



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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Interim Report **2020** 中期報告



* For identification purposes only
* 僅供識別



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Chairman's Statement

董事長致辭

Dear Shareholders,

The sudden outbreak of the COVID-19 pandemic has caused severe damage to the global economy in 2020. The speed and breadth of the development of the pandemic as well as the economic damages caused by the repeated impacts of multiple waves of the pandemic exceeded almost everyone's expectations. The blockade of borders and economic stagnation in various countries brought about by the pandemic have greatly impaired global consumption and investment and severely hindered the progress of economic globalization, bringing unavoidable obstacles to international trade, international investment and international engineering and construction. According to the statistics from the World Bank, 93% of the world's economies will fall into recession in 2020. The International Monetary Fund predicted in its June issue of the World Economic Outlook that the global economy will shrink by 4.9% this year. The World Trade Organization also published data, estimating that the volume of world merchandise trade in 2020 will contract by at least 13%. It was projected in the World Investment Report of the United Nations Conference on Trade and Development that global foreign direct investment will decrease by 40% this year.

尊敬的各位股東：

突如其來的新冠肺炎疫情對2020年全球經濟造成了嚴重破壞。疫情發展的速度、廣度以及多波疫情的反復衝擊對經濟的損傷超出了幾乎所有人的預期。疫情帶來的各國邊界封鎖和經濟停滯，大幅削弱了全球消費和投資，嚴重阻礙了經濟全球化的進程，給國際貿易、國際投資和國際工程建設帶來無可回避的阻礙。世界銀行的分析數據顯示，全球93%的經濟體將在2020年陷入衰退；國際貨幣基金組織在6月的《世界經濟展望》中預測，今年全球經濟將萎縮4.9%；世界貿易組織也發佈數據，估算今年全球貨物貿易量將至少減少13%；聯合國貿發會議的《世界投資報告》預測，今年全球外商直接投資將下降40%。

Chairman's Statement

董事長致辭

Due to the continuous spreading of the pandemic overseas and the deterioration of the global business environment, China's export-oriented economy, foreign contracted engineering industry and foreign trade have been under tremendous market pressure. According to the statistics from the Ministry of Commerce of the PRC, from January to June 2020, the foreign contracted engineering business in China achieved a turnover of RMB425.99 billion, representing a year-on-year decrease of 10.6% (equivalent to USD60.58 billion, representing a year-on-year decrease of 13.8%). The relevant data from the General Administration of Customs also showed that China's engineering machinery import and export trade volume in the first half of the year was USD11.575 billion, representing a year-on-year decrease of 18.6%.

At present, the COVID-19 pandemic is still developing worldwide. Based on the current spread rate of the pandemic, 10 million new confirmed cases will be added every 30 to 40 days in the world. The pandemic prevention and control situation is still very severe. The pandemic prevention and control measures of various countries still cannot be relaxed, and the long-term impact on the economy and market continues to deepen.

由於海外疫情的持續擴張和全球營商環境的惡化，中國外向型經濟、對外承包工程行業、對外貿易承受的市場壓力巨大。據中國商務部統計數據，2020年1月至6月，中國對外承包工程業務完成營業額為人民幣4,259.9億元，同比下降10.6%（折合605.8億美元，同比下降13.8%）。海關總署相關數據也顯示，上半年中國工程機械進出口貿易額為115.75億美元，同比下降18.6%。

目前全球新冠疫情仍在持續發展中。以目前的疫情擴散速度，全球每過30至40天就將新增1千萬確診病例，疫情防控形勢仍舊非常嚴峻，各國的疫情防控措施仍然無法鬆懈，對經濟和市場的長期影響仍在繼續深化。

Chairman's Statement

董事長致辭

Facing the severe challenges brought by the COVID-19 pandemic and the complicated and volatile domestic and foreign economic development environment, China's economy has shown strong resilience and potential. The foreign contracting engineering industry and the infrastructure construction industry are also moving forward firmly in the storm. All market analyses have agreed that the favorable policies brought about by the co-construction of "the Belt and Road" initiative will continue to provide extensive overseas market opportunities to the engineering contracting industry. The transformation of and adjustments to the global energy production and consumption structure will continue to deepen. New infrastructure and various infrastructure demands related to medical care and people's livelihood will also create new industry development opportunities for the market in the post-pandemic era. All this has laid the foundation for the relevant industries and enterprises to "nurture new opportunities amidst crisis and open new doors amidst changes".

BUSINESS REVIEW

CMEC is an internationally well-known export-oriented enterprise, and its international business has been accounting for the vast majority of the Group's total revenue. This year, the business was affected by the impact of the sharp contraction of the international market, in particular the impact of the global COVID-19 pandemic and the deterioration of the global business environment for Chinese enterprises.

In the face of the impact, the Group continued to regard pandemic prevention and control as its most important task at the moment, cooperated closely with owners and relevant national government authorities, and focused on pandemic prevention and management and ensured safety with all efforts. At present, there have been no cases of COVID-19 infection or related production safety accidents at the project sites of the Group at home or abroad. At the same time, we proactively adopted measures for the resumption of work and production based on different market conditions, which maintained our efforts on domestic and foreign market development, and minimized the negative impact of the pandemic with endeavors.

面對疫情帶來的嚴峻考驗和複雜多變的國內外經濟發展環境，中國經濟展現出強大的韌性和潛力，對外承包工程行業、基礎設施建設行業也在風浪中堅定前行。市場分析一致認為，共建「一帶一路」倡議帶來的政策利好將繼續為工程承包行業提供廣闊的海外市場機會；全球能源生產和消費結構的轉型調整還將持續深化；包括新基建以及與醫療、民生有關的各類基建需求，也將為後疫情時代的市場積蓄著新的行業發展機遇。這一切都為有關行業企業「在危機中育新機，於變局中開新局」奠定了基礎。

業務回顧

CMEC是國際知名的外向型企業，國際業務一直佔集團全部營收的絕大多數份額。受今年以來國際市場的劇烈收縮，特別是全球新冠肺炎疫情的衝擊與中國企業全球營商環境惡化的影響。

面對衝擊，本集團持續把疫情防控作為當前最重要的工作，與業主方和有關國家政府機構緊密合作，全力以赴抓防疫、抓管理、保安全。截至目前，本集團在境內外的各項目現場均沒有發生疫情病例和相關生產安全事故。與此同時，我們還根據不同市場情況，積極採取復工復產的措施，保持了在國內外市場的開發力度，盡力降低疫情所帶來的負面影響。

Chairman's Statement

董事長致辭

The Group is an international leading engineering contracting and services supplier, with a primary focus on EPC projects and particular expertise in the power sector. The International Engineering Contracting Business is one of the traditional core businesses of the Group. During the reporting period, the income generated from the International Engineering Contracting Business accounted for about 61.9% of the total income, with the gross profit accounting for about 72.7% of the total gross profit.

In the first half of the year, due to different levels of COVID-19 development in various countries, although certain overseas projects have been suspended to date and the resumption timetable cannot be confirmed, the Group still made key progress in the construction of a number of key overseas projects, including: successful completion of the 72-hour grid-connected trial operation of the No. 1 hydro-turbine generator unit of Lake Lusiwasi upstream hydropower station in Zambia; full completion of installation work of the main boiler equipment of No. 1 unit of the Salah Al-Din 2×630MW fuel-fired gas power station in Iraq; successful completion of roof-topping of the main structure of the first building of Maldives Housing Project phase III (1,530 housing units); completion of all pouring works of boiler foundation for the phase II of the KOSTOLAC-B Power Station Project in Serbia (KOSTOLAC-B); achievement of the annual power generation target of the Ethiopian Leipzig Waste Power Plant constructed by CNEEC under the Company ahead of schedule, with the project becoming an iconic project of “green” cooperation between China and Africa.

In addition, the financing of some projects also made important progress during the pandemic, including: the confirmation letter for financing closure of the phase II of the Thar Coalfield II Block, Sindh, Pakistan, TEL1×330MW power station project, which is an important project of the China-Pakistan Economic Corridor, was issued, marking the official implementation of the project; the phase II of Maldives Hulhumale Island power distribution system project was underwritten by the Sinasure, thus laying a solid foundation for the next step.

本集團是國際領先的工程承包與服務商，主要專注於EPC項目，特別專長於電力能源行業。國際工程承包業務為本集團傳統核心業務之一，報告期內，國際工程承包業務佔總收入約61.9%，毛利佔毛利總額約72.7%。

上半年，受各國疫情發展程度不同的影響，雖存在部分海外項目停工至今且無法確認復工時間表的情況，但本集團仍有多個重點海外項目建設取得關鍵性進展，包括：贊比亞盧西瓦西上游水電站1號水輪發電機組順利完成了72小時並網試運行；伊拉克薩拉哈丁2×630MW燃油氣電站1號機組鍋爐設備主體安裝工作全面結束；馬爾代夫住房三期項目（1,530套住房）首棟樓主體結構順利封頂；塞爾維亞KOSTOLAC-B（科斯托拉茨B）電站二期項目完成鍋爐基礎全部澆築工作；所屬中國電工承建的埃塞俄比亞萊比拉垃圾發電廠項目提前完成年發電量目標，成為中非綠色合作的標誌性工程。

此外，一些項目融資也在疫情期間取得重要進展。包括，中巴經濟走廊的重要項目－巴基斯坦信德省塔爾煤田II區塊二期TEL1×330MW電站項目融資關閉確認函簽發，標誌著項目正式落地；馬爾代夫魯馬累二期島配電系統項目通過中國信保承保，為下一步工作奠定了堅實的基礎。

Chairman's Statement

董事長致辭

Although the COVID-19 pandemic cut off traffic flow around the globe, the communications and business meetings between the Group and its customers were not reduced, and the motivation to open up the market was not weakened. On 26 June, the Group achieved “three contracts signed in one day”. Through video conference, the Group signed contracts for three new projects of rubbish-derived fuel (RDF) power generation, water conservancy construction and photovoltaic power station with Thailand MITT Group (泰國麥特集團), Senegal River Basin Organization (塞內加爾河流域開發組織) and Spain Futuvati Company (西班牙浮圖瓦蒂公司), respectively. In addition, in the first half of the year, the Group also signed contracts including the phase I of the Belgrade central sewage treatment plant project in Serbia, the construction and installation project of 4 gas turbine power stations in Angola, and the 55MW photovoltaic power plant project in Armenia and other projects.

For Trading Business, in the first half of the year, due to the superimposed effects of the COVID-19 pandemic and Sino-US trade frictions, operations were under heavy pressure. However, the Group flexibly adjusted traditional models and product categories, actively explored new business models, and endeavored to resolve adverse effects, thus achieving certain achievements. The Group realized the doubling of import and export indicators by exporting materials for pandemic prevention. CMIPC, a subsidiary of the Company, has become the major supplier and strategic partner of XCMG Group, the major supplier of the braking system of CRRC and the sole supplier for the localization of cast steel brake discs of Germany Knorr-Bremse (Suzhou) Intercity Railway. Through the housing construction project in Canada, East Resources, a subsidiary of the Company, promoted the overseas sales of nearly a dozen products, such as building materials and tires, leading the trade volume to increase significantly. Our overseas branches in Germany, Thailand, Canada and the Caribbean region quickly capture market information and quickly develop relevant businesses, thus effectively reducing the losses caused by the pandemic.

疫情雖然隔斷了全球範圍的人員流動，但本集團與客戶的溝通聯絡、商務會談並未因此減少，開拓市場的動力並未因此減弱。6月26日，本集團實現「一日三簽」，通過視頻的方式，分別與泰國麥特集團、塞內加爾河流域開發組織、西班牙浮圖瓦蒂公司簽署了垃圾發電、水利樞紐工程和光伏電站三個新項目的合約。除此之外，本集團上半年還簽署了塞爾維亞貝爾格萊德中央污水處理廠項目一期合同以及安哥拉4個燃機電站建設安裝項目、亞美尼亞55MW光伏電站項目等。

在貿易業務方面，上半年受新冠疫情和中美貿易摩擦的疊加影響，經營承受重壓。但本集團靈活調整傳統模式和產品種類，積極探索新業務模式，極力化解不利影響，取得一定成效。通過出口防疫物資實現了進出口指標翻番；所屬中設裝備已經成為徐工集團的主要供應商和戰略合作夥伴，成為中國中車四方制動系統的主要供貨商和德國克諾爾（蘇州）城際鐵路鑄鋼制動盤國產化的唯一供貨商；所屬中經東源公司通過加拿大房建項目，帶動了經營建材、輪胎等近十餘種產品的海外銷售，貿易額上漲明顯；所屬德國、泰國、加拿大、加勒比等海外分支機構迅速捕捉市場信息，快速開發相關業務，有效降低了疫情損失。

For the Services Business, the design consulting business has maintained a good development trend, with all business indicators maintaining growth. And the bidding business innovation mode achieved good results. In the domestic market, the Group continuously put greater efforts into and accelerated the development of the whole-process engineering consulting and general engineering contracting business. The general engineering contracting business of China Machinery International, a subsidiary of the Company, has accounted for more than 3/4 of the total, which has significantly improved various indicators. The Group has actively expanded business areas with large scale, high technology content, and outstanding value contributions, such as “new infrastructure”, smart manufacturing, environmental engineering and sponge cities, signing a batch of contracts in respect of blockchain industrial park projects, subway BIM design, smart buildings, smart water utility, smart energy and smart building data platform projects. The Group has prudently carried out small investment to drive the major business projects, and promoted the development of survey design and general contracting business through participation in project investment. Through cooperation with the local government, the comprehensive development of the area, such as industrial park or old city reconstruction, is carried out, and the advantages of such business have gradually emerged. In response to the needs of pandemic prevention, the bidding company, a subsidiary of the Company, adopted the way of online bid opening. In addition to the implementation of projects developed in recent years during the first half of the year, it achieved a revenue growth of 70% and a profit growth of nearly 300%.

FUTURE OUTLOOK

The COVID-19 pandemic is and will still be the biggest threat and variable to the global economy and the security of various countries in 2020 and the next few years. At the same time, the pressure on the Chinese export-oriented enterprises in the global business environment will only intensify. We must base ourselves on these two basic situation judgments, carry out adequate strategic thinking, make sufficient arrangements for market direction and resource coordination, and focus on consolidating our core competitiveness, so as to strengthen our comprehensive ability to resist market risks.

在服務業務方面，設計諮詢業務保持了良好的發展態勢，各項經營指標增長明顯；招標業務創新模式，取得良好成效。在國內市場，本集團不斷加大加快全過程工程諮詢和工程總承包業務的開拓，所屬中機國際工程總承包業務佔比已超過3/4，對各項指標的提升作用明顯；積極拓展「新基建」、智能製造、環境工程、海綿城市等業務規模大、技術含量高、價值貢獻突出的業務領域，簽約了一批區塊鏈產業園、地鐵BIM設計、智慧樓宇、智慧水務、智慧能源、智慧建築數據平台項目；謹慎開展以微量投資拉動主營業務項目，通過參與項目投資來帶動勘察設計及總承包業務的發展；與地方政府合作進行片區綜合開發，如工業園區、舊城改造等業務的優勢開始逐步顯現。所屬招標公司適應防疫需要，靈活採取網絡開標的方式，加上近年開發的項目於上半年落地，實現了營收增長70%，利潤增長近300%。

未來展望

新冠肺炎疫情仍然是2020年乃至今後幾年時間內，全球經濟、各國安全最大的威脅和變量。與此同時，中國外向型企業所面對的全球營商環境的壓力只會越來越大。我們要立足於這兩個基本形勢判斷，做好充分的戰略思想、市場方向和資源協調的統籌安排，以夯實企業核心競爭力為核心，強化自身抵禦市場風險的綜合能力。

Chairman's Statement

董事長致辭

In this regard, the Group must adhere to the following four principles in the second half of 2020:

First, taking pandemic prevention and control as our first priority. While carrying out work resumption and production stabilization, we will continue to be highly vigilant and unremitting, conduct pandemic prevention and control works on regular basis, and make every effort to protect the health and life safety of domestic and foreign employees.

Second, adhering to the market strategy of “stabilizing overseas market and cultivating domestic market”. We will implement measures that are in line with local situation and the one country one strategy policy. With professional capabilities, refined management and personalized services, we will continue to promote overseas market development and take effect of key projects; closely conform to national policies, flexibly leverage our own advantages, strengthen resource integration and innovation, expand business scope extensively, and continue to increase domestic market development efforts.

Third, insisting on the development strategy of collaborative cooperation. Through both internal and external collaborations, we will amplify the multiplier effect of business synergy, and promote the deepening and realization of the “stabilizing overseas market and cultivating domestic market” strategy; make full use of the strategic cooperation with domestic and foreign industry giants and important companies in the industrial chain to realize a new development pattern of “dual circulation”, with mutual promotion on a domestic and international basis.

Fourth, sticking to the construction of high-quality development strategy system. Taking the development of the Group's “14th Five-Year Plan” as an opportunity, the Group will build a high-quality development strategy system with balanced development in the domestic and foreign markets, specialized technological advantages in key areas of the industry, strong resource integration and innovation capabilities, and discourse power and influence within the industry.

為此，本集團在2020年下半年要做到四個堅持：

一是堅持將疫情防控作為最重要的工作來抓。在抓好復工穩產工作的同時，繼續保持高度警惕，毫不鬆懈，做好疫情防控的常態化工作，全力保障境內外員工的身體健康和生命安全。

二是堅持「穩外耕內」的市場戰略。因地制宜、一國一策，以專業化能力、精細化管理、個性化服務，持續推進海外市場開發和重點項目生效；緊密貼合國家政策、靈活運用自身優勢、強化資源整合與創新、廣泛開拓業務領域，持續加大國內市場開發力度。

三是堅持協同合作的發展戰略。通過內部協同和外部協同共同發力，放大業務協同乘數效應，促進「穩外耕內」走深走實；充分用好與國內外行業巨頭和產業鏈條上重要公司的戰略合作，實現國內國際雙循環相互促進的新發展格局。

四是堅持高質量發展戰略體系的構建。以本集團「十四五規劃」的制定為契機，構建起一個在國內外市場均衡發展、有行業關鍵領域的專業化技術優勢、有強大的資源整合和創新能力、有行業話語權和影響力的高質量發展戰略體系。

Chairman's Statement

董事長致辭

At last, on behalf of the Board, 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.

BAI Shaotong

Chairman

Beijing, China
26 August 2020

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

白紹桐

中國北京
2020年8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 21 December 2012. As at 30 June 2020, the Company had issued a total of 908,270,000 H Shares and 3,217,430,000 non-tradable Domestic Shares. 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 emerging business segments.

Visions for Corporate development: On the basis of engineering constructing business and driven by technology and innovation, becoming an international diversified integrated service provider.

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

International Engineering Contracting Business: With approximately 40 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 approximately 50 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.

本公司成立於1978年，是中國第一家國有工貿企業，是國機的附屬公司。本公司於2012年12月21日在聯交所主板上市。截至2020年6月30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、服務業務以及新興業務板塊。

企業發展遠景：以工程承包業務為基礎，以科技和創新為驅動，具有全球佈局的多元化綜合服務商。

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約40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，並已在約50個國家承接工程承包項目，主要分佈於亞洲、非洲、歐洲及南美洲。電力能源、交通運輸及電子通訊行業是本公司的核心行業。本公司亦從事非核心行業，如供水及水處理項目、房屋及建築項目、製造和加工工廠項目以及採礦和資源開採項目。

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

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.

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。

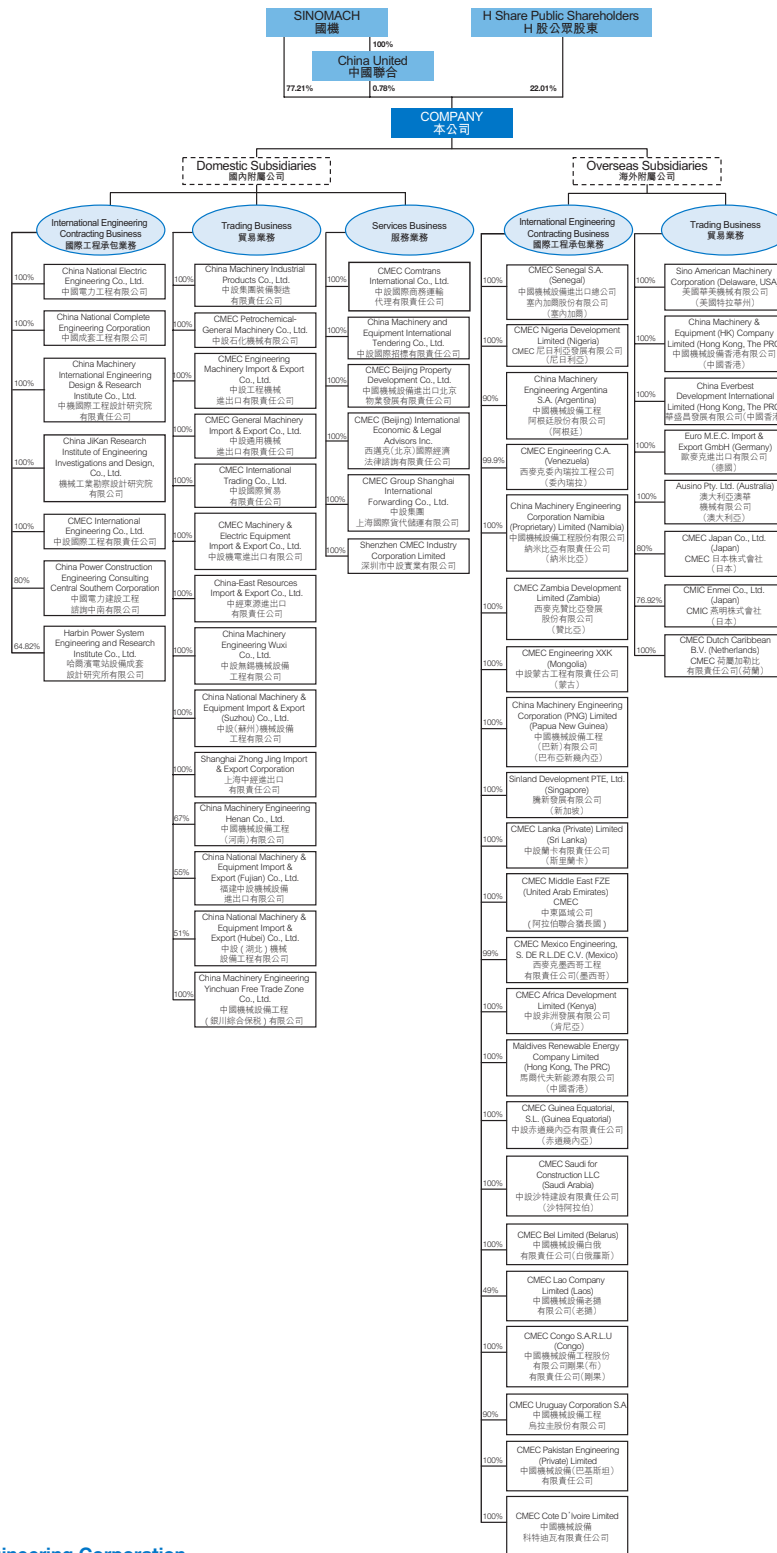
服務業務：本公司從事一定程度的服務業務，主要包括：設計諮詢服務、物流服務、招標代理服務、進出口代理服務及其他服務等。

Company Profile

公司簡介

Corporate Structure: As at 30 June 2020, the Company's corporate structure was as follows:

企業架構: 截至2020年6月30日，本公司企業架構如下：



Unaudited Interim Results 未經審計中期業績

The Board hereby announces the unaudited operating results of the Group for the Period, together with the operating results for the Corresponding Period in 2019 for comparison. For the Period, the consolidated revenue of the Group amounted to RMB9,071.7 million, representing a decrease of 35.0% over the Corresponding Period in 2019; profit from operations amounted to RMB370.2 million, representing a decrease of approximately 63.4% over the Corresponding Period in 2019; profit attributable to the owners of the parent amounted to RMB626.7 million, representing a decrease of 36.5% over the Corresponding Period in 2019; net cash flows from operating activities amounted to approximately RMB533.9 million while net cash flows used in operating activities amounted to RMB3,870.7 million in the Corresponding Period in 2019.

董事會謹此宣佈本集團於本期間的未經審計經營業績，連同2019年同期的經營業績，以作比較。於本期間，本集團合併收入為人民幣9,071.7百萬元，較2019年同期減少35.0%；經營溢利為人民幣370.2百萬元，較2019年同期減少約63.4%；歸屬於母公司擁有人溢利為人民幣626.7百萬元，較2019年同期減少36.5%；經營活動所得的現金流量淨額約為人民幣533.9百萬元，而2019年同期的經營活動所用的現金流量淨額則為人民幣3,870.7百萬元。

Key Operating and Financial Data

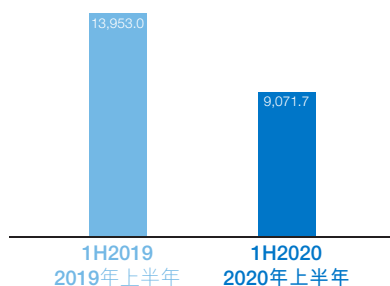
重要經營及財務數據

1. Revenue

收入

Unit: RMB million

單位：人民幣百萬元

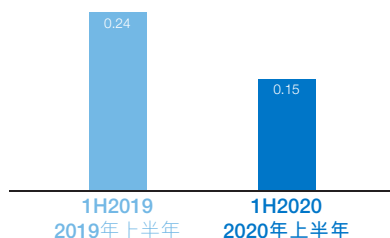


3. Basic Earnings per Share

每股基本盈利

Unit: RMB

單位：人民幣

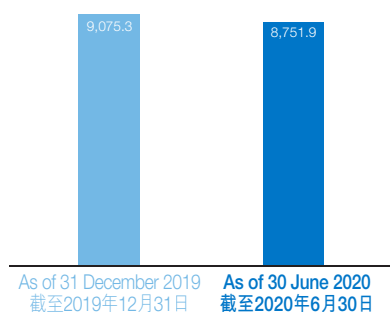


5. Backlog for the International Engineering Contracting Business

國際工程承包業務未完成合同量

Unit: US\$ million

單位：百萬美元

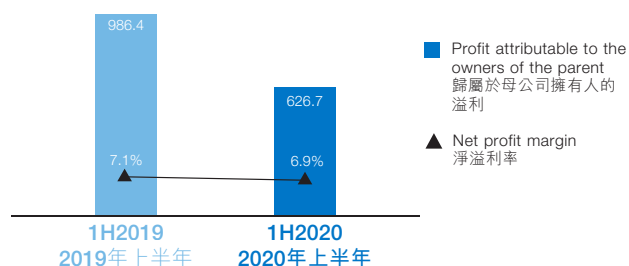


2. Profit Attributable to the Owners of the Parent and Net Profit Margin

歸屬於母公司擁有人的溢利及淨溢利率

Unit: RMB million

單位：人民幣百萬元

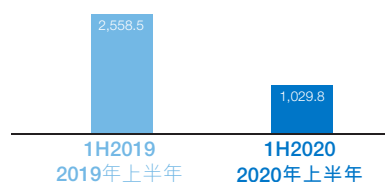


4. Value of Newly Signed Contracts for the International Engineering Contracting Business

國際工程承包業務的新簽約合同金額

Unit: US\$ million

單位：百萬美元



Financial Highlights

財務摘要

For the six months ended 30 June
截至6月30日止六個月

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元 (Restated) (重述)
Revenue	收入	9,071,699	13,952,971
Gross profit	毛利	1,600,657	2,119,986
Other revenue and other (expenses)/ income, net	其他收入及其他(開支)/ 收入淨額	(329,802)	32,463
Operating expenses	經營開支	(900,639)	(1,141,447)
Profit from operations	經營溢利	370,216	1,011,002
Profit before tax	除稅前溢利	821,386	1,247,571
Income tax	所得稅	(191,258)	(259,581)
Profit for the period	本期間內溢利	630,128	987,990
Total other comprehensive income	其他綜合收益總額	2,355	(24,564)
Total comprehensive income for the period	本期間內綜合收益總額	632,483	963,426
Profit attributable to:	溢利歸屬於：		
– Shareholders of the Company	– 本公司股東	626,710	986,437
– Non-controlling interests	– 非控股權益	3,418	1,553
Total comprehensive income attributable to:	綜合收益總額歸屬於：		
– Shareholders of the Company	– 本公司股東	631,368	962,639
– Non-controlling interests	– 非控股權益	1,115	787
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)	0.15	0.24
Total non-current assets	非流動資產總額	14,957,182	14,892,763
Total current assets	流動資產總額	39,073,913	39,107,121
Total assets	資產總額	54,031,095	53,999,884
Total non-current liabilities	非流動負債總額	1,794,005	1,713,618
Total current liabilities	流動負債總額	34,326,089	34,252,526
Total liabilities	負債總額	36,120,094	35,966,144
Equity attributable to Shareholders of the Company	本公司股東應佔權益	17,771,165	17,895,019
Non-controlling interests	非控股權益	139,836	138,721
Total equity	權益總額	17,911,001	18,033,740
Total equity and liabilities	權益及負債總額	54,031,095	53,999,884

Note:

The financial information of the Group for the six months ended 30 June 2019 and 2020 are set forth on pages 95 to 162, and is presented on the basis set out in note 2.1 to the unaudited interim financial report.

附註：

本集團截至2019年及2020年6月30日止六個月的財務資料載列於第95至162頁，及按未經審計中期財務報告附註2.1所載基準而呈列。

Management Discussion and Analysis

管理層討論及分析

I. INDUSTRY OVERVIEW

Since the beginning of this year, the sudden outbreak of COVID-19 pandemic has an unprecedented blow to the world, and the global economy has dipped into the most serious recession since World War II. The World Bank predicts that the global economy will shrink by 5.2% this year, marking the worst recession since World War II. The proportion of economies with a decline in per capita output will reach the highest level since 1870. Economic activities in developed economies are expected to shrink by 7% this year, while emerging countries and developing economies are expected to experience a contraction of 2.5%. Per capita income is expected to decline by 3.6%, which will plunge millions into extreme poverty this year. Countries that are most severely affected by the epidemic and those that rely heavily on global trade, tourism, commodity exports and external financing are more heavily hit. The political and security risks in some areas caused by the economic recession have also increased significantly.

China is facing up to severe risks and challenges domestically, and the whole country is organizing and facilitating works on epidemic prevention and control as well as economic and social development. Thanks to a series of effective policies, the epidemic prevention and control continue to improve, while the resumption of work, production and business has accelerated. The Chinese economy experienced downward trend followed by a rise, and picked up with steady recovery. In the second quarter, economic growth turned from negative to positive, with major indicators showing recovery growth. As economic activities gradually resumed, basic livelihood was strongly secured. Market expectations were generally positive, and the overall social development was stable. According to preliminary calculations, the gross domestic product (“GDP”) in the first half of the year was RMB45,661.4 billion, representing a year-on-year decrease of 1.6% based on comparable price calculation. On quarterly basis, the GDP fell by 6.8% year-on-year in the first quarter, and grew by 3.2% in the second quarter. When compared with the previous quarter, the GDP grew by 11.5% in the second quarter.

I. 行業概覽

今年以來，突如其來的新冠肺炎疫情給世界帶來的衝擊前所未有，世界經濟陷入二戰以來的最為嚴重的衰退。世界銀行預測今年全球經濟將萎縮5.2%，將是自二戰以來最嚴重的衰退，人均產出下降的經濟體比例將達到1870年以來的最高水平。發達經濟體的經濟活動預計今年將萎縮7%；新興市場國家和發展中經濟體預計將收縮2.5%。人均收入預計將下降3.6%，這將使數百萬人今年陷入極端貧困。在疫情最嚴重、嚴重依賴全球貿易、旅遊、商品出口和外部融資的國家，這種打擊更為嚴重。而經濟衰退引發的局部地區政治風險、安全風險也大幅增加。

我國國內直面嚴峻風險挑戰，全國上下統籌推進疫情防控和經濟社會發展工作，在一系列政策作用下，疫情防控形勢持續向好，復工復產復商復市加快推進，我國經濟運行先降後升、穩步復甦。第二季度經濟增長由負轉正，主要指標恢復性增長，經濟運行穩步復甦，基本民生保障有力，市場預期總體向好，社會發展大局穩定。初步核算，上半年國內生產總值人民幣456,614億元，按可比價格計算，同比下降1.6%。分季度看，第一季度同比下降6.8%，第二季度增長3.2%；從環比看，第二季度國內生產總值增長11.5%。

Management Discussion and Analysis

管理層討論及分析

(I) Engineering Contracting

From January to June 2020, foreign contracted engineering business in China achieved a turnover of RMB425.99 billion (equivalent to USD60.58 billion), representing a year-on-year decrease of 10.6%. The newly signed contracts amounted to RMB753.82 billion (equivalent to USD107.2 billion), representing a year-on-year increase of 5%. In the first half of the year, the number of newly signed major foreign contracted engineering projects increased. There were 381 newly signed projects with a contract value of more than USD50 million, and the value of which amounted to USD89.03 billion in aggregate, accounting for 83.1% of the total value of newly signed contracts. Among them, there were 222 projects worth more than USD100 million, representing an increment of 5 over the Corresponding Period in 2019.

Since the beginning of this year, due to the continuous spread of the COVID-19 epidemic worldwide, the global economy has slid into an unparalleled recession, and the outlook for global infrastructure is pessimistic. Given the sharp increase in various challenges and risks in the international infrastructure market, Fitch International has lowered the infrastructure growth index for all continents this year. The UN Conference on Trade and Development predicts that, as compared with the 2008 global financial crisis, the COVID-19 epidemic has caused a more severe global economic situation, and most economies have encountered unprecedented demand shocks. It is expected that the global foreign direct investment flow will be reduced by 40% in 2020, reaching the lowest level in last two decades.

(一) 工程承包

2020年1至6月，我國對外承包工程完成營業額人民幣4,259.9億元（折合605.8億美元），同比下降10.6%，新簽合同額人民幣7,538.2億元（折合1,072億美元），同比增長5%。上半年，對外承包工程新簽大項目增多，新簽合同額5,000萬美元以上的項目有381個，金額合計890.3億美元，佔新簽合同總額的83.1%。其中，上億美元項目222個，較2019年同期增加5個。

今年以來，由於新冠疫情在全球持續蔓延，全球經濟陷入前所未有的衰退，全球基建前景不容樂觀，國際基建市場各類挑戰和風險顯著增加，惠譽國際已經下調了今年各大洲的基建增長指數。聯合國貿發會議預測，與2008年全球金融危機相比，新冠肺炎疫情使全球經濟形勢更加嚴峻，大多數經濟體遭遇了前所未有的需求衝擊，預計2020年全球外國直接投資流量將減少40%，達到近20年來最低水平。

Management Discussion and Analysis

管理層討論及分析

In particular, for the foreign contracting engineering industry with high interactivity requirements, the impacts of the epidemic create a more complicated environment for industry development, and the difficulties, risks and uncertainties have increased unprecedentedly. First, the production and operating activities of the enterprises are seriously affected. The immigration of personnel and the supply of equipment and materials are blocked. Some projects under construction are suspended, while the development of new projects is interrupted. Hence, there are increasing risk exposures in terms of enterprise production and operation and contract performance. Second, the short-term downward trend of the international infrastructure market has intensified. Affected by unfavorable factors such as the international economic downturn, the global spread of the epidemic, the volatility of bulk commodity in low prices and Sino-US trade frictions, capital risk aversion constantly rises. The funding gap in the international infrastructure market will continue to widen. Consequently, infrastructure investment demand will be further suppressed in the short run. Third, traditional business models are facing formidable challenges. Default risk of sovereign debts in some countries has increased. Financial institutions have suspended lending. Financing framework projects have drastically reduced. China has implemented strict regulations on corporate outbound investments, and approval procedures and time limits cannot meet the needs of corporate outbound investment decisions.

特別是對於交互性要求較高的對外承包工程行業來說，疫情的影響使行業發展面臨的環境更加錯綜複雜，困難風險和不確定性空前加大。一是嚴重影響企業的生產經營活動，人員出入境和設備物資供應受阻，部分在建項目停產停工，新項目開發中斷，企業生產經營和合同履約風險加大。二是國際基建市場短期下行趨勢加劇，受國際經濟下行、疫情全球蔓延、大宗商品價格低位震蕩、中美貿易摩擦等不利因素影響，資本避險情緒持續升溫，國際基建市場資金缺口將繼續擴大，短期內基礎設施投資需求將受到進一步抑制。三是傳統業務模式面臨巨大挑戰，部分國家主權債務違約風險加大，金融機構暫緩放貸，融資框架項目急劇減少，國內對企業對外投資監管嚴格，審批程序和時限不能滿足企業對外投資決策需要。

Management Discussion and Analysis

管理層討論及分析

However, risks and opportunities always coexist. In the first half of the year, despite the huge impact of the epidemic causing a year-on-year decline in turnover of foreign contracted projects, the value of newly signed contracts sustained its growth momentum. The growth in newly signed large-scale projects worth USD50 million and over USD100 million continued, especially in countries along “the Belt and Road”, where the value of newly signed contracts still accounted for half of the newly signed contracts for foreign contracted engineering projects in the same period. In respect of foreign investment, non-financial direct investment in countries along “the Belt and Road” was USD8.12 billion, representing a year-on-year increase of 19.4%. This fully highlights the value of the co-construction of “the Belt and Road”, verifies the resilience of the co-construction of “the Belt and Road”, and further illustrates the favorable policies and broad market brought about by “the Belt and Road” initiative. Though the engineering contracting industry is under heavy pressure, there are still opportunities to break out.

In addition, the global energy production and consumption structure is rapidly developing towards low-carbon, clean and high-efficiency green new energy, which also creates opportunities for foreign engineering contracting, especially in the field of electric energy. The global electrification level continues to rise, and new energy power generation will become a new hot spot in the future global power market. At the same time, technological advancement and cost reduction will also fasten the arrival of the new energy power generation era. Recently, in order to deal with the impacts of the epidemic, many countries have introduced supportive policies to promote energy transition. For example, the EU plans to complete the revision of the “European Energy Infrastructure Regulations” by the end of 2020, which includes the “electricity alternative plan”, while the Vietnamese government has formulated new energy targets for 2030 and other targets.

但是，風險和機遇總是並存的。上半年，儘管受到疫情的巨大衝擊，對外承包工程營業額同比出現下降，但新簽合同額保持了增長，新簽的5,000萬美元和1億美元以上的大項目數量也保持了增長，特別是在「一帶一路」沿線國家新簽仍然佔同期對外承包工程新簽合同額的半壁江山；在對外投資方面，對「一帶一路」沿線國家非金融類直接投資81.2億美元，同比增長19.4%。這充分凸顯了共建「一帶一路」的價值，驗證了共建「一帶一路」的韌勁，也更加說明了「一帶一路」倡議帶來的政策利好和廣闊市場，工程承包行業在重壓之下仍有突圍機會。

此外，全球能源生產和消費結構正在快速向以低碳、清潔、高效為特徵的綠色新能源方向發展，這也為對外工程承包特別是電力能源領域帶來了機遇。全球電氣化水平持續提升，新能源發電將成為未來全球電力市場的新熱點，同時，技術進步、成本降低也將助推新能源發電時代的到來。近期，為了應對疫情影響，許多國家都紛紛出台了促進能源轉型支持政策，如歐盟計劃於2020年底前完成「歐洲能源基礎設施法規」的修訂，其中就包括「電能替代方案」，越南政府制定了新能源2030年新目標等。

Management Discussion and Analysis

管理層討論及分析

(II) Trading

Since the beginning of this year, in the face of the severe challenges that the epidemic has brought to the foreign trade development, the government has introduced a series of foreign trade stabilization policies and measures and vigorously implemented them. In order to support foreign trade development, it has improved export tax rebates, increased foreign trade credit, offered greater export credit insurance support, and set up cross-border e-commerce comprehensive pilot zone, thereby fully stimulating the vitality of market players.

Through joint efforts, foreign trade has shown signs of stabilization. Exports had recorded positive growth for three consecutive months since April, while imports achieved positive growth in June. In the first half of the year, total import and export volume in China decreased by 3.2% to RMB14.24 trillion. In particular, exports amounted to RMB7.71 trillion, down by 3%, while imports amounted to RMB6.53 trillion, down by 3.3%.

However, the following facts shall never be ignored. The epidemic is still currently spreading across the world, rebounding in some countries and regions, with new confirmed cases repeatedly reaching new highs. The global economy experiences severe recession, international demand has shrunk sharply, and trade barriers have increased significantly. Foreign trade development situation faced by China is still severe and complicated. The difficulties faced by many foreign trade companies, such as insufficient orders, interrupted logistics and unstable industrial and supply chains, are still very prominent.

(二)貿易

今年以來，面對疫情對外貿發展帶來的嚴峻挑戰，政府出台了一系列穩外貿政策並狠抓落實，在完善出口退稅、增加外貿信貸投放、加大出口信用保險支持、增設跨境電商綜試區等方面支持外貿發展，充分激發市場主體活力。

經過共同努力，外貿有所回穩，出口自4月以來連續三個月正增長，進口6月實現正增長。上半年我國進出口總額人民幣14.24萬億元，下降3.2%。其中，出口人民幣7.71萬億元，下降3%，進口人民幣6.53萬億元，下降3.3%。

但是，仍然要看到，當前疫情仍在全球流行，部分國家和地區出現反彈，新增確診病例屢創新高，世界經濟嚴重衰退，國際需求大幅萎縮，貿易壁壘明顯增加，我國外貿發展面臨的形勢依然嚴峻複雜，諸多外貿企業面臨的訂單不足、物流不暢、產業鏈供應鏈不穩等困難仍然十分突出。

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The foreign trade operations in the first half of the year mainly showed the characteristics below:

First, there was a more optimized layout of the international market. Imports and exports to emerging markets fell by 2.4%, which outperformed the slowdown in the total imports and exports by 0.8 percentage point. Imports and exports to ASEAN grew by 5.6%, with ASEAN becoming China's largest trading partner.

Second, there was a more balanced domestic regional layout. Exports in the central and western regions increased by 1.6%, which was 4.6 percentage points higher than the overall growth rate. Provinces such as Jiangxi, Sichuan and Guizhou actively undertook industrial transitions, and deeply explored overseas markets, thus achieving double-digit growth in exports.

Third, the vitality of private enterprises continued to enhance. Private enterprises actively gave full play to their flexibility and adaptability, and accelerated transformation and upgrading, recording a 3.2% increase in exports, which was 6.2 percentage points higher than that of the overall growth. The exports of state-owned enterprises and foreign-invested enterprises fell by 9.8% and 9.1%, respectively.

Fourth, the upgrade of export commodity structure continued. The electromechanical product exports declined by 2.3%, which outperformed the overall decline by 0.7 percentage point. In particular, high-quality, high-tech and high-value-added products, such as integrated circuits and medical devices, achieved rapid growth, and the new energy vehicle exports grew by more than double.

上半年外貿運行主要呈現以下特點：

一是國際市場佈局更加優化。對新興市場進出口下降2.4%，降幅好於整體0.8個百分點。對東盟進出口增長5.6%，成為我國第一大貿易夥伴。

二是國內區域佈局更加均衡。中西部地區出口增長1.6%，增速好於整體4.6個百分點。江西、四川、貴州等省份積極承接產業轉移、深度開拓海外市場，出口實現兩位數增長。

三是民營企業活力持續增強。民營企業積極發揮靈活性和適應性強的優勢，加快轉型升級，出口增長3.2%，好於整體6.2個百分點。國有企業、外資企業出口分別下降9.8%及9.1%。

四是出口商品結構持續升級。機電產品出口下降2.3%，降幅好於整體0.7個百分點。其中，集成電路、醫療器械等高質量、高技術、高附加值產品實現快速增長，新能源汽車出口增速超過1倍。

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Fifth, the new business formats, such as cross-border e-commerce, developed rapidly. Leveraging their unique advantages such as contactless in nature, short transaction chains and overseas warehouses, cross-border e-commerce companies supported the transformation and upgrading of traditional industries, and encouraged the utilization of the Internet, thus recording a 28.7% increase in retail exports. The market procurement and trade policy environment continued to improve and stimulate the vitality of market players, resulting in a 33.4% increase in exports.

Sixth, the import volume of major bulk commodities increased with a drop in prices. China's epidemic prevention and control situation continued to improve, economic operations recovered steadily, and resumption of industrial production accelerated, driving an increase in import demand for bulk products. However, due to weak international market demand, commodity prices generally dropped.

(III) Services Business

The survey and design industry in the Services Business faces both opportunities and challenges in general.

五是跨境電商等新業態快速發展。跨境電商企業發揮無接觸、交易鏈條短、海外倉等獨特優勢，支持傳統行業轉型升級、觸網上線，跨境電商零售出口增長28.7%。市場採購貿易政策環境持續改善，市場主體活力不斷激發，出口增長33.4%。

六是主要大宗商品進口量增價跌。我國疫情防控形勢持續向好，經濟運行穩步復甦，工業生產恢復較快，帶動大宗產品進口需求增加，但受國際市場需求疲軟影響，大宗商品價格普遍下跌。

(三) 服務業務

服務業務中的勘察設計行業，總體形勢仍然是機遇和挑戰並存。

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On the one hand, new opportunities are brought about by the high-quality development of the industry and national policies such as “the Belt and Road” construction and the “new infrastructure”. Over the years, the advancement of “the Belt and Road” construction has brought about good opportunities for international development and a huge market for survey and design enterprises. At the same time, the construction has covered a wide area in China, with investment in key areas continuously increasing. The development of new infrastructure will further accelerate the interconnection of everything and bring new service scenarios and new market demands, which will also create numerous new market opportunities and market space for design companies. In addition, general contracting of projects will become the focus of industry development in the future since it can achieve effective integration of engineering value. Over the years, China has issued a number of policies to promote its development. In 2016, the Ministry of Construction promulgated “Several Opinions on Further Promoting the Development of General Contracting of Projects”, clearly introducing the policy of “deepening the implementation of reform of the organizations carrying out construction projects and promoting the general contracting system”. In 2017, the State Council promulgated the “Opinions on Promoting the Sustainable and Healthy Development of Construction”, which set “the acceleration of the implementation of general project contracting” as one of the key points in the reform and development of the construction industry. With the facilitation of policies and as requested by the owners, it is expected that the proportion of general project contracting among different segments will further increase in the future.

一方面是行業的高質量發展以及「一帶一路」建設、「新基建」等國家政策帶來的新機遇。近年來，隨著「一帶一路」建設的推進，不僅給勘察設計企業帶來國際化發展的良好機遇和廣闊的市場，同時，國內輻射區域也十分廣泛，重點地區投資不斷增加。新基建的發展會進一步加速萬物互聯，帶來新的服務場景和新的市場需求，這也給設計企業帶來了很多新的市場機遇和市場空間。此外，工程總承包因為可以實現工程價值的有效整合將成為今後行業發展的重點。國家近年來出台了多項政策推動其發展。2016年建設部《關於進一步推進工程總承包發展的若干意見》明確提出「深化建設項目組織實施方式改革，推廣工程總承包制」，2017年國務院《關於促進建築業持續健康發展的意見》，將「加快推行工程總承包」作為建築業改革發展的重點之一。在政策的推動和業主的要求下，預計未來工程總承包在各項業務中的佔比會進一步提升。

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On the other hand, the survey and design industry is undergoing a dynamic, complex, ambiguous, and fusion of major changes. The internal driving force of enterprise development and the core competitiveness of the industry are changing. In addition, the epidemic has further created shocks and uncertainties to the socio-economic environment as well as the domestic market, bringing new challenges and requirements to the development of the industry.

First, the industry growth rate has slowed down and entered a high-quality development stage. The revenue growth rate of the domestic survey and design industry has slowed down, while incremental competition has gradually shifted to stock competition. Profit margin of the industry has fallen, illustrating that the extensive growth model in the past is unsustainable. Hence, the survey and design industry has gradually entered a stage of high-quality development.

Second, the reform of industry qualification management has further deepened the industry's market-oriented development. The survey and design industry is one of the industries with the finest classification of qualifications and the most stringent qualification requirements among all industries across China. Such industry barriers have significantly hindered the cross-industry development of enterprises in the industry. Over the years, the Ministry of Housing and Urban-Rural Development has successively introduced relevant policies, proposing to strengthen personal qualifications and dilute corporate qualifications. The reform of industry qualification management is essentially to change the system and mechanism that hinder the development of the industry under the original planned economy, thereby achieving further market-oriented development within the industry. From the direction and process of government reforms, the enterprise qualification system is expected to be diluted in the future, and barriers between industries will gradually be broken down, further deepening the degree of market-oriented development of the industry.

另一方面則是勘察設計行業正處在一個動態、複雜、模糊、交融的大變局中，企業發展的內在動力、行業核心競爭力正在發生改變，加上疫情給社會經濟環境和國內市場帶來了進一步的衝擊和不確定性，這些都對行業發展帶來新的挑戰和要求。

一是行業增速趨緩，進入高質量發展階段。全國勘察設計行業營收增速趨緩，增量競爭逐漸轉為存量競爭；行業利潤率下降，過去粗放的增長模式難以為繼，勘察設計逐步進入高質量發展階段。

二是行業資質管理改革使得行業市場化的程度進一步加深。勘察設計行業是我國所有行業中劃分資質最細、要求資質最嚴的行業之一，這種行業壁壘嚴重阻礙了行業內企業跨行業發展。近幾年住建部陸續出台相關政策，提出要強化個人執業資格，淡化企業資質。行業資質管理的改革本質上是改變原有計劃經濟下阻礙行業發展的體制機制，實現行業的進一步市場化，從政府改革的導向和進程來看，未來企業資質制度有望淡化，行業之間的壁壘會逐步打破，行業市場化程度進一步加深。

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Third, internal management has become an important factor affecting the development of enterprises in the industry. For a long time, the survey and design industry has developed rapidly in economic development. Due to the large market scope and rapid growth of the industry, rapid expansion of scale and acquisition of business through resource relations have become the key to winning competition, and enterprises have not paid enough attention to internal management. But for now, competition between enterprises has been intensified due to various factors including the slowdown in industry development, the transition of incremental competition to stock competition, the breaking down of industry barriers caused by qualification reforms and the further deepening of the industry's market-oriented development. The extensive management and loose organization of enterprises in the past can no longer meet the needs of future industry development. Strengthening internal management has become the key for enterprises to become industry winner in the future.

II. BUSINESS REVIEW

In the first half of the year, under the serious threat to the business development brought by spread of COVID-19 pandemic across the world, staff at all levels of the Company worked together, both internally and externally, and a multi-pronged approach was adopted. Focusing on pandemic prevention, work resumption and management, we put great efforts and endured great pressure, thus achieving consistent pandemic prevention in our domestic and overseas operations. Despite the stable operation of the Company as a whole, there was still great uncertainty. During the Period, the revenue from the International Engineering Contracting Business accounted for about 61.9% of the total revenue, with the gross profit accounting for about 72.7% of the total gross profit.

三是內部管理成為制約行業內企業發展的重要因素。長期以來，勘察設計行業在經濟發展中高速成長。由於行業的市場空間較大、成長較快，迅速擴大規模、通過資源關係獲得業務成為贏得競爭的關鍵，企業對內部管理的重視不夠。但現在無論是行業發展增速的減緩，增量競爭轉變為存量競爭，還是資質改革等帶來的行業壁壘的打破和行業市場化程度的進一步加深，這些都會使得企業之間的競爭更加激烈，過去企業粗放的管理和鬆散的組織已經難以應對未來行業發展的需求。加強內部管理成為未來的企業在競爭中立於不敗之地的關鍵。

II. 業務概覽

上半年，在全球蔓延的新冠疫情給業務發展帶來嚴重威脅的態勢下，公司上下齊心、內外共進、多措並舉，首抓防疫、狠抓復工、強抓管理，付出了艱辛努力，承受了重大壓力，實現了境內外防疫工作平穩、公司整體運行平穩，但是仍有較大不確定性。本期間，國際工程承包業務佔總收入約61.9%，毛利佔毛利總額約72.7%。

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(I) International Engineering Contracting Business

The Group is an international leading engineering contracting and services supplier, with a primary focus on EPC projects and particular expertise in the power sector. The International Engineering Contracting Business as one of the traditional core businesses of the Group, accounted for about 61.9% of the total income of the Group for the Period. The income from the power sector accounted for about 57.5% of the total income of the International Engineering Contracting Business, while the gross profit of the power sector accounted for about 63.7% of the total gross profit of the International Engineering Contracting Business, with the gross profit margin remained about 23.0%, holding a leading position in the industry.

The following table sets forth the details of the International Engineering Contracting Business for the Period, together with comparative figures for the Corresponding Period in 2019:

				Six months ended 30 June 2020 截至2020年 6月30日止 六個月 RMB million 人民幣百萬元	% of Total	Six months ended 30 June 2019 (Restated) 截至2019年 6月30日止 六個月(重述) RMB million 人民幣百萬元	Increase/ (Decrease) 增加/(減少)
Revenue	收入	Power	電力能源	3,224.3	57.5	6,646.4	(51.5)%
		Transportation and telecommunications	交通運輸及 電子通訊	63.9	1.1	166.7	(61.7)%
		Non-Core Sectors	非核心行業	2,320.9	41.4	2,798.4	(17.1)%
		Total	總計	5,609.1	100.0	9,611.5	(41.6)%

(一) 國際工程承包業務

本集團是國際領先的工程承包與服務商，主要專注於EPC項目，特別專長於電力能源行業。國際工程承包業務為本集團傳統核心業務之一，約佔於本期內本集團總收入的61.9%。其中，電力能源行業收入佔本集團國際工程承包業務總收入約57.5%，而電力能源行業的毛利則佔國際工程承包業務總毛利約63.7%，毛利率保持在約23.0%，處於行業領先水平。

下表載列本期國際工程承包業務詳情，以及2019年同期的比較數字：

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				Six months ended 30 June 2020	% of Total	Six months ended 30 June 2019 (Restated)	Increase/ (Decrease)
				截至2020年6月30日止六個月	佔總額%	截至2019年6月30日止六個月(重述)	增加/(減少)
				RMB million		RMB million	
				人民幣百萬元		人民幣百萬元	
Gross Profit	毛利	Power	電力能源	740.2	63.7	1,252.7	(40.9)%
		Transportation and telecommunications	交通運輸及電子通訊	13.6	1.2	39.8	(65.8)%
		Non-Core Sectors	非核心行業	407.7	35.1	297.0	37.3%
		Total	總計	1,161.5	100.0	1,589.5	(26.9)%

				Six months ended 30 June 2020	% of Total	Six months ended 30 June 2019 (Restated)	Increase/ (Decrease)
				截至2020年6月30日止六個月	佔總額%	截至2019年6月30日止六個月(重述)	增加/(減少)
				US\$ million		US\$ million	
				百萬美元		百萬美元	
Value of newly signed contracts	新簽約合同金額	Power	電力能源	399.3	39.0	1,291.8	(69.1)%
		Transportation and telecommunications	交通運輸及電子通訊	-	-	351.0	(100.0)%
		Non-Core Sectors	非核心行業	630.5	61.0	915.7	(31.1)%
		Total	合計	1,029.8	100.0	2,558.5	(59.7)%

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				Six months ended 30 June 2020 截至2020年 6月30日 止六個月 US\$ million 百萬美元	% of Total 佔總額%	As at 31 December 2019 (Restated) 於2019年 12月31日 (重述) US\$ million 百萬美元	Increase/ (Decrease) 增加/(減少)
Backlog	未完成 合同量	Power	電力能源	5,255.9	60.0	5,541.4	(5.2)%
		Transportation and telecommunications	交通運輸及 電子通訊	329.5	3.8	330.6	(0.3)%
		Non-Core Sectors	非核心行業	3,166.5	36.2	3,203.3	(1.1)%
		Total	合計	8,751.9	100.0	9,075.3	(3.6)%

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As at 30 June 2020, the Group had undertaken engineering contracting projects in more than 50 countries over the world, primarily in Asia, Africa, Europe and South America. The following map indicates the locations of our engineering contracting projects from 1 January 2009 to 30 June 2020:

截至2020年6月30日，本集團的工程承包項目遍及全球超過50個國家，主要在亞洲、非洲、歐洲及南美洲。以下地圖顯示於2009年1月1日至2020年6月30日我們工程承包項目的位置：



Note: The map is provided only for illustrative purposes and not drawn to scale. It is not intended to accurately show the exact locations 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。

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The following table sets forth a breakdown of the revenue from the Group's international engineering contracting projects by geographic locations for the Period, together with the comparative figures for the Corresponding Period in 2019:

下表載列本集團於本期間與2019年同期按地區劃分的國際工程承包項目收入明細：

		Six months ended 30 June 截至6月30日止六個月			
		2020 2020年		2019 (Restated) 2019年(重述)	
		<i>RMB million</i> 人民幣百萬元	<i>% of Total</i> 佔總額%	<i>RMB million</i> 人民幣百萬元	<i>% of Total</i> 佔總額%
Asia	亞洲	2,942.8	52.4	5,022.5	52.2
Africa	非洲	1,991.6	35.5	3,333.9	34.7
Europe	歐洲	511.5	9.1	916.2	9.5
South America	南美洲	92.7	1.7	168.9	1.8
North America	北美洲	70.5	1.3	170.0	1.8
Total	合計	5,609.1	100.0	9,611.5	100.0

1. Steady project execution with some bright spots

In the first half of the year, the Company focused on pandemic prevention and supervision on every ongoing projects. Thanks to accurate implementation of policies that are in line with local situation, the project execution was stable in general. No major risks or accidents occurred in all projects, and none of the on-site personnel were infected with COVID-19. At present, some projects have been suspended due to different levels of the pandemic situation in various regions, and there is greater uncertainty on the next step of work resumption. However, there are still many projects that have made important progress. Under the premise of safety operation, some projects are able to fully facilitate construction works.

1. 項目執行穩紮穩打有亮點

上半年，公司對各在手執行項目一手抓防疫、一手抓監管，因地制宜、精準施策，實現了項目執行情況的整體平穩，所有項目無重大風險和事故發生，所有現場人員無一人感染新冠肺炎。目前，雖然受各地疫情不同程度影響，有些項目已經停工，並且下一步的復工面臨較大不確定性，但是仍然有多個項目取得重要進展，在確保安全的前提下，有條件施工的項目全力推進工期。

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On 14 February, the No. 1 hydro-turbine generator unit of Lake Lusiwasi upstream hydropower station in Zambia successfully completed the landmark project node of the 72-hour grid-connected trial operation. At that time, the COVID-19 pandemic was spreading across China, some commissioning and testing personnel failed to arrive as scheduled. The project department timely adjusted the plan, mobilized and deployed available resources to the maximum extent, and overcame various difficulties caused by shortage of manpower. Hence, various commissioning preparations were completed at the fastest pace, and passed the 72-hour on-grid trial operation at one time. The project owner, ZESCO Limited, spoke highly of our Company's rapid completion of the first power generation unit despite being heavily affected by domestic COVID-19 pandemic.

On 16 April, the boiler hydraulic test for the No. 1 unit of the Salah Al-Din 2×630MW fuel-fired gas power station in Iraq was carried out, marking an important milestone of the project. After careful and comprehensive preparation, as well as communication and coordination between parties, the first hydraulic test was successful, marking the completion of installation work of the main boiler equipment of the unit. Earlier on 1 April, Zhang Tao, the Chinese Ambassador to Iraq, and the expert team in supporting Iraq's anti-pandemic works from China Red Cross visited the project site, and gave guidance on the on-site pandemic prevention works. They had affirmed the measures taken at the project site for pandemic prevention and control.

2月14日，贊比亞盧西瓦西上游水電站1號水輪發電機組順利完成了72小時並網試運行的標誌性工程節點。當時，正值國內新冠疫情爆發之時，部分調試和試驗人員不能如期到達，項目部及時調整計劃，最大限度動員並調配現有的各項資源，克服人手不足造成的各種困難，以最快的速度完成了各項調試準備工作，並一次性通過了72小時並網試運行。項目業主贊比亞國家電力公司對本公司在受到國內新冠肺炎疫情嚴重影響的情況下依然快速完成首台機組發電給予了高度評價。

4月16日，伊拉克薩拉哈丁2×630MW燃油氣電站1號機組進行鍋爐水壓試驗，該實驗是項目的重要里程碑，經過前期細緻全面的準備和多方的溝通協調，水壓試驗一次成功，標誌著該機組鍋爐設備的主體安裝工作已全面結束。此前的4月1日，中國駐伊拉克大使張濤和中國紅十字會援伊抗疫專家組一行蒞臨項目現場，還對項目現場的防疫工作進行了指導，並對項目現場針對疫情防控採取的措施給予肯定。

Management Discussion and Analysis

管理層討論及分析

On the morning of 18 June, roof-topping of the main structure of the first building of Maldives Housing Project phase III (1,530 housing units) contracted out to our Company was completed successfully. The project, which was divided into three phases with a total of 5,000 housing units, was a key livelihood project of Maldives Government. As the Maldives declared a state of emergency due to the impacts of the pandemic, the project department focused on both pandemic prevention and construction works, overcame various difficulties, and made significant progress in the project, thus laying a solid foundation for the next resumption of work and production. At the topping-out ceremony, Zhang Lizhong, the Chinese Ambassador to the Maldives, fully recognized the Company's assistance to the embassy in organizing and implementing various pandemic prevention works during the pandemic, and praised the role of state enterprises in the "resumption of work and production" action. He hoped that the Company would give full play to its market advantages gained from years of operation in the Maldives, and continue to play a positive role in the friendship between China and the Maldives.

6月18日上午，由本公司總承包的馬爾代夫住房三期項目（1,530套住房）首棟樓主體結構順利封頂，該項目分三期承建，共5,000套住房，是馬爾代夫政府的重點民生工程。在馬爾代夫因疫情衝擊宣佈國家進入緊急狀態的形勢下，項目部兼顧防疫和施工，克服種種困難，取得項目重大進展，為下一步復工復產奠定紮實基礎。封頂儀式上，中國駐馬爾代夫大使張利忠對公司在疫情期間協助使館組織落實各項防疫工作予以充分認可，在「復工復產」行動中發揮的央企表率作用表示稱讚，並希望本公司充分發揮在馬爾代夫經營多年的市場優勢，繼續為中馬友誼發揮積極作用。

Management Discussion and Analysis 管理層討論及分析

On 25 June, facing the dual adverse effects of the COVID-19 pandemic and continuous rainstorms in Serbia, we made carefully deployment and preparations in advance for the phase II of the KOSTOLAC-B Power Station Project in Serbia (KOSTOLAC-B). When an opportunity arose, we commenced construction works at high speed and were charged with all strength, and successfully completed all pouring works of boiler foundation, thus laying a solid foundation for steel frame hoisting. The construction of the main structure of the project was about to step into fast track, which was unanimously praised by the Serbia owners. Earlier on 16 May, the Chinese medical expert team in supporting Serbia's anti-pandemic works visited the project site. The medical expert team highly affirmed and appreciated a series of positive measures taken by the project in response to the pandemic. During the conversations and exchanges with experts, they repeatedly praised our actions for exceeding their expectations.

In addition, the financing of some projects made important progress during the pandemic. On 6 March, the confirmation letter for financing closure of the phase II of the Thar Coalfield II Block, Sindh, Pakistan, TEL1×330MW power station project, which was invested and constructed by our Company, was issued, marking the official implementation of the project. This was another achievement of China-Pakistan Economic Corridor. On 15 June, the phase II of Maldives Hulhumale Island power distribution system project contracted out to our Company overcame various difficulties such as the change of the local government composition and the global outbreak of COVID-19 pandemic, and was successfully underwritten by the Sinosure thus laying a solid foundation for the next step.

6月25日，塞爾維亞 KOSTOLAC-B (科斯托拉茨 B) 電站二期項目面對新冠疫情和當地連續暴雨天氣的雙重不利影響，周密部署，提前準備，覓得良機後高速運轉、全力衝鋒，順利完成鍋爐基礎全部澆築工作，為鋼架吊裝奠定了堅實的基礎，標誌著項目主體工程即將進入快車道，得到了塞方業主的一致好評與讚譽。此前的5月16日，該項目還接受了我國援塞爾維亞抗疫醫療專家組一行的參觀視察，醫療專家組對項目針對疫情採取的一系列積極措施給予了高度肯定和讚賞，談話交流中多次稱讚我方的行動超過了他們的預期。

此外，還有一些項目的融資在疫情期間取得重要進展。3月6日，本公司參股並承建的巴基斯坦信德省塔爾煤田II區塊二期TEL1×330MW電站項目融資關閉確認函簽發，標誌著項目正式落地，這是中巴經濟走廊結出的又一碩果。6月15日，由我司承包的馬爾代夫乎魯馬累二期島配電系統項目克服當地政府換屆、新冠肺炎疫情全球爆發等困難，順利通過中國信保承保，為下一步工作奠定堅實基礎。

Management Discussion and Analysis

管理層討論及分析

2. Market development against the trend is rewarding

On 26 June, the Company achieved “three contracts signed in one day”. Through video conference, the Company signed contracts for three new projects of rubbish-derived fuel (RDF) power generation, water conservancy construction and photovoltaic power station with Thailand MITT Group (泰國麥特集團), Senegal River Basin Organization (塞內加爾河流域開發組織) and Spain Futuvati Company (西班牙浮圖瓦蒂公司), respectively. Thailand MITT Group, which had focused on investment and development in the power industry, had reached agreements with the Company on a number of similar projects, which played an important role on the Company’s in-depth development of the power field and strengthening of market share in Asia. Senegal River Basin Organization was responsible for the comprehensive development of water conservancy, hydropower, shipping and transportation in the Senegal River Basin, and had been recognized as one of the most successful regional watershed development international organizations in the world. In January 2018, an international public bidding for the Gourbassi Hydroelectric Project was conducted. After fierce competition, the Company successfully won the bid. Spain Futuvati Company is an investment developer in a well-known European photovoltaic energy project. This project is the Company’s first full-scale solar photovoltaic power station project contract. The entire site will use the most advanced technology in the field of photovoltaic power stations in the world. The scope of the project includes design, procurement, construction, commissioning, grid connection and paid operation and maintenance. The project will have a profound impact on the Company’s deepening of photovoltaic technology research and strengthening of its influence in the global photovoltaic industry.

2. 市場開拓逆勢發力有收獲

6月26日，公司實現「一日三簽」，通過視頻的方式，分別與泰國麥特集團、塞內加爾河流域開發組織、西班牙浮圖瓦蒂公司簽署了垃圾發電、水利樞紐工程和光伏電站三個新項目的合約。泰國麥特集團專注於電力行業的投資和開發，已與公司就多個同類項目達成意向，這對公司深度開拓電力領域，鞏固亞洲市場有重大作用。塞內加爾河流域開發組織負責塞內加爾河流域內的水利、水電、航運、交通等的綜合開發，是全球公認的最成功的區域性流域開發國際組織之一，本次簽署的古爾巴西水利樞紐項目於2018年1月進行國際公開招標，經過激烈競爭，公司最終成功勝出。西班牙浮圖瓦蒂公司是歐洲知名光伏能源項目的投資開發商，該項目是公司第一個全範圍太陽能光伏電站項目合同，全站將採用全球光伏電站所涉及領域的最高技術，工程範圍包括設計、採購、施工、調試、並網以及有償運維等，將對公司深化光伏技術研究、強化在全球光伏產業的影響力產生深遠影響。

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In addition, the Company also signed contracts including the phase I of the Belgrade central sewage treatment plant project in Serbia; the construction and installation project of 4 gas turbine power stations in Angola; and the 55MW photovoltaic power plant project in Armenia and other projects.

Although the COVID-19 pandemic cut off traffic and blocked the flow, the communications and business meetings between the Company and its customers were not reduced, and the motivation to open up the market was not weakened. In the first half of the year, there were more than ten corporate-level exchanges with customers from all walks of life through video conference, and consensus was reached in many aspects, such as new business models and new cooperation areas. At the same time, the Company donated anti-pandemic materials to key market countries such as the Maldives, Sri Lanka, Saudi Arabia, Serbia, Uzbekistan, Iceland, Argentina, Angola and Bangladesh in a timely manner, which showed the elegant demeanor of state enterprises and embodied the responsibilities of state enterprises, and has been widely praised.

除此之外，公司還簽署了包括塞爾維亞貝爾格萊德中央污水處理廠項目一期合同；安哥拉4個燃機電站建設安裝項目；亞美尼亞55MW光伏電站項目等項目。

新冠疫情雖然隔斷了交通、阻斷了流動，但公司與客戶的溝通聯絡、商務會談並未因此減少，開拓市場的動力並未因此減弱。上半年，與各界客戶通過視頻開展的公司層面的交流達幾十餘次，在新業務模式、新合作領域等多個方面達成共識。同時，公司為馬爾代夫、斯里蘭卡、沙特、塞爾維亞、烏茲別克斯坦、冰島、阿根廷、安哥拉、孟加拉等重點市場國家及時捐贈防疫物資，展現了央企風采，體現了央企擔當，受到各界的廣泛讚譽。

Management Discussion and Analysis

管理層討論及分析

(II) Trading Business

In the first half of the year, due to the superimposed effects of the COVID-19 pandemic and Sino-US trade frictions, volatility and uncertainty increased sharply, and operations were under heavy pressure. However, all employees faced difficulties, sought opportunities in crisis, actively explored new business models, and endeavored to resolve adverse effects and minimize losses, thus achieving certain achievements.

The following table sets forth the details of the Trading Business for the Period, together with the comparative figures for the Corresponding Period in 2019:

(二) 貿易業務

上半年，貿易業務受新冠疫情和中美貿易摩擦的疊加影響，波動性和不確定性陡增，經營承受重壓，但全體員工迎難而上、危中尋機，積極探索新業務模式，極力化解不利影響，將損失降到最低，取得一定成效。

下表載列截止本期間貿易業務詳情連同2019年同期的比較數字：

				Six months ended 30 June 2020 截至2020年 6月30日止 六個月 RMB million 人民幣百萬元	% of Total 佔總額%	Six months ended 30 June 2019 (Restated) 截至2019年 6月30日止 六個月(重述) RMB million 人民幣百萬元	Increase/ (Decrease) 增加/(減少)
Revenue	收入	International trade	國際貿易	2,151.1	87.8	2,935.6	(26.7)%
		Domestic trade	國內貿易	300.2	12.2	311.0	(3.5)%
		Total	合計	2,451.3	100.0	3,246.6	(24.5)%
Gross profit	毛利	International trade	國際貿易	188.7	79.7	196.2	(3.8)%
		Domestic trade	國內貿易	48.1	20.3	31.0	55.2%
		Total	合計	236.8	100.0	227.2	4.2%

Management Discussion and Analysis

管理層討論及分析

1. General ideas in response to the pandemic

First, we responded to the pandemic and flexibly adjusted traditional models and product categories. We timely adjusted our marketing methods and models, reduced the flow of personnel by using the internet, and flexibly adjusted product varieties and structures based on market demand.

Second, we focused on both overseas market and domestic market, aiming to sustain current volumes while secure additional volumes. Affected by the dual impacts of Sino-US trade friction and the pandemic, the development of traditional foreign trade business was difficult. While vigorously developing overseas markets, we explored domestic quality customers using our own advantages, so as to reduce the impacts caused by international political and economic changes through “two directions” approach.

Third, we actively coordinated with relevant domestic and foreign institutions to ensure implementation and promote effectiveness. We actively coordinated with relevant domestic and foreign government departments and financial institutions to complete various works ahead of schedule in this special period, so as to ensure smooth project implementation while striving to make contracted projects take effect as soon as possible.

1. 在應對疫情方面的整體思路

一是應對疫情，靈活調整傳統模式和產品種類。及時調整市場推廣的方式與模式，利用互聯網減少人員流動，同時根據市場需求靈活調整產品品種和結構。

二是海外市場與國內市場兩手抓，保存量、穩增量。受中美貿易摩擦與疫情的雙重影響，傳統外貿業務的開展步履艱難，在大力開展海外市場的同時，利用自身優勢開發國內優質客戶，「兩條腿走路」以減少因國際政治、經濟變化帶來的影響。

三是積極協調國內外相關機構，保執行、促生效。積極協調國內外有關政府部門與金融機構，在特殊時期提前做好各項工作，保證已生效項目的順利執行，同時力爭簽約項目盡快生效。

Management Discussion and Analysis

管理層討論及分析

2. Actively exploring new business models

First, the main trading subsidiaries of the Company timely grasped the opportunity of exporting materials and products for pandemic prevention, and realized the doubling of import and export indicators by exporting materials for pandemic prevention, effectively making up for the decline in exports caused by the pandemic.

Second, the efforts in the development of new overseas market and domestic markets continued to increase. At present, CMIPC has become the major supplier and strategic partner of XCMG Group, the major supplier of the braking system of CRRC and the sole supplier for the localization of cast steel brake discs of Germany Knorr-Bremse (Suzhou) Intercity Railway. CMIPC has entered into a sales dealer agreement in South America to explore the South America market. East Resources, which develops infrastructure and trade projects in Caribbean countries, is currently making every effort to make a substantial breakthrough this year.

Third, the engineering + trade linkage business had a good momentum. Through the housing construction project in Canada, East Resources promoted the overseas sales of nearly a dozen products, such as building materials and tires, leading the trade volume to increase significantly.

Fourth, facing the international pandemic, our overseas branches in Germany, Thailand, Canada and the Caribbean region utilized important platform advantages to quickly capture market information and quickly develop business of materials for pandemic prevention, effectively reducing the losses caused by the pandemic.

2. 積極探索新業務模式

一是公司主要貿易子公司及時把握住了防疫物資產品出口的機遇，通過出口防疫物資實現了進出口指標翻番，有效彌補了疫情帶來的出口下降。

二是不斷加大海外新市場和國內市場的開拓力度，目前中設裝備已經成為徐工集團的主要供應商和戰略合作夥伴；成為中國中車四方制動系統的主要供貨商；德國克諾爾（蘇州）城際鐵路鑄鋼制動盤國產化的唯一供貨商。簽署了南美銷售代理商協議，開拓南美地區市場。中經東源公司開拓加勒比海國家基礎設施和貿易項目，目前正全力推進，力爭今年有實質性突破。

三是工程+貿易聯動業務勢頭良好，中經東源公司通過加拿大房建項目，帶動了經營建材、輪胎等近十餘種產品的海外銷售，貿易額上漲明顯。

四是德國、泰國、加拿大、加勒比等海外分支機構面對國際疫情，發揮出重要的平台優勢，迅速捕捉市場信息，快速開發防疫物資業務，有效降低了疫情帶來的損失。

Management Discussion and Analysis

管理層討論及分析

(III) Services Business

In the first half of the year, the bidding business innovation mode in the Company's services business achieved good results. In order to effectively prevent and control the pandemic and avoid personnel gathering, CMEITC adopted the way of online bid opening, and broadcasted the bid opening site on the internet through video conference, so that the bidders can participate in the bidding without attending in person. At the same time, this can ensure the fairness, transparency and openness of the bid opening process. With the change of bidding mode and the implementation of projects developed since the past two years during the first half of the year, the bidding company achieved a revenue growth of 70% and a profit growth of nearly 300%. Under the harsh environment, the bidding company successfully completed its business tasks in the first half of the year.

The following table sets forth the details of the Services Business for the Period, together with the comparative figures for the Corresponding Period in 2019:

(三) 服務業務

上半年，公司服務業務中的招標業務創新模式，取得良好成效。為有效防控疫情，避免人員聚集，中設招標採用網絡開標的方式，利用視頻會議的形式在網上直播開標現場，使投標人不用到現場也可參與投標，同時又保證了開標過程的公平公正、透明公開。招標模式的改變加上前兩年開發的項目於上半年落地，招標公司實現營收增長70%，利潤增長近300%，在惡劣的大環境下出色完成了上半年經營任務。

下表載列截止本期間服務業務詳情連同2019年同期的比較數字：

				Six months ended 30 June 2020 截至2020年6月30日止 六個月 RMB million 人民幣百萬元	% of Total 佔總額%	Six months ended 30 June 2019 (Restated) 截至2019年6月30日止 六個月(重述) RMB million 人民幣百萬元	Increase/ (Decrease) 增加/(減少)
Revenue	收入	Logistics services	物流服務	121.8	12.0	193.9	(37.2)%
		Design services	設計服務	424.4	42.0	463.8	(8.5)%
		Tendering agency services	招標代理服務	20.5	2.0	13.9	47.5%
		Export-import agency services	進出口代理服務	13.2	1.3	3.5	277.1%
		Others	其他	431.4	42.7	419.8	2.8%
		Total	合計	1,011.3	100.0	1,094.9	(7.6)%
Gross Profit	毛利	Total	合計	202.4	100.0	303.3	(33.3)%

Management Discussion and Analysis

管理層討論及分析

The design consulting business has maintained a good development trend. All business indicators have maintained growth, mainly attributable to:

1. Continuously increasing investment in technology. Through technological innovation, we have promoted the upgrading of product service and business model, and facilitated the transformation to a comprehensive service-oriented enterprise with high-tech operations. China Machinery International has made great efforts in the fields of sponge city, smart manufacturing, prefabricated building and environmental engineering, and has formed a series of innovative, applicable and proprietary engineering application patents and proprietary technologies with independent intellectual property rights, which have been applied to engineering projects in succession. In the field of space and ground information surveying and mapping technology, JiKan Research Institute has made great progress in UAV manufacturing and aerial photogrammetry technology, three-dimensional laser scanning technology, Insar technology and intelligent measurement technology. The “Intelligent Eagle” (智繪鷹) surveying UAV has attracted wide attention. Some of the research results won the second prize of science and technology of Chinese Society for Geodesy, Photogrammetry and Cartography in 2019.

設計諮詢業務保持了良好的發展態勢，各項經營指標均保持了增長。主要得益於：

1. 不斷加大科技投入。通過科技創新，帶動產品服務以及業務模式的升級，推動向具有高科技含量的綜合服務型企業轉型。中機國際主要在海綿城市、智能製造、裝配式建築、環境工程領域深耕發力，形成了一系列具有創新、適用的、擁有自主知識產權的工程應用專利及專有技術，並相繼應用到工程項目中。機勘院在空天地信息化測繪技術領域，在無人機製造與航空攝影測量技術、三維激光掃描技術、Insar技術與智能測量技術方面均取得較大進展，開發的「智繪鷹」測量無人機廣受關注。部分研究成果獲得2019年中國測繪學會科學技術二等獎。

Management Discussion and Analysis

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2. Actively exploring new business models. First, we continuously put greater efforts into and accelerated the development of the whole-process engineering consulting and general engineering contracting business. At present, the general engineering contracting business of China Machinery International has accounted for more than 3/4 of the total, which has significantly improved various indicators. Second, we have actively expanded business areas with large scale, high technology content, and outstanding value contributions, such as “new infrastructure”, smart manufacturing, environmental engineering and sponge cities. For example, the types of new infrastructure projects launched include blockchain industrial park projects, subway BIM design, smart buildings, smart water utility, smart energy and smart building data platform projects. Third, we have prudently carried out small investment to drive the major business projects, and promoted the development of survey design and general contracting business through participation in project investment. Although the investment volume is small, the driving effect is significant, and it is expected to gain investment returns in the future.
2. 積極探索新的業務模式。一是不斷加大加快全過程工程諮詢和工程總承包業務的開拓。目前，中機國際工程總承包業務佔比已超過3/4，對各項指標的提升作用明顯。二是積極拓展「新基建」、智能製造、環境工程、海綿城市等業務規模大、技術含量高、價值貢獻突出的業務領域。如，開展的新基建項目類型包括區塊鏈產業園項目、地鐵BIM設計、智慧樓宇、智慧水務、智慧能源、智慧建築數據平台項目等。三是謹慎開展以微量投資拉動主營業務項目，通過參與項目投資來帶動勘察設計及總承包業務的發展，雖然投資體量較小，但帶動效應明顯，未來的投資收益可期。
3. Strengthening the development of collaborative and integrated comprehensive business. Through cooperation with the local government, the comprehensive development of the area, such as industrial park or old city reconstruction, is carried out in the form of cooperation or formation of joint venture. At present, the advantages of such business have gradually emerged.
3. 加大協同集成綜合性業務開發力度。通過與地方政府合作，以協同配合或成立合資公司的形式，進行片區的綜合開發，比如工業園區、舊城改造等，目前，此類業務的優勢逐步顯現。

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(IV) Important Events

1. Completion of Acquisition of 64.82% equity interest in CHPI

On 17 December 2019, the Company and Science and Technology Research Institute entered into an acquisition agreement, pursuant to which the Company agreed to acquire 64.82% equity interest in CHPI which was held by Science and Technology Research Institute for an aggregate consideration of RMB100,885,800 (the “**Acquisition**”). The Acquisition was completed on 23 April 2020. Upon the completion of the Acquisition, CHPI has become a subsidiary of the Company in which the Company holds 64.82% equity interest.

Reference is made to the circular of the Company dated 25 November 2017, which disclosed CHPI had been undergoing a work relating to the benefit plan of retired employees that required the approval from relevant PRC governmental authorities, and thus on 26 October 2017, CNEEC disposed of CHPI to Science and Technology Research Institute at nil consideration. As the above work was completed, the commitment regarding the reorganization of CNEEC into the Company was fully undertaken through the Acquisition. In addition, on the one hand, the full industry chain capabilities of the Company’s major business will be further improved through the Acquisition. In particular, the front-end design, process monitoring and back-end operation and maintenance capabilities of the Company’s international engineering contracting segment will be effectively supplemented, which will further enhance the comprehensive competitiveness of the Company’s major business. On the other hand, the professional technical team of the Company will be further supplemented in an effective manner, the technical talent pool is enhanced, and enhance the core competitiveness of the Company.

(四) 重要事件

1. 完成收購哈成套64.82%股權

於2019年12月17日，本公司與科技研究院訂立收購協議，據此，本公司同意以人民幣100,885,800元的總代價收購科技研究院所持哈成套64.82%的股權（「**收購事項**」）。收購事項已於2020年4月23日完成。收購事項完成後，哈成套已成為本公司持有64.82%股權的附屬公司。

茲提述本公司日期為2017年11月25日的通函，其中披露由於哈成套在進行有關須經相關中國政府機關批准的退休僱員福利計劃的工作尚在進行中，因此於2017年10月26日，中電工以零代價向科技研究院出售哈成套。基於上述工作已完成，通過收購事項，本公司將完整地履行中電工重組進入本公司的承諾。此外，通過收購事項，一方面，本公司主業全產業鏈能力將進一步提升，尤其是本公司國際工程承包板塊的前端設計、過程監控和後端運維能力將得到有效補充，進一步加強本公司主業綜合競爭力；另一方面，本公司的專業技術隊伍將得到進一步有效補充，提高本公司技術人才儲備，提升本公司的核心競爭力。

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Details for the transaction are set out on the Company's announcements made on 17 December 2019 and 15 May 2020 on the respective websites of the Stock Exchange and the Company.

2. Arbitration with a Turkish owner

On 23 April 2020, the Company issued an announcement and announced that, the Company has received the arbitration award (the "**Arbitration Award**") issued by the arbitral tribunal under the International Court of Arbitration of the International Chamber of Commerce, pursuant to which, the Company shall pay the compensation of approximately USD41.42 million, applicable interest and arbitration related expenses to a Turkish owner (the "**Claimant**"), and the Claimant shall pay the compensation of approximately USD4.15 million and applicable interest to the Company.

The Company and the Claimant have reached a settlement in respect of the execution of the Arbitration Award, and entered into a settlement agreement (the "**Settlement Agreement**"). Pursuant to the Settlement Agreement, the Company shall pay EUR34,308,510 (the "**Settlement Amount**") to the Claimant. From the date on which the Claimant receives the aforesaid amount, each party irrevocably releases the other party from all obligations under the Arbitration Award.

The Company has completed the payment of Settlement Amount in accordance with the requirements under the Settlement Agreement. The Claimant has confirmed the receipt of the Settlement Amount. The execution of the Arbitration Award has completed, and the Company no longer bears any obligation in respect of the Arbitration Award.

有關交易的詳情請參見本公司於聯交所網站及本公司網站分別刊發的日期為2019年12月17日和2020年5月15日的公告。

2. 與土耳其業主的仲裁事項

本公司於2020年4月23日刊發公告，宣佈本公司收到國際商會國際仲裁院的仲裁庭下發的仲裁裁決（「**仲裁裁決**」），據此，本公司應向一名土耳其業主（「**申索人**」）支付賠償金約合4,142萬美元及適用的利息及仲裁相關費用，申索人應向本公司支付賠償金約415萬美元及適用的利息。

本公司與申索人針對裁決書的執行達成和解及訂立和解協議（「**和解協議**」）。根據和解協議，本公司應向申索人支付34,308,510歐元（「**和解款項**」），自申索人確認收到前述款項之日起，雙方均不可撤銷地免除對方在仲裁裁決項下的全部義務。

本公司已完全按照和解協議的要求完成和解款項支付，申索人確認收到和解款項，仲裁裁決已經執行完畢，本公司對仲裁裁決不再負有任何義務。

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(V) Impacts of COVID-19 pandemic

Since the nationwide outbreak of COVID-19 in January 2020, the Company has actively responded to it and strictly implemented various provisions and requirements of the Party and the governments at all levels for the prevention and control of the pandemic. In order to succeed in both pandemic prevention and production, the Company and its branches and subsidiaries have resumed work successively since 3 February in accordance with relevant regulations in their respective regions.

The COVID-19 pandemic is expected to affect the Company's production and operation to a certain extent, and the extent of the impacts will depend on the progress and duration of the pandemic prevention, and the implementation of worldwide prevention and control policies. The Company will take various measures to minimize such impacts, and conduct in-depth research on changes in market demand caused by the COVID-19 pandemic to prepare for market development in the "post-pandemic" era.

The Company will continue to pay close attention to the development of the COVID-19 pandemic, and evaluate and actively respond to its impact on the financial position and operating results of the Company.

(五) 新型冠狀病毒肺炎疫情的影響

自新型冠狀病毒的傳染疫情從2020年1月起在全國爆發以來，公司積極響應並嚴格執行黨和國家各級政府對病毒疫情防控的各項規定和要求，為做到防疫和生產兩不誤，本公司及各分(子)公司自2月3日起遵照各所在地區相關規定陸續開始復工。

預計此次新冠肺炎疫情將對本公司的生產和經營造成一定的影響，影響程度取決於疫情防控的進展情況、持續時間以及全球防控政策的實施情況。本公司將採取各種措施，努力將影響降至最低，並深入研究新冠肺炎疫情引起的市場需求變化，為「後疫情」時代開發市場做好準備。

本公司將持續密切關注新冠肺炎疫情的發展情況，並評估和積極應對其對本公司財務狀況、經營成果等方面的影響。

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III. HUMAN RESOURCES

As at 30 June 2020, the Group had approximately 5,585 (31 December 2019: 5,322) employees. Employees' remuneration comprises basic salary and performance salary. The performance salary is determined according to the assessment of the performance of all staff. The Company does not adopt any pre- or post-IPO share award scheme or share option scheme.

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

IV. FINANCIAL POSITION AND OPERATING RESULTS

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

1. Overview

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

2. Revenue

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

For the Period, the Group's revenue amounted to RMB9,071.7 million, representing a decrease of 35.0% as compared with the Group's revenue of RMB13,953.0 million for the Corresponding Period in 2019.

III. 人力資源

截至2020年6月30日，本集團僱用員工約5,585人（2019年12月31日：5,322人）。員工薪酬包括基本薪金及績效薪金。績效薪金乃根據全體員工的表現評估釐定。本公司概無採納任何首次公開發售前或後股份獎勵計劃或購股權計劃。

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

IV. 財務狀況及經營業績

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

1. 概覽

於本期間，本集團收入、毛利均有一定幅度減少，核心業務毛利率仍保持較高水平。

2. 收入

本集團的收入來自國際工程承包業務、貿易業務及服務業務。

於本期間，本集團的收入為人民幣9,071.7百萬元，較本集團於2019年同期的收入人民幣13,953.0百萬元減少35.0%。

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

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

		Six months ended 30 June 截至6月30日止六個月			
		2020 2020年		2019 (Restated) 2019年(重述)	
		<i>RMB million</i> 人民幣百萬元	<i>% of Total</i> 總額的%	<i>RMB million</i> 人民幣百萬元	<i>% of Total</i> 總額的%
International Engineering Contracting Business	國際工程承包業務				
Power	電力能源	3,224.3	35.6	6,646.4	47.6
Transportation and Telecommunications	交通運輸及電子通訊	63.9	0.7	166.7	1.2
Non-Core Sectors	非核心行業	2,320.9	25.6	2,798.4	20.1
Trading Business	貿易業務				
International Trade	國際貿易	2,151.1	23.7	2,935.6	21.0
Domestic Trade	國內貿易	300.2	3.3	311.0	2.2
Services Business	服務業務	1,011.3	11.1	1,094.9	7.9
Total	總計	9,071.7	100.0	13,953.0	100.0

1) International Engineering Contracting Business

For the Period, the Group's revenue generated from the International Engineering Contracting Business amounted to RMB5,609.1 million, which accounted for 61.9% of the Group's total revenue for the Period, representing a decrease of 41.6% as compared with RMB9,611.5 million for the Corresponding Period in 2019, primarily due to the decrease in revenue generated from all sectors in the International Engineering Contracting Business caused by the COVID-19 epidemic.

1) 國際工程承包業務

於本期間，本集團的國際工程承包業務收入為人民幣5,609.1百萬元，佔於本期間本集團總收入61.9%，較2019年同期人民幣9,611.5百萬元減少41.6%，主要由於受新冠肺炎疫情影響國際工程承包業務各行業收入均有所減少。

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For the Period, revenue from the Power Sector amounted to RMB3,224.3 million, representing a decrease of 51.5% as compared with RMB6,646.4 million for the Corresponding Period in 2019, primarily due to the delayed progress in the power station projects in Asia as hindered by the COVID-19 epidemic during the Period.

For the Period, revenue from the Transportation and Telecommunications Sector amounted to RMB63.9 million, representing a decrease of 61.7% as compared with RMB166.7 million for the Corresponding Period in 2019, primarily because the railway improvement project in South America has entered the final stage in 2020, thus making little progress. Also, due to the COVID-19 epidemic, new projects have not officially commenced.

For the Period, revenue from the Non-Core Sectors amounted to RMB2,320.9 million, representing a decrease of 17.1% as compared with RMB2,798.4 million for the Corresponding Period in 2019, primarily due to the delayed progress of the water plant and water supply projects in Asia and Africa as hindered by the COVID-19 epidemic during the Period.

2) Trading Business

For the Period, the Group's revenue generated from the Trading Business reached RMB2,451.3 million, which accounted for 27.0% of the Group's total revenue for the Period, representing a decrease of 24.5% as compared with RMB3,246.6 million for the Corresponding Period in 2019, primarily due to the decreases in both the revenue from international trade and domestic trade due to the COVID-19 epidemic.

於本期間，電力能源行業收入為人民幣3,224.3百萬元，比2019年同期人民幣6,646.4百萬元減少51.5%，主要由於位於亞洲的電站項目本期間進展受新冠肺炎疫情影響有所減緩。

於本期間，交通運輸及電子通訊行業收入為人民幣63.9百萬元，比2019年同期人民幣166.7百萬元減少61.7%，主要由於南美洲鐵路改造項目2020年已執行至項目末期，進度較小。此外，新項目受新冠肺炎疫情影響尚未正式啟動。

於本期間，非核心行業收入為人民幣2,320.9百萬元，比2019年同期人民幣2,798.4百萬元減少17.1%，主要由於亞洲和非洲的水廠及供水項目本期間進展受新冠肺炎疫情影響有所減緩。

2) 貿易業務

於本期間，本集團的貿易業務收入為人民幣2,451.3百萬元，佔本集團於本期間總收入27.0%及較2019年同期人民幣3,246.6百萬元減少24.5%，主要由於受新冠肺炎疫情影響國際貿易及國內貿易收入均有所下降。

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For the Period, revenue from the international trade amounted to RMB2,151.1 million, representing a decrease of 26.7% as compared with RMB2,935.6 million for the Corresponding Period in 2019, primarily due to the impact the COVID-19 epidemic on the Company and the strengthened control of some Trading Businesses with low gross profit margin and large capital needs.

For the Period, revenue from domestic trade amounted to RMB300.2 million, representing a decrease of 3.5% as compared with RMB311.0 million for the Corresponding Period in 2019, primarily due to the decrease in the business volume of domestic casting and forging parts business to a certain extent due to the decrease in the business volume of downstream export business.

3) Services Business

For the Period, the Group's revenue generated from the Services Business amounted to RMB1,011.3 million, which accounted for 11.1% of the Group's total revenue for the Period, representing a decrease of 7.6% as compared with RMB1,094.9 million for the Corresponding Period in 2019, primarily due to the decrease in business volume of logistics services due to the COVID-19 epidemic.

3. Cost of Sales

For the Period, the Group's cost of sales amounted to RMB7,471.0 million, representing a decrease of 36.9% as compared with RMB11,833.0 million for the Corresponding Period in 2019.

於本期間，國際貿易收入為人民幣2,151.1百萬元，比2019年同期人民幣2,935.6百萬元減少26.7%，主要由於公司受新冠肺炎疫情影響以及強化了對部分低毛利率、資金佔壓大的貿易業務的管控力度。

於本期間，國內貿易收入為人民幣300.2百萬元，比2019年同期人民幣311.0百萬元減少3.5%，主要由於國內鑄鍛件業務受下游出口業務量減少的影響業務量也有一定的下降。

3) 服務業務

於本期間，本集團的服務業務收入為人民幣1,011.3百萬元，佔本集團於本期間總收入11.1%及較2019年同期人民幣1,094.9百萬元減少7.6%，主要由於受新冠肺炎疫情影響物流服務業務有所減少。

3. 銷售成本

於本期間，本集團的銷售成本為人民幣7,471.0百萬元，而2019年同期則為人民幣11,833.0百萬元，降幅為36.9%。

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4. Gross Profit and Gross Profit Margin

1) Gross Profit

During the Period, the Group's gross profit amounted to RMB1,600.7 million, representing a decrease of 24.5% as compared with RMB2,120.0 million for the Corresponding Period in 2019.

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

4. 毛利及毛利率

1) 毛利

於本期間，本集團的毛利為人民幣1,600.7百萬元，較2019年同期人民幣2,120.0百萬元減少24.5%。

於本期間，本集團毛利構成情況如下：

		Six months ended 30 June 截至6月30日止六個月			
		2020 2020年		2019 (Restated) 2019年(重述)	
		RMB million 人民幣百萬元	% of Total 總額的%	RMB million 人民幣百萬元	% of Total 總額的%
International Engineering Contracting Business	國際工程承包業務				
Power	電力能源	740.2	46.3	1,252.7	59.1
Transportation and Telecommunications	交通運輸及電子通訊	13.6	0.8	39.8	1.9
Non-Core Sectors	非核心行業	407.7	25.5	297.0	14.0
		1,161.5	72.6	1,589.5	75.0
Trading Business	貿易業務				
International Trade	國際貿易	188.7	11.8	196.2	9.2
Domestic Trade	國內貿易	48.1	3.0	31.0	1.5
		236.8	14.8	227.2	10.7
Services Business	服務業務	202.4	12.6	303.3	14.3
Total	總計	1,600.7	100.0	2,120.0	100.0

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i) International Engineering Contracting Business

For the Period, the Group's gross profit from the International Engineering Contracting Business amounted to RMB1,161.5 million, which accounted for 72.6% of the Group's total gross profit for the Period, representing a decrease of 26.9% as compared with RMB1,589.5 million for the Corresponding Period in 2019, primarily due to the decrease in gross profit from both the Power and Transportation and Telecommunications Sectors because of the COVID-19 epidemic.

For the Period, the Group's gross profit from the Power Sector amounted to RMB740.2 million, representing a decrease of 40.9% as compared with RMB1,252.7 million for the Corresponding Period in 2019, primarily due to the delayed progress in the power station projects in Asia as hindered by the COVID-19 epidemic during the Period.

For the Period, the Group's gross profit from the Transportation and Telecommunications Sector amounted to RMB13.6 million, representing a decrease of 65.8% as compared with RMB39.8 million for the Corresponding Period in 2019, primarily because the railway improvement project in South America has entered the final stage in 2020, thus making little progress. Also, due to the COVID-19 epidemic, new projects have not officially commenced.

i) 國際工程承包業務

於本期間，本集團國際工程承包業務的毛利為人民幣1,161.5百萬元，佔本集團本期間總毛利72.6%，較2019年同期人民幣1,589.5百萬元減少26.9%，主要由於受新冠肺炎疫情影響電力能源和交通運輸及電子通訊行業的毛利均有所減少。

於本期間，電力能源行業毛利為人民幣740.2百萬元，比2019年同期人民幣1,252.7百萬元減少40.9%，主要由於位於亞洲的電站項目本期間進展受新冠肺炎疫情影響有所減緩。

於本期間，交通運輸及電子通訊行業毛利為人民幣13.6百萬元，比2019年同期人民幣39.8百萬元減少65.8%，主要由於南美洲鐵路改造項目2020年已執行至項目末期，進度較小。此外，新項目受新冠肺炎疫情影響尚未正式啟動。

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For the Period, the Group's gross profit from the Non-Core Sectors amounted to RMB407.7 million, representing an increase of 37.3% as compared with RMB297.0 million for the Corresponding Period in 2019, primarily due to certain verification of the project cost conducted by the water plant and water supply projects in Africa during the middle and final stages of the projects.

ii) Trading Business

For the Period, the Group's gross profit from the Trading Business amounted to RMB236.8 million, which accounted for 14.8% of the Group's total gross profit for the Period, representing an increase of 4.2% as compared with RMB227.2 million for the Corresponding Period in 2019, primarily due to the higher gross profit margin of the additional export of epidemic prevention supplies.

iii) Services Business

For the Period, the Group's gross profit from the Service Business amounted to RMB202.4 million, which accounted for 12.6% of the Group's total gross profit for the Period, representing a decrease of 33.3% as compared with RMB303.3 million for the Corresponding Period in 2019, which was primarily due to the decrease in business volume of logistics services caused by the COVID-19 epidemic.

於本期間，非核心行業毛利為人民幣407.7百萬元，比2019年同期人民幣297.0百萬元增加37.3%，主要由於非洲的水廠及供水項目執行至項目中後期對項目成本進行一定核實。

ii) 貿易業務

於本期間，本集團貿易業務的毛利為人民幣236.8百萬元，佔本集團本期間總毛利14.8%及較2019年同期人民幣227.2百萬元增加4.2%，主要由於新增防疫物資出口業務毛利率較高。

iii) 服務業務

於本期間，本集團服務業務的毛利為人民幣202.4百萬元，佔本集團本期間總毛利12.6%，較2019年同期人民幣303.3百萬元減少33.3%，主要由於受新冠肺炎疫情影響物流服務業務有所減少。

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2) Gross profit margin

During the Period, the Group's gross profit margin was approximately 17.6%, representing an increase as compared with that for the Corresponding Period in 2019.

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

2) 毛利率

於本期間，本集團的毛利率約17.6%，與2019年同期相比有所增加。

於本期間，本集團毛利率構成情況如下：

Six months ended 30 June

截至6月30日止六個月

		2020 2020年	2019 (Restated) 2019年(重述)
		%	%
International Engineering Contracting Business	國際工程承包業務	20.7	16.5
Power	電力能源	23.0	18.8
Transportation and Telecommunications	交通運輸及電子通訊	21.3	23.9
Non-Core Sectors	非核心行業	17.6	10.6
Trading Business	貿易業務	9.7	7.0
International Trade	國際貿易	8.8	6.7
Domestic Trade	國內貿易	16.0	10.0
Services Business	服務業務	20.0	27.7
Total	總計	17.6	15.2

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管理層討論及分析

i) *International Engineering Contracting Business*

For the Period, the Group's gross profit margin for the International Engineering Contracting Business was 20.7%, as compared with 16.5% for the Corresponding Period in 2019, representing an increase as compared to the Corresponding Period in 2019.

For the Period, the gross profit margin of the Power Sector was 23.0%, as compared with 18.8% for the Corresponding Period in 2019, representing an increase as compared to the Corresponding Period in 2019, which was primarily due to certain verification of the project cost conducted by certain power projects in South America and Africa during the middle and final stages of the projects.

For the Period, the gross profit margin of the Transportation and Telecommunications Sector was 21.3%, as compared with 23.9% for the Corresponding Period in 2019, primarily due to the decrease in gross profit margin of the railway improvement project in South America as compared with the Corresponding Period in 2019.

For the Period, the gross profit margin of the Non-Core Sectors was 17.6%, representing an increase of 7.0% as compared with 10.6% for the Corresponding Period in 2019, primarily due to certain verification of the project cost conducted by the water plant and water supply projects in Africa during the middle and final stages of the projects.

i) 國際工程承包業務

於本期間，本集團國際工程承包業務的毛利率為20.7%，而2019年同期為16.5%，與2019年同期相比有所增加。

於本期間，電力能源行業毛利率為23.0%，而2019年同期則為18.8%，較2019年有所增加，主要由於部分位於南美洲和非洲的電力能源項目執行至項目中後期對項目成本進行一定核實。

於本期間，交通運輸及電子通訊行業毛利率為21.3%，而2019年同期則為23.9%。主要由於南美洲鐵路改造項目毛利率較2019年同期有所減少。

於本期間，非核心行業毛利率為17.6%，與2019年同期的10.6%比增加了7.0%，主要由於非洲的水廠及供水項目執行至項目中後期對項目成本進行一定核實。

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ii) Trading Business

For the Period, the gross profit margin of the Group's Trading Business was 9.7%, as compared with 7.0% for the Corresponding Period in 2019, which was primarily due to the higher gross profit margin for the additional export of epidemic prevention supplies and the decrease in volume of business with low gross profit margin.

iii) Services Business

For the Period, the gross profit margin of the Group's Services Business was 20.0%, representing a decrease of 7.7% as compared with 27.7% for the Corresponding Period in 2019, which was primarily due to the decrease in gross profit margin of the logistics service for the Period as compared with that for the Corresponding Period in 2019.

5. Other Revenue

For the Period, the Group's other revenue was RMB20.1 million, representing an increase of 68.9% as compared with RMB11.9 million for the Corresponding Period in 2019, primarily due to the increased return on investment in financial assets.

6. Other Income and Expenses, net

For the Period, the Group's other expenses was RMB349.9 million, as compared to income of RMB20.6 million for the Corresponding Period in 2019. The substantial increase was primarily due to the compensation from an arbitration case and the increase in loss from fair value changes of foreign currency forward exchange contracts.

ii) 貿易業務

於本期間，本集團貿易業務毛利率為9.7%，而2019年同期則為7.0%，主要由於新增防疫物資出口業務毛利率的提升以及低毛利率業務量的減少。

iii) 服務業務

於本期間，本集團服務業務的毛利率為20.0%，而2019年同期則為27.7%，下降了7.7%，主要由於本期間的物流服務毛利率較2019年同期有所下降。

5. 其他收入

於本期間，本集團的其他收入為人民幣20.1百萬元，較2019年同期人民幣11.9百萬元增加68.9%。主要由於對金融資產的投資收益有所提高。

6. 其他收支淨額

於本期間，本集團的其他開支為人民幣349.9百萬元，而2019年同期則為收入人民幣20.6百萬元。大幅增加主要由於仲裁案件的賠償以及遠期外匯合約公允價值變動損失增加。

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管理層討論及分析

7. Selling and Distribution Expenses

For the Period, the Group's selling and distribution expenses were RMB342.6 million, representing a decrease of 27.3% as compared with RMB471.1 million for the Corresponding Period in 2019, primarily due to the decrease in labor costs and expenses for domestic and overseas business trips.

8. Administrative Expenses

For the Period, the Group's administrative expenses were RMB503.8 million, representing a decrease of 8.6% as compared with RMB551.2 million for the Corresponding Period in 2019, primarily due to the decrease in labor costs and intermediary services expenses.

9. Impairment Losses on Financial and Contract Assets, Net

The net impairment losses of financial and contract assets of the Group were RMB49.4 million for the Period, as compared with RMB118.1 million for the Corresponding Period in 2019, which was mainly due to the decreases in the provision for impairment of trade receivables and other receivables of the Company for the Period.

10. Other Operating Expenses

For the Period, the Group's other operating expense was RMB4.9 million, as compared with RMB1.1 million for the Corresponding Period in 2019. The increase was primarily due to the increase in the public welfare donations of the Company for the Period.

7. 銷售及分銷開支

於本期間，本集團的銷售及分銷開支為人民幣342.6百萬元，較2019年同期人民幣471.1百萬元減少27.3%，主要由於人工成本以及國內外差旅費等減少。

8. 行政開支

於本期間，本集團的行政開支為人民幣503.8百萬元，較2019年同期約人民幣551.2百萬元減少8.6%，主要是人工成本以及中介機構服務費等減少。

9. 金融及合同資產減值虧損淨額

於本期間，本集團的金融及合同資產減值虧損淨額為人民幣49.4百萬元，2019年同期為人民幣118.1百萬元，有關減少主要由於本公司於本期間貿易及其他應收款項減值撥備減少。

10. 其他經營開支

於本期間，本集團的其他經營開支為人民幣4.9百萬元，2019年同期為人民幣1.1百萬元。有關增加主要由於公司本期公益性捐贈增加。

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管理層討論及分析

11. Profit from Operations

For the Period, the Group's profit from operations was RMB370.2 million, representing a decrease of 63.4% as compared with RMB1,011.0 million for the Corresponding Period in 2019. This decrease was primarily due to the combined effect of the decrease in gross profit and the increase in other expenses.

12. Finance Income/Finance Expenses

For the Period, the Group's finance income was RMB423.2 million, representing an increase of 61.2% as compared with RMB262.6 million for the Corresponding Period in 2019. For the Period, the Group's finance expenses were RMB74.6 million, representing a decrease of 46.1% as compared with RMB138.5 million for the Corresponding Period in 2019. This change was primarily due to the increases in net exchange income and finance income on receivables from customers and the decrease in bank charges. As a result, for the Period, the Group's net finance income was RMB348.6 million, as compared with the net finance income of RMB124.1 million for the Corresponding Period in 2019.

13. Income Tax

For the Period, the Group's income tax was RMB191.3 million, representing a decrease of 26.3% as compared with RMB259.6 million for the Corresponding Period in 2019, primarily due to the decrease in profit before tax.

14. Profit for the Period

As a result of the foregoing, the Group's net profit decreased by 36.2% to RMB630.1 million for the Period as compared with RMB988.0 million for the Corresponding Period in 2019, and its net profit margin decreased by 0.2% to 6.9% for the Period as compared with 7.1% for the Corresponding Period in 2019, basically even with the Corresponding Period in 2019 on a comparable basis.

11. 經營溢利

於本期間，本集團的經營溢利為人民幣370.2百萬元，較2019年同期人民幣1,011.0百萬元減少63.4%。該減少主要由於毛利減少及其他開支增加共同影響。

12. 財務收入／財務開支

於本期間，本集團的財務收入為人民幣423.2百萬元，較2019年同期人民幣262.6百萬元增加61.2%。於本期間內，本集團的財務開支為人民幣74.6百萬元，較2019年同期人民幣138.5百萬元減少46.1%。有關變動主要由於匯兌淨收益增加、應收客戶款項的財務收入增加及銀行費用減少。因此，於本期間內，本集團的財務收入淨額為人民幣348.6百萬元，2019年同期的財務收入淨額為人民幣124.1百萬元。

13. 所得稅

於本期間，本集團的所得稅為人民幣191.3百萬元，較2019年同期人民幣259.6百萬元減少26.3%，主要由於除稅前溢利減少。

14. 本期間溢利

由於上文所述，本集團於本期間的淨溢利為人民幣630.1百萬元，較2019年同期人民幣988.0百萬元減少36.2%，而本期間的淨溢利率為6.9%，較2019年同期7.1%減少0.2%，與2019年同期基本持平。

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15. Profit Attributable to the Owners of the Parent

The profit attributable to the owners of the parent decreased by 36.5% to RMB626.7 million for the Period as compared with RMB986.4 million for the Corresponding Period in 2019.

16. Profit Attributable to the Holders of Non-Controlling Interests

The profit attributable to the holders of non-controlling interests of the Group amounted to a net profit of RMB3.4 million for the Period as compared with a net profit of RMB1.6 million for the Corresponding Period in 2019.

17. Liquidity and Capital Resources

As at 30 June 2020, the Group's cash and cash equivalents increased by 1.0% to RMB15,725.2 million as compared with RMB15,563.2 million as at 31 December 2019.

As at 30 June 2020, the Group's borrowings increased by 75.5% to RMB974.8 million as compared with RMB555.3 million as at 31 December 2019. RMB800.9 million (including RMB12.1 million of long-term borrowings due within one year) was short-term borrowings and the remaining amount of RMB173.9 million was long-term borrowings.

18. Major Investment

No significant investment in associates and joint ventures was increased during the Period.

15. 歸屬於母公司擁有人溢利

於本期間，歸屬於母公司擁有人溢利為人民幣626.7百萬元，較2019年同期人民幣986.4百萬元減少36.5%。

16. 歸屬於非控股權益持有人溢利

於本期間，歸屬於本集團非控股權益持有人溢利淨額為人民幣3.4百萬元，而2019年同期溢利淨額為人民幣1.6百萬元。

17. 流動資金及資本資源

截至2020年6月30日，本集團的現金及現金等價物為人民幣15,725.2百萬元，較2019年12月31日人民幣15,563.2百萬元增加1.0%。

截至2020年6月30日，本集團的借貸為人民幣974.8百萬元，較2019年12月31日人民幣555.3百萬元增加75.5%。人民幣800.9百萬元（包括人民幣12.1百萬元於一年內到期的長期借貸）為短期借貸，而其餘人民幣173.9百萬元為長期借貸。

18. 主要投資

本期間未新增對聯營公司和合營公司的重大投資。

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管理層討論及分析

19. Subsequent Events

There are no subsequent events occurred after 30 June 2020, which may have a significant effect on the assets and liabilities on future operations of the Group.

V. LIQUIDITY

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

We have historically met our working capital and other liquidity requirements principally from cash generated from operations and financed the remainder primarily through bank borrowings.

19. 期後事項

於2020年6月30日後並無發生任何對本集團未來營運的資產及負債有重大影響的期後事項。

V. 流動資金

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

一直以來，我們主要靠經營所產生的現金來滿足營運資金及其他流動資金需求，而剩餘金額主要通過銀行借貸籌措。

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管理層討論及分析

1. Cash Flows

The following table sets forth a summary of our cash flows for the Period, with the comparative figures for the Corresponding Period in 2019:

		Six months ended 30 June	
		截至6月30日止六個月	
		2020	2019
			(Restated)
		2020年	2019年
			(重述)
		(RMB million)	(RMB million)
		(人民幣百萬元)	(人民幣百萬元)
Net cash flows from/(used in) operating activities	經營活動所得／(所用)的現金流量淨額	533.9	(3,870.7)
Net cash flows (used in)/from investing activities	投資活動(所用)／所得的現金流量淨額	(768.8)	664.2
Net cash flows from/(used in) financing activities	融資活動所得／(所用)的現金流量淨額	342.8	(411.4)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加／(減少)淨額	107.9	(3,617.9)
Cash and cash equivalents at the beginning of the Period	本期間初的現金及現金等價物	15,563.2	21,388.7
Effect of foreign exchange rate changes, net	匯率變動的淨影響	54.1	19.3
Cash and cash equivalents at the end of the Period	本期間末的現金及現金等價物	15,725.2	17,790.1

As at 30 June 2020, the Group's cash and cash equivalents increased by 1.0% to RMB15,725.2 million as compared with RMB15,563.2 million as at 31 December 2019. The cash and cash equivalents are mainly denominated in RMB.

1. 現金流量

下表載列我們於本期間的現金流量概況，連同2019年同期的比較數字：

		Six months ended 30 June	
		截至6月30日止六個月	
		2020	2019
			(Restated)
		2020年	2019年
			(重述)
		(RMB million)	(RMB million)
		(人民幣百萬元)	(人民幣百萬元)

Net cash flows from/(used in) operating activities	經營活動所得／(所用)的現金流量淨額	533.9	(3,870.7)
Net cash flows (used in)/from investing activities	投資活動(所用)／所得的現金流量淨額	(768.8)	664.2
Net cash flows from/(used in) financing activities	融資活動所得／(所用)的現金流量淨額	342.8	(411.4)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加／(減少)淨額	107.9	(3,617.9)
Cash and cash equivalents at the beginning of the Period	本期間初的現金及現金等價物	15,563.2	21,388.7
Effect of foreign exchange rate changes, net	匯率變動的淨影響	54.1	19.3
Cash and cash equivalents at the end of the Period	本期間末的現金及現金等價物	15,725.2	17,790.1

截至2020年6月30日，本集團的現金及現金等價物為人民幣15,725.2百萬元，而截至2019年12月31日則為人民幣15,563.2百萬元，增幅為1.0%。現金及現金等價物主要以人民幣計值。

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管理層討論及分析

2. Cash Flows from Operating Activities

For the Period, we had net cash flows from operating activities of RMB533.9 million. Net cash from operating activities was a result of the cash generated from profit before tax before changes in working capital in the amount of RMB779.6 million, a cash inflow of RMB278.3 million due to changes in working capital and income tax paid in the amount of RMB524.0 million. The change in working capital mainly included the decrease of RMB330.2 million in contract assets, the increase of RMB403.7 million in contract liabilities, the decrease of RMB625.4 million in trade and other receivables, and the decrease of RMB1,169.3 million in trade and other payables.

3. Cash Flows from Investing Activities

For the Period, our net cash flows used in investing activities were RMB768.8 million. The net cash outflow of our investment activities mainly consisted of the net outflow of RMB2,550.0 million in purchases of financial assets at fair value through profit or loss, the net outflow of RMB845.2 million in placing of non-pledged time deposits with original maturity of over three months when acquired, and outflow of RMB255.4 million in purchase of items of property, plant and equipment. Cash inflow mainly included proceeds of RMB1,800.2 million from redemption of non-pledged time deposits with original maturity of over three months when acquired.

2. 來自經營活動的現金流量

於本期間，我們經營活動所得的現金流量淨額為人民幣533.9百萬元。經營活動所得的現金淨額乃來自營運資金變動前的除稅前溢利產生的現金為人民幣779.6百萬元、因營運資金變動致使現金流入人民幣278.3百萬元及已付所得稅人民幣524.0百萬元。營運資金變動主要包括合同資產減少人民幣330.2百萬元，合同負債增加人民幣403.7百萬元及貿易及其他應收款減少人民幣625.4百萬元，貿易及其他應付款項減少人民幣1,169.3百萬元。

3. 來自投資活動的現金流量

於本期間，我們投資活動所用的現金流量淨額為人民幣768.8百萬元，我們投資活動的現金淨流出主要用於購買以公允價值計量且其變動計入損益的金融資產的款項淨流出人民幣2,550.0百萬元、存放獲取時原始到期日超過三個月的無抵押定期存款的款項淨流出人民幣845.2百萬元及購買物業、廠房及設備的款項流出人民幣255.4百萬元。現金流入主要包括贖回自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人民幣1,800.2百萬元。

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管理層討論及分析

4. Cash Flows from Financing Activities

For the Period, our net cash flows from financing activities were RMB342.8 million. Our main cash inflow from financing activities primarily consisted of proceeds from borrowings of RMB479.5 million. Cash outflow primarily consisted of repayment of borrowings in the amount of RMB67.0 million.

5. Capital Expenditures and Capital Commitments

Our capital expenditures consisted primarily of the purchase of property, plant and equipment, investment properties and intangible assets. The Group's capital expenditures increased by 114.0% to RMB287.2 million for the Period as compared with RMB134.2 million for the Corresponding Period in 2019, mainly due to an increase of input in the construction of the Group's infrastructure projects of fixed assets as compared with that for the Corresponding Period in 2019.

Our capital commitments mainly included the value of contracts signed but not yet completed of engineering work under construction and investment business. On 30 June 2020, the capital commitments of the Group were RMB463.5 million, representing a decrease of 33.0% as compared with RMB691.9 million on 31 December 2019. It was mainly attributable to the decrease in the value of contracts signed but not yet completed for infrastructure projects of fixed assets and the decrease in capital contributions.

6. Working Capital

(a) Trade and other receivables

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

4. 來自融資活動的現金流量

於本期間，我們融資活動所得的現金流量淨額為人民幣342.8百萬元。我們融資活動的現金流入主要為借貸所得款項人民幣479.5百萬元。現金流出主要包括償還借貸人民幣67.0百萬元。

5. 資本開支和資本承擔

我們的資本開支主要包括購買物業、廠房及設備、投資物業及無形資產。於本期間，本集團的資本開支為人民幣287.2百萬元，較2019年同期的人民幣134.2百萬元增加114.0%，主要由於本集團固定資產基建項目投入較2019年同期有所增加。

我們的資本承擔主要包括在建工程以及投資業務項下已簽訂合同但尚未執行完的合同款項。2020年6月30日，本集團的資本承擔為人民幣463.5百萬元，較2019年12月31日的人民幣691.9百萬元減少33.0%，主要由於本集團固定資產基建項目已簽訂合同但未執行完的合同款減少以及資本投入減少所致。

6. 營運資金

(a) 貿易及其他應收款項

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

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The following table sets forth the turnover days of the average trade receivables and the turnover days of the average trade payables of the Company for the Period, together with the comparative figures for the Corresponding Period in 2019:

下表載列本期間內本公司平均貿易應收款項及平均貿易應付款項的週轉天數，連同2019年同期的比較數字：

		Six months ended 30 June 2020	Six months ended 30 June 2019 (Restated)
		截至2020年 6月30日 止六個月	截至2019年 6月30日 止六個月 (重述)
		days 天數	days 天數
Turnover days of the average trade receivables (Note 1)	平均貿易應收款項的週轉天數 (附註1)	173.0	133.0
Turnover days of the average trade payables (Note 2)	平均貿易應付款項的週轉天數 (附註2)	360.0	253.0

Note 1: The average trade receivables are the sum of opening balance and the closing balance of trade receivables and bills receivable (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 180.

附註1： 平均貿易應收款項乃將貿易應收款項及應收票據（扣除呆賬準備）期初結餘與期末結餘的總和再除二得出。平均貿易應收款項的週轉天數乃將平均貿易應收款項除以總收入再乘以180得出。

Note 2: The average trade payables are the sum of opening balance and the closing balance of trade payables and bills payable divided by two. The turnover days of the average trade payables are the average trade payables divided by cost of sales and multiplied by 180.

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

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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 30 June 2020 and 31 December 2019:

下表載列截至2020年6月30日及2019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 30 June 2020	As at 31 December 2019 (Restated)
		於2020年 6月30日	於2019年 12月31日 (重述)
		(RMB million)	(RMB million)
		(人民幣百萬元)	(人民幣百萬元)
Within 3 months	3個月以內	4,844.2	5,712.2
3 months to 6 months	3個月至6個月	579.5	762.6
6 months to 1 year	6個月至1年	1,481.0	1,035.0
Over 1 year	1年以上	1,399.3	1,649.8
		8,304.0	9,159.6

The Group's credit policies with its customers for the Period remained the same as that for the Corresponding Period in 2019. We continuously enhanced our management of trade and bills receivables to reduce our exposure to doubtful debts. In addition, we made allowance for doubtful debts after fully considering the nature of trade and bills receivables and their collectability. As of 30 June 2020, allowance for doubtful debts for our trade and bills receivables amounted to RMB2,216.4 million, accounting for 21.1% of our trade and bills receivables, compared with RMB2,194.8 million, accounting for 19.3% of our trade and bills receivables as of 31 December 2019.

於本期間，本集團與其客戶的信貸政策與2019年同期相同。我們不斷加強貿易應收款項及應收票據的管理，以求減低所承擔的呆賬風險。此外，充分考慮貿易應收款項及應收票據的性質及其可收回金額後，我們就呆賬計提撥備。截至2020年6月30日，我們就貿易應收款項及應收票據所作的呆賬撥備為人民幣2,216.4百萬元，佔我們貿易應收款項及應收票據的21.1%。而截至2019年12月31日則為人民幣2,194.8百萬元，佔我們貿易應收款項及應收票據的19.3%。

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(b) Trade and other payables

Our trade and other payables primarily consisted 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 of 30 June 2020 and 31 December 2019:

		As at 30 June 2020 於 2020年 6月30日 (RMB million) (人民幣百萬元)	As at 31 December 2019 於2019年 12月31日 (RMB million) (人民幣百萬元)
Within 3 months	3個月以內	2,184.6	6,050.1
3 months to 6 months	3個月至6個月	554.9	675.7
6 months to 1 year	6個月至1年	4,752.4	1,885.4
Over 1 year	1年以上	6,995.6	6,822.7
		14,487.5	15,433.9

The Group's credit policies with its suppliers for the Period remained the same as that for 2019.

(b) 貿易及其他應付款項

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

下表載列截至2020年6月30日及2019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 30 June 2020 於 2020年 6月30日 (RMB million) (人民幣百萬元)	As at 31 December 2019 於2019年 12月31日 (RMB million) (人民幣百萬元)
Within 3 months	3個月以內	2,184.6	6,050.1
3 months to 6 months	3個月至6個月	554.9	675.7
6 months to 1 year	6個月至1年	4,752.4	1,885.4
Over 1 year	1年以上	6,995.6	6,822.7
		14,487.5	15,433.9

於本期間，本集團與其供應商的信用政策與2019年相同。

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VI. INDEBTEDNESS

1. Borrowings

Our consolidated borrowings as of 30 June 2020 and 31 December 2019 for the purpose of calculating the indebtedness of our Company were as follows:

		As at 30 June 2020 於2020年 6月30日 <i>(RMB million)</i> (人民幣百萬元)	As at 31 December 2019 於2019年 12月31日 <i>(RMB million)</i> (人民幣百萬元)
Current:	流動：		
Short term bank loans	短期銀行貸款		
Unsecured	無擔保	579.4	196.2
Secured	有擔保	209.4	239.1
Subtotal	小計	788.8	435.3
Add: current portion of long term bank loans	加：長期銀行貸款的流動部分	12.1	8.9
Subtotal	小計	800.9	444.2
Non-current:	非流動：		
Long term bank loans	長期銀行貸款		
Unsecured	無擔保	143.1	72.8
Secured	有擔保	42.9	47.2
Subtotal	小計	186.0	120.0
Less: current portion of long term bank loans	減：長期銀行貸款的流動部分	12.1	8.9
Subtotal	小計	173.9	111.1
Total	總計	974.8	555.3

VI. 債務

1. 借貸

截至2020年6月30日及2019年12月31日，我們用以計算本公司債務的合併借貸如下：

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Our short term borrowings primarily included credit borrowings, mortgage borrowings and pledge borrowings from commercial banks and other financial institutions. As at 30 June 2020, our short term borrowings (including the current portion of long term borrowings) amounted to RMB800.9 million, accounting for 82.2% of our total borrowings.

Our long term borrowings primarily included credit, mortgage and pledge borrowings from commercial banks and other financial institutions. These included bank borrowings related to projects financed by export seller's credit, with the total balance of such borrowings (excluding the current portion of long term borrowings) amounting to RMB173.9 million as at 30 June 2020. As at 30 June 2020, our long term borrowings (including their current portion) amounted to RMB186.0 million, accounting for 19.1% of our total borrowings. The increase in our interest-bearing borrowings to RMB974.8 million as at 30 June 2020 was primarily due to the increases in both short term borrowings and long term borrowings during the Period.

All borrowings were denominated in RMB, USD, CAD and JPY and were subject to interest rates ranging from 1.55% to 6.25% per annum.

短期借貸主要包括來自商業銀行及其他金融機構的信用借貸、抵押借貸及質押借貸。截至2020年6月30日，我們的短期借貸（包括長期借貸的流動部分）為人民幣800.9百萬元，佔我們的借貸總額82.2%。

長期借貸主要包括來自商業銀行及其他金融機構的信用、抵押及質押借貸。該等借貸包括與由出口賣方信貸融資的項目有關的銀行借貸，截至2020年6月30日，該等借貸（不包括長期借貸的流動部分）的結餘總額為人民幣173.9百萬元。截至2020年6月30日，包括其流動部分的長期借貸為人民幣186.0百萬元，佔我們借貸總額的19.1%。我們的計息借貸截至2020年6月30日增加至人民幣974.8百萬元，主要由於本期的短期借貸及長期借貸均有所增加。

所有借貸均以人民幣、美元、加拿大元及日元計值並以每年利率1.55%至6.25%計息。

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There had been no material defaults in repayment of our bank borrowings and breaches of the finance covenants during the Period. The maturity profile of our interest-bearing borrowings as at 30 June 2020 and 31 December 2019 was as follows:

於本期間，我們在償還銀行借貸方面概無重大違約情況，亦無嚴重違反融資契約的情況。截至2020年6月30日及2019年12月31日，我們的計息借貸到期日如下：

		As at 30 June 2020 於2020年 6月30日 (RMB million) (人民幣百萬元)	As at 31 December 2019 於2019年 12月31日 (RMB million) (人民幣百萬元)
Within 1 year or on demand	1年以內或實時還款	800.9	444.2
After 1 year but within 2 years	1年至2年	20.9	20.8
After 2 years but within 5 years	2年至5年	62.6	57.9
After 5 years	5年以上	90.4	32.4
Total	總計	974.8	555.3

The Group monitors its capital on the basis of gearing ratio. Gearing ratio is derived by dividing total borrowings by total assets and multiplied by 100%. As of 30 June 2020, the Group's gearing ratio was 1.8%, 0.8% higher than 1.0% as of 31 December 2019, mainly due to the increase in borrowings.

本集團以槓桿比率基準管理資本。槓桿比率乃將借貸總額除以資產總額再乘以100%得出。截至2020年6月30日，本集團的槓桿比率為1.8%，較截至2019年12月31日的1.0%增加0.8%，主要由於借貸增加。

2. Contingent Liabilities

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

2. 或有負債

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

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VII. RISK FACTORS AND RISK MANAGEMENT

The Company is exposed to various types of risks, including currency risk, interest rate risk, credit risk, liquidity risk, competition risk, investment risk, country risk from overseas business, safety and quality risk, corruption risk, sanctions risk, personnel change risk, and other risk, etc., in the normal course of business. Our management continuously pays attention to these risks and monitors us to take appropriate measures in accordance with the articles of association of the Company and related systems and implement them in a timely and effective manner, so as to ensure that those risks are manageable.

1. Currency risk

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

VII. 風險因素及風險管理

公司在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、投資風險、海外業務國別風險、安全及質量風險、舞弊風險、制裁風險、人員變動風險及其他風險等。我們的管理層持續保持對該等風險的關注並督促我們依據公司制訂的章程及相關制度採取適當的措施且及時有效的執行，以確保該等風險可控。

1. 貨幣風險

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

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2. Interest Rate Risk

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

3. Credit Risk

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

2. 利率風險

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

3. 信用風險

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

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4. Liquidity Risk

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

5. Competition Risk

The Group competes with both domestic and foreign contractors for the International Engineering Contracting Business. Competition generally stems from price, design, variety of the services provided, service quality, financing solutions, business models and environmental standards. Similar to other Chinese contractors in the industry, the Group faces competition from engineering contractors with advanced technology from the developed countries such as the U.S., Japan and various European countries as the latter have relatively large competitive advantages in, among other aspects, global branch networks, information collection, management and construction capabilities, adaptability, and brand recognition. The Company will continue to leverage our competitive advantage in pricing, especially for projects in the developing countries, benefiting from more 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.

4. 流動資金風險

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

5. 競爭風險

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

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The Group competes with both Chinese and foreign companies for the international trading business. Competition with Chinese companies engaged in the international trading business focuses on price, range of products and range of suppliers and clients, 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 our financing capabilities and value-adding services. With more than 40 years of operating history in the international trading business, the Directors believe the Group has an edge over our 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.

6. Investment Risk

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

本集團與中外公司就國際貿易業務進行競爭。與從事國際貿易業務的中國公司競爭集中於價格、產品範圍及供貨商及客戶的範圍的競爭，而與國外公司的競爭則集中於中外供貨商生產產品的價格及質量的競爭。儘管國際貿易市場競爭激烈，然而由於該市場非常巨大，本公司將利用自身的融資能力及增值服務繼續與中外公司競爭。憑藉在國際貿易業務40多年的經營歷史，董事相信，本集團所擁有的廣泛銷售及市場營銷網絡、在國際貿易市場長期累積的經驗、訓練有素的商業人才、提供融資方案的強大能力及良好的聲譽，令本集團比中國同行競爭者更具優勢。

6. 投資風險

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

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7. Country Risk from Overseas Business

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

7. 海外業務國別風險

目前，我們大部分的國際工程承包業務項目於海外進行，尤其是在發展中國家或發展較落後的地區，當中包括一些社會或政治持續動盪的國家及地區。因此，國際工程承包業務在我們進行業務或經營項目的海外司法權區內可能受到上述國家不斷改變的經濟、監管、社會及政治情況影響。倘本集團的海外業務或營運受到意料之外及不利的外國經濟、監管、社會及政治情況影響，本集團可能經歷項目受阻、資產及人員損失及其他間接虧損。在一些本集團擁有僱員、業務或營運的高風險地區內，本集團或會產生額外成本以保障我們的人員及資產。本公司一般尋求透過合同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、分包商及供貨商作出彌償保證，並借著投購建築、安裝及工程一切險以及第三方責任保險，以控制潛在虧損。

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8. 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 that the Company ensures compliance with the requisite safety requirements and standards, we are subject to the inherent risks of geological catastrophes, fire, toxic gas, equipment failure and explosion and so on. Besides, our employees are subject to the personal risks caused by unstable safety environment. Any personal injury or loss of life our employees may suffer, damage to or destruction of properties and equipment and other losses caused by force majeure would result in the delay in our 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 our 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 on ensuring a safe and high quality working environment for our projects, as well as maintaining close communications with the project owners and local governmental authorities.

8. 安全及質量風險

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，包括在架空平台工作、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、分包商及供貨商作出彌償保證，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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9. Corruption Risk

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

9. 舞弊風險

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

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10. Sanctions Risk

We are a company incorporated in the PRC and we comply with all applicable PRC laws and regulations, undertake the international commitments and international obligations made by China and the relevant resolutions passed by the UN Security Council. However, as a result of our international activities, we are also subject to the laws and regulations of the various countries and regions in which we do business. In order to prevent and control the risk of sanctions, we established an export control internal compliance program (ICP) within the Company. The Company's ICP adopts the principle of comprehensive control (CATCH-ALL), and the scope and content of the ICP control will be adjusted in time in accordance with the changes in the international export control situation and the possible impact on the business of the Company. In particular, if any of our transactions is conducted in or through the United States, or otherwise involves U.S. persons, U.S. dollar clearing in the United States or U.S.-origin goods, U.S. sanctions regulations may be applicable to some or all of such transactions.

In recent years, the U.S. sanctions landscape has evolved substantially, especially those targeted at Iran and Cuba. 16 January 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 (the United States, Russia, China, France, and the United Kingdom, plus Germany) and the EU and endorsed by the UN ("**Iran Nuclear Deal**"). In exchange for curtailing certain nuclear-related activities, Iran was granted relief from certain U.S., EU, and UN sanctions. However, the United States announced on 8 May 2018 that it will withdraw from the Iran Nuclear Deal and restore sanctions against Iran. Therefore, the Company decided to terminate all business ties in Iran thereafter from a prudent perspective and the Company has no existing or implemented project in Iran.

10. 制裁風險

我們為在中國註冊成立的公司，須遵守所有適用的中國法律法規，承擔中國的國際承諾和國際義務、聯合國安理會的有關決議。然而，由於從事國際業務，我們亦須遵守我們開展業務所在不同國家及地區的法律法規。為了防控制裁風險，我們在公司內部建立了出口管制內控合規機制(ICP)。公司ICP採取的是全面控制原則(CATCH-ALL)，並且ICP的管控範圍和內容將結合國際出口管制形勢變化和可能給公司業務帶來的影響而及時調整。尤其是，倘我們的任何交易在美國或通過美國開展，或以其他方式涉及美籍人士、於美國的美元結算或美國原產貨品，則美國制裁法規可能適用於部分或全部該等交易。

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

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As to Cuba, following a resumption of formal diplomatic ties between the two countries under the Obama administration and the removal of Cuba from the U.S. government's State Sponsors of Terrorism list, a series of amendments to OFAC's Cuban Assets Control Regulations and Section 746.4 of Export Administration Regulations administered by the Bureau of Industry and Security of United States Department of Commerce expanded the range of transactions in which U.S. persons are allowed to engage with Cuba. However, beginning in November 2017, the Trump administration began to reverse some (but not all) of the changes made by the Obama administration and to re-tighten the U.S. embargo against Cuba. These changes included the creation of the State Department "List of Restricted Entities and Subentities Associated with Cuba" that identifies entities that are "under the control of, or act for or on behalf of, the Cuban military, intelligence, or security services or personnel" (the "**Cuba Restricted List**"). U.S. persons are prohibited from engaging in certain direct financial transactions with entities on the Cuba Restricted List. Additionally, the Commerce Department will deny licenses in most cases for exports of U.S.-origin items for use by entities on the Cuba Restricted List. Furthermore, on 4 March 2019, the Trump administration announced that it would authorize U.S. nationals to file a limited range of civil claims against entities operating in Cuba pursuant to Title III of the Cuban Liberty and Democratic Solidarity Act of 1996 (also known as the Helms-Burton Act). Following the regulatory changes in the United States and taking into account the local economic conditions, no potential project carried out in Cuba has been approved by the general manager of the Company. The Company has no existing or implemented project in Cuba and has expressed no willingness to carry out business in Cuba market recently. Pursuant to our ICP control, every potential project carried out in Cuba must be (1) reviewed by the Company's internal export compliance office; (2) reviewed by outside legal counsel; and (3) approved by the general manager of the Company.

至於古巴，繼古巴、美國兩國於奧巴馬政府執政時恢復正式外交關係及美國政府將古巴從國家恐怖主義支持者名單中剔除後，對外國資產管制局的古巴資產管制條例及美國商務部工業與安全局所實施的出口管理條例第746.4條作出的一系列修訂，擴展了美籍人士可在古巴進行的交易範圍。然而，從2017年11月開始，特朗普政府開始撤回奧巴馬政府所施行的部分（並非全部）變革，並重新收緊美國對古巴的禁運。這些變革包括國務院增設「與古巴有關的受限制實體及子實體名單」，當中列明「在古巴軍事、情報或保安部門或人員的控制下或為其行事」的實體（「**古巴限制名單**」）。美籍人士被禁止與古巴限制名單所列的實體進行某些直接金融交易。此外，大部分供古巴限制名單所列的實體使用的美國產品均不獲商務部授予出口許可證。另外，在2019年3月4日，特朗普政府宣佈將授權美國國民根據1996年《古巴自由與民主聲援法》（亦稱為《赫爾姆斯－伯頓法》）第三章對古巴境內的實體提出有限的民事訴訟。因應美國的監管變化並考慮到當地的經濟狀況，本公司總經理並未批准在古巴進行任何潛在項目。本公司在古巴並無現有或已實施的項目，並且近期內亦無意在古巴市場開展業務。根據我們的ICP管控，在古巴開展的每個潛在項目均須(1)經本公司內部的出口管制辦公室審核；(2)經外部的法律顧問審核；及(3)獲本公司總經理批准。

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

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

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11. Personnel Change Risk

Personnel change risk refers to the risk of affecting the Company's operations due to the resignation or leaving office of the Company's senior management personnel. As the Company is a listed company controlled by the state, we have higher requirements for the professional conduct and integrity of senior management personnel. Under such a high standard, situations in which senior management personnel resigns due to personal reasons, systematic personnel transfers or being no longer suitable for serving positions in the Company may occur. However, we have formulated, and will continue to improve, the articles of association of the Company and related rules and regulations, in order to ensure the orderly and efficient normal operation of the Company in spite of temporary absence of individual senior management personnel, with a sound awareness of rules and effective systems. At the same time, in order to avoid frequent changes in senior management personnel and to ensure the stability of the Company's management, we will also continue to strengthen compliance supervision of personnel and further enhance the overall compliance awareness of senior management personnel. Therefore, we believe that personnel change risk is a controllable risk during the standardized and refined operation of the Company.

11. 人員變動風險

人員變動風險是指公司的高層管理人員辭任、離任，導致公司運營可能受影響的風險。因本公司屬於國有控股上市公司，對高層管理人員的職業操守、廉潔奉公等具有更高要求。在此高標準下，高層管理人員因自身原因辭任、系統人事調動或不適宜繼續在本公司擔任職務的情形可能發生。但是，我們已經制定、亦將不斷完善制定公司章程、相關規則制度等，以健全的規則意識和有效制度保障公司若在個別高層管理人員暫時缺位的異常狀況下仍能夠有序、高效地正常運轉；同時，為避免高層管理人員變動頻繁，保證公司管理層的穩定性，我們也將持續加強對人員的合規督導，進一步提升高層管理人員的全方位合規意識。因此，我們認為人員變動風險是公司規範、精良化運轉過程中的可控風險。

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12. Other Risk

The Company is subject to factors such as natural disasters, epidemics and other outbreaks of diseases. If any of the above situations occurs, the financial condition, potential revenue, asset value and liabilities of the Company may be affected. The recent outbreak of the COVID-19 pandemic and the resulting government controls (such as restricted entry and exit, traffic interruptions, etc.) may affect the construction and operation of the engineering projects of the Company, leading to adverse impacts such as delays in construction and increased costs. In order to minimize the negative impacts of the recent COVID-19 pandemic, the Company will further strengthen communication with customers and adopt measures such as various prevention measures for pandemics and flexible employment in strict accordance with regulations to mitigate the impact brought about by the pandemic while diversifying and reducing the risk through diversification of customers.

VIII. OUTLOOK FOR THE SECOND HALF OF THE YEAR

(I) Pandemic prevention

We will continue to be highly vigilant and unremitting, conduct pandemic prevention and control works on regular basis, and make every effort to protect the health and life safety of domestic and foreign employees.

12. 其他風險

本公司面臨自然災害、流行傳染病和其它疫情爆發等因素影響。如上述任一情形發生，則可能影響本公司的財務狀況、潛在收益、資產價值和負債。近期新冠肺炎疫情的爆發及因此衍生的政府管制（如出入境受限、交通中斷等），可能會影響到本公司的工程項目的施工及運轉，進而帶來工期延誤、成本增加等不利影響。為儘量減少近期新冠肺炎帶來的負面影響，公司將進一步加強與客戶之間的溝通，嚴格按照規定採取各項防疫手段、靈活用工等措施，緩解疫情帶來的影響，並通過客戶的多元化分散並降低風險。

VIII. 下半年展望

(一) 防疫方面

繼續保持高度警惕，毫不鬆懈，做好疫情防控的常態化工作，全力保障境內外員工的身體健康和生命安全。

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(II) Operation

1. We will stabilize the overseas basic market. We will maintain high activity in overseas markets and further deepen regionalization and localization. We will also more actively adapt to changes in energy trends, put greater efforts on research and market development of new energy technologies, make arrangements in advance, and reserve more resources for related projects.
2. We will fully develop the domestic market. The two institutes have to continue to transform into technology-based engineering companies, and effectively stabilize and focus on the domestic market. Other units have to use their strengths and avoid weaknesses to develop the domestic market through multiple channels at multiple levels.
3. We will stay close to the market and look for opportunities in crisis. First, we have to speed up our reaction speed and seize opportunities. Second, we have to pay close attention to the policies, and actively make use of opportunities such as latest policies and high-level visits to facilitate and revitalize ongoing projects, and promote the signing and entry into force of the projects. Third, we will selectively promote the integration of investment, construction and operation. Fourth, we will closely follow the policy guidance, increase participation in capacity cooperation and capacity transfer, and promote industrialization businesses.
4. We will expand and deepen cooperation with relevant leading enterprises. We will take the path of eliminating competition and achieving win-win situation, and actively explore diversified cooperation and project development methods.

(二) 經營方面

1. 穩住海外基本盤。保持海外市場的高活躍度，進一步深化區域化屬地化；以更加積極的姿態順應能源趨勢的轉變，加大對新能源技術研究力度和市場開發力度，提前佈局，多做相關項目的儲備。
2. 全力開拓國內市場。兩院要繼續向科技型工程公司轉型，切實穩住並做好國內市場，其它單位要揚長避短，多渠道、多層面開發國內市場。
3. 貼近市場，危中尋機。一是要加快反應速度，搶抓機遇。二是要密切關注政策，積極利用最新政策及高訪機會等來推進、盤活手中的項目，促進項目的簽約和生效。三是有選擇地推進投建營一體化。四是緊跟政策導向，加大產能合作和產能轉移的參與力度，推進工業化類業務。
4. 擴大並深化與相關龍頭企業的合作，走競合共贏的道路，積極探索多樣化合作和項目開發方式。

Management Discussion and Analysis

管理層討論及分析

5. We will actively promote the restructuring of the trade sector.
 6. We will give full play to the leading and supporting role of technological innovation in business.
 7. We will expand our business collaboration. By further leveraging on the integration advantages of enterprises under CMEC, the multiplier effect of business synergy will be amplified. We will promote the vertical integration of the industrial chain through mergers and acquisitions, alliance formation and other methods. We will also strengthen the internal coordination of SINOMACH Group, promote high-quality integrated projects, and focus on the investment, development and reserve of application technologies that support business development and project construction.
5. 積極推進貿易板塊重組工作。
 6. 充分發揮科技創新對業務的引領作用和支撐作用。
 7. 加大業務協同。進一步發揮CMEC平台企業的整合優勢，放大業務協同的乘數效應。以併購、聯盟等方式推進產業鏈縱向整合，強化國機集團的內部協同，高質量推進一體化項目，並做好對業務開拓和項目建設有支撐作用的應用技術的投資、開發和儲備。

(III) Management

1. Implement the “14th Five-Year” plan of the Company properly.
2. Optimize the process, release vitality, and improve quality and efficiency.
3. Promulgate relevant policies and measures in a timely manner based on changes in situation, and to ensure business development.

(IV) Development ideas

1. Expand domestic business. We will maintain our current overseas operations, and strive to promote domestic business, thereby forming an organic combination and balanced development of domestic and foreign markets and resources.

(三) 管理方面

1. 做好公司「十四五」規劃。
2. 優化流程，釋放活力，提質增效。
3. 根據形勢變化及時出台相關政策措施，全力保障業務開發。

(四) 發展思路

1. 增加國內業務。穩住海外基本盤，努力推進國內業務，形成國內國外兩個市場、兩種資源的有機結合、均衡發展。

Management Discussion and Analysis

管理層討論及分析

2. Increase our discourse power and influence within the industry. While focusing on the scale development, we should pay more attention to our position in the resource allocation and value chain of engineering contracting and other sectors, and gain the discourse power and influence within the industry development by mastering the key industry links, key technologies, key fields or large-scale market share.
 3. Strengthen our ability to integrate resources. We will continue to adopt the differentiated competition strategy, adhere to the corporate unique features of “light assets”, “business-orientated” and “management-orientated”, and enhance internal coordination between segments. We will graft external resources through platforms or investments, and improve customer stickiness.
 4. Increase the thickness of the technology. We strive to build up professional capabilities in the traditional power industry, new energy industry and power transmission and transformation industry, so as to enhance our competitiveness in the industry with excellent professional ability.
 5. Enhance the ability of financing solution. We should break through the traditional financing modes such as buyer’s credit, seller’s credit and project financing, and actively explore other financing means such as financial leasing, fund pulling and leaseback.
2. 增加行業話語權和影響力。在關注規模發展的同時，要更注重在工程承包和其他板塊資源配置及價值鏈中的地位，通過掌握關鍵產業環節、關鍵技術、關鍵領域或規模化市場份額來獲取行業發展的話語權和影響力。
 3. 增強整合資源的能力。保持差異化競爭策略，堅持公司「輕資產」、「商務型」、「管理型」公司特色，強化內部各板塊協同，通過平台或投資等方式嫁接外部資源，提高客戶黏性。
 4. 增加技術的厚度。努力在傳統電力行業、新能源行業和輸變電行業進行專業化能力建設，以卓越的專業化能力增強在行業內的競爭力。
 5. 增強融資解決能力。突破傳統買方信貸、賣方信貸、項目融資等傳統融資模式，積極探索融資租賃、基金拉動、售後回租等其他融資手段。

Corporate Governance and Other Information

企業管治及其他資料

1. SHARE CAPITAL

As of 30 June 2020, the total share capital of the Company was RMB4,125,700,000, divided into 4,125,700,000 Shares with nominal value of RMB1.00 each.

2. INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the Period.

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

As of 30 June 2020, 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 the provisions of 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.

1. 股本

截至2020年6月30日，本公司的總股本為人民幣4,125,700,000元，分為4,125,700,000股每股面值人民幣1.00元的股份。

2. 中期股息

董事會不建議派付本期間的中期股息。

3. 董事、監事及高級管理人員於股份、相關股份及債券的權益、淡倉及購股權計劃

截至2020年6月30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分部規定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作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。

Corporate Governance and Other Information

企業管治及其他資料

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

As of 30 June 2020, 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 which or persons who (other than a Director, Supervisor or chief executive of the Company) would fall to be disclosed under the provisions of 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 were as follows:

Long positions and Short positions in the Shares

4. 主要股東及其他人士於股份及相關股份的權益及淡倉

截至2020年6月30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XV部第2及3分部規定須予披露，或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：

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	Total	Approximate Percentage of Shareholding in the Relevant Class of Shares <i>(Note 1)</i> 佔有關股份類別 股權概約百分比 <i>(附註1)</i>	Approximate Percentage of Shareholding in the Total Shares <i>(Note 1)</i> 佔股份總數股權 概約百分比 <i>(附註1)</i>
股東名稱	股份類別	身份/權益性質	所持已發行股份/ 相關股份數目	總數		
SINOMACH	Domestic Shares	Beneficial owner/Personal interests	3,185,255,700 <i>(Note 2)</i> (Long position)	3,217,430,000	100%	77.99%
國機	內資股	實益擁有人/個人權益	<i>(附註2)</i> (好倉)			
		Interests of controlled corporation/Corporate interests 受控法團權益/法團權益	32,174,300 <i>(Note 2)</i> (Long position) <i>(附註2)</i> (好倉)			
SSF	H Shares	Beneficial owner/ Personal interests	81,352,000 (Long position)	81,352,000	8.96%	1.97%
社保基金理事會	H股	實益擁有人/個人權益	(好倉)			

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企業管治及其他資料

Name of Shareholders	Class of Shares	Capacity/ Nature of Interest	Number of Issued Shares/ Underlying Shares Held	Total	Approximate Percentage of Shareholding in the Relevant Class of Shares (Note 1) 佔有關股份類別 股權概約百分比 (附註1)	Approximate Percentage of Shareholding in the Total Shares (Note 1) 佔股份總數股權 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/ 相關股份數目	總數		
Citigroup Inc.	H Shares	1,266 Shares as Interests of controlled corporations and 54,420,513 Shares as approved lending agent/ Corporate and other Interests	54,421,779 (Note 3) (Long position)	54,421,779	5.99%	1.35%
花旗集團	H股	1,266股股份為受控法團權益及54,420,513股股份為核准借出代理人/法團及其他權益	(附註3) (好倉)			
Cape Ann Asset Management Limited	H Shares	Investment manager/ Other interests	54,241,000 (Long position)	54,241,000	5.97%	1.31%
	H股	投資經理/其他權益	(好倉)			
LSV Asset Management	H Shares	Investment manager/ Other interests	39,990,000 (Long position)	53,994,000	5.94%	1.31%
	H股	投資經理/其他權益	(好倉)			
		Interests of controlled corporation/Corporate interests 受控法團權益/法團權益	14,004,000 (Note 4) (Long position) (好倉)			
Wellington Management Group LLP	H Shares	Investment manager/ Other interest	46,348,835 (Long position) (Note 5)	46,348,835	5.10%	1.12%
	H股	投資經理/其他權益	(好倉) (附註5)			

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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 30 June 2020.
- (2) SINOMACH was beneficially interested in 3,185,255,700 Domestic Shares, representing approximately 77.21% of our total share capital. China United was beneficially interested in 32,174,300 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 54,421,779 Shares as referred to in note 3 above.

Among these 54,421,779 Shares, 1,154 Shares were held by Citigroup Global Markets Asia Limited, an indirect non-wholly-owned subsidiary of Citigroup Inc., 112 Shares were held by Citigroup Global Markets Hong Kong Limited, an indirect wholly-owned subsidiary of Citigroup Inc. and 54,420,513 Shares in lending pool were held by Citibank, N.A., an indirect wholly-owned subsidiary of Citigroup Inc.. Accordingly, Citigroup Inc. is deemed to be interested in 54,421,779 Shares.

- (4) The 14,004,000 Shares as referred in note 4 above.

Among these 14,004,000 Shares, 11,972,000 Shares were held by LSV Emerging Markets Equity Fund, LP and 2,032,000 Shares were held by LSV Emerging Markets Small Cap Equity Fund, LP, both of which are general partners of LSV Asset Management. Accordingly, LSV Asset Management is deemed to be interested in all the Shares in which LSV Emerging Markets Equity Fund, LP and LSV Emerging Markets Small Cap Equity Fund, LP are interested.

附註：

- (1) 該百分比乃以本公司截至2020年6月30日已發行的相關股份數目／股份總數計算。
- (2) 國機於3,185,255,700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32,174,300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54,421,779股股份。

該等54,421,779股股份中，1,154股股份由花旗集團間接非全資附屬公司花旗環球金融亞洲有限公司持有，112股股份由花旗集團間接全資附屬公司花旗環球金融香港有限公司持有，而54,420,513股股份由花旗集團之間接全資附屬公司花旗銀行持有。因此，花旗集團被視為於54,421,779股股份中擁有權益。

- (4) 上文附註4所述的14,004,000股股份。

該等14,004,000股股份中，11,972,000股股份及2,032,000股股份分別由LSV Asset Management的普通合夥人LSV Emerging Markets Equity Fund, LP及LSV Emerging Markets Small Cap Equity Fund, LP持有。因此，LSV Asset Management被視為於LSV Emerging Markets Equity Fund, LP及LSV Emerging Markets Small Cap Equity Fund, LP擁有權益的全部股份中擁有權益。

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(5) The 46,348,835 Shares are referred in note 5 above.

Among these 46,348,835 Shares, 15,281,630 Shares were held by Wellington Management International Ltd., an indirect non-wholly-owned subsidiary of Wellington Management Group LLP and 31,067,205 Shares were held by Wellington Management Company LLP, an indirect non-wholly-owned subsidiary of Wellington Management Group LLP. Accordingly, Wellington Management Group LLP is deemed to be interested in 46,348,835 Shares.

Save as disclosed above, and as at 30 June 2020, the Directors were not aware of any corporations which or persons who (other than a Director, Supervisor or the chief executive of the Company) had an interest or short position in the Shares or underlying Shares which would fall to be disclosed under the provisions of 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.

5. PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

During the Period, the Company did not redeem any of its H Shares listed on the Stock Exchange nor did the Company or any of its subsidiaries purchase or sell any of such Shares.

6. BOARD COMPOSITION

As at the date of this report, the Board comprises: Mr. FANG Yanshui as executive Director; Mr. BAI Shaotong, Mr. YU Benli and Mr. ZHANG Fusheng as non-executive Directors; and Mr. LIU Li, Ms. LIU Hongyu, Mr. FANG Yongzhong and Mr. WU Tak Lung as INEDs.

(5) 上文附註5所述的46,348,835股股份。

於該等46,348,835股股份中，15,281,630股股份及31,067,205股股份分別由Wellington Management Group LLP的間接非全資附屬公司Wellington Management International Ltd.及Wellington Management Group LLP的間接非全資附屬公司Wellington Management Company LLP持有。因此，Wellington Management Group LLP被視為於46,348,835股股份中擁有權益。

除上文披露者外，及截至2020年6月30日，董事並不知悉任何法團或人士（並非董事、監事或本公司最高行政人員）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登記冊的權益或淡倉。

5. 購買、出售或贖回上市證券

本期間內，本公司並無贖回其於聯交所上市之任何H股，而本公司或其任何附屬公司亦無購買或出售任何該等股份。

6. 董事會組成

截至本報告日期，董事會成員包括：方彥水先生為執行董事；白紹桐先生、余本禮先生及張福生先生為非執行董事；以及劉力先生、劉紅宇女士、方永忠先生及吳德龍先生為獨立非執行董事。

Corporate Governance and Other Information

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7. COMPLIANCE WITH THE CG CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and enhance corporate value and accountability. The Company has adopted the CG Code as its own code of corporate governance. The Company has complied with the code provisions as set out in the CG Code during the Period and up to the date of this report.

8. COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

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

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

9. INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to the relevant requirements of the Listing Rules, the Company has appointed sufficient number of INEDs with appropriate professional qualifications, or appropriate accounting or related financial management expertise. The Company has appointed a total of four INEDs: Mr. LIU Li, Ms. LIU Hongyu, Mr. FANG Yongzhong and Mr. WU Tak Lung.

7. 遵守《企業管治守則》

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。本公司已採納《企業管治守則》作為其企業管治守則。本公司於本期間及截至本報告日期一直遵守《企業管治守則》所載的守則條文。

8. 遵守董事及監事進行證券交易的《標準守則》

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

本公司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。

9. 獨立非執行董事

本公司已根據《上市規則》的有關規定委任足夠數目並具備適當的專業資格或具備適當的會計或相關財務管理專長的獨立非執行董事。本公司共委任四名獨立非執行董事：劉力先生、劉紅宇女士、方永忠先生及吳德龍先生。

Corporate Governance and Other Information

企業管治及其他資料

10. CHANGE TO INFORMATION OF DIRECTORS AND SUPERVISORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes to Directors' and Supervisors' information subsequent to the date of the annual report of the Company and up to the date of this report are set out below:

On 11 May 2020, Mr. BAI Shaotong, a non-executive Director and the chairman of the Board, ceased to be an authorised representative under Rule 3.05 of the Listing Rules.

On 11 May 2020, Mr. FANG Yanshui, the executive Director, has been appointed as an authorised representative under Rule 3.05 of the Listing Rules.

On 28 May 2020, Mr. WU Tak Lung, the INED, has been appointed as an independent non-executive director of Minth Group Limited (敏實集團有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 00425).

11. REVIEW BY THE AUDIT COMMITTEE

The Audit Committee comprises one non-executive Director, Mr. ZHANG Fusheng, and two INEDs, namely Mr. LIU Li (committee chairman) and Ms. LIU Hongyu. It has jointly reviewed with the management on the accounting standards, and discussed internal control and financial reporting matters (including the review of the interim results) of the Group. This report has been reviewed by the Audit Committee. The Audit Committee considered that the interim results and this report are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

10. 董事及監事資料變更

根據《上市規則》第13.51B(1)條，於本公司年報日期後及直至本報告日期為止之董事及監事資料變更載列如下：

於2020年5月11日，非執行董事兼董事會董事長白紹桐先生不再擔任《上市規則》第3.05條項下的授權代表。

於2020年5月11日，執行董事方彥水先生獲委任為《上市規則》第3.05條項下的授權代表。

於2020年5月28日，獨立非執行董事吳德龍先生獲委任為敏實集團有限公司（聯交所主板上市的公司，股份代號：00425）獨立非執行董事。

11. 審計委員會的審閱

審計委員會包括一名非執行董事（張福生先生）及兩名獨立非執行董事（即劉力先生（委員會主席）及劉紅宇女士）。審計委員會已與管理層共同審閱會計準則，並討論了本集團的內部控制及財務報告事宜（包括審閱中期業績）。本報告已獲審計委員會審閱。審計委員會認為，中期業績及本報告已遵從適用會計準則及法律法規，而本公司亦已作出適當披露。

Corporate Governance and Other Information

企業管治及其他資料

12. 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), the Executive Order 13846 or the Executive Order 13871 (collectively, the “**Executive Orders**”) for so long as the ISA or Executive Orders 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. As at 31 December 2015, the proceeds from the Company’s Listing in Hong Kong has been fully utilized for the intended purposes. For details, please refer to page 145 of the 2015 annual report of the Company dated 27 April 2016.

12. 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年全面制裁伊朗、問責及撤資法修訂)、執行令13846號或執行令13871號(統稱「**執行令**」)保持有效期間內參與受伊朗制裁法或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，公司已採取下列措施，以確保遵守制裁承諾：

1. 所得款項賬戶—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。鑒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戶的資金流進出情況。截至2015年12月31日，本公司香港上市的所得款項已全部用作擬定用途。詳情請參見本公司於2016年4月27日公佈的2015年度報告第145頁。

Corporate Governance and Other Information

企業管治及其他資料

- 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.
 - 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.
 - 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.
- 會計措施—本公司已確保擁有分立的賬簿及記錄，以監察所得款項賬戶的存入及支出等活動。
 - 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。
 - 有關出口管制的內控合規機制（「內控合規機制」）—憑藉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。

In recent years, the US sanctions landscape has evolved substantially, especially those targeted at Iran. 16 January 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.

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。

Corporate Governance and Other Information

企業管治及其他資料

For details, please refer to the Company's announcement published on the respective websites of the Stock Exchange and the Company on 23 March 2016. However, the United States announced on 8 May 2018 that it will withdraw from the Iran Nuclear Deal and restore sanctions against Iran. So the Company decided to terminate all business ties in Iran thereafter from a prudent perspective and the Company has no existing or implemented project in Iran.

In addition, given the new development in 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 details, please refer to the Company's announcement published on the respective websites of the Stock Exchange and the Company on 19 December 2016.

詳情請參閱本公司分別載於聯交所及本公司網站的2016年3月23日刊發的公告。然而，美國於2018年5月8日宣佈將退出伊朗核協議並恢復對伊朗的制裁。因此，本公司審慎決定終止在伊朗的所有業務關係，且本公司在伊朗並無現有或已實施項目。

此外，考慮到古巴制裁格局的新發展，Holland & Knight LLP告知本公司：儘管美國對古巴繼續禁運，但倘在美國境外參與古巴活動，本公司（及其股東與投資者）面臨的風險非常有限，倘根據本公司的美國授權或透過本公司的一家美國附屬公司參與古巴活動，亦會面臨類似的風險。美國國務院已將古巴從國家恐怖主義支持者（「恐怖主義支持者」）名單中刪除，儘管美國禁運仍然持續，但與涉及名列恐怖主義支持者名單的國家進行交易的信譽風險及高度盡職調查（尤其是非美金融機構）已顯著降低。詳情請參閱本公司分別載於聯交所及本公司網站的2016年12月19日刊發的公告。

Independent Review Report 獨立審閱報告



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Independent review report To the shareholders of China Machinery Engineering Corporation

INTRODUCTION

We have reviewed the interim financial information set out on pages 95 to 162, which comprises the condensed consolidated statement of financial position of China Machinery Engineering Corporation (the “Company”) and its subsidiaries (the “Group”) as at 30 June 2020 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”) issued by the International Accounting Standards Board (“IASB”). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

獨立審閱報告 致中國機械設備工程股份有限公司股東

引言

我們已審閱第95至162頁所載的中期財務資料，包括中國機械設備工程股份有限公司（「貴公司」）及其附屬公司（統稱「貴集團」）於2020年6月30日的簡明合併財務狀況表，以及截至該日止六個月期間的相關簡明合併損益表、簡明合併綜合收益表、簡明合併權益變動表及簡明合併現金流量表及解釋附註。根據香港聯合交易所有限公司證券上市規則規定，中期財務資料報告須按照其相關條文以及國際會計準則委員會（「國際會計準則委員會」）頒佈的國際會計準則第34號「中期財務報告」（「國際會計準則第34號」）編製。貴公司董事負責按照國際會計準則第34號編製及呈報本中期財務資料。我們的責任為根據我們的審閱工作對本中期財務資料發表結論。根據我們受聘的協定條款，我們的報告僅向閣下作為一個全體匯報，而不作任何其他用途。我們不會就本報告之內容向任何其他人士承擔或負上任何責任。

Independent Review Report

獨立審閱報告

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young

Certified Public Accountants

Hong Kong

26 August 2020

審閱範圍

我們根據香港會計師公會頒佈的香港審閱工作準則第2410號「獨立核數師對實體中期財務資料的審閱」進行審閱。中期財務資料審閱工作包括主要向負責財務及會計事宜的人員詢問，並應用分析和其他審閱程序。審閱之範圍遠小於根據香港核數準則進行之審計，故無法確保我們會注意到所有可能通過審計識別的重要事項。因此，我們不會發表審計意見。

結論

根據我們的審閱工作，我們並無注意到任何事宜使我們相信中期財務資料在所有重大方面未有按照國際會計準則第34號編製。

安永會計師事務所

執業會計師

香港

2020年8月26日

Interim Condensed Consolidated Statement of Profit or Loss

中期簡明合併損益表

For the six months ended 30 June 2020 • 截至2020年6月30日止六個月

				For the six months ended 30 June	
				截至6月30日止六個月	
				2020	2019
				2020年	2019年
				(Unaudited)	(Unaudited)
				(未經審計)	(未經審計)
				RMB'000	RMB'000
				人民幣千元	人民幣千元
					(Restated)
					(重述)
REVENUE	收入	4		9,071,699	13,952,971
Cost of sales	銷售成本			(7,471,042)	(11,832,985)
Gross profit	毛利			1,600,657	2,119,986
Other revenue	其他收入	5		20,065	11,906
Other (expenses)/income, net	其他(開支)/收入淨額	5		(349,867)	20,557
Selling and distribution expenses	銷售及分銷開支			(342,553)	(471,108)
Administrative expenses	行政開支			(503,799)	(551,190)
Impairment losses on financial and contract assets, net	金融及合同資產減值虧損淨額			(49,355)	(118,084)
Other operating expenses	其他經營開支			(4,932)	(1,065)
PROFIT FROM OPERATIONS	經營溢利			370,216	1,011,002
Finance income	財務收入	6		423,222	262,613
Finance expenses	財務開支	6		(74,562)	(138,466)
Net finance income	財務收入淨額	6		348,660	124,147
Share of profits and losses of:	應佔以下溢利及虧損：				
Associates	聯營公司			85,627	94,010
Joint ventures	合營公司			16,883	18,412
PROFIT BEFORE TAX	除稅前溢利			821,386	1,247,571
Income tax	所得稅	7		(191,258)	(259,581)
PROFIT FOR THE PERIOD	本期間溢利			630,128	987,990
Attributable to:	歸屬於：				
Owners of the parent	母公司擁有人			626,710	986,437
Non-controlling interests	非控股權益			3,418	1,553
				630,128	987,990
EARNINGS PER SHARE	母公司普通權益持有人				
ATTRIBUTABLE TO ORDINARY	應佔每股盈利				
EQUITY HOLDERS OF THE PARENT					
Basic and diluted (RMB)	基本及攤薄(人民幣)	9		15 cents (分)	24 cents (分)

Interim Condensed Consolidated Statement of Comprehensive Income

中期簡明合併綜合收益表

For the six months ended 30 June 2020 • 截至2020年6月30日止六個月

		For the six months ended 30 June 截至6月30日止六個月	
		2020 2020年 (Unaudited) (未經審計) RMB'000 人民幣千元	2019 2019年 (Unaudited) (未經審計) RMB'000 人民幣千元 (Restated) (重述)
PROFIT FOR THE PERIOD	本期間溢利	630,128	987,990
OTHER COMPREHENSIVE INCOME	其他綜合收益		
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:	於後續期間將不會重新分類至損益的其他綜合(虧損)/收益:		
Remeasurement of defined benefit obligations	重新計量設定受益計劃	(2,740)	(12,155)
Equity investments designated at fair value through other comprehensive income	以公允價值計量且變動計入其他綜合收益的股權投資	(21,985)	24,868
Share of other comprehensive (loss)/income of associates	應佔聯營公司其他綜合(虧損)/收益	(5,230)	13,650
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods	於後續期間將不會重新分類至損益的其他綜合(虧損)/收益淨額	(29,955)	26,363
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:	於後續期間可能重新分類至損益的其他綜合收益/(虧損):		
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	32,310	(50,927)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	於後續期間可能重新分類至損益的其他綜合收益/(虧損)淨額	32,310	(50,927)
Other comprehensive income/(loss) for the period, net of tax	本期間其他綜合收益/(虧損)(扣除稅項)	2,355	(24,564)
Total comprehensive income for the period	本期間綜合收益總額	632,483	963,426
Attributable to:	歸屬於:		
Owners of the parent	母公司擁有人	631,368	962,639
Non-controlling interests	非控股權益	1,115	787
		632,483	963,426

Interim Condensed Consolidated Statement of Financial Position

中期簡明合併財務狀況表

30 June 2020 • 2020年6月30日

			30 June	31 December
			2020	2019
			2020年	2019年
			6月30日	12月31日
			(Unaudited)	(Restated)
			(未經審計)	(重述)
	<i>Notes</i>		RMB'000	RMB'000
	<i>附註</i>		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	10	2,682,266	2,495,207
Investment properties	投資物業		623,816	632,593
Right-of-use assets	使用權資產	11	1,774,111	1,806,626
Intangible assets	無形資產		439,094	440,556
Investments in joint ventures	對合營公司的投資		422,205	405,798
Investments in associates	對聯營公司的投資		1,476,116	1,368,578
Trade and other receivables	貿易及其他應收款項	15	6,197,580	6,537,503
Deferred tax assets	遞延稅項資產		796,750	655,243
Equity investments designated at fair value through other comprehensive income	以公允價值計量且其變動計入其他綜合收益的股權投資	12	545,244	550,659
Total non-current assets	非流動資產總額		14,957,182	14,892,763
CURRENT ASSETS				
流動資產				
Inventories	存貨	13	370,226	466,795
Trade and other receivables	貿易及其他應收款項	15	10,469,006	10,638,033
Contract assets	合同資產	14	4,875,619	5,205,445
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入損益的金融資產	16	1,762,171	176,780
Restricted deposits	受限制存款	17	1,001,001	1,231,226
Time deposits with original maturity of over three months	原始到期日超過三個月 的定期存款	17	4,870,684	5,825,624
Cash and cash equivalents	現金及現金等價物	17	15,725,206	15,563,218
Total current assets	流動資產總額		39,073,913	39,107,121

Continued/...
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Interim Condensed Consolidated Statement of Financial Position

中期簡明合併財務狀況表

30 June 2020 • 2020年6月30日

			30 June	31 December
			2020	2019
			2020年	2019年
			6月30日	12月31日
			(Unaudited)	(Restated)
			(未經審計)	(重述)
		<i>Notes</i>	RMB'000	<i>RMB'000</i>
		<i>附註</i>	人民幣千元	人民幣千元
CURRENT LIABILITIES	流動負債			
Borrowings	借貸	19	800,879	444,218
Contract liabilities	合同負債		14,024,155	13,620,421
Trade and other payables	貿易及其他應付款項	18	19,169,524	19,650,242
Lease liabilities	租賃負債		22,441	27,854
Defined benefit obligations	設定受益計劃		43,490	43,490
Tax payable	應繳稅項		265,600	466,301
Total current liabilities	流動負債總額		34,326,089	34,252,526
NET CURRENT ASSETS	流動資產淨額		4,747,824	4,854,595
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減流動負債		19,705,006	19,747,358
NON-CURRENT LIABILITIES	非流動負債			
Borrowings	借貸	19	173,885	111,087
Trade and other payables	貿易及其他應付款項	18	900,463	870,867
Lease liabilities	租賃負債		27,714	36,378
Defined benefit obligations	設定受益計劃		580,911	586,457
Deferred tax liabilities	遞延稅項負債		111,032	108,829
Total non-current liabilities	非流動負債總額		1,794,005	1,713,618
Net assets	淨資產		17,911,001	18,033,740

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Interim Condensed Consolidated Statement of Financial Position

中期簡明合併財務狀況表

30 June 2020 • 2020年6月30日

			30 June	31 December
			2020	2019
			2020年	2019年
			6月30日	12月31日
			(Unaudited)	(Restated)
			(未經審計)	(重述)
		<i>Notes</i>	RMB'000	<i>RMB'000</i>
		<i>附註</i>	人民幣千元	人民幣千元
EQUITY	權益			
Issued capital	已發行股本	20	4,125,700	4,125,700
Reserves	儲備	21	13,645,465	13,769,319
Total equity attributable to owners of the parent	母公司擁有人應佔權益總額		17,771,165	17,895,019
Non-controlling interests	非控股權益		139,836	138,721
Total equity	權益總額		17,911,001	18,033,740

Director **Bai Shaotong**
董事 白紹桐

Director **Fang Yanshui**
董事 方彥水

Interim Condensed Consolidated Statement of Changes in Equity

中期簡明合併權益變動表

For the six months ended 30 June 2020 • 截至2020年6月30日止六個月

		Attributable to owners of the parent							Non-controlling interests	Total equity
		歸屬於母公司擁有人							非控股權益	權益總額
		Issued capital	Capital reserve	Fair value reserve of financial assets at FVOCI	Statutory surplus reserve	Exchange fluctuation reserve	Retained profits	Sub-total		
		已發行股本	資本儲備	以公允價值計量且其變動計入其他綜合收益的金融資產的公允價值儲備	法定盈餘公積金	匯兌波動儲備	保留溢利	小計		
		RMB'000	RMB'000	RMB'000	RMB'000	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	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2020 (audited)	於2020年1月1日 (經審計)	4,125,700	1,805,777	57,999	1,542,949	(47,742)	10,361,142	17,845,825	112,570	17,958,395
Business combination under common control	同一控制下的業務合併	-	51,663	-	-	-	(2,469)	49,194	26,151	75,345
At 1 January 2020 (restated)	於2020年1月1日(重述)	4,125,700	1,857,440	57,999	1,542,949	(47,742)	10,358,673	17,895,019	138,721	18,033,740
Profit for the period	本期間溢利	-	-	-	-	-	626,710	626,710	3,418	630,128
Other comprehensive income/(loss) for the period	本期間其他綜合收益/(虧損)	-	-	-	-	-	-	-	-	-
Exchange differences on translation of foreign operations	外幣報表折算差額	-	-	-	-	33,762	-	33,762	(1,452)	32,310
Remeasurement losses on defined benefit obligations, net of tax	設定受益計劃重新評估虧損，扣稅後	-	-	-	-	-	(1,889)	(1,889)	(851)	(2,740)
Changes in fair value of financial assets at FVOCI, net of tax	以公允價值計量且其變動計入其他綜合收益的金融資產的公允價值變動，扣稅後	-	-	(21,985)	-	-	-	(21,985)	-	(21,985)
Share of other comprehensive income of associates	應佔聯營公司其他綜合收益	-	-	(5,230)	-	-	-	(5,230)	-	(5,230)
Total comprehensive income/(loss) for the period	本期間綜合收益/(虧損)總額	-	-	(27,215)	-	33,762	624,821	631,368	1,115	632,483
Business combination under common control (note 22)	同一控制下的業務合併(附註22)	-	(100,886)	-	-	-	-	(100,886)	-	(100,886)
Dividends declared to shareholders of the Company (note 8)	已向本公司股東宣派的股息(附註8)	-	-	-	-	-	(654,336)	(654,336)	-	(654,336)
At 30 June 2020 (unaudited)	於2020年6月30日 (未經審計)	4,125,700	1,756,554	30,784	1,542,949	(13,980)	10,329,158	17,771,165	139,836	17,911,001

Interim Condensed Consolidated Statement of Changes in Equity

中期簡明合併權益變動表

For the six months ended 30 June 2020 • 截至2020年6月30日止六個月

		Attributable to owners of the parent							Non-controlling interests	Total equity
		歸屬於母公司擁有人							非控股權益	權益總額
		Issued capital	Capital reserve	Fair value reserve of financial assets at FVOCI	Statutory surplus reserve	Exchange fluctuation reserve	Retained profits	Sub-total		
		已發行股本	資本儲備	以公允價值計量且其變動計入其他綜合收益的金融資產的公允價值儲備	法定盈餘公積金	匯兌波動儲備	保留溢利	小計		
		RMB'000	RMB'000	RMB'000	RMB'000	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	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2019 (audited)	於2019年1月1日 (經審計)	4,125,700	1,785,692	(23,776)	1,377,179	(36,548)	9,199,161	16,427,408	85,846	16,513,254
Business combination under common control	同一控制下的業務合併	-	51,663	-	-	-	(11,652)	40,011	21,167	61,178
At 1 January 2019 (restated)	於2019年1月1日(重述)	4,125,700	1,837,355	(23,776)	1,377,179	(36,548)	9,187,509	16,467,419	107,013	16,574,432
Profit for the period	本期間溢利	-	-	-	-	-	986,437	986,437	1,553	987,990
Other comprehensive income/(loss) for the period	本期間其他綜合收益/(虧損)									
Exchange differences on translation of foreign operations	外幣報表折算差額	-	-	-	-	(51,013)	-	(51,013)	86	(50,927)
Remeasurement losses on defined benefit obligations, net of tax	設定受益計劃重新評估虧損，扣稅後	-	-	-	-	-	(11,303)	(11,303)	(852)	(12,155)
Changes in fair value of financial assets at FVOCI, net of tax	以公允價值計量且其變動計入其他綜合收益的金融資產的公允價值變動，扣稅後	-	-	24,868	-	-	-	24,868	-	24,868
Share of other comprehensive income of associates	應佔聯營公司其他綜合收益	-	-	13,650	-	-	-	13,650	-	13,650
Total comprehensive income/(loss) for the period	本期間綜合收益/(虧損)總額	-	-	38,518	-	(51,013)	975,134	962,639	787	963,426
Business combination	業務合併	-	-	-	-	-	-	-	26,553	26,553
Dividends declared to shareholders of the Company	已向本公司股東宣派的股息	-	-	-	-	-	(852,782)	(852,782)	-	(852,782)
At 30 June 2019 (restated)	於2019年6月30日(重述)	4,125,700	1,837,355	14,742	1,377,179	(87,561)	9,309,861	16,577,276	134,353	16,711,629

Interim Condensed Consolidated Statement of Cash Flows

中期簡明合併現金流量表

For the six months ended 30 June 2020 • 截至2020年6月30日止六個月

		2020 2020年 (Unaudited) (未經審計) RMB'000 人民幣千元	2019 2019年 (Unaudited) (未經審計) RMB'000 人民幣千元 (Restated) (重述)
	Notes 附註		
CASH FLOWS FROM OPERATING ACTIVITIES	來自經營活動的現金流量		
Profit before tax	除稅前溢利	821,386	1,247,571
Adjustments for:	調整項目：		
Finance costs	財務成本	<i>6(a)</i> 60,677	46,665
Foreign exchange differences, net	匯兌差額淨額	(155,161)	(18,066)
Share of profits and losses of associates	應佔聯營公司溢利及虧損	(85,627)	(94,010)
Share of profits and losses of joint ventures	應佔合營公司溢利及虧損	(16,883)	(18,412)
Interest income	利息收入	<i>6(a)</i> (95,392)	(123,300)
Investment income on financial assets	金融資產投資收益	<i>5</i> (15,700)	(8,927)
Dividend income from equity investments	股權投資的股息收益	<i>5</i> (3,300)	-
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)/損失淨額	<i>5</i> (306)	895
Net losses on foreign currency forward exchange contracts and interest rate swaps	遠期外匯合約及利率掉期損失 淨額	<i>5</i> 95,334	7,812
Depreciation of property, plant, equipment and investment properties	物業、廠房、設備及投資物業 折舊	<i>6(b)</i> 66,789	56,617
Depreciation of right-of-use assets	使用權資產折舊	<i>6(b)</i> 43,221	42,214
Amortisation	攤銷	15,217	28,851
Impairment losses	減值虧損	<i>6(b)</i> 49,355	119,143
		779,610	1,287,053
Decrease/(Increase) in inventories	存貨減少/(增加)	96,569	(75,853)
Decrease/(Increase) in contract assets	合同資產減少/(增加)	330,190	(392,897)
Decrease/(Increase) in trade and other receivables	貿易及其他應收款項減少 (增加)	625,362	(2,112,336)
Increase/(Decrease) in contract liabilities	合同負債增加/(減少)	403,734	(1,501,832)
Decrease in trade and other payables	貿易及其他應付款項減少	(1,169,337)	(571,239)
(Decrease)/Increase in defined benefit obligations	設定受益計劃(減少)/增加	(8,286)	1,106
Cash generated from/(used in) operations	經營活動所得/(所用)的現金	1,057,842	(3,365,998)
Income tax paid	已付所得稅	(523,971)	(504,561)
Net cash flows from/(used in) operating activities	經營活動所得/(所用)的現金 流量淨額	533,871	(3,870,559)

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Interim Condensed Consolidated Statement of Cash Flows

中期簡明合併現金流量表

For the six months ended 30 June 2020 • 截至2020年6月30日止六個月

		2020 2020年 (Unaudited) (未經審計) RMB'000 人民幣千元	2019 2019年 (Unaudited) (未經審計) RMB'000 人民幣千元 (Restated) (重述)
CASH FLOWS FROM INVESTING ACTIVITIES	來自投資活動的現金流量		
Interest received	已收利息	44,123	74,058
Investment income on financial assets	金融資產投資收益	8,809	8,828
Dividends received	已收股息	3,300	-
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	(255,441)	(120,446)
Purchase of an investment property	購買投資業務	-	(24)
Purchases of equity investments at fair value through other comprehensive income	購買以公允價值計量且其變動計入其他綜合收益的股權投資	(23,862)	(38,586)
Proceeds from disposal of items of property, plant and equipment	處置物業、廠房及設備項目所得款項	3,660	2,269
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	(19,316)	7,028
Proceeds from disposal of other non-current assets	處置其他非流動資產所得款項	-	5,746
Additions of other intangible assets	添置其他無形資產	(2,455)	(1,376)
Additions of other long-term assets	添置其他長期資產	(29,273)	(12,374)
Dividends received from associates and joint ventures	自聯營公司及合營公司收取的股息	643	-
Acquisition of a subsidiary	收購附屬公司	(100,886)	74,757
Investments in associates	對聯營公司的投資	(4,734)	(213,601)
Purchases of financial assets at fair value through profit or loss	購買以公允價值計量且其變動計入損益的金融資產	(2,550,000)	(80,500)
Proceeds from disposal of financial assets at fair value through profit or loss	處置以公允價值計量且其變動計入損益的金融資產所得款項	971,500	83,994
Placing of restricted deposits	存放受限制存款	(1,492)	(22,036)
Proceeds from redemption of restricted deposits	贖回受限制存款的所得款項	231,717	194,133
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之無抵押定期存款	(845,237)	(1,446,505)
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之無抵押定期存款所得款項	1,800,177	2,148,791
Net cash flows (used in)/from investing activities	投資活動(所用)/所得的現金流量淨額	(768,767)	664,156

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Interim Condensed Consolidated Statement of Cash Flows

中期簡明合併現金流量表

For the six months ended 30 June 2020 • 截至2020年6月30日止六個月

		2020 2020年 (Unaudited) (未經審計) RMB'000 人民幣千元	2019 2019年 (Unaudited) (未經審計) RMB'000 人民幣千元 (Restated) (重述)
	Note 附註		
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	479,474	1,390,164
Repayment of borrowings	償還借貸	(67,035)	(1,732,205)
Principal portion of lease payments	租賃付款的本金部分	(24,783)	(17,132)
Dividends paid	已付股息	(1,513)	(3,557)
Interest paid	已付利息	(43,302)	(48,706)
Net cash flows from/(used in) financing activities	融資活動所得/(所用)的 現金流量淨額	342,841	(411,436)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS 現金及現金等價物增加/(減少)淨額			
Cash and cash equivalents at beginning of period	期初的現金及現金等價物	15,563,218	21,388,699
Effect of foreign exchange rate changes, net	匯率變動的影響淨額	54,043	19,263
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期末的現金及現金等價物	15,725,206	17,790,123
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	21,596,891	23,192,643
Restricted deposits balances	受限制存款結餘	(1,001,001)	(1,042,935)
Time deposits with original maturity of over three months	原始到期日超過三個月的 定期存款	(4,870,684)	(4,359,585)
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	17 15,725,206	17,790,123

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

未經審計中期簡明合併財務報表附註

30 June 2020 • 2020年6月30日

1. CORPORATE INFORMATION

China Machinery Engineering Corporation (the “Company”) is a joint stock company with limited liability established in the PRC. The registered office of the Company is located at No. 178 Guang’anmenwai Street, Xicheng District, Beijing, PRC.

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

On 21 December 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 China National Machinery Industry Corporation (“SINOMACH”) and China United Engineering Corporation (“China United”) in aggregate were converted into H shares on a one-for-one basis and transferred to the National Council for Social Security Fund of the PRC (“SSF”).

On 2 January 2013, an 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 30 June 2020, 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 is SINOMACH, which was established in the People’s Republic of China.

1. 公司資料

中國機械設備工程股份有限公司(「本公司」)為在中國成立的股份有限公司。本公司的註冊辦事處位於中國北京市西城區廣安門外大街178號。

本公司及其附屬公司(「本集團」)主要從事國際工程承包業務及貿易業務。

於2012年12月21日，本公司於香港聯合交易所有限公司(「香港聯交所」)主板上市。本公司透過首次公開發售(「首次公開發售」)，按每股股份5.40港元的價格向香港及海外投資者發行718,000,000股H股。基於首次公開發售，中國機械工業集團有限公司(「國機」)及中國聯合工程有限公司(「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，並轉予中國全國社會保障基金理事會(「社保基金理事會」)。

於2013年1月2日，本公司授予的超額配股權獲悉數行使，本公司已按每股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合共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準轉為H股，並轉予社保基金理事會。於2020年6月30日，合共908,270,000股H股於香港聯交所上市。

根據本公司董事(「董事」)的意見，本公司的控股公司及最終控股公司是於中華人民共和國成立的國機。

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

未經審計中期簡明合併財務報表附註

30 June 2020 • 2020年6月30日

2.1 BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2020 have been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* and the disclosure requirements of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2019. The unaudited interim condensed consolidated financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand, except when otherwise indicated.

Merger accounting for business combinations under common control

The Company acquired the 64.82% equity interest in CHPI Harbin Power System Engineering and Research Institute Co., Ltd. (“CHPI”) in April 2020. The Company and CHPI are under the common control of SINOMACH both before and after the acquisitions and such controls are not transitory. Thus, the acquisition was considered to be business combination under common control and merger accounting basis was adopted. Accordingly, the Group’s unaudited interim condensed consolidated financial statements for the six months ended 30 June 2020 and 30 June 2019 include the financial statements of the combining entities or businesses from the earliest date presented or since the date when the combining entity or businesses first came under common control, where this was a shorter period, regardless of the date of the common control combination. The net assets of the combining entity or businesses were combined using the existing book values from the controlling parties’ perspective. No amount was recognised in consideration for goodwill or excess of the acquirer’s 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.

2.1 編製基準

截至2020年6月30日止六個月的未經審計中期簡明合併財務報表已按國際會計準則(「國際會計準則」)第34號「中期財務報告」及香港聯交所證券上市規則的披露規定編製。

未經審計中期簡明合併財務報表並不包括年度財務報表所要求的所有資料及披露資訊，並應連同本集團截至2019年12月31日止年度的年度合併財務報表一併閱讀。未經審計的中期簡明合併財務報表以人民幣(「人民幣」)呈列，除另有指明外，所有金額均湊整至最接近千位。

同一控制下的業務合併的權益結合會計處理

本公司於2020年4月收購哈爾濱電站設備成套設計研究所有限公司(「哈成套」)的64.82%股權。收購前後，本公司與哈成套均受國機在同一控制，且控制權並非暫時。因此，該收購被視為同一控制下的業務合併，且權益結合會計基準已獲採納。相應而言，本集團截至2020年6月30日及2019年6月30日止六個月的未經審計中期簡明合併財務報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就控制方而言的現有賬面值合併。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。

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2.1 BASIS OF PREPARATION (CONTINUED)

Merger accounting for business combinations under common control (continued)

The Group's comparative unaudited interim condensed consolidated financial statements for the six months ended 30 June 2019 were restated to include the financial statements of CHPI retrospectively under merger accounting basis as mentioned above.

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 were accounted for by using merger accounting were recognised as expenses in the period in which they were incurred.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of the following revised International Financial Reporting Standards ("IFRSs") for the first time for the current period's financial information.

Amendments to IFRS 3	<i>Definition of a Business</i>
Amendments to IFRS 9, IAS 39 and IFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendment to IFRS 16	<i>Covid-19-Related Rent Concessions (early adopted)</i>
Amendments to IAS 1 and IAS 8	<i>Definition of Material</i>

2.1 編製基準 (續)

同一控制下的業務合併的權益結合會計處理 (續)

本集團截至2019年6月30日止六個月的可比未經審計中期簡明合併財務報表經重述，以按照上述權益結合會計基準追溯計入哈成套的財務報表。

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，以及其他與採用權益結合會計法計算的同一控制下合併有關的成本，於產生期間確認為當期支出。

2.2 會計政策變更及披露

編製未經審計中期簡明合併財務報表所採納的會計政策與編製本集團截至2019年12月31日止年度的年度合併財務報表所應用者一致，惟就本期間的財務資料首次採納的以下經修訂國際財務報告準則（「國際財務報告準則」）除外。

國際財務報告準則第3號的修訂本	業務的定義
國際財務報告準則第9號、國際會計準則第39號及國際財務報告準則第7號的修訂本	利率基準改革
國際財務報告準則第16號的修訂本	新冠病毒疫情 相關租金減免 (提早採納)
國際會計準則第1號及國際會計準則第8號的修訂本	重要性的釋義

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

The nature and impact of the revised IFRSs are described below:

- (a) Amendments to IFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group has applied the amendments prospectively to transactions or other events that occurred on or after 1 January 2020. The amendments did not have any impact on the financial position and performance of the Group.

2.2 會計政策變更及披露(續)

國際財務報告準則修訂本的性質及影響如下：

- (a) 國際財務報告準則第3號的修訂本澄清業務的定義，並提供額外指引。修訂本明確可視為業務的一組整合活動和資產，必須至少包括一項投入和一個實質性過程，而兩者必須對創造產出的能力有重大貢獻。業務無須包括創造產出所需的所有投入或過程。修訂本取消了評估市場參與者是否有能力收購業務並能持續生產產出的規定，轉為重點關注所取得的投入和實質性過程能否共同對創造產出作出貢獻。修訂本亦已收窄產出的定義，重點關注為客戶提供的貨品或服務、投資收益或日常活動產生的其他收入。此外，修訂本亦提供有關評估所取得過程是否具有實質性的指引，並新增公允價值集中度測試選項，以對所取得的一組活動和資產是否不屬於業務進行簡化評估。本集團對於2020年1月1日或其後發生的交易或其他事件應用修訂本。修訂本對本集團的財務狀況及表現並無任何影響。

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

- (b) Amendments to IFRS 9, IAS 39 and IFRS 7 address the effects of interbank offered rate reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments did not have any impact on the financial position and performance of the Group.
- (c) Amendment to IFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective retrospectively for annual periods beginning on or after 1 June 2020 with earlier application permitted. The amendments did not have any impact on the Group's interim condensed consolidated financial information.

2.2 會計政策變更及披露(續)

- (b) 國際財務報告準則第9號、國際會計準則第39號及國際財務報告準則第7號的修訂本處理銀行間同業拆借利率改革對財務報告的影響。修訂本提供暫時性寬免，使對沖會計處理能夠在不確定時期內持續進行，直至取代現有利率基準。此外，修訂本要求公司向投資者提供有關直接受該等不確定性因素影響的對沖關係的額外資料。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16號的修訂本為承租人提供一個實際可行的權宜方法，就新冠病毒疫情造成的直接後果產生的租金減免選擇不應用租賃變更會計處理。該實際可行權宜方法僅適用於新冠病毒疫情造成的直接後果產生的租金減免，且僅於以下情況適用：(i)租賃付款的變動使租賃對價有所修改，而經修改的對價與緊接變動前的租賃對價大致相同或低於緊接變動前租賃對價；(ii)租賃付款的任何減少僅影響原到期日為2021年6月30日或之前的付款；及(iii)租賃的其他條款及條件並無實質變動。修訂本獲准提早應用，於2020年6月1日或之後開始的年度期間追溯生效。修訂本對本集團的中期簡明合併財務報表並無任何影響。

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(d) Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. The amendments did not have any impact on the Group's interim condensed consolidated financial information.

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in its financial statements.

Amendments to IFRS 3	<i>Reference to the Conceptual Framework</i> ¹
Amendments to IAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i> ¹
Amendments to IAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i> ¹

2.2 會計政策變更及披露(續)

(d) 國際會計準則第1號及國際會計準則第8號的修訂本重新界定重要性。根據新定義，倘可合理預期漏報、錯報或掩蓋個別信息將影響使用財務報表作一般目的的主要使用者基於相關財務報表作出的決定，則該信息為重要。修訂本指明，重要性取決於信息的性質或牽涉範圍。修訂本對本集團的中期簡明合併財務報表並無任何影響。

2.3 已頒佈但尚未生效的國際財務報告準則

本集團並未於其財務報表中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3號的修訂本	概念框架的引用 ¹
國際會計準則第16號的修訂本	物業、廠房及設備：達到預定可使用狀態前的收益 ¹
國際會計準則第37號的修訂本	虧損合約－履行合約之成本 ¹

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2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

2.3 已頒佈但尚未生效的國際財務報告準則(續)

<p><i>Annual Improvements to IFRSs 2018-2020</i></p>	<p>Amendments to IFRS 1, IFRS 9, IAS 41 and Illustrative Examples accompanying IFRS 16¹</p>	<p>國際財務報告準則之年度改進(2018年至2020年)</p>	<p>國際財務報告準則第1號、國際財務報告準則第9號、國際會計準則第41號及國際財務報告準則第16號的隨附示例的修訂本¹</p>
<p>Amendments to IAS 28 and IFRS 10</p>	<p><i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>²</p>	<p>國際會計準則第28號及國際財務報告準則第10號的修訂本</p>	<p>投資者與其聯營公司或合營公司之間的資產出售或注資²</p>
<p>IFRS 17 Amendments to IAS 1</p>	<p><i>Insurance Contracts</i>³ <i>Classification of Liabilities as Current or Non-current</i>³</p>	<p>國際財務報告準則第17號 國際會計準則第1號的修訂本</p>	<p>保險合約³ 將負債分類為流動或非流動³</p>

¹ Effective for annual periods beginning on or after 1 January 2022

¹ 於2022年1月1日或之後開始的年度期間生效

² No mandatory effective date yet determined but available for adoption

² 尚未釐定強制生效日期但可供採納

³ Effective for annual periods beginning on or after 1 January 2023

³ 於2023年1月1日或之後開始的年度期間生效

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

本集團正在評估該等新訂及經修訂國際財務報告準則於首次應用時之影響。

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3. OPERATING SEGMENT INFORMATION

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

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

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group’s profit before tax except that share of profits and losses of associates and joint ventures, interest income from bank deposits, interest cost on lease liabilities, finance costs related to defined benefit obligations, investment income on financial assets, loss on disposal of a subsidiary, 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.

3. 經營分部資料

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

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

管理層單獨監察本集團經營分部的業績，以就資源分配及表現評估作出決策。分部表現乃根據可報告之分部溢利／虧損評估，此乃經調整除稅前溢利／虧損之計量指標。計量經調整除稅前溢利／虧損的方式與計量本集團除稅前溢利的方式一致，惟應佔聯營公司及合營公司之溢利及虧損、銀行存款之利息收入、租賃負債的利息成本、與設定受益計劃有關之財務成本、金融資產投資收益、處置附屬公司虧損、股息收益、本集團金融工具之公允價值收益／虧損、其他收入／開支、未分配收入／開支以及總部及企業收入／開支均不計入該計量內。

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3. OPERATING SEGMENT INFORMATION (CONTINUED)

Segment assets exclude investments in associates and joint ventures, property, plant and equipment, right-of-use assets, intangible assets, deferred tax assets, financial assets at fair value through profit or loss, time deposits, cash and cash equivalents, and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude lease liabilities, 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.

3. 經營分部資料(續)

分部資產不包括於聯營公司及合營公司之投資、物業、廠房及設備、使用權資產、無形資產、遞延稅項資產、以公允價值計量且其變動計入損益的金融資產、定期存款、現金及現金等價物以及其他未分配總部及企業資產，此乃由於該等資產以集團為基礎管理。

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

各分部間的銷售及轉撥乃參考向第三方銷售所採用之售價，按當時市價進行交易。

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3. OPERATING SEGMENT INFORMATION (CONTINUED)

3. 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

Six months ended 30 June 2020	截至2020年6月30日 止六個月	Construction contracts 建造合同 (Unaudited) (未經審計) RMB'000 人民幣千元	Trading business 貿易業務 (Unaudited) (未經審計) RMB'000 人民幣千元	Services business 服務業務 (Unaudited) (未經審計) RMB'000 人民幣千元	Total 合計 (Unaudited) (未經審計) RMB'000 人民幣千元
Segment revenue (note 4)	分部收入(附註4)				
Sales to external customers	銷售予外部客戶	5,609,160	2,451,286	1,011,253	9,071,699
Intersegment sales	分部間銷售	160,866	1,769	17,865	180,500
Reportable segment revenue	可報告分部收入	5,770,026	2,453,055	1,029,118	9,252,199
Reportable segment profit	可報告分部溢利	379,643	181,939	115,666	677,248
Finance income on receivables from customers	應收客戶款項的 財務收入	99,207	73,462	-	172,669
Finance costs (other than interest on lease liabilities)	財務成本(租賃負債的 利息除外)	23,305	35,403	134	58,842
Depreciation and amortisation	折舊及攤銷	11,404	4,858	11,697	27,959
Provision/(reversal of provision) for impairment losses	減值虧損撥備/ (撥備撥回)				
- Trade and other receivables	- 貿易及其他應收款項	49,476	(14,427)	14,670	49,719
- Contract assets	- 合同資產	(364)	-	-	(364)
As at 30 June 2020	於2020年6月30日	Construction contracts 建造合同 (Unaudited) (未經審計) RMB'000 人民幣千元	Trading business 貿易業務 (Unaudited) (未經審計) RMB'000 人民幣千元	Services business 服務業務 (Unaudited) (未經審計) RMB'000 人民幣千元	Total 合計 (Unaudited) (未經審計) RMB'000 人民幣千元
Reportable segment assets	可報告分部資產	16,784,784	6,002,052	2,463,723	25,250,559
Reportable segment liabilities	可報告分部負債	28,925,234	7,475,952	4,356,411	40,757,597

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3. OPERATING SEGMENT INFORMATION (CONTINUED)

3. 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)

Six months ended 30 June 2019 (Restated)	截至2019年6月30日 止六個月(重述)	Construction contracts 建造合同 (Unaudited) (未經審計) RMB'000 人民幣千元	Trading business 貿易業務 (Unaudited) (未經審計) RMB'000 人民幣千元	Services business 服務業務 (Unaudited) (未經審計) RMB'000 人民幣千元	Total 合計 (Unaudited) (未經審計) RMB'000 人民幣千元
Segment revenue (note 4)	分部收入(附註4)				
Sales to external customers	銷售予外部客戶	9,611,542	3,246,580	1,094,849	13,952,971
Intersegment sales	分部間銷售	213,958	41,461	189,558	444,977
Reportable segment revenue	可報告分部收入	9,825,500	3,288,041	1,284,407	14,397,948
Reportable segment profit	可報告分部溢利	788,065	95,663	210,947	1,094,675
Finance income on receivables from customers	應收客戶款項的 財務收入	53,587	58,410	-	111,997
Finance costs (other than interest on lease liabilities)	財務成本(租賃負債的 利息除外)	18,795	26,450	28	45,273
Depreciation and amortisation	折舊及攤銷	12,778	4,183	10,778	27,739
Provision for impairment losses	減值虧損撥備				
- Trade and other receivables	- 貿易及其他應收款項	72,036	14,106	14,969	101,111
- Inventories	- 存貨	-	1,059	-	1,059
- Contract assets	- 合同資產	16,973	-	-	16,973
As at 31 December 2019 (Restated)	於2019年12月31日 (重述)	Construction contracts 建造合同 RMB'000 人民幣千元	Trading business 貿易業務 RMB'000 人民幣千元	Services business 服務業務 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Reportable segment assets	可報告分部資產	17,576,539	6,297,429	2,647,801	26,521,769
Reportable segment liabilities	可報告分部負債	28,429,298	7,894,754	4,474,025	40,798,077

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3. OPERATING SEGMENT INFORMATION (CONTINUED)

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

Capital expenditures amounting to RMB287,169,000 and RMB134,196,000 (Restated) for the six months ended 30 June 2020 and 2019, respectively, are not allocated to segments as such expenditures are managed on a group basis.

3. 經營分部資料(續)

(a) 分部收入、業績、資產及負債 (續)

截至2020年及2019年6月30日止六個月的資本開支分別為人民幣287,169,000元及人民幣134,196,000元(重述)，概無攤分予各分部，此乃由於有關開支以集團為基礎管理。

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3. OPERATING SEGMENT INFORMATION (CONTINUED)

3. 經營分部資料(續)

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

(b) 可報告分部收入、溢利、資產及負債的對賬

		For the six months ended 30 June 截至6月30日止六個月	
		2020 2020年 (Unaudited) (未經審計) RMB'000 人民幣千元	2019 2019年 (Unaudited) (未經審計) RMB'000 人民幣千元 (Restated) (重述)
Revenue:	收入：		
Reportable segment revenue	可報告分部收入	9,252,199	14,397,948
Elimination of intersegment revenue	分部間收入抵銷	(180,500)	(444,977)
		9,071,699	13,952,971
Profit:	溢利：		
Reportable segment profit	可報告分部溢利	677,248	1,094,675
Share of profits and losses of associates	應佔聯營公司溢利及虧損	85,627	94,010
Share of profits and losses of joint ventures	應佔合營公司溢利及虧損	16,883	18,412
Dividend income from equity investments at fair value through other comprehensive income	以公允價值計量且其變動計入其他綜合收益的股權投資的股息收益	3,300	-
Investment income on financial assets	金融資產投資收益	15,700	8,927
Loss on disposal of a subsidiary	處置附屬公司虧損	-	(15)
Other income, net	其他收入淨額	1,371	2,084
Other operating expenses	其他經營開支	(4,932)	(5)
Interest income from bank deposits	來自銀行存款之利息收入	95,392	123,300
Interest cost on lease liabilities	租賃負債的利息成本	(1,835)	(1,392)
Interest cost recognised in respect of defined benefit obligations	就設定受益計劃確認的利息成本	(10,125)	(11,745)
Unallocated foreign exchange gains, net	未分配之匯兌收益淨額	54,043	19,263
Depreciation and amortisation	折舊及攤銷	(111,286)	(99,943)
Profit before tax	除稅前溢利	821,386	1,247,571

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3. OPERATING SEGMENT INFORMATION (CONTINUED)

3. 經營分部資料 (續)

(b) Reconciliation of reportable segment revenue, profit, assets and liabilities (continued)

(b) 可報告分部收入、溢利、資產及負債的對賬 (續)

		30 June 2020 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元	31 December 2019 2019年 12月31日 (Restated) (重述) RMB'000 人民幣千元
Assets:	資產：		
Reportable segment assets	可報告分部資產	25,250,559	26,521,769
Elimination of intersegment receivables	分部間應收款項抵銷	(5,800,504)	(6,217,155)
		19,450,055	20,304,614
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入損益的 金融資產	1,762,171	176,780
Restricted deposits	受限制存款	1,001,001	1,231,226
Time deposits with original maturity of over three months	原始到期日超過三個月的定期存款	4,870,684	5,825,624
Cash and cash equivalents	現金及現金等價物	15,725,206	15,563,218
Property, plant and equipment	物業、廠房及設備	2,682,266	2,495,207
Right-of-use assets	使用權資產	1,774,111	1,806,626
Intangible assets	無形資產	439,094	440,556
Long-term assets	長期資產	61,223	50,529
Investments in joint ventures	對合營公司的投資	422,205	405,798
Investments in associates	對聯營公司的投資	1,476,116	1,368,578
Deferred tax assets	遞延稅項資產	796,750	655,243
Equity investments designated at fair value through other comprehensive income	以公允價值計量且其變動計入其他 綜合收益的股權投資	545,244	550,659
Other unallocated assets	其他未分配資產	3,024,969	3,125,226
		54,031,095	53,999,884
Liabilities:	負債：		
Reportable segment liabilities	可報告分部負債	40,757,597	40,798,077
Elimination of intersegment payables	分部間應付款項抵銷	(5,691,481)	(6,103,721)
		35,066,116	34,694,356
Lease liabilities	租賃負債	50,155	64,232
Defined benefit obligations	設定受益義務	624,401	629,947
Tax payable	應繳稅項	265,600	466,301
Deferred tax liabilities	遞延稅項負債	111,032	108,829
Other unallocated liabilities	其他未分配負債	2,790	2,479
		36,120,094	35,966,144

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3. OPERATING SEGMENT INFORMATION (CONTINUED)

(c) Geographical information

Revenue from external customers

		For the six months ended 30 June 截至6月30日止六個月	
		2020 2020年 (Unaudited) (未經審計) RMB'000 人民幣千元	2019 2019年 (Unaudited) (未經審計) RMB'000 人民幣千元 (Restated) (重述)
China	中國	2,817,490	3,488,586
Iraq	伊拉克	1,021,326	2,131,685
Pakistan	巴基斯坦	677,681	1,515,472
Zambia	贊比亞	653,462	729,936
Serbia	塞爾維亞	430,908	331,575
The Republic of Angola	安哥拉共和國	413,124	934,951
Canada	加拿大	397,895	206,691
Cameroon	喀麥隆	350,323	520,014
United States	美國	279,020	365,989
Ivory Coast	科特迪瓦	238,049	891,690
Others	其他	1,792,421	2,836,382
		9,071,699	13,952,971

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

以上收入資料乃按客戶地域劃分。

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3. OPERATING SEGMENT INFORMATION (CONTINUED)

(c) Geographical information (continued)

Non-current assets

		As at 30 June 2020 於2020年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元	As at 31 December 2019 於2019年 12月31日 (Restated) (重述) RMB'000 人民幣千元
Mainland China	中國大陸	6,024,311	5,892,286
Others	其他	88,850	91,633
		6,113,161	5,983,919

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 six months ended 30 June 2020 (30 June 2019: RMB2,049,558,000).

3. 經營分部資料 (續)

(c) 地理區域資料 (續)

非流動資產

		As at 30 June 2020 於2020年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元	As at 31 December 2019 於2019年 12月31日 (Restated) (重述) RMB'000 人民幣千元
Mainland China	中國大陸	6,024,311	5,892,286
Others	其他	88,850	91,633
		6,113,161	5,983,919

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) 有關主要客戶之資料

截至2020年6月30日止六個月，並無銷售所產生的收入佔本集團收入10%以上的單一客戶(2019年6月30日：人民幣2,049,558,000元)。

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4. REVENUE

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts; and an appropriate proportion of contract revenue of construction contracts and the value of services rendered during the period.

An analysis of revenue is as follows:

4. 收入

收入是指期內扣除退貨備抵及貿易折扣的已售貨品發票淨值、建造合同適當部分的合同收入以及所提供服務價值。

收入分析如下：

		For the six months ended 30 June	
		截至6月30日止六個月	
		2020	2019
		2020年	2019年
		(Unaudited)	(Unaudited)
		(未經審計)	(未經審計)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(重述)
<i>Revenue from contracts with customers</i>	客戶合同收入	9,020,986	13,877,221
<i>Revenue from other sources</i>	其他來源收入		
Gross rental income from investment property under operating leases:	來自投資物業經營租賃的租賃收入總額：		
Other lease payments, including fixed payments	其他租賃付款，包括定額付款	50,713	75,750
		9,071,699	13,952,971

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4. REVENUE (CONTINUED)

Disaggregated revenue information for revenue from contracts with customers:

4. 收入(續)

本集團客戶合同收入的經分拆收入資料：

		For the six months ended 30 June 2020			
		截至2020年6月30日止六個月			
Segments	分部	Construction contracts 建造合同	Trading business 貿易業務	Services business 服務業務	Total 合計
Types of goods or services	貨物或服務類型				
Construction contracts	建造合同	5,609,160	-	-	5,609,160
Trading business	貿易業務	-	2,451,286	-	2,451,286
Services business	服務業務	-	-	960,540	960,540
Total revenue from contracts with customers	客戶合同收入總額	5,609,160	2,451,286	960,540	9,020,986
Geographical markets	地區市場				
Asia	亞洲	2,942,929	1,572,219	851,900	5,367,048
Africa	非洲	1,991,573	51,625	82,951	2,126,149
Europe	歐洲	511,493	182,292	12,397	706,182
South America	南美洲	92,676	11,518	12,793	116,987
North America	北美洲	70,489	610,398	-	680,887
Oceania	大洋洲	-	23,234	499	23,733
Total revenue from contracts with customers	客戶合同收入總額	5,609,160	2,451,286	960,540	9,020,986
Timing of revenue recognition	確認收入時間點				
Construction transferred over time	於一段時間內轉讓的建造	5,609,160	-	-	5,609,160
Trading transferred at a point of time	於某個時間點轉讓的貿易	-	2,451,286	-	2,451,286
Services transferred over time	於一段時間內轉讓的服務	-	-	960,540	960,540
Total revenue from contracts with customers	客戶合同收入總額	5,609,160	2,451,286	960,540	9,020,986

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4. REVENUE (CONTINUED)

4. 收入 (續)

For the six months ended 30 June 2019 (Restated)

截至2019年6月30日止六個月(重述)

Segments	分部	Construction contracts 建造合同	Trading business 貿易業務	Services business 服務業務	Total 合計
Types of goods or services	貨物或服務類型				
Construction contracts	建造合同	9,611,542	-	-	9,611,542
Trading business	貿易業務	-	3,246,580	-	3,246,580
Services business	服務業務	-	-	1,019,099	1,019,099
Total revenue from contracts with customers	客戶合同收入總額	9,611,542	3,246,580	1,019,099	13,877,221
Geographical markets	地區市場				
Asia	亞洲	5,022,517	2,253,964	953,124	8,229,605
Africa	非洲	3,333,889	56,501	47,785	3,438,175
Europe	歐洲	916,237	300,351	2,156	1,218,744
South America	南美洲	168,899	24,490	1,141	194,530
North America	北美洲	170,000	607,910	14,389	792,299
Oceania	大洋洲	-	3,364	504	3,868
Total revenue from contracts with customers	客戶合同收入總額	9,611,542	3,246,580	1,019,099	13,877,221
Timing of revenue recognition	確認收入時間點				
Construction transferred over time	於一段時間內轉讓的建造	9,611,542	-	-	9,611,542
Trading transferred at a point of time	於某個時間點轉讓的貿易	-	3,246,580	-	3,246,580
Services transferred over time	於一段時間內轉讓的服務	-	-	1,019,099	1,019,099
Total revenue from contracts with customers	客戶合同收入總額	9,611,542	3,246,580	1,019,099	13,877,221

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4. REVENUE (CONTINUED)

Set out below is the reconciliation of the revenue to the amounts disclosed in the segment information:

4. 收入(續)

收入與分部資料中披露的金額之對賬載列如下：

		For the six months ended 30 June								
		2020			2019 (Restated)					
		2020年			2019年(重述)					
		Construction contracts	Trading business	Services business	Total	Construction contracts	Trading business	Services business	Total	
		建造合同	貿易業務	服務業務	合計	建造合同	貿易業務	服務業務	合計	
<i>Revenue from contracts with customers</i>	客戶合同收入									
External customers	外部客戶	5,609,160	2,451,286	960,540	9,020,986	9,611,542	3,246,580	1,019,099	13,877,221	
Intersegment	分部之間	160,866	1,769	17,865	180,500	213,958	41,461	189,558	444,977	
		5,770,026	2,453,055	978,405	9,201,486	9,825,500	3,288,041	1,208,657	14,322,198	
Intersegment adjustments and eliminations	分部間調整及抵銷	(160,866)	(1,769)	(17,865)	(180,500)	(213,958)	(41,461)	(189,558)	(444,977)	
Total revenue from contracts with customers	客戶合同收入總額	5,609,160	2,451,286	960,540	9,020,986	9,611,542	3,246,580	1,019,099	13,877,221	
<i>Revenue from other sources</i>	其他來源收入									
External customers	外部客戶	-	-	50,713	50,713	-	-	75,750	75,750	
Total revenue	收入總額	5,609,160	2,451,286	1,011,253	9,071,699	9,611,542	3,246,580	1,094,849	13,952,971	

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5. OTHER REVENUE AND OTHER (EXPENSES)/ INCOME, NET

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

5. 其他收入及其他(開支)/收入淨額

其他收入及其他(開支)/收入淨額分析如下：

		For the six months ended 30 June	
		截至6月30日止六個月	
		2020	2019
		2020年	2019年
		(Unaudited)	(Unaudited)
		(未經審計)	(未經審計)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Restated) (重述)	
Other revenue	其他收入		
Dividend income from equity investments at fair value through other comprehensive income	以公允價值計量且其變動計入其他綜合收益的股權投資股息收入	3,300	-
Investment income on financial assets	金融資產投資收益	15,700	8,927
Government grants	政府補貼	1,065	2,979
		20,065	11,906
Other (expenses)/income, net	其他(開支)/收入淨額		
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/(損失)淨額	306	(895)
Litigation compensation	訴訟賠償	(273,110)	-
Net losses on foreign currency forward exchange contracts and interest rate swaps	遠期外匯合約及利率掉期損失淨額	(95,334)	(7,812)
Gain on bargain purchase recognised in other income	於其他收入確認的折價購買收益	-	4,577
Others	其他	18,271	24,687
		(349,867)	20,557

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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

6. 除稅前溢利

本集團之除稅前溢利乃(扣除)/計入以下各項後得出：

(a) 財務收入及財務開支

		For the six months ended 30 June	
		截至6月30日止六個月	
		2020	2019
		2020年	2019年
		(Unaudited)	(Unaudited)
		(未經審計)	(未經審計)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(重述)
Finance income on receivables from customers	應收客戶款項的財務收入	172,669	111,997
Foreign exchange gains	匯兌收益	155,161	27,316
Interest income	利息收入	95,392	123,300
Finance income	財務收入	423,222	262,613
Interest cost recognised in respect of defined benefit obligations	就設定受益義務確認的利息成本	(10,125)	(11,745)
Interest expenses on borrowings	借貸利息開支	(58,842)	(45,273)
Interest on lease liabilities	租賃負債利息	(1,835)	(1,392)
Bank charges and others	銀行費用及其他	(3,760)	(80,056)
Finance expenses	財務開支	(74,562)	(138,466)
Net finance income recognised in profit or loss	於損益確認的財務收入淨額	348,660	124,147

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6. PROFIT BEFORE TAX (CONTINUED)

(b) Other items

		For the six months ended 30 June 截至6月30日止六個月	
		2020 2020年 (Unaudited) (未經審計) RMB'000 人民幣千元	2019 2019年 (Unaudited) (未經審計) <i>RMB'000</i> 人民幣千元 (Restated) (重述)
Amortisation	攤銷		
– Intangible assets	– 無形資產	10,656	10,320
– Long-term assets	– 長期資產	18,579	18,531
		29,235	28,851
Depreciation	折舊		
– Property, plant and equipment	– 物業、廠房及設備	58,288	48,288
– Investment properties	– 投資物業	8,501	8,329
– Right-of-use assets	– 使用權資產	43,221	42,214
		110,010	98,831
Impairment losses/(reversal of impairment losses) on	減值虧損/(減值虧損撥回)		
– Trade and other receivables	– 貿易及其他應收款項	49,719	101,111
– Inventories	– 存貨	–	1,059
– Contract assets	– 合同資產	(364)	16,973
		49,355	119,143

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6. PROFIT BEFORE TAX (CONTINUED)

(b) Other items (continued)

		For the six months ended 30 June 截至6月30日止六個月	
		2020 2020年 (Unaudited) (未經審計) RMB'000 人民幣千元	2019 2019年 (Unaudited) (未經審計) RMB'000 人民幣千元 (Restated) (重述)
Operating lease charges	經營租賃費用		
– Rental expenses for short-term leases and leases of low-value assets	– 短期租賃費用及 低價值資產租賃費用	2,630	2,806
		2,630	2,806
Cost of construction contracts	建造合同成本	4,447,657	8,022,074
Cost of goods sold	貨品銷售成本	2,214,545	3,019,335
Cost of services provided	所提供服務的成本	808,840	791,576
		7,471,042	11,832,985

6. 除稅前溢利(續)

(b) 其他項目(續)

7. INCOME TAX

Pursuant to the relevant laws and regulations in the PRC, the statutory enterprise income tax rate of 25% was applied to the Company's mainland China subsidiaries for the six months ended 30 June 2020 and 2019, except for certain mainland China subsidiaries of the Company which were entitled to the preferential tax rate of 15% (2019: 15%) because they were recognised as high and new technology enterprises by the local governments in the PRC, and certain Mainland China subsidiaries of the Company which were entitled to the preferential tax rate of 20% since 2019 because they are small and micro businesses.

7. 所得稅

根據中國相關法律及法規，本公司的中國內地附屬公司於截至2020年及2019年6月30日止六個月適用的法定企業所得稅稅率為25%，惟本公司的若干中國內地附屬公司因獲中國地方政府認定為高新技術企業而有權享有15%（2019年：15%）的優惠稅率，及自2019年起本公司的若干中國內地附屬公司因其為小型微利企業而有權享有20%的優惠稅率除外。

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7. INCOME TAX (CONTINUED)

Hong Kong profits tax has been provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries (or jurisdictions) in which the Group operates.

7. 所得稅(續)

香港利得稅乃就期內在香港產生的估計應課稅溢利按16.5%(2019年: 16.5%)的稅率提撥。於其他地區的應課稅利潤乃按本集團營運所在的國家(或司法權區)的適用稅率計算稅項。

		For the six months ended 30 June	
		截至6月30日止六個月	
		2020	2019
		2020年	2019年
		(Unaudited)	(Unaudited)
		(未經審計)	(未經審計)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(重述)
Current income tax – Mainland China	即期所得稅 – 中國大陸	325,386	271,569
Charge for the period	本期間支出	314,050	287,184
Underprovision/(Overprovision) in prior periods	過往期間撥備不足/ (超額撥備)	11,336	(15,615)
Current income tax – Hong Kong	即期所得稅 – 香港	(172)	4,096
Charge for the period	本期間支出	130	3,331
(Overprovision)/Underprovision in prior periods	過往期間(超額撥備)/ 撥備不足	(302)	765
Current income tax – Others	即期所得稅 – 其他	2,122	2,036
Charge for the period	本期間支出	2,178	1,684
(Overprovision)/Underprovision in prior periods	過往期間(超額撥備)/ 撥備不足	(56)	352
Deferred income tax	遞延所得稅	(136,078)	(18,120)
Total tax charge for the period	本期間稅項支出總額	191,258	259,581

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7. 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:

7. 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:

		For the six months ended 30 June	
		截至6月30日止六個月	
		2020	2019
		2020年	2019年
		(Unaudited)	(Unaudited)
		(未經審計)	(未經審計)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(重述)
Profit before tax	除稅前溢利	821,386	1,247,571
Tax at the statutory tax rate	按法定稅率計算的稅項	205,347	311,893
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	(7,871)	(11,740)
Income not subject to tax	毋需課稅收益	(7,598)	(10,125)
Share of profits of joint ventures and associates not subject to tax	應佔合營公司及聯營公司毋需課稅溢利	(25,628)	(28,106)
Adjustments in respect of current tax of previous periods	就過往期間即期稅項作出的調整	10,978	(14,498)
Expenses not deductible for tax	不可扣稅開支	8,025	12,219
Tax losses utilised from previous periods	使用過往期間的稅項虧損	(275)	(59)
Others	其他	8,280	(3)
Tax charge at the Group's effective rate	按本集團實際稅率計算的稅項支出	191,258	259,581

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8. DIVIDENDS

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

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2020 (six months ended 30 June 2019: nil).

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

On 29 June 2020, upon the approval at the annual general meeting, the Company declared a final dividend in respect of the financial year ended 31 December 2019 of RMB0.1586 per share (2018: RMB0.2067 per share), with a total amount of approximately RMB654,336,020 (2018: RMB852,782,190).

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

The calculation of the basic earnings per share amount is based on the profit for the six months ended 30 June 2020 attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 4,125,700,000 (six months ended 30 June 2019: 4,125,700,000) in issue during the period.

8. 股息

(a) 於中期期間應付予本公司股東股息

董事不建議派付截至2020年6月30日止六個月的任何中期股息(截至2019年6月30日止六個月:無)。

(b) 於中期期間內批准之過往財政年度應付予本公司股東股息

於2020年6月29日,經股東週年大會批准後,本公司就截至2019年12月31日止財政年度宣派末期股息為每股人民幣0.1586元(2018年:每股人民幣0.2067元),總金額約為人民幣654,336,020元(2018年:人民幣852,782,190元)。

9. 歸屬於母公司普通權益持有人的每股盈利

每股基本盈利乃按截至2020年6月30日止六個月歸屬於母公司普通權益持有人的溢利及期內已發行普通股的加權平均數4,125,700,000股(截至2019年6月30日止六個月:4,125,700,000股)計算。

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

The calculation of basic earnings per share is based on:

9. 歸屬於母公司普通權益持有人的每股盈利(續)

每股基本盈利的計算乃基於：

		For the six months ended 30 June	
		截至6月30日止六個月	
		2020	2019
		2020年	2019年
		(Unaudited)	(Unaudited)
		(未經審計)	(未經審計)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(重述)
Earnings	盈利		
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation	計算每股基本盈利所用的歸屬於母公司普通權益持有人的溢利	626,710	986,437
		Number of shares	
		股份數目	
		For the six months ended 30 June	
		截至6月30日止六個月	
		2020	2019
		2020年	2019年
		Thousands	Thousands
		shares	shares
		千股	千股
Shares	股份		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	計算每股基本盈利所用的期內已發行普通股的加權平均數	4,125,700	4,125,700

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2020 and 2019.

本集團於截至2020年及2019年6月30日止六個月並無已發行具潛在攤薄性的普通股。

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10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2020, the Group acquired property, plant and equipment at a cost of approximately RMB255,441,000 (six months ended 30 June 2019 (Restated): RMB120,446,000). Property, plant and equipment with a net book value of approximately RMB3,354,000 were disposed of by the Group during the six months ended 30 June 2020 (six months ended 30 June 2019 (Restated): RMB3,164,000), resulting in a net gain on disposal of RMB306,000 (six months ended 30 June 2019 (Restated): a net loss of RMB895,000).

11. RIGHT-OF-USE ASSETS

Right-of-use assets mainly represent land use right premiums paid by the Group for land located in Mainland China.

12. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

10. 物業、廠房及設備

截至2020年6月30日止六個月，本集團購買物業、廠房及設備的成本約為人民幣255,441,000元（截至2019年6月30日止六個月（重述）：人民幣120,446,000元）。截至2020年6月30日止六個月，本集團已處置賬面淨值約為人民幣3,354,000元的物業、廠房及設備（截至2019年6月30日止六個月（重述）：人民幣3,164,000元），產生處置收益淨額人民幣306,000元（截至2019年6月30日止六個月（重述）：損失淨額人民幣895,000元）。

11. 使用權資產

使用權資產主要指本集團就位於中國內地的土地支付的土地使用權出讓金。

12. 以公允價值計量且其變動計入其他綜合收益的股權投資

		As at 30 June 2020 於2020年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元	As at 31 December 2019 於2019年 12月31日 (Audited) (經審計) RMB'000 人民幣千元
Listed equity investments, at fair value	上市股權投資，按公允價值		
Hong Kong	香港	69,609	70,527
Shanghai	上海	4,852	5,613
		74,461	76,140
Unlisted equity investments, at fair value	非上市股權投資，按公允價值	470,783	474,519
		545,244	550,659

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13. INVENTORIES

13. 存貨

		As at 30 June 2020 於2020年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元	As at 31 December 2019 於2019年 12月31日 (Restated) (重述) RMB'000 人民幣千元
Goods in transit	在途貨物	-	3,119
Entrusted processing materials	委託加工物資	125,100	144,262
Finished goods	製成品	245,759	320,047
		370,859	467,428
Provision for impairment	減值撥備	(633)	(633)
		370,226	466,795

14. CONTRACT ASSETS

14. 合同資產

		As at 30 June 2020 於2020年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元	As at 31 December 2019 於2019年 12月31日 (Audited) (經審計) RMB'000 人民幣千元
Contract assets arising from: Construction services	以下項目產生的合同資產： 建築服務	4,942,238	5,272,428
		4,942,238	5,272,428
Impairment	減值	(66,619)	(66,983)
		4,875,619	5,205,445

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15. TRADE AND OTHER RECEIVABLES

15. 貿易及其他應收款項

			As at	As at
			30 June	31 December
			2020	2019
			於2020年	於2019年
			6月30日	12月31日
			(Unaudited)	(Restated)
			(未經審計)	(重述)
		<i>Notes</i>	RMB'000	<i>RMB'000</i>
		<i>附註</i>	人民幣千元	人民幣千元
Bills receivable	應收票據		88,087	246,064
Trade receivables	貿易應收款項		6,924,924	7,701,419
Less: Allowance for doubtful debts	減：呆賬撥備	(b)	(2,191,486)	(2,170,389)
			4,821,525	5,777,094
Long-term trade receivables	長期貿易應收款項		3,507,418	3,406,978
Less: Allowance for doubtful debts	減：呆賬撥備	(b)	(24,934)	(24,450)
			3,482,484	3,382,528
Trade and bills receivables	貿易應收款項及應收票據	(a)	8,304,009	9,159,622
Advances to suppliers	預付供應商款項		2,880,622	2,674,235
Other receivables	其他應收款項		2,241,787	2,686,479
Forward exchange contracts and interest rate swaps	遠期外匯合約及利率掉期		-	19,036
Debt investments	債權投資		3,358,383	2,751,962
Less: Allowance for doubtful debts	減：呆賬撥備	(b)	(118,215)	(115,798)
			5,481,955	5,341,679
Total	總計		16,666,586	17,175,536
Portion classified as non-current assets	分類為非流動資產的部分		(6,197,580)	(6,537,503)
Current portion	流動部分		10,469,006	10,638,033

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15. 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:

		As at 30 June 2020 於2020年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元	As at 31 December 2019 於2019年 12月31日 (Restated) (重述) RMB'000 人民幣千元
Within 3 months	3個月以內	4,844,178	5,712,154
3 months to 6 months	3個月至6個月	579,532	762,587
6 months to 1 year	6個月至1年	1,481,044	1,035,005
Over 1 year	1年以上	1,399,255	1,649,876
		8,304,009	9,159,622

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

15. 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：

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用期。授予國際工程承包業務客戶的信用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用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。

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15. 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:

		As at 30 June 2020	As at 31 December 2019
		於2020年 6月30日 (Unaudited)	於2019年 12月31日 (Restated)
		(未經審計)	(重述)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At beginning of year	於年初	2,310,637	2,033,290
Impairment losses recognised	已確認的減值虧損	99,806	497,965
Impairment losses reversed	已撥回的減值虧損	(50,087)	(152,247)
Amount written off as uncollectible	撇銷不可收回的金額	(25,721)	(60,656)
Other	其他	-	(7,715)
		2,334,635	2,310,637

15. 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：

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15. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

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

As at 30 June 2020

		Gross carrying amount	Expected credit losses	Expected credit loss rate
		總賬面值	預期信用損失	預期信用損失率
		(RMB'000)	(RMB'000)	
		(人民幣千元)	(人民幣千元)	
Within 1 year	一年內	3,313,733	18,847	0.57%
1 year to 2 years	一年至兩年	718,186	18,684	2.60%
2 years to 3 years	兩年至三年	265,786	56,935	21.42%
Over 3 years	超過三年	359,382	263,357	73.28%
		4,657,087	357,823	

In addition to the above provision matrix, for certain customers with credit risk increased significantly, the Group has made individual loss allowance. As at 30 June 2020, the accumulated individual loss allowance was RMB1,833,663,000 with a carrying amount before loss allowance of RMB2,267,837,000.

15. 貿易及其他應收款項 (續)

(b) 貿易及其他應收款項減值 (續)

下表載列使用撥備矩陣計量的有關本集團貿易應收款項信用風險狀況的資料：

於2020年6月30日

除上述撥備矩陣外，本集團對若干信用風險已顯著增加的客戶計提個別損失撥備。於2020年6月30日，累計個別損失撥備為人民幣1,833,663,000元，扣除損失撥備前的賬面值為人民幣2,267,837,000元。

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15. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

		As at 30 June 2020 於2020年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元	As at 31 December 2019 於2019年 12月31日 (Restated) (重述) RMB'000 人民幣千元
SINOMACH	國機	525,362	449,964
Fellow subsidiaries	同系附屬公司	19,168	22,401
Associates	聯營公司	4,670	6,894
Joint ventures	合營公司	244	244
		549,444	479,503

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

(d) As at 30 June 2020, borrowings of RMB12,734,000 (31 December 2019: RMB281,000) were secured by the Group's trade and bills receivables with carrying amounts of RMB12,734,000 (31 December 2019: RMB281,000).

15. 貿易及其他應收款項 (續)

(c) 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：

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用期償還。

(d) 於2020年6月30日，借貸人民幣12,734,000元 (2019年12月31日：人民幣281,000元) 以本集團賬面值為人民幣12,734,000元 (2019年12月31日：人民幣281,000元) 的貿易應收款項及應收票據作為質押。

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16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

16. 以公允價值計量且其變動計入損益的金融資產

	As at 30 June 2020	As at 31 December 2019
	於2020年 6月30日	於2019年 12月31日
	(Unaudited)	(Restated)
	(未經審計)	(重述)
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Wealth management products	1,762,171	176,780
理財產品		

The Group purchases various wealth management products issued by banks in Mainland China. As at 30 June 2020, the Group purchased wealth management products with the cost of RMB1,750,100,000 (31 December 2019 (Restated): RMB171,600,000) from commercial banks. Most of the wealth management products are principal-protected. The Group continuously purchases various wealth management products to improve the return on capital these years and endeavours to increase the holding period of the products, so significant balances were shown as at 30 June 2020. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

本集團購買中國內地銀行發行的多種理財產品。截至2020年6月30日，本集團自商業銀行購買了本金總額為人民幣1,750,100,000元（2019年12月31日（重述）：人民幣171,600,000元）的理財產品。其中，絕大部分為保本型理財產品。近年來，本集團持續購買各種理財產品以提高資本回報率，並致力增加產品的持有期限，因此截至2020年6月30日的重大餘額予以列示。由於該等理財產品的合約現金流量並非僅指本金及利息付款，因此該等理財產品已強制性分類為以公允價值計量且其變動計入損益的金融資產。

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17. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

17. 現金及現金等價物及已抵押存款

		As at 30 June 2020 於 2020年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元	As at 31 December 2019 於2019年 12月31日 (Restated) (重述) RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	21,596,891	22,620,068
Less: Restricted deposits	減：受限制存款	(1,001,001)	(1,231,226)
Cash and cash equivalents in the consolidated statement of financial position	於合併財務狀況表的現金及現金等價物	20,595,890	21,388,842
Less: Non-pledged time deposits with original maturity of over three months when acquired	減：獲取時原始到期日超過三個月之無抵押定期存款	(4,870,684)	(5,825,624)
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	15,725,206	15,563,218

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.

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。

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 pledged deposits are deposited with creditworthy banks with no recent history of default.

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。銀行結餘及已抵押存款存放於近期無拖欠記錄且信譽良好的銀行。

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18. TRADE AND OTHER PAYABLES

18. 貿易及其他應付款項

		As at 30 June 2020 於2020年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元	As at 31 December 2019 於2019年 12月31日 (Restated) (重述) RMB'000 人民幣千元
Bills payable	應付票據	60,544	168,658
Trade payables	貿易應付款項	14,427,001	15,265,208
Trade and bills payables	貿易應付款項及應付票據	14,487,545	15,433,866
Accrued salaries, wages and benefits	應計薪金、工資及福利	647,895	781,543
Other taxes payable	其他應繳稅項	91,534	188,780
Long-term payables	長期應付款項	144,213	139,447
Long-term payables due within one year	一年內到期之長期應付款項	429,546	588,014
Forward exchange contracts and interest rate swaps	遠期外匯合約及利率掉期	94,778	37,796
Other payables	其他應付款項	4,174,476	3,351,663
		20,069,987	20,521,109
Less: Portion classified as current liabilities	減：分類為流動負債的部分	19,169,524	19,650,242
Non-current portion	非流動部分	900,463	870,867

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18. 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:

18. 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：

		As at	As at
		30 June	31 December
		2020	2019
		於 2020年	於 2019年
		6月30日	12月31日
		(Unaudited)	(Restated)
		(未經審計)	(重述)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 3 months	3個月以內	2,184,593	6,050,080
3 months to 6 months	3個月至6個月	554,883	675,672
6 months to 1 year	6個月至1年	4,752,433	1,885,418
Over 1 year	1年以上	6,995,636	6,822,696
		14,487,545	15,433,866

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18. TRADE AND OTHER PAYABLES (CONTINUED)

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

18. 貿易及其他應付款項(續)

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

		As at 30 June 2020 於2020年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元	As at 31 December 2019 於2019年 12月31日 (Restated) (重述) <i>RMB'000</i> 人民幣千元
SINOMACH	國機	5,393	7,003
Fellow subsidiaries	同系附屬公司	337,524	478,591
Joint ventures	合營公司	35,234	50,809
Associates	聯營公司	28,530	24,850
		406,681	561,253

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19. BORROWINGS

19. 借貸

		As at 30 June 2020 於2020年6月30日			As at 31 December 2019 於2019年12月31日		
		Effective interest rate (%) 實際利率(%)	Maturity 到期日	(Unaudited) (未經審計)	Effective interest rate (%) 實際利率(%)	Maturity 到期日	(Audited) (經審計)
		RMB'000 人民幣千元			RMB'000 人民幣千元		
Current	流動						
Short term bank loans:	短期銀行貸款：						
– Unsecured	– 無擔保	1.87-5.05	2020-2021	579,383	3.00-5.05	2020	196,250
– Secured	– 有擔保	3.29-6.25	2020-2021	209,442	3.30-7.24	2020	239,106
Current portion of long term bank loans:	長期銀行貸款的 流動部分：						
– Unsecured	– 無擔保	1.55-4.90	2020-2021	12,054	1.55	2020	262
– Secured	– 有擔保			-	5.14	2020	8,600
				800,879			444,218
Non-current	非流動						
Long term bank loans:	長期銀行貸款：						
– Unsecured	– 無擔保	1.55-4.90	2020-2026	131,015	1.00-4.90	2020-2029	72,547
– Secured	– 有擔保	5.14	2020-2025	42,870	5.14	2020-2025	38,540
				173,885			111,087
				974,764			555,305

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19. BORROWINGS (CONTINUED)

Bank loans repayable

		As at	As at
		30 June	31 December
		2020	2019
		於2020年	於2019年
		6月30日	12月31日
		(Unaudited)	(Audited)
		(未經審計)	(經審計)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Analysed into:	分析為：		
Within one year	一年以內	800,879	444,218
In the second year	第二年	20,869	20,823
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	62,610	57,872
Over five years	五年以上	90,406	32,392
		974,764	555,305

Notes:

- (a) As at 30 June 2020, certain borrowings of RMB64,870,000 (31 December 2019: RMB74,454,000) were secured by the Group's property, plant and equipment with carrying amounts of RMB32,398,000 (31 December 2019: RMB33,999,000), which included borrowings of RMB42,870,000 secured by property, plant and equipment as mentioned in note 19(d) below.
- (b) As at 30 June 2020, certain borrowings of RMB174,708,000 (31 December 2019: RMB211,511,000) were guaranteed by the Company.

附註：

- (a) 於2020年6月30日，若干借貸人民幣64,870,000元(2019年12月31日：人民幣74,454,000元)由本集團賬面值為人民幣32,398,000元(2019年12月31日：人民幣33,999,000元)的物業、廠房及設備作為抵押，其中包括以下附註19(d)中提及的由物業、廠房及設備作為抵押的借貸人民幣42,870,000元。
- (b) 於2020年6月30日，若干借貸人民幣174,708,000元(2019年12月31日：人民幣211,511,000元)由本公司擔保。

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19. BORROWINGS (CONTINUED)

Bank loans repayable (continued)

Notes: (continued)

- (c) As at 30 June 2020, borrowings of RMB12,734,000 (31 December 2019: RMB281,000) were secured by the Group's trade and bills receivables with carrying amounts of RMB12,734,000 (31 December 2019: RMB281,000).
- (d) As at 30 June 2020, borrowings of RMB42,870,000 (31 December 2019: RMB47,140,000) were secured by the Group's property, plant and equipment, investment properties, and right-of-use assets with carrying amounts of RMB29,822,000 (31 December 2019: RMB30,103,000), RMB46,582,000 (31 December 2019: RMB47,355,000), RMB750,000 (31 December 2019: RMB778,000), respectively.

19. 借貸(續)

應償還銀行貸款(續)

附註：(續)

- (c) 於2020年6月30日，借貸人民幣12,734,000元(2019年12月31日：人民幣281,000元)以本集團賬面值為人民幣12,734,000元(2019年12月31日：人民幣281,000元)的貿易應收款項及應收票據作為質押。
- (d) 於2020年6月30日，借貸人民幣42,870,000元(2019年12月31日：人民幣47,140,000元)以本集團賬面值分別為人民幣29,822,000元(2019年12月31日：人民幣30,103,000元)、人民幣46,582,000元(2019年12月31日：人民幣47,355,000元)及人民幣750,000元(2019年12月31日：人民幣778,000元)的物業、廠房及設備、投資物業和使用權資產作為抵押。

20. ISSUED CAPITAL

20. 已發行股本

		As at 30 June 2020 於2020年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元	As at 31 December 2019 於2019年 12月31日 (Audited) (經審計) RMB'000 人民幣千元
Ordinary shares, issued and fully paid	已發行及繳足的普通股		
Domestic shares of RMB1.00 each	每股人民幣1.00元的內資股	3,217,430	3,217,430
H shares of RMB1.00 each	每股人民幣1.00元的H股	908,270	908,270
		4,125,700	4,125,700

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21. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior periods are presented in the consolidated statement of changes in equity on pages 100 to 101 of the interim condensed consolidated financial statements.

22. BUSINESS COMBINATION UNDER COMMON CONTROL

On 23 April 2020, the Group acquired a 64.82% equity interest in CHPI Harbin Power System Engineering and Research Institute Co., Ltd. ("CHPI") at a total cash consideration of RMB100,885,800. The Company and CHPI 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 a business combination under common control. The acquisition date was 23 April 2020, which was determined by the date of equity transfer. Accordingly, the consolidated statement of profit or loss and the consolidated statement of comprehensive income included 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 were combined using the existing book values from the controlling parties' perspective. No amount was recognised in consideration for goodwill or excess of the acquirer's 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.

21. 儲備

本集團於本期間及過往期間的儲備金額及其變動於該中期簡明合併財務報表第100頁至第101頁的合併權益變動表內呈列。

22. 同一控制下的業務合併

本集團於2020年4月23日以人民幣100,885,800元的總現金對價收購哈爾濱電站設備成套設計研究所有限公司(「哈成套」)的64.82%股權。於收購事項前後，本公司與哈成套均在國機的同一下控制下，且控制權並非暫時。因此，收購事項被視為同一控制下的業務合併。收購日期為2020年4月23日，乃根據股權轉讓日期釐定。因此，合併損益表及合併綜合收益表包括最早列報日或者合併實體或業務開始在同一控制下之日起計的期間(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。合併實體或業務的淨資產以就控制方而言的現有賬面值合併。倘控制方持續擁有權益，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。

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22. BUSINESS COMBINATION UNDER COMMON CONTROL (CONTINUED)

22. 同一控制下的業務合併(續)

The carrying amounts of the consolidated assets and liabilities of CHPI and its subsidiaries as at the acquisition date and the comparative financial figures were as follows:

哈成套及其附屬公司於收購日期的合併資產及負債的賬面值以及比較財務數據如下：

		Upon acquisition date 於收購 日期 RMB'000 人民幣千元	As at 31 December 2019 於2019年 12月31日 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	2,269	2,114
Investment properties	投資物業	2,381	2,414
Right-of-use assets	使用權資產	17,541	17,647
Inventories	存貨	22,388	20,226
Current trade and other receivables	流動貿易及其他應收款項	84,904	58,305
Contract assets	合同資產	-	2,060
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入損益的金融資產	164,241	176,780
Restricted deposits	受限制存款	2,712	2,563
Time deposits with original maturity over three months	原始到期日超過三個月的定期存款	14,000	14,000
Cash and cash equivalents	現金及現金等價物	1,087	1,738
Contract liabilities	合同負債	37,108	31,244
Current trade and other payables	流動貿易及其他應付款項	35,572	33,512
Current defined benefit obligations	流動設定受益計劃	7,460	5,320
Tax payable	應繳稅項	1,210	1,890
Non-current trade and other payables	非流動貿易及其他應付款項	3,230	3,230
Non-current defined benefit obligations	非流動設定受益義務	147,642	146,486
Deferred tax liabilities	遞延稅項負債	1,824	1,830
Total identifiable net assets at carrying amounts	按賬面值呈列的可識別淨資產總額	77,477	74,335
Non-controlling interests	非控股權益	27,256	26,151
		50,221	48,184

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23. CONTINGENT LIABILITIES

The Company and certain subsidiaries of the Company 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.

24. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

23. 或有負債

本公司及本公司的若干附屬公司為正常業務過程中發生的某些訴訟中的被告及其他法律程序中的被點名方。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。

24. 承擔

本集團於報告期末擁有以下資本承擔：

		As at 30 June 2020 於2020年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元	As at 31 December 2019 於2019年 12月31日 (Audited) (經審計) RMB'000 人民幣千元
Contracted, but not provided for:	已訂約但未撥備：		
Buildings	樓宇	393,790	622,255
Capital contributions	資本投入	69,676	69,676
		463,466	691,931

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25. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in this financial information, the Group had the following transactions with related parties during the period:
- (b) The transactions below were conducted in the ordinary course of business of the Group and in accordance with the terms agreed between the Group and its related parties:

25. 關聯方交易

- (a) 除本財務資料其他部分所述交易外，本集團於本期間與關聯方進行了下列交易：
- (b) 下列交易乃於本集團一般業務過程中根據本集團與其關聯方議定的條款進行：

		For the six months ended 30 June	
		截至6月30日止六個月	
		2020	2019
		2020年	2019年
		(Unaudited)	(Unaudited)
		(未經審計)	(未經審計)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(重述)
Purchase of engineering services and products from	向下列各方採購工程服務及產品		
– Fellow subsidiaries	– 同系附屬公司	49,454	88,400
– Associates	– 聯營公司	6,013	3,013
Sale of engineering services and products to	向下列各方銷售工程服務及產品		
– SINOMACH	– 國機	333,490	587,556
– Associates	– 聯營公司	45,037	255,441
Sale of integrated services to	向下列各方銷售綜合服務		
– Fellow subsidiaries	– 同系附屬公司	909	4,933
– Joint ventures	– 合營公司	4,621	4,918
Net deposits withdrawn from	自下列各方提取存款淨額		
– Associate (also a fellow subsidiary)	– 聯營公司(同時是同系附屬公司)	(814,716)	(261,804)
Interest income earned from	自下列各方賺取的利息收入		
– Associate (also a fellow subsidiary)	– 聯營公司(同時是同系附屬公司)	40,413	68,948

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25. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Outstanding balances with related parties:

		As at 30 June 2020 於2020年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元	As at 31 December 2019 於2019年 12月31日 (Restated) (重述) RMB'000 人民幣千元
Cash deposits placed with	於下列各方的現金存款		
– Associate (also a fellow subsidiary)	– 聯營公司(同時是同系 附屬公司)	3,078,887	3,893,603
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	525,362	449,964
– Fellow subsidiaries	– 同系附屬公司	19,168	22,401
– Associates	– 聯營公司	4,670	6,894
– Joint ventures	– 合營公司	244	244
Contract liabilities	合同負債		
– SINOMACH	– 國機	169,820	152,161
– Fellow subsidiaries	– 同系附屬公司	1,642	1,532
– Associates	– 聯營公司	510	510
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	5,393	7,003
– Fellow subsidiaries	– 同系附屬公司	337,524	478,591
– Associates	– 聯營公司	28,530	24,850
– Joint ventures	– 合營公司	35,234	50,809
Prepayments due to	欠付下列各方的預付款項		
– Fellow subsidiaries	– 同系附屬公司	51,844	69,836
– Associates	– 聯營公司	447	–
– Joint ventures	– 合營公司	1,533	10,368

Note:

Except for the balances of cash deposits placed with a fellow subsidiary which accrue interest at relevant market rates, the balances due from/to related parties are unsecured, interest-free and have no fixed terms of repayment.

25. 關聯方交易(續)

(c) 關聯方的結欠餘額：

		As at 30 June 2020 於2020年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元	As at 31 December 2019 於2019年 12月31日 (Restated) (重述) RMB'000 人民幣千元
Cash deposits placed with	於下列各方的現金存款		
– Associate (also a fellow subsidiary)	– 聯營公司(同時是同系 附屬公司)	3,078,887	3,893,603
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	525,362	449,964
– Fellow subsidiaries	– 同系附屬公司	19,168	22,401
– Associates	– 聯營公司	4,670	6,894
– Joint ventures	– 合營公司	244	244
Contract liabilities	合同負債		
– SINOMACH	– 國機	169,820	152,161
– Fellow subsidiaries	– 同系附屬公司	1,642	1,532
– Associates	– 聯營公司	510	510
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	5,393	7,003
– Fellow subsidiaries	– 同系附屬公司	337,524	478,591
– Associates	– 聯營公司	28,530	24,850
– Joint ventures	– 合營公司	35,234	50,809
Prepayments due to	欠付下列各方的預付款項		
– Fellow subsidiaries	– 同系附屬公司	51,844	69,836
– Associates	– 聯營公司	447	–
– Joint ventures	– 合營公司	1,533	10,368

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／應付關聯方的結餘為無擔保、免息且並無固定還款期。

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25. RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Commitments with related parties:

As at 30 June 2020, the Group entered into several sale and purchase agreements with related parties. The commitments and backlogs are as follows:

		As at 30 June 2020	As at 31 December 2019
		於2020年 6月30日	於2019年 12月31日
		(Unaudited)	(Restated)
		(未經審計)	(重述)
		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	3,109,083	2,859,451
Sale of engineering services and products to	向下列各方銷售工程服務及產品		
– SINOMACH	– 國機	2,368,740	2,659,667
– Associates	– 聯營公司	280,503	318,677

(e) As disclosed in note 22, on 23 April 2020, the Group acquired a 64.82% equity interest in CHPI Harbin Power System Engineering and Research Institute Co., Ltd. from SINOMACH Academy of Science and Technology Co., Ltd. at a total cash consideration of RMB100,885,800.

25. 關聯方交易 (續)

(d) 關聯方承諾：

於2020年6月30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：

(e) 如附註22所披露，本集團於2020年4月23日以人民幣100,885,800元的總現金代價向國機集團科學技術研究院有限公司收購哈爾濱電站設備成套設計研究所有限公司的64.82%股權。

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25. RELATED PARTY TRANSACTIONS (CONTINUED)

(f) Compensation of key management personnel of the Group:

25. 關聯方交易 (續)

(f) 本集團主要管理人員的薪酬：

		For the six months ended 30 June	
		截至6月30日止六個月	
		2020	2019
		2020年	2019年
		(Unaudited)	(Unaudited)
		(未經審計)	(未經審計)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Short term employee benefits	短期僱員福利	10,323	13,318
Post-employment benefits	離職後福利	188	301
Total compensation paid to key management personnel	向主要管理人員支付的 薪酬總額	10,511	13,619

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26. 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:

30 June 2020

Financial assets

金融資產

26. 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：

2020年6月30日

		Financial assets at fair value through profit or loss –			
	Financial assets at FVOCI	mandatorily designated as such	Financial assets at amortised cost	Total	
	以公允價值 計量且其變動 計入其他 綜合收益的 金融資產	以公允價值 計量且其變動 計入損益的 金融資產 – 強制指定	以攤餘成本 計量的金融資產	總計	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Equity investments designated at FVOCI	以公允價值計量且其變動計入 其他綜合收益的股權投資	545,244	-	-	545,244
Financial assets included in trade and other receivables	計入貿易及其他應收款項的 金融資產	2,507,684	-	10,684,406	13,192,090
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入 損益的金融資產	-	1,762,171	-	1,762,171
Restricted deposits	受限制存款	-	-	1,001,001	1,001,001
Time deposits with original maturity of over three months	原始到期日超過三個月的 定期存款	-	-	4,870,684	4,870,684
Cash and cash equivalents	現金及現金等價物	-	-	15,725,206	15,725,206
		3,052,928	1,762,171	32,281,297	37,096,396

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26. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

26. 按類別劃分的金融工具 (續)

Financial liabilities

金融負債

		Financial liabilities at fair value through profit or loss – held for trading 以公允價值計量且其 變動計入損益的 金融負債 – 持作買賣 <i>RMB'000</i> 人民幣千元	Financial liabilities at amortised cost 以攤餘成本計量 的金融負債 <i>RMB'000</i> 人民幣千元	Total 總計 <i>RMB'000</i> 人民幣千元
Financial liabilities included in trade and other payables	計入貿易及其他應付款項的 金融負債	-	18,458,872	18,458,872
Forward exchange contracts and interest rate swaps included in trade and other payables	計入貿易及其他應付款項的 遠期外匯合約及利率掉期	94,778	-	94,778
Lease liabilities	租賃負債	-	50,155	50,155
Interest-bearing bank and other borrowings	計息銀行及其他借貸	-	974,764	974,764
		94,778	19,483,791	19,578,569

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26. 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):

31 December 2019 (Restated)

Financial assets 金融資產

	Financial assets at fair value through profit or loss – mandatorily designated as such	Financial assets at amortised cost	Total
	以公允價值計量且其變動計入其他綜合收益的金融資產	以攤餘成本計量的金融資產	總計
	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元
Equity investments designated at FVOCI	550,659	-	550,659
Financial assets included in trade and other receivables	1,957,266	19,036	14,002,193
Financial assets at fair value through profit or loss	-	176,780	176,780
Restricted deposits	-	-	1,231,226
Time deposits with original maturity of over three months	-	-	5,825,624
Cash and cash equivalents	-	-	15,563,218
	2,507,925	195,816	37,349,700

26. 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):

2019年12月31日(重述)

Financial assets at fair value through profit or loss –

mandatorily
designated
as such
以公允
價值計量
且其變動
計入損益的
金融資產 –
強制指定

Financial
assets at
amortised cost
以攤餘
成本計量的
金融資產

總計
RMB'000
人民幣千元

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26. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

Financial liabilities 金融負債

	Financial liabilities at fair value through profit or loss – held for trading 以公允價值計量 且其變動計入損益的 金融負債 – 持作買賣	Financial liabilities at amortised cost 以攤餘成本計量的 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	
Financial liabilities included in trade and other payables	計入貿易及其他應付款項的 金融負債	-	18,762,702	18,762,702
Forward exchange contracts and interest rate swaps included in trade and other payables	計入貿易及其他應付款項的 遠期外匯合約及利率掉期	37,796	-	37,796
Lease liabilities	租賃負債	-	64,232	64,232
Interest-bearing bank and other borrowings	計息銀行及其他借貸	-	555,305	555,305
		37,796	19,382,239	19,420,035

26. 按類別劃分的金融工具 (續)

27. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

(a) Financial instruments carried at fair value

The following table presents the carrying values of financial instruments measured at fair value at the end of the reporting period across the applicable 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.

27. 財務風險管理及公允價值

(a) 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適用層級的賬面值，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。

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27. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(a) Financial instruments carried at fair value (continued)

The Group's financial instruments carried at fair value as at 30 June 2020 and 31 December 2019 are measured under Level 1 or Level 2.

27. 財務風險管理及公允價值(續)

(a) 以公允價值列賬的金融工具(續)

本集團於2020年6月30日及2019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。

		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 輸入值 (第2級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 30 June 2020 於2020年6月30日				
Assets	資產			
Financial assets at FVOCI	以公允價值計量且其 變動計入其他 綜合收益的金融資產	74,461	470,783	545,244
Financial assets at fair value through profit or loss	以公允價值計量且其 變動計入損益的 金融資產	–	1,762,171	1,762,171
Financial assets included in trade and other receivables	計入貿易及其他 應收款項的金融資產	–	2,507,684	2,507,684
Liabilities	負債			
Forward exchange contracts and interest rate swaps included in other current financial liabilities	計入其他流動金融負債的 遠期外匯合約 及利率掉期	94,778	–	94,778

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27. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

27. 財務風險管理及公允價值 (續)

(a) Financial instruments carried at fair value (continued)

(a) 以公允價值列賬的金融工具 (續)

		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)	Significant observable inputs (Level 2) 重大可觀察 輸入值 (第2級)	Total 總計
As at 31 December 2019 (Restated) 於2019年12月31日(重述)		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Assets	資產			
Equity investments designated at fair value through other comprehensive income	以公允價值計量且其變動計入其他綜合收益的股權投資	76,140	474,519	550,659
Forward exchange contracts and interest rate swaps included in trade and other receivables	計入貿易及其他應收款項的遠期外匯合約及利率掉期	19,036	–	19,036
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入損益的金融資產	–	176,780	176,780
Financial assets included in trade and other receivables	計入貿易及其他應收款項的金融資產	–	1,957,266	1,957,266
Liabilities	負債			
Forward exchange contracts and interest rate swaps included in trade and other payables	計入貿易及其他應付款項的遠期外匯合約及利率掉期	37,796	–	37,796

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27. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(b) 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 were not materially different from their fair values as at 31 December 2019 and as at 30 June 2020.

(c) Estimation of fair values

(1) Receivables and borrowings

The fair value was 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

Foreign currency forward exchange contracts are measured by discounting the difference between the contractual forward price and the current market forward price. The fair value of interest rate swaps is obtained using discounted cash flow models. The Group enters into derivative financial instruments with various counterparties, principally financial institutions with strong credit ratings. 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.

27. 財務風險管理及公允價值(續)

(b) 非以公允價值列賬的金融工具的公允價值

於2019年12月31日及於2020年6月30日，本集團以成本或攤餘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。

(c) 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

遠期外匯合約按折現合同遠期價格與現時市場遠期價格之差額計量。利率掉期的公允價值使用折現現金流量模式釐定。本集團與不同對手進行衍生金融工具交易，主要為信用評級優異的金融機構。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。

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28. SUBSEQUENT EVENT

There was no material event subsequent to 30 June 2020.

29. APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements of the Company were approved and authorised for issue by the board of directors on 26 August 2020.

28. 期後事項

於2020年6月30日後並無任何重大期後事項。

29. 批准中期簡明財務報表

本公司的中期簡明財務報表已於2020年8月26日獲董事會批准及授權刊發。

Definitions and Glossary of Technical Terms

定義及技術術語表

“ASEAN” 「東盟」	Association of Southeast Asian Nations 東南亞國家聯盟
“Audit Committee” 「審計委員會」	the audit committee of the Board 董事會審計委員會
“Board” 「董事會」	the board of Directors 董事會
“CAD” 「加拿大元」	Canadian dollars, the lawful currency of Canada 加拿大元，加拿大的法定貨幣
“CG Code” 「《企業管治守則》」	the Corporate Governance Code set out in Appendix 14 to the Listing Rules 《上市規則》附錄14所載之企業管治守則
“China Machinery International” 「中機國際」	China Machinery International Engineering Design & Research Institute Co., Ltd.* (中機國際工程設計研究院有限責任公司), a wholly-owned subsidiary of our Company established in the PRC on 5 October 1993 with limited liability 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日於中國註冊成立的股份有限公司，為本公司的全資附屬公司
“China United” 「中國聯合」	China United Engineering Corporation Limited* (中國聯合工程有限公司), an enterprise established in the PRC on 21 January 1984 and a wholly-owned subsidiary of SINOMACH, our connected person and our Promoter 中國聯合工程有限公司，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
“CHPI” 「哈成套」	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), a corporation established in the PRC on 14 January 1997 哈爾濱電站設備成套設計研究所有限公司，一家於1997年1月14日在中國註冊成立的公司
“CMEITC” 「中設招標」	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 29 April 1996 with limited liability 中設國際招標有限責任公司，一家於1996年4月29日在中國成立的本公司全資附屬有限責任公司

Definitions and Glossary of Technical Terms

定義及技術術語表

“CMIPC” 「中設裝備」	China Machinery Industrial Products Co., Ltd.* (中設集團裝備製造有限責任公司), a wholly-owned subsidiary of our Company established in the PRC on 6 February 2002 with limited liability 中設集團裝備製造有限責任公司，一家於2002年2月6日在中國成立的本公司全資附屬有限責任公司
“CNEEC” 「中電工」	China National Electric Engineering Co., Ltd.* (中國電力工程有限公司), a limited liability company incorporated in the PRC in October 1979 (including all CNEEC subsidiaries, except where the context otherwise requires), which is wholly-owned by SINOMACH 中國電力工程有限公司，一家於1979年10月在中國註冊成立的有限責任公司(包括中電工所有附屬公司，除非文義另有所指)，由國機全資擁有
“CRRC” 「中國中車」	CRRC Corporation Limited* (中國中車股份有限公司) 中國中車股份有限公司
“Company”, “our Company” or “CMEC” 「公司」、「本公司」或 「中國機械工程」	China Machinery Engineering Corporation* (中國機械設備工程有限公司), a joint stock company with limited liability established in the PRC on 18 January 2011, and except where the context indicates otherwise, includes (i) our predecessors and (ii) with respect to the period before our Company became the holding company of its present subsidiaries, the business operated by it and its present subsidiaries or (as the case may be) its predecessors 中國機械設備工程有限公司，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，本公司及其現時附屬公司或(視情況而定)其前身經營的業務
“Core Sectors” 「核心行業」	the core sectors of our International Engineering Contracting Business which are the power sector, transportation and telecommunications sector 我們國際工程承包業務的核心行業為電力能源行業、交通運輸行業及電子通訊行業
“Corresponding Period in 2019” 「2019年同期」	the six months ended 30 June 2019 截至2019年6月30日止六個月
“Director(s)” 「董事」	the director(s) of our Company 本公司董事

Definitions and Glossary of Technical Terms

定義及技術術語表

“Domestic Shares” 「內資股」	ordinary shares in our capital, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi 我們股本中的普通股，每股面值為人民幣1.00元，乃以人民幣認購及繳足
“EPC” 「EPC」	a common form of contracting arrangement whereby the contractor is commissioned by the project owner to carry out such project work as design, procurement, construction and trial operations, or any combination of the above, either through the contractor’s own labor or by subcontracting part or all of the project work, and be responsible for the quality, safety, timely delivery and cost of the project 承包安排的常見形式，即承包商受項目擁有人的委託進行設計、採購、施工及試工等項目工作，或任何上述的組合（無論是通過承包商本身的人員或分包部分或所有項目工作），並對項目的質量、安全、工期及成本負責
“EU” 「歐盟」	European Union 歐洲聯盟
“Euros” 「歐元」	Euro dollars, the lawful currency of EU 歐元，歐盟法定貨幣
“Group”, “we” and “us” 「集團」或「我們」	the Company and, except where the context otherwise requires, all its subsidiaries 本公司及除文義另有所指外，其所有附屬公司
“H Share(s)” 「H股」	overseas listed foreign shares in our ordinary share capital with a nominal value of RMB1.00 each, subscribed for and traded in HK\$ and which are listed on the Main Board in the Stock Exchange 我們普通股本中的境外上市外資股，每股面值人民幣1.00元，以港元認購及買賣，並於聯交所主板上市
“HKSAR” 「香港特區」	Hong Kong Special Administration Region of the PRC 中國香港特別行政區
“Hong Kong Companies Ordinances” 「香港公司條例」	the Companies Ordinances (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time 經不時修訂、補充或以其他方式修改的香港法例第622章公司條例
“Hong Kong dollars” or “HK\$” 「港元」	Hong Kong dollars, the lawful currency of the HKSAR 港元，香港特區法定貨幣

Definitions and Glossary of Technical Terms

定義及技術術語表

“INED(s)” 「獨立非執行董事」	the independent non-executive Director(s) of our Company 本公司獨立非執行董事
“independent third party(ies)” 「獨立第三方」	person(s) or company(ies) which is (are) independent of the directors, supervisors, controlling shareholder, substantial shareholder and the chief executive (such terms as defined in the Listing Rules) of the Company or any of its subsidiaries or an associate of any of them 獨立於本公司或其任何附屬公司董事、監事、控股股東、主要股東及行政總裁（定義見《上市規則》）或任何一方的聯繫人的個人或公司
“International Engineering Contracting Business” 「國際工程承包業務」	the international engineering contracting business conducted by our Group with a primary focus on EPC projects 由本集團開展，並以EPC項目為重點的國際工程承包業務
“JiKan Research Institute” 「機勘院」	China JiKan Research Institute of Engineering Investigations and Design Co., Ltd.* (機械工業勘察設計研究院有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company 機械工業勘察設計研究院有限公司，一家於中國註冊成立的公司並為本公司全資附屬公司
“JPY” 「日元」	Japanese yen, the lawful currency of Japan 日元，日本法定貨幣
“KW” 「千瓦」	unit of energy, kilowatt. 1 kW=1,000 watts 能源單位千瓦。1千瓦=1,000瓦特
“Listing Rules” 「《上市規則》」	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time 《聯交所證券上市規則》（經不時修訂、補充或以其他方式修改）
“Model Code” 「《標準守則》」	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules 《上市規則》附錄十所載之《上市發行人董事進行證券交易的標準守則》
“MW” 「兆瓦」	unit of energy, megawatt. 1MW=1,000KW. The installed capacity of power plants is generally expressed in MW 能源單位兆瓦。1兆瓦=1,000千瓦。發電廠裝機容量通常以兆瓦表示
“Non-Core Sectors” 「非核心行業」	any sectors that do not fall within the Core Sectors of our International Engineering Contracting Business 任何並非屬於我們國際工程承包業務核心行業的行業

Definitions and Glossary of Technical Terms

定義及技術術語表

“OFAC” 「外國資產管制局」	the Office of Foreign Assets Control of the US Department of the Treasury 美國財政部屬下外國資產管制局
“Period” 「本期間」	the six months ended 30 June 2020 截至2020年6月30日止六個月
“PRC” or “China” 「中國」	The People’s Republic of China excluding, for the purpose of this announcement, Hong Kong Special Administration Region of the PRC, the Macau Special Administration Region of the PRC and Taiwan 中華人民共和國，就本公告而言，不包括中國香港特別行政區、中國澳門特別行政區及台灣
“RMB” or “Renminbi” 「人民幣」	Renminbi yuan, the lawful currency of the PRC 人民幣，中國法定貨幣
“Services Business” 「服務業務」	the design consulting services, logistics services, exhibition services, tendering agency services, export-import agency services and other services conducted by the Group 本集團開展的設計諮詢服務、物流服務、展覽服務、招標代理服務、進出口代理服務及其他服務
“SFO” 「證券及期貨條例」	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time 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)” 「股份」	share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, including our Domestic Shares and H Shares 本公司股本中每股面值人民幣1.00元的股份，包括內資股及H股
“Shareholder(s)” 「股東」	holder(s) of our Share(s) 我們股份的持有人
“SINOMACH” 「國機」	China National Machinery Industry Corporation* (中國機械工業集團有限公司), a state-owned enterprise established in the PRC on 21 May 1988, our controlling shareholder 我們的控股股東中國機械工業集團有限公司，一家於1988年5月21日在中國成立的國有企業

Definitions and Glossary of Technical Terms

定義及技術術語表

“Sinasure” 「中國信保」	China Export & Credit Insurance Corporation (中國出口信用保險公司), a policy-oriented insurance company specializing in export credit insurance in the PRC and an independent third party 中國出口信用保險公司，一家在中國專營出口信用保險的政策性保險公司和獨立第三方
“Stock Exchange” 「聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
“Supervisor(s)” 「監事」	one (or all) of our Company’s supervisors 本公司的一名(或全體)監事
“the Belt and Road” 「一帶一路」	the Silk Road Economic Belt and the 21st-Century Maritime Silk Road 絲綢之路經濟帶和21世紀海上絲綢之路
“Trading Business” 「貿易業務」	the international and domestic trading business conducted by our Group 本集團進行的國際和國內貿易業務
“UN” 「聯合國」	the United Nations 聯合國
“United States” or “U.S.” or “US” 「美國」	the United States of America, its territories, its possessions and all areas subject to its jurisdiction 美利堅合眾國，包括其領土、屬地及受其司法管轄的所有地區
“U.S. dollars” or “US\$” or “USD” 「美元」	United States dollars, the lawful currency of the United States 美元，美國的法定貨幣
“XCMG Group” 「徐工集團」	Xuzhou Construction Machinery Group Co., Ltd. (徐州工程機械集團有限公司) 徐州工程機械集團有限公司
“%” 「%」	per cent 百分比

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

* 指中國公司或實體名稱的英文譯名或相反情況，僅供識別。

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 Director

Mr. FANG Yanshui (*President*)

Non-executive Directors

Mr. BAI Shaotong (*Chairman*)
Mr. YU Benli
Mr. ZHANG Fusheng

Independent Non-executive Directors

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

SUPERVISORS

Ms. WANG Huifang (*Chairman*)
(*Shareholder representative supervisor*)
Mr. GUO Weihua (*Shareholder representative supervisor*)
Ms. LIU Ting (*Staff representative supervisor*)

JOINT COMPANY SECRETARIES

Ms. SUN Runhai
Sir KWOK Siu Man KR, *FCS*

* *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

方彥水先生 (*總裁*)

非執行董事

白紹桐先生 (*主席*)
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

王惠芳女士 (*主席*)
(*股東代表監事*)
郭偉華先生 (*股東代表監事*)
劉婷女士 (*職工代表監事*)

聯席公司秘書

孫潤海女士
郭兆文 黎利騎士 勳賢，資深特許秘書

* 僅供識別

Corporate Information

公司資料

AUTHORIZED REPRESENTATIVES

Mr. FANG Yanshui
Ms. SUN Runhai

授權代表

方彥水先生
孫潤海女士

AUDIT COMMITTEE

Mr. LIU Li (*Chairman*)
Mr. ZHANG Fusheng
Ms. LIU Hongyu

審計委員會

劉力先生(主席)
張福生先生
劉紅宇女士

NOMINATION COMMITTEE

Mr. BAI Shaotong (*Chairman*)
Ms. LIU Hongyu
Mr. FANG Yongzhong

提名委員會

白紹桐先生(主席)
劉紅宇女士
方永忠先生

REMUNERATION COMMITTEE

Mr. FANG Yongzhong (*Chairman*)
Mr. ZHANG Fusheng
Mr. LIU Li

薪酬委員會

方永忠先生(主席)
張福生先生
劉力先生

STRATEGY AND DEVELOPMENT COMMITTEE

Mr. BAI Shaotong (*Chairman*)
Mr. FANG Yanshui
Mr. YU Benli
Mr. LIU Li

戰略與發展委員會

白紹桐先生(主席)
方彥水先生
余本禮先生
劉力先生

OPERATION AND RISK MANAGEMENT COMMITTEE

Mr. YU Benli (*Chairman*)
Mr. FANG Yanshui
Mr. FANG Yongzhong
Mr. WU Tak Lung

經營與風險管理委員會

余本禮先生(主席)
方彥水先生
方永忠先生
吳德龍先生

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)

REGISTERED OFFICE AND HEAD OFFICE IN THE PRC

No.178 Guang'anmenwai Street
Xicheng District, Beijing, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 804, 8/F, Tower 1
South Sea Centre
75 Mody Road
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

獨立核數師

國際核數師

安永會計師事務所

中國核數師

安永華明會計師事務所(特殊普通合夥)

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)

中國註冊辦事處及本部

中國北京市西城區
廣安門外大街178號

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號舖

Corporate Information

公司資料

LEGAL ADVISORS

As to Hong Kong Laws
Clifford Chance LLP

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

www.cmec.com

法律顧問

關於香港法律
高偉紳律師事務所

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