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

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

(Stock Code: 1829)

(股份代號：1829)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2014

截至2014年12月31日止年度 之業績公告

2014 ANNUAL RESULTS HIGHLIGHTS

- Revenue amounted to RMB23,008 million, representing an increase of RMB1,582 million or 7.4% from RMB21,426 million for the year ended December 31, 2013.
- Gross profit amounted to RMB3,750 million, representing an increase of RMB7 million or 0.2% from RMB3,743 million for the year ended December 31, 2013.
- Profit attributable to the Shareholders amounted to RMB2,097 million, representing an increase of RMB138 million or 7.0% from RMB1,959 million for the year ended December 31, 2013.
- Basic earnings per share amounted to RMB0.51, representing an increase of RMB0.04 or 8.5% from RMB0.47 for the year ended December 31, 2013.
- The Board recommended to distribute a final dividend of RMB0.2033 (pre-tax) per Share for 4,125,700,000 Shares for 2014 (2013: RMB0.19 (pre-tax) per Share for 4,125,700,000 Shares), representing a total amount of RMB838,754,810 (pre-tax) (2013 total: RMB783,883,000 (pre-tax)).

* For identification purposes only.

2014年全年業績摘要

- 收入為人民幣23,008百萬元，較截至2013年12月31日止年度人民幣21,426百萬元增加人民幣1,582百萬元或7.4%。
- 毛利為人民幣3,750百萬元，較截至2013年12月31日止年度人民幣3,743百萬元增加人民幣7百萬元或0.2%。
- 股東應佔溢利為人民幣2,097百萬元，較截至2013年12月31日止年度人民幣1,959百萬元增加人民幣138百萬元或7.0%。
- 每股基本盈利為人民幣0.51元，較截至2013年12月31日止年度人民幣0.47元增加人民幣0.04元或8.5%。
- 董事會建議派付2014年末期股息，就4,125,700,000股股份每股人民幣0.2033元(稅前)(2013年：就4,125,700,000股股份每股人民幣0.19元(稅前))，合共人民幣838,754,810元(稅前)(2013年總計：人民幣783,883,000元(稅前))。

* 僅供識別。

The Board is pleased to announce the following audited consolidated results of the Group for the year ended December 31, 2014, together with the comparative figures for the year ended December 31, 2013 for comparison. The results were prepared based on the consolidated financial statements, which were prepared in accordance with IFRS issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance.

董事會欣然宣佈本集團截至2014年12月31日止年度的以下經審計合併業績，連同用於比較的截至2013年12月31日止年度的比較數字。業績乃基於根據國際會計準則理事會頒佈的國際財務報告準則以及香港公司條例的披露要求編製的合併財務報表而編製。

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended December 31, 2014

合併損益表

截至2014年12月31日止年度

			2014 2014年 RMB'000 人民幣千元	2013 2013年 RMB'000 人民幣千元
		<i>Notes</i> 附註		
REVENUE	收入	4	23,007,745	21,426,272
Cost of sales	銷售成本		(19,257,365)	(17,683,814)
Gross profit	毛利		3,750,380	3,742,458
Other revenue	其他收入	4	14,845	12,350
Other income/(expenses), net	其他收入／(開支) 淨額	4	(93,360)	353,476
Selling and distribution expenses	銷售及分銷開支		(1,115,853)	(1,157,660)
Administrative expenses	行政開支		(533,551)	(556,996)
Other operating income/(expenses)	其他經營收入／(開支)		48,541	(65,476)
PROFIT FROM OPERATIONS	經營溢利		2,071,002	2,328,152
Finance income	財務收入		717,685	737,865
Finance expenses	財務開支		(50,610)	(401,713)
Net finance income	財務收入淨額	5(a)	667,075	336,152
Share of profits less losses of:	應佔以下溢利減虧損：			
An associate	聯營公司		-	(199)
A joint venture	合營企業		67	-
PROFIT BEFORE TAXATION	除稅前溢利	5	2,738,144	2,664,105
Income tax	所得稅	6	(641,909)	(703,864)
PROFIT FOR THE YEAR	年內溢利		2,096,235	1,960,241
Attributable to:	歸屬於：			
Owners of the parent	母公司擁有人		2,096,918	1,959,257
Non-controlling interests	非控股權益		(683)	984
			2,096,235	1,960,241
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	每股盈利 母公司普通權益持有人 應佔每股盈利			
Basic and diluted (RMB)	基本及攤薄 (人民幣)		51分	47分

CONSOLIDATED STATEMENT OF 合併綜合收益表
COMPREHENSIVE INCOME

Year ended December 31, 2014

截至2014年12月31日止年度

		2014	2013
		2014年	2013年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
PROFIT FOR THE YEAR	年內溢利	2,096,235	1,960,241
OTHER COMPREHENSIVE INCOME	其他綜合收益		
Other comprehensive income not to be reclassified into profit or loss in subsequent period	於其後期間將不會重新分類至損益的其他綜合收益		
Remeasurement of defined benefit obligations	重新計量設定收益義務	(11,420)	21,710
Other comprehensive income to be reclassified into profit or loss in subsequent period	於其後期間將會重新分類至損益的其他綜合收益		
Changes in fair value of an available-for-sale investment	可供出售投資公允值變動	(105)	-
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	(4,725)	(6,965)
Total comprehensive income for the year	年內綜合收益總額	<u>2,079,985</u>	<u>1,974,986</u>
Attributable to:	歸屬於：		
Owners of the parent	母公司擁有人	2,079,740	1,974,823
Non-controlling interests	非控股權益	245	163
Total comprehensive income for the year	年內綜合收益總額	<u>2,079,985</u>	<u>1,974,986</u>

Details of the dividend payable and proposed for the year are disclosed in note 7 to the financial statement. 本年度應付及擬派股息的詳情於財務報表附註7披露。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 合併財務狀況表

At December 31, 2014

於2014年12月31日

			31 December 2014 2014年 12月31日 RMB'000 人民幣千元	31 December 2013 2013年 12月31日 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備		701,689	485,012
Investment properties	投資物業		10,337	14,163
Prepaid land lease payments	預付土地租賃款項		1,745,088	1,788,109
Intangible assets	無形資產		8,746	7,919
Interest in an associate	聯營公司權益		-	215
Interest in a joint venture	合營企業權益		50,067	-
Trade and other receivables	貿易及其他應收款項	10	70,375	53,382
Amounts due from contract customers	應收合同客戶款項		2,698,467	3,201,943
Deferred tax assets	遞延稅項資產		244,384	154,577
Other non-current assets	其他非流動資產		246,778	343,944
Total non-current assets	非流動資產總額		5,775,931	6,049,264
CURRENT ASSETS	流動資產			
Inventories	存貨		259,979	212,735
Trade and other receivables	貿易及其他應收款項	10	6,179,073	4,894,653
Amounts due from contract customers	應收合同客戶款項		2,745,274	2,372,575
Restricted deposits	受限制存款		300,235	251,435
Time deposits with original maturity over three months	原始到期日超過三個月的定期存款		4,170,349	3,622,336
Cash and cash equivalents	現金及現金等價物		17,792,501	14,550,166
Total current assets	流動資產總額		31,447,411	25,903,900
CURRENT LIABILITIES	流動負債			
Borrowings	借貸		205,742	234,307
Receipts in advance	預收款項		9,170,168	7,021,664
Trade and other payables	貿易及其他應付款項	11	13,764,067	12,227,087
Defined benefit obligations	設定收益義務		29,960	30,870
Tax payable	應付稅項		309,762	276,013
Total current liabilities	流動負債總額		23,479,699	19,789,941
NET CURRENT ASSETS	流動資產淨額		7,967,712	6,113,959
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減流動負債		13,743,643	12,163,223

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED) 合併財務狀況表 (續)

At December 31, 2014

於2014年12月31日

			31 December 2014 2014年 12月31日 RMB'000 人民幣千元	31 December 2013 2013年 12月31日 RMB'000 人民幣千元
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減流動負債		13,743,643	12,163,223
NON-CURRENT LIABILITIES	非流動負債			
Borrowings	借貸		359,789	79,637
Trade and other payables	貿易及其他應付款項	<i>11</i>	2,178	1,705
Defined benefit obligations	設定收益義務		327,650	325,820
Deferred tax liabilities	遞延稅項負債		438	—
Total non-current liabilities	非流動負債總額		690,055	407,162
Net assets	淨資產		13,053,588	11,756,061
EQUITY	權益			
Issued capital	股本	<i>12</i>	4,125,700	4,125,700
Reserves	儲備		8,909,782	7,613,925
Total equity attributable to owners of the parent	母公司擁有人應佔權益 總額		13,035,482	11,739,625
Non-controlling interests	非控股權益		18,106	16,436
Total equity	權益總額		13,053,588	11,756,061

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

1. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which comprise all standards and interpretations approved by the International Accounting Standards Board (the “IASB”). These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance relating to the preparation of financial statements, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for part 9 of the Hong Kong Companies Ordinance (Cap. 622), “Accounts and Audit”, which are set out in Sections 76 to 87 of Schedule 11 to that Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (“HKSE”). A summary of the significant accounting policies newly adopted by the Group in this year is set out below.

The Group has adopted all those new and revised IFRSs that are first effective for the accounting period beginning January 1, 2014 in preparing the financial statements for the year ended December 31, 2014. The Group has not early adopted any new and revised IFRSs that are not yet effective for the accounting period beginning January 1, 2014 in the current or previous accounting periods.

2. BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention, except for derivative financial instruments and available-for-sale investments which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

財務報表附註

2014年12月31日

1. 合規聲明

該等財務報表乃根據國際財務報告準則（「國際財務報告準則」）編製。國際財務報告準則包括經國際會計準則理事會（「國際會計準則理事會」）批准的全部準則及詮釋。該等財務報表亦符合香港公司條例有關編製財務報表的適用要求（按載列於香港公司條例（第622章）附表11第76至87條條文內有關第9部「賬目及審計」的過渡性及保留安排的規定，就本財政年度及比較期間而言，該等財務報表繼續根據前公司條例（第32章）的規定作出披露）。該等財務報表亦符合香港聯合交易所有限公司（「香港聯交所」）主板證券上市規則中適用的披露規定。本集團於本年度所採納的主要新會計政策概述如下。

本集團於編製截至2014年12月31日止年度的財務報表時已採納所有在自2014年1月1日開始的會計期間首次生效的有關新訂及經修訂國際財務報告準則。本集團概無在當前或過往會計期間提早採納自2014年1月1日開始的會計期間尚未生效的任何新訂及經修訂國際財務報告準則。

2. 編製基準

該等財務報表乃按歷史成本慣例編製，惟按公允值計量的衍生金融工具及可供出售投資除外。該等財務報表乃以人民幣（「人民幣」）呈列，而除另有指明外，所有數值均調整至最接近的千位數。

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRSs and new interpretation for the first time for the current year's financial statements.

IFRS 10, IFRS12 and IAS 27 Amendments	<i>Investment Entities</i>
IAS 32 Amendments	<i>Offsetting Financial Assets and Financial Liabilities</i>
IAS 36 Amendments	<i>Recoverable Amount Disclosures for Non-Financial Assets</i>
IAS 39 Amendments	<i>Novation of Derivatives and Continuation of Hedge Accounting</i>
IFRIC 21	<i>Levies</i>
IFRS 2 Amendment included in <i>Annual Improvements 2010-2012 Cycle</i>	<i>Definition of Vesting Condition¹</i>
IFRS 3 Amendment included in <i>Annual Improvements 2010-2012 Cycle</i>	<i>Accounting for Contingent Consideration in a Business Combination¹</i>
IFRS 13 Amendment included in <i>Annual Improvements 2010-2012 Cycle</i>	<i>Short-term Receivables and Payables</i>
IFRS 1 Amendment included in <i>Annual Improvements 2011-2013 Cycle</i>	<i>Meaning of Effective IFRSs</i>

¹ Effective from July 1, 2014

The adoption of the revised IFRSs and new interpretation have had no significant financial effect on these financial statements.

3. 會計政策變更及披露

本集團已於本年度的財務報表中首次採納以下經修訂國際財務報告準則及新詮釋。

國際財務報告準則第10號、國際財務報告準則第12號及國際會計準則第27號(修訂本)	「投資實體」
國際會計準則第32號(修訂本)	「抵銷金融資產及金融負債」
國際會計準則第36號(修訂本)	「非金融資產的可收回金額披露」
國際會計準則第39號(修訂本)	「衍生工具的更替及對沖會計的延續」
國際財務報告詮釋委員會詮釋第21號	「徵費」
國際財務報告準則第2號(修訂本)，納入2010年至2012年週期的年度改進	「歸屬條件的界定」 ¹
國際財務報告準則第3號(修訂本)，納入2010年至2012年週期的年度改進	「業務合併中或有對價的會計處理」 ¹
國際財務報告準則第13號(修訂本)，納入2010年至2012年週期的年度改進	「短期應收款項及應付款項」
國際財務報告準則第1號(修訂本)，納入2011年至2013年週期的年度改進	「國際財務報告準則生效的涵義」

¹ 於2014年7月1日起生效

採納經修訂國際財務報告準則及新詮釋並無對該等財務報表產生重大財務影響。

4. REVENUE, OTHER INCOME AND GAINS

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

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

		2014 2014年 RMB'000 人民幣千元	2013 2013年 RMB'000 人民幣千元
	Note 附註		
Revenue	收入		
Construction contracts	建造合同	15,460,842	15,385,648
Trading business	貿易業務	6,442,938	4,907,806
Others	其他	(1) 1,103,965	1,132,818
		23,007,745	21,426,272
Other revenue	其他收入		
Dividend income from unquoted equity securities	非流通股本證券股息收入	10,031	9,907
Government grants	政府補貼	4,814	2,443
		14,845	12,350
Other income/(expenses), net	其他收入 / (開支) 淨額		
Net losses on disposal of items of property, plant and equipment	處置物業、廠房及設備的虧損淨額	(5,282)	(2,016)
Net gain on disposal of an unquoted equity security	處置非流通股本證券的收益淨額	-	2,165
Net gain on disposal of an interest in a subsidiary with loss in control	處置一家附屬公司的權益的收益淨額，並失去控制權	-	175,649
Net gains/(losses) on foreign currency forward exchange contracts and interest rate swaps	遠期外匯合同及利率掉期的收益 / (虧損) 淨額	(152,118)	178,056
Others	其他	64,040	(378)
		(93,360)	353,476

Note:

(1) Other revenue mainly represents revenue from the provision of export-import agency services, tendering agency services, exhibition services, design services and logistics services.

4. 收入、其他收入及收益

收入亦即本集團的營業額，指年內扣除退貨及貿易折扣的已售貨品發票淨值、建造合同應佔合同收入、所提供服務價值以及已收及應收投資物業的租金收入總額。

本集團的收入、其他收入及其他收入 / (開支) 淨額分析如下：

	2014 2014年 RMB'000 人民幣千元	2013 2013年 RMB'000 人民幣千元
	Note 附註	
Revenue	收入	
Construction contracts	建造合同	15,460,842
Trading business	貿易業務	6,442,938
Others	其他	(1) 1,103,965
		23,007,745
Other revenue	其他收入	
Dividend income from unquoted equity securities	非流通股本證券股息收入	10,031
Government grants	政府補貼	4,814
		14,845
Other income/(expenses), net	其他收入 / (開支) 淨額	
Net losses on disposal of items of property, plant and equipment	處置物業、廠房及設備的虧損淨額	(5,282)
Net gain on disposal of an unquoted equity security	處置非流通股本證券的收益淨額	-
Net gain on disposal of an interest in a subsidiary with loss in control	處置一家附屬公司的權益的收益淨額，並失去控制權	-
Net gains/(losses) on foreign currency forward exchange contracts and interest rate swaps	遠期外匯合同及利率掉期的收益 / (虧損) 淨額	(152,118)
Others	其他	64,040
		(93,360)

附註：

(1) 其他收入主要指提供進出口代理服務、招標代理服務、展覽服務、設計服務及物流服務的收入。

5. PROFIT BEFORE TAX

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

(a) Finance income and finance expenses

Finance income on receivables from customers	應收客戶款項的財務收入		
Interest income	利息收入	197,661	266,134
		520,024	471,731
Finance income	財務收入	717,685	737,865
Interest cost recognised in respect of defined benefit obligations	就設定收益義務確認的利息成本	14,590	13,540
Interest expenses on borrowings wholly repayable within five years	須於五年內悉數償還的借貸的利息開支	5,655	7,073
Interest expenses on other borrowings	其他借貸的利息開支	300	206
Foreign exchange losses, net	外匯虧損淨額	17,382	368,383
Bank charges and others	銀行費用及其他	12,683	12,511
Finance expenses	財務開支	50,610	401,713
Net finance income recognized in profit or loss	於損益確認的財務收入淨額	667,075	336,152

(b) Staff costs

Salaries, wages and other benefits	薪金、工資及其他福利	1,230,078	1,087,404
Contributions to defined contribution retirement plans	設定供款退休計劃的供款	94,262	92,443
Expenses recognised in respect of defined benefit retirement plans	就設定福利退休計劃確認的開支	4,950	430
		1,329,290	1,180,277

5. 除稅前溢利

本集團之除稅前溢利已扣除／(計入)：

(a) 財務收入及財務開支

2014	2013
2014年	2013年
RMB'000	RMB'000
人民幣千元	人民幣千元
197,661	266,134
520,024	471,731
717,685	737,865
14,590	13,540
5,655	7,073
300	206
17,382	368,383
12,683	12,511
50,610	401,713
667,075	336,152

(b) 員工成本

2014	2013
2014年	2013年
RMB'000	RMB'000
人民幣千元	人民幣千元
1,230,078	1,087,404
94,262	92,443
4,950	430
1,329,290	1,180,277

(c) Other items

(c) 其他項目

		2014 2014年 RMB'000 人民幣千元	2013 2013年 RMB'000 人民幣千元
Amortisation	攤銷		
– Prepaid land lease payments	– 預付土地租賃款項	41,858	39,843
– Intangible assets	– 無形資產	3,505	2,326
		45,363	42,169
Depreciation	折舊		
– Property, plant and equipment	– 物業、廠房及設備	34,829	37,983
– Investment properties	– 投資物業	1,929	882
		36,758	38,865
Impairment losses/(reversal of impairment) on	減值虧損／(減值撥回)		
– Trade and other receivables	– 貿易及其他應收款項	(45,158)	59,398
– Other non-current assets	– 其他非流動資產	500	–
– Amounts due from contract customers	– 應收合同客戶款項	(4,433)	5,476
		(49,091)	64,874
Operating lease charges	經營租賃費用		
– Lease of properties	– 租用物業	25,509	25,067
– Lease of other assets	– 租用其他資產	1,562	1,635
		27,071	26,702
Auditors' remuneration	審計師薪酬		
– Audit services	– 審計服務	3,132	5,902
– Tax services	– 稅務服務	–	16
– Other services	– 其他服務	3,000	3,000
		6,132	8,918
Provision for foreseeable losses on construction contracts	建造合同預計虧損撥備	–	53,971
Rental income from investment properties	來自投資物業的租賃收入		
– Gross rental	– 毛租金	18,297	20,284
– Direct outgoings	– 直接支出	(2,218)	(3,519)
– Net rental	– 淨租金	16,079	16,765
Cost of inventories	存貨成本	6,140,847	4,451,323

6. INCOME TAX

Pursuant to the relevant laws and regulations in the PRC, the statutory enterprise income tax rate of 25% is applied to the Group for the years ended December 31, 2014 and 2013, except for one subsidiary of the Group which was entitled to the preferential tax rate of 15% (2013: 15%) because it is recognised as a high and new technology enterprise by the local governments in the PRC.

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries (or jurisdictions) in which the Group operates.

6. 所得稅

根據中國相關法律及法規，本集團於截至2014年及2013年12月31日止年度須按法定稅率25%繳納企業所得稅，惟本集團一間附屬公司因獲中國地方政府認可為高新技術企業而享有15%的優惠稅率（2013年：15%）。

香港利得稅乃就年內在香港產生的估計應課稅溢利按16.5%（2013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。

		2014 2014年 RMB'000 人民幣千元	2013 2013年 RMB'000 人民幣千元
Current income tax – Mainland China	即期所得稅 – 中國大陸	720,870	702,121
Current income tax – Hong Kong	即期所得稅 – 香港	927	232
Current income tax – Others	即期所得稅 – 其他	9,919	25,551
Deferred income tax	遞延所得稅	(89,807)	(24,040)
Total tax charge for the year	年度稅項支出總額	641,909	703,864

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the countries (or jurisdictions) in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates are as follows:

適用於除稅前溢利按本公司及其大多數附屬公司所註冊國家（或司法權區）的法定稅率計算之稅項開支與按實際稅率計算者的對賬如下：

		2014 2014年 RMB'000 人民幣千元	2013 2013年 RMB'000 人民幣千元
Profit before tax	除稅前溢利	2,738,144	2,664,105
Tax at the statutory tax rate	按法定稅率計算的稅項	684,536	665,929
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	(1,047)	(23)
Income not subject to tax	毋需課稅收入	(17)	(2,351)
Expenses not deductible for tax	不可扣稅開支	6,735	24,979
Tax losses utilised from previous periods	使用過往期間的稅項虧損	(8,179)	–
Tax effect of deductible temporary differences not recognised in prior periods	過往期間未確認可抵扣暫時差額的稅務影響	(33,869)	14,375
Others	其他	(6,250)	955
Tax charge at the Group's effective rate	按本集團實際稅率計算的稅項支出	641,909	703,864

7. DIVIDENDS

7. 股息

		2014 2014年 RMB'000 人民幣千元	2013 2013年 RMB'000 人民幣千元
Proposed final dividend of RMB0.2033 (2013: RMB0.19) per ordinary share	擬派末期股息每股普通股 人民幣0.2033元 (2013年：人民幣0.19元)	<u>838,755</u>	<u>783,883</u>

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

擬派的本年度末期股息須獲本公司股東於應屆股東週年大會上批准。

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

8. 母公司普通權益持有人應佔每股溢利

The calculation of basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of 4,125,700,000 (2013: 4,125,405,000) ordinary shares.

每股基本盈利乃按年內母公司普通權益持有人應佔溢利及普通股加權平均數4,125,700,000股(2013年：4,125,405,000股)計算。

The calculations of basic and diluted earnings per share are based on:

每股基本及攤薄盈利的計算乃按：

		2014 2014年 RMB'000 人民幣千元	2013 2013年 RMB'000 人民幣千元
Earnings Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	盈利 計算每股基本盈利所使用的 母公司普通權益持有人應佔溢利	<u>2,096,918</u>	<u>1,959,257</u>

		Number of shares 股份數目	
		2014 2014年 Thousands shares 千股	2013 2013年 Thousands shares 千股
Shares Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	股份 計算每股基本盈利 所使用於年內發行的 普通股加權平均數	<u>4,125,700</u>	<u>4,125,405</u>

9. OPERATING SEGMENT INFORMATION

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

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

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group’s profit before tax except that shares of profits less losses of an associate and a joint venture, interest income from bank deposits, finance costs related to defined benefit plan, dividend income, fair value gains/losses from the Group’s financial instruments as well as head office and corporate income/expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, investments in an associate and a joint venture, prepaid land lease payment, intangible assets, time deposits, cash and cash equivalents, equity investments at fair value through profit or loss, derivative financial instruments and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

9. 經營分部資料

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

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

管理層單獨監察本集團經營分部的業績，以就資源分配及表現評估作出決策。分部表現乃根據可報告之分部溢利／虧損評估，此乃經調整除稅前溢利／虧損之計量指標。經調整除稅前溢利／虧損乃貫徹以本集團除稅前溢利計量，惟應佔一間聯營公司及一間合營企業溢利減虧損、銀行存款利息收入、設定收益計劃相關的財務成本、股息收入、本集團金融工具之公允值收益／虧損以及總部及企業收入／開支不計入該計量內。

分類資產不包括遞延稅項資產、於一間聯營公司及一間合營企業的投資、預付土地租賃款項、無形資產、定期存款、現金及現金等價物、按公允值計入損益賬的股本投資、衍生金融工具及其他未分配總部及企業資產，此乃由於該等資產以集團形式管理。

分類負債不包括遞延稅項負債及其他未分配總部及企業負債，此乃由於該等負債以集團形式管理。

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

各分部間的銷售及轉撥乃參考向第三方銷售所採用之售價，按當時市價進行交易。

(a) segment revenue, results, assets and liabilities

(a) 分部收入、業績、資產及負債

		Year ended December 31, 2014 截至2014年12月31日止年度			
		Construction contracts 建造合同 RMB'000 人民幣千元	Trading business 貿易業務 RMB'000 人民幣千元	Other businesses 其他業務 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Segment revenue:	分部收入：				
Sales to external customers	銷售予外部客戶	15,460,842	6,442,938	1,103,965	23,007,745
Intersegment sales	分部間收入	–	92,509	469,901	562,410
Reportable segment revenue	可報告分部收入	15,460,842	6,535,447	1,573,866	23,570,155
Reportable segment profit	可報告分部溢利	2,135,902	101,333	143,620	2,380,855
Finance income	財務收入	192,348	5,313	–	197,661
Finance expenses	財務開支	2,384	2,216	1,355	5,955
Depreciation and amortisation	折舊及攤銷	–	–	–	–
Provision/(reversal of provision) of impairment losses	減值虧損撥備／(撥備撥回)				
– Trade and other receivables	– 貿易及其他應收款項	(118,594)	58,886	14,550	(45,158)
– Amounts due from contract customers	– 應收合同客戶款項	(4,433)	–	–	(4,433)
Reportable segment assets	可報告分部資產	12,139,043	2,407,238	955,169	15,501,450
Capital expenditure	資本開支	–	–	–	–
Reportable segment liabilities	可報告分部負債	20,607,119	2,675,310	3,763,442	27,045,871

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

(a) 分部收入、業績、資產及負債(續)

		Year ended December 31, 2013 截至2013年12月31日止年度			
		Construction contracts 建造合同 RMB'000 人民幣千元	Trading business 貿易業務 RMB'000 人民幣千元	Other businesses 其他業務 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Segment revenue:	分部收入：				
Sales to external customers	銷售予外部客戶	15,385,648	4,907,806	1,132,818	21,426,272
Intersegment sales	分部間收入	–	265,705	426,583	692,288
Reportable segment revenue	可報告分部收入	15,385,648	5,173,511	1,559,401	22,118,560
Reportable segment profit	可報告分部溢利	2,116,699	2,791	121,112	2,240,602
Finance income	財務收入	266,134	–	–	266,134
Finance expenses	財務開支	4,109	3,170	–	7,279
Depreciation and amortisation	折舊及攤銷	–	–	1,158	1,158
Provision/(reversal provision) of impairment losses	減值虧損撥備/(撥備撥回)				
– Trade and other receivables	– 貿易及其他應收款項	43,640	4,591	11,167	59,398
– Amounts due from contract customers	– 應收合同客戶款項	5,476	–	–	5,476
– Foreseeable losses on construction contracts	– 建造合同預計虧損	53,971	–	–	53,971
Reportable segment assets	可報告分部資產	8,309,516	1,997,682	799,250	11,106,448
– Capital expenditure	– 資本開支	–	–	–	–
Reportable segment liabilities	可報告分部負債	16,502,262	2,335,193	804,247	19,641,702

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

(b) 可報告分部收入、溢利／虧損、資產及負債的對賬

		2014 2014年 RMB'000 人民幣千元	2013 2013年 RMB'000 人民幣千元
Revenue:	收入：		
Reportable segment revenue	可報告分部收入	23,570,155	22,118,560
Elimination of inter-segment revenue	分部間收入抵銷	(562,410)	(692,288)
		<u>23,007,745</u>	<u>21,426,272</u>
Profit:	溢利：		
Reportable segment profit	可報告分部溢利	2,380,855	2,240,602
Share of profits less losses of an associate	應佔一間聯營公司溢利減虧損	-	(199)
Share of profits less losses of a joint venture	應佔一間合營企業溢利減虧損	67	-
Dividend income	股息收入	10,031	9,907
Other income/(expenses), net	其他收入／(開支) 淨額	(2,174)	172,441
Other operating income/(expenses)	其他經營收入／(開支)	550	(602)
Interest income from bank deposits	來自銀行存款的利息收入	520,024	471,731
Interest cost recognised in respect of defined benefit retirement plans	就設定福利退休計劃確認的利息成本	(14,590)	(13,540)
Foreign exchange gains/(losses), net	外匯收益／(虧損) 淨額	(74,498)	(136,359)
Depreciation and amortisation	折舊及攤銷	(82,121)	(79,876)
Profit before tax	除稅前溢利	<u>2,738,144</u>	<u>2,664,105</u>

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

(b) 可報告分部收入、溢利／虧損、資產及負債的對賬（續）

		2014 2014年 RMB'000 人民幣千元	2013 2013年 RMB'000 人民幣千元
Assets	資產		
Reportable segment assets	可報告分部資產	15,501,450	11,106,448
Elimination of inter-segment receivables	分部間應收款項抵銷	(3,565,795)	(635,266)
		11,935,655	10,471,182
Restricted deposits	受限制存款	300,235	251,435
Time deposits with original maturity over three months	原始到期日超過三個月的定期存款	4,170,349	3,622,336
Cash and cash equivalents	現金及現金等價物	17,792,501	14,550,166
Property, plant and equipment	物業、廠房及設備	701,689	485,012
Prepaid land lease prepayments	預付土地租賃款項	1,745,088	1,776,129
Intangible assets	無形資產	8,746	7,919
Interest in a joint venture	合營企業權益	50,067	–
Interest in an associate	聯營公司權益	–	215
Deferred tax assets	遞延稅項資產	244,384	154,577
Other non-current assets	其他非流動資產	246,778	343,944
Other unallocated assets	其他未分配資產	27,850	290,249
		37,223,342	31,953,164
Liabilities	負債		
Reportable segment liabilities	可報告分部負債	27,045,871	19,641,702
Elimination of inter-segment payables	分部間應付款項抵銷	(3,565,795)	(635,266)
		23,480,076	19,006,436
Defined benefit obligations	設定收益義務	357,610	356,690
Tax payable	應付稅項	309,762	276,013
Deferred tax liabilities	遞延稅項負債	438	–
Other unallocated liabilities	其他未分配負債	21,868	557,964
		24,169,754	20,197,103

(c) Geographical information

(c) 地理區域資料

		2014	2013
		2014年	2013年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue from external customers	來自外部客戶的收入		
Mainland China	中國大陸	4,355,685	2,555,267
The Republic of Iraq	伊拉克共和國	3,827,660	2,486,528
Venezuela	委內瑞拉	2,397,419	2,414,504
Equatorial Guinea	赤道幾內亞	1,009,526	1,089,825
Sri Lanka	斯里蘭卡	947,410	994,791
Angola	安哥拉	915,501	920,578
The Republic of Congo	剛果共和國	825,612	883,468
United States	美國	782,114	388,120
Argentina	阿根廷	670,152	182
Belarus	白俄羅斯	660,196	1,581,366
Others	其他	6,616,470	8,111,643
		23,007,745	21,426,272

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。

		2014	2013
		2014年	2013年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Specified non-current assets	特定非流動資產		
Mainland China	中國大陸	2,457,553	2,275,754
Others	其他	8,307	19,449
		2,465,860	2,295,203

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

以上非流動資產資料乃按資產所在地域劃分，不包括金融工具及遞延稅項資產。

Information about major customers

有關主要客戶的資料

Revenues generated from two customers derived from the construction contracts segment which amounted to more than 10% of the Group's revenue for the year ended December 31, 2014 were RMB3,437,057,000 and RMB2,361,634,000, respectively (2013: Nil).

截至2014年12月31日止年度，建造合同分部兩名客戶所產生的收入分別為人民幣3,437,057,000元和人民幣2,361,634,000元(2013年：無)，佔本集團收入的10%以上。

10. TRADE AND OTHER RECEIVABLES

10. 貿易及其他應收款項

		Group 本集團	
		2014 2014年 RMB'000 人民幣千元	2013 2013年 RMB'000 人民幣千元
		Notes 附註	
Bills receivable	應收票據		33,471
Trade receivables	貿易應收款項		2,787,009
Less: Allowance for doubtful debts	減：呆賬撥備	(b)	<u>(461,300)</u>
Trade and bills receivables	貿易應收款項及應收票據	(a)	<u>2,359,180</u>
Advances to suppliers	供應商預付款		1,234,748
Other receivables	其他應收款項		1,112,450
Derivative financial instruments	衍生金融工具		142,332
Others	其他		156,655
Less: Allowance for doubtful debts	減：呆賬撥備	(b)	<u>(57,330)</u>
			<u>1,354,107</u>
Portion classified as non-current assets	分類為非流動資產的部分		<u>(53,382)</u>
Current portion	流動部分	(e)	<u>4,894,653</u>

(a) Ageing analysis

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

(a) 賬齡分析

根據發票日期，於報告期末的貿易應收款項及應收票據經扣除撥備的賬齡分析如下：

		Group 本集團	
		2014 2014年 RMB'000 人民幣千元	2013 2013年 RMB'000 人民幣千元
Within 3 months	3個月以內	1,938,313	1,306,468
3 to 6 months	3至6個月	511,708	218,537
6 months to 1 year	6個月至1年	554,783	301,757
Over 1 year	1年以上	873,680	532,418
		<u>3,878,484</u>	<u>2,359,180</u>

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

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

(b) Impairment of trade and other receivables

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

(b) 貿易及其他應收款項減值

貿易應收款項及其他應收款項減值撥備的變動如下：

		Group 本集團	
		2014	2013
		2014年	2013年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At 1 January	於1月1日	518,630	466,104
Impairment losses recognised	已確認的減值虧損	150,411	59,398
Transfer in from amounts due from contract customers	轉撥自應收合同客戶款項	149,486	-
Impairment losses reversed	減值虧損撥回	(195,570)	-
Amount written off as uncollectible	撇銷不可收回的金額	(17,491)	(6,872)
		605,466	518,630

As at December 31, 2014, the Group's trade and bills receivables of RMB1,572,775,000 (2013: RMB844,877,000) were individually determined to be impaired. The individually impaired receivables related to debtors that were in financial difficulties, and management assessed that only a portion of the receivables is expected to be recovered. Consequently, as at December 31, 2014, specific allowances for doubtful debts of RMB449,947,000 (2013: RMB461,300,000) were recognised by the Group.

於2014年12月31日，本集團的貿易應收款項及應收票據人民幣1,572,775,000元（2013年：人民幣844,877,000元）被個別釐定為減值。個別減值的應收款項與當時正處於財務困難的債務人有關，管理層因此評估，預期僅有一部分應收款項可以收回。因此，本集團於2014年12月31日確認特定呆賬撥備為人民幣449,947,000元（2013年：人民幣461,300,000元）。

As at December 31, 2014, the Group's other receivables of RMB82,108,000 (2013: RMB85,292,000) were individually determined to be impaired. The individually impaired receivables related to debtors that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. Consequently, as at December 31, 2014, specific allowances for doubtful debts of RMB57,630,000 (2013: RMB57,330,000) were recognised by the Group.

於2014年12月31日，本集團的其他應收款項人民幣82,108,000元（2013年：人民幣85,292,000元）被個別釐定為減值。個別減值的應收款項與當時正處於財務困難的債務人有關，管理層因此評估，預期僅有一部分的應收款項可以收回。因此，本集團於2014年12月31日確認特定呆賬撥備為人民幣57,630,000元（2013年：人民幣57,330,000元）。

(c) Trade and bills receivables that are not impaired

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

(c) 未減值的貿易應收款項及應收票據

既未單獨亦未共同視為減值的貿易應收款項及應收票據的賬齡分析如下：

		Group 本集團	
		2014	2013
		2014年	2013年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Neither past due nor impaired	既未逾期亦未減值	1,369,427	1,681,820
Less than 3 months past due	逾期3個月以內	-	135,350
3 months to 6 months past due	逾期3至6個月	-	46,517
More than 6 months past due	逾期6個月以上	-	26,491
More than 1 year past due	逾期1年以上	28,494	85,425
		1,397,921	1,975,603

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

既未逾期亦未減值的應收款項與近期並無拖欠記錄的多名各行業客戶有關。

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

逾期但並未減值的應收款項與多名獨立客戶有關，彼等與本集團具有良好的往績記錄。根據過往經驗，由於信貸質素並無重大變化且該等結餘仍被視為可悉數收回，故管理層相信毋須就該等結餘作減值撥備。

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

SINOMACH	國機
Fellow subsidiaries	同系附屬公司

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

(e) As at December 31, 2014 and December 31, 2013, none of the Group's borrowings were secured by the Group's trade receivables.

(d) 應收本集團關聯方款項（計入貿易應收款項及應收票據）分析如下：

Group 本集團	
2014	2013
2014年	2013年
RMB'000	RMB'000
人民幣千元	人民幣千元

-	10,159
19,638	22,029

該等結餘為無擔保、不計息並按相近於本集團主要客戶獲提供的信貸期償還。

(e) 於2014年12月31日及2013年12月31日，本集團概無借貸由本集團的貿易應收款項作為抵押。

11. TRADE AND OTHER PAYABLES

11. 貿易及其他應付款項

		Group 本集團	
		2014	2013
		2014年	2013年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Bills payable	應付票據	43,338	60,494
Trade payables	貿易應付款項	12,346,341	10,712,413
		12,389,679	10,772,907
Accrued salaries, wages and benefits	應計薪金、工資及福利	691,513	655,507
Other taxes payable	其他應繳稅項	125,244	90,161
Other payables	其他應付款項	530,061	703,908
Derivative financial instruments	衍生金融工具	29,748	6,279
Other financial instruments	其他金融工具	-	30
		13,766,245	12,228,792
Less: portion classified as current liabilities	減：分類為流動負債的部分	13,764,067	12,227,087
Non-current portion	非流動部分	2,178	1,705

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

根據發票日期，於報告期末的應付票據及貿易應付款項的賬齡分析如下：

		Group 本集團	
		2014 2014年 RMB'000 人民幣千元	2013 2013年 RMB'000 人民幣千元
Within 3 months	3個月以內	3,886,171	4,707,016
3 to 6 months	3至6個月	1,323,633	761,383
6 months to 1 year	6個月至1年	3,168,021	534,083
Over 1 year	1年以上	4,011,854	4,770,425
		12,389,679	10,772,907

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

應付本集團關聯方無擔保、不計息和無固定償付期限款項（計入貿易應付款項）分析如下：

		Group 本集團	
		2014 2014年 RMB'000 人民幣千元	2013 2013年 RMB'000 人民幣千元
Fellow subsidiaries	同系附屬公司	1,086,503	553,658
Subsidiaries	附屬公司	-	-

12. ISSUED CAPITAL

12. 已發行股本

		2014 2014年 RMB'000 人民幣千元	2013 2013年 RMB'000 人民幣千元
Ordinary Share, 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

A summary of the transactions during the year in the Company's issued share capital is as follows:

Issued Capital

			2014	2013
		<i>Note</i>	2014年	2013年
		<i>附註</i>	<i>RMB'000</i>	<i>RMB'000</i>
			人民幣千元	人民幣千元
At January 1	於1月1日		4,125,700	4,018,000
Issuance of shares by an over-allotment option	超額配股權發行股份	(1)	—	107,700
At December 31	於12月31日		4,125,700	4,125,700

Note (1): On December 21, 2012, the Company was listed on HKSE. On January 2, 2013, the over-allotment option granted by the Company was being fully exercised and by which the Company issued and allotted an aggregate of 107,700,000 H shares at HK\$5.40 each for a cash consideration of HK\$581,580,000 (equivalent to RMB519,426,000).

本公司已發行股本的年內交易概述如下：

已發行股本

			2014	2013
		<i>Note</i>	2014年	2013年
		<i>附註</i>	<i>RMB'000</i>	<i>RMB'000</i>
			人民幣千元	人民幣千元
At January 1	於1月1日		4,125,700	4,018,000
Issuance of shares by an over-allotment option	超額配股權發行股份	(1)	—	107,700
At December 31	於12月31日		4,125,700	4,125,700

*附註(1)：*於2012年12月21日，本公司於香港聯交所上市。於2013年1月2日，本公司授出的超額配股權已獲悉數行使，據此，本公司以每股5.40港元發行及配發合共107,700,000股H股，現金代價為581,580,000港元（折合人民幣519,426,000元）。

MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRY OVERVIEW

A. “One Belt and One Road” Strategy of China

The “Silk Road Economic Belt” and “21st Century Maritime Silk Road,” or “One Belt and One Road” (一帶一路) for short, were concepts put forward by the Chinese government in 2013, which received extensive and intense attention from the international community. The strategic concepts were highly appreciated by the international community as rich in significance and depth, showing the innovation of China's global strategy. It could promote the economic development of countries, regional economic cooperation as well as the development of Chinese engineering contractors who engage in international engineering contracting businesses.

管理層討論與分析

I. 行業概覽

A. 中國「一帶一路」戰略

2013年中國政府提出了「絲綢之路經濟帶」及「21世紀海上絲綢之路」（簡稱為「一帶一路」），受到國際社會廣泛及密切的關注。國際社會高度評價此戰略理念，認為其在重要性和深度兩方面均具有豐富涵義，顯示中國全球戰略的創新。「一帶一路」將會推動相關國家的經濟發展、區域經濟合作以及從事國際工程承包業務的中國工程承包商的發展。

After the announcement of the “One Belt and One Road” initiative, China has provided a lot of support to drive the development, including the Silk Road Fund and Asia Infrastructure Investment Bank. In particular, the country will put about US\$40 billion into the Silk Road Fund, which would be used to provide investment and financing for infrastructure and resources, and to boost industrial and financial cooperation to forge better links between countries along the “new Silk Road”.

In fact, many of the countries covered by the “One Belt and One Road” proposal have traditionally had close trade and investment relations with China. The Chinese government wishes to deepen cooperation with them, especially in terms of building infrastructure and other development projects. Chinese companies that own or are involved in international infrastructure development projects, including engineering contractors, are set to benefit from the greater financing support in funding their business operations abroad.

In 2013, China’s trade with the 65 countries along the Silk Road economic belt as well as the 21st Century Maritime Silk Road exceeded US\$1 trillion, accounting for a quarter of China’s total external trade. In 2013, the total value of contracts for construction projects in these 65 countries secured by Chinese contractors amounted to about US\$70.9 billion, accounting for 40% of the total contract value of all overseas contracting projects undertaken by Chinese engineering contractors.

於宣佈「一帶一路」計劃後，中國已提供諸多支持促進發展，包括成立絲路基金及亞洲基礎設施投資銀行。尤其是，國家將向絲路基金投入約400億美元，用於為基礎設施及資源提供投資及融資，促進行業及金融合作，以打造「新絲綢之路」沿線各國間的穩固紐帶。

實際上，「一帶一路」構想涵蓋的諸多國家歷來與中國有緊密的貿易及投資關係。中國政府希望深化與該等國家的合作，尤其是在基礎設施建設及其他發展項目方面。擁有或參與國際基礎設施發展項目的中國公司（包括工程承包商）將自更有力的融資支持獲益，為其海外業務經營籌資。

於2013年，中國與絲綢之路經濟帶及21世紀海上絲綢之路沿線的65個國家之間的貿易額超逾1萬億美元，佔中國對外貿易總額的四分之一。於2013年，中國承包商於該等65個國家獲得的工程項目合約總值達致約709億美元，佔中國工程承包商所承擔所有海外工程項目合約總值的40%。

Under the ambitious “One Belt and One Road” strategy, a large number of overseas infrastructure projects are expected to be commenced in the upcoming years. In addition, the Chinese government has pledged the stronger financing support to Chinese companies owning or taking part in overseas projects. It is estimated that the total credit amount set aside for Chinese engineering contractors engaged in overseas infrastructure projects will reach about US\$50 billion in 2015, and grow to about US\$55 billion and US\$60 billion in 2016 and 2017, respectively, according to the Ipsos Report.

B. International Engineering Contracting Industry

Global infrastructure engineering investment value increased at a CAGR of an estimated 5.5% from 2009 to 2014. Given that infrastructure engineering projects were mostly funded by governments, infrastructure engineering investment value was not greatly impacted by the economic recession in 2011 resulted from the European sovereign debt crisis, and still maintained a positive growth of approximately 5.3%, from approximately US\$3,770 billion in 2010 to approximately US\$3,971 billion in 2011. The global infrastructure engineering investment value was mainly driven by developing countries from 2009 to 2014, at an estimated US\$4,722 billion in 2014.

在「一帶一路」之雄壯戰略之下，預期大量海外基礎設施項目將於未來數年內啟動。另外，中國政府已向擁有或參與海外項目的中國公司作出穩固融資支持的承諾。根據益普索報告，預計於2015年，為參與海外基礎設施項目的中國工程承包商撥出的信貸總額將達到約500億美元，且將於2016年及2017年分別增至約550億美元及600億美元。

B. 國際工程承包行業

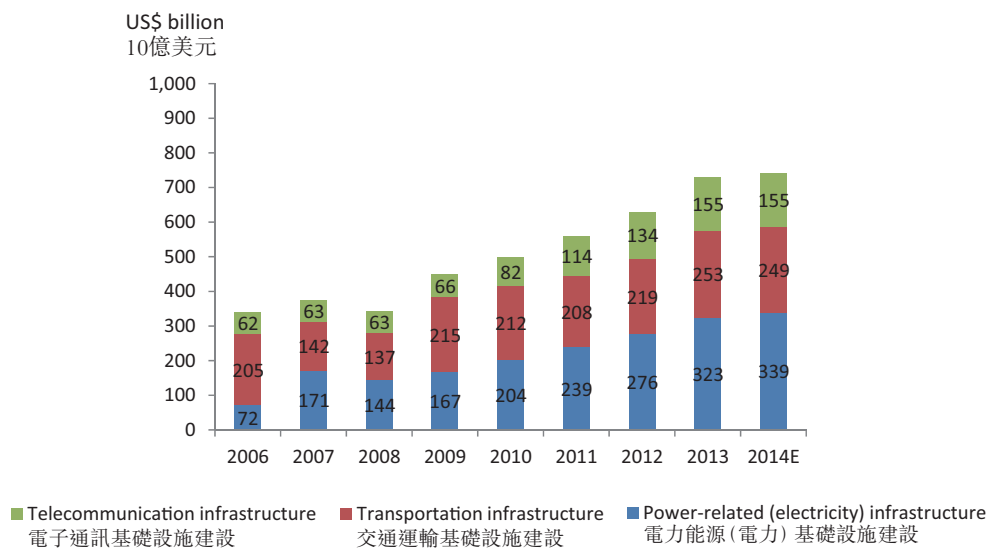
於2009年至2014年，全球基礎設施建設工程投資金額按複合年增長率約5.5%增加。由於基礎設施建設工程項目大多由政府出資，故由歐洲主權債務危機於2011年所引發的經濟衰退對基礎設施建設工程投資金額產生的影響不大，投資金額仍然維持約5.3%正增長，由2010年約37,700億美元增加至2011年約39,710億美元。自2009年至2014年，全球基礎設施建設工程投資金額主要來自發展中國家，於2014年約為47,220億美元。

Total new contract value of infrastructure engineering projects in the global market was an estimated US\$1,024.2 billion in 2014; whilst the total new contract value of infrastructure engineering projects in developing countries reached an estimated US\$926.1 billion in 2014, accounting for an estimated 90.4% of the total new contract value of infrastructure engineering projects in global market. The new contract value of power-related, transportation and telecommunications sectors in developing countries together contributed an estimated 80.2% to the total new contract value of infrastructure engineering projects in developing countries in 2014, of which power-related, transportation and telecommunications sector each accounted for an estimated 36.6%, 26.9% and 16.8%, respectively, of the said value.

於2014年，全球市場的基礎設施建設工程項目新合同總金額約為10,242億美元，其中發展中國家於2014年的基礎設施建設工程項目新合同總金額達至約9,261億美元，佔全球市場的基礎設施建設工程項目新合同總金額約90.4%。於2014年，發展中國家的電力能源、交通運輸及電子通訊分部的新合同金額合共佔發展中國家的基礎設施建設工程項目新合同總金額約80.2%，其中電力能源、交通運輸及電子通訊分部分別佔上述金額約36.6%、26.9%及16.8%。

New Contract Value of Infrastructure Engineering Projects by Infrastructure Types in Developing Countries from 2006 to 2014

2006年至2014年按基礎設施建設類別呈列的發展中國家基礎設施建設工程項目的新合同金額



Sources: China International Contractors Association; ENR; Ipsos Report

資料來源：中國對外承包工程商會；工程新聞記錄；益普索報告

According to Ipsos Report, the new contract value of power-related infrastructure engineering projects grew the fastest among the three types (power-related (electricity), transportation, telecommunications) of projects at CAGR of an estimated 21.4% from 2006 to 2014, reaching an estimated to reach about US\$339 billion in 2014; stable growth was witnessed for transportation infrastructure engineering projects in developing countries at CAGR of an estimated 2.5% from 2006 to 2014 to US\$249 billion in 2014.

The top 10 Chinese contractors contributed approximately 47.4%, or approximately US\$13,419 million, to the total revenue generated from international projects in the power sector in the global market in 2014. Amongst these top 10 Chinese contractors, CMEC ranked 2nd with about 7.7% share, according to the Ipsos Report.

C. Trading Industry

China's international trade value grew dramatically from 2001 to 2014. Import value of China grew at a CAGR of approximately 17.4% while export value grew at a CAGR of approximately 18.2% from 2001 to 2014. With China's accession to the World Trade Organization in December 2001, the country has committed itself to further reforms. Continue to implement these commitments will further deepen the extent of China's internationalization.

根據益普索報告，自2006年至2014年，電力能源基礎設施建設工程項目的新合同金額在電力能源（電力）、交通運輸及電子通訊三個類別中增長最快，複合年增長率約為21.4%，於2014年預計達到約3,390億美元；而發展中國家的交通運輸基礎設施建設工程項目的增速較為穩定，於2006年至2014年的複合年增長率約為2.5%，於2014年達到2,490億美元。

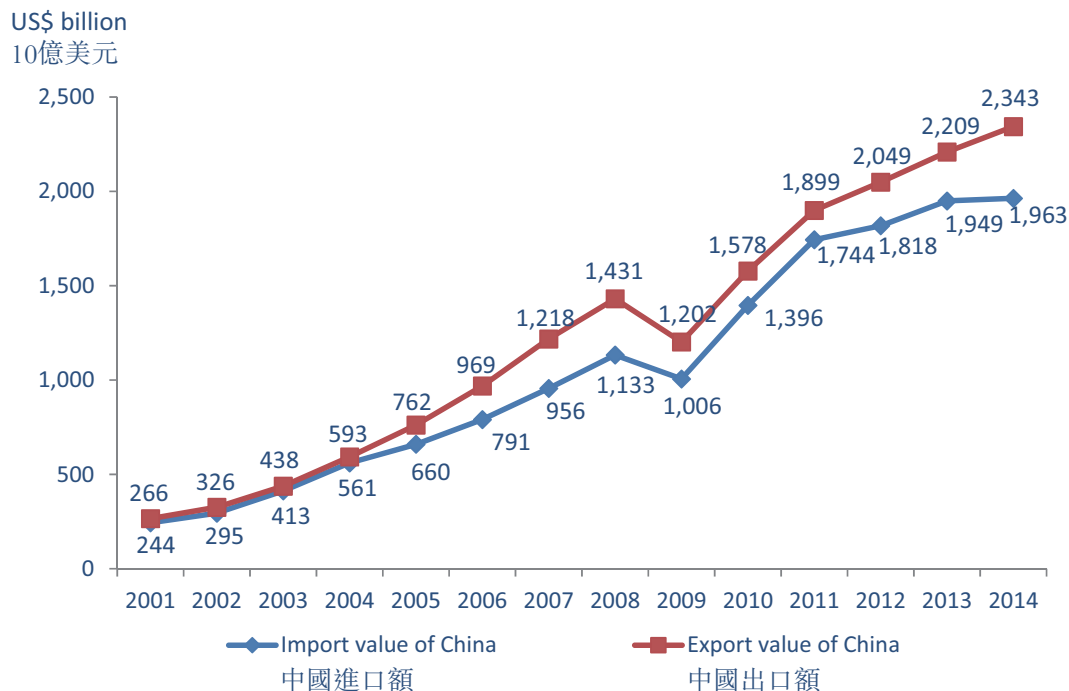
於2014年，中國十大承包商佔全球市場電力領域國際項目所產生的收益總額的約47.4%或約134.19億美元。根據益普索報告，在這十大承包商中，CMEC排名第二，佔有約7.7%的份額。

C. 貿易行業

中國的國際貿易金額於2001年至2014年間大幅增長。由2001年至2014年，中國的進口額按複合年增長率約17.4%增加，而出口額則按複合年增長率約18.2%上升。隨著中國於2001年12月加入世界貿易組織，國家已承諾將深化改革。持續貫徹這些承諾將進一步加深中國的國際化程度。

Import and Export Value of China from 2001 to 2014

2001年至2014年中國進出口額



Sources: China Customs; Ipsos Report

資料來源：中國海關；益普索報告

Trends and Developments of China Trade

中國貿易的趨勢及發展

1. The PRC government has sought to improve the foreign trade value across different regions in China

1. 中國政府已致力改善中國不同地區的外貿額

- As stated in China's "Twelfth Five-Year Plan", the PRC government aims to have more balanced foreign trade from 2011 to 2015, with an annual growth rate of about 10.0% and a total of US\$4,800 billion by 2015. The goals are consistent with China's plan to promote trade liberalization and balance international and domestic trade accounts.

- 根據國家「十二五規劃」，中國政府以擁有更平衡的外貿發展為目標，自2011年至2015年外貿額的年度增長率達至約10.0%及外貿總額於2015前達至約48,000億美元。該目標與中國促進貿易自由化及平衡國內外貿易賬目的計劃一致。

- Given the PRC government’s plan to promote trade liberalization, goals to improve foreign trade across different Chinese regions have been set. For example, the PRC government aims to increase the annual growth rate of Central and Western China’s share of foreign trade value to approximately 5.0% from 2011 to 2015, which accounts for approximately 15.0% of the total trade value in China by 2015.
2. *China’s focus on enhancing the development of trading electromechanical products is expected to support the country’s foreign trade.*
- According to the “Twelfth Five-Year Plan”, the PRC government aims to maintain the annual growth rate of import and export of electromechanical products to about 10% from 2011 to 2015, to approximately US\$2,500 billion by 2015. China’s foreign trade development will focus on electromechanical products, which is expected to account for approximately 52.1% of the total foreign trade value in China by 2015.
3. *The PRC government has taken effort to promote foreign trade by reducing interest rates.*
- According to Premier Li Keqiang’s speech at the National People’s Congress in March 2015, the PRC government aims to increase its imports and exports by about 6%, a target that is lower than the one set in the previous year of about 7.5%. To make the goal more achievable by increasing exports and supporting local businesses, the People’s Bank of China cut benchmark interest rates and interest rates for businesses for the second time in less than five months at the beginning of March 2015.
- 鑒於中國計劃促進貿易自由化，國家已制定改善中國不同地區間的外貿格局。舉例而言，中國政府制定中國中西部地區於2011年至2015年外貿份額以按年度增長率約5.0%上升為目標，致力於2015年前佔中國貿易總額約15.0%。
2. *中國大力發展機電產品貿易有望提振國家外貿形勢*
- 根據「十二五規劃」，中國政府的目標是使2011年至2015年機電產品的進出口年度增長率維持在約10%，於2015年前增加至約25,000億美元。機電產品將成為中國外貿發展的重點，預期於2015年前佔中國外貿總額約52.1%。
3. *中國政府已通過減息致力促進外貿*
- 根據李克強總理2015年3月在全國人民代表大會上的講話，中國政府的目標是使進出口增長約6%，該目標低於去年制定的約7.5%。為增加出口及扶持地方經濟而達致該目標，中國人民銀行於2015年3月初在不足五個月的時間裡第二次下調基準利率及商業利率。

II. BUSINESS OVERVIEW

A. International Engineering Contracting Business

The Company is a leading international engineering contracting and service provider with a primary focus on EPC projects and particular expertise in the power sector. Our International Engineering Contracting Business is one of the traditional core businesses of the Company, representing approximately 67.2% of the Company's total revenue in 2014.

The following table sets forth the details of the International Engineering Contracting Business for the year ended December 31, 2014 and the comparative figures for the year ended December 31, 2013:

II. 業務概覽

A. 國際工程承包業務

我們是中國領先的國際工程承包與服務商，主要專注於EPC項目，特別專長於電力能源行業。我們的國際工程承包業務為本公司傳統核心業務之一，約佔2014本公司總收入的67.2%。

下表載列截至2014年12月31日止年度國際工程承包業務詳情，以及截至2013年12月31日止年度的比較數字：

Unit: RMB million
單位：人民幣百萬元

		2014	% of Total 總額 的%	2013	Year- on-year Growth 按年 增長
		2014年		2013年	
Revenue 收入	Power 電力能源	11,277.7	72.9%	12,265.6	-8.1%
	Transportation 交通運輸	1,859.2	12.0%	829.9	124.0%
	Telecommunications 電子通訊	408.5	2.6%	800.4	-49.0%
	Non-Core Sectors 非核心行業	1,915.4	12.5%	1,489.7	28.6%
	Total 總計	15,460.8	100%	15,385.6	0.5%
Gross profit 毛利	Power 電力能源	2,641.3	85.3%	2,850.2	-7.3%
	Transportation 交通運輸	238.4	7.7%	93.9	153.9%
	Telecommunications 電子通訊	40.0	1.3%	87.3	-54.2%
	Non-Core Sectors 非核心行業	175.0	5.7%	116.0	50.9%
	Total 總計	3,094.7	100%	3,147.4	-1.7%

As at December 31, 2014, our engineering contracting projects were undertaken in more than 48 countries and regions over the world, with a primary focus in Asia and Africa. There were a number of successful completed projects and ongoing projects in South America and Europe. The following map indicates the locations of our engineering contracting projects from 2009 to 2014.

截至2014年12月31日，我們的工程承包項目遍及全球48餘個國家和地區，主要分佈在亞洲及非洲，南美洲和歐洲也有諸多成功的完工和在建項目。以下地圖顯示工程承包項目於2009年至2014年的位置。



The following table sets forth a breakdown of the revenue from the Group's International Engineering Contracting Business by geographic locations for the year ended December 31, 2014:

下表載列截至2014年12月31日止年度按地理位置劃分的本集團國際工程承包業務收入明細：

		2014 2014年 RMB million 人民幣百萬元	% of Total 總額的%
Asia	亞洲	6,685.6	43.3%
Africa	非洲	3,963.4	25.6%
Europe	歐洲	1,472.6	9.5%
South America	南美洲	3,029.5	19.6%
North America	北美洲	309.7	2.0%
Total	總計	15,460.8	100%

In 2014, the International Engineering Contracting Business kept growing, making it prominent as the core business. The Company adopted the targeted and systematic management measures which are aimed at the shortcomings emerging in the International Engineering Contracting Business, to stabilize growth, adjust structure and promote transformation, which have achieved positive results. The Company has achieved satisfactory progress in contract performance and project development, while continuing to develop new markets and further developing the existing markets.

1. Satisfactory Project Performance and Promoted Brand Identity

The Company had more than 70 ongoing projects which were implemented smoothly in 2014. The projects of which the Company have received the hand-over certificates mainly include Phase IV of Luanda urban electricity reconstruction project in Angola, Lukoml 400MW combined cycle power plant and Brest 400MW combined cycle power plant projects in Belarus, IZDEMIR1 × 350MW supercritical power plant in Turkey, Phase II of Puttalam coal power plant project in Sri Lanka and etc., among which Thaukyegat (2) hydropower project in Myanmar has successfully obtained the final acceptance certificate issued by the project owners; Lukoml and Brest power plant projects in Belarus have completed the project hand-over in advance, which established a good reputation and brand identity for the Company in Eastern Europe.

2014年，國際工程承包業務保持增長，核心地位突出。公司針對國際工程承包業務中存在的問題，採取了有針對性、系統性的管理措施，穩定增長、調整結構、促進轉型，並取得了積極效果。在項目履約及開發方面均取得較好的進展，同時繼續開拓新市場，深度開發已有市場。

1. 項目履約情況良好，品牌形象提升

2014年，公司在建項目超過70個，總體執行狀況平穩。公司取得移交證書的項目主要包括：安哥拉羅安達城市電網改造四期項目、白俄羅斯Lukoml 400兆瓦聯合循環燃機電站及Brest 400兆瓦聯合循環燃機電站項目，土耳其IZDEMIR1 × 350兆瓦超臨界電站、斯里蘭卡普特拉姆電站二期項目等。其中，緬甸道耶卡(2)水電站項目已順利取得項目業主頒發的最終驗收證書；白俄羅斯Lukoml及Brest電站項目提前完成項目移交，為公司在東歐市場樹立了良好的口碑與品牌形象。

2. *Further Promotion of Project Development and Continuing to Explore New Markets*

In 2014, newly signed contract value of the International Engineering Contracting Business was approximately US\$3.8 billion, mainly distributed in Africa and Asia, and still dominated by power sector. The newly effective contract value was approximately US\$4.1 billion, mainly distributed in South America, and of which the higher proportion was contributed by transportation sector.

In response to China's "One Belt and One Road" principal strategy, and in close connection with its investment strategy, the Company has increased efforts to develop relevant markets. In September 2014, the Company has successfully contributed to the signing and immediate effectiveness of Thar coal-electric integration project in Pakistan. This project is the Company's bold attempt responding to the competition situation in the international market, innovating marketing exploring model and driving EPC projects with investments. Meanwhile, based on CMEC's brand effect in Pakistan electricity market, Thar coal-electric integration project could stand out from lots of "China-Pakistan Economic Corridor" projects, and was allowed to be included into the "China-Pakistan Economic Corridor" projects and ranked No.1.

2. 項目開發進一步推進，持續開拓新市場

2014年，國際工程承包業務新簽約合同金額約38億美元，主要分佈在非洲、亞洲，並仍以電力能源行業為主。新生效合同金額約41億美元，主要分佈在南美洲，交通運輸行業佔比較高。

公司順應國家的「一帶一路」重大戰略佈局，緊密結合公司的投資拉動戰略，加大對相關市場的開發力度。2014年9月，公司成功促成了巴基斯坦塔爾煤電一體化項目的簽約並及時生效。該項目是公司應對國際市場競爭新形勢需求，創新市場開拓模式，以投資帶動EPC項目的大膽嘗試。同時，基於公司在巴基斯坦電力市場的品牌效應，塔爾煤電一體化項目能夠從眾多「中巴經濟走廊」項目中脫穎而出，被獲准納入「中巴經濟走廊」項目且排名第一。

The Company actively responded to the “Lighting Africa” program launched by the World Bank to develop Africa’s electricity market together with U.S. General Electric International, Inc. (“GE”) and other partners. Among them, the contract of SOYO combined cycle power plant project in Angola to be developed by the Company and GE has been successfully signed. The two parties treated it as an opportunity to play their respective advantages, and are expected to make all-round cooperation in a number of African countries such as Nigeria, Ghana and Mozambique.

The following table sets forth the details of the International Engineering Contracting Business for the year ended December 31, 2014 and the comparative figures for the year ended December 31, 2013:

公司積極響應世界銀行「照亮非洲」計劃，與美國通用電氣國際公司（「通用電氣」）等合作夥伴攜手開發非洲電力市場。其中，公司與通用電氣合作的安哥拉索約聯合循環電廠項目合同已順利簽約，雙方以此為契機，發揮各自優勢，有望在尼日利亞、加納、莫桑比克等多個非洲國家展開全方位合作。

下表載列截至2014年12月31日止年度國際工程承包業務詳情，以及截至2013年12月31日止年度的比較數字：

Unit: US\$ million
單位：百萬美元

				2014	% of Total	2013	Year-on-year Growth
				2014年	總額的 %	2013年	按年增長
Newly effective contract value	新生效合同金額	Power	電力能源	806.7	19.8%	1,444.8	-44.2%
		Transportation	交通運輸	2,470.6	60.7%	721.1	>100%
		Telecommunications	電子通訊	120.0	3.0%	366.0	-67.2%
		Non-Core Sectors	非核心行業	673.4	16.5%	835.4	-19.4%
		Total	總計	4,070.7	100%	3,367.3	20.9%

Unit: US\$ million
單位：百萬美元

				As at December 31, 2014 於2014年 12月31日	% of Total 總額的 %	As at December 31, 2013 於2013年 12月31日	Increase/ (decrease) 增長/ (減少)
Backlog	未完成 合同量	Power	電力能源	4,091.1	50.4%	5,869.1	-30.3%
		Transportation	交通運輸	2,619.6	32.3%	875.5	>100%
		Telecommunications	電子通訊	392.2	4.8%	340.6	15.1%
		Non-Core Sectors	非核心行業	1,019.7	12.5%	1,131.7	-9.9%
		Total	總計	8,122.6	100.0%	8,216.9	-1.1%
Signed contracts pending to be effective	已簽約待 生效合同	Power	電力能源	7,695.4	59.8%	5,798.9	32.7%
		Transportation	交通運輸	1,054.0	8.2%	3,519.0	-70.0%
		Telecommunications	電子通訊	100.0	0.8%	100.0	-%
		Non-Core Sectors	非核心行業	4,008.9	31.2%	4,058.0	-1.2%
		Total	總計	12,858.3	100%	13,475.9	-4.6%

3. *Strengthening Department Management and System Construction*

The Company further improved two-level management system, and gradually established a project dynamic regulatory system. Research in respect of core market development and planning, current operation status and existing problems has been completed. Technical management capacity was strengthened. Meaningful attempts were engaged in improving the industrial chain and specialization of project management. Meanwhile, in order to ensure the integrity and effectiveness of project management, the Company has completed the construction plan of the life cycle system for the engineering contracting project, revised and issued more than ten rules and regulations relating to project management.

3. 加強部門管理及制度建設

公司兩級管理體系進一步完善，逐步形成項目工作動態監管體系；完成對核心市場深度開發規劃、經營現狀和現有問題的調研；強化技術管理能力；在完善產業鏈和項目管理專業化方面開展有益嘗試。同時，為確保公司對項目管理的完整性和有效性，公司完成了工程承包項目全生命週期制度建設規劃，修訂及發佈項目管理相關規章制度10余個。

4. *Further Intensifying Regionalized and Localized Developing Strategies*

The Company further intensified regionalized strategy and increased efforts to establish overseas entities. Among them, Singapore regional center aiming at regional operation has been successfully registered, while Dubai regional center is actively preparing for establishment. The establishment of these regional centers effectively promoted the local business development of the Company. With the launch of the Company's regionalizing policy, each relevant department implemented active research of the regional markets, and made considerable achievements in deeply operating the regional markets. Last year, nearly 80% of the new projects signed by the Company came from the regional markets.

5. *Strengthening Cooperation with Local Enterprises, Achieving a Breakthrough in Industry Investment*

Allying with Wuxi Guolian Environmental Energy Group Co., Ltd., the Company jointly invested and set up CMEC Guolian Wuxi New Energy Development Co., Ltd., for investment, development, construction and operation of domestic distributed photovoltaic power plant projects. This is not only a mechanism innovation that the Company implemented in cooperation with local enterprises, but also marks the Company's industrial investment has got material progress.

4. *進一步推進區域化、屬地化發展戰略*

公司進一步推進區域化戰略，加大設立海外機構力度。其中，以區域化經營為目標的新加坡區域中心已成功註冊，迪拜區域中心正在積極籌建，這些區域中心的設立都有力地推進了公司在當地業務的發展。隨著公司區域化政策的推出，各有關部門積極研究區域市場，在深耕區域市場方面取得一系列成績，去年公司新簽約項目中約80%以上來自於區域市場。

5. *加強與地方合作，實業化投資取得突破*

公司聯合無錫國聯環保能源集團有限公司，共同出資設立中設國聯無錫新能源發展有限公司，對國內分佈式光伏電站項目進行投資、開發、建設及運營。這不但是公司落實與地方企業合作的機制創新之舉，同時也標誌著公司實業化投資有了實質進展。

B. Trading Business

Leveraging our broad sales and marketing networks established in more than 150 countries and regions around the globe, we also engaged in overseas and domestic trading business. Our Trading Business bridged the demands of domestic and overseas purchasers and suppliers who wished to source or sell a wide range of products outside or in the PRC. We primarily exported and, to a lesser extent imported and domestically traded, complete sets of plants and equipment and various machinery, electrical, and instrumental products including mining equipment, ship components, automobile parts, medical instrument, household appliances, office equipment, electrical hardware and construction materials, for customers in the PRC and overseas. We conducted our Trading Business through our Company as well as subsidiaries in the PRC and other countries and regions (including Germany, the United States, Australia, Japan and Hong Kong) and overseas representative offices.

The Company strived in 2014 to change the status quo of the Trading Business featured with single model, weak product control as well as unbalanced domestic and international markets, and actively developed towards product R&D and quality control, providing solutions and innovating operation model. Through a whole year's efforts, the Company has initially curbed the declining trend existing in the Trading Business, and has made some breakthroughs in the construction of new markets, new models and new areas.

The following table sets forth the details of the Trading Business for the year ended December 31, 2014, together with the comparative figures for the year ended December 31, 2013:

B. 貿易業務

憑藉我們在全球超過150個國家及地區所建立廣泛的銷售及市場營銷網絡，我們亦從事國際及國內貿易業務。我們的貿易業務為希望在中國國內外採購或銷售各類產品的本地及海外買方和供貨商的需求搭建橋梁。我們主要為中國及海外客戶出口以及較小程度的進口和在國內市場交易成套設備及各種機械、電氣和儀器產品，包括採礦設備、船舶部件、汽車零件、醫療儀器、家用電器、辦公室設備、電氣硬件及施工材料等。我們通過本公司及位於中國及其他國家及地區（包括德國、美國、澳大利亞、日本及香港）的附屬公司及海外代表處經營我們的貿易業務。

2014年，公司著力改變貿易業務經營模式單一、產品控制力薄弱、國內外兩個市場不平衡等現狀，積極向產品研發和質量控制、提供解決方案、創新經營模式方向發展。公司通過一年的努力，已經初步遏止現有貿易業務下滑局面，並在新市場、新模式、新領域建設方面取得了一定突破。

下表載列截至2014年12月31日止年度貿易業務詳情連同截至2013年12月31日止年度的比較數字：

Unit: RMB million
單位：人民幣百萬元

				2014	% of	2013	Year-
				2014年	Total	2013年	on-year
					總額的%		Growth
							按年增長
Revenue	收入	International trade	國際貿易	4,488.2	69.7%	3,997.0	12.3%
		Domestic trade	國內貿易	1,954.7	30.3%	910.8	114.6%
		Total	總計	6,442.9	100%	4,907.8	31.3%
Gross profit	毛利	International trade	國際貿易	257.7	85.3%	247.9	4.0%
		Domestic trade	國內貿易	44.4	14.7%	32.7	35.6%
		Total	總計	302.1	100%	280.6	7.7%

1. Exploring Core Markets and Building Core Brand

The Company actively explored new core markets in 2014. The team of the International Engineering Contracting Business expanded in fertilizer raw materials supplying business in Thailand, and contributed to a telecommunication project amounting to US\$120 million into effect, so as to successfully cultivated core markets in Thailand. Meanwhile, the Company was actively trying to invest in the construction of a rubber factory in Thailand to explore entity-led trade. The team of the Trading Business actively developed high-end forgings business. It has overcome difficulties of production technology, developed and successfully trial-produced high-tech “high-speed rail brakes”, which are currently used for pilot run on the CRH (China railway highspeed). The Company also committed to the development of new energy products and projects, focused on the development of distributed PV power plant project, PV modules and energy-efficient lighting products, so as to actively build “CMEC New Energy” brand. The successful grid connection and power generation from its first distributed PV power plant in Wuxi, marked the Company’s big step into the new energy (solar power plant) field.

1. 開拓核心市場，建立核心品牌

2014年，公司積極開拓新的核心市場。國際工程承包業務團隊拓展泰國化肥原料供貨業務，並促成泰國1.2億美元電信項目的生效，成功培育了泰國核心市場。同時，公司積極嘗試在泰國投資興建橡膠廠，探索貿易實體化。貿易業務團隊積極向高端鑄鍛件業務方向發展，攻克生產技術難關，自行研發並成功試制出高技術含量的「高鐵剎車盤」產品，目前正在國內城際動車組上進行試運行。公司還致力於新能源產品及項目的開發，以發展分佈式光伏電站項目、光伏組件產品及節能照明產品為核心，積極打造「中設新能源」品牌，其首個無錫分佈式光伏電站的成功並網發電，標誌著公司向新能源（光伏電站）領域的發展邁出了一大步。

2. *Completion of Institutional Reorganization and Highlighting the Advantage of Regional Integration*

Currently, the Company has fully completed the reorganization of China Machinery Industrial Products Co., Ltd. (“**CMEC Machinery**”) and eastern China business department of the Company (“**Eastern China Business Department**”), and initially set up three sub-sectors of the Trade Business, namely CMEC Machinery, Eastern China Business Division and China-East Resources Import & Export Co., Ltd., all of which showed a positive development trend and relied on their respective core products and businesses. At the same time, the Company has formulated a preliminary plan to actively create Guangdong-Hong Kong investment and financing center.

C. **Other Businesses**

Other than the International Engineering Contracting Business and the Trading Business, we also engaged in the Other Businesses, ranging from logistics service to exhibition service, tendering agency services and other services (including export-import agency and design services) and undertook strategic investment.

2. 機構重組完成，突出區域集成優勢

目前，公司已全面完成中設集團裝備製造有限責任公司（「中設裝備」）和公司華東事業部（「華東事業部」）的重組工作，初步打造了中設裝備、華東事業部及中經東源進出口有限責任公司三大貿易業務子板塊，依託各自的核心產品與業務，均呈現良性發展態勢。同時，公司制定初步方案，積極打造粵港投融資中心。

C. 其他業務

除了國際工程承包業務及貿易業務外，我們亦經營其他業務，包括提供物流服務、展覽服務、招標代理服務及其他服務（包括進出口代理服務及設計服務），並從事戰略性投資。

In 2014, the Company's other business such as logistics services and exhibition services continued to play the role as industry leaders. In response to the changes in domestic and international operating environment, CMEC Comtrans International Co., Ltd. began to change from relying on original single domestic platform into relying on both home and abroad platforms to carry out project logistics business. CMEC International Exhibition Co., Ltd. ("CMEC Expo") has actively expanded the service chain, and implemented large customer strategy plus customized services to enhance the quality of the exhibition business. Meanwhile, relying on the advantages of its exhibition platform and synergistic effect with the Company's primary business, CMEC Expo successfully hosted the second session of the CMEC brand exhibition, a press conference for CMEC first social responsibility report and other activities in order to actively spread the brand identity of CMEC.

The following table sets forth the details of the Company's Other Businesses for the year ended December 31, 2014, together with the comparative figures for the year ended December 31, 2013:

2014年，公司其他業務中的物流服務、展覽服務繼續保持行業領先地位。中設國際商務運輸代理有限責任公司根據國內外經營環境的變化，開始將原來單一的依託國內平台開展工程物流業務，改變為依託國內外兩個平台開展工程物流業務。西麥克國際展覽有限責任公司（「西麥克展覽」）積極拓展服務鏈條，實施大客戶戰略加定制服務，提升了展覽業務的水平。同時，西麥克展覽利用自身商展平台優勢，積極發揮與公司主營業務的協同作用，成功承辦第二屆CMEC品牌展、CMEC首份社會責任報告發佈會等活動，積極傳播CMEC的品牌形象。

下表載列截至2014年12月31日止年度公司其他業務詳情連同截至2013年12月31日止年度的比較數字：

Unit: RMB million
單位：人民幣百萬元

				2014	% of	2013	Year-on-year
				2014年	總額的%	2013年	按年增長
Revenue	收入	Logistics services	物流服務	392.5	35.6%	399.4	-1.7%
		Exhibition services	展覽服務	190.8	17.3%	198.2	-3.7%
		Tendering agency services	招標代理服務	15.3	1.4%	12.3	24.4%
		Export-import agency services	進出口代理服務	30.1	2.7%	69.7	-56.7%
		Design services	設計服務	358.7	32.5%	401.2	-10.6%
		Other	其他	116.6	10.6%	52.1	123.8%
		Total	總計	1,104.0	100%	1,132.9	-2.6%
Gross profit	毛利	Total	總計	353.6	100%	314.5	12.4%

D. Significant Events and Business Achievements

1. *Successfully Dealt with Overseas Security Incidents*

In June 2014, the political instability in Iraq directly threatened the safety of the project on the construction of Salah Al-din 2 × 630MW Power Plant of the Company. Knowing this, the Company attached great importance and immediately initiated the emergency mechanism by setting up a Salah Al-din emergency leadership team and dispatching the divisional general manager to our Baghdad office as the team leader. Under the close communications, mediation and overall command of the Embassy of the PRC in Iraq, the Iraqi government and army forces created the conditions and took various active and reliable protective measures. By the careful arrangement and elaborate organization of the leadership and frontline command group of the Company, as of the evening of June 27, 2014 (Iraq local time), all personnel on site of the project had been transferred to safe area. At present, the civil engineering construction of the project has been suspended. The Company will continue to pay close attention to the progress of the Iraqi situation to determine the future arrangements of the project. For more information, please refer to the announcements published by the Company on June 19 and June 30, 2014 at the website of the Stock Exchange and the Company, respectively.

D. 重大事件和業務成果

1. 成功應對境外突發安全事件

2014年6月，伊拉克政局動蕩，直接威脅到本公司總承包建設的薩拉哈丁2×630兆瓦電站工程項目現場的安全。事件發生後，本公司高度重視，並立即啟動應急機制，成立了薩拉哈丁緊急領導小組，並派遣事業部總經理趕赴巴格達代表處指揮。在中國駐伊拉克大使館的密集溝通、斡旋及統籌指揮下，伊拉克政府和軍方創造條件並採取了積極可靠的保護措施。公司領導及前線指揮小組周密安排、精心組織，截止 到2014年6月27日晚（伊拉克當地時間），該項目現場的全體人員已全部轉移至安全區域。目前項目現場土建施工暫停，本公司將繼續密切關注伊拉克局勢進展情況以判斷該項目往後的安排。有關詳情，請參閱本公司分別於2014年6月19日及2014年6月30日在聯交所網站及本公司網站刊登的公告。

In August 2014, the project site for the Company's Silopi 2 × 135MW asphaltite fired by CFB boiler power plant project in Turkey (the "Project"), in which the Company acted as the main contractor, was suffered attacking by militants. As a result, there were three Chinese workers missed. The Project is located in Sirnak province at southeastern Turkish. After the incident occurred, the Company paid high attention to it, immediately launched an emergency mechanism, set up a leading team of emergency and dispatched heads of the business division for directing on site. Relying on the rescue operation conducted by the Company and the relevant parties through various channels, three missing workers were found safely on October 10, 2014 (local time in Turkey). For more information, please refer to the announcements published by the Company on August 26 and October 14, 2014 at the website of the Stock Exchange and the Company.

Successful resolution of the above incidents demonstrated the Company's full range of security prevention and control system as well as excellent emergency processing capability. Moreover, such successful experience was accumulated for Chinese foreign engineering contracting enterprises to cope with overseas security incidents.

2014年8月，本公司總承包建設的土耳其Silopi 2×135兆瓦燃煤發電廠項目（「該項目」）現場遭遇武裝人員襲擊，並有三名中國工人失蹤。該項目位於土耳其東南部舍爾納克省。該事件發生後，本公司高度重視，立即啟動應急機制，成立應急領導小組並派遣事業部領導赴現場指揮。經本公司和相關方通過各種渠道全力開展營救工作，三名失蹤工人已於2014年10月10日（土耳其當地時間）安全尋獲。有關詳情，請參閱本公司分別於2014年8月26日及10月14日在聯交所及本公司網站刊登的公告。

上述事件的成功解決，體現了公司全方位的安全防控體系和出色的應急處理能力，同時，為中國對外工程承包企業應對境外安全事件積累了成功的經驗。

2. Argentina Belgrano Cargo Railway Rehabilitation Having Become Effective

In December 2014, the Argentina Belgrano cargo railway rehabilitation project, which was undertaken by the Company as a general contractor, has become effective and its construction work has commenced. The contract for this project was entered into between the Company and the Argentinean government in July 2010. The Company is responsible for the renovation of about 1,500km-long railroads of the Belgrano cargo railway and equipment supply. The total contract value amounts to approximately US\$2.4705 billion. On July 18, 2014 (Argentina local time), under the witness of the Chinese President Mr. Xi Jinping and the President of Argentina, Madam Cristina Kirchner, a supplemental loan agreement for this project was jointly signed by a syndicate comprising the China Development Bank and the Industrial and Commercial Bank of China, and Argentina's Ministry of Economy and Public Finance, and the project-launching ceremony was held. For details, please refer to the announcements of the Company published on the respective websites of the Stock Exchange and the Company on July 21 and December 12, 2014.

2. 阿根廷貝爾格拉諾貨運鐵路改造項目生效

2014年12月，本公司總承包建設的阿根廷貝爾格拉諾貨運鐵路改造項目生效並開始建設。該項目合同於2010年7月由本公司和阿根廷政府簽署。本公司負責貝爾格拉諾貨運鐵路線長約1,500公里線路的修復和設備供貨。合同總金額約為24.705億美元。於2014年7月18日（阿根廷當地時間），在中國國家主席習近平先生和阿根廷總統克莉絲蒂娜女士的見證下，該項目的貸款協定補充文本由國家開發銀行和中國工商銀行組成的銀團與阿根廷經濟和公共財政部共同簽署，並舉行了項目啟動儀式。有關詳情，請參閱本公司於2014年7月21日及12月12日分別在聯交所及本公司網站刊登的公告。

3. *Acquisition of 75% Equity Interest in Osmangazi Elektrik Dağıtım A.Ş. (“OEDAS”) and Osmangazi Elektrik Perakende Satış A.Ş. (“OEPSAS”)*

On February 3, 2015, the Company entered into a share purchase agreement with Dedeli Yatırım İnşaat Taahhüt Elektrik Dağıtım Sanayi Ve Ticaret A.Ş., a joint stock company incorporated in Turkey, the individual sellers and the guarantor, pursuant to which the Company, together with GUOXIN International Investment Corporation Limited (國新國際投資有限公司), will, indirectly through a Hong Kong joint venture company (including its subsidiaries) to be established, acquire 75% equity interest in each of the OEDAS and the OEPSAS (the “**Acquisition**”) for an aggregate purchase price of US\$384,603,597. The Acquisition presents an attractive opportunity for the Company to invest in a sector expected to generate stable cash flows supported by strong electricity demand growth in a fast growing economy. In addition, the power sector is one of the Company’s core industries and the Acquisition would allow the Company to further strengthen its capabilities in this sector while pursuing diversified development along the industry value chain. For details, please refer to the announcement of the Company published on the respective websites of the Stock Exchange and the Company on February 3, 2015.

3. *收購 Osmangazi Elektrik Dağıtım A.Ş. (「OEDAS」) 及 Osmangazi Elektrik Perakende Satış A.Ş. (「OEPSAS」) 75% 股權*

於2015年2月3日，本公司與一家在土耳其註冊成立的公司 Dedeli Yatırım İnşaat Taahhüt Elektrik Dağıtım Sanayi Ve Ticaret A.Ş.、個人賣方及擔保人訂立一份股份購買協議。據此，本公司連同國新國際投資有限公司將成立並透過一家香港合營公司（包括其附屬公司）間接收購OEDAS和OEPSAS各自75%的股權（「**收購事項**」），總購買價為384,603,597美元。該收購事項將為本公司提供具有吸引力的投資商機，在快速發展經濟體內強勁電力需求增長的支撐下，預期有關行業將產生穩定的現金流量。另外，電力能源行業為本公司所從事核心產業之一，該收購事項將使本公司進一步加強其於該行業的實力，同時可在該產業價值鏈中進行多元化發展。有關詳情，請參閱本公司於2015年2月3日分別在聯交所及本公司網站刊登的公告。

E. Investment and Financing Business Made a Breakthrough in Exploration

Under the guidance of “integration of investment and financing development”, the Company actively promoted its investment and financing business and made satisfactory progress in 2014.

1. *Reallocating Resources and Actively Building Investment and Financing Platform*

In order to ensure the implement of the Company’s investment and financing business, the Company has neatened and established the rules and regulations for investment business to lay the foundation for the operation of all types of investment business. Meanwhile, the Company has formulated and issued guidance for carrying out export seller’s credit business, promoted diversification in corporate finance, and constantly improved the management mechanism of capital budgeting.

2. *Investment Business Made Great Breakthrough in Domestic and Overseas Markets*

The successful registration and operation of CMEC Guolian Wuxi New Energy Development Co., Ltd. marked the Company’s great breakthrough in the field of domestic new energy investment business. Meanwhile, in connection with specific project information, the Company actively followed up more than 30 projects in various types of foreign investment and acquisition business, which was dominated by the power sector. Among them, the Turkish OEDAS and OEPSAS grid acquisition and Pakistan Thar coal-fired power project have been listed as the Company’s key projects to be promoted.

E. 投融資業務在探索中取得突破性進展

2014年，公司在「投融資一體化」發展方向指引下，積極推進各項投融資業務，取得了良好進展。

1. 統籌資源，積極搭建投融資平台

為保證公司投融資業務的開展，公司梳理制定公司投資類業務規章制度，為開展各類投資業務打下基礎。同時，公司制定出台公司開展出口賣方信貸業務指導意見，推進公司融資模式多元化，不斷完善資金預算管理機制等。

2. 投資業務在國內外市場實現重要突破

中設國聯無錫新能源發展有限公司的成功註冊與運營，實現了公司在國內新能源領域投資業務上的重大突破。同時，公司結合具體項目信息，以電力能源行業為主，積極跟進國外各類投資併購類業務，累計跟蹤投資項目三十余個。其中，土耳其OEDAS及OEPSAS電網收購項目、巴基斯坦塔爾煤電項目等已被列為公司重點推進項目。

3. *Multi-channel Exploration of Diversified Financing*

The Company strengthened research on the new model of financing, expanded new financing channels, and restarted the usage of export seller's credit, and expanded new mode of financing such as overseas financing, special risk financing, project financing, lease financing, and debt and insurance policy financing on the basis of stable development of traditional financing mode such as export buyer's credit, "two preferential facilities (兩優貸款)" and mutual loans, and actively explored different financing models other than bank financing.

F. **Enhancing Corporate Governance and Improving Management Efficiency**

1. *Professional Compliance Management and Characteristic Maintenance of Investor Relations*

In 2014, the Company continued to advance professional compliance management at system and process levels, forming a good three-in-one interaction relationship among Shareholders' level, governance level and operating level. A systemic structure featured by CMEC characteristics has been gradually developed in respect of the maintenance of investor relations. In last December, the Company won "China Securities Golden Bauhinia Award (中國證券金紫荊獎)", which was assessed and selected by Hong Kong Ta Kung Pao together with domestic and overseas associations of securities industry, regulators, financial experts and financial media, which was highly recognized at home and abroad.

3. 多渠道探索多元化融資

公司加大力度研究融資新模式、拓展融資新渠道，在穩固發展出口買方信貸、「兩優貸款」以及互惠貸款等傳統融資模式的基礎上，重啟出口賣方信貸，拓展海外融資以及特險融資、項目融資、融資租賃、債權保單融資等新型融資模式，同時積極探尋其他銀行融資以外的融資模式。

F. 加強公司管理，提升管理效能

1. 合規管理專業化，投資者關係維護特色化

2014年，公司從制度和流程兩個層面持續推進合規管理專業化，形成股權層、治理層、經營層三位一體的良好互動關係。公司對投資者關係維護逐步形成了具有CMEC特色的體系架構。去年12月，公司榮獲「中國證券金紫荊獎」。該獎項由香港大公報聯合海內外證券行業協會、監管部門、金融專家及財經媒體共同評選，在海內外享有較高贊譽。

2. Promoting Refining Management and Institution Building to Provide Protection for Business Development

In order to meet the needs of business development under new situation, the Company further strengthened refining management, fully neatened current rules and regulations, and edited and released “Rules and Regulations Compilation (2014)《規章制度文件匯編(2014)》.” By the end of last December, the amendment and improvement to a total of 163 rules and regulations have been completed by the Company, and 24 new rules and regulations have been formulated and promulgated. In response to the new risks under new situation, the Company has developed a series of compliance management systems, which laid the foundation for prevention and punishment of violation and fraud, as well as establishment and safeguarding the lawful and compliant operation.

G. Deepening Corporate Social Responsibility and Improving Brand Building

In September 2014, the Company successfully held a press conference for its first social responsibility report, which had a great impact at home and abroad, and in the community, and further deepened the corporate responsibility identity of CMEC. The report was awarded “2014 Outstanding Award for the First Corporate Social Responsibility Report (2014年優秀企業社會責任報告首發獎)” by WTO Guide. In respect of brand building, the Company developed a brand strategy planning, and actively participated in the brand valuation organized by the General Administration of Quality Supervision, Inspection and Quarantine of the PRC, ranking among top ten in the relevant industry.

2. 推進精細化管理和制度建設，為業務發展提供保障

為適應新形勢下業務發展的需要，公司進一步加大精細化管理力度，對現行規章制度進行了全面梳理，編製發佈了《規章制度文件匯編(2014)》。截至去年12月底，公司共完成對163個規章制度的修訂完善工作，新制定發佈24項規章制度。針對新形勢下的新風險，公司制定了一系列合規管理制度，為防範並懲治違規、舞弊行為，建立並維護公司依法、合規經營奠定了基礎。

G. 深化企業社會責任，完善品牌建設

2014年9月，公司成功召開了首份社會責任報告發佈會，該發佈會在國內外、社會各界產生較大影響，進一步深化了CMEC企業責任形象。該報告獲WTO經濟導刊「2014年優秀企業社會責任報告首發獎」。在品牌建設方面，公司擬定了品牌戰略規劃，積極參與由國家質量監督檢驗檢疫總局組織的企業品牌價值評估，並在相關行業排名中進入前十。

III. FINANCIAL POSITION AND OPERATING RESULTS

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

1. OVERVIEW

The Group's profitability improved in 2014. Profit for the year increased by 6.9% to RMB2,096.2 million in 2014 compared to RMB1,960.2 million in 2013. Profit attributable to the Shareholders amounted to RMB2,096.9 million in 2014.

2. REVENUE

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

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

		Year ended December 31, 截至12月31日止年度			
		2014 2014年 (RMB million) (人民幣 百萬元)	(%)	2013 2013年 (RMB million) (人民幣 百萬元)	(%)
International Engineering Contracting Business	國際工程承包業務				
Power	電力能源	11,277.7	49.0%	12,265.6	57.2%
Transportation	交通運輸	1,859.2	8.1%	829.9	3.9%
Telecommunications	電子通訊	408.5	1.8%	800.4	3.7%
Non-Core Sectors	非核心行業	1,915.4	8.3%	1,489.7	7.0%
Trading Business	貿易業務				
International trade	國際貿易	4,488.2	19.5%	3,997.0	18.6%
Domestic trade	國內貿易	1,954.7	8.5%	910.8	4.3%
Other Businesses	其他業務	1,104.0	4.8%	1,132.9	5.3%
Total	總計	23,007.7	100%	21,426.3	100%

III. 財務狀況及經營業績

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

1. 概覽

本集團的盈利於2014年有所改善。2014年年內溢利為人民幣2,096.2百萬元，較2013年的人民幣1,960.2百萬元增長6.9%。2014年歸屬於股東溢利為人民幣2,096.9百萬元。

2. 收入

本集團的收入來自國際工程承包業務、貿易業務及其他業務。

下表載列於所示期間三個業務分部各自的金額及佔總收入的百分比：

1) International Engineering Contracting Business

The Group's revenue generated from the International Engineering Contracting Business increased by 0.5% to RMB15,460.8 million in 2014 compared to RMB15,385.6 million in 2013, keeping stable compared with the previous year.

The revenue generated from the power sector decreased by 8.1% to RMB11,277.7 million in 2014 as compared to RMB12,265.6 million in 2013, primarily due to the significant progress of the power station projects in Europe in 2013 with higher revenue as compared with 2014.

The revenue generated from the transportation sector increased by 124% to RMB1,859.2 million in 2014 as compared to RMB829.9 million in 2013, primarily due to the commencement of the construction of the railway projects in South America in the second half of 2014.

The revenue generated from the telecommunications sector decreased by 49.0% to RMB408.5 million in 2014, as compared to RMB800.4 million in 2013, primarily due to the significant progress of the telecommunications projects in Asia in 2013 with higher revenue as compared with 2014.

The revenue generated from the non-Core Sectors increased by 28.6% to RMB1,915.4 million in 2014 as compared to RMB1,489.7 million in 2013, primarily due to the significant progress of the construction of apartment projects in North America and the medical and educational projects in Africa.

1) 國際工程承包業務

2014年，本集團的國際工程承包業務收入為人民幣15,460.8百萬元，而2013年則為人民幣15,385.6百萬元，增幅為0.5%，與上年相比保持穩定。

2014年電力能源行業收入為人民幣11,277.7百萬元，比2013年人民幣12,265.6百萬元下降8.1%，主要由於歐洲的電站項目於2013年取得較大進展，與2014年相比取得收入較多。

2014年交通運輸行業收入為人民幣1,859.2百萬元，比2013年人民幣829.9百萬元增加124%，主要由於南美洲的鐵路項目於2014年下半年開始建設。

2014年電子通訊行業收入為人民幣408.5百萬元，而2013年為人民幣800.4百萬元，減少49.0%，主要是位於亞洲的電子通訊項目於2013年進度較高，與2014年相比取得收入較多。

2014年非核心行業收入為人民幣1,915.4百萬元，比2013年人民幣1,489.7百萬元增加28.6%，主要是由於北美洲的公寓建設項目、非洲的醫療和教育項目取得較大進展。

2) *Trading Business*

The Group's revenue generated from the Trading Business increased by 31.3% to RMB6,442.9 million in 2014 compared to RMB4,907.8 million in 2013, primarily due to the increase in the revenue from both international trade and domestic trade.

The revenue generated from international trade increased by 12.3% to RMB4,488.2 million in 2014 as compared to RMB3,997.0 million in 2013, primarily due to the increase in the trading volume exported to the United States and Asia.

The revenue generated from domestic trade increased by 114.6% to RMB1,954.7 million in 2014 as compared to RMB910.8 million in 2013, primarily due to the increase in sales of metal products.

3) *Other Businesses*

The Group's revenue generated from the Other Businesses decreased by 2.6% to RMB1,104.0 million in 2014 compared to RMB1,132.9 million in 2013, primarily due to the combined effect of the decrease in revenue generated from export and import agency business and design services of the Group and the increase in revenue from other services.

3. COST OF SALES

The Group's cost of sales increased by 8.9% to RMB19,257.4 million in 2014 compared to RMB17,683.8 million in 2013, primarily due to the increase in trading volume, as well as the increase in both revenue and costs from trading business.

2) 貿易業務

2014年，本集團的貿易業務收入為人民幣6,442.9百萬元，而2013年則為人民幣4,907.8百萬元，增幅為31.3%，主要由於國際貿易收入和國內貿易收入均有所增長。

2014年，國際貿易收入為人民幣4,488.2百萬元，比2013年人民幣3,997.0百萬元增加12.3%，主要原因是出口美國以及亞洲的貿易業務量增加。

2014年，國內貿易收入為人民幣1,954.7百萬元，比2013年人民幣910.8百萬元增加114.6%，主要由於金屬制品銷售額增加。

3) 其他業務

2014年，本集團的其他業務收入為人民幣1,104.0百萬元，而2013年則為人民幣1,132.9百萬元，降幅為2.6%，主要由於本集團的進出口代理業務以及設計服務收入減少和其他服務收入增加的綜合影響。

3. 銷售成本

2014年，本集團的銷售成本為人民幣19,257.4百萬元，而2013年則為人民幣17,683.8百萬元，增幅為8.9%，主要是由於貿易業務量增加，貿易業務收入成本同時均有所增加。

4. GROSS PROFIT AND GROSS PROFIT MARGIN **4. 毛利及毛利率**

(i) *Gross profit of the Group in 2014 consists of the following:*

		Year ended December 31, 截至12月31日止年度			
		2014 2014年 (RMB million) (人民幣 百萬元)	(%)	2013 2013年 (RMB million) (人民幣 百萬元)	(%)
International Engineering Contracting Business	國際工程承包業務				
Power	電力能源	2,641.3	70.4%	2,850.2	76.2%
Transportation	交通運輸	238.4	6.3%	93.9	2.5%
Telecommunications	電子通訊	40.0	1.1%	87.3	2.3%
Non-Core Sectors	非核心行業	175.0	4.7%	116.0	3.1%
Trading Business	貿易業務				
International trade	國際貿易	257.7	6.9%	247.9	6.6%
Domestic trade	國內貿易	44.4	1.2%	32.7	0.9%
Other Businesses	其他業務	353.6	9.4%	314.5	8.4%
Total	總計	3,750.4	100%	3,742.5	100%

(i) *2014年本集團毛利構成情況如下：*

(ii) *Gross profit margins of the Group in 2014 are set out in the following table:*

		Year ended December 31, 截至12月31日止年度	
		2014 2014年 (%)	2013 2013年 (%)
International Engineering Contracting Business	國際工程承包業務	20.0%	20.5%
Power	電力能源	23.4%	23.2%
Transportation	交通運輸	12.8%	11.3%
Telecommunications	電子通訊	9.8%	10.9%
Non-Core Sectors	非核心行業	9.1%	7.8%
Trading Business	貿易業務	4.7%	5.7%
International trade	國際貿易	5.7%	6.2%
Domestic trade	國內貿易	2.3%	3.6%
Other Businesses	其他業務	32.0%	27.8%
Total	總計	16.3%	17.5%

(ii) *2014年本集團毛利率載於下表：*

The Group's gross profit increased by 0.2% to RMB3,750.4 million in 2014 compared to RMB3,742.5 million in 2013. This increase is mainly attributable to the increase in gross profit from the transportation sector.

1) International Engineering Contracting Business

(a) Gross Profit

The gross profit generated from the International Engineering Contracting Business decreased by 1.7% to RMB3,094.7 million in 2014 as compared to RMB3,147.4 million in 2013, primarily due to the decrease in gross profit from the power sector.

The gross profit generated from the power sector decreased by 7.3% to RMB2,641.3 million in 2014 as compared to RMB2,850.2 million in 2013, primarily due to the significant progress of the power station projects in Europe in 2013 with higher revenue as compared with 2014.

The gross profit generated from the transportation sector increased by 153.9% to RMB238.4 million in 2014 as compared to RMB93.9 million in 2013, primarily due to the commencement of the construction of the railway projects in South America in the second half of 2014.

2014年，本集團的毛利為人民幣3,750.4百萬元，而2013年則為人民幣3,742.5百萬元，增幅為0.2%。此增幅主要由於交通運輸行業的毛利增加。

1) 國際工程承包業務

(a) 毛利

2014年，國際工程承包業務毛利為人民幣3,094.7百萬元，而2013年則為人民幣3,147.4百萬元，減少1.7%，主要是由於電力能源行業毛利減少。

2014年，電力能源行業毛利為人民幣2,641.3百萬元，而2013年為人民幣2,850.2百萬元，減少7.3%，主要因為位於歐洲的電站項目於2013年取得較大進展，與2014年相比取得收入較多。

2014年，交通運輸行業毛利為人民幣238.4百萬元，而2013年為人民幣93.9百萬元，增加153.9%，主要因為南美洲的鐵路項目於2014年下半年開始建設。

The gross profit generated from the telecommunications sector decreased by 54.2% to RMB40.0 million in 2014 as compared to RMB87.3 million in 2013, primarily due to the significant progress of the telecommunications projects in Asia in 2013.

The gross profit generated from the non-Core Sectors increased by 50.9% to RMB175.0 million in 2014 as compared to RMB116.0 million in 2013, primarily due to the significant progress of the construction of apartment projects in North America and the medical and educational projects in Africa.

(b) Gross Profit Margin

The gross profit margin generated from the International Engineering Contracting Business slightly decreased to 20.0% in 2014 as compared to 20.5% in 2013, primarily due to the decrease in gross profit from the power sector.

The gross profit margin generated from the power sector was 23.4% in 2014 as compared to 23.2% in 2013, remaining largely stable.

The gross profit margin generated from the transportation sector increased to 12.8% in 2014 as compared to 11.3% in 2013, primarily due to the higher gross profit margin of the road projects in Africa, which commenced construction in 2014, as compared to that in 2013.

2014年，電子通訊行業毛利為人民幣40.0百萬元，而2013年為人民幣87.3百萬元，降低54.2%，主要由於我們位於亞洲的電子通訊項目2013年進度較高。

2014年，非核心行業毛利為人民幣175.0百萬元，比2013年的人民幣116.0百萬元增加50.9%，主要由於北美洲的公寓建設項目、非洲的醫療和教育項目取得較大進展。

(b) 毛利率

2014年，國際工程承包業務毛利率小幅下降至20.0%，而2013年則為20.5%，主要由於電力能源行業的毛利下降。

2014年，電力能源行業毛利率為23.4%，2013年則為23.2%，維持基本穩定。

2014年，交通運輸行業毛利率增至12.8%，而2013年則為11.3%，主要由於2014年開始建設的位於非洲的公路項目毛利率相對高於2013年水平。

The gross profit margin generated from the telecommunications sector slightly decreased to 9.8% in 2014 as compared to 10.9% in 2013, primarily due to the completion of the construction of a telecommunications project in Africa in 2013 which had a relatively higher gross profit margin.

The gross profit margin generated from the non-Core Sectors increased to 9.1% in 2014 as compared to 7.8% in 2013, primarily due to the significant progress of the education facilities in Africa with relatively higher gross profit margin, as well as the urban water supply and sewage treatment projects in 2014.

2) *Trading Business*

(a) *Gross Profit*

The gross profit generated from the Trading Business increased by 7.7% to RMB302.1 million in 2014 as compared to RMB280.6 million in 2013, primarily due to the increase in gross profit from both international trade and domestic trade.

The gross profit generated from international trade increased by 4.0% to RMB257.7 million in 2014 as compared to RMB247.9 million in 2013, primarily due to the increase in trading volume in Asia.

2014年，電子通訊行業毛利率小幅降至9.8%，而2013年則為10.9%，主要由於位於某非洲毛利率相對較高的通訊項目於2013年完工。

2014年，非核心行業毛利率增至9.1%，而2013年則為7.8%，主要由於相對較高毛利率的非洲教育設施項目、城市供水及污水處理項目於2014年有較大進展。

2) *貿易業務*

(a) *毛利*

2014年，貿易業務毛利為人民幣302.1百萬元，比2013年的人民幣280.6百萬元增加7.7%，主要由於國際貿易和國內貿易的毛利均有所增長。

2014年，國際貿易業務毛利為人民幣257.7百萬元，比2013年的人民幣247.9百萬元增加4.0%，主要由於位於亞洲的貿易業務量增長。

The gross profit generated from domestic trade increased by 35.8% to RMB44.4 million in 2014 as compared to RMB32.7 million in 2013, primarily due to the increase in metal products trading volume.

(b) *Gross Profit Margin*

The gross profit margin generated from the Trading Business decreased to 4.7% in 2014 as compared to 5.7% in 2013, primarily due to the lower gross profit margin of both international trade and domestic trade.

The gross profit margin generated from international trade decreased to 5.7% in 2014 as compared to 6.2% in 2013, primarily due to the lower gross profit margin of international trade as a result of weak demand for international trade.

The gross profit margin generated from domestic trade decreased to 2.3% in 2014 as compared to 3.6% in 2013, primarily due to the decrease in gross profit margin from domestic trade as a result of fierce competition in China.

2014年，國內貿易業務毛利為人民幣44.4百萬元，比2013年的人民幣32.7百萬元增加35.8%，主要是由於金屬制品貿易業務量增長。

(b) *毛利率*

2014年，貿易業務毛利率降至4.7%，而2013年則為5.7%，主要由於國際貿易和國內貿易的毛利率均有所降低。

2014年，國際貿易業務毛利率降至5.7%，而2013年則為6.2%，主要由於國際貿易需求不旺盛導致國際貿易的毛利率下降。

2014年，國內貿易業務毛利率降至2.3%，而2013年則為3.6%，主要是由於國內競爭激烈導致國內貿易的毛利率下降。

3) *Other Businesses*

(a) *Gross Profit*

The gross profit generated from the Other Businesses increased by 12.4% to RMB353.6 million in 2014 as compared to RMB314.5 million in 2013, primarily due to the increase in revenue from advisory services as compared to that in 2013.

(b) *Gross Profit Margin*

The gross profit margin generated from the Other Businesses increased to 32.0% in 2014 as compared to 27.8% in 2013, primarily due to the increase in advisory service business with relatively higher gross profit margin.

5. **OTHER REVENUE**

The Group's other revenue increased by 19.4% to RMB14.8 million in 2014 as compared to RMB12.4 million in 2013. This category of revenue remained relatively stable.

6. **OTHER INCOME AND EXPENSES, NET**

The Group's other income and expenses, net decreased by 126.4% to RMB(93.4) million in 2014 as compared to income of RMB353.5 million in 2013. This decrease is mainly attributable to the increase in net losses from changes in fair value of foreign currency forward contracts.

7. **SELLING AND MARKETING EXPENSES**

The Group's selling and marketing expenses decreased by 3.6% to RMB1,115.9 million in 2014 as compared to RMB1,157.7 million in 2013, primarily due to the slight decrease in transportation costs, operating and other expenses.

3) **其他業務**

(a) **毛利**

2014年，其他業務毛利為人民幣353.6百萬元，比2013年的人民幣314.5百萬元增加12.4%，主要由於諮詢服務收入較上年同期有所增加。

(b) **毛利率**

2014年，其他業務毛利率上升至32.0%，而2013年則為27.8%，主要由於具有相對較高毛利率的諮詢服務業務有所增加。

5. **其他收入**

2014年，本集團的其他收入為人民幣14.8百萬元，而2013年則為人民幣12.4百萬元，增幅為19.4%。該類收入保持相對穩定。

6. **其他收支淨額**

2014年，本集團的其他收支淨額為人民幣(93.4)百萬元，而2013年則為收入人民幣353.5百萬元，降幅為126.4%。此降幅主要由於遠期外匯合同公允值變動的淨損失增加。

7. **銷售及市場營銷開支**

2014年，本集團的銷售及市場營銷開支為人民幣1,115.9百萬元，而2013年則為人民幣1,157.7百萬元，降幅為3.6%。主要由於運輸費用、業務經費等略有下降。

8. ADMINISTRATIVE EXPENSES

The Group's administrative expenses decreased by 4.2% to RMB533.6 million in 2014 compared to RMB557.0 million in 2013. Travel expenses, office and other expenditures were slightly decreased.

9. OTHER OPERATING EXPENSES

The Group's other operating expenses decreased by 174.0% to RMB(48.5) million in 2014 as compared to RMB65.5 million in 2013. This decrease is mainly attributable to the decrease in impairment losses on receivables as compared to that in 2013.

10. PROFIT FROM OPERATIONS

The Group's profit from operations decreased by 11.0% to RMB2,071.0 million in 2014 as compared to RMB2,328.1 million in 2013, primarily due to the increase in net losses from changes in fair value of the foreign currency forward exchange contracts.

11. FINANCE INCOME/FINANCE EXPENSES

The Group's finance income decreased by 2.7% to RMB717.7 million in 2014 as compared to RMB737.9 million in 2013, primarily due to the decrease in interest income.

The Group's finance expenses decreased by 87.4% to RMB50.6 million in 2014 as compared to RMB401.7 million in 2013, primarily due to the decrease in foreign exchange losses.

As a result, the Group's net finance income increased by 98.4%, amounting to RMB667.1 million in 2014 as compared to the net finance income of RMB336.2 million in 2013.

12. INCOME TAX

The Group's income tax decreased by 8.8% to RMB641.9 million in 2014 as compared to RMB703.9 million in 2013. This decrease is mainly due to tax effects of the utilization in the year of unused taxation losses and deductible temporary differences not recognized in the previous year.

8. 行政開支

2014年，本集團的行政開支為人民幣533.6百萬元，而2013年則為人民幣557.0百萬元，降幅為4.2%。差旅費用、辦公費用等略有下降。

9. 其他經營開支

2014年，本集團的其他經營開支為人民幣(48.5)百萬元，而2013年則為人民幣65.5百萬元，降幅為174.0%。此降幅主要由於應收款項減值虧損較2013年減少。

10. 經營溢利

2014年，本集團的經營溢利為人民幣2,071.0百萬元，而2013年則為人民幣2,328.1百萬元，降幅為11.0%。主要由於遠期外匯合同公允值變動的淨損失增加。

11. 財務收入／財務開支

2014年，本集團的財務收入為人民幣717.7百萬元，而2013年則為人民幣737.9百萬元，降幅為2.7%。主要由於利息收入的減少。

2014年，本集團的財務開支為人民幣50.6百萬元，而2013年則為人民幣401.7百萬元，降幅為87.4%。主要由於外匯損失的減少。

因此，2014年，本集團的財務收入淨額為人民幣667.1百萬元，而2013年為財務淨收入人民幣336.2百萬元，增幅為98.4%。

12. 所得稅

2014年，本集團的所得稅為人民幣641.9百萬元，而2013年則為人民幣703.9百萬元，降幅為8.8%。此降幅主要由於本年度使用以前年度未使用稅項虧損及未確認可抵押暫時差額的稅務影響。

13. PROFIT FOR THE YEAR

As a result of the foregoing, the Group's net profit for the year increased by 6.9% to RMB2,096.2 million in 2014 as compared to RMB1,960.2 million in 2013 and its net profit margin was 9.11% in 2014 as compared to 9.15% in 2013.

14. PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS

The profit attributable to the Shareholders increased by 7.0% to RMB2,096.9 million in 2014 compared to RMB1,959.3 million in 2013.

15. PROFIT ATTRIBUTABLE TO THE HOLDERS OF NON-CONTROLLING INTERESTS

The profit attributable to the holders of non-controlling interests of the Group decreased by 170% to RMB(0.7) million in 2014 as compared to profit of RMB1.0 million in 2013.

16. LIQUIDITY AND CAPITAL SOURCES

As at December 31, 2014, the Group's cash and cash equivalents increased by 22.3% to RMB17,792.5 million in 2014 as compared to RMB14,550.2 million as at December 31, 2013. The increase in cash was due to the increase in receipts in advance for engineering projects.

As at December 31, 2014, the Group's borrowings increased by 80.2% to RMB565.5 million as compared to RMB313.9 million as at December 31, 2013. RMB205.7 million (including RMB72.2 million of long-term borrowings due within 1 year) was short-term borrowings, and RMB359.8 million was long-term borrowings.

13. 年內溢利

由於上文所述，2014年，本集團的年內淨溢利為人民幣2096.2百萬元，而2013年則為人民幣1,960.2百萬元，增幅為6.9%，其於2014年的淨溢利率為9.11%，而2013年則為9.15%。

14. 歸屬於股東溢利

2014年，歸屬於股東溢利為2,096.9人民幣百萬元，而2013年則為人民幣1,959.3百萬元，增幅為7.0%。

15. 歸屬於非控股權益持有人溢利

2014年，歸屬於本集團非控股權益持有人溢利為人民幣(0.7)百萬元，而2013年則為溢利人民幣1.0百萬元，降幅為170%。

16. 流動資金及資本資源

於2014年12月31日，本集團持有現金及現金等價物為人民幣17,792.5百萬元，而於2013年12月31日則為人民幣14,550.2百萬元，增幅為22.3%。現金增加的原因為工程項目預收款的增加。

於2014年12月31日，本集團借貸為人民幣565.5百萬元，而於2013年12月31日則為人民幣313.9百萬元，增幅為80.2%。短期借貸為人民幣205.7百萬元（含一年內到期的長期借貸人民幣72.2百萬元），長期借貸為人民幣359.8百萬元。

17. CAPITAL EXPENDITURE

The Group's capital expenditure consisted primarily of the purchase of property, plant and equipment, investment properties and lease prepayments. The Group's capital expenditure increased by 262.5% to RMB251.6 million in 2014 as compared to RMB69.4 million in 2013, mainly due to the progress of implementation of infrastructure projects as fixed assets.

18. GEARING RATIO

In 2014, the Group's gearing ratio (total borrowings divided by total assets) was 1.5%, representing an increase of 50% as compared to 1.0% as recorded in 2013, mainly due to the increase in long-term borrowings.

19. MAJOR INVESTMENT

The Group made no major investment during the year of 2014.

20. MAJOR ACQUISITION AND DISPOSALS

The Group made no major acquisition during the year of 2014.

21. SIGNIFICANT EVENTS

Please see the paragraphs headed "II. BUSINESS OVERVIEW – D. Significant Events and Business Achievements" of this announcement.

22. CONTINGENT LIABILITIES

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

17. 資本開支

本集團的資本開支主要包括購買物業、廠房及設備、投資物業及預付租賃款項。2014年，本集團的資本開支為人民幣251.6百萬元，而2013年則為人民幣69.4百萬元，增幅為262.5%，主要由於固定資產基建項目實施取得一定進展。

18. 槓桿比率

2014年，本集團的槓桿比率（借貸總額除以總資產）為1.5%，與2013年的1.0%相比增長50%，主要是由於長期借款的增加。

19. 重大投資

2014年度內，本集團並無重大投資事宜。

20. 重大收購及出售

2014年度內，本集團並無重大收購事宜。

21. 重大事項

請參閱本公告「II. 業務概覽 – D. 重大事件和業務成果」一段。

22. 或有負債

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

IV. RISK FACTORS AND RISK MANAGEMENT

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

1. Currency Risk

We are exposed to currency risk primarily through sales and purchases and our International Engineering Contracting Business overseas and overseas financing which give rise to receivables, payables and cash balances that are denominated in foreign currencies other than the functional currency of our operations, RMB, to which these transactions relate. The currencies giving rise to this risk are primarily US dollars and Euros. We entered into foreign currency forward contracts to lock in the value in RMB of some of our future cash receipts, primarily in respect of the proceeds of our international engineering contracting projects in order to reduce our currency risk and to obtain certainty of forecasted income generated from the deferred payments to be received from the project owners under such projects. As a matter of policy and in compliance with the PRC laws and regulations, we are not allowed to widely engage in hedging activities. Hence, our foreign currency hedging activities were limited to these foreign currency forward contracts. Our foreign currency forward contracts corresponded to our business volume, i.e. the amounts and the terms of such contracts corresponded to the amounts of the foreign currency expected to be received. Under these contracts, we agree to buy RMB from and sell foreign currencies to the counter-party in a given quantity at a pre-determined

IV. 風險因素及風險管理

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

1. 貨幣風險

我們面臨貨幣風險，主要是通過在海外的銷售和採購及我們的國際工程承包業務以及海外融資產生之以外幣（我們與此等交易相關的業務的功能貨幣人民幣除外）計價的應收款項、應付款項及現金結餘。產生該風險的貨幣主要有美元及歐元。我們主要就國際工程承包項目的收款訂立遠期外匯合同，以鎖定我們部份未來現金收入的人民幣價值，務求降低貨幣風險及確保根據該等項目將自項目業主收取的延遲付款所產生的預測收入。按照政策及中國法律和法規，我們不得廣泛從事對沖活動。因此，我們的外幣對沖活動限於此等遠期外匯合同。我們的遠期外匯合同與我們的業務量相匹配，即該等合同的金額及條款與將收取的外匯款項相匹配。根據此等合同，我們同意於未來到期日按預先釐定的匯率向對手方購買特定數量的人民幣及出售特定數量的外幣。於2014年12月31日，我們有105份遠期外匯合同尚未結算（2013年：288份）。於2013年，鑑於更高的匯率波幅預測，我們簽署了更多額度較小的遠期外匯合同以更好地適應業務需求及更好地管理我們的現金流。遠期外匯合同初始

exchange rate at a maturity date in the future. As at December 31, 2014, we had 105 foreign currency forward contracts outstanding (2013: 288). We entered into more foreign currency forward contracts in smaller amounts in 2013 to better accommodate our business needs and to better manage our cash flow in light of the forecasted high volatility of exchange rates. We recognize the foreign currency forward contracts initially at fair value. At the end of each reporting period, the fair value is re-measured and the difference is recognized immediately as profit or loss. The net fair values of our foreign currency forward contracts were recognized as derivative financial instruments recorded in “trade and other receivables” and “trade and other payables”. As at December 31, 2014, the net fair value liabilities of our foreign currency forward contracts were RMB27.7 million, representing gross fair value assets and liabilities of such contracts of nil and RMB27.7 million, respectively, which represent our exposure under the foreign currency forward contracts estimated as at December 31, 2014. We maintain and follow our internal policies and controls for managing our Group’s use of derivative financial instruments.

2. Interest Rate Risk

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

按公允價值確認。於各報告期末，公允價值重新計量，而差額即時確認為損益。我們遠期外匯合同的公允淨值確認為衍生金融工具，計入「貿易及其他應收款項」及「貿易及其他應付款項」。於2014年12月31日，我們的遠期外匯合同公允價值負債淨額為人民幣27.7百萬元，代表該等合同的總公允價值資產及負債分別為零元及人民幣27.7百萬元，代表我們估計的於2014年12月31日所面臨的遠期外匯合同風險。我們維持及遵守我們有關規範本集團使用衍生金融工具的內部政策及控制。

2. 利率風險

利率風險主要來自於借貸及銀行存款。按浮動利率及固定利率計息的借貸分別使我們面臨現金流量利率風險及公允價值利率風險。我們僅通過管理計息金融資產及負債的合同條款或通過對利率掉期的使用定期檢討及監察固定利率借貸與浮動利率借貸的比例，以管理利率風險。與我們的貨幣風險對沖活動相類似，我們使用利率掉期亦須遵守衍生金融工具的內部控制政策。我們已動用一項利率掉期安排以就一筆50.0百萬美元的以倫敦銀行同業拆息為基準計算的浮動利率銀行貸款對沖利率風險，該筆銀行貸款將於2016年1月屆滿。根據於2009年3月20日生效及於2016年1月31日到

arrangement to hedge interest rate risk against a US\$50.0 million LIBOR-based variable rate bank loan which will expire in January 2016. Under the interest rate swap arrangement, which became effective on March 20, 2009 and expires on January 31, 2016, we pay interest at a fixed interest rate of 6.28% per annum to the swapping bank on the principal amount of US\$50.0 million, who in exchange pays us interest at a LIBOR-based interest rate on the same principal amount, which are used to satisfy our LIBOR-based interest rate payments under the original bank loan. The LIBOR-based interest rate under the interest rate swap arrangement is determined by the 6-month LIBOR rate plus 2.0% per annum. As at December 31, 2014, the remaining balance of the loan is US\$20.5 million. We recognize the interest rate swap initially at fair value. At the end of each reporting period, the fair value is re-measured and the difference is recognized immediately as profit or loss. The net fair values of our interest rate swap contract were recognized as derivative financial instruments recorded in “trade and other payables”. As at December 31, 2014, the net and gross fair value liabilities of our interest rate swap contract were RMB1.8 million, which represent our exposure under the interest rate swap estimated as at December 31, 2014.

3. Credit Risk

Our credit risk is primarily attributable to trade and other receivables. We have a credit policy in place and our exposure to these credit risks is monitored on an ongoing basis. Credit terms extended to our customers are determined on a case-by-case basis, depending on credit assessment carried out by our management. Our credit terms granted to customers of our Trading Business are normally about three to six months. With respect to our International Engineering Contracting Business, credit terms granted are negotiated individually on a case-by-case basis and are set forth in the relevant engineering contracting

期的利率掉期安排，我們就本金額50.0百萬美元按6.28%的固定年利率向掉期銀行償付利息，作為交換，該銀行就同一本金額向我們作出以倫敦銀行同業拆息為基準計算的利息付款，用於償付我們於原銀行貸款項下的以倫敦銀行同業拆息為基準計算的利息付款。利率掉期安排下以倫敦銀行同業拆息為基準計算的利率乃按6個月倫敦銀行同業拆息利率加每年2.0%計算。於2014年12月31日，貸款的未償還餘額為20.5百萬美元。利率掉期初始按公允價值確認。於各報告期末，公允價值重新計量，而差額即時確認為損益。我們利率掉期合同的公允淨值確認為衍生金融工具，計入「貿易及其他應付款項」。於2014年12月31日，我們利率掉期合同的公允價值負債淨額及總額為人民幣1.8百萬元，代表我們估計的於2014年12月31日所面臨的利率掉期風險。

3. 信用風險

信用風險主要來自於貿易及其他應收款項。我們已制定信貸政策並持續監控面臨的該等信用風險。我們給予客戶的信貸期乃根據管理層作出的信用評估，視乎個別情況而定。我們給予貿易業務客戶的信貸期一般約為三至六個月。在國際工程承包業務方面，我們給予的信貸期視乎個別情況通過協商釐定，並載列於有關工程承包合同。每個月審查信用風險已成為我們的內部監控措施，我們亦會於信貸期末作出審查，決定是否就給予客戶的信貸作出任何必要的撥備。就涉及貿易及其他應收款項的信用風險，我們通過建立合適的業務評估系統，首

contracts. We conduct monthly reviews of our credit risk as an internal control measure, and we also conduct end-of-term period reviews to determine if we need to make any necessary provisions for credit that we have extended. As to credit risk for trade and other receivables, we first evaluate the customer's credit status and its ability to guarantee the payment through establishing an appropriate business evaluation system. Meanwhile, in order to establish our risk control mechanism on trade and other receivables, we implemented the policy to buy export credit insurance. For the Trading Business, we and our trading subsidiaries are required to buy unified export credit insurance from Sinasure; for the International Engineering Contracting Business financed by export seller's credit, we typically buy export credit insurance from Sinasure for our projects in order to meet financing needs as well as to control credit risk for trade and other receivables. Our concentration of credit risk stems from trade and other receivables due from certain individual customers. As at December 31, 2014, 7.5% of the total trade and other receivables was due from our largest customer (2013: 9.3%), and 25.5% of the total trade and other receivables was due from the five largest customers (2013: 26.0%).

4. Liquidity Risk

Liquidity risk is the risk that we have net current liabilities at the balance sheet date. We are exposed to liquidity risk if we are unable to raise sufficient funds to meet our financial obligations when they fall due. To manage liquidity risk, we prepare both annual and quarterly financial budgets which include budgeting for capital and utilization of credit facilities to plan and consolidate various financial resources in meeting the needs of our business, operations and development. Furthermore, we monitor and maintain a level of cash and cash equivalents considered adequate by our management to finance our operations and mitigate the effects of fluctuations in cash flow. As at December 31, 2013 and 2014, our net current assets amounted to RMB6,113.9 million and RMB7,967.7 million, respectively.

先評估客戶的信用狀況，以及其擔保還款的能力。與此同時，為了建立貿易及其他應收款項的風險控制機制，我們實行購買出口信用保險政策。就貿易業務而言，我們及我們貿易子公司須向中國信保購買統一出口信用保險；就由出口賣方信貸融資的國際工程承包業務而言，我們一般會為我們的項目向中國信保購買出口信用保險，以應付財務需要以及控制貿易及其他應收款項的信用風險。我們貿易及其他應收款項的信用風險集中在若干個別客戶。於2014年12月31日，貿易及其他應收款項總額中有7.5%來自我們的最大客戶（2013年：9.3%），而貿易及其他應收款項總額中有25.5%來自五大客戶（2013年：26.0%）。

4. 流動資金風險

流動資金風險指我們於結算日擁有流動負債淨額的風險。倘我們未能籌集足夠資金以應付到期的財務負債，則我們將承受流動資金風險。為管理流動資金風險，我們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我們的業務、營運及發展的需要。此外，我們監察及維持管理層認為足以為我們的營運提供資金及減少現金流量波動影響的現金及現金等價物水平。於2013年及2014年12月31日，我們的流動資產淨額分別為人民幣6,113.9百萬元及人民幣7,967.7百萬元。

5. Competition Risk

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

We compete with both Chinese and foreign companies for our international trading business. Competition with Chinese companies engaged in the international trading business focuses on price, range of products, suppliers and purchasers, 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, we will continue to compete with the Chinese and foreign companies by capitalizing on our financing capabilities and value-adding services. With more than 30 years of operating history in the international trading business, we believe we have 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 commercial capabilities, strong capabilities in providing financing solutions and good reputation.

5. 競爭風險

我們就我們的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，我們面對來自發達國家（如美國、日本及多個歐洲國家）且具備領先技術的工程承包商的競爭，後者在全球分支網絡、信息搜集、管理及施工能力、適應性及品牌認知度等各個方面擁有較大的競爭優勢。我們將繼續借助在價格方面的競爭優勢，尤其在發展中國家的項目，並受益於較低的勞動力成本和設備價格。我們亦將繼續把握中國政府與外國政府（尤其是發展中國家政府）之間的合作，與國內外承包商競爭。

我們與中外公司就國際貿易業務進行競爭。與從事國際貿易業務的中國公司競爭源於對價格、產品範圍、供應商及買方的競爭，而與國外公司的競爭則來自中外供應商生產產品的價格及質量的競爭力。儘管國際貿易市場競爭激烈，然而由於該市場非常巨大，我們將利用自身的融資能力及增值服務以繼續與中外公司競爭。憑藉在國際貿易業務30多年的經營歷史，我們所擁有的廣泛銷售及市場營銷網絡、在國際貿易市場長期建立的經驗、訓練有素的商業能力、提供融資方案的強大能力及良好的聲譽，令我們相信我們比我們的中國同行競爭者更具優勢。

6. Investment Risk

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

7. Overseas Management Risk

Currently, most of the projects of 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 is therefore subject to constantly changing economic, regulatory, social and political conditions in the overseas jurisdictions in which we conduct business or operate our projects.

6. 投資風險

投資風險主要指由於我們控制範圍以外的因素或隨機因素的影響，投資的實際回報及預期回報之間的差異。此外亦與墊付若干項目的有關款項、政策變動造成非政府投資機構對基礎設施建設的投資減少及在較長期間內動用大量營運資金等有關。自不同政府部門取得政府批准及遵守監管規例亦可能增加執行投資項目時的不確定因素。我們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、律師等第三方機構進行充分的盡職調查，分析論證，以提高投資決策水平，管控投資風險。

7. 海外管理風險

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

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

8. Project Risk

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

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

8. 項目風險

項目風險與我們的國際工程承包業務項目所涉及的風險有關。儘管我們視電力能源、交通運輸及電子通訊行業為我們的核心行業，但對我們的國際工程承包業務的需求（主要為國際性）則取決於我們經營所在及提供服務的行業的一般活動及增長水平。基於我們所能控制範圍以外的因素，包括但不限於普遍經濟狀況、政府投資計劃、人口趨勢、政治穩定性、消費者信心及行業要求或市場准入，我們的工程承包項目的實際組合每年不同。該等宏觀因素的任何波動將對我們的國際工程承包業務之需求造成影響，可能導致我們可參與的新項目投資金額及數目以及我們可進行的項目類型增加或減少及令我們進行中的項目有所延誤或被取消。儘管我們於工程承包項目之定價過程中已考慮到預計成本及目標利潤率，我們的國際工程承包業務之盈利能力仍可能受到影響，而我們的收益可能出現波動。

9. Safety And Quality Risk

Due to the nature of construction work involved in our International Engineering Contracting Business, our 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 we ensure 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 security 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 in the situations mentioned above would result in the delay in our engineering contracting projects, extended occupation of the time and efforts of our management, suspension of our operations or even imposition of legal liabilities. We endeavor 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.

9. 安全及品質風險

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

10. Post-project Transfer Risk

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

10. 工程移交後風險

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

11. Corruption Risk

Currently, the PRC government is 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 embezzlement of any employee will bring material adverse effects to the reputation of our Company. Being an international engineering contractor and service provider, we cannot avoid carrying out necessary normal 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 the risks associated with personal non-compliance of employees or even corruption risks. We will continuously strengthen our internal control and further improve the establishment of anti-corruption regime of the Company as well as strengthening accountabilities. We will, at the same time, actively embark on staff's compliance trainings, so as to enhance the compliance awareness of staff and increase their compliance consciousness.

V. PROSPECTS

In 2015, the Company's primary guiding principle for operation is to continue to stride towards a leading multinational company in the world by adhering to strategic guiding principle, consolidating foundation, rebuilding its brand and driving transformation.

11. 舞弊風險

當前，中國政府反腐敗力度日趨加強，我們承攬工程的各國政府亦日益強化反商業賄賂的監管力度，任何僱員的個人違規或舞弊行為，將會給公司聲譽帶來重大不利影響。我們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、項目業主等不可避免地進行必要的正常溝通或工作聯繫，在此過程中，我們可能面臨僱員個人違規，甚至舞弊風險。我們將持續加強內部控制，進一步完善公司反舞弊制度建設，強化責任追究，同時積極開展員工合規培訓，提高彼等合規意識，增強彼等遵規守法的自覺性。

V. 前景

2015年，公司經營工作的主要指導思想是：堅持戰略引領，夯實基礎、重塑品牌、開拓轉型，向全球一流的跨國公司持續邁進。

A. Business Development Strategy

Since 2014, the Company has made reconstruction and adjustment to its three existing business sectors, namely the International Engineering Contracting Business, Trading Business and Other Businesses, and explored a new business sector for investment and financing business. In 2015, the Company will further improve the new three business sectors, namely the International Engineering Contracting Business, trading and services business and investment and financing business.

1. *Consolidating the foundation of the International Engineering Contracting Business, rebuilding the brand of the Company, and further advancing regionalization and localization of development*

The Company will strengthen procedural control over the engineering contracting projects and enhance the ability to provide one-stop services. It will also pay high attention to after-sales services including the operation and maintenance of engineering contracting projects and further excavate the potential value of such after-sales services in order to gradually form a management and service mode featured by the characteristics of CMEC. The Company will continue to improve the supporting system for the management of the full lifecycle of a project, ensuring complete and effective project management by the Company and the business divisions.

A. 業務發展戰略

從2014年開始，公司就對現有的三大業務板塊，即國際工程承包業務，貿易業務和其他業務，進行重組和調整，並開創投融資這一新的業務板塊。2015年，公司將進一步完善新的三大板塊，即國際工程承包業務，貿易與服務業務和投融資業務。

1. **堅實國際工程承包業務基礎，重塑品牌，深入推進區域化及屬地化發展**

公司將加強對工程承包項目的過程控制，提升一站式服務能力。公司還高度重視工程承包項目的運行維護等售後服務，深入挖掘售後服務的價值潛力，逐步形成具有CMEC特點的管理與服務。公司將持續完善項目全生命週期管理的配套制度，確保公司和事業部對項目管控的完整性和有效性。

The Company will conduct market and project selection by taking full advantage of the development strategies in China, such as “One Belt and One Road”. The Company will further explore market policies for the identified regional markets and core markets to develop appropriate projects depending on local conditions. In addition, the Company will take further measures to promote the localization of the business divisions, and to enhance the ability of project management. Meanwhile, the Company will, by leveraging on the overall advantage, optimize the allocation of its resources, taking due consideration to the regional reorganization among the business divisions.

2. *Accelerating the transformation of trading and services business*

The Company will further improve its internal management mechanism to promote management efficiency, thus laying the foundation for further transformation and upgrade of trading and services business and providing support for it. The Company will also integrate the businesses, cultures and resources from various subsidiaries in a fast and effective manner to ensure its trading subsidiaries are able to display integration and industrial advantages and improve their performance significantly after the reorganization. In addition, the Company will continue to explore core businesses, core products and core markets for trading and services sector and further clarify the development direction of trading business, in order to promote business transformation and upgrade. It will also introduce the overall planning policy in respect of industrial investment to ensure an orderly progress of industrialization. Subject to the ensurance of risk controllable, the Company will develop large-sized trading business appropriately.

公司將充分利用國家「一帶一路」等發展戰略，甄選市場和項目。對已明確的區域市場、核心市場，公司將深入研究市場政策，因地制宜開發項目。此外，公司還將進一步採取措施，加大力度推動事業部屬地化建設，增強事業部工程管理能力。同時，公司將發揮整體優勢，優化配置公司資源，適當考慮事業部間的區域部重組。

2. *加快貿易與服務業務轉型*

公司將進一步完善內部管理制度，提高管理效率，為貿易與服務業務的進一步轉型升級奠定基礎，提供支撐。公司還將快速而有效地融合不同子公司的業務、文化和資源，確保重組後的貿易子公司能夠發揮集成化、產業化優勢，業績能有明顯提升。公司將繼續打造貿易與服務板塊的核心業務、核心產品、核心市場，並進一步明確貿易業務發展方向，推進業務轉型升級。公司還將出台投資實業化的整體規劃政策，確保實業化進程有序推進。在確保風險可控的前提下，公司將適度開發大宗貿易業務。

3. *Accelerating the development of investment and financing business*

The Company will continue to explore the inbound and outbound investment business with adherence to the principle of “investment driven EPC” and focus on the projects located in the countries and regions as stated in the strategic plan of “One Belt and One Road”. The Company will consistently invest in the industries and markets with which it is familiar mainly by way of equity investment, and focus on the power sector to penetrate from the field of power generation into relevant fields of power sector gradually, strengthening the management of infrastructure investment. The Company will also continue to improve the supporting system, by introducing a standardized investment system, to establish a fast track for the projects selected under the principle of “investment driven EPC”.

The Company will build diversified financing channels through the construction of diversified domestic and foreign financing platforms, to seek various financing modes and to actively facilitate the signing and coming into effective of various financing projects of the Company. The Company will continue to strengthen the business cooperation with policy-based financial institutions in China such as Export-Import Bank of China and Sinosure, to consolidate its fundamental financing channels. In addition, the Company will strengthen the cooperation with commercial financial institutions in China, including the state-owned commercial banks, the joint-stock banks and the branches of the foreign banks in China, to broaden domestic financing channels. Furthermore, the Company will continue to expand the cooperation scope with foreign financial institutions, to strengthen its international financing capacity and to broaden its overseas financing channels by relying on its business operations. The Company will develop the optimal portfolio of multiple financing channels by flexibly allocating policy and commercial financing channels as well as domestic and overseas financing channels.

3. *加快投融資業務發展*

公司將圍繞「投資帶動EPC」這一宗旨，繼續開展境內外投資業務，重點關注「一帶一路」戰略佈局中的國家和地區的項目。公司將以投資入股的方式為主，堅持在熟悉行業、熟悉市場進行投資，將投資重點放在電力能源行業，逐步從發電領域向相關電力環節滲透，要加強投資基礎管理工作。公司還將繼續完善配套體系建設，出台規範的投資體系制度，建立「投資帶動EPC」政策所屬項目的快速通道。

公司將通過構築多元化境內外融資平台，建立多元化融資渠道，謀劃多種融資模式，積極促進公司各類融資項目的簽約和生效。公司將繼續穩固與中國進出口銀行以及中國信保等國內政策性金融機構的業務合作，鞏固基礎融資渠道。同時，公司將增強與國有商業銀行、股份制銀行以及外資銀行在境內分支機構等國內商業性金融機構的合作力度，拓寬國內融資渠道。公司還將繼續拓展與境外融資機構的合作範圍，加強境外融資能力儲備，依託業務拓寬境外融資渠道。公司將靈活配置政策性融資渠道和商業性融資渠道，境內融資渠道和境外融資渠道，制定多融資渠道的最優組合方案。

B. Corporate Management Strategy

In 2015, the Company will promote the change of management using innovative ideas to form a more advanced and efficient management mode.

1. *Classifying functional departments of the Company in a scientific manner and enhancing the management of overseas entities*

The Company will make a scientific classification of its functional departments, form a core department to effectively support and manage the business, and explore an efficient and rational organic structure of the core departments. The Company will re-organize the layout of overseas entities in a full range to further improve resources allocation and, based on its development strategy, carry out the upgrade and integration in respect of its existing overseas entities according to business demands. In addition, the Company will introduce a series of rules and regulations to manage the assets, funds, legal affairs and tax of its overseas entities effectively.

The Company will enhance the synergies of overseas entities to further improve its ability to operate internationally. The establishment of overseas entities is necessary for the overall development of CMEC. The Company intends to develop the overseas entities as overseas interconnected platforms for the International Engineering Contracting Business, trading and services business and investment and financing business, by taking advantage of their supporting role, in order to lay a foundation for all businesses to seek for local development opportunities and to further enhance the level of international operation, and thus for the transformation to a multinational company.

B. 公司管理戰略

2015年，公司要創新思路推動管理變革，形成更為先進、高效的管理模式。

1. 科學分類公司職能部門，加強對海外機構的管理力度

公司將對職能部門進行科學分類，形成能夠有效支撐並管理業務的核心部門，並探索核心部門高效合理的內部機構設置。公司將全面整合海外機構佈局，進一步優化資源配置，以公司發展戰略為依據，對於已有的海外機構，根據業務發展需求，進行升級整合。公司還將頒佈一系列規章制度，對海外機構的資產、資金、法律及稅收形成有效管理。

公司將強化海外機構的協同效應，進一步提升國際化經營能力。海外機構的建立是CMEC整體發展的需要，公司要將其打造成國際工程承包業務、貿易與服務業務、投融資業務在海外互聯互通的大平台，發揮其支撐作用，為各項業務在當地尋求發展機遇，進一步提升國際化經營水平，向跨國公司轉型打下基礎。

2. *Establishing a fair and effective incentive and restraint system, and enhancing the talents training*

The Company will further improve its performance management system and establish a performance and compensation management system for the senior management which is suitable for the new situation. The Company will also promote the performance management for all of its employees to enhance the ability and personnel quality of its employees and enable the Company and its employees to grow together. In addition, it will develop a more rational, open and scientific employing system by constantly consolidating the fruits of talents introduction and enhancing the exchanges between the cadre and the talents.

3. *Establishing a comprehensive budget management system*

The Company will deepen its comprehensive management of budget, to improve the accuracy of budget, optimize resources allocation, and strengthen budget management on the investment business to accelerate a breakthrough in the investment and financing business.

2. 建立公平有效的激勵約束機制，加強人才培養

公司要進一步完善績效管理體系，建立適合新形勢的高級管理人員績效和薪酬管理辦法。公司還將推廣全員績效管理，促進員工能力素質提升，實現企業與員工共同成長。公司將制定更合理、公開、科學的用人制度，不斷鞏固人才引進成果，加強幹部人才交流。

3. 建立全面預算管理體系

公司將深化全面預算管理，提高預算準確性，優化資源配置，加強投資業務預算管理，促進投融資業務突破。

4. *Enhancing financial and audit management*

The Company will enhance the management of financial information and improve the finance informationization continuously, and continue to amend and improve the relevant rules and regulations. The Company will introduce the implementation rules in addition to the existing audit management measures, inclining the audit management to the difficulties of operational management, key projects, engineering projects which are in difficulties and major business activities of the Company, so as to effectively improve the efficiency and quality of audit management.

5. *Enhancing the capability of compliance management*

The Company will continue to further promote the construction of the systems in relation to corporate legal risk prevention, legal advisors and legal affairs, to further enhance its capabilities of compliance management and corporate governance according to the law and provide more solid legal support and protection for CMEC to carry out further reform and development and to become stronger and better. The Company will effectively play a regulatory role in managing legal risks, by enhancing the compliance review and the measures of risk prevention and control, to ensure the compliance with laws, regulations and due procedures.

4. 加強財務和審計管理

公司將加強財務信息管理，持續提升財務信息化，繼續修訂完善相關規章制度。公司將在已有的審計管理辦法下出台實施細則，使審計向經營管理難點、重點項目、出現問題的工程項目及公司重大經營活動傾斜，切實提高審計工作效率和質量。

5. 提升合規管理能力

公司要繼續深化企業法律風險防範機制、法律顧問制度和法律工作體系建設，進一步提升合規管理能力和依法治企能力，努力為CMEC的進一步改革發展、做強做優提供更加堅實的法律支撐和保障。公司將切實發揮法律風險監管職責，加強合規審查及風險防控舉措，確保合法合規合程序。

6. *Enhancing social responsibility management and brand building*

The Company will further enhance its sense of responsibility, and develop a unique competitiveness in the field of social responsibility. The Company will further improve the social responsibility management system and carry out social responsibility work throughout the daily management practice. In addition, it will also strengthen the publicity of social responsibility to increase its corporate awareness by, among other opportunities, publishing annual social responsibility reports, carrying out welfare activities and holding conferences and exchanges which will help to create a good external environment beneficial to the development of the Company. The Company will further formulate CMEC brand development plan, standardize brand model and diversify the ways of disseminates.

FINAL DIVIDENDS

The Board recommended the distribution of a final dividend of RMB0.2033 per Share (pre-tax) for 4,125,700,000 Shares for the year ended December 31, 2014, representing a total amount of RMB838,754,810 (pre-tax).

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

The proposed final dividend is subject to Shareholders' approval at the upcoming annual general meeting of the Company (the "AGM"). The Company will issue a separate announcement regarding the date of the upcoming AGM, the record date for the payment of H Share dividends and the dates of closure of register of members of the Company.

6. 加強社會責任管理和品牌建設

公司要進一步增強責任意識，培育社會責任領域的獨特競爭力。公司將進一步完善社會責任管理體系，將社會責任工作貫穿到日常經營管理實踐中。公司還將加強社會責任宣傳，通過年度社會責任報告的發佈、開展公益活動、會議交流等機會，擴大企業影響，營造有利於公司發展的良好外部環境。公司將進一步制定CMEC品牌發展規劃，規範品牌模式，豐富傳播方式。

末期股息

董事會建議派付截至2014年12月31日止年度的末期股息，就4,125,700,000股每股人民幣0.2033元（稅前），合共人民幣838,754,810元（稅前）。

根據本公司章程規定，股息將以人民幣計價和宣佈。內資股的股息將以人民幣支付，而H股的股息則以港元支付。

擬派發的末期股息須經股東於本公司應屆股東週年大會（「股東週年大會」）上批准。本公司將就應屆股東週年大會日期、支付H股股息的記錄日期及本公司暫停辦理股份過戶登記日期刊發獨立公告。

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as its own code of corporate governance. The Company has complied with the code provisions as set out in the CG Code during the year ended December 31, 2014 and up to the date of this announcement. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company adopted the Model Code as its own code of conduct regarding Directors' securities transactions 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 year ended December 31, 2014.

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 of the Company in respect of their dealings in the Company's securities.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

During the year ended December 31, 2014, 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.

企業管治

本集團致力於維持企業管治的高標準以確保股東利益及提高公司價值及問責性。本公司已採用《企業管治守則》作為其企業管治守則。本公司於截至2014年12月31日止年度至本公告日期一直遵守《企業管治守則》所載的守則條文。本公司將繼續檢討及提升其企業管治常規，以確保遵守《企業管治守則》。

證券交易的標準守則

本公司已採納《標準守則》，作為其董事進行證券交易的行為守則，其條款不遜於《標準守則》所載的規定準則。對全體董事及監事的專門查詢後，各董事及監事均確認，彼等於截至2014年12月31日止年度一直遵守《標準守則》。

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

購買、出售或贖回上市證券

於截至2014年12月31日止年度，本公司並無贖回其於聯交所上市的任何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。

AUDITORS

At the 2014 second extraordinary general meeting of the Company held on October 20, 2014, Ernst & Young (安永會計師事務所) was appointed as the Company's international auditor in place of KPMG (畢馬威會計師事務所) and Ernst & Young Hua Ming LLP (Special General Partnership) (安永華明會計師事務所(特殊普通合夥)) was appointed as the Company's domestic auditor.

REVIEW OF RESULTS BY AUDIT COMMITTEE

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

The audit committee reviewed the Company's annual audited consolidated results for the year ended December 31, 2014.

PUBLICATION OF THE AUDITED CONSOLIDATED ANNUAL RESULTS AND 2014 ANNUAL REPORT ON THE RESPECTIVE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cmec.com). In accordance with the requirements under the Listing Rules which are applicable to the reporting period, the 2014 annual report containing all the information about the Company set out in this preliminary announcement of results for the year ended December 31, 2014 will be dispatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

核數師

於本公司在2014年10月20日舉行的2014年第二次臨時股東大會上，安永會計師事務所獲委任為本公司國際核數師取代畢馬威會計師事務所，而安永華明會計師事務所(特殊普通合夥)獲委任為本公司境內核數師。

審計委員會審閱業績

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

審計委員會已審閱本公司截至2014年12月31日止年度的全年經審計合併業績。

分別於聯交所及本公司的網站刊登經審計合併全年業績及2014年年報

本全年業績公告分別於聯交所網站(www.hkexnews.hk)及本公司網站(www.cmec.com)上刊登。根據適用應於報告期的《上市規則》規定，本公司將於適當時候向股東寄發載有該截至2014年12月31日止年度業績初步公告中所載的關於本公司的所有數據的2014年年報，並分別在聯交所及本公司的網站上刊登。

DEFINITIONS AND GLOSSARY OF 定義及技術術語表 TECHNICAL TERMS

“Board” 「董事會」	the board of Directors of the Company 本公司董事會
“CAGR” 「複合年增長率」	compound annual growth rate 複合年增長率
“CG Code” 「《企業管治守則》」	the Corporate Governance Code set out in Appendix 14 to the Listing Rules 載於《上市規則》附錄十四之《企業管治守則》
“Company”, “Our Company” or “CMEC” 「公司」、「本公司」或 「中國機械工程」	China Machinery Engineering Corporation* (中國機械設備工程股份有限公司), a joint stock company with limited liability incorporated in the PRC on January 18, 2011, and except where the context indicates otherwise, includes (i) our predecessors and (ii) with respect to the period before our Company became the holding company of its present subsidiaries, the business operated by it and its present subsidiaries or (as the case may be) their predecessors 中國機械設備工程股份有限公司，一家於2011年1月18日在中國註冊成立的股份有限公司；除非文義另有所指，否則包括：(i) 我們的前身及(ii)就本公司成為其現時附屬公司的控股公司前的期間而言，其及其現時附屬公司或（視情況而定）其前身經營的業務
“Core Sectors” 「核心行業」	the core sectors of our International Engineering Contracting Business which are the power sector, transportation sector 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
“developing countries” 「發展中國家」	according to the World Bank, developing countries can refer to the countries with low- and middle-income economies, which are those with a gross national income per capita of less than US\$12,275 根據世界銀行的資料，發展中國家可指經濟體收入處於低及中水平的國家，其人均國民總收入少於12,275美元
“Director(s)” 「董事」	the director(s) of our Company 本公司董事
“Domestic Share(s)” 「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

“ENR”	Engineering News-Record magazine, a publication that provides news, analyses, commentary and data about the global construction industry and an independent third party
「ENR」	Engineering News-Record雜誌，一本提供有關全球建造業消息、分析、評論及數據的刊物，為一名獨立第三方
“EPC”	a common form of contracting arrangement whereby the contractor is commissioned by the project owner to carry out such project work as design, procurement, construction and trial operations, or any combination of the above, either through the contractor’s own labor or by subcontracting part or all of the project work, and be responsible for the quality, safety, timely delivery and cost of the project
「EPC」	承包安排的常見形式，即承包商受項目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
“Group”, “we” and “us”	the Company and, except where the context otherwise requires, all its subsidiaries
「集團」 或「我們」	本公司及除文義另有所指外，包括其所有附屬公司
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administration Region of the PRC
「港元」	港元，中國香港特別行政區法定貨幣
“H Share(s)”	overseas listed foreign shares in our ordinary share capital with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange and subscribed for and traded in HK\$
「H股」	我們普通股本中的境外上市外資股，每股面值人民幣1.00元，以港元認購及買賣，並於聯交所主板上市
“IFRS”	International Financial Reporting Standards
「國際財務報告準則」	國際財務報告準則
“independent third party(ies)”	person(s) or company(ies) which is (are) independent of the directors, supervisors, controlling shareholder, substantial shareholder and the chief executive (such terms as defined in the Listing Rules) of the Company or any of its subsidiaries or an associate of any of them
「獨立第三方」	獨立於本公司或其任何附屬公司的任何董事、監事、控股股東、主要股東及行政總裁（定義見上市規則）或任何一方的聯繫人的個人或公司
“International Engineering Contracting Business”	the International Engineering Contracting Business conducted by our Group with a primary focus on EPC projects
「國際工程承包業務」	由本集團開展，並以EPC項目為重點的國際工程承包業務

“Ipsos”	Ipsos Hong Kong Limited, an independent third party, is part of Ipsos SA and it conducts research on market profiles, market size, share and segmentation analyses, distribution and value analyses, competitor tracking and corporate intelligence; it is responsible for conducting a comprehensive research on the industry information included in this announcement and providing the relevant data
「益普索」	益普索香港有限公司*，一名獨立第三方，為Ipsos SA的一部分，其開展市場概況、市場規模、份額及細分分析、分銷及價值分析、競爭對手追蹤及企業情報的研究；其對本公告內的行業資料展開全面調查並提供相關數據
“Ipsos Report”	a report prepared by Ipsos Hong Kong Limited, an independent third party, on the global infrastructure engineering industry and international trading industry in general, and the infrastructure engineering industry and international trading industry in the developing countries in particular, which was commissioned by us and issued on March 27, 2015
「益普索報告」	由我們委託獨立第三方益普索香港有限公司*於2015年3月27日刊發有關全球基礎設施建設工程行業與國際貿易行業整體（特別是有關發展中國家的基礎設施建設工程行業與國際貿易行業）的報告
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
「《上市規則》」	《聯交所證券上市規則》（經不時修訂）
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
「《標準守則》」	《上市規則》附錄十所載《上市發行人董事進行證券交易的標準守則》
“non-Core Sectors”	any sectors that do not fall within the Core Sectors of our International Engineering Contracting Business
「非核心行業」	任何並非屬於我們國際工程承包業務核心行業的行業
“Other Businesses”	the other businesses conducted by our Group, other than the International Engineering Contracting Business and the Trading Business, which include, among others, logistic services, exhibition services, tendering agency services, export-import agency services, design services and other services
「其他業務」	本集團開展的其他業務（國際工程承包業務及貿易業務除外），其中包括物流服務、展覽服務、招標代理服務、進出口代理服務、設計服務及其他服務
“PRC”	The People’s Republic of China
「中國」	中華人民共和國
“RMB” or “Renminbi”	Renminbi yuan, the lawful currency of the PRC

「人民幣」	人民幣，中國法定貨幣
“Share(s)”	share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, including our Domestic Shares and H Shares
「股份」	本公司股本中每股面值人民幣1.00元的股份，包括內資股及H股
“Shareholder(s)”	holder(s) of our Share(s)
「股東」	我們的股份持有人
“SINOMACH”	China National Machinery Industry Corporation* (中國機械工業集團有限公司), a state-owned enterprise established in the PRC on May 21, 1988, our controlling shareholder
「國機」	我們的控股股東中國機械工業集團有限公司，一家於1988年5月21日在中國成立的國有企業
“Sinosure”	China Export & Credit Insurance Corporation (中國出口信用保險公司), a policy-oriented insurance company specializing in export credit insurance in the PRC and an independent third party
「中國信保」	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”	The Stock Exchange of Hong Kong Limited
「聯交所」	香港聯合交易所有限公司
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
「附屬公司」	具有上市規則賦予該詞的涵義
“Supervisor(s)”	the supervisor(s) of the Company
「監事」	本公司監事
“Trading Business”	the international and domestic trading business conducted by our Group
「貿易業務」	本集團進行的國際和國內貿易業務
“US dollars” or “US\$”	United States dollars, the lawful currency of the United States
「美元」	美元，美國的法定貨幣
“%”	per cent. or percentage
「%」	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.*

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

Beijing, the PRC, March 29, 2015

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

* *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。

承董事會命
中國機械設備工程股份有限公司
董事長
孫柏

中國北京，2015年3月29日

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

* 僅供識別。