notice to the defaulting party stipulating the relevant breach and the defaulting party having failed to remedy such breach within a reasonable period after its receipt of the default notice; and (ii) shall be terminated automatically if the performance of the transactions contemplated thereunder will be in breach of the requirements under the Listing Rules or the necessary approvals required under the Listing Rules or relevant waivers from the Stock Exchange cannot be obtained.

#### *Pricing Policy*

Pursuant to the Receipt of Integrated Services Agreement and our internal control measures as further described below in relation to pricing policy, the price at which the Group receives integrated services from SINOMACH Group shall all be determined according to the following principles in such order: (i) the Government Prescribed Price; (ii) the Government Guided Price; (iii) the Industry Guided Price; (iv) the price to be agreed upon by the relevant member of the Group and SINOMACH or the relevant member of SINOMACH Group, such that the price will not be lower than the Market Price.

接受綜合服務框架協議為框架協議，本集團及國機集團須按其中所載一般條款及條件進行擬根據該協議進行的特定種類交易。國機集團成員公司及本集團成員公司可不時就將由本集團接受的特定服務訂立詳細協議，但該等詳細協議的條款不得抵觸該框架協議的條款。本集團實際接受的服務視乎國機集團相關成員公司及本集團相關成員公司不時訂立的詳細協議而定。

接受綜合服務框架協議的年期由2018年1月1日起至2020年12月31日止，並可按國機與本公司商定的條款續期。該框架協議可在下列情況下終止：(i)非違約方向違約方發出說明有關違反行為的書面違約通知，而違約方於收到違約通知後一段合理期間內仍無法彌補有關違反行為；及(ii)若履行據此擬進行的交易將違反上市規則規定或不能取得上市規則規定的必要批准或聯交所授予的相關豁免，則自動終止。

#### *定價政策*

根據接受綜合服務框架協議及我們的內部監控措施（如下文就定價政策所進一步載述），本集團自國機集團接受綜合服務的價格須根據以下相關次序的原則釐定：(i)政府定價；(ii)政府指導價；(iii)行業指導價；(iv)本集團相關成員公司與國機或國機集團相關成員公司商定的價格，從而使該價格不低於市場價。

## Payment Terms

Payment and settlement for transactions under the Receipt of Integrated Services Agreement shall be subject to the specific terms on timing and method of payment and settlement under the separate agreements.

## Proposed Annual Caps for 2018, 2019 and 2020 and Basis of Determination

The table below sets out the proposed annual caps for the transactions contemplated under the Receipt of Integrated Services Agreement for the years ending December 31, 2018, 2019 and 2020.

Transaction	交易	Years ending December 31, 截至12月31日止年度			
		2017 2017年	2018 2018年	2019 2019年	2020 2020年
Receipt of integrated services by the Group to SINOMACH Group	本集團接受國機集團綜合服務	–	500	500	500

## Reasons and Benefits of the Receipt of Integrated Services Agreement

The Receipt of Integrated Services Agreement allows the Group to subcontract part of the Group's service business. The Group has an internal list of identified subcontractors who are able to provide various integrated services to satisfy the needs of the services business from time to time. Such list includes both members of SINOMACH Group and other independent third parties, who have been identified by the Group with reference to their market reputation, quality of integrated services which they offer and if applicable, performance under previous engagements with the Group. The Group also at times chooses the Group's subcontractors through tendering process if there is no appropriate subcontractor on the list of identified subcontractors that can fulfill the requirements of the Group. However, in view of the fact that SINOMACH Group is a well-established industry player with good reputation within the services business market, which possesses strong capacity and experience in the design consulting, research and development of various services, the Group has preference in sourcing relevant integrated

## 支付條款

接受綜合服務框架協議項下的交易須根據各單獨協議有關支付及結算時間與方式的具體條款支付及結算。

## 2018年、2019年及2020年建議年度上限及釐定基準

下表載列接受綜合服務框架協議項下擬進行交易分別於截至2018年、2019年及2020年12月31日止年度之建議新年度上限。

## 接受綜合服務框架協議的理由及好處

接受綜合服務框架協議使本集團可分包部分服務業務。本集團內部有一份確定的分包商名單，該等分包商有能力提供各種綜合服務，可滿足服務業務的不時之需。該名單包括國機集團相關成員公司及其他獨立第三方，由本集團參考彼等的市場聲譽、彼等提供的綜合服務質量，以及（如適用）過往與本集團合作時的表現後確定。如本集團未能從分包商名單里選擇合適的分包商，於是本集團亦會通過招標程序選擇分包商。然而，鑒於國機集團於服務業務市場為發展完善且聲譽良好的行業參與者，不單產能強大，在設計諮詢及研發各類服務亦具備豐富經驗，本集團傾向自國機集團尋求相關

services from SINOMACH Group to benefit from such technical strengths of SINOMACH Group. Furthermore, taking into account the long history of cooperative relationship between the Group and SINOMACH Group, the Group considers that the Receipt of Integrated Services Agreement is able to enhance completion of the services business undertaken by the Group at efficient timing and with better quality. Therefore, the Group considers that the Receipt of Integrated Services Agreement is beneficial to the Group and the continuous development of its business.

#### **E. Listing Rules Implication**

As disclosed above, SINOMACH is the Company's connected person and, therefore, the transactions between the Group and SINOMACH Group constitute connected transactions of the Company under the Listing Rules.

As the highest applicable percentage ratio (other than the profit ratio) is more than 0.1% but less than 5% for the proposed new annual caps in respect of the 2018 Trading Procurement Agreement, the 2018 Trading Sales Agreement, the 2018 Integrated Services Agreement and the Receipt of Integrated Services Agreement, these four agreements and the proposed annual caps in respect of the continuing connected transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from the Independent Shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

#### **F. Directors' Opinion**

The Directors (including the INEDs) confirm that (i) the terms of the continuing connected transactions under the 2018 Trading Procurement Agreement, the 2018 Trading Sales Agreement, the 2018 Integrated Services Agreement and the Receipt of Integrated Services Agreement (including the annual caps thereunder) are fair and reasonable; (ii) the continuing connected transactions under the 2018 Trading Procurement Agreement, the 2018 Trading Sales Agreement, the 2018 Integrated Services Agreement and the Receipt of Integrated Services Agreement are on normal commercial terms or better and in the ordinary and usual course of business of the Group; and (iii) the continuing connected

綜合服務，以自其技術優勢獲益。此外，考慮到本集團與國機集團的合作關係歷史悠久，本集團認為接受綜合服務框架協議使我們所承接的服務業務能高效地及以更好質量完成。因此，本集團認為接受綜合服務框架協議有利於本集團以及本集團業務的持續發展。

#### **E. 上市規則的涵義**

如上文披露，國機為本公司的關連人士，因此，根據上市規則，本集團與國機集團之間的交易構成本公司的關連交易。

由於2018貿易採購框架協議、2018貿易銷售框架協議、2018綜合服務框架協議及接受綜合服務框架協議之建議新年度上限的最高適用百分比率（利潤率除外）高於0.1%但低於5%，該等四項協議及其項下擬進行持續關連交易之建議年度上限須遵守上市規則第14A.76(2)條項下的申報及公告之規定，但可獲豁免遵守獨立股東批准之規定。

#### **F. 董事的意見**

董事（包括獨立非執行董事）確認(i)2018貿易採購框架協議、2018貿易銷售框架協議、2018綜合服務框架協議及接受綜合服務框架協議項下的持續關連交易（包括相關年度上限）條款屬公平合理；(ii)2018貿易採購框架協議、2018貿易銷售框架協議、2018綜合服務框架協議及接受綜合服務框架協議項下的持續關連

transactions under the 2018 Trading Procurement Agreement, the 2018 Trading Sales Agreement, the 2018 Integrated Services Agreement and the Receipt of Integrated Services Agreement (including the annual caps thereunder) are in the interests of the Company and the Shareholders as a whole.

Save for Mr. YU and Mr. ZHANG, none of the Directors (including the INEDs) holds management position in SINOMACH or has any material interests in the 2018 Trading Procurement Agreement, the 2018 Trading Sales Agreement, the 2018 Integrated Services Agreement and the Receipt of Integrated Services Agreement and the transactions thereunder and hence Mr. YU and Mr. ZHANG have abstained from voting on such board resolutions.

#### **IV. INFORMATION ABOUT THE PARTIES**

##### **Information on the SINOMACH Group**

SINOMACH is a state-owned company established in accordance with the laws of the PRC where the State-owned Assets Supervision and Administration Commission of the State Council of the PRC acts as its contributor. It is the controlling shareholder of the Company. The principal business of SINOMACH Group is manufacturing and research and development of machinery and equipment, engineering contracting, as well as trading and services. As at the date of this announcement, SINOMACH directly and indirectly holds 77.99% of the issued share capital of the Company.

##### **Information on the Finance Company**

The Finance Company is a company incorporated in the PRC and was established and approved by the CBRC in September 2003 as a non-bank financial institution. The Finance Company is principally engaged in the provision of financial services including deposits taking, provision of loans, underwriting of corporate bonds, as well as other financial services such as finance leasing, financial and financing consultation, credit certification and related consultation and agency services, settlement services, provision of letters of guarantee and letters of credit, entrusted loan, handling bill acceptance and discounting, and other financial services that may be approved by the CBRC, to members of the SINOMACH Group. According to the articles of

交易乃按正常或更好的商業條款於本集團日常業務過程中訂立；及(iii)2018貿易採購框架協議、2018貿易銷售框架協議、2018綜合服務框架協議及接受綜合服務框架協議項下的持續關連交易（包括相關年度上限）符合本公司及股東的整體利益。

除了余先生及張先生，概無董事（包括獨立非執行董事）於國機持有管理職位或於2018貿易採購框架協議、2018貿易銷售框架協議、2018綜合服務框架協議及接受綜合服務框架協議及其項下的交易中擁有任何重大權益，故余先生及張先生就該等董事會決議案放棄投票。

#### **IV. 有關訂約方的資料**

##### **有關國機集團的資料**

國機是一家根據中國法律成立並由中國國務院國有資產監督管理委員會履行出資人職責的國有公司，其為本公司的控股股東。國機集團的主要業務為製造及研發機械設備、工程承包、貿易及服務。於本公告日期，國機直接及間接持有本公司77.99%的已發行股本。

##### **有關財務公司的資料**

財務公司乃於中國註冊成立，為中國銀監會批准於2003年9月成立的非銀行金融機構。財務公司主要從事向國機集團成員公司提供金融服務，包括接受存款、提供貸款、承銷公司債券，並提供辦理融資租賃、財務及融資顧問、信用鑒證及相關諮詢代理服務、結算服務、提供保函及信用證、委託貸款、辦理票據承兌及貼現等其他金融服務，以及中國銀監會可能批准的其他金融服務。根據財務公司的組織章程

association of the Finance Company, in the event of emergency situations where the Finance Company has difficulty in payment, SINOMACH will increase its capital to the Finance Company based on the actual need for resolving the difficulty. As at the date of this announcement, SINOMACH directly and indirectly owns 84.36% equity interests of the Finance Company.

## Information on the Group

The Company is a joint stock company with limited liability incorporated in the PRC. The Group is an international engineering contractor and service provider with a primary focus on EPC projects and particular expertise in the power sector, capable of providing one-stop customized and integrated engineering contracting solutions and services. The engineering contracting solutions and services that the Group provides include preliminary project consultation, financing solutions for projects, project design, procurement, logistics, construction, installation, commissioning and related works, in a combination of any of the above services in keeping with the needs of the project owners.

## V. DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the respective meanings set out below:

<p>“2018 Financial Services Agreement” 「2018金融服務合作協議」</p>	<p>指</p>	<p>an agreement amending the New Financial Services Agreement dated October 19, 2017 entered into by and between the Company and the Finance Company 本公司與財務公司於2017年10月19日訂立的修訂新金融服務合作協議的協議</p>
<p>“2018 Provision of Engineering Services and Products Agreement” 「2018提供工程服務和產品框架協議」</p>	<p>指</p>	<p>an agreement amending the Renewed Provision of Engineering Services and Products Agreement dated October 19, 2017 entered into by and between the Company and SINOMACH 本公司與國機於2017年10月19日訂立的修訂重訂提供工程服務和產品框架協議的協議</p>
<p>“2018 Receipt of Engineering Services and Products Agreement” 「2018接受工程服務和產品框架協議」</p>	<p>指</p>	<p>an agreement amending the Renewed Receipt of Engineering Services and Products Agreement dated October 19, 2017 entered into by and between the Company and SINOMACH 本公司與國機於2017年10月19日訂立的修訂重訂接受工程服務和產品框架協議的協議</p>
<p>“2018 Trading Procurement Agreement” 「2018貿易採購框架協議」</p>	<p>指</p>	<p>an agreement amending the Renewed Trading Procurement Agreement dated October 19, 2017 entered into by and between the Company and SINOMACH 本公司與國機於2017年10月19日日訂立的修訂重訂貿易採購框架協議的協議</p>

細則，當財務公司出現支付困難的緊急情況時，國機將按照解決支付困難的實際需要，對財務公司增加相應資本金。截至本公告日期，國機直接及間接擁有財務公司的84.36%股權。

## 有關本集團的資料

本公司為於中國註冊成立的股份有限公司。本集團為國際工程承包商及服務供應商，主要專注於EPC項目，特別專長於電力能源行業，能夠提供一站式訂製及綜合工程承包方案及服務。本集團提供的工程承包方案及服務包括初步項目磋商、融資方案、項目設計、採購、物流、施工、安裝、調試及相關工程，結合上述任何服務以滿足項目擁有人的需要。

## V. 釋義

於本公告內，除文義另有所指外，下列詞彙具有以下涵義：

“2018 Trading Sales Agreement” 「2018貿易銷售框架協議」	指	an agreement amending the Renewed Trading Sales Agreement dated October 19, 2017 entered into by and between the Company and SINOMACH 本公司與國機於2017年10月19日訂立的修訂重訂貿易銷售框架協議的協議
“2018 Integrated Services Agreement” 「2018綜合服務框架協議」	指	an agreement amending the Renewed Integrated Services Agreement dated October 19, 2017 entered into by and between the Company and SINOMACH 本公司與國機於2017年10月19日訂立的修定重訂綜合服務框架協議的協議
“Audit Committee” 「審計委員會」	指	the audit committee of the board of the Company 本公司董事會審計委員會
“Board” or “Board of Directors” 「董事會」	指	the board of Directors of the Company 本公司董事會
“business day” 「營業日」	指	a day on which banks in the PRC are generally open for business (excluding public holidays, Saturdays and Sundays) 中國銀行一般開放營業之日（不包括公眾假期、星期六及星期日）
“CBRC” 「中國銀監會」	指	China Banking Regulatory Commission (中國銀行業監督管理委員會) 中國銀行業監督管理委員會
“CNCEC” 「中成套」	指	China National Complete Engineering Corporation* (中國成套工程有限公司), a limited liability company established in the PRC on September 5, 1985, which is a wholly-owned subsidiary of the Company 中國成套工程有限公司，一家於1985年9月5日在中國成立的有限公司，為本公司的全資附屬公司
“CNEEC” 「中電工」	指	China National Electric Engineering Co., Ltd. (中國電力工程有限公司), a limited liability company established in the PRC in October 1979 which is wholly-owned by SINOMACH and entrusted by SINOMACH to the Company to manage its 100% equity interests pursuant to the Equity Custodian Agreement entered into by SINOMACH and the Company on June 26, 2013 中國電力工程有限公司，一家於1979年10月在中國成立的有限責任公司，由國機全資擁有，其100%的股權現已由國機按照與本公司於2013年6月26日簽訂的股權委託協議委託本公司管理
“Company” 「本公司」	指	China Machinery Engineering Corporation* (中國機械設備工程股份有限公司), a company incorporated in the PRC with limited liability, whose H shares are listed and traded on the Main Board of the Stock Exchange 中國機械設備工程股份有限公司，一家在中國註冊成立的有限公司，其H股於聯交所主板上市及買賣
“controlling shareholder” 「控股股東」	指	has the meaning ascribed thereto under the Listing Rules 具有上市規則所賦予之涵義
“Core Sectors” 「核心行業」	指	the core sectors of the Group’s International Engineering Contracting Business, which are the power sector, transportation sector and telecommunications sector 本集團的國際工程承包業務的核心行業為電力能源行業、交通運輸行業及電子通訊行業



“Deposit Services”		the deposit-taking services for current deposits, call deposits, 7-day deposits and time deposits (3-month, 6-month and 1-year) provided by the Finance Company to the Group under the New Financial Services Agreement and the 2018 Financial Services Agreement
「存款服務」	指	財務公司根據新金融服務合作協議及2018金融服務合作協議向本集團提供的活期存款、協定存款、7天通知存款及定期存款（期限分別為：3個月、6個月及1年）等各種類型接受存款服務
“Director(s)”		director(s) of the Company
「董事」	指	本公司董事
“Entrusted Deposits”		the entrusted deposits provided by the Group to the Finance Company under the New Financial Services Agreement and the 2018 Financial Services Agreement, as applicable
「委託存款」	指	本集團根據適用的新金融服務合作協議及2018金融服務合作協議向財務公司提供的委託存款
“Entrusted Deposits Services”		the services relating to the provision of Entrusted Deposits under the New Financial Services Agreement and the 2018 Financial Services Agreement, as applicable
「委託存款服務」	指	與根據適用的新金融服務合作協議及2018金融服務合作協議提供委託存款有關的服務
“Entrusted Loan Services”		the services relating to the lending of the Entrusted Loans under the New Financial Services Agreement and the 2018 Financial Services Agreement, as applicable
「委託貸款服務」	指	與根據適用的新金融服務合作協議及2018金融服務合作協議出借委託貸款有關的服務
“Entrusted Loans”		the full amount of the Entrusted Deposits lent by the Finance Company to the relevant member(s) of the Group designated by the Group under the New Financial Services Agreement and the 2018 Financial Services Agreement, as applicable
「委託貸款」	指	財務公司根據適用的新金融服務合作協議及2018金融服務合作協議轉借予本集團指定的本集團相關成員公司的委託存款全額
“EPC” or “turnkey”		a common form of contracting arrangement whereby the contractor is commissioned by the project owner to carry out such project work as design, procurement, construction and trial operations, or any combination of the above, either through the contractor ‘s own labour or by subcontracting part or all of the project work, and be responsible for the quality, safety, timely delivery and cost of the project
「EPC」或「交鑰匙」	指	承包安排的常見形式，即承包商受項目擁有人的委託進行設計、採購、施工及試工等項目工作，或任何上述的組合（無論是通過承包商本身的人員或分包部分或所有項目工作），並對項目的質量、安全、工期及成本負責
“Equity Custodian Agreement”		the equity custodian agreement dated June 26, 2013 entered into by and between the Company and SINOMACH
「股權委託協議」	指	本公司與國機訂立日期為2013年6月26日的股權委託協議

“Finance Company”		SINOMACH Finance Co., Ltd. (國機財務有限責任公司), a company approved to be established in the PRC by the CBRC as a non-bank financial institution in September 2003, and a subsidiary of SINOMACH which directly and indirectly owns its 84.36% equity interests
「財務公司」	指	國機財務有限責任公司，獲中國銀監會批准於2003年9月在中國成立的非銀行金融機構，為直接及間接擁有其84.36%股權的國機的附屬公司
“First EGM”		the 2017 first extraordinary general meeting of the Company to be held at the Meeting Room, 3/F, DoubleTree by HILTON, No. 168 Guang’anmenwai Street, Beijing, PRC at 9:00 a.m. on Tuesday, December 5, 2017
「第一次臨時股東大會」	指	本公司於2017年12月5日（星期二）上午九時正假座中國北京市廣安門外大街168號希爾頓逸林酒店3層會議室舉行的2017年第一次臨時股東大會
“Government Guided Price”		the price for a particular type of service or product which may be determined by the parties to a transaction within the price range as provided under the laws, regulations, decisions or orders promulgated by the central government, provincial government or other regulatory authorities in the PRC
「政府指導價」	指	由中國中央政府、省級政府或其他監管部門制定的法律、法規、決定、命令或針對某類服務或產品在一定幅度內可由交易雙方自行確定的價格
“Government Prescribed Price”		the price for a particular type of service or product as determined by the laws, regulations, decisions or orders promulgated by the central government, provincial government or other regulatory authorities in the PRC
「政府定價」	指	由中國中央政府、省級政府或其他監管部門制定的法律、法規、決定、命令或針對某類服務或產品確定的價格
“Group”		the Company and, except where the context otherwise requires, all its subsidiaries
「本集團」	指	本公司及（除非文義另有所指）其所有附屬公司
“Hong Kong”		the Hong Kong Special Administrative Region of the People’s Republic of China
「香港」	指	中華人民共和國香港特別行政區
“Independent Board Committee”		an independent committee of the Board composed of all INEDs, namely Mr. LIU Li, Ms. LIU Hongyu, Mr. FANG Yongzhong and Mr. WU Tak Lung, and formed to advise the Independent Shareholders in relation to the Non- exempt CCT Agreements as well as the fairness and reasonableness of the Non-exempt Annual Caps
「獨立董事委員會」	指	就有關不獲自動豁免持續關連交易協議以及不獲自動豁免年度上限是否公平合理，向獨立股東提供建議而成立的獨立董事委員會，成員包括全體獨立非執行董事劉力先生、劉紅宇女士、方永忠先生及吳德龍先生
“Independent Shareholders”		the Shareholders who are not required to abstain from voting on the resolution(s) for approving the proposed resolutions in the First EGM under the Listing Rules
「獨立股東」	指	根據上市規則毋須就批准第一次臨時股東大會上的建議決議案放棄投票的股東

“independent third party(ies)”		an individual or a company who is not connected with (within the meaning of the Listing Rules) any Directors, chief executive or substantial shareholders of the Company, its subsidiaries or any of their respective associates
「獨立第三方」	指	與本公司及其附屬公司的任何董事、行政總裁或主要股東或其任何各自的聯繫人概無關連（定義見上市規則）的個人或公司
“Industry Guided Price”		the price for a particular type of service or product which may be determined by the parties to a transaction within the price range as issued by an industry association
「行業指導價」	指	由行業協會發佈的針對某類服務或產品在一定價格幅度內可由交易雙方自行確定的價格
“INEDs”		the independent non-executive Directors of the Company
「獨立非執行董事」	指	本公司獨立非執行董事
“Integrated Services Agreement”		the integrated services agreement dated July 12, 2011 entered into by and between the Company and SINOMACH, as amended and supplemented by the Integrated Services Supplemental Agreement
「綜合服務框架協議」	指	本公司與國機於2011年7月12日訂立的綜合服務框架協議，經綜合服務框架協議補充協議所修訂及補充
“Integrated Services Supplemental Agreement”		the supplemental agreement amending the Integrated Services Agreement dated December 10, 2012 entered into by and between the Company and SINOMACH
「綜合服務框架協議補充協議」	指	本公司與國機於2012年12月10日訂立的修訂綜合服務框架協議的補充協議
“International Engineering Contracting Business”		the international engineering contracting business conducted by the Group with a primary focus on EPC projects
「國際工程承包業務」	指	由本集團開展，並以EPC項目為重點的國際工程承包業務
“Listing Rules”		the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
「上市規則」	指	聯交所證券上市規則，經不時修訂
“Market Price”		the price to be determined in accordance with the prevailing price being charged by two or more independent third parties for the past three years prior to entering into the current contemplated transaction in the ordinary course of business for providing a particular type of products in the place of provision or its nearby regions, the information of which the Group will collect and monitor regularly as part of its day-to-day operational procedures
「市場價」	指	按照某類產品的提供地或其附近地區在正常商業交易情況下提供該類產品的兩名或以上獨立第三方於訂立當前擬進行交易前過往三年當時收取的價格確定的價格，本集團將定期搜集和監控該等資料作為日常運營過程中的一部份
“New Financial Services Agreement”		the new financial services agreement dated November 14, 2014 entered into by and between the Company and the Finance Company to replace the Financial Services Agreement which will be automatically terminated once the New Financial Services Agreement becomes effective
「新金融服務合作協議」	指	本公司與財務公司於2014年11月14日訂立新金融服務合作協議，以取代將於新金融服務合作協議一經生效後自動終止的金融服務合作協議

“Non-exempt Annual Caps”		the proposed annual caps for 2018, 2019 and 2020 in relation to the 2018 Provision of Engineering Services and Products Agreement, the 2018 Receipt of Engineering Services and Products Agreement and the Deposit Services under the 2018 Financial Services Agreement
「不獲自動豁免年度上限」	指	有關2018提供工程服務和產品框架協議、2018接受工程服務和產品框架協議及根據2018金融服務合作協議提供存款服務的2018年、2019年及2020年的建議年度上限
“Non-exempt CCT Agreements”		the 2018 Provision of Engineering Services and Products Agreement, the 2018 Receipt of Engineering Services and Products Agreement and the 2018 Financial Services Agreement, collectively
「不獲自動豁免持續 關連交易協議」	指	2018提供工程服務和產品框架協議、2018接受工程服務和產品框架協議及2018金融服務合作協議的統稱
“Operation and Risk Management Committee”		the operation and risk management committee of the board of the Company
「經營與風險管理委員會」	指	本公司董事會經營與風險管理委員會
“PBOC”		the People’s Bank of China (中國人民銀行)
「中國人民銀行」	指	中國人民銀行
“percentage ratio(s)”		the ratio(s) set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction under the Listing Rules
「百分比率」	指	上市規則第14.07條所載用於釐定上市規則項下交易類別的百分比率
“Platinum”		Platinum Securities Company Limited (百德能證券有限公司), a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under The Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) as amended from time to time, which is the independent financial adviser to the Independent Board Committee and the Independent Shareholders
「百德能」	指	百德能證券有限公司，一間從事香港法例第571章證券及期貨條例（經不時修訂）下之第1類（證券交易）及第6類（就機構融資提供意見）受規管活動之持牌法團，為獨立董事委員會及獨立股東之獨立財務顧問
“PRC”		the People’s Republic of China
「中國」	指	中華人民共和國
“Proposed Injection”		the proposed transfer of the entire equity interest held by SINOMACH in CNEEC and CNCEC, respectively, as disclosed in the Prospectus
「建議注資」	指	如招股章程所披露，建議轉讓國機分別持有的中電工及中成套的全部股權
“Prospectus”		the prospectus of the Company dated December 11, 2012
「招股章程」	指	本公司日期為2012年12月11日的招股章程
“Provision of Engineering Services and Products Agreement”		the provision of engineering services and products agreement dated July 12, 2011 entered into by and between the Company and SINOMACH, as amended and supplemented by the Provision of Engineering Services and Products Supplemental Agreement
「提供工程服務和產品 框架協議」	指	本公司與國機於2011年7月12日訂立的提供工程服務和產品框架協議，經提供工程服務和產品框架協議補充協議修訂及補充

<p>“Provision of Engineering Services and Products Supplemental Agreement”</p> <p>「提供工程服務和產品框架協議補充協議」</p>	指	<p>the supplemental agreement amending the Provision of Engineering Services and Products Agreement entered into on December 10, 2012 by and between the Company and SINOMACH</p> <p>本公司與國機於2012年12月10日訂立的修訂提供工程服務和產品框架協議的補充協議</p>
<p>“Receipt of Engineering Services and Products Agreement”</p> <p>「接受工程服務和產品框架協議」</p>	指	<p>the receipt of engineering services and products agreement dated July 12, 2011 entered into by and between the Company and SINOMACH, as amended and supplemented by the Receipt of Engineering Services and Products Supplemental Agreement</p> <p>本公司與國機於2011年7月12日訂立的接受工程服務和產品框架協議，經接受工程服務和產品框架協議補充協議修訂及補充</p>
<p>“Receipt of Integrated Services Agreement”</p> <p>「接受綜合服務框架協議」</p>	指	<p>the receipt of integrated services agreement dated October 19, 2017 entered into by and between the Company and SINOMACH</p> <p>本公司與國機於2017年10月19日訂立的接受綜合服務框架協議</p>
<p>“Renewed Integrated Services Agreement”</p> <p>「重訂綜合服務框架協議」</p>	指	<p>the renewed agreement amending the Integrated Services Agreement dated November 14, 2014 entered into by and between the Company and SINOMACH</p> <p>本公司與國機於2014年11月14日訂立的修訂綜合服務框架協議的重訂協議</p>
<p>“Renewed Provision of Engineering Services and Products Agreement”</p> <p>「重訂提供工程服務和產品框架協議」</p>	指	<p>the renewed agreement amending the Provision of Engineering Services and Products Agreement dated November 14, 2014 entered into by and between the Company and SINOMACH</p> <p>本公司與國機於2014年11月14日訂立的修訂提供工程服務和產品框架協議的重訂協議</p>
<p>“Renewed Receipt of Engineering Services and Products Agreement”</p> <p>「重訂接受工程服務和產品框架協議」</p>	指	<p>the renewed agreement amending the Receipt of Engineering Services and Products Agreement dated November 14, 2014 entered into by and between the Company and SINOMACH</p> <p>本公司與國機於2014年11月14日訂立的修訂接受工程服務和產品框架協議的重訂協議</p>
<p>“Renewed Trading Procurement Agreement”</p> <p>「重訂貿易採購框架協議」</p>	指	<p>the renewed agreement amending the Trading Procurement Agreement dated November 14, 2014 entered into by and between the Company and SINOMACH</p> <p>本公司與國機於2014年11月14日訂立的修訂貿易採購框架協議的重訂協議</p>
<p>“Renewed Trading Sales Agreement”</p> <p>「重訂貿易銷售框架協議」</p>	指	<p>the renewed agreement amending the Trading Sales Agreement dated November 14, 2014 entered into by and between the Company and SINOMACH</p> <p>本公司與國機於2014年11月14日訂立的修訂貿易銷售框架協議的重訂協議</p>
<p>“RMB”</p> <p>「人民幣」</p>	指	<p>Renminbi yuan, the lawful currency of the PRC</p> <p>人民幣元，中國法定貨幣</p>
<p>“SFO”</p> <p>「證券及期貨條例」</p>	指	<p>the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended from time to time</p> <p>證券及期貨條例（香港法例第571章）（經不時修訂）</p>
<p>“Share(s)”</p> <p>「股份」</p>	指	<p>share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, including the Domestic Shares and the H Shares</p> <p>本公司股本中每股面值人民幣1.00元的股份，包括內資股及H股</p>

“Shareholder(s)” 「股東」	指	holder(s) of the Share(s) 股份持有人
“SINOMACH” 「國機」	指	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, the controlling shareholder of the Company 中國機械工業集團有限公司，於1988年5月21日在中國成立的國有企業，為本公司的控股股東
“SINOMACH Group” 「國機集團」	指	SINOMACH and its subsidiaries, which for the purpose of this announcement excludes the Group 國機及其附屬公司，就本公告而言不包括本集團
“Stock Exchange” 「聯交所」	指	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
“subsidiary(ies)” 「附屬公司」	指	has the meaning ascribed thereto under the Listing Rules 具有上市規則所賦予之涵義
“Supervisory Board” 「監事會」	指	the supervisory board of the Company 本公司監事會
“Trading Business” 「貿易業務」	指	the international and domestic trading business conducted by the Group 本集團進行的國際和國內貿易業務
“USD” 「美元」	指	United States dollars, the lawful currency of the United States 美國法定貨幣美元
“%” 「%」	指	per cent. 百分比

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**  
**主席**  
**孫柏**

Beijing, the PRC, October 19, 2017

中國北京，2017年10月19日

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

於本公告日期，執行董事為孫柏先生及張淳先生；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