



中國機械設備工程股份有限公司

China Machinery Engineering Corporation*

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

(於中華人民共和國註冊成立的股份有限公司)

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Annual Report **2015** 年度報告



* For identification purposes only
* 僅供識別

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Chairman's Statement

董事長致辭



SUN Bai *Chairman*
孫柏 董事長

Dear Shareholders,

2015 witnessed high volatility in the global financial markets. Given the insufficient overall demand and persistently moderate growth rate of the developed economies, the declining trend of the overall growth rate of the emerging economies is hard to be contained effectively. In particular, the expectation for rate hike by The Federal Reserve increased the disorderly flows of capital worldwide. Capital flight from emerging markets to developed countries caused violent fluctuations in the equity markets and foreign exchange markets of the major emerging economies. According to the forecast by the International Monetary Fund, the expected global gross domestic product in 2015 and 2016 will decrease by 0.2% to 3.1% and 3.6%, respectively.

As the second largest economy in the world, China entered a “new normal” economic stage. Meanwhile, China proposed national strategic initiatives of “One Belt and One Road” and “Reform on Supply-side”. The Group should actively consider how to adapt to the “new normal” of the economic environment promptly, maintain stable development of corporate operation, and gather our strength to timely capture various historically strategic opportunities.

尊敬的各位股東：

2015年全球金融市場劇烈動盪，發達經濟體需求總體不足，長期增長率不高，新興經濟體增長率總體下滑趨勢難以得到有效遏制。尤其是美聯儲加息預期導致全球資本無序流動加劇，大量資本撤出新興市場回流發達國家，使得主要新興經濟體的股市和匯市出現劇烈波動。根據國際貨幣基金組織的預測，2015年與2016年全球國內生產總值預期分別下調0.2%至3.1%和3.6%。

中國作為世界第二大經濟體，經濟發展步入「新常態」，與此同時，政府提出了「一帶一路」與「供給側改革」等國家戰略規劃。我們應積極思考如何盡快適應在「新常態」的經濟環境，保持企業運營的穩健發展，以及如何集公司之力，盡快抓住各項歷史性戰略機遇。

BUSINESS REVIEW

For the year 2015 under review, the Group actively extended our global reach and stepped up efforts in market expansion in order to achieve increased market share and corporate influence. In 2015, the revenue of the Group amounted to RMB20,757.4 million; gross profit amounted to RMB3,390.8 million; profit attributable to shareholders amounted to RMB2,051.8 million. The Group made some remarkable achievements in various business segments including international engineering contracting, trading service and investment and financing activities.

In 2015, the Company proactively accelerated the development of projects and new market expansion. During the year, our newly signed projects mainly included (amongst others) the 230kV transmission line project in Laos, the 2×300MW coal-fired power plant project in Bantaeng, South Sulawesi Province, Indonesia, and the Astron Donald Titanium and Zirconium Mineral project in Australia. The newly effective projects comprised primarily phase II project of Serbia and the SOYO-I combined cycle power plant project in Angola, and the water treatment plant project in the city of Yaoundé and its outskirts from the river Sanaga, Cameroon.

In 2015, the Company implemented more than 70 projects, which were under satisfactory conditions in general. The Brest combined cycle power plant project in White Russia received the China Luban Prize for Construction Project (Overseas Projects), which was our second time receiving this honor subsequent to the Company's EREN (1+1)×600MW supercritical coal-fired power plant project in Turkey. The reward was not only a reflection of the implementation standard of our overseas construction projects but also a praise and recognition of our successful completion of overseas construction projects by the country. In addition, the project of Main Road 67 in Namibia was handed over smoothly and commenced its one year warranty period. This project is the Company's first project in Namibia, which had been completed 99 days ahead of the contractual schedule. It is widely recognized and highly regarded by the local government and the project's consultancy engineers.

業務回顧

回顧集團2015年的業務發展，本集團積極佈局全球市場，加大市場開發力度，力爭實現市場份額與企業影響力的雙豐收。2015年，本集團收入為人民幣20,757.4百萬元，毛利為人民幣3,390.8百萬元，股東應佔溢利為人民幣2,051.8百萬元，在國際工程承包、貿易服務及投融資等業務板塊中均取得了多項豐碩的成績。

2015年，本公司積極推進項目開發及新市場開拓。公司全年新簽約項目主要包括：老撾230kV輸變電項目、印度尼西亞南蘇拉威西班牙塔恩2×300MW火電站項目、澳大利亞阿斯創唐納德鈦礦砂項目等。新生效項目主要包括：塞爾維亞電站二期項目、安哥拉SOYO-I聯合循環電廠項目、喀麥隆雅溫得薩納加水處理廠項目等。

2015年，本公司執行工程項目超過70個，項目情況總體良好。白俄羅斯別列佐夫聯合循環電站項目榮獲境外工程魯班獎，這是公司繼土耳其EREN(1+1)×600MW超臨界燃煤電站項目之後第二次獲此殊榮，不僅是公司境外工程項目執行水平的體現，更是國家對公司圓滿完成境外工程項目建設的褒獎和肯定。此外，納米比亞MR67號公路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，受到當地政府和項目諮詢工程師的充分肯定和高度評價。

Chairman's Statement

董事長致辭

Regarding our trading and service business, leveraging our extensive sales and marketing networks in more than 150 countries and regions around the globe, the Company strengthened its risk control while sparing no efforts in rectifying the current conditions of a single operation model, deficiency in product control and imbalance between the domestic and overseas markets, and shifting our business focus back to the machinery industry. The Company also proactively innovates its operation model to transform from a product trader to a provider of product value-added services, enhancing its overall operating capacity and profitability and achieving progress in transformation and business upgrades. In 2015, the Company commenced cooperation with Alibaba Group through our subsidiaries such as CMEC General Machinery Import & Export Co., Ltd. in an attempt to commence cross-border e-commerce business, and the Company completed the initial formation of cross-border supply chain services platform.

In 2015, the Group made progress in our domestic and overseas investment and financing business. In overseas market, a financing agreement was entered into for the Thar coal-electric integration project in Pakistan. In addition, the Company also successfully won the bid for the solar energy power plant investment project in Maldives, which obtained groundbreaking achievement in power investment. In 2015, leveraging the investment platform offered by CMEC Guolian New Energy, the domestic photovoltaic power station investment business conducted by the Company began to bear fruit.

DEVELOPMENT STRATEGY

In 2015, the Company will continue to stride towards becoming a leading multinational company in the world by adhering to strategic guiding principles, consolidating foundation, rebuilding our brand and driving transformation and shifting back to the mainstream business. The Company modified its original principle of facilitating “transformation” by “breakthrough” into “quality assurance, integration, synergy and innovation”, further highlighting development focus including quality assurance and stability in business development, internal and external integration and synergy of resources, innovation on the forging of the industrial chain. The business positioning of our business segments in international engineering contracting, trading and services and investment and financing are “core focus”, “development through transformation” and “new strategies”, respectively.

在貿易及服務業務方面，本集團憑借在全球超過150個國家及地區所建立廣泛的銷售及市場營銷網絡，在努力做好風險控制的前提下，繼續著力改變經營模式單一、產品控制力薄弱、國內外兩個市場不平衡等現狀，回歸並立足於機械工業。本集團還積極創新經營模式，努力從產品貿易商向產品增值服務商轉變，整體經營能力和盈利能力得到提升，轉型升級取得進展。2015年，本集團通過中設通用機械進出口有限責任公司等子公司與阿里巴巴集團展開合作，嘗試開展跨境電商業務，初步搭建了跨境供應鏈服務平台。

2015年，本集團的境內外投融資業務取得進展。境外方面，集團的巴基斯坦塔爾煤電一體化項目已經簽署融資協議。另外，公司還成功中標馬爾代夫太陽能電站投資項目，在電力投資方面取得突破。境內方面，2015年，公司依托中設國聯新能源投資平台開展的國內光伏電站投資業務已初具規模。

發展戰略

2015年，公司堅持戰略引領，夯實基礎、重塑品牌、開拓轉型、回歸主流，向全球一流的跨國公司持續邁進。從原先的以「突破」促「轉型」調整為「保質、整合、協同、創新」。進一步突出業務發展上的保質維穩、資源上的內外部整合和協同、產業鏈構建上的創新等發展重點。在各個業務板塊方面，分別對工程承包板塊定位為「核心重點」，貿易與服務板塊定位為「轉型發展」及投融資板塊定位為「戰略新興」。

Chairman's Statement

董事長致辭

With respect to our International Engineering Contracting Business, in 2015, the Group further optimized the “core market management mechanism”, reinforced the management of expansion into “core markets”, proactively explored opportunities in the “One Belt and One Road” initiative and studied the model of entrance into high-end markets as one of the development focuses. Meanwhile, greater importance was attached to the integration of the depth of the “setting up of regional centers” and “localization” operation. The Company refined its core markets and proactively expanded into new markets with a new perspective, and defined the scope of “North America” and the “6 gulf states” to conduct active exploration in these markets. Moreover, the Group put emphasis on the approach of proactively seeking external partnership with global leading enterprises in particular and deepening cooperation with important strategic partners to drive up capacity of the industry and to promote business expansion. The Company and the U.S. General Electric International, Inc. entered into a “Memorandum of Understanding in respect of Strategic Cooperation in Africa”. Subsequently, both parties strengthened cooperation in various projects, including the SOYO-I combined cycle power plant project in Angola, a power plant in Nigeria and a wind power project in Kenya, which all delivered satisfactory results.

With respect to our Trading Business, owing to the fact that the Company has made adjustment in this segment with noticeable results in the past few years, the Company paid particular attention to the maintenance of the profitability of the business, optimization and upgrade of the underlying businesses and the finalization of new business models. Furthermore, the strategic focus of the planning was led by the refinement strategy of the Trading Business, resources allocation was based on business performance, and outstanding sub-business was further developed with an aim to enhancing profitability.

國際工程承包業務方面，2015年，本集團進一步健全核心市場管理機制，深化對核心市場開拓的管理，積極探索「一帶一路」等市場機會，並且以研究高端市場的進入模式作為發展重點之一。同時，本集團進一步強調結合區域中心建設的深度和屬地化經營的執行。對核心市場、積極拓展市場進行更新，並定義了諸如「北美」、「海灣六國」等積極探索市場。另外，本集團強調積極拓展外部合作模式，尤其是與全球領軍企業的合作，與重要戰略合作夥伴不斷深化合作，從而推動產業能力的提升與業務的拓展的方向。CMEC與美國通用電氣國際公司（「通用電氣」）簽署了《非洲區戰略合作諒解備忘錄》，隨後在安哥拉SOYO-I聯合循環電廠項目、尼日利亞燃機項目、肯尼亞風電項目等多個項目上展開了深入合作，取得良好成效。

貿易業務方面，考慮到過去幾年公司已經對此板塊進行了調整，而且略有成效，因此公司重點關注此業務盈利能力的保持、下屬業務優化升級以及新業務模式的確定。並且規劃的戰略重點是以貿易業務細化戰略為引領，以業務績效表現為導向進行資源配置，發展優質子業務，提升盈利能力。

Chairman's Statement

董事長致辭

As “the strategic new business”, our investment and financing business showed no breakthrough in the past few years in terms of revenue. When analysing the current situation, under the prerequisite of the clear-cut positioning of the investment business, the Company further improved the “investment management structure” and streamlined the investment management functions of the relevant departments in 2015. As for the directions for investment, in addition to the industries and regions in which CMEC possesses advantages and investment in BOT projects, development in “BROT” projects was newly explored. At the same time, while the Company further expanded financing channels, we also stepped up our efforts in the cooperation with domestic financial and insurance institutions to establish new financing model. Based on the traditional financing model, the Company achieved breakthroughs in project financing model in the Thar coal-electric integration project in Pakistan.

Meanwhile, the Group will increase new business types and establish “platform-based business” as a new driver of other business development of CMEC and enable CMEC to achieve a breakthrough in business scale and growth bottleneck. In terms of new strategic planning, the Group conducted elaborate studies, on the positioning of new businesses. With respect to technology innovation, CMEC will leverage its own edges and the combined capacity of many outstanding scientific research institutes in the PRC, and gradually enhance our ability in scientific research and technological innovation to advance the development of our technological innovation. In addition to property management business, Shenzhen CMEC Industry Corporation Limited will also develop synergy in regional integrated development to expand into overseas market.

投融資類業務作為「戰略新興業務」，在過去幾年中未形成收入上的突破。結合現狀分析，2015年，本公司在明確投資業務的定位的前提下，進一步完善了公司的投資管理架構，理順了相關部門的投資管理職能。對於投資方向，除了圍繞CMEC的優勢產業和區域，投資BOT的項目之外，還新增了BROT類項目的發展方向。並且集團進一步拓寬融資渠道，立足於融資模式創新，加大與中資金融保險機構的合作力度，在傳統融資模式基礎上，依托巴基斯坦塔爾煤電一體化項目在項目融資模式上實現突破。

同時，本集團將增加新的業務類型，形成新的增長點，作為「平台型業務」帶動其他相關業務發展，幫助CMEC突破業務規模和增長瓶頸。在新的戰略規劃中，本公司重點研究了這些新業務的定位。在科技創新方面，CMEC將利用自身優勢，整合國內眾多優秀科研院所；逐步強化集團科研與技術創新能力，帶動本集團科技創新的發展。深圳市中設實業有限公司除了物業管理之外，今後還將與區域綜合開發協同，進軍海外市場。

OUTLOOK

In 2016, the Group will make new adjustment in our development strategies, and propose establishment of six key management systems, comprising engineering contracting business management, legal, financial management, investment and financing management, corporate culture and social responsibilities. After taking into consideration the requirements of investment and financing development and localized operation of overseas market, the Group puts priority on the first four systems above. However, after a new round of overseas expansion is completed, the Group also places importance on systems of corporate culture and social responsibilities. The Group also hopes to further perform our social responsibilities as a PRC enterprise and promote the welfare of the domestic society while successfully completing overseas projects. It will be the next important tasks for the Group to establish these six systems.

Firstly, the Company will continuously strive to roll out “Investment Driven EPC” projects while widening our project investment channels. In respect of investment type projects in familiar industries, the Company can leverage the advantages in our own brand and channels in an attempt to obtain a dominant development right in the initial stage of the project. Meanwhile, the Company will also strive for breakthrough in the areas of industrial parks, modern agriculture and other integrated regional development.

Secondly, with respect to the trading and services business, the Group will accelerate the facilitation of the continual transformation and upgrade of trading and services business, with a view to proactively transforming into an integrated services provider and enhancing operational capabilities and profitability. Moreover, the Company will place much importance to put innovations into practice, actively facilitating the formulation of cross-border supply chain e-commerce services platform to create a new growth driver for the trading business. The Company will also continue to step up our efforts in building our trading brand and keep fostering our core businesses, core products and core markets for the trading and services segment, so as to promote business transformation and upgrade.

未來展望

2016年本集團對發展戰略做了新的調整，提出了六大關鍵管理體系的建設，其中包括工程承包業務管理、法律、財務管理、投融資管理、企業文化、社會責任。考慮到投融資業務發展和海外屬地化經營的需要，前四個體系可優先建設，但隨著新一輪的走出去，本集團也重點關注企業文化和社會責任體系，除了更好地建設完成國外項目的同時，還希望能更好的履行中國企業的社會責任，為當地社會帶來更多福祉。打造這六大體系將是本集團下一步重要的工作任務。

首先，公司將繼續努力推進「投資拉動EPC」項目，拓寬項目投資思路。對於熟悉行業的投資類項目，公司會利用自身品牌和渠道的優勢，嘗試在項目的前期獲得主導開發權。與此同時，公司將力爭在產業園區、現代農業及其他綜合區域開發領域取得突破。

其次，在貿易與服務板塊方面，本集團將進一步加速推動貿易與服務業務的持續轉型升級，積極向綜合服務商轉變，不斷提升經營與盈利能力。另外，著力創新實踐，積極推動跨境供應鏈電商服務平台建設，打造新的貿易業務增長點。公司還將繼續加大貿易品牌建設力度，持續打造貿易與服務板塊的核心業務、核心產品、核心市場，推進業務轉型升級。

Chairman's Statement

董事長致辭

Lastly, with respect to the investment and financing business, the Group will accelerate the diversification of domestic financing, actively explore overseas financing models, and build up a comprehensive and multi-dimensional overseas financing platform. In other words, the Company will steadily expedite the overseas investment businesses primarily comprising the Thar coal-electric integration project in Pakistan, so as to make leaps in overseas investment business.

We believe that the Group will be able to capture the strategic opportunities brought forth by the key state policies, proactively combine resources and channels from various parties to bring up our capabilities in making development and cultivating innovation to full strength.

Finally, on behalf of the Board, I would like to take this opportunity to express our sincere gratitude to the Shareholders for their concern and support, the senior management team for their dedication, and to all of the Company's staff for their endeavors all along!

Sun Bai
Chairman

Beijing, China
April 23, 2016

最後，在投融資業務方面，本集團將加快國內融資多元化進程，積極探索海外融資模式，建立全方位、立體式境外融資平台。具體而言，公司將穩步推進以巴基斯坦塔爾煤電一體化項目為主的境外投資業務，實現公司境外投資業務的突破。

我們相信，本集團將抓住各項國家政策帶給我們的歷史性戰略機遇，積極聯合多方資源與渠道，補足發展短板、培育創新能力。

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

孫柏
董事長

中國北京
2016年4月23日

Company Profile

公司簡介

The Company was established in 1978 and was the first state-owned industrial and trading enterprise in the PRC. The Company is a subsidiary controlled by SINOMACH. The Company was listed on the Main Board of the Stock Exchange on December 21, 2012. As at December 31, 2015, the Company had a total of 908,270,000 H Shares and 3,217,430,000 non-tradable Domestic Shares issued. The Company has a primary focus on EPC projects and particular expertise in the power sector, capable of providing one-stop customized and integrated engineering contracting solutions and services. The Company also conducts the Trading Business and Other Businesses.

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

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

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

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

Other Businesses: To a lesser extent, the Company is involved in the Other Businesses that provide logistics services, exhibition services, tendering agency services and other services (including designed services and export-import agency services).

Investment and Financing Business: The Company is involved in overseas and domestic concession investments in engineering contracting projects and associated financing business.

本公司成立於1978年，是中國第一家大型工貿企業，是國機控股的附屬公司。本公司於2012年12月21日在聯交所主板上市。於2015年12月31日，本公司已發行合共908,270,000股H股及3,217,430,000股尚未流通的內資股。本公司主要專注於EPC項目，特別專長於電力能源行業，能夠提供一站式訂製及綜合工程承包方案及服務。本公司亦從事貿易業務及其他業務。

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

競爭優勢：品牌聲譽、運營模式、業務網絡、專業團隊、商務運作、融資策劃。

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

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

其他業務：本公司從事較小程度的其他業務，提供物流服務、展覽服務、招標代理服務及其他服務（包括設計服務及進出口代理服務）。

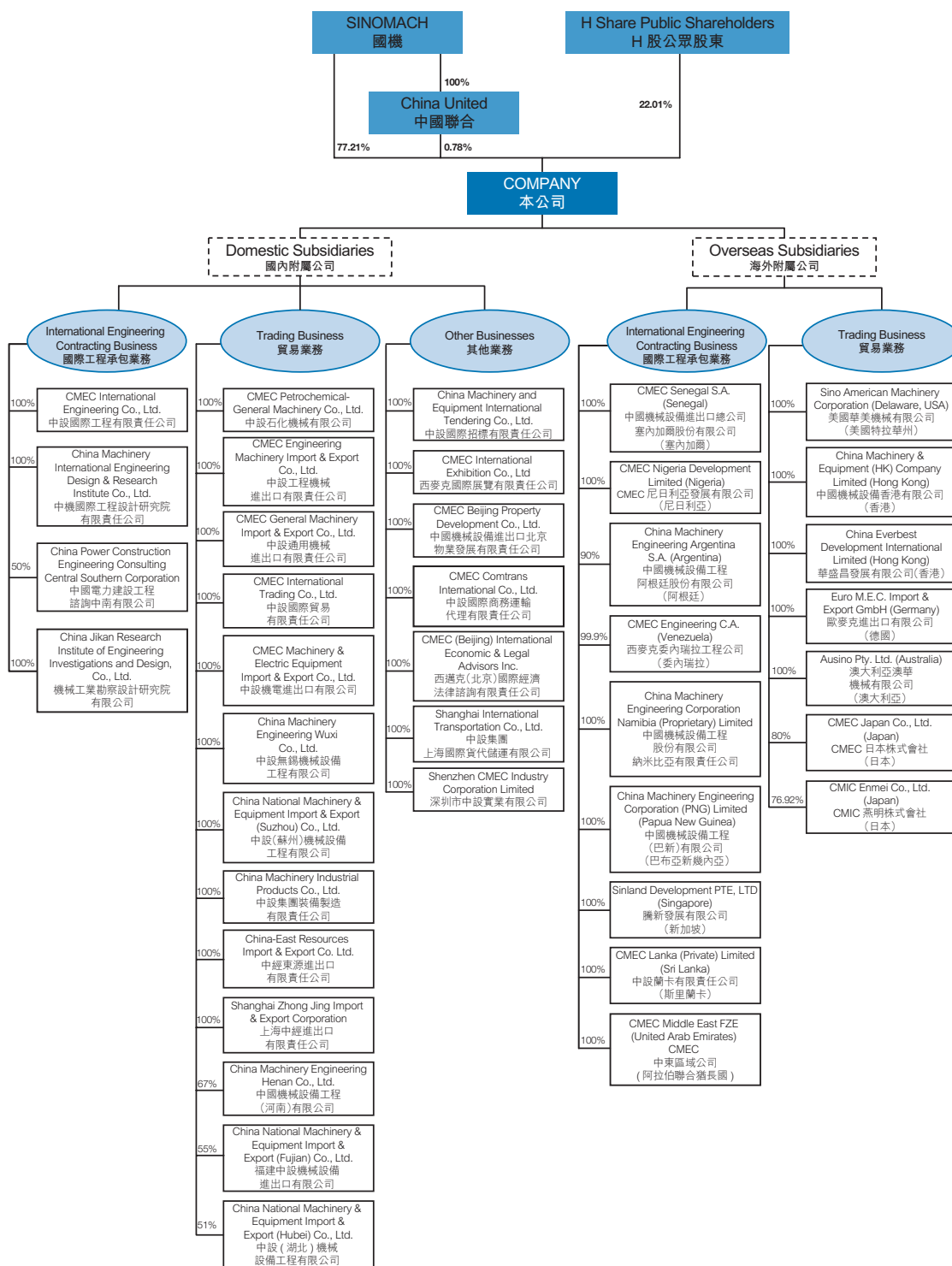
投融資業務：本公司從事境內外工程承包項目特許投資業務及相關融資業務。

Company Profile

公司簡介

Corporate Structure: As at December 31, 2015, the Company's corporate structure was as follows:

企業架構: 於2015年12月31日，本公司企業架構如下：



Key Operating and Financial Data

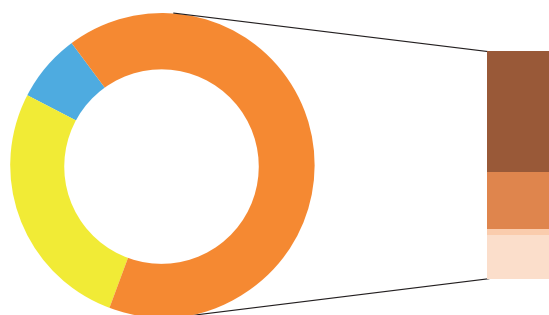
重要經營及財務數據

Revenue Structure in 2015

2015年收入結構

Unit: RMB million

單位：人民幣百萬元



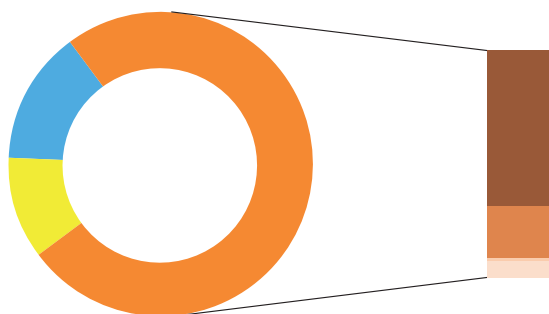
| | 收入 Revenue | 收入佔比 Revenue Breakdown |
|-------------------------|---------------|---------------------------|
| 工程板塊IEC | 13,740 | 66% |
| -電力能源Power | 7,262 | 35% |
| -交通運輸Transportation | 3,486 | 17% |
| -電子通訊Telecommunications | 364 | 2% |
| -非核心行業Non-Core Sectors | 2,628 | 12% |
| 貿易板塊Trading | 5,630 | 27% |
| 其他業務Other Businesses | 1,387 | 7% |
| 總計Total | 20,757 | 100% |

Gross Profit Structure in 2015

2015年毛利結構

Unit: RMB million

單位：人民幣百萬元



| | 毛利 Gross Profit | 毛利佔比 Gross Profit Breakdown |
|-------------------------|--------------------|--------------------------------|
| 工程板塊IEC | 2,544 | 75% |
| -電力能源Power | 1,746 | 52% |
| -交通運輸Transportation | 575 | 17% |
| -電子通訊Telecommunications | 38 | 1% |
| -非核心行業Non-Core Sectors | 185 | 5% |
| 貿易板塊Trading | 369 | 11% |
| 其他業務Other Businesses | 478 | 14% |
| 總計Total | 3,391 | 100% |

Key Operating and Financial Data

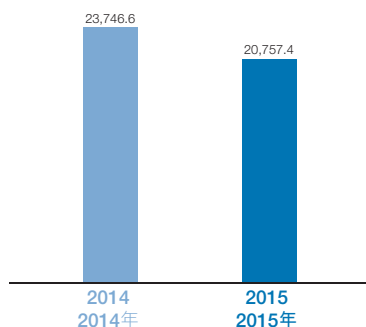
重要經營及財務數據

1. Revenue

收入

Unit: RMB million

單位：人民幣百萬元

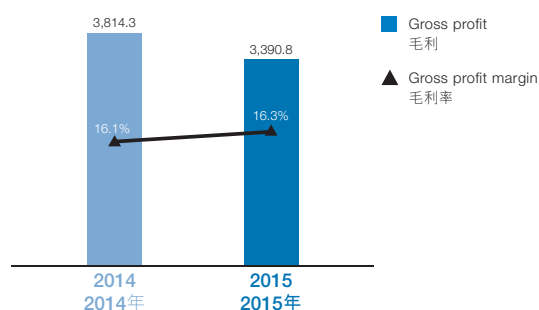


2. Gross Profit and Gross Profit Margins

毛利及毛利率

Unit: RMB million

單位：人民幣百萬元

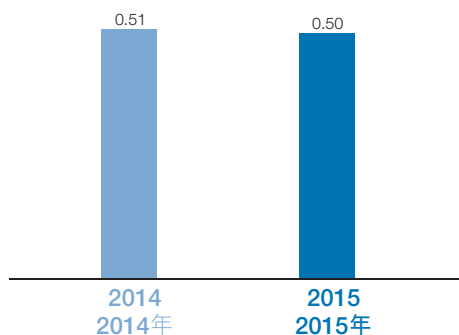


3. Basic Earnings per Share

每股基本盈利

Unit: RMB

單位：人民幣

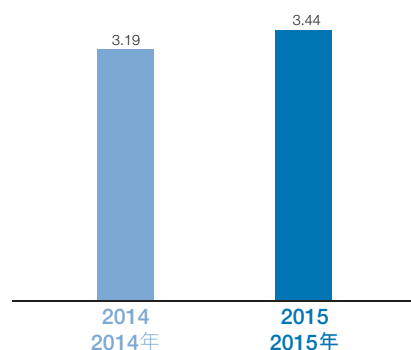


4. Net Asset Per Share

每股淨資產

Unit: RMB

單位：人民幣

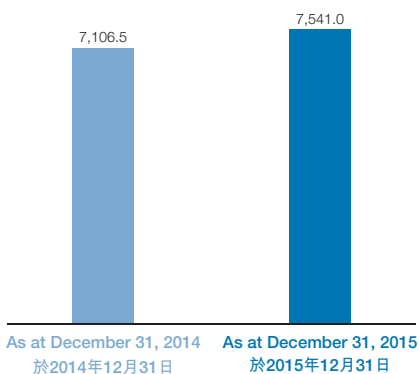


5. Backlog for the International Engineering Contracting Business

國際工程承包業務未完成合同量

Unit: US\$ million

單位：百萬美元

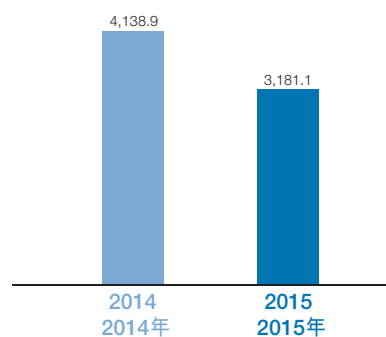


6. Newly Effective Contract Value for the International Engineering Contracting Business

國際工程承包業務的新生效合同金額

Unit: US\$ million

單位：百萬美元



Key Operating and Financial Data

重要經營及財務數據

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

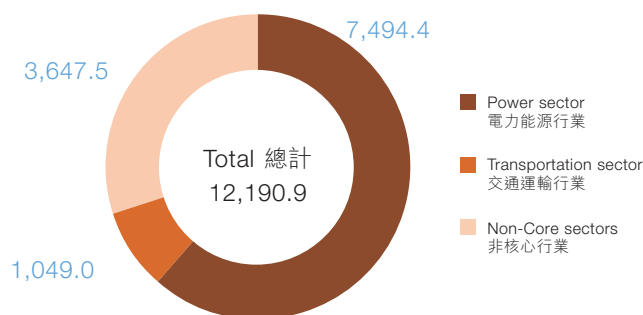
國際工程承包業務的已簽約待生效合同

As at December 31, 2015

於2015年12月31日

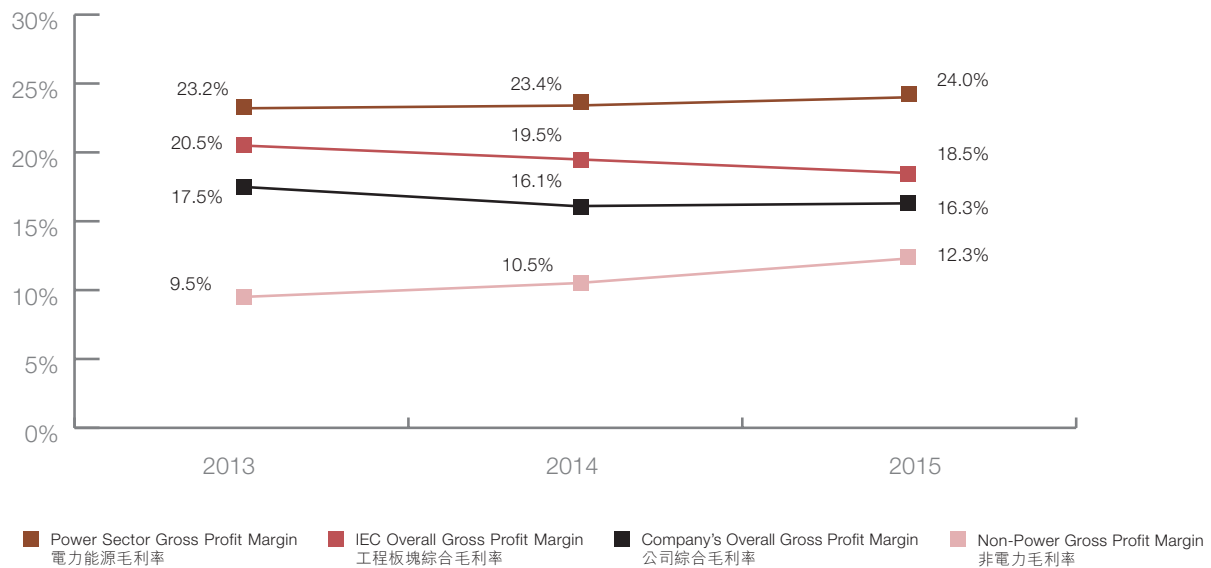
Unit: US\$ million

單位：百萬美元



8. Gross Profit Margin for the International Engineering Contracting Business ("IEC")

工程板塊毛利率



Financial Highlights

財務摘要

| | | Year ended December 31, 截至12月31日止年度 | | | | |
|--|--------------------------|--|-------------|-------------|-------------|-------------|
| | | 2015 | 2014 | 2013 | 2012 | 2011 |
| | | 2015年 | 2014年 | 2013年 | 2012年 | 2011年 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| | | | (Restated)* | | | |
| | | | (重述)* | | | |
| Revenue | 收入 | 20,757,364 | 23,746,597 | 21,426,272 | 21,296,063 | 20,517,769 |
| Gross profit | 毛利 | 3,390,808 | 3,814,298 | 3,742,458 | 3,731,510 | 3,659,031 |
| Other revenue and other income/ (expenses), net | 其他收入及其他收入/ (開支)淨額 | (6,619) | (77,395) | 365,826 | 22,115 | 6,637 |
| Operating expenses | 經營開支 | (1,807,341) | (1,641,864) | (1,780,132) | (1,690,383) | (1,521,026) |
| Profit from operations | 經營溢利 | 1,576,848 | 2,095,039 | 2,328,152 | 2,063,242 | 2,144,642 |
| Profit before taxation | 除稅前溢利 | 2,776,763 | 2,764,856 | 2,664,105 | 2,615,878 | 1,987,369 |
| Income tax | 所得稅 | (722,591) | (645,105) | (703,864) | (687,716) | (515,026) |
| Profit for the year | 年內溢利 | 2,054,172 | 2,119,751 | 1,960,241 | 1,928,162 | 1,472,343 |
| Other comprehensive income for the year | 年內其他綜合收益 | (21,063) | (18,890) | 14,745 | (3,720) | 1,235 |
| Total comprehensive income for the year | 年內綜合收益總額 | 2,033,109 | 2,100,861 | 1,974,986 | 1,924,442 | 1,473,578 |
| Profit attribute to: | 溢利歸屬於: | | | | | |
| – Shareholders of the Company | – 本公司股東 | 2,051,775 | 2,119,470 | 1,959,257 | 1,927,689 | 1,474,893 |
| – Non-controlling interests | – 非控股權益 | 2,397 | 281 | 984 | 473 | (2,550) |
| Total comprehensive income attributable to: | 綜合收益總額歸屬於: | | | | | |
| – Shareholders of the Company | – 本公司股東 | 2,030,658 | 2,099,652 | 1,974,823 | 1,925,325 | 1,475,096 |
| – Non-controlling interests | – 非控股權益 | 2,451 | 1,209 | 163 | (883) | (1,518) |
| Basic and diluted earnings per share (expressed in RMB per share) | 每股基本及攤薄盈利 (以每股人民幣元計值) | 0.50 | 0.51 | 0.47 | 0.58 | 0.45 |
| Total non-current assets | 非流動資產總額 | 6,817,206 | 5,868,844 | 6,049,264 | 6,833,778 | 7,277,172 |
| Total current assets | 流動資產總額 | 35,415,222 | 32,221,003 | 25,903,900 | 27,936,051 | 19,331,069 |
| Total assets | 資產總額 | 42,232,428 | 38,089,847 | 31,953,164 | 34,769,829 | 26,608,241 |
| Total non-current liabilities | 非流動負債總額 | 833,109 | 729,052 | 407,162 | 581,888 | 737,109 |
| Total current liabilities | 流動負債總額 | 27,197,903 | 24,198,264 | 19,789,941 | 24,270,518 | 20,497,237 |
| Total liabilities | 負債總額 | 28,031,012 | 24,927,316 | 20,197,103 | 24,852,406 | 21,234,346 |
| Equity attributable to shareholders of the Company | 本公司股東應佔權益 | 14,166,833 | 13,136,369 | 11,739,625 | 9,920,341 | 5,379,736 |
| Non-controlling interests | 非控股權益 | 34,583 | 26,162 | 16,436 | (2,918) | (5,841) |
| Total equity | 權益總額 | 14,201,416 | 13,162,531 | 11,756,061 | 9,917,423 | 5,373,895 |
| Total equity and liabilities | 權益及負債總額 | 42,232,428 | 38,089,847 | 31,953,164 | 34,769,829 | 26,608,241 |

* Restatement is based on business combination under common control as a result of the acquisition of 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) on September 30, 2015, which is stated in note 2.1 to the audited consolidated financial statements in this annual report.

* 重述是基於本年報經審計合併財務報表附註2.1所述由於2015年9月30日收購機械工業勘察設計研究院有限公司而在同一控制下的業務合併。

Management Discussion and Analysis

管理層討論與分析

I. INDUSTRY OVERVIEW

In 2015, the domestic and international environment remains generally anfractuous, displaying a sustained downward trend. Internationally, the world economy is still undergoing profound adjustment with a less-than-obvious recovery. The risk in international security situation exacerbated amid a weak economic growth momentum and obvious differentiation of major economic entities. From the domestic aspect, the PRC economy entered into a “new normal” stage, with the downward pressure increased, and may go through a “L” growth stage. We may face various challenges during the economic development, such as transformation and upgrading, structure adjustment and increasing latest risks.

A. International Engineering Contracting Industry

According to the Ipsos Report, the total new contract value of infrastructure engineering projects in the global market was approximately US\$992.7 billion in 2015; whilst the total new contract value of infrastructure engineering projects in developing countries reached approximately US\$922.5 billion in 2015, accounted for approximately 92.9% of the total new contract value of infrastructure engineering projects in the global market. The new contract value of power, transportation and telecommunications sectors in developing countries together contributed approximately 84.1% to the total new contract value of infrastructure engineering projects in developing countries in 2015, of which power, transportation and telecommunications sectors each accounted for approximately 38.9%, 27.4% and 17.8%, respectively, of the said value.

I. 行業概覽

2015年，國內外的環境總體仍然錯綜複雜，下行壓力持續顯現。從國際看，世界經濟仍在深度調整，復甦態勢不明顯，全球經濟增長動力不足，主要經濟體分化明顯，國際安全形勢風險加劇。從國內看，我國經濟進入新常態，下行壓力增大，可能會經歷一個L型增長階段，經濟發展過程中面臨轉型升級、結構調整、風險隱患增多等眾多挑戰。

A. 國際工程承包行業

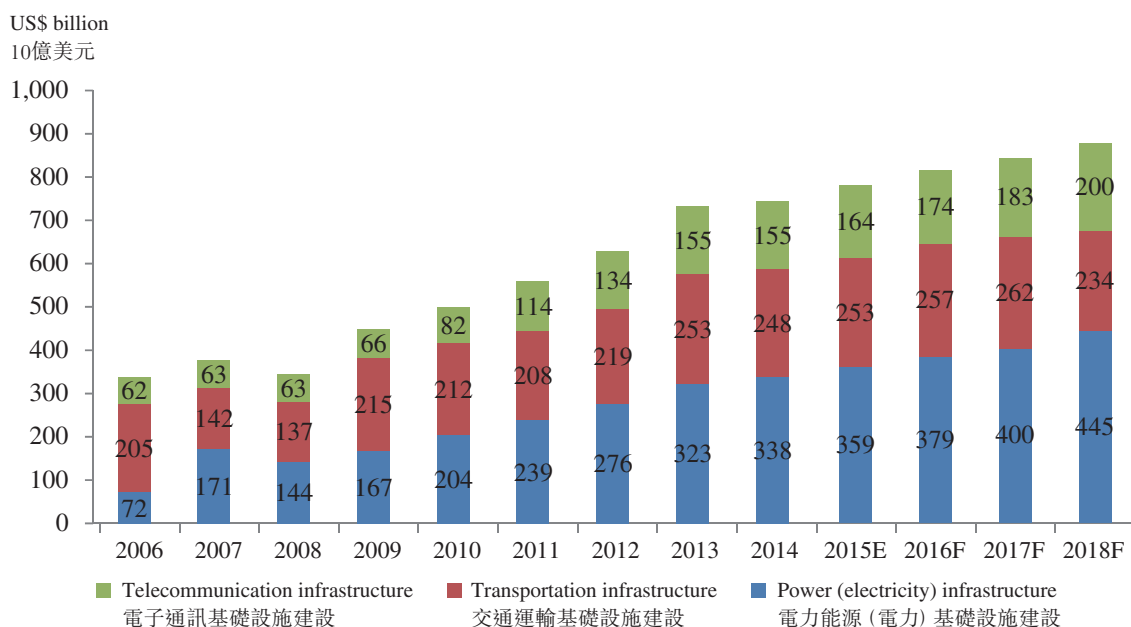
根據益普索報告，於2015年，全球市場的基礎設施建設工程項目新合同總金額約為9,927億美元，其中發展中國家於2015年的基礎設施建設工程項目新合同總金額達至約9,225億美元，佔全球市場的基礎設施建設工程項目新合同總金額約92.9%。於2015年，發展中國家的電力能源、交通運輸及電子通訊分部的新合同金額合共佔發展中國家的基礎設施建設工程項目新合同總金額約84.1%，其中電力能源、交通運輸及電子通訊分部分別佔上述金額約38.9%、27.4%及17.8%。

Management Discussion and Analysis

管理層討論與分析

New contract value of infrastructure engineering projects by infrastructure types in developing countries from 2006 to 2018

2006年至2018年按基礎設施建設類別呈列的發展中國家基礎設施建設工程項目的新合同金額



Sources: China International Contractors Association; ENR; Ipsos research and analysis

資料來源：中國對外承包工程商會；工程新聞記錄；益普索研究及分析

According to the Ipsos Report, the new contract value of power-related infrastructure engineering projects grew the fastest among the 3 types (power, transportation and telecommunications) of projects at a compound annual growth rate (“CAGR”) of approximately 21.2% from 2006 to 2015, reaching an estimated amount of about US\$405 billion in 2015; the slowest growth was witnessed for transportation infrastructure engineering projects in developing countries at a CAGR of approximately 3.7% from 2006 to 2015 reaching US\$285 billion in 2015. From 2013 to 2015, the growth of the new contract value of the 3 types (power (electricity), transportation and telecommunications) of projects in developing countries has slowed down at a CAGR of approximately 5.43%, nil and 2.86%, respectively.

根據益普索報告，自2006年至2015年，電力能源基礎設施建設工程項目的新合同金額在電力能源、交通運輸及電子通訊三個類別項目中增長最快，複合年增長率（「複合年增長率」）約21.2%，於2015年預計達到約4,050億美元；而發展中國家的交通運輸基礎設施建設工程項目增長最慢，於2006年至2015年的複合年增長率約為3.7%，於2015年達到2,850億美元。自2013年至2015年，發展中國家電力能源（電力）、交通運輸及電子通訊三個類別項目的新合同金額增長緩慢，複合年增長率分別約為5.43%，零及2.86%。

Management Discussion and Analysis

管理層討論與分析

The top 10 Chinese contractors contributed approximately 49.8%, or approximately US\$13,366 million, to the total revenue generated from international projects in the power (electricity) sector in the global market in 2015. As one of the major Chinese contractor in the power (electricity) sector, CMEC ranked 3rd with about 4.8% share amongst the top 10 Chinese contractors in 2015, according to the Ipsos Report.

B. Trading Industry

China's international trade value fluctuated from 2001 to 2015. Among the trade values, the import value of China increased from around US\$244 billion in 2001 to around US\$1,682 billion in 2015, at a CAGR of about 14.8%, while the export value of China increased from around US\$266 billion in 2001 to around US\$2,277 billion in 2015, at a CAGR of about 16.6%. With China's accession to the World Trade Organization in December 2001, the country has committed itself to additional reforms. Sustained implementation of these commitments further deepened China's internationalization.

於2015年，中國十大承包商佔全球市場電力能源（電力）領域國際項目所產生的總收入的約49.8%或約13,366百萬美元。根據益普索報告，2015年，CMEC（作為電力能源（電力）領域的主要中國承包商之一）排名第三，在中國十大承包商中佔有約4.8%的份額。

B. 貿易行業

中國的國際貿易金額於2001年至2015年間波動不定。貿易金額中，中國的進口額從2001年的約2,440億美元增至2015年的約16,820億美元，複合年增長率約為14.8%，而中國的出口額從2001年的約2,660億美元增至2015年的約22,770億美元，複合年增長率約為16.6%。隨著中國於2001年12月加入世界貿易組織，國家已承諾將深化改革。持續貫徹這些承諾將進一步加深中國的國際化程度。

Management Discussion and Analysis

管理層討論與分析

Import and export values of trading of China from 2001 to 2015

2001年至2015年中國貿易進出口額



Sources: China Customs; Ipsos research and analysis

資料來源：中國海關；益普索研究及分析

Compared to 2014, China's import and export values both experienced a drop by around 14.1% and 2.8%, respectively in 2015. The decline in 2015 can be attributed to the sluggish global economy, weakened traditional advantages in respects like labor and land as well as the increasing trade conflicts. Specifically, bilateral trade value between China and the European Union and that between China and Japan decreased by 7.2% and 9.9%, respectively; import and export values of foreign-invested enterprises and state-owned enterprises in China decreased by 6.5% and 12.1%, respectively.

相較於2014年，中國於2015年的進出口額均有所下降，分別下降約14.1%及2.8%。2015年出現下滑乃由於全球經濟蕭條、勞動力及土地等傳統優勢弱化以及貿易衝突不斷增加。具體而言，中國與歐盟、日本的雙邊貿易額分別下降7.2%及9.9%，中國的外資企業及國有企業的進出口額分別下降6.5%及12.1%。

Management Discussion and Analysis

管理層討論與分析

Trends and developments of China's trade

Facing the complex trade situation which was influenced by the downturn in global demand, weakened traditional advantages and increasing trade conflicts, China's government has taken initiatives to promote foreign trade through further implementing the opening up policy, adjusting trade structure, fostering the competitive advantages of foreign trade, eliminating the trade conflicts, etc. The political environment of China's trade will be optimized owing to these optimistic factors, which will support the rebound of China's trade in the future.

1. According to the "Report on China's foreign trade situation" in 2015, China's government will continuously strive to promote the development of new business models of foreign trade, strengthen import and deepen the cooperation with trade partners in order to provide more favorable conditions for foreign trade enterprises to enhance their confidence as well as stabilize their international market share.
2. According to the "Advice on improving the innovative development of processing trade" issued by the State Council of the PRC in January 2016, processing trade is one of the most important components of China's foreign trade, and the government has taken effort on keeping the stable growth of processing trade and speeding up the transformation and upgrading of processing trade.

中國貿易的趨勢及發展

面對全球需求低迷、傳統優勢弱化及貿易衝突不斷增加這一複雜的貿易形勢，中國政府通過進一步實施開放政策、調整貿易結構、培育對外貿易的競爭優勢、消除貿易衝突等積極推動對外貿易。該等積極因素將使中國貿易的政治環境得以優化，進而支持未來中國貿易的反彈。

1. 根據2015年《中國對外貿易形勢報告》，中國政府將繼續推進外貿新型商業模式發展、加強進口及深化與經貿夥伴的合作，為外貿企業提升信心、穩定國際市場份額創造更多有利條件。
2. 根據中國國務院於2016年1月發佈的《關於促進加工貿易創新發展的若干意見》，加工貿易是我國對外貿易的重要組成部分之一，政府著力保持加工貿易的穩定增長及加快加工貿易的轉型升級。

Management Discussion and Analysis

管理層討論與分析

3. In addition, promoting the development of commodities trade, along with service trade can push the structure optimization of foreign trade, which can also foster new economic momentum and job opportunities. The government will carry out pilot programs on the innovative development of service trade in 10 cities being Tianjin, Shanghai, Hainan, Shenzhen, Hangzhou, Wuhan, Guangzhou, Chengdu, Suzhou and Weihai as well as 5 new development areas of state-level being Harbin, Jiangbei, Liangjiang, Guian and Xixian. These innovative development pilots of service trade mainly focus on the exploration of management system, development mode, facilitation and other different areas of service trade. These measures will promote the transformation and upgrading of foreign trade and increase the competitiveness of service trade.

II. BUSINESS OVERVIEW

2015 is a critical year of the period of CMEC Five-year Strategic Plan (CMEC五年戰略規劃). Moreover, it is a year of progress which facilitates changes in the development of the Company and completion in “transformation and breakthrough”. During this year, the Company continued to stride towards a leading multinational company in the world by adhering to strategic guiding principles, consolidating foundation, rebuilding our brand and driving transformation and following the mainstream.

Consolidating foundation means we shall improve our internal efficiency, strengthen and solidify our base, consolidate our foundation of prosperity and leverage our years of experience accumulated in our International Engineering Contracting Business and Trading Business and continue to enhance our existing core capabilities.

Rebuilding our brand means we shall establish our leadership in the industry and the dedicatedly promote our glorious tradition of “establishing a milestone by every project” (“幹一個工程，樹一座豐碑”), consolidate and make good use of the “golden marquee” of CMEC and practically enhance the inherent value of our brand.

3. 此外，推動商品貿易的發展及服務貿易可以推進外貿的結構優化，進而創造新的經濟動力及工作機會。政府在天津、上海、海南、深圳、杭州、武漢、廣州、成都、蘇州及威海10個城市以及哈爾濱、江北、兩江、貴安及西咸5個國家級新區開展服務貿易創新發展試點。該等服務貿易創新發展試點側重於服務貿易管理體制、發展模式、便利化及其他不同方面的探索。該等措施將推動對外貿易的轉型升級，提升服務貿易的競爭力。

II. 業務概覽

2015年是CMEC五年戰略規劃期的關鍵之年，更是推進公司發展方式轉變，完成「轉型突破」的攻堅之年。在這一年中，公司堅持戰略引領，夯實基礎、重塑品牌、開拓轉型、回歸主流，向全球一流的跨國公司持續邁進。

夯實基礎，就是要苦練內功，強基固本，夯實興業之基，用好我們多年來在國際工程承包業務和貿易業務方面積累的經驗，持續提升已有的核心能力。

重塑品牌，就是要樹立行業領軍地位，大力發揚「幹一個工程，樹一座豐碑」的光榮傳統，鞏固並用好CMEC這塊金字招牌，切實提升公司品牌內涵。

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Driving transformation means we shall further leverage our innovation spirit to improve the quality of development and accelerate the transformation and upgrading of the Company's development.

Following the mainstream means we shall grasp and act according to the megatrend, endeavor to become the forerunner and follow the mainstream strategies of the state.

In 2015, the external environment kept evolving and the degree of reforms was widening and deepening. The overall target of both comprehensive deepening of reforms and reforms in state-owned assets and state-owned enterprises is to promote fairer, more sustainable economic development with higher efficiency, and finally, it is certain that only the fittest can survive. "To forge iron, one must be strong". In the end, whether a company can stay firm during the reform and stay as the winner in the competition depend on its own strength without any underrating or overstatement. We should stay focused on the present while preparing for the future, enhance our own quality, consolidate our foundation and develop our advantages.

A. International Engineering Contracting Business

The Company is a leading international engineering contracting and service provider with a primary focus on EPC projects and particular expertise in the power sector. Our International Engineering Contracting Business is one of the traditional core businesses of the Company, representing approximately 66.2% of the Company's total revenue in 2015.

開拓轉型，就是要進一步發揮公司的開拓創新精神，提高發展質量，加快實現公司發展的轉型升級。

回歸主流，就是要認清大勢，順勢而為，增強走在前列意識，回歸到國家主流戰略中。

2015年，外部形勢在不斷變化，改革持續推向縱深，無論是全面深化改革，還是國資國企改革，總體目標都是推動經濟更加有效率、更加公平、更加可持續發展，結果必定是優勝劣汰。「打鐵還需自身硬」，公司能否在改革中站穩腳跟，在競爭中立於不敗之地，歸根結底還要靠自身力量，既不妄自菲薄，也不好高騖遠，立足當前，著眼未來，提升素質，強身健體，培育優勢。

A. 國際工程承包業務

我們是中國領先的國際工程承包與服務商，主要專注於EPC項目，特別專長於電力能源行業。我們的國際工程承包業務為本公司傳統核心業務之一，約佔2015本公司總收入約66.2%。

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The following table sets forth the details of the International Engineering Contracting Business for the year ended December 31, 2015 and the comparative figures for the year ended December 31, 2014:

下表載列截至2015年12月31日止年度國際工程承包業務詳情，以及截至2014年12月31日止年度的比較數字：

Unit: RMB million
單位：人民幣百萬元

| | | 2015 2015年 | % of Total 總額的% | 2014 2014年 | Year-on-year Growth 按年增長 |
|---------------------|----------------------------|-----------------|-----------------------|---------------|--------------------------------|
| Revenue | | | | | |
| 收入 | Power 電力能源 | 7,261.7 | 52.9% | 11,277.7 | -35.6% |
| | Transportation 交通運輸 | 3,486.5 | 25.4% | 1,859.2 | 87.5% |
| | Telecommunications 電子通訊 | 363.7 | 2.6% | 408.4 | -10.9% |
| | Non-Core Sectors 非核心行業 | 2,628.1 | 19.1% | 2,557.1 | 2.8% |
| | Total 總計 | 13,740.0 | 100.0% | 16,102.4 | -14.7% |
| Gross profit | | | | | |
| 毛利 | Power 電力能源 | 1,746.0 | 68.6% | 2,641.3 | -33.9% |
| | Transportation 交通運輸 | 575.6 | 22.6% | 238.4 | 141.4% |
| | Telecommunications 電子通訊 | 37.9 | 1.5% | 40.0 | -5.3% |
| | Non-Core Sectors 非核心行業 | 184.5 | 7.3% | 227.5 | -18.9% |
| | Total 總計 | 2,544.0 | 100.0% | 3,147.2 | -19.2% |

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As at December 31, 2015, our engineering contracting projects were undertaken in more than 48 countries and regions over the world, with a primary focus in Asia and Africa. There were a number of successfully completed projects and ongoing projects in South America and Europe. The following map indicates the locations of our engineering contracting projects from 2009 to 2015.

截至2015年12月31日，我們的工程承包項目遍及全球48餘個國家和地區，主要分佈在亞洲及非洲，南美洲和歐洲也有諸多成功的完工和在建項目。以下地圖顯示我們自2009年至2015年的工程承包項目之位置。



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The following table sets forth a breakdown of the revenue from the Group's International Engineering Contracting Business by geographic locations for the year ended December 31, 2015:

下表載列截至2015年12月31日止年度按地理位置劃分的本集團國際工程承包業務收入明細：

| | | 2015 | % of |
|---------------|-----------|--------------------|---------------|
| | | 2015年 | Total |
| | | RMB million | 總額的% |
| | | 人民幣百萬元 | |
| Asia | 亞洲 | 5,082.8 | 37.0% |
| Africa | 非洲 | 2,024.3 | 14.7% |
| Europe | 歐洲 | 707.5 | 5.1% |
| South America | 南美洲 | 5,838.9 | 42.6% |
| North America | 北美洲 | 86.5 | 0.6% |
| Total | 總計 | 13,740.0 | 100.0% |

In 2015, the growth in the International Engineering Contracting Business continued to gather momentum and stood out as our core business. The Company took the initiative to put national key strategies, such as "One Belt and One Road" Initiative, into play with innovations and breakthroughs, with a view to maintaining our steady growth in the International Engineering Contracting Business. Simultaneously, the Company kept improving the management of the International Engineering Contracting Business and achieved considerable progress in project implementation and market development.

2015年，國際工程承包業務保持增長，核心地位突出。公司積極踐行「一帶一路」等國家重大戰略，創新突破，保持國際工程承包業務的平穩發展狀態。同時，公司不斷完善國際工程承包業務的管理，並在項目執行及市場開發方面均取得較好的進展。



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1. Continued Optimization of the Management of the International Engineering Contracting Business

Further systemization down the road. In 2015, Company launched a total of 11 new policies in respect of the International Engineering Contracting Business, with a focus on the administration of the preliminary phase and the implementation process of our projects. The launching of these systems effectively refined the Company's experience accumulated over the years and strongly strengthened standardization throughout project implementation.

Improving complementary systems. The Company has implemented further systemization in the supervision and administration of the two-tiered corporate and business departments while improving the system throughout the entire life-cycle of EPC projects. The Company has implemented close-ended administration of review and assessment results; improved the commission management and project evaluation system; and has built up a comprehensive project supervision and inspection system.

Refined project management. The Company further built up our professional competence and continued to expand the coverage of centralized procurement by enhancing the dynamic management of qualified suppliers, standardization of the procurement process for our projects and controlling the risks arising from procurement so as to achieve the principle of "sunshine procurement". The Company steadily stepped up post project evaluation efforts by continual revisions from our project experience.

1. 國際工程承包業務管理不斷完善

*深化制度建設。*2015年，公司針對國際工程承包業務共出台新制度11個，重點面向項目前期和執行過程管理，這些制度的出台有效提煉了公司多年積累的项目經驗，有力保障了項目執行全過程的規範性。

*完善配套體系。*公司進一步深化公司、事業部兩級監督管理體系；完善EPC項目全生命週期制度體系；實施評審結果閉環管理；改進佣金管理和項目考核體系；建立完善項目督查體系。

*細化項目管理。*公司進一步推進專業化能力建設；持續推進集中採購，加強對合格供應商的動態管理，規範項目採購流程，控制採購風險，實現「陽光採購」；穩步推進項目後評價工作，不斷總結項目經驗。



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2. Satisfactory Implementation of Projects

In 2015, the Company had more than 70 on-going projects, which were under satisfactory conditions in general.

Emphasis on project execution to ensure delivery of quality project in a timely manner. During this year, the project of upgrading to bitumen standard of main road 67 in Namibia was handed over smoothly and commenced its one year warranty period. This project is the Company's first project in Namibia, which had been completed 99 days ahead of the contractual schedule. It is widely recognized and highly approved by the local government and the project's consultancy engineers. In addition, the Brest combined cycle power plant project in Belarus received the China Luban Prize for Construction Project (Overseas Projects), which was our second time receiving this honor subsequent to the Company's EREN 2×600MW supercritical coal-fired power plant project in Turkey.

Control over milestones and strict oversight over project implementation progress. In 2015, the Argentina railway project and Venezuela central power plant project were in steady progress, and the first wind power EPC project – the TENAGA wind power project in Pakistan formally commenced construction.

One-stop operation attaching importance to project operation and maintenance. In 2015, the Company proactively transformed from an engineering contractor to an integrated service provider, thus providing added-value to different phases throughout the contracting project.



2. 項目執行情況良好

2015年，公司在建項目超過70個，項目情況總體良好。

*狠抓執行，確保項目按時保質完成。*今年，納米比亞MR67號公路瀝青規格升級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，受到當地政府和項目諮詢工程師的充分肯定和高度評價。此外，白俄羅斯Brest聯合循環燃機電站項目榮獲中國建設工程魯班獎（境外工程），這是公司繼土耳其EREN 2×600MW超臨界燃煤電站項目之後第二次獲此殊榮。

*控制節點，嚴格把控項目執行進度。*2015年，阿根廷鐵路項目和委內瑞拉中央電廠項目等項目穩步推進，公司首個風電總承包項目－巴基斯坦TENAGA風電項目正式開工。

*善始善終，高度重視項目運營維護。*2015年，公司積極由工程承包商向綜合型服務商轉型，提升工程承包項目各環節的價值。

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3. Steady yet Progressive Market Expansion

In 2015, in response to the State's strategies such as "One Belt and One Road" Initiative and "China-Pakistan Economic Corridor", the Company proactively adopted a series of practical layouts. The Company set up "One Belt and One Road" Initiative and key strategic marketing team to conduct in-depth researches on various State strategies to work out our project lists in the relevant regions. Moreover, the Company actively expanded our access to financing and selected suitable projects to relaunch the financing model of export seller's credit.

During this year, the newly signed projects mainly covered (amongst others) the 230kV transmission line project in Laos, the 2×300MW coal-fired power plant project in Bantaeng, South Sulawesi Province, Indonesia, the hydro power plant project in Karot, Pakistan and the project of Astron Donald Titanium and Zirconium Mineral in Australia. The newly signed projects mainly situate in Asia and Africa with main focus on power sector. The newly effective projects comprised primarily Phase II project of Serbia and the SOYO-I combined cycle power plant project in Angola, the water treatment plant project in the city of Yaoundé and its outskirts from the river Sanaga, Cameroon, which are located mainly in Africa with a main focus on power sector.



3. 市場開拓穩中有進

2015年，公司積極響應「一帶一路」、「中巴經濟走廊」等國家戰略，並做出一系列實質性佈局。公司成立了「一帶一路」及重要戰略市場工作小組，對各項國家戰略深入研究，梳理各相關區域的項目清單。另外，公司積極拓寬融資渠道，選擇條件合適的項目重啟賣方信貸融資模式。

本年度，公司新簽約項目主要有老撾230kV輸變電項目、印尼南蘇拉威西班牙塔恩2×300MW火電站項目、巴基斯坦卡洛特水電站項目、澳大利亞阿斯創唐納德鈦礦紗項目等。新簽約項目主要分佈在亞洲和非洲，並以電力能源行業為主。新生效項目主要有塞爾維亞電站二期項目、安哥拉SOYO-I聯合循環電廠項目，喀麥隆雅溫得薩納加水處理廠項目等，主要分佈在非洲，以電力能源行業為主。

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The following table sets forth the details of the International Engineering Contracting Business for the year ended December 31, 2015 and the comparative figures for the year ended December 31, 2014:

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Unit: US\$ million
單位：百萬美元

| | | | | 2015 | % of Total | 2014 | Year-on-year Growth/ (Decline) |
|--|---------|--------------------|-----------|----------------|---------------|----------------|--------------------------------|
| | | | | 2015年 | 總額的 % | 2014年 | 按年增長/(減少) |
| Amount of newly effective contracts | 新生效合同金額 | Power | 電力能源 | 2,144.8 | 67.4% | 806.7 | 165.9% |
| | | Transportation | 交通運輸 | 12.7 | 0.4% | 2,470.6 | -99.5% |
| | | Telecommunications | 電子通訊 | 13.1 | 0.4% | 120.0 | -89.1% |
| | | Non-Core Sectors | 非核心行業 | 1,010.5 | 31.8% | 741.6 | 36.3% |
| | | Total | 總計 | 3,181.1 | 100.0% | 4,138.9 | -23.1% |

Unit: US\$ million
單位：百萬美元

| | | | | As at December 31, 2015 | % of Total | As at December 31, 2014 | Increase/ (decrease) |
|---|----------|--------------------|-----------|-------------------------|---------------|-------------------------|----------------------|
| | | | | 於2015年12月31日 | 總額的 % | 於2014年12月31日 | 增長/(減少) |
| Backlog | 未完成合同量 | Power | 電力能源 | 4,743.5 | 62.9% | 4,091.1 | 15.9% |
| | | Transportation* | 交通運輸* | 846.7 | 11.2% | 1,384.3 | -38.8% |
| | | Telecommunications | 電子通訊 | 347.4 | 4.6% | 392.2 | -11.4% |
| | | Non-Core Sectors | 非核心行業 | 1,603.4 | 21.3% | 1,238.9 | 29.4% |
| | | Total | 總計 | 7,541.0 | 100.0% | 7,106.5 | 6.1% |
| Signed contracts pending to be effective | 已簽約待生效合同 | Power | 電力能源 | 7,494.4 | 61.5% | 7,695.4 | -2.6% |
| | | Transportation | 交通運輸 | 1,049.0 | 8.6% | 1,054.0 | -0.5% |
| | | Telecommunications | 電子通訊 | - | - | 100.0 | -100.0% |
| | | Non-Core Sectors | 非核心行業 | 3,647.5 | 29.9% | 4,008.9 | -9.0% |
| | | Total | 總計 | 12,190.9 | 100.0% | 12,858.3 | -5.2% |

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

* 以淨額確認收入的合同金額已在未完成合同量中扣除。

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4. Innovations and Breakthroughs Began to Bear Fruit

In 2015, the Company obtained groundbreaking achievements in our “Investment Driven EPC” strategies. A financing agreement had been formally entered into for the Thar coal-electric integration project in Pakistan, the first coal-electric integration project in the “China-Pakistan Economic Corridor” invested by the Company by way of equity participation. The Company and the Ministry of Environmental and Energy and the State Electric Company of Maldives entered into the implementation agreement and power purchase agreement for the Maldives 1.5MW photovoltaic power plant investment project. Moreover, the Company entered into a joint-venture agreement with Ascendas, Singapore via our Singapore regional center to develop the industrial park projects in China, India, Malaysia, Vietnam, Indonesia and Myanmar in joint efforts, in which the industrial park in Chennai, India has entered into the feasibility study stage. The Company also undertook modern livestock husbandry business development in Serbia and entered into a cooperation memorandum regarding the meat produce processing plant in Kragujevac, Serbia.

In January 2015, the Company and GE entered into a “Memorandum of Understanding in respect of Strategic Cooperation in Africa”. Subsequently, the Company and GE commenced in-depth cooperation in various projects, including the SOYO-I combined cycle power plant project in Angola and the wind power project in Kenya, which all delivered satisfactory results. In December 2015, the Company and China Huaneng Group commenced cooperation, and both parties have sufficiently leveraged the inter-governmental bilateral and multilateral cooperation mechanism to develop the international market in joint efforts.

4. 創新突破初見成效

2015年，公司「投資帶動EPC」戰略取得突破。公司參股投資的巴基斯坦塔爾煤電一體化項目作為「中巴經濟走廊」的首個煤電一體化項目，現已正式簽署融資協議。公司已和馬爾代夫能源與環境部及國家電力公司簽署了馬爾代夫1.5MW光伏電站投資項目的執行協議和購電協議。另外，公司利用新加坡區域中心，與新加坡騰飛公司簽署合資協議，共同開發中國、印度、馬來西亞、越南、印尼、緬甸的工業園項目，其中印度金奈工業園區項目已經進入可研階段。公司還在塞爾維亞進行現代畜牧業業務開發，簽署了塞爾維亞克拉古耶瓦茨肉製品加工廠項目的合作備忘錄。

2015年1月，公司與通用電氣簽署了《非洲區戰略合作諒解備忘錄》。隨後公司與通用電氣在安哥拉SOYO-I聯合循環電廠項目和肯尼亞風電項目等多個項目上展開了深入合作，並取得良好成效。2015年12月，公司與中國華能集團公司展開合作，雙方將充分利用政府間多雙邊合作機制，共同開發國際市場。

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5. Deepening of Regionalization cum Localization Strategy

The regionalization cum localization strategy is the choice-to-be for the thorough development of core market, development in peripheral markets and cultivation of regional competitive advantages and maintaining sustainable development, which is profound in meaning and promising in returns. Currently, our Singapore regional center had formally commenced operation and pioneered constructive studies in platform structuring and resources integration. The setting up of Dubai regional center is progressing steadily while the preparation work for the South-east Asia trading regional center and Caribbean trading regional center is well underway. In this year, the localization initiatives of the Company have commenced solidly, and the proportion of local sub-contracting, procurement and employment has been increasing. A system for overseas employee is also under active exploration.

6. Improving Industrial Chain

Following the successive mergers with science and research institutions, such as 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) (“**Jikan Research Institute**”), CMEC further strengthened its administration and management capabilities over project technologies and designs. Meanwhile, the Company achieved a fundamental set-up for the equipment manufacturing supervision and on-site construction supervision teams primarily comprising Harbin Power and Beijing Sciotech International Project Management Co., Ltd., such that project supervision and manufacturing supervision of project works have been brought up to the corporate level for supervision and control enhancement, which resulted in improved industrial chain.

5. 區域化、屬地化戰略繼續深化

區域化、屬地化戰略是公司深度開發核心市場，帶動週邊滾動發展，培育區域競爭優勢和保持可持續發展的必然選擇，意義重大，成效可期。目前，新加坡區域中心已正式運營，率先在搭建平台、整合資源方面進行了有益探索。迪拜區域中心建設正在穩步推進，東南亞貿易區域中心和加勒比海貿易區域中心也在積極籌建。本年度，公司屬地化工作紮實開展，各項目在當地分包、採購、僱員的比重進一步加大，海外員工制度也正在積極探索。

6. 產業鏈不斷完善

隨著機械工業勘察設計研究院有限公司（「機勘院」）等科研院所的先後併入，CMEC對項目技術和設計的管控能力進一步加強。同時，公司基本建立起以哈爾濱電站和北京興電國際工程管理公司為主的自有的設備監造和現場施工監理隊伍，將項目監理、監造等核心質量控制環節提升到公司層面加強監管，產業鏈條日趨完善。

Management Discussion and Analysis

管理層討論與分析

B. Trading Business

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

In 2015, amid the Company's efforts in risk control, the Company continued to step up its efforts in changing the current conditions of single operation model, deficiency in product control and imbalance between the domestic and overseas markets, bringing back its focus on the machinery industry. The Company also proactively innovate its operation model to transform from a product trader to a product value-adding service provider, enhancing its overall operating capacity and profitability and achieving progress in transformation and upgrades.

B. 貿易業務

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

2015年，公司在努力做好風險控制的前提下，繼續著力改變經營模式單一、產品控制力薄弱、國內外兩個市場不平衡等現狀，回歸並立足於機械工業。公司還積極創新經營模式，努力從產品貿易商向產品增值服務商轉變，整體經營能力和盈利能力得到提升，轉型升級取得進展。

Management Discussion and Analysis

管理層討論與分析

The following table sets forth the details of the Trading Business for the year ended December 31, 2015, together with the comparative figures for the year ended December 31, 2014:

下表載列截至2015年12月31日止年度貿易業務詳情連同截至2014年12月31日止年度的比較數字：

Unit: RMB million
單位：人民幣百萬元

| | | | | 2015 | % of Total | 2014 | Year-on-year Growth/ (Decline) 按年增長/(減少) |
|---------------------|--------------|---------------------|----------------|----------------|--------------|---------|--|
| | | | | 2015年 | 總額的% | 2014年 | 增長/(減少) |
| Revenue | 收入 | International trade | 國際貿易 | 3,911.8 | 69.5% | 4,488.3 | -12.8% |
| | | Domestic trade | 國內貿易 | 1,718.1 | 30.5% | 1,954.7 | -12.1% |
| | Total | 總計 | 5,629.9 | 100.0% | 6,443.0 | -12.6% | |
| Gross profit | 毛利 | International trade | 國際貿易 | 320.4 | 86.8% | 257.7 | 24.3% |
| | | Domestic trade | 國內貿易 | 48.6 | 13.2% | 44.4 | 9.5% |
| | Total | 總計 | 369.0 | 100.0% | 302.1 | 22.1% | |

1. Outstanding Effectiveness of Segmental Management

In 2015, the Company put forward the idea of “one-stop management model” to build up a post evaluation mechanism for the Trading Business, so as to form a management chain of “pre-trade review and assessment, in-progress tracking and post-trade conclusion and evaluation” over the entire process, providing favorable guarantee for risk control, operation model transformation and a sustainable development with quality.

1. 板塊化管理效能突出

2015年，公司提出「一站式管理模式」理念，建立貿易業務後評價工作機制，形成「事前評審、事中跟蹤、事後總結評價」的全程管理鏈條，為貿易業務的風險管控、轉變經營模式、可持續有質量發展提供了有利保障。

Management Discussion and Analysis

管理層討論與分析

2. Advantages of Reorganization and Integration Gradually Became Apparent

In 2015, the China Machinery Industrial Products Co., Ltd. had been recognized as a “High and New Technology Enterprise” by the State. It has always persisted to operate in a professional manner with competencies in proprietary design and new product research and development building around high-end forging and casting goods, thus enabling its successful transformation from a sole trader into a product value-adding service provider which integrated trading and products, integrated channels and technologies as well as integrated development and industry. The eastern China business department of the Company continued to focus on the development of distributed photovoltaic power plant project, new energy product and integrated foreign trade services platform, and leveraged the investment platform of China National Guo Lian Development New Energy (Wuxi) Co., Ltd. (“**China National Guo Lian New Energy**”). The investment and construction of ground level and roof-top photovoltaic power station in (amongst others) Jiangsu, Jiangxi and Changchun had commenced.

3. Initial Formation of Cross-Border Supply Chain Services Platform

In 2015, the Company commenced cooperation with Alibaba Group via its subsidiaries such as CMEC General Machinery Import & Export Co., Ltd.. In an attempt to commence cross-border e-commerce business, the Company completed the initial formation of cross-border supply chain services platform.

2. 重組集成優勢逐漸凸顯

2015年，中設集團裝備製造有限責任公司獲得國家「高新技術企業」認證，其堅持走專業化經營模式，在以高端鑄鍛件產品為核心的領域具備了自主設計、研發新產品的能力，成功從純粹的貿易商轉型為貿易與產品相結合、渠道與技術相結合、開發與實業相結合的產品增值服務商。公司華東事業部繼續致力於分佈式光伏電站項目、新能源產品和綜合外貿服務平台項目的開發，並依托中設國聯無錫新能源發展有限公司（「**中設國聯新能源**」）。這投資平台，已在江蘇、江西、長春等地開展地面和屋頂光伏電站的投資和建設工作。

3. 跨境供應鏈服務平台初步搭建

2015年，公司通過中設通用機械進出口有限責任公司等子公司與阿里巴巴集團展開合作，嘗試開展跨境電商業務，初步搭建了跨境供應鏈服務平台。

Management Discussion and Analysis

管理層討論與分析

C. Other Businesses

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

In 2015, the logistics services and exhibition services in the Other Businesses of the Company developed steadily. CMEC Comtrans continued to develop external businesses proactively. CMEC Expo continued to leverage the advantages rendered by the principal businesses to embark on the large customer customization services, achieve innovations in business model and increase ways of profitability, thereby deepening the synergies among the SINOMACH Group, the Company and related enterprises. In 2015, CMEC Exhibition successfully undertook major events such as the brand exhibition of CMEC in Indonesia, and proactively facilitated the promotion and marketing of the China-Belarus Industrial Park and the India Industrial Park.

In 2015, the Company continued its in-depth cooperation with local governments to proactively pursue projects and business opportunities, with a view to injecting new energy into regional economic development. Currently, the Company joined hands with (amongst others) Ningxia International Conference & Exhibition Co., Ltd. for the initiation and establishment of the China-Arabian Exhibition Group (“中阿博覽集團”), with a view to promoting the exhibition economy and China-Arabian exchanges and cooperation in conjunction with the C-Arab States Expo.

C. 其他業務

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

2015年，公司其他業務中的物流服務和展覽服務發展穩定。中設商運繼續積極開發外部業務。西麥克展覽不斷發揮主營業務優勢，開啟大客戶定制服務，創新業務模式，拓寬盈利方式，深化與國機集團、公司及相關企業的協同。2015年，西麥克展覽成功承辦CMEC印尼品牌展等重大活動，並積極助力中白工業園、印度工業園的宣傳和推介。

2015年，公司繼續與地方政府開展深入合作，積極在國家重點發展地區尋求項目和商業機會，為區域經濟發展注入新的活力。目前，公司已經與寧夏國際會展有限責任公司等共同發起成立中阿博覽集團，旨在結合中國－阿拉伯國家博覽會，推動寧夏會展經濟及中阿間交流與合作。

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In addition, in order to improve the industrial chain and enhance our overall capacity and integrated competitiveness in design services, the Company fully completed the equity interests merger for Jikan Research Institute, and it successfully completed all the equity interest mergers and acquisitions work in September 2015. The Jikan Research Institute's integrated capabilities are remarkable; in particular, it possesses excellent project survey, mapping and design capabilities. Upon completion of the acquisition, the Company will adequately leverage its technological strengths to effectively reduce costs and risks of projects.

The following table sets forth the details of the Company's Other Businesses for the year ended December 31, 2015, together with the comparative figures for the year ended December 31, 2014:

另外，公司為完善產業鏈，增強設計服務的整體實力和綜合競爭能力，於2015年9月成功完成了對機勘院的全部股權併購工作。機勘院具有非常強的綜合實力，尤其是工程勘察、測繪和設計能力較為突出。完成收購後，公司將充分發揮其技術優勢，有效降低工程成本、減少工程風險。

下表載列截至2015年12月31日止年度公司其他業務詳情連同截至2014年12月31日止年度的比較數字：

Unit: RMB million
單位：人民幣百萬元

| | | | | 2015 | % of Total | 2014 | Year-on-year Growth/ (Decline) |
|---------------------|-----------|-------------------------------|-----------|----------------|-------------|----------------|--------------------------------|
| | | | | 2015年 | 總額的% | 2014年 | 按年增長/(減少) |
| Revenue | 收入 | Logistics services | 物流服務 | 369.1 | 26.6% | 392.5 | -6.0% |
| | | Exhibition services | 展覽服務 | 244.4 | 17.6% | 190.8 | 28.1% |
| | | Tendering agency services | 招標代理服務 | 12.2 | 0.9% | 15.3 | -20.3% |
| | | Export-import agency services | 進出口代理服務 | 44.6 | 3.2% | 30.1 | 48.2% |
| | | Design services | 設計服務 | 266.1 | 19.2% | 406.6 | -34.6% |
| | | Other | 其他 | 451.1 | 32.5% | 165.9 | 171.9% |
| | | Total | 總計 | 1,387.5 | 100% | 1,201.2 | 15.5% |
| Gross profit | 毛利 | Total | 總計 | 477.8 | 100% | 365.0 | 30.9% |

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管理層討論與分析

D. Significant Events and Business Achievements

1. Investment in the Formation of Sinomach Capital Holdings Ltd. (“SINOMACH Capital”)

On July 16, 2015, the Company, SINOMACH, certain subsidiaries of SINOMACH (the “**SINOMACH 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. Upon the establishment of SINOMACH Capital, it is owned as to 12.66% by the Company, 74.68% by SINOMACH and SINOMACH Subsidiaries and 12.66% by CCB Beijing. The Company is involved in the formation of SINOMACH Capital as a founding shareholder, which is in line with the mid-to-long term development strategy of the Company as the investment would facilitate the development of the investment and financing sector of the Company, improve the capital operation and management efficiency, bring long term investment returns to the Company and accumulate investment management experience for the Company. For further details, please refer to the Company’s announcement published on the respective websites of the Stock Exchange and the Company on July 16, 2015.

D. 重大事件和業務成果

1. 投資成立國機資本控股有限公司(「國機資本」)

於2015年7月16日，本公司、國機、國機若干附屬公司(「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」)訂立國機資本的組織章程細則。於國機資本成立時，其由本公司擁有12.66%、由國機及國機附屬公司擁有74.68%及由建信北京擁有12.66%。本公司作為發起股東參與成立國機資本，與本公司的中長期發展策略一致，原因在於其將便利本公司發展投融資行業、改善資金運作以及管理效率，為本公司提供長期投資回報，並使本公司累積投資管理經驗。有關進一步詳情，請參閱本公司2015年7月16日在聯交所網站及本公司網站刊發的公告。

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2. Investments in Mining Project Company and Power Project Company in Pakistan

On August 17, 2015, China Everbest Development International Limited* (華盛昌發展有限公司) (“**China Everbest**”), a wholly-owned subsidiary of the Company, entered into a shareholders agreement with Engro Powergen Limited (“**Engro**”), Thal Limited, Habib Bank Limited and The Hub Power Company Limited. The Group subsequently entered into a separate shareholder agreement with, among others, Huolinhe Open Cut Open Corporation Limited of Inner Mongolia, and deeds of adherence. Pursuant to these agreements and subject to the terms and conditions precedent therein, CMEC Thar Mining Investments Limited would subscribe for 4% of the ordinary shares of Sindh Engro Coal Mining Company Limited (the “**Mining Project Company**”) at an aggregate maximum consideration of US\$8.1 million.

On October 16, 2015, the Company entered into a subscription agreement and a shareholders agreement with Engro, Engro Corporation Limited, Engro Powergen Thar (Private) Limited (the “**Power Project Company**”), and China Everbest. Pursuant to these two agreements, the Company, through China Everbest or its affiliates, would subscribe for the ordinary shares and preference shares to be issued by the Power Project Company at an aggregate maximum consideration of US\$67.2 million and US\$85.0 million. The Group is working towards completion of the investments in the Mining Project Company and the Power Project Company.

2. 於巴基斯坦的採礦項目公司及電力項目公司的投資

2015年8月17日，本公司全資附屬公司華盛昌發展有限公司（「華盛昌」）與 Engro Powergen Limited（「**Engro**」）、Thal Limited、Habib Bank Limited及 The Hub Power Company Limited訂立一份股東協議。本集團其後與（其中包括）內蒙古霍林河露天煤業股份有限公司訂立獨立股東協議以及守約契據。根據該等協議及遵照其中的先決條款及條件，CMEC Thar Mining Investments Limited將按最高認購價合計8.1百萬美元認購信德安格魯煤炭公司（「採礦項目公司」）4%的普通股。

2015年10月16日，本公司與Engro、安格魯集團公司、Engro Powergen Thar (Private) Limited（「電力項目公司」）以及華盛昌訂立認購協議及股東協議。根據該兩份協議，本公司通過華盛昌或其聯屬人士將按最高代價合計67.2百萬美元及85.0百萬美元認購電力項目公司將發行的普通股及優先股。本集團正逐步完成對採礦項目公司及電力項目公司的投資。

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管理層討論與分析

Investment and financing business is the Company's emerging strategic business segment and the investments in the Mining Project Company and the Power Project Company and the mining and power projects which operated by these companies (the “**Projects**”) align with the Company's strategic plan of extending its industry value chain vertically and building the foundation for future development. In addition, as the Company has won the EPC contracts for the Projects, the investments in the Mining Project Company and the Power Project Company will contribute to expanding the Company's diversified source of revenue and giving full play to the synergy with its EPC business. Furthermore, the Projects have been listed among the “First Batch of Projects Prioritized for Implementation under the China-Pakistan Economic Corridor Initiative” under the strategic framework of “One Belt and One Road” Initiative, and won great support from the governments of both China and Pakistan. Currently, Pakistan is in severe shortage of power. Thus the Projects are expected to have ample potential in the long run and the investments will further strengthen the presence of the Company in Pakistan and expand its business. For further details, please refer to the Company's announcements published on October 16, 2015 and February 1, 2016 on the respective websites of the Stock Exchange and the Company.

3. Acquisition of 100% Equity Interest in Jikan Research Institute

On August 18, 2015, the Company and China United Engineering Corporation* (中國聯合工程公司), a wholly-owned subsidiary of SINOMACH and a connected person of the Company which directly holds approximately 0.78% of the issued share capital of the Company, entered into an acquisition agreement, pursuant to which the Company would acquire the entire equity interests in Jikan Research Institute (the “**Acquisition**”) for an aggregate consideration of RMB171,352,600.00. The Acquisition was completed on September 22, 2015.

投融資業務為本公司的新興戰略業務分部，而投資於採礦項目公司及電力項目公司以及其營運的採礦及電力項目（「該等項目」），與本公司縱向擴展其行業價值鏈的策略計劃一致，並奠定日後發展的基礎。此外，由於本公司贏得該等項目的總承包合同，投資於採礦項目公司及電力項目公司將有助擴展本公司的多元化收入來源，並盡量發揮其與其總承包業務的協同效益。此外，該等項目曾名列「一帶一路」戰略框架下的「中巴經濟走廊計劃中首批優先實施項目」之一，並獲中巴兩國政府鼎力支持。目前，巴基斯坦嚴重電力短缺。因此，長遠而言，該項目預期將潛力優厚，而投資將進一步鞏固本公司在巴基斯坦的版圖，促進業務擴充。有關進一步詳情，請參閱本公司於2015年10月16日及2016年2月1日分別於聯交所及本公司網站刊發的公告。

3. 收購機勘院100%股權

於2015年8月18日，本公司與中國聯合工程公司（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%）訂立收購協議，據此，本公司將收購機勘院全部股權（「**收購事項**」），總代價為人民幣171,352,600.00元。收購事項於2015年9月22日完成。

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管理層討論與分析

The Acquisition has enhanced the business scale, optimized the business structure and strengthened the technological capabilities of the Company, leading to an improvement on the overall competitiveness of the Company for engineering projects. In addition, the Acquisition will facilitate the Company in availing of the tremendous industrial development opportunities brought forth by the “One Belt and One Road” initiative of China. For further details, please refer to the Company’s announcements published on August 18, 2015 and September 23, 2015 on the respective websites of the Stock Exchange and the Company.

收購事項將擴大本公司的業務規模、優化業務結構及鞏固本公司的技術實力，從而提升本公司在工程項目方面的整體競爭力。此外，收購事項將促使本公司發揮中國「一帶一路」戰略帶來大量行業發展機遇的優勢。有關進一步詳情，請參閱本公司於2015年8月18日及2015年9月23日分別於聯交所及本公司網站刊發的公告。

E. Progress Achieved in Investment and Financing Business in an Effort to Create New Edges

E. 投融資業務取得進展，努力打造新優勢

1. Breakthroughs in Overseas Investment Business

1. 境外投資業務取得突破

In 2015, a financing agreement had been entered into for the Thar coal-electric integration project in Pakistan and the construction has been commenced. In addition, the Company also successfully won the bid for the solar energy power plant investment project in Maldives, which obtained groundbreaking achievement in power investment.

2015年，公司的巴基斯坦塔爾煤電一體化項目已經簽署融資協議並已開始建設。另外，公司還成功中標馬爾代夫太陽能電站投資項目，在電力投資方面取得突破。

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2. Domestic Investment Business Began to Bear Fruit

In 2015, leveraging the investment platform offered by CMEC Guolian New Energy, the domestic photovoltaic power station investment business conducted by the Company with a cumulative investment in an amount of RMB1.41 billion began to bear fruit. This is an important initiative for the Company to extend from the conventional coal-fired power generation sector into the new energy sector and achieve business transformation and upgrade, so as to expand its share in the domestic powers market, which paves the path for the Company to enter the clean energy sector.

3. Progress Achieved in Financing Diversification

In 2015, the Company stepped up its efforts in the cooperation with domestic financial and insurance institutions to establish new financing model. Based on the traditional financing model, the Company achieved breakthroughs in project financing model in the Thar coal-electric integration project in Pakistan.

2. 境內投資業務初見成效

2015年，公司依托中設國聯新能源投資平台開展的國內光伏電站投資業務已初具規模，累計投資額約為人民幣14.1億元。此舉是公司從傳統火力發電領域向新能源領域延伸，實現業務轉型升級，開拓國內電力市場的重要舉措，也為公司進入清潔能源領域創造了條件。

3. 融資多元化取得進展

2015年，公司立足於融資模式創新，加大與中資金融保險機構的合作力度，在傳統融資模式基礎上，依托巴基斯坦塔爾煤電一體化項目在項目融資模式上實現突破。



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F. Continued Improvement in Functions and Administration which Effectively Supported our Business Development

In 2015, the Company formulated and revised over 40 set of rules and systems in aggregate, which laid down a solid foundation for the creation of a systems and procedures mechanism featured by close inter-connection, high functionality and clear monitoring and control interface. The Company proactively rolled out the compliance administration work to further improve the legal support and protection system and risks management and prevention and control system as well as to regularly monitor the potential risk exposures of the Company. In 2015, no material risk event had occurred. At the same time, the Company stepped up our efforts in export control and achieved on-line export control and review. In June 2015, the Company was the winner of “Export Controls Compliance Team of the Year (Rest of the World) 2016” by the World ECR (the Journal of Export Controls and Sanctions) which is a globally recognized publication on export controls.

G. Enhancing Management of Social Responsibilities and Increasing Value Delivered by the CMEC Brand

In 2015, the Company continued to issue the Social Responsibility Report and proactively participated in the industrial performance assessment activities. CMEC was recognized as a “Leading Enterprise” in the Corporate Social Responsibility Performance Appraisal for China International Contractors 2015. The Company focused on increasing the added-value delivered by the CMEC brand during the year, and it completed the formulation and revision of the “strategic planning for brand development” and VI visual handbook, which gradually standardized our brand management. We successfully held the Indonesia brand exhibition, which showcased the comprehensive strengths of the Company, thus enhancing the international coverage and influence of the CMEC brand.

F. 職能管理不斷完善，有效支撐公司業務發展

2015年，公司共制訂及修訂40餘個規章制度，為形成銜接緊密、操作性強、管控界面清晰的制度流程體系打下良好基礎。公司積極推進公司合規管理工作，進一步完善法律支撐保障體系和風險管理防控體系，定期監控公司可能面臨的風險。2015年，公司未發生重大風險事件。同時，公司進一步推進出口管制工作，實現出口管制審核線上運行。於2015年6月，本公司榮獲World ECR「2016年度出口管制合規團隊（世界其他地區）」得主，該雜誌（Journal of Export Controls and Sanctions）為全球認可出口管制刊物。

G. 社會責任管理不斷加強，CMEC品牌價值持續提升

2015年，公司繼續發佈《社會責任報告》，並積極參與行業績效評價活動，在「2015中國對外承包工程企業社會責任績效評價活動」中被評為「領先型企業」。今年，公司致力於不斷提升CMEC品牌價值：完成了《品牌發展戰略規劃》及VI視覺手冊的制訂更新工作，品牌管理逐步規範；成功舉辦了印尼品牌展，全方位展現公司實力，提升CMEC品牌的國際輻射力和影響力。

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III. FINANCIAL POSITION AND OPERATING RESULTS

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

1. Overview

The Group's profitability improved in 2015. Profit before taxation increased by 0.4% to RMB2,776.8 million in 2015 compared to RMB2,764.9 million in 2014.

2. Revenue

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

III. 財務狀況及經營業績

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

1. 概覽

本集團的盈利於2015年有所改善。2015年除稅前溢利為人民幣2,776.8百萬元，較2014年的人民幣2,764.9百萬元增加0.4%。

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。

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

下表載列於所示期間三個業務分部各自的金額及佔總收入的百分比：

| | | Year ended December 31, 截至12月31日止年度 | | | |
|---|-----------------|--|---------------|-------------------------------|---------------|
| | | 2015 2015年 | | 2014 2014年 | |
| | | (RMB million) (人民幣 百萬元) | (%) (%) | (RMB million) (人民幣 百萬元) | (%) (%) |
| International Engineering Contracting Business | 國際工程承包業務 | | | | |
| Power | 電力能源 | 7,261.7 | 35.0% | 11,277.7 | 47.5% |
| Transportation | 交通運輸 | 3,486.5 | 16.8% | 1,859.2 | 7.8% |
| Telecommunications | 電子通訊 | 363.7 | 1.7% | 408.4 | 1.7% |
| Non-Core Sectors | 非核心行業 | 2,628.1 | 12.7% | 2,557.1 | 10.8% |
| Trading Business | 貿易業務 | | | | |
| International trade | 國際貿易 | 3,911.8 | 18.8% | 4,488.3 | 18.9% |
| Domestic trade | 國內貿易 | 1,718.1 | 8.3% | 1,954.7 | 8.2% |
| Other Businesses | 其他業務 | 1,387.5 | 6.7% | 1,201.2 | 5.1% |
| Total | 總計 | 20,757.4 | 100.0% | 23,746.6 | 100.0% |

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1) International Engineering Contracting Business

The Group's revenue generated from the International Engineering Contracting Business decreased by 14.7% to RMB13,740.0 million in 2015 compared to RMB16,102.4 million in 2014, primarily due to the decrease in the revenue generated from the power sector.

The revenue generated from the power sector decreased by 35.6% to RMB7,261.7 million in 2015 as compared to RMB11,277.7 million in 2014, primarily due to the impact of the local political environment of certain power plant project located in Asia, resulting in a slower progress.

The revenue generated from the transportation sector increased by 87.5% to RMB3,486.5 million in 2015 as compared to RMB1,859.2 million in 2014, primarily due to the significant progress of the railway projects in South America in 2015. As to approximately US\$1.2 billion in the aggregate amount of the project contract value, the Company will charge around US\$40.0 million as service fee for the supervision and management duties pursuant to that contract, and such fee will be shown in the revenue of the Other Businesses based on the service progress.

The revenue generated from the telecommunications sector decreased by 10.9% to RMB363.7 million in 2015, as compared to RMB408.4 million in 2014, primarily due to the significant progress of the telecommunications projects in Asia in 2014 with higher revenue as compared with 2015.

The revenue generated from the non-Core Sectors increased by 2.8% to RMB2,628.1 million in 2015 as compared to RMB2,557.1 million in 2014, remained stable compared with 2014.

1) 國際工程承包業務

2015年，本集團的國際工程承包業務收入為人民幣13,740.0百萬元，而2014年則為人民幣16,102.4百萬元，降幅為14.7%，主要由於電力能源行業收入有一定幅度下降。

2015年電力能源行業收入為人民幣7,261.7百萬元，比2014年人民幣11,277.7百萬元下降35.6%，主要由於位於亞洲的某電站項目受到當地政治環境影響進展緩慢。

2015年交通運輸行業收入為人民幣3,486.5百萬元，比2014年人民幣1,859.2百萬元增加87.5%，主要由於南美洲的鐵路項目於2015年取得較大進展，對於該項目合同總額中的約12億美元，公司將依據在該合同中承擔的監督管理責任而收取約0.4億美元服務費，並依據服務進度在其他業務收入中體現。

2015年電子通訊行業收入為人民幣363.7百萬元，而2014年為人民幣408.4百萬元，減少10.9%，主要是位於亞洲的電子通訊項目於2014年進度較大，與2015年相比取得收入較多。

2015年非核心行業收入為人民幣2,628.1百萬元，比2014年人民幣2,557.1百萬元增加2.8%，與2014年相比基本持平。

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2) Trading Business

The Group's revenue generated from the Trading Business decreased by 12.6% to RMB5,629.9 million in 2015 compared to RMB6,443.0 million in 2014, primarily due to the decrease in the revenue from both international trade and domestic trade.

The revenue generated from international trade decreased by 12.8% to RMB3,911.8 million in 2015 as compared to RMB4,488.3 million in 2014, primarily due to the significant impact in sales of special machinery and equipment used in petroleum industry caused by lower international oil prices.

The revenue generated from domestic trade decreased by 12.1% to RMB1,718.1 million in 2015 as compared to RMB1,954.7 million in 2014, primarily due to the lower demand in domestic chemical trade market.

3) Other Businesses

The Group's revenue generated from the Other Businesses increased by 15.5% to RMB1,387.5 million in 2015 compared to RMB1,201.2 million in 2014, primarily due to the combined effect of the recorded revenue of both solar energy components processing and assembling services and railway supervising service in South America this year.

3. Cost of sales

The Group's cost of sales decreased by 12.9% to RMB17,366.6 million in 2015 compared to RMB19,932.3 million in 2014, primarily due to the decrease in business volume of the International Engineering Contracting Business and the Trading Business, as well as the decrease in both revenues and costs from relevant sectors.

2) 貿易業務

2015年，本集團的貿易業務收入為人民幣5,629.9百萬元，而2014年則為人民幣6,443.0百萬元，降幅為12.6%，主要由於國際貿易收入和國內貿易收入均有所減少。

2015年，國際貿易收入為人民幣3,911.8百萬元，比2014年人民幣4,488.3百萬元減少12.8%，主要原因是國際油價持續走低，使得公司石油行業專用機械設備出口的銷售額受到較大影響。

2015年，國內貿易收入為人民幣1,718.1百萬元，比2014年人民幣1,954.7百萬元降低12.1%，主要受國內化工品貿易市場需求下降的影響。

3) 其他業務

2015年，本集團的其他業務收入為人民幣1,387.5百萬元，而2014年則為人民幣1,201.2百萬元，增幅為15.5%，主要由於太陽能組件加工裝配服務以及南美洲鐵路監理業務於本年確認收入的綜合影響。

3. 銷售成本

2015年，本集團的銷售成本為人民幣17,366.6百萬元，而2014年則為人民幣19,932.3百萬元，降幅為12.9%，主要是由於國際工程承包以及貿易業務的業務量下降，相關板塊業務收入成本均有所降低。

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4. Gross Profit and Gross Profit Margin

(i) Gross profit of the Group in 2015 consists of the following:

4. 毛利及毛利率

(ii) 2015年本集團毛利構成情況如下：

| | | Year ended December 31, 截至12月31日止年度 | | | |
|---|-----------|--|---------------|--|---------------|
| | | 2015 2015年 (RMB million) (人民幣 百萬元) | (%) | 2014 2014年 (RMB million) (人民幣 百萬元) | (%) |
| International Engineering 國際工程承包業務 | | | | | |
| Contracting Business | | | | | |
| Power | 電力能源 | 1,746.0 | 51.5% | 2,641.3 | 69.2% |
| Transportation | 交通運輸 | 575.6 | 17.0% | 238.4 | 6.3% |
| Telecommunications | 電子通訊 | 37.9 | 1.1% | 40.0 | 1.0% |
| Non-Core Sectors | 非核心行業 | 184.5 | 5.4% | 227.5 | 6.0% |
| Trading Business 貿易業務 | | | | | |
| International trade | 國際貿易 | 320.4 | 9.5% | 257.7 | 6.8% |
| Domestic trade | 國內貿易 | 48.6 | 1.4% | 44.4 | 1.2% |
| Other Businesses 其他業務 | | 477.8 | 14.1% | 365.0 | 9.5% |
| Total | 總計 | 3,390.8 | 100.0% | 3,814.3 | 100.0% |

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(ii) Gross profit margins of the Group in 2015 are set out as below:

(ii) 2015年本集團毛利率載於下表：

| | | Year ended December 31, 截至12月31日止年度 | |
|---|-----------------|--|----------------------|
| | | 2015 2015年 (%) | 2014 2014年 (%) |
| International Engineering Contracting Business | 國際工程承包業務 | 18.5% | 19.5% |
| Power | 電力能源 | 24.0% | 23.4% |
| Transportation | 交通運輸 | 16.5% | 12.8% |
| Telecommunications | 電子通訊 | 10.4% | 9.8% |
| Non-Core Sectors | 非核心行業 | 7.0% | 8.9% |
| Trading Business | 貿易業務 | 6.6% | 4.7% |
| International trade | 國際貿易 | 8.2% | 5.7% |
| Domestic trade | 國內貿易 | 2.8% | 2.3% |
| Other Businesses | 其他業務 | 34.4% | 30.4% |
| Total | 總計 | 16.3% | 16.1% |

The Group's gross profit decreased by 11.1% to RMB3,390.8 million in 2015 compared to RMB3,814.3 million in 2014. This decrease is mainly attributable to the decrease in gross profit from the power sector.

2015年，本集團的毛利為人民幣3,390.8百萬元，而2014年則為人民幣3,814.3百萬元，降幅為11.1%。此降幅主要由於電力能源行業的毛利減少。

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1) International Engineering Contracting Business

(a) Gross Profit

The gross profit generated from the International Engineering Contracting Business decreased by 19.2% to RMB2,544.0 million in 2015 as compared to RMB3,147.2 million in 2014, primarily due to the decrease in gross profit from the power sector.

The gross profit generated from the power sector decreased by 33.9% to RMB1,746.0 million in 2015 as compared to RMB2,641.3 million in 2014, primarily due to the impact of the local political environment of certain power plant project located in Asia, resulting in a slower progress.

The gross profit generated from the transportation sector increased by 141.4% to RMB575.6 million in 2015 as compared to RMB238.4 million in 2014, primarily due to the significant progress of the railway projects in South America in 2015.

The gross profit generated from the telecommunications sector decreased by 5.3% to RMB37.9 million in 2015 as compared to RMB40.0 million in 2014, primarily due to the significant progress of the telecommunications projects in Asia in 2014 with higher revenue as compared with 2015.

1) 國際工程承包業務

(a) 毛利

2015年，國際工程承包業務毛利為人民幣2,544.0百萬元，而2014年則為人民幣3,147.2百萬元，減少19.2%，主要是由於電力能源行業毛利減少。

2015年，電力能源行業毛利為人民幣1,746.0百萬元，而2014年為人民幣2,641.3百萬元，減少33.9%，主要由於亞洲的某電站項目受到當地政治環境影響進展緩慢。

2015年，交通運輸行業毛利為人民幣575.6百萬元，而2014年為人民幣238.4百萬元，增加141.4%，主要由於南美洲的鐵路項目於2015年取得較大進展。

2015年，電子通訊行業毛利為人民幣37.9百萬元，而2014年為人民幣40.0百萬元，降低5.3%，主要由於我們位於亞洲的電子通訊項目2014年進度較高，與2015年相比取得收入較多。

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The gross profit generated from the non-Core Sectors decreased by 18.9% to RMB184.5 million in 2015 as compared to RMB227.5 million in 2014, primarily due to the higher cost and lower gross profit in the educational projects in Africa caused by the changes in local tax policies.

(b) Gross Profit Margin

The gross profit margin generated from the International Engineering Contracting Business slightly decreased to 18.5% in 2015 as compared to 19.5% in 2014, primarily due to the decrease in gross profit from the non-Core Sectors.

The gross profit margin generated from the power sector was 24.0% in 2015 as compared to 23.4% in 2014, remained stable.

The gross profit margin generated from the transportation sector increased to 16.5% in 2015 as compared to 12.8% in 2014, primarily due to the significant progress of the railway projects in South America, which was constructed in 2015.

The gross profit margin generated from the telecommunications sector slightly increased to 10.4% in 2015 as compared to 9.8% in 2014, remained stable.

2015年，非核心行業毛利為人民幣184.5百萬元，比2014年的人人民幣227.5百萬元減少18.9%，主要由於位於非洲的教育項目當地稅收政策變化導致成本上升及毛利下降。

(b) 毛利率

2015年，國際工程承包業務毛利率小幅下降至18.5%，而2014年則為19.5%，主要由於非核心行業的毛利率下降。

2015年，電力能源行業毛利率為24.0%，2014年則為23.4%，維持基本穩定。

2015年，交通運輸行業毛利率增至16.5%，而2014年則為12.8%，主要由於2015年建設的位於南美洲的鐵路項目取得較大進展。

2015年，電子通訊行業毛利率增至10.4%，而2014年則為9.8%，維持基本穩定。

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The gross profit margin generated from the non-Core Sectors decreased to 7.0% in 2015 as compared to 8.9% in 2014, primarily due to the higher cost and lower gross profit in the educational projects in Africa caused by the changes in local tax policies.

2015年，非核心行業毛利率降至7.0%，而2014年則為8.9%，主要由於我們位於非洲的教育項目當地稅收政策變化導致成本上升及毛利率下降。

2) Trading Business

2) 貿易業務

(a) Gross Profit

(a) 毛利

The gross profit generated from the Trading Business increased by 22.1% to RMB369.0 million in 2015 as compared to RMB302.1 million in 2014, primarily due to the increase in gross profit from both international trade and domestic trade.

2015年，貿易業務毛利為人民幣369.0百萬元，比2014年的人民幣302.1百萬元增加22.1%，主要由於國際貿易和國內貿易的毛利均有所增長。

The gross profit generated from international trade increased by 24.3% to RMB320.4 million in 2015 as compared to RMB257.7 million in 2014, primarily due to the higher gross profit margin in complete sets of plants and equipment business exported to Asia and Africa.

2015年，國際貿易業務毛利為人民幣320.4百萬元，比2014年的人民幣257.7百萬元增加24.3%，主要由於出口亞洲和非洲成套設備業務毛利率較高。

The gross profit generated from domestic trade increased by 9.5% to RMB48.6 million in 2015 as compared to RMB44.4 million in 2014, primarily due to the better economic benefits received by the Group in high-end forgings sector and electrical products sector.

2015年，國內貿易業務毛利為人民幣48.6百萬元，比2014年的人民幣44.4百萬元增加9.5%，主要是集團在高端鑄鍛件、電氣產品等領域取得較好的經濟效益。

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(b) Gross Profit Margin

The gross profit margin generated from the Trading Business increased to 6.6% in 2015 as compared to 4.7% in 2014, primarily due to the higher gross profit margin of both international trade and domestic trade.

The gross profit margin generated from international trade increased to 8.2% in 2015 as compared to 5.7% in 2014, primarily due to the higher gross profit margin in complete sets of plants and equipment business exported to Asia and Africa.

The gross profit margin generated from domestic trade increased to 2.8% in 2015 as compared to 2.3% in 2014, primarily due to the increase in gross profit margin of high-end forgings business and electrical products business.

3) Other Businesses

(a) Gross Profit

The gross profit generated from the Other Businesses increased by 30.9% to RMB477.8 million in 2015 as compared to RMB365.0 million in 2014, primarily due to the increase in revenue from exhibition service, measuring business and railway supervising service in South America.

(b) Gross Profit Margin

The gross profit margin generated from the Other Businesses increased to 34.4% in 2015 as compared to 30.4% in 2014, primarily due to the higher gross profit margin of the new supervising service in this year.

(b) 毛利率

2015年，貿易業務毛利率增至6.6%，而2014年則為4.7%，主要由於國際貿易和國內貿易的毛利率均有所增加。

2015年，國際貿易業務毛利率增至8.2%，而2014年則為5.7%，主要由於出口亞洲和非洲成套設備業務毛利率較高。

2015年，國內貿易業務毛利率增至2.8%，而2014年則為2.3%，主要是集團高端鑄鍛件、電氣產品等業務毛利率有所提高。

3) 其他業務

(a) 毛利

2015年，其他業務毛利為人民幣477.8百萬元，比2014年的人民幣365.0百萬元增加30.9%，主要由於本集團在展覽服務、測量業務以及位於南美洲的鐵路監理業務取得較多收入。

(b) 毛利率

2015年，其他業務毛利率上升至34.4%，而2014年則為30.4%，主要由於本年度新增監理服務收入毛利率較高。

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5. Other revenue

The Group's other revenue amounted to RMB14.9 million in 2015 as compared to RMB15.4 million in 2014, remained relatively stable.

6. Other income and expenses, net

The Group's other income and expenses, net increased by 76.7% to RMB(21.6) million in 2015 as compared to income of RMB(92.8) million in 2014. This increase is mainly attributable to the decrease in net losses from changes in fair value of foreign currency forward contracts.

7. Selling and marketing expenses

The Group's selling and marketing expenses increased to RMB1,128.6 million in 2015 as compared to RMB1,115.9 million in 2014, remained relatively stable.

8. Administrative expenses

The Group's administrative expenses increased by 7.2% to RMB615.5 million in 2015 compared to RMB573.9 million in 2014. This increase is mainly attributable to the increase in advisory fees paid to the agencies for preliminary financial due diligence on the investment projects and labor costs.

9. Other operating expenses

The Group's other operating expenses increased by 231.9% to RMB63.2 million in 2015 as compared to RMB(47.9) million in 2014. This increase is mainly attributable to the increase in impairment losses on receivables as compared to that in 2014.

5. 其他收入

2015年，本集團的其他收入為人民幣14.9百萬元，而2014年則為人民幣15.4百萬元，基本持平。

6. 其他收支淨額

2015年，本集團的其他收支淨額為人民幣(21.6)百萬元，而2014年則為收入人民幣(92.8)百萬元，增幅為76.7%。此增幅主要由於遠期外匯合同公允價值變動的淨損失減少。

7. 銷售及市場營銷開支

2015年，本集團的銷售及市場營銷開支為人民幣1,128.6百萬元，而2014年則為人民幣1,115.9百萬元，維持基本穩定。

8. 行政開支

2015年，本集團的行政開支為人民幣615.5百萬元，而2014年則為人民幣573.9百萬元，增幅為7.2%。主要由於公司投資項目前期財務盡職調查等支付中介機構費用的諮詢費用及人工成本有所增長。

9. 其他經營開支

2015年，本集團的其他經營開支為人民幣63.2百萬元，而2014年則為人民幣(47.9)百萬元，增幅為231.9%。此增幅主要由於應收賬款減值損失較2014年增加。

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10. Profit from operations

The Group's profit from operations decreased by 24.7% to RMB1,576.8 million in 2015 as compared to RMB2,095.0 million in 2014, primarily due to the decrease in gross profit from engineering contracting sector.

11. Finance income/finance expenses

In 2015, the Group's finance income increased by 72.7% from RMB720.4 million in 2014 to RMB1,244.4 million, primarily due to combined effect of the increase in exchange income resulting from the depreciation of RMB exchange rate and the decrease in interest income resulting from the decrease in deposit rate.

In 2015, the Group's finance expenses decreased by 14% from RMB50.6 million in 2014 to RMB43.5 million.

As a result, the Group's net finance income increased by 79.3 %, amounting to RMB1,200.9 million in 2015 as compared to the net finance income of RMB669.8 million in 2014.

12. Income tax

The Group's income tax increased by 12.0% to RMB722.6 million in 2015 as compared to RMB645.1 million in 2014. This increase was mainly due to the effect attributable to the use of tax losses from previous years in 2014.

10. 經營溢利

2015年，本集團的經營溢利為人民幣1,576.8百萬元，而2014年則為人民幣2,095.0百萬元，降幅為24.7%。主要由於工程承包板塊毛利的下降。

11. 財務收入／財務開支

2015年，本集團的財務收入為人民幣1,244.4百萬元，而2014年則為人民幣720.4百萬元，增幅為72.7%。主要由於人民幣匯率貶值導致的匯兌收益增加及存款利率下降導致利息收入減少的綜合影響。

2015年，本集團的財務開支為人民幣43.5百萬元，而2014年則為人民幣50.6百萬元，降幅為14%。

因此，2015年，本集團的財務收入淨額為人民幣1,200.9百萬元，而2014年為財務淨收入人民幣669.8百萬元，增幅為79.3%。

12. 所得稅

2015年，本集團的所得稅為人民幣722.6百萬元，而2014年則為人民幣645.1百萬元，增幅為12.0%。此增幅主要由2014年使用以前年度稅項虧損引起的影響。

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13. Profit for the year

As a result of the foregoing, the Group's net profit for the year decreased by 3.1% to RMB2,054.2 million in 2015 as compared to RMB2,119.8 million in 2014 and its net profit margin was 9.9% in 2015 as compared to 8.9% in 2014.

14. Profit attributable to the Shareholders

The profit attributable to the Shareholders decreased by 3.2% to RMB2,051.8 million in 2015 compared to RMB2,119.5 million in 2014.

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

The profit attributable to the holders of non-controlling interests of the Group increased by 700.0% to RMB2.4 million in 2015 as compared to profit of RMB0.3 million in 2014.

16. Liquidity and Capital Resources

As at December 31, 2015, the Group's cash and cash equivalents amounted to RMB20,344.6 million, compared to RMB17,986.1 million as at December 31, 2014, representing an increase of 13.1%. The increase was due to the increase in receipts for engineering projects.

As at December 31, 2015, the Group's borrowings amounted to RMB825.4 million, compared to RMB565.5 million as at December 31, 2014, representing an increase of 46.0%. RMB428.3 million (including RMB363.4 million of long-term borrowings due within one year) was short-term borrowings and RMB397.1 million was long-term borrowings.

13. 年內溢利

由於上文所述，2015年，本集團的年內淨溢利為人民幣2,054.2百萬元，而2014年則為人民幣2,119.8百萬元，降幅為3.1%，其於2015年的淨溢利率為9.9%，而2014年則為8.9%。

14. 歸屬於股東溢利

2015年，歸屬於股東溢利為人民幣2,051.8百萬元，而2014年則為人民幣2,119.5百萬元，降幅為3.2%。

15. 歸屬於非控股權益持有人溢利

2015年，歸屬於本集團非控股權益持有人溢利為人民幣2.4百萬元，而2014年則為溢利人民幣0.3百萬元，增幅為700.0%。

16. 流動資金及資本資源

於2015年12月31日，本集團持有現金及現金等價物為人民幣20,344.6百萬元，而於2014年12月31日則為人民幣17,986.1百萬元，增幅為13.1%。現金增加的原因為工程項目收款的增加。

於2015年12月31日，本集團借貸為人民幣825.4百萬元，而於2014年12月31日則為人民幣565.5百萬元，增幅為46.0%。短期借貸為人民幣428.3百萬元（含一年內到期的長期借貸人民幣363.4百萬元），長期借貸為人民幣397.1百萬元。

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All borrowings were denominated in RMB, USD and Japanese Yen and were subject to interest rates ranging from 0.05% to 6.33% per annum.

17. Major acquisition and disposals and significant investments

Please see the paragraphs headed “II. BUSINESS OVERVIEW – D. Significant Events and Business Achievements” on pages 36 to 39 of this annual report.

18. Event After Reporting Period

On March 29, 2016, the Board resolved that a final dividend of RMB0.1989 per Share is to be distributed to the Shareholders, subject to approval of the Shareholders at the forthcoming AGM. Such final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

The 2016 first extraordinary general meeting was held on March 29, 2016 in which the resolution regarding the acquisition agreement dated February 5, 2016 entered into by and between the Company, as purchaser, and SINOMACH, as the seller, in relation to the acquisition of the entire equity interest in China National Complete Engineering Corporation* (中國成套工程有限公司) for an aggregate consideration of RMB532,678,100 was approved by the independent Shareholders. For further information, please refer to the Company's announcements dated February 5, 2016 and March 29, 2016 and the circular dated February 6, 2016 published on the respective websites of the Stock Exchange and the Company.

所有借貸均以人民幣、美元及日元計值並以每年利率0.05%至6.33%計息。

17. 重大收購及出售及重大投資

請參閱本年報第36至39頁「II. 業務概覽 – D. 重大事件和業務成果」一段。

18. 報告期後的事項

2016年3月29日，董事會決議向股東派發每股人民幣0.1989元的末期股息，惟須獲股東於應屆股東週年大會上批准。於報告期末後擬派的末期股息尚未確認為報告期末的負債。

2016年第一屆臨時股東大會於2016年3月29日舉行，期間經獨立股東通過了有關2016年2月5日由本公司作為買方，國機作為賣方，以人民幣532,678,100元的對價收購中國成套工程有限公司的全部權益的收購協議決議案。詳情請參閱本公司在聯交所網站及本公司網站分別刊發的2016年2月5日及2016年3月29日的公告及2016年2月6日的通函。

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IV. 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, while financing the remainder primarily through bank borrowings and proceeds from the Listing.

1. Cash Flows

The following table sets forth a summary of our cash flows for the year ended December 31, 2015, with the comparing figures for the year ended December 31, 2014:

| | | For the year ended December 31, | |
|--|------------------|--|-------------|
| | | 截至12月31日止年度 | |
| | | 2015 | 2014 |
| | | 2015年 | 2014年 |
| | | | (Restated) |
| | | | (重述) |
| | | RMB million | RMB million |
| | | 人民幣百萬元 | 人民幣百萬元 |
| Net cash generated from/(used in) operating activities | 經營活動產生/(所用)的現金淨額 | 3,439.8 | 4,149.3 |
| Net cash (used in)/generated from investing activities | 投資活動(所用)/產生的現金淨額 | (691.3) | (333.9) |
| Net cash used in financing activities | 融資活動所用的現金淨額 | (590.9) | (482.1) |
| Net increase in cash and cash equivalents | 現金及現金等價物增加淨額 | 2,157.6 | 3,333.3 |
| Cash and cash equivalents at the beginning of the year | 年初的現金及現金等價物 | 17,986.1 | 14,694.0 |
| Effect of foreign exchange rate changes | 匯率變動的影響 | 200.9 | (41.2) |
| Cash and cash equivalents at the end of the year | 年末的現金及現金等價物 | 20,344.6 | 17,986.1 |

IV. 流動資金

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

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

1. 現金流量

下表載列截至2015年12月31日止年度我們的現金流量概況，以及截至2014年12月31日止年度的比較數字：

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As at December 31, 2015, the Group's cash and cash equivalents amounted to RMB20,344.6 million, compared to RMB17,986.1 million as at December 31, 2014, representing an increase of 13.1%. The main source of the Group's operating capital is the increase in receipts in advance for engineering projects.

2. Cash Flows from Operating Activities

For the year ended December 31, 2015, we had net cash generated from operating activities of RMB3,439.8 million. Net cash inflow generated from operating activities was mainly attributable to changes in working capital, which resulted in a cash inflow of RMB2,027.4 million in 2015. The changes in working capital mainly included (i) an increase in receipts in advance of RMB1,776.3 million, (ii) an increase in trade and other payables of RMB775.2 million, (iii) an increase in trade and other receivables of RMB938.4 million, and (iv) a decrease in receivables for construction contracts of RMB401.1 million. In 2015, cash generated from profit from operations amounted to RMB2,026.5 million, cash inflow from changes in working capital was RMB2,027.4 million and income tax paid was RMB614.1 million, which resulted in net cash inflow generated from operating activities of RMB3,439.8 million.

於2015年12月31日，本集團持有現金及現金等價物為人民幣20,344.6百萬元，而於2014年12月31日則為人民幣17,986.1百萬元，增幅為13.1%。本集團的業務資金來源主要為工程項目預收款的增加。

2. 來自經營活動的現金流量

截至2015年12月31日止年度，我們經營活動產生的現金淨額為人民幣3,439.8百萬元。經營活動產生的現金淨流入主要原因是營運資金的變動影響，2015年營運資金變動致使現金流入人民幣2,027.4百萬元。營運資金變動主要包括(i)預收款項增加人民幣1,776.3百萬元、(ii)貿易及其他應付款項增加人民幣775.2百萬元、(iii)貿易及其他應收款項增加人民幣938.4百萬元及(iv)建造合同應收款項減少人民幣401.1百萬元。2015年經營溢利產生的現金為人民幣2,026.5百萬元，營運資金變動現金流入人民幣2,027.4百萬元，支付所得稅人民幣614.1百萬元，因此經營活動產生的現金淨流入為人民幣3,439.8百萬元。

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3. Cash Flows from Investing Activities

For the year ended December 31, 2015, our net cash used in investing activities was RMB(691.3) million. Our cash outflow from investing activities mainly consisted of (i) payments for acquisition of property, plant and equipment of RMB411.3 million, (ii) an increase in cash investment in available-for-sale financial assets of RMB307.8 million. Such amount was partially offset by interest income received of RMB463.8 million.

4. Cash Flows from Financing Activities

For the year ended December 31, 2015, our net cash used in financing activities was RMB(590.9) million. Our cash inflow from financing activities primarily consisted of proceeds from borrowings of RMB484.4 million. Such amount was partially offset by (i) repayment of borrowings from banks of RMB224.6 million and (ii) dividends paid to Shareholders of RMB845.9 million.

5. Capital Expenditures and Capital Commitments

Our capital expenditures consisted primarily of the purchase of buildings, certain equipments, investment properties, lease prepayments and intangible assets. In 2015, the Group's capital expenditure was RMB503.4 million, representing an increase of 77.6% as compared to RMB283.5 million in 2014, mainly due to satisfactory progress made in the construction of infrastructure projects of fixed assets.

3. 來自投資活動的現金流量

截至2015年12月31日止年度，我們投資活動所用的現金淨額為人民幣(691.3)百萬元。我們投資活動的現金流出主要包括(i)支付收購物業、廠房及設備的款項人民幣411.3百萬元，(ii)投資於可供出售金融資產的現金增加人民幣307.8百萬元。部分該等金額已由已收取利息收入人民幣463.8百萬元所抵銷。

4. 來自融資活動的現金流量

截至2015年12月31日止年度，我們融資活動所用的現金淨額為人民幣(590.9)百萬元。我們融資活動的現金流入主要包括借貸所得款項人民幣484.4百萬元。部分該等金額已由(i)償還銀行借貸人民幣224.6百萬元及(ii)派付人民幣845.9百萬元股息予股東所抵銷。

5. 資本開支和資本承擔

我們的資本開支主要包括購買樓宇、特定設備、投資物業、預付租賃款項及無形資產。2015年，本集團的資本開支為人民幣503.4百萬元，而2014年則為人民幣283.5百萬元，增幅為77.6%，主要由於固定資產基建項目實施取得一定進展。

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Our capital commitments mainly include the value of contracts signed but not yet completed and the value of contracts not yet signed but the budget of which have been authorized. In 2015, the capital commitments of the Group was RMB2,598.7 million, representing an increase of approximately 30.7% as compared with RMB1,987.6 million in 2014. It was mainly attributed to certain adjustment to the budget of the Group's infrastructure projects of fixed assets in China.

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，本集團的資本承擔為人民幣2,598.7百萬元，較2014年的人民幣1,987.6百萬元增加約30.7%，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 average trade payables of the Company for the years ended December 31, 2015 and 2014.

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、向供貨商預付款、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。

下表載列於截至2015年及2014年12月31日止年度本公司平均貿易應收款項及平均貿易應付款項的週轉天數。

For the year ended December 31, 截至12月31日止年度

| | | 2015 | 2014 |
|---|---------------------|-------|-------|
| | | 2015年 | 2014年 |
| | | days | days |
| | | 天數 | 天數 |
| The turnover days of the average trade receivables (Note 1) | 平均貿易應收款項的週轉天數 (附註1) | 70 | 47 |
| The turnover days of the average trade payables (Note 2) | 平均貿易應付款項的週轉天數 (附註2) | 260 | 210 |

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

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

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

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

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

下表載列於2015年及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 December 31, | |
|----------------------|---------|---------------------------|----------------------|
| | | 於12月31日 | |
| | | 2015 | 2014 |
| | | 2015年 | 2014年 |
| | | (RMB million) | (RMB million) |
| | | (人民幣百萬元) | (人民幣百萬元) |
| Within 3 months | 3個月以內 | 2,673.9 | 1,956.6 |
| 3 months to 6 months | 3個月至6個月 | 525.2 | 512.1 |
| 6 months to 1 year | 6個月至1年 | 322.5 | 555.9 |
| Over 1 year | 1年以上 | 645.4 | 877.6 |
| | | 4,167.0 | 3,902.2 |

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The Group's credit policies with its customers for the year ended December 31, 2015 remained consistent as that for the year ended December 31, 2014. We continually enhanced our management of trade and bills receivables to reduce the exposure to doubtful debts. In addition, we made allowance for doubtful debts after fully considering the nature of trade and bills receivables and their collectability. As at December 31, 2015, allowance provided for doubtful debts for our trade and bills receivables amounted to RMB640.4 million, accounting for 13.3% of our trade and bills receivables, as compared to RMB559.8 million, accounting for 12.5% of our trade and bills 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 into our attention.

截至2015年12月31日止年度，本集團與其客戶的信貸政策與截至2014年12月31日止年度相同。我們不斷加強貿易應收款項及應收票據的管理，以求減低所承擔的呆賬風險。此外，充分考慮貿易應收款項及應收票據的性質及其可收回金額後，我們就呆賬計提撥備。於2015年12月31日，我們就貿易應收款項及應收票據所作的呆賬撥備為人民幣640.4百萬元，佔我們貿易應收款項及應收票據的13.3%，而於2014年12月31日則為人民幣559.8百萬元，佔我們貿易應收款項及應收票據的12.5%。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。

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(b) Trade and other payables

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

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

| | | As at December 31, | |
|----------------------|---------|---------------------------|---------------|
| | | 於12月31日 | |
| | | 2015 | 2014 |
| | | 2015年 | 2014年 |
| | | (RMB million) | (RMB million) |
| | | (人民幣百萬元) | (人民幣百萬元) |
| Within 3 months | 3個月以內 | 4,919.5 | 3,905.8 |
| 3 months to 6 months | 3個月至6個月 | 1,255.3 | 1,323.6 |
| 6 months to 1 year | 6個月至1年 | 1,358.3 | 3,168.0 |
| Over 1 year | 1年以上 | 5,095.3 | 4,036.1 |
| | | 12,628.4 | 12,433.5 |

The Group's credit policies with its suppliers for the year ended December 31, 2015 remained the same as that for the year ended December 31, 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：

截至2015年12月31日止年度，本集團與其供應商的信貸政策與截至2014年12月31日止年度相同。

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V. INDEBTEDNESS

1. Borrowings

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

| | | As at December 31, 於12月31日 | |
|--|-----------------|-------------------------------|-------------------------------------|
| | | 2015 2015年 | 2014 2014年 (Restated) (重述) |
| | | RMB million 人民幣百萬元 | 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 | 43.9 | 4.3 |
| secured | 有擔保 | 21.0 | 129.2 |
| Subtotal | 小計 | 64.9 | 133.5 |
| Add: current portion of long-term borrowings | 加：長期借貸的 流動部分 | 363.4 | 72.2 |
| Subtotal | 小計 | 428.3 | 205.7 |
| Non-current: | 非流動： | | |
| Long-term borrowings | 長期借貸 | | |
| Bank loans | 銀行貸款 | | |
| unsecured | 無擔保 | 397.1 | 106.0 |
| secured | 有擔保 | 363.4 | 326.0 |
| Subtotal | 小計 | 760.5 | 432.0 |
| Less: current portion of long-term borrowings | 減：長期借貸的 流動部分 | 363.4 | 72.2 |
| Subtotal | 小計 | 397.1 | 359.8 |
| Total | 總計 | 825.4 | 565.5 |

V. 債務

1. 借貸

於2014年及2015年12月31日，我們用以計算本集團債務的合併借貸如下：

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Our short-term borrowings primarily include credit borrowings, mortgage borrowings and guarantee borrowings from commercial banks and other financial institutions. As at December 31, 2015, our short-term borrowings (including the current portion of long-term borrowings) amounted to RMB428.3 million, accounting for 51.9% of our total borrowings.

Our long-term borrowings primarily included credit and guarantee borrowings from commercial banks. These included bank borrowings related to engineering projects, with the total balance of such borrowings (including the current portion) amounting to approximately RMB760.5 million as at December 31, 2015. As at December 31, 2015, our long-term borrowings (excluding the current portion) amounted to RMB397.1 million, accounting for 48.1% of our total borrowings. The increase in our interest-bearing borrowings to RMB825.4 million as at December 31, 2015 was primarily due to the increase in bank borrowings as a result of undertaking the engineering projects.

As of December 31, 2015, certain of the Group's borrowings were secured by certain of the Group's buildings with an aggregate net book value of RMB10,848,000 and bank deposits of RMB11,034,000.

As of 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 RMB4,333,000 and bank deposits of RMB222,078,000.

All borrowings were denominated in RMB, US\$ and Japanese Yen and were subject to interest rates ranged from 0.05% to 6.33% 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、抵押借貸及保證借貸。於2015年12月31日，我們的短期借貸（包括長期借貸的流動部分）為人民幣428.3百萬元，佔我們的借貸總額51.9%。

長期借貸主要包括來自商業銀行的信用及保證借貸。該等借貸包括與工程項目有關的銀行借貸，於2015年12月31日，該等借貸（包括流動部分）的結餘總額約為人民幣760.5百萬元。於2015年12月31日，不包括流動部分的長期借貸為人民幣397.1百萬元，佔我們借貸總額的48.1%。我們的計息借貸於2015年12月31日增加至人民幣825.4百萬元，主要由於承接工程項目新增銀行借款所致。

截至2015年12月31日，本集團的若干借貸以總賬面淨值為人民幣10,848,000元的本集團若干樓宇及人民幣11,034,000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4,333,000元的本集團若干樓宇及人民幣222,078,000元的銀行存款作抵押。

所有借貸均以人民幣、美元及日元計值並以每年利率0.05%至6.33%計息。

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There had been no material defaults in payment of our bank borrowings and breaches of the finance covenants during the year ended December 31, 2015.

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

於截至2015年12月31日止年度我們在償還銀行借貸方面概無重大違約情況，亦無嚴重違反融資契約的情況。

於2015年及2014年12月31日，我們的計息借貸到期日如下：

| | | As at December 31, 於12月31日 | |
|----------------------------------|-----------|-------------------------------|-------------------------------------|
| | | 2015 2015年 | 2014 2014年 (Restated) (重述) |
| | | RMB million (人民幣百萬元) | RMB million (人民幣百萬元) |
| Within 1 year or on demand | 1年以內或實時還款 | 428.3 | 205.7 |
| After 1 year but within 2 years | 1年至2年 | 90.0 | 256.2 |
| After 2 years but within 5 years | 2年至5年 | 303.8 | 100.0 |
| After 5 years | 5年以上 | 3.3 | 3.6 |
| Total | 總計 | 825.4 | 565.5 |

2. Gearing Ratio

The Group monitors capital on the basis of the gearing ratio. Gearing ratio is derived by dividing total borrowings by total assets multiplied by 100%. In 2015, the Group's gearing ratio (total borrowings divided by total assets) was 2.0%, representing an increase of 33.3% as compared to 1.5% as recorded in 2014, mainly due to the increase in short-term borrowings.

3. Contingent Liabilities

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

2. 槓桿比率

本集團以槓桿比率基準管理資本。槓桿比率乃將借貸總額除以資產總額再乘以100%得出。2015年，本集團的槓桿比率（借貸總額除以總資產）為2.0%，與2014年的1.5%相比增長33.3%，主要是由於短期借款的增加。

3. 或有負債

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

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VI. RISK FACTORS AND RISK MANAGEMENT

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

1. Currency Risk

We are exposed to currency risk primarily through sales and purchases and our International Engineering Contracting Business overseas as well as 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 for some of our future cash receipts, primarily in respect of the proceeds of our international engineering contracting projects, to reduce our currency risk and to obtain certainty of forecasted income generated from the deferred payments to be received from the project owners under such projects. As a matter of policy and in compliance with the PRC laws and regulations, we are not allowed to widely engage in hedging activities. Hence, our foreign currency hedging activities were limited to these foreign currency forward contracts. Our foreign currency forward contracts corresponded to our business volume, i.e. the amounts and terms of such contracts corresponded to the amounts of the foreign currency expected to be received from our business. Under these contracts, we agree to buy RMB from and sell foreign currencies to the counterparties in a given quantity at a pre-determined exchange rate at a maturity date in the future. As at December 31, 2015, we had 95 foreign currency forward contracts outstanding (2014: 105). We entered into more foreign

VI. 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。我們的管理層不斷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業務上將收取的外匯款項相匹配。根據此等合同，我們同意於未來到期日按預先釐定的匯率向對手方購買特定數量的人民幣及出售特定數量的外幣。於2015年12月31日，我們有95份遠期外匯合同尚未結算（2014年：105份）。於2013年，鑑於更高的匯率波幅預測，我們簽署了更多額度較小的遠期外匯合同以更好地適應業務需求及更

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currency forward contracts in smaller amounts in 2013 to better accommodate our business needs and to better manage our cash flow in light of the forecasted high volatility of exchange rates. We recognize the foreign currency forward contracts initially at fair value. At the end of each reporting period, the fair value is re-measured and the difference is recognized immediately as profit or loss. The net fair values of our foreign currency forward contracts were recognized as derivative financial instruments recorded in “trade and other receivables” and “trade and other payables”. As at December 31, 2015, the net fair value liabilities of our foreign currency forward contracts were RMB23.8 million, representing gross fair value assets and liabilities of such contracts of RMB0.4 million and RMB24.2 million, respectively, which represent our exposure under the foreign currency forward contracts estimated as at December 31, 2015. We maintain and follow our internal policies and controls for managing our Group’s use of derivative financial instruments.

2. Interest Rate Risk

Our interest rate risk arises primarily from borrowings and bank deposits. Borrowings bearing interests at variable rates and at fixed rates expose us to cash flow interest rate risk and fair value interest rate risk, respectively. We regularly review and monitor the mix of our fixed and variable rate borrowings, only either through managing the contractual terms of interest-bearing financial assets and liabilities or through the use of interest rate swaps 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 on 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 has expired and been fully repaid in January 2016. Under the interest rate swap arrangement, which became effective on March 20, 2009 and expired on January 31, 2016, we paid interest at a fixed interest rate of 6.28% per

好地管理我們的現金流。遠期外匯合同初始按公允價值確認。於各報告期末，公允價值重新計量，而差額即時確認為損益。我們遠期外匯合同的公允淨值確認為衍生金融工具，計入「貿易及其他應收款項」及「貿易及其他應付款項」。於2015年12月31日，我們的遠期外匯合同公允價值負債淨額為人民幣23.8百萬元，代表該等合同的總公允價值資產及負債分別為人民幣0.4百萬元及人民幣24.2百萬元，代表我們估計的於2015年12月31日所面臨的遠期外匯合同風險。我們維持及遵守我們有關規範本集團使用衍生金融工具的內部政策及控制。

2. 利率風險

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

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annum to the swapping bank on the principal amount of US\$50 million, which 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. We recognize the interest rate swap initially at fair value. At the end of each reporting period, the fair value is re-measured and the difference is recognized immediately as profit or loss. The net fair values of our interest rate swap contract were recognized as derivative financial instruments recorded in “trade and other payables”. As at December 31, 2015, the net and gross fair value liabilities of our interest rate swap contract were RMB13,000, which represented our exposure under the interest rate swap estimated as at December 31, 2015.

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. The 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-credit-term reviews to determine if we need to make any necessary provisions for credits that we have extended. As to credit risk

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。利率掉期初始按公允價值確認。於各報告期末，公允價值重新計量，而差額即時確認為損益。我們利率掉期合同的公允淨值確認為衍生金融工具，計入「貿易及其他應付款項」。於 2015 年 12 月 31 日，我們利率掉期合同的公允價值負債淨額及總額為人民幣 13,000 元，代表我們估計的於 2015 年 12 月 31 日所面臨的利率掉期風險。

3. 信用風險

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

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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 Sinosure; for the International Engineering Contracting Business financed by export seller's credit, we typically buy export credit insurance from Sinosure for our projects to meet financing needs as well as to control credit risk from trade and other receivables. Our credit risk stems from trade and other receivables relates to a number of independent customers. As at December 31, 2015, 9.3% of the total trade and other receivables was due from our largest customer (2014: 7.0%), and 24.9% of the total trade and other receivables was due from the five largest customers (2014: 24.3%).

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 our management considered adequate to finance our operations and mitigate the effects of fluctuations in cash flow. As at December 31, 2014 and 2015, our net current assets amounted to RMB8,022.7 million and RMB8,217.3 million, respectively.

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與多名獨立客戶有關。於2015年12月31日，貿易及其他應收款項總額中有9.3%來自我們的最大客戶（2014年：7.0%），而貿易及其他應收款項總額中有24.9%來自五大客戶（2014年：24.3%）。

4. 流動資金風險

流動資金風險指我們於結算日擁有流動負債淨額的風險。倘我們未能籌集足夠資金以應付到期的財務負債，則我們將承受流動資金風險。為管理流動資金風險，我們編製年度和季度財務預算，包括對資本和信用額度動用的預算，以計劃和鞏固各種財務資源滿足我們的業務、營運及發展的需要。此外，我們監察及維持管理層認為足以為我們的營運提供資金及減少現金流量波動影響的現金及現金等價物水平。於2014年及2015年12月31日，我們的流動資產淨額分別為人民幣8,022.7百萬元及人民幣8,217.3百萬元。

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5. Competition Risk

We compete with both domestic and foreign contractors in 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 competitive labor cost and equipment price. We will also continue to leverage the cooperation between the PRC government and foreign governments (especially those of the developing countries) to compete with both domestic and foreign contractors.

We compete with both Chinese and foreign companies in our international trading business. Competition with Chinese companies engaged in the international trading business focuses on price, range of products and range of suppliers and customers, whereas competition with foreign companies focuses on the price and quality of products manufactured by Chinese and foreign suppliers. While competition in the international trading market is intense, given this market is considerably vast, 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 business talents, strong capabilities in providing financing solutions and established reputation.

5. 競爭風險

我們就我們的國際工程承包業務與國內外的承包商競爭。競爭主要由價格、設計、所提供服務的多樣性、服務質量、融資方案、業務模式及環境標準所造成。如同行業中其他中國承包商，我們面對來自發達國家（如美國、日本及多個歐洲國家）且具備領先技術的工程承包商的競爭，後者在全球分支網絡、信息搜集、管理及施工能力、適應性及品牌認知度等各個方面擁有較大的競爭優勢。我們將繼續藉助在價格方面的競爭優勢，尤其在發展中國家的項目，並受益於具競爭性的勞動力成本和設備價格。我們亦將繼續把握中國政府與外國政府（尤其是發展中國家政府）之間的合作，與國內外承包商競爭。

我們與中外公司就國際貿易業務進行競爭。與從事國際貿易業務的中國公司競爭源於對價格、產品範圍及供應商及客戶的範圍的競爭，而與國外公司的競爭則來自中外供應商生產產品的價格及質量的競爭力。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、訓練有素的商業人才、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。

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6. Investment Risk

Investment risk mainly represents 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 advisors, taxation advisors and lawyers 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。

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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 operation is affected by unexpected and adverse foreign economic, regulatory, social and political conditions, we may experience project disruptions, losses of assets and personnel as well as 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。

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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 fluctuations.

In addition, project owners and other contractual counterparties of our International Engineering Contracting Business may not be able to fulfill their contractual obligations owed to us or the conditions precedent 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業主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。

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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 the fact 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 personal risks caused by environment with unstable security. 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 construction 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 and 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、工程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，以及投購建築、安裝及工程一切險、第三方責任保險以及人身意外傷害保險，強化我們的內部監控系統以確保項目具備安全及優質的工作環境，以及與項目業主及地方政府機關維持緊密聯繫，務求降低我們所面臨上述與我們的國際工程承包業務有關的潛在風險。

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10. Post-project Transfer Risk

Our international engineering contracting projects are contractually completed after the warranty period expires and the project owner issues a final acceptance certificate. During the course of use and operation by the project owner, operational or quality issues may arise due to natural factors such as hurricanes and tsunamis or improper operation or maintenance by the project owner's operational staff. According to the contracts, we are then no longer liable for any warranty obligations or other liabilities. However, since some projects are associated with national interests and people's livelihood or bear significant influences in the local areas, any flaws or defects in quality that occur after the project transfer may adversely compromise our reputation, as well as having a negative impact on customers' overall evaluation on us. Some of the project owners may require us to bear costs for continuous maintenances or the change of relevant parts, causing us losses not foreseeable under the contracts. Since corporate reputation is the cornerstone for our expansion of markets, we will keep on stepping up the training for the project owner's operational staff and endeavor to enter into operational maintenance support contracts with the project owners, so as to enhance the operational and maintenance capabilities of the project owners' operational 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 clients, as well as being committed to maintaining good social benefits and corporate interests.

10. 工程移交後風險

我們的國際工程承包項目在質保期結束並由項目業主簽發最終接收證書之後即已在合同意義上全部完成。在項目業主實際使用或運行過程中工程可能會因為颶風、海嘯等自然因素或者項目業主運營人員操作、維護不當等原因產生運行或品質問題，此時根據合同我們不再承擔任何質保義務或其他責任。但是，由於某些工程關乎國計民生或在當地有較大影響，項目移交後產生的任何品質瑕疵或缺陷，將會給我們的聲譽帶來不利影響，導致客戶對我們的整體評價降低。部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，我們將繼續加大對項目業主運營人員的培訓力度，盡力與項目業主簽訂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。

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11. Corruption Risk

Currently, the PRC government is strengthening its anti-corruption efforts and governments of various countries for which we have undertaken works are also enhancing their regulatory efforts in anti-commercial bribery. Personal non-compliance or corruption of any employee will bring material adverse impact 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 anti-corruption regime of the Company as well as strengthening accountabilities. We will continue to, at the same time, actively embark on staff's compliance trainings, so as to enhance the compliance awareness of staff and increase their compliance consciousness.

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，強化責任追究，同時繼續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。

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VII. PROSPECTS

In 2016, the Company will continue to uphold the principles of development-oriented strategies, foundation consolidation, synergies integration as well as innovations and breakthroughs, thereby facilitating the sustainable growth of the Company. In addition, the Company will further improve the promotions of the new three business sectors, namely the International Engineering Contracting Business, trading and services business and investment and financing business.

A. Solidify our Foundation in the International Engineering Contracting Business, Stepped Up Efforts in Market Expansion and Speeding up the Implementation of Innovative Businesses

The Company will continue to step up its efforts in the expansion of the International Engineering Contracting Business market. On the one hand, it will continue to expand its share and influence in the traditional core market; on the other hand, it will strive to expand into the new markets along “One Belt and One Road” Initiative while actively exploring the high-end markets in (amongst others) Europe and the Middle East as well as new markets in (amongst others) Central and South America, with a view to achieving breakthroughs.

The Company will continue to strive to roll out “Investment Driven EPC” projects while widening our project investment channels. In respect of investment type projects in familiar industries, the Company can leverage the advantages in its own brand and channels in an attempt to obtain a dominant development right in the initial stage of the project. The Company will also utilise the India industrial park project, in the husbandry sector of Serbia and in the agricultural sector of Astana to strive for breakthroughs in the areas of industrial parks, modern agriculture and other integrated regional development.

VII. 前景

2016年，公司將繼續堅持發展戰略引領，強基固本、整合協同、創新突破，促進公司可持續發展。另外，公司將進一步完善新的三大業務板塊的推進，即國際工程承包業務、貿易與服務業務和投融資業務。

A. 堅實國際工程承包業務基礎，進一步加大市場開拓力度，加快推進創新業務

公司將不斷加大國際工程承包業務市場開拓的力度，既要持續擴大在傳統核心市場的份額和影響力，又要努力拓展「一帶一路」沿線新市場，同時積極探索歐洲、中東地區等高端市場及中南美洲等新市場，力爭實現項目突破。

公司將繼續努力推進「投資拉動EPC」項目，拓寬項目投資思路。對於熟悉行業的投資類項目，公司可利用自身品牌和渠道的優勢，嘗試在項目的前期獲得主導開發權。公司還將以印度工業園區項目、塞爾維亞畜牧業、哈薩克斯坦農業領域為切入點，力爭在產業園區、現代農業及其他綜合區域開發領域取得突破。

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B. Facilitate the Continual Transformation and Upgrade of Trading and Services Business, with a View to Proactively Transforming into an Integrated Services Provider and Enhancing Operational Capabilities and Profitability

In the last two years, our trading and services business achieved considerable progress in transformation and development, and we defined the direction for business transformation such as one-stop value-added services, off-line trading, new energy and cross-border e-commerce. Going forward, the Company will further explore the development model for the trading and services business and formulate a fixed operational model so as to enhance profitability, expand operational scale and enable a healthy development for the trading and services business.

In 2016, the Company will implement various reform measures to gradually build up the “Four Administrative Systems”, namely the efficient business management system, the effective synergetic system, the justifiable resources allocation system and the comprehensive strategy development system. These will expedite the transformation of businesses of relevant subsidiaries and continue to strengthen our capabilities as a product value-adding service provider. The Company will step up the efforts in the strategic cooperation with local governments, sufficiently allocate resources from the local governments and leverage its preferential policies to expedite and realize a balanced development of the markets overseas and in the domestic front. Moreover, the Company will place much importance to put innovations into practice, actively facilitating the formulation of cross-border supply chain e-commerce services platform to create a new growth driver for trading business. The Company will also continue to heighten our efforts in building our trading brand and keep fostering our core businesses, core products and core markets for the trading and services segment, so as to facilitate the business transformation and upgrade.

B. 推動貿易與服務業務的持續轉型升級，積極向綜合服務商轉變，不斷提升經營與盈利能力

過去兩年，貿易與服務業務在轉型發展模式上取得一定進展，明確了一站式增值服務、貿易實體化、新能源及跨境電商等業務轉型方向。今後，公司將進一步探索貿易與服務業務的發展模式，並形成固定的經營模式，從而提高盈利能力，擴大經營規模，推動貿易與服務業務健康發展。

2016年，公司將實施多項改革措施，逐步建立「四個管理體系」，即高效的業務管理體系、有效的協同體系、合理的資源配置體系和全面的戰略發展體系，推動相關子公司業務的轉型，持續增強產品增值服務商的能力。公司將進一步加強與地方政府間的戰略合作，充分調動地方政府資源，利用其優惠政策，推動實現國內外兩個市場均衡發展。另外，公司將著力創新實踐，積極推動跨境供應鏈電商服務平台建設，打造新的貿易業務增長點。公司還將繼續加大貿易品牌建設力度，持續打造貿易與服務板塊的核心業務、核心產品、核心市場，推進業務轉型升級。

Management Discussion and Analysis

管理層討論與分析

C. Press forward the Development of Investment and Financing Business, Realizing the Goal of Integration of Investment and Financing

In 2016, the Company will accelerate the diversification of domestic financing and actively identify overseas financing models, embark on the credit grading assessment of the Company and study and explore non-bank financing channels such as overseas bond offerings to build up a comprehensive and multi-dimensional overseas financing platform. The Company will steadily expedite the overseas investment businesses primarily comprised of the Thar coal-electric integration project in Pakistan, so as to achieve breakthroughs in overseas investment business. The Company will also further accumulate the experience in the investment driven business of the Company, and continue to conduct preliminary researches and studies for the investment in markets of (amongst others) Pakistan, Serbia, Indonesia and Nigeria, which are markets that the Company plans to invest in, with a view to preparing for the expansion of investment-driven type of business of the Company.

Moreover, the Company will continue to complete the formulation of overseas investment and financing platform building around China Everbest and gradually improve the relevant investment system and operational administrative functions to set up a monitoring and control system overseas so as to provide support for the realization of the Company's strategic planning on regionalization and localization.

C. 推進投融資業務的發展，實現投融資一體化目標

2016年，公司將加快國內融資多元化進程，積極探索海外融資模式，啟動公司評級工作，研究並開拓境外發債等非銀行融資渠道，建立全方位、立體式境外融資平台。公司將穩步推進以巴基斯坦塔爾煤電一體化項目為主的境外投資業務，實現公司境外投資業務的突破。公司還將進一步積累公司投資拉動業務經驗，繼續對巴基斯坦、塞爾維亞、印度尼西亞、尼日利亞等計劃投資的市場進行前期調研，為公司擴大投資拉動類型業務做好準備。

另外，公司將繼續完成以華盛昌為中心的公司境外投融資平台搭建工作，並逐步完善相關投資制度和經營管理職能，建立境外平台管控體系，為公司區域化、屬地化戰略規劃的實現提供支持。

Management Discussion and Analysis

管理層討論與分析

D. Integrate Resources and Step Up Efforts in Synergy among Different Business Segments

In 2016, the Company will roll out corresponding policies to encourage and facilitate the synergetic development among each business segment, including the establishment of a sharing mechanism for overseas organizations, strive for undertaking the International Engineering Contracting Business, trading and services business, investment and financing business delivering synergetic development in every core market.

E. Formulate the Six Key Management Systems and Enhance Corporate Governance Capabilities

Going forward, the Company will put emphasis on the formulation of the six key management systems, comprising engineering contracting, finance, legal, investment and financing, corporate culture and social responsibilities, so as to create CMEC's unique competitive strengths for the solid support of market expansion and business development.

F. Intensify International Cooperation to Expedite Global Market Expansion

In 2016, the Company will further expedite strategic cooperation with leading enterprises around the globe, such as GE, so as to diversify ways for cooperation for achievement of mutual benefits and win-win situation, and to leverage their professional expertise and local channels to strengthen the development capabilities in new markets and new business sectors, thereby realizing the Company's breakthroughs in the high-end market.

D. 整合資源，加大各業務板塊的協同力度

2016年，公司將出台相應的政策以鼓勵促進各業務板塊間的協同發展，包括建立海外機構的共享機制，力爭在每個核心市場都能實現國際工程承包業務、貿易與服務業務、投融資業務的協同發展。

E. 打造六大管理體系，提升企業治理能力

今後，公司要著力打造工程承包、財務、法律、投融資、企業文化及社會責任六大管理體系，形成CMEC獨具特色的競爭優勢，有力地支撐市場開拓及業務發展。

F. 深化國際合作，推動全球市場拓展

2016年，公司將進一步深入推進與通用電氣等全球領先企業的戰略合作，拓寬合作方式，互利共贏，藉助其專業能力和當地渠道提高公司在新市場、新業務領域的開發能力，實現公司在高端市場的突破。

Major Events for the Year

本年度企業大事記

January 一月



- 1.1 Our President ZHANG Chun signed the "Memorandum of Understanding in respect of Strategic Cooperation in Africa" with U.S. General Electric International, Inc. ("GE")
- 1.1 本公司的張淳總裁與美國通用電氣國際公司（「通用電氣」）簽署《非洲區戰略合作諒解備忘錄》



- 1.2 The ring network and NDJ substation under middle to low pressure distribution network project in N'Djamena, Chad, have successfully come into operation
- 1.2 乍得恩賈梅納環網及中低壓配網項目NDJ變電站順利實現通電

February 二月



- 2.1 Our Chairman SUN Bai attended the meeting among the President of Argentina and Chairmen of key Chinese corporations with investments in Argentina
- 2.1 本公司的孫柏董事長應邀出席阿根廷總統與中國在阿根廷投資的重要企業董事長會議



- 2.2 Our President ZHANG Chun met with the ambassador of Zimbabwe and others
- 2.2 本公司的張淳總裁會見津巴布韋駐華大使一行

Major Events for the Year

本年度企業大事記

March 三月



- 3.1 China Machinery Industrial Products Co., Ltd. entered into long term strategic procurement agreement with the Joy Group of the United States
- 3.1 中設集團裝備製造有限責任公司與美國JOY集團簽署長期戰略採購協議



- 3.2 The President of Zimbabwe attended the handover ceremony of a medical project undertaken by our Company
- 3.2 津巴布韋總統出席我司承建的醫療項目移交儀式



- 3.3 Our Chairman SUN Bai met with Ukraine's First Deputy Minister of the Ministry of Agrarian Policy and Food and others
- 3.3 本公司的孫柏董事長會見烏克蘭農業政策和食品部第一副部長一行



- 3.4 Our Company received an AAA Corporate Credit Rating Certificate in the areas of complete engineering from the China Chamber of Commerce for Import and Export of Machinery and Electronic Products
- 3.4 我公司榮獲中國機電商會頒發的工程成套領域AAA級信用企業證書

Major Events for the Year

本年度企業大事記

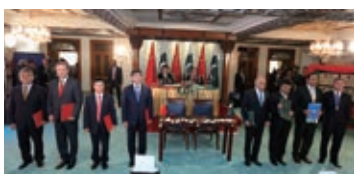
April 四月



- 4.1 Our Chairman SUN Bai met with the Chairman of the State Duma Energy Committee of Russian Federation and others
- 4.1 本公司的孫柏董事長會見俄羅斯聯邦國家杜馬能源委員會主席一行



- 4.2 Our Chairman SUN Bai paid a visit to Muhammad Shehbaz Sharif, the Chief Minister of Punjab of Pakistan
- 4.2 本公司的孫柏董事長拜會巴基斯坦旁遮普省首席部長沙赫巴茲•謝里夫



- 4.3 President Xi Jinping witnessed the signing ceremony of the Pakistan project of the Company
- 4.3 習近平主席見證公司巴基斯坦項目簽訂儀式

May 五月



- 5.1 The Company passed the Supervisory Review and Approval of the Certification of “Three Systems” for 2015
- 5.1 公司順利通過2015年度「三體系」認證監督審核

Major Events for the Year

本年度企業大事記



- 5.2 Our Vice President Ai Wei met with the Municipal Party Committee Secretary of Yizheng and others
- 5.2 本公司的艾威副總裁會見儀徵市委書記一行

June 六月



- 6.1 CMEC was recognized as a "Leading Enterprise" in the Corporate Social Responsibility Performance Appraisal for 2015 of the China International Contractors Association
- 6.1 CMEC在中國對外承包工程商會2015年社會責任績效評價中被評為「領先型企業」



- 6.2 Our Chairman SUN Bai accompanied Ren Hongbin, the Chairman of SINOMACH Group in paying a visit to the President of Serbia
- 6.2 本公司的孫柏董事長陪同國機集團董事長任洪斌拜見塞爾維亞總統

July 七月



- 7.1 The TENAGA Wind Power Project in Pakistan officially commenced operation
- 7.1 巴基斯坦迪拿戈風電項目正式啟動

Major Events for the Year 本年度企業大事記



7.2 Our Vice President Ai Wei met with Kong Lingjun, the Deputy Mayor of Yangzhou and attended the “Yangzhou PRC Manufacturing 2025 – Forum on the Transformation and Upgrading of Machinery Manufacturing Industry”

7.2 本公司的艾威副總裁會見揚州市孔令俊副市長並出席揚州中國製造2025裝備製造業轉型升級論壇



7.3 Prime Minister of Mongolia attended the Flame-Lighting Ceremony for the First Boiler of the Hulun Buir Heating Plant Project

7.3 蒙古國總理出席阿木古郎供熱站項目首台鍋爐點火儀式



7.4 CMEC entered into a “Memorandum of Understanding in respect of Strategic Cooperation” with Ascendas, Singapore

7.4 CMEC與新加坡騰飛集團簽署《戰略合作諒解備忘錄》



7.5 Shen Yueyue, the Vice Chairwoman of the National People’s Congress Standing Committee, inspected the housing project phase II in Maldives

7.5 全國人大常委會副委員長沈躍躍視察馬代住房二期項目



7.6 CMEC’s export control office received the Best Export Internal Control and Compliance Team Award from the World ECR, a journal of export controls and sanctions, in 2015

7.6 CMEC出口管制辦公室獲得2015年度World ECR最佳出口內控合規團隊獎，World ECR是出口管制制裁刊物

Major Events for the Year

本年度企業大事記



- 7.7 Our President ZHANG Chun participated in the “21st Century Maritime Silk Road” Forum in Singapore and gave a speech
- 7.7 本公司的張淳總裁參加新加坡「21世紀海上絲綢之路」論壇並發表演講

August 八月



- 8.1 Our President ZHANG Chun met with the Senior President of Government Affairs and Policy of GE China and others
- 8.1 本公司的張淳總裁會見GE中國政府事務與政策部門高級總裁一行



- 8.2 Our President ZHANG Chun met with Mr. Liu Fengming, the Vice President of GE Global and others
- 8.2 本公司的總裁張淳會見通用電氣全球副總裁劉鳳鳴一行



- 8.3 Our President ZHANG Chun visited Serbia and paid a visit to the President and Prime Minister of Serbia, respectively
- 8.3 本公司的張淳總裁訪問塞爾維亞並分別拜會塞爾維亞總統、總理



- 8.4 Our Chairman SUN Bai visited Argentina and paid a visit to the Minister of the Interior and Transport of Argentina
- 8.4 本公司的孫柏董事長赴阿根廷訪問並拜會阿內政與交通部長

Major Events for the Year 本年度企業大事記



- 8.5 President ZHANG Chun accompanied Ren Hongbin, the Chairman of SINOMACH Group, in paying a visit to the President of Serbia and signed the Memorandum of Understanding in respect of a Meat Product Processing Plant Project in Serbia
- 8.5 張淳總裁陪同國機集團任洪斌董事長拜會塞爾維亞總統並簽署塞肉製品加工廠項目諒解備忘錄

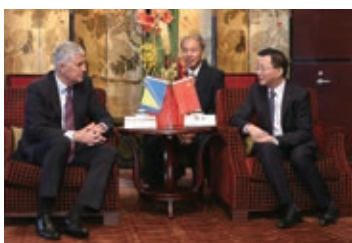
September 九月



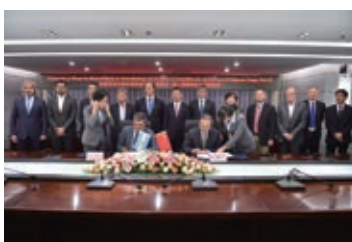
- 9.1 Our Vice President WANG Hong paid a visit to Mr. Somsavat Lengsavad, Deputy Prime Minister of Laos
- 9.1 本公司的王紅副總裁拜會老撾副總理宋沙瓦先生



- 9.2 CMEC Wuxi Company (our Eastern China Business Department) was pleased to receive the “2015 Outstanding Distributed Energy Project in China Award”
- 9.2 中設無錫公司（華東事業部）喜獲「2015年度中國分佈式能源優秀項目獎」



- 9.3 Our President ZHANG Chun paid a visit to Denis Zvizdi, Chairman of the Council of Ministers of Bosnia and Herzegovina, and others
- 9.3 本公司的張淳總裁拜會波黑主席團輪值主席喬維奇一行



- 9.4 Our Chairman SUN Bai and President ZHANG Chun met with the Minister of the Interior and Transport of Argentina and entered into the framework agreement on phase II of the Belgrano Cargo Railway Reform Project in Argentina
- 9.4 本公司的孫柏董事長、張淳總裁會見阿根廷內政和交通部長並簽署阿根廷貝爾格拉諾貨運鐵路改造項目二期工程框架協議

Major Events for the Year

本年度企業大事記



9.5 Our President ZHANG Chun entered into the strategic cooperation agreement with Ningxia Autonomous Region

9.5 本公司的張淳總裁與寧夏自治區簽訂戰略合作協議



9.6 Our subsidiary Sinland Development Pte, Ltd held the opening ceremony in Singapore

9.6 我們的子公司騰新發展有限公司在新加坡舉行開業典禮



9.7 Our President SUN Bai attended the signing ceremony for the memorandum of understanding on cooperation between SINOMACH Group and GE

9.7 本公司的孫柏董事長出席國機集團與通用電氣合作諒解備忘錄簽字儀式



9.8 Our Chairman SUN Bai met with the Argentine Transport Secretary and the Envoy of the President and signed the framework agreement on the Pan-Patagonia Freight Railway of Argentina

9.8 本公司的孫柏董事長會見阿根廷交通國務秘書和總統特使並簽署阿根廷泛巴塔哥尼亞鐵路建設項目框架協議

Major Events for the Year

本年度企業大事記

October 十月



10.1 The closing meeting for the merges and acquisition as well as reorganization of CMEC and Jikan Research Institute was successfully hosted

10.1 CMEC與機勘院併購重組交割大會成功舉辦



10.2 Yu Bo, the Deputy Secretary of the Communist Party of China committee of the Company attended the sixth "Great Love Knows No Boundaries" International Charity Bazaar of the Ministry of Foreign Affairs

10.2 公司中國共產黨委員會副書記于波出席外交部第六屆「大愛無國界」國際義賣活動



10.3 Our Vice President WANG Hong paid a visit to the President of Chad

10.3 本公司的王紅副總裁拜會乍得總統



10.4 CMEC's Chief Financial Officer and Secretary to the Board ZHOU Yamin met with the Deputy Governor of Baoshan District, Shanghai, and others

10.4 CMEC的周亞民財務總監兼董事會秘書會見上海市寶山區副區長一行



10.5 Our Vice President AI Wei met with the chief representative of ACX Global, an US company

10.5 本公司的艾威副總裁會見美國ACX Global公司首席代表

Major Events for the Year

本年度企業大事記



10.6 Our President ZHANG Chun met with Bai Shangcheng, the Mayor of Yinchuan and others

10.6 本公司的張淳總裁會見銀川市市長白尚成一行



10.7 Our President ZHANG Chun met with the Envoy of the President of Uganda and others

10.7 本公司的張淳總裁會見烏干達總統特使一行

November 十一月



11.1 Our President ZHANG Chun met with the Chairman of Black & Veatch, a US company, and others

11.1 本公司的張淳總裁會見美國博萊克威奇公司主席一行



11.2 CMEC entered into a joint venture agreement with Ascendas, Singapore

11.2 CMEC與新加坡騰飛集團簽署合資協議



11.3 Our Vice President ZHANG Jianguo attended the press conference held by Dongfeng Motor Corporation for launching its new cars in the Dubai Motor Show 2015

11.3 本公司的張建國副總裁出席東風汽車公司2015年迪拜車展新車發佈儀式

Major Events for the Year 本年度企業大事記



11.4 The signing ceremony for the strategic cooperation agreement between CMEC and the People's Government of the Zhumadian and the signage unveiling ceremony of the integrated business service center completed smoothly

11.4 CMEC與駐馬店市人民政府戰略合作協議簽訂儀式暨綜合業務服務中心揭牌儀式順利舉行



11.5 The signage unveiling ceremony of CMEC's Jiaozuo integrated business service center in the rural-urban integration demonstrative district and the signing ceremony for the cooperation agreement completed smoothly

11.5 CMEC焦作城鄉一體化示範區綜合業務服務中心揭牌儀式暨合作協議簽約儀式順利舉行



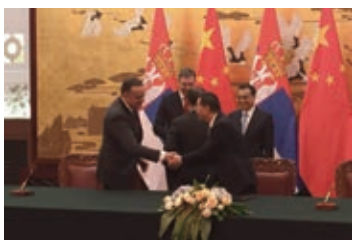
11.6 The Bereza combined cycle power plant project in Belarus received the 2015 Luban Prize Construction Project (overseas projects)

11.6 白俄別列佐夫聯合循環電站項目榮獲2015年度境外工程魯班獎



11.7 Yan Junqi, a Vice Chairperson of the NPC Standing Committee, conducted the inspection at the heating plant in Amgalan District, Mongolia

11.7 全國人大常委會嚴雋琪副委員長視察蒙古阿木古朗供暖站項目



11.8 Prime Minister Li Keqiang and the Prime Minister of Serbia witnessed the signing of the memorandum of cooperation on the Waste Power Generation Project in Serbia by the Company

11.8 李克強總理和塞爾維亞總理見證我司簽署塞爾維亞垃圾發電合作備忘錄

Major Events for the Year

本年度企業大事記



11.9 Chen Xiaoguang, Vice Chairperson of CPPCC National Committee, conducted on-site inspection of the housing project phase-II in Maldives

11.9 全國政協副主席陳曉光視察馬爾代夫住房二期項目現場

December 十二月



12.1 The project kick-off meeting of the headquarters complex was successfully convened

12.1 總部綜合樓工程啟動會圓滿召開



12.2 Our President ZHANG Chun and Vice President WANG Hong attended the signing ceremony for the loan agreement on the Grid Development and Transformation Project in the Republic of Cote d'Ivoire

12.2 本公司的張淳總裁、王紅副總裁出席科特迪瓦電網發展和改造項目貸款協議簽字儀式



12.3 Our President ZHANG Chun signed the related financing agreement related to the Thar Coal-electric Integration Project in Pakistan

12.3 本公司的張淳總裁簽署巴基斯坦塔爾煤電項目相關融資協議

Report of Directors

董事會報告

The Board is pleased to present its report together with the audited consolidated financial statements of the Group prepared in accordance with IFRS for the year ended December 31, 2015.

GLOBAL OFFERING

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

PRINCIPAL ACTIVITIES

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

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

RESULTS

The audited results of the Group for the year ended December 31, 2015 are set out in consolidated statement of profit or loss and the consolidated statement of comprehensive income in this annual report. The financial position of the Group and the Company as at December 31, 2015 are set out in the consolidated statement of financial position and the statement of financial position in this annual report, respectively. The cash flows of the Group for the year ended December 31, 2015 is set out in the consolidated statement of cash flow in this annual report.

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

董事會欣然提呈根據國際財務報告準則編製的本集團截至2015年12月31日止年度的報告，連同經審計合併財務報表。

全球發售

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

主要業務

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

本公司主要附屬公司的詳情載於本年報經審計合併財務報表附註1。

業績

本集團截至2015年12月31日止年度的經審計業績載於本年報合併損益表及合併綜合收益表。本集團及本公司於2015年12月31日的財務狀況分別載於本年報合併財務狀況表及財務狀況表。本集團截至2015年12月31日止年度的現金流量情況載於本年報合併現金流量表。

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

Report of Directors

董事會報告

FINAL DIVIDENDS

The Board recommended the distribution of a final dividend of RMB0.1989 per Share (pre-tax) for 4,125,700,000 Shares for the year ended December 31, 2015, representing a total amount of RMB820,601,730 (pre-tax).

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

The proposed final dividend is subject to Shareholders' approval at the upcoming AGM. Subject to approval, the final dividend is expected to be distributed on or before October 31, 2016 to the holders of Domestic Shares and H Shares whose name appear in the register of members of the Company on the record date for dividend distribution. The Company will issue a separate announcement regarding the date of the upcoming AGM, the record date for the payment of H Share dividends and the dates of closure of register of members of the Company.

In accordance with tax law and relevant requirements under taxation regulatory institutions of the PRC, the Company is required to withhold 10% enterprise income tax when it distributes the final dividend for the year ended December 31, 2015 to all non-resident enterprise shareholders (including HKSCC Nominees Limited, other nominees, trustees or other entities and organizations, who will be deemed as non-resident enterprise shareholders) whose names appear on the H share register of members of the Company on the dividend record date*.

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

末期股息

董事會建議派付截至2015年12月31日止年度的末期股息，就4,125,700,000股股份每股人民幣0.1989元（稅前），合共人民幣820,601,730元（稅前）。

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

擬派發的末期股息須經股東於股東週年大會上批准。經批准後，末期股息預計於2016年10月31日或之前分派予股息分派記錄日期名列本公司股東名冊的內資股及H股持有人。本公司將就應屆股東週年大會日期、支付H股股息的記錄日期及本公司暫停辦理股份過戶登記日期刊發獨立公告。

根據稅法及中國稅務監管機構的有關要求，本公司向於股息記錄日期*名列公司H股股東名冊上的所有非居民企業股東（包括香港中央結算（代理人）有限公司、其他代理人、受託人或其他團體及組織，將被視為非居民企業股東）派發截至2015年12月31日止年度之末期股息時，須預扣10%的企業所得稅。

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

Report of Directors

董事會報告

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

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

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

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

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

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- For Individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 20%, or a country which has not entered into any tax treaties with the PRC, or under any other circumstances, the Company will finally withhold and pay individual income tax at the rate of 20% on behalf of the Individual H Shareholders.

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

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

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

- H股個人股東住所所在國為與中國簽訂股息稅率20%的稅收協定的、與中國並沒有簽訂任何稅收協定的或在任何其他情況下，本公司將最終按20%稅率代扣代繳個人所得稅。

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

建議股東應向彼等的稅務顧問諮詢有關擁有及處置本公司H股所涉及或相關的中國、香港及其他稅務影響的意見。

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

Report of Directors

董事會報告

AGM AND CLOSURE OF REGISTER

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

BUSINESS REVIEW

OVERVIEW

The Company is a leading international engineering contracting and services provider in China, with a primary focus on EPC projects and particular expertise in power sector. During the year of 2015, the Group's operation is sound and profitability is rising steadily.

Our International Engineering Contracting Business is one of the traditional core businesses of the Company, representing approximately 66.2% of the Company's total revenue in 2015. For business operation in 2015, the Company had more than 70 on-going projects, which were under satisfactory conditions in general. The newly signed projects mainly included (amongst others) the 230kV power transmission line project in Laos, the 2×300MW coal-fired power plant project in Bantaeng, South Sulawesi Province, Indonesia, the hydro power plant project in Karot, Pakistan and the project of Astron Donald Titanium and Zirconium Mineral in Australia. These projects mainly distributed in Asia and Africa with main focus on the power sector. The newly effective projects comprised primarily of Phase II project of Serbia and the SOYO-I combined cycle power plant project in Angola, the water treatment project in the city of Yaounde and its outskirts from the river Sanaga, Cameroon, which are located mainly in Africa with a main focus on the power sector.

股東週年大會及暫停辦理股份過戶登記

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

業務回顧

回顧

我們是中國領先的國際工程承包與服務商，主要專注於EPC項目，特別專長於電力能源行業。於2015年年度，本集團經營穩定，盈利水平穩中有升。

我們的國際工程承包業務為本公司傳統核心業務之一，約佔2015年本公司總收入的66.2%。在業務經營方面，於2015年，公司在建項目超過70個，項目情況總體良好。公司新簽約項目主要有老撾230kV輸變電項目、印尼南蘇拉威西班牙塔恩2×300MW火電站項目、巴基斯坦卡洛特水電站項目、澳大利亞阿斯創唐納德銻鈦礦紗項目等，主要分佈在亞洲、非洲，以電力能源行業為主。新生效項目主要有塞爾維亞電站二期項目、安哥拉SOYO-I聯合循環電廠項目、喀麥隆雅溫得薩納加水處理廠項目等，主要分佈在非洲，以電力能源行業為主。

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董事會報告

In 2015, the Company also focused on both regionalization and localization of development to develop our regional competitive advantages and maintain sustainable development. Currently, our Singapore regional center has come into formal operation and pioneered constructive studies in platform structuring and resources integration. The setting up of the Dubai regional center is progressing steadily. The localization initiatives of the Company have been commenced solidly, and the proportion of local subcontracting, procurement and employment has been increasing. Meanwhile, the system for overseas employees is also under active exploration.

For our Trading Business and Other Businesses in 2015, under the premise of achieving better risk control, the Company recorded an increase in overall operating capacity and profitability. In 2015, project logistic and exhibition business in the Other Businesses of the Company developed steadily through actively seeking for new growth point. CMEC Comtrans International Co., Ltd. continued to develop external businesses proactively. The subsidiary in Namibia has come into formal operation and achieved early success. The successful development of carriage shipping support made a breakthrough in shipping technology. The Company also independently undertook the wind power project for the first time to lay a foundation for the new market expansion. CMEC Expo embarked on the customized services for large customers and successfully undertook major events such as the brand exhibition of CMEC in Indonesia.

FINANCIAL KEY PERFORMANCE INDICATORS

For the year ended December 31, 2015, the revenue of the Group amounted to RMB20,757.4 million (2014: RMB23,746.6 million) with a year-on-year decrease of 12.6%. The profit for the year decreased by 3.1% to approximately RMB2,054.2 million (2014: RMB2,119.8 million). The net profit margin for the year ended December 31, 2015 was 9.9% (2014: 8.9%). Earnings per share were RMB50 cents (2014: RMB51 cents). The Board recommended the distribution of a final dividend of RMB0.1989 per Share.

2015年我們同時專注區域化、屬地化發展，培育區域競爭優勢和保持可持續發展。目前，我們的新加坡區域中心已正式運營，率先在搭建平台、整合資源方面進行了有益探索。迪拜區域中心建設正在穩步推進，屬地化工作紮實開展，各項目在當地分包、採購、僱員的比重進一步加大，同時我們也正在積極探索海外員工制度。

貿易業務與其他業務方面，2015年，我們在努力做好風險控制的前提下，整體經營能力和盈利能力得到提升。2015年，公司其他業務中的工程物流、展覽業務積極尋找新的增長點，發展穩定。中設國際商務運輸代理有限公司積極開發外部業務。納米比亞子公司正式運營，取得初期成效。成功研制車廂運輸支架，實現海運技術突破。我們還首次獨立承運風電項目，為新市場開拓打下基礎。西麥克展覽開啟大客戶定制服務，並成功承辦CMEC印尼品牌展等重大活動。

財務主要表現指標

截至2015年12月31日止年度，本集團實現收入人民幣20,757.4百萬元（2014年：人民幣23,746.6百萬元），同比減少12.6%。年內溢利減少3.1%至約人民幣2,054.2百萬元（2014年：人民幣2,119.8百萬元）。截至2015年12月31日止年度的淨溢利率為9.9%（2014年：8.9%）。每股盈利為人民幣0.50元（2014年：人民幣0.51元）。董事會欣然建議派付末期股息每股人民幣0.1989元。

Report of Directors

董事會報告

In 2015, the revenue from the International Engineering Contracting Business, the Trading Business and the Other Businesses reached RMB13,740.0 million, RMB5,629.9 million and RMB1,387.5 million, respectively, representing a decrease of 14.7%, a decrease of 12.6% and an increase of 15.5% from 2014, respectively. In 2015, the gross profit from the International Engineering Contracting Business, the Trading Business and the Other Businesses reached RMB2,544.0 million, RMB369.0 million and RMB477.8 million, respectively, representing a decrease of 19.2%, an increase of 22.1% and an increase of 30.9% from 2014, respectively.

The financial condition of the Group is still sound. Net cash generated from operating activities of the Group for the year ended December 31, 2015 was RMB3,439.8 million (2014: RMB4,149.3 million); gearing ratio was 2.0%; turnover rate of average trade receivables was 5.1, representing a decrease as compared to the previous year; turnover rate of average trade payables was 1.4, representing a decrease as compared to the previous year.

FUTURE DEVELOPMENT

Looking ahead, the Company will continue to consolidate our foundation in the International Engineering Contracting Business, further strengthen market expansion and speed up the progress of innovative businesses, and at the same time to promote the continual transformation and upgrade of our trading and services businesses, with a view to proactively transforming into integrated service provider and enhancing operational capabilities and profitability. The Company will accelerate the diversification of domestic financing and actively explore overseas financing models and non-bank financing channels, so as to build up a comprehensive and multi-dimensional overseas financing platform. Moreover, the Company will further expedite the strategic cooperation with leading enterprises worldwide, such as GE, so as to diversify modes of cooperation with a view to realising mutual benefits and win-win situation. With their professional expertise and local channels to strengthen our development capabilities in new markets and new business sectors, the Company made breakthroughs in the high-end market.

於2015年，來自國際工程承包業務、貿易業務及其他業務的收入分別為人民幣13,740.0百萬元、人民幣5,629.9百萬元及人民幣1,387.5百萬元，較2014年分別減少14.7%、減少12.6%及增加15.5%。於2015年，來自國際工程承包業務、貿易業務及其他業務的毛利分別為人民幣2,544.0百萬元、人民幣369.0百萬元及人民幣477.8百萬元，較2014年分別減少19.2%、增加22.1%及增加30.9%。

本集團的財務狀況仍然穩健。本集團於截至2015年12月31日止年度經營活動產生的現金淨額為人民幣3,439.8百萬元（2014年：人民幣4,149.3百萬元）；槓桿比率2.0%；平均貿易應收款項週轉率5.1，較上年有所下降；平均貿易應付款項週轉率1.4，較上年有所下降。

未來發展

展望未來，公司將繼續堅實國際工程承包業務基礎，進一步加大市場開拓力度，加快推進創新業務。同時推動貿易與服務業務的持續轉型升級，積極向綜合服務商轉變，不斷提升經營與盈利能力。公司將加快國內融資多元化進程，積極探索海外融資模式及非銀行融資渠道，建立全方位、立體式境外融資平台。此外，公司將進一步深入推進與通用電氣等全球領先企業的戰略合作，拓寬合作方式，互利共贏，藉助其專業能力和當地渠道提高公司在新市場、新業務領域的開發能力，實現公司在高端市場的突破。

PRINCIPAL RISKS AND UNCERTAINTIES

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

KEY RELATIONSHIPS

(i) Employees

We regard the personal development of its employees as highly important. We are in the process of setting up diversified career development channels, especially focus on building promotion channels for core business staff and the retirement schemes. With both the promotion channels and retirement schemes in place, all the employees can benefit from the development opportunities and reform results.

We provide systematic and effective training to all of our employees. In order to improve the quality and ability of our staff at different levels, we also provide customized education training programs to our senior management, middle-level management as well as technical and operational staffs, with a focus on developing different levels of cadre.

We encourage employee participation in the management of our Company. The operating entities of our Company and our PRC subsidiaries have separate branches of the labor union. We have not experienced any strikes or other labor disturbances which have materially interfered with our operations, and we believe that we have positive relations with our employees.

主要風險及不確定因素

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

重要關係

(i) 僱員

我們高度重視僱員的個人發展。我們正在建立多元化職業發展通道，尤其注重核心業務人員的晉升通道及退出機制的建立。隨著晉升有通道，退出有機制的局面的形成，所有僱員均可共享發展機遇及改革成果。

我們為公司全體僱員提供系統性及實效性的培訓。為提升各層次員工的素質及能力，我們分別對高管人員、中層管理人員以及各專業技術及業務人員進行針對性的教育培訓，重點打造人才階梯。

我們鼓勵僱員參與本公司的管理。本公司的運營實體及中國附屬公司均擁有工會的獨立分支。我們並無經歷任何罷工或其他勞工爭議對我們的經營造成重大干擾。我們認為我們與僱員關係良好。

Report of Directors

董事會報告

(ii) Customers

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

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

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

(iii) Suppliers and Subcontractors

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

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

(ii) 客戶

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

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

我們已與許多客戶建立了長期合作關係。

(iii) 供應商及分包商

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

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

ENVIRONMENTAL POLICIES

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

COMPLIANCE WITH LAWS AND REGULATIONS

To the best knowledge of our Directors, in 2015, we were in compliance with all relevant PRC laws and regulations in all material respects and have obtained all necessary licenses, approvals and permits from relevant and appropriate regulatory authorities for our business operations in the PRC; the operations of our overseas subsidiaries were not in breach of any applicable laws and regulations of the relevant jurisdictions and our overseas subsidiaries' business operations were in compliance with the applicable laws and regulations of the jurisdictions in all material respects where the overseas subsidiaries were incorporated.

環保政策

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

遵守法律及法規

據董事所深知，於2015年，我們於所有重大方面均遵守相關中國法律法規，並就中國的業務經營自相關監管部門取得所有必要的執照、批准及許可；我們海外附屬公司的經營並無違反相關司法管轄區的任何適用法律法規，且我們海外附屬公司的業務經營亦於所有重大方面符合有關海外附屬公司註冊成立所在司法管轄區的適用法律法規。

Report of Directors

董事會報告

PERMITTED INDEMNITY

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

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year ended December 31, 2015 or subsisted at the end of the year.

FINANCIAL SUMMARY

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

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended December 31, 2015, the Group's five largest suppliers accounted for 12.88% (2014: 14.17%) of the Group's total purchases. The Group's largest supplier accounted for 5.00% (2014: 4.89%) of the Group's total purchases.

For the year ended December 31, 2015, the Group's sales to its five largest customers accounted for 35.76% (2014: 34.31%) of the Group's total sales. The Group's sales to its largest customer accounted for 14.71% (2014: 14.93%) of the Group's total sales.

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

獲准許的彌償

根據章程規定，本公司有權就董事、監事及高級管理人員責任設立必要的保險制度，以降低該等人員正常履行職責而可能引致的風險。本公司已為董事、監事及高級管理人員投購合適的責任保險，保障彼等因履行職務而可能要承擔的訴訟責任。

股票掛鈎協議

截至2015年12月31日止年度期間或年度結束時，本公司概無訂立任何股票掛鈎協議將會或可能導致本公司發行股份，或規定本公司訂立任何協議將會或可能導致本公司發行股份。

財務概要

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

主要客戶及供應商

截至2015年12月31日止年度，本集團的五大供應商佔本集團採購總額的12.88% (2014年：14.17%)。本集團的最大供應商佔本集團採購總額的5.00% (2014年：4.89%)。

截至2015年12月31日止年度，本集團向其五大客戶作出的銷售額佔本集團銷售總額35.76% (2014年：34.31%)。本集團向其最大客戶作出的銷售額佔本集團銷售總額14.71% (2014年：14.93%)。

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

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended December 31, 2015 are set out in note 14 to the audited consolidated financial statements in this annual report.

ISSUED CAPITAL

Details of movements in the issued capital of the Group during the year ended December 31, 2015 are set out in note 29 to the audited consolidated financial statements in this annual report.

RESERVES

Details of movements in the reserves of the Group during the year ended December 31, 2015 are set out in note 30 to the audited consolidated financial statements in this annual report, and details of movements in the reserves of the Group during the year ended December 31, 2015 are set out in the consolidated statement of changes in equity in this annual report.

DISTRIBUTABLE RESERVES

As at December 31, 2015, the Company's reserves available for distribution, calculated in accordance with the provisions of Companies Law, amounted to approximately RMB5,248.49 million (as at December 31, 2014: 4,383.74 million).

BANK LOAN AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at December 31, 2015 are set out in note 25 to the audited consolidated financial statements in this annual report.

物業、廠房及設備

本集團於截至2015年12月31日止年度的物業、廠房及設備的變動詳情載於本年報經審計合併財務報表附註14。

已發行股本

本集團於截至2015年12月31日止年度的已發行股本變動詳情載於本年報經審計合併財務報表附註29。

儲備

本集團於截至2015年12月31日止年度的儲備變動詳情載於本年報經審計合併財務報表附註30，而本集團於截至2015年12月31日止年度的儲備變動詳情載於本年報合併權益變動表內。

可分派儲備

於2015年12月31日，根據公司法條文計算本公司可供分派的儲備約為人民幣5,248.49百萬元（於2014年12月31日：人民幣4,383.74百萬元）。

銀行貸款及其他借貸

本集團於2015年12月31日的銀行貸款及其他借貸之詳情載於本年報經審計合併財務報表附註25。

Report of Directors

董事會報告

BOARD

The Directors during the year ended December 31, 2015 and up to the date of this report were:

Executive Directors:

Mr. SUN Bai (*Chairman*)
Mr. ZHANG Chun (*President*)

Non-executive Directors:

Mr. WANG Zhian
Mr. YU Benli
Mr. ZHANG Fusheng

INEDs:

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

BOARD OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the INEDs and the Company considers such Directors to be independent for the year ended December 31, 2015.

董事會

於截至2015年12月31日止年度內及直至本報告日期，董事包括：

執行董事：

孫柏先生（*董事長*）
張淳先生（*總裁*）

非執行董事：

王治安先生
余本禮先生
張福生先生

獨立非執行董事：

劉力先生
劉紅宇女士
方永忠先生
吳德龍先生

董事會、監事及高級管理人員

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

獨立非執行董事的獨立性確認書

本公司已接獲各獨立非執行董事根據上市規則第3.13條的規定作出其符合獨立性之年度確認書，且本公司認為該等董事於截至2015年12月31日止年度內皆為獨立人士。

SERVICE CONTACT AND LETTER OF APPOINTMENTS OF DIRECTORS AND SUPERVISORS

As approved at the extraordinary general meeting of the Company on February 20, 2014, (i) Mr. SUN Bai and Mr. ZHANG Chun have been re-appointed as executive Directors of the second session of the Board, (ii) Mr. WANG Zhian has been re-appointed and Mr. YU Benli and Mr. ZHANG Fusheng have been appointed as non-executive Directors of the second session of the Board, (iii) Mr. LIU Li, Ms. LIU Hongyu and Mr. FANG Yongzhong have been re-appointed and Mr. WU Tak Lung has been appointed as INEDs of the second session of the Board, whose term of service commenced on February 20, 2014 until the expiration of the term of the second session of the Board, and (iv) Mr. QUAN Huaqiang and Mr. QIAN Xiangdong have been re-appointed as shareholder representative Supervisors for the second session of the Supervisory Board. Mr. BAI Ming has been re-appointed as the staff representative Supervisor for the second session of the Supervisory Board on January 24, 2014 and he together with Mr. QUAN Huaqiang and Mr. QIAN Xiangdong formed the second session of the Supervisory Board. Their term of service commenced on February 20, 2014 until the expiration of the term of the second session of the Supervisory Board.

After their appointment, all members of the second session of the Board have entered into service contracts and/or appointment letters with the Company for a term of three years, commencing from February 20, 2014 and ending on February 19, 2017 or on the date when the third session of the Board is elected by the Shareholders. The Company shall have power to enter into service contracts and/or appointment letters with the members of the second session of the Supervisory Board.

For the year ended December 31, 2015, none of the Directors or Supervisors had entered or proposed to enter into a service contract and/or appointment letter with any member of the Group which will not expire or is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

董事及監事的服務合約及委任函

經2014年2月20日本公司舉行的臨時股東大會批准，(i)孫柏先生及張淳先生已獲重新委任為第二屆董事會執行董事；(ii)王治安先生已獲重新委任，及余本禮先生及張福生先生已獲委任為第二屆董事會非執行董事；(iii)劉力先生、劉紅宇女士及方永忠先生已獲重新委任，及吳德龍先生已獲委任為第二屆董事會獨立非執行董事，彼等的任期自2014年2月20日起直至第二屆董事會屆滿為止；及(iv)全華強先生及錢向東先生已獲重新委任為第二屆監事會股東代表監事。白明先生已於2014年1月24日獲重新委任為第二屆監事會職工代表監事，彼與全華強先生及錢向東先生組成第二屆監事會。彼等的任期自2014年2月20日起直至第二屆監事會屆滿為止。

彼等獲委任後，第二屆董事會的全體成員已與本公司訂立服務合約及／或委任函，任期為三年，自2014年2月20日起，至2017年2月19日或股東選出第三屆董事會之日止。本公司有權與第二屆監事會成員訂立服務合約及／或委任函。

截至2015年12月31日止年度，概無董事及監事與本集團任何成員公司訂立或擬訂立於一年後屆滿或本公司不得在一年內必須作出賠償（法定賠償除外）而可終止的任何服務合約及／或委任函。

Report of Directors

董事會報告

DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No Director or Supervisor had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year ended December 31, 2015.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended December 31, 2015.

EMOLUMENT POLICY

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

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

REMUNERATION OF DIRECTORS, SUPERVISORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

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

董事及監事於重大合約之權益

截至2015年12月31日止年度，各董事及監事概無於本公司或其任何附屬公司所訂立對本集團業務而言屬重大的任何合約中直接或間接擁有重大權益。

管理合約

截至2015年12月31日止年度，概無就有關本公司整體業務或其任何主要部分的管理及行政訂立或訂有任何合約。

薪酬政策

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

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

董事、監事及五位最高薪酬人士的薪酬

有關董事、監事及五位最高薪酬人士的薪酬詳情載於本年報經審計合併財務報表附註8及9。

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS DURING THE YEAR

Mr. ZHANG Fusheng, a non-executive Director, has ceased to act as a director of China National Electric Engineering Co., Ltd. (“CNEEC”), a subsidiary of SINOMACH, in January 2016.

Save as disclosed above, as at the date of this report of directors, there were no other changes to the Director’s, Supervisor’s or senior management’s information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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

As at December 31, 2015, none of the Directors, Supervisors or members of the senior management of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which would have to be notified to the Company and the Stock Exchange pursuant to divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

本年度內董事資料變動

於2016年1月，非執行董事張福生先生不再擔任中國電力工程有限公司（「中電工」）（國機的附屬公司）董事一職。

除上文所披露者外，截至本董事會報告日期，董事、監事或高級管理人員的資料概無任何其他變動而須根據上市規則第13.51B(1)條予以披露。

董事、監事及高級管理人員於股份、相關股份及債券的權益、淡倉及購股權

於2015年12月31日，概無本公司董事、監事或高級管理人員於本公司或其相關法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的權益或淡倉（包括彼等根據證券及期貨條例的該等條文被當做或被視為擁有的權益或淡倉），或按證券及期貨條例第352條記載於本公司於該條所指的登記冊內的權益或淡倉，或根據《標準守則》須知會本公司及聯交所的權益或淡倉。

Report of Directors

董事會報告

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

No time during the year ended December 31, 2015 were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director, Supervisor or their respective spouse or children under 18 years of age, or were any such rights exercised by them; nor was the Company and any of its subsidiaries a party to any arrangement to enable the Directors, the Supervisors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

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

As at December 31, 2015, so far as it was known by or otherwise notified to any Directors or the chief executive of the Company, the particulars of the corporations or persons (other than a Director, Supervisor or chief executive of the Company) which had 5% or more interests and short positions in the Shares and the underlying Shares as recorded in the register kept under section 336 of the SFO were as follows:

董事及監事購買股份或債券的權利

截至2015年12月31日止期間，概無授予任何董事、監事或彼等各自的配偶或未滿18歲的子女通過購入本公司股份或債券的方式而獲益的權利，或由彼等行使任何該等權利；亦無由本公司或其任何附屬公司作出安排以令董事、監事，或彼等各自的配偶或未滿18歲的子女於任何其他法人團體獲得該等權利。

主要股東及其他人士於股份、相關股份及債券的權益及淡倉

於2015年12月31日，據任何董事或本公司最高行政人員所知或以其他方式獲知會，根據證券及期貨條例第336條存置的登記冊所記錄擁有股份及相關股份5%或以上權益及淡倉的法團或人士（董事、監事或本公司最高行政人員除外）詳情如下：

Report of Directors

董事會報告

Long positions and Short positions in the Shares

股份的好倉及淡倉

| Name of Shareholders | Class of Shares | Capacity/ Nature of Interest | Number of Issued Shares/Underlying Shares Held (Share) | Approximate Percentage of Shareholding in the Relevant Class of Shares | Approximate Percentage of Shareholding in the Total Shares |
|---|--------------------|--|--|--|---|
| | | | | (Note 1) (%) 佔有關股份類別 股權概約百分比 (附註1) (%) | (Note 1) (%) 佔股份總額 股權概約百分比 (附註1) (%) |
| 股東名稱 | 股份類別 | 身份／權益性質 | 所持已發行股份 ／相關股份的數目 (股) | | |
| SINOMACH | Domestic Shares | Interests of beneficial owner and controlled corporation | 3,217,430,000 (Note 2) (Long position) | 100% | 77.99% |
| 國機 | 內資股 | 實益擁有人權益及受控 法團權益 | (附註2)(好倉) | | |
| NSSF | H Shares | Interests of beneficial owner | 81,352,000 (Long position) | 8.96% | 1.97% |
| 社保基金理事會 | H股 | 實益擁有人權益 | (好倉) | | |
| BNP Paribas Jersey Nominee Company Limited | H Shares | Nominee for another person | 54,064,000 (Note 3) (Long position) | 5.95% | 1.31% |
| BNP Paribas Jersey Nominee Company Limited | H股 | 另一名人之代名人 | (附註3)(好倉) | | |

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董事會報告

| Name of Shareholders | Class of Shares | Capacity/ Nature of Interest | Number of Issued Shares/Underlying Shares Held (Share) | Approximate Percentage of Shareholding in the Relevant Class of Shares | Approximate Percentage of Shareholding in the Total Shares |
|---|-----------------|--|--|--|---|
| | | | | (Note 1) (%) 佔有關股份類別 股權概約百分比 (附註1) (%) | (Note 1) (%) 佔股份總額 股權概約百分比 (附註1) (%) |
| 股東名稱 | 股份類別 | 身份／權益性質 | 所持已發行股份 ／相關股份的數目 (股) | | |
| BNP Paribas Jersey Trust Corporation Limited | H Shares | Trustee | 54,064,000 (Note 3) (Long position) | 5.95% | 1.31% |
| BNP Paribas Jersey Trust Corporation Limited | H股 | 受託人 | (附註3)(好倉) | | |
| Cheah Capital Management Limited | H Shares | Interests of controlled corporation | 54,064,000 (Note 3) (Long position) | 5.95% | 1.31% |
| 切亞資本管理有限公司 | H股 | 受控法團權益 | (附註3)(好倉) | | |
| Cheah Company Limited | H Shares | Interests of controlled corporation | 54,064,000 (Note 3) (Long position) | 5.95% | 1.31% |
| 切亞有限公司 | H股 | 受控法團權益 | (附註3)(好倉) | | |
| Value Partners Group Limited | H Shares | Interests of controlled corporation | 54,064,000 (Note 3) (Long position) | 5.95% | 1.31% |
| 惠理集團有限公司 | H股 | 受控法團權益 | (附註3)(好倉) | | |
| Cheah Cheng Hye | H Shares | Founder of a discretionary trust | 54,064,000 (Note 3) (Long position) | 5.95% | 1.31% |
| 謝清海 | H股 | 全權信託創立人 | (附註3)(好倉) | | |
| To Hau Yin | H Shares | Interests of spouse | 54,064,000 (Note 3) (Long position) | 5.95% | 1.31% |
| 杜巧賢 | H股 | 配偶權益 | (附註3)(好倉) | | |

Report of Directors

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| Name of Shareholders | Class of Shares | Capacity/ Nature of Interest | Number of Issued Shares/Underlying Shares Held (Share) | Approximate Percentage of Shareholding in the Relevant Class of Shares | Approximate Percentage of Shareholding in the Total Shares |
|--|-----------------|-------------------------------------|--|--|---|
| | | | | (Note 1) (%) 佔有關股份類別 股權概約百分比 (附註1) (%) | (Note 1) (%) 佔股份總額 股權概約百分比 (附註1) (%) |
| 股東名稱 | 股份類別 | 身份／權益性質 | 所持已發行股份 ／相關股份的數目 (股) | | |
| Matthews International Capital Management, LLC | H Shares | Investment manager | 64,573,000 (Long position) | 7.10% | 1.57% |
| Matthews International Capital Management, LLC | H股 | 投資經理 | (好倉) | | |
| JPMorgan Chase & Co. | H Shares | Interests of controlled corporation | 99,947,096 (Note 4) (Long position) | 11.00% | 2.42% |
| JPMorgan Chase & Co. | H股 | 受控法團權益 | (附註4)(好倉) | | |
| | | | 1,362,000 (Note 5) (Short position) (附註5)(淡倉) | 0.14% | 0.03% |
| | | Custodian | 11,618,096 (Note 6) (interest in a lending pool) | 1.27% | 0.28% |
| | | 託管人 | (附註6) (可供借出股份的權益) | | |

Report of Directors

董事會報告

| Name of Shareholders | Class of Shares | Capacity/ Nature of Interest | Number of Issued Shares/Underlying Shares Held (Share) | Approximate Percentage of Shareholding in the Relevant Class of Shares | Approximate Percentage of Shareholding in the Total Shares |
|----------------------|-----------------|-------------------------------------|--|--|---|
| | | | | (Note 1) (%) 佔有關股份類別 股權概約百分比 (附註1) (%) | (Note 1) (%) 佔股份總額 股權概約百分比 (附註1) (%) |
| 股東名稱 | 股份類別 | 身份／權益性質 | 所持已發行股份 ／相關股份的數目 (股) | | |
| Morgan Stanley | H Shares | Interests of controlled corporation | 54,800,406 (Note 7) (Long position) | 6.03% | 1.33% |
| 摩根士丹利 | H股 | 受控法團權益 | (附註7)(好倉) | | |
| | | | 6,921,000 (Note 8) (Short position) (附註8)(淡倉) | 0.76% | 0.17% |
| GIC Private Limited | H Shares | Investment manager | 45,454,000 (Long position) | 5.00% | 1.10% |
| GIC Private Limited | H股 | 投資經理 | (好倉) | | |

Notes:

附註：

- (1) This percentage is calculated on the basis of the number of underlying Shares/total Shares that had been issued by the Company as of December 31, 2015.
- (1) 該百分比乃以本公司於2015年12月31日已發行的相關股份數目／股份總數計算。
- (2) SINOMACH was beneficially interested in 3,185,260,000 Domestic Shares, representing approximately 77.21% of our total share capital. China United was beneficially interested in 32,170,000 Domestic Shares, representing approximately 0.78% of our total share capital. Since China United is a wholly-owned subsidiary of SINOMACH, SINOMACH is, therefore, deemed to be interested in the Domestic Shares held by China United.
- (2) 國機於3,185,260,000股內資股中實益擁有權益，佔我們總股本約77.21%。中國聯合於32,170,000股內資股中擁有實益權益，佔我們總股本約0.78%。由於中國聯合為國機的全資附屬公司，因此，國機被視為於中國聯合所持內資股中擁有權益。

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

- (3) The 54,064,000 Shares as referred to in note 3 above.

BNP Paribas Jersey Trust Corporation Limited, as trustee of The C H Cheah Family Trust, has 100% interest over BNP Paribas Jersey Nominee Company Limited. BNP Paribas Jersey Nominee Company Limited has 100% interest over Cheah Company Limited which in turn has 100% interest over Cheah Capital Management Limited. Cheah Capital Management Limited has 21.87% interest over Value Partners Group Limited which in turn has 100% interest over Value Partners Hong Kong Limited. Value Partners Hong Kong Limited has 100% interest over Value Partners Limited.

The C H Cheah Family Trust was set up by Mr. Cheah Cheng Hye. Madam To Hau Yin is the spouse of Mr. Cheah Cheng Hye and accordingly is deemed to be interested in the 54,064,000 Shares.

- (4) The 99,947,096 Shares as referred to in note 4 above

Among these 99,947,096 Shares, 11,618,096 Shares were held by JPMorgan Chase Bank, N.A., a wholly-owned subsidiary of JPMorgan Chase & Co., 141,000 Shares were held by J.P. Morgan Clearing Corp, an indirect wholly-owned subsidiary of JPMorgan Chase & Co., 9,273,000 Shares were held by China International Fund Management Co Ltd, an indirect non-wholly-owned subsidiary of JPMorgan Chase & Co., 531,000 Shares were held by JF International Management Inc., an indirect wholly-owned subsidiary of JPMorgan Chase & Co., 37,899,000 Shares were held by JF Asset Management Limited, an indirect wholly-owned subsidiary of JPMorgan Chase & Co., 2,893,000 Shares were held by JPMorgan Asset Management (Taiwan) Limited, an indirect wholly-owned subsidiary of JPMorgan Chase & Co., 3,813,000 Shares were held by J.P. Morgan Investment Management Inc., an indirect wholly-owned subsidiary of JPMorgan Chase & Co. and 33,779,000 Shares were held by J.P. Morgan Whitefriars Inc., an indirect wholly-owned subsidiary of JPMorgan Chase & Co. Accordingly, JPMorgan Chase & Co. is deemed to be interested in the 99,947,096 Shares.

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

- (3) 上文附註3所述的54,064,000股股份。

BNP Paribas Jersey Trust Corporation Limited (作為C H Cheah Family Trust的受托人) 擁有BNP Paribas Jersey Nominee Company Limited全部權益。BNP Paribas Jersey Nominee Company Limited擁有切亞有限公司全部權益，而切亞有限公司擁有切亞資本管理有限公司全部權益。切亞資本管理有限公司擁有惠理集團有限公司21.87%權益，而惠理集團有限公司擁有惠理基金管理香港有限公司全部權益。惠理基金管理香港有限公司擁有惠理基金管理公司全部權益。

The C H Cheah Family Trust由謝清海先生成立。杜巧賢女士為謝清海先生的配偶，故此被視為擁有54,064,000股股份權益。

- (4) 上文附註4所述的99,947,096股股份。

於該等99,947,096股股份中，11,618,096股股份由JPMorgan Chase & Co.的全資附屬公司JPMorgan Chase Bank, N.A.所持有、141,000股由JPMorgan Chase & Co.的間接全資附屬公司J.P. Morgan Clearing Corp所持有、9,273,000股股份由JPMorgan Chase & Co.的間接非全資附屬公司上投摩根基金管理有限公司所持有、531,000股股份由JPMorgan Chase & Co.的間接全資附屬公司JF International Management Inc.所持有、37,899,000股股份由JPMorgan Chase & Co.的間接全資附屬公司JF Asset Management Limited所持有、2,893,000股股份由JPMorgan Chase & Co.的間接全資附屬公司JPMorgan Asset Management (Taiwan) Limited所持有、3,813,000股股份由JPMorgan Chase & Co.的間接全資附屬公司J.P. Morgan Investment Management Inc.所持有及33,779,000股股份由JPMorgan Chase & Co.的間接全資附屬公司J.P. Morgan Whitefriars Inc.所持有。因此，JPMorgan Chase & Co.被視為擁有99,947,096股股份權益。

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- (5) The 1,362,000 Shares as referred to in note 5 above

Among these 1,362,000 Shares, 1,362,000 Shares were held by J.P. Morgan Whitefriars Inc., an indirect wholly-owned subsidiary of JPMorgan Chase & Co. Accordingly, JPMorgan Chase & Co. is deemed to be interested in the 1,362,000 Shares.

- (6) These 11,618,096 Shares in lending pool were held by JPMorgan Chase Bank, N.A., a wholly-owned subsidiary of JPMorgan Chase & Co. Accordingly, JPMorgan Chase & Co. is deemed as the holder of Shares in lending pool owned by its aforesaid subsidiary.

- (7) The 54,800,406 Shares as referred to in note 7 above

Among these 54,800,406 Shares, 43,254,231 Shares were held by Morgan Stanley Investment Management Company, an indirect non-wholly-owned subsidiary of Morgan Stanley, 10,619,175 Shares were held by Morgan Stanley & Co. International plc, an indirect non-wholly-owned subsidiary of Morgan Stanley, 840,000 Shares were held by Morgan Stanley Capital Services LLC, an indirect wholly-owned subsidiary of Morgan Stanley, 37,000 Shares were held by Morgan Stanley & Co. LLC, an indirect wholly-owned subsidiary of Morgan Stanley, 50,000 Shares were held by Morgan Stanley Smith Barney LLC, an indirect non-wholly-owned subsidiary of Morgan Stanley. Accordingly, Morgan Stanley is deemed to be interested in 54,800,406 Shares.

- (8) These 6,921,000 Shares as referred to in note 8 above

Among these 6,921,000 Shares, 5,094,800 Shares were held by Morgan Stanley & Co. International plc, an indirect non-wholly-owned subsidiary of Morgan Stanley, 1,826,200 Shares were held by Morgan Stanley Capital Services LLC, an indirect wholly-owned subsidiary of Morgan Stanley. Accordingly, Morgan Stanley is deemed to be interested in 6,921,000 Shares.

- (5) 上文附註5所述的1,362,000股股份。

於該等1,362,000股股份中，1,362,000股股份由JPMorgan Chase & Co.的間接全資附屬公司J.P. Morgan Whitefriars Inc.所持有。因此，JPMorgan Chase & Co. 被視為擁有1,362,000股股份權益。

- (6) 該等11,618,096股可供借出股份由JPMorgan Chase & Co.的全資附屬公司JPMorgan Chase Bank, N.A.所持有。因此，JPMorgan Chase & Co.被視為由其上述附屬公司所擁有的可供借出股份的持有人。

- (7) 上文附註7所述的54,800,406股股份。

於該等54,800,406股股份中，43,254,231股股份由摩根士丹利的間接非全資附屬公司Morgan Stanley Investment Management Company所持有、10,619,175股股份由摩根士丹利的間接非全資附屬公司Morgan Stanley & Co. International plc所持有、840,000股股份由摩根士丹利的間接全資附屬公司Morgan Stanley Capital Services LLC所持有、37,000股股份由摩根士丹利的間接全資附屬公司Morgan Stanley & Co. LLC所持有、50,000股股份由摩根士丹利的間接非全資附屬公司Morgan Stanley Smith Barney LLC所持有。因此，摩根士丹利被視為擁有54,800,406股股份權益。

- (8) 上文附註8所述的6,921,000股股份。

於該等6,921,000股股份中，5,094,800股股份由摩根士丹利的間接非全資附屬公司Morgan Stanley & Co. International plc所持有、1,826,200股股份由摩根士丹利的間接全資附屬公司Morgan Stanley Capital Services LLC所持有。因此，摩根士丹利被視為擁有6,921,000股股份權益。

Save as disclosed above, and as at December 31, 2015, the Directors were not aware of any persons (who were not Directors, Supervisors or the chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to section 336 of the SFO, to be entered in the register referred to therein.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended December 31, 2015, the Company did not redeem any of its H Shares listed on the Stock Exchange nor did the Company or any of its subsidiaries purchase or sell any of such shares.

PRE-EMPTIVE RIGHTS

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

除上文披露者外，於2015年12月31日，董事並不知悉，任何人士（並非董事、監事或本公司主要行政人員）於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部規定須予披露的權益或淡倉，或須根據證券及期貨條例第336條登記於該條所述的股東名冊的權益或淡倉。

購買、出售或贖回上市證券

於截至2015年12月31日止年度，本公司並無贖回其於聯交所上市之任何H股，而本公司或其任何附屬公司亦無購買或出售任何該等股份。

優先認股權

章程或公司法概無條文規定本公司須向現有股東按比例提呈發售新股的優先認股權。

Report of Directors

董事會報告

NON-COMPETITION UNDERTAKING

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

SINOMACH has confirmed in writing to the Company of its compliance with the Non-competition Agreement for disclosure in this annual report during the year ended December 31, 2015. Furthermore, as contemplated in the Non-competition Agreement, SINOMACH shall transfer all its equity interest in CNCEC, CNEEC and China National Automation Control System Corporation (“CACS”) to the Company within three years after the Listing. The acquisition agreement in respect of the acquisition of the entire equity interests of CNCEC by the Company was entered into on February 5, 2016. The acquisitions of the equity interest in CNEEC and CACS by the Company are currently expected to be delayed. Please refer to the announcement and circular both published on February 5, 2016 on the respective websites of the Stock Exchange and the Company for further details.

DIRECTORS’ AND SUPERVISORS’ INTEREST IN COMPETING BUSINESS

As at December 31, 2015, none of the Directors, the Supervisors or their respective close associates had engaged in or had any interest in any business which competes or may compete with the businesses of the Group.

避免同業競爭承諾

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

截至2015年12月31日止年度，國機已以書面形式向本公司確認，其已就避免同業競爭協議的遵守情況於本年報中作出披露。此外，根據避免同業競爭協議，國機應於上市後三年內向本公司轉讓其於中成套、中電工及中國自動化控制系統總公司（「中國自控」）的全部股權。有關本公司收購中成套全部股權的收購協議於2016年2月5日訂立。目前預計本公司會延遲收購中電工及中國自控的股權。詳情請參閱在聯交所網站及本公司網站分別刊發的2016年2月5日的公告及通函。

董事及監事於競爭性業務中的權益

於2015年12月31日，概無董事、監事或彼等各自的緊密聯繫人從事或於任何與本集團業務形成競爭或可能形成競爭的業務中擁有權益。

CONNECTED TRANSACTION

I. Connected Transactions

1. Investment in the formation of Sinomach Capital Holdings Ltd.

On July 16, 2015, the Company, SINOMACH, certain subsidiaries of SINOMACH (the “**SINOMACH Subsidiaries**”) and CCB (Beijing) Investment Fund Management Co., Ltd.* (“**CCB Beijing**”) entered into the articles of association (the “**AOA**”) of Sinomach Capital Holdings Ltd.* (“**SINOMACH Capital**”). SINOMACH is the controlling shareholder of the Company and is, together with its subsidiaries, a connected person of the Company under the Listing Rules.

The SINOMACH Subsidiaries are YTO Group Corporation*, China CAMC Engineering Co., Ltd.*, China Heavy Machinery Research Institute Co. Ltd.*, Beijing Sanlian International Investment Co., Ltd.*, China Automobile Trading Co., Ltd.*, China Machinery Industry Construction Group Inc.*, SUMEC Group Corporation*, SINOMACH Capital Management Corporation*, Hefei General Machinery Research Institute*, China IPPR International Engineering Co., Ltd.*, Guangzhou Mechanical Engineering Research Institute Co., Ltd.*, Beijing Materials Handling Research Institute*, China Automotive Engineering Corporation*, China United Engineering Corporation*, SIPPR Engineering Group Co., Ltd.* and China National Electric Apparatus Research Institute Co. Ltd.*.

The registered capital of SINOMACH Capital is RMB2,370 million. The capital contributions made by the Company, SINOMACH, the SINOMACH Subsidiaries and CCB Beijing are RMB300 million, RMB800 million, RMB970 million and RMB300 million, respectively.

關連交易

I. 關連交易

1. 投資成立國機資本控股有限公司

於2015年7月16日，本公司、國機、國機若干附屬公司（「**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**」）訂立國機資本控股有限公司（「**國機資本**」）的組織章程細則（「**章程**」）。國機為本公司的控股股東，根據上市規則連同其附屬公司為本公司的關連人士。

國機附屬公司計有中國一拖集團有限公司、中工國際工程股份有限公司、中國重型機械研究院股份有限公司、北京三聯國際投資有限責任公司、中國進口汽車貿易有限公司、中國機械工業建設集團有限公司、江蘇蘇美達集團有限公司、國機資產管理公司、合肥通用機械研究院、中國中元國際工程有限公司、廣州機械科學研究院有限公司、北京起重運輸機械設計研究院、中國汽車工業工程有限公司、中國聯合工程公司、機械工業第六設計研究院有限公司及中國電器科學研究院有限公司。

國機資本的註冊資本為人民幣2,370百萬元。本公司、國機、國機附屬公司及建信北京分別注資人民幣300百萬元、人民幣800百萬元、人民幣970百萬元及人民幣300百萬元。

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Pursuant to the AOA, upon the establishment of SINOMACH Capital, it would be owned as to 12.66% by the Company, 74.68% by SINOMACH and SINOMACH Subsidiaries and 12.66% by CCB Beijing, respectively. The Company is involved in the formation of SINOMACH Capital as a founding shareholder, which 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 sector of the Company, improve the capital operation and management efficiency, bring long term investment returns to the Company and accumulate investment management experience for the Company. Details for the transaction may refer to the Company's announcements made on July 16, 2015 on the respective websites of the Stock Exchange and the Company.

2. The acquisition of 100% equity interest in China Jikan Research Institute of Engineering Investigations and Design Co., Ltd.*

In 2015, the Company and China United Engineering Corporation*, a wholly-owned subsidiary of SINOMACH, a connected person of the Company and directly holds approximately 0.78% of the issued share capital of the Company, entered into an acquisition agreement (the “**Acquisition Agreement**”), pursuant to which the Company agreed to acquire, and China United agreed to dispose of, the entire equity interests in China Jikan Research Institute of Engineering Investigations and Design Co., Ltd.* (the “**Acquisition**”) for an aggregate consideration of RMB171,352,600.00 (equivalent to approximately HK\$207,725,300.04). The consideration for the Acquisition Agreement will be settled by cash on the 5th business day from the date on which all the conditions precedent set out in the Acquisition Agreement have been fulfilled or waived by the Company in writing, or any other date agreed by China United and the Company. The Acquisition has enhanced the business scale, optimized the business structure and strengthened the technological capabilities of the Company, leading to an improvement on the overall competitiveness of the Company for engineering projects. In addition, the Acquisition will facilitate the Company in availing of the tremendous industrial development opportunities brought forth by the “One Belt and One Road” initiative of China. The Acquisition was completed on September 22, 2015. Details for the transaction may refer to the Company's announcements made on August 18, 2015 and September 23, 2015 respectively on the respective websites of the Stock Exchange and the Company.

根據章程，於國機資本成立後，其將分別由本公司、國機及國機附屬公司以及建信北京擁有12.66%、74.68%及12.66%的權益。本公司作為發起股東參與成立國機資本，與本公司的中長期發展策略一致，原因在於其將便利本公司發展投融資行業、改善資金運作以及管理效率，為本公司提供長期投資回報，並使本公司累積投資管理經驗。交易詳情可參閱本公司在聯交所網站及本公司網站分別刊發的2015年7月16日的公告。

2. 收購機械工業勘察設計研究院有限公司100%股權

於2015年，本公司與中國聯合工程公司（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%）訂立收購協議（「**收購協議**」），據此，本公司及中國聯合同意分別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（相當於約207,725,300.04港元）。收購協議的代價將於收購協議所載的所有先決條件已獲達成或本公司書面豁免之日起第五個營業日，或中國聯合與本公司同意的任何其他日期以現金支付。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。此外，收購事項將促使本公司發揮中國「一帶一路」戰略帶來大量行業發展機遇的優勢。收購事項於2015年9月22日完成。交易詳情可參閱本公司在聯交所網站及本公司網站分別刊發的2015年8月18日及2015年9月23日的公告。

II. Continuing Connected Transaction

The connected transactions of the Company are also related party transactions, which are disclosed in note 35 to the audited consolidated financial statements in accordance with International Accounting Standard 24 “Related Party Disclosure”.

The table below set out the annual caps and the actual transaction amount of such connected transactions for 2015:

| | | | Annual cap for 2015 (Note (i)) 2015年的 年度上限 (附註(i)) | Actual Transaction Amount for 2015 2015年的 實際交易金額 |
|--|------------------|--|---|---|
| Connected Transactions | Connected Person | | | |
| 關連交易 | 關連人士 | | | |
| 1 Provision of engineering services and products by our Group to SINOMACH Group 本集團向國機集團提供工程服務及產品 | N/A 不適用 | | RMB2,300.0 million 人民幣 2,300.0百萬元 | RMBNIL 人民幣零元 |

II. 持續關連交易

亦屬關聯方交易之本公司關連交易已根據國際會計準則第24號「關聯方披露」於經審計合併財務報表的附註35披露。

下表載列該等關連交易於2015年的年度上限及實際交易金額：

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| | | | Annual cap for 2015 (Note (i)) 2015年的 年度上限 (附註(i)) | Actual Transaction Amount for 2015 2015年的 實際交易金額 |
|-------------------------------|--|---|---|---|
| Connected Transactions | Connected Person | | | |
| 關連交易 | 關連人士 | | | |
| 2 | Receipt of engineering services and products from SINOMACH Group by our Group 本集團接受國機集團的工程服務及產品 | China Machine-Building International Corporation 中國機械對外經濟技術合作有限公司 | RMB2,400.0 million 人民幣 | RMB478.87 million 人民幣 |
| | | China Machinery Industry Construction Group INC. 中國機械工業建設集團有限公司 | 2,400.0百萬元 | 478.87百萬元 |
| | | China National General Machinery Engineering Corporation 中國通用機械工程有限公司 | | |
| | | Harbin Power System Engineering and Research Institute Co., Ltd 哈爾濱電站設備成套設計研究所有限公司 | | |
| | | China SANAN Construction Corporation 中國三安建設有限公司 | | |
| | | CMCU Engineering Construction General Bureau 中機中聯工程有限公司 | | |
| | | China Ocean Engineering Construction General Bureau 中海工程建設總局 | | |

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| Connected Transactions | Connected Person | Annual cap for 2015 (Note (i)) | Actual Transaction Amount for 2015 |
|------------------------|--|--------------------------------------|---|
| 關連交易 | 關連人士 | 2015年的 年度上限 (附註(i)) | 2015年的 實際交易金額 |
| | China Electric Design & Research Institute Co., Ltd 中機中電設計研究院 | | |
| | Beijing Sciencetech International Project Management Co., Ltd. 北京興電國際工程管理有限公司 | | |
| | CACs Automation Engineering Limited 中自控自動化技術有限公司 | | |
| | SINOMACH Chinaperfect (HK) Co., Ltd 國機浦發（香港）有限公司 | | |
| | Zhengzhou Zhongxing Project Supervision Co., Ltd 鄭州中興工程監理有限公司 | | |
| | Erzhong Group (Deyang) Heavy Equipment Wanlu Transport Ltd. 中國第二重型機械集團德陽萬路運業有限公司 | | |
| | Changlin Company Limited 常林股份有限公司 | | |
| | China Construction Machinery Co., Ltd 中工工程機械成套有限公司 | | |
| | Guangzhou Kinte Industrial Co., Ltd 廣州擎天實業有限公司 | | |
| | Shenyang Academy of Instrumentation Science Co., Ltd 瀋陽儀表科學研究院有限公司 | | |

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| | | | Annual cap for 2015 (Note (i)) 2015年的 年度上限 (附註(i)) | Actual Transaction Amount for 2015 2015年的 實際交易金額 |
|-------------------------------|---|------------|---|---|
| Connected Transactions | Connected Person | | | |
| 關連交易 | 關連人士 | | | |
| | Shanghai Hualong Import & Export Corporation 上海華隆進出口公司 | | | |
| | China National Automation Control System Corp. 中國自動化控制系統總公司 | | | |
| | China Machinery TIDI Geotechnical Engineering Co., Ltd 中機三勘岩土工程有限公司 | | | |
| | IPPP Engineering International Co., Ltd 京興國際工程管理有限公司 | | | |
| | COAG International Shipping Co.,Ltd 中海航集團國際航運有限公司 | | | |
| | China Ocean Aviation Group Limited 中國海洋航空集團有限公司 | | | |
| | Dingsheng Tiangong Construction Machinery Trading Co., Ltd 鼎盛天工工程機械銷售有限公司 | | | |
| 3 | Trading procurement by our Group from SINOMACH Group 本集團向國機集團進行貿易採購 | N/A 不適用 | RMB300.0 million 人民幣 300.0百萬元 | RMBNIL 人民幣零元 |
| 4 | Sales of trading products by our Group to SINOMACH Group 本集團向國機集團銷售貿易產品 | N/A 不適用 | RMB50.0 million 人民幣 50.0百萬元 | RMBNIL 人民幣零元 |

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| | | Annual cap for 2015 (Note (i)) 2015年的 年度上限 (附註(i)) | Actual Transaction Amount for 2015 2015年的 實際交易金額 |
|---|---|---|---|
| Connected Transactions | Connected Person | | |
| 關連交易 | 關連人士 | | |
| 5 Provision of integrated services by our Group to SINOMACH Group 本集團向國機集團提供綜合服務 | China National Electric Engineering Co., Ltd. 中國電力工程有限公司 | RMB100.0 million 人民幣 | RMB87.46 million 人民幣 |
| | China Sinogy Electric Engineering Co., Ltd. 中機國能電力有限公司 | 100.0百萬元 | 87.46百萬元 |
| | China National Machinery Industry Corporation 中國機械工業集團有限公司 | | |
| | Changchun China Machinery Testing Co., Ltd 長春中機檢測有限公司 | | |
| | Tianjin Tianchuan New Energy and Electric Co., Ltd 天津天傳新能源電氣有限公司 | | |
| | China SINOMACH Heavy Industry Corporation 中國國機重工集團有限公司 | | |
| | CHINA AUTO CAIEC LTD. 中國汽車工業進出口有限公司 | | |
| | China National Automotive Industry International Cooperation 中國汽車工業國際合作有限公司 | | |
| | China SANAN Construction Corporation 中國三安建設有限公司 | | |
| | SUMEC Machinery & Electric Co., Ltd 江蘇蘇美達機電有限公司 | | |
| Sinomach Exhibition Co., Ltd 國機環球(北京)展覽有限公司 | | | |
| SUMEC Textile & Light Industry Co., Ltd 江蘇蘇美達輕紡國際貿易有限公司 | | | |

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| Connected Transactions | Connected Person | Annual cap for 2015 (Note (i)) | Actual Transaction Amount for 2015 |
|------------------------|--|--------------------------------------|---|
| 關連交易 | 關連人士 | 2015年的 年度上限 (附註(i)) | 2015年的 實際交易金額 |
| | SUMEC Hardware & Tools Co., Ltd 江蘇蘇美達五金工具有限公司 | | |
| | Guangdong CMIC Import & Export Co., Ltd 廣東艾希機械對外合作有限公司 | | |
| | LUOYANG BEARING RESEARCH INSTITUTE 洛陽軸研科技股份有限公司 | | |
| | Guangzhou Kinte Industrial Co., Ltd. 廣州擎天實業有限公司 | | |
| | China Machine-Building International Hebei Co., Ltd. 河北中機合作有限公司 | | |
| | SUMEC International Technology Co., Ltd 蘇美達國際技術貿易有限公司 | | |
| | Jiangsu LINHAI Group 江蘇林海動力機械集團公司 | | |
| | China IPPP International Engineering Co., Ltd 中國中元國際工程有限公司 | | |
| | Xiamen Hualong Import & Export Corporation 廈門華隆進出口公司 | | |
| | China Machinery Industry International Cooperation Co., Ltd 中國機械工業國際合作有限公司 | | |
| | CMIC HEILONGJIANG IMPORT & EXPORT CO., LTD. 黑龍江中經進出口有限公司 | | |
| | China Machinery Industry Construction Group INC. 中國機械工業建設集團有限公司 | | |

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| Connected Transactions | Connected Person | Annual cap for 2015 (Note (i)) 2015年的 年度上限 (附註(i)) | Actual Transaction Amount for 2015 2015年的 實際交易金額 |
|------------------------|---|---|---|
| 關連交易 | 關連人士 | | |
| | CHANGCHUN RESEARCH INSTITUTE FOR MECHANICAL SCIENCE CO., LTD. 長春機械科學研究院有限公司 | | |
| | SUMEC Complete Equipment & Engineering Co., Ltd 江蘇蘇美達成套設備工程有限公司 | | |
| | China Perfect Machinery Industry Corp., Ltd. 中國浦發機械工業股份有限公司 | | |
| | Shanghai Sino-perfect Co., Ltd 上海中浦供銷有限公司 | | |
| | Beijing SNL Trading Co., Ltd 北京海洲貿易有限責任公司 | | |
| | China Ocean Aviation Group Limited 中國海洋航空集團有限公司 | | |
| | YTO International, Ltd. 一拖國際經濟貿易有限公司 | | |
| | Beijing Materials Handling Research Institute 北京起重運輸機械設計研究院 | | |
| | Linhai Co., Ltd. 林海股份有限公司 | | |
| | Cambodia Tatay Hydropower Co., Ltd. 柬埔寨達岱水電有限公司 | | |
| | China Machine-Building International Corporation 中國機械對外經濟技術合作有限公司 | | |
| | JIANGSU WALLONG – HSIN IMPORT & EXPORT CORPORATION LTD. 江蘇華隆興進出口有限公司 | | |

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| Connected Transactions | Connected Person | Annual cap for 2015 (Note (i)) | Actual Transaction Amount for 2015 |
|------------------------|---|--------------------------------------|---|
| 關連交易 | 關連人士 | 2015年的 年度上限 (附註(i)) | 2015年的 實際交易金額 |
| | FIRST TRACTOR COMPANY LIMITED 第一拖拉機股份有限公司 | | |
| | China Abrasives Import & Export Corporation 中國磨料磨具進出口公司 | | |
| | Chinese Academy of Agricultural Mechanization Sciences 中國農業機械化科學研究院 | | |
| | Wuxi Drilling Tools Factory 無錫鑽探工具廠有限公司 | | |
| | SUMEC Group Corporation 江蘇蘇美達集團有限公司 | | |
| | YTO (LUOYANG) DIESEL ENGINE CO., LTD 一拖(洛陽)柴油機有限公司 | | |
| | China – Africa Machinery Corp. 中非重工投資有限公司 | | |
| | Shanghai Lanbin Petrochemical Equipment Co., Ltd. 上海藍濱石化設備有限責任公司 | | |
| | YTO (LUOYANG) TRANSPORTATION MACHINERY CO., LTD. 一拖(洛陽)搬運機械有限公司 | | |
| | YTO (LUOYANG) AXLE CO., LTD. 一拖(洛陽)車橋有限公司 | | |

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| Connected Transactions | Connected Person | Annual cap | Actual |
|------------------------|--|---|---|
| | | for 2015 (Note (i)) 2015年的 年度上限 (附註(i)) | Transaction Amount for 2015 2015年的 實際交易金額 |
| | China Yangtze Grinding Machine Import & Export Corporation 中國長江磨床進出口有限公司 | | |
| | CHINA FOMA (GROUP) CO., LTD. 中國福馬機械集團有限公司 | | |
| 6 | Financing services to our Group from SINOMACH Group 國機集團向本集團提供金融服務 | | |
| | Sinomach Finance Co., Ltd. 國機財務有限責任公司 | | |
| | (1) deposit services 存款服務 | RMB3,300.0 million (Note (ii)) 人民幣3,300.0 百萬元 (附註(ii)) | RMB2,290.33 million (Note (ii)) 人民幣 2,290.33 百萬元 (附註(ii)) |
| | (2) entrusted deposit services 委託存款服務 | RMB700.0 million 人民幣700.0 百萬元 | RMBNIL 人民幣零元 |

Notes:

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

附註：

- (i) 年度上限已於本公司日期分別為2014年11月14日及2014年11月17日的公告及通函內披露，該新年度上限已獲股東於2014年12月31日本公司舉行的2014年第三屆臨時股東大會（「2014年第三屆臨時股東大會」）批准。

- (ii) 實際交易金額代表每日最高存款結餘。

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

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

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

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

1. 本集團向國機集團提供工程服務及產品

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

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

有關重訂提供工程服務和產品框架協議的主要條款及條件，請參見下文相關披露。

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

During the reporting period, the annual cap of this continuing connected transaction for 2015 was RMB2,300.0 million and the actual transaction amount was RMB nil.

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

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

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

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

於報告期內，本持續關連交易於2015年的年度上限為人民幣2,300.0百萬元，而實際交易金額則為人民幣零元。

2. 本集團接受國機集團提供的工程服務及產品

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

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

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

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

During the reporting period, the annual cap of this continuing connected transaction for 2015 was RMB2,400.0 million and the actual transaction amount was RMB478.87 million.

3. Trading procurement by our Group from SINOMACH Group

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

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

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

有關重訂接受工程服務和產品框架協議的主要條款及條件，請參見下文相關披露。

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

於報告期內，本持續關連交易於2015年的年度上限為人民幣2,400.0百萬元，而實際交易金額則為人民幣478.87百萬元。

3. 本集團向國機集團進行貿易採購

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

鑒於國機集團的產能強大，貿易採購框架協議可促進貿易業務。

有關重訂貿易採購框架協議的主要條款及條件，請參見下文相關披露。

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

During the reporting period, the annual cap of this continuing connected transaction for 2015 was RMB300.0 million and the actual transaction amount was RMB nil.

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

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

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

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

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

During the reporting period, the annual cap of this continuing connected transaction for 2015 was RMB50.0 million and the actual transaction amount was RMB nil.

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

於報告期內，本持續關連交易於2015年的年度上限為人民幣300.0百萬元，而實際交易金額則為人民幣零元。

4. 本集團向國機集團銷售貿易產品

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

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

有關重訂貿易銷售框架協議的主要條款及條件，請參見下文相關披露。

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

於報告期內，本持續關連交易於2015年的年度上限為人民幣50.0百萬元，而實際交易金額則為人民幣零元。

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

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

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

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

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

During the reporting period, the annual cap of this continuing connected transaction for 2015 was RMB100.0 million and the actual transaction amount was RMB87.46 million.

5. 本集團向國機集團提供綜合服務

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

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

有關重訂綜合服務框架協議的主要條款及條件，請參見下文相關披露。

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

於報告期內，本持續關連交易於2015年的年度上限為人民幣100.0百萬元，而實際交易金額則為人民幣87.46百萬元。

Principal terms of the agreements

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

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

協議的主要條款

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

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

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

6. Financing services to our Group from SINOMACH Group

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

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

6. 國機集團向本集團提供之金融服務

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

Financial services and major terms

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

Type 1 – Deposit Services

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

Type 2 – General Loan Services

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

金融服務及主要條款

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

第一類 – 存款服務

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

第二類 – 一般貸款服務

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

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Type 3 – Entrusted Loan Services

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

Type 4 – General Financial Services

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

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

第三類 – 委託貸款服務

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

第四類 – 一般金融服務

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

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

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

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

During the reporting period, the cap for the maximum daily deposit balance (including any interest accrued thereon) with the Finance Company was RMB3,300.0 million and the actual amount was RMB2,290.33 million. The annual cap for the Entrusted Deposits with the Finance Company was RMB700.0 million (including any interest accrued thereon) and the actual amount was RMB nil.

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

- (1) in the ordinary and usual course of business of the Company;
- (2) on normal commercial terms or, if there are no sufficient comparable transactions to determine whether they are on normal commercial terms, from the perspective of the Company, on terms no less favorable than the terms available to or from independent third parties; and
- (3) in accordance with relevant agreements governing the relevant transactions on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

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

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

於報告期內，在財務公司的每日最高存款結餘（包括其任何應計利息）上限為人民幣3,300.0百萬元，而實際金額為人民幣2,290.33百萬元。在財務公司的委託存款的年度上限為人民幣700.0百萬元（包括其任何應計利息），而實際金額為人民幣零元。

獨立非執行董事已審閱上述各項持續關連交易，並確認該等交易：

- (1) 在本公司日常業務中進行；
- (2) 按照一般商業條款進行，若可供比較的交易不足以判斷該等交易的條款是否為一般商業條款時，則對本公司而言，該等交易的條款不遜於獨立第三方可取得或獲提供的條款；及
- (3) 乃根據有關交易的協議條款進行，而交易條款屬公平合理，並符合股東的整體利益。

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

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

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

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

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

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

POST BALANCE SHEET EVENTS

The material post balance sheet events are disclosed in note 38 to the audited consolidated financial statements.

AUDIT COMMITTEE

The audit committee had reviewed together with the management and external auditor the accounting principles and policies adopted by the Group and the audited consolidated financial statements for the year ended December 31, 2015.

CODE OF CONDUCT REGARDING EMPLOYEES' SECURITIES TRANSACTIONS

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

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

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

結算日後事項

重大結算日後事項於經審計合併財務報表附註38內予以披露。

審計委員會

審計委員會已與管理層及外聘核數師審閱本集團採納的會計準則及政策以及截至2015年12月31日止年度經審計合併財務報表。

僱員進行證券交易的行為守則

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

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CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as its own code of corporate governance. The Company has complied with the code provisions as set out in the CG Code during the year ended December 31, 2015 and up to the date of this report. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

SUFFICIENCY OF PUBLIC FLOAT

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

INDEPENDENT AUDITORS

At the 2014 second extraordinary general meeting of the Company held on October 20, 2014, Ernst & Young (安永會計師事務所) was appointed as the Company’s external international auditor in place of KPMG (畢馬威會計師事務所) and Ernst & Young Hua Ming LLP (Special General Partnership) (安永華明會計師事務所(特殊普通合夥)) was appointed as the Company’s domestic auditor. The 2015 consolidated financial statements of the Company prepared in accordance with IFRS have been audited by Ernst & Young.

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

企業管治

本集團致力於維持企業管治的高標準以確保股東利益及提高公司價值及問責性。本公司已採用《企業管治守則》作為其企業管治守則。本公司於截至2015年12月31日止年度至本報告日期一直遵守《企業管治守則》所載的守則條文。本公司將繼續檢討及提升其企業管治常規，以確保遵守《企業管治守則》。

充足的公眾持股量

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

獨立核數師

於2014年10月20日舉行的本公司2014年第二次臨時股東大會上，安永會計師事務所取代畢馬威會計師事務所獲委任為本公司外聘國際核數師，而安永華明會計師事務所（特殊普通合夥）獲委任為本公司境內核數師。安永會計師事務所已審計本公司按國際財務報告準則編製的2015年合併財務報表。

除上文所披露者外，於過往三年，獨立核數師概無變動。

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

USE OF PROCEEDS

As disclosed in the announcement dated June 29, 2015 of the Company, the actual net proceeds from the Global Offering (the “**IPO Proceeds**”) amounted to approximately HK\$4,358.9 million (based on the final offer price of HK\$5.4, and after deducting the underwriting fees and related expenses and the exercise of the over-allotment option).

It was disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus and further disclosed pursuant to the announcement dated June 20, 2013 of the Company relating to the adjustment in use of proceeds that the Company intended to use the IPO Proceeds for the following purposes:

- approximately 90% of the IPO Proceeds will be applied towards financing the Group’s international engineering contracting projects; and
- approximately 10% of the IPO Proceeds will be used for working capital and other general corporate purposes (collectively, the “**Proposed Uses**”).

As disclosed in the announcement dated June 29, 2015, as of May 31, 2015, the unused IPO Proceeds including related interests income amounted to a total of approximately HK\$866.4 million (the “**Unused Proceeds**”).

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

所得款項用途

如本公司日期為2015年6月29日的公告所披露，全球發售的實際所得款項淨額（「**首次公開發售所得款項**」）約為4,358.9百萬港元（按最終發售價5.4港元及經扣除包銷費用及相關費用以及於行使超額配股權後）。

如招股章程「未來計劃及所得款項用途」一節所披露及本公司日期為2013年6月20日有關調整所得款項用途的公告所進一步披露，本公司計劃將首次公開發售所得款項用作以下用途：

- 首次公開發售所得款項約90%將用於撥付本集團的國際工程承包項目；及
- 首次公開發售所得款項約10%將用作營運資金及其他一般企業用途（統稱「**擬定用途**」）。

如日期為2015年6月29日的公告所披露，截至2015年5月31日，首次公開發售所得款項未使用金額中包括相關利息收入合計約達866.4百萬港元（「**未使用金額**」）。

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In order to use up the IPO Proceeds reasonably, efficiently and in compliance with the applicable laws and regulations, the application of the IPO proceeds has been adjusted as described in details below:

- Based on the existing project list, the Unused Proceeds dedicated for the transportation sector (18%) and the non-Core Sector (1%) would be reallocated to the power sector, so as to increase the proportion of the IPO Proceeds used in the Core Sectors leveraging the well-established strengths of the Company.
- Three projects would be carefully chosen from the international engineering contracting projects in the Core Sectors of the Company and added to the existing project pool. All three projects are in the power sector, with a total contract value amounting to approximately US\$1,768.0 million, of which two are in Asia and one in Africa. With the three projects added to the existing project pool, 90% of the IPO Proceeds would be used to finance 20 international engineering contracting projects, namely (1) 80% of the IPO Proceeds would be used for the engineering contracting projects in the Core Sectors of the Company (77% for the power sector and 3% for the telecommunications sector); and (2) 10% the IPO Proceeds would be used for the engineering contracting projects in the non-Core Sectors of the Company.

為將首次公開發售所得款項合理高效地根據適用法例法規使用完畢，首次公開發售所得款項使用範圍已進行調整，具體方案說明如下：

- 根據原有項目清單，將指定作交通運輸行業(18%)及非核心行業(1%)用途的未使用所得款項重新分配至電力行業，以增加可發揮本公司傳統優勢的核心行業在首次公開發售所得款項的使用佔比。
- 在本公司核心行業的國際工程承包項目中慎選三個項目，納入原有項目組合。所有三個項目均屬電力行業，總合同金額約為1,768.0百萬美元，其中兩個位於亞洲，一個位於非洲。在原有項目組合上增加三個項目後，90%首次公開發售所得款項將用於撥付本集團的20個國際工程承包項目，計有(1)約80%的全球發售所得款項將用於本公司核心行業的工程承包項目（即電力行業77%、電子通訊行業3%）；及(2)10%的全球發售所得款項將用於本公司非核心行業的工程承包項目。

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As of December 31, 2015, the IPO Proceeds which amounted to a total of approximately HK\$4,358.9 million had already fully applied to the Proposed Uses. The following table sets forth the amount of IPO Proceeds already applied to the Proposed Uses as of December 31, 2015:

截至2015年12月31日，首次公開發售所得款項合計約達4,358.9百萬港元已全部用作擬定用途。下表載列截至2015年12月31日已用作擬定用途的首次公開發售所得款項金額：

| | | (Unit: HK\$) (單位：港元) | | |
|--|-----------------|--|---|---|
| | | The amount of IPO Proceeds already applied to the Proposed Uses as of December 31, 2015 截至 2015年12月31日 已用作擬定用途的 首次公開發售 所得款項金額 | % of IPO Proceeds already applied to the Proposed Uses as of December 31, 2015 截至 2015年12月31日 已用作擬定用途的 首次公開發售 所得款項的百分比 | % of IPO Proceeds dedicated to be applied to each of the Proposed Uses 專門用於各 擬定用途的 首次公開發售 所得款項的百分比 |
| To finance the international engineering contracting projects | 撥付國際工程承包項目 | | | |
| a. 15 projects in the Core Sectors | a. 15個為核心行業項目 | | | |
| i. 14 projects in the power sector | i. 14個為電力行業項目 | 3,361,506,675.24 | 77% | 77% |
| ii. 1 project in the telecommunications sector | ii. 1個為電子通訊行業項目 | 130,765,825.53 | 3% | 3% |
| b. 1 project in the non-Core Sector | b. 1個為非核心行業項目 | 430,702,265.15 | 10% | 10% |
| To use as working capital and other general corporate purposes | 用作營運資金及其他一般企業用途 | 435,886,085.10 | 10% | 10% |
| Total | 總計 | 4,358,860,851.02 | 100% | 100% |

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COMPLIANCE WITH SANCTIONS UNDERTAKINGS

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

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

恪守制裁承諾

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

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

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

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

By Order of the Board
SUN Bai
Chairman

Beijing, PRC, April 23, 2016

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

考慮到伊朗制裁格局的近期發展，本公司制裁特別顧問Holland & Knight LLP告知，作為一間非美國公司，本公司目前可於伊朗開展業務。其他有關伊朗的制裁及限制將不會對本公司於伊朗的潛在業務活動產生重大影響。本公司將能夠於伊朗的多個行業領域全面尋求潛在商機。本公司將能夠全面參與該等領域的業務活動，從工程、採購及管理再到部件、服務及技術供應。詳情請參閱本公司於2016年3月23日發佈於聯交所網站及本公司網站的公告。

承董事會命
孫柏
董事長

中國北京，2016年4月23日

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE REPORT

The Board is pleased to present this corporate governance report in the annual report of the Company for year ended December 31, 2015 (the “Year”). In addition, certain information regarding the Directors and the board committees has been updated as at the date of this annual report.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of Shareholders and to enhance corporate value and accountability. The CG Code has been adopted as the Company’s own code of corporate governance. The Company had applied and complied with all applicable code provisions as set out in the CG Code during the Year. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

Chairman and President

Under the code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and performed by different individuals. Under the current organization structure of the Company, Mr. SUN Bai is the Chairman of the Board and Mr. ZHANG Chun is the President. The balance of power and authority is ensured by the operation of the senior management and the Board, which comprise experienced and high caliber individuals. Pursuant to the Articles of Association, the primary duties and responsibilities of the Chairman of the Board include:

- a) presiding over the shareholders’ general meetings and convening and presiding over meetings of the Board, examining the implementation of the resolutions of the Board;
- b) organizing the formulation of regulations on the operation of the Board, and coordinating the operation of the Board;

企業管治報告

董事會欣然呈列本公司截至2015年12月31日止年度（「本年度」）之年報所載之企業管治報告。此外，於本年報日期，若干有關董事及董事委員會的資料經已更新。

企業管治常規

本集團致力維持高水平的企業管治，以保障股東權益以及提升企業價值及問責性。本公司以企業管治守則作為公司本身的企業管治守則。本公司於本年度內已應用及遵守企業管治守則所載的所有適用守則條文。本公司將繼續檢討並提升其企業管治常規，以確保符合企業管治守則。

董事長及總裁

根據企業管治守則之守則條文A.2.1，董事長及行政總裁之角色應有所區分，應由不同人士擔任。於本公司目前的組織架構下，孫柏先生為董事長及張淳先生為總裁。由經驗豐富的人才組成的高級管理人員及董事會可確保權力與職權平衡。根據章程，董事長的主要職務及職責包括：

- a) 主持股東大會以及召開並主持董事會會議、檢討董事會決議案的實施；
- b) 組織制定有關董事會運作的規例及協調董事會運作；

Corporate Governance Report

企業管治報告

- c) receiving regular or non-regular performance reports on the Company's senior management; and
- d) giving opinions guiding the execution of board resolutions and signing the Company's share certificates, debentures and other important documents.

The major responsibilities of the president of the Company include:

- a) leading the production, operation and management of the Company, and reporting his works to the Board;
- b) organizing the implementation of the resolutions of the Board, the Company's annual business plans and investment plans;
- c) preparing the Company's annual budgets and final accounts, and providing recommendations to the Board;
- d) formulating the plans for merger, division or reorganization of the wholly-owned subsidiaries and controlled subsidiaries of the Company;
- e) preparing plans for the establishment of the Company's basic management system and the internal management structure, preparing plans for the establishment of domestic and overseas branches of the Company, formulating specific rules and regulations of the Company;
- f) appointing or removing the management personnel, except for those that shall be appointed or removed by the Board;
- g) formulating the remunerations, benefits and incentive programs, as well as the appointment and removal of the Company's employees;

- c) 接收本公司高級管理人員的定期或非定期表現報告；及

- d) 提供意見以指引董事會決議案的執行以及簽署公司股票、債權證與其他重要文件。

本公司總裁的主要職責包括：

- a) 領導本公司的生產、營運及管理並向董事會匯報；
- b) 組織董事會決議案、本公司年度業務計劃及投資計劃的實施；
- c) 編製本公司年度預算及全年賬目並向董事會提供建議；
- d) 制定合併、分拆或重組本公司全資附屬公司及受控附屬公司的計劃；
- e) 編製建立本公司基本管理系統及內部管理架構的計劃、編製建立本公司國內及海外分公司的計劃、制定本公司特殊規則及規例；
- f) 委任或撤職管理人員（須由董事會委任或撤職的人士除外）；
- g) 制定薪酬、福利及獎勵計劃、委任及撤職本公司僱員；

Corporate Governance Report

企業管治報告

- h) proposing to convene an extraordinary board meeting when emergency arises; and
- i) determining on investment, financing, contracts and transactions of the Company within the scope of authorization of the Board.

The chairman of the Company held a meeting with the non-executive Directors (including the INEDs) without the presence of the executive Directors during the Year.

SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Upon specific enquiry of all the Directors and Supervisors, all the Directors and Supervisors confirmed that they had complied with the Model Code during the Year.

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

- h) 於出現緊急事件時建議召開特別董事會會議；及
- i) 釐定屬董事會授權範疇的本公司投資、融資、合約及交易。

於年內，本公司董事長與非執行董事（包括獨立非執行董事）在執行董事迴避的情況下舉行一次會議。

董事及監事的證券交易

本公司已採納《標準守則》，作為其董事進行證券交易的行為守則。對全體董事及監事的專門查詢後，各董事及監事均確認，彼等於年內一直遵守《標準守則》。

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

BOARD OF DIRECTORS

The Board is primarily responsible for overseeing and supervising the management of the business affairs and the overall performance of the Group. The Board sets the Group's values and standards and ensures that the requisite financial and human resources support are in place for the Group to achieve its objectives. The functions performed by the Board include but not limited to formulating the Group's business plans and strategies, reviewing the Company's financial results and performance and approving its interim and annual results; approving appointment, removal or re-appointment of the Board members upon the recommendation of the Nomination Committee of the Board; approving the remuneration package of directors and senior management of the Company upon the recommendation of the Remuneration Committee established by the Board, deciding all significant financial (including major capital expenditure) and operational issues, formulating, monitoring and reviewing the Group's corporate governance, and all other functions reserved to the Board under the Articles and Association. The Board may from time to time delegate certain functions to senior management of the Group if and when considered appropriate. The senior management is mainly responsible for the execution of the business plans, strategies and policies adopted by the Board and assigned to it from time to time.

All Directors shall ensure that they carry out their duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its Shareholders at all times.

董事會

董事會主要負責監察及監管本集團的業務事宜管理及整體表現。董事會確立本集團的價值及標準，並確保本集團擁有必需的財務及人力資源支持以達至其目標。董事會履行的職能包括但不限於制定本集團業務計劃及策略、審閱本公司財務業績及表現以及批准其中期及年度業績；於獲得董事會的提名委員會推薦建議後批准委任、撤職或重新委任董事會成員；於獲得董事會成立的薪酬委員會推薦建議後批准本公司董事及高級管理人員的薪酬組合、決定所有重大財務（包括主要資本開支）及經營問題；制定、監察及檢討本集團的企業管治；以及根據章程由董事會保留的所有其他職能。董事會可於有需要時不時向本集團高級管理人員轉授若干職能。高級管理人員主要負責執行董事會採納及向其不時轉授的業務計劃、戰略及政策。

全體董事須確保彼等本著真誠並遵守適用法律及法規，以及於任何時間按本公司及其股東之利益履行職責。

Corporate Governance Report

企業管治報告

Currently, the Board comprises the following nine Directors:

Executive Directors

SUN Bai (*Chairman*)

ZHANG Chun (*President*)

Non-Executive Directors

WANG Zhian

YU Benli

ZHANG Fusheng

INEDs

LIU Li

LIU Hongyu

FANG Yongzhong

WU Tak Lung

The biographical details of each of the Directors are set out in the section headed “Directors, Supervisors, Senior Management and Employees” of this annual report.

Save as disclosed in this annual report, there was no financial, business, family or other material relationship among the Directors.

The two Executive Directors are responsible for the leadership and control of the Company and overseeing the Group’s businesses, strategic decisions and performances and are collectively responsible for promoting the success of the Company by directing and supervising its affairs.

The four INEDs are responsible for ensuring a high standard of financial and other mandatory reporting of the Board as well as providing a balance in the Board in order to effectively exercise independent judgment on the corporate actions of the Company so as to protect shareholders’ interest and overall interest of the Group.

董事會目前由以下九名董事組成：

執行董事

孫柏 (*董事長*)

張淳 (*總裁*)

非執行董事

王治安

余本禮

張福生

獨立非執行董事

劉力

劉紅宇

方永忠

吳德龍

各董事的個人履歷載於本年報「董事、監事、高級管理人員及僱員」一節。

除於本年報披露者外，董事之間概無任何財務、業務、親屬或其他重要關係。

兩名執行董事負責領導及控制本公司並監管本集團的業務、策略決策及表現，並集體負責透過指導及監管本公司之事務推動其成功發展。

四名獨立非執行董事負責確保董事會作出高水平的財務及其他法定報告，並平衡董事會，以就本公司的公司行動有效行使獨立判斷，從而保護股東利益及本集團的整體利益。

Corporate Governance Report

企業管治報告

Throughout the Year, the Company had at all times met the requirement of the Listing Rules that the number of INEDs must represent at least one-third of the Board members and at least one of the INEDs shall have appropriate professional qualifications of accounting or related financial management expertise. The Company has four INEDs currently representing four-ninths of the Board and therefore the Company has complied with the Listing Rules.

All Directors, including the INEDs, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The INEDs were invited to serve on the Audit Committee, the Remuneration Committee, the Nomination Committee, the Strategy and Development Committee and the Operation and Risk Management Committee.

As regards the CG Code provision requiring directors to disclose the number and nature of offices held in public companies or organizations and other significant commitments as well as their identity and the time involved to the issuer, the Directors agreed to disclose their commitments to the Company in a timely manner.

The Company has arranged appropriate insurance coverage on the liabilities of the Directors and senior management in respect of any legal actions taken against them arising out of performing their duties. The insurance coverage is reviewed on an annual basis.

Confirmation of Independence

Each of the INEDs has made an annual confirmation of independence by reference to Rule 3.13 of the Listing Rules and the Board is satisfied that all INEDs were independent and met the independent guidelines set out in Rule 3.13 of the Listing Rules, up to the date of this annual report.

於整個年度，本公司於任何時候符合上市規則的規定，規定獨立非執行董事的人數須佔董事會成員至少三分之一，且至少一名獨立非執行董事擁有適當的專業會計資格或相關財務管理專業。本公司現時有四位獨立非執行董事，佔董事會的九分之四，因此本公司已遵守上市規則。

全體董事（包括獨立非執行董事）令董事會具備廣泛珍貴之業務經驗、知識及專業技能，從而提高董事會履行職能的效能和效益。獨立非執行董事獲邀加入本公司審計委員會、薪酬委員會、提名委員會、戰略與發展委員會以及經營與風險管理委員會。

就有關要求董事向發行人披露彼等於公眾公司或組織機構任職的次數及性質，以及其他重大承擔，連同彼等之身份及投入時間之企業管治守則條文而言，董事同意及時向本公司披露彼等之承擔。

本公司已為董事及高級管理人員投購合適的責任保險，保障彼等因履行職務而可能要承擔的訴訟責任。該保險範圍乃按年檢討。

獨立性確認書

各名獨立非執行董事已根據上市規則第3.13條作出年度獨立性確認書。董事會信納全體獨立非執行董事均為獨立，並於截至本年報日期符合上市規則第3.13條所載的獨立性指引。

Corporate Governance Report

企業管治報告

Directors' Induction and Continuous Professional Development

Each newly appointed Director has received formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

The Company has from time to time provided briefings to all Directors to develop and refresh the Directors' duties and responsibilities. Continuing briefing and professional development for Directors will be arranged whenever necessary. The Directors are provided with monthly updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge his or her duties. All Directors are also encouraged to attend relevant training courses at the Company's expense. They have been required to provide the Company with their training records.

During the Year, all Directors had participated in continuous professional development ("CPD") to develop and refresh their knowledge and skills by reading materials and/or attending briefings by legal counsels or seminars organised by professional bodies on corporate governance or updates on laws, rules and regulations relating to the roles, functions and duties of a director.

董事之入職及持續專業發展

每位新委任董事均將於首次接受委任時獲得正式、全面及專門的入職簡介，以確保對本公司的業務及營運均有適當的理解，並充分知悉董事於上市規則及相關法定規定下的責任及義務。

本公司不時為全體董事舉行簡介會，以提高及重溫董事的職能及責任。如有需要，會為董事安排持續的簡介會及專業發展。董事亦可每月獲取有關本公司表現、狀況及前景的最新消息，使整個董事會及各董事得以履行彼等的職責。全體董事亦獲鼓勵出席相關的培訓課程，費用由本公司承擔。彼等須向本公司提供其培訓記錄。

於本年度內，所有董事均參與持續專業發展（「持續專業發展」），透過閱讀有關企業管治或有關董事角色、職能及責任的法律、規則及法規最新資料的材料及／或出席法律顧問的簡介會或專業團體舉辦的講座，以發展及更新彼等的知識及技能。

Corporate Governance Report

企業管治報告

Individual record of each Director who received training for the Year is summarised as follows:

本年度接受培訓的各董事的個人記錄概述如下：

| Directors 董事 | | Type of CPD 持續專業發展的種類 (Notes) (附註) |
|--------------------------------|-----------------|---|
| Executive Directors | | |
| Mr. SUN Bai | 執行董事 孫柏先生 | A and B A及B |
| Mr. ZHANG Chun | 張淳先生 | A and B A及B |
| Non-executive Directors | | |
| Mr. WANG Zhian | 非執行董事 王治安先生 | A and B A及B |
| Mr. YU Benli | 余本禮先生 | A and B A及B |
| Mr. ZHANG Fusheng | 張福生先生 | A and B A及B |
| INEDs | | |
| Mr. LIU Li | 獨立非執行董事 劉力先生 | A and B A及B |
| Ms. LIU Hongyu | 劉紅宇女士 | A and B A及B |
| Mr. FANG Yongzhong | 方永忠先生 | A and B A及B |
| Mr. WU Tak Lung | 吳德龍先生 | A and B A及B |

Notes:

- A: attending seminars/forums/workshops/conferences relevant to the business or directors' duties
- B: studying regulatory updates on laws, rules and regulations relating to directors' roles and functions

All Directors had provided the Company with their training records for the Year.

附註：

- A: 出席有關業務或董事職責的研討會／論壇／工作坊／會議
- B: 學習有關董事角色及職能的法律、規則及法規的監管事項更新資料

全體董事已向本公司提供彼等本年度培訓記錄。

Corporate Governance Report

企業管治報告

Meetings of Board and Board Committees and Directors' Attendance Records

The Company adopts the practice of holding board meetings regularly, at least four times a year. Notices of not less than fourteen days are given for all regular board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting. For other Board and committee meetings, reasonable notice is generally given. The agenda and accompanying board papers are dispatched to the Directors or committee members at least fourteen days before the regular meetings and at least five days before the extraordinary meetings to ensure that they have sufficient time to review the papers and be adequately prepared for the meetings. When the Directors or committee members are unable to attend a meeting, he or she may appoint in writing another Director to attend the meeting on his or her behalf. The power of attorney shall specify the scope of authorization. The proxy shall exercise the rights of the Director within the scope of the authorization. A Director failing to attend the board meeting in person or by proxy shall be deemed as having waived his or her voting rights at such meeting.

The Joint Company Secretaries or his/her delegate are responsible for keeping all minutes of the Board meetings and the Board committees. Draft minutes are normally circulated to Directors for comments within a reasonable time after each meeting and the final version is open for Directors' inspection. According to the Listing Rules, any directors and their close associates with a material interest in the transactions to be discussed at the Board meetings will abstain from voting on resolutions approving such transactions and will not be counted in the quorum at meetings.

Any Director wishing to do so in the furtherance of his or her duties may take independent professional advice at the Company's expense. Directors get familiar with the Group's principal activities through initial induction, ongoing participation at the Board and committee meetings, and meeting with key members of management. The Directors are encouraged to update their skills and knowledge.

董事會及董事會委員會的會議及董事的出席記錄

本公司採納定期舉行董事會會議之慣例，最少一年舉行四次會議。全體董事將獲發不少於十四天之通知以召開定期董事會會議，令全體董事均有機會出席定期會議並討論議程事項。就其他董事會及委員會會議而言，一般將獲發合理通知。會議議程及隨附之董事會文件最少於定期會議舉行之前十四天及臨時會議舉行之前五天寄發予董事或委員會成員，以確保彼等有足夠時間審閱文件及為會議作充足準備。倘董事或委員會成員未能出席會議，彼可以用書面形式委任另一名董事代其出席會議。授權書須訂明授權範圍。委任代表可行使授權範圍內的董事權力。未能親身或委任代表出席董事會會議的董事視作已放棄彼等於有關會議上的投票權。

聯席公司秘書或其委任代表負責保存董事會會議及董事會委員會的所有會議記錄。會議記錄草案一般會於每次會議之後的合理時間內發給董事傳閱，以供發表意見，最終版本可供董事查閱。根據上市規則，任何於董事會會議上將予討論的交易中擁有重大利益的董事及彼等的緊密聯繫人，均須就批准有關交易的決議案放棄投票，且不得計入會議的法定人數。

任何董事可為履行職責而尋求獨立專業意見，費用由本公司承擔。董事可透過初始入職、持續參與董事會及委員會會議，以及與管理層主要成員會面，藉以熟悉本集團的主要業務。董事獲鼓勵更新彼等技能及知識。

Corporate Governance Report

企業管治報告

In 2015 and as of March 29, 2016, the Company held 14 Board meetings (including written resolutions), one extraordinary general meeting, one annual general meeting and two class meetings (collectively, the “Shareholders’ Meetings”). Details of attendance of the Directors are as follows:

於2015年及截至2016年3月29日，公司已舉行14次董事會會議（包括書面決議）、一次臨時股東大會、一次股東週年大會及兩次類別股東大會（合稱「股東大會」）。董事出席詳情載列如下：

| Directors 董事 | | Board meetings 董事會會議 | Shareholders’ Meetings 股東大會 |
|--------------------------------------|-------|----------------------------|-----------------------------------|
| Executive Directors 執行董事 | | | |
| Mr. SUN Bai | 孫柏先生 | 14/14 | 4/4 |
| Mr. ZHANG Chun | 張淳先生 | 14/14 | 3/4 |
| Non-Executive Directors 非執行董事 | | | |
| Mr. WANG Zhian | 王治安先生 | 14/14 | 4/4 |
| Mr. YU Benli | 余本禮先生 | 14/14 | 2/4 |
| Mr. ZHANG Fusheng | 張福生先生 | 14/14 | 3/4 |
| INEDs 獨立非執行董事 | | | |
| Mr. LIU Li | 劉力先生 | 14/14 | 3/4 |
| Ms. LIU Hongyu | 劉紅宇女士 | 14/14 | 2/4 |
| Mr. FANG Yongzhong | 方永忠先生 | 14/14 | 4/4 |
| Mr. WU Tak Lung | 吳德龍先生 | 14/14 | 3/4 |

Corporate Governance Report

企業管治報告

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy and discussed all measurable objectives set for implementing the policy.

The Company recognises and embraces the benefits of diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All the appointments of the Board members will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

BOARD COMMITTEES

The Board has established, with written terms of reference, five Board committees, namely the audit committee (the “**Audit Committee**”), the remuneration committee (the “**Remuneration Committee**”), the nomination committee (the “**Nomination Committee**”), the strategy and development committee (the “**Strategy and Development Committee**”) and the operation and risk management committee (the “**Operation and Risk Management Committee**”) (together, the “**Board Committees**”), to oversee particular aspects of the Company's affairs. The Board Committees are provided with sufficient resources to discharge their duties.

The written terms of reference for each Audit Committee, Remuneration Committee and Nomination Committee are in line with the Listing Rules and they are posted on the respective websites of the Stock Exchange and the Company.

董事會成員多元化政策

董事會採納董事會成員多元化政策，並就政策實施討論所有重要目標。

本公司認同及著重董事會成員多元化所帶來的裨益。本公司致力確保董事會擁有適合本公司業務所需而在技能、經驗及在意見多元化方面取得平衡。所有董事會成員的委任將繼續以甄選優秀人才為基準，並充分顧及董事會成員多元化的裨益。甄選候選人將按多方面作考慮，包括但不限於性別、年齡、文化及教育背景、經驗（專業或其他方面）、技能及知識。將會按照獲甄選候選人將會為董事會帶來的益處及貢獻而作出最終決定。

董事會委員會

董事會已成立五個擁有書面職權範圍的董事會委員會，即審計委員會（「**審計委員會**」）、薪酬委員會（「**薪酬委員會**」）、提名委員會（「**提名委員會**」）、戰略與發展委員會（「**戰略與發展委員會**」）以及經營與風險管理委員會（「**經營與風險管理委員會**」）（統稱「**董事會委員會**」），以監察本公司特定範疇的事務。董事會委員會獲提供充足資源以履行彼等職能。

審計委員會、薪酬委員會及提名委員會的書面職權範圍均符合上市規則，並分別刊載於聯交所及本公司網站。

Corporate Governance Report

企業管治報告

Audit Committee

The Board established the Audit Committee with written terms of reference in compliance with the CG Code. The Audit Committee comprises two INEDs and one non-executive Director, namely Mr. LIU Li, Ms. LIU Hongyu and Mr. WANG Zhian, the majority of them are INEDs. Mr. LIU Li is the chairman of the Audit Committee.

The primary duties of the Audit Committee include, among others:

- a) To review the financial statements and reports and consider any significant or unusual items raised by the internal audit division or external auditor before submission to the Board;
- b) To review the relationship with the external auditor by reference to the work performed by the auditor, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of external auditor; and
- c) To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and internal audit system and associated procedures, including the adequacy of the resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function.

In 2015 and as of March 29, 2016, the Audit Committee held seven meetings to review and supervise the financial reporting process and internal control review. It had in conjunction with Ernst & Young, the existing external auditor of the Company, reviewed the Group's the unaudited interim results for 2015 and audited results for the year ended December 31, 2015 and recommended the same to the Board for their consideration and approval. The Audit Committee was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made. The Audit Committee also carried out and discharged its other duties as set out in the CG Code.

審計委員會

董事會根據企業管治守則成立審計委員會，並以書面制定其職權範圍。審計委員會由兩名獨立非執行董事及一名非執行董事組成，即劉力先生、劉紅宇女士及王治安先生，大部分成員為獨立非執行董事。劉力先生為審計委員會主席。

審計委員會的主要職責包括（其中包括）：

- a) 於呈交董事會前審閱財務報表及報告，並考慮內部審計機構或外聘核數師提出之任何重大或不尋常項目；
- b) 透過參考核數師進行的工作、其費用及委聘條款檢討與外聘核數師的關係，並就委任、重新委任及罷免外聘核數師向董事會提出建議；及
- c) 檢討本公司的財務申報系統、內部監控系統以及內部審計系統及相關程序的充足度與成效，包括資源充足度、員工資格及經驗、培訓課程及本公司的會計及財務申報職能預算。

於2015年及截至2016年3月29日，審計委員會曾召開七次會議，審閱及監察財務申報程序及內部監控。其與本公司現任外聘核數師安永會計師事務所審閱本集團2015年未經審計中期業績及截至2015年12月31止年度的經審計業績，並就此向董事會作出建議，以供董事會考慮及批准。審計委員會認為，編製該等業績符合適用會計準則及規定，且已作出足夠的披露。審計委員會亦履行其於企業管治守則所載的其他職責。

Corporate Governance Report

企業管治報告

Details of attendance of the Audit Committee meetings are as follows:

審計委員會會議的出席詳情如下：

| Directors 董事 | Attendance 出席次數 |
|---|--------------------|
| Mr. LIU Li (<i>Chairman</i>) 劉力先生 (主席) | 7/7 |
| Ms. LIU Hongyu 劉紅宇女士 | 7/7 |
| Mr. WANG Zhian 王治安先生 | 7/7 |

Remuneration Committee

The Board established the Remuneration Committee with written terms of reference in compliance with the CG Code. The Remuneration Committee comprises two INEDs and one non-executive Director, namely Mr. FANG Yongzhong, Mr. WANG Zhian and Mr. LIU Li, the majority of them are INEDs. Mr. FANG Yongzhong is the chairman of the Remuneration Committee.

The primary duties of the Remuneration Committee include, among others:

- To make recommendations to the Board on the Company's policy and structure for remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing the remuneration policy;
- To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives; and
- To determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management, or to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

薪酬委員會

董事會根據企業管治守則成立薪酬委員會，並以書面制定其職權範圍。薪酬委員會由兩名獨立非執行董事及一名非執行董事組成，即方永忠先生、王治安先生及劉力先生，大部分成員為獨立非執行董事。方永忠先生為薪酬委員會主席。

薪酬委員會之主要職責包括（其中包括）：

- 就本公司董事及高級管理人員的薪酬政策及構架，及就設立正規而具透明度的程序制定薪酬政策，向董事會提出建議；
- 因應董事會所訂企業的方針及目標而檢討及批准管理層的薪酬建議；及
- 以授權職責釐定個別執行董事及高級管理人員的薪酬待遇，或就個別執行董事及高級管理人員的薪酬待遇向董事會提出建議。

Corporate Governance Report

企業管治報告

In 2015 and as of March 29, 2016, the Remuneration Committee made the following recommendations to the Board with respect to the existing remuneration policies: to evaluate the performance of each Director and approve the execution of terms of the service contracts or letter of appointments of the Directors of the second session of the Board, and to make recommendation to the Board with respect to the remuneration packages of individual Director and senior management member.

During the Year, the Remuneration Committee held one meeting to review and make recommendation on the remuneration packages of the executive Directors, chairman of the Board and senior management and the director's fee of the INEDs.

Details of attendance of the Remuneration Committee meetings are as follows:

於2015年及截至2016年3月29日，薪酬委員會就現行的薪酬政策向董事會提出如下建議：評估各董事的表現及批准執行第二屆董事會董事的服務合約或委任函條款，及就個別董事及高級管理人員的薪酬待遇向董事會提出建議。

於本年度，薪酬委員會舉行一次會議，以審閱並建議執行董事、董事長及高級管理人員的薪酬待遇以及獨立非執行董事的董事袍金。

薪酬委員會會議的出席詳情如下：

| Directors | | Attendance |
|--|------------|-------------------|
| 董事 | | 出席次數 |
| Mr. FANG Yongzhong (<i>Chairman</i>) | 方永忠先生 (主席) | 1/1 |
| Mr. WANG Zhian | 王治安先生 | 1/1 |
| Mr. LIU Li | 劉力先生 | 1/1 |

Corporate Governance Report

企業管治報告

Remuneration Policy of Directors

Each Director has entered into service contract or letter of appointment with the Company. Each executive Director is entitled to an annual fixed fee (tax included) pursuant to the service contract entered into with the Company. The fee includes, among others, salaries, benefits, duty subsidies and pension contribution as determined in accordance with the laws and regulations of the PRC and the policy guidance issued by the senior regulatory authorities as well as the duties, performance and working experience of the executive Director. Meanwhile, the executive Director is also entitled to management bonus as determined by the Board or the Remuneration Committee with reference to the overall operating results and performance of the Company. The decision to grant such management bonus was made by the general meeting or the Board under the authorization of the general meeting. Each non-executive Director and each INED is entitled to fixed subsidy, which is determined with reference to the prevailing market price, pursuant to the service contract or letter of appointment entered into with the Company. Reasonable fees incurred by the Directors during their services in the Company shall be borne by the Company.

Nomination Committee

The Board established the Nomination Committee with written terms of reference in compliance with the CG Code. The Nomination Committee comprises two INEDs and one Executive Director, namely Ms. LIU Hongyu, Mr. FANG Yongzhong and Mr. SUN Bai, the majority of them are INEDs. Mr. SUN Bai is the chairman of the Nomination Committee.

The primary duties of the Nomination Committee include, among others:

- a) To review the structure, size and composition of the Board on a regular basis according to the operating activities, asset size and equity structure of the Company and make recommendations regarding any proposed changes;

董事薪酬政策

各董事已與本公司訂立服務合約或委任函。各執行董事根據其與本公司訂立的服務合約於每年獲得固定的袍金（含稅）。該袍金包括本公司按中國法律法規和上級監管機構發佈的政策指引、根據其職務、表現及工作經驗釐定的工資、福利、崗位津貼及退休金供款等。同時，其亦可獲得董事會或薪酬委員會參考本公司的整體經營業績及其表現後釐定的管理花紅。管理花紅的發放事宜由股東大會或有股東大會授權董事會決定。各非執行董事和各獨立非執行董事根據其與本公司訂立的服務合約或委任函獲得固定津貼，該津貼是參考現行市價釐定。董事在其為本公司提供服務期間招致的合理費用由本公司承擔。

提名委員會

董事會根據企業管治守則成立提名委員會，並以書面制定其職權範圍。提名委員會由兩名獨立非執行董事及一名執行董事組成，即劉紅宇女士、方永忠先生及孫柏先生，大部分成員為獨立非執行董事。孫柏先生為提名委員會主席。

提名委員會之主要職責包括（其中包括）：

- a) 根據本公司之業務活動、資產規模及股權架構定期檢討董事會之架構、規模及組成，並就任何建議變動提出建議；

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- b) To make recommendations to the Board on appointment or re-appointment of and succession planning for Directors;
 - c) To identify candidates who are qualified/suitable to join the Board and to select or make recommendations to the Board on the selection of candidates nominated for directorships;
 - d) To assess the candidates for the senior management of the Company and its wholly-owned and controlled subsidiaries, and provide appraisal opinions to the Board; and
 - e) To assess the independence of the INEDs.
- b) 就董事委任或重新委任及繼任計劃向董事會提出建議；
 - c) 物色合資格／適合加入董事會的人選，並作出選擇或就選擇獲提名擔任董事人選向董事會提出建議；
 - d) 評估本公司及其全資及受控附屬公司之高級管理人員人選，並向董事會提供評估意見；及
 - e) 評估獨立非執行董事之獨立性。

During the Year, the nomination and recommendation policies and procedures of the Directors implemented by the Nomination Committee rule that candidates of Directors (excluding INEDs) shall be nominated and recommended by the Controlling Shareholder, while candidates of INEDs shall be selected by the Nomination Committee. Such candidates of Directors (including INEDs) shall at least comply with the relevant requirements of Chapter 6 of the Company Law, Chapter 3 and 13 of the Listing Rules and Chapter 14 of the Articles of Association. Candidates of INEDs shall also comply with the requirement on independence of Chapter 3 of the Listing Rules. The Board is responsible for providing information on the candidates to the shareholders and the appointment of Directors shall be determined by the general meeting.

In 2015 and as of March 29, 2016, the Nomination Committee held one meeting to review the structure, size and composition of the Board.

本年度，由提名委員會執行的董事提名及推薦政策及程序為：董事（獨立非執行董事除外）候選人由控股股東提名推薦，獨立非執行董事由提名委員會甄選適當的候選人。該等董事候選人（包括獨立非執行董事）至少須符合公司法第六章、上市規則第三章和第十三章、章程第十四章的相關規定；如屬獨立非執行董事候選人還須符合上市規則第三章有關獨立性的要求。董事會負責將候選人情況提呈股東，董事的委任由股東大會決定。

於2015年及截至2016年3月29日，提名委員會舉行一次會議，以檢討董事會之架構、規模及組成。

Corporate Governance Report

企業管治報告

Details of attendance of the Nomination Committee meeting are as follows:

提名委員會會議的出席詳情如下：

| Directors 董事 | | Attendance 出席次數 |
|---------------------------------|-----------|--------------------|
| Mr. SUN Bai (<i>Chairman</i>) | 孫柏先生 (主席) | 1/1 |
| Ms. LIU Hongyu | 劉紅宇女士 | 1/1 |
| Mr. FANG Yongzhong | 方永忠先生 | 1/1 |

Strategy and Development Committee

戰略與發展委員會

The Strategy and Development Committee comprises two Executive Directors, one Non-Executive Director and one INED, namely Mr. SUN Bai, Mr. ZHANG Chun, Mr. YU Benli and Mr. LIU LI. Mr. SUN Bai is the chairman of Strategy and Development Committee.

戰略與發展委員會由兩名執行董事、一名非執行董事及一名獨立非執行董事組成，即孫柏先生、張淳先生、余本禮先生及劉力先生。孫柏先生為戰略與發展委員會主席。

The primary duties of the Strategy and Development Committee include, among others:

戰略與發展委員會之主要職責包括（其中包括）：

- a) To conduct research in respect of, and formulating the strategy and business development of our Company, including the medium to long term plans, and supervising the implementation of our Company's strategic planning;
- b) To present assessment reports on the implementation of our Company's strategic planning, management and business development; and
- c) To research and analyze major issues encountered by our Company in the course of its development.

- a) 就本公司的策略及業務發展（包括中長期計劃）進行研究及制定策略，並監督本公司策略規劃之實施；
- b) 就本公司策略規劃、管理及業務發展之實施呈列評估報告；及
- c) 研究及分析本公司於發展過程中遇上的重大事項。

In 2015 and as of March 29, 2016, the Strategy and Development Committee held two meetings to review and update the Five-Year Strategic Planning Report.

於2015年及截至2016年3月29日，戰略與發展委員會會舉行兩次會議，以審議更新公司五年戰略規劃報告。

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Details of attendance of the Strategy and Development Committee meeting are as follows:

戰略與發展委員會會議的出席詳情如下：

| Directors 董事 | Attendance 出席次數 |
|--|--------------------|
| Mr. SUN Bai (<i>Chairman</i>) 孫柏先生 (主席) | 2/2 |
| Ms. ZHANG Chun 張淳先生 | 2/2 |
| Mr. YU Benli 余本禮先生 | 2/2 |
| Mr. LIU LI 劉力先生 | 2/2 |

Operation and Risk Management Committee

經營與風險管理委員會

The Operation and Risk Management Committee comprises one Executive Director, two Non-Executive Directors and one INED, namely Mr. ZHANG Chun, Mr. WANG Zhian, Mr. ZHANG Fusheng and Mr. FANG Yongzhong. Mr. ZHANG Chun is the chairman of Operation and Risk Management Committee.

經營與風險管理委員會由一名執行董事、兩名非執行董事及一名獨立非執行董事組成，分別為張淳先生、王治安先生、張福生先生及方永忠先生。張淳先生為經營與風險管理委員會主席。

The primary duties of the Operation and Risk Management Committee include, among others:

經營與風險管理委員會之主要職責包括（其中包括）：

- a) To review and evaluate the progress of major investments, operations, and major business;
- b) To review and evaluate the decision making standards and mechanisms as regards major operational decisions, major risks, major events, and major business processes; and
- c) To establish sound and comprehensive risk management and internal control procedures in respect of the risk management and internal control system with a view to ensuring the effective and efficient operation of such system.

- a) 審閱及評估重大投資、營運及主要業務過程；
- b) 檢討及評估有關重大營運決策、主要風險、重大事項及主要業務程序之決策準則及機制；及
- c) 就風險管理及內部監控系統建立有效及全面風險管理及內部監控程序，以確保系統得以有效運作。

In 2015 and as of March 29, 2016, the Operation and Risk Management Committee held three meetings to discuss and consider the “Overall Risk Management Report for 2015 (2015全面風險管理報告)” of the Company, the terms of reference for the Operation and Risk Management Committee and “Overall Risk Management for 2016 (2016年全面風險管理報告)”.

於2015年及截至2016年3月29日，經營與風險管理委員會舉行三次會議，以討論及審議本公司2015年全面風險管理報告、《公司董事會經營與風險管理委員會議事規則》及2016年全面風險管理報告。

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Details of attendance of the Operation and Risk Management Committee meetings are as follows:

經營與風險管理委員會會議的出席詳情如下：

| Directors 董事 | | Attendance 出席次數 |
|------------------------------------|-----------|--------------------|
| Mr. ZHANG Chun (<i>Chairman</i>) | 張淳先生 (主席) | 3/3 |
| Mr. WANG Zhian | 王治安先生 | 3/3 |
| Mr. ZHANG Fusheng | 張福生先生 | 3/3 |
| Mr. FANG Yongzhong | 方永忠先生 | 3/3 |

Delegation by the Board

The Board reserves its decision-making right over all major matters of the Company, including approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to significant transactions entered into by the management as defined under the relevant Working Rules for the General Manager (《總經理工作規則》).

董事會授權

董事會保留於本公司所有主要事項之決策權，包括：批准及監察所有政策事宜、整體策略及預算、內部監控及風險管理系統、重大交易（特別是可能涉及利益衝突之交易）、財務資料以及其他重大財務及營運事宜。董事可尋求獨立專業意見以履行其職責，費用由本公司承擔，且本公司鼓勵董事跟高級管理人員進行獨立溝通及諮詢。

本集團之日常管理、行政及營運已授權高級管理人員處理。授權功能及責任由董事會定期檢討。根據相關《總經理工作規則》所界定，管理層訂立重大交易前須取董事會之批准。

Corporate Governance Report

企業管治報告

Corporate Governance Functions of the Board

The Board recognizes that corporate governance should be the collective responsibility of the Directors which include:

- a. To develop, review and implement the Company's policy and practices on corporate governance;
- b. To review and monitor the training and continuous professional development to the Directors and senior management;
- c. To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- d. To develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors;
- e. To review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report; and
- f. To develop, review and monitor the implementation of the Shareholders' communication policy to ensure its effectiveness, and make recommendation to the Board where appropriate to enhance Shareholders' relationship with the Company.

董事會之企業管治職能

董事會認為企業管治乃董事之共同責任，當中包括：

- a. 制定、檢討及實行本公司之企業管治政策及常規；
- b. 檢討及監察董事與高級管理人員的培訓及持續專業發展；
- c. 檢討及監察本公司遵守法例及監管規定之政策及常規；
- d. 制定、檢討及監察適用於僱員及董事之行為守則及合規手冊（如有）；
- e. 檢討本公司遵守企業管治守則及企業管治報告之披露的合規情況；及
- f. 制定、檢討及監察股東通訊政策的實施以確保其成效，並於適當情況下向董事會提供建議，以加強股東與本公司的關係。

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Appointment and Re-election of Directors

Each of the Executive Directors and Non-Executive Directors has entered into a service contract with the Company on February 20, 2014 for a term commencing from the date of the general meeting at which the respective executive Directors or non-executive Directors were appointed, until the end of the term of the second session of the Board and may be terminated in accordance with the respective terms of the service agreements.

Each of the INEDs has signed a letter of appointment with the Company on February 20, 2014 for a term commencing from the date of the general meeting at which the respective INEDs were appointed until the end of the term of the second session of the Board.

None of the Directors has a service agreement which is not terminable by the Group within one year without payment of compensation (other than statutory compensation).

In accordance with the Articles of Association, all Directors shall be elected or replaced at the Shareholders' general meetings with a term of office of three years. Upon expiry of the term of office, a director shall be eligible to offer himself for re-election and reappointment. Any person appointed by the Board to fill a casual vacancy or as an addition to the Board shall hold office until the Company's next AGM and that person shall then be eligible for re-election and reappointment.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, monitoring the appointment, re-election and succession planning of Directors.

委任及重選董事

各執行董事及非執行董事均於2014年2月20日與本公司訂立服務合約，任期為自股東大會選舉其為執行董事或非執行董事之日起，至第二屆董事會任期結束之日止，並可根據服務協議各自的條款予以終止。

各獨立非執行董事均於2014年2月20日與本公司簽立委任函，任期為自股東大會選舉其為獨立非執行董事之日起，至第二屆董事會任期結束之日止。

概無董事已訂立本集團不得於一年內於毋須作出賠償（法定賠償除外）而終止的任何服務協議。

根據章程，全體董事須於股東大會上膺選或更換，任期為三年。於任期屆滿後，董事合資格膺選連任及重新委任。由董事會委任以填補董事會空缺或作為新增董事的任何人士，其任期直至本公司下屆股東週年大會為止，而該名人士其後合資格膺選連任及重新委任。

委任、重選及罷免董事之程序及過程載於章程細則。提名委員會負責審閱董事會組成、監察董事之委任、重選及繼任計劃。

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Remuneration of Directors, Supervisors and Senior Management

Particulars of the Directors' and Supervisors' remuneration for the Year are set out in note 8 to the consolidated financial statements.

There were eight employees being classified as senior management during the Year. Pursuant to code provision of B.1.5 of the CG Code, the annual remuneration of the members of the senior management (other than the Directors and Supervisors) for the Year by band is set out below:

| Remuneration bands (RMB) 薪酬等級 (人民幣) | | Number of individuals 人數 |
|--|---------------------|--------------------------------|
| 0 to 1,000,000 | 0至1,000,000 | 1 |
| 1,000,001 to 1,500,000 | 1,000,001至1,500,000 | 7 |
| 1,500,001 to 2,000,000 | 1,500,001至2,000,000 | – |

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the consolidated financial statements for the Year, which give a true and fair view of the state of affairs of the Company and the Group's results and cash flows for the year then ended and are properly prepared on a going concern basis in accordance with the applicable statutory requirements and accounting standards.

Pursuant to code provision C.1.1 of the CG Code, the management provides such explanation and information to the Board to enable it to make an informed assessment of the financial and other information put before the Board for approval. The Company also provides the members of the Board with monthly updates on the Company's performance, financial positions and prospects.

董事、監事及高級管理人員之薪酬

本年度的董事及監事薪酬詳情載於合併財務報表的附註8。

於本年度，共有八名僱員被歸類為高級管理人員。根據企業管治守則第B.1.5條守則條文，高級管理人員成員（董事及監事除外）的年度薪酬等級載列如下：

董事對財務報表的責任

董事知悉彼等的責任為編製本年度的合併財務報表。合併財務報表真實公平地反映本公司事務狀況及本集團於截至該日止年度的業績及現金流量，並根據適用法律規定及會計準則按持續經營基準妥善編製。

根據企業管治守則第C.1.1條守則條文，管理層向董事會提供該等說明及資料，使董事會可就有待其批准之財務及其他資料作出知情評估。本公司亦會每月向董事會成員提供有關本公司業績、財務狀況及前景的更新資料。

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The Directors were not aware of any material uncertainties which may affect the Company's business or cast significant doubt upon the Company's ability to continue as a going concern.

Ernst & Young has also stated its reporting responsibility in the independent auditors' report of the consolidated financial statements for the Year.

INTERNAL CONTROL

The Board executes the decision-making right over operation. It endeavors to establish and improve the internal control policies and plans and supervise the implementation of the internal control system to safeguard shareholder investments and Company assets, thus being responsible for the establishment and supervision of the internal control system of the Company. It is the responsibility of the Board to establish, improve, review and effectively implement the internal control system.

In terms of management structure, the Company has optimized the organizational structure and implemented a flat management. The relevant functional departments are sufficiently staffed, taking charge of financial operations and monitoring, risk management, internal audit and anti-corruption. In addition, the Company arranges reasonable budgets to provide regular trainings for the staff of the Company and its subsidiaries performing functions such as finance, risk management and internal audit so as to ensure that they are fully qualified and experienced.

All departments are under direct leadership of the President of the Company, who is thereby enable to report instantly to the Board on the operations of each department and problems received. Accordingly, any significant matter (if subject to disclosure to the market) identified by the staff could be reported to the management in a timely, accurate and effective manner. The management of the Company assessed such significant matter in accordance with internal management requirements and procedures in a timely manner and made corresponding decisions. The decisions of the management of the Company could be implemented accurately and timely under supervision.

董事並不知悉可能影響本公司業務或對本公司持續經營基準的能力造成重大疑問的任何重大不確定因素。

安永會計師事務所已於本年度的合併財務報表的獨立核數師報告內作出其申報責任聲明。

內部監控

董事會執行營運決策權，並致力建立及改善內部監控政策與計劃，以及監管內部監控系統的實施，以保障股東投資與公司資產，故董事會負責建立及監察本公司之內部監控系統。董事會之職責為建立、改善、檢討並有效實行內部監控系統。

管理架構上，公司優化了組織結構設置，實行了扁平化管理。相關職能部門配備了充足的人員，負責財務運作和監控、風險管理、內部審計、反舞弊等具體工作。此外，公司安排合理預算，定期為公司及附屬公司財務、風險管理、內部審計等職能員工提供培訓，確保其擁有足夠的素質和經驗。

公司總裁與各部門直接對接，並能將各部門運作情況及反映的問題及時向董事會匯報。員工發現的重大情況（如需在市場披露）能夠被及時、準確、有效地傳遞到公司管理層。公司管理層根據相應的內部管理規定和程序及時評估這些重大情況，並制定相應決策。公司管理層的決策能夠正確、及時地貫徹和監督執行。

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In respect of the system, the Company further deepened the system construction in 2015. The Company formulated and revised more than 40 rules and regulations on the basis of “Rules and Regulations Compilation (2014) (規章制度文件彙編(2014))” released in 2014, which continuously improved the scientific nature, pertinence and effectiveness of the system and laid down a solid foundation for the creation of a systems and procedures mechanism featured by close interconnection, high functionality and clear monitoring and control interface. The Company launched a total of 11 new policies in respect of the complete engineering sector, with a focus on the administration of the preliminary phase and the implementation process of our projects, including “Implementing Rules on Key Progress Node Assessment Management in EPC Projects (EPC總承包項目關鍵進度節點考核管理實施細則)”, “Regulations on Design of EPC Projects (EPC總承包項目設計管理規定)” and so on. The launching of these systems effectively refined the Company’s experience accumulated over the years and strongly strengthened standardization throughout project implementation.

In 2015, the Company focused on refined project management and speeded up the building of professional competence. The Company continued to expand the coverage of centralized procurement by enhancing the dynamic management of qualified suppliers, standardization of the procurement process for our projects and controlling the risks arising from procurement so as to achieve the principle of “sunshine procurement”. The Company steadily stepped up post project evaluation efforts by continual revisions from our project experience. Together with the compliance management systems the Company has developed, including the “Measures on Accountability for Violation and Fraud of CMEC’s Employees (CMEC員工違規與舞弊責任追究辦法)” and “Measures for Commission of CMEC (CMEC佣金管理辦法)”, the above measures laid the foundation for prevention and punishment of violation and fraud, as well as establishment and safeguarding the lawful and compliant operation.

在制度方面，2015年公司進一步深化制度建設；對2014年編製發佈的《規章制度文件彙編(2014)》的基礎上，公司共制定、修訂了40餘個規章制度，不斷提高制度的科學性、針對性、有效性，為形成銜接緊密、操作性強、管控界面清晰的制度流程體系打下良好基礎。其中，工程成套板塊共出台新制度11個，重點面向項目前期和執行過程管理，包括《EPC總承包項目關鍵進度節點考核管理實施細則》、《EPC總承包項目設計管理規定》等。這些制度的出台有效提煉了公司多年積累的項目經驗，有力保障了項目執行全過程的規範性。

2015年，公司同時致力細化項目管理，加快專業化能力建設；持續推進集中採購，加強對合格供應商的動態管理，規範項目採購流程，控制採購風險，實現「陽光採購」；穩步推進項目後評價工作，不斷總結項目經驗。結合公司已制定的《CMEC員工違規與舞弊責任追究辦法》、《CMEC佣金管理辦法》等合規管理制度，為防範並懲治違規、舞弊行為，建立並維護公司依法、合規經營秩序奠定了基礎。

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In 2015, the Company has continued to strengthen financial fundamental work, and has improved the systems implementation, material financial issues reporting and accounting settlement regulating. The Company has launched its financial information system upgrading and promoted deep integration of information technology and financial management. Through system modification and the improvement of the review and assessment mechanism, the Company put forward “one-stop management model” to build up a post evaluation mechanism for the Trading Business, so as to form a management chain of “pre-trade review and assessment, in-progress tracking and post-trade conclusion and evaluation” over the entire process, providing favorable guarantee for risk control, operation model transformation and a sustainable development with quality.

In financial risk prevention and supporting system, the Company has continued to hold the reporting procedures for material financial issues, implemented further systemization in the supervision and administration of the two tiered corporate and business departments; and has improved the system throughout the entire life-cycle of EPC projects. The Company has implemented close-ended administration of review and assessment results; has improved the commission management and project evaluation system; and has built up a comprehensive project supervision and inspection system. The Company has continued to prepare reporting procedures of material financial issues for supervision and inspection of critical and Chinese financing projects, and worked out financial management systems of overseas branches.

During the Year, the Board assessed the internal control systems of the Company and its subsidiaries such as financial control, operation control, compliance control and risk management systems and was not aware of any material problems or any material mistakes. The Board believes that the current monitoring system of the Company is effective and that the qualifications and experience of the staff performing accounting and financial reporting functions and the training programs of the Company as well as the experiences and resources for setting the budget of the Company are adequate.

The Group's internal control system will be reviewed and assessed on an on-going basis by the Audit Committee which will report the same to the Board, and will be further reviewed and assessed at least once each year by the Board.

2015年，公司持續加強財務基礎工作，在制度執行落地、重大財務事項報告、規範會計核算等方面有所提升；啟動財務信息系統的升級工作，促進信息技術與財務管理的深度整合。通過修訂制度、完善評審機制，提出「一站式管理模式」，建立貿易業務後評價工作機制，形成事前評審、事中跟蹤、事後總結評價的全程管理鏈條，為貿易業務的風險管控、轉變經營模式、可持續有質量發展提供了有利保障。

在財務風險防控及配套體系方面，公司堅持重大財務事項報告制度，同時深化公司及事業部兩級監督管理體系；完善EPC項目全生命週期制度體系；實施評審結果閉環管理；改進佣金管理和項目考核體系；建立完善項目督查體系，持續開展對重點和中方融資項目的督查工作制定重大財務事項報告制度，並擬定境外分支機構財務管理制度等。

董事會在本年度內對本公司及其附屬公司的財務監控、運作監控、合規監控及風險管理等內控系統進行審查，未發現公司內部控制存在任何重大問題，或出現任何重大失誤。董事會認為本公司目前的監控體系是有效的，並認為本公司進行會計及財務匯報的員工的資歷和經驗、員工培訓及有關預算方面的經驗和資源是足夠的。

審計委員會將持續檢討及評估本集團之內部監控系統，並向董事會匯報結果，而董事會則每年最少對本集團之內部監控系統進行一次進一步檢討及評估。

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INTERNAL AUDIT

The audit department of the Company will conduct independent review and assessment on the appropriateness, rationality and effectiveness of the governance, risk management and internal control system. The audit department is under the supervision and guidance of the Audit Committee, and will provide analysis and recommendation for the Board and the senior management. It is responsible for all material control, including financial, operational, compliance and risk management. In 2015, the audit department did not discover any circumstances involving fraud, non-compliance or violation against laws, regulations and rules or severe insufficient control.

INDEPENDENT AUDITORS' REMUNERATION

For the year ended December 31, 2015, the remunerations (pre-tax) paid or payable to the external auditors in respect of audit services and non-auditing services amounted to RMB5.50 million and RMB1.48 million, respectively. The amount for 2015 non-audit services mainly comprised the services fee on review of interim financial statements. The Audit Committee was satisfied that the non-audit services in 2015 did not affect the independence of the auditor.

JOINT COMPANY SECRETARIES

Mr. ZHOU Yamin (“**Mr. Zhou**”) act as the secretary to the Board, one of the joint company secretaries of the Company and an authorised representative of the Company. He is responsible for advising the Board on corporate governance matters and ensuring that the Board policies and procedures, and the applicable laws, rules and regulations are followed.

In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company also engages Ms. TSANG Fung Chu (“**Ms. Tsang**”), as its joint company secretary to assist Mr. Zhou to discharge his duties as company secretary of the Company. For the purpose of Code F.1.1 of the CG Code, Ms. Tsang keeps close contact with Mr. Zhou, being the person with sufficient seniority at the Company.

內部審計

公司審計部對集團治理、風險管理及內部控制系統的恰當性、合理性和有效性進行獨立審查和評價，接受審計委員會的監督和指導，並為董事會和高級管理人員提供分析及建議。其工作涵蓋所有重大的監控，包括財務、運營、合規及風險管理。在2015年，審計部並無發現任何涉嫌欺詐、違規或觸犯法例、規則及規例或嚴重監控不足的情況。

獨立核數師薪酬

截至2015年12月31日止年度，付予或應付予外聘核數師有關審計服務及非審計服務的薪酬（含稅）分別為人民幣5.50百萬元及人民幣1.48百萬元。2015年非審計服務的費用為審閱中期財務報表的服務費用。審計委員會對2015年度非審計服務並沒有影響到核數師的獨立性感到滿意。

聯席公司秘書

周亞民先生（「周先生」）擔任董事會秘書、本公司聯席公司秘書及本公司授權代表。彼負責就企業管治事宜向董事會提供意見，並確保已遵從董事會政策與程序，以及適用法例、規則及規例。

為維持良好企業管治並確保遵守上市規則與適用香港法例，本公司亦委聘曾鳳珠女士（「曾女士」）為其聯席公司秘書，以協助周先生履行其作為本公司公司秘書之職務。就企業管治守則之守則F.1.1而言，曾女士與周先生緊密聯繫，周先生屬本公司之高層人士。

Corporate Governance Report

企業管治報告

For the Year under review, Mr. Zhou and Ms. Tsang have undertaken 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, when the Company convenes an AGM, Shareholders holding 3% or more of the total voting shares of the Company shall be entitled to propose new resolutions to the Company in writing which should be submitted to the convener 10 days prior to the convening of the general meeting. The convener of the general meeting shall issue a supplemental notice of general meeting to other Shareholders within 2 days of the receipt of such proposal and incorporate such newly proposed matters falling within the scope of duties of the general meeting into the agenda of such meeting. The new agenda shall be tabled to the general meeting for consideration.

Shareholders can submit their written recommendations through the following facsimile, e-mail or postal address:

Facsimile: 86 10 6332 1086

E-mail: ir@mail.cmec.com

Postal address: No. 178 Guang'anmenwai Street, Beijing, the PRC
(Postal Code: 100055)

Pursuant to article 57 of the Articles of Association, general meetings shall be convened where Shareholders who individually or jointly hold 10% or more of the Shares make a request to convene an extraordinary general meeting in writing. The matter for consideration proposed by the party requesting the holding of the extraordinary general meeting shall be included in the agenda of such meeting.

As for proposing a person for election as a director, the procedures are set out in the Articles of Association which is available on the respective websites of the Stock Exchange and the Company.

於回顧年度，為遵守上市規則第3.29條，周先生及曾女士已分別接受15個小時之相關專業培訓。

股東權利

為保障股東權益及權利，倘本公司召開股東週年大會，持有本公司具表決權股份總數3%或以上的股東有權以書面形式向本公司提出新決議案，書面建議須於召開股東大會之前10天呈交召集人。股東大會召集人須於接獲有關建議2天內向其他股東發出股東大會補充通知，將符合股東大會職責範圍的相關新建議事項加入大會議程。新議程將於股東大會上提出以供考慮。

股東可通過以下傳真、電郵、郵寄的地址向公司提交書面建議：

傳真：86 10 6332 1086

電郵：ir@mail.cmec.com

郵寄地址：中國北京廣安門外大街178號
(郵編：100055)

根據章程細則第57條，倘個別或共同持有10%或以上股份的股東作出書面要求召開臨時股東大會，則須召開股東大會。要求舉行臨時股東大會的人士所提呈以供考慮的事項須加入該大會的議程。

至於建議一名人士膺選董事方面，有關程序載於章程內，而章程則可分別於聯交所及本公司的網站查閱。

Corporate Governance Report

企業管治報告

All resolutions put forward at shareholder meetings will be voted on by poll based on shareholding pursuant to the Listing Rules and poll results will be posted on the respective websites of the Stock Exchange and the Company in a timely manner after each shareholder meeting.

Enquiries to the Board

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to Room 804, 8/F, Tower 1, South Sea Centre, 75 Mody Road, Tsimshatsui East, Kowloon, Hong Kong, and provide sufficient contact information for the timely and proper handling and record keeping of the relevant enquiries.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

In 2012, the Company successfully completed its Listing in Hong Kong. Through roadshow presentations around the globe, its investor relations website, investor enquiry hotline, investor mailbox and other communication channels, the Company maintains close liaisons with investors worldwide in a timely and efficient manner. Moreover, through investment forums, corporate visits, teleconferences and various other channels, the Company maintains proactive and frank exchanges with investors and analysts. The Company has attached great importance to listening to Shareholders and investors and accepting reasonable suggestions and opinions from them. It strives to continuously enhance its operating results, present a true picture of the Company's financial and operational status to Shareholders and investors, actively facilitate the internal communications in respect of the feedback from the capital market, and continuously perfect and enrich the system aiming to canvass information in relation to investor relations. The management over investor relations involves an all-faceted interactive communication process.

於股東大會提呈之所有決議案將根據上市規則以按股數投票方式表決，而表決結果將於各股東大會後適時分別刊載於聯交所及本公司的網站。

向董事會查詢

有意就本公司事宜向董事會作出查詢的股東可將查詢送交香港九龍尖沙咀東麼地道75號南洋中心第1座8樓804室，並提供足夠的聯絡資料，以便有關查詢及時獲得公司恰當的處理和記錄。

與股東之溝通及投資者關係

於2012年，本公司成功完成在香港上市。本公司透過於世界各地進行的路演、其投資者關係網站、投資者查詢熱線、投資者信箱及其他溝通渠道，本公司及時並有效保持與全球各地投資者的緊密聯繫。此外，本公司透過投資論壇、公司訪問、電話會議及各類其他渠道，積極及真誠與投資者及分析師交流。本公司十分重視聆聽並接受股東及投資者的合理建議和意見，致力持續改善其營運業績、向股東及投資者呈列本公司的真實財務與營運狀況、積極促進有關來自資本市場反饋意見的內部交流，以及持續優化及加強系統，目的是宣揚有關投資者關係的資料。投資者關係管理涉及全面互動溝通程序。

Corporate Governance Report

企業管治報告

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable shareholders and investors to make informed investment decisions. In 2016, the Company will gradually develop a systematic structure of investor relations featured by its own characteristics. The Company aims at actively participating in all kinds of summits in capital market and strengthen communication with investors, as well as strive to achieve timely and transparent information disclosures.

The AGM provides opportunity for shareholders to communicate directly with the Directors. The chairman of the Board, the president of the Company, the chairman of each of the Board Committees and the external auditor of the Company, Ernst & Young, will attend the AGM to answer Shareholders' questions.

To promote effective communication, the Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and its Shareholders and maintains a website at www.cmec.com, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access. The Company also maintained frequent contacts with Shareholders and investors through various channels such as meetings, telephone and emails. For example, we will convene telephone meetings to answer enquiries from Shareholders and investors, as well as arrange one-on-one conversation with investors. In addition, we arranged on-site visits to the Group's projects and non-deal roadshows for investors and research analysts.

The Company has adopted a shareholders' communication policy with the objective of ensuring that the Shareholders, both individual and institutional shareholders (collectively, the "Shareholder(s)") and, in appropriate circumstances, the investment community at large, are provided with ready, equal, balanced and understandable information about the Company (including its financial performance, strategic goals and plans, material developments and governance) in a timely manner, for the purpose of enabling the Shareholders to exercise their rights in an informed manner, and allowing them and the investment community to engage actively with the Company.

本公司認為與股東之有效溝通，對改善投資者關係及了解本集團業務、表現及策略甚為重要。本公司亦確認適時及非選擇性披露資料之重要性，將有助股東及投資者作出知情投資決定。在2016年，公司將逐步形成具有自身特色的投資者關係體系架構。公司旨在積極參加資本市場各類峰會活動，加強與投資者的溝通互動，努力使信息及時披露及具透明度。

股東週年大會為股東提供直接與董事溝通的機會。董事會董事長、本公司總裁、各董事委員會主席及本公司外聘核數師安永會計師事務所將出席股東週年大會，以回應股東提問。

為推動有效溝通，本公司採納股東通訊政策，旨在建立本公司與其股東的雙向關係及溝通，並設有網站www.cmec.com，以供公眾人士查閱有關本公司業務營運及發展、財務資料、企業管治常規及其他資料的最新消息。本公司亦透過會議、電話及電郵等各種渠道與股東及投資者保持緊密聯繫，例如，召開電話會議回覆股東及投資者的提問及安排一對一的投資者訪談等。另外，我們為投資者及研究分析師安排集團項目的實地考察及非交易路演。

本公司已採納股東溝通政策，目標是確保股東，包括個人及機構（以下統稱「股東」），及在適當情況下包括一般投資人士，均可適時取得方便、相同、平衡及容易理解的本公司資料（包括其財務表現、策略目標及計劃、重大發展及管治），一方面使股東可在知情情況下行使權力，另一方面也讓股東及投資人士與本公司加強溝通。

Corporate Governance Report

企業管治報告

Information about the Company will be communicated to the Shareholders and the investment community mainly through the Company's financial reports (interim and annual reports), annual general meetings and other general meetings that may be convened, as well as by making available all the disclosures submitted to the Stock Exchange and its corporate communications on the respective websites of the Stock Exchange and the Company.

INFORMATION DISCLOSURE

The Company discloses information in compliance with the Listing Rules, and publishes periodic reports and announcements to the public in accordance with the relevant laws and regulations. The primary focus of the Company is to ensure information disclosure is timely, fair, accurate, truthful and complete, thereby enabling Shareholders, investors as well as the public to make rational and informed decisions regarding the Company.

CONSTITUTIONAL DOCUMENTS

There were no changes in the constitutional documents of the Company during the Year and up to the date of this annual report.

Pursuant to Rule 13.90 of the Listing Rules, the Company has posted the Article of Association on the respective websites of the Stock Exchange and the Company.

2015 ANNUAL GENERAL MEETING

All Shareholders are encouraged to attend the forthcoming AGM and exercise their right to vote. Further details of business to be conducted at the general meeting will be set out in the circular and notice to the Shareholders to be sent and posted on the respective websites of the Stock Exchange and the Company in due course.

本公司向股東及投資人士傳達本公司資料的主要渠道為：本公司的財務報告（中期及年度報告）、股東週年大會及其他可能召開的股東大會，並將所有呈交予聯交所的披露資料及公司通訊分別登載在聯交所及本公司網站。

資料披露

本公司根據上市規則披露資料，並根據相關法例及規例定期向公眾人士公佈報告及公告。本公司重點確保及時、公平、準確、真誠及完整地披露資料，讓股東、投資者及公眾人士得以作出有關本公司的理性及知情決定。

章程文件

於本年度及截至本年報日期止，本公司的章程文件概無任何變動。

根據上市規則第13.90條，本公司已於聯交所及本公司網頁內發佈章程。

2015年股東週年大會

本公司鼓勵全體股東出席應屆股東週年大會並行使彼等表決權。有關將於股東大會進行之事宜進一步詳情載於稍後寄發予股東之通函及通告內，該等通函及通告亦將適時分別於聯交所及本公司網站內刊發。

Report of the Supervisory Board

監事會報告

The Supervisory Board is pleased to present this report of the Supervisory Board in the annual report of the Company for the year ended December 31, 2015.

In 2015, all members of the Supervisory Board have earnestly performed their supervisory functions to safeguard the rights and interests of the Group and the Shareholders in accordance with the Companies Law, the Articles of Associations, the Rules of Procedures of the Supervisory Board and the relevant provisions in the Listing Rules. Members of the Supervisory Board carried out examination of the Company's financial accounts and supervision of the Directors, the president and other senior management for their compliance with the laws, administrative regulations and the Articles of Association in executing their respective duties.

I. MEMBERS OF THE SUPERVISORY BOARD

Mr. QUAN Huaqiang, Mr. QIAN Xiangdong and Mr. BAI Ming are the members of the second session of the Supervisory Board. Their term of service commenced on February 20, 2014 until the expiration of the term of second session of the Supervisory Board.

As announced by the Company on January 24, 2014, Mr. BAI Ming has been re-appointed as the staff representative Supervisor for the second session of the Supervisory Board at the employees' general meeting. And at the extraordinary general meeting held on February 20, 2014, Mr. QUAN Huaqiang and Mr. QIAN Xiangdong have been re-appointed as the Shareholder representative Supervisors for the second session of the Supervisory Board.

監事會欣然呈列載於本公司於截至2015年12月31日止年度的年報的監事會報告。

2015年，全體成員依照公司法、公司章程、監事會議事規則及上市規則的有關規定，認真履行監督職責，維護本集團及股東的權益。監事會成員對本公司財務賬目進行檢查並對董事、總裁及其他高級管理人員行使其各自職責時對法律、行政法規及公司章程的遵守情況進行監督。

I. 監事會成員

全華強先生、錢向東先生及白明先生為第二屆監事會成員。彼等的任期自2014年2月20日起直至第二屆監事會屆滿為止。

如本公司於2014年1月24日宣佈，白明先生已於職工代表大會上獲重選為第二屆監事會的職工代表監事。於2014年2月20日舉行的臨時股東大會上，全華強先生及錢向東先生已獲續聘為第二屆監事會股東代表監事。

Report of the Supervisory Board

監事會報告

II. MEETINGS OF THE SUPERVISORY BOARD

During the year of 2015 and up to the date of this annual report (being March 29), three meetings of the Supervisory Board were held.

On March 29, 2015, the Company held the fourth meeting of the second session of the Supervisory Board to consider the 2014 audited financial report, the 2014 results announcement of the Company and the 2014 report of the Supervisory Board of the Company.

On August 31, 2015, the Company held the fifth meeting of the second session of the Supervisory Board to consider the 2015 unaudited interim financial report and the 2015 interim results announcement of the Company.

On March 29, 2016, the Company held the sixth meeting of the second session of the Supervisory Board to consider the 2015 audited financial report and the 2015 results announcement of the Company and the 2015 report of the Supervisory Board of the Company.

III. INDEPENDENT OPINION ISSUED BY THE SUPERVISORY BOARD ON RELEVANT MATTERS

1. Management of the Company

The management of the Company faithfully fulfilled their duties and responsibilities as stipulated in the laws, regulations and the Articles of Association, and earnestly implemented the resolutions approved by the Board. Till now, the Supervisory Board did not discover that the Board and senior management had abused their rights and functions or any of their actions that were prejudicial to the interests of the Company, Shareholders and staff of the Company, or in any way violated the laws, regulations and the Articles of Association.

II. 監事會會議情況

於2015年度內至本報告日期(3月29日)，監事會舉行了3次會議。

於2015年3月29日，本公司舉行第二屆監事會第四次會議，以審議本公司2014年經審計財務報告及2014年業績公告和本公司2014年監事會報告。

於2015年8月31日，本公司舉行第二屆監事會第五次會議，以審議本公司2015年未經審計中期財務報告及2015年中期業績公告。

於2016年3月29日，本公司舉行第二屆監事會第六次會議，以審議本公司2015年經審計財務報告及2015年業績公告和本公司2015年監事會報告。

III. 監事會就有關事項發表的獨立意見

1. 本公司管理情況

本公司管理層忠實履行了法律、法規及公司章程規定的職責，認真執行了董事會通過的各項決議。至今監事會未發現董事會及高級管理人員濫用職權，或損害本公司利益及侵犯股東及本公司員工權益的任何行為，亦未違反法律、法規及公司章程。

Report of the Supervisory Board

監事會報告

2. Operation of the Company

In 2015, the Company strictly complied with the laws and regulations, operated in accordance with the Listing Rules. The Company managed to achieve satisfying results in areas of operation, cost control, project origination, implementation and management, internal management, work safety and market expansion, resulting in a strong and excellent company which laid a solid foundation for the smooth and faster development. The Company further strengthened the systems of internal controls, and enhanced, in particular, the system of business processes and responsibility assignment of all functional departments of the Company, making further progress in corporate governance.

3. Implementation of the resolutions of General Meetings

In 2015 and up to the date of this annual report, the member of the Supervisory Board attended 4 General Meetings and sit in on 14 meetings of the Board, exercising supervision in respect of the lawfulness and compliance of the procedures of the matters considered by the Board meetings.

The Supervisory Board made no objection to the reports and motions tabled at the general meetings and considered that the Board earnestly implemented the resolutions approved by the general meetings.

2. 本公司營運情況

於2015年內，本公司能夠嚴格執行法律、法規，按上市規則運作。本公司營運、成本控制、項目建設、實施及管理、內部管理、工作安全及市場開拓等方面均取得了令人滿意的成績，為公司做優做强，實現更好更快發展奠定了堅實基礎。本公司進一步加強了內部控制的各項制度，特別是完善了本公司各職能部門的業務流程體系和責任分配，企業管治水平進一步提高。

3. 股東大會決議案執行情況

於該年度內至本報告日期，監事會成員出席了4次股東大會，列席參加了14次董事會會議，對董事會會議審議之事項的程序合法性和合規性實施監督。

監事會對於股東大會上提呈的各項報告和議案並無異議，並認為董事會認真執行了經股東大會批准的各项決議案。

Report of the Supervisory Board

監事會報告

4. Financial matters of the Company

Members of the Supervisory Board monitored and examined the financial management system and the financial condition and reviewed relevant financial information of the Company. Upon examination, the Supervisory Board concluded that the Company had strictly complied with the relevant financial laws, regulations and financial policies, and that the financial system has an integrated structure; the financial management system was sound and implemented effectively; the accounting treatment was in line with the consistency principles; and the Company's financial reports gave an objective and fair view of the financial position and operating results of the Company.

The Supervisory Board reviewed the unqualified audit opinions issued by Ernst & Young (安永會計師事務所) and Ernst & Young Hua Ming LLP (Special General Partnership) (安永華明會計師事務所 (特殊普通合夥)) in respect of the audited consolidated financial statements of the Company for the year ended December 31, 2015 prepared in accordance with IFRS and Accounting Standards for Business Enterprises of the PRC respectively, and raised no objection to such reports.

5. Connected Transactions

The Supervisory Board reviewed the connected transactions between the Group and SINOMACH and its subsidiaries (including Sinomach Finance Co., Ltd.) and its respective connected persons during the reporting period, and was of the opinion that all the connected transactions complied with the relevant requirements of the Stock Exchange, and that the pricing of the connected transactions was reasonable, open and fair and there was not any matter prejudicial to the interests of the Company or Shareholders.

4. 本公司財務事項

監事會成員對本公司的財務管理制度和財務狀況進行了監督檢查，審閱了本公司相關財務資料。通過審查，監事會認為本公司嚴格遵守了相關金融法律、法規及財務政策，財務系統組織結構完整，財務管理制度健全且獲有效執行；會計處理方法遵循了一貫性原則；本公司財務報告客觀、公允地反映了本公司的財務狀況及營運業績。

監事會審閱了安永會計師事務所及安永華明會計師事務所（特殊普通合夥）分別就根據國際財務報告準則及中國企業會計準則編製的截至2015年12月31日止年度的經審計合併財務報表出具的無保留意見的審計報告，對該報告無異議。

5. 關連交易

監事會對報告期間內本集團及國機及其附屬公司（包括國機財務有限責任公司）不時與其關連人士進行的關連交易進行了審查，認為全部關連交易均符合聯交所的有關規定，關連交易的定價亦屬合理、公開及公允，並無發現任何損害本公司或股東利益的事項。

Report of the Supervisory Board

監事會報告

In 2016, the Supervisory Board will continue to carry out its fiduciary duties to implement effective supervision on the Company, its Directors and senior management in accordance with the relevant provisions of the Companies Law, the Articles of Association, the Terms of Reference for the Supervisory Board and the Listing Rules; and pay close attention to the operation and management status of the Company as well as any significant development of the Company, so as to facilitate the profit growth of the Company and to dutifully protect the interests of all Shareholders and the Company. In addition, the Supervisory Board will further consolidate resources for supervision so as to enhance our management, helping and ensuring the realization of the Company's targets for all works in 2016.

By Order of the Supervisory Board

QUAN Huaqiang

Chairman of the Supervisory Board

Beijing, the PRC, March 29, 2016

2016年，監事會將依據公司法、公司章程、監事會議事規則及上市規則的有關規定，繼續謹遵誠信原則，對本公司、其董事及高級管理人員實施有效監督，且密切關注本公司的營運及管理情況，並關注本公司的任何重大發展，藉以促進本公司的盈利增長，並忠實維護全體股東及本公司的利益。另外，監事會將進一步整合監督資源，促進管理提升，助力和保障公司2016年度各項工作目標的順利實現。

承監事會命

全華強

監事會主席

中國北京，2016年3月29日

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

I. EXECUTIVE DIRECTORS

Mr. SUN Bai

Mr. SUN, aged 58, was appointed as the chairman and an executive Director of the Company on April 19, 2013, and the party secretary of the Communist Party of China committee (“**CPC Committee**”) (黨委書記) on February 18, 2013. He has more than 30 years of management experience. From November 1980 to January 1994, he worked in Changchun Testing Machine Institution (長春試驗機研究所). Mr. SUN joined Zhonggong Electrical and Mechanical Development Corporation (中工機電發展總公司) in January 1994 and then served as its general manager from May 1994 to June 1999. From June 1999 to August 2005, he worked as the general manager of China North Industrial Equipment Corporation (中國北方工業裝備總公司), which changed its name to China North Industrial Equipment Co. Ltd. (中國北方工業裝備有限公司). He joined CNCEC as its general manager in August 2005 and also served as its chairman of the board from December 2011. On March 14, 2013, Mr. SUN has resigned as the general manager of CNCEC.

Mr. SUN obtained a master degree of economics from Jilin University (吉林大學) in 1993. He is a senior economist.

Mr. ZHANG Chun (張淳)

Mr. ZHANG, aged 47, is currently an executive Director and the president of the Company, and was appointed on March 16, 2012. He has more than 20 years of management experience. In July 1991, he joined China National Electric Equipment Corporation (中國電工設備總公司), the predecessor of China National Electric Engineering Co., Ltd. (中國電力工程有限公司) (“**CNEEC**”), as a sales representative and worked in that company until August 1993. Mr. ZHANG

I. 執行董事

孫柏先生

孫先生，現年58歲，於2013年4月19日獲委任為本公司董事長兼執行董事，並於2013年2月18日獲委任為本公司中國共產黨委員會書記（「**黨委書記**」）。彼擁有超過30年管理經驗。1980年11月至1994年1月，孫先生於長春試驗機研究所任職。孫先生於1994年1月加入中工機電發展總公司，其後於1994年5月至1999年6月擔任該公司的總經理。1999年6月至2005年8月，彼擔任中國北方工業裝備總公司總經理，該公司其後更名為中國北方工業裝備有限公司。彼於2005年8月加入中成套擔任總經理，並自2011年12月起擔任其董事會董事長。於2013年3月14日，孫先生辭任中成套總經理。

孫先生於1993年取得吉林大學經濟學碩士學位。彼為高級經濟師。

張淳先生

張先生，現年47歲，現任本公司執行董事兼總裁，於2012年3月16日獲委任。彼擁有超過20年管理經驗。於1991年7月，彼加入中國電工設備總公司（中國電力工程有限公司的前身）（「**中電工**」）擔任業務員，並一直於該公司任職至1993年8月。張先生隨後加入本公司，並於1993年8月至2002年5月間，在本公司先後擔任多個職

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then joined our Company, and held various positions from August 1993 to May 2002, including sales representative, project manager, representative and chief representative of the Representative Office of our Company in Bangladesh. After returning to China, Mr. ZHANG joined China National Machinery & Equipment Corporation Group (中國機械裝備(集團)公司), the predecessor of SINOMACH, in May 2002 as the director of the department of operational management. Mr. ZHANG later became the director of the department of engineering and served at that position until August 2011. Mr. ZHANG was the vice president of our Company from August 2011 until March 2012. From March 2014 to the present, Mr. ZHANG has been acting as chairman of CNEEC. Since October 2014, Mr. ZHANG has been acting as the director of China National Guo Lian Development New Energy (Wuxi) Co., Ltd..

In 1991, Mr. ZHANG graduated from Tsinghua University (清華大學) with a bachelor's degree in thermal engineering. Mr. ZHANG is a professorate senior engineer.

II. NON-EXECUTIVE DIRECTORS

Mr. WANG Zhian (王治安)

Mr. WANG, aged 65, is currently a non-executive Director of the Company, and was appointed on January 13, 2011. He has over 30 years of experience in the electricity and mechanical engineering industries. From January 1977 to June 1999, Mr. WANG served at China Machinery Industry Third Installation Engineering Corporation (中國機械工業第三安裝工程公司), which was a subsidiary of China Machinery Industry Installation Corporation (中國機械工業安裝總公司) and held various positions at the same company, including technician, engineer, manager of the engineering department, vice manager and manager.

From June 1999 to June 2001, Mr. WANG was promoted to vice general manager and then general manager of China Machinery Industry Installation Corporation. Subsequently, in June 2001, China Machinery Industry Installation Corporation changed its name to China CMIIC Engineering

務，包括業務員、項目經理以及駐孟加拉國代表處的代表和首席代表。張先生返回中國後，於2002年5月加入中國機械裝備(集團)公司(國機的前身)擔任經營管理部部長，其後擔任工程事業部部長，並擔任該職位直至2011年8月。2011年8月，張先生獲委任為本公司副總裁並擔任該職位直至2012年3月。張先生自2014年3月至今擔任中電工的董事長。張先生自2014年10月起擔任中設國聯無錫新能源發展有限公司的董事。

1991年，張先生畢業於清華大學熱能工程專業，並取得學士學位。張先生為教授級高級工程師。

II. 非執行董事

王治安先生

王先生，現年65歲，現任本公司非執行董事，於2011年1月13日獲委任。彼擁有超過30年的電力及機械工程經驗。自1977年1月到1999年6月，王先生任職於中國機械工業第三安裝工程公司(中國機械工業安裝總公司的附屬公司)，並曾先後於該公司擔任過技術員、工程師、工程處主任、副經理及經理等職務。

於1999年6月至2001年6月間，王先生晉升為中國機械工業安裝總公司副總經理和總經理。其後，於2001年6月，中國機械工業安裝總公司更名為中國機械工業建設總公司(國機的附

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& Construction Corporation (中國機械工業建設總公司), a subsidiary of SINOMACH, and Mr. WANG served as the general manager of that company until September 2010. Mr. WANG has been a director of China Perfect Machinery Industry Corp., Ltd. (中國浦發機械工業股份有限公司), a subsidiary of SINOMACH, since September 2010 and was a director of China Power Engineering Co., Ltd. (中電力工程股份有限公司), a subsidiary of SINOMACH, from December 2010 to November 2011.

In 1976, Mr. WANG completed his studies in electric machinery and apparatus and graduated from Xi'an Jiaotong University (西安交通大學). Mr. WANG is a professorate professional engineer.

Mr. YU Benli (余本禮)

Mr. YU, aged 62, is currently a non-executive Director of the Company, and was appointed on February 20, 2014. He has more than 30 years of experience in machinery industry. From June 1977 to December 1979, Mr. YU served at The People's Bank of China, Nanjing Branch. From December 1979 to October 1983, he served at Jiangsu Machinery Equipment Import & Export Corporation (江蘇機械設備進出口公司), a subsidiary of the Company. From October 1983 to January 1988, Mr. YU served at Sino American Machinery Corporation (美國華美機械有限公司), a subsidiary of the Company and was stationed in the United States. From January 1988 to April 2013, he served at SUMEC Group Corporation (江蘇蘇美達集團公司), a subsidiary of SINOMACH and the predecessors of which are Jiangsu Machinery Equipment Import & Export Corporation (江蘇機械設備進出口公司) and China Jiangsu Machinery Equipment Import & Export Corporation (中設江蘇機械設備進出口集團公司). He held a number of positions including assistant general manager, deputy general manager, general manager and chairman. Currently, Mr. YU is also the chairman of China Perfect Machinery Industry Corp., Ltd. (中國浦發機械工業股份有限公司), a subsidiary of SINOMACH, chairman of China Machine Tool Sales and Technology Services Co., Ltd. (中國機床銷售與技術服務有限公司), a subsidiary

屬公司), 王先生擔任該公司總經理直至2010年9月。王先生自2010年9月起一直擔任中國浦發機械工業股份有限公司(國機的附屬公司)董事,並於2010年12月至2011年11月期間擔任中國電力工程股份有限公司(國機的附屬公司)董事。

1976年,王先生畢業於西安交通大學電機電器專業。王先生為教授級高級工程師。

余本禮先生

余先生,現年62歲,現任本公司非執行董事,於2014年2月20日獲委任。彼於機械行業擁有超過30年經驗。自1977年6月至1979年12月,余先生任職於中國人民銀行南京分行。自1979年12月至1983年10月,彼任職於江蘇機械設備進出口公司(本公司的附屬公司)。於1983年10月至1988年1月,余先生任職於美國華美機械有限公司(本公司的附屬公司),並留駐於美國。於1988年1月至2013年4月,彼任職於江蘇蘇美達集團公司(國機的附屬公司),其前身為江蘇機械設備進出口公司及中設江蘇機械設備進出口集團公司。彼曾先後擔任多個職位,包括總經理助理、副總經理、總經理及董事長。目前,余先生為中國浦發機械工業股份有限公司(國機的附屬公司)的董事長、中國機床銷售與技術服務有限公司(國機的附屬公司)的董事長及中國汽車工業國際合作有限公司(「中汽國際」,國機的附屬公司)董事。於2014年2月,余先

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of SINOMACH and director of China National Automotive Industry International Corporation (中國汽車工業國際合作有限公司) (“CNAICO”), a subsidiary of SINOMACH. Mr. YU has resigned as the chairman of China Machine Tool Sales and Technology Services Co., Ltd. (中國機床銷售與技術服務有限公司), a subsidiary of SINOMACH, in February 2014.

Mr. YU graduated from Nanjing Jinling Vocational University (南京市金陵職業大學) with a degree in business operation. He is a senior international business specialist.

Mr. ZHANG Fusheng (張福生)

Mr. ZHANG, aged 63, is currently a non-executive Director of the Company, and was appointed on February 20, 2014. He has more than 30 years of experience in equipment manufacturing industry. He began his career with Zhejiang Automotive Industrial Corporation (浙江省汽車工業公司) in July 1980 and was promoted to assistant manager in August 1986. In April 1988, Mr. ZHANG was appointed as deputy county magistrate of Zhejiang Province Yongjia County People’s Government (浙江省永嘉縣人民政府). From May 1990 to August 1998, he held the positions of deputy general manager and general manager of China Automotive Industrial Import & Export Zhejiang Branch (中國汽車工業進出口浙江公司), a subsidiary of SINOMACH. From August 1998 to February 2012, he was the general manager of China Automotive Import & Export Corporation (中國汽車進出口總公司), a subsidiary of SINOMACH.

Since February 2012, Mr. ZHANG has been the chairman of CNAICO, a subsidiary of SINOMACH. Mr. ZHANG has been a director of CNEEC, a subsidiary of SINOMACH from November 2, 2011 to January 2016, and a director of CNCEC since December 29, 2011.

In 2000, Mr. ZHANG graduated from Wuhan University of Technology (武漢理工大學) with a degree in business administration. Mr. ZHANG is a professional senior engineer.

生辭任中國機床銷售與技術服務有限公司(國機的附屬公司)之董事長。

余先生畢業於南京市金陵職業大學商務經營專業，為高級國際商務師。

張福生先生

張先生，現年63歲，現任本公司非執行董事，並於2014年2月20日獲委任。張先生擁有超過30年的裝備製造行業經驗。張先生於1980年7月就職於浙江省汽車工業公司，並於1986年8月晉升為副經理。1988年4月，張先生被任命為浙江省永嘉縣人民政府副縣長。1990年5月至1998年8月，張先生曾就職於中國汽車工業進出口浙江公司(國機的附屬公司)，歷任副總經理及總經理。1998年8月至2012年2月，張先生曾擔任中國汽車進出口總公司(國機的附屬公司)總經理。

2012年2月至今張先生擔任中汽國際(國機的附屬公司)董事長。自2011年11月2日至2016年1月，張先生擔任中電工(國機的附屬公司)董事，並於2011年12月29日起擔任中成套董事。

2000年，張先生畢業於武漢理工大學工商管理專業。張先生為專業高級工程師。

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III. INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LIU Li (劉力)

Mr. LIU, aged 60, is currently an independent non-executive Director of the Company, and was appointed on January 13, 2011. He was a teacher at the department of physics, the Beijing Institute of Iron and Steel (北京鋼鐵學院) from September 1984 to January 1986. From January 1986 to date, Mr. LIU has been holding various teaching positions at the Guanghua School of Management (光華管理學院), and its predecessor, the department of economics of the school of economics and management (經濟學院經濟管理系), Peking University, including lecturer, associate professor, professor, supervisor for doctoral students, the director of the finance department and a director of the MBA program at the Guanghua School of Management, Peking University. Mr. LIU is also a deputy director of the Research Center of Finance & Securities at Peking University.

Currently, Mr. LIU is also an independent non-executive director of Bank of Communications Co., Ltd. (交通銀行股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 3328) and an independent director of Langfang Development Co., Ltd. (廊坊發展股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600149), and Beijing Oil HBP Group (華油惠博普科技股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 002554).

In March 2014, Mr. LIU ceased to be an independent director of Bohai Ferry Co. Ltd. (渤海輪渡股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603167) due to the expiry of his tenure. Mr. LIU also resigned as an independent non-executive director of Metallurgical Corporation of China Ltd. (中國冶金科工股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1618) and the Shanghai Stock Exchange (stock code: 601618) on November 13, 2014.

III. 獨立非執行董事

劉力先生

劉先生，現年60歲，現任本公司獨立非執行董事，於2011年1月13日獲委任。1984年9月至1986年1月，劉先生曾任北京鋼鐵學院物理系教師。自1986年1月至今，劉先生在北京大學光華管理學院以及其前身經濟學院經濟管理系任教，歷任講師、副教授、教授、博士生導師以及北京大學光華管理學院金融系主任及MBA項目主任。劉先生亦為北京大學金融與證券研究中心副主任。

目前，劉先生亦擔任在聯交所主板上市的交通銀行股份有限公司（股份代號：3328）獨立非執行董事、在上海證券交易所上市的廊坊發展股份有限公司（股票代碼：600149）及在深圳證券交易所上市的華油惠博普科技股份有限公司（股票代碼：002554）的獨立董事。

於2014年3月，劉先生由於其任期屆滿，因此不再擔任在上海證券交易所上市的渤海輪渡股份有限公司（股票代碼：603167）獨立董事。劉先生亦於2014年11月13日辭任在聯交所主板及上海證券交易所上市的金科股份（股份代號：1618；上海證券交易所股票代碼：601618）獨立非執行董事一職。

Directors, Supervisors, Senior Management and Employees 董事、監事、高級管理人員及僱員

In 1982 and 1984, Mr. LIU graduated from Peking University with a bachelor's degree and a master's degree in physics, respectively. Mr. LIU is also a member of the Chinese Institute of Certified Public Accountants (non-practicing).

Ms. LIU Hongyu (劉紅宇)

Ms. LIU, aged 52, is currently an independent non-executive Director of the Company and was appointed on January 13, 2011. From July 1985 to May 1988, she served as an officer at the financial management office of the People's Bank of China Sichuan branch (四川省人民銀行). From May 1988 to April 1993, Ms. LIU served as a legal consultant for the Agricultural Bank of China (Beijing Branch) and from April 1993 to April 2004, she was the Director at Beijing Tongda Law Offices (北京同達律師事務所). In 2004, Beijing Tongda Law Offices and Jincheng Law Firm (金誠律師事務所) merged and the merged firm was renamed as Beijing Jincheng & Tongda Law Firm (北京金誠同達律師事務所) where Ms. LIU became its founding partner. Currently, Ms. LIU is an independent director of Chongqing International Enterprise Investment Co., Ltd. (重慶國際實業投資股份有限公司), now renamed as CRED-Chongshi Real Estate Corporation Limited (中房重實地產股份有限公司) and a company listed on Shenzhen Stock Exchange (stock code: 000736) and Lanpec Technologies Limited, a company listed on Shanghai Stock Exchange (stock code: 601798), and an external supervisor of the Bank of Beijing Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 601169), and an independent non-executive director of Gome Electrical Appliances Holding Limited (國美電器控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 00493).

In 1985, Ms. LIU graduated from Southwest University of Politics and Law (西南政法大學) with a bachelor's degree in law, as well as from the Graduate School of the Chinese Academy of Social Sciences (中國社會科學院研究生院) in economic law in 1998. Ms. LIU also obtained an EMBA degree from the Guanghua School of Management, Peking University in 2003.

於1982年及1984年，劉先生畢業自北京大學，分別獲得物理學學士及碩士學位。劉先生亦為中國註冊會計師協會會員（非執業）。

劉紅宇女士

劉女士，現年52歲，現任本公司獨立非執行董事，於2011年1月13日獲委任。在1985年7月至1988年5月間，曾擔任四川省人民銀行金融管理處幹部。在1988年5月至1993年4月間，劉女士曾擔任中國農業銀行北京分行法律顧問，並在1993年4月至2004年4月間任北京市同達律師事務所主任。2004年，北京市同達律師事務所與金誠律師事務所合併更名為北京金誠同達律師事務所，劉女士任北京金誠同達律師事務所創始合夥人。現時，劉女士亦擔任在深圳證券交易所上市的重慶國際實業投資股份有限公司（現更名為中房重實地產股份有限公司）（股票代碼：000736）及在上海證券交易所上市的甘肅藍科石化高新裝備股份有限公司（股票代碼：601798）的獨立董事、在上海證券交易所上市的北京銀行股份有限公司（股票代碼：601169）的外部監事以及在聯交所主板上市的公司國美電器控股有限公司（股份代號：00493）的獨立非執行董事。

1985年，劉女士畢業於西南政法大學的法律專業，獲學士學位。1998年，劉女士從中國社會科學院研究生院的經濟法專業畢業。2003年，劉女士獲得北京大學光華管理學院的高級管理人員工商管理碩士學位。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

Mr. FANG Yongzhong (方永忠)

Mr. FANG, aged 64, is currently an independent non-executive Director of our Company, and was appointed on July 29, 2011. In September 1971, he joined the construction machinery factory of the Shenyang Railway Bureau (瀋陽鐵路局施工機械廠). Mr. FANG then joined the engineering department of the Shenyang Railway Bureau (瀋陽鐵路局瀋陽工程處) and held a number of positions within the bureau including technician, assistant engineer, engineer, vice section chief, section chief, vice departmental director and departmental director between February 1977 and August 1994.

Mr. FANG was appointed as a vice director of the Shenyang sub-bureau of the Shenyang Railway Bureau in August 1994 and between August 1994 and December 1999, he was also general manager of Shenyang Engineering Corporation of the Shenyang Railway Bureau. From December 1999 to December 2003, Mr. FANG served at Shenyang Railway Engineering Construction Group Co., Ltd. (瀋陽鐵路工程建設集團有限公司) as the chairman of the board and general manager. From December 2003 to March 2008, Mr. FANG held various positions at China Railway No.9 Group Co., Ltd. (中鐵九局集團有限公司) including director, vice general manager and vice chairman of the board of directors. From March 2008 to December 2012, Mr. FANG was also an external director of China Railway Science & Industry Group (中鐵科工集團有限公司) (“CRSIG”), China Railway No. 5 Engineering Group Co., Ltd. (中鐵五局(集團)有限公司) (“China Railway No.5 Bureau”), China Overseas Engineering Group Co., Ltd. (中國海外工程有限責任公司) (“COVEC”) and China Railway & Airport Construction Group Corporation (中國中鐵航空港建設集團有限公司) (“CACCC”) and is a supervisor and the chairman of the supervisory board of China Railway Construction and Engineering Group (中鐵建工集團有限公司) (“CRCEG”). These five companies are subsidiaries of China Railway Group Limited (中國中鐵股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 00390) and the Shanghai Stock Exchange (stock code: 601390).

方永忠先生

方先生，現年64歲，現任本公司獨立非執行董事，於2011年7月29日獲委任。彼於1971年9月加入瀋陽鐵路局施工機械廠。方先生其後於1977年2月至1994年8月間先後在瀋陽鐵路局瀋陽工程處擔任技術員、助理工程師、工程師、副段長、段長、副處長和處長等不同職務。

方先生於1994年8月獲任為瀋陽鐵路局瀋陽分局副局長，並於1994年8月至1999年12月間於瀋陽鐵路局瀋陽工程總公司擔任總經理。在1999年12月至2003年12月間，方先生加入瀋陽鐵路工程建設集團有限公司擔任董事長兼總經理。在2003年12月至2008年3月間，方先生於中鐵九局集團有限公司擔任不同職務，包括董事、副總經理及副董事長等。在2008年3月至2012年12月，方先生亦是中鐵科工集團有限公司(「中鐵科工集團」)、中鐵五局(集團)有限公司(「中鐵五局」)、中國海外工程有限責任公司(「中國海外工程公司」)及中國中鐵航空港建設集團有限公司(「中國中鐵航空港建設公司」)的外部董事，及中鐵建工集團有限公司(「中鐵建工集團」)的監事及監事會主席。這五家公司為在聯交所主板及上海證券交易所上市的中國中鐵股份有限公司(聯交所股份代號：00390；上海證券交易所股票代碼：601390)的附屬公司。

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As an external director, Mr. FANG participates in board meetings of CRSIG, China Railway No.5 Bureau, COVEC and CACCC, representing the interests of the respective shareholder, China Railway Group Limited. However, Mr. FANG is not involved in the day to day management of CRSIG, China Railway No.5 Bureau, COVEC and CACCC. As a supervisor and the chairman of the supervisory board of CRCEG, Mr. Fang participates in meetings of the supervisory board and the board of directors of CRCEG, representing the interests of the shareholder, China Railway Group Limited. However, Mr. FANG is not involved in the day to day management of CRCEG.

Mr. FANG completed his studies in railway engineering (工程系鐵道工程專業) and graduated from the Shanghai Railway Institute (上海鐵道學院) in 1977, and also obtained an EMBA in decision-making management from International East-West University (美國國際東西方大學決策管理學) in December 1995. Mr FANG is a senior engineer and a registered national first class architect.

Mr. WU Tak Lung (吳德龍)

Mr. WU, aged 50, is currently an independent non-executive Director of the Company, and was appointed on February 20, 2014. He is a member of Hong Kong Institute of Certified Public Accountants, a fellow member of Hong Kong Securities Institute and the Association of Chartered Certified Accountants, a fellow member of the Taxation Institute of Hong Kong and the Hong Kong Institute of Chartered Secretaries. Mr. WU was awarded the bachelor degree of Accounting by the Hong Kong Baptist University and the aster degree of business administration (MBA) jointly by the university of Manchester and the University of Wales.

作為外部董事，方先生分別代表股東中國中鐵股份有限公司的權益，參與中鐵科工集團、中鐵五局、中國海外工程公司及中國中鐵航空港建設公司的董事會會議。然而，方先生不參與中鐵科工集團、中鐵五局、中國海外工程公司及中國中鐵航空港建設公司的日常管理。作為中鐵建工集團的監事及監事會主席，方先生代表股東中國中鐵股份有限公司的權益，參與中鐵建工集團的監事會及董事會會議。然而，方先生不參與中鐵建工集團的日常管理。

1977年，方先生畢業於上海鐵道學院工程系鐵道工程專業，並於1995年12月從美國國際東西方大學決策管理學系畢業，取得高級管理人員工商管理碩士學位。方先生為高級工程師和國家一級註冊建造師。

吳德龍先生

吳先生，50歲，現任本公司獨立非執行董事，於2014年2月20日獲委任。彼為香港會計師公會會員、香港證券專業學會資深會員、英國特許公認會計師公會資深會員、香港稅務學會及香港特許秘書公會資深會員。吳先生獲香港浸會大學頒授會計學學士學位，並獲曼徹斯特大學及韋爾斯大學聯合頒發工商管理碩士(MBA)學位。

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Mr. WU had worked in an international accounting firm, Deloitte Touche Tohmatsu, for five years, and was then employed by several listed and private companies in Hong Kong as head of corporate finance and executive director. Mr. WU currently served as an independent non-executive director of Aupu Group Holding Company, a company listed on the Main Board of the Stock Exchange (stock code: 0477), Beijing Media Corporation Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1000), First Tractor Company Limited, a company listed on both the Main Board of the Stock Exchange (stock code: 00038), and the Shanghai Stock Exchange (stock code: 601038), and Sinomax Group Limited (盛諾集團有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1418). Moreover, he was an independent non-executive director of Valuetronics Holdings Limited, a company listed on the Singapore Exchange in three years.

Mr. Wu is currently a member of Jiangsu People's Political Consultative Committee, member of the Council and the Court of Hong Kong Baptist University, the honorary chairman of the North Kwai Chung Scout and the executive vice president of Hongkong-Guangdong Youth Exchange Promotion Association.

IV. SUPERVISORS

Mr. QUAN Huaqiang (全華強)

Mr. QUAN, aged 45, is currently a Supervisor of the Company, and was appointed on January 13, 2011. He worked in the finance department of Beijing Yanshan Petrochemical Corporation (北京燕山石油化工公司) from August 1991 to July 1994. From July 1994 to October 1997, Mr. QUAN was initially employed as an accountant and then in May 1995, he became manager of the finance department of Universal Import and Export Company (中機通用進出口公司財務部) until October 1997. Mr. QUAN was appointed by China National Machinery Import & Export Corporation ("CMC") (中國機械進出口集團) as finance manager for the

吳先生曾於一家國際核數師行德勤•關黃陳方會計師行工作五年，其後於香港多間上市及私人公司服務，擔任企業融資主管及執行董事。吳先生現為奧普集團控股有限公司(聯交所主板上市的公司，股份代號：0477)、北青傳媒股份有限公司(聯交所主板上市的公司，股份代號：1000)、第一拖拉機股份有限公司(同時為聯交所主板(股份代號：00038)、上海證券交易所(股票代碼：601038)上市的公司)及盛諾集團有限公司(聯交所主板上市的公司，股份代號：1418)的獨立非執行董事。此外，彼曾於三年內在鴻通電子控股有限公司(一家於新加坡交易所上市之公司)擔任獨立非執行董事。

吳先生現為江蘇省政協委員、香港浸會大學校董暨諮議會榮譽委員、北葵涌童軍名譽會長以及粵港青年交流促進會常務副主席。

IV. 監事

全華強先生

全先生，現年45歲，現為本公司監事，於2011年1月13日獲委任。彼曾在1991年8月至1994年7月間在北京燕山石油化工公司財務處工作。在1994年7月至1997年10月間，全先生最初被聘為中機通用進出口公司財務部會計，其後於1995年5月晉升為經理直至1997年10月。在1997年10月，全先生受中國機械進出口集團(「中國機械進出口集團」)委派到中國機械進出口集團烏克蘭辦事處擔任財

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CMC Ukraine Office in October 1997 and worked there until January 1999, and then was appointed as manager of the finance department of CMC General Electrical Parts Import and Export Company (中機機電配件進出口公司) by CMC until May 2001. In May 2001, Mr. QUAN was appointed by China General Technology Group (中國通用技術集團) as general manager of the finance department of China International Advertising Corporation (中國國際廣告公司財務部) and subsequently was appointed as manager of the funds management department of the general finance department of China General Technology Group in May 2004.

From March 2005 to December 2006, Mr. QUAN served at Sinomach Finance Co., Ltd. (國機財務有限責任公司) as a vice general manager. From September 2010 to August 2011, Mr. QUAN was the chairman of the Supervisory Board of China Automobile Trading Co., Ltd. (中國進口汽車貿易有限公司). Mr. QUAN had worked as the head of the internal audit inspection department of SINOMACH from December 2006 to May 2015. From May 2015 to the present, Mr. QUAN has been working as the head of Property and Finance Department of SINOMACH. Mr. QUAN has also been serving as the chairman of the Supervisory Board of the Company since November 2008. Since August 2011, Mr. QUAN is a chairman of the Supervisory Committee of Sinomach Automobile Co., Ltd. (國機汽車股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600335).

In 1991, Mr. QUAN graduated from the Jiangxi Institute of Finance and Economics (江西財經學院) with a bachelor's degree in accounting. Mr. QUAN is a senior accountant.

務經理直至1999年1月，並於其後獲中國機械進出口集團委派到中機機電配件進出口公司擔任財務部經理直至2001年5月。2001年5月，全先生獲中國通用技術集團委派擔任中國國際廣告公司財務部總經理，其後於2004年5月擔任中國通用技術集團財務總部資金管理部經理。

在2005年3月至2006年12月間，全先生在國機財務有限責任公司擔任副總經理。在2010年9月至2011年8月間，全先生在中國進口汽車貿易有限公司擔任監事會主席。在2006年12月至2015年5月間，全先生在國機擔任審計稽查部部長，全先生自2015年5月至今擔任國機資產財務部部長。全先生從2008年11月以來擔任本公司監事會主席。全先生自2011年8月至今擔任在上海證券交易所上市的國機汽車股份有限公司(股票代碼：600335)的監事會主席。

全先生在1991年畢業於江西財經學院，並取得會計學學士學位。全先生為高級會計師。

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Mr. QIAN Xiangdong (錢向東)

Mr. QIAN, aged 47, a senior accountant, is a supervisor of the Company, and was appointed on January 13, 2011. He joined the Education Department of the Ministry of Machinery Industry in June 1997. From September 1998 to August 2006, Mr. QIAN held various positions, including officer, vice manager, vice chief accountant and vice general manager at China National Harvester Machinery Corporation (中國收穫機械總公司), a subsidiary of SINOMACH. From September 2006 to September 2008, Mr. QIAN served as a financial controller of the Tianjin Design & Research Institute of Electric Drive (天津電氣傳動設計研究所), a subsidiary of SINOMACH. Since 2008, Mr. QIAN has been serving as a vice general manager and chief financial officer of China United.

Mr. BAI Ming (白明)

Mr. BAI, aged 48, is currently a supervisor of the Company and was appointed on January 7, 2011. In March 1992, Mr. BAI joined the Company and was employed as an accountant at the finance department of the Company until December 1999. From December 1999 to September 2005, he was employed as an accountant at CMEC International Engineering, a subsidiary of the Company. Mr. BAI was a vice general manager of the project auditing division of the Company from September 2005 to May 2007. He was the director of the project auditing division of the audit department of the Company from May 2007 to September 2009 and has been a vice general manager of the audit department of the Company since September 2009.

Mr. BAI graduated from the Beijing Institute of Machinery Industry (北京機械工業學院) in 1991, majoring in industrial accounting and is an international certified public accountant, senior credit manager and an enterprise risk manager.

錢向東先生

錢先生，現年47歲，高級會計師，為本公司監事，於2011年1月13日獲委任。彼於1997年6月加入機械工業部教育司。1998年9月至2006年8月間，錢先生曾先後擔任中國收穫機械總公司（國機的附屬公司）財務審計部的幹部、副經理、副總會計師及副總經理等職務。自2006年9月至2008年9月期間，錢先生擔任天津電氣傳動設計研究所（國機的附屬公司）財務總監。2008年至今，錢先生一直擔任中國聯合副總經理兼財務總監。

白明先生

白先生，現年48歲，現為本公司監事，於2011年1月7日獲委任。在1992年3月，白先生加入本公司，直至1999年12月前受聘為本公司財務部會計。自1999年12月至2005年9月間，白先生受聘為中設國際工程（本公司的附屬公司）會計。自2005年9月至2007年5月間，白先生曾擔任本公司的項目審計部副總經理。自2007年5月至2009年9月間，彼為本公司審計部項目審計處處長，並自2009年9月至今一直擔任本公司審計部副總經理。

於1991年，白先生畢業於北京機械工業學院工業會計專業。白先生為國際（註冊）會計師、高級信用管理師及企業風險管理師。

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V. SENIOR MANAGEMENT

Mr. JIN Chunsheng (靳春生)

Mr. JIN, aged 59, is a vice president of our Company and is in charge of our Company's International Engineering Contracting Business. Mr. JIN has over 30 years of experience in the machinery and equipment industry and has held various positions within our Company. Mr. JIN joined our Company in February 1982, and he worked as a sales representative from February 1982 to August 1986. During such period, Mr. JIN also studied English for almost one year at the Tianjin Institute of Foreign Languages (天津外國語學院). From August 1986 to August 1989, Mr. JIN was assigned by our Company to work as a project manager of American Machinery. After returning to China in August 1989, Mr. JIN was appointed as director of the department responsible for the export of complete sets of equipment until June 1999, and was subsequently promoted to a vice general manager of CMEC International Engineering until November 2001. Mr. JIN was a vice general manager of China Machinery-building International Corporation (中國機械對外經濟技術合作總公司) from November 2001 to December 2004 and was appointed as a vice president of our Company in December 2004. In 1982, Mr. JIN obtained his bachelor's degree in hydraulic machinery from Gansu University of Technology (甘肅工業大學). Mr. JIN is a professorial engineer.

Mr. ZHANG Jianguo (張建國)

Mr. ZHANG, aged 55, is a vice president of our Company and is in charge of our Company's trade and other business. Prior to joining our Company, Mr. ZHANG was a lecturer at Peking University (北京大學) from July 1987 to May 1991. In May 1991, Mr. ZHANG joined our Company and he was appointed as a vice general manager of the department of human resources and education of our Company in June 1993. Mr. ZHANG was subsequently promoted as a vice director of the general office of our Company and held that position from December 1993 to January 1998. In 1998, Mr. ZHANG was appointed as a vice general manager of

V. 高級管理人員

靳春生先生

靳先生，現年59歲，現任本公司副總裁，主管國際工程承包業務。靳先生擁有超過30年的機械設備行業經驗，並曾在本公司內擔任多個職務。靳先生於1982年2月加入本公司。靳先生於1982年2月至1986年8月間擔任業務員的工作，並在此期間曾在天津外國語學院進修英語約一年。1986年8月至1989年8月間，靳先生獲本公司委任擔任美國華美機械項目經理。1989年8月回國後，靳先生獲委任為本公司成套設備出口處處長直至1999年6月，並於其後晉升為中設國際工程的副總經理直至2001年11月。2001年11月至2004年12月間，靳先生曾擔任中國機械對外經濟技術合作總公司副總經理，並於2004年12月獲委任為本公司副總裁。1982年，靳先生畢業於甘肅工業大學水力機械專業，並獲得學士學位。靳先生為教授級工程師。

張建國先生

張先生，現年55歲，現任本公司副總裁，主管本公司貿易及其他業務。在加入本公司之前，在1987年7月至1991年5月間，張先生曾任北京大學講師，張先生於1991年5月加入本公司，並於1993年6月獲委任為本公司人教部副總經理。其後張先生於1993年12月至1998年1月期間擔任本公司辦公室副主任。張先生於1998年被任命為中設招標副總經理，於2001年7月晉升為該公司的總經理，並擔任

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CMEC Tendering, and was promoted to the general manager thereof in July 2001 and held that position until June 2007. In March 2005, Mr. ZHANG was also appointed as an assistant general manager of our Company. Mr. ZHANG has been a vice president of our Company since May 2006. Mr. ZHANG is a senior economist and graduated from Peking University with a master's degree in history in 1987.

Mr. ZHOU Yamin (周亞民)

Mr. ZHOU, aged 52, is the chief financial officer, secretary to the Board and joint company secretary of our Company. He has more than 30 years of management experience. Mr. ZHOU took various positions in China Machinery Industry Installation Company (中國機械工業安裝總公司) from October 1983 to June 2001, including bookkeeper of the finance department, accountant, vice departmental director of the finance department and manager of the finance department. From June 2001 to February 2002, Mr. ZHOU served as deputy chief accountant and manager of the department of financial assets for China CMIIC Engineering & Construction Corporation. From February 2002 to December 2004, Mr. ZHOU was appointed as the chief accountant of China CMIIC Engineering & Construction Corporation and from December 2004 to July 2011, he served as vice general manager and chief financial officer for China CMIIC Engineering & Construction Corporation. In July 2011, Mr. ZHOU joined our Company and was appointed as the chief financial officer of the Company. He has been serving as the secretary to the Board and joint company secretary of our Company since June 26, 2014. Mr. ZHOU graduated from Beijing Technology and Business University and the Open University of China (北京工商大學和中央廣播電視大學) with a bachelor's degree in management in July 2004, majoring in accounting. Mr. ZHOU is a senior accountant, a member of the Chinese Institute of Certified Public Accountants (non-practising), an international certified practising accountant and a senior international finance manager.

這一職務直至2007年6月。2005年3月，張先生亦被任命為本公司總經理助理。張先生自2006年5月起出任本公司副總裁。張先生為高級經濟師。張先生在1987年畢業於北京大學，取得歷史學碩士學位。

周亞民先生

周先生，現年52歲，現任本公司財務總監兼董事會秘書兼聯席公司秘書。彼擁有超過30年管理經驗。周先生曾於1983年10月至2001年6月期間在中國機械工業安裝總公司先後擔任財務處會計、會計師、財務處副處長和財務部經理，其後於2001年6月至2002年2月於中國機械工業建設總公司擔任副總會計師兼資產財務部經理。周先生於2002年2月至2004年12月獲委任為中國機械工業建設總公司的總會計師。周先生在2004年12月至2011年7月間擔任中國機械工業建設總公司副總經理兼財務總監。2011年7月，周先生加入本公司擔任本公司財務總監，並自2014年6月26日起兼任董事會秘書及聯席公司秘書。於2004年7月，周先生從北京工商大學和中央廣播電視大學會計學專業畢業，取得管理學學士學位。周先生為高級會計師、中國註冊會計師協會會員（非執業）、國際註冊執業會計師和國際高級財務管理師。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

Mr. WANG Tianyi (王天翼)

Mr. WANG, aged 55, is currently vice president of our Company (appointed in January 2014) and secretary of the discipline inspection committee (appointed in December 2013). He is responsible for the general management of the Company. Mr. WANG has over 30 years of experience in corporate and financial management. Mr. WANG joined our Company in January 2014. Before joining our Company, during the period from October 1980 to August 1988, Mr. WANG served at the business division of the finance department under the Ministry of First Machinery Industry and the auditing division directly under the auditing bureau of the National Machinery Industry Committee. From August 1988 to April 1993, Mr. WANG served as the deputy director of the office of the auditing bureau of National Audit Office in the Ministry of Mechanical and Electronic Industry and the chief of the general division of such auditing bureau. From April 1993 to May 1998, Mr. WANG served as the chief of the auditing division directly under the auditing bureau of National Audit Office in MMI. Thereafter, Mr. WANG served as the deputy general manager of the auditing department, the deputy general manager of the financial department and the chief of the first financial division, the general manager of the financial department and the director of asset financial department in China National Machinery and Equipment (Group) Company (中國機械裝備(集團)公司) during the period from May 1998 to October 2003. During the period from October 2003 to December 2010, Mr. WANG served as deputy general manager, financial controller and secretary of the discipline inspection committee of China National Electric Equipment Corporation. During the period from December 2010 to January 2014, Mr. WANG served as deputy general manager, financial controller and secretary of the discipline inspection committee of China National Electric Engineering Co., Ltd. Mr. WANG graduated from the Correspondence Teaching College of Renmin University of China (中國人民大學函授學院) majoring in industrial accounting in 1987. Mr. WANG is a senior accountant.

王天翼先生

王先生，現年55歲，現任本公司副總裁（於2014年1月獲委任），並擔任紀委書記（於2013年12月獲委任）。彼負責本公司的綜合管理。王先生於企業和財務管理方面擁有超過30年經驗。王先生於2014年1月加入本公司。在加入本公司前，王先生於1980年10月至1988年8月期間，先後任職於第一機械工業部財務司事業處、國家機械工業委員會審計局直屬單位審計處。王先生於1988年8月至1993年4月歷任審計署駐機械電子工業部審計局辦公室副主任、綜合處處長。於1993年4月至1998年5月，王先生擔任審計署駐機械工業部審計局直屬單位審計處處長。其後，王先生於1998年5月至2003年10月任職於中國機械裝備(集團)公司，歷任審計部副總經理、財務部副總經理兼財務一處處長、財務部總經理、資產財務部部長。於2003年10月至2010年12月期間，王先生先後擔任中國電工設備總公司的副總經理、財務總監、紀委書記。於2010年12月至2014年1月期間，王先生擔任中國電力工程有限公司的副總經理、財務總監、紀委書記。王先生於1987年從中國人民大學函授學院畢業，主修工業會計。王先生為高級會計師。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

Ms. WANG Hong (王紅)

Ms. WANG, aged 53, is currently a vice president of our Company (appointed in January 2014). She is responsible for International Engineering Contracting Business. Ms. WANG has over 30 years of experience in power engineering contracting field. Ms. WANG joined our Company in June 2006. Before joining our Company, during the period from January 1984 to January 1987, Ms. WANG served as project manager of printing machinery research institute of Ministry of Machinery. From January 1987 to January 1991, Ms. WANG served as project manager of China Automatic Control System Corporation (中國自動化控制系統總公司). From January 1991 to January 2006, Ms. WANG served as project manager, an assistant general manager and deputy general manager of the second engineering department, general manager of the fourth engineering department and deputy general manager of China Machinery-Building International Corporation. From June 2006 to May 2010, Ms. WANG served as deputy general manager and general manager of the third business department of the Company, as well as general manager of the third engineering business department of the Company, and was promoted to an assistant general manager of our Company in October 2011. Ms. WANG has also served as general manager of CMEC International Engineering since January 2012. Ms. WANG graduated from the Jilin University of Technology (吉林工業大學) majoring in computer application in 1984. Ms. WANG is an engineering and technical expert entitled to the special allowance of the State Council.

王紅女士

王女士，現年53歲，現任本公司副總裁（於2014年1月獲委任）。彼負責國際工程承包業務。王女士於電力工程承包領域擁有超過30年經驗。王女士於2006年6月加入本公司。在加入本公司前，王女士於1984年1月至1987年1月間，擔任機械部印刷機械研究所項目經理。自1987年1月至1991年1月間，擔任中國自動化控制系統總公司的項目經理。王女士於1991年1月至2006年1月任職於中國機械對外經濟技術合作總公司，歷任項目經理、第二工程部總經理助理、第二工程部副總經理、第四工程部總經理及該公司的副總經理。王女士於2006年6月至2010年5月先後擔任本公司第三事業部副總經理、總經理及第三工程成套事業部總經理，並於2011年10月晉升為本公司總經理助理。王女士自2012年1月起兼任中設國際工程的總經理。王女士於1984年從吉林工業大學畢業，主修計算機應用專業。王女士為享受國務院特殊津貼的工程技術專家。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

Ms. Ai Wei (艾威)

Ms. Ai, aged 46, is currently a vice president of our Company (appointed in November 2014) and is in charge of the import and export trading businesses of our Company. Ms. Ai has over 20 years of experience in the management of trading businesses. Ms. Ai joined our Company in July 1991. During the period from January 1992 to January 1998, Ms. Ai served at CMEC Machine Tool Co., Ltd. (中設機床工具有限責任公司). From January 1998 to August 2005, Ms. Ai served as manager of the third division of CMEC International Trading Co., Ltd., and she was promoted and worked as deputy general manager from September 2005 to May 2007. Thereafter, Ms. Ai was appointed as general manager of CMEC General Machinery Import & Export Co., Ltd. in May 2007 and served at that position until October 2013. Ms. Ai was promoted and worked as an assistant general manager of our Company in May 2010 and was appointed as deputy general manager of China Perfect Machinery Industry Corp., Ltd. (中國浦發機械工業股份有限公司) from October 2013 to November 2014. Ms. Ai served as the director of China National Guo Lian Development New Energy (Wuxi) Co., Ltd. since October 2014. Ms. Ai graduated from Peking University majoring in economics and management in 1991. Ms. Ai is a senior international business specialist.

艾威女士

艾女士，現年46歲，現任本公司副總裁（於2014年11月獲委任），主管本公司的進出口貿易業務。艾女士擁有超過20年的貿易業務管理經驗。艾女士於1991年7月加入本公司，於1992年1月至1998年1月間任職於中設機床工具有限責任公司。於1998年1月至2005年8月間，艾女士擔任中設國際貿易有限責任公司三分部經理，並於2005年9月晉升為副總經理直至2007年5月，其後於2007年5月被任命為中設通用機械進出口有限責任公司的總經理，並擔任這一職務直至2013年10月。彼於2010年5月晉升為本公司總經理助理並於2013年10月起獲委任為中國浦發機械工業股份有限公司的副總經理直至2014年11月。艾女士自2014年10月起擔任中設國聯無錫新能源發展有限公司的董事。艾女士於1991年在北京大學畢業，主修經濟管理。艾女士為高級國際商務師。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

Mr. Zhang Wei (張煒)

Mr. Zhang, aged 53, is currently a vice president of our Company (appointed in September 2015). He is responsible for our Company's design and consultancy services. Mr. Zhang has over 30 years of experience in engineering survey, technology and administrative management. From July 1983 to January 1989, he acted as lecturer of Hefei University of Technology (合肥工業大學) and studied for a master's degree during this period as well. Prior to his joining our Company, he held a number of positions within laboratory of investigation & research institute of Ministry of Machinery including director and chief engineer, vice section chief of Geotechnical Engineering Section and president assistant from January 1989 to March 1996. From April 1996 to December 2014, he successively held the posts of chief engineer, vice president, president and CPC Committee of China Jikan Research Institute of Engineering Investigations and Design, Co., Ltd., and was promoted to chairman since December 2014. Mr. Zhang was graduated from Hefei University of Technology (合肥工業大學) in 1983, majoring in hydrogeology and engineering geology. Currently, Mr. Zhang is professor of engineering.

張煒先生

張先生，現年53歲，現任本公司副總裁（於2015年9月獲委任）。彼負責本公司的設計諮詢業務。張先生擁有超過30年的工程勘察、技術及行政管理經驗。於1983年7月至1989年1月間，張先生曾任合肥工業大學講師，並在此期間攻讀碩士學位。在加入本公司前，張先生曾於1989年1月至1996年3月期間先後擔任機械部勘察研究院工試驗室主任、主任工程師、岩土工程處副處長及院長助理。於1996年4月至2014年12月期間歷任機械工業勘察設計研究院有限公司總工程師、副院長、院長、黨委書記，並於2014年12月晉升為董事長至今。張先生於1983年在合肥工業大學畢業，主修水文地質與工程地質。張先生為教授級高級工程師。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

VI. EMPLOYEES

As at December 31, 2015, the Group had 3,485 employees in total. The following table sets forth the number of employees according to different job functions:

| | | Number of employees 僱員數目 |
|--|-----------------|-----------------------------|
| Business Staff | 業務人員 | 3,146 |
| International Engineering Contracting Business | 國際工程承包業務 | 2,472 |
| Trading Business | 貿易業務 | 504 |
| Other Businesses | 其他業務 | 170 |
| Management, finance and administration | 管理、財務和行政 | 304 |
| Others | 其他 | 35 |
| Total | 總計 | 3,485 |

The following tables set forth the Group's staff structure by geographical location, academic qualification, designation and age, respectively:

Analysis of the Group's staff by geographical location

| No. | Geographical location | | Number of staff | Percentage |
|--------------|-----------------------------------|---------------|--------------------|-------------|
| 編號 | 地理位置 | | 員工數目 | 百分比 |
| 1 | China | 中國 | 2,700 | 77.5% |
| 2 | Asia (excluding China and Turkey) | 亞洲(不包括中國及土耳其) | 500 | 14.3% |
| 3 | Africa | 非洲 | 171 | 4.9% |
| 4 | Europe (including Turkey) | 歐洲(包括土耳其) | 51 | 1.4% |
| 5 | North America | 北美洲 | 2 | 0.1% |
| 6 | South America | 南美洲 | 61 | 1.8% |
| 7 | Oceania | 大洋洲 | 0 | 0.0% |
| Total | | 合計 | 3,485 | 100% |

VI. 僱員

於2015年12月31日，本集團共有3,485名僱員。下表載列按不同職能劃分的僱員數目：

下表分別載列按地理位置、學歷、職稱及年齡劃分的本集團員工架構：

按地理位置劃分的本集團員工分析

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

Analysis of the Group's staff by academic qualification

按學歷劃分的本集團員工分析

| No. | Academic qualification | | Number of staff | Percentage |
|--------------|--------------------------|-----------|--------------------|-------------|
| 編號 | 學歷 | | 員工數目 | 百分比 |
| 1 | Postgraduate or above | 研究生或以上 | 942 | 27.0% |
| 2 | Undergraduate | 學士學位 | 1,983 | 56.9% |
| 3 | College diploma or below | 專科文憑或以下 | 560 | 16.1% |
| Total | | 合計 | 3,485 | 100% |

Analysis of the Group's staff by designation

按職稱劃分的本集團員工分析

| No. | Designation | | Number of staff | Percentage |
|--------------|------------------------|-----------|--------------------|-------------|
| 編號 | 職稱 | | 員工數目 | 百分比 |
| 1 | Senior Grade | 高級 | 703 | 20.2% |
| 2 | Intermediate Grade | 中級 | 1,004 | 28.8% |
| 3 | Junior Grade and below | 初級及以下 | 1,778 | 51.0% |
| Total | | 合計 | 3,485 | 100% |

Analysis of the Group's staff by age

按年齡劃分的本集團員工分析

| No. | Age | | Number of staff | Percentage |
|--------------|------------------------|-----------|--------------------|-------------|
| 編號 | 年齡 | | 員工數目 | 百分比 |
| 1 | 56 years old and above | 56歲及以上 | 160 | 4.6% |
| 2 | 46-55 years old | 46至55歲 | 593 | 17.0% |
| 3 | 36-45 years old | 36至45歲 | 638 | 18.3% |
| 4 | 35 years old and below | 35歲及以下 | 2,094 | 60.1% |
| Total | | 合計 | 3,485 | 100% |

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

1. Staff Incentives

In 2015, the Company improved performance management system and formulated overall reform plan for optimization of business department's positions, performance and salary. The Company will further perfect the above plan upon the determination. The Company also (a) improved three-level training system of the Company; (b) completed the standardization of the overseas on-site practice of university students; and (c) further standardized revenue management of each business division.

In terms of staff cultivating, the Company formulates the construction plans for talent teams and strives to create the Company's six talent teams, including "senior management personnel, project management personnel, engineering and technical personnel, professional management personnel, marketing personnel, investment and capital operation personnel", which reinforces the base of key talent reserve.

The Company will establish diversified career development channels in the future, especially continue to focus on building development channels for core business staff, further improve the retirement schemes, and therefore ensure both the development channels and retirement schemes are in place, in order for employees to share development opportunities and reform results. The Company will further establish and perfect a more rational, open and scientific employment system by constantly consolidating the fruits of talents introduction and enhancing the exchanges between the cadre and the talents.

1. 僱員獎勵

2015年，公司完善了績效管理體系，形成事業部崗位、績效與薪酬優化項目整體改革方案，待國家相關政策明確後，公司將進一步修改完善上述方案。公司亦(a)完善了公司內部三級培訓體系；(b)完成大學生海外現場實習規範；及(c)進一步規範了各事業部的收入管理。

在人才培養方面，公司制定人才隊伍建設規劃，著力打造公司「高級管理人才、項目管理人才、工程技術人才、專業管理人才、市場營銷人才、投資和資本運作人才」六支人才隊伍，夯實關鍵人才儲備根基。

在未來，公司要建立多元化職業發展通道，尤其會繼續著力打通核心業務人員的晉升通道，進一步完善人員退出機制，形成晉升有通道，退出有機制的局面，讓員工共享發展機遇及改革成果。公司還將進一步制定及完善更合理、公開和科學的僱傭制度，不斷鞏固人才引進成果，加強幹部人才交流。

Directors, Supervisors, Senior Management and Employees

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2. Staff Remuneration

For the year ended December 31, 2015, the Group incurred staff costs of approximately RMB1,580.8 million. Staff's remuneration comprises basic salary and performance salary. The performance salary is determined according to the assessment of performance of the whole staff. In 2015, Remuneration Policy Committee, Remuneration Supervision Committee and Remuneration Performance Appraisal Committee of the Board focus on promoting the reform of remuneration system and re-establishing the structure of remuneration system.

3. Staff Training

In respect of staff training, in 2015, the Company built a two level training system with the headquarters, each department office and subsidiary as main body, innovated in training methods and devoted greater efforts to training in-service cadres at all levels and new recruits.

We provide systematic and effective training for our employees. We provide sustainable and specific education training for our senior management, middle management as well as technical and operational staff with a view to improving the quality and ability of our staff at different levels.

To regulate the management of staff training, the Company has formulated comprehensive measures for administering employees' education and training, which effectively promote the establishment of the Company's education training system. The Company focuses on the training needs of the senior management, middle management, technical and operational staff as well as the development needs of the Company when formulating and implementing education training programmes. The Company aims to implement a diversified training system for the staff so as to encourage the staff to participate in training.

2. 僱員薪酬

截至2015年12月31日止年度，本集團產生的員工成本約人民幣1,580.8百萬元。僱員薪酬由基本工資和績效工資兩部分組成。績效工資依據本集團全員業績考核結果確定。於2015年，本公司董事會薪酬政策委員會、薪酬監督委員會及薪酬績效考核委員會著重推進薪酬制度改革及重新搭建公司薪酬體系架構。

3. 僱員培訓

在人才培訓方面，2015年，公司構建以公司本部和各部室、子公司為主體的兩級培訓體系，創新培訓方式，並加大對各級在職幹部員工和新入職員工的培訓力度。

我們為僱員提供系統性及實效性培訓，分別對高級管理人員、中層管理人員以及各專業技術及業務人員進行高持續性及強針對性的教育培訓，以不斷提高各級僱員的素質及能力。

為對僱員培訓實行規範化管理，本公司已制定完善的員工教育和培訓管理辦法，卓有成效地推進公司教育培訓體系建設。在教育培訓計劃的制定和實施過程中，尤其關注高層管理人員、中層管理人員、各專業技術及業務人員的培訓需求，並根據本公司不斷發展的需要，實現配套的員工多樣化培訓體系，以鼓勵更多僱員參與培訓。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

The Company will further strengthen to train young cadre in the future and establish different levels of cadre, which lays the foundation for the sustainable development of the Company. The Company will also improve three-level talents training system among overseas, domestic institutions and the Company to ensure the comprehensive coverage of senior management, middle management and every ordinary staff of the Company in the training system.

4. Guarantee of Staff Rights

The Group strictly complies with the relevant PRC laws and regulations and makes contributions to various pension contribution plans, medical insurance plans, unemployment insurance plans, maternity insurance plans and personal injury insurance plans.

在未來，公司將進一步加強培育年輕幹部，形成人才梯隊，為公司可持續發展奠定基礎。公司還將進一步完善公司海外、國內院校及公司內部的三級人才培訓體系，確保培訓體制能夠全面覆蓋到公司高級管理人員、中層管理人員及每一位普通員工。

4. 員工權利保障

本集團嚴格遵守相關中國法律法規，對各種養老保險計劃、醫療保險計劃、失業保險計劃、生育保險計劃及人身傷害保險計劃作出供款。



Ernst & Young
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To the shareholders of China Machinery Engineering Corporation (Established in the People's Republic of China with limited liability)

We have audited the consolidated financial statements of China Machinery Engineering Corporation (the "Company") and its subsidiaries set out on pages 207 to 353, which comprise the consolidated statement of financial position as at December 31, 2015, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board (the "IASB") and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

致中國機械設備工程股份有限公司股東 (於中華人民共和國成立的有限公司)

本核數師(以下簡稱「我們」)已審核第207頁至第353頁所載中國機械設備工程股份有限公司(「貴公司」)及其附屬公司的合併財務報表,包括於2015年12月31日的合併財務狀況表、截至該日止年度的合併損益表、合併綜合收益表、合併權益變動表和合併現金流量表,以及主要會計政策概要及其他附註解釋資料。

董事就合併財務報表須承擔的責任

貴公司董事須負責根據國際會計準則理事會(「國際會計準則理事會」)頒佈的國際財務報告準則(「國際財務報告準則」)及香港公司條例的披露規定編製合併財務報表,以令合併財務報表作出真實而公平的反映,及落實其認為編製合併財務報表所必要的內部控制,以使合併財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

我們的責任是根據我們的審核對該等合併財務報表發表意見。本報告僅向整體股東報告,除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。

Independent Auditors' Report

獨立核數師報告

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at December 31, 2015, and of their financial performance and cash flows for the year then ended in accordance with IFRSs and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young

Certified Public Accountants
Hong Kong

March 29, 2016

我們已根據香港會計師公會頒佈的香港核數準則進行審核。該等準則要求我們遵守道德規範，並規劃及執行審核，以合理確定合併財務報表是否不存在任何重大錯誤陳述。

審核涉及執行情序以獲取有關合併財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製合併財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審核程序，但目的並非對該公司內部控制的有效性發表意見。審核亦包括評估董事所採用會計政策的合適性及作出會計估計的合理性，以及評價合併財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證能充足和適當地為我們的審核意見提供基礎。

意見

我們認為，該等合併財務報表已根據國際財務報告準則真實而公平地反映貴公司及其附屬公司於2015年12月31日的財務狀況以及彼等截至該日止年度的財務業績及現金流量，並已按照香港公司條例的披露規定妥為編製。

安永會計師事務所

執業會計師
香港

2016年3月29日

Consolidated Statement of Profit or Loss

合併損益表

Year ended December 31, 2015 • 截至2015年12月31日止年度

| | | Notes 附註 | 2015 2015年 RMB'000 人民幣千元 | 2014 2014年 RMB'000 人民幣千元 (Restated) (重述) |
|---|--|-------------|-----------------------------------|---|
| REVENUE | 收入 | 5 | 20,757,364 | 23,746,597 |
| Cost of sales | 銷售成本 | | (17,366,556) | (19,932,299) |
| Gross profit | 毛利 | | 3,390,808 | 3,814,298 |
| Other revenue | 其他收入 | 5 | 14,941 | 15,445 |
| Other income/(expenses), net | 其他收入／（開支）淨額 | 5 | (21,560) | (92,840) |
| Selling and distribution expenses | 銷售及分銷開支 | | (1,128,640) | (1,115,853) |
| Administrative expenses | 行政開支 | | (615,487) | (573,927) |
| Other operating income/(expenses) | 其他經營收入／（開支） | | (63,214) | 47,916 |
| PROFIT FROM OPERATIONS | 經營溢利 | | 1,576,848 | 2,095,039 |
| Finance income | 財務收入 | 6 | 1,244,444 | 720,360 |
| Finance expenses | 財務開支 | 6 | (43,498) | (50,610) |
| Net finance income | 財務收入淨額 | 6 | 1,200,946 | 669,750 |
| Share of profits and losses of: Joint ventures | 應佔以下溢利及虧損： 合營公司 | | (1,031) | 67 |
| PROFIT BEFORE TAX | 除稅前溢利 | 6 | 2,776,763 | 2,764,856 |
| Income tax | 所得稅 | 10 | (722,591) | (645,105) |
| PROFIT FOR THE YEAR | 年內溢利 | | 2,054,172 | 2,119,751 |
| Attributable to: | 歸屬於： | | | |
| Owners of the parent | 母公司擁有人 | 11 | 2,051,775 | 2,119,470 |
| Non-controlling interests | 非控股權益 | | 2,397 | 281 |
| | | | 2,054,172 | 2,119,751 |
| EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT Basic and diluted (RMB) | 每股盈利 母公司普通權益持有人 應佔每股盈利 基本及攤薄（人民幣） | 13 | 50 cents(分) | 51 cents(分) |

Consolidated Statement of Comprehensive Income

合併綜合收益表

Year ended December 31, 2015 • 截至2015年12月31日止年度

| | | 2015 | 2014 |
|--|-----------------------|------------------|------------|
| | | 2015年 | 2014年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | | (Restated) |
| | | | (重述) |
| PROFIT FOR THE YEAR | 年內溢利 | 2,054,172 | 2,119,751 |
| OTHER COMPREHENSIVE INCOME | 其他綜合收益 | | |
| Other comprehensive income not to be reclassified into profit or loss in subsequent periods: | 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 | 重新計量設定受益義務 | (23,660) | (14,060) |
| 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 | 可供出售投資公允價值變動 | 1,058 | (105) |
| Exchange differences on translation of financial statements of overseas subsidiaries | 換算海外附屬公司的財務報表產生的匯兌差額 | 1,539 | (4,725) |
| Total comprehensive income for the year | 年內綜合收益總額 | 2,033,109 | 2,100,861 |
| Attributable to: | 歸屬於： | | |
| Owners of the parent | 母公司擁有人 | 2,030,658 | 2,099,652 |
| Non-controlling interests | 非控股權益 | 2,451 | 1,209 |
| Total comprehensive income for the year | 年內綜合收益總額 | 2,033,109 | 2,100,861 |

Consolidated Statement of Financial Position

合併財務狀況表

December 31, 2015 • 2015年12月31日

| | | | December 31, 2015 | December 31, 2014 |
|---|---------------------|-------------|------------------------------|-----------------------------|
| | | | 2015年 12月31日 | 2014年 12月31日 |
| | | Notes 附註 | RMB'000 | RMB'000 |
| | | | 人民幣千元 | 人民幣千元 (Restated) (重述) |
| NON-CURRENT ASSETS | | | | |
| 非流動資產 | | | | |
| Property, plant and equipment | 物業、廠房及設備 | 14 | 1,088,531 | 743,023 |
| Investment properties | 投資物業 | 15 | 22,035 | 10,337 |
| Prepaid land lease payments | 預付土地租賃款項 | 16 | 1,792,357 | 1,752,770 |
| Intangible assets | 無形資產 | 17 | 9,496 | 8,900 |
| Investments in joint ventures | 對合營公司的投資 | 18 | 210,014 | 50,067 |
| Investment in an associate | 對聯營公司的投資 | 19 | 52,303 | - |
| Trade and other receivables | 貿易及其他應收款項 | 22 | 70,323 | 110,749 |
| Amounts due from contract customers | 應收合同客戶款項 | 21 | 2,660,045 | 2,698,467 |
| Deferred tax assets | 遞延稅項資產 | 26 | 356,295 | 247,753 |
| Other non-current assets | 其他非流動資產 | 28 | 555,807 | 246,778 |
| Total non-current assets | 非流動資產總額 | | 6,817,206 | 5,868,844 |
| CURRENT ASSETS | | | | |
| 流動資產 | | | | |
| Inventories | 存貨 | 20 | 254,089 | 259,979 |
| Trade and other receivables | 貿易及其他應收款項 | 22 | 7,519,673 | 6,432,748 |
| Amounts due from contract customers | 應收合同客戶款項 | 21 | 2,947,620 | 3,065,070 |
| Restricted deposits | 受限制存款 | 23 | 314,135 | 306,711 |
| Time deposits with original maturity over three months | 原始到期日超過三個月的 定期存款 | 23 | 4,035,091 | 4,170,349 |
| Cash and cash equivalents | 現金及現金等價物 | 23 | 20,344,614 | 17,986,146 |
| Total current assets | 流動資產總額 | | 35,415,222 | 32,221,003 |
| CURRENT LIABILITIES | | | | |
| 流動負債 | | | | |
| Borrowings | 借貸 | 25 | 428,275 | 205,742 |
| Receipts in advance | 預收款項 | | 9,471,102 | 9,825,603 |
| Trade and other payables | 貿易及其他應付款項 | 24 | 16,754,747 | 13,824,094 |
| Defined benefit obligations | 設定受益義務 | 27 | 31,404 | 31,770 |
| Tax payable | 應繳稅項 | | 512,375 | 311,055 |
| Total current liabilities | 流動負債總額 | | 27,197,903 | 24,198,264 |
| NET CURRENT ASSETS | 流動資產淨額 | | 8,217,319 | 8,022,739 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 資產總額減流動負債 | | 15,034,525 | 13,891,583 |

Continued/...

Consolidated Statement of Financial Position

合併財務狀況表

December 31, 2015 • 2015年12月31日

| | | | December 31, 2015 2015年 12月31日 RMB'000 人民幣千元 | December 31, 2014 2014年 12月31日 RMB'000 人民幣千元 (Restated) (重述) |
|--|---------------------|----|---|---|
| TOTAL ASSETS LESS CURRENT LIABILITIES | 資產總額減流動負債 | | 15,034,525 | 13,891,583 |
| NON-CURRENT LIABILITIES | 非流動負債 | | | |
| Borrowings | 借貸 | 25 | 397,078 | 359,789 |
| Trade and other payables | 貿易及其他應付款項 | 24 | 73,959 | 14,406 |
| Defined benefit obligations | 設定受益義務 | 27 | 360,642 | 353,090 |
| Deferred tax liabilities | 遞延稅項負債 | | 1,430 | 1,767 |
| Total non-current liabilities | 非流動負債總額 | | 833,109 | 729,052 |
| Net assets | 淨資產 | | 14,201,416 | 13,162,531 |
| EQUITY | 權益 | | | |
| Issued capital | 已發行股本 | 29 | 4,125,700 | 4,125,700 |
| Reserves | 儲備 | 30 | 10,041,133 | 9,010,669 |
| Total equity attributable to owners of the parent | 母公司擁有人應佔權益總額 | | 14,166,833 | 13,136,369 |
| Non-controlling interests | 非控股權益 | | 34,583 | 26,162 |
| Total equity | 權益總額 | | 14,201,416 | 13,162,531 |

Director Sun Bai
董事 孫柏

Director Zhang Chun
董事 張淳

Consolidated Statement of Changes in Equity

合併權益變動表

Year ended December 31, 2015 • 截至2015年12月31日止年度

| | | Attributable to owners of the parent | | | | | Non-controlling interests | Total equity | |
|---|--------------------|--------------------------------------|------------------|---------------------------|------------------------------|------------------|---------------------------|---------------|-------------------|
| | | 母公司擁有人應佔 | | | | | | | |
| | | Issued capital | Capital reserve | Statutory surplus reserve | Exchange fluctuation reserve | Retained profits | Sub-total | 非控股權益 | 權益總額 |
| | | 已發行股本 | 資本儲備 | 法定盈餘公積金 | 匯兌波動儲備 | 保留溢利 | 小計 | | |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| | | (note 29) | (note 30) | | | | | | |
| | | (附註29) | (附註30) | | | | | | |
| At January 1, 2015 (Restated) | 於2015年1月1日(重述) | 4,125,700 | 3,421,998 | 701,362 | 5,620 | 4,881,689 | 13,136,369 | 26,162 | 13,162,531 |
| Profit for the year | 年內溢利 | - | - | - | - | 2,051,775 | 2,051,775 | 2,397 | 2,054,172 |
| Other comprehensive income for the year | 年內其他綜合收益 | | | | | | | | |
| Exchange differences on translation of foreign operations | 外幣報表折算差額 | - | - | - | 1,485 | - | 1,485 | 54 | 1,539 |
| Re-measurement losses on defined benefit plans, net of tax | 設定受益計劃評估虧損，扣稅後 | - | - | - | - | (23,660) | (23,660) | - | (23,660) |
| Changes in fair value of available-for-sale investments | 可供出售投資公允價值變動 | - | - | - | - | 1,058 | 1,058 | - | 1,058 |
| Total comprehensive income for the year | 年內綜合收益總額 | - | - | - | 1,485 | 2,029,173 | 2,030,658 | 2,451 | 2,033,109 |
| Business combination under common control | 同一控制下的業務合併 | - | (171,353) | - | - | - | (171,353) | - | (171,353) |
| Acquisition of non-controlling interests | 收購非控股權益 | - | 1,030 | - | - | - | 1,030 | (10,123) | (9,093) |
| Capital contribution into a subsidiary from a non-controlling shareholder | 一名非控股股東向附屬公司的資本投入 | - | - | - | - | - | - | 16,450 | 16,450 |
| Dividends paid to shareholders of the Company | 付予本公司股東的股息 | - | - | - | - | (838,755) | (838,755) | - | (838,755) |
| Dividends paid to then shareholder of a common control acquisition entity | 付予當時同一控制下收購實體股東的股息 | - | - | - | - | (7,185) | (7,185) | - | (7,185) |
| Profit appropriation to reserves | 轉撥至儲備的溢利 | - | - | 190,884 | - | (190,884) | - | - | - |
| Adjustment of deferred tax arising from valuation surplus | 由於預估盈餘調整遞延稅項 | - | 16,069 | - | - | - | 16,069 | - | 16,069 |
| Dividends paid to non-controlling shareholders of subsidiaries | 付予附屬公司非控股股東的股息 | - | - | - | - | - | - | (357) | (357) |
| At December 31, 2015 | 於2015年12月31日 | 4,125,700 | 3,267,744 | 892,246 | 7,105 | 5,874,038 | 14,166,833 | 34,583 | 14,201,416 |

Continued/...
續/...

Consolidated Statement of Changes in Equity

合併權益變動表

Year ended December 31, 2015 • 截至2015年12月31日止年度

| | | Attributable to owners of the parent 母公司擁有人應佔 | | | | | Non-controlling interests 非控股權益 | Total equity 權益總額 | |
|---|----------------------------|--|---|--------------------------------------|--|--------------------------|------------------------------------|----------------------|-----------------|
| | | Issued capital 已發行股本 | Capital reserve 資本儲備 | Statutory surplus reserve 法定盈餘公積金 | Exchange fluctuation reserve 匯兌波動儲備 | Retained profits 保留溢利 | | | Sub-total 小計 |
| | | RMB'000 人民幣千元 (note 29) (附註29) | RMB'000 人民幣千元 (note 30) (附註30) | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | |
| At January 1, 2014 | 於2014年1月1日 | 4,125,700 | 3,307,149 | 510,168 | 11,273 | 3,785,335 | 11,739,625 | 16,436 | 11,756,061 |
| Business combination under common control | 同一控制下的業務合併 | - | 17,900 | - | - | 1,396 | 19,296 | 7,317 | 26,613 |
| At January 1, 2014 (Restated) | 於2014年1月1日 (重述) | 4,125,700 | 3,325,049 | 510,168 | 11,273 | 3,786,731 | 11,758,921 | 23,753 | 11,782,674 |
| Profit for the year | 年內溢利 | - | - | - | - | 2,119,470 | 2,119,470 | 281 | 2,119,751 |
| Other comprehensive income for the year | 年內其他綜合收益 | | | | | | | | |
| Exchange differences on translation of foreign operations | 外幣報表折算差額 | - | - | - | (5,653) | - | (5,653) | 928 | (4,725) |
| Re-measurement losses on defined benefit plans, net of tax | 設定受益計劃評估虧損， 扣稅後 | - | - | - | - | (14,060) | (14,060) | - | (14,060) |
| Changes in fair value of an available-for-sale investment | 可供出售投資 公允價值變動 | - | - | - | - | (105) | (105) | - | (105) |
| Total comprehensive income for the year | 年內綜合收益總額 | - | - | - | (5,653) | 2,105,305 | 2,099,652 | 1,209 | 2,100,861 |
| Capital contribution into a common control acquisition entity from its then shareholder | 當時股東向同一控制下 收購實體的資本投入 | - | 57,634 | - | - | - | 57,634 | - | 57,634 |
| Valuation surplus arising from corporate restructuring of a subsidiary | 附屬公司重組產生的 估值盈餘 | - | 9,089 | - | - | - | 9,089 | - | 9,089 |
| Capital contribution into a subsidiary from a non-controlling shareholder | 一名非控股股東向 附屬公司的資本投入 | - | - | - | - | - | - | 1,750 | 1,750 |
| Dividends paid to shareholders of the Company | 付予本公司股東的股息 | - | - | - | - | (783,883) | (783,883) | - | (783,883) |
| Dividends paid to then shareholder of a common control acquisition entity | 付予當時同一控制下收購 實體股東的股息 | - | - | - | - | (5,044) | (5,044) | - | (5,044) |
| Profit appropriation to reserves | 轉撥至儲備的溢利 | - | - | 191,194 | - | (191,194) | - | - | - |
| Transfer from retained profits | 自保留溢利轉撥 | - | 30,226 | - | - | (30,226) | - | - | - |
| Dividends paid to non-controlling shareholders of subsidiaries | 付予附屬公司非控股 股東的股息 | - | - | - | - | - | - | (550) | (550) |
| At December 31, 2014 | 於2014年12月31日 | 4,125,700 | 3,421,998 | 701,362 | 5,620 | 4,881,689 | 13,136,369 | 26,162 | 13,162,531 |

Consolidated Statement of Cash Flows

合併現金流量表

Year ended December 31, 2015 • 截至2015年12月31日止年度

| | | 2015 | 2014 |
|---|-----------------------|------------------|-----------------------------|
| | | 2015年 | 2014年 |
| | Notes | RMB'000 | RMB'000 |
| | 附註 | 人民幣千元 | 人民幣千元 (Restated) (重述) |
| CASH FLOWS FROM OPERATING ACTIVITIES | 來自經營活動的現金流量 | | |
| Profit before tax: | 除稅前溢利： | 2,776,763 | 2,764,856 |
| Adjustments for: | 調整項目： | | |
| Finance costs | 財務成本 | 21,360 | 7,105 |
| Foreign exchange differences, net | 匯兌差額淨額 | (505,522) | 17,382 |
| Share of profits and losses of joint ventures | 應佔合營公司溢利及虧損 | 1,031 | (67) |
| Interest income | 利息收入 | (463,759) | (520,024) |
| Net losses/(gains) on disposal of items of property, plant and equipment | 處置物業、廠房及設備項目的淨損失／(收益) | (6,198) | 5,418 |
| Dividend income from unquoted equity securities | 非上市股本證券股息收入 | (9,396) | (10,031) |
| Net losses on foreign currency forward exchange contracts and interest rate swaps | 遠期外匯合同及利率掉期損失淨額 | 48,335 | 152,118 |
| Depreciation | 折舊 | 48,780 | 44,707 |
| Amortisation | 攤銷 | 53,346 | 45,544 |
| Impairment losses/(reversal of impairment) | 減值虧損／(減值撥回) | 61,722 | (48,469) |
| | | 2,026,462 | 2,458,539 |
| (Increase)/decrease in inventories | 存貨(增加)／減少 | 5,890 | (47,244) |
| (Increase)/decrease in amounts due from contract customers | 應收合同客戶款項(增加)／減少 | 401,132 | (95,999) |
| (Increase) in trade and other receivables | 貿易及其他應收款項(增加) | (938,375) | (1,342,375) |
| Increase in receipts in advance | 預收款項增加 | 1,776,307 | 2,166,600 |
| Increase in trade and other payables | 貿易及其他應付款項增加 | 775,243 | 1,703,725 |
| Increase in defined benefit obligations | 設定受益義務增加 | 7,186 | 3,570 |
| Cash generated from operations | 經營活動現金流入 | 4,053,845 | 4,846,816 |
| Income tax paid | 已付所得稅 | (614,080) | (697,554) |
| Net cash flows from operating activities | 經營活動產生的現金流量淨額 | 3,439,765 | 4,149,262 |

Continued/...
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Consolidated Statement of Cash Flows

合併現金流量表

Year ended December 31, 2015 • 截至2015年12月31日止年度

| | | 2015 2015年 RMB'000 人民幣千元 | 2014 2014年 RMB'000 人民幣千元 (Restated) (重述) |
|---|-----------------------------|-----------------------------------|---|
| CASH FLOWS FROM INVESTING ACTIVITIES | 來自投資活動的現金流量 | | |
| Interest received | 已收利息 | 463,759 | 520,024 |
| Dividends received | 已收股息 | 9,396 | 10,031 |
| Purchases of items of property, plant and equipment | 購買物業、廠房及設備項目 | (411,278) | (295,568) |
| Purchases of available-for-sale investments | 購買可供出售投資 | (307,812) | (188) |
| Proceeds from disposal of items of property, plant and equipment | 處置物業、廠房及設備項目的所得款項 | 11,490 | 8,211 |
| Proceeds from disposal of other intangible assets | 處置其他無形資產的所得款項 | 679 | - |
| Proceeds from disposal of an unquoted equity security | 處置非上市股本證券的所得款項 | - | 105,400 |
| Proceeds from settlement of forward exchange contracts and interest rate swaps | 結算遠期外匯合同及利率掉期的所得款項 | 2,829 | 13,682 |
| Proceeds from disposal of available-for-sale investments | 處置可供出售投資的所得款項 | 196 | - |
| Additions of prepaid land lease payments | 添置預付土地租金 | (45,286) | (44,235) |
| Additions of other intangible assets | 添置其他無形資產 | (6,557) | (5,421) |
| Additions of other long-term assets | 添置其他長期資產 | (1,939) | - |
| Purchases of financial instruments classified as other receivables | 購買分類為其他應收款項的金融工具 | (150,000) | - |
| Acquisition of a subsidiary under common control | 收購受同一控制的附屬公司 | (171,353) | - |
| Investment in an associate | 對聯營公司的投資 | (52,303) | - |
| Investments in joint ventures | 對合營公司的投資 | (160,977) | (50,000) |
| Placing of restricted deposits | 存放受限制存款 | (306,534) | (299,640) |
| Proceeds from redemption of restricted deposits | 贖回受限制存款所得款項 | 299,110 | 250,840 |
| Placing of non-pledged time deposits with original maturity of over three months when acquired | 存放獲取時原始到期日超過三個月的無抵押定期存款 | (49,687,276) | (51,852,206) |
| Proceeds from redemption of non-pledged time deposits with original maturity of over three months when acquired | 贖回獲取時原始到期日超過三個月的無抵押定期存款所得款項 | 49,822,534 | 51,305,158 |
| Net cash flows used in investing activities | 投資活動所用的現金流量淨額 | (691,322) | (333,912) |

Continued/...
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Consolidated Statement of Cash Flows

合併現金流量表

Year ended December 31, 2015 • 截至2015年12月31日止年度

| | | 2015 2015年 RMB'000 人民幣千元 | 2014 2014年 RMB'000 人民幣千元 (Restated) (重述) |
|--|----------------------------------|--|---|
| | Notes 附註 | | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from borrowings | 來自融資活動的 現金流量 借貸所得款項 | 484,403 | 653,425 |
| Repayment of borrowings | 償還借貸 | (224,581) | (401,860) |
| Capital contribution from a non-controlling shareholder | 一名非控股股東的 資本投入 | 16,450 | 61,750 |
| Dividends paid | 已付股息 | (845,940) | (789,152) |
| Purchase of non-controlling interests | 購買非控股權益 | (9,093) | - |
| Dividends paid to non-controlling shareholders | 已付非控股 股東的股息 | (336) | (276) |
| Interest paid | 已付利息 | (11,756) | (5,955) |
| Net cash flows used in financing activities | 融資活動所用的現金 流量淨額 | (590,853) | (482,068) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | | |
| Cash and cash equivalents at beginning of year | 現金及現金等價物 增加淨額 | 2,157,590 | 3,333,282 |
| Effect of foreign exchange rate changes, net | 年初的現金及 現金等價物 匯率變動的 影響淨額 | 17,986,146 | 14,694,105 |
| | | 200,878 | (41,241) |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 年末的現金及現金等價物 | 20,344,614 | 17,986,146 |
| | 23 | | |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | | | |
| Cash and bank balances | 現金及現金等價物 餘額分析 現金及銀行結餘 | 24,693,840 | 22,463,206 |
| Restricted deposits balances | 受限制存款結餘 | (314,135) | (306,711) |
| Time deposits with original maturity of over three months | 原始到期日超過三個月的 定期存款 | (4,035,091) | (4,170,349) |
| Cash and cash equivalents as stated in the statement of cash flows | 現金流量表所列現金及 現金等價物 | 20,344,614 | 17,986,146 |
| | 23 | | |

Notes to the Financial Statements

財務報表附註

December 31, 2015 • 2015年12月31日

1. CORPORATE AND GROUP INFORMATION

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

The Company was established on January 18, 2011 as part of the reorganisation (the “Reorganisation”) of China National Machinery & Equipment Import & Export Corporation (the “Predecessor”), a state-owned enterprise. The Company and its subsidiaries (collectively the “Group”) are mainly engaged in the international construction business and trading business.

Prior to the Reorganisation and establishment of the Company, the core business of the Group was controlled and operated by the Predecessor. The Predecessor was wholly owned by China National Machinery Industry Corporation (“SINOMACH”, 中國機械工業集團有限公司). Pursuant to the Reorganisation, the Predecessor transferred its core business together with related assets and liabilities to the Company. Upon establishment, the Company had a total of 3,300 million issued ordinary shares, with a par value of RMB1.00 each. The Company issued to SINOMACH 3,267 million shares, or 99% of the total issued shares, in exchange for the above transfer of business and assets and liabilities from the Predecessor. The Company also issued 33 million shares, or 1% of the total issued shares, to China United Engineering Corporation (“China United”, 中國聯合工程), a wholly-owned subsidiary of SINOMACH for a cash consolidation of RMB46,930,900.

On December 21, 2012, the Company became listed on the Main Board of The Stock Exchange of Hong Kong Limited (“HKSE”). The Company issued 718,000,000 H shares at HK\$5.40 per share by initial public offering (“IPO”) to investors in Hong Kong and overseas. Pursuant to the IPO, a total of 71,800,000 domestic state-owned shares of RMB1.00 each owned by SINOMACH and China United in aggregate were converted into H shares on a one-for-one basis and transferred to the National Council for Social Security Fund of the PRC (“NSSF”).

1. 公司及集團資料

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

作為國有企業中國機械設備進出口總公司（「前身」）重組（「重組」）的一部分，本公司於2011年1月18日成立。本公司及其附屬公司（統稱為「本集團」）主要從事國際工程業務及貿易業務。

在重組及成立本公司以前，本集團的核心業務由前身控制及經營。前身由中國機械工業集團有限公司（「國機」）全資擁有。根據重組，前身將其核心業務連同相關資產及負債轉讓予本公司。成立後，本公司擁有合共3,300百萬股每股面值人民幣1.00元的已發行普通股。本公司向國機發行3,267百萬股股份，或已發行股份總數的99%，以交換前身轉讓的上述業務及資產及負債。本公司亦向國機的全資附屬公司中國聯合工程公司（「中國聯合」）發行33百萬股股份，或已發行股份總數的1%，現金對價為人民幣46,930,900元。

於2012年12月21日，本公司於香港聯合交易所有限公司（「香港聯交所」）主板上市。本公司透過首次公開發售（「首次公開發售」），按每股股份5.40港元的價格向香港及海外投資者發行718,000,000股H股。基於首次公開發售，國機及中國聯合共同擁有的合共71,800,000股每股面值人民幣1.00元的國有內資股已按一換一的基準轉為H股，並轉讓予中國全國社會保障基金理事會（「社保基金理事會」）。

Notes to the Financial Statements

財務報表附註

December 31, 2015 • 2015年12月31日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

On January 2, 2013, the over-allotment option granted by the Company was fully exercised, and the Company issued and allotted an aggregate of 107,700,000 H shares at HK\$5.40 per share. Accordingly, a total of 10,770,000 domestic state-owned shares of RMB1.00 each owned by SINOMACH and China United were converted into H shares on a one-for-one basis and transferred to the NSSF. As at December 31, 2015, a total of 908,270,000 H shares were listed on the HKSE.

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

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

| Name 名稱 | Place and date of incorporation/ registration 註冊成立/ 註冊地點及日期 | Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值 | Percentage of equity attributable to the Company 本公司應佔 權益百分比 | | Principal activities 主要業務 | Nature of PRC Incorporated company 中國註冊成立公司性質 |
|--|---|--|--|----------------|--|---|
| | | | Direct 直接 | Indirect 間接 | | |
| 1 CMEC International Engineering Co., Ltd. 中設國際工程有限責任公司 | The PRC September 9, 1997 中國 1997年9月9日 | RMB50,000,000 人民幣 50,000,000元 | 100% | - | Construction contracting and trading 施工承包及貿易 | Limited liability company 有限責任公司 |
| 2 China Everbest Development International Limited 華盛昌發展有限公司 | Hong Kong SAR August 12, 1988 香港特別行政區 1988年8月12日 | HKD22,136,400 22,136,400港元 | 100% | - | Trading and security investment 貿易及證券投資 | - |

1. 公司及集團資料 (續)

於2013年1月2日，本公司授出的超額配股權已獲悉數行使。因此，本公司已按每股股份5.40港元發行及配發合共107,700,000股H股。因此，國機及中國聯合擁有的10,770,000股每股面值人民幣1.00元的國有內資股已按一換一的基礎轉為H股，並轉讓予社保基金理事會。於2015年12月31日，合共908,270,000股H股在香港聯交所上市。

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

附屬公司資料

本公司主要附屬公司的詳細資料如下：

Notes to the Financial Statements

財務報表附註

December 31, 2015 • 2015年12月31日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

1. 公司及集團資料 (續)

Information about subsidiaries (continued)

附屬公司資料 (續)

| Name 名稱 | Place and date of incorporation/ registration 註冊成立/ 註冊地點及日期 | Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值 | Percentage of equity attributable to the Company 本公司應佔 權益百分比 | | Principal activities 主要業務 | Nature of PRC Incorporated company 中國註冊成立公司性質 |
|--|---|--|--|----------------|--|---|
| | | | Direct 直接 | Indirect 間接 | | |
| 3 China Machinery & Equipment (HK) Company Limited 中國機械設備香港有限公司 | Hong Kong SAR September 20, 1983 香港特別行政區 1983年9月20日 | HKD25,115,970 25,115,970港元 | 100% | - | Trading 貿易 | - |
| 4 CMEC Engineering Machinery Import & Export Co., Ltd. 中設工程機械進出口有限責任公司 | The PRC January 9, 1995 中國 1995年1月9日 | RMB20,000,000 人民幣 20,000,000元 | 100% | - | Trading 貿易 | Limited liability company 有限責任公司 |
| 5 CMEC Comtrans International Co., Ltd. 中設國際商務運輸代理 有限責任公司 | The PRC March 5, 1997 中國 1997年3月5日 | RMB20,000,000 人民幣 20,000,000元 | 100% | - | Transportation agency 運輸代理 | Limited liability company 有限責任公司 |
| 6 Ausino Pty. Ltd. 澳大利亞澳華機械有限公司 | Australia September 13, 1984 澳大利亞 1984年9月13日 | AUD3,974,486 3,974,486澳元 | 100% | - | Trading 貿易 | - |
| 7 Shanghai International Transportation Co., Ltd. 中設集團上海國際貨代儲運 有限公司 | The PRC January 30, 1996 中國 1996年1月30日 | RMB10,820,000 人民幣 10,820,000元 | 100% | - | Transportation agency 運輸代理 | Limited liability company 有限責任公司 |
| 8 Shenzhen CMEC Industry Corporation Limited 深圳市中設實業有限公司 | The PRC March 18, 1992 中國 1992年3月18日 | RMB9,200,000 人民幣 9,200,000元 | 100% | - | Storage and property service 儲存及物業服務 | Limited liability company 有限責任公司 |

Notes to the Financial Statements

財務報表附註

December 31, 2015 • 2015年12月31日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

1. 公司及集團資料 (續)

Information about subsidiaries (continued)

附屬公司資料 (續)

| Name 名稱 | Place and date of incorporation/ registration 註冊成立/ 註冊地點及日期 | Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值 | Percentage of equity attributable to the Company 本公司應佔 權益百分比 | | Principal activities 主要業務 | Nature of PRC Incorporated company 中國註冊成立公司性質 |
|---|---|--|--|----------------|--|---|
| | | | Direct 直接 | Indirect 間接 | | |
| 9 CMEC International Trading Co., Ltd. 中設國際貿易有限責任公司 | The PRC January 16, 1995 中國 1995年1月16日 | RMB8,000,000 人民幣 8,000,000元 | 100% | - | Trading 貿易 | Limited liability company 有限責任公司 |
| 10 CMEC Machinery & Electric Equipment Import & Export Co., Ltd. 中設機電進出口有限公司 | The PRC January 16, 1995 中國 1995年1月16日 | RMB20,000,000 人民幣 20,000,000元 | 100% | - | Trading 貿易 | Limited liability company 有限責任公司 |
| 11 CMEC International Exhibition Co., Ltd. 西麥克國際展覽有限責任公司 | The PRC January 9, 1995 中國 1995年1月9日 | RMB11,000,000 人民幣 11,000,000元 | 100% | - | Exhibition services 展覽服務 | Limited liability company 有限責任公司 |
| 12 CMEC Beijing Property Development Co., Ltd. 中國機械設備進出口 北京物業發展有限責任公司 | The PRC January 15, 1985 中國 1985年1月15日 | RMB5,000,000 人民幣 5,000,000元 | 100% | - | Property management and rental 物業管理及租賃 | Limited liability company 有限責任公司 |
| 13 CMEC General Machinery Import & Export Co., Ltd. 中設通用機械進出口 有限責任公司 | The PRC January 9, 1995 中國 1995年1月9日 | RMB6,000,000 人民幣 6,000,000元 | 100% | - | Trading 貿易 | Limited liability company 有限責任公司 |

Notes to the Financial Statements

財務報表附註

December 31, 2015 • 2015年12月31日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

| Name 名稱 | Place and date of incorporation/ registration 註冊成立/ 註冊地點及日期 | Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值 | Percentage of equity attributable to the Company 本公司應佔 權益百分比 | | Principal activities 主要業務 | Nature of PRC Incorporated company 中國註冊成立公司性質 |
|---|---|--|--|----------------|---|---|
| | | | Direct 直接 | Indirect 間接 | | |
| 14 China Machinery and Equipment International Tendering Co., Ltd. 中設國際招標有限責任公司 | The PRC April 29, 1996 中國 1996年4月29日 | RMB5,000,000 人民幣 5,000,000元 | 100% | - | Tendering for construction contracts 建造合同招標 | Limited liability company 有限責任公司 |
| 15 China Machinery Industrial Products Co., Ltd. 中設集團裝備製造 有限責任公司 | The PRC February 6, 2002 中國 2002年2月6日 | RMB75,000,000 人民幣 75,000,000元 | 100% | - | Trading 貿易 | Limited liability company 有限責任公司 |
| 16 CMEC Petrochemical-General Machinery Co., Ltd. 中設石化機械有限公司 | The PRC January 16, 1995 中國 1995年1月16日 | RMB5,000,000 人民幣 5,000,000元 | 100% | - | Trading 貿易 | Limited liability company 有限責任公司 |
| 17 China Machinery International Engineering Design & Research Institute Co., Ltd. 中機國際工程設計研究院 有限責任公司 | The PRC October 5, 1993 中國 1993年10月5日 | RMB300,000,000 人民幣 300,000,000元 | 100% | - | Engineering design, contracting and supervision 工程設計、承包及監理 | Limited liability company 有限責任公司 |
| 18 China-East Resources Import & Export Co., Ltd. 中經東源進出口有限責任公司 | The PRC July 22, 1993 中國 1993年7月22日 | RMB20,000,000 人民幣 20,000,000元 | 100% | - | Trading and construction contracting 貿易及施工承包 | Limited liability company 有限責任公司 |

1. 公司及集團資料 (續)

附屬公司資料 (續)

Notes to the Financial Statements

財務報表附註

December 31, 2015 • 2015年12月31日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

1. 公司及集團資料 (續)

Information about subsidiaries (continued)

附屬公司資料 (續)

| Name 名稱 | Place and date of incorporation/ registration 註冊成立/ 註冊地點及日期 | Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值 | Percentage of equity attributable to the Company 本公司應佔 權益百分比 | | Principal activities 主要業務 | Nature of PRC Incorporated company 中國註冊成立公司性質 |
|--|--|--|--|----------------|------------------------------|---|
| | | | Direct 直接 | Indirect 間接 | | |
| 19 China National Machinery & Equipment Import & Export (Suzhou) Co., Ltd. 中設(蘇州)機械設備工程 有限公司 | The PRC February 20, 1987 中國 1987年2月20日 | RMB19,562,000 人民幣 19,562,000元 | 100% | - | Trading 貿易 | Limited liability company 有限責任公司 |
| 20 Shanghai Zhong Jing Import & Export Corporation 上海中經進出口有限責任公司 | The PRC December 21, 1995 中國 1995年12月21日 | RMB4,580,000 人民幣 4,580,000元 | 100% | - | Trading 貿易 | Limited liability company 有限責任公司 |
| 21 China Machinery Engineering Wuxi Co., Ltd. 中設無錫機械設備工程有限公司 | The PRC April 9, 1987 中國 1987年4月9日 | RMB38,000,000 人民幣 38,000,000元 | 100% | - | Trading 貿易 | Limited liability company 有限責任公司 |
| 22 Sino American Machinery Corporation 美國華美機械有限公司 | United States of America ("USA") August 22, 1983 美利堅合眾國(「美國」) 1983年8月22日 | USD1,918,476 1,918,476美元 | 100% | - | Trading 貿易 | - |
| 23 Euro M.E.C. Import & Export GmbH 歐麥克進出口有限公司 | Germany March 9, 1990 德國 1990年3月9日 | DEM100,000 100,000德國馬克 | 100% | - | Trading 貿易 | - |

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1. CORPORATE AND GROUP INFORMATION (CONTINUED)

1. 公司及集團資料 (續)

Information about subsidiaries (continued)

附屬公司資料 (續)

| Name 名稱 | Place and date of incorporation/ registration 註冊成立/ 註冊地點及日期 | Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值 | Percentage of equity attributable to the Company 本公司應佔 權益百分比 | | Principal activities 主要業務 | Nature of PRC Incorporated company 中國註冊成立公司性質 |
|---|---|--|--|----------------|-------------------------------|---|
| | | | Direct 直接 | Indirect 間接 | | |
| 24 CMEC Japan Co., Ltd. CMEC日本株式會社 | Japan April 2, 1986 日本 1986年4月2日 | JPY50,000,000 50,000,000日圓 | 80% | - | Trading 貿易 | - |
| 25 China Machinery Engineering Henan Co., Ltd. 中國機械設備工程(河南)有限公司 | The PRC April 17, 1997 中國 1997年4月17日 | RMB4,180,000 人民幣 4,180,000元 | 67% | - | Trading 貿易 | Limited liability company 有限責任公司 |
| 26 CMIC Enmei Co., Ltd. CMIC燕明株式會社 | Japan May 13, 1994 日本 1994年5月13日 | JPY26,000,000 26,000,000日圓 | 76.92% | - | Trading 貿易 | - |
| 27 CMEC (Beijing) International Economic & Legal Advisors Inc. 西邁克(北京)國際經濟 法律諮詢有限責任公司 | The PRC September 24, 1993 中國 1993年9月24日 | RMB500,000 人民幣 500,000元 | 100% | - | Legal consultancy 法律諮詢 | Limited liability company 有限責任公司 |
| 28 China National Machinery & Equipment Import & Export (Fujian) Co., Ltd. 福建中設機械設備進出口有限公司 | The PRC February 21, 2001 中國 2001年2月21日 | RMB5,460,000 人民幣5,460,000元 | 55% | - | Trading 貿易 | Limited liability company 有限責任公司 |

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財務報表附註

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1. CORPORATE AND GROUP INFORMATION (CONTINUED)

1. 公司及集團資料 (續)

Information about subsidiaries (continued)

附屬公司資料 (續)

| Name 名稱 | Place and date of incorporation/ registration 註冊成立/ 註冊地點及日期 | Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值 | Percentage of equity attributable to the Company 本公司應佔 權益百分比 | | Principal activities 主要業務 | Nature of PRC Incorporated company 中國註冊成立公司性質 |
|---|---|--|--|----------------|----------------------------------|---|
| | | | Direct 直接 | Indirect 間接 | | |
| 29 China National Machinery & Equipment Import & Export (Hubei) Co., Ltd. 中設(湖北)機械設備工程 有限公司 | The PRC November 30, 2007 中國 2007年11月30日 | RMB5,000,000 人民幣5,000,000元 | 51% | - | Trading 貿易 | Limited liability company 有限責任公司 |
| 30 CMEC Senegal S.A. 中國機械設備進出口總公司塞內 加爾股份有限公司 | Senegal April 20, 2009 塞內加爾 2009年4月20日 | XOF10,000,000 10,000,000西非法郎 | 100% | - | Construction contracting 施工承包 | - |
| 31 CMEC Engineering, C.A. 西麥克委內瑞拉工程公司 | Venezuela March 11, 2011 委內瑞拉 2011年3月11日 | VEF200,000 200,000強勢玻利瓦爾 | 99.90% | 0.10% | Construction contracting 施工承包 | - |
| 32 CMEC Nigeria Development Limited CMEC尼日利亞發展有限公司 | Nigeria March 25, 2011 尼日利亞 2011年3月25日 | NGN20,000,000 20,000,000奈拉 | 100% | - | Construction contracting 施工承包 | - |
| 33 China Machinery Engineering Argentina S.A. 中國機械設備工程阿根廷股份 有限公司 | Argentina July 30, 2012 阿根廷 2012年7月30日 | ARS429,000 429,000比索 | 90% | 10% | Construction contracting 施工承包 | - |

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財務報表附註

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1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

1. 公司及集團資料 (續)

附屬公司資料 (續)

| Name 名稱 | Place and date of incorporation/ registration 註冊成立/ 註冊地點及日期 | Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值 | Percentage of equity attributable to the Company 本公司應佔 權益百分比 | | Principal activities 主要業務 | Nature of PRC Incorporated company 中國註冊成立公司性質 |
|--|---|--|--|----------------|---|---|
| | | | Direct 直接 | Indirect 間接 | | |
| 34 China Power Construction Engineering Consulting Central Southern Corporation 中國電力建設工程諮詢中南有限公司 | The PRC January 11, 1993 中國 1993年1月11日 | RMB5,000,000 人民幣 5,000,000元 | 50% | - | Engineering design 工程設計 | Limited liability company 有限責任公司 |
| 35 China Machinery Engineering Corporation Namibia (Proprietary) Limited 中國機械設備工程股份有限公司 納米比亞有限責任公司 | Namibia June 11, 2013 納米比亞 2013年6月11日 | NAD20,000 20,000 納米比亞元 | 100% | - | Construction contracting 施工承包 | - |
| 36 China Machinery Engineering Corporation (PNG) Limited 中國機械設備工程(巴新)有限公司 | Papua New Guinea January 22, 2014 巴布亞新幾內亞 2014年1月22日 | USD50,000 50,000美元 | 100% | - | Construction contracting 施工承包 | - |
| 37 Sinland Development PTE, Ltd. 騰新發展有限公司 | Singapore July 22, 2014 新加坡 2014年7月22日 | USD1,000,000 1,000,000美元 | 100% | - | Construction contracting 施工承包 | - |
| 38 China JiKan Research Institute of Engineering Investigations and Design, Co.,Ltd. 機械工業勘察設計研究院有限公司 | The PRC February 23, 1989 中國 1989年2月23日 | RMB105,000,000 人民幣 105,000,000元 | 100% | - | Construction research and design 施工勘測及設計 | Limited liability company 有限責任公司 |

Notes to the Financial Statements

財務報表附註

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1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

| Name 名稱 | Place and date of incorporation/ registration 註冊成立/ 註冊地點及日期 | Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值 | Percentage of equity attributable to the Company 本公司應佔 權益百分比 | | Principal activities 主要業務 | Nature of PRC Incorporated company 中國註冊成立公司性質 |
|---|---|--|--|----------------|------------------------------|---|
| | | | Direct 直接 | Indirect 間接 | | |
| 39 CMEC Lanka (Private) Limited 中設蘭卡有限責任公司 | Sri Lanka February 12, 2015 斯里蘭卡 2015年2月12日 | USD1,000,000 1,000,000美元 | 100% | - | Business service 業務服務 | - |
| 40 CMEC Middle East FZE 中東區域公司 | United Arab Emirates January 20, 2015 阿拉伯聯合酋長國 2015年1月20日 | USD1,370,000 1,370,000美元 | 100% | - | Construction service 施工服務 | - |

1. 公司及集團資料 (續)

附屬公司資料 (續)

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise all standards and interpretations approved by the International Accounting Standards Board (the "IASB"), and the disclosure requirement of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments and available-for-sale investments which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

2.1 編製基準

該等財務報表乃根據國際財務報告準則(「國際財務報告準則」)編製。國際財務報告準則包括經國際會計準則委員會(「國際會計準則委員會」)批准的全部準則及詮釋，亦符合香港公司條例的披露要求。該等財務報表乃按歷史成本慣例編製，惟按公允價值計量的衍生金融工具及可供出售投資除外。該等財務報表乃以人民幣(「人民幣」)呈列，而除另有指明外，所有數值均調整至最接近的千位數。

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財務報表附註

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2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended December 31, 2015. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.1 編製基準 (續)

綜合基準

合併財務報表包括本公司及其附屬公司(統稱「本集團」)截至2015年12月31日止年度的財務報表。附屬公司為本公司直接或間接控制的實體(包括結構性實體)。當本集團對涉及投資對象的浮動回報承擔風險或享有權利，以及能透過對投資對象的權力(即賦予本集團現有以主導投資對象相關活動的既存權利)影響該等回報時，即取得控制權。

倘本公司直接或間接擁有少於投資對象大多數投票或類似權利，則本集團於評估其是否對投資對象擁有權力時會考慮一切相關事實及情況，包括：

- (a) 與投資對象其他投票持有人的合約安排；
- (b) 其他合約安排所產生的權利；及
- (c) 本集團的投票權及潛在投票權。

附屬公司的財務報表乃按與本公司相同的報告期及一致的會計政策編製。附屬公司的業績自本集團取得控制權當日起綜合入賬，並繼續綜合直至失去有關控制權當日為止。

Notes to the Financial Statements

財務報表附註

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2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.1 編製基準 (續)

綜合基準 (續)

損益及其他綜合收益各組成部分均歸屬於本集團母公司的擁有人及非控股權益，即使此舉引致非控股權益出現負數結餘。與本集團成員公司之間的交易有關的所有集團內部資產及負債、權益、收入、開支及現金流量於綜合入賬時悉數對銷。

倘有任何事實及情況表明上述三項控制權條件的其中一項或多項有變，本集團會重新評估是否控制被投資方。附屬公司的所有權權益在沒有失去控制權的情況下發生變動，則按權益交易入賬。

倘本集團失去對一家附屬公司的控制權，則其撤銷確認(i)該附屬公司的資產(包括商譽)及負債；(ii)任何非控股權益的賬面值及(iii)於權益內記錄的累計換算差額；並確認(i)所收代價的公允價值；(ii)所保留任何投資的公允價值及(iii)損益中任何因此產生的盈餘或虧損。依據本集團直接處置相關資產及負債的相同基準，先前於其他綜合收益內確認的本集團應佔部分重新分類至損益或保留溢利(倘適當)。

Notes to the Financial Statements

財務報表附註

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2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (continued)

Business combination under common control

As set out in note 31, on September 30, 2015, the Group acquired the 100% equity interest in China JiKan Research Institute of Engineering Investigations and Design, Co.,Ltd. The Company and China JiKan Research Institute of Engineering Investigations and Design, Co.,Ltd. are under the common control of SINOMACH both before and after the acquisition and such controls are not transitory. Thus, the acquisition is considered to be business combination under common control. Accordingly, the consolidated statement of comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under common control, where this is a shorter period, regardless of the date of the common control combination. The net assets of the combining entities or businesses are combined using the existing book values from the controlling parties' perspective. No amount is recognised for goodwill or excess of the acquirers' interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of the common control combination, to the extent of the continuation of the controlling party's interest.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting are recognised as expenses in the period in which they are incurred.

2.1 編製基準 (續)

綜合基準 (續)

同一控制下的業務合併

如附註31所載，本集團於2015年9月30日收購機械工業勘察設計研究院有限公司的100%股權。收購前後，本公司與機械工業勘察設計研究院有限公司均受國機的同—控制，且控制權不是暫時的。因此，收購視為同一控制下的業務合併。因此，合併綜合收益表包括財務報表最早列報日或者合併實體或業務開始受同一控制之日起計的期間（以較短期間為準）各合併實體或業務的業績，而不論同一控制合併的日期。被合併實體或業務的淨資產以控制方而言所存在的賬面值合併。在控制方之權益持續之情況下，於同一控制合併中並無商譽或收購方應佔被收購方可識別資產、負債及或有負債的公允淨值超過於收購成本的金額予以確認。

交易成本，包括專家服務費、註冊費、向股東提供資料產生的費用、合併先前單個業務產生的成本或損失，以及其他與採用合併會計法計算的同一控制下合併有關的成本，於產生期間確認為支出。

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財務報表附註

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised standards for the first time for the current year's financial statements:

- Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions*
- *Annual Improvements to IFRSs 2010-2012 Cycle*
- *Annual Improvements to IFRSs 2011-2013 Cycle*

The nature and impact of each amendment is described below:

- (a) Amendments to IAS 19 apply to contributions from employees or third parties to defined benefit plans. The amendments simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. 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 of service cost in the period in which the related service is rendered. The amendments have had no material impact on the Group.

2.2 會計政策變更及披露

本集團於本年度首次採納下列準則的修訂本：

- 國際會計準則第19號的修訂本設定受益計劃：僱員供款
- 國際財務報告準則2010年至2012年週期的年度改進
- 國際財務報告準則2011年至2013年週期的年度改進

新訂及經修訂之國際財務報告準則的性質及影響如下所示：

- (a) 國際會計準則第19號的修訂本適用於僱員或第三方設定受益計劃的供款。該修訂本簡化獨立於僱員服務年期的供款的會計處理，例如僱員供款根據薪金的固定比例計算。倘供款金額獨立於服務年期，實體可在僱員提供有關服務期間將僱員供款確認為服務成本的抵減項。該等修訂並無對本集團構成重大影響。

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(b) The *Annual Improvements to IFRSs 2010-2012 Cycle* issued in January 2014 sets out amendments to a number of IFRSs. Details of the amendments that are effective for the current year are as follows:

- IFRS 8 *Operating Segments*: Clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments have had no impact on the Group.
- IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*: Clarifies the treatment of gross carrying amount and accumulated depreciation or amortisation of revalued items of property, plant and equipment and intangible assets. The amendments have had no impact on the Group as the Group does not apply the revaluation model for the measurement of these assets.
- IAS 24 *Related Party Disclosure*: Clarifies that a management entity (i.e., an entity that provides key management personnel services) is a related party subject to related party disclosure requirements. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment has had no impact on the Group as the Group does not receive any management services from other entities.

2.2 會計政策變更及披露 (續)

(b) 於2014年1月頒佈的*國際財務報告準則2010年至2012年週期的年度改進*載列多項國際財務報告準則修訂。本年度生效的修訂詳情載列如下：

- 國際財務報告準則第8號*經營分部*：釐清實體必須披露管理層於應用國際財務報告準則第8號中的合併處理準則時作出的判斷，包括作合併處理的經營分部簡述，以及評估分部是否相似時所用的經濟特徵。該等修訂亦釐清，分部資產與總資產的對賬僅於該對賬乃向主要經營決策者匯報時方須披露。該等修訂並無對本集團構成影響。
- 國際會計準則第16號*物業、廠房及設備*以及國際會計準則第38號*無形資產*：釐清物業、廠房及設備以及無形資產之重估項目之賬面總額及累計折舊或攤銷之處理。該等修訂對本集團並無任何影響，原因為本集團並無就計量該等資產採納重估模型。
- 國際會計準則第24號*關聯方披露*：釐清管理實體（即提供主要管理人員服務的實體）為關聯方，須遵守關聯方披露規定。此外，使用管理實體的實體須披露就管理服務產生的開支。該修訂對本集團並無任何影響，原因為本集團概無自其他實體獲得任何管理服務。

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(c) The *Annual Improvements to IFRSs 2011-2013 Cycle* issued in January 2014 sets out amendments to a number of IFRSs. Details of the amendments that are effective for the current year are as follows:

- IFRS 3 *Business Combinations*: Clarifies that joint arrangements but not joint ventures are outside the scope of IFRS 3 and the scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is applied prospectively. The amendment has had no impact on the Group as the Company is not a joint arrangement and the Group did not form any joint arrangement during the year.
- IFRS 13 *Fair Value Measurement*: 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 amendment is applied prospectively from the beginning of the annual period in which IFRS 13 was initially applied. The amendment has had no impact on the Group as the Group does not apply the portfolio exception in IFRS 13.
- IAS 40 *Investment Property*: Clarifies that IFRS 3, instead of the description of ancillary services in IAS 40 which differentiates between investment property and owner-occupied property, is used to determine if the transaction is a purchase of an asset or a business combination. The amendment is applied prospectively for acquisitions of investment properties. The amendment has had no impact on the Group as the acquisition of investment properties during the year did not occur.

2.2 會計政策變更及披露 (續)

(c) 於2014年1月頒佈的國際財務報告準則2011年至2013年週期的年度改進載列多項國際財務報告準則修訂。本年度生效的修訂詳情載列如下：

- 國際財務報告準則第3號業務合併：釐清合營安排（惟非合營公司）不屬於國際財務報告準則第3號範圍內，而範圍豁免情況僅適用於合營安排本身財務報表中之會計處理。該修訂於將來應用。該修訂對本集團並無任何影響，原因為本公司並非合營安排及本集團於年內並無組成任何合營安排。
- 國際財務報告準則第13號公允價值計量：釐清國際財務報告準則第13號的組合豁免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號範圍內的其他合約。該修訂自國際財務報告準則第13號初次應用的年度期間開始時起將來應用。該修訂對本集團並無任何影響，原因為本集團並無採用國際財務報告準則第13號之組合豁免。
- 國際會計準則第40號投資物業：釐清國際財務報告準則第3號是用作釐定交易屬於資產購買或業務合併，並非描述輔助服務的國際會計準則第40號（該準則區分投資物業及自用物業）。該修訂將來應用於收購投資物業。該修訂對本集團並無任何影響，原因為本集團本年度並無收購投資物業。

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

In addition, the Company has adopted the amendments to the Listing Rules issued by the Hong Kong Stock Exchange relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

| | |
|--|---|
| IFRS 9 | <i>Financial Instruments</i> ² |
| Amendments to IFRS 10 and IAS 28 (2011) | <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ¹ |
| Amendments to IFRS 10, IFRS 12 and IAS 28 (2011) | <i>Investment Entities: Applying the Consolidation Exception</i> ¹ |
| Amendments to IFRS 11 | <i>Accounting for Acquisitions of Interests in Joint Operations</i> ¹ |
| IFRS 14 | <i>Regulatory Deferral Accounts</i> ³ |
| Amendments to IAS 16 and IAS 38 | <i>Clarification of Acceptable Methods of Depreciation and Amortisation</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 41 | <i>Agriculture: Bearer Plants</i> ¹ |
| Amendments to IAS 27 (2011) | <i>Equity Method in Separate Financial Statements</i> ¹ |
| Annual Improvements 2012-2014 Cycle | <i>Amendments to a number of IFRSs</i> ¹ |

2.2 會計政策變更及披露 (續)

此外，本公司已於本財政年度採納香港聯交所頒佈的上市規則修訂，當中有關於參考香港公司條例（第622章）的財務資料披露。其對財務報表的主要影響為財務報表中若干資料的呈列及披露。

2.3.已頒佈但尚未生效的國際財務報告準則

本集團並未於該等財務報表內應用以下已頒佈但尚未生效的新訂及經修訂國際財務報告準則。

| | |
|--|---------------------------------------|
| 國際財務報告準則第9號 | 金融工具 ² |
| 國際財務報告準則第10號及國際會計準則第28號（2011年）（修訂本） | 投資者與其聯營公司或合營公司之間的資產出售或投入 ¹ |
| 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（2011年）（修訂本） | 投資實體：應用綜合入賬的例外情況 |
| 國際財務報告準則第11號（修訂本） | 收購合營業務權益之會計處理 ¹ |
| 國際財務報告準則第14號 | 監管遞延賬目 ³ |
| 國際會計準則第16號及國際會計準則第38號（修訂本） | 折舊及攤銷可接納方法之澄清 ¹ |
| 國際財務報告準則第15號 | 客戶合約收入 ² |
| 國際會計準則第1號（修訂本） | 披露計劃 ¹ |
| 國際會計準則第16號及國際會計準則第41號（修訂本） | 農業：生產性植物 ¹ |
| 國際會計準則第27號（2011年）（修訂本） | 獨立財務報表之權益法 ¹ |
| 2012年至2014年週期的年度改進 | 多項國際財務報告準則之修訂本 ¹ |

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

- ¹ Effective for annual periods beginning on or after January 1, 2016
- ² Effective for annual periods beginning on or after January 1, 2018
- ³ Effective for an entity that first adopts IFRSs for its annual financial statements beginning on or after January 1, 2016 and therefore is not applicable to the Group

Further information about those IFRSs that are expected to be applicable to the Group is as follows:

IFRS 9 *Financial Instruments*

In July 2014, the IASB issued the final version of IFRS 9, bringing together all phases of the financial instruments project to replace IAS 39 and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt IFRS 9 from January 1, 2018. The Group is currently assessing the impact of the standard.

Amendments to IFRS 10 and IAS 28 (2011)

The amendments to IFRS 10 and IAS 28 (2011) address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively.

2.3.已頒佈但尚未生效的國際財務報告準則 (續)

- ¹ 於2016年1月1日或之後開始的年度期間生效
- ² 於2018年1月1日或之後開始的年度期間生效
- ³ 對首次於2016年1月1日或之後開始的年度財務報表採納國際財務報告準則的實體生效，故並不適用於本集團。

預期將適用於本集團的該等國際財務報告準則的進一步資料如下：

國際財務報告準則第9號金融工具

於2014年7月，國際會計準則理事會頒佈國際財務報告準則第9號的最終版本，將金融工具項目的所有階段集於一起以代替國際會計準則第39號及國際財務報告準則第9號的全部先前版本。該準則引入分類及計量、減值及對沖會計處理的新規定。本集團預期自2018年1月1日起採納國際財務報告準則第9號。本集團目前正在評估該準則的影響。

國際財務報告準則第10號及國際會計準則第28號 (2011年) (修訂本)

國際財務報告準則第10號及國際會計準則第28號 (2011年) (修訂本) 處理國際財務報告準則第10號及國際會計準則第28號之間有關投資者與其聯營公司或合營公司之間的資產出售或注資兩者規定的不一致之處。該等修訂規定，當投資者與其聯營公司或合營公司之間的資產出售或注資構成一項業務時，須全數確認收益或虧損。當交易並無構成一項業務時，由該交易產生的收益或虧損於該投資者的損益內確認，惟僅以不相關投資者於該聯營公司或合營公司的權益為限。該等修訂將來應用。

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

Amendments to IFRS 11

The amendments to IFRS 11 require that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a business must apply the relevant principles for business combinations in IFRS 3. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2016.

Amendments to IAS 16 and IAS 38

Amendments to IAS 16 and IAS 38 clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are to be applied prospectively. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2016 as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

2.3. 已頒佈但尚未生效的國際財務報告準則 (續)

國際財務報告準則第11號 (修訂本)

國際財務報告準則第11號 (修訂本) 規定於聯合營運 (其中聯合營運的活動構成一項業務) 中擁有權益的收購方必須應用國際財務報告準則第3號內業務合併的相關原則。該等修訂亦釐清，於聯合營運中先前所持有的權益在收購同一聯合營運中的額外權益而共同控制權獲保留時，該等先前所持權益不得重新計量。此外，國際財務報告準則第11號已增加一項範圍豁免，訂明當共享共同控制權的各方 (包括呈報實體) 共同被同一最終控制方控制時，該等修訂不適用。該等修訂適用於收購聯合營運的初始權益及收購同一聯合營運中的任何額外權益。該等修訂預期於2016年1月1日獲採納後，將不會對本集團的財務狀況或經營成果產生任何影響。

國際會計準則第16號及國際會計準則第38號 (修訂本)

國際會計準則第16號及國際會計準則第38號的修訂澄清國際會計準則第16號及國際會計準則第38號中的原則，即收益反映自經營業務 (該資產為其一部分) 產生的經濟利益而非通過使用資產消耗的經濟利益的模式。因此，收益法不得用於折舊物業、廠房及設備，並且僅在非常有限的情況下可用於攤銷無形資產。該等修訂於將來應用。預期該等修訂於2016年1月1日採納後將不會對本集團的財務狀況或經營成果產生任何影響，因本集團並未使用收益法計算其非流動資產的折舊。

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

Amendments to IFRS 15

IFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under IFRSs. In July 2015, the IASB issued an amendment to IFRS 15 regarding a one-year deferral of the mandatory effective date of IFRS 15 to 1 January 2018. The Group expects to adopt IFRS 15 on 1 January 2018 and is currently assessing the impact of IFRS 15 upon adoption.

2.3.已頒佈但尚未生效的國際財務 報告準則 (續)

國際財務報告準則第15號 (修訂本)

國際財務報告準則第15號建立一個新的五步模式，將應用於自客戶合約產生的收益。根據國際財務報告準則第15號，收益按能反映實體預期向客戶轉讓貨物或服務而換取的代價金額確認。國際財務報告準則第15號的原則為計量及確認收益提供更有結構的方法。該準則亦引入廣泛的定性及定量披露規定，包括分拆收益總額、關於履約責任、不同期間之間合約資產及負債賬目結餘的變動以及主要判斷及估計的資料。該準則將取代國際財務報告準則項下所有現時收益確認的規定。於2015年7月，國際會計準則理事會頒佈國際財務報告準則第15號的修訂，將國際財務報告準則第15號的強制生效日期延遲一年至2018年1月1日。本集團預期於2018年1月1日採納國際財務報告準則第15號，目前正評估採納國際財務報告準則第15號所帶來的影響。

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

Amendments to IAS 1

Amendments to IAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:

- (i) the materiality requirements in IAS 1;
- (ii) that specific line items in the statement of profit or loss and the statement of financial position may be disaggregated;
- (iii) that entities have flexibility as to the order in which they present the notes to financial statements; and
- (iv) that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of comprehensive income. The Group expects to adopt the amendments from 1 January 2016. The amendments are not expected to have any significant impact on the Group's consolidated financial statements.

2.3. 已頒佈但尚未生效的國際財務 報告準則 (續)

國際會計準則第1號 (修訂本)

國際會計準則第1號的修訂載有對財務報表的呈報及披露範疇內具針對性的改善。該等修訂釐清：

- (i) 國際會計準則第1號內的重大的規定；
- (ii) 損益表及財務狀況表內的特定項目可予細分；
- (iii) 實體就彼等呈列財務報表附註的順序擁有靈活性；及
- (iv) 使用權益法入賬的分佔聯營公司及合營公司的其他綜合收益必須作為單獨項目匯總呈列，並且將會或不會其後重新分類至損益的該等項目間進行歸類。

此外，該等修訂釐清於財務狀況表及損益表內呈列額外小計時適用的規定。本集團預期於2016年1月1日起採納該等修訂。該等修訂預期不會對本集團的合併財務報表產生任何重大影響。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

2.4 主要會計政策概要

於聯營公司及合營公司的投資

聯營公司為本集團擁有一般不少於20%股份投票權的長期權益且本集團可對其行使重大影響力的實體。重大影響力指有權參與投資對象的財務及營運政策決定，但並非控制或共同控制該等政策。

合營公司指一種合營安排，對安排擁有共同控制權的訂約方據此對合營公司的淨資產擁有權利。共同控制指按照合約協定對一項安排所共有的控制，共同控制僅在有關活動要求享有控制權的訂約方作出一致同意的決定時存在。

本集團於聯營公司及合營公司的投資乃採用權益會計法，按本集團應佔的淨資產減任何減值虧損在合併財務狀況表列賬。

倘若會計政策存在任何不一致，將會作出相應調整。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates and joint ventures (continued)

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

2.4 主要會計政策概要 (續)

於聯營公司及合營公司的投資 (續)

本集團所佔聯營公司及合營公司的收購後業績及其他綜合收益分別計入合併損益表及合併其他綜合收益表。此外，倘於聯營公司或合營公司的權益直接確認出現變動，則本集團會於合併權益變動表確認其應佔任何變動（倘適用）。因本集團與其聯營公司或合營公司之間的交易而產生的未變現收益及虧損將以本集團於聯營公司或合營公司的投資為限予以對銷，惟倘未變現虧損為所轉讓資產減值的憑證則除外。收購聯營公司或合營公司所產生的商譽計入本集團於聯營公司或合營公司投資的一部分。

倘於聯營公司的投資變為對合營公司的投資（反之亦然），則不會重新計量保留權益，該投資將繼續根據權益法入賬。在所有其他情況下，倘失去對聯營公司的重大影響力或對合營公司的共同控制權，本集團會按其公允價值計量及確認任何剩餘投資。聯營公司或合營公司於失去重大影響力或共同控制權時的賬面值與剩餘投資及出售所得款項的公允價值之間的任何差額於損益內確認。

當於聯營公司或合營公司的投資分類為持作出售時，該投資根據國際財務報告準則第5號持作出售非流動資產及已終止經營業務入賬。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

2.4 主要會計政策概要 (續)

業務合併及商譽

業務合併乃採用收購法列賬。轉讓對價乃以收購日期的公允價值計量，該公允價值為本集團轉讓的資產於收購日期的公允價值、本集團向被收購方前擁有人承擔的負債及本集團為換取被收購方控制權而發行的股本權益的總和。於各業務合併中，本集團選擇是否按公允價值或於被收購方可識別淨資產的應佔比例，計量於被收購方的非控股權益，即賦予其持有人在清盤時按比例分佔淨資產的現有所有權權益。非控股權益的所有其他組成部分均按公允價值計量。收購相關成本於產生時列為開支。

當本集團收購一項業務時，會根據合同條款、於收購日期的經濟環境及相關條件，評估須承擔的金融資產及負債，以作出適合的分類及標示，其中包括分離被收購方主合同中的嵌入式衍生工具。

如業務合併分階段進行，先前持有的股本權益按其於收購日期的公允價值重新計量，所產生的任何損益在損益中確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (continued)

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 is measured at fair value with changes in fair value either recognised in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at December 31. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

收購方將轉讓的任何或有對價按收購日期的公允價值確認。屬金融工具並分類為資產或負債且屬於國際會計準則第39號範圍內的或有對價按公允價值計量，其公允價值變動於損益內或作為其他全面收益的變動確認。分類為權益的或有對價不重新計量，其後續結算在權益中入賬。

商譽初步按成本計量，即已轉讓對價、非控股權益的確認金額及本集團先前持有的被收購方股本權益的任何公允價值總額，與所收購可識別淨資產及所承擔負債之間的差額。如對價與其他項目的總額低於所收購淨資產的公允價值，該差額於重新評估後將於損益內確認為議價購買收益。

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽須每年作減值測試，若有事件發生或情況改變顯示賬面值有可能減值時，則會更頻密地進行測試。本集團於12月31日進行商譽的年度減值測試。為進行減值測試，因業務合併而購入的商譽自收購日期起被分配至預期可從合併產生的協同效益中獲益的本集團各現金產生單位或現金產生單位組別，而無論本集團其他資產或負債是否已分配至該等單位或單位組別。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its investment properties, derivative financial instruments and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

減值乃通過評估與商譽有關的現金產生單位 (或現金產生單位組別) 的可收回金額釐定。當現金產生單位 (或現金產生單位組別) 的可收回金額低於賬面金額時，減值虧損便予以確認。已就商譽確認的減值虧損不得於隨後期間撥回。

如商譽分配至現金產生單位 (或現金產生單位組別) 而該單位的部分業務已出售，則在釐定出售損益時，與所出售業務相關的商譽會計入該業務的賬面金額。在該等情況下出售的商譽乃根據所出售業務及現金產生單位的保留份額的相對價值進行計量。

公允價值計量

於各報告期末，本集團按公允價值計量其投資物業、衍生金融工具及股權投資。公允價值為市場參與者之間於計量日期進行的有序交易中，出售資產所收取或轉讓負債所支付之價格。公允價值計量假設出售資產或轉讓負債的交易於該資產或負債的主要市場，或在無主要市場的情況下，則於對該資產或負債最有利的市場進行。主要或最有利市場須為本集團能參與的市場。假設市場參與者基於最佳經濟利益行事，資產或負債的公允價值使用市場參與者為資產或負債定價所用假設計量。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurement (continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 主要會計政策概要 (續)

公允價值計量 (續)

非金融資產之公允價值計量會計及市場參與者將資產用於最高價值及最佳用途或售予會將資產用於最高價值及最佳用途之另一名市場參與者而產生經濟利益的能力。

本集團針對不同情況使用不同估值方法，確保有足夠數據計量公允價值，並盡量利用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

公允價值於財務報表計量或披露之所有資產及負債，均基於對公允價值計量整體而言屬重要之最低層輸入數據按下述公允價值層級分類：

第一層 – 按同等資產或負債於活躍市場之報價（未經調整）計算

第二層 – 按估值方法計算（計量公允價值的重要最低層輸入數據可直接或間接觀察）

第三層 – 按估值方法計算（計量公允價值的重要最低層輸入數據不可觀察）

對於按經常性基準於財務報表確認之資產及負債，本集團於各報告期末重新評估分類（基於對公允價值計量整體而言屬重大之最低層輸入數據），以確定有否在不同層級之間轉移。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, construction contract assets, financial assets and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

2.4 主要會計政策概要 (續)

非金融資產減值

當資產(存貨、建造合同資產、金融資產及投資物業除外)存在減值跡象或須對資產進行年度減值測試時，會估計資產的可收回金額。資產的可收回金額是指資產或現金產生單位的使用價值與其公允價值減出售成本兩者之中的較高者，並以個別資產釐定，除非該資產並不產生很大程度上獨立於其他資產或資產組別的現金流入，在此情況下可收回金額按資產所屬現金產生單位釐定。

僅當資產的賬面值超過其可收回金額時方可確認減值虧損。評估使用價值時，估計未來現金流量乃以反映當前市場評定的貨幣時間價值以及資產特有風險的稅前折現率折現至其現值。減值虧損乃於其在與該已減值資產的功能一致的該等開支類別中產生期間自損益表中扣除。

在每個報告期末均會評估是否有跡象表明之前確認的減值虧損可能不復存在或有所減少。若存在該跡象，則會估計可收回金額。僅當用於釐定資產的可收回金額的估計有所改變時，先前就該資產確認的減值虧損(商譽除外)才可轉回，但轉回後的數額不能高於假設以往年度沒有確認減值虧損而原應釐定的賬面值(扣除任何折舊／攤銷)。該減值虧損的轉回於產生期間計入損益表，除非資產以重估金額入賬，於此情況下，則減值虧損撥回將根據該重估資產的相關會計政策入賬。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
- (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

2.4 主要會計政策概要 (續)

關聯方

倘任何人士符合以下條件，則視為與本集團有關聯：

- (a) 倘該方屬以下人士或該人士的家庭近親成員，且該人士：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理層成員；

或

- (b) 倘該方為符合下列任何條件的實體：
- (i) 該實體與本集團屬同一集團的成員公司；
 - (ii) 實體為另一實體的聯營公司或合營公司（或為另一實體的母公司、附屬公司或同系附屬公司）；
 - (iii) 該實體與本集團均為同一第三方的合營公司；
 - (iv) 實體為第三方實體的合營公司，而另一實體為該第三方實體的聯營公司；

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties (continued)

(b) (continued)

- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost (or valuation) less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is reclassified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

2.4 主要會計政策概要 (續)

關聯方 (續)

(b) (續)

- (v) 實體為本集團或與本集團有關聯的實體就僱員利益設立的離職福利計劃；及退休福利計劃之資助僱主；
- (vi) 實體受(a)所識別人士控制或共同控制；
- (vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體（或該實體的母公司）主要管理層成員；及
- (viii) 該實體或一個集團任何成員公司（該實體屬一部分），向本集團或本集團母公司提供主要管理人員服務。

物業、廠房及設備以及折舊

除在建工程外，物業、廠房及設備按成本（或評估）減累計折舊及任何累計減值虧損列賬。當一項物業、廠房及設備重新分類為持有待售或當其組成為持有待售的處置組合的一部分時，其毋須折舊並根據香港財務報告準則第5號入賬。物業、廠房及設備項目成本包括其購入價及使資產達致其擬定用途的運作狀況及地點的任何直接應佔成本。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation (continued)

Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Changes in the values of property are dealt with as movements in valuation surplus. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the statement of profit or loss. Any subsequent revaluation surplus is credited to the statement of profit or loss to the extent of the deficit previously charged. An annual transfer from the asset revaluation reserve to retained profits is made for the difference between the depreciation based on the revalued carrying amount of an asset and the depreciation based on the asset's original cost. On disposal of a revalued asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

2.4 主要會計政策概要 (續)

物業、廠房及設備以及折舊 (續)

成本亦可包括由權益轉撥外幣購買物業、廠房及設備合資格作現金流量對沖的任何損益。

物業、廠房及設備項目投產後產生的維修及保養等開支，一般於產生期間計入損益表。於符合確認標準的情況下，大型檢測開支計入資產賬面值，作為重置成本。倘物業、廠房及設備之重要部分須定期更換，則本集團確認該等部分為具特定使用年期之個別資產並相應計提折舊。

本公司經常進行估值，以確保重估資產的公允價值與其賬面值不會有重大差異。物業價值的變動乃列為估值盈餘變動處理。倘按個別資產基準計算，該項儲備總額不足以彌補虧絀，則虧絀餘額將自損益表扣除。任何其後產生的重估盈餘均計入損益表，惟以先前已扣除的虧絀為限。重估資產賬面值折舊與資產原有成本折舊的差額從資產重估儲備每年轉撥至保留溢利。出售經重估的資產時，就先前進行估值而變現的資產重估儲備的相關部分乃作為儲備變動轉撥至保留溢利。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation (continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

| | |
|----------------------------|----------------|
| Buildings | 2.72% to 3.8% |
| Office and other equipment | 19.0% to 19.5% |
| Motor vehicles | 11.88% |

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents buildings, plant and equipment under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.4 主要會計政策概要 (續)

物業、廠房及設備以及折舊 (續)

折舊乃以直線法在估計使用年期內將各物業、廠房及設備項目的成本撇銷至其剩餘價值。就此而言使用的主要年率如下：

| | |
|----------|-------------|
| 樓宇 | 2.72%至3.8% |
| 辦公室及其他設備 | 19.0%至19.5% |
| 汽車 | 11.88% |

倘物業、廠房及設備項目的各部分有不同的可使用年期，該項目的成本將在各部分之間作合理分配，而每部分將個別計提折舊。剩餘價值、使用年期及折舊方法至少於各財政年度結算日檢討，並於適當時調整。

初始確認的物業、廠房及設備項目（包括任何重要部分）於出售或預期使用不會再產生未來經濟利益時終止確認。於資產終止確認年度在損益表確認的任何出售或報廢收益或虧損，乃有關資產出售所得款項淨額與賬面值之差額。

在建工程指正在建設的樓宇、廠房及設備，按成本減任何減值虧損入賬且不計提折舊。成本包括建設期間建設的直接成本及相關借入資金的資本化借貸成本。在建工程於落成可用時按適當類別重新分類至物業、廠房及設備。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured at cost including transaction costs both at initial recognition and subsequent to initial recognition.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties or inventories, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under “Property, plant and equipment and depreciation” up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with the policy stated under “Property, plant and equipment and depreciation” above. For a transfer from inventories to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of profit or loss.

2.4 主要會計政策概要 (續)

投資物業

投資物業乃於土地及樓宇持有之收益，用以賺取租金收入及／或資本升值，而非用於產品或服務之生產或供應或行政用途；或於日常業務營運中銷售。該等物業乃按成本計量，包括初始確認及初始確認後的交易成本。

報廢或出售投資物業所產生的任何收益或虧損於報廢或出售年度在損益表內確認。

由投資物業轉為自用物業或存貨時，該物業其後會計入賬的認定成本為改變用途當日的公允價值。如本集團的自用物業轉為投資物業，本集團直至改變用途日前會根據「物業、廠房及設備以及折舊」所述的政策把該物業入賬，而物業於當日的賬面值與公允價值的任何差額則根據上述「物業、廠房及設備以及折舊」所述的政策列作重估。由存貨轉為投資物業時，該物業於當日的賬面值與先前的公允價值的任何差額於損益表中確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over the estimated useful life of 2 to 5 years.

2.4 主要會計政策概要 (續)

無形資產 (商譽除外)

單獨取得的無形資產於初始確認時按成本計量。通過業務合併取得的無形資產的成本為收購日期的公允價值。無形資產的可使用年期評定為有限期或無限期。有限期的無形資產隨後按可使用經濟年期攤銷，於有跡象顯示無形資產可能出現減值時評估減值。有限可使用年期的無形資產的攤銷期及攤銷方法至少於各財政年度結算日檢討一次。

無固定年期的無形資產將每年個別地或者於現金產生單位層面進行減值測試。該等無形資產不進行攤銷。無固定年期的無形資產須每年評估其可使用年期，以確定無固定年期的評估是否依然可行。否則，可使用年期的評估從無固定年期變更為有固定年期，將採用未來適用法進行會計處理。

軟件

已購買的軟件乃按成本減任何減值虧損列賬，按其估計可用年期（兩至五年）以直線法攤銷。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (other than goodwill) (continued)

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

2.4 主要會計政策概要 (續)

無形資產 (商譽除外) (續)

研究及開發費用

所有研究費用均於產生時自損益表扣除。

新產品開發計劃產生的開支僅於本集團證明在技術上能夠完成無形資產供使用或出售、有意完成及有能力使用或出售該資產、該資產將帶來日後經濟利益、具有完成計劃所需的資源且能夠可靠地計量開發期間支出時，方會資本化並以遞延方式入賬。未能符合此等條件的產品開發開支概於發生時列作開支。

租賃

由出租人保留資產所有權的絕大部分報酬與風險的租賃均以經營租賃入賬。如本集團為出租人，本集團將按照租賃年期以直線法，分別將根據經營租賃租賃的資產計入非流動資產及將根據經營租賃的應收租金計入損益表內。如本集團為承租人，則本集團根據經營租賃應付的租金 (扣除自出租人收取的任何優惠金額) 將以直線法於租期內自損益表扣除。

根據經營租賃支付的預付土地租金在初期以成本列賬，其後於租期以直線法進行確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39.

2.4 主要會計政策概要 (續)

投資及其他金融資產

初始確認及計量

金融資產於初始確認時會被分類為按公允價值計入損益的金融資產、貸款及應收款項及可供出售金融資產，如適用。金融資產於初始確認時，乃按公允價值加收購金融資產所產生的交易成本（惟按公允價值計入損益的金融資產則除外）計量。

循正常渠道購買及銷售金融資產於交易日（即本集團承諾購買或銷售資產當日）確認，循正常渠道購買或銷售指規定資產於特定期間內（一般由規則或市場慣例確立）付運的金融資產買賣。

後續計量

金融資產的後續計量乃按分類進行，該等金融資產分類如下：

按公允價值計入損益的金融資產

按公允價值計入損益的金融資產包括持作買賣之金融資產及於初始確認時指定為按公允價值計入損益的金融資產。金融資產如以短期賣出為目的而購買，則分類為持作買賣資產。除非衍生工具（包括已作獨立確認的隱含衍生工具）按國際會計準則第39號定義被指定為實際對沖工具，否則亦會分類為持作買賣金融資產。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Financial assets at fair value through profit or loss (continued)

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as finance costs in the statement of profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for “Revenue recognition” below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IAS 39 are satisfied.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated as at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

隨後計量 (續)

按公允價值計入損益的金融資產 (續)

按公允價值計入損益的金融資產於財務狀況表中按公允價值列賬，而公允價值正變動淨額則於損益表中呈列為其他收入及收益及公允價值負變動淨額則呈列為財務費用。該等公允價值變動淨額不包括該等金融資產根據下文「收入確認」所載政策確認賺取之任何股息或利息。

於初始確認時指定為按公允價值計入損益的金融資產，於初始確認日期且僅當符合國際會計準則第39號之標準時方會作此指定。

嵌入主合約之衍生工具入賬列作獨立衍生工具，倘其經濟特徵及風險與主合約的經濟特徵及風險並無密切聯繫且主合約並非持作買賣或指定按公允價值計入損益，則按公允價值計量。該等嵌入式衍生工具按公允價值計量，公允價值的變動於損益表中確認。僅在合約條款變動大幅改變現金流量或在金融資產按公允價值重新分類至損益類別時方會按要求重新評估。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance income in the statement of profit or loss.

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

隨後計量 (續)

貸款及應收款項

貸款及應收款項乃是有固定或可確定付款金額但並無在一個活躍市場上報價的非衍生金融資產。經初步計量後，該等資產其後以實際利率法根據已攤銷的成本（扣減任何減值撥備）計量。攤銷成本乃計入任何收購時的折讓或溢價，以及屬於實際利率不可分割部分的費用或成本。實際利率攤銷包括在損益表內的財務收入中。

可供出售金融投資

可供出售金融投資乃上市及非上市股權投資及債務證券之非衍生金融資產。分類為可供出售之股權投資指未分類為持作買賣或指定為按公允價值計入損益之投資。該類別中的債務證券指有意無限期持有之證券，且該等證券可能會因應流動資金需求或應對市況變動而出售。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Available-for-sale financial investments (continued)

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in changes in fair value of available for sale investments revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the statement of profit or loss in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to the statement of profit or loss in other gains or losses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in the statement of profit or loss as other income in accordance with the policies set out for “Revenue recognition” below.

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

隨後計量 (續)

可供出售金融投資 (續)

於初始確認後，可供出售金融投資其後以公允價值計量，而未變現收益或虧損則於可供出售投資重估儲備公允價值變動中確認為其他綜合收益，直至投資被終止確認（屆時，累計收益或虧損於損益表確認為其他收入）或被釐定出現減值為止，此時，累計收益或虧損由可供出售投資重估儲備重新分類至損益表其他收益或虧損內。於持有可供出售金融投資時所賺取之利息及股息分別列作利息收入及股息收入，並根據下文「收入確認」所載政策於損益表確認為其他收入。

當非上市股權投資之公允價值由於(a)合理公允價值估計範圍之變動相對該投資而言實屬重大，或(b)上述範圍內之各種估價之概率未能合理評估且須用以估算公允價值，而未能可靠計算時，則該等投資將按成本扣除任何減值虧損列賬。

本集團評估於短期內出售其可供出售金融資產之能力及意圖是否仍然合適。倘於罕見情況下，因市場交投淡靜，本集團因而無法買賣有關金融資產，則倘管理層有能力並有意於可見將來持有該等金融資產或持有至到期日，本集團可選擇將該等資產重新分類。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Available-for-sale financial investments (continued)

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

隨後計量 (續)

可供出售金融投資 (續)

就從可供出售類別重新分類之金融資產而言，於重新分類日期的公允價值賬面值成為其新的已攤銷成本及該項資產過往已於權益確認之收益或虧損於損益中以實際利率按投資餘下可使用年期攤銷。新的已攤銷成本與到期金額之任何差額同樣以實際利率按該資產餘下可使用年期攤銷。倘該項資產其後釐定為出現減值，於權益中所載之相關金額則須重新分類至損益表。

終止確認金融資產

金融資產（或如適用，一項金融資產的一部分或一組同類金融資產的一部分）在下列情況將首先終止確認（即從本集團的合併財務狀況表中刪除）：

- 收取該項資產所得現金流量的權利經已屆滿；或
- 本集團已轉讓其收取該項資產所得現金流量的權利，或須根據「轉付」安排，在未有嚴重延緩第三者的情況下，已就有關權利全數承擔支付已收到現金流量的責任；及(a)本集團已轉讓該項資產的絕大部分風險及回報；或(b)本集團並無轉讓或保留該項資產絕大部分風險及回報，但已轉讓該項資產的控制權。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial assets (continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2.4 主要會計政策概要 (續)

終止確認金融資產 (續)

倘本集團轉讓其收取該項資產所得現金流量的權利或已訂立轉付安排，會評估其有否保留該項資產擁有權的風險及回報，以及其程度。當本集團並無轉讓或保留該項資產的絕大部分風險及回報及並無轉讓該項資產的控制權，本集團會在本集團持續參與該項資產的前提下繼續確認入賬。於該情況下，本集團亦確認相關負債。已轉讓資產及相關負債乃按反映本集團保留的權利及義務的基準計量。

本集團以擔保形式持續涉及轉讓資產，該已轉讓資產乃以該項資產之原賬面值及本集團可能需要支付之最高代價兩者之較低者計量。

金融資產減值

本集團於各個報告期末評估是否存在客觀跡象顯示一項或一組金融資產出現減值。僅於初始確認資產後發生一項或多項事件對該項或該組金融資產的估計未來現金流量所造成的影響乃能夠可靠地估計，則該項或該組金融資產存在減值。減值跡象可包括一名或一群債務人正面臨重大經濟困難、違約或未能償還利息或本金、彼等有可能破產或進行其他財務重組，以及有可觀察得到的數據顯示估計未來現金流量出現可計量的減少，例如欠款數目變動或出現與違約相關的經濟狀況。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (continued)

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it is included in the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

2.4 主要會計政策概要 (續)

金融資產減值 (續)

按攤銷成本列賬的金融資產

就按攤銷成本列賬的金融資產而言，本集團首先會按個別基準就單項重大的金融資產或按組合基準就單項非重大的金融資產，個別評估是否存在減值。倘本集團認定按個別基準經評估的金融資產（無論具重要性與否）並無客觀跡象顯示存有減值，則該項資產會歸入一組具有相似信貸風險特性的金融資產內，並共同評估該組金融資產是否存在減值。經個別評估減值的資產，其減值虧損會予確認或繼續確認入賬，而不會納入綜合減值評估之內。

任何經確定的減值虧損金額按該資產賬面值與估計未來現金流量（不包括尚未產生的未來信貸虧損）現值的差額計量。估計未來現金流量的現值以金融資產的初始實際利率（如初次確認時計算的實際利率）折現。

該資產的賬面值會通過使用撥備而減少，而虧損於損益表確認。利息收入於減少賬面值中持續產生，且採用計量減值虧損時用以折現未來現金流量的利率累計。倘日後收回不可實現及所有抵押品已變現或已轉讓予本集團，則撇清貸款及應收款項連同任何相關撥備。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (continued)

Financial assets carried at amortised cost (continued)

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other operating income/expenses in the statement of profit or loss.

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

2.4 主要會計政策概要 (續)

金融資產減值 (續)

按攤銷成本列賬的金融資產 (續)

倘在其後期間估計減值虧損金額由於確認減值之後發生的事項增加或減少，則透過調整撥備賬增加或減少先前確認的減值虧損。倘於其後收回已撇賬款，該項收回將計入損益表內的其他經營收入／開支。

按成本列賬的資產

倘有客觀跡象表明一項無報價股本工具已發生減值虧損，而該項工具由於公允價值無法可靠計量而並無按公允價值列賬，或一項衍生資產已發生減值虧損，而該衍生資產與該等無報價權益工具相聯繫或以該等無報價權益工具進行交割，則應以資產之賬面值和估計現金流量之現值（以當前市場一相似財務資產之回報率為折現率折現）的差額作為損失之金額。該等資產之減值虧損不予轉回。

可供出售之金融投資

就可供出售之金融投資而言，本集團將於各報告期末評估一項投資或一組投資有否出現客觀減值憑證。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (continued)

Available-for-sale financial investments (continued)

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the statement of profit or loss, is removed from other comprehensive income and recognised in the statement of profit or loss.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. “Significant” is evaluated against the original cost of the investment and “prolonged” against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss – is removed from other comprehensive income and recognised in the statement of profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through the statement of profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is “significant” or “prolonged” requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

2.4 主要會計政策概要 (續)

金融資產減值 (續)

可供出售之金融投資 (續)

倘可供出售之資產減值，包括其成本（扣除任何本金付款及攤銷）與現時公允價值之差額在扣除先前於損益表確認之任何減值虧損後之金額，從其他綜合收入中剔除並於損益表內確認。

倘股權投資被分類為可供出售，則客觀憑證將包括該項投資之公允價值大幅或長期跌至低於其成本值。「重大」乃相對於投資之原有成本而評估，而「持續」則相對於出現公允價值低於其原有成本之時期而評估。倘出現減值憑證，則累計虧損（按收購成本與現時公允價值之差額減該項投資先前在損益表內確認之任何減值虧損計量）從其他綜合收益中剔除，並於損益表確認。分類為可供出售之股本工具之減值虧損不會自損益表撥回，其公允價值之增加經扣除減值後直接於其他綜合收益中確認。

確定「重大」或「持續」需要作出判斷。在作出判斷時，本集團會評估（其中包括）投資的公允價值低於其成本的持續時間或程度等因素。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bills payable, derivative financial instruments and interest-bearing bank and other borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

2.4 主要會計政策概要 (續)

金融負債

初始確認及計量

於初始確認的金融負債會被分類為按公允價值計入損益的金融負債或貸款及借貸。

所有金融負債初始按公允價值確認，如屬貸款或借貸，則扣除直接應佔交易成本。

本集團的金融負債包括貿易及其他應付款項、應付票據、衍生金融工具以及計息銀行及其他借貸。

後續計量

金融負債的後續計量按如下分類進行：

按公允價值計入損益的金融負債

按公允價值計入損益的金融負債包括持作買賣的金融負債及於初始確認時指定為按公允價值計入損益的金融負債。

如果獲取該金融負債的目的是為了在近期再次購買，則分類為可持作買賣金融負債。此項目包括本集團所擁有的衍生金融工具，但並不是國際會計準則第39號所定義的對沖工具。單獨嵌入衍生工具也分類為持作買賣金融負債，除非他們被設計成為有效的對沖工具。持作買賣金融負債的收益或虧損於損益表中確認。於損益表確認的公允價值變動淨損益不包括任何金融負債的相關利息。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities (continued)

Financial liabilities at fair value through profit or loss (continued)

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IAS 39 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation.

2.4 主要會計政策概要 (續)

金融負債 (續)

按公允價值計入損益的金融負債 (續)

只有符合國際會計準則第39號的規定時，方可在初始確認時指定為按公允價值計入損益的金融負債。

貸款及借貸

經初始確認後，計息貸款及借貸隨後以實際利率法按攤銷成本計量，除非貼現影響為微不足道，在該情況下則按成本列賬。當負債終止確認及按實際利率法進行攤銷程序時，其收益及虧損在損益表內確認。

攤銷成本於計及收購事項任何折讓或溢價及屬實際利率不可或缺一部分的費用或成本後計算。實際利率攤銷計入損益表的財務費用內。

財務擔保合約

本公司發出的財務擔保合約乃因特定債務人無法按債務工具的條款支付到期款項，而須向合約持有人支付款項以彌補其因此招致的損失之合約。財務擔保合約初始乃按公允價值並就與發出擔保直接相關的交易成本進行調整後，確認為負債。於初始確認後，本公司按以下兩者中之較高者計量財務擔保合約：(i)於報告期末繳付現有負債所需開支之最佳估計金額；及(ii)初始確認之金額減(倘適用)累計攤銷。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risk and interest rate risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss.

2.4 主要會計政策概要 (續)

終止確認金融負債

於負債項下的責任被解除或取消或屆滿時，金融負債將被終止確認。

如現有金融負債由同一債權人以條款大相逕庭的負債所取代，或現有負債條款作出重大修訂，此類置換或修訂將被視為終止確認本來的負債及確認新負債，有關賬面值的差額於損益表中確認。

抵銷金融工具

於具現有法定權利抵銷確認金額及有意以淨額結算，或同時變賣資產及償還負債，金融資產及金融負債互相抵銷並於財務狀況表內呈報淨額。

衍生金融工具

初始確認及後續計量

本集團利用遠期貨幣合約及利率掉期交易等衍生金融工具管理其與外幣及利率波動有關之風險。該等衍生金融工具初始按訂立衍生合約當日之公允價值確認，其後則按公允價值重新計量。倘衍生工具之公允價值為正數，則以資產列賬，而倘公允價值為負數則以負債列賬。

衍生工具公允價值發生變動所產生之收益或虧損乃直接計入損益表。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derivative financial instruments (continued)

Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

- Where the Group expects to hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the end of the reporting period, the derivative is classified as non-current (or separated into current and non-current portions) consistently with the classification of the underlying item.
- Embedded derivatives that are not closely related to the host contract are classified consistently with the cash flows of the host contract.
- Derivative instruments that are designated as, and are effective hedging instruments, are classified consistently with the classification of the underlying hedged item. The derivative instruments are separated into current portions and non-current portions only if a reliable allocation can be made.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the specific identification of cost basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

2.4 主要會計政策概要 (續)

衍生金融工具 (續)

流動與非流動分類對比

並非指定為有效對沖工具之衍生工具根據對事實及情況之評估(即相關合約現金流量)分類為流動及非流動,或分開為流動或非流動部分。

- 當本集團預期持有衍生工具作為經濟對沖(而並無應用對沖會計處理方法)至超過報告期末後12個月期間,該衍生工具乃與相關項目之分類一致分類為非流動(或分開為流動及非流動部分)。
- 與主合約並非密切聯繫之附帶在內衍生工具乃與主合約之現金流量一致分類。
- 指定為及為有效對沖工具之衍生工具乃與相關對沖項目之分類一致分類。衍生工具僅於可作出可靠分配時分開為流動部分及非流動部分。

存貨

存貨按成本及可變現淨值(以較低者為準)列賬。成本按具體成本確認基準釐定,在製品及製成品的成本包括直接材料、直接勞工及按適當比例計算的間接費用。可變現淨值按預計售價減完成及出售所產生的任何估計成本計算。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

2.4 主要會計政策概要 (續)

現金及現金等價物

就合併現金流量表而言，現金及現金等價物包括手頭現金及活期存款，以及短期且流動性極高的投資，該等投資可隨時兌換為已知數額的現金且價值轉變風險並不重大，並於購入後三個月內到期，減須於通知時償還並構成本集團現金管理一部分的銀行透支。

就合併財務狀況表而言，現金及現金等價物包括用途不受限制的手頭現金及銀行存款（包括定期存款及性質與現金類似的資產）。

撥備

倘因過往事件導致現有債務（法定或推定）及日後可能需要有資源流出以償還債務，則確認撥備，惟必須能可靠估計有關債務金額。

倘折現的影響重大，則確認的撥備金額為預期需用作償還債務的未來支出於報告期末的現值。因時間流逝而產生的折現現值增額，列作財務費用計入損益表。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 主要會計政策概要 (續)

所得稅

所得稅包括即期及遞延稅項。有關損益外確認項目的所得稅於損益外確認，不論是否於其他綜合收益或直接於權益內確認。

本期與以往期間的即期稅項資產和負債根據於報告期末已頒佈或已大致頒佈的稅率（及稅法），並考慮本集團業務所在國家的現有詮釋及慣例，按預期自稅務當局收回或付予稅務當局的金額計算。

遞延稅項以負債法就於報告期末資產及負債的稅項基準及其用作財務申報的賬面值之間的所有暫時性差額作出撥備。

除以下情況外，遞延稅項負債就所有應課稅暫時差額予以確認：

- 當遞延稅項負債來自初始確認商譽或並非業務合併的交易的資產或負債，而於交易時並不影響會計溢利或應課稅溢利或虧損；及
- 就與於附屬公司、聯營公司及合營公司的投資有關的應課稅暫時差額而言，除非撥回暫時差額的時間可以控制及暫時差額可能不會在可見將來撥回。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

2.4 主要會計政策概要 (續)

所得稅 (續)

就所有可扣稅暫時差額、承前未用稅項抵免和未用稅項虧損確認遞延稅項資產，惟以日後有可能出現應課稅溢利可利用該等可扣稅暫時差額、承前未用稅項抵免和未用稅項虧損予以抵銷為限，除非：

- 於初始確認非業務合併的交易中的資產或負債產生與可扣稅暫時差額有關的遞延稅項資產，而有關遞延稅項資產於進行交易時對會計溢利或應課稅溢利或虧損均無影響；及
- 對涉及附屬公司、聯營公司及合營公司投資的可扣稅暫時差額而言，僅在暫時差額有可能在可見將來撥回，以及日後可用該等暫時差額抵銷可能出現的應課稅溢利時，方會確認遞延稅項資產。

遞延稅項資產的賬面值會於各報告期末檢討，倘不再可能有足夠應課稅溢利可用於抵免全部或部分遞延稅項資產，則會予以扣減。未確認的遞延稅項資產會於各報告期末重估和於可能有足夠應課稅溢利可收回全部或部分遞延稅項資產時確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

2.4 主要會計政策概要 (續)

所得稅 (續)

遞延稅項資產和負債乃根據於報告期末前已實施或大致實施的稅率(和稅法)，按預期於資產獲變現或負債償還期間適用的稅率計算。

倘存在以即期稅項資產抵銷即期稅項負債的合法權利，而遞延稅項乃涉及同一課稅實體和同一稅務機關，則遞延稅項資產和遞延稅項負債可互相抵銷。

政府資助

政府資助在能合理地確保可收取有關資助並符合一切附帶條件的情況下，按其公允價值予以確認。如資助與開支項目有關，則將有系統地按照擬補償的成本被費用化期間予以確認為收入。

若補貼與資產相關，則將其公允價值貸記至遞延收入賬目，並在相關資產的預期使用年限內每年按等額計入損益表，或扣除自資產的賬面值，透過減少折舊開支的方式計入損益表。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) from construction contracts, on the percentage of completion basis, as further explained in the accounting policy for “Construction contracts” below;
- (c) from the rendering of services, on the percentage of completion basis, as further explained in the accounting policy for “Contracts for services” below;
- (d) rental income, on a time proportion basis over the lease terms;
- (e) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset; and
- (f) dividend income, when the shareholders’ right to receive payment has been established.

2.4 主要會計政策概要 (續)

收入確認

收入乃於本集團可能獲得經濟利益而該收入能可靠地計算時，按下列基準予以確認：

- (a) 就貨品銷售而言，倘所有權的重大風險及回報已轉移至買方，且本集團並無保留一般視為與所有權相關的管理權或已售貨品的有效控制權時確認；
- (b) 就建造合同而言，按完成百分比基準確認，詳情載於下文「建造合同」會計政策；
- (c) 就提供服務而言，按完成百分比基準確認，詳情載於下文「服務合同」會計政策；
- (d) 租金收入按租賃期內時間比例確認；
- (e) 利息收入乃根據適用的實際利率按時間基準累計，而實際利率乃按金融工具的預計年期或更短年期（如適用）估計日後現金收入準確貼現至金融資產的賬面淨值之利率；及
- (f) 倘股東收取款項的權利獲成立，則為股息收入。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Construction contracts

Contract revenue comprises the agreed contract amount and appropriate amounts from variation orders, claims and incentive payments. Contract costs incurred comprise direct materials, the costs of subcontracting, direct labour and an appropriate proportion of variable and fixed construction overheads.

Revenue from fixed price construction contracts is recognised using the percentage of completion method, measured by reference to the proportion of costs incurred to date to the estimated total cost of the relevant contract.

Revenue from cost plus construction contracts is recognised using the percentage of completion method, by reference to the recoverable costs incurred during the period plus the related fee earned, measured by the proportion of costs incurred to date to the estimated total cost of the relevant contract.

Where the outcome of a contract cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to the recovered.

Provision is made for foreseeable losses as soon as they are anticipated by management. Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as an amount due from contract customers. Where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is treated as an amount due to contract customers.

Contracts for services

Contract revenue on the rendering of services comprises the agreed contract amount. Costs of rendering services comprise labour and other costs of personnel directly engaged in providing the services and attributable overheads.

2.4 主要會計政策概要 (續)

建造合同

合同收入包括商定的合同金額以及來自工程變更、索賠和激勵收入。合同成本包括直接材料、轉包成本、直接工資和按比例分攤的可變動和固定建造費用。

來自固定價格建造合同的收入採用完成百分比法確認，乃參考迄今為止已產生的成本相當於相關合同的合同成本總額的百分比計量。

來自成本加建造合同的收入採用完成百分比法確認，乃參考於該期間產生的可收回成本加相關收費確認，乃參考迄今為止所產生的成本相當於該合同成本總額的比例計算。

倘合約結果無法可靠計量，則收入根據能夠收回的實際合同成本予以確認。

一旦管理層預計將發生損失，則應計提準備。如果累計合同已發生成本加已確認的利潤減已確認的損失超過工程進度款，則超出部分作為應收合同客戶款項。如果工程進度款超過累計已發生合同成本加已確認的利潤減已確認的損失，則超出部分作為應付合同客戶款項。

服務合同

提供服務產生的合同收入包括商定的合同金額。提供服務產生的成本包括勞工及其他直接從事提供服務之員工成本及應佔費用。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contracts for services (continued)

Revenue from the rendering of services is recognised based on the percentage of completion of the transaction, provided that the revenue, the costs incurred and the estimated costs to completion can be measured reliably. The percentage of completion is established by reference to the costs incurred to date as compared to the total costs to be incurred under the transaction. Where the outcome of a contract cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Provision is made for foreseeable losses as soon as they are anticipated by management.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as an amount due from contract customers. Where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is treated as an amount due to contract customers.

Employee benefits

Pension schemes

The Group contributes on a monthly basis to various defined contribution retirement schemes organised by the relevant municipal and provincial governments in the PRC. The municipal and provincial governments undertake to assume the retirement benefits payable to all existing and future retired employees under these plans and the Group has no further obligations for post-retirement benefits beyond the contributions made. The contributions to the schemes are recognised as and when incurred.

2.4 主要會計政策概要 (續)

服務合同 (續)

提供服務產生的收入乃根據該交易完成百分比確認，惟此等收入及產生的成本以及達致完成的估計成本須可靠地計量。完成百分比乃參考迄今為止所產生的成本相當於該交易成本總額的比例計算。倘合約結果無法可靠計量，則收入根據能夠收回的實際合同成本予以確認。

一旦管理層預計將發生損失，則應計提準備。

如果累計合同已發生成本加已確認的利潤減已確認的損失超過工程進度款，則超出部分作為應收合同客戶款項。如果工程進度款超過累計已發生合同成本加已確認的利潤減已確認的損失，則超出部分作為應付合同客戶款項。

僱員福利

養老金福利

本集團按月向中國有關市級及省級政府組織的多項設定供款退休計劃供款。市級及省級政府承諾向參加上述計劃的所有現有及日後退休僱員支付退休福利，而除供款外，本集團毋須再支付任何退休後福利。上述計劃供款於產生時確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefits (continued)

Pension schemes (continued)

The Group implements a pension annuity plan, pursuant to which the Group pays contributions to the plan regularly and the Group has no further obligation thereto once the required contributions have been made. The contributions are recognised as employee benefit expenses when incurred.

In addition, the Group also pays supplemental pension subsidies to employees who retired before January 1, 2010. Such supplemental pension subsidies mainly comprised monthly cash payment to the retirees for life as determined by the Group upon their respective retirement and subject to cost of living adjustments. The supplemental pension subsidies scheme is an unfunded scheme. As detailed in note 27 below, these defined benefit obligations recognised were assessed using the projected unit credit actuarial valuation method; the cost of providing such subsidies is charged to the statement of profit or loss so as to spread the service cost over the average lives of such former employees, in accordance with the actuarial reports which contained full valuations of the plans for each of the relevant accounting periods.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government securities which have maturity approximating to the terms of the related pension liability.

Re-measurements arising from experience adjustments and changes in actuarial assumptions are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

2.4 主要會計政策概要 (續)

僱員福利 (續)

養老金福利 (續)

本集團實行一項退休年金計劃，據此，本集團定期向該計劃供款，而除作出規定供款外，本集團並無其他供款責任。有關供款於產生時確認為僱員福利。

此外，本集團亦向於2010年1月1日前退休的僱員支付補充退休津貼。有關補充退休津貼主要包括一旦僱員退休，由本集團釐定按月向退休人員現金支付的生活費（受生活成本調整所規限）。補充退休津貼計劃為一項未經撥款計劃。按下文附註27所述，該等已確認的設定受益義務根據預計單位進賬精算估值法評估，而根據載有各有關會計期間所有計劃金額的精算報告，提供該等津貼的成本於利潤表內扣除，以便在有關前僱員的平均服務年期內分攤服務成本。

設定受益義務的現值乃採用政府證券利率折現估計未來現金流出額而釐定，而該等證券的到期日與有關養老金責任年期相若。

來自經驗調整的重新計量及精算假設的變動均於合併財務狀況表中即時確認，於其產生期間於其他綜合收益扣除或計入。重新計量並不會於其後期間重新分類至損益。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefits (continued)

Pension schemes (continued)

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under finance expenses in the consolidated statement of profit or loss by function:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- net interest expense or income

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.4 主要會計政策概要 (續)

僱員福利 (續)

養老金福利 (續)

利息淨額乃採用貼現率將設定負債或資產淨額進行貼現計算。本集團在合併損益表財務開支項下按功能確認以下設定義務淨額的變動：

- 服務成本，包括當期服務成本、過往服務成本、縮減及不定期結算的收益及虧損
- 利息開支或收入淨額

借貸成本

購買、建造或生產合資格資產（即需要一段頗長時間始能投入其擬定用途或出售的資產）而直接產生的借貸成本，均資本化為該等資產成本的一部分。當該等資產大致上可作擬定用途或出售時，則終止將該等借貸成本資本化。特定借貸於撥作合資格資產的支出前用作短暫投資所賺取的投資收入，從資本化的借貸成本中扣除。所有其他借貸成本均於其產生期間列為開支。借貸成本包括實體因借貸而產生的利息及其他成本。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. In prior years, final dividends proposed by the directors were classified as a separate allocation of retained profits within the equity section of the statement of financial position, until they have been approved by the shareholders in a general meeting. Following the implementation of the Hong Kong Companies Ordinance (Cap. 622), proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

2.4 主要會計政策概要 (續)

股息

末期股息於股東在股東大會批准時確認為負債。過往年度，董事擬派的末期股息於財務狀況表的權益項下列作保留溢利的獨立分配項目，直至股東於股東大會上批准派付該等股息為止。香港公司條例第622章實施起，擬派末期股息於財務報表附註披露。

由於本公司組織大綱及章程授予董事宣派中期股息的權力，因此中期股息的建議及宣派可同時進行。故此，中期股息於建議及宣派時即時確認為負債。

外幣

該等財務報表以本公司的功能貨幣人民幣列示。本集團旗下各實體自行釐定其功能貨幣，各實體的財務報表項目均以其功能貨幣計量。本集團旗下實體入賬的外幣交易初步按交易日彼等各自功能貨幣的匯率列賬。以外幣列值的貨幣資產及負債按於報告期末的功能貨幣匯率進行換算。結算或換算貨幣項目產生的差額於損益表內確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (continued)

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

2.4 主要會計政策概要 (續)

外幣 (續)

因結算或換算貨幣項目產生的差額於損益確認，惟指定作為對沖本集團海外業務投資淨額一部分的貨幣項目除外。該等貨幣項目於其他綜合收益確認，直至投資淨額出售為止，此時累計金額乃重新分類至損益。因該等貨幣項目的匯兌差額而產生的稅項支出及抵免亦於其他綜合收益列賬。

按歷史成本列賬並以外幣計量的非貨幣項目，採用初始交易日期的匯率換算。按公允價值列賬並以外幣計量的非貨幣項目，採用計量公允價值日期的匯率換算。換算按公允價值列賬的非貨幣項目產生的收益或虧損按與確認項目公允價值變動的收益或虧損一致的方式處理（即公允價值收益或虧損於其他綜合收益或損益內確認的項目的換算差額亦分別於其他綜合收益或損益內確認）。

若干海外附屬公司的功能貨幣為人民幣以外的貨幣。於報告期末，該等實體的資產及負債按報告期末的匯率換算為人民幣，其損益表則按年內的加權平均匯率換算為人民幣。

因此而產生的匯兌差額於其他綜合收益內確認，並累計為匯兌波動儲備。於出售海外業務時，與該項特定海外業務有關的其他綜合收益部分於損益表內確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (continued)

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SUMMARY OF SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

2.4 主要會計政策概要 (續)

外幣 (續)

收購海外業務產生的任何商譽及對因收購而產生的資產及負債的賬面值作出的任何公允價值調整作海外業務的資產及負債處理，並按收市匯率換算。

就合併現金流量表而言，海外附屬公司的現金流量按現金流量日期的匯率換算為人民幣。海外附屬公司於年內經常產生的現金流量則按該年度的加權平均匯率換算為人民幣。

3. 重大會計判斷及估計概要

本集團財務報表的編製需要管理層作出判斷、估計及假設，而該等判斷、估計及假設會影響收入、開支、資產及負債的呈報金額及其隨附披露以及或有負債的披露。有關該等假設及估計的不明朗因素可能導致須就日後受影響的資產或負債的賬面金額作出重大調整。

判斷

於應用本集團會計政策的過程中，除作出涉及估計的判斷外，管理層已作出對財務報表內已確認金額構成最大影響的以下判斷：

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3. SUMMARY OF SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (continued)

Percentage of completion of construction work

The Group recognises revenue according to the percentage of completion of individual contracts for construction work, which requires estimation to be made by management. The stage of completion is estimated by reference to the actual costs incurred over the total budgeted costs, and the corresponding contract revenue is also estimated by management. Due to the nature of the activity undertaken in construction contracts, the date at which the activity is entered into and the date at which the activity is completed usually fall into different accounting periods. Hence, the Group reviews and revises the estimates of both contract revenue and contract costs in the budget prepared for each contract as the contract progresses. Where the actual contract revenue is less than estimated or actual contract costs are more than estimated, a foreseeable loss may arise.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

3. 重大會計判斷及估計概要 (續)

判斷 (續)

建設工程完工百分比

本集團根據個別建設工程合約的完工百分比確認收入，而完工百分比需要管理層作出估計。完工階段乃參考已產生的實際成本佔總預算成本的比例估計得出，而相應合約收入亦由管理層作出估計。由於根據建造合同所承接活動的性質使然，活動訂立日期及活動完成日期通常處於不同的會計期間。因此，隨著合約的進行，本集團會審閱及修訂就各合約訂立的預算所估計的合約收入及合約成本。倘實際合約收入低於預期或實際合約成本高於預期，則或會產生可預見虧損。

投資物業及自用物業的劃分

本集團判斷物業是否符合投資物業的條件，並已制定出此類判斷的標準。投資物業指為賺取租金或資本升值或同時為這兩個目的而持有的物業。因此，本集團考慮一項物業產生的現金流量是否大部分獨立於本集團持有的其他資產。有些物業的一部分是為賺取租金或資本升值而持有，而另一部分是為用於生產或供應貨品或服務或行政用途而持有。如果該等部分可以分開出售（或按融資租賃分開出租），則本集團會分開對相關部分進行會計處理。如果該等部分不能分開出售，則只有在為用於生產或供應貨品或服務或行政用途而持有的部分並不重大的情況下，該物業方為投資物業。本集團會對各項物業進行獨立判斷，以確定配套服務是否足以導致物業不符合投資物業的定義。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Deferred income tax

Deferred tax assets relating to certain temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The realisation of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise which will be recognised in profit or loss in the period in which such a reversal takes place.

The carrying amount of deferred tax assets as at December 31, 2015 was RMB356,295,000 (December 31, 2014: RMB247,753,000). More details are given in note 26.

Impairment of trade and bills receivables

The Group maintains an allowance for the estimated loss arising from the inability of its customers to make the required payments. The Group makes its estimates based on the ageing of its trade and bill receivable balances, customers' creditworthiness, and historical write-off experience. If the financial condition of its customers will deteriorate such that the actual impairment loss might be higher than expected, the Group would be required to revise the basis for making the allowance and its future results would be affected.

3. 重大會計判斷及估計概要 (續) 判斷 (續)

估計的不確定性

很有可能導致須對下個財政年度資產及負債的賬面金額作出重大調整的未來主要假設及於報告期末的估計不明朗因素的其他主要來源論述如下。

遞延所得稅

與若干暫時性差額及稅項虧損有關的遞延稅項資產於管理層認為日後有可能出現應課稅溢利可用作抵銷該等暫時性差額或稅項虧損時確認。遞延稅項資產的實現主要取決於未來是否有足夠的溢利或應課稅暫時性差額在將來可供動用。如實際產生的未來溢利少於預期值，則可能發生遞延稅項資產的重大撥回，並在該撥回發生期間的損益內確認。

於2015年12月31日，遞延稅項資產的賬面值為人民幣356,295,000元（2014年12月31日：人民幣247,753,000元）。更多詳情載於附註26。

貿易應收款項及應收票據減值

本集團就客戶無力支付要求款項產生的估計虧損作出撥備。本集團根據貿易應收款項及應收票據結餘的賬齡、客戶的信譽及過往撇銷情況進行估計。倘客戶的財務狀況惡化，實際減值虧損將高於估計，且本集團須修正撥備基準，且未來業績將受到影響。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (continued)

Impairment of trade and bills receivables (continued)

The carrying amount of trade and bills receivables as at December 31, 2015 was RMB4,167,044,000 (December 31, 2014: RMB3,902,153,000). More details are given in note 22.

4. OPERATING SEGMENT INFORMATION

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

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

3. 重大會計判斷及估計概要 (續)

估計的不確定性 (續)

貿易應收款項及應收票據減值 (續)

於2015年12月31日，貿易應收款項及應收票據的賬面值為人民幣4,167,044,000元（2014年12月31日：人民幣3,902,153,000元）。更多詳情載於附註22。

4. 經營分部資料

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

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

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4. OPERATING SEGMENT INFORMATION (CONTINUED)

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about 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 share of profits less losses of an associate and joint ventures, interest income from bank deposits, finance costs related to defined benefit plans, 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 joint ventures, 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.

4. 經營分部資料 (續)

管理層單獨監察本集團經營分部的業績，以就資源分配及表現評估作出決策。分部表現乃根據可報告之分部溢利／虧損評估，此乃經調整除稅前溢利／虧損之計量指標。經調整除稅前溢利／虧損乃貫徹以本集團除稅前溢利計量，惟應佔聯營公司及合營公司之溢利減虧損、銀行存款之利息收入、與設定受益計劃有關之財務成本、股息收入、本集團金融工具之公允價值收益／虧損以及總部及企業收入／開支不計入該計量內。

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

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

各分部間的銷售及轉撥乃參考向第三方銷售所採用之售價，按當時市價進行交易。

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4. OPERATING SEGMENT INFORMATION (CONTINUED)

4. 經營分部資料 (續)

(a) Segment revenue, results, assets and liabilities

(a) 分部收入、業績、資產及負債

| Year ended December 31, 2015 | 截至2015年 12月31日止年度 | Construction contracts 建造合同 RMB'000 人民幣千元 | Trading business 貿易業務 RMB'000 人民幣千元 | Other businesses 其他業務 RMB'000 人民幣千元 | Total 合計 RMB'000 人民幣千元 |
|---|----------------------|---|---|---|---------------------------------|
| Segment revenue: | 分部收入： | | | | |
| Sales to external customers | 銷售予外部客戶 | 13,740,053 | 5,629,884 | 1,387,427 | 20,757,364 |
| Intersegment sales | 分部間銷售 | - | 157,677 | 714,224 | 871,901 |
| Reportable segment revenue | 可報告分部收入 | 13,740,053 | 5,787,561 | 2,101,651 | 21,629,265 |
| Reportable segment profit | 可報告分部溢利 | 1,805,473 | 128,201 | 272,102 | 2,205,776 |
| Finance income on receivables from customers | 應收客戶款項的財務收入 | 160,535 | 9,350 | - | 169,885 |
| Finance costs | 財務成本 | 665 | 5,397 | 15,298 | 21,360 |
| Depreciation and amortisation | 折舊及攤銷 | 1,346 | 556 | 1,887 | 3,789 |
| 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 | (17,373) | 24,487 | 13,326 | 20,440 |
| - Amounts due from contract customers | - 應收合同客戶款項 | 37,329 | (87) | - | 37,242 |
| - Inventories | - 存貨 | 4,040 | - | - | 4,040 |
| Reportable segment assets | 可報告分部資產 | 13,143,699 | 3,032,458 | 1,020,513 | 17,196,670 |
| - Capital expenditure | - 資本開支 | - | - | - | - |
| Reportable segment liabilities | 可報告分部負債 | 23,036,322 | 3,700,682 | 4,209,109 | 30,946,113 |

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4. OPERATING SEGMENT INFORMATION (CONTINUED)

4. 經營分部資料 (續)

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

(a) 分部收入、業績、資產及負債 (續)

| Year ended December 31, 2014 (Restated) | 截至2014年 12月31日止年度 (重述) | Construction contracts 建造合同 RMB'000 人民幣千元 | Trading business 貿易業務 RMB'000 人民幣千元 | Other businesses 其他業務 RMB'000 人民幣千元 | Total 合計 RMB'000 人民幣千元 |
|--|------------------------------|---|---|---|---------------------------------|
| Segment revenue: | 分部收入： | | | | |
| Sales to external customers | 銷售予外部客戶 | 16,102,442 | 6,442,938 | 1,201,217 | 23,746,597 |
| Intersegment sales | 分部間銷售 | – | 92,509 | 469,901 | 562,410 |
| Reportable segment revenue | 可報告分部收入 | 16,102,442 | 6,535,447 | 1,671,118 | 24,309,007 |
| Reportable segment profit | 可報告分部溢利 | 2,161,567 | 101,333 | 143,620 | 2,406,520 |
| Finance income on receivables from customers | 應收客戶款項的財務收入 | 195,023 | 5,313 | – | 200,336 |
| Finance costs | 財務成本 | 2,384 | 2,216 | 1,355 | 5,955 |
| Depreciation and amortisation | 折舊及攤銷 | – | – | – | – |
| 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 | (117,972) | 58,886 | 14,550 | (44,536) |
| – Amounts due from contract customers | – 應收合同客戶款項 | (4,433) | – | – | (4,433) |
| Reportable segment assets | 可報告分部資產 | 12,686,027 | 2,407,238 | 955,169 | 16,048,434 |
| – Capital expenditure | – 資本開支 | – | – | – | – |
| Reportable segment liabilities | 可報告分部負債 | 21,334,811 | 2,675,310 | 3,763,442 | 27,773,563 |

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4. OPERATING SEGMENT INFORMATION (CONTINUED)

4. 經營分部資料 (續)

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

(b) 可報告分部收入、溢利／虧損、資產及負債的對賬

| | | 2015 2015年 RMB'000 人民幣千元 | 2014 2014年 RMB'000 人民幣千元 (Restated) (重述) |
|---|------------------|-----------------------------------|---|
| Revenue: | 收入： | | |
| Reportable segment revenue | 可報告分部收入 | 21,629,265 | 24,309,007 |
| Elimination of intersegment revenue | 分部間收入抵銷 | (871,901) | (562,410) |
| | | 20,757,364 | 23,746,597 |
| Profit: | 溢利： | | |
| Reportable segment profit | 可報告分部溢利 | 2,205,776 | 2,406,520 |
| Share of profits and losses of joint ventures | 應佔合營公司溢利及虧損 | (1,031) | 67 |
| Dividend income | 股息收入 | 9,396 | 10,031 |
| Other income/(expenses), net | 其他收入／(開支)淨額 | 11,744 | 9,255 |
| Other operating income/(expenses) | 其他經營收入／(開支) | (1,492) | (552) |
| Interest income from bank deposits | 來自銀行存款的利息收入 | 463,759 | 520,024 |
| Interest cost recognised in respect of defined benefit retirement plans | 就設定受益退休計劃確認的利息成本 | (13,930) | (15,740) |
| Foreign exchange unallocated gains/(losses), net | 未分配的匯兌收益／(虧損)淨額 | 200,878 | (74,498) |
| Depreciation and amortisation | 折舊及攤銷 | (98,337) | (90,251) |
| Profit before tax | 除稅前溢利 | 2,776,763 | 2,764,856 |

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4. OPERATING SEGMENT INFORMATION (CONTINUED)

4. 經營分部資料 (續)

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

(b) 可報告分部收入、溢利／虧損、資產及負債的對賬 (續)

| | | 2015 2015年 RMB'000 人民幣千元 | 2014 2014年 RMB'000 人民幣千元 (Restated) (重述) |
|--|-----------------|-----------------------------------|---|
| Assets: | 資產： | | |
| Reportable segment assets | 可報告分部資產 | 17,196,670 | 16,048,434 |
| Elimination of intersegment receivables | 分部間應收款項抵銷 | (3,820,952) | (3,565,795) |
| | | 13,375,718 | 12,482,639 |
| Restricted deposits | 受限制存款 | 314,135 | 306,711 |
| Time deposits with original maturity over three months | 原始到期日超過三個月的定期存款 | 4,035,091 | 4,170,349 |
| Cash and cash equivalents | 現金及現金等價物 | 20,344,614 | 17,986,146 |
| Property, plant and equipment | 物業、廠房及設備 | 1,088,531 | 743,023 |
| Prepaid land lease payments | 預付土地租賃款項 | 1,792,357 | 1,752,770 |
| Intangible assets | 無形資產 | 9,496 | 8,900 |
| Investments in joint ventures | 對合營公司的投資 | 210,014 | 50,067 |
| Investment in an associate | 對聯營公司的投資 | 52,303 | - |
| Deferred tax assets | 遞延稅項資產 | 356,295 | 247,753 |
| Other non-current assets | 其他非流動資產 | 555,807 | 246,778 |
| Other unallocated assets | 其他未分配資產 | 98,067 | 94,711 |
| | | 42,232,428 | 38,089,847 |
| Liabilities: | 負債： | | |
| Reportable segment liabilities | 可報告分部負債 | 30,946,113 | 27,773,563 |
| Elimination of intersegment payables | 分部間應付款項抵銷 | (3,820,952) | (3,565,795) |
| | | 27,125,161 | 24,207,768 |
| Defined benefit obligations | 設定受益義務 | 392,046 | 384,860 |
| Tax payable | 應付稅項 | 512,375 | 311,055 |
| Deferred tax liabilities | 遞延稅項負債 | 1,430 | 1,767 |
| Other unallocated liabilities | 其他未分配負債 | - | 21,866 |
| | | 28,031,012 | 24,927,316 |

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4. OPERATING SEGMENT INFORMATION (CONTINUED)

(c) Geographical information

Revenue from external customers

| | | 2015 | 2014 |
|----------------------------------|-----------|-------------------|------------|
| | | 2015年 | 2014年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | | (Restated) |
| | | | (重述) |
| Mainland China | 中國大陸 | 4,727,135 | 5,017,275 |
| Argentina | 阿根廷 | 3,075,409 | 670,166 |
| Venezuela | 委內瑞拉 | 2,431,675 | 2,406,834 |
| The Republic of Angola | 安哥拉共和國 | 1,064,735 | 963,763 |
| Pakistan | 巴基斯坦 | 809,236 | 381,987 |
| The Republic of Iraq | 伊拉克共和國 | 783,714 | 3,829,758 |
| United States | 美國 | 729,445 | 782,131 |
| Lao People's Democratic Republic | 老撾人民民主共和國 | 721,752 | 111,575 |
| Equatorial Guinea | 赤道幾內亞 | 660,896 | 1,009,547 |
| Serbia | 塞爾維亞 | 397,950 | 218,136 |
| Others | 其他 | 5,355,417 | 8,355,425 |
| | | 20,757,364 | 23,746,597 |

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

4. 經營分部資料 (續)

(c) 地理區域資料

來自外部客戶的收入

| | | 2015 | 2014 |
|----------------------------------|-----------|-------------------|------------|
| | | 2015年 | 2014年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | | (Restated) |
| | | | (重述) |
| Mainland China | 中國大陸 | 4,727,135 | 5,017,275 |
| Argentina | 阿根廷 | 3,075,409 | 670,166 |
| Venezuela | 委內瑞拉 | 2,431,675 | 2,406,834 |
| The Republic of Angola | 安哥拉共和國 | 1,064,735 | 963,763 |
| Pakistan | 巴基斯坦 | 809,236 | 381,987 |
| The Republic of Iraq | 伊拉克共和國 | 783,714 | 3,829,758 |
| United States | 美國 | 729,445 | 782,131 |
| Lao People's Democratic Republic | 老撾人民民主共和國 | 721,752 | 111,575 |
| Equatorial Guinea | 赤道幾內亞 | 660,896 | 1,009,547 |
| Serbia | 塞爾維亞 | 397,950 | 218,136 |
| Others | 其他 | 5,355,417 | 8,355,425 |
| | | 20,757,364 | 23,746,597 |

以上收入資料乃按客戶地域劃分。

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4. OPERATING SEGMENT INFORMATION (CONTINUED)

(c) Geographical information (continued)

Specified non-current assets

| | |
|----------------|------|
| Mainland China | 中國大陸 |
| Others | 其他 |

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

(d) Information about major customers

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 year ended December 31, 2015 were RMB3,053,293,000 and RMB2,358,290,000, respectively (2014: RMB3,437,057,000 and RMB2,361,634,000).

* the Group's 2014 revenue before restatement

5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, principally 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.

4. 經營分部資料 (續)

(c) 地理區域資料 (續)

特定非流動資產

| 2015 | 2014 |
|------------------|------------------|
| 2015年 | 2014年 |
| RMB'000 | RMB'000 |
| 人民幣千元 | 人民幣千元 |
| | (Restated) |
| | (重述) |
| 2,975,207 | 2,547,096 |
| 7,535 | 8,307 |
| 2,982,742 | 2,555,403 |

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) 有關主要客戶的資料

截至2015年12月31日止年度，來自建造合同的兩名客戶所產生的收入分別為人民幣3,053,293,000元和人民幣2,358,290,000元（2014年：人民幣3,437,057,000元及人民幣2,361,634,000元），各自佔本集團收入*的10%以上。

* 重述前的本集團2014年度收入

5. 收入、其他收入及收益

收入亦即本集團的營業額，主要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。

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5. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

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

5. 收入、其他收入及收益 (續)

本集團的收入、其他收入及其他收入／(開支)淨額分析如下：

| | | 2015 | 2014 |
|---|--------------------------------|-------------------|------------|
| | | 2015年 | 2014年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | | (Restated) |
| | | | (重述) |
| Revenue | 收入 | | |
| Construction contracts | 建造合同 | 13,740,053 | 16,102,442 |
| Trading business | 貿易業務 | 5,629,884 | 6,442,938 |
| Other businesses | 其他業務 | 1,387,427 | 1,201,217 |
| | | 20,757,364 | 23,746,597 |
| Other revenue | 其他收入 | | |
| Dividend income from unquoted equity securities | 非上市股本證券 股息收入 | 9,396 | 10,031 |
| Government grants | 政府補貼 | 5,545 | 5,414 |
| | | 14,941 | 15,445 |
| Other income/(expenses), net | 其他收入／(開支)淨額 | | |
| Net gains/(losses) on disposal of items of property, plant and equipment | 處置物業、廠房及 設備項目的收益／ (虧損)淨額 | 6,198 | (5,418) |
| Net losses on foreign currency forward exchange contracts and interest rate swaps | 遠期外匯合同及 利率掉期的虧損淨額 | (48,335) | (152,118) |
| Others | 其他 | 20,577 | 64,696 |
| | | (21,560) | (92,840) |

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6. PROFIT BEFORE TAX

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

(a) Finance income and finance expenses

| | | | | |
|--|----------------------|----|------------------|---------|
| Finance income on receivables from customers | 應收客戶款項的 財務收入 | | 169,885 | 200,336 |
| Interest income | 利息收入 | | 463,759 | 520,024 |
| Foreign exchange gains | 匯兌收益 | | 610,800 | – |
| Finance income | 財務收入 | | 1,244,444 | 720,360 |
| Interest cost recognised in respect of defined benefit obligations | 就設定受益義務 確認的利息成本 | 27 | 13,930 | 15,740 |
| Interest expenses on borrowings wholly repayable within five years | 須於五年內悉數償還的 借貸利息開支 | 7 | 21,027 | 5,655 |
| Interest expenses on other borrowings | 其他借貸的 利息開支 | 7 | 333 | 300 |
| Foreign exchange losses | 外匯虧損 | | – | 17,382 |
| Bank charges and others | 銀行費用及其他 | | 8,208 | 11,533 |
| Finance expenses | 財務開支 | | 43,498 | 50,610 |
| Net finance income recognised in profit or loss | 於損益確認的財務 收入淨額 | | 1,200,946 | 669,750 |

6. 除稅前溢利

本集團之除稅前溢利已扣除／(計入)：

(a) 財務收入及財務開支

| | | | 2015 2015年 RMB'000 人民幣千元 | 2014 2014年 RMB'000 人民幣千元 (Restated) (重述) |
|--|--|----|-----------------------------------|---|
| | | | 169,885 | 200,336 |
| | | | 463,759 | 520,024 |
| | | | 610,800 | – |
| | | | 1,244,444 | 720,360 |
| | | 27 | 13,930 | 15,740 |
| | | 7 | 21,027 | 5,655 |
| | | 7 | 333 | 300 |
| | | | – | 17,382 |
| | | | 8,208 | 11,533 |
| | | | 43,498 | 50,610 |
| | | | 1,200,946 | 669,750 |

Notes to the Financial Statements

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6. PROFIT BEFORE TAX (CONTINUED)

(b) Staff costs

| | | 2015 2015年 RMB'000 人民幣千元 | 2014 2014年 RMB'000 人民幣千元 (Restated) (重述) |
|---|---------------------|--|---|
| | Note 附註 | | |
| Salaries, wages and other benefits | 薪金、工資及其他福利 | 1,459,593 | 1,286,725 |
| Contributions to defined contribution retirement plans | 設定供款退休計劃的供款 | 121,181 | 101,797 |
| (Income)/expenses recognised in respect of defined benefit retirement plans | 就設定受益退休計劃確認的(收益)/開支 | 27 (20) | 5,230 |
| | | 1,580,754 | 1,393,752 |

(c) Other items

| | | 2015 2015年 RMB'000 人民幣千元 | 2014 2014年 RMB'000 人民幣千元 (Restated) (重述) |
|---|-------------|--|---|
| | Notes 附註 | | |
| Amortisation | 攤銷 | | |
| – Prepaid land lease payments | – 預付土地租賃款項 | 16 45,949 | 41,975 |
| – Intangible assets | – 無形資產 | 17 5,282 | 3,569 |
| – Long-term assets | – 長期資產 | 2,115 | – |
| | | 53,346 | 45,544 |
| Depreciation | 折舊 | | |
| – Property, plant and equipment | – 物業、廠房及設備 | 14 47,353 | 42,778 |
| – Investment properties | – 投資物業 | 15 1,427 | 1,929 |
| | | 48,780 | 44,707 |
| 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 | 22 20,440 | (44,536) |
| – Other non-current assets | – 其他非流動資產 | – | 500 |
| – Inventories | – 存貨 | 4,040 | – |
| – Amounts due from contract customers | – 應收合同客戶款項 | 21 37,242 | (4,433) |
| | | 61,722 | (48,469) |

6. 除稅前溢利(續)

(b) 員工成本

| | Note 附註 | 2015 2015年 RMB'000 人民幣千元 | 2014 2014年 RMB'000 人民幣千元 (Restated) (重述) |
|---|------------|--|---|
| Salaries, wages and other benefits | | 1,459,593 | 1,286,725 |
| Contributions to defined contribution retirement plans | | 121,181 | 101,797 |
| (Income)/expenses recognised in respect of defined benefit retirement plans | 27 | (20) | 5,230 |
| | | 1,580,754 | 1,393,752 |

(c) 其他項目

| | Notes 附註 | 2015 2015年 RMB'000 人民幣千元 | 2014 2014年 RMB'000 人民幣千元 (Restated) (重述) |
|---|-------------|--|---|
| Amortisation | | | |
| – Prepaid land lease payments | 16 | 45,949 | 41,975 |
| – Intangible assets | 17 | 5,282 | 3,569 |
| – Long-term assets | | 2,115 | – |
| | | 53,346 | 45,544 |
| Depreciation | | | |
| – Property, plant and equipment | 14 | 47,353 | 42,778 |
| – Investment properties | 15 | 1,427 | 1,929 |
| | | 48,780 | 44,707 |
| Impairment losses/(reversal of impairment) on | | | |
| – Trade and other receivables | 22 | 20,440 | (44,536) |
| – Other non-current assets | | – | 500 |
| – Inventories | | 4,040 | – |
| – Amounts due from contract customers | 21 | 37,242 | (4,433) |
| | | 61,722 | (48,469) |

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6. PROFIT BEFORE TAX (CONTINUED)

(c) Other items (continued)

| | | 2015 2015年 RMB'000 人民幣千元 | 2014 2014年 RMB'000 人民幣千元 (Restated) (重述) |
|--|-------------|--|---|
| Operating lease charges | 經營租賃費用 | | |
| – Lease of properties | – 租賃物業 | 31,969 | 25,509 |
| – Lease of other assets | – 租賃其他資產 | 46 | 1,562 |
| | | 32,015 | 27,071 |
| Auditors' remuneration | 核數師薪酬 | | |
| – Audit services | – 審計服務 | 5,189 | 3,383 |
| – Other services | – 其他服務 | 1,396 | 3,094 |
| Tax services | 稅務服務 | 377 | – |
| | | 6,962 | 6,477 |
| Rental income from investment properties | 來自投資物業的租賃收入 | | |
| – Gross rental | – 毛租金 | 18,866 | 18,297 |
| – Direct outgoings | – 直接支出 | (2,750) | (2,218) |
| – Net rental | – 淨租金 | 16,116 | 16,079 |
| Cost of inventories | 存貨成本 | 5,260,853 | 6,140,847 |

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7. INTEREST EXPENSES ON BORROWINGS

An analysis of interest expenses on borrowings is as follows:

| | | 2015 | 2014 |
|--|------------------|----------------|------------|
| | | 2015年 | 2014年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | | (Restated) |
| | | | (重述) |
| Interest expenses on borrowings wholly repayable within five years | 須於五年內悉數償還的借貸利息開支 | 21,027 | 5,655 |
| Interest expenses on other borrowings | 其他借貸的利息開支 | 333 | 300 |
| | | 21,360 | 5,955 |

7. 借貸的利息開支

借貸的利息開支分析如下：

8. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION

| | | 2015 | 2014 |
|---|------------|----------------|------------|
| | | 2015年 | 2014年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | | (Restated) |
| | | | (重述) |
| Fees | 袍金 | 1,120 | 1,113 |
| Salaries, allowances and benefits in kind | 薪金、津貼及實物利益 | 2,168 | 2,070 |
| Performance related bonuses | 與表現掛鉤的花紅 | 2,186 | 2,481 |
| Pension scheme contributions | 退休金計劃供款 | 132 | 126 |
| | | 5,606 | 5,790 |

8. 董事、行政總裁及監事薪酬

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8. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION (CONTINUED)

Executive directors, non-executive directors, chief executive and supervisors

8. 董事、行政總裁及監事薪酬 (續)

執行董事、非執行董事、行政總裁及監事

| | | Fees | Salaries, allowances and benefits in kind | Performance related bonuses | Pension scheme contributions | Total remuneration |
|--------------------------------------|--------------|---------|---|-----------------------------|------------------------------|--------------------|
| | | 袍金 | 薪金、津貼及實物利益 | 與表現掛鉤的花紅 | 退休金計劃供款 | 薪酬合計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| 2015 | 2015年 | | | | | |
| Executive directors: | 執行董事： | | | | | |
| Mr. Sun Bai | 孫柏先生 | - | 601 | 1,093 | 44 | 1,738 |
| Mr. Zhang Chun (note (1)) | 張淳先生 (附註(1)) | - | 601 | 1,093 | 44 | 1,738 |
| | | - | 1,202 | 2,186 | 88 | 3,476 |
| Non-executive directors: | 非執行董事： | | | | | |
| Mr. Wang Zhian | 王治安先生 | 80 | 27 | - | - | 107 |
| Mr. Zhang Fusheng | 張福生先生 | 80 | 22 | - | - | 102 |
| Mr. Yu Benli | 余本禮先生 | 80 | 20 | - | - | 100 |
| | | 240 | 69 | - | - | 309 |
| Independent non-executive directors: | 獨立非執行董事： | | | | | |
| Mr. Liu Li | 劉力先生 | 220 | - | - | - | 220 |
| Ms. Liu Hongyu | 劉紅宇女士 | 220 | - | - | - | 220 |
| Mr. Fang Yongzhong | 方永忠先生 | 220 | - | - | - | 220 |
| Mr. Wu Tak Lung | 吳德龍先生 | 220 | - | - | - | 220 |
| | | 880 | - | - | - | 880 |
| Supervisors: | 監事： | | | | | |
| Mr. Quan Huaqiang | 全華強先生 | - | - | - | - | - |
| Mr. Qian Xiangdong | 錢向東先生 | - | - | - | - | - |
| Mr. Bai Ming | 白明先生 | - | 897 | - | 44 | 941 |
| | | - | 897 | - | 44 | 941 |
| | | 1,120 | 2,168 | 2,186 | 132 | 5,606 |

Note:

(1) Mr. Zhang Chun is the chief executive of the Company.

附註：

(1) 張淳先生為本公司行政總裁。

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財務報表附註

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8. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION (CONTINUED)

Executive directors, non-executive directors, chief executive and supervisors (continued)

8. 董事、行政總裁及監事薪酬 (續)

執行董事、非執行董事、行政總裁及監事 (續)

| | Fees | Salaries, allowances and benefits in kind | Performance related bonuses | Pension scheme contributions | Total remuneration | |
|--------------------------------------|---------------|---|-----------------------------|------------------------------|--------------------|-------|
| | 袍金 | 薪金、津貼及實物利益 | 與表現掛鉤的花紅 | 退休金計劃供款 | 薪酬合計 | |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | |
| | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | |
| 2014 (Restated) | | | | | | |
| 2014年 (重述) | | | | | | |
| Executive directors: | 執行董事： | | | | | |
| Mr. Sun Bai | 孫柏先生 | - | 501 | 1,145 | 40 | 1,686 |
| Mr. Zhang Chun (note (1)) | 張淳先生 (附註(1)) | - | 501 | 1,145 | 40 | 1,686 |
| Ms. Li Taifang (note (2)) | 李太芳女士 (附註(2)) | - | 109 | 191 | 6 | 306 |
| | | - | 1,111 | 2,481 | 86 | 3,678 |
| Non-executive directors: | 非執行董事： | | | | | |
| Mr. Wang Zhian | 王治安先生 | 75 | 38 | - | - | 113 |
| Mr. Zhang Fusheng (note (3)) | 張福生先生 (附註(3)) | 70 | 29 | - | - | 99 |
| Mr. Yu Benli (note (4)) | 余本禮先生 (附註(4)) | 70 | 28 | - | - | 98 |
| Mr. Pan Chongyi (note (5)) | 潘崇義先生 (附註(5)) | 8 | 4 | - | - | 12 |
| | | 223 | 99 | - | - | 322 |
| Independent non-executive directors: | 獨立非執行董事： | | | | | |
| Mr. Liu Li | 劉力先生 | 220 | - | - | - | 220 |
| Ms. Liu Hongyu | 劉紅宇女士 | 220 | - | - | - | 220 |
| Mr. Fang Yongzhong | 方永忠先生 | 220 | - | - | - | 220 |
| Mr. Wu Tak Lung (note (6)) | 吳德龍先生 (附註(6)) | 193 | - | - | - | 193 |
| Mr. Chan Kin Ho (note (7)) | 陳建豪先生 (附註(7)) | 37 | - | - | - | 37 |
| | | 890 | - | - | - | 890 |
| Supervisors: | 監事： | | | | | |
| Mr. Quan Huaqiang | 全華強先生 | - | - | - | - | - |
| Mr. Qian Xiangdong | 錢向東先生 | - | - | - | - | - |
| Mr. Bai Ming | 白明先生 | - | 860 | - | 40 | 900 |
| | | - | 860 | - | 40 | 900 |
| | | 1,113 | 2,070 | 2,481 | 126 | 5,790 |

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8. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION (CONTINUED)

Executive directors, non-executive directors, chief executive and supervisors (continued)

Notes:

- (1) Mr. Zhang Chun is the chief executive of the Company.
- (2) Ms. Li Taifang's appointment as the vice chairman of the Company ceased effective on February 20, 2014.
- (3) Mr. Zhang Fusheng was appointed as non-executive director of the Company on February 20, 2014.
- (4) Mr. Yu Benli was appointed as non-executive director of the Company on February 20, 2014.
- (5) Mr. Pan Chongyi's appointment as non-executive director of the Company ceased effective on February 20, 2014.
- (6) Mr. Wu Tak Lung was appointed as independent non-executive director of the Company on February 20, 2014.
- (7) Mr. Chan Kin Ho's appointment as independent non-executive director of the Company ceased effective on February 20, 2014.

8. 董事、行政總裁及監事薪酬 (續)

執行董事、非執行董事、行政總裁及監事 (續)

附註：

- (1) 張淳先生為本公司行政總裁。
- (2) 李太芳女士作為本公司副主席的委任於2014年2月20日終止。
- (3) 張福生先生於2014年2月20日獲委任為本公司非執行董事。
- (4) 余本禮先生於2014年2月20日獲委任為本公司非執行董事。
- (5) 潘崇義先生作為本公司非執行董事的委任於2014年2月20日終止。
- (6) 吳德龍先生於2014年2月20日獲委任為本公司獨立非執行董事。
- (7) 陳建豪先生作為本公司獨立非執行董事的委任於2014年2月20日終止。

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9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included one director (Mr. Sun Bai) and the chief executive (Mr. Zhang Chun) (2014: one director (Mr. Sun Bai) and the chief executive (Mr. Zhang Chun)), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining three (2014: three) highest paid employees who are neither a director, chief executive nor supervisor of the Company are as follows:

| | 2015 | 2014 |
|--|----------------|------------|
| | 2015年 | 2014年 |
| | RMB'000 | RMB'000 |
| | 人民幣千元 | 人民幣千元 |
| | | (Restated) |
| | | (重述) |
| Salaries, allowances and benefits in kind 薪金、津貼及實物利益 | 1,226 | 1,278 |
| Performance related bonuses 與表現掛鉤的花紅 | 2,782 | 2,920 |
| Pension scheme contributions 退休金計劃供款 | 132 | 120 |
| | 4,140 | 4,318 |

The number of non-director, non-chief executive and non-supervisor highest paid employees whose remuneration fell within the following band is as follows:

| | Number of employees | |
|--|----------------------------|------------|
| | 僱員人數 | |
| | 2015 | 2014 |
| | 2015年 | 2014年 |
| | | (Restated) |
| | | (重述) |
| HK\$1,500,001 to HK\$2,000,000 1,500,001港元至2,000,000港元 | 3 | 3 |

9. 五位最高薪酬僱員

年內，五位最高薪酬僱員包括一名董事（孫柏先生）及行政總裁（張淳先生）（2014年：一名董事（孫柏先生）及行政總裁（張淳先生）），彼等的薪酬詳情載於上述附註8。年內既非董事、非行政總裁亦非監事的餘下三名（2014年：三名）最高薪酬僱員的薪酬詳情如下：

| | 2015 | 2014 |
|--|----------------|------------|
| | 2015年 | 2014年 |
| | RMB'000 | RMB'000 |
| | 人民幣千元 | 人民幣千元 |
| | | (Restated) |
| | | (重述) |
| Salaries, allowances and benefits in kind 薪金、津貼及實物利益 | 1,226 | 1,278 |
| Performance related bonuses 與表現掛鉤的花紅 | 2,782 | 2,920 |
| Pension scheme contributions 退休金計劃供款 | 132 | 120 |
| | 4,140 | 4,318 |

薪酬在以下範圍的非董事、非行政總裁及非監事最高薪酬僱員人數如下：

| | Number of employees | |
|--|----------------------------|------------|
| | 僱員人數 | |
| | 2015 | 2014 |
| | 2015年 | 2014年 |
| | | (Restated) |
| | | (重述) |
| HK\$1,500,001 to HK\$2,000,000 1,500,001港元至2,000,000港元 | 3 | 3 |

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10. INCOME TAX

Pursuant to the relevant laws and regulations in the PRC, the statutory enterprise income tax rate of 25% is applied to the Group for the years ended December 31, 2015 and 2014, except for two subsidiaries of the Group which were entitled to the preferential tax rate of 15% (2014: 15%) because they are 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 taxable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries (or jurisdictions) in which the Group operates.

10. 所得稅

根據中國相關法律及法規，本集團於截至2015年及2014年12月31日止年度適用的法定企業所得稅稅率為25%，惟本集團的兩家附屬公司因被中國當地政府認定為高新技術企業而有權享有15%（2014年：15%）的優惠稅率。

香港利得稅乃就年內在香港產生的估計應課稅溢利按16.5%（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。

| | | 2015 | 2014 |
|-------------------------------------|------------|-----------------|------------|
| | | 2015年 | 2014年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | | (Restated) |
| | | | (重述) |
| Current income tax – Mainland China | 即期所得稅－中國大陸 | 804,931 | 721,889 |
| Current income tax – Hong Kong | 即期所得稅－香港 | 2,709 | 927 |
| Current income tax – Others | 即期所得稅－其他 | 7,580 | 9,919 |
| Deferred income tax | 遞延所得稅 | (92,629) | (87,630) |
| Total tax charge for the year | 年度稅項支出總額 | 722,591 | 645,105 |

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財務報表附註

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10. INCOME TAX (CONTINUED)

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

| | | 2015 | 2014 |
|--|--------------------|------------------|------------|
| | | 2015年 | 2014年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | | (Restated) |
| | | | (重述) |
| Profit before tax | 除稅前溢利 | 2,776,763 | 2,764,856 |
| Tax at the statutory tax rate | 按法定稅率計算的稅項 | 694,191 | 691,214 |
| 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 | (8,889) | (3,061) |
| Share of losses/(profits) of joint ventures not subject to tax | 毋需課稅的應佔合營公司虧損/(溢利) | 258 | (17) |
| Adjustments in respect of current tax of previous periods | 就過往期間即期所得稅作出的調整 | 21,784 | (6,250) |
| Expenses not deductible for tax | 不可扣稅開支 | 9,607 | 6,808 |
| Tax losses utilised from previous periods | 使用過往期間的稅項虧損 | - | (8,367) |
| Utilisation of deductible temporary differences of previous periods | 動用過往期間可抵扣暫時差額 | - | (34,626) |
| Others | 其他 | 5,640 | (596) |
| Tax charge at the Group's effective rate | 按本集團實際稅率計算的稅項支出 | 722,591 | 645,105 |

The share of tax attributable to associates and joint ventures amounting to nil (2014: nil) and RMB258,000 (2014: RMB(17,000)), respectively, is included in "Share of profits and losses of joint ventures and an associate" in the consolidated statement of profit or loss.

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:

應佔聯營公司及合營公司稅項分別為無(2014年:無)及人民幣258,000元(2014年:人民幣(17,000)元),已計入合併損益表「應佔合營公司及聯營公司溢利及虧損」內。

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財務報表附註

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11. PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

The consolidated profit attributable to owners of the parent for the year ended December 31, 2015 includes a profit of RMB1,908,837,000 (2014: RMB1,894,996,000) which has been dealt with in the financial statements of the Company.

12. DIVIDENDS

Proposed final dividend of RMB0.1989 (2014: RMB0.2033) per ordinary share

擬派末期股息每股普通股
人民幣0.1989元
(2014年：人民幣0.2033元)

| 2015 2015年 RMB'000 人民幣千元 | 2014 2014年 RMB'000 人民幣千元 (Restated) (重述) |
|-----------------------------------|---|
|-----------------------------------|---|

820,602 838,755

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

Pursuant to the State Administration of Taxation Circular Guoshuihan [2008] No. 897, the Company is required to withhold a 10% enterprise income tax when it distributes dividends to its non-resident enterprise shareholders out of the profit earned in 2008 and beyond. In respect of all shareholders whose names appear on the Company's register of members who are not individuals, which are considered as non-resident enterprise shareholders, the Company will distribute the dividend after deducting enterprise income tax at the rate of 10%.

Due to the repeal of Guoshuifa [1993] No. 45 Circular on the Questions Concerning Tax on the Profits Earned by Enterprises with Foreign Investment, Foreign Enterprises and Individual Foreigners from the Transfer of Stocks (Stock Rights) and on Dividend Income (關於外商投資企業、外國企業和外籍個人取得股票(股權)轉讓收益和股息所得稅收問題的通知(國稅發[1993]45號)), the Company is required from 4 January 2011 under the Individual Income Tax Law of the PRC (中華人民共和國個人所得稅法) and its implementing rules and regulations to withhold and pay individual income tax at rates ranging from 10% to 20% when it distributes dividends to its non-PRC resident individual shareholders out of the profit earned in 2010 and beyond.

11. 歸屬於母公司擁有人的溢利

截至2015年12月31日止年度歸屬於母公司擁有人的合併溢利包括已於本公司財務報表入賬的溢利人民幣1,908,837,000元(2014年：人民幣1,894,996,000元)。

12. 股息

擬派的本年度末期股息須獲本公司股東於應屆股東週年大會上批准。

按照國家稅務總局頒佈的通知(國稅函[2008]第897號),本公司自2008年及以後的所得利潤向非居民企業股東派發股息時,需要代扣10%的企業所得稅。對於名列本公司股東名冊的所有非個人股東(即被視為非居民企業的股東),本公司將在扣除10%的所得稅後派發股息。

由於關於外商投資企業、外國企業和外籍個人取得股票(股權)轉讓收益和股息所得稅收問題的通知(國稅發[1993]第45號)已經廢止,自2011年1月4日起本公司應根據《中華人民共和國個人所得稅法》及其實施條例的規定,自2010年及以後所得利潤向非中國居民個人股東派發股息時,須代扣代繳10%至20%的個人所得稅。

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財務報表附註

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

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

The calculation of basic earnings per share is based on:

Earnings

Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation

盈利

計算每股基本盈利所用的歸屬於母公司普通權益持有人的溢利

| 2015 | 2014 |
|---------|------------|
| 2015年 | 2014年 |
| RMB'000 | RMB'000 |
| 人民幣千元 | 人民幣千元 |
| | (Restated) |
| | (重述) |

| | |
|------------------|-----------|
| 2,051,775 | 2,119,470 |
|------------------|-----------|

Number of shares

股份數目

| 2015 | 2014 |
|-----------|------------|
| 2015年 | 2014年 |
| Thousands | Thousands |
| shares | shares |
| 千股 | 千股 |
| | (Restated) |
| | (重述) |

Shares

Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation

股份

計算每股基本盈利所用的年內已發行普通股的加權平均數

| | |
|------------------|-----------|
| 4,125,700 | 4,125,700 |
|------------------|-----------|

The Group had no potentially dilutive ordinary shares in issue during the years ended December, 31 2015 and 2014.

13. 歸屬於母公司普通權益持有人的每股盈利

每股基本盈利乃按年內歸屬於母公司普通權益持有人的溢利及普通股的加權平均數4,125,700,000股(2014年: 4,125,700,000股)計算。

每股基本盈利的計算如下:

截至2015年及2014年12月31日止年度，本集團並無潛在攤薄已發行普通股。

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

| | | Buildings | Motor vehicles | Office and other equipment | Construction In progress | Total |
|--|-----------------|------------------|-----------------|----------------------------|--------------------------|------------------|
| | | 樓宇 | 汽車 | 辦公及其他設備 | 在建工程 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Cost: | 成本： | | | | | |
| At January 1, 2014 | 於2014年1月1日 | 467,251 | 120,430 | 105,134 | 126,746 | 819,561 |
| Additions | 添置 | 87,810 | 8,706 | 13,653 | 163,919 | 274,088 |
| Disposals | 處置 | (26,125) | (7,628) | (9,572) | - | (43,325) |
| Revaluation surplus arising from restructuring of a subsidiary | 一家附屬公司重組產生的重估盈餘 | 4,621 | 1,414 | 845 | - | 6,880 |
| At December 31, 2014 | 於2014年12月31日 | 533,557 | 122,922 | 110,060 | 290,665 | 1,057,204 |
| At January 1, 2015 | 於2015年1月1日 | 533,557 | 122,922 | 110,060 | 290,665 | 1,057,204 |
| Additions | 添置 | 9,090 | 7,864 | 17,638 | 376,686 | 411,278 |
| Transfer from investment properties | 撥自投資物業 | 1,897 | - | - | - | 1,897 |
| Transfer to investment properties | 撥入投資物業 | (17,438) | - | - | - | (17,438) |
| Disposals | 處置 | (1,411) | (5,805) | (13,098) | - | (20,314) |
| At December 31, 2015 | 於2015年12月31日 | 525,695 | 124,981 | 114,600 | 667,351 | 1,432,627 |
| Accumulated depreciation: | 累計折舊： | | | | | |
| At January 1, 2014 | 於2014年1月1日 | (184,870) | (61,839) | (51,977) | - | (298,686) |
| Charge for the year | 年內支出 | (17,534) | (11,489) | (13,754) | - | (42,777) |
| Written back on disposals | 處置後撥回 | 14,413 | 4,298 | 8,571 | - | 27,282 |
| At December 31, 2014 | 於2014年12月31日 | (187,991) | (69,030) | (57,160) | - | (314,181) |
| At January 1, 2015 | 於2015年1月1日 | (187,991) | (69,030) | (57,160) | - | (314,181) |
| Charge for the year | 年內支出 | (22,509) | (12,985) | (11,859) | - | (47,353) |
| Transfer from investment properties | 撥自投資物業 | (897) | - | - | - | (897) |
| Transfer to investment properties | 撥入投資物業 | 3,313 | - | - | - | 3,313 |
| Written back on disposals | 處置後撥回 | 742 | 5,039 | 9,241 | - | 15,022 |
| At December 31, 2015 | 於2015年12月31日 | (207,342) | (76,976) | (59,778) | - | (344,096) |
| Net book value: | 賬面淨值： | | | | | |
| At December 31, 2014 | 於2014年12月31日 | 345,566 | 53,892 | 52,900 | 290,665 | 743,023 |
| At December 31, 2015 | 於2015年12月31日 | 318,353 | 48,005 | 54,822 | 667,351 | 1,088,531 |

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14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) The analysis of net book value of buildings is as follows:

| | | 2015 | 2014 |
|----------------------|--------|----------------|------------|
| | | 2015年 | 2014年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | | (Restated) |
| | | | (重述) |
| Outside Hong Kong | 香港以外 | | |
| – Long-term leases | – 長期租賃 | 33,261 | 39,873 |
| – Medium-term leases | – 中期租賃 | 243,666 | 228,340 |
| – Freehold | – 永久業權 | 41,426 | 77,353 |
| | | 318,353 | 345,566 |

(b) As at December 31, 2015, certain of the Group's borrowings were secured by certain of the Group's buildings with an aggregate net book value of RMB10,848,000 (2014: RMB4,333,000).

14. 物業、廠房及設備 (續)

(a) 樓宇的賬面淨值分析如下：

| | | 2015 | 2014 |
|----------------------|--------|----------------|------------|
| | | 2015年 | 2014年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | | (Restated) |
| | | | (重述) |
| Outside Hong Kong | 香港以外 | | |
| – Long-term leases | – 長期租賃 | 33,261 | 39,873 |
| – Medium-term leases | – 中期租賃 | 243,666 | 228,340 |
| – Freehold | – 永久業權 | 41,426 | 77,353 |
| | | 318,353 | 345,566 |

(b) 於2015年12月31日，本集團若干借貸由本集團賬面總淨值為人民幣10,848,000元（2014年：人民幣4,333,000元）的若干樓宇作抵押。

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15. INVESTMENT PROPERTIES

15. 投資物業

| | | 2015 2015年 RMB'000 人民幣千元 | 2014 2014年 RMB'000 人民幣千元 (Restated) (重述) |
|---|--------------|--|---|
| Cost: | 成本： | | |
| At the beginning of the year | 於年初 | 23,358 | 26,623 |
| Disposals | 處置 | - | (3,265) |
| Transfer from property, plant and equipment | 撥自物業、廠房及設備 | 17,438 | - |
| Transfer to property, plant and equipment | 撥入物業、廠房及設備 | (1,897) | - |
| | | <hr/> | <hr/> |
| At the end of the year | 於年末 | 38,899 | 23,358 |
| Accumulated depreciation: | 累計折舊： | | |
| At the beginning of the year | 於年初 | (13,021) | (12,460) |
| Charge for the year | 年內支出 | (1,427) | (1,929) |
| Written back on disposals | 處置後撥回 | - | 1,368 |
| Transfer from property, plant and equipment | 撥自物業、廠房及設備 | (3,313) | - |
| Transfer to property, plant and equipment | 撥入物業、廠房及設備 | 897 | - |
| | | <hr/> | <hr/> |
| At the end of the year | 於年末 | (16,864) | (13,021) |
| Net book value: | 賬面淨值： | 22,035 | 10,337 |

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15. INVESTMENT PROPERTIES (CONTINUED)

The analysis of net book value of investment properties is as follows:

| | | 2015 | 2014 |
|----------------------|--------|----------------|------------|
| | | 2015年 | 2014年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | | (Restated) |
| | | | (重述) |
| In Hong Kong | 於香港 | | |
| – Medium-term leases | – 中期租賃 | – | 1,197 |
| Outside Hong Kong | 香港以外 | | |
| – Medium-term leases | – 中期租賃 | 22,035 | 9,140 |
| | | 22,035 | 10,337 |

According to the property valuation reports issued on March 18, 2016 by Savills Corporate Appraisal and Advisory Limited, a firm of independent qualified valuers in Hong Kong, using the term and reversion method, the fair value as at December 31, 2015 of the Group's investment properties, including land use rights, which are classified in "Prepaid land lease payments" (note 16), was RMB142,856,000 (2014: RMB136,154,000).

The Group leases out investment properties under operating leases. The leases typically run for an initial period of 1 to 6 years, with an option to renew the lease after the expiry date at which time all terms are renegotiated. None of the leases includes contingent rentals.

15. 投資物業 (續)

投資物業的賬面淨值分析如下：

| | 2015 | 2014 |
|-------------------|----------------|------------|
| | 2015年 | 2014年 |
| | RMB'000 | RMB'000 |
| | 人民幣千元 | 人民幣千元 |
| | | (Restated) |
| | | (重述) |
| In Hong Kong | | |
| – 中期租賃 | – | 1,197 |
| Outside Hong Kong | | |
| – 中期租賃 | 22,035 | 9,140 |
| | 22,035 | 10,337 |

根據第一太平戴維斯估值及專業顧問有限公司(香港的獨立合資格估值師事務所)採用年期及復歸法於2016年3月18日發出的物業估值報告,於2015年12月31日,本集團的投資物業(包括被分類為「預付土地租賃款項」(附註16)的土地使用權)的公允價值為人民幣142,856,000元(2014年:人民幣136,154,000元)。

本集團以經營租賃方式出租投資物業。租賃初始一般為期1至6年,到期日後可再重新磋商所有條款的情況下重續。租賃概不附帶或有租金。

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15. INVESTMENT PROPERTIES (CONTINUED)

Fair value hierarchy

The following table sets forth the fair value of the investment properties of the Group as at December 31, 2015 in accordance with the hierarchy of fair value measurement:

| | | Fair value as at December 31, 2015 Significant unobservable inputs (Level 3) 於2015年 12月31日的公允價值 重大不可觀察 輸入數據 (第3級) RMB'000 人民幣千元 | Fair value as at December 31, 2014 Significant unobservable inputs (Level 3) 於2014年 12月31日的公允價值 重大不可觀察 輸入數據 (第3級) RMB'000 人民幣千元 |
|---------------------------------------|------------|--|---|
| Recurring fair value measurement for: | 經常性公允價值計量： | | |
| Commercial properties | 商業物業 | 142,856 | 136,154 |

All of the Group's investment properties are commercial properties.

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

Valuation techniques
估值方法
Term and reversion
年期及復歸

Under the income approach, the term and reversion approach in particular, the rental income derived from the existing tenancies with due allowance for the reversionary potential of the property is capitalised at the capitalisation rate. The estimated total net leased income is capitalised over the remaining term of land use rights of the property at an appropriate market yield expected by investors for the type of properties.

15. 投資物業 (續)

公允價值層級

下表列示根據公允價值層級計量的本集團於2015年12月31日的投資物業公允價值：

| | Fair value as at December 31, 2015 Significant unobservable inputs (Level 3) 於2015年 12月31日的公允價值 重大不可觀察 輸入數據 (第3級) RMB'000 人民幣千元 | Fair value as at December 31, 2014 Significant unobservable inputs (Level 3) 於2014年 12月31日的公允價值 重大不可觀察 輸入數據 (第3級) RMB'000 人民幣千元 |
|---------------------------------------|--|---|
| Recurring fair value measurement for: | 經常性公允價值計量： | |
| Commercial properties | 商業物業 | 136,154 |

本集團的所有投資物業均為商業物業。

投資物業所用估值方法及主要估值輸入數據概述如下：

Significant unobservable inputs
重大不可觀察輸入數據
Unit rental (RMB/sq.m./day)
出租單價 (人民幣元 / 平方米 / 天)
Term yield
年期回報率
Reversionary yield
復歸回報率

根據收益法，尤其是年期及復歸法，現有租約內的租金收入連同該物業復歸潛力的適當補償按資本化率予以資本化。估計租金淨收益總額按投資者對不同類型物業預期的適當市場回報率於物業餘下的土地使用權年內予以資本化。

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16. PREPAID LAND LEASE PAYMENTS

16. 預付土地租賃款項

| | | 2015 | 2014 |
|----------------------------------|--------------|------------------|------------|
| | | 2015年 | 2014年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | | (Restated) |
| | | | (重述) |
| Cost: | 成本： | | |
| At the beginning of the year | 於年初 | 1,901,129 | 1,895,005 |
| Addition | 添置 | 85,536 | 3,985 |
| Disposals | 處置 | - | (1,675) |
| Revaluation surplus | 重估盈餘 | - | 3,814 |
| | | <hr/> | <hr/> |
| At the end of the year | 於年末 | 1,986,665 | 1,901,129 |
| | | <hr/> | <hr/> |
| Accumulated amortisation: | 累計攤銷： | | |
| At the beginning of the year | 於年初 | (148,359) | (106,896) |
| Charge for the year | 年內支出 | (45,949) | (41,975) |
| Written back on disposals | 處置後撥回 | - | 512 |
| | | <hr/> | <hr/> |
| At the end of the year | 於年末 | (194,308) | (148,359) |
| | | <hr/> | <hr/> |
| Net book value: | 賬面淨值： | 1,792,357 | 1,752,770 |

The leasehold land is situated in Mainland China and is held under a long term lease.

租賃土地位於中國大陸，並根據長期租約持有。

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17. INTANGIBLE ASSETS

17. 無形資產

| | | 2015 2015年 RMB'000 人民幣千元 | 2014 2014年 RMB'000 人民幣千元 (Restated) (重述) |
|----------------------------------|--------------|--|---|
| Cost: | 成本： | | |
| At the beginning of the year | 於年初 | 16,671 | 13,575 |
| Additions | 添置 | 6,557 | 3,096 |
| Disposals | 處置 | (9,926) | - |
| | | <hr/> | <hr/> |
| At the end of the year | 於年末 | 13,302 | 16,671 |
| Accumulated amortisation: | 累計折舊： | | |
| At the beginning of the year | 於年初 | (7,771) | (6,686) |
| Charge for the year | 年內支出 | (5,282) | (1,085) |
| Disposals | 處置 | 9,247 | - |
| | | <hr/> | <hr/> |
| At the end of the year | 於年末 | (3,806) | (7,771) |
| Net book value: | 賬面淨值： | 9,496 | 8,900 |

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18. INVESTMENTS IN JOINT VENTURES

18. 對合營公司的投資

| | 2015 2015年 RMB'000 人民幣千元 | 2014 2014年 RMB'000 人民幣千元 (Restated) (重述) |
|---------------------|-----------------------------------|---|
| Share of net assets | 210,014 | 50,067 |

Particulars of the joint ventures are as follows:

主要合營公司的詳細資料如下：

| Name | Particulars of issued shares held | Place and date of registration | Percentage of ownership interest, voting power and profit sharing 所有權權益、投票權及溢利分配百分比 | Principal activities 主要業務 |
|--|--|---|--|------------------------------------|
| 名稱 | 所持有已發行股份詳情 | 註冊地點及日期 | | |
| China National Guo Lian Development New Energy (Wuxi) Co., Ltd. 中設國聯無錫新能源發展有限公司 | Registered capital of RMB200,000,000 註冊資本為 人民幣200,000,000元 | The PRC November 4, 2014 中國 2014年11月4日 | 50% 50% | Engineering design 工程設計 |
| CMIPC Huajin Casting Co., Ltd. 山西中設華晉鑄造有限公司 | Registered capital of RMB251,390,000 註冊資本為 人民幣251,390,000元 | The PRC March 31, 2015 中國 2015年3月31日 | 34% 34% | Metal casting production 金屬鑄造生產 |
| Shannxi Dongji Construction Developing Co., Ltd. 陝西東基建設開發有限公司 | Registered capital of RMB50,000,000 註冊資本為 人民幣50,000,000元 | The PRC March 4, 2015 中國 2015年3月4日 | 51%* 51% | Design services 設計服務 |

* According to the articles of Shannxi Dongji Construction Developing Co., Ltd, ordinary resolution requires 2/3 approval of the voting rights of the shareholders. Therefore, Shannxi Dongji Construction Developing Co., Ltd, is a joint venture of the Group.

* 根據陝西東基建設開發有限公司的章程規定，普通決議案須經有表決權的三分之二的股東批准。因此，陝西東基建設開發有限公司為本集團的合營公司。

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18. INVESTMENTS IN JOINT VENTURES (CONTINUED)

The following table illustrates the summarised financial information of China National Guo Lian Development New Energy (Wuxi) Co., Ltd.:

18. 對合營公司的投資 (續)

下表列示中設國聯無錫新能源發展有限公司的財務資料概要：

| | | 2015 2015年 RMB'000 人民幣千元 | 2014 2014年 RMB'000 人民幣千元 (Restated) (重述) |
|---|-------------------|-----------------------------------|---|
| Current assets | 流動資產 | 188,154 | 54,890 |
| Non-current assets | 非流動資產 | 579,694 | 82,074 |
| Current liabilities | 流動負債 | (348,013) | (35,480) |
| Non-current liabilities | 非流動負債 | (201,769) | (1,349) |
| | | 218,066 | 100,135 |
| Non-controlling interests | 非控股權益 | (18,646) | - |
| Total equity attributable to owners of the parent | 母公司擁有人應佔權益總額 | 199,420 | 100,135 |
| Proportion of the Group's ownership | 本集團擁有權比例 | 50% | 50% |
| Group's share of net assets of the joint venture | 本集團應佔合營公司的資產淨額 | 99,710 | 50,067 |
| Revenue | 收入 | 13,149 | 239 |
| Cost of sales | 銷售成本 | (5,944) | - |
| Expenses | 開支 | (6,799) | (59) |
| Profit before tax | 除稅前溢利 | 406 | 180 |
| Tax | 稅項 | (1,120) | (46) |
| Profit/(loss) after tax | 除稅後溢利/(虧損) | (714) | 134 |
| Other comprehensive income | 其他綜合收益 | - | - |
| Total comprehensive income | 綜合收益總額 | (714) | 134 |
| Proportion of the Group's ownership | 本集團擁有權比例 | 50% | 50% |
| Group's share of profit/(loss) of the joint venture | 本集團應佔合營公司的溢利/(虧損) | (357) | 67 |
| Share of total comprehensive income | 應佔綜合收益總額 | (357) | 67 |

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18. INVESTMENTS IN JOINT VENTURES (CONTINUED)

The following table illustrates the summarised financial information of CMIPC Huajin Casting Co., Ltd.:

18. 對合營公司的投資 (續)

下表列示山西中設華晉鑄造有限公司的財務資料概要：

| | | 2015 2015年 RMB'000 人民幣千元 |
|--|-----------------|-----------------------------------|
| Current assets | 流動資產 | 295,160 |
| Non-current assets | 非流動資產 | 221,458 |
| Current liabilities | 流動負債 | (266,934) |
| Non-current liabilities | 非流動負債 | (260) |
| Net assets | 資產淨額 | <u>249,424</u> |
| Proportion of the Group's ownership | 本集團擁有權比例 | 34% |
| Group's share of net assets of the associate | 本集團應佔聯營公司的資產淨額 | <u>84,804</u> |
| Revenue | 收入 | 214,989 |
| Cost of sales | 銷售成本 | (182,606) |
| Expenses | 開支 | (34,363) |
| Profit before tax | 除稅前溢利 | (1,980) |
| Tax | 稅項 | - |
| Loss after tax | 除稅後虧損 | (1,980) |
| Other comprehensive income | 其他綜合收益 | - |
| Total comprehensive income | 綜合收益總額 | <u>(1,980)</u> |
| Proportion of the Group's ownership | 本集團擁有權比例 | 34% |
| Group's share of loss after tax of the joint venture | 本集團應佔合營公司的除稅後虧損 | <u>(673)</u> |
| Share of total comprehensive income | 應佔綜合收益總額 | <u>(673)</u> |

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19. INVESTMENT IN AN ASSOCIATE

19. 對一家聯營公司的投資

| | 2015 2015年 RMB'000 人民幣千元 | 2014 2014年 RMB'000 人民幣千元 (Restated) (重述) |
|---------------------|-----------------------------------|---|
| Share of net assets | 52,303 | — |

The Group's trade receivable and payable balances with the associate are disclosed in notes 22 and 24 to the financial statements, respectively.

本集團與聯營公司的貿易應收款項及應付款項結餘分別於財務報表附註22及24披露。

Particulars of the associate are as follows:

聯營公司的詳情如下：

| Name | Particulars of issued shares held | Place and date of registration | Percentage of ownership interest, voting power and profit sharing 所有權權益、投票權及溢利分配百分比 | Principal activities |
|---------------------------------------|-----------------------------------|--------------------------------|--|--|
| 名稱 | 所持有已發行股份詳情 | 註冊地點及日期 | | 主要業務 |
| Engro Powergen Thar (Private) Limited | PKR468,000,000 | Pakistan September 23, 2014 | 35% | Power station construction and operation |
| Engro Powergen Thar (Private) Limited | 468,000,000 巴基斯坦盧比 | 巴基斯坦 2014年9月23日 | 35% | 電站建造及運營 |

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20. INVENTORIES

20. 存貨

| | | 2015 | 2014 |
|--------------------------------|--------|----------------|-----------------------------|
| | | 2015年 | 2014年 |
| | | <i>RMB'000</i> | <i>RMB'000</i> |
| | | 人民幣千元 | 人民幣千元 (Restated) (重述) |
| Entrusted processing materials | 委託加工物資 | 117,057 | 145,682 |
| Finished goods | 製成品 | 137,810 | 108,208 |
| Others | 其他 | 3,262 | 6,089 |
| | | 258,129 | 259,979 |
| Provision for impairment | 減值撥備 | (4,040) | - |
| | | 254,089 | 259,979 |

21. AMOUNTS DUE FROM CONTRACT CUSTOMERS

21. 應收合同客戶款項

| | | 2015 | 2014 |
|--|-----------------------|-------------------|-----------------------------|
| | | 2015年 | 2014年 |
| | | <i>RMB'000</i> | <i>RMB'000</i> |
| | | 人民幣千元 | 人民幣千元 (Restated) (重述) |
| Gross amounts due from contract customers | 應收合同客戶款項總額 | | |
| - Current portion | - 流動部分 | 2,947,620 | 3,065,070 |
| - Non-current portion | - 非流動部分 | 2,660,045 | 2,698,467 |
| | | 5,607,665 | 5,763,537 |
| 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 | 79,695,774 | 67,769,119 |
| Less: Progress billings | 減：進度款項 | 74,088,109 | 62,005,582 |
| | | 5,607,665 | 5,763,537 |

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21. AMOUNTS DUE FROM CONTRACT CUSTOMERS (CONTINUED)

The movements in provision for impairment of amounts due from contract customers are as follows:

| | | 2015 2015年 RMB'000 人民幣千元 | 2014 2014年 RMB'000 人民幣千元 (Restated) (重述) |
|---|--------------|-----------------------------------|---|
| At January 1 | 於1月1日 | 82,771 | 236,690 |
| Impairment losses recognised | 已確認的減值虧損 | 37,242 | 103,174 |
| Transfer out to trade and other receivables | 轉出至貿易及其他應收款項 | (62,082) | (149,486) |
| Impairment losses reversed | 已撥回的減值虧損 | - | (107,607) |
| At December 31 | 於12月31日 | 57,931 | 82,771 |

21. 應收合同客戶款項 (續)

應收客戶款項的減值撥備變動如下：

| | | 2015 2015年 RMB'000 人民幣千元 | 2014 2014年 RMB'000 人民幣千元 (Restated) (重述) |
|---|--------------|-----------------------------------|---|
| At January 1 | 於1月1日 | 82,771 | 236,690 |
| Impairment losses recognised | 已確認的減值虧損 | 37,242 | 103,174 |
| Transfer out to trade and other receivables | 轉出至貿易及其他應收款項 | (62,082) | (149,486) |
| Impairment losses reversed | 已撥回的減值虧損 | - | (107,607) |
| At December 31 | 於12月31日 | 57,931 | 82,771 |

22. TRADE AND OTHER RECEIVABLES

| | | Notes 附註 | 2015 2015年 RMB'000 人民幣千元 | 2014 2014年 RMB'000 人民幣千元 (Restated) (重述) |
|--|-------------|-------------|-----------------------------------|---|
| Bills receivable | 應收票據 | | 251,541 | 45,576 |
| Trade receivables | 貿易應收款項 | | 4,555,945 | 4,416,327 |
| Less: Allowance for doubtful debts | 減：呆賬撥備 | (b) | (640,442) | (559,750) |
| Trade and bills receivables | 貿易應收款項及應收票據 | (a) | 4,167,044 | 3,902,153 |
| Advances to suppliers | 供應商預付款項 | | 1,438,456 | 1,201,989 |
| Other receivables | 其他應收款項 | | 1,862,321 | 1,277,872 |
| Others | 其他 | | 185,309 | 225,199 |
| Less: Allowance for doubtful debts | 減：呆賬撥備 | (b) | (63,134) | (63,716) |
| | | | 1,984,496 | 1,439,355 |
| Portion classified as non-current assets | 分類為非流動資產的部分 | | (70,323) | (110,749) |
| Current portion | 流動部分 | (e) | 7,519,673 | 6,432,748 |

22. 貿易及其他應收款項

| | | Notes 附註 | 2015 2015年 RMB'000 人民幣千元 | 2014 2014年 RMB'000 人民幣千元 (Restated) (重述) |
|--|-------------|-------------|-----------------------------------|---|
| Bills receivable | 應收票據 | | 251,541 | 45,576 |
| Trade receivables | 貿易應收款項 | | 4,555,945 | 4,416,327 |
| Less: Allowance for doubtful debts | 減：呆賬撥備 | (b) | (640,442) | (559,750) |
| Trade and bills receivables | 貿易應收款項及應收票據 | (a) | 4,167,044 | 3,902,153 |
| Advances to suppliers | 供應商預付款項 | | 1,438,456 | 1,201,989 |
| Other receivables | 其他應收款項 | | 1,862,321 | 1,277,872 |
| Others | 其他 | | 185,309 | 225,199 |
| Less: Allowance for doubtful debts | 減：呆賬撥備 | (b) | (63,134) | (63,716) |
| | | | 1,984,496 | 1,439,355 |
| Portion classified as non-current assets | 分類為非流動資產的部分 | | (70,323) | (110,749) |
| Current portion | 流動部分 | (e) | 7,519,673 | 6,432,748 |

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財務報表附註

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22. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Ageing analysis

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

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

There are no unified standard credit terms granted to customers of the international engineering constructing business and trading business. The credit terms granted to customers of the international engineering constructing business are negotiated individually on a case-by-case basis and set forth in the relevant contracts. The credit terms granted to customers of the trading business are normally about three to six months. The bills receivable are generally due within 180 days from the date of issuance. The Group's credit policy is set out in note 37(a).

22. 貿易及其他應收款項 (續)

(a) 賬齡分析

根據發票日期，於報告期末的貿易應收款項及應收票據經扣除撥備的賬齡分析如下：

| 2015 | 2014 |
|------------------|------------|
| 2015年 | 2014年 |
| RMB'000 | RMB'000 |
| 人民幣千元 | 人民幣千元 |
| | (Restated) |
| | (重述) |
| 2,673,855 | 1,956,578 |
| 525,248 | 512,112 |
| 322,482 | 555,902 |
| 645,459 | 877,561 |
| 4,167,044 | 3,902,153 |

國際工程承包業務及貿易業務的客戶並無獲授統一標準信貸期。授予國際工程承包業務客戶的信貸期乃按個別情況逐次獨立協定，並載列於有關合同內。授予貿易業務客戶的信貸期一般約為三至六個月。應收票據一般於發行日期起計180日內到期。本集團的信貸政策載於附註37(a)。

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財務報表附註

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22. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Impairment of trade and other receivables

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

| | |
|--|-------------|
| At January 1 | 於1月1日 |
| Impairment losses recognised | 已確認的減值虧損 |
| Transfer in from amounts due from contract customers | 轉撥自應收合同客戶款項 |
| Impairment losses reversed | 已撥回的減值虧損 |
| Amount written off as uncollectible | 撇銷不可收回的金額 |

As at December 31, 2015, the Group's trade and bills receivable of RMB1,198,822,000 (2014: RMB1,581,735,000) were individually determined to be impaired. The individually impaired receivables related to debtors that were in financial difficulties, and management assessed that only a portion of the receivables is expected to be recovered. Consequently, as at December 31, 2015, specific allowances for doubtful debts of RMB513,225,000 (2014: RMB451,023,000) were recognised by the Group.

22. 貿易及其他應收款項 (續)

(b) 貿易及其他應收款項減值

貿易應收款項及其他應收款項減值撥備的變動如下：

| 2015 | 2014 |
|----------------|----------------|
| 2015年 | 2014年 |
| RMB'000 | RMB'000 |
| 人民幣千元 | 人民幣千元 |
| | (Restated) |
| | (重述) |
| 623,466 | 536,007 |
| 70,603 | 152,019 |
| 62,080 | 149,486 |
| (50,162) | (196,555) |
| (2,411) | (17,491) |
| 703,576 | 623,466 |

於2015年12月31日，本集團的貿易應收款項及應收票據人民幣1,198,822,000元（2014年：人民幣1,581,735,000元）被個別考慮計提減值。個別計提減值的應收款項與當時正處於財務困難的債務人有關，管理層因此評估，預期僅有一部分的應收款項可以收回。因此，本集團於2015年12月31日確認特定呆賬撥備為人民幣513,225,000元（2014年：人民幣451,023,000元）。

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財務報表附註

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22. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

As at December 31, 2015, the Group's other receivables of RMB1,886,753,000 (2014: RMB1,276,002,000) were individually determined to be impaired. The individually impaired receivables related to debtors that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. Consequently, as at December 31, 2015, specific allowances for doubtful debts of RMB50,162,000 (2014: RMB57,630,000) were recognised by the Group.

(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:

22. 貿易及其他應收款項 (續)

(b) 貿易及其他應收款項減值 (續)

於2015年12月31日，本集團的其他應收款項人民幣1,886,753,000元(2014年：人民幣1,276,002,000元)被個別考慮計提減值。個別計提減值的應收款項與當時正處於財務困難的債務人有關，管理層因此評估，預期僅有一部分的應收款項可以收回。因此，本集團於2015年12月31日確認特定呆賬撥備為人民幣50,162,000元(2014年：人民幣57,630,000元)。

(c) 未減值的貿易應收款項及應收票據

既未單獨亦未共同視為減值的貿易應收款項及應收票據的賬齡分析如下：

| | | 2015 | 2014 |
|-------------------------------|-----------|------------------|------------|
| | | 2015年 | 2014年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | | (Restated) |
| | | | (重述) |
| Neither past due nor impaired | 既未逾期亦未減值 | 2,041,987 | 1,370,744 |
| Less than 3 months past due | 逾期3個月以內 | 105,508 | 12,626 |
| 3 months to 6 months past due | 逾期3個月至6個月 | 37,745 | 6,313 |
| 6 months to 1 year past due | 逾期6個月至1年 | 118,378 | - |
| More than 1 year past due | 逾期1年以上 | 128,452 | 30,598 |
| | | 2,432,070 | 1,420,281 |

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財務報表附註

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22. TRADE AND OTHER RECEIVABLES (CONTINUED)

(c) Trade and bills receivables that are not impaired (continued)

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

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

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

| | | | |
|---------------------|--------|--------|--------|
| SINOMACH | 國機 | 9,833 | – |
| Fellow subsidiaries | 同系附屬公司 | 43,528 | 27,090 |

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

(e) As at December 31, 2015 and December 31, 2014, none of the Group's borrowings were secured by the Group's trade receivables.

22. 貿易及其他應收款項 (續)

(c) 未減值的貿易應收款項及應收票據 (續)

既未逾期亦未減值的應收款項與近期並無拖欠記錄的多名分散的客戶有關。

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

(d) 應收本集團關聯方款項 (計入貿易及其他應收款項) 分析如下：

| 2015 | 2014 |
|---------|------------|
| 2015年 | 2014年 |
| RMB'000 | RMB'000 |
| 人民幣千元 | 人民幣千元 |
| | (Restated) |
| | (重述) |

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12月31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。

Notes to the Financial Statements

財務報表附註

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23. CASH AND CASH EQUIVALENTS AND RESTRICTED DEPOSITS

23. 現金及現金等價物及受限制存款

| | | 2015 | 2014 |
|--|-------------------------|-------------------|------------|
| | | 2015年 | 2014年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | | (Restated) |
| | | | (重述) |
| Cash and bank balances | 現金及現金等價物 | 24,693,840 | 22,463,206 |
| Less: Restricted deposits | 減：受限制存款 | 314,135 | 306,711 |
| Less: Non-pledged time deposits with original maturity of over three months when acquired | 減：收購時原到期日為三個月以上的無抵押定期存款 | 4,035,091 | 4,170,349 |
| Cash and cash equivalents in the statement of financial position and in the consolidated statement of cash flows | 於財務狀況表及合併現金流量表的現金及現金等價物 | 20,344,614 | 17,986,146 |
| Cash and bank balances and time deposits denominated in: | 以下列貨幣列值的現金及銀行結餘以及定期存款： | | |
| – RMB | – 人民幣 | 17,972,320 | 15,496,470 |
| – USD | – 美元 | 5,745,739 | 3,440,435 |
| – ARS | – 阿根廷比索 | 3,744 | 2,257,275 |
| – HKD | – 港元 | 28,265 | 745,412 |
| – XAF | – 中非法郎 | 676,483 | 258,006 |
| – EUR | – 歐元 | 161,798 | 151,556 |
| – Other currencies | – 其他貨幣 | 105,491 | 114,052 |
| | | 24,693,840 | 22,463,206 |

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

人民幣不可自由兌換成其他貨幣。然而，根據中國大陸《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團可透過獲授權經營外匯業務的銀行將人民幣兌換成其他貨幣。

Notes to the Financial Statements

財務報表附註

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23. CASH AND CASH EQUIVALENTS AND RESTRICTED DEPOSITS (CONTINUED)

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and restricted deposits are deposited with creditworthy banks with no recent history of default.

23. 現金及現金等價物及受限制存款 (續)

銀行現金按每日銀行存款利率的浮動利率計息。短期定期存款的存款期介乎一日至三個月，視乎本集團的即時現金需求而定，並按相關短期定期存款利率計息。銀行結餘及受限制存款存放於近期無拖欠記錄且信譽良好的銀行。

24. TRADE AND OTHER PAYABLES

24. 貿易及其他應付款項

| | | 2015 2015年 RMB'000 人民幣千元 | 2014 2014年 RMB'000 人民幣千元 (Restated) (重述) |
|---|--------------|-----------------------------------|---|
| Bills payable | 應付票據 | 198,639 | 43,338 |
| Trade payables | 貿易應付款項 | 12,429,720 | 12,390,168 |
| | | 12,628,359 | 12,433,506 |
| Accrued salaries, wages and benefits | 應計薪金、工資及福利 | 859,928 | 692,446 |
| Other taxes payable | 其他應繳稅項 | 85,222 | 126,638 |
| Other payables | 其他應付款項 | 3,146,945 | 541,318 |
| Derivative financial instruments | 衍生金融工具 | 24,230 | 29,748 |
| Dividend payable | 應付股息 | 459 | 438 |
| Interest payable | 應付利息 | 9,604 | - |
| Others | 其他 | 73,959 | 14,406 |
| | | 16,828,706 | 13,838,500 |
| Less: Portion classified as current liabilities | 減：分類為流動負債的部分 | 16,754,747 | 13,824,094 |
| Non-current portion | 非流動部分 | 73,959 | 14,406 |

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24. TRADE AND OTHER PAYABLES (CONTINUED)

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

| | | 2015 | 2014 |
|----------------------|---------|-------------------|------------|
| | | 2015年 | 2014年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | | (Restated) |
| | | | (重述) |
| Within 3 months | 3個月以內 | 4,919,512 | 3,905,786 |
| 3 months to 6 months | 3個月至6個月 | 1,255,286 | 1,323,633 |
| 6 months to 1 year | 6個月至1年 | 1,358,283 | 3,168,021 |
| Over 1 year | 1年以上 | 5,095,278 | 4,036,066 |
| | | 12,628,359 | 12,433,506 |

The trade payables are non-interest-bearing and are usually paid within the agreed period, usually due within 180 days. The bills payable are generally due within 180 days from the date of issuance.

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

| | | 2015 | 2014 |
|---------------------|--------|----------------|------------|
| | | 2015年 | 2014年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | | (Restated) |
| | | | (重述) |
| SINOMACH | 國機 | 2,029 | 2,000 |
| Fellow subsidiaries | 同系附屬公司 | 839,178 | 1,062,929 |

24. 貿易及其他應付款項 (續)

根據發票日期，於報告期末的應付票據及貿易應付款項的賬齡分析如下：

| | 2015 | 2014 |
|----------------------|-------------------|------------|
| | 2015年 | 2014年 |
| | RMB'000 | RMB'000 |
| | 人民幣千元 | 人民幣千元 |
| | | (Restated) |
| | | (重述) |
| Within 3 months | 4,919,512 | 3,905,786 |
| 3 months to 6 months | 1,255,286 | 1,323,633 |
| 6 months to 1 year | 1,358,283 | 3,168,021 |
| Over 1 year | 5,095,278 | 4,036,066 |
| | 12,628,359 | 12,433,506 |

貿易應付款項為免息，通常於協定期間內支付且通常於180日內到期。應付票據通常於發行日期起計180日內到期。

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

| | 2015 | 2014 |
|---------------------|----------------|------------|
| | 2015年 | 2014年 |
| | RMB'000 | RMB'000 |
| | 人民幣千元 | 人民幣千元 |
| | | (Restated) |
| | | (重述) |
| SINOMACH | 2,029 | 2,000 |
| Fellow subsidiaries | 839,178 | 1,062,929 |

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25. BORROWINGS

25. 借貸

| | | 2015 2015年 | | | 2014 (Restated) 2014年(重述) | | |
|---|------------------|---|--------------------------|------------------|---|--------------------------|------------------|
| | | Effective interest rate(%) 實際利率(%) | Maturity 到期日 | RMB'000 人民幣千元 | Effective interest rate(%) 實際利率(%) | Maturity 到期日 | RMB'000 人民幣千元 |
| Current | 流動 | | | | | | |
| Short term bank loans: | 短期銀行貸款： | | | | | | |
| - Unsecured | - 無擔保 | 5.34-6.33 | 2016 2016年 | 43,844 | 3.15-6.33 | 2015 2015年 | 4,325 |
| - Secured | - 有擔保 | 4.32-5.07 | 2016 2016年 | 21,019 | 5.6 | 2015 2015年 | 129,213 |
| Current portion of long term bank loans: | 長期銀行貸款的 流動部分： | | | | | | |
| - Secured | - 有擔保 | 2.33-2.35 | 2016 2016年 | 363,412 | 2.33 | 2015 2015年 | 72,204 |
| | | | | <u>428,275</u> | | | <u>205,742</u> |
| Non-current | 非流動 | | | | | | |
| Long term bank loans: | 長期銀行貸款： | | | | | | |
| - Unsecured | - 無擔保 | 0.05-6.15 | 2017-2022 2017年至2022年 | 397,078 | 1.25-6.15 | 2016-2022 2016年至2022年 | 106,031 |
| - Secured | - 有擔保 | | | - | 2.33-2.35 | 2016 2016年 | 253,758 |
| | | | | <u>397,078</u> | | | <u>359,789</u> |
| | | | | <u>825,353</u> | | | <u>565,531</u> |

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25. BORROWINGS (CONTINUED)

Bank loans repayable

| Analysed into: | | 分析為： | |
|--|-----------------|----------------|---------|
| Within one year | 一年以內 | 428,275 | 205,742 |
| In the second year | 第二年 | 90,000 | 256,204 |
| In the third to fifth years, inclusive | 第三年至第五年（包括首尾兩年） | 303,805 | 100,000 |
| Above five years | 五年以上 | 3,273 | 3,585 |
| | | 825,353 | 565,531 |

Notes:

- (a) As at December 31, 2015, certain borrowings of RMB20,000,000 (December 31, 2014: RMB25,000,000) were secured by the Group's property, plant and equipment (note 14).
- (b) As at December 31, 2015, certain borrowings of RMB362,462,000 (December 31, 2014: RMB252,839,000) were guaranteed by the Company.
- (c) As at December 31, 2015, certain borrowings of RMB950,000 (December 31, 2014: RMB173,122,000) were secured by the Group's restricted deposits.
- (d) As at December 31, 2015, certain borrowings of RMB1,019,000 (December 31, 2014: RMB4,213,000) were secured by an outward documentary bill.

25. 借貸（續）

應償還銀行貸款

| 2015 | 2014 |
|----------------|------------|
| 2015年 | 2014年 |
| RMB'000 | RMB'000 |
| 人民幣千元 | 人民幣千元 |
| | (Restated) |
| | (重述) |
| 428,275 | 205,742 |
| 90,000 | 256,204 |
| 303,805 | 100,000 |
| 3,273 | 3,585 |
| 825,353 | 565,531 |

附註：

- (a) 於2015年12月31日，若干借貸人民幣20,000,000元（2014年12月31日：人民幣25,000,000元）由本集團的物業、廠房及設備作為抵押（附註14）。
- (b) 於2015年12月31日，若干借貸人民幣362,462,000元（2014年12月31日：人民幣252,839,000元）由本公司作擔保。
- (c) 於2015年12月31日，若干借貸人民幣950,000元（2014年12月31日：人民幣173,122,000元）由本集團受限制存款作為質押。
- (d) 於2015年12月31日，若干借貸人民幣1,019,000元（2014年12月31日：人民幣4,213,000元）由出口押匯作為抵押。

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26. DEFERRED TAX ASSETS

26. 遞延稅項資產

| | | Provision for impairment of assets | Construction contracts | Provisions and accruals | Changes in fair value | Surplus on revaluation of non-current assets | Others | Total |
|---|----------------------|--|---------------------------|----------------------------|--------------------------|---|---------|---------|
| | | 資產減值撥備 | 建造合同 | 撥備及 應計費用 | 公允價值變動 | 非流動資產 重估盈餘 | 其他 | 合計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| At January 1, 2015 (Restated) | 於2015年1月1日 (重述) | 166,416 | 76,292 | 145,843 | 7,437 | (148,386) | 151 | 247,753 |
| Deferred tax credited to profit or loss | 於損益中計入的 遞延稅項 | 15,678 | 29,698 | 33,842 | 12,651 | 16,069 | 604 | 108,542 |
| At December 31, 2015 | 於2015年12月31日 | 182,094 | 105,990 | 179,685 | 20,088 | (132,317) | 755 | 356,295 |
| At January 1, 2014 | 於2014年1月1日 | 160,508 | 41,135 | 136,714 | (34,013) | (147,172) | 622 | 157,794 |
| Deferred tax credited/ (charged) to profit or loss | 於損益中計入/(扣除)的 遞延稅項 | 5,908 | 35,157 | 9,129 | 41,450 | (1,214) | (471) | 89,959 |
| At December 31, 2014 | 於2014年12月31日 | 166,416 | 76,292 | 145,843 | 7,437 | (148,386) | 151 | 247,753 |

Deferred tax assets have not been recognised in respect of the following items:

尚未就下列項目確認遞延稅項資產：

| | | 2015 2015年 RMB'000 人民幣千元 | 2014 2014年 RMB'000 人民幣千元 (Restated) (重述) |
|--|-----------|-----------------------------------|---|
| Tax losses | 稅項虧損 | 7,420 | 70,019 |
| Other deductible temporary differences | 其他可抵扣暫時差額 | 178,664 | 37,613 |
| | | 186,084 | 107,632 |

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27. DEFINED BENEFIT OBLIGATIONS

The Group's obligations in respect of defined benefit retirement plans at the end of the reporting period were computed by a firm of independent actuaries, Towers Watson, using the projected unit credit method.

- (a) The provisions for defined benefit obligations recognised in the statements of financial position are shown as follows:

| | | 2015 | 2014 |
|---|------------------|----------------|------------|
| | | 2015年 | 2014年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | | (Restated) |
| | | | (重述) |
| Retirement and other supplemental benefit obligations | 退休及其他補充 受益義務 | 392,046 | 384,860 |
| Less: Portion classified as current liabilities | 減：分類為流動負債 的部分 | 31,404 | 31,770 |
| Non-current portion | 非流動部分 | 360,642 | 353,090 |

27. 設定受益義務

本集團於報告期末就該等設定受益退休計劃須承擔的責任由獨立精算師公司韜睿惠悅諮詢公司採用預計單位貸記法計算。

- (a) 於財務狀況表內確認的設定受益義務撥備列示如下：

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27. DEFINED BENEFIT OBLIGATIONS (CONTINUED)

(b) The movements in present value of defined benefit obligations are as follows:

| | | 2015 | 2014 |
|--|-------------------|-----------------|------------|
| | | 2015年 | 2014年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | | (Restated) |
| | | | (重述) |
| At the beginning of year | 於年初 | 384,860 | 381,290 |
| Interest costs on benefit obligations | 受益義務的利息成本 | 13,930 | 15,740 |
| Past service costs/(revenue) | 以往服務成本／(收入) | (20) | 5,230 |
| Benefits paid during the year | 年內的已付福利 | (30,384) | (31,460) |
| Re-measurement losses recognised in other comprehensive income | 於其他綜合收益內確認的重新計量虧損 | 23,660 | 14,060 |
| At the end of the year | 於年末 | 392,046 | 384,860 |

(c) The net expenses recognised in profit or loss in respect of the provisions for defined benefit obligations of the Group are as follows:

| | | 2015 | 2014 |
|--|----------------------|----------------|------------|
| | | 2015年 | 2014年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | | (Restated) |
| | | | (重述) |
| Interest cost on benefit obligations recognised in finance expense | 於財務開支內確認的受益義務的利息成本 | 13,930 | 15,740 |
| Past service cost recognised/(reversed) in administrative expenses | 於行政開支內確認／(轉回)的以往服務成本 | (20) | 5,230 |
| | | 13,910 | 20,970 |

27. 設定受益義務 (續)

(b) 設定受益義務現值變動如下：

| | 2015 | 2014 |
|--|-----------------|------------|
| | 2015年 | 2014年 |
| | RMB'000 | RMB'000 |
| | 人民幣千元 | 人民幣千元 |
| | | (Restated) |
| | | (重述) |
| At the beginning of year | 384,860 | 381,290 |
| Interest costs on benefit obligations | 13,930 | 15,740 |
| Past service costs/(revenue) | (20) | 5,230 |
| Benefits paid during the year | (30,384) | (31,460) |
| Re-measurement losses recognised in other comprehensive income | 23,660 | 14,060 |
| At the end of the year | 392,046 | 384,860 |

(c) 本集團於損益內就設定受益義務撥備而確認的開支淨額如下：

| | 2015 | 2014 |
|--|----------------|------------|
| | 2015年 | 2014年 |
| | RMB'000 | RMB'000 |
| | 人民幣千元 | 人民幣千元 |
| | | (Restated) |
| | | (重述) |
| Interest cost on benefit obligations recognised in finance expense | 13,930 | 15,740 |
| Past service cost recognised/(reversed) in administrative expenses | (20) | 5,230 |
| | 13,910 | 20,970 |

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27. DEFINED BENEFIT OBLIGATIONS (CONTINUED)

(d) The principal actuarial assumptions used in valuing the provisions for defined benefit obligations as at the end of 2015 and 2014 are as follows:

27. 設定受益義務 (續)

(d) 估算於2015年及2014年末的設定受益義務撥備所使用的主要精算假設如下：

| | | 2015 | 2014 |
|---|------------------------|----------------|------------|
| | | 2015年 | 2014年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | | (Restated) |
| | | | (重述) |
| Discount rates | 折現率 | 3.00% | 3.75% |
| Cost of living adjustment for civil retirees and retirees | 離退休人員生活成本調整 | 3.00% | 3.00% |
| Cost of living adjustment for beneficiaries | 遺屬生活成本調整 | 0.00% | 0.00% |
| Medical cost increase rate | 醫療成本增長率 | 8.00% | 8.00% |
| Cost of living adjustment and allowance for early retirees | 提前退休人員生活成本調整及撥備 | 4.50% | 4.50% |
| Cost of social insurance contribution and housing fund contribution adjustment for early retirees | 提前退休人員社會保險繳費及住房公積金成本調整 | 10.00% | 10.00% |

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27. DEFINED BENEFIT OBLIGATIONS (CONTINUED)

- (e) A one percentage point change in the assumed rate of increase in cost of living adjustment for civil retirees and retirees would have the following effects:

| | | Increase/ (decrease) in rate 增長率 上升 / (下降) | 2015 2015年 RMB'000 人民幣千元 | 2014 2014年 RMB'000 人民幣千元 (Restated) (重述) |
|---|--------------|---|-----------------------------------|---|
| Increase in effect on the defined benefit obligations | 對設定受益義務的影響增加 | 1% | 23,734 | 23,640 |
| Decrease in effect on the defined benefit obligations | 對設定受益義務的影響減少 | (1%) | (20,832) | (20,750) |

A one percentage point change in other assumptions would not have any significant impact on net defined benefit obligation.

- (f) Expected distributions of benefit payments in the future years out of the defined benefit obligations are as follows:

| | | 2015 2015年 RMB'000 人民幣千元 | 2014 2014年 RMB'000 人民幣千元 (Restated) (重述) |
|---------------------------|---------|-----------------------------------|---|
| Within the next 12 months | 未來12個月內 | 31,396 | 30,000 |
| Between 1 and 2 years | 1至2年 | 30,913 | 27,690 |
| Between 2 and 5 years | 2至5年 | 87,304 | 81,300 |
| Between 5 and 10 years | 5至10年 | 125,284 | 117,340 |
| Over 10 years | 10年以上 | 256,766 | 259,420 |
| Total expected payments | 預期付款總額 | 531,663 | 515,750 |

The average duration of the defined benefit obligation at the end of the reporting period is 9, 12 years (2014: 10.5 years).

27. 設定受益義務 (續)

- (e) 假設離退休人員生活成本調整增長率變動一個百分點的影響如下：

| | 2015 2015年 RMB'000 人民幣千元 | 2014 2014年 RMB'000 人民幣千元 (Restated) (重述) |
|---|-----------------------------------|---|
| Increase in effect on the defined benefit obligations | 23,734 | 23,640 |
| Decrease in effect on the defined benefit obligations | (20,832) | (20,750) |

其餘假設內變動一個百分點將不會對設定受益義務淨額造成重大影響。

- (f) 未來年度內於設定受益義務範圍外的預期受益付款如下：

| | 2015 2015年 RMB'000 人民幣千元 | 2014 2014年 RMB'000 人民幣千元 (Restated) (重述) |
|---------------------------|-----------------------------------|---|
| Within the next 12 months | 31,396 | 30,000 |
| Between 1 and 2 years | 30,913 | 27,690 |
| Between 2 and 5 years | 87,304 | 81,300 |
| Between 5 and 10 years | 125,284 | 117,340 |
| Over 10 years | 256,766 | 259,420 |
| Total expected payments | 531,663 | 515,750 |

於報告期末設定受益義務的平均久期為9、12年(2014年：10.5年)。

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28. OTHER NON-CURRENT ASSETS

28. 其他非流動資產

| | | 2015 | 2014 |
|--|--------------|----------------|-----------------------------|
| | | 2015年 | 2014年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 (Restated) (重述) |
| Available-for-sale investments | 可供出售投資 | | |
| Listed equity investments, at fair value | 上市股權投資，按公允價值 | | |
| Hong Kong | 香港 | 2,625 | 2,190 |
| Shanghai | 上海 | 7,227 | 6,251 |
| | | 9,852 | 8,441 |
| Unlisted equity investments, at cost | 非上市股權投資，按成本 | 545,955 | 238,337 |
| | | 555,807 | 246,778 |

29. ISSUED CAPITAL

29. 已發行股本

| | | 2015 | 2014 |
|--|----------------|------------------|-----------------------------|
| | | 2015年 | 2014年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 (Restated) (重述) |
| Ordinary shares, issued and fully paid | 已發行及繳足的普通股 | | |
| Domestic shares of RMB1.00 each | 每股人民幣1.00元的內資股 | 3,217,430 | 3,217,430 |
| H shares of RMB1.00 each | 每股人民幣1.00元的H股 | 908,270 | 908,270 |
| | | 4,125,700 | 4,125,700 |

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30. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 211 to 212 of the financial statements.

Capital reserve includes:

- the contributions or distributions to shareholders;
- share premium as the difference between the total amount of the par value of shares issued and the amount of the net proceeds received from the initial public offer;
- the revaluation surplus resulting from state-owned enterprises restructuring; and
- the revaluation reserve resulting from available-for-sale financial assets.

31. BUSINESS COMBINATION UNDER COMMON CONTROL

As set out in note 35(c), on September 30, 2015, the Group acquired the 100% equity interest in China JiKan Research Institute of Engineering Investigations and Design, Co., Ltd. at a total cash consideration of RMB171,352,600.00. The Company and China JiKan Research Institute of Engineering Investigations and Design, Co., Ltd. are under the common control of SINOMACH both before and after the acquisition, and such controls are not transitory. Thus, the acquisition is considered to be business combination under common control. The acquisition date is September 30, 2015, which is determined by the date of equity transfer.

The carrying amounts of the assets and liabilities of China JiKan Research Institute of Engineering Investigations and Design, Co., Ltd. as at the acquisition date and the comparative financial figure were as follows:

30. 儲備

本集團於本年度及過往年度的儲備金額及其變動於財務報表第211至212頁的合併權益變動表內呈列。

資本儲備包括：

- 資本投入或對股東的分派；
- 股份溢價，即已發行股份面值總額與首次公開發售所得款項淨額之間的差額；
- 國有企業重組產生的重估盈餘；及
- 可供出售金融資產產生的重估儲備。

31. 同一控制下的業務合併

誠如附註35(c)所載，於2015年9月30日，本集團收購機械工業勘察設計研究院有限公司的100%股權，總代價為人民幣171,352,600.00元。於收購之前及之後，本公司與機械工業勘察設計研究院有限公司均由國機控制，且有關控制並非臨時。因此，該收購事項被視為同一控制下的業務合併。收購日期為2015年9月30日，乃根據股權轉讓日期釐定。

機械工業勘察設計研究院有限公司於收購日期的資產及負債賬面值及比較財務數字如下：

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31. BUSINESS COMBINATION UNDER COMMON CONTROL (CONTINUED)

31. 同一控制下的業務合併 (續)

| | | September 30, 2015 2015年 9月30日 RMB'000 人民幣千元 | December 31, 2014 2014年 12月31日 RMB'000 人民幣千元 |
|---|---------------------|---|---|
| Property, plant and equipment | 物業、廠房及設備 | 39,912 | 41,334 |
| Prepaid land lease payments | 預付土地租賃款項 | 61,177 | 7,682 |
| Intangible assets | 無形資產 | 127 | 154 |
| Non-current trade and other receivables | 非流動貿易及其他應收款項 | 278 | 40,374 |
| Deferred tax assets | 遞延稅項資產 | 3,366 | 3,369 |
| Current trade and other receivables | 流動貿易及其他應收款項 | 351,398 | 282,895 |
| Amounts due from contract customers | 應收合同客戶款項 | 333,469 | 319,796 |
| Restricted deposits | 受限制存款 | - | 6,476 |
| Cash and cash equivalents | 現金及現金等價物 | 123,736 | 193,645 |
| Receipts in advance | 預收款項 | (595,838) | (655,435) |
| Current trade and other payables | 流動貿易及其他應付款項 | (160,240) | (89,247) |
| Current defined benefit obligations | 流動設定受益義務 | (1,720) | (1,810) |
| Tax payable | 應繳稅項 | (2,460) | (1,293) |
| Non-current trade and other payables | 非流動貿易及其他應付款項 | (14,945) | (12,228) |
| Non-current defined benefit obligations | 非流動設定受益義務 | (25,440) | (25,440) |
| Deferred tax liabilities | 遞延稅項負債 | (1,328) | (1,329) |
| Total identifiable net assets at carrying amounts | 按賬面值呈列的可識別 淨資產總額 | 111,492 | 108,943 |
| Surplus of consideration over net asset carrying value | 代價較資產賬面淨值的盈餘 | 59,861 | |
| Satisfied by cash | 以現金支付 | 171,353 | |

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31. BUSINESS COMBINATION UNDER COMMON CONTROL (CONTINUED)

An analysis of the cash flows of cash and cash equivalents in respect of the acquisition of China JiKan Research Institute of Engineering Investigations and Design, Co.,Ltd. is as follows:

| | | |
|---|---------------------------|---------|
| Cash consideration paid | 已付現金代價 | 171,353 |
| Cash and bank balances acquired | 所收購現金及銀行結餘 | — |
| Net outflow of cash and cash equivalents included in cash flows from investing activities | 計入投資活動所得現金流量的現金及現金等價物流出淨額 | 171,353 |

32. CONTINGENT LIABILITIES

Legal contingencies

The Company and certain subsidiaries of the Group are defendants in certain lawsuits as well as the named parties in other proceedings arising in the normal course of business. While the outcomes of such contingencies, lawsuits or other proceedings cannot be determined at present, the directors of the Company believe that any resulting liabilities will not have a material adverse impact on the financial position, liquidity, or operating results of the Group.

31. 同一控制下的業務合併 (續)

就收購機械工業勘察設計研究院有限公司的現金及現金等價物的現金流量分析如下：

32. 或有負債

法律或有事件

在正常業務過程中，本公司及本集團的若干附屬公司為某些訴訟中的被告及在其他法律程序的被點名方。雖然目前未能確定該等或有事件、訴訟或其他法律程序的結果，本公司董事相信任何由此引致的負債不會對本集團的財務狀況、流動資金或經營業績產生重大不利影響。

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33. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties (note 15 to the financial statements) under operating lease arrangements, with leases negotiated for terms ranging from 1 to 6 years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At December 31, 2015, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

33. 經營租賃安排

(a) 作為出租人

本集團根據經營租賃安排租賃其投資物業（財務報表附註15），議定期期介乎一至六年。租賃條款一般亦要求租戶支付保證金及規定可根據當時市況定期調整租金。

於2015年12月31日，本集團根據與租戶訂立的不可撤銷經營租賃到期應收的未來最低租金總額如下：

| | | 2015 2015年 RMB'000 人民幣千元 | 2014 2014年 RMB'000 人民幣千元 (Restated) (重述) |
|---|---------------------|--|---|
| Within one year | 一年以內 | 11,813 | 12,690 |
| In the second to fifth years, inclusive | 第二年至第五年 (包括首尾兩年) | 6,532 | 10,593 |
| Over five years | 五年以上 | 282 | 565 |
| | | 18,627 | 23,848 |

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33. OPERATING LEASE ARRANGEMENTS (CONTINUED)

(b) As lessee

The Group leases certain of its office properties and office equipment under operating lease arrangements. Leases for properties are negotiated for terms ranging from 1 to 3 years.

At December 31, 2015, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

33. 經營租賃安排 (續)

(b) 作為承租人

本集團根據經營租賃安排承租若干辦公室物業及辦公設備。該等物業的議定期限介乎一至三年。

於2015年12月31日，本集團根據不可撤銷經營租賃到期應付的未來最低租金總額如下：

| | | 2015 | 2014 |
|---|---------------------|----------------|------------|
| | | 2015年 | 2014年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | | (Restated) |
| | | | (重述) |
| Within one year | 一年以內 | 16,244 | 14,886 |
| In the second to fifth years, inclusive | 第二年至第五年 (包括首尾兩年) | 2,404 | 16,442 |
| | | 18,648 | 31,328 |

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34. COMMITMENTS

In addition to the operating lease commitments detailed in note 33(b) above, the Group had the following capital commitments at the end of the reporting period:

34. 承擔

除上文附註33(b)詳述的經營租賃承擔外，本集團於報告期末擁有以下資本承擔：

| | | 2015 | 2014 |
|-----------------------------------|----------|------------------|------------|
| | | 2015年 | 2014年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | | (Restated) |
| | | | (重述) |
| Contracted, but not provided for: | 已訂約但未撥備： | | |
| Land and buildings | 土地及樓宇 | 732,551 | 800,001 |
| Capital contributions | 資本投入 | 988,975 | — |
| | | 1,721,526 | 800,001 |

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35. RELATED PARTY TRANSACTIONS

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

35. 關聯方交易

- (a) 除該等財務報表其他部分詳述的交易外，本集團於年內與關聯方曾進行以下交易：
- (b) 下列交易乃於本集團一般業務過程中根據本集團與其關聯方議定的條款進行：

| | | 2015 | 2014 |
|---|-------------------|------------------|------------|
| | | 2015年 | 2014年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | | (Restated) |
| | | | (重述) |
| Receipt of engineering services and products from | 接受來自於下列各方的工程服務及產品 | | |
| – Fellow subsidiaries | – 同系附屬公司 | 478,870 | 1,199,333 |
| Receipt of integrated services from | 接受來自於下列各方的綜合服務 | | |
| – Fellow subsidiaries | – 同系附屬公司 | 591 | 591 |
| Provision of integrated services to | 向下列各方提供綜合服務 | | |
| – Fellow subsidiaries | – 同系附屬公司 | 80,000 | 25,370 |
| – SINOMACH | – 國機 | 7,460 | 585 |
| Net deposit placed with | 於下列各方的存款淨額 | | |
| – A fellow subsidiary | – 一家同系附屬公司 | 1,444,819 | 845,516 |
| Interest income received from | 向下列各方收取的利息收入 | | |
| – A fellow subsidiary | – 一家同系附屬公司 | 51,636 | 18,793 |

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35. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Outstanding balances with related parties:

| | | 2015 | 2014 |
|--------------------------------------|----------------------|------------------|------------|
| | | 2015年 | 2014年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | | (Restated) |
| | | | (重述) |
| Cash deposits placed with | 於下列各方的現金存款 | | |
| – A fellow subsidiary | – 一家同系附屬公司 | 2,290,335 | 845,516 |
| Trade and other receivables due from | 應收下列各方的貿易及 其他應收款項 | | |
| – SINOMACH | – 國機 | 9,833 | – |
| – Fellow subsidiaries | – 同系附屬公司 | 43,528 | 27,090 |
| Receipts in advance from | 自下列各方收取的預收款項 | | |
| – Fellow subsidiaries | – 同系附屬公司 | 18,824 | 4,333 |
| Trade and other payables due to | 欠付下列各方的貿易及 其他應付款項 | | |
| – SINOMACH | – 國機 | 2,029 | 2,000 |
| – Fellow subsidiaries | – 同系附屬公司 | 839,178 | 1,062,929 |
| Advances to | 支付下列各方的預付款項 | | |
| – Fellow subsidiaries | – 同系附屬公司 | 22,951 | 7,226 |

Note:

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

As disclosed in note 31, the Group acquired the 100% interest in China JiKan Research Institute of Engineering Investigations and Design, Co., Ltd. from China United Engineering Corporation, a subsidiary of SINOMACH. This acquisition also constituted a connected transaction under Hong Kong listing rules.

35. 關聯方交易 (續)

(c) 關聯方的結欠餘額：

| | | 2015 | 2014 |
|--------------------------------------|----------------------|------------------|------------|
| | | 2015年 | 2014年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | | (Restated) |
| | | | (重述) |
| Cash deposits placed with | 於下列各方的現金存款 | | |
| – A fellow subsidiary | – 一家同系附屬公司 | 2,290,335 | 845,516 |
| Trade and other receivables due from | 應收下列各方的貿易及 其他應收款項 | | |
| – SINOMACH | – 國機 | 9,833 | – |
| – Fellow subsidiaries | – 同系附屬公司 | 43,528 | 27,090 |
| Receipts in advance from | 自下列各方收取的預收款項 | | |
| – Fellow subsidiaries | – 同系附屬公司 | 18,824 | 4,333 |
| Trade and other payables due to | 欠付下列各方的貿易及 其他應付款項 | | |
| – SINOMACH | – 國機 | 2,029 | 2,000 |
| – Fellow subsidiaries | – 同系附屬公司 | 839,178 | 1,062,929 |
| Advances to | 支付下列各方的預付款項 | | |
| – Fellow subsidiaries | – 同系附屬公司 | 22,951 | 7,226 |

附註：

除於一家同系附屬公司的現金存款結餘按相關市場利率計息外，應收關聯方的結餘為無擔保、免息且並無固定還款期。

誠如附註31所披露，本集團已向國機的規則附屬公司中國聯合工程公司收購機械工業勘察設計研究院有限公司的100%權益。此收購亦構成香港上市規則所規定的關連交易。

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35. RELATED PARTY TRANSACTIONS (CONTINUED)

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

| | | 2015 | 2014 |
|---|----------------|---------------|---------------|
| | | 2015年 | 2014年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Short term employee benefits | 短期僱員福利 | 13,888 | 15,458 |
| Post-employment benefits | 離職後福利 | 500 | 446 |
| Total compensation paid to key management personnel | 向主要管理人員支付的薪酬總額 | <u>14,388</u> | <u>15,904</u> |

Further details of directors' and the chief executive's emoluments are included in note 8 to the financial statements.

(e) Commitments with related parties

As at December 31, 2015, there was no significant commitment with related parties.

35. 關聯方交易 (續)

(d) 本集團主要管理人員的薪酬：

| | 2015 | 2014 |
|---|---------------|---------------|
| | 2015年 | 2014年 |
| | RMB'000 | RMB'000 |
| | 人民幣千元 | 人民幣千元 |
| Short term employee benefits | 13,888 | 15,458 |
| Post-employment benefits | 500 | 446 |
| Total compensation paid to key management personnel | <u>14,388</u> | <u>15,904</u> |

董事及主要行政人員薪酬的進一步詳情載於財務報表附註8。

(e) 關聯方承諾

於2015年12月31日，概無重大關聯方承諾。

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36. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

36. 按類別劃分的金融工具

各類金融工具於報告期末的賬面值如下：

| | | Financial assets at fair value through profit or loss-held for trading 按公允價值並透過 損益計量的 金融資產－ 持作買賣 RMB'000 人民幣千元 | Available-for- sale financial assets 可供出售 金融資產 RMB'000 人民幣千元 | Loans and receivables 貸款及 應收款項 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|---|----------------------|--|--|---|---------------------------------|
| December 31, 2015 2015年12月31日 | | | | | |
| Other non-current assets | 其他非流動資產 | - | 555,807 | - | 555,807 |
| Amounts due from contract customers | 應收合同客戶款項 | - | - | 5,607,665 | 5,607,665 |
| Financial assets included in trade and other receivables | 計入貿易及其他應收款項的 金融資產 | 414 | - | 6,080,803 | 6,081,217 |
| Restricted deposits | 受限制存款 | - | - | 314,135 | 314,135 |
| Time deposits with original maturity over three months | 原始到期日超過 三個月的定期存款 | - | - | 4,035,091 | 4,035,091 |
| Cash and cash equivalents | 現金及現金等價物 | - | - | 20,344,614 | 20,344,614 |
| | | 414 | 555,807 | 36,382,308 | 36,938,529 |
| | | | | | |
| | | Financial liabilities at fair value through profit or loss – held for trading 按公允價值並透過損益計量的金融負債－持作買賣 RMB'000 人民幣千元 | Financial liabilities at amortised cost 按攤銷成本列賬的金融負債 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 | |
| December 31, 2015 2015年12月31日 | | | | | |
| Financial liabilities included in trade and other payables | 計入貿易及其他應付款項的金融負債 | - | 15,784,908 | - | 15,784,908 |
| Derivative financial instruments included in trade and other payables | 計入貿易及其他應付款項的衍生金融工具 | 80,765 | - | - | 80,765 |
| Interest-bearing bank and other borrowings | 計息銀行及其他借貸 | - | 825,353 | - | 825,353 |
| | | 80,765 | 16,610,261 | - | 16,691,026 |

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36. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

36. 按類別劃分的金融工具 (續)

| | | Available-for-sale financial assets 可供出售金融資產 RMB'000 人民幣千元 | Loans and receivables 貸款及應收款項 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|---|------------------------|---|---|---------------------------------|
| December 31, 2014 (Restated) 2014年12月31 (重述) | | | | |
| Other non-current assets | 其他非流動資產 | 246,778 | – | 246,778 |
| Amounts due from contract customers | 應收合同客戶款項 | – | 5,763,537 | 5,763,537 |
| Financial assets included in trade and other receivables | 計入貿易及其他應收 款項的金融資產 | – | 5,230,759 | 5,230,759 |
| Restricted deposits | 受限制存款 | – | 306,711 | 306,711 |
| Time deposits with original maturity over three months | 原始到期日超過 三個月的定期存款 | – | 4,170,349 | 4,170,349 |
| Cash and cash equivalents | 現金及現金等價物 | – | 17,986,146 | 17,986,146 |
| | | 246,778 | 33,457,502 | 33,704,280 |
| | | Financial liabilities at fair value through profit or loss – held for trading 按公允價值並透過 損益計量的 金融負債 – 持作買賣 | Financial liabilities at amortised cost 按攤銷成本 列賬的金融負債 | Total 總計 |
| December 31, 2014 (Restated) 2014年12月31日 (重述) | | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| Financial liabilities included in trade and other payables | 計入貿易及其他應付 款項的金融負債 | – | 12,974,823 | 12,974,823 |
| Derivative financial instruments included in trade and other payables | 計入貿易及其他應付 款項的衍生金融工具 | 29,748 | – | 29,748 |
| Interest-bearing bank and other borrowings | 計息銀行及其他借貸 | – | 565,531 | 565,531 |
| | | 29,748 | 13,540,354 | 13,570,102 |

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37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables and amounts due from contract customers. Management has a credit policy in place and the exposures to this credit risk are monitored on an ongoing basis.

The Group primarily evaluates customers' credit status and their ability to guarantee payment through its establishment of an appropriate business evaluation system. The Group generally requires customers to settle progress billings in accordance with contracted terms and other debts in accordance with agreements. Credit terms may be granted to customers, depending on credit assessment carried out by management on an individual basis. Also, in order to properly manage the credit risk on trade and other receivables, the Group has issued policies on the purchase of export credit insurance. To protect against credit risk in its trading business, the Group usually buys unified export credit insurance from China Export & Credit Insurance Corporation if needed.

The Group's significant concentration of credit risk stems from its significant trade and other receivables due from individual customers.

37. 財務風險管理及公允價值

本集團的日常業務過程中面臨信用風險、流動資金風險、利率風險及貨幣風險。本集團面臨的該等風險以及本集團用以管理該等風險的財務風險管理政策及慣常做法如下。

(a) 信用風險

本集團的信用風險主要歸屬於貿易及其他應收款項以及應收合同客戶款項。管理層已制定信貸政策並持續監控面臨的此項信用風險。

本集團主要通過建立一個適當的業務評價制度以評估客戶的信用狀況及其保證支付的能力。本集團一般要求客戶按照合同條款清償進度款項及根據協議清償其他債務。根據管理層對各個案進行的信用評估，可能向客戶授予信貸期。此外，為適當管理貿易及其他應收款項的信用風險，本集團制定了購買出口信用保險的政策。為防範貿易業務中的信用風險，本集團一般向中國出口信用保險公司購買統一的出口信用保險（倘需要）。

本集團的信用風險明顯集中於個別客戶的重大貿易及其他應收款項。

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財務報表附註

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37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(a) Credit risk (continued)

As at December 31, 2015, 9% of the total trade and other receivables were due from the Group's largest customer (2014: 7%) and 25% of the total trade and other receivables were due from the five largest customers (2014: 24%).

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 22 to the financial statements.

(b) Liquidity risk

The funding needs of the Company and its subsidiary entities are raised and allocated by the Group. Fund raising from external sources by subsidiary entities is subject to approval by the Company. The Company and its subsidiary entities manage cash flows according to their own business approval processes. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with loan covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirement in the short and longer term.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date that the Group can be required to pay:

37. 財務風險管理及公允價值 (續)

(a) 信用風險 (續)

於2015年12月31日，貿易及其他應收款項總額中有9%（2014年：7%）應向本集團最大客戶收取，而貿易及其他應收款項總額中有25%（2014年：24%）應向五大客戶收取。

有關本集團面臨的貿易及其他應收款項的信用風險的進一步定量披露載於財務報表附註22。

(b) 流動資金風險

本公司及其附屬實體的資金需求由本集團籌集及分配。附屬實體向外部來源籌集資金應得到本公司的批准。本公司及其附屬實體通過其自身的業務審批流程管理現金流量。本集團的政策是定期監察目前及預期的流動資金要求及其借貸契約的合規情況，確保其維持足夠的現金儲備及取得主要金融機構的充足的資金承諾額度，以滿足其短期及較長期的流動資金要求。

下表詳述於報告期末本集團的金融負債的剩餘合同期限，其依據的是合同未折現現金流量（含使用合同利率或依據報告期末的通行利率（如為浮動）計算的利息支付）以及本集團必須付款的最早日期：

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37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(b) Liquidity risk (continued)

37. 財務風險管理及公允價值 (續)

(b) 流動資金風險 (續)

| | | Contractual undiscounted cash outflow 合同未折現現金流出 | | | | |
|---|-------------------------|--|-----------------|-----------------|-----------------|-------------------|
| | | Within | | | | |
| | | 1 year or on demand | 1 to 2 years | 2 to 5 years | Over 5 years | Total |
| | | 1年以內或 按要求還款 | 1到2年 | 2到5年 | 5年以上 | 總額 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| December 31, 2015 | 2015年12月31日 | | | | | |
| Borrowings | 借貸 | 464,394 | 110,899 | 310,505 | 3,275 | 889,073 |
| Trade and bills payables included in trade and other payables | 計入貿易及其他應付款項的貿易應付款項及應付票據 | 12,628,359 | - | - | - | 12,628,359 |
| Derivative financial instruments included in trade and other payables | 計入貿易及其他應付款項的衍生金融工具 | 24,230 | 34,117 | 22,418 | - | 80,765 |
| Other payables included in trade and other payables | 計入貿易及其他應付款項的其他應付款項 | 3,146,945 | - | - | - | 3,146,945 |
| | | 16,263,928 | 145,016 | 332,923 | 3,275 | 16,745,142 |
| Interest rate swaps (net settled) | 利率掉期 (淨額結算) | 95 | - | - | - | 95 |
| Derivatives settled gross: | 總額計算衍生工具: | | | | | |
| Foreign currency forward exchange contracts: | 遠期外匯合同: | | | | | |
| - Outflow | - 流出 | 1,144,471 | 824,863 | 389,616 | - | 2,358,950 |
| - Inflow | - 流入 | (1,126,618) | (799,065) | (384,283) | - | (2,309,966) |

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37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(b) Liquidity risk (continued)

| | | Contractual undiscounted cash outflow 合同未折現現金流出 | | | | |
|---|-------------------------|--|---|---|---|---------------------------------|
| | | Within 1 year or on demand 1年以內或 按要求還款 RMB'000 人民幣千元 | 1 to 2 years 1到2年 RMB'000 人民幣千元 | 2 to 5 years 2到5年 RMB'000 人民幣千元 | Over 5 years 5年以上 RMB'000 人民幣千元 | Total 總額 RMB'000 人民幣千元 |
| December 31, 2014 (Restated) | 2014年12月31日 (重述) | | | | | |
| Borrowings | 借貸 | 219,366 | 264,863 | 102,866 | 3,762 | 590,857 |
| Trade and bills payables included in trade and other payables | 計入貿易及其他應付款項的貿易應付款項及應付票據 | 12,433,506 | - | - | - | 12,433,506 |
| Derivative financial instruments included in trade and other payables | 計入貿易及其他應付款項的衍生金融工具 | 29,748 | - | - | - | 29,748 |
| Other payables included in trade and other payables | 計入貿易及其他應付款項的其他應付款項 | 541,318 | - | - | - | 541,318 |
| | | 13,223,938 | 264,863 | 102,866 | 3,762 | 13,595,429 |
| Interest rate swaps (net settled) | 利率掉期 (淨額結算) | 1,948 | 165 | - | - | 2,113 |
| Other derivative financial instruments | 其他衍生金融工具 | 264 | - | - | - | 264 |
| Derivatives settled gross: | 總額計算衍生工具: | | | | | |
| Foreign currency forward exchange contracts: | 遠期外匯合同: | | | | | |
| - Outflow | - 流出 | 1,305,136 | 513,719 | 660,284 | - | 2,479,139 |
| - Inflow | - 流入 | (1,332,961) | (535,180) | (681,326) | - | (2,549,467) |

37. 財務風險管理及公允價值 (續)

(b) 流動資金風險 (續)

| | | Contractual undiscounted cash outflow 合同未折現現金流出 | | | | |
|---|-------------------------|--|---|---|---|---------------------------------|
| | | Within 1 year or on demand 1年以內或 按要求還款 RMB'000 人民幣千元 | 1 to 2 years 1到2年 RMB'000 人民幣千元 | 2 to 5 years 2到5年 RMB'000 人民幣千元 | Over 5 years 5年以上 RMB'000 人民幣千元 | Total 總額 RMB'000 人民幣千元 |
| December 31, 2014 (Restated) | 2014年12月31日 (重述) | | | | | |
| Borrowings | 借貸 | 219,366 | 264,863 | 102,866 | 3,762 | 590,857 |
| Trade and bills payables included in trade and other payables | 計入貿易及其他應付款項的貿易應付款項及應付票據 | 12,433,506 | - | - | - | 12,433,506 |
| Derivative financial instruments included in trade and other payables | 計入貿易及其他應付款項的衍生金融工具 | 29,748 | - | - | - | 29,748 |
| Other payables included in trade and other payables | 計入貿易及其他應付款項的其他應付款項 | 541,318 | - | - | - | 541,318 |
| | | 13,223,938 | 264,863 | 102,866 | 3,762 | 13,595,429 |
| Interest rate swaps (net settled) | 利率掉期 (淨額結算) | 1,948 | 165 | - | - | 2,113 |
| Other derivative financial instruments | 其他衍生金融工具 | 264 | - | - | - | 264 |
| Derivatives settled gross: | 總額計算衍生工具: | | | | | |
| Foreign currency forward exchange contracts: | 遠期外匯合同: | | | | | |
| - Outflow | - 流出 | 1,305,136 | 513,719 | 660,284 | - | 2,479,139 |
| - Inflow | - 流入 | (1,332,961) | (535,180) | (681,326) | - | (2,549,467) |

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37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(c) Interest rate risk

The Group's interest rate risk arises primarily from amounts due from contract customers, bank deposits and interest-bearing borrowings. Deposits and borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk, respectively. The Group regularly reviews and monitors the mix of fixed and variable rate borrowings either through the contractual terms of the interest-bearing financial assets and liabilities or through the use of interest rate swaps in order to manage its interest rate risks.

(i) Interest rate profile

The following table details the interest rate profile of the Group's net instruments (interest-bearing financial assets less interest-bearing financial liabilities) at the end of the reporting period, after taking into account the effect of interest rate swaps:

| | | 2015 2015年 RMB'000 人民幣千元 | 2014 2014年 RMB'000 人民幣千元 (Restated) (重述) |
|---------------------------------------|-----------------|-----------------------------------|---|
| Net fixed rate instruments: | 淨固定利率工具： | | |
| Amounts due from contract customers | 應收合同客戶款項 | 2,660,045 | 2,698,467 |
| Bank deposits | 銀行存款 | 13,562,856 | 13,598,406 |
| Less: Borrowings | 減：借貸 | 500,384 | 460,196 |
| | | 15,722,517 | 15,836,677 |
| Net variable rate instruments: | 淨浮動利率工具： | | |
| Bank deposits | 銀行存款 | 11,130,984 | 8,864,800 |
| Less: Borrowings | 減：借貸 | 324,969 | 105,335 |
| | | 10,806,015 | 8,759,465 |

37. 財務風險管理及公允價值 (續)

(c) 利率風險

本集團的利率風險主要來自於應收合同客戶款項、銀行存款及計息借貸。按浮動利率及固定利率發放的存款及借貸分別使本集團面臨現金流量利率風險及公允價值利率風險。本集團通過計息金融資產及負債的合同條款或通過利率掉期的使用定期審查及監察固定利率及浮動利率的借貸比例，以管理其利率風險。

(i) 利率概況

下表詳述計及利率掉期的影響，本集團於報告期末的淨工具（計息金融資產減計息金融負債）利率概況：

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37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(c) Interest rate risk (continued)

(ii) Sensitivity analysis

At December 31, 2015, it is estimated that a general increase/decrease of 100 basis points in interest rates of net variable rate instruments, with all other variables held constant, would have increased/decreased the Group's profit after tax and retained profits by approximately RMB81,045,000 (2014: RMB65,696,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to cash flow interest rate risk for non-derivative financial instruments in existence at the end of the reporting period.

The estimated 100 basis points increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of the next annual reporting period. The sensitivity analysis is performed on the same basis as 2014.

37. 財務風險管理及公允價值 (續)

(c) 利率風險 (續)

(ii) 敏感性分析

於2015年12月31日，淨浮動利率工具的利率總體上浮／下浮100個基點而所有其他變量保持不變，估計將導致本集團的除稅後溢利及保留溢利分別增加／減少約人民幣81,045,000元（2014年：人民幣65,696,000元）。

上述敏感性分析假設利率變動於報告期末發生並適用於報告期末存在的非衍生金融工具面臨的現金流量利率風險。

估計100個基點的上浮或下浮代表管理層對直至下一個年度報告期末期間內的合理可能利率變動的評估。敏感性分析按2014年的相同基礎進行。

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財務報表附註

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37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(d) Currency risk

(i) Forecast transactions

The Group uses foreign currency forward exchange contracts to hedge some of its currency risk in respect of committed future sales transactions. At December 31, 2015, the Group had foreign currency forward exchange contracts hedged against forecast transactions with a net fair value of RMB62,767,000 (2014: nil), recognised as derivative financial instruments recorded in “trade and other payables”.

(ii) Recognised assets and liabilities

Changes in the fair value of foreign currency forward exchange contracts on monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss (see note 5). The fair value of foreign currency forward exchange contracts used by the Group on monetary assets and liabilities denominated in foreign currencies at December 31, 2015 was RMB17,985,000 (2014: RMB27,942,000 recorded in “trade and other payables”), recognised as derivative financial instruments recorded in “trade and other payables” and RMB414,000 recorded in “trade and other receivables” (2014: Nil).

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

37. 財務風險管理及公允價值 (續)

(d) 貨幣風險

(i) 預測交易

本集團利用遠期外匯合同對沖其於已承諾未來銷售交易的部分貨幣風險。於2015年12月31日，本集團為對沖預測交易的遠期外匯合同淨公允價值為人民幣62,767,000元(2014年：無)，確認為記錄於「貿易及其他應付款項」的衍生金融工具。

(ii) 已確認資產及負債

有關以外幣計價的貨幣資產及負債的遠期外匯合同的公允價值變動於損益中確認(見附註5)。本集團於2015年12月31日就以外幣計價的貨幣資產及負債使用的遠期外匯合同的公允價值為人民幣17,985,000元(2014年：人民幣27,942,000元記錄於「貿易及其他應付款項」)，確認為記錄於「貿易及其他應付款項」及公允價值人民幣414,000元(2014年：無)確認為記錄於「貿易及其他應收款項」中的衍生金融工具。

就其他以外幣計價的貨幣資產及負債而言，本集團確保通過於必要時以即期匯率買入或賣出外匯以解決短期不平衡，令淨風險保持在一個可接受的水平。

Notes to the Financial Statements

財務報表附註

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37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(d) Currency risk (continued)

(iii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax and retained profits that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at those dates, assuming all other risk variables remained constant.

| | | 2015 2015年 | | 2014 (Restated) 2014年(重述) | |
|--------|----|---|---|---|---|
| | | Increase/ (decrease) in foreign exchange rate | Increase/ (decrease) in profit after tax and retained profits | Increase/ (decrease) in foreign exchange rate | Increase/ (decrease) in profit after tax and retained profits |
| | | 外匯匯率 增加/(減少) | 除稅後溢利及 保留溢利 增加/(減少) | 外匯匯率 增加/(減少) | 除稅後溢利及 保留溢利 增加/(減少) |
| | | % | RMB'000 | % | RMB'000 |
| | | % | 人民幣千元 | % | 人民幣千元 |
| USD | 美元 | 5 | 324,182 | 5 | 367,983 |
| USD | 美元 | (5) | (324,182) | (5) | (367,983) |
| EUR | 歐元 | 10 | 42,296 | 10 | 38,041 |
| EUR | 歐元 | (10) | (42,296) | (10) | (38,041) |
| HKD | 港元 | 5 | 1,966 | 5 | 37,107 |
| HKD | 港元 | (5) | (1,966) | (5) | (37,107) |
| Others | 其他 | 5 | 30,243 | 5 | 15,875 |
| Others | 其他 | (5) | (30,243) | (5) | (15,875) |

37. 財務風險管理及公允價值(續)

(d) 貨幣風險(續)

(iii) 敏感性分析

下表顯示倘若本集團於報告期末有重大敞口的外匯匯率於該等日期出現變動，假設所有其他風險變量保持不變，本集團的除稅後溢利及保留溢利可能產生的實時變更。

Notes to the Financial Statements

財務報表附註

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37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(d) Currency risk (continued)

(iii) Sensitivity analysis (continued)

Results of the analysis presented in the above table represent an aggregate of the instantaneous effects on each of the Group entities' profit after tax and retained profits measured in the respective foreign currencies, translated into RMB at the exchange rates ruling at the end of each reporting period for presentation purpose.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including intercompany payables and receivables within the Group which are denominated in currencies other than the functional currencies of the lenders or the borrowers. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis as 2014.

37. 財務風險管理及公允價值 (續)

(d) 貨幣風險 (續)

(iii) 敏感性分析 (續)

上表呈列的分析結果代表對本集團各實體的除稅後溢利及保留溢利(按各自的外幣計量, 並就列報而言按各報告期末的匯率換算成人民幣)的總計實時影響。

敏感性分析假設外匯匯率變動已被應用於重新計量本集團持有的令本集團於報告期末面臨外匯風險的金融工具, 包括本集團內公司間的以貸方或借方的功能貨幣以外的貨幣計價的應付款項及應收款項。分析不包括境外業務的財務報表換算為本集團的呈列貨幣產生的差異。分析按2014年的相同基礎進行。

Notes to the Financial Statements

財務報表附註

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37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(e) Fair values

(i) Financial instruments carried at fair value

The following table presents the carrying value of financial instruments measured at fair value at the end of the reporting period across the two levels of the fair value hierarchy defined in IFRS 7 Financial Instruments: Disclosures with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

The Group's financial instruments carried at fair value as at December 31, 2015 and 2014 are measured under level 1 or level 2.

37. 財務風險管理及公允價值 (續)

(e) 公允價值

(i) 以公允價值列賬的金融工具

下表呈列以公允價值計量的金融工具於報告期末在國際財務報告準則第7號「金融工具：披露」所界定的公允價值層級的兩個層級的賬面值，各金融工具的公允價值完全依據對該公允價值計量而言屬重要的最低層級輸入參數歸類。層級定義如下：

本集團於2015年及2014年12月31日按公允價值列賬的金融工具均按第1級或第2級計量。

| | 2015 2015年 | | | 2014 (Restated) 2014年(重述) | | |
|---|---|---|---------------------------------|---|---|---------------------------------|
| | Fair value measurement using 採用以下數據的公允價值計量 | | | Fair value measurement using 採用以下數據的公允價值計量 | | |
| | Quoted prices in active markets (Level 1) 於活躍市場的 報價(第1級) RMB'000 人民幣千元 | Significant observable inputs (Level 2) 重大可觀察 輸入值(第2級) RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 | Quoted prices in active markets (Level 1) 於活躍市場的 報價(第1級) RMB'000 人民幣千元 | Significant observable inputs (Level 2) 重大可觀察 輸入值(第2級) RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
| Assets | 資產 | | | | | |
| Available-for-sale investments included in other non-current assets | 計入其他非流動資產 的可供出售投資 | | | | | |
| | 9,852 | - | 9,852 | 8,441 | - | 8,441 |
| Derivative financial instruments included in trade and other receivables - Foreign currency forward exchange contracts | 計入貿易及其他 應收款項的 衍生金融工具 - 遠期外匯合同 | | | | | |
| | - | 414 | 414 | - | - | - |
| Liabilities | 負債 | | | | | |
| Derivative financial instruments included in trade and other payables - Foreign currency forward exchange contracts - Interest rate swaps - Other derivative financial instruments | 計入貿易及其他 應付款項的 衍生金融工具 - 遠期外匯合同 - 利率掉期 - 其他衍生 金融工具 | | | | | |
| | - | 80,752 | 80,752 | - | 27,678 | 27,678 |
| | - | 13 | 13 | - | 1,806 | 1,806 |
| | - | - | - | - | 264 | 264 |

Notes to the Financial Statements

財務報表附註

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37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(e) Fair values (continued)

(ii) Fair values of financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments which were stated at cost or amortised cost are not materially different from their fair values as at December 31, 2014 and 2015 except the following:

| | | 2015 2015年 | | 2014 (Restated) 2014年(重述) | |
|--|--------------|-------------------|----------------------|------------------------------|----------------------|
| | | Book value 賬面值 | Fair value* 公允價值* | Book value 賬面值 | Fair value* 公允價值* |
| | | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| Amounts due from contract customers | 應收合同客戶款項 | 5,607,665 | 5,444,154 | 5,763,537 | 5,366,455 |
| Long-term borrowings (including current portion) | 長期借貸(包含流動部分) | (760,490) | (746,079) | (431,993) | (411,146) |

* The fair value of long-term borrowings as at December 31, 2015 and 2014 are measured under level 2.

The fair value of amounts due from contract customers as at December 31, 2015 and 2014 are measured under level 3.

37. 財務風險管理及公允價值(續)

(e) 公允價值(續)

(ii) 非按公允價值列賬的金融工具的公允價值

於2014年及2015年12月31日，本集團按成本或攤銷成本列賬的金融工具的賬面值與其公允價值並無重大差異，以下除外：

* 於2015年及2014年12月31日的長期借貸公允價值按第2級計量。

於2015年及2014年12月31日的應收合同客戶款項公允價值按第3級計量。

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財務報表附註

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37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(e) Fair values (continued)

(iii) Estimation of fair values

(1) Receivables and borrowings

The fair value is estimated as the present value of the future cash flows discounted at the market interest rate at the end of the reporting period.

(2) Derivatives

Derivative financial instruments, including forward currency contracts and interest rate swaps, are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The carrying amounts of forward currency contracts and interest rate swaps are the same as their fair values.

37. 財務風險管理及公允價值 (續)

(e) 公允價值 (續)

(iii) 公允價值的估計

(1) 應收款項及借貸

公允價值估計為未來現金流量按報告期末的市場利率折現的現值。

(2) 衍生工具

衍生金融工具(包括遠期貨幣合同及利率掉期合同)採用類似遠期定價及掉期模式的估值技術,按現值計量。該等模型採用多項市場觀察輸入數據,如交易對手信貸質量、外匯即期、遠期利率和利率曲線。遠期貨幣合同和利率掉期合同的賬面值與其公允價值相同。

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37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(f) Capital management

The Group monitors capital on the basis of the gearing ratio. The gearing ratio is derived by dividing total borrowings by total assets multiplied by 100%. In 2015, the Group's gearing ratio (total borrowings RMB825,353,000 divided by total assets RMB42,232,428,000) was 2.0%, representing an increase of 33% as compared to 1.5% (total borrowings RMB565,531,000 divided by total assets RMB38,089,847,000) as recorded in 2014, mainly due to the increase in short-term borrowings.

38. SUBSEQUENT EVENT

On March 29, 2016, the board of directors of the Company resolved that a final dividend of RMB0.1989 per share is to be distributed to the shareholders, subject to approval of the shareholders at the forthcoming annual general meeting. Such final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

The 2016 first extraordinary general meeting was held on March 29, 2016 in which the resolution regarding the acquisition agreement dated February 5, 2016 entered into by and between the Company, as purchaser, and SINOMACH, as the seller, in relation to the acquisition of the entire equity interest in China National Complete Engineering Corporation (中國成套工程有限公司) for a consideration of RMB532,678,100 was approved by the independent Shareholders.

37. 財務風險管理及公允價值 (續)

(f) 資本管理

本集團以槓桿比率基準管理資本。槓桿比率乃將借貸總額除以資產總額再乘以100%得出。2015年，本集團的槓桿比率(借貸總額人民幣825,353,000元除以總資產人民幣42,232,428,000元)為2.0%，與2014年的1.5%(借貸總額人民幣565,531,000元除以總資產人民幣38,089,847,000元)相比增長33%，主要是由於短期借款的增加。

38. 期後事項

於2016年3月29日，本公司董事會決議向股東派付末期股息每股人民幣0.1989元，惟須待股東於應屆股東週年大會上批准。於報告期末後建議派發的有關末期股息尚未在報告期末確認為負債。

2016年第一屆臨時股東大會於2016年3月29日舉行，期間經獨立股東通過了有關2016年2月5日由本公司作為買方，國機作為賣方，以人民幣532,678,100元的對價收購中國成套工程有限公司的全部權益的收購協議決議案。

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財務報表附註

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39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

39. 本公司的財務狀況表

有關本公司於報告期末的財務狀況表的資料如下：

| | | 2015 2015年 RMB'000 人民幣千元 | 2014 2014年 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 | 400,006 | 364,846 |
| Investment properties | 投資物業 | 13,264 | 14,244 |
| Prepaid land lease payments | 預付土地租賃款項 | 1,416,394 | 1,418,901 |
| Intangible assets | 無形資產 | 4,093 | 4,877 |
| Investments in subsidiaries | 對附屬公司的投資 | 2,164,726 | 1,978,252 |
| Investment in a joint venture | 對合營公司的投資 | 99,711 | 50,067 |
| Amounts due from contract customers | 應收合同客戶款項 | 2,641,870 | 2,671,413 |
| Deferred tax assets | 遞延稅項資產 | 259,439 | 166,701 |
| Other non-current assets | 其他非流動資產 | 537,007 | 237,203 |
| Total non-current assets | 非流動資產總額 | 7,536,510 | 6,906,504 |
| CURRENT ASSETS | 流動資產 | | |
| Inventories | 存貨 | 8,345 | 4,009 |
| Trade and other receivables | 貿易及其他應收款項 | 7,843,066 | 6,788,859 |
| Amounts due from contract customers | 應收合同客戶款項 | 1,847,884 | 2,415,020 |
| Restricted deposits | 受限制存款 | 306,853 | 160,728 |
| Time deposits with original maturity over three months | 原始到期日超過三個月的定期存款 | 3,833,596 | 3,804,775 |
| Cash and cash equivalents | 現金及現金等價物 | 15,615,298 | 14,026,206 |
| Total current assets | 流動資產總額 | 29,455,042 | 27,199,597 |

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39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

39. 本公司的財務狀況表 (續)

| | | 2015 | 2014 |
|--|------------------|-------------------|------------|
| | | 2015年 | 2014年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| CURRENT LIABILITIES | 流動負債 | | |
| Borrowings | 借貸 | - | 72,204 |
| Receipts in advance | 預收款項 | 7,579,044 | 8,064,925 |
| Trade and other payables | 貿易及其他應付款項 | 14,489,442 | 12,378,050 |
| Defined benefit obligations | 設定受益義務 | 22,964 | 23,170 |
| Tax payable | 應繳稅項 | 454,443 | 251,361 |
| Total current liabilities | 流動負債總額 | 22,545,893 | 20,789,710 |
| NET CURRENT ASSETS | 流動資產淨額 | 6,909,149 | 6,409,887 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 資產總額減流動負債 | 14,445,659 | 13,316,391 |
| NON-CURRENT LIABILITIES | 非流動負債 | | |
| Borrowings | 借貸 | - | 918 |
| Trade and other payables | 貿易及其他應付款項 | 56,535 | - |
| Defined benefit obligations | 設定受益義務 | 243,520 | 241,570 |
| Total non-current liabilities | 非流動負債總額 | 300,055 | 242,488 |
| Net assets | 淨資產 | 14,145,604 | 13,073,903 |
| EQUITY | 權益 | | |
| Issued Capital | 已發行股本 | 4,125,700 | 4,125,700 |
| Reserves | 儲備 | 10,019,904 | 8,948,203 |
| Total equity | 權益總額 | 14,145,604 | 13,073,903 |

Notes to the Financial Statements

財務報表附註

December 31, 2015 • 2015年12月31日

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

39. 本公司的財務狀況表 (續)

A summary of the Company's reserves is as follows:

本公司的儲備概要如下：

| | | Capital reserve | Statutory surplus reserve | Retained profits | Total |
|---|----------------------------|-----------------|---------------------------|------------------|------------------|
| | | 資本儲備 | 法定盈餘公積金 | 保留溢利 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| At January 1, 2014 | 於2014年1月1日 | 3,863,104 | 510,168 | 3,468,828 | 7,842,100 |
| Profit for the year | 年內溢利 | - | - | 1,894,996 | 1,894,996 |
| Re-measurement loss on defined benefit plans, net of tax | 設定受益計劃評估虧損， 扣稅後 | - | - | (5,010) | (5,010) |
| Total comprehensive income for the year | 年內綜合收益總額 | - | - | 1,889,986 | 1,889,986 |
| Dividends paid to shareholders of the Company | 付予本公司股東的股息 | - | - | (783,883) | (783,883) |
| Profit appropriation to reserves | 轉撥至儲備的溢利 | - | 191,194 | (191,194) | - |
| At December 31, 2014 | 於2014年12月31日 | 3,863,104 | 701,362 | 4,383,737 | 8,948,203 |
| Profit for the year | 年內溢利 | - | - | 1,908,837 | 1,908,837 |
| Re-measurement loss on defined benefit plans, net of tax | 設定受益計劃評估虧損， 扣稅後 | - | - | (14,450) | (14,450) |
| Total comprehensive income for the year | 年內綜合收益總額 | - | - | 1,894,387 | 1,894,387 |
| Dividends paid to shareholders of the Company | 付予本公司股東的股息 | - | - | (838,755) | (838,755) |
| Profit appropriation to reserves | 轉撥至儲備的溢利 | - | 190,884 | (190,884) | - |
| Adjustment of deferred tax arising from revaluation surplus | 來自重估盈餘的 遞延稅項調整 | 16,069 | - | - | 16,069 |
| At December 31, 2015 | 於2015年12月31日 | 3,879,173 | 892,246 | 5,248,485 | 10,019,904 |

40. APPROVAL OF THE FINANCIAL STATEMENTS

40. 批准財務報表

The financial statements were approved and authorised for issue by the board of directors on March 29, 2016.

財務報表已於2016年3月29日獲董事會批准及授權刊發。

Glossary of Terms

詞彙表

| | | | |
|---------------------------|---|----------|---|
| “AGM” | the annual general meeting of the Company | 「股東週年大會」 | 指 本公司股東週年大會 |
| “Articles of Association” | the articles of association of the Company, adopted on February 14, 2011 and as amended, supplemented or otherwise modified from time to time | 「章程」 | 指 本公司於2011年2月14日採納的章程（經不時修訂、補充或以其他方式修改） |
| “Board” | the board of Directors of the Company | 「董事會」 | 指 本公司董事會 |
| “BOT” | Build-Operate-Transfer, a business model in which the proprietor grants the rights to a contracted enterprise by concession agreement to undertake the financing, design, construction, operation and maintenance of a project (mainly infrastructure projects), which enterprise can charge users a fee during the concession period to cover its costs of investment, operations and maintenance as well as reasonable returns, and, upon expiration of the concession period, the relevant facilities will be transferred back to the proprietor | 「BOT」 | 指 建設－經營－轉讓，即業主通過特許經營協議授權簽約企業承擔項目（主要為基建項目）融資、設計、施工、營運及維護的一種商業模式，該企業可於特許經營期內向使用者收費從而彌補其投資、營運及維護成本以及收取合理的回報，而於特許經營期屆滿後，相關設施將交還業主 |
| “BROT” | Build-Rent-Operate-Transfer | 「BROT」 | 指 建設－租賃－經營－轉讓 |
| “CG Code” | the Corporate Governance Code set out in Appendix 14 to the Listing Rules | 「企業管治守則」 | 指 上市規則附錄14所載之企業管治守則 |
| “China United” | 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, our connected person and our Promoter who holds 1.00% equity interest in our Company as at the date of December 11, 2012 | 「中國聯合」 | 指 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，國機的全資附屬公司。中國聯合為我們的關連人士暨發起人，於2012年12月11日持有本公司1.00%股權 |

Glossary of Terms

詞彙表

| | | |
|----------------------------------|--|---|
| “CMEC Comtrans” | CMEC Comtrans International Co., Ltd.* (中設國際商務運輸代理有限責任公司), a wholly-owned subsidiary of our Company established in the PRC on March 5, 1997 with limited liability | 「中設商運」 指 中設國際商務運輸代理有限責任公司，一家於1997年3月5日在中國成立的有限責任公司，並為本公司的全資附屬公司 |
| “CMEC Expo” | CMEC International Exhibition Co., Ltd.* (西麥克國際展覽有限責任公司), a wholly-owned subsidiary of our Company established in the PRC on January 9, 1995 with limited liability | 「西麥克展覽」 指 西麥克國際展覽有限責任公司，一家於1995年1月9日在中國成立的有限責任公司，並為本公司的全資附屬公司 |
| “CMEC International Engineering” | CMEC International Engineering Co., Ltd.* (中設國際工程有限責任公司), a wholly-owned subsidiary of our Company established in the PRC on September 9, 1997 with limited liability | 「中設國際工程」 指 中設國際工程有限責任公司，一家於1997年9月9日在中國成立的有限責任公司，並為本公司的全資附屬公司 |
| “CMEC Machinery & Electric” | CMEC Machinery & Electric Equipment Import & Export Co., Ltd.* (中設機電進出口有限公司), a wholly-owned subsidiary of our Company established in the PRC on January 16, 1995 with limited liability | 「中設機電」 指 中設機電進出口有限公司，一家於1995年1月16日在中國成立的有限責任公司，並為本公司的全資附屬公司 |
| “CMEC Tendering” | China Machinery and Equipment International Tendering Co., Ltd.* (中設國際招標有限責任公司), a wholly-owned subsidiary of our Company established in the PRC on April 29, 1996 with limited liability | 「中設招標」 指 中設國際招標有限責任公司，一家於1996年4月29日在中國成立的有限責任公司，並為本公司的全資附屬公司 |
| “CNCEC” | China National Complete Engineering* (中國成套工程有限公司), a corporation established in the PRC on September 5, 1985 and wholly-owned by SINOMACH on February 5, 2016. The Company and SINOMACH entered into an acquisition agreement, pursuant to and subject to the terms and conditions of which, the Company agreed to acquire the entire equity interest in CNCEC | 「中成套」 指 中國成套工程有限公司，一家於1985年9月5日在中國成立的公司，並於2016年2月5日由國機全資擁有，本公司與國機訂立收購協議，根據協議條款及條件並在其規限下，本公司同意收購中成套的全部股權 |

Glossary of Terms

詞彙表

| | | | |
|------------------------------------|---|---------------------|--|
| “Company”, “Our Company” or “CMEC” | China Machinery Engineering Corporation* (中國機械設備工程股份有限公司), a joint stock company with limited liability incorporated in the PRC on January 18, 2011, and except where the context indicates otherwise, includes (i) our predecessors and (ii) with respect to the period before our Company became the holding company of its present subsidiaries, the business operated by it and its present subsidiaries or (as the case may be) its predecessors | 「公司」、「本公司」或「中國機械工程」 | 指 中國機械設備工程股份有限公司，一家於2011年1月18日在中國註冊成立的股份有限公司；除非文義另有所指，否則包括：(i)我們的前身及(ii)就本公司成為其現時附屬公司的控股公司前的期間而言，其及其現時附屬公司或（視情況而定）其前身經營的業務 |
| “Companies Law” | Company Law in the PRC (中華人民共和國公司法), adopted by the Standing Committee of the National People’s Congress on October 27, 2005 and which became effective on January 1, 2006, as amended, supplemented or otherwise modified from time to time | 「公司法」 | 指 全國人民代表大會常務委員會於2005年10月27日採納並於2006年1月1日生效的中華人民共和國公司法（經不時修訂、增補或以其他形式修改） |
| “Controlling Shareholder” | has the meaning ascribed thereto under the Listing Rules | 「控股股東」 | 指 具有上市規則所賦予的涵義 |
| “Core Sectors” | the core sectors of our International Engineering Contracting Business which are the power sector, transportation sector and telecommunications sector | 「核心行業」 | 指 我們的國際工程承包業務的核心行業，為電力能源行業、交通運輸行業及電子通訊行業 |
| “Developing countries” | according to the World Bank, developing countries can refer to the countries with low-and middle-income economies, which are those with a gross national income per capita of less than US\$12,275 | 「發展中國家」 | 指 根據世界銀行的資料，發展中國家可指經濟體收入處於低及中水平的國家，其人均國民總收入少於12,275美元 |
| “Director(s)” | the director(s) of the Company | 「董事」 | 指 本公司董事 |
| “Domestic Shares” | ordinary shares in our capital, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi | 「內資股」 | 指 我們股本中的普通股，每股面值為人民幣1.00元，乃以人民幣認購及繳足 |

Glossary of Terms

詞彙表

| | | | |
|--|---|-------------------------|---|
| “ENR” | Engineering News-Record magazine, a publication that provides news, analyses, commentary and data about the global construction industry and an independent third party | 「ENR」 | 指 Engineering News-Record雜誌，一本提供有關全球建造業消息、分析、評論及數據的刊物，為一名獨立第三方 |
| “EPC” or “design, procurement and construction” or “turnkey” | a common form of contracting arrangement whereby the contractor is commissioned by the project owner to carry out such project work as design, procurement, construction and trial operations, or any combination of the above, either through the contractor’s own labor or by subcontracting part or all of the project work, and be responsible for the quality, safety, timely delivery and cost of the project | 「EPC」或「設計、採購及施工」或「交鑰匙」 | 指 承包安排的常見形式，即承包商受項目業主的委託進行設計、採購、施工及試工等項目工作，或任何上述的組合（無論是通過承包商本身的人員或分包部分或所有項目工作），並對項目的質量、安全、工期及成本負責 |
| “Global Offering” | The offering by the Company of 825,700,000 H Shares for subscription by the public in Hong Kong and placing with professional and institutional investors outside the United States in December 2012 | 「全球發售」 | 指 本公司於2012年12月提呈發售825,700,000股H股，供香港公眾認購，並配售予美國境外的專業及機構投資者 |
| “Group”, “Our Group”, “we” or “us” | the Company and, except where the context otherwise requires, all its subsidiaries | 「集團」、 「本集團」 或「我們」 | 指 本公司及除文義另有所指外，包括其所有附屬公司 |
| “H Share(s)” | overseas listed foreign shares in our ordinary share capital with a nominal value of RMB1.00 each, which are listed on the Stock Exchange and subscribed for and traded in HK\$ | 「H股」 | 指 我們普通股本中的境外上市外資股，每股面值人民幣1.00元，於聯交所上市，並以港元認購及買賣 |
| “HK\$” | Hong Kong dollars, the lawful currency of the Hong Kong Special Administration Region | 「港元」 | 指 港元，香港特別行政區法定貨幣 |
| “IFRS” | International Financial Reporting Standards | 「國際財務報告準則」 | 指 國際財務報告準則 |

Glossary of Terms

詞彙表

| | | | |
|--|---|------------|---|
| “independent third party(ies)” | person(s) or company(ies) which is (are) independent of the directors, supervisors, controlling shareholder, substantial shareholder and the chief executive (such terms as defined in the Listing Rules) of the Company and its subsidiaries or an associate of any of them | 「獨立第三方」 | 指 獨立於本公司及其附屬公司的任何董事、監事、控股股東、主要股東及行政總裁（定義見上市規則）或其任何各自的聯繫人的個人或公司 |
| “INED(s)” | the independent non-executive Director(s) of our Company | 「獨立非執行董事」 | 指 本公司獨立非執行董事 |
| “International Engineering Contracting Business” | the International Engineering Contracting Business conducted by our Group with a primary focus on EPC projects | 「國際工程承包業務」 | 指 由本集團開展，並以EPC項目為重點的國際工程承包業務 |
| “Ipsos” | Ipsos Hong Kong Limited, an independent third party, is part of Ipsos SA and it conducts research on market profiles, market size, share and segmentation analyses, distribution and value analyses, competitor tracking and corporate intelligence; it is responsible for conducting a research on the industry information included in this annual report and providing the relevant data | 「益普索」 | 指 益普索香港有限公司*，一名獨立第三方，為Ipsos SA的一部分，其開展市場概況、市場規模、份額及細分分析、分銷及價值分析、競爭對手追蹤及企業情報的研究；其對本年報內的行業數據展開調查並提供相關數據 |
| “Ipsos Report” | a report prepared by Ipsos Hong Kong Limited, an independent third party, on the global infrastructure engineering industry and international trading industry in general, and the infrastructure engineering industry and international trading industry in the developing countries in particular, which was commissioned by us and issued on March 28, 2016 | 「益普索報告」 | 指 由我們委託獨立第三方益普索香港有限公司*於2016年3月28日刊發有關全球基建工程行業與國際貿易行業的整體情況（特別是有關發展中國家的基建工程行業與國際貿易行業）的報告 |
| “ISA” | the United States Iran Sanctions Act, as amended (P.L. 104-172, August 5, 1996) (formerly the Iran and Libya Sanctions Act of 1996) | 「伊朗制裁法」 | 指 美國的伊朗制裁法，經修訂（P.L. 104-172，1996年8月5日）（前稱1996年伊朗及利比亞制裁法） |

Glossary of Terms

詞彙表

| | | | |
|--------------------|--|-----------|--|
| “KV” | unit of electric potential, kilovolt. 1kV = 1,000 volts | 「千伏」 | 指 電壓單位 千伏。1 千伏 =1,000 伏特 |
| “KW” | unit of energy, kilowatt. 1 kW = 1,000 watts | 「千瓦」 | 指 能源單位 千瓦。1 千瓦 =1,000 瓦特 |
| “Listing” | listing of our H Shares on the Stock Exchange | 「上市」 | 指 我們的H股在聯交所上市 |
| “Listing Date” | December 21, 2012 | 「上市日期」 | 指 2012年12月21日 |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time | 「上市規則」 | 指 香港聯合交易所有限公司證券上市規則（經不時修訂、補充或以其他方式修改） |
| “Model Code” | the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules | 「標準守則」 | 指 上市規則附錄十所載之上市發行人董事進行證券交易的標準守則 |
| “MW” | unit of energy, megawatt. 1 MW = 1,000 kW. The installed capacity of power plants is generally expressed in MW | 「兆瓦」 | 指 能源單位 兆瓦。1 兆瓦 =1,000 千瓦。發電廠裝機容量通常以兆瓦表示 |
| “Non-Core Sectors” | any sectors that do not fall within the Core Sectors of our International Engineering Contracting Business | 「非核心行業」 | 指 任何並非屬於我們國際工程承包業務核心行業的行業 |
| “NSSF” | National Council for Social Security Fund of the PRC (中華人民共和國全國社會保障基金理事會) | 「社保基金理事會」 | 指 中華人民共和國全國社會保障基金理事會 |
| “OFAC” | the Office of Foreign Assets Control of the US Department of the Treasury | 「外國資產管制局」 | 指 美國財政部屬下外國資產管制局 |
| “Other Businesses” | the other businesses conducted by our Group, other than the International Engineering Contracting Business and the Trading Business, which include, among others, logistic services, exhibition services, tendering agency services, export-import agency services, design services and other services | 「其他業務」 | 指 本集團開展的其他業務（國際工程承包業務及貿易業務除外），其中包括物流服務、展覽服務、招標代理服務、進出口代理服務、設計服務及其他服務 |

Glossary of Terms

詞彙表

| | | | |
|---------------------|---|-----------|---|
| “PRC” | The People’s Republic of China | 「中國」 | 指 中華人民共和國 |
| “Prospectus” | the prospectus of the Company dated December 11, 2012 | 「招股章程」 | 指 本公司日期為2012年12月11日的招股章程 |
| “RMB” or “Renminbi” | Renminbi yuan, the lawful currency of the PRC | 「人民幣」 | 指 人民幣，中國法定貨幣 |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time | 「證券及期貨條例」 | 指 香港法例第571章證券及期貨條例（經不時修訂、補充或以其他方式修改） |
| “Share(s)” | share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, including our Domestic Shares and H Shares | 「股份」 | 指 本公司股本中每股面值人民幣1.00元的股份，包括內資股及H股 |
| “Shareholder(s)” | holder(s) of our Share(s) | 「股東」 | 指 我們股份的持有人 |
| “SINOMACH” | China National Machinery Industry Corporation* (中國機械工業集團有限公司), a state-owned enterprise established in the PRC on May 21, 1988, our controlling shareholder | 「國機」 | 指 我們的控股股東中國機械工業集團有限公司，一家於1988年5月21日在中國成立的國有企業 |
| “SINOMACH Group” | SINOMACH and its subsidiaries, which excludes our Group | 「國機集團」 | 指 國機及其附屬公司，不包括本集團 |
| “Sinosure” | China Export & Credit Insurance Corporation (中國出口信用保險公司), a policy-oriented insurance company specializing in export credit insurance in the PRC and an independent third party | 「中國信保」 | 指 中國出口信用保險公司，一家在中國專營出口信用保險的政策性保險公司和獨立第三方 |
| “Supervisor(s)” | one (or all) of our Company’s supervisors | 「監事」 | 指 本公司的一名（或全體）監事 |
| “Supervisory Board” | the supervisory board of our Company | 「監事會」 | 指 本公司監事會 |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited | 「聯交所」 | 指 香港聯合交易所有限公司 |

Glossary of Terms

詞彙表

| | | | |
|---------------------------|--|--------|------------------------------|
| “Trading Business” | the international and domestic trading business conducted by our Group | 「貿易業務」 | 指 本集團進行的國際和國內貿易業務 |
| “United States” or “U.S.” | the United States of America, its territories, its possessions and all areas subject to its jurisdiction | 「美國」 | 指 美利堅合眾國、其領土、其屬地及受其司法管轄的所有地區 |
| “US dollars” or “US\$” | United States dollars, the lawful currency of the United States | 「美元」 | 指 美元，美國的法定貨幣 |
| “%” | percent. or percentage | 「%」 | 指 百分比 |
| * | Denotes English translation of the name of a Chinese company or entity or vice versa and is provided for identification purposes only. | * | 指中國公司或實體名稱的英文譯名或相反情況，僅供識別。 |

Corporate Information

公司資料

LEGAL NAME OF THE COMPANY

中國機械設備工程股份有限公司

ENGLISH NAME OF THE COMPANY

China Machinery Engineering Corporation*

BOARD OF DIRECTORS

Executive Directors

Mr. SUN Bai (*Chairman*)
Mr. ZHANG Chun (*President*)

Non-executive Directors

Mr. WANG Zhian
Mr. YU Benli
Mr. ZHANG Fusheng

Independent Non-executive Directors

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

SUPERVISORS

Mr. QUAN Huaqiang (*Chairman*)
(*Shareholder representative supervisor*)
Mr. QIAN Xiangdong (*Shareholder representative supervisor*)
Mr. BAI Ming (*Staff representative supervisor*)

JOINT COMPANY SECRETARIES

Mr. ZHOU Yamin
Ms. TSANG Fung Chu

AUTHORIZED REPRESENTATIVES

Mr. ZHANG Chun
Mr. ZHOU Yamin

* For Identification Purposes Only

本公司法定名稱

中國機械設備工程股份有限公司

本公司英文名稱

China Machinery Engineering Corporation*

董事會

執行董事

孫柏先生 (*董事長*)
張淳先生 (*總裁*)

非執行董事

王治安先生
余本禮先生
張福生先生

獨立非執行董事

劉力先生
劉紅宇女士
方永忠先生
吳德龍先生

監事

全華強先生 (*監事長*)
(*股東代表監事*)
錢向東先生 (*股東代表監事*)
白明先生 (*職工代表監事*)

聯席公司秘書

周亞民先生
曾鳳珠女士

授權代表

張淳先生
周亞民先生

* 僅供識別

AUDIT COMMITTEE

Mr. LIU Li (*Chairman*)
Mr. WANG Zhian
Ms. LIU Hongyu

NOMINATION COMMITTEE

Mr. SUN Bai (*Chairman*)
Ms. LIU Hongyu
Mr. FANG Yongzhong

REMUNERATION COMMITTEE

Mr. FANG Yongzhong (*Chairman*)
Mr. WANG Zhian
Mr. LIU Li

STRATEGY AND DEVELOPMENT COMMITTEE

Mr. SUN Bai (*Chairman*)
Mr. ZHANG Chun
Mr. YU Benli
Mr. LIU Li

OPERATION AND RISK MANAGEMENT COMMITTEE

Mr. ZHANG Chun (*Chairman*)
Mr. WANG Zhian
Mr. ZHANG Fusheng
Mr. FANG Yongzhong

INDEPENDENT AUDITORS

International Auditors
Ernst & Young

PRC Auditors
Ernst & Young Hua Ming LLP (Special General Partnership)

PRINCIPAL BANKS

Bank of China Limited
The Export – Import Bank of China
CITIC Bank
China Merchants Bank (Beijing Branch)
Bank of Communications (Beijing Dongdan Sub-branch)

審計委員會

劉力先生 (主席)
王治安先生
劉紅宇女士

提名委員會

孫柏先生 (主席)
劉紅宇女士
方永忠先生

薪酬委員會

方永忠先生 (主席)
王治安先生
劉力先生

戰略與發展委員會

孫柏先生 (主席)
張淳先生
余本禮先生
劉力先生

經營與風險管理委員會

張淳先生 (主席)
王治安先生
張福生先生
方永忠先生

獨立核數師

國際核數師
安永會計師事務所

中國核數師
安永華明會計師事務所 (特殊普通合伙)

主要往來銀行

中國銀行股份有限公司
中國進出口銀行
中信銀行
招商銀行 (北京分行)
交通銀行 (北京東單支行)

Corporate Information

公司資料

REGISTERED OFFICE AND HEAD OFFICE IN THE PRC

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Beijing, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Kowloon, Hong Kong

HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

LEGAL ADVISORS

As to Hong Kong Laws
Shearman & Sterling

As to PRC Laws
Tian Yuan Law Firm

STOCK CODE

01829

INVESTOR INQUIRIES

Investor Hotline: 86 10 6331 2262
Fax No: 86 10 6332 1086

COMPANY'S WEBSITE

www.cmec.com

中國註冊辦事處及本部

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香港主要營業地點

香港九龍
尖沙咀東
麼地道75號
南洋中心
第1座8樓804室

香港H股股份過戶登記處

香港中央證券登記有限公司
香港灣仔
皇后大道東183號
合和中心
17樓1712-1716室

法律顧問

關於香港法律
美國謝爾曼•思特靈律師事務所

關於中國法律
天元律師事務所

股份代號

01829

投資者諮詢

投資者熱線：86 10 6331 2262
傳真：86 10 6332 1086

公司網站

www.cmec.com



中國機械設備工程股份有限公司
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