



中國機械設備工程股份有限公司

China Machinery Engineering Corporation*

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

(於中華人民共和國註冊成立的股份有限公司)

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* For identification purposes only
* 僅供識別

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Chairman's Statement

董事長致辭



Chairman
ZHANG Chun
董事長
張淳

Dear Shareholders,

With the faster world economic growth and steady recovery, 2017 witnesses the best performances in recent years. The World Bank forecasts global economic growth to edge up to 3% in 2017, with 0.6 percent higher than 2016. There was a broad based improvement for countries that achieve economic growth. Some of the larger emerging market economies are gradually coming out of the recession. With renewed interest in investment, the growth rate of international trade in 2017 has markedly rebounded, driving global manufacturing to turn around.

尊敬的各位股東：

2017年，世界經濟增長步伐加快，復蘇穩健，是近年來表現最好的一年。據世界銀行最新預測，2017年世界經濟增速將達3%，比2016年加快0.6個百分點。實現經濟增長的國家體現了範圍廣泛改進，一些較大的新興市場經濟體正逐漸走出衰退陰影。在投資復蘇的支持下，2017年國際貿易增速明顯回升，帶動全球製造業回暖。

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In the past year, China's economic growth was generally stable. The economic structure was continuously optimized. The service industry's contribution to economic growth continued to increase. Consumer demand was still the main driving force for economic growth. New kinetic energy was an important driving force for economic growth and the quality of economic growth was constantly improved. In 2017, the growth rate of China's gross domestic product (GDP) was 6.9%, which is well above the world average growth rate. As the world's second largest economy, China has made important contributions to the recovery of the world economy.

The year 2017 is the last year for the Company's five-year development strategic planning. During this strategic period and in the complex situation of the domestic and foreign markets and increasingly fierce competition, the Company has been persistent in introducing reforms and innovations, and a series of major breakthroughs have been achieved in the management system, business strategy, institutional adjustment, market layout, etc; innovations have been made in the development model, management methods, investment in science and technology, and integration of resources, achieving a series of key advances. The strength, vitality, and competitiveness of the company have improved significantly.

BUSINESS REVIEW

The Company adheres to stable development and continues to strengthen its efforts in coordinating with national strategies such as "the Belt and Road Initiative" and "Going Global" to coordinate overseas market deployments. Major projects have been signed and executed particularly in Pakistan, Sri Lanka, Iraq, Turkey, the Maldives, Argentina, Laos, Serbia, Angola and other countries, maintaining a steady growth for the overall operations with steadily increased profitability. In 2017, revenue was RMB23,682.2 million with an increase of 12.7% on a year-on-year basis; overall gross margin of 19.9% was better than last year's level; profit attributable to shareholders was RMB1,711.2 million (the Board proposes to pay 2017 final dividend with RMB0.1659 per Share).

過去的一年，中國經濟增長總體平穩，經濟結構不斷優化，服務業對經濟增長的貢獻持續提升，消費需求仍是經濟增長的主要拉動力，新動能為經濟增長的重要動力，經濟增長質量不斷提高。2017年，中國國內生產總值(GDP)增速為6.9%，遠高於世界平均增速，作為世界第二大經濟體，為世界經濟復蘇做出了重要貢獻。

2017年是本公司五年發展戰略規劃的收官之年，本輪戰略期內，在國內外市場的複雜形勢和日益激烈的競爭格局下，公司堅持推進改革創新，在管理體系、經營方略、機構調整、市場佈局等方面實現了一系列重大突破；在發展模式、管理方式、科技投入、整合資源等方面着力創新，取得了一系列關鍵進展。企業的實力、活力、競爭力明顯提升。

業務回顧

本公司堅持穩紮穩打，繼續加大與「一帶一路」倡議和「走出去」等國家戰略的對接力度，統籌佈局海外市場，特別是在巴基斯坦、斯里蘭卡、伊拉克、土耳其、馬爾代夫、阿根廷、老撾、塞爾維亞、安哥拉等國均有重大項目簽約和執行，總體運營保持穩健發展，盈利能力穩中有升。2017年，實現收入人民幣23,682.2百萬元，同比增長12.7%；整體毛利率19.9%，優於去年水平；股東應佔溢利為人民幣1,711.2百萬元（董事會建議派付2017年末期股息，每股人民幣0.1659元）。

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As for the international engineering contracting business, its revenue contribution accounts for approximately 57.2% of the Company's total revenue and remains the Company's core business. In the past year, the Company adhered to the development of both traditional markets and new markets, strengthened research on core market industrial policies and market trends, paid close attention to "the Belt and Road" initiative and the "Going Global" strategy related national infrastructure and industrial planning, making accurate strength and steadily progressed business development.

The Company entered into acquisition agreement with SINOMACH on November 24, 2017 and if the acquisition of CNEEC is completed, it would be another successful merger and acquisition after the successful acquisition of CNCEC in 2016. Through external mergers and acquisitions and business integration, the Company continued to increase the competitiveness of its core businesses with its assets and business scale expanding rapidly, further consolidating its leading position in international engineering contracting.

The Company's engineering contracting projects cover about 50 countries and regions around the world, mainly in Asia, Africa, Europe and South America. The implementation of the project in hand was generally stable, and a new batch of projects received high attention and made good progress. During "the Belt and Road Forum for International Cooperation" President Xi Jinping and Argentina's President Macri jointly witnessed the signing of a supplemental contract for the Argentina Railway project with an amount of USD1.6 billion. In addition, in Mozambique, a newly secured railway project of USD1.2 billion is another breakthrough in the field of traffic construction after the Argentina Railway project; in Pakistan, two Taer II power plant projects and the Company's first contract, Jhang Combined Cycle Power Plant project, the H-class gas turbine power station totaled approximately USD1 billion, were secured in a row in Cameroon, the smooth signing of hydropower project with the amount of USD398 million.

The Company followed the trend of structural changes in the international power market, actively explored clean energy and green energy projects, and successfully secured the Mongolian Sainshand Wind Power Project and the Malaysian Negeri Sembilan Photovoltaic Power Plant project. It increased the

國際工程承包業務方面，其收入貢獻約佔於本公司總收入的57.2%，仍然為本公司的核心業務。過去的一年，公司堅持傳統市場與新市場的開拓並舉，加強核心市場產業政策和市場趨勢的研究，密切關注「一帶一路」倡議和「走出去」戰略相關國家基礎設施及產業規劃，精準發力，業務發展穩中有進。

本公司於2017年11月24日與國機訂立收購協議，如收購中電工完成，將是繼2016年成功收購中成套後又一次成功併購。透過外部併購和業務整合，本公司不斷提升核心業務競爭力，資產及業務規模迅速擴張，從而進一步鞏固在國際工程承包領域的領先地位。

本公司的工程承包項目遍及全球約50個國家和地區，主要分佈在亞洲、非洲、歐洲和南美洲。在手項目執行情況總體平穩，新一批項目受到高度關注並取得良好進展。在「一帶一路國際合作高峰論壇」期間，習近平主席和阿根廷總統馬克里共同見證簽署了阿鐵項目增補合同，金額16億美元。此外，在莫桑比克，新簽12億美元的鐵路項目，是繼阿鐵項目後在交通建設領域的又一突破；在巴基斯坦，連續簽約了塔爾二期兩個電站項目和本公司第一個H級燃機電站—吉航聯合循環電站項目，金額總計近10億美元；在喀麥隆，順利簽約水電站項目，金額3.98億美元。

本公司順應國際電力市場結構轉變趨勢，積極開拓清潔能源和綠色能源項目，成功簽約生效蒙古賽音山達風電項目和馬來西亞森美蘭州光伏電站項目，並加大新市場的開拓力度，在幾內亞等國取得實質性進

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development of new markets in countries such as Guinea, with substantial progress made. The Group carefully entered the high-end markets such as the United Kingdom and Saudi Arabia.

In 2017, the Company implemented projects without major safety incidents during the year. During the implementation of the project, attention was paid to fulfilling social responsibilities, and the brand reputation and popularity of the brand continued to increase.

For completed projects, 10 projects including the Venezuelan Central Power Plant, the Maldives Housing II Project and the Kazakkaraganda Thermal Power Unit received the completion certificate; the Lao People's Bangladesh Power Transmission Project received the award from the owner; and the phase I project of the Serbia power station which owns the first desulphurization equipment in Southeast Europe was in good operation; Gomel No. 1 thermal power station reconstruction project in Belarus, the Company taking advantage of overseas resources to complete had overcome various difficulties and successfully transferred. In the implementation of the project, the boiler steel structure of the Pakistani Taer Power Station project phase I was successfully hoisted and the major nodes of the project were completed; the Iraqi Basra Power Station completed the procurement of the host equipment; the two gas turbine grid connection tests of the Suoyo Power Project in Angola were successful with its installation and commissioning speed reaching the world advanced level.

In the past year, the projects built by the Company have been successively noted and received praise from leaders at home and abroad. Zhang Dejiang, the then member of the Standing Committee of the Political Bureau of the CPC Central Committee and Chairman of the Standing Committee of the National People's Congress, visited the Serbia power station project. The President of the Republic of Argentina Macri recognised the professionalism and social responsibility of the Company in implementing the Argentina Railway Project and indicated that cooperation with the Company on infrastructure construction will continue in the future. Mr. ZHANG Chun, the then President of the Company, was awarded the Friendship medal and certificate by Prime Minister of Laos for the outstanding contribution in countries relationship and economic development made by the Company.

展，並審慎進入英國、沙特阿拉伯等高端市場。

2017年公司執行的項目全年無重大安全事故，項目執行過程中注重履行社會責任，品牌美譽度和知名度持續提升。

在完工項目方面，委內瑞拉中央電廠、馬爾代夫住房二期項目、哈薩克卡拉干達熱電機組等10個項目取得完工證書；老撾孟聘輸變電項目受到業主的嘉獎；擁有東南歐首套脫硫設備的塞爾維亞電站一期項目，運行良好；本公司利用海外資源建成項目—白俄羅斯戈梅利1號熱電站改造項目克服種種困難，順利移交。在執行項目方面，巴基斯坦塔爾電站1期項目鍋爐鋼結構順利吊裝，完成項目重大節點；伊拉克巴士拉電站完成了主機等設備的採購工作；安哥拉索約電站項目的兩台燃機並網試驗成功，安裝調試速度達到世界先進水平。

過去一年，公司建設的項目屢次獲國內外領導人的關注和讚許。時任中共中央政治局常委、全國人大常委會委員長張德江一行視察了塞爾維亞電站項目；阿根廷總統馬克里對公司在執行阿鐵項目過程中表現出的專業性、社會責任感予以充分的肯定，並表示未來在基礎設施建設過程中，將會繼續與公司合作；為感謝公司在國家關係和經濟發展中做出的傑出貢獻，老撾總理授予公司時任總裁張淳先生友誼勳章和證書。

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There are signs of the effect of the transformation and upgrading of the trading business. In 2017, the independent research and development capabilities of the casting and forging business were enhanced, achieving the transformation from Original Equipment Manufacturer to Original Design Manufacturer. It became the main supplier for many of the world's top 500 companies with its market orders increasing significantly. The cross-border e-commerce business model promotes innovation. Through the "overseas platform + overseas warehouse + exhibition display + logistics" model, the European platform has been shipped overseas. At the same time, the Company actively explored new market areas and business models, such as the multi-link supply chain business of the agricultural market in Kazakhstan and the localized machinery sales and after-sales service model of the Saudi market, etc.

Overseas wise, the Company actively explores regional operations. To build a regional center in Australia, we continue to expand the Australian mining spare parts market; in the Caribbean region, a subsidiary of Curaçao is established to explore the investment business of small and medium-sized photovoltaic power plants; in Southeast Asia, we promote the construction of a regional center in Thailand and radiate the markets around Southeast Asia by relying on entrepot trade, EPC, and industrial investment business. In China, the Company continued to cooperate with local governments in depth and collaborated with Yinchuan City in a multi-format Silk Road International Cooperation Park. The first phase of the project construction has been completed, and the bonded trade business has been steadily progressing; at the same time, timely conclusion of the projects the Company cooperated with Jiaozuo and Zhumadian Municipal Government to explore the feasibility of building a "centralized supply chain."

The service business continued to grow rapidly. The tendering agency business maintained the growth trend since 2016, and it obtained a AAA-level corporate certificate issued by the bidding and tendering association the operating income of design consulting business is RMB620.6 million, with a growth rate of 34.5% on a year-on-year basis; the profit is RMB156.3 million with a year-on-year growth rate of 16.2%.

貿易業務轉型升級效果顯現。2017年，鑄鍛件業務的自主研發能力得到提升，實現從原始設備製造商到原始設計製造商的轉變，成為多家全球五百強企業的主要供應商，市場訂單大幅提升。跨境電商業務模式推進創新，通過「海外平台+海外倉+展覽展示+物流」的模式，歐洲平台已實現向海外發貨。同時，本公司積極開拓新的市場領域和業務模式，如哈薩克斯坦農業市場供應鏈多環節業務、沙特市場本土化的機械銷售與售後服務模式等。

在海外，本公司積極探索區域化經營。在澳洲打造區域中心，繼續拓展澳洲礦業零部件市場；在加勒比海區域，成立庫拉索子公司，探索中小型光伏電站投資業務；在東南亞，以轉口貿易、EPC、實業化投資業務為依托，推進泰國的區域中心建設，輻射東南亞周邊市場。在國內，本公司繼續深入與地方政府合作，與銀川市合作的集多種業態為一體的絲路國際合作園，一期啟動項目建設已經完工，保稅貿易業務穩步推進；同時，及時總結與焦作、駐馬店市政府合作的項目，探討打造「中設供應鏈」的可行性。

服務業務繼續保持快速發展。招標代理業務保持了2016年以來的增長態勢並獲得招投標協會頒發的AAA級企業證書。設計諮詢業務完成營業收入人民幣620.6百萬元，同比增長34.5%；利潤人民幣156.3百萬元，同比增長16.2%。

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In the aspect of design consulting business, the development momentum remains good. Through the special technology incubators for key frontier technologies by the establishment of technical committees, the Company has significantly improved the technical innovation capabilities of China Machinery R&D and Jikan Research Institute and formed a number of research and development achievements with intellectual property rights. At the same time the development progress of domestic and foreign markets was made. In the domestic market, China Machinery R&D successfully won the bid for the PPP project of the South Inland River Comprehensive Treatment Project in Leping City, Jiangxi Province. This is the first PPP project with investment undertaken by China Machinery R&D; Jikan Research Institute constantly improves the landscape of the domestic market by the establishment of two new branches. In overseas markets, the size of newly signed contracts for international engineering business by China Machinery R&D and Jikan Research Institute increased continuously. At the same time, the Company continued to actively seek mergers and reorganizations of other superior design companies in an effort to gain a competitive advantage in creating an integrated industry chain.

The Company will continue to build on its national strategy, seize the opportunity to benefit from reforms, optimize its business configuration, enhance its operating efficiency, strive to solve the development problems, continue to enhance its management capabilities, enhance its market competitiveness, and remain firmly determined to grow stronger, better and bigger. Adhering to the international project contracting business as the core, we shall promote the stable and healthy development of trade services, design consulting, and accelerate the creation of new business segments at the same time. In terms of international engineering contracting business, the Group will spare no efforts to sign new contracts and be highly efficient, and will actively explore new markets and new areas, further promoting regional and localization construction, and constantly improving the industrial chain capabilities. In terms of trade and service business, it is necessary to further solidify the transformation results and actively innovate to ensure the sustained and stable growth of scale benefits. The design consulting business will grow steadily on the basis of the current profitability, actively promote external restructuring, expand design capabilities to build new growth points around technological innovation.

設計諮詢業務方面，發展勢頭保持良好。本公司通過成立技術委員會、對重點前沿技術進行專項科技孵化等措施，大幅提高中機院和機勘院的技術創新能力，形成了一批具有知識產權的研發成果，同時國內外市場的開拓取得進展。在國內市場，中機院順利中標江西省樂平市南內河綜合治理工程PPP項目，這是中機院承接的首個帶投資的PPP項目；機勘院不斷完善國內市場佈局，新設兩個分支機構。在海外市場，中機院、機勘院國際工程業務的新簽訂合同規模持續上升。同時，本公司繼續積極尋求對其他優勢設計企業的兼併重組，努力打造全產業鏈的競爭優勢。

本公司將繼續立足國家戰略，把握改革紅利，優化業務佈局，提升經營效益，着力破解發展難題，持續提升管理能力，增強市場競爭力，堅定不移做強做優做大。堅持以國際工程承包業務為核心，推動貿易服務、設計諮詢的穩定健康發展，同時加快打造新興業務板塊。國際工程承包業務方面，全力抓簽約，努力促生效，積極開拓新市場、新領域，進一步推進區域化與屬地化建設，不斷健全產業鏈能力。貿易與服務業務方面，要進一步固化轉型成果，積極創新，確保規模效益持續穩定增長。設計諮詢業務要在現有盈利水平基礎上穩定增長，積極推進外部重組，擴充設計能力，圍繞科技創新打造新的增長點。

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OUTLOOK

In the new year, the global economy is expected to maintain the good momentum of the previous year. The outlook is optimistic. The recovery performance of developed economies led the growth of emerging economies and developing economies in a brighter direction. The Company has officially started the formulation of a new round of strategic development plan (2018-2020), leading the future development of the Company. At the same time, we shall also further strengthen corporate governance and continue to explore the system; we shall work on mechanism reform and the release of market vitality; we shall accelerate the integration of the international equipment manufacturing industry chain and constantly deepen the strategic cooperation to build a win-win cooperation in the industry ecosystem.

2018 is the 40th anniversary of the establishment of CMEC, and is also an important moment for the 40th anniversary of reform and opening up. The Company will continue to uphold its fine traditions, strive to develop, make innovations, optimize the structure, and improve the landscape. While ensuring the stable development of the main business, we shall gradually build the core competitiveness of the new business and form a multi-market structure that takes into account both growth and profitability. We shall intensify efforts in the development of the domestic market and gradually form a pattern in which domestic and foreign markets are both equal and organically integrated. We shall continue to carry out mergers and acquisitions and reorganization, integrate internal and external resources, realize non-organic rapid growth, and strive to create a new situation in the Company's business development.

At last, on behalf of the board of directors, I would like to take this opportunity to express my sincerest gratitude to the shareholders who extend concern and support for CMEC over the years, the dedicated senior management team and all the staff members who have been working with relentless efforts.

Zhang Chun
Chairman

Beijing, China
March 26, 2018

未來展望

新的一年，全球經濟有望繼續延續上一年的良好勢頭，前景趨於樂觀。發達經濟體的復蘇表現帶動，新興經濟體及發展中經濟體走勢向好。本公司已正式啟動新一輪戰略發展規劃(2018-2020)的制定工作，引領本公司未來發展。同時，也將進一步強化公司治理，持續探索體制；機制改革，釋放市場活力；加速融入國際裝備製造產業鏈，把戰略合作不斷推向深入，打造合作共贏的行業生態圈。

2018年是CMEC成立四十周年紀念，也是改革開放四十周年的重要時刻。本公司將繼續秉承優良傳統，奮力開拓，銳意創新，優化結構，完善佈局，在確保主營業務穩健發展的同時，逐步打造新業務的核心競爭力，形成兼顧成長性與盈利性的多元市場格局。加大國內市場開拓力度，逐步形成國內外市場並重且有機結合的格局。繼續開展併購重組，整合內外部資源，實現非有機快速增長，努力開創公司經營發展的新局面。

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



董事長
張淳

中國北京
2018年3月26日

Company Profile

公司簡介

The Company was established in 1978 and was the first state-owned industrial and trading enterprise in the PRC. The Company is a subsidiary controlled by SINOMACH. The Company was listed on the Main Board of the Stock Exchange on December 21, 2012. As at December 31, 2017, the Company had a total of 908,270,000 H Shares and 3,217,430,000 non-tradable Domestic Shares issued. The Company has a primary focus on EPC projects and particular expertise in the power sector, capable of providing one-stop customized and integrated engineering contracting solutions and services. The Company also conducts the Trading Business, Services Business and the Investment and Financing Business.

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

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

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

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

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

Investment and Financing Business: The Company is engaged in overseas and domestic concession investments in engineering contracting projects and associated financing business. The Company finances construction for engineering contracting projects through investments in projects; merges and acquires upstream and downstream enterprises through investments with a controlling or minority stake, to optimize the industrial chain of the engineering contracting sectors and improves our commercial competitiveness and profitability through trade industrialization investments.

本公司成立於1978年，是中國第一家國有工貿企業，是國機控股的附屬公司。本公司於2012年12月21日在聯交所主板上市。於2017年12月31日，本公司已發行合共908,270,000股H股及3,217,430,000股尚未流通的內資股。本公司主要專注於EPC項目，特別專長於電力能源行業，能夠提供一站式訂製及綜合工程承包方案及服務。本公司亦從事貿易業務、服務業務及投融資業務。

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

競爭優勢：品牌聲譽、運營模式、業務網絡、專業團隊、商務運作、融資策劃。

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

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

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

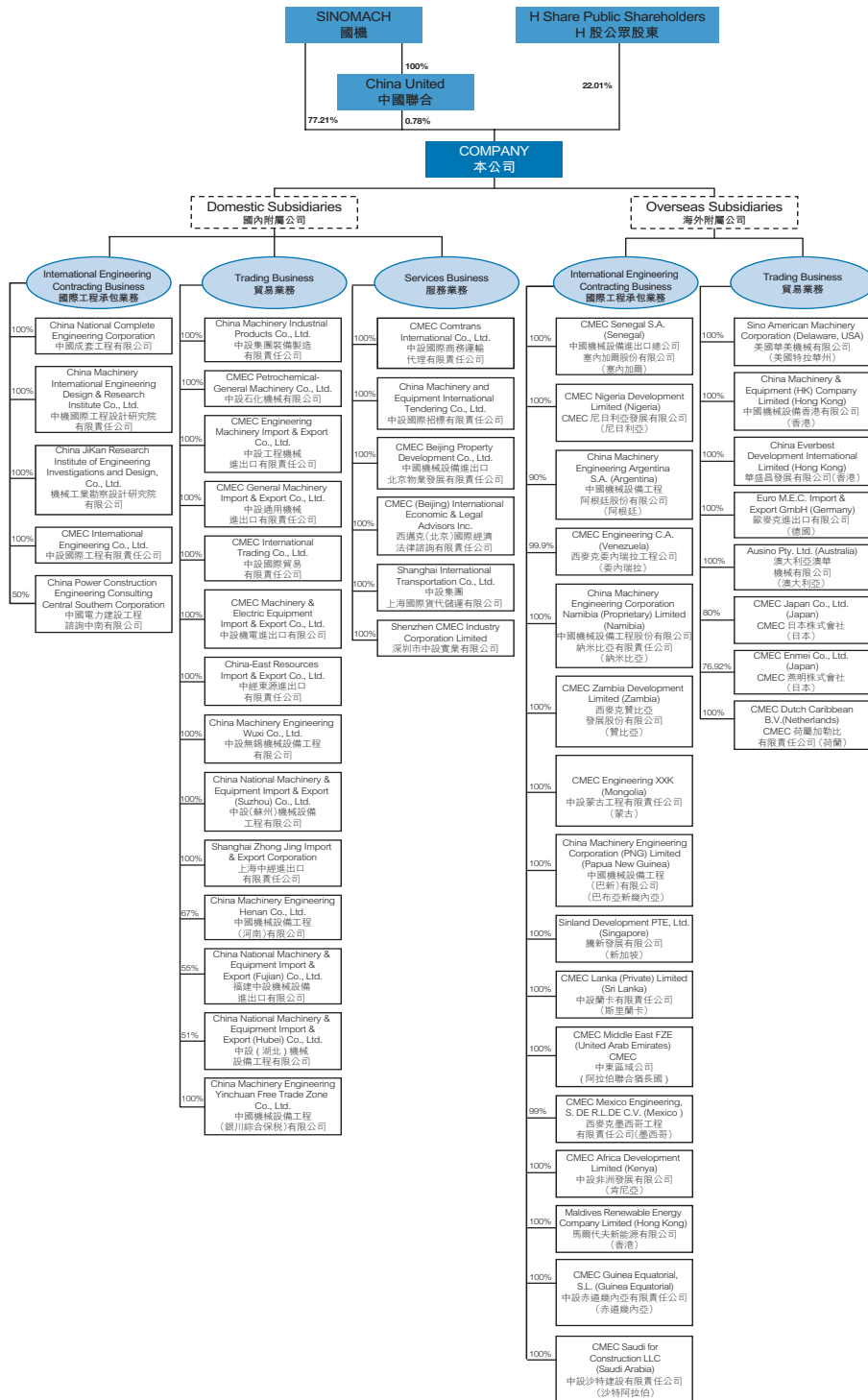
投融資業務：本公司從事境內外工程承包項目特許投資業務及相關融資業務。本公司通過項目投資，帶資進行工程承包項目建設；通過控股、參股投資等方式對上下游企業進行併購，完善工程承包產業鏈環節；通過貿易實業化投資，提高業務競爭力和盈利能力。

Company Profile

公司簡介

Corporate Structure: As at December 31, 2017, the Company's corporate structure was as follows:

企業架構：於2017年12月31日，本公司企業架構如下：



Key Operating and Financial Data

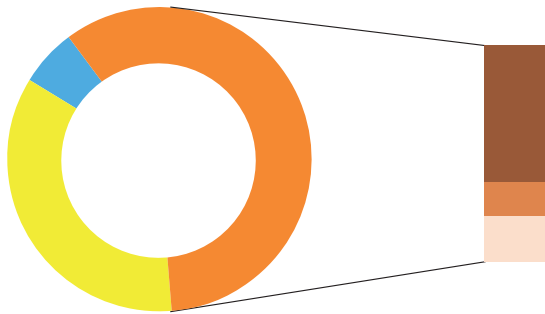
重要經營及財務數據

Revenue Structure in 2017

2017年收入結構

Unit: RMB million

單位：人民幣百萬元



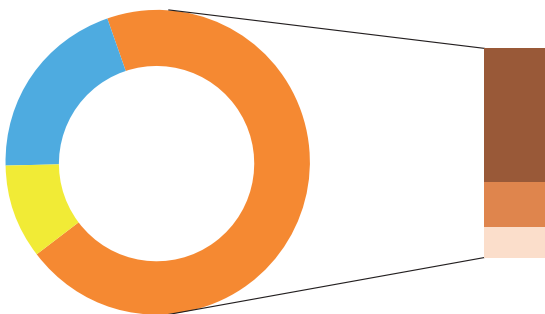
	Revenue 收入	Revenue Breakdown 收入佔比
IEC 工程板塊	13,555	57%
-Power 電力能源	8,603	36%
-Transportation and Telecommunication 交通運輸及電子通訊	2,023	9%
-Non-Core Sectors 非核心行業	2,929	12%
Trading 貿易板塊	8,035	34%
Services Business 服務業務	2,092	9%
Total 總計	23,682	100%

Gross Profit Structure in 2017

2017年毛利結構

Unit: RMB million

單位：人民幣百萬元



	Gross Profit 毛利	Gross Profit Breakdown 毛利佔比
IEC 工程板塊	3,323	70%
-Power 電力能源	2,135	45%
-Transportation and Telecommunication 交通運輸及電子通訊	701	15%
-Non-Core Sectors 非核心行業	487	10%
Trading 貿易板塊	474	10%
Services Business 服務業務	918	20%
Total 總計	4,715	100%

Key Operating and Financial Data

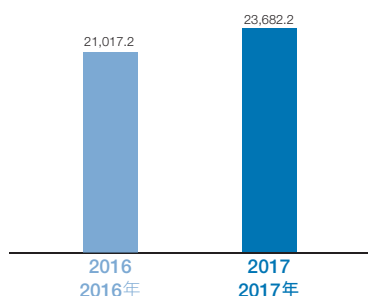
重要經營及財務數據

1. Revenue

收入

Unit: RMB million

單位：人民幣百萬元

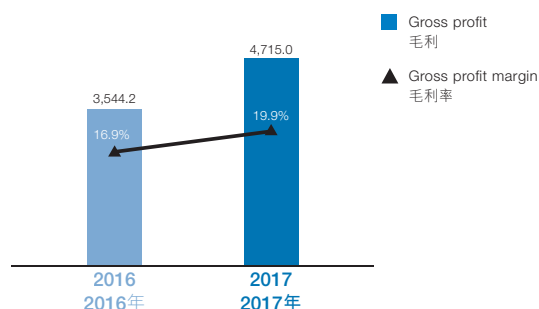


2. Gross Profit and Gross Profit Margins

毛利及毛利率

Unit: RMB million

單位：人民幣百萬元

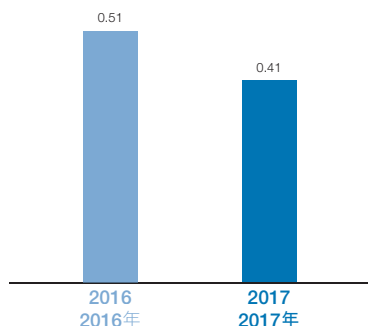


3. Basic Earnings per Share

每股基本盈利

Unit: RMB

單位：人民幣

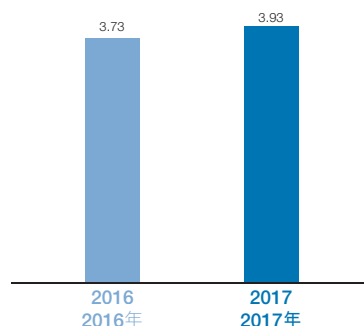


4. Net Asset Per Share

每股淨資產

Unit: RMB

單位：人民幣

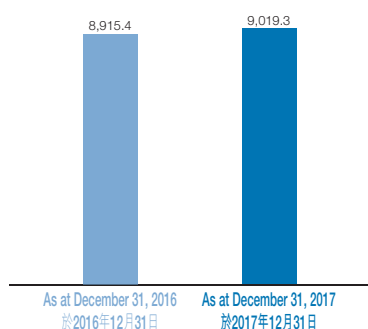


5. Backlog for the International Engineering Contracting Business

國際工程承包業務未完成合同量

Unit: US\$ million

單位：百萬美元

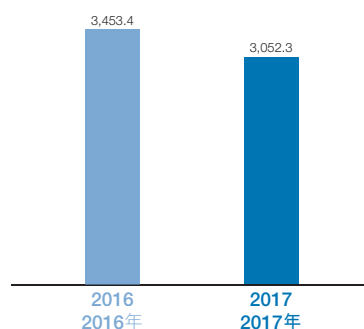


6. Newly Effective Contract Value for the International Engineering Contracting Business

國際工程承包業務的新生效合同金額

Unit: US\$ million

單位：百萬美元



Key Operating and Financial Data

重要經營及財務數據

7. Signed Contracts Pending to be Effective for the International Engineering Contracting Business

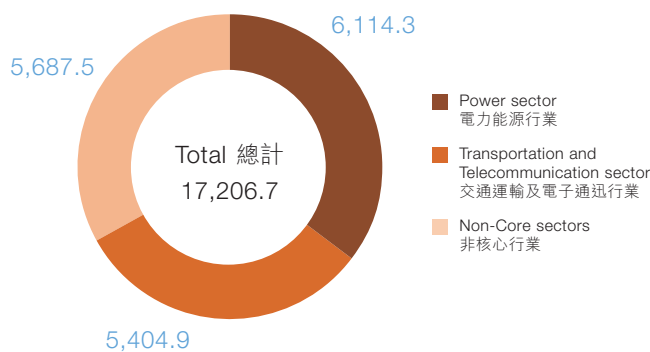
國際工程承包業務的已簽約待生效合同

As at December 31, 2017

於2017年12月31日

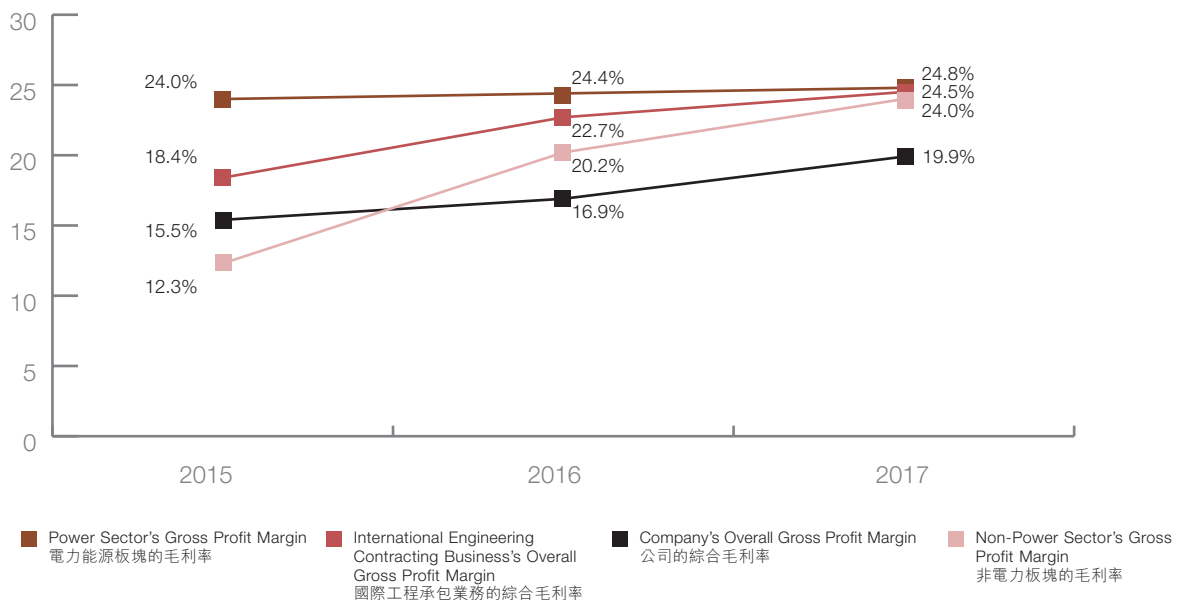
Unit: US\$ million

單位：百萬美元



8. Gross Profit Margin for the International Engineering Contracting Business

國際工程承包業務的毛利率



Financial Highlights

財務摘要

		Year ended December 31, 截至12月31日止年度				
		2017	2016	2015	2014	2013
		2017年	2016年	2015年	2014年	2013年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue	收入	23,682,177	21,017,236	24,056,269	23,746,597	21,426,272
Gross profit	毛利	4,714,995	3,544,191	3,726,821	3,814,298	3,742,458
Other revenue and other income/ (expenses), net	其他收入及其他收入/ (開支)淨額	384,910	14,892	(6,264)	(77,395)	365,826
Operating expenses	經營開支	(2,252,014)	(1,991,968)	(1,934,119)	(1,641,864)	(1,780,132)
Profit from operations	經營溢利	2,847,891	1,567,115	1,786,438	2,095,039	2,328,152
Profit before taxation	除稅前溢利	2,252,891	2,783,930	2,996,868	2,764,856	2,664,105
Income tax	所得稅	(538,396)	(674,140)	(787,908)	(645,105)	(703,864)
Profit for the year	年內溢利	1,714,495	2,109,790	2,208,960	2,119,751	1,960,241
Other comprehensive income for the year	年內其他綜合收益	(64,753)	74,536	(11,906)	(18,890)	14,745
Total comprehensive income for the year	年內綜合收益總額	1,649,742	2,184,326	2,197,054	2,100,861	1,974,986
Profit attribute to:	溢利歸屬於:					
- Owners of the parent	- 母公司擁有人	1,711,203	2,106,521	2,204,777	2,119,470	1,959,257
- Non-controlling interests	- 非控股權益	3,292	3,269	4,183	281	984
Total comprehensive income attributable to:	綜合收益總額歸屬於:					
- Owners of the parent	- 母公司擁有人	1,646,525	2,180,909	2,192,817	2,099,652	1,974,823
- Non-controlling interests	- 非控股權益	3,217	3,417	4,237	1,209	163
Basic and diluted earnings per share (expressed in RMB per share)	每股基本及攤薄盈利 (以每股人民幣元計值)	0.41	0.51	0.53	0.51	0.47
Total non-current assets	非流動資產總額	8,551,231	8,103,361	6,854,702	5,868,844	6,049,264
Total current assets	流動資產總額	38,988,130	39,348,918	37,097,851	32,221,003	25,903,900
Total assets	資產總額	47,539,361	47,452,279	43,952,553	38,089,847	31,953,164
Total non-current liabilities	非流動負債總額	1,033,827	956,450	882,288	729,052	407,162
Total current liabilities	流動負債總額	30,300,066	31,120,276	28,523,824	24,198,264	19,789,941
Total liabilities	負債總額	31,333,893	32,076,726	29,406,112	24,927,316	20,197,103
Total equity attributable to owners of the parent	母公司擁有人應佔權益總額	16,132,572	15,328,515	14,500,886	13,136,369	11,739,625
Non-controlling interests	非控股權益	72,896	47,038	45,555	26,162	16,436
Total equity	權益總額	16,205,468	15,375,553	14,546,441	13,162,531	11,756,061
Total equity and liabilities	權益及負債總額	47,539,361	47,452,279	43,952,553	38,089,847	31,953,164

Management Discussion and Analysis

管理層討論與分析

I. INDUSTRY OVERVIEW

In 2017, the domestic and international economic environment is still intricate, while the world economy is still facing the risk of a downward trend. From the international perspective, the world economy picked up slightly as major economies achieved synchronous growth for the first time after the global financial crisis and international trades and investments are gradually recovering. It is hopeful that the world economy will enter a new growth cycle. However, deep-seated problems in the world economy have yet to be fixed. Multiple risks and considerable uncertainties come in the form of high debts, asset bubbles, protectionism and escalation of international and regional hotspots. In China domestically, the economy kept growing amid stability last year, and GDP rose by 6.9%. Imports and exports turned around after a decline for two consecutive years; fiscal revenue, residents' income and corporate profits registered noticeable improvements; the bond market, stock market and real estate market remained stable, foreign exchange reserve increased continuously and enterprises' leverage ratio decreased amid stability. On the whole, China's economy has entered a new era of development transitioning from rapid growth to high-quality growth.

A. International Engineering Contracting Business

In 2017, China's foreign engineering contracting projects achieved a turnover of approximately RMB1,138.29 billion, with a year-on-year growth of 7.5% (equivalent to approximately US\$168.59 billion, with a year-on-year growth of 5.8%), and the new contract value amounted to approximately RMB1,791.12 billion, with a year-on-year growth of 10.7% (equivalent to approximately US\$265.28 billion, with a year-on-year growth of 8.7%).

I. 行業概覽

2017年，國內外經濟環境依然錯綜複雜，世界經濟仍然面臨下行風險。從國際看，世界經濟有所回暖，主要經濟體自國際金融危機發生以來首次實現同步增長，國際貿易和投資逐漸走出低谷，世界經濟有望進入新的增長周期。但是，世界經濟存在的深層次矛盾仍未解決，還面臨債務高企資產泡沫、保護主義、國際和地區熱點問題升級等多重風險，存在較大的不確定性。從國內看，去年，我國經濟延續了穩中向好的發展態勢，國內生產總值增長了6.9%。進出口扭轉了連續兩年下降的局面；財政收入、居民收入和企業效益明顯好轉；債市、股市、房市平穩運行，外匯儲備持續增加，企業槓桿率穩中有降，總的來說，中國經濟已經進入了由高速增長階段轉向高質量發展階段的新時代。

A. 國際工程承包業務

2017年，我國對外承包工程業務完成營業額約人民幣11,382.9億元，同比增長7.5%（折合約1,685.9億美元，同比增長5.8%），新簽合同額約人民幣17,911.2億元，同比增長10.7%（折合約2,652.8億美元，同比增長8.7%）。

Management Discussion and Analysis

管理層討論與分析

New contracts for foreign engineering contracting projects signed in 61 countries along “the Belt and Road” region aggregated to approximately US\$144.32 billion, accounting for 54.4% of the total in the same period, with a year-on-year growth of 14.5%; the amount of turnover reached approximately US\$85.53 billion, accounting for 50.7% of the total in the same period, with a year-on-year growth of 12.6%.

Although foreign engineering contracting business has kept expanding in the recent years as “the Belt and Road” Initiative continues to pay dividends, in the context of such general trend of “conterminous rise” higher standards are required for industrial development, and enterprises must face up to harsher internal and external competitions and speed up improving their own capability to pursue more advanced development. On balance, at present, the international engineering contracting industry is still confronted with both opportunities and challenges.

1. **Steadily expanding business scale.** Last year, the amount and the turnover of newly signed contracts for foreign engineering projects both increased on a year-on-year basis. In particular, the business turnover in countries along “the Belt and Road” almost accounted for half of the total contract value, with the growth significantly higher above industry average, and the trend of sizeable projects became more remarkable. In 2017, 782 new foreign engineering contracting projects had a contract value of more than US\$50 million, totalling approximately US\$197.74 billion and accounting for 74.5% of the total amount of newly signed contracts. Besides, there were more than 300 projects with a contract value reaching US\$100 million and nearly 30 projects with a contract value exceeding US\$1 billion.

在「一帶一路」沿線的61個國家新簽對外承包工程合同額約為1,443.2億美元，佔同期總額的54.4%，同比增長14.5%；完成營業額約855.3億美元，佔同期總額的50.7%，同比增長12.6%。

雖然近幾年對外承包工程業務規模不斷增長，「一帶一路」倡議不斷釋放紅利，但也正是這種「水漲船高」的大勢，對行業發展提出了更高的要求，企業必須要直面更加嚴峻的內外部競爭形勢，並加快提升自身水平，才能尋求更高層次的發展。總的來說，目前國際工程承包行業整體形勢依然是機遇和挑戰並存。

1. **業務規模保持穩步增長。**去年，對外工程新簽合同額和完成營業額同比均有增長，尤其是「一帶一路」沿線國家業務佔據半壁江山，業務增速明顯高於行業平均水平，項目大型化趨勢明顯。2017年，對外承包工程新簽合同額在5,000萬美元以上的項目782個，合計約1,977.4億美元，佔新簽合同總額的74.5%，上億美元項目300餘個，10億美元以上項目近30個。

Management Discussion and Analysis

管理層討論與分析

2. **Changing market landscape amid stability.**

In 2017, the focus of the foreign engineering contracting business was in Asia and Africa. In particular, Asian market came out on top with the value of newly signed contracts surpassing US\$100 billion, accounting for more than half of the total value of newly signed contracts. Given sluggish international crude oil price as well as financial retrenchment of African countries, the amount and the turnover of newly signed contracts for business in Africa both retreated. Remarkable achievements were made in developing business in Latin American and European markets, as evidenced by the value of newly signed contracts exceeding US\$10 billion.

3. **Increasingly significant industrial spillover effects.**

In 2017, foreign engineering contracting business played an ever-greater role in driving the whole industry chain to “go out”, and corresponding cargo exports reached approximately US\$15.39 billion, with a year-on-year growth of 15.7%, higher than the growth of cargo trade exports in the same period. Specifically, overseas projects including Addis Ababa-Djibouti Railway and Mombasa-Nairobi Standard Gauge Railway not only used advanced PRC-made equipment but also were built following China’s standards during the whole process, which embodied the increasingly greater role of leading PRC engineering contracting enterprises in driving the expansion of relevant industries. Regarding capacity cooperation, domestic economic and trade cooperative zones represented by China-Belarus Industrial Park facilitated effective connection between China’s production capacity and local demand.

2. 行業市場格局穩中有變。

2017年，對外承包工程業務仍主要集中在亞洲和非洲市場。其中，亞洲市場獨佔鰲頭，新簽合同額突破1,000億美元，佔新簽合同額的一半以上；受國際原油價格持續低位運行以及非洲各國財政緊縮的影響，在非洲的業務的新簽合同額和完成營業額均呈下滑趨勢；拉美和歐洲市場，業務拓展成效顯著，新簽合同額均超過100億美元。

3. 行業溢出效應日益顯著。

2017年，對外承包工程業務對全產業鏈「走出去」的帶動作用進一步增強，全年帶動貨物出口約153.9億美元，同比增長15.7%，高於同期貨物貿易出口增幅。其中，亞吉鐵路、蒙內鐵路等項目不僅帶動先進國產設備走出國門，且項目全線採用中國標準建設，體現了中國龍頭工程企業對相關產業的輻射帶動力度進一步加大。在產能合作方面，以中白工業園等為代表的境外經貿合作區有效推進，促進我國優勢產能同當地需求的有效對接。

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- 4. More investments and concerns to transportation, power and environmental protection fields.** At present, interconnection is still the core of infrastructure construction of various countries, generating huge demand for building roads, railways, shipping lines, ports and airports. Power is a development priority of various countries. In particular, power network and clean energy become major investment directions. In addition, the urbanization of some countries and regions provides a longer-term development opportunity for people's livelihood projects including properties and municipal engineering. Green, energy-saving and environmentally-friendly infrastructure construction projects are the major direction of development in the near term.
- 5. "Integration of construction and operation" and enterprise collaboration become the "New Normal" of industrial development.** At present, factors including rational planning of regional development, assisting with finance and project operational management, promoting employment and industrial upgrading of the host countries have become important when project owners select their partners, imposing higher requirements on the multinational operation and resource integration planning capabilities of engineering contracting enterprises. Enterprises in the industry actively explore new business models such as PPP, extend industrial chain, promote development of "integration of construction and operation", and enhance inter-enterprise cooperation on a complementary basis. "Going out" through cooperation became an important trend of industrial development.
- 4. 交通、能源電力、環保領域吸引了較多的投資和關注。**當前，互聯互通仍是各國基礎設施建設的重點，公路、鐵路、航運、港口、機場等建設需求巨大。能源電力是各國發展的優先領域，特別是電力網絡和清潔能源成為重點投資方向。此外，部分國家和地區城市化發展為房地產、市政等民生工程提供了較長期的發展機遇，綠色、節能、環保的基礎設施建設項目是近期的主要發展方向。
- 5. 「建營一體化」和企業協同合作成為行業發展的「新常態」。**當前，能夠合理規劃區域開發、協助進行融資和項目運營管理、促進東道國就業和產業升級等已經成為項目業主選擇合作夥伴的重要因素，這對於承包工程企業跨國經營和資源整合規劃的能力提出了更高要求。行業企業積極探討PPP等新模式業務，延伸產業鏈條，推動「建營一體化」發展，加強企業間合作，優勢互補，協同「走出去」成為行業發展的重要趨勢。

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6. Difficulties and challenges facing business development became more complicated.

At present, international environment is undergoing profound changes and the recovery of world economy remains fragile. Some African and Latin American countries lack funds for construction under increasing financial pressure; besides, a variety of risks including political risks, safety risks and economic risks remain serious. Enterprises face more uncertainties when expanding business and making investment. Meanwhile, enterprises of various countries seek larger development space by structural adjustment, technological innovation and multinational operation. Chinese enterprises all come under growing external competition in the international market. In addition, as the businesses of the industry players mainly focus on medium- and low-end fields traditional competitive advantages fade, and enterprises' management ability remains to be further improved, which become the bottlenecks restricting the development of the industry players.

B. Trading Business

In 2017, China's foreign trade continued to stabilize and trend upwards, with remarkable achievements in development. China's import and export amount totalled approximately RMB27.79 trillion, up by 14.2% year on year; in particular, the export amount reached approximately RMB15.33 trillion, up by 10.8% year on year; the import amount reached approximately RMB12.46 trillion, up by 18.7% year on year, indicating a favourable balance of approximately RMB2.87 trillion, down by 14.2%, with the following highlights:

1. **Better-than-expected growth, with growth rate scaling a 6-year new high.** In 2017, China's import and export growth rates were 21.2% and 15.1% higher than those of 2015 and 2016, respectively, putting an end to the negative growth of two consecutive years.

6. 業務發展面臨的困難和挑戰更加紛繁複雜。

目前國際環境正在發生深刻變化，世界經濟復蘇仍然脆弱，部分非洲、拉美國家財政壓力加大，建設資金匱乏，政治風險、安全風險、經濟風險等各類風險問題仍然突出，企業在拓展業務、開展投資時面臨的不確定性增加。同時，各國企業通過結構調整、技術創新和跨國經營，謀求更大的發展空間，中國企業普遍感受在國際市場所面臨的外部競爭不斷加劇。此外，由於行業內企業業務主要集中在中低端領域，傳統競爭優勢下降、企業的經營管理能力仍有待進一步提升等方面成為制約行業企業發展的瓶頸。

B. 貿易業務

2017年，我國對外貿易繼續回穩向好，發展取得顯著成績。實現進出口總額約人民幣27.79萬億元，同比增長14.2%；其中出口約人民幣15.33萬億元，同比增長10.8%；進口約人民幣12.46萬億元，同比增長18.7%；順差約人民幣2.87萬億元，收窄14.2%。主要呈現以下亮點：

1. **增長超出預期，增速創6年來新高。**2017年我國進出口增速分別比2015年和2016年高出21.2和15.1個百分點，扭轉了連續兩年負增長的局面。

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- 2. Growth rate higher than that of major economies in the world.** The latest data of World Trade Organization (“WTO”) showed that China’s export growth rate from January to October (in unit of US\$) was 1.3% and 0.5% higher than that of the U.S. and Germany, respectively. Import growth rate is 10.4%, 8.1%, 7.6% and 6.5% higher than that of the U.S., Germany, Japan and the world, respectively, playing an important role in promoting economic and trade growth of the world.
 - 3. Constantly improving trade structure.** International market was more diversified. While consolidating presence in traditional markets including the U.S., EU and Japan, we achieved rapid growth in exports to “BRIC countries” and countries along “the Belt and Road” region including Brazil, India, Russia, South Africa and Malaysia, with the growth rate of 35.2%, 19.8%, 17.7%, 18.5% and 13.6%, respectively. The commodity structure was further upgraded. Export of mechanical and electrical products of high technological content and added value increased by 12.1%. Various business entities developed together. Export of private enterprises increased by 12.3%, continuing to be the dominant group in exports. Patterns of trade were further optimized, with general trade export increased by 11.7%.
 - 4. Accelerated conversion between old and new drivers in innovative development of foreign trade.** Rapid increase in new industries such as cross-border e-commerce and market purchase trade has become a new highlight in foreign trade increase and has an evident effect on the cultivation of new impetus. Import and export in comprehensive experimental area of cross-border e-commerce have more than doubled and export of market purchase trade has increased more than 30%. A large number of foreign trade enterprises kept making innovation and focused on the supply side for transformation and upgrading so as to constantly improve their international competitiveness.
- 2. 增速好於世界主要經濟體。**世界貿易組織（「世貿組織」）最新數據顯示，1至10月（按美元計），我國出口增速比美國和德國分別高出1.3和0.5個百分點。進口增速比美國、德國、日本和全球分別高出10.4%、8.1%、7.6%和6.5%，為促進世界經濟和貿易增長發揮了重要作用。
 - 3. 貿易結構不斷優化。**國際市場更加多元，在鞏固美國、歐盟、日本等傳統市場的同時，對巴西、印度、俄羅斯、南非、馬來西亞等「金磚國家」和「一帶一路」沿線國家出口實現快速增長，增幅分別達35.2%、19.8%、17.7%、18.5%和13.6%。商品結構進一步升級，技術含量和附加值高的機電產品出口增長12.1%。各經營主體共同發展，民營企業出口增長12.3%，繼續保持出口第一大主體。貿易方式進一步優化，一般貿易出口增長11.7%。
 - 4. 外貿創新發展的新舊動能轉換加快。**跨境電子商務、市場採購貿易等新行業快速增長，成為外貿增長的新亮點，並對新動力的培育有顯著影響。跨境電子商務綜合試驗區進出口增長一倍以上，市場採購貿易出口增長超過三成。一大批外資企業持續創新，從供給側發力，轉型升級，不斷提升國際競爭力。

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- 5. Increased contribution to the national economic and social development.** In 2017, the tax on imports in China increased nearly 30%, leading to an increase in fiscal revenue. Rapid increase in imports and exports also helped improve international balance of payment, increase foreign exchange reserves and keep RMB exchange rate stable. This year, the number of ten types of bulk commodities including imported crude oil, iron ore and natural gas in China increased 0.6% to 26.9%, which satisfied domestic market demand and alleviated the constraints caused by the resource bottleneck of the national economic development.
- 6. Playing an important role in global economy and trade recovery.** Since 2017, China's economic advancement amid stability has propelled continuous and rapid growth of imports and provided a wider market and more valuable cooperation opportunities for various countries in the world. According to WTO's statistics, in the first three quarters of 2017, China's import contributed 17% of the global import increase and accounted for 10.2% of the global import shares.
- 5. 對國民經濟社會發展貢獻增強。**2017年，我國進口環節稅收增長近30%，增加了財政收入。進出口較快增長也為改善國際收支、增加外匯儲備、保持人民幣匯率穩定作出積極貢獻。全年我國進口原油、鐵礦砂、天然氣等十類大宗商品數量增長0.6%至26.9%，保障了國內市場需求，也緩解了國民經濟發展的資源瓶頸制約。
- 6. 對全球經濟貿易復蘇發揮重要作用。**2017年以來，中國經濟穩中向好帶動進口持續快速增長，為世界各國提供更廣闊市場和更寶貴的合作契機。根據世貿組織統計數據，2017年前三季度，中國進口增加對全球進口增長貢獻率達17%，進口佔全球份額10.2%。

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C. Services Business

In 2017, the added value of the tertiary industry reached RMB42,703.2 billion, with a growth of 8.0% on a year over year basis. Design consultation accounted for 51.6% of the added value of the tertiary industry, with a number of high-grade, precision and advanced construction projects started construction and were put into use in the previous year, which drew worldwide attention. These projects included Five-hundred-meter aperture spherical radio telescope (known as the world's "skyeeye"), Hong Kong-Zhuhai-Macao Bridge (the world's longest cross-sea bridge), China Zun (a super highrise building) and other world-class construction projects, which manifested China's superb technology and innovative development strength in survey and design and project construction. It also demonstrates that the engineering survey and design industry has moved toward modernization, gradually formed a development trend driven by multiple innovations including system innovation, management innovation, technological innovation and operation mode innovation, and the modernization level and comprehensive benefits of engineering survey and design have been substantially improved. China's survey and design industry has ushered in a favorable policy environment and more market opportunities. Highlights include:

1. To make contributions to a "well-off" society and the great cause of building a strong socialist modernized country, developing an important historical stage for survey and design industry.
2. A new round of scientific revolution and industrial transformation in the world featuring digital information technology and intelligence injected a strong impetus into the digital, networked and intelligent development of the survey and design industry.

C. 服務業務

2017年，我國第三產業增加值達人民幣42,703.2億元，同比增長8.0%。設計諮詢在第三產業增加值中佔比51.6%。在設計諮詢方面，去年有一大批高、精、尖工程項目開工建設和竣工投入使用令世界矚目，如被稱作世界「天眼」的500米口徑球面射電望遠鏡、世界最長的跨海大橋港澳大橋、超高層建築中國尊等世界一流的工程建設，彰顯了我國勘察設計和工程建設的高超技術水平和創新發展實力，也說明工程勘察設計行業已經邁開現代化前行的步伐，逐步形成了體制創新、管理創新、科技創新、經營模式創新等多元創新驅動的發展態勢，工程勘察設計的現代化水平和綜合效益極大提高。我國勘察設計行業迎來了更加良好的政策環境和更加豐富的市場機遇。其中亮點包括：

1. 決勝「小康」和建設社會主義現代化強國宏圖大業，為勘察設計行業開拓了大有作為的歷史舞台。
2. 以數字信息技術和智能化為基本特徵的全球新一輪科技革命和產業變革，為勘察設計行業數字化、網絡化、智慧化、智能化注入了強大動力。

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3. Constant introduction of a series of new policies on reform in urban and rural construction pointed out a clear market orientation for innovative development of the survey and design industry. “The Belt and Road”, engineering project contracting (EPC), whole-process project consulting, intensive application of the Building Information Modeling technology, etc. have provided new opportunities for industry development.
4. Further development of systematic, integrated and synergistic reform created a good social environment for reform and innovation of China’s survey and design industry and brought China’s construction industry and survey, design and consulting industry into a new stage of format remodelling and comprehensive improvement of industry modernization.
3. 城鄉建設領域一系列改革新政密集出台，為勘察設計行業創新發展提出了明確的市場導向，「一帶一路」、工程總承包、全過程工程諮詢、建築信息模型(Building Information Modeling)技術深度應用等都為行業發展提供了新的市場機遇。
4. 系統性、整體性、協同性改革深入發展，為我國勘察設計行業改革與創新開闢了良好社會環境，使我國建築業和勘察設計諮詢業進入了一個業態重塑和產業現代化全面提升的新階段。

II. BUSINESS OVERVIEW

A. International Engineering Contracting Business

We are a leading international engineering contractor and service provider in China, focusing on the EPC projects, particularly in the power industry. Our international engineering contracting business is one of the Company’s traditional core businesses, accounting for about 57.2% of the Company’s total revenue in 2017.

In 2017, the International Engineering Contracting Business kept advancing amid stability. The Company paid special attention to market development and project implementation, kept intensifying efforts to support national strategies such as “the Belt and Road” initiative and “Going Out”, continuously enhanced the overall planning and forging of the international market, endeavoured to foster the Company’s unique ability, strengthened our comparative advantages, and actively built an EPC open platform and industry ecosystem.

II. 業務概覽

A. 國際工程承包業務

我們是中國領先的國際工程承包與服務商，主要專注於EPC項目，特別專長於電力能源行業。我們的國際工程承包業務為本公司傳統核心業務之一，約佔2017本公司總收入的57.2%。

2017年，國際工程承包業務依然穩中有進。公司狠抓市場開拓和項目執行，不斷加大與「一帶一路」倡議和「走出去」等國家戰略的對接力度，持續加強國際化市場的統籌佈局和建設，努力打造公司獨有能力，強化比較優勢，積極打造EPC開放型平台和行業生態圈。

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The following table sets forth the details of the International Engineering Contracting Business for the year ended December 31, 2017 and the comparative figures for the year ended December 31, 2016:

下表載列截至2017年12月31日止年度國際工程承包業務詳情，以及截至2016年12月31日止年度的比較數字：

Unit: RMB million
單位：人民幣百萬元

		2017	% of Total	2016	Year-on-year Growth / (Decline) / (減少)
		2017年	總額的%	2016年	按年增長
Revenue 收入	Power 電力能源	8,603.1	63.5%	7,290.2	18.0%
	Transportation and Telecommunications 交通運輸及電子通訊	2,022.9	14.9%	1,267.0	59.7%
	Non-Core Sectors 非核心行業	2,928.7	21.6%	3,827.9	-23.5%
	Total 總計	13,554.7	100.0%	12,385.1	9.4%
Gross profit 毛利	Power 電力能源	2,134.8	64.2%	1,781.1	19.9%
	Transportation and Telecommunications 交通運輸及電子通訊	701.4	21.1%	272.1	157.8%
	Non-Core Sectors 非核心行業	487.4	14.7%	758.2	-35.7%
	Total 總計	3,323.6	100.0%	2,811.4	18.2%

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1. Enhancing efforts for development in core markets

The Company strengthened study on industry policies and trend of core markets and further specified the development directions of various core markets. The Company paid close attention to national infrastructure and industrial planning relating to “the Belt and Road” initiative and “Going Out” strategy, to make corresponding efforts to achieve intensive and progressive development. At present, the Company shows a good momentum in the development of core markets and continued to maintain its leadership.

In 2017, the Company successively signed several international engineering contracting projects. During the meeting of “the Belt and Road Forum for International Cooperation”, in the presence of President Xi Jinping and Argentina’s President Mauricio Macri, the Company signed the Phase I supplemental contract on Belgrano railway project in Argentina (the “**Argentina Railway Project**”), with a project value of approximately US\$1.6 billion. Moreover, in Mozambique, the Company signed a project concerning construction of Moatize-Macuze railway and port with a project value of approximately US\$1.2 billion, which was another breakthrough in transportation construction after the Argentina Railway Project. In Pakistan, the Company successively signed the ThalNova mine mouth lignite fired power project at Thar Block-II, Sindh, Pakistan and 1,263MW Punjab power plant, Jhang EPC agreement (the Company’s first H class gas turbine power plant), involving a total amount of approximately US\$1 billion. In Cameroon, the Cameroon Ngolia hydropower plant project with a project value of approximately US\$398 million was signed successfully.

1. 加強在核心市場的深耕細作

加強了對核心市場產業政策和市場趨勢的研究，進一步明確各核心市場的開發方向。密切關注「一帶一路」倡議和「走出去」戰略相關國家基礎設施及產業規劃，精準發力，較好地實現了深耕細作和滾動開發的目標。目前，核心市場的開發呈現良好態勢，繼續保持領先地位。

在2017年，公司相繼簽署了數個國際工程承包項目。「一帶一路國際合作高峰論壇」會議舉行期間，在習近平主席和阿根廷總統馬克里共同見證下，公司簽署了阿根廷貝爾格拉諾鐵路項目（「**阿鐵項目**」）一期工程增補合同，金額約為16億美元。此外，在莫桑比克，公司簽署了金額約12億美元的莫阿蒂澤至馬庫澤鐵路及港口建設項目，是繼阿鐵項目後在交通建設領域的又一突破；在巴基斯坦，公司連續簽約了巴基斯坦塔爾煤田II區塊ThalNova電站項目和公司第一個H級燃機電站—巴基斯坦吉航（Jhang）1,263MW聯合循環電站項目，金額總計近10億美元；在喀麥隆，順利簽約喀麥隆Ngoila水電站項目，金額約為3.98億美元。

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

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

The following table sets forth a breakdown of the revenue from the Group's International Engineering Contracting Business by geographic locations for the year ended December 31, 2017:

下表載列截至2017年12月31日止年度按地理位置劃分的本集團國際工程承包業務收入明細：

		2017	% of
		2017年	Total
		RMB million	總額的%
		人民幣百萬元	
Asia	亞洲	7,398.3	54.6%
South America	南美洲	1,985.3	14.7%
North America	北美洲	27.0	0.2%
Africa	非洲	3,515.8	25.9%
Europe	歐洲	628.3	4.6%
Total	總計	13,554.7	100.0%

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2. Sparing no effort to promote development of new markets and new fields

While ensuring sound development of traditional power projects, the Company took the initiative to develop clean energy and green energy projects in line with the trend of changes in the international power market structure. The Company entered into a contract in respect of the Sainshand wind farm project in Mongolia and a supply contract for Sembilan 50MW solar farm project in Malaysia, which came into effect. The Company's contract for the Kipeto 102MW wind farm project in Kenya is also expected to come into effect in the near future. In addition, the Company also stepped up its efforts in exploring new markets and has made substantial progress in countries such as Guinea. Attempt was also made to enter high-end markets such as the United Kingdom and Saudi Arabia and the Company obtained the right to develop Victoria Falls City in Zimbabwe, in a bid to develop first-class parks by controlling scarce resources.

3. Realizing overall good project implementation

In 2017, the Company had 59 projects under construction. The overall performance of project implementation was stable without any material safety accident, quality problem or delay.

2. 全力推進對新市場和新領域的開拓

順應國際電力市場結構轉變趨勢，在抓好傳統電力項目的同時，積極開拓清潔能源和綠色能源項目。公司的蒙古賽音山達風電項目和馬來西亞森美蘭州50MW光伏電站供貨項目已成功簽約生效，肯尼亞Kipeto 102MW風電項目也有望於近期生效。此外，公司還加大了新市場的開拓力度，在幾內亞等國取得實質性進展，並初步嘗試進入英國、沙特阿拉伯等高端市場，取得津巴布韋維多利亞瀑布城開發權，嘗試通過控制稀缺資源開發一級園區。

3. 項目執行整體良好

2017年，公司在手執行項目共59個。項目執行情況總體平穩，未發生重大安全、質量、拖期等問題。

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Ten projects of the Company have obtained a completion certificate, including No. 6 600MW steam turbine generator block project of the central power plant in Venezuela, housing project of developing 1,500 housing units in Maldives Phase II and No.3 power plant expansion project in Karaganda, Kazakhstan and so on. M.Phin-Saravan transmission and transformation project in Laos was rewarded by project owners. The phase I of Kostolac-B power plant project in Serbia has been in good operation, and the desulfurization equipment of the project is the first set in South-eastern Europe. The Company's reconstruction project by the World Bank Loan – Gomel No. 1 thermal power station reconstruction project in Belarus has overcome various difficulties and successfully transferred.

In respect of project implementation, the 2x330MW coal fired power project at Pakistan Thar Block II completed boiler steel structure hoisting, which was an important node for implementation of the project; host machine and other equipment have been purchased for the shatt al-Basra combined cycle power plant conversion 650MW power plant project; grid connection tests have been completed for the two gas turbines of the construction and installation of the combined cycle power plant Soyo I, with a tested speed reaching world level.

Moreover, a batch of projects under construction of the Company received keen interest and was acclaimed by leaders at home and abroad. Zhang Dejiang, the then chairman of the NPC Standing Committee, and his party inspected the phase I of Kostolac-B package project in Serbia. During his participation in “the Belt and Road Summit Forum”, President of Argentina Macri fully affirmed the professionalism and sense of social responsibility demonstrated by the Company in implementing the Argentina Railway Project and expressed that Argentina would continue to work with the Company in infrastructure construction in the future.

在完工項目方面，委內瑞拉中央電廠6號600MW蒸汽輪機發電機組項目、馬爾代夫1,500套住房項目（二期）項目、哈薩克斯坦卡拉干達3號電站擴建項目等10個項目取得完工證書；老撾孟聘－沙拉灣輸變電項目受到項目業主的嘉獎；擁有東南歐首套脫硫設備的塞爾維亞Kostolac-B電站一期工程，運行良好；公司由世界銀行貸款的改造項目－白俄羅斯戈梅利1號熱電站改造項目克服種種困難，順利移交。

在執行項目方面，巴基斯坦信德省塔爾煤田II區塊2台330MW燃煤電站項目鍋爐鋼結構順利吊裝，完成項目重大節點；伊拉克巴士拉650MW燃機聯合循環電站擴建項目完成了主機等設備的採購工作；Soyo I聯合循環電廠建設和安裝項目的兩台燃機並網試驗成功，安裝調試速度達到世界先進水平。

此外，公司還有一批建設的項目受到國內外領導人的關注和好評。時任全國人大常委會委員長張德江一行視察了塞爾維亞Kostolac-B電站一期工程；阿根廷總統馬克里在參加「一帶一路高峰論壇」期間，對公司在執行阿鐵項目過程中表現出的專業性、社會責任感予以充分的肯定，並表示未來在基礎設施建設過程中，將會繼續與公司合作。

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4. Striving to foster the Company's unique capabilities

Keeping up with the trend of technological development in the industry, the Company promoted business development based on scientific research, pushed forward the integration of innovative technologies with traditional manufacturing, and increased the Company's EPC technology content. The Company initiated factory-like and integrated projects of overseas power plant construction and conducted integration and modularization research with various professional units in the entire chain of the EPC power industry, aiming at creating a "power station construction and service upgrading and optimization system" with distinctive characteristics. The Company has made substantial progress in equity participation in Jiangsu Pangwo Power Engineering Co., Ltd., laying a foundation for the longitudinal extension of the EPC business chain and building of a new business model. The Company also started the construction of remote integrated management and control system for overseas projects to use Internet technology to realize monitoring, locating breakdowns and diagnosing unit operation status, all in a remote mode.

4. 努力打造公司獨有能力

緊跟行業技術發展趨勢，以科研促業務，推動創新技術與傳統製造相融合，提升公司EPC科技含量。發起公司海外電站建設工廠化集成化科研項目，與EPC電力行業全鏈條上的各專業單位共同進行集成化、模塊化研究，打造具有鮮明公司特色的「電站建設與服務升級優化體系」。參股龐沃電力公司的有關工作取得實質進展，為EPC業務鏈條縱向延伸、構建新型業務模式打下基礎。啟動了海外工程項目遠程綜合管控系統建設，利用互聯網技術，實現對機組運行狀態的遠程監控、故障定位及診斷。

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5. Strengthening the overall layout and construction of international markets

The Company actively responded to “the Belt and Road” initiative, “Going out” and other national strategies, carried out monographic studies for overall layout of overseas markets and achieved good results in guiding and supporting business development. **Firstly**, the Company conducted due diligence investigation on eight hot countries, including India, Malaysia, Thailand, Philippines, Vietnam, Laos, Myanmar, Cambodia, at the corporate level in aspects of legal issues, finance and taxation, investment and financing, etc. **Secondly**, the Company completed market segmentation in Association of Southeast Asian Nations (ASEAN) and South Asia. **Thirdly**, the Company updated the core market management system and core market segmentation list and revised the core market efficiency budget table. **Fourthly**, the Company deepened its regionalized and localized operation. Regional companies in Dubai and Singapore have been in formal operation and exploration of megaregion business development and operation mode is underway. The level of localization has further been improved. The Company has preliminarily formed localized teams responsible for project development, design and execution in Angola and Belarus. The Company has established a good cooperative relationship with local purchasers and construction contractors and actively participated in project bidding.

5. 加強國際化市場的統籌佈局和建設

加大與「一帶一路」倡議和「走出去」等國家戰略的對接力度，開展專題研究，統籌佈局海外市場，在引導和支撐業務發展方面取得良好成效。一是繼續從公司層面對印度、馬來西亞、泰國、菲律賓、越南、老撾、緬甸、柬埔寨等8個熱點國別展開了法律、財稅、投融資等方面的盡職調查。二是完成了對東南亞國家聯盟、南亞市場的劃分認領。三是更新了核心市場管理制度、核心市場劃分清單並修訂了核心市場效益預算表。四是區域化、屬地化經營持續深化。迪拜、新加坡區域公司已正式運營；積極探索大區域業務綜合開發運管模式。屬地化水平進一步提高，安哥拉、白俄羅斯等地已初步建立起從項目開發到設計再到執行的屬地化團隊，公司與當地採購商和施工承包商形成了良好的合作關係，並積極參與項目投標。

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6. Creating an EPC open type platform and industry ecosystem

The Company continued to integrate into the international industrial chain and value chain, signed strategic cooperation agreements with world leading enterprises such as ABB Ltd, engaged in deep cooperation with companies like Black & Veatch in the United Kingdom, Malaysia and other countries, deepened cooperation with strategic partners such as General Electric and Siemens; and formed an industrial alliance with China XD Group Corporation, Dongfang Electric Corporation and other well-known Chinese enterprises.

The following table sets forth the operational details of the International Engineering Contracting Business for the year ended December 31, 2017 and the comparative figures for the year ended December 31, 2016:

6. 打造EPC開放型平台和行業生態圈

不斷融入國際產業鏈和價值鏈，與ABB Ltd等世界領先企業簽署了戰略合作協議，與Black & Veatch等公司在英國、馬來西亞等國展開深度合作；與通用電氣、西門子等戰略夥伴的合作不斷深入；與中國西電集團公司、中國東方電氣集團有限公司等國內知名企業締結產業聯盟。

下表載列截至2017年12月31日止年度國際工程承包業務的運營詳情，以及截至2016年12月31日止年度的比較數字：

Unit: USD million
單位：百萬美元

				2017	% of Total	2016	Year-on-year
							Growth/ (Decline)
				2017年	總額的%	2016年	按年增長／(減少)
Amount of newly effective contracts	新生效合同金額	Power	電力能源	1,603.2	52.5%	2,350.0	-31.8%
		Transportation and Telecommunications	交通運輸及電子通訊	254.5	8.4%	233.1	9.2%
		Non-Core Sectors	非核心行業	1,194.6	39.1%	870.3	37.3%
		Total	總計	3,052.3	100.0%	3,453.4	-11.6%

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Unit: USD million
單位：百萬美元

				As at December 31, 2017 於2017年 12月31日	% of Total	As at December 31, 2016 於2016年 12月31日	Increase/ (Decrease) 增長/ (減少)
					總額的%		
Backlog	未完成 合同量	Power	電力能源	5,492.4	60.9%	6,095.4	-9.9%
		Transportation and Telecommunications*	交通運輸及 電子通訊*	733.3	8.1%	774.1	-5.3%
		Non-Core Sectors	非核心行業	2,793.6	31.0%	2,045.9	36.5%
		Total	總計	9,019.3	100.0%	8,915.4	1.2%
Signed contracts pending to be effective	已簽約待 生效合同	Power	電力能源	6,114.3	35.5%	6,980.2	-12.4%
		Transportation and Telecommunications	交通運輸及 電子通訊	5,404.9	31.4%	2,611.0	107.0%
		Non-Core Sectors	非核心行業	5,687.5	33.1%	5,605.6	1.5%
		Total	總計	17,206.7	100.0%	15,196.8	13.2%

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

* 以淨額確認收入的合同金額已在未完成合同量中扣除。

B. Trading Business

In 2017, transformation and upgrading of the Trading Business went on. Constantly enhancing innovation capability and increasing the quality of development, the Company attached importance to key tasks such as business transformation, mechanism innovation, structural adjustment and optimization management, and achieved good results.

B. 貿易業務

2017年，貿易業務繼續轉型升級，不斷提升創新能力、提高發展質量，着力抓好業務轉型、機制創新、結構調整、優化管理等重點工作，並取得積極成效。

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The following table sets forth the details of the Trading Business for the year ended December 31, 2017 and the comparative figures for the year ended December 31, 2016:

下表載列截至2017年12月31日止年度貿易業務詳情連同截至2016年12月31日止年度的比較數字：

Unit: RMB million
單位：人民幣百萬元

				2017	% of Total	2016	Year-on-year Growth/ (Decline) 按年增長／(減少)
				2017年	總額的%	2016年	
Revenue	收入	International trade	國際貿易	6,485.6	80.7%	4,878.3	32.9%
		Domestic trade	國內貿易	1,549.1	19.3%	2,430.5	-36.3%
	Total		總計	8,034.7	100.0%	7,308.8	9.9%
Gross profit	毛利	International trade	國際貿易	416.1	87.9%	290.4	43.3%
		Domestic trade	國內貿易	57.5	12.1%	62.7	-8.3%
	Total		總計	473.6	100.0%	353.1	34.1%

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1. Making progress in business innovation

The Company strengthened product innovation and upgrading, introduced technology and management backbone for castings and forgings business, increased product research and development capabilities, and achieved transformation from Original Equipment Manufacturer (OEM) to Original Design Manufacturer (ODM). The Company has become a main supplier of multiple global top 500 companies, with its market orders increasing significantly. Promoting innovation and transformation of business model, the Company has directly sold commodities to local suppliers and customers through an “overseas platform + overseas warehouse + exhibition + logistics model”. Currently the Company has started shipping goods overseas through its European platform. The Company actively explored new markets and business models, such as the agricultural market supply chain multi-link business in Kazakhstan, localized mechanical sales and after-sales service model in the Saudi Arabia market.

2. Continuing to explore overseas regional operation

The Company continued to expand the mining components market in Australia, striving to build a regional center in Australia. Based on the small and medium-sized solar EPC projects, the Company actively explored the Caribbean market and set up a subsidiary in Curacao to engage in investment in small and medium sized photovoltaic power stations. Relying on entrepot trade, EPC and industrialized investment business, the Company promoted the construction of Thailand-Southeast Asia Regional Trade Center, radiating to the peripheral markets in Southeast Asia.

1. 業務創新取得進展

加強產品創新升級，鑄鍛件業務引進技術和管理骨幹，提高產品研發能力，實現從原始設備製造商（OEM）到原始設計製造商（ODM）的轉變，已成為多家全球五百強企業的主要供應商，市場訂單大幅提升。推進業務模式創新轉型，通過海外平台+海外倉+展覽展示+物流的模式，直接向當地供應商、客戶銷售商品，目前歐洲平台已開始向海外發貨。積極開拓新的市場領域和業務模式，如哈薩克斯坦農業市場供應鏈多環節業務、沙特市場本土化的機械銷售與售後服務模式等。

2. 繼續探索海外區域化經營

繼續拓展澳洲礦業零部件市場，打造澳洲區域中心；以中小型太陽能EPC項目為基礎，積極開拓加勒比海區域市場，成立庫拉索子公司，探索中小型光伏電站投資業務；以轉口貿易、EPC、實業化投資業務為依托，推進泰國東南亞貿易區域中心建設，輻射東南亞周邊市場。

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3. Continuously deepening cooperation with local government

Firstly, Phase I of the Silk Road International Cooperation Park project, which integrated various industries and was developed in partnership with Yinchuan City, had been completed and bonded trading business developed steadily. Secondly, the Company reviewed in time the project experience it developed in cooperation with municipal governments of Jiaozuo and Zhumadian.

In addition, the Company also capitalized on relevant policies in its application for becoming an “enterprise with proprietary brand and proprietary intellectual property rights”¹ in Beijing and actively promoted certification of relevant subsidiaries as “enterprise with proprietary brand and proprietary intellectual property rights”.

C. Services Business

In 2017, the Company's tendering agency business under our Services Business maintained a growing tendency since 2016, and obtained AAA Grade Enterprise Certificate from China Tendering & Bidding Association.

In respect of design consulting business, it maintained a good momentum of development with its scale and efficiency growing steadily. Meanwhile, adhering to development based on scientific and technological innovation, the Company continued to build technology innovation platforms, stepped up innovating business models and continuously promoted business transformation and upgrading.

1 enterprise with proprietary brand and proprietary intellectual property rights refer to those that own registered trademarks and patents (including inventive patent, utility model and design patents, etc.) in domestic and export markets (including Hong Kong, Macao and Taiwan).

3. 與地方政府合作持續深入

一是與銀川市合作的集多種業態為一體的絲路國際合作園，一期啟動項目建設已經完工，保稅貿易業務穩步推進；二是及時總結與焦作、駐馬店市政府合作的項目經驗。

此外，還充分利用有關政策，申請公司成為北京市認定的「雙自主企業」¹，並積極推動相關子公司的「雙自主企業」認定。

C. 服務業務

2017年，公司服務業務中的招標代理業務保持了2016年以來的增長態勢，並獲得招投標協會頒發的AAA級企業證書。

設計諮詢業務方面，保持了良好的發展勢頭，規模和效益都穩步增長。同時，堅持科技創新發展，持續打造技術創新平台，加強業務模式創新，不斷促進業務轉型升級。

1 雙自主企業是指擁有自主品牌和自主知識產權的企業，即擁有國內及出口市場（含港、澳、台地區）註冊商標以及擁有國內及出口市場專利（包括發明專利、實用新型和外觀設計專利等）的企業。

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1. Keeping strengthening scientific and technological innovation capacity

The establishment of a Technical Committee and incubation special to key frontier technologies had greatly improved the technological innovation capacity of China Machinery R&D and JiKan Research Institute, thereby bringing about a series of research and development achievements with intellectual property rights. Upon approval to establish the government technology platform of Changsha “Enterprise Technology Center”, China Machinery R&D established two enterprise technology innovation platforms and put the Engineering Technology Research Center into use. With six newly obtained patent authorizations and 18 software copyrights, China Machinery R&D was also elected as the 2017ENR/Construction Times “Top 60 Chinese Engineering Design Firms”. JiKan Research Institute newly increased two provincial scientific research platforms including “Sanqin Scholar” Innovation Team, completed two major scientific and technological projects at the provincial level, newly obtained eight patent authorizations, won 16 awards above provincial and ministerial levels and was rated as a provincial survey and design master.

2. Developing domestic and overseas markets with great efforts

In the domestic market, China Machinery R&D successfully won the bid for the design of PPP Project under the project of comprehensive management of south inland rivers in Leping City, Jiangxi Province. JiKan Research Institute also constantly improved its layout in the domestic market and newly set up two branches. In the overseas market, the amount of contracts newly concluded by China Machinery R&D and JiKan Research Institute for international construction business also made breakthroughs.

1. 科技創新能力持續強化

通過成立技術委員會、對重點前沿技術進行專項科技孵化等措施，大幅提高中機院和機勘院的技術創新能力，形成了一批具有知識產權的研發成果。中機院獲批了長沙市「企業技術中心」政府技術平台，成立了2個企業技術創新平台，啟用了工程技術研究中心，新獲專利授權6項，軟件著作權18項，並入選2017ENR／建築時報「中國工程設計企業60強」。機勘院新增「三秦學者」創新團隊等省級科研平台2個，完成了2項省級重大科技專項，新獲專利授權8項，獲得省部級以上獎勵16項，獲評省級勘察設計大師1名。

2. 大力開拓國內外兩個市場

在國內市場，中機院順利中標江西省樂平市南內河綜合治理工程PPP項目設計部份；機勘院不斷完善國內市場佈局，新設2個分支機構。在海外市場，中機院、機勘院國際工程業務的新簽訂合同額也有所突破。

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3. Promoting external reorganization aimed at enhancing competitiveness of core business

The Company propelled mergers and reorganizations with dominant design enterprises, to build up the competitive advantages of the whole industrial chain.

The following table sets forth the details of the Services Business for the year ended December 31, 2017 and the comparative figures for the year ended December 31, 2016:

3. 以增強核心業務競爭力為目標，推進外部重組工作

推動優勢設計企業的兼併重組，努力打造全產業鏈的競爭優勢。

下表載列截至2017年12月31日止年度服務業務詳情連同截至2016年12月31日止年度的比較數字：

Unit: RMB million
單位：人民幣百萬元

				2017	% of Total	2016	Year-on-year Growth/ (Decline)
				2017年	總額的%	2016年	按年增長／(減少)
Revenue	收入	Design consulting services	設計諮詢服務	620.6	29.7%	461.4	34.5%
		Logistics services	物流服務	332.7	15.9%	213.7	55.7%
		Export-import agency services	進出口代理服務	26.0	1.2%	32.4	-19.8%
		Tendering agency services	招標代理服務	20.6	1.0%	33.2	-38.0%
		Others	其他	1,092.9	52.2%	582.6	87.6%
		Total	總計	2,092.8	100.0%	1,323.3	58.2%
Gross profit	毛利	Design consulting services	設計諮詢服務	156.3	17.0%	134.5	16.2%
		Logistics services	物流服務	202.0	22.0%	126.0	60.3%
		Export-import agency services	進出口代理服務	38.1	4.2%	30.7	24.1%
		Tendering agency services	招標代理服務	11.8	1.3%	10.1	16.8%
		Others	其他	509.6	55.5%	78.4	550.0%
		Total	總計	917.8	100%	379.7	141.7%

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D. Important Events

1. Acquisition of 100% equity interest in CNEEC

On November 24, 2017, the Company and SINOMACH entered into an acquisition agreement, pursuant to which the Company has agreed to acquire, and SINOMACH has agreed to dispose of, the entire equity interest in CNEEC for an aggregate consideration of RMB1,980,031,000 (equivalent to approximately HK\$2,349,766,807), subject to the terms and conditions of the acquisition agreement (the “**Acquisition**”). The Acquisition is a key and timely step for SINOMACH Group to honor its non-competition undertakings, which would enable the Company to better utilize such business integration to strengthen the competitiveness of its core business. The Acquisition enabled the Company to rapidly expand its assets and scale of business by external merger and acquisition, and to further enhance the Company’s capabilities in design, supervision, operation and maintenance of engineering projects, and further improve the Company’s service capabilities in a complete project cycle. The Acquisition also reinforced the market position of the Company’s engineering contracting business in traditional areas by consolidating relationships with partners, and developed business in a larger scale and with stepped up efforts to enter new markets and areas. It also helped to expand the Company’s talent pool for the International Engineering Contracting Business, and improve its talent team structure. On January 12, 2018, the first extraordinary general meeting of the Company has approved the Acquisition. As at the date of this report, the Acquisition was on track to completion. Details for the transaction are set out in the Company’s announcements dated November 24, 2017 and January 12, 2018, respectively, on the websites of the Stock Exchange and the Company.

D. 重要事件

1. 收購中電工100%股權

於2017年11月24日，本公司與國機訂立收購協議，根據該協議（「**收購事項**」）及其條款及條件的規限下，本公司已同意以人民幣1,980,031,000元的總對價（相當於約2,349,766,807港元）收購中電工的全部股權，而國機亦已同意出售其全部股權。該收購事項是國機集團恪守其避免同業競爭承諾的一項重要且及時的舉措，且能使本公司更好地利用有關業務整合以提升其核心業務的競爭力。該收購事項令公司通過外部併購從而快速擴大本公司的資產及業務規模，進一步提升公司其於設計、監督、運營及維護工程項目方面的能力，進而提升本公司於整個項目週期中的服務能力。該收購事項亦將通過鞏固合作夥伴關係鞏固公司在傳統領域工程承包業務中的市場地位，通過進入新的市場和領域以更大規模及更有力的方式發展業務。這亦有助於擴大本公司的國際工程承包業務人才庫，並改善人才隊伍結構。於2018年1月12日本公司的第一次臨時股東大會通過該收購事項，截止本報告日期，該收購事項即將完成。有關交易的詳情載於在聯交所網站及本公司網站分別刊發的2017年11月24日及2018年1月12日的公告。

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III. FINANCIAL POSITION AND OPERATING RESULTS

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

1. Overview

The Group's profitability dropped in 2017. Profit before taxation decreased by 19.1% to RMB2,252.9 million in 2017 as compared to RMB2,783.9 million in 2016.

2. Revenue

The Group generated its revenue from the International Engineering Contracting Business, Trading Business and Services Business. The Group's revenue increased by 12.7% to RMB23,682.2 million in 2017 as compared to RMB21,017.2 million in 2016.

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

		Year ended December 31, 截至12月31日止年度			
		2017 2017年		2016 2016年	
		(RMB million) (人民幣 百萬元)	(%) (%)	(RMB million) (人民幣 百萬元)	(%) (%)
International Engineering Contracting Business	國際工程承包業務				
Power	電力能源	8,603.1	36.3%	7,290.2	34.7%
Transportation and Telecommunications	交通運輸及電子通訊	2,022.9	8.5%	1,267.0	6.0%
Non-Core Sectors	非核心行業	2,928.7	12.4%	3,827.9	18.2%
Trading Business	貿易業務				
International trade	國際貿易	6,485.6	27.4%	4,878.3	23.2%
Domestic trade	國內貿易	1,549.1	6.6%	2,430.5	11.6%
Services Business	服務業務	2,092.8	8.8%	1,323.3	6.3%
Total	總計	23,682.2	100.0%	21,017.2	100.0%

III. 財務狀況及經營業績

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

1. 概覽

本集團的盈利於2017年有所下降。2017年除稅前溢利為人民幣2,252.9百萬元，較2016年的人人民幣2,783.9百萬元減少19.1%。

2. 收入

本集團的收入來自國際工程承包業務、貿易業務及服務業務。2017年，本集團的收入為人民幣23,682.2百萬元，較2016年的人人民幣21,017.2百萬元增長12.7%。

下表載列於所示期間三個業務分部各自的金額及佔總收入的百分比：

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1) International Engineering Contracting Business

The Group's revenue generated from the International Engineering Contracting Business increased by 9.4% to RMB13,554.7 million in 2017 as compared to RMB12,385.1 million in 2016, primarily due to the increase in the revenue generated from the power and transportation and telecommunications sectors.

The revenue generated from the power sector increased by 18.0% to RMB8,603.1 million in 2017 as compared to RMB7,290.2 million in 2016, primarily due to the significant progress in the power station projects in Asia as compared to the previous year.

The revenue generated from the transportation and telecommunications sector increased by 59.7% to RMB2,022.9 million in 2017 as compared to RMB1,267.0 million in 2016, primarily due to the significant progress in the railway rehabilitation project in South America and the communications project in Africa.

The revenue generated from the Non-Core Sectors decreased by 23.5% to RMB2,928.7 million in 2017 as compared to RMB3,827.9 million in 2016, primarily due to the significant progress of the house construction and water plant projects in Africa and Asia in 2016, recording higher revenue as compared to 2017.

1) 國際工程承包業務

2017年，本集團的國際工程承包業務收入為人民幣13,554.7百萬元，而2016年則為人民幣12,385.1百萬元，增幅為9.4%，主要由於電力能源及交通運輸及電子通訊行業收入有所增加。

2017年電力能源行業收入為人民幣8,603.1百萬元，比2016年人民幣7,290.2百萬元上升18.0%，主要由於亞洲的電站項目較上年同期有較大進展。

2017年交通運輸及電子通訊行業收入為人民幣2,022.9百萬元，比2016年人民幣1,267.0百萬元增長59.7%，主要由於南美洲的鐵路改造項目以及非洲通訊項目有較大進展。

2017年非核心行業收入為人民幣2,928.7百萬元，比2016年人民幣3,827.9百萬元減少23.5%，主要由於2016年非洲和亞洲的房屋建設及水廠項目有較大進展，相比2017年取得收入較多。

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2) Trading Business

The Group's revenue generated from the Trading Business increased by 9.9% to RMB8,034.7 million in 2017 as compared to RMB7,308.8 million in 2016, primarily due to the increase in the revenue from international trade.

The revenue generated from the international trade increased by 32.9% to RMB6,485.6 million in 2017 as compared to RMB4,878.3 million in 2016, primarily due to the increase in materials supply projects in Africa and grain re-export business in Europe.

The revenue generated from the domestic trade decreased by 36.3% to RMB1,549.1 million in 2017 as compared to RMB2,430.5 million in 2016, primarily due to the decrease in the business volume of the industrial aluminum and solar energy components as compared to the previous year.

3) Services Business

The Group's revenue generated from the Services Business increased by 58.2% to RMB2,092.8 million in 2017 as compared to RMB1,323.3 million in 2016, primarily due to the increase in revenue generated from technology service, design, logistics and property leasing as compared to the previous year.

3. Cost of sales

The Group's cost of sales increased by 8.6% to RMB18,967.2 million in 2017 as compared to RMB17,473.0 million in 2016, primarily due to the increase in costs as a result of the increase in revenues from the relevant sectors.

2) 貿易業務

2017年，本集團的貿易業務收入為人民幣8,034.7百萬元，而2016年則為人民幣7,308.8百萬元，增幅為9.9%，主要由於國際貿易收入有所增加。

2017年，國際貿易收入為人民幣6,485.6百萬元，比2016年人民幣4,878.3百萬元增加32.9%，主要由於非洲的供貨項目以及歐洲的糧食轉口業務收入有所增加。

2017年，國內貿易收入為人民幣1,549.1百萬元，比2016年人民幣2,430.5百萬元減少36.3%，主要由於工業鋁型材及太陽能組件業務較上年同期有所下降。

3) 服務業務

2017年，本集團的服務業務收入為人民幣2,092.8百萬元，而2016年則為人民幣1,323.3百萬元，增幅為58.2%，主要由於技術服務收入、設計收入、物流及物業租賃收入較上年同期有所增加。

3. 銷售成本

2017年，本集團的銷售成本為人民幣18,967.2百萬元，而2016年則為人民幣17,473.0百萬元，增幅為8.6%，主要是由於各版塊的收入增加導致的成本相應增加。

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管理層討論與分析

4. Gross profit and gross profit margin

- (i) Gross profit of the Group in 2017 consists of the followings:

4. 毛利及毛利率

- (i) 2017年本集團毛利構成情況如下：

		Year ended December 31, 截至12月31日止年度			
		2017		2016	
		2017年		2016年	
		(RMB million) (人民幣 百萬元)	(%)	(RMB million) (人民幣 百萬元)	(%)
International Engineering Contracting Business	國際工程承包業務				
Power	電力能源	2,134.8	45.3%	1,781.1	50.2%
Transportation and Telecommunications	交通運輸及電子通訊	701.4	14.9%	272.1	7.7%
Non-Core Sectors	非核心行業	487.4	10.3%	758.2	21.4%
Trading Business	貿易業務				
International trade	國際貿易	416.1	8.8%	290.4	8.2%
Domestic trade	國內貿易	57.5	1.2%	62.7	1.8%
Services Business	服務業務	917.8	19.5%	379.7	10.7%
Total	總計	4,715.0	100.0%	3,544.2	100.0%

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(ii) Gross profit margins of the Group in 2017 are set out below:

(ii) 2017年本集團毛利率載於下表：

		Year ended December 31, 截至12月31日止年度	
		2017	2016
		2017年	2016年
		(%)	(%)
International Engineering Contracting Business	國際工程承包業務	24.5%	22.7%
Power	電力能源	24.8%	24.4%
Transportation and Telecommunications	交通運輸及電子通訊	34.7%	21.5%
Non-Core Sectors	非核心行業	16.6%	19.8%
Trading Business	貿易業務	5.9%	4.8%
International trade	國際貿易	6.4%	6.0%
Domestic trade	國內貿易	3.7%	2.6%
Services Business	服務業務	43.9%	28.7%
Total	總計	19.9%	16.9%

The Group's gross profit increased by 33.0% to RMB4,715.0 million in 2017 as compared to RMB3,544.2 million in 2016. This increase is mainly attributable to the increase in the gross profit of International Engineering Contracting Business, Trading Business and Services Business as compared to the previous year.

2017年，本集團的毛利為人民幣4,715.0百萬元，而2016年則為人民幣3,544.2百萬元，增幅為33.0%。此增幅主要由於國際工程承包業務、貿易業務、服務業務的毛利較上年同期均有所增加。

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管理層討論與分析

1) International Engineering Contracting Business

(a) Gross Profit

The gross profit generated from the International Engineering Contracting Business increased by 18.2% to RMB3,323.6 million in 2017 as compared to RMB2,811.4 million in 2016, primarily due to the increase in gross profit from the power and transportation and telecommunications sectors.

The gross profit generated from the power sector increased by 19.9% to RMB2,134.8 million in 2017 as compared to RMB1,781.1 million in 2016, primarily due to the significant progress in the power station projects in Asia as compared to the previous year.

The gross profit generated from the transportation and telecommunications sector increased by 157.8% to RMB701.4 million in 2017 as compared to RMB272.1 million in 2016, primarily due to the significant progress in the railway rehabilitation project in South America this year.

The gross profit generated from the Non-Core Sectors decreased by 35.7% to RMB487.4 million in 2017 as compared to RMB758.2 million in 2016, primarily due to the significant progress of the water plant and house construction projects in Africa and Asia in 2016, recording higher gross profit as compared to 2017.

1) 國際工程承包業務

(a) 毛利

2017年，國際工程承包業務毛利為人民幣3,323.6百萬元，而2016年則為人民幣2,811.4百萬元，增加18.2%，主要是由於電力能源及交通運輸及電子通訊行業毛利有所增加。

2017年，電力能源行業毛利為人民幣2,134.8百萬元，而2016年為人民幣1,781.1百萬元，增加19.9%，主要由於亞洲的電站項目較上年同期有較大進展。

2017年，交通運輸及電子通訊行業毛利為人民幣701.4百萬元，而2016年為人民幣272.1百萬元，增加157.8%，主要由於南美洲鐵路改造項目今年取得較大進展。

2017年，非核心行業毛利為人民幣487.4百萬元，比2016年的人民幣758.2百萬元減少35.7%，主要由於2016年非洲和亞洲的水廠及房屋建設項目有較大進展，與2017年相比取得毛利較多。

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管理層討論與分析

(b) Gross Profit Margin

The gross profit margin generated from the International Engineering Contracting Business slightly increased to 24.5% in 2017 as compared to 22.7% in 2016, primarily due to the increase in the gross profit margin from the power and transportation and telecommunications sectors as compared to the previous year.

The gross profit margin generated from the power sector was 24.8% in 2017 as compared to 24.4% in 2016, which remained relatively stable.

The gross profit margin generated from the transportation and telecommunications sector increased to 34.7% in 2017 as compared to 21.5% in 2016, primarily due to the lower transportation costs of the railway rehabilitation project in South America and higher gross profit margin of the communications project in Africa.

The gross profit margin generated from the Non-Core Sectors was 16.6% in 2017 as compared to 19.8% in 2016, primarily due to the higher gross profit margin from the house construction projects in Africa which was completed in 2016.

(b) 毛利率

2017年，國際工程承包業務毛利率小幅上升至24.5%，而2016年則為22.7%，主要由於電力能源、交通運輸及電子通訊版塊毛利率較上年同期均有所上升。

2017年，電力能源行業毛利率為24.8%，2016年則為24.4%，維持相對穩定。

2017年，交通運輸及電子通訊行業毛利率增至34.7%，而2016年則為21.5%，主要由於南美洲鐵路改造項目運輸成本的降低以及非洲通訊項目毛利率較高。

2017年，非核心行業毛利率為16.6%，而2016年則為19.8%，主要由於2016年完工的非洲房屋建設項目毛利率較高。

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管理層討論與分析

2) Trading Business

(a) Gross Profit

The gross profit generated from the Trading Business increased by 34.1% to RMB473.6 million in 2017 as compared to RMB353.1 million in 2016, primarily due to the increase in gross profit from international trade.

The gross profit generated from international trade increased by 43.3% to RMB416.1 million in 2017 as compared to RMB290.4 million in 2016, primarily due to the increase in the revenue from international trade.

The gross profit generated from the domestic trading business decreased by 8.3% to RMB57.5 million in 2017 as compared to RMB62.7 million in 2016, primarily due to the decrease in the revenue from domestic trading business.

(b) Gross Profit Margin

The gross profit margin generated from the Trading Business was 5.9% in 2017 as compared to 4.8% in 2016, primarily due to the increase in gross profit margin from both international and domestic trade.

The gross profit margin generated from the international trading business was 6.4% in 2017 as compared to 6.0% in 2016, increased slightly as compared to the previous year.

The gross profit margin generated from the domestic trading business was 3.7% in 2017 as compared to 2.6% in 2016, primarily due to the decrease in the business volume of aluminum with lower gross profit margin as compared to the previous year.

2) 貿易業務

(a) 毛利

2017年，貿易業務毛利為人民幣473.6百萬元，比2016年的人民幣353.1百萬元增加34.1%，主要由於國際業務的毛利有所增加。

2017年，國際貿易業務毛利為人民幣416.1百萬元，比2016年的人民幣290.4百萬元增加43.3%，主要由於國際貿易的收入增加。

2017年，國內貿易業務毛利為人民幣57.5百萬元，比2016年的人民幣62.7百萬元減少8.3%，主要由於國內貿易的收入減少。

(b) 毛利率

2017年，貿易業務毛利率為5.9%，而2016年則為4.8%，主要由於國際、國內貿易的毛利率均有所增加。

2017年，國際貿易業務毛利率為6.4%，而2016年為6.0%，較上年同期略有增長。

2017年，國內貿易業務毛利率為3.7%，2016年為2.6%，主要由於低毛利率的鋁型材業務量較上年同期有所下降。

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3) Services Business

(a) Gross Profit

The gross profit generated from the Services Business increased by 141.7% to RMB917.8 million in 2017 as compared to RMB379.7 million in 2016, primarily due to the increase in gross profit as a result of the increase in the revenue generated from technology service, design, logistics and property.

(b) Gross Profit Margin

The gross profit margin generated from the Services Business was 43.9% in 2017 as compared to 28.7% in 2016, primarily due to the higher gross profit margin of technology service and property leasing business this year.

5. Other revenue

The Group's other revenue amounted to RMB201.1 million in 2017 as compared to RMB29.1 million in 2016, mainly attributable to the returns on wealth management products in the current period calculated as available-for-sale financial assets of RMB173.0 million.

6. Other income and expenses, net

The Group's other income and expenses, net amounted to RMB183.9 million in 2017 as compared to income of RMB(14.2) million in 2016, mainly attributable to the increase in income from fair value changes of foreign currency forward exchange contracts and the increase in returns on equity on disposal of a subsidiary.

3) 服務業務

(a) 毛利

2017年，服務業務毛利為人民幣917.8百萬元，比2016年的人民幣379.7百萬元增加141.7%，主要由於技術服務收入、設計收入、物流及置業收入增加導致毛利增加。

(b) 毛利率

2017年，服務業務毛利率為43.9%，而2016年則為28.7%，主要由於本年技術服務、物業租賃業務毛利率較高。

5. 其他收入

2017年，本集團的其他收入為人民幣201.1百萬元，而2016年則為人民幣29.1百萬元，主要由於可供出售金融資產核算的理財產品收益本期為173.0百萬元。

6. 其他收支淨額

2017年，本集團的其他收支淨額為人民幣183.9百萬元，而2016年則為收入人民幣(14.2)百萬元，主要由於遠期外匯合約公允價值變動收益增加及處置一家子公司股權收益增加。

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7. Selling and marketing expenses

The Group's selling and marketing expenses decreased by 7.0% to RMB1,026.3 million in 2017 as compared to RMB1,103.9 million in 2016, mainly attributable to the decrease in labor costs.

8. Administrative expenses

The Group's administrative expenses increased by 14.6% to RMB831.0 million in 2017 as compared to RMB725.4 million in 2016, mainly attributable to the increase in research and development cost, consulting fees and depreciation cost.

9. Other operating expenses

The Group's other operating expenses increased by 142.7% to RMB394.8 million in 2017 as compared to RMB162.7 million in 2016. This increase is mainly attributable to the increase in provision for impairment on receivables as compared to that in 2016.

10. Profit from operations

The Group's profit from operations increased by 81.7% to RMB2,847.9 million in 2017 as compared to RMB1,567.1 million in 2016, primarily due to the increase in gross profit.

11. Finance income/finance expenses

The Group's finance income decreased by 74.3% to RMB321.5 million in 2017 as compared to RMB1,248.7 million in 2016, primarily due to greater exchange loss this year.

7. 銷售及市場營銷開支

2017年，本集團的銷售及市場營銷開支為人民幣1,026.3百萬元，而2016年則為人民幣1,103.9百萬元，降幅為7.0%，主要由於人工成本有所降低。

8. 行政開支

2017年，本集團的行政開支為人民幣831.0百萬元，而2016年則為人民幣725.4百萬元，增幅為14.6%，主要由於研發費、諮詢費及折舊費有所增加。

9. 其他經營開支

2017年，本集團的其他經營開支為人民幣394.8百萬元，而2016年則為人民幣162.7百萬元，增幅為142.7%。此增幅主要由於應收賬款減值撥備較2016年增加。

10. 經營溢利

2017年，本集團的經營溢利為人民幣2,847.9百萬元，而2016年則為人民幣1,567.1百萬元，增幅為81.7%。主要由於毛利增加。

11. 財務收入／財務開支

2017年，本集團的財務收入為人民幣321.5百萬元，而2016年則為人民幣1,248.7百萬元，較上年同期減少74.3%，主要由於今年有較大匯兌損失。

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In 2017, the Group's finance expenses amounted to RMB977.1 million as compared to RMB46.9 million in 2016, representing an increase of 1,983.4% as compared to the previous year, primarily due to greater exchange loss this year.

Thus, in 2017, net finance income of the Group amounted to RMB(655.6) million as compared to RMB1,201.8 million in 2016.

12. Income tax

The Group's income tax decreased by 20.1% to RMB538.4 million in 2017 as compared to RMB674.1 million in 2016. This decrease was mainly due to the effect attributable to the decrease in the profit before tax.

13. Profit for the year

As a result of the foregoing, the Group's net profit for the year decreased by 18.7% to RMB1,714.5 million in 2017 as compared to RMB2,109.8 million in 2016 and its net profit margin was 7.2% in 2017 as compared to 10.0% in 2016.

14. Profit attributable to the shareholders

The profit attributable to the shareholders decreased by 18.8% to RMB1,711.2 million in 2017 as compared to RMB2,106.5 million in 2016.

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

The profit attributable to the holders of non-controlling interests of the Group amounted to RMB3.3 million in 2017 as compared to profit of RMB3.3 million in 2016, which remained the same with the previous year.

2017年，本集團的財務開支為人民幣977.1百萬元，而2016年則為人民幣46.9百萬元，較上年同期增加1,983.4%，主要由於今年有較大匯兌損失。

因此，2017年，本集團的財務收入淨額為人民幣(655.6)百萬元，2016年為財務淨收入人民幣1,201.8百萬元。

12. 所得稅

2017年，本集團的所得稅為人民幣538.4百萬元，而2016年則為人民幣674.1百萬元，降幅為20.1%。主要由於除稅前溢利降低的影響。

13. 年內溢利

由於上文所述，2017年，本集團的年內淨溢利為人民幣1,714.5百萬元，而2016年則為人民幣2,109.8百萬元，降幅為18.7%，其於2017年的淨溢利率為7.2%，而2016年則為10.0%。

14. 歸屬於股東溢利

2017年，歸屬於股東溢利為人民幣1,711.2百萬元，而2016年則為人民幣2,106.5百萬元，降幅為18.8%。

15. 歸屬於非控股權益持有人溢利

2017年，歸屬於本集團非控股權益持有人溢利為人民幣3.3百萬元，2016年為溢利人民幣3.3百萬元，與上年同期持平。

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16. Liquidity and capital resources

As at December 31, 2017, the Group's cash and cash equivalents amounted to RMB18,466.3 million, compared to RMB19,541.9 million as at December 31, 2016, representing a decrease of 5.5%, primarily due to the decrease in net cash flow from operating activities and the decrease in cash and cash equivalents due to the change of exchange rate.

As at December 31, 2017, the Group's borrowings amounted to RMB916.4 million, compared to RMB1,046.4 million as at December 31, 2016, representing a decrease of 12.4%. RMB754.8 million (including RMB54.3 million of long-term borrowings due within one year) was short-term borrowings and RMB161.6 million was long-term borrowings.

The borrowings were denominated in either RMB, US dollars or Japanese Yen and were subject to interest rates ranging from 1.25% to 5.70% per annum.

17. Capital expenditures

The Group's capital expenditures consisted primarily of the purchase of property, plant and equipment, intangible assets and land lease prepayments. In 2017, the Group's capital expenditure was RMB734.1 million, representing an increase of 17.3% as compared to RMB626.0 million in 2016, mainly due to satisfactory progress made in the construction of infrastructure projects of fixed assets.

18. Gearing ratio

In 2017, the Group's gearing ratio (total borrowings divided by total assets) was 1.9%, representing a decrease of 0.3% as compared to 2.2% in 2016, mainly due to the decrease in long-term borrowings.

16. 流動資金及資本資源

於2017年12月31日，本集團持有現金及現金等價物為人民幣18,466.3百萬元，而於2016年12月31日則為人民幣19,541.9百萬元，降幅為5.5%，主要由於經營活動現金流量淨額減少以及匯率變動使得現金及現金等價物減少。

於2017年12月31日，本集團借貸為人民幣916.4百萬元，而於2016年12月31日則為人民幣1,046.4百萬元，降幅為12.4%。短期借貸為人民幣754.8百萬元（含一年內到期的長期借貸人民幣54.3百萬元），長期借貸為人民幣161.6百萬元。

該等借貸均以人民幣、美元或日元計值並以每年利率1.25%至5.70%計息。

17. 資本開支

本集團的資本開支主要包括購買物業、廠房及設備、無形資產及預付土地租賃款項。2017年，本集團的資本開支為人民幣734.1百萬元，而2016年則為人民幣626.0百萬元，增幅為17.3%，主要由於固定資產基建項目實施取得一定進展。

18. 槓桿比率

2017年，本集團的槓桿比率（借貸總額除以總資產）為1.9%，與2016年的2.2%相比減少0.3%，主要是由於長期借款的減少。

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19. Major acquisition and disposals and significant investments

Please see the paragraphs headed “II. BUSINESS OVERVIEW – D. Important Events” on page 38 of this annual report.

20. Contingent liabilities

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

21. Event after reporting period

On March 26, 2018, the Board resolved that a final dividend of RMB0.1659 per share is to be distributed to the Shareholders, subject to approval of the Shareholders at the forthcoming annual general meeting. Such final dividends proposed after the end of the reporting period have not been recognised as liabilities as at the end of the reporting period.

IV. LIQUIDITY

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

We have historically met our working capital and other liquidity requirements principally with cash generated from operating activities, and financed the remainder primarily through bank borrowings and proceeds from the Listing.

19. 重大收購及出售及重大投資

請參閱本年報第38頁「II.業務概覽－D.重要事件」一段。

20. 或有負債

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

21. 報告期後的事項

2018年3月26日，董事會決議向股東派發每股人民幣0.1659元的末期股息，惟須獲股東於應屆股東周年大會上批准。於報告期末後擬派的末期股息尚未確認為報告期末的負債。

IV. 流動資金

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

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

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管理層討論與分析

1. Cash Flows

The following table sets forth a summary of our cash flows for the year ended December 31, 2017, together with the comparing figures for the year ended December 31, 2016:

		Year ended December 31,	
		截至12月31日止年度	
		2017	2016
		2017年	2016年
		RMB million	RMB million
		人民幣百萬元	人民幣百萬元
Net cash generated from operating activities	經營活動產生的現金淨額	694.3	2,176.8
Net cash used in investing activities	投資活動所用的現金淨額	(328.4)	(3,354.2)
Net cash used in financing activities	融資活動所用的現金淨額	(930.7)	(750.8)
Net increase/decrease in cash and cash equivalents	現金及現金等價物增加／減少淨額	(564.8)	(1,928.2)
Cash and cash equivalents at beginning of year	年初的現金及現金等價物	19,541.9	21,032.9
Effect of foreign exchange rate changes, net	匯率變動的淨影響	(510.8)	437.2
Cash and cash equivalents at end of year	年末的現金及現金等價物	18,466.3	19,541.9

As at December 31, 2017, the Group's cash and cash equivalents amounted to RMB18,466.3 million, compared to RMB19,541.9 million as at December 31, 2016, representing a decrease of 5.5%. The main source of the Group's operating capital is the receipts from engineering projects.

1. 現金流量

下表載列截至2017年12月31日止年度我們的現金流量概況，以及截至2016年12月31日止年度的比較數字：

		Year ended December 31,	
		截至12月31日止年度	
		2017	2016
		2017年	2016年
		RMB million	RMB million
		人民幣百萬元	人民幣百萬元
Net cash generated from operating activities	經營活動產生的現金淨額	694.3	2,176.8
Net cash used in investing activities	投資活動所用的現金淨額	(328.4)	(3,354.2)
Net cash used in financing activities	融資活動所用的現金淨額	(930.7)	(750.8)
Net increase/decrease in cash and cash equivalents	現金及現金等價物增加／減少淨額	(564.8)	(1,928.2)
Cash and cash equivalents at beginning of year	年初的現金及現金等價物	19,541.9	21,032.9
Effect of foreign exchange rate changes, net	匯率變動的淨影響	(510.8)	437.2
Cash and cash equivalents at end of year	年末的現金及現金等價物	18,466.3	19,541.9

於2017年12月31日，本集團持有現金及現金等價物為人民幣18,466.3百萬元，而於2016年12月31日則為人民幣19,541.9百萬元，降幅為5.5%。本集團的業務資金來源主要為工程項目收款。

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2. Cash Flows from Operating activities

For the year ended December 31, 2017, we had net cash flow generated from operating activities of RMB694.3 million. Net cash inflow generated from operating activities was mainly attributable to the effect of changes in working capital, which resulted in a cash outflow of RMB1,631.2 million in 2017. The changes in working capital mainly included (i) an increase in receipts in advance of RMB406.9 million, (ii) a decrease in trade and other payables of RMB589.0 million, (iii) an increase in trade and other receivables of RMB2,837.9 million, and (iv) a decrease in receivables for construction contracts of RMB1,545.2 million. In 2017, cash generated from profit from operations amounted to RMB3,178.7 million, cash outflow from changes in working capital was RMB1,631.2 million and income tax paid was RMB853.2 million, which resulted in net cash inflow generated from operating activities of RMB694.3 million.

3. Cash Flows from Investing Activities

For the year ended December 31, 2017, our net cash used in investing activities was RMB(328.4) million. Our net cash outflow from investing activities mainly consisted of (i) cash inflow from time deposits with maturity of three months or longer of RMB909.5 million, (ii) cash outflow of RMB795.9 million as a result of the increase in restricted deposits, (iii) payments for acquisition of property, plant and equipment of RMB679.1 million, (iv) payments for investment in associates and joint ventures of RMB163.6 million, and (v) cash inflow of RMB403.1 million from interest or dividend received.

2. 來自經營活動的現金流量

截至2017年12月31日止年度，我們經營活動產生的現金流量淨額為人民幣694.3百萬元。經營活動產生的現金淨流入主要原因是營運資金的變動影響，2017年營運資金變動致使現金流出人民幣1,631.2百萬元。營運資金變動主要包括(i)預收賬款增加人民幣406.9百萬元；(ii)貿易及其他應付款項減少人民幣589.0百萬元；(iii)貿易及其他應收款項增加人民幣2,837.9百萬元；(iv)建造合同應收款項減少人民幣1,545.2百萬元。2017年經營溢利產生的現金為人民幣3,178.7百萬元，營運資金變動現金流出人民幣1,631.2百萬元，支付所得稅人民幣853.2百萬元，因此經營活動產生的現金淨流入為人民幣694.3百萬元。

3. 來自投資活動的現金流量

截至2017年12月31日止年度，我們投資活動所用的現金淨額為人民幣(328.4)百萬元。我們投資活動的現金淨流出主要包括(i)三個月及以上定期存款現金淨流入人民幣909.5百萬元；(ii)受限制存款增加導致現金流出人民幣795.9百萬元；(iii)支付收購物業、廠房及設備的款項人民幣679.1百萬元；(iv)投資於聯合營公司支付人民幣163.6百萬元；(v)收到利息或股息導致現金流入人民幣403.1百萬元。

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4. Cash Flows from Financing Activities

For the year ended December 31, 2017, our net cash used in financing activities was RMB(930.7) million. Our cash inflow from financing activities primarily consisted of proceeds from bank borrowings of RMB888.5 million. Such amount was partially offset by (i) repayment of bank borrowings of RMB928.6 million and (ii) dividends paid to Shareholders of RMB842.5 million.

5. Capital Expenditures and Capital Commitments

Our capital expenditures consisted primarily of the purchase of buildings, certain equipments, lease prepayments and intangible assets. In 2017, the Group's capital expenditure was RMB734.1 million, representing an increase of 17.3% as compared to RMB626.0 million in 2016, mainly due to satisfactory progress made in the construction of infrastructure projects of fixed assets.

Our capital commitments mainly include the value of contracts signed but not yet completed and the value of contracts not yet signed but the budget of which have been authorized. In 2017, the capital commitments of the Group were RMB1,390.9 million, representing an increase of 40.8% as compared to RMB987.9 million in 2016. It was mainly attributed to a greater investment made by the Company in investment projects and in the construction of infrastructure projects of fixed assets in this year.

4. 來自融資活動的現金流量

截至2017年12月31日止年度，我們融資活動所用的現金淨額為人民幣(930.7)百萬元。我們融資活動的現金流入主要包括取得銀行借貸所收到款項人民幣888.5百萬元。部分該等金額已由(i)償還銀行借貸人民幣928.6百萬元及(ii)派付人民幣842.5百萬元股息予股東所抵銷。

5. 資本開支和資本承擔

我們的資本開支主要包括購買樓宇、特定設備、預付租賃款項及無形資產。2017年，本集團的資本開支為人民幣734.1百萬元，而2016年則為人民幣626.0百萬元，增幅為17.3%，主要由於固定資產基建項目實施取得一定進展。

我們的資本承擔主要包括在建工程項下已簽訂合同但尚未執行完的合同款項以及預算已批准但尚未簽訂合同的款項。2017年，本集團的資本承擔為人民幣1,390.9百萬元，較2016年的人民幣987.9百萬元增加40.8%，主要由於本年度公司的投資項目及固定資產基建項目有較大投入。

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6. Working Capital

(a) Trade and other receivables

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

The following table sets forth the turnover days of the average trade receivables and the average trade payables of the Company for the years ended December 31, 2017 and 2016.

The turnover days of the average trade receivables (Note 1)

平均貿易應收款項的
周轉天數 (附註1)

84

78

The turnover days of the average trade payables (Note 2)

平均貿易應付款項的
周轉天數 (附註2)

244

268

6. 營運資金

(a) 貿易及其他應收款項

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

下表載列於截至2017年及2016年12月31日止年度本公司平均貿易應收款項及平均貿易應付款項的周轉天數。

Year ended December 31, 截至12月31日止年度

2017	2016
2017年	2016年
(RMB million)	(RMB million)
(人民幣 百萬元)	(人民幣 百萬元)

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

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

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

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

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

下表載列於2017年及2016年12月31日貿易應收款項及應收票據（扣除呆賬撥備）按發票日期的賬齡分析。

		as at December 31	
		於12月31日	
		2017	2016
		2017年	2016年
		(RMB million)	(RMB million)
		(人民幣	(人民幣
		百萬元)	百萬元)
Within 3 months	3個月以內	3,578.7	2,819.9
3 months to 6 months	3個月至6個月	160.9	199.3
6 months to 1 year	6個月至1年	1,360.8	610.3
Over 1 year	1年以上	1,127.8	1,217.6
		6,288.2	4,847.1

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The Group's credit policies with its customers for the year ended December 31, 2017 remained consistent as that for the year ended December 31, 2016. We continually enhanced our management of trade and bills receivables to reduce the exposure to doubtful debts. In addition, we made allowance for doubtful debts after fully considering the nature of trade and bills receivables and its recoverable amount. As at December 31, 2017, allowance provided for doubtful debts for our trade and bills receivables amounted to RMB1,228.8 million, accounting for 16.5% of our trade and bills receivables, as compared to RMB840.2 million as at December 31, 2016, accounting for 14.8% of our trade and bills receivables. The increase in allowance for doubtful debt in 2017 as compared to that in 2016 was primarily due to the provision we made in connection with certain trade receivables from our International Engineering Contracting Business and Trading Business as a result of evidences of significant financial difficulties of debtors that came into our attention.

截至2017年12月31日止年度，本集團與其客戶的信貸政策與截至2016年12月31日止年度相同。我們不斷加強貿易應收款項及應收票據的管理，以求減低所承擔的呆賬風險。此外，充分考慮貿易應收款項及應收票據的性質及其可收回金額後，我們就呆賬計提撥備。於2017年12月31日，我們就貿易應收款項及應收票據所作的呆賬撥備為人民幣1,228.8百萬元，佔我們貿易應收款項及應收票據的16.5%，而於2016年12月31日則為人民幣840.2百萬元，佔我們貿易應收款項及應收票據的14.8%。2017年比2016年呆賬撥備增加主要由於我們因得悉有證據顯示債務人出現嚴重財困而就國際工程承包業務及貿易業務的若干貿易應收款項計提撥備。

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(b) Trade and other payables

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

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

Within 3 months	3個月以內
3 months to 6 months	3個月至6個月
6 months to 1 year	6個月至1年
Over 1 year	1年以上

The Group's credit policies with its suppliers for the year ended December 31, 2017 remained the same as that for the year ended December 31, 2016.

(b) 貿易及其他應付款項

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

下表載列於2017年及2016年12月31日我們貿易應付款項及應付票據按發票日期的賬齡分析：

As at December 31		於12月31日	
		2017	2016
		2017年	2016年
		(RMB million)	(RMB million)
		(人民幣	(人民幣
		百萬元)	百萬元)
Within 3 months	3個月以內	3,384.2	4,789.9
3 months to 6 months	3個月至6個月	647.0	517.1
6 months to 1 year	6個月至1年	2,190.4	921.8
Over 1 year	1年以上	6,352.3	6,899.5
		12,573.9	13,128.3

截至2017年12月31日止年度，本集團與其供應商的信貸政策與截至2016年12月31日止年度相同。

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V. INDEBTEDNESS

1. Borrowings

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

V. 債務

1. 借貸

於2017年及2016年12月31日，我們用以計算本集團債務的合併借貸如下：

		As at December 31	
		於12月31日	
		2017	2016
		2017年	2016年
		(RMB million)	(RMB million)
		人民幣百萬元	人民幣百萬元
Current:	流動：		
Short-term borrowings	短期借貸		
Bank loans	銀行貸款		
unsecured	無擔保	505.3	281.7
secured	有擔保	195.2	193.2
Subtotal	小計	700.5	474.9
Add: current portion of long-term borrowings	加：長期借貸的流動部分	54.3	101.8
Subtotal	小計	754.8	576.7
Non-current:	非流動：		
Long-term borrowings	長期借貸		
Bank loans	銀行貸款		
unsecured	無擔保	173.0	279.3
secured	有擔保	42.9	292.2
Subtotal	小計	215.9	571.5
Less: current portion of long-term borrowings	減：長期借貸的流動部分	54.3	101.8
Subtotal	小計	161.6	469.7
Total	總計	916.4	1,046.4

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Our short-term borrowings primarily include credit borrowings, mortgage borrowings and guarantee borrowings from commercial banks and other financial institutions. As at December 31, 2017, our short-term borrowings (including the current portion of long-term borrowings) amounted to RMB754.8 million, accounting for 82.4% of our total borrowings.

Our long-term borrowings primarily included credit and mortgage borrowings from commercial banks. These included bank borrowings related to engineering projects, with the total balance of such borrowings (including the current portion) amounting to approximately RMB215.9 million as at December 31, 2017. As at December 31, 2017, our long-term borrowings (excluding the current portion) amounted to RMB161.6 million, accounting for 17.6% of our total borrowings. The decrease in our interest-bearing borrowings to RMB916.4 million as at December 31, 2017 was primarily due to the repayment of bank borrowings as a result of undertaking the engineering projects and infrastructure projects.

All borrowings were denominated in either RMB, USD or Japanese Yen and were subject to interest rates ranging from 1.25% to 5.70% per annum.

There had been no material defaults in repayment of our bank borrowings and no material breaches of the finance covenants during the year ended December 31, 2017.

短期借貸主要包括來自商業銀行及其他金融機構的信用借貸、抵押借貸及保證借貸。於2017年12月31日，我們的短期借貸（包括長期借貸的流動部分）為人民幣754.8百萬元，佔我們的借貸總額82.4%。

長期借貸主要包括來自商業銀行的信用及抵押借款。該等借貸包括與工程項目有關的銀行借貸，於2017年12月31日，該等借貸（包括流動部分）的結餘總額約為人民幣215.9百萬元。於2017年12月31日，不包括流動部分的長期借貸為人民幣161.6百萬元，佔我們借貸總額的17.6%。我們的計息借貸於2017年12月31日減少至人民幣916.4百萬元，主要由於工程項目及基建項目歸還銀行借款所致。

所有借貸均以人民幣、美元或日元計值並以每年利率1.25%至5.70%計息。

於截至2017年12月31日止年度我們在償還銀行借貸方面概無重大違約情況，亦無嚴重違反融資契約的情況。

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The maturity profile of our interest-bearing borrowings as at December 31, 2017 and 2016 is as follows:

於2017年及2016年12月31日，我們的計息借貸到期日如下：

		As at December 31	
		於12月31日	
		2017	2016
		2017年	2016年
		(RMB million)	(RMB million)
		(人民幣	(人民幣
		百萬元)	百萬元)
Within 1 year or on demand	1年以內或實時還款	754.8	576.7
After 1 year but within 2 years	1年至2年	31.0	208.8
After 2 years but within 5 years	2年至5年	122.0	154.9
After 5 years	5年以上	8.6	106.0
Total	總計	916.4	1,046.4

2. Gearing Ratio

The Group monitors capital on the basis of the gearing ratio. Gearing ratio is derived by dividing total borrowings by total assets multiplied by 100%. In 2017, the Group's gearing ratio (total borrowings divided by total assets) was 1.9%, maintained stable as compared to 2.2% as recorded in 2016.

2. 槓桿比率

本集團以槓桿比率基準管理資本。槓桿比率乃將借貸總額除以資產總額再乘以100%得出。2017年，本集團的槓桿比率（借貸總額除以總資產）為1.9%，與2016年的2.2%相比基本持平。

3. Contingent liabilities

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

3. 或有負債

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

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VI. RISK FACTORS AND RISK MANAGEMENT

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

1. Currency Risk

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

VI. 風險因素及風險管理

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

1. 貨幣風險

本集團面臨貨幣風險，主要是通過在海外的銷售和採購及我們的國際工程承包業務以及海外融資產生之以外幣（我們與此等交易相關的業務的功能貨幣人民幣除外）計價的應收款項、應付款項及現金結餘。產生該風險的貨幣主要有美元及歐元。本集團主要就國際工程承包項目的收款訂立遠期外匯合約，以鎖定我們部分未來現金收入的人民幣價值，務求降低貨幣風險及確保根據該等項目將自項目業主收取的延遲付款所產生的預測收入。按照政策及中國法律和法規，我們不得廣泛從事對沖活動。因此，我們的外幣對沖活動限於此等遠期外匯合約。我們的遠期外匯合約與我們的業務量相匹配，即該等合同的金額及條款與業務上預計將收取的外匯款項相匹配。我們並無訂立對沖投機風險的工具。本集團維持及遵守有關規範本集團使用衍生金融工具的內部政策及控制。

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2. Interest Rate Risk

Interest rate risk arises primarily from borrowings and bank deposits. Borrowings bearing interests at variable rates and at fixed rates expose us to cash flow interest rate risk and fair value interest rate risk, respectively. The Company regularly reviews and monitors the mix of our fixed and variable rate borrowings, only either through managing the contractual terms of interest-bearing financial assets and liabilities or through the use of interest rate swaps in order to manage our interest rate risks. Like our currency risk hedging activities, our use of interest rate swaps is also subject to our internal control policy of derivative financial instruments.

3. Credit Risk

Our credit risk is primarily attributable to trade and other receivables. The Company has a credit policy in place and our exposure to these credit risks is monitored on an ongoing basis. Credit terms extended to our customers are determined on a case-by-case basis, depending on credit assessment carried out by our management. The credit terms granted to customers of our Trading Business are normally about three to six months. With respect to the Group's International Engineering Contracting Business, credit terms granted are determined by negotiating individually on a case-by-case basis and are set forth in the relevant engineering contracting contracts. The Company conducts monthly reviews of credit risks and end-of-credit-term period reviews as an internal control measure to determine if the Group needs to make any necessary provisions for credits that we have extended to customers. As to credit risk for trade and other receivables, we first evaluate our customer's credit status and its ability to guarantee the payment through establishing an appropriate business evaluation system. Meanwhile, as part of our risk control mechanism on trade and other receivables, we implemented the policy to buy export credit insurance. For the Trading Business, the

2. 利率風險

利率風險主要來自於借貸及銀行存款。按浮動利率及固定利率計息的借貸分別使我們面臨現金流量利率風險及公允價值利率風險。本公司僅通過管理計息金融資產及負債的合同條款或通過對利率掉期的使用定期檢討及監察固定利率借貸與浮動利率借貸的比例，以管理利率風險。與我們的貨幣風險對沖活動相類似，我們使用利率掉期亦須遵守衍生金融工具的內部控制政策。

3. 信用風險

信用風險主要來自於貿易及其他應收款項。本公司已制定合適的信貨政策並持續監控面臨的該等信用風險。我們給予客戶的信貨期乃根據管理層作出的信用評估，視乎個別情況而定。我們給予貿易業務客戶的信貨期一般約為三至六個月。在本集團的國際工程承包業務方面，我們給予的信貨期視乎個別情況通過協商釐定，並載列於有關工程承包合同。作為內部監控措施，本公司每個月審查信用風險，亦會於信貨期末作出審查，決定本集團是否須就給予客戶的信貨作出任何必要的撥備。就涉及貿易及其他應收款項的信用風險，我們通過建立合適的業務評估系統，首先評估客戶的信用狀況，以及其擔保還款的能力。與此同時，作為貿易及其他應收款項的風險控制機制的一部分，我們實行購買出口信用保險政策。就貿易業務而言，本公司及其貿易附屬公司須

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Company and the trading subsidiaries are required to buy unified export credit insurance from Sinasure; for the International Engineering Contracting Business financed by export seller's credit, the Group typically buys export credit insurance from Sinasure for its projects to meet its financing needs as well as to control credit risk for trade and other receivables. Our credit risk arising from trade and other receivables relates to a number of independent customers. As at December 31, 2017, 5.2% of the total trade and other receivables was due from our largest customers (2016: 9.4%), and 19.4% of the total trade and other receivables was due from the five largest customers (2016: 21.5%).

4. Liquidity Risk

Liquidity risk is the risk that the Group has net current liabilities at the balance sheet date. The Group is exposed to liquidity risk if it is unable to raise sufficient funds to meet its financial obligations when they fall due. To manage liquidity risk, the Company prepares both annual and quarterly financial budgets which include budgeting for capital and utilization of credit facilities to plan and consolidate various financial resources to meet the needs of its business, operations and development. Furthermore, the Group monitors and maintains a level of cash and cash equivalents the management considered adequate to finance its operations and mitigate the effects of fluctuations in cash flow. As at December 31, 2017 and 2016, our net current assets amounted to RMB8,688.1 million and RMB8,228.6 million, respectively.

5. Competition Risk

The Group competes with both domestic and foreign contractors in its International Engineering Contracting Business. Competition generally stems from price, design, variety of the services provided, service quality, financial solutions, business models and environmental

向中國信保購買統一出口信用保險；就由出口賣方信貸融資的國際工程承包業務而言，本集團一般會為其項目向中國信保購買出口信用保險，以應付財務需要以及控制貿易及其他應收款項的信用風險。我們貿易及其他應收款項的信用風險與多名獨立客戶有關。於2017年12月31日，貿易及其他應收款項總額中有5.2%來自我們的最大客戶（2016: 9.4%），而貿易及其他應收款項總額中有19.4%來自五大客戶（2016: 21.5%）。

4. 流動資金風險

流動資金風險指本集團於結算日擁有流動負債淨額的風險。倘本集團未能籌集足夠資金以應付到期的財務負債，則其將承受流動資金風險。為管理流動資金風險，本公司編製年度和季度財務預算，包括對資本和信用額度動用的預算，以計劃和鞏固各種財務資源滿足其業務、營運及發展的需要。此外，本集團監察及維持管理層認為足以為其營運提供資金及減少現金流量波動影響的現金及現金等價物水平。於2017年及2016年12月31日，我們的流動資產淨額分別為人民幣8,688.1百萬元及人民幣8,228.6百萬元。

5. 競爭風險

本集團就其國際工程承包業務與國內外的承包商競爭。競爭主要由價格、設計、所提供服務的多樣性、服務質量、融資方案、業務模式及環境標準所造成。如同

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standards. Similar to other Chinese contractors in the industry, the Group faces competition from engineering contractors with advanced technology from the developed countries such as the U.S., Japan and various European countries as the latter have relatively large competitive advantages in global branch networks, information collection, management and construction capabilities, adaptability and brand recognition, among other areas. The Company will continue to leverage our competitive advantage in pricing, especially for projects in the developing countries, benefiting from competitive labor cost and equipment price. The Company will also continue to leverage the cooperation between the PRC government and foreign governments (especially those of the developing countries) to compete with both domestic and foreign contractors.

The Group competes with both Chinese and foreign companies in our international trading business. Competition with Chinese companies engaged in the international trading business focuses on price, range of products, and range of suppliers and customers, whereas competition with foreign companies focuses on the price and quality of products manufactured by Chinese and foreign suppliers. While competition in the international trading market is intense, given this market is considerably vast, the Company will continue to compete with the Chinese and foreign companies by capitalizing on its financing capabilities and value-adding services. With more than 30 years of operating history in the international trading business, the Directors believe the Group has an edge over the PRC competitors within the industry in terms of our extensive sales and marketing networks, long-established experiences in the international trading market, well-trained business talents, strong capabilities in providing financing solutions and good reputation.

行業中其他中國承包商，本集團面對來自發達國家（如美國、日本及多個歐洲國家）且具備領先技術的工程承包商的競爭，後者在全球分支網絡、信息搜集、管理及施工能力、適應性及品牌認知度等各個方面擁有較大的競爭優勢。本公司將繼續藉助在價格方面的競爭優勢，尤其在發展中國家的項目，並受益於具競爭性的勞動力成本和設備價格。本公司亦將繼續把握中國政府與外國政府（尤其是該等發展中國家政府）之間的合作，與國內外承包商競爭。

本集團與中外公司就國際貿易業務進行競爭。與從事國際貿易業務的中國公司競爭源於對價格、產品範圍及供應商及客戶的範圍的競爭，而與國外公司的競爭則來自中外供應商生產產品的價格及質量的競爭。儘管國際貿易市場競爭激烈，然而由於該市場非常巨大，本公司將利用自身的融資能力及增值服務繼續與中外公司競爭。憑借在國際貿易業務30多年的經營歷史，董事相信，本集團所擁有的廣泛銷售及市場營銷網絡、在國際貿易市場長期累積的經驗、訓練有素的商業人才、提供融資方案的強大能力及良好的聲譽，令本集團比中國同行競爭者更具優勢。

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6. Investment Risk

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

7. Overseas Management Risk

Currently, most of the projects of the International Engineering Contracting Business are conducted overseas, especially in developing countries or less-developed regions (including some countries and regions in constant social or political turbulence). The International Engineering Contracting Business is therefore subject to constantly changing economic, regulatory, social and political conditions in the overseas jurisdictions in which we conduct business or operate our projects.

6. 投資風險

投資風險主要指由於本公司控制範圍以外的因素或在作出投資決定時無法確定的隨機因素的影響，投資的實際回報及預期回報之間的差異。此外亦與墊付若干項目的有關款項、政策變動造成非政府投資機構對基礎設施建設的投資減少及在較長期間內動用大量營運資金等有關。自不同政府部門取得政府批准及遵守有關政府部門的監管規例亦可能增加執行投資項目時的不確定因素。本公司已成立投資審查委員會，並在投資過程中聘請財務顧問、稅務顧問、法律顧問等獨立第三方機構進行充分的盡職調查，分析論證，以提高投資決策水平，管控投資風險。

7. 海外管理風險

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

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To the extent that the Group's overseas business or operation is affected by unexpected and adverse foreign economic, regulatory, social and political conditions, the Group may experience project disruptions, losses of assets and personnel, as well as other indirect losses. In some of the high-risk locations where the Group has employees, business or operations, the Group may incur additional costs in safeguarding our personnel and assets. The Company typically seeks to manage potential losses through contractual arrangement which protects us against liabilities due to force majeure and provides for indemnities from project owners, subcontractors and suppliers, as well as purchase of construction, installation and engineering all-risks insurance and third-party liability insurance.

8. Project Risk

Project risk relates to risk associated with the projects for our International Engineering Contracting Business. While the Directors consider power, transportation and telecommunications sectors to be our Core Sectors, demand for the International Engineering Contracting Business which is principally international in nature depends on the general level of activity and growth in the industries in which the Group operates and serves. The actual portfolio of the engineering contracting projects differs year from year due to many factors not within our control, including but not limited to, general economic conditions, government investment plans, demographic trends, political stability, consumer confidence and requirements for industries or markets access. Any fluctuations in these macroscopic factors will have an impact on the demand for the International Engineering Contracting Business. They may lead to an increase or a decrease of investment in and number of new projects available to the Group, the type of projects that the Group can undertake and delays in or cancellations of the ongoing projects. While we take into consideration projected costs and target profit margin during the pricing process of our engineering contracting projects, profitability of the International Engineering Contracting Business may still be affected and our revenue may experience fluctuations.

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

8. 項目風險

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

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

9. Safety and Quality Risk

Due to the nature of construction work involved in our International Engineering Contracting Business, the Group's projects may involve certain inherently dangerous activities, including operations on aerial platform, underground construction, use of heavy machinery and working with flammable and explosive materials. Despite the fact that the Company ensures compliance with the requisite safety requirements and standards, it is subject to inherent risks of geological catastrophes, fire, toxic gas, equipment failure and explosion and so on. Besides, the employees are subject to personal risks caused by the environment with unstable security. Any personal injury or loss of life the employees may suffer, damage to or destruction of properties and equipments and other losses caused by force majeure in the situations mentioned above would result in the delay in the engineering contracting projects, extended construction time and efforts of our management, suspension of our operations or even imposition of legal liabilities. The Company endeavors to lower its exposure to the abovementioned potential risks associated with our International Engineering Contracting Business by taking measures including making contractual arrangements with the project owners in the event of disruption to the projects due to force majeure, seeking indemnities from the project owners, subcontractors and suppliers, purchasing construction, installation and engineering all-risks insurance, third-party liability insurance and personal accident insurance, strengthening our internal control system to ensure a safe and high quality working environment for our projects, as well as maintaining close communications with the project owners and local governmental authorities.

此外，我們的國際工程承包業務的項目業主及其他合約對手方可能無法履行其對本集團項目合約的合約責任或先決條件，這可能對本集團的收入、營運資金、現金流量及營運業績構成負面影響。

9. 安全及品質風險

由於我們的國際工程承包業務所參與的建築工程的性質，本集團的項目可能涉及若干本質上危險的活動，包括於架空平台工作、地下建設、使用重型機械及於工作時使用易燃及爆炸性物料。儘管本公司確保遵守必要的安全要求及標準，我們仍面臨地質災難、火災、毒氣、設備故障及爆炸等固有風險。此外，我們的僱員還面對因不穩定安全環境而產生的人身風險。僱員可能遭受的人身傷害及身亡、財產及設備受損或受到破壞及其他由上述情況的不可抗力事件造成的損失，可能導致我們的工程承包項目延誤、工程時間延長及管理工作加重、營運暫停，甚至須承擔法律責任。本公司透過採取多項措施，包括與項目業主就不可抗力事件而導致項目受阻訂立合約安排，尋求項目業主、分包商及供應商作出彌償保證，以及投購建築、安裝及工程一切險、第三方責任保險以及人身意外傷害保險，強化我們的內部監控系統以確保項目具備安全及優質的工作環境，以及與項目業主及地方政府機關維持緊密聯繫，務求降低我們所面臨上述與我們的國際工程承包業務有關的潛在風險。

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10. Post-project Transfer Risk

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

10. 工程移交後風險

我們的國際工程承包項目在質保期結束並由項目業主簽發最終接收證書之後即已在合同意義上全部完成。在項目業主使用及運行過程中，工程可能會因為颶風及海嘯等自然因素或者項目業主運營人員操作或維護不當的原因產生運行或品質問題，此時根據合同，本集團不再承擔任何質保義務或其他責任。但是，由於某些工程關乎國計民生或在當地有較大影響，項目完工後產生的任何品質瑕疵或缺陷，可能會給我們的聲譽帶來不利影響，導致客戶對我們的整體評價降低。部分項目業主可能會要求我們繼續投入成本進行維修或更換相應組件，由此將給我們帶來合同預期之外的損失。企業聲譽是我們開拓市場的基石，本公司將繼續加大對項目業主運營人員的培訓力度，盡力與項目業主簽訂運行維護支持合同，提高項目業主運營人員的運行維護水準，盡量避免或減少因人為操作不當原因導致的品質問題發生。同時，本公司注重業務開發的核心市場培養和可持續發展，注重收集客戶的意見和建議，與客戶積極溝通，努力維護良好的社會效益和企業利益。

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11. Corruption Risk

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

12. Sanctions Risk

We are a company incorporated in the PRC and we comply with all applicable PRC laws and regulations. However, as a result of our international activities, we are also subject to the laws and regulations of the various countries and regions in which we do business. In order to prevent and control the risk of sanctions, we established an export control internal compliance program (ICP) within the Company. The Company's ICP adopts the principle of comprehensive control (CATCH-ALL), and the scope and content of the ICP control will be adjusted in time in accordance with the changes in the international export control situation and the possible impact on the business of the Company. In 2017, due to the drastic changes in

11. 舞弊風險

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

12. 制裁風險

我們為在中國註冊成立的公司，須遵守所有適用的中國法律法規。然而，由於從事國際業務，我們亦須遵守我們開展業務所在不同國家及地區的法律法規。為了防控制裁風險，我們在公司內部建立了出口管制內控合規機制 (ICP)。公司ICP採取的是全面控制原則 (CATCH-ALL)，並且ICP的管控範圍和內容將結合國際出口管制形勢變化和可能給公司業務帶來的影響而及時調整。2017年由於美國政府對俄羅斯的制裁政策急劇變化，我們相應加強了

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the sanctions policy of the U.S. government against Russia, we correspondingly strengthened export control over our operations in Russia. In particular, if any of our transactions is conducted in or through the United States, or otherwise involves US persons, US dollar clearing in the United States or US-origin goods, US sanctions regulations may be applicable to some or all of such transactions. In recent years the U.S. sanctions landscape has evolved substantially, especially those targeted at Iran. January 16, 2016 marked the “Implementation Day”, which marked the full execution of sanctions relief promised to Iran as part of the Joint Comprehensive Plan of Action (JCPOA) as negotiated by Iran, the P5+1 (United States, Russia, China, France, United Kingdom, Germany) and the EU and endorsed by the UN. In exchange for curtailing certain nuclear-related activities, Iran was granted relief from certain sanctions from U.S., EU and UN. As to Cuba, following a resumption of formal diplomatic ties between the two countries and the removal of Cuba from the U.S. government’s State Sponsors of Terrorism list, a series of amendments to OFAC’s Cuban Assets Control Regulations and Section 746.4 of Export Administration Regulations administered by the U.S. Department of Commerce’s Bureau of Industry and Security have substantially expanded the range of transactions in which U.S. persons are allowed to engage in Cuba. Hence the Sanctions Undertakings no longer cover Iran and Cuba.

Following the regulatory changes in the United States, the Company decided to cautiously approach the Iranian and Cuba markets. The Company’s potential activities carried out in Iran are limited to civilian infrastructure projects. The Company plans to undertake construction projects and carry out trading and service businesses in Cuba through a subsidiary to be established or any other entity institutions in Cuba. Further, every potential project carried out in Iran and Cuba must be (i) reviewed by the Company’s internal export control office, (ii) reviewed by outside legal counsel, and (iii) approved by the general manager of the Company.

對俄羅斯地區業務的出口管制管控。尤其是，倘我們的任何交易在美國或通過美國開展，或以其他方式涉及美籍人士、於美國的美元結算或美國原產貨品，則美國制裁法規可能適用於部分或全部該等交易。近年來，美國制裁格局大幅演變，尤其是針對伊朗的制裁。2016年1月16日為「執行日」，標誌著向伊朗承諾的制裁解除（為伊朗、P5+1（美國、俄羅斯、中國、法國、英國、德國）及歐盟談判並經聯合國認可的聯合全面行動計劃(JCPOA)的一部分)得到全面執行。作為伊朗減少若干核相關活動的交換，伊朗免於美國、歐盟及聯合國的若干制裁。就古巴而言，繼兩國恢復正式外交關係及美國政府將古巴從國家恐怖主義支持者名單中移除後，對外國資產管制局的古巴資產管制條例及美國商務部工業與安全局所實施的出口管理條例第746.4條作出的一系列修訂大幅擴展了美籍人士可在古巴進行的交易範圍。因此，制裁承諾不再涉及伊朗及古巴。

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

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

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

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

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

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13. Integration Risk

As noted under the section “D. Important Events” above, the Company expects that the acquisition of CNEEC from our parent SINOMACH will strengthen the Company’s core business operations and bolster the existing portfolio of its assets to compete in an even larger scale. At the same time, the Company is conscious of potential risks of integration that are inherent with any significant merger or acquisition. The Company believes that such risks will be insignificant as it already had a high degree of familiarity and good working knowledge with the assets and business of CNEEC through a prior entrustment arrangement with SINOMACH. Nonetheless the Company has taken steps to extend its internal control and other corporate governance safeguards to address any integration risks with the CNEEC acquisition.

VII. OUTLOOK

The Company’s guiding principle for its business operation for 2018 is to strongly adhere to strategic leadership, diligently develop markets, persistently make innovation, optimize the structure, improve overall layout and strive to create a new prospect for the Company’s operation and development.

(I) Business Development Strategy

1. International Engineering Contracting Business

Regarding the International Engineering Contracting Business, the Company will strive to tamp the foundation, develop markets diligently and make continuous innovations to ensure its steady development.

- i. **The Company will** spare no effort to sign new contracts, strive to implement its projects and actively explore new markets and areas. The Company will keep the sound

13. 整合風險

如上文「D. 重要事件」一節所述，本公司預期自其母公司國機收購中電工一事將加強本公司的核心業務經營，並有助其現有資產組合以更大規模進行競爭。同時，本公司認識到，任何重大合併或收購事項均可能存在整合風險。由於本公司已透過先前與國機訂立託管安排而高度熟悉並掌握了中電工的資產及業務情況，因此本公司認為，該等風險將並不重大。儘管如此，本公司仍擴大其內控範圍並採取了其他企業管治保障措施，以處理與中電工收購事項有關的任何整合風險。

VII. 前景展望

2018年，公司經營工作的指導思想是，堅持戰略引領，奮力開拓，銳意創新，優化結構，完善佈局，努力開創公司經營發展新局面。

(一) 業務發展戰略

1. 國際工程承包業務

國際工程承包業務要不斷夯實根基，奮力開拓，持續創新，確保穩健發展。

- i. **公司會**全力抓簽約，努力促生效，積極開拓新市場、新領域。要保持近兩年公司在

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momentum on its newly signed contracts in recent two years and continue to improve the contract quality. The Company will also attach great importance to promoting the implementation of projects already signed, and solve every difficult issue with all its strength. Moreover, the Company will actively seize the opportunities brought by holding the new session of the Forum on China-Africa Cooperation in China, further promote the projects of countries related to “the Belt and Road”, and leverage policy and financing advantages brought by bilateral and multilateral cooperative mechanisms. Besides, the Company will spare no effort to put the results of high-level visits into practice, continue to cooperate with third parties to jointly explore the market, carry out focused market survey on the trend of energy transformation and focus on the opportunities brought by industrialization in the China-Pakistan Economic Corridor and other areas with proper conditions.

- ii. **The Company will** strictly control risks, continue to improve contract performance quality, strengthen the regulatory efforts in projects under construction and promote the lean management for projects.
- iii. **The Company will** further deepen regionalized and localized construction.
- iv. **The Company will** continuously improve the capacities of its industrial chain and set up after-sales service management agencies to strengthen back-end service and management for industrial chain and constantly enhance the Company's subsequent operation support and ability to integrate construction and operation.

新簽合同上的良好態勢，持續提高簽約質量；高度重視已簽約項目的促生效工作，針對難點問題，逐一盤點，全力突破；積極把握新一屆中非論壇在華舉辦的機遇；深入推進「一帶一路」相關國家的項目；用好雙多邊合作機制帶來的政策和融資優勢；全力落實高訪成果；繼續與第三方合作，共同開拓市場；針對能源轉換趨勢，進行有重點的市場調研；在有條件的區域，如中巴經濟走廊，注重工業化帶來的機遇。

- ii. **公司會**嚴控風險，持續提高履約質量，加強在執行項目監管力度，推進項目精益管理。
- iii. **公司會**進一步深化區域化與屬地化建設。
- iv. **公司會**不斷健全產業鏈能力，要搭建售後服務管理機構，強化對產業鏈後端的服務與管理，不斷增強公司後續運營支持和建營一體化能力。

Management Discussion and Analysis

管理層討論與分析

2. Trading Business

Regarding the Trading Business, the Company will further consolidate the achievements of transformation and make positive innovations to ensure the sustained and steady growth of scale merit.

- i. **The Company will** make continuous transformation and upgrading to further improve its profitability. Based on a clear understanding of the development direction and characteristics of its sub-sectors and subsidiaries, the Company will continue to transform its Trading Business from general low-value-added import & export trade to technology-based trade. The Company will consolidate the transformation achievements of its Trading Business in industrial investment, cross-border E-commerce, overseas regionalization construction and cooperation with the local government.
- ii. **The Company will** actively develop innovative business, improve innovation mechanism and center around the main businesses, with emphasis on technology content.
- iii. **The Company will** step up its efforts in promoting its trading sub-brands.
- iv. **The Company will** strengthen risk control and prevention.

2. 貿易業務

貿易業務要進一步固化轉型成果，積極創新，確保規模效益持續穩定增長。

- i. 公司會持續轉型升級，進一步提升盈利水平，在明確子板塊、子公司發展方向與特點的基礎上，繼續推進貿易業務由低附加值的一般進出口貿易向科技型貿易轉型。固化貿易業務在實業化投資、跨境電商、海外區域化建設及地方政府合作等方面的轉型成果。
- ii. 公司會積極發展創新業務，完善創新機制，要圍繞主業，並注重科技含量。
- iii. 公司會加大貿易子品牌推廣力度。
- iv. 公司會加強風險管控與防範。

Management Discussion and Analysis

管理層討論與分析

3. Services Business

The design consulting business of Services Business will grow steadily on the basis of existing profitability and create new growth drivers through scientific and technological innovation.

- i. **The Company will** expand markets via innovation to improve its core competitiveness. In scientific and technological innovation, the Company will make efforts to try to promote market development through innovative projects; actively promote science and technology incubation; unyieldingly work hard to promote the “export” of technology services; and gradually build up the international consulting force through benchmarking with leading enterprises in the field of design consulting.
- ii. **The Company will** actively promote external reorganization and expand design capability.
- iii. **The Company will also** create new business models, promote domestic business and endeavour to get the basic qualifications required for business development from the domestic government through mergers, transfers and other means.

3. 服務業務

服務業務中的設計諮詢業務要在現有盈利水平基礎上穩定增長，圍繞科技創新打造新的增長點。

- i. 公司會以創新帶市場，提高核心競爭力。在科技創新方面狠下功夫，嘗試通過創新項目帶動市場開發；要積極推動科技孵化工作；要努力推進技術服務「出海」；要對標設計諮詢行業領先企業，逐步打造國際諮詢力量。
- ii. 公司會積極推進外部重組，擴充設計能力。
- iii. 公司也會創新業務模式，推動國內業務進展，並要通過兼併、轉讓等方式，努力取得國內政府部門頒發、滿足業務開展所需的基本資質。

Management Discussion and Analysis

管理層討論與分析

(II) Management Strategy of the Company

i. Continuing to Improve the Key Management System

Striving to promote the professional management of the International Engineering Contracting Business. The Company will build the management platform for the International Engineering Contracting Business; continue to improve the lifecycle management system of EPC projects; strengthen and create new regulatory means and models; and promote the localized and professionalized management process of engineering contracting business.

Increasing professional support for investment and financing. The Company will make greater efforts in the research on capital market and develop equity financing channels; continue internal and external mergers and acquisitions and reorganization; further promote the investment-led business strategy; continue to play the role of financing in EPC and achieve diversified financing models.

Continuing to improve the financial management system. The Company will deepen the overall budget execution and implement benchmarking management and cost management; further promote financial functions; focus on preventing and controlling the financial management risks of branches at home and abroad; improve financial forecast and financial analysis and promote the construction of financial information system.

Building an international system of law, risk prevention and control. The Company will continue to advance legal functions; build a risk management system adapted to the needs of business development; and actively conduct external audit on export control following the principle of all-round export control.

(二) 公司管理戰略

i. 持續健全關鍵管理體系

力促國際工程承包業務管理專業化。公司會開展國際工程承包業務管理平台建設；繼續完善EPC項目全生命周期管理體系；強化和創新監管手段和模式；推動工程承包業務屬地化和專業化管理進程。

加大投融資專業支撐力度。公司會加大對資本市場研究力度，拓展公司股權融資渠道；繼續開展內外部併購重組工作；深入推進投資拉動業務戰略；持續發揮融資在EPC中的作用，實現融資模式多樣化。

繼續完善財務管理體系建設。公司會深化全面預算工作，開展對標管理和成本費用管理；進一步推動財務職能前移；着力防控境內外分支機構的財務管理風險；提升財務預測及財務分析水平，推進財務信息系統建設。

打造國際化的法律及風險防控體系。公司會持續推進法律職能前移；建設適應業務發展需要的風險管理體系；貫徹出口管制全面管控原則，積極做好出口管制外審工作。

Management Discussion and Analysis

管理層討論與分析

Strengthening corporate culture as well as social responsibility management, and enhancing brand value. On the occasion of the 40th anniversary, **the Company will** comprehensively summarize its corporate culture; actively publicize its corporate culture to promote cultural parallelism; and continue to optimize the social responsibility management system.

ii. Consolidating the Management Foundation

The Company will continue to strengthen its strategic control and research; improve salary management and build a scientific performance appraisal system; keep improving comprehensive management service level and strengthen the informatization construction; step up asset-management efforts; constantly improve audit effectiveness; and continuously strengthen the management of safety production to ensure the sustained and stable production of the Company.

加強企業文化、社會責任管理，提升品牌價值。公司會在成立四十周年之際，全面總結提煉企業精神；積極宣傳企業文化，推行文化平行相容；持續優化社會責任管理體系。

ii. 夯實管理基礎

公司會持續加強戰略管控與研究；完善薪酬管理，打造科學的績效考核體系；不斷提升綜合管理服務水平，加強信息化建設；加大資產管理力度；不斷提升審計效果；持續強化安全生產管理，確保公司安全生產形勢的持續穩定。

Major Corporate Events for the Year

本年度企業大事記

January 一月



1.1 CMEC received six awards from SINOMACH

On January 14, CMEC won six awards at the SINOMACH 2017 work conference.

1.1 中設集團獲得國機集團六項大獎

1月14日，在國機集團2017年工作會上，中設集團獲得六項大獎。



1.2 The then President Zhang Chun met with Joy Global delegation led by Global Supply Chain Strategic Purchase Director

On January 20, the then President Zhang Chun and Sun Miao, the secretary of the board of directors of SINOMACH met with Joy Global delegation led by Brenda L Hanamann, Global Supply Chain Strategic Purchase Director.

1.2 時任總裁張淳會見Joy Global全球供應鏈戰略採購總監一行

1月20日，時任總裁張淳和國機集團董事會秘書孫淼會見了Joy Global全球供應鏈戰略採購總監Brenda L Hanamann一行。



Major Corporate Events for the Year

本年度企業大事記

February 二月



- 2.1 **The first two meter-gauge locomotives of the Argentina Belgrano Cargo Railway Rehabilitation Project (“the Argentina Railway Projects”) successfully arrived in Buenos Aires and delivery ceremony was held.**

On February 8, the first two meter-gauge locomotives of the Argentina Railway Project successfully arrived in Buenos Aires, and Minister of the Ministry of Transport of Argentina, the deputy secretary of the Belgrano planning department, the chairman of the Belgrano freight logistics company, and representatives of CMEC and the locomotive plant attended the delivery ceremony.

- 2.1 **阿根廷貝爾格拉諾貨運鐵路改造項目（「阿鐵項目」）首兩台米軌機車順利抵達布市並舉行交車儀式**

2月8日，阿鐵項目前兩台米軌機車順利抵達阿根廷布市港口，阿根廷交通部長、貝爾格拉諾計劃部副國秘、貝爾格拉諾貨運物流公司董事長、CMEC和機車廠的代表共同參加交車儀式。

March 三月



- 3.1 **The then President Zhang Chun attended the CMEC-Siemens Energy Management Division high-level communication meeting**

On March 17, the then President Zhang Chun and Mr. Mildner Markus and his delegation, CEO of Siemens Energy Management Division (China), chaired the CMEC-Siemens Energy Management Division high-level communication meeting.

- 3.1 **時任總裁張淳出席CMEC－西門子能源管理集團高層交流會**

3月17日，時任總裁張淳與西門子能源管理集團（中國）CEO Mildner Markus先生一行召開了CMEC－西門子能源管理集團高層交流會。

Major Corporate Events for the Year

本年度企業大事記



3.2 Vice President Tong Zigang attended Caterpillar high-level communication meeting

On March 20, Vice President Tong Zigang attended the high-level forum on cross-border cooperation jointly organized by China International Contractors Association and Caterpillar.

3.2 童自剛副總裁出席卡特彼勒公司高層交流會

3月20日，童自剛副總裁出席了中國對外工程承包商會與卡特彼勒公司聯合舉辦的跨界合作高層論壇會。

April 四月



4.1 The then Chairman Sun Bai attended the signing ceremony of the ThalNova mine mouth lignite fired power project at Thar Block-II, Sindh, Pakistan

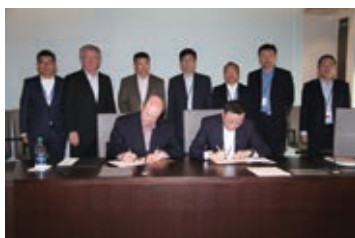
On April 10, witnessed by the then Chairman Sun Bai, Mr. Zafaruddin Mahmood, envoy of China-Pakistan Economic Corridor, Vice President Fang Yanshui and Mr. Khalid Siraj Subhani, CEO of Pakistan ThalNova Power Thar (Private) Limited entered into an EPC contract in Beijing for the ThalNova mine mouth lignite fired power project at Thar Block-II, Sindh, Pakistan.

4.1 時任董事長孫柏出席巴基斯坦信德省塔爾煤田II區塊ThalNova電站項目簽約儀式

4月10日，在時任董事長孫柏、中巴經濟走廊特使扎法魯丁·馬哈穆德先生見證下，方彥水副總裁與巴基斯坦ThalNova電力公司首席執行官哈利德·蘇巴尼先生作為雙方代表，在北京簽署了巴基斯坦信德省塔爾煤田II區塊ThalNova電站項目EPC合同。

Major Corporate Events for the Year

本年度企業大事記



4.2 **The then-President Zhang Chun and his delegation visited the Black & Veatch headquarters in the United States**

On April 10, the then President Zhang Chun led a delegation to visit the Black & Veatch headquarters in Kansas City, the United States and signed a memorandum of understanding for global strategic cooperation with Steve Edwards, the Chairman and CEO of Black & Veatch.

- 4.2 時任總裁張淳一行訪問博萊克威奇(Black & Veatch)美國總部
4月10日，時任總裁張淳率團訪問了博萊克威奇(Black & Veatch)公司美國堪薩斯城總部並與博萊克威奇公司董事長兼首席執行官史蒂夫愛德華茲簽署了全球戰略合作諒解備忘錄。



4.3 **The then-President Zhang Chun and his delegation visited the GE Healthcare R&D Center in the United States**

On April 13, the then President Zhang Chun led a delegation to visit the GE Healthcare R&D Center in Milwaukee, Wisconsin, the United States.

- 4.3 時任總裁張淳一行訪問美國通用電氣醫療研發中心
4月13日，時任總裁張淳率團訪問位於美國威斯康星州密爾沃基市的通用電氣醫療研發中心。



4.4 **Sun Pak Chairman visits Ukrainian Prime Minister Vladimir Groisman**

On April 26, the then Chairman Sun Bai visited Ukrainian State Cabinet Prime Minister Vladimir Groesman in Ukraine.

- 4.4 時任董事長孫柏拜會烏克蘭總理弗拉基米爾·格羅伊斯曼
4月26日，時任董事長孫柏在烏克蘭拜會烏克蘭國家內閣總理弗拉基米爾·格羅伊斯曼先生。

Major Corporate Events for the Year

本年度企業大事記

May 五月

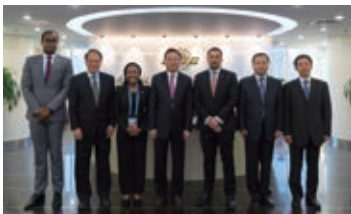


5.1 The then Chairman Sun Bai made an official visit to Argentina's President Macri

On May 2, the then Chairman Sun Bai made an official visit to Argentina's President Mauricio Macri in Argentina.

5.1 時任董事長孫柏拜會阿根廷總統馬克里

5月2日，時任董事長孫柏在阿根廷拜會了阿根廷總統毛里西奧·馬克里。



5.2 The then President Zhang Chun met with the Minister of Justice of the Republic of Trinidad and Tobago and his delegation

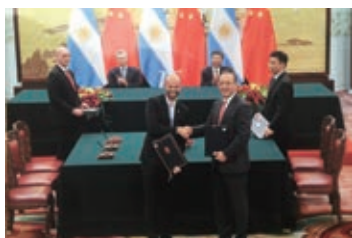
On May 13, the then President Zhang Chun met with Mr. Stuart Richard Young, Director of Premier's Office and the Minister of Justice of the Republic of Trinidad and Tobago and his delegation.

5.2 時任總裁張淳會見特立尼達和多巴哥共和國司法部長一行

5月13日，時任總裁張淳會見了特立尼達和多巴哥共和國總理辦公室主任兼司法部部長斯圖爾特·理查德·楊先生一行。

Major Corporate Events for the Year

本年度企業大事記

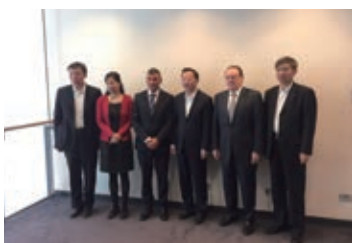


5.3 Chinese President Xi Jinping witnessed the signing of the supplementary agreement on the Phase I of Belgrano Cargo Railway Rehabilitation Project in Argentina

On May 17, witnessed by Chinese President Xi Jinping and Argentina's President Macri, the then Chairman Sun Bai and Minister of Ministry of Transportation of the Argentina Republic signed the supplementary agreement on the Phase I of Belgrano Cargo Railway Rehabilitation Project in the Great Hall of the People.

5.3 中國國家主席習近平見證簽署阿根廷貝爾格拉諾貨運鐵路改造項目一期增補協議

5月17日，在中國國家主席習近平和阿根廷總統馬克里的見證下，時任董事長孫柏與阿根廷交通部部長在人民大會堂共同簽署了貝爾格拉諾貨運鐵路改造項目一期工程增補的協議。



5.4 The then President Zhang Chun led a delegation to visit the Wyre Gas Turbine Project in the United Kingdom

From May 17 to 20, the then President Zhang Chun headed the team to visit the Wyre gas turbine project in the United Kingdom.

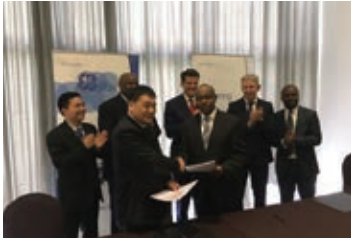
5.4 時任總裁張淳率隊考察英國Wyre燃機項目

5月17日至20日，時任總裁張淳率隊赴英國考察Wyre燃機項目。



Major Corporate Events for the Year

本年度企業大事記



5.5 Vice President Fang Yanshui and GE signed a memorandum of understanding for joint development

On May 22, Vice President Fang Yanshui met with the GE Power delegation headed by Mr. Steve Bolze, President of GE Global Power in Abidjan, the capital of Côte d'Ivoire, and the two sides signed a memorandum of understanding for joint development of coal fired power plant project in the sub-Saharan Africa.

5.5 方彥水副總裁與通用電氣簽署共同開發諒解備忘錄

5月22日，方彥水副總裁在科特迪瓦首都阿比讓會見了以通用電氣全球能源總裁Steve Bolze先生為首的通用電氣能源代表團，雙方簽署了在撒哈拉南部非洲共同開發燃煤電站項目的諒解備忘錄。



5.6 The then Chairman Sun Bai visited Ministry of Energy and Deputy Prime Minister of Belarus

On May 24, the then Chairman Sun Bai and his delegation visited the Deputy Prime Minister of Energy of the Republic of Belarus Mikhadziuk, who granted Mr. Sun Bai the “Minister Award” and “Medal for 85th Anniversary of Belarussian Energy System” on behalf of the Ministry of Energy of Belarus. In the afternoon of the same day, the then Chairman Sun Bai and his delegation visited the Deputy Prime Minister of Belarus Semashko, accompanied by Deputy Prime Minister Mikhadziuk.

5.6 時任董事長孫柏到訪白俄羅斯能源部並拜訪白俄副總理

5月24日，時任董事長孫柏一行拜訪白俄羅斯共和國能源部副部長米哈丘克，米哈丘克副部長代表白俄羅斯能源部向時任董事長孫柏授予「部長嘉獎」及「白俄羅斯能源系統成立85週年勳章」。當天下午，時任董事長孫柏一行在米哈丘克副部長的陪同下拜訪了白俄羅斯副總理謝馬什科。

Major Corporate Events for the Year

本年度企業大事記



5.7 CMEC offered disaster relief supplies to flood-stricken areas in Sri Lanka

On May 30, Yang Wei, the site manager of the project department of Attanagalla water plant, Sri Lanka, led the project team members to donate emergency household supplies, various types of food, emergency medicine and baby hygiene products to 78 households in Yabaraluwa Malwana village in Gampaha district, Sri Lanka to help villagers overcome flood disasters.

5.7 CMEC向斯里蘭卡洪澇災區援助救災物資

5月30日，我司斯里蘭卡阿塔納水廠項目部現場經理楊威帶領項目組成員向斯里蘭卡Gampaha地區Yabaraluwa Malwana村78戶居民捐贈了應急生活用品、各類食品、及應急藥品、嬰兒衛生用品，以幫助村民渡過洪災難關。

June 六月



6.1 The then President Zhang Chun was honoured with Medal of Friendship by the Lao government

On June 14, the Lao government held a grand medal-conferring ceremony in Vientiane, the capital of Laos where the Laotian Prime Minister authorized the government representative to award our then President Zhang Chun the medal of Friendship and a certificate.



6.1 老撾政府授予時任總裁張淳友誼勳章

6月14日，老撾政府在首都萬象舉行了隆重的授勳儀式。老撾總理授權政府代表，授予時任總裁張淳友誼勳章和證書。



Major Corporate Events for the Year

本年度企業大事記



6.2 CMEC and XD Group signed an industrial alliance agreement

On June 27, witnessed by the then President Zhang Chun and the general manager of XD Group Zhang Yalin, the director of the Industry Alliance Committee and Vice President Fang Yanshui jointly signed an industrial alliance agreement with Pei Zhenjiang, general manager of XD Electric Co., Ltd..

6.2 CMEC與西電集團簽署產業聯盟協議

6月27日，在時任總裁張淳和西電集團總經理張雅林的見證下，產業聯盟委員會主任、方彥水副總裁與西電電氣股份有限公司總經理裴振江共同簽署了產業聯盟協議。



6.3 CMEC was awarded the “2017 Strong Brand in Innovation and Development” of Beijing-Tianjin-Hebei Influential Brands

In the poll of “2017 Beijing-Tianjin-Hebei Influential Brands” organized by the People’s Daily and People.com and other organizations, CMEC won the “2017 Strong Brand in Innovation and Development” award for its innovative practices in progressing the Pakistan Thar coal-electric integration project.

6.3 CMEC榮膺京津冀影響力品牌之「2017創新發展實力品牌」

由人民日報社人民網等單位主辦的「2017京津冀影響力品牌」評選活動，CMEC憑借巴基斯坦塔爾煤電一體化項目推進過程中的創新實踐，以「2017創新發展實力品牌」榮膺京津冀影響力品牌。

Major Corporate Events for the Year

本年度企業大事記

July 七月



7.1 **CMEC was rated as an AAA-level enterprise by China Tendering and Bidding Association**

As assessed by the China Bidding and Evaluation Industry Credit Rating Committee, CMEC was rated as an AAA-level enterprise in this credit evaluation.

7.1 **CMEC被中國招標投標協會評為AAA級企業**

經中國招標投標行業信用評價工作委員會評定，CMEC在此次信用評價中被評為AAA級企業。



7.2 **Mr. Zhang Dejiang, Member of the Standing Committee of the Political Bureau of the CPC Central Committee and Chairman of the Standing Committee of the National People's Congress visited the CMEC Kostolac-B power station project in Serbia**

On July 17, accompanied by Ms. Gojković, the Speaker of the Serbian Parliament, Ms. Brnabic, the Prime Minister of Serbia, Mr. Antić, the Minister of Energy of Serbia, the Chinese Ambassador to Serbia and relevant personnel, and the then President Zhang Chun, Mr. Zhang Dejiang, Member of the Standing Committee of the Political Bureau of the CPC Central Committee and Chairman of the Standing Committee of the National People's Congress and his delegation visited the CMEC Kostolac-B power station project in Serbia.

7.2 **中共中央政治局常委、全國人大常委會委員長張德江一行視察CMEC塞爾維亞Kostolac-B電站項目**

7月17日，在塞爾維亞議長戈伊科維奇女士、塞爾維亞總理布爾納比奇女士、能源部部長安蒂奇先生、中國駐塞爾維亞大使及相關人員的陪同下，中共中央政治局常委、全國人大常委會委員長張德江一行視察我公司塞爾維亞Kostolac-B電站項目，時任總裁張淳等陪同參觀。

Major Corporate Events for the Year

本年度企業大事記



7.3 Shanghai CMEC Plaza and “CMEC Science Park” were unveiled grandly

On July 24, Shanghai CMEC Plaza and “CMEC Science Park” were unveiled grandly.

7.3 上海中設廣場和「中設科技園」隆重揭幕

7月24日，上海中設廣場和「中設科技園」隆重揭幕。

August 八月



8.1 The launch and ribbon-cutting ceremony, the foundation-laying ceremony of the “September 17 School” and the donation ceremony for 1,000 household water purifiers were held at the SOYO I combined cyclic power plant in Angola

On August 17, about 200 distinguished guests, including Vice President of Angola Vincent, Chinese Ambassador to Angola Cui Aimin, Governor and Deputy Governor of Zaire Province, Ministers of Angola’s major ministries, State Secretary attended the launch and ribbon-cutting ceremony of the SOYO I United Cyclic Power Station.

On August 18, the foundation-laying ceremony of the “September 17 School” and the donation ceremony for 1,000 household water purifiers were held at the SOYO I combined cyclic power plant in Angola.

8.1 安哥拉SOYO I聯合循環電站舉行揭牌剪綵儀式和「9月17日學校」奠基以及1,000套淨水裝置捐贈儀式

8月17日，安哥拉副總統文森特、中國駐安哥拉大使崔愛民、安哥拉紮伊爾省長、副省長、安哥拉各大部委的部長、國務秘書等貴賓等約200人出席SOYO I聯合循環電站揭牌剪綵儀式。

8月18日，安哥拉SOYO I聯合循環電站項目部舉行「9月17日學校」奠基以及1,000套淨水裝置捐贈儀式。

Major Corporate Events for the Year

本年度企業大事記

September 九月



9.1 **The commencement ceremony of the SINOMACH and CMEC Western R&D Center was held**

On September 28, the commencement ceremony of the SINOMACH and CMEC Western R&D Center was held.

- 9.1 國機集團暨CMEC西部研發中心項目開工儀式隆重舉行
9月28日，國機集團暨CMEC西部研發中心項目開工儀式隆重舉行。



9.2 **CMEC was rated as an Grade-AAA Firm by China Chamber of Commerce for Import and Export of Machinery and Electronic Products (CCCME)**

On September 29, CCCME held the “Credit Integrates the world – Forum on Chinese Machinery and Electronic Business Cooperation”. CMEC was rated as “Grade-AAA Machinery & Electronic Firm for 2017 (Complete Engineering)”.



9.2 **CMEC被中國機電產品進出口商會（機電商會）評為AAA級信用企業**

9月29日，機電商會舉辦了「誠信機電融通世界－中國機電信用合作論壇」，CMEC獲評「2017年度機電行業信用評價成套工程領域AAA級信用企業」。

Major Corporate Events for the Year

本年度企業大事記

October 十月



10.1 **The commencement ceremony of the Lusaka Specialized Hospital of Zambia was officially held**

On October 17, the commencement ceremony of the Lusaka Specialized Hospital contracted to be built by China was officially held in Lusaka, the capital of Zambia. The President of Zambia Edgar Lungu attended the ceremony. President Lungu and guests of the event cut the ribbon for the commencement ceremony of the hospital and laid bricks for the project according to the tradition of Zambia.

10.1 **贊比亞盧薩卡專科醫院開工典禮正式舉行**

10月17日，由中國成套承建的盧薩卡專科醫院開工典禮在贊比亞首都盧薩卡市正式舉行。贊比亞總統埃德加·倫古出席儀式，倫古總統與活動嘉賓為醫院的開工儀式剪綵，並按贊方傳統為該項目砌磚，進行奠基。



10.2 **Vice President Tong Zigang met with Mozambican Minister of Mineral Resources and Energy**

On October 22, Vice President Tong Zigang met with the delegation headed by Leticia Klements, Minister of Mineral Resources and Energy of Mozambique in Beijing.

10.2 **童自剛副總裁會見莫桑比克礦產能源部部長**

10月22日，童自剛副總裁在北京會見了莫桑比克礦產能源部部長樂提西亞·克萊門斯(Leticia Klements)一行。

Major Corporate Events for the Year

本年度企業大事記



10.3 The then Chairman Sun Bai met with Kubiv, the First Vice Prime Minister and Minister of Economic Development of Ukraine and Prime Minister Groesmann.

On October 25, the then Chairman Sun Bai met with Mr. Kubiv, the First Vice Prime Minister and Minister of Economic Development of Ukraine in Ukraine.



On October 27, the then Chairman Sun Bai met with Mr. Groesmann, Prime Minister of Ukraine in Kiev, Ukraine.

10.3 時任董事長孫柏拜會烏克蘭內閣第一副總理兼經濟發展部部長庫比夫、時任董事長孫柏拜會烏克蘭總理格羅伊斯曼

10月25日，時任董事長孫柏在烏克蘭拜會烏克蘭國家內閣第一副總理兼經濟發展部部長庫比夫先生。



10月27日，時任董事長孫柏在烏克蘭首都基輔拜會烏克蘭國家內閣烏克蘭總理格羅伊斯曼。

Major Corporate Events for the Year

本年度企業大事記

November 十一月



11.1 The then President Zhang Chun met with Mr. Joe Mastrangelo, Vice President of GE and renewed the memorandum of understanding in the African region

On November 1, the then President Zhang Chun and Vice President Fang Yanshui met with Mr. Joe Mastrangelo, Vice President of GE and President of Gas Power Generation Business.



11.1 時任總裁張淳會見通用電氣副總裁馬基樂先生並續簽非洲地區的諒解備忘錄

11月1日，時任總裁張淳、方彥水副總裁會見了通用電氣公司副總裁兼燃氣發電業務總裁馬基樂先生(Mr. Joe Mastrangelo)一行。



11.2 The then President Zhang Chun and Vice President Fang Yanshui attended the Belt and Road Forum

On November 2, China for the World “the Belt and Road” Forum was held at the Beijing National Convention Center. SINOMACH Chairman Ren Hongbin, Vice President Xie Biao, the then President Zhang Chun, Vice President Fang Yanshui, and Assistant to the President Li Baolin attended the forum.



11.2 時任總裁張淳、方彥水副總裁參加一帶一路領袖論壇

11月2日，源中國，匯全球「一帶一路」領袖論壇在北京國家會議中心舉行。國機集團任洪斌董事長、謝彪副總裁，時任總裁張淳、副總裁方彥水、總裁助理李寶琳等領導出席了論壇

Major Corporate Events for the Year

本年度企業大事記



11.3 CMEC and Dongfang Electric signed an industrial alliance agreement

On November 8, CMEC signed an industrial alliance agreement with Dongfang Boiler, Dongfang Turbine and Dongfang Electric Machinery in Deyang, Sichuan.

11.3 CMEC與東方電氣簽署產業聯盟協議

11月8日，CMEC與東方鍋爐、東方汽輪機、東方電機在四川德陽簽署產業聯盟協議。



11.4 Vice President Tong Zigang attended the commencement ceremony of the second phase of the KOSTOLAC-B Power Station Project in Serbia

On November 20, Ms. Brnabic, the Prime Minister of Serbia, Mr. Antić, the Minister of Energy of Serbia, Mr Li Manchang, the Chinese Ambassador to Serbia, Grčić, General Manager of Elektroprivreda Srbije and Vice Minister of CMEC Tong Zigang attended the commencement ceremony of the second phase of the KOSTOLAC-B Power Station Project in Serbia.

11.4 童自剛副總裁參加塞爾維亞KOSTOLAC-B電站項目二期工程開工典禮

11月20日，塞爾維亞總理布爾納比奇女士、塞爾維亞能源部長安蒂奇、中國駐塞爾維亞大使李滿長、塞爾維亞國家電力公司總經理格契奇、CMEC副總裁童自剛參加塞爾維亞KOSTOLAC-B電站項目二期工程開工典禮。

Major Corporate Events for the Year

本年度企業大事記



11.5 Vice President Wang Tianyi met with the delegation of the Ministry of Electricity of Iraq and Kar Power Company

On November 22, Vice President Wang Tianyi met with Mr. Mahmood Khalaf Abdullah, Manager of Investment Department of the Ministry of Electricity of Iraq and Karl Power and its delegation.

11.5 王天翼副總裁會見伊拉克國家電力部及卡爾電力公司代表團

11月22日，王天翼副總裁會見了伊拉克國家電力部投資部經理莫哈默德·哈拉夫·阿朴杜拉(Mahmood Khalaf Abdullah)先生和卡爾電力公司及其代表團。



11.6 China Machinery R&D ranked among 2017 ENR/Construction Times “Top 60 Chinese Engineering Design Companies”

On November 30, in the 2017 ENR/Construction Times 2017 “China Top 80 Contractors and Top 60 Engineering Design Companies” award ceremony jointly organized by two authoritative media “Engineering News Record” (ENR) and China “Construction Times”, China Machinery R&D ranked 56th in Chinese engineering design companies.

11.6 中機院成為2017ENR／建築時報「中國工程設計企業60強」

11月30日，美國《工程新聞記錄》(ENR)和中國《建築時報》兩家權威媒體合作舉辦的2017ENR／建築時報「中國承包商80強和工程設計企業60強」頒獎典禮，中機院名列中國工程設計企業56位。

Major Corporate Events for the Year

本年度企業大事記

December 十二月



12.1 CMEC won Golden Bee 2017 Outstanding Corporate Social Responsibility Report Evergreen Award

On December 1, the 10th International Conference on Chinese Corporate Social Responsibility Report was held in Beijing. “2016 Social Responsibility Report of China Machinery Engineering Corporation” won the “Evergreen Award of Golden Bee Excellent Corporate Social Responsibility Report 2017”.

12.1 CMEC榮獲金蜜蜂2017優秀企業社會責任報告長青獎

12月1日，第十屆中國企業社會責任報告國際研討會在北京舉行。《中國機械設備工程股份有限公司2016社會責任報告》榮獲「金蜜蜂2017優秀企業社會責任報告長青獎」。



12.2 CMEC won the 2017 China Overseas Sustainable Infrastructure Construction Project Award

On December 1, at the third plenary session of the China International Contractors Association, our Berezov project in Belarus won the 2017 China Overseas Sustainable Infrastructure Construction Project Award.



12.2 CMEC榮獲2017年度中國境外可持續基礎設施建設項目獎

12月1日，在中國對外承包工程商會第三次全體會議上，我公司白俄羅斯別列佐夫項目榮獲2017年度中國境外可持續基礎設施建設項目獎。

Major Corporate Events for the Year

本年度企業大事記



12.3 Vice President Tong Zigang signed the general agreement on Gacko Power Station Project in Bosnia and Herzegovina

On December 12, witnessed by Milorad Dodik, President of Republika Srpska, and Prime Minister Željka Cvijanović, Vice President Tong Zigang and Mu Yushi, General Manager of Investment Department of China-Africa Investment, the Minister of Industry, Energy and Mines of Republika Srpska and Zeljko Kovacevic, the Deputy General Manager of Republika Srpska Power Company signed the General Agreement on the Construction of the Gacko Power Station Project.

12.3 副總裁童自剛簽署波黑Gacko電站項目總協定

12月12日，在波黑塞族共和國總統米洛拉德·多迪克和總理熱莉卡·茨維亞諾維奇的見證下，童自剛副總裁、中非投資部總經理穆雨時、波黑塞族共和國工業、能源與礦產部部長以及塞族共和國電力公司代理總經理澤利卡·科瓦切維奇簽署了《關於建設Gacko電站項目的總協定》。



12.4 The completion ceremony of the first phase of Silk Road International Cooperation Park was successfully held

On December 13, the completion ceremony of the first phase of the CMEC Silk Road International Cooperation Park was successfully held.

12.4 絲路國際合作園一期啟動項目完工儀式順利舉行

12月13日，CMEC絲路國際合作園一期啟動項目完工儀式順利舉行。

Major Corporate Events for the Year

本年度企業大事記



12.5 CMEC was awarded “2017 China’s Most Influential Green Business Brand”

On December 15, the 4th China Green Development and Ecological Construction Summit and the “China Green Development Model Cases Collection (2017) Release Ceremony” were grandly held in Beijing. CMEC was awarded “2017 China’s Most Influential Green Business Brand”, and the CMEC case was also selected in “China Green Development Model Cases Collection (2017)”.

12.5 CMEC榮膺「2017中國最具影響力綠色企業品牌」

12月15日，「第四屆中國綠色發展與生態建設峰會暨《中國綠色發展典範案例匯編〔2017〕》發佈儀式」在北京盛大開幕。CMEC榮膺「2017中國最具影響力綠色企業品牌」，CMEC案例同時入選《中國綠色發展典範案例匯編〔2017〕》。

Report of Directors

董事會報告

The Board is pleased to present its report together with the audited consolidated financial statements of the Group prepared in accordance with IFRS for the year ended December 31, 2017.

GLOBAL OFFERING

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

PRINCIPAL ACTIVITIES

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

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

RESULTS

The audited results of the Group for the year ended December 31, 2017 are set out in consolidated statement of profit or loss and the consolidated statement of comprehensive income in this annual report. The financial position of the Group and the Company as at December 31, 2017 is set out in the consolidated statement of financial position and the statement of financial position in this annual report, respectively. The cash flows of the Group for the year ended December 31, 2017 are set out in the consolidated statement of cash flows in this annual report.

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

董事會欣然提呈根據國際財務報告準則編製的本集團截至2017年12月31日止年度的報告，連同經審計合併財務報表。

全球發售

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

主要業務

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

本公司主要附屬公司的詳情載於本年報本公司財務報表附註1。

業績

本集團截至2017年12月31日止年度的經審計業績載於本年報合併損益表及合併綜合收益表。本集團及本公司於2017年12月31日的財務狀況分別載於本年報合併財務狀況表及財務狀況表。本集團截至2017年12月31日止年度的現金流量情況載於本年報合併現金流量表。

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

Report of Directors

董事會報告

FINAL DIVIDENDS

The Board recommended the distribution of a final dividend of RMB0.1659 per Share (pre-tax) for 4,125,700,000 Shares for the year ended December 31, 2017, representing a total amount of RMB684,453,630 (pre-tax).

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

The proposed final dividend is subject to Shareholders' approval at the upcoming AGM. Subject to approval, the final dividend is expected to be distributed on or before October 31, 2018 to the holders of Domestic Shares and H Shares whose names appear in the register of members of the Company on the record date for dividend distribution. The Company will issue a separate announcement regarding the date of the upcoming AGM, the record date for the payment of H Share dividends and the dates of closure of register of members of the Company.

In accordance with tax law and relevant requirements under taxation regulatory institutions of the PRC, the Company is required to withhold 10% enterprise income tax when it distributes the final dividend for the year ended December 31, 2017 to all non-resident enterprise shareholders (including HKSCC Nominees Limited, other nominees, trustees or other entities and organizations, who will be deemed as non-resident enterprise shareholders) whose names appear on the H share register of members of the Company on the dividend record date*.

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

末期股息

董事會建議派付截至2017年12月31日止年度的末期股息，就4,125,700,000股股份每股人民幣0.1659元（稅前），合共人民幣684,453,630元（稅前）。

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

擬派發的末期股息須經股東於應屆股東週年大會上批准。經批准後，末期股息預計於2018年10月31日或之前分派予股息分派記錄日期名列本公司股東名冊的內資股及H股持有人。本公司將就應屆股東週年大會日期、支付H股股息的記錄日期及本公司暫停辦理股份過戶登記日期刊發獨立公告。

根據稅法及中國稅務監管機構的有關要求，本公司向於股息記錄日期*名列本公司H股股東名冊上的所有非居民企業股東（包括香港中央結算（代理人）有限公司、其他代理人、受託人或其他團體及組織，將被視為非居民企業股東）派發截至2017年12月31日止年度之末期股息時，須預扣10%的企業所得稅。

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

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

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

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

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

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- For Individual H Shareholders who are Hong Kong or Macau residents or those whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of the Individual H Shareholders.
 - For Individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of less than 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of the Individual H Shareholders. If relevant Individual H Shareholders would like to apply for a refund of the additional amount of tax withheld and paid, the Company can assist the relevant shareholder to handle the application for the underlying preferential tax benefits pursuant to the tax treaties, provided that the relevant shareholder shall submit to the Company the information required under the “Notice of the State Administration of Taxation on issuing the Administrative Measures on Preferential Treatment Entitled by Non-residents under Tax Treaties” (Notice of the State Administration of Taxation, 2015 No.60) (《國家稅務總局關於發佈<非居民納稅人享受稅收協定待遇管理辦法>的公告》(國家稅務總局公告2015年第60號)) (the “**Tax Treaties Notice**”) on or before the commencement date of the closure of register of members.* Upon examination and approval by competent tax authorities, the Company will assist in refunding the additional amount of tax withheld and paid.
 - For Individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of more than 10% but less than 20%, the Company will finally withhold and pay individual income tax at the actual tax rate stipulated in the relevant tax treaty.
- * The Company will make an announcement on the period of closure of register of members of H Shares (for dividend entitlement) and the dividend record date in the circular and the notice of AGM in due course.
- H股個人股東為香港或澳門居民或其住所所在國與中國簽訂股息稅率為10%的稅收協定的，本公司將按10%的稅率代扣代繳個人所得稅。
 - H股個人股東住所所在國為與中國簽訂股息稅率低於10%的稅收協定的，本公司將按10%的稅率代扣代繳個人所得稅。如相關H股個人股東欲申請退還多扣繳稅款，本公司可根據稅收協定協助辦理享受有關稅收協定待遇的申請，但股東須於暫停辦理股份過戶登記的開始日期*或之前向本公司呈交《國家稅務總局關於發佈<非居民納稅人享受稅收協定待遇管理辦法>的公告》(國家稅務總局公告2015年第60號)(「**稅收協定通知**」)規定的資料，經主管稅務機關審核批准後，本公司將協助退還多扣繳稅款。
 - H股個人股東住所所在國為與中國簽訂股息稅率高於10%但低於20%的稅收協定的，本公司將最終按相關稅收協定實際稅率代扣代繳個人所得稅。
- * 本公司將適時於股東週年大會通函及通告內公佈暫停辦理H股股份(就股息權利而言)過戶登記期間及股息記錄日期。

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- For Individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 20%, or a country which has not entered into any tax treaties with the PRC, or under any other circumstances, the Company will finally withhold and pay individual income tax at the rate of 20% on behalf of the Individual H Shareholders.
- According to the relevant requirements under the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Finance Tax [2016] No. 127), jointly published by the Ministry of Finance, State Administration of Taxation and China Securities Regulatory Commission, the Company shall withhold an individual income tax at the rate of 20% on dividend derived from the H Shares of the Company acquired through the Shenzhen-Hong Kong Stock Connect by mainland individual investors. For dividend received by domestic securities investment funds from investing in the H Shares of the Company through the Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The Company will not withhold the income tax on dividend derived from the H Shares of the Company acquired through the Shenzhen-Hong Kong Stock Connect for domestic enterprise investors, and those domestic enterprise investors shall report and pay the relevant tax themselves.
- H股個人股東住所所在國為與中國簽訂股息稅率20%的稅收協定的、與中國並沒有簽訂任何稅收協定的或在任何其他情況下，本公司將最終按20%稅率代扣代繳個人所得稅。
- 根據財政部、國家稅務總局、中國證券監督管理委員會聯合發佈的《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)的規定，對內地個人投資者通過深港通投資本公司H股取得的股息紅利，由本公司按照20%的稅率代扣個人所得稅。對內地證券投資基金通過深港通投資本公司H股取得的股息紅利，參照個人投資者徵稅。內地企業投資者通過深港通投資本公司H股取得的股息紅利，本公司對內地企業投資者不代扣股息紅利所得稅款，應納稅款由企業自行申報繳納。

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

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

AGM AND CLOSURE OF REGISTER

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

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

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

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

股東週年大會及暫停辦理股份過戶登記

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

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

BUSINESS REVIEW

A review of the business of the Group during the year, a discussion on the Group's future business development and the financial and operational key performance indicators employed by the Directors in measuring the performance of our business are set out in the sections headed "Chairman's Statement" on pages 2 to 8 of this annual report, "Key Operating and Financial Data" on pages 11 to 13 of this annual report, "Management Discussion and Analysis – II. Business Overview" on pages 23 to 38 of this annual report and "Management Discussion and Analysis – VII. Outlook" on pages 73 to 78 of this annual report. The financial risk management objectives and policies of the Group are set out in note 39 to the financial statements in this annual report. Significant events that have an effect on the Group subsequent to the financial year ended December 31, 2017 are set out in note 40 to the financial statements in this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

A number of factors may affect the results and business operations of the Group, some of which are inherent to the industries the Group operates in and some are from external sources. As regards the principal risks and uncertainties facing the Group, please refer to the section headed "Management Discussion and Analysis – VI. Risk Factors and Risk Management" on pages 62 to 73 of this annual report.

KEY RELATIONSHIPS

(i) Employees

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

業務回顧

對本集團年內業務的回顧、有關本集團未來業務發展的討論及董事評估業務表現時使用的財務與經營主要表現指標，載於以下章節：本年報第2至8頁的「董事長致辭」，本年報第11至13頁的「重要經營及財務數據」，本年報第23至38頁的「管理層討論與分析 – II. 業務概覽」及本年報第73至78頁的「管理層討論與分析 – VII. 前景展望」。本集團的財務風險管理目標及政策載於本年報財務報表附註39。截至2017年12月31日止財政年度後對本集團有影響的重大事項，載於本年報財務報表附註40。

主要風險及不確定因素

諸多因素可能影響本集團的業績及業務經營，部分因素屬本集團所參與經營的行業所固有的，部分因素則來源於外部。有關本集團面臨的主要風險及不確定因素，請參閱本年報第62至73頁「管理層討論與分析 – VI. 風險因素及風險管理」一節。

重要關係

(i) 僱員

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

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

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

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

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

(ii) Customers

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

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

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

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

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

(ii) 客戶

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

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

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

There are no unified standard credit terms granted to customers of the construction business and trading business. The credit terms granted to customers of the construction business are negotiated individually on a case-by-case basis and set forth in the relevant contracts. The credit terms granted to customers of the trading business are normally about three to six months. The bills receivables are generally due within 180 days from the date of issuance. The Group's credit policy is set out in note 39(a) to the audited consolidated financial statements of the Company in this annual report. An ageing analysis of our trade receivable is set out in note 22(a) to the audited consolidated financial statements of the Company in this annual report.

(iii) Suppliers and Subcontractors

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

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

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

我們已與許多客戶建立了長期合作關係。

建造業務及貿易業務的客戶並無獲授統一標準信貸期。授予建造業務客戶的信貸期乃按個別情況逐次協商，並載列於有關合同內。授予貿易業務客戶的信貸期一般約為三至六個月。應收票據一般於發行日期起計180日內到期。本集團的信貸政策載於本年報本公司經審計合併財務報表附註39(a)。貿易應收款項的賬齡分析載於本年報本公司經審計合併財務報表附註22(a)。

(iii) 供應商及分包商

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

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

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The trade payables are non-interest-bearing and are usually paid within the agreed period, usually due within 180 days. The bills payable are generally due within 180 days from the date of issuance. An ageing analysis of our trade payables is set out in note 24 to the audited consolidated financial statements of the Company in this annual report.

ENVIRONMENTAL POLICIES

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

COMPLIANCE WITH LAWS AND REGULATIONS

To the best knowledge of our Directors, in 2017, we were in compliance with all relevant PRC laws and regulations in all material respects and have obtained all necessary licenses, approvals and permits from relevant and appropriate regulatory authorities for our business operations in the PRC; the operations of our overseas subsidiaries were not in breach of any applicable laws and regulations of the relevant jurisdictions and our overseas subsidiaries' business operations were in compliance with the applicable laws and regulations of the jurisdictions in all material respects where the overseas subsidiaries were incorporated.

貿易應付款項為免息，通常於協議期間內支付且通常於180日內到期。應付票據通常於發行日期起計180日內到期。貿易應付款項的賬齡分析載於本年報本公司經審計合併財務報表附註24。

環保政策

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

遵守法律及法規

據董事所深知，於2017年，我們於所有重大方面均遵守相關中國法律法規，並就中國的業務經營自相關及適當的監管部門取得所有必要的執照、批准及許可；我們海外附屬公司的經營並無違反相關司法管轄區的任何適用法律法規，且我們海外附屬公司的業務經營亦於所有重大方面符合有關海外附屬公司註冊成立所在司法管轄區的適用法律法規。

PERMITTED INDEMNITY

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

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year ended December 31, 2017 or subsisted at the end of the year.

FINANCIAL SUMMARY

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

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended December 31, 2017, the Group's five largest suppliers accounted for 11.02% (2016: 8.64%) of the Group's total purchases. The Group's largest supplier accounted for 3.42% (2016: 2.58%) of the Group's total purchases.

For the year ended December 31, 2017, the Group's sales to its five largest customers accounted for 24.31% (2016: 21.99%) of the Group's total sales. The Group's sales to its largest customer accounted for 7.33% (2016: 6.89%) of the Group's total sales.

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

獲准許的彌償

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

股票掛鈎協議

截至2017年12月31日止年度期間或年度結束時，本公司概無訂立任何股票掛鈎協議將會或可能導致本公司發行股份，或規定本公司訂立任何協議將會或可能導致本公司發行股份。

財務概要

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

主要客戶及供應商

截至2017年12月31日止年度，本集團的五大供應商佔本集團採購總額的11.02% (2016年：8.64%)。本集團的最大供應商佔本集團採購總額的3.42% (2016年：2.58%)。

截至2017年12月31日止年度，本集團向其五大客戶作出的銷售額佔本集團銷售總額24.31% (2016年：21.99%)。本集團向其最大客戶作出的銷售額佔本集團銷售總額7.33% (2016年：6.89%)。

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

Report of Directors

董事會報告

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended December 31, 2017 are set out in note 14 to the financial statements in this annual report.

ISSUED CAPITAL

Details of movements in the issued capital of the Group during the year ended December 31, 2017 are set out in note 29 to the financial statements in this annual report.

RESERVES

Details of movements in the reserves of the Group during the year ended December 31, 2017 are set out in note 30 to the financial statements in this annual report, and details of movements in the reserves of the Group during the year ended December 31, 2017 are set out in the consolidated statement of changes in equity in this annual report.

DISTRIBUTABLE RESERVES

As at December 31, 2017, the Company's reserves available for distribution, calculated in accordance with the provisions of Companies Law, amounted to approximately RMB6,260.10 million (as at December 31, 2016: RMB6,037.35 million).

BANK LOAN AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at December 31, 2017 are set out in note 25 to the financial statements of the Group in this annual report.

物業、廠房及設備

本集團於截至2017年12月31日止年度的物業、廠房及設備的變動詳情載於本年報財務報表附註14。

已發行股本

本集團於截至2017年12月31日止年度的已發行股本變動詳情載於本年報財務報表附註29。

儲備

本集團於截至2017年12月31日止年度的儲備變動詳情載於本年報財務報表附註30，而本集團於截至2017年12月31日止年度的儲備變動詳情載於本年報合併權益變動表內。

可分派儲備

於2017年12月31日，根據公司法條文計算本公司可供分派的儲備約為人民幣6,260.10百萬元（於2016年12月31日：人民幣6,037.35百萬元）。

銀行貸款及其他借貸

本集團於2017年12月31日的銀行貸款及其他借貸之詳情載於本年報本集團財務報表附註25。

Report of Directors

董事會報告

BOARD

The Directors during the year ended December 31, 2017 and up to the date of this report were:

Executive Directors:

Mr. SUN Bai (appointment as a Director and the Chairman ceased effective on January 12, 2018)
Mr. ZHANG Chun (appointed as the Chairman and ceased as president on January 12, 2018)
Mr. HAN Xiaojun (appointed on March 5, 2018 as the vice Chairman)
Mr. ZHOU Yamin (appointed on January 12, 2018 as the President)

Non-executive Directors:

Mr. WANG Zhian (appointment as a Director ceased effective on March 5, 2018)
Mr. YU Benli
Mr. ZHANG Fusheng

INEDs:

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

BOARD OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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

董事會

於截至2017年12月31日止年度內及直至本報告日期，董事包括：

執行董事：

孫柏先生（董事及董事長委任於2018年1月12日失效）
張淳先生（於2018年1月12日獲委任為董事長並辭任總裁）
韓曉軍先生（於2018年3月5日獲委任為副董事長）
周亞民先生（於2018年1月12日獲委任為總裁）

非執行董事：

王治安先生（董事委任於2018年3月5日失效）
余本禮先生
張福生先生

獨立非執行董事：

劉力先生
劉紅宇女士
方永忠先生
吳德龍先生

董事會、監事及高級管理人員

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

Report of Directors

董事會報告

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the INEDs and the Company considers such Directors to be independent for the year ended December 31, 2017.

SERVICE CONTRACT AND LETTER OF APPOINTMENTS OF DIRECTORS AND SUPERVISORS

As approved at the extraordinary general meeting of the Company on March 5, 2018, (i) Mr. ZHANG Chun has been re-appointed and Mr. HAN Xiaojun and Mr. ZHOU Yamin have been appointed as executive Directors of the third session of the Board, (ii) Mr. YU Benli and Mr. ZHANG Fusheng have been re-appointed as non-executive Directors of the third session of the Board, (iii) Mr. LIU Li, Ms. LIU Hongyu, Mr. FANG Yongzhong and Mr. WU Tak Lung have been re-appointed as INEDs of the third session of the Board, whose term of service commenced on March 5, 2018 until the expiration of the term of the third session of the Board, and (iv) Mr. QUAN Huaqiang and Mr. QIAN Xiangdong have been re-appointed as shareholder representative Supervisors for the third session of the Supervisory Board. Ms. LIU Ting has been appointed as the staff representative Supervisor for the third session of the Supervisory Board on January 12, 2018 and she together with Mr. QUAN Huaqiang and Mr. QIAN Xiangdong formed the third session of the Supervisory Board. Their term of service commenced on March 5, 2018 until the expiration of the term of the third session of the Supervisory Board.

After their appointment, all members of the third session of the Board have entered into service contracts and/or appointment letters with the Company for a term of three years, commencing from March 5, 2018 and ending on March 4, 2021 or on the date when the fourth session of the Board is elected by the Shareholders. The Company shall have power to enter into service contracts and/or appointment letters with the members of the third session of the Supervisory Board.

獨立非執行董事的獨立性確認書

本公司已接獲各獨立非執行董事根據上市規則第3.13條的規定作出其符合獨立性之年度確認書，且本公司認為該等董事於截至2017年12月31日止年度內皆為獨立人士。

董事及監事的服務合同及委任函

經2018年3月5日本公司舉行的臨時股東大會批准，(i)張淳先生已獲重新委任及韓曉軍先生及周亞民先生已獲委任為第三屆董事會執行董事；(ii)余本禮先生及張福生先生已獲重新委任為第三屆董事會非執行董事；(iii)劉力先生、劉紅宇女士、方永忠先生及吳德龍先生已獲重新委任為第三屆董事會獨立非執行董事，彼等的任期自2018年3月5日起直至第三屆董事會屆滿為止；及(iv)全華強先生及錢向東先生已獲重新委任為第三屆監事會股東代表監事。劉婷女士已於2018年1月12日獲委任為第三屆監事會職工代表監事，彼與全華強先生及錢向東先生組成第三屆監事會。彼等的任期自2018年3月5日起直至第三屆監事會屆滿為止。

彼等獲委任後，第三屆董事會的全體成員已與本公司訂立服務合同及／或委任函，任期為三年，自2018年3月5日起，至2021年3月4日或股東選出第四屆董事會之日止。本公司有權與第三屆監事會成員訂立服務合同及／或委任函。

Report of Directors

董事會報告

For the year ended December 31, 2017, none of the Directors or Supervisors had entered or proposed to enter into a service contract and/or appointment letter with any member of the Group which will not expire or is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No Director or Supervisor had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or its holding company or any of its subsidiaries or fellow subsidiaries was a party during the year ended December 31, 2017.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed under the sections headed "Connected Transactions" and "Continuing Connected Transactions", there has been no contract of significance between the Company or any of its subsidiaries and controlling shareholders (as defined in the Listing Rules) of the Company or any of its subsidiaries during the year ended December 31, 2017.

MANAGEMENT CONTRACTS

No contracts (except for the executive Directors' service contracts) concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended December 31, 2017.

EMOLUMENT POLICY

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

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

截至2017年12月31日止年度，概無董事及監事與本集團任何成員公司訂立或擬訂立於一年後屆滿或本公司不得在一年內毋須作出賠償（法定賠償除外）而可終止的任何服務合同及／或委任函。

董事及監事於重大合約之權益

截至2017年12月31日止年度，各董事及監事概無於本公司或其控股公司或其任何附屬公司或同系附屬公司所訂立對本集團業務而言屬重大的任何合同中直接或間接擁有重大權益。

控股股東於重大合約之權益

截至2017年12月止年度，除「關連交易」及「持續關連交易」兩節所披露者外，本公司或任何其附屬公司以及本公司或任何其附屬公司之控股股東（定義見上市規則）概無重大合約。

管理合約

截至2017年12月31日止年度，概無就本公司整體業務或其任何主要部分的管理及行政訂立或訂有任何合約（惟執行董事服務合約除外）。

薪酬政策

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

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

Report of Directors

董事會報告

REMUNERATION OF DIRECTORS, SUPERVISORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

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

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS DURING THE YEAR

Pursuant to Rules 13.51(B) of the Listing Rules, the change to Director's, Supervisor's or senior management's information subsequent to the date of the 2017 interim report of the Company is set out below:

In September 2017, Mr. WU Tak Lung, an INED, has been appointed as independent non-executive director, the chairman of audit committee and member of remuneration committee of Henan Jinma Energy Company Limited (河南金馬能源股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 6885). On March 5, 2018, Mr. WU has been appointed as a member of the Operation and Risk Management Committee.

On January 12, 2018, Mr. ZHANG Chun, an executive Director, has been appointed as the chairman of each of the Nomination Committee and the Strategy and Development Committee. On March 5, 2018, Mr. ZHANG has been ceased as the President and the chairman of the Operation and Risk Management Committee and has been appointed as the Chairman.

On March 5, 2018, Mr. HAN Xiaojun, an executive Director, has been appointed as the Vice Chairman and a member of the Strategy and Development Committee.

On March 5, 2018, Mr. ZHOU Yamin, an executive Director, has been appointed as the President and a member of Operation and Risk Management Committee.

On March 5, 2018, Mr. ZHANG Fusheng, a non-executive Director, has been appointed as a member of each of the Audit Committee and the Remuneration Committee and has been ceased as a member of the Operation and Risk Management Committee.

On March 5, 2018, Mr. YU Benli, a non-executive Director, has been appointed as a member and the chairman of the Operation and Risk Management Committee.

董事、監事及五位最高薪酬人士的薪酬

有關董事、監事及五位最高薪酬人士的薪酬詳情載於本年報財務報表附註8及9。

本年度內董事資料變動

根據《上市規則》第13.51(B)條，於本公司2017年中期報告日期後之董事、監事及高級管理人員資料變更載列如下：

於2017年9月，獨立非執行董事吳德龍先生獲委任為聯交所主板上市公司河南金馬能源股份有限公司（股份代號：6885）之獨立非執行董事、審核委員會主席及薪酬委員會成員。於2018年3月5日，吳先生獲委任為經營與風險管理委員會成員。

於2018年1月12日，執行董事張淳先生獲委任為提名委員會及戰略與發展委員會主席。於2018年3月5日，張先生辭任總裁及經營與風險管理委員會主席，並獲委任為董事長。

於2018年3月5日，執行董事韓曉軍先生獲委任為副董事長及戰略與發展委員會成員。

於2018年3月5日，執行董事周亞民先生獲委任為總裁及經營與風險管理委員會成員。

於2018年3月5日，非執行董事張福生先生獲委任為審計委員會及薪酬委員會成員，並辭任經營與風險管理委員會成員。

於2018年3月5日，非執行董事余本禮先生獲委任為經營與風險管理委員會成員兼主席。

Report of Directors

董事會報告

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

As at December 31, 2017, none of the Directors, Supervisors or members of the senior management of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which would have to be notified to the Company and the Stock Exchange pursuant to divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

No time during the year ended December 31, 2017 were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director, Supervisor or their respective spouse or children under 18 years of age, or were any such rights exercised by them; nor was the Company, its holding company and any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors, the Supervisors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

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

As at December 31, 2017, so far as it was known by or otherwise notified to any Directors or the chief executive of the Company, the particulars of the corporations or persons (other than a Director, Supervisor or chief executive of the Company) which had 5% or more interests and short positions in the Shares and the underlying Shares as recorded in the register kept under section 336 of the SFO were as follows:

董事、監事及高級管理人員於股份、相關股份及債券的權益、淡倉及購股權

於2017年12月31日，概無本公司董事、監事或高級管理人員於本公司或其相關法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的權益或淡倉（包括彼等根據證券及期貨條例的該等條文被當做或被視為擁有的權益或淡倉），或按證券及期貨條例第352條記載於本公司於該條所指的登記冊內的權益或淡倉，或根據《標準守則》須知會本公司及聯交所的權益或淡倉。

董事及監事購買股份或債券的權利

截至2017年12月31日止年度期間，概無授予任何董事、監事或彼等各自的配偶或未滿18歲的子女通過購入本公司股份或債券的方式而獲益的權利，或由彼等行使任何該等權利；亦無由本公司、其控股公司或其任何附屬公司或同系附屬公司作出安排以令董事、監事，或彼等各自的配偶或未滿18歲的子女於任何其他法人團體獲得該等權利。

主要股東及其他人士於股份及相關股份的權益及淡倉

於2017年12月31日，據任何董事或本公司最高行政人員所知或以其他方式獲知會，根據證券及期貨條例第336條存置的登記冊所記錄擁有股份及相關股份5%或以上權益及淡倉的法團或人士（董事、監事或本公司最高行政人員除外）詳情如下：

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Long positions and Short positions in the Shares

股份的好倉及淡倉

Name of Shareholders	Class of Shares	Capacity/ Nature of Interest	Number of Issued Shares/Underlying Shares Held (Shares)	Approximate Percentage of Shareholding in the Relevant Class of Shares	Approximate Percentage of Shareholding in the Total Shares
				(Note 1) (%) 佔有關股份類別 股權概約百分比 (附註1) (%)	(Note 1) (%) 佔股份總額 股權概約百分比 (附註1) (%)
股東名稱	股份類別	身份／權益性質	所持已發行股份／ 相關股份的數目 (股)		
SINOMACH	Domestic Shares	Interests of beneficial owner and controlled corporation	3,217,430,000 (Note 2) (Long position)	100%	77.99%
國機	內資股	實益擁有人權益及 受控法團權益	(附註2) (好倉)		
SSF	H Shares	Interests of beneficial owner	81,352,000 (Long position)	8.96%	1.97%
社保基金理事會	H股	實益擁有人權益	(好倉)		
Value Partners Group Limited	H Shares	Interests of controlled corporation	47,199,000 (Note 3) (Long position)	5.19%	1.14%
惠理集團有限公司	H股	受控法團權益	(附註3) (好倉)		
GIC Private Limited	H Shares	Investment manager	45,454,000 (Long position)	5.00%	1.10%
新加坡政府投資公司	H股	投資經理	(好倉)		
Grantham, Mayo, Van Otterloo & Co. LLC	H Shares	Investment manager	54,367,300 (Long position)	5.98%	1.32%
	H股	投資經理	(好倉)		

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Notes:

- (1) This percentage is calculated on the basis of the number of underlying Shares/total Shares that had been issued by the Company as of December 31, 2017.
- (2) SINOMACH was beneficially interested in 3,185,260,000 Domestic Shares, representing approximately 77.21% of our total share capital. China United was beneficially interested in 32,170,000 Domestic Shares, representing approximately 0.78% of our total share capital. Since China United is a wholly-owned subsidiary of SINOMACH, SINOMACH is, therefore, deemed to be interested in the Domestic Shares held by China United.

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

- (3) The 47,199,000 Shares as referred to in note 3 above.

Value Partners Group Limited has 100% interest over Value Partners Hong Kong Limited. Value Partners Hong Kong Limited has 100% interest over Value Partners Limited.

Save as disclosed above, and as at December 31, 2017, the Directors were not aware of any persons (who were not Directors, Supervisors or the chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed under divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to section 336 of the SFO, to be entered in the register referred to therein.

附註：

- (1) 該百分比乃以本公司截至2017年12月31日已發行的相關股份數目／股份總數計算。
- (2) 國機於3,185,260,000股內資股中實益擁有權益，佔我們總股本約77.21%。中國聯合於32,170,000股內資股中實益擁有權益，佔我們總股本約0.78%。由於中國聯合為國機的全資附屬公司，因此，國機被視為於中國聯合所持內資股中擁有權益。

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

- (3) 上文附註3所述的47,199,000股股份。

惠理集團有限公司擁有惠理基金管理香港有限公司全部權益，惠理基金管理香港有限公司擁有惠理基金管理公司全部權益。

除上文披露者外，及截至2017年12月31日，董事並不知悉任何人士（並非董事、監事或本公司主要行政人員）於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部規定須予披露的權益或淡倉，或須根據證券及期貨條例第336條登記於該條所述的股東名冊的權益或淡倉。

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PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended December 31, 2017, the Company did not redeem any of its H Shares listed on the Stock Exchange nor did the Company or any of its subsidiaries purchase or sell any of such shares.

PRE-EMPTIVE RIGHTS

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

NON-COMPETITION UNDERTAKING

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

購買、出售或贖回上市證券

於截至2017年12月31日止年度，本公司並無贖回其於聯交所上市之任何H股，而本公司或其任何附屬公司亦無購買或出售任何該等股份。

優先認股權

章程或公司法概無條文規定本公司須向現有股東按比例提呈發售新股的優先認股權。

避免同業競爭承諾

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

SINOMACH has confirmed in writing to the Company of its compliance with the Non-competition Agreement for disclosure in this annual report during the year ended December 31, 2017. Furthermore, as contemplated in the Non-competition Agreement, SINOMACH shall transfer all its equity interest in CNCEC, CNEEC and China National Automation Control System Corporation (“**CACS**”) to the Company within three years after the Listing. The acquisition of the entire equity interests of CNCEC by the Company was completed on May 23, 2016. The Company and SINOMACH entered into an agreement on November 24, 2017 to acquire the entire equity interests of CNEEC by the Company. On January 12, 2018, the first extraordinary general meeting of the company has approved the acquisition. As at the date of this report, the acquisition was on track to completion. The acquisition of the equity interest in CACS by the Company is currently expected to be delayed. Please refer to the announcement and circular both published on February 5, 2016 and November 24, 2017 and the announcements published on May 23, 2016 and January 12, 2018 on the respective websites of the Stock Exchange and the Company for further details.

截至2017年12月31日止年度，國機已以書面形式向本公司確認，其已就避免同業競爭協議的遵守情況於本年報中作出披露。此外，根據避免同業競爭協議，國機應於上市後三年內向本公司轉讓其於中成套、中電工及中國自動化控制系統總公司（「**中國自控**」）的全部股權。本公司於2016年5月23日完成收購中成套的全部股權。本公司於2017年11月24日與國機訂立了一份收購中電工全部股權的協議。於2018年1月12日，本公司第一次臨時股東大會已批准該收購。於本報告日期，該收購事項即將完成。目前預計本公司會延遲收購中國自控的股權。詳情請參閱在聯交所網站及本公司網站分別刊發的2016年2月5日及2017年11月24日的公告及通函以及2016年5月23日及2018年1月12日的公告。

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DIRECTORS' AND SUPERVISORS' INTEREST IN COMPETING BUSINESS

As at December 31, 2017, none of the Directors, the Supervisors or their respective close associates had engaged in or had any interest in any business which competes or may compete with the businesses of the Group.

CONNECTED TRANSACTION

I. Connected Transactions

1. Capital increase in SINOMACH Finance Co., Ltd.* (國機財務有限責任公司) (the "Finance Company"),

The Company was notified on May 25, 2017 that the amended and restated articles of association of the Finance Company, which was resolved to be amended by its shareholders (including the Company and SINOMACH) on February 23, 2017, has become effective. Pursuant to the amended and restated articles of association, the registered capital of the Finance Company shall increase from RMB1.1 billion to RMB1.5 billion, by converting each shareholder's retained earnings in the Finance Company in an aggregate amount of RMB400 million. The amount of contribution to the registered capital of the Finance Company made by the Company shall increase from approximately RMB172 million to approximately RMB234 million. The proportion of shareholding held by each shareholder of the Finance Company will remain the same. The Company will continue to hold approximately 15.63% of the enlarged registered capital of the Finance Company after such capital increase. The proceeds of the capital contribution to the Finance Company under the capital increase will be used as working capital of the Finance Company. The Company considers that capital increase will have an anti-dilution effect and will also increase the capital adequacy ratio of the Finance Company, thereby strengthening the capital base of the Finance Company to further develop its financing business. Details for the transaction are set out in the Company's announcement made on May 25, 2017 on the respective websites of the Stock Exchange and the Company.

董事及監事於競爭性業務中的權益

於2017年12月31日，概無董事、監事或彼等各自的緊密聯繫人從事或於任何與本集團業務形成競爭或可能形成競爭的業務中擁有權益。

關連交易

I. 關連交易

1. 國機財務有限責任公司增資 (「財務公司」)

本公司於2017年5月25日獲知，於2017年2月23日，由股東(包括本公司及國機)決議修訂的財務公司修訂及重列章程已生效。根據經修訂及重列的章程，財務公司的註冊資本將由人民幣11億元增至人民幣15億元，將各股東於財務公司的保留盈餘轉換為人民幣4億元。本公司向財務公司註冊資本款項將由約人民幣1.72億元增至約人民幣2.34億元。財務公司各股東持股比例將維持不變。本次增資後，本公司將繼續持有財務公司經擴大約15.63%的註冊資本。根據增資，向財務公司注資的所得款項將用作財務公司的營運資金。本公司認為，增資將具反攤薄效應，並將提高財務公司的資本充足率，從而加強財務公司的資本基礎，以進一步發展融資業務。該交易的詳情分別載於在聯交所網站及本公司網站刊發的2017年5月25日的公告。

2. Acquisition of 100% equity interest in CNEEC

On November 24, 2017, the Company and SINOMACH entered into an acquisition agreement, pursuant to which the Company has agreed to acquire, and SINOMACH has agreed to dispose of, the entire equity interest in CNEEC for an aggregate consideration of RMB1,980,031,000 (equivalent to approximately HK\$2,349,766,807), subject to the terms and conditions of the acquisition agreement (the “**Acquisition**”). The Acquisition is a key and timely step for SINOMACH Group to honor its non-competition undertakings, which would enable the Company to better utilize such business integration to strengthen the competitiveness of its core business. The Acquisition enable the Company to rapidly expand its assets and scale of business by external merger and acquisition, and to further enhance the Company’s capabilities in design, supervision, operation and maintenance of engineering projects, and further improve the Company’s service capabilities in a complete project cycle. The Acquisition also reinforced market position of the Company’s engineering contracting business in traditional areas by consolidating concerted efforts, and developed business in a larger scale and with stepped up efforts to enter new markets and areas. It also helped to expand the Company’s talent pool for the International Engineering Contracting Business, and improve its talent team structure. As at the date of this report, the Acquisition was on track to completion. Details for the transaction are set out on the Company’s announcements made on November 29, 2017 and January 12, 2018, respectively, on the respective websites of the Stock Exchange and the Company.

2. 收購中電工100%股權

於2017年11月24日，本公司與國機訂立收購協議，根據該協議及在其條款及條件的規限下，本公司已同意以人民幣1,980,031,000元的總對價（相當於約2,349,766,807港元）收購中電工的全部股權，而國機亦已同意出售（「**收購事項**」）。該收購事項是國機集團恪守其避免同業競爭承諾的一項重要且及時的舉措，且能使本公司更好地利用有關業務整合以提升其核心業務的競爭力。該收購事項令公司通過外部併購從而快速擴大本公司的資產及業務規模，進一步提升公司其於設計、監督、運營及維護工程項目方面的能力，進而提升本公司於整個項目週期中的服務能力。該收購事項亦通過鞏固合作夥伴關係鞏固公司在傳統領域工程承包業務中的市場地位，通過進入新的市場和領域以更大規模及更有力的方式發展業務。這亦有助於擴大本公司的國際工程承包業務人才庫，並改善人才隊伍結構。於本報告日期，該收購事項即將完成。交易詳情載於本公司分別在聯交所網站及本公司網站刊發的2017年11月29日及2018年1月12日的公告。

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II. Continuing Connected Transactions

The connected transactions of the Company are also related party transactions, which are disclosed in note 37 to the financial statements in accordance with International Accounting Standard 24 “Related Party Disclosure”.

The table below set out the annual caps and the actual transaction amount of such connected transactions for 2017:

II. 持續關連交易

亦屬關聯方交易之本公司關連交易已根據國際會計準則第24號「關聯方披露」於財務報表的附註37披露。

下表載列該等關連交易於2017年的年度上限及實際交易金額：

			Annual cap for 2017 (Note (i)) 2017年的 年度上限 (附註(i))	Actual Transaction Amount for 2017 2017年的 實際交易金額
Connected Transactions	Connected Person			
關連交易	關連人士			
1	Provision of engineering services and products by our Group to SINOMACH Group 本集團向國機集團提供工程服務及產品	China National Machinery Industry Corporation 中國機械工業集團有限公司	RMB3,000.0 million 人民幣3,000.0 百萬元	RMB857.6 million 人民幣857.6 百萬元
		China National Heavy Machinery Research Institute Co., Ltd. 中國重型機械研究院股份有限公司	百萬元	百萬元
2	Receipt of engineering services and products from SINOMACH Group by our Group 本集團接受國機集團的工程服務及產品	China Machinery Industry Construction Group INC. 中國機械工業建設集團有限公司	RMB3,100.0 million 人民幣3,100.0 百萬元	RMB248.2 million 人民幣248.2 百萬元
		Changzhou Jiangnan Environmental Engineering Co., Ltd. 常州江南環境工程有限公司	百萬元	百萬元
		Harbin Power System Engineering and Research Institute Co., Ltd. 哈爾濱電站設備成套設計研究所有限公司		
		Shanghai Sino-Perfect Co., Ltd. 上海中浦供銷有限公司		
		China IPPR International Engineering Co., Ltd. 中國中元國際工程有限公司		

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Connected Transactions	Connected Person	Annual cap for 2017 (Note (i))	Actual Transaction Amount for 2017
關連交易	關連人士	2017年的 年度上限 (附註(i))	2017年的 實際交易金額
	China Construction Machinery Co., Ltd. 中工程機械成套有限公司		
	China National General Machinery Engineering Corporation 中國通用機械工程有限公司		
	China SINOMACH Heavy Industry Corporation 中國國機重工集團有限公司		
	China United Northwest Institute for Engineering Design & Research Co., Ltd 中聯西北工程設計研究院有限公司		
	Beijing Sciencetech International Project Management Co., Ltd. 北京興電國際工程管理有限公司		
	China Electric Design & Research Institute Co., Ltd. 中機中電設計研究院		
	China Auto CAIEC LTD. 中國汽車工業進出口有限公司		
	China Machinery Kangyuan Cereals and Oils Equipment (Beijing) Co., Ltd. 中機康元糧油裝備（北京）有限公司		
	China National Electric Engineering Co., Ltd. 中國電力工程有限公司		
	China Erzhong Group (Chengdu) Engineering Technology Co. Ltd. 二重集團（成都）工程技術有限責任公司		

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Connected Transactions	Connected Person	Annual cap for 2017 (Note (i)) 2017年的 年度上限 (附註(i))	Actual Transaction Amount for 2017 2017年的 實際交易金額
關連交易	關連人士		
	Hefei General Special Material Equipment Co., Ltd. 合肥通用特種材料設備有限公司		
	Chongqing Materials Research Institute Co., Ltd. 重慶材料研究院有限公司		
	China Machine-Building International Corporation 中國機械對外經濟技術合作有限公司		
	China Ocean Engineering Construction General Bureau 中海工程建設總局		
	CMEC International Exhibition Co., Ltd. 西麥克國際展覽有限責任公司		
	China Sea International Travel Service Co., Ltd. 中海國際旅行社有限公司		
	Changchun Research Institute for Mechanical Science Co., Ltd. 長春機械科學研究院有限公司		
	Shenyang Academy of Instrumentation Science Co., Ltd. 瀋陽儀表科學研究院有限公司		
	Guangzhou Kinte Industrial Co., Ltd. 廣州擎天實業有限公司		
	Sinomach Finance Co., Ltd. 國機財務有限責任公司		
3	Trading procurement by our GroupN/A from SINOMACH Group 本集團向國機集團進行貿易採購	RMB360.0 million 人民幣360.0 百萬元	RMB NIL 人民幣零元

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			Actual	
Connected Transactions	Connected Person	Annual cap for 2017 (Note (i)) 2017年的 年度上限 (附註(i))	Transaction Amount for 2017 2017年的 實際交易金額	
關連交易	關連人士			
4	Sales of trading products by our Group to SINOMACH Group 本集團向國機集團銷售貿易產品	N/A 不適用	RMB50.0 million 人民幣50.0 百萬元	RMB NIL 人民幣零元
5	Provision of integrated services by our Group to SINOMACH Group 本集團向國機集團提供綜合服務	China SINOMACH Heavy Industry Corporation 中國國機重工集團有限公司 China National Electric Engineering Co., Ltd. 中國電力工程有限公司 China Machine-Building International Corporation 中國機械對外經濟技術合作有限公司 COAG Beijing International Trade Co., Ltd. 中海航集團北京國際經貿有限公司 Lanpec Technologies Limited 甘肅藍科石化高新裝備股份有限公司 China United Engineering Corporation 中國聯合工程有限公司 SCVIC Engineering Corporation 機械工業第四設計研究院有限公司 SIPPR Engineering Group Co., Ltd. 機械工業第六設計研究院有限公司 China Sinogy Electric Engineering Co., Ltd. 中機國能電力工程有限公司 China United Northwest Institute for Engineering Design & Research Co., Ltd 中聯西北工程設計研究院有限公司	RMB120.0 million 人民幣120.0 百萬元	RMB112.6 million 人民幣112.6 百萬元

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Connected Transactions	Connected Person	Annual cap	Actual
		for 2017 (Note (i)) 2017年的 年度上限 (附註(i))	Transaction Amount for 2017 2017年的 實際交易金額
	China Erzhong Group (Deyang) Heavy Industries Co., Ltd. 二重集團(德陽)重型裝備股份有限公司		
	China Sanan Construction Group Co., Ltd. 中國三安建設集團有限公司		
	Automotive Engineering Corporation 中國汽車工業工程有限公司		
6	Financing services to our Group from SINOMACH Group 國機集團向本集團提供金融服務		
	Sinomach Finance Co., Ltd. 國機財務有限責任公司		
	(1) deposit services (1) 存款服務	RMB3,300.0 million (Note (iii)) 人民幣3,300.0百萬元 (附註(iii))	RMB3,286.4 million (Note (iii)) 人民幣3,286.4百萬元 (附註(iii))
	(2) entrusted deposit services (2) 委託存款服務	RMB700.0 million 人民幣700.0百萬元	RMB Nil 人民幣零元

Notes:

- (i) The annual cap is disclosed in the announcement and circular of the Company dated November 14, 2014 and November 17, 2014, respectively and such new annual cap was approved by Shareholders at the 2014 third extraordinary general meeting of the Company on December 31, 2014 (the "2014 Third EGM")
- (ii) The actual transaction amount represents the highest daily deposit balance plus accrued interest.

附註:

- (i) 年度上限已於本公司日期分別為2014年11月14日及2014年11月17日的公告及通函內披露，該新年度上限已獲股東於2014年12月31日本公司舉行的2014年第三屆臨時股東大會（「2014年第三屆臨時股東大會」）批准。
- (ii) 實際交易金額代表每日最高存款結餘與應計利息之和。

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

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

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

1. 本集團向國機集團提供工程服務及產品

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

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

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

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

During the reporting period, the annual cap of this continuing connected transaction for 2017 was RMB3,000.0 million and the actual transaction amount was RMB857.6 million.

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

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

有關重訂提供工程服務和產品框架協議的主要條款及條件，請參見下文相關披露。

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

於報告期內，本持續關連交易於2017年的年度上限為人民幣3,000.0百萬元，而實際交易金額則為人民幣857.6百萬元。

2. 本集團接受國機集團提供的工程服務及產品

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

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

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

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

During the reporting period, the annual cap of this continuing connected transaction for 2017 was RMB3,100.0 million and the actual transaction amount was RMB248.2 million.

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

有關重訂接受工程服務和產品框架協議的主要條款及條件，請參見下文相關披露。

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

於報告期內，本持續關連交易於2017年的年度上限為人民幣3,100.0百萬元，而實際交易金額則為人民幣248.2百萬元。

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3. Trading procurement by our Group from SINOMACH Group

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

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

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

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

During the reporting period, the annual cap of this continuing connected transaction for 2017 was RMB360.0 million and the actual transaction amount was RMB nil.

3. 本集團向國機集團進行貿易採購

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

鑒於國機集團的產能強大，貿易採購框架協議可促進貿易業務。

有關重訂貿易採購框架協議的主要條款及條件，請參見下文相關披露。

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

於報告期內，本持續關連交易於2017年的年度上限為人民幣360.0百萬元，而實際交易金額則為人民幣零元。

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

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

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

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

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

During the reporting period, the annual cap of this continuing connected transaction for 2017 was RMB50.0 million and the actual transaction amount was RMB0.0.

4. 本集團向國機集團銷售貿易產品

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

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

有關重訂貿易銷售框架協議的主要條款及條件，請參見下文相關披露。

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

於報告期內，本持續關連交易於2017年的年度上限為人民幣50.0百萬元，而實際交易金額則為人民幣0.0元。

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

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

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

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

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

During the reporting period, the annual cap of this continuing connected transaction for 2017 was RMB120.0 million and the actual transaction amount was RMB112.6 million.

5. 本集團向國機集團提供綜合服務

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

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

有關重訂綜合服務框架協議的主要條款及條件，請參見下文相關披露。

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

於報告期內，本持續關連交易於2017年的年度上限為人民幣120.0百萬元，而實際交易金額則為人民幣112.6百萬元。

Principal terms of the agreements

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

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

協議的主要條款

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

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

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

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

6. Financing services to our Group from SINOMACH Group

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

Financial services and major terms

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

Type 1 – Deposit Services

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

6. 國機集團向本集團提供之金融服務

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

金融服務及主要條款

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

第一類 – 存款服務

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

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Type 2 – General Loan Services

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

Type 3 – Entrusted Loan Services

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

第二類 – 一般貸款服務

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

第三類 – 委託貸款服務

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

Type 4 – General Financial Services

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

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

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

第四類 – 一般金融服務

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

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

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

Report of Directors

董事會報告

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

During the reporting period, the cap for the maximum daily deposit balance (including any interest accrued thereon) with the Finance Company was RMB3,300.0 million and the actual amount was RMB3,286.4 million. The annual cap for the Entrusted Deposits with the Finance Company was RMB700.0 million (including any interest accrued thereon) and no actual transaction occurred for the year ended December 31, 2017.

The “receipt of integrated services from fellow subsidiaries” as set out in note 37 to the financial statements in this annual report occurred after the Company’s disposal of CMEC Expo in December 2016 whereby CMEC Expo provided some exhibition services to the Group. Such transactions constituted de minimis continuing connected transactions which is fully exempt from the relevant reporting, announcement and Shareholders’ approval requirements pursuant to Rule 14A.76(1) of the Listing Rules and hence was not included in the continuing connected transactions set out below.

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

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

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

於報告期內，在財務公司的每日最高存款結餘（包括其任何應計利息）上限為人民幣3,300.0百萬元，而實際金額為人民幣3,286.4百萬元。在財務公司的委託存款的年度上限為人民幣700.0百萬元（包括其任何應計利息），而截至2017年12月31日止年度，並無發生實際交易。

本年報財務報表附註37所載的「接受來自於同系附屬公司的綜合服務」乃於本公司在2016年12月處置西麥克展覽後發生，因此西麥克展覽向本集團提供了若干展覽服務。根據上市規則第14A.76(1)條，有關交易構成符合最低豁免水平的持續關連交易，可獲全面豁免遵守有關申報、公告及股東批准規定，因此未納入下文所載的持續關連交易。

獨立非執行董事已審閱上述各項持續關連交易，並確認該等交易：

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

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

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

- a. nothing has come to the auditors’ attention that causes the auditor to believe that the non-exempt continuing connected transactions have not been approved by the Board;
- b. for transactions involving the provision of goods or services by the Group, nothing has come to the auditors’ attention that causes the auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Company;
- c. nothing has come to the auditors’ attention that causes the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- d. with respect to the aggregate amount of each of the non-exempt continuing connected transactions set out above, nothing has come to the auditors’ attention that causes the auditor to believe that the non-exempt continuing connected transactions have exceeded the maximum aggregate annual value disclosed above.

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

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

- a. 核數師並無注意到任何事項令彼等相信該等不獲豁免的持續關連交易未獲董事會批准；
- b. 就本集團提供貨品或服務所涉及的交易而言，核數師並無注意到任何事項令彼等相信該等交易在所有重大方面未有按照本公司的定價政策進行；
- c. 核數師並無注意到任何事項令彼等相信該等交易在所有重大方面未有按照規管該等交易的相關協議所進行；及
- d. 就上述各項不獲豁免的持續關連交易之總金額而言，核數師並無注意到任何事項令彼等相信該等不獲豁免的持續關連交易之金額超出上文所披露的年度上限總額。

Report of Directors

董事會報告

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

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

POST BALANCE SHEET EVENTS

The material post balance sheet events are disclosed in note 40 to the audited consolidated financial statements of the Company.

AUDIT COMMITTEE

The Audit Committee had reviewed together with the management and external auditor of the Company the accounting principles and policies adopted by the Group and the audited consolidated financial statements for the year ended December 31, 2017.

CODE OF CONDUCT REGARDING EMPLOYEES' SECURITIES TRANSACTIONS

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

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

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

結算日後事項

重大結算日後事項於本公司經審計合併財務報表附註40內予以披露。

審計委員會

審計委員會已與本公司的管理層及外聘核數師審閱本集團採納的會計準則及政策以及截至2017年12月31日止年度經審計合併財務報表。

僱員進行證券交易的行為守則

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

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as its own code of corporate governance. The Company has complied with the code provisions as set out in the CG Code during the year ended December 31, 2017 and up to the date of this report. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

SUFFICIENCY OF PUBLIC FLOAT

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

INDEPENDENT AUDITORS

At the 2014 second extraordinary general meeting of the Company held on October 20, 2014, Ernst & Young (安永會計師事務所) was appointed as the Company’s external international auditor in place of KPMG (畢馬威會計師事務所) and Ernst & Young Hua Ming LLP (Special General Partnership) (安永華明會計師事務所(特殊普通合夥)) was appointed as the Company’s domestic auditor. The 2017 consolidated financial statements of the Company prepared in accordance with IFRS have been audited by Ernst & Young.

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

企業管治

本集團致力於維持企業管治的高標準以確保股東利益及提高公司價值及問責性。本公司已採用《企業管治守則》作為其企業管治守則。本公司於截至2017年12月31日止年度至本報告日期一直遵守《企業管治守則》所載的守則條文。本公司將繼續檢討及提升其企業管治常規，以確保遵守《企業管治守則》。

充足的公眾持股量

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

獨立核數師

於2014年10月20日舉行的本公司2014年第二次臨時股東大會上，安永會計師事務所取代畢馬威會計師事務所獲委任為本公司外聘國際核數師，而安永華明會計師事務所（特殊普通合夥）獲委任為本公司境內核數師。安永會計師事務所已審計本公司按國際財務報告準則編製的2017年合併財務報表。

除上文所披露者外，於過往三年，獨立核數師概無變動。

Report of Directors

董事會報告

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

COMPLIANCE WITH SANCTIONS UNDERTAKINGS

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

1. Proceeds Account – The Company has opened and maintained separate designated bank accounts for the proceeds from the Listing in Hong Kong as at the date of this report (the “**Proceeds Accounts**”). The Proceeds Accounts are segregated from other normal bank accounts of our Company and designated for the sole use of deposit and deployment of the proceeds from Listing. With such segregation and designation, the Proceeds Accounts record all transactions and activities within these bank accounts and trace the flow of funds in and out of the Proceeds Accounts.
2. Accounting measures – The Company has ensured that separate books and records are in place to monitor the activities, including deposits and disbursements, of the Proceeds Accounts.

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

恪守制裁承諾

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

1. 所得款項賬目 – 本公司已就截至本報告日期於香港上市的所得款項開立及維持單獨的指定銀行賬戶（「**所得款項賬戶**」）。所得款項賬戶獨立於本公司的其他一般銀行賬戶，並指定作唯一用途，即存入及調配上市所得款項。鑑於上述賬戶是獨立及指定賬戶，所得款項賬戶會記錄在該等銀行賬戶內進行的所有交易及活動，並可追蹤所得款項賬目的資金流進出情況。
2. 會計措施 – 本公司已確保擁有分立的賬簿及記錄，以監察所得款項賬目的存入及支出等活動。

3. Internal control policies – We have formulated a dedicated set of internal control policies particularly in respect of the Proceeds Accounts to regulate various aspects of operating the Proceeds Accounts, such as the designated use, record keeping (e.g. the underlying documents for projects or transactions towards which the proceeds will be applied), regular review, responsible personnel to be appointed, accountability and reporting line and other necessary operational procedures.
4. Internal compliance program on export control (the “ICP”) – With the Company’s existing ICP platform, the export control office has continued to be responsible for project screening, evaluation and approval from an export control perspective to ensure the nature and location of the activities or business, as well as the identity of the counterparties and products involved, etc., would not violate the Sanctions Undertakings.

In recent years the US sanctions landscape has evolved substantially, especially those targeted at Iran. January 16, 2016 marked the “Implementation Day”, which marked the full execution of sanctions relief promised to Iran as part of the Joint Comprehensive Plan of Action (JCPOA) as negotiated by Iran, the P5+1 (United States, Russia, China, France, United Kingdom, Germany) and the EU and endorsed by the UN. In exchange for curtailing certain nuclear-related activities, Iran was granted relief from certain U.S., EU, and UN sanctions.

Considering the recent development in the sanctions landscape on Iran, Holland & Knight LLP, the Company’s special counsel on sanctions, has advised that: (i) the Company, being a non-U.S. company, is now able to conduct business in Iran. The remaining sanctions and restrictions with regard to Iran will not substantially affect potential business activities of the Company in Iran; (ii) the Company would be able to fully engage potential business opportunities in a number of Iranian industrial sectors; and (iii) the Company would be able to engage in the full spectrum of activities in these areas, from engineering, procurement, and management to the supply of components, services, and technology. For further details, please refer to the Company’s announcement published on the website of the Stock Exchange and the website of the Company on March 23, 2016.

3. 內部控制政策 – 我們已制定一套專用的內部控制政策，尤其是在所得款項賬戶上，以規範操作所得款項賬戶的多個方面，如指定用途、記錄保存（如將動用所得款項的項目或交易的相關文件）、定期審閱、將予委任的負責人員、問責及匯報程序以及其他必要營運程序。
4. 有關出口管制的內控合規機制（「內控合規機制」） – 憑借本公司現有的內控合規機制平台，出口管制辦公室已繼續負責從出口管制層面進行項目篩選、評估及批准，確保所涉及的活動或業務的性質及地點以及交易对手的身份及產品等將不違反制裁承諾。

近年來，美國制裁格局發生了巨大變化，尤其是針對伊朗的制裁變動。2016年1月16日被定為「執行日」，標誌著經伊朗、P5+1（美國、俄羅斯、中國、法國、英國、德國）及歐盟談判及聯合國批准，全面解除對伊朗的制裁成為《聯合全面行動計劃》的一部分。作為伊朗減少若干核相關活動的交換，美國、歐盟及聯合國解除對伊朗的若干制裁。

考慮到伊朗制裁格局的近期發展，本公司制裁特別顧問Holland&KnightLLP告知：(i) 作為一間非美國公司，本公司目前可於伊朗開展業務。其他有關伊朗的制裁及限制將不會對本公司於伊朗的潛在業務活動產生重大影響；(ii) 本公司將能夠於伊朗的多個行業領域全面尋求潛在商機；及(iii) 本公司將能夠全面參與該等領域的業務活動，從工程、採購及管理再到部件、服務及技術供應。詳情請參閱本公司於2016年3月23日發佈於聯交所網站及本公司網站的公告。

Report of Directors

董事會報告

In addition, given the new development in the the sanctions landscape on Cuba, Holland & Knight LLP has advised the Company that, despite the remaining U.S. embargo on Cuba, the Company (and its shareholders and investors) would face very limited risks in engaging in Cuba activities if done from outside of U.S., and similarly limited risks if done under U.S. authorization from or through a U.S. subsidiary of the Company. With Cuba having been removed from the U.S. Department of State's State Sponsors of Terrorism ("SST") list, the reputational risks and heightened due diligence (especially for non-U.S. financial institutions) associated with transactions involving countries placed on SST list has been reduced significantly, even though the U.S. embargo remains in place. For further details, please refer to the Company's announcement published on the website of the Stock Exchange and the website of the Company on December 19, 2016.

By Order of the Board
ZHANG Chun
Chairman

Beijing, PRC, March 26, 2018

此外，考慮到古巴制裁格局的新發展，Holland&KnightLLP告知本公司：儘管美國對古巴繼續禁運，但倘在美國境外參與古巴活動，本公司（及其股東與投資者）面臨的風險非常有限，倘根據本公司的美國授權或透過本公司的一間美國附屬公司參與古巴活動，亦會面臨類似的有限風險。美國國務院已將古巴從國家恐怖主義支持者（「恐怖主義支持者」）名單中刪除，儘管美國禁運仍然持續，但與涉及及名列恐怖主義支持者名單的國家進行交易的信譽風險及高度盡職調查（尤其是非美金融機構）已顯著降低。詳情請參閱本公司於2016年12月19日發佈於聯交所網站及本公司網站的公告。

承董事會命
張淳
董事長

中國北京，2018年3月26日

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE REPORT

The Board is pleased to present this corporate governance report in the annual report of the Company for year ended December 31, 2017 (the “Year”). In addition, certain information regarding the Directors and the Board committees has been updated as at the date of this annual report.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of Shareholders and to enhance corporate value and accountability. The CG Code has been adopted as the Company’s own code of corporate governance. Except for the code provision A.4.2 and F.1.2 of the CG Code in Appendix 14 of the Listing Rules, the Company complied with the provisions required in the CG Code during the Year.

Pursuant to the code provision A.4.2 of the CG Code that every director should be subject to retirement by rotation at least once every three years, the second session of the Board which was elected on February 20, 2014 shall retire the office by rotation on February 20, 2017. As of matters to the whole Board, various factors shall be considered to ensure the senior management of the Company well continues, therefore the second session of the Board continued to perform their duty until the election of the third session of the Board which were elected at the 2018 second extraordinary general meeting of the Company held on March 5, 2018 (the “**Second EGM**”).

Since then, the Company has complied with code provision A.4.2 of the CG Code.

企業管治報告

董事會欣然呈列本公司截至2017年12月31日止年度（「**本年度**」）之年報所載之企業管治報告。此外，於本年報日期，若干有關董事及董事委員會的資料經已更新。

企業管治常規

本集團致力維持高水平的企業管治，以保障股東權益以及提升企業價值及問責性。本公司以企業管治守則作為公司本身的企業管治守則。除上市規則附錄十四企業管治守則條文A.4.2及F.1.2條外，本公司於本年度內謹遵企業管治守則條文之規定。

按照企業管治守則之守則條文A.4.2條規定，每位董事應至少每三年輪值退任一次，故2014年2月20日選出的第二屆董事會須於2017年2月20日輪值退任。由於事關整個董事會，須考慮眾多因素以確保高級管理人員順利延續，故此第二屆董事會繼續履行其職務直至2018年3月5日舉行的本公司2018年第二次臨時股東大會（「**第二次臨時股東大會**」）上選出第三屆董事會為止。

自此，本公司已遵守企業管治守則之守則條文A.4.2條規定。

Corporate Governance Report

企業管治報告

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

Chairman and President

Under the code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and performed by different individuals. Under the current organization structure of the Company, Mr. ZHANG Chun is the Chairman of the Board and Mr. ZHOU Yamin is the President. The balance of power and authority is ensured by the operation of the senior management and the Board, which comprise experienced and high caliber individuals. Pursuant to the Articles of Association, the primary duties and responsibilities of the Chairman of the Board include:

- a) presiding over the shareholders’ general meetings and convening and presiding over meetings of the Board, examining the implementation of the resolutions of the Board;
- b) organizing the formulation of regulations on the operation of the Board, and coordinating the operation of the Board;
- c) receiving regular or non-regular performance reports on the Company’s senior management; and
- d) giving opinions guiding the execution of board resolutions and signing the Company’s share certificates, debentures and other important documents.

按照企業管治守則之守則條文F.1.2條規定，委任公司秘書應透過召開實質董事會會議而非以書面決議案方式處理。委任本公司現任聯席公司秘書（「**聯席公司秘書**」）乃於2018年2月透過書面決議案處理。董事會認為，於執行委任現任聯席公司秘書的書面決議案之前，已就該事宜向全體董事進行獨立諮詢且並無任何異議，故並無必要召開實質董事會會議取代書面決議案的方式批准該事宜。

董事長及總裁

根據企業管治守則之守則條文A.2.1條規定，董事長及行政總裁之角色應有所區分，應由不同人士擔任。於本公司目前的組織架構下，張淳先生為董事長及周亞民先生為總裁。由經驗豐富的人才組成的高級管理人員及董事會可確保權力與職權平衡。根據章程，董事長的主要職務及職責包括：

- a) 主持股東大會以及召開並主持董事會會議、檢討董事會決議案的實施；
- b) 組織制定有關董事會運作的規例及協調董事會運作；
- c) 接收本公司高級管理人員的定期或非定期表現報告；及
- d) 提供意見以指引董事會決議案的執行以及簽署公司股票、債權證與其他重要文件。

Corporate Governance Report

企業管治報告

The major responsibilities of the president of the Company include:

- a) leading the production, operation and management of the Company, and reporting his works to the Board;
- b) organizing the implementation of the resolutions of the Board, the Company's annual business plans and investment plans;
- c) preparing the Company's annual budgets and final accounts, and providing recommendations to the Board;
- d) formulating the plans for merger, division or reorganization of the wholly-owned subsidiaries and controlled subsidiaries of the Company;
- e) preparing plans for the establishment of the Company's basic management system and the internal management structure, preparing plans for the establishment of domestic and overseas branches of the Company, formulating specific rules and regulations of the Company;
- f) appointing or removing the management personnel, except for those that shall be appointed or removed by the Board;
- g) formulating the remunerations, benefits and incentive programs, as well as the appointment and removal of the Company's employees;
- h) proposing to convene an extraordinary board meeting when emergency arises; and
- i) determining on investment, financing, contracts and transactions of the Company within the scope of authorization of the Board.

The chairman of the Company held a meeting with the non-executive Directors (including the INEDs) without the presence of the executive Directors during the Year.

本公司總裁的主要職責包括：

- a) 領導本公司的生產、營運及管理並向董事會匯報；
- b) 組織董事會決議案、本公司年度業務計劃及投資計劃的實施；
- c) 編製本公司年度預算及全年賬目並向董事會提供建議；
- d) 制定合併、分拆或重組本公司全資附屬公司及受控附屬公司的計劃；
- e) 編製建立本公司基本管理系統及內部管理架構的計劃、編製建立本公司國內及海外分公司的計劃、制定本公司特殊規則及規例；
- f) 委任或撤職管理人員（須由董事會委任或撤職的人士除外）；
- g) 制定薪酬、福利及獎勵計劃、委任及撤職本公司僱員；
- h) 於出現緊急事件時建議召開特別董事會會議；及
- i) 釐定屬董事會授權範疇的本公司投資、融資、合約及交易。

於年內，本公司董事長與非執行董事（包括獨立非執行董事）在執行董事迴避的情況下舉行一次會議。

Corporate Governance Report

企業管治報告

SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Upon specific enquiry of all the Directors and Supervisors, all the Directors and Supervisors confirmed that they had complied with the Model Code during the Year.

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

BOARD OF DIRECTORS

The Board is primarily responsible for overseeing and supervising the management of the business affairs and the overall performance of the Group. The Board sets the Group's values and standards and ensures that the requisite financial and human resources support are in place for the Group to achieve its objectives. The functions performed by the Board include but not limited to formulating the Group's business plans and strategies, reviewing the Company's financial results and performance and approving its interim and annual results; approving appointment, removal or re-appointment of the Board members upon the recommendation of the Nomination Committee; approving the remuneration package of directors and senior management of the Company upon the recommendation of the Remuneration Committee, deciding all significant financial (including major capital expenditure) and operational issues, formulating, monitoring and reviewing the Group's corporate governance, and all other functions reserved to the Board under the Articles of Association. The Board may from time to time delegate certain functions to senior management of the Group if and when considered appropriate. The senior management is mainly responsible for the execution of the business plans, strategies and policies adopted by the Board and assigned to it from time to time.

董事及監事的證券交易

本公司已採納《標準守則》，作為其董事進行證券交易的行為守則。對全體董事及監事的專門查詢後，各董事及監事均確認，彼等於年內一直遵守《標準守則》。

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

董事會

董事會主要負責監察及監管本集團的業務事宜管理及整體表現。董事會確立本集團的價值及標準，並確保本集團擁有必需的財務及人力資源支持以達至其目標。董事會履行的職能包括但不限於制定本集團業務計劃及策略、審閱本公司財務業績及表現以及批准其中期及年度業績；於獲得提名委員會推薦建議後批准委任、撤職或重新委任董事會成員；於獲得薪酬委員會推薦建議後批准本公司董事及高級管理人員的薪酬組合、決定所有重大財務（包括主要資本開支）及經營問題；制定、監察及檢討本集團的企業管治；以及根據章程由董事會保留的所有其他職能。董事會可於有需要時不時向本集團高級管理人員轉授若干職能。高級管理人員主要負責執行董事會採納及向其不時轉授的業務計劃、戰略及政策。

Corporate Governance Report

企業管治報告

All Directors shall ensure that they carry out their duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its Shareholders at all times.

Currently, the Board comprises the following nine Directors:

Executive Directors

ZHANG Chun (*Chairman*)

HAN Xiaojun (*Vice Chairman*)

ZHOU Yamin (*President*)

Non-Executive Directors

YU Benli

ZHANG Fusheng

INEDs

LIU Li

LIU Hongyu

FANG Yongzhong

WU Tak Lung

The biographical details of each of the Directors are set out in the section headed “Directors, Supervisors, Senior Management and Employees” of this annual report.

Save as disclosed in this annual report, there was no financial, business, family or other material relationship among the Directors.

The three Executive Directors are responsible for the leadership and control of the Company and overseeing the Group’s businesses, strategic decisions and performances and are collectively responsible for promoting the success of the Company by directing and supervising its affairs.

The four INEDs are responsible for ensuring a high standard of financial and other mandatory reporting of the Board as well as providing a balance in the Board in order to effectively exercise independent judgment on the corporate actions of the Company so as to protect Shareholders’ interest and overall interest of the Group.

全體董事須確保彼等本著真誠並遵守適用法律及法規，以及於任何時間按本公司及其股東之利益履行職責。

董事會目前由以下九名董事組成：

執行董事

張淳 (*董事長*)

韓曉軍 (*副董事長*)

周亞民 (*總裁*)

非執行董事

余本禮

張福生

獨立非執行董事

劉力

劉紅宇

方永忠

吳德龍

各董事的個人履歷載於本年報「董事、監事、高級管理人員及僱員」一節。

除於本年報披露者外，董事之間概無任何財務、業務、親屬或其他重要關係。

該等執行董事負責領導及控制本公司並監管本集團的業務、策略決策及表現，並集體負責透過指導及監管本公司之事務推動其成功發展。

四名獨立非執行董事負責確保董事會作出高水平的財務及其他法定報告，並平衡董事會，以就本公司的公司行動有效行使獨立判斷，從而保護股東利益及本集團的整體利益。

Corporate Governance Report

企業管治報告

Throughout the Year, the Company had at all times met the requirement of the Listing Rules that the number of INEDs must represent at least one-third of the Board members and at least one of the INEDs shall have appropriate professional qualifications of accounting or related financial management expertise. The Company has four INEDs currently representing four-ninths of the Board and therefore the Company has complied with the Listing Rules.

All Directors, including the INEDs, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The INEDs were invited to serve on the Audit Committee, the Remuneration Committee, the Nomination Committee, the Strategy and Development Committee and the Operation and Risk Management Committee.

As regards the CG Code provision requiring directors to disclose the number and nature of offices held in public companies or organizations and other significant commitments as well as their identity and the time involved to the issuer, the Directors agreed to disclose their commitments to the Company in a timely manner.

The Company has arranged appropriate insurance coverage on the liabilities of the Directors and senior management in respect of any legal actions taken against them arising out of performing their duties. The insurance coverage is reviewed on an annual basis.

Confirmation of Independence

Each of the INEDs has made an annual confirmation of independence by reference to Rule 3.13 of the Listing Rules and the Board is satisfied that all INEDs were independent and met the independent guidelines set out in Rule 3.13 of the Listing Rules, up to the date of this annual report.

於整個年度，本公司於任何時候符合上市規則的規定，規定獨立非執行董事的人數須佔董事會成員至少三分之一，且至少一名獨立非執行董事擁有適當的專業會計資格或相關財務管理專業。本公司現時有四名獨立非執行董事，佔董事會的九分之四，因此本公司已遵守上市規則。

全體董事（包括獨立非執行董事）令董事會具備廣泛珍貴之業務經驗、知識及專業技能，從而提高董事會履行職能的效能和效益。獨立非執行董事獲邀加入本公司審計委員會、薪酬委員會、提名委員會、戰略與發展委員會以及經營與風險管理委員會。

就有關要求董事向發行人披露彼等於公眾公司或組織機構任職的次數及性質，以及其他重大承擔，連同彼等之身份及投入時間之企業管治守則條文而言，董事同意及時向本公司披露彼等之承擔。

本公司已為董事及高級管理人員投購合適的責任保險，保障彼等因履行職務而可能要承擔的訴訟責任。該保險範圍乃按年檢討。

獨立性確認書

各名獨立非執行董事已根據上市規則第3.13條作出年度獨立性確認書。董事會信納全體獨立非執行董事均為獨立，並於截至本年報日期符合上市規則第3.13條所載的獨立性指引。

Corporate Governance Report

企業管治報告

Directors' Induction and Continuous Professional Development

Each newly appointed Director has received formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

The Company has from time to time provided briefings to all Directors to develop and refresh the Directors' duties and responsibilities. Continuing briefing and professional development for Directors will be arranged whenever necessary. The Directors are provided with monthly updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge his or her duties. All Directors are also encouraged to attend relevant training courses at the Company's expense. They have been required to provide the Company with their training records.

During the Year, all Directors had participated in continuous professional development ("CPD") to develop and refresh their knowledge and skills by reading materials and/or attending briefings by legal counsels or seminars organised by professional bodies on corporate governance or updates on laws, rules and regulations relating to the roles, functions and duties of a director.

董事之入職及持續專業發展

每名新委任董事均將於首次接受委任時獲得正式、全面及專門的入職簡介，以確保對本公司的業務及營運均有適當的理解，並充分知悉董事於上市規則及相關法定規定下的責任及義務。

本公司不時為全體董事舉行簡介會，以提高及重溫董事的職能及責任。如有需要，會為董事安排持續的簡介會及專業發展。董事亦可每月獲取有關本公司表現、狀況及前景的最新消息，使整個董事會及各董事得以履行彼等的職責。全體董事亦獲鼓勵出席相關的培訓課程，費用由本公司承擔。彼等須向本公司提供其培訓記錄。

於本年度內，所有董事均參與持續專業發展（「持續專業發展」），透過閱讀有關企業管治或有關董事角色、職能及責任的法律、規則及法規最新資料的材料及／或出席法律顧問的簡介會或專業團體舉辦的講座，以發展及更新彼等的知識及技能。

Corporate Governance Report

企業管治報告

Individual record of each Director who received training for the Year is summarised as follows:

本年度接受培訓的各董事的個人記錄概述如下：

Directors		Types of CPD
董事		持續專業發展的種類
		<i>(Notes)</i>
		<i>(附註)</i>
Executive Directors		
執行董事		
Mr. SUN Bai (resigned on January 12, 2018)	孫柏先生 (2018年1月12日辭任)	A and B A及B
Mr. ZHANG Chun	張淳先生	A and B A及B
Mr. HAN Xiaojun (appointed on March 5, 2018)	韓曉軍先生 (2018年3月5日獲委任)	A A
Mr. ZHOU Yamin (appointed on March 5, 2018)	周亞民先生 (2018年3月5日獲委任)	A A
Non-executive Directors		
非執行董事		
Mr. WANG Zhian (retired on March 5, 2018)	王治安先生 (2018年3月5日退任)	A and B A及B
Mr. YU Benli	余本禮先生	A and B A及B
Mr. ZHANG Fusheng	張福生先生	A and B A及B
INEDs		
獨立非執行董事		
Mr. LIU Li	劉力先生	A and B A及B
Ms. LIU Hongyu	劉紅宇女士	A and B A及B
Mr. FANG Yongzhong	方永忠先生	A and B A及B
Mr. WU Tak Lung	吳德龍先生	A and B A及B

Notes:

附註：

A: attending seminars/forums/workshops/conferences relevant to the business or directors' duties

A: 出席有關業務或董事職責的研討會／論壇／工作坊／會議

B: studying regulatory updates on laws, rules and regulations relating to directors' roles and functions

B: 學習有關董事角色及職能的法律、規則及法規的監管事項更新資料

Corporate Governance Report

企業管治報告

All Directors had provided the Company with their training records for the Year.

Meetings of Board and Board Committees and Directors' Attendance Records

The Company adopts the practice of holding board meetings regularly, at least four times a year. Notices of not less than fourteen days are given for all regular board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting. For other Board and committee meetings, reasonable notice is generally given. The agenda and accompanying board papers are dispatched to the Directors or committee members at least fourteen days before the regular meetings and at least five days before the extraordinary meetings to ensure that they have sufficient time to review the papers and be adequately prepared for the meetings. When the Directors or committee members are unable to attend a meeting, he or she may appoint in writing another Director to attend the meeting on his or her behalf. The power of attorney shall specify the scope of authorization. The proxy shall exercise the rights of the Director within the scope of the authorization. A Director failing to attend the board meeting in person or by proxy shall be deemed as having waived his or her voting rights at such meeting.

The company secretary or his delegate is responsible for keeping all minutes of the Board meetings and the Board committees. Draft minutes are normally circulated to Directors for comments within a reasonable time after each meeting and the final version is open for Directors' inspection. According to the Listing Rules, any directors and their close associates with a material interest in the transactions to be discussed at the Board meetings will abstain from voting on resolutions approving such transactions and will not be counted in the quorum at meetings.

Any Director wishing to do so in the furtherance of his or her duties may take independent professional advice at the Company's expense. Directors get familiar with the Group's principal activities through initial induction, ongoing participation at the Board and committee meetings, and meeting with key members of management. The Directors are encouraged to update their skills and knowledge.

全體董事已向本公司提供彼等本年度培訓記錄。

董事會及董事會委員會的會議及董事的出席記錄

本公司採納定期舉行董事會會議之慣例，最少一年舉行四次會議。全體董事將獲發不少於十四天之通知以召開定期董事會會議，令全體董事均有機會出席定期會議並討論議程事項。就其他董事會及委員會會議而言，一般將獲發合理通知。會議議程及隨附之董事會文件最少於定期會議舉行之前十四天及臨時會議舉行之前五天寄發予董事或委員會成員，以確保彼等有足夠時間審閱文件及為會議作充足準備。倘董事或委員會成員未能出席會議，彼可以用書面形式委任另一名董事代其出席會議。授權書須訂明授權範圍。委任代表可行使授權範圍內的董事權利。未能親身或委任代表出席董事會會議的董事視作已放棄彼等於有關會議上的投票權。

公司秘書或其委任代表負責保存董事會會議及董事會委員會的所有會議記錄。會議記錄草案一般會於每次會議之後的合理時間內發給董事傳閱，以供發表意見，最終版本可供董事查閱。根據上市規則，任何於董事會會議上將予討論的交易中擁有重大利益的董事及彼等的緊密聯繫人，均須就批准有關交易的決議案放棄投票，且不得計入會議的法定人數。

任何董事可為履行職責而尋求獨立專業意見，費用由本公司承擔。董事可透過初始入職、持續參與董事會及委員會會議，以及與管理層主要成員會面，藉以熟悉本集團的主要業務。董事獲鼓勵更新彼等技能及知識。

Corporate Governance Report

企業管治報告

In 2017 and as of March 26, 2018, the Company held 18 Board meetings (including written resolutions), three extraordinary general meetings, one annual general meeting and two class meeting (collectively, the “Shareholders’ Meetings”). Details of attendance of the Directors are as follows:

於2017年及截至2018年3月26日，公司已舉行十八次董事會會議（包括書面決議）、三次臨時股東大會、一次股東週年大會及兩次類別股東大會（合稱「股東大會」）。董事出席詳情載列如下：

Directors		Board meetings	Shareholders’ Meetings
董事		董事會會議	股東大會
Executive Directors			
執行董事			
Mr. SUN Bai (resigned on January 12, 2018)	孫柏先生 (2018年1月12日辭任)	13/13	4/5
Mr. ZHANG Chun	張淳先生	18/18	6/6
Mr. HAN Xiaojun (appointed on March 5, 2018)	韓曉軍先生 (2018年3月5日獲委任)	3/3	0
Mr. ZHOU Yamin (appointed on March 5, 2018)	周亞民先生 (2018年3月5日獲委任)	3/3	0
Non-Executive Directors			
非執行董事			
Mr. WANG Zhian (retired on March 5, 2018)	王治安先生 (2018年3月5日退任)	15/15	5/6
Mr. YU Benli	余本禮先生	18/18	5/6
Mr. ZHANG Fusheng	張福生先生	18/18	6/6
INEDs			
獨立非執行董事			
Mr. LIU Li	劉力先生	18/18	6/6
Ms. LIU Hongyu	劉紅宇女士	18/18	4/6
Mr. FANG Yongzhong	方永忠先生	18/18	6/6
Mr. WU Tak Lung	吳德龍先生	18/18	5/6

Corporate Governance Report

企業管治報告

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy and discussed all measurable objectives set for implementing the policy.

The Company recognises and embraces the benefits of diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All the appointments of the Board members will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

BOARD COMMITTEES

The Board has established, with written terms of reference, five Board committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee, the Strategy and Development Committee and the Operation and Risk Management Committee (together, the “**Board Committees**”), to oversee particular aspects of the Company's affairs. The Board Committees are provided with sufficient resources to discharge their duties.

The written terms of reference for each Audit Committee, Remuneration Committee and Nomination Committee are in line with the Listing Rules and they are posted on the respective websites of the Stock Exchange and the Company.

董事會成員多元化政策

董事會採納董事會成員多元化政策，並就政策實施討論所有重要目標。

本公司認同及著重董事會成員多元化所帶來的裨益。本公司致力確保董事會擁有適合本公司業務所需而在技能、經驗及在意見多元化方面取得平衡。所有董事會成員的委任將繼續以甄選優秀人才為基準，並充分顧及董事會成員多元化的裨益。甄選候選人將按多方面作考慮，包括但不限於性別、年齡、文化及教育背景、經驗（專業或其他方面）、技能及知識。將會按照獲甄選候選人將會為董事會帶來的益處及貢獻而作出最終決定。

董事會委員會

董事會已成立五個擁有書面職權範圍的董事會委員會，即審計委員會、薪酬委員會、提名委員會、戰略與發展委員會以及經營與風險管理委員會（統稱「**董事會委員會**」），以監察本公司特定範疇的事務。董事會委員會獲提供充足資源以履行彼等職能。

審計委員會、薪酬委員會及提名委員會的書面職權範圍均符合上市規則，並分別刊載於聯交所及本公司網站。

Corporate Governance Report

企業管治報告

Audit Committee

The Board established the Audit Committee with written terms of reference in compliance with the CG Code. The Audit Committee comprises two INEDs and one non-executive Director, namely Mr. LIU Li, Ms. LIU Hongyu and Mr. ZHANG Fusheng, the majority of them are INEDs. Mr. LIU Li is the chairman of the Audit Committee.

The primary duties of the Audit Committee include, among others:

- a) To review the financial statements and reports and consider any significant or unusual items raised by the internal audit division or external auditor before submission to the Board;
- b) To review the relationship with the external auditor by reference to the work performed by the auditor, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of external auditor; and
- c) To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and internal audit system and associated procedures, including the adequacy of the resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function.

In 2017 and as of March 26, 2018, the Audit Committee held 8 meetings to review and supervise the financial reporting process and internal control review. It had in conjunction with Ernst & Young, the existing external auditor of the Company, reviewed the Group's the unaudited interim results for 2017 and audited results for the year ended December 31, 2017 and recommended the same to the Board for their consideration and approval. The Audit Committee was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made. The Audit Committee also carried out and discharged its other duties as set out in the CG Code.

審計委員會

董事會根據企業管治守則成立審計委員會，並以書面制定其職權範圍。審計委員會由兩名獨立非執行董事及一名非執行董事組成，即劉力先生、劉紅宇女士及張福生先生，大部分成員為獨立非執行董事。劉力先生為審計委員會主席。

審計委員會的主要職責包括（其中包括）：

- a) 於呈交董事會前審閱財務報表及報告，並考慮內部審計機構或外聘核數師提出之任何重大或不尋常項目；
- b) 透過參考核數師進行的工作、其費用及委聘條款檢討與外聘核數師的關係，並就委任、重新委任及罷免外聘核數師向董事會提出建議；及
- c) 檢討本公司的財務申報系統、內部監控系統以及內部審計系統及相關程序的充足度與成效，包括資源充足度、員工資格及經驗、培訓課程及本公司的會計及財務申報職能預算。

於2017年及截至2018年3月26日，審計委員會曾召開八次會議，審閱及監察財務申報程序及內部監控。其與本公司現任外聘核數師安永會計師事務所審閱本集團2017年未經審計中期業績及截至2017年12月31日止年度的經審計業績，並就此向董事會作出建議，以供董事會考慮及批准。審計委員會認為，編製該等業績符合適用會計準則及規定，且已作出足夠的披露。審計委員會亦履行其於企業管治守則所載的其他職責。

Corporate Governance Report

企業管治報告

Details of attendance of the Audit Committee meetings are as follows:

審計委員會會議的出席詳情如下：

Directors 董事	Attendance 出席次數
Mr. LIU Li (<i>Chairman</i>) 劉力先生 (主席)	8/8
Ms. LIU Hongyu 劉紅宇女士	8/8
Mr. WANG Zhian (retired on March 5, 2018) 王治安先生 (2018年3月5日退休)	8/8
Mr. ZHANG Fusheng (appointed on March 5, 2018) 張福生先生 (2018年3月5日獲委任)	2/2

Remuneration Committee

薪酬委員會

The Board established the Remuneration Committee with written terms of reference in compliance with the CG Code. The Remuneration Committee comprises two INEDs and one non-executive Director, namely Mr. FANG Yongzhong, Mr. ZHANG Fusheng and Mr. LIU Li, the majority of them are INEDs. Mr. FANG Yongzhong is the chairman of the Remuneration Committee.

董事會根據企業管治守則成立薪酬委員會，並以書面制定其職權範圍。薪酬委員會由兩名獨立非執行董事及一名非執行董事組成，即方永忠先生、張福生先生及劉力先生，大部分成員為獨立非執行董事。方永忠先生為薪酬委員會主席。

The primary duties of the Remuneration Committee include, among others:

薪酬委員會之主要職責包括（其中包括）：

- | | |
|---|---|
| <p>a) To make recommendations to the Board on the Company's policy and structure for remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing the remuneration policy;</p> | <p>a) 就本公司董事及高級管理人員的薪酬政策及構架，及就設立正規而具透明度的程序制定薪酬政策，向董事會提出建議；</p> |
| <p>b) To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives; and</p> | <p>b) 因應董事會所訂企業的方針及目標而檢討及批准管理層的薪酬建議；及</p> |
| <p>c) To determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management, or to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management.</p> | <p>c) 以授權職責釐定個別執行董事及高級管理人員的薪酬待遇，或就個別執行董事及高級管理人員的薪酬待遇向董事會提出建議。</p> |

Corporate Governance Report

企業管治報告

In 2017 and as of March 26, 2018, the Remuneration Committee held 6 meetings to review the remuneration packages of the senior management and relevant remuneration, performance systems of the Company.

Details of attendance of the Remuneration Committee meetings are as follows:

於2017年及截至2018年3月26日，薪酬委員會舉行六次會議，以審閱高級管理人員的薪酬待遇以及公司薪酬、績效相關制度。

薪酬委員會會議的出席詳情如下：

Directors		Attendance
董事		出席次數
Mr. FANG Yongzhong (<i>Chairman</i>)	方永忠先生 (主席)	6/6
Mr. WANG Zhian (retired on March 5, 2018)	王治安先生 (2018年3月5日退任)	4/4
Mr. ZHANG Fusheng (appointed on March 5, 2018)	張福生先生 (2018年3月5日獲委任)	2/2
Mr. LIU Li	劉力先生	6/6

Remuneration Policy of Directors

Each Director has entered into service contract or letter of appointment with the Company. Each executive Director is entitled to an annual fixed fee (tax included) pursuant to the service contract entered into with the Company. The fee includes, among others, salaries, benefits, duty subsidies and pension contribution as determined in accordance with the laws and regulations of the PRC and the policy guidance issued by the senior regulatory authorities as well as the duties, performance and working experience of the executive Director. Meanwhile, the executive Director is also entitled to management bonus as determined by the Board or the Remuneration Committee with reference to the overall operating results and performance of the Company. The decision to grant such management bonus was made by the general meeting or the Board under the authorization of the general meeting. Each non-executive Director and each INED is entitled to fixed subsidy, which is determined with reference to the prevailing market price, pursuant to the service contract or letter of appointment entered into with the Company. Reasonable fees incurred by the Directors during their services in the Company shall be borne by the Company.

董事薪酬政策

各董事已與本公司訂立服務合同或委任函。各執行董事根據其與本公司訂立的服務合同於每年獲得固定的袍金(含稅)。該袍金包括本公司按中國法律法規和上級監管機構發佈的政策指引、根據執行董事的職務、表現及工作經驗釐定的工資、福利、崗位津貼及退休金供款等。同時，執行董事亦可獲得董事會或薪酬委員會參考本公司的整體經營業績及其表現後釐定的管理花紅。管理花紅的發回事宜由股東大會或由股東大會授權董事會決定。各非執行董事和各獨立非執行董事根據其與本公司訂立的服務合同或委任函獲得固定津貼，該津貼是參考現行市價釐定。董事在其為本公司提供服務期間招致的合理費用由本公司承擔。

Nomination Committee

The Board established the Nomination Committee with written terms of reference in compliance with the CG Code. The Nomination Committee comprises two INEDs and one Executive Director, namely Ms. LIU Hongyu, Mr. FANG Yongzhong and Mr. ZHANG Chun, the majority of them are INEDs. Mr. ZHANG Chun is the chairman of the Nomination Committee.

The primary duties of the Nomination Committee include, among others:

- a) To review the structure, size and composition of the Board on a regular basis according to the operating activities, asset size and equity structure of the Company and make recommendations regarding any proposed changes;
- b) To make recommendations to the Board on appointment or re-appointment of and succession planning for Directors;
- c) To identify candidates who are qualified/suitable to join the Board and to select or make recommendations to the Board on the selection of candidates nominated for directorships;
- d) To assess the candidates for the senior management of the Company and its wholly-owned and controlled subsidiaries, and provide appraisal opinions to the Board; and
- e) To assess the independence of the INEDs.

In 2017 and as of March 26, 2018, the Nomination Committee meeting held 3 meetings to review the structure, size and composition of the Board, to discuss and assess the independence of the INEDs and review and make recommendation on the appointment and re-election of the third session of the Board members.

While the Nomination Committee dealt with matters by participating in the Board meetings, among others, to discuss and assess the independence of the INEDs.

提名委員會

董事會根據企業管治守則成立提名委員會，並以書面制定其職權範圍。提名委員會由兩名獨立非執行董事及一名執行董事組成，即劉紅宇女士、方永忠先生及張淳先生，大部分成員為獨立非執行董事。張淳先生為提名委員會主席。

提名委員會之主要職責包括（其中包括）：

- a) 根據本公司之業務活動、資產規模及股權架構定期檢討董事會之架構、規模及組成，並就任何建議變動提出建議；
- b) 就董事委任或重新委任及繼任計劃向董事會提出建議；
- c) 物色合資格／適合加入董事會的人選，並作出選擇或就選擇獲提名擔任董事人選向董事會提出建議；
- d) 評估本公司及其全資及受控附屬公司之高級管理人員人選，並向董事會提供評估意見；及
- e) 評估獨立非執行董事之獨立性。

於2017年及截至2018年3月26日，提名委員會舉行三次會議，以審閱董事會的架構、規模及人員組成，討論及評估獨立非執行董事的獨立性，審閱及建議第三屆董事會成員的委任及重選。

提名委員會乃透過參與董事會會議處理事宜，其中包括，以討論及評估獨立非執行董事之獨立性。

Corporate Governance Report

企業管治報告

Details of attendance of the Nomination Committee meetings are as follows:

提名委員會會議的出席詳情如下：

Directors 董事	Attendance 出席次數
Mr. SUN Bai (<i>Chairman</i>) (resigned on January 12, 2018)	孫柏先生 (董事長) (2018年1月12日辭任) N/A 不適用
Mr. ZHANG Chun (<i>Chairman</i>) (appointed on January 12, 2018)	張淳先生 (董事長) (2018年1月12日獲委任) 3/3
Mr. LIU Hongyu	劉紅宇女士 3/3
Mr. FANG Yongzhong	方永忠先生 3/3

Strategy and Development Committee

The Strategy and Development Committee comprises two Executive Directors, one Non-Executive Director and one INED, namely Mr. ZHANG Chun, Mr. HAN Xiaojun, Mr. YU Benli and Mr. LIU LI. Mr. ZHANG Chun is the chairman of Strategy and Development Committee.

The primary duties of the Strategy and Development Committee include, among others:

- a) To conduct research in respect of, and formulating the strategy and business development of our Company, including the medium to long term plans, and supervising the implementation of our Company's strategic planning;
- b) To present assessment reports on the implementation of our Company's strategic planning, management and business development; and
- c) To research and analyze major issues encountered by our Company in the course of its development.

In 2017 and as of March 26, 2018, the Strategy and Development Committee held 2 meetings to study the business segments and future work plan of the Company.

戰略與發展委員會

戰略與發展委員會由兩名執行董事、一名非執行董事及一名獨立非執行董事組成，即張淳先生、韓曉軍先生、余本禮先生及劉力先生。張淳先生為戰略與發展委員會主席。

戰略與發展委員會之主要職責包括（其中包括）：

- a) 就本公司的策略及業務發展（包括中長期計劃）進行研究及制定策略，並監督本公司策略規劃之實施；
- b) 就本公司策略規劃、管理及業務發展之實施呈列評估報告；及
- c) 研究及分析本公司於發展過程中遇上的重大事項。

於2017年及截至2018年3月26日，戰略與發展委員會會舉行兩次會議，研究本公司業務版塊及未來工作計劃。

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Details of attendance of the Strategy and Development Committee meetings are as follows:

戰略與發展委員會會議的出席詳情如下：

Directors 董事		Attendance 出席次數
Mr. SUN Bai (<i>Chairman</i>) (resigned on January 12, 2018)	孫柏先生 (<i>董事長</i>) (2018年1月12日辭任)	1/1
Ms. ZHANG Chun (<i>Chairman</i>) (appointed on January 12, 2018)	張淳先生 (<i>董事長</i>) (2018年1月12日獲委任)	1/1
Mr. HAN Xiaojun (appointed on March 5, 2018)	韓曉軍先生 (2018年3月5日獲委任)	1/1
Mr. YU Benli	余本禮先生	2/2
Mr. LIU LI	劉力先生	2/2

Operation and Risk Management Committee

經營與風險管理委員會

The Operation and Risk Management Committee comprises one Executive Director, one Non-Executive Directors and two INEDs, namely Mr. YU Benli, Mr. ZHOU Yamin, Mr. FANG Yongzhong and Mr. WU Tak Lung. Mr. YU Benli is the chairman of Operation and Risk Management Committee.

經營與風險管理委員會由一名執行董事、一名非執行董事及兩名獨立非執行董事組成，分別為余本禮先生、周亞民先生、方永忠先生及吳德龍先生。余本禮先生為經營與風險管理委員會主席。

The primary duties of the Operation and Risk Management Committee include, among others:

經營與風險管理委員會之主要職責包括（其中包括）：

- a) To review and evaluate the progress of significant investments, operating activities, and significant business operation;
- b) To review and evaluate the decision making standards and mechanisms as regards significant operating decisions, significant risks, significant events, and significant business procedures; and
- c) To establish sound and comprehensive risk management, strategies and solutions in respect of the risk management and internal control system with a view to ensuring the effective and efficient operation of such system.

- a) 審閱及評估重大投資、營運活動及主要業務過程；
- b) 檢討及評估有關重大營運決策、主要風險、重大事項及主要業務程序之決策準則及機制；及
- c) 就風險管理及內部監控系統建立有效及全面風險管理、戰略及解決方案，以確保系統得以有效運作。

In 2017 and as of March 26, 2018, the Operation and Risk Management Committee held 3 meetings to discuss and consider the “Overall Risk Management Report for 2017 and 2018 (2017年及2018年全面風險管理報告)” of the Company.

於2017年及截至2018年3月26日，經營與風險管理委員會舉行三次會議，以討論及審議本公司2017年及2018年全面風險管理報告。

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Details of attendance of the Operation and Risk Management Committee meetings are as follows:

經營與風險管理委員會會議的出席詳情如下：

Directors 董事	Attendance 出席次數	
Mr. ZHANG Chun (<i>Chairman</i>) (ceased on March 5, 2018)	張淳先生 (主席) (2018年3月5日停止擔任)	1/1
Mr. YU Benli (<i>Chairman</i>) (appointed on March 5, 2018)	余本禮先生 (主席) (2018年3月5日獲委任)	2/2
Mr. WANG Zhian (retired on March 5, 2018)	王治安先生 (2018年3月5日退任)	1/1
Mr. FANG Yongzhong	方永忠先生	3/3
Mr. WU Tak Lung (appointed on March 5, 2018)	吳德龍先生 (2018年3月5日獲委任)	2/2

Delegation by the Board

The Board reserves its decision-making right over all major matters of the Company, including approval and monitoring of all policy matters, overall strategies and budgets, risk management system, material transactions (in particular those that may involve conflict of interests), financial information and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to significant transactions entered into by the management as defined under the relevant Working Rules for the General Manager (《總經理工作規則》).

Corporate Governance Functions of the Board

The Board recognizes that corporate governance should be the collective responsibility of the Directors which include:

- a. To develop, review and implement the Company's policy and practices on corporate governance;

董事會授權

董事會保留於本公司所有主要事項之決策權，包括：批准及監察所有政策事宜、整體策略及預算、風險管理系統、重大交易（特別是可能涉及利益衝突之交易）、財務資料以及其他重大財務及營運事宜。董事可尋求獨立專業意見以履行其職責，費用由本公司承擔，且本公司鼓勵董事跟高級管理人員進行獨立溝通及諮詢。

本集團之日常管理、行政及營運已授權高級管理人員處理。授權功能及責任由董事會定期檢討。根據相關《總經理工作規則》所界定，管理層訂立重大交易前須取得董事會之批准。

董事會的企業管治職能

董事會認為企業管治乃董事的共同責任，當中包括：

- a. 制定、檢討及實行本公司的企業管治政策及常規；

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- b. To review and monitor the training and continuous professional development to the Directors and senior management;
 - c. To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
 - d. To develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors;
 - e. To review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report; and
 - f. To develop, review and monitor the implementation of the Shareholders' communication policy to ensure its effectiveness, and make recommendation to the Board where appropriate to enhance Shareholders' relationship with the Company.
- b. 檢討及監察董事與高級管理人員的培訓及持續專業發展；
 - c. 檢討及監察本公司遵守法例及監管規定的政策及常規；
 - d. 制定、檢討及監察適用於僱員及董事的行為守則及合規手冊（如有）；
 - e. 檢討本公司遵守企業管治守則及企業管治報告的披露的合規情況；及
 - f. 制定、檢討及監察股東通訊政策的實施以確保其成效，並於適當情況下向董事會提供建議，以加強股東與本公司的關係。

Appointment and Re-election of Directors

Each of the Executive Directors and Non-Executive Directors has entered into a service contract with the Company on March 5, 2018 for a term commencing from the date of the general meeting at which the respective executive Directors or non-executive Directors were appointed, until the end of the term of the third session of the Board and may be terminated in accordance with the respective terms of the service agreements.

Each of the INEDs has signed a letter of appointment with the Company on March 5, 2018 for a term commencing from the date of the general meeting at which the respective INEDs were appointed until the end of the term of the third session of the Board.

None of the Directors has a service agreement which is not terminable by the Group within one year without payment of compensation (other than statutory compensation).

委任及重選董事

各執行董事及非執行董事均於2018年3月5日與本公司訂立服務合同，任期為自股東大會選舉其為執行董事或非執行董事之日起，至第三屆董事會任期結束之日止，並可根據服務協議各自的條款予以終止。

各獨立非執行董事均於2018年3月5日與本公司簽立委任函，任期為自股東大會選舉其為獨立非執行董事之日起，至第三屆董事會任期結束之日止。

概無董事已訂立本集團不得於一年內毋須作出賠償（法定賠償除外）而終止的任何服務協議。

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In accordance with the Articles of Association, all Directors shall be elected or replaced at the Shareholders' general meetings with a term of office of three years. Upon expiry of the term of office, a director shall be eligible to offer himself for re-election and re-appointment. Any person appointed by the Board to fill a casual vacancy or as an addition to the Board shall hold office until the Company's next AGM and that person shall then be eligible for re-election and reappointment.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, monitoring the appointment, re-election and succession planning of Directors.

Remuneration of Directors, Supervisors and Senior Management

Particulars of the Directors' and Supervisors' remuneration for the Year are set out in note 8 to the consolidated financial statements.

There were eleven employees being classified as senior management during the Year. Pursuant to code provision of B.1.5 of the CG Code, the annual remuneration of the members of the senior management (other than the Directors and Supervisors) for the Year by band is set out below:

Remuneration bands (RMB) 薪酬等級 (人民幣元)		Number of individuals 人數
0 to 1,000,000 (Note 1)	0至1,000,000 (附註1)	1
1,000,001 to 1,500,000 (Note 2)	1,000,001至1,500,000 (附註2)	1
1,500,001 to 2,000,000 (Note 3)	1,500,001至2,000,000 (附註3)	7
2,000,001 to 2,500,000	2,000,001至2,500,000	2

Note 1: One of the Senior Management retired in March, and his/her remuneration was paid up to March.

Note 2: One of the Senior Management retired in August, and his/her remuneration was paid up to August.

Note 3: Two of Senior Management were appointed in January, and their remuneration has been paid by CMEC from February.

根據章程，全體董事須於股東大會上膺選或更換，任期為三年。於任期屆滿後，董事合資格膺選連任及重新委任。由董事會委任以填補董事會空缺或作為新增董事的任何人士，其任期直至本公司下屆股東週年大會為止，而該名人士其後合資格膺選連任及重新委任。

委任、重選及罷免董事的程序及過程載於章程。提名委員會負責審閱董事會組成、監察董事的委任、重選及繼任計劃。

董事、監事及高級管理人員的薪酬

本年度的董事及監事薪酬詳情載於合併財務報表的附註8。

於本年度，共有十一名僱員被歸類為高級管理人員。根據企業管治守則第B.1.5條守則條文，高級管理人員（董事及監事除外）的年度薪酬等級載列如下：

附註1：其中有一位高管3月退休，薪酬發放至3月。

附註2：其中有一位高管8月退休，薪酬發放至8月。

附註3：其中有兩位高管1月任職，2月由中國機械設備工程起薪。

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During the years ended December 31, 2017, no Directors, Supervisors or chief executives waived or agreed to waive any emoluments, and no emoluments were paid by the Group to the Directors, Supervisors, chief executives or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the consolidated financial statements for the Year, which give a true and fair view of the state of affairs of the Company and the Group's results and cash flows for the year then ended and are properly prepared on a going concern basis in accordance with the applicable statutory requirements and accounting standards.

Pursuant to code provision C.1.1 of the CG Code, the management provides such explanation and information to the Board to enable it to make an informed assessment of the financial and other information put before the Board for approval. The Company also provides the members of the Board with monthly updates on the Company's performance, financial positions and prospects.

The Directors were not aware of any material uncertainties which may affect the Company's business or cast significant doubt upon the Company's ability to continue as a going concern.

Ernst & Young has also stated its reporting responsibility in the independent auditor's report of the consolidated financial statements for the Year.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board has overall and ongoing responsibility to maintain sound and effective risk management and internal control systems of the Company in order to manage rather than eliminate risk of failure to achieve business objective, and to provide reasonable but not absolute assurance against material misstatement or loss.

截至2017年12月31日止年度，概無董事、監事或行政總裁放棄或同意放棄任何薪酬，本集團亦無向董事、監事、行政總裁或五名最高薪酬人士支付薪酬，作為吸引彼等加入或加入本集團時的獎勵或離職賠償。

董事對財務報表的責任

董事知悉彼等的責任為編製本年度的合併財務報表。合併財務報表真實公平地反映本公司事務狀況及本集團於截至該日止年度的業績及現金流量，並根據適用法律規定及會計準則按持續經營基準妥善編製。

根據企業管治守則第C.1.1條守則條文，管理層向董事會提供該等說明及資料，使董事會可就有待其批准的財務及其他資料作出知情評估。本公司亦會每月向董事會成員提供有關本公司業績、財務狀況及前景的更新資料。

董事並不知悉可能影響本公司業務或對本公司的持續經營能力造成重大疑問的任何重大不確定因素。

安永會計師事務所已於本年度的合併財務報表的獨立核數師報告內作出其申報責任聲明。

內部監控及風險管理

董事會持續全權負責維持本公司穩健及有效的風險管理及內控系統，該系統旨在管理可能導致無法達到業務目標之風險，而非排除此風險，並提供合理而非絕對的保證，以免出現錯誤陳述或損失。

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The Board executes the decision-making right over operation. It endeavors to establish and improve the internal control policies and plans and supervise the implementation of the internal control system to safeguard shareholder investments and Company assets, thus being responsible for the establishment and supervision of the internal control system of the Company. It is the responsibility of the Board to establish, improve, review and effectively implement the internal control system.

In terms of management structure, the Company has optimized the organizational structure and implemented a flat management. The relevant functional departments are sufficiently staffed, taking charge of financial operations and monitoring, risk management, internal audit and anti-corruption. In addition, the Company arranges reasonable budgets to provide regular trainings for the staff of the Company and its subsidiaries performing functions such as finance, risk management and internal audit so as to ensure that they are fully qualified and experienced.

All departments are under direct leadership of the President of the Company, who is thereby able to report instantly to the Board on the operations of each department and problems received. Accordingly, any significant matter (if subject to disclosure to the market) identified by the staff could be reported to the management in a timely, accurate and effective manner. The management of the Company assessed such significant matter in accordance with internal management requirements and procedures in a timely manner and made corresponding decisions. The decisions of the management of the Company could be implemented accurately and timely under supervision.

In respect of the system, the Company further deepened the system construction in 2017. The Company formulated and revised more than 40 rules and regulations on the basis of “Rules and Regulations Compilation (2014) (規章制度文件彙編(2014))” released in 2014, which continuously improved the scientific nature, pertinence and effectiveness of the system and laid down a solid foundation for the creation of a systems and procedures mechanism featured by close interconnection, high functionality and clear monitoring and control interface. The Company launched a total of 11 new policies in respect of the complete engineering sector, with a focus on the administration

董事會執行營運決策權，並致力建立及改善內部監控政策與計劃，以及監管內部監控系統的實施，以保障股東投資與公司資產，故董事會負責建立及監察本公司之內部監控系統。董事會之職責為建立、改善、檢討並有效實行內部監控系統。

管理架構上，公司優化了組織結構設置，實行了扁平化管理。相關職能部門配備了充足的人員，負責財務運作和監控、風險管理、內部審計、反舞弊等具體工作。此外，公司安排合理預算，定期為公司及附屬公司財務、風險管理、內部審計等職能員工提供培訓，確保其擁有足夠的素質和經驗。

公司總裁與各部門直接對接，並能將各部門運作情況及反映的問題及時向董事會匯報。因此，員工發現的重大情況（如需在市場披露）能夠被及時、準確、有效地傳遞到公司管理層。公司管理層根據相應的內部管理規定和程序及時評估這些重大情況，並制定相應決策。公司管理層的決策能夠正確、及時地貫徹和監督執行。

在制度方面，2017年公司進一步深化制度建設：在2014年編製發佈的《規章制度文件彙編(2014)》的基礎上，公司共制定、修訂了40餘項規章制度，不斷提高制度的科學性、針對性、有效性，為形成銜接緊密、操作性強、管控界面清晰的制度流程體系打下良好基礎。其中，工程成套板塊

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of the preliminary phase and the implementation process of our projects, including “Implementing Rules on Key Progress Node Assessment Management in EPC Projects (EPC 總承包項目關鍵進度節點考核管理實施細則)”, “Regulations on Design of EPC Projects (EPC 總承包項目設計管理規定)” and so on. The launching of these systems effectively refined the Company’s experience accumulated over the years and strongly strengthened standardization throughout project implementation.

In 2017, the Company focused on refined project management and speeded up the building of professional competence. The Company continued to expand the coverage of centralized procurement by enhancing the dynamic management of qualified suppliers, standardization of the procurement process for our projects and controlling the risks arising from procurement so as to achieve the principle of “sunshine procurement”. The Company steadily stepped up post project evaluation efforts by continual revisions from our project experience. Together with the compliance management systems the Company has developed, including the “Measures on Accountability for Violation and Fraud of CMEC’s Employees (CMEC 員工違規與舞弊責任追究辦法)” and “Measures for Commission of CMEC (CMEC 佣金管理辦法)”, the above measures laid the foundation for prevention and punishment of violation and fraud, as well as establishment and safeguarding the lawful and compliant operation.

In 2017, the Company has continued to strengthen financial fundamental work, and has improved the systems implementation, material financial issues reporting and accounting settlement regulating. The Company has launched its financial information system upgrading and promoted deep integration of information technology and financial management. Through system modification and the improvement of the review and assessment mechanism, the Company put forward “one-stop management model” to build up a post evaluation mechanism for the Trading Business, so as to form a management chain of “pre-trade review and assessment, in-progress tracking and post-trade conclusion and evaluation” over the entire process, providing favorable guarantee for risk control, operation model transformation and a sustainable development with quality.

共出台新制度11項，重點面向項目前期和執行過程管理，包括《EPC總承包項目關鍵進度節點考核管理實施細則》、《EPC總承包項目設計管理規定》等。這些制度的出台有效提煉了公司多年積累的项目經驗，有力保障了項目執行全過程的規範性。

2017年，公司同時致力細化項目管理，加快專業化能力建設；持續推進集中採購，加強對合格供應商的動態管理，規範項目採購流程，控制採購風險，實現「陽光採購」；穩步推進項目後評價工作，不斷總結項目經驗。結合公司已制定的《CMEC員工違規與舞弊責任追究辦法》、《CMEC佣金管理辦法》等合規管理制度，上述措施為防範並懲治違規、舞弊行為，建立並維護公司依法、合規經營秩序奠定了基礎。

2017年，公司持續加強財務基礎工作，在制度執行落地、重大財務事項報告、規範會計核算等方面有所提升；啟動財務信息系統的升級工作，促進信息技術與財務管理的深度整合。通過修訂制度、完善評審機制，提出「一站式管理模式」，建立貿易業務後評價工作機制，形成事前評審、事中跟蹤、事後總結評價的全程管理鏈條，為貿易業務的風險管控、轉變經營模式、可持續有質量發展提供了有利保障。

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In financial risk prevention and supporting system, the Company has continued to hold the reporting procedures for material financial issues, implemented further systemization in the supervision and administration of the two tiered corporate and business departments; and has improved the system throughout the entire life-cycle of EPC projects. The Company has implemented close-ended administration of review and assessment results; has improved the commission management and project evaluation system; and has built up a comprehensive project supervision and inspection system. The Company has continued to prepare reporting procedures of material financial issues for supervision and inspection of critical and Chinese financing projects, and worked out financial management systems of overseas branches.

DISCLOSURE OF INSIDE INFORMATION

The Group acknowledges its responsibilities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) and the Listing Rules and the overriding principle that inside information should be announced immediately when it is the subject of a decision. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts its affairs with close regard to the disclosure requirement under the Listing Rules as well as the “Guidelines on Disclosure of Inside Information” published by the Securities and Futures Commission of Hong Kong in June 2012;
- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and its website;
- the Group has strictly prohibited unauthorized use of confidential or inside information; and
- the Group has established and implemented procedures for responding to external enquiries about the Group’s affairs, so that only the Executive Directors, the joint company secretaries and investor relations officers are authorized to communicate with parties outside the Group.

在財務風險防控及配套體系方面，公司堅持重大財務事項報告制度，同時深化公司及事業部兩級監督管理體系；完善EPC項目全生命週期制度體系；實施評審結果閉環管理；改進佣金管理和項目考核體系；建立完善項目督查體系，持續開展對重點和中方融資項目的督查工作制定重大財務事項報告制度，並擬定境外分支機構財務管理制度等。

披露內幕消息

本集團知悉其根據香港法例第571章證券及期貨條例及上市規則所應履行的責任，整體原則是內幕消息必須在有所決定後即時公佈。處理及發佈內幕消息的程序及內部監控措施如下：

- 本集團處理事務時會充分考慮上市規則項下的披露規定以及香港證券及期貨事務監察委員會於二零一二年六月頒佈的「內幕消息披露指引」；
- 本集團已透過財務報告、公告及公司網站等途徑向公眾廣泛及非獨家披露資料，實施及披露其公平披露政策；
- 本集團已嚴格禁止未經授權使用機密或內幕消息；及
- 本集團已就外界查詢本集團事務訂立及執行回應程序，據此，僅執行董事、聯席公司秘書及投資者關係專員方獲授權與本集團外部人士溝通。

Corporate Governance Report

企業管治報告

During the Year, the Board assessed the risk management and internal control systems of the Company and its subsidiaries such as financial control, operation control, compliance control and risk management systems and was not aware of any material problems or any material mistakes. The Board believes that the current monitoring system of the Company is effective and that the qualifications and experience of the staff performing accounting and financial reporting functions and the training programs of the Company as well as the experiences and resources for setting the budget of the Company are adequate.

The Group's risk management and internal control systems will be reviewed and assessed on an on-going basis by the Audit Committee and Operation and Risk Management Committee, respectively, which will report the same to the Board, and will be further reviewed and assessed at least once each year by the Board.

INTERNAL AUDIT

The audit department of the Company will conduct independent review and assessment on the appropriateness, rationality and effectiveness of the governance, risk management and internal control system. The audit department is under the supervision and guidance of the Audit Committee, and will provide analysis and recommendation for the Board and the senior management. It is responsible for all material control, including financial, operational, compliance and risk management. In 2017, the audit department did not discover any circumstances involving fraud, non-compliance or violation against laws, regulations and rules or severe insufficient control.

董事會在本年度內對本公司及其附屬公司的財務監控、運作監控、合規監控及風險管理等風險管理及內控系統進行審查，未發現公司內部控制存在任何重大問題，或出現任何重大失誤。董事會認為本公司目前的監控體系是有效的，並認為本公司進行會計及財務匯報的員工的資歷和經驗、員工培訓及有關預算方面的經驗和資源是足夠的。

審計委員會以及經營與風險管理委員會將持續檢討及評估本集團之風險管理及內部監控系統，並向董事會匯報結果，而董事會則每年最少對本集團之內部監控系統進行一次進一步檢討及評估。

內部審計

公司審計部對集團治理、風險管理及內部控制系統的恰當性、合理性和有效性進行獨立審查和評價，接受審計委員會的監督和指導，並為董事會和高級管理人員提供分析及建議。其工作涵蓋所有重大的監控，包括財務、運營、合規及風險管理。在2017年，審計部並無發現任何涉嫌欺詐、違規或觸犯法例、規則及規例或嚴重監控不足的情況。

Corporate Governance Report

企業管治報告

INDEPENDENT AUDITORS' REMUNERATION

For the year ended December 31, 2017, the remunerations (pre-tax) paid or payable to the external auditors in respect of audit services and review service amounted to RMB6.68 million and RMB2.30 million, respectively. The amount for 2017 review service comprised the service fee on review of interim financial statements. The Audit Committee was satisfied that the review service in 2017 did not affect the independence of the auditor.

JOINT COMPANY SECRETARIES

Mr. ZHOU Yamin (“**Mr. Zhou**”) acts as the secretary to the Board (“**Board Secretary**”), formerly one of the Joint Company Secretaries and an authorised representative of the Company (the “**Authorised Representative**”). He is responsible for advising the Board on corporate governance matters and ensuring that the Board policies and procedures, and the applicable laws, rules and regulations are followed.

In order to ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company also engaged Ms. TSANG Fung Chu (“**Ms. Tsang**”), as its then Joint Company Secretary to assist Mr. Zhou to discharge his duties as company secretary of the Company (the “**Company Secretary**”). For the purpose of code provision F.1.1 of the CG Code, Ms. Tsang keeps close contact with Mr. Zhou, being the person with sufficient seniority at the Company.

During the three-year period, Mr. Zhou has acquired the relevant experiences to act as the Company Secretary as required under Rule 3.28 of the Listing Rules. The Stock Exchange has also confirmed that Mr. Zhou was qualified to act as the sole Company Secretary under Rule 3.28 of the Listing Rules. Save as the above, Ms. Tsang ceased to be a Joint Company Secretary with effect from July 1, 2017. Following that, Mr. Zhou officially serves as the sole Company Secretary.

For the Year under review, Mr. Zhou has undertaken 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

獨立核數師薪酬

截至2017年12月31日止年度，付予或應付予外聘核數師有關審計服務及審閱服務的薪酬（稅前）分別為人民幣6.68百萬元及人民幣2.30百萬元。2017年審閱服務的費用為審閱中期財務報表的服務費用。審計委員會對2017年度審閱服務並沒有影響到核數師的獨立性感到滿意。

聯席公司秘書

周亞民先生（「周先生」）擔任董事會秘書（「董事會秘書」）、本公司前聯席公司秘書之一及授權代表（「授權代表」）。彼負責就企業管治事宜向董事會提供意見，並確保已遵從董事會政策與程序，以及適用法例、規則及規例。

為確保遵守上市規則與適用香港法例，本公司亦委聘曾鳳珠女士（「曾女士」）為其時任聯席公司秘書，以協助周先生履行其作為本公司公司秘書（「公司秘書」）之職務。就企業管治守則之守則條文F.1.1條而言，曾女士與周先生緊密聯繫，周先生屬本公司的較高職位人士。

於三年期間內，周先生已獲得了上市規則第3.28條規定的擔任公司秘書的相關經驗。聯交所亦已確認周先生合資格擔任上市規則第3.28條規定的唯一公司秘書。除上文所述外，曾女士自2017年7月1日起不再擔任聯席公司秘書。自此，周先生正式擔任唯一公司秘書。

於回顧年度，為遵守上市規則第3.29條，周先生已接受15個小時之相關專業培訓。

Corporate Governance Report

企業管治報告

On February 12, 2018, Ms. WANG Weiling (“**Ms. WANG**”) was appointed by the Board to succeed Mr. ZHOU act as one of the Joint Company Secretaries, the Board Secretary and the Authorised Representative. In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company has appointed Mr. KWOK Siu Man, as its Joint Company Secretary to assist Ms. WANG to discharge her duties as company secretary of the Company. Details for the above change are set out in the Company’s announcement published on February 12, 2018.

SHAREHOLDERS’ RIGHTS

To safeguard Shareholders’ interests and rights, when the Company convenes an AGM, Shareholders holding 3% or more of the total voting shares of the Company shall be entitled to propose new resolutions to the Company in writing which should be submitted to the convener 10 days prior to the convening of the general meeting. The convener of the general meeting shall issue a supplemental notice of general meeting to other Shareholders within 2 days of the receipt of such proposal and incorporate such newly proposed matters falling within the scope of duties of the general meeting into the agenda of such meeting. The new agenda shall be tabled to the general meeting for consideration.

Shareholders can submit their written recommendations through the following facsimile, e-mail or postal address:

Facsimile: 86 10 6332 1086

E-mail: ir@mail.cmec.com

Postal address: No. 178 Guang’anmenwai Street, Beijing, the PRC
(Postal Code: 100055)

Pursuant to article 57 of the Articles of Association, general meetings shall be convened where Shareholders who individually or jointly hold 10% or more of the Shares make a request to convene an extraordinary general meeting in writing. The matter for consideration proposed by the party requesting the holding of the extraordinary general meeting shall be included in the agenda of such meeting.

於2018年2月12日，王瑋玲女士（「**王女士**」）獲董事會委任接替周先生為聯席公司秘書之一、董事會秘書及授權代表。為維持良好企業管治並確保遵守上市規則與適用香港法例，本公司已委聘郭兆文先生為其聯席公司秘書，以協助王女士履行其作為本公司公司秘書之職務。有關上述變動的詳情載於本公司於2018年2月12日發佈的公告。

股東權利

為保障股東權益及權利，倘本公司召開股東週年大會，持有本公司具表決權股份總數3%或以上的股東有權以書面形式向本公司提出新決議案，書面建議須於召開股東大會之前10天呈交召集人。股東大會召集人須於接獲有關建議2天內向其他股東發出股東大會補充通知，將符合股東大會職責範圍的相關新建議事項加入大會議程。新議程將於股東大會上提出以供審議。

股東可通過以下傳真、電郵、郵寄的地址向公司提交書面建議：

傳真：86 10 6332 1086

電郵：ir@mail.cmec.com

郵寄地址：中國北京廣安門外大街178號
(郵編：100055)

根據章程第57條，倘個別或共同持有10%或以上股份的股東作出書面要求召開臨時股東大會，則須召開股東大會。要求舉行臨時股東大會的人士所提呈以供審議的事項須加入該大會的議程。

Corporate Governance Report

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As for proposing a person for election as a director, the procedures are set out in the Articles of Association which is available on the respective websites of the Stock Exchange and the Company.

All resolutions put forward at shareholder meetings will be voted on by poll based on shareholding pursuant to the Listing Rules and poll results will be posted on the respective websites of the Stock Exchange and the Company in a timely manner after each shareholder meeting.

Enquiries to the Board

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to Room 804, 8/F, Tower 1, South Sea Centre, 75 Mody Road, Tsimshatsui East, Kowloon, Hong Kong, and provide sufficient contact information for the timely and proper handling and record keeping of the relevant enquiries.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

In 2012, the Company successfully completed its Listing in Hong Kong. Through roadshow presentations around the globe, its investor relations website, investor enquiry hotline, investor mailbox and other communication channels, the Company maintains close liaisons with investors worldwide in a timely and efficient manner. Moreover, through investment forums, corporate visits, teleconferences and various other channels, the Company maintains proactive and frank exchanges with investors and analysts. The Company has attached great importance to listening to Shareholders and investors and accepting reasonable suggestions and opinions from them. It strives to continuously enhance its operating results, present a true picture of the Company's financial and operational status to Shareholders and investors, actively facilitate the internal communications in respect of the feedback from the capital market, and continuously perfect and enrich the system aiming to canvass information in relation to investor relations. The management over investor relations involves an all-faceted interactive communication process.

至於建議一名人士膺選董事方面，有關程序載於章程內，而章程可分別於聯交所及本公司的網站查閱。

於股東大會提呈之所有決議案將根據上市規則以按股數投票方式表決，而表決結果將於各股東大會後適時分別刊載於聯交所及本公司的網站。

向董事會查詢

有意就本公司事宜向董事會作出查詢的股東可將查詢送交香港九龍尖沙咀東麼地道75號南洋中心第1座8樓804室，並提供足夠的聯絡資料，以便有關查詢及時獲得公司恰當的處理和記錄。

與股東之溝通及投資者關係

於2012年，本公司成功在香港完成上市。本公司透過於世界各地進行的路演、其投資者關係網站、投資者查詢熱線、投資者信箱及其他溝通渠道，及時並有效保持與全球各地投資者的緊密聯繫。此外，本公司透過投資論壇、公司訪問、電話會議及各類其他渠道，積極及真誠與投資者及分析師交流。本公司十分重視聆聽並接受股東及投資者的合理建議和意見，致力持續改善其營運業績、向股東及投資者呈列本公司的真實財務與營運狀況、積極促進有關來自資本市場反饋意見的內部交流，以及持續優化及加強系統，目的是宣揚有關投資者關係的資料。投資者關係管理涉及全面互動溝通程序。

Corporate Governance Report

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The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable shareholders and investors to make informed investment decisions. In 2018, the Company will gradually develop a systematic structure of investor relations featured by its own characteristics. The Company aims at actively participating in all kinds of summits in capital market and strengthen communication with investors, as well as strive to achieve timely and transparent information disclosures.

The AGM provides opportunity for shareholders to communicate directly with the Directors. The chairman of the Board, the president of the Company, the chairman of each of the Board Committees and the external auditor of the Company, Ernst & Young, will attend the AGM to answer Shareholders' questions.

To promote effective communication, the Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and its Shareholders and maintains a website at www.cmec.com, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access. The Company also maintained frequent contacts with Shareholders and investors through various channels such as meetings, telephone and emails. For example, we will convene telephone meetings to answer enquiries from Shareholders and investors, as well as arrange one-on-one conversation with investors. In addition, we arranged on-site visits to the Group's projects and non-deal roadshows for investors and research analysts.

本公司認為，與股東之有效溝通對改善投資者關係及了解本集團業務、表現及策略甚為重要。本公司亦確認適時及非選擇性披露資料之重要性，將有助股東及投資者作出知情投資決定。在2018年，公司將逐步形成具有自身特色的投資者關係體系架構。公司旨在積極參加資本市場各類峰會活動，加強與投資者的溝通互動，努力使信息及時披露及具透明度。

股東週年大會為股東提供直接與董事溝通的機會。董事長、本公司總裁、各董事委員會主席及本公司外聘核數師安永會計師事務所將出席股東週年大會，以回應股東提問。

為推動有效溝通，本公司採納股東通訊政策，旨在建立本公司與其股東的雙向關係及溝通，並設有網站www.cmec.com，以供公眾人士查閱有關本公司業務營運及發展、財務資料、企業管治常規及其他資料的最新消息。本公司亦透過會議、電話及電郵等各種渠道與股東及投資者保持緊密聯繫，例如，召開電話會議回覆股東及投資者的提問及安排一對一的投資者訪談等。另外，我們為投資者及研究分析師安排集團項目的實地考察及非交易路演。

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The Company has adopted a shareholders' communication policy with the objective of ensuring that the Shareholders, both individual and institutional shareholders (collectively, the "Shareholder(s)") and, in appropriate circumstances, the investment community at large, are provided with ready, equal, balanced and understandable information about the Company (including its financial performance, strategic goals and plans, material developments and governance) in a timely manner, for the purpose of enabling the Shareholders to exercise their rights in an informed manner, and allowing them and the investment community to engage actively with the Company.

Information about the Company will be communicated to the Shareholders and the investment community mainly through the Company's financial reports (interim and annual reports), annual general meetings and other general meetings that may be convened, as well as by making available all the disclosures submitted to the Stock Exchange and its corporate communications on the respective websites of the Stock Exchange and the Company.

INFORMATION DISCLOSURE

The Company discloses information in compliance with the Listing Rules, and publishes periodic reports and announcements to the public in accordance with the relevant laws and regulations. The primary focus of the Company is to ensure information disclosure is timely, fair, accurate, truthful and complete, thereby enabling Shareholders, investors as well as the public to make rational and informed decisions regarding the Company.

CHANGE IN CONSTITUTIONAL DOCUMENTS

At the AGM held on June 26, 2017 and the Second EGM, the amendments to the Articles of Association were approved by the Shareholders. There is no material change in the amendments to the Articles of Association. An updated version of the Articles and Association is available on the respective websites of the Stock Exchange and the Company.

本公司已採納股東溝通政策，目標是確保股東，包括個人及機構（以下統稱「股東」），及在適當情況下包括一般投資人士，均可適時取得方便、相同、平衡及容易理解的本公司資料（包括其財務表現、策略目標及計劃、重大發展及管治），一方面使股東可在知情情況下行使權力，另一方面也讓股東及投資人士與本公司加強溝通。

本公司向股東及投資人士傳達本公司資料的主要渠道為：本公司的財務報告（中期及年度報告）、股東週年大會及其他可能召開的股東大會，並將所有呈交予聯交所的披露資料及公司通訊分別登載在聯交所及本公司網站。

資料披露

本公司根據上市規則披露資料，並根據相關法例及規例定期向公眾人士公佈報告及公告。本公司重點確保及時、公平、準確、真誠及完整地披露資料，讓股東、投資者及公眾人士得以作出有關本公司的理性及知情決定。

章程文件變動

章程的修訂於2017年6月26日召開的股東週年大會及第二次臨時股東大會經股東批准通過。章程的修訂並無重大變動。章程的更新版本可於聯交所及本公司網站查閱。

Corporate Governance Report

企業管治報告

2017 ANNUAL GENERAL MEETING

All Shareholders are encouraged to attend the forthcoming AGM and exercise their right to vote. Further details of business to be conducted at the general meeting will be set out in the circular and notice to the Shareholders to be sent and posted on the respective websites of the Stock Exchange and the Company in due course.

2017年股東週年大會

本公司鼓勵全體股東出席應屆股東週年大會並行使彼等表決權。有關將於股東大會進行之事宜的進一步詳情載於稍後寄發予股東之通函及通告內，該等通函及通告亦將適時分別於聯交所及本公司網站內刊發。

Report of the Supervisory Board

監事會報告

The Supervisory Board is pleased to present this report of the Supervisory Board in the annual report of the Company for the year ended December 31, 2017.

In 2017, all members of the Supervisory Board have earnestly performed their supervisory functions to safeguard the rights and interests of the Group and the Shareholders in accordance with the Companies Law, the Articles of Associations, the Rules of Procedures of the Supervisory Board and the relevant provisions in the Listing Rules. Members of the Supervisory Board carried out examination of the Company's financial accounts and supervision of the Directors, the president and other senior management for their compliance with the laws, administrative regulations and the Articles of Association in executing their respective duties.

I. MEMBERS OF THE SUPERVISORY BOARD

According to the Articles of Association, the term of office for the second session of the Supervisory Board has expired on February 19, 2017. Pursuant to the relevant provisions of the Company Law and the Articles of Association, all Supervisors for the second session of the Supervisory Board continued to perform their duties as Supervisors in accordance with applicable laws and regulations until the re-election or appointment of the Supervisors for the third session of the Supervisory Board becoming effective.

In accordance with the relevant requirements of the Articles of Association and the Company Law, the third session of the Supervisory Board shall consist of three Supervisors, including two shareholder representative Supervisors and one staff representative Supervisor. According to the Articles of Association, the election of the two shareholder representative Supervisors is subject to the approval by the Shareholders at a general meeting, and the staff representative Supervisors shall be elected by the employees of the Company in the employees' general meetings. The term of office of Supervisors shall be three years.

監事會欣然呈列載於本公司於截至2017年12月31日止年度的年報的監事會報告。

2017年，監事會全體成員依照公司法、章程、監事會議事規則及上市規則的有關規定，認真履行監督職責，維護本集團及股東的權益。監事會成員對本公司財務賬目進行檢查並對董事、總裁及其他高級管理層行使其各自職責時對法律、行政法規及章程的遵守情況進行監督。

I. 監事會成員

根據章程的規定，第二屆監事會的任期已於2017年2月19日屆滿。根據公司法及章程的相關規定，第二屆監事會的全體監事將根據適用法律及法規繼續履行彼等作為監事的職責，直至第三屆監事會成員的重選或委任生效為止。

根據章程及公司法的相關規定，第三屆監事會應由三名監事組成，包括兩名股東代表監事及一名職工代表監事。根據章程的規定，選舉兩名股東代表監事須獲股東於股東大會上批准，而職工代表監事將由本公司職工於職工代表大會選舉。監事的任期將為三年。

Report of the Supervisory Board

監事會報告

As announced by the Company on January 12, 2018, Ms. LIU Ting has been elected as the staff representative Supervisor for the third session of the Supervisory Board at the employees' general meeting. And at the extraordinary general meeting held on March 5, 2018, Mr. QUAN Huaqiang and Mr. QIAN Xiangdong have been re-elected as the Shareholder representative Supervisors for the third session of the Supervisory Board. Mr. QUAN Huaqiang, Mr. QIAN Xiangdong and Ms. LIU Ting have formed the third session of the Supervisory Board. Their term of service commenced on March 5, 2018 until the expiration of the term of third session of the Supervisory Board.

II. MEETINGS OF THE SUPERVISORY BOARD

During the year of 2017 and up to the date of this annual report (being March 26), five meetings of the Supervisory Board were held.

On March 28, 2017, the Company held the eighth meeting of the second session of the Supervisory Board to consider the 2016 audited financial report and the 2016 results announcement of the Company and the 2016 report of the Supervisory Board of the Company.

On August 28, 2017, the Company held the ninth meeting of the second session of the Supervisory Board to consider the 2017 unaudited interim financial report and the 2017 interim results announcement of the Company.

On January 12, 2018, the Company held the tenth meeting of the second session of the Supervisory Board to consider and recommend the candidates for the third session of the Supervisory Board of the Company.

On March 5, 2018, the Company held the first meeting of the third session of the Supervisory Board to elect chairman for the third session of the Supervisory Board of the Company.

On March 26, 2018, the Company held the second meeting of the third session of the Supervisory Board to consider the 2017 audited financial report and the 2017 results announcement of the Company and the 2017 report of the Supervisory Board of the Company.

誠如本公司於2018年1月12日所公佈，劉婷女士已獲選為第三屆監事會職工代表監事。於2018年3月5日舉行的臨時股東大會上，全華強先生及錢向東先生已獲重選為第三屆監事會股東代表監事。全華強先生、錢向東先生及劉婷女士已組成第三屆監事會。彼等的任期自2018年3月5日起直至第三屆監事會屆滿為止。

II. 監事會會議情況

於2017年度內至本年報日期(3月26日)，監事會舉行了5次會議。

於2017年3月28日，本公司舉行第二屆監事會第八次會議，以審議本公司2016年經審計財務報告及2016年業績公告和本公司2016年監事會報告。

於2017年8月28日，本公司舉行第二屆監事會第九次會議，以審議本公司2017年未經審計中期財務報告及2017年中期業績公告。

於2018年1月12日，本公司舉行第二屆監事會第十次會議，以審議及推薦本公司第三屆監事會候選人。

於2018年3月5日，本公司舉行第三屆監事會第一次會議，以選舉本公司第三屆監事會主席。

於2018年3月26日，本公司舉行第三屆監事會第二次會議，以審議本公司2017年經審計財務報告及2017年業績公告和本公司2017年監事會報告。

Report of the Supervisory Board

監事會報告

III. INDEPENDENT OPINION ISSUED BY THE SUPERVISORY BOARD ON RELEVANT MATTERS

1. Management of the Company

The management of the Company faithfully fulfilled their duties and responsibilities as stipulated in the laws, regulations and the Articles of Association, and earnestly implemented the resolutions approved by the Board. Till now, the Supervisory Board did not discover that the Board and senior management had abused their rights and functions or any of their actions that were prejudicial to the interests of the Company, Shareholders and staff of the Company, or in any way violated the laws, regulations and the Articles of Association.

2. Operation of the Company

In 2017, the Company strictly complied with the laws and regulations, operated in accordance with the Listing Rules. The Company managed to achieve satisfying results in areas of operation, cost control, project origination, implementation and management, internal management, work safety and market expansion, resulting in a strong and excellent company which laid a solid foundation for the smooth and faster development. The Company further improved the systems of internal controls, and enhanced, in particular, the system of business processes and responsibility assignment of all functional departments of the Company, making further progress in corporate governance.

III. 監事會就有關事項發表的獨立意見

1. 本公司管理情況

本公司管理層忠實履行了法律、法規及章程規定的職責，認真執行了董事會通過的各項決議。至今監事會未發現董事會及高級管理人員濫用職權，或損害本公司利益及侵犯股東及本公司員工權益的任何行為，亦未違反法律、法規及章程。

2. 本公司營運情況

於2017年，本公司能夠嚴格執行法律、法規，按上市規則運作。本公司營運、成本控制、項目建設、實施及管理、內部管理、工作安全及市場開拓等方面均取得了令人滿意的成績，為公司做優做強，實現更好更快發展奠定了堅實基礎。本公司進一步完善了內部控制的各項制度，特別是完善了本公司各職能部門的業務流程體系和責任分配，企業管治水平進一步提高。

Report of the Supervisory Board

監事會報告

3. Implementation of the resolutions of General Meetings

In 2017 and up to the date of this annual report, the member of the Supervisory Board attended six general meetings and sit in on eighteen meetings of the Board, exercising supervision in respect of the lawfulness and compliance of the procedures of the matters considered by the Board meetings.

The Supervisory Board made no objection to the reports and motions tabled at the general meetings and considered that the Board earnestly implemented the resolutions approved by the general meetings.

4. Financial matters of the Company

Members of the Supervisory Board monitored and examined the financial management system and the financial condition and reviewed relevant financial information of the Company. Upon examination, the Supervisory Board concluded that the Company had strictly complied with the relevant financial laws, regulations and financial policies, and that the financial system has an integrated structure; the financial management system was sound and implemented effectively; the accounting treatment was in line with the consistency principles; and the Company's financial reports gave an objective and fair view of the financial position and operating results of the Company.

The Supervisory Board reviewed the unqualified audit opinions issued by Ernst & Young (安永會計師事務所) and Ernst & Young Hua Ming LLP (Special General Partnership) (安永華明會計師事務所 (特殊普通合夥)) in respect of the audited consolidated financial statements of the Company for the year ended December 31, 2017 prepared in accordance with IFRS and Accounting Standards for Business Enterprises of the PRC respectively, and raised no objection to such reports.

3. 股東大會決議案執行情況

於2017年度內至本年報日期，監事會成員出席了6次股東大會，列席參加了18次董事會會議，對董事會會議審議之事項的程序合法性和合規性實施監督。

監事會對於股東大會上提呈的各項報告和議案並無異議，並認為董事會認真執行了經股東大會批准的各项決議案。

4. 本公司財務事項

監事會成員對本公司的財務管理制度和財務狀況進行了監督檢查，審閱了本公司相關財務資料。通過審查，監事會認為本公司嚴格遵守了相關金融法律、法規及財務政策，財務系統組織結構完整，財務管理制度健全且獲有效執行；會計處理方法遵循了一貫性原則；本公司財務報告客觀、公允地反映了本公司的財務狀況及營運業績。

監事會審閱了安永會計師事務所及安永華明會計師事務所（特殊普通合夥）分別就根據國際財務報告準則及中國企業會計準則編製的截至2017年12月31日止年度的經審計合併財務報表出具的無保留意見的審計報告，對該報告無異議。

Report of the Supervisory Board

監事會報告

5. Connected Transactions

The Supervisory Board reviewed the connected transactions between the Group and SINOMACH and its subsidiaries (including Sinomach Finance Co., Ltd.) and its respective connected persons during the reporting period, and was of the opinion that all the connected transactions complied with the relevant requirements of the Stock Exchange, and that the pricing and terms of the connected transactions was reasonable, open and fair and there was not any matter prejudicial to the interests of the Company or Shareholders.

In 2018, the Supervisory Board will continue to carry out its fiduciary duties to implement effective supervision on the Company, its Directors and senior management in accordance with the relevant provisions of the Companies Law, the Articles of Association, the Rules of Procedures of the Supervisory Board and the Listing Rules and pay close attention to the operation and management status of the Company as well as any significant development of the Company, so as to facilitate the profit growth of the Company and to dutifully protect the interests of all Shareholders and the Company. In addition, the Supervisory Board will further consolidate resources for supervision so as to enhance our management, helping and ensuring the realization of the Company's targets for all works in 2018.

By Order of the Supervisory Board

QUAN Huaqiang

Chairman of the Supervisory Board

Beijing, the PRC, March 26, 2018

5. 關連交易

監事會對報告期間內本集團及國機及其附屬公司（包括國機財務有限責任公司）與其各關連人士進行的關連交易進行了審查，認為全部關連交易均符合聯交所的有關規定，關連交易的定價和條款亦屬合理、公開及公允，並無發現任何損害本公司或股東利益的事項。

2018年，監事會將依據公司法、章程、監事會議事規則及上市規則的有關規定，繼續謹遵誠信原則，對本公司、其董事及高級管理人員實施有效監督，且密切關注本公司的營運及管理情況，並關注本公司的任何重大發展，藉以促進本公司的盈利增長，並忠實維護全體股東及本公司的利益。另外，監事會將進一步整合監督資源，促進管理提升，助力和保障本公司2018年度各項工作目標的順利實現。

承監事會命

全華強

監事會主席

中國北京，2018年3月26日

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

I. EXECUTIVE DIRECTORS

Mr. ZHANG Chun (張淳)

Mr. ZHANG, aged 49, is currently the chairman of the Board and an executive Director of the Company. Mr. ZHANG was appointed as executive Director and the president of the Company on March 16, 2012. Following his appointment as the chairman of the Board on January 12, 2018, he has ceased to serve as the president of the Company same date. He has more than 20 years of management experience. In July 1991, he joined China National Electric Equipment Corporation (中國電工設備總公司), the predecessor of CNEEC, as a sales representative and worked in that company until August 1993. Mr. ZHANG then joined our Company, and held various positions from August 1993 to May 2002, including sales representative, project manager, representative and chief representative of the Representative Office of our Company in Bangladesh. After returning to China, Mr. ZHANG joined China National Machinery & Equipment Corporation Group (中國機械裝備(集團)公司), the predecessor of SINOMACH, in May 2002 as the director of the department of operational management. Mr. ZHANG later became the director of the department of engineering and served at that position until August 2011. Mr. ZHANG was the vice president of our Company from August 2011 until March 2012. From March 2014 to the present, Mr. ZHANG has been acting as chairman of CNEEC. From October 2014 to March 2017, Mr. ZHANG was a director of China National Guo Lian Development New Energy (Wuxi) Co., Ltd.(中設國聯無錫新能源發展有限公司).

In 1991, Mr. ZHANG graduated from Tsinghua University (清華大學) with a bachelor's degree in thermal engineering. Mr. ZHANG is a professorate senior engineer.

I. 執行董事

張淳先生

張先生，現年49歲，現任本公司董事會董事長兼執行董事。張先生於2012年3月16日獲委任為本公司執行董事兼總裁。彼於2018年1月12日獲委任為董事會董事長後，同日不再擔任本公司總裁。彼擁有超過20年管理經驗。於1991年7月，彼加入中國電工設備總公司(中電工的前身)擔任業務員，並一直於該公司任職至1993年8月。張先生隨後加入本公司，並於1993年8月至2002年5月間，在本公司先後擔任多個職務，包括業務員、項目經理以及駐孟加拉國代表處的代表和首席代表。張先生返回中國後，於2002年5月加入中國機械裝備(集團)公司(國機集團的前身)擔任經營管理部部長，其後擔任工程事業部部長，並擔任該職位直至2011年8月。自2011年8月至2012年3月，張先生獲委任為本公司副總裁並擔任該職位。張先生自2014年3月至今兼任中電工的董事長。自2014年10月至2017年3月，張先生擔任中設國聯無錫新能源發展有限公司的董事。

1991年，張先生畢業於清華大學熱能工程專業，並取得學士學位。張先生為教授級高級工程師。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

Mr. HAN Xiaojun (韓曉軍)

Mr. HAN, aged 49, was appointed as an executive Director and vice chairman of the Company on March 5, 2018. He is currently the secretary of the Party Committee of the Company. He has more than 20 years of management experience. From July 1990 to June 1995, he served as an officer at Beijing Silk Plant (北京絲綢總廠). From June 1995 to July 2002, he worked at Chinese Academy of Agricultural Mechanization Sciences as an engineer. Mr. HAN joined China National Machinery and Equipment (Group) Company (中國機械裝備(集團)公司), the predecessor of SINOMACH, in July 2002 and successively held the positions of an officer at the business coordination office of the operational management department, an officer (director-level) at the general management office of the general management department, chief of the cadres management office of the human resources department (cadres division of the Party Committee), deputy director of the human resources department (cadres division of the Party Committee), the director of the human resources department (organization division of the Party Committee), the director of the work department of the Party Committee, and from October 2008 to September 2011, he also concurrently served as the secretary of General Party Branch of the headquarters of SINOMACH. In April 2015, Mr. HAN was transferred to China National Automotive Industry International Cooperation, which was subsequently renamed as China National Machinery Industry International Co., Ltd., to serve as the secretary of the Party Committee, a director and general manager until January 2018. Since December 2017, he has served as the secretary of the Party Committee of the Company. Since February 2010, Mr. HAN has also served as a member of the Party Committee of SINOMACH.

From January 2009 to January 2011, Mr. HAN had served as a director of China National Machinery & Equipment Import & Export Corporation, the predecessor of the Company. From September 2010 to July 2013, he had served as the chairman of the supervisory board of China Foma (Group) Co., Ltd (中國福馬機械集團有限公司).

韓曉軍先生

韓先生，現年49歲，於2018年3月5日獲委任為本公司執行董事兼副董事長，現任本公司黨委書記。彼擁有超過20年管理經驗。1990年7月至1995年6月，彼曾任北京絲綢總廠幹部。1995年6月至2002年7月，彼曾任中國農業機械化科學研究院工程師。韓先生於2002年7月加入中國機械裝備(集團)公司(國機集團的前身)，先後擔任經營管理部業務協調處幹部、綜合管理部綜合管理處幹部(正處級)、人力資源部(黨委幹部部)幹部管理處處長、人力資源部(黨委幹部部)副部長、人力資源部(黨委組織部)部長、黨委工作部部長等職務，並於2008年10月至2011年9月期間兼任國機集團總部黨總支書記。2015年4月，韓先生調任中國汽車工業國際合作有限公司(後更名為中國機械國際合作股份有限公司)，擔任黨委書記、董事、總經理直至2018年1月。於2017年12月至今，彼擔任本公司黨委書記。於2010年2月至今，韓先生亦擔任國機集團黨委委員。

韓先生於2009年1月至2011年1月，曾擔任中國機械設備進出口總公司(本公司的前身)董事；2010年9月至2013年7月期間擔任中國福馬機械集團有限公司監事會主席。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

In 1990, Mr. HAN graduated from Tianjin Polytechnic University with a bachelor's degree in textile machinery of the department of mechanical engineering. He is a professorate senior engineer.

Mr. ZHOU Yamin (周亞民)

Mr. ZHOU, aged 54, was appointed as an executive Director on March 5, 2018. He is currently the president of the Company. He has more than 30 years of management experience. Mr. ZHOU served in various positions in China Machinery Industry Installation Company (中國機械工業安裝總公司) from October 1983 to June 2001, including bookkeeper of the finance department, accountant, vice departmental director of the finance department and manager of the finance department. From June 2001 to February 2002, Mr. ZHOU served as deputy chief accountant and manager of the department of financial assets for China CMIIC Engineering & Construction Corporation. From February 2002 to December 2004, Mr. ZHOU was appointed as the chief accountant of China CMIIC Engineering & Construction Corporation and from December 2004 to July 2011, he served as the deputy general manager and chief financial officer for China CMIIC Engineering & Construction Corporation. In July 2011, Mr. ZHOU joined our Company and was appointed as the chief financial officer of the Company until February 12, 2018. He was serving as the secretary to the Board and joint company secretary of our Company since June 26, 2014 and officially serves as the sole company secretary of our Company from July 1, 2017 to February 12, 2018. Mr. ZHOU was appointed as the president of our Company on January 12, 2018 and ceased as the secretary to the Board on February 12, 2018.

Mr. ZHOU graduated from Beijing Technology and Business University and the Open University of China (北京工商大學和中央廣播電視大學) with a bachelor's degree in management in July 2004, majoring in accounting.

Mr. ZHOU is a senior accountant, a member of the Chinese Institute of Certified Public Accountants (non-practising), an international certified practicing accountant and a senior international finance manager.

韓先生於1990年畢業於天津工業大學機械工程系紡織機械專業，並取得學士學位。彼為教授級高級工程師。

周亞民先生

周先生，現年54歲，於2018年3月5日獲委任為執行董事，現任本公司總裁。彼擁有超過30年管理經驗。周先生曾於1983年10月至2001年6月期間在中國機械工業安裝總公司擔任財務處會計、會計師、財務處副處長和財務部經理等多個職位，其後於2001年6月至2002年2月於中國機械工業建設總公司擔任副總會計師兼資產財務部經理。周先生於2002年2月至2004年12月獲委任為中國機械工業建設總公司的總會計師。周先生在2004年12月至2011年7月間擔任中國機械工業建設總公司副總經理兼財務總監。2011年7月，周先生加入本公司擔任本公司財務總監直至2018年2月12日，並自2014年6月26日起兼任本公司董事會秘書及聯席公司秘書，並在2017年7月1日起至2018年2月12日正式擔任本公司唯一公司秘書。周先生於2018年1月12日獲委任為本公司總裁，並於2018年2月12日不再擔任董事會秘書。

於2004年7月，周先生從北京工商大學和中央廣播電視大學會計學專業畢業，取得管理學學士學位。

周先生為高級會計師、中國註冊會計師協會會員（非執業）、國際註冊執業會計師和國際高級財務管理師。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

II. NON-EXECUTIVE DIRECTORS

Mr. YU Benli (余本禮)

Mr. YU, aged 65, is currently a non-executive Director of the Company, and was appointed on February 20, 2014. He has more than 30 years of experience in machinery industry. From June 1977 to December 1979, Mr. YU served at The People's Bank of China, Nanjing Branch. From December 1979 to October 1983, he served at Jiangsu Machinery Equipment Import & Export Corporation (江蘇機械設備進出口公司), a subsidiary of the Company. From October 1983 to January 1988, Mr. YU served at Sino American Machinery Corporation (美國華美機械有限公司), a subsidiary of the Company and was stationed in the United States. From January 1988 to April 2013, he served at SUMEC Group Corporation (江蘇蘇美達集團公司), a subsidiary of SINOMACH and the predecessors of which are Jiangsu Machinery Equipment Import & Export Corporation (江蘇機械設備進出口公司) and China Jiangsu Machinery Equipment Import & Export Corporation (中設江蘇機械設備進出口集團公司). He held a number of positions including assistant general manager, deputy general manager, general manager and chairman. Currently, Mr. YU is also the chairman of China Perfect Machinery Industry Corp., Ltd. (中國浦發機械工業股份有限公司), a subsidiary of SINOMACH and director of China National Machinery Industry International Co., Ltd. (中國機械國際合作股份有限公司), a subsidiary of SINOMACH. Mr. YU has resigned as the chairman of China Machine Tool Sales and Technology Services Co., Ltd. (中國機床銷售與技術服務有限公司), a subsidiary of SINOMACH, in February 2014.

Mr. YU graduated from Nanjing Jinling Vocational University (南京市金陵職業大學) with a degree in business operation. He is a senior international business specialist.

II. 非執行董事

余本禮先生

余先生，現年65歲，現任本公司非執行董事，於2014年2月20日獲委任。彼於機械行業擁有超過30年經驗。自1977年6月至1979年12月，余先生任職於中國人民銀行南京分行。自1979年12月至1983年10月，彼任職於江蘇機械設備進出口公司（本公司的附屬公司）。於1983年10月至1988年1月，余先生任職於美國華美機械有限公司（本公司的附屬公司），並留駐於美國。於1988年1月至2013年4月，彼任職於江蘇蘇美達集團公司（國機的附屬公司），其前身為江蘇機械設備進出口公司及中設江蘇機械設備進出口集團公司。彼曾先後擔任多個職位，包括總經理助理、副總經理、總經理及董事長。目前，余先生亦為中國浦發機械工業股份有限公司（國機的附屬公司）的董事長及中國機械國際合作股份有限公司（國機的附屬公司）董事。於2014年2月，余先生辭任中國機床銷售與技術服務有限公司（國機的附屬公司）之董事長。

余先生畢業於南京市金陵職業大學商務經營專業，為高級國際商務師。

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Mr. ZHANG Fusheng (張福生)

Mr. ZHANG, aged 66, is currently a non-executive Director of the Company, and was appointed on February 20, 2014. He has more than 30 years of experience in equipment manufacturing industry. He began his career with Zhejiang Automotive Industrial Corporation (浙江省汽車工業公司) in July 1980 and was promoted to assistant manager in August 1986. In April 1988, Mr. ZHANG was appointed as deputy county magistrate of Zhejiang Province Yongjia County People's Government (浙江省永嘉縣人民政府). From May 1990 to August 1998, he held the positions of deputy general manager and general manager of China Automotive Industrial Import & Export Zhejiang Branch (中國汽車工業進出口浙江公司), a subsidiary of SINOMACH. From August 1998 to February 2012, he was the general manager of China Automotive Import & Export Corporation (中國汽車進出口總公司), a subsidiary of SINOMACH.

Since February 2012, Mr. ZHANG has been the chairman of China National Machinery Industry International Co., Ltd. (中國機械國際合作股份有限公司), a subsidiary of SINOMACH. Mr. ZHANG has been a director of CNEEC, a subsidiary of SINOMACH from November 2, 2011 to January 2016, and a director of CNCEC since December 29, 2011. Since February 2015, Mr. ZHANG has been a director of Beijing Xianglong Assets Management Co., Ltd (北京祥龍資產經營有限責任公司). Since June 2016, Mr. ZHANG has been a director of China CAMC Engineering Co., Ltd. (中工國際工程股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 002051).

In 2000, Mr. ZHANG graduated from Wuhan University of Technology (武漢理工大學) with a master's degree in business administration. Mr. ZHANG is a professional senior engineer.

張福生先生

張先生，現年66歲，現任本公司非執行董事，並於2014年2月20日獲委任。張先生擁有超過30年的裝備製造行業經驗。張先生於1980年7月就職於浙江省汽車工業公司，並於1986年8月晉升為副經理。1988年4月，張先生被任命為浙江省永嘉縣人民政府副縣長。1990年5月至1998年8月，張先生曾就職於中國汽車工業進出口浙江公司（國機的附屬公司），歷任副總經理及總經理。1998年8月至2012年2月，張先生曾擔任中國汽車進出口總公司（國機的附屬公司）總經理。

2012年2月至今張先生擔任中國機械國際合作股份有限公司（國機的附屬公司）董事長。自2011年11月2日至2016年1月，張先生擔任中電工（國機的附屬公司）董事，並於2011年12月29日起擔任中成套董事。自2015年2月起，張先生擔任北京祥龍資產經營有限責任公司董事長。自2016年6月至今，張先生擔任在深圳證券交易所上市的中工國際工程股份有限公司（股票代碼：002051）的董事。

2000年，張先生畢業於武漢理工大學，獲得工商管理碩士學位。張先生為教授級高級工程師。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

III. INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LIU Li (劉力)

Mr. LIU, aged 62, is currently an independent non-executive Director of the Company, and was appointed on January 13, 2011. He was a teacher at the department of physics, the Beijing Institute of Iron and Steel (北京鋼鐵學院) from September 1984 to January 1986. From January 1986 to date, Mr. LIU has been holding various teaching positions at the Guanghua School of Management (光華管理學院), and its predecessor, the department of economics of the school of economics and management (經濟學院經濟管理系), Peking University, including lecturer, associate professor, professor, supervisor for doctoral students, the director of the finance department and a director of the MBA program at the Guanghua School of Management, Peking University. Mr. LIU is also a deputy director of the Research Center of Finance & Securities at Peking University.

Currently, Mr. LIU is also an independent non-executive director of Bank of Communications Co., Ltd. (交通銀行股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 3328) and an independent non-executive director of China International Capital Corporation Limited (中國國際金融股份有限公司) (stock code: 3908). Besides, he is nominated as the chairman of Corporate Governance Committee and the members of both Audit Committee and Risk Control Committee. He is also an independent director of Success Electronics Ltd (宇順電子股份有限公司) (stock code: 002289) and Cnpc Capital Company Limited (中國石油集團資本股份有限公司) (stock code: 000617), both of which were listed on Shenzhen Stock Exchange.

III. 獨立非執行董事

劉力先生

劉先生，現年62歲，現任本公司獨立非執行董事，於2011年1月13日獲委任。1984年9月至1986年1月，劉先生曾任北京鋼鐵學院物理系教師。自1986年1月至今，劉先生在北京大學光華管理學院以及其前身經濟學院經濟管理系任教，歷任北京大學光華管理學院講師、副教授、教授、博士生導師以及金融系主任及MBA項目主任等多個教職。劉先生亦為北京大學金融與證券研究中心副主任。

目前，劉先生亦擔任在聯交所主板上市的交通銀行股份有限公司(股份代號：3328)之獨立非執行董事及中國國際金融股份有限公司(股份代號：3908)之獨立非執行董事。此外，彼被提名為公司治理委員會主席、審計委員會及風險控制委員會成員。彼亦擔任均於深圳證券交易所上市的宇順電子股份有限公司(股票代碼：002289)及中國石油集團資本股份有限公司(股票代碼：000617)的獨立董事。

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In addition, Mr. LIU had been an independent non-executive director of Metallurgical Corporation of China Ltd. (中國冶金科工股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1618) and the Shanghai Stock Exchange (stock code: 601618), and an independent director of Langfang Development Co., Ltd. (廊坊發展股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600149), and Beijing Oil HBP Group (華油惠博普科技股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 002554) during the past three years.

In 1982 and 1984, Mr. LIU graduated from Peking University with a bachelor's degree and a master's degree in physics, respectively. Mr. LIU is also a member of the Chinese Institute of Certified Public Accountants (non-practicing).

Ms. LIU Hongyu (劉紅宇)

Ms. LIU, aged 54, is currently an independent non-executive Director of the Company and was appointed on January 13, 2011. From July 1985 to May 1988, she served as an officer at the financial management office of the People's Bank of China Sichuan branch (四川省人民銀行). From May 1988 to April 1993, Ms. LIU served as a legal counsel for the Agricultural Bank of China (Beijing Branch) and from April 1993 to April 2004, she was the managing partner at Beijing Tongda Law Firm (北京市同達律師事務所). In 2004, Beijing Tongda Law Firm and Jincheng Law Firm (金誠律師事務所) merged and the merged firm was renamed as Beijing Jincheng & Tongda Law Firm (北京金誠同達律師事務所) where Ms. LIU became one of its founding partners. From April 2005 to June 2011, Ms. LIU served as an independent director of Founder Technology Group Corporation (方正科技集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600601). From June 2006 to June 2012, Ms. LIU served as an independent director of Chongqing Three Gorges Water Conservancy and Electric Power Co., Ltd (重慶三峽水利電力(集團)股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600116). From June 2009 to September 10, 2015, Ms. LIU served as an independent director of

此外，劉先生於過去三年內曾擔任在聯交所主板及上海證券交易所上市之中國冶金科工股份有限公司(股份代號：1618；上海證券交易所股票代碼：601618)獨立非執行董事一職，在上海證券交易所上市之廊坊發展股份有限公司(股票代碼：600149)及在深圳證券交易所上市之華油惠博普科技股份有限公司(股票代碼：002554)的獨立董事。

於1982年及1984年，劉先生畢業自北京大學，分別獲得物理學學士及碩士學位。劉先生亦為中國註冊會計師協會會員(非執業)。

劉紅宇女士

劉女士，現年54歲，現任本公司獨立非執行董事，於2011年1月13日獲委任。在1985年7月至1988年5月間，曾擔任四川省人民銀行金融管理處幹部。在1988年5月至1993年4月間，劉女士曾擔任中國農業銀行北京分行法律顧問，並在1993年4月至2004年4月間任北京市同達律師事務所管理合夥人。2004年，北京市同達律師事務所與金誠律師事務所合併更名為北京金誠同達律師事務所，劉女士任北京金誠同達律師事務所創始合夥人之一。在2005年4月至2011年6月間，劉女士曾擔任在上海證券交易所上市之方正科技集團股份有限公司(股票代碼：600601)的獨立董事。在2006年6月至2012年6月間，劉女士曾擔任在上海證券交易所上市之重慶三峽水利電力(集團)股份有限公司(股票代碼：600116)的獨立董事。在2009年6月至2015年9月10日，劉女士曾擔

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CCCCG Real Estate Corporation Limited (中交地產股份有限公司) (previously named as CRED-Chongshi Real Estate Corporation Limited (中房地產股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 000736). From August 2010 to August 2016, Ms. LIU served as an external supervisor of the Bank of Beijing Co., Ltd. (北京銀行股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601169). Currently, Ms. LIU is an independent director of Lanpec Technologies Limited (甘肅藍科石化高新裝備股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601798), and the Bank of Beijing Co., Ltd. (北京銀行股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601169), and an independent non-executive director of Gome Electrical Appliances Holding Limited (國美電器控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 00493).

In 1985, Ms. LIU graduated from Southwest University of Political Science and Law (西南政法大學) with a bachelor's degree in law. She graduated from the Graduate School of the Chinese Academy of Social Sciences (中國社會科學院研究生院) in economic law in 1998. Ms. LIU also obtained an EMBA degree from the Guanghua School of Management, Peking University in 2003.

Mr. FANG Yongzhong (方永忠)

Mr. FANG, aged 66, is currently an independent non-executive Director of the Company, and was appointed on July 29, 2011. In September 1971, he joined the construction machinery factory of the Shenyang Railway Bureau (瀋陽鐵路局施工機械廠). Mr. FANG then joined the engineering department of the Shenyang Railway Bureau (瀋陽鐵路局瀋陽工程處) and held a number of positions within the bureau including technician, assistant engineer, engineer, vice section chief, section chief, vice departmental director and departmental director between February 1977 and August 1994.

任在深圳證券交易所上市的中交地產股份有限公司(原名為中房地產股份有限公司)(股票代碼:000736)的獨立董事。在2010年8月至2016年8月間,劉女士曾擔任在上海證券交易所上市的北京銀行股份有限公司(股票代碼:601169)的外部監事。現時,劉女士擔任在上海證券交易所上市的甘肅藍科石化高新裝備股份有限公司(股票代碼:601798)的獨立董事、在上海證券交易所上市的北京銀行股份有限公司(股票代碼:601169)的獨立董事,以及在聯交所主板上市的公司國美電器控股有限公司(股份代號:00493)的獨立非執行董事。

1985年,劉女士畢業於西南政法大學,獲法律學士學位。1998年,劉女士從中國社會科學院研究生院的經濟法專業畢業。2003年,劉女士亦獲得北京大學光華管理學院的高級管理人員工商管理碩士學位。

方永忠先生

方先生,現年66歲,現任本公司獨立非執行董事,於2011年7月29日獲委任。彼於1971年9月加入瀋陽鐵路局施工機械廠。方先生其後加入瀋陽鐵路局瀋陽工程處,且於1977年2月至1994年8月間於該局擔任技術員、助理工程師、工程師、副段長、段長、副處長和處長等不同職務。

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Mr. FANG was appointed as a vice director of the Shenyang sub-bureau of the Shenyang Railway Bureau in August 1994 and between August 1994 and December 1999, he was also general manager of Shenyang Engineering Corporation of the Shenyang Railway Bureau. From December 1999 to December 2003, Mr. FANG served at Shenyang Railway Engineering Construction Group Co., Ltd. (瀋陽鐵路工程建設集團有限公司) as the chairman of the board and general manager. From December 2003 to March 2008, Mr. FANG held various positions at China Railway No.9 Group Co., Ltd. (中鐵九局集團有限公司) including director, deputy general manager and vice chairman of the board of directors. From March 2008 to December 2012, Mr. FANG was also an external director of China Railway Science & Industry Group (中鐵科工集團有限公司) (“CRSIG”), China Railway No. 5 Engineering Group Co., Ltd. (中鐵五局(集團)有限公司) (“China Railway No.5 Bureau”), China Overseas Engineering Group Co., Ltd. (中國海外工程有限責任公司) (“COVEC”) and China Railway & Airport Construction Group Corporation (中國中鐵航空港建設集團有限公司) (“CACCC”) and is a supervisor and the chairman of the supervisory board of China Railway Construction and Engineering Group (中鐵建工集團有限公司) (“CRCEG”). These five companies are subsidiaries of China Railway Group Limited (中國中鐵股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 00390) and the Shanghai Stock Exchange (stock code: 601390).

As an external director, Mr. FANG participates in board meetings of CRSIG, China Railway No.5 Bureau, COVEC and CACCC, representing the interests of the respective shareholder, China Railway Group Limited. However, Mr. FANG is not involved in the day to day management of CRSIG, China Railway No.5 Bureau, COVEC and CACCC. As a supervisor and the chairman of the supervisory board of CRCEG, Mr. Fang participates in meetings of the supervisory board and the board of directors of CRCEG, representing the interests of the shareholder, China Railway Group Limited. However, Mr. FANG is not involved in the day to day management of CRCEG.

方先生於1994年8月獲任為瀋陽鐵路局瀋陽分局副局長，並於1994年8月至1999年12月間於瀋陽鐵路局瀋陽工程總公司擔任總經理。在1999年12月至2003年12月間，方先生加入瀋陽鐵路工程建設集團有限公司擔任董事長兼總經理。在2003年12月至2008年3月間，方先生於中鐵九局集團有限公司擔任不同職務，包括董事、副總經理及副董事長等。在2008年3月至2012年12月，方先生亦是中鐵科工集團有限公司(「中鐵科工集團」)、中鐵五局(集團)有限公司(「中鐵五局」)、中國海外工程有限責任公司(「中國海外工程公司」)及中國中鐵航空港建設集團有限公司(「中國中鐵航空港建設公司」)的外部董事，及中鐵建工集團有限公司(「中鐵建工集團」)的監事及監事會主席。這五家公司為在聯交所主板及上海證券交易所上市的中國中鐵股份有限公司(聯交所股份代號：00390；上海證券交易所股票代碼：601390)的附屬公司。

作為外部董事，方先生分別代表股東中國中鐵股份有限公司的權益，參與中鐵科工集團、中鐵五局、中國海外工程公司及中國中鐵航空港建設公司的董事會會議。然而，方先生不參與中鐵科工集團、中鐵五局、中國海外工程公司及中國中鐵航空港建設公司的日常管理。作為中鐵建工集團的監事及監事會主席，方先生代表股東中國中鐵股份有限公司的權益，參與中鐵建工集團的監事會及董事會會議。然而，方先生不參與中鐵建工集團的日常管理。

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Mr. FANG completed his studies in railway engineering (工程系鐵道工程專業) and graduated from the Shanghai Railway Institute (上海鐵道學院) in 1977, and also obtained an EMBA in decision-making management from International East-West University (美國國際東西方大學決策管理學) in December 1995. Mr FANG is a senior engineer and a registered national first class architect.

Mr. WU Tak Lung (吳德龍)

Mr. WU, aged 52, is currently an independent non-executive Director of the Company, and was appointed on February 20, 2014. He is a member of Hong Kong Institute of Certified Public Accountants, a fellow member of Hong Kong Securities and Investment Institute, the Association of Chartered Certified Accountants, the Taxation Institute of Hong Kong and the Hong Kong Institute of Chartered Secretaries. Mr. WU was awarded the bachelor's degree of Accounting by the Hong Kong Baptist University and the master's degree of business administration (MBA) jointly by the University of Manchester and the University of Wales.

Mr. WU had worked in an international accounting firm, Deloitte Touche Tohmatsu, for five years, and was then employed by several listed and private companies in Hong Kong as head of corporate finance and executive director. Mr. WU currently served as an independent non-executive director of Kam Hing International Holdings Limited (錦興國際控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 2307), Beijing Media Corporation Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1000), First Tractor Company Limited, a company listed on both the Main Board of the Stock Exchange (stock code: 00038), and the Shanghai Stock Exchange (stock code: 601038), Sinomax Group Limited (盛諾集團有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1418), Olympic Circuit Technology Co., Ltd (廣東世運電路科技有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603920), Sinotrans Shipping Limited (中外運航運有限公司), a company listed on the Main Board of the

1977年，方先生畢業於上海鐵道學院工程系鐵道工程專業，並於1995年12月從美國國際東西方大學決策管理學系畢業，取得高級管理人員工商管理碩士學位。方先生為高級工程師和國家一級註冊建造師。

吳德龍先生

吳先生，52歲，現任本公司獨立非執行董事，於2014年2月20日獲委任。彼為香港會計師公會會員、香港證券及投資學會、英國特許公認會計師公會、香港稅務學會及香港特許秘書公會資深會員。吳先生獲香港浸會大學頒授會計學學士學位，並獲曼徹斯特大學及韋爾斯大學聯合頒發工商管理碩士學位。

吳先生曾於一家國際核數師行德勤•關黃陳方會計師行工作五年，其後於香港多間上市及私人公司服務，擔任企業融資主管及執行董事。吳先生現為錦興國際控股有限公司（聯交所主板上市的公司，股份代號：2307）、北青傳媒股份有限公司（聯交所主板上市的公司，股份代號：1000）、第一拖拉機股份有限公司（同時在聯交所主板（股份代號：00038）及上海證券交易所（股票代碼：601038）上市的公司）、盛諾集團有限公司（聯交所主板上市的公司，股份代號：1418）、廣東世運電路科技有限公司（上海證券交易所上市的公司，股票代碼：603920）、中外運航運有限公司（聯交所主板上市的公司，股份代號：368）及河南金馬能源股份有限公司（聯交所主板上市的公司，股份代號：

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Stock Exchange (stock code: 368) and Henan Jinma Energy Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 6885). Moreover, he was an independent non-executive director of Aupu Group Holding Company, a company listed on the Main Board of the Stock Exchange (stock code: 0477), which was delisted on September 30, 2016 and Huarong Investment Stock Corporation Limited (華融投資股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 2277) in the last three years.

Mr. WU is currently a member of Jiangsu People's Political Consultative Committee, member of the Council and the Court of Hong Kong Baptist University, an adjunct professor of the School of Business of Hong Kong Baptist University, the honorary chairman of the North Kwai Chung Scout and the executive vice president of Hongkong-Guangdong Youth Exchange Promotion Association.

6885) 的獨立非執行董事。此外，彼曾於過去三年內在奧普集團控股有限公司（聯交所主板上市的公司，股份代號：0477，該公司於2016年9月30日獲除牌）及華融投資股份有限公司（聯交所主板上市的公司，股份代號：2277）擔任獨立非執行董事。

吳先生現為江蘇省政協委員、香港浸會大學校董暨諮議會榮譽委員、香港浸會大學工商管理學院客席教授、北葵涌童軍名譽會長及粵港青年交流促進會常務副主席。

IV. SUPERVISORS

Mr. QUAN Huaqiang (全華強)

Mr. QUAN, aged 47, is currently a Supervisor, and was appointed on January 13, 2011. He worked in the finance department of Beijing Yanshan Petrochemical Corporation (北京燕山石油化工公司) from August 1991 to July 1994. From July 1994 to October 1997, Mr. QUAN was initially employed as an accountant and then in May 1995, he became manager of the finance department of Universal Import and Export Company (中機通用進出口公司財務部) until October 1997. Mr. QUAN was appointed by China National Machinery Import & Export Corporation (“**CMC**”) (中國機械進出口集團) as finance manager for the CMC Ukraine Office in October 1997 and worked there until January

IV. 監事

全華強先生

全先生，現年47歲，現為監事，於2011年1月13日獲委任。彼曾在1991年8月至1994年7月間在北京燕山石油化工有限公司財務處工作。在1994年7月至1997年10月間，全先生最初被聘為中機通用進出口公司財務部會計，其後於1995年5月晉升為經理直至1997年10月。在1997年10月，全先生受中國機械進出口集團（「**中國機械進出口集團**」）委派到中國機械進出口集團烏克蘭辦事處擔任財務經理直至1999年

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1999, and then was appointed as manager of the finance department of CMC General Electrical Parts Import and Export Company (中機機電配件進出口公司) by CMC until May 2001. In May 2001, Mr. QUAN was appointed by China General Technology Group (中國通用技術集團) as general manager of the finance department of China International Advertising Corporation (中國國際廣告公司財務部) and subsequently was appointed as manager of the funds management department of the general finance department of China General Technology Group in May 2004. From March 2005 to December 2006, Mr. QUAN served at Sinomach Finance Co., Ltd. (國機財務有限責任公司) as a deputy general manager. From September 2010 to August 2011, Mr. QUAN was the chairman of the Supervisory Board of China Automobile Trading Co., Ltd. (中國進口汽車貿易有限公司). Mr. QUAN had worked as the head of the internal audit inspection department of SINOMACH from December 2006 to May 2015. From May 2015 to the present, Mr. QUAN has been working as the head of Property and Finance Department of SINOMACH. From April 2016 to the present, Mr. QUAN has been working as a member of the Standing Committee of the CPC of China National Erzhong Group Co. (中國第二重型機械集團公司) and the chief accountant of China Erzhong Group (Deyang) Heavy Industries Co., Ltd. (二重集團(德陽)重型裝備股份有限公司). Mr. QUAN has also been serving as the chairman of the Supervisory Board of the Company since November 2008. Since August 2011, Mr. QUAN is a chairman of the Supervisory Committee of Sinomach Automobile Co., Ltd. (國機汽車股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600335).

In 1991, Mr. QUAN graduated from the Jiangxi Institute of Finance and Economics (江西財經學院) with a bachelor's degree in accounting. Mr. QUAN is a senior accountant.

1月，並於其後獲中國機械進出口集團委派到中機機電配件進出口公司擔任財務部經理直至2001年5月。2001年5月，全先生獲中國通用技術集團委派擔任中國國際廣告公司財務部總經理，其後於2004年5月獲委任為中國通用技術集團財務總部資金管理部經理。在2005年3月至2006年12月間，全先生在國機財務有限責任公司擔任副總經理。2010年9月至2011年8月間，全先生在中國進口汽車貿易有限公司擔任監事會主席。在2006年12月至2015年5月間，全先生在國機擔任內部審計稽查部部長。自2015年5月至今，全先生擔任國機資產財務部部長。自2016年4月至今，全先生擔任中國第二重型機械集團公司黨委常委及二重集團(德陽)重型裝備股份有限公司總會計師。全先生從2008年11月以來擔任本公司監事會主席。全先生自2011年8月至今擔任在上海證券交易所上市的國機汽車股份有限公司(股票代碼：600335)的監事會主席。

全先生在1991年畢業於江西財經學院，並取得會計學學士學位。全先生為高級會計師。

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Mr. QIAN Xiangdong (錢向東)

Mr. QIAN, aged 49, a senior accountant, is a Supervisor, and was appointed on January 13, 2011. He joined the Education Department of the Ministry of Machinery Industry in June 1997. From September 1998 to August 2006, Mr. QIAN held various positions, including the Financial and Audit Department officer, vice manager, vice chief accountant and deputy general manager at China National Harvester Machinery Corporation (中國收穫機械總公司), a subsidiary of SINOMACH. From September 2006 to September 2008, Mr. QIAN served as a financial controller of the Tianjin Design & Research Institute of Electric Drive (天津電氣傳動設計研究所), a subsidiary of SINOMACH. From 2008 to October 2016, Mr. QIAN served as a deputy general manager and chief financial officer of China United Engineering Corporation and since October 2016, Mr. QIAN has been serving as a director, vice chairman and chief financial officer of this company.

Ms. LIU Ting (劉婷)

Ms. LIU, aged 36, was appointed as a Supervisor on January 12, 2018. She is the deputy general manager of the audit department of the Company. She served as a staff member of the project auditing division of the Company from August 2006 to September 2009. In September 2009, she started as a staff member of the audit department of the Company, and was subsequently promoted to deputy general manager of the audit department. Ms. LIU has over 10 years of experience in accounting and auditing. Ms. LIU graduated from School of Business, Renmin University of China (中國人民大學商學院) with a bachelor's degree in management in 2004, majoring in accounting, and obtained a master's degree in management from Renmin University of China (中國人民大學) in 2006. Ms. LIU is a senior accountant, a Chinese certified public accountant, a Certified Practising Accountant (Australia) and an international certified internal auditor.

錢向東先生

錢先生，現年49歲，高級會計師，為監事，於2011年1月13日獲委任。彼於1997年6月加入機械工業部教育司。1998年9月至2006年8月間，錢先生曾擔任中國收穫機械總公司（國機的附屬公司）財務審計部的幹部、副經理、副總會計師及副總經理等職務等多個職位。自2006年9月至2008年9月期間，錢先生擔任天津電氣傳動設計研究所（國機的附屬公司）財務總監。自2008年至2016年10月間，錢先生曾擔任中國聯合工程公司副總經理兼財務總監，並於2016年10月至今一直擔任該公司董事，副董事長及財務總監。

劉婷女士

劉女士，現年36歲，於2018年1月12日獲委任為監事。彼為本公司審計部副總經理。彼於2006年8月至2009年9月，擔任本公司項目審計部職員，並於2009年9月擔任本公司審計部職員，其後晉升為審計部副總經理。劉女士擁有超過10年會計及審計經驗。劉女士於2004年畢業於中國人民大學商學院，專業會計學，取得管理學學士學位，並於2006年於中國人民大學取得管理學碩士學位。劉女士為高級會計師、中國註冊會計師、澳洲註冊會計師及國際註冊內部審計師。

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V. SENIOR MANAGEMENT

Mr. ZHANG Jianguo (張建國)

Mr. ZHANG, aged 57, is a vice president of our Company and is in charge of our Company's trade and other business. Prior to joining our Company, Mr. ZHANG was a lecturer at Peking University (北京大學) from July 1987 to May 1991. In May 1991, Mr. ZHANG joined our Company and he was appointed as a deputy general manager of the department of human resources and education of our Company in June 1993. Mr. ZHANG was subsequently promoted as a vice director of the general office of our Company and held that position from December 1993 to January 1998. In 1998, Mr. ZHANG was appointed as a deputy general manager of CMEC Tendering, and was promoted to the general manager thereof in July 2001 and held that position until June 2007. In March 2005, Mr. ZHANG was also appointed as an assistant general manager of our Company. Mr. ZHANG has been a vice president of our Company since May 2006. Mr. ZHANG is a senior economist and graduated from Peking University with a master's degree in history in 1987.

V. 高級管理人員

張建國先生

張先生，現年57歲，現任本公司副總裁，主管本公司貿易及其他業務。在加入本公司之前，在1987年7月至1991年5月間，張先生曾任北京大學講師，張先生於1991年5月加入本公司，並於1993年6月獲委任為本公司人教部副總經理。其後張先生於1993年12月至1998年1月期間擔任本公司辦公室副主任。張先生於1998年被任命為中設招標副總經理，於2001年7月晉升為該公司的總經理，並擔任這一職務直至2007年6月。2005年3月，張先生亦被任命為本公司總經理助理。張先生自2006年5月起出任本公司副總裁。張先生為高級經濟師。張先生在1987年畢業於北京大學，取得歷史學碩士學位。

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Mr. WANG Tianyi (王天翼)

Mr. WANG, aged 57, is currently vice president of our Company (appointed in January 2014) and secretary of the discipline inspection committee (appointed in December 2013). He is responsible for the general management of the Company. Mr. WANG has over 30 years of experience in corporate and financial management. Mr. WANG joined our Company in January 2014. Before joining our Company, during the period from October 1980 to August 1988, Mr. WANG served at the business division of the finance department under the Ministry of First Machinery Industry and the auditing division directly under the auditing bureau of the National Machinery Industry Committee. From August 1988 to April 1993, Mr. WANG served as the deputy director of the office of the auditing bureau of National Audit Office in the Ministry of Mechanical and Electronic Industry and the chief of the general division of such auditing bureau. From April 1993 to May 1998, Mr. WANG served as the chief of the auditing division directly under the auditing bureau of National Audit Office in MMI. Thereafter, Mr. WANG served as the deputy general manager of the auditing department, the deputy general manager of the financial department and the chief of the first financial division, the general manager of the financial department and the director of asset financial department in China National Machinery and Equipment (Group) Company (中國機械裝備(集團)公司) during the period from May 1998 to October 2003. During the period from October 2003 to December 2010, Mr. WANG served as deputy general manager, financial controller and secretary of the discipline inspection committee of China National Electric Equipment Corporation. During the period from December 2010 to January 2014, Mr. WANG served as deputy general manager, financial controller and secretary of the discipline inspection committee of China National Electric Engineering Co., Ltd.. Mr. WANG graduated from the Correspondence Teaching College of Renmin University of China (中國人民大學函授學院) majoring in industrial accounting in 1987. Mr. WANG is a senior accountant.

王天翼先生

王先生，現年57歲，現任本公司副總裁（於2014年1月獲委任），並擔任紀委書記（於2013年12月獲委任）。彼負責本公司的綜合管理。王先生於企業和財務管理方面擁有超過30年經驗。王先生於2014年1月加入本公司。在加入本公司前，王先生於1980年10月至1988年8月期間，先後任職於第一機械工業部財務司事業處、國家機械工業委員會審計局直屬單位審計處。王先生於1988年8月至1993年4月歷任審計署駐機械電子工業部審計局辦公室副主任、綜合處處長。於1993年4月至1998年5月，王先生擔任審計署駐機械工業部審計局直屬單位審計處處長。其後，王先生於1998年5月至2003年10月任職於中國機械裝備(集團)公司，歷任審計部副總經理、財務部副總經理兼財務一處處長、財務部總經理、資產財務部部長。於2003年10月至2010年12月期間，王先生先後擔任中國電工設備總公司的副總經理、財務總監、紀委書記。於2010年12月至2014年1月期間，王先生擔任中國電力工程有限公司的副總經理、財務總監、紀委書記。王先生於1987年從中國人民大學函授學院畢業，主修工業會計。王先生為高級會計師。

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Ms. Ai Wei (艾威)

Ms. Ai, aged 48, is currently a vice president of our Company (appointed in November 2014) and is in charge of the import and export trading businesses of our Company. Ms. Ai has over 20 years of experience in the management of trading businesses. Ms. Ai joined our Company in July 1991. During the period from January 1992 to January 1998, Ms. Ai served at CMEC Machine Tool Co., Ltd. (中設機床工具有限責任公司). From January 1998 to August 2005, Ms. Ai served as manager of the third division of CMEC International Trading Co., Ltd., and she was promoted and worked as deputy general manager from September 2005 to May 2007. Thereafter, Ms. Ai was appointed as general manager of CMEC General Machinery Import & Export Co., Ltd. in May 2007 and served at that position until October 2013. Ms. Ai was promoted and worked as an assistant general manager of our Company in May 2010 and was appointed as deputy general manager of China Perfect Machinery Industry Corp., Ltd. (中國浦發機械工業股份有限公司) from October 2013 to November 2014. Ms. Ai served as the director of China National Guo Lian Development New Energy (Wuxi) Co., Ltd. (中設國聯無錫新能源發展有限公司) from October 2014 to March 2017. Ms. Ai graduated from Peking University majoring in economics and management in 1991. Ms. Ai is a senior international business specialist.

艾威女士

艾女士，現年48歲，現任本公司副總裁（於2014年11月獲委任），主管本公司的進出口貿易業務。艾女士擁有超過20年的貿易業務管理經驗。艾女士於1991年7月加入本公司，於1992年1月至1998年1月間任職於中設機床工具有限責任公司。於1998年1月至2005年8月間，艾女士擔任中設國際貿易有限責任公司三分部經理，並於2005年9月晉升為副總經理直至2007年5月，其後於2007年5月被任命為中設通用機械進出口有限責任公司的總經理，並擔任這一職務直至2013年10月。彼於2010年5月晉升為本公司總經理助理並於2013年10月起獲委任為中國浦發機械工業股份有限公司的副總經理直至2014年11月。自2014年10月至2017年3月，艾女士擔任中設國聯無錫新能源發展有限公司的董事。艾女士於1991年在北京大學畢業，主修經濟管理。艾女士為高級國際商務師。

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董事、監事、高級管理人員及僱員

Mr. ZHANG Wei (張煒)

Mr. ZHANG, aged 54, is currently a vice president of our Company (appointed in September 2015). He is responsible for our Company's design and consultancy services. Mr. ZHANG has over 30 years of experience in engineering survey, design, technology and administrative management. From July 1983 to January 1989, he taught at Hefei University of Technology (合肥工業大學). Prior to his joining our Company, he held a number of positions within laboratory of investigation & research institute of Ministry of Machinery including director and chief engineer, vice section chief of Geotechnical Engineering Section and president assistant from January 1989 to March 1996. From April 1996 to December 2014, he successively held the posts of chief engineer, vice president, president and CPC Committee of China Jikan Research Institute of Engineering Investigations and Design, Co., Ltd., and has been a chairman since December 2014. Mr. ZHANG obtained a master's degree from Hefei University of Technology (合肥工業大學) in 1988, majoring in hydrogeology and engineering geology, and obtained a master's degree in business administration (MBA) from Xi'an Jiaotong University (西安交通大學) in 2004. Currently, Mr. ZHANG is professor of engineering. He was awarded the title of National Engineering Survey and Design Master in 2006.

張煒先生

張先生，現年54歲，現任本公司副總裁（於2015年9月獲委任）。彼負責本公司的設計諮詢業務。張先生擁有超過30年的工程勘察、設計、技術及行政管理經驗。於1983年7月至1989年1月間，張先生曾於合肥工業大學任教。在加入本公司前，張先生曾於1989年1月至1996年3月期間擔任機械部勘察研究院試驗室主任、主任工程師、岩土工程處副處長及院長助理等多個職位。於1996年4月至2014年12月期間歷任機械工業勘察設計研究院有限公司總工程師、副院長、院長、黨委書記，並於2014年12月擔任董事長至今。張先生於1988年獲得合肥工業大學碩士學位，主修水文地質與工程地質並於2004年獲得西安交通大學工商管理碩士學位。目前，張先生為教授級高級工程師，並於2006年榮獲全國工程勘測設計大師稱號。

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Mr. FANG Yanshui (方彥水)

Mr. FANG, aged 47, is currently the vice president of our Company (appointed in February 2017), and is in charge of our Company's international engineering contracting business. He has over 20 years of experience in engineering contracting. Mr. FANG joined our Company in August 1993. Mr. FANG successively served as a sales representative, the deputy general manager of the Third International Engineering Department under No.4 Complete Engineering Department, the deputy general manager of No.4 Department and the general manager and the Secretary of General Party Branch of the Third International Engineering Department and the general manager of No.4 Complete Engineering Department. Mr. FANG was promoted to the assistant to the general manager of our Company and the general manager of No.4 Department in September 2015. Mr. FANG graduated from Hunan University in 1993, majoring in industrial foreign trade. Mr. FANG is a senior engineer.

方彥水先生

方先生，現年47歲，現任本公司副總裁（於2017年2月獲委任），主管本公司的國際工程承包業務。彼擁有超過20年的工程承包業務經驗。方先生於1993年8月加入本公司，歷任業務員、第四成套事業部國際工程三部副總經理、第四事業部副總經理兼國際工程三部總經理、黨總支書記、第四工程成套事業部總經理，並於2015年9月晉升為本公司總經理助理及第四事業部總經理。方先生於1993年在湖南大學畢業，主修工業外貿。方先生為高級工程師。

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董事、監事、高級管理人員及僱員

Mr. TONG Zigang (童自剛)

Mr. TONG, aged 47, is currently the vice president of our Company (appointed in February 2017) and is in charge of our Company's International Engineering Contracting Business. He has over 20 years of experience in engineering contracting business. Mr. TONG joined our Company in June 2006. Prior to his joining our Company, Mr. TONG successively served as a sales representative of the Second Engineering Department and the deputy general manager of the Fourth Engineering Department of China Machinery-building International Corporation (中國機械對外經濟技術合作總公司) from August 1994 to June 2006. During the period from June 2006 to September 2015, Mr. TONG successively served as the general manager of the Second International Engineering Department and the Sixth International Engineering Department under No.3 Complete Engineering Department of the Company, the deputy general manager and the general manager of No.3 Complete Engineering Department. Mr. TONG was promoted to the assistant to the general manager of our Company and the general manager of the Third Department in September 2015. Mr. TONG graduated from Beijing University of Technology in 1994, majoring in mechanical engineering and manufacturing, and obtained a bachelor's degree in engineering, Mr. TONG graduated from the School of Economics at Renmin University of China (中國人民大學), majoring in global economy as an incumbency graduate student, and obtained a master's degree in economics in 2000. Mr. TONG is a senior engineer. Mr. TONG also obtained the International Premium Project Manager (IPMP Class A, 國際特級項目經理) which was awarded by the International Project Management Association (IPMA, 國際項目管理協會).

童自剛先生

童先生，現年47歲，現任本公司副總裁（於2017年2月獲委任），主管本公司的國際工程承包業務。彼擁有超過20年的工程承包業務經驗。童先生於2006年6月加入本公司。於加入本公司前，童先生曾於1994年8月至2006年6月先後擔任中國機械對外經濟技術合作總公司第二工程部業務員及第四工程部副總經理。童先生於2006年6月至2015年9月間先後擔任本公司第三工程成套事業部國際工程二部及國際工程六部總經理、事業部副總經理及事業部總經理。並於2015年9月晉升為本公司總經理助理兼第三事業部總經理。童先生於1994年畢業於北京工業大學，主修機械設計及製造，獲工學學士學位，於2000年畢業於中國人民大學經濟學院，在職研究生世界經濟專業，獲經濟學碩士學位。童先生為高級工程師。童先生亦獲得由國際項目管理協會(IPMA)授予的國際特級項目經理（IPMP A級）資格。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

Ms. WANG Weiling (王瑋玲)

Ms. WANG, aged 52, is currently the chief financial officer, Board Secretary, a Joint Company Secretary and the general manager of the general department of finance of the Company. She joined the Company in July 1988 and successively held various positions including accountant of the storage and transportation department and accountant of the finance department. From April 1998 to July 2005, Ms. WANG served as the deputy general manager and the general manager of the finance department at CMEC International Engineering Co., Ltd. (中設國際工程有限責任公司), a subsidiary of the Company, and the chief of the finance department of the Company's 1st complete plants division. Ms. WANG served as the deputy general manager of the general department of finance of the Company from July 2005 to September 2006. From September 2006 to June 2007, she served as the chief accountant of China Machinery-building International Corporation (中國機械對外經濟技術合作總公司). From June 2007 to February 2018, she has been serving as the general manager of the general department of finance of the Company. From January 2016 to March 2018, she has been concurrently serving as the chief financial officer of CNEEC. From August 2016 to February 2018, she has been serving as an assistant to the general manager of the Company. On February 12, 2018, Ms. WANG was appointed as the chief financial officer, Board Secretary and a Joint Company Secretary. She has about 30 years of experience in finance.

Ms. WANG graduated with a bachelor's degree in economics from Beijing Institute of Business (北京商學院) in July 1988 where she majored in finance and accounting in the accounting department. She obtained a master's degree in economics from Renmin University of China (中國人民大學) in July 1999 where she majored in business economics in the trade department. Ms. WANG is a senior accountant in the PRC.

王瑋玲女士

王女士，現年52歲，現任本公司財務總監、董事會秘書、聯席公司秘書及財務總部總經理。彼於1988年7月加入本公司，先後擔任多個職位包括儲運部會計及財務部會計。於1998年4月至2005年7月間，王女士於中設國際工程有限責任公司（本公司的附屬公司）擔任財務部副總經理、財務部總經理及本公司第一工程成套事業部財務部主任。王女士於2005年7月至2006年9月擔任本公司財務總部副總經理，2006年9月至2007年6月擔任中國機械對外經濟技術合作總公司總會計師。彼於2007年6月至2018年2月，擔任本公司財務總部總經理。於2016年1月至2018年3月兼任中電工財務總監。於2016年8月至2018年2月，彼擔任本公司總經理助理。於2018年2月12日，王女士獲委任為本公司財務總監、董事會秘書及聯席公司秘書。彼擁有約30年金融經驗。

王女士於1988年7月畢業於北京商學院會計系財會專業，取得經濟學學士學位。彼於1999年7月於中國人民大學貿易系商業經濟專業，取得經濟學碩士學位。王女士為中國高級會計師。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

VI. EMPLOYEES

As at December 31, 2017, the Group had 3,787 employees in total. The following table sets forth the number of employees according to different job functions:

		Number of employees 僱員數目
Business Staff	業務人員	3,428
International Engineering Contracting Business	國際工程承包業務	2,809
Trading Business	貿易業務	489
Services Business	服務業務	130
Management, finance and administration	管理、財務和行政	325
Others	其他	34
Total	合計	3,787

VI. 僱員

於2017年12月31日，本集團共有3,787名僱員。下表載列按不同職能劃分的僱員數目：

The following tables set forth the Group's staff structure by geographical location, academic qualification, designation and age, respectively:

下表分別載列按地理位置、學歷、職稱及年齡劃分的本集團員工架構：

Analysis of the Group's staff by geographical location

按地理位置劃分的本集團員工分析

No. 編號	Geographical location 地理位置		Number of	
			staff 員工數目	Percentage 百分比
1	China	中國	3,437	90.8%
2	Asia (excluding China and Turkey)	亞洲（不包括中國及土耳其）	153	4.0%
3	Africa	非洲	103	2.7%
4	Europe (including Turkey)	歐洲（包括土耳其）	44	1.2%
5	North America	北美洲	1	0.0%
6	South America	南美洲	49	1.3%
Total		合計	3,787	100%

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

Analysis of the Group's staff by academic qualification

按學歷劃分的本集團員工分析

No. 編號	Academic qualification 學歷		Number of staff 員工數目	Percentage 百分比
1	Postgraduate or above	研究生或以上	1,109	29.3%
2	Undergraduate	學士學位	2,133	57.3%
3	College diploma or below	專科文憑或以下	545	14.4%
Total		合計	3,787	100%

Analysis of the Group's staff by designation

按職稱劃分的本集團員工分析

No. 編號	Designation 職稱		Number of staff 員工數目	Percentage 百分比
1	Senior Grade	高級	809	21.4%
2	Intermediate Grade	中級	1,115	29.4%
3	Junior Grade and below	初級及以下	1,863	49.2%
Total		合計	3,787	100%

Analysis of the Group's staff by age

按年齡劃分的本集團員工分析

No. 編號	Age 年齡		Number of staff 員工數目	Percentage 百分比
1	56 years old and above	56歲及以上	240	6.3%
2	46-55 years old	46至55歲	563	14.9%
3	36-45 years old	36至45歲	801	21.2%
4	35 years old and below	35歲及以下	2,183	57.6%
Total		合計	3,787	100%

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

1. Staff Incentives

In 2017, the Company improved performance management system and formulated overall reform plan for optimization of business department's positions, performance and salary. The Company will further perfect the above plan upon the determination. The Company also (a) improved three-level training system of the Company; (b) completed the standardization of the overseas on-site practice of university students; and (c) further standardized revenue management of each business division.

In terms of staff cultivating, the Company formulates the construction plans for talent teams and strives to create the Company's six talent teams, including "senior management personnel, project management personnel, engineering and technical personnel, professional management personnel, marketing personnel, investment and capital operation personnel", which reinforces the base of key talent reserve.

The Company will establish diversified career development channels in the future, especially continue to focus on building development channels for core business staff, further improve the retirement schemes, and therefore ensure both the development channels and retirement schemes are in place, in order for employees to share development opportunities and reform results. The Company will further establish and perfect a more rational, open and scientific employment system by constantly consolidating the fruits of talents introduction and enhancing the exchanges between the cadre and the talents.

1. 僱員獎勵

2017年，公司完善了績效管理體系，形成事業部崗位、績效與薪酬優化項目整體改革方案，待國家相關政策明確後，公司將進一步修改完善上述方案。公司亦(a)完善了公司內部三級培訓體系；(b)完成大學生海外現場實習規範；及(c)進一步規範了各事業部的收入管理。

在人才培養方面，公司制定人才隊伍建設規劃，着力打造公司「高級管理人才、項目管理人才、工程技術人才、專業管理人才、市場營銷人才、投資和資本運作人才」六支人才隊伍，夯實關鍵人才儲備根基。

在未來，公司要建立多元化職業發展通道，尤其會繼續著力打通核心業務人員的晉升通道，進一步完善人員退出機制，形成晉升有通道，退出有機制的局面，讓員工共享發展機遇及改革成果。公司還將通過不斷鞏固人才引進成果，加強幹部與人才的交流，進一步制定及完善更合理、公開和科學的僱傭制度。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

2. Staff Remuneration

For the year ended December 31, 2017, the Group incurred staff costs of approximately RMB1,460.0 million. Staff's remuneration comprises basic salary and performance salary. The performance salary is determined according to the assessment of performance of the whole staff. In 2017, remuneration policy committee, remuneration supervision committee and remuneration performance appraisal committee of the Company focus on promoting the reform of remuneration system and re-establishing the structure of remuneration system.

3. Staff Training

In respect of staff training, in 2017, the Company built a two level training system with the headquarters, each department office and subsidiary as main body, innovated in training methods and devoted greater efforts to training in-service cadres at all levels and new recruits.

We provide systematic and effective training for our employees. We provide sustainable and specific education training for our senior management, middle management as well as technical and operational staff with a view to improving the quality and ability of our staff at different levels.

To regulate the management of staff training, the Company has formulated comprehensive measures for administering employees' education and training, which effectively promote the establishment of the Company's education training system. The Company focuses on the training needs of the senior management, middle management, technical and operational staff as well as the development needs of the Company when formulating and implementing education training programmes. The Company aims to implement a diversified training system for the staff so as to encourage the staff to participate in training.

2. 僱員薪酬

截至2017年12月31日止年度，本集團產生的員工成本約人民幣1,460.0百萬元。僱員薪酬由基本工資和績效工資兩部分組成。績效工資依據本集團全員業績考核結果確定。於2017年，本公司薪酬政策委員會、薪酬監督委員會及薪酬績效考核委員會著重推進薪酬制度改革及重新搭建公司薪酬體系架構。

3. 僱員培訓

在人才培訓方面，2017年，公司構建以公司本部和各部室、子公司為主體的兩級培訓體系，創新培訓方式，並加大對各級在職幹部員工和新入職員工的培訓力度。

我們為僱員提供系統性及實效性培訓，分別對高級管理人員、中層管理人員以及各專業技術及業務人員進行高持續性及強針對性的教育培訓，以不斷提高各級僱員的素質及能力。

為對僱員培訓實行規範化管理，本公司已制定完善的員工教育和培訓管理辦法，卓有成效地推進公司教育培訓體系建設。在教育培訓計劃的制定和實施過程中，尤其關注高層管理人員、中層管理人員、各專業技術及業務人員的培訓需求，並根據本公司不斷發展的需要，實現配套的員工多樣化培訓體系，以鼓勵更多僱員參與培訓。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

The Company will further strengthen to train young cadre in the future and establish different levels of cadre, which lays the foundation for the sustainable development of the Company.

4. Guarantee of Staff Rights

The Group strictly complies with the relevant PRC laws and regulations and makes contributions to various pension contribution plans, medical insurance plans, unemployment insurance plans, maternity insurance plans and personal injury insurance plans.

在未來，公司將進一步加強培育年輕幹部，形成人才梯隊，為公司可持續發展奠定基礎。

4. 員工權利保障

本集團嚴格遵守相關中國法律法規，對各種養老保險計劃、醫療保險計劃、失業保險計劃、生育保險計劃及人身傷害保險計劃作出供款。

Independent Auditor's Report

獨立核數師報告



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To the shareholders of China Machinery Engineering Corporation
(Established in the People's Republic of China with limited liability)

致中國機械設備工程股份有限公司股東
(於中華人民共和國註冊成立的股份有限公司)

OPINION

意見

We have audited the consolidated financial statements of China Machinery Engineering Corporation (the "Company") and its subsidiaries (the "Group") set out on pages 214 to 369, which comprise the consolidated statement of financial position as at December 31, 2017, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

本核數師(以下簡稱「我們」)已審核第214頁至第369頁所載中國機械設備工程股份有限公司(「貴公司」)及其附屬公司(「貴集團」)的合併財務報表,包括於2017年12月31日的合併財務狀況表、截至該日止年度的合併損益表、合併綜合收益表、合併權益變動表和合併現金流量表,以及合併財務報表附註,包括主要會計政策概要。

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

我們認為,該等合併財務報表已根據國際會計準則委員會(「國際會計準則委員會」)頒佈的國際財務報告準則(「國際財務報告準則」)真實而公平地反映貴集團於2017年12月31日的合併財務狀況以及彼等截至該日止年度的合併財務業績及合併現金流量,並已按照香港公司條例的披露規定妥為編製。

BASIS FOR OPINION

意見基礎

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAAs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

我們已根據香港會計師公會(「香港會計師公會」)頒佈的香港核數準則(「香港核數準則」)進行審核。我們根據該等準則須承擔的責任在本報告中「核數師就審核合併財務報表須承擔的責任」中進一步詳述。根據香港會計師公會之專業會計師職業道德守則(簡稱「守則」),我們獨立於貴集團,並已遵循守則履行其他職業道德責任。我們相信,我們所獲得的審核憑證能充足和適當地為我們的意見提供基礎。

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

關鍵審核事項

根據我們的專業判斷，關鍵審核事項為我們審核本期合併財務報表中最重要的事項。此等事項是我們在整體審核合併財務報表和作出意見時進行處理的，而不會就此等事項單獨發表意見。就下文各事項，我們在報告中描述我們的審核過程處理該事宜的方法。

我們已履行了本報告「核數師就審核合併財務報表承擔的責任」部分闡述的責任，包括與該等事項相關的責任。相應地，我們的審核工作包括執行為應對評估的合併財務報表重大錯誤陳述風險而設計的審核程序。我們執行審核程序的結果，包括應對下述關鍵審核事項所執行的程序，為隨附合併財務報表發表審核意見提供了基礎。

Independent Auditor's Report

獨立核數師報告

Key audit matter

關鍵審核事項

Revenue recognition for construction contracts

建造合同收入確認

The Company derives a significant portion of its revenues from construction-type contracts that are accounted for by applying the percentage-of-completion (POC) method.

貴公司收入主要來自建造類合同，該類合同按完工百分比法入賬。

The POC method involves the use of significant management judgement and estimates including estimates of the progress towards completion, the scope of deliveries and services required, total contract costs, remaining costs to completion, total contract revenues and contract risks. In addition, revenue, cost and gross profit realised on such contracts can vary (sometimes significantly) from the Company's original estimates because of changes in conditions.

使用完工百分比法涉及重大管理層判斷及估計，包括對竣工進度的估計，交付範圍及所需服務、合同成本總額、竣工尚需發生的成本、合同收入總額及合同風險。此外，建造合同實際發生的收入、成本及毛利會因條件變更而偏離（有時嚴重偏離）貴公司的初始估計。

The disclosures about construction contracts are included in note 2.4, note 5 and note 21 to the consolidated financial statements.

有關建造合同的披露載於合併財務報表附註2.4、附註5及附註21。

How our audit addressed the key audit matter

關鍵審核事項在審核中的處理方法

We tested the internal controls of the Company over its processes to record contract costs and contract revenues under the percentage-of-completion (POC) method.

我們對貴公司按完工百分比法記錄合同成本及合同收入的流程進行了內控測試。

We evaluated the judgements and estimates of management in determining the estimated total contract costs through the review of contract cost budget and other relevant project documentation, and the discussion of the status of projects under construction with management, finance and technical staff of the Company.

我們透過檢查合同成本預算及相關項目文件及與貴公司管理層、財務及技術員工討論在建項目的狀態，評估管理層確定估計合同成本總額所作判斷及估計。

We performed tests of details, including the vouching to invoices or other source documents, for the costs incurred, and to assess the status of the projects under sample basis.

基於抽樣基礎，我們進行具體測試，包括檢查已產生的成本之發票或其他原始文檔，及評估項目狀態。

We retested the calculation of the percentage-of-completion for certain key projects.

我們就若干關鍵項目重新測試完工百分比的計算。

Key audit matter

關鍵審核事項

Allowances for impairment of trade receivables
貿易應收款項減值撥備

The Group has significant trade receivables from customers. Allowances for the impairment of these balances are estimated by management through the application of significant judgement and use of subjective assumptions. Evidence of impairment may include indicators that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in economic conditions that correlate with defaults.

貴集團有來自客戶的大量貿易應收款項。該等餘額的減值撥備由管理層運用重大判斷及主觀假設進行估計。減值證據可能包括一名債務人或一組債務人有跡象正經歷財務困難、違約或拖欠利息或本金，彼等有可能進入破產或其他財務重組，且有可觀察數據表明估計未來現金流量將明顯減少，如與違約相關的經濟狀況發生變更。

The disclosures about allowances for impairment of trade receivables are included in note 2.4 and note 22 to the consolidated financial statements.

貿易應收款項減值撥備的披露載於合併財務報表附註2.4及附註22。

How our audit addressed the key audit matter

關鍵審核事項在審核中的處理方法

We evaluated the judgements and estimates of management in determining impairment allowance and tested key internal controls over the Group's impairment procedures. We obtained direct external confirmations for trade receivable balances on a sample basis.

我們對管理層在釐定減值撥備時的判斷及估計進行評估，並對貴集團減值程序的關鍵內部控制進行測試。我們基於抽樣基礎已直接獲得貿易應收款項餘額的外部函証。

For significant trade receivables individually assessed to be impaired, we assessed the adequacy of impairment provision as determined by management. 對於已單獨評估為減值的重大貿易應收款項，我們評估管理層所釐定減值撥備的充足性。

For trade receivables assessed to be impaired by reference to the credit risk characteristics, we tested the accuracy of the ageing of trade receivable balances on a sample basis; evaluated cash collection performance against historical trends.

對於按照信用風險特徵被評估為減值的貿易應收款項，我們基於抽樣基礎對貿易應收款項結餘的賬齡準確性進行測試；比對過往趨勢以考慮現金收回表現。

We tested the cash collections subsequent to the end of the reporting period on a sample basis.

我們基於抽樣標準對於報告期末的現金收回進行測試。

Independent Auditor's Report

獨立核數師報告

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

年報所載的其他資料

貴公司董事須對其他資料承擔責任。其他資料包括年報中所包含的所有資料，但不包括合併財務報表及我們就此發出的核數師報告。

我們對合併財務報表作出的意見並無涵蓋其他資料，且我們不會對其他資料發表任何形式的核證結論。

就審核合併財務報表而言，我們的責任為閱讀其他資料，從而考慮其他資料是否與合併財務報表或我們在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。倘若我們基於已進行的工作認為其他資料出現重大錯誤陳述，我們須報告有關事實。我們就此並無須報告的事項。

董事就合併財務報表須承擔的責任

貴公司董事須負責根據國際會計準則委員會頒佈之國際財務報告準則及香港公司條例之披露規定，編製表達真實且公平之合併財務報表，及落實其認為編製合併財務報表所必要的內部控制，以使合併財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

編製合併財務報表時，貴公司董事須負責評估貴集團持續經營的能力，並披露與持續經營有關的事項（如適用）。除非貴公司董事擬將貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法，否則須採用以持續經營為會計基礎。

Independent Auditor's Report

獨立核數師報告

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

審計委員會協助貴公司董事履行職責、監督貴集團的財務報告過程。

核數師就審核合併財務報表須承擔的責任

我們的目標為合理確保合併財務報表整體不存在由於欺詐或錯誤而導致的重大錯誤陳述，並出具載有我們意見的核數師報告。我們報告乃僅向全體股東（作為整體）作出，不作其他用途。我們概不就本報告的內容對任何其他人士承擔任何責任或接受任何負債。

合理確定屬高層次的核證，惟不能保證根據香港核數準則進行的審核工作總能發現所存在的重大錯誤陳述。錯誤陳述可源於欺詐或錯誤，倘合理預期個別或整體錯誤陳述可影響使用者根據該等合併財務報表作出的經濟決定時，則被視為重大錯誤陳述。

我們根據香港核數準則進行審核的工作之部分，是運用專業判斷，並在整個審核過程保持專業懷疑態度。我們亦：

- 識別及評估合併財務報表由於欺詐或錯誤而導致的重大錯誤陳述風險，針對該等風險設計及執行審核程序，以及獲得充足及適當的審核憑證為我們的意見提供基礎。由於欺詐可能涉及合謀、偽造、故意遺漏、誤導性陳述或凌駕內部控制的情況，因此未能發現因欺詐而造成的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審核有關的內部控制，以設計在各種情況下均恰當的審核程序，但並非旨在對貴集團的內部控制的有效性發表意見。

Independent Auditor's Report

獨立核數師報告

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評估所用會計政策是否恰當，以及貴公司董事所作出的會計估計和相關披露是否合理。
- 對董事採用的以持續經營為會計基礎是否恰當作出總結，並根據已獲取的審核憑證，確定是否存在可能對貴集團持續經營的能力構成重大疑慮的事件或情況等重大不確定因素。倘我們認為存在重大不確定因素，則須在核數師報告中提請注意合併財務報表內的相關披露，或如果相關披露不足，則須修訂我們的意見。我們的結論乃基於截至核數師報告日期所獲得的審核憑證。然而，未來事件或情況可能導致貴集團無法持續經營。
- 評估合併財務報表（包括披露）的整體呈列方式、架構及內容，以及合併財務報表是否公允地反映相關交易及事項。
- 就貴集團內各實體或業務活動的財務資料獲得充足且適當的審核憑證，以就合併財務報表發表意見。我們須負責指導、監督和執行貴集團的審核工作。我們須為我們的審核意見承擔全部責任。

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

我們就（其中包括）審核工作的計劃範圍、時間安排以及重大審核發現（包括我們在審核過程中發現的任何內部控制的重大缺失）與審計委員會進行溝通。

我們亦向審計委員會作出聲明，確認我們已遵守有關獨立性的道德要求，並就所有被合理認為可能影響我們獨立性的關係和其他事宜以及相關防範措施（如適用）與彼等進行溝通。

Independent Auditor's Report

獨立核數師報告

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yim Chi Hung Henry.

Ernst & Young

Certified Public Accountants
Hong Kong

March 26, 2018

我們通過與審計委員會溝通，釐定對本期合併財務報表審核工作而言至關重要的事項，即關鍵審核事項。除非法律或法規不容許公開披露此等事項，或於極罕有的情況下，我們認為披露此等事項可合理預期的不良後果將超越公眾知悉此等事項的利益而不應於報告中披露，否則我們會於核數師報告中描述此等事項。

負責此審核項目及簽發本獨立核數師報告的項目合夥人為嚴志雄。

安永會計師事務所

執業會計師
香港

2018年3月26日

Consolidated Statement of Profit or Loss

合併損益表

Year ended December 31, 2017 • 截至2017年12月31日止年度

		Notes	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
		附註		
REVENUE	收入	5	23,682,177	21,017,236
Cost of sales	銷售成本	6	(18,967,182)	(17,473,045)
Gross profit	毛利		4,714,995	3,544,191
Other revenue	其他收入	5	201,051	29,062
Other expenses/(income), net	其他開支/(收入)淨額	5	183,859	(14,170)
Selling and distribution expenses	銷售及分銷開支		(1,026,251)	(1,103,944)
Administrative expenses	行政開支		(831,013)	(725,366)
Other operating expenses	其他經營開支		(394,750)	(162,658)
PROFIT FROM OPERATIONS	經營溢利		2,847,891	1,567,115
Finance income	財務收入	6	321,521	1,248,682
Finance expenses	財務開支	6	(977,121)	(46,905)
Net finance (expenses)/income	財務(開支)/收入淨額	6	(655,600)	1,201,777
Share of profits and losses of:	應佔以下溢利及虧損：			
Joint ventures	合營公司		23,507	13,401
Associates	聯營公司		37,093	1,637
PROFIT BEFORE TAX	除稅前溢利	6	2,252,891	2,783,930
Income tax	所得稅	10	(538,396)	(674,140)
PROFIT FOR THE YEAR	年內溢利		1,714,495	2,109,790
Attributable to:	歸屬於：			
Owners of the parent	母公司擁有人		1,711,203	2,106,521
Non-controlling interests	非控股權益		3,292	3,269
			1,714,495	2,109,790
EARNINGS PER SHARE	每股盈利			
ATTRIBUTABLE TO ORDINARY	母公司普通權益持有人			
EQUITY HOLDERS OF THE PARENT	應佔每股盈利			
Basic and diluted (RMB)	基本及攤薄(人民幣)	13	41 cents (分)	51 cents (分)

Consolidated Statement of Comprehensive Income

合併綜合收益表

Year ended December 31, 2017 • 截至2017年12月31日止年度

		2017	2016
		2017年	2016年
	Notes	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元
PROFIT FOR THE YEAR	年內溢利	1,714,495	2,109,790
OTHER COMPREHENSIVE INCOME	其他綜合收益		
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:	未於後續期間重新分類至損益的		
Remeasurement of defined benefit obligations	其他綜合收益： 重新計量設定 受益義務	27 (60)	9,990
Other comprehensive income to be reclassified to profit or loss in subsequent periods:	於後續期間重新分類至損益的其他綜合收益：		
Changes in fair value of available-for-sale investments	可供出售投資 公允價值變動	(436)	563
Exchange differences on translation of financial statements of overseas subsidiaries	換算海外附屬公司的 財務報表產生的匯兌 差額	(64,257)	63,983
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年內綜合收益總額	1,649,742	2,184,326
Attributable to:	歸屬於：		
Owners of the parent	母公司擁有人	1,646,525	2,180,909
Non-controlling interests	非控股權益	3,217	3,417
		1,649,742	2,184,326

Consolidated Statement of Financial Position

合併財務狀況表

December 31, 2017 • 2017年12月31日

			December 31, 2017 2017年 12月31日 RMB'000 人民幣千元	December 31, 2016 2016年 12月31日 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	1,617,352	1,605,717
Investment properties	投資物業	15	582,274	20,988
Prepaid land lease payments	預付土地租賃款項	16	1,793,684	1,797,297
Intangible assets	無形資產	17	17,511	9,587
Investments in joint ventures	對合營公司的投資	18	346,423	297,916
Investments in associates	對聯營公司的投資	19	505,416	265,836
Trade and other receivables	貿易及其他應收款項	22	847,058	553,937
Amounts due from contract customers	應收合同客戶款項	21	1,923,798	2,547,471
Deferred tax assets	遞延稅項資產	26	320,357	411,536
Other non-current assets	其他非流動資產	28	597,358	593,076
Total non-current assets	非流動資產總額		8,551,231	8,103,361
CURRENT ASSETS	流動資產			
Inventories	存貨	20	652,791	495,736
Trade and other receivables	貿易及其他應收款項	22	10,093,718	8,121,101
Amounts due from contract customers	應收合同客戶款項	21	3,563,860	4,693,622
Restricted deposits	受限制存款	23	1,178,951	554,588
Time deposits with original maturity over three months	原始到期日超過三個月的定期存款	23	5,032,483	5,942,003
Cash and cash equivalents	現金及現金等價物	23	18,466,327	19,541,868
Total current assets	流動資產總額		38,988,130	39,348,918
CURRENT LIABILITIES	流動負債			
Borrowings	借貸	25	754,847	576,695
Receipts in advance	預收款項		12,880,602	12,473,750
Trade and other payables	貿易及其他應付款項	24	16,541,389	17,541,253
Defined benefit obligations	設定受益義務	27	25,585	26,850
Tax payable	應繳稅項		97,643	501,728
Total current liabilities	流動負債總額		30,300,066	31,120,276
NET CURRENT ASSETS	流動資產淨額		8,688,064	8,228,642
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減流動負債		17,239,295	16,332,003

Continued/...
續/...

Consolidated Statement of Financial Position

合併財務狀況表

December 31, 2017 • 2017年12月31日

			December 31	December 31,
			2017,	2016
			2017年	2016年
			12月31日	12月31日
		<i>Notes</i>	RMB'000	<i>RMB'000</i>
		<i>附註</i>	人民幣千元	<i>人民幣千元</i>
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減流動負債		17,239,295	16,332,003
NON-CURRENT LIABILITIES	非流動負債			
Borrowings	借貸	25	161,522	469,728
Trade and other payables	貿易及其他應付款項	24	466,709	81,206
Defined benefit obligations	設定受益義務	27	361,421	359,323
Deferred tax liabilities	遞延稅項負債	26	44,175	46,193
Total non-current liabilities	非流動負債總額		1,033,827	956,450
Net assets	淨資產		16,205,468	15,375,553
EQUITY	權益			
Issued capital	已發行股本	29	4,125,700	4,125,700
Reserves	儲備	30	12,006,872	11,202,815
Total equity attributable to owners of the parent	母公司擁有人應佔權益總額		16,132,572	15,328,515
Non-controlling interests	非控股權益		72,896	47,038
Total equity	權益總額		16,205,468	15,375,553

Director Zhang Chun
董事 張淳

Director Zhou Yamin
董事 周亞民

Consolidated Statement of Changes in Equity

合併權益變動表

Year ended December 31, 2017 • 截至2017年12月31日止年度

		Attributable to owners of the parent 母公司擁有人應佔						Non- controlling interests 非控股權益	Total equity 權益總額	
		Issued capital 已發行股本 RMB'000 人民幣千元 (note 29) (附註29)	Capital reserve 資本儲備 RMB'000 人民幣千元 (note 30) (附註30)	Available- for-sale investment revaluation reserve 可供出售 投資重估 儲備 RMB'000 人民幣千元	Statutory surplus reserve 法定盈餘 公積金 RMB'000 人民幣千元	Exchange fluctuation reserve 匯兌 波動儲備 RMB'000 人民幣千元	Retained profits 保留溢利 RMB'000 人民幣千元	Sub-total		
At January 1, 2017	於2017年1月1日	4,125,700	2,838,229	2,705	1,070,754	81,265	7,209,862	15,328,515	47,038	15,375,553
Profit for the year	年內溢利	-	-	-	-	-	1,711,203	1,711,203	3,292	1,714,495
Other comprehensive income for the year	年內其他綜合收益									
Exchange differences on translation of foreign operations	外幣報表折算差額	-	-	-	-	(64,182)	-	(64,182)	(75)	(64,257)
Re-measurement losses on defined benefit plans, net of tax	設定受益計劃重新 評估虧損，扣稅後	-	-	-	-	-	(60)	(60)	-	(60)
Changes in fair value of available-for-sale investments, net of tax	可供出售投資公允 價值變動，扣稅後	-	-	(436)	-	-	-	(436)	-	(436)
Total comprehensive income for the year	年內綜合收益總額	-	-	(436)	-	(64,182)	1,711,143	1,646,525	3,217	1,649,742
Capital contribution from a non-controlling shareholder	非控股股東的資本投入	-	-	-	-	-	-	-	24,500	24,500
Dividends declared to shareholders of the Company	付予本公司股東的股息	-	-	-	-	-	(842,468)	(842,468)	-	(842,468)
Profit appropriation to reserves	轉撥至儲備的溢利	-	-	-	127,933	-	(127,933)	-	-	-
Dividends declared to non-controlling shareholders of subsidiaries	付予附屬公司非控股 股東的股息	-	-	-	-	-	-	-	(1,859)	(1,859)
At December 31, 2017	於2017年12月31日	4,125,700	2,838,229*	2,269*	1,198,687*	17,083*	7,950,604*	16,132,572	72,896	16,205,468

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Consolidated Statement of Changes in Equity

合併權益變動表

Year ended December 31, 2017 • 截至2017年12月31日止年度

		Attributable to owners of the parent 母公司擁有人應佔						Non- controlling interests 非控股權益	Total equity 權益總額	
		Issued capital 已發行股本 RMB'000 人民幣千元 (note 29) (附註29)	Capital reserve 資本儲備 RMB'000 人民幣千元 (note 30) (附註30)	Available- for-sale investment revaluation reserve 可供出售 投資重估儲備 RMB'000 人民幣千元	Statutory surplus reserve 法定盈餘 公積金 RMB'000 人民幣千元	Exchange fluctuation reserve 匯兌 波動儲備 RMB'000 人民幣千元	Retained profits 保留溢利 RMB'000 人民幣千元			Sub-total 小計 RMB'000 人民幣千元
At January 1, 2016 (Restated)	於2016年1月1日 (重述)	4,125,700	3,370,907	2,142	892,246	17,430	6,092,461	14,500,886	45,555	14,546,441
Profit for the year	年內溢利	-	-	-	-	-	2,106,521	2,106,521	3,269	2,109,790
Other comprehensive income for the year	年內其他綜合收益									
Exchange differences on translation of foreign operations	外幣報表折算差額	-	-	-	-	63,835	-	63,835	148	63,983
Re-measurement losses on defined benefit plans, net of tax	設定受益計劃重新評估 虧損，扣稅後	-	-	-	-	-	9,990	9,990	-	9,990
Changes in fair value of available-for-sale investments, net of tax	可供出售投資公允價值 變動，扣稅後	-	-	563	-	-	-	563	-	563
Total comprehensive income for the year	年內綜合收益總額	-	-	563	-	63,835	2,116,511	2,180,909	3,417	2,184,326
Business combination under common control (note 31)	同一控制下的業務合併 (附註31)	-	(532,678)	-	-	-	-	(532,678)	-	(532,678)
Dividends declared to shareholders of the Company	付予本公司股東的股息	-	-	-	-	-	(820,602)	(820,602)	-	(820,602)
Profit appropriation to reserves	轉撥至儲備的溢利	-	-	-	178,508	-	(178,508)	-	-	-
Dividends declared to non-controlling shareholders of subsidiaries	付予附屬公司非控股 股東的股息	-	-	-	-	-	-	-	(1,934)	(1,934)
At December 31, 2016	於2016年12月31日	4,125,700	2,838,229*	2,705*	1,070,754*	81,265*	7,209,862*	15,328,515	47,038	15,375,553

* These reserve accounts comprise the consolidated reserves of RMB12,006,872,000 (December 31, 2016: RMB11,202,815,000) in the consolidated statement of financial position as at December 31, 2017.

* 該等儲備款項包括列入2017年12月31日的合併財務狀況表中的合併儲備人民幣12,006,872,000元(2016年12月31日: 人民幣11,202,815,000元)。

Consolidated Statement of Cash Flows

合併現金流量表

Year ended December 31, 2017 • 截至2017年12月31日止年度

			2017	2016
		Notes	2017年	2016年
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	來自經營活動的現金流量			
Profit before tax:	除稅前溢利：		2,252,891	2,783,930
Adjustments for:	調整項目：			
Finance costs	財務成本	6(a), 7	63,611	24,257
Foreign exchange differences, net	匯兌差額淨額		903,728	(774,680)
Share of profits and losses of associates	應佔聯營公司溢利及虧損		(37,093)	(1,637)
Share of profits and losses of joint ventures	應佔合營公司溢利及虧損		(23,507)	(13,401)
Interest income	利息收入	6(a)	(216,816)	(385,346)
Net (gains)/losses on disposal of items of property, plant and equipment	處置物業、廠房及設備項目的淨(收益)/損失	5	(1,086)	3,803
Gain on disposal of a subsidiary	出售附屬公司收益	5	(58,861)	-
Dividend income from unquoted equity securities	非上市股本證券股息收入	5	(186,321)	(10,969)
Net (gains)/losses on foreign currency forward exchange contracts and interest rate swaps	遠期外匯合約及利率掉期(收益)/損失淨額	5	(57,424)	69,943
Depreciation	折舊	6(c)	76,798	79,320
Amortisation	攤銷	6(c)	68,777	59,807
Impairment and foreseeable contract losses	減值和可預計合同虧損	6(c)	394,040	162,058
			3,178,737	1,997,085
(Increase) in inventories	存貨(增加)		(157,055)	(47,232)
(Increase)/decrease in amounts due from contract customers	應收合同客戶款項(增加)/減少		1,545,155	(1,373,998)
(Increase) in trade and other receivables	貿易及其他應收款項(增加)		(2,837,925)	(217,157)
Increase in receipts in advance	預收款項增加		406,852	2,284,420
Increase/(decrease) in trade and other payables	貿易及其他應付款項增加/(減少)		(589,044)	328,052
Increase/(decrease) in defined benefit obligations	設定受益義務增加/(減少)		773	(23,023)
Cash generated from operations	經營活動現金流入		1,547,493	2,948,147
Income tax paid	已付所得稅		(853,168)	(771,372)
Net cash flows from operating activities	經營活動產生的現金流量淨額		694,325	2,176,775

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Consolidated Statement of Cash Flows

合併現金流量表

Year ended December 31, 2017 • 截至2017年12月31日止年度

			2017	2016
		Notes	2017年	2016年
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
CASH FLOWS FROM INVESTING ACTIVITIES	來自投資活動的現金流量			
Interest received	已收利息	6(a)	216,816	385,346
Dividends received	已收股息	5	186,321	10,969
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	14	(679,135)	(568,756)
Purchases of available-for-sale investments	購買可供出售投資		(4,970)	(37,276)
Proceeds from disposal of items of property, plant and equipment	處置物業、廠房及設備項目的所得款項		29,548	770
Disposal of a subsidiary	處置一家附屬公司	32	(73,316)	-
Disposal of an associate	處置一家聯營公司		-	25,500
Proceeds from settlement of forward exchange contracts and interest rate swaps	結算遠期外匯合約及利率掉期的所得款項		(51,301)	(30,130)
Proceeds from disposal of available-for-sale investments	處置可供出售投資的所得款項		100	758
Additions of prepaid land lease payments	添置預付土地租賃款項	16	(42,258)	(51,463)
Additions of other intangible assets	添置其他無形資產	17	(12,714)	(5,756)
Additions of other long-term assets	添置其他長期資產		(19,040)	(53,495)
Purchases of financial instruments classified as other receivables	購買分類為其他應收款項的金融工具		-	(10,000)
Acquisition of a subsidiary under common control	收購受同一控制的附屬公司	31	-	(532,678)
Investments in associates	對聯營公司的投資		(138,646)	(542,754)
Investments in joint ventures	對合營公司的投資		(25,000)	(100,000)
Placing of restricted deposits	存放受限制存款		(795,853)	(12,162)
Proceeds from redemption of restricted deposits	贖回受限制存款所得款項		171,490	73,840
Placing of non-pledged time deposits with original maturity of over three months when acquired	存放獲取時原始到期日超過三個月的無抵押定期存款		(28,964,047)	(31,925,131)
Proceeds from redemption of non-pledged time deposits with original maturity of over three months when acquired	贖回獲取時原始到期日超過三個月的無抵押定期存款所得款項		29,873,567	30,018,219
Net cash flows used in investing activities	投資活動所用的現金流量淨額		(328,438)	(3,354,199)

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Consolidated Statement of Cash Flows

合併現金流量表

Year ended December 31, 2017 • 截至2017年12月31日止年度

			2017	2016
		Notes	2017年	2016年
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
CASH FLOWS FROM FINANCING ACTIVITIES	來自融資活動的現金流量			
Proceeds from borrowings	借貸所得款項		888,515	855,693
Repayment of borrowings	償還借貸		(928,569)	(749,503)
Capital contribution from a non-controlling shareholder	一名非控股股東的資本投入		24,500	-
Dividends paid	已付股息		(842,468)	(820,602)
Dividends paid to non-controlling shareholders	已付非控股股東的股息		(4,428)	(8,296)
Interest paid	已付利息		(68,231)	(28,125)
Net cash flows used in financing activities	融資活動所用的現金流量淨額		(930,681)	(750,833)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物減少淨額		(564,794)	(1,928,257)
Cash and cash equivalents at beginning of year	年初的現金及現金等價物	23	19,541,868	21,032,899
Effect of foreign exchange rate changes, net	匯率變動的影響淨額		(510,747)	437,226
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末的現金及現金等價物	23	18,466,327	19,541,868
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物餘額分析			
Cash and bank balances	現金及銀行結餘	23	24,677,761	26,038,459
Restricted deposits balances	受限制存款結餘	23	(1,178,951)	(554,588)
Time deposits with original maturity of over three months	原始到期日超過三個月的定期存款	23	(5,032,483)	(5,942,003)
Cash and cash equivalents as stated in the statement of cash flows	現金流量表所列現金及現金等價物	23	18,466,327	19,541,868

Notes to the Financial Statements

財務報表附註

December 31, 2017 • 2017年12月31日

1. CORPORATE AND GROUP INFORMATION

China Machinery Engineering Corporation (the “Company”) is a joint stock company with limited liability established in the People’s Republic of China (the “PRC”). The registered office of the Company is located at No. 178 Guang’anmenwai Street, Beijing, PRC.

The Company was established on January 18, 2011 as part of the reorganisation (the “Reorganisation”) of China National Machinery & Equipment Import & Export Corporation (the “Predecessor”), a state-owned enterprise. The Company and its subsidiaries (collectively the “Group”) are mainly engaged in the international construction business and trading business.

Prior to the Reorganisation and establishment of the Company, the core business of the Group was controlled and operated by the Predecessor. The Predecessor was wholly owned by China National Machinery Industry Corporation (“SINOMACH”, 中國機械工業集團有限公司). Pursuant to the Reorganisation, the Predecessor transferred its core business together with related assets and liabilities to the Company. Upon establishment, the Company had a total of 3,300 million issued ordinary shares, with a par value of RMB1.00 each. The Company issued to SINOMACH 3,267 million shares, or 99% of the total issued shares, in exchange for the above transfer of business and assets and liabilities from the Predecessor. The Company also issued 33 million shares, or 1% of the total issued shares, to China United Engineering Corporation (“China United”, 中國聯合工程), a wholly-owned subsidiary of SINOMACH for a cash consolidation of RMB46,930,900.

On December 21, 2012, the Company became listed on the Main Board of The Stock Exchange of Hong Kong Limited (“HKSE”). The Company issued 718,000,000 H shares at HK\$5.40 per share by initial public offering (“IPO”) to investors in Hong Kong and overseas. Pursuant to the IPO, a total of 71,800,000 domestic state-owned shares of RMB1.00 each owned by SINOMACH and China United in aggregate were converted into H shares on a one-for-one basis and transferred to the National Council for Social Security Fund of the PRC (“SSF”).

1. 公司及集團資料

中國機械設備工程股份有限公司（「本公司」）為在中華人民共和國（「中國」）註冊成立的股份有限公司。本公司的註冊辦事處位於中國北京市廣安門外大街178號。

作為國有企業中國機械設備進出口總公司（「前身」）重組（「重組」）的一部分，本公司於2011年1月18日成立。本公司及其附屬公司（統稱為「本集團」）主要從事國際工程業務及貿易業務。

在重組及成立本公司以前，本集團的核心業務由前身控制及經營。前身由中國機械工業集團有限公司（「國機」）全資擁有。根據重組，前身將其核心業務連同相關資產及負債轉讓予本公司。成立後，本公司擁有合共3,300百萬股每股面值人民幣1.00元的已發行普通股。本公司向國機發行3,267百萬股股份，或已發行股份總數的99%，以交換前身轉讓的上述業務及資產及負債。本公司亦向國機的全資附屬公司中國聯合工程公司（「中國聯合」）發行33百萬股股份，或已發行股份總數的1%，現金對價為人民幣46,930,900元。

於2012年12月21日，本公司於香港聯合交易所有限公司（「香港聯交所」）主板上市。本公司透過首次公開發售（「首次公開發售」），按每股股份5.40港元的價格向香港及海外投資者發行718,000,000股H股。基於首次公開發售，國機及中國聯合共同擁有的合共71,800,000股每股面值人民幣1.00元的國有內資股已按一換一的基準轉為H股，並轉讓予中國全國社會保障基金理事會（「社保基金理事會」）。

Notes to the Financial Statements

財務報表附註

December 31, 2017 • 2017年12月31日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

On January 2, 2013, the over-allotment option granted by the Company was fully exercised, and the Company issued and allotted an aggregate of 107,700,000 H shares at HK\$5.40 per share. Accordingly, a total of 10,770,000 domestic state-owned shares of RMB1.00 each owned by SINOMACH and China United were converted into H shares on a one-for-one basis and transferred to the SSF. As at December 31, 2017, a total of 908,270,000 H shares were listed on the HKSE.

In the opinion of the directors of the Company (the "Directors"), the holding company and the ultimate holding company of the Company was SINOMACH, which was established in the People's Republic of China.

Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

Name	Place and date of incorporation/ registration	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities	Nature of PRC incorporated company
			Direct	Indirect		
名稱	註冊成立/ 註冊地點及日期	已發行普通股/ 註冊股本面值	本公司應佔 權益百分比		主要業務	中國註冊成立公司性質
			直接	間接		
1 CMEC International Engineering Co., Ltd. 中設國際工程有限責任公司	The PRC September 9, 1997 中國 1997年9月9日	RMB50,000,000 人民幣50,000,000元	100%	-	Construction contracting and trading 施工承包及貿易	Limited liability company 有限責任公司
2 China Everbest Development International Limited 華盛昌發展有限公司	Hong Kong SAR August 12, 1988 香港特別行政區 1988年8月12日	HKD22,136,400 22,136,400港元	100%	-	Trading and security investment 貿易及證券投資	-

1. 公司及集團資料 (續)

於2013年1月2日，本公司授出的超額配股權已獲悉數行使。因此，本公司已按每股股份5.40港元發行及配發合共107,700,000股H股。因此，國機及中國聯合擁有的10,770,000股每股面值人民幣1.00元的國有內資股已按一換一的基礎轉為H股，並轉讓予社保基金理事會。於2017年12月31日，合共908,270,000股H股在香港聯交所上市。

根據本公司董事（「董事」）的意見，國機（於中華人民共和國成立）為本公司的控股公司及最終控股公司。

附屬公司資料

本公司附屬公司的詳細資料如下：

Notes to the Financial Statements

財務報表附註

December 31, 2017 • 2017年12月31日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

1. 公司及集團資料 (續)

Information about subsidiaries (continued)

附屬公司資料 (續)

Name 名稱	Place and date of incorporation/ registration 註冊成立/ 註冊地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
			Direct 直接	Indirect 間接		
3 China Machinery & Equipment (HK) Company Limited 中國機械設備香港有限公司	Hong Kong SAR September 20, 1983 香港特別行政區 1983年9月20日	HKD25,115,970 25,115,970港元	100%	-	Trading 貿易	-
4 CMEC Engineering Machinery Import & Export Co., Ltd. 中設工程機械進出口有限責任公司	The PRC January 9, 1995 中國 1995年1月9日	RMB20,000,000 人民幣20,000,000元	100%	-	Trading 貿易	Limited liability company 有限責任公司
5 CMEC Comtrans International Co., Ltd. 中設國際商務運輸代理 有限責任公司	The PRC March 5, 1997 中國 1997年3月5日	RMB20,000,000 人民幣20,000,000元	100%	-	Transportation agency 運輸代理	Limited liability company 有限責任公司
6 Ausino Pty. Ltd. 澳大利亞澳華機械有限公司	Australia September 13, 1984 澳大利亞 1984年9月13日	AUD3,974,486 3,974,486澳元	100%	-	Trading 貿易	-
7 Shanghai International Transportation Co., Ltd. 中設集團上海國際貨代儲運 有限公司	The PRC January 30, 1996 中國 1996年1月30日	RMB10,820,000 人民幣10,820,000元	100%	-	Transportation agency 運輸代理	Limited liability company 有限責任公司

Notes to the Financial Statements

財務報表附註

December 31, 2017 • 2017年12月31日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

Name 名稱	Place and date of incorporation/ registration 註冊成立/ 註冊地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
			Direct 直接	Indirect 間接		
8 Shenzhen CMEC Industry Corporation Limited 深圳市中設實業有限公司	The PRC March 18, 1992 中國 1992年3月18日	RMB9,200,000 人民幣9,200,000元	100%	-	Storage and property service 儲存及物業服務	Limited liability company 有限責任公司
9 CMEC International Trading Co., Ltd. 中設國際貿易有限責任公司	The PRC January 16, 1995 中國 1995年1月16日	RMB8,000,000 人民幣8,000,000元	100%	-	Trading 貿易	Limited liability company 有限責任公司
10 CMEC Machinery & Electric Equipment Import & Export Co., Ltd. 中設機電進出口有限公司	The PRC January 16, 1995 中國 1995年1月16日	RMB20,000,000 人民幣20,000,000元	100%	-	Trading 貿易	Limited liability company 有限責任公司
11 CMEC Beijing Property Development Co., Ltd. 中國機械設備進出口北京物業發展有限責任公司	The PRC January 15, 1985 中國 1985年1月15日	RMB5,000,000 人民幣5,000,000元	100%	-	Property management and rental 物業管理及租賃	Limited liability company 有限責任公司
12 CMEC General Machinery Import & Export Co., Ltd. 中設通用機械進出口有限責任公司	The PRC January 9, 1995 中國 1995年1月9日	RMB6,000,000 人民幣6,000,000元	100%	-	Trading 貿易	Limited liability company 有限責任公司

1. 公司及集團資料 (續)

附屬公司資料 (續)

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1. CORPORATE AND GROUP INFORMATION (CONTINUED)

1. 公司及集團資料 (續)

Information about subsidiaries (continued)

附屬公司資料 (續)

Name 名稱	Place and date of incorporation/ registration 註冊成立/ 註冊地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
			Direct 直接	Indirect 間接		
13 China Machinery and Equipment International Tendering Co., Ltd. 中設國際招標有限責任公司	The PRC April 29, 1996 中國 1996年4月29日	RMB5,000,000 人民幣5,000,000元	100%	-	Tendering for construction contracts 建造合同招標	Limited liability company 有限責任公司
14 China Machinery Industrial Products Co., Ltd. 中設集團裝備製造有限責任公司	The PRC February 6, 2002 中國 2002年2月6日	RMB75,000,000 人民幣75,000,000元	100%	-	Trading 貿易	Limited liability company 有限責任公司
15 CMEC Petrochemical-General Machinery Co., Ltd. 中設石化機械有限公司	The PRC January 16, 1995 中國 1995年1月16日	RMB5,000,000 人民幣5,000,000元	100%	-	Trading 貿易	Limited liability company 有限責任公司
16 China Machinery International Engineering Design & Research Institute Co., Ltd. 中機國際工程設計研究院 有限責任公司	The PRC October 5, 1993 中國 1993年10月5日	RMB300,000,000 人民幣300,000,000元	100%	-	Engineering design, contracting and supervision 工程設計、承包及監理	Limited liability company 有限責任公司
17 China-East Resources Import & Export Co., Ltd. 中經東源進出口有限責任公司	The PRC July 22, 1993 中國 1993年7月22日	RMB20,000,000 人民幣20,000,000元	100%	-	Trading and construction contracting 貿易及施工承包	Limited liability company 有限責任公司

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財務報表附註

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1. CORPORATE AND GROUP INFORMATION (CONTINUED)

1. 公司及集團資料 (續)

Information about subsidiaries (continued)

附屬公司資料 (續)

Name 名稱	Place and date of incorporation/ registration 註冊成立/ 註冊地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
			Direct 直接	Indirect 間接		
18 China National Machinery & Equipment Import & Export (Suzhou) Co., Ltd. 中設(蘇州)機械設備工程 有限公司	The PRC February 20, 1987 中國 1987年2月20日	RMB19,562,000 人民幣19,562,000元	100%	-	Trading 貿易	Limited liability company 有限責任公司
19 Shanghai Zhong Jing Import & Export Corporation 上海中經進出口有限責任公司	The PRC December 21, 1995 中國 1995年12月21日	RMB4,580,000 人民幣4,580,000元	100%	-	Trading 貿易	Limited liability company 有限責任公司
20 China Machinery Engineering Wuxi Co., Ltd. 中設無錫機械設備工程有限公司	The PRC April 9, 1987 中國 1987年4月9日	RMB38,000,000 人民幣38,000,000元	100%	-	Trading 貿易	Limited liability company 有限責任公司
21 Sino American Machinery Corporation 美國華美機械有限公司	United States of America ("USA") August 22, 1983 美利堅合眾國(「美國」) 1983年8月22日	USD1,918,476 1,918,476美元	100%	-	Trading 貿易	-

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財務報表附註

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1. CORPORATE AND GROUP INFORMATION (CONTINUED)

1. 公司及集團資料 (續)

Information about subsidiaries (continued)

附屬公司資料 (續)

Name 名稱	Place and date of incorporation/ registration 註冊成立/ 註冊地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
			Direct 直接	Indirect 間接		
22 Euro M.E.C. Import & Export GmbH 歐麥克進出口有限公司	Germany March 9, 1990 德國 1990年3月9日	DEM100,000 100,000德國馬克	100%	-	Trading 貿易	-
23 CMEC Japan Co., Ltd. CMEC CMEC日本株式會社	Japan April 2, 1986 日本 1986年4月2日	JPY50,000,000 50,000,000日元	80%	-	Trading 貿易	-
24 China Machinery Engineering Henan Co., Ltd. 中國機械設備工程(河南)有限公司	The PRC April 17, 1997 中國 1997年4月17日	RMB4,180,000 人民幣4,180,000元	67%	-	Trading 貿易	Limited liability company 有限責任公司
25 CMIC Enmei Co., Ltd. CMIC燕明株式會社	Japan May 13, 1994 日本 1994年5月13日	JPY26,000,000 26,000,000日元	76.92%	-	Trading 貿易	-
26 CMEC (Beijing) International Economic & Legal Advisors Inc. 西邁克(北京)國際經濟法律諮詢有限公司	The PRC September 24, 1993 中國 1993年9月24日	RMB500,000 人民幣500,000元	100%	-	Legal consultancy 法律諮詢	Limited liability company 有限責任公司

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財務報表附註

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1. CORPORATE AND GROUP INFORMATION (CONTINUED)

1. 公司及集團資料 (續)

Information about subsidiaries (continued)

附屬公司資料 (續)

Name 名稱	Place and date of incorporation/ registration 註冊成立/ 註冊地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
			Direct 直接	Indirect 間接		
27 China National Machinery & Equipment Import & Export (Fujian) Co., Ltd. 福建中設機械設備進出口有限公司	The PRC February 21, 2001 中國 2001年2月21日	RMB5,460,000 人民幣5,460,000元	55%	-	Trading 貿易	Limited liability company 有限責任公司
28 China National Machinery & Equipment Import & Export (Hubei) Co., Ltd. 中設(湖北)機械設備工程 有限公司	The PRC November 30, 2007 中國 2007年11月30日	RMB5,000,000 人民幣5,000,000元	51%	-	Trading 貿易	Limited liability company 有限責任公司
29 CMEC Senegal S.A. 中國機械設備進出口總公司 塞內加爾股份有限公司	Senegal April 20, 2009 塞內加爾 2009年4月20日	XOF10,000,000 10,000,000西非法郎	100%	-	Construction contracting 施工承包	-
30 CMEC Engineering, C.A. 西麥克委內瑞拉工程公司	Venezuela March 11, 2011 委內瑞拉 2011年3月11日	VEF200,000 200,000強勢玻利瓦爾	99.90%	0.10%	Construction contracting 施工承包	-
31 CMEC Nigeria Development Limited CMEC尼日利亞發展有限公司	Nigeria March 25, 2011 尼日利亞 2011年3月25日	NGN20,000,000 20,000,000奈拉	100%	-	Construction contracting 施工承包	-

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財務報表附註

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1. CORPORATE AND GROUP INFORMATION (CONTINUED)

1. 公司及集團資料 (續)

Information about subsidiaries (continued)

附屬公司資料 (續)

Name 名稱	Place and date of incorporation/ registration 註冊成立/ 註冊地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
			Direct 直接	Indirect 間接		
32 China Machinery Engineering Argentina S.A. 中國機械設備工程阿根廷股份 有限公司	Argentina July 30, 2012 阿根廷 2012年7月30日	ARS429,000 429,000比索	90%	10%	Construction contracting 施工承包	-
33 China Power Construction Engineering Consulting Central Southern Corporation 中國電力建設工程諮詢中南 有限公司	The PRC January 11, 1993 中國 1993年1月11日	RMB5,000,000 人民幣5,000,000元	50%	-	Engineering design 工程設計	Limited liability company 有限責任公司
34 China Machinery Engineering Corporation Namibia (Proprietary) Limited 中國機械設備工程股份有限公司 納米比亞有限責任公司	Namibia June 11, 2013 納米比亞 2013年6月11日	NAD20,000 20,000納米比亞元	100%	-	Construction contracting 施工承包	-
35 China Machinery Engineering Corporation (PNG) Limited 中國機械設備工程(巴新) 有限公司	Papua New Guinea January 22, 2014 巴布亞新幾內亞 2014年1月22日	USD50,000 50,000美元	100%	-	Construction contracting 施工承包	-

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1. CORPORATE AND GROUP INFORMATION (CONTINUED)

1. 公司及集團資料 (續)

Information about subsidiaries (continued)

附屬公司資料 (續)

Name 名稱	Place and date of incorporation/ registration 註冊成立/ 註冊地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
			Direct 直接	Indirect 間接		
36 Sinland Development PTE, Ltd. 騰新發展有限公司	Singapore July 22, 2014 新加坡 2014年7月22日	USD1,000,000 1,000,000美元	100%	-	Construction contracting 施工承包	-
37 China Jikan Research Institute of Engineering Investigations and Design, Co.,Ltd. 機械工業勘察設計研究院有限公司	The PRC February 23, 1989 中國 1989年2月23日	RMB105,000,000 人民幣105,000,000元	100%	-	Construction research and design 施工勘測及設計	Limited liability company 有限責任公司
38 CMEC Lanka (Private) Limited 中設蘭卡有限責任公司	Sri Lanka February 12, 2015 斯里蘭卡 2015年2月12日	USD1,000,000 1,000,000美元	100%	-	Construction contracting 施工承包	-
39 CMEC Middle East FZE CMEC中東區域公司	United Arab Emirates January 20, 2015 阿拉伯聯合酋長國 2015年1月20日	USD1,370,000 1,370,000美元	100%	-	Construction service 施工服務	-
40 China National Complete Engineering Corporation 中國成套工程有限公司	The PRC September 5, 1985 中國 1985年9月5日	RMB100,348,774 人民幣100,348,774元	100%	-	Construction contracting 施工承包	Limited liability company 有限責任公司

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財務報表附註

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1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

1. 公司及集團資料 (續)

附屬公司資料 (續)

Name 名稱	Place and date of incorporation/ registration 註冊成立/ 註冊地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
			Direct 直接	Indirect 間接		
41 CMEC Mexico Engineering, S.DE R.L.DE C.V. 西麥克墨西哥工程有限責任公司	Mexico August 3, 2015 墨西哥 2015年8月3日	USD100,000 100,000美元	99%	1%	Construction contracting 施工承包	-
42 CMEC Zambia Development Limited 西麥克贊比亞發展股份有限公司	Zambia September 14, 2015 贊比亞 2015年9月14日	USD10,000 10,000美元	100%	-	Construction contracting 施工承包	-
43 CMEC Africa Development Limited 中設非洲發展有限公司	Kenya December 16, 2015 肯尼亞 2015年12月16日	KES20,480,000 20,480,000先令	100%	-	Construction contracting 施工承包	-
44 China Machinery Engineering Yinchuan Free Trade Zone Co., Ltd. 中國機械設備工程 (銀川綜合保稅)有限公司	The PRC June 23, 2016 中國 2016年6月23日	RMB24,000,000 人民幣24,000,000元	100%	-	Trading business 貿易業務	Limited liability company 有限責任公司
45 Maldives Renewable Energy Company Limited 馬爾代夫新能源有限公司	Hong Kong SAR February 4, 2016 香港特別行政區 2016年2月4日	USD1 1美元	100%	-	Construction contracting 施工承包	-

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1. CORPORATE AND GROUP INFORMATION (CONTINUED)

1. 公司及集團資料 (續)

Information about subsidiaries (continued)

附屬公司資料 (續)

Name 名稱	Place and date of incorporation/ registration 註冊成立/ 註冊地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
			Direct 直接	Indirect 間接		
46 CMEC Engineering XXX 中設蒙古工程有限責任公司	Mongolia November 30, 2016 蒙古 2016年11月30日	USD100,000 100,000美元	100%	-	Construction contracting 施工承包	-
47 CMEC Guinea Equatorial, S.L. 中設赤道幾內亞有限責任公司	Guinea Equatorial June 1, 2017 赤道幾內亞 2017年6月1日	XOF20,000,000 20,000,000 西非法郎	100%	-	Construction contracting 施工承包	-
48 CMEC Saudi for Construction LLC 中設沙特建設有限責任公司	Saudi Arabia July 20, 2017 沙特阿拉伯 2017年7月20日	USD270,000 270,000美元	100%	-	Construction contracting 施工承包	-
49 CMEC Dutch Caribbean B.V. CMEC 荷屬加勒比有限責任公司	Netherlands November 14, 2017 荷蘭 2017年11月14日	USD200,000 200,000美元	100%	-	Trading business 貿易業務	-

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財務報表附註

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2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which comprise all standards and interpretations approved by the International Accounting Standards Board (the “IASB”), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments and available-for-sale investments which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended December 31, 2017. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

2.1 編製基準

該等財務報表乃根據國際財務報告準則（「國際財務報告準則」，包括經國際會計準則委員會（「國際會計準則委員會」）批准的全部準則及詮釋）及香港公司條例的披露要求編製。該等財務報表乃按歷史成本慣例編製，惟按公允價值計量的衍生金融工具及可供出售投資除外。該等財務報表乃以人民幣（「人民幣」）呈列，而除另有指明外，所有數值均調整至最接近的千位數。

綜合基準

合併財務報表包括本公司及其附屬公司（統稱「本集團」）截至2017年12月31日止年度的財務報表。附屬公司為本公司直接或間接控制的實體（包括結構性實體）。當本集團對涉及投資對象的浮動回報承擔風險或享有權利，以及能透過對投資對象的權力（即賦予本集團現有能以主導投資對象相關活動的既存權利）影響該等回報時，即取得控制權。

倘本公司直接或間接擁有少於投資對象大多數投票或類似權利，則本集團於評估其是否對投資對象擁有權力時會考慮一切相關事實及情況，包括：

- (a) 與投資對象其他投票持有人的合約安排；
- (b) 其他合約安排所產生的權利；及
- (c) 本集團的投票權及潛在投票權。

Notes to the Financial Statements

財務報表附註

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2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (continued)

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.1 編製基準 (續)

綜合基準 (續)

附屬公司的財務報表乃按與本公司相同的報告期及一致的會計政策編製。附屬公司的業績自本集團取得控制權當日起綜合入賬，並繼續綜合直至失去有關控制權當日為止。

損益及其他綜合收益各組成部分均歸屬於本集團母公司的擁有人及非控股權益，即使此舉引致非控股權益出現負數結餘。與本集團成員公司之間的交易有關的所有集團內部資產及負債、權益、收入、開支及現金流量於綜合入賬時悉數對銷。

倘有任何事實及情況表明上述三項控制權條件的其中一項或多項有變，本集團會重新評估是否控制被投資方。附屬公司的所有權權益在沒有失去控制權的情況下發生變動，則按權益交易入賬。

倘本集團失去對一家附屬公司的控制權，則終止確認(i)該附屬公司的資產(包括商譽)及負債；(ii)任何非控股權益的賬面值及(iii)於權益內記錄的累計換算差額；並確認(i)所收代價的公允價值；(ii)所保留任何投資的公允價值及(iii)損益中任何因此產生的盈餘或虧損。依據本集團直接處置相關資產或負債的相同基準，先前於其他綜合收益內確認的本集團應佔組成部分重新分類至損益或保留溢利(倘適當)。

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2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (continued)

Business combinations under common control

As set out in note 31, on May 31, 2016, the Group acquired the 100% equity interest in China National Complete Engineering Corporation. The Company and China National Complete Engineering Corporation were under the common control of SINOMACH both before and after the acquisition and such control was not transitory. Thus, the acquisition was considered to be business combinations under common control. Accordingly, the consolidated statement of profit or loss and the consolidated statement of comprehensive income include the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under common control, where this is a shorter period, regardless of the date of the common control combination. The net assets of the combining entities or businesses are combined using the existing book values from the controlling parties' perspective. No amount is recognised in consideration for goodwill or excess of the acquirers' interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of the common control combination, to the extent of the continuation of the controlling party's interest.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting are recognised as expenses in the period in which they are incurred.

2.1 編製基準 (續)

綜合基準 (續)

同一控制下的業務合併

如附註31所載，本集團於2016年5月31日收購中國成套工程有限公司的100%股權。收購前後，本公司與中國成套工程有限公司均受國機的同—控制，且控制權不是暫時的。因此，收購被視為同一控制下的業務合併。因此，合併損益表及合併綜合收益表包括財務報表最早列報日或者合併實體或業務開始受同一控制之日起計的期間（以較短期間為準）各合併實體或業務的業績，而不論同一控制合併的日期。被合併實體或業務的淨資產以控制方而言所存在的賬面值合併。在控制方之權益持續之情況下，於同一控制合併中並無就商譽或收購方應佔被收購方可識別資產、負債及或有負債的公允淨值超過於收購成本的金額予以確認。

交易成本，包括專業服務費、註冊費、向股東提供資料產生的費用、合併先前單個業務產生的成本或損失，以及其他與採用合併會計法計算的同一控制下合併有關的成本，於產生期間確認為支出。

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to IAS 7	<i>Disclosure Initiative</i>
Amendments to IAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>
Amendments to IFRS 12 Included in Annual Improvements to IFRSs 2014-2016 Cycle	<i>Disclosure of Interests in Other Entities: Clarification of the Scope of IFRS 12</i>

None of the above amendments to IFRSs has had a significant financial effect on these financial statements. Disclosure has been made in note 33 to the financial statements upon the adoption of amendments to IAS 7, which require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The nature and the impact of the amendments are described below:

- (a) Amendments to IAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Disclosure of the changes in liabilities arising from financing activities is provided in note 33 to the financial statements.

2.2 會計政策變更及披露

本集團於本年度的財務報表內首次採納下列經修訂國際財務報告準則：

國際會計準則第7號的修訂本	<i>披露計劃</i>
國際會計準則第12號的修訂本	<i>對未確認虧損確認遞延稅項資產</i>
國際財務報告準則第12號的修訂本（納入國際財務報告準則2014年至2016年週期年度改進）	<i>披露於其他實體之權益：澄清國際財務報告準則第12號中披露規定之範圍</i>

上文國際財務報告準則的修訂本並無對該等財務報表造成重大財務影響。披露已於採納國際會計準則第7號時於財務報表附註33作出，該等修訂本要求實體提供披露，以使財務報表使用者可評估融資活動所產生的負債變動，包括現金流量及非現金變動產生的變動。

修訂本的性質及影響於下文闡述：

- (a) 國際會計準則第7號的修訂本要求實體提供披露，以使財務報表使用者可評估融資活動所產生的負債變動，包括現金流量及非現金變動產生的變動。融資活動產生的變動披露於財務報表附註33作出。

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(b) Amendments to IAS 12 clarify that an entity, when assessing whether taxable profits will be available against which it can utilise a deductible temporary difference, needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. The amendments have had no impact on the financial position or performance of the Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

(c) Amendments to IFRS 12 clarify that the disclosure requirements in IFRS 12, other than those disclosure requirements in paragraphs B10 to B16 of IFRS 12, apply to an entity's interest in a subsidiary, a joint venture or an associate, or a portion of its interest in a joint venture or an associate that is classified as held for sale or included in a disposal group classified as held for sale. The amendments have had no impact on the Group's financial statements as there is no subsidiary of the Group which is classified as a disposal group held for sale as at December 31, 2017 and so no additional information is required to be disclosed.

2.2 會計政策變更及披露 (續)

(b) 國際會計準則第12號的修訂本釐清實體於評估是否有應課稅溢利可用作抵扣可扣減暫時差異時，需要考慮稅務法例是否對於可扣減暫時差異轉回時可用作抵扣的應課稅溢利的來源有所限制。此外，該等修訂本就實體應如何釐定未來應課稅溢利提供指引，並就應課稅溢利高於資產賬面值的應課稅溢利可包括收回部分資產的情況作出解釋。由於本集團並無任何可扣減暫時差額或該等修訂本範圍內的資產，故應用該等修訂本對本集團的財務狀況及表現並無任何影響。

(c) 國際財務報告準則第12號的修訂本釐清國際財務報告準則第12號之披露規定（國際財務報告準則第12號第B10至B16段之披露規定除外）適用於實體於附屬公司、合營企業或聯營公司的權益，或其於分類為持作出售或列於分類為持作出售的出售組別的合營公司或聯營公司的部分權益。該等修訂本對本集團的財務報表並無影響是由於於2017年12月31日本集團並無附屬公司分類為持作出售的出售組別，而因此毋須披露額外資料。

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2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to IFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i> ¹
Amendments to IFRS 4	<i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts</i> ¹
IFRS 9	<i>Financial Instruments</i> ¹
Amendments to IFRS 9	<i>Prepayment Features with Negative Compensation</i> ²
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate Or Joint Venture</i> ³
IFRS 15	<i>Revenue from Contracts with Customers</i> ¹
Amendments to IFRS 15	<i>Clarifications to IFRS 15 Revenue from Contracts with Customers</i> ¹
IFRS 16	<i>Leases</i> ²
Amendments to IAS 28	<i>Long-term Interests in Associates and Joint Ventures</i> ²
Amendments to IAS 40	<i>Transfers of Investment Property</i> ¹
IFRIC Interpretation 22	<i>Foreign Currency Transactions and Advance Consideration</i> ¹
IFRIC Interpretation 23	<i>Uncertainty over Income Tax Treatments</i> ²
<i>Annual Improvements 2014-2016 Cycle</i>	Amendments to IFRS 1 and IAS 28 ¹
<i>Annual Improvements 2015-2017 Cycle</i>	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23 ²

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

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

³ No mandatory effective date yet determined but is available for adoption

2.3 已頒佈但尚未生效的國際財務報告準則

本集團並未於該等財務報表內應用以下已頒佈但尚未生效的新訂及經修訂國際財務報告準則。

國際財務報告準則第2號的修訂本	股份付款交易的分類及計量 ¹
國際財務報告準則第4號的修訂本	在國際財務報告準則第4號保險合約下應用國際財務報告準則第9號金融工具 ¹
國際財務報告準則第9號國際財務報告準則第9號修訂本	金融工具 ¹ 具有負補償之提前還款特性
國際財務報告準則第10號及國際會計準則第28號的修訂本	投資者與其聯營公司或合營公司之間的資產出售或投入 ³
國際財務報告準則第15號	客戶合約收入 ¹
國際財務報告準則第15號的修訂本	釐清國際財務報告準則第15號客戶合約收入 ¹
國際財務報告準則第16號	租賃 ²
國際會計準則第28號的修訂本	於聯營公司及合營公司的長期權益 ²
國際會計準則第40號的修訂本	投資物業轉讓 ¹
國際財務報告詮釋委員會—第22號詮釋	外幣交易及預付對價 ¹
國際財務報告詮釋委員會—第23號詮釋	所得稅處理之不確定性 ²
2014年至2016年週期的年度改進	國際財務報告準則第1號及國際會計準則第28號的修訂本 ¹
2015年至2017年週期的年度改進	國際財務報告準則第3號、國際財務報告準則第11號、國際會計準則第12號及國際會計準則第23號的修訂本 ²

¹ 於2018年1月1日或之後開始的年度期間生效

² 於2019年1月1日或之後開始的年度期間生效

³ 尚未釐定強制生效日期，但可供採納

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2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

Further information about those IFRSs that are expected to be applicable to the Group is described below.

The IASB issued amendments to IFRS 2 in June 2016 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding a certain amount in order to meet an employee's tax obligations associated with the share-based payment; and the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. The amendments introduce an exception so that a share-based payment transaction with net share settlement features for withholding a certain amount in order to meet the employee's tax obligation is classified in its entirety as an equity-settled share-based payment transaction when certain conditions are met. Furthermore, the amendments clarify that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if they elect to adopt for all three amendments and other criteria are met. The Group will adopt the amendments from 1 January 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效的國際財務 報告準則 (續)

預期將適用於本集團的該等國際財務報告準則的進一步資料如下。

國際會計準則理事會於2016年6月頒佈的國際財務報告準則第2號(修訂本)闡述三大範疇：歸屬條件對計量以現金結算以股份為基礎付款交易的影響；為僱員履行與以股份為基礎付款的稅務責任而預扣若干金額的以股份為基礎付款交易(附有淨額結算特質)的分類；以及對以股份為基礎付款交易的條款及條件作出令其分類由現金結算變為權益結算的修訂時的會計處理方法。該等修訂明確說明計量以權益結算以股份為基礎付款時所用的歸屬條件的入賬方法亦適用於以現金結算以股份為基礎付款。該等修訂引入一個例外情況，在符合若干條件時，為履行僱員稅務責任而預扣若干金額的以股份為基礎的付款交易(附有淨額結算特質)，將整項分類為以權益結算以股份為基礎的付款交易。此外，該等修訂明確說明，倘以現金結算以股份為基礎付款交易的條款及條件有所修訂，令其成為以權益結算以股份為基礎付款交易，則該交易自修訂日期起作為以權益結算的交易入賬。在採納有關規定時，實體須在不重列以往期間的情況下應用該等修訂，惟倘實體選擇採納全部三項修訂並符合其他準則時，則可以追溯應用。本集團將自2018年1月1日起採納該等修訂。該等修訂預期不會對本集團財務報表產生任何重大影響。

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2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

In July 2014, the IASB issued the final version of IFRS 9, bringing together all phases of the financial instruments project to replace IAS 39 and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group will adopt IFRS 9 from 1 January 2018. The Group will not restate comparative information and will recognise any transition adjustments against the opening balance of equity at 1 January 2018. During 2017, the Group has performed a detailed assessment of the impact of the adoption of IFRS 9. The expected impacts relate to the classification and measurement and the impairment requirements are summarised as follows:

(a) Classification and measurement

The Group does not expect that the adoption of IFRS 9 will have a significant impact on the classification and measurement of its financial assets. It expects to continue measuring at fair value all financial assets currently held at fair value. Equity investments currently held as available for sale will be measured at fair value through other comprehensive income as the investments are intended to be held for the foreseeable future and the Group expects to apply the option to present fair value changes in other comprehensive income. Gains and losses recorded in other comprehensive income for the equity investments cannot be recycled to profit or loss when the investments are derecognised.

2.3 已頒佈但尚未生效的國際財務報告準則 (續)

於2014年7月，國際會計準則理事會頒佈國際財務報告準則第9號的最終版本，將金融工具項目的所有階段集於一起以代替國際會計準則第39號及國際財務報告準則第9號的全部先前版本。該準則引入分類及計量、減值及對沖會計處理的新規定。本集團將自2018年1月1日起採納國際財務報告準則第9號。本集團將不會重列可比較資料，並將於2018年1月1日確認對初期權益結餘之任何過渡性調整。2017年，本集團已就採納國際財務報告準則第9號的影響進行詳細評估。與分類及計量以及減值要求有關的預期影響概述如下：

(a) 分類及計量

本集團預期採納國際財務報告準則第9號將不會對其金融資產的分類及計量造成重大影響。預期將繼續以公允價值計量現時以公允價值持有的所有金融資產。由於該等投資擬於可見未來持有，而本集團預期於其他全面收益採納以呈列公允價值變動，故現時持有可供出售的股本投資將按公允價值計入其他全面收益。倘投資被終止確認，則就股本投資而言，計入其他全面收益的收益及虧損不得重新計入損益。

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2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

(b) Impairment

IFRS 9 requires an impairment on debt instruments recorded at amortised cost or at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts that are not accounted for at fair value through profit or loss under IFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The Group will apply the simplified approach and record lifetime expected losses that are estimated based on the present values of all cash shortfalls over the remaining life of all of its trade and other receivables. Furthermore, the Group will apply the general approach and record twelve-month expected credit losses that are estimated based on the possible default events on its trade and other receivables within the next twelve months. The Group does not expect that the initial adoption of IFRS 9 will have a significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效的國際財務 報告準則 (續)

(b) 減值

國際財務報告準則第9號規定，按攤銷成本或公允價值計入其他全面收益的債務工具、租賃應收款項、貸款承諾及並非根據國際財務報告準則第9號按公允價值計入損益之財務擔保合約的減值，須根據預期信貸虧損模式按十二個月基準或可使用基準入賬。本集團將應用簡化方法，並將根據於所有其貿易及其他應收款項餘下年期內的所有現金差額現值估計的可使用預期虧損入賬。此外，本集團將應用一般方法，並將根據對下一個十二個月內其貿易及其他應收款項可能發生的違約事件而進行預估的十二個月預期信貸虧損入賬。本集團預期首次採用國際財務報告準則第9號將不會對本集團財務報表產生重大影響。

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2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

2.3 已頒佈但尚未生效的國際財務 報告準則 (續)

國際財務報告準則第10號及國際會計準則第28號(修訂本)處理國際財務報告準則第10號及國際會計準則第28號之間有關投資者與其聯營公司或合營公司之間的資產出售或投入兩者規定的不一致之處。該等修訂規定，當投資者與其聯營公司或合營公司之間的資產出售或投入構成一項業務時，須全數確認收益或虧損。當交易並無構成一項業務時，由該交易產生的收益或虧損於該投資者的損益內確認，惟程度僅以不相關投資者於該聯營公司或合營公司的權益為限。該等修訂將於未來期間應用。國際財務報告準則第10號與國際會計準則第28號(修訂本)的過往強制性生效日期已於2015年12月被國際會計準則理事會刪除，將在完成對聯營公司及合營公司會計賬目的更廣泛審查後釐定新的強制性生效日期。然而，目前已可採納該等修訂本。

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2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

IFRS 15, issued in May 2014, establishes a new five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under IFRSs. Either a full retrospective application or a modified retrospective adoption is required on the initial application of the standard. In April 2016, the IASB issued amendments to IFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licences of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt IFRS 15 and decrease the cost and complexity of applying the standard. The Group plans to adopt the transitional provisions in IFRS 15 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2018. In addition, the Group plans to apply the new requirements only to contracts that are not completed before 1 January 2018.

2.3 已頒佈但尚未生效的國際財務 報告準則 (續)

國際財務報告準則第15號於2014年5月頒佈，建立一個新的五步模式，將應用於自客戶合約產生的收益。根據國際財務報告準則第15號，收益按能反映實體預期向客戶轉讓貨物或服務而換取的代價金額確認。國際財務報告準則第15號的原則為計量及確認收益提供更有結構的方法。該準則亦引入廣泛的定性及定量披露規定，包括分拆收益總額、關於履約責任、不同期間之間合約資產及負債賬目結餘的變動以及主要判斷及估計的資料。該準則將取代國際財務報告準則項下所有現時收益確認的規定。於初步應用該準則時，需要全面追溯應用或經修改追溯採納。於2016年4月，國際會計準則理事會頒佈國際財務報告準則第15號的修訂，以解決在識別履約責任、主事人與代理人及知識產權許可有關的應用指引，以及過渡方面的實施問題。該等修訂亦擬協助確保實體於採納國際財務報告準則第15號時能更加一致地應用及降低應用有關準則的成本及複雜性。本集團計劃採納國際財務報告準則第15號的過渡性條款，確認初始採納的累積影響數為於2018年1月1日對保留溢利期初餘額所作的調整。此外，本集團計劃僅對在2018年1月1日前未完成的合約採用新要求。

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2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

The Group's principal activities consist of the international engineering contracting business, trading business and services business. The expected impact arising from the adoption of IFRS 15 on the Group are summarised as follows:

(a) International engineering contracting business

The Group is an international engineering contractor and service provider, focusing on the EPC projects, particularly in the power and energy industry. The international engineering contracting business is one of the Group's traditional core businesses. Revenues from construction-type contracts that are accounted for by applying the percentage-of-completion (POC) method. The Group has determined that there is no material impact on the Group's financial statements when IFRS 15 is adopted in accounting for the Group's revenue from the international engineering contracts not yet completed as at December 31, 2017. This is because the current accounting treatments of such contracts are largely consistent with the requirements of IFRS 15.

(b) Trading business

The Group engages in the business of importing and/or exporting various machinery, electrical and instrumental products for domestic and overseas customers. The Group has determined that there is no material impact on the Group's financial statements when IFRS 15 is adopted in accounting for the Group's revenue from the trading contracts not yet completed as at December 31, 2017. This is because the current accounting treatments of such contracts are largely consistent with the requirements of IFRS 15.

2.3 已頒佈但尚未生效的國際財務報告準則 (續)

本集團的主要業務包括國際工程承包業務、貿易業務和服務業務。採納國際財務報告準則第15號對本集團的預期影響概述如下：

(a) 國際工程承包業務

本集團為國際工程承包商及服務供應商，專注於EPC項目，特別是在電力及能源行業。國際工程承包業務是本集團傳統核心業務之一。來自建造類合同的收入按完工百分比法入賬。本集團已釐定，將本集團來自於2017年12月31日尚未完成國際工程合同的收入入賬時採納國際財務報告準則第15號不會對本集團財務報表產生重大影響。這是因為該等合同目前的會計處理方法與國際財務報告準則第15號的規定基本一致。

(b) 貿易業務

本集團從事為國內外客戶進口及／或出口各種機械、電力及工具產品業務。本集團已釐定，將本集團來自於2017年12月31日尚未完成貿易合同的收入入賬時採納國際財務報告準則第15號不會對本集團財務報表產生重大影響。這是因為該等合同目前的會計處理方法與國際財務報告準則第15號的規定基本一致。

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2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

(c) Services business

The Group also engages in providing export-import agency services, exhibition services, design consulting services, tendering agency services and logistics services. The Group has determined that there is no material impact on the Group's financial statements when IFRS 15 is adopted in accounting for the Group's revenue from the services contracts not yet completed as at December 31, 2017. This is because the current accounting treatments of such contracts are largely consistent with the requirements of IFRS 15.

(d) Presentation and disclosure

The presentation and disclosure requirements in IFRS 15 are more detailed than those under the current IAS 18. The presentation requirements represent a significant change from current practice and will significantly increase the volume of disclosures required in the Group's financial statements. Many of the disclosure requirements in IFRS 15 are new and the Group has assessed that the impact of some of these disclosure requirements will be significant. In particular, the Group expects that the notes to the financial statements will be expanded because of the disclosure of significant judgements made on determining the transaction prices of those contracts that include variable consideration, how the transaction prices have been allocated to the performance obligations, and the assumptions made to estimate the stand-alone selling price of each performance obligation. In addition, as required by IFRS 15, the Group will disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. It will also disclose information about the relationship between the disclosure of disaggregated revenue and revenue information disclosed for each reportable segment.

2.3 已頒佈但尚未生效的國際財務 報告準則 (續)

(c) 服務業務

本集團亦從事提供進出口代理服務、展覽服務、設計諮詢服務、招標代理服務及物流服務。本集團已釐定，將本集團來自於2017年12月31日尚未完成服務合同的收入入賬時採納國際財務報告準則第15號不會對本集團財務報表產生重大影響。這是因為該等合同目前的會計處理方法與國際財務報告準則第15號的規定基本一致。

(d) 呈列及披露

國際財務報告準則第15號的呈報及披露規定比現時的國際會計準則第18號更為詳細。呈報規定與現時常規相比有重大變動且本集團財務報表所需的披露量將會大幅增加。國際財務報告準則第15號的多項披露規定屬新增，且本集團估計若干該等披露規定的影響將屬重大。尤其是，本集團預計財務報表附註將擴大，乃由於披露釐定該等合約的交易價時所作出的重大判斷，包括可變代價、交易價如何分配至履行責任及估計各履行責任的單獨售價所作出的設想。此外，國際財務報告準則第15號規定，本集團將與客戶訂立的合約中所確認的收入分為多種類別，該等類別描述有關收入及現金流量的性質、金額、時間及不確定性如何受經濟因素影響。其亦將披露分類收入披露與各可呈報分部披露的收入資料之間關係的有關資料。

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2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

IFRS 16, issued in January 2016, replaces IAS 17 Leases, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives and* SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two elective recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in IAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from the accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between operating leases and finance leases. IFRS 16 requires lessees and lessors to make more extensive disclosures than under IAS 17. Lessees can choose to apply the standard using either

2.3 已頒佈但尚未生效的國際財務報告準則 (續)

國際財務報告準則第16號於2016年1月頒佈，取代國際會計準則第17號租賃、國際財務報告詮釋委員會－詮釋第4號釐定安排是否包括租賃、準則詮釋委員會－詮釋第15號經營租賃－優惠及準則詮釋委員會－詮釋第27號評估涉及租賃法律形式交易的內容。該準則載列確認、計量、呈列及披露租賃的原則，並要求承租人就大多數租賃確認資產及負債。該準則包括給予承租人兩項可選確認豁免－低價值資產租賃及短期租賃。於租賃開始日期，承租人將確認於租賃期作出租賃付款為負債（即租賃負債）及代表可使用相關資產的權利為資產（即有使用權資產）。除非有使用權資產符合國際會計準則第40號投資物業的定義，或涉及應用重估模型的物業、廠房及設備類別，否則有使用權資產其後按成本減累計折舊及任何減值虧損計量。租賃負債其後會就反映租賃負債利息而增加及因租賃付款而減少。承租人將須分別確認租賃負債的利息開支及有使用權資產的折舊開支。承租人將亦須於若干事件發生時重新計量租賃負債，例如由於用於釐定該等付款的一項指數或比率變更而引致租賃期變更及未來租賃付款變更。承租人一般將重新計量租賃負債的數額確認為有使用權資產的調整。國際財務報告準則第16號大致沿用國際會計準則第17號內出租人的會計處理方式。出租人將繼續使用與國際會計準則第17號相同的分類原則對所有租賃進行分類，並將之分為經營租賃及融資租賃。與國際會計準則第17號相比，國際財務

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a full retrospective or a modified retrospective approach. The Group expects to adopt IFRS 16 from 1 January 2019. The Group is currently assessing the impact of IFRS 16 upon adoption and is considering whether it will choose to take advantage of the practical expedients available and which transition approach and reliefs will be adopted. As disclosed in note 35(b) to the financial statements, at 31 December 2017, the Group had future minimum lease payments under non-cancellable operating leases in aggregate of approximately RMB22,305,000. Upon adoption of IFRS 16, certain amounts included therein may need to be recognised as new right-of-use assets and lease liabilities. Further analysis, however, will be needed to determine the amount of new rights of use assets and lease liabilities to be recognised, including, but not limited to, any amounts relating to leases of low-value assets and short term leases, other practical expedients and reliefs chosen, and new leases entered into before the date of adoption.

2.3 已頒佈但尚未生效的國際財務 報告準則 (續)

報告準則第16號要求承租人及出租人進行更加廣泛地披露。承租人可選擇使用全面追溯或經修改追溯方法應用該準則。本集團預期自2019年1月1日起採納國際財務報告準則第16號。本集團目前正評估採納國際財務報告準則第16號的影響，並在考慮是否會選擇利用現有實際可行的權宜方式，以及將會採用哪些過渡方法及減免措施。如財務報表附註35(b)所披露的，於2017年12月31日，本集團於不可撤銷經營租賃下的未來最低租金總額約為人民幣22,305,000元。採納國際財務報告準則第16號後，當中部分金額或須確認為新增有使用權資產及租賃負債。然而，須進一步分析以確定待確認的新增有使用權資產及租賃負債的金額，包括但不限於與低價值資產租賃及短期租賃有關的任何金額，所選擇的其他實際可行的權宜方式及減免措施，以及於採納日期前訂立的新租賃。

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2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

Amendments to IAS 28 issued in October 2017 clarify that the scope exclusion of IFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies IFRS 9, rather than IAS 28, including the impairment requirements under IFRS 9, in accounting for such long-term interests. IAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The Group expects to adopt the amendments on 1 January 2019 and will assess its business model for such long-term interests based on the facts and circumstances that exist on 1 January 2019 using the transitional requirements in the amendments. The Group also intends to apply the relief from restating comparative information for prior periods upon adoption of the amendments.

2.3 已頒佈但尚未生效的國際財務 報告準則 (續)

國際會計準則第28號的修訂本於2017年10月頒佈，澄清國際財務報告準則第9號的剔除範圍僅包括適用權益法的於聯營公司或合營公司的權益，而不包括實質上構成於聯營公司或合營公司投資淨額一部分且不適用權益法的長期權益。因此，一家實體在對該等長期權益入賬時應用國際財務報告準則第9號，包括國際財務報告準則第9號項下的減值規定，而非國際會計準則第28號。僅當確認聯營公司或合營公司虧損及於聯營公司或合營公司投資淨額的減值時，國際會計準則第28號則適用於該投資淨額，其中包括長期權益。本集團預期於2019年1月1日採納該等修訂，並將使用修訂中的過渡規定基於2019年1月1日存在的事實及情況評估該等長期權益的業務模式。本集團亦擬於採納該等修訂時使用豁免重列過往期間比較資料。

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2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

Amendments to IAS 40, issued in December 2016, clarify when an entity should transfer property, including property under construction or development, into or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments should be applied prospectively to the changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at the date that it first applies the amendments and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application is only permitted if it is possible without the use of hindsight. The Group expects to adopt the amendments prospectively from 1 January 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效的國際財務 報告準則 (續)

國際會計準則第40號修訂本於2016年12月頒佈，釐清實體將物業轉入或轉出投資物業的時間，其中包括在建或發展中物業。修訂本訂明當物業符合或不再符合投資物業的定義時，以及有證據顯示用途變動時，發生用途變動。如管理層僅有意改變物業用途，並不構成用途變動的證據。該修訂本應於日後應用於實體初次應用該修訂本的年度報告期間開始時或之後發生的用途變動。實體應重新評估首次應用該修訂本當日持有的物業的分類，(如適用)重新分類物業以反映當日存在的情況。追溯應用僅適用於毋須利用後見之明的情況。本集團預期自2018年1月1日起採納該修訂本。該等修訂預期不會對本集團財務報表產生任何重大影響。

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2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

IFRIC Interpretation 22, issued in December 2016, provides guidance on how to determine the date of the transaction when applying IAS 21 to the situation where an entity receives or pays advance consideration in a foreign currency and recognises a non-monetary asset or liability. The interpretation clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset (such as a prepayment) or non-monetary liability (such as deferred income) arising from the payment or receipt of the advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the entity must determine the transaction date for each payment or receipt of the advance consideration. Entities may apply the interpretation on a full retrospective basis or on a prospective basis, either from the beginning of the reporting period in which the entity first applies the interpretation or the beginning of the prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation. The Group expects to adopt the interpretation prospectively from 1 January 2018. The interpretation is not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效的國際財務 報告準則 (續)

國際財務報告詮釋委員會－詮釋第22號於2016年12月頒佈，當對實體以外幣收取或支付墊付代價，以及確認非貨幣資產或負債的情況應用國際會計準則第21號時，該詮釋就如何確定交易日期提供指引。該詮釋指明，釐定首次確認相關資產、開支或收益（或當中部分）所使用之匯率之交易日期為實體首次確認支付或收取墊付代價產生的非貨幣資產（例如預付款項）或非貨幣負債（例如遞延收入）之日。倘於確認有關項目前存在多次付款或收款，實體必須釐定每次支付或收取墊付代價的交易日期。實體可自首次應用該詮釋的報告期初起或自前一個報告期初起，在全面追溯或未來基礎上應用該詮釋，在實體首次應用該詮釋的報告期的財務報表中呈列為比較資料。本集團預期自2018年1月1日起採納該詮釋。該詮釋預期不會對本集團財務報表產生任何重大影響。

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2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

IFRIC Interpretation 23, issued in June 2017, addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of IAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from 1 January 2019. The interpretation is not expected to have any significant impact on the Group’s financial statements.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

2.3 已頒佈但尚未生效的國際財務報告準則 (續)

國際財務報告詮釋委員會－詮釋第23號於2017年6月頒佈，該詮釋有關當稅務處理涉及會影響國際會計準則第12號應用的不確定性因素（常稱為「不確定課稅情況」）時，如何將所得稅（即期及遞延）入賬。該詮釋並不適用於國際會計準則第12號範疇以外的稅項或徵費，亦無載列與不確定稅務處理有關的利息及罰款之相關特定要求。詮釋具體處理(i)實體有否單獨考慮不確定稅務處理；(ii)實體就稅務當局對稅務處理的檢查作出的假設；(iii)實體如何釐定應課稅溢利或稅務虧損、稅基、未動用稅務虧損、未動用稅務抵免及稅率；以及(iv)實體如何考慮事實及情況變動。詮釋即將在不利用後見之明的情況下全面追溯應用，或按應用的累積影響追溯應用（作為初始採納當日期初權益的調整，且並不會重列比較資料）。本集團預期自2019年1月1日起採納該詮釋。該詮釋預期不會對本集團財務報表產生任何重大影響。

2.4 主要會計政策概要

於聯營公司及合營公司的投資

聯營公司為本集團擁有一般不少於20%股份投票權的長期權益且本集團可對其行使重大影響力的實體。重大影響力指有權參與投資對象的財務及營運政策決定，但並非控制或共同控制該等政策。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates and joint ventures (continued)

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

2.4 主要會計政策概要 (續)

於聯營公司及合營公司的投資 (續)

合營公司指一種合營安排，對安排擁有共同控制權的訂約方據此對合營公司的淨資產擁有權利。共同控制指按照合約協定對一項安排所共有的控制，共同控制僅在有關活動要求享有控制權的訂約方作出一致同意的決定時存在。

本集團於聯營公司及合營公司的投資乃採用權益會計法，按本集團應佔的淨資產減任何減值虧損在合併財務狀況表列賬。

倘若會計政策存在任何不一致，將會作出相應調整。

本集團所佔聯營公司及合營公司的收購後業績及其他綜合收益分別計入合併損益表及合併其他綜合收益表。此外，倘於聯營公司或合營公司的權益直接確認出現變動，則本集團會於合併權益變動表確認其應佔任何變動（倘適用）。因本集團與其聯營公司或合營公司之間的交易而產生的未變現收益及虧損將以本集團於聯營公司或合營公司的投資為限予以對銷，惟倘未變現虧損為所轉讓資產減值的憑證則除外。收購聯營公司或合營公司所產生的商譽計入本集團於聯營公司或合營公司投資的一部分。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates and joint ventures (continued)

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Business combinations and goodwill

Business combinations other than business combination under common control are accounted for using the acquisition method. Under the acquisition method, the consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

2.4 主要會計政策概要 (續)

於聯營公司及合營公司的投資 (續)

倘於聯營公司的投資變為對合營公司的投資(反之亦然),則不會重新計量保留權益。相反,該投資將繼續根據權益法入賬。在所有其他情況下,倘失去對聯營公司的重大影響力或對合營公司的共同控制權,本集團會按其公允價值計量及確認任何剩餘投資。聯營公司或合營公司於失去重大影響力或共同控制權時的賬面值與剩餘投資及出售所得款項的公允價值之間的任何差額於損益內確認。

當於聯營公司或合營公司的投資分類為持作出售時,該投資根據國際財務報告準則第5號持作出售非流動資產及已終止經營業務入賬。

業務合併及商譽

除同一控制下的業務合併外,業務合併乃採用收購法列賬。收購法下,轉讓對價乃以收購日期的公允價值計量,該公允價值為本集團轉讓的資產於收購日期的公允價值、本集團向被收購方前擁有人承擔的負債及本集團為換取被收購方控制權而發行的股本權益的總和。

當本集團收購一項業務時,會根據合同條款、於收購日期的經濟環境及相關條件,評估須承擔的金融資產及負債,以作出適合的分類及標示,其中包括分離被收購方主合同中的嵌入式衍生工具。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (continued)

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 is measured at fair value with changes in fair value either recognised in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at December 31. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

如業務合併分階段進行，先前持有的股本權益按其於收購日期的公允價值重新計量，所產生的任何收益或虧損在損益中確認。

收購方將轉讓的任何或有對價按收購日期的公允價值確認。屬金融工具並分類為資產或負債且屬於國際會計準則第39號範圍內的或有對價按公允價值計量，其公允價值變動於損益內或作為其他全面收益的變動確認。分類為權益的或有對價不重新計量，其後續結算在權益中入賬。

商譽初步按成本計量，即已轉讓對價、非控股權益的確認金額及本集團先前持有的被收購方股本權益的任何公允價值總額，與所收購可識別淨資產及所承擔負債之間的差額。如對價與其他項目的總額低於所收購淨資產的公允價值，該差額於重新評估後將於損益內確認為議價購買收益。

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽須每年作減值測試，若有事件發生或情況改變顯示賬面值有可能減值時，則會更頻密地進行測試。本集團於12月31日進行商譽的年度減值測試。為進行減值測試，因業務合併而購入的商譽自收購日期起被分配至預期可從合併產生的協同效益中獲益的本集團各現金產生單位或現金產生單位組別，而無論本集團其他資產或負債是否已分配至該等單位或單位組別。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its investment properties, derivative financial instruments and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

減值乃通過評估與商譽有關的現金產生單位 (現金產生單位組別) 的可收回金額釐定。當現金產生單位 (現金產生單位組別) 的可收回金額低於賬面值時，減值虧損便予以確認。已就商譽確認的減值虧損不得於隨後期間撥回。

如商譽分配至現金產生單位 (或現金產生單位組別) 而該單位的部分業務已出售，則在釐定出售損益時，與所出售業務相關的商譽會計入該業務的賬面金額。在該等情況下出售的商譽乃根據所出售業務及現金產生單位的保留份額的相對價值進行計量。

公允價值計量

於各報告期末，本集團按公允價值計量其投資物業、衍生金融工具及股權投資。公允價值為市場參與者之間於計量日期進行的有序交易中，出售資產所收取或轉讓負債所支付之價格。公允價值計量假設出售資產或轉讓負債的交易於該資產或負債的主要市場，或在無主要市場的情況下，則於對該資產或負債最有利的市場進行。主要或最有利市場須為本集團能參與的市場。假設市場參與者基於最佳經濟利益行事，資產或負債的公允價值使用市場參與者為資產或負債定價所用假設計量。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurement (continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 主要會計政策概要 (續)

公允價值計量 (續)

非金融資產之公允價值計量會計及市場參與者將資產用於最高價值及最佳用途或售予會將資產用於最高價值及最佳用途之另一名市場參與者而產生經濟利益的能力。

本集團針對不同情況使用不同估值方法，確保有足夠數據計量公允價值，並盡量利用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

公允價值於財務報表計量或披露之所有資產及負債，均基於對公允價值計量整體而言屬重要之最低層輸入數據按下述公允價值層級分類：

第一層 – 按同等資產或負債於活躍市場之報價（未經調整）計算

第二層 – 按估值方法計算（計量公允價值的重要最低層輸入數據可直接或間接觀察）

第三層 – 按估值方法計算（計量公允價值的重要最低層輸入數據不可觀察）

對於按經常性基準於財務報表確認之資產及負債，本集團於各報告期末重新評估分類（基於對公允價值計量整體而言屬重大之最低層輸入數據），以確定有否在不同層級之間轉移。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, construction contract assets, financial assets and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

2.4 主要會計政策概要 (續)

非金融資產減值

當資產(存貨、建造合同資產、金融資產及投資物業除外)存在減值跡象或須對資產進行年度減值測試時，會估計資產的可收回金額。資產的可收回金額是指資產或現金產生單位的使用價值與其公允價值減出售成本兩者之中的較高者，並以個別資產釐定，除非該資產並不產生很大程度上獨立於其他資產或資產組別的現金流入，在此情況下可收回金額按資產所屬現金產生單位釐定。

僅當資產的賬面值超過其可收回金額時方可確認減值虧損。評估使用價值時，估計未來現金流量乃以反映當前市場評定的貨幣時間價值以及資產特有風險的稅前折現率折現至其現值。減值虧損乃於其在與該已減值資產的功能一致的該等開支類別中產生期間自損益表中扣除。

在每個報告期末均會評估是否有跡象表明之前確認的減值虧損可能不復存在或有所減少。若存在該跡象，則會估計可收回金額。僅當用於釐定資產的可收回金額的估計有所改變時，先前就該資產確認的減值虧損(商譽除外)才可轉回，但轉回後的數額不能高於假設以往年度沒有就該資產確認減值虧損而原應釐定的賬面值(扣除任何折舊／攤銷)。該減值虧損的轉回於產生期間計入損益表，除非資產以重估金額入賬，於此情況下，則減值虧損撥回將根據該重估資產的相關會計政策入賬。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
- (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;

2.4 主要會計政策概要 (續)

關聯方

倘一方符合以下條件，則視為與本集團有關聯：

- (a) 倘該方屬以下人士或該人士的家庭近親成員，且該人士：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理層成員；

或

- (b) 倘該方為符合下列任何條件的實體：
- (i) 該實體與本集團屬同一集團的成員公司；
 - (ii) 實體為另一實體的聯營公司或合營公司（或為另一實體的母公司、附屬公司或同系附屬公司）；
 - (iii) 該實體與本集團均為同一第三方的合營公司；
 - (iv) 實體為第三方實體的合營公司，而另一實體為該第三方實體的聯營公司；
 - (v) 實體為本集團或與本集團有關聯的實體就僱員利益設立的離職福利計劃；及該離職福利計劃之資助僱主；

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties (continued)

(b) (continued)

- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

2.4 主要會計政策概要 (續)

關聯方 (續)

(b) (續)

- (vi) 實體受(a)所識別人士控制或共同控制；
- (vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體（或該實體的母公司）主要管理層成員；及
- (viii) 該實體或一個集團任何成員公司（該實體屬一部分），向本集團或本集團母公司提供主要管理人員服務。

物業、廠房及設備以及折舊

除在建工程外，物業、廠房及設備按成本減累計折舊及任何累計減值虧損列賬。當一項物業、廠房及設備分類為持作出售或當其組成持作出售的處置組合的一部分時，其毋須折舊並根據國際財務報告準則第5號入賬。物業、廠房及設備項目成本包括其購入價及使資產達致其擬定用途的運作狀況及地點的任何直接應佔成本。

成本亦可包括由權益轉撥外幣購買物業、廠房及設備合資格作現金流量對沖的任何收益或虧損。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation (continued)

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2.72% to 3.8%
Office and other equipment	9.5% to 19.0%
Motor vehicles	11.88%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

2.4 主要會計政策概要 (續)

物業、廠房及設備以及折舊 (續)

物業、廠房及設備項目投產後產生的維修及保養等開支，一般於產生期間計入損益表。於符合確認標準的情況下，大型檢測開支計入資產賬面值，作為重置成本。倘物業、廠房及設備之重要部分須定期更換，則本集團確認該等部分為具特定使用年期之個別資產並相應計提折舊。

折舊乃以直線法在估計使用年內將各物業、廠房及設備項目的成本撇銷至其剩餘價值。就此而言使用的主要年率如下：

樓宇	2.72%至3.8%
辦公室及其他設備	9.5%至19.0%
汽車	11.88%

倘物業、廠房及設備項目的各部分有不同的可使用年期，該項目的成本將在各部分之間作合理分配，而每部分將個別計提折舊。剩餘價值、使用年期及折舊方法至少於各財政年度結算日檢討，並於適當時調整。

初始確認的物業、廠房及設備項目(包括任何重要部分)於出售或預期使用不會再產生未來經濟利益時終止確認。於資產終止確認年度在損益表確認的任何出售或報廢收益或虧損，乃有關資產出售所得款項淨額與賬面值之差額。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation (continued)

Construction in progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured at cost including transaction costs both at initial recognition and subsequent to initial recognition.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2.11% – 4.75%
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The carrying amounts of investment properties measured using the cost method are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

2.4 主要會計政策概要 (續)

物業、廠房及設備以及折舊 (續)

在建工程指正在建設的樓宇，按成本減任何減值虧損入賬且不計提折舊。成本包括建設期間建設的直接成本及相關借入資金的資本化借貸成本。在建工程於落成可用時按適當類別重新分類至物業、廠房及設備。

投資物業

投資物業乃於土地及樓宇持有之收益，用以賺取租金收入及／或資本升值，而非用於產品或服務之生產或供應或行政用途；或於日常業務營運中銷售。該等物業乃按成本計量，包括初始確認及初始確認後的交易成本。

折舊乃以直線法在估計使用年期內將各物業、廠房及設備項目的成本撇銷至其剩餘價值。就此而言使用的主要年率如下：

樓宇	2.11% – 4.75%
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倘發生任何事件或情況變化顯示投資物業之賬面值可能無法收回，則會對採用成本方法計量的投資物業之賬面值進行檢討，以釐定是否出現減值。

報廢或出售投資物業所產生的任何收益或虧損於報廢或出售年度在損益表內確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

2.4 主要會計政策概要 (續)

無形資產 (商譽除外)

單獨取得的無形資產於初始確認時按成本計量。通過業務合併取得的無形資產的成本為收購日期的公允價值。無形資產的可使用年期評定為有限期或無限期。有限期的無形資產隨後按可使用經濟年期攤銷，於有跡象顯示無形資產可能出現減值時評估減值。有限可使用年期的無形資產的攤銷期及攤銷方法至少於各財政年度結算日檢討一次。

無固定年期的無形資產將每年個別地或者於現金產生單位層面進行減值測試。該等無形資產不進行攤銷。無固定年期的無形資產須每年評估其可使用年期，以確定無固定年期的評估是否依然可行。否則，可使用年期的評估從無固定年期變更為有固定年期，將採用未來適用法進行會計處理。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (other than goodwill) (continued)

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over the estimated useful lives of 2 to 5 years.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms.

2.4 主要會計政策概要 (續)

無形資產 (商譽除外) (續)

軟件

已購買的軟件乃按成本減任何減值虧損列賬，按其估計可使用年期（兩至五年）以直線法攤銷。

研究及開發費用

所有研究費用均於產生時自損益表扣除。

新產品開發計劃產生的開支僅於本集團證明在技術上能夠完成無形資產令其可供使用或出售、有意完成及有能力使用或出售該資產、該資產將如何帶來日後經濟利益、具有完成計劃所需的資源且能夠可靠地計量開發期間支出時，方會資本化並以遞延方式入賬。未能符合此等條件的產品開發開支概於發生時列作開支。

經營租賃

由出租人保留資產所有權的絕大部分報酬與風險的租賃均以經營租賃入賬。如本集團為出租人，本集團將按照租賃年期以直線法，分別將根據經營租賃租賃的資產計入非流動資產及將根據經營租賃的應收租金計入損益表內。如本集團為承租人，則本集團根據經營租賃應付的租金（扣除自出租人收取的任何優惠金額）將以直線法於租期內自損益表扣除。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating leases (continued)

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

2.4 主要會計政策概要 (續)

經營租賃 (續)

根據經營租賃支付的預付土地租金在初期以成本列賬，其後於租期以直線法進行確認。

投資及其他金融資產

初始確認及計量

金融資產於初始確認時會被分類為按公允價值計入損益的金融資產、貸款及應收款項及可供出售金融投資，如適用。金融資產於初始確認時，乃按公允價值加收購金融資產所產生的交易成本計量（惟按公允價值計入損益的金融資產則除外）。

循正常渠道購買及銷售金融資產於交易日（即本集團承諾購買或銷售資產當日）確認，循正常渠道購買或銷售指規定資產於特定期間內（一般由規則或市場慣例確立）付運的金融資產買賣。

後續計量

金融資產的後續計量乃按其如下分類進行：

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as finance costs in the statement of profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for “Revenue recognition” below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IAS 39 are satisfied.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated as at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

按公允價值計入損益的金融資產

按公允價值計入損益的金融資產包括持作買賣之金融資產及於初始確認時指定為按公允價值計入損益的金融資產。金融資產如以短期賣出為目的而購買，則分類為持作買賣金融資產。除非衍生工具（包括已作獨立確認的隱含衍生工具）按國際會計準則第39號定義被指定為實際對沖工具，否則亦會分類為持作買賣金融資產。

按公允價值計入損益的金融資產於財務狀況表中按公允價值列賬，而公允價值正變動淨額則於損益表中呈列為其他收入及收益，公允價值負變動淨額則呈列為財務成本。該等公允價值變動淨額不包括該等金融資產根據下文「收入確認」所載政策確認賺取之任何股息或利息。

於初始確認時指定為按公允價值計入損益的金融資產，於初始確認日期且僅當符合國際會計準則第39號之標準時方會作此指定。

嵌入主合約之衍生工具入賬列作獨立衍生工具，倘其經濟特徵及風險與主合約的經濟特徵及風險並無密切聯繫且主合約並非持作買賣或指定按公允價值計入損益，則按公允價值入賬。該等嵌入式衍生工具按公允價值計量，公允價值的變動於損益表中確認。僅在合約條款變動大幅改變現金流量或在金融資產按公允價值重新分類至損益類別時方會按要求重新評估。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance income in the statement of profit or loss.

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in changes in fair value of available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the statement of profit or loss in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to the statement of profit or loss in other gains or losses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in the statement of profit or loss as other income in accordance with the policies set out for "Revenue recognition" below.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

貸款及應收款項

貸款及應收款項乃是有固定或可確定付款金額但並無在一個活躍市場上報價的非衍生金融資產。經初步計量後，該等資產其後以實際利率法根據已攤銷的成本（扣減任何減值撥備）計量。攤銷成本通過計入任何收購時的折讓或溢價計算，包括屬於實際利率不可分割部分的費用或成本。實際利率攤銷包括在損益表內的財務收入中。

可供出售金融投資

可供出售金融投資乃上市及非上市股權投資及債務證券之非衍生金融資產。分類為可供出售之股權投資指既未分類為持作買賣亦未指定為按公允價值計入損益之投資。該類別中的債務證券指有意無限期待持有之證券，且該等證券可能會因應流動資金需求或應對市況變動而出售。

於初始確認後，可供出售金融投資其後以公允價值計量，而未變現收益或虧損則於可供出售投資重估儲備公允價值變動中確認為其他綜合收益，直至投資被終止確認（屆時，累計收益或虧損於損益表其他收入內確認）或被釐定出現減值為止，此時，累計收益或虧損由可供出售投資重估儲備重新分類至損益表其他收益或虧損內。於持有可供出售金融投資時所賺取之利息及股息分別列作利息收入及股息收入，並根據下文「收入確認」所載政策於損益表確認為其他收入。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (continued)

Available-for-sale financial investments (continued)

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

可供出售金融投資 (續)

當非上市股權投資之公允價值由於(a)合理公允價值估計範圍之變動相對該投資而言實屬重大，或(b)上述範圍內之各種估計之概率未能合理評估且須用以估算公允價值，而未能可靠計算時，則該等投資將按成本扣除任何減值虧損列賬。

本集團評估於短期內出售其可供出售金融資產之能力及意圖是否仍然合適。倘於罕見情況下，因市場交投淡靜，本集團因而無法買賣有關金融資產，則倘管理層有能力並有意於可見將來持有該等金融資產或持有至到期日，本集團可選擇將該等資產重新分類。

就從可供出售類別重新分類之金融資產而言，於重新分類日期的公允價值賬面值成為其新的已攤銷成本及該項資產過往已於權益確認之收益或虧損於損益中以實際利率按投資餘下可使用年期攤銷。新的已攤銷成本與到期金額之任何差額同樣以實際利率按該資產餘下可使用年期攤銷。倘該項資產其後釐定為出現減值，於權益中所載之相關金額則須重新分類至損益表。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.4 主要會計政策概要 (續)

終止確認金融資產

金融資產(或如適用,一項金融資產的一部分或一組同類金融資產的一部分)在下列情況將首先終止確認(即從本集團的合併財務狀況表中刪除):

- 收取該項資產所得現金流量的權利已經屆滿;或
- 本集團已轉讓其收取該項資產所得現金流量的權利,或已根據「轉付」安排,在未有嚴重延緩第三方的情況下,就有關權利全數承擔支付已收現金流量的責任;及(a)本集團已轉讓該項資產的絕大部分風險及回報;或(b)本集團既無轉讓亦無保留該項資產絕大部分風險及回報,但已轉讓該項資產的控制權。

倘本集團轉讓其收取一項資產所得現金流量的權利或已訂立轉付安排,會評估其有否保留該項資產擁有權的風險及回報,以及保留的程度。倘本集團既無轉讓或保留該項資產的絕大部分風險及回報,亦無轉讓該項資產的控制權,本集團會在本集團持續參與該項資產的前提下繼續確認該已轉讓資產。於該情況下,本集團亦確認相關負債。已轉讓資產及相關負債乃按反映本集團保留的權利及義務的基準計量。

本集團以擔保形式持續涉及轉讓資產,該已轉讓資產乃以該項資產之原賬面值及本集團可能需要支付之最高代價兩者之較低者計量。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

2.4 主要會計政策概要 (續)

金融資產減值

本集團於各報告期末評估是否有客觀跡象表明一項金融資產或一組金融資產出現減值。倘於初始確認資產後發生一項或多項事件對該項或該組金融資產的估計未來現金流量所造成的影響乃能夠可靠地估計，則該項或該組金融資產存在減值。減值跡象可包括一名或一組債務人正面臨重大經濟困難、違約或未能償還利息或本金、彼等有可能破產或進行其他財務重組，以及有可觀察數據表明估計未來現金流量出現可計量的減少，例如欠款數目變動或出現與違約相關的經濟狀況。

按攤銷成本列賬的金融資產

就按攤銷成本列賬的金融資產而言，本集團首先會按個別基準就單項重大的金融資產或按組合基準就單項非重大的金融資產，評估是否存在減值。倘本集團認定個別評估的金融資產（無論重大與否）並無客觀跡象表明存有減值，則該項資產會歸入一組具有相似信貸風險特性的金融資產內，並共同評估該組金融資產是否存在減值。個別評估減值並已確認或持續確認減值虧損的資產，不會納入綜合減值評估之內。

任何經確定的減值虧損金額按該資產賬面值與估計未來現金流量（不包括尚未產生的未來信貸虧損）現值的差額計量。估計未來現金流量的現值以金融資產的初始實際利率（如初次確認時計算的實際利率）折現。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (continued)

Financial assets carried at amortised cost (continued)

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other operating income/expenses, net in the statement of profit or loss.

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

2.4 主要會計政策概要 (續)

金融資產減值 (續)

按攤銷成本列賬的金融資產 (續)

該資產的賬面值會通過使用撥備而減少，而虧損於損益表確認。利息收入於減少賬面值中持續產生，且採用計量減值虧損時用以折現未來現金流量的利率累計。倘日後收回不可實現及所有抵押品已變現或已轉讓予本集團，則撇清貸款及應收款項連同任何相關撥備。

倘在其後期間估計減值虧損金額由於確認減值之後發生的事項增加或減少，則透過調整撥備賬增加或減少先前確認的減值虧損。倘於其後收回已撇賬款，該項收回將計入損益表內的其他經營收入／開支淨額。

按成本列賬的資產

倘有客觀跡象表明一項無報價股本工具（該項工具由於公允價值無法可靠計量而並無按公允價值列賬）或與該無報價股本工具存在聯繫且必須以交付該無報價股本工具進行交割的一項衍生資產已發生減值虧損，則虧損金額按資產之賬面值和估計未來現金流量之現值的差額計量，並按類似金融資產的現時市場回報率進行折現。該等資產之減值虧損不予撥回。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (continued)

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the statement of profit or loss, is removed from other comprehensive income and recognised in the statement of profit or loss.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. “Significant” is evaluated against the original cost of the investment and “prolonged” against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss – is removed from other comprehensive income and recognised in the statement of profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through the statement of profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is “significant” or “prolonged” requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

2.4 主要會計政策概要 (續)

金融資產減值 (續)

可供出售之金融投資

就可供出售之金融投資而言，本集團將於各報告期末評估一項投資或一組投資是否存在客觀減值證據。

倘可供出售之資產減值，包括其成本（扣除任何本金付款及攤銷）與其現時公允價值之差額在扣除先前於損益表確認之任何減值虧損後之金額，會從其他綜合收益中剔除並於損益表確認。

倘股權投資被分類為可供出售，則客觀證據將包括該項投資之公允價值大幅或長期跌至低於其成本值。「重大」乃相對於投資之原有成本而評估，而「持續」則相對於出現公允價值低於其原有成本之時期而評估。倘存在減值證據，則累計虧損（按收購成本與現時公允價值之差額減該項投資先前於損益表確認之任何減值虧損計量）從其他綜合收益中剔除，並於損益表確認。分類為可供出售之股本工具之減值虧損不會自損益表撥回，其公允價值之增加經扣除減值後直接於其他綜合收益確認。

確定「重大」或「持續」需要作出判斷。在作出判斷時，本集團會評估（其中包括）投資的公允價值低於其成本的持續時間或程度等因素。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bills payable, derivative financial instruments and interest-bearing bank and other borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

2.4 主要會計政策概要 (續)

金融負債

初始確認及計量

於初始確認時，金融負債會被分類為按公允價值計入損益的金融負債或貸款及借貸。

所有金融負債初始按公允價值確認，如屬貸款及借貸，則扣除直接應佔交易成本。

本集團的金融負債包括貿易及其他應付款項、應付票據、衍生金融工具以及計息銀行及其他借貸。

後續計量

金融負債的後續計量按如下分類進行：

按公允價值計入損益的金融負債

按公允價值計入損益的金融負債包括持作買賣的金融負債及於初始確認時指定為按公允價值計入損益的金融負債。

如果獲取金融負債的目的是為了在近期再次購買，則該金融負債分類為持作買賣金融負債。此類金融負債包括本集團訂立之未指定為對沖關係中對沖工具（定義見國際會計準則第39號）的衍生金融工具。單獨嵌入衍生工具亦分類為持作買賣金融負債，除非他們被指定為有效的對沖工具。持作買賣金融負債的收益或虧損於損益表中確認。於損益表確認的公允價值淨損益不包括任何金融負債的相關利息。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities (continued)

Subsequent measurement (continued)

Financial liabilities at fair value through profit or loss (continued)

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IAS 39 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation.

2.4 主要會計政策概要 (續)

金融負債 (續)

後續計量 (續)

按公允價值計入損益的金融負債 (續)

只有符合國際會計準則第39號的規定時，方可在初始確認時指定為按公允價值計入損益的金融負債。

貸款及借貸

經初始確認後，計息貸款及借貸隨後以實際利率法按攤銷成本計量，除非貼現影響為微不足道，在該情況下則按成本列賬。當負債終止確認及按實際利率法進行攤銷程序時，其收益及虧損在損益表內確認。

攤銷成本於計及收購事項任何折讓或溢價及屬實際利率不可或缺一部分的費用或成本後計算。實際利率攤銷計入損益表的財務成本內。

財務擔保合約

本集團發出的財務擔保合約乃因特定債務人無法按債務工具的條款支付到期款項，而須向合約持有人支付款項以彌補其因此招致的損失之合約。財務擔保合約初始乃按公允價值並就與發出擔保直接相關的交易成本進行調整後，確認為負債。於初始確認後，本集團按以下兩者中之較高者計量財務擔保合約：(i)於報告期末繳付現有負債所需開支之最佳估計金額；及(ii)初始確認之金額減(倘適用)累計攤銷。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risk and interest rate risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss.

2.4 主要會計政策概要 (續)

終止確認金融負債

於負債項下的責任被解除或取消或屆滿時，金融負債將被終止確認。

如現有金融負債由同一債權人以條款大相徑庭的負債所取代，或現有負債條款作出重大修訂，此類置換或修訂將被視為終止確認本來的負債及確認新負債，有關賬面值的差額於損益表中確認。

抵銷金融工具

於具現有法定權利抵銷確認金額及有意以淨額結算，或同時變賣資產及償還負債，金融資產及金融負債互相抵銷並於財務狀況表內呈報淨額。

衍生金融工具

初始確認及後續計量

本集團利用遠期貨幣合約及利率掉期交易等衍生金融工具對沖其與外幣及利率風險。該等衍生金融工具初始按訂立衍生合約當日之公允價值確認，其後則按公允價值重新計量。倘衍生工具之公允價值為正數，則以資產列賬，而倘公允價值為負數則以負債列賬。

衍生工具公允價值發生變動所產生之收益或虧損乃直接計入損益表。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derivative financial instruments (continued)

Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

- Where the Group expects to hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the end of the reporting period, the derivative is classified as non-current (or separated into current and non-current portions) consistently with the classification of the underlying item.
- Embedded derivatives that are not closely related to the host contract are classified consistently with the cash flows of the host contract.
- Derivative instruments that are designated as, and are effective hedging instruments, are classified consistently with the classification of the underlying hedged item. The derivative instruments are separated into current portions and non-current portions only if a reliable allocation can be made.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the specific identification of cost and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

2.4 主要會計政策概要 (續)

衍生金融工具 (續)

流動與非流動分類對比

並非指定為有效對沖工具之衍生工具根據對事實及情況之評估(即相關合約現金流量)分類為流動及非流動,或分開為流動或非流動部分。

- 當本集團預期持有衍生工具作為經濟對沖(而並無應用對沖會計處理方法)至超過報告期末後12個月期間,該衍生工具乃與相關項目之分類一致分類為非流動(或分開為流動及非流動部分)。
- 與主合約並非密切聯繫之附帶在內衍生工具乃與主合約之現金流量一致分類。
- 指定為及為有效對沖工具之衍生工具乃與相關對沖項目之分類一致分類。衍生工具僅於可作出可靠分配時分開為流動部分及非流動部分。

存貨

存貨按成本及可變現淨值(以較低者為準)列賬。成本按具體成本確認基準釐定,在製品及製成品的成本包括直接材料、直接勞工及按適當比例計算的間接費用。可變現淨值按預計售價減完成及出售所產生的任何估計成本計算。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

2.4 主要會計政策概要 (續)

現金及現金等價物

就合併現金流量表而言，現金及現金等價物包括手頭現金及活期存款，以及短期且流動性極高的投資，該等投資可隨時兌換為已知數額的現金且價值轉變風險並不重大，並於購入後三個月內到期，減須於通知時償還並構成本集團現金管理一部分的銀行透支。

就合併財務狀況表而言，現金及現金等價物包括用途不受限制的手頭現金及銀行存款（包括定期存款及性質與現金類似的資產）。

撥備

倘因過往事件導致現有債務（法定或推定）及日後可能需要有資源流出以償還債務，則確認撥備，惟必須能可靠估計有關債務金額。

倘折現的影響重大，則確認的撥備金額為預期需用作償還債務的未來支出於報告期末的現值。因時間流逝而產生的折現現值增額，列作財務成本計入損益表。

所得稅

所得稅包括即期及遞延稅項。有關損益外確認項目的所得稅於損益外確認，不論是否於其他綜合收益或直接於權益內確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (continued)

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 主要會計政策概要 (續)

所得稅 (續)

本期與以往期間的即期稅項資產和負債根據於報告期末已頒佈或已大致頒佈的稅率(及稅法),並考慮本集團業務所在國家的現有詮釋及慣例,按預期自稅務當局收回或付予稅務當局的金額計算。

遞延稅項以負債法就於報告期末資產及負債的稅項基準及其用作財務報告的賬面值之間的所有暫時性差額作出撥備。

除以下情況外,遞延稅項負債就所有應課稅暫時差額予以確認:

- 當遞延稅項負債來自初始確認商譽或並非業務合併的交易的資產或負債,而於交易時並不影響會計溢利或應課稅溢利或虧損;及
- 就與於附屬公司、聯營公司及合營公司的投資有關的應課稅暫時差額而言,除非撥回暫時差額的時間可以控制及暫時差額可能不會在可見將來撥回。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

2.4 主要會計政策概要 (續)

所得稅 (續)

就所有可扣稅暫時差額、承前未用稅項抵免和未用稅項虧損確認遞延稅項資產，惟以日後有可能出現應課稅溢利可利用該等可扣稅暫時差額、承前未用稅項抵免和未用稅項虧損予以抵銷為限，除非：

- 於初始確認非業務合併的交易中的資產或負債產生與可扣稅暫時差額有關的遞延稅項資產，而有關遞延稅項資產於進行交易時對會計溢利或應課稅溢利或虧損均無影響；及
- 對涉及附屬公司、聯營公司及合營公司投資的可扣稅暫時差額而言，僅在暫時差額有可能在可見將來撥回，以及日後可用該等暫時差額抵銷可能出現的應課稅溢利時，方會確認遞延稅項資產。

遞延稅項資產的賬面值會於各報告期末檢討，倘不再可能有足夠應課稅溢利可用於抵免全部或部分遞延稅項資產，則會予以扣減。未確認的遞延稅項資產會於各報告期末重估和於可能有足夠應課稅溢利可收回全部或部分遞延稅項資產時確認。

遞延稅項資產和負債乃根據於報告期末前已實施或大致實施的稅率（和稅法），按預期於資產獲變現或負債償還期間適用的稅率計算。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (continued)

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

2.4 主要會計政策概要 (續)

所得稅 (續)

在且僅在本集團擁有以即期稅項資產及即期稅項負債抵銷(並且遞延稅項資產及遞延稅項負債與同一稅務機關向有意於預期結算或收回大額遞延稅項負債或資產的各未來期間以淨額結算即期稅項負債及資產的同一課稅實體, 或同時變現資產及結算負債的不同課稅實體徵收的所得稅有關)的合法權利的情況下, 遞延稅項資產和遞延稅項負債方可互相抵銷。

政府資助

政府資助在能合理地確保可收取有關資助並符合一切附帶條件的情況下, 按其公允價值予以確認。如資助與開支項目有關, 則將有系統地按照擬補償的成本被費用化期間予以確認為收入。

若補貼與資產相關, 則將其公允價值貸記至遞延收入賬目, 並在相關資產的預期使用年限內每年按等額計入損益表, 或扣除自資產的賬面值, 透過減少折舊開支的方式計入損益表。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) from construction contracts, on the percentage of completion basis, as further explained in the accounting policy for “Construction contracts” below;
- (c) from the rendering of services, on the percentage of completion basis, as further explained in the accounting policy for “Contracts for services” below;
- (d) rental income, on a time proportion basis over the lease terms;
- (e) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset; and
- (f) dividend income, when the shareholders’ right to receive payment has been established.

2.4 主要會計政策概要 (續)

收入確認

收入乃於本集團可能獲得經濟利益而該收入能可靠地計算時，按下列基準予以確認：

- (a) 就貨品銷售而言，倘所有權的重大風險及回報已轉移至買方，且本集團並無保留一般視為與所有權相關的管理權或已售貨品的有效控制權時確認；
- (b) 就建造合同而言，按完成百分比基準確認，詳情載於下文「建造合同」會計政策；
- (c) 就提供服務而言，按完成百分比基準確認，詳情載於下文「服務合同」會計政策；
- (d) 租金收入按租賃期內時間比例確認；
- (e) 利息收入乃根據適用的實際利率按時間基準累計，而實際利率乃按金融工具的預計年期或更短年期（如適用）估計日後現金收入準確折現至金融資產的賬面淨值之利率；及
- (f) 倘股東收取款項的權利獲成立，則為股息收入。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Construction contracts

Contract revenue comprises the agreed contract amount and appropriate amounts from variation orders, claims and incentive payments. Contract costs incurred comprise direct materials, the costs of subcontracting, direct labour and an appropriate proportion of variable and fixed construction overheads.

Revenue from fixed price construction contracts is recognised using the percentage of completion method, measured by reference to the proportion of costs incurred to date to the estimated total cost of the relevant contract.

Revenue from cost plus construction contracts is recognised using the percentage of completion method, by reference to the recoverable costs incurred during the period plus the related fee earned, measured by the proportion of costs incurred to date to the estimated total cost of the relevant contract.

Provision is made for foreseeable losses as soon as they are anticipated by management. Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as an amount due from contract customers. Where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is treated as an amount due to contract customers.

Contracts for services

Contract revenue on the rendering of services comprises the agreed contract amount. Costs of rendering services comprise labour and other costs of personnel directly engaged in providing the services and attributable overheads.

2.4 主要會計政策概要 (續)

建造合同

合同收入包括商定的合同金額以及來自工程變更、索賠和激勵收入。合同成本包括直接材料、轉包成本、直接工資和按比例分攤的可變動和固定建造費用。

來自固定價格建造合同的收入採用完成百分比法確認，乃參考迄今為止已產生的成本相當於相關合同的合同成本總額的百分比計量。

來自成本加建造合同的收入採用完成百分比法確認，乃參考於該期間產生的可收回成本加相關收費確認，乃參考迄今為止所產生的成本相當於相關合同成本總額的比例計算。

一旦管理層預計將發生損失，則應計提準備。如果累計合同已發生成本加已確認的利潤減已確認的損失超過工程進度款，則超出部分作為應收合同客戶款項。如果工程進度款超過累計已發生合同成本加已確認的利潤減已確認的損失，則超出部分作為應付合同客戶款項。

服務合同

提供服務產生的合同收入包括商定的合同金額。提供服務產生的成本包括勞工及其他直接從事提供服務之員工成本及應佔費用。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contracts for services (continued)

Revenue from the rendering of services is recognised based on the percentage of completion of the transaction, provided that the revenue, the costs incurred and the estimated costs to completion can be measured reliably. The percentage of completion is established by reference to the costs incurred to date as compared to the total costs to be incurred under the transaction. Where the outcome of a contract cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Provision is made for foreseeable losses as soon as they are anticipated by management.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as an amount due from contract customers. Where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is treated as an amount due to contract customers.

Employee benefits

Pension schemes

The Group contributes on a monthly basis to various defined contribution retirement schemes organised by the relevant municipal and provincial governments in the PRC. The municipal and provincial governments undertake to assume the retirement benefits payable to all existing and future retired employees under these plans and the Group has no further obligations for post-retirement benefits beyond the contributions made. The contributions to the schemes are recognised as and when incurred.

2.4 主要會計政策概要 (續)

服務合同 (續)

提供服務產生的收入乃根據該交易完成百分比確認，惟此等收入及產生的成本以及達致完成的估計成本須可靠地計量。完成百分比乃參考迄今為止所產生的成本相當於該交易成本總額的比例計算。倘合約結果無法可靠計量，則收入根據能夠收回的實際合同成本予以確認。

一旦管理層預計將發生損失，則應計提準備。

如果累計合同已發生成本加已確認的利潤減已確認的損失超過工程進度款，則超出部分作為應收合同客戶款項。如果工程進度款超過累計已發生合同成本加已確認的利潤減已確認的損失，則超出部分作為應付合同客戶款項。

僱員福利

養老金福利

本集團按月向中國有關市級及省級政府組織的多項設定供款退休計劃供款。市級及省級政府承諾向參加上述計劃的所有現有及日後退休僱員支付退休福利，而除供款外，本集團毋須再支付任何退休後福利。上述計劃供款於產生時確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefits (continued)

Pension schemes (continued)

The Group implements a pension annuity plan, pursuant to which the Group pays contributions to the plan regularly and the Group has no further obligation thereto once the required contributions have been made. The contributions are recognised as employee benefit expenses when incurred.

In addition, the Group also pays supplemental pension subsidies to employees who retired before January 1, 2010. Such supplemental pension subsidies mainly comprised monthly cash payments to the retirees for life as determined by the Group upon their respective retirement and subject to cost of living adjustments. The supplemental pension subsidies scheme is an unfunded scheme. As detailed in note 27 below, these defined benefit obligations recognised were assessed using the projected unit credit actuarial valuation method; the cost of providing such subsidies is charged to the statement of profit or loss so as to spread the service cost over the average lives of such former employees, in accordance with the actuarial reports which contained full valuations of the plans for each of the relevant accounting periods.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government securities which have maturity approximating to the terms of the related pension liability.

Re-measurements arising from experience adjustments and changes in actuarial assumptions are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

2.4 主要會計政策概要 (續)

僱員福利 (續)

養老金福利 (續)

本集團實行一項退休年金計劃，據此，本集團定期向該計劃供款，而除作出規定供款外，本集團並無其他供款責任。有關供款於產生時確認為僱員福利。

此外，本集團亦向於2010年1月1日前退休的僱員支付補充退休津貼。有關補充退休津貼主要包括一旦僱員退休，由本集團釐定按月向退休人員現金支付的生活費（受生活成本調整所規限）。補充退休津貼計劃為一項未經撥款計劃。按下文附註27所述，該等已確認的設定受益義務根據預計單位進賬精算估值法評估，而根據載有各有關會計期間所有計劃金額的精算報告，提供該等津貼的成本於損益表內扣除，以便在有關前僱員的平均服務年期內分攤服務成本。

設定受益義務的現值乃採用政府證券利率折現估計未來現金流出額而釐定，而該等證券的到期日與有關養老金責任年期相若。

來自經驗調整的重新計量及精算假設的變動均於合併財務狀況表中即時確認，於其產生期間於其他綜合收益扣除或計入。重新計量並不會於其後期間重新分類至損益。

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財務報表附註

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefits (continued)

Pension schemes (continued)

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under finance expenses and allocated by function as part of “cost of sales”, “selling and distribution expenses” or “administrative expenses” in the consolidated statement of profit or loss:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- net interest expense or income

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

2.4 主要會計政策概要 (續)

僱員福利 (續)

養老金福利 (續)

利息淨額乃採用折現率將設定負債或資產淨額進行折現計算。本集團在合併損益表財務開支項下按功能確認以下設定義務淨額的變動並按功能分配為「銷售成本」、「銷售及分銷開支」或「行政開支」：

- 服務成本，包括當期服務成本、過往服務成本、縮減及不定期結算的收益及虧損
- 利息開支或收入淨額

借貸成本

購買、建造或生產合資格資產（即需要一段頗長時間始能投入其擬定用途或出售的資產）而直接產生的借貸成本，均資本化為該等資產成本的一部分。當該等資產大致上可作擬定用途或出售時，則終止將該等借貸成本資本化。特定借貸於撥作合資格資產的支出前用作短暫投資所賺取的投資收入，從資本化的借貸成本中扣除。所有其他借貸成本均於其產生期間列為開支。借貸成本包括實體因借貸而產生的利息及其他成本。

股息

末期股息於股東在股東大會批准時確認為負債。擬派末期股息披露於財務報表附註。

Notes to the Financial Statements

財務報表附註

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Dividends (continued)

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

2.4 主要會計政策概要 (續)

股息 (續)

由於本公司組織大綱及章程細則授予董事宣派中期股息的權力，因此中期股息的建議及宣派可同時進行。故此，中期股息於建議及宣派時即時確認為負債。

外幣

該等財務報表以本公司的功能貨幣人民幣列示。本集團旗下各實體自行釐定其功能貨幣，各實體的財務報表項目均以其功能貨幣計量。本集團旗下實體入賬的外幣交易初步按交易日彼等各自功能貨幣的匯率列賬。以外幣列值的貨幣資產及負債按於報告期末的功能貨幣匯率進行換算。結算或換算貨幣項目產生的差額於損益表內確認。

因結算或換算貨幣項目產生的差額於損益確認，惟指定作為對沖本集團海外業務投資淨額一部分的貨幣項目除外。該等貨幣項目於其他綜合收益確認，直至投資淨額出售為止，此時累計金額乃重新分類至損益。因該等貨幣項目的匯兌差額而產生的稅項支出及抵免亦於其他綜合收益列賬。

Notes to the Financial Statements

財務報表附註

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.4 主要會計政策概要 (續)

外幣 (續)

按歷史成本列賬並以外幣計量的非貨幣項目，採用初始交易日期的匯率換算。按公允價值列賬並以外幣計量的非貨幣項目，採用計量公允價值日期的匯率換算。換算按公允價值計量的非貨幣項目產生的收益或虧損按與確認項目公允價值變動的收益或虧損一致的方式處理（即公允價值收益或虧損於其他綜合收益或損益內確認的項目的換算差額亦分別於其他綜合收益或損益內確認）。

若干海外附屬公司的功能貨幣為人民幣以外的貨幣。於報告期末，該等實體的資產及負債按報告期末的匯率換算為人民幣，其損益表則按年內的加權平均匯率換算為人民幣。

因此而產生的匯兌差額於其他綜合收益內確認，並累計為匯兌波動儲備。於出售海外業務時，與該項特定海外業務有關的其他綜合收益部分於損益表內確認。

收購海外業務產生的任何商譽及對因收購而產生的資產及負債的賬面值作出的任何公允價值調整作海外業務的資產及負債處理，並按收市匯率換算。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (continued)

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SUMMARY OF SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

2.4 主要會計政策概要 (續)

外幣 (續)

就合併現金流量表而言，海外附屬公司的現金流量按現金流量日期的匯率換算為人民幣。海外附屬公司於年內經常產生的現金流量則按該年度的加權平均匯率換算為人民幣。

3. 重大會計判斷及估計概要

本集團財務報表的編製需要管理層作出判斷、估計及假設，而該等判斷、估計及假設會影響收入、開支、資產及負債的呈報金額及其隨附披露以及或有負債的披露。有關該等假設及估計的不明朗因素可能導致須就日後受影響的資產或負債的賬面金額作出重大調整。

判斷

於應用本集團會計政策的過程中，除作出涉及估計的判斷外，管理層已作出對財務報表內已確認金額構成最大影響的以下判斷：

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3. SUMMARY OF SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (continued)

Percentage of completion of construction work

The Group recognises revenue according to the percentage of completion of individual contracts for construction work, which requires estimation to be made by management. The stage of completion is estimated by reference to the actual costs incurred over the total budgeted costs, and the corresponding contract revenue is also estimated by management. Due to the nature of the activity undertaken in construction contracts, the date at which the activity is entered into and the date at which the activity is completed usually fall into different accounting periods. Hence, the Group reviews and revises the estimates of both contract revenue and contract costs in the budget prepared for each contract as the contract progresses. Where the actual contract revenue is less than estimated or actual contract costs are more than estimated, a foreseeable loss may arise.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

3. 重大會計判斷及估計概要 (續)

判斷 (續)

建設工程完工百分比

本集團根據個別建設工程合同的完工百分比確認收入，而完工百分比需要管理層作出估計。完工階段乃參考已產生的實際成本佔總預算成本的比例估計得出，而相應合同收入亦由管理層作出估計。由於根據建造合同所承接活動的性質使然，活動訂立日期及活動完成日期通常處於不同的會計期間。因此，隨著合同的進行，本集團會審閱及修訂就各合同訂立的預算所估計的合同收入及合同成本。倘實際合同收入低於預期或實際合同成本高於預期，則或會產生可預見虧損。

投資物業及自用物業的劃分

本集團判斷物業是否符合投資物業的條件，並已制定作出此類判斷的標準。投資物業指為賺取租金或資本升值或同時為這兩個目的而持有的物業。因此，本集團考慮一項物業產生的現金流量是否大部分獨立於本集團持有的其他資產。有些物業的一部分是為賺取租金或資本升值而持有，而另一部分是為用於生產或供應貨品或服務或行政用途而持有。如果該等部分可以分開出售（或按融資租賃分開出租），則本集團會分開對相關部分進行會計處理。如果該等部分不能分開出售，則只有在為用於生產或供應貨品或服務或行政用途而持有的部分並不重大的情況下，該物業方為投資物業。本集團會對各項物業進行獨立判斷，以確定配套服務是否足以導致物業不符合投資物業的定義。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Deferred income tax

Deferred tax assets relating to certain temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The realisation of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise which will be recognised in profit or loss in the period in which such a reversal takes place.

The carrying amount of deferred tax assets as at December 31, 2017 was RMB320,357,000 (December 31, 2016: RMB411,536,000). More details are given in note 26.

Impairment of trade and other receivables

The Group maintains an allowance for the estimated loss arising from the inability of its customers to make the required payments. The Group makes its estimates based on the ageing of its trade and other receivable balances, customers' creditworthiness, and historical write-off experience. If the financial condition of its customers will deteriorate such that the actual impairment loss might be higher than expected, the Group would be required to revise the basis for making the allowance and its future results would be affected.

3. 重大會計判斷及估計概要 (續)

估計的不確定性

很有可能導致須對下個財政年度資產及負債的賬面金額作出重大調整的未來主要假設及於報告期末的估計不明朗因素的其他主要來源論述如下。

遞延所得稅

與若干暫時性差額及稅項虧損有關的遞延稅項資產於管理層認為日後有可能出現應課稅溢利可用作抵銷該等暫時性差額或稅項虧損時確認。遞延稅項資產的實現主要取決於未來是否有足夠的溢利或應課稅暫時性差額在將來可供動用。如實際產生的未來溢利少於預期值，則可能發生遞延稅項資產的重大撥回，並在該撥回發生期間的損益內確認。

於2017年12月31日，遞延稅項資產的賬面值為人民幣320,357,000元（2016年12月31日：人民幣411,536,000元）。更多詳情載於附註26。

貿易應收款項及其他應收款項減值

本集團就客戶無力支付要求款項產生的估計虧損作出撥備。本集團根據貿易應收款項及其他應收款項結餘的賬齡、客戶的信譽及過往撇銷情況進行估計。倘客戶的財務狀況惡化，實際減值虧損將高於估計，且本集團須修正撥備基準，且未來業績將受到影響。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (continued)

Impairment of trade and other receivables (continued)

The carrying amount of trade and other receivables as at December 31, 2017 was RMB10,940,776,000 (December 31, 2016: RMB8,675,038,000). More details are given in note 22.

4. OPERATING SEGMENT INFORMATION

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

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

3. 重大會計判斷及估計概要 (續)

估計的不確定性 (續)

貿易應收款項及其他應收款項減值 (續)

於2017年12月31日，貿易應收款項及其他應收款項的賬面值為人民幣10,940,776,000元（2016年12月31日：人民幣8,675,038,000元）。更多詳情載於附註22。

4. 經營分部資料

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

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

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4. OPERATING SEGMENT INFORMATION (CONTINUED)

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

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

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

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

4. 經營分部資料 (續)

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

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

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

各分部間的銷售及轉撥乃參考向第三方銷售所採用之售價，按當時市價進行交易。

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4. OPERATING SEGMENT INFORMATION (CONTINUED)

4. 經營分部資料 (續)

(a) Segment revenue, results, assets and liabilities

(a) 分部收入、業績、資產及負債

Year ended December 31, 2017	截至2017年12月31日 止年度	Construction contracts 建造合同 RMB'000 人民幣千元	Trading business 貿易業務 RMB'000 人民幣千元	Services business 服務業務 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Segment revenue:	分部收入：				
Sales to external customers	銷售予外部客戶	13,554,645	8,034,705	2,092,827	23,682,177
Intersegment sales	分部間銷售	488,841	143,181	586,338	1,218,360
Reportable segment revenue	可報告分部收入	14,043,486	8,177,886	2,679,165	24,900,537
Reportable segment profit	可報告分部溢利	1,663,196	67,559	625,218	2,355,973
Finance income on receivables from customers	應收客戶款項的財務收入	60,792	43,913	-	104,705
Finance costs	財務成本	29,697	19,016	14,898	63,611
Depreciation and amortisation	折舊及攤銷	10,179	5,857	10,630	26,666
Provision for impairment losses	減值虧損撥備				
- Trade and other receivables	- 貿易及其他應收款項	369,133	(1,583)	24,913	392,463
- Amounts due from contract customers	- 應收合同客戶款項	(1,985)	-	-	(1,985)
- Inventories	- 存貨	-	3,562	-	3,562
Reportable segment assets	可報告分部資產	14,737,206	5,647,796	2,074,973	22,459,975
Reportable segment liabilities	可報告分部負債	23,479,709	7,895,755	4,749,276	36,124,740

Capital expenditure for the year is unallocated to segments as such expenditure is managed on a group basis.

年內資本開支未攤分予各分部，乃由於有關開支按集團為基礎管理。

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4. OPERATING SEGMENT INFORMATION (CONTINUED)

4. 經營分部資料 (續)

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

(a) 分部收入、業績、資產及負債 (續)

Year ended December 31, 2016	截至2016年12月31日	Construction	Trading	Services	Total
	止年度	contracts	business	business	
		建造合同	貿易業務	服務業務	合計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Segment revenue:	分部收入：				
Sales to external customers	銷售予外部客戶	12,385,082	7,308,786	1,323,368	21,017,236
Intersegment sales	分部間銷售	77,302	79,433	648,717	805,452
Reportable segment revenue	可報告分部收入	12,462,384	7,388,219	1,972,085	21,822,688
Reportable segment profit	可報告分部溢利	1,834,015	47,239	181,239	2,062,493
Finance income on receivables from customers	應收客戶款項的財務收入	109,406	32,086	–	141,492
Finance costs	財務成本	161	13,011	11,085	24,257
Depreciation and amortisation	折舊及攤銷	4,377	2,525	3,563	10,465
Provision for impairment losses	減值虧損撥備				
– Trade and other receivables	– 貿易及其他應收款項	110,166	26,868	22,539	159,573
– Amounts due from contract customers	– 應收合同客戶款項	2,485	–	–	2,485
Reportable segment assets	可報告分部資產	14,523,170	4,190,692	1,499,928	20,213,790
Reportable segment liabilities	可報告分部負債	24,277,521	6,014,039	5,118,037	35,409,597

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4. OPERATING SEGMENT INFORMATION (CONTINUED)

4. 經營分部資料 (續)

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

(b) 可報告分部收入、溢利／虧損、資產及負債的對賬

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Revenue:	收入：		
Reportable segment revenue	可報告分部收入	24,900,537	21,822,688
Elimination of intersegment revenue	分部間收入抵銷	(1,218,360)	(805,452)
		23,682,177	21,017,236
Profit:	溢利：		
Reportable segment profit	可報告分部溢利	2,355,973	2,062,493
Share of profits and losses of joint ventures	應佔合營公司溢利及虧損	23,507	13,401
Share of profits and losses of associates	應佔聯營公司溢利及虧損	37,093	1,637
Gain on disposal of a subsidiary	處置附屬公司收益	58,861	-
Dividend income from available-for-sale investments	可供出售投資股息收入	186,321	10,969
Other income, net	其他收入淨額	15,816	14,290
Other operating expenses	其他經營開支	(710)	(600)
Interest income from bank deposits	來自銀行存款的利息收入	216,816	385,346
Interest cost recognised in respect of defined benefit retirement plans	就設定受益退休計劃確認的利息成本	(11,130)	(12,170)
Unallocated foreign exchange (losses)/ gains, net	未分配的匯兌(虧損)/收益淨額	(510,747)	437,226
Depreciation and amortisation	折舊及攤銷	(118,909)	(128,662)
Profit before tax	除稅前溢利	2,252,891	2,783,930

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4. OPERATING SEGMENT INFORMATION (CONTINUED)

4. 經營分部資料 (續)

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

(b) 可報告分部收入、溢利／虧損、資產及負債的對賬 (續)

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Assets:	資產：		
Reportable segment assets	可報告分部資產	22,459,975	20,213,790
Elimination of intersegment receivables	分部間應收款項抵銷	(5,446,028)	(4,371,002)
		17,013,947	15,842,788
Restricted deposits	受限制存款	1,178,951	554,588
Time deposits with original maturity over three months	原始到期日超過三個月的定期存款	5,032,483	5,942,003
Cash and cash equivalents	現金及現金等價物	18,466,327	19,541,868
Property, plant and equipment	物業、廠房及設備	1,617,352	1,605,717
Prepaid land lease payments	預付土地租賃款項	1,793,684	1,797,297
Intangible assets	無形資產	17,511	9,587
Investments in joint ventures	對合營公司的投資	346,423	297,916
Investments in associates	對聯營公司的投資	505,416	265,836
Deferred tax assets	遞延稅項資產	320,357	411,536
Other non-current assets	其他非流動資產	597,358	593,076
Other unallocated assets	其他未分配資產	649,552	590,067
		47,539,361	47,452,279
Liabilities:	負債：		
Reportable segment liabilities	可報告分部負債	36,124,740	35,409,597
Elimination of intersegment payables	分部間應付款項抵銷	(5,319,671)	(4,266,965)
		30,805,069	31,142,632
Defined benefit obligations	設定受益義務	387,006	386,173
Tax payable	應付稅項	97,643	501,728
Deferred tax liabilities	遞延稅項負債	44,175	46,193
		31,333,893	32,076,726

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4. OPERATING SEGMENT INFORMATION (CONTINUED)

(c) Geographical information

Revenue from external customers

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Mainland China	中國大陸	8,191,549	7,699,881
The Republic of Angola	安哥拉共和國	3,520,043	2,010,419
Pakistan	巴基斯坦	3,161,574	1,940,818
Argentina	阿根廷	1,317,761	1,113,519
Lao People's Democratic Republic	老撾人民民主共和國	1,185,088	867,113
United States	美國	958,950	543,302
Venezuela	委內瑞拉	705,856	892,534
Hong Kong	香港	530,323	687,203
Serbia	塞爾維亞	517,358	772,356
Singapore	新加坡	488,344	376,772
Others	其他	3,105,331	4,113,319
		23,682,177	21,017,236

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

4. 經營分部資料 (續)

(c) 地理區域資料

來自外部客戶的收入

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Mainland China	中國大陸	8,191,549	7,699,881
The Republic of Angola	安哥拉共和國	3,520,043	2,010,419
Pakistan	巴基斯坦	3,161,574	1,940,818
Argentina	阿根廷	1,317,761	1,113,519
Lao People's Democratic Republic	老撾人民民主共和國	1,185,088	867,113
United States	美國	958,950	543,302
Venezuela	委內瑞拉	705,856	892,534
Hong Kong	香港	530,323	687,203
Serbia	塞爾維亞	517,358	772,356
Singapore	新加坡	488,344	376,772
Others	其他	3,105,331	4,113,319
		23,682,177	21,017,236

以上收入資料乃按客戶地域劃分。

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4. OPERATING SEGMENT INFORMATION (CONTINUED)

(c) Geographical information (continued)

Non-current assets

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Mainland China	中國大陸	4,141,867	3,624,257
Others	其他	448,012	363,269
		4,589,879	3,987,526

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

(d) Information about major customers

No revenue was generated from sales to a single customer which amounted to more than 10% of the Group's revenue for the year ended December 31, 2017 (2016: Nil).

4. 經營分部資料 (續)

(c) 地理區域資料 (續)

非流動資產

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Mainland China	中國大陸	4,141,867	3,624,257
Others	其他	448,012	363,269
		4,589,879	3,987,526

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

(d) 有關主要客戶的資料

截至2017年12月31日止年度，對單一客戶銷售所產生的收入佔本集團收入10%以上的金額為人民幣零元（2016年：零）。

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5. REVENUE, OTHER REVENUE AND EXPENSES

Revenue principally represents an appropriate proportion of contract revenue of construction contracts; the net invoiced value of goods sold, after allowances for returns and trade discounts; and the value of services rendered during the year.

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

5. 收入、其他收入及開支

收入主要指建造合同應佔合同收入、年內扣除退貨及貿易折扣的已售貨品發票淨值以及所提供服務價值。

本集團的收入、其他收入及其他開支淨額分析如下：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Revenue	收入		
Construction contracts	建造合同	13,554,645	12,385,082
Trading business	貿易業務	8,034,705	7,308,786
Services business	服務業務	2,092,827	1,323,368
		23,682,177	21,017,236
Other revenue	其他收入		
Dividend income from available-for-sale investments	可供出售投資股息收入	186,321	10,969
Government grants	政府補貼	14,730	18,093
		201,051	29,062
Other expenses, net	其他開支淨額		
Net gains/(losses) on disposal of items of property, plant and equipment	處置物業、廠房及設備項目的 收益/(虧損)淨額	1,086	(3,803)
Gain on disposal of a subsidiary	處置附屬公司收益	58,861	-
Net gains/(losses) on foreign currency forward exchange contracts	遠期外匯合約收益/(虧損) 淨額	57,424	(69,943)
Others	其他	66,488	59,576
		183,859	(14,170)

Notes to the Financial Statements

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6. PROFIT BEFORE TAX

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

(a) Finance income and finance expenses

		2017	2016
		2017年	2016年
	Notes	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元
Finance income on receivables from customers	應收客戶款項的財務收入	104,705	141,492
Foreign exchange gains	匯兌收益	-	721,844
Interest income	利息收入	216,816	385,346
Finance income	財務收入	321,521	1,248,682
Interest cost recognised in respect of defined benefit obligations	就設定受益義務確認的利息成本	27 11,130	12,170
Interest expenses on borrowings	借貸利息開支	7 63,611	24,257
Foreign exchange losses	匯兌損失	893,427	-
Bank charges and others	銀行費用及其他	8,953	10,478
Finance expenses	財務開支	977,121	46,905
Net finance income recognised in profit or loss	於損益確認的財務收入淨額	(655,600)	1,201,777

(b) Staff costs

		2017	2016
		2017年	2016年
	Notes	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元
Salaries, wages and other benefits	薪金、工資及其他福利	1,314,791	1,399,330
Contributions to defined contribution retirement plans	設定供款退休計劃的供款	127,538	134,426
Expenses/(income) recognised in respect of defined benefit retirement plans	就設定受益退休計劃確認的開支/(收益)	27 17,690	(5,890)
		1,460,019	1,527,866

6. 除稅前溢利

本集團之除稅前溢利已扣除/(計入):

(a) 財務收入及財務開支

		2017	2016
		2017年	2016年
	Notes	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元
Finance income on receivables from customers	應收客戶款項的財務收入	104,705	141,492
Foreign exchange gains	匯兌收益	-	721,844
Interest income	利息收入	216,816	385,346
Finance income	財務收入	321,521	1,248,682
Interest cost recognised in respect of defined benefit obligations	就設定受益義務確認的利息成本	27 11,130	12,170
Interest expenses on borrowings	借貸利息開支	7 63,611	24,257
Foreign exchange losses	匯兌損失	893,427	-
Bank charges and others	銀行費用及其他	8,953	10,478
Finance expenses	財務開支	977,121	46,905
Net finance income recognised in profit or loss	於損益確認的財務收入淨額	(655,600)	1,201,777

(b) 員工成本

		2017	2016
		2017年	2016年
	Notes	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元
Salaries, wages and other benefits	薪金、工資及其他福利	1,314,791	1,399,330
Contributions to defined contribution retirement plans	設定供款退休計劃的供款	127,538	134,426
Expenses/(income) recognised in respect of defined benefit retirement plans	就設定受益退休計劃確認的開支/(收益)	27 17,690	(5,890)
		1,460,019	1,527,866

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6. PROFIT BEFORE TAX (CONTINUED)

6. 除稅前溢利 (續)

(c) Other items

(c) 其他項目

			2017	2016
			2017年	2016年
		Notes	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Amortisation	攤銷			
– Prepaid land lease payments	– 預付土地租賃款項	16	45,871	46,523
– Intangible assets	– 無形資產	17	4,790	5,667
– Long-term assets	– 長期資產		18,116	7,617
			68,777	59,807
Depreciation	折舊			
– Property, plant and equipment	– 物業、廠房及設備	14	68,525	76,804
– Investment properties	– 投資物業	15	8,273	2,516
			76,798	79,320
Impairment losses on	減值虧損			
– Trade and other receivables	– 貿易及其他應收款項	22	392,463	159,573
– Inventories	– 存貨		3,562	–
– Amounts due from contract customers	– 應收合同客戶款項	21	(1,985)	12,673
Foreseeable contract losses	可預計合同虧損	21	–	(10,188)
Amount included in other operating expenses	包含在其他經營開支的金額		394,040	162,058

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6. PROFIT BEFORE TAX (CONTINUED)

(c) Other items (continued)

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Operating lease charges	經營租賃費用		
– Lease of properties	– 租賃物業	36,253	30,138
– Lease of other assets	– 租賃其他資產	167	9
		36,420	30,147
Auditors' remuneration, include tax and disbursements	核數師薪酬，含稅和代墊費用	8,980	10,340
Rental income from investment properties	來自投資物業的租賃收入		
– Gross rental	– 毛租金	92,025	14,809
– Direct outgoings	– 直接支出	(32,458)	(2,261)
– Net rental	– 淨租金	59,567	12,548
Cost of construction contracts	建造合同成本	10,231,091	9,573,656
Cost of goods sold	銷貨成本	7,561,057	6,955,770
Cost of services provided	所提供服務的成本	1,175,034	943,619
		18,967,182	17,473,045

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7. INTEREST EXPENSES ON BORROWINGS

An analysis of interest expenses on borrowings is as follows:

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interest expenses on borrowings	借貸利息開支	63,611	24,257

8. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Fees	袍金	1,120	1,120
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	2,256	2,094
Performance related bonuses	與表現掛鉤的花紅	2,370	2,244
Pension scheme contributions	退休金計劃供款	153	144
		5,899	5,602

7. 借貸利息開支

借貸的利息開支分析如下：

8. 董事、行政總裁及監事薪酬

根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條、《公司（披露董事利益資料）規例》第2部披露的年內董事及行政總裁的薪酬如下：

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8. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION (CONTINUED)

Executive directors, non-executive directors, the chief executive and supervisors

8. 董事、行政總裁及監事薪酬 (續)

執行董事、非執行董事、行政總裁及監事

		Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
		袍金	薪金、津貼及實物利益	與表現掛鉤的花紅	退休金計劃供款	薪酬合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
2017	2017年					
Executive directors:	執行董事：					
Mr. Sun Bai	孫柏先生	-	711	1,185	51	1,947
Mr. Zhang Chun (note (1))	張淳先生 (附註(1))	-	711	1,185	51	1,947
		-	1,422	2,370	102	3,894
Non-executive directors:	非執行董事：					
Mr. Wang Zhian	王治安先生	80	33	-	-	113
Mr. Zhang Fusheng	張福生先生	80	25	-	-	105
Mr. Yu Benli	余本禮先生	80	24	-	-	104
		240	82	-	-	322
Independent non-executive directors:	獨立非執行董事：					
Mr. Liu Li	劉力先生	220	-	-	-	220
Ms. Liu Hongyu	劉紅宇女士	220	-	-	-	220
Mr. Fang Yongzhong	方永忠先生	220	-	-	-	220
Mr. Wu Tak Lung	吳德龍先生	220	-	-	-	220
		880	-	-	-	880
Supervisors:	監事：					
Mr. Quan Huaqiang	全華強先生	-	-	-	-	-
Mr. Qian Xiangdong	錢向東先生	-	-	-	-	-
Mr. Bai Ming	白明先生	-	752	-	51	803
		-	752	-	51	803
		1,120	2,256	2,370	153	5,899

Note:

(1) Mr. Zhang Chun is the chief executive of the Company.

附註：

(1) 張淳先生為本公司行政總裁。

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8. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION (CONTINUED)

Executive directors, non-executive directors, the chief executive and supervisors (continued)

8. 董事、行政總裁及監事薪酬 (續)

執行董事、非執行董事、行政總裁及監事 (續)

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
2016					
2016年					
Executive directors:					
Mr. Sun Bai	-	634	1,122	48	1,804
Mr. Zhang Chun (note (1))	-	634	1,122	48	1,804
	-	1,268	2,244	96	3,608
Non-executive directors:					
Mr. Wang Zhian	80	34	-	-	114
Mr. Zhang Fusheng	80	27	-	-	107
Mr. Yu Benli	80	28	-	-	108
	240	89	-	-	329
Independent non-executive directors:					
Mr. Liu Li	220	-	-	-	220
Ms. Liu Hongyu	220	-	-	-	220
Mr. Fang Yongzhong	220	-	-	-	220
Mr. Wu Tak Lung	220	-	-	-	220
	880	-	-	-	880
Supervisors:					
Mr. Quan Huaqiang	-	-	-	-	-
Mr. Qian Xiangdong	-	-	-	-	-
Mr. Bai Ming	-	737	-	48	785
	-	737	-	48	785
	1,120	2,094	2,244	144	5,602

Note:

(1) Mr. Zhang Chun is the chief executive of the Company.

附註：

(1) 張淳先生為本公司行政總裁。

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9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two directors, details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining three (2016: three) highest paid employees who are neither a director, chief executive nor supervisor of the Company are as follows:

	2017	2016
	2017年	2016年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Salaries, allowances and benefits in kind 薪金、津貼及實物利益	1,812	1,617
Performance related bonuses 與表現掛鈎的花紅	3,021	2,860
Pension scheme contributions 退休金計劃供款	152	143
	4,985	4,620

The number of non-director, non-chief executive and non-supervisor highest paid employees whose remuneration fell within the following band is as follows:

	Number of employees	
	僱員人數	
	2017	2016
	2017年	2016年
HK\$1,500,001 to HK\$2,000,000 1,500,001港元至2,000,000港元	3	3

9. 五位最高薪酬僱員

年內，五位最高薪酬僱員包括兩名董事，彼等的薪酬詳情載於上述附註8。年內既非本公司董事、非行政總裁亦非監事的餘下三名（2016年：三名）最高薪酬僱員的薪酬詳情如下：

薪酬在以下範圍的非董事、非行政總裁及非監事最高薪酬僱員人數如下：

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10. INCOME TAX

Pursuant to the relevant laws and regulations in the PRC, the statutory enterprise income tax rate of 25% is applied to the Group's mainland China subsidiaries for the years ended December 31, 2017 and 2016, except for two mainland China subsidiaries of the Group which were entitled to the preferential tax rate of 15% (2016: 15%) because they are recognised as high and new technology enterprises by the local governments in the PRC.

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries (or jurisdictions) in which the Group operates.

10. 所得稅

根據中國相關法律及法規，本集團的中國內地附屬公司於截至2017年及2016年12月31日止年度適用的法定企業所得稅稅率為25%，惟本集團的兩家中國內地附屬公司因被中國當地政府認定為高新技術企業而有權享有15%（2016年：15%）的優惠稅率。

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

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current income tax – Mainland China	即期所得稅－中國大陸	443,301	693,689
Current income tax – Hong Kong	即期所得稅－香港	1,368	10,756
Current income tax – Others	即期所得稅－其他	4,323	2,982
Deferred income tax	遞延所得稅	89,404	(33,287)
Total tax charge for the year from continuing operations	來自持續經營業務的年度稅項支出總額	538,396	674,140

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10. INCOME TAX (CONTINUED)

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

10. 所得稅 (續)

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

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit before tax from continuing operations	來自持續經營業務的除稅前溢利	2,252,891	2,783,930
Tax at the statutory tax rate	按法定稅率計算的稅項	563,223	695,983
Lower tax rate(s) for specific provinces or enacted by local authority	特定省份或地方當局制定的較低稅率	(10,798)	(10,696)
Share of profits of joint ventures and associates not subject to tax	毋需課稅的應佔合營公司和聯營公司溢利	(15,150)	(3,760)
Income not subject to tax	毋需課稅的收益	(53,347)	(12,311)
Adjustments in respect of current tax of previous periods	就過往期間即期所得稅作出的調整	725	(5,594)
Expenses not deductible for tax	不可扣稅開支	32,284	15,137
Tax losses utilised from previous periods	使用過往期間的稅項虧損	(4,520)	(3,204)
Others	其他	25,979	(1,415)
Tax charge at the Group's effective rate from continuing operations	來自持續經營業務的按本集團實際稅率計算的稅項支出	538,396	674,140

The share of tax attributable to associates and joint ventures amounting to RMB9,273,000 (2016: RMB410,000) and RMB5,877,000 (2016: RMB3,350,000), respectively, is included in "Share of profits and losses of joint ventures and associates" in the consolidated statement of profit or loss.

應佔聯營公司及合營公司稅項分別為人民幣9,273,000元(2016年: 人民幣410,000元)及人民幣5,877,000元(2016年: 人民幣3,350,000元), 已計入合併損益表「應佔合營公司及聯營公司溢利及虧損」內。

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11. PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

The consolidated profit attributable to owners of the parent for the year ended December 31, 2017 includes a profit of RMB1,199,959,000 (2016: RMB1,772,370,000) which has been dealt with in the financial statements of the Company.

12. DIVIDENDS

Proposed final dividend of RMB0.1659 (2016: RMB0.2042) per ordinary share
擬派末期股息每股普通股 人民幣0.1659元
(2016年：人民幣0.2042元)

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

11. 歸屬於母公司擁有人的溢利

截至2017年12月31日止年度歸屬於母公司擁有人的合併溢利包括已於本公司財務報表入賬的溢利人民幣1,199,959,000元(2016年：人民幣1,772,370,000元)。

12. 股息

2017	2016
2017年	2016年
RMB'000	RMB'000
人民幣千元	人民幣千元

684,454	842,468
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擬派的本年度末期股息須獲本公司股東於應屆股東週年大會上批准。

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12. DIVIDENDS (CONTINUED)

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

Due to the repeal of Guoshuifa [1993] No. 45 Circular on the Questions Concerning Tax on the Profits Earned by Enterprises with Foreign Investment, Foreign Enterprises and Individual Foreigners from the Transfer of Stocks (Stock Rights) and on Dividend Income (關於外商投資企業、外國企業和外籍個人取得股票(股權)轉讓收益和股息所得稅收問題的通知(國稅發[1993]45號)), the Company is required from 4 January 2011 under the Individual Income Tax Law of the PRC (中華人民共和國個人所得稅法) and its implementation rules and regulations to withhold and pay individual income tax at rates ranging from 10% to 20% when it distributes dividends to its non-PRC resident individual shareholders out of the profit earned in 2010 and beyond.

12. 股息(續)

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

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

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

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of 4,125,700,000 (2016: 4,125,700,000) ordinary shares.

The calculation of basic earnings per share is based on:

13. 歸屬於母公司普通權益持有人的每股盈利

每股基本盈利乃按年內歸屬於母公司普通權益持有人的溢利及普通股的加權平均數4,125,700,000股（2016年：4,125,700,000股）計算。

每股基本盈利的計算如下：

	2017	2016
	2017年	2016年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Earnings		
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation	1,711,203	2,106,521
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	4,125,700	4,125,700

	Number of shares	
	股份數目	
	2017	2016
	2017年	2016年
	Thousand shares	Thousand shares
	千股	千股
計算每股基本盈利所用的歸屬於 母公司普通權益持有人的溢利		
計算每股基本盈利所用的年內 已發行普通股的加權平均數		

The Group had no potentially dilutive ordinary shares in issue during the years ended December 31, 2017 and 2016.

截至2017年及2016年12月31日止年度，本集團並無潛在攤薄已發行普通股。

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Buildings	Motor vehicles	Office and other equipment	Construction in progress	Total
		樓宇	汽車	辦公及其他設備	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Cost:	成本：					
At January 1, 2016 (Restated)	於2016年1月1日(重述)	559,171	134,656	122,486	667,351	1,483,664
Additions	添置	311,267	13,111	73,795	170,583	568,756
Transfer to investment properties	撥入投資物業	(25,339)	-	-	-	(25,339)
Disposals	處置	(6,319)	(6,390)	(8,494)	-	(21,203)
At December 31, 2016	於2016年12月31日	838,780	141,377	187,787	837,934	2,005,878
At January 1, 2017	於2017年1月1日	838,780	141,377	187,787	837,934	2,005,878
Additions	添置	470,869	8,190	42,842	157,234	679,135
Transfer to investment properties	撥入投資物業	(149,554)	-	-	(428,404)	(577,958)
Disposal of a subsidiary	處置一家附屬公司	-	(1,746)	(624)	-	(2,370)
Disposals	處置	(25,230)	(8,418)	(5,846)	-	(39,494)
At December 31, 2017	於2017年12月31日	1,134,865	139,403	224,159	566,764	2,065,191
Accumulated depreciation:	累計折舊：					
At January 1, 2016 (Restated)	於2016年1月1日(重述)	(214,796)	(83,624)	(65,437)	-	(363,857)
Charge for the year	年內支出	(33,872)	(17,913)	(25,019)	-	(76,804)
Transfer to investment properties	撥入投資物業	23,707	-	-	-	23,707
Written back on disposals	處置後撥回	4,753	4,476	7,564	-	16,793
At December 31, 2016	於2016年12月31日	(220,208)	(97,061)	(82,892)	-	(400,161)
At January 1, 2017	於2017年1月1日	(220,208)	(97,061)	(82,892)	-	(400,161)
Charge for the year	年內支出	(33,048)	(14,433)	(21,044)	-	(68,525)
Transfer to investment properties	撥入投資物業	8,399	-	-	-	8,399
Disposal of a subsidiary	處置一家附屬公司	-	1,038	378	-	1,416
Written back on disposals	處置後撥回	704	6,602	3,726	-	11,032
At December 31, 2017	於2017年12月31日	(244,153)	(103,854)	(99,832)	-	(447,839)
Net book value:	賬面淨值：					
At December 31, 2016	於2016年12月31日	618,572	44,316	104,895	837,934	1,605,717
At December 31, 2017	於2017年12月31日	890,712	35,549	124,327	566,764	1,617,352

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14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) The analysis of net book value of buildings is as follows:

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Outside Hong Kong	香港以外		
– Long-term leases	– 長期租賃	52,483	43,681
– Medium-term leases	– 中期租賃	824,685	563,429
– Freehold	– 永久業權	13,544	11,462
		890,712	618,572

(b) As at December 31, 2017, certain of the Group's borrowings of RMB77,940,000 (December 31, 2016: RMB20,000,000) were secured by certain of the Group's buildings with an aggregate net book value of RMB63,928,000 (2016: RMB3,603,000).

14. 物業、廠房及設備 (續)

(a) 樓宇的賬面淨值分析如下：

	2017	2016
	2017年	2016年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Outside Hong Kong		
– 長期租賃	52,483	43,681
– 中期租賃	824,685	563,429
– 永久業權	13,544	11,462
	890,712	618,572

(b) 於2017年12月31日，本集團人民幣77,940,000元（2016年12月31日：人民幣20,000,000元）的若干借貸由本集團賬面總淨值為人民幣63,928,000元（2016年：人民幣3,603,000元）的若干樓宇作抵押。

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15. INVESTMENT PROPERTIES

15. 投資物業

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Cost:	成本：		
At the beginning of the year	於年初	61,788	38,899
Disposals	處置	-	(2,450)
Transfer from property, plant and equipment	撥自物業、廠房及設備	577,958	25,339
		<hr/>	<hr/>
At the end of the year	於年末	639,746	61,788
Accumulated depreciation:	累計折舊：		
At the beginning of the year	於年初	(40,800)	(16,864)
Charge for the year	年內支出	(8,273)	(2,516)
Written back on disposals	處置後撥回	-	2,287
Transfer from property, plant and equipment	撥自物業、廠房及設備	(8,399)	(23,707)
		<hr/>	<hr/>
At the end of the year	於年末	(57,472)	(40,800)
Net book value:	賬面淨值：	582,274	20,988

The Group's investment properties consist of seven commercial properties outside Hong Kong. The directors of the Company have determined that the investment properties are commercial assets, based on the nature, characteristics and risks of each property. The Group's investment properties were revalued on 31 December 2017 based on valuations performed by Savills Corporate Appraisal and Advisory Limited, a firm of independent qualified valuers in Hong Kong, at RMB1,971,062,000.

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 35(a) to the financial statements.

本集團的投資物業包括香港以外七個商業物業。本公司董事已根據每項物業之性質、特徵及風險，釐定屬商業資產的投資物業。本集團的投資物業於2017年12月31日經第一太平戴維斯估值及專業顧問有限公司（香港的獨立合資格估值師事務所）重新估值為人民幣1,971,062,000元。

投資物業以經營租賃方式租予第三者，其進一步概要詳情載於財務報表附註35(a)。

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15. INVESTMENT PROPERTIES (CONTINUED)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

		Fair value as at December 31, 2017 Significant unobservable inputs (Level 3) 於2017年12月31日的 公允價值 重大不可觀察 輸入數據 (第3級)	Fair value as at December 31, 2016 Significant unobservable inputs (Level 3) 於2016年12月31日的 公允價值 重大不可觀察 輸入數據 (第3級)
Recurring fair value measurement for: 經常性公允價值計量:		RMB'000 人民幣千元	RMB'000 人民幣千元
Commercial properties	商業物業	1,971,062	150,047

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2016: Nil).

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

	Valuation techniques 估值方法	Significant unobservable inputs 重大不可觀察輸入數據	Range or weighted average 範圍或加權平均	
			2017 2017年	2016 2016年
Commercial properties 商業物業	Term and reversion 年期及復歸	Estimated rental value (per s.q.m. and per month) 估計租金價值 (每平方米每月)	5.2 to 200	28 to 213
		Rent growth (p.a.) 租金增長率 (每年)	0%	0%
		Long term vacancy rate 長期空置率	0%	0%
		Yield 回報率	4% to 7%	4% to 6.5%

15. 投資物業 (續)

公允價值層級

下表列示本集團投資物業公允價值計量層級:

年內，第1級與第2級之間並無公允價值計量轉移，亦無轉入或轉出第3級 (2016年：無)。

投資物業所用估值方法及主要估值輸入數據概述如下:

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15. INVESTMENT PROPERTIES (CONTINUED)

Fair value hierarchy (continued)

Under the income approach, the term and reversion approach in particular, the rental income derived from the existing tenancies with due allowance for the reversionary potential of the property is capitalised at the capitalisation rate. The estimated total net leased income is capitalised over the remaining term of land use rights of the property at an appropriate market yield expected by investors for the type of properties.

16. PREPAID LAND LEASE PAYMENTS

15. 投資物業 (續)

公允價值層級 (續)

按照收益法，尤其是年期及復歸法，現有租約內的租金收入連同該物業復歸潛力的適當補償按資本化率予以資本化。估計租金淨收益總額按投資者對不同類型物業預期的適當市場回報率於物業餘下的土地使用權年期內予以資本化。

16. 預付土地租賃款項

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Cost:	成本：		
At the beginning of the year	於年初	2,038,128	1,986,665
Addition	添置	42,258	51,463
At the end of the year	於年末	2,080,386	2,038,128
Accumulated amortisation:	累計攤銷：		
At the beginning of the year	於年初	(240,831)	(194,308)
Charge for the year	年內支出	(45,871)	(46,523)
At the end of the year	於年末	(286,702)	(240,831)
Net book value:	賬面淨值：	1,793,684	1,797,297

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16. PREPAID LAND LEASE PAYMENTS (CONTINUED)

The leasehold land is situated in Mainland China and is held under a long term lease.

As at December 31, 2017, none of the Group's prepaid land lease payments were secured. As at December 31, 2016, certain of the Group's borrowings of RMB191,600,000 were secured by certain of the Group's prepaid land lease payments with an aggregate net book value of RMB56,198,000.

17. INTANGIBLE ASSETS

16. 預付土地租賃款項 (續)

租賃土地位於中國大陸，並根據長期租約持有。

於2017年12月31日，本集團概無預付土地租賃款項作出抵押。於2016年12月31日，本集團人民幣191,600,000元的若干借貸由本集團總賬面淨值為人民幣56,198,000元的若干預付土地租賃款項作抵押。

17. 無形資產

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cost:	成本：		
At the beginning of the year	於年初	15,923	13,308
Additions	添置	12,714	5,756
Disposals	處置	(3,769)	(3,141)
		<u>24,868</u>	<u>15,923</u>
At the end of the year	於年末		
Accumulated amortisation:	累計攤銷：		
At the beginning of the year	於年初	(6,336)	(3,810)
Charge for the year	年內支出	(4,790)	(5,667)
Disposals	處置	3,769	3,141
		<u>(7,357)</u>	<u>(6,336)</u>
At the end of the year	於年末		
Net book value:	賬面淨值：	<u>17,511</u>	<u>9,587</u>

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18. INVESTMENTS IN JOINT VENTURES

18. 對合營公司的投資

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Share of net assets	應佔資產淨額	346,423	297,916

Particulars of the joint ventures are as follows:

合營公司的詳細資料如下：

Name	Particulars of issued shares held	Place and date of registration	Percentage of ownership interest, voting power and profit sharing 所有權權益、投票權及溢利分配百分比	Principal activities 主要業務
名稱	所持有已發行股份詳情	註冊地點及日期		
China National Guo Lian Development New Energy (Wuxi) Co., Ltd. 中設國聯無錫新能源發展有限公司	Registered capital of RMB400,000,000 註冊資本為人民幣400,000,000元	The PRC November 4, 2014 中國 2014年11月4日	50%	Engineering design 工程設計
CMIPC Huajin Casting Co., Ltd. 山西中設華晉鑄造有限公司	Registered capital of RMB251,390,000 註冊資本為人民幣251,390,000元	The PRC March 31, 2015 中國 2015年3月31日	34%	Metal casting production 金屬鑄造生產
China Machinery Metal Jiangsu Co., Ltd. 國機金屬江蘇有限公司	Registered capital of RMB100,000,000 註冊資本為人民幣100,000,000元	The PRC August 31, 2016 中國 2016年8月31日	25%	Metal manufacturing 金屬製造

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18. INVESTMENTS IN JOINT VENTURES (CONTINUED)

The following table illustrates the summarised financial information of China National Guo Lian Development New Energy (Wuxi) Co., Ltd.:

18. 對合營公司的投資 (續)

下表列示中設國聯無錫新能源發展有限公司的財務資料概要：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Current assets	流動資產	195,069	213,681
Non-current assets	非流動資產	1,573,517	1,019,468
Current liabilities	流動負債	(611,804)	(325,603)
Non-current liabilities	非流動負債	(624,108)	(450,251)
		532,674	457,295
Non-controlling interests	非控股權益	(62,417)	(31,885)
Total equity attributable to owners of the parent	母公司擁有人應佔權益總額	470,257	425,410
Proportion of the Group's ownership	本集團擁有權比例	50%	50%
Group's share of net assets of the joint venture	本集團應佔合營公司的資產淨額	235,129	212,705
Revenue	收入	149,355	82,495
Cost of sales	銷售成本	(64,611)	(34,767)
Expenses	開支	(34,522)	(21,724)
Profit before tax	除稅前溢利	50,222	26,004
Tax	稅項	(188)	(16)
Profit after tax	除稅後溢利	50,034	25,988
Other comprehensive income	其他綜合收益	-	-
Total comprehensive income	綜合收益總額	50,034	25,988
Total comprehensive income attributable to owners of the parent	母公司擁有人應佔綜合收益總額	44,848	25,988
Proportion of the Group's ownership	本集團擁有權比例	50%	50%
Group's share of profit after tax of the joint venture	本集團應佔合營公司的除稅後溢利	22,424	12,994
Share of total comprehensive income	應佔綜合收益總額	22,424	12,994

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18. INVESTMENTS IN JOINT VENTURES (CONTINUED)

The following table illustrates the summarised financial information of CMIPC Huajin Casting Co., Ltd.:

18. 對合營公司的投資 (續)

下表列示山西中設華晉鑄造有限公司的財務資料概要：

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current assets	流動資產	271,226	251,935
Non-current assets	非流動資產	212,901	220,364
Current liabilities	流動負債	(233,366)	(220,192)
Non-current liabilities	非流動負債	-	-
Net assets	資產淨額	250,761	252,107
Proportion of the Group's ownership	本集團擁有權比例	34%	34%
Group's share of net assets of the joint venture	本集團應佔合營公司的資產淨額	85,259	85,716
Revenue	收入	373,186	300,589
Cost of sales	銷售成本	(333,793)	(265,961)
Expenses	開支	(39,252)	(33,431)
Profit before tax	除稅前溢利	141	1,197
Tax	稅項	-	-
Profit after tax	除稅後溢利	141	1,197
Other comprehensive income	其他綜合收益	-	-
Total comprehensive income	綜合收益總額	141	1,197
Proportion of the Group's ownership	本集團擁有權比例	34%	34%
Group's share of profit after tax of the joint venture	本集團應佔合營公司的除稅後溢利	48	407
Share of total comprehensive income	應佔綜合收益總額	48	407

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18. INVESTMENTS IN JOINT VENTURES (CONTINUED)

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Share of the joint ventures' profit for the year	年內應佔合營公司溢利	1,035	-
Share of the joint ventures' total comprehensive income	應佔合營公司綜合收益總額	1,035	-
Aggregate carrying amount of the Group's investments in the joint ventures	本集團於合營公司投資的賬面總值	<u>26,035</u>	-

18. 對合營公司的投資 (續)

下表列示本集團合營公司(個別而言並非重要)的匯總財務資料:

19. INVESTMENTS IN ASSOCIATES

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Share of net assets	應佔資產淨額	<u>505,416</u>	<u>265,836</u>

The Group's trade receivable and payable balances with the associates are disclosed in notes 22 and 24 to the financial statements, respectively.

本集團與聯營公司的貿易應收款項及應付款項結餘分別於財務報表附註22及24披露。

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19. INVESTMENTS IN ASSOCIATES (CONTINUED)

Particulars of the associates are as follows:

19. 對聯營公司的投資 (續)

聯營公司的詳情如下：

Name	Particulars of issued shares held	Place and date of registration	Percentage of ownership interest, voting power and profit sharing 所有權權益、投票權及溢利分配百分比	Principal activities
名稱	所持有已發行股份詳情	註冊地點及日期		主要業務
Engro Powergen Thar (Private) Limited	PKR12,455,120,000	Pakistan September 23, 2014	35%	Power station construction and operation
安格魯塔爾電力公司	12,455,120,000	巴基斯坦	35%	電站建造及運營
	巴基斯坦盧比	2014年9月23日		
Ningguo Investment Co., Ltd.	RMB5,000,000	The PRC March 27, 2014	40%	Investment in infrastructure
寧國中成投資有限公司	人民幣5,000,000元	中國	40%	基礎設施投資
		2014年3月27日		
China National Machinery Industry International Co., Ltd.	RMB381,971,000	The PRC May 21, 1988	19.29%	Commercial exhibition and international trade
中國機械國際合作股份有限公司	人民幣381,971,000元	中國	19.29%	商業會展與國際貿易
		1988年5月21日		
Zhuzhou South Electromechanical Manufacturing Co., Ltd.	RMB9,500,000	The PRC August 31, 2004	21.05%	Accessories manufacturing
株州南方機電製造有限公司	人民幣9,500,000元	中國	21.05%	配件製造
		2004年8月31日		
AIL 1 Pte. Ltd.	SGD4,000,000	Singapore November 3, 2016	20.1%	Investment Holding
AIL 1 Pte. Ltd.	4,000,000新元	新加坡	20.1%	投資控股
		2016年11月3日		
AIL 1 (FPI) Pte. Ltd.	SGD4,400,000	Singapore March 29, 2017	20.1%	Investment Holding
AIL 1 (FPI) Pte. Ltd.	4,400,000新元	新加坡	20.1%	投資控股
		2017年3月29日		

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19. INVESTMENTS IN ASSOCIATES (CONTINUED)

The following table illustrates the summarised financial information of Engro Powergen Thar (Private) Limited:

19. 對聯營公司的投資 (續)

下表列示安格魯塔爾電力公司的財務資料概要：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Current assets	流動資產	228,438	88,475
Non-current assets	非流動資產	3,511,995	2,124,713
Current liabilities	流動負債	(68,573)	(143,366)
Non-current liabilities	非流動負債	(2,669,463)	(1,313,876)
Net assets	資產淨額	<u>1,002,397</u>	<u>755,946</u>
Proportion of the Group's ownership	本集團擁有權比例	35%	35%
Group's share of net assets of the associate	本集團應佔聯營公司的資產淨額	<u>350,839</u>	<u>264,581</u>
Finance income	財務收入	85,879	7,875
Expenses	開支	(1,597)	(2,573)
Profit before tax	除稅前溢利	84,282	5,302
Tax	稅項	(18)	(35)
Profit after tax	除稅後溢利	84,264	5,267
Other comprehensive income	其他綜合收益	-	-
Total comprehensive income	綜合收益總額	<u>84,264</u>	<u>5,267</u>
Proportion of the Group's ownership	本集團擁有權比例	35%	35%
Group's share of income after tax of the associate	本集團應佔聯營公司的除稅後溢利	<u>29,492</u>	<u>1,843</u>
Share of total comprehensive income	應佔綜合收益總額	<u>29,492</u>	<u>1,843</u>

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19. INVESTMENTS IN ASSOCIATES (CONTINUED)

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Share of the associates' profit/(loss) for the year	年內應佔聯營公司溢利／（虧損）	7,601	(206)
Share of the associates' total comprehensive income	應佔聯營公司綜合收益總額	7,601	(206)
Aggregate carrying amount of the Group's investments in the associates	本集團於聯營公司投資的賬面總值	<u>154,577</u>	1,255

19. 對聯營公司的投資（續）

下表列示本集團聯營公司（個別而言並非重要）的匯總財務資料：

20. INVENTORIES

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Goods in transit	在途商品	95,201	73,547
Entrusted processing materials	委託加工物資	141,560	153,277
Finished goods	製成品	406,564	220,256
Completed properties held for sale	持作待售已竣工物業	<u>14,934</u>	50,562
		658,259	497,642
Provision for impairment	減值撥備	<u>(5,468)</u>	(1,906)
		<u>652,791</u>	495,736

20. 存貨

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21. AMOUNTS DUE FROM CONTRACT CUSTOMERS

21. 應收合同客戶款項

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Gross amounts due from contract customers	應收合同客戶款項總額		
– Current portion	– 流動部分	3,563,860	4,693,622
– Non-current portion	– 非流動部分	1,923,798	2,547,471
		5,487,658	7,241,093
Contract costs incurred plus recognised profits less recognised losses to date	迄今已產生合同成本加已確認溢利減已確認虧損	106,655,123	93,105,326
Less: Progress billings	減：進度款項	101,167,465	85,864,233
		5,487,658	7,241,093

The movements in provision for recognised losses of amounts due from contract customers are as follows:

應收合同客戶款項的已確認減值虧損撥備變動如下：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
At January 1	於1月1日	22,347	57,931
Impairment losses recognised	已確認的減值虧損	–	117,997
Foreseeable contract losses recognised	已確認的可預計合同虧損	–	–
Transfer out to trade and other receivables	轉出至貿易及其他應收款項	–	(38,069)
Impairment losses reversed	已撥回的減值虧損	(1,985)	(105,324)
Foreseeable contract losses reversed	已撥回的可預計合同虧損	–	(10,188)
At December 31	於12月31日	20,362	22,347

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22. TRADE AND OTHER RECEIVABLES

22. 貿易及其他應收款項

			2017	2016
			2017年	2016年
		<i>Notes</i>	RMB'000	<i>RMB'000</i>
		<i>附註</i>	<i>人民幣千元</i>	<i>人民幣千元</i>
Bills receivables	應收票據		112,859	68,184
Trade receivables	貿易應收款項		7,344,137	5,619,071
Less: Allowance for doubtful debts	減：呆賬撥備	(b)	(1,228,801)	(840,205)
Trade and bills receivables	貿易應收款項及應收票據	(a)	6,228,195	4,847,050
Advances to suppliers	向供應商預付款項		2,124,189	2,024,858
Other receivables	其他應收款項		2,658,696	1,873,834
Less: Allowance for doubtful debts	減：呆賬撥備	(b)	(70,304)	(70,704)
			2,588,392	1,803,130
Total	總計		10,940,776	8,675,038
Portion classified as non-current assets	分類為非流動資產的部分		(847,058)	(553,937)
Current portion	流動部分		10,093,718	8,121,101

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22. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Ageing analysis

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

Within 3 months	3個月以內
3 months to 6 months	3個月至6個月
6 months to 1 year	6個月至1年
Over 1 year	1年以上

There are no unified standard credit terms granted to customers of the international engineering constructing business and trading business. The credit terms granted to customers of the international engineering constructing business are negotiated individually on a case-by-case basis and set forth in the relevant contracts. The credit terms granted to customers of the trading business are normally about three to six months. The bills are generally due within 180 days from the date of issuance. The Group's credit policy is set out in note 39(a).

22. 貿易及其他應收款項 (續)

(a) 賬齡分析

根據發票日期，於報告期末的貿易應收款項及應收票據經扣除撥備的賬齡分析如下：

	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
	3,578,734	2,819,832
	160,899	199,330
	1,360,771	610,301
	1,127,791	1,217,587
	6,228,195	4,847,050

國際工程承包業務及貿易業務的客戶並無獲授統一標準信貸期。授予國際工程承包業務客戶的信貸期乃按個別情況逐次獨立協定，並載列於有關合同內。授予貿易業務客戶的信貸期一般約為三至六個月。票據一般於發行日期起計180日內到期。本集團的信貸政策載於附註39(a)。

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22. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Impairment of trade and other receivables

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

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
At January 1	於1月1日	910,909	716,504
Impairment losses recognised	已確認的減值虧損	414,693	220,577
Transfer in from amounts due from contract customers	轉撥自應收合同客戶款項	-	38,069
Impairment losses reversed	已撥回的減值虧損	(22,230)	(61,004)
Amount written off as uncollectible	撇銷不可收回的金額	(4,267)	(3,237)
		1,299,105	910,909

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB1,051,531,000 (December 31, 2016: RMB693,457,000) with an aggregate carrying amount before provision of RMB2,148,452,000 (December 31, 2016: RMB1,613,328,000).

22. 貿易及其他應收款項 (續)

(b) 貿易及其他應收款項減值

貿易應收款項及其他應收款項減值撥備的變動如下：

	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
At January 1	910,909	716,504
Impairment losses recognised	414,693	220,577
Transfer in from amounts due from contract customers	-	38,069
Impairment losses reversed	(22,230)	(61,004)
Amount written off as uncollectible	(4,267)	(3,237)
	1,299,105	910,909

計入上述貿易應收款項的減值撥備為單獨認定的貿易應收款項減值撥備人民幣1,051,531,000元(2016年12月31日：人民幣693,457,000元)，撥備前的賬面總值為人民幣2,148,452,000元(2016年12月31日：人民幣1,613,328,000元)。

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22. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

Included in the above provision for impairment of other receivables is a provision for individually impaired other receivables of RMB60,139,000 (December 31, 2016: RMB62,005,000) with an aggregate carrying amount before provision of RMB1,336,048,000 (December 31, 2016: RMB1,022,095,000).

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

(c) Trade and bills receivables that are not impaired

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

Neither past due nor impaired	既未逾期亦未減值
Less than 3 months past due	逾期3個月以內
3 months to 6 months past due	逾期3個月至6個月
6 months to 1 year past due	逾期6個月至1年
More than 1 year past due	逾期1年以上

22. 貿易及其他應收款項 (續)

(b) 貿易及其他應收款項減值 (續)

計入上述其他應收款項的減值撥備為單獨認定的其他應收款項減值撥備人民幣60,139,000元(2016年12月31日：人民幣62,005,000元)，撥備前的賬面總值為人民幣1,336,048,000元(2016年12月31日：人民幣1,022,095,000元)。

單獨認定的貿易及其他應收款減值項涉及存在財務困難或拖欠利息及／或本金付款的客戶，且預期僅可收回部分應收款。

(c) 未減值的貿易應收款項及應收票據

既未單獨亦未集體視為減值的貿易應收款項及應收票據的賬齡分析如下：

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Neither past due nor impaired	既未逾期亦未減值	1,951,958	1,507,269
Less than 3 months past due	逾期3個月以內	98,643	79,081
3 months to 6 months past due	逾期3個月至6個月	51,653	50,238
6 months to 1 year past due	逾期6個月至1年	154,958	150,714
More than 1 year past due	逾期1年以上	60,549	271,541
		2,317,761	2,058,843

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22. TRADE AND OTHER RECEIVABLES (CONTINUED)

(c) Trade and bills receivables that are not impaired (continued)

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

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

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

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
SINOMACH	國機	584,544	10,155
Fellow subsidiaries	同系附屬公司	84,471	55,461
		669,015	65,616

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

(e) As at December 31, 2017 and December 31, 2016, none of the Group's borrowings were secured by the Group's trade receivables.

22. 貿易及其他應收款項 (續)

(c) 未減值的貿易應收款項及應收票據 (續)

既未逾期亦未減值的應收款項與近期並無拖欠記錄的多名分散的客戶有關。

逾期但並未減值的應收款項與多名獨立客戶有關，彼等與本集團具有良好的往績記錄。根據過往經驗，由於信貸質量並無重大變化且該等結餘仍被視為可悉數收回，故管理層相信毋須就該等結餘作減值撥備。

(d) 應收本集團關聯方款項 (計入貿易及其他應收款項) 分析如下：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
SINOMACH	國機	584,544	10,155
Fellow subsidiaries	同系附屬公司	84,471	55,461
		669,015	65,616

該等結餘為無擔保、不計息並按相近於本集團主要客戶獲提供的信貸期償還。

(e) 於2017年12月31日及2016年12月31日，本集團概無借貸由本集團的貿易應收款項作為抵押。

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23. CASH AND CASH EQUIVALENTS AND RESTRICTED DEPOSITS

23. 現金及現金等價物及受限制存款

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	24,677,761	26,038,459
Less: Restricted deposits	減：受限制存款	(1,178,951)	(554,588)
Less: Non-pledged time deposits with original maturity of over three months when acquired	減：收購時原到期日為三個月以上的無抵押定期存款	(5,032,483)	(5,942,003)
Cash and cash equivalents in the statement of financial position and in the consolidated statement of cash flows	於財務狀況表及合併現金流量表的現金及現金等價物	18,466,327	19,541,868

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to RMB12,970,682,000 (2016: RMB16,201,473,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and restricted deposits are deposited with creditworthy banks with no recent history of default.

截至報告期末，本集團以人民幣（「人民幣」）計值的現金及銀行結餘為人民幣12,970,682,000元（2016年：人民幣16,201,473,000元）。人民幣不可自由兌換成其他貨幣。然而，根據中國大陸《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團可透過獲授權經營外匯業務的銀行將人民幣兌換成其他貨幣。

銀行現金按每日銀行存款利率的浮動利率計息。短期定期存款的存款期介乎一日至三個月，視乎本集團的即時現金需求而定，並按相關短期定期存款利率計息。銀行結餘及受限制存款存放於近期無拖欠記錄且信譽良好的銀行。

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24. TRADE AND OTHER PAYABLES

24. 貿易及其他應付款項

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Bills payable	應付票據	127,646	115,623
Trade payables	貿易應付款項	12,446,249	13,012,654
		12,573,895	13,128,277
Accrued salaries, wages and benefits	應計薪金、工資及福利	841,335	1,022,817
Other taxes payable	其他應繳稅項	181,522	80,356
Other payables	其他應付款項	2,658,525	3,180,134
Derivative financial instruments	衍生金融工具	11,426	120,151
Dividends payable	應付股息	1,213	3,782
Interest payable	應付利息	1,116	5,736
Others	其他	739,066	81,206
		17,008,098	17,622,459
Less: Portion classified as current liabilities	減：分類為流動負債的部分	(16,541,389)	(17,541,253)
Non-current portion	非流動部分	466,709	81,206

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24. TRADE AND OTHER PAYABLES (CONTINUED)

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

Within 3 months	3個月以內
3 months to 6 months	3個月至6個月
6 months to 1 year	6個月至1年
Over 1 year	1年以上

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

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

SINOMACH	國機
Fellow subsidiaries	同系附屬公司

24. 貿易及其他應付款項 (續)

根據發票日期，於報告期末的應付票據及貿易應付款項的賬齡分析如下：

2017	2016
2017年	2016年
RMB'000	RMB'000
人民幣千元	人民幣千元

3,384,169	4,789,865
647,041	517,075
2,190,376	921,771
6,352,309	6,899,566

12,573,895 13,128,277

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

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

2017	2016
2017年	2016年
RMB'000	RMB'000
人民幣千元	人民幣千元

963	2,029
705,797	722,559

706,760 724,588

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25. BORROWINGS

25. 借貸

		2017 2017年			2016 2016年		
		Effective interest rate(%) 實際利率(%)	Maturity 到期日	RMB'000 人民幣千元	Effective interest rate(%) 實際利率(%)	Maturity 到期日	RMB'000 人民幣千元
Current	流動						
Short term bank loans:	短期銀行貸款：						
- Unsecured	- 無擔保	2.54-5.70	2018 2018年	505,348	0.28-6.76	2017 2017年	281,645
- Secured	- 有擔保	3.27-5.44	2018 2018年	195,150	3.60-4.79	2017 2017年	193,213
Current portion of long term bank loans:	長期銀行貸款的 流動部分：						
- Unsecured	- 無擔保	1.25-4.99	2018 2018年	54,349	1.25-1.55	2017 2017年	1,252
- Secured	- 有擔保			-	2.35	2017 2017年	100,585
				<u>754,847</u>			<u>576,695</u>
Non-current	非流動						
Long term bank loans:	長期銀行貸款：						
- Unsecured	- 無擔保	1.25-4.99	2019-2022 2019年-2022年	118,582	0.05-4.99	2018-2022 2018年-2022年	278,128
- Secured	- 有擔保	5.13	2019-2025 2019年-2025年	42,940	5.45	2018-2025 2018年-2025年	191,600
				<u>161,522</u>			<u>469,728</u>
				<u>916,369</u>			<u>1,046,423</u>

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25. BORROWINGS (CONTINUED)

25. 借貸 (續)

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Analysed into:	分析為：		
Bank loans repayable	應償還銀行貸款		
Within one year	一年以內	754,847	576,695
In the second year	第二年	30,949	208,852
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	122,033	154,852
Above five years	五年以上	8,540	106,024
		916,369	1,046,423

Notes:

- (a) As at December 31, 2017, certain borrowings of RMB77,940,000 (December 31, 2016: RMB20,000,000) were secured by the Group's property, plant and equipment (note 14).
- (b) As at December 31, 2017, certain borrowings of RMB158,418,000 (December 31, 2016: RMB269,436,000) were guaranteed by the Company.
- (c) As at December 31, 2017, certain borrowings of RMB1,731,000 (December 31, 2016: RMB4,362,000) were secured by the Group's bills receivables.
- (d) As at December 31, 2017, borrowings of nil (December 31, 2016: RMB191,600,000) were secured by certain of the Group's leasehold land (note 16).

附註：

- (a) 於2017年12月31日，若干借貸人民幣77,940,000元(2016年12月31日：人民幣20,000,000元)由本集團的物業、廠房及設備作為抵押(附註14)。
- (b) 於2017年12月31日，若干借貸人民幣158,418,000元(2016年12月31日：人民幣269,436,000元)由本公司作擔保。
- (c) 於2017年12月31日，若干借貸人民幣1,731,000元(2016年12月31日：人民幣4,362,000元)由本集團應收票據作為質押。
- (d) 於2017年12月31日，借貸人民幣零元(2016年12月31日：人民幣191,600,000元)由本集團若干租賃土地作為抵押(附註16)。

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26. DEFERRED TAX

Deferred tax assets

		Provision for impairment of assets	Construction contracts	Provisions and accruals 撥備及 應計費用	Changes in fair value of derivative financial instruments 衍生金融工具 公允價值變動	Surplus on revaluation of non-current assets and others 重估盈餘和其他 非流動資產	Others 其他	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At January 1, 2017	於2017年1月1日	221,765	95,692	196,050	29,935	(132,317)	411	411,536
Deferred tax credited/(debited) to profit or loss	於損益中計入/(扣除)的 遞延稅項	62,891	(73,851)	(32,789)	(27,176)	(21,222)	968	(91,179)
At December 31, 2017	於2017年12月31日	284,656	21,841	163,261	2,759	(153,539)	1,379	320,357
At January 1, 2016 (Restated)	於2016年1月1日(重述)	184,186	105,990	179,685	20,088	(132,317)	1,066	358,698
Deferred tax credited/(debited) to profit or loss	於損益中計入/(扣除)的 遞延稅項	37,579	(10,298)	16,365	9,847	-	(655)	52,838
At December 31, 2016	於2016年12月31日	221,765	95,692	196,050	29,935	(132,317)	411	411,536

Deferred tax assets have not been recognised in respect of the following items:

尚未就下列項目確認遞延稅項資產：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Tax losses	稅項虧損	13,732	6,373
Other deductible temporary differences	其他可抵扣暫時差額	376,102	238,278
		389,834	244,651

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26. DEFERRED TAX (CONTINUED)

Deferred tax liabilities:

		Withholding taxes	Others	Total
		預扣稅金	其他	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
At January 1, 2017	於2017年1月1日	44,542	1,651	46,193
Deferred tax credited to profit or loss	於損益中計入的遞延稅項	(1,729)	(46)	(1,775)
Deferred tax credited to other comprehensive income	於其他綜合收益中計入的遞延稅項	-	(243)	(243)
At December 31, 2017	於2017年12月31日	42,813	1,362	44,175
At January 1, 2016 (Restated)	於2016年1月1日(重述)	24,901	1,538	26,439
Deferred tax debited/(credited) to profit or loss	於損益中扣除/(計入)的遞延稅項	19,641	(90)	19,551
Deferred tax debited to other comprehensive income	於其他綜合收益中扣除的遞延稅項	-	203	203
At December 31, 2016	於2016年12月31日	44,542	1,651	46,193

26. 遞延稅項(續)

遞延稅項負債：

		Withholding taxes	Others	Total
		預扣稅金	其他	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
於2017年1月1日		44,542	1,651	46,193
於損益中計入的遞延稅項		(1,729)	(46)	(1,775)
於其他綜合收益中計入的遞延稅項		-	(243)	(243)
於2017年12月31日		42,813	1,362	44,175
於2016年1月1日(重述)		24,901	1,538	26,439
於損益中扣除/(計入)的遞延稅項		19,641	(90)	19,551
於其他綜合收益中扣除的遞延稅項		-	203	203
於2016年12月31日		44,542	1,651	46,193

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27. DEFINED BENEFIT OBLIGATIONS

The Group's obligations in respect of defined benefit retirement plans at the end of the reporting period were computed by a firm of independent actuaries, Towers Watson Management Consulting (Shenzhen) Co., Ltd. Beijing Branch ("Towers Watson"), using the projected unit credit method.

- (a) The provisions for defined benefit obligations recognised in the statement of financial position are shown as follows:

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Retirement and other supplemental benefit obligations	退休及其他補充受益義務	387,006	386,173
Less: Portion classified as current liabilities	減：分類為流動負債的部分	25,585	26,850
Non-current portion	非流動部分	361,421	359,323

- (b) The movements in present value of defined benefit obligations are as follows:

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At the beginning of year	於年初	386,173	419,186
Interest costs on benefit obligations	受益義務的利息成本	11,130	12,170
Past service costs/(revenue)	以往服務成本/(收入)	17,690	(5,890)
Benefits paid during the year	年內的已付福利	(28,047)	(29,303)
Re-measurement losses/(gains) recognised in other comprehensive income	於其他綜合收益內 確認的重新計量 虧損/(收益)	60	(9,990)
At the end of the year	於年末	387,006	386,173

27. 設定受益義務

本集團於報告期末就該等設定受益退休計劃須承擔的責任由獨立精算師韜睿惠悅管理諮詢(深圳)有限公司北京分公司(「韜睿惠悅諮詢公司」)採用預計單位貸記法計算。

- (a) 於財務狀況表內確認的設定受益義務撥備列示如下：

- (b) 設定受益義務現值變動如下：

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27. DEFINED BENEFIT OBLIGATIONS (CONTINUED)

(c) The net expenses recognised in profit or loss in respect of the provisions for defined benefit obligations of the Group are as follows:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Interest cost on defined benefit obligations recognised in finance expense	於財務開支內確認的設定受益義務的利息成本	11,130	12,170
Past service cost recognised/(reversed) in administrative expenses	於行政開支內確認／(轉回)的以往服務成本	17,690	(5,890)
		28,820	6,280

(d) The principal actuarial assumptions used in valuing the provisions for defined benefit obligations as at the end of 2017 and 2016 are as follows:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Discount rates	折現率	4.00%	3.00%
Cost of living adjustment for civil retirees and retirees	離退休人員生活成本調整	3.00%	3.00%
Cost of living adjustment for beneficiaries	遺屬生活成本調整	0.00%	0.00%
Medical cost increase rate	醫療成本增長率	8.00%	8.00%
Cost of living adjustment and allowance for early retirees	提前退休人員生活成本調整及撥備	4.50%	4.50%
Cost of social insurance contribution and housing fund contribution adjustment for early retirees	提前退休人員社會保險繳費及住房公積金成本調整	10.00%	10.00%

27. 設定受益義務 (續)

(c) 本集團於損益內就設定受益義務撥備而確認的開支淨額如下：

(d) 估算於2017年及2016年末的設定受益義務撥備所使用的主要精算假設如下：

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27. DEFINED BENEFIT OBLIGATIONS (CONTINUED)

- (e) A one percentage point change in the assumed rate of increase in cost of living adjustment for civil retirees and retirees would have the following effects:

		Increase/ (decrease) in rate 增長率 上升/(下降)	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Increase in effect on the defined benefit obligations	對設定受益義務的影響增加	1%	21,630	21,123
Decrease in effect on the defined benefit obligations	對設定受益義務的影響減少	(1%)	(18,980)	(18,600)

A one percentage point change in other assumptions would not have any significant impact on net defined benefit obligations.

- (f) Expected distributions of benefit payments in the future years out of the defined benefit obligations are as follows:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Within the next 12 months	未來12個月內	31,660	32,162
Between 1 and 2 years	1至2年	31,122	31,509
Between 2 and 5 years	2至5年	88,915	87,634
Between 5 and 10 years	5至10年	131,414	123,328
Over 10 years	10年以上	331,130	246,705
Total expected payments	預期付款總額	614,241	521,338

The average duration of the defined benefit obligations at the end of the reporting period is 9 years (2016: 9 years).

27. 設定受益義務 (續)

- (e) 假設離退休人員生活成本調整增長率變動一個百分點的影響如下：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Increase in effect on the defined benefit obligations	對設定受益義務的影響增加	1%	21,123
Decrease in effect on the defined benefit obligations	對設定受益義務的影響減少	(1%)	(18,600)

其餘假設內變動一個百分點將不會對設定受益義務淨額造成重大影響。

- (f) 未來年度內從設定受益義務中預期支付的福利如下：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Within the next 12 months	未來12個月內	31,660	32,162
Between 1 and 2 years	1至2年	31,122	31,509
Between 2 and 5 years	2至5年	88,915	87,634
Between 5 and 10 years	5至10年	131,414	123,328
Over 10 years	10年以上	331,130	246,705
Total expected payments	預期付款總額	614,241	521,338

於報告期末設定受益義務的平均久期為9年(2016年：9年)。

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28. OTHER NON-CURRENT ASSETS

28. 其他非流動資產

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Available-for-sale investments	可供出售投資		
Listed equity investments, at fair value	上市股權投資，按公允價值		
Hong Kong	香港	2,955	2,565
Shanghai	上海	7,066	8,038
		10,021	10,603
Unlisted equity investments, at cost	非上市股權投資，按成本	587,337	582,473
		597,358	593,076

The above investments consist of investments in equity securities which were designated as available-for-sale financial assets and have no fixed maturity date or coupon rate.

上述投資包括指定為可供出售金融資產的股本證券投資，且並無固定到期日及票面利率。

29. ISSUED CAPITAL

29. 已發行股本

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Ordinary shares, issued and fully paid	已發行及繳足的普通股		
Domestic shares of RMB1.00 each	每股人民幣1.00元的內資股	3,217,430	3,217,430
H shares of RMB1.00 each	每股人民幣1.00元的H股	908,270	908,270
		4,125,700	4,125,700

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30. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity in these financial statements.

Capital reserve includes:

- the contributions or distributions to shareholders;
- share premium as the difference between the total amount of the par value of shares issued and the amount of the net proceeds received from the initial public offering;
- the revaluation surplus resulting from the restructuring of state-owned enterprises; and
- the revaluation reserve resulting from available-for-sale financial assets.

31. BUSINESS COMBINATION UNDER COMMON CONTROL

As set out in note 37(b), on May 31, 2016, the Group acquired the 100% equity interest in China National Complete Engineering Corporation at a total cash consideration of RMB532,678,100. The Company and China National Complete Engineering Corporation were under the common control of SINOMACH both before and after the acquisition, and such control was not transitory. The acquisition date is May 31, 2016, which is determined by the date of equity transfer. Thus, the acquisition was considered to be a business combination under common control.

30. 儲備

本集團於本年度及過往年度的儲備金額及其變動於該等財務報表中的合併權益變動表內呈列。

資本儲備包括：

- 向股東作出的出資或分派；
- 股份溢價，即已發行股份面值總金額與首次公开发售所得款項淨額之間的差額；
- 國有企業重組所得重估盈餘；及
- 可供出售金融資產所得重估儲備。

31. 同一控制下的業務合併

誠如附註37(b)所載，於2016年5月31日，本集團以現金總代價人民幣532,678,100元收購中國成套工程有限公司100%股權。於收購之前及之後，本公司與中國成套工程有限公司均受國機同一控制，且有關控制並非臨時。收購日期為2016年5月31日，乃根據股權轉讓日期釐定。因此，該收購事項被視為同一控制下的業務合併。

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31. BUSINESS COMBINATION UNDER COMMON CONTROL (CONTINUED)

The carrying amounts of the consolidated assets and liabilities of China National Complete Engineering Corporation and its subsidiaries as at the acquisition date and December 31, 2015 were as follows:

31. 同一控制下的業務合併 (續)

中國成套工程有限公司及其附屬公司於收購日期及2015年12月31日的綜合資產及負債賬面值如下：

		As at May 31, 2016 於2016年 5月31日 RMB'000 人民幣千元	As at December 31, 2015 於2015年 12月31日 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	30,192	31,276
Intangible assets	無形資產	2	2
Investment in an associate	於聯營公司的投資	1,462	1,462
Non-current trade and other receivables	非流動貿易及其他應收款項	2,351	2,353
Deferred tax assets	遞延稅項資產	2,180	2,403
Inventories	存貨	376,882	194,415
Current trade and other receivables	流動貿易及其他應收款項	668,978	548,002
Restricted deposits	受限制存款	281,084	252,130
Cash and cash equivalents	現金及現金等價物	602,986	688,285
Borrowings	借貸	(77,599)	(114,880)
Receipts in advance	預收款項	(997,647)	(718,228)
Current trade and other payables	流動貿易及其他應付款項	(375,973)	(436,734)
Current defined benefit obligations	流動設定受益義務	-	(2,970)
Tax payable	應繳稅項	(58,874)	(53,312)
Non-current defined benefit obligations	非流動設定受益義務	(24,170)	(24,170)
Deferred tax liabilities	遞延稅項負債	(25,694)	(25,009)
Total identifiable net assets at carrying amounts	按賬面值呈列的可識別淨資產總額	406,160	345,025
Non-controlling interests	非控股權益	(10,977)	(10,972)
		395,183	334,053
Surplus of consideration over net asset carrying value	代價較資產賬面淨值的盈餘	137,495	
Consideration:	代價：		
Satisfied by cash	以現金支付	532,678	

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31. BUSINESS COMBINATION UNDER COMMON CONTROL (CONTINUED)

An analysis of the cash flows of cash and cash equivalents in respect of the acquisition of China National Complete Engineering Corporation is as follows:

		RMB'000 人民幣千元
Cash consideration paid	已付現金代價	532,678
Cash and bank balances acquired	所收購現金及銀行結餘	—
Net outflow of cash and cash equivalents included in cash flows from investing activities	計入投資活動所得現金流量的現金及現金等價物流出淨額	532,678

32. DISPOSAL OF A SUBSIDIARY

As set out in note 37(b), on January 1, 2017, the Group transferred its entire equity interest in CMEC International Exhibition Co., Ltd. ("CMEC Expo") to China National Machinery Industry International Co., Ltd. ("SINOMACHINT") as capital contribution amounting to RMB133,729,200 into SINOMACHINT. Upon completion, the Company held approximately 19.29% of the entire equity interest in SINOMACHINT, and CMEC Expo ceased to be a subsidiary of the Company. The disposal date was January 1, 2017, which is determined by the date of equity transfer.

31. 同一控制下的業務合併 (續)

就收購中國成套工程有限公司的現金及現金等價物的現金流量分析如下：

		RMB'000 人民幣千元
Cash consideration paid	已付現金代價	532,678
Cash and bank balances acquired	所收購現金及銀行結餘	—
Net outflow of cash and cash equivalents included in cash flows from investing activities	計入投資活動所得現金流量的現金及現金等價物流出淨額	532,678

32. 處置附屬公司

誠如附註37(b)所載，本集團已於2017年1月1日將其於西麥克國際展覽有限責任公司(「西麥克展覽」)的全部股本權益轉讓予中國機械國際合作股份有限公司(「SINOMACHINT」)，作為相等於對SINOMACHINT進行人民幣133,729,200元的股本投入。完成後，本公司將持有SINOMACHINT全部股本權益的約19.29%，而西麥克展覽不再為本公司的附屬公司。處置日期為2017年1月1日，乃根據股權轉讓日期釐定。

		2017 2017年 RMB'000 人民幣千元
Net assets disposed of:	處置資產淨額：	
Property, plant and equipment	物業、廠房及設備	954
Cash and bank balances	現金及銀行結餘	73,316
Prepayments and other receivables	預付款項及其他應收款項	19,266
Accruals and other payables	應計項目及其他應付款項	(16,101)
Tax payable	應繳稅項	(2,567)
		74,868
Gain on disposal of a subsidiary (note 4(b), 5)	處置附屬公司所得收益 (附註4(b), 5)	58,861
		133,729

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32. DISPOSAL OF A SUBSIDIARY (CONTINUED)

32. 處置附屬公司 (續)

		2017 2017年 RMB'000 人民幣千元
Satisfied by:	支付方式：	
Cash	現金	—

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

處置附屬公司相關的現金及現金等價物流出淨額分析如下：

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

33. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

33. 合併現金流量表附註

Changes in liabilities arising from financing activities

融資活動所產生的負債變動

		Bank and other loans 銀行及其他貸款 RMB'000 人民幣千元	Other long-term payable 其他長期應付款 RMB'000 人民幣千元	Dividends payable 應付股息 RMB'000 人民幣千元	Interest payable 應付利息 RMB'000 人民幣千元
At 1 January 2017	於2017年1月1日	1,046,423	—	3,782	5,736
Changes from financing cash flows	融資現金流量變動	(130,054)	90,000	(846,896)	(68,231)
Interest expenses on borrowings	借貸利息開支	—	—	—	63,611
Declaration of dividends	宣派股息	—	—	842,468	—
Declaration of dividends to non-controlling shareholders	向非控股股東宣派股息	—	—	1,859	—
At 31 December 2017	於2017年12月31日	916,369	90,000	1,213	1,116

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34. CONTINGENT LIABILITIES

Legal contingencies

The Company and certain subsidiaries of the Group are defendants in certain lawsuits as well as the named parties in other proceedings arising in the normal course of business. While the outcomes of such contingencies, lawsuits or other proceedings cannot be determined at present, the directors of the Company believe that any resulting liabilities will not have a material adverse impact on the financial position, liquidity, or operating results of the Group.

35. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties (note 15 to the financial statements) under operating lease arrangements, with leases negotiated for terms ranging from 1 to 8 years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At December 31, 2017, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within one year	一年以內	77,324	12,282
In the second to fifth years, inclusive	第二年至第五年 (包括首尾兩年)	161,583	4,509
Over five years	五年以上	21,842	–
		260,749	16,791

34. 或有負債

法律或有事件

在正常業務過程中，本公司及本集團的若干附屬公司為某些訴訟中的被告及在其他法律程序的被點名方。雖然目前未能確定該等或有事件、訴訟或其他法律程序的結果，本公司董事相信任何由此引致的負債不會對本集團的財務狀況、流動資金或經營業績產生重大不利影響。

35. 經營租賃安排

(a) 作為出租人

本集團根據經營租賃安排租賃其投資物業(財務報表附註15)，議定租期介乎一至八年。租賃條款一般亦要求租戶支付保證金及規定可根據當時市況定期調整租金。

於2017年12月31日，本集團根據與租戶訂立的不可撤銷經營租賃到期應收的未來最低租金總額如下：

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35. OPERATING LEASE ARRANGEMENTS (CONTINUED)

(b) As lessee

The Group leases certain of its office properties and office equipment under operating lease arrangements. Leases for properties and office equipment are negotiated for terms ranging from 1 to 3 years.

At December 31, 2017, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Within one year	一年以內	12,681	3,372
In the second to fifth years, inclusive	第二年至第五年 (包括首尾兩年)	9,624	825
		22,305	4,197

36. COMMITMENTS

In addition to the operating lease commitments detailed in note 35(b) above, the Group had the following capital commitments at the end of the reporting period:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Contracted, but not provided for:	已訂約但未撥備：		
Land and buildings	土地及樓宇	1,090,100	466,312
Capital contributions in respect of associates and available-for-sale investments	對聯營公司及可供出售投資的資本投入	300,764	521,593
		1,390,864	987,905

35. 經營租賃安排 (續)

(b) 作為承租人

本集團根據經營租賃安排承租若干辦公室物業及辦公設備。該等物業及辦公設備的議定期限介乎一至三年。

於2017年12月31日，本集團根據不可撤銷經營租賃到期應付的未來最低租金總額如下：

	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Within one year	12,681	3,372
In the second to fifth years, inclusive	9,624	825
	22,305	4,197

36. 承擔

除上文附註35(b)詳述的經營租賃承擔外，本集團於報告期末擁有以下資本承擔：

	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Contracted, but not provided for:		
Land and buildings	1,090,100	466,312
Capital contributions in respect of associates and available-for-sale investments	300,764	521,593
	1,390,864	987,905

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37. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year which also constituted a connected transaction under Hong Kong Listing Rules. The transactions below were conducted in the ordinary course of business of the Group and are in accordance with the terms agreed between the Group and its related parties:

37. 關聯方交易

- (a) 除該等財務報表其他部分詳述的交易外，本集團於年內與關聯方曾進行以下交易（其亦構成香港上市規則所規定的關連交易）。下列交易乃於本集團一般業務過程中根據本集團與其關聯方議定的條款進行：

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Receipt of engineering services and products from	接受來自於下列各方的工程服務及產品		
– Fellow subsidiaries*	– 同系附屬公司*	248,227	193,035
Receipt of integrated services from	接受來自於下列各方的綜合服務		
– Fellow subsidiaries*	– 同系附屬公司*	–	574
Provision of engineering services to	向下列各方提供工程服務		
– SINOMACH*	– 國機*	838,977	682,358
– Associates	– 聯營公司	1,722,041	594,851
– Fellow subsidiaries*	– 同系附屬公司*	18,632	–
Provision of integrated services to	向下列各方提供綜合服務		
– Fellow subsidiaries*	– 同系附屬公司*	112,613	75,598
Net deposit placed with	於下列各方的存款淨額		
– A fellow subsidiary*	– 一家同系附屬公司*	(825,486)	197,817
Interest income received from	向下列各方收取的利息收入		
– A fellow subsidiary*	– 一家同系附屬公司*	43,646	58,682

* These related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

* 該等關聯方交易亦構成關連交易或持續關連交易（定義見上市規則第14A章）。

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37. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Outstanding balances with related parties:

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cash deposits placed with	於下列各方的現金存款		
– A fellow subsidiary	– 一家同系附屬公司	1,764,539	2,590,025
Trade and other receivables due from	應收下列各方的貿易及 其他應收款項		
– SINOMACH	– 國機	584,544	10,155
– Fellow subsidiaries	– 同系附屬公司	84,471	55,461
Receipts in advance from	自下列各方收取的預收款項		
– SINOMACH	– 國機	368,285	351,240
– Fellow subsidiaries	– 同系附屬公司	6,882	12,943
– Associates	– 聯營公司	487,256	493,611
Trade and other payables due to	欠付下列各方的貿易及 其他應付款項		
– SINOMACH	– 國機	963	2,029
– Fellow subsidiaries	– 同系附屬公司	705,797	722,559
Advances to	支付下列各方的預付款項		
– Fellow subsidiaries	– 同系附屬公司	3,258	27,229

Note:

Except for the balances of cash deposits placed with a fellow subsidiary which accrue interest at relevant market rates, the balances due from related parties are unsecured, interest-free and have no fixed terms of repayment.

As disclosed in note 31, the Group acquired the 100% equity interest in China National Complete Engineering Corporation from SINOMACH in 2016. This acquisition also constituted a connected transaction under Hong Kong Listing Rules.

As disclosed in note 32, the Group transferred its entire equity interest in CMEC Expo to SINOMACHINT as capital contribution into SINOMACHINT in 2017. This transaction also constituted a connected transaction under Hong Kong Listing Rules.

37. 關聯方交易 (續)

(b) 關聯方的結欠餘額：

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cash deposits placed with	於下列各方的現金存款		
– A fellow subsidiary	– 一家同系附屬公司	1,764,539	2,590,025
Trade and other receivables due from	應收下列各方的貿易及 其他應收款項		
– SINOMACH	– 國機	584,544	10,155
– Fellow subsidiaries	– 同系附屬公司	84,471	55,461
Receipts in advance from	自下列各方收取的預收款項		
– SINOMACH	– 國機	368,285	351,240
– Fellow subsidiaries	– 同系附屬公司	6,882	12,943
– Associates	– 聯營公司	487,256	493,611
Trade and other payables due to	欠付下列各方的貿易及 其他應付款項		
– SINOMACH	– 國機	963	2,029
– Fellow subsidiaries	– 同系附屬公司	705,797	722,559
Advances to	支付下列各方的預付款項		
– Fellow subsidiaries	– 同系附屬公司	3,258	27,229

附註：

除於一家同系附屬公司的現金存款結餘按相關市場利率計息外，應收關聯方的結餘為無擔保、免息且並無固定還款期。

誠如附註31所披露者，於2016年本集團向國機收購中國成套工程有限公司的100%股本權益。此收購亦構成香港上市規則所規定的關連交易。

誠如附註32所披露者，於2017年本公司將其於西麥克展覽的全部股本權益轉讓予SINOMACHINT，作為於SINOMACHINT的注資。此交易亦構成香港上市規則所規定的關連交易。

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37. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Compensation of key management personnel of the Group:

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Short term employee benefits	短期僱員福利	18,371	15,588
Post-employment benefits	離職後福利	572	523
Total compensation paid to key management personnel	向主要管理人員支付的薪酬總額	18,943	16,111

Further details of directors' and the chief executive's emoluments are included in note 8 to the financial statements.

董事及行政總裁酬金的進一步詳情載於財務報表附註8。

(d) Commitments with related parties

As at December 31, 2017, the Group entered into several sale and purchase agreements with related parties. The commitments and backlogs are as follows:

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Receipt of engineering services and products from	接受來自於下列各方的工程服務及產品		
– Fellow subsidiaries	– 同系附屬公司	5,146,307	3,455,073
Provision of engineering services to	向下列各方提供工程服務		
– SINOMACH	– 國機	4,498,398	5,300,343
– Joint ventures	– 合營公司	1,971,416	3,098,605

37. 關聯方交易 (續)

(c) 本集團主要管理人員的薪酬：

	2017	2016
	2017年	2016年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
短期僱員福利	18,371	15,588
離職後福利	572	523
向主要管理人員支付的薪酬總額	18,943	16,111

董事及行政總裁酬金的進一步詳情載於財務報表附註8。

(d) 關聯方承諾

於2017年12月31日，本集團與關聯方訂立若干買賣協議。有關承諾及未完成合同量如下：

	2017	2016
	2017年	2016年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
接受來自於下列各方的工程服務及產品		
– 同系附屬公司	5,146,307	3,455,073
向下列各方提供工程服務		
– 國機	4,498,398	5,300,343
– 合營公司	1,971,416	3,098,605

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38. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

		Available-for-sale financial assets 可供出售金融資產	Loans and receivables 貸款及應收款項	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
December 31, 2017				
2017年12月31日				
Other non-current assets	其他非流動資產	597,358	-	597,358
Amounts due from contract customers	應收合同客戶款項	-	5,487,658	5,487,658
Financial assets included in trade and other receivables	計入貿易及其他應收款項的金融資產	-	7,969,529	7,969,529
Restricted deposits	受限制存款	-	1,178,951	1,178,951
Time deposits with original maturity over three months	原始到期日超過三個月的定期存款	-	5,032,483	5,032,483
Cash and cash equivalents	現金及現金等價物	-	18,466,327	18,466,327
		597,358	38,134,948	38,732,306

38. 按類別劃分的金融工具

各類金融工具於報告期末的賬面值如下：

		Financial liabilities at fair value through profit or loss – held for trading 按公允價值計入 損益的金融負債 – 持作買賣	Financial liabilities at amortised cost 按攤銷 成本列賬 的金融負債	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
December 31, 2017				
2017年12月31日				
Financial liabilities included in trade and other payables	計入貿易及其他應付款項的金融負債	-	15,954,463	15,954,463
Derivative financial instruments, included in trade and other payables	計入貿易及其他應付款項的衍生金融工具	11,426	-	11,426
Interest-bearing bank and other borrowings	計息銀行及其他借貸	-	916,369	916,369
		11,426	16,870,832	16,882,258

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38. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows (continued):

38. 按類別劃分的金融工具 (續)

各類金融工具於報告期末的賬面值如下 (續) :

		Available-for-sale financial assets 可供出售金融資產	Loans and receivables 貸款及應收款項	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
December 31, 2016				
2016年12月31日				
Other non-current assets	其他非流動資產	593,076	–	593,076
Amounts due from contract customers	應收合同客戶款項	–	7,241,093	7,241,093
Financial assets included in trade and other receivables	計入貿易及其他應收款項的金融資產	–	6,096,243	6,096,243
Restricted deposits	受限制存款	–	554,588	554,588
Time deposits with original maturity over three months	原始到期日超過三個月定期存款	–	5,942,003	5,942,003
Cash and cash equivalents	現金及現金等價物	–	19,541,868	19,541,868
		593,076	39,375,795	39,968,871
		Financial liabilities at fair value through profit or loss – held for trading 按公允價值計入 損益的金融負債 – 持作買賣	Financial liabilities at amortised cost 按攤銷 成本列賬 的金融負債	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
December 31, 2016				
2016年12月31日				
Financial liabilities included in trade and other payables	計入貿易及其他應付款項的金融負債	–	16,314,147	16,314,147
Derivative financial instruments, included in trade and other payables	計入貿易及其他應付款項的衍生金融工具	120,151	–	120,151
Interest-bearing bank and other borrowings	計息銀行及其他借貸	–	1,046,423	1,046,423
		120,151	17,360,570	17,480,721

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39. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices adopted by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables and amounts due from contract customers. Management has a credit policy in place and the exposures to this credit risk are monitored on an ongoing basis.

The Group primarily evaluates customers' credit status and their ability to guarantee payment through its establishment of an appropriate business evaluation system. The Group generally requires customers to settle progress billings in accordance with contracted terms and other debts in accordance with agreements. Credit terms may be granted to customers, depending on credit assessment carried out by management on an individual basis. Also, in order to properly manage the credit risk on trade and other receivables, the Group has issued policies on the purchase of export credit insurance. To protect against credit risk in its trading business, the Group usually buys unified export credit insurance from China Export & Credit Insurance Corporation if needed.

The Group's significant concentration of credit risk stems from its significant trade and other receivables due from individual customers.

39. 財務風險管理及公允價值

本集團的日常業務過程中面臨信用風險、流動資金風險、利率風險及貨幣風險。本集團面臨的該等風險以及本集團用以管理該等風險的財務風險管理政策及慣常做法如下。

(a) 信用風險

本集團的信用風險主要歸屬於貿易及其他應收款項以及應收合同客戶款項。管理層已制定信貸政策並持續監控面臨的此項信用風險。

本集團主要通過建立一個適當的業務評價制度以評估客戶的信用狀況及其保證支付的能力。本集團一般要求客戶按照合同條款清償進度款項及根據協議清償其他債務。根據管理層對各個案進行的信用評估，可能向客戶授予信貸期。此外，為適當管理貿易及其他應收款項的信用風險，本集團制定了購買出口信用保險的政策。為防範貿易業務中的信用風險，本集團一般向中國出口信用保險公司購買統一的出口信用保險（倘需要）。

本集團的信用風險明顯集中於個別客戶的重大貿易及其他應收款項。

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39. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(a) Credit risk (continued)

As at December 31, 2017, 5% of the total trade and other receivables were due from the Group's largest customer (2016: 9%) and 19% of the total trade and other receivables were due from the five largest customers (2016: 21%).

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 22 to the financial statements.

(b) Liquidity risk

The funding needs of the Company and its subsidiaries are raised and allocated by the Group. Fund raising from external sources by subsidiaries is subject to approval by the Company. The Company and its subsidiaries manage cash flows according to their own business approval processes. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with loan covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirement in the short and longer term.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date that the Group can be required to pay:

39. 財務風險管理及公允價值 (續)

(a) 信用風險 (續)

於2017年12月31日，貿易及其他應收款項總額中有5%（2016年：9%）應向本集團最大客戶收取，而貿易及其他應收款項總額中有19%（2016年：21%）應向五大客戶收取。

有關本集團面臨的貿易及其他應收款項的信用風險的進一步定量披露載於財務報表附註22。

(b) 流動資金風險

本公司及其附屬公司的資金需求由本集團籌集及分配。附屬公司向外部來源籌集資金應得到本公司的批准。本公司及其附屬公司通過其自身的業務審批流程管理現金流量。本集團的政策是定期監察目前及預期的流動資金要求及其借貸契約的合規情況，確保其維持足夠的現金儲備及取得主要金融機構的充足的資金承諾額度，以滿足其短期及較長期的流動資金要求。

下表詳述於報告期末本集團的金融負債的剩餘合同期限，其依據的是合同未折現現金流量（含使用合同利率或依據報告期末的通行利率（如為浮動）計算的利息款項）以及本集團必須付款的最早日期：

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39. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(b) Liquidity risk (continued)

39. 財務風險管理及公允價值 (續)

(b) 流動資金風險 (續)

		Contractual undiscounted cash outflow				
		合同未折現現金流出				
		Within				
		1 year or	1 to 2	2 to 5	Over 5	Total
		on demand	years	years	years	
		1年以內				
		或按	1到2年	2到5年	5年以上	總計
		要求還款				
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
December 31, 2017	2017年12月31日					
Borrowings	借貸	754,847	38,856	135,264	8,928	937,895
Trade and bills payables, included in trade and other payables	計入貿易及其他應付款項的貿易應付款項及應付票據	12,573,895	-	-	-	12,573,895
Derivative financial instruments, included in trade and other payables	計入貿易及其他應付款項的衍生金融工具	11,426	-	-	-	11,426
Other payables, included in trade and other payables	計入貿易及其他應付款項的其他應付款項	2,658,525	-	-	-	2,658,525
Long-term payables included in trade and other payables	計入貿易及其他應付款項的長期應付款項	272,357	220,333	234,239	22,519	749,448
		16,271,050	259,189	369,503	31,447	16,931,189
Derivatives settled gross:	總額計算衍生工具：					
Foreign currency forward exchange contracts:	遠期外匯合約：					
- Outflow	— 流出	392,052	-	-	-	392,052
- Inflow	— 流入	(384,283)	-	-	-	(384,283)

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39. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(b) Liquidity risk (continued)

		Contractual undiscounted cash outflow 合同未折現現金流出				
		Within 1 year or on demand 1年以內 或按 要求還款	1 to 2 years 1到2年	2 to 5 years 2到5年	Over 5 years 5年以上	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
December 31, 2016	2016年12月31日					
Borrowings	借貸	576,695	229,209	188,876	118,330	1,113,110
Trade and bills payables, included in trade and other payables	計入貿易及其他應付款項的貿易應付款項及應付票據	13,128,277	-	-	-	13,128,277
Derivative financial instruments, included in trade and other payables	計入貿易及其他應付款項的衍生金融工具	83,508	36,643	-	-	120,151
Other payables, included in trade and other payables	計入貿易及其他應付款項的其他應付款項	3,180,134	-	-	-	3,180,134
		<u>16,968,614</u>	<u>265,852</u>	<u>188,876</u>	<u>118,330</u>	<u>17,541,672</u>
Derivatives settled gross:	總額計算衍生工具：					
Foreign currency forward exchange contracts:	遠期外匯合約：					
- Outflow	- 流出	582,064	416,220	-	-	998,284
- Inflow	- 流入	(533,890)	(384,283)	-	-	(918,173)

39. 財務風險管理及公允價值 (續)

(b) 流動資金風險 (續)

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39. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(c) Interest rate risk

The Group's interest rate risk arises primarily from amounts due from contract customers, bank deposits and interest bearing borrowings. Deposits and borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group regularly reviews and monitors the mix of fixed and variable rate borrowings either through the contractual terms of the interest-bearing financial assets and liabilities or through the use of interest rate swaps in order to manage its interest rate risks.

(i) Interest rate profile

The following table details the interest rate profile of the Group's net instruments (interest-bearing financial assets less interest-bearing financial liabilities) at the end of the reporting period, after taking into account the effect of interest rate swaps:

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Net fixed rate instruments:	淨固定利率工具：		
Amounts due from contract customers	應收合同客戶款項	1,923,798	2,547,471
Bank deposits	銀行存款	6,697,166	9,399,385
Less: Borrowings	減：借貸	647,950	854,903
		7,973,014	11,091,953
Net variable rate instruments:	淨浮動利率工具：		
Bank deposits	銀行存款	17,980,595	16,639,074
Less: Borrowings	減：借貸	268,419	191,520
		17,712,176	16,447,554

39. 財務風險管理及公允價值 (續)

(c) 利率風險

本集團的利率風險主要來自於應收合同客戶款項、銀行存款及計息借貸。按浮動利率及固定利率發放的存款及借貸分別使本集團面臨現金流量利率風險及公允價值利率風險。本集團通過計息金融資產及負債的合同條款或通過利率掉期的使用定期審查及監察固定利率及浮動利率的借貸比例，以管理其利率風險。

(i) 利率概況

下表詳述計及利率掉期的影響，本集團於報告期末的淨工具（計息金融資產減計息金融負債）利率概況：

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39. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(c) Interest rate risk (continued)

(ii) Sensitivity analysis

At December 31, 2017, it is estimated that a general increase/decrease of 100 basis points in interest rates of net variable rate instruments, with all other variables held constant, would increase/decrease the Group's profit after tax and retained profits by approximately RMB132,841,000 (2016: RMB123,357,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to cash flow interest rate risk for non-derivative financial instruments in existence at the end of the reporting period.

The estimated 100 basis points increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of the next annual reporting period. The sensitivity analysis is performed on the same basis as 2016.

39. 財務風險管理及公允價值 (續)

(c) 利率風險 (續)

(ii) 敏感性分析

於2017年12月31日，淨浮動利率工具的利率總體上浮／下浮100個基點而所有其他變量保持不變，估計將導致本集團的除稅後溢利及保留溢利增加／減少約人民幣132,841,000元（2016年：人民幣123,357,000元）。

上述敏感性分析假設利率變動於報告期末發生並適用於報告期末存在的非衍生金融工具面臨的現金流量利率風險。

估計100個基點的上浮或下浮代表管理層對直至下一個年度報告期末期間內的合理可能利率變動的評估。敏感性分析按2016年的相同基礎進行。

Notes to the Financial Statements

財務報表附註

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39. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(d) Currency risk

(i) Forecast transactions

The Group uses foreign currency forward exchange contracts to hedge some of its currency risk in respect of committed future sales transactions. At December 31, 2017, the Group had foreign currency forward exchange contracts hedged against forecast transactions with a net fair value of RMB11,426,000 (2016: RMB75,062,000), recognised as derivative financial instruments recorded in “trade and other payables”.

(ii) Recognised assets and liabilities

Changes in the fair value of foreign currency forward exchange contracts on monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss (see note 5). The fair value of foreign currency forward exchange contracts used by the Group on monetary assets and liabilities denominated in foreign currencies at December 31, 2017 and recognised as derivative financial instruments recorded in “trade and other payables” was nil (December 31, 2016: RMB45,089,000 recorded in “trade and other payables”).

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

39. 財務風險管理及公允價值 (續)

(d) 貨幣風險

(i) 預測交易

本集團利用遠期外匯合約對沖其於已承諾未來銷售交易的部分貨幣風險。於2017年12月31日，本集團為對沖預測交易的遠期外匯合約淨公允價值為人民幣11,426,000元（2016年：人民幣75,062,000元），確認為記錄於「貿易及其他應付款項」的衍生金融工具。

(ii) 已確認資產及負債

有關以外幣計價的貨幣資產及負債的遠期外匯合約的公允價值變動於損益中確認（見附註5）。本集團於2017年12月31日就以外幣計價的貨幣資產及負債使用的遠期外匯合約的公允價值為零，確認為記錄於「貿易及其他應付款項」中的衍生金融工具（2016年12月31日：人民幣45,089,000元記錄於「貿易及其他應付款項」）。

就其他以外幣計價的貨幣資產及負債而言，本集團確保通過於必要時以即期匯率買入或賣出外匯以解決短期不平衡，令淨風險保持在一個可接受的水平。

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財務報表附註

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39. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(d) Currency risk (continued)

(iii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax and retained profits that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at those dates, assuming all other risk variables remained constant.

		2017 2017年		2016 2016年	
		Increase/ (decrease) in foreign exchange rate	Increase/ (decrease) in profit after tax and retained profits 除稅後溢利 及保留溢利	Increase/ (decrease) in foreign exchange rate	Increase/ (decrease) in profit after tax and retained profits 除稅後溢利 及保留溢利
		增加／(減少) %	增加／(減少) RMB'000 人民幣千元	增加／(減少) %	增加／(減少) RMB'000 人民幣千元
USD	美元	5	500,724	5	403,789
USD	美元	(5)	(500,724)	(5)	(403,789)
XAF	中非金融合作法郎	5	17,545	5	16,577
XAF	中非金融合作法郎	(5)	(17,545)	(5)	(16,577)
EUR	歐元	10	33,291	10	12,947
EUR	歐元	(10)	(33,291)	(10)	(12,947)
CAD	加元	5	7,673	5	11
CAD	加元	(5)	(7,673)	(5)	(11)

39. 財務風險管理及公允價值 (續)

(d) 貨幣風險 (續)

(iii) 敏感性分析

下表顯示倘若本集團於報告期末有重大敞口的外匯匯率於該等日期出現變動，假設所有其他風險變量保持不變，本集團的除稅後溢利及保留溢利可能產生的實時變更。

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財務報表附註

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39. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(d) Currency risk (continued)

(iii) Sensitivity analysis (continued)

Results of the analysis presented in the above table represent an aggregate of the instantaneous effects on each of the Group entities' profit after tax and retained profits measured in the respective foreign currencies, translated into RMB at the exchange rates ruling at the end of each reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including intercompany payables and receivables within the Group which are denominated in currencies other than the functional currencies of the lenders or the borrowers. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis as 2016.

39. 財務風險管理及公允價值 (續)

(d) 貨幣風險 (續)

(iii) 敏感性分析 (續)

上表呈列的分析結果代表對本集團各實體的除稅後溢利及保留溢利(按各自的外幣計量, 並就列報而言按各報告期末的匯率換算成人民幣)的總計實時影響。

敏感性分析假設外匯匯率變動已被應用於重新計量本集團持有的令本集團於報告期末面臨外匯風險的金融工具, 包括本集團內公司間的以貸方或借方的功能貨幣以外的貨幣計價的應付款項及應收款項。分析不包括境外業務的財務報表換算為本集團的呈列貨幣產生的差異。分析按2016年的相同基礎進行。

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39. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(e) Fair values

(i) Financial instruments carried at fair value

The following table presents the carrying value of financial instruments measured at fair value at the end of the reporting period across the two levels of the fair value hierarchy defined in IFRS 7 *Financial Instruments: Disclosures* with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

The Group's financial instruments carried at fair value as at December 31, 2017 and 2016 are measured under Level 1 or Level 2.

39. 財務風險管理及公允價值 (續)

(e) 公允價值

(i) 以公允價值列賬的金融工具

下表呈列以公允價值計量的金融工具於報告期末在國際財務報告準則第7號金融工具：披露所界定的公允價值層級的兩個層級的賬面值，各金融工具的公允價值完全依據對該公允價值計量而言屬重要的最低層級輸入參數歸類。層級定義如下：

本集團於2017年及2016年12月31日按公允價值列賬的金融工具均按第1級或第2級計量。

	2017 2017年			2016 2016年		
	Fair value measurement using 採用以下數據的公允價值計量			Fair value measurement using 採用以下數據的公允價值計量		
	Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第1級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察輸 入數據 (第2級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第1級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察輸 入數據 (第2級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Assets	資產					
Available-for-sale investments, included in other non-current assets	計入其他非流動資產 的可供出售投資					
	10,021	-	10,021	10,603	-	10,603
Liabilities	負債					
Derivative financial instruments, included in trade and other payables	計入貿易及其他應付 款項的衍生 金融工具					
- Foreign currency forward exchange contracts	- 遠期外匯合約					
	-	11,426	11,426	-	120,151	120,151

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39. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(e) Fair values (continued)

(ii) Fair values of financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments which were stated at cost or amortised cost are not materially different from their fair values as at December 31, 2016 and 2017 except the following:

39. 財務風險管理及公允價值 (續)

(e) 公允價值 (續)

(ii) 非按公允價值列賬的金融工具的公允價值

於2016年及2017年12月31日，本集團按成本或攤銷成本列賬的金融工具的賬面值與其公允價值並無重大差異，以下除外：

		2017 2017年		2016 2016年	
		Book value	Fair value*	Book value	Fair value*
		賬面值	公允價值*	賬面值	公允價值*
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Non-current portion of amounts due from contract customers	應收合同客戶款項的非流動部分	1,923,798	1,843,353	2,547,471	2,726,876

* The fair value of amounts due from contract customers as at December 31, 2017 and 2016 are measured under Level 2.

* 於2017年及2016年12月31日的應收合同客戶款項公允價值按第2級計量。

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39. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(e) Fair values (continued)

(iii) Estimation of fair values

(1) Receivables and borrowings

The fair value is estimated as the present value of the future cash flows discounted at the market interest rate at the end of the reporting period.

(2) Derivatives

Derivative financial instruments, including forward currency contracts and interest rate swaps, are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The carrying amounts of forward currency contracts and interest rate swaps are the same as their fair values.

(f) Capital management

The Group monitors capital on the basis of the gearing ratio. The gearing ratio is derived by dividing total borrowings by total assets multiplied by 100%. In 2017, the Group's gearing ratio (total borrowings of RMB916,369,000 divided by total assets of RMB47,539,361,000) was 1.9%, representing a decrease of 0.3% as compared to 2.2% (total borrowings of RMB1,046,423,000 divided by total assets of RMB47,452,279,000) as recorded in 2016, mainly due to the decrease in long-term borrowings.

39. 財務風險管理及公允價值 (續)

(e) 公允價值 (續)

(iii) 公允價值的估計

(1) 應收款項及借貸

公允價值估計為未來現金流量按報告期末的市場利率折現的現值。

(2) 衍生工具

衍生金融工具(包括遠期貨幣合約及利率掉期合約)採用類似遠期定價及掉期模式的估值技術,按現值計量。該等模型採用多項市場可觀察輸入數據,如交易對手信貸質量、外匯即期、遠期利率和利率曲線。遠期貨幣合約和利率掉期合約的賬面值與其公允價值相同。

(f) 資本管理

本集團以槓桿比率基準管理資本。槓桿比率乃將借貸總額除以資產總額再乘以100%得出。2017年,本集團的槓桿比率(借貸總額人民幣916,369,000元除以資產總額人民幣47,539,361,000元)為1.9%,與2016年的2.2%(借貸總額人民幣1,046,423,000元除以資產總額人民幣47,452,279,000元)相比減少0.3%,主要是由於長期借款的減少。

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40. SUBSEQUENT EVENT

On March 26, 2018, the board of directors of the Company resolved that a final dividend of RMB0.1659 per share is to be distributed to the shareholders, subject to approval of the shareholders at the forthcoming annual general meeting. Such final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

On 24 November 2017, the Company and SINOMACH entered into an acquisition agreement, pursuant to which the Company has agreed to acquire, and SINOMACH has agreed to dispose of, the entire equity interest in China National Electric Engineering Co., Ltd. ("CNEEC") for an aggregate consideration of RMB1,980,031,000 (equivalent to approximately HK\$2,349,766,807), subject to the terms and conditions of the acquisition agreement (the "Acquisition"). On January 12, 2018, the first extraordinary general meeting of the Company has approved the Acquisition, however, the Acquisition has not yet been completed as at the date of approval of these financial statements.

40. 期後事項

於2018年3月26日，本公司董事會決議向股東派付末期股息每股人民幣0.1659元，惟須待股東於應屆股東週年大會上批准。於報告期末後建議派發的有關末期股息尚未在報告期末確認為負債。

於2017年11月24日，本公司與國機訂立收購協議，根據該協議及在其條款及條件的規限下，本公司已同意以人民幣1,980,031,000元的總對價（相當於約2,349,766,807港元）收購中國電力工程有限公司（「中電工」）的全部股權，而國機亦已同意出售其全部股權（「該收購事項」）。於2018年1月12日本公司的第一次臨時股東大會通過該收購事項，但該收購事項於財務報表批准日尚未完成。

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財務報表附註

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41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

41. 本公司的財務狀況表

有關本公司於報告期末的財務狀況表的資料如下：

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	669,018	461,600
Investment properties	投資物業	11,742	12,721
Prepaid land lease payments	預付土地租賃款項	1,396,189	1,431,032
Intangible assets	無形資產	4,136	5,207
Investments in subsidiaries	對附屬公司的投資	3,334,039	3,229,870
Investment in a joint venture	對合營公司的投資	200,000	200,000
Investment in an associate	對聯營公司的投資	133,729	-
Amounts due from contract customers	應收合同客戶款項	1,923,798	2,540,917
Deferred tax assets	遞延稅項資產	235,603	304,075
Other non-current assets	其他非流動資產	847,663	562,007
Total non-current assets	非流動資產總額	8,755,917	8,747,429
CURRENT ASSETS	流動資產		
Inventories	存貨	5,510	8,304
Trade and other receivables	貿易及其他應收款項	9,278,454	7,957,615
Amounts due from contract customers	應收合同客戶款項	1,829,466	2,964,413
Restricted deposits	受限制存款	308,824	307,766
Time deposits with original maturity over three months	原始到期日超過三個月的定期存款	4,552,654	5,510,940
Cash and cash equivalents	現金及現金等價物	12,709,821	13,269,614
Total current assets	流動資產總額	28,684,729	30,018,652

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41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

41. 本公司的財務狀況表 (續)

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
CURRENT LIABILITIES	流動負債		
Receipts in advance	預收款項	9,345,594	9,015,959
Trade and other payables	貿易及其他應付款項	12,320,512	14,017,577
Defined benefit obligations	設定受益義務	19,845	21,000
Tax payable	應繳稅項	30,000	389,733
Total current liabilities	流動負債總額	21,715,951	23,444,269
NET CURRENT ASSETS	流動資產淨額	6,968,778	6,574,383
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減流動負債	15,724,695	15,321,812
NON-CURRENT LIABILITIES	非流動負債		
Trade and other payables	貿易及其他應付款項	90,000	-
Defined benefit obligations	設定受益義務	214,850	221,540
Total non-current liabilities	非流動負債總額	304,850	221,540
Net assets	淨資產	15,419,845	15,100,272
EQUITY	權益		
Issued capital	已發行股本	4,125,700	4,125,700
Reserves	儲備	11,294,145	10,974,572
Total equity	權益總額	15,419,845	15,100,272

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41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

41. 本公司的財務狀況表 (續)

A summary of the Company's reserves is as follows:

本公司的儲備概要如下：

		Capital reserve	Statutory surplus reserve	Retained profits	Total
		資本儲備	法定盈餘公積金	保留溢利	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
At January 1, 2016	於2016年1月1日	3,879,173	892,246	5,248,485	10,019,904
Profit for the year	年內溢利	-	-	1,772,370	1,772,370
Re-measurement losses on defined benefit plans, net of tax	設定受益計劃重新評估虧損， 扣稅後	-	-	2,900	2,900
Total comprehensive income for the year	年內綜合收益總額	-	-	1,775,270	1,775,270
Dividends paid to shareholders of the Company	付予本公司股東的股息	-	-	(820,602)	(820,602)
Profit appropriation to reserves	轉撥至儲備的溢利	-	178,508	(178,508)	-
At December 31, 2016 and January 1, 2017	於2016年12月31日及2017年1月1日	3,879,173	1,070,754	6,024,645	10,974,572
Profit for the year	年內溢利	-	-	1,168,221	1,168,221
Re-measurement gains on defined benefit plans, net of tax	設定受益計劃重新評估收益， 扣稅後	-	-	(6,180)	(6,180)
Total comprehensive income for the year	年內綜合收益總額	-	-	1,162,041	1,162,041
Dividends paid to shareholders of the Company	付予本公司股東的股息	-	-	(842,468)	(842,468)
Profit appropriation to reserves	轉撥至儲備的溢利	-	127,933	(127,933)	-
At December 31, 2017	於2017年12月31日	3,879,173	1,198,687	6,216,285	11,294,145

42. APPROVAL OF THE FINANCIAL STATEMENTS

42. 批准財務報表

The financial statements were approved and authorised for issue by the board of directors on March 26, 2018.

財務報表已於2018年3月26日獲董事會批准及授權刊發。

Glossary of Terms

詞彙表

“AGM”	the annual general meeting of the Company	「股東週年大會」	指 本公司股東週年大會
“Articles of Association”	the articles of association of the Company, adopted on February 14, 2011 and as amended, supplemented or otherwise modified from time to time	「章程」	指 本公司於2011年2月14日採納的章程（經不時修訂、補充或以其他方式修改）
“Audit Committee”	the audit committee of the Board	「審計委員會」	指 董事會審計委員會
“Board”	the board of Directors	「董事會」	指 董事會
“CG Code”	the Corporate Governance Code set out in Appendix 14 to the Listing Rules	「企業管治守則」	指 上市規則附錄14所載之企業管治守則
“China Machinery R&D”	China Machinery International Design and Research Institute Co., Ltd. (中機國際工程設計研究院有限責任公司), a wholly-owned subsidiary of our Company established in the PRC on October 5, 1993 with limited liability	「中機院」	指 中機國際工程設計研究院有限責任公司，一家於1993年10月5日在中國成立的本公司全資附屬有限責任公司
“China United”	China United Engineering Corporation* (中國聯合工程有限責任公司), an enterprise established in the PRC on January 21, 1984 and a wholly-owned subsidiary of SINOMACH, our connected person and our Promoter	「中國聯合」	指 中國聯合工程有限責任公司，一家於1984年1月21日在中國成立的企業，國機的全資附屬公司。中國聯合為我們的關連人士暨發起人
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules	「緊密聯繫人」	指 具有上市規則所賦予的涵義
“CMEC Tendering”	China Machinery and Equipment International Tendering Co., Ltd.* (中設國際招標有限責任公司), a wholly-owned subsidiary of our Company established in the PRC on April 29, 1996 with limited liability	「中設招標」	指 中設國際招標有限責任公司，一家於1996年4月29日在中國成立的有限責任公司，並為本公司的全資附屬公司

Glossary of Terms

詞彙表

“CNCEC”	China National Complete Engineering* (中國成套工程有限公司), a corporation established in the PRC on September 5, 1985 and wholly-owned by the Company on May 23, 2016	「中成套」	指 中國成套工程有限公司，一家於1985年9月5日在中國成立的公司，並於2016年5月23日由本公司全資擁有
“CNEEC”	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 and wholly-owned by SINOMACH	「中電工」	指 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，並由國機全資擁有
“Company”, “Our Company” or “CMEC”	China Machinery Engineering Corporation* (中國機械設備工程股份有限公司), a joint stock company with limited liability incorporated in the PRC on January 18, 2011, and except where the context indicates otherwise, includes (i) our predecessors and (ii) with respect to the period before our Company became the holding company of its present subsidiaries, the business operated by it and its present subsidiaries or (as the case may be) its predecessors	「公司」、 「本公司」 或「中國 機械工程」	指 中國機械設備工程股份有限公司，一家於2011年1月18日在中國註冊成立的股份有限公司；除非文義另有所指，否則包括：(i)我們的前身及(ii)就本公司成為其現時附屬公司的控股公司前的期間而言，其及其現時附屬公司或（視情況而定）其前身經營的業務
“Companies Law”	Company Law in the PRC (中華人民共和國公司法), adopted by the Standing Committee of the National People’s Congress on October 27, 2005 and which became effective on January 1, 2006, as amended, supplemented or otherwise modified from time to time	「公司法」	指 全國人民代表大會常務委員會於2005年10月27日採納並於2006年1月1日生效的中華人民共和國公司法（經不時修訂、增補或以其他形式修改）
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules	「控股股東」	指 具有上市規則所賦予的涵義

Glossary of Terms

詞彙表

“Core Sectors”	the core sectors of our International Engineering Contracting Business which are the power sector, transportation sector and telecommunications sector	「核心行業」	指 我們的國際工程承包業務的核心行業，為電力能源行業、交通運輸行業及電子通訊行業
“Director(s)”	the director(s) of the Company	「董事」	指 本公司董事
“Domestic Shares”	ordinary shares in our capital, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi	「內資股」	指 我們股本中的普通股，每股面值為人民幣1.00元，乃以人民幣認購及繳足
“ENR”	Engineering News-Record magazine, a publication that provides news, analyses, commentary and data about the global construction industry and an independent third party	「ENR」	指 Engineering News-Record雜誌，一本提供有關全球建造業消息、分析、評論及數據的刊物，為一名獨立第三方
“EPC” or “design, procurement and construction” or “turnkey”	a common form of contracting arrangement whereby the contractor is commissioned by the project owner to carry out such project work as design, procurement, construction and trial operations, or any combination of the above, either through the contractor’s own labor or by subcontracting part or all of the project work, and be responsible for the quality, safety, timely delivery and cost of the project	「EPC」或「設計、採購及施工」或「交鑰匙」	指 承包安排的常見形式，即承包商受項目業主的委託進行設計、採購、施工及試工等項目工作，或任何上述的組合（無論是通過承包商本身的人員或分包部分或所有項目工作），並對項目的質量、安全、工期及成本負責
“EU”	European Union	「歐盟」	指 歐洲聯盟
“GDP”	gross domestic product	「國內生產總值」、 「GDP」	指 國內生產總值

Glossary of Terms

詞彙表

“GE”	U.S. General Electric Company, a company incorporated in the United States, whose principal activities include, among others, engineering and power generation services	「通用電氣」指 美國通用電氣公司，一家於美國註冊成立的公司，其主營業務包括（其中包括）工程及發電服務
“Global Offering”	The offering by the Company of 825,700,000 H Shares for subscription by the public in Hong Kong and placing with professional and institutional investors outside the United States in December 2012	「全球發售」指 本公司於2012年12月提呈發售825,700,000股H股，供香港公眾認購，並配售予美國境外的專業及機構投資者
“Group”, “Our Group”, “we” or “us”	the Company and, except where the context otherwise requires, all its subsidiaries	「集團」、 「本集團」 或「我們」指 本公司及除文義另有所指外，包括其所有附屬公司
“H Share(s)”	overseas listed foreign shares in our ordinary share capital with a nominal value of RMB1.00 each, which are listed on the Stock Exchange and subscribed for and traded in HK\$	「H股」指 我們普通股本中的境外上市外資股，每股面值人民幣1.00元，於聯交所上市，並以港元認購及買賣
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administration Region	「港元」指 港元，香港特別行政區法定貨幣
“IFRS”	International Financial Reporting Standards	「國際財務報告準則」指 國際財務報告準則
“independent third party(ies)”	person(s) or company(ies) which is (are) independent of the directors, supervisors, controlling shareholder, substantial shareholder and the chief executive (such terms as defined in the Listing Rules) of the Company and its subsidiaries or an associate of any of them	「獨立第三方」指 獨立於本公司及其附屬公司的任何董事、監事、控股股東、主要股東及行政總裁（定義見上市規則）或其任何各自的聯繫人的個人或公司
“INED(s)”	the independent non-executive Director(s)	「獨立非執行董事」指 獨立非執行董事

Glossary of Terms

詞彙表

“International Engineering Contracting Business”	the International Engineering Contracting Business conducted by our Group with a primary focus on EPC projects	「國際工程承包業務」	指 由本集團開展，並以EPC項目為重點的國際工程承包業務
“IPP”	independent power producer	「IPP」	指 獨立發電廠
“ISA”	the United States Iran Sanctions Act, as amended (P.L. 104-172, August 5, 1996) (formerly the Iran and Libya Sanctions Act of 1996)	「伊朗制裁法」	指 美國的伊朗制裁法，經修訂(P.L. 104-172，1996年8月5日)(前稱1996年伊朗及利比亞制裁法)
“JiKan Research Institute”	China JiKan Research Institute of Engineering Investigations and Design Co., Ltd.* (機械工業勘察設計研究院有限公司), a company incorporated in the PRC and a wholly-owned subsidiary of the Company	「機勘院」	指 機械工業勘察設計研究院有限公司，一家於中國註冊成立的公司並為本公司全資附屬公司
“KV”	unit of electric potential, kilovolt. 1kV = 1,000 volts	「千伏」	指 電壓單位千伏。1千伏=1,000伏特
“KW”	unit of energy, kilowatt. 1 kW = 1,000 watts	「千瓦」	指 能源單位千瓦。1千瓦=1,000瓦特
“Listing”	listing of our H Shares on the Stock Exchange	「上市」	指 我們的H股在聯交所上市
“Listing Date”	December 21, 2012	「上市日期」	指 2012年12月21日
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time	「上市規則」	指 香港聯合交易所有限公司證券上市規則(經不時修訂、補充或以其他方式修改)
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules	「標準守則」	指 上市規則附錄十所載之上市發行人董事進行證券交易的標準守則

Glossary of Terms

詞彙表

“MW”	Unit of energy, megawatt. 1 MW = 1,000 kW. The installed capacity of power plants is generally expressed in MW	「兆瓦」	指 能源單位兆瓦。1兆瓦=1,000千瓦。發電廠裝機容量通常以兆瓦表示
“Nomination Committee”	the nomination committee of the Board	「提名委員會」	指 董事會提名委員會
“Non-Core Sectors”	any sectors that do not fall within the Core Sectors of our International Engineering Contracting Business	「非核心行業」	指 任何並非屬於我們國際工程承包業務核心行業的行業
“OFAC”	the Office of Foreign Assets Control of the US Department of the Treasury	「外國資產管制局」	指 美國財政部屬下外國資產管制局
“Operation and Risk Management Committee”	the operation and risk management committee of the Board	「經營與風險管理委員會」	指 董事會經營與風險管理委員會
“PPP”	Public-Private Partnership	「PPP」	指 政府和社會資本合作模式
“PRC” or “China”	The People’s Republic of China excluding, for the purpose of this report only, Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan	「中國」	指 中華人民共和國，僅就本報告而言，不包括中國香港特別行政區、中國澳門特別行政區及台灣
“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
“Remuneration Committee”	the remuneration committee of the Board	「薪酬委員會」	指 董事會薪酬委員會
“RMB” or “Renminbi”	Renminbi yuan, the lawful currency of the PRC	「人民幣」	指 人民幣，中國法定貨幣
“Services Business”	The design consulting services, logistics services, exhibition services, tendering agency services, export-import agency services and other services conducted by the Group	「服務業務」	指 本集團開展的設計諮詢服務、物流服務、展覽服務、招標代理服務、進出口代理服務及其他服務

Glossary of Terms

詞彙表

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time	「證券及期貨條例」	指 香港法例第571章證券及期貨條例(經不時修訂、補充或以其他方式修改)
“Share(s)”	share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, including our Domestic Shares and H Shares	「股份」	指 本公司股本中每股面值人民幣1.00元的股份，包括內資股及H股
“Shareholder(s)”	holder(s) of our Share(s)	「股東」	指 我們股份的持有人
“SINOMACH”	China National Machinery Industry Corporation* (中國機械工業集團有限公司), a state-owned enterprise established in the PRC on May 21, 1988, our controlling shareholder	「國機」	指 我們的控股股東中國機械工業集團有限公司，一家於1988年5月21日在中國成立的國有企業
“SINOMACH Group”	SINOMACH and its subsidiaries, which excludes our Group	「國機集團」	指 國機及其附屬公司，不包括本集團
“Sinosure”	China Export & Credit Insurance Corporation (中國出口信用保險公司), a policy-oriented insurance company specializing in export credit insurance in the PRC and an independent third party	「中國信保」	指 中國出口信用保險公司，一家在中國專營出口信用保險的政策性保險公司和獨立第三方
“SSF”	National Council for Social Security Fund of the PRC (中華人民共和國全國社會保障基金理事會)	「社保基金理事會」	指 中華人民共和國全國社會保障基金理事會
“Stock Exchange”	The Stock Exchange of Hong Kong Limited	「聯交所」	指 香港聯合交易所有限公司
“Strategy and Development Committee”	the strategy and development committee of the Board	「戰略與發展委員會」	指 董事會戰略與發展委員會
“Supervisor(s)”	one (or all) of our Company’s supervisors	「監事」	指 本公司的一名(或全體)監事
“Supervisory Board”	the supervisory board of our Company	「監事會」	指 本公司監事會

Glossary of Terms

詞彙表

“the Belt and Road”	the Silk Road Economic Belt and the 21st-Century Maritime Silk Road	「一帶一路」	指 絲綢之路經濟帶和21世紀海上絲綢之路
“Towers Watson”	Towers Watson Management Consulting (Shenzhen) Co., Ltd Beijing Branch	「韜睿惠悅諮詢公司」	指 韜睿惠悅管理諮詢(深圳)有限公司北京分公司
“Trading Business”	the international and domestic trading business conducted by our Group	「貿易業務」	指 本集團進行的國際和國內貿易業務
“UN”	the United Nations	「聯合國」	指 聯合國
“United States” or “U.S.” or “US”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction	「美國」	指 美利堅合眾國、其領土、其屬地及受其司法管轄的所有地區
“US dollars” or “US\$” or “USD”	United States dollars, the lawful currency of the United States	「美元」	指 美元，美國的法定貨幣
“%”	percent or percentage	「%」	指 百分比
* Denotes English translation of the name of a Chinese company or entity or vice versa and is provided for identification purposes only.		*	指中國公司或實體名稱的英文譯名或相反情況，僅供識別。

Corporate Information

公司資料

LEGAL NAME OF THE COMPANY

中國機械設備工程股份有限公司

ENGLISH NAME OF THE COMPANY

China Machinery Engineering Corporation*

BOARD OF DIRECTORS

Executive Directors

Mr. ZHANG Chun (*Chairman*)
Mr. HAN Xiaojun (*Vice-chairman*)
Mr. ZHOU Yamin (*President*)

Non-executive Directors

Mr. YU Benli
Mr. ZHANG Fusheng

Independent Non-executive Directors

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

SUPERVISORS

Mr. QUAN Huaqiang (*Chairman*)
(*Shareholder representative supervisor*)
Mr. QIAN Xiangdong (*Shareholder representative supervisor*)
Ms. LIU Ting (*Staff representative supervisor*)

JOINT COMPANY SECRETARIES

Ms. WANG Weiling
Mr. KWOK Siu Man

AUTHORIZED REPRESENTATIVES

Mr. ZHANG Chun
Ms. WANG Weiling

* For Identification Purposes Only

本公司法定名稱

中國機械設備工程股份有限公司

本公司英文名稱

China Machinery Engineering Corporation*

董事會

執行董事

張淳先生 (*董事長*)
韓曉軍先生 (*副董事長*)
周亞民先生 (*總裁*)

非執行董事

余本禮先生
張福生先生

獨立非執行董事

劉力先生
劉紅宇女士
方永忠先生
吳德龍先生

監事

全華強先生 (*監事長*)
(*股東代表監事*)
錢向東先生 (*股東代表監事*)
劉婷女士 (*職工代表監事*)

聯席公司秘書

王瑋玲女士
郭兆文先生

授權代表

張淳先生
王瑋玲女士

* 僅供識別

AUDIT COMMITTEE

Mr. LIU Li (*Chairman*)
Mr. ZHANG Fusheng
Ms. LIU Hongyu

NOMINATION COMMITTEE

Mr. ZHANG Chun (*Chairman*)
Ms. LIU Hongyu
Mr. FANG Yongzhong

REMUNERATION COMMITTEE

Mr. FANG Yongzhong (*Chairman*)
Mr. ZHANG Fusheng
Mr. LIU Li

STRATEGY AND DEVELOPMENT COMMITTEE

Mr. ZHANG Chun (*Chairman*)
Mr. Han Xiaojun
Mr. YU Benli
Mr. LIU Li

OPERATION AND RISK MANAGEMENT COMMITTEE

Mr. Yu Benli (*Chairman*)
Mr. ZUOU Yamin
Mr. FANG Yongzhong
Mr. WU Tak Lung

INDEPENDENT AUDITORS

International Auditors
Ernst & Young

PRC Auditors
Ernst & Young Hua Ming LLP (Special General Partnership)

PRINCIPAL BANKS

China Development Bank
The Export-Import Bank of China
Industrial and Commercial Bank of China Limited
Bank of China Limited
CITIC Bank
China Merchants Bank (Beijing Branch)
Bank of Communications (Beijing Dongdan Sub-branch)

審計委員會

劉力先生 (主席)
張福生先生
劉紅宇女士

提名委員會

張淳先生 (主席)
劉紅宇女士
方永忠先生

薪酬委員會

方永忠先生 (主席)
張福生先生
劉力先生

戰略與發展委員會

張淳先生 (主席)
韓曉軍先生
余本禮先生
劉力先生

經營與風險管理委員會

余本禮先生 (主席)
周亞民生先生
方永忠先生
吳德龍先生

獨立核數師

國際核數師
安永會計師事務所

中國核數師
安永華明會計師事務所 (特殊普通合伙)

主要往來銀行

國家開發銀行
中國進出口銀行
中國工商銀行
中國銀行股份有限公司
中信銀行
招商銀行 (北京分行)
交通銀行 (北京東單支行)

Corporate Information

公司資料

REGISTERED OFFICE AND HEAD OFFICE IN THE PRC

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Beijing, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Tsimshatsui East
Kowloon, Hong Kong

HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

LEGAL ADVISORS

As to Hong Kong Laws
Shearman & Sterling

As to PRC Laws
Tian Yuan Law Firm

STOCK CODE

01829

INVESTOR INQUIRIES

Investor Hotline: 86 10 6331 2262
Fax No: 86 10 6332 1086

COMPANY'S WEBSITE

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香港主要營業地點

香港九龍
尖沙咀東
麼地道75號
南洋中心
第1座8樓804室

香港H股股份過戶登記處

香港中央證券登記有限公司
香港灣仔
皇后大道東183號
合和中心
17樓1712-1716室

法律顧問

關於香港法律
美國謝爾曼·思特靈律師事務所

關於中國法律
天元律師事務所

股份代號

01829

投資者諮詢

投資者熱線：86 10 6331 2262
傳真：86 10 6332 1086

公司網站

www.cmec.com



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

* For identification purposes only

* 僅供識別