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

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

(Stock Code: 1829)

(股份代號：1829)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2016

截至2016年12月31日
止年度之業績公告

2016 ANNUAL RESULTS HIGHLIGHTS

- Revenue amounted to RMB21,017.2 million, representing a decrease of RMB3,039.1 million or 12.6% from RMB24,056.3 million for the year ended December 31, 2015.
- Gross profit amounted to RMB3,544.2 million, representing a decrease of RMB182.6 million or 4.9% from RMB3,726.8 million for the year ended December 31, 2015.
- Profit attributable to the Shareholders amounted to RMB2,106.5 million, representing a decrease of RMB98.3 million or 4.5% from RMB2,204.8 million for the year ended December 31, 2015.
- Basic earnings per share amounted to RMB0.51, representing a decrease of RMB0.02 or 3.8% from RMB0.53 for the year ended December 31, 2015.
- The Board recommended to distribute a final dividend of RMB0.2042 (pre-tax) per Share for 4,125,700,000 Shares for 2016 (2015: RMB0.1989 (pre-tax) per Share for 4,125,700,000 Shares), representing a total amount of RMB842,467,940 (pre-tax) (2015 total: RMB820,601,730 (pre-tax)).

2016年全年業績摘要

- 收入為人民幣21,017.2百萬元，較截至2015年12月31日止年度人民幣24,056.3百萬元減少人民幣3,039.1百萬元或12.6%。
- 毛利為人民幣3,544.2百萬元，較截至2015年12月31日止年度人民幣3,726.8百萬元減少人民幣182.6百萬元或4.9%。
- 股東應佔溢利為人民幣2,106.5百萬元，較截至2015年12月31日止年度人民幣2,204.8百萬元減少人民幣98.3百萬元或4.5%。
- 每股基本盈利為人民幣0.51元，較截至2015年12月31日止年度人民幣0.53元減少人民幣0.02元或3.8%。
- 董事會建議派付2016年末期股息，就4,125,700,000股股份每股人民幣0.2042元(稅前)(2015年：就4,125,700,000股股份每股人民幣0.1989元(稅前))，合共人民幣842,467,940元(稅前)(2015年總計：人民幣820,601,730元(稅前))。

The Board is pleased to announce the following audited consolidated results of the Group for the year ended December 31, 2016, together with the comparative figures for the year ended December 31, 2015 for comparison. The Company acquired 100% equity interest in CNCEC in May 2016. The Company and CNCEC are under the common control of SINOMACH throughout 2016, and such control is not transitory. Thus, the acquisition is considered to be business combination under common control. Accordingly, these consolidated financial statements incorporated the financial statements of CNCEC from the earliest presented date (January 1, 2015) of the consolidated financial statements under merger accounting basis. The results of the Group were prepared based on the consolidated financial statements, which were prepared in accordance with IFRS issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance.

董事會欣然宣佈本集團截至2016年12月31日止年度的以下經審計合併業績，連同用於比較的截至2015年12月31日止年度的比較數字。本公司於2016年5月收購中成套的100%股權。本公司與中成套在2016年整個期間內均處於國機的控制下，且該控制不是暫時的。因此，該收購被認為是同一控制下的業務合併。因此，根據權益結合會計方法，本合併財務報表包含自本合併財務報表的最早列報日（2015年1月1日）的中成套的財務報表。本集團業績乃基於根據國際會計準則理事會頒佈的國際財務報告準則以及香港公司條例的披露要求編製的合併財務報表而編製。

**CONSOLIDATED STATEMENT OF
PROFIT OR LOSS**

Year ended December 31, 2016

合併損益表

截至2016年12月31日止年度

			2016 2016年	2015 2015年 (Restated) (重述)
		Notes 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
REVENUE	收入	4	21,017,236	24,056,269
Cost of sales	銷售成本		(17,473,045)	(20,329,448)
Gross profit	毛利		3,544,191	3,726,821
Other revenue	其他收入	4	29,062	14,941
Other expenses, net	其他開支淨額	4	(14,170)	(21,205)
Selling and distribution expenses	銷售及分銷開支		(1,103,944)	(1,148,373)
Administrative expenses	行政開支		(725,366)	(717,983)
Other operating expenses	其他經營開支		(162,658)	(67,763)
PROFIT FROM OPERATIONS	經營溢利		1,567,115	1,786,438
Finance income	財務收入		1,248,682	1,263,534
Finance expenses	財務開支		(46,905)	(51,877)
Net finance income	財務收入淨額	5(a)	1,201,777	1,211,657
Share of profits and losses of:	應佔以下溢利及虧損：			
Joint ventures	合營公司		13,401	(1,031)
Associates	聯營公司		1,637	(196)
PROFIT BEFORE TAX	除稅前溢利		2,783,930	2,996,868
Income tax	所得稅	6	(674,140)	(787,908)
PROFIT FOR THE YEAR	年內溢利		2,109,790	2,208,960
Attributable to:	歸屬於：			
Owners of the parent	母公司擁有人		2,106,521	2,204,777
Non-controlling interests	非控股權益		3,269	4,183
			2,109,790	2,208,960
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	每股盈利 母公司普通權益持有人 應佔每股盈利			
Basic and diluted (RMB)	基本及攤薄 (人民幣)		51 cents (分)	53 cents (分)

**CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME**

Year ended December 31, 2016

合併綜合收益表

截至2016年12月31日止年度

		2016 2016年 RMB'000 人民幣千元	2015 2015年 (Restated) (重述) RMB'000 人民幣千元
PROFIT FOR THE YEAR	年內溢利	2,109,790	2,208,960
OTHER COMPREHENSIVE INCOME	其他綜合收益		
Other comprehensive income not to be reclassified into profit or loss in subsequent periods:	於後續期間不會重新分類至損益的其他綜合收益：		
Remeasurement of defined benefit obligations	重新計量設定受益義務	9,990	(24,820)
Other comprehensive income to be reclassified into profit or loss in subsequent periods:	於後續期間將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	563	1,058
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	63,983	11,856
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年內綜合收益總額	<u>2,184,326</u>	<u>2,197,054</u>
Attributable to:	歸屬於：		
Owners of the parent	母公司擁有人	2,180,909	2,192,817
Non-controlling interests	非控股權益	3,417	4,237
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年內綜合收益總額	<u>2,184,326</u>	<u>2,197,054</u>

CONSOLIDATED STATEMENT OF
FINANCIAL POSITION

December 31, 2016

合併財務狀況表

於2016年12月31日

		December 31, 2016 2016年 12月31日	December 31, 2015 2015年 12月31日 (Restated) (重述)
	Notes 附註	RMB'000 人民幣千元	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	1,605,717	1,119,807
Investment properties	投資物業	20,988	22,035
Prepaid land lease payments	預付土地租賃款項	1,797,297	1,792,357
Intangible assets	無形資產	9,587	9,498
Investments in joint ventures	對合營公司的投資	297,916	210,014
Investments in associates	對聯營公司的投資	265,836	53,765
Trade and other receivables	貿易及其他應收款項	553,937	72,676
Amounts due from contract customers	應收合同客戶款項	2,547,471	2,660,045
Deferred tax assets	遞延稅項資產	411,536	358,698
Other non-current assets	其他非流動資產	593,076	555,807
Total non-current assets	非流動資產總額	8,103,361	6,854,702
CURRENT ASSETS	流動資產		
Inventories	存貨	495,736	448,504
Trade and other receivables	貿易及其他應收款項	8,121,101	8,067,472
Amounts due from contract customers	應收合同客戶款項	4,693,622	2,947,620
Restricted deposits	受限制存款	554,588	566,265
Time deposits with original maturity over three months	原始到期日超過 三個月的定期存款	5,942,003	4,035,091
Cash and cash equivalents	現金及現金等價物	19,541,868	21,032,899
Total current assets	流動資產總額	39,348,918	37,097,851
CURRENT LIABILITIES	流動負債		
Borrowings	借貸	576,695	543,155
Receipts in advance	預收款項	12,473,750	10,189,331
Trade and other payables	貿易及其他應付款項	17,541,253	17,191,277
Defined benefit obligations	設定受益義務	26,850	34,374
Tax payable	應繳稅項	501,728	565,687
Total current liabilities	流動負債總額	31,120,276	28,523,824
NET CURRENT ASSETS	流動資產淨額	8,228,642	8,574,027
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減流動負債	16,332,003	15,428,729

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**CONSOLIDATED STATEMENT OF
FINANCIAL POSITION (CONTINUED)**

December 31, 2015

合併財務狀況表 (續)

於2015年12月31日

		December 31, 2016 2016年 12月31日	December 31, 2015 2015年 12月31日 (Restated) (重述)
	<i>Notes 附註</i>	RMB'000 人民幣千元	RMB'000 人民幣千元
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減流動負債	16,332,003	15,428,729
NON-CURRENT LIABILITIES	非流動負債		
Borrowings	借貸	469,728	397,078
Trade and other payables	貿易及其他應付款項 11	81,206	73,959
Defined benefit obligations	設定受益義務	359,323	384,812
Deferred tax liabilities	遞延稅項負債	46,193	26,439
Total non-current liabilities	非流動負債總額	956,450	882,288
Net assets	淨資產	15,375,553	14,546,441
EQUITY	權益		
Issued capital	股本 12	4,125,700	4,125,700
Reserves	儲備	11,202,815	10,375,186
Total equity attributable to owners of the parent	母公司擁有人應佔 權益總額	15,328,515	14,500,886
Non-controlling interests	非控股權益	47,038	45,555
Total equity	權益總額	15,375,553	14,546,441

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

1. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which comprise all standards and interpretations approved by the International Accounting Standards Board (the “IASB”). These financial statements also comply with the applicable disclosure provision of the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange of Hong Kong Limited (“HKSE”). The Group has adopted all those new and revised IFRSs that are first effective for the accounting period beginning January 1, 2016 in preparing the financial statements for the year ended December 31, 2016. The Group has not early adopted any new and revised IFRSs that are not yet effective for the accounting period beginning January 1, 2016 in the current or previous accounting periods.

財務報表附註

於2016年12月31日

1. 合規聲明

該等財務報表乃根據國際財務報告準則（「國際財務報告準則」）編製。國際財務報告準則包括經國際會計準則理事會（「國際會計準則理事會」）批准的全部準則及詮釋。該等財務報表亦符合香港聯合交易所有限公司證券上市規則中適用的披露規定。本集團已在編製截至2016年12月31日止年度的財務報表時採納所有在自2016年1月1日開始的會計期間首次生效的有關新訂及經修訂國際財務報告準則。本集團概無在當前或過往會計期間提早採納於2016年1月1日開始的會計期間內尚未生效的任何新訂及經修訂國際財務報告準則。

2. BASIS OF PREPARATION

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

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year’s financial statements:

Amendments to IFRS 10, IFRS 12 and IAS 28	<i>Investment Entities: Applying the Consolidation Exception</i>
Amendments to IFRS 11 IFRS 14	<i>Accounting for Acquisitions of Interests in Joint Operations Regulatory Deferral Accounts</i>
Amendments to IAS 1	<i>Disclosure Initiative</i>
Amendments to IAS 16 and IAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>
Amendments to IAS 16 and IAS 41	<i>Agriculture: Bearer Plants</i>
Amendments to IAS 27 <i>Annual Improvements 2012-2014 Cycle</i>	<i>Equity Method in Separate Financial Statements Amendments to a number of IFRSs</i>

Except for the amendments to IFRS 10, IFRS 12 and IAS 28, amendments to IFRS 11, IFRS 14, amendments to IAS 16 and IAS 41, amendments to IAS 27 (2011), and certain amendments included in the *Annual Improvements 2012-2014 Cycle*, which are not relevant to the preparation of the Group’s financial statements, the nature and the impact of the amendments are described below:

2. 編制基準

該等財務報表乃按歷史成本慣例編制，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。

3. 會計政策變更及披露

本集團於本年度首次採納下列新訂及經修訂國際財務報告準則：

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號的修訂本	投資實體：應用綜合例外情況
國際財務報告準則第11號的修訂本 國際財務報告準則第14號	收購共同經營權益的會計法 監管遞延賬目
國際會計準則第1號的修訂本	披露計劃
國際會計準則第16號及國際會計準則第38號的修訂本	澄清可接納的折舊及攤銷法
國際會計準則第16號及國際會計準則第41號的修訂本	農業：生產性植物
國際會計準則第27號的修訂本 2012年至2014年周期的年度改進	獨立財務報表的權益法 多項國際財務報告準則的修訂本

除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號的修訂本、國際財務報告準則第11號的修訂本、國際財務報告準則第14號、國際會計準則第16號及國際會計準則第41號的修訂本、國際會計準則第27號的修訂本（2011）以及2012年至2014年周期的年度改進所包含與編製本集團的財務報表無關的若干修訂本外，各修訂本的性質及影響如下：

- (a) 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 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 profit or loss. The amendments have had no significant impact on the Group's financial statements.

- (b) 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 applied prospectively. The amendments have had no impact on the financial position or performance of the Group as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

- (a) 國際會計準則第1號的修訂本載有針對財務報表的呈列方式及披露範圍的改進。該等修訂本釐清：

- (i) 國際會計準則第1號內的重要性規定；
- (ii) 損益表及財務狀況表內特定項目可以細分；
- (iii) 實體可靈活處理呈列財務報表附註的先後次序；及
- (iv) 使用權益法入賬的應佔聯營公司及合營企業的其他全面收入必須作為單項項目合計呈列，並且分類為將會或不會於往後重新分類至損益的項目。

該等修訂本釐清適用於在財務狀況表及損益表內呈列額外小計項目的規定。該等修訂本對本集團的財務報表並無重大影響。

- (b) 國際會計準則第16號及國際會計準則第38號的修訂本釐清國際會計準則第16號及國際會計準則第38號的原則，即收益反映經營業務（其中資產是一部分）所產生的經濟利益模式，而不是透過使用資產所耗費的經濟利益模式。因此，收益法不能用於折舊物業、廠房及設備，而僅可在非常有限的情況下用以攤銷無形資產。該等修訂本對未來適用。由於本集團並無使用收益法計算其非流動資產的折舊，故該等修訂本對本集團的財務狀況或表現並無任何影響。

- (c) Annual Improvements to IFRSs 2012-2014 Cycle issued in September 2014 sets out amendments to a number of IFRSs. Details of the amendments are as follows:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations: Clarifies that changes to a plan of sale or a plan of distribution to owners should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. Accordingly, there is no change in the application of the requirements in IFRS 5. The amendments also clarify that changing the disposal method does not change the date of classification of the non-current assets or disposal group held for sale. The amendments are applied prospectively. The amendments have had no impact on the Group as the Group did not have any change in the plan of sale or disposal method in respect of the disposal group held for sale during the year.

- (c) 於2014年9月頒佈的2012年至2014年周期的國際財務報告準則年度改進載有多項國際財務報告準則的修訂本。該等修訂本的詳情如下：

國際財務報告準則第5號持作出售的非流動資產及已終止經營業務：釐清出售計劃或向擁有人進行分派的計劃有所轉變不應被視為新出售計劃，而是對於原有計劃的延續。因此，應用國際財務報告準則第5號的規定並無改變。該等修訂本亦釐清，更改出售方法不會改變持作出售的非流動資產或出售組別的分類日期。該等修訂本對未來適用。由於本集團於本年度並無改變涉及持作出售的出售組別出售計劃或出售方法，故該等修訂本對本集團並無影響。

4. REVENUE, OTHER INCOME AND GAINS

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

An analysis of revenue, other revenue and other expenses, net is as follows:

4. 收入、其他收入及收益

收入主要指年內建造合同應佔合同收入、扣除退貨及貿易折扣的已售貨品發票淨值、所提供服務價值以及已收及應收投資物業的租金收入總額。

本集團的收入、其他收入及其他開支淨額分析如下：

		2016 2016年 <i>RMB'000</i> 人民幣千元	2015 2015年 (Restated) (重述) <i>RMB'000</i> 人民幣千元
Revenue	收入		
Construction contracts	建造合同	12,385,082	13,973,541
Trading business	貿易業務	7,308,786	8,608,267
Services business	服務業務	1,323,368	1,474,461
		<u>21,017,236</u>	<u>24,056,269</u>
Other revenue	其他收入		
Dividend income from unquoted equity securities	非上市股本證券股息收入	10,969	9,396
Government grants	政府補貼	18,093	5,545
		<u>29,062</u>	<u>14,941</u>
Other expenses, net	其他開支淨額		
Net gains/(losses) on disposal of items of property, plant and equipment	處置物業、廠房及設備 收益/(虧損)淨額	(3,803)	6,124
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	(69,943)	(48,335)
Others	其他	59,576	21,006
		<u>(14,170)</u>	<u>(21,205)</u>

5. PROFIT BEFORE TAX

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

(a) Finance income and finance expenses

Finance income on
receivables from customers
Foreign exchange gains
Interest income

Finance income

Interest cost recognised in
respect of defined benefit
obligations
Interest expenses on borrowings
Bank charges and others

Finance expenses

Net finance income
recognised in profit or loss

(b) Staff costs

Salaries, wages and other benefits
Contributions to defined contribution
retirement plans
(Income)/expenses recognised
in respect of defined benefit
retirement plans

5. 除稅前溢利

本集團之除稅前溢利已扣除／(計入)：

(a) 財務收入及財務開支

2016 2016年	2015 2015年 (Restated) (重述)
<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元

應收客戶款項的
財務收入
匯兌收益
利息收入

財務收入

就設定受益義務確認
的利息成本
借貸利息開支
銀行費用及其他

財務開支

於損益確認的財務
收入淨額

(b) 員工成本

2016 2016年	2015 2015年 (Restated) (重述)
<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元

薪金、工資及其他福利
設定供款退休計劃
的供款
就設定受益退休計劃
確認的(收益)／
開支

141,492	169,885
721,844	613,486
385,346	480,163
<u>1,248,682</u>	<u>1,263,534</u>
12,170	14,900
24,257	25,977
10,478	11,000
<u>46,905</u>	<u>51,877</u>
<u>1,201,777</u>	<u>1,211,657</u>

1,399,330	1,546,788
134,426	124,751
(5,890)	430
<u>1,527,866</u>	<u>1,671,969</u>

(c) Other items

(c) 其他項目

			2016 2016年	2015 2015年 (Restated) (重述)
		Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Amortisation	攤銷			
– Prepaid land lease payments	– 預付土地租賃款項		46,523	45,949
– Intangible assets	– 無形資產		5,667	5,294
– Long-term assets	– 長期資產		7,617	2,256
			<u>59,807</u>	<u>53,499</u>
Depreciation	折舊			
– Property, plant and equipment	– 物業、廠房及設備		76,804	50,253
– Investment properties	– 投資物業		2,516	1,427
			<u>79,320</u>	<u>51,680</u>
Impairment losses on	減值虧損			
– Trade and other receivables	– 貿易及其他應收款項	10	159,573	24,990
– Inventories	– 存貨		–	4,040
– Amounts due from contract customers	– 應收合同客戶款項		2,485	37,242
			<u>162,058</u>	<u>66,272</u>
Operating lease charges	經營租賃費用			
– Lease of properties	– 租賃物業		30,138	31,969
– Lease of other assets	– 租賃其他資產		9	46
			<u>30,147</u>	<u>32,015</u>
Rental income from investment properties	來自投資物業的租賃收入			
– Gross rental	– 毛租金		14,809	18,866
– Direct outgoings	– 直接支出		(2,261)	(2,750)
– Net rental	– 淨租金		<u>12,548</u>	<u>16,116</u>
Cost of construction contracts	建造合同成本		9,573,656	11,404,563
Cost of goods sold	商品銷售成本		6,955,770	7,963,429
Cost of services provided	所提供服務的成本		943,619	961,456
			<u>17,473,045</u>	<u>20,329,448</u>

6. INCOME TAX

Pursuant to the relevant laws and regulations in the PRC, the statutory enterprise income tax rate of 25% is applied to the Group for the years ended December 31, 2016 and 2015, except for two subsidiaries of the Group which were entitled to the preferential tax rate of 15% (2015: 15%) because they are recognised as high and new technology enterprises by the local governments in the PRC.

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries (or jurisdictions) in which the Group operates.

6. 所得稅

根據中國相關法律及法規，本集團於截至2016年及2015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%（2015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%（2015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。

		2016	2015
		2016年	2015年
			(Restated)
			(重述)
		<i>RMB'000</i>	<i>RMB'000</i>
		人民幣千元	人民幣千元
Current income tax – Mainland China	即期所得稅 – 中國大陸	693,689	860,742
Current income tax – Hong Kong	即期所得稅 – 香港	10,756	2,709
Current income tax – Others	即期所得稅 – 其他	2,982	7,579
Deferred income tax	遞延所得稅	(33,287)	(83,122)
Total tax charge for the year	年度稅項支出總額	674,140	787,908

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

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

		2016	2015
		2016年	2015年
			(Restated)
			(重述)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit before tax	除稅前溢利	2,783,930	2,996,868
Tax at the statutory tax rate	按法定稅率計算的稅項	695,983	749,217
Lower tax rate(s) for specific provinces or enacted by local authority	特定省份或地方當局制定的較低稅率	(10,696)	(8,889)
Share of losses/(profits) of joint ventures and associates not subject to tax	毋需課稅的應佔合營公司及聯營公司虧損/(溢利)	(3,760)	306
Income not subject to tax	毋需課稅的收入	(12,311)	-
Adjustments in respect of current tax of previous periods	就過往期間即期所得稅作出的調整	(5,594)	21,257
Expenses not deductible for tax	不可扣稅開支	15,137	20,378
Tax losses utilised from previous periods	使用過往期間的稅項虧損	(3,204)	-
Others	其他	(1,415)	5,639
Tax charge at the Group's effective rate	按本集團實際稅率計算的稅項支出	674,140	787,908

The share of tax attributable to associates and joint ventures amounting to RMB410,000 (2015: RMB49,000) and RMB3,350,000 (2015: RMB257,000), respectively, is included in "Share of profits and losses of joint ventures and associates" in the consolidated statement of profit or loss.

應佔聯營公司及合營公司稅項分別為人民幣410,000元(2015年：人民幣49,000元)及人民幣3,350,000元(2015年：人民幣257,000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。

7. DIVIDENDS

7. 股息

	2016 2016年	2015 2015年 (Restated) (重述)
	<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Proposed final dividend of RMB0.2042 (2015: RMB0.1989) per ordinary share	擬派末期股息每股普通股 人民幣0.2042元 (2015年： 人民幣0.1989元)	820,602
	842,468	820,602

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 implementation rules and regulations to withhold and pay individual income tax at rates ranging from 10% to 20% when it distributes dividends to its non-PRC resident individual shareholders out of the profit earned in 2010 and beyond.

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。

8. 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 (2015: 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

2016 2016年	2015 2015年 (Restated) (重述)
<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元

2,106,521	2,204,777
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Number of shares
股份數目

2016 2016年	2015 2015年 (Restated) (重述)
<i>Thousand shares</i> 千股	<i>Thousand shares</i> 千股

Shares

Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation

股份

計算每股基本盈利所用的年內已發行普通股的加權平均數

4,125,700	4,125,700
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The Group had no potentially dilutive ordinary shares in issue during the years ended December 31, 2016 and 2015.

8. 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（2015年：4,125,700,000股）計算。

每股基本盈利的計算如下：

截至2016年及2015年12月31日止年度，本集團並無潛在攤薄已發行普通股。

9. OPERATING SEGMENT INFORMATION

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

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

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group’s profit before tax except that share of profits less losses of 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.

9. 經營分部資料

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

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

管理層單獨監察本集團經營分部的業績，以就資源配置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。

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.

(a) Segment revenue, results, assets and liabilities

Year ended December 31, 2016
截至2016年12月31日止年度

		Construction contracts 建造合同 <i>RMB'000</i> 人民幣千元	Trading business 貿易業務 <i>RMB'000</i> 人民幣千元	Services business 服務業務 <i>RMB'000</i> 人民幣千元	Total 合計 <i>RMB'000</i> 人民幣千元
Segment revenue:	分部收入：				
Sales to external customers	銷售予外部客戶	12,385,082	7,308,786	1,323,368	21,017,236
Intersegment sales	分部間銷售	77,302	79,433	648,717	805,452
Reportable segment revenue	可報告分部收入	12,462,384	7,388,219	1,972,085	21,822,688
Reportable segment profit	可報告分部溢利	1,834,015	47,239	181,239	2,062,493
Finance income on receivables from customers	應收客戶款項的財務收入	109,406	32,086	-	141,492
Finance costs	財務成本	161	13,011	11,085	24,257
Depreciation and amortisation	折舊及攤銷	4,377	2,525	3,563	10,465
Provision of impairment losses	減值虧損撥備				
- Trade and other receivables	- 貿易及其他應收款項	110,166	26,868	22,539	159,573
- Amounts due from contract customers	- 應收合同客戶款項	2,485	-	-	2,485
Reportable segment assets	可報告分部資產	14,523,170	4,190,692	1,499,928	20,213,790
Reportable segment liabilities	可報告分部負債	24,277,521	6,014,039	5,118,037	35,409,597

Capital expenditure for the year is unallocated to segments as such expenditure is managed on a group basis.

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。

(a) 分部收入、業績、資產及負債

		Construction contracts 建造合同 <i>RMB'000</i> 人民幣千元	Trading business 貿易業務 <i>RMB'000</i> 人民幣千元	Services business 服務業務 <i>RMB'000</i> 人民幣千元	Total 合計 <i>RMB'000</i> 人民幣千元
Segment revenue:	分部收入：				
Sales to external customers	銷售予外部客戶	12,385,082	7,308,786	1,323,368	21,017,236
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Provision of impairment losses	減值虧損撥備				
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Reportable segment liabilities	可報告分部負債	24,277,521	6,014,039	5,118,037	35,409,597

年內資本開支未攤分予各分部，乃由於有關開支按集團為基礎管理。

Year ended December 31, 2015 (Restated) 截至2015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	Services business 服務業務 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Segment revenue:	分部收入：				
Sales to external customers	銷售予外部客戶	13,973,541	8,608,267	1,474,461	24,056,269
Intersegment sales	分部間銷售	–	157,677	714,224	871,901
Reportable segment revenue	可報告分部收入	13,973,541	8,765,944	2,188,685	24,928,170
Reportable segment profit	可報告分部溢利	1,805,473	324,827	272,101	2,402,401
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	10,014	15,298	25,977
Depreciation and amortisation	折舊及攤銷	1,346	698	1,887	3,931
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)	29,037	13,326	24,990
– 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	3,777,228	1,020,513	17,941,440
Reportable segment liabilities	可報告分部負債	23,036,322	4,970,524	4,209,110	32,215,956

(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

		2016 2016年	2015 2015年 (Restated) (重述)
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Revenue:	收入：		
Reportable segment revenue	可報告分部收入	21,822,688	24,928,170
Elimination of intersegment revenue	分部間收入抵銷	(805,452)	(871,901)
		21,017,236	24,056,269
Profit:	溢利：		
Reportable segment profit	可報告分部溢利	2,062,493	2,402,401
Share of profits and losses of joint ventures	應佔合營公司溢利及虧損	13,401	(1,031)
Share of profits and losses of associates	應佔聯營公司溢利及虧損	1,637	(196)
Dividend income	股息收入	10,969	9,396
Other income, net	其他收入淨額	14,290	11,670
Other operating expenses	其他經營開支	(600)	(1,492)
Interest income from bank deposits	來自銀行存款的利息收入	385,346	480,163
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	(12,170)	(14,900)
Unallocated foreign exchange gains, net	未分配的匯兌收益淨額	437,226	212,105
Depreciation and amortisation	折舊及攤銷	(128,662)	(101,248)
Profit before tax	除稅前溢利	2,783,930	2,996,868

(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）

		2016 2016年	2015 2015年 (Restated) (重述)
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Assets:	資產：		
Reportable segment assets	可報告分部資產	20,213,790	17,941,440
Elimination of intersegment receivables	分部間應收款項抵銷	(4,371,002)	(3,821,156)
		15,842,788	14,120,284
Restricted deposits	受限制存款	554,588	566,265
Time deposits with original maturity over three months	原始到期日超過三個月 的定期存款	5,942,003	4,035,091
Cash and cash equivalents	現金及現金等價物	19,541,868	21,032,899
Property, plant and equipment	物業、廠房及設備	1,605,717	1,119,807
Prepaid land lease payments	預付土地租賃款項	1,797,297	1,792,357
Intangible assets	無形資產	9,587	9,498
Investments in joint ventures	對合營公司的投資	297,916	210,014
Investments in associates	對聯營公司的投資	265,836	53,765
Deferred tax assets	遞延稅項資產	411,536	358,698
Other non-current assets	其他非流動資產	593,076	555,807
Other unallocated assets	其他未分配資產	590,067	98,068
		47,452,279	43,952,553
Liabilities:	負債：		
Reportable segment liabilities	可報告分部負債	35,409,597	32,215,956
Elimination of intersegment payables	分部間應付款項抵銷	(4,266,965)	(3,821,156)
		31,142,632	28,394,800
Defined benefit obligations	設定受益義務	386,173	419,186
Tax payable	應付稅項	501,728	565,687
Deferred tax liabilities	遞延稅項負債	46,193	26,439
		32,076,726	29,406,112

(c) Geographical information

(c) 地理區域資料

		2016 2016年	2015 2015年 (Restated) (重述)
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Revenue from external customers	來自外部客戶的收入		
Mainland China	中國大陸	7,699,881	7,943,908
The Republic of Angola	安哥拉共和國	2,010,419	1,064,735
Pakistan	巴基斯坦	1,940,818	809,236
Argentina	阿根廷	1,113,519	3,075,409
Venezuela	委內瑞拉	892,534	2,431,675
Lao People's Democratic Republic	老撾人民民主共和國	867,113	721,752
Serbia	塞爾維亞	772,356	397,950
Hong Kong	香港	687,203	203,093
United States	美國	543,302	729,445
Maldives	馬爾代夫	525,150	264,018
Others	其他	3,964,941	6,415,048
		21,017,236	24,056,269

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

以上收入資料乃按客戶地域劃分。

		2016 2016年	2015 2015年 (Restated) (重述)
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Non-current assets	非流動資產		
Mainland China	中國大陸	3,624,257	3,008,838
Others	其他	363,269	7,535
		3,987,526	3,016,373

The non-current asset information above is based on the locations of the assets and excludes investments in joint ventures and associates, financial instruments and deferred tax assets.

以上非流動資產資料乃按資產所在地域劃分，不包括對合營公司及聯營公司的投資、金融工具及遞延稅項資產。

(d) Information about major customers

(d) 有關主要客戶的資料

No revenue was generated from sales by the construction contracts segment to a single customer which amounted to more than 10% of the Group's revenue for the year ended December 31, 2016 (2015: RMB3,053,293,000).

截至2016年12月31日止年度，建造合同對單一客戶所產生的收入佔本集團收入10%以上的金額為人民幣零元(2015年：人民幣3,053,293,000元)。

10. TRADE AND OTHER RECEIVABLES

10. 貿易及其他應收款項

			2016 2016年	2015 2015年 (Restated) (重述)
		<i>Notes</i> 附註	<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Bills receivables	應收票據		68,184	251,541
Trade receivables	貿易應收款項		5,619,071	4,613,603
Less: Allowance for doubtful debts	減：呆賬撥備	(b)	<u>(840,205)</u>	<u>(647,777)</u>
Trade and bills receivables	貿易應收款項及應收票據	(a)	<u>4,847,050</u>	4,217,367
Advances to suppliers	供應商預付款項		2,024,858	1,755,077
Other receivables	其他應收款項		1,873,834	2,236,431
Less: Allowance for doubtful debts	減：呆賬撥備	(b)	<u>(70,704)</u>	<u>(68,727)</u>
			<u>1,803,130</u>	<u>2,167,704</u>
Portion classified as non-current assets	分類為非流動資產的部分		<u>(553,937)</u>	<u>(72,676)</u>
Current portion	流動部分	(e)	<u><u>8,121,101</u></u>	<u><u>8,067,472</u></u>

(a) Ageing analysis

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

(a) 賬齡分析

根據發票日期，於報告期末的貿易應收款項及應收票據經扣除撥備的賬齡分析如下：

			2016 2016年	2015 2015年 (Restated) (重述)
			<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Within 3 months	3個月以內		2,819,832	2,699,262
3 months to 6 months	3個月至6個月		199,330	531,141
6 months to 1 year	6個月至1年		610,301	326,929
Over 1 year	1年以上		<u>1,217,587</u>	<u>660,035</u>
			<u><u>4,847,050</u></u>	<u><u>4,217,367</u></u>

(a) Ageing analysis (Continued)

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

(b) Impairment of trade and other receivables

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

		2016 2016年 RMB'000 人民幣千元	2015 2015年 (Restated) (重述) RMB'000 人民幣千元
At January 1	於1月1日	716,504	631,845
Impairment losses recognised	已確認的減值虧損	220,577	75,875
Transfer in from amounts due from contract customers	轉撥自應收合同客戶款項	38,069	62,080
Impairment losses reversed	已撥回的減值虧損	(61,004)	(50,885)
Amount written off as uncollectible	撤銷不可收回的金額	(3,237)	(2,411)
		<u>910,909</u>	<u>716,504</u>

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB693,457,000 (December 31, 2015: RMB520,187,000) with an aggregate carrying amount before provision of RMB1,613,328,000 (December 31, 2015: RMB1,210,400,000).

(a) 賬齡分析 (續)

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

(b) 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：

	2016 2016年 RMB'000 人民幣千元	2015 2015年 (Restated) (重述) RMB'000 人民幣千元
計入上述貿易應收款項的減值撥備中單獨認定的貿易應收收款項減值撥備	693,457,000	520,187,000
計入上述貿易應收款項的減值撥備中單獨認定的貿易應收收款項減值撥備	693,457,000	520,187,000
其撥備前的賬面總值為	1,613,328,000	1,210,400,000

計入上述貿易應收款項的減值撥備中單獨認定的貿易應收收款項減值撥備人民幣693,457,000元(2015年12月31日：人民幣520,187,000元)，其撥備前的賬面總值為人民幣1,613,328,000元(2015年12月31日：人民幣1,210,400,000元)。

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

Included in the above provision for impairment of other receivables is a provision for individually impaired other receivables of RMB62,005,000 (December 31, 2015: RMB61,315,000) with an aggregate carrying amount before provision of RMB1,022,095,000 (December 31, 2015: RMB1,886,758,000).

The individually impaired trade and other receivables relate to customers that were in financial difficulties or were in default in interest and/or principal payments and only a portion of the receivables is expected to be recovered.

(c) Trade and bills receivables that are not impaired

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

Neither past due nor impaired	既未逾期亦未減值
Less than 3 months past due	逾期3個月以內
3 months to 6 months past due	逾期3個月至6個月
6 months to 1 year past due	逾期6個月至1年
More than 1 year past due	逾期1年以上

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.

(b) 貿易及其他應收款項減值 (續)

計入上述其他應收款項的減值撥備中單獨認定的其他應收款項減值撥備人民幣62,005,000元(2015年12月31日：人民幣61,315,000元)，其撥備前的賬面總值總為人民幣1,022,095,000元(2015年12月31日：人民幣元1,886,758,000元)。

單獨認定的貿易及其他應收款減值項涉及存在財務困難或拖欠利息及／或本金付款的客戶，且預期僅可收回部分應收款。

(c) 未減值的貿易應收款項及應收票據

既未單獨亦未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：

	2016 2016年 RMB'000 人民幣千元	2015 2015年 (Restated) (重述) RMB'000 人民幣千元
Neither past due nor impaired	1,507,269	2,067,395
Less than 3 months past due	79,081	111,401
3 months to 6 months past due	50,238	42,192
6 months to 1 year past due	150,714	118,378
More than 1 year past due	271,541	128,452
	<u>2,058,843</u>	<u>2,467,818</u>

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，由於信貸品質並無重大變化且該等結餘仍被視為可悉數收回，故管理層相信毋須就該等結餘作減值撥備。

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

(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:

		2016 2016年	2015 2015年 (Restated) (重述)
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
SINOMACH	國機	10,155	9,833
Fellow subsidiaries	同系附屬公司	<u>55,461</u>	<u>43,324</u>

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

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) As at December 31, 2016 and December 31, 2015, none of the Group's borrowings were secured by the Group's trade receivables.

(e) 於2016年12月31日及2015年12月31日，本集團概無借貸由本集團的貿易應收款項作為抵押。

11. TRADE AND OTHER PAYABLES

11. 貿易及其他應付款項

		2016 2016年	2015 2015年 (Restated) (重述)
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Bills payable	應付票據	115,623	198,639
Trade payables	貿易應付款項	<u>13,012,654</u>	<u>12,708,648</u>
		13,128,277	12,907,287
Accrued salaries, wages and benefits	應計薪金、工資及福利	1,022,817	907,850
Other taxes payable	其他應繳稅項	80,356	85,346
Other payables	其他應付款項	3,180,134	3,246,816
Derivative financial instruments	衍生金融工具	120,151	24,230
Dividends payable	應付股息	3,782	10,144
Interest payable	應付利息	5,736	9,604
Others	其他	<u>81,206</u>	<u>73,959</u>
		17,622,459	17,265,236
Less: Portion classified as current liabilities	減：分類為流動負債的部分	<u>(17,541,253)</u>	<u>(17,191,277)</u>
Non-current portion	非流動部分	<u>81,206</u>	<u>73,959</u>

11. TRADE AND OTHER PAYABLES (CONTINUED)

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

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

The trade payables are non-interest-bearing and are usually paid within the agreed period, usually due within 180 days. The bills payable are generally due within 180 days from the date of issuance.

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

SINOMACH	國機
Fellow subsidiaries	同系附屬公司

12. ISSUED CAPITAL

Ordinary shares, issued and fully paid
Domestic shares of RMB1.00 each
H shares of RMB1.00 each

11. 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：

2016 2016年	2015 2015年 (Restated) (重述)
<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
4,789,865	4,941,403
517,075	1,256,742
921,771	1,378,482
6,899,566	5,330,660
13,128,277	12,907,287

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：

2016 2016年	2015 2015年 (Restated) (重述)
<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
2,029	2,579
722,559	839,178

12. 已發行股本

2016 2016年	2015 2015年
<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
3,217,430	3,217,430
908,270	908,270
4,125,700	4,125,700

已發行及繳足的普通股
每股人民幣1.00元的內資股
每股人民幣1.00元的H股

I. INDUSTRY OVERVIEW

In 2016, the domestic and international economic environment is still intricate, while the world economy continues to adjust in depth, with risk increasing due to all kinds of changes. From the international perspective, the global economic growth slowed down as compared with 2015, among which the economic growth of developed countries varied, while that of developing countries gradually stabilized. International trade growth continued to slump, but global capital flows intensified, pushing up bulk commodity prices with greater volatility. From domestic perspective, China's overall economic situation became steady and better while in a slowdown, with a reasonable economic cycle, and an upgrade of quality and efficiency. However, the trend of stability and improvement of the economy is not yet solid, impacted by conflicts of overcapacity and upgrade of demand structure, lack of internal drive for economic growth and accumulation of financial risks.

A. International Engineering Contracting Industry

In 2016, the total new contract value of infrastructure engineering projects in the global market was approximately USD1,053 billion; whilst the total new contract value of infrastructure engineering projects in developing countries reached approximately USD978 billion in 2016, accounting 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 83.3% of the total new contract value of infrastructure engineering projects in developing countries in 2016, of which power, transportation and telecommunications sectors each accounted for approximately 37.1%, 28.7% and 17.5%, respectively, of the said value.

I. 行業概覽

2016年，國內外經濟環境依然錯綜複雜，世界經濟繼續深度調整，各類變化帶來的風險也在提升。從國際看，全球經濟增速較2015年有所放緩，發達經濟體增長格局出現分化，新興市場和發展中經濟體整體增速逐漸企穩；國際貿易增速持續低迷，全球資本流動加劇，大宗商品價格受資本流動影響回升但起伏波動較大。從國內看，我國經濟形勢總體緩中趨穩、穩中向好，經濟運行保持在合理區間，質量和效益提高，但經濟穩中向好的趨勢尚不牢固，仍存在產能過剩和需求結構升級矛盾突出、經濟增長內生動力不足、金融風險有所積聚等問題。

A. 國際工程承包行業

於2016年，全球市場的基礎設施建設工程項目新合同總金額約為10,530億美元，其中發展中國家於2016年的基礎設施建設工程項目新合同總金額達至約9,780億美元，佔全球市場的基礎設施建設工程項目新合同總金額的約92.9%。於2016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的約83.3%，其中電力能源、交通運輸及電子通訊分部分別佔上述金額的約37.1%、28.7%及17.5%。

In 2016, China's foreign engineering contracting projects achieved a turnover of RMB1,058.92 billion (equivalent to USD159.42 billion, with a growth of 3.5% on a year over year basis), while new contracts value amounted to RMB1,620.79 billion (equivalent to USD244.01 billion, with a growth of 16.2% on a year over year basis). In 2016, PRC enterprises signed 8,158 new contracts for foreign engineering contracting projects in 61 countries along the "One Belt and One Road", with an amount of USD126.03 billion, accounting for 51.6% of China's total new contracts value for foreign engineering contracting projects during the same period, with a growth of 36% on a year over year basis. The amount of turnover reached USD75.97 billion, accounting for 47.7% of the total at the same period, with a growth of 9.7% on a year over year basis.

New contract value of power (electricity) sector in China grew from around USD29.7 billion in 2014 to around USD52.7 billion in 2016 with a CAGR of about 33.1%. The growth in the new contract value of power (electricity) sector in China is primarily driven by increased investment in infrastructure and facilities, which creates new market demand for foreign-funded engineering contracting projects in China. The top 10 Chinese contractors accounting for approximately 44.8%, or approximately USD13,260 million, of the total revenue generated from international projects in the power sector in the global market in 2016. Amongst these top 10 Chinese contractors CMEC ranked third with about 3.5% share.

2016年，我國對外承包工程業務完成營業額人民幣10,589.2億元（折合1,594.2億美元，同比增長3.5%），新簽合同額人民幣16,207.9億元（折合2,440.1億美元，同比增長16.2%）。2016年，我國企業在「一帶一路」沿線61個國家新簽對外承包工程項目合同8,158份，新簽合同額1,260.3億美元，佔同期我國對外承包工程新簽合同總額的51.6%，同比增長36%；完成營業額759.7億美元，佔同期總額的47.7%，同比增長9.7%。

中國電力能源（電力）分部的新合同金額從2014年的約297億美元增至2016年的約527億美元，複合年增長率約為33.1%。中國電力能源（電力）分部新合同金額的增長主要由於基礎設施及設備投資增加，為中國的外資工程承包項目創造了新的市場需求。於2016年，中國十大承包商佔全球市場電力能源行業國際項目所產生的總收入的約44.8%或約13,260百萬美元。CMEC在中國十大承包商中排名第三，約佔3.5%的份額。

In 2016, international engineering contracting industry is still in a period of important strategic opportunities, and the international infrastructure construction market still maintained a strong demand. From the perspective of the markets in regions in which the Company conducts its major business:

1. Asian Market

Due to policy restrictions, fluctuations of exchange rate, political deterioration and other factors, the risk landscape of some Asian countries has deteriorated since 2015. In particular, the engineering contracting market of the Middle East region has displayed a declining trend. However, GDP growth of East Asia and Central Asia is faster, allowing Asia to remain as the first in the global market, with a rapid growth in turnover as well. China increased infrastructural investment in Southeast Asia and South Asia in recent years, but competitiveness and market share of Japanese and Korean enterprises were very significant, especially Korean enterprises which has a far greater market share than that of Chinese enterprises in the Middle East market.

2. African market

Africa has traditionally been our market with a competitive edge and is now in the early stages of industrialization, with pressing need for infrastructure construction, particularly in the areas of transportation, power plants and industrialization development. In 2016, some African countries suffered from frequent political turmoil, terrorist attacks and other emergencies. Among these countries, the state fiscal revenue of some countries of resource-based economy was reduced by the slump of international oil prices.

2016年，國際工程承包行業仍處於重要戰略機遇期，國際基礎設施建設市場仍保持了旺盛需求。從我公司主要的業務地區市場來看：

1. 亞洲市場

受政策限制、匯率波動、政治惡化等因素影響，2015年以來，部分亞洲國家風險增加，尤其是中東地區工程承包市場有下降趨勢，但總體來說亞洲仍然佔全球市場份額第一，且營業額迅猛增長，其中，東亞和中亞GDP增長較快。近年來中國也一直加大對東南亞及南亞的基建投資，但日韓企業競爭能力和市場佔有率也非常高，尤其是韓國企業，相較中國企業，韓國企業於中東市場佔有更大的市場份額。

2. 非洲市場

非洲歷來是我們的傳統優勢市場，現正處於工業化起步階段，其迫切需要基礎設施，特別在交通、電站及工業化發展領域。2016年，一些非洲國家政局動蕩，恐怖襲擊等意外事件頻發，部分資源型經濟國家更是被國際石油價格所累，國家財政收入減少。

3. *Latin American market*

Latin American market is vulnerable to external demand and capital flows, with higher financing costs. However, the growth rate of its engineering contracting projects is high and China's market share in the region is increasing. In recent years, the trend of the economic and trade relations between China and Latin America has diversified. In order to promote mutual cooperation in infrastructure construction, China has set up a dedicated loan of USD20 billion, provided USD10 billion of preferential loans and established a USD5 billion Sino-Latin American cooperation fund as well as a USD30 billion Sino-Latin American production capacity special fund. Although the development prospect is looking up, the market risk cannot be ignored, mainly due to factors such as political instability, low integrity, corruption and inefficiency of governments, financial and currency risk and exchange rate instability.

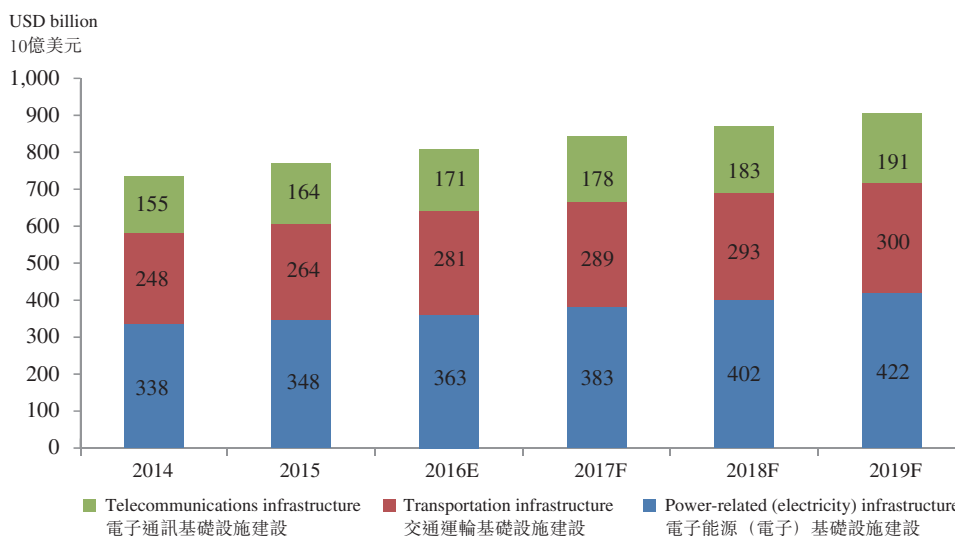
3. 拉美市場

拉美市場易受外部需求和資本流向影響，融資成本較高，但工程承包增長速度快，我國在該區市場份額不斷增加。近幾年，中拉經貿關係呈現多元化趨勢，為推動中拉基礎設施領域合作，中方設立200億美元中拉基礎設施建設專項貸款，提供100億美元優惠性質貸款、設立50億美元中拉合作基金和300億美元中拉產能合作專項基金。雖然發展前景較好，但市場風險也不容忽視，主要是政局不穩，政府低誠信、腐敗和低效率，金融貨幣風險和匯率不穩等。

4. Central and Eastern Europe market

Due to the financial crisis and the crisis of sovereign debt, economic recession in Central and Eastern Europe is significant, coupled with insufficient internal driving force, obvious economic fluctuation phenomenon, increasing risk level and greater downturn in the engineering contracting turnover. In addition, its market is mature with stringent technical standards, market access requirements and labor policy. China only accounted for about 1.6% of the market. In recent years, due to the need for reviving the economy, the region had a greater inclination towards attracting foreign investment, which brought along opportunities for Chinese enterprises to enter the market in the region.

New contract value of infrastructure engineering projects by types of infrastructure engineering projects in developing countries from 2014 to 2019



Sources: ENR; PwC & Oxford Economics; Ipsos research and analysis

4. 中東歐市場

受金融危機和主權債務危機影響，中東歐地區經濟衰退嚴重，內生動力不足，經濟波動現象明顯，風險水平增加，工程承包營業額下降較大，且其市場成熟，技術標準、市場准入要求及勞工政策嚴格，我國僅佔該市場約1.6%。近年，由於恢復經濟需要，本區市場吸引外資的意願增強，為中國企業進入本地區市場帶來機遇。

2014年至2019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

資料來源：工程新聞紀錄；普華永道與牛津經濟研究院；益普索研究及分析

The development of the international engineering contracting industry mainly displays the following characteristics:

1. Continuous expansion of business scale

In 2016, the turnover and the amount of new contracts of China's foreign engineering contracting business continued to grow. In particular, both the amounts of new contracts and the market share of China's foreign engineering contracting business along the "One Belt and One Road" region had a significant growth compared with those in 2015, almost accounting for half of the total foreign engineering contracting business, and become the main support for the industry growth in 2016. In contrast, the growth of business in Africa, Europe and Latin America had significantly slackened. Moreover, the share of large projects increased, in which 815 projects had a contract value of more than USD50 million (an increase of 91 projects compared with the number in the same period last year), with a total of USD206.7 billion, accounting for 84.7% of the total amount of new contracts. Among those large projects with a value more than USD50 million, the average amount of a single contract is about USD250 million. A large number of cooperation projects invoking international production capacity and infrastructure interconnection projects along the regions such as Yaji Railway and Sino-Pakistan Economic Corridor have been successfully implemented, constantly breaking the record of overseas projects, while projects are becoming increasingly high-end and comprehensive, with greater contract value and more innovative structures.

從國際工程承包行業發展來看，主要呈現以下特點：

1. 業務規模繼續擴大

2016年，我國對外承包工程業務完成營業額和新簽合同額持續增長，尤其是在「一帶一路」區域的對外工程承包，不管是新簽合同額還是佔比，都較2015年增長明顯，幾乎佔據了對外工程承包的半壁江山，成為2016年行業業務增長的主要支撐，相比之下，在非洲、歐洲、拉美地區的業務增長明顯放緩。大型項目佔比也越來越多，去年合同額在5,000萬美元以上的項目有815個（比上年同期增加91個），合計2,067億美元，佔新簽合同總額的84.7%；5,000萬美元以上的大項目，平均單個合同金額約2.5億美元。亞吉鐵路、中巴經濟走廊項下等一大批國際產能合作和基礎設施互聯互通項目成功實施，不斷刷新著海外項目記錄，項目越來越高端、綜合性越來越強、合同金額越來越大、模式越來越新。

2. *Active progress of business model transition*

Relying on investment and cooperation on international production capacity, the transition and momentum in upgrading the international engineering contracting industry are significantly enhanced, with further acceleration in business areas like engineering-related investment and “integration of construction and operation”. BOT (build-operate-transfer), PPP (public-private-partnership), BOO (build-own-operate) projects have a greater share in foreign engineering contracting business, while the number of projects with integration development of infrastructure, energy resources and complementary industrial projects has further increased, leading to a more diversified business in the industry.

2. 業務模式轉型積極推進

依托投資和國際產能合作，國際工程承包行業轉型升級動力顯著增強，在工程相關投資和「建營一體化」等業務領域的發展進一步加快，BOT（建設、經營、移交）、PPP（公共私營合作制）、BOO（建設、擁有、經營）項目在對外承包工程業務中的比重進一步加大，集基礎設施、能源資源和配套工業項目為一體的綜合開發項目進一步增加，行業業務更為多元化。

3. *Significant changes in the notions of development*

First of all, pursuant to the diversified demand of the international market for contracting business, the development notion of enterprises has changed from being “builders” of the project to “participants” of the economic and social development in the host countries. Certain enterprises grasp the project initiative to achieve a stable development in the host countries through assisting the overall regional planning and development for the country. In different stages of implementation of the project, the advantages in areas such as talent, technology, market and capital are fully utilized and marketing, management and profit centers are moved forward, so as to deploy business resources globally and continuously deepen localization, evolving into a multinational company. Secondly, enterprises have more regard to social responsibility and sustainable development, conduct close and effective communication with project owners and local stakeholders, and closely integrate environmental protection and social factors with all phases of projects, so as to continuously enhance the sustainability of overseas projects.

3. 發展理念顯著轉變

首先，隨著國際市場對承包商業務需求的多樣化，企業發展理念正由工程項目的「建設者」向東道國經濟社會發展的「參與者」轉變。部分企業通過協助外方進行整體區域規劃和開發，把握項目主導權，實現企業在東道國的穩定發展。在項目實施各個階段，充分發揮東道國人才、技術、市場、資金等優勢，將營銷、管理和利潤中心前移，全球化佈局業務調配資源，屬地化程度不斷深入，正朝著真正跨國公司邁進。其次，企業更加注重履行社會責任和可持續發展，與項目業主、當地利益相關方進行密切有效的溝通，將環保、社會因素與工程項目的各環節緊密結合，不斷提升海外項目的可持續性。

4. *Tightened risk management*

In 2016, although peace and stability are preserved under the overall international security, undercurrent is surging with intertwining security threats and the wrestling between leading powers, regional conflicts and military competition have been constantly hiking. In particular, regions along the “One Belt and One Road” display high political risk, poor legal environment, significant exchange rate risk, complex religious and ethnic issues, leading to a significant impact on the implementation of projects.

In addition, commodity prices such as international oil remained low, leading to a reduction of fiscal revenue in countries with resource-based economy in Africa, Latin America and Central Asia. As a result, infrastructure projects of some countries were forced to postpone or delay, while payment delay occurred in some ongoing projects, causing some signed projects difficult to become effective and commence construction.

4. 更嚴謹的風險管理

2016年，國際安全形勢在總體和平穩定的大局勢下暗流湧動，多種安全威脅交織出現，大國間的戰略博弈、地區衝突和軍事競爭勢頭不斷上升。尤其是，「一帶一路」沿線部分區域政治風險高、法律環境差、匯率風險大，宗教和民族問題關係複雜，對項目的執行有較大影響。

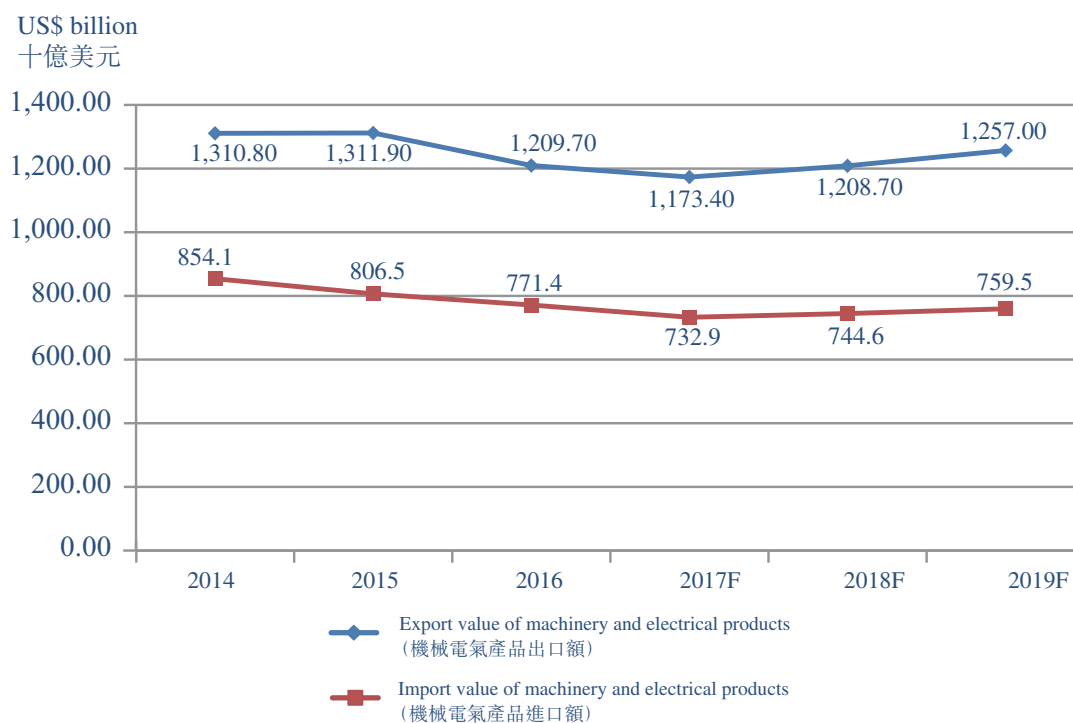
此外，國際石油等大宗商品價格低位徘徊，導致非洲、拉美、中亞等資源型經濟國家財政收入減少，一些國家的基礎設施項目被迫推遲或延後，部分在建項目出現工程款支付延遲，部分已簽約項目難以開工和實施的問題。

B. Trading Business

In 2016, China's overall foreign trade stabilized and improved. National import and export amount reached RMB24.3 trillion (equivalent to nearly USD3.7 trillion), reduced by 0.9%, which is 6.1% lower than that of 2015. The export amount reached RMB13.84 trillion, reduced by 2.0%, while import amount reached RMB10.49 trillion, increased by 0.6%. General trade import and export accounted for 55% of the total amount of import and export, with an increase of 1% over the previous year. Netting the amount of import and export, there was a favorable balance of RMB3.35 trillion, representing a decrease by 9.1% compared to that of 2015.

B. 貿易業務

2016年，我國外貿總體實現了回穩向好。全國進出口額達人民幣24.3萬億元（折合將近3.7萬億美元），下降0.9%，降幅比2015年收窄了6.1%。其中，出口額達人民幣13.84萬億元，下降2.0%；進口額達人民幣10.49萬億元，增長0.6%。一般貿易進出口佔進出口總值的比重為55%，比上年提高1%。進出口相抵，順差人民幣3.35萬億元，較2015年減少9.1%。



In 2016, the operation of the annual foreign trade mainly had the following characteristics. First, the commodity structure was constantly optimized, and exported goods changed from consumer goods to consumer goods and investment products. Second, the composition of trading operators was constantly optimized, with export of private enterprises increased by 0.8%, accounting for 46% of the total amount and became the largest trading operators. Third, patterns of trade were constantly optimized, with general trade export increased by 0.4%, accounting for 53.8%. The domestic value-added rate of processing trade reached 44.6%, with an increase of 0.6%. Fourth, new patterns of business became a new driving force, with import and export of cross-border online retailers in pilot region having reached RMB163.7 billion, with an increase over 100%. The export of procurement trade reached RMB203.9 billion, with an increase of 16% as compared to previous year. Fifth, the diversification of international market has made some progress, with a faster growth in trade between certain countries along the “One Belt and One Road” regions.

In addition, optimization of import and export made good progress. In terms of export, export of goods with traditional advantages in China still maintained growth and good competitive advantages in 2016. Under the advantages of China’s abundant capital, perfect industrial system and strong manufacturing capacity, China’s enterprises accelerated their pace of globalization, promoting cooperation on international production capacity, as well as the export of manufacturing equipment and high value-adding products.

2016年，全年外貿運行主要呈現以下特點：一是商品結構在不斷優化，出口商品從以消費品為主轉向消費品和投資品並重。二是貿易主體結構在不斷優化，民營企業出口佔比達到46%，提高0.8%，成為第一大貿易主體。三是貿易方式在不斷優化，一般貿易出口佔53.8%，提高了0.4%。加工貿易國內增值率達到44.6%，提高了0.6%。四是新業態成為新動力，試點區域跨境電商進出口人民幣1,637億元，增長1倍以上。市場採購貿易出口人民幣2,039億元，較往年增長16%。五是國際市場多元化取得一定進展，部分「一帶一路」沿線國家貿易增長較快。

另外，在產品優進優出方面取得良好進展。從出口方面看，2016年我國傳統優勢產品出口仍保持增長和良好的競爭優勢，同時得益於我國充裕的資本、完善的工業體系以及強大的製造能力，我國企業在加快走出去和推進國際產能合作中也帶動了裝備製造和高附加值產品的出口。

In terms of import, import of commodity such as crude oil and copper continuously maintained a growing momentum, indicating that China's domestic economy operated smoothly with a resumption of demand. The outcomes of expansion of import and optimization of import structure emerged, with a faster growth in the import of high-tech products such as advanced technology, key parts and important equipment. Imports of mechanical and electrical products increased by 1.9%, of which import of turbojet engines, ships and automatic measuring and analyzing instrument increased by 26.8%, 26.6% and 10.7%, respectively.

In general, China's foreign trade is undergoing a historic transition from great quantity to good quality, with acceleration in the formation of new foreign trade advantages stressing technology, standards, brand, quality and service, of which new technologies, new business patterns and new models are becoming the new driving force of foreign trade development.

C. Service Industry

Along with rapid economic growth in China, industry structure has been transformed into tertiary industry from secondary industry. Service industry is expected to be the driving force to develop Chinese economy in the "New Normal" stage. In 2016, the value added of the tertiary industry reached RMB38,422.1 billion, increased by 12.5% as compared to 2015, accounting for 51.6% of China's GDP.

從進口方面看，原油、銅等大宗商品進口量繼續保持增長勢頭，這表明我國國內經濟平穩運行，需求有所回升。與此同時，擴大進口和優化進口結構的政策效應顯現，部分先進技術、關鍵零部件和重要設備等高新技術產品進口有較快增長。機電產品進口增長1.9%，其中渦輪噴氣發動機進口增長26.8%，船舶增長26.6%，計量檢測分析自控儀器及器具增長10.7%。

總的來說，我國外貿正在實現由大到強的歷史性轉變，以技術、標準、品牌、質量、服務為核心的外貿競爭新優勢加快形成，新技術、新業態、新模式正在成為外貿發展新的動能。

C. 服務業

隨著中國經濟的快速增長，產業結構已由第二產業向第三產業轉型。預期服務業將成為「新常態」下發展中國經濟的驅動力。於2016年，第三產業的增值為人民幣384,221億元，較2015年增加12.5%，佔中國GDP的51.6%。

Industrial boundaries have been increasingly blurred within the reformed business ecosystem, which have brought increased cooperation within industries as a form of mergers and acquisitions by intensifying the industry concentration. With more mergers and acquisitions transactions in China, industrial concentration ratio is expected to be enhanced further in the future and engineering surveying and design industry will accelerate marketization as its final goal. In addition, following the development of internet information and technologies, it is expected that more enterprises in the same industry have less interaction with one another under a fierce competition environment compared to the past and more enterprises will continuously reform their business mode by influencing various industries and existing mature industries and this trend to renovate business model will last for the time being.

As the service industry becomes the major driving force of economic growth, the goal to build a well-off society in various sectors is set to double the GDP per capita of 2010 in the year of 2020. With a decreasing growth rate of the economy, the development of service industry plays an important role with medium-high growth rate compared to the recession of the manufacturing industry.

於改革業務生態系統中，行業界線日益模糊，其透過加大行業集中度，以併購形式增加了各行業間的合作。隨著中國併購交易的不斷增加，預計未來行業集中度將進一步增強，工程勘察設計行業將加速實現市場化的最終目標。此外，隨著互聯網信息技術的發展，預計與過往相比，在激烈的競爭環境下同行業間互動減少的企業將增加，且更多的企業將透過影響各行業及現有成熟行業不斷改革其業務模式，該革新業務模式的趨勢將暫時持續。

隨著服務業成為經濟增長的主要驅動力，全面建設小康社會的目標為2020年人均GDP較2010年翻一番。而經濟增長率不斷下降，與製造業的衰退相比，服務業將以中高增長率發展，發揮重要作用。

II. BUSINESS OVERVIEW

A. International Engineering Contracting Business

We are a leading international engineering contractor and service provider in China, focusing on the EPC projects, particularly in the power and energy industry. Our international engineering contracting business is one of the Company's traditional core businesses, accounting for about 58.9% of the Company's total revenue in 2016.

In 2016, the international engineering contracting business adhered to the guiding principle of “consolidating foundation and developing innovation”, actively responding to national policies such as the “One Belt and One Road” initiative to strengthen strategy research and market deployment. On the one hand, the Company continued to enhance expansion efforts in traditional markets through the deepening of regional and territorial construction, so as to consolidate the leading position in the power industry of traditional market. At the same time, refined project management is elaborately promoted to strictly monitor quality and risk. On the other hand, the Company actively expanded into new markets, seeking to innovate investment and financing models, broaden financing channels, actively carry out international cooperation and improve the industrial chain, so as to achieve remarkable results.

II. 業務概覽

A. 國際工程承包業務

我們是中國領先的國際工程承包與服務商，主要專注於EPC項目，特別專長於電力能源行業。我們的國際工程承包業務為本公司傳統核心業務之一，約佔2016本公司總收入的58.9%。

2016年，國際工程承包業務秉承「夯實基礎，創新開拓」的指導思想，積極響應「一帶一路」等國家政策，強化戰略研究與市場佈局。一方面不斷加大傳統市場開拓力度，通過深化區域化、屬地化建設，鞏固在傳統市場電力行業的主流地位；同時，深入推進項目精細化管理，嚴把質量、風險關；另一方面，努力開拓新市場，創新投融資模式，拓寬融資渠道，積極開展國際合作，完善產業鏈條，取得顯著成效。

The following table sets forth the details of the International Engineering Contracting Business for the year ended December 31, 2016 and the comparative figures for the year ended December 31, 2015:

下表載列截至2016年12月31日止年度國際工程承包業務詳情，以及截至2015年12月31日止年度的比較數字：

Unit: RMB million
單位：人民幣百萬元

		2016	% of Total 總額 的%	2015	Year- on-year Growth 按年 增長
		2016年		2015年	
Revenue 收入	Power 電力能源	7,290.2	58.9%	7,261.7	0.4%
	Transportation and Telecommunications 交通運輸及電子通訊	1,267.0	10.2%	3,850.2	-67.1%
	Non-Core Sectors 非核心行業	3,827.9	30.9%	2,861.6	33.8%
	Total 總計	12,385.1	100.0%	13,973.5	-11.4%
Gross profit 毛利	Power 電力能源	1,781.1	63.3%	1,746.0	2.0%
	Transportation and Telecommunications 交通運輸及電子通訊	272.1	9.7%	613.5	-55.6%
	Non-Core Sectors 非核心行業	758.2	27.0%	209.5	261.9%
	Total 總計	2,811.4	100.0%	2,569.0	9.4%

1. Overall good project implementation

In 2016, the Company had 43 projects under construction. The overall performance of project implementation was stable without any material accidents. The Company focused on the fulfillment of social responsibilities and greatly improved the value of its brand and popularity.

In respect of completed projects, the project regarding No.6 power unit of the central power plant in Venezuela completed the operational reliability test 83 days ahead of schedule, effectively alleviating the power shortage situation in Venezuela. The said project obtained provisional acceptance certificate and also won the “SINOMACH Quality Award”. For the TENAGA wind power project in Pakistan, which is the Company’s first overseas wind power EPC project, the Company strictly controlled the quality and proactively fulfilled its social responsibilities, and was thus highly rated by all walks of life.

In respect of project implementation, a number of the Company’s projects made good progress thus attracting a lot of attention. For example, Bafoussam Stadium and Limbe Stadium in Cameroon were inspected by the Confederation of African Football in April 2016 and passed acceptance test. Some other projects including SOYO phase I project in Angola and Pakistan Thar coal-fired power project made smooth progress.

1. 項目執行整體良好

2016年，公司在執行項目共43個，項目執行情況總體平穩，未發生重大安全事故，注重履行社會責任，大幅提升品牌美譽度和知名度。

在完工項目方面，委內瑞拉中央電廠6號發電機組項目提前83天完成可靠性運行測試，有效緩解了委內瑞拉缺電限電的現狀，順利取得臨時驗收證明，還榮獲「國機質量獎」。巴基斯坦迪拿戈風電項目是公司在海外承攬的第一個風力發電EPC總承包項目，該項目嚴控質量，積極履行社會責任，獲得各界高度好評。

在執行項目方面，公司有一批項目受到高度關注並取得良好進展。例如，喀麥隆巴富薩姆和林貝體育場項目，於去年4月迎來非洲足聯的考察並通過驗收。其他一些項目如安哥拉索約I期項目、巴基斯坦塔爾煤電項目等均進展順利。

As at December 31, 2016, we undertook engineering contracting projects 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 2016.

於2016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2016年的工程承包項目之位置。



The following table sets forth a breakdown of the revenue from the Group's International Engineering Contracting Business by geographic locations for the year ended December 31, 2016:

下表載列截至2016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：

		2016 2016年 RMB million 人民幣百萬元	% of Total 總額的%
Asia	亞洲	5,695.5	46.0%
South America	南美洲	2,075.8	16.8%
North America	北美洲	51.9	0.4%
Africa	非洲	3,492.8	28.2%
Europe	歐洲	1,069.1	8.6%
Total	總計	12,385.1	100.0%

2. *Excellent performance of market development*

Breakthroughs in large projects.

In 2016, our newly signed projects experienced a dramatic rise including several projects with a contract amount of over USD300 million, e.g. Nam Ou phase II transmission line project in Laos, the expansion and construction project of the gas turbine combination circulation power station in Basra, Iraq, and the Omar single circulation gas turbine power station project in Nigeria. The newly effective projects comprised primarily South Nunn power transmission and distribution project in Laos, Gampaha, Attanagalla and Minuwangoda Integrated Water Supply Scheme in Sri Lanka, the expansion and construction project of the gas turbine combination circulation power station in Basra, Iraq, and the Lauca power transmission system project in Angola.

Progress in expansion into new markets.

In Africa, the Company entered into a contract in respect of its first 400KV power transmission project in Kenya; in the Middle East, the Company entered into a contract in relation to the new football field project in Bat Yam, Tel Aviv, Israel.

2. 市場開發佳績頻傳

大項目推進有突破。2016年，公司新簽約項目情況呈現強勁上升勢頭，新簽多個金額在3億美元以上的項目，如老撾烏江電站II期輸變電項目、伊拉克巴士拉燃機聯合循環電站擴建項目、尼日利亞奧瑪單循環燃機電站項目等；新生效項目主要有老撾南納恩輸變電項目、斯里蘭卡阿塔那水廠項目、伊拉克巴士拉燃機聯合循環電站擴建項目、安哥拉拉烏卡輸電系統項目等。

新市場開拓有進展。在非洲，簽署了在肯尼亞的第一個400千伏輸變電項目；在中東，簽署了以色列特拉維夫巴特亞姆市新足球場項目。

Achievements in creating new fields. The Company constantly developed new segments within the power energy market that it is familiar with. In the field of wind power, the Company entered into a contract in respect of KIPETO wind power project in Kenya; in the field of solar power, the Company participated in the 1.5 MW solar power IPP project in Maldives, and entered into an implementation agreement and a power purchase agreement.

3. *Continuous innovation in investment and financing models*

Investment-driven EPC models achieved substantial breakthroughs. The Thar coal-electric project in Pakistan was officially implemented.

Financing channels and models were continuously widened and financing means experienced continuous innovation. While consolidating the export buyer's credit business, the Company restarted the export seller's credit business, and studied and designed seller's credit project re-financing scheme to solve the possible risks in terms of exchange rate, interest rate and collection of foreign currency in the seller's credit business. At present, the Company is proactively promoting the implementation of its first seller's credit re-financing project.

新領域開拓有建樹。公司在熟悉的電力能源市場不斷開拓細分領域。在風電領域，簽署了肯尼亞KIPETO風電項目；在太陽能領域，參與了馬爾代夫1.5兆瓦太陽能IPP項目，已簽訂執行協議、購電協議。

3. **投融資模式持續創新**

投資拉動EPC模式取得實質性突破，巴基斯坦塔爾煤電項目已正式落地執行。

融資渠道和模式不斷拓寬，融資手段持續創新。在穩固發展出口買方信貸業務的同時，重啟出口賣方信貸業務，並研究設計賣貸項目再融資方案來解決賣貸業務可能產生的匯率、利率以及首個收匯等風險，目前正積極推動首個賣貸再融資項目的落地。

4. *Continuous intensification of international cooperation*

The Company continued to intensify the strategic cooperation with domestic and overseas leading enterprises including GE and Siemens, and further consolidated the collaboration and cooperation between enterprises in terms of industry consolidation, market development and information exchange. In addition, the Company optimised the cooperation mode and process to give full play to the advantages of all parties to achieve a win-win situation.

In 2016, the Company entered into an agreement on strategic cooperation with GE, and established exclusive cooperation relationship with GE in relation to individual projects. At present, the Company has entered contracts for KIPETO wind power project in Kenya, Omar single circulation gas turbine power station project in Nigeria, etc. through the strategic cooperation with GE. Moreover, the Company has entered into a strategic agreement with WorleyParsons, an international renowned design consulting company.

5. *Deepening of Regionalization cum Localization*

In respect of regionalization, the Company adopted “special zone management” for companies in such two regions as Singapore and Dubai, which were allowed to conduct and test in advance, and offered support in terms of finance, investment and financing, etc. to fully accelerate the regionalization cum localization of the engineering contracting business.

4. 國際合作不斷深化

公司不斷將與GE、西門子等國內外領先企業的戰略合作推向縱深，持續深化企業間在產業聯合、市場開拓和信息交流等方面的協作與配合，優化合作模式和流程，充分發揮各方優勢，實現雙贏局面。

2016年，公司與GE續簽了戰略合作協議，並在個別項目上與GE建立排他合作關係，目前，公司已通過與GE的戰略合作，成功簽約肯尼亞KIPETO風電項目、尼日利亞奧瑪單循環燃機電站等項目。此外，還與國際知名設計諮詢公司－沃利帕森簽署了戰略協議。

5. 區域化、屬地化程度持續加深

區域化方面，公司對新加坡、迪拜兩個區域公司採取「特區式管理」，允許先行先試，並在財務、投融資等方面給予支持，全力加速工程承包業務的區域化和屬地化進程。

In respect of localization, the Company has made a big leap in terms of site in situ design, local procurement, cooperation with local enterprises, etc. in Belarus, Serbia, Angola and other markets.

6. Major improvement in management of critical junctures along the industrial chain

In respect of construction supervision capacity, the Company's own construction supervision capacity has been constantly reinforced. The business participation and integration of Beijing Sciencetech International Project Management Co., Ltd.* (北京興電國際工程管理有限公司) and Harbin Power System Engineering and Research Institute Co., Ltd.* (哈爾濱電站設備成套設計研究院有限公司) ("HPI"), which are managed by the Company under custodianship, with the Company were further promoted. The construction supervision work system has been preliminarily formed.

In respect of centralized procurement management, the procurement management platform has been put into operation and has covered all the projects under construction and newly signed projects, providing powerful guarantee for the efficiency and compliance of procurement management.

In respect of after-sales services, the Company vigorously built its power station operation and maintenance capacity. The establishment of the power station after-sales services and remote diagnosis capacity backed by HPI made continuous advancement.

屬地化方面，白俄羅斯、塞爾維亞、安哥拉等市場已在現場就地設計、就地採購、與本地企業合作等方面向前邁出一大步。

6. 產業鏈關鍵節點管理能力有力提升

在監理建造能力方面，公司自有監理監造能力不斷加強，北京興電國際工程管理有限公司和哈爾濱電站設備成套設計研究所有限公司（「哈成套」）在受公司托管的帶領下與公司業務的參與和融合度進一步提高，監理監造工作體系初步形成。

在集中採購管理方面，採購管理平台已經投運，現已覆蓋公司全部在執行項目和新簽約項目，有力保障了採購管理的高效合規。

在售後服務方面，著力構建自有電站運維能力，以哈成套為基礎的電站售後服務及遠程診斷能力建設也在持續推進中。

The following table sets forth the operational details of the International Engineering Contracting Business for the year ended December 31, 2016 and the comparative figures for the year ended December 31, 2015:

下表載列截至2016年12月31日止年度國際工程承包業務的運營詳情，以及截至2015年12月31日止年度的比較數字：

Unit: US\$ million
單位：百萬美元

				2016	% of	2015	Year-on-year
				2016年	Total	2015年	Growth/ (Decline)
					總額的		按年
					%		增長/ (減少)
Amount of newly effective contracts	新生效合同金額	Power	電力能源	2,350.0	68.0%	2,144.8	9.6%
		Transportation and Telecommunications	交通運輸及電子通訊	233.1	6.8%	25.8	803.5%
		Non-Core Sectors	非核心行業	870.3	25.2%	1,010.5	-13.9%
		Total	總計	3,453.4	100.0%	3,181.1	8.6%

Unit: US\$ million
單位：百萬美元

				As at	% of	As at	Increase/
				December	Total	December	(decrease)
				31, 2016	總額的	31, 2015	增長/
				於2016年	%	於2015年	增長/
				12月31日		12月31日	(減少)
Backlog	未完成 合同量	Power	電力能源	6,095.4	68.4%	4,743.5	28.5%
		Transportation and Telecommunications*	交通運輸及 電子通訊*	774.1	8.7%	1,194.1	-35.2%
		Non-Core Sectors	非核心行業	2,045.9	22.9%	1,603.4	27.6%
		Total	總計	8,915.4	100.0%	7,541.0	18.2%
Signed contracts pending to be effective	已簽約待 生效合同	Power	電力能源	6,980.2	45.9%	7,494.4	-6.9%
		Transportation and Telecommunications	交通運輸及 電子通訊	2,611.0	17.2%	1,049.0	148.9%
		Non-Core Sectors	非核心行業	5,605.6	36.9%	3,647.5	53.7%
		Total	總計	15,196.8	100.0%	12,190.9	24.7%

* 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。

B. Trading Business

In 2016, the Trading Business continued to increase the transformation and upgrading efforts on the basis of integration and transformation in the past and under the direction of solidifying business model and enhancing profitability, to continuously promote the reform of the modularized management system; actively explore cross-border e-commerce and other new business model; to push forward the industrialization of investment, continuously improve the one-stop integrated service capabilities, and actively shift to an integrated service provider; to further deepen the cooperation with local governments; and to enhance brand building efforts; and to consolidate cooperation with other business segments of SINOMACH and the Company, and strictly control risks while developing our business, which have achieved results.

The following table sets forth the details of the Trading Business for the year ended December 31, 2016 and the comparative figures for the year ended December 31, 2015:

B. 貿易業務

2016年，貿易業務在過去整合與轉型的基礎上，以固化經營模式，提升盈利能力為方向，繼續加大轉型升級力度，持續推進板塊化管理體系改革；積極進行跨境電商等新業務模式探索；穩妥推進實業化投資，不斷提高一站式綜合服務能力，積極向綜合服務商轉變；繼續深化與地方政府合作；加大品牌建設力度；以及加大國機與本公司其他業務板塊的合作，在積極發展業務的同時，嚴格把控風險，取得了一定效果。

下表載列截至2016年12月31日止年度貿易業務詳情連同截至2015年12月31日止年度的比較數字：

Unit: RMB million
單位：人民幣百萬元

				2016	% of Total	2015	Year-on-year Growth/ (Decline) 按年增長/ (減少)
				2016年	總額的%	2015年	
Revenue	收入	International trade	國際貿易	4,878.3	66.7%	6,890.2	-29.2%
		Domestic trade	國內貿易	2,430.5	33.3%	1,718.1	41.5%
		Total	總計	7,308.8	100.0%	8,608.3	-15.1%
Gross profit	毛利	International trade	國際貿易	290.4	82.2%	596.2	-51.3%
		Domestic trade	國內貿易	62.7	17.8%	48.6	29.0%
		Total	總計	353.1	100.0%	644.8	-45.2%

1. *Steady development of core business*

Under unfavorable market environment, the high-end castings and forgings, electrical, new energy, textile machinery parts and other core business of the trading segment of CMEC further clarified the direction for development and formulated an expansion model bearing their own characteristics.

Industrial investment was steadily moving forward. CMIPC Huajin Casting Co., Ltd.* (山西中設華晉鑄造有限公司) and CMIPC Jiangsu Precision Machinery Manufacturing Company* (中設裝備(江蘇)精工機械製造公司), in which CMIPC invested, are operating well. Also, CMIPC has established China Machinery Metal Jiangsu Co., Ltd.* (國機金屬江蘇有限公司) jointly with Chongqing Materials Research Institute Co., Ltd.* (重慶材料研究院有限公司) (“**Chongqing Research Institute**”) and conducted cooperation with China National Erzhong Group Co.* (中國第二重型機械集團公司) in various business such as the Jiuyi electric shovel project. The work for which CMEC Engineering Machinery and Tianjin Chuandong Institute* (天津傳動研究院) under the SINOMACH Group jointly acquired Sanyuan Construction (Tianjin) Electric Co., Limited* (三源建築(天津)電氣有限公司) was orderly progressing.

2. *Progress achieved on overseas regional business exploration*

CMIPC was in the process of establishing an integrated regional center in Australia, which can directly sell to end users forging and casting goods thereby shortening the nodes of the supply chain.

1. 核心業務發展平穩

CMEC貿易板塊的高端鑄鍛件、電氣、新能源、紡機零部件等核心業務在行業環境不利的形勢下，進一步明確了發展方向並且形成了具有各自特色的發展模式。

實業化投資穩步向前。中設裝備投資的山西中設華晉鑄造有限公司和中設裝備(江蘇)精工機械製造公司運行良好；同時中設裝備與重慶材料研究院有限公司(「**重材院**」)合資成立了國機金屬江蘇有限公司及與中國第二重型機械集團公司在久益電鏟項目等多項業務上開展了合作。中設工程機械與國機集團下屬的天津傳動研究院共同出資收購三源建築(天津)電氣有限公司的工作也在有序推進中。

2. 海外區域化經營探索取得進展

中設裝備正在建設澳洲區域綜合中心，通過縮短供應鏈環節，直接為最終用戶提供鑄鍛件配件的銷售。

East Resources has many years of establishment in Thailand as the center of the Southeast Asia region, and has sound customer and social relations, which has initially formed a gradient development trend, and has actively explored property development projects in the Thai market.

Core market development on the Caribbean Sea by CMEC International Trading has also made certain results. In particular, the tender of roof photovoltaic power station projects in respect of the schools at Curacao has been awarded and the framework agreement has been signed in relation to materials supply from Curacao.

3. *Increasingly pragmatic cooperation with the government*

The Company continued to deepen cooperation with the local governments of Yinchuan and Zhumadian and has set up a trade value-adding service platform to achieve CMEC localized “one-stop” trade value-adding services through the provision of supply chain trading services and financing services.

東源在以泰國為中心的東南亞地區深耕多年，擁有良好的客戶及社會關係，初步形成了項目梯度開發態勢，積極探索在泰國市場開發房地產項目。

中設國貿的加勒比海核心市場開發也取得了一定的效果。其中，庫拉索學校屋頂光伏電站項目已中標並簽約，庫拉索建材供貨項目已簽訂框架協議。

3. 政府合作趨向務實

公司不斷深化與銀川、駐馬店等地方政府的合作，搭建了貿易增值服務平台，通過提供供應鏈貿易服務與融資服務，從而實現CMEC屬地化「一站式」貿易增值服務。

C. Services Business

In 2016, the Company's tendering business and exhibition business under our Services Business have been actively looking for new growth points and achieved stable development. The tendering business witnessed an explosive growth as compared with last year with the commission rate and tendering amount up by 469% and 390% year on year. The exhibition business kept expanding the service market and has been seeking to achieve personalized and value-adding services and building quality projects closely adhering to such business objectives, which has maintained leading position in the industry.

With respect to design consulting, the Company has established the design consulting management department in 2016 as the management department of our design consulting business, and has made great efforts in building the management structure, enhancing connection and cooperation with other business segments, promoting market coordination among enterprises within the segment and strengthening scientific research and technological innovation ability. As a result, the scale and profitability of our design consulting business achieved significant improvement.

C. 服務業務

2016年，公司服務業務中的招標業務、展覽業務積極尋找新的增長點，發展穩定。招標業務較上年有爆發式增長，委託金額同比增長469%，中標金額同比增長390%；展覽業務持續拓寬服務領域，不斷追求個性服務和增值服務，緊緊圍繞業務經營目標打造精品項目，繼續保持行業領先地位。

設計諮詢方面，公司於2016年成立設計諮詢管理部，作為設計諮詢業務的歸口管理部門，並在搭建管理架構、加強與其他板塊的業務對接與合作、推進板塊內企業間的市場協作、強化科研與技術創新能力等方面做出諸多努力，設計諮詢業務的規模與盈利能力得到顯著提升。

1. *Scientific and technological innovation capacity keep strengthening*

In April 2016, China Machinery International Design and Research Institute Co., Ltd.* (中機國際工程設計研究院有限公司) (“**China Machinery R&D**”) set up a “Sponge City Technology Research Center”, which has been approved as the “Integrated Technology of Sponge City Construction -Hunan Engineering Research Center” in September 2016. It is the first provincial engineering research center at the sponge city construction field in Hunan Province, laying a foundation for the Company to seize the initiative in research of the field. The institute has completed a number of national and provincial major special research projects, one of which has won the second prize of scientific and technological progress in Shanxi Province, established China-Angola Geotechnical Science and Technology Cooperation Demonstration Base, and planned to set up underground space research institute, actively researched on integrated corridor and other underground projects. In addition, Zheng Jianguo, the chief engineer 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) (“**Jikan Research Institute**”), was awarded the title of “National Engineering Survey and Design Master”. At this point, four experts from Jikan Research Institute have been honored this title, ranking the forefront of similar units throughout the country.

1. 科技創新能力持續強化

2016年4月，中機國際工程設計研究院有限責任公司（「中機院」）成立了「海綿城市技術研究中心」，並在2016年9月獲批成為「海綿城市建設集成技術湖南省工程研究中心」，這是湖南省首家在海綿城市建設領域的省級工程研究中心，為公司在該領域研究方面搶佔了先機、奠定了基礎。該研究中心完成了多個國家及省級重大專項研究項目，其中一項獲得陝西省科技進步二等獎，建立了中國－安哥拉岩土工程科技合作示范基地，並籌劃成立地下空間研究院，積極研究綜合管廊等地下工程項目。此外，機械工業勘察設計研究院有限公司（「機勘院」）鄭建國總工程師榮膺「全國工程勘察設計大師」稱號，至此，機勘院已有四位專家獲此殊榮，居全國同類單位前列。

2. *The support from the Company's core business has improved*

In 2016, China Machinery R&D provided nearly 50 pre-technical advisory services to the Company, including domestic and foreign technology and business visits, technical program preparation, tender offer, technical review etc. In respect of the provision of on-site technical support services, it provided permanent on-site technical services for our Puttalam coal power project in Sri Lanka and other projects. Jikan Research Institute concentrated on the technical support of the overseas business of the Company and provided professional and permanent on-site technical services for the construction work of the pile foundation of our Soyo power station project in Angola and Thar coal-electric integration project in Pakistan. Besides, with the support of its oversea offices, it constantly increased the cooperation with the Company and other engineering contracting enterprises.

2. *對公司核心業務的支撐作用有所提升*

2016年，中機院為公司提供前期技術諮詢服務近50項，包括國內外技術和商務考察、技術方案編製、投標報價、技術評審等；在提供現場技術支持服務方面，為公司斯里蘭卡普特拉姆燃煤電站等項目提供常駐現場技術服務。機勘院集中優勢力量做好公司海外業務的技術支撐，為安哥拉索約電站、巴基斯坦塔爾煤電等項目的樁基施工提供了專業化和常駐現場的技術服務，並以海外辦事處為支點，不斷加大與公司及其他工程承包企業的合作。

The following table sets forth the details of the Services Business for the year ended December 31, 2016 and the comparative figures for the year ended December 31, 2015:

下表載列截至2016年12月31日止年度服務業務詳情連同截至2015年12月31日止年度的比較數字：

Unit: RMB million
單位：人民幣百萬元

				2016	% of Total	2015	Year-on-year Growth/ (Decline) 按年增長/ (減少)
				2016年	總額的%	2015年	(減少)
Revenue	收入	Design consulting services	設計諮詢服務	461.4	34.9%	266.1	73.4%
		Logistics services	物流服務	213.7	16.2%	369.1	-42.1%
		Exhibition services	展覽服務	197.2	14.9%	244.4	-19.3%
		Export-import agency services	進出口代理服務	32.4	2.4%	58.2	-44.3%
		Tendering agency services	招標代理服務	33.2	2.5%	12.2	172.1%
		Others	其他	385.4	29.1%	524.5	-26.5%
		Total	總計	1,323.3	100.0%	1,474.5	-10.3%
		Gross profit	毛利	Design consulting services	設計諮詢服務	134.5	35.4%
Logistics services	物流服務			126.0	33.2%	193.3	-34.8%
Exhibition services	展覽服務			32.4	8.5%	41.8	-22.5%
Export-import agency services	進出口代理服務			30.7	8.1%	54.8	-44.0%
Tendering agency services	招標代理服務			10.1	2.7%	3.8	165.8%
Others	其他			46.0	12.1%	99.7	-53.9%
Total	總計			379.7	100.0%	513.0	-26.0%

D. Important Events

1. *Completion of the acquisition of CNCEC*

On February 5, 2016, the Company and SINOMACH entered into an acquisition agreement, pursuant to which the Company agreed to acquire the entire equity interests in CNCEC for an aggregate consideration of RMB532,678,100. The acquisition was completed in May 2016. The acquisition demonstrates SINOMACH's strict adherence to its non-competition undertakings, and enables the Company to better utilize relevant business integration to strengthen the competitiveness of its core businesses, optimize resource allocation and further consolidate the position of the Company as SINOMACH's flagship enterprise in conducting international engineering contracting business. The acquisition has expanded the scale of the International Engineering Contracting Business, developed into the business of distinctive agricultural segment and expanded the Company's business frontier around the world. For further details, please refer to the Company's announcements published on February 5 and May 23, 2016 on the respective websites of the Stock Exchange and the Company.

D. 重要事件

1. 完成中成套的收購

於2016年2月5日，本公司與國機訂立收購協議，據此，本公司同意收購中成套全部股權，總代價為人民幣532,678,100元。收購事項於2016年5月完成。收購事項是國機恪守其避免同業競爭的體現，並使得本公司更好地利用有關業務整合提升我們核心業務的競爭力，優化資源配置，進一步鞏固本公司作為國機旗下國際工程承包旗艦企業的地位，為本公司擴大了國際工程承包業務領域，開拓了獨具特色的農業板塊業務，拓寬本公司在全球的業務版圖。有關進一步詳情，請參閱本公司於2016年2月5日及5月23日分別於聯交所及本公司網站刊發的公告。

2. *Investment in relation to the Formation of Zhongzhe High-speed Railway Bearing Co., Ltd.* (中浙高鐵軸承有限公司) (“Zhongzhe Bearing”)*

On October 26, 2016, the Company, Luoyang Bearing Science & Technology Co., Ltd, Guangming Railroad Holdings Co., Ltd. and CRRC Equity Investment Co., Ltd.* (中車股權投資有限公司) entered into an investment agreement for the establishment of Zhongzhe Bearing. Zhongzhe Bearing had a total registered capital of RMB250,000,000. The Company made a capital contribution of RMB25,000,000 and held 10% of the equity interest of Zhongzhe Bearing. The formation of Zhongzhe Bearing would enable each joint venture partner to synchronise their respective research capabilities, manufacturing technologies, resources and sales channels in the development, manufacturing and sales of railway bearings, and would allow the Company to further increase its market share in developing and manufacturing high-end forging and casting products, especially those related to high-speed railway and urban rail transit. The formation of Zhongzhe Bearing was in furtherance of the Company’s strategy to improve its industrial supply chain and strengthen the Group’s overall competitiveness. For further details, please refer to the Company’s announcement published on October 26, 2016 on the respective websites of the Stock Exchange and the Company.

2. 投資參股成立中浙高鐵軸承有限公司 (「中浙軸承」)

於2016年10月26日，本公司、洛陽軸研科技股份有限公司、光明鐵道控股有限公司及中車股權投資有限公司就共同出資成立中浙軸承訂立出資協議書。中浙軸承之總註冊資本為人民幣250,000,000元，本公司出資人民幣25,000,000元，持有中浙軸承的10%的股權。成立中浙軸承將使各合營夥伴整合各自之研發能力、製造技術、資源及銷售渠道以開發、製造及銷售鐵路軸承，並將使本公司得以進一步增加其在開發及生產高端鍛造產品方面之市場份額，尤其是與高鐵及城軌交通有關之該等產品。成立中浙軸承乃進一步踐行本公司策略以改善其行業供應鏈及鞏固本集團之整體競爭力。有關進一步詳情，請參閱本公司於2016年10月26日分別於聯交所及本公司網站刊發的公告。

3. *Investment in relation to the Formation of China Machinery Metal Jiangsu Co., Ltd.* (國機金屬江蘇有限公司) (“CMMC”)*

On November 30, 2016, CMIPC, Chongqing Research Institute and Jiangyin Nangong Forging Co., Ltd. entered into a shareholders' agreement and formulated the articles of association for the establishment of a new joint venture company, CMMC. CMMC has a total registered capital of RMB100,000,000. The Company will make a capital contribution of RMB25,000,000 and hold 25% of the equity interest of CMMC. The formation of CMMC is in furtherance of the Company's strategy to improve its industrial supply chain and strengthen the Group's overall competitiveness in the market of developing and producing high-end casting and forging products and will further expand CMIPC's product range from forging and casting goods for traditional mining machinery and engineering machinery classes to forging and casting goods for plant equipment, energy and offshore oil and gas equipment. For further details, please refer to the Company's announcement published on November 30, 2016 on the respective websites of the Stock Exchange and the Company.

3. 投資參股成立國機金屬江蘇有限公司 (「國機金屬」)

於2016年11月30日，中設裝備、重材院及江陰南工鍛造有限公司訂立股權合作協議及編製章程，合資成立新合營公司國機金屬。國機金屬的總註冊資本應為人民幣100,000,000元，本公司應出資人民幣25,000,000元，持有國機金屬25%的股權。成立國機金屬旨在促進本公司銳意改善其工業供應鏈以及加強本集團在開發及生產高端鑄鍛件產品市場的整體競爭力，並將進一步擴充中設裝備的產品範圍，從傳統的礦山機械、工程機械類鑄鍛件產品，進一步向電站設備、能源、海洋油氣裝備類鑄鍛件產品延伸。有關進一步詳情，請參閱本公司於2016年11月30日分別於聯交所及本公司網站刊發的公告。

4. *Disposal of CMEC International Exhibition Co., Ltd. (“CMEC Expo”) and investment in China National Automotive Industry International Corporation (“CNAICO”)*

On December 14, 2016, the Company, SINOMACH, China Machine Tool Sales and Technology Services Co., Ltd., Sinomach Capital Holdings Ltd. and CNAICO entered into a share subscription agreement, pursuant to which, the Company agreed to transfer all its equity interest in CMEC Expo to CNAICO as capital contributions of RMB73,682,200 made by the Company to CNAICO. Upon completion of the transaction, the Company held approximately 19.29% of the total equity interest of CNAICO, and CMEC Expo ceased to be a subsidiary of the Company. The transaction was completed in January 2017.

The reorganization of CNAICO was a strategic step to consolidate and integrate the diversified exhibition resources and talents of SINOMACH into one platform, namely CNAICO. By virtue of the integrated exhibition resources and talents, CNAICO was able to acquire other companies in the exhibition services industry and further increase its market shares in domestic and international exhibition market. On the other hand, the Company mainly focused on the International Engineering Contracting Business and the Trading Business, while the exhibition services conducted by CMEC Expo only formed a small part of the Group’s businesses. Through the restructuring of CMEC Expo and its incorporation into CNAICO in exchange for the equity interest of CNAICO, the Company would be able to concentrate the resources on the further development of its core business, as well as improve its operational efficiency and receive dividends and investment returns from CNAICO. For further details, please refer to the Company’s announcement published on the respective website of the Stock Exchange and the website of the Company on December 14, 2016.

4. 出售西麥克國際展覽有限責任公司(「西麥克展覽」)及入股中國汽車工業國際合作有限公司(「中汽國際」)

於2016年12月14日，本公司、國機、中國機床銷售與技術服務有限公司、國機資本控股有限公司以及中汽國際訂立股權認股協議，本公司同意將其於西麥克展覽的全部股本權益轉讓予中汽國際，作為本公司注資中汽國際股本人民幣73,682,200元，於交易完成後，本公司持有中汽國際全部股本權益約19.29%，而西麥克展覽不再為本公司之附屬公司。交易於2017年1月完成。

中汽國際之重組乃將國機內分散的展覽資源及人才鞏固和整合至一個平台(即中汽國際)之戰略性步驟。憑借整合後的展覽資源及人才，中汽國際能夠收購展覽服務行業內的其他公司，並進一步擴展其在國內及國際展覽市場之市場份額。另一方面，本公司主要專注於國際工程承包業務及貿易業務，而西麥克展覽所進行的展覽服務只構成本集團業務的小部份。透過重組西麥克展覽並併入中汽國際以換取中汽國際的股本權益，本公司將能夠集中資源進一步發展其核心業務，同時可提升營運效率並收取中汽國際之股息及取得其投資回報。有關進一步詳情，請參閱本公司於2016年12月14日分別於聯交所及本公司網站發的廣告。

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 dropped slightly in 2016. Profit before taxation decreased by 7.1% to RMB2,783.9 million in 2016 compared to RMB2,996.9 million in 2015.

2. Revenue

The Group generated its revenue from the International Engineering Contracting Business, Trading Business and Services Business. The Group's revenue dropped by 12% to RMB21,017.2 million in 2016 compared to RMB24,056.3 million in 2015.

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

		Year ended December 31, 截至12月31日止年度			
		2016 2016年		2015 2015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	7,290.2	34.7%	7,261.7	30.2%
Transportation and Telecommunications	交通運輸及 電子通訊	1,267.0	6.0%	3,850.2	16.0%
Non-Core Sectors	非核心行業	3,827.9	18.2%	2,861.6	11.9%
Trading Business	貿易業務				
International trade	國際貿易	4,878.3	23.2%	6,890.2	28.7%
Domestic trade	國內貿易	2,430.5	11.6%	1,718.1	7.1%
Services Business	服務業務	1,323.3	6.3%	1,474.5	6.1%
Total	總計	21,017.2	100.0%	24,056.3	100.0%

III. 財務狀況及經營業績

在閱讀下述討論時，請一併參閱包含在本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2016年略有下降。2016年除稅前溢利為人民幣2,783.9百萬元，較2015年的人民幣2,996.9百萬元減少7.1%。

2. 收入

本集團的收入來自國際工程承包業務、貿易業務及服務業務。2016年，本集團的收入為人民幣21,017.2百萬元，較2015年的人民幣24,056.3百萬元降低12%。

下表載列於所示期間三個業務分部各自的金額及佔總收入的百分比：

1) International Engineering Contracting Business

The Group's revenue generated from the International Engineering Contracting Business decreased by 11.4% to RMB12,385.1 million in 2016 compared to RMB13,973.5 million in 2015, primarily due to the decrease in the revenue generated from the transportation and telecommunications sector.

The revenue generated from the power sector increased by 0.4% to RMB7,290.2 million in 2016 as compared to RMB7,261.7 million in 2015, and remained stable compared with 2015.

The revenue generated from the transportation and telecommunications sector decreased by 67.1% to RMB1,267.0 million in 2016 as compared to RMB3,850.2 million in 2015, primarily due to the delay in the progress of the railway rehabilitation project in South America in the first half of 2016 under the impact of the local government transitioning, resulting in the decrease in revenue as compared with that in 2015.

The revenue generated from the Non-Core Sectors increased by 33.8% to RMB3,827.9 million in 2016 as compared to RMB2,861.6 million in 2015, primarily due to the significant progress of the water plant and house construction projects in Africa and Asia in 2016 with higher revenue as compared with that in 2015.

1) 國際工程承包業務

2016年，本集團的國際工程承包業務收入為人民幣12,385.1百萬元，而2015年則為人民幣13,973.5百萬元，降幅為11.4%，主要由於交通運輸及電子通訊行業收入有一定幅度下降。

2016年電力能源行業收入為人民幣7,290.2百萬元，比2015年人民幣7,261.7百萬元上升0.4%，與2015年相比基本持平。

2016年交通運輸及電子通訊行業收入為人民幣1,267.0百萬元，比2015年人民幣3,850.2百萬元下降67.1%，主要由於南美洲的鐵路改造項目於2016年上半年受當地政府換屆影響，項目進展出現一定拖延，相比2015年取得收入較少。

2016年非核心行業收入為人民幣3,827.9百萬元，比2015年人民幣2,861.6百萬元增加33.8%，主要由於非洲和亞洲的水廠及房屋建設項目於2016年取得較大進展，相比2015年取得收入較多。

2) *Trading Business*

The Group's revenue generated from the Trading Business decreased by 15.1% to RMB7,308.8 million in 2016 compared to RMB8,608.3 million in 2015, primarily due to the decrease in the revenue from international trade.

The revenue generated from international trade decreased by 29.2% to RMB4,878.3 million in 2016 as compared to RMB6,890.2 million in 2015, primarily due to the substantial decrease in grain re-export business in Europe in 2016 as compared with the large trading volume of the same in 2015.

The revenue generated from domestic trade increased by 41.5% to RMB2,430.5 million in 2016 as compared to RMB1,718.1 million in 2015, primarily due to the increase in the business volume of the procurement of solar energy components.

3) *Services Business*

The Group's revenue generated from the Services Business decreased by 10.3% to RMB1,323.3 million in 2016 compared to RMB1,474.5 million in 2015, primarily due to the decrease in external orders of solar energy components processing and logistics business.

2) *貿易業務*

2016年，本集團的貿易業務收入為人民幣7,308.8百萬元，而2015年則為人民幣8,608.3百萬元，降幅為15.1%，主要由於國際貿易收入有所減少。

2016年，國際貿易收入為人民幣4,878.3百萬元，比2015年人民幣6,890.2百萬元減少29.2%，主要原因是2015年貿易量較大的，位於歐洲的糧食轉口業務2016年出現較大幅度減少。

2016年，國內貿易收入為人民幣2,430.5百萬元，比2015年人民幣1,718.1百萬元增加41.5%，主要由於太陽能組件供貨業務量的增加。

3) *服務業務*

2016年，本集團的服務業務收入為人民幣1,323.3百萬元，而2015年則為人民幣1,474.5百萬元，降幅為10.3%，主要由於太陽能組件加工裝配服務以及物流業務的外部訂單量下降的影響。

3. Cost of sales

The Group's cost of sales decreased by 14.1% to RMB17,473.0 million in 2016 compared to RMB20,329.4 million in 2015, primarily due to the decrease in the business volume of the International Engineering Contracting Business and the Trading Business, as well as the decrease in both revenues and costs from the relevant sectors.

4. Gross profit and gross profit margin

(i) *Gross profit of the Group in 2016 consists of the followings:*

3. 銷售成本

2016年，本集團的銷售成本為人民幣17,473.0百萬元，而2015年則為人民幣20,329.4百萬元，降幅為14.1%，主要是由於國際工程承包業務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。

4. 毛利及毛利率

(i) *2016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			
		2016 2016年		2015 2015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	1,781.1	50.2%	1,746.0	46.8%
Transportation and Telecommunications	交通運輸及電子通訊	272.1	7.7%	613.5	16.5%
Non-Core Sectors	非核心行業	758.2	21.4%	209.5	5.6%
Trading Business	貿易業務				
International trade	國際貿易	290.4	8.2%	596.2	16.0%
Domestic trade	國內貿易	62.7	1.8%	48.6	1.3%
Services Business	服務業務	379.7	10.7%	513.0	13.8%
Total	總計	3,544.2	100.0%	3,726.8	100.0%

(ii) *Gross profit margins of the Group in 2016 are set out below:*

(ii) 2016年本集團毛利率載於下表：

		Year ended December 31, 截至12月31日止年度	
		2016 2016年 (%)	2015 2015年 (%)
International Engineering			
Contracting Business	國際工程承包業務	22.7%	18.4%
Power	電力能源	24.4%	24.0%
Transportation and Telecommunications	交通運輸及電子通訊	21.5%	15.9%
Non-Core Sectors	非核心行業	19.8%	7.3%
Trading Business			
	貿易業務	4.8%	7.5%
International trade	國際貿易	6.0%	8.7%
Domestic trade	國內貿易	2.6%	2.8%
Services Business	服務業務	28.7%	34.8%
Total	總計	16.9%	15.5%

The Group's gross profit decreased by 4.9% to RMB3,544.2 million in 2016 compared to RMB3,726.8 million in 2015. This decrease is mainly attributable to the decrease in the gross profit of the transportation and telecommunications sector.

2016年，本集團的毛利為人民幣3,544.2百萬元，而2015年則為人民幣3,726.8百萬元，降幅為4.9%。此降幅主要由於交通運輸及電子通訊行業的毛利減少。

1) International Engineering Contracting Business

(a) Gross Profit

The gross profit generated from the International Engineering Contracting Business increased by 9.4% to RMB2,811.4 million in 2016 as compared to RMB2,569.0 million in 2015, primarily due to the increase in gross profit from the Non-Core Sectors.

The gross profit generated from the power sector increased by 2.0% to RMB1,781.1 million in 2016 as compared to RMB1,746.0 million in 2015, which remained stable compared with the same period in 2015.

The gross profit generated from the transportation and telecommunications sector decreased by 55.6% to RMB272.1 million in 2016 as compared to RMB613.5 million in 2015, primarily due to the decrease in the revenue as compared to that in 2015 as the railway rehabilitation project in South America was affected by the local government transitioning in the first half of 2016.

1) 國際工程承包業務

(a) 毛利

2016年，國際工程承包業務毛利為人民幣2,811.4百萬元，而2015年則為人民幣2,569.0百萬元，增加9.4%，主要是由於非核心業務毛利增加。

2016年，電力能源行業毛利為人民幣1,781.1百萬元，而2015年為人民幣1,746.0百萬元，增加2.0%，與上年同期基本持平。

2016年，交通運輸及電子通訊行業毛利為人民幣272.1百萬元，而2015年為人民幣613.5百萬元，減少55.6%，主要由於南美洲鐵路改造項目於2016年上半年受當地政府換屆影響，相比2015年取得收入較少。

The gross profit generated from the Non-Core Sectors increased by 261.9% to RMB758.2 million in 2016 as compared to RMB209.5 million in 2015, primarily due to the significant progress of the water plant and house construction projects in Africa and Asia with higher revenue in 2016.

(b) *Gross Profit Margin*

The gross profit margin generated from the International Engineering Contracting Business slightly increased to 22.7% in 2016 as compared to 18.4% in 2015, primarily due to the increase in the gross profit margin from the transportation and telecommunications sector and Non-Core Sectors.

The gross profit margin generated from the power sector was 24.4% in 2016 as compared to 24.0% in 2015, which remained relatively stable.

The gross profit margin generated from the transportation and telecommunications sector increased to 21.5% in 2016 as compared to 15.9% in 2015, primarily due to the high gross profit margin from the expressway and telecommunications expansion projects in Africa.

The gross profit margin generated from the Non-Core Sectors increased to 19.8% in 2016 as compared to 7.3% in 2015, primarily due to the high gross profit margin from the house construction projects in Africa which was completed in 2016.

2016年，非核心行業毛利為人民幣758.2百萬元，比2015年的人民幣209.5百萬元增加261.9%，主要由於非洲和亞洲的水廠及房屋建設項目於2016年取得較大進展。

(b) *毛利率*

2016年，國際工程承包業務毛利率小幅上升至22.7%，而2015年則為18.4%，主要由於交通運輸及電子通訊行業以及非核心行業的毛利率上升。

2016年，電力能源行業毛利率為24.4%，2015年則為24.0%，維持相對穩定。

2016年，交通運輸及電子通訊行業毛利率增至21.5%，而2015年則為15.9%，主要由於位於非洲的高速公路和電子通訊擴建項目毛利率較高。

2016年，非核心行業毛利率升至19.8%，而2015年則為7.3%，主要由於2016年完工的非洲房屋建設項目毛利率較高。

2) *Trading Business*

(a) *Gross Profit*

The gross profit generated from the Trading Business decreased by 45.2% to RMB353.1 million in 2016 as compared to RMB644.8 million in 2015, primarily due to the decrease in gross profit from international trade.

The gross profit generated from international trade decreased by 51.3% to RMB290.4 million in 2016 as compared to RMB596.2 million in 2015, primarily due to the decrease in both the business volume and gross profit margin of the grain re-export business in Europe.

The gross profit generated from the domestic trading business increased by 29.0% to RMB62.7 million in 2016 as compared to RMB48.6 million in 2015, primarily due to the better economic outcomes received in from the business of the high-end casting and forgings.

2) 貿易業務

(a) 毛利

2016年，貿易業務毛利為人民幣353.1百萬元，比2015年的人民幣644.8百萬元減少45.2%，主要由於國際貿易毛利有所減少。

2016年，國際貿易業務毛利為人民幣290.4百萬元，比2015年的人民幣596.2百萬元減少51.3%，主要由於歐洲糧食轉口業務量及毛利率同時降低。

2016年，國內貿易業務毛利為人民幣62.7百萬元，比2015年的人民幣48.6百萬元增加29.0%，主要是高端鑄鍛件業務取得較好的經濟效益。

(b) *Gross Profit Margin*

The gross profit margin generated from the Trading Business was 4.8% in 2016 as compared to 7.5% in 2015, primarily due to the decrease in gross profit margin from international trade.

The gross profit margin generated from the international trading business was 6.0% in 2016 as compared to 8.7% in 2015, primarily due to the substantial decrease in gross profit margin from the grain re-export business in Europe.

The gross profit margin generated from the domestic trading business was 2.6% in 2016 as compared to 2.8% in 2015, which remained stable compared with that of 2015.

3) *Services Business*

(a) *Gross Profit*

The gross profit generated from the Services Business decreased by 26.0% to RMB379.7 million in 2016 as compared to RMB513.0 million in 2015, primarily due to the decrease in revenue from the logistics services business as compared with that for the same period in 2015.

(b) *Gross Profit Margin*

The gross profit margin generated from the Services Business was 28.7% in 2016 as compared to 34.8% in 2015, primarily due to the decrease in the proportion of gross profit of logistics business and the decrease in gross profit margin from the design consulting services business in the year as compared with that in 2015.

(b) 毛利率

2016年，貿易業務毛利率為4.8%，而2015年則為7.5%，主要由於國際貿易毛利率降低。

2016年，國際貿易業務毛利率為6.0%，而2015年則為8.7%，主要由於歐洲糧食轉口業務毛利率降低較多。

2016年，國內貿易業務毛利率為2.6%，2015年為2.8%，與2015年基本持平。

3) 服務業務

(a) 毛利

2016年，服務業務毛利為人民幣379.7百萬元，比2015年的人民幣513.0百萬元減少26.0%，主要由於物流服務業務收入低於上年同期。

(b) 毛利率

2016年，服務業務毛利率為28.7%，而2015年則為34.8%，主要由於本年度物流業務毛利所佔比重下降及設計諮詢服務業務毛利率低於上年。

5. Other revenue

The Group's other revenue amounted to RMB29.1 million in 2016 as compared to RMB14.9 million in 2015. This increase is mainly attributable to the increase in subsidy received by the Company.

6. Other income and expenses, net

The Group's other income and expenses, net amounted to RMB(14.2) million in 2016 as compared to income of RMB(21.2) million in 2015, mainly attributable to the increase in non-operating income.

7. Selling and marketing expenses

The Group's selling and marketing expenses increased to RMB1,103.9 million in 2016 as compared to RMB1,148.4 million in 2015, which remained relatively stable.

8. Administrative expenses

The Group's administrative expenses amounted to RMB725.4 million in 2016 as compared to RMB718.0 million in 2015, which remained relatively stable.

9. Other operating expenses

The Group's other operating expenses increased by 140.0% to RMB162.7 million in 2016 as compared to RMB67.8 million in 2015. This increase is mainly attributable to the increase in provision for impairment on receivables as compared to that in 2015.

5. 其他收入

2016年，本集團的其他收入為人民幣29.1百萬元，而2015年則為人民幣14.9百萬元，主要由於公司取得的補貼款增加。

6. 其他收支淨額

2016年，本集團的其他收支淨額為人民幣(14.2)百萬元，而2015年則為收入人民幣(21.2)百萬元，主要由於營業外收入增加。

7. 銷售及市場營銷開支

2016年，本集團的銷售及市場營銷開支為人民幣1,103.9百萬元，而2015年則為人民幣1,148.4百萬元，與上年同期基本持平。

8. 行政開支

2016年，本集團的行政開支為人民幣725.4百萬元，而2015年則為人民幣718.0百萬元，與上年同期基本持平。

9. 其他經營開支

2016年，本集團的其他經營開支為人民幣162.7百萬元，而2015年則為人民幣67.8百萬元，增幅為140.0%。此增幅主要由於應收賬款減值撥備較2015年增加。

10. Profit from operations

The Group's profit from operations decreased by 12.3% to RMB1,567.1 million in 2016 as compared to RMB1,786.4 million in 2015, primarily due to the decrease in gross profit and the increase in provision for assets impairment.

11. Finance income/finance expenses

In 2016, the Group's finance income amounted to RMB1,248.7 million as compared to RMB1,263.5 million in 2015, which remained relatively stable.

In 2016, the Group's finance expenses amounted to RMB46.9 million as compared to RMB51.9 million in 2015, which remained relatively stable.

Thus, in 2016, net finance income of the Group amounted to RMB1,201.8 million as compared to RMB1,211.7 million in 2015, which remained relatively stable.

12. Income tax

The Group's income tax decreased by 14.4% to RMB674.1 million in 2016 as compared to RMB787.9 million in 2015. This decrease was mainly due to the collective effects attributable to the decrease in the profit before tax, tax free income and assets impairment and etc..

13. Profit for the year

As a result of the foregoing, the Group's net profit for the year decreased by 4.5% to RMB2,109.8 million in 2016 as compared to RMB2,209.0 million in 2015 and its net profit margin was 10.0% in 2016 as compared to 9.2% in 2015.

10. 經營溢利

2016年，本集團的經營溢利為人民幣1,567.1百萬元，而2015年則為人民幣1,786.4百萬元，降幅為12.3%。主要由於毛利減少及資產減值撥備增加。

11. 財務收入／財務開支

2016年，本集團的財務收入為人民幣1,248.7百萬元，而2015年則為人民幣1,263.5百萬元，與上年同期基本持平。

2016年，本集團的財務開支為人民幣46.9百萬元，而2015年則為人民幣51.9百萬元，與上年同期相比有所下降。

因此，2016年，本集團的財務收入淨額為人民幣1,201.8百萬元，2015年為財務淨收入人民幣1,211.7百萬元，與上年同期基本持平。

12. 所得稅

2016年，本集團的所得稅為人民幣674.1百萬元，而2015年則為人民幣787.9百萬元，降幅為14.4%。主要由於除稅前溢利降低及免稅收入及資產減值等因素的共同影響。

13. 年內溢利

由於上文所述，2016年，本集團的年內淨溢利為人民幣2,109.8百萬元，而2015年則為人民幣2,209.0百萬元，降幅為4.5%，其於2016年的淨溢利率為10.0%，而2015年則為9.2%。

14. Profit attributable to the Shareholders

The profit attributable to the Shareholders decreased by 4.5% to RMB2,106.5 million in 2016 compared to RMB2,204.8 million in 2015.

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

The profit attributable to the holders of non-controlling interests of the Group decreased by 21.4% to RMB3.3 million in 2016 as compared to profit of RMB4.2 million in 2015.

16. Liquidity and capital resources

As at December 31, 2016, the Group's cash and cash equivalents amounted to RMB19,541.9 million, compared to RMB21,032.9 million as at December 31, 2015, representing a decrease of 7.1%, and remained relatively stable.

As at December 31, 2016, the Group's borrowings amounted to RMB1,046.4 million, compared to RMB940.2 million as at December 31, 2015, representing an increase of 11.3%. RMB576.7 million (including RMB101.8 million of long-term borrowings due within one year) was short-term borrowings and RMB469.7 million was long-term borrowings.

The borrowings were denominated in either RMB, US dollars or Japanese Yen and were subject to interest rates ranging from 0.05% to 6.76% per annum.

17. Capital expenditures

Our capital expenditures consisted primarily of the purchase of property, plant and equipment, intangible assets and land lease prepayments. In 2016, the Group's capital expenditure was RMB626.0 million, representing an increase of 24.0% as compared to RMB504.7 million in 2015, mainly due to satisfactory progress made in the construction of infrastructure projects which are fixed assets.

14. 歸屬於股東溢利

2016年，歸屬於股東溢利為人民幣2,106.5百萬元，而2015年則為人民幣2,204.8百萬元，降幅為4.5%。

15. 歸屬於非控股權益持有人溢利

2016年，歸屬於本集團非控股權益持有人溢利為人民幣3.3百萬元，而2015年則為溢利人民幣4.2百萬元，降幅為21.4%。

16. 流動資金及資本資源

於2016年12月31日，本集團持有現金及現金等價物人民幣19,541.9百萬元，而於2015年12月31日則為人民幣21,032.9百萬元，降幅為7.1%，維持相對穩定。

於2016年12月31日，本集團借貸為人民幣1,046.4百萬元，而於2015年12月31日則為人民幣940.2百萬元，增幅為11.3%。短期借貸為人民幣576.7百萬元（含一年內到期的長期借貸人民幣101.8百萬元），長期借貸為人民幣469.7百萬元。

該等借貸均以人民幣、美元或日元計值並以每年利率0.05%至6.76%計息。

17. 資本開支

本集團的資本開支主要包括購買物業、廠房及設備、無形資產及預付土地租賃款項。2016年，本集團的資本開支為人民幣626.0百萬元，而2015年則為人民幣504.7百萬元，增幅為24.0%，主要由於固定資產基建項目實施取得一定進展。

18. Gearing ratio

In 2016, the Group's gearing ratio (total borrowings divided by total assets) was 2.2%, representing an increase of 0.1% as compared to 2.1% in 2015, mainly due to the increase in short-term borrowings.

19. Major acquisition and disposals and significant investments

Please see the paragraphs headed "II. BUSINESS OVERVIEW – D. Important Events" on pages 59 to 62 of this announcement.

20. 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.

18. 槓桿比率

2016年，本集團的槓桿比率（借貸總額除以總資產）為2.2%，與2015年的2.1%相比增長0.1%，主要是由於短期借款的增加。

19. 重大收購及出售及重大投資

請參閱本公告第59至62頁「II. 業務概覽 – D. 重要事件」一段。

20. 或有負債

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

21. Event after reporting period

On March 28, 2017, the Board resolved that a final dividend of RMB0.2042 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.

In December 2016, the Company entered into a conditional equity subscription agreement to dispose of its entire equity interest in CMEC Expo to CNAICO as consideration for the Company's equity investment of RMB73,682,200 into CNAICO. Upon completion of all conditions of the equity subscription agreement, the Company shall own approximately 19.29% of the total equity interest in CNAICO, and CMEC Expo shall no longer be a subsidiary of the Company. In January 2017, all conditions of the equity subscription agreement were completed.

21. 報告期後的事項

2017年3月28日，董事會決議向股東派發每股人民幣0.2042元的末期股息，惟須獲股東於應屆股東周年大會上批准。於報告期末後擬派的末期股息尚未確認為報告期末的負債。

於2016年12月，本公司達成有條件的股東認購協議約定將本公司持有的西麥克展覽全部股本權益轉讓予中汽國際，作為對中汽國際增資人民幣73,682,200元的注資，於該協議所有條件完成後，本公司將持有中汽國際的全部股本權益的約19.29%，而西麥克展覽不再是本公司的子公司。於2017年1月，上述協定條件全部完成。

IV. RISK FACTORS AND RISK MANAGEMENT

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

1. Currency Risk

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

IV. 風險因素及風險管理

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

1. 貨幣風險

本集團面臨貨幣風險，主要是通過在海外的銷售和採購及我們的國際工程承包業務以及海外融資產生之外幣（我們與此等交易相關的業務的功能貨幣人民幣除外）計價的應收款項、應付款項及現金結餘。產生該風險的貨幣主要有美元及歐元。本集團主要就國際工程承包項目的收款訂立遠期外匯合同，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預計將收取的外匯款項相匹配。我們並無訂立對沖投機風險的工具。本集團維持及遵守有關規範本集團使用衍生金融工具的內部政策及控制。

2. Interest Rate Risk

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

3. Credit Risk

Our credit risk is primarily attributable to trade and other receivables. The Company has a credit policy in place and our exposure to these credit risks is monitored on an ongoing basis. Credit terms extended to our customers are determined on a case-by-case basis, depending on credit assessment carried out by our management. The credit terms granted to customers of our Trading Business are normally about three to six months. With respect to the Group's International Engineering Contracting Business, credit terms granted are negotiated individually on a case-by-case basis and are set forth in the relevant engineering contracting contracts. The Company conducts monthly reviews of credit risks and end-of-credit-term period reviews as an internal control measure to determine if the Group needs to make any necessary provisions for credits that we have

2. 利率風險

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

3. 信用風險

信用風險主要來自於貿易及其他應收款項。本公司已制定合適的信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。在本集團的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。作為內部監控措施，本公司每個月審查信用風險，亦會於信貸期末作出審查，決定本集團是否就給予客戶的信貸作出任何必要的撥備。就涉及貿易及其他應收款項的信用風險，我們通過建立合適的

extended. As to credit risk for trade and other receivables, we first evaluate our customer's credit status and its ability to guarantee the payment through establishing an appropriate business evaluation system. Meanwhile, as part of our risk control mechanism on trade and other receivables, we implemented the policy to buy export credit insurance. For the Trading Business, the Company and the trading subsidiaries are required to buy unified export credit insurance from Sinasure; for the International Engineering Contracting Business financed by export seller's credit, the Group typically buys export credit insurance from Sinasure for its projects to meet its financing needs as well as to control credit risk for trade and other receivables. Our credit risk arising from trade and other receivables relates to a number of independent customers. As at December 31, 2016, 9.4% of the total trade and other receivables was due from our largest customer (2015: 8.7%), and 21.5% of the total trade and other receivables was due from the five largest customers (2015: 23.2%).

4. Liquidity Risk

Liquidity risk is the risk that the Group has net current liabilities at the balance sheet date. The Group is exposed to liquidity risk if it is unable to raise sufficient funds to meet its financial obligations when they fall due. To manage liquidity risk, the Company prepares both annual and quarterly financial budgets which include budgeting for capital and utilization of credit facilities to plan and consolidate various financial resources to meet the

業務評估系統，首先評估客戶的信用狀況，以及其擔保還款的能力。與此同時，作為貿易及其他應收款項的風險控制機制的一部分，我們實行購買出口信用保險政策。就貿易業務而言，本公司及其貿易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，本集團一般會為其項目向中國信保購買出口信用保險，以應付財務需要以及控制貿易及其他應收款項的信用風險。我們貿易及其他應收款項的信用風險與多名獨立客戶有關。於2016年12月31日，貿易及其他應收款項總額中有9.4%來自我們的最大客戶（2015年：8.7%），而貿易及其他應收款項總額中有21.5%來自五大客戶（2015年：23.2%）。

4. 流動資金風險

流動資金風險指本集團於結算日擁有流動負債淨額的風險。倘本集團未能籌集足夠資金以應付到期的財務負債，則其將承受流動資金風險。為管理流動資金風險，本公司編製年度和季度財務預算，包括對資本和信用額度動用的預算，以計劃和鞏固各種財務資源滿足其業務、營運及發展的需要。此外，本

needs of its business, operations and development. Furthermore, the Group monitors and maintains a level of cash and cash equivalents the management considered adequate to finance its operations and mitigate the effects of fluctuations in cash flow. As at December 31, 2015 and 2016, our net current assets amounted to RMB8,574.0 million and RMB8,228.6 million, respectively.

5. Competition Risk

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

The Group competes with both Chinese and foreign companies in our international trading business. Competition with Chinese companies engaged in the international trading business focuses on price, range of products, and range of suppliers and customers, whereas competition

集團監察及維持管理層認為足以為其營運提供資金及減少現金流量波動影響的現金及現金等價物水平。於2015年及2016年12月31日，我們的流動資產淨額分別為人民幣8,574.0百萬元及人民幣8,228.6百萬元。

5. 競爭風險

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

本集團與中外公司就國際貿易業務進行競爭。與從事國際貿易業務的中國公司競爭源於對價格、產品範圍及供應商及客戶的範圍的競爭，而與國外公司的競爭則來自中外供應商生產產品的價格及質量的競爭。儘管國際貿易市場競爭激烈，然而由於該市場非常巨大，本公司

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

6. Investment Risk

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

將利用自身的融資能力及增值服務繼續與中外公司競爭。憑藉在國際貿易業務30多年的經營歷史，董事相信，本集團所擁有的廣泛銷售及市場營銷網絡、在國際貿易市場長期累積的經驗、訓練有素的商業人才、提供融資方案的強大能力及良好的聲譽，令本集團比中國同行競爭者更具優勢。

6. 投資風險

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

7. Overseas Management Risk

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

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

7. 海外管理風險

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

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

8. Project Risk

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

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

8. 項目風險

項目風險與我們的國際工程承包業務項目所涉及的風險有關。儘管董事視電力能源、交通運輸及電子通訊行業為我們的核心行業，但對我們的國際工程承包業務的需求（主要為國際性）則取決於本集團經營所在及提供服務的行業的整體活動及增長水平。基於非我們所能控制的多個因素，包括但不限於普遍經濟狀況、政府投資計劃、人口趨勢、政治穩定性、消費者信心及行業要求或市場准入，我們的工程承包項目的實際組合每年不同。該等宏觀因素的任何波動將對我們的國際工程承包業務之需求造成影響，可能導致本集團可參與的新項目投資金額及數目以及本集團可進行的項目類型增加或減少及令我們進行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本集團項目合約的合約責任或先決條件，這可能對本集團的收入、營運資金、現金流量及營運業績構成負面影響。

9. Safety and Quality Risk

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

9. 安全及品質風險

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

10. Post-project Transfer Risk

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

10. 工程移交後風險

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

11. Corruption Risk

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

12. Sanctions Risk

We are a company incorporated in the PRC and we comply with all applicable PRC laws and regulations. However, as a result of our international activities, we are also subject to the laws and regulations of the various countries and regions in which we do business. In particular, if any of our transactions is conducted in or through the United States, or otherwise involves US persons, US dollar clearing in the United States or US-origin goods, US sanctions regulations may be applicable to some or all of such transactions. In recent years the U.S. sanctions

11. 舞弊風險

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

12. 制裁風險

我們為在中國註冊成立的公司，須遵守所有適用的中國法律法規。然而，由於從事國際業務，我們亦須遵守我們開展業務所在不同國家及地區的法律法規。尤其是，倘我們的任何交易在美國或通過美國開展，或以其他方式涉及美籍人士、於美國的美元結算或美國原產貨

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

Following the regulatory changes in the United States, the Company decided to cautiously approach the Iranian market. The Company’s potential activities in Iran are limited and only to civilian infrastructure projects. Further, every potential project in Iran must be (1) reviewed by the Company’s internal export compliance office, (2) reviewed by outside legal counsel, and (3) approved by the general manager of the Company.

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

Although there is some uncertainty with regard to the Trump Administration’s policy vis-à-vis various U.S. sanctions regimes, we have been in compliance with the undertakings made at the time of the Listing as regards economic sanctions. We also believe that our internal control policies targeted at sanctions compliance, and in particular our internal compliance program on

品，則美國制裁法規可能適用於部分或全部該等交易。近年來，美國制裁格局大幅演變，尤其是針對伊朗的制裁。2016年1月16日為「執行日」，標誌著向伊朗承諾的制裁解除（為伊朗、P5+1（美國、俄羅斯、中國、法國、英國、德國）及歐盟談判並經聯合國認可的聯合全面行動計劃(JCPOA)的一部分) 得到全面執行。作為伊朗減少若干核相關活動的交換，伊朗免於美國、歐盟及聯合國的若干制裁。

隨著美國監管的變化，本公司決定謹慎地進入伊朗市場。本公司在伊朗展開的潛在業務僅限於民用基礎設施項目。此外，在伊朗開展的每個潛在項目均須：(1)經本公司內部的出口管制辦公室審核；(2)經外部的法律顧問審核；及(3)獲本公司總經理同意。

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

雖然特普朗政府對有關美國制裁體制的政策存在不確定性，但我們一直遵守上市時就經濟制裁所作的承諾。我們亦認為，我們針對制裁合規的內部控制政策，尤其是針對出口控制的內部合規方案屬健全，足以在國際制裁格局演變的進程中為我們導航。儘管美國制裁計劃十分深遠複雜，但我們在美國進行的業

export control, are sound and sufficient to assist us in navigating the evolving international sanctions landscape. Despite the far-reaching and complex nature of U.S. sanctions programs, our limited activities in the United States and rigorous internal control policies will minimize our exposure and liability to any potential sanctions violations. Of course, it is not possible to foresee which countries or organizations the U.S. government may place under sanctions in the future. However, previous U.S. administrations have provided either a “wind-down” period, or issued a general or specific license to that effect, in order to allow affected firms to terminate operations and withdraw from countries placed under new sanctions. Though the termination or forfeiture of any business operations or revenue in relation to any newly sanctioned counterparties, industries, projects or countries, may cause an adverse impact on our operations, financial condition, or ability to carry on business in the jurisdictions concerned, we strive to reduce such hazards through proactive political and economic risk assessment, along with timely legal advice from experienced outside counsel. Furthermore, because – as noted above – CMEC’s exposure in Iran is so limited, any adverse impact from changes to Iran sanctions by the United States will be minimal.

務有限，且內部控制政策嚴格，將最大限度降低違反潛在制裁的風險及責任。當然，我們不可能預見未來美國政府會對哪些國家或組織實施制裁。然而，往屆美國政府會給予緩和期，或是頒發一般或特別許可證，以使受影響的公司終止在新受制裁的國家內經營或撤離該等國家。儘管終止與任何新受制裁交易方、行業、項目或國家相關的業務活動，或沒收相關收入可能對我們在所涉及司法管轄區的經營、財務狀況或從事業務的能力造成不利影響，但我們爭取透過積極的政治經濟分析評估且及時向經驗豐富的外部顧問尋求法律意見來減少該等危害。此外，由於如上所述CMEC在伊朗開展活動面臨的風險有限，故美國變更伊朗制裁對我們產生的不利影響極小。

V. PROSPECTS

In 2017, with heightened competitions, the international landscape became more complex, and the uncertainties caused by exchange rate fluctuations are more prominent. Under these circumstances, the Company faces more challenges in its development. The Company's business philosophy for this year is to adhere to the strategic leadership, achieve steady progress, make comprehensive layout, optimize our management, improve our quality and efficiency, and strive to complete the five-year strategic planning objectives so as to lay a solid foundation for a sustainable development of the Company.

(A) Business Development Strategy

1. *Engineering Contracting Business*

We aim to improve our comprehensive competitive strength in the engineering contracting business through steady development. We shall fortify our foothold on the traditional business, closely embrace the market, strengthen the research and layout in key markets. In particular, we shall set business goals and strengthen the market layout so as to actively respond to the "One Belt and One Road" initiative of the government. We shall also put our efforts into promoting completions and signing new contracts, and continue improving the quality of compliance to ensure attaining business indicators and stable development. We shall continue to improve our industrial chain, including the integration of upgrading the supervision and construction platform, actively expand after-sales services, and promote the process of assimilating project construction and operation. Besides, we shall continue to explore innovating the financing model and business model, deepen our foreign cooperation, strengthen the establishment of policies and systems and enhance the level of management refinement.

V. 前景

2017年，國際形勢更加複雜，競爭更加激烈，由匯率波動等帶來的不確定性更加突出，給公司的發展提出了更多挑戰。今年公司經營工作的指導思想是，堅持戰略引領，穩中求進，全面佈局，優化管理，提質增效，努力完成五年戰略規劃目標，為公司可持續發展打下堅實基礎。

(一) 業務發展戰略

1. 工程承包業務

工程承包業務要平穩發展，提高綜合競爭實力。要立足傳統業務，緊緊圍繞市場，加強重點市場的研究與佈局，尤其是積極響應政府「一帶一路」倡議，設定目標，加強市場佈局；全力促成交，繼續抓簽約，持續提高履約質量，確保完成經營指標及業務穩定發展；持續完善產業鏈條，包括整合升級監理建造平台，積極拓展售後服務，推進項目建營一體化進程等；要繼續探索融資模式及業務模式的創新，深化對外合作，加強制度和體系建設，提升管理精細化水平。

2. *Trading Business*

The Trading Business shall focus on the core markets, core businesses and core products, and make development towards the direction of “high quality and sustainability”. We shall continue to promote the transformation and upgrading of traditional value-added business into high value-added business, and actively promote various “Internet + Trading” business models and rapidly solidify those models; actively promote overseas regional set up of the Trading Business; continue building our core brands, continue strengthening our core businesses, and improve our control ability and profitability; pragmatically carry out industrial investment; and continue deepening and implementing cooperation with local governments.

3. *Design and Consulting Business*

In respect of our design and consulting business, we shall strengthen the technological advantages and build our core competitiveness. We shall strive to enhance the scale of business and profitability, continue enhancing the strength of scientific and technological innovation; fully stimulate the vitality of scientific and technological innovation, strengthen the research and application in forward-looking scientific and technological fields which can promote the development of the Company; strive to achieve the leading innovation results in the industry and form a new core competitiveness. At the same time, we give full play to the role of the technical support platform, and increase cooperation with other business segments to achieve the simultaneous development of domestic and foreign markets.

2. *貿易業務*

貿易業務要向核心市場、核心業務、核心產品聚焦，要向「有質量可持續」方向發展。繼續推進傳統貿易業務向高附加值業務方向的轉型升級，積極推進「互聯網+貿易」的各種業務模式的嘗試，並盡快固化模式；積極推進貿易業務的海外區域化建設；持續打造核心品牌，繼續做強做大核心業務，提高掌控及盈利能力；務實開展實業化投資；繼續深化、做實地方政府合作。

3. *設計諮詢業務*

設計與諮詢業務要強化技術優勢，打造核心競爭力。要努力提升業務規模與盈利能力，繼續增強科技創新實力；充分激發科技創新活力，對影響公司發展的前瞻性科技領域加強研究與應用，力爭取得在行業領先的創新成果，形成新的核心競爭力；同時充分發揮技術支撐平台的作用，加大與其他業務板塊的協同，實現國內外市場的並舉發展。

(B) Management Strategies of the Company

1. *To improve key management system step by step*

To improve the Company's management system of the lifecycle of EPC projects on an ongoing basis by continuously enhancing the elaborate administration level; to further complete the investment management structure by enhancing the establishment of investment management system to upgrade investment and financing capabilities; to uplift finance management level by deepening budget management and cost management so as to press ahead functional operation and enhance support for overseas business and strengthen basic finance management; to bring into full play the effect of service guarantee and value creation brought forth by the legal management system to increase anti-risk awareness, compliance management and legal monitoring management; to enhance corporate culture and social responsibility management, thus improving the impact and brand value of the Company both in domestic and overseas markets.

(二) 公司管理戰略

1. 逐步完善核心管理體系

持續完善公司EPC項目全生命週期管理體系，不斷提升項目精細化管理水平；進一步完善投資管理架構，加強投資管理體系建設，提升投融資管理能力；不斷提升財務管理水平，深化預算管理和成本費用管理，進一步推進職能前移，加大對海外業務的支持力度並夯實財務基礎管理；充分發揮法律管理體系的服務保障和價值創造作用，持續加強法律風險防範、合規管理和法律監督管理；加強企業文化、社會責任管理，持續提升公司在國內外市場的影響力和品牌價值。

2. *To constantly improve the level of management*

To improve the systems within the Board and Supervisors so as to promote professional and elaborate compliance management; to improve strategic control and research by deploying and implementing new strategies of the Company at an opportune time; to strengthen forward-looking research on southeastern Asia and other hotspot cities around the “One Belt and One Road” region; to continuously uplift comprehensive management level and enhance informationalization construction; to adhere to the risk adverse principle and enhance auditing results; to strengthen safety awareness and ensure continual stabilization of production and safety of the Company.

FINAL DIVIDENDS

The Board recommended the distribution of a final dividend of RMB0.2042 per Share (pre-tax) for 4,125,700,000 Shares for the year ended December 31, 2016, representing a total amount of RMB842,467,940 (pre-tax).

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

2. 不斷提升管理水平

加強董事會、監事會建設，促進合規管理專業化和精細化；加強戰略管控與研究，適時部署公司新戰略規劃的制定與落地工作，圍繞「一帶一路」戰略佈局，加強對東南亞等熱點市場的前瞻性研究；不斷提升綜合管理服務水平，加強信息化建設；堅持風險導向，不斷提升審計效果；強化安全生產意識，確保公司安全生產形勢的持續穩定等。

末期股息

董事會建議派付截至2016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0.2042元（稅前），合共人民幣842,467,940元（稅前）。

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

The proposed final dividend is subject to Shareholders' approval at the upcoming annual general meeting of the Company (the "AGM"). Subject to approval, the final dividend is expected to be distributed on or before October 31, 2017 to the holders of Domestic Shares and H Shares whose names appear in the register of member 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.

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and enhance corporate value and accountability. The Company has adopted the CG Code as its own code of corporate governance. The Company has complied with the code provisions as set out in the CG Code during the year ended December 31, 2016. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company adopted the Model Code as its own code of conduct regarding securities transactions by Directors and Supervisors on terms no less exacting than the required standard set out in the Model Code. Upon specific enquiry of all the Directors and Supervisors, all the Directors and Supervisors confirmed that they had complied with the Model Code during the year ended December 31, 2016.

擬派發的末期股息須經股東於本公司應屆股東週年大會（「股東週年大會」）上批准。經批准後，末期股息預計於2017年10月31日或之前分派予於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。

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2016年12月31日止年度一直遵守《企業管治守則》所載的守則條文。本公司將繼續檢討及提升其企業管治常規，以確保遵守《企業管治守則》。

證券交易的標準守則

本公司已採納《標準守則》，作為其董事及監事進行證券交易的行為守則，其條款不遜於《標準守則》所載的規定準則。對全體董事及監事的專門查詢後，各董事及監事均確認，彼等於截至2016年12月31日止年度一直遵守《標準守則》。

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

During the year ended December 31, 2016, 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.

AUDITORS

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)) were appointed as the Company's international and domestic auditors, respectively, for the year ended December 31, 2016. The 2016 consolidated financial statements of the Company prepared in accordance with IFRS have been audited by Ernst & Young.

REVIEW OF ANNUAL RESULTS BY THE AUDIT COMMITTEE

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

The Audit Committee reviewed the Company's annual consolidated results for the year ended December 31, 2016.

購買、出售或贖回上市證券

截至2016年12月31日止年度，本公司並無贖回其於聯交所上市的任何H股，而本公司或其任何附屬公司亦無購買或出售任何該等股份。

核數師

截至2016年12月31日止年度，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)分別獲委任為本公司國際核數師及境內核數師。根據國際財務報告準則編製的本公司2016年合併財務報表已由安永會計師事務所審核。

審計委員會審閱全年業績

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

審計委員會已審閱本公司截至2016年12月31日止年度的全年合併業績。

PUBLICATION OF THE AUDITED CONSOLIDATED ANNUAL RESULTS AND 2016 ANNUAL REPORT ON THE RESPECTIVE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cmec.com). In accordance with the requirements under the Listing Rules which are applicable to the reporting period, the 2016 annual report containing all the information about the Company set out in this preliminary announcement of results for the year ended December 31, 2016 will be dispatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

分別於聯交所及本公司的網站刊登經審計合併全年業績及2016年年報

本全年業績公告分別於聯交所網站(www.hkexnews.hk)及本公司網站(www.cmec.com)上刊登。根據適用於報告期的《上市規則》規定，本公司將於適當時候向股東寄發載有該截至2016年12月31日止年度業績初步公告中所載的關於本公司的所有數據的2016年年報，並分別在聯交所及本公司的網站上刊登。

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

“Audit Committee” 「審計委員會」	the audit committee of the Board 董事會審計委員會
“Board” 「董事會」	the board of Directors of the Company 本公司董事會
“CAGR” 「複合年增長率」	compound annual growth rate 複合年增長率
“CG Code” 「《企業管治守則》」	the Corporate Governance Code set out in Appendix 14 to the Listing Rules 載於《上市規則》附錄十四之《企業管治守則》
“CMEC International Trading” 「中設國際貿易」	CMEC International Trading Co., Ltd. (中設國際貿易有限責任公司), a wholly-owned subsidiary of our Company established in the PRC on January 16, 1995 with limited liability 中設國際貿易有限責任公司，一家於1995年1月16日在中國成立的本公司全資附屬有限責任公司
“CMIPC” 「中設裝備」	China Machinery Industrial Products Co., Ltd.* (中設集團裝備製造有限責任公司), a company established in the PRC on February 6, 2002 and a subsidiary wholly-owned by the Company 中設集團裝備製造有限責任公司，一家於2002年2月6日在中國成立的公司，並為本公司全資擁有的附屬公司
“CNCEC” 「中成套」	China National Complete Engineering Corporation* (中國成套工程有限公司), a corporation established in the PRC in September 5, 1985 and wholly-owned by SINOMACH 中國成套工程有限公司，一家於1985年9月5日在中國成立的企業，由國機全資擁有

“Company”, “Our Company” or “CMEC”	China Machinery Engineering Corporation* (中國機械設備工程股份有限公司), a joint stock company with limited liability incorporated in the PRC on January 18, 2011, and except where the context indicates otherwise, includes (i) our predecessors and (ii) with respect to the period before our Company became the holding company of its present subsidiaries, the business operated by it and its present subsidiaries or (as the case may be) their predecessors
「公司」、「本公司」或 「中國機械工程」	中國機械設備工程股份有限公司，一家於2011年1月18日在中國註冊成立的股份有限公司；除非文義另有所指，否則包括：(i)我們的前身及(ii)就本公司成為其現時附屬公司的控股公司前的期間而言，其及其現時附屬公司或（視情況而定）其前身經營的業務
“Core Sectors”	the core sectors of our International Engineering Contracting Business which are the power sector, transportation sector and telecommunications sector
「核心行業」	我們國際工程承包業務的核心行業為電力能源行業、交通運輸行業及電子通訊行業
“developing countries”	refers to the 139 countries worldwide with low income, low middle income and upper middle income economies which as defined by World Bank are those with gross national income (GNI) per capita less than USD 12,475
「發展中國家」	指世界銀行所定義收入處於低水平、中低水平及中高水平的全球139個國家，其人均國民總收入低於12,475美元
“Director(s)” 「董事」	the director(s) of our Company 本公司董事
“Domestic Share(s)”	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」	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
“East Resources”	China-East Resources Import & Export Co. Ltd. (中經東源進出口有限責任公司), a wholly-owned subsidiary of our Company established in the PRC on July 22, 1993 with limited liability
「東源」	中經東源進出口有限責任公司，一家於1993年7月22日在中國成立的本公司全資附屬有限責任公司
“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」	《工程新聞記錄》雜誌，一本提供有關全球建造業消息、分析、評論及數據的刊物，為一名獨立第三方

“EPC”	a common form of contracting arrangement whereby the contractor is commissioned by the project owner to carry out such project work as design, procurement, construction and trial operations, or any combination of the above, either through the contractor’s own labor or by subcontracting part or all of the project work, and be responsible for the quality, safety, timely delivery and cost of the project
「EPC」	承包安排的常見形式，即承包商受項目擁有人的委託進行設計、採購、施工及試工等項目工作，或任何上述的組合（無論是通過承包商本身的人員或分包部分或所有項目工作），並對項目的質量、安全、工期及成本負責
“EU” 歐盟	the European Union 歐洲聯盟
“GDP” 「國內生產總值」	the gross domestic product 國內生產總值
“GE” 「通用電氣」	General Electric Company, a company incorporated in the United States, whose principal activities include, among others, engineering and power generation services 通用電氣公司，在美國註冊成立的公司，主要業務為（其中包括）工程及發電服務
“Group”, “we” and “us” 「集團」或「我們」	the Company and, except where the context otherwise requires, all its subsidiaries 本公司及除文義另有所指外，包括其所有附屬公司
“H Share(s)” 「H股」	overseas listed foreign shares in our ordinary share capital with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange and subscribed for and traded in HK\$ 我們普通股本中的境外上市外資股，每股面值人民幣1.00元，以港元認購及買賣，並於聯交所主板上市
“Hong Kong dollars” or “HK\$” 「港元」	Hong Kong dollars, the lawful currency of the Hong Kong Special Administration Region of the PRC 港元，中國香港特別行政區法定貨幣
“IFRS” 「國際財務報告準則」	International Financial Reporting Standards 國際財務報告準則

<p>“independent third party(ies)”</p> <p>「獨立第三方」</p>	<p>person(s) or company(ies) which is (are) independent of the directors, supervisors, controlling shareholder, substantial shareholder and the chief executive (such terms as defined in the Listing Rules) of the Company or any of its subsidiaries or an associate of any of them</p> <p>獨立於本公司或其任何附屬公司的任何董事、監事、控股股東、主要股東及行政總裁（定義見《上市規則》）或任何一方的聯繫人的個人或公司</p>
<p>“International Engineering Contracting Business”</p> <p>「國際工程承包業務」</p>	<p>the International Engineering Contracting Business conducted by our Group with a primary focus on EPC projects</p> <p>由本集團開展，並以EPC項目為重點的國際工程承包業務</p>
<p>“Ipsos”</p> <p>「益普索」</p>	<p>Ipsos Limited, an independent third party, is part of Ipsos SA and it conducts research on market profiles, market size, share and segmentation analyses, distribution and value analyses, competitor tracking and corporate intelligence; it is responsible for conducting a comprehensive research on the industry information included in this announcement and providing the relevant data</p> <p>Ipsos Limited，一名獨立第三方，為Ipsos SA的一部分，其開展市場概況、市場規模、份額及細分分析、分銷及價值分析、競爭對手追蹤及企業情報的研究；其對本公告內的行業資料展開全面調查並提供相關數據</p>
<p>“Ipsos Report”</p> <p>「益普索報告」</p>	<p>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, 2017</p> <p>由我們委託獨立第三方益普索香港有限公司*於2017年3月28日刊發有關全球基礎設施建設工程行業與國際貿易行業整體（特別是有關發展中國家的基礎設施建設工程行業與國際貿易行業）的報告</p>
<p>“Listing”</p> <p>「上市」</p>	<p>listing of our H Shares on the Stock Exchange</p> <p>我們的H股在聯交所上市</p>
<p>“Listing Rules”</p> <p>「《上市規則》」</p>	<p>the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time</p> <p>《聯交所證券上市規則》（經不時修訂）</p>
<p>“Model Code”</p> <p>「《標準守則》」</p>	<p>the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules</p> <p>《上市規則》附錄十所載《上市發行人董事進行證券交易的標準守則》</p>
<p>“MW”</p> <p>「兆瓦」</p>	<p>unit of energy, megawatt. 1MW = 1,000kW. The installed capacity of power plants is generally expressed in MW</p> <p>能源單位兆瓦。1兆瓦=1,000千瓦。發電廠裝機容量通常以兆瓦表示</p>

“Non-Core Sectors” 「非核心行業」	any sectors that do not fall within the Core Sectors of our International Engineering Contracting Business 任何並非屬於我們國際工程承包業務核心行業的行業
“PRC” 「中國」	The People’s Republic of China 中華人民共和國
“RMB” or “Renminbi” 「人民幣」	Renminbi, the lawful currency of the PRC 人民幣，中國法定貨幣
“Services Business” 「服務業務」	the design consulting services, logistics services, exhibition services, tendering agency services, export-import agency services and other services conducted by the Group 本集團開展的設計諮詢服務、物流服務、展覽服務、招標代理服務、進出口代理服務及其他服務
“Share(s)” 「股份」	share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, including our Domestic Shares and H Shares 本公司股本中每股面值人民幣1.00元的股份，包括內資股及H股
“Shareholder(s)” 「股東」	holder(s) of our Share(s) 我們的股份持有人
“SINOMACH” 「國機」	China National Machinery Industry Corporation* (中國機械工業集團有限公司), a state-owned enterprise established in the PRC on May 21, 1988, our controlling shareholder 我們的控股股東中國機械工業集團有限公司，一家於1988年5月21日在中國成立的國有企業
“SINOMACH Group” 「國機集團」	SINOMACH and its subsidiaries, which excludes our Group 國機及其附屬公司，不包括本集團
“Sinosure” 「中國信保」	China Export & Credit Insurance Corporation (中國出口信用保險公司), a policy-oriented insurance company specializing in export credit insurance in the PRC and an independent third party 中國出口信用保險公司，一家在中國專營出口信用保險的政策性保險公司和獨立第三方
“Stock Exchange” 「聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
“subsidiary(ies)” 「附屬公司」	has the meaning ascribed thereto under the Listing Rules 具有《上市規則》賦予該詞的涵義
“Supervisor(s)” 「監事」	the supervisor(s) of the Company 本公司監事
“Trading Business” 「貿易業務」	the international and domestic trading business conducted by our Group 本集團進行的國際和國內貿易業務

“UN” 「聯合國」	the United Nations 聯合國
“United States” or “U.S.” or “US” 「美國」	the United States of America, its territories, its possessions and all areas subject to its jurisdiction 美利堅合眾國，其領土、屬地及受限於其司法管轄權的所有地區
“US dollars” or “US\$” or “USD” 「美元」	United States dollars, the lawful currency of the United States 美元，美國的法定貨幣
“%” 「%」	per cent. or percentage 百分比

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

* 指中國公司或實體名稱的英文譯名或相反情況，僅供識別。

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

承董事會命
中國機械設備工程股份有限公司
董事長
孫柏

Beijing, the PRC, March 28, 2017

中國北京，2017年3月28日

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

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