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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, 2017

截至2017年12月31日止
年度之業績公告

2017 ANNUAL RESULTS HIGHLIGHTS

- Revenue amounted to RMB23,682.2 million, representing an increase of RMB2,665.0 million or 12.7% from RMB21,017.2 million for the year ended December 31, 2016.
- Gross profit amounted to RMB4,715.0 million, representing an increase of RMB1,170.8 million or 33.0% from RMB3,544.2 million for the year ended December 31, 2016.
- Profit from operations amounted to RMB2,847.9 million, representing an increase of RMB1,280.8 million or 81.7% from RMB1,567.1 million for the year ended December 31, 2016.
- Profit attributable to the Shareholders amounted to RMB1,711.2 million, representing a decrease of RMB395.3 million or 18.8% from RMB2,106.5 million for the year ended December 31, 2016.
- Basic earnings per share amounted to RMB0.41, representing a decrease of RMB0.10 or 19.6% from RMB0.51 for the year ended December 31, 2016.

2017年全年業績摘要

- 收入為人民幣23,682.2百萬元，較截至2016年12月31日止年度人民幣21,017.2百萬元增加人民幣2,665.0百萬元或12.7%。
- 毛利為人民幣4,715.0百萬元，較截至2016年12月31日止年度人民幣3,544.2百萬元增加人民幣1,170.8百萬元或33.0%。
- 經營溢利為人民幣2,847.9百萬元，較截至2016年12月31日止年度人民幣1,567.1百萬元增加人民幣1,280.8百萬元或81.7%。
- 股東應佔溢利為人民幣1,711.2百萬元，較截至2016年12月31日止年度人民幣2,106.5百萬元減少人民幣395.3百萬元或18.8%。
- 每股基本盈利為人民幣0.41元，較截至2016年12月31日止年度人民幣0.51元減少人民幣0.10元或19.6%。

- The Board recommended to distribute a final dividend of RMB0.1659 (pre-tax) per Share for 4,125,700,000 Shares for 2017 (2016: RMB0.2042 (pre-tax) per Share for 4,125,700,000 Shares), representing a total amount of RMB684,453,630 (pre-tax) (2016 total: RMB842,467,940 (pre-tax)).
- 董事會建議派付2017年末期股息，就4,125,700,000股股份每股人民幣0.1659元（稅前）（2016年：就4,125,700,000股股份每股人民幣0.2042元（稅前）），合共人民幣684,453,630元（稅前）（2016年總計：人民幣842,467,940元（稅前））。

The Board is pleased to announce the following audited consolidated results of the Group for the year ended December 31, 2017, together with the comparative figures for the year ended December 31, 2016 for comparison. 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2017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2016年12月31日止年度的比較數字。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, 2017

合併損益表

截至2017年12月31日止年度

			2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
		<i>Notes</i> 附註		
REVENUE	收入	4	23,682,177	21,017,236
Cost of sales	銷售成本		(18,967,182)	(17,473,045)
Gross profit	毛利		4,714,995	3,544,191
Other revenue	其他收入	4	201,051	29,062
Other expenses/(income), net	其他開支／(收入)淨額	4	183,859	(14,170)
Selling and distribution expenses	銷售及分銷開支		(1,026,251)	(1,103,944)
Administrative expenses	行政開支		(831,013)	(725,366)
Other operating expenses	其他經營開支		(394,750)	(162,658)
PROFIT FROM OPERATIONS	經營溢利		2,847,891	1,567,115
Finance income	財務收入	5(a)	321,521	1,248,682
Finance expenses	財務開支	5(a)	(977,121)	(46,905)
Net finance income	財務收入淨額	5(a)	(655,600)	1,201,777
Share of profits and losses of:	應佔以下溢利及虧損：			
Joint ventures	合營公司		23,507	13,401
Associates	聯營公司		37,093	1,637
PROFIT BEFORE TAX	除稅前溢利		2,252,891	2,783,930
Income tax	所得稅	6	(538,396)	(674,140)
PROFIT FOR THE YEAR	年內溢利		1,714,495	2,109,790
Attributable to:	歸屬於：			
Owners of the parent	母公司擁有人		1,711,203	2,106,521
Non-controlling interests	非控股權益		3,292	3,269
			1,714,495	2,109,790
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)		41 cents (分)	51 cents (分)

**CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME**

Year ended December 31, 2017

合併綜合收益表

截至2017年12月31日止年度

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
PROFIT FOR THE YEAR	年內溢利	1,714,495	2,109,790
OTHER COMPREHENSIVE INCOME	其他綜合收益		
Other comprehensive income not to be reclassified to 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	(60)	9,990
Other comprehensive income to be reclassified to 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 available-for-sale investments	可供出售投資公允價值變動	(436)	563
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	(64,257)	63,983
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年內綜合收益總額	<u>1,649,742</u>	<u>2,184,326</u>
Attributable to:	歸屬於：		
Owners of the parent	母公司擁有人	1,646,525	2,180,909
Non-controlling interests	非控股權益	3,217	3,417
		<u>1,649,742</u>	<u>2,184,326</u>

**CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**

December 31, 2017

合併財務狀況表

於2017年12月31日

		December 31, 2017 2017年 12月31日 <i>RMB'000</i> 人民幣千元	December 31, 2016 2016年 12月31日 <i>RMB'000</i> 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	1,617,352	1,605,717
Investment properties	投資物業	582,274	20,988
Prepaid land lease payments	預付土地租賃款項	1,793,684	1,797,297
Intangible assets	無形資產	17,511	9,587
Investments in joint ventures	對合營公司的投資	346,423	297,916
Investments in associates	對聯營公司的投資	505,416	265,836
Trade and other receivables	貿易及其他應收款項	847,058	553,937
Amounts due from contract customers	應收合同客戶款項	1,923,798	2,547,471
Deferred tax assets	遞延稅項資產	320,357	411,536
Other non-current assets	其他非流動資產	597,358	593,076
Total non-current assets	非流動資產總額	8,551,231	8,103,361
CURRENT ASSETS	流動資產		
Inventories	存貨	652,791	495,736
Trade and other receivables	貿易及其他應收款項	10,093,718	8,121,101
Amounts due from contract customers	應收合同客戶款項	3,563,860	4,693,622
Restricted deposits	受限制存款	1,178,951	554,588
Time deposits with original maturity over three months	原始到期日超過 三個月的定期存款	5,032,483	5,942,003
Cash and cash equivalents	現金及現金等價物	18,466,327	19,541,868
Total current assets	流動資產總額	38,988,130	39,348,918
CURRENT LIABILITIES	流動負債		
Borrowings	借貸	754,847	576,695
Receipts in advance	預收款項	12,880,602	12,473,750
Trade and other payables	貿易及其他應付款項	16,541,389	17,541,253
Defined benefit obligations	設定受益義務	25,585	26,850
Tax payable	應繳稅項	97,643	501,728
Total current liabilities	流動負債總額	30,300,066	31,120,276
NET CURRENT ASSETS	流動資產淨額	8,688,064	8,228,642
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減流動負債	17,239,295	16,332,003

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CONSOLIDATED STATEMENT OF
FINANCIAL POSITION (CONTINUED)

December 31, 2017

合併財務狀況表 (續)

於2017年12月31日

			December 31, 2017 2017年 12月31日 RMB'000 人民幣千元	December 31, 2016 2016年 12月31日 RMB'000 人民幣千元
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減流動 負債		17,239,295	16,332,003
NON-CURRENT LIABILITIES	非流動負債			
Borrowings	借貸		161,522	469,728
Trade and other payables	貿易及其他應付款項	11	466,709	81,206
Defined benefit obligations	設定受益義務		361,421	359,323
Deferred tax liabilities	遞延稅項負債		44,175	46,193
Total non-current liabilities	非流動負債總額		1,033,827	956,450
Net assets	淨資產		16,205,468	15,375,553
EQUITY	權益			
Issued capital	已發行股本	12	4,125,700	4,125,700
Reserves	儲備		12,006,872	11,202,815
Total equity attributable to owners of the parent	母公司擁有人 應佔權益總額		16,132,572	15,328,515
Non-controlling interests	非控股權益		72,896	47,038
Total equity	權益總額		16,205,468	15,375,553

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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, 2017 in preparing the financial statements for the year ended December 31, 2017. The Group has not early adopted any new and revised IFRSs that are not yet effective.

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 revised IFRSs for the first time for the current year’s financial statements:

Amendments to IAS 7	<i>Disclosure Initiative</i>
Amendments to IAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>
Amendments to IFRS 12 Included in Annual Improvements to IFRSs 2014-2016 Cycle	<i>Disclosure of Interests in Other Entities: Clarification of the Scope of IFRS 12</i>

財務報表附註

於2017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（「香港聯交所」）主板證券上市規則中適用的披露規定。本集團已在編製截至2017年12月31日止年度的財務報表時採納所有在自2017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。本集團概無提早採納尚未生效的任何新訂及經修訂國際財務報告準則。

2. 編製基準

該等財務報表乃按歷史成本慣例編製，惟按公允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

本集團於本年度的財務報表內首次採納下列經修訂國際財務報告準則：

國際會計準則第7號的修訂本	<i>披露計劃</i>
國際會計準則第12號的修訂本	<i>就未變現虧損確認遞延稅項資產</i>
國際財務報告準則 第12號的修訂本 (納入國際財務報告準則 2014年至2016年週期年度改進)	<i>披露於其他實體之權益：澄清國際 財務報告準則第12號的範圍</i>

None of the above amendments to IFRSs has had a significant financial effect on these financial statements. Disclosure has been made upon the adoption of amendments to IAS 7, which require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The nature and the impact of the amendments are described below:

- (a) Amendments to IAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.
- (b) Amendments to IAS 12 clarify that an entity, when assessing whether taxable profits will be available against which it can utilise a deductible temporary difference, needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. The amendments have had no impact on the financial position or performance of the Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.
- (c) Amendments to IFRS 12 clarify that the disclosure requirements in IFRS 12, other than those disclosure requirements in paragraphs B10 to B16 of IFRS 12, apply to an entity's interest in a subsidiary, a joint venture or an associate, or a portion of its interest in a joint venture or an associate that is classified as held for sale or included in a disposal group classified as held for sale. The amendments have had no impact on the Group's financial statements as there is no subsidiary of the Group which is classified as a disposal group held for sale at December 31, 2017 and so no additional information is required to be disclosed.

上文國際財務報告準則的修訂本並無對該等財務報表造成重大財務影響。披露已於採納國際會計準則第7號時作出，該等修訂本要求實體提供披露，以使財務報表使用者可評估融資活動所產生的負債變動，包括現金流量及非現金流量變動產生的變動。

修訂本的性質及影響於下文闡述：

- (a) 國際會計準則第7號的修訂本要求實體提供披露，以使財務報表使用者可評估融資活動所產生的負債變動，包括現金流量及非現金流量變動產生的變動。
- (b) 國際會計準則第12號的修訂本釐清實體於評估是否有應課稅溢利可用作抵扣可扣減暫時差異時，需要考慮稅務法例是否對於可扣減暫時差異轉回時可用作抵扣的應課稅溢利的來源有所限制。此外，該等修訂本就實體應如何釐定未來應課稅溢利提供指引，並解釋應課稅溢利可包括收回超過賬面值的某些資產的情況。由於本集團並無任何可扣減暫時差異或該等修訂本範圍內的資產，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) 國際財務報告準則第12號的修訂本釐清國際財務報告準則第12號之披露規定（國際財務報告準則第12號第B10至B16段之披露規定除外）適用於實體於附屬公司、合營企業或聯營公司的權益，或其於分類為持作出售或列於分類為持作出售的出售組別的合營公司或聯營公司的部分權益。該等修訂本對本集團的財務報表並無影響是由於於2017年12月31日本集團並無附屬公司分類為持作出售的出售組別，而因此毋須披露額外資料。

4. REVENUE, OTHER REVENUE AND EXPENSES

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; and the value of services rendered during the year.

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

4. 收入、其他收入及開支

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以及所提供服務價值。

收入、其他收入及其他開支淨額分析如下：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Revenue	收入		
Construction contracts	建造合同	13,554,645	12,385,082
Trading business	貿易業務	8,034,705	7,308,786
Services business	服務業務	2,092,827	1,323,368
		<u>23,682,177</u>	<u>21,017,236</u>
Other revenue	其他收入		
Dividend income from available-for-sale investments	可供出售投資 股息收入	186,321	10,969
Government grants	政府補貼	14,730	18,093
		<u>201,051</u>	<u>29,062</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、廠房及設備項目 的收益／(虧損)淨額	1,086	(3,803)
Gain on disposal of a subsidiary	處置附屬公司收益	58,861	-
Net gains/(losses) on foreign currency forward exchange contracts	遠期外匯合約 的收益／(虧損)淨額	57,424	(69,943)
Others	其他	66,488	59,576
		<u>183,859</u>	<u>(14,170)</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 應收客戶款項的財務收入
Foreign exchange gains 匯兌收益
Interest income 利息收入

Finance income 財務收入

Interest cost recognised in respect of defined benefit obligations 就設定受益義務確認的利息成本
Interest expenses on borrowings 借貸利息開支
Foreign exchange losses 匯兌虧損
Bank charges and others 銀行費用及其他

Finance expenses 財務開支

Net finance income recognised in profit or loss 於損益確認的財務收入淨額

(b) Staff costs

Salaries, wages and other benefits 薪金、工資及其他福利
Contributions to defined contribution retirement plans 設定供款退休計劃的供款
Expenses/(income) recognised in respect of defined benefit retirement plans 就設定受益退休計劃確認的開支／(收益)

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

2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
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104,705	141,492
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-	721,844
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216,816	385,346
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321,521	1,248,682
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11,130	12,170
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63,611	24,257
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893,427	-
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8,953	10,478
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977,121	46,905
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(655,600)	1,201,777
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(b) 員工成本

2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
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1,314,791	1,399,330
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127,538	134,426
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17,690	(5,890)
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1,460,019	1,527,866
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(c) Other items

(c) 其他項目

		Note	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Amortisation	攤銷			
– Prepaid land lease payments	– 預付土地租賃款項		45,871	46,523
– Intangible assets	– 無形資產		4,790	5,667
– Long-term assets	– 長期資產		18,116	7,617
			<u>68,777</u>	<u>59,807</u>
Depreciation	折舊			
– Property, plant and equipment	– 物業、廠房及設備		68,525	76,804
– Investment properties	– 投資物業		8,273	2,516
			<u>76,798</u>	<u>79,320</u>
Impairment losses on	減值虧損			
– Trade and other receivables	– 貿易及其他應收款項	10	392,463	159,573
– Inventories	– 存貨		3,562	–
– Amounts due from contract customers	– 應收合同客戶款項		(1,985)	12,673
Foreseeable contract losses	可預計合同虧損		–	(10,188)
Amount included in other operating expenses	包含在其他經營開支的金額		<u>394,040</u>	<u>162,058</u>
Operating lease charges	經營租賃費用			
– Lease of properties	– 租賃物業		36,253	30,138
– Lease of other assets	– 租賃其他資產		167	9
			<u>36,420</u>	<u>30,147</u>
Rental income from investment properties	來自投資物業的租賃收入			
– Gross rental	– 毛租金		92,025	14,809
– Direct outgoings	– 直接支出		(32,458)	(2,261)
– Net rental	– 淨租金		<u>59,567</u>	<u>12,548</u>
Cost of construction contracts	建造合同成本		10,231,091	9,573,656
Cost of goods sold	商品銷售成本		7,561,057	6,955,770
Cost of services provided	所提供服務的成本		1,175,034	943,619
			<u>18,967,182</u>	<u>17,473,045</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, 2017 and 2016, except for two subsidiaries of the Group which were entitled to the preferential tax rate of 15% (2016: 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% (2016: 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2017年及2016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%（2016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%（2016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）的現行稅率計算稅項。

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current income tax – Mainland China	即期所得稅 – 中國大陸	443,301	693,689
Current income tax – Hong Kong	即期所得稅 – 香港	1,368	10,756
Current income tax – Others	即期所得稅 – 其他	4,323	2,982
Deferred income tax	遞延所得稅	89,404	(33,287)
Total tax charge for the year from continuing operations	來自持續經營業務的年度稅項支出總額	538,396	674,140

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

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：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Profit before tax from continuing operations	來自持續經營業務的 除稅前溢利	<u>2,252,891</u>	<u>2,783,930</u>
Tax at the statutory tax rate	按法定稅率計算的稅項	563,223	695,983
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	(10,798)	(10,696)
Share of profits of joint ventures and associates not subject to tax	毋需課稅的應佔合營公司和聯營公司溢利	(15,150)	(3,760)
Income not subject to tax	毋需課稅的收入	(53,347)	(12,311)
Adjustments in respect of current tax of previous periods	就過往期間即期稅項作出的調整	725	(5,594)
Expenses not deductible for tax	不可扣稅開支	32,284	15,137
Tax losses utilised from previous periods	使用過往期間的稅項虧損	(4,520)	(3,204)
Others	其他	<u>25,979</u>	<u>(1,415)</u>
Tax charge at the Group's effective rate from continuing operations	來自持續經營業務的 按本集團實際稅率計算的稅項支出	<u>538,396</u>	<u>674,140</u>

The share of tax attributable to associates and joint ventures amounting to RMB9,273,000 (2016: RMB410,000) and RMB5,877,000 (2016: RMB3,350,000), 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9,273,000元（2016年：人民幣410,000元）及人民幣5,877,000元（2016年：人民幣3,350,000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

		2017	2016
		2017年	2016年
		<i>RMB'000</i>	<i>RMB'000</i>
		人民幣千元	人民幣千元
Proposed final dividend of RMB0.1659 (2016: RMB0.2042) per ordinary share	擬派末期股息每股普通股 人民幣0.1659元 (2016年： 人民幣0.2042元)	684,454	842,468

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

擬派的本年度末期股息須獲本公司股東於應屆股東週年大會上批准。

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 dividends after deducting enterprise income tax at the rate of 10%.

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其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。

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.

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》及其實施條例及規定,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 (2016: 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

2017	2016
2017年	2016年
RMB'000	RMB'000
人民幣千元	人民幣千元

1,711,203	2,106,521
------------------	------------------

Number of shares

股份數目

2017	2016
2017年	2016年
Thousand	Thousand
shares	shares
千股	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, 2017 and 2016.

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(2016年: 4,125,700,000股)計算。

每股基本盈利的計算如下：

2017	2016
2017年	2016年
RMB'000	RMB'000
人民幣千元	人民幣千元

1,711,203	2,106,521
------------------	------------------

Number of shares

股份數目

2017	2016
2017年	2016年
Thousand	Thousand
shares	shares
千股	千股

4,125,700	4,125,700
------------------	------------------

截至2017年及2016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, design consulting services, tendering agency services, logistics services and other services.

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

Segment assets exclude investments in associates and joint ventures, prepaid land lease payments, intangible assets, deferred tax assets, time deposits, cash and cash equivalents, other non-current assets 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）的工程、採購及施工（「EPC」）承包業務。
- (b) 貿易業務：本分部主要從事為國內外客戶進口及／或出口各種機械、電力及工具產品業務。
- (c) 服務業務：本分部主要從事提供進出口代理服務、設計諮詢服務、招標代理服務、物流服務及其他服務。

管理層單獨監察本集團經營分部的業績，以就資源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、處置附屬公司收益、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、其他收入／開支、未經分配的收入／開支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、其他非流動資產及其他未分配總部及企業資產，乃由於該等資產以集團為基礎管理。

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, 2017
截至2017年12月31日止年度

Segment revenue:
Sales to external customers
Intersegment sales

Reportable segment revenue 可報告分部收入

Reportable segment profit 可報告分部溢利

Finance income on receivables
from customers 應收客戶款項的財務收入
Finance costs 財務成本
Depreciation and amortisation 折舊及攤銷
Provision for impairment losses 減值虧損撥備
– Trade and other receivables – 貿易及其他應收款項
– Amounts due from contract customers – 應收合同客戶款項
– Inventories – 存貨

Reportable segment assets 可報告分部資產

Reportable segment liabilities 可報告分部負債

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，乃由於該等負債以集團為基礎管理。

各分部間的銷售及轉撥乃參考向第三方銷售所採用之售價，按當時現行市價進行交易。

(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:				
Sales to external customers	13,554,645	8,034,705	2,092,827	23,682,177
Intersegment sales	488,841	143,181	586,338	1,218,360
Reportable segment revenue	14,043,486	8,177,886	2,679,165	24,900,537
Reportable segment profit	1,663,196	67,559	625,218	2,355,973
Finance income on receivables from customers	60,792	43,913	–	104,705
Finance costs	29,697	19,016	14,898	63,611
Depreciation and amortisation	10,179	5,857	10,630	26,666
Provision for impairment losses				
– Trade and other receivables	369,133	(1,583)	24,913	392,463
– Amounts due from contract customers	(1,985)	–	–	(1,985)
– Inventories	–	3,562	–	3,562
Reportable segment assets	14,737,206	5,647,796	2,074,973	22,459,975
Reportable segment liabilities	23,479,709	7,895,755	4,749,276	36,124,740

年內資本開支未攤分子各分部，乃由於有關開支以集團為基礎管理。

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

(a) 分部收入、業績、資產及負債(續)

Year ended December 31, 2016 截至2016年12月31日止年度		Construction contracts 建造合同 RMB'000 人民幣千元	Trading business 貿易業務 RMB'000 人民幣千元	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	12,385,082	7,308,786	1,323,368	21,017,236
Intersegment sales	分部間銷售	<u>77,302</u>	<u>79,433</u>	<u>648,717</u>	<u>805,452</u>
Reportable segment revenue	可報告分部收入	<u>12,462,384</u>	<u>7,388,219</u>	<u>1,972,085</u>	<u>21,822,688</u>
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 for 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

(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

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Revenue:	收入：		
Reportable segment revenue	可報告分部收入	24,900,537	21,822,688
Elimination of intersegment revenue	分部間收入抵銷	(1,218,360)	(805,452)
		<u>23,682,177</u>	<u>21,017,236</u>
Profit:	溢利：		
Reportable segment profit	可報告分部溢利	2,355,973	2,062,493
Share of profits and losses of joint ventures	應佔合營公司溢利及虧損	23,507	13,401
Share of profits and losses of associates	應佔聯營公司溢利及虧損	37,093	1,637
Gain on disposal of a subsidiary	處置附屬公司收益	58,861	—
Dividend income from available-for-sale investments	可供出售投資股息收入	186,321	10,969
Other income, net	其他收入淨額	15,816	14,290
Other operating expenses	其他經營開支	(710)	(600)
Interest income from bank deposits	來自銀行存款的利息收入	216,816	385,346
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	(11,130)	(12,170)
Unallocated foreign exchange (losses)/gains, net	未分配的匯兌(虧損)／ 收益淨額	(510,747)	437,226
Depreciation and amortisation	折舊及攤銷	(118,909)	(128,662)
Profit before tax	除稅前溢利	<u>2,252,891</u>	<u>2,783,930</u>

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

(b) 可報告分部收入、溢利／虧損、資產及負債的對賬（續）

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Assets:	資產：		
Reportable segment assets	可報告分部資產	22,459,975	20,213,790
Elimination of intersegment receivables	分部間應收款項抵銷	<u>(5,446,028)</u>	<u>(4,371,002)</u>
		17,013,947	15,842,788
Restricted deposits	受限制存款	1,178,951	554,588
Time deposits with original maturity over three months	原始到期日超過三個月 的定期存款	5,032,483	5,942,003
Cash and cash equivalents	現金及現金等價物	18,466,327	19,541,868
Property, plant and equipment	物業、廠房及設備	1,617,352	1,605,717
Prepaid land lease payments	預付土地租賃款項	1,793,684	1,797,297
Intangible assets	無形資產	17,511	9,587
Investments in joint ventures	對合營公司的投資	346,423	297,916
Investments in associates	對聯營公司的投資	505,416	265,836
Deferred tax assets	遞延稅項資產	320,357	411,536
Other non-current assets	其他非流動資產	597,358	593,076
Other unallocated assets	其他未分配資產	<u>649,552</u>	<u>590,067</u>
		47,539,361	47,452,279
Liabilities:	負債：		
Reportable segment liabilities	可報告分部負債	36,124,740	35,409,597
Elimination of intersegment payables	分部間應付款項抵銷	<u>(5,319,671)</u>	<u>(4,266,965)</u>
		30,805,069	31,142,632
Defined benefit obligations	設定受益義務	387,006	386,173
Tax payable	應付稅項	97,643	501,728
Deferred tax liabilities	遞延稅項負債	<u>44,175</u>	<u>46,193</u>
		31,333,893	32,076,726

(c) Geographical information

(c) 地理區域資料

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Revenue from external customers	來自外部客戶的收入		
Mainland China	中國大陸	8,191,549	7,699,881
The Republic of Angola	安哥拉共和國	3,520,043	2,010,419
Pakistan	巴基斯坦	3,161,574	1,940,818
Argentina	阿根廷	1,317,761	1,113,519
Lao People's Democratic Republic	老撾人民民主共和國	1,185,088	867,113
United States	美國	958,950	543,302
Venezuela	委內瑞拉	705,856	892,534
Hong Kong	香港	530,323	687,203
Serbia	塞爾維亞	517,358	772,356
Singapore	新加坡	488,344	376,772
Others	其他	3,105,331	4,113,319
		23,682,177	21,017,236

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。

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Non-current assets	非流動資產		
Mainland China	中國大陸	4,141,867	3,624,257
Others	其他	448,012	363,269
		4,589,879	3,987,526

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，不包括對合營公司和聯營公司的投資、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 to a single customer which amounted to more than 10% of the Group's revenue for the year ended December 31, 2017 (2016: Nil).

截至2017年12月31日止年度，對單一客戶銷售所產生的收入佔本集團收入10%以上的金額為零（2016年：零）。

10. TRADE AND OTHER RECEIVABLES

10. 貿易及其他應收款項

			2017	2016
		<i>Notes</i>	2017年	2016年
		<i>附註</i>	<i>RMB'000</i>	<i>RMB'000</i>
			人民幣千元	人民幣千元
Bills receivables	應收票據		112,859	68,184
Trade receivables	貿易應收款項		7,344,137	5,619,071
Less: Allowance for doubtful debts	減：呆賬撥備	(b)	<u>(1,228,801)</u>	<u>(840,205)</u>
Trade and bills receivables	貿易應收款項及應收票據	(a)	<u>6,228,195</u>	4,847,050
Advances to suppliers	供應商預付款項		2,124,189	2,024,858
Other receivables	其他應收款項		2,658,696	1,873,834
Less: Allowance for doubtful debts	減：呆賬撥備	(b)	<u>(70,304)</u>	<u>(70,704)</u>
			<u>2,588,392</u>	1,803,130
Portion classified as non-current assets	分類為非流動資產的部分		<u>(847,058)</u>	<u>(553,937)</u>
Current portion	流動部分		<u>10,093,718</u>	<u>8,121,101</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：

			2017	2016
			2017年	2016年
			<i>RMB'000</i>	<i>RMB'000</i>
			人民幣千元	人民幣千元
Within 3 months	3個月以內		3,578,734	2,819,832
3 months to 6 months	3個月至6個月		160,899	199,330
6 months to 1 year	6個月至1年		1,360,771	610,301
Over 1 year	1年以上		<u>1,127,791</u>	<u>1,217,587</u>
			<u>6,228,195</u>	<u>4,847,050</u>

(a) Ageing analysis (Continued)

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

(b) Impairment of trade and other receivables

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

(a) 賬齡分析 (續)

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

(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：

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At January 1	於1月1日	910,909	716,504
Impairment losses recognised	已確認的減值虧損	414,693	220,577
Transfer in from amounts due from contract customers	轉撥自應收合同客戶款項	-	38,069
Impairment losses reversed	已撥回的減值虧損	(22,230)	(61,004)
Amount written off as uncollectible	撤銷不可收回的金額	(4,267)	(3,237)
		<u>1,299,105</u>	<u>910,909</u>

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB1,051,531,000 (December 31, 2016: RMB693,457,000) with an aggregate carrying amount before provision of RMB2,148,452,000 (December 31, 2016: RMB1,613,328,000).

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款項減值撥備人民幣1,051,531,000元(2016年12月31日：人民幣693,457,000元)，其撥備前的賬面總值為人民幣2,148,452,000元(2016年12月31日：人民幣1,613,328,000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 RMB60,139,000 (December 31, 2016: RMB62,005,000) with an aggregate carrying amount before provision of RMB1,336,048,000 (December 31, 2016: RMB1,022,095,000).

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60,139,000元(2016年12月31日: 人民幣62,005,000元), 其撥備前的賬面總值為人民幣1,336,048,000元(2016年12月31日: 人民幣1,022,095,000元)。

單獨認定的貿易及其他應收款項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:

		2017	2016
		2017年	2016年
		<i>RMB'000</i>	<i>RMB'000</i>
		人民幣千元	人民幣千元
Neither past due nor impaired	既未逾期亦未減值	1,951,958	1,507,269
Less than 3 months past due	逾期3個月以內	98,643	79,081
3 months to 6 months past due	逾期3個月至6個月	51,653	50,238
6 months to 1 year past due	逾期6個月至1年	154,958	150,714
More than 1 year past due	逾期1年以上	60,549	271,541
		<u>2,317,761</u>	<u>2,058,843</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：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
SINOMACH	國機	584,544	10,155
Fellow subsidiaries	同系附屬公司	84,471	55,461
		<u>669,015</u>	<u>65,616</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, 2017 and December 31, 2016, none of the Group's borrowings were secured by the Group's trade receivables.

(e) 於2017年12月31日及2016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

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Bills payable	應付票據	127,646	115,623
Trade payables	貿易應付款項	12,446,249	13,012,654
		<u>12,573,895</u>	13,128,277
Accrued salaries, wages and benefits	應計薪金、工資及福利	841,335	1,022,817
Other taxes payable	其他應繳稅項	181,522	80,356
Other payables	其他應付款項	2,658,525	3,180,134
Derivative financial instruments	衍生金融工具	11,426	120,151
Dividends payable	應付股息	1,212	3,782
Interest payable	應付利息	1,116	5,736
Others	其他	739,067	81,206
		<u>17,008,098</u>	17,622,459
Less: Portion classified as current liabilities	減：分類為流動負債的部分	<u>(16,541,389)</u>	<u>(17,541,253)</u>
Non-current portion	非流動部分	<u>466,709</u>	<u>81,206</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：

2017	2016
2017年	2016年
RMB'000	RMB'000
人民幣千元	人民幣千元
3,384,169	4,789,865
647,041	517,075
2,190,376	921,771
6,352,309	6,899,566
12,573,895	13,128,277

貿易應付款項為不計息，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：

2017	2016
2017年	2016年
RMB'000	RMB'000
人民幣千元	人民幣千元
963	2,029
705,797	722,559
706,760	724,588

12. 已發行股本

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

2017	2016
2017年	2016年
RMB'000	RMB'000
人民幣千元	人民幣千元
3,217,430	3,217,430
908,270	908,270
4,125,700	4,125,700

I. INDUSTRY OVERVIEW

In 2017, the domestic and international economic environment is still intricate, while the world economy is still facing the risk of a downward trend. From the international perspective, the world economy picked up slightly as major economies achieved synchronous growth for the first time after the global financial crisis and international trades and investments are gradually recovering. It is hopeful that the world economy will enter a new growth cycle. However, deep-seated problems in the world economy have yet to be fixed. Multiple risks and considerable uncertainties come in the form of high debts, asset bubbles, protectionism and escalation of regional and international hotspots. In China domestically, the economy kept growing amid stability last year, and GDP rose by 6.9%. Imports and exports turned around after a decline for two consecutive years; fiscal revenue, residents' income and corporate profits registered noticeable improvements; the bond market, stock market and real estate market remained stable, foreign exchange reserve increased continuously and enterprises' leverage ratio decreased amid stability. On the whole, China's economy has entered a new era of development transitioning from rapid growth to high-quality growth.

A. International Engineering Contracting Business

In 2017, China's foreign engineering contracting projects achieved a turnover of approximately RMB1,138.29 billion, with a year-on-year growth of 7.5% (equivalent to approximately US\$168.59 billion, with a year-on-year growth of 5.8%), and newly signed contracts amounted to approximately RMB1,791.12 billion, with a year-on-year growth of 10.7% (equivalent to approximately US\$265.28 billion, with a year-on-year growth of 8.7%).

I. 行業概覽

2017年，國內外經濟環境依然錯綜複雜，世界經濟仍然面臨下行風險。從國際看，世界經濟有所回暖，主要經濟體自國際金融危機發生以來首次實現同步增長，國際貿易和投資逐漸走出低谷，世界經濟有望進入新的增長周期。但是，世界經濟存在的深層次矛盾仍未解決，還面臨債務高企資產泡沫、保護主義、國際和地區熱點問題升級等多重風險，存在較大的不確定性。從國內看，去年，我國經濟延續了穩中向好的發展態勢，國內生產總值增長了6.9%。進出口扭轉了連續兩年下降的局面；財政收入、居民收入和企業效益明顯好轉；債市、股市、房市平穩運行，外匯儲備持續增加，企業槓桿率穩中有降，總的來說，中國經濟已經進入了由高速增長階段轉向高質量發展階段的新時代。

A. 國際工程承包業務

2017年，我國對外承包工程業務完成營業額約人民幣11,382.9億元，同比增長7.5%（折合約1,685.9億美元，同比增長5.8%），新簽合同額約人民幣17,911.2億元，同比增長10.7%（折合約2,652.8億美元，同比增長8.7%）。

New contracts for foreign engineering contracting projects signed in 61 countries along “the Belt and Road” region aggregated to approximately US\$144.32 billion, accounting for 54.4% of the total in the same period, with a year-on-year growth of 14.5%; the amount of turnover reached approximately US\$85.53 billion, accounting for 50.7% of the total in the same period, with a year-on-year growth of 12.6%.

Although foreign engineering contracting business has kept expanding in the recent years as “the Belt and Road” Initiative continuously releases dividends, in the context of such general trend of “conterminous rise” higher requirements are presented for industrial development, and enterprises must face up to harsher internal and external competitions and speed up improving their own capability to seek more advanced development. On balance, at present, challenges and opportunities go hand in hand for the international engineering contracting industry.

1. **Steadily expanding business scale.** Last year, the amount and the turnover of newly signed contracts for foreign engineering projects both increased on a year-on-year basis. In particular, the business turnover in countries along “the Belt and Road” almost accounted for half of the total, with the growth significantly higher above industry average, and the trend of sizeable projects became more remarkable. In 2017, 782 new foreign engineering contracting projects had a contract value of more than US\$50 million, totalling approximately US\$197.74 billion and accounting for 74.5% of the total amount of newly signed contracts. Besides, there were more than 300 projects with a contract value reaching US\$100 million and nearly 30 projects with a contract value exceeding US\$1 billion.

在「一帶一路」沿線的61個國家新簽對外承包工程合同額約為1,443.2億美元，佔同期總額的54.4%，同比增長14.5%；完成營業額約855.3億美元，佔同期總額的50.7%，同比增長12.6%。

雖然近幾年對外承包工程業務規模不斷增長，「一帶一路」倡議不斷釋放紅利，但也正是這種「水漲船高」的大勢，對行業發展提出了更高的要求，企業必須要直面更加嚴峻的內外部競爭形勢，並加快提升自身水平，才能尋求更高層次的發展。總的來說，目前國際工程承包行業整體形勢依然是機遇和挑戰並存。

1. **業務規模保持穩步增長。**去年，對外工程新簽合同額和完成營業額同比均有增長，尤其是「一帶一路」沿線國家業務佔據半壁江山，業務增速明顯高於行業平均水平，項目大型化趨勢明顯。2017年，對外承包工程新簽合同額在5,000萬美元以上的項目782個，合計約1,977.4億美元，佔新簽合同總額的74.5%，上億美元項目300餘個，10億美元以上項目近30個。

2. **Changing market pattern amid stability.** In 2017, the focus of the foreign engineering contracting business was in Asia and Africa. In particular, Asian market came out on top with the value of newly signed contracts surpassing US\$100 billion, accounting for more than half of the total of newly signed contracts. Under the impact of sluggish international crude oil price as well as financial retrenchment of African countries, the amount and the turnover of newly signed contracts for business in Africa both retreated. Remarkable achievements were made in developing business in Latin American and European markets, as evidenced by the value of newly signed contracts exceeding US\$10 billion.
3. **Increasingly significant industrial spillover effects.** In 2017, foreign engineering contracting business played an ever-greater role in driving the whole industry chain to “go out”, and corresponding cargo exports reached approximately US\$15.39 billion, with a year-on-year growth of 15.7%, higher than the growth of cargo trade exports in the same period. Specifically, overseas projects including Addis Ababa-Djibouti Railway and Mombasa-Nairobi Standard Gauge Railway not only used advanced PRC-made equipment but also were built following China’s standards during the whole process, which embodied the increasingly greater role of leading PRC engineering contracting enterprises in driving the expansion of relevant industries. Regarding capacity cooperation, domestic economic and trade cooperative zones represented by China-Belarus Industrial Park facilitated effective connection between China’s production capacity and local demand.
2. **行業市場格局穩中有變。**2017年，對外承包工程業務仍主要集中在亞洲和非洲市場。其中，亞洲市場獨佔鰲頭，新簽合同額突破1,000億美元，佔新簽合同額的一半以上；受國際原油價格持續低位運行以及非洲各國財政緊縮的影響，在非洲的業務的新簽合同額和完成營業額均呈下滑趨勢；拉美和歐洲市場，業務拓展成效顯著，新簽合同額均超過100億美元。
3. **行業溢出效應日益顯著。**2017年，對外承包工程業務對全產業鏈「走出去」的帶動作用進一步增強，全年帶動貨物出口約153.9億美元，同比增長15.7%，高於同期貨物貿易出口增幅。其中，亞吉鐵路、蒙內鐵路等項目不僅帶動先進國產設備走出國門，且項目全線採用中國標準建設，體現了中國龍頭工程企業對相關產業的輻射帶動力度進一步加大。在產能合作方面，以中白工業園等為代表的境外經貿合作區有效推進，促進我國優勢產能同當地需求的有效對接。

4. **More investments and attentions are given to transportation, power and environmental protection fields.** At present, interconnection is still the core of infrastructure construction of various countries, pointing to huge demand for building roads, railways, shipping lines, ports and airports. Power is a development priority of various countries. In particular, power network and clean energy become major investment directions. In addition, the urbanization of some countries and regions provides a longer-term development opportunity for people's livelihood projects including properties and municipal engineering. Green, energy-saving and environmentally-friendly infrastructure construction projects are the prevailing trend of development in the near term.
4. 交通、能源電力、環保領域吸引了較多的投資和關注。當前，互聯互通仍是各國基礎設施建設的重點，公路、鐵路、航運、港口、機場等建設需求巨大。能源電力是各國發展的優先領域，特別是電力網絡和清潔能源成為重點投資方向。此外，部分國家和地區城市化發展為房地產、市政等民生工程提供了較長期的發展機遇，綠色、節能、環保的基礎設施建設項目是近期的主要發展方向。
5. **“Integration of construction and operation” and enterprise collaboration become the “New Normal” of industrial development.** At present, factors including rational planning of regional development, assisting with finance and project operational management, promoting employment and industrial upgrading of the host countries have become important when project owners select their partners, imposing higher requirements on the multinational operation and resource integration planning capabilities of engineering contracting enterprises. Enterprises in the industry actively explore new business models such as PPP, extend industrial chain, promote development of “integration of construction and operation”, and enhance inter-enterprise cooperation on a complementary basis. “Going out” through cooperation became an important trend of industrial development.
5. 「建營一體化」和企業協同合作成為行業發展的「新常態」。當前，能夠合理規劃區域開發、協助進行融資和項目運營管理、促進東道國就業和產業升級等已經成為項目業主選擇合作夥伴的重要因素，這對於承包工程企業跨國經營和資源整合規劃的能力提出了更高要求。行業企業積極探討PPP等新模式業務，延伸產業鏈條，推動「建營一體化」發展，加強企業間合作，優勢互補，協同「走出去」成為行業發展的重要趨勢。

6. **Difficulties and challenges facing business development became more complicated.** At present, international environment is undergoing profound changes and the recovery of world economy remains fragile. Some African and Latin American countries lack funds for construction under increasing financial pressure; besides, a variety of risks including political risks, safety risks and economic risks remain serious. Enterprises face more uncertainties when expanding business and making investment. Meanwhile, enterprises of various countries seek larger development space by structural adjustment, technological innovation and multinational operation. Chinese enterprises all come under growing external competition in the international market. In addition, the business of the industry players mainly focuses on medium- and low-end fields. Traditional competitive advantages fade, and enterprises' management ability remains to be further improved, which become the bottlenecks restricting the development of the industry players.

6. 業務發展面臨的困難和挑戰更加紛繁複雜。目前國際環境正在發生深刻變化，世界經濟復蘇仍然脆弱，部分非洲、拉美國家財政壓力加大，建設資金匱乏，政治風險、安全風險、經濟風險等各類風險問題仍然突出，企業在拓展業務、開展投資時面臨的不確定性增加。同時，各國企業通過結構調整、技術創新和跨國經營，謀求更大的發展空間，中國企業普遍感受在國際市場所面臨的外部競爭不斷加劇。此外，由於行業內企業業務主要集中在中低端領域，傳統競爭優勢下降、企業的經營管理能力仍有待進一步提升等方面成為制約行業企業發展的瓶頸。

B. Trading Business

In 2017, China's foreign trade continued to stabilize and improve, with remarkable achievements in development. China's import and export amount totalled approximately RMB27.79 trillion, up by 14.2% year on year; in particular, the export amount reached approximately RMB15.33 trillion, up by 10.8% year on year; the import amount reached approximately RMB12.46 trillion, up by 18.7% year on year, indicating a favourable balance of approximately RMB2.87 trillion, down by 14.2%, with the following highlights:

1. **Better-than-expected growth, with growth rate scaling a 6-year new high.** In 2017, China's import and export growth rates were 21.2% and 15.1% higher than those of 2015 and 2016, respectively, putting an end to the negative growth of two consecutive years.
2. **Growth rate higher than that of major economies in the world.** The latest data of World Trade Organization ("WTO") showed that China's export growth rate from January to October (in unit of US\$) was 1.3% and 0.5% higher than that of the U.S. and Germany, respectively. Import growth rate is 10.4%, 8.1%, 7.6% and 6.5% higher than that of the U.S., Germany, Japan and the world, respectively, playing an important role in promoting economic and trade growth of the world.

B. 貿易業務

2017年，我國對外貿易繼續回穩向好，發展取得顯著成績。實現進出口總額約人民幣27.79萬億元，同比增長14.2%；其中出口約人民幣15.33萬億元，同比增長10.8%；進口約人民幣12.46萬億元，同比增長18.7%；順差約人民幣2.87萬億元，收窄14.2%。主要呈現以下亮點：

1. **增長超出預期，增速創6年來新高。**2017年我國進出口增速分別比2015年和2016年高出21.2和15.1個百分點，扭轉了連續兩年負增長的局面。
2. **增速好於世界主要經濟體。**世界貿易組織（「世貿組織」）最新數據顯示，1至10月（按美元計），我國出口增速比美國和德國分別高出1.3和0.5個百分點。進口增速比美國、德國、日本和全球分別高出10.4%、8.1%、7.6%和6.5%，為促進世界經濟和貿易增長發揮了重要作用。

3. **Improving trade structure.** International market was more diversified. While consolidating presence in traditional markets including the U.S., EU and Japan, we achieved rapid growth in exports to “BRIC countries” and countries along “the Belt and Road” region including Brazil, India, Russia, South Africa and Malaysia, with the growth rate of 35.2%, 19.8%, 17.7%, 18.5% and 13.6%, respectively. The commodity structure was further upgraded. Export of mechanical and electrical products of high technological content and added value increased by 12.1%. Various business entities developed together. Export of private enterprises increased by 12.3%, continuing to be the dominant group in exports. Patterns of trade were further optimized, with general trade export increased by 11.7%.
4. **Accelerated conversion between old and new forces in innovative development of foreign trade.** Rapid increase in new industries such as cross-border e-commerce and market purchase trade has become a new highlight in foreign trade increase and has an evident effect on the cultivation of new impetus. Import and export in comprehensive experimental area of cross-border e-commerce have more than doubled and export of market purchase trade has increased more than 30%. A large number of foreign trade enterprises kept making innovation and focused on the supply side for transformation and upgrading so as to constantly improve their international competitiveness.
3. **貿易結構不斷優化。**國際市場更加多元，在鞏固美國、歐盟、日本等傳統市場的同時，對巴西、印度、俄羅斯、南非、馬來西亞等「金磚國家」和「一帶一路」沿線國家出口實現快速增長，增幅分別達35.2%、19.8%、17.7%、18.5%和13.6%。商品結構進一步升級，技術含量和附加值高的機電產品出口增長12.1%。各經營主體共同發展，民營企業出口增長12.3%，繼續保持出口第一大主體。貿易方式進一步優化，一般貿易出口增長11.7%。
4. **外貿創新發展的新舊動能轉換加快。**跨境電子商務、市場採購貿易等新行業快速增長，成為外貿增長的新亮點，並對新動力的培育有顯著影響。跨境電子商務綜合試驗區進出口增長一倍以上，市場採購貿易出口增長超過三成。一大批外貿企業持續創新，從供給側發力，轉型升級，不斷提升國際競爭力。

5. **Increased contribution to the national economic and social development.** In 2017, the tax on imports in China increased nearly 30%, leading to an increase in fiscal revenue. Rapid increase in imports and exports also helped improve international balance of payment, increase foreign exchange reserves and keep RMB exchange rate stable. This year, the number of ten types of bulk commodities including imported crude oil, iron ore and natural gas in China increased 0.6% to 26.9%, which satisfied domestic market demand and alleviated the constraints caused by the resource bottleneck of the national economic development.
6. **Playing an important role in global economy and trade recovery.** Since 2017, China's economic advancement amid stability has propelled continuous and rapid growth of imports and provided a wider market and more valuable cooperation opportunities for various countries in the world. According to WTO's statistics, in the first three quarters of 2017, China's import contributed 17% of the global import increase and accounted for 10.2% of the global import shares.
5. **對國民經濟社會發展貢獻增強。**2017年，我國進口環節稅收增長近30%，增加了財政收入。進出口較快增長也為改善國際收支、增加外匯儲備、保持人民幣匯率穩定作出積極貢獻。全年我國進口原油、鐵礦砂、天然氣等十類大宗商品數量增長0.6%至26.9%，保障了國內市場需求，也緩解了國民經濟發展的資源瓶頸制約。
6. **對全球經濟貿易復蘇發揮重要作用。**2017年以來，中國經濟穩中向好帶動進口持續快速增長，為世界各國提供更廣闊市場和更寶貴的合作契機。根據世貿組織統計數據，2017年前三季度，中國進口增加對全球進口增長貢獻率達17%，進口佔全球份額10.2%。

C. Services Business

In 2017, the added value of the tertiary industry reached RMB42,703.2 billion, with a growth of 8.0% on a year over year basis. Design consultation accounted for 51.6% of the said added value of the tertiary industry, with a number of high-grade, precision and advanced construction projects started construction and were put into use in the previous year, which drew worldwide attention. These projects included Five-hundred-meter aperture spherical radio telescope (known as the world's "skyeye"), Hong Kong-Zhuhai-Macao Bridge (the world's longest cross-sea bridge), China Zun (a super highrise building) and other world-class construction projects, which manifested China's superb technology and innovative development strength in survey and design and project construction. It also demonstrates that the engineering survey and design industry has stepped forward toward modernization, gradually formed a development trend driven by multiple innovations including system innovation, management innovation, technological innovation and operation mode innovation, and the modernization level and comprehensive benefits of engineering survey and design have been substantially improved. China's survey and design industry has ushered in a favorable policy environment and more market opportunities. Highlights include:

C. 服務業務

2017年，我國第三產業增加值達人民幣42,703.2億元，同比增長8.0%。設計諮詢在第三產業增加值中佔比51.6%。在設計諮詢方面，去年有一大批高、精、尖工程項目開工建設和竣工投入使用令世界矚目，如被稱作世界「天眼」的500米口徑球面射電望遠鏡、世界最長的跨海大橋港珠澳大橋、超高層建築中國尊等世界一流的工程建設，彰顯了我國勘察設計和工程建設的高超技術水平和創新發展實力，也說明工程勘察設計行業已經邁開現代化前行的步伐，逐步形成了體制創新、管理創新、科技創新、經營模式創新等多元創新驅動的發展態勢，工程勘察設計的現代化水平和綜合效益極大提高。我國勘察設計行業迎來了更加良好的政策環境和更加豐富的市場機遇。其中亮點包括：

1. To make contributions to a “fairly well-off” society and the great cause of building a strong socialist modernized country, developing an important historical stage for survey and design industry.
 2. A new round of scientific revolution and industrial transformation in the world featuring digital information technology and intelligence injected a strong impetus into the digital, networked and intelligent development of the survey and design industry.
 3. Constant introduction of a series of new policies on reform in urban and rural construction pointed out a clear market orientation for innovative development of the survey and design industry. “The Belt and Road”, engineering project contracting (EPC), whole-process project consulting, intensive application of the Building Information Modeling technology, etc. have provided new opportunities for industry development.
 4. Further development of systematic, integrated and synergistic reform created a good social environment for reform and innovation of China’s survey and design industry and brought China’s construction industry and survey, design and consulting industry into a new stage of format remodelling and comprehensive improvement of industry modernization.
1. 決勝「小康」和建設社會主義現代化強國宏圖大業，為勘察設計行業開拓了大有作為的歷史舞台。
 2. 以數字信息技術和智能化為基本特徵的全球新一輪科技革命和產業變革，為勘察設計行業數字化、網絡化、智慧化、智能化注入了強大動力。
 3. 城鄉建設領域一系列改革新政密集出台，為勘察設計行業創新發展提出了明確的市場導向，「一帶一路」、工程總承包、全過程工程諮詢、建築信息模型(Building Information Modeling)技術深度應用等都為行業發展提供了新的市場機遇。
 4. 系統性、整體性、協同性改革深入發展，為我國勘察設計行業改革與創新開闢了良好社會環境，使我國建築業和勘察設計諮詢業進入了一個業態重塑和產業現代化全面提升的新階段。

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 industry. Our international engineering contracting business is one of the Company's traditional core businesses, accounting for about 57.2% of the Company's total revenue in 2017.

In 2017, the International Engineering Contracting Business kept advancing amid stability. The Company paid special attention to market development and project implementation, kept intensifying efforts to support national strategies such as "the Belt and Road" initiative and "Going Out", continuously enhanced the overall planning and forging of the international market, endeavoured to foster the Company's unique ability, strengthened our comparative advantages, and actively built an EPC open platform and industry ecosystem.

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2017本公司總收入的57.2%。

2017年，國際工程承包業務依然穩中有進。公司狠抓市場開拓和項目執行，不斷加大與「一帶一路」倡議和「走出去」等國家戰略的對接力度，持續加強國際化市場的統籌佈局和建設，努力打造公司獨有能力，強化比較優勢，積極打造EPC開放型平台和行業生態圈。

The following table sets forth the details of the International Engineering Contracting Business for the year ended December 31, 2017 and the comparative figures for the year ended December 31, 2016:

下表載列截至2017年12月31日止年度國際工程承包業務詳情，以及截至2016年12月31日止年度的比較數字：

Unit: RMB million
單位：人民幣百萬元

		2017	% of Total	2016	Year- on-year Growth /(Decline) 按年增長 /(減少)
		2017年	總額的%	2016年	
Revenue 收入	Power 電力能源	8,603.1	63.5%	7,290.2	18.0%
	Transportation and Telecommunications 交通運輸及電子通訊	2,022.9	14.9%	1,267.0	59.7%
	Non-Core Sectors 非核心行業	2,928.7	21.6%	3,827.9	-23.5%
	Total 總計	13,554.7	100.0%	12,385.1	9.4%
Gross profit 毛利	Power 電力能源	2,134.8	64.2%	1,781.1	19.9%
	Transportation and Telecommunications 交通運輸及電子通訊	701.4	21.1%	272.1	157.8%
	Non-Core Sectors 非核心行業	487.4	14.7%	758.2	-35.7%
	Total 總計	3,323.6	100.0%	2,811.4	18.2%

1. *Enhancing efforts for development in core markets*

The Company strengthened study on industry policies and trend of core markets and further specified the development directions of various core markets. The Company paid close attention to national infrastructure and industrial planning relating to “the Belt and Road” initiative and “Going Out” strategy, to make corresponding efforts to achieve intensive and progressive development. At present, the Company shows a good momentum in the development of core markets and continued to maintain its leadership.

1. 加強在核心市場的深耕細作

加強了對核心市場產業政策和市場趨勢的研究，進一步明確各核心市場的開發方向。密切關注「一帶一路」倡議和「走出去」戰略相關國家基礎設施及產業規劃，精準發力，較好地實現了深耕細作和滾動開發的目標。目前，核心市場的開發呈現良好態勢，繼續保持領先地位。

In 2017, the Company successively signed several international engineering contracting projects. During the meeting of “the Belt and Road Forum for International Cooperation”, in the presence of President Xi Jinping and Argentina’s President Mauricio Macri, the Company signed the Phase I supplemental contract on Belgrano railway project in Argentina (the “**Argentina Railway Project**”), with a project value of approximately US\$1.6 billion. Moreover, in Mozambique, the Company signed a project concerning construction of Moatize-Macuze railway and port with a project value of approximately US\$1.2 billion, which was another breakthrough in transportation construction after the Argentina Railway Project. In Pakistan, the Company successively signed the ThalNova mine mouth lignite fired power project at Thar Block-II, Sindh, Pakistan and 1,263MW Punjab power plant, Jhang EPC agreement (the Company’s first H class gas turbine power plant), involving a total amount of approximately US\$1 billion. In Indonesia, the Company signed the Indonesia sulawesi nickle iron processing plant project, with annual capacity of 0.14 million tons and a project value of approximately US\$435 million. In Cameroon, the Cameroon Ngoila hydropower plant project with a project value of approximately US\$398 million was signed successfully.

在2017年，公司相繼簽署了數個國際工程承包項目。「一帶一路國際合作高峰論壇」會議舉行期間，在習近平主席和阿根廷總統馬克里共同見證下，公司簽署了阿根廷貝爾格拉諾鐵路項目（「**阿鐵項目**」）一期工程增補合同，金額約為16億美元。此外，在莫桑比克，公司簽署了金額約12億美元的莫阿蒂澤至馬庫澤鐵路及港口建設項目，是繼阿鐵項目後在交通建設領域的又一突破；在巴基斯坦，公司連續簽約了巴基斯坦塔爾煤田II區塊ThalNova電站項目和公司第一個H級燃機電站－巴基斯坦吉航（Jhang）1,263MW聯合循環電站項目，金額總計近10億美元；在印尼，簽署印尼蘇拉威西年產14萬噸鎳鐵加工廠項目，金額約為4.35億美元；在喀麥隆，順利簽約喀麥隆Ngoila水電站項目，金額約為3.98億美元。



Note: The map is provided only for illustrative purposes and not drawn to scale. It is not intended to accurately show the exact location of our engineering contracting projects.

註：此地圖僅供說明用途，並非按比例編繪。地圖的目的並非準確顯示我們的工程承包項目的精確位置。

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, 2017:

下表載列截至2017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：

		2017	% of
		2017年	Total
		RMB million	總額的%
		人民幣百萬元	
Asia	亞洲	7,398.3	54.6%
South America	南美洲	1,985.3	14.7%
North America	北美洲	27.0	0.2%
Africa	非洲	3,515.8	25.9%
Europe	歐洲	628.3	4.6%
Total	總計	13,554.7	100.0%

2. *Sparing no effort to promote development of new markets and new fields*

While ensuring sound development of traditional power projects, the Company took the initiative to develop clean energy and green energy projects in line with the trend of changes in the international power market structure. The Company entered into a contract in respect of the Sainshand wind farm project in Mongolia and a supply contract for Sembilan 50MW solar farm project in Malaysia, which came into effect. The Company's contract for the Kipeto 102MW wind farm project in Kenya is also expected to come into effect in the near future. In addition, the Company also stepped up its efforts in exploring new markets and has made substantial progress in countries such as Guinea. Attempt was also made to enter high-end markets such as the United Kingdom and Saudi Arabia and the Company obtained the right to develop Victoria Falls City in Zimbabwe, in a bid to develop first-class parks by controlling scarce resources.

2. 全力推進對新市場和新領域的開拓

順應國際電力市場結構轉變趨勢，在抓好傳統電力項目的同時，積極開拓清潔能源和綠色能源項目。公司的蒙古賽音山達風電項目和馬來西亞森美蘭州50MW光伏電站供貨項目已成功簽約生效，肯尼亞Kipeto 102MW風電項目也有望於近期生效。此外，公司還加大了新市場的開拓力度，在幾內亞等國取得實質性進展，並初步嘗試進入英國、沙特阿拉伯等高端市場，取得津巴布韋維多利亞瀑布城開發權，嘗試通過控制稀缺資源開發一級園區。

3. *Realizing overall good project implementation*

In 2017, the Company had 59 projects under construction. The overall performance of project implementation was stable without any material safety accident, quality problem or delay.

Ten projects of the Company have obtained a completion certificate, including No. 6 600MW steam turbine generator block project of the central power plant in Venezuela, housing project of developing 1,500 housing units in Maldives Phase II and No.3 power plant expansion project in Karaganda, Kazakhstan and so on. M.Phin-Saravan transmission and transformation project in Laos was rewarded by project owners. The phase I of Kostolac-B power plant project in Serbia has been in good operation, and the desulfurization equipment of the project is the first set in South-eastern Europe. The Company's reconstruction project by the World Bank Loan – Gomel CHP plant no 1. Thermal power station reconstruction project has overcome various difficulties and successfully transferred.

3. 項目執行整體良好

2017年，公司在手執行項目共59個。項目執行情況總體平穩，未發生重大安全、質量、拖期等問題。

在完工項目方面，委內瑞拉中央電廠6號600MW蒸汽輪機發電機組項目、馬爾代夫1,500套住房項目(二期)項目、哈薩克斯坦卡拉干達3號電站擴建項目等10個項目取得完工證書；老撾孟聘－沙拉灣輸變電項目受到項目業主的嘉獎；擁有東南歐首套脫硫設備的塞爾維亞Kostolac-B電站一期工程，運行良好；公司由世界銀行貸款的改造項目－白俄羅斯戈梅利1號熱電站改造項目克服種種困難，順利移交。

In respect of project implementation, the 2x330MW coal fired power project at Pakistan Thar Block II completed boiler steel structure hoisting, which was an important node for implementation of the project; host machine and other equipment have been purchased for the shatt al-Basra combined cycle power plant conversion 650MW power plant project; grid connection tests have been completed for the two gas turbines of the construction and installation of the combined cycle power plant Soyo I, with a tested speed reaching world level.

Moreover, a batch of projects under construction of the Company received keen interest and was acclaimed by leaders at home and abroad. Zhang Dejiang, chairman of the NPC Standing Committee, and his party inspected the phase I of Kostolac-B package project in Serbia. During his participation in “the Belt and Road Summit Forum”, President of Argentina Macri fully affirmed the professionalism and sense of social responsibility demonstrated by the Company in implementing the Argentina Railway Project and expressed that Argentina would continue to work with the Company in infrastructure construction in the future.

在執行項目方面，巴基斯坦信德省塔爾煤田II區塊2台330MW燃煤電站項目鍋爐鋼結構順利吊裝，完成項目重大節點；伊拉克巴士拉650MW燃機聯合循環電站擴建項目完成了主機等設備的採購工作；Soyo I聯合循環電廠建設和安裝項目的兩台燃機並網試驗成功，安裝調試速度達到世界先進水平。

此外，公司還有一批建設的項目受到國內外領導人的關注和好評。全國人大常委會委員長張德江一行視察了塞爾維亞Kostolac-B電站一期工程；阿根廷總統馬克里在參加「一帶一路高峰論壇」期間，對公司在執行阿鐵項目過程中表現出的專業性、社會責任感予以充分的肯定，並表示未來在基礎設施建設過程中，將會繼續與公司合作。

4. *Striving to foster the Company's unique capabilities*

Keeping up with the trend of technological development in the industry, the Company promoted business development based on scientific research, pushed forward the integration of innovative technologies with traditional manufacturing, and increased the Company's EPC technology content. The Company initiated factory-like and integrated projects of overseas power plant construction and conducted integration and modularization research with various professional units in the entire chain of the EPC power industry, aiming at creating a "power station construction and service upgrading and optimization system" with distinctive characteristics. The Company has made substantial progress in equity participation in Jiangsu Pangwo Power Engineering Co., Ltd., laying a foundation for the longitudinal extension of the EPC business chain and building of a new business model. The Company also started the construction of remote integrated management and control system for overseas projects to use Internet technology to realize monitoring, locating breakdowns and diagnosing unit operation status, all in a remote mode.

4. 努力打造公司獨有能力

緊跟行業技術發展趨勢，以科研促業務，推動創新技術與傳統製造相融合，提升公司EPC科技含量。發起公司海外電站建設工廠化集成化科研項目，與EPC電力行業全鏈條上的各專業單位共同進行集成化、模塊化研究，打造具有鮮明公司特色的「電站建設與服務升級優化體系」。參股龐沃電力公司的有關工作取得實質進展，為EPC業務鏈條縱向延伸、構建新型業務模式打下基礎。啟動了海外工程項目遠程綜合管控系統建設，利用互聯網技術，實現對機組運行狀態的遠程監控、故障定位及診斷。

5. *Strengthening the overall layout and construction of international markets*

The Company actively responded to “the Belt and Road” initiative, “Going out” and other national strategies, carried out monographic studies for overall layout of overseas markets and achieved good results in guiding and supporting business development. **Firstly**, the Company conducted due diligence investigation on eight hot countries, including India, Malaysia, Thailand, Philippines, Vietnam, Laos, Myanmar, Cambodia, at the corporate level in aspects of legal issues, finance and taxation, investment and financing, etc. **Secondly**, the Company completed market segmentation in Association of Southeast Asian Nations (ASEAN) and South Asia. **Thirdly**, the Company updated the core market management system and core market segmentation list and revised the core market efficiency budget table. **Fourthly**, the Company deepened its regionalized and localized operation. Regional companies in Dubai and Singapore have been in formal operation and exploration of megaregion business development and operation mode is underway. The level of localization has further been improved. The Company has preliminarily formed localized teams responsible for project development, design and execution in Angola and Belarus. The Company has established a good cooperative relationship with local purchasers and construction contractors and actively participated in project bidding.

5. 加強國際化市場的統籌佈局和建設

加大與「一帶一路」倡議和「走出去」等國家戰略的對接力度，開展專題研究，統籌佈局海外市場，在引導和支撐業務發展方面取得良好成效。一是繼續從公司層面對印度、馬來西亞、泰國、菲律賓、越南、老撾、緬甸、柬埔寨等8個熱點國別展開了法律、財稅、投融資等方面的盡職調查。二是完成了對東南亞國家聯盟、南亞市場的劃分認領。三是更新了核心市場管理制度、核心市場劃分清單並修訂了核心市場效益預算表。四是區域化、屬地化經營持續深化。迪拜、新加坡區域公司已正式運營；積極探索大區域業務綜合開發運管模式。屬地化水平進一步提高，安哥拉、白俄羅斯等地已初步建立起從項目開發到設計再到執行的屬地化團隊，公司與當地採購商和施工承包商形成了良好的合作關係，並積極參與項目投標。

6. *Creating an EPC open type platform and industry ecosphere*

The Company continued to integrate into the international industrial chain and value chain, signed strategic cooperation agreements with world leading enterprises such as ABB Ltd, engaged in deep cooperation with companies like Black & Veatch in the United Kingdom, Malaysia and other countries, deepened cooperation with strategic partners such as General Electric and Siemens; and formed an industrial alliance with China XD Group Corporation, Dongfang Electric Corporation and other well-known Chinese enterprises.

The following table sets forth the operational details of the International Engineering Contracting Business for the year ended December 31, 2017 and the comparative figures for the year ended December 31, 2016:

				<i>Unit: USD million</i> 單位：百萬美元			
				2017	% of Total	2016	Year-on-year Growth/ (Decline) 按年增長/ (減少)
				2017年	總額的%	2016年	
Amount of newly effective contracts	新生效合同金額	Power	電力能源	1,603.2	52.5%	2,350.0	-31.8%
		Transportation and Telecommunications	交通運輸及電子通訊	254.5	8.4%	233.1	9.2%
		Non-Core Sectors	非核心行業	1,194.6	39.1%	870.3	37.3%
		Total	總計	3,052.3	100.0%	3,453.4	-11.6%

6. *打造EPC開放型平台和行業生態圈*

不斷融入國際產業鏈和價值鏈，與ABB Ltd等世界領先企業簽署了戰略合作協議，與Black & Veatch等公司在英國、馬來西亞等國展開深度合作；與通用電氣、西門子等戰略夥伴的合作不斷深入；與中國西電集團公司、中國東方電氣集團有限公司等國內知名企業締結產業聯盟。

下表載列截至2017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2016年12月31日止年度的比較數字：

Unit: USD million
單位：百萬美元

				As at December 31, 2017 於2017年 12月31日	% of Total 總額的%	As at December 31, 2016 於2016年 12月31日	Increase/ (Decrease) 增長/ (減少)
Backlog	未完成 合同量	Power	電力能源	5,492.4	60.9%	6,095.4	-9.9%
		Transportation and Telecommunications*	交通運輸及 電子通訊*	733.3	8.1%	774.1	-5.3%
		Non-Core Sectors	非核心行業	2,793.6	31.0%	2,045.9	36.5%
		Total	總計	9,019.3	100.0%	8,915.4	1.2%
Signed contracts pending to be effective	已簽約待 生效合同	Power	電力能源	6,114.3	35.5%	6,980.2	-12.4%
		Transportation and Telecommunications	交通運輸及 電子通訊	5,404.9	31.4%	2,611.0	107.0%
		Non-Core Sectors	非核心行業	5,687.5	33.1%	5,605.6	1.5%
		Total	總計	17,206.7	100.0%	15,196.8	13.2%

* The amount of the 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 2017, transformation and upgrading of the Trading Business went on. Constantly enhancing innovation capability and increasing the quality of development, the Company attached importance to key tasks such as business transformation, mechanism innovation, structural adjustment and optimization management, and achieved good results.

The following table sets forth the details of the Trading Business for the year ended December 31, 2017 and the comparative figures for the year ended December 31, 2016:

B. 貿易業務

2017年，貿易業務繼續轉型升級，不斷提升創新能力、提高發展質量，着力抓好業務轉型、機制創新、結構調整、優化管理等重點工作，並取得積極成效。

下表載列截至2017年12月31日止年度貿易業務詳情連同截至2016年12月31日止年度的比較數字：

Unit: RMB million
單位：人民幣百萬元

				2017	% of Total	2016	Year-on-year Growth/ (Decline) 按年增長/ (減少)
				2017年	總額的%	2016年	
Revenue	收入	International trade	國際貿易	6,485.6	80.7%	4,878.3	32.9%
		Domestic trade	國內貿易	1,549.1	19.3%	2,430.5	-36.3%
		Total	總計	8,034.7	100.0%	7,308.8	9.9%
Gross profit	毛利	International trade	國際貿易	416.1	87.9%	290.4	43.3%
		Domestic trade	國內貿易	57.5	12.1%	62.7	-8.3%
		Total	總計	473.6	100.0%	353.1	34.1%

1. Making progress in business innovation

The Company strengthened product innovation and upgrading, introduced technology and management backbone for castings and forgings business, increased product research and development capabilities, and achieved transformation from Original Equipment Manufacturer (OEM) to Original Design Manufacturer (ODM). The Company has become a main supplier of multiple global top 500 companies, with its market orders increasing significantly. Promoting innovation and transformation of business model, the Company has directly sold commodities to local suppliers and customers through an “overseas platform + overseas warehouse + exhibition + logistics model”. Currently the Company has started shipping goods overseas through its European platform. The Company actively explored new markets and business models, such as the agricultural market supply chain multi-link business in Kazakhstan, localized mechanical sales and after-sales service model in the Saudi Arabia market.

1. 業務創新取得進展

加強產品創新升級，鑄鍛件業務引進技術和管理骨幹，提高產品研發能力，實現從原始設備製造商 (OEM) 到原始設計製造商 (ODM) 的轉變，已成為多家全球五百強企業的主要供應商，市場訂單大幅提升。推進業務模式創新轉型，通過海外平台+海外倉+展覽展示+物流的模式，直接向當地供應商、客戶銷售商品，目前歐洲平台已開始向海外發貨。積極開拓新的市場領域和業務模式，如哈薩克斯坦農業市場供應鏈多環節業務、沙特市場本土化的機械銷售與售後服務模式等。

2. *Continuing to explore overseas regional operation*

The Company continued to expand the mining components market in Australia, striving to build a regional center in Australia. Based on the small and medium-sized solar EPC projects, the Company actively explored the Caribbean market and set up a subsidiary in Curacao to engage in investment in small and medium sized photovoltaic power stations. Relying on entrepot trade, EPC and industrialized investment business, the Company promoted the construction of Thailand-Southeast Asia Regional Trade Center, radiating to the peripheral markets in Southeast Asia.

2. 繼續探索海外區域化經營

繼續拓展澳洲礦業零部件市場，打造澳洲區域中心；以中小型太陽能EPC項目為基礎，積極開拓加勒比海區域市場，成立庫拉索子公司，探索中小型光伏電站投資業務；以轉口貿易、EPC、實業化投資業務為依托，推進泰國東南亞貿易區域中心建設，輻射東南亞周邊市場。

3. *Continuously deepening cooperation with local government*

Firstly, Phase I of the Silk Road International Cooperation Park project, which integrated various industries and was developed in partnership with Yinchuan City, had been completed and bonded trading business developed steadily. Secondly, the Company reviewed in time the project experience it developed in cooperation with municipal governments of Jiaozuo and Zhumadian.

In addition, the Company also capitalized on relevant policies in its application for becoming an “enterprise with proprietary brand and proprietary intellectual property rights”¹ in Beijing and actively promoted certification of relevant subsidiaries as “enterprise with proprietary brand and proprietary intellectual property rights”.

¹ enterprise with proprietary brand and proprietary intellectual property rights refer to those that own registered trademarks and patents (including inventive patent, utility model and design patents, etc.) in domestic and export markets (including Hong Kong, Macao and Taiwan).

3. 與地方政府合作持續深入

一是與銀川市合作的集多種業態為一體的絲路國際合作園，一期啟動項目建設已經完工，保稅貿易業務穩步推進；二是及時總結與焦作、駐馬店市政府合作的項目經驗。

此外，還充分利用有關政策，申請公司成為北京市認定的「雙自主企業」¹，並積極推動相關子公司的「雙自主企業」認定。

¹ 雙自主企業是指擁有自主品牌和自主知識產權的企業，即擁有國內及出口市場（含港、澳、台地區）註冊商標以及擁有國內及出口市場專利（包括發明專利、實用新型和外觀設計專利等）的企業。

C. Services Business

In 2017, the Company's tendering agency business under our Services Business maintained a growing tendency since 2016, and obtained AAA Grade Enterprise Certificate from China Tendering & Bidding Association.

In respect of design consulting business, it maintained a good momentum of development with its scale and efficiency growing steadily. Meanwhile, adhering to development based on scientific and technological innovation, the Company continued to build technology innovation platforms, stepped up innovating business models and continuously promoted business transformation and upgrading.

C. 服務業務

2017年，公司服務業務中的招標代理業務保持了2016年以來的增長態勢，並獲得招投標協會頒發的AAA級企業證書。

設計諮詢業務方面，保持了良好的發展勢頭，規模和效益都穩步增長。同時，堅持科技創新發展，持續打造技術創新平台，加強業務模式創新，不斷促進業務轉型升級。

1. Keeping strengthening scientific and technological innovation capacity

The establishment of a Technical Committee and incubation special to key frontier technologies had greatly improved the technological innovation capacity of China Machinery R&D and JiKan Research Institute, thereby bringing about a series of research and development achievements with intellectual property rights. Upon approval to establish the government technology platform of Changsha “Enterprise Technology Center”, China Machinery R&D established two enterprise technology innovation platforms and put the Engineering Technology Research Center into use. With six newly obtained patent authorizations and 18 software copyrights, China Machinery R&D was also elected as the 2017ENR/Construction Times “Top 60 Chinese Engineering Design Firms”. JiKan Research Institute newly increased two provincial scientific research platforms including “Sanqin Scholar” Innovation Team, completed two major scientific and technological projects at the provincial level, newly obtained eight patent authorizations, won 16 awards above provincial and ministerial levels and was rated as a provincial survey and design master.

1. 科技創新能力持續強化

通過成立技術委員會、對重點前沿技術進行專項科技孵化等措施，大幅提高中機院和機勘院的技術創新能力，形成了一批具有知識產權的研發成果。中機院獲批了長沙市「企業技術中心」政府技術平台，成立了2個企業技術創新平台，啟用了工程技術研究中心，新獲專利授權6項，軟件著作權18項，並入選2017ENR／建築時報「中國工程設計企業60強」。機勘院新增「三秦學者」創新團隊等省級科研平台2個，完成了2項省級重大科技專項，新獲專利授權8項，獲得省部級以上獎勵16項，獲評省級勘察設計大師1名。

2. *Developing domestic and overseas markets with great efforts*

In the domestic market, China Machinery R&D successfully won the bid for the design of PPP Project under the project of comprehensive management of south inland rivers in Leping City, Jiangxi Province. JiKan Research Institute also constantly improved its layout in the domestic market and newly set up two branches. In the overseas market, the amount of contracts newly concluded by China Machinery R&D and JiKan Research Institute for international construction business also made breakthroughs.

3. *Promoting external reorganization aimed at enhancing competitiveness of core business*

The Company propelled mergers and reorganizations with dominant design enterprises, to build up the competitive advantages of the whole industrial chain.

2. 大力開拓國內外兩個市場

在國內市場，中機院順利中標江西省樂平市南內河綜合治理工程PPP項目設計部份；機勘院不斷完善國內市場佈局，新設2個分支機構。在海外市場，中機院、機勘院國際工程業務的新簽訂合同額也有所突破。

3. 以增強核心業務競爭力為目標，推進外部重組工作

推動優勢設計企業的兼併重組，努力打造全產業鏈的競爭優勢。

The following table sets forth the details of the Services Business for the year ended December 31, 2017 and the comparative figures for the year ended December 31, 2016:

下表載列截至2017年12月31日止年度服務業務詳情連同截至2016年12月31日止年度的比較數字：

Unit: RMB million
單位：人民幣百萬元

				2017	% of Total	2016	Year-on-year Growth/ (Decline) 按年增長/ (減少)
				2017年	總額的%	2016年	
Revenue	收入	Design consulting services	設計諮詢服務	620.6	29.7%	461.4	34.5%
		Logistics services	物流服務	332.7	15.9%	213.7	55.7%
		Export-import agency services	進出口代理服務	26.0	1.2%	32.4	-19.8%
		Tendering agency services	招標代理服務	20.6	1.0%	33.2	-38.0%
		Others	其他	1,092.9	52.2%	582.6	87.6%
		Total	總計	2,092.8	100.0%	1,323.3	58.2%
Gross profit	毛利	Design consulting services	設計諮詢服務	156.3	17.0%	134.5	16.2%
		Logistics services	物流服務	202.0	22.0%	126.0	60.3%
		Export-import agency services	進出口代理服務	38.1	4.2%	30.7	24.1%
		Tendering agency services	招標代理服務	11.8	1.3%	10.1	16.8%
		Others	其他	509.6	55.5%	78.4	550.0%
		Total	總計	917.8	100.0%	379.7	141.7%

D. Important Events

1. Acquisition of 100% equity interest in CNEEC

On November 24, 2017, the Company and SINOMACH entered into an acquisition agreement, pursuant to which the Company has agreed to acquire, and SINOMACH has agreed to dispose of, the entire equity interest in CNEEC for an aggregate consideration of RMB 1,980,031,000 (equivalent to approximately HK\$2,349,766,807), subject to the terms and conditions of the acquisition agreement (the “Acquisition”). The Acquisition is a key and timely step for SINOMACH Group to honor its non-competition undertakings, which would enable the Company to better utilize such business integration to strengthen the competitiveness of its core business. The Acquisition enabled the Company to rapidly expand its assets and scale of business by external merger and acquisition, and to further enhance the Company’s capabilities in design, supervision, operation and maintenance of engineering projects, and further improve the Company’s service capabilities in a complete project cycle. The Acquisition also reinforced the market position of the Company’s engineering contracting business in traditional areas by consolidating consorted efforts, and developed business in a more sizeable and forceful manner by entering into new markets and areas. It also helped to expand the Company’s talent pool for the International Engineering Contracting Business, and improve its talent team structure. On January 12, 2018, the first extraordinary general meeting of the Company has approved the Acquisition, however, the Acquisition has not yet been completed as at the date of approval of these financial statements. Details for the transaction are set out in the Company’s announcements made on November 24, 2017 and January 12, 2018, respectively, on the respective websites of the Stock Exchange and the Company.

D. 重要事件

1. 收購中電工100%股權

於2017年11月24日，本公司與國機訂立收購協議，根據該協議（「收購事項」）及其條款及條件的規限下，本公司已同意以人民幣1,980,031,000元的總對價（相當於約2,349,766,807港元）收購中電工的全部股權，而國機亦已同意出售其全部股權。該收購事項是國機集團恪守其避免同業競爭承諾的一項重要且及時的舉措，且能使本公司更好地利用有關業務整合以提升其核心業務的競爭力。該收購事項令公司通過外部併購從而快速擴大本公司的資產及業務規模，進一步提升公司其於設計、監督、運營及維護工程項目方面的能力，進而提升本公司於整個項目週期中的服務能力。該收購事項亦將通過鞏固合作夥伴關係鞏固公司在傳統領域工程承包業務中的市場地位，通過進入新的市場和領域以更大規模及更有力的方式發展業務。這亦有助於擴大本公司的國際工程承包業務人才庫，並改善人才隊伍結構。於2018年1月12日本公司的第一次臨時股東大會通過該收購事項，但該收購事項於財務報表批准日尚未完成。有關交易的詳情載於在聯交所網站及本公司網站分別刊發的2017年11月24日及2018年1月12日的公告。

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 in 2017. Profit before taxation decreased by 19.1% to RMB2,252.9 million in 2017 compared to RMB2,783.9 million in 2016.

2. Revenue

The Group generated its revenue from the International Engineering Contracting Business, Trading Business and Services Business. The Group's revenue increased by 12.7% to RMB23,682.2 million in 2017 compared to RMB21,017.2 million in 2016.

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			
		2017 2017年		2016 2016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	8,603.1	36.3%	7,290.2	34.7%
Transportation and Telecommunications	交通運輸及電子通訊	2,022.9	8.5%	1,267.0	6.0%
Non-Core Sectors	非核心行業	2,928.7	12.4%	3,827.9	18.2%
Trading Business	貿易業務				
International trade	國際貿易	6,485.6	27.4%	4,878.3	23.2%
Domestic trade	國內貿易	1,549.1	6.6%	2,430.5	11.6%
Services Business	服務業務	2,092.8	8.8%	1,323.3	6.3%
Total	總計	23,682.2	100.0%	21,017.2	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2017年有所下降。2017年除稅前溢利為人民幣2,252.9百萬元，較2016年的人民幣2,783.9百萬元減少19.1%。

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。2017年，本集團的收入為人民幣23,682.2百萬元，較2016年的人民幣21,017.2百萬元增長12.7%。

下表載列於所示期間三個業務分部各自的金額及佔總收入的百分比：

1) International Engineering Contracting Business

The Group's revenue generated from the International Engineering Contracting Business increased by 9.4% to RMB13,554.7 million in 2017 compared to RMB12,385.1 million in 2016, primarily due to the increase in the revenue generated from the power and transportation and telecommunications sectors.

The revenue generated from the power sector increased by 18.0% to RMB8,603.1 million in 2017 as compared to RMB7,290.2 million in 2016, primarily due to the significant progress in the power station projects in Asia as compared to the previous year.

The revenue generated from the transportation and telecommunications sector increased by 59.7% to RMB2,022.9 million in 2017 as compared to RMB1,267.0 million in 2016, primarily due to the significant progress in the railway rehabilitation project in South America and the communications project in Africa.

The revenue generated from the Non-Core Sectors decreased by 23.5% to RMB2,928.7 million in 2017 as compared to RMB3,827.9 million in 2016, primarily due to the significant progress of the house construction and water plant projects in Africa and Asia in 2016, recording higher revenue as compared to 2017.

1) 國際工程承包業務

2017年，本集團的國際工程承包業務收入為人民幣13,554.7百萬元，而2016年則為人民幣12,385.1百萬元，增幅為9.4%，主要由於電力能源及交通運輸及電子通訊行業收入有所增加。

2017年電力能源行業收入為人民幣8,603.1百萬元，比2016年人民幣7,290.2百萬元上升18.0%，主要由於亞洲的電站項目較上年同期有較大進展。

2017年交通運輸及電子通訊行業收入為人民幣2,022.9百萬元，比2016年人民幣1,267.0百萬元增長59.7%，主要由於南美洲的鐵路改造項目以及非洲通訊項目有較大進展。

2017年非核心行業收入為人民幣2,928.7百萬元，比2016年人民幣3,827.9百萬元減少23.5%，主要由於2016年非洲和亞洲的房屋建設及水廠項目有較大進展，相比2017年取得收入較多。

2) *Trading Business*

The Group's revenue generated from the Trading Business increased by 9.9% to RMB8,034.7 million in 2017 compared to RMB7,308.8 million in 2016, primarily due to the increase in the revenue from international trade.

The revenue generated from international trade increased by 32.9% to RMB6,485.6 million in 2017 as compared to RMB4,878.3 million in 2016, primarily due to the increase in materials supply projects in Africa and grain re-export business in Europe.

The revenue generated from domestic trade decreased by 36.3% to RMB1,549.1 million in 2017 as compared to RMB2,430.5 million in 2016, primarily due to the decrease in the business volume of the Industrial Alum and solar energy components as compared to the previous year.

3) *Services Business*

The Group's revenue generated from the Services Business increased by 58.2% to RMB2,092.8 million in 2017 compared to RMB1,323.3 million in 2016, primarily due to the increase in revenue generated from technology service, design, logistics and property leasing as compared to the previous year.

2) *貿易業務*

2017年，本集團的貿易業務收入為人民幣8,034.7百萬元，而2016年則為人民幣7,308.8百萬元，增幅為9.9%，主要由於國際貿易收入有所增加。

2017年，國際貿易收入為人民幣6,485.6百萬元，比2016年人民幣4,878.3百萬元增加32.9%，主要由於非洲的供貨項目以及歐洲的糧食轉口業務收入有所增加。

2017年，國內貿易收入為人民幣1,549.1百萬元，比2016年人民幣2,430.5百萬元減少36.3%，主要由於工業鋁型材及太陽能組件業務較上年同期有所下降。

3) *服務業務*

2017年，本集團的服務業務收入為人民幣2,092.8百萬元，而2016年則為人民幣1,323.3百萬元，增幅為58.2%，主要由於技術服務收入、設計收入、物流及物業租賃收入較上年同期有所增加。

3. Cost of sales

The Group's cost of sales increased by 8.6% to RMB18,967.2 million in 2017 compared to RMB17,473.0 million in 2016, primarily due to the increase in costs as a result of the increase in revenues from the relevant sectors.

4. Gross profit and gross profit margin

(i) *Gross profit of the Group in 2017 consists of the followings:*

International Engineering Contracting Business	國際工程承包業務
Power	電力能源
Transportation and Telecommunications	交通運輸及電子通訊
Non-Core Sectors	非核心行業
Trading Business	貿易業務
International trade	國際貿易
Domestic trade	國內貿易
Services Business	服務業務
Total	總計

3. 銷售成本

2017年，本集團的銷售成本為人民幣18,967.2百萬元，而2016年則為人民幣17,473.0百萬元，增幅為8.6%，主要是由於各版塊的收入增加導致的成本相應增加。

4. 毛利及毛利率

(i) *2017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					
2017		2016			
2017年		2016年			
(RMB million)	(%)	(RMB million)	(%)		
(人民幣百萬元)	(%)	(人民幣百萬元)	(%)		
2,134.8	45.3%	1,781.1	50.2%		
701.4	14.9%	272.1	7.7%		
487.4	10.3%	758.2	21.4%		
416.1	8.8%	290.4	8.2%		
57.5	1.2%	62.7	1.8%		
917.8	19.5%	379.7	10.7%		
4,715.0	100.0%	3,544.2	100.0%		

(ii) *Gross profit margins of the Group in 2017 are set out below:*

(ii) 2017年本集團毛利率載於下表：

		Year ended December 31, 截至12月31日止年度	
		2017	2016
		2017年	2016年
		(%)	(%)
		(%)	(%)
International Engineering			
Contracting Business	國際工程承包業務	24.5%	22.7%
Power	電力能源	24.8%	24.4%
Transportation and Telecommunications	交通運輸及電子通訊	34.7%	21.5%
Non-Core Sectors	非核心行業	16.6%	19.8%
Trading Business			
	貿易業務	5.9%	4.8%
International trade	國際貿易	6.4%	6.0%
Domestic trade	國內貿易	3.7%	2.6%
Services Business	服務業務	<u>43.9%</u>	<u>28.7%</u>
Total	總計	<u><u>19.9%</u></u>	<u><u>16.9%</u></u>

The Group's gross profit increased by 33.0% to RMB4,715.0 million in 2017 compared to RMB3,544.2 million in 2016. This increase is mainly attributable to the increase in the gross profit of International Engineering Contracting Business, Trading Business and Services Business as compared to the previous year.

2017年，本集團的毛利為人民幣4,715.0百萬元，而2016年則為人民幣3,544.2百萬元，增幅為33.0%。此增幅主要由於國際工程承包業務、貿易業務、服務業務的毛利較上年同期均有所增加。

1) International Engineering Contracting Business

(a) Gross Profit

The gross profit generated from the International Engineering Contracting Business increased by 18.2% to RMB3,323.6 million in 2017 as compared to RMB2,811.4 million in 2016, primarily due to the increase in gross profit from the power and transportation and telecommunications sectors.

The gross profit generated from the power sector increased by 19.9% to RMB2,134.8 million in 2017 as compared to RMB1,781.1 million in 2016, primarily due to the significant progress in the power station projects in Asia as compared to the previous year.

The gross profit generated from the transportation and telecommunications sector increased by 157.8% to RMB701.4 million in 2017 as compared to RMB272.1 million in 2016, primarily due to the significant progress in the railway rehabilitation project in South America as compared to the previous year.

1) 國際工程承包業務

(a) 毛利

2017年，國際工程承包業務毛利為人民幣3,323.6百萬元，而2016年則為人民幣2,811.4百萬元，增加18.2%，主要是由於電力能源及交通運輸及電子通訊行業毛利有所增加。

2017年，電力能源行業毛利為人民幣2,134.8百萬元，而2016年為人民幣1,781.1百萬元，增加19.9%，主要由於亞洲的電站項目較上年同期有較大進展。

2017年，交通運輸及電子通訊行業毛利為人民幣701.4百萬元，而2016年為人民幣272.1百萬元，增加157.8%，主要由於南美洲鐵路改造項目今年取得較大進展。

The gross profit generated from the Non-Core Sectors decreased by 35.7% to RMB487.4 million in 2017 as compared to RMB758.2 million in 2016, primarily due to the significant progress of the water plant and house construction projects in Africa and Asia in 2016, recording higher gross profit as compared to 2017.

(b) *Gross Profit Margin*

The gross profit margin generated from the International Engineering Contracting Business slightly increased to 24.5% in 2017 as compared to 22.7% in 2016, primarily due to the increase in the gross profit margin from the power and transportation and telecommunications sectors as compared to the previous year.

The gross profit margin generated from the power sector was 24.8% in 2017 as compared to 24.4% in 2016, which remained relatively stable.

The gross profit margin generated from the transportation and telecommunications sector increased to 34.7% in 2017 as compared to 21.5% in 2016, primarily due to the lower transportation costs of the railway rehabilitation project in South America and higher gross profit margin of the communications project in Africa.

2017年，非核心行業毛利為人民幣487.4百萬元，比2016年的人民幣758.2百萬元減少35.7%，主要由於2016年非洲和亞洲的水廠及房屋建設項目有較大進展，與2017年相比取得毛利較多。

(b) *毛利率*

2017年，國際工程承包業務毛利率小幅上升至24.5%，而2016年則為22.7%，主要由於電力能源、交通運輸及電子通訊版塊毛利率較上年同期均有所上升。

2017年，電力能源行業毛利率為24.8%，2016年則為24.4%，維持相對穩定。

2017年，交通運輸及電子通訊行業毛利率增至34.7%，而2016年則為21.5%，主要由於南美洲鐵路改造項目運輸成本的降低以及非洲通訊項目毛利率較高。

The gross profit margin generated from the Non-Core Sectors was 16.6% in 2017 as compared to 19.8% in 2016, primarily due to the high gross profit margin from the house construction projects in Africa which was completed in 2016.

2017年，非核心行業毛利率為16.6%，而2016年則為19.8%，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*

2) 貿易業務

(a) *Gross Profit*

(a) 毛利

The gross profit generated from the Trading Business increased by 34.1% to RMB473.6 million in 2017 as compared to RMB353.1 million in 2016, primarily due to the increase in gross profit from international trade.

2017年，貿易業務毛利為人民幣473.6百萬元，比2016年的人民幣353.1百萬元增加34.1%，主要由於國際業務的毛利有所增加。

The gross profit generated from international trade increased by 43.3% to RMB416.1 million in 2017 as compared to RMB290.4 million in 2016, primarily due to the increase in the revenue from international trade.

2017年，國際貿易業務毛利為人民幣416.1百萬元，比2016年的人民幣290.4百萬元增加43.3%，主要由於國際貿易的收入增加。

The gross profit generated from the domestic trading business decreased by 8.3% to RMB57.5 million in 2017 as compared to RMB62.7 million in 2016, primarily due to the decrease in the revenue from domestic trading business.

2017年，國內貿易業務毛利為人民幣57.5百萬元，比2016年的人民幣62.7百萬元減少8.3%，主要由於國內貿易的收入減少。

(b) *Gross Profit Margin*

The gross profit margin generated from the Trading Business was 5.9% in 2017 as compared to 4.8% in 2016, primarily due to the increase in gross profit margin from both international and domestic trade.

The gross profit margin generated from the international trading business was 6.4% in 2017 as compared to 6.0% in 2016, increased slightly as compared to the previous year.

The gross profit margin generated from the domestic trading business was 3.7% in 2017 as compared to 2.6% in 2016, primarily due to the decrease in the business volume of aluminum with lower gross profit margin as compared to the previous year.

3) *Services Business*

(a) *Gross Profit*

The gross profit generated from the Services Business increased by 141.7% to RMB917.8 million in 2017 as compared to RMB379.7 million in 2016, primarily due to the increase in gross profit as a result of the increase in the revenue generated from technology service, design, logistics and property.

(b) *Gross Profit Margin*

The gross profit margin generated from the Services Business was 43.9% in 2017 as compared to 28.7% in 2016, primarily due to the higher gross profit margin of technology service and property leasing business this year.

(b) *毛利率*

2017年，貿易業務毛利率為5.9%，而2016年則為4.8%，主要由於國際、國內貿易的毛利率均有所增加。

2017年，國際貿易業務毛利率為6.4%，而2016年為6.0%，較上年同期略有增長。

2017年，國內貿易業務毛利率為3.7%，2016年為2.6%，主要由於低毛利率的鋁型材業務量較上年同期有所下降。

3) *服務業務*

(a) *毛利*

2017年，服務業務毛利為人民幣917.8百萬元，比2016年的人民幣379.7百萬元增加141.7%，主要由於技術服務收入、設計收入、物流及置業收入增加導致毛利增加。

(b) *毛利率*

2017年，服務業務毛利率為43.9%，而2016年則為28.7%，主要由於本年技術服務、物業租賃業務毛利率較高。

5. Other revenue

The Group's other revenue amounted to RMB201.1 million in 2017 as compared to RMB29.1 million in 2016, mainly attributable to the wealth management products in the current period calculated as available-for-sale financial assets of RMB173.0 million.

6. Other income and expenses, net

The Group's other income and expenses, net amounted to RMB183.9 million in 2017 as compared to income of RMB(14.2) million in 2016, mainly attributable to the increase in income from fair value changes of foreign currency forward exchange contracts and increase in return on equity on disposal of a subsidiary.

7. Selling and marketing expenses

The Group's selling and marketing expenses decreased 7.0% to RMB1,026.3 million in 2017 as compared to RMB1,103.9 million in 2016, mainly attributable to the decrease in labor costs.

8. Administrative expenses

The Group's administrative expenses increased 14.6% to RMB831.0 million in 2017 as compared to RMB725.4 million in 2016, mainly attributable to the increase in research and development cost, consulting fees and depreciation cost.

9. Other operating expenses

The Group's other operating expenses increased by 142.7% to RMB394.8 million in 2017 as compared to RMB162.7 million in 2016. This increase is mainly attributable to the increase in provision for impairment on receivables as compared to that in 2016.

5. 其他收入

2017年，本集團的其他收入為人民幣201.1百萬元，而2016年則為人民幣29.1百萬元，主要由於可供出售金融資產核算的理財產品收益本期為173.0百萬元。

6. 其他收支淨額

2017年，本集團的其他收支淨額為人民幣183.9百萬元，而2016年則為收入人民幣(14.2)百萬元，主要由於遠期外匯合約公允價值變動收益增加及處置一家子公司股權收益增加。

7. 銷售及市場營銷開支

2017年，本集團的銷售及市場營銷開支為人民幣1,026.3百萬元，而2016年則為人民幣1,103.9百萬元，降幅為7.0%，主要由於人工成本有所降低。

8. 行政開支

2017年，本集團的行政開支為人民幣831.0百萬元，而2016年則為人民幣725.4百萬元，增幅為14.6%，主要由於研發費、諮詢費及折舊費有所增加。

9. 其他經營開支

2017年，本集團的其他經營開支為人民幣394.8百萬元，而2016年則為人民幣162.7百萬元，增幅為142.7%。此增幅主要由於應收賬款減值撥備較2016年增加。

10. Profit from operations

The Group's profit from operations increased by 81.7% to RMB2,847.9 million in 2017 as compared to RMB1,567.1 million in 2016, primarily due to the increase in gross profit.

11. Finance income/finance expenses

The Group's finance income decreased by 74.3% to RMB321.5 million in 2017 as compared to RMB1,248.7 million in 2016, primarily due to greater exchange loss this year.

In 2017, the Group's finance expenses amounted to RMB977.1 million as compared to RMB46.9 million in 2016, which represented an increase of 1,983.4% as compared to the previous year, primarily due to greater exchange loss this year.

Thus, in 2017, net finance income of the Group amounted to RMB(655.6) million as compared to RMB1,201.8 million in 2016.

12. Income tax

The Group's income tax decreased by 20.1% to RMB538.4 million in 2017 as compared to RMB674.1 million in 2016. This decrease was mainly due to the effect attributable to the decrease in the profit before tax.

13. Profit for the year

As a result of the foregoing, the Group's net profit for the year decreased by 18.7% to RMB1,714.5 million in 2017 as compared to RMB2,109.8 million in 2016 and its net profit margin was 7.2% in 2017 as compared to 10.0% in 2016.

10. 經營溢利

2017年，本集團的經營溢利為人民幣2,847.9百萬元，而2016年則為人民幣1,567.1百萬元，增幅為81.7%。主要由於毛利增加。

11. 財務收入／財務開支

2017年，本集團的財務收入為人民幣321.5百萬元，而2016年則為人民幣1,248.7百萬元，較上年同期減少74.3%，主要由於今年有較大匯兌損失。

2017年，本集團的財務開支為人民幣977.1百萬元，而2016年則為人民幣46.9百萬元，較上年同期增加1,983.4%，主要由於今年有較大匯兌損失。

因此，2017年，本集團的財務收入淨額為人民幣(655.6)百萬元，2016年為財務淨收入人民幣1,201.8百萬元。

12. 所得稅

2017年，本集團的所得稅為人民幣538.4百萬元，而2016年則為人民幣674.1百萬元，降幅為20.1%。主要由於除稅前溢利降低的影響。

13. 年內溢利

由於上文所述，2017年，本集團的年內淨溢利為人民幣1,714.5百萬元，而2016年則為人民幣2,109.8百萬元，降幅為18.7%，其於2017年的淨溢利率為7.2%，而2016年則為10.0%。

14. Profit attributable to the shareholders

The profit attributable to the Shareholders decreased by 18.8% to RMB1,711.2 million in 2017 compared to RMB2,106.5 million in 2016.

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

The profit attributable to the holders of non-controlling interests of the Group amounted to RMB3.3 million in 2017 as compared to profit of RMB3.3 million in 2016, which remained relatively stable.

16. Liquidity and capital resources

As at December 31, 2017, the Group's cash and cash equivalents amounted to RMB18,466.3 million, compared to RMB19,541.9 million as at December 31, 2016, representing a decrease of 5.5%, primarily due to the decrease in net cash flow from operating activities and the decrease in cash and cash equivalents due to the change of exchange rate.

As at December 31, 2017, the Group's borrowings amounted to RMB916.4 million, compared to RMB1,046.4 million as at December 31, 2016, representing a decrease of 12.4%. RMB754.8 million (including RMB54.3 million of long-term borrowings due within one year) was short-term borrowings and RMB161.6 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 1.25% to 5.70% per annum.

14. 歸屬於股東溢利

2017年，歸屬於股東溢利為人民幣1,711.2百萬元，而2016年則為人民幣2,106.5百萬元，降幅為18.8%。

15. 歸屬於非控股權益持有人溢利

2017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，2016年為溢利人民幣3.3百萬元，與上年同期持平。

16. 流動資金及資本資源

於2017年12月31日，本集團持有現金及現金等價物為人民幣18,466.3百萬元，而於2016年12月31日則為人民幣19,541.9百萬元，降幅為5.5%，主要由於經營活動現金流量淨額減少以及匯率變動使得現金及現金等價物減少。

於2017年12月31日，本集團借貸為人民幣916.4百萬元，而於2016年12月31日則為人民幣1,046.4百萬元，降幅為12.4%。短期借貸為人民幣754.8百萬元（含一年內到期的長期借貸人民幣54.3百萬元），長期借貸為人民幣161.6百萬元。

該等借貸均以人民幣、美元或日元計值並以每年利率1.25%至5.70%計息。

17. Capital expenditures

Our capital expenditures consisted primarily of the purchase of property, plant and equipment, intangible assets and land lease prepayments. In 2017, the Group's capital expenditure was RMB734.1 million, representing an increase of 17.3% as compared to RMB626.0 million in 2016, mainly due to satisfactory progress made in the construction of infrastructure projects which are fixed assets.

18. Gearing ratio

In 2017, the Group's gearing ratio (total borrowings divided by total assets) was 1.9%, representing a decrease of 0.3% as compared to 2.2% in 2016, mainly due to the decrease in long-term borrowings.

19. Major acquisition and disposals and significant investments

Please see the paragraphs headed "II. BUSINESS OVERVIEW – D. Important Events" on page 57 of this annual results 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.

21. Event after reporting period

On March 26, 2018, the Board resolved that a final dividend of RMB0.1659 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.

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。2017年，本集團的資本開支為人民幣734.1百萬元，而2016年則為人民幣626.0百萬元，增幅為17.3%，主要由於固定資產基建項目實施取得一定進展。

18. 槓桿比率

2017年，本集團的槓桿比率（借貸總額除以總資產）為1.9%，與2016年的2.2%相比減少0.3%，主要是由於長期借款的減少。

19. 重大收購及出售及重大投資

請參閱本公告第57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. 報告期後的事項

2018年3月26日，董事會決議向股東派發每股人民幣0.1659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。

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約，以鎖定我們部分未來現金收入的人民幣價值，務求降低貨幣風險及確保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約。我們的遠期外匯合約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 extended to customers. 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,

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，決定本集團是否須就給予客戶的信貸作出任何必要的撥備。就涉及貿易及其他應收款項的信用風險，我們通過建立合適的業務評估系統，首先評估客戶的信用狀況，以及其擔保還款的能力。與此同時，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，本公司及其貿易附屬公司須向中國信保購買統一出口信用保險；就由出口賣方信貸融

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, 2017, 5.2% of the total trade and other receivables was due from our largest customers (2016: 9.4%), and 19.4% of the total trade and other receivables was due from the five largest customers (2016: 21.5%).

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 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, 2017 and 2016, our net current assets amounted to RMB8,688.1 million and RMB8,228.6 million, respectively.

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2017年12月31日，貿易及其他應收款項總額中有5.2%來自我們的最大客戶（2016: 9.4%），而貿易及其他應收款項總額中有19.4%來自五大客戶（2016: 21.5%）。

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2017年及2016年12月31日，我們的流動資產淨額分別為人民幣8,688.1百萬元及人民幣8,228.6百萬元。

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 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 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

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（尤其是該等發展中國家政府）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。憑借在國際貿易業務30多年的經營歷史，董事相信，本集團所擁有的廣泛銷售及

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.

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蕩的國家及地區。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.

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之中的項目有所延誤或被取消。儘管我們於工程承包項目之定價過程中已考慮到預計成本及目標利潤率，我們的國際工程承包業務之盈利能力仍可能受到影響，而我們的收益可能出現波動。

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.

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

此外，我們的國際工程承包業務的項目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. 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

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.

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

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. 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。在項目業主使用及運行過程中，工程可能會因為颶風及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

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.

11. Corruption Risk

Currently, the PRC government has been strengthening its anti-corruption efforts and governments of various countries for which we have undertaken works are also enhancing their regulatory efforts in anti-commercial bribery. Personal non-compliance or corruption of any employee will bring material adverse impact to the reputation of our Company. Being an international engineering contractor and service provider, the Group cannot avoid carrying out necessary 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.

高項目業主運營人員的運行維護水準，盡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. 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. 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 order to prevent and control the risk of sanctions, we established an export control internal compliance program (ICP) within the Company. The Company's ICP adopts the principle of comprehensive control (CATCH-ALL), and the scope and content of the ICP control will be adjusted in time in accordance with the changes in the international export control situation and the possible impact on the business of the Company. In 2017, due to the drastic changes in the sanctions policy of the U.S. government against Russia, we correspondingly strengthened export control over our operations in Russia. 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 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. As to Cuba, following a resumption of formal diplomatic ties between the two countries and the removal of Cuba from the U.S. government's State Sponsors of Terrorism list, a series of amendments to OFAC's Cuban Assets Control Regulations and Section 746.4 of Export Administration Regulations administered by the Department of Commerce's Bureau of Industry and Security have substantially expanded the range of transactions in which U.S. persons are allowed to engage with Cuba. Hence the Sanctions Undertakings no longer cover Iran and Cuba.

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。為了防控制裁風險，我們在公司內部建立了出口管制內控合規機制 (ICP)。公司ICP採取的是全面控制原則 (CATCH-ALL)，並且ICP的管控範圍和內容將結合國際出口管制形勢變化和可能給公司業務帶來的影響而及時調整。2017年由於美國政府對俄羅斯的制裁政策急劇變化，我們相應加強了對俄羅斯地區業務的出口管制管控。尤其是，倘我們的任何交易在美國或通過美國開展，或以其他方式涉及美籍人士、於美國的美元結算或美國原產貨品，則美國制裁法規可能適用於部分或全部該等交易。近年來，美國制裁格局大幅演變，尤其是針對伊朗的制裁。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。就古巴而言，繼兩國恢復正式外交關係及美國政府將古巴從國家恐怖主義支持者名單中移除後，對外國資產管制局的古巴資產管制條例及美國商務部工業與安全局所實施的出口管理條例第746.4條作出的一系列修訂大幅擴展了美籍人士可在古巴進行的交易範圍。因此，制裁承諾不再涉及伊朗及古巴。

Following the regulatory changes in the United States, the Company decided to cautiously approach the Iranian and Cuba markets. The Company's potential activities in Iran are limited and only to civilian infrastructure projects. The Company plans to undertake construction projects and carry out trading and service businesses in Cuba through a subsidiary to be established or any other physical presences in Cuba. Further, every potential project in Iran and Cuba must be (i) reviewed by the Company's internal export compliance office, (ii) reviewed by outside legal counsel, and (iii) 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 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

隨著美國監管的變化，本公司決定謹慎地進入伊朗及古巴市場。本公司在伊朗展開的潛在業務僅限於民用基礎設施項目。本公司計劃透過在古巴將予設立的附屬公司或任何其他實體機構於古巴承接建設項目及開展貿易及服務業務。此外，在伊朗及古巴開展的每個潛在項目均須：(i)經本公司內部的出口管制辦公室審核；(ii)經外部的法律顧問審核；及(iii)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務有限，且內部控制政策嚴格，將

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, in order to allow affected firms to terminate operations and withdraw from countries placed under new sanctions. Though the termination or forfeiture of any business operations or revenue in relation to any newly sanctioned counterparties, industries, projects or countries, may cause an adverse impact on our operations, financial condition, or ability to carry on business in the jurisdictions concerned, we strive to reduce such hazards through proactive political and economic risk assessment, along with timely legal advice from experienced external counsel. Furthermore, as a result of the foregoing, CMEC’s exposure in Iran and Cuba is so limited, any adverse impact from changes to Iran and Cuba sanctions by the United States will be minimal.

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風險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在伊朗及古巴開展活動面臨的風險有限，故美國變更對伊朗及古巴的制裁對我們產生的不利影響極小。

V. OUTLOOK

The Company's guiding principle for its business operation for 2018 is to strongly adhere to strategic leadership, diligently develop markets, persistently make innovation, rationalize the structure, improve overall layout and strive to create a new prospect for the Company's operation and development.

(I) Business Development Strategy

1. *International Engineering Contracting Business*

Regarding the International Engineering Contracting Business, the Company will strive to tamp the foundation, develop markets diligently and make continuous innovations to ensure its steady development.

- i. **The Company will** spare no effort to sign new contracts, strive to implement its projects and actively explore new markets and areas. The Company will keep the sound momentum in signing new contracts in recent two years and continue to improve the contract quality. The Company will also attach great importance to promoting the implementation of projects already signed, and solve every difficult issue with all its strength. Moreover, the Company will actively seize the opportunities brought by holding the new session of the Forum on China-Africa

V. 前景展望

2018年，公司經營工作的指導思想是，堅持戰略引領，奮力開拓，銳意創新，優化結構，完善佈局，努力開創公司經營發展新局面。

(一) 業務發展戰略

1. 國際工程承包業務

國際工程承包業務要不斷夯實根基，奮力開拓，持續創新，確保穩健發展。

- i. 公司會全力抓簽約，努力促生效，積極開拓新市場、新領域。要保持近兩年公司在新簽合同上的良好態勢，持續提高簽約質量；高度重視已簽約項目的促生效工作，針對難點問題，逐一盤點，全力突破；積極把握新一屆中非論壇在華舉辦的機遇；深入

Cooperation in China, further promote the projects of countries along “the Belt and Road”, and leverage policy and financing advantages brought by bilateral and multilateral cooperative mechanisms. Besides, the Company will spare no effort to put the results of high-level visits into practice, continue to cooperate with third parties to jointly explore the market, carry out focused market survey based on the trend for energy transformation and focus on opportunities brought by industrialization in the China-Pakistan Economic Corridor and other areas with proper conditions.

- ii. **The Company will** strictly control risks, continue to improve contract performance quality, strengthen the regulatory efforts in projects under construction and promote the lean management of projects.
- iii. **The Company will** further deepen regionalized and localized construction.
- iv. **The Company will** continuously improve the capacities of its supply chain and set up after-sales service management agencies to strengthen back-end service and management for supply chain and constantly enhance the Company’s subsequent operation support and ability to integrate construction and operation.

推進「一帶一路」相關國家的項目；用好雙多邊合作機制帶來的政策和融資優勢；全力落實高訪成果；繼續與第三方合作，共同開拓市場；針對能源轉換趨勢，進行有重點的市場調研；在有條件的區域，如中巴經濟走廊，注重工業化帶來的機遇。

- ii. 公司會嚴控風險，持續提高履約質量，加強在執行項目監管力度，推進項目精益管理。
- iii. 公司會進一步深化區域化與屬地化建設。
- iv. 公司會不斷健全產業鏈能力，要搭建售後服務管理機構，強化對產業鏈後端的服務與管理，不斷增強公司後續運營支持和建營一體化能力。

2. *Trading Business*

Regarding the Trading Business, the Company will further consolidate the achievements of transformation and make positive innovations to ensure the sustained and steady growth of scale merit.

- i. **The Company will** make continuous transformation and upgrading to further improve its profitability. Based on a clear understanding of the development direction and characteristics of its sub-sectors and subsidiaries, the Company will continue to transform its Trading Business from general low-value-added import & export trade to technology-based trade. The Company will consolidate the achievements of transformation in industrial investment, cross-border E-commerce, overseas regionalization and cooperation with the local government.
- ii. **The Company will** actively develop innovative business, improve innovation mechanism and center around the main businesses, with emphasis on technology content.
- iii. **The Company will** step up promotion of sub-brands.
- iv. **The Company will** strengthen risk control and prevention.

2. 貿易業務

貿易業務要進一步固化轉型成果，積極創新，確保規模效益持續穩定增長。

- i. 公司會持續轉型升級，進一步提升盈利水平，在明確子板塊、子公司發展方向與特點的基礎上，繼續推進貿易業務由低附加值的一般進出口貿易向科技型貿易轉型。固化貿易業務在實業化投資、跨境電商、海外區域化建設及地方政府合作等方面的轉型成果。
- ii. 公司會積極發展創新業務，完善創新機制，要圍繞主業，並注重科技含量。
- iii. 公司會加大貿易子品牌推廣力度。
- iv. 公司會加強風險管控與防範。

3. *Services Business*

The design consulting business of Services Business will grow steadily on the basis of existing profitability and create new growth drivers through scientific and technological innovation.

- i. **The Company will expand markets via innovation to improve its core competitiveness.** In scientific and technological innovation, the Company will try to promote market development through innovative projects; actively promote science and technology incubation; unyieldingly work hard to promote the “export” of technology services; and gradually build up the international consulting force through benchmarking with leading enterprises in the field of design consulting.
- ii. **The Company will actively promote external reorganization and expand design capability.**
- iii. **The Company will also create new business models, promote domestic business and endeavour to get the basic qualifications required for business development from the domestic government through mergers, transfers and other means.**

3. *服務業務*

服務業務中的設計諮詢業務要在現有盈利水平基礎上穩定增長，圍繞科技創新打造新的增長點。

- i. **公司會以創新帶市場，提高核心競爭力。**在科技創新方面狠下功夫，嘗試通過創新項目帶動市場開發；要積極推動科技孵化工作；要努力推進技術服務「出海」；要對標設計諮詢行業領先企業，逐步打造國際諮詢力量。
- ii. **公司會積極推進外部重組，擴充設計能力。**
- iii. **公司也會創新業務模式，推動國內業務進展，並要通過兼併、轉讓等方式，努力取得國內政府部門頒發、滿足業務開展所需的基本資質。**

(II) Management Strategy of the Company

i. Continuing to Improve the Key Management System

Striving to promote the professional management of the International Engineering Contracting Business. The Company will build the management platform for the International Engineering Contracting Business; continue to improve the lifecycle management system of EPC projects; strengthen and create new regulatory means and models; and promote the localized and professionalized management process of engineering contracting business.

Increasing professional support for investment and financing. The Company will make greater efforts in the research on capital market and develop equity financing channels; continue internal and external mergers and acquisitions and reorganization; further promote the investment-led business strategy; continue to play the role of financing in EPC and achieve diversified financing models.

Continuing to improve the financial management system. The Company will deepen the overall budget execution and implement benchmarking management and cost management; further promote financial functions; focus on preventing and controlling the financial management risks of branches at home and abroad; improve financial forecast and financial analysis and promote the construction of financial information system.

(二) 公司管理戰略

i. 持續健全關鍵管理體系

力促國際工程承包業務管理專業化。公司會開展國際工程承包業務管理平台建設；繼續完善EPC項目全生命周期管理體系；強化和創新監管手段和模式；推動工程承包業務屬地化和專業化管理進程。

加大投融資專業支撐力度。公司會加大對資本市場研究力度，拓展公司股權融資渠道；繼續開展內外部併購重組工作；深入推進投資拉動業務戰略；持續發揮融資在EPC中的作用，實現融資模式多樣化。

繼續完善財務管理體系建設。公司會深化全面預算工作，開展對標管理和成本費用管理；進一步推動財務職能前移；着力防控境內外分支機構的財務管理風險；提升財務預測及財務分析水平，推進財務信息系統建設。

Building an international system of law, risk prevention and control. The Company will continue to advance legal functions; build a risk management system adapted to the needs of business development; and actively conduct external audit on export control following the principle of all-round export control.

Strengthening corporate culture as well as social responsibility management, and enhancing brand value. On the occasion of the 40th anniversary, **the Company will** comprehensively summarize its corporate culture; actively publicize its corporate culture to promote cultural parallelism; and continue to optimize the social responsibility management system.

ii. Consolidating the Management Foundation

The Company will continue to strengthen its strategic control and research; improve salary management and build a scientific performance appraisal system; keep improving comprehensive management service level and strengthen the informatization construction; step up asset-management efforts; constantly improve audit effectiveness; and continuously strengthen the management of safety production to ensure the sustained and stable production of the Company.

打造國際化的法律及風險防控體系。公司會持續推進法律職能前移；建設適應業務發展需要的風險管理體系；貫徹出口管制全面管控原則，積極做好出口管制外審工作。

加強企業文化、社會責任管理，提升品牌價值。公司會在成立四十周年之際，全面總結提煉企業精神；積極宣傳企業文化，推行文化平行相容；持續優化社會責任管理體系。

ii. 夯實管理基礎

公司會持續加強戰略管控與研究；完善薪酬管理，打造科學的績效考核體系；不斷提升綜合管理服務水平，加強信息化建設；加大資產管理力度；不斷提升審計效果；持續強化安全生產管理，確保公司安全生產形勢的持續穩定。

FINAL DIVIDENDS

The Board recommended the distribution of a final dividend of RMB0.1659 per Share (pre-tax) for 4,125,700,000 Shares for the year ended December 31, 2017, representing a total amount of RMB684,453,630 (pre-tax).

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

The proposed final dividend is subject to Shareholders' approval at the upcoming annual general meeting of the Company (the "AGM"). Subject to approval, the final dividend is expected to be distributed on or before October 31, 2018 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, 2017 and up to the date of this announcement except for code provision A.4.2 and F.1.2 of the CG Code.

末期股息

董事會建議派付截至2017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0.1659元（稅前），合共人民幣684,453,630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。

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2018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企業價值及問責性。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2017年12月31日止年度及直至本公告日期一直遵守《企業管治守則》所載的守則條文，惟《企業管治守則》之守則條文A.4.2及F.1.2條除外。

Pursuant to the code provision A.4.2 of the CG Code that every director should be subject to retirement by rotation at least once every three years, the second session of the Board which was elected on February 20, 2014 shall retire the office by rotation on February 20, 2017. As it concerns the entire Board, various factors were considered to ensure the senior management of the Company appropriately continues, therefore, the second session of the Board continued to perform their duties until the election of the third session of the Board which was elected at the 2018 second extraordinary general meeting of the Company held on March 5, 2018. Since then, the Company has rectified its compliance with the code provision A.4.2 of the CG Code.

Pursuant to the code provision F.1.2 of the CG Code that the appointment of the company secretary should be dealt with by the physical board meeting rather than a written resolution. The appointment of the current joint company secretaries of the Company (the “**Joint Company Secretaries**”) was dealt with by a written resolution in February 2018. The Board considers that, prior to the execution of the written resolution to appoint the current Joint Company Secretaries, all Directors were individually consulted on the matter without any dissenting opinion and there was no need to approve the matter by a physical board meeting instead of a written resolution.

The Company will continue to review and enhance its corporate governance practices on explain in the case of non-compliance as necessary 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, 2017.

按照《企業管治守則》之守則條文A.4.2條規定，每位董事應至少每三年輪值退任一次，故2014年2月20日選出的第二屆董事會須於2017年2月20日輪值退任。由於事關整個董事會，須考慮眾多因素以確保本公司的高級管理人員順利延續，故此第二屆董事會繼續履行其職務直至本公司於2018年3月5日召開的2018年第二次臨時股東大會選舉產生的第三屆董事會為止。自此，本公司已修正其遵守《企業管治守則》之守則條文A.4.2條規定。

根據《企業管治守則》之守則條文F.1.2條規定，委任公司秘書須透過實質召開董事會會議（而非以書面決議案方式）處理，而委任本公司現任聯席公司秘書（「**聯席公司秘書**」）乃透過於2018年2月之一項書面決議案處理。董事會認為，於執行委任現任聯席公司秘書之書面決議案之前，已就該事宜向全體董事進行獨立諮詢且並無任何異議，故並無必要實質召開董事會會議取代書面決議案以批准該事宜。

本公司將繼續檢討及提升其有關不合規事件之解釋（如需要）的企業管治常規，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。對全體董事及監事查詢後，全體董事及監事均確認，彼等於截至2017年12月31日止年度一直遵守《標準守則》。

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

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

During the year ended December 31, 2017, 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, 2017. The 2017 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. ZHANG Fusheng and two independent non-executive Directors, namely Mr. LIU Li (committee chairman) and Ms. LIU Hongyu.

本公司亦已採納一套條款不遜於《標準守則》所訂標準的僱員證券交易行為守則，以供可能掌握本公司未公開價格敏感資料或內幕消息的相關僱員遵照規定買賣本公司證券。

購買、出售或贖回上市證券

截至2017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2017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2017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 (即張福生先生) 及兩名獨立非執行董事 (即劉力先生 (委員會主席) 及劉紅宇女士) 組成。

The Audit Committee has jointly reviewed with the management on the accounting standards, and discussed internal control and financial reporting matters (including the review of the annual results) of the Group. The Group's annual results for the year ended December 31, 2017 have been reviewed by the Audit Committee. The Audit Committee considered that the annual results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

PUBLICATION OF THE AUDITED CONSOLIDATED ANNUAL RESULTS AND 2017 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 2017 annual report containing all the information about the Company set out in this preliminary announcement of results for the year ended December 31, 2017 will be dispatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

“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》
“China Machinery R&D”	China Machinery International Engineering Design & Research Institute Co., Ltd.* (中機國際工程設計研究院有限責任公司), a company incorporated in the PRC and a wholly-owned subsidiary of the Company

審計委員會已與管理層共同審閱會計準則，並討論了本集團的內部控制及財務報告事宜（包括審閱全年業績）。本集團於截至2017年12月31日止年度的全年業績已經審計委員會審閱。審計委員會認為，全年業績已遵從適用會計準則及法律法規，而本公司亦已作出適當披露。

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2017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2017年12月31日止年度業績初步公告中所載的關於本公司所有數據的2017年年報，並分別在聯交所及本公司的網站上刊登。

定義及技術術語表

「中機院」	中機國際工程設計研究院有限責任公司，一家於中國註冊成立的公司並為本公司全資附屬公司
“CNEEC”	China National Electric Engineering Co., Ltd.* (中國電力工程有限公司), a limited liability company established in the PRC in October 1979 (including all CNEEC subsidiaries, except where the context otherwise requires), which is wholly-owned by SINOMACH
「中電工」	中國電力工程有限公司，一家於1979年10月在中國成立的有限責任公司（包括中電工所有附屬公司，除非文義另有所指），由國機全資擁有
“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 USD12,475
「發展中國家」	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
“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，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
“independent third party(ies)” 「獨立第三方」	person(s) or company(ies) which is (are) independent of the directors, supervisors, controlling shareholder, substantial shareholder and the chief executive (such terms as defined in the Listing Rules) of the Company or any of its subsidiaries or an associate of any of them 獨立於本公司或其任何附屬公司董事、監事、控股股東、主要股東及行政總裁（定義見《上市規則》）或任何一方的聯繫人的個人或公司

<p>“International Engineering Contracting Business” 「國際工程承包業務」</p>	<p>the International Engineering Contracting Business conducted by our Group with a primary focus on EPC projects 由本集團開展，並以EPC項目為重點的國際工程承包業務</p>
<p>“JiKan Research Institute” 「機勘院」</p>	<p>China JiKan Research Institute of Engineering Investigations and Design Co., Ltd.* (機械工業勘察設計研究院有限公司), a company incorporated in the PRC and a wholly-owned subsidiary of the Company 機械工業勘察設計研究院有限公司，一家於中國註冊成立的公司並為本公司全資附屬公司</p>
<p>“Listing” 「上市」</p>	<p>listing of our H Shares on the Stock Exchange 我們的H股在聯交所上市</p>
<p>“Listing Rules” 「《上市規則》」</p>	<p>the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time 《聯交所證券上市規則》(經不時修訂)</p>
<p>“Model Code” 「《標準守則》」</p>	<p>the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules 《上市規則》附錄十所載《上市發行人董事進行證券交易的標準守則》</p>
<p>“MW” 「兆瓦」</p>	<p>unit of energy, megawatt. 1MW = 1,000kW. The installed capacity of power plants is generally expressed in MW 能源單位兆瓦。1兆瓦=1,000千瓦。發電廠裝機容量通常以兆瓦表示</p>
<p>“Non-Core Sectors” 「非核心行業」</p>	<p>any sectors that do not fall within the Core Sectors of our International Engineering Contracting Business 任何並非屬於我們國際工程承包業務核心行業的行業</p>
<p>“OFAC” 「外國資產管制局」</p>	<p>the Office of Foreign Assets Control of the US Department of the Treasury 美國財政部屬下外國資產管制局</p>
<p>“PRC” or “China” 「中國」</p>	<p>The People’s Republic of China excluding, for the purpose of this report only, Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan 中華人民共和國，僅就本報告而言，不包括中國香港特別行政區、中國澳門特別行政區及台灣</p>
<p>“PPP” 「PPP」</p>	<p>Public-Private Partnership 公共私營合作制</p>
<p>“RMB” or “Renminbi” 「人民幣」</p>	<p>Renminbi, the lawful currency of the PRC 人民幣，中國法定貨幣</p>
<p>“Services Business” 「服務業務」</p>	<p>the design consulting services, logistics 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、招標代理服務、進出口代理服務及其他服務</p>

“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
"the Belt and Road" 「一帶一路」	the Silk Road Economic Belt and the 21st-Century Maritime Silk Road 絲綢之路經濟帶和21世紀海上絲綢之路
“Trading Business” 「貿易業務」	the international and domestic trading business conducted by our Group 本集團進行的國際和國內貿易業務
“UN” 「聯合國」	the United Nations 聯合國
“United States” or “U.S.” or “US” 「美國」	the United States of America, its territories, its possessions and all areas subject to its jurisdiction 美利堅合眾國，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” United States dollars, the lawful currency of the United States
「美元」 美元，美國的法定貨幣

“%” per cent. or percentage
「%」 百分比

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

* 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*
ZHANG Chun
Chairman

承董事會命
中國機械設備工程股份有限公司
董事長
張淳

Beijing, the PRC, March 26, 2018

中國北京，2018年3月26日

As at the date of this announcement, the Executive Directors are Mr. ZHANG Chun; Mr. HAN Xiaojun and Mr. ZHOU Yamin; the Non-executive Directors are 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，執行董事為張淳先生、韓曉軍先生及周亞民先生；非執行董事為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。

* *For identification purposes only*