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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)

**INTERIM RESULTS
ANNOUNCEMENT
FOR THE SIX MONTHS ENDED
JUNE 30, 2015**

**截至2015年6月30日止六個月
中期業績公告**

INTERIM RESULTS HIGHLIGHTS

中期業績摘要

- Revenue amounted to RMB8,237.3 million, representing a decrease of RMB2,852.6 million or 25.7% from RMB11,089.9 million for the six months ended June 30, 2014.
- Profit from operations amounted to RMB751.5 million, representing a decrease of RMB293.7 million or 28.1% from RMB1,045.2 million for the six months ended June 30, 2014.
- Profit attributable to the Shareholders amounted to RMB819.8 million, representing an decrease of RMB267.8 million or 24.6% from RMB1,087.6 million for the six months ended June 30, 2014.
- Net cash generated from operating activities amounted to RMB2,140.9 million while net cash used in operating activities was RMB(559.1) million for the six months ended June 30, 2014.
- The Board does not recommend the payment of interim dividends.

- 收入為人民幣8,237.3百萬元，較截至2014年6月30日止六個月人民幣11,089.9百萬元下降人民幣2,852.6百萬元或25.7%。
- 經營溢利為人民幣751.5百萬元，較截至2014年6月30日止六個月人民幣1,045.2百萬元下降人民幣293.7百萬元或28.1%。
- 股東應佔溢利為人民幣819.8百萬元，較截至2014年6月30日止六個月人民幣1,087.6百萬元下降人民幣267.8百萬元或24.6%。
- 經營活動產生的現金淨額為人民幣2,140.9百萬元，而截至2014年6月30日止六個月經營活動所用的現金淨額為人民幣(559.1)百萬元。
- 董事會不建議派付中期股息。

* For identification purposes only.

* 僅供識別。

INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2015

The Board announces the unaudited operating results of the Group for the Period and a comparison with the operating results for the Corresponding Period in 2014.

INTERIM RESULTS

The consolidated financial information set out below is extracted from the unaudited interim financial report prepared in accordance with the International Accounting Standard 34, “Interim financial reporting” issued by the International Accounting Standards Board and the disclosure requirements under the Listing Rules as set out in the Group’s 2015 interim report which will be despatched to the Shareholders separately.

截至2015年6月30日止六個月的中期業績

董事會宣佈本集團於本期間的未經審計經營業績，以及2014年同期經營業績的比較。

中期業績

以下載列的合併財務資料乃摘錄自根據由國際會計準則委員會頒佈的國際會計準則第34號「中期財務報告」及上市規則的披露規定編製的未經審計中期財務報告，並分別載入本集團將寄發予股東的2015年中期報告內。

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS – UNAUDITED 中期簡明合併損益表 – 未經審計

| | | For the six months ended June 30, 截至6月30日止六個月 | |
|---|------------------------------|--|--|
| | | 2015 2015年 (Unaudited) (未經審計) RMB'000 人民幣千元 | 2014 2014年 (Unaudited) (未經審計) RMB'000 人民幣千元 |
| | | <i>Notes</i> 附註 | |
| REVENUE | 收入 | 4 | 8,237,307 |
| Cost of sales | 銷售成本 | | (6,887,708) |
| Gross profit | 毛利 | | 1,349,599 |
| Other revenue | 其他收入 | 4 | 1,293 |
| Other income/(expenses), net | 其他收入／(開支) 淨額 | 4 | 38,288 |
| Selling and distribution expenses | 銷售及分銷開支 | | (401,470) |
| Administrative expenses | 行政開支 | | (239,710) |
| Other operating income/(expenses) | 其他經營收入／(開支) | | 3,452 |
| PROFIT FROM OPERATIONS | 經營溢利 | | 751,452 |
| Finance income | 財務收入 | 5 | 359,122 |
| Finance expenses | 財務開支 | 5 | (17,225) |
| Net finance income | 財務收入淨額 | 5 | 341,897 |
| Share of profits less losses of: | 應佔以下溢利減虧損： | | |
| An associate | 一家聯營公司 | | – (33) |
| A joint venture | 一家合營企業 | | 285 – |
| PROFIT BEFORE TAXATION | 除稅前溢利 | | 1,093,634 |
| Income tax | 所得稅 | 6 | (274,112) |
| PROFIT FOR THE PERIOD | 本期間溢利 | | 819,522 |
| Attributable to: | 歸屬於： | | |
| Owners of the parent | 母公司擁有人 | | 819,771 |
| Non-controlling interests | 非控股權益 | | (249) |
| | | | 819,522 |
| 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 (人民幣元) | 7 | 20 cents 分 |
| | | | 26 cents 分 |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – UNAUDITED 中期簡明合併綜合收益表 – 未經審計

| | | For the six months ended June 30, | |
|--|----------------------|--|-------------------------|
| | | 截至6月30日止六個月 | |
| | | 2015 | 2014 |
| | | 2015年 | 2014年 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審計) | (未經審計) |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| PROFIT FOR THE PERIOD | 本期間溢利 | 819,522 | 1,086,237 |
| OTHER COMPREHENSIVE INCOME | 其他綜合收益 | | |
| Other comprehensive income not to be reclassified into profit or loss in subsequent period | 未於後續期間重新分類至損益的其他綜合收益 | | |
| Remeasurement of defined benefit obligations | 重新計量設定收益義務 | 1,350 | (8,910) |
| Other comprehensive income to be reclassified into profit or loss in subsequent period | 於後續期間重新分類至損益的其他綜合收益 | | |
| Changes in fair value of an available-for-sale investment | 可供出售投資公允值變動 | 2,620 | – |
| 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 | (1,878) | (1,464) |
| Total comprehensive income for the period | 本期間綜合收益總額 | <u>821,614</u> | <u>1,075,863</u> |
| Attributable to: | 歸屬於： | | |
| Owners of the parent | 母公司擁有人 | 822,361 | 1,077,132 |
| Non-controlling interests | 非控股權益 | (747) | (1,269) |
| | | <u>821,614</u> | <u>1,075,863</u> |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – UNAUDITED 中期簡明合併財務狀況表 – 未經審計
June 30, 2015 2015年6月30日

| | | | As at June 30, 2015 於2015年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元 | As at December 31, 2014 於2014年 12月31日 (Audited) (經審計) RMB'000 人民幣千元 |
|--|------------------|----|---|---|
| NON-CURRENT ASSETS | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | | 774,213 | 701,689 |
| Investment properties | 投資物業 | | 9,915 | 10,337 |
| Prepaid land lease payments | 預付土地租賃款項 | | 1,724,795 | 1,745,088 |
| Intangible assets | 無形資產 | | 8,367 | 8,746 |
| Investment in an associate | 於聯營公司的投資 | | 85,477 | – |
| Investment in a joint venture | 於合營企業的投資 | | 100,352 | 50,067 |
| Trade and other receivables | 貿易及其他應收款項 | 9 | 67,132 | 70,375 |
| Amounts due from contract customers | 應收合同客戶款項 | 8 | 2,605,149 | 2,698,467 |
| Deferred tax assets | 遞延稅項資產 | | 245,369 | 244,384 |
| Other non-current assets | 其他非流動資產 | | 249,191 | 246,778 |
| Total non-current assets | 非流動資產總額 | | 5,869,960 | 5,775,931 |
| CURRENT ASSETS | 流動資產 | | | |
| Inventories | 存貨 | | 352,803 | 259,979 |
| Trade and other receivables | 貿易及其他應收款項 | 9 | 5,837,471 | 6,179,073 |
| Amounts due from contract customers | 應收合同客戶款項 | 8 | 1,609,326 | 2,745,274 |
| Restricted deposits | 受限制存款 | | 345,836 | 300,235 |
| Time deposits with original maturity over three months | 原始到期日超過三個月的定期存款 | | 5,492,195 | 4,170,349 |
| Cash and cash equivalents | 現金及現金等價物 | | 18,447,083 | 17,792,501 |
| Total current assets | 流動資產總額 | | 32,084,714 | 31,447,411 |
| CURRENT LIABILITIES | 流動負債 | | | |
| Borrowings | 借貸 | | 64,578 | 205,742 |
| Receipts in advance | 預收款項 | | 10,503,444 | 9,170,168 |
| Trade and other payables | 貿易及其他應付款項 | 10 | 12,602,635 | 13,764,067 |
| Defined benefit obligations | 設定收益義務 | | 29,820 | 29,960 |
| Tax payable | 應繳稅項 | | 105,844 | 309,762 |
| Total current liabilities | 流動負債總額 | | 23,306,321 | 23,479,699 |
| NET CURRENT ASSETS | 流動資產淨額 | | 8,778,393 | 7,967,712 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 資產總額減流動負債 | | 14,648,353 | 13,743,643 |

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

June 30, 2015

中期簡明合併財務狀況表 – 未經審計 (續)

2015年6月30日

| | | As at June 30, 2015 於2015年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元 | As at December 31, 2014 於2014年 12月31日 (Audited) (經審計) RMB'000 人民幣千元 |
|--|--------------|---|--|
| TOTAL ASSETS LESS CURRENT LIABILITIES | 資產總額減流動負債 | 14,648,353 | 13,743,643 |
| NON-CURRENT LIABILITIES | 非流動負債 | | |
| Borrowings | 借貸 | 436,666 | 359,789 |
| Trade and other payables | 貿易及其他應付款項 | 2,103 | 2,178 |
| Defined benefit obligations | 設定收益義務 | 316,150 | 327,650 |
| Deferred tax liabilities | 遞延稅項負債 | 1,782 | 438 |
| Total non-current liabilities | 非流動負債總額 | 756,701 | 690,055 |
| Net assets | 淨資產 | 13,891,652 | 13,053,588 |
| EQUITY | 權益 | | |
| Issued capital | 已發行股本 | 4,125,700 | 4,125,700 |
| Reserves | 儲備 | 9,732,143 | 8,909,782 |
| Total equity attributable to owners of the parent | 母公司擁有人應佔權益總額 | 13,857,843 | 13,035,482 |
| Non-controlling interests | 非控股權益 | 33,809 | 18,106 |
| Total equity | 權益總額 | 13,891,652 | 13,053,588 |

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

未經審計中期簡明合併財務報表附註

1. CORPORATE INFORMATION

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

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

On December 21, 2012, the shares of the Company became listed on the Main Board of The Stock Exchange of Hong Kong Limited (“HKSE”). On January 2, 2013, the over-allotment option granted by the Company was fully exercised, thereby, the Company issued and allotted an aggregate of 107,700,000 H shares at HKD5.40 each. Accordingly, a total of 10,770,000 domestic state-owned shares of RMB1.00 each owned by China National Machinery Industry Corporation (“SINOMACH”) and China United were converted into H shares on a one-for-one basis and transferred to the National Council for Social Security Fund of the PRC (“NSSF”). As at June 30, 2015, a total of 908,270,000 H shares were listed on HKSE.

In the opinion of the directors of the Company (the “Directors”), the holding company and the ultimate holding company of the Company was SINOMACH, which was established in the People’s Republic of China.

2.1 BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements for the six months ended June 30, 2015 have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting and the disclosure requirements of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements as at 31 December 2014. The interim condensed consolidated financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand, except when otherwise indicated.

1. 公司資料

中國機械設備工程股份有限公司（「本公司」）為在中華人民共和國（「中國」）註冊成立的股份有限公司。本公司的註冊辦事處位於中國北京市廣安門外大街178號。

本公司及其附屬公司（「本集團」）主要從事國際工程承包業務及貿易業務。

於2012年12月21日，本公司股份於香港聯合交易所有限公司（「香港聯交所」）主板上市。於2013年1月2日，本公司授予的超額配股權獲悉數行使，故本公司按每股5.40港元發行及配發合共107,700,000股H股。因此，中國機械工業集團有限公司（「國機」）及中國聯合擁有的合共10,770,000股每股面值人民幣1.00元的國有內資股已按一換一的基準轉為H股，並轉讓予中國全國社會保障基金理事會（「社保基金理事會」）。於2015年6月30日，合共908,270,000股H股於香港聯交所上市。

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

2.1 編製基準

截至2015年6月30日止六個月的未經審計中期簡明合併財務報表已按國際會計準則（「國際會計準則」）第34號「中期財務報告」及香港聯交所證券上市規則的披露規定編製。

未經審計中期簡明合併財務報表並不包括年度財務報表所要求的所有資料及披露信息，並應連同本集團截至2014年12月31日止的年度財務報表一併閱讀。中期簡明合併財務報表以人民幣（「人民幣」）呈列，除另有指明外，所有金額均湊整至最接近千位。

2.2 IMPACT OF NEW AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2014, except for the adoption of the new and revised International Financial Reporting Standards ("IFRSs") as of 1 January 2015. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. These new and revised IFRSs do not impact the interim condensed consolidated financial statements of the Group.

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

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. This amendment is not relevant to the Group, since none of the entities within the Group has defined benefit plans with contributions from employees or third parties.

Annual Improvements 2010-2012 Cycle

These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these interim condensed consolidated financial statements. They include:

2.2 新訂及經修訂國際財務報告準則的影響

編製未經審計中期簡明合併財務報表所採納的會計政策與編製本集團截至2014年12月31日止年度的年度財務報表所用者一致，惟於截至2015年1月1日所採納的新訂及經修訂國際財務報告準則（「國際財務報告準則」）除外。本集團尚未提前採納任何其他已頒佈但尚未生效的準則詮釋或修訂。該等新訂及經修訂國際財務報告準則不會影響本集團的中期簡明合併財務報表。

各修訂或詮釋的性質及影響載述如下：

國際會計準則第19號的修訂本「設定收益計劃：僱員供款」

國際會計準則第19號規定實體在對設定福利計劃進行會計處理時考慮僱員或第三方供款。與服務有關的供款應歸屬為服務期間的負福利。此等修訂釐清，倘供款金額與服務年期無關，則允許實體在提供服務期間將有關供款確認為服務成本的減少，而非將供款分配至服務期間。此修訂於2014年7月1日或之後開始的年度期間生效。由於本集團內的實體概無供款來自僱員或第三方的設定收益計劃，故此修訂與本集團無關。

2010年至2012年週期的年度改進

此等改進自2014年7月1日起生效，而本集團在本中期簡明合併財務報表首次應用此等修訂，其中包括：

IFRS 2 Share-based Payment

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain service conditions
- A performance target must be met while the counterparty is rendering service
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
- A performance condition may be a market or non-market condition
- If the counterparty ceases to provide service during the vesting period (regardless of the reason), the service condition is not satisfied

The above definitions are consistent with how the Group has identified any performance and service conditions which are vesting conditions in the current interim period, and thus these amendments do not impact the Group's accounting policies.

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable). This is consistent with the Group's current accounting policy, and thus this amendment does not impact the Group's accounting policy.

IFRS 8 Operating Segments

The amendments are applied retrospectively and clarify that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.

國際財務報告準則第2號「以股份為基礎的付款」

此改進對未來應用，並釐清有關屬於歸屬條件的表現及服務條件定義的若干問題，包括：

- 表現條件必須包括服務條件
- 表現目標必須於交易對手提供服務時達成
- 表現目標可與實體或同一集團內另一實體的營運或活動有關
- 表現條件可為市場或非市場條件
- 倘交易對手（不論理由）於歸屬期內停止提供服務，則服務條件並未達成

以上定義與本集團於現行中期期間識別屬歸屬條件的任何績效及服務條件一致，故此等修訂對本集團的會計政策並無任何影響。

國際財務報告準則第3號「業務合併」

此修訂對未來應用，並釐清因業務合併而產生並分類為負債（或資產）的所有或然代價安排其後應按公允值透過損益計量，而不論其是否屬國際財務報告準則第9號（或國際會計準則第39號，如適用）的範圍內。上述內容與本集團現行會計政策一致，故此修訂並不影響本集團的會計政策。

國際財務報告準則第8號「經營分部」

此等修訂將予追溯應用，並釐清：

- 實體必須披露在應用國際財務報告準則第8號第12段的匯總準則時管理層所作出的判斷，包括已匯總的經營分部簡介以及用以評估分部是否「類似」的經濟特徵（如銷售額及毛利率）。

- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

The Group's operating activities are attributable to three operating segments. These amendments have no impact on the consolidated financial statements of the Group.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. The Group did not record any revaluation adjustments during the current interim period.

IAS 24 Related Party Disclosures

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party and should be subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant to the Group as it does not receive any management services from other entities.

Annual Improvements 2011-2013 Cycle

These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these interim condensed consolidated financial statements. They include:

- 分類資產與總資產的對賬僅須在對賬呈報予主要經營決策者時予以披露，與分類負債的披露規定類似。

本集團的經營活動歸屬於三個經營分部。此等修訂不會對本集團的綜合財務報表造成任何影響。

國際會計準則第16號「物業、廠房及設備」及國際會計準則第38號「無形資產」

此修訂將予追溯應用，並在國際會計準則第16號及國際會計準則第38號釐清資產可參考可觀察數據進行重估（藉調整資產總賬面金額至市值，或釐定賬面值的市值並按比例調整總賬面金額，使得出的賬面金額相等於市值）。此外，累計折舊或攤銷為資產總額與賬面金額的差額。本集團於現行中期期間並無記錄任何重估調整。

國際會計準則第24號「關聯方披露」

此修訂將予追溯應用，並釐清管理實體（即提供關鍵管理人員服務的實體）為關聯方，並須遵守關聯方披露規定。此外，使用管理實體的實體必須披露就管理服務產生的開支。由於本集團並無接受其他實體的任何管理服務，故此修訂與本集團無關。

2011年至2013年週期的年度改進

此等改進自2014年7月1日起生效，而本集團在本中期簡明合併財務報表首次應用此等修訂，其中包括：

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies the exceptions to the scope within IFRS 3 that:

- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3
- The exceptions to the scope apply only to the accounting in the financial statements of the joint arrangement itself

The Group is not a joint arrangement, and thus this amendment is not relevant to the Group and its subsidiaries.

IFRS 13 Fair Value Measurement

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable). The Group does not apply the portfolio exception in IFRS 13.

IAS 40 Investment Property

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e. property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. This is consistent with the Group's current accounting policy, and thus this amendment does not impact the Group's accounting policy.

國際財務報告準則第3號「業務合併」

此修訂對未來應用，並釐清國際財務報告準則第3號範圍內的例外情況：

- 合營安排（不僅限於合營企業）不屬國際財務報告準則第3號範圍內
- 本範圍的例外情況僅適用於合營安排本身財務報表的會計處理

由於本集團不屬於合營安排，故此修訂與本集團及其附屬公司無關。

國際財務報告準則第13號「公允值計量」

此修訂對未來應用，並釐清國際財務報告準則第13號的投資組合例外情況不僅可應用於金融資產及金融負債，亦可應用於國際財務報告準則第9號（或國際會計準則第39號，如適用）範圍內的其他合約。本集團並無應用國際財務報告準則第13號的投資組合例外情況。

國際會計準則第40號「投資物業」

國際會計準則第40號的輔助服務說明將投資物業與自用物業（即物業、廠房及設備）予以區分。此修訂對未來應用，並釐清須使用國際財務報告準則第3號而非國際會計準則第40號的輔助服務說明以確定交易乃屬資產收購或業務合併。此修訂與本集團現行會計政策一致，故此修訂不會對本集團的會計政策造成影響。

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs

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

| | |
|--|---|
| IFRS 9 | <i>Financial Instruments</i> ³ |
| Amendments to IFRS 10, IFRS 12, and IAS 28 | <i>Investment Entities: Applying the Consolidation Exception</i> ¹ |
| Amendments to IFRS 10 and IAS 28 | <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ¹ |
| Amendments to IFRS 11 | <i>Accounting for Acquisitions of Interests in Joint Operation</i> ¹ |
| IFRS 14 | <i>Regulatory Deferral Accounts</i> ¹ |
| IFRS 15 | <i>Revenue from Contracts with Customers</i> ² |
| Amendments to IAS 1 | <i>Disclosure Initiative</i> ¹ |
| Amendments to IAS 16 and IAS 38 | <i>Clarification of Acceptable Methods of Depreciation and Amortization</i> ¹ |
| Amendments to IAS 16 and IAS 41 | <i>Agriculture: Bearer Plants</i> ¹ |
| Amendments to IAS 27 | <i>Equity Method in separate Financial Statements</i> ¹ |
| Annual Improvements 2012-2014 Cycle | <i>Amendments to a number of IFRSs</i> ¹ |

¹ Effective for annual periods beginning on or after 1 January 2016

² Effective for annual periods beginning on or after 1 January 2017

³ Effective for annual periods beginning on or after 1 January 2018

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. Thus, the Group considers that these new and revised IFRSs are unlikely to have a significant impact on the Group's results and financial position.

3. OPERATING SEGMENT INFORMATION

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

- (a) Construction contracts: this segment mainly undertakes engineering, procurement and construction ("EPC") contracting business of overseas infrastructure-related construction projects (including hydropower, thermal power or other engineering projects) in various countries.

2.3 已頒佈但尚未生效之國際財務報告準則

本集團於其財務報表內並無應用以下已頒佈但尚未生效之新訂及經修訂國際財務報告準則。

| | |
|---|--|
| 國際財務報告準則第9號 | <i>金融工具</i> ³ |
| 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28號 (修訂) | <i>投資實體：應用綜合例外情況</i> ¹ |
| 國際財務報告準則第10號及國際會計準則第28號 (修訂) | <i>投資者與其聯營公司或合營企業之間的資產出售或注資</i> ¹ |
| 國際財務報告準則第11號 (修訂) | <i>收購聯合營運權益之會計處理</i> ¹ |
| 國際財務報告準則第14號 | <i>管制遞延賬戶</i> ¹ |
| 國際財務報告準則第15號 | <i>客戶合同收入</i> ² |
| 國際會計準則第1號 (修訂) | <i>披露建議</i> ¹ |
| 國際會計準則第16號及國際會計準則第38號 (修訂) | <i>對可採用的折舊和攤銷方法的澄清</i> ¹ |
| 國際會計準則第16號及國際會計準則第41號 (修訂) | <i>農業：生產性植物</i> ¹ |
| 國際會計準則第27號 (修訂) | <i>獨立財務報表之權益法</i> ¹ |
| 2012年至2014年週期的年度改進 | <i>多項國際財務報告準則之修訂</i> ¹ |

¹ 於2016年1月1日或之後開始之年度期間生效

² 於2017年1月1日或之後開始之年度期間生效

³ 於2018年1月1日或之後開始之年度期間生效

本集團正評估此等新訂及經修訂國際財務報告準則於首次應用時之影響。因此，本集團認為此等新訂及經修訂國際財務報告準則不大可能對本集團之業績及財務狀況構成重大影響。

3. 經營分部資料

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

- (a) 建造合同：本分部主要在各國從事海外基礎設施相關的施工項目(包括水電、火電或其他工程項目)的設計、採購及施工(「EPC」)承包業務。

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

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

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

- (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，惟應佔聯營公司及合營企業之溢利減虧損、銀行存款之利息收入、與設定收益計劃有關之財務成本、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／開支均不計入該計量內。

分部資產不包括於聯營公司及合營企業之投資、預付土地租賃款項、無形資產、遞延稅項資產、定期存款、現金及現金等價物、按公允值計入損益的股本投資、衍生金融工具及其他未分配總部及企業資產，此乃由於該等資產以集團形式管理。

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

各分部間的銷售及轉撥乃參考向第三方銷售所採用之售價，按當時市價進行交易。

(a) Segment revenue, results, assets and liabilities

(a) 分部收入、業績、資產及負債

| | | Six months ended June 30, 2015 截至2015年6月30日止六個月 | | | |
|---|-------------------|--|--|--|--|
| | | Construction contracts 建造合同 (Unaudited) (未經審計) RMB'000 人民幣千元 | Trading business 貿易業務 (Unaudited) (未經審計) RMB'000 人民幣千元 | Other businesses 其他業務 (Unaudited) (未經審計) RMB'000 人民幣千元 | Total 合計 (Unaudited) (未經審計) RMB'000 人民幣千元 |
| Segment revenue: | 分部收入： | | | | |
| Sales to external customers | 銷售予外部客戶 | 5,288,862 | 2,490,951 | 457,494 | 8,237,307 |
| Intersegment sales | 分部間收入 | – | 70,121 | 146,621 | 216,742 |
| Reportable segment revenue | 可報告分部收入 | 5,288,862 | 2,561,072 | 604,115 | 8,454,049 |
| Reportable segment profit | 可報告分部溢利 | 836,839 | 80,856 | 62,090 | 979,785 |
| Finance income | 財務收入 | 79,369 | 700 | – | 80,069 |
| Finance expenses | 財務開支 | 552 | 1,104 | 5,857 | 7,513 |
| Depreciation and amortisation | 折舊及攤銷 | – | – | 1,431 | 1,431 |
| 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 | 14,271 | (1,923) | 1,502 | 13,850 |
| – Amounts due from contract customers | – 應收合同客戶款項 | (17,402) | – | – | (17,402) |
| Reportable segment assets | 可報告分部資產 | 10,436,283 | 2,582,272 | 1,101,512 | 14,120,067 |
| – Capital expenditure | – 資本開支 | – | – | – | – |
| Reportable segment liabilities | 可報告分部負債 | 20,384,230 | 2,983,209 | 3,914,162 | 27,281,601 |

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

(a) 分部收入、業績、資產及負債(續)

| | | Six months ended June 30, 2014 截至2014年6月30日止六個月 | | | |
|--|-------------------|--|--|--|--|
| | | Construction contracts 建造合同 (Unaudited) (未經審計) RMB'000 人民幣千元 | Trading business 貿易業務 (Unaudited) (未經審計) RMB'000 人民幣千元 | Other businesses 其他業務 (Unaudited) (未經審計) RMB'000 人民幣千元 | Total 合計 (Unaudited) (未經審計) RMB'000 人民幣千元 |
| Segment revenue: | 分部收入： | | | | |
| Sales to external customers | 銷售予外部客戶 | 8,428,726 | 2,232,631 | 428,561 | 11,089,918 |
| Intersegment sales | 分部間收入 | – | 10,991 | 207,214 | 218,205 |
| Reportable segment revenue | 可報告分部收入 | 8,428,726 | 2,243,622 | 635,775 | 11,308,123 |
| Reportable segment profit | 可報告分部溢利 | 1,215,352 | 6,699 | 23,039 | 1,245,090 |
| Finance income | 財務收入 | 102,892 | – | – | 102,892 |
| Finance expenses | 財務開支 | 1,414 | 972 | – | 2,386 |
| Depreciation and amortisation | 折舊及攤銷 | – | – | 1,235 | 1,235 |
| 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 | 61,184 | 21,102 | 2,225 | 84,511 |
| – Amounts due from contract customers | – 應收合同客戶款項 | (23,454) | – | – | (23,454) |
| | | | | | |
| | | Year ended December 31, 2014 截至2014年12月31日止年度 | | | |
| | | Construction contracts 建造合同 (Audited) (經審計) RMB'000 人民幣千元 | Trading business 貿易業務 (Audited) (經審計) RMB'000 人民幣千元 | Other businesses 其他業務 (Audited) (經審計) RMB'000 人民幣千元 | Total 合計 (Audited) (經審計) RMB'000 人民幣千元 |
| Reportable segment assets | 可報告分部資產 | 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 |

(b) Reconciliation of reportable segment revenue, profit/loss, assets and liabilities**(b) 可報告分部收入、溢利／虧損、資產及負債的對賬**

| | | For the six months ended June 30, 截至6月30日止六個月 | |
|---|---------------------|--|--|
| | | 2015 2015年 (Unaudited) (未經審計) RMB'000 人民幣千元 | 2014 2014年 (Unaudited) (未經審計) RMB'000 人民幣千元 |
| Revenue: | 收入： | | |
| Reportable segment revenue | 可報告分部收入 | 8,454,049 | 11,308,123 |
| Elimination of inter-segment revenue | 分部間收入抵銷 | (216,742) | (218,205) |
| | | 8,237,307 | 11,089,918 |
| Profit: | 溢利： | | |
| Reportable segment profit | 可報告分部溢利 | 979,785 | 1,245,090 |
| Share of profits less losses of an associate | 應佔聯營公司溢利減虧損 | - | (33) |
| Share of profits less losses of a joint venture | 應佔合營企業溢利減虧損 | 285 | - |
| Other income/(expenses), net | 其他收入／(開支) 淨額 | 1,293 | (506) |
| Interest income from bank deposits | 來自銀行存款的利息收入 | 259,673 | 257,658 |
| Interest cost recognised in respect of defined benefit retirement plans | 就設定收益退休計劃確認的利息成本 | (6,420) | (7,680) |
| Foreign exchange gains/(losses), net | 匯兌收益／(虧損) 淨額 | (104,891) | 28,172 |
| Depreciation and amortisation | 折舊及攤銷 | (36,091) | (37,778) |
| Profit before tax | 除稅前溢利 | 1,093,634 | 1,484,923 |
| | | As at June 30, 2015 於2015年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元 | As at December 31, 2014 於2014年 12月31日 (Audited) (經審計) RMB'000 人民幣千元 |
| Assets: | 資產： | | |
| Reportable segment assets | 可報告分部資產 | 14,120,067 | 15,501,450 |
| Elimination of inter-segment receivables | 分部間應收款項抵銷 | (3,698,408) | (3,565,795) |
| | | 10,421,659 | 11,935,655 |
| Restricted deposits | 受限制存款 | 345,836 | 300,235 |
| Time deposits with original maturity over three months | 原始到期日超過三個月 的定期存款 | 5,492,195 | 4,170,349 |
| Cash and cash equivalents | 現金及現金等價物 | 18,447,083 | 17,792,501 |
| Property, plant and equipment | 物業、廠房及設備 | 774,213 | 701,689 |
| Prepaid land lease payments | 預付土地租賃款項 | 1,724,795 | 1,745,088 |
| Intangible assets | 無形資產 | 8,367 | 8,746 |
| Interest in a joint venture | 於合營企業的權益 | 100,352 | 50,067 |
| Interest in an associate | 於聯營公司的權益 | 85,477 | - |
| Deferred tax assets | 遞延稅項資產 | 245,369 | 244,384 |
| Other non-current assets | 其他非流動資產 | 249,191 | 246,778 |
| Other unallocated assets | 其他未分配資產 | 60,137 | 27,850 |
| | | 37,954,674 | 37,223,342 |

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

(b) 可報告分部收入、溢利／虧損、資產及負債的對賬（續）

| | | As at June 30, 2015 於2015年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元 | As at December 31, 2014 於2014年 12月31日 (Audited) (經審計) RMB'000 人民幣千元 |
|---------------------------------------|------------|---|---|
| Liabilities: | 負債： | | |
| Reportable segment liabilities | 可報告分部負債 | 27,281,601 | 27,045,871 |
| Elimination of inter-segment payables | 分部間應付款項抵銷 | <u>(3,698,408)</u> | <u>(3,565,795)</u> |
| | | 23,583,193 | 23,480,076 |
| Defined benefit obligations | 設定收益義務 | 345,970 | 357,610 |
| Tax payable | 應付稅項 | 105,844 | 309,762 |
| Deferred tax liabilities | 遞延稅項負債 | 1,782 | 438 |
| Other unallocated liabilities | 其他未分配負債 | <u>26,233</u> | <u>21,868</u> |
| | | <u>24,063,022</u> | <u>24,169,754</u> |

(c) Geographical information

(c) 地理區域資料

| | | For the six months ended June 30, 截至6月30日止六個月 | |
|--|------------------|--|--|
| | | 2015 2015年 (Unaudited) (未經審計) RMB'000 人民幣千元 | 2014 2014年 (Unaudited) (未經審計) RMB'000 人民幣千元 |
| Revenue from external customers | 來自外部客戶的收入 | | |
| China (Mainland) | 中國（大陸） | 1,743,978 | 1,621,675 |
| Venezuela | 委內瑞拉 | 1,527,565 | 834,413 |
| Equatorial Guinea | 赤道幾內亞 | 917,791 | 656,479 |
| Argentina | 阿根廷 | 877,514 | - |
| United States | 美國 | 324,075 | 178,982 |
| Pakistan | 巴基斯坦 | 319,340 | 149,536 |
| Iraq | 伊拉克 | 270,425 | 3,527,294 |
| Laos | 老撾 | 197,592 | 76,373 |
| Bengal | 孟加拉 | 168,829 | 10,233 |
| Thailand | 泰國 | 149,767 | 175,658 |
| Others | 其他 | <u>1,740,431</u> | <u>3,859,275</u> |
| | | <u>8,237,307</u> | <u>11,089,918</u> |

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。

(c) Geographical information (continued)

(c) 地理區域資料(續)

| | | As at June 30, 2015 於2015年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元 | As at December 31, 2014 於2014年 12月31日 (Audited) (經審計) RMB'000 人民幣千元 |
|-------------------------------------|----------------|---|--|
| Specified non-current assets | 特定非流動資產 | | |
| Mainland China | 中國大陸 | 2,553,949 | 2,457,553 |
| Others | 其他 | 7,357 | 8,307 |
| | | 2,561,306 | 2,465,860 |

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。

(d) Information about major customers

(d) 有關主要客戶的資料

Revenues generated from two customers derived from the construction contracts segment which individually amounted to more than 10% of the Group's revenue for the six months ended June 30, 2015 were RMB1,459,791,000 and RMB876,269,000, respectively (for the six months ended June 30, 2014: one customer RMB2,958,876,000).

截至2015年6月30日止六個月，來自建造合同的兩名客戶所產生的收入分別為人民幣1,459,791,000元及人民幣876,269,000元(截至2014年6月30日止六個月：一名客戶人民幣2,958,876,000元)，各自佔本集團收入的10%以上。

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

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:

4. 收入、其他收入／(開支)淨額

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：

| | | For the six months ended June 30, | |
|---|-----------------------|--|--------------------|
| | | 截至6月30日止六個月 | |
| | | 2015 | 2014 |
| | | 2015年 | 2014年 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審計) | (未經審計) |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Revenue | 收入 | | |
| Construction contracts | 建造合同 | 5,288,862 | 8,428,726 |
| Trading business | 貿易業務 | 2,490,951 | 2,232,631 |
| Others | 其他 | 457,494 | 428,561 |
| | | 8,237,307 | 11,089,918 |
| Other revenue | 其他收入 | | |
| Government grants | 政府補貼 | 1,293 | 867 |
| | | 1,293 | 867 |
| Other income/(expenses), net | 其他收入／(開支)淨額 | | |
| Net losses on disposal of items of property, plant and equipment | 處置物業、廠房及設備項目的虧損淨額 | - | (4,730) |
| Net losses on disposal of other intangible assets | 處置其他無形資產的虧損淨額 | (76) | - |
| Net gain on disposal of an available-for-sale investment | 處置可供出售投資的收益淨額 | 42 | - |
| 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 | 30,107 | (191,627) |
| Others | 其他 | 8,215 | 5,600 |
| | | 38,288 | (190,757) |

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.

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

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

| | | For the six months ended | |
|--|-------------------|---------------------------------|--------------------|
| | | June 30, | |
| | | 截至6月30日止六個月 | |
| | | 2015 | 2014 |
| | | 2015年 | 2014年 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審計) | (未經審計) |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | <i>Notes</i> | <i>附註</i> | |
| Finance income on receivables from customers | 應收客戶款項的財務收入 | 80,069 | 102,892 |
| Foreign exchange gains | 外匯收益 | 19,380 | 94,719 |
| Interest income | 利息收入 | 259,673 | 257,658 |
| Finance income | 財務收入 | 359,122 | 455,269 |
| Interest cost recognised in respect of defined benefit obligations | 就設定收益義務確認的利息成本 | 6,420 | 7,680 |
| 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 | 7,334 | 2,386 |
| Interest expenses on other borrowings | 其他借貸的利息開支 | 179 | - |
| Bank charges and others | 銀行費用及其他 | 3,292 | 5,397 |
| Finance expenses | 財務開支 | 17,225 | 15,463 |
| Net finance income recognised in profit or loss | 於損益確認的財務收入淨額 | 341,897 | 439,806 |

(b) Other items**(b) 其他項目**

| | | As at June 30, 2015 於2015年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元 | As at June 30, 2014 於2014年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元 |
|--|--------------------|--|--|
| Amortisation | 攤銷 | | |
| – Prepaid land lease payments | – 預付租賃款項 | 19,895 | 19,994 |
| – Intangible assets | – 無形資產 | 587 | 1,171 |
| | | 20,482 | 21,165 |
| Depreciation | 折舊 | | |
| – Property, plant and equipment | – 物業、廠房及設備 | 16,086 | 16,751 |
| – Investment properties | – 投資物業 | 954 | 1,097 |
| | | 17,040 | 17,848 |
| 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 | (59,422) | 84,511 |
| – Amounts due from contract customers | – 應收合同客戶款項 | 55,870 | (23,454) |
| | | (3,552) | 61,057 |
| Operating lease charges | 經營租賃費用 | | |
| – Lease of properties | – 租賃物業 | 15,105 | 10,902 |
| – Lease of other assets | – 租賃其他資產 | 324 | 249 |
| | | 15,429 | 11,151 |
| Cost of goods sold | 商品銷售成本 | 2,301,899 | 2,006,049 |

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 six months ended June 30, 2015 and 2014, except for one subsidiary of the Group which was entitled to the preferential tax rate of 15% (2014: 15%) because it is recognised as 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% (2014: 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2015年及2014年6月30日止六個月應用的法定企業所得稅稅率為25%，惟本集團的一家附屬公司因被中國地方政府認定為高新技術企業而有權享有15%（2014年：15%）的優惠稅率除外。

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%（2014年：16.5%）的稅率提撥。於其他地區的應課稅利潤乃按本集團營運所在的國家（或司法權區）的適用稅率計算稅項。

| | | For the six months ended June 30, 截至6月30日止六個月 | |
|-------------------------------------|--------------|--|--|
| | | 2015 2015年 (Unaudited) (未經審計) RMB'000 人民幣千元 | 2014 2014年 (Unaudited) (未經審計) RMB'000 人民幣千元 |
| Current income tax – Mainland China | 即期所得稅 – 中國大陸 | 271,840 | 491,576 |
| Current income tax – Hong Kong | 即期所得稅 – 香港 | 3,199 | – |
| Current income tax – Others | 即期所得稅 – 其他 | 58 | 6,129 |
| Deferred income tax | 遞延所得稅 | (985) | (99,019) |
| Total tax charge for the period | 本期間稅項支出總額 | <u>274,112</u> | <u>398,686</u> |

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

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

| | | For the six months ended | |
|--|------------------|---------------------------------|--------------------|
| | | June 30, | |
| | | 截至6月30日止六個月 | |
| | | 2015 | 2014 |
| | | 2015年 | 2014年 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審計) | (未經審計) |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Profit before tax | 除稅前溢利 | 1,093,634 | 1,484,923 |
| Tax at the statutory tax rate | 按法定稅率計算的稅項 | 273,409 | 371,047 |
| 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 | (940) | (6) |
| Income not subject to tax | 毋須課稅收入 | 71 | (8) |
| Expenses not deductible for tax | 不可扣稅開支 | 1,572 | 19,666 |
| Tax effect of deductible temporary differences not recognised | 未確認可抵扣暫時差額的稅項影響 | - | 7,805 |
| Others | 其他 | - | 182 |
| Tax charge at the Group's effective rate | 按本集團實際稅率計算的稅項支出 | 274,112 | 398,686 |

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

The calculation of basic earnings per share amount is based on the profit for the six months ended June 30, 2015 attributable to ordinary equity holders of the parent, and the weighted average number of 4,125,700,000 (six months ended June 30, 2014: 4,125,700,000) ordinary shares.

The calculation of basic earnings per share is based on:

7. 歸屬於母公司普通權益持有人的每股盈利

每股基本盈利乃按截至2015年6月30日止六個月歸屬於母公司普通權益持有人的溢利及普通股的加權平均數4,125,700,000股（截至2014年6月30日止六個月：4,125,700,000股）計算。

每股基本盈利乃按下列各項計算：

| | | For the six months ended June 30, 截至6月30日止六個月 | |
|--|---------------------------------|--|--|
| | | 2015 2015年 (Unaudited) (未經審計) RMB'000 人民幣千元 | 2014 2014年 (Unaudited) (未經審計) RMB'000 人民幣千元 |
| Earnings | 盈利 | | |
| Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation | 計算每股基本盈利所用的歸屬於 母公司普通權益持有人的溢利 | <u>819,771</u> | <u>1,087,626</u> |
| | | Number of shares 股份數目 | |
| | | For the six months ended June 30, 截至6月30日止六個月 | |
| | | 2015 2015年 Thousands shares 千股 | 2014 2014年 Thousands shares 千股 |
| Shares | 股份 | | |
| Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation | 計算每股基本盈利所用的年內 已發行普通股的加權平均數 | <u>4,125,700</u> | <u>4,125,700</u> |

8. AMOUNTS DUE FROM CONTRACT CUSTOMERS **8. 應收合同客戶款項**

| | | As at June 30, 2015 於2015年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元 | As at December 31, 2014 於2014年 12月31日 (Audited) (經審計) RMB'000 人民幣千元 |
|--|---------------------------|---|--|
| Gross amounts due from contract customers | 應收合同客戶款項總額 | | |
| – Current portion | – 流動部分 | 1,609,326 | 2,745,274 |
| – Non-current portion | – 非流動部分 | 2,605,149 | 2,698,467 |
| | | 4,214,475 | 5,443,741 |
| Contract costs incurred plus recognised profits less recognised losses to date | 迄今已產生合同成本加 已確認溢利減已確認虧損 | 71,202,333 | 67,045,389 |
| Less: Progress billings | 減：進度款項 | 66,987,858 | 61,601,648 |
| | | 4,214,475 | 5,443,741 |

9. TRADE AND OTHER RECEIVABLES

9. 貿易及其他應收款項

| | | | As at June 30, 2015 於2015年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元 | As at December 31, 2014 於2014年 12月31日 (Audited) (經審計) RMB'000 人民幣千元 |
|--|-------------|----------------|---|--|
| Bills receivable | 應收票據 | | 35,299 | 43,576 |
| Trade receivables | 貿易應收款項 | | 3,767,822 | 4,378,251 |
| Less: Allowance for doubtful debts | 減：呆賬撥備 | <i>(b)</i> | <u>(557,182)</u> | <u>(543,343)</u> |
| Trade and bills receivables | 貿易應收款項及應收票據 | <i>(a)</i> | <u>3,245,939</u> | <u>3,878,484</u> |
| Advances to suppliers | 供應商預付款 | | 1,408,840 | 1,011,211 |
| Other receivables | 其他應收款項 | | 1,111,786 | 1,175,610 |
| Prepayment, deposits and others | 預付款項、按金及其他 | | 200,172 | 246,266 |
| Less: Allowance for doubtful debts | 減：呆賬撥備 | <i>(b)</i> | <u>(62,134)</u> | <u>(62,123)</u> |
| | | | 1,249,824 | 1,359,753 |
| Portion classified as non-current assets | 分類為非流動資產的部分 | | <u>(67,132)</u> | <u>(70,375)</u> |
| Current portion | 流動部分 | <i>(e),(f)</i> | <u>5,837,471</u> | <u>6,179,073</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:

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

There are no unified standard credit terms granted to customers of 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.

(a) 賬齡分析

根據發票日期，於報告期末的貿易應收款項及應收票據經扣除撥備的賬齡分析如下：

| | As at June 30, 2015 於2015年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元 | As at December 31, 2014 於2014年 12月31日 (Audited) (經審計) RMB'000 人民幣千元 |
|--|---|--|
| | 946,446 | 1,938,313 |
| | 578,522 | 511,708 |
| | 971,391 | 554,783 |
| | 749,580 | 873,680 |
| | 3,245,939 | 3,878,484 |

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:

| | | As at June 30, 2015 於2015年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元 | As at December 31, 2014 於2014年 12月31日 (Audited) (經審計) RMB'000 人民幣千元 |
|--|-------------|---|---|
| At January 1 | 於1月1日 | 605,466 | 518,630 |
| Impairment losses recognised | 已確認的減值虧損 | 4,177 | 150,411 |
| Transfer in from amounts due from contract customers | 轉撥自應收合同客戶款項 | 73,272 | 149,486 |
| Impairment losses reversed | 已撥回的減值虧損 | (63,599) | (195,570) |
| Amount written off as uncollectible | 撇銷不可收回的金額 | — | (17,491) |
| | | 619,316 | 605,466 |

(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:

| | | As at June 30, 2015 於2015年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元 | As at December 31, 2014 於2014年 12月31日 (Audited) (經審計) RMB'000 人民幣千元 |
|-------------------------------|----------|---|---|
| Neither past due nor impaired | 既未逾期亦未減值 | 1,456,541 | 1,369,427 |
| More than 1 year past due | 逾期1年以上 | 12,150 | 28,494 |
| | | 1,468,691 | 1,397,921 |

(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：

(c) 未減值的貿易應收款項及應收票據

既未單獨亦未集體視為減值的貿易應收款項及應收票據的賬齡分析如下：

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

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, 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.

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

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 June 30 2015 and December 31 2014, none of the Group's borrowings were secured by the Group's trade receivables.

既未逾期亦未減值的應收款項與近期並無拖欠記錄的多名分散的客戶有關。

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

- (d) 應收本集團關聯方款項（計入貿易及其他應收款項）分析如下：

| As at June 30, 2015 | As at December 31, 2014 |
|------------------------------------|--|
| 於2015年 6月30日 | 於2014年 12月31日 |
| (Unaudited) | (Audited) |
| RMB'000 | RMB'000 |
| 人民幣千元 | 人民幣千元 |

| | |
|---------------|---------------|
| 13,445 | 19,638 |
|---------------|---------------|

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2015年6月30日及2014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。

10. TRADE AND OTHER PAYABLES

10. 貿易及其他應付款項

| | | As at June 30, 2015 於2015年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元 | As at December 31, 2014 於2014年 12月31日 (Audited) (經審計) RMB'000 人民幣千元 |
|--|--------------|---|---|
| Bills payable | 應付票據 | 26,197 | 43,338 |
| Trade payables | 貿易應付款項 | <u>11,173,769</u> | <u>12,346,341</u> |
| | | 11,199,966 | 12,389,679 |
| Accrued salaries, wages and benefits | 應計薪金、工資及福利 | 709,274 | 691,513 |
| Other taxes payable | 其他應繳稅項 | 21,953 | 125,244 |
| Other payables | 其他應付款項 | 655,859 | 530,061 |
| Derivative financial instruments | 衍生金融工具 | <u>17,686</u> | <u>29,748</u> |
| | | 12,604,738 | 13,766,245 |
| Less: Portion classified as current liabilities | 減：分類為流動負債的部分 | <u>12,602,635</u> | <u>13,764,067</u> |
| Non-current portion | 非流動部分 | <u>2,103</u> | <u>2,178</u> |

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賬款的賬齡分析如下：

| | | As at June 30, 2015 於2015年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元 | As at December 31, 2014 於2014年 12月31日 (Audited) (經審計) RMB'000 人民幣千元 |
|----------------------|---------|---|---|
| Within 3 months | 3個月以內 | 2,433,721 | 3,886,171 |
| 3 months to 6 months | 3個月至6個月 | 1,211,764 | 1,323,633 |
| 6 months to 1 year | 6個月至1年 | 1,916,689 | 3,168,021 |
| Over 1 year | 1年以上 | <u>5,637,792</u> | <u>4,011,854</u> |
| | | 11,199,966 | 12,389,679 |

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

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

| | | As at June 30, 2015 於2015年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元 | As at December 31, 2014 於2014年 12月31日 (Audited) (經審計) RMB'000 人民幣千元 |
|---|--------------|---|---|
| China National Machinery Industry Corporation | 中國機械工業集團有限公司 | 2,049 | 2,000 |
| Fellow subsidiaries | 同系附屬公司 | 939,680 | 1,086,503 |

11. DIVIDENDS

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

The Directors do not recommend the payment of any interim dividend for the six months ended June 30, 2015 (six months ended June 30, 2014: nil).

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

On June 29, 2015 upon the approval at the annual general meeting, the Company declared final dividend in respect of the financial year ended December 31, 2014 of RMB0.2033 per share, with total amount of approximately RMB838,754,810 (2013: RMB783,883,000).

11. 股息

(a) 於中期期間應付予本公司股東股息

董事並不建議派付截至2015年6月30日止六個月的任何中期股息（截至2014年6月30日止六個月：無）。

(b) 於中期期間內批准之過往財政年度應付予本公司股東股息

於2015年6月29日經股東週年大會批准後，本公司就截至2014年12月31日止財政年度宣派末期股息每股人民幣0.2033元，總金額約為人民幣838,754,810元（2013年：人民幣783,883,000元）。

I. INDUSTRY OVERVIEW

Under persisting downside pressure, the overall domestic and overseas environment was complex in the first half of 2015. From an international perspective, the global economic growth for the first half of the year was lower than expected. The still-slow recovery at the moment, significant differentiation, increasing geopolitical conflicts during the first half of the year as well as relatively deep drop in prices of large commodities all added to the instability and uncertainty of the global economic recovery. Domestically, China is currently at the key stage of a structural adjustment of economy and change of growth model. The impact of the structural adjustment is still being felt and there is mounting pressure to shift to a higher gear. Besides, the transformation from old to new momentum is still on the way and the new momentum is yet to offset the impact of the declining traditional momentum; as a result, the downside pressure on domestic economic growth still cannot be overlooked. Based on comparable prices, the gross domestic product in China in the first half of 2015 was RMB29,700 billion, representing a 7.0% year-on-year increase based on comparable pricing. The growth rate continued to decrease as compared with the same period in 2014.

A. International Engineering Contracting Business

In the first half of this year, the international engineering contracting business in China achieved a turnover of US\$67.54 billion, with a 9.7% year-on-year increase. The value of newly-signed contracts reached US\$86.67 billion, representing a 6.9% year-on-year increase. Newly-signed projects of over US\$50.00 million amounted to 313 (increased by 11 as compared with 302 in the same period last year), and has a total value of US\$69.69 billion, accounting for 80.4% of the total value of newly-signed contracts. Among which, 187 projects have a project

I. 行業概覽

2015年上半年，國內外的環境總體複雜多變，下行壓力持續顯現。從國際形勢來看，上半年世界經濟增長低於預期，目前仍然是緩慢復蘇、分化明顯，並且上半年由地緣政治引發的衝突事件有所增加，加上大宗商品價格的下滑幅度較大，進一步增加了世界經濟復蘇的不穩定性和不確定性。對於國內來說，目前，我國正處在調整經濟結構、轉變增長方式的關鍵階段。結構調整的影響在繼續釋放，增速換擋的壓力有所加大，而且新舊動力的轉換也在進行之中，新動力還難以對沖傳統動力下降的影響，導致國內經濟增速下行的壓力仍然不可忽視。2015年上半年中國國內生產總值人民幣29.7萬億元，按可比價格計算，同比增長7.0%，增幅較2014年同期繼續下降。

A. 國際工程承包業務

今年上半年，我國對外承包工程業務完成營業額675.4億美元，同比增長9.7%；新簽合同額866.7億美元，同比增長6.9%，新簽合同額在5,000萬美元以上的項目313個（上年同期302個，增加11個），合計696.9億美元，佔新簽合同總額的80.4%。其中項目金額上億美元的項目達187個，同比增加19個。

amount of up to a hundred million US dollars, representing an increase of 19 as compared with the same period last year. Along the route of “One Belt and One Road”, China has undertaken 1,401 overseas contracting projects in approximately 60 countries, with newly-signed contracts amounting to US\$37.55 billion, representing 43.3% of the value of China’s newly-signed contracts for overseas contracting projects during that period and a 16.7% year-on-year increase. A turnover of US\$29.7 billion was achieved, accounting for 44% of the total amount for the same period and representing a 5.4% year-on-year increase.¹

In terms of geographical segment, notwithstanding their larger economic base value, the growth rate of the European and American markets continued to decrease under the influence of macroeconomic factors. In contrast, emerging countries such as Africa, Asia and South America displayed huge economic growth potential and maintained continuous and stable growth. Asia Pacific has now become the largest infrastructure construction market in the world and continued to maintain high-speed growth. Latin America has become the global hot spot, while Africa has also been widely considered as one of the most promising markets in the world.

In terms of industry, the power market is still of higher demand and continues to record growth. Owing to the urgent need to fill the huge gap in electricity supply in developing countries, investment opportunities in the infrastructure field of developing countries are mainly power-driven, while the market opportunities in developed countries mainly relate to the adjustment of energy structure. In terms of business model, the market prospect for investment projects such as concession is generally bright. Due to the relatively early start of development, the policy and legal environment of regions such as Southeast Asia, Latin

我國在「一帶一路」沿線約60個國家承攬對外承包工程項目1,401個，新簽合同額375.5億美元，佔同期我國對外承包工程新簽合同額的43.3%，同比增長16.7%；完成營業額297億美元，佔同期總額的44%，同比增長5.4%。¹

分區域看，歐美市場雖經濟基數較大，但增長率受宏觀經濟影響持續下降，非洲、亞洲和南美等新興國家的經濟增長潛力巨大並保持持續穩定增長。亞太地區已經成為全球最大的基礎設施建設市場，並保持高速增長；拉美地區成為全球熱點區域；非洲地區也被廣泛認為是全球最具潛力的市場之一。

分行業看，電力能源市場仍然需求較大、並繼續保持增長。發展中國家因亟需解決電力供應的巨大缺口，基礎設施領域的投資機會以電力能源為主，而發達國家的市場機會主要集中在調整能源結構方面。業務模式上，特許經營等投資類項目的市場前景普遍被看好。東南亞、拉美和中東歐等

¹ Source: regular press conference of MOFCOM (July 21, 2015)

¹ 數據來源：商務部例行新聞發佈會（2015年7月21日）

America and Central and Eastern Europe are more established and mature than underdeveloped regions, and the development of concession-type business such as BOT (build-operate-transfer) will be faster.

B. Trading Business

In the first half of this year, the total amount of import and export in China was RMB11,500 billion, a decrease by 6.9% year-on-year, of which the total export amounted to RMB6,570 billion, representing a 0.9% year-on-year increase. The total import amounted to RMB4,960 billion, a drop of 15.5% year-on-year. The export and import amounts offset each other and realized a trade surplus of RMB1,610 billion.²

In summary, overseas trading has shown improvement in both quality and efficiency in the first half of 2015. General progress was made amidst stability while development has entered into a new normal state. The trading industry exhibited the following characteristics: the structure of trading method was constantly optimizing and the general trading export recorded a significant growth; diversification of trading partners achieved obvious results, which was beneficial to export growth of emerging markets and some of the countries along the “One Belt and One Road” route; the endogenous momentum of overseas trading was getting stronger while the participation of private enterprises significantly increased; the structure of export products continued to optimize and the export of electromechanical products and traditional labor-intensive products increased while some high-end products recorded higher export growth; along with the improvement of efficiency of overseas trading, the conditions of the trading prices also improved significantly while the import volume of some bulk commodities increased with decline in prices.

地區由於發展起步相對較早，政策法律環境相比欠發達地區更為完備成熟，BOT (build-operate-transfer)等特許經營類業務將發展更為迅速。

B. 貿易業務

今年上半年，我國進出口總額人民幣11.5萬億元，同比下降6.9%。其中，出口總額為人民幣6.57萬億元，同比增長0.9%；進口總額為人民幣4.96萬億元，同比下降15.5%。進出口總額相抵，實現貿易順差人民幣1.61萬億元。²

總的來說，2015上半年對外貿易發展質量及效益有所改善，總體穩中趨好，發展進入新常態。貿易行業呈現以下特點：貿易方式結構不斷優化，一般貿易出口顯著增長；貿易夥伴多元化取得明顯成效，對新興市場和部分「一帶一路」沿線國家出口增勢良好；外貿內生動力進一步增強，民營企業比重顯著提升；出口產品結構持續優化，機電產品、傳統勞動密集型產品出口增長，部分高端產品出口增速較快；貿易價格條件明顯改善，部分大宗商品進口量增價跌，對外貿易效益提升。

² Source: Conference of the State Council Informational Office in respect of the condition of export and import in the first half of the year (July 13, 2015)

² 數據來源：國務院新聞辦關於上半年進出口有關情況的發佈會（2015年7月13日）

II. BUSINESS OVERVIEW

In the first half of 2015, the overall business of the Company maintained a stable development, and each business was operating as scheduled. For the Period, revenue from the International Engineering Contracting Business accounted for 64.2% of the Group's total revenue whereas the gross profit accounted for 77.6% of the Group's total gross profit; revenue from the Trading Business accounted for 30.2% of the Group's total revenue whereas the gross profit accounted for 12.5% of the Group's total gross profit; revenue from Other Businesses accounted for 5.6% of the Group's total revenue whereas the gross profit accounted for 9.9% of the Group's total gross profit. Each business sector continued to generate a good synergy, which established a solid foundation for achieving the overall business goal of the Group for the whole year.

A. International Engineering Contracting Business

We are a leading international engineering contracting and services provider with a primary focus on EPC projects and with particular expertise in the power sector. The International Engineering Contracting Business is one of the traditional core businesses of the Group, representing 64.2% of the Group's total revenue for the Period. In particular, revenue from the power sector accounted for 62.4% of the total revenue of the Group's International Engineering Contracting Business, whereas the gross profit of the power sector accounted for 77.9% of the total gross profit of the International Engineering Contracting Business. Gross profit margin of the power sector maintained at an industry-leading level of 24.7%.

II. 業務概覽

2015年上半年，公司的總體業務保持穩定發展，各項業務正常執行。本期間，國際工程承包業務收入佔總收入64.2%，毛利佔毛利總額77.6%；貿易業務收入佔總收入30.2%，毛利佔總毛利額12.5%；其他業務收入佔總收入5.6%，毛利佔總毛利額9.9%。各業務板塊繼續產生良好的協同效應，為實現本集團全年業務目標打下了良好基礎。

A. 國際工程承包業務

本集團是國際領先的工程承包與服務商，主要專注於EPC項目，特別專長於電力能源行業。國際工程承包業務為本集團傳統核心業務之一，佔於本期間的本集團總收入的64.2%。其中，電力能源行業收入佔本集團國際工程承包業務總收入62.4%，而電力能源行業的毛利則佔國際工程承包業務總毛利77.9%，毛利率保持在24.7%，處於行業領先水平。

Details of the International Engineering Contracting Business for the Period, compared with those for the Corresponding Period in 2014, are set out in the table below:

下表載列本期間國際工程承包業務詳情，以及2014年同期的比較數字：

| | | | | Six months ended June 30, 2015 截至2015年6月30日止六個月 RMB million 人民幣百萬元 | % of Total 佔總額% | Six months ended June 30, 2014 截至2014年6月30日止六個月 RMB million 人民幣百萬元 | Increase/ (decrease) 增加/ (減少) |
|--------------------------------|---------|--------------------|-----------|---|--------------------|---|----------------------------------|
| Revenue | 收入 | Power | 電力能源 | 3,301.7 | 62.4 | 7,141.7 | -53.8% |
| | | Transportation | 交通運輸 | 1,257.0 | 23.8 | 448.7 | 180.1% |
| | | Telecommunications | 電子通訊 | 165.9 | 3.1 | 55.6 | 198.4% |
| | | Non-Core Sectors | 非核心行業 | 564.2 | 10.7 | 782.7 | -27.9% |
| | | Total | 合計 | 5,288.8 | 100 | 8,428.7 | -37.3% |
| Gross profit | 毛利 | Power | 電力能源 | 816.1 | 77.9 | 1,762.1 | -53.7% |
| | | Transportation | 交通運輸 | 148.4 | 14.2 | 30.1 | 393.0% |
| | | Telecommunications | 電子通訊 | 12.5 | 1.2 | 4.4 | 184.1% |
| | | Non-Core Sectors | 非核心行業 | 70.9 | 6.7 | 68.9 | 2.9% |
| | | Total | 合計 | 1,047.9 | 100 | 1,865.5 | -43.8% |
| | | | | Six months ended June 30, 2015 截至2015年6月30日止六個月 US\$ million 百萬美元 | % of Total 佔總額% | Six months ended June 30, 2014 截至2014年6月30日止六個月 US\$ million 百萬美元 | Increase/ (decrease) 增加/ (減少) |
| Newly effective contract value | 新生效合同金額 | Power | 電力能源 | 724.3 | 98.3 | 16.8 | 4,211.3% |
| | | Transportation | 交通運輸 | 12.7 | 1.7 | 40.0 | -68.3% |
| | | Telecommunications | 電子通訊 | - | - | - | - |
| | | Non-Core Sectors | 非核心行業 | - | - | 140.4 | -100.0% |
| | | Total | 合計 | 737.0 | 100 | 197.2 | 273.7% |

| | | | | As at June 30, 2015 於 2015年 6月30日 US\$ million 百萬美元 | % of Total 估總額% | As at December 31, 2014 於 2014年 12月31日 US\$ million 百萬美元 | Increase/ (decrease) 增加/ (減少) |
|---|--------------|--------------------|-----------|---|-----------------------|--|--|
| Backlog | 未完成合同量 | Power | 電力能源 | 4,277.1 | 53.4 | 4,091.1 | 4.5% |
| | | Transportation | 交通運輸 | 2,437.4 | 30.4 | 2,619.6 | -7.0% |
| | | Telecommunications | 電子通訊 | 365.4 | 4.6 | 392.2 | -6.8% |
| | | Non-Core Sectors | 非核心行業 | 928.3 | 11.6 | 1,019.7 | -9.0% |
| | | Total | 合計 | 8,008.2 | 100 | 8,122.6 | -1.4% |
| Signed contracts pending to be effective | 待生效 已簽訂合同 | Power | 電力能源 | 7,527.7 | 60.6 | 7,695.4 | -2.2% |
| | | Transportation | 交通運輸 | 1,054.0 | 8.5 | 1,054.0 | - |
| | | Telecommunications | 電子通訊 | 100.0 | 0.8 | 100.0 | - |
| | | Non-Core Sectors | 非核心行業 | 3,743.3 | 30.1 | 4,008.9 | -6.6% |
| | | Total | 合計 | 12,425.0 | 100 | 12,858.3 | -3.4% |

As at June 30, 2015, the Group had undertaken engineering contracting projects in more than 48 countries over the world, primarily in Asia, Africa, Europe and South America. The following map indicates the locations of our engineering contracting projects from January 1, 2009 to June 30, 2015:

於2015年6月30日，本集團的工程承包項目遍及全球超過48個國家，主要在亞洲、非洲、歐洲及南美洲。以下地圖顯示於2009年1月1日至2015年6月30日我們工程承包項目的位置：



The following table sets forth a breakdown of the revenue from the Group's international engineering contracting projects by geographic locations for the Period, compared with those for the Corresponding Period in 2014:

| | | Six months ended June 30, 截至6月30日止六個月 | | | |
|---------------|-----------|---|----------------------------|---|----------------------------|
| | | 2015 2015年 RMB million 人民幣 百萬元 | % of Total 佔總額% | 2014 2014年 RMB million 人民幣 百萬元 | % of Total 佔總額% |
| Asia | 亞洲 | 1,173.9 | 22.2 | 4,443.5 | 52.7 |
| Africa | 非洲 | 1,346.8 | 25.5 | 1,741.0 | 20.7 |
| Europe | 歐洲 | 307.0 | 5.8 | 1,413.5 | 16.8 |
| South America | 南美洲 | 2,390.2 | 45.2 | 830.7 | 9.8 |
| North America | 北美洲 | 70.9 | 1.3 | - | - |
| Total | 合計 | 5,288.8 | 100 | 8,428.7 | 100 |

下表載列本集團於本期間與2014年同期按地區劃分的國際工程承包項目收入明細：

1. Satisfactory Project Performance

In the first half of 2015, although each result index of the International Engineering Contracting Business dropped as compared with the Corresponding Period in 2014, the overall business development was stable and orderly with each engineering project implemented in a steady and healthy manner and each kind of risk under control in general. From the perspective of the external environment, the Company is still facing the following challenges: first, the current global economy is still in deep adjustment, under which the overall recovery is weak, the demand is sluggish and the prospect remains uncertain; second, the competition of the engineering contracting business in the international market intensified and the complexity and difficulty of project implementation increased as a result of the current surplus of domestic capacity; third, overseas projects pose serious security threats. Specifically, some

1. 履約情況良好

2015上半年，國際工程承包業務雖然各項業績指標同比2014年同期有所下降，但是業務總體發展平穩有序，各個工程項目穩健執行，各類風險總體可控。從外部環境來看，公司仍然面臨以下挑戰：一是當前全球經濟依舊處於深度調整之中，總體復蘇乏力，需求不振，前景仍不明朗；二是目前國內產能過剩造成工程成套業務在國際市場上的競爭日趨白熱化，項目執行的複雜程度和難度日益加大；三是境外安全形勢嚴峻，部分國家政治風險和民族

countries experienced a sharp increase of political risk and ethnic conflicts as well as the frequent occurrence of terrorist activities and local attacks in countries such as Iraq and Turkey, all of which greatly increased the uncertainty for project implementation in those countries.

Under such situation, the Company has introduced a series of measures to stabilize growth and promote development. In terms of project performance, the Company will strengthen project implementation, revise and improve several aspects of the regulations and systems, and standardize the supervision of key projects, in order to get a strict control on each aspect and process of project implementation and to ensure a timely completion of projects with premium quality.

This year, the Company has a number of significant projects that obtained good progress. In January, the emergency power supply project in Zulia, Venezuela, has obtained the final handover certificates of two power plant projects in progress, namely GUAICAIPURO(2X30MW) and SANLORENZO(1X30MW) power projects, from the project owners. For the same project, the Company has also obtained the provisional acceptance certificates of 54 diesel plants out of 58 diesel plants and the final handover certificates of 50 diesel plants. In the same month, the last NDJ substation and the 90kV power transmission lines connected with the substation under the 90kV ring network and middle to low pressure distribution network project in N'Djamena, Chad, have successfully come into operation. In March 2015, at the handover ceremony of the medical equipment supply project

矛盾激增，如伊拉克、土耳其等國家恐怖活動和局部衝突頻發，大大增加在這些國家執行項目的不確定性。

在這種形勢下，公司出台了一系列穩增長、促發展的措施。在項目履約方面，狠抓項目執行，修訂完善了多個環節的規章制度，並將重點項目督查工作常態化，嚴格把控項目執行的每個環節和節點，確保項目按時保質完成。

今年，公司有一批重要項目取得了良好進展。1月，委內瑞拉蘇利亞州應急發電項目取得了項目業主簽發的兩個在建燃機電站GUAICAIPURO(2X30MW)和SANLORENZO(1X30MW)的最終移交證書以及58個柴油機站中54個柴油機站的臨時驗收證書和50個柴油機站的最終移交證書。同月，乍得恩賈梅納90kV環網以及中低壓配網項目項下最後一個NDJ變電站以及與變電站連接的90kV輸電線路均順利實現通電。2015年3月，在津巴布韋醫療設備供貨項目移交儀式上，津巴布韋總統穆加貝先生親自出席參加

in Zimbabwe, Mr. Mugabe, the Zimbabwe president, attended the ceremony in person and expressed his gratitude for the Company's assistance in purchasing advanced medical equipment, which will effectively enhance the current medical level of Zimbabwe. In June 2015, the project of upgrading to bitumen standard of main road 67 in Namibia undertaken by the Company has received an engineering acceptance certificate jointly signed by the Highway Department of Namibia and the consulting engineer, symbolizing a smooth transfer of the project and the project entered into a one-year warranty period. Such project was the first project of the Company in Namibia, of which the actual completion took place 99 days ahead of the contract schedule. The local government of Namibia and the project consultant engineers gave high evaluation on the quality of the construction, and fully affirmed and praised the project outcomes on different occasions. In July 2015, when the Mongolian prime minister Mr. Saikhanbileg and his delegation visited the central heating station in Amgalan city, which was constructed by the Group, they gave full recognition to the achievement of the project construction. In addition, during the same month, when Ms. Shen Yueyue, the Vice Chairwoman of the National People's Congress Standing Committee, visited and inspected the construction site of the housing project phase II – development of 1,500 housing units in Maldives, she showered heaps of praise on the project quality and speed of its implementation and encouraged CMEC to continue to contribute in boosting the ties between China and Maldives.

並對公司幫助購得先進醫療設備表示感謝，其表示此舉將有效提高津巴布韋現有醫療水平。2015年6月，公司承建的納米比亞67號公路瀝青規格升級項目收到納米比亞公路局和諮詢工程師共同簽署的工程接收證書，標誌着該項目順利移交並進入為期一年的質保期。該項目是公司在納米比亞的首個項目，實際竣工較合同工期提前了99天，納米比亞當地政府和項目諮詢工程師多次高度評價項目的建設質量，並充分肯定和讚揚了項目成果。2015年7月，蒙古國總理賽汗畢力格先生一行在考察本集團承建的阿木古郎城市集中供熱站項目時，對項目建設成就給予了充分肯定。同月，全國人大常委會副委員長沈躍女士蒞臨馬爾代夫1,500套住房開發項目二期的施工現場指導工作時，讚揚了項目的工程質量和執行速度，勉勵CMEC繼續為建立中馬兩國的友好關係做出貢獻。

While exercising strict control over several aspects, such as cost, quality, construction period and safety of projects, the Company also pays close attention to the training of relevant staff of project owners and actively performs its social responsibility so as to create top quality engineering projects with all efforts. In March 2015, the Company held trainings in China for 48 operational and maintenance personnel of the project owner in respect of the project of No. 6 600MW steam turbine power unit of the central power plant in Venezuela. The training included several important courses on basic plant knowledge training, simulation training and plant operation and intensive repairment training. In June, the Company also held a graduation ceremony for these trainings, which have great significance for the smooth implementation and the subsequent maintenance of the project.

2. *Resolution to Progress and Explore Markets*

The Company designed elaborate plan of market development and dedicated its efforts on implementing mature projects. It also actively responded to the significant strategic plans of China, such as “One Belt and One Road” and “interconnecting with neighboring countries”, and further promoted localization and regionalization which delivered a series of results. As of June 30, 2015, the value of the Group’s newly effective contracts was US\$737.0 million, representing an increase of 273.7% as compared with that of the Corresponding Period in 2014, of which the power sector accounted for 98.3%.

公司在嚴格管控項目成本、質量、工期、安全等方面的同時，還十分注重對業主方相關人員的培訓，積極履行社會責任，努力打造精品工程。2015年3月，本公司組織委內瑞拉中央電廠6號600MW蒸汽輪機發電機組項目業主方48名運行、維護人員來華培訓，為其開設了電廠基礎知識培訓、仿真機培訓、電廠運行和大修實習培訓等多門重要課程，並於6月舉辦了結業儀式。這次培訓對項目的順利執行以及後期的運營維護均有重大意義。

2. 市場開拓砥礪前行

公司在市場開拓方面精心佈局，全力落實成熟項目，積極順應國家「一帶一路」、週邊國家互聯互通等重大戰略佈局，深入推進屬地化、區域化，並取得了一系列成果。截至2015年6月30日，本集團新生效合同額為737.0百萬美元，較2014年同期上升273.7%，其中電力能源行業佔98.3%。

In particular, the KOSTOLAC-B power plant project (Phase II) in Serbia became effective on May 25, 2015. Since its signing, the project has received a high regard from the governments and state leaders of the two countries. Its scope of works includes the construction of a 350MW supercritical coal-fired generation unit (B3) and expansion of open pit mining capacity. The construction period for B3 part is approximately 58 months while the construction period for expansion of mining capacity is approximately 47 months, with a project contract value of US\$715.6 million in aggregate. Such project is the Company's power plant project that adopted European Union emission standard for construction. After the completion of the project, the local tension associated with power shortage will be relieved to a large extent.

For market development, in the first half of this year, the Company has signed certain projects that showed outstanding performance. In January, the Company has signed the 225kV loop around Bamako in Mali (Phase I) with the Ministry of Energy and Water of Mali, the contract value of which amounted to US\$107 million. In May 2015, the Company has signed the Kohing-Naphia transmission line project and Namxam HPP-Houamuang transmission line project with Electricite Du Laos, the contract values of which amounted to approximately US\$338 million and US\$146 million, respectively.

其中，塞爾維亞KOSTOLAC-B電站項目(二期)項目於2015年5月25日正式生效。該項目自簽約以來，就受到兩國政府、國家領導人的高度重視，其工作範圍為新建一台350MW超臨界燃煤發電機組(B3)及露天煤礦擴容，B3部分工期約為58個月，煤礦擴容部分工期約為47個月，項目合同總金額為7.156億美元。該項目是本公司採用歐盟排放標準進行建設的電站項目。項目落成後，將從很大程度上緩解當地的用電緊張局面。

在市場開發方面，今年上半年，公司簽署了多個項目，亮點紛呈。1月，本公司與馬里能源及水務部簽署馬里巴馬科225kV環城輸變電項目(一期)，合同金額約為1.07億美元。2015年5月，本公司與老撾國家電力公司簽署Kohing-Naphia輸變電項目和Namxam HPP-Houamuang輸變電項目，合同金額分別約為3.38億美元和1.46億美元。

Belarus transmission line support project signed in June 2015 is the first foreign-aid EPC project won by the Company through tender in that country, and therefore the successful signing signifies a milestone of the Company. TENAGA 49.5MW wind power project in Pakistan signed in July, which has already received the NTC (notice to commence) issued by the project owner, is the Company's first overseas EPC wind power project. General Electric Company (USA) (“**General Electric**”) supplies the wind turbine generator for the said project, which has significant bearing on the Company's business development in the new energy field.

In April this year, under the joint witness of Mr. Xi Jinping, the President of China, and Mr. Sharif, the Prime Minister of Pakistan, the Company signed a memorandum of agreement in respect of the facilitation of 330MW local coal-fired power project in Pind Dadan Khan, Salt Range Punjab, Pakistan to further promote the Company's buildup of utilizing local coal power station projects in Punjab Province and provide stronger support for subsequent development. In May 2015, the Company signed a memorandum of understanding with the Tourism Department of Maldives in respect of the Fahala resort project. Furthermore, the Company continued to deepen cooperation with important strategic partners. In January this year, the Company and General Electric entered into a “Memorandum of Understanding in respect of Strategic Cooperation in Africa”.

2015年6月簽署的援白俄羅斯輸變電項目是本公司在該國中標的首個對外援助成套項目，該項目的成功簽署對公司具有里程碑意義。7月簽署的巴基斯坦TENAGA 49.5MW風電項目是本公司首個海外EPC風電項目，已正式收到項目業主簽發的開工令(NTC)，該項目由美國通用電氣公司(「通用電氣」)提供風電機組，對本公司拓展新能源領域的業務具有重要意義。

今年4月，在國家主席習近平先生和巴基斯坦總理謝里夫先生的共同見證下，本公司簽署了巴基斯坦旁遮普鹽岩礦區330MW坑口電站項目的便利化協議備忘錄，進一步促進本公司在旁遮普省利用當地煤電站項目的開發進程，為後續開發工作提供更有力保障。2015年5月，本公司與馬爾代夫旅遊部就法哈拉旅遊島項目簽署了諒解備忘錄。此外，本公司還與重要戰略合作夥伴不斷深化合作。今年1月，本公司與通用電氣簽署了《非洲區戰略合作諒解備忘錄》。

As at June 30, 2015, the value of the signed contracts pending to be effective of the Group amounted to US\$12,425.0 million, of which the power sector accounted for approximately 60.6%.

For the regionalized and localized construction, the Company enhanced its efforts in establishing overseas entities and established CMEC Lanka (Private) Limited, CMEC Middle East Fze and several overseas branches and representative offices. Moreover, the Company further enlarged the proportion of engineering subcontracting and purchase from project locations and increased the extent of local employment as well as actively exploring new mechanisms for the establishment of an overseas staff system and heightening the effort of local subcontracting.

B. Trading Business

In the first half of this year, the Company's overall operation of the Trading Business achieved progress amidst stability and the business structure has been adjusted to an optimal level. Core products, branding and market system were essentially established and the advantages of regionalized integration through segment reorganization have begun to take shape.

於2015年6月30日，本集團已簽約待生效合同額為12,425.0百萬美元，其中電力能源約佔60.6%。

在區域化、屬地化建設方面，本公司加大設立海外機構力度，先後成立了中設蘭卡有限責任公司，CMEC中東區域公司，以及若干個海外分公司和代表處。另外，本公司進一步加大項目所在地工程分包及採購的比重，提高僱用當地員工的比例，並積極探索建立海外員工制度及加大當地分包力度的新途徑。

B. 貿易業務

今年上半年，本公司的貿易業務總體經營穩中有進、業務結構得到優化調整。核心產品、品牌和市場制度已經基本建立，板塊重組的區域化集成優勢初步顯現。

Details of the Trading Business for the Period, compared with those for the Corresponding Period in 2014, are set out in the table below:

下表載列截至本期間貿易業務詳情連同2014年同期的比較數字：

| | | | | Six months ended June 30, 2015 截至 2015年 6月30日止 六個月 RMB million 人民幣 百萬元 | % of Total 佔總額% | Six months ended June 30, 2014 截至 2014年 6月30日止 六個月 RMB million 人民幣 百萬元 | Increase/ (decrease) 增加/ (減少) |
|--------------|----|---------------------|-----------|--|-----------------------|--|--|
| Revenue | 收入 | International trade | 國際貿易 | 1,661.9 | 66.7 | 1,791.5 | -7.2% |
| | | Domestic trade | 國內貿易 | 829.1 | 33.3 | 441.1 | 88.0% |
| | | Total | 合計 | 2,491.0 | 100 | 2,232.6 | 80.7% |
| Gross profit | 毛利 | International trade | 國際貿易 | 113.3 | 67.3 | 108.2 | 4.7% |
| | | Domestic trade | 國內貿易 | 55.0 | 32.7 | 26.2 | 11.6% |
| | | Total | 合計 | 168.3 | 100 | 134.4 | 25.2% |

In the first half of this year, the brake rotor body invented independently by the reorganized China Machinery Industrial Products Co., Ltd. (“China Machinery Industrial”) and its casting device have gained three “Certificates of Utility Model Patent” issued by the State Intellectual Property Office, which symbolizes a new progress for technological advancement of the Company towards high-end forging and casting goods. China Machinery Industrial began to consolidate its position in terms of high-tech and high value-added forging and casting goods, and further extended its product range from forging and casting goods for traditional mining machinery and engineering machinery classes to forging and casting goods for plant equipment and high-speed rail equipment classes. In March this year, China Machinery Industrial entered into a “Long-term

今年上半年，重組後的中設集團裝備製造有限責任公司（「中設裝備製造」）獨立研發的制動盤盤體及其鑄造裝置獲得國家知識產權局頒發的三項《實用新型專利證書》，此舉標誌着該公司在高端鑄鍛件產品的技術研發上取得了新進展。中設裝備製造開始在高技術、高附加值鑄鍛件產品佔有一席之地，並從傳統的礦山機械、工程機械類鑄鍛件產品，進一步向電站設備、高速鐵路裝備類鑄鍛件產品延伸。中設裝備製造還於今年3月與世界500強企業－美國久益環球集團（「久益」）簽

Strategic Purchase Agreement” with Joy Global Inc. (“**JOY**”), one of the world’s top 500 enterprises, becoming a long-term strategic partner of JOY and its largest supplier of machinery component in the world. China Machinery Industrial is gradually transforming from a traditional trader to a supplier of professional value-added services.

The eastern China business department of the Company (“**Eastern China Business Department**”) set up a trading platform company in Wuxi through stock holdings, which attracts a number of import and export businesses to be carried out through this platform, which expanded the import and export businesses of that company.

Furthermore, the Company launched researches regarding a cross-border e-commerce business, which aimed to combine the advantages of CMEC’s overseas channels under the new trend of integrating “Internet+” and traditional industries so as to leverage the optimization and integrated effect of the Internet and to explore the transformation, innovation and upgrade of CMEC’s traditional trading business.

C. Other Businesses

In addition to the Group’s International Engineering Contracting Business and Trading Business, the Group also operates the Other Businesses, including the provision of design services, logistics services, exhibitions services, tendering agency services and other services (including the export-import agency services), and conducting strategic equity investment. For the Period, the revenue and gross profit from the Other Businesses amounted to RMB457.5 million and RMB133.4 million, respectively.

署了《久益環球集團長期戰略採購協議》，成為久益長期戰略合作夥伴及全球最大的機械零部件供應商。中設裝備製造正逐漸從傳統貿易商向提供專業化增值服務商轉變。

公司華東事業部（「**華東事業部**」）在無錫通過控股設立貿易平台公司，吸引了大批進出口業務到此平台上操作，從而擴大了該公司的進出口業務。

此外，公司還就跨境電子商務業務展開了研討。研討的目的是為了在「互聯網+」與傳統行業融合發展的新形勢下，結合CMEC海外渠道優勢，充分發揮互聯網的優化和集成作用，探討CMEC傳統貿易業務轉型、創新和升級。

C. 其他業務

除了本集團的國際工程承包業務及貿易業務外，本集團亦經營其他業務，包括提供設計服務、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），並從事戰略性股權投資。於本期間，來自其他業務的收入和毛利分別為人民幣457.5百萬元和人民幣133.4百萬元。

Details of the Group's Other Businesses for the Period, compared with those for the Corresponding Period in 2014, are set out in the table below:

下表載列本集團於本期間其他業務詳情連同2014年同期的比較數字：

| | | | | Six months ended June 30, 2015 截至 2015年 6月30日止 六個月 RMB million 人民幣 百萬元 | % of total 估總額% | Six months ended June 30, 2014 截至 2014年 6月30日止 六個月 RMB million 人民幣 百萬元 | Increase/ (decrease) 增加/ (減少) |
|---------------------|-----------|----------------------------------|-----------|--|-----------------------|--|--|
| Revenue | 收入 | Logistics services | 物流服務 | 129.2 | 28.2 | 142.4 | -9.3% |
| | | Design services | 設計服務 | 207.3 | 45.3 | 197.3 | 5.1% |
| | | Exhibition services | 展覽服務 | 61.1 | 13.4 | 59.8 | 2.2% |
| | | Tendering agency services | 招標代理服務 | 3.8 | 0.8 | 5.9 | -35.6% |
| | | Export-import agency services | 進出口代理服務 | 5.9 | 1.3 | 4.4 | 34.1% |
| | | Other | 其他 | 50.2 | 11.0 | 18.8 | 167.0% |
| | | Total | 合計 | 457.5 | 100 | 428.6 | 6.7% |
| Gross profit | 毛利 | Total | 合計 | 133.4 | 100 | 125.7 | 6.1% |

III. HUMAN RESOURCES

As at June 30, 2015, the Group had approximately 2,879 (December 31, 2014: 2,892) employees. Employees' remuneration comprises basic salary and performance salary. The performance salary is determined according to the assessment of the performance of all staff. The Company does not adopt any pre- or post-IPO share award scheme or share option scheme.

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

III. 人力資源

於2015年6月30日，本集團僱用員工約2,879人（2014年12月31日：2,892人）。員工薪酬包括基本薪金及績效薪金。績效薪金乃根據全體員工的表現評估釐定。本公司概無採納任何首次公開發售前或後股份獎勵計劃或購股權計劃。

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

IV. FINANCIAL POSITION AND OPERATING RESULTS

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

1. Overview

For the Period, each of the major financial data of the Group presented certain level of downward trend, while the gross profit margin was still maintained at a relatively high level.

2. Revenue

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

During the Period, the Group's revenue amounted to approximately RMB8,237.3 million, representing a decrease of 25.7% as compared with the Group's revenue of RMB11,089.9 million for the Corresponding Period in 2014.

IV. 財務狀況及經營業績

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

1. 概覽

於本期間，本集團各項主要財務數據呈現一定幅度的下降態勢，但毛利率仍保持較高水平。

2. 收入

本集團的收入來自國際工程承包業務、貿易業務及其他業務。

於本期間，本集團的收入約為人民幣8,237.3百萬元，較本集團於2014年同期的收入為人民幣11,089.9百萬元，減少25.7%。

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

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

| | | Six months ended June 30, 截至6月30日止六個月 | | | |
|---|----------------------|---|---|--|---|
| | | 2015 2015年 | | 2014 2014年 | |
| | | <i>RMB</i> <i>million</i> 人民幣 百萬元 | <i>% of</i> <i>Total</i> 總額的 % | <i>RMB</i> <i>million</i> 人民幣 百萬元 | <i>% of</i> <i>Total</i> 總額的 % |
| International Engineering Contracting Business | 國際工程 承包業務 | | | | |
| Power | 電力能源 | 3,301.7 | 40.1 | 7,141.7 | 64.4 |
| Transportation | 交通運輸 | 1,257.0 | 15.3 | 448.7 | 4.0 |
| Telecommunications | 電子通訊 | 165.9 | 2.0 | 55.6 | 0.5 |
| Non-Core Sectors | 非核心行業 | 564.2 | 6.8 | 782.7 | 7.1 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Trading Business | 貿易業務 | | | | |
| International trade | 國際貿易 | 1,661.9 | 20.2 | 1,791.5 | 16.1 |
| Domestic trade | 國內貿易 | 829.1 | 10.0 | 441.1 | 4.0 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Other Businesses | 其他業務 | 457.5 | 5.6 | 428.6 | 3.9 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Total | 總計 | 8,237.3 | 100 | 11,089.9 | 100 |
| | | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

1) International Engineering Contracting Business

For the Period, the Group's revenue generated from the International Engineering Contracting Business amounted to RMB5,288.8 million, which accounted for 64.2% of the Group's total revenue for the Period, representing a decrease of 37.3% as compared with approximately RMB8,428.7 million for the Corresponding Period in 2014, primarily due to the decrease in revenue from the power sector.

For the Period, revenue from the power sector amounted to RMB3,301.7 million, representing a decrease of 53.8% as compared with RMB7,141.7 million for the Corresponding Period in 2014, primarily due to the significant progress of the power station projects in Asia in the Corresponding Period of last year, which generated higher revenue as compared with the first half of 2015.

For the Period, revenue from the transportation sector amounted to RMB1,257.0 million, representing an increase of 180.1% as compared with RMB448.7 million for the Corresponding Period in 2014, primarily attributable to the commencement of the construction of the railway reconstruction project in South America in the second half of 2014, which generated more revenue as compared with the first half of 2014.

1) 國際工程承包業務

於本期間，本集團的國際工程承包業務收入為人民幣5,288.8百萬元，佔於本期間本集團總收入64.2%及較2014年同期約人民幣8,428.7百萬元減少37.3%，主要由於電力能源行業收入下降。

於本期間，電力能源行業收入為人民幣3,301.7百萬元，比2014年同期人民幣7,141.7百萬元下降53.8%，主要由於亞洲電站項目於上年同期取得較大進展，相比2015年上半年取得收入較多。

於本期間，交通運輸行業收入為人民幣1,257.0百萬元，比2014年同期人民幣448.7百萬元增長180.1%，主要由於南美洲鐵路改造項目於2014年下半年開始建設，相比2014年上半年取得收入較多。

For the Period, revenue from the telecommunications sector amounted to RMB165.9 million, representing an increase of 198.4% as compared with RMB55.6 million for the Corresponding Period in 2014, mainly due to the greater progress achieved by the telecommunications projects in Asia in the first half of 2015, which generated more revenue as compared with the first half of 2014.

For the Period, revenue from the non-Core Sectors amounted to RMB564.2 million, representing a decrease of 27.9% as compared with RMB782.7 million for the Corresponding Period in 2014, primarily because the medical and educational projects in Africa, which had a significant progress during the first half of 2014, were basically completed in 2015.

2) *Trading Business*

For the Period, the Group's revenue generated from the Trading Business reached RMB2,491.0 million, which accounted for 30.2% of the Group's total revenue for the Period, representing an increase of 11.6% as compared with RMB2,232.6 million for the Corresponding Period in 2014, which was attributable to the increase in revenue from domestic trade.

For the Period, revenue from the international trade amounted to RMB1,661.9 million, representing a decrease of 7.2% as compared with RMB1,791.5 million for the Corresponding Period in 2014.

於本期間，電子通訊行業收入為人民幣165.9百萬元，比2014年同期人民幣55.6百萬元增長198.4%，主要由於在亞洲的電子通訊項目於2015年上半年有較大進展，相比2014年上半年取得收入較多。

於本期間，非核心行業收入為人民幣564.2百萬元，比2014年同期人民幣782.7百萬元下降27.9%，主要原因是2014年上半年取得較大進展的，位於非洲的醫療和教育項目2015年已基本結束。

2) *貿易業務*

於本期間，本集團的貿易業務收入為人民幣2,491.0百萬元，佔本集團於本期間總收入30.2%及較2014年同期人民幣2,232.6百萬元增長11.6%，由於國內貿易收入增長。

於本期間，國際貿易收入為人民幣1,661.9百萬元，比2014年同期人民幣1,791.5百萬元下降7.2%。

For the Period, revenue from domestic trade amounted to RMB829.1 million, representing an increase of 88.0% as compared with RMB441.1 million for the Corresponding Period in 2014, mainly as a result of an increase in the trading volume of metallic products.

3) *Other Businesses*

For the Period, the Group's revenue generated from the Other Businesses amounted to RMB457.5 million, which accounted for 5.6% of the Group's total revenue for the Period, representing an increase of 6.7% as compared with RMB428.6 million for the Corresponding Period in 2014.

3. **Cost of Sales**

For the Period, the Group's cost of sales decreased by 23.2% to RMB6,887.7 million from RMB8,964.3 million for the Corresponding Period in 2014.

於本期間，國內貿易收入為人民幣829.1百萬元，比2014年同期人民幣441.1百萬元增長88.0%，主要由於金屬製品業務量的增加。

3) **其他業務**

於本期間，本集團的其他業務收入為人民幣457.5百萬元，佔本集團於本期間總收入5.6%及較2014年同期人民幣428.6百萬元增長6.7%。

3. **銷售成本**

於本期間，本集團的銷售成本為人民幣6,887.7百萬元，而2014年同期則為人民幣8,964.3百萬元，降幅為23.2%。

4. Gross Profit and Gross Profit Margin

1) Gross Profit

During the Period, the Group's gross profit amounted to RMB1,349.6 million, representing a decrease of 36.5% as compared with RMB2,125.6 million for the Corresponding Period in 2014.

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

4. 毛利及毛利率

1) 毛利

於本期間，本集團的毛利為人民幣1,349.6百萬元，較2014年同期人民幣2,125.6百萬元下降36.5%。

於本期間，本集團毛利構成情況如下：

| | | Six months ended June 30, 截至6月30日止六個月 | | | |
|---|----------------------|--|-------------------------------------|--|-------------------------------------|
| | | 2015 2015年 | | 2014 2014年 | |
| | | <i>RMB million 人民幣 百萬元</i> | <i>% of Total 總額的 %</i> | <i>RMB million 人民幣 百萬元</i> | <i>% of Total 總額的 %</i> |
| International Engineering Contracting Business | 國際工程 承包業務 | | | | |
| Power | 電力能源 | 816.1 | 60.5 | 1,762.1 | 82.9 |
| Transportation | 交通運輸 | 148.4 | 11.0 | 30.1 | 1.4 |
| Telecommunications | 電子通訊 | 12.5 | 0.9 | 4.4 | 0.2 |
| Non-Core Sectors | 非核心行業 | 70.9 | 5.2 | 68.9 | 3.2 |
| Trading Business | 貿易業務 | | | | |
| International trade | 國際貿易 | 113.3 | 8.4 | 108.2 | 5.1 |
| Domestic trade | 國內貿易 | 55.0 | 4.1 | 26.2 | 1.2 |
| Other Businesses | 其他業務 | 133.4 | 9.9 | 125.7 | 6.0 |
| Total | 總計 | 1,349.6 | 100 | 2,125.6 | 100 |

i) *International Engineering Contracting Business*

For the Period, the Group's gross profit from the International Engineering Contracting Business amounted to RMB1,047.9 million, which accounted for 77.6% of the Group's total gross profit for the Period, representing a decrease of 43.8% as compared with RMB1,865.5 million for the Corresponding Period in 2014, primarily due to the cyclical decrease resulted from the progress of the projects in the power sector for the Period.

For the Period, gross profit of the power sector amounted to RMB816.1 million, representing a decrease of 53.7% as compared with RMB1,762.1 million for the Corresponding Period in 2014, primarily due to the significant progress made by the power station projects in Asia during the Corresponding Period of last year, which generated more revenue as compared with that in the first half of 2015.

For the Period, gross profit of the transportation sector amounted to RMB148.4 million, representing an increase of 393.0% as compared with RMB30.1 million for the Corresponding Period in 2014, mainly attributable to the commencement of the construction of the railway reconstruction projects in South America in the second half of 2014, which generated more revenue as compared with that in the first half of 2014.

i) *國際工程承包業務*

於本期間，本集團國際工程承包業務的毛利為人民幣1,047.9百萬元，佔本集團本期間總毛利77.6%，較2014年同期人民幣1,865.5百萬元下降43.8%，主要由於電力能源行業於本期間根據項目進展帶來的周期性下降。

於本期間，電力能源行業毛利為人民幣816.1百萬元，比2014年同期人民幣1,762.1百萬元下降53.7%，主要由於在位於亞洲的某電站項目於上年同期取得較大進展，相比2015年上半年取得收入較多。

於本期間，交通運輸行業毛利為人民幣148.4百萬元，比2014年同期人民幣30.1百萬元增長393.0%，主要由於南美洲鐵路改造項目於2014年下半年開始建設，相比2014年上半年取得收入較多。

For the Period, gross profit of the telecommunications sector amounted to RMB12.5 million, representing an increase of 184.1% as compared with RMB4.4 million for the Corresponding Period in 2014, primarily due to the significant progress of the telecommunications projects with higher gross profit margin in Asia in the first half of 2015.

For the Period, gross profit of the non-Core Sectors amounted to RMB70.9 million, representing an increase of 2.9% as compared with RMB68.9 million for the Corresponding Period in 2014, which was at substantially the same level.

ii) *Trading Business*

For the Period, the Group's gross profit from the Trading Business amounted to RMB168.3 million, which accounted for 12.5% of the Group's total gross profit for the Period, representing an increase of 25.2% as compared with RMB134.4 million for the Corresponding Period in 2014, primarily due to the increase in turnover and gross profit from domestic trade.

於本期間，電子通訊行業毛利為人民幣12.5百萬元，比2014年同期人民幣4.4百萬元增長184.1%，主要由於在亞洲的較高毛利率的電子通訊項目2015年上半年有較大進展。

於本期間，非核心行業毛利為人民幣70.9百萬元，比2014年同期人民幣68.9百萬元增長2.9%，基本持平。

ii) *貿易業務*

於本期間，本集團貿易業務的毛利為人民幣168.3百萬元，佔本集團本期間總毛利12.5%及較2014年同期人民幣134.4百萬元增長25.2%，主要是國內貿易業務量及毛利均有所增長。

iii) *Other Businesses*

For the Period, the Group's gross profit from Other Businesses amounted to RMB133.4 million, which accounted for 9.9% of the Group's total gross profit for the Period, representing an increase of 6.1% as compared with RMB125.7 million for the Corresponding Period in 2014.

2) *Gross Profit Margin*

During the Period, the Group's gross profit margin decreased by 2.8 percentage points to approximately 16.4% from 19.2% for the Corresponding Period in 2014, but represented a moderate growth as compared with that for 2014.

Gross profit margins of the Group for the Period are set out in the following table:

| | |
|---|-----------------|
| International Engineering Contracting Business | 國際工程承包業務 |
| Power | 電力能源 |
| Transportation | 交通運輸 |
| Telecommunications | 電子通訊 |
| Non-Core Sectors | 非核心行業 |
| Trading Business | 貿易業務 |
| International trade | 國際貿易 |
| Domestic trade | 國內貿易 |
| Other Businesses | 其他業務 |
| Total | 總計 |

iii) *其他業務*

於本期間，本集團其他業務的毛利為人民幣133.4百萬元，佔本集團本期間總毛利9.9%及較2014年同期人民幣125.7百萬元增長6.1%。

2) *毛利率*

於本期間，本集團的毛利率約16.4%，由2014年同期的19.2%下降2.8個百分點，但是與2014年全年毛利率相比略有增長。

於本期間，本集團毛利率構成情況如下：

Six months ended June 30,
截至6月30日止六個月

| | 2015 | 2014 |
|---|--------------|--------------|
| | 2015年 | 2014年 |
| | % | % |
| International Engineering Contracting Business | 19.8 | 22.1 |
| Power | 24.7 | 24.7 |
| Transportation | 11.8 | 6.7 |
| Telecommunications | 7.5 | 7.9 |
| Non-Core Sectors | 12.6 | 8.8 |
| Trading Business | 6.8 | 6.0 |
| International trade | 6.8 | 6.0 |
| Domestic trade | 6.6 | 5.9 |
| Other Businesses | 29.2 | 29.3 |
| Total | 16.4 | 19.2 |

i) *International Engineering Contracting Business*

For the Period, the Group's gross profit margin for the International Engineering Contracting Business was 19.8%, as compared with 22.1% for the Corresponding Period in 2014, which was mainly due to the decrease in the proportion of revenue of engineering contracting business attributable to the power sector which traditionally generates a higher gross profit margin.

For the Period, the gross profit margin of the power sector was 24.7%, which was at the same level of 2014.

For the Period, the gross profit margin of the transportation sector increased to 11.8%, compared with 6.7% for the Corresponding Period in 2014, primarily due to the commencement of the construction of the railway reconstruction projects in South America with higher gross profit margin during the second half of 2014.

For the Period, the gross profit margin of the telecommunications sector was 7.5% while that for the Corresponding Period in 2014 was 7.9%.

i) *國際工程承包業務*

於本期間，本集團國際工程承包業務的毛利率為19.8%，而2014年同期為22.1%，主要由於電力能源行業收入佔工程承包業務的比重有所下降，而其毛利率一般較高。

於本期間，電力能源行業毛利率為24.7%，與2014年同期持平。

於本期間，交通運輸行業毛利率升至11.8%，而2014年同期則為6.7%，主要由於2014年下半年開始建設的南美洲鐵路改造項目毛利率較高。

於本期間，電子通訊行業毛利率為7.5%，而2014年同期則為7.9%。

For the Period, the gross profit margin of the non-Core Sectors increased to 12.6%, representing an increase of 3.8% as compared with 8.8% for the Corresponding Period in 2014, primarily attributable to the commencement of the construction of a green construction project in Europe with a higher gross profit margin in the first half of 2015.

於本期間，非核心行業毛利率升至12.6%，比2014年同期的8.8%，上升了3.8%，主要由於較高毛利率的在歐洲的環保建設項目於2015年上半年開始建設。

ii) Trading Business

ii) 貿易業務

For the Period, the gross profit margin of the Group's Trading Business increased to 6.8%, compared with approximately 6.0% for the Corresponding Period in 2014, primarily due to the increase in the gross profit margins of the international and domestic trade businesses as compared with that for the Corresponding Period in 2014.

於本期間，本集團貿易業務的毛利率升至6.8%，而2014年同期則約為6.0%，主要由於國際、國內貿易業務的毛利率都較2014年同期有所增加。

iii) Other Businesses

iii) 其他業務

For the Period, the Group's gross profit margin for the Other Businesses was 29.2%, which was at substantially the same level compared with approximately 29.3% for the Corresponding Period in 2014.

於本期間，本集團其他業務的毛利率為29.2%，而2014年同期則約為29.3%，基本持平。

5. Other Revenue

The Group's other revenue increased by 44.4% to RMB1.3 million for the Period as compared with RMB0.9 million for the Corresponding Period in 2014. This increase was mainly attributable to the increase in government subsidies during the Period as a result of the adjustment in governmental policies for different industries.

5. 其他收入

於本期間，本集團的其他收入為人民幣1.3百萬元，較2014年同期人民幣0.9百萬元增長44.4%。有關增長主要由於不同行業的政府政策有所調整，令本期間的政府補助增加。

6. Other Income/(Expenses), Net

The Group's other income/(expenses), net amounted to RMB38.3 million for the Period as compared with RMB(190.8) million for the Corresponding Period in 2014. The other income/(expenses), net was mainly attributable to the gain for the Period arising from a fair value change on foreign currency forward exchange contracts and interest rate swap contracts.

7. Selling and Marketing Expenses

The Group's selling and marketing expenses decreased by 30.4% to RMB401.5 million for the Period as compared with RMB577.1 million for the Corresponding Period in 2014. This decrease was mainly attributable to the decrease in the expenses of wages and benefits.

8. Administrative Expenses

The Group's administrative expenses decreased by 5.0% to RMB239.7 million for the Period as compared with approximately RMB252.4 million for the Corresponding Period in 2014. This decrease was mainly attributable to the decrease in consultancy service fees.

9. Other Operating Expenses

The Group's other operating expenses decreased by 105.7% to RMB(3.5) million for the Period as compared with approximately RMB61.1 million for the Corresponding Period in 2014. This decrease was mainly because the receivables of certain bad debt provision have been received by the Company, thereby leading to the reversal of the corresponding loss of bad debt.

6. 其他收入／(開支)，淨額

於本期間，本集團的其他收入／(開支)淨額為人民幣38.3百萬元，而2014年同期則為人民幣(190.8)百萬元。其他收入／(開支)淨額主要由於遠期結售匯合同及利率掉期合同公允價值變動產生的本期間收益。

7. 銷售及市場營銷開支

於本期間，本集團的銷售及市場營銷開支為人民幣401.5百萬元，較2014年同期人民幣577.1百萬元減少30.4%。有關減少主要由於工資福利的開支減少。

8. 行政開支

於本期間，本集團的行政開支為人民幣239.7百萬元，較2014年同期約人民幣252.4百萬元減少5.0%。有關減少主要由於諮詢服務費的減少。

9. 其他經營開支

於本期間，本集團的其他經營開支為人民幣(3.5)百萬元，較2014年同期約人民幣61.1百萬元減少105.7%。有關減少主要由於公司收回了已計提壞賬的應收款項，從而沖減了其對應的壞賬損失。

10. Profit from Operations

The Group's profit from operations decreased by 28.1% to RMB751.5 million for the Period as compared with RMB1,045.2 million for the Corresponding Period in 2014. This decrease was mainly attributable to the decrease in the overall gross profit of the Company to a certain extent.

11. Finance income/finance expenses

The Group's finance income decreased by 21.1% to RMB359.1 million for the Period as compared with RMB455.3 million for the Corresponding Period in 2014. This decrease was primarily due to the decrease in gains on foreign currency exchange. The Group's finance expenses increased by 11.0% to RMB17.2 million for the Period as compared with approximately RMB15.5 million for the Corresponding Period in 2014. This increase was mainly attributable to the increase in interest expenses on borrowings. As a result, the Group's net finance income decreased by 22.3% to RMB341.9 million for the Period as compared with the net finance income of RMB439.8 million for the Corresponding Period in 2014.

12. Income Tax

The Group's income tax decreased by 31.3% to RMB274.1 million for the Period as compared with RMB398.7 million for the Corresponding Period in 2014, mainly due to the decrease in profit before tax.

10. 經營溢利

於本期間，本集團的經營溢利為人民幣751.5百萬元，較2014年同期人民幣1,045.2百萬元減少28.1%。該減少主要由於公司整體毛利出現一定下降。

11. 財務收入／財務開支

於本期間，本集團的財務收入為人民幣359.1百萬元，較2014年同期人民幣455.3百萬元下降21.1%。有關減少主要由於外匯匯兌收益下降。於期內，本集團的財務開支為人民幣17.2百萬元，較2014年同期約人民幣15.5百萬元增加11.0%。有關增加主要由於借貸的利息支出增加。因此，於本期間內，本集團的財務收入淨額為人民幣341.9百萬元，較2014年同期的財務收入淨額人民幣439.8百萬元減少22.3%。

12. 所得稅

於本期間，本集團的所得稅為人民幣274.1百萬元，較2014年同期人民幣398.7百萬元減少31.3%，主要是除稅前溢利下降導致。

13. Profit for the Period

As a result of the foregoing, the Group's net profit decreased by 24.6% to RMB819.5 million for the Period as compared with RMB1,086.2 million for the Corresponding Period in 2014, and its net profit margin increased by 0.16% to 9.95% for the Period as compared with 9.79% for the Corresponding Period in 2014.

14. Profit Attributable to the Shareholders

The profit attributable to the shareholders decreased by 24.6% to RMB819.8 million for the Period as compared with RMB1,087.6 million for the Corresponding Period in 2014.

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

The loss attributable to the holders of non-controlling interests of the Group amounted to RMB0.2 million for the Period as compared with a loss of RMB1.4 million for the Corresponding Period in 2014.

16. Liquidity and Capital Resources

As at June 30, 2015, the Group's cash and cash equivalents increased marginally by 3.7% to RMB18,447.1 million as compared with RMB17,792.5 million as at December 31, 2014.

13. 本期間溢利

由於上文所述，本集團於本期間的淨溢利為人民幣819.5百萬元，較2014年同期人民幣1,086.2百萬元減少24.6%，而本期間的淨溢利率為9.95%，較2014年同期9.79%增加0.16%。

14. 歸屬於股東溢利

於本期間，歸屬於股東溢利為人民幣819.8百萬元，較2014年同期人民幣1,087.6百萬元減少24.6%。

15. 歸屬於非控股權益持有人溢利

於本期間，歸屬於本集團非控股權益持有人虧損為人民幣0.2百萬元，而2014年同期虧損人民幣1.4百萬元。

16. 流動資金及資本資源

於2015年6月30日，本集團的現金及現金等價物為人民幣18,447.1百萬元，較2014年12月31日人民幣17,792.5百萬元增加3.7%，變動不大。

As at June 30, 2015, the Group's borrowings decreased by approximately 11.4% to RMB501.2 million as compared with RMB565.5 million as at December 31, 2014. RMB64.6 million (including RMB37.3 million of long-term borrowings due within one year) was short-term borrowings and the remaining amount of RMB436.6 million was long-term borrowings.

17. Major Investment

The Group made no major investment during the Period.

18. Major Acquisitions and Disposals

The Group had no major acquisition and disposal during the Period.

19. Subsequent Events

1. *Investment in the Formation of SINOMACH Capital Holdings Ltd.*

On July 16, 2015, the Company, SINOMACH, certain SINOMACH's subsidiaries and CCB (Beijing) Investment Fund Management Co., Ltd.* (建信(北京)投資基金管理有限責任公司) (“**CCB Beijing**”) entered into the articles of association of SINOMACH Capital Holdings Ltd. (“**SINOMACH Capital**”). Upon the establishment of SINOMACH Capital, it is owned as to 12.66% by the Company, 74.68% by SINOMACH and certain SINOMACH's subsidiaries and 12.66% by CCB Beijing. The Company's investment in the formation of SINOMACH Capital is in line with the mid-to-long term development strategy of the Company as it will facilitate the development of the investment and financing business of the Company, improve the capital operation

於2015年6月30日，本集團的借貸為人民幣501.2百萬元，較2014年12月31日人民幣565.5百萬元減少約11.4%。人民幣64.6百萬元（包括人民幣37.3百萬元於一年內到期的長期借貸）為短期借貸，而其餘人民幣436.6百萬元為長期借貸。

17. 主要投資

本集團於本期間並無作出主要投資。

18. 主要收購及出售

本集團於本期間並無作出主要收購及出售。

19. 期後事項

1. *投資參股成立國機資本控股有限公司*

於2015年7月16日，本公司、國機、部分國機附屬公司及建信(北京)投資基金管理有限責任公司（「建信北京」）已訂立國機資本控股有限公司（「國機資本」）的章程。於國機資本成立後，其分別由本公司擁有12.66%的權益、由國機及其部分附屬公司擁有74.68%的權益、以及由建信北京擁有12.66%的權益。本公司投資參股成立國機資本是與本公司中長期發展戰略相契合，其將有助於本公司發展投融資業務，改善資本營運及管理效率，亦可為

and management efficiency, bring long-term investment returns to the Company and accumulate investment management experience for the Company. For details, please refer to the announcement of the Company published on the respective websites of the Stock Exchange and the Company on July 16, 2015.

2. *Acquisition of 100% Equity Interest in China Jikan Research Institute of Engineering Investigations and Design Co., Ltd.*

On August 18, 2015, the Company and China United entered into an acquisition agreement, pursuant to which the Company has agreed to acquire, and China United has agreed to dispose of, the entire equity interests in China Jikan Research Institute of Engineering Investigations and Design Co., Ltd.*(機械工業勘察設計研究院有限公司) (the “**Acquisition**”) for an aggregate consideration of RMB171,352,600.00. The Acquisition is beneficial to enhancing the business scale, optimizing the business structure and strengthening the technological capabilities of the Company, and leading to the improvement on the overall competitiveness of the Company for engineering projects. For details, please refer to the announcement of the Company published on the respective websites of the Stock Exchange and the Company on August 18, 2015.

本公司獲得長期投資收益，並幫助本公司在投資管理方面累積更多經驗。有關詳情，請參閱本公司於2015年7月16日分別在聯交所及本公司網站刊登的公告。

2. *收購機械工業勘察設計研究院有限公司100%股權*

於2015年8月18日，本公司與中國聯合訂立收購協議，據此，本公司及中國聯合分別同意收購及出售機械工業勘察設計研究院有限公司全部股權（「**收購事項**」），總代價為人民幣171,352,600.00元。該收購事項有利於提升本公司的業務規模，完善業務結構，增強科技能力，進而提升本公司在工程項目方面的綜合競爭力。有關詳情，請參閱本公司於2015年8月18日分別在聯交所及本公司網站刊登的公告。

V. LIQUIDITY

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

We have historically met our working capital and other liquidity requirements principally from cash generated from operations and financed the remainder primarily through bank borrowings and proceeds from the listing of the H Shares on the Share Exchange.

1. Cash Flows

The following table sets forth a summary of our cash flows for the Period, with the comparative figures for the Corresponding Period in 2014:

V. 流動資金

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

一直以來，我們主要靠經營所產生的現金來滿足營運資金及其他流動資金需求，而剩餘金額主要通過銀行借貸和H股在聯交所上市所得款項籌措。

1. 現金流量

下表載列我們於本期間的現金流量概況，連同2014年同期的比較數字：

| | | Six months ended June 30, 截至6月30日止六個月 | |
|---|------------------------|--|--|
| | | 2015 2015年 (RMB million) (人民幣百萬元) | 2014 2014年 (RMB million) (人民幣百萬元) |
| Net cash flows from/(used in) operating activities | 經營活動所得／ (所用)的現金流量淨額 | 2,140.9 | (559.1) |
| Net cash flows from/(used in) investing activities | 投資活動所得／ (所用)的現金流量淨額 | (1,326.1) | 1,688.6 |
| Net cash flows (used in) financing activities | 融資活動(所用)的 現金流量淨額 | (55.4) | (18.2) |
| Net increase in cash and cash equivalents | 現金及現金等價物增加淨額 | 759.4 | 1,111.3 |
| Cash and cash equivalents at the beginning of the Period | 本期間初的現金及 現金等價物 | 17,792.5 | 14,550.2 |
| Effect of foreign exchange rate changes | 匯率變動的影響 | (104.8) | 24.7 |
| Cash and cash equivalents at the end of the Period | 本期間末的現金及 現金等價物 | 18,447.1 | 15,686.2 |

As at June 30, 2015, the Group's cash and cash equivalents increased by 3.7% to RMB18,447.1 million as compared with RMB17,792.5 million as at December 31, 2014. The main source of the Group's operating capital is the net cash flow generated from normal operating activities.

2. Cash flows from operating activities

For the Period, we had net cash flows from operating activities of RMB2,140.9 million. Net cash used in operating activities was a result of operating profit before changes in working capital in the amount of RMB1,093.6 million, a cash inflow due to changes in working capital of RMB1,526.3 million and income tax paid in the amount of RMB479.0 million. The changes in working capital mainly included an increase in receipts in advance of RMB1,333.3 million, a decrease in receivables for construction contracts of RMB1,246.7 million and a decrease in trade and other receivables of RMB343.5 million. Such amount was partially offset by a decrease in trade and other payables of RMB1,024.8 million.

3. Cash flows from investing activities

For the Period, our net cash flows used in investing activities was RMB(1,326.1) million. Our cash outflow for investing activities mainly consisted of investments in joint venture and associate of RMB135.5 million and an increase in time deposits of RMB1,321.8 million.

4. Cash flows from financing activities

For the Period, our net cash flows used in financing activities was RMB(55.4) million. Our cash outflow from financing activities primarily consisted of repayments of borrowings of RMB176.9 million. Cash inflow primarily consisted of borrowings raised in the amount of RMB112.6 million.

於2015年6月30日，本集團的現金及現金等價物為人民幣18,447.1百萬元，而於2014年12月31日則為人民幣17,792.5百萬元，增幅為3.7%。本集團的經營資金來源主要為正常經營活動產生的淨現金流量。

2. 來自經營活動的現金流量

於本期間，我們經營活動所得的現金流量淨額為人民幣2,140.9百萬元。經營活動所用的現金淨額乃來自營運資金變動前的經營溢利人民幣1,093.6百萬元、因營運資金變動致使現金流入人民幣1,526.3百萬元及已付所得稅人民幣479.0百萬元。營運資金變動主要包括預收款項增加人民幣1,333.3百萬元，建造合同應收款項減少人民幣1,246.7百萬元以及貿易及其他應收款項減少人民幣343.5百萬元。該金額部分已由貿易及其他應付款項減少人民幣1,024.8百萬元所抵銷。

3. 來自投資活動的現金流量

於本期間，我們投資活動所用的現金流量淨額為人民幣(1,326.1)百萬元。我們投資活動的現金流出主要包括對合營公司及聯營公司的投資人民幣135.5百萬元，以及定期存款增加人民幣1,321.8百萬元。

4. 來自融資活動的現金流量

於本期間，我們融資活動所用的現金流量淨額為人民幣(55.4)百萬元。我們融資活動的現金流出主要包括償還借款人民幣176.9百萬元。現金流入主要包括取得借款人民幣112.6百萬元。

5. Capital expenditures and Capital Commitments

Our capital expenditures consisted primarily of the purchase of property, plant and equipment, investment properties and lease prepayments. The Group's capital expenditures decreased by 21.3% to RMB92.9 million for the Period as compared with RMB118.0 million for the Corresponding Period in 2014, mainly due to the slight decrease of input in the construction of the Group's infrastructure projects of fixed assets as compared with that for the Corresponding Period of last year.

Our capital commitments mainly include the value of contracts signed but not yet completed and the value of contracts not yet signed but the budget of which has been authorized. On June 30, 2015, the capital commitments of the Group was RMB1,946.2 million, representing a decrease of approximately 2.1% as compared with RMB1,987.60 million in December 31, 2014. It was mainly attributable to certain adjustment to the budget of the Group's infrastructure projects of fixed assets in China.

5. 資本開支和資本承擔

我們的資本開支主要包括購買物業、廠房及設備、投資物業及預付租賃款項。於本期間，本集團的資本開支為人民幣92.9百萬元，較2014年同期的人民幣118.0百萬元減少21.3%，主要由於本集團固定資產基建項目投入較上年同期略有減少。

我們的資本承擔主要包括在建工程項下已簽訂合同但尚未執行完的合同款項以及預算已批准但尚未簽訂合同的款項。2015年6月30日，本集團的資本承擔為人民幣1,946.2百萬元，較2014年12月31日的人民幣1,987.60百萬元減少約2.1%，主要由於本集團位於中國的固定資產基建項目預算有一定調整。

6. Working capital

(a) Trade and other receivables

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

The following table sets forth the turnover days of the average trade receivables and the turnover days of the average trade payables of the Company for the Period, together with the comparative figures for the Corresponding Period in 2014:

Turnover days of the average trade receivables for the Trading Business (Note 1)

Turnover days of the average trade payables (Note 2)

貿易業務平均貿易應收款項的週轉天數 (附註1)

平均貿易應付款項的週轉天數 (附註2)

6. 營運資金

(a) 貿易及其他應收款項

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

下表載列本期間內本公司平均貿易應收款項及平均貿易應付款項的週轉天數，連同2014年同期的比較數字：

| | Six months ended June 30, 2015 截至2015年6月30日止六個月 days 天數 | Six months ended June 30, 2014 截至2014年6月30日止六個月 days 天數 |
|--|--|--|
| | 90 | 78 |
| | 308 | 236 |

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

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

The following table sets forth the aging analysis of trade and bill receivables (net of allowance of doubtful debts) based on the invoice date as at June 30, 2015 and December 31, 2014:

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

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

下表載列於2015年6月30日及2014年12月31日貿易應收款項及應收票據（扣除呆賬撥備）按發票日期的賬齡分析：

| | | As at June 30, 2015 | As at December 31, 2014 |
|--------------------|--------|--------------------------------|----------------------------|
| | | 於2015年 6月30日 | 於2014年 12月31日 |
| | | <i>(RMB million)</i> | <i>(RMB million)</i> |
| | | <i>(人民幣百萬元)</i> | <i>(人民幣百萬元)</i> |
| Within 3 months | 3個月以內 | 946.4 | 1,938.3 |
| 3 to 6 months | 3至6個月 | 578.5 | 511.7 |
| 6 months to 1 year | 6個月至1年 | 971.4 | 554.8 |
| Over 1 year | 1年以上 | 749.6 | 873.7 |
| | | 3,245.9 | 3,878.5 |

The Group's credit policies with its customers for the Period remained the same as that for the Corresponding Period in 2014. We continuously enhanced our management of trade and bills receivables to reduce our exposure to doubtful debts. In addition, we made allowance for doubtful debts after fully considering the nature of trade and bills receivables and their collectability. As at June 30, 2015, allowance for doubtful debts for our trade and bill receivables amounted to RMB557.2 million, accounting for 14.7% of our trade and bill receivables, compared with RMB543.3 million, accounting for 12.3% of our trade and bill receivables as at December 31, 2014. The increase in allowance for doubtful debt from 2014 to 2015 was primarily due to the provision we made in connection with certain trade and bills receivables from our International Engineering Contracting Business and Trading Business as a result of evidences of significant financial difficulties of debtors that came to our attention.

於本期間，本集團與其客戶的信貸政策與2014年同期相同。我們不斷加強貿易應收款項及應收票據的管理，以求減低所承擔的呆賬風險。此外，充分考慮貿易應收款項及應收票據的性質及其可收回金額後，我們就呆賬計提撥備。於2015年6月30日，我們就貿易應收款項及應收票據所作的呆賬撥備為人民幣557.2百萬元，佔我們貿易應收款項及應收票據的14.7%，而於2014年12月31日則為人民幣543.3百萬元，佔我們貿易應收款項及應收票據的12.3%。2014年至2015年呆賬撥備增加主要由於我們因得悉有證據顯示債務人出現嚴重財困而就國際工程承包業務及貿易業務的若干貿易應收款項及應收票據計提撥備。

(b) Trade and other payables

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

The following table sets forth the aging analysis of our trade and bills payables based on the invoice date as at June 30, 2015 and December 31, 2014:

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

The Group's credit policies with its suppliers for the Period remained the same as that for 2014.

(b) 貿易及其他應付款項

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

下表載列於2015年6月30日及2014年12月31日我們貿易應付款項及應付票據按發票日期的賬齡分析：

| As at June 30, 2015 於2015年 6月30日 (RMB million) (人民幣百萬元) | As at December 31, 2014 於2014年 12月31日 (RMB million) (人民幣百萬元) |
|--|---|
| 2,433.7 | 3,886.2 |
| 1,211.8 | 1,323.6 |
| 1,916.7 | 3,168.0 |
| 5,637.8 | 4,011.9 |
| 11,200.0 | 12,389.7 |

於本期間，本集團與其供應商的信貸政策與2014年相同。

VI. INDEBTEDNESS

1. Borrowings

Our consolidated borrowings as at June 30, 2015 and December 31, 2014 for the purpose of calculating the indebtedness of our Company were as follows:

VI. 債務

1. 借貸

於2015年6月30日及2014年12月31日，我們用以計算本公司債務的合併借貸如下：

| | | As at June 30, 2015 於2015年 6月30日 (RMB million) (人民幣百萬元) | As at December 31, 2014 於2014年 12月31日 (RMB million) (人民幣百萬元) |
|--|-----------------|--|---|
| Current: | 流動： | | |
| Short-term borrowings | 短期借貸 | | |
| Bank loans | 銀行貸款 | | |
| unsecured | 無擔保 | 7.3 | 4.3 |
| secured | 有擔保 | <u>20.0</u> | <u>129.2</u> |
| Subtotal | 小計 | <u>27.3</u> | <u>133.5</u> |
| Add: current portion of long-term borrowings | 加：長期借貸的 流動部分 | <u>37.3</u> | <u>72.2</u> |
| Subtotal | 小計 | <u>64.6</u> | <u>205.7</u> |
| Non-current: | 非流動： | | |
| Long-term borrowings | 長期借貸 | | |
| Bank loans | 銀行貸款 | | |
| unsecured | 無擔保 | 107.5 | 106.0 |
| secured | 有擔保 | <u>366.4</u> | <u>326.0</u> |
| Subtotal | 小計 | <u>473.9</u> | <u>432.0</u> |
| Less: current portion of long-term borrowings | 減：長期借貸的 流動部分 | <u>37.3</u> | <u>72.2</u> |
| Subtotal | 小計 | <u>436.6</u> | <u>359.8</u> |
| Total | 總計 | <u><u>501.2</u></u> | <u><u>565.5</u></u> |

Our short-term borrowings primarily include credit borrowings, mortgage borrowings and guarantee borrowings from commercial banks and other financial institutions. As at June 30, 2015, our short-term borrowings (including the current portion of long-term borrowings) amounted to RMB64.6 million, accounting for 12.9% of our total borrowings.

Our long-term borrowings primarily included pledge borrowings from commercial banks and other financial institutions. These included bank borrowings related to projects financed by export seller's credit, with the total balance of such borrowings (including the current portion) amounting to approximately RMB473.9 million as at June 30, 2015. As at June 30, 2015, our long-term borrowings (excluding the current portion) amounted to RMB436.6 million, accounting for 87.1% of our total borrowings. The decrease in our interest-bearing borrowings to RMB501.2 million as at June 30, 2015 was primarily due to the repayment of short-term bank borrowings using cash generated from our business operations with a view to reducing our finance expenses.

As at June 30, 2015, certain of the Group's borrowings were secured by certain of the Group's buildings with an aggregate net book value of RMB4,157 thousand and bank deposits of RMB46,869 thousand.

As at December 31, 2014, certain of the Group's borrowings were secured by certain of the Group's buildings with an aggregate net book value of RMB4,333 thousand and bank deposits of RMB222,078 thousand.

All borrowings were denominated in RMB and were subject to interest rates ranging from 0.06% to 6.16% per annum.

短期借貸主要包括來自商業銀行及其他金融機構的信用借貸、抵押借貸及擔保借貸。於2015年6月30日，我們的短期借貸（包括長期借貸的流動部分）為人民幣64.6百萬元，佔我們的借貸總額12.9%。

長期借貸主要包括來自商業銀行及其他金融機構的質押借貸。該等借貸包括與由出口賣方信貸融資的項目有關的銀行借貸，於2015年6月30日，該等借貸（包括流動部分）的結餘總額約為人民幣473.9百萬元。於2015年6月30日，不包括流動部分的長期借貸為人民幣436.6百萬元，佔我們借貸總額的87.1%。我們的計息借貸於2015年6月30日減少至人民幣501.2百萬元，主要由於以我們業務經營產生的現金償還短期銀行借貸（旨在減少我們的財務開支）。

截至2015年6月30日，本集團的若干借貸以總賬面淨值為人民幣4,157千元之本集團若干樓宇及人民幣46,869千元的銀行存款作抵押。

截至2014年12月31日，本集團的若干借貸以總賬面淨值為人民幣4,333千元之本集團若干樓宇及人民幣222,078千元的銀行存款作抵押。

所有借貸均以人民幣計值並以每年利率0.06%至6.16%計息。

There had been no material defaults in repayment of our bank borrowings and breaches of the finance covenants during the Period.

The maturity profile of our interest-bearing borrowings as at June 30, 2015 and December 31, 2014 was as follows:

| | | As at June 30, 2015 | As at December 31, 2014 |
|----------------------------------|-----------|--------------------------------|----------------------------|
| | | 於2015年 6月30日 | 於2014年 12月31日 |
| | | <i>(RMB million)</i> | <i>(RMB million)</i> |
| | | (人民幣百萬元) | (人民幣百萬元) |
| Within 1 year or on demand | 1年以內或實時還款 | 64.6 | 205.7 |
| After 1 year but within 2 years | 1年至2年 | 329.2 | 256.2 |
| After 2 years but within 5 years | 2年至5年 | 104.0 | 100.0 |
| After 5 years | 5年以上 | 3.4 | 3.6 |
| Total | 總計 | 501.2 | 565.5 |

The Group monitors its capital on the basis of gearing ratio. Gearing ratio is derived by dividing total borrowings by total assets and multiplied by 100%. As of June 30, 2015, the Group's gearing ratio was 1.32%, 0.20 percentage point lower than 1.52% as of December 31, 2014, mainly due to the repayment of borrowings.

2. Contingent liabilities

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

於本期間，我們在償還銀行借貸方面概無重大違約情況，亦無嚴重違反融資契約的情況。

於2015年6月30日及2014年12月31日，我們的計息借貸到期日如下：

本集團以槓桿比率基準管理資本。槓桿比率乃將借貸總額除以資產總額再乘以100%得出。截至2015年6月30日，本集團的槓桿比率為1.32%，較截至2014年12月31日的1.52%下降0.20個百分點，主要由於償還借貸。

2. 或有負債

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

For our export-import agency services, the Group issued irrevocable letters of guarantee through certain banks to buyers for the benefit of sellers, which guarantee the repayment of advances paid by the buyers, plus interest if applicable, if and when the total or part of the advances becomes repayable to the buyers from the sellers in accordance with the relevant contracts. These letters of guarantee are typically issued to provide security to a buyer in paying an advance to a seller before the actual goods are received, and the Group does not receive separate consideration for issuing such letters of guarantee. In order for the Group to issue these letters of guarantee, the Group requires the sellers to provide it with security interests on their assets or guarantees from third parties that must be sufficient to cover the total outstanding amount under the respective letters of guarantee issued. As at June 30, 2015, the total outstanding amount under these letters of guarantee issued was RMB869.2 million (as at December 31, 2014: RMB849.7 million), which are secured by the sellers' assets or guaranteed by certain banks on behalf of the sellers.

The borrowings were denominated in RMB, USD, HKD and JPY, and were subject to interest rates ranging from 0.06% to 6.16% per annum.

本集團通過若干銀行就我們的進出口代理服務為賣方利益向買方發出不可撤銷的保函，當賣方根據相關合同須向買方償還全部或部分墊款時，保函將擔保償還買方已支付的預付款加利息（如適用）。發出該等保函一般是為買方提供保證以在收到實際貨物前向賣方支付預付款，本集團並不就發出該等保函而另外收取對價。為了能讓本集團發出該等保函，本集團要求賣方向本集團提供有關資產或彼等自第三方取得的擔保項下的抵押權益，該等抵押權益必須足夠償還各項已發出保函項下的未償還總額。於2015年6月30日，該等已發出保函項下的未償還總額為人民幣869.2百萬元（於2014年12月31日：人民幣849.7百萬元），乃由賣方的資產作為擔保或由若干銀行代表賣方提供擔保。

借貸均以人民幣、美元、港元及日圓計值，並以每年利率0.06%至6.16%計息。

VII. RISK FACTORS AND RISK MANAGEMENT

We are exposed to various types of risks, including currency risk, interest rate risk, credit risk, liquidity risk, competition risk and investment risk, etc., in the normal course of our business. Our management 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.

VII. 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，以鎖定我們部分未來現金收入的人民幣價值，務求降低貨幣風險及確保根據該等項目將自項目業主收取的延遲付款所產生的預測收入。按照政策及中國法律和法規，我們不得廣泛從事對沖活動。因此，我們的外幣對沖活動限於此等遠期外匯合同。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。

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 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.

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。

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 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.

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。

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.

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.

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。

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。

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 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.

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.

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在作出投資決定時無法確定的隨機因素的影響，投資的實際回報及預期回報之間的差異。此外亦與墊付若干項目的有關款項、政策變動造成非政府投資機構對基礎設施建設的投資減少及在較長期間內動用大量營運資金等有關。自不同政府部門取得政府批准及遵守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. 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.

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.

7. 海外管理風險

目前，我們大部分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。

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. 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.

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

8. 項目風險

項目風險與我們的國際工程承包業務項目所涉及的風險有關。儘管我們視電力能源、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。

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

9. Safety and Quality Risk

Due to the nature of construction work involved in our International Engineering Contracting Business, 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 affect 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 into markets, we will step up the training for the project owners' 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及運行過程中工程可能會因為颶風、海嘯等自然因素或者項目業主運營人員操作、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。部分項目業主可能會要求我們繼續投入成本進行維修或更換相應設備，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 bribery in commercial areas. 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 compliance trainings for our staff, so as to enhance the compliance awareness of our staff and increase their consciousness on legal and regulatory compliance.

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。

VIII. PROSPECTS IN THE SECOND HALF OF 2015

In the first half of this year, under a severe domestic and overseas environment, the Company's operation was in a steady and orderly manner. Operational targets of each business segment continuously progressed and fundamental management works were carried out smoothly and effectively, laying a solid foundation for achieving the whole-year target. In the second half of 2015, the Company will make persistent efforts to implement each deployment in a comprehensive manner with the aim to reaching each goal and constantly promoting a sustainable development of the Company.

A. To Ensure a Stable Growth of the International Engineering Contracting Business

In the second half of 2015, the Company will continue to introduce a number of effective measures to strengthen the foundation of the International Engineering Contracting Business and to ensure a stable development of the International Engineering Contracting Business.

1. Seizing the strategic opportunities in China such as "One Belt and One Road" and "interconnecting with neighboring countries". With a view to rapidly transforming the market information it acquired into palpable project opportunities, the Company will fully leverage its consolidated advantages in aspects such as market development and business operation, identify areas which align with national strategies and strengthen the collection and analysis of market information.

VIII. 2015年下半年業務前景

今年上半年，在嚴峻的內外部形勢下，公司的經營平穩有序，各業務板塊的營業指標持續推進，基礎管理工作穩紮穩打，為完成全年目標任務打下了堅實基礎。2015年下半年，公司將再接再厲，全面落實各項工作部署，力爭完成各項目標任務，並不斷推進公司可持續發展。

A. 確保國際工程承包業務穩定增長

2015年下半年，公司將繼續出台有力措施，夯實國際工程承包業務基礎，確保國際工程承包業務平穩發展。

1. 把握「一帶一路」、週邊國家互聯互通等國家戰略機遇。公司將充分發揮在市場開拓、商務運作等方面的綜合優勢，找准與國家戰略的結合點，加強市場信息收集與分析，迅速地將捕捉到的市場信息轉化成具體項目機會。

2. Constantly improving the industrial chain. The Company will continue to fast track the building up of professional capabilities and create a professional technological platform in order to firmly develop the strategic cooperation with General Electronic and other significant partners in the industrial chain.
3. Deepening regionalization and localization. In order to achieve meaningful exploration for the direction of the Company's development into a multinational company, the Company will continue to implement regionalized operational strategy and further promote localized construction.

B. To Accelerate the Transformation and Upgrade of Trading and Service Businesses

In the second half of 2015, the Company will accelerate the transformation and upgrade of trading and services businesses. The Company will seize the opportunities and actively pay attention to various fields under the strategy of "One Belt and One Road", and the construction of domestic and overseas industrial park, international capacity cooperation and cross-border electricity supplies, so as to strive for better progress. Centering on the core market, core field and core products, the Company will base itself on the equipment manufacturing industry to strive for further development in the aspect of equity investment.

2. 不斷完善產業鏈條。公司將持續加快專業化能力建設、打造專業技術平台，紮實推進與通用電氣等產業鏈上重要夥伴的戰略合作。
3. 深入推進區域化、屬地化。公司將繼續落實區域化經營策略，深入推進屬地化建設，為公司向跨國公司方向發展做出有益探索。

B. 加快貿易與服務業務的轉型升級

2015年下半年，公司將加快貿易與服務業務的轉型升級。公司要搶抓機遇，積極關注「一帶一路」戰略及中海外工業園區建設、國際產能合作及跨境電商等領域，爭取有所作為。公司將立足裝備製造行業，圍繞核心市場、核心領域、核心產品，爭取在實業化投資方面取得進一步發展。

C. To Actively Promote the Development of Investment and Financing Business

This year, the Company continued to implement its strategy of “investment-driven EPC”, actively developing investment business for various projects in the field of power and guided by the investment principles of investing in markets and industries that we are well-versed with while emphasizing on the control of investment business risk. Within China, the new energy business team of Eastern China Business Department is now embarking on the development of photovoltaic power generation projects in places such as Jiangsu, Zhejiang and Guangdong. Building on the foundation laid over the years, the projects have entered into the phase of scale development and it is expected that certain results will be achieved in the future. Outside China, the Company strives to finalize the investment and financing scheme of Thar coal-electric integration project in Pakistan by the end of 2015, one of the Company’s key overseas projects, to spearhead the “investment-driven EPC” business of the Company. The Company will also constantly improve the construction of its auxiliary system and accelerate the establishment of a foreign investment and financing business platform which is mainly based on China Everbest Development International Limited (Hong Kong).

C. 積極推動投融資業務的發展

今年，公司繼續實施「投資拉動EPC」戰略，堅持在熟悉的市場和熟悉的行業投資原則，高度重視投資業務風險控制，在電力能源領域積極推進各類項目投資業務。在境內，華東事業部的新能源業務團隊現正着手開發江蘇、浙江、廣東等地光伏發電項目，在近年發展積累的基礎上，迎來了項目的規模化發展，預計未來將取得一定的業績。在境外，公司重點推進的項目包括巴基斯坦塔爾煤電一體化項目並爭取在2015年底落實投融資方案，為公司投資拉動EPC業務開創先河。公司還將不斷完善配套體系建設，加快形成以華盛昌發展有限公司（香港）為主體的境外投融資業務平台。

IX. OTHER INFORMATION

1. Compliance with the Model Code for Securities Transactions

The Company adopted the Model Code as its own code of conduct regarding 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 Period.

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

2. Compliance with the Corporate Governance

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 Period 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.

IX. 其他資料

1. 遵守進行證券交易的標準守則

本公司已採納《標準守則》，作為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。對全體董事及監事作出特定查詢後，所有董事及監事均確認，於本期間內，彼等均一直遵守《標準守則》。

本公司亦已採納一套其條款不遜於《標準守則》所訂標準的僱員進行證券交易的自身行為守則，以供可能掌握本公司的未公開價格敏感資料或內幕消息的僱員遵照規定買賣本公司證券。

2. 遵守企業管治

本集團致力於維持企業管治的高標準，以保障股東利益及提高公司價值和問責性。本公司已採用《企業管治守則》作為其企業管治守則。本公司於本期間及截至本公告日期一直遵守《企業管治守則》所載的守則條文。本公司將繼續檢討及提升其企業管治常規，以確保遵守《企業管治守則》。

3. Purchase, Sale or Redemption of the Listed Securities

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

4. Interim Dividend

The Board does not recommend the payment of interim dividends.

5. Review of Interim Results by the Audit Committee

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

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

3. 購買、出售或贖回上市證券

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

4. 中期股息

董事會並不建議派付中期股息。

5. 審計委員會審閱中期業績

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

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

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

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

6. 分別於聯交所及本公司的網站刊登本期間的未經審計中期業績及中期報告

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

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

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| “Audit Committee” 「審計委員會」 | the audit committee of the Company 本公司審計委員會 |
| “Board” 「董事會」 | the board of directors of the Company 本公司董事會 |
| “CG Code” 「企業管治守則」 | the Corporate Governance Code set out in Appendix 14 to the Listing Rules 上市規則附錄14所載之企業管治守則 |
| “China United” 「中國聯合」 | China United Engineering Corporation* (中國聯合工程公司), an enterprise established in the PRC on January 21, 1984 and a wholly-owned subsidiary of SINOMACH, the connected person of the Company and directly holds approximately 0.78% of the issued share capital of the Company 中國聯合工程公司，一家於1984年1月21日在中國成立的企業，並為國機的全資附屬公司、本公司的關連人士且直接持有本公司已發行股本約0.78% |
| “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 whose H Shares are listed on the main board of the Stock Exchange 中國機械設備工程股份有限公司，在中國註冊成立的股份有限公司，其H股於聯交所主板上市 |
| “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 |
| “Corresponding Period in 2014” 「2014年同期」 | the six months ended June 30, 2014 截至2014年6月30日止六個月 |
| “Director(s)” 「董事」 | the director(s) of our Company 本公司董事 |
| “EPC” 「EPC」 | a common form of contracting arrangement whereby the contractor is commissioned by the project owner to carry out such project work as design, procurement, construction and trial operations, or any combination of the above, either through the contractor’s own labor or by subcontracting part or all of the project work, and be responsible for the quality, safety, timely delivery and cost of the project 承包安排的常見形式，即承包商受項目業主的委託進行設計、採購、施工及試工等項目工作，或任何上述的組合（無論是通過承包商本身的人員或分包部分或所有項目工作），並對項目的質量、安全、工期及成本負責 |

| | |
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| <p>“Group” or “Our Group”, “we” or “us” 「集團」、「本集團」或「我們」</p> | <p>the Company and, except where the context otherwise requires, all its subsidiaries 本公司及其所有附屬公司（除文義另有所指外）</p> |
| <p>“H Share(s)” 「H股」</p> | <p>overseas listed foreign shares in our ordinary share capital with a nominal value of RMB1.00 each, which are listed on the Stock Exchange and subscribed for and traded in Hong Kong dollars 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，並於聯交所上市</p> |
| <p>“INED(s)” 「獨立非執行董事」</p> | <p>the independent non-executive Director(s) 獨立非執行董事</p> |
| <p>“International Engineering Contracting Business” 「國際工程承包業務」</p> | <p>the international engineering contracting business conducted by our Group with a primary focus on EPC projects 由本集團開展，並以EPC項目為重點的國際工程承包業務</p> |
| <p>“kV” 「千伏」</p> | <p>unit of electric potential, kilovolt. 1kV=1,000 volts 電壓單位千伏。1千伏=1,000伏特</p> |
| <p>“Listing Rules” 「上市規則」</p> | <p>the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time 聯交所證券上市規則（經不時修訂、補充或以其他方式修改）</p> |
| <p>“Model Code” 「標準守則」</p> | <p>the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules 上市規則附錄十所載之上市發行人董事進行證券交易的標準守則</p> |
| <p>“MW” 「兆瓦」</p> | <p>unit of energy, megawatt. 1MW=1,000kW. The installed capacity of power plants is generally expressed in MW 能源單位兆瓦。1兆瓦=1,000千瓦。發電廠裝機容量通常以兆瓦表示</p> |
| <p>“non-Core Sectors” 「非核心行業」</p> | <p>any sectors that do not fall within the Core Sectors of our International Engineering Contracting Business 任何並非屬於我們國際工程承包業務核心行業的行業</p> |
| <p>“Other Businesses” 「其他業務」</p> | <p>the other businesses conducted by our Group, other than the International Engineering Contracting Business and the Trading Business, which include, among others, design services, logistic services, exhibition services, tendering agency services, export-import agency services and other services 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），其中包括設計服務、物流服務、展覽服務、招標代理服務、進出口代理服務及其他服務</p> |
| <p>“Period” 「本期間」</p> | <p>the six months ended June 30, 2015 截至2015年6月30日止六個月</p> |

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|--------------------------------|---|
| “PRC” or “China” 「中國」 | The People’s Republic of China 中華人民共和國 |
| “RMB” or “Renminbi” 「人民幣」 | Renminbi yuan, the lawful currency of the PRC 人民幣，中國法定貨幣 |
| “Shareholder(s)” 「股東」 | holder(s) of our Share(s) 我們的股份持有人 |
| “Supervisor(s)” 「監事」 | one (or all) of our Company’s supervisors 本公司的一名（或全體）監事 |
| “Stock Exchange” 「聯交所」 | The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司 |
| “Trading Business” 「貿易業務」 | the international and domestic trading business conducted by our Group 本集團進行的國際和國內貿易業務 |
| “US dollars” or “US\$” 「美元」 | United States dollars, the lawful currency of the United States 美元，美國的法定貨幣 |
| “%” 「%」 | per cent 百分比 |

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

承董事會命
中國機械設備工程股份有限公司
主席
孫柏

Beijing, the PRC, August 31, 2015

中國北京，2015年8月31日

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

於本公告日期，董事會成員包括：孫柏先生（主席）及張淳先生（總裁）為執行董事；王治安先生、余本禮先生及張福生先生為非執行董事；以及劉力先生、劉紅宇女士、方永忠先生及吳德龍先生為獨立非執行董事。

* For identification purposes only.

* 僅供識別。