



# 中國機械設備工程股份有限公司

## China Machinery Engineering Corporation\*

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

(於中華人民共和國註冊成立的股份有限公司)

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\* For identification purposes only  
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# Chairman's Statement

## 董事長致辭



Chairman  
**ZHANG Chun**  
董事長  
張淳

Dear Shareholders,

In 2018, the fluctuation in global economy has been intensified. As affected by different economic conditions such as the downward pressure, the domestic general industry and the internal and external markets were facing new challenges. The global economy has shown modest growth, but momentum has been slowed down. Eurozone economy slowed down, and emerging markets saw intensified fluctuations in economy. Major economies diverged with each other in economic growth trend. The trend of “reverse globalization” and trade protectionism

尊敬的各位股東：

2018年，全球經濟波動加劇，國內經濟面對較大下行壓力等經濟環境的影響下，整體行業和內外部市場正面臨新挑戰。世界經濟呈現溫和增長，但動能有所放緩。歐元區經濟增速放緩和新興市場經濟動蕩加劇，主要經濟體增長態勢有所分化。「逆全球化」思潮和貿易保護主義威脅全球貿易穩定增長，國際貿易規則面臨重塑；部分國

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threaten the steady growth of global trade, while the international trade rules are subject to re-adjustment. There are more prominent risk exposures arising from political instability and regime changes in certain countries. Some markets are facing financial difficulties as affected by the fluctuation of the prices of bulk commodities, such as oil. These external risk exposures and uncertainties significantly affected the global political and economic trend. On the other hand, driven by the structural reform of the supply side, China's national economy is still operating in a reasonable range and maintained overall stability. The economic structure is continuously optimized. The annual gross domestic product exceeded RMB90 trillion for the first time, representing an increase of 6.6% over the previous year, which excelled the expected development target of about 6.5%. China plays an important role in the global economy. The demand for engineering contracting business in various countries is growing. Under the support of many positive and favorable factors, new economic kinetics such as new economy and new industries are accelerating, and structural optimization effects continue to be highlighted.

2018 marks the 40th anniversary of the establishment of CMEC. Under the complex situation of the domestic and foreign markets and increasingly fierce competition, CMEC stood up to pressure and acted actively. It has integrated internal resources, and persisted in deepening reform. We continued to participate deeply in the construction of "the Belt and Road", actively explore overseas business, and achieved a series of major breakthroughs in the management system, business strategy, institutional adjustment, market layout etc. We focused on innovations in different aspects such as development modes, management methods, investments in science and technology and resources integration, achieving a series of key advances.

家政局不穩、政權更迭帶來的風險凸顯；受石油等大宗物資價格波動的影響，部分市場的財政狀況面臨困境。這些外部風險和不確定性，對世界政治經濟形勢產生重大影響。另一方面，在供給側結構性改革的推動下，我國國民經濟依舊運行在合理區間，總體平穩，經濟結構不斷優化，全年國內生產總值首次突破人民幣90萬億元大關，比上年增長6.6%，實現了6.5%左右的預期發展目標，好於預期。中國在全球經濟中扮演重要角色，各國工程承包業務需求不斷增長，在諸多積極有利因素的支撐下，新經濟、新產業等新經濟動能加速集聚，結構優化效應繼續凸顯。

2018年是CMEC成立四十周年，在國內外市場的複雜形勢和日益激烈的競爭格局下，CMEC頂住壓力，積極作為，整合內部資源，堅持推進深化改革；繼續深入參與「一帶一路」建設，積極開拓海外市場業務，在管理體系、經營方略、機構調整、市場佈局等方面實現了一系列重大突破；在發展模式、管理方式、科技投入、整合資源等方面着力創新，取得了一系列關鍵進展。

# Chairman's Statement

## 董事長致辭

### BUSINESS REVIEW

In 2018, under the complicated world economic and political landscapes, adjustment of international energy structure and increasingly intensified competition, the international environment brought relevant risks and challenges to the industrial development. The Company adhered to stable development and continued to strengthen its efforts in coordinating with national strategies, such as “the Belt and Road Initiative” and “Going Out”. At the same time, the Company drilled its internal skills, optimized business layout and improved the industrial chain, thereby seizing opportunities and preparing for challenges ahead. With joint efforts, the Company maintained stable development in overall operations. In 2018, the Company recorded revenue of RMB28,862.6 million; gross profit of RMB4,696.0 million; and profit attributable to shareholders of RMB2,131.5 million (the Board recommended the distribution of a final dividend of RMB0.2067 per share for 2018).

In respect of International Engineering Contracting Business, its revenue contribution accounted for approximately 63.3% of the Company's total revenue, and remained as the core business of the Company. In the past year, the Company adhered to the development of both traditional markets and new markets, and at the same time exerted efforts to strengthen research on core market industrial policies and market trends. In response to the national policies, such as “the Belt and Road” initiative, and market changes, the development direction of key market projects was adjusted, with resources allocation concentrated on highlighting key features, fine products, long-term efficiency and innovation. We have completed the contract signing for a large number of new projects in traditional markets, such as the mine mouth coal power plant project at Thar Block-II in Pakistan, the social security housing project in Ukraine, the tourism island project in the Maldives, the expansion of continental high voltage power grid in Equatorial Guinea and operation and maintenance projects. We also achieved major breakthroughs in many new market projects, such as the housing project in Pyeongchang, South Korea, the iron ore project in Sierra Leone, the LNG receiving station project in Sao Tome, the apartment construction project in Australia, and the cement plant project in Tajikistan.

### 業務回顧

2018年世界經濟政治形勢複雜、國際能源結構調整、競爭不斷加劇，國際局勢給行業發展帶來相關的風險和挑戰，公司堅持穩紮穩打，繼續加大與「一帶一路」倡議和「走出去」等國家戰略的對接力度，同時苦練內功，優化業務佈局，完善產業鏈條，抓住機遇，迎接挑戰，在共同努力下總體運營保持穩健發展。公司在2018年實現收入人民幣28,862.6百萬元；毛利人民幣4,696.0百萬元；股東應佔溢利為人民幣2,131.5百萬元（董事會建議派付2018年末期股息，每股人民幣0.2067元）。

國際工程承包業務方面，其收入貢獻約佔本公司總收入的63.3%，仍然為本公司的核心業務。過去的一年，公司堅持傳統市場與新市場的開拓並舉，同時發力，加強核心市場產業政策和市場趨勢的研究，針對「一帶一路」等國家政策和市場的變化趨勢，重新梳理了重點市場項目開發方向，將資源集中以突出重點、突出精品、突出長效、突出創新。實現了巴基斯坦塔爾煤田II區塊坑口燃煤電站項目、烏克蘭保障性住房建設項目、馬爾代夫旅遊島項目、赤道幾內亞大陸高壓電網擴建、運維項目等一大批傳統市場新項目的簽約，也實現了韓國平昌房建項目、塞拉利昂鐵礦項目、聖多美LNG接收站項目、澳大利亞公寓樓建設項目、塔吉克斯坦水泥廠項目等諸多新市場項目的重大突破。

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In respect of new energy business, the Company actively pursued clean energy and green energy projects in line with the structural changes in the international power market. The Menengai 35MW geothermal project was signed in Kenya, which was the Company's first geothermal power station project and laid a solid foundation for the development of the new geothermal energy market. The wind power project in Kenya was also put into operation. The photovoltaic power plant project was signed and went in force in Ukraine, which will become the largest single photovoltaic power plant in Europe when completed. In addition, photovoltaic projects were also signed in Bangladesh and Malaysia, respectively. After the completion of the combustion plant project in Jhang, Pakistan, the Group will have gas turbine power stations ranging from class B to H, solar photovoltaic, wind power, geothermal, hydropower and other types of clean energy, green energy project performance, virtually realizing a basic coverage of all new energy categories.

In respect of external cooperation, the Company actively participated in China's four major home diplomacy activities, made full use of diplomatic ties and other market opportunities, expanded its operations into new markets such as Sao Tome and Dominica, and continued to promote the CMEC brand and services to existing and new customers. In addition to deepening our cooperation with Siemens, GE, BV, XD Group and DEC and other leading domestic and overseas enterprises, the Group also signed new strategic cooperation agreements with Hangzhou Boiler Group, Zhongyuan and Qingjian Group. Focusing on overseas investment industrialization, African smart grid and new technology overseas applications, the Group commenced close cooperation with its business partners, and established a new model of compatible and interactive development.

新能源業務方面，公司順應國際電力市場結構轉變趨勢，積極開拓清潔能源和綠色能源項目。在肯尼亞簽署了Menengai 35MW地熱項目，該項目是公司的首個地熱電站項目，為打開地熱新能源市場奠定了基礎，肯尼亞風電項目也已生效；在烏克蘭簽約並生效了光伏項目，該項目建成後將成為歐洲最大單體光伏電站；在孟加拉、馬來西亞也分別簽署光伏項目。待到巴基斯坦吉航燃機電站項目完工後，集團將擁有從B級到H級系列燃機電站、太陽能光伏、風能、地熱、水電等各類清潔能源、綠色能源的項目業績，基本實現對新能源類別項目的全覆蓋。

在對外合作方面，公司積極參加中國四大主場外交活動，充分利用建交或復交等市場機遇，拓展了聖多美、多米尼加等新市場，持續向新老客戶推介CMEC品牌與服務。除了不斷深化與西門子、GE、BV、西電集團、東方電氣等國內外領軍企業的合作外，還與杭鍋集團、中原對外、青建集團等新簽署了戰略合作協議，圍繞海外投資工業化、非洲智能電網及新技術海外應用等領域展開緊密合作，建立起包容聯動式發展的新模式。

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Specific to the project development model, the Company has continued to explore and has made great progress. In cooperation with Pingdingshan Group, the Russian Irkutsk refinery plant project, which adopted the integrated operation-driven development model of “EPC + Investment + Capacity Cooperation”, achieved remarkable results. For the combustion engine project in Hambantota Port, Sri Lanka, it has adopted the investment + EPC model. The Group has formed multi-level, multi-domain, multi-mode relationships with GE, Siemens and other external strategic partners, resulting in a more in-depth cooperation mode and a closer cooperative relationship. The Group also formed industrial alliances with domestic partners, such as DEC and XD Group. Through vertical and horizontal connectivity of industrial chain, the scope of cooperation had expanded with closer partnership, truly realizing the win-win situation of strategic cooperation and capital cooperation.

The Company actively explored regional operations in overseas markets. Regional companies in Singapore and Dubai began to take root in the local area and started expanding to surrounding regions, both having obtained credit lines from local banks. The Singapore regional company completed the technology platform investment; India Industrial Park project completed the first phase, and is advancing investment and other follow-up works. The Dubai regional company, in coordination with a number of departments, connected with resources in the Middle East, and played the role of a regional platform. The localization level continued to deepen, from hiring local staff, local procurement and subcontracting, to working with local design institutes and carrying out co-development projects with local enterprises. The Company also vigorously expanded the opportunities of neighboring countries, gradually achieving win-win symbiosis with the local economy and society.

具體到項目開發模式上，公司不斷探索，也取得了很大進展。在與平煤集團合作的俄羅斯伊爾庫茨克煉油廠項目，採用了「EPC+投資+產能合作」的綜合運作主導型開發模式，取得較好效果。斯里蘭卡漢班托塔港燃機電站項目，則採用投資+EPC模式。而與GE、西門子等外部戰略夥伴已經形成了多層次、多領域、多模式的關係，合作模式更加深入、合作關係粘度更高。與東方電氣、西電集團等國內夥伴則是通過締結產業聯盟的方式，通過產業鏈的縱橫聯通，使合作範圍更加廣闊，夥伴關係更加緊密，真正實現戰略合作和資本合作的共贏。

在海外，公司積極探索區域化經營。新加坡、迪拜區域公司開始在當地紮根並輻射周邊，並均已取得當地銀行授信。新加坡區域公司已完成科技平台的投資，印度工業園項目已經完成一期工程，正在推進招商等後續工作；迪拜區域公司正配合多個部門對接中東資源，發揮區域平台作用。屬地化程度也在不斷加深，從僱用當地員工，當地採購分包，到與當地設計院合作，以及與當地企業共同開發項目，並大力拓展周邊國家項目機遇，逐步與當地經濟社會共生共贏。

# Chairman's Statement

## 董事長致辭

In 2018, the Company implemented projects without major and ordinary safety and quality incidents. The execution of the projects is sound and the Company is operating more than 100 projects. The construction of Phase I of the power station project in Serbia was successfully completed, while the water supply and sewage treatment projects in Sri Lanka were officially put into operation. The Company's first overseas new energy investment project, namely the IPP project for photovoltaic power station in Maldives was officially put into commercial operation and began to receive electricity charges. Pakistan Thar block two power station commenced works on boiler foundation. The Cote d'Ivoire power grid project held the opening ceremony. The unit 1 of Pakistan NJ hydropower project achieved successful synchronization, while unit 2 received unit acceptance certificate. The project is one of hydropower stations under construction with largest total installed capacity and the highest technical difficulty level in Pakistan.

CMEC's reputation of orderly implementing projects with high quality on time had received wide attention and recognition. In 2018, CMEC won the title of "Leading Enterprise for Social Responsibility Performance Evaluation of Foreign Contracted Engineering Enterprises" and several awards including the "Award for Excellence Enterprise in China's Foreign Sustainable Practice for 2018". In February 2019, the Ministry of Commerce issued the list of "Top 100 Enterprises in China's Foreign Contracted Projects in Terms of Turnover for 2018". In particular, CMEC continued to maintain its leading position in China, and ranked 8th in terms of turnover under the top 100 foreign contracted engineering projects in China.

於2018年，本公司執行的項目全年無重大及一般安全、質量事故，項目執行情況良好，在手執行項目超過100個。塞爾維亞電站一期工程順利完工，斯里蘭卡供水和污水處理項目正式投運，公司首個海外新能源投資項目馬爾代夫光伏電站IPP項目正式進入商業運行並開始收到電費。巴基斯坦塔爾二期電站實現鍋爐基礎開工，科特迪瓦電網項目舉行開工典禮，巴基斯坦NJ項目首台機組並網發電成功，並獲得第二台機組接收證書，該項目為巴基斯坦在建的總裝機容量最大、技術難度最高的水電站之一。

CMEC按時、保質、有序推進的執行項目，廣受各方關注並獲得高度贊譽。於2018年，CMEC榮獲「對外承包工程企業社會責任績效評價領先型企業」稱號，「2018海外可持續實踐卓越企業獎」等多項獎項。於2019年2月，商務部發佈《2018年我國對外承包工程業務完成營業額前100家企業》榜單。其中，CMEC繼續保持全國領先地位，進入中國對外承包工程百強，完成營業額排名第8位。



# Chairman's Statement

## 董事長致辭

The trade services and design consulting business of CMEC maintained good momentum. Traditional markets continued to be consolidated, while the scale of emerging markets has been gradually formed. Cross-border e-commerce continued to develop. The Company made further strides towards the direction of market, customer and product diversification. Increased efforts were dedicated to product development and technical investment in high-end casting and forging parts. Bulk production for high-speed rail brake disc had commenced. The construction of the casting and forging engineering technology R&D center has also began. Special technology incubator project was orderly promoted, as special projects, such as Sponge City and the informationization across space, sky and ground surfaces, formed certain market transformation capacity. Several new patents and copyrights have been granted.

In 2018, the Company continued to drill its internal skills. It has completed the reorganization of CNEEC, further enhanced its ability in controlling the industry chain. Our engineering contracting team experienced rapid growth. The after-sales management office was officially established, with industrial chain continued its back office extension. The level of purchasing management continued to improve, achieving complete coverage of engineering projects. The construction of engineering contracting business management platform yielded periodic results, while the whole life cycle management system of EPC project continued to improve. The Company made progress in project refinement and management. The Company has optimized its project design plan, effectively saved costs and improved construction quality. It has introduced QR code into logistics procedures by using advanced technologies. The Company also achieved unattended stationing at substations by using drones for inspection, thus reducing labor costs and improving project efficiency.

CMEC貿易服務及設計諮詢業務情況持續向好，傳統市場繼續穩固，新興市場逐漸形成規模，跨境電商業務持續推進。公司進一步向市場、客戶、產品多元化方向發展。高端鑄鍛件在產品開發、技術投入等方面加大力度，高鐵製動盤進入批量化生產，鑄鍛件工程技術研發中心開始建設。專項科技孵化項目有序推進，海綿城市、空天地信息化等專項已形成一定的市場轉化能力，新獲多項專利授權和軟件著作權。

2018年公司繼續苦練內功。完成了中電工重組工作，對產業鏈的把控能力進一步增強，工程承包板塊自身隊伍快速成長，售後管理處正式設立，產業鏈持續向後端延伸。採購管理水平不斷提升，實現工程項目的完整覆蓋。工程承包業務管理平台建設取得階段性成果，EPC項目全生命周期管理體系繼續完善。公司在項目的精細化管理方面取得進步。對項目設計方案進行優化，有效節約成本，提升施工質量；利用先進技術，將二維碼引入物流環節，利用無人機進行勘測，對變電站實行無人值守，減少人力成本，提升了項目效益。

# Chairman's Statement

## 董事長致辭

With the rapid changes in the international political and economic environment, the Company is facing a rapidly changing market environment. CMEC is driven by pressure to actively seek for changes, adapt itself to new market trends, and establish new competitive advantages. The Company will continue to position itself in accordance with the national strategies, optimize its business layout, enhance its operating efficiency, explore mixed ownership reform, and actively carry out mergers and acquisitions according to business needs in order to seize high-end resources in the market, as well as to enhance enterprise development vitality and internal motivation. We will actively explore and nurture new business and development models to form a business platform that creates synergies between businesses. We will also combine the development requirements of the industrial chain, actively cooperate with leading enterprises in all links of the external industrial chain, enhance industrial capabilities, increase market competitiveness, and remain firmly determined to grow become stronger, better and bigger.

### FUTURE PROSPECTS

In 2019, the world economy continued to recover in general. However, the foundation for the growth was not stable. Economic growth rate tended to slow down, while the growth momentum was weakened. There are still considerable uncertainties surrounding the Sino-US economic and trade relations, which is bound to have a significant impact on the world economy and politics. The deep-seated impact of the international financial crisis has not been eliminated. Some structural problems are still outstanding, and the road to recovery in the future is not smooth. In terms of trend, economic globalization continues to develop in depth despite twists and turns, the international economic and trade regulations and the global governance system underwent major adjustment and reconstruction, and the world economic situation is complex and changeable. The uncertainties and instabilities that will be faced in 2019 have increased, and it is expected to maintain a weak growth trend. The Chinese economy will continue to adhere to the general tone of steady progress, promote supply-side structural reforms, and revitalize the real economy. The consumption upgrading, trade structure optimization and overcapacity-cut will help strengthen the stability and resistance of the Chinese economy in the face of international trade market tensions, global credit risks, and other challenges.

隨着國際政治、經濟形勢的急劇變化，本公司面臨的市場環境在快速改變。CMEC以壓力為動力，積極求變，適應新的市場趨勢，建立新的競爭優勢。公司將繼續立足國家戰略，優化業務佈局，提升經營效益，探索混合所有制改革，並且根據業務需要積極開展兼併重組，搶佔市場高端資源，增強企業發展活力和內生動力。積極探索並培育新業務和發展模式，形成各業務互相協同的業務平台。結合產業鏈發展要求，與外部產業鏈各環節的領先企業積極合作，提升產業能力，增強市場競爭力，堅定不移做強做優做大。

### 未來展望

於2019年，世界經濟總體延續復蘇態勢，但增長基礎並不穩固，增長速度趨於放緩，增長動能有所削弱。中美經貿關係仍有很大不確定性，勢必對世界政治經濟形勢產生重大影響。國際金融危機的深層次影響還未消除，一些結構性問題仍很突出，未來的復蘇之路並不平坦。從趨勢上看，經濟全球化在曲折中繼續深入發展，國際經貿規則和全球治理體系深刻調整重構，世界經濟形勢複雜多變。2019年面臨的不確定不穩定因素增多，預計仍將維持弱增長態勢。而中國經濟將持續堅持穩中求進的總基調，推進供給側結構性改革，振興實體經濟。在消費持續升級、貿易結構優化、去產能見成效的發展下，有助增強中國經濟在面對國際貿易市場關係緊張和全球信貸風險等挑戰的穩定性和抗壓性。

# Chairman's Statement

## 董事長致辭

The CMEC 2018-2020 strategic plan has been released. In the future, engineering contracting will continue to be the main business supporting the scale and profit improvement of CMEC business. It is the basis for the development of CMEC and the driving force for other business development. CMEC will make full use of the existing resources and advantages of this business overseas to drive synergy development with other businesses. In technology research and development, CMEC will focus on cultivating technology research and development and innovation capabilities, making it one of the core competitiveness. It will also continue to promote innovation in management models to support the development of business diversification. In addition, CMEC will continue to increase its global presence and strive to transform from overseas business operations to global business operations and resource allocation. It will focus on realizing regional center layout of the global core market, and gradually move the key supporting functions forward to assist different sectors in the localization development and operation of the business. At the same time, we will emphasize the organic integration of domestic and foreign markets and coordinated development. It is necessary to study the national development strategy of the countries along “the Belt and Road”, the regional development plan and China’s national strategy, and combine “Going Out” with “Bringing In”. We must position ourselves in the market based on our own advantages, and properly plan for domestic market development.

CMEC2018-2020年戰略規劃已經發佈。未來，工程承包業務仍然是支撐CMEC業務規模和利潤提升的主要業務，是CMEC發展的基礎，同時也是其他業務發展的動力支撐，CMEC將充分利用該業務在海外已有的資源和優勢，帶動其他業務協同發展。在科技研發上，CMEC將着力培育科技研發及創新能力，使其成為核心競爭力之一。還將不斷促進管理模式的創新，以支撐業務多元化的發展。此外，CMEC將繼續不斷加大全球佈局，努力從海外業務經營轉型為全球業務運營和資源配置的格局。重點要實現全球核心市場的區域中心佈局，並逐步把關鍵支撐性職能前移海外，協助不同板塊進行業務屬地化開發和經營。同時強調國內外市場有機結合，協同發展，要研究「一帶一路」沿線的國家發展戰略、區域發展規劃與中國國家戰略的對接，將「走出去」與「引進來」相結合。要立足自身優勢，妥善規劃國內市場開拓。

# Chairman's Statement

## 董事長致辭

Through the above layout, CMEC will form a diversified business structure, and each business sectors will provide customers with a leading one-stop integrated service solution through collaborative development. Externally, a united community with CMEC as the core will be formed to create value for customers and alliance companies. With the effective implementation of various strategic initiatives, CMEC will form a diversified business structure of core business sectors and more emerging businesses. In the segmented business areas of core business sectors, it can become a market-leading technology and innovative enterprise. While achieving business globalization, internal management capability will also reach international leading level, thus laying a solid foundation for the enterprise vision of “based on engineering contracting business, leading technology innovation, and being global integrated service provider” to realize the long-term development of the Company.

At last, on behalf of the Board, I would like to take this opportunity to express my sincerest gratitude to the Shareholders who extend concern and support for CMEC over the years, the dedicated senior management team and all the staff members who have been working with relentless efforts.

**Zhang Chun**  
Chairman

Beijing, China  
March 26, 2019

通過上述佈局，CMEC對內將形成多元化的業務格局，各業務板塊間通過協同發展，能夠為客戶提供領先的一站式綜合服務解決方案；對外，將形成以CMEC為核心的命運共同體，為客戶及聯盟企業創造價值。隨着各項戰略舉措的有效落地，CMEC將形成核心業務板塊和更多新興業務的多元化業務格局，並在核心業務板塊的細分業務領域，能夠成為市場領先的科技和創新企業；在全面實現業務全球化的同時，內部管理能力也將達到國際領先水平，從而為「以工程承包業務為基礎，引領科技和創新，全球化的綜合服務商」的企業願景打下堅實基礎，實現企業的長足發展。

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



董事長  
張淳

中國北京  
2019年3月26日

# Company Profile

## 公司簡介

The Company was established in 1978 and was the first state-owned industrial and trading enterprise in the PRC. The Company is a subsidiary controlled by SINOMACH. The Company was listed on the Main Board of the Stock Exchange on December 21, 2012. As at December 31, 2018, the Company had a total of 908,270,000 H Shares and 3,217,430,000 non-tradable Domestic Shares issued. The Company has a primary focus on EPC projects and particular expertise in the power sector, capable of providing one-stop customized and integrated engineering contracting solutions and services. The Company also conducts the Trading Business, Services Business and the emerging business segments.

**Visions for Corporate Development:** On the basis of engineering constructing business and driven by technology and innovation, becoming an international diversified integrated service provider.

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

**International Engineering Contracting Business:** With approximately 40 years of experience in the International Engineering Contracting Business, the Company is able to provide project owners with one-stop customized and integrated turnkey solutions and services to manage and implement engineering contracting projects, especially in developing countries, and has undertaken engineering contracting projects in approximately 50 countries, primarily in Asia, Africa, Europe and South America. Power, transportation and telecommunications sectors are the Company's Core Sectors. The Company is also engaged in the Non-Core Sectors, such as water supply and treatment projects, building and construction projects, manufacturing and processing plant projects and mining and resources exploitation projects.

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

**Services Business:** The Company is engaged in a certain extent on the Services Business, mainly including design consulting services, logistics services, tendering agency services, export-import agency services and other services.

本公司成立於1978年，是中國第一家國有工貿企業，是國機控股的附屬公司。本公司於2012年12月21日在聯交所主板上市。於2018年12月31日，本公司已發行合共908,270,000股H股及3,217,430,000股尚未流通的內資股。本公司主要專注於EPC項目，特別專長於電力能源行業，能夠提供一站式訂製及綜合工程承包方案及服務。本公司亦從事貿易業務、服務業務及新興業務板塊。

**企業發展遠景：**以工程承包業務為基礎，以科技和創新為驅動，具有全球佈局的多元化綜合服務商。

**競爭優勢：**品牌聲譽、運營模式、業務網絡、專業團隊、商務運作、融資策劃。

**國際工程承包業務：**本公司在國際工程承包業務方面擁有約40年經驗，能夠為項目業主提供管理及實施工程承包項目的一站式訂製及綜合交鑰匙方案及服務，尤其是於發展中國家，並已在約50個國家承接工程承包項目，主要分佈於亞洲、非洲、歐洲及南美洲。電力能源、交通運輸及電子通訊行業是本公司的核心行業。本公司亦從事非核心行業，如供水及水處理項目、房屋及建築項目、製造和加工工廠項目以及採礦和資源開採項目。

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

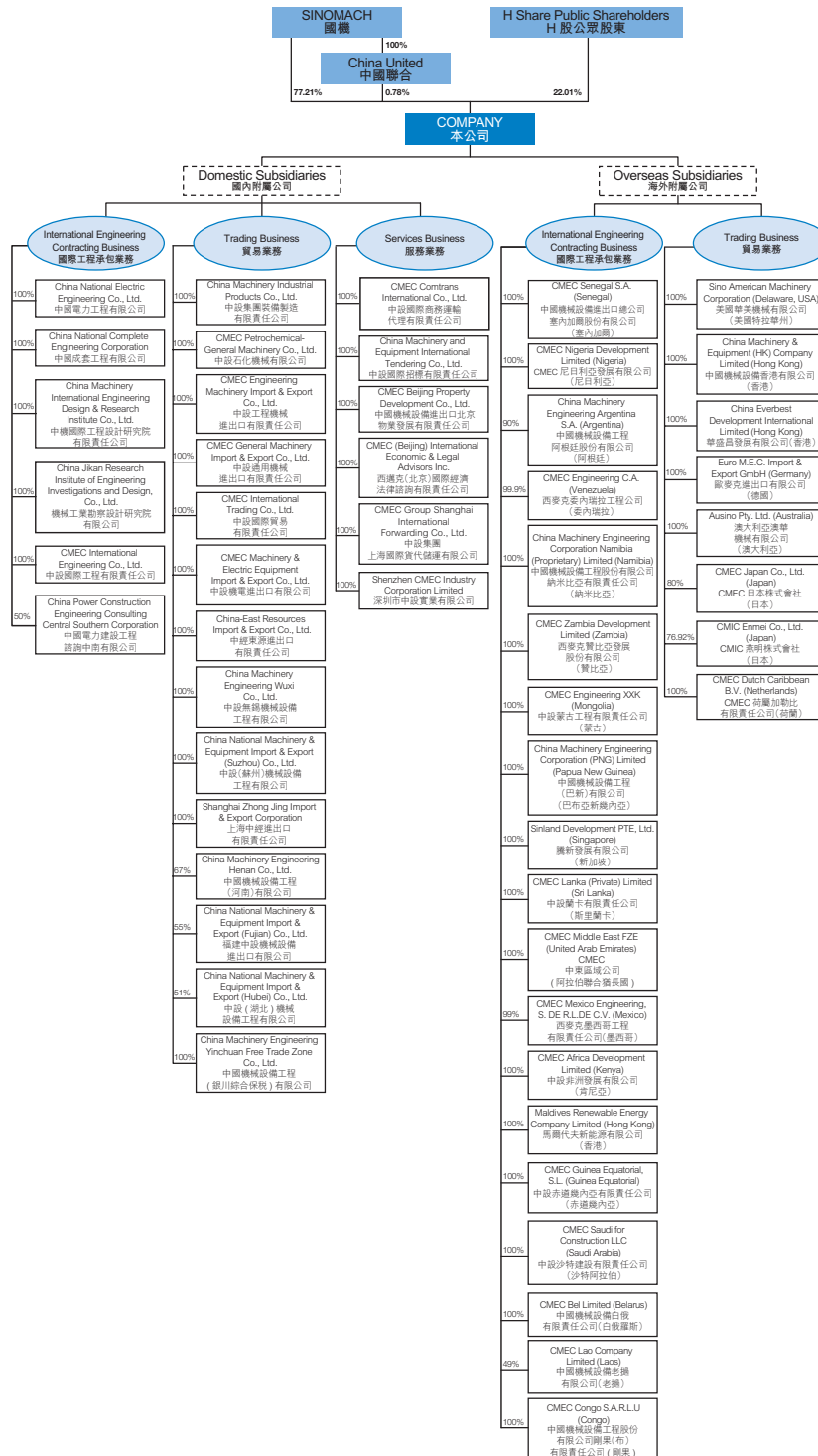
**服務業務：**本公司從事一定程度的服務業務，主要包括：設計諮詢服務、物流服務、招標代理服務、進出口代理服務及其他服務。

# Company Profile

## 公司簡介

**Corporate Structure:** As at December 31, 2018, the Company's corporate structure was as follows:

**企業架構:** 於2018年12月31日，本公司企業架構如下：



# Key Operating and Financial Data

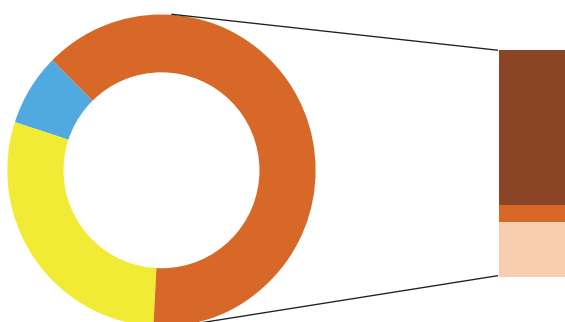
## 重要經營及財務數據

### Revenue Structure in 2018

#### 2018年收入結構

Unit: RMB million

單位：人民幣百萬元



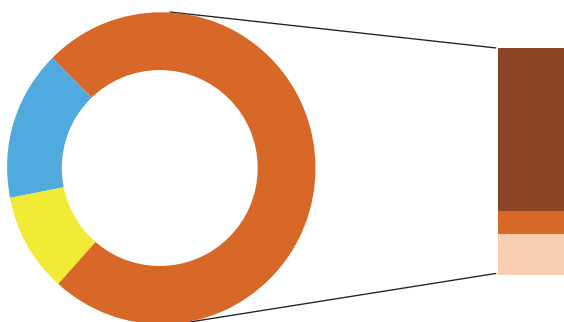
	Revenue 收入	Revenue Breakdown 收入佔比
IEC 工程板塊	18,281	63%
-Power 電力能源	12,537	43%
-Transportation and Telecommunication 交通運輸及電子通訊	1,336	5%
-Non-Core Sectors 非核心行業	4,408	15%
Trading 貿易板塊	8,477	30%
Services Business 服務業務	2,105	7%
Total 總計	28,863	100%

### Gross Profit Structure in 2018

#### 2018年毛利結構

Unit: RMB million

單位：人民幣百萬元



	Gross Profit 毛利	Gross Profit Breakdown 毛利佔比
IEC 工程板塊	3,486	74%
-Power 電力能源	2,518	54%
-Transportation and Telecommunication 交通運輸及電子通訊	343	7%
-Non-Core Sectors 非核心行業	625	13%
Trading 貿易板塊	489	11%
Services Business 服務業務	721	15%
Total 總計	4,696	100%

# Key Operating and Financial Data

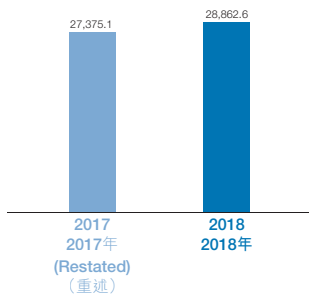
## 重要經營及財務數據

### 1. Revenue

收入

Unit: RMB million

單位：人民幣百萬元

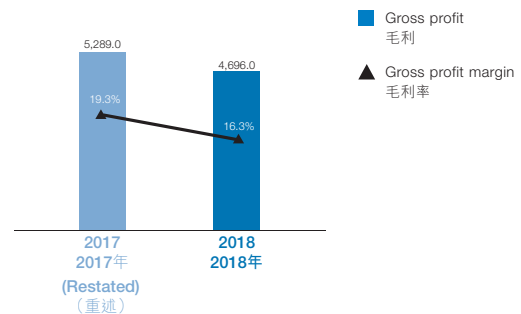


### 2. Gross Profit and Gross Profit Margins

毛利及毛利率

Unit: RMB million

單位：人民幣百萬元

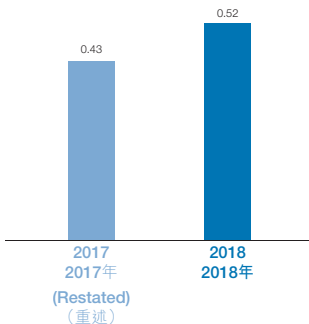


### 3. Basic Earnings per Share

每股基本盈利

Unit: RMB

單位：人民幣

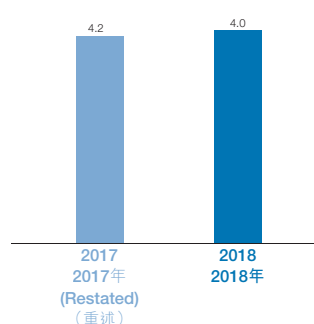


### 4. Net Asset Per Share

每股淨資產

Unit: RMB

單位：人民幣

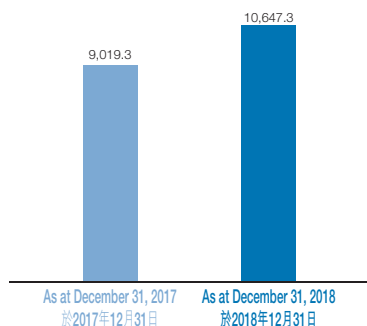


### 5. Backlog for the International Engineering Contracting Business

國際工程承包業務未完成合同量

Unit: US\$ million

單位：百萬美元

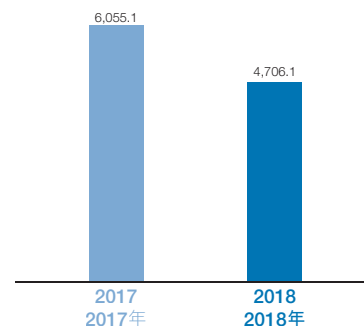


### 6. Newly Signed Contracts Value for the International Engineering Contracting Business

國際工程承包業務的新簽約合同金額

Unit: US\$ million

單位：百萬美元



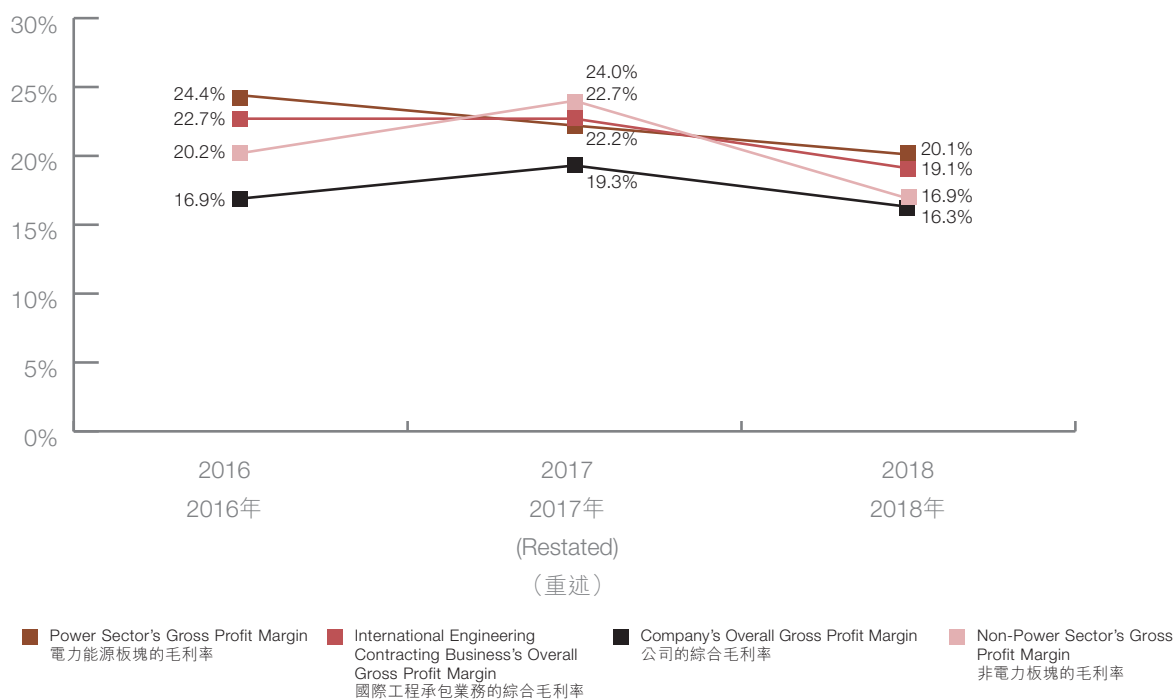


# Key Operating and Financial Data

## 重要經營及財務數據

### 7. Gross Profit Margin for the International Engineering Contracting Business

國際工程承包業務的毛利率



# Financial Highlights

## 財務摘要

		Year ended December 31, 截至12月31日止年度				
		2018	2017	2016	2015	2014
		2018年	2017年	2016年	2015年	2014年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
			(Restated)*			
			(重述)*			
Revenue	收入	28,862,688	27,375,112	21,017,236	24,056,269	23,746,597
Gross profit	毛利	4,695,953	5,289,045	3,544,191	3,726,821	3,814,298
Other revenue and other income/ (expenses), net	其他收入及其他收入/ (開支)淨額	22,382	405,916	14,892	(6,264)	(77,395)
Operating expenses	經營開支	(3,166,397)	(2,671,437)	(1,991,968)	(1,934,119)	(1,641,864)
Profit from operations	經營溢利	1,551,938	3,023,524	1,567,115	1,786,438	2,095,039
Profit before taxation	除稅前溢利	2,825,767	2,360,925	2,783,930	2,996,868	2,764,856
Income tax	所得稅	(689,926)	(584,298)	(674,140)	(787,908)	(645,105)
Profit for the year	年內溢利	2,135,841	1,776,627	2,109,790	2,208,960	2,119,751
Other comprehensive income for the year	年內其他綜合收益	(123,209)	(77,311)	74,536	(11,906)	(18,890)
Total comprehensive income for the year	年內綜合收益總額	2,012,632	1,699,316	2,184,326	2,197,054	2,100,861
Profit attribute to:	溢利歸屬於：					
– Owners of the parent	– 母公司擁有人	2,131,540	1,774,959	2,106,521	2,204,777	2,119,470
– Non-controlling interests	– 非控股權益	4,301	1,668	3,269	4,183	281
Total comprehensive income attributable to:	綜合收益總額歸屬於：					
– Owners of the parent	– 母公司擁有人	2,008,234	1,697,723	2,180,909	2,192,817	2,099,652
– Non-controlling interests	– 非控股權益	4,398	1,593	3,417	4,237	1,209
Basic and diluted earnings per share (expressed in RMB per share)	每股基本及攤薄盈利 (以每股人民幣元計值)	0.52	0.43	0.51	0.53	0.51
Total non-current assets	非流動資產總額	12,428,161	9,794,017	8,103,361	6,854,702	5,868,844
Total current assets	流動資產總額	43,686,456	46,556,442	39,348,918	37,097,851	32,221,003
Total assets	資產總額	56,114,617	56,350,459	47,452,279	43,952,553	38,089,847
Total non-current liabilities	非流動負債總額	1,409,869	1,245,291	956,450	882,288	729,052
Total current liabilities	流動負債總額	38,191,494	37,724,419	31,120,276	28,523,824	24,198,264
Total liabilities	負債總額	39,601,363	38,969,710	32,076,726	29,406,112	24,927,316
Total equity attributable to owners of the parent	母公司擁有人應佔權益總額	16,427,408	17,300,486	15,328,515	14,500,886	13,136,369
Non-controlling interests	非控股權益	85,846	80,263	47,038	45,555	26,162
Total equity	權益總額	16,513,254	17,380,749	15,375,553	14,546,441	13,162,531
Total equity and liabilities	權益及負債總額	56,114,617	56,350,459	47,452,279	43,952,553	38,089,847

\* Restatement is based on business combination under common control as a result of the acquisition of China National Electric Engineering Co., Ltd. (中國電力工程有限公司) in April, 2018, which is stated in note 2.1 to the financial statements in this annual report.

\* 重述是基於本年報財務報表附註2.1所述由於2018年4月收購中國電力工程有限公司而形成的同一控制下的業務合併。

# Management Discussion and Analysis

## 管理層討論與分析

### I. INDUSTRY OVERVIEW

In 2018, new changes arose in the world economy, with divided momentum of recovery and accelerated accumulation of various risks. World economic growth in 2018 failed to extend the momentum of synchronized and vigorous recovery in 2017. With sharp swings in financial markets and bulk commodity prices, and the prevalence of global trade protectionism and unilateralism, a decline in economic growth was recorded in most economies, with few exceptions such as the United States where growth rate continued to rise. These suggest that while the world economy is in the process of slow recovery, the pace has further slowed down, with even more variables, challenges and uncertainties. Domestically, China's economy achieved overall stability with steady development. China's GDP exceeded RMB90 trillion, representing a 6.6% year-on-year growth based on comparable price calculation, maintaining a sustained and healthy economic growth with overall social stability. However, at the same time, changes and concerns were perceived in economic operation. The long-lasting aggregation of structural contradictions continued to be prominent. With the economy continuously experiencing temporary fluctuations in the process of its transformation and upgrading, the economic downward pressure continuing to aggravate and the economic growth rate slowing down, various risk factors cannot be neglected.

### I. 行業概覽

2018年，世界經濟形勢出現了一些新變化，復蘇勢頭分化，各類風險加快積聚。2018年世界經濟增長並沒有延續2017年各國同步強勁回升的勢頭，金融市場、大宗商品價格劇烈波動，全球貿易保護主義及單邊主義盛行，除美國等少數經濟體的增速繼續上升之外，其他大部分經濟體的經濟增速出現了回落。這說明世界經濟雖然仍在緩慢復蘇，但速度更加放緩，變數、挑戰、不確定性進一步增加。從國內看，國內經濟實現了總體平穩、穩中有進，國內生產總值突破人民幣90萬億元，按可比價格計算，同比增長6.6%，保持了經濟持續健康發展和社會大局穩定。但同時，經濟運行穩中有變、變中有憂，長期積累的結構性矛盾繼續凸顯，經濟轉型升級的陣痛仍然存在，經濟下行壓力持續加大，經濟增長率有所放緩，各種風險因素不容忽視。

# Management Discussion and Analysis

## 管理層討論與分析

### A. International Engineering Contracting Business

In 2018, foreign contracted engineering business in China achieved a turnover of RMB1.12 trillion, representing a year-on-year decrease of 1.7% (equivalent to USD169.04 billion, representing a year-on-year increase of 0.3%). Newly signed contracts amounted to RMB1.6 trillion, representing a year-on-year decrease of 10.7% (equivalent to USD241.8 billion, representing a year-on-year decrease of 8.8%). Among which, 7,721 new contracts in connection with foreign contracting works amounting to USD125.78 billion were signed in countries along “the Belt and Road” initiative, accounting for 52% of the PRC’s newly contracted foreign projects over the same period, representing a year-on-year decrease of 12.8%; the business turnover was USD89.33 billion, accounting for 52.8% of the total amount over the same period, representing a year-on-year increase of 4.4%.

New major projects in countries along “the Belt and Road” initiative were gradually implemented while development of new projects slowed down. As affected by such factors, the value of newly signed contracts for foreign engineering contracting projects decreased in 2018, with turnover in general remaining stable. Overall, opportunities and challenges coexisted in the current international engineering contracting industry.

### A. 國際工程承包業務

2018年，我國對外承包工程業務完成營業額人民幣1.12萬億元，同比下降1.7%（折合1,690.4億美元，同比增長0.3%），新簽合同額人民幣1.6萬億元，同比下降10.7%（折合2,418億美元，同比下降8.8%）。其中，在「一帶一路」沿線國家新簽對外承包工程項目合同7,721份，新簽合同額1,257.8億美元，佔同期我國對外承包工程新簽合同額的52%，同比下降12.8%；完成營業額893.3億美元，佔同期總額的52.8%，同比增長4.4%。

「一帶一路」沿線國家新簽大項目陸續實施、新項目開發放緩。受此等因素影響，2018年對外承包工程新簽約合同金額有所下降，營業額基本保持平穩。總的來說，目前國際工程承包行業形勢依然是機遇和挑戰並存。

# Management Discussion and Analysis

## 管理層討論與分析

### 1. Continuing expansion of international market demands

There were no fundamental changes in the overall development direction of the international infrastructure market. According to McKinsey, it is estimated that, by 2030, countries will need to invest USD57 trillion in roads, bridges, ports, power plants, water supply and other infrastructures to accommodate to the paces of global economic growth. The World Economic Outlook Report, which was released by the International Monetary Fund in October 2018, also predicted that Asia's economy will grow by 5.4% in 2019 and remain a global leader. Economic growth in sub-Saharan Africa is accelerating and is expected to grow by 3.8%, surpassing the 3.1% recorded in 2018. Market analysis are of the opinion that the rapid economic growth and the acceleration of industrialization and urbanization in Asia and Africa will raise the demand for infrastructure construction in various countries. In terms of international infrastructure market demand, the demand for new infrastructure construction in emerging economies and developing countries will also continue to increase.

### 1. 國際市場需求持續擴大

國際基建市場的總體發展趨勢沒有發生根本性變化。據麥肯錫測算，到2030年，為適應全球經濟增長的步伐，各國需要在道路、橋梁、港口、發電廠、供水及其他基礎設施領域投入57萬億美元。國際貨幣基金組織2018年10月發佈的《世界經濟展望報告》也預測，2019年亞洲經濟將增長5.4%，繼續保持全球領先地位；撒哈拉以南非洲地區經濟增長加速，預計將增長3.8%，超過2018年的3.1%。市場分析認為，亞非地區經濟的較快增長和工業化、城鎮化進程的加快將推高各國基礎設施建設的需求。從國際基建市場的需求來看，新興經濟體和發展中國家新建基礎設施的需求也將持續擴大。

# Management Discussion and Analysis

## 管理層討論與分析

### 2. Favorable conditions in “the Belt and Road” initiative with promising international cooperation environment

For domestic macro policies, the overall environment for deepening of international cooperation under “the Belt and Road” initiative continued to be promising. The newly established National Agency for International Development and Cooperation further streamlined the institutional mechanism for external cooperation management. The 5th Anniversary Symposium for “the Belt and Road”, the Beijing Summit of the China-Africa Cooperation Forum and the first Import Expo, which were held in 2018, all put forward new tasks and demands. In 2019, in order to resolve the key issues of building “the Belt and Road”, among others, major projects, financial support, investment environment, risk control, the relevant government departments and financial institutions will gradually introduce and improve supporting policies. In order to implement China-Africa cooperation in the field of facilities connectivity, the Chinese government will prepare a plan for the cooperation of infrastructure in China and Africa with the African Union, thereby supporting Chinese enterprises to participate in infrastructure construction in Africa in the form of “investment, construction and operation integration”, implementing a number of key connectivity projects with African countries, and providing financial support to Africa by means of government assistance, financial institutions and enterprise investment and financing. By the end of November 2018, China signed “the Belt and Road” initiative cooperation agreement with more than 140 countries and international organizations. The policy communication between the PRC government and countries concerned will further be enhanced, and the infrastructure projects under the bilateral cooperation framework are expected to maintain on a certain scale. In addition, with the continuing expansion of the international impact of “the Belt and Road” initiative, western governments and multilateral financial institutions have become more willing to participate in “the Belt and Road” projects. A growing number of western governments are planning and promoting cooperation between domestic and Chinese companies in third-country markets.

### 2. 「一帶一路」政策利好，國際合作環境向好

從國內宏觀政策來看，深化「一帶一路」國際合作的總體環境也在持續向好。新成立的國家國際發展合作署，進一步理順了對外合作管理的體制機制；2018年舉行的「一帶一路」5週年座談會、中非合作論壇北京峰會、首屆進口博覽會都提出了新的任務和要求。2019年，為解決重大項目、金融支撐、投資環境、風險管控等共建「一帶一路」的關鍵問題，相關政府主管部門和金融機構將陸續出台和完善支持政策；為落實設施聯通領域的中非合作，中國政府將同非洲聯盟編製《中非基礎設施合作規劃》，支持中國企業以「投建營一體化」等模式參與非洲基礎設施建設，同非洲各國實施一批互聯互通重點項目，並承諾以政府援助、金融機構和企業投融資等方式向非洲提供資金支持；截至2018年11月底，中國已同140多個國家和國際組織簽署了「一帶一路」合作協議，中國政府與有關國家的政策溝通力度還將進一步加大，雙邊合作框架下的基建項目預計將保持一定規模；隨着「一帶一路」倡議的國際影響持續擴大，西方國家政府、多邊金融機構參與「一帶一路」項目的意願也日益增強，越來越多的西方國家政府正在籌劃並推動本國企業與中國企業在第三國市場開展合作。

# Management Discussion and Analysis

## 管理層討論與分析

Judging by existing facts, the huge demand in international markets, the expected bonus from domestic policies, good opportunities in international cooperation and international trade will lay a solid foundation for sustainable and steady development of the industry.

### 3. Business development is at risk of uncertain changes in the international politics and economy

Uncertainties arising from changes in international political and economic conditions cannot be neglected. Firstly, there are still considerable uncertainties surrounding the Sino-US economic and trade relations, which is bound to have a significant impact on the world economy and politics, leading to increased downside risks to the world economy. Secondly, the trend of “reverse globalization” and trade protectionism threaten the steady growth of global trade, in particular the business expansion in developed markets. Thirdly, there is a possible intensification of fluctuations in international financing and commodity markets, while the spiking US dollar will aggravate the exchange rate fluctuation of the international infrastructure market. Fourthly, the international trade rules are subject to re-adjustment. Fifthly, there are more prominent risk exposures arising from political instability and regime changes in certain countries. Sixthly, recovery of financial condition environment in certain markets was prolonged as affected by the fluctuation of the prices of bulk commodities, such as oil. Seventhly, the international security risks resulting from terrorism remain one of the top priority concerns.

事實證明，國際市場的巨大需求、國內政策的預期紅利、國際合作和國際貿易的良好機遇都將成為行業持續穩步發展的基礎。

### 3. 業務發展面臨國際政治經濟形勢變化不確定的風險

國際政治經濟形勢變化所帶來的不確定性因素不容忽視。一是中美經貿關係仍有很大不確定性，勢必對世界政經形勢產生重大影響，世界經濟下行風險增大；二是「逆全球化」思潮和貿易保護主義威脅全球貿易穩定增長，特別影響企業對發達市場的業務拓展；三是國際金融和商品市場波動可能加劇，美元加息將加劇國際基建市場的匯率波動；四是國際貿易規則面臨重塑；五是部分國家政局不穩、政權更迭帶來的風險凸顯；六是受石油等大宗物資價格波動的影響，部分市場的財政環境改善尚需時日；七是由恐怖主義形成的國際安全風險仍需高度重視。

# Management Discussion and Analysis

## 管理層討論與分析

#### 4. Market expansion faces dramatic changes on the demand side and intensifying competition on the supply side

Profound changes also occurred in market expansion. Firstly, on the demand side, the business model underwent profound changes. Overseas government projects demonstrated a downward trend, with private projects becoming mainstream. Commercial loan model is projected to surpass the “double-preferential loans” and other government preferential loan projects. Secondly, business structure is changing rapidly. Take energy projects for instance, while fossil energy projects will subsist in certain areas for a certain period of time, green and alternative energy will become the mainstream for future energy projects. Meanwhile, cross-regional, inter-operable integrated projects are more attractive for owners and more competitive. Thirdly, with the gradual increase of owners’ requirements, integration projects covering investment, construction and operation have become mainstream. On the supply side, competition in the same industry is further intensified, with professional engineering companies gaining more strength, and manufacturing companies following close behind.

#### 4. 市場拓展面臨需求端巨大變化及供給端競爭加劇

市場拓展層面，也在發生着深刻變化。在需求端，一是業務模式發生深刻變化。海外政府類項目呈下降趨勢，私人項目成為主流。商業貸款模式將超過「兩優貸款」等政府優惠貸款類項目。二是業務結構正快速轉變。如能源類項目，化石能源項目雖然在一定區域一定時間內仍會存在，但綠色能源、新能源將成為未來能源項目的主流。同時，跨區域、具有互通性質的綜合類項目對業主更具吸引力和競爭力。三是業主要求逐步提高，投建營一體化項目已經成為主流。在供給端，同行業競爭進一步加劇，前有專業工程公司日益強大，後有製造類公司等也在奮起直追。



# Management Discussion and Analysis

## 管理層討論與分析

### B. Trading Business

In 2018, China's foreign trade was generally stable with steady progress made. Thanks to the recorded high of import and export scales, China's leading position as the largest goods trading country was further consolidated. The total value of foreign trade imports and exports amounted to RMB30.51 trillion, representing a year-on-year increase of 9.7%. Among which, amounts of export amounted to RMB16.42 trillion, up by 7.1%; amounts of import amounted to RMB14.09 trillion, up by 12.9%; and trade surplus reached RMB2.33 trillion, narrowing by 18.3%. The total value of foreign trade imports and exports, denominated in US dollars, amounted to USD4.62 trillion, representing an increase of 12.6%, among which, amounts of export amounted to USD2.48 trillion, up by 9.9%; amounts of import amounted to USD2.14 trillion, up by 15.8%; and trade surplus reached USD351.76 billion, narrowing by 16.2%. Foreign trade in 2018 primarily demonstrated the following six features:

- 1. The scale reached a historic high.** Last year, all of China's total imports and exports, export volume and import volume set new records in history, reaching new heights. Moreover, China's trade in goods is growing faster than the average growth rate of large trading countries and major economies, such as the United States, Germany and Japan.
- 2. Trade structure continued to be optimized.** Optimization was achieved in five aspects including international market layout, domestic regional layout, commodity structure, entities of operation and method of trading.

### B. 貿易業務

2018年，我國對外貿易總體平穩，穩中有進，進出口規模創歷史新高，貨物貿易第一大國地位更加鞏固。外貿進出口總值人民幣30.51萬億元，同比增長9.7%。其中，出口人民幣16.42萬億元，增長7.1%；進口人民幣14.09萬億元，增長12.9%；貿易順差人民幣2.33萬億元，收窄18.3%。按美元計價，外貿進出口總值4.62萬億美元，增長12.6%；其中，出口2.48萬億美元，增長9.9%；進口2.14萬億美元，增長15.8%；貿易順差3,517.6億美元，收窄16.2%。2018年對外貿易主要呈現六個方面的特點：

- 1. 規模創歷史新高。**去年我國進出口的總額，出口額和進口額都創歷史新記錄，站上了一個新的高度。並且，我國貨物貿易的增速要快於美國、德國、日本等貿易大國和主要經濟體的平均增速。
- 2. 貿易結構持續優化。**在國際市場佈局、國內區域佈局、商品結構、經營主體、貿易方式五個方面均實現了優化。

# Management Discussion and Analysis

## 管理層討論與分析

### 3. The conversion between old and new drivers in foreign trade development was accelerated.

New foreign trade business environment continued to improve, with the establishments of 22 new cross-border e-commerce comprehensive pilot areas and 6 market procurement trade mode pilots. Cross-border e-commerce market procurement trading maintained high-speed growth for three consecutive years, becoming a new highlight of foreign trade growth, coupled with a steady growth in the exports of products featuring high-quality, high-tech, and high added-value.

### 4. The development of foreign trade became more balanced.

Import growth for 2018 increased by 15.8%, with the contribution rate to import and export growth reaching 56.6%, exceeding that of export growth, and became an important driving force behind the growth of foreign trade. This is a major indication of a more balanced development of China's foreign trade.

### 5. The contribution to national economic and social development was increased.

In 2018, China's import linkage tax reached RMB1.97 trillion, representing an increase of 4% and accounting for 12.6% of China's tax revenue. A rapid growth in import and export made positive contributions to employment promotion, industrial upgrading and balancing international payment balances.

### 3. 外貿發展的新舊動能加快轉換。

外貿新業態發展的環境不斷改善，新設了22個跨境電商綜合試驗區和6個市場採購貿易方式的試點，跨境電商市場採購貿易連續三年保持了高速增長，成為外貿增長的新亮點，高質量、高技術、高附加值產品出口穩步增長。

### 4. 外貿發展更趨平衡。

2018年全年進口增長15.8%，對進出口增長的貢獻率超過出口，達到56.6%，成為拉動外貿增長的重要動力，這是我國外貿平衡發展的一個重要跡象。

### 5. 對國民經濟和社會發展貢獻增強。

2018年我國進口環節稅收人民幣1.97萬億元，增長4%，佔我國稅收收入的12.6%，進出口較快增長，為促進就業、推動產業升級、平衡國際收支都作出了積極貢獻。

# Management Discussion and Analysis

## 管理層討論與分析

### 6. China was playing an important role in the development of global economy and trade.

According to the statistics of the World Trade Organization, in the first three quarters of 2018, China's amounts of import accounted for 10.9% of the amounts of the world, representing an increase of 0.7%. Import growth contributed 16.8% to the growth of global import. In particular, we successfully held the first China International Import Expo in 2018, which provided new opportunities to countries and regions around the world to export their goods and services to China, and established a new platform for countries to share the benefits of Chinese development, and injected new impetus into world economic growth.

### C. Services Business

#### 1. The survey and design industry entered a brand-new stage of development.

It is a new age marked by the juxtaposition of challenges of continuous growth and increased competition in the industry, the simultaneous driving of market demand and that of enterprise endogenous changes, the deepening and evolution of competition pattern and the acceleration of enterprise business model innovation, and the digital age driven by the industry IT innovation and development. The arrival of the new development stage made the innovation and development of the survey and design industry imminent, while also provided numerous challenges and boundless opportunities for enterprises.

### 6. 對全球經濟貿易發展發揮重要作用。

根據世界貿易組織統計數據，2018年前三季度，我國進口佔全球份額提高0.7%，達到10.9%，進口增長對全球進口增長了貢獻率達到16.8%，特別是2018年我們成功舉辦了首屆中國國際進口博覽會，為世界各國、各地區提供對華出口的新機遇，為各國共享中國發展紅利搭建新平台，也為世界經濟增長注入了新動力。

### C. 服務業務

#### 1. 勘察設計行業步入全新發展階段。

行業持續增長與競爭加劇的挑戰並存、市場需求驅動與企業內生變革驅動並存、競爭格局深化演進與企業商業模式創新加速、行業信息化技術創新發展驅動的數字時代已經到來。新發展階段的到來，使得勘察設計行業創新發展迫在眉睫，同時也給企業帶來巨大挑戰和無限機遇。

# Management Discussion and Analysis

## 管理層討論與分析

### 2. The project contracting model brought new opportunities for design consulting services.

In recent years, China considered the works on optimizing organization model of engineering construction, carrying out engineering project contracting and establishing whole-process project consultation as important measures for promoting the sustainable and healthy development of the construction industry. Establishment of engineering project contracting and establishing whole-process project consulting pilots by various local construction authorities, and the mass adoption of engineering project contracting model by the government in investment in housing construction and in municipal projects have provided more engineering project contracting market opportunities for the design consulting agencies. Meanwhile, most of the economic construction for countries along “the Belt and Road” initiative adopted the engineering project contracting model. Under the tide of economic globalization, the engineering projects undertaken by design consultation agencies must be in line with international standards. All such factors created a remarkable opportunity to deepen the reform for the survey and design industry.

2. 工程總承包模式為設計諮詢服務帶來新機遇。近年來，國家把完善工程建設組織模式、推行工程總承包、培育全過程工程諮詢作為推動建築業持續健康發展的重要措施。各地建設主管部門開展工程總承包和全過程諮詢試點，政府投資的房建、市政工程開始大量採用工程總承包模式，為設計諮詢機構提供了更多的工程總承包市場機會。同時，「一帶一路」沿線國家經濟建設大多採用工程總承包模式，在經濟全球化大潮下，設計諮詢機構承接的工程項目必須與國際接軌。這些都為勘察設計行業深化改革創造了良好的時機。

# Management Discussion and Analysis

## 管理層討論與分析

### 3. Design consultation agencies entered a phase of transformation and upgrading.

The profound changes in the construction market and industry led to the reorganization of the design consultation agencies and the reshaping of the state of the industry. Design institutes have successively completed company system reform, and developed towards the direction of enterprization and corporatization, which is, to complete an in-depth reform in the development of the industry structure towards engineering companies and engineering consulting companies. It was also a powerful initiative for design consulting agencies to accelerate the transformation and upgrading process and innovation development in the areas of development prospects, comprehensive benefits and strategic businesses, laying a solid foundation for carrying out whole-process project consulting and engineering project contracting business.

3. 設計諮詢機構步入轉型升級階段。建築市場和行業的深刻變革引發了設計諮詢機構的重組和業態重塑。設計院陸續完成公司制改革，朝企業化、公司化的方向發展，即向工程公司、工程諮詢公司業態結構發展，完成了更深層次的改革。這本身也是設計諮詢機構向發展空間、綜合效益、戰略性業務等方面加快轉型升級和創新發展有力舉措，也為開展全過程諮詢和工程總承包業務奠定了良好的基礎。

# Management Discussion and Analysis

## 管理層討論與分析

**4. Design consultation agencies were subject to further improvement.** Although many design consultation agencies began to undertake engineering project contracting business upon completion of the industry restructuring, they remained unfit for the engineering project contracting model in terms of, among other aspects, institution establishment and business scope. Most of the design consultation agencies had not yet formed a project-based organizational structure, and still suffered from issues such as the general engineering contracting management structure being unsound, and the lack of qualified project management personnel for engineering project contracting business. In particular, continuous improvement and promotion in many aspects are required for design consultation agencies wishing to expand to the international market and compete with other international agencies, including a standardized system conforming to international standards, familiarity with international engineering standards, improvement in the level of information technology, establishment of a project management information platform, and a quality assurance system covering the whole process including planning and design.

**4. 設計諮詢機構仍需進一步完善。**雖然很多設計諮詢機構在完成業態重塑後，都在承接工程總承包業務，但是機構設置、業務範圍等方面還不適應工程總承包模式。大多數設計諮詢機構還未形成以工程項目為基礎的組織構架，存在工程總承包管理組織機構仍不健全，缺乏合格的工程總承包項目管理人才等不利條件。尤其是設計諮詢機構想要走向國際市場，參與國際競爭，仍然還需要諸多方面不斷完善和提升，包括標準體系與國際接軌、熟悉國際工程標準、提高信息化水平、完善項目管理信息化平台、將質量保證體系覆蓋規劃、設計全過程等方面。

## 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 63.3% of the Company's total revenue in 2018.

## 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2018年本公司總收入的63.3%。

# Management Discussion and Analysis

## 管理層討論與分析

In 2018, amid a severe external environment, the International Engineering Contracting Business stood up to pressure and maintained a steady development.

The following table sets forth the details of the International Engineering Contracting Business for the year ended December 31, 2018 and the comparative figures for the year ended December 31, 2017:

2018年，國際工程承包業務面對嚴峻的外部環境，頂住壓力，積極作為，保持了平穩的發展。

下表載列截至2018年12月31日止年度國際工程承包業務詳情，以及截至2017年12月31日止年度的比較數字：

Unit: RMB million  
單位：人民幣百萬元

		2018	% of Total	2017	Year-on-year Growth/ (Decline) 按年增長 / (減少)
		2018年	總額的%	2017年	／(減少)
<b>Revenue</b> 收入	Power 電力能源	12,537.2	68.6%	12,067.9	3.9%
	Transportation and Telecommunications 交通運輸及電子通訊	1,335.6	7.3%	2,022.9	-34.0%
	Non-Core Sectors 非核心行業	4,408.1	24.1%	2,928.7	50.5%
	<b>Total</b> 總計	<b>18,280.9</b>	<b>100.0%</b>	17,019.5	7.4%
<b>Gross profit</b> 毛利	Power 電力能源	2,517.8	72.2%	2,675.1	-5.9%
	Transportation and Telecommunications 交通運輸及電子通訊	343.6	9.9%	701.3	-51.0%
	Non-Core Sectors 非核心行業	624.7	17.9%	487.4	28.2%
	<b>Total</b> 總計	<b>3,486.1</b>	<b>100.0%</b>	3,863.8	-9.8%

# Management Discussion and Analysis

## 管理層討論與分析

### 1. Simultaneous efforts in traditional and new markets

In response to the national policies, such as “the Belt and Road” initiative, and market changes, the development direction of key market projects was adjusted, with resources allocation concentrated on highlighting key features, fine products, long-term efficiency and innovation. We have completed the contract signing for a large number of new projects in traditional markets, such as the mine mouth coal power plant project at Thar Block-II, Pakistan, the social security housing project in Ukraine, the tourism island project in the Maldives, the expansion of continental high voltage power grid and operation and maintenance projects in Equatorial Guinea and operation and maintenance projects. We also achieved major breakthroughs in many new market projects, such as the housing project in Pyeongchang, South Korea, the iron ore project in Sierra Leone, the LNG receiving station project in Sao Tome, the apartment construction project in Australia, and the cement plant project in Tajikistan.

### 1. 傳統市場和新市場同時發力

針對「一帶一路」等國家政策和市場的變化趨勢，重新梳理了重點市場項目開發方向，將資源集中以突出重點、突出精品、突出長效、突出創新，實現了巴基斯坦塔爾煤田II區塊坑口燃煤電站項目、烏克蘭保障性住房建設項目、馬爾代夫旅遊島項目、赤道幾內亞大陸高壓電網擴建、運維項目等一大批傳統市場新項目的簽約，也實現了韓國平昌房建項目、塞拉利昂鐵礦項目、聖多美LNG接收站項目、澳大利亞公寓樓建設項目、塔吉克斯坦水泥廠項目等諸多新市場項目的重大突破。





# Management Discussion and Analysis

## 管理層討論與分析

### 2. Progress made in the development of new models

In cooperation with Pingdingshan Group, the Russian Irkutsk refinery plant project, which adopted the integrated operation-driven development model of “EPC + Investment + Capacity Cooperation”, achieved remarkable results. For the combustion engine project in Hambantota Port, Sri Lanka, it has adopted the investment + EPC model. The Group has formed multi-level, multi-domain, multi-mode cooperative relationships with GE, Siemens and other external strategic partners, resulting in a more in-depth cooperation mode and a closer cooperative relationship. The Group also formed industrial alliances with domestic partners, such as DEC and XD Group. Through vertical and horizontal connectivity of industrial chain and peers complementing one another's disadvantages, the scope of cooperation had expanded with closer partnership.

### 2. 新模式開發有進展

與平煤集團合作的俄羅斯伊爾庫茨克煉油廠項目，採用了「EPC+投資+產能合作」的綜合運作主導型開發模式，取得較好效果。斯里蘭卡漢班托塔港燃機電站項目，採用投資+EPC模式。與通用電氣、西門子等外部戰略夥伴已經形成了多層次、多領域、多模式的合作關係，合作模式更加深入、合作關係粘度更高。與東方電氣、西電集團等國內夥伴締結產業聯盟，通過產業鏈的縱橫聯通，同行間的長短互濟，合作範圍更加廣闊，夥伴關係更加緊密。

# Management Discussion and Analysis

## 管理層討論與分析

The following table sets forth the operational details of the International Engineering Contracting Business for the year ended December 31, 2018 and the comparative figures for the year ended December 31, 2017:

下表載列截至2018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2017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, 2018 於2018年 12月31日	% of Total 總額的%	As at December 31, 2017 於2017年 12月31日	Increase/ (Decrease) 增長/(減少)
Value of newly signed contracts	新簽約 合同金額	Power	電力能源	1,336.4	28.4%	1,848.8	-27.7%
		Transportation and Telecommunications	交通運輸及 電子通訊	844.2	17.9%	2,968.9	-71.6%
		Non-Core Sectors	非核心行業	2,525.5	53.7%	1,237.4	104.1%
		<b>Total</b>	<b>總計</b>	<b>4,706.1</b>	<b>100.0%</b>	6,055.1	-22.3%
Backlog	未完成 合同量	Power	電力能源	7,255.1	68.1%	5,492.4	32.1%
		Transportation and Telecommunications*	交通運輸及 電子通訊*	456.1	4.3%	733.3	-37.8%
		Non-Core Sectors	非核心行業	2,936.1	27.6%	2,793.6	5.1%
		<b>Total</b>	<b>總計</b>	<b>10,647.3</b>	<b>100.0%</b>	9,019.3	18.0%

\* 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。

# Management Discussion and Analysis

## 管理層討論與分析

### 3. Keeping abreast of international energy trends

Following the changing trend of international energy market and focusing on capturing new energy projects, the Company signed a contract in respect of a geothermal project in Kenya, which was our first geothermal power station project and laid a solid foundation for the development of the new geothermal energy market. The wind power project in Kenya was also put into operation. The photovoltaic power plant project was signed and went in force in Ukraine, which will become the largest single photovoltaic power plant in Europe when completed. In addition, photovoltaic projects were also signed in Bangladesh and Malaysia, respectively. After the completion of the power plant project in Jhang, Pakistan, the Company will have gas turbine power stations ranging from class B to H, solar photovoltaic, wind power, geothermal and other types of clean energy, green energy project performance, virtually realizing a basic coverage of all new energy categories.

### 4. Actively engaging in external cooperation

The Group actively participated in China's four major home diplomacy activities, made full use of diplomatic ties and other market opportunities, expanded its operations into new markets such as Sao Tome and Dominica, and continued to promote the CMEC brand and services to existing and new customers. In addition to deepening our cooperation with Siemens, GE, Black & Veatch, DEC and XD Group and other leading domestic and overseas enterprises, the Group also signed new strategic cooperation agreements with Hangzhou Boiler Group Co., Ltd., China Zhongyuan Engineering Corp. and Qingjian Group Co., Ltd. Focusing on overseas investment industrialization, African smart grid and new technology overseas applications, the Group commenced close cooperation with its business partners, and established a new model of compatible and interactive development.

### 3. 緊跟國際能源趨勢

順應國際能源市場變化趨勢，着力捕捉新能源類項目。在肯尼亞簽署了地熱項目，該項目是公司的首個地熱電站項目，為打開地熱新能源市場奠定了基礎，肯尼亞風電項目也已生效；在烏克蘭簽約並生效了光伏項目，該項目建成後將成為歐洲最大單體光伏電站；在孟加拉、馬來西亞也分別簽署光伏項目。待到巴基斯坦吉航電站項目完工後，公司將擁有從B級到H級系列燃機電站、太陽能光伏、風能、地熱等各類清潔能源、綠色能源的項目業績，基本實現對新能源類別項目的全覆蓋。

### 4. 積極開展對外合作

積極參加中國四大主場外交活動，充分利用建交或復交等市場機遇，拓展了聖多美、多米尼加等新市場，持續向新老朋友推介CMEC品牌與服務。除了不斷深化與西門子、通用電氣、Black & Veatch、東方電氣、西電集團等國內外領軍企業的合作外，還與杭州鍋爐集團股份有限公司、中國中原對外工程有限公司、青建集團股份公司等新簽署了戰略合作協議，圍繞海外投資工業化、非洲智能電網及新技術海外應用等領域展開緊密合作，建立起包容聯動式發展的新模式。

# Management Discussion and Analysis

## 管理層討論與分析

### 5. Sound project execution

Currently, the Company is operating more than 100 projects, and the overall execution is sound, without any major and general safety, quality or other issues being discovered. The construction of Phase I of the power station project in Serbia was successfully completed, while the water supply and sewage treatment projects in Sri Lanka were officially put into operation. The Company's first overseas new energy investment project, namely the IPP project for photovoltaic power station in Maldives was officially put into commercial operation and began to receive electricity charges. Pakistan Thar block two power station commenced works on boiler foundation. The Cote d'Ivoire power grid project held the opening ceremony. The unit 1 of Pakistan NJ hydropower project achieved successful synchronization, while unit 2 received unit acceptance certificate. The project is one of hydropower stations under construction with largest total installed capacity and the highest technical difficulty level in Pakistan.

The Company made progress in project refinement and management. The Company has optimized its project design plan, effectively saved costs and improved construction quality. It has added scientific and technological elements to its logistics operation, and introduced QR code into logistics procedures by using advanced technologies. The Company also achieved unattended stationing at substations by using drones for inspection, thus reducing labor costs and improving project efficiency.

The Company further strengthened quality control over monthly report and completion summary of projects. It continued to conduct routine inspections in the implementation phase of projects, with a focus on inspecting and supervising 14 projects, including the Pakistan Jhang project.

### 5. 項目執行情況良好

在手執行項目超過100個，執行情況整體良好，未發生重大及一般安全、質量等問題。塞爾維亞電站一期工程順利完工，斯里蘭卡供水和污水處理項目正式投運，公司首個海外新能源投資項目馬爾代夫光伏電站IPP項目正式進入商業運行並開始收到電費。巴基斯坦塔爾二期電站實現鍋爐基礎開工，科特迪瓦電網項目舉行開工典禮，巴基斯坦NJ項目首台機組並網發電成功，並獲得第二台機組接收證書，該項目為巴基斯坦在建的總裝機容量最大、技術難度最高的水電站之一。

公司在項目的精細化管理方面取得進步。對項目設計方案進行優化，有效節約成本，提升施工質量；增添科技元素，利用先進技術，將二維碼引入物流環節，利用無人機進行勘測，對變電站實行無人值守，減少人力成本，提升項目效益。

進一步加強項目月報和完工總結的質量控制。持續開展在執行項目的常態化巡查，重點巡查和督查了巴基斯坦吉航項目等14個項目。

# Management Discussion and Analysis

## 管理層討論與分析

### 6. Drill internal skills

In 2018, the Company completed the reorganization of CNEEC, further enhanced its ability in controlling the industry chain. Our engineering contracting team experienced rapid growth. The after-sales management office was officially established, with industrial chain continued its back office extension. The level of purchasing management continued to improve, achieving complete coverage of engineering projects. The construction of engineering contracting business management platform yielded periodic results, while the whole life cycle management system of EPC project continued to improve.

### 7. More in-depth regionalization and localization

Regional companies in Singapore and Dubai began to take root in the local area and started expanding to surrounding regions, both having obtained credit lines from local banks. The Singapore regional company completed the technology platform investment; India Industrial Park project completed the first phase, and is advancing investment and other follow-up works. The Dubai regional company, in coordination with a number of departments, connected with resources in the Middle East, and played the role of a regional platform. The localization level continued to deepen, from hiring local staff, local procurement and subcontracting, to working with local design institutes and carrying out co-development projects with local enterprises. The Company also vigorously expanded the opportunities of neighboring countries, gradually achieving win-win symbiosis with the local economy and society.

### 6. 苦練內功

2018年，公司完成中電工重組工作，對產業鏈的把控能力進一步增強，工程承包板塊自身隊伍快速成長，售後管理處正式設立，產業鏈持續向後端延伸。採購管理水平不斷提升，實現工程項目的完整覆蓋。工程承包業務管理平台建設取得階段性成果，EPC項目全生命週期管理體系繼續完善。

### 7. 區域化、屬地化更加深入

新加坡及迪拜區域公司開始在當地紮根並輻射周邊，均已取得當地銀行授信。新加坡區域公司完成科技平台的投資；印度工業園項目已經完成一期工程，正在推進招商等後續工作。迪拜區域公司配合多個部門對接中東資源，發揮區域平台作用。屬地化程度不斷加深，從僱用當地員工，當地採購分包，到與當地設計院合作，以及與當地企業共同開發項目，並大力拓展周邊國家項目機遇，逐步與當地經濟社會共生共贏。

# Management Discussion and Analysis

## 管理層討論與分析

### B. Trading Business

In 2018, the Trading Business adhered to the philosophy of focusing on the main businesses and returning to its core operations, continued to explore innovative ideas, and proceeded business transformation and upgrading. The overall business continued to move towards the direction of quality and efficiency-oriented development, while profitability was further elevated.

The following table sets forth the details of the Trading Business for the year ended December 31, 2018 and the comparative figures for the year ended December 31, 2017:

### B. 貿易業務

2018年，貿易業務堅持聚焦主業、回歸核心，繼續創新思路、轉型升級，整體業務持續向質量效益型方向發展，盈利水平進一步提升。

下表載列截至2018年12月31日止年度貿易業務詳情連同截至2017年12月31日止年度的比較數字：

Unit: RMB million  
單位：人民幣百萬元

				2018	% of Total	2017	Year-on-year Growth/ (Decline) 按年增長/ (減少)
				2018年	總額的%	2017年	
<b>Revenue</b>	收入	International trade	國際貿易	<b>7,003.4</b>	<b>82.6%</b>	6,501.0	7.7%
		Domestic trade	國內貿易	<b>1,473.1</b>	<b>17.4%</b>	1,584.3	-7.0%
		<b>Total</b>	<b>總計</b>	<b>8,476.5</b>	<b>100.0%</b>	8,085.3	4.8%
<b>Gross profit</b>	毛利	International trade	國際貿易	<b>418.1</b>	<b>85.4%</b>	416.0	0.5%
		Domestic trade	國內貿易	<b>71.3</b>	<b>14.6%</b>	55.3	28.9%
		<b>Total</b>	<b>總計</b>	<b>489.4</b>	<b>100.0%</b>	471.3	3.8%

# Management Discussion and Analysis

## 管理層討論與分析

### 1. Multi-parallel measures for business development

Traditional markets continued to be consolidated, while the scale of emerging markets has been gradually formed. China-East Resources Import & Export Co., Ltd.\* (中經東源進出口有限責任公司), a core subsidiary of the Company in Trading Business, successfully entered the Canadian market in North America, with various projects conducted smoothly. China Machinery Industrial Products Co., Ltd.\* (中設集團裝備製造有限責任公司) made further strides towards the direction of market, customer and product diversification, and currently has opened up the European market and the domestic market. Increased efforts were dedicated to product development and technical investment in high-end casting and forging parts. Bulk production for high-speed rail brake disc had commenced. The construction of the casting and forging engineering technology R&D center has also began.

### 2. Results of model innovation are beginning to manifest

The “Internet + Overseas Operation Platform Project” model has yielded initial results. The Company applied online + offline marketing strategies targeted at small and medium-sized distributors in Europe and America. The Company also actively leveraged on local policies to carry out “import bonded processing” business, and is in the process of exploring new business models. Trading segment strengthened its collaboration with the construction segment in overseas photovoltaic projects, and had made great strides.

### 1. 業務開發多措併舉

傳統市場繼續穩固，新興市場逐漸形成規模。公司貿易業務核心子公司中經東源進出口有限責任公司成功進入北美加拿大市場，各個項目執行順利。中設集團裝備製造有限責任公司進一步向市場、客戶、產品多元化方向發展，目前已打開歐洲市場、國內市場；高端鑄鍛件在產品開發、技術投入等方面加大力度，高鐵制動盤進入批量化生產，鑄鍛件工程技術研發中心開始建設。

### 2. 模式創新成果顯現

「互聯網+海外運營平台項目」取得初步實效，採用線上+線下相結合的方式，針對歐美市場中小經銷商進行營銷；積極利用地方政策，開展「進口保稅加工」業務，正探索新的業務模式。貿易板塊強化與工程板塊在海外光伏項目上的協同合作，業務有了長足進步。



# Management Discussion and Analysis

## 管理層討論與分析

### 3. Continued to pursue sector management

The Company continued to promote the transformation and upgrading of Trade Business, actively promoted the science and technology funds, achievement transformation and declaration as a new high-tech enterprise. The Company introduced guidance opinions on innovation businesses under the trading services sector, and released the Blacklist of Trading Business. It also put greater efforts in promoting sub-brands, and regulated the sub-brand management.

### C. Services Business

In 2018, the number of completed projects accumulated under the tendering business of our Services Business recorded a faster growth as compared to the previous year. With the continuous expansion in major customer base, the balanced development in core markets and core customers, as well as the active introduction of internal collaborative works, our Services Business maintained steady growth in general.

Outstanding results were once again recorded in the design consulting business. We strove to implement the sector development strategies, continued to maintain the growth trend, thus further improving science and technology level and elevating various fields to a new height.

### 3. 板塊管理工作繼續發力

持續推進貿易業務轉型升級。積極推進科技基金與成果轉化工作和申報高新技術企業工作。出台貿服板塊創新類業務指導意見，發佈《貿易業務負面清單》。加大貿易子品牌推廣力度，規範子品牌的管理。

### C. 服務業務

2018年，服務業務中的招標業務累計完成的項目數量同比上升較快，大客戶渠道不斷鞏固發展，核心市場、核心客戶發展均衡，積極開展內部協同，整體保持了穩中有升的態勢。

設計諮詢業務方面再創佳績，努力踐行板塊發展戰略，持續保持增長態勢，科技水平更進一步，各項工作邁上了新台階。

# Management Discussion and Analysis

## 管理層討論與分析

### 1. Fruitful achievements in scientific and technological innovation

China Machinery R&D was among the first batch of whole-process engineering consulting pilots in Hunan Province, with approval for the provincial science and technology innovation platform, and was awarded the status of Advanced Enterprise in BIM Application of China. JiKan Research Institute was included in the cultivation plan of the National Key Laboratory in Shaanxi Province, approved for national postdoctoral research workstation and awarded the first prize in the SINOMACH Group Science and Technology Award.

Special technology incubator project was orderly promoted, as special projects, such as Sponge City and the informationization across space, sky and ground surfaces, formed certain market transformation capacity. The above two design institutes were granted with 37 new patents, 22 software copyrights and 15 awards at the provincial and ministerial levels or above.

### 2. Remarkable achievements in business expansion

Design consulting business sector focused on the direction of national macro policy support, adapted to the transformation of investment model and market changes, established the management and control system for new business models, and attached close attention to key markets and large-scale projects. For management layout, it deepened the excavation of off-site regional markets, moderately expanded the scale of operation, established additional branches and strengthened localization.

### 1. 科技創新成果豐碩

中機院躋身於湖南省首批全過程工程諮詢試點單位，獲批了省級科技創新平台，榮獲了全國「BIM應用先進企業」；機勘院入選陝西省的國家重點實驗室的培育計劃，獲批了國家博士後科研工作站，榮獲「國機集團科學技術獎」一等獎。

專項科技孵化項目有序推進，海綿城市、空天地信息化等專項已形成一定的市場轉化能力。上述兩家設計院新獲專利授權37項，軟件著作權22項，獲得省部級以上獎勵15項。

### 2. 業務拓展卓有成效

設計諮詢業務板塊重點研究了國家宏觀政策支持方向，適應投資模式的轉變和市場變化，建立新業務模式的管控體系，狠抓重點市場和大型項目。在經營佈局上，深度挖掘異地地區市場，適度加大經營規模，增設分支機構並加強屬地化建設。

# Management Discussion and Analysis

## 管理層討論與分析

The Company continued to obtain general contracting qualification for construction works. China Machinery R&D has newly obtained level two general contracting qualification for professional eco-friendly construction, level three general contracting qualification for construction engineering and power engineering works, and grade A engineering consulting credit rating. JiKan Research Institute has newly obtained level one general contracting qualification for building construction.

### 3. Steady improvement in management system

The Company attached great importance to talent development, and earnestly strengthened system building. The Company took initiatives to introduce professional teams, mid-to-high end leading talents and academic leaders required for development. Among which, two were experts under special allowance scheme of the State Council, and one was awarded the title of provincial survey and design master.

公司不斷獲取施工工程總承包資質：中機院新增環保工程專業施工總承包二級資質、建築工程和電力工程施工總承包三級資質、工程諮詢資信評價甲級資格；機勘院新增建築工程施工總承包一級資質。

### 3. 管理體系日臻完善

高度重視人才建設，切實加強制度建設。積極引進發展需要的專業化團隊、中高端領軍人才和學科帶頭人。其中2人獲批國務院特殊津貼專家，及1人榮獲省級勘察設計大師稱號。

# Management Discussion and Analysis

## 管理層討論與分析

The following table sets forth the details of the Services Business for the year ended December 31, 2018 and the comparative figures for the year ended December 31, 2017:

下表載列截至2018年12月31日止年度服務業務詳情連同截至2017年12月31日止年度的比較數字：

Unit: RMB million  
單位：人民幣百萬元

				2018	% of Total	2017	Year-on-year Growth/ (Decline) 按年增長／(減少)
				2018年	總額的%	2017年	
<b>Revenue</b>	收入	Design consulting services	設計諮詢服務	1,040.8	49.4%	1,036.0	0.5%
		Logistics services	物流服務	290.7	13.8%	332.7	-12.6%
		Export-import agency services	進出口代理服務	41.1	2.0%	26.0	58.1%
		Tendering agency services	招標代理服務	33.2	1.6%	20.6	61.2%
		Others	其他	699.4	33.2%	855.0	-18.2%
		<b>Total</b>	<b>總計</b>	<b>2,105.2</b>	<b>100.0%</b>	<b>2,270.3</b>	<b>-7.3%</b>
<b>Gross profit</b>	毛利	Design consulting services	設計諮詢服務	253.7	35.2%	231.0	9.8%
		Logistics services	物流服務	103.8	14.4%	202.0	-48.6%
		Export-import agency services	進出口代理服務	38.7	5.4%	38.1	1.6%
		Tendering agency services	招標代理服務	11.5	1.6%	11.8	-2.5%
		Others	其他	312.8	43.4%	471.0	-33.6%
		<b>Total</b>	<b>總計</b>	<b>720.5</b>	<b>100.0%</b>	<b>953.9</b>	<b>-24.5%</b>

# Management Discussion and Analysis

## 管理層討論與分析

### D. Emerging Business

The three major emerging business segments, namely asset management, construction logistics and agriculture development, were formed. On the basis of the existing business units and business scale of each emerging business segment, the Company has gradually expanded its current businesses and scope of operation, and increased the level of business income and profitability, thereby improving our business performance and providing replenishment funds and support.

Various works under asset management business progressed smoothly. The Beijing general headquarter complex building project completed five-party acceptance. The tenant recruitment for Shanghai CMEC Plaza was basically completed. Shenzhen CMEC Plaza was recognized as an urban intelligent industrial park by Shenzhen City. The occupation rate of Changsha CMEC Plaza Office Building B exceeded 50%, while Xi'an CMEC Plaza successfully made progress as planned.

In respect of the logistics business, the Company continued its expansion to external business, and won bids for various projects such as the Ethiopia oil and gas field project of GCL-Poly and the Serbia power plant project of Shanghai Electric. The Company left its marks in key oil and gas field regions such as Iraq and Chad, and established business relationships with state-owned enterprise clients such as DEC and China Energy Engineering Corporation Limited.

The agricultural development operations expanded steadily. A project site has been located for the China-Ukraine International Agricultural Demonstration Cooperation Park project and a memorandum was executed, signifying a solid step in the development of Ukraine-based overseas business expansion.

### D. 新興業務

以資產管理、工程物流、農業開發為基礎形成3大新興業務板塊。公司基於各新興業務板塊現有業務單元和業務規模，逐步擴大現有業務和經營範圍，提高業務收入和利潤水平，為業績提升，提供補充與支持。

資產管理業務各項工作進展順利，北京總部綜合樓項目已完成五方驗收，上海中設廣場招商基本完成，深圳中設廣場被深圳市認定為城市智慧產業園區，長沙中設廣場B棟寫字樓的入駐率過半，西安中設廣場按計劃順利推進。

物流業務方面，公司不斷拓展外部業務，中標了保利協鑫埃塞油氣田、上海電氣塞爾維亞電廠等項目，在伊拉克、乍得等重點油氣區域都有所建樹，發展了東方電氣、中國能源建設股份有限公司等央企客戶。

農業開發業務穩步拓展，中烏國際農業示範合作園區項目已確定項目廠址並簽署了備忘錄，以烏克蘭為基地的海外業務開拓又邁出了堅實的一步。

# Management Discussion and Analysis

## 管理層討論與分析

### E. Important Events

#### 1. Completion of the acquisition of CNEEC

On November 24, 2017, the Company and SINOMACH entered into an acquisition agreement, pursuant to which, the Company has agreed to acquire the entire equity interest in CNEEC for an aggregate consideration of RMB1,980,031,000 (equivalent to approximately HK\$2,349,766,807) (the “Acquisition”). The Acquisition was completed on April 4, 2018. The Acquisition is a key 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 businesses. 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 to 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 relationships with partners, and developed business in a larger scale and with stepped up efforts to enter 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. Details for the transaction are set out in the Company’s announcements dated November 24, 2017, January 12, 2018 and April 9, 2018, respectively, on the websites of the Stock Exchange and the Company.

### E. 重要事件

#### 1. 完成的收購中電工

於2017年11月24日，本公司與國機訂立收購協議（「收購事項」），據此，本公司同意以人民幣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，收購事項已於2018年4月4日完成。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。該收購事項令本公司通過外部併購快速擴大資產及業務規模，進一步提升設計、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以鞏固本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。有關交易的詳情請參見本公司於聯交所網站及本公司網站分別刊發的日期為2017年11月24日、2018年1月12日和2018年4月9日的公告。

# Management Discussion and Analysis

## 管理層討論與分析

### 2. Establishment of Henan Pingmei Shenma Far East Chemical Co., Ltd. (“Henan Pingmei”) through joint investment

On November 26, 2018, the Company, China Pingmei Shenma Energy Chemical Group Limited Liability Company (“Pingmei”) and China Machinery Industry International Cooperation Co., Ltd. entered into a joint venture agreement in relation to the establishment of Henan Pingmei through joint investment. The total registered capital of Henan Pingmei is RMB450,000,000, of which RMB67,500,000 was contributed by the Company, representing 15% equity interest in Henan Pingmei. The establishment of Henan Pingmei aims to jointly promote technical exchanges in the early stage of chemical projects of “the Belt and Road” areas. In addition, the establishment of Henan Pingmei is consistent with the strategic layout of “the Belt and Road”, as well as the core principal business and development strategies of the Company. It is also the first cooperation of the Company with a large state-owned enterprise in coal chemicals for joint development of an overseas chemical project. Being the largest local state-owned enterprise in Henan Province, Pingmei has technological and capital advantages in the chemical industry, which are helpful in the development of chemical industry projects by the Company, and is favourable for inducing complementary advantages. Details for the transaction are set out in the Company’s announcements dated December 21, 2018 and December 27, 2018, respectively, on the websites of the Stock Exchange and the Company.

### 2. 投資參股成立河南平煤神馬遠東化工有限公司（「河南平煤」）

於2018年11月26日，本公司、中國平煤神馬能源化工集團有限責任公司（「平煤」）及中國機械工業國際合作公司就共同出資成立河南平煤訂立合資協議。河南平煤之總註冊資本為人民幣450,000,000元，本公司出資人民幣67,500,000元，持有河南平煤的15%的股權。設立河南平煤，目的在於共同推進在「一帶一路」地區化工項目的前期技術交流。成立河南平煤符合國家「一帶一路」的戰略佈局，符合本公司核心業務和本公司發展戰略，是本公司首次聯合煤化工大型國有企業，合作開發境外化工項目。作為河南省最大的地方國有企業，平煤擁有化工行業的技術和資金優勢，有利於本公司開發化工行業項目，有利於各方優勢互補。有關交易的詳情請參見本公司於聯交所網站及本公司網站分別刊發的日期為2018年12月21日和2018年12月27日的公告。

# Management Discussion and Analysis

## 管理層討論與分析

### III. FINANCIAL POSITION AND OPERATING RESULTS

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

#### 1. Overview

The Group's profitability improved in 2018. Profit before taxation increased by 19.7% to RMB2,825.8 million in 2018 as compared to RMB2,360.9 million in 2017.

#### 2. Revenue

The Group generated its revenue from the International Engineering Contracting Business, Trading Business and Services Business. The Group's revenue increased by 5.4% to RMB28,862.6 million in 2018 as compared to RMB27,375.1 million in 2017.

### 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2018年有所增加。2018年除稅前溢利為人民幣2,825.8百萬元，較2017年的人民幣2,360.9百萬元增加19.7%。

#### 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。2018年，本集團的收入為人民幣28,862.6百萬元，較2017年的人民幣27,375.1百萬元增長5.4%。



# Management Discussion and Analysis

## 管理層討論與分析

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

下表載列於所示期間三個業務分部各自的金額及佔總收入的百分比：

		Year ended December 31, 截至12月31日止年度			
		2018 2018年		2017 2017年	
		(RMB million) (人民幣 百萬元)	(%) (%)	(RMB million) (人民幣 百萬元)	(%) (%)
<b>International Engineering Contracting Business</b>	<b>國際工程承包業務</b>				
Power	電力能源	<b>12,537.2</b>	<b>43.4%</b>	12,067.9	44.1%
Transportation and Telecommunications	交通運輸及電子通訊	<b>1,335.6</b>	<b>4.6%</b>	2,022.9	7.4%
Non-Core Sectors	非核心行業	<b>4,408.1</b>	<b>15.3%</b>	2,928.7	10.7%
Subtotal	小計	<b>18,280.9</b>	<b>63.3%</b>	17,019.5	62.2%
<b>Trading Business</b>	<b>貿易業務</b>				
International trade	國際貿易	<b>7,003.4</b>	<b>24.3%</b>	6,501.0	23.7%
Domestic trade	國內貿易	<b>1,473.1</b>	<b>5.1%</b>	1,584.3	5.8%
Subtotal	小計	<b>8,476.5</b>	<b>29.4%</b>	8,085.3	29.5%
<b>Services Business</b>	<b>服務業務</b>	<b>2,105.2</b>	<b>7.3%</b>	2,270.3	8.3%
<b>Total</b>	<b>總計</b>	<b>28,862.6</b>	<b>100.0%</b>	27,375.1	100.0%

# Management Discussion and Analysis

## 管理層討論與分析

### 1) International Engineering Contracting Business

The Group's revenue generated from the International Engineering Contracting Business increased by 7.4% to RMB18,280.9 million in 2018 as compared to RMB17,019.5 million in 2017, primarily due to the increase in the revenue generated from the Power and Non-Core Sectors.

The revenue generated from the Power Sector increased by 3.9% to RMB12,537.2 million in 2018 as compared to RMB12,067.9 million in 2017, primarily due to the significant progress in the power station projects in Asia.

The revenue generated from the Transportation and Telecommunications Sector decreased by 34% to RMB1,335.6 million in 2018 as compared to RMB2,022.9 million in 2017, primarily due to the significant progress in the railway improvement project in South America and the communications project in Africa during the corresponding previous year.

The revenue generated from the Non-Core Sectors increased by 50.5% to RMB4,408.1 million in 2018 as compared to RMB2,928.7 million in 2017, primarily due to the significant progress of the water plant projects in Africa during the year.

### 1) 國際工程承包業務

2018年，本集團的國際工程承包業務收入為人民幣18,280.9百萬元，而2017年則為人民幣17,019.5百萬元，增幅為7.4%，主要由於電力能源及非核心行業收入有所增加。

2018年電力能源行業收入為人民幣12,537.2百萬元，比2017年人民幣12,067.9百萬元上升3.9%，主要由於亞洲的電站項目本年年有較大進展。

2018年交通運輸及電子通訊行業收入為人民幣1,335.6百萬元，比2017年人民幣2,022.9百萬元減少34%，主要由於上年同期南美洲的鐵路改造項目以及非洲通訊項目有較大進展。

2018年非核心行業收入為人民幣4,408.1百萬元，比2017年人民幣2,928.7百萬元增加50.5%，主要由於非洲的水廠項目本年年有較大進展。

# Management Discussion and Analysis

## 管理層討論與分析

### 2) Trading Business

The Group's revenue generated from the Trading Business increased by 4.8% to RMB8,476.5 million in 2018 as compared to RMB8,085.3 million in 2017, primarily due to the increase in the revenue from international trade.

The revenue generated from the international trade increased by 7.7% to RMB7,003.4 million in 2018 as compared to RMB6,501.0 million in 2017, primarily due to the increase in revenue from grain re-export business in Europe.

The revenue generated from the domestic trade decreased by 7.0% to RMB1,473.1 million in 2018 as compared to RMB1,584.3 million in 2017, primarily due to the decrease in the business volume of the solar energy components as compared to the corresponding previous year.

### 3) Services Business

The Group's revenue generated from the Services Business decreased by 7.3% to RMB2,105.2 million in 2018 as compared to RMB2,270.3 million in 2017, primarily due to the decrease in revenue generated from logistics business as compared to the corresponding previous year.

## 3. Cost of sales

The Group's cost of sales increased by 9.4% to RMB24,166.7 million in 2018 as compared to RMB22,086.1 million in 2017, primarily due to the increase in costs as a result of the increase in revenues from the relevant industries.

### 2) 貿易業務

2018年，本集團的貿易業務收入為人民幣8,476.5百萬元，而2017年則為人民幣8,085.3百萬元，增幅為4.8%，主要由於國際貿易收入有所增加。

2018年，國際貿易收入為人民幣7,003.4百萬元，比2017年人民幣6,501.0百萬元增加7.7%，主要由於歐洲的糧食轉口業務收入有所增加。

2018年，國內貿易收入為人民幣1,473.1百萬元，比2017年人民幣1,584.3百萬元減少7.0%，主要由於太陽能組件業務較上年同期有所下降。

### 3) 服務業務

2018年，本集團的服務業務收入為人民幣2,105.2百萬元，而2017年則為人民幣2,270.3百萬元，降幅為7.3%，主要由於物流業務收入較上年同期有所下降。

## 3. 銷售成本

2018年，本集團的銷售成本為人民幣24,166.7百萬元，而2017年則為人民幣22,086.1百萬元，增幅為9.4%，主要是由於各行業的收入增加導致的成本相應增加。

# Management Discussion and Analysis

## 管理層討論與分析

### 4. Gross profit and gross profit margin

(i) Gross profit of the Group in 2018 consists of the followings:

### 4. 毛利及毛利率

(i) 2018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			
		2018		2017	
		2018年		2017年	
		(RMB million)	(%)	(RMB million)	(%)
		(人民幣 百萬元)	(%)	(人民幣 百萬元)	(%)
<b>International Engineering Contracting Business</b>	<b>國際工程承包業務</b>				
Power	電力能源	<b>2,517.8</b>	<b>53.7%</b>	2,675.1	50.6%
Transportation and Telecommunications	交通運輸及電子通訊	<b>343.6</b>	<b>7.3%</b>	701.3	13.3%
Non-Core Sectors	非核心行業	<b>624.7</b>	<b>13.3%</b>	487.4	9.2%
Subtotal	小計	<b>3,486.1</b>	<b>74.3%</b>	3,863.8	73.1%
<b>Trading Business</b>	<b>貿易業務</b>				
International trade	國際貿易	<b>418.1</b>	<b>8.9%</b>	416.0	7.9%
Domestic trade	國內貿易	<b>71.3</b>	<b>1.5%</b>	55.3	1.0%
Subtotal	小計	<b>489.4</b>	<b>10.4%</b>	471.3	8.9%
<b>Services Business</b>	<b>服務業務</b>	<b>720.5</b>	<b>15.3%</b>	953.9	18.0%
<b>Total</b>	<b>總計</b>	<b>4,696.0</b>	<b>100.0%</b>	5,289.0	100.0%

# Management Discussion and Analysis

## 管理層討論與分析

(ii) Gross profit margins of the Group in 2018 are set out below:

(ii) 2018年本集團毛利率載於下表：

		Year ended December 31, 截至12月31日止年度	
		2018	2017
		2018年	2017年
		(%)	(%)
		(%)	(%)
<b>International Engineering Contracting Business</b>	<b>國際工程承包業務</b>	<b>19.1%</b>	22.7%
Power	電力能源	<b>20.1%</b>	22.2%
Transportation and Telecommunications	交通運輸及電子通訊	<b>25.7%</b>	34.7%
Non-Core Sectors	非核心行業	<b>14.2%</b>	16.6%
<b>Trading Business</b>	<b>貿易業務</b>	<b>5.8%</b>	5.8%
International trade	國際貿易	<b>6.0%</b>	6.4%
Domestic trade	國內貿易	<b>4.8%</b>	3.5%
<b>Services Business</b>	<b>服務業務</b>	<b>34.2%</b>	42.0%
<b>Total</b>	<b>總計</b>	<b>16.3%</b>	19.3%

The Group's gross profit decreased by 11.2% to RMB4,696.0 million in 2018 as compared to RMB5,289.0 million in 2017. This decrease is mainly attributable to the decrease in the gross profit of International Engineering Contracting Business and Services Business as compared to the corresponding previous year.

2018年，本集團的毛利為人民幣4,696.0百萬元，而2017年則為人民幣5,289.0百萬元，降幅為11.2%。此降幅主要由於國際工程承包業務及服務業務的毛利較上年同期有所減少。

# Management Discussion and Analysis

## 管理層討論與分析

### 1) International Engineering Contracting Business

#### (a) Gross Profit

The gross profit generated from the International Engineering Contracting Business decreased by 9.8% to RMB3,486.1 million in 2018 as compared to RMB3,863.8 million in 2017, primarily due to the decrease in gross profit from the Power and Transportation and Telecommunications Sectors.

The gross profit generated from the Power Sector decreased by 5.9% to RMB2,517.8 million in 2018 as compared to RMB2,675.1 million in 2017, primarily due to the decline in gross profit margin of projects with significant progress made during the year as compared to that of previous projects.

The gross profit generated from the Transportation and Telecommunications Sector decreased by 51.0% to RMB343.6 million in 2018 as compared to RMB701.3 million in 2017, primarily due to the significant progress in the railway improvement project in South America during the corresponding period of previous year.

The gross profit generated from the Non-Core Sectors increased by 28.2% to RMB624.7 million in 2018 as compared to RMB487.4 million in 2017, primarily due to the significant progress of the water plant project in Africa during the year.

### 1) 國際工程承包業務

#### (a) 毛利

2018年，國際工程承包業務毛利為人民幣3,486.1百萬元，而2017年則為人民幣3,863.8百萬元，減少9.8%，主要是由於電力能源、交通運輸及電子通訊行業毛利有所減少。

2018年，電力能源行業毛利為人民幣2,517.8百萬元，而2017年為人民幣2,675.1百萬元，減少5.9%，主要由於當年有較大進展的項目毛利率較之前的項目毛利率有所降低。

2018年，交通運輸及電子通訊行業毛利為人民幣343.6百萬元，而2017年為人民幣701.3百萬元，減少51.0%，主要由於上年同期南美洲鐵路改造項目取得較大進展。

2018年，非核心行業毛利為人民幣624.7百萬元，比2017年的人民幣487.4百萬元增加28.2%，主要由於非洲的水廠項目本年有較大進展。

# Management Discussion and Analysis

## 管理層討論與分析

### (b) Gross Profit Margin

The gross profit margin generated from the International Engineering Contracting Business decreased to 19.1% in 2018 as compared to 22.7% in 2017, primarily due to the decline in the gross profit margin from the Power, Transportation and Telecommunications and Non-Core Sectors as compared to the corresponding previous year.

The gross profit margin generated from the Power Sector slightly decreased to 20.1% in 2018 as compared to 22.2% in 2017, primarily due to the decline in gross profit margin of projects with significant progress made during the year as compared to that of previous projects.

The gross profit margin generated from the Transportation and Telecommunications Sector was 25.7% in 2018 as compared to 34.7% in 2017, primarily due to the lower gross profit margin of the road improvement projects in Africa.

The gross profit margin generated from the Non-Core Sectors was 14.2% in 2018 as compared to 16.6% in 2017, primarily due to the higher gross profit margin from the house construction projects in Africa, which were completed in 2017.

### (b) 毛利率

2018年，國際工程承包業務毛利率下降至19.1%，而2017年則為22.7%，主要由於電力能源、交通運輸及電子通訊以及非核心業務毛利率較上年同期均有所下降。

2018年，電力能源行業毛利率為20.1%，2017年則為22.2%，較上年同期略有減少，主要由於當年有較大進展的項目毛利率較之前的項目毛利率有所降低。

2018年，交通運輸及電子通訊行業毛利率為25.7%，而2017年則為34.7%，主要由於本期非洲的道路修復項目毛利率較低。

2018年，非核心行業毛利率為14.2%，而2017年則為16.6%，主要由於2017年完工的非洲房屋建設項目毛利率較高。

# Management Discussion and Analysis

## 管理層討論與分析

### 2) Trading Business

#### (a) Gross Profit

The gross profit generated from the Trading Business increased by 3.8% to RMB489.4 million in 2018 as compared to RMB471.3 million in 2017, primarily due to the increase in gross profit from both international trade and domestic trade.

The gross profit generated from international trade increased by 0.5% to RMB418.1 million in 2018 as compared to RMB416.0 million in 2017, which was basically the same as that of the corresponding previous year.

The gross profit generated from the domestic trading business increased by 28.9% to RMB71.3 million in 2018 as compared to RMB55.3 million in 2017, primarily due to the increase in the business volume of casting and forging products and domestic grain trade.

#### (b) Gross Profit Margin

The gross profit margin generated from the Trading Business was 5.8% in 2018, which was basically the same as that of the corresponding previous year.

The gross profit margin generated from the international trading business was 6.0% in 2018 as compared to 6.4% in 2017, decreasing slightly as compared to the corresponding previous year.

### 2) 貿易業務

#### (a) 毛利

2018年，貿易業務毛利為人民幣489.4百萬元，比2017年的人民幣471.3百萬元增加3.8%，主要由於國際業務和國內業務的毛利均有所增加。

2018年，國際貿易業務毛利為人民幣418.1百萬元，比2017年的人民幣416.0百萬元增加0.5%，與上年同期基本持平。

2018年，國內貿易業務毛利為人民幣71.3百萬元，比2017年的人民幣55.3百萬元增加28.9%，主要由於鑄鍛件及國內糧食貿易業務量增加。

#### (b) 毛利率

2018年，貿易業務毛利率為5.8%，與上年同期持平。

2018年，國際貿易業務毛利率為6.0%，而2017年為6.4%，較上年同期略有降低。



# Management Discussion and Analysis

## 管理層討論與分析

The gross profit margin generated from the domestic trading business was 4.8% in 2018 as compared to 3.5% in 2017, primarily due to the decrease in the business volume of aluminum with lower gross profit margin in the previous year.

2018年，國內貿易業務毛利率為4.8%，2017年為3.5%，主要由於上年毛利率較低的鋁型材項目業務量有所下降。

### 3) Services Business

### 3) 服務業務

#### (a) Gross Profit

#### (a) 毛利

The gross profit generated from the Services Business decreased by 24.5% to RMB720.5 million in 2018 as compared to RMB953.9 million in 2017, primarily due to the decrease in both gross profit and gross profit margin generated from logistics business.

2018年，服務業務毛利為人民幣720.5百萬元，比2017年的人民幣953.9百萬元減少24.5%，主要由於物流業務收入減少及毛利率同時降低的影響。

#### (b) Gross Profit Margin

#### (b) 毛利率

The gross profit margin generated from the Services Business was 34.2% in 2018 as compared to 42.0% in 2017, primarily due to the decline in gross profit margin of logistics business as a result of fierce market competition and the decrease in revenue generated from technology service business with higher gross profit margin of the previous year.

2018年，服務業務毛利率為34.2%，而2017年則為42.0%，主要由於物流業務由於市場競爭激烈毛利率有所下降，以及上年同期毛利率較高的技術服務業務收入有所下降。

## 5. Other revenue

## 5. 其他收入

The Group's other revenue amounted to RMB106.9 million in 2018 as compared to RMB212.3 million in 2017, mainly attributable to the decrease in revenue generated from wealth management products as compared to the corresponding previous year.

2018年，本集團的其他收入為人民幣106.9百萬元，而2017年則為人民幣212.3百萬元，主要由於理財產品收益較上年同期有所減少。

# Management Discussion and Analysis

## 管理層討論與分析

### 6. Other income and expenses, net

The Group's other income and expenses, net amounted to RMB(84.6) million in 2018 as compared to income of RMB193.6 million in 2017, mainly attributable to the increase in loss from fair value changes of foreign currency forward exchange contracts.

### 7. Selling and marketing expenses

The Group's selling and marketing expenses increased by 15.8% to RMB1,254.1 million in 2018 as compared to RMB1,082.6 million in 2017, mainly attributable to the increase in labor costs.

### 8. Administrative expenses

The Group's administrative expenses increased by 10.3% to RMB1,283.5 million in 2018 as compared to RMB1,163.6 million in 2017, mainly attributable to the increase in labor costs and research and development expenses.

### 9. Impairment loss on financial and contract assets/other operating expenses

The Group's impairment loss on financial and contract assets and other operating expenses increased by 47.9% to RMB628.8 million in 2018 as compared to RMB425.2 million in 2017, mainly attributable to the increase in provision for impairment loss on receivables as compared to that in 2017 as a result of implementation of new accounting standards.

### 6. 其他收支淨額

2018年，本集團的其他收支淨額為人民幣(84.6)百萬元，而2017年則為收入人民幣193.6百萬元，主要由於遠期外匯合約公允價值變動損失增加。

### 7. 銷售及市場營銷開支

2018年，本集團的銷售及市場營銷開支為人民幣1,254.1百萬元，而2017年則為人民幣1,082.6百萬元，增幅為15.8%，主要由於人工成本有所增加。

### 8. 行政開支

2018年，本集團的行政開支為人民幣1,283.5百萬元，而2017年則為人民幣1,163.6百萬元，增幅為10.3%，主要由於人工成本及研發費用有所增加。

### 9. 金融及合同資產減值虧損／其他經營開支

2018年，本集團的金融及合同資產減值虧損和其他經營開支為人民幣628.8百萬元，而2017年則為人民幣425.2百萬元，增幅為47.9%，主要由於受執行新會計準則影響，應收賬款減值撥備較2017年增加。

# Management Discussion and Analysis

## 管理層討論與分析

### 10. Profit from operations

The Group's profit from operations decreased by 48.7% to RMB1,551.9 million in 2018 as compared to RMB3,023.5 million in 2017, mainly attributable to the decrease in gross profit, as well as the increase in selling and administrative expenses, provision for impairment and loss on changes in fair value of foreign currency forward contracts.

### 11. Finance income/finance expenses

In 2018, the Group's finance income amounted to RMB1,314.9 million as compared to RMB394.1 million in 2017, representing an increase of 233.6% as compared to the corresponding previous year, mainly attributable to greater exchange gain recorded during the year.

In 2018, the Group's finance expenses amounted to RMB208.3 million as compared to RMB1,162.3 million in 2017, representing a decrease of 82.1% as compared to the corresponding previous year, mainly attributable to greater exchange gain this year.

Thus, in 2018, net finance income of the Group amounted to RMB1,106.6 million as compared to RMB(768.1) million in 2017.

### 12. Income tax

The Group's income tax increased by 18.1% to RMB689.9 million in 2018 as compared to RMB584.3 million in 2017, mainly attributable to the effect of the increase in the profit before tax.

### 10. 經營溢利

2018年，本集團的經營溢利為人民幣1,551.9百萬元，而2017年則為人民幣3,023.5百萬元，降幅為48.7%，主要由於毛利減少、銷售及行政費用增加、減值撥備增加及外匯遠期合約的公允價值變動損失增加。

### 11. 財務收入／財務開支

2018年，本集團的財務收入為人民幣1,314.9百萬元，而2017年則為人民幣394.1百萬元，較上年同期增加233.6%，主要由於今年有較大匯兌收益。

2018年，本集團的財務開支為人民幣208.3百萬元，而2017年則為人民幣1,162.3百萬元，較上年同期減少82.1%，主要由於今年有較大匯兌收益。

因此，2018年，本集團的財務收入淨額為人民幣1,106.6百萬元，2017年為財務淨收入人民幣(768.1)百萬元。

### 12. 所得稅

2018年，本集團的所得稅為人民幣689.9百萬元，而2017年則為人民幣584.3百萬元，增幅為18.1%。主要由於除稅前溢利增加的影響。

# Management Discussion and Analysis

## 管理層討論與分析

### 13. Profit for the year

As a result of the foregoing, the Group's net profit for the year increased by 20.2% to RMB2,135.8 million in 2018 as compared to RMB1,776.6 million in 2017 and its net profit margin was 7.4% in 2018 as compared to 6.5% in 2017.

### 14. Net profit attributable to owners of the parent

The net profit attributable to owners of the parent increased by 20.1% to RMB2,131.5 million in 2018 as compared to RMB1,775.0 million in 2017.

### 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 RMB4.3 million in 2018 as compared to profit of RMB1.7 million in 2017, which slightly increased from the corresponding previous year.

### 16. Liquidity and capital resources

As at December 31, 2018, the Group's cash and cash equivalents amounted to RMB21,383.6 million, compared to RMB21,479.3 million as at December 31, 2017, which was basically remained steady as compared to the corresponding previous year.

As at December 31, 2018, the Group's borrowings amounted to RMB984.8 million, compared to RMB916.4 million as at December 31, 2017, representing an increase of 7.5%. RMB878.4 million (including RMB9.8 million of long-term borrowings due within one year) was short-term borrowings and RMB106.4 million was long-term borrowings.

### 13. 年內溢利

由於上文所述，2018年，本集團的年內淨溢利為人民幣2,135.8百萬元，而2017年則為人民幣1,776.6百萬元，增幅為20.2%，其於2018年的淨溢利率為7.4%，而2017年則為6.5%。

### 14. 歸屬於母公司擁有人的淨溢利

2018年，歸屬於母公司擁有人的淨溢利為人民幣2,131.5百萬元，而2017年則為人民幣1,775.0百萬元，增幅為20.1%。

### 15. 歸屬於非控股權益持有人溢利

2018年，歸屬於本集團非控股權益持有人溢利為人民幣4.3百萬元，2017年為溢利人民幣1.7百萬元，較上年同期略有增加。

### 16. 流動資金及資本資源

於2018年12月31日，本集團持有現金及現金等價物為人民幣21,383.6百萬元，而於2017年12月31日則為人民幣21,479.3百萬元，與上年同期基本持平。

於2018年12月31日，本集團借貸為人民幣984.8百萬元，而於2017年12月31日則為人民幣916.4百萬元，增幅為7.5%。短期借貸為人民幣878.4百萬元（含一年內到期的長期借貸人民幣9.8百萬元），長期借貸為人民幣106.4百萬元。

# Management Discussion and Analysis

## 管理層討論與分析

The borrowings were denominated in either RMB, US dollars or Japanese Yen and were subject to interest rates ranging from 1.00% to 6.00% per annum.

### 17. Capital expenditures

The Group's capital expenditures consisted primarily of the purchase of property, plant and equipment, intangible assets and land lease prepayments. In 2018, the Group's capital expenditure was RMB503.9 million, representing a decrease of 34.1% as compared to RMB764.4 million in 2017, mainly attributable to the completion of some of the infrastructure projects.

### 18. Gearing ratio

In 2018, the Group's gearing ratio (total borrowings divided by total assets) was 1.8%, representing a slight increase as compared to 1.6% in 2017, mainly attributable to the increase in short-term borrowings.

### 19. Major acquisition and disposals and significant investments

Please see the paragraph headed "II. BUSINESS OVERVIEW – E. Important Events" on page 45 of this annual report.

### 20. Contingent liabilities

We were involved in a number of legal proceedings and claims against either our Company or subsidiaries 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.

該等借貸均以人民幣、美元或日元計值並以每年利率1.00%至6.00%計息。

### 17. 資本開支

本集團的資本開支主要包括購買物業、廠房及設備、無形資產及預付土地租賃款項。2018年，本集團的資本開支為人民幣503.9百萬元，而2017年則為人民幣764.4百萬元，降幅為34.1%，主要由於基建項目部分已完工。

### 18. 槓桿比率

2018年，本集團的槓桿比率（借貸總額除以總資產）為1.8%，與2017年的1.6%相比略有增加，主要是由於短期借款的增加。

### 19. 重大收購及出售及重大投資

請參閱本年報第45頁「II. 業務概覽 – E. 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。

# Management Discussion and Analysis

## 管理層討論與分析

### 21. Event after reporting period

On March 26, 2019, the Board resolved that a final dividend of RMB0.2067 per share is to be distributed to the Shareholders, subject to approval of the Shareholders at the forthcoming annual general meeting. Such final dividends proposed after the end of the reporting period have not been recognised as liabilities as at the end of the reporting period.

### IV. LIQUIDITY

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

We have historically met our working capital and other liquidity requirements principally with cash generated from operating activities, and financed the remainder primarily through bank borrowings and proceeds from the Listing.

### 21. 報告期後的事項

2019年3月26日，董事會決議向股東派發每股人民幣0.2067元的末期股息，惟須獲股東於應屆股東週年大會上批准。於報告期末後擬派的末期股息尚未確認為報告期末的負債。

### IV. 流動資金

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

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

# Management Discussion and Analysis

## 管理層討論與分析

### 1. Cash Flows

The following table sets forth a summary of our cash flows for the year ended December 31, 2018, together with the comparing figures for the year ended December 31, 2017:

		<b>Year ended December 31,</b>	
		<b>截至12月31日止年度</b>	
		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB million</b>	RMB million
		<b>人民幣百萬元</b>	人民幣百萬元
			(Restated)
			(重述)
Net cash generated from operating activities	經營活動產生的現金淨額	<b>604.7</b>	152.0
Net cash used in investing activities	投資活動所用的現金淨額	<b>(332.6)</b>	754.1
Net cash used in financing activities	融資活動所用的現金淨額	<b>(732.2)</b>	(946.9)
Net increase/decrease in cash and cash equivalents	現金及現金等價物增加／減少淨額	<b>(460.1)</b>	(40.8)
Cash and cash equivalents at beginning of year	年初的現金及現金等價物	<b>21,479.3</b>	22,127.4
Effect of foreign exchange rate changes, net	匯率變動的淨影響	<b>364.4</b>	(607.3)
Cash and cash equivalents at end of year	年末的現金及現金等價物	<b>21,383.6</b>	21,479.3

As at December 31, 2018, the Group's cash and cash equivalents amounted to RMB21,383.6 million, compared to RMB21,479.3 million as at December 31, 2017, representing a decrease of 0.4%. The main source of the Group's operating capital is the receipts from engineering projects.

### 1. 現金流量

下表載列截至2018年12月31日止年度我們的現金流量概況，以及截至2017年12月31日止年度的比較數字：

		<b>Year ended December 31,</b>	
		<b>截至12月31日止年度</b>	
		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB million</b>	RMB million
		<b>人民幣百萬元</b>	人民幣百萬元
			(Restated)
			(重述)
Net cash generated from operating activities	經營活動產生的現金淨額	<b>604.7</b>	152.0
Net cash used in investing activities	投資活動所用的現金淨額	<b>(332.6)</b>	754.1
Net cash used in financing activities	融資活動所用的現金淨額	<b>(732.2)</b>	(946.9)
Net increase/decrease in cash and cash equivalents	現金及現金等價物增加／減少淨額	<b>(460.1)</b>	(40.8)
Cash and cash equivalents at beginning of year	年初的現金及現金等價物	<b>21,479.3</b>	22,127.4
Effect of foreign exchange rate changes, net	匯率變動的淨影響	<b>364.4</b>	(607.3)
Cash and cash equivalents at end of year	年末的現金及現金等價物	<b>21,383.6</b>	21,479.3

於2018年12月31日，本集團持有現金及現金等價物為人民幣21,383.6百萬元，而於2017年12月31日則為人民幣21,479.3百萬元，降幅為0.4%。本集團的業務資金來源主要為工程項目收款。

# Management Discussion and Analysis

## 管理層討論與分析

### 2. Cash Flows from Operating Activities

For the year ended December 31, 2018, we had net cash flow generated from operating activities of RMB604.7 million. In 2018, cash generated from profit from operations amounted to RMB2,599.1 million, cash outflow from changes in working capital was RMB1,525.5 million and income tax paid was RMB469.0 million, the changes in working capital mainly included (i) a decrease in contract liability of RMB855.3 million; (ii) an increase in trade and other payables of RMB796.5 million; (iii) an increase in trade and other receivables of RMB4,198.3 million; and (iv) a decrease in contracts assets of RMB2,651.1 million.

### 3. Cash Flows from Investing Activities

For the year ended December 31, 2018, our net cash generated from investing activities was RMB(332.6) million. Our net cash outflow from investing activities mainly consisted of (i) cash inflow from decrease of time deposits with maturity of three months or longer of RMB1,770.4 million; (ii) cash inflow of RMB151.7 million as a result of the decrease in restricted deposits; (iii) payments for acquisition of property, plant and equipment of RMB431.4 million; and (iv) payments for acquisition of subsidiaries of RMB1,980.0 million.

### 2. 來自經營活動的現金流量

截至2018年12月31日止年度，我們經營活動產生的現金流量淨額為人民幣604.7百萬元。2018年經營溢利產生的現金為人民幣2,599.1百萬元，營運資金變動現金流出人民幣1,525.5百萬元，支付所得稅人民幣469.0百萬元，營運資金變動主要包括(i)合同負債減少人民幣855.3百萬元；(ii)貿易及其他應付款項增加人民幣796.5百萬元；(iii)貿易及其他應收款項增加人民幣4,198.3百萬元；及(iv)合同資產減少人民幣2,651.1百萬元。

### 3. 來自投資活動的現金流量

截至2018年12月31日止年度，我們投資活動產生的現金淨額為人民幣(332.6)百萬元。我們投資活動的現金淨流出主要包括(i)三個月及以上定期存款減少導致現金淨流入人民幣1,770.4百萬元；(ii)受限制存款減少導致現金流入人民幣151.7百萬元；(iii)支付收購物業、廠房及設備的款項人民幣431.4百萬元；及(iv)收購子公司支付人民幣1,980.0百萬元。



# Management Discussion and Analysis

## 管理層討論與分析

### 4. Cash Flows from Financing Activities

For the year ended December 31, 2018, our net cash generated from financing activities was RMB(732.2) million. Our cash inflow from financing activities primarily consisted of proceeds from borrowings of RMB1,332.2 million. Such amount was offset by (i) repayment of bank borrowings of RMB1,253.3 million and (ii) dividends paid to Shareholders of RMB849.5 million.

### 5. Capital Expenditures and Capital Commitments

Our capital expenditures primarily consisted of the purchase of buildings, certain equipments, lease prepayments and intangible assets. In 2018, the Group's capital expenditure was RMB503.9 million, representing a decrease of 34.1% as compared to RMB764.4 million in 2017, mainly due to the gradual accomplishment of the Company's investment projects and the construction of infrastructure projects of fixed assets in the year.

Our capital commitments mainly include the value of contracts signed but not yet completed and the value of contracts not yet signed but the budget of which have been authorized. In 2018, the capital commitments of the Group were RMB971.2 million, representing a decrease of 30.2% as compared to RMB1,390.9 million in 2017. It was mainly attributed to a greater investment made by the Company in investment projects and in the construction of infrastructure projects of fixed assets in this year.

### 4. 來自融資活動的現金流量

截至2018年12月31日止年度，我們融資活動產生的現金淨額為人民幣(732.2)百萬元。我們融資活動的現金流入主要包括取得借貸所收到款項人民幣1,332.2百萬元。該等金額已由(i)償還銀行借貸人民幣1,253.3百萬元及(ii)派付人民幣849.5百萬元股息予股東所抵銷。

### 5. 資本開支和資本承擔

我們的資本開支主要包括購買樓宇、特定設備、預付租賃款項及無形資產。2018年，本集團的資本開支為人民幣503.9百萬元，而2017年則為人民幣764.4百萬元，降幅為34.1%，主要由於本年度公司的投資項目及固定資產基建項目逐步建成。

我們的資本承擔主要包括在建工程項下已簽訂合同但尚未執行完的合同款項以及預算已批准但尚未簽訂合同的款項。2018年，本集團的資本承擔為人民幣971.2百萬元，較2017年的人民幣1,390.9百萬元減少30.2%，主要由於本年度公司的投資項目及固定資產基建項目逐步建成。

# Management Discussion and Analysis

## 管理層討論與分析

### 6. Working Capital

#### (a) Trade and other receivables

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

The following table sets forth the turnover days of the average trade receivables and the average trade payables of the Company for the years ended December 31, 2018 and 2017.

		Year ended December 31, 截至12月31日止年度	
		2018 2018年 (RMB million) (人民幣百萬元)	2017 2017年 (RMB million) (人民幣百萬元)
The turnover days of the average trade receivables (Note 1)	平均貿易應收款項的周轉天數 (附註1)	97	84
The turnover days of the average trade payables (Note 2)	平均貿易應付款項的周轉天數 (附註2)	245	244

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

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

### 6. 營運資金

#### (a) 貿易及其他應收款項

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

下表載列於截至2018年及2017年12月31日止年度本公司平均貿易應收款項及平均貿易應付款項的周轉天數。

		Year ended December 31, 截至12月31日止年度	
		2018 2018年 (RMB million) (人民幣百萬元)	2017 2017年 (RMB million) (人民幣百萬元)
The turnover days of the average trade receivables (Note 1)	平均貿易應收款項的周轉天數 (附註1)	97	84
The turnover days of the average trade payables (Note 2)	平均貿易應付款項的周轉天數 (附註2)	245	244

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

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

# Management Discussion and Analysis

## 管理層討論與分析

The following table sets forth the aging analysis of trade and bills receivables (net of allowance of doubtful debts) based on the invoice date as at December 31, 2018 and 2017.

下表載列於2018年及2017年12月31日貿易應收款項及應收票據(扣除呆賬撥備)按發票日期的賬齡分析。

		<b>As at December 31</b>	
		<b>於12月31日</b>	
		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>(RMB million)</b>	(RMB million)
		<b>(人民幣百萬元)</b>	(人民幣百萬元)
		(經重述)	
Within 3 months	3個月以內	<b>5,820.7</b>	3,886.3
3 months to 6 months	3個月至6個月	<b>299.8</b>	160.9
6 months to 1 year	6個月至1年	<b>1,297.3</b>	1,397.4
Over 1 year	1年以上	<b>1,447.3</b>	1,322.8
		<b>8,865.1</b>	6,767.4

The Group's credit policies with its customers for the year ended December 31, 2018 remained consistent as that for the year ended December 31, 2017. We continually enhanced our management of trade and bills receivables to reduce the exposure to doubtful debts. In addition, we made allowance for doubtful debts after fully considering the nature of trade and bills receivables and its recoverable amount. As at December 31, 2018, allowance provided for doubtful debts for our trade and bills receivables amounted to RMB1,919.2 million, accounting for 17.8% of our trade and bills receivables, as compared to RMB1,251.3 million as at December 31, 2017, accounting for 15.6% of our trade and bills receivables. The increase in allowance for doubtful debt in 2018 as compared to that in 2017 was primarily due to the change in accounting policy, which introduced a more stringent standard of provision.

截至2018年12月31日止年度，本集團與其客戶的信貸政策與截至2017年12月31日止年度相同。我們不斷加強貿易應收款項及應收票據的管理，以求減低所承擔的呆賬風險。此外，充分考慮貿易應收款項及應收票據的性質及其可收回金額後，我們就呆賬計提撥備。於2018年12月31日，我們就貿易應收款項及應收票據所作的呆賬撥備為人民幣1,919.2百萬元，佔我們貿易應收款項及應收票據的17.8%，而於2017年12月31日則為人民幣1,251.3百萬元，佔我們貿易應收款項及應收票據的15.6%。2018年比2017年呆賬撥備增加主要由於會計準則的變更，採取了更加嚴格的計提標準。

# Management Discussion and Analysis

## 管理層討論與分析

### (b) Trade and other payables

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

The following table sets forth the aging analysis of our trade and bills payables based on the invoice date as at December 31, 2018 and 2017:

		<b>As at December 31</b>	
		於12月31日	
		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>(RMB million)</b>	<b>(RMB million)</b>
		<b>(人民幣百萬元)</b>	<b>(人民幣百萬元)</b>
		(經重述)	
Within 3 months	3個月以內	<b>5,627.4</b>	4,434.3
3 months to 6 months	3個月至6個月	<b>739.8</b>	1,124.6
6 months to 1 year	6個月至1年	<b>1,819.9</b>	2,822.0
Over 1 year	1年以上	<b>8,489.0</b>	7,843.0
		<b>16,676.1</b>	16,223.9

The Group's credit policies with its suppliers for the year ended December 31, 2018 remained the same as that for the year ended December 31, 2017.

### (b) 貿易及其他應付款項

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

下表載列於2018年及2017年12月31日我們貿易應付款項及應付票據按發票日期的賬齡分析：

截至2018年12月31日止年度，本集團與其供應商的信貸政策與截至2017年12月31日止年度相同。

# Management Discussion and Analysis

## 管理層討論與分析

### V. INDEBTEDNESS

#### 1. Borrowings

Our consolidated borrowings as at December 31, 2018 and 2017 for the purpose of calculating the indebtedness of our Group were as follows:

### V. 債務

#### 1. 借貸

於2018年及2017年12月31日，我們用以計算本集團債務的合併借貸如下：

		<b>As at December 31</b>	
		於12月31日	
		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>(RMB million)</b>	(RMB million)
		人民幣百萬元	人民幣百萬元
Current:	流動：		
Short-term borrowings	短期借貸		
Bank loans	銀行貸款		
unsecured	無擔保	<b>640.1</b>	505.3
secured	有擔保	<b>228.5</b>	195.2
Subtotal	小計	<b>868.6</b>	700.5
Add: current portion of long-term borrowings	加：長期借貸的流動部分	<b>9.8</b>	54.3
Subtotal	小計	<b>878.4</b>	754.8
Non-current:	非流動：		
Long-term borrowings	長期借貸		
Bank loans	銀行貸款		
unsecured	無擔保	<b>61.0</b>	173.0
secured	有擔保	<b>55.2</b>	42.9
Subtotal	小計	<b>116.2</b>	215.9
Less: current portion of long-term borrowings	減：長期借貸的流動部分	<b>9.8</b>	54.3
Subtotal	小計	<b>106.4</b>	161.6
Total	總計	<b>984.8</b>	916.4

# Management Discussion and Analysis

## 管理層討論與分析

Our short-term borrowings primarily include credit borrowings, mortgage borrowings and guarantee borrowings from commercial banks and other financial institutions. As at December 31, 2018, our short-term borrowings (including the current portion of long-term borrowings) amounted to RMB878.4 million, accounting for 89.2% of our total borrowings.

Our long-term borrowings primarily included credit and mortgage borrowings from commercial banks. These included bank borrowings related to engineering projects, with the total balance of such borrowings (including the current portion) amounting to approximately RMB116.2 million as at December 31, 2018. As at December 31, 2018, our long-term borrowings (excluding the current portion) amounted to RMB106.4 million, accounting for 10.8% of our total borrowings. The increase in our interest-bearing borrowings to RMB984.8 million as at December 31, 2018 was primarily due to the increase of bank borrowings as a result of undertaking the engineering projects and infrastructure projects.

All borrowings were denominated in either RMB, USD or Japanese Yen and were subject to interest rates ranging from 1.00% to 6.00% per annum.

There had been no material defaults in repayment of our bank borrowings and no material breaches of the finance covenants during the year ended December 31, 2018.

短期借貸主要包括來自商業銀行及其他金融機構的信用借貸、抵押借貸及保證借貸。於2018年12月31日，我們的短期借貸（包括長期借貸的流動部分）為人民幣878.4百萬元，佔我們的借貸總額89.2%。

長期借貸主要包括來自商業銀行的信用及抵押借款。該等借貸包括與工程項目有關的銀行借貸，於2018年12月31日，該等借貸（包括流動部分）的結餘總額約為人民幣116.2百萬元。於2018年12月31日，不包括流動部分的長期借貸為人民幣106.4百萬元，佔我們借貸總額的10.8%。我們的計息借貸於2018年12月31日增加至人民幣984.8百萬元，主要由於工程項目及基建項目增加銀行借款所致。

所有借貸均以人民幣、美元或日元計值並以每年利率1.00%至6.00%計息。

於截至2018年12月31日止年度，我們在償還銀行借貸方面概無重大違約情況，亦無嚴重違反融資契約的情況。

# Management Discussion and Analysis

## 管理層討論與分析

The maturity profile of our interest-bearing borrowings as at December 31, 2018 and 2017 is as follows:

於2018年及2017年12月31日，我們的計息借貸到期日如下：

		<b>As at December 31</b>	
		於12月31日	
		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>(RMB million)</b>	(RMB million)
		<b>(人民幣百萬元)</b>	(人民幣百萬元)
Within 1 year or on demand	1年以內或實時還款	<b>878.4</b>	754.8
After 1 year but within 2 years	1年至2年	<b>67.4</b>	31.0
After 2 years but within 5 years	2年至5年	<b>26.8</b>	122.0
After 5 years	5年以上	<b>12.2</b>	8.6
Total	總計	<b>984.8</b>	916.4

### 2. Gearing Ratio

The Group monitors capital on the basis of the gearing ratio. Gearing ratio is derived by dividing total borrowings by total assets multiplied by 100%. In 2018, the Group's gearing ratio (total borrowings divided by total assets) was 1.8%, maintained stable as compared to 1.6% as recorded in 2017.

### 2. 槓桿比率

本集團以槓桿比率基準管理資本。槓桿比率乃將借貸總額除以資產總額再乘以100%得出。2018年，本集團的槓桿比率（借貸總額除以總資產）為1.8%，與2017年的1.6%相比基本持平。

### 3. Contingent liabilities

We were involved in a number of legal proceedings and claims against either our Company or subsidiaries 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.

### 3. 或有負債

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

# Management Discussion and Analysis

## 管理層討論與分析

### VI. RISK FACTORS AND RISK MANAGEMENT

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

#### 1. Currency Risk

Currency risk arises primarily from sales and purchases and our International Engineering Contracting Business overseas and overseas financing which give rise to receivables, payables and cash balances that are primarily denominated in U.S. dollars and Euros. As a matter of policy and in compliance with the PRC laws and regulations, we are not allowed to widely engage in hedging activities. Therefore, we entered into foreign currency forward contracts to lock in the value in RMB for some of our future cash receipts, primarily in respect of the proceeds of our international engineering contracting projects to reduce our currency risk and to obtain certainty of forecasted income generated from the deferred payments to be received from the project owners. The Group maintains and follows the internal policies and controls for managing the use of derivative financial instruments and will not participate in pure speculative arbitrage activities.

### VI. 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

貨幣風險主要來自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主要以美元及歐元計價的應收款項、應付款項及現金結餘。由於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從項目業主獲得由於延遲付款所產生的預測收入。本集團維繫及遵守有關規範使用衍生金融工具的內部政策及控制，不參與純粹的投機套利活動。



# Management Discussion and Analysis

## 管理層討論與分析

### 2. Interest Rate Risk

Interest rate risk arises primarily from borrowings and bank deposits, of which the 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, either through managing the contractual terms of interest-bearing financial assets and liabilities or using of interest rate swaps in order to manage our interest rate risks.

### 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. With respect to the 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 to determine if the Group needs to make any necessary provisions for credits that we have extended to customers. We evaluate our customer's credit status and repayment capability through establishing an appropriate business evaluation system. Meanwhile, 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.

### 2. 利率風險

利率風險主要來自借貸及銀行存款，其中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。本公司通過管理計息金融資產及負債的合同條款或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。

### 3. 信用風險

信用風險主要來自貿易及其他應收款項。本公司已制定合適的信貨政策並持續監控面臨的該等信用風險。就國際工程承包業務，我們給予的信貨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。本公司每月及於信貨期末審查信用風險，以決定本集團是否須就給予客戶的信貨作出任何必要撥備。我們通過建立合適的業務評估系統，評估客戶的信用狀況及付款能力。同時，我們實行購買出口信用保險政策。就貿易業務，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；就由出口賣方信貨融資的國際工程承包業務，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。

# Management Discussion and Analysis

## 管理層討論與分析

### 4. Liquidity Risk

Liquidity risk is the risk that the Group is unable to raise sufficient funds at the balance sheet date 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.

### 5. Competition Risk

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

### 4. 流動資金風險

流動資金風險指本集團於結算日未能籌集足夠資金以應付到期的財務負債的風險。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。

### 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（其中包括）全球分支網絡、資訊搜集、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。

# Management Discussion and Analysis

## 管理層討論與分析

The Group competes with both Chinese and foreign companies for our international trading business. Competition with Chinese companies engaged in the international trading business focuses on price, range of products and range of suppliers and clients, 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 our financing capabilities and value-adding services. With more than 40 years of operating history in the international trading business, the directors believe the Group has an edge over our PRC competitors within the industry in terms of our extensive sales and marketing networks, long established experiences in the international trading market, well-trained business talents, strong capabilities in providing financing solutions and good reputation.

### 6. Investment Risk

Investment risk mainly represents any discrepancy between actual return and anticipated return from investment. Investment risk is caused by factors which are out of the Company's control or contingent factors which cannot be ascertained when making an investment decision, relevant advance payments for certain projects, decrease of investment in infrastructure by non-governmental investment institutions resulting from changes in policies, significant outlay of working capital over extended period of time, and governmental approvals from and regulatory compliance with various governmental departments 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.

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集中於價格、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集中於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40多年的經營歷史，董事相信，本集團所擁有的廣泛銷售及市場營銷網絡、在國際貿易市場長期累積的經驗、訓練有素的商業人才、提供融資方案的強大能力及良好的聲譽，令本集團比中國同行競爭者更具優勢。

### 6. 投資風險

投資風險主要指投資的實際回報及預期回報之間的差異。導致投資風險的原因包括受本公司控制範圍之外的因素或作出投資決定時無法確定的隨機因素的影響，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，在較長期間內動用大量營運資金，執行投資項目需自不同政府部門取得政府批准或需遵守有關政府部門的監管規例等。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及分析論證，以提高投資決策水平、管控投資風險。

# Management Discussion and Analysis

## 管理層討論與分析

### 7. Country Risk from Overseas Business

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

To the extent that the Group's overseas business or operations is affected by unexpected and adverse foreign economic, regulatory, social and political conditions, the Group may experience project disruptions, losses of assets and personnel, and 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. 海外業務國別風險

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同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，並借著投購建築、安裝及工程一切險以及第三方責任保險，以控制潛在虧損。

# Management Discussion and Analysis

## 管理層討論與分析

### 8. 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 that the Company ensures compliance with the requisite safety requirements and standards, we are subject to the inherent risks of geological catastrophes, fire, toxic gas, equipment failure and explosion and so on. Besides, our employees are subject to the personal risks caused by unstable security environment. Any personal injury or loss of life our employees may suffer, damage to or destruction of properties and equipment and other losses caused by force majeure in the situations mentioned above would result in the delay in our engineering contracting projects, extended occupation of the time and efforts of our management, suspension of our operations or even imposition of legal liabilities. The Company endeavors to lower our exposure to the abovementioned potential risks associated with our International Engineering Contracting Business by taking measures including making contractual arrangements with the project owners in the event of disruption to the projects due to force majeure, seeking indemnities from the project owners, subcontractors and suppliers, purchasing construction, installation and engineering all-risks insurance, third-party liability insurance and personal accident insurance, strengthening our internal control system on ensuring a safe and high quality working environment for our projects, as well as maintaining close communications with the project owners and local governmental authorities.

### 8. 安全及品質風險

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

# Management Discussion and Analysis

## 管理層討論與分析

### 9. 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 the project completion may adversely compromise our reputation, as well as having a negative impact on customers' overall evaluation on us. Some of the project owners may require us to bear costs for continuous maintenances or the change of relevant parts, causing us losses not foreseeable under the contracts. Since corporate reputation is the cornerstone for our expansion of markets, the Company will continue to step up the training for the project owner's operational staff and endeavor to enter into operational maintenance supporting contracts with the project owners, so as to enhance the operational and maintenance capability of the project owners' operational staff and avoid or reduce the quality issues caused by improper manual handling as far as possible. At the same time, the Company emphasizes on the cultivation of core markets and the sustainable development of our business while attaching importance to collecting opinions and comments from customers, actively communicating with customers, as well as being committed to maintaining good social benefits and corporate interests.

### 9. 工程移交後風險

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

# Management Discussion and Analysis

## 管理層討論與分析

### 10. 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 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 staff and increase their compliance consciousness.

### 10. 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。

# Management Discussion and Analysis

## 管理層討論與分析

### 11. Sanctions Risk

We are a company incorporated in the PRC and we comply with all applicable PRC laws and regulations, undertake the international commitments and international obligations made by China and the relevant resolutions passed by the United Nations Security Council. 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 particular, if any of our transactions is conducted in or through the United States, or otherwise involves U.S. persons, U.S. dollar clearing in the United States or U.S.-origin goods, U.S. 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 and Cuba. 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 ("Iran Nuclear Deal"). In exchange for curtailing certain nuclear-related activities, Iran was granted relief from certain U.S., EU, and UN sanctions. However, the United States announced on May 8, 2018 that it will withdraw from the Iran Nuclear Deal and restore sanctions against Iran. So the Company decided to terminate all business ties in Iran thereafter from a prudent perspective and the Company has no existing or implemented project in Iran.

### 11. 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，承擔中國的國際承諾和國際義務、聯合國安理會的有關決議。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。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，尤其是針對伊朗及古巴的制裁。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（「伊朗核協議」）。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。然而，美國於2018年5月8日宣佈將退出伊朗核協議並恢復對伊朗的制裁。因此，本公司審慎決定終止在伊朗的所有業務關係，且本公司在伊朗並無現有或已實施項目。



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## 管理層討論與分析

As to Cuba, following a resumption of formal diplomatic ties between the two countries under the Obama administration 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 Bureau of Industry and Security of United States Department of Commerce expanded the range of transactions in which U.S. persons are allowed to engage with Cuba. However, beginning in November 2017, the Trump administration began to reverse some (but not all) of the changes made by the Obama administration and to re-tighten the US embargo against Cuba. These changes included the creation of the State Department "List of Restricted Entities and Subentities Associated with Cuba" that identifies entities that are "under the control of, or act for or on behalf of, the Cuban military, intelligence, or security services or personnel" (the "Cuba Restricted List"). U.S. Persons are prohibited from engaging in certain direct financial transactions with entities on the Cuba Restricted List. Additionally, the Commerce Department will deny licenses in most cases for exports of U.S.-origin items for use by entities on the Cuba Restricted List. Furthermore, on March 4, 2019, the Trump administration announced that it would authorize U.S. nationals to file a limited range of civil claims against entities operating in Cuba pursuant to Title III of the Cuban Liberty and Democratic Solidarity Act of 1996 (also known as the Helms-Burton Act). Following the regulatory changes in the United States and taking into account the local economic conditions, no potential project carried out in Cuba has been approved by the general manager of the Company. The Company has no existing or implemented project in Cuba and has expressed no willingness to carry out business in Cuba market recently. Pursuant to our ICP control, every potential project carried out in Cuba must be (1) reviewed by the Company's internal export compliance office, (2) reviewed by outside legal counsel, and (3) approved by the general manager of the Company.

至於古巴，繼古巴、美國兩國於奧巴馬政府執政時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剔除後，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，擴展了美籍人士可在古巴進行的交易範圍。然而，從2017年11月開始，特朗普政府開始撤回奧巴馬政府所施行的部分（並非全部）變革，並重新收緊美國對古巴的禁運。這些變革包括國務院增設「與古巴有關的受限制實體及子實體名單」，當中列明「在古巴軍事、情報或保安部門或人員的控制下或為其行事」的實體（「古巴限制名單」）。美籍人士被禁止與古巴限制名單所列的實體進行某些直接金融交易。此外，大部份供古巴限制清單所列的實體使用的美國產品均不獲商務部授予出口許可證。另外，在2019年3月4日，特朗普政府宣佈將授權美國國民根據1996年《古巴自由與民主聲援法》（亦稱為《赫爾姆斯－伯頓法》）第三章對古巴境內的實體提出有限的民事訴訟。因應美國的監管變化並考慮到當地的經濟狀況，本公司總經理並未批准於古巴進行任何潛在項目。本公司在古巴並無現有或已實施的項目，並且於近期無意在古巴市場開展業務。根據我們的ICP管控，在古巴開展的每個潛在項目均須(1)經本公司內部的出口管制辦公室審核；(2)經外部的法律顧問審核；及(3)獲本公司總經理批准。

## Management Discussion and Analysis 管理層討論與分析

Notwithstanding the Trump Administration's revised sanctions policies vis-à-vis Iran and Cuba, we believe we have been in compliance with the Sanctions Undertakings made at the time of the Listing as regards to 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 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, including the Trump administration, 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, the Company's exposure in Cuba is so limited that any adverse impact from changes to Cuba sanction by the United States will be minimal.

雖然特朗普政府修訂對伊朗及古巴的制裁政策，但我們認為，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（包括特朗普政府）會給予「緩衝」期，或是頒發一般或特別許可證，以使受影響的公司終止在新受制裁的國家內經營或撤離該等國家。儘管終止與任何新受制裁交易方、行業、項目或國家相關的業務活動，或沒收相關收入可能對我們在所涉及司法管轄區的經營、財務狀況或從事業務的能力造成不利影響，但我們爭取透過積極的政治經濟分析評估，並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，由於如上所述本公司在古巴開展活動面臨的風險有限，故美國變更對古巴的制裁對我們產生的不利影響極小。

# Management Discussion and Analysis

## 管理層討論與分析

### VII. OUTLOOK

In 2019, the Company will adhere to the overarching theme of “seeking progress while maintaining stability”, strive to the principle of high-quality development, and lay down a solid foundation for the new phase of strategic planning through reform and innovation, cooperation and passionate works.

#### (I) Business Development Strategy

##### 1. Engineering Contracting Business

- (1) Market development based on new development concept

The Company will pay close attention to the directions of national policies, adapt to the market characteristics, break through the limitations of individual projects, actively make use of various high-end platforms, multi-bilateral economic and trade cooperation mechanisms and diplomatic opportunities, and strive to provide “one-stop” solutions tailored for customer needs.

- (2) Endeavour to improve contract conversion rate with a problem-oriented mentality

The Company will study and analyze the “choke points” for the execution of contracted projects earnestly, concentrate on the streamlining process, endeavour to improve the conversion rate and strive for the implementation of the projects.

### VII. 前景展望

2019年，公司將堅持穩中求進工作總基調，堅持高質量發展的原則，改革創新、團結協作、奮發有為，為新一期戰略規劃的實現打下決定性基礎。

#### (一) 業務發展戰略

##### 1. 工程承包業務

- (1) 立足新發展理念開拓市場

要密切關注國家政策導向，適應市場特點，打破單個項目局限，積極利用各類高端平台、多雙邊經貿合作機制以及外交機遇，圍繞客戶需求，努力提供「一站式」的解決方案。

- (2) 立足問題導向努力提升簽約轉化率

要認真研究、分析已簽約項目的生效「堵點」，集中力量疏通，努力提升簽約轉化率，力促生效。

# Management Discussion and Analysis

## 管理層討論與分析

- (3) Continue to improve performance capacity by meeting high quality development requirements

The Company will overcome various difficulties and pressures, take active initiatives, continuously improve the lean and professional management level of projects, actively promote the application of new technologies, improve and enhance the method and level of project supervision, and adopt targeted approaches for risky projects in a timely manner.

- (4) Elevate market competitiveness with model innovation and industrialization

The Company will continue to promote investment-driven EPC, actively explore relevant comprehensive operation-driven development models, and enhance the overall market competitiveness.

- (5) Continue to strengthen the control of the industrial chain with CMEC characteristics

The Company will constantly improve the industrial chain, make full use of integrated resources, and constantly strengthen CMEC's preliminary consultation, and remote online monitoring, diagnosis, operation maintenance capabilities of power stations; enhance the integrated competitiveness of construction and operation, optimize the industrial chain, and strive to form a differentiated competitive advantage with new technology.

- (3) 立足高質量發展要求持續提升履約水平

要克服各種困難和壓力，主動作為，不斷提升項目精益化、專業化管理水平，積極推進新技術的應用，持續完善和提高項目監管方式和水平，對高風險項目及時採取針對性措施。

- (4) 立足模式創新和工業化提升市場競爭力

持續推進投資拉動EPC，積極探索相關綜合運作主導型開發模式，提升綜合市場競爭力。

- (5) 立足中設特色繼續強化產業鏈掌控能力

不斷完善產業鏈條，充分利用已併入資源，不斷加強CMEC前期諮詢、電站遠程在線監測與診斷及運營維護能力，增強建營一體化競爭力，完善產業鏈條，嘗試以新技術形成差異化競爭優勢。

# Management Discussion and Analysis

## 管理層討論與分析

- (6) Make constant improvements to the professional level of engineering contracting management

In line with the high-end market demand, as well as the trend of rising level on project scale and complexity, the Company will effectively improve the professional management level of all key procedures.

### 2. Trading Business

- (1) Continuous optimization of trade categories

The Company will focus on fast-growth categories in line with national industrial development strategies, create star cash flow products, drive the steady growth of income, improve the category management mechanism, to achieve continuous optimization of the trade category.

- (2) Increase the investments in scientific research

The Company will take full advantage of existing research institutes and equipment enterprise resources, increase the investments in the core links of the equipment technology-based trade industry chain, and build a technology-based trading business with high technology content.

- (3) In-depth promotion of subsidiary regulatory management

The Company will further standardize subsidiary management, strengthen the scientific management of subsidiaries, enhance risk prevention and control, and ensure the healthy development of all business sectors.

- (6) 不斷提升工程承包管理專業化水平

順應高端市場需求，以及項目規模和複雜程度日漸提高的趨勢，有效提升各關鍵環節的專業化管理水平。

### 2. 貿易業務

- (1) 持續優化貿易品類

重點關注增長快、符合國家產業發展戰略的品類，打造明星現金流產品，驅動收入的穩定增長，完善品類管理機制，實現貿易品類持續優化。

- (2) 加強科研投入

充分利用已有科研院所和裝備企業資源，加大對裝備科技型貿易產業鏈核心環節的投入，打造具有高技術含量的科技型貿易業務。

- (3) 深入推進子公司規範治理

進一步規範子公司管理，加強子公司的科學治理，加強風險防控，確保板塊業務穩健發展。

# Management Discussion and Analysis

## 管理層討論與分析

- (4) Actively promote trade regionalization and localization

The Company will continue to promote the construction of regional trade centers in Southeast Asia and the Caribbean, promote the construction of the North American integrated business center with Canada at the heart, and advance the transformation of “trade + EPC” towards integrated corporate trading.

- (5) Vigorously develop new trading business model

The Company will continue to develop the “trade +” integrated trade service model with CMEC characteristics, and further enhance the profitability of trading business.

### 3. Services Business

- (1) **Closely following the national strategy and simultaneously promote the domestic and foreign markets.** The Company will constantly strengthen the construction of the national branch layout, continue to promote the services business, especially the international layout of the design consulting sector, and raise the internationalization capacity.

- (4) 積極推進貿易區域化、屬地化

繼續推進東南亞、加勒比區域貿易中心建設，推進以加拿大為中心的北美綜合業務中心建設，推動「貿易+EPC」向綜合商社型貿易的轉型。

- (5) 大力發展新型貿易業務模式

繼續發展具有CMEC特色的「貿易+」綜合貿易服務模式，進一步提升貿易業務的盈利能力。

### 3. 服務業務

- (1) 緊跟國家戰略，堅持國內國外兩個市場併舉。不斷加強全國佈局的分支機構建設，持續推進服務業務特別是設計諮詢領域的國際化佈局，提升國際化能力。

# Management Discussion and Analysis

## 管理層討論與分析

- (2) **The Company will promote innovation and cultivate core businesses.** Based on the application and development of cutting-edge technology, and with the technical research and development capability to support the global development of CMEC, the Company will focus on special technology incubation projects such as Sponge City, and strive to create core competitive advantages and effectively promote the conversion of scientific and technological achievements.
- (3) **Strengthen project management and promote transformation and upgrading.** The Company will improve the management system of major projects, strengthen process and target management, standardize the management process of engineering contracting business, improve risk control capability, and promote the transformation and upgrading.
- (4) **Strengthen expertise.** By grasping the opportunity of constructing “whole process consulting pilot unit”, the Company will meet market demand, constantly complement various areas of expertise, broaden the business scope and promote comprehensive strength.
- (2) **抓好創新孵化，培育核心業務。**以前沿高新科技的應用研發為基礎，形成支撐CMEC全球發展的技術研發能力，重點抓好海綿城市等專項科技孵化項目，努力培育核心競爭優勢，切實推進科技成果轉化。
- (3) **強化項目管理，促進轉型升級。**完善重大項目的管理體系，強化過程和目標管理，規範工程承包業務管理流程，提高風控能力，促進轉型升級。
- (4) **補強專業能力。**以「全過程諮詢試點單位」建設為契機，面向市場需求，不斷補齊專業能力，拓寬業務範圍，促進綜合實力的提升。

# Management Discussion and Analysis

## 管理層討論與分析

### (II) Corporate Management Strategy

#### 1. Full implementation of the Company's new phase of strategy

The Company's new phase of strategic planning has been formulated. 2019 is not only the year of new strategy implementation, but also a critical year to improve and strengthen our high-quality development and the system foundation for sustainable development. The Company will emphasize on strategy execution, ensuring tangible effect of the strategies.

#### 2. Spare no efforts to promote reform

The Company will adhere to the main line of supply-side structural reform, study and implement the philosophy of "consolidation, enhancement, promotion and streamline", drive and deepen the reform of state-owned enterprises led by supply-side structural reform. The Company will continue to focus on the pain points and difficulties encountered in the development process, and explore a breakthrough point for a new phase of development reform.

#### 3. Continuous consolidation of management foundation

Facing the new historical tasks and new requirements brought by the reform and opening up, the management support system must evolve and develop to become more modern, scientific and effective.

### (二) 公司管理戰略

#### 1. 全面貫徹落實公司新一期戰略

公司新一輪戰略規劃已制訂完畢，2019年是新戰略的落地之年，也是完善並夯實我們高質量發展、可持續發展體制機制基礎的攻堅之年，要重執行抓落地，確保戰略落在實處。

#### 2. 全力推進改革落地

我們要堅持以供給側結構性改革為工作主線，認真研究和落實「鞏固、增強、提升、暢通」八個關鍵字，以供給側結構性改革帶動、深化國企改革。繼續圍繞公司發展中的痛點和難點，尋找並確定新一輪的發展改革突破口。

#### 3. 持續夯實管理基礎

面對改革開放再出發的歷史新任務和新要求，管理支撐體系必須要作出更加現代化、科學化、實效化的演進與發展。



# Management Discussion and Analysis

## 管理層討論與分析

The Company will further strengthen strategic control and research, enhance scientific governance, elevate investor maintenance and market value management, innovate financing channels and models, improve investment and financing management system, boost scientific level of financial management. The Company will also strengthen the building and management of its talent team, strengthen the legal and risk prevention and control system, enhance the level of informatization, strengthen integrated management and services, improve audit efficiency, implement export control requirements and untiringly monitor production safety.

要進一步加強戰略管控與研究，強化科學治理，加強投資者維護和市值管理，創新融資渠道與模式，完善投融資管理體系，提升財務管理科學化水平，強化人才隊伍建設和管理，強化法律及風險防控體系，提升信息化水平，加強綜合管理與服務，提升審計效能，落實出口管制要求，緊抓安全生產不放鬆。

# Major Corporate Events for the Year

## 本年度企業大事記

### January 一月



#### 1. The then President Zhang Chun met with the President of Region Asia, Middle East and Africa (AMEA) of ABB Ltd

In the morning of January 8, the then President Zhang Chun met with Dr. Gu Chunyuan, the President of Region Asia, Middle East and Africa (AMEA) of ABB Ltd at the Company. The then President Zhang Chun extended greetings to the visiting delegation, and reviewed the signing of the strategic cooperation agreement and the cooperation between the two sides in 2017.

#### 1. 時任總裁張淳會見ABB公司中東、亞太和非洲大區CEO

1月8日上午，時任總裁張淳在公司會見了來訪的ABB公司中東、亞太和非洲大區CEO顧純元博士一行。時任總裁張淳對顧博士一行來訪表示歡迎，並回顧了雙方2017年戰略合作協議的簽署及雙方的合作。



#### 2. The TENAGA 49.5MW wind power project won the “2017 Quality Award of SINOMACH (Engineering)”

In the Annual Quality Award Election of SINOMACH Group, the TENAGA 49.5MW wind power project in Pakistan undertaken by the Company won the “2017 Quality Award of SINOMACH (Engineering)”.

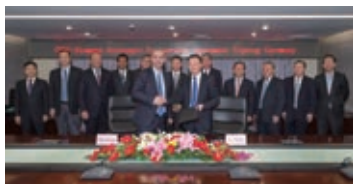
#### 2. TENAGA 49.5MW風電項目榮獲2017年度工程類「國機質量獎」項目獎

在國機集團一年一度的質量獎評選中，公司的巴基斯坦TENAGA 49.5MW風電項目榮獲2017年度工程類「國機質量獎」項目獎。

# Major Corporate Events for the Year

## 本年度企業大事記

### February 二月



#### 3. Chairman Zhang Chun met with the CEO of Global Sales – Power and Gas, of German Siemens AG

On February 1, Chairman Zhang Chun met with the delegation of senior executives headed by Karim Amin, the CEO, Global Sales – Power and Gas, of German Siemens AG at the Company. Chairman Zhang Chun and Mr. Karim Amin, on behalf of both parties, officially signed the Strategic Cooperation Agreement.

#### 3. 張淳董事長會見德國西門子發電與天然氣全球銷售CEO

2月1日，張淳董事長在公司會見了德國西門子股份公司(Siemens)發電與天然氣全球銷售CEO卡里姆·阿明(Karim Amin)先生及西門子公司高管一行。張淳董事長與卡里姆·阿明先生代表雙方正式簽署了《戰略合作協議》。



#### 4. President of the Republic of Angola and Angolan Minister of Construction and Civil Engineering inspected the social security housing project and related infrastructure projects of the Company

On February 8, the President of the Republic of Angola together with Angolan Minister of Construction and Civil Engineering inspected the social security housing project and related infrastructure projects undertaken by CMEC in Luanda Province, Angola.



#### 4. 安哥拉總統與建設和公共工程部部長參觀我司社會保障房及相關基建建設項目

2月8日，安哥拉共和國總統與安哥拉建設和公共工程部部長等一行人參觀CMEC於安哥拉羅安達省的社會保障房及相關基建建設項目。

# Major Corporate Events for the Year

## 本年度企業大事記



### 5. Deputy President of the Republic of Kenya inspected the Kenyan RWC421 road upgrading and maintenance project

In the morning of February 23, the Deputy President of the Republic of Kenya inspected the Kenyan RWC421 road upgrading and maintenance project undertaken by our Company.



### 5. 肯尼亞副總統視察肯尼亞RWC421公路升級及維護項目

2月23日上午，肯尼亞副總統視察了由我司承建的肯尼亞RWC421公路升級及維護項目現場。

## March 三月



### 6. The then President Zhou Yamin met with the General Manager and Chief Risk Officer of ABN Amro

In the afternoon of March 8, the then President Zhou Yamin met with the delegation headed by Mr. Karst-Jan Wolters, General Manager, Chief Risk Officer and Member of the Global Credit Committee of ABN Amro at the Company. The two sides discussed and exchanged views on the risk management and control of overseas projects by CMEC, support for overseas subsidiaries and the cooperation opportunities between CMEC and ABN Amro in the future.

### 6. 時任總裁周亞民會見荷蘭銀行風險管理部總經理

3月8日下午，時任總裁周亞民在公司會見了荷蘭銀行風險管理部總經理、首席風險官、全球信貸委員會委員Karst-Jan Wolters先生一行，雙方就CMEC對境外項目的風險管控、對境外子公司支持力度以及CMEC與荷蘭銀行未來合作機會進行了探討和交流。

# Major Corporate Events for the Year

## 本年度企業大事記



### 7. Chairman Zhang Chun met with the delegation of the governing party of Iraq

In the morning of March 19, Chairman Zhang Chun met with the delegation headed by the Chairman of Dawa Party, the governing party of Iraq at the Company, and the two sides underwent friendly talks.



### 7. 張淳董事長會見伊拉克執政黨代表團

3月19日上午，張淳董事長在公司會見了來訪的伊拉克執政黨－達瓦黨黨主席代表團一行，雙方進行了友好會談。



### 8. Chairman Zhang Chun and the then President Zhou Yamin met with the Chairman of Black & Veatch

On March 19, Chairman Zhang Chun and the then President Zhou Yamin met with the delegation headed by Mr. Steve Edwards, Chairman and President of Black & Veatch at the Company.



### 8. 張淳董事長及時任總裁周亞民會見美國博萊克威奇公司 (Black & Veatch) 主席

3月19日，張淳董事長及時任總裁周亞民在公司會見了美國博萊克威奇公司(Black & Veatch)主席兼首席執行官Steve Edwards先生一行。

# Major Corporate Events for the Year

## 本年度企業大事記

### April 四月

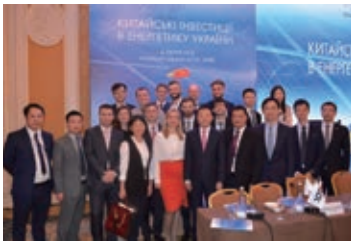


**9. The then President Zhou Yamin met with the delegation headed by the Vice President of the Kazakhstan National Sovereign Wealth Fund and the Chairman of SK&UCC**

In the morning of April 2, the then President Zhou Yamin met with the delegation headed by the Vice President of the Kazakhstan National Sovereign Wealth Fund and the Chairman of SK&UCC at the Company, and the two sides underwent friendly talks.

**9. 時任總裁周亞民會見哈薩克斯坦國家主權基金副主席及聯合化學公司(SK&UCC)董事長代表團**

4月2日上午，時任總裁周亞民在公司會見了哈薩克斯坦國家主權基金副主席及聯合化學公司(SK&UCC)董事長代表團一行，雙方進行了友好會談。



**10. Chairman Zhang Chun attended the Sino-Ukrainian New Energy High-Level Forum and the signing ceremony of the Nikopol PV panel of a 246MW large solar power station held in the capital of Ukraine**

On April 6, Chairman Zhang Chun attended the Sino-Ukrainian New Energy High-Level Forum and the signing ceremony of the Nikopol PV panel of a 246MW large solar power station held in Kiev, the capital of Ukraine.



**10. 張淳董事長在烏克蘭首都出席中烏新能源高層論壇暨烏克蘭尼科波爾246MW光伏電站簽約儀式**

4月6日，張淳董事長在烏克蘭首都基輔出席了中烏新能源高層論壇暨烏克蘭尼科波爾246MW光伏電站的簽約儀式。

# Major Corporate Events for the Year

## 本年度企業大事記



### 11. The Prime Minister of Pakistan, attended the Ceremony of Grid Connection for Power Generation of the First Hydraulic Turbine of NJ Hydropower Project

On April 13, the Prime Minister of Pakistan attended the Ceremony of Grid Connection for Power Generation of the First Hydraulic Turbine of NJ Hydropower Project. Han Xiaojun, the then Party Secretary and Vice Chairman, and Wang Yili, Assistant to the President, participated in the ceremony.



### 11. 巴基斯坦總理出席NJ水電項目首台機組並網發電典禮

4月13日，巴基斯坦總理出席NJ水電項目首台機組並網發電典禮，時任黨委書記兼副董事長韓曉軍、總經理助理王宜利參加儀式。



### 12. Vice President Fang Yanshui met with the delegation headed by the Minister of Works of the Kingdom of Bahrain and Bahrain's Ambassador to China

In the afternoon of April 13, Vice President Fang Yanshui met with the delegation headed by the Minister of Works of the Kingdom of Bahrain and Bahrain's Ambassador to China.

### 12. 方彥水副總裁會見巴林王國公共工程部部長和駐華大使代表團

4月13日下午，方彥水副總裁在公司會見了來訪的巴林王國公共工程部部長和巴林王國駐華大使代表團一行。

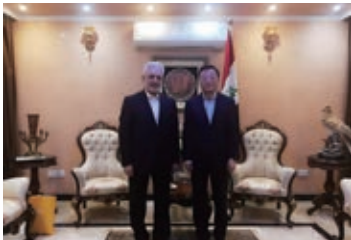
# Major Corporate Events for the Year

## 本年度企業大事記



### 13. Chairman Zhang Chun went to Baghdad, the capital of Iraq, for a series of working visits

From April 21 to April 23, Chairman Zhang Chun met with the Prime Minister's Chief Financial Consultant and Investment and Reconstruction Consultant authorized by the Iraqi Prime Minister. Chairman Zhang Chun and his entourage also met with the Chairman of the Dawa Party of Iraq and the Minister of Electricity of Iraq, respectively.



### 13. 張淳董事長赴伊拉克首都巴格達進行系列訪問

4月21日至4月23日，張淳董事長會見了伊拉克總理授權接見的總理首席財政顧問和投資與重建顧問。張淳董事長一行還分別會見了伊拉克執政黨達瓦黨黨主席和伊拉克電力部部長。



### 14. The Company and XD Group held the 2018 first high-level forum

On April 27, the Company and XD Group held the 2018 first high-level forum in Beijing. Chairman Zhang Chun, the then Party Secretary and Vice Chairman Han Xiaojun, the then President Zhou Yamin, Zhang Yalin, Chairman of XD Group, Yang Baolin, Deputy General Manager of XD Electric Co., Ltd., and directors of CMEC related functional departments, business departments and XD Group's subsidiaries, about 50 people in aggregate, attended the forum. Under the theme of "Achieving Win-Win Situation Through Innovative Cooperation and Development", the forum consisted of special reports, themed seminars and summit dialogues etc.

### 14. 公司與西電集團召開2018年第一次高層論壇

4月27日，公司與西電集團2018年第一次高層論壇在京順利召開。張淳董事長、時任黨委書記兼副董事長韓曉軍、時任總裁周亞民、西電集團董事長張雅林、西電電氣股份有限公司副總經理楊寶林、以及CMEC相關職能部門、業務部門負責人，西電集團下屬各企業負責人，約50人參加此次論壇。此次論壇以「創新合作發展共贏」為主題，由專項報告、議題研討、高峰對話等環節組成。



# Major Corporate Events for the Year

## 本年度企業大事記

### May 五月



#### 15. CNEEC held the “Restructuring Meeting of CMEC and CNEEC”

In the morning of May 2, Chairman Zhang Chun, the then Party Secretary and Vice Chairman Han Xiaojun, the then President Zhou Yamin, Chief Financial Officer and Board Secretary Wang Weiling, President Assistant Zhang Zhiliang, etc., went to CNEEC for the “Restructuring Meeting of CMEC and CNEEC”.

#### 15. 中電工召開「中國機械設備工程股份有限公司與中國電力工程有限重組大會」

5月2日上午，張淳董事長、時任黨委書記兼副董事長韓曉軍、時任總裁周亞民、財務總監兼董事會秘書王瑋玲、總裁助理張之亮等一行，赴中電工召開「中國機械設備工程股份有限公司與中國電力工程有限重組大會」。



#### 16. CMIPC and China Erzhong jointly signed a strategic cooperation agreement

In the morning of May 9, witnessed by the then Party Secretary and Vice Chairman Han Xiaojun, Vice President Ai Wei and Lu Wenjun, Chairman of China National Heavy Machinery Corporation, Chen Jun, General Manager of China Machinery Industrial Products Co., Ltd. and Li Juncheng, General Manager of China Erzhong Group (Deyang) Heavy Industries Co., Ltd., jointly signed a strategic cooperation agreement.

#### 16. 中設裝備與二重簽署《戰略合作協議》

5月9日上午，在時任公司黨委書記兼副董事長韓曉軍、艾威副總裁以及國機重型裝備集團股份有限公司陸文俊董事長等領導的見證下，中設集團裝備製造有限責任公司陳軍總經理代表公司與二重（德陽）重型裝備有限公司李駿驍總經理共同簽署了《戰略合作協議》。

# Major Corporate Events for the Year

## 本年度企業大事記



**17. Chairman Zhang Chun met with the Chairman of Ukraine Parliamentary Committee of the Fuel and Energy Complex**

On May 10, Chairman Zhang Chun met with a delegation headed by Dombrowski, Chairman of Ukraine Parliamentary Committee of the Fuel and Energy Complex at the Company.

**17. 張淳董事長會見烏克蘭議會能源委員會主席**

5月10日，張淳董事長在公司會見了到訪的烏克蘭議會能源委員會主席東布羅夫斯基先生一行。



**18. The then President Zhou Yamin visited Philemon Yang, the President of Cameroon**

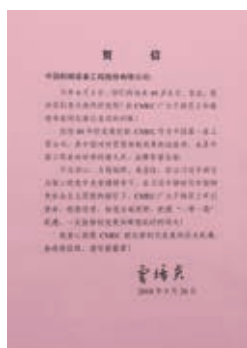
In the afternoon of May 16, the then President Zhou Yamin visited the President of Cameroon at the President's Office of Cameroon.

**18. 時任總裁周亞民拜會喀麥隆總理菲利蒙·楊(Philemon Yang)**

5月16日下午，時任總裁周亞民前往總理府拜會了喀麥隆總理。

# Major Corporate Events for the Year

## 本年度企業大事記



19. **Jia Qinglin, the former Chairman of Chinese People's Political Consultative Conference, Zeng Peiyan, Vice Premier, and other former leaders of CMEC, SINOMACH and financial institutions sent congratulatory letters to congratulate the 40th anniversary of the establishment of CMEC**

Jia Qinglin, the former Chairman of Chinese People's Political Consultative Conference, Zeng Peiyan, Vice Premier, and other former leaders of CMEC, SINOMACH and financial institutions sent congratulatory letters to congratulate the 40th anniversary of the establishment of CMEC.

19. 原全國政協賈慶林主席、曾培炎副總理等老領導、國機集團和金融機構為CMEC40華誕發來賀信。

原全國政協賈慶林主席、曾培炎副總理等老領導、國機集團和金融機構為CMEC40華誕發來賀信

## June 六月



20. **Chairman Zhang Chun won the "2018 International Engineering Outstanding Individual" award**

On June 7, the "2018 International Engineering Outstanding Individual" Awards Ceremony was held in Macau, and Chairman Zhang Chun won the Outstanding Individual Award.

20. 張淳董事長榮獲「2018國際工程傑出人物」

6月7日，「2018國際工程傑出人物」頒獎典禮在澳門舉行，張淳董事長榮獲傑出人物獎。

# Major Corporate Events for the Year

## 本年度企業大事記

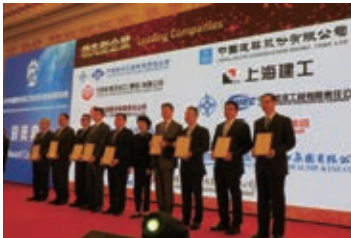


### 21. Chairman Zhang Chun met with the President of Angola

On June 7, Chairman Zhang Chun met with the President of Angola in Luanda, the capital of Angola.

### 21. 張淳董事長拜會安哥拉總統

6月7日，張淳董事長在安哥拉首都羅安達拜會了安哥拉總統。



### 22. CMEC was awarded as a leading company in the “2018 Social Responsibility Evaluation of China International Contracted Engineering Enterprises”

On June 7, the 9th International Infrastructure Investment and Construction Forum hosted by the China International Contractors Association and IPIM was grandly opened in Macau. Once again, CMEC was awarded as a leading company in the “2018 Social Responsibility Evaluation of China International Contracted Engineering Enterprises”.

### 22. CMEC在「2018中國對外承包工程企業社會責任績效評價」活動獲評領先型企業

6月7日，由中國對外承包工程商會和澳門貿易投資促進局主辦的第九屆國際基礎設施投資與建設高峰論壇在澳門盛大開幕。CMEC在「2018中國對外承包工程企業社會責任績效評價」活動中再次被評為領先型企業。



# Major Corporate Events for the Year

## 本年度企業大事記

### July 七月



**23. The Prime Minister of Cameroon visited the construction site of CMEC's western region training field project**

In the morning of July 9, the Prime Minister of Cameroon visited the construction site of CMEC's western region training field project.



**23. 喀麥隆總理視察CMEC西部大區訓練場項目施工**

7月9日上午，喀麥隆總理親臨CMEC西部大區訓練場項目施工現場。



**24. The then President Zhou Yamin met with the Minister of Transport of Argentina**

In the morning of July 24, the then President Zhou Yamin met with the Minister of Transport of Argentina in the building housing of the Ministry of Transport in Buenos Aires, Argentina.

**24. 時任總裁周亞民與阿根廷交通部長會談**

7月24日上午，時任總裁周亞民在阿根廷首都布宜諾斯艾利斯交通部大樓與阿根廷交通部長進行了會談。

# Major Corporate Events for the Year

## 本年度企業大事記

### August 八月



**25. Chairman Zhang Chun met with the Minister of Spatial Planning and Major Projects of Congo (Brazzaville)**

On August 1, Chairman Zhang Chun met with the Minister of Spatial Planning and Major Projects of Congo (Brazzaville), in Brazzaville, the capital of Congo (Brazzaville).

**25. 張淳董事長會見剛果（布）國土整治、裝備與重大工程部長**

8月1日，張淳董事長在剛果（布）首都布拉柴維爾會見了剛果（布）國土整治、裝備與重大工程部長。



**26. Chairman Zhang Chun met with President & CEO of GE Gas Power Systems of GE**

In the morning of August 21, Chairman Zhang Chun met with Mr. Chuck Nugent, President & CEO of GE Gas Power Systems and Vice President of GE.



**26. 張淳董事長會見通用電氣天然氣發電業務總裁兼首席執行官**

8月21日上午，張淳董事長在公司會見了來訪的通用電氣天然氣發電業務總裁兼首席執行官、通用電氣全球副總裁Mr.Chuck Nugent一行。

# Major Corporate Events for the Year

## 本年度企業大事記



### 27. Meng Jianmin, Vice Chairman of SASAC inspected the Kostolac-B power plant project site in Serbia

In the afternoon of August 23, a delegation headed by Meng Jianmin, Vice Chairman of China's State-owned Assets Supervision and Administration Commission of the State Council (SASAC), inspected CMEC's Kostolac-B power plant project site in Serbia. The delegation was accompanied by SINOMACH Vice President Luo Jiamang and CMEC Chairman Zhang Chun, who made a report on the progress of the project.

### 27. 國資委副主任孟建民視察塞爾維亞Kostolac-B電站項目

8月23日下午，國資委副主任孟建民一行視察了公司塞爾維亞Kostolac-B電站項目現場，國機集團駱家駿副總經理、公司董事長張淳陪同並匯報了項目進展情況。



### 28. Chairman Zhang Chun met with the Equipment and Road Maintenance Minister of Cote d'Ivoire

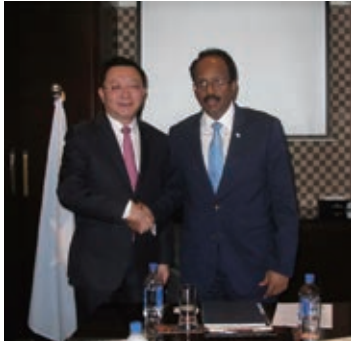
In the morning of August 31, Chairman Zhang Chun met at CMEC with Equipment and Road Maintenance Minister of Cote d'Ivoire.

### 28. 張淳董事長會見科特迪瓦裝備與道路養護部部長

8月31日上午，張淳董事長在公司會見了來訪的科特迪瓦裝備與道路養護部部長。

# Major Corporate Events for the Year

## 本年度企業大事記



### 29. Chairman Zhang Chun visited the President of Somalia

In the afternoon of August 31, Chairman Zhang Chun visited the President of Somalia who was on a trip for attending the Forum on China-Africa Cooperation held in China, at the hotel where the president stayed.

### 29. 張淳董事長拜會索馬里總統

8月31日下午，張淳董事長在索馬里總統下榻酒店拜會了來華出席中非合作論壇的索馬里總統。



### 30. Chairman Zhang Chun held a talk with the Minister of Petroleum, Energy and Renewable Energy Development of Cote d'Ivoire

In the afternoon of August 31, Chairman Zhang Chun held a talk with the Minister of Petroleum, Energy and Renewable Energy Development of Cote d'Ivoire.

### 30. 張淳董事長與科特迪瓦石油、能源和新能源發展部部長會談

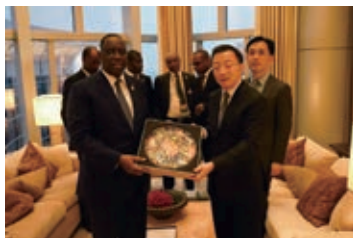
8月31日下午，張淳董事長與科特迪瓦石油、能源和新能源發展部部長舉行了會談。



# Major Corporate Events for the Year

## 本年度企業大事記

### September 九月



#### 31. Chairman Zhang Chun visited the President of Senegal

On September 2, Chairman Zhang Chun visited the President of Senegal.

#### 31. 張淳董事長拜會塞內加爾共和國總統

9月2日，張淳董事長拜會塞內加爾共和國總統。



#### 32. The then Party Secretary and Vice Chairman Han Xiaojun met with Roch Marc Christian Kaboré, President of Burkina Faso

In the afternoon of September 2, the then CMEC Party Secretary and Vice Chairman Han Xiaojun met with the President of Burkina Faso, who was in China for the Forum on China-Africa Cooperation, at the hotel where the president stays.

#### 32. 時任黨委書記兼副董事長韓曉軍拜會布基納法索卡布雷總統

9月2日下午，時任公司黨委書記兼副董事長韓曉軍在布基納法索總統下榻酒店拜會了來華出席中非合作論壇的布基納法索總統。

# Major Corporate Events for the Year

## 本年度企業大事記



### 33. Chairman Zhang Chun attended the opening ceremony of the 6th Conference of Chinese and African Entrepreneurs and the Forum on China-Africa Cooperation

In the morning of September 3, Chairman Zhang Chun attended the opening ceremony of the High-level Dialogue between Chinese and African Leaders and Business Representatives, as well as the 6th Conference of Chinese and African Entrepreneurs and Beijing Summit of the Forum on China-Africa Cooperation. Chinese President Xi Jinping attended the event and delivered a keynote speech titled “Work Together Towards Prosperity”.

### 33. 張淳董事長出席第六屆中非企業家大會和中非合作論壇開幕式

9月3日上午，張淳董事長出席了中非領導人與工商界代表高層對話會暨第六屆中非企業家大會和中非合作論壇北京峰會的開幕式。國家主席習近平出席併發表了題為《共同邁向富裕之路》的主旨演講。



### 34. Vice President Tong Zigang met with the Energy Minister of Burkina Faso

In the morning of September 3, Vice President Tong Zigang met at CMEC with the Energy Minister of Burkina Faso.

### 34. 童自剛副總裁會見布基納法索能源部部長

9月3日上午，童自剛副總裁在公司會見了來訪的布基納法索能源部部長。

# Major Corporate Events for the Year

## 本年度企業大事記



**35. Chairman Zhang Chun held friendly talks with Mozambique's minerals and energy minister**

On September 3, Chairman Zhang Chun held friendly talks with Mozambique's minerals and energy minister.

**35. 張淳董事長與莫桑比克礦產能源部部長進行友好會談**

9月3日，張淳董事長與莫桑比克礦產能源部部長進行了友好會談。



**36. Chairman Zhang Chun met with the Minister of Mineral Resources, Green Technology and Energy Security of Botswana**

In the afternoon of September 4, Chairman Zhang Chun met with the Minister of Mineral Resources, Green Technology and Energy Security of Botswana at CMEC, who was in Beijing to attend the 2018 Beijing Summit of the Forum on China-Africa Cooperation.



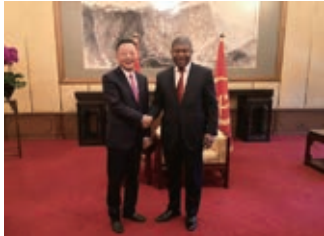
**36. 張淳董事長會見博茨瓦納礦產資源、綠色科技及能源安全全部長**

9月4日下午，張淳董事長在公司會見了來華參加2018中非合作論壇北京峰會的博茨瓦納礦產資源、綠色科技及能源安全全部長。

# Major Corporate Events for the Year

## 本年度企業大事記

### October 十月



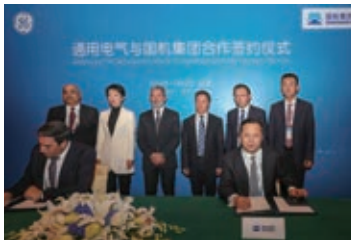
#### 37. Chairman Zhang Chun met with the President of Angola

On October 9, Chairman Zhang Chun met with the President of Angola at Diaoyutai State Guest House, Beijing.

#### 37. 張淳董事長拜會安哥拉總統

10月9日，張淳董事長在北京釣魚台國賓館拜會了安哥拉總統。

### November 十一月



#### 38. The Company signed the Memorandum of Strategic Cooperation on the Iraqi Market with GE

In the morning of November 1, as invited by the organizer, Chairman Zhang Chun attended 2018 Energy Infrastructure Cooperation Forum hosted by GE at Diaoyutai State Guesthouse, and achieved strategic cooperation on the Iraqi market with GE.

#### 38. 我司與通用電氣簽署伊拉克市場戰略合作備忘錄

11月1日上午，張淳董事長應邀參加通用電氣在釣魚台國賓館舉辦的2018能源基建合作論壇，並與通用電氣就伊拉克市場達成戰略合作。

# Major Corporate Events for the Year

## 本年度企業大事記



**39. The Argentina Belgrano Cargo Railway Rehabilitation Project was reported by China Central Television (“CCTV”) news for 2 consecutive days**

From November 30 to December 1, the 13th G20 Leaders Summit was held in Argentina. Chinese President Xi Jinping paid a state visit to Argentina. The Argentina Belgrano Cargo Railway Rehabilitation Project (the “Argentina Railway Projects”) implemented by CMEC had once again received media attention, and was reported by CCTV news, Focus Report and Oriental Horizon for 2 consecutive days.

**39. 阿根廷貝爾格拉諾貨運鐵路改造項目連續2天榮登中國中央電視台（「央視」）新聞聯播**

11月30日至12月1日，G20領導人第十三次峰會在阿根廷舉行，中國國家主席習近平對阿根廷進行國事訪問。由CMEC執行的阿根廷貝爾格拉諾貨運鐵路改造項目（以下簡稱阿鐵項目）再次受到媒體關注，連續2天榮登央視新聞聯播、焦點訪談及東方時空等欄目。



**40. Chairman Zhang Chun visited Argentina and paid a courtesy visit to the President of Argentina.**

From November 29 to December 4, Chairman Zhang Chun visited Argentina for the G20 Summit and paid a courtesy visit to the President of Argentina.

**40. 張淳董事長訪問阿根廷拜會阿根廷總統**

11月29至12月4日，張淳董事長在阿根廷G20峰會期間訪問阿根廷並拜會阿根廷總統。

# Major Corporate Events for the Year

## 本年度企業大事記

### December 十二月



#### 41. The Company won the award of “Belt & Road Best Practice Listed Company” in the 8th Hong Kong International Finance Workshop

On December 5, the award ceremony of the 8th Hong Kong International Finance Workshop & China Securities Golden Bauhinia Awards (IFW2018) was held at Grand Hyatt Hong Kong. Carrie Lam Cheng Yuet-ngor, Hong Kong Chief Executive, attended and addressed the ceremony. CMEC, by relying on its exceptional performance in 2018, won the award of “Belt & Road Best Practice Listed Company”. Ms. Wang Weiling, CFO and Board Secretary of CMEC, attended the ceremony and received the award on behalf of CMEC.

#### 41. 公司在第八屆香港國際金融論壇榮獲「一帶一路最佳實踐上市公司」

12月5日，第八屆香港國際金融論壇暨中國證券金紫荊獎頒獎典禮於香港君悅酒店隆重舉行，香港特別行政區行政長官林鄭月娥出席並致辭。中國機械設備工程股份有限公司憑借2018年優異表現，榮獲「一帶一路最佳實踐上市公司」獎項。公司財務總監兼董事會秘書王瑋玲女士代表公司出席頒獎典禮並代表公司領獎。

# Major Corporate Events for the Year

## 本年度企業大事記



### 42. Chairman Zhang Chun visited Iraq and met with the Ministry of Electricity

On December 16, the delegation headed by Chairman Zhang Chun visited the Ministry of Electricity of Iraq and met with the new Minister of Electricity.

### 42. 張淳董事長到訪伊拉克並拜會電力部長

12月16日，張淳董事長一行到訪伊拉克電力部，拜會了新任電力部長。



### 43. Chairman Zhang Chun visited Botswana and made an official visit to the Minister of Mineral Resources, Green Technology and Energy Security

On December 11 to 12, Zhang Chun, Party Secretary and Chairman of CMEC, visited Botswana. During the visit, Chairman Zhang Chun made an official visit to the Minister of Mineral Resources, Green Technology and Energy Security of Botswana.

### 43. 張淳董事長訪問博茨瓦納並拜會礦產資源、綠色科技及能源安全全部部長

12月11至12日，公司黨委書記、董事長張淳訪問博茨瓦納。訪問期間，張淳董事長拜會了博茨瓦納礦產資源、綠色科技及能源安全全部部長。

# Major Corporate Events for the Year

## 本年度企業大事記



**44. CMEC won the International Sustainable Practice Excellence Award in the “2018 China Sustainable Competitiveness Excellence Enterprise” awarding ceremony**

On December 20, the “2018 China Sustainable Competitiveness Excellence Enterprise” awarding ceremony was held in Beijing. CMEC won the International Sustainable Practice Excellence Award.

**44. CMEC在「2018中國可持續競爭力卓越企業」頒獎典禮榮獲海外可持續實踐卓越企業獎**

12月20日，「2018中國可持續競爭力卓越企業」頒獎典禮在中國北京舉行，CMEC榮獲海外可持續實踐卓越企業獎。



# Report of Directors

## 董事會報告

The Board is pleased to present its report together with the audited consolidated financial statements of the Group prepared in accordance with IFRS for the year ended December 31, 2018.

### GLOBAL OFFERING

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

### PRINCIPAL ACTIVITIES

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

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

### RESULTS

The audited results of the Group for the year ended December 31, 2018 are set out in consolidated statement of profit or loss and the consolidated statement of comprehensive income in this annual report. The financial position of the Group and the Company as at December 31, 2018 is set out in the consolidated statement of financial position and the statement of financial position in this annual report, respectively. The cash flows of the Group for the year ended December 31, 2018 are set out in the consolidated statement of cash flows in this annual report.

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

董事會欣然提呈其報告連同根據國際財務報告準則編製的本集團截至2018年12月31日止年度的經審計合併財務報表。

### 全球發售

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

### 主要業務

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

本公司主要附屬公司的詳情載於本年報財務報表附註1。

### 業績

本集團截至2018年12月31日止年度的經審計業績載於本年報合併損益表及合併綜合收益表。本集團及本公司於2018年12月31日的財務狀況分別載於本年報合併財務狀況表及財務狀況表。本集團截至2018年12月31日止年度的現金流量情況載於本年報合併現金流量表。

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

### FINAL DIVIDEND

The Board recommended the distribution of a final dividend of RMB0.2067 per Share (pre-tax) for 4,125,700,000 Shares for the year ended December 31, 2018, representing a total amount of RMB852,782,190 (pre-tax).

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

The proposed final dividend is subject to Shareholders' approval at the upcoming AGM. Subject to approval, the final dividend is expected to be distributed on or before September 30, 2019 to the holders of Domestic Shares and H Shares whose names appear in the register of members of the Company on the record date for dividend distribution. The Company will issue a separate announcement regarding the date of the upcoming AGM, the record date for the payment of H Share dividends and the dates of closure of register of members of the Company.

In accordance with tax law and relevant requirements under taxation regulatory institutions of the PRC, the Company is required to withhold 10% enterprise income tax when it distributes the final dividend for the year ended December 31, 2018 to all non-resident enterprise shareholders (including HKSCC Nominees Limited, other nominees, trustees or other entities and organizations, who will be deemed as non-resident enterprise shareholders) whose names appear on the H share register of members of the Company on the dividend record date\*.

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

### 末期股息

董事會建議派付截至2018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0.2067元（稅前），合共人民幣852,782,190元（稅前）。

根據章程規定，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應屆股東週年大會上批准。經批准後，末期股息預計於2019年9月30日或之前分派予股息分派記錄日期名列本公司股東名冊的內資股及H股持有人。本公司將就應屆股東週年大會日期、支付H股股息的記錄日期及本公司暫停辦理股份過戶登記日期刊發獨立公告。

根據稅法及中國稅務監管機構的有關要求，本公司向於股息記錄日期\*名列本公司H股股東名冊上的所有非居民企業股東（包括香港中央結算（代理人）有限公司、其他代理人、受託人或其他團體及組織，將被視為非居民企業股東）派發截至2018年12月31日止年度之末期股息時，須預扣10%的企業所得稅。

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

# Report of Directors

## 董事會報告

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

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

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

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

# Report of Directors

## 董事會報告

- For Individual H Shareholders who are Hong Kong or Macau residents or those whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of the Individual H Shareholders.
- For Individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of less than 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of the Individual H Shareholders. If relevant Individual H Shareholders would like to apply for a refund of the additional amount of tax withheld and paid, the Company can assist the relevant shareholder to handle the application for the underlying preferential tax benefits pursuant to the tax treaties, provided that the relevant shareholder shall submit to the Company the information required under the “Notice of the State Administration of Taxation on issuing the Administrative Measures on Preferential Treatment Entitled by Non-residents under Tax Treaties” (Notice of the State Administration of Taxation, 2015 No.60) (《國家稅務總局關於發佈<非居民納稅人享受稅收協定待遇管理辦法>的公告》(國家稅務總局公告2015年第60號)) (the “**Tax Treaties Notice**”) on or before the commencement date of the closure of register of members.\* Upon examination and approval by competent tax authorities, the Company will assist in refunding the additional amount of tax withheld and paid.
- For Individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of more than 10% but less than 20%, the Company will finally withhold and pay individual income tax at the actual tax rate stipulated in the relevant tax treaty.

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

• H股個人股東為香港或澳門居民或其住所所在國與中國簽訂股息稅率為10%的稅收協定的，本公司將按10%的稅率代扣代繳個人所得稅。

• H股個人股東住所所在國為與中國簽訂股息稅率低於10%的稅收協定的，本公司將按10%的稅率代扣代繳個人所得稅。如相關H股個人股東欲申請退還多扣繳稅款，本公司可根據稅收協定協助辦理享受有關稅收協定待遇的申請，但股東須於暫停辦理股份過戶登記的開始日期\*或之前向本公司呈交《國家稅務總局關於發佈<非居民納稅人享受稅收協定待遇管理辦法>的公告》(國家稅務總局公告2015年第60號)(「**稅收協定通知**」)規定的資料，經主管稅務機關審核批准後，本公司將協助退還多扣繳稅款。

• H股個人股東住所所在國為與中國簽訂股息稅率高於10%但低於20%的稅收協定的，本公司將最終按相關稅收協定實際稅率代扣代繳個人所得稅。

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

# Report of Directors

## 董事會報告

- For Individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 20%, or a country which has not entered into any tax treaties with the PRC, or under any other circumstances, the Company will finally withhold and pay individual income tax at the rate of 20% on behalf of the Individual H Shareholders.
- According to the relevant requirements under the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Finance Tax [2016] No. 127), jointly published by the Ministry of Finance, State Administration of Taxation and China Securities Regulatory Commission, the Company shall withhold an individual income tax at the rate of 20% on dividend derived from the H Shares of the Company acquired through the Shenzhen-Hong Kong Stock Connect by mainland individual investors. For dividend received by domestic securities investment funds from investing in the H Shares of the Company through the Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The Company will not withhold the income tax on dividend derived from the H Shares of the Company acquired through the Shenzhen-Hong Kong Stock Connect for domestic enterprise investors, and those domestic enterprise investors shall report and pay the relevant tax themselves.
- H股個人股東住所所在國為與中國簽訂股息稅率20%的稅收協定的、與中國並沒有簽訂任何稅收協定的或在任何其他情況下，本公司將最終按20%稅率代扣代繳個人所得稅。
- 根據財政部、國家稅務總局、中國證券監督管理委員會聯合發佈的《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)的規定，對內地個人投資者通過深港通投資本公司H股取得的股息紅利，由本公司按照20%的稅率代扣個人所得稅。對內地證券投資基金通過深港通投資本公司H股取得的股息紅利，參照個人投資者徵稅。內地企業投資者通過深港通投資本公司H股取得的股息紅利，本公司對內地企業投資者不代扣股息紅利所得稅款，應納稅款由企業自行申報繳納。

# Report of Directors

## 董事會報告

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

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

### AGM AND CLOSURE OF REGISTER

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

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

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

建議股東應向彼等的稅務顧問諮詢有關擁有及處置H股所產生或相關的中國、香港及其他稅務影響。

### 股東週年大會及暫停辦理股份過戶登記

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

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

# Report of Directors

## 董事會報告

### BUSINESS REVIEW

A review of the business of the Group during the year, a discussion on the Group's future business development and the financial and operational key performance indicators employed by the Directors in measuring the performance of our business are set out in the sections headed "Chairman's Statement" on pages 2 to 11 of this annual report, "Key Operating and Financial Data" on pages 14 to 16 of this annual report, "Management Discussion and Analysis – II. Business Overview" on pages 29 to 46 of this annual report and "Management Discussion and Analysis – VII. Outlook" on pages 82 to 88 of this annual report. The financial risk management objectives and policies of the Group are set out in note 41 to the financial statements in this annual report. Save as disclosed in note 42 to the financial statements in this annual report, there were no significant events that have an effect on the Group subsequent to the financial year ended December 31, 2018.

### PRINCIPAL RISKS AND UNCERTAINTIES

A number of factors may affect the results and business operations of the Group, some of which are inherent to the industries the Group operates in and some are from external sources. As regards the principal risks and uncertainties facing the Group, please refer to the section headed "Management Discussion and Analysis – VI. Risk Factors and Risk Management" on pages 71 to 81 of this annual report.

### 業務回顧

對本集團年內業務的回顧、有關本集團未來業務發展的討論及董事評估業務表現時使用的財務與經營主要表現指標，載於以下章節：本年報第2至11頁的「董事長致辭」，本年報第14至16頁的「重要經營及財務數據」，本年報第29至46頁的「管理層討論與分析 – II. 業務概覽」及本年報第82至88頁的「管理層討論與分析 – VII. 前景展望」。本集團的財務風險管理目標及政策載於本年報財務報表附註41。除本年報財務報表附註42所披露外，截至2018年12月31日止財政年度後並沒有對本集團有影響的重大事項。

### 主要風險及不確定因素

諸多因素可能影響本集團的業績及業務經營，部分因素屬本集團所參與經營的行業所固有的，部分因素則來源於外部。有關本集團面臨的主要風險及不確定因素，請參閱本年報第71至81頁「管理層討論與分析 – VI. 風險因素及風險管理」一節。

### KEY RELATIONSHIPS

#### (i) Employees

We are in strict compliance with the Labor Contract Law of the People's Republic of China and the laws and regulations of labor and employment in overseas areas of operation, respect human rights, implement equal and non-discriminatory labor and employment policies, and equally treat staffs of different races, nationalities, ethnic groups, genders, ages and religions, and firmly prohibit the employment of child laborers, oppose all forms of employment discrimination and forced labor, and establish equal labor relations that meet the prescribed requirements with employees.

We focus on identifying the value of employees, constantly strengthening the development and training of talents, broadening the career development channels of staffs, optimizing the training system, enriching the ways of incentives for talents, and try our best to activate the enthusiasm and creativity of staffs.

We build a good career development environment for our staffs, improve our talent reserve mechanism, optimize reasonable talent structure, form a team of key talents, establish a talent flow mechanism, improve our talent training system so as to mainly solve the problem of shortage and default of key talents, which lays a foundation for the Company to cultivate innovative international talents.

We made efforts to form core competitive advantages of elites and leading talents in the industry as well as build a transparent and open development environment. We develop a career development channel system of "smooth vertical development and horizontal cross-sector development" for our staffs and help our staffs build a reasonable career development plan, which form a broad career development platform for our staffs and promote their sustainable development.

### 重要關係

#### (i) 僱員

我們嚴格遵守《中華人民共和國勞動合同法》及海外運營所在地勞動用工的法律法規，尊重人權，奉行平等、非歧視的勞動用工政策，平等對待不同種族、國籍、民族、性別、年齡、宗教信仰的員工，堅決杜絕使用童工，反對各種形式的就業歧視和強迫勞動，與員工建立平等規範的勞工關係。

我們注重挖掘員工價值，不斷加強對人才開發與培養，拓寬員工職業發展通道，優化完善培訓體系，豐富人才激勵方式，最大限度地調動員工的積極性和創造性。

我們為員工營造良好的職業發展環境，完善人才儲備機制，健全合理的人才結構，打造關鍵的人才隊伍，建立人才流動機制，完善人才培訓體系，重點解決公司關鍵人才短缺、斷檔問題，為公司培養創新性國際人才奠定基礎。

我們致力打造產業精英和行業領軍人才的核心競爭優勢，營造透明公開的發展環境，為員工開闢「縱向通暢、橫向互通」的職業發展通道體系，幫助員工建立合理的職業發展規劃，為員工打造廣闊的職業發展平台，促進員工持續發展。



# Report of Directors

## 董事會報告

We respect the opinions of our staffs, carry out democratic management, and constantly promote and improve the democratic management system for the enterprise which mainly includes the trade union system and the congress of staffs system, and further open up the channels of democratic participation, democratic management and democratic supervision for staffs.

### (ii) Customers

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

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

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

There are no unified standard credit terms granted to customers of the construction business and trading business. The credit terms granted to customers of the construction business are negotiated individually on a case-by-case basis and set forth in the relevant contracts. The credit terms granted to customers of the trading business are normally about three to six months. The bills receivables are generally due within 180 days from the date of issuance. The Group's credit policy is set out in note 41(a) to the financial statements in this annual report. An ageing analysis of our trade receivable is set out in note 22(a) to the financial statements in this annual report.

我們尊重員工意見，實行民主管理，不斷推進和完善以工會制度、職工代表大會制度為主要內容的企業民主管理體系，進一步暢通職工民主參與、民主管理、民主監督的渠道。

### (ii) 客戶

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

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

我們已與許多客戶建立了長期合作關係。

建造業務及貿易業務的客戶並無獲授統一標準信貸期。授予建造業務客戶的信貸期乃按個別情況逐次協商，並載列於有關合同內。授予貿易業務客戶的信貸期一般約為三至六個月。應收票據一般於發行日期起計180日內到期。本集團的信貸政策載於本年報財務報表附註41(a)。貿易應收款項的賬齡分析載於本年報財務報表附註22(a)。

### (iii) Suppliers and Subcontractors

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

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

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. An ageing analysis of our trade payables is set out in note 24 to the financial statements in this annual report.

### (iii) 供應商及分包商

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

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

貿易應付款項為免息，通常於協議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。貿易應付款項的賬齡分析載於本年報財務報表附註24。

# Report of Directors

## 董事會報告

### ENVIRONMENTAL POLICIES

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

### COMPLIANCE WITH LAWS AND REGULATIONS

To the best knowledge of our Directors, in 2018, we were in compliance with all relevant PRC laws and regulations in all material respects and have obtained all necessary licenses, approvals and permits from relevant and appropriate regulatory authorities for our business operations in the PRC; the operations of our overseas subsidiaries were not in breach of any applicable laws and regulations of the relevant jurisdictions and our overseas subsidiaries' business operations were in compliance with the applicable laws and regulations of the jurisdictions in all material respects where the overseas subsidiaries were incorporated.

### 環保政策

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

### 遵守法律及法規

據董事所深知，於2018年，我們於所有重大方面均遵守相關中國法律法規，並就中國的業務經營自相關及適當的監管部門取得所有必要的執照、批准及許可；我們海外附屬公司的經營並無違反相關司法管轄區的任何適用法律法規，且我們海外附屬公司的業務經營亦於所有重大方面符合有關海外附屬公司註冊成立所在司法管轄區的適用法律法規。

### PERMITTED INDEMNITY

Pursuant to the Articles of Association, the Company is entitled to establish a necessary system of insurance for the liabilities of its Directors, Supervisors and senior management for the purpose of lowering the risk that may be incurred from regular performance of duties by such parties. The Company has arranged for appropriate and valid insurance coverage for Directors', Supervisors' and senior management's liabilities in respect of legal actions against its Directors, Supervisors and senior management arising out of corporate activities during the year ended December 31, 2018 and the indemnity provision and Directors', Supervisors' and senior management's liability insurance remained in force as of the date of this report.

### EQUITY-LINKED AGREEMENTS

No equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year ended December 31, 2018 or subsisted at the end of the year.

### FINANCIAL SUMMARY

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

### MAJOR CUSTOMERS AND SUPPLIERS

For the year ended December 31, 2018, the Group's five largest suppliers accounted for 10.10% (2017: 9.46%) of the Group's total purchases. The Group's largest supplier accounted for 2.46% (2017: 2.94%) of the Group's total purchases.

For the year ended December 31, 2018, the Group's sales to its five largest customers accounted for 22.27% (2017: 21.03%) of the Group's total sales. The Group's sales to its largest customer accounted for 5.46% (2017: 6.34%) of the Group's total sales.

### 獲准許的彌償

根據章程規定，本公司有權就其董事、監事及高級管理人員責任設立必要的保險制度，以降低該等人員正常履行職責而可能引致的風險。截至2018年12月31日止年度，本公司已為董事、監事及高級管理人員投購合適有效的保險，覆蓋彼等因企業活動而可能承擔的訴訟責任，彌償撥備及董事、監事及高級管理人員之責任保險於本報告日期仍然生效。

### 股票掛鈎協議

截至2018年12月31日止年度期間或年度結束時，本公司概無訂立任何股票掛鈎協議將會或可能導致本公司發行股份，或規定本公司訂立任何協議將會或可能導致本公司發行股份。

### 財務概要

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

### 主要客戶及供應商

截至2018年12月31日止年度，本集團的五大供應商佔本集團採購總額的10.10%（2017年：9.46%）。本集團的最大供應商佔本集團採購總額的2.46%（2017年：2.94%）。

截至2018年12月31日止年度，本集團向其五大客戶作出的銷售額佔本集團銷售總額22.27%（2017年：21.03%）。本集團向其最大客戶作出的銷售額佔本集團銷售總額5.46%（2017年：6.34%）。

# Report of Directors

## 董事會報告

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

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended December 31, 2018 are set out in note 14 to the financial statements in this annual report.

### ISSUED CAPITAL

Details of movements in the issued capital of the Group during the year ended December 31, 2018 are set out in consolidated statement of changes in equity in the financial statements.

### RESERVES

Details of movements in the reserves of the Group during the year ended December 31, 2018 are set out in consolidated statement of changes in equity in this annual report, and details of movements in the reserves of the Group during the year ended December 31, 2018 are set out in the consolidated statement of changes in equity in the financial statements.

### DISTRIBUTABLE RESERVES

As at December 31, 2018, the Company's reserves available for distribution, calculated in accordance with the provisions of Companies Law, amounted to approximately RMB6,882.7 million (as at December 31, 2017: RMB6,229.1 million).

### BANK LOAN AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at December 31, 2018 are set out in note 26 to the financial statements in this annual report.

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

### 物業、廠房及設備

本集團於截至2018年12月31日止年度的物業、廠房及設備的變動詳情載於本年報財務報表附註14。

### 已發行股本

本集團於截至2018年12月31日止年度的已發行股本變動詳情載於本年財務報表中的合併權益變動表。

### 儲備

本集團於截至2018年12月31日止年度的儲備變動詳情載於本年報合併權益變動表，而本集團於截至2018年12月31日止年度的儲備變動詳情載於本年財務報表中的合併權益變動表內。

### 可分派儲備

於2018年12月31日，根據公司法條文計算本公司可供分派的儲備約為人民幣6,882.7百萬元（於2017年12月31日：人民幣6,229.1百萬元）。

### 銀行貸款及其他借貸

本集團於2018年12月31日的銀行貸款及其他借貸之詳情載於本年報財務報表附註26。

# Report of Directors

## 董事會報告

### BOARD

The Directors during the year ended December 31, 2018 and up to the date of this report were:

#### Executive Directors:

Mr. Sun Bai (*resigned with effect from January 12, 2018*)

Mr. ZHANG Chun (*appointed as the chairman with effect from January 12, 2018*)

Mr. HAN Xiaojun (*appointed with effect from March 5, 2018*)

Mr. ZHOU Yamin (*appointed with effect from March 5, 2018 and resigned with effect from December 12, 2018*)

#### Non-executive Directors:

Mr. YU Benli

Mr. ZHANG Fusheng

Mr. WANG Zhian (*retired on March 5, 2018*)

#### INEDs:

Mr. LIU Li

Ms. LIU Hongyu

Mr. FANG Yongzhong

Mr. WU Tak Lung

### BOARD OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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

### 董事會

於截至2018年12月31日止年度內及直至本報告日期，董事包括：

#### 執行董事：

孫柏先生（於2018年1月12日辭任  
並即時生效）

張淳先生（於2018年1月12日委任為董事長  
並即時生效）

韓曉軍先生（於2018年3月5日委任  
並即時生效）

周亞民先生（於2018年3月5日委任  
並即時生效，及於2018年12月12日辭任  
並即時生效）

#### 非執行董事：

余本禮先生

張福生先生

王治安先生（於2018年3月5日退任）

#### 獨立非執行董事：

劉力先生

劉紅宇女士

方永忠先生

吳德龍先生

### 董事會、監事及高級管理人員

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

# Report of Directors

## 董事會報告

### CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the INEDs and the Company considers such Directors to be independent for the year ended December 31, 2018.

### SERVICE CONTRACT AND LETTER OF APPOINTMENTS OF DIRECTORS AND SUPERVISORS

As approved at the extraordinary general meeting of the Company on March 5, 2018, (i) Mr. ZHANG Chun has been re-appointed, Mr. HAN Xiaojun and Mr. ZHOU Yamin have been appointed as executive Directors of the third session of the Board, (ii) Mr. YU Benli and Mr. ZHANG Fusheng have been re-appointed as non-executive Directors of the third session of the Board, (iii) Mr. LIU Li, Ms. LIU Hongyu, Mr. FANG Yongzhong and Mr. WU Tak Lung have been re-appointed as INEDs of the third session of the Board, whose term of service commenced on March 5, 2018 until the expiration of the term of the third session of the Board, and (iv) Mr. QUAN Huaqiang and Mr. QIAN Xiangdong have been re-appointed as shareholder representative Supervisors for the third session of the Supervisory Board. Ms. LIU Ting has been appointed as the staff representative Supervisor for the third session of the Supervisory Board on January 12, 2018 and she together with Mr. QUAN Huaqiang and Mr. QIAN Xiangdong formed the third session of the Supervisory Board. Their term of service commenced on March 5, 2018 until the expiration of the term of the third session of the Supervisory Board.

After their appointment, all members of the third session of the Board have entered into service contracts and/or appointment letters with the Company for a term of three years, commencing from March 5, 2018 and ending on March 4, 2021 or on the date when the fourth session of the Board is elected by the Shareholders. The Company shall have power to enter into service contracts and/or appointment letters with the members of the third session of the Supervisory Board.

### 獨立非執行董事的獨立性確認書

本公司已接獲各獨立非執行董事根據上市規則第3.13條的規定作出其符合獨立性之年度確認書，且本公司認為該等董事於截至2018年12月31日止年度內皆為獨立人士。

### 董事及監事的服務合同及委任函

經2018年3月5日本公司舉行的臨時股東大會批准，(i)張淳先生已獲重新委任及韓曉軍先生及周亞民先生已獲委任為第三屆董事會執行董事；(ii)余本禮先生及張福生先生已獲重新委任為第三屆董事會非執行董事；(iii)劉力先生、劉紅宇女士、方永忠先生及吳德龍先生已獲重新委任為第三屆董事會獨立非執行董事，彼等的任期自2018年3月5日起直至第三屆董事會屆滿為止；及(iv)全華強先生及錢向東先生已獲重新委任為第三屆監事會股東代表監事。劉婷女士已於2018年1月12日獲委任為第三屆監事會職工代表監事，彼與全華強先生及錢向東先生組成第三屆監事會。彼等的任期自2018年3月5日起直至第三屆監事會屆滿為止。

彼等獲委任後，第三屆董事會的全體成員已與本公司訂立服務合同及／或委任函，任期為三年，自2018年3月5日起，至2021年3月4日或股東選出第四屆董事會之日止。本公司有權與第三屆監事會成員訂立服務合同及／或委任函。

For the year ended December 31, 2018, none of the Directors or Supervisors had entered or proposed to enter into a service contract and/or appointment letter with any member of the Group which will not expire or is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

### DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No Director or Supervisor or their connected entities had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or its holding company or any of its subsidiaries or fellow subsidiaries was a party subsisted at the end of the year or at any time during the year ended December 31, 2018.

### CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed under the sections headed "Connected Transactions" and "Continuing Connected Transactions", there has been no contract of significance (whether for the provision of services to the Company or not) between the Company or any of its subsidiaries and controlling shareholders (as defined in the Listing Rules) of the Company or any of its subsidiaries during the year ended December 31, 2018.

### MANAGEMENT CONTRACTS

No contracts (except for the executive Directors' service contracts) concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended December 31, 2018.

截至2018年12月31日止年度，概無董事及監事與本集團任何成員公司訂立或擬訂立於一年後屆滿或本公司不得在一年內毋須作出賠償（法定賠償除外）而可終止的任何服務合同及／或委任函。

### 董事及監事於重大合約之權益

截至2018年12月31日止年度，各董事及監事或其關連實體概無於本公司或其控股公司或其任何附屬公司或同系附屬公司所訂立、對本集團業務而言屬重大且於本年末或任何時間仍然存續的任何合約中直接或間接擁有重大權益。

### 控股股東於重大合約之權益

截至2018年12月31日止年度，除「關連交易」及「持續關連交易」兩節所披露者外，本公司或任何其附屬公司以及本公司或任何其附屬公司之控股股東（定義見上市規則）概無重大合約（不論是否為本公司提供服務）。

### 管理合約

截至2018年12月31日止年度，概無就本公司整體業務或其任何主要部分的管理及行政訂立或訂有任何合約（惟執行董事服務合約除外）。



# Report of Directors

## 董事會報告

### EMOLUMENT POLICY

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

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

### REMUNERATION OF DIRECTORS, SUPERVISORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

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

### CHANGES TO INFORMATION IN RESPECT OF DIRECTORS DURING THE YEAR

Pursuant to Rules 13.51(B) of the Listing Rules, the change to Directors', Supervisors' or senior management's information subsequent to the date of the 2018 interim report of the Company and up to the date of this report are set out below:

On December 6, 2018, Mr. ZHANG Chun, the Chairman and an executive Director, has been ceased as the Deputy Secretary of the Party Committee of the Company; and has been serving as the Secretary of the Party Committee of the Company on the same day. Since January 2019, Mr. ZHANG has been ceased as the chairman of CNEEC.

Since December 2018, Mr. YU Benli, a non-executive Director, has been ceased as the chairman of China Perfect Machinery Industry Corp., Ltd. (中國浦發機械工業股份有限公司), a subsidiary of SINOMACH.

### 薪酬政策

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

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

### 董事、監事及五位最高薪酬人士的薪酬

有關董事、監事及五位最高薪酬人士的薪酬詳情載於本年報財務報表附註8及9。

### 本年度內董事資料變動

根據《上市規則》第13.51(B)條，於本公司2018年中期報告日期後及直至本報告日期為止之董事、監事及高級管理人員資料變更載列如下：

於2018年12月6日，董事長兼執行董事張淳先生不再擔任公司黨委副書記，並於同日起擔任公司黨委書記。於2019年1月起，張先生不再擔任中電工董事長。

於2018年12月起，非執行董事余本禮先生不再擔任中國浦發機械工業股份有限公司（國機的附屬公司）董事長。

# Report of Directors

## 董事會報告

Since December 2018, Mr. ZHANG Fusheng, a non-executive Director, has been ceased as the chairman of China National Machinery Industry International Co., Ltd. (中國機械國際合作股份有限公司), a subsidiary of SINOMACH and a director of Beijing Xianglong Assets Management Co., Ltd. (北京祥龍資產經營有限責任公司).

On December 12, 2018, due to job arrangements, Mr. ZHOU Yamin has been resigned as an executive Director, the President and ceased as a member of the Operation and Risk Management Committee.

On December 12, 2018, Mr. HAN Xiaojun, an executive Director, has been appointed as the acting President following the resignation of Mr. ZHOU Yamin as the President. Mr. HAN has been appointed as a member of the Operation and Risk Management Committee and ceased as the Vice Chairman following the appointment as the President on December 21, 2018.

On October 29, 2018, Mr. WU Tak Lung, an INED, has been resigned as an independent non-executive director of First Tractor Company Limited (第一拖拉機股份有限公司), a company listed on both the Main Board of the Stock Exchange (stock code: 00038) and the Shanghai Stock Exchange (stock code: 601038).

Since October 2018, Mr. QUAN Huaqiang, a Shareholder representative Supervisor and the chairman of the Supervisory Board, has been serving as vice chief account of SINOMACH.

Since February 2019, Mr. QIAN Xiangdong, a Shareholder representative Supervisor, has been ceased as a director, vice chairman and chief financial officer of China United; and has been serving as a director and the deputy secretary of the Party Committee of Hi-Tech Group Corporation (中國恒天集團有限公司).

於2018年12月起，非執行董事張福生先生不再擔任中國機械國際合作股份有限公司（國機的附屬公司）董事長及北京祥龍資產經營有限責任公司董事。

於2018年12月12日，周亞民先生因工作調動辭任執行董事、總裁及不再擔任經營與風險管理委員會成員。

於2018年12月12日，執行董事韓曉軍先生續周亞民先生辭任總裁獲委任為代理總裁。於2018年12月21日，韓先生獲委任為經營與風險管理委員會成員，並於獲委任為總裁後不再擔任副董事長。

於2018年10月29日，獨立非執行董事吳德龍先生退任第一拖拉機股份有限公司獨立非執行董事（同時在聯交所主板（股份代號：00038）及上海證券交易所（股票代碼：601038）上市的公司）。

於2018年10月起，股東代表監事兼監事會主席全華強先生擔任國機集團副總會計師。

於2019年2月起，股東代表監事錢向東先生不再擔任中國聯合的董事、副董事長及財務總監；擔任中國恒天集團有限公司董事及黨委副書記。

# Report of Directors

## 董事會報告

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

As at December 31, 2018, none of the Directors, Supervisors or members of the senior management of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which would have to be notified to the Company and the Stock Exchange pursuant to divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

### DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

No time during the year ended December 31, 2018 were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director, Supervisor or their respective spouse or children under 18 years of age, or were any such rights exercised by them; nor was the Company, its holding company and any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors, the Supervisors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

### 董事、監事及高級管理人員於股份、相關股份及債券的權益、淡倉及購股權

於2018年12月31日，概無本公司董事、監事或高級管理人員於本公司或其相關法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的權益或淡倉（包括彼等根據證券及期貨條例的該等條文被當做或被視為擁有的權益或淡倉），或按證券及期貨條例第352條記載於本公司於該條所指的登記冊內的權益或淡倉，或根據《標準守則》須知會本公司及聯交所的權益或淡倉。

### 董事及監事購買股份或債券的權利

截至2018年12月31日止年度期間，概無授予任何董事、監事或彼等各自的配偶或未滿18歲的子女通過購入本公司股份或債券的方式而獲益的權利，或由彼等行使任何該等權利；亦無由本公司、其控股公司或其任何附屬公司或同系附屬公司作出安排以令董事、監事，或彼等各自的配偶或未滿18歲的子女於任何其他法人團體獲得該等權利。

# Report of Directors

## 董事會報告

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

As at December 31, 2018, so far as it was known by or otherwise notified to any Directors or the chief executive of the Company, the particulars of the corporations or persons (other than a Director, Supervisor or chief executive of the Company) which had 5% or more interests and short positions in the Shares and the underlying Shares as recorded in the register kept under section 336 of the SFO were as follows:

### 主要股東及其他人士於股份及相關股份的權益及淡倉

於2018年12月31日，據任何董事或本公司最高行政人員所知或以其他方式獲知會，根據證券及期貨條例第336條存置的登記冊所記錄擁有股份及相關股份5%或以上權益及淡倉的法團或人士（董事、監事或本公司最高行政人員除外）詳情如下：

#### Long positions and Short positions in the Shares

#### 股份的好倉及淡倉

Name of Shareholders	Class of Shares	Capacity/ Nature of Interest	Number of Issued Shares/ Underlying Shares Held	Total	Approximate	Approximate
					Percentage of Shareholding in the Relevant Class of Shares (Note 1)	Percentage of Shareholding in the Total Shares (Note 1)
股東名稱	股份類別	身份／權益性質	所持已發行股份／ 相關股份數目	總數	佔有關股份類別 股權概約百分比 (附註1)	佔股份總數股 權概約百分比 (附註1)
SINOMACH	Domestic Shares	Interests of beneficial owner/ Personal interests	3,185,260,000 (Note 2) (Long position)	3,217,430,000	100%	77.99%
國機	內資股	實益擁有人權益／個人權益	3,185,260,000 (附註2) (好倉)			
		Interests of controlled corporation/ Corporate interests 受控法團權益／法團權益	32,170,000 (Note 2) (Long position) 32,170,000 (附註2) (好倉)			

# Report of Directors

## 董事會報告

Name of Shareholders	Class of Shares	Capacity/ Nature of Interest	Number of Issued Shares/ Underlying Shares Held	Total	Approximate Percentage of Shareholding in the Relevant Class of Shares (Note 1) 佔有關股份類別 股權概約百分比 (附註1)	Approximate Percentage of Shareholding in the Total Shares (Note 1) 佔股份總數股 權概約百分比 (附註1)
股東名稱	股份類別	身份／權益性質	所持已發行股份／ 相關股份數目	總數		
SSF	H Shares	Interests of beneficial owner/ Personal interests	81,352,000 (Long position)	81,352,000	8.96%	1.97%
社保基金理事會	H股	實益擁有人權益／個人權益	81,352,000 (好倉)			
Value Partners Group Limited	H Shares	Interests of controlled corporation/ Corporate interests	63,132,000 (Note 3) (Long position)	63,132,000	6.95%	1.53%
惠理集團有限公司	H股	受控法團權益／法團權益	63,132,000 (附註3) (好倉)			
LSV Asset Management	H Shares	Investment manager/ Other interests	40,670,000 (Long position)	54,674,000	6.02%	1.32%
	H股	投資經理／其他權益	40,670,000 (好倉)			
		Interests of controlled corporation/ Corporate interests	14,004,000 (Note 4) (Long position)			
		受控法團權益／法團權益	14,004,000 (附註4) (好倉)			
Value Partners High-Dividend Stocks Fund	H Shares	Beneficial owner/ Personal interests	47,390,000 (Long position)	47,390,000	5.21%	1.15%
惠理高息股票基金	H股	實益擁有人／個人權益	47,390,000 (好倉)			

# Report of Directors

## 董事會報告

Name of Shareholders	Class of Shares	Capacity/ Nature of Interest	Number of Issued Shares/ Underlying Shares Held	Total	Approximate	Approximate
					Percentage of Shareholding in the Relevant Class of Shares (Note 1)	Percentage of Shareholding in the Total Shares (Note 1)
股東名稱	股份類別	身份／權益性質	所持已發行股份／ 相關股份數目	總數	佔有關股份類別 股權概約百分比 (附註1)	佔股份總數股 權概約百分比 (附註1)
Wellington Management Group LLP	H Shares	Investment manager/ Other interest	46,348,835 (Long position) (Note 5)	46,348,835	5.10%	1.12%
	H股	投資經理／其他權益	46,348,835 (好倉) (附註5)			
Grantham, Mayo, Van Otterloo & Co. LLC	H Shares	Investment manager/ Other interest	45,578,300 (Long position)	45,578,300	5.01%	1.10%
	H股	投資經理／其他權益	45,578,300 (好倉)			
GIC Private Limited 新加坡政府投資公司	H Shares	Investment manager/ Other interest	45,454,000 (Long position)	45,454,000	5.00%	1.10%
	H股	投資經理／其他權益	45,454,000 (好倉)			

Notes:

- (1) This percentage is calculated on the basis of the number of underlying Shares/total Shares that had been issued by the Company as of December 31, 2018.
- (2) SINOMACH was beneficially interested in 3,185,260,000 Domestic Shares, representing approximately 77.21% of our total share capital. China United was beneficially interested in 32,170,000 Domestic Shares, representing approximately 0.78% of our total share capital. Since China United is a wholly-owned subsidiary of SINOMACH, SINOMACH is, therefore, deemed to be interested in the Domestic Shares held by China United.

附註：

- (1) 該百分比乃以本公司截至2018年12月31日已發行的相關股份數目／股份總數計算。
- (2) 國機於3,185,260,000股內資股中實益擁有權益，佔我們總股本約77.21%。中國聯合於32,170,000股內資股中實益擁有權益，佔我們總股本約0.78%。由於中國聯合為國機的全資附屬公司，因此，國機被視為於中國聯合所持內資股中擁有權益。

# Report of Directors

## 董事會報告

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

- (3) The 63,132,000 Shares as referred to in note 3 above.

Value Partners Group Limited has 100% interest over Value Partners Hong Kong Limited. Value Partners Hong Kong Limited has 100% interest over Value Partners Limited.

- (4) The 14,004,000 Shares as referred in note 4 above.

Among these 14,004,000 Shares, 11,972,000 Shares were held by LSV Emerging Markets Equity Fund, LP and 2,032,000 Shares were held by LSV Emerging Markets Small Cap Equity Fund, LP, both are a general partner of LSV Asset Management. Accordingly, LSV Asset Management is deemed to be interested in all the Shares in which LSV Emerging Markets Equity Fund, LP and LSV Emerging Markets Small Cap Equity Fund, LP are interested.

- (5) The 46,348,835 Shares are referred in note 5 above.

Among these 46,348,835 Shares, 15,281,630 Shares were held by Wellington Management International Ltd., an indirect non-wholly-owned subsidiary of Wellington Management Group LLP and 31,067,205 Shares were held by Wellington Management Company LLP, an indirect non-wholly-owned subsidiary of Wellington Management Group LLP. Accordingly, Wellington Management Group LLP is deemed to be interested in 46,348,835 Shares.

Save as disclosed above, and as at December 31, 2018, the Directors were not aware of any persons (who were not Directors, Supervisors or the chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed under divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to section 336 of the SFO, to be entered in the register referred to therein.

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

- (3) 上文附註3所述的63,132,000股股份。

惠理集團有限公司擁有惠理基金管理香港有限公司全部權益，惠理基金管理香港有限公司擁有惠理基金管理公司全部權益。

- (4) 上文附註4所述的14,004,000股股份。

該等14,004,000股股份之中，11,972,000股股份由LSV Emerging Markets Equity Fund, LP持有，而2,032,000股股份則由LSV Emerging Markets Small Cap Equity Fund, LP持有，兩者均為LSV Asset Management之一般合夥人。因此，LSV Asset Management被視為於LSV Emerging Markets Equity Fund, LP及LSV Emerging Markets Small Cap Equity Fund, LP擁有之所有股份中擁有權益。

- (5) 上文附註5所述的46,348,835股股份。

該等46,348,835股股份之中，15,281,630股股份由Wellington Management Group LLP之間接非全資附屬公司Wellington Management International Ltd.持有，而31,067,205股股份則由Wellington Management Group LLP之間接非全資附屬公司Wellington Management Company LLP持有。因此，Wellington Management Group LLP被視為於46,348,835股份中擁有權益。

除上文披露者外，及截至2018年12月31日，董事並不知悉任何人士（並非董事、監事或本公司主要行政人員）於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部規定須予披露的權益或淡倉，或須根據證券及期貨條例第336條登記於該條所述的股東名冊的權益或淡倉。

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended December 31, 2018, the Company did not redeem any of its H Shares listed on the Stock Exchange nor did the Company or any of its subsidiaries purchase or sell any of such shares.

### PRE-EMPTIVE RIGHTS

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

### NON-COMPETITION UNDERTAKING

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

### 購買、出售或贖回上市證券

於截至2018年12月31日止年度，本公司並無贖回其於聯交所上市之任何H股，而本公司或其任何附屬公司亦無購買或出售任何該等股份。

### 優先認股權

章程或公司法概無條文規定本公司須向現有股東按比例提呈發售新股的優先認股權。

### 避免同業競爭承諾

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



# Report of Directors

## 董事會報告

SINOMACH has confirmed in writing to the Company of its compliance with the Non-competition Agreement for disclosure in this annual report during the year ended December 31, 2018. Furthermore, as contemplated in the Non-competition Agreement, SINOMACH shall transfer all its equity interest in CNCEC, CNEEC and China National Automation Control System Corporation (“CACS”) to the Company within three years after the Listing. The acquisition of the entire equity interests of CNCEC by the Company was completed on May 23, 2016. The Company and SINOMACH entered into an agreement on November 24, 2017 to acquire the entire equity interests of CNEEC by the Company. The acquisition of the entire equity interests of CNEEC by the Company was completed on April 4, 2018. The acquisition of the equity interest in CACS by the Company is currently expected to be delayed. Please refer to the announcement and circular both published on February 5, 2016 and November 24, 2017 and the announcements published on May 23, 2016, January 12, 2018 and April 9, 2018 on the respective websites of the Stock Exchange and the Company for further details.

### DIRECTORS' AND SUPERVISORS' INTEREST IN COMPETING BUSINESS

As at December 31, 2018, none of the Directors, the Supervisors or their respective close associates had engaged in or had any interest in any business which competes or may compete with the businesses of the Group.

### RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken in the ordinary course of business by the Group during the year ended December 31, 2018 are set out in note 39 to the financial statements in this annual report. Save as disclosed in aforesaid note 39 and in the paragraph headed “Connected Transactions” below, none of the related party transactions as disclosed constituted disclosable non-exempted connected transaction or non-exempted continuing connected transaction under the Listing Rules and the Company had complied with the relevant requirements of Chapter 14A of the Listing Rules during the year ended December 31, 2018.

截至2018年12月31日止年度，國機已以書面形式向本公司確認，其已就避免同業競爭協議的遵守情況於本年報中作出披露。此外，根據避免同業競爭協議，國機應於上市後三年內向本公司轉讓其於中成套、中電工及中國自動化控制系統總公司（「中國自控」）的全部股權。本公司於2016年5月23日完成收購中成套的全部股權。本公司於2017年11月24日與國機訂立了一份收購中電工全部股權的協議。本公司於2018年4月4日完成收購中電工全部股權。目前預計本公司會延遲收購中國自控的股權。詳情請參閱在聯交所網站及本公司網站分別刊發的2016年2月5日及2017年11月24日的公告及通函以及2016年5月23日、2018年1月12日及2018年4月9日的公告。

### 董事及監事於競爭性業務中的權益

於2018年12月31日，概無董事、監事或彼等各自的緊密聯繫人從事或於任何與本集團業務形成競爭或可能形成競爭的業務中擁有權益。

### 關聯方交易

截至2018年12月31日止年度，於本集團日常業務過程進行之關聯方交易之詳情載於本年報財務報表附註39。除上述附註39以及下文「關連交易」一段所披露者外，截至2018年12月31日止年度，概無已披露之關聯方交易構成《上市規則》須予披露不獲豁免關連交易或不獲豁免持續關連交易，而本公司已遵守《上市規則》第14A章之相關規定。

## CONNECTED TRANSACTIONS

### I. Connected Transactions

#### 1. Acquisition of 100% equity interest in CNEEC

On November 24, 2017, the Company and SINOMACH, our controlling shareholder, 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 RMB1,980,031,000 (equivalent to approximately HK\$2,349,766,807), subject to the terms and conditions of the acquisition agreement (the “**Acquisition**”). The acquisition of the entire equity interests of CNEEC by the Company was completed on April 4, 2018. 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 enable 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 market position of the Company’s engineering contracting business in traditional areas by consolidating concerted efforts, and developed business in a larger scale and with stepped up efforts to enter 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. Details for the transaction are set out on the Company’s announcements made on November 24, 2017, January 12, 2018 and April 9, 2018, respectively, on the respective websites of the Stock Exchange and the Company.

## 關連交易

### I. 關連交易

#### 1. 收購中電工100%股權

於2017年11月24日，本公司與國機（即本公司控股股東）訂立收購協議，據此，在該協議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）收購且國機已同意出售中電工的全部股權（「**收購事項**」）。本公司於2018年4月4日完成收購中電工全部股權。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。收購事項令本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，進一步提升本公司於設計、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。收購事項亦通過鞏固合作夥伴關係鞏固本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。交易詳情載於本公司分別在聯交所網站及本公司網站刊發的2017年11月24日、2018年1月12日及2018年4月9日的公告。

# Report of Directors

## 董事會報告

### 2. Investment in relation to the Formation of Henan Pingmei Shenma Far East Chemical Co., Ltd. (“Henan Pingmei”)

On November 26, 2018, the Company, China Pingmei Shenma Energy Chemical Group Limited Liability Company (“**Pingmei**”) and China Machinery Industry International Cooperation Co., Ltd., who was indirectly wholly owned by our controlling shareholder, SINOMACH, entered into an investment agreement for the establishment of Henan Pingmei. Henan Pingmei had a total registered capital of RMB450,000,000. The Company made a capital contribution of RMB67,500,000 and held 15% of the equity interest of Henan Pingmei. The establishment of Henan Pingmei aims to jointly promote technical exchanges in the early stage of chemical projects of “the Belt and Road” areas. This cooperation arrangement is consistent with the strategic layout of the “Belt and Road”, is consistent with the core principal business and development strategies of the Company, is the first cooperation of the Company with a large state-owned enterprise in coal chemicals for joint development of an overseas chemical project. Being the largest local state-owned enterprise in Henan Province, Pingmei has technological and capital advantages in the chemical industry, which are helpful in the development of chemical industry projects by the Company, it is favourable for inducing complementary advantages. Details for the transaction are set out on the Company’s announcements made on December 21, 2018 and December 27, 2018, respectively, on the respective websites of the Stock Exchange and the Company.

### 2. 投資參股成立河南平煤神馬遠東化工有限公司（「河南平煤」）

於2018年11月26日，本公司、中國平煤神馬能源化工集團有限責任公司（「平煤」）及由本公司的控股股東國機間接全資擁有的中國機械工業國際合作公司就成立河南平煤訂立投資協議。河南平煤之總註冊資本為人民幣450,000,000元，本公司出資人民幣67,500,000元，持有河南平煤的15%股權。成立河南平煤目的在於共同推進在「一帶一路」地區化工項目的前期技術交流。此項主要合作安排符合國家「一帶一路」的戰略佈局，符合本公司核心主營業務和發展戰略，是本公司首次聯合煤化工大型國有企業，合作開發境外化工項目。作為河南省最大的地方國有企業，平煤擁有化工行業的技術和資金優勢，有利於本公司開發化工行業項目，有利於各方優勢互補。交易詳情載於本公司分別在聯交所網站及本公司網站刊發的2018年12月21日和2018年12月27日的公告。

### II. Continuing Connected Transactions

The connected transactions of the Company are also related party transactions, which are disclosed in note 39 to the financial statements in accordance with International Accounting Standard 24 “Related Party Disclosure”.

The table below set out the annual caps and the actual transaction amount of such connected transactions for 2018:

### II. 持續關連交易

亦屬關聯方交易之本公司關連交易已根據國際會計準則第24號「關聯方披露」於財務報表的附註39披露。

下表載列該等關連交易於2018年的年度上限及實際交易金額：

Connected Transactions	Connected Person	Annual cap	Actual
		for 2018	Transaction
		(RMB million)	Amount for
		(Note (f))	2018
關連交易	關連人士	2018年的	2018年的
		年度上限	實際交易金額
		(人民幣百萬元)	(人民幣百萬元)
		(附註(f))	
1. Provision of engineering services and products by our Group to SINOMACH Group 本集團向國機集團提供工程服務及產品	China National Machinery Industry Corporation 中國機械工業集團有限公司	3,900.0	1,263.8
	China Machinery Engineering & Construction Corporation 中國機械工業機械工程有限公司		
	China Machinery Industry International Cooperation Co., Ltd. 中國機械工業國際合作有限公司		
	China Erzhong Group (Deyang) Heavy Industries Co., Ltd. 二重集團(德陽)重型裝備股份有限公司		
	The First Construction of China Mechanical Industry Co., Ltd. 中國機械工業第一建設有限公司		
	First Tractor Company Limited 第一拖拉機股份有限公司		
	CMEC International Exhibition Co., Ltd. 西麥克國際展覽有限責任公司		
	SINOMACH Intelligence Technology Co., Ltd 國機智能科技有限公司		

# Report of Directors

## 董事會報告

Connected Transactions	Connected Person	Annual cap for 2018 (RMB million) <i>(Note (i))</i>	Actual Transaction Amount for 2018 (RMB million)
關連交易	關連人士	2018年的 年度上限 (人民幣百萬元) <i>(附註(i))</i>	2018年的 實際交易金額 (人民幣百萬元)
	Jiangsu SUMEC Machinery & Electric Technology Co., Ltd 江蘇蘇美達機電科技有限公司		
	China Engineering and Agriculture Machinery Import and Export Co., Ltd 中國工程與農業機械進出口有限公司		
	Tianjin Tianchuan New Energy & Electric Co., Ltd 天津天傳新能源電氣有限公司		
2. Receipt of engineering services and products from SINOMACH Group by our Group 本集團接受國機集團的工程服務及產品	China Machinery Industry Construction Group INC. 中國機械工業建設集團有限公司	2,500.0	141.1
	Harbin Power System Engineering and Research Institute Co., Ltd. 哈爾濱電站設備成套設計研究所有限公司		
	China Construction Machinery Co., Ltd. 中工工程機械成套有限公司		
	Changzhou Jiangnan Environmental Engineering Co., Ltd. 常州江南環境工程有限公司		
	CMCU Engineering Construction General Bureau 中機中聯工程有限公司		
	China Ocean Aviation Group Limited 中國海洋航空集團有限公司		
	China Machinery TIDI Geotechnical Engineering Co., Ltd 中機三勘岩土工程有限公司		
	Tianjin Wuyue Construction Supervision Co., Ltd 天津五岳工程建設監理有限公司		
	Tianjin Research Institute of Electric Science Co., Ltd 天津電氣科學研究院有限公司		

# Report of Directors

## 董事會報告

Connected Transactions	Connected Person	Annual cap for 2018 (RMB million)	Actual Transaction Amount for 2018 (RMB million)
關連交易	關連人士	(Note (f)) 2018年的 年度上限 (人民幣百萬元) (附註(f))	2018年的 實際交易金額 (人民幣百萬元)
	CMEC International Exhibition Co., Ltd. 西麥克國際展覽有限責任公司		
	China National General Machinery Engineering Corporation 中國通用機械工程有限公司		
	Shanghai Sino-Perfect Co., Ltd. 上海中浦供銷有限公司		
	Zhejiang Xin'an Engineering Consultation Co., Ltd 浙江信安工程諮詢有限公司		
	China Erzhong Group (Deyang) Precision Transmission Equipment Co., Ltd 二重集團(德陽)精衛傳動設備有限公司		
	China Machine-Building International Corporation 中國機械對外經濟技術合作有限公司		
	Sinomach Finance Co., Ltd. 國機財務有限責任公司		
	China Erzhong Group (Chengdu) Engineering Technology Co. Ltd. 二重集團(成都)工程技術有限責任公司		
	Guangzhou Kinte Industrial Co., Ltd. 廣州擎天實業有限公司		
	China SINOMACH Heavy Industry Corporation 中國國機重工集團有限公司		
	CACS Automation Engineering Limited 中國自控自動化技術有限公司		
	Shenyang Academy of Instrumentation Science Co., Ltd. 瀋陽儀表科學研究院有限公司		

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## 董事會報告

Connected Transactions	Connected Person	Annual cap for 2018 (RMB million) (Note (i))	Actual Transaction Amount for 2018 (RMB million)
關連交易	關連人士	2018年的 年度上限 (人民幣百萬元) (附註(i))	2018年的 實際交易金額 (人民幣百萬元)
	Beijing Materials Handling Research Institute Co., Ltd 北京起重運輸機械設計研究院有限公司		
	China Sea International Travel Service Co., Ltd. 中海國際旅行社有限公司		
	China Engineering and Agriculture Machinery Import and Export Co., Ltd 中國工程與農業機械進出口有限公司		
	Tianjin Tianchuan New Energy & Electric Co., Ltd 天津天傳新能源電氣有限公司		
3. Trading procurement by our Group from SINOMACH Group 本集團向國機集團進行貿易採購	N/A 不適用	800.0	-
4. Sales of trading products by our Group to SINOMACH Group 本集團向國機集團銷售貿易產品	N/A 不適用	200.0	-
5. Receipt of integrated services by the Group to SINOMACH Group 本集團接受國機集團綜合服務	N/A 不適用	500.0	-
6. Provision of integrated services by our Group to SINOMACH Group 本集團向國機集團提供綜合服務	China SINOMACH Heavy Industry Corporation 中國國機重工集團有限公司	500.0	125.0
	China Machinery Industry Construction Group INC. 中國機械工業建設集團有限公司		
	China United Engineering Corporation 中國聯合工程有限公司		
	China IPPR International Engineering Co., Ltd. 中國中元國際工程有限公司		
	Cambodia Tatay Hydropower Co., Ltd. 柬埔寨達岱水電有限公司		

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## 董事會報告

Connected Transactions	Connected Person	Annual cap for 2018 (RMB million)	Actual Transaction Amount for 2018 (RMB million)
		(Note (i))	
關連交易	關連人士	2018年的 年度上限 (人民幣百萬元)	2018年的 實際交易金額 (人民幣百萬元)
		(附註(i))	
	China Machine-Building International Corporation 中國機械對外經濟技術合作有限公司		
	CMCU Engineering Construction General Bureau 中機中聯工程有限公司		
	SIPPR Engineering Group Co., Ltd. 機械工業第六設計研究院有限公司		
	Zhejiang Tianyun Construction and Design Co., Ltd 浙江天韻建築設計有限公司		
	China National Machinery Industry International Co., Ltd 中國機械國際合作有限公司		
	Automotive Engineering Corporation 中國汽車工業工程有限公司		
	CMEC International Exhibition Co., Ltd. 西麥克國際展覽有限責任公司		
	Shanxi Hualong Construction Group Co., Ltd 陝西華龍建工集團有限公司		
	China CAMC Engineering Co., Ltd. 中工國際工程股份有限公司		
	China Construction Machinery Co., Ltd. 中工工程機械成套有限公司		
	The Fourth Construction of China Machinery Industry Co., Ltd 中國機械工業第四建設工程有限公司		
	Changsha Qidian Automotive Products Co., Ltd 長沙汽電汽車零部件有限公司		



# Report of Directors

## 董事會報告

Connected Transactions	Connected Person	Annual cap for 2018 (RMB million) <i>(Note (i))</i>	Actual Transaction Amount for 2018 (RMB million)
關連交易	關連人士	2018年的 年度上限 (人民幣百萬元) <i>(附註(i))</i>	2018年的 實際交易金額 (人民幣百萬元)
	China Machinery Industry Fifth Construction Corp 中國機械工業第五建設有限公司		
	China Ocean Aviation Group Limited 中國海洋航空集團有限公司		
	Machinery & Electrical Industry Shanghai Joint-Sales Corp. 機電工業上海聯銷有限公司		
7. Financing services to our Group from SINOMACH Group 國機集團向本集團提供金融服務	Sinomach Finance Co., Ltd 國機財務有限責任公司		
(1) deposit services 存款服務		3,900.0	3,881.5
(2) General loan services 一般貸款服務		No annual cap 無上限	-
(3) General financial services 一般金融服務		25.0	-

Notes:

- (i) The annual cap is disclosed in the announcement and circular of the Company dated October 19, 2017 and November 8, 2017, respectively and such new annual cap was approved by Shareholders at the 2017 first extraordinary general meeting of the Company on December 5, 2017 (the “**2017 First EGM**”)
- (ii) The actual transaction amount represents the highest daily deposit balance plus accrued interest.

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

2018 provision of engineering services and products agreement (the “**2018 Provision of Engineering Services and Products Agreement**”) was entered into on October 19, 2017 by and between the Company and SINOMACH to provide engineering services and products, including but not limited to, undertaking turnkey project and provision of general contracting services in the power sector and procurement services and products to SINOMACH Group for the engineering contracting projects undertaken by SINOMACH Group, in particular those engineering contracting projects subcontracted to our Group by SINOMACH Group, details of which were disclosed in the Company’s announcement and circular published on October 19 and November 8, 2017, respectively. 2018 Provision of Engineering Services and Products Agreement and the proposed annual caps for the years ended December 31, 2018, 2019 and 2020 for the continuing connected transactions contemplated thereunder have been approved by the 2017 First EGM.

附註：

- (i) 年度上限已於本公司日期分別為2017年10月19日的公告及2017年11月8日通函內披露，該新年度上限已獲股東於2017年12月5日本公司舉行的2017年第一次臨時股東大會（「**2017年第一次臨時股東大會**」）批准。
- (ii) 實際交易金額代表每日最高存款結餘與應計利息之和。

### 1. 本集團向國機集團提供工程服務及產品

2018提供工程服務和產品框架協議（「**2018提供工程服務和產品框架協議**」）已由本公司與國機於2017年10月19日訂立。據此，本集團就國機集團所承接的工程承包項目，尤其是國機集團分包予本集團的工程承包項目，向國機集團提供工程服務及產品，包括（但不限於）承接交鑰匙項目、提供電力能源行業的總承包服務以及採購服務及產品，有關詳情於本公司分別於2017年10月19日及11月8日刊登的公告及通函內披露。2018年提供工程服務和產品框架協議及其項下擬進行的持續關連交易於截至2018年、2019年及2020年12月31日止年度之建議年度上限已獲2017年第一次臨時股東大會批准。

# Report of Directors

## 董事會報告

2018 Provision of Engineering Services and Products Agreement is able to increase the revenue and profits of the International Engineering Contracting Business and to expand the Group's market share in the international engineering contracting market. In particular, it is able to allow us to participate in certain large-scale engineering contracting projects undertaken by SINOMACH Group. Most of the engineering contracting projects subcontracted to the Group by SINOMACH Group are large-scale projects which last for a few years. The relationship between the Group and SINOMACH Group has been mutually beneficial, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Please refer to relevant disclosure below for principal terms and conditions of 2018 Provision of Engineering Services and Products Agreement.

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

During the reporting period, the annual cap of this continuing connected transaction for 2018 was RMB3,900.0 million and the actual transaction amount was RMB1,263.8 million.

2018提供工程服務和產品框架協議可增加國際工程承包業務的收入及盈利，並擴大本集團於國際工程承包市場的市場份額。尤其是，該框架協議讓我們可以參與由國機集團承接的某些大型工程承包項目，該等項目一直由國機集團負責。國機集團分包予本集團的工程承包項目大部分為歷時數年的大型項目。本集團與國機集團一直維持的互利、公平、合理關係符合本公司及股東整體利益。

有關2018提供工程服務和產品框架協議的主要條款及條件，請參見下文相關披露。

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

於報告期內，本持續關連交易於2018年的年度上限為人民幣3,900.0百萬元，而實際交易金額則為人民幣1,263.8百萬元。

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

2018 receipt of engineering services and products agreement (the “**2018 Receipt of Engineering Services and Products Agreement**”) was entered into on October 19, 2017 by and between the Company and SINOMACH to receive engineering services and products from SINOMACH Group, including but not limited to, design, installation, construction, building, subcontracting and procurement services and products relating to its engineering contracting projects, details of which were disclosed in the Company’s announcement and circular published on October 19 and November 8, 2017, respectively. 2018 Receipt of Engineering Services and Products Agreement and the proposed annual caps for the years ending December 31, 2018, 2019 and 2020 for the continuing connected transactions contemplated thereunder have been approved by the 2017 First EGM.

The 2018 Receipt of Engineering Services and Products Agreement is able to allow the Group to subcontract part of our construction works in line with the common practice of participants in the international engineering contracting market. In view of the fact that SINOMACH Group is a well-established participant with good reputation within the international engineering contracting market which possesses strong capacity and experience in the manufacturing, design, research and development of various engineering products, the Group has preference in sourcing relevant engineering services and products from SINOMACH Group to gain benefits from such technical strengths of them.

Please refer to relevant disclosure below for principal terms and conditions of the 2018 Receipt of Engineering Services and Products Agreement.

### 2. 本集團接受國機集團提供的工程服務及產品

2018接受工程服務和產品框架協議（「**2018接受工程服務和產品框架協議**」）已由本公司與國機於2017年10月19日訂立。據此，本集團接受國機集團提供的工程服務及產品，包括（但不限於）與其工程承包項目有關的設計、安裝、施工、建設、分包及採購服務及產品，有關詳情於本公司分別於2017年10月19日及11月8日刊登的公告及通函內披露。2018接受工程服務和產品框架協議及其項下擬進行的持續關連交易於截至2018年、2019年及2020年12月31日止年度之建議年度上限已獲2017年第一次臨時股東大會批准。

2018接受工程服務和產品框架協議使本集團可分包部分建築工程，此乃與國際工程承包市場參與者的慣常做法相符。鑒於國機集團在國際工程承包市場營運成熟且聲名顯赫，不僅擁有突出的能力，而且在各類工程產品的製造、設計、研發方面亦累積豐富經驗，本集團優先向國機集團採購相關工程服務及產品，以從其技術優勢獲益。

有關2018接受工程服務和產品框架協議的主要條款及條件，請參見下文相關披露。

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

During the reporting period, the annual cap of this continuing connected transaction for 2018 was RMB2,500.0 million and the actual transaction amount was RMB141.1 million.

### 3. Trading procurement by our Group from SINOMACH Group

2018 trading procurement agreement (the “**2018 Trading Procurement Agreement**”) was entered into on October 19, 2017 by and between the Company and SINOMACH to source various trading products from SINOMACH Group to support our Trading Business, which consist of, but not limited to, agriculture machinery and equipment, agriculture transportation vehicles, logging equipment and mining equipment, details of which were disclosed in the Company’s announcement published on October 19, 2017.

In the view of the strong manufacturing capacity of SINOMACH Group, the 2018 Trading Procurement Agreement is able to facilitate the Trading Business.

Please refer to relevant disclosure below for principal terms and conditions of the 2018 Trading Procurement Agreement.

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

During the reporting period, the annual cap of this continuing connected transaction for 2018 was RMB800.0 million and the actual transaction amount was RMB nil.

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

於報告期內，本持續關連交易於2018年的年度上限為人民幣2,500.0百萬元，而實際交易金額則為人民幣141.1百萬元。

### 3. 本集團向國機集團進行貿易採購

2018貿易採購框架協議（「**2018貿易採購框架協議**」）已由本公司與國機於2017年10月19日訂立。據此，本集團自國機集團採購各種貿易產品，包括（但不限於）農業機械設備、農業運輸車輛、測井設備及採礦設備，以支持我們的貿易業務，有關詳情於本公司於2017年10月19日刊登的公告內披露。

鑒於國機集團的產能強大，2018貿易採購框架協議可促進貿易業務。

有關2018貿易採購框架協議的主要條款及條件，請參見下文相關披露。

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

於報告期內，本持續關連交易於2018年的年度上限為人民幣800.0百萬元，而實際交易金額則為人民幣零元。

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

2018 trading sales agreement (the “**2018 Trading Sales Agreement**”) was entered into on October 19, 2017 by and between the Company and SINOMACH to sell various trading products to SINOMACH Group under the Trading Business, details of which were disclosed in the Company’s announcement published on October 19 2017.

The 2018 Trading Sales Agreement is able to increase the revenue and profits of the Trading Business and to expand the market share in the international trading market.

Please refer to relevant disclosure below for principal terms and conditions of the 2018 Trading Sales Agreement.

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

During the reporting period, the annual cap of this continuing connected transaction for 2018 was RMB200.0 million and the actual transaction amount was RMB nil.

#### 4. 本集團向國機集團銷售貿易產品

2018貿易銷售框架協議（「**2018貿易銷售框架協議**」）已由本公司與國機於2017年10月19日訂立。據此，本集團向國機集團出售貿易業務的多種貿易產品，有關詳情於本公司於2017年10月19日刊登的公告內披露。

2018貿易銷售框架協議能增加我們貿易業務的收入及溢利，擴大我們在國際貿易市場的市場份額。

有關2018貿易銷售框架協議的主要條款及條件，請參見下文相關披露。

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

於報告期內，本持續關連交易於2018年的年度上限為人民幣200.0百萬元，而實際交易金額則為人民幣零元。

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### 5. Receipt of integrated services by the Group to SINOMACH Group

The Receipt of Integrated Services Agreement (the “**Receipt of Integrated Services Agreement**”) was entered into on October 19, 2017 by and between the Company and SINOMACH to receive integrated services, including but not limited to exhibition and conference services, technological research and development service, management consulting services, design consulting services, property leasing and management services in respect of the services business from SINOMACH Group, details of which were disclosed in the Company’s announcement published on October 19, 2017.

SINOMACH Group is a well-established industry player with good reputation within the services business market, which possesses strong capacity and experience in the design consulting, research and development of various services, the Group has preference in sourcing relevant integrated services from SINOMACH Group to benefit from such technical strengths of SINOMACH Group. The Receipt of Integrated Services Agreement is able to enhance completion of the services business undertaken by the Group at efficient timing and with better quality.

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

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

During the reporting period, the annual cap of this continuing connected transaction for 2018 was RMB500.0 million and the actual transaction amount was RMB nil.

### 5. 本集團接受國機集團綜合服務

接受綜合服務框架協議（「**接受綜合服務框架協議**」）已由本公司與國機於2017年10月19日訂立，以就服務業務接受國機集團提供的綜合服務，包括但不限於展覽及會議服務、科技研究開發服務、管理諮詢服務、設計諮詢服務、物業租賃和管理服務。有關詳情於本公司載於2017年10月19日刊登的公告內披露。

國機集團於服務業務市場為發展完善且聲譽良好的行業參與者，不單產能強大，在設計諮詢及研發各類服務亦具備豐富經驗，本集團傾向自國機集團尋求相關綜合服務，以自其技術優勢獲益。接受綜合服務框架協議使我們所承接的服務業務能高效地及以更好質量完成。

有關接受綜合服務框架協議的主要條款及條件，請參見下文相關披露。

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

於報告期內，本持續關連交易於2018年的年度上限為人民幣500.0百萬元，而實際交易金額則為人民幣零元。

### 6. Provision of integrated services by our Group to SINOMACH Group

2018 integrated services agreement (the “**2018 Integrated Services Agreement**”) was entered into on October 19, 2017 by and between the Company and SINOMACH to provide integrated services such as legal services, exhibition and conference services, storage and transportation services, tendering services, agency services, property management services and design services to SINOMACH Group in respect of the business undertaken by SINOMACH Group, details of which were disclosed in the Company’s announcement published on October 19, 2017.

SINOMACH Group has engaged the Group to provide them with certain integrated services which the Group is qualified in providing. The 2018 Integrated Services Agreement is able to increase the revenue and profits of the Group.

Please refer to relevant disclosure below for principal terms and conditions of the 2018 Integrated Services Agreement.

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

During the reporting period, the annual cap of this continuing connected transaction for 2018 was RMB500.0 million and the actual transaction amount was RMB125.0 million.

### 6. 本集團向國機集團提供綜合服務

2018綜合服務框架協議（「**2018綜合服務框架協議**」）已由本公司與國機於2017年10月19日訂立。據此，本集團就國機集團所承接的業務向國機集團提供綜合服務（例如法律諮詢服務、展覽及會議服務、倉存及運輸服務、招標服務、代理服務、物業管理服務及設計諮詢服務），有關詳情於本公司於2017年10月19日刊登的公告內披露。

國機集團已聘請本集團向彼等提供本集團合資格提供的某些綜合服務。2018綜合服務框架協議可增加本集團的收入及盈利。

有關2018綜合服務框架協議的主要條款及條件，請參見下文相關披露。

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

於報告期內，本持續關連交易於2018年的年度上限為人民幣500.0百萬元，而實際交易金額則為人民幣125.0百萬元。



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### Principal terms of the agreements

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

Each of the 2018 Provision of Engineering Services and Products Agreement, 2018 Receipt of Engineering Services and Products Agreement, 2018 Trading Procurement Agreement, 2018 Trading Sales Agreement and 2018 Integrated Services Agreement (collectively “**2018 Agreements**”) is to extend the terms to another 3 years, and the Receipt of Integrated Services Agreement is also for a term of 3 years, all commencing from January 1, 2018 and ending on December 31, 2020 and may be renewed on terms to be agreed upon by SINOMACH and the Company. Each of such framework agreements (i) may be terminated by a non-defaulting party by serving a written default notice to the defaulting party stipulating the relevant breach and the defaulting party having failed to remedy such breach within a reasonable period after its receipt of the default notice; and (ii) shall be terminated automatically if the performance of the transactions contemplated thereunder will be in breach of the requirements under the Listing Rules or the necessary approvals required under the Listing Rules or relevant waivers from the Stock Exchange cannot be obtained.

### 協議的主要條款

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

2018提供工程服務和產品框架協議、2018接受工程服務和產品框架協議、2018貿易採購框架協議、2018貿易銷售框架協議及2018綜合服務框架協議（統稱「**2018框架協議**」）將各協議年期延長三年，接受綜合服務框架協議的年期為三年，均自2018年1月1日起至2020年12月31日止，並可按國機與本公司商定的條款續期。每一份該等框架協議可在下列情況下終止：(i)非違約方向違約方發出說明有關違反行為的書面違約通知，而違約方於收到違約通知後一段合理期間內仍無法彌補有關違反行為；及(ii)若履行據此擬進行的交易將違反上市規則規定或不能取得上市規則規定的必要批准或聯交所授予的相關豁免，則自動終止。

The pricing policy, payment terms and all other material terms and conditions of the Renewed Agreements remained unchanged. The Receipt of Integrated Services Agreement adopts new pricing policies and new payment terms, pursuant to which the price payable for the subject services and/or products thereunder shall be determined in accordance with, among others, price prescribed by the government, price range guided by the government, price guided by the industry, price negotiated between the parties. Pursuant to the new payment terms, the Payment and settlement for transactions shall be subject to the specific terms on timing and method of payment and settlement under the separate agreements. Details for the terms and conditions of the Renewed Agreements, 2018 Agreements and the Receipt of Integrated Services Agreement were disclosed in the Company's announcements and circulars published on November 14 and 17, 2014, October 19 and November 8, 2017, respectively.

### 7. Financing services to our Group from SINOMACH Group

2018 Financial Service Agreement (the “**2018 Financial Services Agreement**”) entered into by and between the Company and Sinomach Finance Co., Ltd. (the “**Finance Company**”), a subsidiary of SINOMACH Group, on October 19, 2017. The New Financial Services Agreement dated November 14, 2014 (the “**New Financial Services Agreement**”) will be expired on December 31, 2017. The 2018 Financial Services Agreement has become effective upon approved by the 2017 First EGM for a term for 3 years from January 1, 2018 to December 31, 2020. The proposed annual caps for the years ended December 31, 2018, 2019 and 2020 for the continuing connected transactions contemplated under the 2018 Financial Services Agreement have been approved by the 2017 First EGM.

重訂框架協議的定價政策、支付條款及所有其他重大條款及條件維持不變。接受綜合服務框架協議採納新定價政策和支付條例，據此，就其項下的標的服務及／或產品應付的價格將根據（其中包括）政府規定的價格、政府指引的價格範圍、行業指引的價格、各方協定的價格釐定。根據新支付條款，各交易須根據各單位協議有關支付及結算時間與方式的具體條款支付及結算。重訂框架協議、2018框架協議和接受綜合服務的條款及條件之詳情已於本公司分別於2014年11月14日及17日，2017年10月19日及11月8日刊登的公告及通函內披露。

### 7. 國機集團向本集團提供之金融服務

本公司與國機財務有限責任公司（「**財務公司**」）（國機集團的附屬公司）於2017年10月19日訂立2018金融服務合作協議（「**2018金融服務合作協議**」）。日期為2014年11月14日的新金融服務合作協議（「**新金融服務合作協議**」）將於2017年12月31日到期。2018金融服務合作協議經本公司於2017年第一次臨時股東大會批准生效，其三年年期為2018年1月1日至2020年12月31日。2018金融服務合作協議項下擬進行的持續關連交易於截至2018年、2019年及2020年12月31日止年度之建議年度上限已獲2017年第一次臨時股東大會批准。

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### Financial services and major terms

The pricing policy, payment terms and all other material terms and conditions of the New Financial Services Agreement remain unchanged. Pursuant to the 2018 Financial Services Agreement, the Finance Company agrees to provide to the Group the following financial services:

#### *Type 1 – Deposit Services*

The Finance Company will provide deposit taking services for current deposits, call deposits, deposits with maturity of 1-day and 7-day respectively and time deposits (3-month, 6-month, 1-year, 3-years and other deposit periods as required by the regulatory policies).

#### *Type 2 – General Loan Services*

The Finance Company will provide various types of loans to the Group (including working capital loans, fixed assets loans, finance leases, purchaser's credit business and domestic factoring).

#### *Type 3 – General Financial Services*

The general financial services to be provided by the Finance Company to the Group include collection, payment and settlement services, provision of entrusted loans, issuance of letters of guarantee and bank guarantee, issuance of bank letters of credit, handling of bank acceptance, handling of bill acceptance and discounting, financial and financing consultation, arrangement of credit certification and related consultation and agency services, underwriting of corporate bonds designated investment business, acceptance bill custody business, trans-bank cash management platform service and other businesses which are approved by CBRC (former CBIRC) to carry out. The Finance Company would charge the corresponding fees.

### 金融服務及主要條款

新金融服務合作協議的定價政策、支付條款及所有其他重大條款及條件保持不變。根據2018金融服務合作協議，財務公司同意向本集團提供下列金融服務：

#### *第一類 – 存款服務*

財務公司將提供活期存款、協定存款、通知存款（期限分別為：1天和7天）、定期存款（期限分別為：3個月、6個月、1年、3年及其他符合監管政策要求的其他存期）等接受存款服務。

#### *第二類 – 一般貸款服務*

財務公司將向本集團提供各類貸款（包括流動資金貸款、固定資產貸款、融資租賃、買方信貸業務、消費信貸及國內保理）。

#### *第三類 – 一般金融服務*

財務公司將向本集團提供的一般金融服務包括：收付款及結算服務、提供委託貸款、開具保函及代開銀行保函、代開銀行信用證、代理銀行承兌總匯票、辦理票據承兌及貼現、財務和融資顧問、信用鑒證及相關的諮詢及代理服務、承銷企業債券委託投資業務、承兌匯票託管業務、跨銀行現金管理平台服務以及經中國銀監會（中國銀保監會前身）批准的可從事的其他業務。財務公司將收取相應手續費。

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In relation to the Entrusted Loans, the Finance Company shall complete the release of the Entrusted Loans on the date of receipts of the Entrusted Deposits of the Group and its subsidiaries, and commit that the Group and its subsidiaries would repay the loans by their own, without provision of any guarantee by the Group and its subsidiaries, provided that the Group will require guarantee for the Entrusted Loans business of its subsidiaries, the Finance Company shall cooperate to complete the relevant procedures according to the instruction from the Group.

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

For details for the 2018 Financial Services Agreement, please refer to the Company's announcement and circular published on October 19 and November 8, 2017, respectively, on the respective websites of the Stock Exchange and the Company.

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

關於委託貸款，財務公司在收到本集團及其附屬公司委託存款的當日完成委託貸款的發放，並承諾本集團及其附屬公司償貸自主，無需本集團及其附屬公司提供任何擔保，但如本集團對其附屬公司的委託貸款業務提出擔保要求，財務公司將按照本集團指示配合辦理相關手續。

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

有關2018金融服務合作協議的詳情，請參閱本公司在聯交所網站及本公司網站分別刊發的2017年10月19日及11月8日的公告及通函。

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

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## 董事會報告

During the reporting period, the cap for the maximum daily deposit balance (including any interest accrued thereon) with the Finance Company was RMB3,900.0 million and the actual amount was RMB3,881.5 million. No annual cap has been set for the general loan services with the Finance Company and the actual amount was RMB nil. The annual caps for the total fees to be charged by the Finance Company for the provision of general financial services are RMB25.0 million, and the actual amount was RMB nil.

於報告期內，在財務公司的每日最高存款結餘（包括其任何應計利息）上限為人民幣3,900.0百萬元，而實際金額為人民幣3,881.5百萬元。在財務公司的一般貸款服務無年度上限，而實際金額為人民幣零元。在財務公司的一般金融服務而收取費用的年度上限為人民幣25.0百萬元，而實際金額為人民幣零元。

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

獨立非執行董事已審閱上述各項持續關連交易，並確認該等交易：

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

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

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

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

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## 董事會報告

- a. nothing has come to the auditors' attention that causes the auditor to believe that the non-exempt continuing connected transactions have not been approved by the Board;
  - b. for transactions involving the provision of goods or services by the Group, nothing has come to the auditors' attention that causes the auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;
  - c. nothing has come to the auditors' attention that causes the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
  - d. with respect to the aggregate amount of each of the non-exempt continuing connected transactions set out above, nothing has come to the auditors' attention that causes the auditor to believe that the non-exempt continuing connected transactions have exceeded the maximum aggregate annual value disclosed above.
- a. 核數師並無注意到任何事項令彼等相信該等不獲豁免的持續關連交易未獲董事會批准；
  - b. 就本集團提供貨品或服務所涉及的交易而言，核數師並無注意到任何事項令彼等相信該等交易在所有重大方面未有按照本集團的定價政策進行；
  - c. 核數師並無注意到任何事項令彼等相信該等交易在所有重大方面未有按照規管該等交易的相關協議所進行；及
  - d. 就上述各項不獲豁免的持續關連交易之總金額而言，核數師並無注意到任何事項令彼等相信該等不獲豁免的持續關連交易之金額超出上文所披露的年度上限總額。

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

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

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

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

# Report of Directors

## 董事會報告

### POST BALANCE SHEET EVENTS

The material post balance sheet events are disclosed in note 42 to the financial statements in this annual report.

### AUDIT COMMITTEE

The Audit Committee had reviewed together with the management and external auditor of the Company the accounting principles and policies adopted by the Group and the audited consolidated financial statements for the year ended December 31, 2018.

### CODE OF CONDUCT REGARDING EMPLOYEES' SECURITIES TRANSACTIONS

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

### CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as its own code of corporate governance. The Company has complied with the code provisions as set out in the CG Code during the year ended December 31, 2018 and up to the date of this report except for deviations disclosed in the Corporate Governance Report contained in this annual report.

The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

### 結算日後事項

重大結算日後事項於本年報財務報表附註42內予以披露。

### 審計委員會

審計委員會已與本公司的管理層及外聘核數師審閱本集團採納的會計準則及政策以及截至2018年12月31日止年度經審計合併財務報表。

### 僱員進行證券交易的行為守則

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

### 企業管治

本集團致力於維持企業管治的高標準以確保股東利益及提高公司價值及問責性。本公司已採用《企業管治守則》作為其企業管治守則。除本年報所載企業管治報告所披露之偏離情況外，本公司於截至2018年12月31日止年度至本報告日期一直遵守《企業管治守則》所載的守則條文。

本公司將繼續檢討及提升其企業管治常規，以確保遵守《企業管治守則》。

### SUFFICIENCY OF PUBLIC FLOAT

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

### INDEPENDENT AUDITORS

At the 2014 second extraordinary general meeting of the Company held on October 20, 2014, Ernst & Young (安永會計師事務所) was appointed as the Company’s external international auditor in place of KPMG (畢馬威會計師事務所) and Ernst & Young Hua Ming LLP (Special General Partnership) (安永華明會計師事務所(特殊普通合夥)) was appointed as the Company’s domestic auditor. The 2018 consolidated financial statements of the Company prepared in accordance with IFRS have been audited by Ernst & Young.

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

A resolution for the reappointment of Ernst & Young and Ernst & Young Hua Ming LLP (Special General Partnership) as the independent auditors of the Company will be proposed at the forthcoming AGM.

### 充足的公眾持股量

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

### 獨立核數師

於2014年10月20日舉行的本公司2014年第二次臨時股東大會上，安永會計師事務所取代畢馬威會計師事務所獲委任為本公司外聘國際核數師，而安永華明會計師事務所(特殊普通合夥)獲委任為本公司境內核數師。安永會計師事務所已審計本公司按國際財務報告準則編製的2018年合併財務報表。

除上文所披露者外，於過往三年，獨立核數師概無變動。

本公司將於應屆股東週年大會提呈一項決議案續聘安永會計師事務所及安永華明會計師事務所(特殊普通合夥)為本公司之獨立核數師。



# Report of Directors

## 董事會報告

### COMPLIANCE WITH SANCTIONS UNDERTAKINGS

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

1. Proceeds Account – The Company has opened and maintained separate designated bank accounts for the proceeds from the Listing in Hong Kong as at the date of this report (the “**Proceeds Accounts**”). The Proceeds Accounts are segregated from other normal bank accounts of our Company and designated for the sole use of deposit and deployment of the proceeds from Listing. With such segregation and designation, the Proceeds Accounts record all transactions and activities within these bank accounts and trace the flow of funds in and out of the Proceeds Accounts. As at December 31, 2015, the proceeds from the Company’s Listing in Hong Kong has been fully utilized for the intended purposes. For details, please refer to page 145 of the 2015 annual report of the Company dated April 27, 2016.
2. Accounting measures – The Company has ensured that separate books and records are in place to monitor the activities, including deposits and disbursements, of the Proceeds Accounts.

### 恪守制裁承諾

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

1. 所得款項賬目 – 本公司已就截至本報告日期於香港上市的所得款項開立及維持單獨的指定銀行賬戶（「**所得款項賬戶**」）。所得款項賬戶獨立於本公司的其他一般銀行賬戶，並指定作唯一用途，即存入及調配上市所得款項。鑑於上述賬戶是獨立及指定賬戶，所得款項賬戶會記錄在該等銀行賬戶內進行的所有交易及活動，並可追蹤所得款項賬目的資金流進出情況。截至2015年12月31日，本公司香港上市的所得款項已全部用作擬定用途。詳情請參見本公司於2016年4月27日公佈的2015年度報告第145頁。
2. 會計措施 – 本公司已確保擁有分立的賬簿及記錄，以監察所得款項賬目的存入及支出等活動。

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

In recent years the US 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.

For further details, please refer to the Company’s announcement published on the respective websites of the Stock Exchange and the Company on March 23, 2016. However, the United States announced on May 8, 2018 that it will withdraw from the Iran Nuclear Deal and restore sanctions against Iran. So the Company decided to terminate all business ties in Iran thereafter from a prudent perspective and the Company has no existing or implemented project in Iran.

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

近年來，美國制裁格局發生了巨大變化，尤其是針對伊朗的制裁變動。2016年1月16日被定為「執行日」，標誌著經伊朗、P5+1（美國、俄羅斯、中國、法國、英國、德國）及歐盟談判及聯合國批准，全面解除對伊朗的制裁成為《聯合全面行動計劃》的一部分。作為伊朗減少若干核相關活動的交換，美國、歐盟及聯合國解除對伊朗的若干制裁。

進一步詳情請參閱本公司分別載於聯交所及本公司網站的2016年3月23日刊發的公告。然而，美國於2018年5月8日宣佈將退出伊朗核協議並恢復對伊朗的製裁。因此，本公司審慎決定終止在伊朗的所有業務關係，且本公司在伊朗並無現有或已實施項目。

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In addition, given the new development in the sanctions landscape on Cuba, Holland & Knight LLP has advised the Company that, despite the remaining U.S. embargo on Cuba, the Company (and its shareholders and investors) would face very limited risks in engaging in Cuba activities if done from outside of U.S., and similarly limited risks if done under U.S. authorization from or through a U.S. subsidiary of the Company. With Cuba having been removed from the U.S. Department of State's State Sponsors of Terrorism ("**SST**") list, the reputational risks and heightened due diligence (especially for non-U.S. financial institutions) associated with transactions involving countries placed on SST list has been reduced significantly, even though the U.S. embargo remains in place. For further details, please refer to the Company's announcement published on the respective websites of the Stock Exchange and the Company on December 19, 2016.

By Order of the Board  
**ZHANG Chun**  
*Chairman*

Beijing, the PRC, March 26, 2019

此外，考慮到古巴制裁格局的新發展，Holland & Knight LLP告知本公司：儘管美國對古巴繼續禁運，但倘在美國境外參與古巴活動，本公司（及其股東與投資者）面臨的風險非常有限，倘根據本公司的美國授權或透過本公司的一家美國附屬公司參與古巴活動，亦會面臨類似的風險。美國國務院已將古巴從國家恐怖主義支持者（「**恐怖主義支持者**」）名單中刪除，儘管美國禁運仍然持續，但與涉及名列恐怖主義支持者名單的國家進行交易的信譽風險及高度盡職調查（尤其是非美國金融機構）已顯著降低。進一步詳情請參閱本公司分別載於聯交所及本公司網站的2016年12月19日刊發的公告。

承董事會命  
**董事長**  
**張淳**

中國北京，2019年3月26日

# Corporate Governance Report

## 企業管治報告

### CORPORATE GOVERNANCE REPORT

The Board is pleased to present this corporate governance report in the annual report of the Company for year ended December 31, 2018 (the “Year”). In addition, certain information regarding the Directors and the Board committees has been updated as at the date of this annual report.

### CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of Shareholders and to enhance corporate value and accountability. The CG Code has been adopted as the Company’s own code of corporate governance. Except for the code provisions A.4.2 and F.1.2 of the CG Code in Appendix 14 of the Listing Rules, the Company complied with the code provisions required in the CG Code during the Year.

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 shall be considered to ensure the senior management of the Company well continues, therefore the second session of the Board continued to perform their duty until the election of the third session of the Board which were elected at the 2018 second extraordinary general meeting of the Company held on March 5, 2018 (the “**Second EGM**”). Since then, the Company has rectified its compliance with the code provision A.4.2 of the CG Code.

### 企業管治報告

董事會欣然呈列本公司截至2018年12月31日止年度（「**本年度**」）之年報所載之企業管治報告。此外，於本年報日期，若干有關董事及董事會委員會的資料經已更新。

### 企業管治常規

本集團致力維持高水平的企業管治，以保障股東權益以及提升企業價值及問責性。本公司以《企業管治守則》作為公司本身的企業管治守則。除《上市規則》附錄十四《企業管治守則》之守則條文A.4.2及F.1.2條外，本公司於本年度內謹遵《企業管治守則》之守則條文規定。

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2018年3月5日舉行的本公司2018年第二次臨時股東大會（「**第二次臨時股東大會**」）上選出第三屆董事會為止。自此，本公司修正遵守《企業管治守則》之守則條文A.4.2條規定之合規情況。

# Corporate Governance Report

## 企業管治報告

Pursuant to the code provision F.1.2 of the CG Code that the appointment of the company secretary should be dealt with by a 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.

### Chairman and President

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

- a) presiding over the shareholders’ general meetings; and convening and presiding over meetings of the Board, examining the implementation of the resolutions of the Board;
- b) organizing the formulation of regulations on the operation of the Board, and coordinating the operation of the Board;
- c) hearing regular or non-regular performance reports on the Company’s senior management; and
- d) giving opinions guiding the execution of board resolutions, signing the Company’s share certificates, debentures and other important documents, and representing the Company in signing important legally binding documents with third parties.

按照《企業管治守則》之守則條文F.1.2條規定，委任公司秘書應透過召開實質董事會會議而非以書面決議案方式處理。委任本公司現任聯席公司秘書（「**聯席公司秘書**」）乃於2018年2月透過書面決議案處理。董事會認為，於執行委任現任聯席公司秘書的書面決議案之前，已就該事宜向全體董事進行獨立諮詢且並無任何異議，故並無必要召開實質董事會會議取代書面決議案的方式批准該事宜。

### 董事長及總裁

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

- a) 主持股東大會會議以及召開並主持董事會會議、檢討董事會決議的實施情況；
- b) 組織制定有關董事會運作的各項制度及協調董事會的運作；
- c) 聽取本公司高級管理人員定期或不定期的工作報告；及
- d) 對董事會決議的執行提出指導性意見，簽署公司股票、債權與其他重要文件並代表公司對外簽署有法律約束力的重要文件。

# Corporate Governance Report

## 企業管治報告

The major responsibilities of the President include:

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

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

總裁的主要職責包括：

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

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

# Corporate Governance Report

## 企業管治報告

### SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

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

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

### BOARD OF DIRECTORS

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

### 董事及監事的證券交易

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

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

### 董事會

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

# Corporate Governance Report

## 企業管治報告

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

Currently, the Board comprises the following eight Directors:

### Executive Directors

ZHANG Chun (*Chairman*)

HAN Xiaojun (*President*)

### Non-Executive Directors

YU Benli

ZHANG Fusheng

### INEDs

LIU Li

LIU Hongyu

FANG Yongzhong

WU Tak Lung

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

Save as disclosed in this annual report, there was no financial, business, family or other material relationship among the Directors.

The two Executive Directors are responsible for the leadership and control of the Company and overseeing the Group’s businesses, strategic decisions and performances and are collectively responsible for promoting the success of the Company by directing and supervising its affairs.

The four INEDs are responsible for ensuring a high standard of financial and other mandatory reporting of the Board as well as providing a balance in the Board in order to effectively exercise independent judgment on the corporate actions of the Company so as to protect Shareholders’ interest and overall interest of the Group.

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

董事會目前由以下八名董事組成：

### 執行董事

張淳 (*董事長*)

韓曉軍 (*總裁*)

### 非執行董事

余本禮

張福生

### 獨立非執行董事

劉力

劉紅宇

方永忠

吳德龍

各董事的個人履歷載於本年報「董事、監事、高級管理人員及僱員」一節。

除於本年報披露者外，董事之間概無任何財務、業務、親屬或其他重要關係。

兩名執行董事負責領導及控制本公司並監管本集團的業務、策略決策及表現，並集體負責透過指導及監管本公司之事務推動其成功發展。

四名獨立非執行董事負責確保董事會作出高水平的財務及其他法定報告，並平衡董事會，以就本公司的公司行動有效行使獨立判斷，從而保護股東利益及本集團的整體利益。



# Corporate Governance Report

## 企業管治報告

Throughout the Year, the Company had at all times met the requirement of the Listing Rules that the number of INEDs must represent at least one-third of the Board members and at least one of the INEDs shall have appropriate professional qualifications of accounting or related financial management expertise. The Company has four INEDs currently representing half of the Board and therefore the Company has complied with the Listing Rules.

All Directors, including the INEDs, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The INEDs were invited to serve on the Audit Committee, the Remuneration Committee, the Nomination Committee, the Strategy and Development Committee and the Operation and Risk Management Committee.

As regards the CG Code provision requiring directors to disclose the number and nature of offices held in public companies or organizations and other significant commitments as well as their identity and the time involved to the issuer, the Directors agreed to disclose their commitments to the Company in a timely manner.

The Company has arranged appropriate insurance coverage on the liabilities of the Directors and senior management in respect of any legal actions taken against them arising out of performing their duties. The insurance coverage is reviewed on an annual basis.

### Confirmation of Independence

Each of the INEDs has made an annual confirmation of independence by reference to Rule 3.13 of the Listing Rules and the Board is satisfied that all INEDs were independent and met the independent guidelines set out in Rule 3.13 of the Listing Rules, up to the date of this annual report.

於本年度，本公司於任何時候符合《上市規則》的規定，規定獨立非執行董事的人數須佔董事會成員至少三分之一，且至少一名獨立非執行董事擁有適當的專業會計資格或相關財務管理專業。本公司現時有四名獨立非執行董事，佔全體董事會成員的半數，因此本公司已遵守《上市規則》。

全體董事（包括獨立非執行董事）令董事會具備廣泛珍貴之業務經驗、知識及專業技能，從而提高董事會履行職能的效能和效益。獨立非執行董事獲邀加入本公司審計委員會、薪酬委員會、提名委員會、戰略與發展委員會以及經營與風險管理委員會。

就有關要求董事向發行人披露彼等於公眾公司或組織機構任職的次數及性質，以及其他重大承擔，連同彼等之身份及投入時間之企業管治守則條文而言，董事同意及時向本公司披露彼等之承擔。

本公司已為董事及高級管理人員投購合適的責任保險，保障彼等因履行職務而可能要承擔的訴訟責任。該保險範圍乃按年檢討。

### 獨立性確認書

各名獨立非執行董事已根據《上市規則》第3.13條作出年度獨立性確認書。董事會信納全體獨立非執行董事均為獨立，並於截至本年報日期符合《上市規則》第3.13條所載的獨立性指引。

# Corporate Governance Report

## 企業管治報告

### Directors' Induction and Continuous Professional Development

Each newly appointed Director has received formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

The Company has from time to time provided briefings to all Directors to develop and refresh the Directors' duties and responsibilities. Continuing briefing and professional development for Directors will be arranged whenever necessary. The Directors are provided with monthly updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge his or her duties. All Directors are also encouraged to attend relevant training courses at the Company's expense. They have been required to provide the Company with their training records.

During the Year, all Directors had participated in continuous professional development ("CPD") to develop and refresh their knowledge and skills by reading materials and/or attending briefings by legal counsels or seminars organised by professional bodies on corporate governance or updates on laws, rules and regulations relating to the roles, functions and duties of a director.

### 董事之入職及持續專業發展

每名新委任董事均將於首次接受委任時獲得正式、全面及專門的入職簡介，以確保對本公司的業務及營運均有適當的理解，並充分知悉董事於《上市規則》及相關法定規定下的責任及義務。

本公司不時為全體董事舉行簡介會，以提高及重溫董事的職能及責任。如有需要，會為董事安排持續的簡介會及專業發展。董事亦可每月獲取有關本公司表現、狀況及前景的最新消息，使整個董事會及各董事得以履行彼等的職責。全體董事亦獲鼓勵出席相關的培訓課程，費用由本公司承擔。彼等須向本公司提供其培訓記錄。

於本年度內，所有董事均參與持續專業發展（「持續專業發展」），透過閱讀有關企業管治或有關董事角色、職能及責任的法律、規則及法規最新資料的材料及／或出席法律顧問的簡介會或專業團體舉辦的講座，以發展及更新彼等的知識及技能。

# Corporate Governance Report

## 企業管治報告

Individual record of each Director who received training for the Year is summarised as follows:

本年度接受培訓的各董事的個人記錄概述如下：

Directors 董事		Types of CPD 持續專業發展的種類 (Notes) (附註)
<b>Executive Directors</b>		
<b>執行董事</b>		
Mr. SUN Bai (resigned on January 12, 2018)	孫柏先生 (於2018年1月12日辭任)	A A
Mr. ZHANG Chun	張淳先生	A and B A及B
Mr. HAN Xiaojun (appointed on March 5, 2018)	韓曉軍先生 (於2018年3月5日獲委任)	A and B A及B
Mr. ZHOU Yamin (appointed on March 5, 2018 and resigned on December 12, 2018)	周亞民先生 (於2018年3月5日獲委任並於2018年12月12日辭任)	A and B A及B
<b>Non-executive Directors</b>		
<b>非執行董事</b>		
Mr. WANG Zhian (retired on March 5, 2018)	王治安先生 (於2018年3月5日退任)	A A
Mr. YU Benli	余本禮先生	A and B A及B
Mr. ZHANG Fusheng	張福生先生	A and B A及B
<b>INEDs</b>		
<b>獨立非執行董事</b>		
Mr. LIU Li	劉力先生	A and B A及B
Ms. LIU Hongyu	劉紅宇女士	A and B A及B
Mr. FANG Yongzhong	方永忠先生	A and B A及B
Mr. WU Tak Lung	吳德龍先生	A and B A及B

Notes:

- A: attending seminars/forums/workshops/conferences relevant to the business or directors' duties
- B: studying regulatory updates on laws, rules and regulations relating to directors' roles and functions

附註：

- A：出席有關業務或董事職責的研討會／論壇／工作坊／會議
- B：學習有關董事角色及職能的法律、規則及法規的監管事項更新資料

# Corporate Governance Report

## 企業管治報告

All Directors had provided the Company with their training records for the Year.

### Meetings of Board and Board Committees and Directors' Attendance Records

The Company adopts the practice of holding board meetings regularly, at least four times a year. Notices of not less than fourteen days are given for all regular board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting. For other Board and committee meetings, reasonable notice is generally given. The agenda and accompanying board papers are dispatched to the Directors or committee members at least fourteen days before the regular meetings and at least five days before the extraordinary meetings to ensure that they have sufficient time to review the papers and be adequately prepared for the meetings. When the Directors or committee members are unable to attend a meeting, he or she may appoint in writing another Director to attend the meeting on his or her behalf. The power of attorney shall specify the scope of authorization. The proxy shall exercise the rights of the Director within the scope of the authorization. A Director failing to attend the board meeting in person or by proxy shall be deemed as having waived his or her voting rights at such meeting.

The company secretary or his delegate is responsible for keeping all minutes of the Board meetings and the Board committees. Draft minutes are normally circulated to Directors for comments within a reasonable time after each meeting and the final version is open for Directors' inspection. According to the Listing Rules, any directors and their close associates with a material interest in the transactions to be discussed at the Board meetings will abstain from voting on resolutions approving such transactions and will not be counted in the quorum at meetings.

Any Director wishing to do so in the furtherance of his or her duties may take independent professional advice at the Company's expense. Directors get familiar with the Group's principal activities through initial induction, ongoing participation at the Board and committee meetings, and meeting with key members of management. The Directors are encouraged to update their skills and knowledge.

全體董事已向本公司提供彼等本年度培訓記錄。

### 董事會及董事會委員會的會議及董事的出席記錄

本公司採納定期舉行董事會會議之慣例，最少一年舉行四次會議。全體董事將獲發不少於十四天之通知以召開定期董事會會議，令全體董事均有機會出席定期會議並討論議程事項。就其他董事會及委員會會議而言，一般將獲發合理通知。會議議程及隨附之董事會文件最少於定期會議舉行之前十四天及臨時會議舉行之前五天寄發予董事或委員會成員，以確保彼等有足夠時間審閱文件及為會議作充足準備。倘董事或委員會成員未能出席會議，彼可以用書面形式委任另一名董事代其出席會議。授權書須訂明授權範圍。委任代表可行使授權範圍內的董事權利。未能親身或委任代表出席董事會會議的董事視作已放棄彼等於有關會議上的投票權。

公司秘書或其委任代表負責保存董事會會議及董事會委員會的所有會議記錄。會議記錄草案一般會於每次會議之後的合理時間內發給董事傳閱，以供發表意見，最終版本可供董事查閱。根據《上市規則》，任何於董事會會議上將予討論的交易中擁有重大利益的董事及彼等的緊密聯繫人，均須就批准有關交易的決議案放棄投票，且不得計入會議的法定人數。

任何董事可為履行職責而尋求獨立專業意見，費用由本公司承擔。董事可透過初始入職、持續參與董事會及委員會會議，以及與管理層主要成員會面，藉以熟悉本集團的主要業務。董事獲鼓勵更新彼等技能及知識。

# Corporate Governance Report

## 企業管治報告

During the Year and up to the date of March 26, 2019, the Company held 21 Board meetings (including written resolutions), two extraordinary general meetings, one annual general meeting and two class meetings (collectively, the “Shareholders’ Meetings”). Details of attendance of the Directors are as follows:

於本年度及截至2019年3月26日，公司已舉行二十一次董事會會議（包括書面決議）、兩次臨時股東大會、一次股東週年大會及兩次類別股東大會（合稱「股東大會」）。董事出席詳情載列如下：

Directors 董事		Board meetings 董事會會議	Shareholders’ Meetings 股東大會
<b>Executive Directors</b>			
<b>執行董事</b>			
Mr. SUN Bai (resigned on January 12, 2018)	孫柏先生 (於2018年1月12日辭任)	1/1	1/1
Mr. ZHANG Chun	張淳先生	21/21	5/5
Mr. HAN Xiaojun (appointed on March 5, 2018)	韓曉軍先生 (於2018年3月5日獲委任)	18/18	3/3
Mr. ZHOU Yamin (appointed on March 5, 2018 and resigned on December 12, 2018)	周亞民先生 (於2018年3月5日獲委任 並於2018年12月12日辭任)	12/12	3/3
<b>Non-Executive Directors</b>			
<b>非執行董事</b>			
Mr. WANG Zhian (retired on March 5, 2018)	王治安先生 (於2018年3月5日退任)	3/3	1/1
Mr. YU Benli	余本禮先生	21/21	5/5
Mr. ZHANG Fusheng	張福生先生	21/21	5/5
<b>INEDs</b>			
<b>獨立非執行董事</b>			
Mr. LIU Li	劉力先生	21/21	5/5
Ms. LIU Hongyu	劉紅宇女士	21/21	5/5
Mr. FANG Yongzhong	方永忠先生	21/21	5/5
Mr. WU Tak Lung	吳德龍先生	21/21	5/5

### BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy and discussed all measurable objectives set for implementing the policy.

The Company recognises and embraces the benefits of diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All the appointments of the Board members will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

### BOARD COMMITTEES

The Board has established, with written terms of reference, five Board committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee, the Strategy and Development Committee and the Operation and Risk Management Committee (together, the “**Board Committees**”), to oversee particular aspects of the Company's affairs. The Board Committees are provided with sufficient resources to discharge their duties.

The written terms of reference for each Audit Committee, Remuneration Committee and Nomination Committee are in line with the Listing Rules and they are posted on the respective websites of the Stock Exchange and the Company.

### 董事會成員多元化政策

董事會採納董事會成員多元化政策，並就政策實施討論所有重要目標。

本公司認同及著重董事會成員多元化所帶來的裨益。本公司致力確保董事會擁有適合本公司業務所需而在技能、經驗及在意見多元化方面取得平衡。所有董事會成員的委任將繼續以甄選優秀人才為基準，並充分顧及董事會成員多元化的裨益。甄選候選人將按多方面作考慮，包括但不限於性別、年齡、文化及教育背景、經驗（專業或其他方面）、技能及知識。將會按照獲甄選候選人將會為董事會帶來的益處及貢獻而作出最終決定。

### 董事會委員會

董事會已成立五個擁有書面職權範圍的董事會委員會，即審計委員會、薪酬委員會、提名委員會、戰略與發展委員會以及經營與風險管理委員會（統稱「**董事會委員會**」），以監察本公司特定範疇的事務。董事會委員會獲提供充足資源以履行彼等職能。

審計委員會、薪酬委員會及提名委員會的書面職權範圍均符合《上市規則》，並分別刊載於聯交所及本公司網站。

# Corporate Governance Report

## 企業管治報告

### Audit Committee

The Board established the Audit Committee with written terms of reference in compliance with the CG Code. The Audit Committee comprises two INEDs and one non-executive Director, namely Mr. LIU Li, Ms. LIU Hongyu and Mr. ZHANG Fusheng, the majority of them are INEDs. Mr. LIU Li is the chairman of the Audit Committee.

The primary duties of the Audit Committee include, among others:

- a) To review the financial statements and reports and consider any significant or unusual items raised by the internal audit division or external auditor before submission to the Board;
- b) To review the relationship with the external auditor by reference to the work performed by the auditor, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of external auditor; and
- c) To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and internal audit system and associated procedures, including the adequacy of the resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function.

During the Year and up to the date of March 26, 2019, the Audit Committee held 6 meetings to review and supervise the financial reporting process and internal control review. It had in conjunction with Ernst & Young, the existing external auditor of the Company, reviewed the Group's the unaudited interim results for 2018 and audited annual results for the Year and recommended the same to the Board for their consideration and approval. The Audit Committee was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made. The Audit Committee also carried out and discharged its other duties as set out in the CG Code.

### 審計委員會

董事會根據《企業管治守則》成立審計委員會，並以書面制定其職權範圍。審計委員會由兩名獨立非執行董事及一名非執行董事組成，即劉力先生、劉紅宇女士及張福生先生，大部分成員為獨立非執行董事。劉力先生為審計委員會主席。

審計委員會的主要職責包括（其中包括）：

- a) 於呈交董事會前審閱財務報表及報告，並考慮內部審計機構或外聘核數師提出之任何重大或不尋常項目；
- b) 透過參考核數師進行的工作、其費用及委聘條款檢討與外聘核數師的關係，並就委任、重新委任及罷免外聘核數師向董事會提出建議；及
- c) 檢討本公司的財務申報系統、內部監控系統以及內部審計系統及相關程序的充足度與成效，包括資源充足度、員工資格及經驗、培訓課程及本公司的會計及財務申報職能預算。

於本年度及截至2019年3月26日，審計委員會曾召開六次會議，審閱及監察財務申報程序及內部監控。其與本公司現任外聘核數師安永會計師事務所審閱本集團2018年未經審計中期業績及截至本年度的經審計全年業績，並就此向董事會作出建議，以供董事會考慮及批准。審計委員會認為，編製該等業績符合適用會計準則及規定，且已作出足夠的披露。審計委員會亦履行其於《企業管治守則》所載的其他職責。

# Corporate Governance Report

## 企業管治報告

Details of attendance of the Audit Committee meetings are as follows:

審計委員會會議的出席詳情如下：

Directors 董事	Attendance 出席次數
Mr. LIU Li ( <i>Chairman</i> )	劉力先生 (主席) 6/6
Ms. LIU Hongyu	劉紅宇女士 6/6
Mr. WANG Zhian (retired on March 5, 2018)	王治安先生 (於2018年3月5日退任) 1/1
Mr. ZHANG Fusheng (appointed on March 5, 2018)	張福生先生 (於2018年3月5日獲委任) 5/5

### Remuneration Committee

The Board established the Remuneration Committee with written terms of reference in compliance with the CG Code. The Remuneration Committee comprises two INEDs and one non-executive Director, namely Mr. FANG Yongzhong, Mr. ZHANG Fusheng and Mr. LIU Li, the majority of them are INEDs. Mr. FANG Yongzhong is the chairman of the Remuneration Committee.

The primary duties of the Remuneration Committee include, among others:

- a) To make recommendations to the Board on the Company's policy and structure for remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing the remuneration policy;
- b) To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives; and
- c) To determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management, or to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

### 薪酬委員會

董事會根據《企業管治守則》成立薪酬委員會，並以書面制定其職權範圍。薪酬委員會由兩名獨立非執行董事及一名非執行董事組成，即方永忠先生、張福生先生及劉力先生，大部分成員為獨立非執行董事。方永忠先生為薪酬委員會主席。

薪酬委員會之主要職責包括 (其中包括)：

- a) 就本公司董事及高級管理人員的薪酬政策及構架，及就設立正規而具透明度的程序制定薪酬政策，向董事會提出建議；
- b) 因應董事會所訂企業的方針及目標而檢討及批准管理層的薪酬建議；及
- c) 以授權職責釐定個別執行董事及高級管理人員的薪酬待遇，或就個別執行董事及高級管理人員的薪酬待遇向董事會提出建議。



# Corporate Governance Report

## 企業管治報告

During the Year and up to the date of March 26, 2019, the Remuneration Committee held 5 meetings to review the remuneration packages of the Directors and the senior management and relevant remuneration, performance systems of the Company.

Details of attendance of the Remuneration Committee meetings are as follows:

於本年度及截至2019年3月26日，薪酬委員會舉行五次會議，以審閱董事及高級管理人員的薪酬待遇以及公司薪酬、績效相關制度。

薪酬委員會會議的出席詳情如下：

Directors		Attendance
董事		出席次數
Mr. FANG Yongzhong ( <i>Chairman</i> )	方永忠先生 (主席)	5/5
Mr. WANG Zhian (retired on March 5, 2018)	王治安先生 (於2018年3月5日退任)	1/1
Mr. ZHANG Fusheng (appointed on March 5, 2018)	張福生先生 (於2018年3月5日獲委任)	4/4
Mr. LIU Li	劉力先生	5/5

### Remuneration Policy of Directors

Each Director has entered into service contract or letter of appointment with the Company. Each executive Director is entitled to an annual fixed fee (tax included) pursuant to the service contract entered into with the Company. The fee includes, among others, salaries, benefits, duty subsidies and pension contribution as determined in accordance with the laws and regulations of the PRC and the policy guidance issued by the senior regulatory authorities as well as the duties, performance and working experience of the executive Director. Meanwhile, the executive Director is also entitled to management bonus as determined by the Board or the Remuneration Committee with reference to the overall operating results and performance of the Company. The decision to grant such management bonus was made by the general meeting or the Board under the authorization of the general meeting. Each non-executive Director and each INED is entitled to fixed subsidy, which is determined with reference to the prevailing market price, pursuant to the service contract or letter of appointment entered into with the Company. Reasonable fees incurred by the Directors during their services in the Company shall be borne by the Company.

### 董事薪酬政策

各董事已與本公司訂立服務合同或委任函。各執行董事根據其與本公司訂立的服務合同於每年獲得固定的袍金(含稅)。該袍金包括本公司按中國法律法規和上級監管機構發佈的政策指引、根據執行董事的職務、表現及工作經驗釐定的工資、福利、崗位津貼及退休金供款等。同時，執行董事亦可獲得董事會或薪酬委員會參考本公司的整體經營業績及其表現後釐定的管理花紅。管理花紅的發回事宜由股東大會或由股東大會授權董事會決定。各非執行董事和各獨立非執行董事根據其與本公司訂立的服務合同或委任函獲得固定津貼，該津貼是參考現行市價釐定。董事在其為本公司提供服務期間招致的合理費用由本公司承擔。

### Nomination Committee

The Board established the Nomination Committee with written terms of reference in compliance with the CG Code. The Nomination Committee comprises two INEDs and one Executive Director, namely Ms. LIU Hongyu, Mr. FANG Yongzhong and Mr. ZHANG Chun, the majority of them are INEDs. Mr. ZHANG Chun is the chairman of the Nomination Committee.

The primary duties of the Nomination Committee include, among others:

- a) To review the structure, size and composition of the Board on a regular basis according to the operating activities, asset size and equity structure of the Company and make recommendations regarding any proposed changes;
- b) To make recommendations to the Board on appointment or re-appointment of and succession planning for Directors;
- c) To identify candidates who are qualified/suitable to join the Board and to select or make recommendations to the Board on the selection of candidates nominated for directorships;
- d) To assess the candidates for the senior management of the Company and its wholly-owned and controlled subsidiaries, and provide appraisal opinions to the Board; and
- e) To assess the independence of the INEDs.

During the Year and up to the date of March 26, 2019, the Nomination Committee meeting held 4 meetings to review the structure, size and composition of the Board, to discuss and assess the independence of the INEDs and review and make recommendation on the appointment and re-election of the third session of the Board members; and recommend the senior management of the Company.

While the Nomination Committee dealt with matters by participating in the Board meetings, among others, to discuss and assess the independence of the INEDs.

### 提名委員會

董事會根據企業管治守則成立提名委員會，並以書面制定其職權範圍。提名委員會由兩名獨立非執行董事及一名執行董事組成，即劉紅宇女士、方永忠先生及張淳先生，大部分成員為獨立非執行董事。張淳先生為提名委員會主席。

提名委員會之主要職責包括（其中包括）：

- a) 根據本公司之業務活動、資產規模及股權架構定期檢討董事會之架構、規模及組成，並就任何建議變動提出建議；
- b) 就董事委任或重新委任及繼任計劃向董事會提出建議；
- c) 物色合資格／適合加入董事會的人選，並作出選擇或就選擇獲提名擔任董事人選向董事會提出建議；
- d) 評估本公司及其全資及受控附屬公司之高級管理人員人選，並向董事會提供評估意見；及
- e) 評估獨立非執行董事之獨立性。

於本年度及截至2019年3月26日，提名委員會舉行四次會議，以審閱董事會的架構、規模及人員組成，討論及評估獨立非執行董事的獨立性，審閱及建議第三屆董事會成員的委任及重選以及建議公司高級管理人員。

提名委員會乃透過參與董事會會議處理事宜，其中包括，以討論及評估獨立非執行董事之獨立性。

# Corporate Governance Report

## 企業管治報告

Details of attendance of the Nomination Committee meetings are as follows:

提名委員會會議的出席詳情如下：

Directors 董事	Attendance 出席次數	
Mr. SUN Bai ( <i>Chairman</i> ) (resigned on January 12, 2018)	孫柏先生 (主席) (於2018年1月12日辭任)	N/A 不適用
Mr. ZHANG Chun ( <i>Chairman</i> ) (appointed on January 12, 2018)	張淳先生 (主席) (於2018年1月12日獲委任)	4/4
Ms. LIU Hongyu	劉紅宇女士	4/4
Mr. FANG Yongzhong	方永忠先生	4/4

### Nomination Policy

The key objective of the Nomination Policy shall include, among others:

### 提名政策

提名政策的主要目標包括 (其中包括)：

### Selection Criteria

- Effect on the Board's composition and diversity, including but not limited to the candidate's gender, age, cultural and educational background, geographical location, professional experience, skills, knowledge and length of service, etc.
- Commitment of the candidate to devote sufficient time to effectively carry out his/her duties.
- Independence of the candidate.
- Potential or actual conflicts of interest that may arise if the candidate is selected.
- Length of service of the independent non-executive Director to be re-appointed.
- Provide consent in relation to their standing for election as a non-executive Director and the public disclosure of their personal data on any documents or the relevant website.

### 甄選準則

- 對董事會的組成及成員多元化的影響，包括但不限於候選人的性別、年齡、文化及教育背景、地區、專業經驗、技能、知識和服務任期等。
- 候選人投入充足的時間且有效地履行其職責的承諾。
- 候選人的獨立性。
- 候選人因獲選而引發潛在或實際的利益衝突。
- 對於擬續任的獨立非執行董事，其已服務的年限。
- 候選人同意就其參選非執行董事或與此有關的事情在任何文件或相關網站公開披露其個人資料。

# Corporate Governance Report

## 企業管治報告

- Nomination Committee may request candidates to provide additional information and documents, if considered necessary.
- give advice to the Board in relation to the succession plans for directors.

### Nomination Procedures

- Nomination Committee shall identify or select candidates according to the selection criteria.
- Nomination Committee shall conduct assessment on candidates, including but not limited to interviews and background search, if necessary.
- Nomination Committee shall hold Nomination Committee meeting to consider and resolve the matter on the nomination.
- Nomination Committee shall recommend the holding of general meeting and board meeting to consider and resolve the matter on the nomination.
- Appointment of directors shall be made according to the decision made during the general meeting and board meeting.

### Supervision and Review

The Nomination Committee is responsible for the supervision of execution of this nomination policy, reviewing this nomination policy and discussing on whether amendments shall be made in due course, and giving advice to the Board in this regard. Amendments shall be implemented only after the approval of the Board.

- 提名委員會如認為有必要，可以要求候選人提供額外資料及文件。
- 就董事的繼任計劃向董事會提出建議。

### 提名程序

- 提名委員會依據提名政策之甄選準則，物色及挑選候選人。
- 如若必要，提名委員會對候選人開展評估，包括但不限於個人訪談、背景調查等。
- 提名委員會召開提名委員會會議審議提名候選人事項，並形成決議。
- 提名委員會建議召開股東大會和董事會會議，審議提名候選人事項，並形成決議。
- 根據股東大會和董事會決議委任董事。

### 監督及檢討

提名委員會負責監察本提名政策的執行，並在適當的時候重新審核本提名政策，討論是否需要做出的修訂，向董事會提出建議，經董事會批准後實施。

# Corporate Governance Report

## 企業管治報告

### Appointment and Re-election of Directors

Each of the executive Directors and non-executive Directors has entered into a service contract with the Company on March 5, 2018 for a term commencing from the date of the general meeting at which the respective executive Directors or non-executive Directors were appointed, until the end of the term of the third session of the Board and may be terminated in accordance with the respective terms of the service agreements.

Each of the INEDs has signed a letter of appointment with the Company on March 5, 2018 for a term commencing from the date of the general meeting at which the respective INEDs were appointed until the end of the term of the third session of the Board.

None of the Directors has a service agreement which is not terminable by the Group within one year without payment of compensation (other than statutory compensation).

In accordance with the Articles of Association, all Directors shall be elected or replaced at the Shareholders' general meetings with a term of office of three years. Upon expiry of the term of office, a director shall be eligible to offer himself for re-election and re-appointment. Any person appointed by the Board to fill a casual vacancy or as an addition to the Board shall hold office until the Company's next AGM and that person shall then be eligible for re-election and re-appointment.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association and the Nomination Policy. The Nominee Committee is responsible for reviewing the Board composition, monitoring the appointment, re-election and succession planning of Directors.

### Strategy and Development Committee

The Strategy and Development Committee comprises two Executive Directors, one Non-Executive Director and one INED, namely Mr. ZHANG Chun, Mr. HAN Xiaojun, Mr. YU Benli and Mr. LIU LI. Mr. ZHANG Chun is the chairman of Strategy and Development Committee.

### 委任及重選董事

各執行董事及非執行董事均於2018年3月5日與本公司訂立服務合同，任期為自股東大會委任其為執行董事或非執行董事之日起，至第三屆董事會任期結束之日止，並可根據服務協議各自的條款予以終止。

各獨立非執行董事均於2018年3月5日與本公司簽立委任函，任期為自股東大會選舉其為獨立非執行董事之日起，至第三屆董事會任期結束之日止。

概無董事已訂立本集團不得於一年內毋須作出賠償（法定賠償除外）而終止的任何服務協議。

根據章程，全體董事須於股東大會上膺選或更換，任期為三年。於任期屆滿後，董事合資格膺選連任及重新委任。由董事會委任以填補董事會空缺或作為新增董事的任何人士，其任期直至本公司下屆股東週年大會為止，而該名人士其後合資格膺選連任及重新委任。

委任、重選及罷免董事的程序及過程載於章程及提名政策。提名委員會負責審閱董事會組成、監察董事的委任、重選及繼任計劃。

### 戰略與發展委員會

戰略與發展委員會由兩名執行董事、一名非執行董事及一名獨立非執行董事組成，即張淳先生、韓曉軍先生、余本禮先生及劉力先生。張淳先生為戰略與發展委員會主席。

# Corporate Governance Report

## 企業管治報告

The primary duties of the Strategy and Development Committee include, among others:

- To conduct research in respect of, and formulating the strategy and business development of our Company, including the medium to long term plans, and supervising the implementation of our Company's strategic planning;
- To present assessment reports on the implementation of our Company's strategic planning, management and business development; and
- To research and analyze major issues encountered by our Company in the course of its development.

During the Year and up to the date of March 26, 2019, the Strategy and Development Committee held 2 meetings to study the business segments and future work plan of the Company.

Details of attendance of the Strategy and Development Committee meetings are as follows:

戰略與發展委員會之主要職責包括（其中包括）：

- 就本公司的策略及業務發展（包括中長期計劃）進行研究及制定策略，並監督本公司策略規劃之實施；
- 就本公司策略規劃、管理及業務發展之實施呈列評估報告；及
- 研究及分析本公司於發展過程中遇上的重大事項。

於本年度及截至2019年3月26日，戰略與發展委員會會舉行二次會議，研究本公司業務版塊及未來工作計劃。

戰略與發展委員會會議的出席詳情如下：

### Directors

#### 董事

### Attendance

#### 出席次數

Mr. SUN Bai ( <i>Chairman</i> ) (resigned on January 12, 2018)	孫柏先生 (主席) (於2018年1月12日辭任)	N/A 不適用
Mr. ZHANG Chun ( <i>Chairman</i> ) (appointed on January 12, 2018)	張淳先生 (主席) (於2018年1月12日獲委任)	2/2
Mr. HAN Xiaojun (appointed on March 5, 2018)	韓曉軍先生 (於2018年3月5日獲委任)	2/2
Mr. YU Benli	余本禮先生	2/2
Mr. LIU LI	劉力先生	2/2

### Operation and Risk Management Committee

The Operation and Risk Management Committee comprises one Executive Director, one Non-Executive Directors and two INEDs, namely Mr. HAN Xiaojun, Mr. YU Benli, Mr. FANG Yongzhong and Mr. WU Tak Lung. Mr. YU Benli is the chairman of Operation and Risk Management Committee.

### 經營與風險管理委員會

經營與風險管理委員會由一名執行董事、一名非執行董事及兩名獨立非執行董事組成，分別為韓曉軍先生、余本禮先生、方永忠先生及吳德龍先生。余本禮先生為經營與風險管理委員會主席。

# Corporate Governance Report

## 企業管治報告

The primary duties of the Operation and Risk Management Committee include, among others:

- To review and evaluate the progress of significant investments, operating activities, and significant business operation;
- To review and evaluate the decision making standards and mechanisms as regards significant operating decisions, significant risks, significant events, and significant business procedures; and
- To establish sound and comprehensive risk management, strategies and solutions in respect of the risk management and internal control system with a view to ensuring the effective and efficient operation of such system.

During the Year and up to the date of March 26, 2019, the Operation and Risk Management Committee held 3 meetings to discuss and consider the “Overall Risk Management Report for 2018 and 2019 (2018及2019年全面風險管理報告)” of the Company.

Details of attendance of the Operation and Risk Management Committee meetings are as follows:

經營與風險管理委員會之主要職責包括（其中包括）：

- 審閱及評估重大投資、營運活動及主要業務過程；
- 檢討及評估有關重大營運決策、主要風險、重大事項及主要業務程序之決策準則及機制；及
- 就風險管理及內部監控系統建立有效及全面風險管理、戰略及解決方案，以確保系統得以有效運作。

於本年度及截至2019年3月26日，經營與風險管理委員會舉行三次會議，以討論及審議本公司2018年及2019年全面風險管理報告。

經營與風險管理委員會會議的出席詳情如下：

Directors 董事	Attendance 出席次數
Mr. ZHANG Chun ( <i>Chairman</i> ) (ceased on March 5, 2018)	張淳先生 (主席) (於2018年3月5日停止擔任) N/A 不適用
Mr. YU Benli ( <i>Chairman</i> ) (appointed on March 5, 2018)	余本禮先生 (主席) (於2018年3月5日獲委任) 3/3
Mr. WANG Zhian (retired on March 5, 2018)	王治安先生 (於2018年3月5日退任) N/A 不適用
Mr. ZHOU Yamin (appointed on March 5, 2018 and resigned on December 12, 2018)	周亞民先生 (於2018年3月5日獲委任 並於2018年12月12日辭任) 2/2
Mr. HAN Xiaojun (appointed on December 21, 2018)	韓曉軍先生 (於2018年12月21日獲委任) N/A 不適用
Mr. FANG Yongzhong	方永忠先生 1/1
Mr. WU Tak Lung (appointed on March 5, 2018)	吳德龍先生 (於2018年3月5日獲委任) 3/3

# Corporate Governance Report

## 企業管治報告

### Delegation by the Board

The Board reserves its decision-making right over all major matters of the Company, including approval and monitoring of all policy matters, overall strategies and budgets, risk management system, material transactions (in particular those that may involve conflict of interests), financial information and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to significant transactions entered into by the management as defined under the relevant Working Rules for the General Manager (《總經理工作規則》).

### Corporate Governance Functions of the Board

The Board recognizes that corporate governance should be the collective responsibility of the Directors which include:

- a. To develop, review and implement the Company's policy and practices on corporate governance;
- b. To review and monitor the training and continuous professional development to the Directors and senior management;
- c. To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- d. To develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors;

### 董事會授權

董事會保留於本公司所有主要事項之決策權，包括：批准及監察所有政策事宜、整體策略及預算、風險管理系統、重大交易（特別是可能涉及利益衝突之交易）、財務資料以及其他重大財務及營運事宜。董事可尋求獨立專業意見以履行其職責，費用由本公司承擔，且本公司鼓勵董事跟高級管理人員進行獨立溝通及諮詢。

本集團之日常管理、行政及營運已授權高級管理人員處理。授權功能及責任由董事會定期檢討。根據相關《總經理工作規則》所界定，管理層訂立重大交易前須取得董事會之批准。

### 董事會的企業管治職能

董事會認為企業管治乃董事的共同責任，當中包括：

- a. 制定、檢討及實行本公司的企業管治政策及常規；
- b. 檢討及監察董事與高級管理人員的培訓及持續專業發展；
- c. 檢討及監察本公司遵守法例及監管規定的政策及常規；
- d. 制定、檢討及監察適用於僱員及董事的行為守則及合規手冊（如有）；



# Corporate Governance Report

## 企業管治報告

- e. To review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report; and
- f. To develop, review and monitor the implementation of the Shareholders' communication policy to ensure its effectiveness, and make recommendation to the Board where appropriate to enhance Shareholders' relationship with the Company.
- e. 檢討本公司遵守《企業管治守則》及企業管治報告的披露的合規情況；及
- f. 制定、檢討及監察股東通訊政策的實施以確保其成效，並於適當情況下向董事會提供建議，以加強股東與本公司的關係。

### Remuneration of Directors, Supervisors and Senior Management

Particulars of the Directors' and Supervisors' remuneration for the Year are set out in note 8 to the financial statements in this annual report.

There were 7 employees being classified as senior management during the Year. Pursuant to code provision of B.1.5 of the CG Code, the annual remuneration of the members of the senior management (other than the Directors and Supervisors) for the Year by band is set out below:

### 董事、監事及高級管理人員的薪酬

本年度的董事及監事薪酬詳情載於本年報財務報表附註8。

於本年度，共有7名僱員被歸類為高級管理人員。根據企業管治守則第B.1.5條守則條文，高級管理人員（董事及監事除外）的年度薪酬等級載列如下：

Remuneration bands (RMB) 薪酬等級（人民幣元）		Number of individuals 人數
0 to 1,000,000	0至1,000,000	—
1,000,001 to 1,500,000 (Note 1)	1,000,001至1,500,000 (附註1)	7
1,500,001 to 2,000,000	1,500,001至2,000,000	—
2,000,001 to 2,500,000	2,000,001至2,500,000	—

Note 1: One of Senior Management was appointed in February 2018 and her remuneration has been paid by CMEC from February 2018.

附註1：其中有一位高級管理人員於2018年2月任職，並由2018年2月由CMEC起薪。

# Corporate Governance Report

## 企業管治報告

During the Year, no Directors, Supervisors or chief executives waived or agreed to waive any emoluments, and no emoluments were paid by the Group to the Directors, Supervisors, chief executives or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

### DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the consolidated financial statements for the Year, which give a true and fair view of the state of affairs of the Company and the Group's results and cash flows for the year then ended and are properly prepared on a going concern basis in accordance with the applicable statutory requirements and accounting standards.

Pursuant to code provision C.1.1 of the CG Code, the management provides such explanation and information to the Board to enable it to make an informed assessment of the financial and other information put before the Board for approval. The Company also provides the members of the Board with monthly updates on the Company's performance, financial positions and prospects.

The Directors were not aware of any material uncertainties which may affect the Company's business or cast significant doubt upon the Company's ability to continue as a going concern.

Ernst & Young has also stated its reporting responsibility in the independent auditor's report of the consolidated financial statements for the Year.

截至本年度，概無董事、監事或行政總裁放棄或同意放棄任何薪酬，本集團亦無向董事、監事、行政總裁或五名最高薪酬人士支付薪酬，作為吸引彼等加入或加入本集團時的獎勵或離職賠償。

### 董事對財務報表的責任

董事知悉彼等的責任為編製本年度的合併財務報表。合併財務報表真實公平地反映本公司事務狀況及本集團於截至該日止年度的業績及現金流量，並根據適用法律規定及會計準則按持續經營基準妥善編製。

根據《企業管治守則》C.1.1條守則條文，管理層向董事會提供該等說明及資料，使董事會可就有待其批准的財務及其他資料作出知情評估。本公司亦會每月向董事會成員提供有關本公司業績、財務狀況及前景的更新資料。

董事並不知悉可能影響本公司業務或對本公司的持續經營能力造成重大疑問的任何重大不確定因素。

安永會計師事務所已於本年度的合併財務報表的獨立核數師報告內作出其申報責任聲明。

# Corporate Governance Report

## 企業管治報告

### INTERNAL CONTROL AND RISK MANAGEMENT

The Board has overall and ongoing responsibility to maintain sound and effective risk management and internal control systems of the Company in order to manage rather than eliminate risk of failure to achieve business objective, and to provide reasonable but not absolute assurance against material misstatement or loss.

The Board executes the decision-making right over operation. It endeavors to establish and improve the internal control policies and plans and supervise the implementation of the internal control system to safeguard shareholder investments and Company assets, thus being responsible for the establishment and supervision of the internal control system of the Company. It is the responsibility of the Board to establish, improve, review and effectively implement the internal control system.

In terms of management structure, the Company has optimized the organizational structure and implemented a flat management. The relevant functional departments are sufficiently staffed, taking charge of financial operations and monitoring, internal control, risk management, internal audit, anti-corruption and production safety. In addition, the Company arranges reasonable budgets to provide regular trainings for the staff of the Company and its subsidiaries performing functions such as finance, risk management and internal audit so as to ensure that they are fully qualified and experienced.

### 內部監控及風險管理

董事會持續全權負責維持本公司穩健及有效的風險管理及內控系統，該系統旨在管理可能導致無法達到業務目標之風險，而非排除此風險，並提供合理而非絕對的保證，以免出現錯誤陳述或損失。

董事會執行營運決策權，並致力建立及改善內部監控政策與計劃，以及監管內部監控系統的實施，以保障股東投資與公司資產，故董事會負責建立及監察本公司之內部監控系統。董事會之職責為建立、改善、檢討並有效實行內部監控系統。

管理架構上，公司優化了組織結構設置，實行了扁平化管理。相關職能部門配備了充足的人員，負責財務運作和監控、內部控制、風險管理、內部審計、反舞弊及安全生產等具體工作。此外，公司安排合理預算，定期為公司及附屬公司財務、風險管理、內部審計等職能員工提供培訓，確保其擁有足夠的素質和經驗。

# Corporate Governance Report

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All departments are under direct leadership of the President and management of the Company, who is thereby enable to report instantly to the Board on the operations of each department and problems received. Accordingly, any significant matter (if subject to disclosure to the market) identified by the staff could be reported to the management in a timely, accurate and effective manner. The management of the Company assessed such significant matter in accordance with internal management requirements and procedures in a timely manner and made corresponding decisions. The decisions of the management of the Company could be implemented accurately and timely under supervision.

In respect of legal compliance, in 2018, the Company established a compliance steering group and general office for the improvement of the Company's regulatory compliance matters. We adhered to the integrated management and control of legal risk prevention, compliance management and legal supervision. We finished the amendments to several legal contract templates and continued the enhancement of legal function.

公司總裁及管理層與各部門直接對接，並能將各部門運作情況及反映的問題及時向董事會匯報。因此，員工發現的重大情況（如需在市場披露）能夠被及時、準確、有效地傳遞到公司管理層。公司管理層根據相應的內部管理規定和程序及時評估這些重大情況，並制定相應決策。公司管理層的決策能夠正確、及時地貫徹和監督執行。

在法律合規方面，2018年公司成立公司法治建設領導小組和工作辦公室，紮實推進公司法治建設工作。堅持法律風險防範、合規管理和法律監督三位一體管控。修訂完成多個法律合同範本，持續推進法律職能前移。

# Corporate Governance Report

## 企業管治報告

In 2018, the Company continued to strengthen the financial management and kept on emphasizing the importance of budget control. We advanced the overseas on-site financial management, continuously improved the financial management and controlling system of the local branches and encouraged geographical and localized financial management. We continuously deepened our frontline management and proactively engaged in preliminary research and decision-making for the investment business. Innovative financial management policies were implemented, the centralized financial management standard was therefore enhanced. The Company continued to strengthen the financial foundation, upgrade our financial tools and implement efficient management and control of various financial risks arose from the Company's overseas capital payables and receivables and invoice management through online overseas accounting and invoice module, resulting in an advancement of the informatization of the Company's financial management.

In 2018, the Company established a production safety department and a production safety responsibility system. We strengthened the monitoring and management of sources of potential dangerous, the elimination of potential hazard and the level of emergency aid, and enhanced our capability in risk control and production safety assurance. We focused on education and training in production safety, conducted 2 sessions of safety training and made amendments to 13 relevant policies, which led to a pass in the external supervision and review by "Quality, Environment and Occupational health" systems.

In respect of export control, in 2018, the Company coped with the risk arose from export control resulting from international environment and Sino-US relationship proactively, and kept track on the change in export control regulations. We completed the first round of export control external assessment, and incorporated the investment business into the scope of export control management and assessment.

2018年，公司持續加強財務管理工作，不斷發揮預算管理的價值引領作用。優化境外現場財務管理，不斷完善區域公司財務管控體系，推動財務區域化、屬地化管理。持續深化管理職能前移，積極參與投資業務前期調研、決策。創新財務管控措施，提升集團化財務管理水平。持續夯實財務基礎，升級財務工具，通過海外報賬、發票模塊上線對公司海外資金收支以及發票管理中的各項財務風險實現了更加有效的管控，公司財務信息化水平邁上了一個新的台階。

2018年，公司成立安全生產部，逐級建立了安全生產責任制。強化危險源監督管理，加強隱患排查治理，加大應急管理力度，切實提升風險防控能力和安全生產保障能力。加強宣傳教育培訓，舉辦兩期安全培訓，修訂發佈13個相關制度，順利通過三體系外部審核。

在出口管制方面，2018年公司積極應對國際形勢和中美關係帶來的出口管制風險，嚴密跟踪出口管制法律的變化。完成了第一次出口管制外審工作，並將投資業務納入出口管制管理和審核範疇。

### Disclosure of Inside Information

The Group acknowledges its responsibilities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) and the Listing Rules and the overriding principle that inside information should be announced immediately when it is the subject of a decision. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts its affairs with close regard to the disclosure requirement under the Listing Rules as well as the “Guidelines on Disclosure of Inside Information” published by the Securities and Futures Commission of Hong Kong in June 2012;
- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and its website;
- the Group has strictly prohibited unauthorized use of confidential or inside information; and
- the Group has established and implemented procedures for responding to external enquiries about the Group’s affairs, so that only the Executive Directors, the Joint Company Secretaries and investor relations officers are authorized to communicate with parties outside the Group.

During the Year, the Board assessed the risk management and internal control systems of the Company and its subsidiaries such as financial control, operation control, compliance control and risk management systems and was not aware of any material problems or any material mistakes. The Board believes that the current monitoring system of the Company is effective and that the qualifications and experience of the staff performing accounting and financial reporting functions and the training programs of the Company as well as the experiences and resources for setting the budget of the Company are adequate.

### 披露內幕消息

本集團知悉其根據香港法例第571章證券及期貨條例及《上市規則》所應履行的責任，整體原則是內幕消息必須在有所決定後即時公佈。處理及發佈內幕消息的程序及內部監控措施如下：

- 本集團處理事務時會充分考慮《上市規則》項下的披露規定以及香港證券及期貨事務監察委員會於二零一二年六月頒佈的「內幕消息披露指引」；
- 本集團已透過財務報告、公告及公司網站等途徑向公眾廣泛及非獨家披露資料，實施及披露其公平披露政策；
- 本集團已嚴格禁止未經授權使用機密或內幕消息；及
- 本集團已就外界查詢本集團事務訂立及執行回應程序，據此，僅執行董事、聯席公司秘書及投資者關係專員方獲授權與本集團外部人士溝通。

董事會在本年度內對本公司及其附屬公司的財務監控、運作監控、合規監控及風險管理等風險管理及內控系統進行審查，未發現公司內部控制存在任何重大問題，或出現任何重大失誤。董事會認為本公司目前的監控體系是有效的，並認為本公司進行會計及財務匯報的員工的資歷和經驗、員工培訓及有關預算方面的經驗和資源是足夠的。

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The Group's risk management and internal control systems will be reviewed and assessed on an on-going basis by the Audit Committee and Operation and Risk Management Committee, respectively, which will report the same to the Board, and will be further reviewed and assessed at least once each year by the Board.

### INTERNAL AUDIT

The audit department of the Company (the “**Audit Department**”) adhered to risk-oriented strategy, strictly complied with the auditing procedures, enhanced the auditing quality and ensured the accomplishment of the audit target. Rectification was furthered, therefore the internal auditing result could be obtained efficiently and effectively. Audit information platform was improved so as to raise the auditing efficiency.

### INDEPENDENT AUDITORS' REMUNERATION

For the Year, the remunerations (pre-tax) paid or payable to the external auditors in respect of audit services and review service amounted to RMB7.18 million and RMB2.40 million, respectively. The amount for 2018 review service comprised the service fee on review of interim financial statements. The Audit Committee was satisfied that the review service in 2018 did not affect the independence of the auditor.

審計委員會以及經營與風險管理委員會將持續檢討及評估本集團之風險管理及內部監控系統，並向董事會匯報結果，而董事會則每年最少對本集團之內部監控系統進行一次進一步檢討及評估。

### 內部審計

公司審計部（「**審計部**」）堅持風險導向，嚴格實施審計程序，提高審計質量，確保審計目標的實現；加大跟踪督促整改力度，促進內部審計成果及時有效運用；完善審計信息化平台，提升審計效率。

### 獨立核數師薪酬

截至本年度，付予或應付予外聘核數師有關審計服務及審閱服務的薪酬（稅前）分別為人民幣7.18百萬元及人民幣2.40百萬元。2018年審閱服務的費用為審閱中期財務報表的服務費用。審計委員會對2018年度審閱服務並沒有影響到核數師的獨立性感到滿意。

# Corporate Governance Report

## 企業管治報告

### JOINT COMPANY SECRETARIES

On February 12, 2018, Ms. WANG Weiling (“**Ms. WANG**”) was appointed by the Board to succeed Mr. ZHOU, who was resigned as the company secretary of the Company (the “**Company Secretary**”) on February 12, 2018, act as one of the joint Company Secretary, the secretary to the Board and the authorised representative of the Company. She is responsible for advising the Board on corporate governance matters and ensuring that the Board policies and procedures, and the applicable laws, rules and regulations are followed. In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company has appointed Mr. KWOK Siu Man (“**Mr. Kwok**”), as its joint Company Secretary to assist Ms. WANG to discharge her duties as the Company Secretary. Details for the above change are set out in the Company’s announcement published on February 12, 2018.

For the purpose of code provision F.1.1 of the CG Code, Mr. Kwok keeps close contact with Ms. WANG, being the person with sufficient seniority at the Company.

For the Year under review, Ms. WANG and Mr. Kwok has undertaken 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

### DIVIDEND POLICY

In order to enhance transparency of the Company and facilitate the Shareholders and investors to make informed investment decisions relating to the Company, the Board adopted a dividend policy of the Company (the “**Dividend Policy**”).

According to the Dividend Policy, when determining whether to declare any dividend in the future and the amount of dividend to be declared, the Company shall consider a number of factors, including but not limited to:

### 聯席公司秘書

於2018年2月12日，王瑋玲女士（「**王女士**」）獲董事會委任接替於2018年2月12日辭任本公司的公司秘書（「**公司秘書**」）的周先生為聯席公司秘書之一、董事會秘書及本公司授權代表。彼負責就企業管治事宜向董事會提供意見，並確保已遵從董事會政策與程序，以及適用法例、規則及規例。為維持良好企業管治並確保遵守《上市規則》與適用香港法例，本公司已委聘郭兆文先生（「**郭先生**」）為其聯席公司秘書，以協助王女士履行其作為公司秘書之職務。有關上述變動的詳情載於本公司於2018年2月12日發佈的公告。

就《企業管治守則》之守則條文F.1.1條而言，郭先生與王女士緊密聯繫，王女士屬本公司的較高職位人士。

於回顧本年度，為遵守《上市規則》第3.29條，王女士及郭先生已接受15個小時之相關專業培訓。

### 股息政策

為提高本公司之透明度及讓股東及投資者便於進行有關本公司之知情投資決定，董事會採納本公司之股息政策（「**股息政策**」）。

根據股息政策，於未來釐定是否宣派任何股息及釐定將予宣派之股息金額時，本公司須考慮若干因素，包括但不限於：



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- results of operation;
- cash flows and financial condition;
- operation and capital requirement;
- amount of distributable profit based on the generally accepted accounting principles in the PRC or International Financial Reporting Standards, whichever is lower; and
- statutory and contractual restrictions on the payment of dividends by the Company.

In addition to the above, the Company can only distribute dividends out of the after-tax profit after the following allocations have been made: (i) recovery of accumulated losses, if any; (ii) mandatory allocations to the statutory common reserve fund equivalent to 10% of the after-tax profit, unless the common reserve fund reaches 50% of our registered capital or above; and (iii) allocations to discretionary common reserve fund, subject to the Shareholders' approval at the Shareholders meeting.

The Company does not have any pre-determined dividend distribution proportion or distribution ratio. The declaration, payment and amount of dividends will be subject to the PRC laws, the Articles of Association and the Board's discretion. The Board will review the Dividend Policy on a regular basis.

### SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, when the Company convenes an AGM, Shareholders holding 3% or more of the total voting shares of the Company shall be entitled to propose new resolutions to the Company in writing which should be submitted to the convener 10 days prior to the convening of the general meeting. The convener of the general meeting shall issue a supplemental notice of general meeting to other Shareholders within 2 days of the receipt of such proposal and incorporate such newly proposed matters falling within the scope of duties of the general meeting into the agenda of such meeting. The new agenda shall be tabled to the general meeting for consideration.

- 經營業績；
- 現金流及財務狀況；
- 經營及資金需求；
- 可予分派利潤之金額乃根據中國之廣泛接受會計原則或國際財務報告準則（以較低者為準）；及
- 限制本公司派付股息之法定及合同限制。

除上述者外，本公司僅可從除稅後溢利按下列方式分派股息：(i) 累計虧損彌補狀況（如有）；(ii) 對法定公積金作出相等於除稅後溢利10%的強制分配（除非公積金達到我們的註冊資本的50%或以上）；及(iii) 對任意公積金作出的分配，但須待股東於股東大會上批准後方可作實。

本公司並無任何預先釐定股息分派部門或分派比率。股息宣派、派付及其金額將視乎中國法律、章程及董事會之酌情決定而定。董事會將定期審閱股息政策。

### 股東權利

為保障股東權益及權利，倘本公司召開股東週年大會，持有本公司具表決權股份總數3%或以上的股東有權以書面形式向本公司提出新決議案，書面建議須於召開股東大會之前10天呈交召集人。股東大會召集人須於接獲有關建議2天內向其他股東發出股東大會補充通知，將符合股東大會職責範圍的相關新建議事項加入大會議程。新議程將於股東大會上提出以供審議。

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Shareholders can submit their written recommendations through the following facsimile, e-mail or postal address:

Facsimile: 86 10 6332 1086

E-mail: ir@mail.cmec.com

Postal address: No. 178 Guang'anmenwai Street, Xicheng District, Beijing, the PRC (Postal Code: 100055)

Pursuant to article 57 of the Articles of Association, general meetings shall be convened where Shareholders who individually or jointly hold 10% or more of the Shares make a request to convene an extraordinary general meeting in writing. The matter for consideration proposed by the party requesting the holding of the extraordinary general meeting shall be included in the agenda of such meeting.

As for proposing a person for election as a director, the procedures are set out in the Articles of Association which is available on the respective websites of the Stock Exchange and the Company.

All resolutions put forward at shareholder meetings will be voted on by poll based on shareholding pursuant to the Listing Rules and poll results will be posted on the respective websites of the Stock Exchange and the Company in a timely manner after each shareholder meeting.

### Enquiries to the Board

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to Room 804, 8/F, Tower 1, South Sea Centre, 75 Mody Road, Tsimshatsui East, Kowloon, Hong Kong, and provide sufficient contact information for the timely and proper handling and record keeping of the relevant enquiries.

股東可通過以下傳真、電郵、郵寄地址提交彼等的書面建議：

傳真：86 10 6332 1086

電郵：ir@mail.cmec.com

郵寄地址：中國北京西城區廣

安門外大街178號（郵編：100055）

根據章程第57條，倘個別或共同持有10%或以上股份的股東作出書面要求召開臨時股東大會，則須召開股東大會。要求舉行臨時股東大會的人士所提呈以供審議的事項須加入該大會的議程。

至於建議一名人士膺選董事方面，有關程序載於章程內，而章程可分別於聯交所及本公司的網站查閱。

於股東大會提呈之所有決議案將根據《上市規則》以按股數投票方式表決，而表決結果將於各股東大會後適時分別刊載於聯交所及本公司的網站。

### 向董事會查詢

有意就本公司事宜向董事會作出查詢的股東可將查詢送交香港九龍尖沙咀東麼地道75號南洋中心第1座8樓804室，並提供足夠的聯絡資料，以便有關查詢及時獲得公司恰當的處理和記錄。

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## 企業管治報告

### COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

In 2012, the Company successfully completed its Listing in Hong Kong. Through roadshow presentations around the globe, its investor relations website, investor enquiry hotline, investor mailbox and other communication channels, the Company maintains close liaisons with investors worldwide in a timely and efficient manner. Moreover, through investment forums, corporate visits, teleconferences and various other channels, the Company maintains proactive and frank exchanges with investors and analysts. The Company has attached great importance to listening to Shareholders and investors and accepting reasonable suggestions and opinions from them. It strives to continuously enhance its operating results, present a true picture of the Company's financial and operational status to Shareholders and investors, actively facilitate the internal communications in respect of the feedback from the capital market, and continuously perfect and enrich the system aiming to canvass information in relation to investor relations. The management over investor relations involves an all-faceted interactive communication process.

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable shareholders and investors to make informed investment decisions. In 2018, the Company will gradually develop a systematic structure of investor relations featured by its own characteristics. The Company aims at actively participating in all kinds of summits in capital market and strengthen communication with investors, as well as strive to achieve timely and transparent information disclosures.

The AGM provides opportunity for shareholders to communicate directly with the Directors. The Chairman, the President, the chairman of each of the Board Committees and the external auditor of the Company, Ernst & Young, will attend the AGM to answer Shareholders' questions.

### 與股東之溝通及投資者關係

於2012年，本公司成功在香港完成上市。本公司透過於世界各地進行的路演、其投資者關係網站、投資者查詢熱線、投資者信箱及其他溝通渠道，及時並有效保持與全球各地投資者的緊密聯繫。此外，本公司透過投資論壇、公司訪問、電話會議及各類其他渠道，積極及真誠與投資者及分析師交流。本公司十分重視聆聽並接受股東及投資者的合理建議和意見，致力持續改善其營運業績、向股東及投資者呈列本公司的真實財務與營運狀況、積極促進有關來自資本市場反饋意見的內部交流，以及持續優化及加強系統，目的是宣揚有關投資者關係的資料。投資者關係管理涉及全面互動溝通程序。

本公司認為，與股東之有效溝通對改善投資者關係及了解本集團業務、表現及策略甚為重要。本公司亦確認適時及非選擇性披露資料之重要性，將有助股東及投資者作出知情投資決定。在2018年，公司將逐步形成具有自身特色的投資者關係體系架構。公司旨在積極參加資本市場各類峰會活動，加強與投資者的溝通互動，努力使信息及時披露及具透明度。

股東週年大會為股東提供直接與董事溝通的機會。董事長、總裁、各董事會委員會主席及本公司外聘核數師安永會計師事務所將出席股東週年大會，以回應股東提問。

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To promote effective communication, the Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and its Shareholders and maintains a website at [www.cmec.com](http://www.cmec.com), where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access. The Company also maintained frequent contacts with Shareholders and investors through various channels such as meetings, telephone and emails. For example, we will convene telephone meetings to answer enquiries from Shareholders and investors, as well as arrange one-on-one conversation with investors. In addition, we arranged on-site visits to the Group's projects and non-deal roadshows for investors and research analysts.

The Company has adopted a shareholders' communication policy with the objective of ensuring that the Shareholders, both individual and institutional shareholders (collectively, the "**Shareholder(s)**") and, in appropriate circumstances, the investment community at large, are provided with ready, equal, balanced and understandable information about the Company (including its financial performance, strategic goals and plans, material developments and governance) in a timely manner, for the purpose of enabling the Shareholders to exercise their rights in an informed manner, and allowing them and the investment community to engage actively with the Company.

Information about the Company will be communicated to the Shareholders and the investment community mainly through the Company's financial reports (interim and annual reports), annual general meetings and other general meetings that may be convened, as well as by making available all the disclosures submitted to the Stock Exchange and its corporate communications on the respective websites of the Stock Exchange and the Company.

為推動有效溝通，本公司採納股東通訊政策，旨在建立本公司與其股東的雙向關係及溝通，並設有網站[www.cmec.com](http://www.cmec.com)，以供公眾人士查閱有關本公司業務營運及發展、財務資料、企業管治常規及其他資料的最新消息。本公司亦透過會議、電話及電郵等各種渠道與股東及投資者保持緊密聯繫，例如，召開電話會議回覆股東及投資者的提問及安排一對一的投資者訪談等。另外，我們為投資者及研究分析師安排本集團項目的實地考察及非交易路演。

本公司已採納股東溝通政策，目標是確保股東，包括個人及機構（以下統稱「股東」），及在適當情況下包括一般投資人士，均可適時取得方便、相同、平衡及容易理解的本公司資料（包括其財務表現、策略目標及計劃、重大發展及管治），一方面使股東可在知情情況下行使權力，另一方面也讓股東及投資人士與本公司加強溝通。

本公司向股東及投資人士傳達本公司資料的主要渠道為：本公司的財務報告（中期及年度報告）、股東週年大會及其他可能召開的股東大會，並將所有呈交予聯交所的披露資料及公司通訊分別登載在聯交所及本公司網站。

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## 企業管治報告

### INFORMATION DISCLOSURE

The Company discloses information in compliance with the Listing Rules, and publishes periodic reports and announcements to the public in accordance with the relevant laws and regulations. The primary focus of the Company is to ensure information disclosure is timely, fair, accurate, truthful and complete, thereby enabling Shareholders, investors as well as the public to make rational and informed decisions regarding the Company.

### CONSTITUTIONAL DOCUMENT

At the Second EGM, the amendments to the Articles of Association were approved by the Shareholders. There is no material change in the amendments to the Articles of Association. An updated version of the Articles and Association is available on the respective websites of the Stock Exchange and the Company.

### ANNUAL GENERAL MEETING

All Shareholders are encouraged to attend the forthcoming AGM and exercise their right to vote. Further details of business to be conducted at the general meeting will be set out in the circular and notice to the Shareholders to be sent and posted on the respective websites of the Stock Exchange and the Company in due course.

### 資料披露

本公司根據《上市規則》披露資料，並根據相關法例及規例定期向公眾人士公佈報告及公告。本公司重點確保及時、公平、準確、真誠及完整地披露資料，讓股東、投資者及公眾人士得以作出有關本公司的理性及知情決定。

### 章程文件變動

章程的修訂於第二次臨時股東大會經股東批准通過。章程的修訂並無重大變動。章程的更新版本可分別於聯交所及本公司網站查閱。

### 股東週年大會

本公司鼓勵全體股東出席應屆股東週年大會並行使彼等表決權。有關於股東大會進行之事宜的進一步詳情將載於稍後寄發予股東之通函及通告內，該等通函及通告亦將適時分別於聯交所及本公司網站內刊發。

# Report of the Supervisory Board

## 監事會報告

The Supervisory Board is pleased to present this report of the Supervisory Board in the annual report of the Company for the year ended December 31, 2018.

In 2018, all members of the Supervisory Board have practically performed their supervisory functions to safeguard the rights and interests of the Group and the Shareholders in accordance with the Companies Law, the Articles of Associations, the Rules of Procedures of the Supervisory Board and the relevant provisions in the Listing Rules. Members of the Supervisory Board carried out examination of the Company's financial accounts and supervision of the management of the Company, compliance in operation, implementation of resolutions of the general meetings, internal control, the Directors, the president and other senior management for their compliance with the laws, administrative regulations and the Articles of Association, etc in executing their respective duties.

### I. MEMBERS OF THE SUPERVISORY BOARD AND CHANGES IN MEMBERS DURING THE REPORTING PERIOD

The third session of the Supervisory Board of the Company comprises Mr. QUAN Huaqiang, Mr. QIAN Xiangdong and Ms. LIU Ting. Their term of service commenced on March 5, 2018 until the expiration of the term of third session of the Supervisory Board.

As announced by the Company on January 12, 2018, Ms. LIU Ting has been elected as the staff representative Supervisor for the third session of the Supervisory Board at the employees' general meeting. And at the extraordinary general meeting held on March 5, 2018, Mr. QUAN Huaqiang and Mr. QIAN Xiangdong have been re-elected as the Shareholder representative Supervisors for the third session of the Supervisory Board. At the first meeting of the third session of the Supervisory Board held on March 5, 2018, Mr. QUAN Huaqiang has been re-elected as the chairman for the third session of the Supervisory Board. Mr. QUAN Huaqiang, Mr. QIAN Xiangdong and Ms. LIU Ting have formed the third session of the Supervisory Board. Their term of service commenced on March 5, 2018 until the expiration of the term of third session of the Supervisory Board.

監事會欣然呈列於本公司截至2018年12月31日止年度的年報的監事會報告。

2018年，監事會全體成員依照公司法、章程、監事會議事規則及上市規則的有關規定，切實履行監督職責，維護本集團及股東的權益。監事會成員對本公司財務賬目進行檢查並對本公司的管理情況、依法運營情況、股東大會決議執行情況、內控情況、董事、總裁及其他高級管理層行使其各自職責時對法律、行政法規及章程的遵守情況等進行了監督。

### 一、監事會成員及報告期內成員變動情況

全華強先生、錢向東先生及劉婷女士為本公司第三屆監事會成員。彼等的任期自2018年3月5日起直至第三屆監事會屆滿為止。

誠如本公司於2018年1月12日所公布，劉婷女士已獲選舉為第三屆監事會職工代表監事。於2018年3月5日舉行的臨時股東大會上，全華強先生及錢向東先生已獲重選為第三屆監事會股東代表監事。於2018年3月5日舉行的第三屆監事會第一次會議上，全華強先生已獲重選為第三屆監事會主席。全華強先生、錢向東先生及劉婷女士已組成第三屆監事會。彼等的任期自2018年3月5日起直至第三屆監事會任期屆滿為止。

# Report of the Supervisory Board

## 監事會報告

### II. MEETINGS OF THE SUPERVISORY BOARD

During the year of 2018 and up to the date of this annual report (being March 26), five meetings of the Supervisory Board were held.

On January 12, 2018, the Company held the tenth meeting of the second session of the Supervisory Board to consider and recommend the candidates for the third session of the Supervisory Board of the Company.

On March 5, 2018, the Company held the first meeting of the third session of the Supervisory Board to elect chairman for the third session of the Supervisory Board of the Company.

On March 26, 2018, the Company held the second meeting of the third session of the Supervisory Board to consider the 2017 audited financial report and the 2017 results announcement of the Company and the 2017 report of the Supervisory Board of the Company.

On August 29, 2018, the Company held the third meeting of the third session of the Supervisory Board to consider the 2018 unaudited interim financial report and the 2018 interim results announcement of the Company.

On March 26, 2019, the Company held the fourth meeting of the third session of the Supervisory Board to consider the 2018 audited financial report and the 2018 results announcement of the Company and the 2018 report of the Supervisory Board of the Company.

### 二、監事會會議情況

於2018年度內至本年報日期(3月26日)，監事會舉行了5次會議。

於2018年1月12日，本公司舉行第二屆監事會第十次會議，以審議及推薦本公司第三屆監事會候選人。

於2018年3月5日，本公司舉行第三屆監事會第一次會議，以選舉本公司第三屆監事會主席。

於2018年3月26日，本公司舉行第三屆監事會第二次會議，以審議本公司2017年經審計財務報告及2017年業績公告和本公司2017年監事會報告。

於2018年8月29日，本公司舉行第三屆監事會第三次會議，以審議本公司2018年未經審計中期財務報告及2018年中期業績公告。

於2019年3月26日，本公司舉行第三屆監事會第四次會議，以審議本公司2018年經審計財務報告及2018年業績公告和本公司2018年監事會報告。

# Report of the Supervisory Board

## 監事會報告

### III. INDEPENDENT OPINION ISSUED BY THE SUPERVISORY BOARD ON RELEVANT MATTERS

#### 1. Management of the Company

The Board of the Company, both collectively and individually, have earnestly performed their duties with integrity and diligence, and each Director has earnestly understood the operation of the Company and thoroughly discussed the Company's affairs before making decisions. The management of the Company faithfully fulfilled their duties and responsibilities as stipulated in the laws, regulations and the Articles of Association, and earnestly implemented the resolutions approved by the Board. Facing with the harsh and complicated market environment, the management has actively taken challenges and earnestly performed their duties according to their terms of reference and implemented the decisions of the Board in a scientific way. Till now, the Supervisory Board did not discover that the Board and senior management had abused their rights and functions or any of their actions that were prejudicial to the interests of the Company, Shareholders and staff of the Company, or in any way violated the laws, regulations and the Articles of Association.

### 三、監事會就有關事項發表的獨立意見

#### 1. 本公司管理情況

本公司董事會整體及每名董事均認真履行了誠信及勤勉責任，董事在認真了解本公司運營情況及進行充分討論的情況下，對本公司決策事項進行了決策。本公司管理層忠實履行了法律、法規及章程規定的職責，認真執行了董事會通過的各項決議。管理層面對嚴峻複雜的市場環境，積極應對，在職權之內認真履行職責，科學執行董事會決策。至今監事會未發現董事會及高級管理人員濫用職權，損害本公司利益及侵犯股東及本公司員工權益或違反法律、法規及章程的任何行為。



# Report of the Supervisory Board

## 監事會報告

### 2. Operation of the Company

In 2018, the Company strictly complied with the laws and regulations, operated in accordance with the Listing Rules. The Company managed to achieve satisfying results in areas of operation, cost control, project origination, implementation and management, internal management, work safety and market expansion, resulting in a strong and excellent company which laid a solid foundation for the smooth and faster development. The Company further improved the systems of internal controls, and enhanced, in particular, the system of business processes and responsibility assignment of all functional departments of the Company, making further progress in corporate governance.

### 3. Implementation of the resolutions of General Meetings

In 2018 and up to the date of this annual report, the members of the Supervisory Board attended five general meetings and sit in on twenty meetings of the Board, exercising supervision in respect of the lawfulness and compliance of the procedures of the matters considered by the Board meetings.

The Supervisory Board made no objection to the reports and motions tabled at the general meetings and considered that the Board earnestly implemented the resolutions approved by the general meetings.

### 2. 本公司營運情況

於2018年，本公司能夠嚴格執行法律、法規，按上市規則運作。本公司營運、成本控制、項目建設、實施及管理、內部管理、工作安全及市場開拓等方面均取得了令人滿意的成績，為本公司做優做強，實現更好更快發展奠定了堅實基礎。本公司進一步完善了內部控制的各項制度，特別是完善了本公司各職能部門的業務流程和責任分配體系，企業管治水平進一步提高。

### 3. 股東大會決議案執行情況

於2018年度內至本年報日期，監事會成員出席了5次股東大會，列席參加了20次董事會會議，對董事會會議審議之事項的程序合法性和合規性實施監督。

監事會對於股東大會上提呈的各項報告和議案並無異議，並認為董事會認真執行了經股東大會批准的各項決議案。

# Report of the Supervisory Board

## 監事會報告

### 4. Financial matters of the Company

Members of the Supervisory Board monitored and examined the financial management system and the financial condition and reviewed relevant financial information of the Company. Upon examination, the Supervisory Board concluded that the Company had strictly complied with the relevant financial laws, regulations and financial policies, and that the financial system has an integrated structure; the financial management system was sound and implemented effectively; the accounting treatment was in line with the consistency principles; and the Company's financial reports gave an objective and fair view of the financial position and operating results of the Company.

The Supervisory Board reviewed the unqualified audit opinions issued by Ernst & Young (安永會計師事務所) and Ernst & Young Hua Ming LLP (Special General Partnership) (安永華明會計師事務所(特殊普通合夥)) in respect of the audited consolidated financial statements of the Company for the year ended December 31, 2018 prepared in accordance with IFRS and Accounting Standards for Business Enterprises of the PRC respectively, and raised no objection to such reports.

### 5. Internal control of the Company

Members of the Supervisory Board monitored and examined the internal control of the Company and reviewed relevant internal control information of the Company. Upon review, the Supervisory Board concluded that the Company was under the effective management of the Board and the management during the reporting period, and the Company continued to improve the internal control system and improve the risk management and control capabilities, ensuring the regulated and stable operation of the Company. The Supervisory Board considered that the evaluation report of the internal control of the Company was comprehensive and objective and in line with the actual situation of the Company.

### 4. 本公司財務事項

監事會成員對本公司的財務管理制度和財務狀況進行了監督檢查，審閱了本公司相關財務資料。通過審查，監事會認為本公司嚴格遵守了相關金融法律、法規及財務政策，財務系統組織結構完整，財務管理制度健全且獲有效執行；會計處理方法遵循了一貫性原則；本公司財務報告客觀、公允地反映了本公司的財務狀況及營運業績。

監事會審閱了安永會計師事務所及安永華明會計師事務所(特殊普通合夥)分別就根據國際財務報告準則及中國企業會計準則編製的截至2018年12月31日止年度的經審計合併財務報表出具的無保留意見的審計報告，對該報告無異議。

### 5. 本公司內控情況

監事會成員對本公司的內控狀況進行了監督檢查，審閱了本公司相關內部控制的資料。通過審查，監事會認為，本公司在報告期內處於董事會和管理層的有效管理之下，且本公司持續完善內部控制體系，提高風險管控能力，確保本公司規範穩健運營。監事會認為本公司內部控制評價報告全面、客觀，符合本公司實際。

# Report of the Supervisory Board

## 監事會報告

### 6. Information disclosure system

Members of the Supervisory Board monitored and examined the Company's information disclosure system and reviewed relevant documents of the Company for public disclosure. Upon review, the Supervisory Board concluded that, during the reporting period, the Company's information disclosure and other management processes strictly abided by the Listing Rules and the rules of the Company's information disclosure system, and disclosed relevant information in a lawful, timely and comprehensive manner, and no false information was found. The Supervisory Board also did not discover that the Directors, Supervisors and senior management, as well as relevant inside information insiders, had used inside information to buy and sell stocks and harm the interests of the Company and Shareholders.

### 7. Connected transactions

The Supervisory Board reviewed the connected transactions between the Group and connected persons during the reporting period, and was of the opinion that all the connected transactions complied with the relevant requirements of the Stock Exchange, and that the pricing and terms of the connected transactions was reasonable, open and fair and there was not any matter prejudicial to the interests of the Company or Shareholders.

### 6. 信息披露制度的情況

監事會成員對本公司的信息披露制度進行了監督檢查，審閱了本公司的進行公開披露的相關文件。通過審查，監事會認為，報告期內，本公司信息披露等管理流程嚴格遵守上市規則和本公司信息披露制度的規定，對相關信息進行了依法、及時、全面地披露，未發現虛假信息。監事會亦未發現本公司董事、監事和高級管理人員以及相關內幕信息知情人有利用內幕信息買賣股票、損害本公司和股東利益的行為。

### 7. 關連交易

監事會對報告期內本集團與關連人士進行的關連交易進行了審查，認為全部關連交易均符合聯交所的有關規定，關連交易的定價和條款亦屬合理、公開及公允，並無發現任何損害本公司或股東利益的事項。

# Report of the Supervisory Board

## 監事會報告

### 8. Others

Members of the Supervisory Board participated in the review of the annual performance appraisal of the Company's management. Upon review, the Supervisory Board of the Company concluded that the annual performance appraisal of the Board on the management was conducted strictly in accordance with the appraisal procedures approved by the Company's Articles of Association and the general meeting. The Supervisory Board made no objection to the appraisal results.

In 2019, the Supervisory Board will continue to carry out its fiduciary duties to implement effective supervision on the Company, its Directors and senior management in accordance with the relevant provisions of the Companies Law, the Articles of Association, the Rules of Procedures of the Supervisory Board and the Listing Rules and pay close attention to the operation and management status of the Company as well as any significant development of the Company, so as to facilitate the profit growth of the Company and to dutifully protect the interests of all Shareholders and the Company. In addition, the Supervisory Board will further consolidate resources for supervision so as to enhance our management, helping and ensuring the realization of the Company's targets for all works in 2019.

By Order of the Supervisory Board  
**QUAN Huaqiang**  
*Chairman of the Supervisory Board*

Beijing, the PRC, March 26, 2019

### 8. 其他

監事會成員參與了對本公司管理層年度績效考核工作的檢查。通過檢測，監事會認為，本公司董事會對管理層的年度績效考核工作，是嚴格依據公司章程及股東大會批准的考核程序進行的，監事會對考核結果沒有異議。

2019年，監事會將依據公司法、章程、監事會議事規則及上市規則的有關規定，繼續謹遵誠信原則，對本公司、其董事及高級管理人員實施有效監督，且密切關注本公司的營運及管理情況，並關注本公司的任何重大發展，藉以促進本公司的盈利增長，並忠實維護全體股東及本公司的利益。另外，監事會將進一步整合監督資源，促進管理提升，助力和保障本公司2019年度各項工作目標的順利實現。

承監事會命  
**全華強**  
監事會主席

中國北京，2019年3月26日

# Directors, Supervisors, Senior Management and Employees

## 董事、監事、高級管理人員及僱員

### I. EXECUTIVE DIRECTORS

#### Mr. ZHANG Chun (張淳先生)

Mr. ZHANG, aged 50, is currently the chairman of the Board and an executive Director and the Secretary of the Party Committee of the Company. Mr. ZHANG was appointed as executive Director and the president of the Company on March 16, 2012. Following his appointment as the chairman of the Board on January 12, 2018, he has ceased to serve as the president of the Company same date. He has more than 20 years of management experience. In July 1991, he joined China National Electric Equipment Corporation (中國電工設備總公司), the predecessor of CNEEC, as a sales representative and worked in that company until August 1993. Mr. ZHANG then joined our Company, and held various positions from August 1993 to May 2002, including sales representative, project manager, representative and chief representative of the Representative Office of our Company in Bangladesh. After returning to China, Mr. ZHANG joined China National Machinery & Equipment Corporation Group (中國機械裝備(集團)公司), the predecessor of SINOMACH, in May 2002 as the director of the department of operational management. Mr. ZHANG later became the director of the department of engineering and served at that position until August 2011. Mr. ZHANG was the vice president of our Company from August 2011 until March 2012. From March 2014 to January 2019, Mr. ZHANG has been acting as chairman of CNEEC. From February 21, 2012 to December 6, 2018, Mr. ZHANG served as the Deputy Secretary of the Party Committee of the Company; and has been serving as the Secretary of the Party Committee of the Company from December 6, 2018.

In 1991, Mr. ZHANG graduated from Tsinghua University (清華大學) with a bachelor's degree in thermal engineering. Mr. ZHANG is a professorate senior engineer.

### I. 執行董事

#### 張淳先生

張先生，現年50歲，現任本公司董事會董事長兼執行董事，黨委書記。張先生於2012年3月16日獲委任為本公司執行董事兼總裁。彼於2018年1月12日獲委任為董事會董事長後，同日不再擔任本公司總裁。彼擁有超過20年管理經驗。於1991年7月，彼加入中國電工設備總公司（中電工的前身）擔任業務員，並一直於該公司任職至1993年8月。張先生隨後加入本公司，並於1993年8月至2002年5月間，在本公司先後擔任多個職務，包括業務員、項目經理以及駐孟加拉國代表處的代表和首席代表。張先生返回中國後，於2002年5月加入中國機械裝備（集團）公司（國機集團的前身）擔任經營管理部部長，其後擔任工程事業部部長，並擔任該職位直至2011年8月。自2011年8月至2012年3月，張先生獲委任為本公司副總裁並擔任該職位。張先生自2014年3月至2019年1月兼任中電工的董事長。張先生於2012年2月21日至2018年12月6日擔任公司黨委副書記，並於2018年12月6日起擔任公司黨委書記。

1991年，張先生畢業於清華大學熱能工程專業，並取得學士學位。張先生為教授級高級工程師。

# Directors, Supervisors, Senior Management and Employees

## 董事、監事、高級管理人員及僱員

### Mr. HAN Xiaojun (韓曉軍先生)

Mr. HAN, aged 50, he is currently the executive Director, President and Deputy Secretary of the Party Committee of the Company. Mr. HAN was appointed as an executive Director and Vice Chairman on March 5, 2018 and the President on December 21, 2018, and no longer as Vice Chairman on the same day. He has more than 20 years of management experience. From July 1990 to June 1995, he served as an officer at Beijing Silk Plant (北京絲綢總廠). From June 1995 to July 2002, he worked at Chinese Academy of Agricultural Mechanization Sciences as an engineer. Mr. HAN joined China National Machinery and Equipment (Group) Company\* (中國機械裝備(集團)公司), the predecessor of SINOMACH, in July 2002 and successively held the positions of an officer at the business coordination office of the operational management department, an officer (director-level) at the general management office of the general management department, chief of the cadres management office of the human resources department (cadres division of the Party Committee), deputy director of the human resources department (cadres division of the Party Committee), the director of the human resources department (organization division of the Party Committee), the director of the work department of the Party Committee, and from October 2008 to September 2011, he also concurrently served as the secretary of General Party Branch of the headquarters of SINOMACH. In April 2015, Mr. HAN was transferred to China National Automotive Industry International Cooperation\* (中國汽車工業國際合作有限公司), which was subsequently renamed as China National Machinery Industry International Co., Ltd.\* (中國機械國際合作股份有限公司), to serve as the secretary of the Party Committee, a director and general manager until January 2018. From December 2017 to December 6, 2018, he has served as the secretary of the Party Committee of the Company, and from December 6, 2018, he served as the deputy secretary of the Party Committee of the Company. Since February 2010, Mr. HAN has also served as a member of the Party Committee of SINOMACH.

From January 2009 to January 2011, Mr. HAN had served as a director of China National Machinery & Equipment Import & Export Corporation, the predecessor of the Company. From September 2010 to July 2013, he had served as the chairman of the supervisory board of China Foma (Group) Co., Ltd\* (中國福馬機械集團有限公司).

### 韓曉軍先生

韓先生，現年50歲，現任執行董事、總裁及黨委副書記。韓先生於2018年3月5日獲委任為執行董事兼副董事長，於2018年12月21日獲委任為總裁，並於同日起不再擔任副董事長。彼擁有超過20年管理經驗。1990年7月至1995年6月，彼曾任北京絲綢總廠幹部。1995年6月至2002年7月，彼曾任中國農業機械化科學研究院工程師。韓先生於2002年7月加入中國機械裝備(集團)公司(中國機械工業集團有限公司(「國機集團」)的前身)，先後擔任經營管理部業務協調處幹部、綜合管理部綜合管理處幹部(正處級)、人力資源部(黨委幹部部)幹部管理處處長、人力資源部(黨委幹部部)副部長、人力資源部(黨委組織部)部長、黨委工作部部長等職務，並於2008年10月至2011年9月期間兼任國機集團總部黨總支書記。2015年4月，韓先生調任中國汽車工業國際合作有限公司(後更名為中國機械國際合作股份有限公司)，擔任黨委書記、董事、總經理直至2018年1月。於2017年12月至2018年12月6日，彼擔任本公司黨委書記，並於2018年12月6日起擔任本公司黨委副書記。於2010年2月至今，韓先生亦擔任國機集團黨委委員。

韓先生於2009年1月至2011年1月，曾擔任中國機械設備進出口總公司(本公司的前身)董事；2010年9月至2013年7月期間擔任中國福馬機械集團有限公司監事會主席。

# Directors, Supervisors, Senior Management and Employees

## 董事、監事、高級管理人員及僱員

In 1990, Mr. HAN graduated from Tianjin Polytechnic University with a bachelor's degree in textile machinery of the department of mechanical engineering. He is a professorate senior engineer.

韓先生於1990年畢業於天津工業大學機械工程系紡織機械專業，並取得學士學位。彼為教授級高級工程師。

### II. NON-EXECUTIVE DIRECTORS

#### Mr. YU Benli (余本禮先生)

Mr. YU, aged 66, is currently a non-executive Director of the Company, and was appointed on February 20, 2014. He has more than 30 years of experience in machinery industry. From June 1977 to December 1979, Mr. YU served at The People's Bank of China, Nanjing Branch. From December 1979 to October 1983, he served at Jiangsu Machinery Equipment Import & Export Corporation (江蘇機械設備進出口公司), a subsidiary of the Company. From October 1983 to January 1988, Mr. YU served at Sino American Machinery Corporation (美國華美機械有限公司), a subsidiary of the Company and was stationed in the United States. From January 1988 to April 2013, he served at SUMEC Group Corporation (江蘇蘇美達集團公司), a subsidiary of SINOMACH and the predecessors of which are Jiangsu Machinery Equipment Import & Export Corporation (江蘇機械設備進出口公司) and China Jiangsu Machinery Equipment Import & Export Corporation (中設江蘇機械設備進出口集團公司). He held a number of positions including assistant general manager, deputy general manager, general manager and chairman. From May 2012 to December 2018, Mr. YU served as the chairman of China Perfect Machinery Industry Corp., Ltd. (中國浦發機械工業股份有限公司), a subsidiary of SINOMACH. Currently, Mr. YU is also a director of China National Machinery Industry International Co., Ltd. (中國機械國際合作股份有限公司), a subsidiary of SINOMACH. Mr. YU has resigned as the chairman of China Machine Tool Sales and Technology Services Co., Ltd. (中國機床銷售與技術服務有限公司), a subsidiary of SINOMACH, in February 2014.

Mr. YU graduated from Nanjing Jinling Vocational University (南京市金陵職業大學) with a degree in business operation. He is a senior international business specialist.

### II. 非執行董事

#### 余本禮先生

余先生，現年66歲，現任本公司非執行董事，於2014年2月20日獲委任。彼於機械行業擁有超過30年經驗。自1977年6月至1979年12月，余先生任職於中國人民銀行南京分行。自1979年12月至1983年10月，彼任職於江蘇機械設備進出口公司（本公司的附屬公司）。於1983年10月至1988年1月，余先生任職於美國華美機械有限公司（本公司的附屬公司），並留駐於美國。於1988年1月至2013年4月，彼任職於江蘇蘇美達集團公司（國機的附屬公司），其前身為江蘇機械設備進出口公司及中設江蘇機械機械設備進出口集團公司。彼曾先後擔任多個職位，包括總經理助理、副總經理、總經理及董事長。2012年5月至2018年12月，余先生擔任中國浦發機械工業股份有限公司（國機的附屬公司）的董事長。目前，余先生擔任中國機械國際合作股份有限公司（國機的附屬公司）董事。於2014年2月，余先生辭任中國機床銷售與技術服務有限公司（國機的附屬公司）之董事長。

余先生畢業於南京市金陵職業大學商務經營專業，為高級國際商務師。

# Directors, Supervisors, Senior Management and Employees

## 董事、監事、高級管理人員及僱員

### Mr. ZHANG Fusheng (張福生先生)

Mr. ZHANG, aged 67, is currently a non-executive Director of the Company, and was appointed on February 20, 2014. He has more than 30 years of experience in equipment manufacturing industry. He began his career with Zhejiang Automotive Industrial Corporation (浙江省汽車工業公司) in July 1980 and was promoted to assistant manager in August 1986. In April 1988, Mr. ZHANG was appointed as deputy county magistrate of Zhejiang Province Yongjia County People's Government (浙江省永嘉縣人民政府). From May 1990 to August 1998, he held the positions of deputy general manager and general manager of China Automotive Industrial Import & Export Zhejiang Branch (中國汽車工業進出口浙江公司), a subsidiary of SINOMACH. From August 1998 to February 2012, he was the general manager of China Automotive Import & Export Corporation (中國汽車進出口總公司), a subsidiary of SINOMACH.

Mr. ZHANG was the chairman of China National Machinery Industry International Co., Ltd. (中國機械國際合作股份有限公司), a subsidiary of SINOMACH from February 2012 to December 2018. Mr. ZHANG was a director of CNEEC, a subsidiary of SINOMACH from November 2, 2011 to January 2016, and a director of CNCEC from December 29, 2011 to November 25, 2016. Mr. ZHANG was a director of Beijing Xianglong Assets Management Co., Ltd (北京祥龍資產經營有限責任公司) from February 2015 to December 2018. Since June 2016, Mr. ZHANG was a director of China CAMC Engineering Co., Ltd. (中工國際工程股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 002051).

In 2000, Mr. ZHANG graduated from Wuhan University of Technology (武漢理工大學) with a master's degree in business administration. Mr. ZHANG is a professorate senior engineer.

### 張福生先生

張先生，現年67歲，現任本公司非執行董事，並於2014年2月20日獲委任。張先生擁有超過30年的裝備製造行業經驗。張先生於1980年7月就職於浙江省汽車工業公司，並於1986年8月晉升為副經理。1988年4月，張先生被任命為浙江省永嘉縣人民政府副縣長。1990年5月至1998年8月，張先生曾就職於中國汽車工業進出口浙江公司（國機的附屬公司），歷任副總經理及總經理。1998年8月至2012年2月，張先生曾擔任中國汽車進出口總公司（國機的附屬公司）總經理。

2012年2月至2018年12月，張先生曾擔任中國機械國際合作股份有限公司（國機的附屬公司）董事長。自2011年11月2日至2016年1月，張先生曾擔任中電工（國機的附屬公司）董事，並於2011年12月29日至2016年11月25日，擔任中成套董事。自2015年2月至2018年12月，張先生擔任北京祥龍資產經營有限責任公司董事。自2016年6月至今，張先生擔任在深圳證券交易所上市的中工國際工程股份有限公司（股票代碼：002051）的董事。

2000年，張先生畢業於武漢理工大學，獲得工商管理碩士學位。張先生為教授級高級工程師。



# Directors, Supervisors, Senior Management and Employees

## 董事、監事、高級管理人員及僱員

### III. INDEPENDENT NON-EXECUTIVE DIRECTORS

#### Mr. LIU Li (劉力)

Mr. LIU, aged 63, is currently an independent non-executive Director of the Company, and was appointed on January 13, 2011. He was a teacher at the department of physics, the Beijing Institute of Iron and Steel (北京鋼鐵學院) from September 1984 to January 1986. From January 1986 to date, Mr. LIU has been holding various teaching positions at the Guanghua School of Management (光華管理學院), and its predecessor, the department of economics of the school of economics and management (經濟學院經濟管理系), Peking University, including lecturer, associate professor, professor, supervisor for doctoral students, the director of the finance department and a director of the MBA program at the Guanghua School of Management, Peking University. Mr. LIU is also a deputy director of the Research Center of Finance & Securities at Peking University.

Currently, Mr. LIU is also an independent non-executive director of Bank of Communications Co., Ltd. (交通銀行股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 3328) and an independent non-executive director of China International Capital Corporation Limited (中國國際金融股份有限公司) (stock code: 3908). Besides, he is nominated as the chairman of Corporate Governance Committee and the members of both Audit Committee and Risk Control Committee. He is also an independent director of Success Electronics Ltd (宇順電子股份有限公司) (stock code: 002289) and Cnpc Capital Company Limited (中國石油集團資本股份有限公司) (stock code: 000617), both of which were listed on Shenzhen Stock Exchange.

In addition, Mr. LIU had been an independent director of Langfang Development Co., Ltd. (廊坊發展股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600149), and Beijing Oil HBP Group (華油惠博普科技股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 002554) during the past three years.

### III. 獨立非執行董事

#### 劉力先生

劉先生，現年63歲，現任本公司獨立非執行董事，於2011年1月13日獲委任。1984年9月至1986年1月，劉先生曾任北京鋼鐵學院物理系教師。自1986年1月至今，劉先生在北京大學光華管理學院以及其前身經濟學院經濟管理系任教，歷任北京大學光華管理學院講師、副教授、教授、博士生導師以及金融系主任及MBA項目主任等多個教職。劉先生亦為北京大學金融與證券研究中心副主任。

目前，劉先生亦擔任在聯交所主板上市的交通銀行股份有限公司(股份代號：3328)之獨立非執行董事及中國國際金融股份有限公司(股份代號：3908)之獨立非執行董事。此外，彼被提名為公司治理委員會主席、審計委員會及風險控制委員會成員。彼亦擔任均於深圳證券交易所上市的宇順電子股份有限公司(股票代碼：002289)及中國石油集團資本股份有限公司(股票代碼：000617)的獨立董事。

此外，劉先生於過去三年內曾擔任在上海證券交易所上市的廊坊發展股份有限公司(股票代碼：600149)及在深圳證券交易所上市的華油惠博普科技股份有限公司(股票代碼：002554)的獨立董事。

# Directors, Supervisors, Senior Management and Employees

## 董事、監事、高級管理人員及僱員

In 1982 and 1984, Mr. LIU graduated from Peking University with a bachelor's degree and a master's degree in physics, respectively. Mr. LIU is also a member of the Chinese Institute of Certified Public Accountants (non-practicing).

### Ms. LIU Hongyu (劉紅宇女士)

Ms. LIU, aged 55, is currently an independent non-executive Director of the Company and was appointed on January 13, 2011. From July 1985 to May 1988, she served as an officer at the financial management office of the People's Bank of China Sichuan branch (四川省人民銀行). From May 1988 to April 1993, Ms. LIU served as a legal counsel for the Agricultural Bank of China (Beijing Branch) and from April 1993 to April 2004, she was the managing partner at Beijing Tongda Law Firm (北京市同達律師事務所). In 2004, Beijing Tongda Law Firm and Jincheng Law Firm (金誠律師事務所) merged and the merged firm was renamed as Beijing Jincheng & Tongda Law Firm (北京金誠同達律師事務所) where Ms. LIU became one of its founding partners. From April 2005 to June 2011, Ms. LIU served as an independent director of Founder Technology Group Corporation (方正科技集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600601). From June 2006 to June 2012, Ms. LIU served as an independent director of Chongqing Three Gorges Water Conservancy and Electric Power Co., Ltd (重慶三峽水利電力(集團)股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600116). From June 2009 to September 10, 2015, Ms. LIU served as an independent director of CCCG Real Estate Corporation Limited (中交地產股份有限公司) (previously named as CRED-Chongshi Real Estate Corporation Limited (中房地產股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 000736). From August 2010 to August 2016, Ms. LIU served as an external supervisor of the Bank of Beijing Co., Ltd. (北京銀行股份有限公司), a company listed on the Shanghai Stock

於1982年及1984年，劉先生畢業自北京大學，分別獲得物理學學士及碩士學位。劉先生亦為中國註冊會計師協會會員（非執業）。

### 劉紅宇女士

劉女士，現年55歲，現任本公司獨立非執行董事，於2011年1月13日獲委任。在1985年7月至1988年5月間，曾擔任四川省人民銀行金融管理處幹部。在1988年5月至1993年4月間，劉女士曾擔任中國農業銀行北京分行法律顧問，並在1993年4月至2004年4月間任北京市同達律師事務所主任。2004年，北京市同達律師事務所與金誠律師事務所合併更名為北京金誠同達律師事務所，劉女士任北京金誠同達律師事務所創始合夥人之一。在2005年4月至2011年6月間，劉女士曾擔任在上海證券交易所上市的方正科技集團股份有限公司（股票代碼：600601）的獨立董事。在2006年6月至2012年6月間，劉女士曾擔任在上海證券交易所上市的重慶三峽水利電力（集團）股份有限公司（股票代碼：600116）的獨立董事。在2009年6月至2015年9月10日間，劉女士曾擔任在深圳證券交易所上市的中交地產股份有限公司（原名為中房地產股份有限公司）（股票代碼：000736）的獨立董事。在2010年8月至2016年8月間，劉女士曾擔任在上海證券交易所上市的北京銀行股份有限公司（股票

# Directors, Supervisors, Senior Management and Employees

## 董事、監事、高級管理人員及僱員

Exchange (stock code: 601169). Currently, Ms. LIU is an independent director of Lanpec Technologies Limited (甘肅藍科石化高新裝備股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601798), and the Bank of Beijing Co., Ltd. (北京銀行股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601169), and an independent non-executive director of Gome Electrical Appliances Holding Limited (國美電器控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 00493).

In 1985, Ms. LIU graduated from Southwest University of Political Science and Law (西南政法大學) with a bachelor's degree in law. She graduated from the Graduate School of the Chinese Academy of Social Sciences (中國社會科學院研究生院) in economic law in 1998. Ms. LIU also obtained an EMBA degree from the Guanghua School of Management, Peking University in 2003.

### Mr. FANG Yongzhong (方永忠先生)

Mr. FANG, aged 67, is currently an independent non-executive Director of the Company, and was appointed on July 29, 2011. In September 1971, he joined the construction machinery factory of the Shenyang Railway Bureau (瀋陽鐵路局施工機械廠). Mr. FANG then joined the engineering department of the Shenyang Railway Bureau (瀋陽鐵路局瀋陽工程處) and held a number of positions within the bureau including technician, assistant engineer, engineer, vice section chief, section chief, vice departmental director and departmental director between February 1977 and August 1994.

代碼：601169)的外部監事。現時，劉女士擔任在上海證券交易所上市的甘肅藍科石化高新裝備股份有限公司(股票代碼：601798)的獨立董事、在上海證券交易所上市的北京銀行股份有限公司(股票代碼：601169)的獨立董事，以及在聯交所主板上市的公司國美電器控股有限公司(股份代號：00493)的獨立非執行董事。

1985年，劉女士畢業於西南政法大學，獲法律學士學位。1998年，劉女士從中國社會科學院研究生院的經濟法專業畢業。2003年，劉女士亦獲得北京大學光華管理學院的高級管理人員工商管理碩士學位。

### 方永忠先生

方先生，現年67歲，現任本公司獨立非執行董事，於2011年7月29日獲委任。彼於1971年9月加入瀋陽鐵路局施工機械廠。方先生其後加入瀋陽鐵路局瀋陽工程處，且於1977年2月至1994年8月間於該局擔任技術員、助理工程師、工程師、副段長、段長、副處長和處長等不同職務。

# Directors, Supervisors, Senior Management and Employees

## 董事、監事、高級管理人員及僱員

Mr. FANG was appointed as a vice director of the Shenyang sub-bureau of the Shenyang Railway Bureau in August 1994 and between August 1994 and December 1999, he was also general manager of Shenyang Engineering Corporation of the Shenyang Railway Bureau. From December 1999 to December 2003, Mr. FANG served at Shenyang Railway Engineering Construction Group Co., Ltd. (瀋陽鐵路工程建設集團有限公司) as the chairman of the board and general manager. From December 2003 to March 2008, Mr. FANG held various positions at China Railway No.9 Group Co., Ltd. (中鐵九局集團有限公司) including director, deputy general manager and vice chairman of the board of directors. From March 2008 to December 2012, Mr. FANG was also an external director of China Railway Science & Industry Group (中鐵科工集團有限公司) (“**CRSIG**”), China Railway No. 5 Engineering Group Co., Ltd. (中鐵五局(集團)有限公司) (“**China Railway No.5 Bureau**”), China Overseas Engineering Group Co., Ltd. (中國海外工程有限責任公司) (“**COVEC**”) and China Railway & Airport Construction Group Corporation (中國中鐵航空港建設集團有限公司) (“**CACCC**”) and is a supervisor and the chairman of the supervisory board of China Railway Construction and Engineering Group (中鐵建工集團有限公司) (“**CRCEG**”). These five companies are subsidiaries of China Railway Group Limited (中國中鐵股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 00390) and the Shanghai Stock Exchange (stock code: 601390).

As an external director, Mr. FANG participates in board meetings of CRSIG, China Railway No.5 Bureau, COVEC and CACCC, representing the interests of the respective shareholder, China Railway Group Limited. However, Mr. FANG is not involved in the day to day management of CRSIG, China Railway No.5 Bureau, COVEC and CACCC. As a supervisor and the chairman of the supervisory board of CRCEG, Mr. Fang participates in meetings of the supervisory board and the board of directors of CRCEG, representing the interests of the shareholder, China Railway Group Limited. However, Mr. FANG is not involved in the day to day management of CRCEG.

方先生於1994年8月獲任為瀋陽鐵路局瀋陽分局副局長，並於1994年8月至1999年12月間於瀋陽鐵路局瀋陽工程總公司擔任總經理。在1999年12月至2003年12月間，方先生加入瀋陽鐵路工程建設集團有限公司擔任董事長兼總經理。在2003年12月至2008年3月間，方先生於中鐵九局集團有限公司擔任不同職務，包括董事、副總經理及副董事長等。在2008年3月至2012年12月，方先生亦是中鐵科工集團有限公司（「**中鐵科工集團**」）、中鐵五局（集團）有限公司（「**中鐵五局**」）、中國海外工程有限責任公司（「**中國海外工程公司**」）及中國中鐵航空港建設集團有限公司（「**中國中鐵航空港建設公司**」）的外部董事，及中鐵建工集團有限公司（「**中鐵建工集團**」）的監事及監事會主席。這五家公司為在聯交所主板及上海證券交易所上市的中國中鐵股份有限公司（聯交所股份代號：00390；上海證券交易所股票代碼：601390）的附屬公司。

作為外部董事，方先生分別代表股東中國中鐵股份有限公司的權益，參與中鐵科工集團、中鐵五局、中國海外工程公司及中國中鐵航空港建設公司的董事會會議。然而，方先生不參與中鐵科工集團、中鐵五局、中國海外工程公司及中國中鐵航空港建設公司的日常管理。作為中鐵建工集團的監事及監事會主席，方先生代表股東中國中鐵股份有限公司的權益，參與中鐵建工集團的監事會及董事會會議。然而，方先生不參與中鐵建工集團的日常管理。

# Directors, Supervisors, Senior Management and Employees

## 董事、監事、高級管理人員及僱員

Mr. FANG completed his studies in railway engineering (工程系鐵道工程專業) and graduated from the Shanghai Railway Institute (上海鐵道學院) in 1977, and also obtained an EMBA in decision-making management from International East-West University (美國國際東西方大學決策管理學) in December 1995. Mr FANG is a senior engineer and a registered national first class architect.

### Mr. WU Tak Lung (吳德龍先生)

Mr. WU, aged 53, is currently an independent non-executive Director of the Company, and was appointed on February 20, 2014. He is a member of Hong Kong Institute of Certified Public Accountants, a fellow member of Hong Kong Securities and Investment Institute, the Association of Chartered Certified Accountants, the Taxation Institute of Hong Kong and the Hong Kong Institute of Chartered Secretaries. Mr. WU was awarded the bachelor's degree of Accounting by the Hong Kong Baptist University and the master's degree of business administration (MBA) jointly by the University of Manchester and the University of Wales.

Mr. WU had worked in an international accounting firm, Deloitte Touche Tohmatsu, for five years, and was then employed by several listed and private companies in Hong Kong as head of corporate finance and executive director. Mr. WU currently served as an independent non-executive director of Kam Hing International Holdings Limited (錦興國際控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 2307), Beijing Media Corporation Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1000), Sinomax Group Limited (盛諾集團有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1418), Olympic Circuit Technology Co., Ltd (廣東世運電路科技有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603920) and Henan Jinma Energy Company Limited (河南金馬能源股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 6885). Moreover, he was an independent non-executive director of Aupu Group Holding Company (奧普集團控股有限公司), a

1977年，方先生畢業於上海鐵道學院工程系鐵道工程專業，並於1995年12月從美國國際東西方大學決策管理學系畢業，取得高級管理人員工商管理碩士學位。方先生為高級工程師和國家一級註冊建造師。

### 吳德龍先生

吳先生，53歲，現任本公司獨立非執行董事，於2014年2月20日獲委任。彼為香港會計師公會會員、香港證券及投資學會、英國特許公認會計師公會、香港稅務學會及香港特許秘書公會資深會員。吳先生獲香港浸會大學頒授會計學學士學位，並獲曼徹斯特大學及韋爾斯大學聯合頒發工商管理碩士學位。

吳先生曾於一家國際核數師行德勤•關黃陳方會計師行工作五年，其後於香港多間上市及私人公司服務，擔任企業融資主管及執行董事。吳先生現為錦興國際控股有限公司（聯交所主板上市的公司，股份代號：2307）、北青傳媒股份有限公司（聯交所主板上市的公司，股份代號：1000）、盛諾集團有限公司（聯交所主板上市的公司，股份代號：1418）、廣東世運電路科技有限公司（上海證券交易所上市的公司，股票代碼：603920）、及河南金馬能源股份有限公司（聯交所主板上市的公司，股份代號：6885）的獨立非執行董事。此外，彼曾於過去三年內在奧普集團控股有限公司（聯交所主板上市的公司，股份

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company listed on the Main Board of the Stock Exchange (stock code: 0477), which was delisted on September 30, 2016, Huarong Investment Stock Corporation Limited (華融投資股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 2277) and First Tractor Company Limited (第一拖拉機股份有限公司), a company listed on both the Main Board of the Stock Exchange (stock code: 00038), and the Shanghai Stock Exchange (stock code: 601038), Sinotrans Shipping Limited (中外運航運有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 368) in the last three years.

Mr. WU is currently a member of Jiangsu People's Political Consultative Committee, member of the Council and the Court of Hong Kong Baptist University, an adjunct professor of the School of Business of Hong Kong Baptist University, the honorary chairman of the North Kwai Chung Scout and the vice chairman of Hongkong-Guangdong Youth Exchange Promotion Association.

代號：0477，該公司於2016年9月30日獲除牌）、華融投資股份有限公司（聯交所主板上市的公司，股份代號：2277）、第一拖拉機股份有限公司（同時在聯交所主板（股份代號：00038）及上海證券交易所（股票代碼：601038）上市的公司）及中外運航運有限公司（聯交所主板上市的公司，股份代號：368）擔任獨立非執行董事。

吳先生現為江蘇省政協委員、香港浸會大學校董暨諮議會榮譽委員、香港浸會大學工商管理學院客席教授、北葵湧童軍名譽會長及粵港青年交流促進會常務副主席。

### IV. SUPERVISORS

#### Mr. QUAN Huaqiang (全華強先生)

Mr. QUAN, aged 48, is currently a Supervisor, and was appointed on January 13, 2011. He worked in the finance department of Beijing Yanshan Petrochemical Corporation (北京燕山石油化工公司) from August 1991 to July 1994. From July 1994 to October 1997, Mr. QUAN was initially employed as an accountant and then in May 1995, he became manager of the finance department of Universal Import and Export Company (中機通用進出口公司財務部) until October 1997. Mr. QUAN was appointed by China National Machinery Import & Export Corporation (“**CMC**”) (中國機械進出口集團) as finance manager for the CMC Ukraine Office in October 1997 and worked there until January 1999, and then was appointed as manager of the finance department of CMC General Electrical Parts Import and Export Company (中機機電配件進出口公司) by CMC

### IV. 監事

#### 全華強先生

全先生，現年48歲，現為監事，於2011年1月13日獲委任。彼曾在1991年8月至1994年7月間在北京燕山石油化工公司財務處工作。在1994年7月至1997年10月間，全先生最初被聘為中機通用進出口公司財務部會計，其後於1995年5月晉升為經理直至1997年10月。在1997年10月，全先生受中國機械進出口集團（「**中國機械進出口集團**」）委派到中國機械進出口集團烏克蘭辦事處擔任財務經理直至1999年1月，並於其後獲中國機械進出口集團委派到中機機電配件進出口公司擔任

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until May 2001. In May 2001, Mr. QUAN was appointed by China General Technology Group (中國通用技術集團) as general manager of the finance department of China International Advertising Corporation (中國國際廣告公司財務部) and subsequently was appointed as manager of the funds management department of the general finance department of China General Technology Group in May 2004. From March 2005 to December 2006, Mr. QUAN served at Sinomach Finance Co., Ltd. (國機財務有限責任公司) as a deputy general manager. From September 2010 to August 2011, Mr. QUAN was the chairman of the Supervisory Board of China Automobile Trading Co., Ltd. (中國進口汽車貿易有限公司). Mr. QUAN had worked as the head of the internal audit inspection department of SINOMACH from December 2006 to May 2015. From May 2015 to the present, Mr. QUAN has been working as the head of Property and Finance Department of SINOMACH. From April 2016 to the present, Mr. QUAN has been working as a member of the Standing Committee of the CPC of China National Erzhong Group Co. (中國第二重型機械集團公司) and the chief accountant of China Erzhong Group (Deyang) Heavy Industries Co., Ltd. (二重集團(德陽)重型裝備股份有限公司). Since October 2018, Mr. QUAN has been working as vice chief accountant of SINOMACH. Mr. QUAN has also been serving as the chairman of the Supervisory Board of the Company since November 2008. Since August 2011, Mr. QUAN is a chairman of the Supervisory Committee of Sinomach Automobile Co., Ltd. (國機汽車股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600335).

In 1991, Mr. QUAN graduated from the Jiangxi Institute of Finance and Economics (江西財經學院) with a bachelor's degree in accounting. Mr. QUAN is a senior accountant.

財務部經理直至2001年5月。2001年5月，全先生獲中國通用技術集團委派擔任中國國際廣告公司財務部總經理，其後於2004年5月獲委任為中國通用技術集團財務總部資金管理部經理。在2005年3月至2006年12月間，全先生在國機財務有限責任公司擔任副總經理。2010年9月至2011年8月間，全先生在中國進口汽車貿易有限公司擔任監事會主席。在2006年12月至2015年5月間，全先生在國機擔任內部審計稽查部部長。自2015年5月至今，全先生擔任國機資產財務部部長。自2016年4月至今，全先生擔任中國第二重型機械集團公司黨委常委及二重集團(德陽)重型裝備股份有限公司總會計師。2018年10月任國機集團副總會計師至今。全先生從2008年11月以來擔任本公司監事會主席。全先生自2011年8月至今擔任在上海證券交易所上市的國機汽車股份有限公司(股票代碼：600335)的監事會主席。

全先生在1991年畢業於江西財經學院，並取得會計學學士學位。全先生為高級會計師。

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### Mr. QIAN Xiangdong (錢向東先生)

Mr. QIAN, aged 50, a senior accountant, is a Supervisor, and was appointed on January 13, 2011. He joined the Education Department of the Ministry of Machinery Industry in June 1997. From September 1998 to August 2006, Mr. QIAN held various positions, including the Financial and Audit Department officer, vice manager, vice chief accountant and deputy general manager at China National Harvester Machinery Corporation (中國收穫機械總公司), a subsidiary of SINOMACH. From September 2006 to September 2008, Mr. QIAN served as a financial controller of the Tianjin Design & Research Institute of Electric Drive (天津電氣傳動設計研究所), a subsidiary of SINOMACH. From 2008 to October 2016, Mr. QIAN served as a deputy general manager and chief financial officer of China United. From October 2016 to February 2019, Mr. QIAN served as a director, vice chairman and chief financial officer of this company and since February 2019, Mr. QIAN has been serving as a director and the deputy secretary of the Party Committee of Hi-Tech Group Corporation (中國恒天集團有限公司).

### Ms. LIU Ting (劉婷女士)

Ms. LIU, aged 37, was appointed as a Supervisor on January 12, 2018. She is the deputy general manager of the audit department of the Company. She served as a staff member of the project auditing division of the Company from August 2006 to September 2009. In September 2009, she started as a staff member of the audit department of the Company, and was subsequently promoted to deputy general manager of the audit department. Ms. LIU has over 10 years of experience in accounting and auditing. Ms. LIU graduated from School of Business, Renmin University of China (中國人民大學商學院) with a bachelor's degree in management in 2004, majoring in accounting, and obtained a master's degree in management from Renmin University of China (中國人民大學) in 2006. Ms. LIU is a senior accountant, a Chinese certified public accountant, a Certified Practising Accountant (Australia) and an international certified internal auditor.

### 錢向東先生

錢先生，現年50歲，高級會計師，為監事，於2011年1月13日獲委任。彼於1997年6月加入機械工業部教育司。1998年9月至2006年8月間，錢先生曾擔任中國收穫機械總公司（國機的附屬公司）財務審計部的幹部、副經理、副總會計師及副總經理等職務等多個職位。自2006年9月至2008年9月期間，錢先生擔任天津電氣傳動設計研究所（國機的附屬公司）財務總監。自2008年至2016年10月間，錢先生曾擔任中國聯合副總經理兼財務總監。自2016年10月至2019年2月間，錢先生曾擔任該公司董事，副董事長及財務總監，並於自2019年2月至今，擔任中國恒天集團有限公司董事及黨委副書記。

### 劉婷女士

劉女士，現年37歲，於2018年1月12日獲委任為監事。彼為本公司審計部副總經理。彼於2006年8月至2009年9月，擔任本公司項目審計部職員，並於2009年9月擔任本公司審計部職員，其後晉升為審計部副總經理。劉女士擁有超過10年會計及審計經驗。劉女士於2004年畢業於中國人民大學商學院，專業會計學，取得管理學學士學位，並於2006年於中國人民大學取得管理學碩士學位。劉女士為高級會計師、中國註冊會計師、澳洲註冊會計師及國際註冊內部審計師。



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## 董事、監事、高級管理人員及僱員

### V. SENIOR MANAGEMENT

#### Mr. ZHANG Jianguo (張建國先生)

Mr. ZHANG, aged 58, is a vice president of our Company and is in charge of our Company's trade and other business. Prior to joining our Company, Mr. ZHANG was a lecturer at Peking University (北京大學) from July 1987 to May 1991. In May 1991, Mr. ZHANG joined our Company and he was appointed as a deputy general manager of the department of human resources and education of our Company in June 1993. Mr. ZHANG was subsequently promoted as a vice director of the general office of our Company and held that position from December 1993 to January 1998. In 1998, Mr. ZHANG was appointed as a deputy general manager of CMEC Tendering, and was promoted to the general manager thereof in July 2001 and held that position until June 2007. In March 2005, Mr. ZHANG was also appointed as an assistant general manager of our Company. Mr. ZHANG has been a vice president of our Company since May 2006. Mr. ZHANG is a senior economist and graduated from Peking University with a master's degree in history in 1987.

### V. 高級管理層

#### 張建國先生

張先生，現年58歲，現任本公司副總裁，主管本公司貿易及其他業務。在加入本公司之前，在1987年7月至1991年5月間，張先生曾任北京大學講師，張先生於1991年5月加入本公司，並於1993年6月獲委任為本公司人教部副總經理。其後張先生於1993年12月至1998年1月期間擔任本公司辦公室副主任。張先生於1998年被任命為中設招標副總經理，於2001年7月晉升為該公司的總經理，並擔任這一職務直至2007年6月。2005年3月，張先生亦被任命為本公司總經理助理。張先生自2006年5月起出任本公司副總裁。張先生為高級經濟師。張先生在1987年畢業於北京大學，取得歷史學碩士學位。

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## 董事、監事、高級管理人員及僱員

### Mr. WANG Tianyi (王天翼先生)

Mr. WANG, aged 58, is currently secretary of the discipline inspection committee (appointed in December 2013). He is responsible for discipline inspection and supervision. Mr. WANG has over 30 years of experience in corporate and financial management. Mr. WANG joined our Company in January 2014. Before joining our Company, during the period from October 1980 to August 1988, Mr. WANG served at the business division of the finance department under the Ministry of First Machinery Industry and the auditing division directly under the auditing bureau of the National Machinery Industry Committee. From August 1988 to April 1993, Mr. WANG served as the deputy director of the office of the auditing bureau of National Audit Office in the Ministry of Mechanical and Electronic Industry and the chief of the general division of such auditing bureau. From April 1993 to May 1998, Mr. WANG served as the chief of the auditing division directly under the auditing bureau of National Audit Office in MMI. Thereafter, Mr. WANG served as the deputy general manager of the auditing department, the deputy general manager of the financial department and the chief of the first financial division, the general manager of the financial department and the director of asset financial department in China National Machinery and Equipment (Group) Company (中國機械裝備(集團)公司) during the period from May 1998 to October 2003. During the period from October 2003 to December 2010, Mr. WANG served as deputy general manager, financial controller and secretary of the discipline inspection committee of China National Electric Equipment Corporation. During the period from December 2010 to January 2014, Mr. WANG served as deputy general manager, financial controller and secretary of the discipline inspection committee of China National Electric Engineering Co., Ltd.. From January 2014 to December 2018, Mr. Wang served as Secretary of the Discipline Commission and Vice President of the Company. Mr. WANG graduated from the Correspondence Teaching College of Renmin University of China (中國人民大學函授學院) majoring in industrial accounting in 1987. Mr. WANG is a senior accountant.

### 王天翼先生

王先生，現年58歲，現任本公司紀委書記（於2013年12月獲委任）。彼負責公司紀檢監察工作。王先生於企業和財務管理方面擁有超過30年經驗。王先生於2014年1月加入本公司。在加入本公司前，王先生於1980年10月至1988年8月期間，先後任職於第一機械工業部財務司事業處、國家機械工業委員會審計局直屬單位審計處。王先生於1988年8月至1993年4月歷任審計署駐機械電子工業部審計局辦公室副主任、綜合處處長。於1993年4月至1998年5月，王先生擔任審計署駐機械工業部審計局直屬單位審計處處長。其後，王先生於1998年5月至2003年10月任職於中國機械裝備(集團)公司，歷任審計部副總經理、財務部副總經理兼財務一處處長、財務部總經理、資產財務部部長。於2003年10月至2010年12月期間，王先生先後擔任中國電工設備總公司的副總經理、財務總監、紀委書記。於2010年12月至2014年1月期間，王先生擔任中國電力工程有限公司的副總經理、財務總監、紀委書記。於2014年1月至2018年12月，王先生擔任本公司紀委書記兼副總裁。王先生於1987年從中國人民大學函授學院畢業，主修工業會計。王先生為高級會計師。

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## 董事、監事、高級管理人員及僱員

### Ms. Ai Wei (艾威女士)

Ms. Ai, aged 49, is currently a vice president of our Company (appointed in November 2014) and is in charge of the import and export trading businesses of our Company. Ms. Ai has over 20 years of experience in the management of trading businesses. Ms. Ai joined our Company in July 1991. During the period from January 1992 to January 1998, Ms. Ai served at CMEC Machine Tool Co., Ltd. (中設機床工具有限責任公司). From January 1998 to August 2005, Ms. Ai served as manager of the third division of CMEC International Trading Co., Ltd., and she was promoted and worked as deputy general manager from September 2005 to May 2007. Thereafter, Ms. Ai was appointed as general manager of CMEC General Machinery Import & Export Co., Ltd. in May 2007 and served at that position until October 2013. Ms. Ai was promoted and worked as an assistant general manager of our Company in May 2010 and was appointed as deputy general manager of China Perfect Machinery Industry Corp., Ltd. (中國浦發機械工業股份有限公司) from October 2013 to November 2014.. Ms. Ai graduated from Peking University majoring in economics and management in 1991. Ms. Ai is a senior international business specialist.

### 艾威女士

艾女士，現年49歲，現任本公司副總裁（於2014年11月獲委任），主管本公司的進出口貿易業務。艾女士擁有超過20年的貿易業務管理經驗。艾女士於1991年7月加入本公司，於1992年1月至1998年1月間任職於中設機床工具有限責任公司。於1998年1月至2005年8月間，艾女士擔任中設國際貿易有限責任公司三分部經理，並於2005年9月晉升為副總經理直至2007年5月，其後於2007年5月被任命為中設通用機械進出口有限責任公司的總經理，並擔任這一職務直至2013年10月。彼於2010年5月晉升為本公司總經理助理並於2013年10月起獲委任為中國浦發機械工業股份有限公司的副總經理直至2014年11月。艾女士於1991年在北京大學畢業，主修經濟管理。艾女士為高級國際商務師。

# Directors, Supervisors, Senior Management and Employees

## 董事、監事、高級管理人員及僱員

### Mr. ZHANG Wei (張煒先生)

Mr. ZHANG, aged 57, is currently a vice president of our Company (appointed in September 2015). He is responsible for our Company's design and consultancy services. Mr. ZHANG has over 30 years of experience in engineering survey, design, technology and administrative management. From July 1983 to January 1989, he taught at Hefei University of Technology (合肥工業大學). Prior to his joining our Company, he held a number of positions within laboratory of investigation & research institute of Ministry of Machinery including director and chief engineer, vice section chief of Geotechnical Engineering Section and president assistant from January 1989 to March 1996. From April 1996 to December 2014, he successively held the posts of chief engineer, vice president, president and CPC Committee of China Jikan Research Institute of Engineering Investigations and Design, Co., Ltd., and has been a chairman from December 2014 to January 2019. Mr. ZHANG obtained a master's degree from Hefei University of Technology (合肥工業大學) in 1988, majoring in hydrogeology and engineering geology, and obtained a master's degree in business administration (MBA) from Xi'an Jiaotong University (西安交通大學) in 2004. Currently, Mr. ZHANG is professor of engineering. He was awarded the title of National Engineering Survey and Design Master in 2006.

### 張煒先生

張先生，現年57歲，現任本公司副總裁（於2015年9月獲委任）。彼負責本公司的設計諮詢業務。張先生擁有超過30年的工程勘察、設計、技術及行政管理經驗。於1983年7月至1989年1月間，張先生曾於合肥工業大學任教。在加入本公司前，張先生曾於1989年1月至1996年3月期間擔任機械部勘察研究院試驗室主任、主任工程師、岩土工程處副處長及院長助理等多個職位。於1996年4月至2014年12月期間歷任機械工業勘察設計研究院有限公司總工程師、副院長、院長、黨委書記，並於2014年12月至2019年1月兼任機械工業勘察設計研究院有限公司董事長。張先生於1988年獲得合肥工業大學碩士學位，主修水文地質與工程地質並於2004年獲得西安交通大學工商管理碩士學位。目前，張先生為教授級高級工程師，並於2006年榮獲全國工程勘察設計大師稱號。

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## 董事、監事、高級管理人員及僱員

### Mr. FANG Yanshui (方彥水先生)

Mr. FANG, aged 48, is currently the vice president of our Company (appointed in February 2017), and is in charge of our Company's international engineering contracting business. He has over 20 years of experience in engineering contracting. Mr. FANG joined our Company in August 1993. Mr. FANG successively served as a sales representative, the deputy general manager of the Third International Engineering Department under No.4 Complete Engineering Department, the deputy general manager of No.4 Department and the general manager and the Secretary of General Party Branch of the Third International Engineering Department and the general manager of No.4 Complete Engineering Department. Mr. FANG was promoted to the assistant to the general manager of our Company and the general manager of No.4 Department in September 2015. Mr. FANG graduated from Hunan University in 1993, majoring in industrial foreign trade. Mr. FANG is a senior engineer.

### 方彥水先生

方先生，現年48歲，現任本公司副總裁（於2017年2月獲委任），主管本公司的國際工程承包業務。彼擁有超過20年的工程承包業務經驗。方先生於1993年8月加入本公司，歷任業務員、第四成套事業部國際工程三部副總經理、第四事業部副總經理兼國際工程三部總經理、黨總支書記、第四工程成套事業部總經理，並於2015年9月晉升為本公司總經理助理兼第四事業部總經理。方先生於1993年在湖南大學畢業，主修工業外貿。方先生為高級工程師。

# Directors, Supervisors, Senior Management and Employees

## 董事、監事、高級管理人員及僱員

### Mr. TONG Zigang (童自剛先生)

Mr. TONG, aged 48, is currently the vice president of our Company (appointed in February 2017) and is in charge of our Company's International Engineering Contracting Business. He has over 20 years of experience in engineering contracting business. Mr. TONG joined our Company in June 2006. Prior to his joining our Company, Mr. TONG successively served as a sales representative of the Second Engineering Department and the deputy general manager of the Fourth Engineering Department of China Machinery-building International Corporation (中國機械對外經濟技術合作總公司) from August 1994 to June 2006. During the period from June 2006 to September 2015, Mr. TONG successively served as the general manager of the Second International Engineering Department and the Sixth International Engineering Department under No.3 Complete Engineering Department of the Company, the deputy general manager and the general manager of No.3 Complete Engineering Department. Mr. TONG was promoted to the assistant to the general manager of our Company and the general manager of the Third Department in September 2015. Mr. TONG graduated from Beijing University of Technology in 1994, majoring in mechanical engineering and manufacturing, and obtained a bachelor's degree in engineering, Mr. TONG graduated from the School of Economics at Renmin University of China (中國人民大學), majoring in global economy as an incumbency graduate student, and obtained a master's degree in economics in 2000. Mr. TONG is a senior engineer. Mr. TONG also obtained the International Premium Project Manager (IPMP Class A, 國際特級項目經理) which was awarded by the International Project Management Association (IPMA, 國際項目管理協會).

### 童自剛先生

童先生，現年48歲，現任本公司副總裁（於2017年2月獲委任），主管本公司的國際工程承包業務。彼擁有超過20年的工程承包業務經驗。童先生於2006年6月加入本公司。於加入本公司前，童先生曾於1994年8月至2006年6月先後擔任中國機械對外經濟技術合作總公司第二工程部業務員及第四工程部副總經理。童先生於2006年6月至2015年9月間先後擔任本公司第三工程成套事業部國際工程二部及國際工程六部總經理、事業部副總經理及事業部總經理。並於2015年9月晉升為本公司總經理助理兼第三事業部總經理。童先生於1994年畢業於北京工業大學，主修機械設計及製造，獲工學學士學位，於2000年畢業於中國人民大學經濟學院，在職研究生世界經濟專業，獲經濟學碩士學位。童先生為高級工程師。童先生亦獲得由國際項目管理協會（IPMA）授予的國際特級項目經理（IPMP A級）資格。

# Directors, Supervisors, Senior Management and Employees

## 董事、監事、高級管理人員及僱員

### Ms. WANG Weiling (王瑋玲女士)

Ms. WANG, aged 53, is currently the chief financial officer, Board Secretary, a Joint Company Secretary of the Company. She joined the Company in July 1988 and successively held various positions including accountant of the storage and transportation department and accountant of the finance department. From April 1998 to July 2005, Ms. WANG served as the deputy general manager and the general manager of the finance department at CMEC International Engineering Co., Ltd. (中設國際工程有限責任公司), a subsidiary of the Company, and the chief of the finance department of the Company's 1st complete plants division. Ms. WANG served as the deputy general manager of the general department of finance of the Company from July 2005 to September 2006. From September 2006 to June 2007, she served as the chief accountant of China Machinery-building International Corporation (中國機械對外經濟技術合作總公司). From June 2007 to February 2018, she has been serving as the general manager of the general department of finance of the Company. From January 2016 to March 2018, she has been concurrently serving as the chief financial officer of CNEEC. From August 2016 to February 2018, she has been serving as an assistant to the general manager and general Manager of Finance department of the Company. On February 12, 2018, Ms. WANG was appointed as the chief financial officer, Board Secretary and a Joint Company Secretary. She has about 30 years of experience in finance and accounting.

Ms. WANG graduated with a bachelor's degree in economics from Beijing Institute of Business (北京商學院) in July 1988 where she majored in finance and accounting in the accounting department. She obtained a master's degree in economics from Renmin University of China (中國人民大學) in July 1999 where she majored in business economics in the trade department. Ms. WANG is a senior accountant in the PRC.

### 王瑋玲女士

王女士，現年53歲，現任本公司財務總監、董事會秘書、聯席公司秘書。彼於1988年7月加入本公司，先後擔任多個職位包括儲運部會計及財務部會計。於1998年4月至2005年7月間，王女士於中設國際工程有限責任公司（本公司的附屬公司）擔任財務部副總經理、財務部總經理及本公司第一工程成套事業部財務部主任。王女士於2005年7月至2006年9月擔任本公司財務總部副總經理，2006年9月至2007年6月擔任中國機械對外經濟技術合作總公司總會計師。彼於2007年6月至2018年2月，擔任本公司財務總部總經理。於2016年1月至2018年3月兼任中電工財務總監。於2016年8月至2018年2月，彼擔任本公司總經理助理兼財務總部總經理。於2018年2月12日，王女士獲委任為本公司財務總監、董事會秘書兼聯席公司秘書。彼擁有約30年金融及財務經驗。

王女士於1988年7月畢業於北京商學院會計系財會專業，取得經濟學學士學位。彼於1999年7月於中國人民大學貿易系商業經濟專業，取得經濟學碩士學位。王女士為中國高級會計師。

# Directors, Supervisors, Senior Management and Employees

## 董事、監事、高級管理人員及僱員

### VI. EMPLOYEES

As at December 31, 2018, the Group had 5,311 employees in total. The following table sets forth the number of employees according to different job functions:

		Number of employees 僱員數目
<b>Business Staff</b>	<b>業務人員</b>	<b>4,946</b>
International Engineering Contracting Business	國際工程承包業務	4,267
Trading Business	貿易業務	508
Services Business	服務業務	171
<b>Management, finance and administration</b>	<b>管理、財務和行政</b>	<b>331</b>
<b>Others</b>	<b>其他</b>	<b>34</b>
<b>Total</b>	<b>合計</b>	<b>5,311</b>

### VI. 僱員

於2018年12月31日，本集團共有5,311名僱員。下表載列按不同職能劃分的僱員數目：

The following tables set forth the Group's staff structure by geographical location, academic qualification, designation and age, respectively:

下表分別載列按地理位置、學歷、職稱及年齡劃分的本集團員工架構：

*Analysis of the Group's staff by geographical location*

*按地理位置劃分的本集團員工分析*

No. 編號	Geographical location 地理位置		Number of staff 員工數目	Percentage 百分比
1	China	中國	4,990	94.0%
2	Asia (excluding China and Turkey)	亞洲（不包括中國及土耳其）	133	2.5%
3	Africa	非洲	128	2.4%
4	Europe (including Turkey)	歐洲（包括土耳其）	32	0.6%
5	South America	南美洲	28	0.5%
<b>Total</b>		<b>合計</b>	<b>5,311</b>	<b>100%</b>



# Directors, Supervisors, Senior Management and Employees

## 董事、監事、高級管理人員及僱員

Analysis of the Group's staff by academic qualification

按學歷劃分的本集團員工分析

No. 編號	Academic qualification 學歷		Number of staff 員工數目	Percentage 百分比
1	Postgraduate or above	研究生或以上	1,362	26.0%
2	Undergraduate	學士學位	3,023	57.0%
3	College diploma or below	專科文憑或以下	926	17.0%
<b>Total</b>		<b>合計</b>	<b>5,311</b>	<b>100%</b>

Analysis of the Group's staff by designation

按職稱劃分的本集團員工分析

No. 編號	Designation 職稱		Number of staff 員工數目	Percentage 百分比
1	Senior Grade	高級	1,246	23.5%
2	Intermediate Grade	中級	1,753	33.0%
3	Junior Grade and below	初級及以下	2,312	43.5%
<b>Total</b>		<b>合計</b>	<b>5,311</b>	<b>100%</b>

Analysis of the Group's staff by age

按年齡劃分的本集團員工分析

No. 編號	Age 年齡		Number of staff 員工數目	Percentage 百分比
1	56 years old and above	56歲及以上	497	9.4%
2	46-55 years old	46至55歲	882	16.6%
3	36-45 years old	36至45歲	1,217	23.0%
4	35 years old and below	35歲及以下	2,715	51.0%
<b>Total</b>		<b>合計</b>	<b>5,311</b>	<b>100%</b>

# Directors, Supervisors, Senior Management and Employees

## 董事、監事、高級管理人員及僱員

### 1. Staff Development and Incentives

In 2018, the Company further improved performance management system and formulated overall reform plan for optimization of business department's positions, performance and salary. The Company implemented new regulations on management selection and finished the election process of the subsidiaries and subordinate party committees, so as to perfect the organization and structure of the Company. Management members were appointed for relevant positions, age structure of the management team was improved and back up management team was established.

In terms of staff cultivating, the Company formulates the construction plans for talent teams and continuously enhanced the establishment of the Company's six talent teams, including "senior management personnel, project management personnel, engineering and technical personnel, professional management personnel, marketing personnel, investment and capital operation personnel", which reinforces the base of key talent reserve.

The Company will establish diversified career development channels in the future, especially continue to focus on building development channels for core business staff, further improve the retirement schemes, and therefore ensure both the development channels and retirement schemes are in place, in order for employees to share development opportunities and reform results. The Company will further establish and perfect a more rational, open and scientific employment system by constantly consolidating the fruits of talents introduction and enhancing the exchanges between the cadre and the talents.

### 1. 員工發展和激勵

2018年，公司進一步完善了績效管理體系，形成事業部崗位、績效與薪酬優化項目整體改革方案。公司重新制定了幹部選拔任用規定，完成了到任期的子公司和下屬黨委的換屆工作，完善了公司組織構架，選任多名相關崗位的幹部，優化了幹部隊伍年齡結構，建立了後備幹部庫。

在人才培養方面，公司制定人才隊伍建設規劃，持續加強「高級管理人才、項目管理人才、工程技術人才、專業管理人才、市場營銷人才、投資和資本運作人才」六支人才隊伍建設，夯實關鍵人才儲備根基。

在未來，公司要建立多元化職業發展通道，尤其會繼續著力打通核心業務人員的晉升通道，進一步完善人員退出機制，形成晉升有通道，退出有機制的局面，讓員工共享發展機遇及改革成果。公司還將通過不斷鞏固人才引進成果，加強幹部與人才的交流，進一步制定及完善更合理、公開和科學的僱傭制度。

# Directors, Supervisors, Senior Management and Employees

## 董事、監事、高級管理人員及僱員

### 2. Staff Remuneration

For the year ended December 31, 2018, the Group incurred staff costs of approximately RMB1,554.4 million. Staff's remuneration comprises basic salary and performance salary. The performance salary is determined according to the assessment of performance of the whole staff. In 2018, remuneration policy committee, remuneration supervision committee and remuneration performance appraisal committee of the Board focus on promoting the reform of remuneration system and re-establishing the structure of remuneration system.

### 3. Staff Training

In respect of staff training, in 2018, the Company made use of innovative training method and intensified the training, and built a two level training system with the headquarters, each department office and subsidiary as main body, innovated in training methods and devoted greater efforts to training in-service cadres at all levels and new recruits.

We provide systematic and effective training for our employees. We provide sustainable and specific education training for our senior management, middle management as well as technical and operational staff with a view to improving the quality and ability of our staff at different levels.

### 2. 僱員薪酬

截至2018年12月31日止年度，本集團產生的員工成本約人民幣1,554.4百萬元。僱員薪酬由基本工資和績效工資兩部分組成。績效工資依據本集團全員業績考核結果確定。於2018年，董事會薪酬政策委員會、薪酬監督委員會及薪酬績效考核委員會著重推進薪酬制度改革及重新搭建公司薪酬體系架構。

### 3. 僱員培訓

在人才培訓方面，2018年，公司創新培訓方法，加大培訓力度，構建以公司本部和各部室、子公司為主體的兩級培訓體系，創新培訓方式，並加大對各級在職幹部員工和新入職員工的培訓力度。

我們為僱員提供系統性及實效性培訓，分別對高級管理人員、中層管理人員以及各專業技術及業務人員進行高持續性及強針對性的教育培訓，以不斷提高各級僱員的素質及能力。

# Directors, Supervisors, Senior Management and Employees

## 董事、監事、高級管理人員及僱員

To regulate the management of staff training, the Company has formulated comprehensive measures for administering employees' education and training, which effectively promote the establishment of the Company's education training system. The Company focuses on the training needs of the senior management, middle management, technical and operational staff as well as the development needs of the Company when formulating and implementing education training programmes. The Company aims to implement a diversified training system for the staff so as to encourage the staff to participate in training.

The Company will further strengthen to train young cadre in the future and establish different levels of cadre, which lays the foundation for the sustainable development of the Company. The Company will also improve three-level talents training system among overseas, domestic institutions and the Company to ensure the comprehensive coverage of senior management, middle management and every ordinary staff of the Company in the training system.

#### 4. Guarantee of Staff Rights

The Group strictly complies with the relevant PRC laws and regulations and makes contributions to various pension contribution plans, medical insurance plans, unemployment insurance plans, maternity insurance plans and personal injury insurance plans.

為對僱員培訓實行規範化管理，本公司已制定完善的員工教育和培訓管理辦法，卓有成效地推進公司教育培訓體系建設。在教育培訓計劃的制定和實施過程中，尤其關注高層管理人員、中層管理人員、各專業技術及業務人員的培訓需求，並根據本公司不斷發展的需要，實現配套的員工多樣化培訓體系，以鼓勵更多僱員參與培訓。

在未來，本公司將進一步加強培育年輕幹部，形成人才梯隊，為公司可持續發展奠定基礎。本公司亦將改善海外機構、國內機構及本公司之間的三級人才培訓體系，確保培訓體系全面涵蓋本公司高級管理層、中級管理層及每名普通員工。

#### 4. 員工權利保障

本集團嚴格遵守相關中國法律法規，對各種養老保險計劃、醫療保險計劃、失業保險計劃、生育保險計劃及人身傷害保險計劃作出供款。

# Independent Auditor's Report

## 獨立核數師報告



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**To the shareholders of China Machinery Engineering Corporation**  
(Established in the People's Republic of China with limited liability)

**致中國機械設備工程股份有限公司股東**  
(於中華人民共和國註冊成立的股份有限公司)

### OPINION

### 意見

We have audited the consolidated financial statements of China Machinery Engineering Corporation (the "Company") and its subsidiaries (the "Group") set out on pages 236 to 434, which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

本核數師(以下簡稱「我們」)已審核第236頁至第434頁所載中國機械設備工程股份有限公司(「貴公司」)及其附屬公司(「貴集團」)的合併財務報表,包括於2018年12月31日的合併財務狀況表、截至該日止年度的合併損益表、合併綜合收益表、合併權益變動表和合併現金流量表,以及合併財務報表附註,包括主要會計政策概要。

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

我們認為,該等合併財務報表已根據國際會計準則委員會(「國際會計準則委員會」)頒佈的國際財務報告準則(「國際財務報告準則」)真實而公平地反映貴集團於2018年12月31日的合併財務狀況以及彼等截至該日止年度的合併財務業績及合併現金流量,並已按照香港公司條例的披露規定妥為編製。

### BASIS FOR OPINION

### 意見基礎

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

我們已根據香港會計師公會(「香港會計師公會」)頒佈的香港核數準則(「香港核數準則」)進行審核。我們根據該等準則須承擔的責任在本報告中「核數師就審核合併財務報表須承擔的責任」中進一步詳述。根據香港會計師公會之專業會計師職業道德守則(簡稱「守則」),我們獨立於貴集團,並已遵循守則履行其他職業道德責任。我們相信,我們所獲得的審核憑證能充足和適當地為我們的意見提供基礎。

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

### 關鍵審核事項

根據我們的專業判斷，關鍵審核事項為我們審核本期合併財務報表中最重要的事項。此等事項是我們在整體審核合併財務報表和作出意見時進行處理的，而不會就此等事項單獨發表意見。就下文各事項，我們在報告中描述我們的審核過程處理該事宜的方法。

我們已履行了本報告「核數師就審核合併財務報表承擔的責任」部份闡述的責任，包括與該等事項相關的責任。相應地，我們的審核工作包括執行為應對評估的合併財務報表重大錯誤陳述風險而設計的審核程序。我們執行審核程序的結果，包括應對下述關鍵審核事項所執行的程序，為隨附合併財務報表發表審核意見提供了基礎。

# Independent Auditor's Report

## 獨立核數師報告

### Key audit matter

#### 關鍵審核事項

#### *Revenue recognition for construction contracts*

#### 建造合同收入確認

The Company derives a significant portion of its revenues from construction-type contracts that are accounted for by applying the percentage-of-completion (POC) method.

貴公司收入主要來自建造類合同，該類合同按完工百分比法入賬。

The POC method involves the use of significant management judgement and estimates including estimates of the progress towards completion, the scope of deliveries and services required, total contract costs, remaining costs to completion, total contract revenues and contract risks. In addition, revenue, cost and gross profit realised on such contracts can vary (sometimes significantly) from the Company's original estimates because of changes in conditions.

使用完工百分比法涉及重大管理層判斷及估計，包括對竣工進度的估計，交付範圍及所需服務、合同成本總額、竣工尚需發生的成本、合同收入總額及合同風險。此外，建造合同實際發生的收入、成本及毛利會因條件變更而偏離（有時嚴重偏離）貴公司的初始估計。

The disclosures about construction contracts are included in note 2.4, note 3, note 5 and note 21 to the consolidated financial statements.

有關建造合同的披露載於合併財務報表附註2.4、附註3、附註5及附註21。

### How our audit addressed the key audit matter

#### 關鍵審核事項在審核中的處理方法

We tested the internal controls of the Company over its processes to record contract costs and contract revenues under the percentage-of-completion (POC) method.

我們對貴公司按完工百分比法記錄合同成本及合同收入的流程進行了內控測試。

We evaluated the judgements and estimates of management in determining the estimated total contract costs through the review of contract cost budget and other relevant project documentation, and the discussion of the status of projects under construction with management, finance and technical staff of the Company.

我們透過檢查合同成本預算及相關項目文件及與貴公司管理層、財務及技術員工討論在建項目的狀態，評估管理層確定估計合同成本總額所作判斷及估計。

We performed tests of details, including the vouching to invoices or other source documents, for the costs incurred, and to assess the status of the projects under sample basis.

基於抽樣基礎，我們進行具體測試，包括檢查已產生的成本之發票或其他原始文檔，及評估項目狀態。

We retested the calculation of the percentage-of-completion for certain key projects.

我們就若干關鍵項目重新測試完工百分比的計算。

We also assessed the adequacy of the relevant disclosure.

我們亦評估相關披露的充足度。

### Key audit matter

#### 關鍵審核事項

*Impairment of trade and other receivables*  
貿易及其他應收款項減值撥備

The Group has significant trade and other receivables from customers and other stakeholders. Allowances for the impairment of these balances are estimated by management through the application of significant judgement and use of subjective assumptions. Expected credit losses ("ECLs") allowances for trade and other receivables are made based on the assessment of the recoverability of such receivables as appropriate. When determine whether a trade or other receivable is collectable, significant management judgement is involved. Management ascertain the ECLs of trade and other receivables based on various factors including amongst others, historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment, the extent of collateral or credit enhancements available, and other information concerning the creditworthiness of the debtors.

貴集團有來自客戶及其他持份者的大量貿易及其他應收款項。該等餘額的減值撥備由管理層運用重大判斷及主觀假設進行估計。貿易及其他應收款項預期信貸虧損（「預期信貸虧損」）撥備乃根據對該等應收款項可收回性進行的評估（如適用）而作出。於釐定貿易或其他應收款項是否能夠收回時涉及重大管理層判斷。管理層根據多項因素確定貿易及其他應收款項預期信貸虧損，包括（其中包括）過往信貸虧損經驗、就債務人特定前瞻性因素作出的調整及經濟環境、可動用抵押品或增信措施的程度，以及有關債務人信用度的其他資料。

The disclosures about impairment of trade and other receivables are included in note 2.4, note 3 and note 22 to the consolidated financial statements.

貿易及其他應收款項減值的披露載於合併財務報表附註2.4、附註3及附註22。

### How our audit addressed the key audit matter

#### 關鍵審核事項在審核中的處理方法

We tested key internal controls over the Group's impairment allowance assessment procedures as appropriate. We obtained direct external confirmations for trade and other receivable balances on a sample basis, and performed alternative audit procedures for unreturned confirmations.

我們測試貴集團減值撥備評估程序（如適用）的主要內部控制。我們已基於抽樣基礎取得貿易及其他應收款項結餘的直接外部確認函，並就未有回應確認函進行其他審核程序。

We evaluated the basis and assumptions of the ECLs model used by management in calculation of the ECLs. Our procedures to assess the recoverability of trade and other receivables included, among others, inquiry of management's judgements, testing of historical payment patterns, assessment of the relevant forward-looking factors, and verification of the extent of collateral and credit enhancement available.

我們評估管理層於計算預期信貸虧損時所使用的預期信貸虧損基準及假設。我們就評估貿易及其他應收款項可收回性而進行的程序包括（其中包括）查詢管理層的判斷、測試過往付款模式、評估相關前瞻性因素，以及核實可動用抵押品及增信措施的程度。

In addition, we evaluated the adequacy of the disclosures regarding the ECL allowances of trade and other receivables.

此外，我們評估與貿易及其他應收款項預期信貸虧損撥備相關披露的充足度。



# Independent Auditor's Report

## 獨立核數師報告

### OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

### 年報所載的其他資料

貴公司董事須對其他資料承擔責任。其他資料包括年報中所包含的所有資料，但不包括合併財務報表及我們就此發出的核數師報告。

我們對合併財務報表作出的意見並無涵蓋其他資料，且我們不會對其他資料發表任何形式的核證結論。

就審核合併財務報表而言，我們的責任為閱讀其他資料，從而考慮其他資料是否與合併財務報表或我們在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。倘若我們基於已進行的工作認為其他資料出現重大錯誤陳述，我們須報告有關事實。我們就此並無須報告的事項。

### 董事就合併財務報表須承擔的責任

貴公司董事須負責根據國際會計準則委員會頒佈之國際財務報告準則及香港公司條例之披露規定，編製表達真實且公平之合併財務報表，及落實其認為編製合併財務報表所必要的內部控制，以使合併財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

編製合併財務報表時，貴公司董事須負責評估貴集團持續經營的能力，並披露與持續經營有關的事項（如適用）。除非貴公司董事擬將貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法，否則須採用以持續經營為會計基礎。

# Independent Auditor's Report

## 獨立核數師報告

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

審計委員會協助貴公司董事履行職責、監督貴集團的財務報告過程。

### 核數師就審核合併財務報表須承擔的責任

我們的目標為合理確保合併財務報表整體不存在由於欺詐或錯誤而導致的重大錯誤陳述，並出具載有我們意見的核數師報告。我們報告乃僅向全體股東（作為整體）作出，不作其他用途。我們概不就本報告的內容對任何其他人士承擔任何責任或接受任何負債。

合理確定屬高層次的核證，惟不能保證根據香港核數準則進行的審核工作總能發現所存在的重大錯誤陳述。錯誤陳述可源於欺詐或錯誤，倘合理預期個別或整體錯誤陳述可影響使用者根據該等合併財務報表作出的經濟決定時，則被視為重大錯誤陳述。

我們根據香港核數準則進行審核的工作之部份，是運用專業判斷，並在整個審核過程保持專業懷疑態度。我們亦：

- 識別及評估合併財務報表由於欺詐或錯誤而導致的重大錯誤陳述風險，針對該等風險設計及執行審核程序，以及獲得充足及適當的審核憑證為我們的意見提供基礎。由於欺詐可能涉及合謀、偽造、故意遺漏、誤導性陳述或凌駕內部控制的情況，因此未能發現因欺詐而造成的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審核有關的內部控制，以設計在各種情況下均恰當的審核程序，但並非旨在對貴集團的內部控制的有效性發表意見。

# Independent Auditor's Report

## 獨立核數師報告

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評估所用會計政策是否恰當，以及貴公司董事所作出的會計估計和相關披露是否合理。
- 對董事採用的以持續經營為會計基礎是否恰當作出總結，並根據已獲取的審核憑證，確定是否存在可能對貴集團持續經營的能力構成重大疑慮的事件或情況等重大不確定因素。倘我們認為存在重大不確定因素，則須在核數師報告中提請注意合併財務報表內的相關披露，或如果相關披露不足，則須修訂我們的意見。我們的結論乃基於截至核數師報告日期所獲得的審核憑證。然而，未來事件或情況可能導致貴集團無法持續經營。
- 評估合併財務報表（包括披露）的整體呈列方式、架構及內容，以及合併財務報表是否公允地反映相關交易及事項。
- 就貴集團內各實體或業務活動的財務資料獲得充足且適當的審核憑證，以就合併財務報表發表意見。我們須負責指導、監督和執行貴集團的審核工作。我們須為我們的審核意見承擔全部責任。

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

我們就（其中包括）審核工作的計劃範圍、時間安排以及重大審核發現（包括我們在審核過程中發現的任何內部控制的重大缺失）與審計委員會進行溝通。

我們亦向審計委員會作出聲明，確認我們已遵守有關獨立性的道德要求，並就所有被合理認為可能影響我們獨立性的關係和其他事宜以及相關防範措施（如適用）與彼等進行溝通。

# Independent Auditor's Report

## 獨立核數師報告

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yim Chi Hung Henry.

### **Ernst & Young**

Certified Public Accountants  
Hong Kong

March 26, 2019

我們通過與審計委員會溝通，釐定對本期合併財務報表審核工作而言至關重要的事項，即關鍵審核事項。除非法律或法規不容許公開披露此等事項，或於極罕有的情況下，我們認為披露此等事項可合理預期的不良後果將超越公眾知悉此等事項的利益而不應於報告中披露，否則我們會於核數師報告中描述此等事項。

負責此審核項目及簽發本獨立核數師報告的項目合夥人為嚴志雄。

### **安永會計師事務所**

執業會計師  
香港

2019年3月26日

# Consolidated Statement of Profit or Loss

## 合併損益表

Year ended December 31, 2018 • 截至2018年12月31日止年度

		Notes 附註	2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
<b>REVENUE</b>	收入	5	<b>28,862,688</b>	27,375,112
Cost of sales	銷售成本	6	<b>(24,166,735)</b>	(22,086,067)
<b>Gross profit</b>	毛利		<b>4,695,953</b>	5,289,045
Other revenue	其他收入	5	<b>106,938</b>	212,281
Other (expenses)/income, net	其他(開支)/收入淨額	5	<b>(84,556)</b>	193,635
Selling and distribution expenses	銷售及分銷開支		<b>(1,254,072)</b>	(1,082,591)
Administrative expenses	行政開支		<b>(1,283,522)</b>	(1,163,616)
Impairment losses on financial and contract assets, net	金融及合同資產減值虧損淨額		<b>(625,666)</b>	–
Other operating expenses	其他經營開支		<b>(3,137)</b>	(425,230)
<b>PROFIT FROM OPERATIONS</b>	經營溢利		<b>1,551,938</b>	3,023,524
Finance income	財務收入	6	<b>1,314,914</b>	394,126
Finance expenses	財務開支	6	<b>(208,318)</b>	(1,162,253)
Net finance income/(expenses)	財務收入/(開支)淨額	6	<b>1,106,596</b>	(768,127)
Share of profits and losses of:	應佔以下溢利及虧損：			
Joint ventures	合營公司		<b>34,167</b>	23,507
Associates	聯營公司		<b>133,066</b>	82,021
<b>PROFIT BEFORE TAX</b>	除稅前溢利	6	<b>2,825,767</b>	2,360,925
Income tax	所得稅	10	<b>(689,926)</b>	(584,298)
<b>PROFIT FOR THE YEAR</b>	年內溢利		<b>2,135,841</b>	1,776,627
Attributable to:	歸屬於：			
Owners of the parent	母公司擁有人		<b>2,131,540</b>	1,774,959
Non-controlling interests	非控股權益		<b>4,301</b>	1,668
			<b>2,135,841</b>	1,776,627
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT Basic and diluted (RMB)</b>	母公司普通權益持有人應佔每股盈利基本及攤薄(人民幣)	13	<b>52 cents (分)</b>	43 cents (分)

# Consolidated Statement of Comprehensive Income

## 合併綜合收益表

Year ended December 31, 2018 • 截至2018年12月31日止年度

	Notes 附註	2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
<b>PROFIT FOR THE YEAR</b>		<b>2,135,841</b>	1,776,627
<b>OTHER COMPREHENSIVE INCOME</b>			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:	於後續期間將不會重新分類至損益的其他綜合收益：		
Remeasurement of defined benefit obligations	重新計量設定受益義務	28 (19,360)	9,360
Equity investments designated at fair value through other comprehensive income	以公允價值計量且變動計入其他綜合收益的股權投資	(24,851)	–
Share of other comprehensive income of associates	分佔聯營公司其他綜合收益	(25,622)	–
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	於後續期間將不會重新分類至損益的其他綜合收益淨額	(69,833)	9,360
Other comprehensive income that may be reclassified into profit or loss in subsequent periods:	於後續期間可能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)
Share of other comprehensive income of associates	分佔聯營公司其他綜合收益	–	(21,648)
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	(53,376)	(64,587)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	於後續期間可能重新分類至損益的其他綜合收益淨額	(53,376)	(86,671)
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>	年內其他綜合收益 (扣除稅項)	<b>(123,209)</b>	(77,311)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	年內綜合收益總額	<b>2,012,632</b>	1,699,316
<b>Attributable to:</b>	歸屬於：		
Owners of the parent	母公司擁有人	2,008,234	1,697,723
Non-controlling interests	非控股權益	4,398	1,593
		<b>2,012,632</b>	1,699,316

# Consolidated Statement of Financial Position

## 合併財務狀況表

December 31, 2018 • 2018年12月31日

			<b>December 31,</b>	December 31,
			<b>2018</b>	2017
			<b>2018年</b>	2017年
			<b>12月31日</b>	12月31日
	Notes		<b>RMB'000</b>	RMB'000
	附註		人民幣千元	人民幣千元
				(Restated)
				(重述)
<b>NON-CURRENT ASSETS</b>				
<b>非流動資產</b>				
Property, plant and equipment	物業、廠房及設備	14	<b>2,293,698</b>	1,995,823
Investment properties	投資物業	15	<b>640,115</b>	631,662
Prepaid land lease payments	預付土地租賃款項	16	<b>1,755,868</b>	1,808,241
Intangible assets	無形資產	17	<b>464,816</b>	465,879
Investments in joint ventures	對合營公司的投資	18	<b>380,590</b>	346,423
Investments in associates	對聯營公司的投資	19	<b>1,102,433</b>	1,050,268
Trade and other receivables	貿易及其他應收款項	22	<b>3,905,768</b>	847,059
Amounts due from contract customers	應收合同客戶款項	21	-	1,923,798
Deferred tax assets	遞延稅項資產	27	<b>561,201</b>	348,186
Other non-current assets	其他非流動資產	29	<b>897,782</b>	376,678
Equity investments designated at fair value through other comprehensive income	以公允價值計量且變動計入其他綜合收益的股權投資	30	<b>425,890</b>	-
<b>Total non-current assets</b>	<b>非流動資產總額</b>		<b>12,428,161</b>	9,794,017
<b>CURRENT ASSETS</b>				
<b>流動資產</b>				
Inventories	存貨	20	<b>578,900</b>	670,468
Trade and other receivables	貿易及其他應收款項	22	<b>11,520,437</b>	10,884,327
Amounts due from contract customers	應收合同客戶款項	21	-	5,374,496
Contract assets	合同資產	21	<b>3,977,833</b>	-
Restricted deposits	受限制存款	23	<b>1,211,805</b>	1,363,525
Time deposits with original maturity over three months	原始到期日超過三個月 的定期存款	23	<b>5,013,871</b>	6,784,311
Cash and cash equivalents	現金及現金等價物	23	<b>21,383,610</b>	21,479,315
<b>Total current assets</b>	<b>流動資產總額</b>		<b>43,686,456</b>	46,556,442
<b>CURRENT LIABILITIES</b>				
<b>流動負債</b>				
Borrowings	借貸	26	<b>878,403</b>	754,847
Receipts in advance	預收款項		-	15,796,358
Contract liabilities	合同負債	25	<b>14,941,065</b>	-
Trade and other payables	貿易及其他應付款項	24	<b>21,811,779</b>	21,017,404
Defined benefit obligations	設定受益義務	28	<b>33,114</b>	33,775
Tax payable	應繳稅項		<b>527,133</b>	122,035
<b>Total current liabilities</b>	<b>流動負債總額</b>		<b>38,191,494</b>	37,724,419

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# Consolidated Statement of Financial Position

## 合併財務狀況表

December 31, 2018 • 2018年12月31日

			<b>December 31, 2018</b>	December 31, 2017
			<b>2018年 12月31日</b>	2017年 12月31日
		<i>Notes</i>	<b><i>RMB'000</i></b>	<i>RMB'000</i>
		<i>附註</i>	<i>人民幣千元</i>	<i>人民幣千元</i> (Restated) (重述)
<b>NET CURRENT ASSETS</b>	<b>流動資產淨額</b>		<b>5,494,962</b>	8,832,023
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>資產總額減流動負債</b>		<b>17,923,123</b>	18,626,040
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Borrowings	借貸	26	<b>106,356</b>	161,522
Trade and other payables	貿易及其他應付款項	24	<b>746,769</b>	541,326
Defined benefit obligations	設定受益義務	28	<b>462,384</b>	451,801
Deferred tax liabilities	遞延稅項負債	27	<b>94,360</b>	90,642
<b>Total non-current liabilities</b>	<b>非流動負債總額</b>		<b>1,409,869</b>	1,245,291
<b>Net assets</b>	<b>淨資產</b>		<b>16,513,254</b>	17,380,749
<b>EQUITY</b>	<b>權益</b>			
Issued capital	已發行股本	31	<b>4,125,700</b>	4,125,700
Reserves	儲備	32	<b>12,301,708</b>	13,174,786
<b>Total equity attributable to owners of the parent</b>	<b>母公司擁有人應佔權益總額</b>		<b>16,427,408</b>	17,300,486
<b>Non-controlling interests</b>	<b>非控股權益</b>		<b>85,846</b>	80,263
<b>Total equity</b>	<b>權益總額</b>		<b>16,513,254</b>	<b>17,380,749</b>

Director Zhang Chun  
董事 張淳

Director Han Xiaojun  
董事 韓曉軍



# Consolidated Statement of Changes in Equity

## 合併權益變動表

Year ended December 31, 2018 • 截至2018年12月31日止年度

		Attributable to owners of the parent 歸屬於母公司擁有人							Non-controlling interests 非控股權益	Total equity 權益總額		
		Issued capital 已發行股本	Capital reserve 資本儲備	Available-for-sale investment revaluation reserve 可供出售投資重估儲備	Fair value reserve 公允價值儲備	Statutory surplus reserve 法定盈餘公積金	Exchange fluctuation reserve 匯兌波動儲備	Retained profits 保留溢利			Sub-total 小計	
Notes 附註		RMB'000 人民幣千元 (note 31) (附註31)	RMB'000 人民幣千元 (note 32) (附註32)	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元		
<b>At 31 December 2017</b>	於2017年12月31日	4,125,700	3,479,823	(7,295)	-	1,198,687	16,925	8,486,646	17,300,486	80,263	17,380,749	
Effect of adoption of IFRS 9	採納國際財務報告準則第9號的影響	2.2	-	-	7,295	26,697	-	-	(85,790)	(51,798)	-	(51,798)
At January 1, 2018 (restated)	於2018年1月1日 (重述)	4,125,700	3,479,823	-	26,697	1,198,687	16,925	8,400,856	17,248,688	80,263	17,328,951	
Profit for the year	年內溢利	-	-	-	-	-	-	2,131,540	2,131,540	4,301	2,135,841	
Other comprehensive income for the year:	年內其他綜合收益：											
Exchange differences on translation of foreign operations	外幣報表折算差額	-	-	-	-	-	(53,473)	-	(53,473)	97	(53,376)	
Re-measurement losses on defined benefit plans, net of tax	設定受益計劃重新評估虧損，扣稅後	-	-	-	-	-	-	(19,360)	(19,360)	-	(19,360)	
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	按公允價值計量且其變動計入其他綜合收益的股權投資的公允價值變動，扣稅後	-	-	-	(24,851)	-	-	-	(24,851)	-	(24,851)	
Share of other comprehensive income of associates	分佔聯營公司其他綜合收益	-	-	-	(25,622)	-	-	-	(25,622)	-	(25,622)	
Total comprehensive income for the year	年內綜合收益總額	-	-	-	(50,473)	-	(53,473)	2,112,180	2,008,234	4,398	2,012,632	
Business combination under common control	同一控制下的業務合併	33	(1,980,031)	-	-	-	-	-	(1,980,031)	-	(1,980,031)	
Capital contribution from a non-controlling shareholder	一名非控股股東的資本投入	-	-	-	-	-	-	-	-	3,366	3,366	
Dividends declared to shareholders of the Company	已向本公司股東宣派的股息	-	-	-	-	-	-	(849,483)	(849,483)	-	(849,483)	
Profit appropriation to reserves	轉撥至儲備的溢利	-	285,900	-	-	178,492	-	(464,392)	-	-	-	
Dividends declared to non-controlling shareholders of subsidiaries	付予附屬公司非控股股東的股息	-	-	-	-	-	-	-	-	(2,181)	(2,181)	
<b>At December 31, 2018</b>	於2018年12月31日	4,125,700	1,785,692*	-	(23,776)*	1,377,179*	(36,548)*	9,199,161*	16,427,408	85,846	16,513,254	

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# Consolidated Statement of Changes in Equity

## 合併權益變動表

Year ended December 31, 2018 • 截至2018年12月31日止年度

		Attributable to owners of the parent 母公司擁有人應佔						Non-controlling interests 非控股權益	Total equity 權益總額	
		Issued capital 已發行股本 RMB'000 人民幣千元 (note 31) (附註31)	Capital reserve 資本儲備 RMB'000 人民幣千元 (note 32) (附註32)	Available-for-sale investment revaluation reserve 可供出售投資重估儲備 RMB'000 人民幣千元	Statutory surplus reserve 法定盈餘公積金 RMB'000 人民幣千元	Exchange fluctuation reserve 匯兌波動儲備 RMB'000 人民幣千元	Retained profits 保留溢利 RMB'000 人民幣千元			Sub-total 小計 RMB'000 人民幣千元
<b>At January 1, 2017</b>	於2017年1月1日	4,125,700	2,838,229	2,705	1,070,754	81,265	7,209,862	15,328,515	47,038	15,375,553
Business combination under common control	同一控制下的業務合併	-	722,643	12,084	-	172	479,053	1,213,952	8,991	1,222,943
At January 1, 2017 (Restated)	於2017年1月1日 (重述)	4,125,700	3,560,872	14,789	1,070,754	81,437	7,688,915	16,542,467	56,029	16,598,496
Profit for the year	年內溢利	-	-	-	-	-	1,774,959	1,774,959	1,668	1,776,627
Other comprehensive income for the year:	年內其他綜合收益：									
Exchange differences on translation of foreign operations	外幣報表折算差額	-	-	-	-	(64,512)	-	(64,512)	(75)	(64,587)
Re-measurement losses on defined benefit plans, net of tax	設定受益計劃重新評估虧損，扣稅後	-	-	-	-	-	9,360	9,360	-	9,360
Changes in fair value of available-for-sale investments, net of tax	可供出售投資公允價值變動，扣稅後	-	-	(436)	-	-	-	(436)	-	(436)
Share of other comprehensive income of associates	分佔聯營公司其他綜合收益	-	-	(21,648)	-	-	-	(21,648)	-	(21,648)
Total comprehensive income for the year	年內綜合收益總額	-	-	(22,084)	-	(64,512)	1,784,319	1,697,723	1,593	1,699,316
Distribution to then shareholder of CNEEC <sup>#</sup>	向當時中電工股東分配 <sup>#</sup>	-	(81,049)	-	-	-	(16,187)	(97,236)	-	(97,236)
Capital contribution from a non-controlling shareholder	一名非控股股東的資本投入	-	-	-	-	-	-	-	24,500	24,500
Dividends paid to shareholders of the Company	付予本公司股東的股息	-	-	-	-	-	(842,468)	(842,468)	-	(842,468)
Profit appropriation to reserves	轉撥至儲備的溢利	-	-	-	127,933	-	(127,933)	-	-	-
Dividends declared to non-controlling shareholders of subsidiaries	已向附屬公司非控股股東宣派的股息	-	-	-	-	-	-	-	(1,859)	(1,859)
<b>At December 31, 2017</b>	於2017年12月31日	4,125,700	3,479,823*	(7,295)*	1,198,687*	16,925*	8,486,646*	17,300,486	80,263	17,380,749

\* These reserve accounts comprise the consolidated reserves of RMB12,301,708,000 (December 31, 2017(Restated): RMB13,174,786,000) in the consolidated statement of financial position as at December 31, 2018.

# Defined in note 2.1

\* 該等儲備款項包括列入2018年12月31日的合併財務狀況表中的合併儲備人民幣12,301,708,000元(2017年12月31日(重述): 人民幣13,174,786,000元)。

# 定義見附註2.1

# Consolidated Statement of Cash Flows

## 合併現金流量表

Year ended December 31, 2018 • 截至2018年12月31日止年度

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>來自經營活動的現金流量</b>		
Profit before tax:	除稅前溢利：	<b>2,825,767</b>	2,360,925
Adjustments for:	調整項目：		
Finance costs	財務成本	<b>171,218</b>	68,744
Foreign exchange differences, net	匯兌差額淨額	<b>(764,314)</b>	999,965
Share of profits and losses of associates	應佔聯營公司溢利及虧損	<b>(133,066)</b>	(82,021)
Share of profits and losses of joint ventures	應佔合營公司溢利及虧損	<b>(34,167)</b>	(23,507)
Interest income	利息收入	<b>(267,881)</b>	(289,421)
Net gains on disposal of items of property, plant and equipment	處置物業、廠房及設備項目的淨收益	<b>(14,020)</b>	(1,026)
Gain on disposal of a subsidiary	出售附屬公司收益	-	(58,861)
Dividend income from equity securities	股本證券股息收入	<b>(3,868)</b>	(197,551)
Investment income on financial assets	金融資產投資收益	<b>(93,111)</b>	-
Net losses/(gains) on foreign currency forward exchange contracts and interest rate swaps	遠期外匯合約及利率掉期損失/(收益)淨額	<b>85,648</b>	(57,424)
Depreciation	折舊	<b>116,675</b>	106,680
Amortisation	攤銷	<b>83,062</b>	81,473
Impairment and foreseeable contract losses	減值和可預計合同虧損	<b>627,203</b>	424,520
		<b>2,599,146</b>	3,332,496
(Increase)/decrease in inventories	存貨(增加)/減少	<b>90,031</b>	(159,542)
Decrease in amounts due from contract customers	應收合同客戶款項減少	-	716,322
Decrease in contract assets	合同資產減少	<b>2,651,060</b>	-
Increase in trade and other receivables	貿易及其他應收款項增加	<b>(4,198,322)</b>	(2,800,142)
Decrease in contract liabilities	合同負債減少	<b>(855,293)</b>	-
Decrease in receipts in advance	預收款項減少	-	(282,646)
Increase in trade and other payables	貿易及其他應付款項增加	<b>796,459</b>	269,325
Decrease in defined benefit obligations	設定受益義務減少	<b>(9,438)</b>	(5,990)
Cash generated from operations	經營活動現金流入	<b>1,073,643</b>	1,069,823
Income tax paid	已付所得稅	<b>(468,959)</b>	(917,860)
Net cash flows from operating activities	經營活動產生的現金流量淨額	<b>604,684</b>	151,963

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# Consolidated Statement of Cash Flows

## 合併現金流量表

Year ended December 31, 2018 • 截至2018年12月31日止年度

			<b>2018</b>	2017
		<i>Notes</i>	<b>2018年</b>	2017年
		<i>附註</i>	<b>RMB'000</b>	RMB'000
			人民幣千元	人民幣千元
				(Restated)
				(重述)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>來自投資活動的現金流量</b>			
Interest received	已收利息	6(a)	<b>267,881</b>	289,421
Dividends received	已收股息	5	<b>3,868</b>	197,551
Investment income received	投資收益	5	<b>93,111</b>	-
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	14	<b>(431,406)</b>	(685,110)
Purchases of equity investments at fair value through other comprehensive income/available-for-sale investments	購買按公允價值計量且其變動計入其他綜合收益的股權投資／可供出售投資		<b>(36,640)</b>	(4,970)
Proceeds from disposal of items of property, plant and equipment	處置物業、廠房及設備項目的所得款項		<b>26,155</b>	29,550
Proceed from disposal of other intangible assets	處置其他無形資產的所得款項		<b>449</b>	-
Disposal of a subsidiary	處置一家附屬公司	34	-	(109,679)
Proceeds from settlement of forward exchange contracts and interest rate swaps	結算遠期外匯合約及利率掉期的所得款項		<b>(43,885)</b>	(51,301)
Proceeds from disposal of lease prepayments	處置租賃預付款項的所得款項		<b>12,362</b>	-
Proceeds from disposal of available-for-sale investments	處置可供出售投資的所得款項		-	113,100
Proceeds from disposal of financial assets	處置金融資產的所得款項		<b>150,000</b>	-
Additions of prepaid land lease payments	添置預付土地租賃款項	16	<b>(11,580)</b>	(42,258)
Additions of other intangible assets	添置其他無形資產	17	<b>(24,228)</b>	(17,975)
Additions of other long-term assets	添置其他長期資產		<b>(36,652)</b>	(19,040)
Dividends received from associates	自聯營公司收取的股息		<b>8,737</b>	-
Interest on financial instruments included in other receivables	其他應收款項以內的金融工具利息		<b>(79,408)</b>	-
Acquisition of a subsidiary under common control	收購受同一控制的附屬公司	33	<b>(1,980,031)</b>	-
Investments in associates	對聯營公司的投資		<b>(173,481)</b>	(138,646)
Investments in joint ventures	對合營公司的投資		-	(25,000)
Placing of restricted deposits	存放受限制存款		<b>(21,652)</b>	(884,462)
Proceeds from redemption of restricted deposits	贖回受限制存款所得款項		<b>173,372</b>	171,490
Placing of non-pledged time deposits with original maturity of over three months when acquired	存放獲取時原始到期日超過三個月的無抵押定期存款		<b>(29,640,548)</b>	(28,964,047)
Proceeds from redemption of non-pledged time deposits with original maturity of over three months when acquired	贖回獲取時原始到期日超過三個月的無抵押定期存款所得款項		<b>31,410,988</b>	30,895,513
Net cash flows from/(used in) investing activities	投資活動產生／(所用)的現金流量淨額		<b>(332,588)</b>	754,137

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# Consolidated Statement of Cash Flows

## 合併現金流量表

Year ended December 31, 2018 • 截至2018年12月31日止年度

			2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>來自融資活動的現金流量</b>			
Proceeds from borrowings	借貸所得款項		<b>1,332,248</b>	888,515
Repayment of borrowings	償還借貸		<b>(1,253,277)</b>	(928,569)
Capital contribution from a non-controlling shareholder	一名非控股股東的資本投入		<b>3,366</b>	24,500
Proceeds from disposal of debt investments	處置債權投資的所得款項		<b>205,070</b>	-
Dividends paid	已付股息		<b>(849,483)</b>	(858,655)
Dividends paid to non-controlling shareholders	已付非控股股東的股息		<b>249</b>	(4,428)
Interest paid	已付利息		<b>(170,416)</b>	(68,231)
Net cash flows used in financing activities	融資活動所用的現金流量淨額		<b>(732,243)</b>	(946,868)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物減少淨額</b>		<b>(460,147)</b>	(40,768)
Cash and cash equivalents at beginning of year	年初的現金及現金等價物	23	<b>21,479,315</b>	22,127,397
Effect of foreign exchange rate changes, net	匯率變動的影響淨額		<b>364,442</b>	(607,314)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>年末的現金及現金等價物</b>	23	<b>21,383,610</b>	21,479,315
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物餘額分析</b>			
Cash and bank balances	現金及銀行結餘	23	<b>27,609,286</b>	29,627,151
Restricted deposits	受限制存款	23	<b>(1,211,805)</b>	(1,363,525)
Time deposits with original maturity of over three months	原始到期日超過三個月的定期存款	23	<b>(5,013,871)</b>	(6,784,311)
Cash and cash equivalents as stated in the statement of cash flows	現金流量表所列現金及現金等價物	23	<b>21,383,610</b>	21,479,315

# Notes to the Financial Statements

## 財務報表附註

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### 1. CORPORATE AND GROUP INFORMATION

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

The Company was established on January 18, 2011 as part of the reorganisation (the “Reorganisation”) of China National Machinery & Equipment Import & Export Corporation (the “Predecessor”), a state-owned enterprise. The Company and its subsidiaries (collectively the “Group”) are mainly engaged in the international construction business and trading business.

Prior to the Reorganisation and establishment of the Company, the core business of the Group was controlled and operated by the Predecessor. The Predecessor was wholly owned by China National Machinery Industry Corporation (“SINOMACH”, 中國機械工業集團有限公司). Pursuant to the Reorganisation, the Predecessor transferred its core business together with related assets and liabilities to the Company. Upon establishment, the Company had a total of 3,300 million issued ordinary shares, with a par value of RMB1.00 each. The Company issued to SINOMACH 3,267 million shares, or 99% of the total issued shares, in exchange for the above transfer of business and assets and liabilities from the Predecessor. The Company also issued 33 million shares, or 1% of the total issued shares, to China United Engineering Corporation Limited (“China United”, 中國聯合工程有限公司), a wholly-owned subsidiary of SINOMACH for a cash consolidation of RMB46,930,900.

On December 21, 2012, the Company became listed on the Main Board of The Stock Exchange of Hong Kong Limited (“HKSE”). The Company issued 718,000,000 H shares at HK\$5.40 per share by initial public offering (“IPO”) to investors in Hong Kong and overseas. Pursuant to the IPO, a total of 71,800,000 domestic state-owned shares of RMB1.00 each owned by SINOMACH and China United in aggregate were converted into H shares on a one-for-one basis and transferred to the National Council for Social Security Fund of the PRC (“SSF”).

### 1. 公司及集團資料

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

作為國有企業中國機械設備進出口總公司（「前身」）重組（「重組」）的一部份，本公司於2011年1月18日成立。本公司及其附屬公司（統稱為「本集團」）主要從事國際工程業務及貿易業務。

在重組及成立本公司以前，本集團的核心業務由前身控制及經營。前身由中國機械工業集團有限公司（「國機」）全資擁有。根據重組，前身將其核心業務連同相關資產及負債轉讓予本公司。成立後，本公司擁有合共3,300百萬股每股面值人民幣1.00元的已發行普通股。本公司向國機發行3,267百萬股股份，或已發行股份總數的99%，以交換前身轉讓的上述業務及資產及負債。本公司亦向國機的全資附屬公司中國聯合工程有限公司（「中國聯合」）發行33百萬股股份，或已發行股份總數的1%，現金對價為人民幣46,930,900元。

於2012年12月21日，本公司於香港聯合交易所有限公司（「香港聯交所」）主板上市。本公司透過首次公開發售（「首次公開發售」），按每股股份5.40港元的價格向香港及海外投資者發行718,000,000股H股。基於首次公開發售，國機及中國聯合共同擁有的合共71,800,000股每股面值人民幣1.00元的國有內資股已按一換一的基準轉為H股，並轉讓予中國全國社會保障基金理事會（「社保基金理事會」）。

# Notes to the Financial Statements

## 財務報表附註

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### 1. CORPORATE AND GROUP INFORMATION (CONTINUED)

On January 2, 2013, the over-allotment option granted by the Company was fully exercised, and the Company issued and allotted an aggregate of 107,700,000 H shares at HK\$5.40 per share. Accordingly, a total of 10,770,000 domestic state-owned shares of RMB1.00 each owned by SINOMACH and China United were converted into H shares on a one-for-one basis and transferred to the SSF. As at December 31, 2017, a total of 908,270,000 H shares were listed on the HKSE.

In the opinion of the directors of the Company (the "Directors"), the holding company and the ultimate holding company of the Company was SINOMACH, which was established in the PRC.

#### Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

Name 名稱	Place and date of incorporation/ registration 註冊成立/ 註冊地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
			Direct 直接	Indirect 間接		
1 CMEC International Engineering Co., Ltd. 中設國際工程有限責任公司	The PRC September 9, 1997 中國 1997年9月9日	RMB50,000,000 人民幣50,000,000元	100%	-	Construction contracting and trading 施工承包及貿易	Limited liability company 有限責任公司
2 China Everbest Development International Limited 華盛昌發展有限公司	Hong Kong SAR August 12, 1988 香港特別行政區 1988年8月12日	HKD980,651,741 980,651,741港元	100%	-	Trading and security investment 貿易及證券投資	- -

### 1. 公司及集團資料 (續)

於2013年1月2日，本公司授出的超額配股權已獲悉數行使。因此，本公司已按每股股份5.40港元發行及配發合共107,700,000股H股。因此，國機及中國聯合擁有的10,770,000股每股面值人民幣1.00元的國有內資股已按一換一的基礎轉為H股，並轉讓予社保基金理事會。於2017年12月31日，合共908,270,000股H股在香港聯交所上市。

根據本公司董事（「董事」）的意見，國機（於中國成立）為本公司的控股公司及最終控股公司。

#### 附屬公司資料

本公司附屬公司的詳細資料如下：

# Notes to the Financial Statements

## 財務報表附註

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### 1. CORPORATE AND GROUP INFORMATION (CONTINUED)

### 1. 公司及集團資料 (續)

#### Information about subsidiaries (continued)

#### 附屬公司資料 (續)

Name 名稱	Place and date of incorporation/ registration 註冊成立/ 註冊地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
			Direct 直接	Indirect 間接		
3 China Machinery & Equipment (HK) Company Limited 中國機械設備香港有限公司	Hong Kong SAR September 20, 1983 香港特別行政區 1983年9月20日	HKD25,115,970 25,115,970港元	100%	-	Trading 貿易	-
4 CMEC Engineering Machinery Import & Export Co., Ltd. 中設工程機械進出口有限責任公司	The PRC January 9, 1995 中國 1995年1月9日	RMB80,000,000 人民幣80,000,000元	100%	-	Trading 貿易	Limited liability company 有限責任公司
5 CMEC Comtrans International Co., Ltd. 中設國際商務運輸代理 有限責任公司	The PRC March 5, 1997 中國 1997年3月5日	RMB20,000,000 人民幣20,000,000元	100%	-	Transportation agency 運輸代理	Limited liability company 有限責任公司
6 Ausino Pty. Ltd. 澳大利亞澳華機械有限公司	Australia September 13, 1984 澳大利亞 1984年9月13日	AUD3,974,486 3,974,486澳元	100%	-	Trading 貿易	-
7 CMEC Group Shanghai International Forwarding Co., Ltd. 中設集團上海國際貨代儲運 有限公司	The PRC January 30, 1996 中國 1996年1月30日	RMB10,820,000 人民幣10,820,000元	100%	-	Transportation agency 運輸代理	Limited liability company 有限責任公司



# Notes to the Financial Statements

## 財務報表附註

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### 1. CORPORATE AND GROUP INFORMATION (CONTINUED)

#### Information about subsidiaries (continued)

Name 名稱	Place and date of incorporation/ registration 註冊成立/ 註冊地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
			Direct 直接	Indirect 間接		
8 Shenzhen CMEC Industry Corporation Limited 深圳市中設實業有限公司	The PRC March 18, 1992 中國 1992年3月18日	RMB9,200,000 人民幣9,200,000元	100%	-	Storage and property service 儲存及物業服務	Limited liability company 有限責任公司
9 CMEC International Trading Co., Ltd. 中設國際貿易有限責任公司	The PRC January 16, 1995 中國 1995年1月16日	RMB8,000,000 人民幣8,000,000元	100%	-	Trading 貿易	Limited liability company 有限責任公司
10 CMEC Machinery & Electric Equipment Import & Export Co., Ltd. 中設機電進出口有限公司	The PRC January 16, 1995 中國 1995年1月16日	RMB20,000,000 人民幣20,000,000元	100%	-	Trading 貿易	Limited liability company 有限責任公司
11 CMEC Beijing Property Development Co., Ltd. 中國機械設備進出口北京物業發展有限責任公司	The PRC January 15, 1985 中國 1985年1月15日	RMB5,000,000 人民幣5,000,000元	100%	-	Property management and rental 物業管理及租賃	Limited liability company 有限責任公司
12 CMEC General Machinery Import & Export Co., Ltd. 中設通用機械進出口有限責任公司	The PRC January 9, 1995 中國 1995年1月9日	RMB6,000,000 人民幣6,000,000元	100%	-	Trading 貿易	Limited liability company 有限責任公司

### 1. 公司及集團資料 (續)

#### 附屬公司資料 (續)

# Notes to the Financial Statements

## 財務報表附註

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### 1. CORPORATE AND GROUP INFORMATION (CONTINUED)

### 1. 公司及集團資料 (續)

#### Information about subsidiaries (continued)

#### 附屬公司資料 (續)

Name 名稱	Place and date of incorporation/ registration 註冊成立/ 註冊地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
			Direct 直接	Indirect 間接		
13 China Machinery and Equipment International Tendering Co., Ltd. 中設國際招標有限責任公司	The PRC April 29, 1996 中國 1996年4月29日	RMB5,000,000 人民幣5,000,000元	100%	-	Tendering for construction contracts 建造合同招標	Limited liability company 有限責任公司
14 China Machinery Industrial Products Co., Ltd. 中設集團裝備製造有限責任公司	The PRC February 6, 2002 中國 2002年2月6日	RMB75,000,000 人民幣75,000,000元	100%	-	Trading 貿易	Limited liability company 有限責任公司
15 CMEC Petrochemical-General Machinery Co., Ltd. 中設石化機械有限公司	The PRC January 16, 1995 中國 1995年1月16日	RMB5,000,000 人民幣5,000,000元	100%	-	Trading 貿易	Limited liability company 有限責任公司
16 China Machinery International Engineering Design & Research Institute Co., Ltd. 中機國際工程設計研究院 有限責任公司	The PRC October 5, 1993 中國 1993年10月5日	RMB300,000,000 人民幣300,000,000元	100%	-	Engineering design, contracting and supervision 工程設計、承包及監理	Limited liability company 有限責任公司
17 China-East Resources Import & Export Co., Ltd. 中經東源進出口有限責任公司	The PRC July 22, 1993 中國 1993年7月22日	RMB20,000,000 人民幣20,000,000元	100%	-	Trading and construction contracting 貿易及施工承包	Limited liability company 有限責任公司

# Notes to the Financial Statements

## 財務報表附註

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### 1. CORPORATE AND GROUP INFORMATION (CONTINUED)

### 1. 公司及集團資料 (續)

#### Information about subsidiaries (continued)

#### 附屬公司資料 (續)

Name 名稱	Place and date of incorporation/ registration 註冊成立/ 註冊地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
			Direct 直接	Indirect 間接		
18 China National Machinery & Equipment Import & Export (Suzhou) Co., Ltd. 中設(蘇州)機械設備工程 有限公司	The PRC February 20, 1987 中國 1987年2月20日	RMB19,562,000 人民幣19,562,000元	100%	-	Trading 貿易	Limited liability company 有限責任公司
19 Shanghai Zhong Jing Import & Export Corporation 上海中經進出口有限責任公司	The PRC December 21, 1995 中國 1995年12月21日	RMB4,580,000 人民幣4,580,000元	100%	-	Trading 貿易	Limited liability company 有限責任公司
20 China Machinery Engineering Wuxi Co., Ltd. 中設無錫機械設備工程有限公司	The PRC April 9, 1987 中國 1987年4月9日	RMB38,000,000 人民幣38,000,000元	100%	-	Trading 貿易	Limited liability company 有限責任公司
21 Sino American Machinery Corporation 美國華美機械有限公司	United States of America ("USA") August 22, 1983 美利堅合眾國(「美國」) 1983年8月22日	USD1,918,476 1,918,476美元	100%	-	Trading 貿易	-
22 Euro M.E.C. Import & Export GmbH 歐麥克進出口有限公司	Germany March 9, 1990 德國 1990年3月9日	DEM100,000 100,000德國馬克	100%	-	Trading 貿易	-

# Notes to the Financial Statements

## 財務報表附註

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### 1. CORPORATE AND GROUP INFORMATION (CONTINUED)

#### Information about subsidiaries (continued)

### 1. 公司及集團資料 (續)

#### 附屬公司資料 (續)

Name 名稱	Place and date of incorporation/ registration 註冊成立/ 註冊地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
			Direct 直接	Indirect 間接		
23 CMEC Japan Co., Ltd. CMEC日本株式會社	Japan April 2, 1986 日本 1986年4月2日	JPY50,000,000 50,000,000日元	80%	-	Trading 貿易	-
24 China Machinery Engineering Henan Co., Ltd. 中國機械設備工程(河南) 有限公司	The PRC April 17, 1997 中國 1997年4月17日	RMB4,180,000 人民幣4,180,000元	67%	-	Trading 貿易	Limited liability company 有限責任公司
25 CMIC Enmei Co., Ltd. CMIC燕明株式會社	Japan May 13, 1994 日本 1994年5月13日	JPY26,000,000 26,000,000日元	76.92%	-	Trading 貿易	-
26 CMEC (Beijing) International Economic & Legal Advisors Inc. 西邁克(北京)國際經濟法律諮詢 有限責任公司	The PRC September 24, 1993 中國 1993年9月24日	RMB500,000 人民幣500,000元	100%	-	Legal consultancy 法律諮詢	Limited liability company 有限責任公司
27 China National Machinery & Equipment Import & Export (Fujian) Co., Ltd. 福建中設機械設備進出口有限公司	The PRC February 21, 2001 中國 2001年2月21日	RMB5,460,000 人民幣5,460,000元	55%	-	Trading 貿易	Limited liability company 有限責任公司

# Notes to the Financial Statements

## 財務報表附註

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### 1. CORPORATE AND GROUP INFORMATION (CONTINUED)

### 1. 公司及集團資料 (續)

#### Information about subsidiaries (continued)

#### 附屬公司資料 (續)

Name 名稱	Place and date of incorporation/ registration 註冊成立/ 註冊地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
			Direct 直接	Indirect 間接		
28 China National Machinery & Equipment Import & Export (Hubei) Co., Ltd. 中設(湖北)機械設備工程 有限公司	The PRC November 30, 2007 中國 2007年11月30日	RMB5,000,000 人民幣5,000,000元	51%	-	Trading 貿易	Limited liability company 有限責任公司
29 CMEC Senegal S.A. 中國機械設備進出口總公司 塞內加爾股份有限公司	Senegal April 20, 2009 塞內加爾 2009年4月20日	XOF10,000,000 10,000,000西非法郎	100%	-	Construction contracting 施工承包	-
30 CMEC Engineering C.A. 西麥克委內瑞拉工程公司	Venezuela March 11, 2011 委內瑞拉 2011年3月11日	VEF200,000 200,000強勢玻利瓦爾	99.90%	0.10%	Construction contracting 施工承包	-
31 CMEC Nigeria Development Limited CMEC尼日利亞發展有限公司	Nigeria March 25, 2011 尼日利亞 2011年3月25日	NGN20,000,000 20,000,000奈拉	100%	-	Construction contracting 施工承包	-
32 China Machinery Engineering Argentina S.A. 中國機械設備工程阿根廷股份 有限公司	Argentina July 30, 2012 阿根廷 2012年7月30日	ARS429,000 429,000比索	90%	10%	Construction contracting 施工承包	-

# Notes to the Financial Statements

## 財務報表附註

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### 1. CORPORATE AND GROUP INFORMATION (CONTINUED)

### 1. 公司及集團資料 (續)

#### Information about subsidiaries (continued)

#### 附屬公司資料 (續)

Name 名稱	Place and date of incorporation/ registration 註冊成立/ 註冊地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
			Direct 直接	Indirect 間接		
33 China Power Construction Engineering Consulting Central Southern Corporation 中國電力建設工程諮詢中南有限公司	The PRC January 11, 1993 中國 1993年1月11日	RMB5,000,000 人民幣5,000,000元	50%	-	Engineering design 工程設計	Limited liability company 有限責任公司
34 China Machinery Engineering Corporation Namibia (Proprietary) Limited 中國機械設備工程股份有限公司 納米比亞有限責任公司	Namibia June 11, 2013 納米比亞 2013年6月11日	NAD20,000 20,000納米比亞元	100%	-	Construction contracting 施工承包	-
35 China Machinery Engineering Corporation (PNG) Limited 中國機械設備工程(巴新)有限公司	Papua New Guinea January 22, 2014 巴布亞新幾內亞 2014年1月22日	USD50,000 50,000美元	100%	-	Construction contracting 施工承包	-
36 Sinland Development PTE, Ltd. 騰新發展有限公司	Singapore July 22, 2014 新加坡 2014年7月22日	USD7,150,000 7,150,000美元	100%	-	Construction contracting 施工承包	-
37 China JiKan Research Institute of Engineering Investigations and Design, Co., Ltd. 機械工業勘察設計研究院有限公司	The PRC February 23, 1989 中國 1989年2月23日	RMB105,000,000 人民幣105,000,000元	100%	-	Construction research and design 施工勘测及設計	Limited liability company 有限責任公司

# Notes to the Financial Statements

## 財務報表附註

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### 1. CORPORATE AND GROUP INFORMATION (CONTINUED)

### 1. 公司及集團資料 (續)

#### Information about subsidiaries (continued)

#### 附屬公司資料 (續)

Name 名稱	Place and date of incorporation/ registration 註冊成立/ 註冊地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
			Direct 直接	Indirect 間接		
38 CMEC Lanka (Private) Limited 中設蘭卡有限責任公司	Sri Lanka February 12, 2015 斯里蘭卡 2015年2月12日	USD1,000,000 1,000,000美元	100%	-	Construction contracting 施工承包	-
39 CMEC Middle East FZE CMEC中東區域公司	United Arab Emirates January 20, 2015 阿拉伯聯合酋長國 2015年1月20日	USD5,370,000 5,370,000美元	100%	-	Construction service 施工服務	-
40 China National Complete Engineering Corporation 中國成套工程有限公司	The PRC September 5, 1985 中國 1985年9月5日	RMB100,348,774 人民幣100,348,774元	100%	-	Construction contracting 施工承包	Limited liability company 有限責任公司
41 CMEC Mexico Engineering, S.DE R.L.DE C.V. 西麥克墨西哥工程有限責任公司	Mexico August 3, 2015 墨西哥 2015年8月3日	USD100,000 100,000美元	99%	1%	Construction contracting 施工承包	-
42 CMEC Zambia Development Limited 西麥克贊比亞發展股份有限公司	Zambia September 14, 2015 贊比亞 2015年9月14日	USD10,000 10,000美元	100%	-	Construction contracting 施工承包	-
43 CMEC Africa Development Limited 中設非洲發展有限公司	Kenya December 16, 2015 肯尼亞 2015年12月16日	KES20,480,000 20,480,000先令	100%	-	Construction contracting 施工承包	-

# Notes to the Financial Statements

## 財務報表附註

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### 1. CORPORATE AND GROUP INFORMATION (CONTINUED)

### 1. 公司及集團資料 (續)

#### Information about subsidiaries (continued)

#### 附屬公司資料 (續)

Name 名稱	Place and date of incorporation/ registration 註冊成立/ 註冊地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
			Direct 直接	Indirect 間接		
44 China Machinery Engineering Yinchuan Free Trade Zone Co., Ltd. 中國機械設備工程 (銀川綜合保稅)有限公司	The PRC June 23, 2016 中國 2016年6月23日	RMB24,000,000 人民幣24,000,000元	100%	-	Trading business 貿易業務	Limited liability company 有限責任公司
45 Maldives Renewable Energy Company Limited 馬爾代夫新能源有限公司	Hong Kong SAR February 4, 2016 香港特別行政區 2016年2月4日	USD1 1美元	100%	-	Construction contracting 施工承包	-
46 CMEC Engineering XXK 中設蒙古工程有限責任公司	Mongolia November 30, 2016 蒙古 2016年11月30日	USD100,000 100,000美元	100%	-	Construction contracting 施工承包	-
47 CMEC Guinea Equatorial, S.L. 中設赤道幾內亞有限責任公司	Guinea Equatorial June 1, 2017 赤道幾內亞 2017年6月1日	XOF20,000,000 20,000,000 西非法郎	100%	-	Construction contracting 施工承包	-
48 CMEC Saudi for Construction LLC 中設沙特建設有限責任公司	Saudi Arabia July 20, 2017 沙特阿拉伯 2017年7月20日	USD270,000 270,000美元	100%	-	Construction contracting 施工承包	-



# Notes to the Financial Statements

## 財務報表附註

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### 1. CORPORATE AND GROUP INFORMATION (CONTINUED)

#### Information about subsidiaries (continued)

Name 名稱	Place and date of incorporation/ registration 註冊成立/ 註冊地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
			Direct 直接	Indirect 間接		
49 CMEC Dutch Caribbean B.V. CMEC荷屬加勒比比有限責任公司	Netherlands November 14, 2017 荷蘭 2017年11月14日	USD200,000 200,000美元	100%	-	Trading business 貿易業務	-
50 CMEC Bel Limited 中國機械設備白俄有限責任公司	Belarus January 16, 2018 白俄羅斯 2018年1月16日	USD500,000 500,000美元	100%	-	Construction contracting 施工承包	-
51 CMEC Lao Company Limited 中國機械設備老撾有限公司	Laos January 16, 2018 老撾 2018年1月16日	USD1,000,000 1,000,000美元	49%	-	Construction contracting 施工承包	-
52 China National Electric Engineering Co., Ltd. 中國電力工程有限公司	PRC September 27, 1984 中國 1984年9月27日	RMB888,100,000 人民幣888,100,000元	100%	-	Construction contracting 施工承包	Limited liability company 有限責任公司
53 CMEC Congo S.A.R.L.U. 中國機械設備工程股份有限公司 剛果(布)有限責任公司	Congo March 8, 2018 剛果 2018年3月8日	XAF1,000,000 1,000,000 中非金融合作法郎	100%	-	Construction contracting 施工承包	-

### 1. 公司及集團資料 (續)

#### 附屬公司資料 (續)

# Notes to the Financial Statements

## 財務報表附註

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### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which comprise all standards and interpretations approved by the International Accounting Standards Board (the “IASB”), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments which have been measured at fair value and financial assets at fair value through other comprehensive income (FVOCI). These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

#### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended December 31, 2018. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

### 2.1 編製基準

該等財務報表乃根據國際財務報告準則（「國際財務報告準則」，包括經國際會計準則委員會（「國際會計準則委員會」）批准的全部準則及詮釋）及香港公司條例的披露要求編製。該等財務報表乃按歷史成本慣例編製，惟以公允價值計量的衍生金融工具及以公允價值計量且變動計入其他綜合收益的金融資產除外。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。

#### 綜合基準

合併財務報表包括本公司及其附屬公司（統稱「本集團」）截至2018年12月31日止年度的財務報表。附屬公司為本公司直接或間接控制的實體（包括結構性實體）。當本集團對涉及投資對象的浮動回報承擔風險或享有權利，以及能透過對投資對象的權力（即賦予本集團現有能以主導投資對象相關活動的既存權利）影響該等回報時，即取得控制權。

倘本公司直接或間接擁有少於投資對象大多數投票或類似權利，則本集團於評估其是否對投資對象擁有權力時會考慮一切相關事實及情況，包括：

- (a) 與投資對象其他投票持有人的合約安排；
- (b) 其他合約安排所產生的權利；及
- (c) 本集團的投票權及潛在投票權。

# Notes to the Financial Statements

## 財務報表附註

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### 2.1 BASIS OF PREPARATION (CONTINUED)

#### Basis of consolidation (continued)

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

### 2.1 編製基準 (續)

#### 綜合基準 (續)

附屬公司的財務報表乃按與本公司相同的報告期及一致的會計政策編製。附屬公司的業績自本集團取得控制權當日起綜合入賬，並繼續綜合直至失去有關控制權當日為止。

損益及其他綜合收益各組成部份均歸屬於本集團母公司的擁有人及非控股權益，即使此舉引致非控股權益出現負數結餘。與本集團成員公司之間的交易有關的所有集團內部資產及負債、權益、收入、開支及現金流量於綜合入賬時悉數對銷。

倘有任何事實及情況表明上述三項控制權條件的其中一項或多項有變，本集團會重新評估是否控制被投資方。附屬公司的所有權權益在沒有失去控制權的情況下發生變動，則按權益交易入賬。

倘本集團失去對一家附屬公司的控制權，則終止確認(i)該附屬公司的資產(包括商譽)及負債；(ii)任何非控股權益的賬面值及(iii)於權益內記錄的累計換算差額；並確認(i)所收代價的公允價值；(ii)所保留任何投資的公允價值及(iii)損益中任何因此產生的盈餘或虧損。依據本集團直接處置相關資產或負債的相同基準，先前於其他綜合收益內確認的本集團應佔組成部份重新分類至損益或保留溢利(倘適當)。

# Notes to the Financial Statements

## 財務報表附註

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### 2.1 BASIS OF PREPARATION (CONTINUED)

#### Basis of consolidation (continued)

##### *Business combinations under common control*

The Company acquired the 100% equity interest in China National Electric Engineering Co., Ltd. (“CNEEC”) in April 2018. The Company and CNEEC were under the common control of SINOMACH both before and after the acquisition and such controls were not transitory. Thus, the acquisition was considered to be business combination under common control and the merger accounting basis was adopted. Accordingly, the Company’s audited consolidated financial statements for the years ended December 31, 2018 and December 31, 2017 included the financial statements of the combining entity or businesses from the earliest date presented or since the date when the combining entity or businesses first came under common control, where this was a shorter period, regardless of the date of the common control combination. The net assets of the combining entity or businesses were combined using the existing book values from the controlling parties’ perspective. No amount was recognised in consideration for goodwill or excess of the acquirers’ interest in the net fair value of the acquirees’ identifiable assets, liabilities and contingent liabilities over cost at the time of the common control combination.

The Company’s comparative audited consolidated financial statements for the year ended December 31, 2017 were restated to include the financial statements of CNEEC retrospectively under the merger accounting basis as mentioned above.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses etc., incurred in relation to the common control combination that were accounted for by using merger accounting were recognised as expenses in the period in which they were incurred.

### 2.1 編製基準 (續)

#### 綜合基準 (續)

##### *同一控制下的業務合併*

本公司於2018年4月收購中國電力工程有限公司(「中電工」)的100%股權。收購前後，本公司與中電工均受國機在同一控制，且控制權不是暫時的。因此，收購被視為同一控制下的業務合併，並採用權益結合會計基準。因此，本公司截至2018年12月31日及2017年12月31日止年度的的經審計合併財務報表包括財務報表最早列報日或者合併實體或業務開始受同一控制之日起計的期間(以較短期間為準)各合併實體或業務的財務報表，而不論同一控制合併的日期。被合併實體或業務的淨資產以控制方而言所存在的賬面值合併。在控制方之權益持續之情況下，於同一控制合併中並無就商譽或收購方應佔被收購方可識別資產、負債及或有負債的公允淨值超過於收購成本的金額予以確認。

本公司截至2017年12月31日止年度的可比經審計合併財務報表經重述，以按照上述權益結合會計基準計入中電工的財務報表。

交易成本，包括專業服務費、註冊費、向股東提供資料產生的費用、合併先前單個業務產生的成本或損失，以及其他與採用權益結合會計法算的同一控制下合併有關的成本，於產生期間確認為當期支出。

# Notes to the Financial Statements

## 財務報表附註

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### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to IFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i>
Amendments to IFRS 4	<i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts</i>
IFRS 9	<i>Financial Instruments</i>
IFRS 15	<i>Revenue from Contracts with Customers</i>
Amendments to IFRS 15	<i>Clarifications to IFRS 15 Revenue from Contracts with Customers</i>
Amendments to IAS 40	<i>Transfers of Investment Property</i>
IFRIC 22	<i>Foreign Currency Transactions and Advance Consideration</i>
Annual Improvements 2014-2016 Cycle	Amendments to IFRS 1 and IAS 28

### 2.2 會計政策變更及披露

本集團已就本年度的財務報表首次採納下列新訂及經修訂國際財務報告準則：

國際財務報告準則第2號的修訂本	股份付款交易的分類及計量
國際財務報告準則第4號的修訂本	應用國際財務報告準則第9號「金融工具」及國際財務報告準則第4號「保險合同」
國際財務報告準則第9號	金融工具
國際財務報告準則第15號	客戶合同收入
國際財務報告準則第15號的修訂本	釐清國際財務報告準則第15號「客戶合同收入」
國際會計準則第40號的修訂本	投資物業轉讓
國際財務報告詮釋委員會詮釋第22號	外幣交易及預付代價
2014年至2016年週期的年度改進	國際財務報告準則第1號及國際會計準則第28號的修訂本

# Notes to the Financial Statements

## 財務報表附註

December 31, 2018 • 2018年12月31日

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

Except for the amendments to IFRS 4 and *Annual Improvements 2014-2016 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the new and revised IFRSs are described below:

- (a) Amendments to IFRS 2 address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding a certain amount in order to meet an employee's tax obligation associated with the share-based payment; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. The amendments introduce an exception so that a share-based payment transaction with net share settlement features for withholding a certain amount in order to meet the employee's tax obligation is classified in its entirety as an equity-settled share-based payment transaction when certain conditions are met. Furthermore, the amendments clarify that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. The amendments have had no impact on the financial position or performance of the Group as the Group does not have any cash-settled share-based payment transactions and has no share-based payment transactions with net settlement features for withholding tax.

### 2.2 會計政策變更及披露 (續)

除國際財務報告準則第4號的修訂本及2014年至2016年週期的年度改進（其與本集團財務報表的編製無關）外，新訂及經修訂國際財務報告準則的性質及影響如下：

- (a) 國際財務報告準則第2號的修訂本闡述三大範疇：歸屬條件對計量以現金結算以股份為基礎付款交易的影響；為履行與以股份為基礎付款相關的僱員稅務責任而預扣若干金額的以股份為基礎付款交易（附有淨額結算特質）的分類；以及對以股份為基礎付款交易的條款及條件作出令其分類由現金結算變為權益結算的修訂時的會計處理方法。該修訂本釐清計量以權益結算以股份為基礎付款時所用的歸屬條件的入賬方法亦適用於以現金結算以股份為基礎付款。該修訂本引入一個例外情況，在符合若干條件時，為履行僱員稅務責任而預扣若干金額的以股份為基礎的付款交易（附有淨額結算特質），將整項分類為以權益結算以股份為基礎的付款交易。此外，該修訂本亦釐清，倘以現金結算以股份為基礎付款交易的條款及條件已作出修訂，導致有關交易變為以權益結算以股份為基礎付款交易，則該交易自修訂日期起作為以權益結算的交易入賬。由於本集團並無任何以現金結算以股份為基礎付款交易，且並無預扣稅責任具有淨額結算特徵之以股份為基礎付款交易，該修訂本對本集團的財務狀況或表現並無影響。

# Notes to the Financial Statements

## 財務報表附註

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### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

- (b) IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after January 1, 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

With the exception of hedge accounting, which the Group has applied prospectively, the Group has recognised the transition adjustments against the applicable opening balances in equity at January 1, 2018. Therefore, the comparative information was not restated and continues to be reported under IAS 39.

#### *Classification and measurement*

The following information sets out the impacts of adopting IFRS 9 on the statement of financial position, including the effect of replacing IAS 39's incurred credit loss calculations with IFRS 9's expected credit losses ("ECLs").

### 2.2 會計政策變更及披露 (續)

- (b) 國際財務報告準則第9號「金融工具」於2018年1月1日或以後開始的年度期間取代國際會計準則第39號「金融工具：確認及計量」，其中引入了適用於金融工具三方面的會計要求：分類及計量、減值及對沖會計處理。

除本集團已提前應用之對沖會計處理外，本集團已於2018年1月1日在適用之權益期初結餘確認過渡調整。因此，比較資料並無重列且將繼續根據國際會計準則第39號呈報。

#### *分類及計量*

以下資料載列採納國際財務報告準則第9號對財務狀況表的影響，包括以國際財務報告準則第9號項下的預期信貸虧損（「預期信貸虧損」）取代國際會計準則第39號項下的已產生信貸虧損計算所產生的影響。

# Notes to the Financial Statements

## 財務報表附註

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### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

### 2.2 會計政策變更及披露 (續)

(b) (continued)

(b) (續)

#### Classification and measurement (continued)

#### 分類及計量 (續)

A reconciliation between the carrying amounts under IAS 39 and the balances reported under IFRS 9 as at January 1, 2018 is as follows:

於2018年1月1日，國際會計準則第39號項下的賬面值與國際財務報告準則第9號項下所呈報的結餘之對賬如下：

	Measurement category 計量類別		Carrying amount 賬面值		Difference 差額 RMB'000 人民幣千元
	IAS 39 國際會計準則 第39號	IFRS 9 國際財務報告 準則第9號	IAS 39 國際會計準則 第39號 RMB'000 人民幣千元	IFRS 9 國際財務報告 準則第9號 RMB'000 人民幣千元	
<b>Financial assets</b> 金融資產					
Listed equity investments 上市股權投資	Available-for-sale financial assets at FVOCI 按公允價值計量且其變動計入 其他綜合收益之可供出售金融資產	Financial assets at FVOCI 按公允價值計量且其變動計入 其他綜合收益之金融資產	10,021	10,021	-
Unlisted equity investments 非上市股權投資	Available-for-sale financial assets at cost 按成本計量之可供出售金融資產	Financial assets at FVOCI 按公允價值計量且其變動計入 其他綜合收益之金融資產	366,657	411,980	45,323
Trade and other receivables 貿易及其他應收款項	Loans and receivables 貸款及應收款項	Financial assets at amortised cost 按攤餘成本計量之金融資產	11,731,386	11,646,575	(84,811)
Restricted deposits 受限制存款	Loans and receivables 貸款及應收款項	Financial assets at amortised cost 按攤餘成本計量之金融資產	1,363,525	1,363,525	-
Time deposits with original maturity over three months 原始到期日超過三個月的定期存款	Loans and receivables 貸款及應收款項	Financial assets at amortised cost 按攤餘成本計量之金融資產	6,784,311	6,784,311	-
Cash and cash equivalents 現金及現金等價物	Loans and receivables 貸款及應收款項	Financial assets at amortised cost 按攤餘成本計量之金融資產	21,479,315	21,479,315	-
Net difference 淨差額					(39,488)
<b>Non-financial assets</b> 非金融資產					
Contract assets 合同資產			7,298,294	7,268,718	(29,576)
Deferred tax assets 遞延稅項資產			348,186	376,783	28,597
Net difference 淨差額					(979)
Total net difference 總淨差額					(40,467)



# Notes to the Financial Statements

## 財務報表附註

December 31, 2018 • 2018年12月31日

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(b) (continued)

#### Classification and measurement (continued)

A reconciliation between the carrying amounts under IAS 39 and the balances reported under IFRS 9 as at January 1, 2018 is as follows:

	Measurement category 計量類別		Carrying amount 賬面值		Difference 差額 RMB'000 人民幣千元
	IAS 39 國際會計準則 第39號	IFRS 9 國際財務報告 準則第9號	IAS 39 國際會計準則 第39號 RMB'000 人民幣千元	IFRS 9 國際財務報告 準則第9號 RMB'000 人民幣千元	
<b>Financial liabilities</b> <b>金融負債</b>					
Trade and other payables (other than derivative financial instruments) 貿易及其他應付款項 (衍生金融工具除外)	Financial liabilities at amortised cost 按攤餘成本計量的金融負債	Financial liabilities at amortised cost 按攤餘成本計量的金融負債	21,547,304	21,547,304	-
Derivative financial instruments 衍生金融工具	Financial liabilities at fair value 以公允價值計量的金融負債	Financial liabilities at fair value 按公允價值計量的金融負債	11,426	11,426	-
Interest-bearing bank and other borrowings 計息銀行貸款及其他借款	Financial liabilities at amortised cost 按攤餘成本計量的金融負債	Financial liabilities at amortised cost 按攤餘成本計量的金融負債	916,369	916,369	-
Net difference 淨差額					-
<b>Non-financial liabilities</b> <b>非金融負債</b>					
Deferred tax liabilities 遞延稅項負債			90,642	101,973	11,331
Net difference 淨差額					11,331
Total net difference 總淨差額					11,331

### 2.2 會計政策變更及披露 (續)

(b) (續)

#### 分類及計量 (續)

於2018年1月1日，國際會計準則第39號項下的賬面值與國際財務報告準則第9號項下所呈報的結餘之對賬如下：

# Notes to the Financial Statements

## 財務報表附註

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### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

### 2.2 會計政策變更及披露 (續)

(b) (continued)

(b) (續)

#### Impact on reserves and retained profits

#### 對儲備及保留溢利的影響

The impact of transition to IFRS 9 on reserves and retained profits is as follows:

過渡至國際財務報告準則第9號對儲備及保留溢利的影響如下：

		Reserves 儲備 RMB'000 人民幣千元
Available-for-sale investment revaluation reserve	可供出售投資重估儲備	
Closing balance under IAS 39 (December 31, 2017)	國際會計準則第39號項下年末結餘 (2017年12月31日)	(7,295)
Reclassification of available-for-sale investment revaluation reserve	重新分類可供出售投資重估儲備	7,295
Opening balance under IFRS 9 (January 1, 2018)	國際財務報告準則第9號項下年初結餘 (2018年1月1日)	-
		Reserves 儲備 RMB'000 人民幣千元
Fair value reserve	公允價值儲備	
Closing balance under IAS 39 (December 31, 2017)	國際會計準則第39號項下年末結餘 (2017年12月31日)	-
Reclassification of available-for-sale investment revaluation reserve	重新分類可供出售投資重估儲備	(7,295)
Unlisted equity investments and investment products from available-for-sale investments at cost to FVOCI	非上市股權投資及投資產品從以成本計量變更為以公允價值計量且其變動計入其他綜合收益計量的可供出售投資	45,323
Deferred tax liability in relation to the above	與上述各項相關的遞延稅項負債	(11,331)
Opening balance under IFRS 9 (January 1, 2018)	國際財務報告準則第9號項下年初結餘 (2018年1月1日)	26,697

# Notes to the Financial Statements

## 財務報表附註

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### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

### 2.2 會計政策變更及披露 (續)

(b) (continued)

(b) (續)

*Impact on reserves and retained profits (continued)*

對儲備及保留溢利的影響 (續)

		Retained Profits 保留溢利 RMB'000 人民幣千元
Retained earnings	保留溢利	
Closing balance under IAS 39 (December 31, 2017)	國際會計準則第39號項下年末結餘 (2017年12月31日)	8,486,646
Impairment losses on financial and contract assets, net	金融及合同資產減值虧損淨額	(114,387)
Deferred tax in relation to the above	與上述各項相關的遞延稅項	28,597
		<hr/>
Opening balance under IFRS 9 (January 1, 2018)	國際財務報告準則第9號項下年初結餘 (2018年1月1日)	<hr/> 8,400,856 <hr/>

# Notes to the Financial Statements

## 財務報表附註

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### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

- (c) IFRS 15 and its amendments replace IAS 11 *Construction Contracts*, IAS 18 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15, establishes a new five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The disclosures are included in notes 3 and 5 to the financial statements. The standard will supersede all current revenue recognition requirements under IFRSs. As a result of the application of IFRS 15, the Group has changed the accounting policy with respect to revenue recognition in note 2.4 to the financial statements.

The Group has adopted IFRS 15 using the modified retrospective method of adoption. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group has elected to apply the standard to contracts that are not completed as at January 1, 2018. The adoption of IFRS 15 had no material impact on the Group's financial statements.

### 2.2 會計政策變更及披露 (續)

- (c) 國際財務報告準則第15號及其修訂取代國際會計準則第11號「建造合同」、國際會計準則第18號「收益」及相關詮釋，除有限例外情況外，適用於所有因與客戶簽訂合約而產生的收益。國際財務報告準則第15號確立一個五步模式，以來自客戶合同之收入入賬。根據國際財務報告準則第15號，收益按能反映實體預期就向客戶轉讓貨物或服務而在交換中獲取之代價金額進行確認。國際財務報告準則第15號的原則為計量及確認收益提供更加系統化的方法。該準則亦引入全面定性及定量披露規定，包括分拆收益總額、關於履行責任的資料、不同時期之間之合同資產及負債賬目結餘的變動，以及主要判斷及估計。披露內容載於財務報表附註3及5。該準則將取代國際財務報告準則項下所有現行收入確認規定。由於採用國際財務報告準則第15號，本集團已更改財務報表附註2.4所載有關收入確認的會計政策。

本集團使用經修訂追溯採納法採納國際財務報告準則第15號。根據此方法，該項準則適用於初始應用日期的所有合同，或僅適用於當日尚未完成的合同。本集團選擇將該項準則應用於截至2018年1月1日尚未完成的合同。採納國際財務報告準則第15號對本集團財務報表並無重大影響。

# Notes to the Financial Statements

## 財務報表附註

December 31, 2018 • 2018年12月31日

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(c) (continued)

The cumulative effect of the initial application of IFRS 15 was recognised as an adjustment to the opening balance of retained profits as at January 1, 2018. Therefore, the comparative information was not restated and continues to be reported under IAS 11, IAS 18 and related interpretations.

Set out below are the amounts by which each financial statement line item was affected as at January 1, 2018 as a result of the adoption of IFRS 15:

### 2.2 會計政策變更及披露 (續)

(c) (續)

首次應用國際財務報告準則第15號的累計影響確認為於2018年1月1日保留溢利年初結餘調整。因此，並無呈列比較資料，且繼續根據國際會計準則第11號、國際會計準則第18號及相關詮釋呈報。

下表載列於2018年1月1日因採納國際財務報告準則第15號而受影響的各財務報表項目金額：

		Notes 附註	Increase/ (decrease) 增加/(減少) RMB'000 人民幣千元
<b>Assets</b>			
Contract assets	合同資產	(i)	7,268,718
Amounts due from contract customers	應收合同客戶款項	(i)	(7,268,718)
Total assets	資產總額		—
<b>Liabilities</b>			
Contract liabilities	合同負債	(ii)	15,796,358
Receipts in advance	預收款項	(ii)	(15,796,358)
Total liabilities	負債總額		—

# Notes to the Financial Statements

## 財務報表附註

December 31, 2018 • 2018年12月31日

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(c) (continued)

Set out below are the amounts by which each financial statement line item was affected as at December 31, 2018 and for the year ended December 31, 2018 as a result of the adoption of IFRS 15. The adoption of IFRS 15 has had no material impact on the Group's profit or loss or other comprehensive income, or on the Group's operating, investing and financing cash flows, but has had impact on the consolidated statement of financial position of the Group. The first column shows the amounts recorded under IFRS 15 and the second column shows what the amounts would have been had IFRS 15 not been adopted:

Consolidated statement of financial position as at December 31, 2018:

### 2.2 會計政策變更及披露 (續)

(c) (續)

下表載列於2018年12月31日及截至2018年12月31日止年度因採納國際財務報告準則第15號而受影響的各財務報表項目金額。採納國際財務報告準則第15號對本集團損益或其他綜合收益或本集團經營、投資及融資現金流量並無重大影響，但對本集團合併財務狀況表造成影響。首欄載列根據國際財務報告準則第15號入賬的金額，而第二欄則載列倘並未採納國際財務報告準則第15號下的金額。

於2018年12月31日合併財務狀況表：

		Amounts prepared under 根據以下編製的金額			
		Previous	Increase/		
Notes	IFRS 15	IFRS	(decrease)		
附註	國際財務報告 準則第15號	過往國際財務 報告準則	增加/(減少)		
	RMB'000	RMB'000	RMB'000		
	人民幣千元	人民幣千元	人民幣千元		
Contract assets	合同資產	(i)	4,875,615	-	4,875,615
Amounts due from contract customers	應收合同客戶款項	(i)	-	4,875,615	(4,875,615)
Contract liabilities	合同負債	(ii)	14,941,065	-	14,941,065
Receipts in advance	預收款項	(ii)	-	14,941,065	(14,941,065)

# Notes to the Financial Statements

## 財務報表附註

December 31, 2018 • 2018年12月31日

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(c) (continued)

The nature of the adjustments as at January 1, 2018 and the reasons for the changes in the statement of financial position as at December 31, 2018 are described below:

(i) *Construction services*

Before the adoption of IFRS 15, contract costs were recognised as an asset provided it was probable that they would be recovered. Such costs represented an amount due from the customers and were recorded as amounts due from contract customers in the statement of financial position before the construction services were billed to customers. Upon the adoption of IFRS 15, a contract asset is recognised when the Group performs by transferring goods or services to customers and the Group's right to consideration is conditional. Accordingly, the Group reclassified RMB7,268,718,000 from amounts due from contract customers to contract assets as at January 1, 2018.

Upon adoption of IFRS 15, the non-current contract assets are included in other non-current assets. As at December 31, 2018, the adoption of IFRS 15 resulted in a decrease in amounts due from contract customers of RMB4,875,615,000 and an increase in current contract assets and non-current contract assets (included in non-current assets) of RMB4,875,615,000.

(ii) *Consideration received from customers in advance*

Before the adoption of IFRS 15, the Group recognised consideration received for construction services, trading services or services business yet to be rendered or delivered from customers in advance as advances received from customers which are included in receipts in advance. Under IFRS 15, the amount is classified as contract liabilities.

Therefore, upon adoption of IFRS 15, the Group reclassified RMB15,796,358,000 from receipts in advance to contract liabilities as at January 1, 2018 in relation to the consideration received from customers in advance as at January 1, 2018.

### 2.2 會計政策變更及披露 (續)

(c) (續)

於2018年1月1日的調整性質及於2018年12月31日財務狀況表出現變動的理由如下：

(i) *建築服務*

於採納國際財務報告準則第15號前，基於合同成本可能收回，故合同成本分類為資產。該等成本指應收客戶款項，並於就建築服務向客戶發出發票前於財務狀況表入賬為應收合同客戶款項。於採納國際財務報告準則第15號後，當本集團通過轉讓貨物或服務予客戶而履約，且本集團收取代價的權利變為有條件後，合同資產會予以確認。因此，本集團將人民幣7,268,718,000元的金額自應收合同客戶款項重新分類至2018年1月1日的合同資產。

於採納國際財務報告準則第15號後，非流動合同資產計入其他非流動資產。於2018年12月31日，採納國際財務報告準則第15號導致應收合同客戶款項減少人民幣4,875,615,000元，而流動合同資產和非流動合同資產(含在非流動資產中)則增加人民幣4,875,615,000元。

(ii) *從預收客戶款項收取的代價*

於採納國際財務報告準則第15號前，本集團將來自預收客戶款項的尚未提供或交付建築服務、買賣服務或服務業務的已收對價確認為預收客戶款項，有關金額計入預收款項。根據國際財務報告準則第15號，該金額分類為合同負債。

因此，於採納國際財務報告準則第15號後，本集團將人民幣15,796,358,000元的金額於2018年1月1日自預收款項重新分類至與2018年1月1日客戶預付款項已收對價有關的合同負債。

# Notes to the Financial Statements

## 財務報表附註

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### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(c) (continued)

As at December 31, 2018, under IFRS 15, RMB14,941,065,000 was reclassified from receipts in advance to contract liabilities in relation to the consideration received from customers in advance for construction services, trading services or services business yet to be rendered or delivered.

(d) Amendments to IAS 40 clarify when an entity should transfer property, including property under construction or development, into or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments have had no impact on the financial position or performance of the Group.

(e) IFRIC 22 provides guidance on how to determine the date of the transaction when applying IAS 21 to the situation where an entity receives or pays advance consideration in a foreign currency and recognises a non-monetary asset or liability. The interpretation clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset (such as a prepayment) or non-monetary liability (such as deferred income) arising from the payment or receipt of the advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the entity must determine the transaction date for each payment or receipt of the advance consideration. The interpretation has had no impact on the Group's financial statements as the Group's accounting policy for the determination of the exchange rate applied for initial recognition of non-monetary assets or non-monetary liabilities is consistent with the guidance provided in the interpretation.

### 2.2 會計政策變更及披露 (續)

(c) (續)

於2018年12月31日，根據國際財務報告準則第15號，人民幣14,941,065,000元自預收款項重新分類至與尚未提供或交付建築服務、買賣服務或服務業務來自預收客戶款項的已收對價有關的合同負債。

(d) 國際會計準則第40號修訂本釐清實體將物業轉入或轉出投資物業的時間，其中包括在建或發展中物業。修訂本訂明當物業符合或不再符合投資物業的定義時，以及有證據顯示用途變動時，發生用途變動。如管理層僅有意改變物業用途，並不構成用途變動的證據。修訂本對本集團的財務狀況或表現並無影響。

(e) 國際財務報告詮釋委員會詮釋第22號就對實體以外幣收取或支付墊付代價以及確認非貨幣資產或負債的情況應用國際會計準則第21號時如何確定交易日期提供指引。該詮釋澄清，為釐定初始確認相關資產、費用或收益（或其中一部份）時所採用的匯率，交易日期為實體初步確認支付或收取預付代價產生的非貨幣性資產（如預付款項）或非貨幣性負債（如遞延收入）的日期。若確認有關項目前支付或收取多筆預付款項，則實體必須對支付或收取的每一筆預付代價確定交易日。由於本集團就釐定初始確認非貨幣資產或非貨幣負債的適用匯率的會計政策與該詮釋所訂明的指引一致，該詮釋對本集團財務報表並無影響。



# Notes to the Financial Statements

## 財務報表附註

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### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

Amendments to IFRS 3	<i>Definition of a Business</i> <sup>2</sup>
Amendments to IFRS 9	<i>Prepayment Features with Negative Compensation</i> <sup>1</sup>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>4</sup>
IFRS 16	<i>Leases</i> <sup>1</sup>
IFRS 17	<i>Insurance Contracts</i> <sup>3</sup>
Amendments to IAS 1 and IAS 8	<i>Definition of Material</i> <sup>2</sup>
Amendments to IAS 19	<i>Plan Amendment, Curtailment or Settlement</i> <sup>1</sup>
Amendments to IAS 28	<i>Long-term Interests in Associates and Joint Ventures</i> <sup>1</sup>
IFRIC 23	<i>Uncertainty over Income Tax Treatments</i> <sup>1</sup>
Annual Improvements 2015-2017 Cycle	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23 <sup>1</sup>

- <sup>1</sup> Effective for annual periods beginning on or after January 1, 2019
- <sup>2</sup> Effective for annual periods beginning on or after January 1, 2020
- <sup>3</sup> Effective for annual periods beginning on or after January 1, 2021
- <sup>4</sup> No mandatory effective date yet determined but available for adoption

### 2.3 已頒佈但尚未生效的國際財務報告準則

本集團並未於該等財務報表中應用以下已頒佈但尚未生效的新訂及經修訂國際財務報告準則。

國際財務報告準則第3號的修訂本	業務的釋義 <sup>2</sup>
國際財務報告準則第9號的修訂本	具有負補償的提前還款特性 <sup>1</sup>
國際財務報告準則第10號及國際會計準則第28號的修訂本	投資者與其聯營公司或合營公司之間的資產出售或注資 <sup>4</sup>
國際財務報告準則第16號	租賃 <sup>1</sup>
國際財務報告準則第17號	保險合約 <sup>3</sup>
國際會計準則第1號及國際會計準則第8號的修訂本	重要性的釋義 <sup>2</sup>
國際會計準則第19號的修訂本	計劃修訂、縮減或清償 <sup>1</sup>
國際會計準則第28號的修訂本	於聯營公司及合營公司的長期權益 <sup>1</sup>
國際財務報告詮釋委員會詮釋第23號	所得稅處理的不確定性 <sup>1</sup>
2015年至2017年週期之年度改進	國際財務報告準則第3號、國際財務報告準則第11號、國際會計準則第12號及國際會計準則第23號的修訂本 <sup>1</sup>

- <sup>1</sup> 於2019年1月1日或之後開始的年度期間生效
- <sup>2</sup> 於2020年1月1日或之後開始的年度期間生效
- <sup>3</sup> 於2021年1月1日或之後開始的年度期間生效
- <sup>4</sup> 尚未釐定強制生效日期，可供應用

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### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

Further information about those IFRSs that are expected to be applicable to the Group is described below.

Amendments to IFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from January 1, 2020.

### 2.3 已頒佈但尚未生效的國際財務 報告準則 (續)

預期適用於本集團的該等國際財務報告準則的進一步資料如下。

國際財務報告準則第3號的修訂本澄清業務的定義，並提供額外指引。該修訂本訂明可視為業務的一組整合活動和資產，必須至少包括一項投入和一項重要過程，而兩者必須對創造產出的能力有重大貢獻。業務無須包括創造產出所需的所有投入或過程。該修訂取消了評估市場參與者是否有能力收購業務並能持續生產產出的規定，轉為重點關注所取得的投入和重要過程共同對創造產出的能力有否重大貢獻。該修訂亦已收窄收益的定義範圍，重點關注為客戶提供的貨品或服務、投資收入或日常活動產生的其他收入。此外，修訂本亦提供有關評估所取得過程是否重大的指引，並新增公允價值集中度測試選項，允許對所取得的一組活動和資產是否不屬於業務進行簡化評估。本集團預期自2020年1月1日起採用該等修訂。

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### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two elective recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in IAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is

### 2.3 已頒佈但尚未生效的國際財務報告準則 (續)

國際財務報告準則第10號及國際會計準則第28號的修訂本針對國際財務報告準則第10號及國際會計準則第28號之間有關投資者與其聯營公司或合營公司之間的資產出售或注資兩者規定的不一致性作出修改。該等修訂規定，當投資者與其聯營公司或合營公司之間的資產出售或注資構成一項業務時，須確認全數收益或虧損。當交易涉及不構成一項業務的資產時，由該交易產生的收益或虧損於該投資者的損益內確認，惟僅以不相關投資者於該聯營公司或合營公司的權益為限。該等修訂將按未來適用基準應用。國際會計準則委員會已於2015年12月廢除國際財務報告準則第10號及國際會計準則第28號修訂本之前的強制生效日期，而新強制生效日期將於完成對聯營公司及合營公司會計處理作更廣泛覆核後釐定。然而，該等修訂本現時可提前採用。

國際財務報告準則第16號取代國際會計準則第17號「租賃」、國際財務報告詮釋委員會詮釋第4號「釐定安排是否包括租賃」、準則詮釋委員會詮釋第15號「經營租賃－優惠」及準則詮釋委員會詮釋第27號「評估涉及租賃法律形式交易之內容」。該準則載列確認、計量、呈列及披露租賃之原則，並要求承租人就大多數租賃確認資產及負債。該準則包括給予承租人兩項可選的租賃確認豁免－低價值資產租賃及短期租賃。於租賃開始日期，承租人將確認於租賃期內租賃付款之負債（即租賃負債）及代表相關資產使用權之資產（即使用權資產）。除非使用權資產符合國際會計準則第40號內投資物業之定義或與重估模式適用的物業、廠房及設備類別相關，否則使用權資產其後按成本減累計折舊及任何

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### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from the accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between operating leases and finance leases. IFRS 16 requires lessees and lessors to make more extensive disclosures than under IAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group expects to adopt IFRS 16 from January 1, 2019. The Group plans to adopt the transitional provisions in IFRS 16 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at January 1, 2019 and will not restate the comparatives. In addition, the Group plans to apply the new requirements to contracts that were previously identified as leases applying IAS 17 and measure the lease liability at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before the date of initial application. The Group plans to use the exemptions allowed by the standard on lease contracts whose lease terms end within 12 months as of the date of initial application. During 2018, the Group has performed a detailed assessment on the impact of adoption of IFRS 16. As disclosed in note 37, at December 31, 2018, the Group had future minimum lease payments under non-cancellable operating leases in aggregate of approximately RMB26,468,000. Upon adoption of IFRS 16, certain amounts included therein may need to be recognised as new right-of-use assets and lease liabilities. The Group

### 2.3 已頒佈但尚未生效的國際財務報告準則 (續)

減值虧損計量。租賃負債其後增加以反映租賃負債利息及就租賃付款而減少。承租人將須分別確認租賃負債之利息開支及使用權資產之折舊開支。承租人亦須於若干事件發生時重新計量租賃負債，例如由於租賃期變更或用於釐定未來租賃款項之一項指數或比率變更而引致該等款項變更。承租人通常將重新計量租賃負債之金額確認為對使用權資產之調整。國際財務報告準則第16號下之出租人會計處理與國際會計準則第17號下實質上並無重大變動。出租人將繼續利用國際會計準則第17號內之同一分類原則將所有租賃分類，並會區分經營租賃及融資租賃。國際財務報告準則第16號要求承租人及出租人作出較國際會計準則第17號所規定之更多披露。承租人可選擇使用全面回溯性或經修改回溯性方法應用該標準。本集團預期自2019年1月1日採用國際財務報告準則第16號，本集團計劃採用國際財務報告準則第16號的過渡規定，將首次採用的累計影響確認為對於2019年1月1日保留盈利期初結餘的調整，以及不會重列比較數字。此外，本集團計劃將新規定應用於先前已應用國際會計準則第17號而識別為租賃的合約，並按剩餘租賃付款的現值計量租賃負債，以及使用本集團於首次應用日期的增量借款利率折現。使用權資產將按租賃負債金額計量，並按緊接首次應用日期前在財務狀況表中確認與租賃相關的任何預付或應計租賃付款金額進行調整。本集團計劃應用準則對於租期於首次應用日期的12個月內結束的租賃合約的豁免規定。於2018年，本集團已就採用國際財務報告準則第16號的影響進行詳盡的評估。誠如附註37所披露，於2018年12月31日，本集團的不可撤銷經營租賃應付未來最低租金總額約為人民幣26,468,000元。於採納國際財務報告準則第16號，計入不可撤銷經營租賃應付未來

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### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

anticipates that the application of IFRS 16 in the future will result in an increase in assets and liabilities, however, which is unlikely to have a significant impact on the Group's financial statements.

Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from January 1, 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 28 clarify that the scope exclusion of IFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies IFRS 9, rather than IAS 28, including the impairment requirements under IFRS 9, in accounting for such long-term interests. IAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The Group expects to adopt the amendments on January 1, 2019 and will assess its business model for such long-term interests based on the facts and circumstances that exist on January 1, 2019 using the transitional requirements in the amendments. The Group also intends to apply the relief from restating comparative information for prior periods upon adoption of the amendments.

### 2.3 已頒佈但尚未生效的國際財務報告準則 (續)

最低租金總額的若干金額或須確認為新資產使用權及租賃負債。本集團預期日後應用國際財務報告準則第16號將導致資產及負債有所增加，然而，此將不大可能對本集團財務報表造成重大影響。

國際會計準則第1號及國際會計準則第8號的修訂本重新界定重要性。根據新定義，倘可合理預期漏報、錯報或掩蓋個別信息將可影響使用財務報表作一般目的的主要使用者基於相關財務報表作出的決定，則該信息為重要。修訂本指明，重要性取決於信息的性質或牽涉範圍。倘可合理預期信息錯報會影響主要使用者的決定，則有關錯誤為重大。本集團預期自2020年1月1日起採用修訂本。該等修訂預期不會對本集團財務報表有任何重大影響。

國際會計準則第28號的修訂本釐清國際財務報告準則第9號的範圍豁免僅包括權益法適用的於一間聯營公司或合營公司的權益，並不包括實質上組成於聯營公司或合營公司淨投資一部份的長期權益，權益法在此並不適用。因此，實體於入賬有關長期權益時採用國際財務報告準則第9號，而非國際會計準則第28號（包括國際財務報告準則第9號項下的減值規定）。國際會計準則第28號其後應用於淨投資（包括長期權益），惟僅於確認一間聯營公司或合營公司的虧損以及聯營公司或合營公司的淨投資減值的情況下。本集團預期將於2019年1月1日採用該等修訂及將按於2019年1月1日所存事實及情況，就該等長期利益以修訂的過渡性規定評估其業務模型。本集團亦擬於採納該等修訂後，應用對重列以往期間比較資料的減免規定。

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### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

IFRIC-23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of IAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from January 1, 2019. The interpretation is not expected to have any significant impact on the Group’s financial statements.

### 2.3 已頒佈但尚未生效的國際財務 報告準則 (續)

國際財務報告詮釋委員會詮釋第23號提供倘稅項處理涉及影響國際會計準則第12號的應用的不確定性(通常稱之為「不確定稅務狀況」)，則第23號詮釋在該情況下的所得稅(即期及遞延)會計處理方法。該詮釋不適用於國際會計準則第12號範圍外的稅項或徵稅，尤其亦不包括與不確定稅項處理相關的權益及處罰相關規定。該詮釋具體處理(i)實體是否考慮不確定稅項進行單獨處理；(ii)實體對稅務機關的稅項處理檢查所作的假設；(iii)實體如何釐定應課稅溢利或稅項虧損、稅基、未動用稅項虧損、未動用稅收抵免及稅率；及(iv)實體如何考慮事實及情況變動。該詮釋須追溯應用，倘無須事後確認，則可全面追溯應用；或應用的累計影響作為於首次應用日期的期初權益的調整情況下追溯應用，而無須重列比較資料。本集團預期自2019年1月1日起採用該詮釋。該詮釋預期不會對本集團的財務報表產生任何重大影響。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

### 2.4 主要會計政策概要

#### 於聯營公司及合營公司的投資

聯營公司為本集團擁有一般不少於20%股份投票權的長期權益且本集團可對其行使重大影響力的實體。重大影響力指有權參與投資對象的財務及營運政策決定，但並非控制或共同控制該等政策。

合營公司指一種合營安排，對安排擁有共同控制權的訂約方據此對合營公司的淨資產擁有權利。共同控制指按照合約協定對一項安排所共有的控制，共同控制僅在有關活動要求享有控制權的訂約方作出一致同意的決定時存在。

本集團於聯營公司及合營公司的投資乃採用權益會計法，按本集團應佔的淨資產減任何減值虧損在合併財務狀況表列賬。

倘若會計政策存在任何不一致，將會作出相應調整。

本集團所佔聯營公司及合營公司的收購後業績及其他綜合收益分別計入合併損益表及合併其他綜合收益表。此外，倘於聯營公司或合營公司的權益直接確認出現變動，則本集團會於合併權益變動表確認其應佔任何變動（倘適用）。因本集團與其聯營公司或合營公司之間的交易而產生的未變現收益及虧損將以本集團於聯營公司或合營公司的投資為限予以對銷，惟倘未變現虧損為所轉讓資產減值的憑證則除外。收購聯營公司或合營公司所產生的商譽計入本集團於聯營公司或合營公司投資的一部份。

# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Investments in associates and joint ventures (continued)

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

#### Business combinations and goodwill

Business combinations other than business combination under common control are accounted for using the acquisition method. Under the acquisition method, the consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

### 2.4 主要會計政策概要 (續)

#### 於聯營公司及合營公司的投資 (續)

倘於聯營公司的投資變為對合營公司的投資(反之亦然),則不會重新計量保留權益。相反,該投資將繼續根據權益法入賬。在所有其他情況下,倘失去對聯營公司的重大影響力或對合營公司的共同控制權,本集團會按其公允價值計量及確認任何剩餘投資。聯營公司或合營公司於失去重大影響力或共同控制權時的賬面值與剩餘投資及出售所得款項的公允價值之間的任何差額於損益內確認。

當於聯營公司或合營公司的投資分類為持作出售時,該投資根據國際財務報告準則第5號持作出售非流動資產及已終止經營業務入賬。

#### 業務合併及商譽

除同一控制下的業務合併外,業務合併乃採用收購法列賬。收購法下,轉讓對價乃以收購日期的公允價值計量,該公允價值為本集團轉讓的資產於收購日期的公允價值、本集團向被收購方前擁有人承擔的負債及本集團為換取被收購方控制權而發行的股本權益的總和。

當本集團收購一項業務時,會根據合同條款、於收購日期的經濟環境及相關條件,評估須承擔的金融資產及負債,以作出適合的分類及標示,其中包括分離被收購方主合同中的嵌入式衍生工具。



# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Business combinations and goodwill (continued)

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 is measured at fair value with changes in fair value either recognised in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at December 31. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

### 2.4 主要會計政策概要 (續)

#### 業務合併及商譽 (續)

如業務合併分階段進行，先前持有的股本權益按其於收購日期的公允價值重新計量，所產生的任何收益或虧損在損益中確認。

收購方將轉讓的任何或有對價按收購日期的公允價值確認。屬金融工具並分類為資產或負債且屬於國際會計準則第39號範圍內的或有對價按公允價值計量，其公允價值變動於損益內或作為其他綜合收益的變動確認。分類為權益的或有對價不重新計量，其後續結算在權益中入賬。

商譽初步按成本計量，即已轉讓對價、非控股權益的確認金額及本集團先前持有的被收購方股本權益的任何公允價值總額，與所收購可識別淨資產及所承擔負債之間的差額。如對價與其他項目的總額低於所收購淨資產的公允價值，該差額於重新評估後將於損益內確認為議價購買收益。

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽須每年作減值測試，若有事件發生或情況改變顯示賬面值有可能減值時，則會更頻密地進行測試。本集團於12月31日進行商譽的年度減值測試。為進行減值測試，因業務合併而購入的商譽自收購日期起被分配至預期可從合併產生的協同效益中獲益的本集團各現金產生單位或現金產生單位組別，而無論本集團其他資產或負債是否已分配至該等單位或單位組別。

# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Business combinations and goodwill (continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

#### Fair value measurement

The Group measures its investment properties, derivative financial instruments and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

### 2.4 主要會計政策概要 (續)

#### 業務合併及商譽 (續)

減值乃通過評估與商譽有關的現金產生單位 (現金產生單位組別) 的可收回金額釐定。當現金產生單位 (現金產生單位組別) 的可收回金額低於賬面金額時，減值虧損便予以確認。已就商譽確認的減值虧損不得於隨後期間撥回。

如商譽分配至現金產生單位 (或現金產生單位組別) 而該單位的部份業務已出售，則在釐定出售損益時，與所出售業務相關的商譽會計入該業務的賬面金額。在該等情況下出售的商譽乃根據所出售業務及現金產生單位的保留份額的相對價值進行計量。

#### 公允價值計量

於各報告期末，本集團按公允價值計量其投資物業、衍生金融工具及股權投資。公允價值為市場參與者之間於計量日期進行的有序交易中，出售資產所收取或轉讓負債所支付之價格。公允價值計量假設出售資產或轉讓負債的交易於該資產或負債的主要市場，或在無主要市場的情況下，則於對該資產或負債最有利的市場進行。主要或最有利市場須為本集團能參與的市場。假設市場參與者基於最佳經濟利益行事，資產或負債的公允價值使用市場參與者為資產或負債定價所用假設計量。

# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Fair value measurement (continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### 2.4 主要會計政策概要 (續)

#### 公允價值計量 (續)

非金融資產之公允價值計量會計及市場參與者將資產用於最高價值及最佳用途或售予會將資產用於最高價值及最佳用途之另一名市場參與者而產生經濟利益的能力。

本集團針對不同情況使用不同估值方法，確保有足夠數據計量公允價值，並盡量利用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

公允價值於財務報表計量或披露之所有資產及負債，均基於對公允價值計量整體而言屬重要之最低層輸入數據按下述公允價值層級分類：

第一層 – 按同等資產或負債於活躍市場之報價（未經調整）計算

第二層 – 按估值方法計算（計量公允價值的重要最低層輸入數據可直接或間接觀察）

第三層 – 按估值方法計算（計量公允價值的重要最低層輸入數據不可觀察）

對於按經常性基準於財務報表確認之資產及負債，本集團於各報告期末重新評估分類（基於對公允價值計量整體而言屬重大之最低層輸入數據），以確定有否在不同層級之間轉移。

# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, construction contract assets, financial assets and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

### 2.4 主要會計政策概要 (續)

#### 非金融資產減值

當資產(存貨、建造合同資產、金融資產及投資物業除外)存在減值跡象或須對資產進行年度減值測試時，會估計資產的可收回金額。資產的可收回金額是指資產或現金產生單位的使用價值與其公允價值減出售成本兩者之中的較高者，並以個別資產釐定，除非該資產並不產生很大程度上獨立於其他資產或資產組別的現金流入，在此情況下可收回金額按資產所屬現金產生單位釐定。

僅當資產的賬面值超過其可收回金額時方可確認減值虧損。評估使用價值時，估計未來現金流量乃以反映當前市場評定的貨幣時間價值以及資產特有風險的稅前折現率折現至其現值。減值虧損乃於其在與該已減值資產的功能一致的該等開支類別中產生期間自損益表中扣除。

在每個報告期末均會評估是否有跡象表明之前確認的減值虧損可能不復存在或有所減少。若存在該跡象，則會估計可收回金額。僅當用於釐定資產的可收回金額的估計有所改變時，先前就該資產確認的減值虧損(商譽除外)才可轉回，但轉回後的數額不能高於假設以往年度沒有就該資產確認減值虧損而原應釐定的賬面值(扣除任何折舊／攤銷)。該減值虧損的轉回於產生期間計入損益表，除非資產以重估金額入賬，於此情況下，則減值虧損撥回將根據該重估資產的相關會計政策入賬。

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## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
- (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
- (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;

### 2.4 主要會計政策概要 (續)

#### 關聯方

倘一方符合以下條件，則視為與本集團有關聯：

- (a) 倘該方屬以下人士或該人士的家庭近親成員，且該人士
- (i) 控制或共同控制本集團；
  - (ii) 對本集團有重大影響力；或
  - (iii) 為本集團或本集團母公司的主要管理層成員；

或

- (b) 倘該方為符合下列任何條件的實體：
- (i) 該實體與本集團屬同一集團的成員公司；
  - (ii) 實體為另一實體的聯營公司或合營公司（或為另一實體的母公司、附屬公司或同系附屬公司）；
  - (iii) 該實體與本集團均為同一第三方的合營公司；
  - (iv) 實體為第三方實體的合營公司，而另一實體為該第三方實體的聯營公司；
  - (v) 實體為本集團或與本集團有關聯的實體就僱員利益設立的離職福利計劃；及該離職福利計劃之資助僱主；

# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Related parties (continued)

##### (b) (continued)

- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity) and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

#### Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

### 2.4 主要會計政策概要 (續)

#### 關聯方 (續)

##### (b) (續)

- (vi) 實體受(a)所識別人士控制或共同控制；
- (vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體（或該實體的母公司）主要管理層成員；及
- (viii) 該實體或一個集團任何成員公司（該實體屬一部份），向本集團或本集團母公司提供主要管理人員服務。

#### 物業、廠房及設備以及折舊

除在建工程外，物業、廠房及設備按成本減累計折舊及任何累計減值虧損列賬。當一項物業、廠房及設備分類為持作出售或當其組成持作出售的處置組合的一部份時，其毋須折舊並根據國際財務報告準則第5號入賬。物業、廠房及設備項目成本包括其購入價及使資產達致其擬定用途的運作狀況及地點的任何直接應佔成本。

成本亦可包括由權益轉撥外幣購買物業、廠房及設備合資格作現金流量對沖的任何收益或虧損。

# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Property, plant and equipment and depreciation (continued)

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2.72% to 3.80%
Office and other equipment	9.50% to 19.0%
Motor vehicles	11.88%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

### 2.4 主要會計政策概要 (續)

#### 物業、廠房及設備以及折舊 (續)

物業、廠房及設備項目投產後產生的維修及保養等開支，一般於產生期間計入損益表。於符合確認標準的情況下，大型檢測開支計入資產賬面值，作為重置成本。倘物業、廠房及設備之重要部份須定期更換，則本集團確認該等部分為具特定使用年期之個別資產並相應計提折舊。

折舊乃以直線法在估計使用年內將各物業、廠房及設備項目的成本撇銷至其剩餘價值。就此而言使用的主要年率如下：

樓宇	2.72%至3.80%
辦公室及其他設備	9.50%至19.0%
汽車	11.88%

倘物業、廠房及設備項目的各部份有不同的可使用年期，該項目的成本將在各部份之間作合理分配，而每部份將個別計提折舊。剩餘價值、使用年期及折舊方法至少於各財政年度結算日檢討，並於適當時調整。

初始確認的物業、廠房及設備項目(包括任何重要部份)於出售或預期使用不會再產生未來經濟利益時終止確認。於資產終止確認年度在損益表確認的任何出售或報廢收益或虧損，乃有關資產出售所得款項淨額與賬面值之差額。

# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Property, plant and equipment and depreciation (continued)

Construction in progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

#### Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured at cost including transaction costs both at initial recognition and subsequent to initial recognition.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2.11%-4.75%
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The carrying amounts of investment properties measured using the cost method are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

### 2.4 主要會計政策概要 (續)

#### 物業、廠房及設備以及折舊 (續)

在建工程指正在建設的樓宇，按成本減任何減值虧損入賬且不計提折舊。成本包括建設期間建設的直接成本及相關借入資金的資本化借貸成本。在建工程於落成可用時按適當類別重新分類至物業、廠房及設備。

#### 投資物業

投資物業乃於土地及樓宇持有之收益，用以賺取租金收入及／或資本升值，而非用於產品或服務之生產或供應或行政用途；或於日常業務營運中銷售。該等物業乃按成本計量，包括初始確認及初始確認後的交易成本。

折舊乃以直線法在估計使用年期內將各物業、廠房及設備項目的成本撇銷至其剩餘價值。就此而言使用的主要年率如下：

樓宇	2.11%-4.75%
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倘發生任何事件或情況變化顯示投資物業之賬面值可能無法收回，則會對採用成本方法計量的投資物業之賬面值進行檢討，以釐定是否出現減值。

報廢或出售投資物業所產生的任何收益或虧損於報廢或出售年度在損益表內確認。



# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

#### Concession assets

The Group is engaged in certain service concession arrangements in which the Group carries out construction work (e.g., hydropower stations) in exchange for a right for the Group to operate the asset concerned in accordance with pre-established conditions set by the granting authority. In accordance with IFRIC Interpretation 12 Service Concession Arrangements (IFRIC 12), the assets under the concession arrangements may be classified as intangible assets or financial assets. The assets are classified as intangibles if the operator receives a right (a license) to charge users of the public service or as financial assets if the operator has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. The Group classifies the non-current assets linked to the long-term investment in these concession arrangements as "concession assets" within intangible assets on the statement of financial position if the intangible asset model is adopted. Such concession assets represent the consideration received for its construction service rendered. Once the underlying infrastructure of the concession arrangements is completed, the concession assets are amortised over the term of the concession using straight-line method under the intangible asset model.

### 2.4 主要會計政策概要 (續)

#### 無形資產 (商譽除外)

單獨取得的無形資產於初始確認時按成本計量。通過業務合併取得的無形資產的成本為收購日期的公允價值。無形資產的可使用年期評定為有限期或無限期。有限期的無形資產隨後按可使用經濟年期攤銷，於有跡象顯示無形資產可能出現減值時評估減值。有限可使用年期的無形資產的攤銷期及攤銷方法至少於各財政年度結算日檢討一次。

無固定年期的無形資產將每年個別地或者於現金產生單位層面進行減值測試。該等無形資產不進行攤銷。無固定年期的無形資產須每年評估其可使用年期，以確定無固定年期的評估是否依然可行。否則，可使用年期的評估從無固定年期變更為有固定年期，將採用未來適用法進行會計處理。

#### 特許經營資產

本集團涉及若干服務特許經營安排，據此，本集團按照授權當局所預定條件開展建築工程（如水電站），以換取有關資產的經營權。根據國際財務報告詮釋委員會詮釋第12號服務特許經營安排，特許經營安排下的資產可列作無形資產或金融資產。如果經營者取得權利（特許權）向公共服務使用者收費，則將資產列作無形資產，如果經營者擁有無條件從授權當局就建造服務收取現金或其他金融資產的合同權利，則列作金融資產。如採用無形資產模式，則本集團會將該等特許經營安排下長期投資相關的非流動資產於財務狀況表內列作無形資產類別中的「特許經營資產」。該等特許經營資產指就其所提供的建造服務而收取的對價。於特許經營安排的相關基礎設施落成後，特許經營資產根據無形資產模式以直線法按特許經營期攤銷。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over the estimated useful lives of 2 to 5 years.

#### Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

#### Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

### 2.4 主要會計政策概要 (續)

#### 軟件

已購買的軟件乃按成本減任何減值虧損列賬，按其估計可使用年期（兩至五年）以直線法攤銷。

#### 研究及開發費用

所有研究費用均於產生時自損益表扣除。

新產品開發計劃產生的開支僅於本集團證明在技術上能夠完成無形資產令其可供使用或出售、有意完成及有能力使用或出售該資產、該資產將如何帶來日後經濟利益、具有完成計劃所需的資源且能夠可靠地計量開發期間支出時，方會資本化並以遞延方式入賬。未能符合此等條件的產品開發開支概於發生時列作開支。

#### 經營租賃

由出租人保留資產所有權的絕大部份報酬與風險的租賃均以經營租賃入賬。如本集團為出租人，本集團將按照租賃年期以直線法，分別將根據經營租賃租賃的資產計入非流動資產及將根據經營租賃的應收租金計入損益表內。如本集團為承租人，則本集團根據經營租賃應付的租金（扣除自出租人收取的任何優惠金額）將以直線法於租期內自損益表扣除。

根據經營租賃支付的預付土地租金在初期以成本列賬，其後於租期以直線法進行確認。

# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Investments and other financial assets (policies under IFRS 9 applicable from January 1, 2018)

##### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition (applicable from January 1, 2018)" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

### 2.4 主要會計政策概要 (續)

投資及其他金融資產 (國際財務報告準則第9號政策, 自2018年1月1日起適用)

##### *初始確認及計量*

金融資產在初始確認時按攤餘成本、按公允價值計入其他綜合收益及按公允價值計入損益進行分類。

金融資產在初始確認時的分類取決於金融資產的合同現金流特徵及本集團管理金融資產的商業模式。惟不包含重大融資部份或本集團已就此應用實務中的不調整重大融資部份影響的應收款項外, 本集團初始按公允值加上(倘金融資產並非按公允值計入損益)交易成本計量金融資產。不包含重要融資組成部份或本集團已應用實務中的不調整重大融資部份影響的貿易應收款項, 按照國際財務報告準則第15號所確定的交易價格, 按照下文「收入確認(自2018年1月1日起適用)」所述的政策進行計量。

為了通過攤餘成本、公允價值變動計入其他綜合收益對金融資產進行分類及計量, 金融資產需要產生僅支付未償本金及利息(「SPPI」)的現金流。

本集團管理金融資產的業務模式是指其如何管理其金融資產以產生現金流。商業模式決定現金流是來自於收取合同現金流、出售金融資產還是兩者兼而有之。

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## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Investments and other financial assets (policies under IFRS 9 applicable from January 1, 2018) (continued)

##### Initial recognition and measurement (continued)

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

##### Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

##### Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

### 2.4 主要會計政策概要 (續)

#### 投資及其他金融資產 (國際財務報告準則第9號政策，自2018年1月1日起適用) (續)

##### 初始確認及計量 (續)

金融資產的所有定期購買及出售在交易日確認，即本集團承諾購買或出售資產的日期。定期購買或出售是指在市場規則或慣例規定的期限內，購買或出售需要交付資產的金融資產。

##### 後續計量

就後續計量而言，金融資產分為以下幾類

##### 以攤餘成本計量的金融資產 (債務工具)

本集團將同時符合下列條件的金融資產，分類為以攤餘成本計量的金融資產：

- 管理該金融資產的業務模式是僅以收取合同現金流量為目標。
- 該金融資產的合同條款規定，在特定日期產生的現金流量，僅為本金及未償付本金金額為基礎的利息的支付。

按攤餘成本計量的金融資產其後使用實際利率法計量，並可能受減值影響。當資產終止確認、修訂或耗蝕時，收益及虧損於損益中確認。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Investments and other financial assets (policies under IFRS 9 applicable from January 1, 2018) (continued)

##### *Financial assets designated at fair value through other comprehensive income (equity investments)*

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

### 2.4 主要會計政策概要 (續)

#### 投資及其他金融資產 (國際財務報告準則第9號政策，自2018年1月1日起適用) (續)

##### *按公允價值計量且其變動計入其他綜合收益的金融資產 (股權投資)*

於初步確認時，本集團可選擇於權益投資符合國際會計準則第32號金融工具：列報項下的權益投資定義且並非持作買賣時，將其股本投資不可撤回地分類為指定按公允價值計量且其變動計入其他綜合收益的權益工具。分類乃按個別工具基準釐定。

該等金融資產的收益及虧損概不會被重新計入損益。當確立支付權時，股息於綜合收益表中確認為其他收入，惟當本集團於作為收回金融資產一部份成本的所得款項中獲益時則除外，於此等情況下，該等收益於其他綜合收益入賬。指定按公允價值計入其他綜合收益的權益工具不受減值評估影響。

# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Investments and other financial assets (policies under IFRS 9 applicable from January 1, 2018) (continued)

##### Subsequent measurement (continued)

##### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value profit or loss are also recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

### 2.4 主要會計政策概要 (續)

#### 投資及其他金融資產 (國際財務報告準則第9號政策, 自2018年1月1日起適用) (續)

##### 後續計量 (續)

##### 按公允價值計量且其變動計入損益的金融資產

按公允價值計量且其變動計入損益的金融資產包括持作買賣的金融資產, 於初始確認時指定按公允價值計量且其變動計入損益的金融資產, 或強制要求按公允價值計量的金融資產。倘為於近期出售或購回而收購金融資產, 則該等金融資產分類為持作買賣。衍生工具 (包括獨立嵌入式衍生工具) 亦分類為持作買賣, 惟該等衍生工具被指定為有效對沖工具則除外。現金流量並非純粹支付本金及利息的金融資產, 不論其業務模式如何, 均按公允價值計入損益分類及計量。儘管如上文所述債務工具可按攤餘成本或按公允價值計入其他綜合收益分類, 但於初始確認時, 倘能夠消除或顯著減少會計錯配, 則債務工具可指定為按公允價值計入損益。

按公允價值計量且其變動計入損益的金融資產按公允價值於財務狀況表列賬, 而公允價值變動淨額於損益表中確認。

該類別包括本集團並無不可撤回地選擇按公允價值計入其他綜合收益進行分類的衍生工具及權益投資。權益投資的股息在支付權確立時, 與股利相關的經濟利益有可能流向本集團, 股利的金額能夠可靠地計量時亦於損益表中確認為其他收入。

# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Investments and other financial assets (policies under IFRS 9 applicable from January 1, 2018) (continued)

##### Financial assets at fair value through profit or loss (continued)

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

### 2.4 主要會計政策概要 (續)

投資及其他金融資產 (國際財務報告準則第9號政策, 自2018年1月1日起適用) (續)

##### 按公允價值計量且其變動計入損益的金融資產 (續)

當嵌入混合合約 (包含金融負債及非金融主體) 的衍生工具具備與主體不緊密相關的經濟特徵及風險; 具備與嵌入式衍生工具相同條款的單獨工具符合衍生工具的定義; 且混合合約並非按公允價值計量且其變動計入損益, 則該衍生工具與主體分開並作為單獨衍生工具列賬。嵌入式衍生工具按公允價值計量, 且其變動計入損益。僅當合約條款出現變動, 大幅改變其他情況下所需現金流量時; 或當原分類至按公允價值列賬且其變動計入損益的金融資產獲重新分類時, 方進行重新評估。

嵌入混合合約 (包含金融資產主體) 的衍生工具不得單獨列賬。金融資產主體連同嵌入式衍生工具須整體分類為按公允價值計量且其變動計入損益的金融資產。

# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Investments and other financial assets (policies under IAS 39 applicable before January 1, 2018)

##### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

##### *Subsequent measurement*

The subsequent measurement of financial assets depends on their classification as follows:

##### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39.

### 2.4 主要會計政策概要 (續)

#### 投資及其他金融資產 (國際會計準則第39號政策，2018年1月1日前適用)

##### *初始確認及計量*

金融資產於初始確認時會被分類為按公允價值計入損益的金融資產、貸款及應收款項及可供出售金融投資，如適用。金融資產於初始確認時，乃按公允價值加收購金融資產所產生的交易成本計量（惟按公允價值計入損益的金融資產則除外）。

循正常渠道購買及銷售金融資產於交易日（即本集團承諾購買或銷售資產當日）確認，循正常渠道購買或銷售指規定資產於特定期間內（一般由規則或市場慣例確立）交付的金融資產買賣。

##### *後續計量*

金融資產的後續計量乃按其如下分類進行：

##### *按公允價值計入損益的金融資產*

按公允價值計入損益的金融資產包括持作買賣之金融資產及於初始確認時指定為按公允價值計入損益的金融資產。金融資產如以短期賣出為目的而購買，則分類為持作買賣金融資產。除非衍生工具（包括已作獨立確認的嵌入式衍生工具）按國際會計準則第39號定義被指定為實際對沖工具，否則亦會分類為持作買賣金融資產。



# Notes to the Financial Statements

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Investments and other financial assets (policies under IAS 39 applicable before January 1, 2018) (continued)

#### Financial assets at fair value through profit or loss (continued)

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as finance costs in the statement of profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for “Revenue recognition (applicable before January 1, 2018)” below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IAS 39 are satisfied.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated as at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

### 2.4 主要會計政策概要 (續)

#### 投資及其他金融資產 (國際會計準則第39號政策，2018年1月1日前適用) (續)

#### 按公允價值計入損益的金融資產 (續)

按公允價值計入損益的金融資產於財務狀況表中按公允價值列賬，而公允價值正變動淨額則於損益表中呈列為其他收入及收益，公允價值負變動淨額則呈列為財務成本。該等公允價值變動淨額不包括該等金融資產根據下文「收入確認」(於2018年1月1日前適用)所載政策確認賺取之任何股息或利息。

於初始確認時指定為按公允價值計入損益的金融資產，於初始確認日期且僅當符合國際會計準則第39號之標準時方會作此指定。

嵌入主合約之衍生工具入賬列作獨立衍生工具，倘其經濟特徵及風險與主合約的經濟特徵及風險並無密切聯繫且主合約並非持作買賣或指定按公允價值計入損益，則按公允價值入賬。該等嵌入式衍生工具按公允價值計量，公允價值的變動於損益表中確認。僅在合約條款變動大幅改變現金流量或在金融資產按公允價值重新分類至損益類別時方會按要求重新評估。

# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Investments and other financial assets (policies under IAS 39 applicable before January 1, 2018) (continued)

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance income in the statement of profit or loss.

##### Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

### 2.4 主要會計政策概要 (續)

#### 投資及其他金融資產 (國際會計準則第39號政策，2018年1月1日前適用) (續)

##### 貸款及應收款項

貸款及應收款項乃是有固定或可確定付款金額但並無在一個活躍市場上報價的非衍生金融資產。經初步計量後，該等資產其後以實際利率法根據已攤銷的成本（扣減任何減值撥備）計量。攤銷成本通過計入任何收購時的折讓或溢價計算，包括屬於實際利率不可分割部份的費用或成本。實際利率攤銷包括在損益表內的財務收入中。

##### 可供出售金融投資

可供出售金融投資乃上市及非上市股權投資及債務證券之非衍生金融資產。分類為可供出售之股權投資指既未分類為持作買賣亦未指定為按公允價值計入損益之投資。該類別中的債務證券指有意無限期待持有之證券，且該等證券可能會因應流動資金需求或應對市況變動而出售。

# Notes to the Financial Statements

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Investments and other financial assets (policies under IAS 39 applicable before January 1, 2018) (continued)

##### Available-for-sale financial investments (continued)

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in changes in fair value of available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the statement of profit or loss in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to the statement of profit or loss in other gains or losses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in the statement of profit or loss as other income in accordance with the policies set out for “Revenue recognition (applicable before January 1, 2018)” below.

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

### 2.4 主要會計政策概要 (續)

#### 投資及其他金融資產 (國際會計準則第39號政策，2018年1月1日前適用) (續)

##### 可供出售金融投資 (續)

於初始確認後，可供出售金融投資其後以公允價值計量，而未變現收益或虧損則於可供出售投資重估儲備公允價值變動中確認為其他綜合收益，直至投資被終止確認(屆時，累計收益或虧損於損益表其他收入內確認)或被釐定出現減值為止，此時，累計收益或虧損由可供出售投資重估儲備重新分類至損益表其他收益或虧損內。於持有可供出售金融投資時所賺取之利息及股息分別列作利息收入及股息收入，並根據下文「收入確認」(於2018年1月1日前適用)所載政策於損益表確認為其他收入。

當非上市股權投資之公允價值由於(a)合理公允價值估計範圍之變動相對該投資而言實屬重大，或(b)上述範圍內之各種估計之概率未能合理評估且須用以估算公允價值，而未能可靠計算時，則該等投資將按成本扣除任何減值虧損列賬。

本集團評估於短期內出售其可供出售金融資產之能力及意圖是否仍然合適。倘於罕見情況下，因市場不活躍，本集團因而無法買賣有關金融資產，則倘管理層有能力並有意於可見將來持有該等金融資產或持有至到期日，本集團可選擇將該等資產重新分類。

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## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Investments and other financial assets (policies under IAS 39 applicable before January 1, 2018) (continued)

##### Available-for-sale financial investments (continued)

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

#### Derecognition of financial assets (policies under IFRS 9 applicable from January 1, 2018 and policies under IAS 39 applicable before January 1, 2018)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### 2.4 主要會計政策概要 (續)

#### 投資及其他金融資產 (國際會計準則第39號政策，2018年1月1日前適用) (續)

##### 可供出售金融投資 (續)

就從可供出售類別重新分類之金融資產而言，於重新分類日期的公允價值賬面值成為其新的已攤銷成本及該項資產過往已於權益確認之收益或虧損於損益中以實際利率按投資餘下可使用年期攤銷。新的已攤銷成本與到期金額之任何差額同樣以實際利率按該資產餘下可使用年期攤銷。倘該項資產其後釐定為出現減值，於權益中所載之相關金額則須重新分類至損益表。

#### 終止確認金融資產 (國際財務報告準則第9號政策，自2018年1月1日起適用，以及國際會計準則第39號政策，2018年1月1日前適用)

金融資產 (或如適用，一項金融資產的一部份或一組同類金融資產的一部份) 在下列情況將首先終止確認 (即從本集團的合併財務狀況表中刪除)：

- 收取該項資產所得現金流量的權利已經屆滿；或
- 本集團已轉讓其收取該項資產所得現金流量的權利，或已根據「轉付」安排，在未有嚴重延緩第三方的情況下，就有關權利全數承擔支付已收現金流量的責任；及(a)本集團已轉讓該項資產的絕大部份風險及回報；或(b)本集團既無轉讓亦無保留該項資產絕大部份風險及回報，但已轉讓該項資產的控制權。

# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Derecognition of financial assets (policies under IFRS 9 applicable from January 1, 2018 and policies under IAS 39 applicable before January 1, 2018) (continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

#### Impairment of financial assets (policies under IFRS 9 applicable from January 1, 2018)

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

### 2.4 主要會計政策概要 (續)

#### 終止確認金融資產 (國際財務報告準則第9號政策，自2018年1月1日起適用，以及國際會計準則第39號政策，2018年1月1日前適用) (續)

倘本集團轉讓其收取一項資產所得現金流量的權利或已訂立轉付安排，會評估其有否保留該項資產擁有權的風險及回報，以及保留的程度。倘本集團既無轉讓或保留該項資產的絕大部份風險及回報，亦無轉讓該項資產的控制權，本集團會在本集團持續參與該項資產的前提下繼續確認該已轉讓資產。於該情況下，本集團亦確認相關負債。已轉讓資產及相關負債乃按反映本集團保留的權利及義務的基準計量。

本集團以擔保形式持續涉及轉讓資產，該已轉讓資產乃以該項資產之原賬面值及本集團可能需要支付之最高代價兩者之較低者計量。

#### 金融資產減值 (國際財務報告準則第9號政策，自2018年1月1日起適用)

本集團對所有並非以公允價值計量且其變動計入當期損益的債務工具的預期信用損失計提撥備。預期信用損失法是基于合同規定的到期合同現金流量與本集團預期收到的所有現金流量之間的差額，按接近原本的實際利率的利率將該差額折現。預期現金流量將包括出售所持抵押的現金流量或組成合約條款的其他信貸提升措施。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Impairment of financial assets (policies under IFRS 9 applicable from January 1, 2018) (continued)

##### *Simplified approach*

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables and contract assets that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

#### Impairment of financial assets (policies under IAS 39 applicable before January 1, 2018)

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

### 2.4 主要會計政策概要 (續)

#### 金融資產減值 (國際財務報告準則第9號政策, 自2018年1月1日起適用) (續)

##### *簡易法*

對於不包含重要融資組成部份的應收款項及合同資產, 或當本集團採取實務中不調整重要融資組成部份的影響時, 本集團在計算信用減值損失時採用簡易法。根據簡易法, 本集團不跟蹤信用風險的變化, 而是在每個報告日期確認基於生命周期計算減值準備。本集團根據其歷史信用損失經驗建立了一個撥備矩陣, 並根據債務人具體的前瞻性因素及經濟環境加以調整。

對於包含重要融資組成部份的應收款項及合同資產以及應收租賃款項, 本集團選擇採用上述簡易法計算信用減值損失的會計政策。

#### 金融資產減值 (國際會計準則第39號政策, 2018年1月1日前適用)

本集團於各報告期末評估是否有客觀跡象表明一項金融資產或一組金融資產出現減值。倘於初始確認資產後發生一項或多項事件對該項或該組金融資產的估計未來現金流量所造成的影響乃能夠可靠地估計, 則該項或該組金融資產存在減值。減值跡象可包括一名或一組債務人正面臨重大經濟困難、違約或未能償還利息或本金、彼等有可能破產或進行其他財務重組, 以及有可觀察數據表明估計未來現金流量出現可計量的減少, 例如欠款數目變動或出現與違約相關的經濟狀況。

# Notes to the Financial Statements

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Impairment of financial assets (policies under IAS 39 applicable before January 1, 2018) (continued)

##### *Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

### 2.4 主要會計政策概要 (續)

#### 金融資產減值 (國際會計準則第39號政策, 2018年1月1日前適用) (續)

##### *按攤銷成本列賬的金融資產*

就按攤銷成本列賬的金融資產而言, 本集團首先會按個別基準就單項重大的金融資產或按組合基準就單項非重大的金融資產, 評估是否存在減值。倘本集團認定個別評估的金融資產 (無論重大與否) 並無客觀跡象表明存有減值, 則該項資產會歸入一組具有相似信貸風險特性的金融資產內, 並共同評估該組金融資產是否存在減值。個別評估減值並已確認或持續確認減值虧損的資產, 不會納入綜合減值評估之內。

任何經確定的減值虧損金額按該資產賬面值與估計未來現金流量 (不包括尚未產生的未來信貸虧損) 現值的差額計量。估計未來現金流量的現值以金融資產的初始實際利率 (如初次確認時計算的實際利率) 折現。

該資產的賬面值會通過使用撥備而減少, 而虧損於損益表確認。利息收入於減少賬面值中持續產生, 且採用計量減值虧損時用以折現未來現金流量的利率累計。倘日後收回不可實現及所有抵押品已變現或已轉讓予本集團, 則撇清貸款及應收款項連同任何相關撥備。

# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Impairment of financial assets (policies under IAS 39 applicable before January 1, 2018) (continued)

##### *Financial assets carried at amortised cost (continued)*

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other operating income/expenses, net in the statement of profit or loss.

##### *Assets carried at cost*

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

### 2.4 主要會計政策概要 (續)

#### 金融資產減值 (國際會計準則第39號政策，2018年1月1日前適用) (續)

##### *按攤銷成本列賬的金融資產 (續)*

倘在其後期間估計減值虧損金額由於確認減值之後發生的事項增加或減少，則透過調整撥備賬增加或減少先前確認的減值虧損。倘於其後收回已撇賬款，該項收回將計入損益表內的其他經營收入／開支淨額。

##### *按成本列賬的資產*

倘有客觀跡象表明一項無報價股本工具 (該項工具由於公允價值無法可靠計量而並無按公允價值列賬) 或與該無報價股本工具存在聯繫且必須以交付該無報價股本工具進行交割的一項衍生資產已發生減值虧損，則虧損金額按資產之賬面值和估計未來現金流量之現值的差額計量，並按類似金融資產的現時市場回報率進行折現。該等資產之減值虧損不予撥回。



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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Impairment of financial assets (policies under IAS 39 applicable before January 1, 2018) (continued)

##### *Available-for-sale financial investments*

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the statement of profit or loss, is removed from other comprehensive income and recognised in the statement of profit or loss.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss – is removed from other comprehensive income and recognised in the statement of profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through the statement of profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

### 2.4 主要會計政策概要 (續)

#### 金融資產減值 (國際會計準則第39號政策, 2018年1月1日前適用) (續)

##### *可供出售之金融投資*

就可供出售之金融投資而言, 本集團將於各報告期末評估一項投資或一組投資是否存在客觀減值證據。

倘可供出售之資產減值, 包括其成本 (扣除任何本金付款及攤銷) 與其現時公允價值之差額在扣除先前於損益表確認之任何減值虧損後之金額, 會從其他綜合收益中剔除並於損益表確認。

倘股權投資被分類為可供出售, 則客觀證據將包括該項投資之公允價值大幅或長期跌至低於其成本值。「重大」乃相對於投資之原有成本而評估, 而「持續」則相對於出現公允價值低於其原有成本之時期而評估。倘存在減值證據, 則累計虧損 (按收購成本與現時公允價值之差額減該項投資先前於損益表確認之任何減值虧損計量) 從其他綜合收益中剔除, 並於損益表確認。分類為可供出售之股本工具之減值虧損不會自損益表撥回, 其公允價值之增加經扣除減值後直接於其他綜合收益確認。

確定「重大」或「持續」需要作出判斷。在作出判斷時, 本集團會評估 (其中包括) 投資的公允價值低於其成本的持續時間或程度等因素。

# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Financial liabilities (policies under IFRS 9 applicable from January 1, 2018 and IAS 39 applicable before January 1, 2018)**

#### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bills payable, derivative financial instruments and interest-bearing bank and other borrowings.

#### *Subsequent measurement*

The subsequent measurement of financial liabilities depends on their classification as follows:

*Financial liabilities at fair value through profit or loss (policies under IFRS 9 applicable from January 1, 2018)*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

### 2.4 主要會計政策概要 (續)

**金融負債 (國際財務報告準則第9號政策，自2018年1月1日起適用，以及國際會計準則第39號政策，2018年1月1日前適用)**

#### *初始確認及計量*

於初始確認時，金融負債會被分類為按公允價值計入損益的金融負債、貸款及借貸或應付款項。

所有金融負債初始按公允價值確認，如屬貸款、借貸及應付款項，則扣除直接應佔交易成本。

本集團的金融負債包括貿易及其他應付款項、應付票據、衍生金融工具以及計息銀行及其他借貸。

#### *後續計量*

金融負債的後續計量按如下分類進行：

*按公允價值計入損益的金融負債 (國際財務報告準則第9號政策，自2018年1月1日起適用)*

按公允價值計入損益的金融負債包括持作買賣的金融負債及於初始確認時指定為按公允價值計入損益的金融負債。

# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Financial liabilities (policies under IFRS 9 applicable from January 1, 2018 and IAS 39 applicable before January 1, 2018) (continued)**

#### *Subsequent measurement (continued)*

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

### 2.4 主要會計政策概要 (續)

金融負債 (國際財務報告準則第9號政策，自2018年1月1日起適用，以及國際會計準則第39號政策，2018年1月1日前適用) (續)

#### *後續計量 (續)*

如果金融負債是為短期回購而產生的，則將其歸類為持有交易。本類別亦包括本集團在國際財務報告準則第9號所界定的套期關係中，未被指定為套期工具的衍生金融工具。除被指定為有效對沖工具外，獨立的嵌入式衍生品也被歸類為持有交易。交易負債的損益在損益表中確認。損益表確認的淨公允價值損益不包括對這些金融負債收取的任何利息。

初始確認指定為以公允價值計量且其變動計入損益的金融負債，是在初始確認當日指定，且僅在符合國際財務報告準則第9號的標準時指定。以公允價值計量且其變動計入損益的金融負債的損益通過利潤表確認，但本集團自身的信用風險產生的利得或損失除外，該損失在其他綜合收益中列報，且期後不能重分類至利潤表。損益表確認的淨公允價值損益不包括對這些金融負債收取的任何利息。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Financial liabilities (policies under IFRS 9 applicable from January 1, 2018 and IAS 39 applicable before January 1, 2018) (continued)**

#### *Subsequent measurement (continued)*

*Financial liabilities at fair value through profit or loss (policies under IAS 39 applicable before January 1, 2018)*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IAS 39 are satisfied.

### 2.4 主要會計政策概要 (續)

金融負債 (國際財務報告準則第9號政策，自2018年1月1日起適用，以及國際會計準則第39號政策，2018年1月1日前適用) (續)

#### *後續計量 (續)*

*按公允價值計入損益的金融負債 (國際會計準則第39號政策，2018年1月1日前適用)*

按公允價值計入損益的金融負債包括持作買賣的金融負債及於初始確認時指定為按公允價值計入損益的金融負債。

如果獲取金融負債的目的是為了在近期再次購買，則該金融負債分類為持作買賣金融負債。此類金融負債包括本集團訂立之未指定為對沖關係中對沖工具 (定義見國際會計準則第39號) 的衍生金融工具。單獨嵌入衍生工具亦分類為持作買賣金融負債，除非他們被指定為有效的對沖工具。持作買賣金融負債的收益或虧損於損益表中確認。於損益表確認的公允價值淨損益不包括任何金融負債的相關利息。

只有符合國際會計準則第39號的規定時，方可在初始確認時指定為按公允價值計入損益的金融負債。

# Notes to the Financial Statements

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Financial liabilities (policies under IFRS 9 applicable from January 1, 2018 and IAS 39 applicable before January 1, 2018) (continued)**

#### *Loans and borrowings*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

**Financial guarantee contracts (policies under IFRS 9 applicable from January 1, 2018)**

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets (policies under IFRS 9 applicable from January 1, 2018)"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

### 2.4 主要會計政策概要 (續)

**金融負債 (國際財務報告準則第9號政策，自2018年1月1日起適用，以及國際會計準則第39號政策，2018年1月1日前適用) (續)**

#### *貸款及借貸*

貸款及借貸經初始確認後，計息貸款及借貸隨後以實際利率法按攤銷成本計量，除非折現影響為微不足道，在該情況下則按成本列賬。當負債終止確認及按實際利率法進行攤銷程序時，其收益及虧損在損益表內確認。

攤銷成本於計及收購事項任何折讓或溢價及屬實際利率不可或缺一部份的費用或成本後計算。實際利率攤銷計入損益表的財務成本內。

**財務擔保合約 (國際財務報告準則第9號政策，自2018年1月1日起適用)**

本集團發出的財務擔保合約乃因特定債務人無法按債務工具的條款支付到期款項，而須向合約持有人支付款項以彌補其因此招致的損失之合約。財務擔保合約初始乃按公允價值並就與發出擔保直接相關的交易成本進行調整後，確認為負債。於初始確認後，本集團按以下兩者中之較高者計量財務擔保合約：(i)根據「金融資產減值 (國際財務報告準則第9號政策，自2018年1月1日起適用)」所載政策所釐定的預期信貸虧損；及(ii)初始確認的金額減(倘使用)已確認的累計收入。

# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial liabilities (policies under IFRS 9 applicable from January 1, 2018 and IAS 39 applicable before January 1, 2018) (continued)

#### Financial guarantee contracts (policies under IAS 39 applicable before January 1, 2018)

A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation.

#### Derecognition of financial liabilities (policies under IFRS 9 applicable from January 1, 2018 and IAS 39 applicable before January 1, 2018)

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

### 2.4 主要會計政策概要 (續)

金融負債 (國際財務報告準則第9號政策，自2018年1月1日起適用，以及國際會計準則第39號政策，2018年1月1日前適用) (續)

#### 財務擔保合約 (國際會計準則第39號政策，2018年1月1日前適用)

財務擔保合約初始乃按公允價值並就與發出擔保直接相關的交易成本進行調整後，確認為負債。於初始確認後，本集團按以下兩者中之較高者計量財務擔保合約：(i)於報告期末繳付現有負債所需開支之最佳估計金額；及(ii)初始確認之金額減(倘適用)累計攤銷。

#### 終止確認金融負債 (國際財務報告準則第9號政策，自2018年1月1日起適用，以及國際會計準則第39號政策，2018年1月1日前適用)

於負債項下的責任被解除或取消或屆滿時，金融負債將被終止確認。

於負債項下的責任被解除或取消或屆滿時，金融負債將被終止確認。如現有金融負債由同一債權人以條款大相徑庭的負債所取代，或現有負債條款作出重大修訂，此類置換或修訂將被視為終止確認本來的負債及確認新負債，有關賬面值的差額於損益表中確認。

# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Offsetting of financial instruments (policies under IFRS 9 applicable from January 1, 2018 and IAS 39 applicable before January 1, 2018)

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### Derivative financial instruments (policies under IFRS 9 applicable from January 1, 2018 and IAS 39 applicable before January 1, 2018)

##### *Initial recognition and subsequent measurement*

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risk and interest rate risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss.

### 2.4 主要會計政策概要 (續)

#### 抵銷金融工具 (國際財務報告準則第9號政策，自2018年1月1日起適用，以及國際會計準則第39號政策，2018年1月1日前適用)

於具現有法定權利抵銷確認金額及有意以淨額結算，或同時變賣資產及償還負債，金融資產及金融負債互相抵銷並於財務狀況表內呈報淨額。

#### 衍生金融工具 (國際財務報告準則第9號政策，自2018年1月1日起適用，以及國際會計準則第39號政策，2018年1月1日前適用)

##### *初始確認及後續計量*

本集團利用遠期貨幣合約及利率掉期交易等衍生金融工具對沖其與外幣及利率風險。該等衍生金融工具初始按訂立衍生合約當日之公允價值確認，其後則按公允價值重新計量。倘衍生工具之公允價值為正數，則以資產列賬，而倘公允價值為負數則以負債列賬。

衍生工具公允價值發生變動所產生之收益或虧損乃直接計入損益表。

# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Derivative financial instruments (policies under IFRS 9 applicable from January 1, 2018 and IAS 39 applicable before January 1, 2018) (continued)**

#### *Current versus non-current classification*

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

- Where the Group expects to hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the end of the reporting period, the derivative is classified as non-current (or separated into current and non-current portions) consistently with the classification of the underlying item.
- Embedded derivatives that are not closely related to the host contract are classified consistently with the cash flows of the host contract.
- Derivative instruments that are designated as, and are effective hedging instruments, are classified consistently with the classification of the underlying hedged item. The derivative instruments are separated into current portions and non-current portions only if a reliable allocation can be made.

### 2.4 主要會計政策概要 (續)

衍生金融工具 (國際財務報告準則第9號政策, 自2018年1月1日起適用, 以及國際會計準則第39號政策, 2018年1月1日前適用) (續)

#### *流動與非流動分類對比*

並非指定為有效對沖工具之衍生工具根據對事實及情況之評估 (即相關合約現金流量) 分類為流動及非流動, 或分開為流動或非流動部份。

- 當本集團預期持有衍生工具作為經濟對沖 (而並無應用對沖會計處理方法) 至超過報告期末後12個月期間, 該衍生工具乃與相關項目之分類一致分類為非流動 (或分開為流動及非流動部份)。
- 與主合約並非密切聯繫之附帶在內衍生工具乃與主合約之現金流量一致分類。
- 指定為及為有效對沖工具之衍生工具乃與相關對沖項目之分類一致分類。衍生工具僅於可作出可靠分配時分開為流動部份及非流動部份。



# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the specific identification of cost and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

#### Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

#### Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

### 2.4 主要會計政策概要 (續)

#### 存貨

存貨按成本及可變現淨值(以較低者為準)列賬。成本按具體成本確認基準釐定，在製品及製成品的成本包括直接材料、直接勞工及按適當比例計算的間接費用。可變現淨值按預計售價減完成及出售所產生的任何估計成本計算。

#### 現金及現金等價物

就合併現金流量表而言，現金及現金等價物包括手頭現金及活期存款，以及短期且流動性極高的投資，該等投資可隨時兌換為已知數額的現金且價值轉變風險並不重大，並於購入後三個月內到期，減須於通知時償還並構成本集團現金管理一部份的銀行透支。

就合併財務狀況表而言，現金及現金等價物包括用途不受限制的手頭現金及銀行存款(包括定期存款及性質與現金類似的資產)。

#### 撥備

倘因過往事件導致現有債務(法定或推定)及日後可能需要有資源流出以償還債務，則確認撥備，惟必須能可靠估計有關債務金額。

倘折現的影響重大，則確認的撥備金額為預期需用作償還債務的未來支出於報告期末的現值。因時間流逝而產生的折現現值增額，列作財務成本計入損益表。

# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Provisions (continued)

The Group provides for warranties in relation to the provision of construction services for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are recognised based on sales volume and past experience of the level of repairs, discounted to their present values as appropriate.

#### Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

### 2.4 主要會計政策概要 (續)

#### 撥備 (續)

本公司為建築服務提供擔保，就保修期內出現的瑕疵提供一般維修。本集團授出的此類擔保為保證性擔保，有關金額根據銷售額及修理的過往經驗，酌情折現現值後予以確認。

#### 所得稅

所得稅包括即期及遞延稅項。有關損益外確認項目的所得稅於損益外確認，不論是否於其他綜合收益或直接於權益內確認。

本期與以往期間的即期稅項資產和負債根據於報告期末已頒佈或已大致頒佈的稅率（及稅法），並考慮本集團業務所在國家的現有詮釋及慣例，按預期自稅務當局收回或付予稅務當局的金額計算。

遞延稅項以負債法就於報告期末資產及負債的稅項基準及其用作財務報告的賬面值之間的所有暫時性差額作出撥備。

# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Income tax (continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

### 2.4 主要會計政策概要 (續)

#### 所得稅 (續)

除以下情況外，遞延稅項負債就所有應課稅暫時差額予以確認：

- 當遞延稅項負債來自初始確認商譽或並非業務合併的交易的資產或負債，而於交易時並不影響會計溢利或應課稅溢利或虧損；及
- 就與於附屬公司、聯營公司及合營公司的投資有關的應課稅暫時差額而言，除非撥回暫時差額的時間可以控制及暫時差額可能不會在可見將來撥回。

就所有可扣稅暫時差額、承前未用稅項抵免和未用稅項虧損確認遞延稅項資產，惟以日後有可能出現應課稅溢利可利用該等可扣稅暫時差額、承前未用稅項抵免和未用稅項虧損予以抵銷為限，除非：

- 於初始確認非業務合併的交易所的資產或負債產生與可扣稅暫時差額有關的遞延稅項資產，而有關遞延稅項資產於進行交易時對會計溢利或應課稅溢利或虧損均無影響；及
- 對涉及附屬公司、聯營公司及合營公司投資的可扣稅暫時差額而言，僅在暫時差額有可能在可見將來撥回，以及日後可用該等暫時差額抵銷可能出現的應課稅溢利時，方會確認遞延稅項資產。

# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Income tax (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### 2.4 主要會計政策概要 (續)

#### 所得稅 (續)

遞延稅項資產的賬面值會於各報告期末檢討，倘不再可能有足夠應課稅溢利可用於抵免全部或部份遞延稅項資產，則會予以扣減。未確認的遞延稅項資產會於各報告期末重估和於可能有足夠應課稅溢利可收回全部或部份遞延稅項資產時確認。

遞延稅項資產和負債乃根據於報告期末前已實施或大致實施的稅率（和稅法），按預期於資產變現或負債償還期間適用的稅率計算。

在且僅在本集團擁有以即期稅項資產及即期稅項負債抵銷（並且遞延稅項資產及遞延稅項負債與同一稅務機關向有意於預期結算或收回大額遞延稅項負債或資產的各未來期間以淨額結算即期稅項負債及資產的同一課稅實體，或同時變現資產及結算負債的不同課稅實體徵收的所得稅有關）的合法權利的情況下，遞延稅項資產和遞延稅項負債方可互相抵銷。

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## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

#### Revenue recognition (applicable from January 1, 2018)

##### Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

### 2.4 主要會計政策概要 (續)

#### 政府資助

政府資助在能合理地確保可收取有關資助並符合一切附帶條件的情況下，按其公允價值予以確認。如資助與開支項目有關，則將有系統地按照擬補償的成本被費用化期間予以確認為收入。

若補貼與資產相關，則將其公允價值貸記至遞延收入賬目，並在相關資產的預期使用年限內每年按等額計入損益表，或扣除自資產的賬面值，透過減少折舊開支的方式計入損益表。

#### 收入確認 (自2018年1月1日適用)

##### 來自客戶合約的收入

來自客戶合約的收入乃於貨品或服務的控制權轉讓予客戶時確認，該金額能反映本集團預期就交換該等貨品或服務有權獲得的代價。

當合約中的代價包含可變金額時，代價金額於本集團向客戶轉讓貨品或服務而有權獲得交換時估計。可變代價於合約開始時估計並受到約束，直至當與可變代價相關的不確定因素隨後得到解決時，確認的累積收益金額極有可能不會發生重大收入回撥。

# Notes to the Financial Statements

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Revenue recognition (applicable from January 1, 2018) (continued)

##### Revenue from contracts with customers (continued)

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

##### (a) Construction services

Revenue from the provision of construction services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services.

### 2.4 主要會計政策概要 (續)

#### 收入確認 (自2018年1月1日適用) (續)

##### 來自客戶合約的收入 (續)

當合約中包含融資成份，該融資成分為客戶提供超過一年的貨品或服務轉讓融資的重大利益時，收入按應收款項的現值計量，使用折現率折現，該折現率將反映在本集團與客戶在合約開始時的單獨融資交易中。當合約中包含融資成份，而該融資成分為本集團提供了一年以上的重大財務利益時，合約項下確認的收入包括按實際利息法於合約負債加算的利息。就客戶付款至轉讓承諾貨品或服務的期限為一年或者更短的合約而言，交易價格採用國際財務報告準則第15號中實際權宜之計，不會對重大融資成份的影響作出調整。

##### (a) 建造服務

提供建造服務的收入隨著時間的推移而確認，使用輸入法計量完成履約服務的進度，乃由於在資產被創造或增強時，本集團的履約創造或增強了客戶控制的資產。輸入法根據完成建造服務的實際發生成本佔估計總成本的比例確認收入。

# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Revenue recognition (applicable from January 1, 2018) (continued)

##### Revenue from contracts with customers (continued)

###### (b) Trading business

Revenue from the sale of trading services is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. If the Group has the right to determine the price of the goods which are acquired from the third party and transferred to the customer, and the Group is able to control the goods before the transfer to the customer, the Group shall be the principal and recognise the income according to the total amount received or receivable. Otherwise, the Group shall be the agent and recognise the income according to the net amount.

###### (c) Services business

Revenue from the services business is recognised over the performance progress of the services in accordance with the proportion of the accumulated and actual contract costs in the total estimated contract costs. If the performance schedule cannot be reasonably determined and the costs incurred by the Group can be expected to be compensated, the revenue shall be recognised according to the amount of costs incurred until the performance schedule can be reasonably determined.

##### Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms.

### 2.4 主要會計政策概要 (續)

#### 收入確認 (自2018年1月1日適用) (續)

##### 來自客戶合約的收入 (續)

###### (b) 貿易業務

銷售貿易服務的收入在資產控制權轉移予客戶的時間點 (通常在交付產品時) 確認。倘本集團有權釐定從第三方收購並轉讓予客戶的貨品的價格, 而本集團於轉讓予客戶之前能夠控制貨品, 則本集團應為主事人, 並按照已收或應收總金額確認收入。否則, 本集團應為代理, 並按照淨額確認收入。

###### (c) 服務業務

服務業務的收入隨著服務履約進程按累計及實際合同成本佔估計合同成本總額的比例予以確認。倘履約時間表無法合理釐定, 而本集團產生的成本預期能夠彌償, 則收入應按已產生成本金額予以確認, 直至履約時間表能夠合理釐定為止。

##### 其他來源收入

租賃收入於租期內按時間比例基準確認。

# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Revenue recognition (applicable from January 1, 2018) (continued)

##### Revenue from contracts with customers (continued)

##### Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

#### Revenue recognition (applicable before January 1, 2018)

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) from construction contracts, on the percentage of completion basis, as further explained in the accounting policy for "Construction contracts (applicable before January 1, 2018)" below;
- (c) from the rendering of services, on the percentage of completion basis, as further explained in the accounting policy for "Contracts for services (applicable before January 1, 2018)" below;

### 2.4 主要會計政策概要 (續)

#### 收入確認 (自2018年1月1日適用) (續)

##### 來自客戶合約的收入 (續)

##### 其他收入

利息收入按應計基準以實際利率法，採用於金融工具之預計年期或較短時間（如適用）內將估計未來現金收入精確折現至金融資產賬面淨值之利率確認。

股息收入於股東收取付款的權利確立，與股息相關的經濟利益很可能流入本集團且股息金額能夠可靠地計量時確認。

#### 收入確認 (2018年1月1日前適用)

當經濟利益可能流入本集團及收入能夠可靠地計量時，收入按下列基準予以確認：

- (a) 自銷售貨品，當所有權的重大風險及回報已轉移予買方時確認，前提為本集團並無保留一般與擁有權相關的管理事務亦無對已售貨品擁有實際控制；
- (b) 自建合約，按完工百分比基準確認，如下文「建造合約（2018年1月1日之前適用）」的會計政策所進一步解釋；
- (c) 自提供服務，按完工百分比基準確認，如下文「建造合約（2018年1月1日之前適用）」的會計政策所進一步解釋；



# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Revenue recognition (applicable before January 1, 2018) (continued)

- (d) rental income, on a time proportion basis over the lease terms;
- (e) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset; and
- (f) dividend income, when the shareholders' right to receive payment has been established.

#### Construction contracts (applicable before January 1, 2018)

Contract revenue comprises the agreed contract amount and appropriate amounts from variation orders, claims and incentive payments. Contract costs incurred comprise direct materials, the costs of subcontracting, direct labour and an appropriate proportion of variable and fixed construction overheads.

Revenue from fixed price construction contracts is recognised using the percentage of completion method, measured by reference to the proportion of costs incurred to date to the estimated total cost of the relevant contract.

### 2.4 主要會計政策概要 (續)

#### 收入確認 (2018年1月1日前適用) (續)

- (d) 租金收入，於租期內按時間比例基準確認；
- (e) 利息收入，按應計基準以實際利率法，採用於金融工具之預計年期或較短時間（如適用）內將估計未來現金收入精確折現至金融資產賬面淨值之利率確認；及
- (f) 股息收入，當股東收取付款的權利確立時確認。

#### 建造合同 (2018年1月1日前適用)

合同收入包括商定的合同金額以及來自工程變更、索賠和激勵收入。合同成本包括直接材料、轉包成本、直接工資和按比例分攤的可變動和固定建造費用。

來自固定價格建造合同的收入採用完工百分比法確認，乃參考迄今為止已產生的成本相當於相關合同的合同成本總額的百分比計量。

# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Construction contracts (applicable before January 1, 2018) (continued)

Revenue from cost plus construction contracts is recognised using the percentage of completion method, by reference to the recoverable costs incurred during the period plus the related fee earned, measured by the proportion of costs incurred to date to the estimated total cost of the relevant contract.

Provision is made for foreseeable losses as soon as they are anticipated by management. Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as an amount due from contract customers. Where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is treated as an amount due to contract customers.

#### Contracts for services (applicable before January 1, 2018)

Contract revenue on the rendering of services comprises the agreed contract amount. Costs of rendering services comprise labour and other costs of personnel directly engaged in providing the services and attributable overheads.

Revenue from the rendering of services is recognised based on the percentage of completion of the transaction, provided that the revenue, the costs incurred and the estimated costs to completion can be measured reliably. The percentage of completion is established by reference to the costs incurred to date as compared to the total costs to be incurred under the transaction. Where the outcome of a contract cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Provision is made for foreseeable losses as soon as they are anticipated by management.

### 2.4 主要會計政策概要 (續)

#### 建造合同 (2018年1月1日前適用) (續)

來自成本加建造合同的收入採用完工百分比法確認，乃參考於該期間產生的可收回成本加相關收費確認，乃參考迄今為止所產生的成本相當於相關合同成本總額的比例計算。

一旦管理層預計將發生損失，則應計提準備。如果累計合同已發生成本加已確認的利潤減已確認的損失超過工程進度款，則超出部份作為應收合同客戶款項。如果工程進度款超過累計已發生合同成本加已確認的利潤減已確認的損失，則超出部份作為應付合同客戶款項。

#### 服務合同 (2018年1月1日前適用)

提供服務產生的合同收入包括商定的合同金額。提供服務產生的成本包括勞工及其他直接從事提供服務之員工成本及應佔費用。

提供服務產生的收入乃根據該交易完工百分比確認，惟此等收入及產生的成本以及達致完成的估計成本須可靠地計量。完工百分比乃參考迄今為止所產生的成本相當於該交易成本總額的比例計算。倘合約結果無法可靠計量，則收入根據能夠收回的實際合同成本予以確認。

一旦管理層預計將發生損失，則應計提準備。

# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Contracts for services (applicable before January 1, 2018) (continued)

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as an amount due from contract customers. Where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is treated as an amount due to contract customers.

#### Contract assets (applicable from January 1, 2018)

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

#### Contract liabilities (applicable from January 1, 2018)

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

### 2.4 主要會計政策概要 (續)

#### 服務合同 (2018年1月1日前適用) (續)

如果累計合同已發生成本加已確認的利潤減已確認的損失超過工程進度款，則超出部份作為應收合同客戶款項。如果工程進度款超過累計已發生合同成本加已確認的利潤減已確認的損失，則超出部份作為應付合同客戶款項。

#### 合同資產 (自2018年1月1日適用)

合同資產乃就向客戶轉移貨品或服務而換取對價的權利。倘本集團在客戶支付對價前或付款到期前，通過向客戶轉移貨品或服務履約，則合同資產就已賺取的有條件對價而予以確認。

#### 合同負債 (自2018年1月1日適用)

合同負債指本集團因已向客戶收取對價 (或代價款項已到期) 而須向客戶轉讓貨品或服務的責任。倘客戶於本集團將貨品或服務轉讓予客戶前支付對價，則於作出付款或付款到期時 (以較早者為準) 確認合同負債。合同負債於本集團履行合同時確認為收入。

# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Contract costs (applicable from January 1, 2018)

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.
- (c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the pattern of the revenue to which the asset related is recognised. Other contract costs are expensed as incurred.

#### Employee benefits

##### Pension schemes

The Group contributes on a monthly basis to various defined contribution retirement schemes organised by the relevant municipal and provincial governments in the PRC. The municipal and provincial governments undertake to assume the retirement benefits payable to all existing and future retired employees under these plans and the Group has no further obligations for post-retirement benefits beyond the contributions made. The contributions to the schemes are recognised as and when incurred.

The Group implements a pension annuity plan, pursuant to which the Group pays contributions to the plan regularly and the Group has no further obligation thereto once the required contributions have been made. The contributions are recognised as employee benefit expenses when incurred.

### 2.4 主要會計政策概要 (續)

#### 合同成本 (自2018年1月1日適用)

除資本化為存貨、物業、廠房及設備以及無形資產的成本外，倘符合所有下列條件，則將履行客戶合約產生的成本資本化為資產：

- (a) 有關成本與實體可明確識別的合約或預期合約有直接關係。
- (b) 有關成本令實體將用於履行 (或持續履行) 日後履約義務的資源得以產生或有所增加。
- (c) 有關成本預期可收回。

資本化合約成本乃按符合確認相關資產的收入模式的系統基準攤銷並自損益表扣除。其他合約成本於產生時費用化。

#### 僱員福利

##### 養老金計劃

本集團按月向中國有關市級及省級政府組織的多項設定供款退休計劃供款。市級及省級政府承諾向參加上述計劃的所有現有及日後退休僱員支付退休福利，而除供款外，本集團毋須再支付任何退休後福利。上述計劃供款於產生時確認。

本集團實行一項退休年金計劃，據此，本集團定期向該計劃供款，而除作出規定供款外，本集團並無其他供款責任。有關供款於產生時確認為僱員福利。

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## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Employee benefits (continued)

##### Pension schemes (continued)

In addition, the Group also pays supplemental pension subsidies to employees who retired before January 1, 2010. Such supplemental pension subsidies mainly comprised monthly cash payments to the retirees for life as determined by the Group upon their respective retirement and subject to cost of living adjustments. The supplemental pension subsidies scheme is an unfunded scheme. As detailed in note 28 below, these defined benefit obligations recognised were assessed using the projected unit credit actuarial valuation method; the cost of providing such subsidies is charged to the statement of profit or loss so as to spread the service cost over the average lives of such former employees, in accordance with the actuarial reports which contained full valuations of the plans for each of the relevant accounting periods.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government securities which have maturity approximating to the terms of the related pension liability.

Re-measurements arising from experience adjustments and changes in actuarial assumptions are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

### 2.4 主要會計政策概要 (續)

#### 僱員福利 (續)

##### 養老金計劃 (續)

此外，本集團亦向於2010年1月1日前退休的僱員支付補充退休津貼。有關補充退休津貼主要包括一旦僱員退休，由本集團釐定按月向退休人員現金支付的生活費（受生活成本調整所規限）。補充退休津貼計劃為一項未經撥款計劃。按下文附註28所述，該等已確認的設定受益義務根據預計單位進賬精算估值法評估，而根據載有各有關會計期間所有計劃金額的精算報告，提供該等津貼的成本於損益表內扣除，以便在有關前僱員的平均服務年期內分攤服務成本。

設定受益義務的現值乃採用政府證券利率折現估計未來現金流出額而釐定，而該等證券的到期日與有關養老金責任年期相若。

來自經驗調整的重新計量及精算假設的變動均於合併財務狀況表中即時確認，於其產生期間於其他綜合收益扣除或計入。重新計量並不會於其後期間重新分類至損益。

# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Employee benefits (continued)

##### Pension schemes (continued)

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under finance expenses and allocated by function as part of “cost of sales”, “selling and distribution expenses” or “administrative expenses” in the consolidated statement of profit or loss:

- service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements
- net interest expense or income

#### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 2.4 主要會計政策概要 (續)

#### 僱員福利 (續)

##### 養老金計劃 (續)

利息淨額乃採用折現率將設定負債或資產淨額進行折現計算。本集團在合併損益表財務開支項下按功能確認以下設定義務淨額的變動並按功能分配為「銷售成本」、「銷售及分銷開支」或「行政開支」：

- 服務成本，包括當期服務成本、過往服務成本、縮減及不定期結算的收益及虧損
- 利息開支或收入淨額

#### 借貸成本

購買、建造或生產合資格資產（即需要一段頗長時間始能投入其擬定用途或出售的資產）而直接產生的借貸成本，均資本化為該等資產成本的一部份。當該等資產大致上可作擬定用途或出售時，則終止將該等借貸成本資本化。特定借貸於撥作合資格資產的支出前用作短暫投資所賺取的投資收入，從資本化的借貸成本中扣除。所有其他借貸成本均於其產生期間列為開支。借貸成本包括實體因借貸而產生的利息及其他成本。

# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

#### Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

### 2.4 主要會計政策概要 (續)

#### 股息

末期股息於股東在股東大會批准時確認為負債。擬派末期股息披露於財務報表附註。

由於本公司組織大綱及章程細則授予董事宣派中期股息的權力，因此中期股息的建議及宣派可同時進行。故此，中期股息於建議及宣派時即時確認為負債。

#### 外幣

該等財務報表以本公司的功能貨幣人民幣列示。本集團旗下各實體自行釐定其功能貨幣，各實體的財務報表項目均以其功能貨幣計量。本集團旗下實體入賬的外幣交易初步按交易日彼等各自功能貨幣的匯率列賬。以外幣列值的貨幣資產及負債按於報告期末的功能貨幣匯率進行換算。結算或換算貨幣項目產生的差額於損益表內確認。

因結算或換算貨幣項目產生的差額於損益確認，惟指定作為對沖本集團海外業務投資淨額一部份的貨幣項目除外。該等貨幣項目於其他綜合收益確認，直至投資淨額出售為止，此時累計金額乃重新分類至損益。因該等貨幣項目的匯兌差額而產生的稅項支出及抵免亦於其他綜合收益列賬。

# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Foreign currencies (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

### 2.4 主要會計政策概要 (續)

#### 外幣 (續)

按歷史成本列賬並以外幣計量的非貨幣項目，採用初始交易日期的匯率換算。按公允價值列賬並以外幣計量的非貨幣項目，採用計量公允價值日期的匯率換算。換算按公允價值計量的非貨幣項目產生的收益或虧損按與確認項目公允價值變動的收益或虧損一致的方式處理（即公允價值收益或虧損於其他綜合收益或損益內確認的項目的換算差額亦分別於其他綜合收益或損益內確認）。

在終止確認與預付代價有關的非貨幣性資產或非貨幣性負債時，為釐定初始確認相關資產、費用或收益時所採用的匯率，初始交易日期為本集團初步確認預付代價產生的非貨幣性資產或非貨幣性負債的日期。若支付或收取多筆預付款項，則本集團必須對支付或收取的每一筆預付代價確定交易日。

若干海外附屬公司的功能貨幣為人民幣以外的貨幣。於報告期末，該等實體的資產及負債按報告期末的匯率換算為人民幣，其損益表則按年內的加權平均匯率換算為人民幣。

因此而產生的匯兌差額於其他綜合收益內確認，並累計為匯兌波動儲備。於出售海外業務時，與該項特定海外業務有關的其他綜合收益部分於損益表內確認。



# Notes to the Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Foreign currencies (continued)

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

### 2.4 主要會計政策概要 (續)

#### 外幣 (續)

收購海外業務產生的任何商譽及對因收購而產生的資產及負債的賬面值作出的任何公允價值調整作海外業務的資產及負債處理，並按收市匯率換算。

就合併現金流量表而言，海外附屬公司的現金流量按現金流量日期的匯率換算為人民幣。海外附屬公司於年內經常產生的現金流量則按該年度的加權平均匯率換算為人民幣。

### 3. 重大會計判斷及估計

本集團財務報表的編製需要管理層作出判斷、估計及假設，而該等判斷、估計及假設會影響收入、開支、資產及負債的呈報金額及其隨附披露以及或有負債的披露。有關該等假設及估計的不明朗因素可能導致須就日後受影響的資產或負債的賬面金額作出重大調整。

# Notes to the Financial Statements

## 財務報表附註

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### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

#### Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

#### Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining the timing of satisfaction of construction services

The Group concluded that revenue from construction services is to be recognised over time because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

The Group determined that the input method is the best method in measuring the progress of the construction services because there is a direct relationship between the Group's effort and the transfer of services to the customer. The Group recognises revenue on the basis of the proportion of the accumulated and actual contract costs in the total estimated contract costs.

### 3. 重大會計判斷及估計 (續)

#### 判斷

於應用本集團會計政策的過程中，除作出涉及估計的判斷外，管理層已作出對財務報表內已確認金額構成最大影響的以下判斷：

#### 來自客戶合約的收入

本集團採用以下顯著影響釐定客戶合約收入金額及時間的判斷：

確定履行建造服務的時間

本集團總結得出來自建造服務的收入乃隨著時間的推移而確認，因為本集團的業績可相應創造或提升客戶控制的資產。

本集團確定輸入法乃計量建造服務進度的最佳方法，乃由於本集團的工作與向客戶轉移服務之間存在直接關係。本集團根據累計及實際合同成本佔估計合同總成本的比例確認收入。

# Notes to the Financial Statements

## 財務報表附註

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### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

#### Judgements (continued)

##### *Principal versus agent considerations*

Determining whether revenue of the Group should be reported gross or net is based on a continuing assessment of various factors. When determining whether the Group is acting as the principal or agent in offering goods to the customer, the Group firstly identify who controls the specified goods before they are transferred to the customer. The Group considers that it act as a principal that obtains control of any of a good or another asset from the other party that the Group then transfers to the customer. However, the Group does not necessarily control a specified good if the Group obtains legal title to that good only momentarily before legal title is transferred to a customer. If control is unclear, when the Group is primarily obligated in a transaction, is subject to inventory risk, has latitude in establishing prices and selecting suppliers, or has several but not all of these indicators, the Group records revenues on a gross basis. Otherwise, the Group records the net amount earned as commissions from goods sold. The Group performs the assessment based on the above mentioned factors and reaches the conclusion that the Group acts as a principal or agent when the Group recognises the revenue from sales.

### 3. 重大會計判斷及估計 (續)

#### 判斷 (續)

##### *委託人與代理人考慮事項*

於釐定本集團收入需以總額或淨額列報時，乃基於持續評估若干因素而定。當釐定本集團於向客戶提供貨品時乃作為委託人或代理人時，本集團首先分辨特定貨品於轉移至客戶前之控制權誰屬。當本集團向對手方取得隨後會轉移予客戶的任何貨品或其他資產之控制權時，本集團視其自身為委託人。然而，倘本集團僅於法定所有權轉移予客戶前暫時擁有貨品之法定所有權時，則本集團毋須控制特定貨品。倘控制權所屬者未明、本集團在一項交易中的責任重大、面臨存貨風險及可自行設定價格及挑選供應商，或符合上述數項而非所有指標，則本集團會以總額基礎計入收入。否則，本集團錄得已售貨品所得收益淨額作為佣金。本集團根據上述因素進行評估，為本集團自銷售確認收入時屬委託人或代理人達致結論。

# Notes to the Financial Statements

## 財務報表附註

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### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

#### Judgements (continued)

#### *Classification between investment properties and owner-occupied properties*

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

#### **Estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

### 3. 重大會計判斷及估計 (續)

#### 判斷 (續)

#### *投資物業及自用物業的劃分*

本集團判斷物業是否符合投資物業的條件，並已制定作出此類判斷的標準。投資物業指為賺取租金或資本升值或同時為這兩個目的而持有的物業。因此，本集團考慮一項物業產生的現金流量是否大部份獨立於本集團持有的其他資產。有些物業的一部份是為賺取租金或資本升值而持有，而另一部份是為用於生產或供應貨品或服務或行政用途而持有。如果該等部份可以分開出售（或按融資租賃分開出租），則本集團會分開對相關部份進行會計處理。如果該等部份不能分開出售，則只有在為用於生產或供應貨品或服務或行政用途而持有的部份並不重大的情況下，該物業方為投資物業。本集團會對各項物業進行獨立判斷，以確定配套服務是否足以導致物業不符合投資物業的定義。

#### **估計的不確定性**

很有可能導致須對下個財政年度資產及負債的賬面金額作出重大調整的未來主要假設及於報告期末的估計不明朗因素的其他主要來源論述如下。

# Notes to the Financial Statements

## 財務報表附註

December 31, 2018 • 2018年12月31日

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

#### Estimation uncertainty (continued)

##### Percentage of completion of construction work

The Group recognises revenue according to the percentage of completion of individual contracts for construction work, which requires estimation to be made by management. The stage of completion is estimated by reference to the actual costs incurred over the total budgeted costs, and the corresponding contract revenue is also estimated by management. Due to the nature of the activity undertaken in construction contracts, the date at which the activity is entered into and the date at which the activity is completed usually fall into different accounting periods. Hence, the Group reviews and revises the estimates of both contract revenue and contract costs in the budget prepared for each contract as the contract progresses. Where the actual contract revenue is less than estimated or actual contract costs are more than estimated, a foreseeable loss may arise.

##### Deferred income tax

Deferred tax assets relating to certain temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The realisation of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise which will be recognised in profit or loss in the period in which such a reversal takes place.

### 3. 重大會計判斷及估計 (續)

#### 估計的不確定性 (續)

##### 施工工程完成百分比

本集團根據個別施工工程合同完工百分比確認收入，此需要管理層作出估計。完工階段乃參考總預算成本中產生的實際成本估計得出，而相應合同收入亦由管理層作出估計。由於施工合同中所進行活動的性質，活動開始日期與活動完工日期通常處於不同會計期間。因此，本集團須按合同進展審閱及修訂各合同編製的預算內的合同收入及合同成本估計。倘實際合同收入較估計低或實際合同成本較估計高，則或會產生可預見虧損。

##### 遞延所得稅

與若干暫時性差額及稅項虧損有關的遞延稅項資產於管理層認為日後有可能出現應課稅溢利可用作抵銷該等暫時性差額或稅項虧損時確認。遞延稅項資產的實現主要取決於未來是否有足夠的溢利或應課稅暫時性差額在將來可供動用。如實際產生的未來溢利少於預期值，則可能發生遞延稅項資產的重大撥回，並在該撥回發生期間的損益內確認。

# Notes to the Financial Statements

## 財務報表附註

December 31, 2018 • 2018年12月31日

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

#### Estimation uncertainty (continued)

#### Deferred income tax (continued)

The carrying amount of deferred tax assets as at December 31, 2018 was RMB561,201,000 (December 31, 2017: RMB348,186,000(Restated)). More details are given in note 27.

#### Provision for expected credit losses on trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

### 3. 重大會計判斷及估計 (續)

#### 估計的不確定性 (續)

#### 遞延所得稅 (續)

於2018年12月31日，遞延稅項資產的賬面值為人民幣561,201,000元(2017年12月31日：人民幣348,186,000元(重述))。更多詳情載於附註27。

#### 貿易應收款項及合同資產的預期信貸虧損撥備

本集團使用撥備矩陣計算貿易應收款項及合同資產的預期信貸虧損。撥備率乃基於具有類似虧損模式(如按照地理位置、產品類型、客戶類型及評級，以及信用證及其他信用保證形式的保障範圍)的不同客戶分部組合的逾期日數釐定。

撥備矩陣初步基於本集團過往觀察所得違約率而釐定。本集團將調整矩陣，藉以按前瞻性資料調整過往信貸虧損經驗。例如，倘預測經濟狀況(即本地生產總值)預期將於未來一年惡化，導致製造分部的違約事件增加，則會調整過往違約率。於各報告日期，過往觀察所得違約率將予更新，並會分析前瞻性估計變動。

# Notes to the Financial Statements

## 財務報表附註

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### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

#### Estimation uncertainty (continued)

##### *Provision for expected credit losses on trade receivables and contract assets (continued)*

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in note 22 and note 21 to the financial statements, respectively.

##### *Impairment of non-financial assets*

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

### 3. 重大會計判斷及估計 (續)

#### 估計的不確定性 (續)

##### *貿易應收款項及合同資產的預期信貸虧損撥備 (續)*

對過往觀察所得違約率、預測經濟狀況及預期信貸虧損之間的關連性進行的評估屬重大估計。預期信貸虧損金額對情況變化及預測經濟狀況相當敏感。本集團的過往信貸虧損經驗及預測經濟狀況亦未必能代表客戶日後的實際違約情況。有關本集團貿易應收款項及合同資產的預期信貸虧損資料分別於財務報表附註22及附註21披露。

##### *非金融資產減值*

於各報告期末，本集團均會對所有非金融資產是否出現任何減值跡象作出評估。無固定年期的無形資產每年進行減值測試，並於出現減值跡象時另行測試。當出現賬面值不可被收回的跡象時，會對其他非金融資產進行測試。當資產或現金產生單位的賬面值超出其可收回金額（為其公允價值減出售成本與其使用價值兩者之間的較高者）時，即出現減值。公允價值減出售成本乃根據類似資產於公平且具約束力的銷售交易中獲得的數據或可觀察市場價格減出售資產的增量成本計算。當計算使用價值時，管理層必須估計來自資產或現金產生單位的預期未來現金流量，並選擇合適的折現率以計算該等現金流量的現值。

# Notes to the Financial Statements

## 財務報表附註

December 31, 2018 • 2018年12月31日

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

#### Estimation uncertainty (continued)

#### Fair value of unlisted equity investments

The unlisted equity investments have been valued based on a market-based valuation technique as detailed in note 41 to the financial statements. The valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as Level 3. The fair value of the unlisted equity investments at December 31, 2018 was RMB363,918,000 (2017: Nil). Further details are included in note 30 to the financial statements.

### 4. OPERATING SEGMENT INFORMATION

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

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

### 3. 重大會計判斷及估計 (續)

#### 估計的不確定性 (續)

#### 非上市股權投資公允價值

非上市股權投資已根據基於市場的估值技術估值，詳情載於財務報表附註41。估值要求本集團確定可資比較上市公司(同業)並選擇價格倍數。此外，本集團就有關非流動性及規模差異的折現作出估計。本集團將該等投資的公允價值分類為第3級。於2018年12月31日，非上市股權投資的公允價值為人民幣363,918,000元(2017年：無)。進一步詳情載於財務報表附註30。

### 4. 經營分部資料

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

- (a) 建造合同：本分部主要在各國從事海外基礎設施相關的施工項目(包括水電、火電或其他工程項目)的工程、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。



# Notes to the Financial Statements

## 財務報表附註

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#### 4. OPERATING SEGMENT INFORMATION (CONTINUED)

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about 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.

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

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

#### 4. 經營分部資料 (續)

管理層單獨監察本集團經營分部的業績，以就資源分配及表現評估作出決策。分部表現乃根據可報告之分部溢利／虧損評估，此乃經調整除稅前溢利／虧損之計量指標。經調整除稅前溢利／虧損乃貫徹以本集團除稅前溢利計量，惟應佔聯營公司及合營公司之溢利減虧損、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、未經分配的利息／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，此乃由於該等資產以集團為基礎管理。

分部負債不包括設定受益義務、應付稅項、遞延稅項負債及其他未分配總部及企業負債，此乃由於該等負債以集團為基礎管理。

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，按當時市價進行交易。

# Notes to the Financial Statements

## 財務報表附註

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### 4. OPERATING SEGMENT INFORMATION (CONTINUED)

### 4. 經營分部資料 (續)

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

#### (a) 分部收入、業績、資產及負債

Year ended December 31, 2018	截至2018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
<b>Segment revenue (note 5):</b>	分部收入 (附註5) :				
Sales to external customers	銷售予外部客戶	18,280,930	8,476,535	2,105,223	28,862,688
Intersegment sales	分部間銷售	724,325	166,471	313,028	1,203,824
<b>Reportable segment revenue</b>	可報告分部收入	<b>19,005,255</b>	<b>8,643,006</b>	<b>2,418,251</b>	<b>30,066,512</b>
<b>Reportable segment profit</b>	可報告分部溢利	<b>1,567,250</b>	<b>81,661</b>	<b>444,454</b>	<b>2,093,365</b>
Finance income on receivables from customers	應收客戶款項的財務收入	203,643	71,185	-	274,828
Finance costs	財務成本	129,630	40,050	1,538	171,218
Depreciation and amortisation	折舊及攤銷	6,452	2,934	22,269	31,655
Provision/(reversal of provision) for impairment losses	減值虧損撥備 / (撥回)				
- Trade and other receivables	- 貿易及其他應收款項	595,422	7,184	27,529	630,135
- Contract assets	- 合同資產	(4,469)	-	-	(4,469)
- Inventories	- 存貨	-	1,537	-	1,537
<b>Reportable segment assets</b>	可報告分部資產	<b>16,829,240</b>	<b>6,171,792</b>	<b>1,902,942</b>	<b>24,903,974</b>
<b>Reportable segment liabilities</b>	可報告分部負債	<b>31,406,436</b>	<b>7,994,214</b>	<b>4,085,957</b>	<b>43,486,607</b>

Capital expenditure for the year is not allocated to segments as such expenditure is managed on a group basis.

年內資本開支未攤分予各分部，乃由於有關開支以集團為基礎管理。

# Notes to the Financial Statements

## 財務報表附註

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### 4. OPERATING SEGMENT INFORMATION (CONTINUED)

### 4. 經營分部資料 (續)

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

#### (a) 分部收入、業績、資產及負債 (續)

Year ended December 31, 2017 (Restated)	截至2017年12月31日止 年度 (重述)	Construction contracts 建造合同 RMB'000 人民幣千元	Trading business 貿易業務 RMB'000 人民幣千元	Services business 服務業務 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
<b>Segment revenue:</b>	<b>分部收入：</b>				
Sales to external customers	銷售予外部客戶	17,019,527	8,085,262	2,270,323	27,375,112
Intersegment sales	分部間銷售	546,635	143,181	586,338	1,276,154
<b>Reportable segment revenue</b>	<b>可報告分部收入</b>	<b>17,566,162</b>	<b>8,228,443</b>	<b>2,856,661</b>	<b>28,651,266</b>
<b>Reportable segment profit</b>	<b>可報告分部溢利</b>	<b>1,783,424</b>	<b>67,559</b>	<b>625,218</b>	<b>2,476,201</b>
Finance income on receivables from customers	應收客戶款項的財務收入	60,792	43,913	-	104,705
Finance costs	財務成本	34,830	19,016	14,898	68,744
Depreciation and amortisation	折舊及攤銷	11,627	5,857	10,630	28,114
Provision/(reversal of provision) for impairment losses	減值虧損撥備 / (撥回)				
- Trade and other receivables	- 貿易及其他應收款項	384,242	(1,583)	24,913	407,572
- Amounts due from contract customers	- 應收合同客戶款項	13,386	-	-	13,386
- Inventories	- 存貨	-	3,562	-	3,562
<b>Reportable segment assets</b>	<b>可報告分部資產</b>	<b>17,769,042</b>	<b>5,645,391</b>	<b>2,021,677</b>	<b>25,436,110</b>
<b>Reportable segment liabilities</b>	<b>可報告分部負債</b>	<b>31,104,234</b>	<b>7,895,755</b>	<b>4,749,276</b>	<b>43,749,265</b>

# Notes to the Financial Statements

## 財務報表附註

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### 4. OPERATING SEGMENT INFORMATION (CONTINUED)

### 4. 經營分部資料 (續)

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

#### (b) 可報告分部收入、溢利／虧損、資產及負債的對賬

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
<b>Revenue:</b>	<b>收入：</b>		
Reportable segment revenue	可報告分部收入	<b>30,066,512</b>	28,651,266
Elimination of intersegment revenue	分部間收入抵銷	<b>(1,203,824)</b>	(1,276,154)
		<b>28,862,688</b>	27,375,112
<b>Profit:</b>	<b>溢利：</b>		
Reportable segment profit	可報告分部溢利	<b>2,093,365</b>	2,476,201
Share of profits and losses of joint ventures	應佔合營公司溢利及虧損	<b>34,167</b>	23,507
Share of profits and losses of associates	應佔聯營公司溢利及虧損	<b>133,066</b>	82,021
Gain on disposal of a subsidiary	處置附屬公司收益	-	58,861
Dividend income from equity investments at fair value through other comprehensive income	按公允價值計量且其變動計入其他綜合收益的股權投資的股息收益	<b>3,868</b>	-
Investment income on financial assets	金融資產投資收益	<b>93,111</b>	-
Dividend income from available-for-sale investments	可供出售投資股息收入	-	197,551
Other income, net	其他收入淨額	<b>23,979</b>	15,756
Other operating expenses	其他經營開支	<b>(1,600)</b>	(740)
Interest income from bank deposits	來自銀行存款之利息收入	<b>267,881</b>	289,421
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	<b>(18,430)</b>	(14,300)
Unallocated foreign exchange gains/(losses), net	未分配之匯兌收益／(虧損)淨額	<b>364,442</b>	(607,314)
Depreciation and amortisation	折舊及攤銷	<b>(168,082)</b>	(160,039)
Profit before tax	除稅前溢利	<b>2,825,767</b>	2,360,925

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## 財務報表附註

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### 4. OPERATING SEGMENT INFORMATION (CONTINUED)

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

### 4. 經營分部資料 (續)

#### (b) 可報告分部收入、溢利／虧損、資產及負債的對賬 (續)

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
<b>Assets:</b>	<b>資產：</b>		
Reportable segment assets	可報告分部資產	24,903,974	25,436,110
Elimination of intersegment receivables	分部間應收款項抵銷	(5,370,896)	(5,809,697)
		<b>19,533,078</b>	19,626,413
Restricted deposits	受限制存款	1,211,805	1,363,525
Time deposits with original maturity over three months	原始到期日超過三個月的定期存款	5,013,871	6,784,311
Cash and cash equivalents	現金及現金等價物	21,383,610	21,479,315
Property, plant and equipment	物業、廠房及設備	2,293,698	1,995,823
Prepaid land lease payments	預付土地租賃款項	1,755,868	1,808,241
Intangible assets	無形資產	464,816	465,879
Long-term assets	長期資產	82,136	55,846
Investments in joint ventures	對合營公司的投資	380,590	346,423
Investments in associates	對聯營公司的投資	1,102,433	1,050,268
Deferred tax assets	遞延稅項資產	561,201	348,186
Other non-current assets	其他非流動資產	897,782	376,678
Equity investments designated at fair value through other comprehensive income	以公允價值計量且其變動計入其他綜合收益的股權投資	425,890	-
Other unallocated assets	其他未分配資產	1,007,839	649,551
		<b>56,114,617</b>	56,350,459
<b>Liabilities:</b>	<b>負債：</b>		
Reportable segment liabilities	可報告分部負債	43,486,607	43,749,265
Elimination of intersegment payables	分部間應付款項抵銷	(5,002,235)	(5,749,261)
		<b>38,484,372</b>	38,000,004
Defined benefit obligations	設定受益義務	495,498	485,576
Tax payable	應付稅項	527,133	122,035
Deferred tax liabilities	遞延稅項負債	94,360	90,642
Other unallocated liabilities	其他未分配負債	-	271,453
		<b>39,601,363</b>	38,969,710

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## 財務報表附註

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### 4. OPERATING SEGMENT INFORMATION (CONTINUED)

#### (c) Geographical information

##### Revenue from external customers

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(重述)
Mainland China	中國大陸	<b>9,703,766</b>	11,884,484
Pakistan	巴基斯坦	<b>4,740,988</b>	3,161,574
The Republic of Angola	安哥拉共和國	<b>3,523,316</b>	3,520,043
Ivory Coast	科特迪瓦	<b>1,306,505</b>	800,730
Cameroon	喀麥隆	<b>1,172,322</b>	297,069
Argentina	阿根廷	<b>1,001,570</b>	1,317,761
Laos	老撾	<b>900,835</b>	1,185,088
Ukraine	烏克蘭	<b>696,509</b>	1,063
United States	美國	<b>690,489</b>	958,950
Zambia	贊比亞	<b>688,208</b>	111,027
Others	其他	<b>4,438,180</b>	4,137,323
		<b>28,862,688</b>	27,375,112

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

### 4. 經營分部資料 (續)

#### (c) 地理區域資料

##### 來自外部客戶的收入

	<b>2018</b>	2017
	<b>2018年</b>	2017年
	<b>RMB'000</b>	RMB'000
	人民幣千元	人民幣千元
		(Restated)
		(重述)
中國大陸	<b>9,703,766</b>	11,884,484
巴基斯坦	<b>4,740,988</b>	3,161,574
安哥拉共和國	<b>3,523,316</b>	3,520,043
科特迪瓦	<b>1,306,505</b>	800,730
喀麥隆	<b>1,172,322</b>	297,069
阿根廷	<b>1,001,570</b>	1,317,761
老撾	<b>900,835</b>	1,185,088
烏克蘭	<b>696,509</b>	1,063
美國	<b>690,489</b>	958,950
贊比亞	<b>688,208</b>	111,027
其他	<b>4,438,180</b>	4,137,323
	<b>28,862,688</b>	27,375,112

以上收入資料乃按客戶地域劃分。

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### 4. OPERATING SEGMENT INFORMATION (CONTINUED)

#### (c) Geographical information (continued)

##### Non-current assets

Mainland China	中國大陸
Others	其他

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

#### (d) Information about major customers

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, 2018 (2017: Nil).

### 4. 經營分部資料 (續)

#### (c) 地理區域資料 (續)

##### 非流動資產

2018	2017
2018年	2017年
RMB'000	RMB'000
人民幣千元	人民幣千元
	(Restated)
	(重述)
5,481,563	5,032,651
973,367	448,013
<b>6,454,930</b>	<b>5,480,664</b>

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) 有關主要客戶之資料

截至2018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%以上的金額為人民幣零元（2017年：零）。

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### 5. REVENUE, OTHER REVENUE AND EXPENSES

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

### 5. 收入、其他收入及開支

收入、其他收入及其他開支淨額分析如下：

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(重述)
<i>Revenue from contracts with customers</i>	客戶合同收入		
Construction contracts	建造合同	<b>18,280,930</b>	17,019,527
Trading business	貿易業務	<b>8,476,535</b>	8,085,262
Services business	服務業務	<b>2,105,223</b>	2,270,323
		<b>28,862,688</b>	27,375,112



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### 5. REVENUE, OTHER REVENUE AND EXPENSES (CONTINUED)

#### Revenue from contracts with customers

##### (i) Disaggregated revenue information

For the year ended December 31, 2018

Segments	分部	Construction contracts 建造合同	Trading business 貿易業務	Services business 服務業務	Total 合計
Type of goods or service	貨物或服務類型				
Construction contracts	建造合同	18,280,930	-	-	18,280,930
Trading business	貿易業務	-	8,476,535	-	8,476,535
Services business	服務業務	-	-	2,105,223	2,105,223
Total revenue from contracts with customers	客戶合同收入總額	18,280,930	8,476,535	2,105,223	28,862,688
Geographic markets	地區市場				
Asia	亞洲	8,101,783	6,086,276	1,911,751	16,099,810
Africa	非洲	7,572,529	162,075	104,932	7,839,536
Europe	歐洲	1,020,420	1,412,562	28,631	2,461,613
South America	南美	1,140,609	351,300	45,732	1,537,641
North America	北美	445,589	434,904	13,069	893,562
Oceania	大洋洲	-	29,418	1,108	30,526
Total revenue from contracts with customers	客戶合同收入總額	18,280,930	8,476,535	2,105,223	28,862,688
Timing of revenue recognition	確認收入時間點				
Construction transferred over time	於一段時間內轉讓的建造	18,280,930	-	-	18,280,930
Trading transferred at a point of time	於某個時間點轉讓的貿易	-	8,476,535	-	8,476,535
Services transferred over time	於一段時間內轉讓的服務	-	-	2,105,223	2,105,223
Total revenue from contracts with customers	客戶合同收入總額	18,280,930	8,476,535	2,105,223	28,862,688

### 5. 收入、其他收入及開支 (續)

#### 客戶合同收入

##### (i) 經分拆收入資料

截至2018年12月31日止年度

# Notes to the Financial Statements

## 財務報表附註

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### 5. REVENUE, OTHER REVENUE AND EXPENSES (CONTINUED)

#### Revenue from contracts with customers (continued)

##### (i) Disaggregated revenue information (continued)

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

For the year ended December 31, 2018

Segments	分部	Construction contracts 建造合同	Trading business 貿易業務	Services business 服務業務	Total 合計
Revenue from contracts customers	客戶合同收入				
External customers	外部客戶	18,280,930	8,476,535	2,105,223	28,862,688
Intersegment sales	分部間銷售	413,935	135,172	647,950	1,197,057
		18,694,865	8,611,707	2,753,173	30,059,745
Intersegment adjustments and eliminations	分部間調整及抵銷	(413,935)	(135,172)	(647,950)	(1,197,057)
Total revenue from contracts with customers	客戶合同收入總額	18,280,930	8,476,535	2,105,223	28,862,688

### 5. 收入、其他收入及開支 (續)

#### 客戶合同收入 (續)

##### (i) 經分拆收入資料 (續)

客戶合同收入與分部資料中披露的金額之對賬載列如下：

截至2018年12月31日止年度

# Notes to the Financial Statements

## 財務報表附註

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### 5. REVENUE, OTHER REVENUE AND EXPENSES (CONTINUED)

#### Revenue from contracts with customers (continued)

##### (i) Disaggregated revenue information (continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

### 5. 收入、其他收入及開支 (續)

#### 客戶合同收入 (續)

##### (i) 經分拆收入資料 (續)

下表載列本報告期間所確認包含在計入報告期初的合同負債中的收入金額：

		<b>2018</b> <b>2018年</b> RMB'000 人民幣千元
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	已確認收入 (計入報告期初的合同負債)：	
Construction contracts	建造合同	4,130,752
Trading business	貿易業務	516,583
Services business	服務業務	225,318
		<hr/> 4,872,653 <hr/>

# Notes to the Financial Statements

## 財務報表附註

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### 5. REVENUE, OTHER REVENUE AND EXPENSES (CONTINUED)

#### Revenue from contracts with customers (continued)

##### (ii) Performance obligations

Information about the Group's performance obligations is summarised below:

##### *Construction contracts*

The performance obligation is satisfied over time as services are rendered and payment is generally due within 180 days from the date of billing. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

##### *Trading business*

The performance obligation is satisfied upon delivery of the products and payment is generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required.

##### *Services business*

The performance obligation is satisfied over time as services are recognised over the performance progress of the services in accordance with the proportion of the accumulated and actual contract costs in the total estimated contract costs.

### 5. 收入、其他收入及開支 (續)

#### 客戶合同收入 (續)

##### (ii) 履約責任

有關本集團的履約責任的資料概述如下：

##### *建造合同*

履約責任會隨著服務提供而予以履行，而付款一般於出具發票日期起計180天內到期支付。由於本集團收取最終付款的權利取決於合同所訂明的若干期間內客戶對服務質量的滿意度，若干百分比的付款由客戶保留，直至質保期結束為止。

##### *貿易業務*

履約責任於交付產品後履行，而付款支付一般於交付後30至90日內到期支付，惟新客戶（一般需要提前付款）除外。

##### *服務業務*

隨著服務提供而履行的履約責任乃按照估計合同成本總額中累計及實際合同成本比例隨著服務履約進程予以確認。

# Notes to the Financial Statements

## 財務報表附註

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### 5. REVENUE, OTHER REVENUE AND EXPENSES (CONTINUED)

#### Revenue from contracts with customers (continued)

#### (ii) Performance obligations (continued)

The remaining performance obligations expected to be recognised relate to construction services that are to be satisfied within one to five years.

### 5. 收入、其他收入及開支 (續)

#### 客戶合同收入 (續)

#### (ii) 履約責任 (續)

剩餘履約合同義務主要與建造合同相關，其預計未來1年至5年確認收入。

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
<b>Other revenue</b>	<b>其他收入</b>		
Dividend income from equity investments at fair value through other comprehensive income	按公允價值計量且其變動計入其他綜合收益的股權投資股息收入	3,868	-
Investment income on financial assets	金融資產投資收益	93,111	-
Dividend income from available-for-sale investments	可供出售投資股息收入	-	197,551
Government grants	政府補貼	9,959	14,730
		106,938	212,281
<b>Other (expenses)/income, net</b>	<b>其他(開支)/收入淨額</b>		
Net gains on disposal of items of property, plant and equipment	處置物業、廠房及設備項目的收益淨額	14,020	1,026
Gain on disposal of a subsidiary	處置附屬公司的收益	-	58,861
Net (losses)/gains on foreign currency forward exchange contracts	外匯遠期合約的(虧損)/收益淨額	(85,648)	57,424
Others	其他	(12,928)	76,324
		(84,556)	193,635

# Notes to the Financial Statements

## 財務報表附註

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### 6. PROFIT BEFORE TAX

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

#### (a) Finance income and finance expenses

		2018 2018年 <b>RMB'000</b> 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
	Notes 附註		
Finance income on receivables from customers	應收客戶款項的財務收入	<b>274,828</b>	104,705
Foreign exchange gains	匯兌收益	<b>772,205</b>	–
Interest income	利息收入	<b>267,881</b>	289,421
<b>Finance income</b>	<b>財務收入</b>	<b>1,314,914</b>	394,126
Interest cost recognised in respect of defined benefit obligations	就設定受益義務確認的利息成本	28 <b>18,430</b>	14,300
Interest expenses on borrowings	借貸利息開支	7 <b>171,218</b>	68,744
Foreign exchange losses	匯兌損失	–	1,069,213
Bank charges and others	銀行費用及其他	<b>18,670</b>	9,996
<b>Finance expenses</b>	<b>財務開支</b>	<b>208,318</b>	1,162,253
<b>Net finance income recognised in profit or loss</b>	<b>於損益確認的財務收入淨額</b>	<b>1,106,596</b>	(768,127)

#### (b) Staff costs

		2018 2018年 <b>RMB'000</b> 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
	Note 附註		
Salaries, wages and other benefits	薪金、工資及其他福利	<b>1,857,845</b>	1,637,467
Contributions to defined contribution retirement plans	設定退休供款計劃的供款	<b>214,083</b>	171,169
Expenses recognised in respect of defined benefit retirement plans	就設定受益退休計劃確認的開支	28 <b>6,460</b>	21,510
<b>Staff costs</b>		<b>2,078,388</b>	1,830,146

### 6. 除稅前溢利

本集團之除稅前溢利已扣除／(計入)：

#### (a) 財務收入及財務開支

		2018 2018年 <b>RMB'000</b> 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
	Notes 附註		
Finance income on receivables from customers	應收客戶款項的財務收入	<b>274,828</b>	104,705
Foreign exchange gains	匯兌收益	<b>772,205</b>	–
Interest income	利息收入	<b>267,881</b>	289,421
<b>Finance income</b>	<b>財務收入</b>	<b>1,314,914</b>	394,126
Interest cost recognised in respect of defined benefit obligations	就設定受益義務確認的利息成本	28 <b>18,430</b>	14,300
Interest expenses on borrowings	借貸利息開支	7 <b>171,218</b>	68,744
Foreign exchange losses	匯兌損失	–	1,069,213
Bank charges and others	銀行費用及其他	<b>18,670</b>	9,996
<b>Finance expenses</b>	<b>財務開支</b>	<b>208,318</b>	1,162,253
<b>Net finance income recognised in profit or loss</b>	<b>於損益確認的財務收入淨額</b>	<b>1,106,596</b>	(768,127)

#### (b) 員工成本

		2018 2018年 <b>RMB'000</b> 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
	Note 附註		
Salaries, wages and other benefits	薪金、工資及其他福利	<b>1,857,845</b>	1,637,467
Contributions to defined contribution retirement plans	設定退休供款計劃的供款	<b>214,083</b>	171,169
Expenses recognised in respect of defined benefit retirement plans	就設定受益退休計劃確認的開支	28 <b>6,460</b>	21,510
<b>Staff costs</b>		<b>2,078,388</b>	1,830,146

# Notes to the Financial Statements

## 財務報表附註

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### 6. PROFIT BEFORE TAX (CONTINUED)

#### (c) Other items

### 6. 除稅前溢利 (續)

#### (c) 其他項目

			<b>2018</b>	2017
		<i>Notes</i>	<b>2018年</b>	2017年
		<i>附註</i>	<b>RMB'000</b>	RMB'000
			人民幣千元	人民幣千元
				(Restated)
				(重述)
Amortisation	攤銷			
– Prepaid land lease payments	– 預付土地租賃款項	16	<b>47,859</b>	46,641
– Intangible assets	– 無形資產	17	<b>24,842</b>	16,716
– Long-term assets	– 長期資產		<b>10,361</b>	18,116
			<b>83,062</b>	81,473
Depreciation	折舊			
– Property, plant and equipment	– 物業、廠房及設備	14	<b>98,863</b>	96,955
– Investment properties	– 投資物業	15	<b>17,812</b>	9,725
			<b>116,675</b>	106,680
Impairment losses /(reversal of impairment) on	減值虧損/(轉回)			
– Trade and other receivables	– 貿易及其他應收款項	22	<b>630,135</b>	407,572
– Inventories	– 存貨		<b>1,537</b>	3,562
– Amounts due from customers	– 應收客戶款項	21	–	(1,985)
– Contract assets	– 合同資產	21	<b>(4,469)</b>	–
Foreseeable contract losses	可預計合同虧損	21	–	15,371
Amount included in other operating expenses	包含在其他經營開支的 金額		<b>627,203</b>	424,520

# Notes to the Financial Statements

## 財務報表附註

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### 6. PROFIT BEFORE TAX (CONTINUED)

#### (c) Other items (continued)

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(重述)
Operating lease charges	經營租賃費用		
– Lease of properties	– 租賃物業	<b>42,625</b>	37,165
– Lease of other assets	– 租賃其他資產	<b>1,087</b>	1,178
		<b>43,712</b>	38,343
Auditors' remuneration, including tax and disbursements	核數師薪酬，含稅項 及代墊費用	<b>9,580</b>	9,144
Rental income from investment properties	來自投資物業的租賃收入		
– Gross rental	– 毛租金	<b>139,039</b>	92,025
– Direct outgoings	– 直接支出	<b>(35,615)</b>	(32,458)
– Net rental	– 淨租金	<b>103,424</b>	59,567
Cost of construction contracts	建造合同成本	<b>14,794,835</b>	13,155,732
Cost of goods sold	商品銷售成本	<b>7,987,184</b>	7,613,956
Cost of services provided	所提供服務的成本	<b>1,384,716</b>	1,316,379
		<b>24,166,735</b>	22,086,067



# Notes to the Financial Statements

## 財務報表附註

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### 7. INTEREST EXPENSES ON BORROWINGS

An analysis of interest expenses on borrowings is as follows:

	<b>2018</b>	2017
	<b>2018年</b>	2017年
	<b>RMB'000</b>	RMB'000
	人民幣千元	人民幣千元
		(Restated)
		(重述)
Interest expenses on borrowings	<b>171,218</b>	68,744

### 7. 借貸利息開支

借貸的利息開支分析如下：

### 8. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	<b>2018</b>	2017
	<b>2018年</b>	2017年
	<b>RMB'000</b>	RMB'000
	人民幣千元	人民幣千元
		(Restated)
		(重述)
Fees	<b>1,093</b>	1,120
Salaries, allowances and benefits in kind	<b>2,868</b>	2,256
Performance related bonuses	<b>3,278</b>	2,370
Pension scheme contributions	<b>224</b>	153
	<b>7,463</b>	5,899

### 8. 董事、行政總裁及監事薪酬

根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條、《公司(披露董事利益資料)規例》第2部披露的年內董事及行政總裁的薪酬如下：

# Notes to the Financial Statements

## 財務報表附註

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### 8. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION (CONTINUED)

Executive directors, non-executive directors, the chief executive and supervisors

### 8. 董事、行政總裁及監事薪酬 (續)

執行董事、非執行董事、行政總裁及監事

	Fees 袍金 RMB'000 人民幣千元	Salaries, allowances and benefits in kind 薪金、津貼 及實物利益 RMB'000 人民幣千元	Performance related bonuses 與表現掛鉤 的花紅 RMB'000 人民幣千元	Pension scheme contributions 退休金計劃 供款 RMB'000 人民幣千元	Total remuneration 薪酬合計 RMB'000 人民幣千元	
<b>2018</b>						
<b>2018年</b>						
Executive directors:	執行董事：					
Mr. Sun Bai (note (1))	孫柏先生 (附註(1))	-	53	89	4	146
Mr. Zhang Chun (note (2))	張淳先生 (附註(2))	-	634	1,063	55	1,752
Mr. Han Xiaojun (note (3))	韓曉軍先生 (附註(3))	-	634	1,063	55	1,752
Mr. Zhou Yamin (note (4))	周亞民先生 (附註(4))	-	634	1,063	55	1,752
		-	1,955	3,278	169	5,402
Non-executive directors:	非執行董事：					
Mr. Wang Zhian (note (5))	王治安先生 (附註(5))	17	8	-	-	25
Mr. Zhang Fusheng	張福生先生	80	38	-	-	118
Mr. Yu Benli	余本禮先生	80	37	-	-	117
		177	83	-	-	260
Independent non-executive directors:	獨立非執行董事：					
Mr. Liu Li	劉力先生	229	-	-	-	229
Ms. Liu Hongyu	劉紅宇女士	229	-	-	-	229
Mr. Fang Yongzhong	方永忠先生	229	-	-	-	229
Mr. Wu Tak Lung	吳德龍先生	229	-	-	-	229
		916	-	-	-	916
Supervisors:	監事：					
Mr. Quan Huaqiang	全華強先生	-	-	-	-	-
Mr. Qian Xiangdong	錢向東先生	-	-	-	-	-
Ms. Liu Ting	劉婷女士	-	830	-	55	885
		-	830	-	55	885
		1,093	2,868	3,278	224	7,463

Note:

- Mr. Sun Bai was the chairman of the Company before January, 2018 and resigned in January, 2018.
- Mr. Zhang Chun was the chief executive before January, 2018. From that time till now, Mr. Zhang Chun is the chairman of the Company.
- Mr. Han Xiaojun was elected as the executive director in March 2018.
- Mr. Zhou Yamin was elected as the executive director in March 2018 and resigned in December 2018.
- Mr. Wang Zhian retired as a non-executive director in March 2018.

附註：

- 孫柏先生在2018年1月前為本公司董事長並已於2018年1月辭任。
- 張淳先生在2018年1月前為本公司行政總裁。2018年1月至今，張淳先生為本公司董事長。
- 韓曉軍先生於2018年3月獲選為執行董事。
- 周亞民先生於2018年3月獲選為執行董事，並於2018年12月卸任。
- 王治安先生於2018年3月退任非執行董事。

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## 財務報表附註

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### 8. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION (CONTINUED)

Executive directors, non-executive directors, the chief executive and supervisors (continued)

### 8. 董事、行政總裁及監事薪酬 (續)

執行董事、非執行董事、行政總裁及監事 (續)

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration	
	袍金	薪金、津貼及實物利益	與表現掛鉤的花紅	退休金計劃供款	薪酬合計	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	
	(重述)	(重述)	(重述)	(重述)	(重述)	
<b>2017</b>		<b>2017年</b>				
Executive directors:		執行董事：				
Mr. Sun Bai	-	孫柏先生	711	1,185	51	1,947
Mr. Zhang Chun (note (1))	-	張淳先生 (附註(1))	711	1,185	51	1,947
	-		1,422	2,370	102	3,894
Non-executive directors:		非執行董事：				
Mr. Wang Zhian	80	王治安先生	33	-	-	113
Mr. Zhang Fusheng	80	張福生先生	25	-	-	105
Mr. Yu Benli	80	余本禮先生	24	-	-	104
	240		82	-	-	322
Independent non-executive directors:		獨立非執行董事：				
Mr. Liu Li	220	劉力先生	-	-	-	220
Ms. Liu Hongyu	220	劉紅宇女士	-	-	-	220
Mr. Fang Yongzhong	220	方永忠先生	-	-	-	220
Mr. Wu Tak Lung	220	吳德龍先生	-	-	-	220
	880		-	-	-	880
Supervisors:		監事：				
Mr. Quan Huaqiang	-	全華強先生	-	-	-	-
Mr. Qian Xiangdong	-	錢向東先生	-	-	-	-
Mr. Bai Ming	-	白明先生	752	-	51	803
	-		752	-	51	803
	1,120		2,256	2,370	153	5,899

Note:

(1) Mr. Zhang Chun is the chief executive of the Company up to January 2018.

附註：

(1) 張淳先生為本公司行政總裁直至2018年1月。

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## 財務報表附註

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### 9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two directors, details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining three (2017: three) highest paid employees who are neither a director, chief executive nor supervisor of the Company are as follows:

	<b>2018</b>	2017
	<b>2018年</b>	2017年
	<b>RMB'000</b>	RMB'000
	<b>人民幣千元</b>	人民幣千元
		(Restated)
		(重述)
Salaries, allowances and benefits in kind 薪金、津貼及實物利益	<b>1,712</b>	1,812
Performance related bonuses 與表現掛鉤的花紅	<b>2,869</b>	3,021
Pension scheme contributions 退休金計劃供款	<b>166</b>	152
	<b>4,747</b>	4,985

The number of non-director, non-chief executive and non-supervisor highest paid employees whose remuneration fell within the following band is as follows:

	<b>Number of employees</b>	
	<b>僱員人數</b>	
	<b>2018</b>	2017
	<b>2018年</b>	2017年
		(Restated)
		(重述)
HK\$1,500,001 to HK\$2,000,000 1,500,001港元至2,000,000港元	<b>3</b>	3

### 9. 五位最高薪酬僱員

年內，五位最高薪酬僱員包括兩名董事，彼等的薪酬詳情載於上述附註8。年內既非本公司董事、非行政總裁亦非監事的餘下三名（2017年：三名）最高薪酬僱員的薪酬詳情如下：

薪酬在以下範圍的非董事、非行政總裁及非監事最高薪酬僱員人數如下：

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## 財務報表附註

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### 10. INCOME TAX

Pursuant to the relevant laws and regulations in the PRC, the statutory enterprise income tax rate of 25% is applied to the Group's mainland China subsidiaries for the years ended December 31, 2018 and 2017, except for certain mainland China subsidiaries of the Group which were entitled to the preferential tax rate of 15% (2017: 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% (2017: 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.

### 10. 所得稅

根據中國相關法律及法規，本集團的中國內地附屬公司於截至2018年及2017年12月31日止年度適用的法定企業所得稅稅率為25%，惟本集團的某些中國內地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%（2017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%（2017年：16.5%）的稅率提撥。於其他地區的應課稅利潤乃按本集團營運所在的國家（或司法權區）的適用稅率計算稅項。

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(重述)
Current income tax – Mainland China	即期所得稅 – 中國大陸	<b>870,552</b>	459,559
Current income tax – Hong Kong	即期所得稅 – 香港	<b>474</b>	1,368
Current income tax – Others	即期所得稅 – 其他	<b>9,183</b>	4,323
Deferred income tax	遞延所得稅	<b>(190,283)</b>	119,048
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	<b>689,926</b>	584,298

# Notes to the Financial Statements

## 財務報表附註

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### 10. INCOME TAX (CONTINUED)

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

### 10. 所得稅 (續)

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:

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
Profit before tax from continuing operations	來自持續經營業務的除稅前溢利	<b>2,825,767</b>	2,360,925
Tax at the statutory tax rate	按法定稅率計算的稅項	<b>706,442</b>	590,231
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	<b>(20,230)</b>	(10,575)
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	<b>(41,808)</b>	(26,382)
Income not subject to tax	毋需課稅的收益	<b>(19,294)</b>	(53,347)
Adjustments in respect of current tax of previous periods	就過往期間即期所得稅作出的調整	<b>9,967</b>	(1,178)
Expenses not deductible for tax	不可扣稅開支	<b>45,971</b>	66,324
Tax losses utilised from previous periods	使用過往期間的稅項虧損	<b>(151)</b>	(4,520)
Others	其他	<b>9,029</b>	23,745
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	<b>689,926</b>	<b>584,298</b>

The share of tax attributable to associates and joint ventures amounting to RMB33,266,000 (2017(Restated): RMB20,505,000) and RMB8,542,000 (2017(Restated): RMB5,877,000), 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33,266,000元(2017年(重述): 人民幣20,505,000元)及人民幣8,542,000元(2017年(重述): 人民幣5,877,000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。

# Notes to the Financial Statements

## 財務報表附註

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### 11. PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

The consolidated profit attributable to owners of the parent for the year ended December 31, 2018 includes a profit of RMB1,720,824,000 (2017(Restated): RMB1,168,221,000) which has been dealt with in the financial statements of the Company.

### 12. DIVIDENDS

Proposed final dividend of RMB0.2067 擬派末期股息每股普通股  
(2017: RMB0.1659) per ordinary share 人民幣0.2067元  
(2017年: 人民幣0.1659元)

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

In addition, a special dividend of RMB0.04 per share (RMB165,028,000 in total) for the year ended December 31, 2017 was declared and paid in 2018.

### 11. 歸屬於母公司擁有人的溢利

截至2018年12月31日止年度歸屬於母公司擁有人的合併溢利包括已於本公司財務報表入賬的溢利人民幣1,720,824,000元(2017年(重述): 人民幣1,168,221,000元)。

### 12. 股息

2018	2017
2018年	2017年
RMB'000	RMB'000
人民幣千元	人民幣千元
	(Restated)
	(重述)

**852,782**      **684,454**

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。

此外，2018年宣派並支付截至2017年12月31日止年度的特別股息，每股人民幣0.04元(總計人民幣165,028,000元)。

# Notes to the Financial Statements

## 財務報表附註

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### 12. DIVIDENDS (CONTINUED)

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%.

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, the Company is required from January 4, 2011 under the Individual Income Tax Law of the PRC 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.

### 12. 股息 (續)

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。

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。



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## 財務報表附註

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

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of 4,125,700,000 (2017: 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

2018	2017
2018年	2017年
RMB'000	RMB'000
人民幣千元	人民幣千元
	(Restated)
	(重述)

**2,131,540**      1,774,959

#### Number of shares

#### 股份數目

2018	2017
2018年	2017年
Thousand	Thousand
shares	shares
千股	千股

**4,125,700**      4,125,700

#### 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

The Group had no potentially dilutive ordinary shares in issue during the years ended December 31, 2018 and 2017.

### 13. 歸屬於母公司普通權益持有人的每股盈利

每股基本盈利乃按年內歸屬於母公司普通權益持有人的溢利及普通股的加權平均數4,125,700,000股（2017年：4,125,700,000股）計算。

每股基本盈利的計算如下：

截至2018年及2017年12月31日止年度，本集團並無潛在攤薄已發行普通股。

# Notes to the Financial Statements

## 財務報表附註

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### 14. PROPERTY, PLANT AND EQUIPMENT

### 14. 物業、廠房及設備

		Buildings	Motor vehicles	Office and other equipment	Construction in progress	Total
		樓宇	汽車	辦公及其他設備	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Cost:</b>	<b>成本：</b>					
At January 1, 2017 (Restated)	於2017年1月1日(重述)	1,455,802	169,417	215,546	838,064	2,678,829
Additions	添置	470,869	8,473	45,249	160,519	685,110
Transfer to investment properties	撥入投資物業	(189,845)	-	-	(428,404)	(618,249)
Disposal of a subsidiary	處置一家附屬公司	(33,166)	(3,648)	(2,411)	(3,285)	(42,510)
Disposals	處置	(25,230)	(8,418)	(7,090)	-	(40,738)
At December 31, 2017 (Restated)	於2017年12月31日(重述)	1,678,430	165,824	251,294	566,894	2,662,442
At January 1, 2018	於2018年1月1日(重述)	<b>1,678,430</b>	<b>165,824</b>	<b>251,294</b>	<b>566,894</b>	<b>2,662,442</b>
Additions	添置	<b>74,529</b>	<b>7,142</b>	<b>21,110</b>	<b>328,625</b>	<b>431,406</b>
Transfer from investment properties	撥自投資物業	<b>34,411</b>	-	-	-	<b>34,411</b>
Transfer from prepaid land lease payments	撥自預付土地租賃款項	-	-	-	<b>3,023</b>	<b>3,023</b>
Transfer to investment properties	撥入投資物業	<b>(2,311)</b>	-	-	<b>(46,365)</b>	<b>(48,676)</b>
Disposals	處置	<b>(8,036)</b>	<b>(46,894)</b>	<b>(14,746)</b>	-	<b>(69,676)</b>
At December 31, 2018	於2018年12月31日	<b>1,777,023</b>	<b>126,072</b>	<b>257,658</b>	<b>852,177</b>	<b>3,012,930</b>

# Notes to the Financial Statements

## 財務報表附註

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### 14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### 14. 物業、廠房及設備(續)

		Buildings	Motor vehicles	Office and other equipment	Construction in progress	Total
		樓宇	汽車	辦公及其他設備	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Accumulated depreciation and impairment:</b>	<b>累計折舊及減值：</b>					
At January 1, 2017 (Restated)	於2017年1月1日(重述)	(409,794)	(122,113)	(104,316)	(130)	(636,353)
Depreciation charge for the year	年內折舊開支	(58,336)	(15,586)	(23,033)	-	(96,955)
Transfer to investment properties	撥入投資物業	20,541	-	-	-	20,541
Disposal of a subsidiary	處置附屬公司	29,420	2,845	1,670	-	33,935
Written back on disposals	處置後撥回	704	6,602	4,907	-	12,213
At December 31, 2017 (Restated)	於2017年12月31日(重述)	(417,465)	(128,252)	(120,772)	(130)	(666,619)
At January 1, 2018	於2018年1月1日	<b>(417,465)</b>	<b>(128,252)</b>	<b>(120,772)</b>	<b>(130)</b>	<b>(666,619)</b>
Charge for the year	年內支出	<b>(61,253)</b>	<b>(11,303)</b>	<b>(26,307)</b>	-	<b>(98,863)</b>
Transfer from investment properties	撥自投資物業	<b>(11,291)</b>	-	-	-	<b>(11,291)</b>
Written back on disposals	處置後撥回	<b>3,311</b>	<b>41,096</b>	<b>13,134</b>	-	<b>57,541</b>
At December 31, 2018	於2018年12月31日	<b>(486,698)</b>	<b>(98,459)</b>	<b>(133,945)</b>	<b>(130)</b>	<b>(719,232)</b>
Net book value:	賬面淨值：					
At December 31, 2017 (Restated)	於2017年12月31日(重述)	1,260,965	37,572	130,522	566,764	1,995,823
At December 31, 2018	於2018年12月31日	<b>1,290,325</b>	<b>27,613</b>	<b>123,713</b>	<b>852,047</b>	<b>2,293,698</b>

# Notes to the Financial Statements

## 財務報表附註

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### 14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) The analysis of the net book values of buildings is as follows:

Outside Hong Kong	香港以外
– Long-term leases	– 長期租賃
– Medium-term leases	– 中期租賃
– Freehold	– 永久業權

(b) As at December 31, 2018, certain of the Group's borrowings of RMB79,804,000 (December 31, 2017: RMB77,940,000) were secured by certain of the Group's buildings with an aggregate net book value of RMB33,587,000 (2017: RMB63,928,000), which included borrowing of RMB55,174,000 secured by investment properties (note 15) and prepaid land lease payments (note 16) in addition to property, plant and equipment as mentioned above.

### 14. 物業、廠房及設備 (續)

(a) 樓宇的賬面淨值分析如下：

2018	2017
2018年	2017年
RMB'000	RMB'000
人民幣千元	人民幣千元
	(Restated)
	(重述)

<b>377,014</b>	52,483
<b>879,165</b>	1,194,938
<b>34,146</b>	13,544
<b>1,290,325</b>	1,260,965

(b) 於2018年12月31日，本集團人民幣79,804,000元（2017年12月31日：人民幣77,940,000元）的若干借貸由本集團賬面總淨值為人民幣33,587,000元（2017年：人民幣63,928,000元）的若干樓宇作抵押，其中人民幣55,174,000元的借貸由投資物業（附註15）和預付土地租賃款項（附註16）以及上述提及的物業、廠房及設備作抵押。

# Notes to the Financial Statements

## 財務報表附註

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### 15. INVESTMENT PROPERTIES

### 15. 投資物業

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
<b>Cost:</b>	<b>成本：</b>		
At the beginning of the year	於年初	711,595	95,962
Transfer from property, plant and equipment	撥自物業、廠房及設備	48,676	618,249
Transfer to property, plant and equipment	撥入物業、廠房及設備	(34,411)	-
Disposal of a subsidiary	處置附屬公司	-	(2,616)
		<hr/>	<hr/>
At the end of the year	於年末	725,860	711,595
<b>Accumulated depreciation:</b>	<b>累計折舊：</b>		
At the beginning of the year	於年初	(79,933)	(50,056)
Charge for the year	年內支出	(17,812)	(9,725)
Disposal of a subsidiary	處置附屬公司	-	389
Transfer from property, plant and equipment	撥自物業、廠房及設備	-	(20,541)
Transfer to prepaid land lease payments	撥入預付土地租賃款項	709	-
Transfer to property, plant and equipment	撥入物業、廠房及設備	11,291	-
		<hr/>	<hr/>
At the end of the year	於年末	(85,745)	(79,933)
<b>Net book value:</b>	<b>賬面淨值：</b>	<hr/> <b>640,115</b>	<hr/> <b>631,662</b>

# Notes to the Financial Statements

## 財務報表附註

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### 15. INVESTMENT PROPERTIES (CONTINUED)

The Group's investment properties consist of certain commercial properties outside Hong Kong. The directors of the Company have determined that the investment properties are commercial assets, based on the nature, characteristics and risks of each property. The Group's investment properties were revalued on December 31, 2018 based on valuations performed by Savills Corporate Appraisal and Advisory Limited, a firm of independent qualified valuers in Hong Kong, at RMB2,039,128,000 (2017: RMB2,044,962,000).

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 37(a) to the financial statements.

#### Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

	<b>Fair value as at December 31, 2018</b>	<b>Fair value as at December 31, 2017</b>
	<b>Significant unobservable inputs (Level 3)</b>	<b>Significant unobservable inputs (Level 3)</b>
	<b>於2018年12月31日的 公允價值 重大不可觀察 輸入數據 (第3級)</b>	<b>於2017年12月31日的 公允價值 重大不可觀察 輸入數據 (第3級)</b>
Recurring fair value measurement for: 經常性公允價值計量:	<b>RMB'000</b>	<b>RMB'000</b>
	<b>人民幣千元</b>	<b>人民幣千元</b>
Commercial properties 商業物業	<b>2,039,128</b>	2,044,962

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2017: Nil).

### 15. 投資物業 (續)

本集團的投資物業包括香港以外某些商業物業。本公司董事已根據每項物業之性質、特徵及風險，釐定屬商業資產的投資物業。本集團的投資物業於2018年12月31日經第一太平戴維斯估值及專業顧問有限公司(香港的獨立合資格估值師事務所)重新估值為人民幣2,039,128,000元(2017年: 人民幣2,044,962,000元)。

投資物業以經營租賃方式租予第三者，其進一步概要詳情載於財務報表附註37(a)。

#### 公允價值層級

下表列示本集團投資物業公允價值計量層級：

年內，第1級與第2級之間並無公允價值計量轉移，亦無轉入或轉出第3級(2017年：無)。

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## 財務報表附註

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### 15. INVESTMENT PROPERTIES (CONTINUED)

#### Fair value hierarchy (continued)

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

	Valuation techniques 估值方法	Significant unobservable inputs 重大不可觀察輸入數據	Range or weighted average 範圍或加權平均	
			2018 2018年	2017 2017年
Commercial properties 商業物業	Term and reversion 年期及復歸	Estimated rental value (per s.q.m. and per month) 估計租金價值 (每平方米每月)	<b>0.45 to 205</b> <b>0.45至205</b>	5.2 to 200 5.2至200
		Rent growth (p.a.) 租金增長率 (每年)	<b>0%</b>	0%
		Long term vacancy rate 長期空置率	<b>0%</b>	0%
		Yield 回報率	<b>3.5% to 7%</b> <b>3.5%至7%</b>	4% to 7% 4%至7%

Under the income approach, the term and reversion approach in particular, the rental income derived from the existing tenancies with due allowance for the reversionary potential of the property is capitalised at the capitalisation rate. The estimated total net leased income is capitalised over the remaining term of land use rights of the property at an appropriate market yield expected by investors for the type of properties.

As at December 31, 2018, certain of the Group's borrowings of RMB55,174,000 (December 31, 2017: Nil) were secured by certain of the Group's investment properties with an aggregate net book value of RMB48,287,000 (2017: Nil).

### 15. 投資物業 (續)

#### 公允價值層級 (續)

投資物業所用估值方法及主要估值輸入數據概述如下：

按照收益法，尤其是年期及復歸法，現有租約內的租金收入連同該物業復歸潛力的適當補償按資本化率予以資本化。估計租金淨收益總額按投資者對不同類型物業預期的適當市場回報率於物業餘下的土地使用權年期內予以資本化。

於2018年12月31日，本集團人民幣55,174,000元（2017年12月31日：無）的若干借貸由本集團賬面總淨值為人民幣48,287,000元（2017年：無）的若干投資物業作抵押。

# Notes to the Financial Statements

## 財務報表附註

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### 16. PREPAID LAND LEASE PAYMENTS

### 16. 預付土地租賃款項

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
<b>Cost:</b>	<b>成本：</b>		
At the beginning of the year	於年初	2,097,800	2,077,158
Addition	添置	11,580	42,258
Transfer to property, plant and equipment	撥入物業、廠房及設備	(3,023)	–
Disposals	處置	(13,988)	–
Disposals of a subsidiary	處置附屬公司	–	(21,616)
		<hr/>	<hr/>
At the end of the year	於年末	2,092,369	2,097,800
<b>Accumulated amortisation:</b>	<b>累計攤銷：</b>		
At the beginning of the year	於年初	(289,559)	(245,965)
Charge for the year	年內支出	(47,859)	(46,641)
Transfer from investment properties	撥自投資物業	(709)	–
Written back on disposals	處置後撥回	1,626	3,047
		<hr/>	<hr/>
At the end of the year	於年末	(336,501)	(289,559)
<b>Net book value:</b>	<b>賬面淨值</b>	<hr/> <b>1,755,868</b>	<hr/> <b>1,808,241</b>

The leasehold land is situated in Mainland China and is held under a long term lease.

As at December 31, 2018, certain of the Group's borrowings of RMB55,174,000 (December 31, 2017: Nil) were secured by certain of the Group's prepaid land lease payments with an aggregate net book value of RMB778,000 (2017: Nil).

租賃土地位於中國大陸，並根據長期租約持有。

於2018年12月31日，本集團人民幣55,174,000元（2017年12月31日：無）的若干借貸由本集團總賬面淨值為人民幣778,000元（2017年：無）的若干預付土地租賃款項作抵押。



# Notes to the Financial Statements

## 財務報表附註

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### 17. INTANGIBLE ASSETS

### 17. 無形資產

		<b>Concession assets</b> 特許經營資產 <b>RMB'000</b> 人民幣千元	<b>Software and others</b> 軟件及其他 <b>RMB'000</b> 人民幣千元	總計 <b>RMB'000</b> 人民幣千元
<b>Cost:</b>	<b>成本：</b>			
At January 1, 2017 (Restated)	於2017年1月1日 (重述)	453,708	31,351	485,059
Additions	添置	13,507	4,468	17,975
Disposals	處置	-	(4,192)	(4,192)
Others	其他	(5,477)	-	(5,477)
At December 31, 2017 (Restated)	於2017年12月31日 (重述)	461,738	31,627	493,365
At January 1, 2018	於2018年1月1日	461,738	31,627	493,365
Additions	添置	12,187	12,041	24,228
Disposals	處置	(468)	(4,508)	(4,976)
At December 31, 2018	於2018年12月31日	473,457	39,160	512,617
<b>Accumulated amortization:</b>	<b>累計攤銷：</b>			
At January 1, 2017 (Restated)	於2017年1月1日 (重述)	-	(14,962)	(14,962)
Charge for the year	年內支出	(10,553)	(6,163)	(16,716)
Disposals	處置	-	4,192	4,192
At December 31, 2017 (Restated)	於2017年12月31日 (重述)	(10,553)	(16,933)	(27,486)
At January 1, 2018	於2018年1月1日	(10,553)	(16,933)	(27,486)
Charge for the year	年內支出	(18,875)	(5,967)	(24,842)
Disposals	處置	-	4,527	4,527
At December 31, 2018	於2018年12月31日	(29,428)	(18,373)	(47,801)
<b>Net book value:</b>	<b>賬面淨值：</b>			
At December 31, 2017 (Restated)	於2017年12月31日 (重述)	451,185	14,694	465,879
At December 31, 2018	於2018年12月31日	444,029	20,787	464,816

Concession assets represent assets under "Build-Operate-Transfer" service concession arrangements and mainly consist of hydropower stations in Laos. The cost of concession assets have been put into operations as at December 31, 2018 amounted to RMB473,457,000 (December 31, 2017: RMB452,278,000).

特許經營資產為建設、經營及移交服務特許經營安排資產，主要為位於老撾的水電站。特許經營資產已投入運營，相關特許經營資產於2018年12月31日的成本為人民幣473,457,000元（2017年12月31日：人民幣452,278,000元）。

# Notes to the Financial Statements

## 財務報表附註

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### 18. INVESTMENTS IN JOINT VENTURES

### 18. 對合營公司的投資

	<b>2018</b>	2017
	<b>2018年</b>	2017年
	<b>RMB'000</b>	RMB'000
	人民幣千元	人民幣千元 (Restated) (重述)
Share of net assets	<b>380,590</b>	346,423

Particulars of the joint ventures are as follows:

合營公司的詳細資料如下：

Name	Particulars of issued shares held	Place and date of registration	Percentage of ownership interest, voting power and profit sharing	Principal activities
名稱	所持有已發行股份詳情	註冊地點及日期	所有權權益、投票權及溢利分配百分比	主要業務
China National Guo Lian Development New Energy (Wuxi) Co., Ltd.	Registered capital of RMB400,000,000	The PRC November 4, 2014	50%	Engineering design
中設國聯無錫新能源發展有限公司	註冊資本為 人民幣400,000,000元	中國 2014年11月4日	50%	工程設計
CMIPC Huajin Casting Co., Ltd.	Registered capital of RMB251,390,000	The PRC March 31, 2015	34%	Metal casting production
山西中設華晉鑄造有限公司	註冊資本為 人民幣251,390,000元	中國 2015年3月31日	34%	金屬鑄造生產
China Machinery Metal Jiangsu Co., Ltd.	Registered capital of RMB100,000,000	The PRC August 31, 2016	25%	Metal manufacturing
國機金屬江蘇有限公司	註冊資本為 人民幣100,000,000元	中國 2016年8月31日	25%	金屬製造

# Notes to the Financial Statements

## 財務報表附註

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### 18. INVESTMENTS IN JOINT VENTURES (CONTINUED)

The following table illustrates the summarised financial information of China National Guo Lian Development New Energy (Wuxi) Co., Ltd.:

### 18. 對合營公司的投資 (續)

下表列示中設國聯無錫新能源發展有限公司的財務資料概要：

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Current assets	流動資產	302,943	195,069
Non-current assets	非流動資產	1,641,707	1,573,517
Current liabilities	流動負債	(414,481)	(611,804)
Non-current liabilities	非流動負債	(912,223)	(624,108)
		<b>617,946</b>	532,674
Non-controlling interests	非控股權益	<b>(87,747)</b>	(62,417)
Total equity attributable to owners of the parent	母公司擁有人應佔權益總額	<b>530,199</b>	470,257
Proportion of the Group's ownership	本集團擁有權比例	<b>50%</b>	50%
Group's share of net assets of the joint venture	本集團應佔合營公司的資產淨額	<b>265,100</b>	235,129
Revenue	收入	<b>214,822</b>	149,355
Cost of sales	銷售成本	<b>(95,545)</b>	(64,611)
Expenses	開支	<b>(48,588)</b>	(34,522)
Profit before tax	除稅前溢利	<b>70,689</b>	50,222
Tax	稅項	<b>(110)</b>	(188)
Profit after tax	除稅後溢利	<b>70,579</b>	50,034
Other comprehensive income	其他綜合收益	-	-
Total comprehensive income	綜合收益總額	<b>70,579</b>	50,034
Total comprehensive income attributable to owners of the parent	母公司擁有人應佔綜合收益總額	<b>59,942</b>	44,848
Proportion of the Group's ownership	本集團擁有權比例	<b>50%</b>	50%
Group's share of profit after tax of the joint venture	本集團應佔合營公司的除稅後溢利	<b>29,971</b>	22,424
Share of total comprehensive income	應佔綜合收益總額	<b>29,971</b>	22,424

# Notes to the Financial Statements

## 財務報表附註

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### 18. INVESTMENTS IN JOINT VENTURES (CONTINUED)

The following table illustrates the summarised financial information of CMIPC Huajin Casting Co., Ltd.:

### 18. 對合營公司的投資 (續)

下表列示山西中設華晉鑄造有限公司的財務資料概要：

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Current assets	流動資產	<b>371,224</b>	271,226
Non-current assets	非流動資產	<b>207,053</b>	212,901
Current liabilities	流動負債	<b>(321,056)</b>	(233,366)
Non-current liabilities	非流動負債	-	-
Net assets	資產淨額	<b>257,221</b>	250,761
Proportion of the Group's ownership	本集團擁有權比例	<b>34%</b>	34%
Group's share of net assets of the joint venture	本集團應佔合營公司的資產淨額	<b>87,455</b>	85,259
Revenue	收入	<b>497,565</b>	373,186
Cost of sales	銷售成本	<b>(437,792)</b>	(333,793)
Expenses	開支	<b>(51,752)</b>	(39,252)
Profit before tax	除稅前溢利	<b>8,021</b>	141
Tax	稅項	<b>(1,561)</b>	-
Profit after tax	除稅後溢利	<b>6,460</b>	141
Other comprehensive income	其他綜合收益	-	-
Total comprehensive income	綜合收益總額	<b>6,460</b>	141
Proportion of the Group's ownership	本集團擁有權比例	<b>34%</b>	34%
Group's share of profit after tax of the joint venture	本集團應佔合營公司的除稅後溢利	<b>2,196</b>	48
Share of total comprehensive income	應佔綜合收益總額	<b>2,196</b>	48

# Notes to the Financial Statements

## 財務報表附註

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### 18. INVESTMENTS IN JOINT VENTURES (CONTINUED)

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Share of the joint ventures' profit for the year	年內應佔合營公司溢利	<b>2,000</b>	1,035
Share of the joint ventures' total comprehensive income	應佔合營公司綜合收益總額	<b>2,000</b>	1,035
Aggregate carrying amount of the Group's investments in the joint ventures	本集團於合營公司投資的賬面總值	<b>28,035</b>	26,035

### 18. 對合營公司的投資 (續)

下表列示本集團合營公司(個別而言並非重要)的匯總財務資料:

### 19. INVESTMENTS IN ASSOCIATES

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Share of net assets	應佔資產淨額	<b>1,102,433</b>	1,050,268

### 19. 對聯營公司的投資

(Restated)  
(重述)

The Group's trade receivable and payable balances with the associates are disclosed in notes 22 and 24 to the financial statements, respectively.

本集團與聯營公司的貿易應收款項及應付款項結餘分別於財務報表附註22及24披露。

# Notes to the Financial Statements

## 財務報表附註

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### 19. INVESTMENTS IN ASSOCIATES (CONTINUED)

Particulars of the associates are as follows:

Name	Particulars of issued shares held	Place and date of registration	Percentage of ownership interest, voting power and profit sharing 所有權益、投票權及溢利分配百分比	Principal activities
名稱	所持有已發行股份詳情	註冊地點及日期		主要業務
Engro Powergen Thar (Private) Limited 安格魯塔爾電力公司	PKR12,455,120,000 12,455,120,000	Pakistan September 23, 2014 巴基斯坦 2014年9月23日	35%	Power station construction and operation 電站建造及運營
Ningguo Investment Co., Ltd. 寧國中成投資有限公司	RMB5,000,000 人民幣5,000,000元	The PRC March 27, 2014 中國 2014年3月27日	40%	Investment in infrastructure 基礎設施投資
China National Machinery Industry International Co., Ltd.* 中國機械國際合作股份有限公司	RMB381,971,000 人民幣381,971,000元	The PRC May 21, 1988 中國 1988年5月21日	19.29%	Commercial exhibition and international trade 商業會展與國際貿易
Zhuzhou South Electromechanical Manufacturing Co., Ltd. 株洲南方機電製造有限公司	RMB9,500,000 人民幣9,500,000元	The PRC August 31, 2004 中國 2004年8月31日	21.05%	Accessories manufacturing 配件製造
AIL 1 Pte. Ltd.	SGD4,000,000	Singapore November 3, 2016	20.10%	Investment Holding
AIL 1 Pte. Ltd.	4,000,000新元	新加坡 2016年11月3日	20.10%	投資控股
AIL 1 (FPI) Pte. Ltd.	SGD4,400,000	Singapore March 29, 2017	20.10%	Investment Holding
AIL 1 (FPI) Pte. Ltd.	4,400,000新元	新加坡 2017年3月29日	20.10%	投資控股
Beijing Xingqiao International Engineering Technology Co., Ltd. 北京興橋國際工程技術有限公司	RMB50,000,000 人民幣50,000,000元	The PRC January 3, 1994 中國 1994年1月3日	36.00%	Professional technical service 專業技術服務
Beijing CLP distance power technology Co., Ltd. 北京中電遠方電力技術有限公司	RMB3,000,000 人民幣3,000,000元	The PRC July 20, 2010 中國 2010年7月20日	30.00%	Project management services 項目管理服務
SINOMACH FINANCE Co., Ltd. 國機財務有限責任公司	RMB1,500,000,000 人民幣1,500,000,000元	The PRC January 25, 1989 中國 1989年1月25日	21.99%	Financial services 財務服務

\* Although the Group only holds 19.29% equity of China National Machinery Industry International Co., Ltd., the Group can appoint a director of this company. Therefore, the Group has a significant impact on the operation and management of this company, so this company should be accounted as an associate.

聯營公司的詳情如下：

\* 雖然本集團僅持有中國機械國際合作股份有限公司19.29%的股權，但本集團可以委任該公司的董事，因此本集團對該公司的經營管理有重大影響。因此該公司應作為聯營公司入賬。

# Notes to the Financial Statements

## 財務報表附註

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### 19. INVESTMENTS IN ASSOCIATES (CONTINUED)

The following table illustrates the summarised financial information of Engro Powergen Thar (Private) Limited:

### 19. 對聯營公司的投資 (續)

下表列示安格魯塔爾電力公司的財務資料概要：

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Current assets	流動資產	<b>231,733</b>	228,438
Non-current assets	非流動資產	<b>5,517,595</b>	3,511,995
Current liabilities	流動負債	<b>(108,607)</b>	(68,573)
Non-current liabilities	非流動負債	<b>(4,543,515)</b>	(2,669,463)
Net assets	資產淨額	<b>1,097,206</b>	1,002,397
Proportion of the Group's ownership	本集團擁有權比例	<b>35%</b>	35%
Group's share of net assets of the associate	本集團應佔聯營公司的資產淨額	<b>384,022</b>	350,839
Finance income	財務收入	-	85,879
Expenses	開支	<b>227,866</b>	(1,597)
Profit before tax	除稅前溢利	<b>227,866</b>	84,282
Tax	稅項	<b>(79)</b>	(18)
Profit after tax	除稅後溢利	<b>227,787</b>	84,264
Other comprehensive income	其他綜合收益	-	-
Total comprehensive income	綜合收益總額	<b>227,787</b>	84,264
Proportion of the Group's ownership	本集團擁有權比例	<b>35%</b>	35%
Group's share of income after tax of the associate	本集團應佔聯營公司的除稅後溢利	<b>79,725</b>	29,492
Share of total comprehensive income	應佔綜合收益總額	<b>79,725</b>	29,492

# Notes to the Financial Statements

## 財務報表附註

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### 19. INVESTMENTS IN ASSOCIATES (CONTINUED)

The following table illustrates the summarised financial information of SINOMACH FINANCE Co., Ltd:

### 19. 對聯營公司的投資 (續)

下表列示國機財務有限公司的財務資料概要：

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Total assets	總資產	<b>30,206,774</b>	27,894,012
Total liabilities	負債總額	<b>(27,709,824)</b>	(25,518,365)
Net assets	淨資產	<b>2,496,950</b>	2,375,647
Proportion of the Group's ownership	本集團擁有權比例	<b>21.99%</b>	21.99%
Group's share of net assets of the associate	本集團應佔聯營公司的資產淨額	<b>549,079</b>	522,405
Revenue	收入	<b>778,885</b>	446,742
Cost of sales	銷售成本	<b>(453,046)</b>	(95,581)
Other income/expenses	其他收入／開支	<b>40,370</b>	(55,044)
Profit before tax	除稅前溢利	<b>366,209</b>	296,117
Tax	稅項	<b>(89,278)</b>	(83,844)
Profit after tax	除稅後溢利	<b>276,931</b>	212,273
Other comprehensive income	其他綜合收益	<b>(116,519)</b>	(98,442)
Total comprehensive income	綜合收益總額	<b>160,412</b>	113,831
Proportion of the Group's ownership	本集團擁有權比例	<b>21.99%</b>	21.99%
Group's share of income after tax of the associate	本集團應佔聯營公司的除稅後溢利	<b>60,897</b>	46,679
Share of total comprehensive income	應佔綜合收益總額	<b>35,275</b>	25,031



# Notes to the Financial Statements

## 財務報表附註

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### 19. INVESTMENTS IN ASSOCIATES (CONTINUED)

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
Share of the associates' profit/(loss) for the year	年內應佔聯營公司溢利／(虧損)	(7,556)	5,850
Share of the associates' total comprehensive income	應佔聯營公司綜合收益總額	(7,556)	5,850
Aggregate carrying amount of the Group's investments in the associates	本集團於聯營公司投資的賬面總值	<b>169,332</b>	177,024

### 19. 對聯營公司的投資 (續)

下表列示本集團聯營公司(個別而言並非重要)的匯總財務資料:

### 20. INVENTORIES

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
Goods in transit	在途商品	100,432	95,201
Entrusted processing materials	委託加工物資	188,228	141,560
Finished goods	製成品	285,881	424,241
Completed properties held for sale	持作待售已竣工物業	11,364	14,934
		<b>585,905</b>	675,936
Provision for impairment	減值撥備	(7,005)	(5,468)
		<b>578,900</b>	670,468

### 20. 存貨

# Notes to the Financial Statements

## 財務報表附註

December 31, 2018 • 2018年12月31日

### 21. CONTRACT ASSETS

#### (a) Contract assets

		<b>31 December</b>	<b>1 January</b>	31 December
		<b>2018</b>	<b>2018</b>	2017
		<b>2018年</b>	<b>2018年</b>	2017年
		<b>12月31日</b>	<b>1月1日</b>	12月31日
		<b>RMB'000</b>	<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	<b>人民幣千元</b>	人民幣千元
Contract assets arising from: 以下項目產生的 合同資產：				
Construction services	施工服務	<b>4,002,940</b>	<b>5,374,496</b>	–
		<b>4,002,940</b>	<b>5,374,496</b>	–
Impairment	減值	<b>(25,107)</b>	<b>(29,576)</b>	–
		<b>3,977,833</b>	<b>5,344,920</b>	–

Contract assets are initially recognised for revenue earned from contracts with customers for the construction. Upon settlement with the customer, the amounts recognised as contract assets are reclassified to trade receivables. The decrease in contract assets in 2018 was the result of the increase of settlement with the customer during the year.

During the year ended 31 December 2018, RMB4,469,000 was recognised as an allowance for expected credit losses on contract assets. The Group's trading terms and credit policy with customers are disclosed in note 22 to the financial statements.

As at 31 December 2018, the expected timing of recovery or settlement for contract assets is subjected to the specific contracts terms and the progress of the performance obligations.

合同資產初步就與客戶訂立的建造合同獲得的收入確認。於與客戶結算後，確認為合同資產的金額將重新分類至貿易應收款。2018年合同資產的減少為本年與客戶結算增加所致。

截至2018年12月31日止年度，人民幣4,469,000元已確認為合同資產預期信用損失撥備。本集團與客戶的交易條款及信貸政策於財務報表附註22中披露。

於2018年12月31日，合同資產的預計收回或結算時間受特定合同條款及履約義務進度所限制。

# Notes to the Financial Statements

## 財務報表附註

December 31, 2018 • 2018年12月31日

### 21. CONTRACT ASSETS (CONTINUED)

#### (a) Contract assets (continued)

The movements in the loss allowance for impairment of contract assets are as follows:

		<b>2018</b>
		<b>2018年</b>
		<b>RMB'000</b>
		<b>人民幣千元</b>
At beginning of year	於年初	-
Effect of adoption of IFRS 9	採用國際財務報告準則第9號的影響	<b>29,576</b>
At beginning of year (restated)	於年初(重述)	<b>29,576</b>
Impairment losses	減值虧損	<b>11,400</b>
Impairment losses reversed	已撥回的減值虧損	<b>(15,869)</b>
At end of year	於年末	<b>25,107</b>

### 21. 合同資產(續)

#### (a) 合同資產(續)

合同資產減值的虧損撥備變動載列如下：

# Notes to the Financial Statements

## 財務報表附註

December 31, 2018 • 2018年12月31日

### 21. CONTRACT ASSETS (CONTINUED)

#### (a) Contract assets (continued)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on ageing of trade receivables for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

**As at December 31, 2018**  
於2018年12月31日

		<b>RMB'000</b> 人民幣千元
Expected credit loss rate	預期信貸虧損率	0.63%
		<b>RMB'000</b> 人民幣千元
Gross carrying amount	總賬面值	4,002,940
Expected credit losses	預期信貸虧損	25,107

### 21. 合同資產 (續)

#### (a) 合同資產 (續)

於各報告日期均採用撥備矩陣進行減值分析，以計量預期信貸虧損。計量合同資產之預期信貸虧損之撥備率乃基於應收貿易賬項之預期信貸虧損，因合同資產及應收貿易賬項均來自相同客戶群。合同資產之撥備率乃基於按類似虧損模式將不同客戶分部分類之應收貿易賬款的賬齡計算。該計算反映概率加權結果、貨幣時值及於報告日期可得的有關過往事項、當前條件及未來經濟條件預測的合理及可靠資料。

有關本集團採用撥備矩陣計量合同資產之信貸風險之資料載列如下：

# Notes to the Financial Statements

## 財務報表附註

December 31, 2018 • 2018年12月31日

### 21. CONTRACT ASSETS (CONTINUED)

#### (b) Amounts due from contract customers

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元 (Restated) (重述)
Gross amounts due from contract customers	應收合同客戶款項總額		
– Current portion	– 流動部份	–	5,374,496
– Non-current portion	– 非流動部份	–	1,923,798
		–	7,298,294
Contract costs incurred plus recognised profits less recognised losses to date	迄今已產生合同成本加已確認溢利減已確認虧損	–	147,053,373
Less: Progress billings	減：進度款項	–	139,755,079
		–	7,298,294

The movements in provision for recognised losses of amounts due from contract customers are as follows:

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元 (Restated) (重述)
At January 1 (restated)	於1月1日(重述)	–	131,731
Foreseeable contract losses recognised	已確認的可預計合同虧損	–	15,388
Impairment losses reversed	已撥回的減值虧損	–	(1,985)
Foreseeable contract losses reversed	已撥回的可預計合同虧損	–	(17)
Amount written off as uncollectible	撤銷不可收回的金額	–	(42,248)
At December 31	於12月31日	–	102,869

### 21. 合同資產(續)

#### (b) 應收合同客戶款項

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元 (Restated) (重述)
Gross amounts due from contract customers	應收合同客戶款項總額		
– Current portion	– 流動部份	–	5,374,496
– Non-current portion	– 非流動部份	–	1,923,798
		–	7,298,294
Contract costs incurred plus recognised profits less recognised losses to date	迄今已產生合同成本加已確認溢利減已確認虧損	–	147,053,373
Less: Progress billings	減：進度款項	–	139,755,079
		–	7,298,294

應收合同客戶款項的已確認減值虧損撥備變動如下：

# Notes to the Financial Statements

## 財務報表附註

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### 22. TRADE AND OTHER RECEIVABLES

### 22. 貿易及其他應收款項

			<b>2018</b>	2017
		<i>Notes</i>	<b>2018年</b>	2017年
		<i>附註</i>	<b>RMB'000</b>	RMB'000
			人民幣千元	人民幣千元
				(Restated)
				(重述)
Bills receivable	應收票據		<b>162,411</b>	127,799
Trade receivables	貿易應收款項		<b>7,250,344</b>	7,622,852
Long-term trade receivables	長期貿易應收款項		<b>3,371,567</b>	268,000
Less: Allowance for doubtful debts	減：呆賬撥備	(b)	<b>(1,919,227)</b>	(1,251,305)
Trade and bills receivables	貿易應收款項及應收票據	(a)	<b>8,865,095</b>	6,767,346
Advances to suppliers	向供應商預付款項		<b>3,416,686</b>	2,394,573
Other receivables	其他應收款項		<b>2,660,486</b>	2,242,953
Debt investments	債務投資		<b>598,581</b>	403,123
Less: Allowance for doubtful debts	減：呆賬撥備	(b)	<b>(114,643)</b>	(76,609)
			<b>3,144,424</b>	2,569,467
Total	總計		<b>15,426,205</b>	11,731,386
Portion classified as non-current assets	分類為非流動資產的部份		<b>(3,905,768)</b>	(847,059)
Current portion	流動部份		<b>11,520,437</b>	10,884,327

# Notes to the Financial Statements

## 財務報表附註

December 31, 2018 • 2018年12月31日

### 22. TRADE AND OTHER RECEIVABLES (CONTINUED)

#### (a) Ageing analysis

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

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

There are no unified standard credit terms granted to customers of the international engineering constructing business and trading business. The credit terms granted to customers of the international engineering constructing business are negotiated individually on a case-by-case basis and set forth in the relevant contracts. The credit terms granted to customers of the trading business are normally about three to six months. The bills receivable are generally due within 180 days from the date of issuance. The Group's credit policy is set out in note 41(a).

### 22. 貿易及其他應收款項 (續)

#### (a) 賬齡分析

根據發票日期，於報告期末的貿易應收款項及應收票據經扣除虧損撥備的賬齡分析如下：

<b>2018</b>	2017
<b>2018年</b>	2017年
<b>RMB'000</b>	RMB'000
人民幣千元	人民幣千元 (Restated) (重述)
<b>5,820,715</b>	3,886,251
<b>299,755</b>	160,899
<b>1,297,292</b>	1,397,411
<b>1,447,333</b>	1,322,785
<b>8,865,095</b>	6,767,346

國際工程承包業務及貿易業務的客戶並無獲授統一標準信貸期。授予國際工程承包業務客戶的信貸期乃按個別情況逐次獨立協定，並載列於有關合同內。授予貿易業務客戶的信貸期一般約為三至六個月。應收票據一般於發行日期起計180日內到期。本集團的信貸政策載於附註41(a)。

# Notes to the Financial Statements

## 財務報表附註

December 31, 2018 • 2018年12月31日

### 22. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

The movements in the loss allowance for impairment of trade receivables and other receivables are as follows:

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元 (Restated) (重述)
At January 1	於1月1日	<b>1,330,435</b>	924,993
Effect of adoption of IFRS 9	採用國際財務報告準則 第9號的影響	<b>84,811</b>	-
At beginning of year (restated)	年初(重述)	<b>1,415,246</b>	924,993
Impairment losses recognised	已確認的減值虧損	<b>678,248</b>	429,932
Impairment losses reversed	已撥回的減值虧損	<b>(48,113)</b>	(22,360)
Impairment losses arising from disposal of a subsidiary	處置一間附屬公司產生 的減值虧損	-	(381)
Amount written off as uncollectible	撇銷不可收回的金額	<b>(11,511)</b>	(4,270)
At end of year	年末	<b>2,033,870</b>	1,327,914

### 22. 貿易及其他應收款項(續)

#### (b) 貿易及其他應收款項減值

貿易應收款項及其他應收款項減值虧損撥備的變動如下：

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元 (Restated) (重述)
At January 1	於1月1日	<b>1,330,435</b>	924,993
Effect of adoption of IFRS 9	採用國際財務報告準則 第9號的影響	<b>84,811</b>	-
At beginning of year (restated)	年初(重述)	<b>1,415,246</b>	924,993
Impairment losses recognised	已確認的減值虧損	<b>678,248</b>	429,932
Impairment losses reversed	已撥回的減值虧損	<b>(48,113)</b>	(22,360)
Impairment losses arising from disposal of a subsidiary	處置一間附屬公司產生 的減值虧損	-	(381)
Amount written off as uncollectible	撇銷不可收回的金額	<b>(11,511)</b>	(4,270)
At end of year	年末	<b>2,033,870</b>	1,327,914



# Notes to the Financial Statements

## 財務報表附註

December 31, 2018 • 2018年12月31日

### 22. TRADE AND OTHER RECEIVABLES (CONTINUED)

#### (b) Impairment of trade and other receivables (continued)

Impairment under IFRS 9 for the year ended December 31, 2018

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing of trade receivables for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at December 31, 2018

		<b>Gross carrying amount</b> 總賬面值 <b>(RMB'000)</b> (人民幣千元)	<b>Expected credit losses</b> 預期信貸虧損 <b>(RMB'000)</b> (人民幣千元)	<b>Expected credit loss rate</b> 預期信貸虧損率
Within 1 year	一年內	3,457,528	34,951	1.01%
1 year to 2 years	一年至兩年	637,546	20,237	3.17%
2 years to 3 years	兩年至三年	163,393	27,352	16.74%
Over 3 years	超過三年	399,944	332,530	83.14%
		<b>4,658,411</b>	<b>415,070</b>	

### 22. 貿易及其他應收款項 (續)

#### (b) 貿易及其他應收款項減值 (續)

截至2018年12月31日止年度國際財務報告準則第9號項下減值

於各報告日期採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於具有類似虧損模式的多個客戶分類組別的貿易應收款項的賬齡釐定。該計算反映概率加權結果、貨幣時值及於報告日期可得的有關過往事項、當前條件及未來經濟條件預測的合理及可靠資料。

下表使用撥備矩陣載列有關本集團貿易應收款項信貸風險狀況的資料：

於2018年12月31日

# Notes to the Financial Statements

## 財務報表附註

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### 22. TRADE AND OTHER RECEIVABLES (CONTINUED)

#### (b) Impairment of trade and other receivables (continued)

*Impairment under IAS 39 for the year ended December 31, 2017*

Included in the above provision for impairment of trade receivables, which was measured based on incurred credit losses under IAS 39, as at December 31, 2017 was a provision for individually impaired trade receivables of RMB1,053,558,000 (Restated) with an aggregate carrying amount before provision of RMB2,150,187,000 (Restated).

Included in the above provision for impairment of other receivables, which was measured based on incurred credit losses under IAS 39, as at December 31, 2017, was a provision for individually impaired other receivables of RMB60,456,000 (Restated) with an aggregate carrying amount before provision of RMB1,371,438,000 (Restated).

The individually impaired trade and other receivables as at December 31, 2017 related 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.

### 22. 貿易及其他應收款項 (續)

#### (b) 貿易及其他應收款項減值 (續)

*截至2017年12月31日止年度國際會計準則第39號項下的減值*

於2017年12月31日，根據國際會計準則第39號計量的已發生信貸損失，計入上述貿易應收款項的減值撥備為單獨認定的貿易應收款項減值撥備人民幣1,053,558,000元（重述），撥備前的賬面總值為人民幣2,150,187,000元（重述）。

於2017年12月31日，根據國際會計準則第39號計量的已發生信貸損失，計入上述其他應收款項的減值撥備為單獨認定的其他應收款項減值撥備人民幣60,456,000元（重述），撥備前的賬面總值為人民幣1,371,438,000元（重述）。

於2017年12月31日，個別減值貿易及其他應收款項涉及陷入財困或逾期支付利息及／或本金的若干客戶，而預計僅有一部份應收款項可予收回。

# Notes to the Financial Statements

## 財務報表附註

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### 22. TRADE AND OTHER RECEIVABLES (CONTINUED)

#### (c) Trade and other receivables that are not impaired

The ageing analysis of the trade and bills receivables as at December 31, 2017 that were not individually nor collectively considered to be impaired under IAS 39 is as follows:

Neither past due nor impaired	既未逾期亦未減值	2,053,017
Less than 3 months past due	逾期3個月以內	98,643
3 months to 6 months past due	逾期3個月至6個月	51,653
6 months to 1 year past due	逾期6個月至1年	154,958
More than 1 year past due	逾期1年以上	60,549
		2,418,820

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

Receivables that were past due but not impaired related to a number of independent customers that had a good track record with the Group. Based on past experience, management believes that no impairment allowance under IAS 39 was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable.

### 22. 貿易及其他應收款項 (續)

#### (c) 未減值的貿易及其他應收款項

於2017年12月31日，根據國際會計準則第39號既無個別亦無共同被視為減值的貿易應收款項及應收票據的賬齡分析如下：

2017  
2017年  
RMB'000  
人民幣千元  
(Restated)  
(重述)

既未逾期亦未減值的應收款項涉及並無近期違約記錄的多個多元化客戶。

已逾期但未減值的應收款項涉及與本集團有良好往績記錄的多個獨立客戶。根據過往經驗，管理層認為無須就該等結餘作出國際會計準則第39號項下的減值撥備，原因為信貸質素並無重大變動且該等結餘仍被視為可全數收回。

# Notes to the Financial Statements

## 財務報表附註

December 31, 2018 • 2018年12月31日

### 22. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

		2018	2017
		2018年	2017年
		<b>RMB'000</b>	<b>RMB'000</b>
		人民幣千元	人民幣千元
			(Restated)
			(重述)
SINOMACH	國機	<b>902,995</b>	584,544
Fellow subsidiaries	同系附屬公司	<b>52,367</b>	39,331
Associates	聯營公司	<b>7,941</b>	-
Joint venture	合營公司	<b>299</b>	-
		<b>963,602</b>	623,875

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

- (e) As at December 31, 2018 and December 31, 2017, none of the Group's borrowings were secured by the Group's trade receivables.

### 22. 貿易及其他應收款項 (續)

- (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：

	2018	2017
	2018年	2017年
	<b>RMB'000</b>	<b>RMB'000</b>
	人民幣千元	人民幣千元
		(Restated)
		(重述)
SINOMACH	<b>902,995</b>	584,544
Fellow subsidiaries	<b>52,367</b>	39,331
Associates	<b>7,941</b>	-
Joint venture	<b>299</b>	-
	<b>963,602</b>	623,875

該等結餘為無擔保、不計息並按相近於本集團主要客戶獲提供的信貸期償還。

- (e) 於2018年12月31日及2017年12月31日，本集團概無借貸由本集團的貿易應收款項作為抵押。

# Notes to the Financial Statements

## 財務報表附註

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### 23. CASH AND CASH EQUIVALENTS AND RESTRICTED DEPOSITS

### 23. 現金及現金等價物及受限制存款

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(重述)
Cash and bank balances	現金及銀行結餘	<b>27,609,286</b>	29,627,151
Less: Restricted deposits	減：受限制存款	<b>(1,211,805)</b>	(1,363,525)
Cash and cash equivalents in the consolidated statement of financial position	於合併財務狀況表的現金及現金等價物	<b>26,397,481</b>	28,263,626
Less: Non-pledged time deposits with original maturity of over three months when acquired	減：收購時原到期日為三個月以上的無抵押定期存款	<b>(5,013,871)</b>	(6,784,311)
Cash and cash equivalents in the statement of financial position and in the consolidated statement of cash flows	於財務狀況表及合併現金流量表的現金及現金等價物	<b>21,383,610</b>	21,479,315

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to RMB15,536,562,000 (2017: RMB14,751,887,000(Restated)). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

截至報告期末，本集團以人民幣（「人民幣」）計值的現金及銀行結餘為人民幣15,536,562,000元（2017年：人民幣14,751,887,000元（重述））。人民幣不可自由兌換成其他貨幣。然而，根據中國大陸《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團可透過獲授權經營外匯業務的銀行將人民幣兌換成其他貨幣。

# Notes to the Financial Statements

## 財務報表附註

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### 23. CASH AND CASH EQUIVALENTS AND RESTRICTED DEPOSITS (CONTINUED)

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and restricted deposits are deposited with creditworthy banks with no recent history of default.

### 23. 現金及現金等價物及受限制存款 (續)

銀行現金按每日銀行存款利率的浮動利率計息。短期定期存款的存款期介乎一日至三個月，視乎本集團的即時現金需求而定，並按相關短期定期存款利率計息。銀行結餘及受限制存款存放於近期無拖欠記錄且信譽良好的銀行。

### 24. TRADE AND OTHER PAYABLES

### 24. 貿易及其他應付款項

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
Bills payable	應付票據	137,157	173,595
Trade payables	貿易應付款項	16,538,909	16,050,304
		<b>16,676,066</b>	16,223,899
Accrued salaries, wages and benefits	應計薪金、工資及福利	843,845	923,679
Other taxes payable	其他應繳稅項	232,599	185,888
Long-term payables	長期應付款項	267,435	541,102
Long-term payables due within one year	一年內到期之長期應付款項	789,582	740,458
Other payables	其他應付款項	3,749,021	2,943,704
		<b>22,558,548</b>	21,558,730
Less: Portion classified as current liabilities	減：分類為流動負債的部份	<b>(21,811,779)</b>	(21,017,404)
Non-current portion	非流動部份	<b>746,769</b>	541,326

# Notes to the Financial Statements

## 財務報表附註

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### 24. TRADE AND OTHER PAYABLES (CONTINUED)

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

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(重述)
Within 3 months	3個月以內	<b>5,627,392</b>	4,434,347
3 months to 6 months	3個月至6個月	<b>739,826</b>	1,124,594
6 months to 1 year	6個月至1年	<b>1,819,844</b>	2,821,977
Over 1 year	1年以上	<b>8,489,004</b>	7,842,981
		<b>16,676,066</b>	16,223,899

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.

### 24. 貿易及其他應付款項 (續)

根據發票日期，於報告期末的應付票據及貿易應付款項的賬齡分析如下：

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(重述)
Within 3 months	3個月以內	<b>5,627,392</b>	4,434,347
3 months to 6 months	3個月至6個月	<b>739,826</b>	1,124,594
6 months to 1 year	6個月至1年	<b>1,819,844</b>	2,821,977
Over 1 year	1年以上	<b>8,489,004</b>	7,842,981
		<b>16,676,066</b>	16,223,899

貿易應付款項為免息，通常於協定期間內支付且通常於180日內到期。應付票據通常於發行日期起計180日內到期。

# Notes to the Financial Statements

## 財務報表附註

December 31, 2018 • 2018年12月31日

### 24. TRADE AND OTHER PAYABLES (CONTINUED)

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:

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(重述)
SINOMACH	國機	<b>101,514</b>	2,193
Fellow subsidiaries	同系附屬公司	<b>840,214</b>	860,415
Joint ventures	合營公司	<b>36,797</b>	-
Associates	聯營公司	<b>32,261</b>	25,921
		<b>1,010,786</b>	888,529

### 24. 貿易及其他應付款項 (續)

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

### 25. CONTRACT LIABILITIES

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Contract liabilities	合同負債	<b>14,941,065</b>	-

### 25. 合同負債



# Notes to the Financial Statements

## 財務報表附註

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### 25. CONTRACT LIABILITIES (CONTINUED)

Details of contract liabilities as at December 31, 2018 and January 1, 2018 are as follows:

		<b>December 31,</b>	<b>January 1,</b>
		<b>2018</b>	<b>2018</b>
		<b>2018年</b>	<b>2018年</b>
		<b>12月31日</b>	<b>1月1日</b>
		<b>RMB'000</b>	<b>RMB'000</b>
		<b>人民幣千元</b>	<b>人民幣千元</b>
Advances received from customers	已收客戶預付款項		
Construction contracts	建造合同	<b>13,297,241</b>	<b>14,179,418</b>
Trading business	貿易業務	<b>1,278,097</b>	<b>1,257,052</b>
Services business	服務業務	<b>365,727</b>	<b>359,888</b>
Total contract liabilities	合同負債總額	<b>14,941,065</b>	<b>15,796,358</b>

Contract liabilities include advances received to deliver products and construction and management services. The decrease in contract liabilities in 2018 was mainly due to the decrease in advances received from customers in relation to the provision of construction services at the end of the year.

### 25. 合同負債 (續)

於2018年12月31日及2018年1月1日合同負債詳情如下：

		<b>December 31,</b>	<b>January 1,</b>
		<b>2018</b>	<b>2018</b>
		<b>2018年</b>	<b>2018年</b>
		<b>12月31日</b>	<b>1月1日</b>
		<b>RMB'000</b>	<b>RMB'000</b>
		<b>人民幣千元</b>	<b>人民幣千元</b>
Advances received from customers	已收客戶預付款項		
Construction contracts	建造合同	<b>13,297,241</b>	<b>14,179,418</b>
Trading business	貿易業務	<b>1,278,097</b>	<b>1,257,052</b>
Services business	服務業務	<b>365,727</b>	<b>359,888</b>
Total contract liabilities	合同負債總額	<b>14,941,065</b>	<b>15,796,358</b>

合同負債包括就交付產品以及提供建築及管理服務而收到的預付款項。2018年的合同負債減少主要是由於年末提供建築服務有關的預付款項減少所致。

# Notes to the Financial Statements

## 財務報表附註

December 31, 2018 • 2018年12月31日

### 26. BORROWINGS

### 26. 借貸

		2018 2018年			2017 2017年		
		Effective interest rate (%) 實際利率(%)	Maturity 到期日	RMB'000 人民幣千元	Effective interest rate (%) 實際利率(%)	Maturity 到期日	RMB'000 人民幣千元 (Restated) (重述)
<b>Current</b>	<b>流動</b>						
Short term bank loans:	短期銀行貸款：						
- Unsecured	- 無擔保	3.00-6.00	2019 2019年	640,164	2.54-5.70	2018 2018年	505,348
- Secured	- 有擔保	3.29-5.44	2019 2019年	228,450	3.27-5.44	2018 2018年	195,150
Current portion of long term bank loans:	長期銀行貸款的 流動部份：		2019年			2018年	
- Unsecured	- 無擔保	1.55-1.98	2019 2019年	1,189	1.25-4.99	2018 2018年	54,349
- Secured	- 有擔保	5.13	2019 2019年	8,600			-
				878,403			754,847
<b>Non-current</b>	<b>非流動</b>						
Long term bank loans:	長期銀行貸款：						
- Unsecured	- 無擔保	1.00-4.90	2020-2029 2020年-2029年	59,782	1.25-4.99	2019-2022 2019年-2022年	118,582
- Secured	- 有擔保	5.13	2020-2025 2020年-2025年	46,574	5.13	2019-2025 2019年-2025年	42,940
				106,356			161,522
				984,759			916,369

# Notes to the Financial Statements

## 財務報表附註

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### 26. BORROWINGS (CONTINUED)

### 26. 借貸 (續)

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元 (Restated) (重述)
Analysed into:	分析為：		
Bank loans repayable	應償還銀行貸款		
Within one year	一年以內	<b>878,403</b>	754,847
In the second year	第二年	<b>67,407</b>	30,949
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	<b>26,775</b>	122,033
Above five years	五年以上	<b>12,174</b>	8,540
		<b>984,759</b>	916,369

#### Notes:

- (a) As at December 31, 2018, certain borrowings of RMB79,084,000 (December 31, 2017: RMB77,940,000) were secured by the Group's property, plant and equipment (note 14), which included borrowings of RMB55,174,000 secured by property, plant and equipment as mentioned in note 26(d) below.
- (b) As at December 31, 2018, certain borrowings of RMB204,540,000 (December 31, 2017: RMB158,419,000) were guaranteed by the Company.
- (c) As at December 31, 2018, certain borrowings of nil (December 31, 2017: RMB1,731,000) were secured by the Group's bills receivable.
- (d) As at December 31, 2018, borrowings of RMB55,174,000 (December 31, 2017: Nil) were secured by certain of the Group's property, plant and equipment, investment properties, and prepaid land lease payments (note 14, note 15 and note 16).

#### 附註：

- (a) 於2018年12月31日，若干借貸人民幣79,084,000 (2017年12月31日：人民幣77,940,000元) 由本集團的物業、廠房及設備作為抵押，其中包括以下附註26(d)中提及的由本集團的物業、廠房及設備作為抵押的借貸人民幣55,174,000元 (附註14)。
- (b) 於2018年12月31日，若干借貸人民幣204,540,000 (2017年12月31日：人民幣158,419,000元) 由本公司作擔保。
- (c) 於2018年12月31日，並無借貸 (2017年12月31日：人民幣1,731,000元) 由本集團的應收票據作為質押。
- (d) 於2018年12月31日，若干借貸人民幣55,174,000元 (2017年12月31日：無) 由本集團若干物業、廠房及設備，投資物業和預付土地租賃款項作為抵押 (附註14、附註15和附註16)。

# Notes to the Financial Statements

## 財務報表附註

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### 27. DEFERRED TAX

#### Deferred tax assets

		Provision for impairment of assets	Construction contracts	Provisions and accruals 撥備及 應計費用	Changes in fair value of derivative financial instruments 衍生金融工具 公允價值變動	Surplus on revaluation of non-current assets 非流動資產 重估盈餘	Others 其他	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At January 1, 2018	於2018年1月1日	312,485	21,841	163,261	2,759	(153,539)	1,379	348,186
Effect of adoption of IFRS 9	應用國際財務報告準則 第9號的影響	28,597	-	-	-	-	-	28,597
At January 1, 2018 (Restated)	於2018年1月1日(重述)	341,082	21,841	163,261	2,759	(153,539)	1,379	376,783
Deferred tax credited/(debited) to profit or loss	於損益中計入/(扣除) 的遞延稅項	90,144	68,919	(11,651)	10,697	-	22,878	180,987
Deferred tax debited to other comprehensive income	於其他綜合收益中扣除 的遞延稅項	-	-	-	-	-	3,431	3,431
At December 31, 2018	於2018年12月31日	431,226	90,760	151,610	13,456	(153,539)	27,688	561,201
At January 1, 2017 (Restated)	於2017年1月1日(重述)	252,621	95,692	196,050	29,935	(132,317)	411	442,392
Deferred tax credited/(debited) to profit or loss	於損益中計入/(扣除) 的遞延稅項	59,881	(73,851)	(32,789)	(27,176)	(21,222)	968	(94,189)
Disposal of a subsidiary	處置附屬公司	(17)	-	-	-	-	-	(17)
At December 31, 2017	於2017年12月31日	312,485	21,841	163,261	2,759	(153,539)	1,379	348,186

### 27. 遞延稅項

#### 遞延稅項資產

# Notes to the Financial Statements

## 財務報表附註

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### 27. DEFERRED TAX (CONTINUED)

#### Deferred tax assets (continued)

Deferred tax assets have not been recognised in respect of the following items:

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(重述)
Tax losses	稅項虧損	<b>64,440</b>	36,026
Other deductible temporary differences	其他可抵扣暫時差額	<b>578,613</b>	458,576
		<b>643,053</b>	494,602

Deferred tax liabilities:

遞延稅項負債：

		<b>Withholding</b>	<b>Others</b>	<b>Total</b>
		<b>預扣稅金</b>	<b>其他</b>	<b>總計</b>
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
At January 1, 2018	於2018年1月1日	42,813	47,829	90,642
Effect of adoption of IFRS 9	應用國際財務報告準則第9號的影響	-	11,331	11,331
At January 1, 2018 (Restated)	於2018年1月1日(重述)	42,813	59,160	101,973
Deferred tax debited/(credited) to profit or loss	於損益中扣除/(計入)的遞延稅項	7,434	(16,730)	(9,296)
Deferred tax debited to other comprehensive income	於其他綜合收益中扣除的遞延稅項	-	1,683	1,683
At December 31, 2018	於2018年12月31日	50,247	44,113	94,360
At January 1, 2017 (Restated)	於2017年1月1日(重述)	44,542	23,617	68,159
Deferred tax debited/(credited) to profit or loss	於損益中扣除/(計入)的遞延稅項	(1,729)	26,588	24,859
Deferred tax credited to other comprehensive income	於其他綜合收益中計入的遞延稅項	-	(243)	(243)
Disposal of a subsidiary	處置附屬公司	-	(2,133)	(2,133)
At December 31, 2017	於2017年12月31日	42,813	47,829	90,642

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## 財務報表附註

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### 28. DEFINED BENEFIT OBLIGATIONS

The Group's obligations in respect of defined benefit retirement plans at the end of the reporting period were computed by a firm of independent actuaries, Towers Watson Management Consulting (Shenzhen) Co., Ltd. Beijing Branch ("Towers Watson"), using the projected unit credit method.

- (a) The provisions for defined benefit obligations recognised in the statement of financial position are shown as follows:

	<b>2018</b>	2017
	<b>2018年</b>	2017年
	<b>RMB'000</b>	RMB'000
	人民幣千元	人民幣千元 (Restated) (重述)
Retirement and other supplemental benefit obligations	<b>495,498</b>	485,576
Less: Portion classified as current liabilities	<b>33,114</b>	33,775
Non-current portion	<b>462,384</b>	451,801

- (b) The movements in present value of defined benefit obligations are as follows:

	<b>2018</b>	2017
	<b>2018年</b>	2017年
	<b>RMB'000</b>	RMB'000
	人民幣千元	人民幣千元 (Restated) (重述)
At the beginning of year	<b>485,576</b>	495,793
Interest costs on benefit obligations	<b>18,430</b>	14,300
Past service costs	<b>6,460</b>	21,510
Benefits paid during the year	<b>(34,328)</b>	(36,667)
Re-measurement losses/(gains) recognised in other comprehensive income	<b>19,360</b>	(9,360)
At the end of the year	<b>495,498</b>	485,576

### 28. 設定受益義務

本集團於報告期末就該等設定受益退休計劃須承擔的責任由獨立精算師韜睿惠悅管理諮詢(深圳)有限公司北京分公司(「韜睿惠悅諮詢公司」)採用預計單位貸記法計算。

- (a) 於財務狀況表內確認的設定受益義務撥備列示如下：

	<b>2018</b>	2017
	<b>2018年</b>	2017年
	<b>RMB'000</b>	RMB'000
	人民幣千元	人民幣千元 (Restated) (重述)
退休及其他補充受益義務	<b>495,498</b>	485,576
減：分類為流動負債的部份	<b>33,114</b>	33,775
非流動部份	<b>462,384</b>	451,801

- (b) 設定受益義務現值變動如下：

	<b>2018</b>	2017
	<b>2018年</b>	2017年
	<b>RMB'000</b>	RMB'000
	人民幣千元	人民幣千元 (Restated) (重述)
於年初	<b>485,576</b>	495,793
受益義務的利息成本	<b>18,430</b>	14,300
以往服務成本	<b>6,460</b>	21,510
年內的已付福利	<b>(34,328)</b>	(36,667)
於其他綜合收益內確認的重新計量虧損／(收益)	<b>19,360</b>	(9,360)
於年末	<b>495,498</b>	485,576

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## 財務報表附註

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### 28. DEFINED BENEFIT OBLIGATIONS (CONTINUED)

(c) The net expenses recognised in profit or loss in respect of the provisions for defined benefit obligations of the Group are as follows:

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(重述)
Interest cost on defined benefit obligations recognised in finance expense	於財務開支內確認的設定受益義務的利息成本	<b>18,430</b>	14,300
Past service cost recognised in administrative expenses	於行政開支內確認的以往服務成本	<b>6,460</b>	21,510
		<b>24,890</b>	35,810

(d) The principal actuarial assumptions used in valuing the provisions for defined benefit obligations as at the end of 2018 and 2017 are as follows:

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(重述)
Discount rates	折現率	<b>3.25%</b>	4.00%
Cost of living adjustment for civil retirees and retirees	離退休人員生活成本調整	<b>3.00%</b>	3.00%
Cost of living adjustment for beneficiaries	遺屬生活成本調整	<b>0.00%</b>	0.00%
Medical cost increase rate	醫療成本增長率	<b>8.00%</b>	8.00%
Cost of living adjustment and allowance for early retirees	提前退休人員生活成本調整及撥備	<b>4.50%</b>	4.50%
Cost of social insurance contribution and housing fund contribution adjustment for early retirees	提前退休人員社會保險繳費及住房公積金成本調整	<b>10.00%</b>	10.00%

### 28. 設定受益義務 (續)

(c) 本集團於損益內就設定受益義務撥備而確認的開支淨額如下：

	<b>2018</b>	2017
	<b>2018年</b>	2017年
	<b>RMB'000</b>	RMB'000
	人民幣千元	人民幣千元
		(Restated)
		(重述)
於財務開支內確認的設定受益義務的利息成本	<b>18,430</b>	14,300
於行政開支內確認的以往服務成本	<b>6,460</b>	21,510
	<b>24,890</b>	35,810

(d) 估算於2018年及2017年末的設定受益義務撥備所使用的主要精算假設如下：

	<b>2018</b>	2017
	<b>2018年</b>	2017年
	<b>RMB'000</b>	RMB'000
	人民幣千元	人民幣千元
		(Restated)
		(重述)
折現率	<b>3.25%</b>	4.00%
離退休人員生活成本調整	<b>3.00%</b>	3.00%
遺屬生活成本調整	<b>0.00%</b>	0.00%
醫療成本增長率	<b>8.00%</b>	8.00%
提前退休人員生活成本調整及撥備	<b>4.50%</b>	4.50%
提前退休人員社會保險繳費及住房公積金成本調整	<b>10.00%</b>	10.00%

# Notes to the Financial Statements

## 財務報表附註

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### 28. DEFINED BENEFIT OBLIGATIONS (CONTINUED)

- (e) A one percentage change in the assumed rate of increase in cost of living adjustment for civil retirees and retirees would have the following effects:

		Increase/ (decrease) in rate 增長率 上升/(下降)	2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
Increase in effect on the defined benefit obligations	對設定受益義務的影響增加	1%	21,722	21,630
Decrease in effect on the defined benefit obligations	對設定受益義務的影響減少	(1%)	(19,050)	(18,980)

A one percentage change in other assumptions would not have any significant impact on net defined benefit obligations.

其餘假設內變動一個百分點將不會對設定受益義務淨額造成重大影響。

- (f) Expected distributions of benefit payments in the future years out of the defined benefit obligations are as follows:

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元 (Restated) (重述)
Within the next 12 months	未來12個月內	39,005	39,853
Between 1 and 2 years	1至2年	38,043	39,178
Between 2 and 5 years	2至5年	108,272	112,124
Between 5 and 10 years	5至10年	157,034	165,334
Over 10 years	10年以上	385,710	408,248
Total expected payments	預期付款總額	728,064	764,737

The average duration of the defined benefit obligations at the end of the reporting period was 9 years (2017(Restated): 9 years).

- (f) 未來年度內從設定受益義務中預期支付的福利如下：

於報告期末設定受益義務的平均久期為9年(2017年(重述): 9年)。



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## 財務報表附註

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### 29. OTHER NON-CURRENT ASSETS

### 29. 其他非流動資產

		<b>2018</b>	2017
		<b>2018年</b>	2017年
<i>Note</i>		<b>RMB'000</b>	RMB'000
附註		人民幣千元	人民幣千元 (Restated) (重述)
Non-current contract assets	非流動合同資產	<b>897,782</b>	-
Available-for-sale investments	可供出售投資	(a) -	376,678
		<b>897,782</b>	376,678

(a) Details of available-for-sale investments are as follows:

(a) 可供出售投資詳情如下：

		<b>As at</b>	As at
		<b>December 31,</b>	December 31,
		<b>2018</b>	2017
		<b>於2018年</b>	於2017年
		<b>12月31日</b>	12月31日
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元 (Restated) (重述)
Listed equity investments, at fair value:	上市股權投資，按公允價值		
Hong Kong	香港	-	2,955
Shanghai	上海	-	7,066
		-	10,021
Unlisted equity investments, at cost	非上市股權投資，按成本	-	366,657
		-	376,678

The above investments consist of investments in equity securities which were designated as available-for-sale financial assets and have no fixed maturity date or coupon rate.

上述投資包括指定為可供出售金融資產的股本證券投資，且並無固定到期日及票面利率。

# Notes to the Financial Statements

## 財務報表附註

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### 30. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

### 30. 以公允價值計量且變動計入其他綜合收益的股權投資

		As at December 31, 2018 於2018年 12月31日 RMB'000 人民幣千元	As at December 31, 2017 於2017年 12月31日 RMB'000 人民幣千元 (Restated) (重述)
Listed equity investments, at fair value	上市股權投資，按公允價值		
Hong Kong	香港	56,328	-
Shanghai	上海	5,644	-
		<b>61,972</b>	-
Unlisted equity investments, at fair value	非上市股權投資，按公允價值	<b>363,918</b>	-
		<b>425,890</b>	-

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

由於本集團認為該等投資在性質上屬於戰略性，故上述股權投資不可撤銷地以公允價值計量且其變動計入其他綜合收益。

During the year ended December 31, 2018, the Group received dividends in the amounts of RMB3,300,000, RMB264,000, RMB172,000 and RMB132,000 from SINOMACH Capital Holdings co. LTD, Shanghai Baoding Investment co., LTD, Bank of Beijing Co., Ltd and Shanghai-Nanjing Expressway Equity, respectively.

截至2018年12月31日止年度，本集團收到國機資本控股有限公司、上海寶鼎投資有限公司、北京銀行股份有限公司及滬寧高速公路股份有限公司的股息分別為人民幣3,300,000元、人民幣264,000元、人民幣172,000元及人民幣132,000元。

# Notes to the Financial Statements

## 財務報表附註

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### 31. ISSUED CAPITAL

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Ordinary shares, issued and fully paid	已發行及繳足的普通股		
Domestic shares of RMB1.00 each	每股人民幣1.00元的內資股	<b>3,217,430</b>	3,217,430
H shares of RMB1.00 each	每股人民幣1.00元的H股	<b>908,270</b>	908,270
		<b>4,125,700</b>	4,125,700

### 32. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 240 to 241 of the financial statements.

### 31. 已發行股本

### 32. 儲備

本集團於本年度及過往年度的儲備金額及其變動於該等財務報表第240頁至第241頁中的合併權益變動表內呈列。

# Notes to the Financial Statements

## 財務報表附註

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### 33. BUSINESS COMBINATION UNDER COMMON CONTROL

As set out in note 39(a), on April 4, 2018, the Group acquired the 100% equity interest in China National Electric Engineering Co.,Ltd. (CNEEC) at a total cash consideration of RMB1,980,031,000. The Company and CNEEC were under the common control of SINOMACH both before and after the acquisition, and such control was not transitory. Thus, the acquisition was considered to be business combination under common control. The acquisition date was April 4, 2018, which was determined by the date of equity transfer. Accordingly, the consolidated statement of profit or loss and the consolidated statement of comprehensive income included the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under common control, where this is a shorter period, regardless of the date of the common control combination. The net assets of the combining entities or businesses were combined using the existing book values from the controlling parties' perspective. No amount was recognised in consideration for goodwill or excess of the acquirers' interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of the common control combination, to the extent of the continuation of the controlling party's interest.

### 33. 同一控制下的業務合併

如附註39(a)所載，本集團於2018年4月4日以人民幣1,980,031,000元的總現金代價收購中國電力工程有限公司（「中電工」）的100%股權。收購前後，本公司與中電工均受國機的另一控制，且控制權並非暫時。因此，該收購被視為同一控制下的業務合併。收購日期為2018年4月4日，乃根據股權轉讓日期釐定。因此，合併損益表及合併綜合收益表包括財務報表最早列報日或者合併實體或業務開始受同一控制之日起計的期間（以較短期間為準）各合併實體或業務的業績，而不論同一控制合併的日期。被合併實體或業務的淨資產以控制方而言所存在的賬面值合併。在控制方之權益持續之情況下，於同一控制合併中並無就商譽或收購方應佔被收購方可識別資產、負債及或有負債的公允淨值超過於收購成本的金額予以確認。

# Notes to the Financial Statements

## 財務報表附註

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### 33. BUSINESS COMBINATION UNDER COMMON CONTROL (CONTINUED)

The carrying amounts of the consolidated assets and liabilities of CNEEC and its subsidiaries as at the acquisition date and the comparative financial figures were as follows:

### 33. 同一控制下的業務合併 (續)

中電工及其附屬公司於收購日期的合併資產及負債的賬面值以及比較財務數據如下：

		Upon acquisition date 於收購日期 RMB'000 人民幣千元	As at December 31, 2017 於2017年12月31日 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	375,043	378,471
Investment properties	投資物業	48,624	49,388
Prepaid land lease payments	預付土地租賃款項	14,452	14,556
Intangible assets	無形資產	443,463	448,369
Investment in an associate	對聯營公司的投資	21,972	22,448
Other non-current assets	其他非流動資產	–	96,764
Non-current financial assets	非流動金融資產	158,729	–
Deferred tax assets	遞延稅項資產	31,751	27,829
Inventories	存貨	23,168	17,677
Current trade and other receivables	流動貿易及其他應收款項	907,105	837,017
Amounts due from contracts customers	應收合同客戶款項	–	1,810,635
Contract assets	合同資產	2,022,129	–
Other current financial assets	其他流動金融資產	150,000	–
Restricted deposits	受限制存款	177,865	184,574
Time deposits with original maturity over three months	原始到期日超過三個月的定期存款	1,315,884	1,751,828
Cash and cash equivalents	現金及現金等價物	2,639,799	3,012,988
Receipts in advance	預收款項	–	(2,916,322)
Contract liabilities	合同負債	(3,190,384)	–
Current trade and other payables	流動貿易及其他應付款項	(4,127,551)	(4,521,857)
Current defined benefit obligations	流動設定受益義務	(8,190)	(8,190)
Tax payable	應繳稅項	(19,296)	(24,391)
Non-current trade and other payables	非流動貿易及其他應付款項	(8,470)	(74,618)
Non-current defined benefit obligations	非流動設定受益義務	(87,610)	(90,380)
Deferred tax liabilities	遞延稅項負債	(61,126)	(46,466)
Non-controlling interests	非控股權益	(6,972)	(7,367)
Total identifiable net assets at carrying amounts, net of non-controlling interests	按賬面值呈列的可識別淨資產總額，扣減非控股權益	820,385	962,953
Surplus of consideration over net asset carrying value	代價較資產賬面淨值的盈餘	1,159,646	
Satisfied by cash	以現金支付	1,980,031	

# Notes to the Financial Statements

## 財務報表附註

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### 34. DISPOSAL OF SUBSIDIARIES

- (a) As set out in note 39(a), on January 1, 2017, the Group transferred its entire equity interest in CMEC International Exhibition Co., Ltd. (“CMEC Expo”) to China National Machinery Industry International Co., Ltd. (“SINOMACHINT”) as capital contribution amounting to RMB133,729,200 into SINOMACHINT. Upon completion, the Company held approximately 19.29% of the entire equity interest in SINOMACHINT, and CMEC Expo ceased to be a subsidiary of the Company. The disposal date was January 1, 2017, which is determined based on the date of equity transfer.

### 34. 處置附屬公司

- (a) 誠如附註39(a)所載，本集團已於2017年1月1日將其於西麥克國際展覽有限責任公司（「西麥克展覽」）的全部股本權益轉讓予中國機械國際合作股份有限公司（「SINOMACHINT」），作為相等於對SINOMACHINT進行人民幣133,729,200元的股本投入。完成後，本公司將持有SINOMACHINT全部股本權益的約19.29%，而西麥克展覽不再為本公司的附屬公司。處置日期為2017年1月1日，乃根據股權轉讓日期釐定。

		2017
		2017年
		RMB'000
		人民幣千元
<hr/>		
Net assets disposed of:	處置資產淨額：	
Property, plant and equipment	物業、廠房及設備	954
Cash and bank balances	現金及銀行結餘	73,316
Prepayments and other receivables	預付款項及其他應收款項	19,266
Accruals and other payables	應計項目及其他應付款項	(16,101)
Tax payable	應繳稅項	(2,567)
		<hr/>
		74,868
Gain on disposal of a subsidiary (note 5)	處置附屬公司所得收益（附註5）	58,861
		<hr/>
		133,729
<hr/>		
		2017
		2017年
		RMB'000
		人民幣千元
<hr/>		
Satisfied by:	支付方式：	
Equity interest of approximately 19.29% in SINOMACHINT	於SINOMACHINT的約19.29%的權益	133,729
		<hr/>

# Notes to the Financial Statements

## 財務報表附註

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### 34. DISPOSAL OF SUBSIDIARIES (CONTINUED)

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

		2017 2017年 RMB'000 人民幣千元
Cash consideration	現金代價	—
Cash and bank balances disposed of	處置現金及銀行結餘	(73,316)
Net outflow of cash and cash equivalents in respect of the disposal of a subsidiary	處置附屬公司相關的現金及現金等價物流出淨額	(73,316)

(b) On October 26, 2017, CNEEC transferred its entire equity interest in Harbin Power System Engineering and Research Institute Co., Ltd. of CNEEC (“HPI”) to SINOMACH Academy of Science and Technology Co., Ltd. at nil consideration. Upon completion, HPI and its subsidiary ceased to be subsidiaries of the Company. The disposal date is October 31, 2017, which was determined based on the date of equity transfer.

### 34. 處置附屬公司 (續)

處置附屬公司相關的現金及現金等價物流出淨額分析如下：

		2017 2017年 RMB'000 人民幣千元
現金代價	現金代價	—
處置現金及銀行結餘	處置現金及銀行結餘	(73,316)
處置附屬公司相關的現金及現金等價物流出淨額	處置附屬公司相關的現金及現金等價物流出淨額	(73,316)

(b) 中電工已於2017年10月26日將其於哈爾濱電站設備成套設計研究有限公司(「HPI」)的全部股本權益免費轉讓予國機集團科學技術研究院有限公司。完成後，HPI及其附屬公司不再為本公司的附屬公司。處置日期為2017年10月31日，乃根據股權轉讓日期釐定。

		2017 2017年 RMB'000 人民幣千元
Net assets disposed of:	處置資產淨額：	
Property, plant and equipment	物業、廠房及設備	7,622
Investment properties	投資物業	2,227
Prepaid land lease payments	預付土地租賃款項	18,568
Deferred tax assets	遞延稅項資產	57
Inventories	存貨	8,054
Current trade and other receivables	流動貿易及其他應收款項	124,118
Restricted deposits	受限制存款	39,195
Cash and cash equivalents	現金及現金等價物	36,363
Receipts in advance	預收款項	(37,937)
Current trade and other payables	流動貿易及其他應付款項	(103,857)
Current defined benefit obligations	流動設定受益義務	(1,383)
Tax payable	應繳稅項	(4,021)
Deferred tax liabilities	遞延稅項負債	(2,134)
Deferred income	遞延收益	(5,823)
		81,049

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## 財務報表附註

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### 34. DISPOSAL OF SUBSIDIARIES (CONTINUED)

### 34. 處置附屬公司 (續)

		2017
		2017年
		RMB'000
		人民幣千元
Satisfied by:	支付方式：	
Cash	現金	—

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

處置附屬公司相關的現金及現金等價物流出淨額分析如下：

		2017
		2017年
		RMB'000
		人民幣千元
Cash consideration	現金代價	—
Cash and bank balances disposed of	處置現金及銀行結餘	(36,363)
Net outflow of cash and cash equivalents in respect of the disposal of subsidiaries	處置附屬公司相關的現金及現金等價物流出淨額	(36,363)



# Notes to the Financial Statements

## 財務報表附註

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### 35. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Changes in liabilities arising from financing activities

### 35. 合併現金流量表附註

融資活動所產生的負債變動

		2018 2018年			
		Bank and other loans 銀行及其他貸款 RMB'000 人民幣千元	Other long-term payable 其他長期應付款項 RMB'000 人民幣千元	Dividends payable 應付股息 RMB'000 人民幣千元	Interest payable 應付利息 RMB'000 人民幣千元
At January 1, 2018 (Restated)	於2018年1月1日 (重述)	916,369	90,000	1,213	1,116
Changes from financing cash flows	融資現金流量變動	68,390	10,581	(849,234)	(170,416)
Interest expenses on borrowings	借貸利息開支	-	-	-	171,218
Declaration of dividends	宣派股息	-	-	849,483	-
Declaration of dividends to non-controlling shareholders	向非控股股東宣派股息	-	-	2,181	-
At December 31, 2018	於2018年12月31日	<b>984,759</b>	<b>100,581</b>	<b>3,643</b>	<b>1,918</b>

		2017 2017年			
		Bank and other loans 銀行及其他貸款 RMB'000 人民幣千元	Other long-term payable 其他長期應付款項 RMB'000 人民幣千元	Dividends payable 應付股息 RMB'000 人民幣千元	Interest payable 應付利息 RMB'000 人民幣千元
At 1 January 2017 (Restated)	於2017年1月1日 (重述)	1,046,423	-	3,782	5,736
Changes from financing cash flows	融資現金流量變動	(130,054)	90,000	(863,083)	(68,231)
Interest expenses on borrowings	借貸利息開支	-	-	-	63,611
Declaration of dividends	宣派股息	-	-	858,655	-
Declaration of dividends to non-controlling shareholders	向非控股股東宣派股息	-	-	1,859	-
At 31 December 2017 (Restated)	於2017年12月31日 (重述)	916,369	90,000	1,213	1,116

# Notes to the Financial Statements

## 財務報表附註

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### 36. CONTINGENT LIABILITIES

#### Legal contingencies

The Company and certain subsidiaries of the Group are defendants in certain lawsuits as well as the named parties in other proceedings arising in the normal course of business. While the outcomes of such contingencies, lawsuits or other proceedings cannot be determined at present, the directors of the Company believe that any resulting liabilities will not have a material adverse impact on the financial position, liquidity, or operating results of the Group.

### 37. OPERATING LEASE ARRANGEMENTS

#### (a) As lessor

The Group leases its investment properties (note 15 to the financial statements) under operating lease arrangements, with leases negotiated for terms ranging from 1 to 8 years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

### 36. 或有負債

#### 法律或有事件

本公司及本集團若干附屬公司為某些法律訴訟中的被告，亦是在日常業務中產生的其他訴訟中的指定一方。雖然目前未能確定該等或有事件、訴訟或其他法律程序的結果，本公司董事相信任何由此引致的負債不會對本集團的財務狀況、流動資金或經營業績產生重大不利影響。

### 37. 經營租賃安排

#### (a) 作為出租人

本集團根據經營租賃安排租賃其投資物業（財務報表附註15），議定租期介乎一至八年。租賃條款一般亦要求租戶支付保證金及規定可根據當時市況定期調整租金。

# Notes to the Financial Statements

## 財務報表附註

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### 37. OPERATING LEASE ARRANGEMENTS (CONTINUED)

#### (a) As lessor (continued)

At December 31, 2018, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(重述)
Within one year	一年以內	<b>35,504</b>	77,324
In the second to fifth years, inclusive	第二年至第五年(包括首尾兩年)	<b>145,102</b>	161,583
Over five years	五年以上	<b>9,512</b>	21,842
		<b>190,118</b>	260,749

#### (b) As lessee

The Group leases certain of its office properties and office equipment under operating lease arrangements. Leases for properties and office equipment are negotiated for terms ranging from 1 to 3 years.

### 37. 經營租賃安排 (續)

#### (a) 作為出租人 (續)

於2018年12月31日，本集團根據與租戶訂立的不可撤銷經營租賃到期應收的未來最低租金總額如下：

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(重述)
Within one year	一年以內	<b>35,504</b>	77,324
In the second to fifth years, inclusive	第二年至第五年(包括首尾兩年)	<b>145,102</b>	161,583
Over five years	五年以上	<b>9,512</b>	21,842
		<b>190,118</b>	260,749

#### (b) 作為承租人

本集團根據經營租賃安排承租若干辦公室物業及辦公設備。該等物業及辦公設備的議定租期介乎一至三年。

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### 37. OPERATING LEASE ARRANGEMENTS (CONTINUED)

#### (b) As lessee (continued)

At December 31, 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(重述)
Within one year	一年以內	<b>21,578</b>	12,681
In the second to fifth years, inclusive	第二年至第五年(包括首尾兩年)	<b>4,890</b>	9,624
		<b>26,468</b>	22,305

### 38. COMMITMENTS

In addition to the operating lease commitments detailed in note 37(b) above, the Group had the following capital commitments at the end of the reporting period:

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(重述)
Contracted, but not provided for:	已訂約但未撥備:		
Land and buildings	土地及樓宇	<b>690,162</b>	1,090,100
Capital contributions in respect of associates and available-for-sale investments	對聯營公司及可供出售投資的資本投入	<b>281,011</b>	300,764
		<b>971,173</b>	1,390,864

### 37. 經營租賃安排 (續)

#### (b) 作為承租人 (續)

於2018年12月31日，本集團根據不可撤銷經營租賃到期應付的未來最低租金總額如下：

### 38. 承擔

除上文附註37(b)詳述的經營租賃承擔外，本集團於報告期末擁有以下資本承擔：

# Notes to the Financial Statements

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### 39. RELATED PARTY TRANSACTIONS

- (a) The transactions below were conducted in the ordinary course of business of the Group and are in accordance with the terms agreed between the Group and its related parties:

### 39. 關聯方交易

- (a) 下列交易乃於本集團一般業務過程中根據本集團與其關聯方議定的條款進行：

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(重述)
Receipt of engineering services and products from	接受來自於下列各方的工程服務及產品		
– Fellow subsidiaries*	– 同系附屬公司*	<b>141,050</b>	282,047
– Associates	– 聯營公司	<b>783</b>	32,491
Provision of engineering services to	向下列各方提供工程服務		
– SINOMACH*	– 國機*	<b>1,257,792</b>	838,977
– Joint venture	– 合營公司	<b>67,865</b>	–
– Associates	– 聯營公司	<b>1,555,712</b>	1,722,046
– Fellow subsidiaries*	– 同系附屬公司*	<b>5,978</b>	18,632
Provision of integrated services to	向下列各方提供綜合服務		
– Fellow subsidiaries*	– 同系附屬公司*	<b>124,197</b>	71,545
– Associate (also a fellow subsidiary)*	– 聯營公司(同時是同系附屬公司)*	<b>790</b>	–
– Joint venture	– 合營公司	<b>1,265</b>	–
Net deposit placed with	於下列各方的存款淨額		
– Associate (also a fellow subsidiary)*	– 聯營公司(同時是同系附屬公司)*	<b>(572,362)</b>	299,381
Interest income received from	向下列各方收取的利息收入		
– Associate (also a fellow subsidiary)	– 聯營公司(同時是同系附屬公司)	<b>65,759</b>	60,955

# Notes to the Financial Statements

## 財務報表附註

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### 39. RELATED PARTY TRANSACTIONS (CONTINUED)

- \* These related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

As disclosed in note 33, the Group acquired the 100% equity interest in China National Electric Engineering Co.,Ltd. from SINOMACH in 2018. This acquisition also constituted a connected transaction under the Listing Rules.

As disclosed in note 34, the Group transferred its entire equity interest in CMEC Expo to SINOMACHINT as capital contribution into SINOMACHINT in 2017. This transaction also constituted a connected transaction under the Listing Rules.

### 39. 關聯方交易 (續)

- \* 該等關聯方交易亦構成關連交易或持續關連交易(定義見上市規則第14A章)。

誠如附註33所披露，於2018年本集團向國機收購中國電力工程有限公司的100%股本權益。此收購亦構成上市規則所規定的關連交易。

誠如附註34所披露，於2017年本公司將其於西麥克展覽的全部股本權益轉讓予SINOMACHINT，作為於SINOMACHINT的注資。此交易亦構成上市規則所規定的關連交易。

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## 財務報表附註

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### 39. RELATED PARTY TRANSACTIONS (CONTINUED)

#### (b) Outstanding balances with related parties:

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元 (Restated) (重述)
Cash deposits placed with	於下列各方的現金存款		
– Associate (also a fellow subsidiary)	– 聯營公司(同時是同系 附屬公司)	<b>3,881,529</b>	4,453,891
Trade and other receivables due from	應收下列各方的貿易及 其他應收款項		
– SINOMACH	– 國機	<b>902,995</b>	584,544
– Fellow subsidiaries	– 同系附屬公司	<b>52,367</b>	39,331
– Associates	– 聯營公司	<b>7,941</b>	–
– Joint venture	– 合營公司	<b>299</b>	–
Receipts in advance from	自下列各方收取的預收款項		
– SINOMACH	– 國機	<b>706,475</b>	368,285
– Fellow subsidiaries	– 同系附屬公司	<b>2,461</b>	6,826
– Associates	– 聯營公司	<b>62,377</b>	487,256
Trade and other payables due to	欠付下列各方的貿易及其他 應付款項		
– SINOMACH	– 國機	<b>101,514</b>	2,193
– Fellow subsidiaries	– 同系附屬公司	<b>840,214</b>	860,415
– Associates	– 聯營公司	<b>32,261</b>	25,921
– Joint ventures	– 合營公司	<b>36,797</b>	–
Prepayments due to	欠付下列各方的預付款項		
– Fellow subsidiaries	– 同系附屬公司	<b>87,393</b>	95,330
– Associates	– 聯營公司	<b>10,465</b>	7,890
– Joint ventures	– 合營公司	<b>26,184</b>	–

Note:

Except for the balances of cash deposits placed with a fellow subsidiary which accrue interest at relevant market rates, the balances due from related parties are unsecured, interest-free and have no fixed terms of repayment.

As at December 31, 2018, the Group has granted guarantees to the extent of RMB383,853,000 (December 31, 2017: RMB340,853,000) for securing bank loans of a joint venture.

### 39. 關聯方交易(續)

#### (b) 關聯方的結欠餘額：

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元 (Restated) (重述)
Cash deposits placed with	於下列各方的現金存款		
– Associate (also a fellow subsidiary)	– 聯營公司(同時是同系 附屬公司)	<b>3,881,529</b>	4,453,891
Trade and other receivables due from	應收下列各方的貿易及 其他應收款項		
– SINOMACH	– 國機	<b>902,995</b>	584,544
– Fellow subsidiaries	– 同系附屬公司	<b>52,367</b>	39,331
– Associates	– 聯營公司	<b>7,941</b>	–
– Joint venture	– 合營公司	<b>299</b>	–
Receipts in advance from	自下列各方收取的預收款項		
– SINOMACH	– 國機	<b>706,475</b>	368,285
– Fellow subsidiaries	– 同系附屬公司	<b>2,461</b>	6,826
– Associates	– 聯營公司	<b>62,377</b>	487,256
Trade and other payables due to	欠付下列各方的貿易及其他 應付款項		
– SINOMACH	– 國機	<b>101,514</b>	2,193
– Fellow subsidiaries	– 同系附屬公司	<b>840,214</b>	860,415
– Associates	– 聯營公司	<b>32,261</b>	25,921
– Joint ventures	– 合營公司	<b>36,797</b>	–
Prepayments due to	欠付下列各方的預付款項		
– Fellow subsidiaries	– 同系附屬公司	<b>87,393</b>	95,330
– Associates	– 聯營公司	<b>10,465</b>	7,890
– Joint ventures	– 合營公司	<b>26,184</b>	–

附註：

除於一家同系附屬公司的現金存款結餘按相關市場利率計息外，應收關聯方的結餘為無擔保、免息且並無固定還款期。

截至2018年12月31日，本集團對一家合營公司的銀行貸款作出達致人民幣383,853,000元(2017年12月31日：人民幣340,853,000元)的擔保。

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## 財務報表附註

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### 39. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Compensation of key management personnel of the Group:

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(重述)
Short term employee benefits	短期僱員福利	<b>17,479</b>	18,371
Post-employment benefits	離職後福利	<b>653</b>	572
Total compensation paid to key management personnel	向主要管理人員支付的薪酬總額	<b>18,132</b>	18,943

Further details of directors' and the chief executive's emoluments are included in note 8 to the financial statements.

董事及行政總裁酬金的進一步詳情載於財務報表附註8。

### (d) Commitments with related parties

As at December 31, 2018, the Group entered into several sale and purchase agreements with related parties. The commitments and backlogs are as follows:

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(重述)
Receipt of engineering services and products from	接受來自於下列各方的工程服務及產品		
– Fellow subsidiaries	– 同系附屬公司	<b>2,453,307</b>	4,732,751
Provision of engineering services to	向下列各方提供工程服務		
– SINOMACH	– 國機	<b>3,549,728</b>	4,498,398
– Associate	– 聯營公司	<b>666,938</b>	1,971,416

### 39. 關聯方交易 (續)

(c) 本集團主要管理人員的薪酬：

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(重述)
Short term employee benefits	短期僱員福利	<b>17,479</b>	18,371
Post-employment benefits	離職後福利	<b>653</b>	572
Total compensation paid to key management personnel	向主要管理人員支付的薪酬總額	<b>18,132</b>	18,943

董事及行政總裁酬金的進一步詳情載於財務報表附註8。

### (d) 關聯方承諾

於2018年12月31日，本集團與關聯方訂立若干買賣協議。有關承諾及未完成合同量如下：

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(重述)
Receipt of engineering services and products from	接受來自於下列各方的工程服務及產品		
– Fellow subsidiaries	– 同系附屬公司	<b>2,453,307</b>	4,732,751
Provision of engineering services to	向下列各方提供工程服務		
– SINOMACH	– 國機	<b>3,549,728</b>	4,498,398
– Associate	– 聯營公司	<b>666,938</b>	1,971,416



# Notes to the Financial Statements

## 財務報表附註

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### 40. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2018

#### Financial assets

### 40. 按類別劃分的金融工具

各類金融工具於報告期末的賬面值如下：

2018年

#### 金融資產

	Financial assets at fair value through profit or loss – held for trading	Financial assets at amortised cost	Total
	Financial assets at FVOCI 以公允價值 計量且其 變動計入其他 綜合收益的 金融資產 RMB'000 人民幣千元	Financial assets at amortised cost 按攤餘成本 計量的 金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Equity investments designated at FVOCI 以公允價值計量且變動計入其他綜合收益的股權投資	425,890	-	425,890
Financial assets included in trade and other receivables 計入貿易及其他應收款項的金融資產	-	12,052,395	12,052,947
Restricted deposits 受限制存款	-	1,211,805	1,211,805
Time deposits with original maturity over three months 原始到期日超過三個月的定期存款	-	5,013,871	5,013,871
Cash and cash equivalents 現金及現金等價物	-	21,383,610	21,383,610
	425,890	39,661,681	40,088,123

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## 財務報表附註

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### 40. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows (continued):

2018 (continued)

#### Financial liabilities

Financial liabilities included in trade and other payables	計入貿易及其他應付款項的金融負債
Derivative financial instruments included in trade and other payables	計入貿易及其他應付款項的衍生金融工具
Interest-bearing bank and other borrowings	計息銀行及其他借貸

### 40. 按類別劃分的金融工具 (續)

各類金融工具於報告期末的賬面值如下 (續) :

2018年 (續)

#### 金融負債

Financial liabilities at fair value through profit or loss – held for trading	Financial liabilities at amortised cost	Total
按公允價值計入損益的金融負債 – 持作買賣	按攤銷成本列賬的金融負債	總計
RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元
-	20,929,417	20,929,417
53,741	-	53,741
-	984,759	984,759
53,741	21,914,176	21,967,917

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## 財務報表附註

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### 40. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows (continued):

2017 (Restated)

#### Financial assets

### 40. 按類別劃分的金融工具 (續)

各類金融工具於報告期末的賬面值如下 (續) :

2017年 (重述)

#### 金融資產

		Available-for-sale financial assets 可供出售金融資產 RMB'000 人民幣千元	Loans and receivables 貸款及應收款項 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Other non-current assets	其他非流動資產	376,678	-	376,678
Financial assets included in trade and other receivables	計入貿易及其他應收款項的 金融資產	-	11,661,769	11,661,769
Restricted deposits	受限制存款	-	1,363,525	1,363,525
Time deposits with original maturity over three months	原始到期日超過三個月的定期存款	-	6,784,311	6,784,311
Cash and cash equivalents	現金及現金等價物	-	21,479,315	21,479,315
		376,678	41,288,920	41,665,598

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## 財務報表附註

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### 40. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows (continued):

2017 (Restated) (continued)

#### Financial liabilities

Financial liabilities included in trade and other payables  
Derivative financial instruments included in trade and other payables  
Interest-bearing bank and other borrowings

計入貿易及其他應付款項的金融負債  
計入貿易及其他應付款項的衍生金融工具  
計息銀行及其他借貸

### 40. 按類別劃分的金融工具 (續)

各類金融工具於報告期末的賬面值如下 (續) :

2017年 (重述) (續)

#### 金融負債

Financial liabilities at fair value through profit or loss – held for trading	Financial liabilities at amortised cost	Total
按公允價值計入損益的金融負債 – 持作買賣	按攤銷成本列賬的金融負債	總計
RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元

–	20,419,597	20,419,597
11,426	–	11,426
–	916,369	916,369
11,426	21,335,966	21,347,392

# Notes to the Financial Statements

## 財務報表附註

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### 41. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices adopted by the Group to manage these risks are described below.

#### (a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables and amounts due from contract customers. Management has a credit policy in place and the exposures to this credit risk are monitored on an ongoing basis.

The Group primarily evaluates customers' credit status and their ability to guarantee payment through its establishment of an appropriate business evaluation system. The Group generally requires customers to settle progress billings in accordance with contracted terms and other debts in accordance with agreements. Credit terms may be granted to customers, depending on credit assessment carried out by management on an individual basis. Also, in order to properly manage the credit risk on trade and other receivables, the Group has issued policies on the purchase of export credit insurance. To protect against credit risk in its trading business, the Group usually buys unified export credit insurance from China Export & Credit Insurance Corporation if needed.

The Group's significant concentration of credit risk stems from its significant trade and other receivables due from individual customers.

### 41. 財務風險管理及公允價值

本集團的日常業務過程中面臨信用風險、流動資金風險、利率風險及貨幣風險。本集團面臨的該等風險以及本集團用以管理該等風險的財務風險管理政策及慣常做法如下。

#### (a) 信用風險

本集團的信用風險主要歸屬於貿易及其他應收款項以及應收合同客戶款項。管理層已制定信貸政策並持續監控面臨的此項信用風險。

本集團主要通過建立一個適當的業務評價制度以評估客戶的信用狀況及其保證支付的能力。本集團一般要求客戶按照合同條款清償進度款項及根據協議清償其他債務。根據管理層對各個案進行的信用評估，可能向客戶授予信貸期。此外，為適當管理貿易及其他應收款項的信用風險，本集團制定了購買出口信用保險的政策。為防範貿易業務中的信用風險，本集團一般向中國出口信用保險公司購買統一的出口信用保險（倘需要）。

本集團的信用風險明顯集中於個別客戶的重大貿易及其他應收款項。

# Notes to the Financial Statements

## 財務報表附註

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### 41. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

#### (a) Credit risk (continued)

As at December 31, 2018, 6.3% of the total trade and other receivables were due from the Group's largest customer (2017: 4.9%) and 11.8% of the total trade and other receivables were due from the five largest customers (2017: 18.1%).

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 22 to the financial statements.

#### (b) Liquidity risk

The funding needs of the Company and its subsidiaries are raised and allocated by the Group. Fund raising from external sources by subsidiaries is subject to approval by the Company. The Company and its subsidiaries manage cash flows according to their own business approval processes. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with loan covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirement in the short and longer term.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date that the Group can be required to pay:

### 41. 財務風險管理及公允價值 (續)

#### (a) 信用風險 (續)

於2018年12月31日，貿易及其他應收款項總額中有6.3% (2017年：4.9%) 應向本集團最大客戶收取，而貿易及其他應收款項總額中有11.8% (2017年：18.1%) 應向五大客戶收取。

有關本集團面臨的貿易及其他應收款項的信用風險的進一步定量披露載於財務報表附註22。

#### (b) 流動資金風險

本公司及其附屬公司的資金需求由本集團籌集及分配。附屬公司向外部來源籌集資金應得到本公司的批准。本公司及其附屬公司通過其自身的業務審批流程管理現金流量。本集團的政策是定期監察目前及預期的流動資金要求及其借貸契約的合規情況，確保其維持足夠的現金儲備及取得主要金融機構的充足的資金承諾額度，以滿足其短期及較長期的流動資金要求。

下表詳述於報告期末本集團的金融負債的剩餘合同期限，其依據的是合同未折現現金流量 (含使用合同利率或依據報告期末的通行利率 (如為浮動) 計算的利息款項) 以及本集團必須付款的最早日期：

# Notes to the Financial Statements

## 財務報表附註

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### 41. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

#### (b) Liquidity risk (continued)

### 41. 財務風險管理及公允價值 (續)

#### (b) 流動資金風險 (續)

		Contractual undiscounted cash outflow 合同未折現現金流出				
		Within 1 year or on demand 1年以內 或按 要求還款	1 to 2 years	2 to 5 years	Over 5 years	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
December 31, 2018	2018年12月31日					
Borrowings	借貸	896,012	70,657	31,308	12,923	1,010,900
Trade and bills payables included in trade and other payables	計入貿易及其他應付款項的貿易應付款項及應付票據	16,676,066	-	-	-	16,676,066
Derivative financial instruments included in trade and other payables	計入貿易及其他應付款項的衍生金融工具	53,741	-	-	-	53,741
Other payables included in trade and other payables	計入貿易及其他應付款項的其他應付款項	3,215,946	-	-	-	3,215,946
Long-term payables included in trade and other payables	計入貿易及其他應付款項的長期應付款項	789,582	125,104	111,918	34,024	1,060,628
		<b>21,631,347</b>	<b>195,761</b>	<b>143,226</b>	<b>46,947</b>	<b>22,017,281</b>
Derivatives settled gross:	總額計算衍生工具					
Foreign currency forward exchange contracts:	遠期外匯合約：					
- Outflow	— 流出	2,481,957	82,358	-	-	2,564,315
- Inflow	— 流入	(2,447,529)	(83,333)	-	-	(2,530,862)

# Notes to the Financial Statements

## 財務報表附註

December 31, 2018 • 2018年12月31日

### 41. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

#### (b) Liquidity risk (continued)

		Contractual undiscounted cash outflow 合同未折現現金流出				
		Within 1 year or on demand 1年以內 或按 要求還款	1 to 2 years 1到2年	2 to 5 years 2到5年	Over 5 years 5年以上	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
December 31, 2017 (Restated)	2017年12月31日(重述)					
Borrowings	借貸	754,847	38,856	135,264	8,928	937,895
Trade and bills payables included in trade and other payables	計入貿易及其他應付款項的貿易應付款項及應付票據	16,223,899	-	-	-	16,223,899
Derivative financial instruments included in trade and other payables	計入貿易及其他應付款項的衍生金融工具	11,426	-	-	-	11,426
Other payables included in trade and other payables	計入貿易及其他應付款項的其他應付款項	2,932,053	-	-	-	2,932,053
Long-term payables included in trade and other payables	計入貿易及其他應付款項的長期應付款項	740,458	286,189	243,001	22,519	1,292,167
		<u>20,662,683</u>	<u>325,045</u>	<u>378,265</u>	<u>31,447</u>	<u>21,397,440</u>
Derivatives settled gross:	總額計算衍生工具：					
Foreign currency forward exchange contracts:	遠期外匯合約：					
- Outflow	- 流出	392,052	-	-	-	392,052
- Inflow	- 流入	(384,283)	-	-	-	(384,283)

### 41. 財務風險管理及公允價值(續)

#### (b) 流動資金風險(續)

		Contractual undiscounted cash outflow 合同未折現現金流出				
		Within 1 year or on demand 1年以內 或按 要求還款	1 to 2 years 1到2年	2 to 5 years 2到5年	Over 5 years 5年以上	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
December 31, 2017 (Restated)	2017年12月31日(重述)					
Borrowings	借貸	754,847	38,856	135,264	8,928	937,895
Trade and bills payables included in trade and other payables	計入貿易及其他應付款項的貿易應付款項及應付票據	16,223,899	-	-	-	16,223,899
Derivative financial instruments included in trade and other payables	計入貿易及其他應付款項的衍生金融工具	11,426	-	-	-	11,426
Other payables included in trade and other payables	計入貿易及其他應付款項的其他應付款項	2,932,053	-	-	-	2,932,053
Long-term payables included in trade and other payables	計入貿易及其他應付款項的長期應付款項	740,458	286,189	243,001	22,519	1,292,167
		<u>20,662,683</u>	<u>325,045</u>	<u>378,265</u>	<u>31,447</u>	<u>21,397,440</u>
Derivatives settled gross:	總額計算衍生工具：					
Foreign currency forward exchange contracts:	遠期外匯合約：					
- Outflow	- 流出	392,052	-	-	-	392,052
- Inflow	- 流入	(384,283)	-	-	-	(384,283)



# Notes to the Financial Statements

## 財務報表附註

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### 41. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

#### (c) Interest rate risk

The Group's interest rate risk arises primarily from amounts due from contract customers, bank deposits and interest-bearing borrowings. Deposits and borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group regularly reviews and monitors the mix of fixed and variable rate borrowings either through the contractual terms of the interest-bearing financial assets and liabilities or through the use of interest rate swaps in order to manage its interest rate risks.

#### (i) Interest rate profile

The following table details the interest rate profile of the Group's net instruments (interest-bearing financial assets less interest-bearing financial liabilities) at the end of the reporting period, after taking into account the effect of interest rate swaps:

### 41. 財務風險管理及公允價值 (續)

#### (c) 利率風險

本集團的利率風險主要來自於應收合同客戶款項、銀行存款及計息借貸。按浮動利率及固定利率發放的存款及借貸分別使本集團面臨現金流量利率風險及公允價值利率風險。本集團通過計息金融資產及負債的合同條款或通過利率掉期的使用定期審查及監察固定利率及浮動利率的借貸比例，以管理其利率風險。

#### (i) 利率概況

下表詳述計及利率掉期的影響，本集團於報告期末的淨工具（計息金融資產減計息金融負債）利率概況：

		<b>2018</b>	2017
		<b>2018年</b>	2017年
		<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	人民幣千元
			(Restated)
			(重述)
<b>Net fixed rate instruments:</b>	<b>淨固定利率工具：</b>		
Amounts due from contract customers	應收合同客戶款項	-	1,923,798
Contract assets	合同資產	<b>3,977,833</b>	-
Bank deposits	銀行存款	<b>9,536,246</b>	9,067,094
Less: Borrowings	減：借貸	<b>596,654</b>	647,950
		<b>12,917,425</b>	10,342,942
<b>Net variable rate instruments:</b>	<b>淨浮動利率工具：</b>		
Bank deposits	銀行存款	<b>18,073,040</b>	20,560,057
Less: Borrowings	減：借貸	<b>388,105</b>	268,419
		<b>17,684,935</b>	20,291,638

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## 財務報表附註

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### 41. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

#### (c) Interest rate risk (continued)

##### (ii) Sensitivity analysis

At December 31, 2018, it is estimated that a general increase/decrease of 100 basis points in interest rates of net variable rate instruments, with all other variables held constant, would increase/decrease the Group's profit after tax and retained profits by approximately RMB132,637,000 (2017: RMB152,187,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to cash flow interest rate risk for non-derivative financial instruments in existence at the end of the reporting period.

The estimated 100 basis points increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of the next annual reporting period. The sensitivity analysis is performed on the same basis as 2017.

### 41. 財務風險管理及公允價值 (續)

#### (c) 利率風險 (續)

##### (ii) 敏感性分析

於2018年12月31日，淨浮動利率工具的利率總體上浮／下浮100個基點而所有其他變量保持不變，估計將導致本集團的除稅後溢利及保留溢利增加／減少約人民幣132,637,000元（2017年：人民幣152,187,000元）。

上述敏感性分析假設利率變動於報告期末發生並適用於報告期末存在的非衍生金融工具面臨的現金流量利率風險。

估計100個基點的上浮或下浮代表管理層對直至下一個年度報告期末期間內的合理可能利率變動的評估。敏感性分析按2017年的相同基礎進行。

# Notes to the Financial Statements

## 財務報表附註

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### 41. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

#### (d) Currency risk

##### (i) Forecast transactions

The Group uses foreign currency forward exchange contracts to hedge some of its currency risk in respect of committed future sales transactions. At December 31, 2018, the Group had foreign currency forward exchange contracts hedged against forecast transactions with a net fair value of RMB47,598,000 (2017: RMB11,426,000), recognised as derivative financial instruments recorded in “trade and other payables”.

##### (ii) Recognised assets and liabilities

Changes in the fair value of foreign currency forward exchange contracts on monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss (see note 5). The fair value of foreign currency forward exchange contracts used by the Group on monetary assets and liabilities denominated in foreign currencies at December 31, 2018 and recognised as derivative financial instruments recorded in “trade and other payables” was RMB5,591,000 (December 31, 2017: Nil).

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

### 41. 財務風險管理及公允價值 (續)

#### (d) 貨幣風險

##### (i) 預測交易

本集團利用遠期外匯合約對沖其於已承諾未來銷售交易的部份貨幣風險。於2018年12月31日，本集團為對沖預測交易的遠期外匯合約淨公允價值為人民幣47,598,000元（2017年：人民幣11,426,000元），確認為記錄於「貿易及其他應付款項」的衍生金融工具。

##### (ii) 已確認資產及負債

有關以外幣計價的貨幣資產及負債的遠期外匯合約的公允價值變動於損益中確認（見附註5）。本集團於2018年12月31日就以外幣計價的貨幣資產及負債使用的遠期外匯合約的公允價值為人民幣5,591,000元，確認為記錄於「貿易及其他應付款項」中的衍生金融工具（2017年12月31日：無，記錄於「貿易及其他應付款項」）。

就其他以外幣計價的貨幣資產及負債而言，本集團確保通過於必要時以即期匯率買入或賣出外匯以解決短期不平衡，令淨風險保持在一個可接受的水平。

# Notes to the Financial Statements

## 財務報表附註

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### 41. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

#### (d) Currency risk (continued)

##### (iii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax and retained profits that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at those dates, assuming all other risk variables remained constant.

		2018			2017		
		2018年			2017年		
		Increase/ (decrease)	Increase/ (decrease) in	Increase/ (decrease)	Increase/ (decrease)	Increase/ (decrease) in	Increase/ (decrease)
		in foreign	profit after tax	in foreign	in foreign	profit after tax	in equity
		exchange	and retained	exchange	exchange	and retained	(decrease)
		rate	profits	rate	rate	profits	in equity
			除稅後溢利			除稅後溢利	
		外匯匯率	及保留溢利	權益增加	外匯匯率	及保留溢利	權益增加
		增加/(減少)	增加/(減少)	增加/(減少)	增加/(減少)	增加/(減少)	增加/(減少)
		%	RMB'000	RMB'000	%	RMB'000	RMB'000
		%	人民幣千元	人民幣千元	%	人民幣千元	人民幣千元
					(Restated)	(Restated)	
					(重述)	(重述)	
USD	美元	5	406,408	408,729	5	609,010	609,010
USD	美元	(5)	(406,408)	(408,729)	(5)	(609,010)	(609,010)
XAF	中非金融合作法郎	5	16,503	16,503	5	17,545	17,545
XAF	中非金融合作法郎	(5)	(16,503)	(16,503)	(5)	(17,545)	(17,545)
EUR	歐元	10	108,188	108,188	10	35,142	35,142
EUR	歐元	(10)	(108,188)	(108,188)	(10)	(35,142)	(35,142)
CAD	加元	5	20,829	20,829	5	7,673	7,673
CAD	加元	(5)	(20,829)	(20,829)	(5)	(7,673)	(7,673)

### 41. 財務風險管理及公允價值 (續)

#### (d) 貨幣風險 (續)

##### (iii) 敏感性分析

下表顯示倘若本集團於報告期末有重大敞口的外匯匯率於該等日期出現變動，假設所有其他風險變量保持不變，本集團的除稅後溢利及保留溢利可能產生的實時變更。

# Notes to the Financial Statements

## 財務報表附註

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### 41. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

#### (d) Currency risk (continued)

##### (iii) Sensitivity analysis (continued)

Results of the analysis presented in the above table represent an aggregate of the instantaneous effects on each of the Group entities' profit after tax and retained profits measured in the respective foreign currencies, translated into RMB at the exchange rates ruling at the end of each reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including intercompany payables and receivables within the Group which are denominated in currencies other than the functional currencies of the lenders or the borrowers. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis as 2017.

### 41. 財務風險管理及公允價值 (續)

#### (d) 貨幣風險 (續)

##### (iii) 敏感性分析 (續)

上表呈列的分析結果代表對本集團各實體的除稅後溢利及保留溢利(按各自的外幣計量, 並就列報而言按各報告期末的匯率換算成人民幣)的總計實時影響。

敏感性分析假設外匯匯率變動已被應用於重新計量本集團持有的令本集團於報告期末面臨外匯風險的金融工具, 包括本集團內公司間的以貸方或借方的功能貨幣以外的貨幣計價的應付款項及應收款項。分析不包括境外業務的財務報表換算為本集團的呈列貨幣產生的差異。分析按2017年的相同基礎進行。

# Notes to the Financial Statements

## 財務報表附註

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### 41. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

#### (e) Fair values

##### (i) Financial instruments carried at fair value

The following table presents the carrying value of financial instruments measured at fair value at the end of the reporting period across the two levels of the fair value hierarchy defined in IFRS 7 *Financial Instruments: Disclosures* with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

The Group's financial instruments carried at fair value as at December 31, 2018 and 2017 are measured under Level 1 or Level 2.

### 41. 財務風險管理及公允價值 (續)

#### (e) 公允價值

##### (i) 以公允價值列賬的金融工具

下表呈列以公允價值計量的金融工具於報告期末在國際財務報告準則第7號金融工具：披露所界定的公允價值層級的兩個層級的賬面值，各金融工具的公允價值完全依據對該公允價值計量而言屬重要的最低層級輸入參數歸類。層級定義如下：

本集團於2018年及2017年12月31日按公允價值列賬的金融工具均按第1級或第2級計量。

	2018 2018年			2017 2017年		
	Fair value measurement using 採用以下數據的公允價值計量			Fair value measurement using 採用以下數據的公允價值計量		
	Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第1級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第2級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第1級) RMB'000 人民幣千元 (Restated) (重述)	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第2級) RMB'000 人民幣千元 (Restated) (重述)	Total 總計 RMB'000 人民幣千元 (Restated) (重述)
<b>Assets</b>	<b>資產</b>					
Equity investments designated at fair value through other comprehensive income		以公允價值計量且變動計入其他綜合收益的股權投資				
	61,972	363,918	425,890	-	-	-
Available-for-sale investments, included in other non-current assets		計入其他非流動資產的可供出售投資		10,021	-	10,021
	-	-	-			
Derivative financial instruments, included in trade and other receivables		計入貿易及其他應收款項的衍生金融工具				
	552	-	552	-	-	-
- Foreign currency forward exchange contracts		— 遠期外匯合約				
<b>Liabilities</b>	<b>負債</b>					
Derivative financial instruments, included in trade and other payables		計入貿易及其他應付款項的衍生金融工具				
	53,741	-	53,741	11,426	-	11,426
- Foreign currency forward exchange contracts		— 遠期外匯合約				

# Notes to the Financial Statements

## 財務報表附註

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### 41. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

#### (e) Fair values (continued)

##### (ii) Estimation of fair values

###### (1) Receivables and borrowings

The fair value is estimated as the present value of the future cash flows discounted at the market interest rate at the end of the reporting period.

###### (2) Derivatives

Derivative financial instruments, including forward currency contracts and interest rate swaps, are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The carrying amounts of forward currency contracts and interest rate swaps are the same as their fair values.

### 41. 財務風險管理及公允價值 (續)

#### (e) 公允價值 (續)

##### (iii) 公允價值的估計

###### (1) 應收款項及借貸

公允價值估計為未來現金流量按報告期末的市場利率折現的現值。

###### (2) 衍生工具

衍生金融工具(包括遠期貨幣合約及利率掉期合約)採用類似遠期定價及掉期模式的估值技術,按現值計量。該等模型採用多項市場可觀察輸入數據,如交易對手信貸質量、外匯即期、遠期利率和利率曲線。遠期貨幣合約和利率掉期合約的賬面值與其公允價值相同。

# Notes to the Financial Statements

## 財務報表附註

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### 41. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

#### (f) Capital management

The Group monitors capital on the basis of the gearing ratio. The gearing ratio is derived by dividing total borrowings by total assets multiplied by 100%. In 2018, the Group's gearing ratio (total borrowings of RMB984,759,000 divided by total assets of RMB56,114,617,000) was 1.8%, representing an increase of 0.2% as compared to 1.6% (total borrowings of RMB916,369,000 divided by total assets of RMB56,350,459,000) as recorded in 2017, mainly due to the increase in short-term borrowings.

### 42. SUBSEQUENT EVENTS

On March 26, 2019, the board of directors of the Company resolved that a final dividend of RMB0.2067 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.

### 41. 財務風險管理及公允價值 (續)

#### (f) 資本管理

本集團以槓桿比率基準管理資本。槓桿比率乃將借貸總額除以資產總額再乘以100%得出。2018年，本集團的槓桿比率（借貸總額人民幣984,759,000元除以資產總額人民幣56,114,617,000元）為1.8%，與2017年的1.6%（借貸總額人民幣916,369,000元除以資產總額人民幣56,350,459,000元）相比增加0.2%，主要是由於短期借款的增加。

### 42. 期後事項

於2019年3月26日，本公司董事會決議向股東派付末期股息每股人民幣0.2067元，惟須待股東於應屆股東週年大會上批准。於報告期末後建議派發的有關末期股息尚未在報告期末確認為負債。



# Notes to the Financial Statements

## 財務報表附註

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### 43. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

### 43. 本公司的財務狀況表

有關本公司於報告期末的財務狀況表的資料如下：

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、廠房及設備	951,070	669,018
Investment properties	投資物業	10,762	11,742
Prepaid land lease payments	預付土地租賃款項	1,356,929	1,396,189
Intangible assets	無形資產	10,129	4,136
Investments in subsidiaries	對附屬公司的投資	5,532,103	3,334,039
Investment in a joint venture	對合營公司的投資	200,000	200,000
Investment in an associate	對聯營公司的投資	354,493	133,729
Equity investments designated at fair value through other comprehensive income	以公允價值計量且變動計入其他綜合收益的股權投資	354,969	-
Trade and other receivables	貿易及其他應收款項	3,514,025	285,656
Amounts due from contract customers	應收合同客戶款項	-	1,923,798
Deferred tax assets	遞延稅項資產	398,334	235,603
Other non-current assets	其他非流動資產	897,782	562,007
Total non-current assets	非流動資產總額	<b>13,580,596</b>	8,755,917
<b>CURRENT ASSETS</b>	<b>流動資產</b>		
Inventories	存貨	6,144	5,510
Trade and other receivables	貿易及其他應收款項	8,244,181	9,278,454
Amounts due from contract customers	應收合同客戶款項	-	1,829,466
Contract assets	合同資產	2,470,361	-
Restricted deposits	受限制存款	309,925	308,824
Time deposits with original maturity over three months	原始到期日超過三個月的定期存款	4,742,703	4,552,654
Cash and cash equivalents	現金及現金等價物	10,156,284	12,709,821
Total current assets	流動資產總額	<b>25,929,598</b>	28,684,729

# Notes to the Financial Statements

## 財務報表附註

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### 43. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

### 43. 本公司的財務狀況表 (續)

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>		
Receipts in advance	預收款項	–	9,345,594
Contract liabilities	合同負債	<b>9,449,487</b>	–
Trade and other payables	貿易及其他應付款項	<b>13,011,618</b>	12,320,512
Defined benefit obligations	設定受益義務	<b>19,261</b>	19,845
Tax payable	應繳稅項	<b>318,596</b>	30,000
Total current liabilities	流動負債總額	<b>22,798,962</b>	21,715,951
<b>NET CURRENT ASSETS</b>	<b>流動資產淨額</b>	<b>3,130,636</b>	6,968,778
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>資產總額減流動負債</b>	<b>16,711,232</b>	15,724,695
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>		
Trade and other payables	貿易及其他應付款項	<b>265,964</b>	90,000
Defined benefit obligations	設定受益義務	<b>212,690</b>	214,850
Total non-current liabilities	非流動負債總額	<b>478,654</b>	304,850
Net assets	淨資產	<b>16,232,578</b>	15,419,845
<b>EQUITY</b>	<b>權益</b>		
Issued capital	已發行股本	<b>4,125,700</b>	4,125,700
Reserves (note)	儲備 (附註)	<b>12,106,878</b>	11,294,145
Total equity	權益總額	<b>16,232,578</b>	15,419,845

# Notes to the Financial Statements

## 財務報表附註

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### 43. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note: A summary of the Company's reserves is as follows:

### 43. 本公司的財務狀況表 (續)

附註：本公司的儲備概要如下：

		Capital reserve 資本儲備 RMB'000 人民幣千元	Statutory surplus reserve 法定盈餘公積金 RMB'000 人民幣千元	Retained profits 保留溢利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At January 1, 2017	於2017年1月1日	3,879,173	1,070,754	6,024,645	10,974,572
Profit for the year	年內溢利	-	-	1,168,221	1,168,221
Re-measurement losses on defined benefit plans, net of tax	設定受益計劃重新評估虧損， 扣稅後	-	-	(6,180)	(6,180)
Total comprehensive income for the year	年內綜合收益總額	-	-	1,162,041	1,162,041
Dividends paid to shareholders of the Company	付予本公司股東的股息	-	-	(842,468)	(842,468)
Profit appropriation to reserves	轉撥至儲備的溢利	-	127,933	(127,933)	-
At December 31, 2017 and January 1, 2018	於2017年12月31日及 2018年1月1日	3,879,173	1,198,687	6,216,285	11,294,145
<b>Effect of adoption of IFRS9</b>	<b>採納國際財務報告準則 第9號的影響</b>	-	-	<b>(26,391)</b>	<b>(26,391)</b>
<b>Profit for the year</b>	<b>年內溢利</b>	-	-	<b>1,720,824</b>	<b>1,720,824</b>
<b>Re-measurement gains on defined benefit plans, net of tax</b>	<b>設定受益計劃重新評估收益， 扣稅後</b>	-	-	<b>(8,520)</b>	<b>(8,520)</b>
<b>Changes in fair value of an available-for-sale investment</b>	<b>可供出售投資公允價值變動</b>	-	-	<b>(23,698)</b>	<b>(23,698)</b>
<b>Total comprehensive income for the year</b>	<b>年內綜合收益總額</b>	-	-	<b>1,662,215</b>	<b>1,662,215</b>
<b>Dividends paid to shareholders of the Company</b>	<b>付予本公司股東的股息</b>	-	-	<b>(849,482)</b>	<b>(849,482)</b>
<b>Profit appropriation to reserves</b>	<b>轉撥至儲備的溢利</b>	-	<b>178,492</b>	<b>(178,492)</b>	<b>-</b>
<b>At December 31, 2018</b>	<b>於2018年12月31日</b>	<b>3,879,173</b>	<b>1,377,179</b>	<b>6,850,526</b>	<b>12,106,878</b>

### 44. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on March 26, 2019.

### 44. 批准財務報表

財務報表已於2019年3月26日獲董事會批准及授權刊發。

# Glossary of Terms

## 詞彙表

“AGM”	the annual general meeting of the Company	「股東週年大會」	指 本公司股東週年大會
“Audit Committee”	the audit committee of the Board	「審計委員會」	指 董事會審計委員會
“Articles of Association”	the articles of association of the Company, adopted on February 14, 2011 and as amended, supplemented or otherwise modified from time to time	「章程」	指 本公司於2011年2月14日採納的章程（經不時修訂、補充或以其他方式修改）
“Board”	the board of Directors	「董事會」	指 董事會
“CG Code”	the Corporate Governance Code set out in Appendix 14 to the Listing Rules	「《企業管治守則》」	指 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	「中機院」	指 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
“China United”	China United Engineering Corporation Limited* (中國聯合工程有限公司), an enterprise established in the PRC on January 21, 1984 and a wholly-owned subsidiary of SINOMACH, our connected person and our Promoter	「中國聯合」	指 中國聯合工程有限公司，一家於1984年1月21日在中國成立的企業，國機的全資附屬公司。中國聯合為我們的關連人士暨發起人
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules	「緊密聯繫人」	指 具有上市規則所賦予的涵義
“CNEEC”	China National Electric Engineering Co., Ltd.* (中國電力工程有限公司), a limited liability company incorporated 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」	指 中國電力工程有限公司，一家於1979年10月在中國註冊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

# Glossary of Terms

## 詞彙表

“Company”, “Our Company” or “CMEC”	China Machinery Engineering Corporation* (中國機械設備工程股份有限公司), a joint stock company with limited liability incorporated in the PRC on January 18, 2011, and except where the context indicates otherwise, includes (i) our predecessors and (ii) with respect to the period before our Company became the holding company of its present subsidiaries, the business operated by it and its present subsidiaries or (as the case may be) its predecessors	「公司」、 「本公司」 或 「CMEC」	指 中國機械設備工程股份有限公司，一家於2011年1月18日在中國註冊成立的股份有限公司；除非文義另有所指，否則包括：(i)我們的前身及(ii)就本公司成為其現時附屬公司的控股公司前的期間而言，其及其現時附屬公司或（視情況而定）其前身經營的業務
“Companies Law”	Company Law in the PRC (中國公司法), adopted by the Standing Committee of the National People’s Congress on October 27, 2005 and which became effective on January 1, 2006, as amended, supplemented or otherwise modified from time to time	「公司法」	指 全國人民代表大會常務委員會於2005年10月27日採納並於2006年1月1日生效的中國公司法（經不時修訂、增補或以其他形式修改）
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules	「控股股東」	指 具有上市規則所賦予的涵義
“Core Sectors”	the core sectors of our International Engineering Contracting Business which are the power sector, transportation and telecommunications sector	「核心行業」	指 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」	指 世界銀行所定義收入處於低水平、中低水平及中高水平的全球139個國家，其人均國民總收入低於12,475美元
“DEC”	Dongfang Electric Corporation	「東方電氣」	指 中國東方電氣集團有限公司
“Director(s)”	the director(s) of our Company	「董事」	指 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」	指 我們股本中的普通股，每股面值為人民幣1.00元，乃以人民幣認購及繳足

# Glossary of Terms

## 詞彙表

“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」	指 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”	European Union	「歐盟」	指 歐洲聯盟
“GDP”	the gross domestic product	「國內生產總值」	指 國內生產總值
“GE”	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」	指 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
“Global Offering”	The offering by the Company of 825,700,000 H Shares for subscription by the public in Hong Kong and placing with professional and institutional investors outside the United States in December 2012	「全球發售」	指 本公司於2012年12月提呈發售825,700,000股H股，供香港公眾認購，並配售予美國境外的專業及機構投資者
“Group”, “we” and “us”	the Company and, except where the context otherwise requires, all its subsidiaries	「集團」或「我們」	指 本公司及除文義另有所指外，其所有附屬公司
“H Share(s)”	overseas listed foreign shares in our ordinary share capital with a nominal value of RMB1.00 each, subscribed for and traded in HK\$ and which are listed on the Main Board in the Stock Exchange	「H股」	指 我們普通股本中的境外上市外資股，每股面值人民幣1.00元，以港元認購及買賣，並於聯交所主板上市
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administration Region of the PRC	「港元」	指 港元，中國香港特別行政區法定貨幣

# Glossary of Terms

## 詞彙表

“IFRS”	International Financial Reporting Standards	「國際財務報告準則」	指 國際財務報告準則
“independent third party(ies)”	person(s) or company(ies) which is (are) independent of the directors, supervisors, controlling shareholder, substantial shareholder and the chief executive (such terms as defined in the Listing Rules) of the Company or any of its subsidiaries or an associate of any of them	「獨立第三方」	指 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
“INED(s)”	the independent non-executive Director(s)	「獨立非執行董事」	指 獨立非執行董事
“International Engineering Contracting Business”	the International Engineering Contracting Business conducted by our Group with a primary focus on EPC projects	「國際工程承包業務」	指 由本集團開展，並以EPC項目為重點的國際工程承包業務
“IPP”	independent power producer	「IPP」	指 獨立發電廠
“ISA”	the United States Iran Sanctions Act, as amended (P.L. 104-172, August 5, 1996) (formerly the Iran and Libya Sanctions Act of 1996)	「伊朗制裁法」	指 美國的伊朗制裁法，經修訂(P.L. 104-172，1996年8月5日)(前稱1996年伊朗及利比亞制裁法)
“JiKan Research Institute”	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 established in the PRC and a wholly-owned subsidiary of the Company	「機勘院」	指 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
“Listing”	listing of our H Shares on the Stock Exchange	「上市」	指 我們的H股在聯交所上市
“Listing Date”	December 21, 2012	「上市日期」	指 2012年12月21日
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time	「《上市規則》」	指 《聯交所證券上市規則》(經不時修訂)

# Glossary of Terms

## 詞彙表

“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules	「《標準守則》」	指《上市規則》附錄十所載《上市發行人董事進行證券交易的標準守則》
“Nomination Committee”	the nomination committee of the Board	「提名委員會」	指 董事會提名委員會
“Non-Core Sectors”	any sectors that do not fall within the Core Sectors of our International Engineering Contracting Business	「非核心行業」	指 任何並非屬於我們國際工程承包業務核心行業的行業
“OFAC”	the Office of Foreign Assets Control of the US Department of the Treasury	「外國資產管制局」	指 美國財政部屬下外國資產管制局
“Operation and Risk Management Committee”	the operation and risk management committee of the Board	「經營與風險管理委員會」	指 董事會經營與風險管理委員會
“PRC” or “China”	The People’s Republic of China excluding, for the purpose of this announcement only, Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan	「中國」	指 中華人民共和國，僅就本公告而言，不包括中國香港特別行政區、中國澳門特別行政區及台灣
“RMB” or “Renminbi”	Renminbi yuan, the lawful currency of the PRC	「人民幣」	指 人民幣元，中國法定貨幣
“Prospectus”	the prospectus of the Company dated December 11, 2012	「招股章程」	指 本公司日期為2012年12月11日的招股章程
“Remuneration Committee”	the remuneration committee of the Board	「薪酬委員會」	指 董事會薪酬委員會
“Services Business”	the design consulting services, logistics services, tendering agency services, export-import agency services and other services conducted by the Group	「服務業務」	指 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
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time	「證券及期貨條例」	指 香港法例第571章證券及期貨條例（經不時修訂、補充或以其他方式修改）



# Glossary of Terms

## 詞彙表

“Share(s)”	share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, including our Domestic Shares and H Shares	「股份」	指 本公司股本中每股面值人民幣1.00元的股份，包括內資股及H股
“Shareholder(s)”	holder(s) of our Share(s)	「股東」	指 我們的股份持有人
“SINOMACH”	China National Machinery Industry Corporation* (中國機械工業集團有限公司), a state-owned enterprise established in the PRC on May 21, 1988, our controlling shareholder	「國機」	指 我們的控股股東中國機械工業集團有限公司，一家於1988年5月21日在中國成立的國有企業
“Sinosure”	China Export & Credit Insurance Corporation (中國出口信用保險公司), a policy-oriented insurance company specializing in export credit insurance in the PRC and an independent third party	「中國信保」	指 中國出口信用保險公司，一家在中國專營出口信用保險的政策性保險公司和獨立第三方
“SSF”	National Council for Social Security Fund of the PRC (中華人民共和國全國社會保障基金理事會)	「社保基金理事會」	指 中華人民共和國全國社會保障基金理事會
“Stock Exchange”	The Stock Exchange of Hong Kong Limited	「聯交所」	指 香港聯合交易所有限公司
“Strategy and Development Committee”	the strategy and development committee of the Board	「戰略與發展委員會」	指 董事會戰略與發展委員會
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules	「附屬公司」	指 具有《上市規則》賦予該詞的涵義
“Supervisor(s)”	the supervisor(s) of the Company	「監事」	指 本公司監事
“Supervisory Board”	the supervisory board of the Company	「監事會」	指 本公司監事會
“the Belt and Road”	the Silk Road Economic and the 21st-Century Maritime Silk Road	「一帶一路」	指 絲綢之路經濟帶和21世紀海上絲綢之路

# Glossary of Terms

## 詞彙表

“Trading Business”	the international and domestic trading business conducted by our Group	「貿易業務」	指 本集團進行的國際和國內貿易業務
“UN”	the United Nations	「聯合國」	指 聯合國
“United States” or “U.S.” or “US”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction	「美國」	指 美利堅合眾國，其領土、屬地及受限於其司法管轄權的所有地區
“US dollars” or “U.S. dollars” or “USD”	United States dollars, the lawful currency of the United States	「美元」	指 美元，美國的法定貨幣
“XD Group”	China XD Group Co., Ltd.	「西電集團」	指 中國西電集團公司
“%”	per cent. or percentage	「%」	指 百分比
* <i>Denotes English translation of the name of a Chinese company or entity or vice versa and is provided for identification purposes only.</i>		* <i>指中國公司或實體名稱的英文譯名或相反情況，僅供識別。</i>	

# Corporate Information

## 公司資料

### LEGAL NAME OF THE COMPANY

中國機械設備工程股份有限公司

### ENGLISH NAME OF THE COMPANY

China Machinery Engineering Corporation\*

### BOARD OF DIRECTORS

#### Executive Directors

Mr. ZHANG Chun (*Chairman*)

Mr. HAN Xiaojun (*President*)

#### Non-executive Directors

Mr. YU Benli

Mr. ZHANG Fusheng

#### Independent Non-executive Directors

Mr. LIU Li

Ms. LIU Hongyu

Mr. FANG Yongzhong

Mr. WU Tak Lung

### SUPERVISORS

Mr. QUAN Huaqiang (*Chairman*)

(*Shareholder representative supervisor*)

Mr. QIAN Xiangdong (*Shareholder representative supervisor*)

Ms. LIU Ting (*Staff representative supervisor*)

### JOINT COMPANY SECRETARIES

Ms. WANG Weiling

Mr. KWOK Siu Man

### AUTHORIZED REPRESENTATIVES

Mr. ZHANG Chun

Ms. WANG Weiling

\* For Identification Purposes Only

### 本公司法定名稱

中國機械設備工程股份有限公司

### 本公司英文名稱

China Machinery Engineering Corporation\*

### 董事會

#### 執行董事

張淳先生 (*董事長*)

韓曉軍先生 (*總裁*)

#### 非執行董事

余本禮先生

張福生先生

#### 獨立非執行董事

劉力先生

劉紅宇女士

方永忠先生

吳德龍先生

### 監事

全華強先生 (*監事長*)

(*股東代表監事*)

錢向東先生 (*股東代表監事*)

劉婷女士 (*職工代表監事*)

### 聯席公司秘書

王瑋玲女士

郭兆文先生

### 授權代表

張淳先生

王瑋玲女士

\* 僅供識別

### AUDIT COMMITTEE

Mr. LIU Li (*Chairman*)  
Mr. ZHANG Fusheng  
Ms. LIU Hongyu

### NOMINATION COMMITTEE

Mr. ZHANG Chun (*Chairman*)  
Ms. LIU Hongyu  
Mr. FANG Yongzhong

### REMUNERATION COMMITTEE

Mr. FANG Yongzhong (*Chairman*)  
Mr. ZHANG Fusheng  
Mr. LIU Li

### STRATEGY AND DEVELOPMENT COMMITTEE

Mr. ZHANG Chun (*Chairman*)  
Mr. HAN Xiaojun  
Mr. YU Benli  
Mr. LIU Li

### OPERATION AND RISK MANAGEMENT COMMITTEE

Mr. YU Benli (*Chairman*)  
Mr. HAN Xiaojun  
Mr. FANG Yongzhong  
Mr. WU Tak Lung

### INDEPENDENT AUDITORS

*International Auditors*  
Ernst & Young

*PRC Auditors*  
Ernst & Young Hua Ming LLP (Special General Partnership)

### PRINCIPAL BANKS

China Development Bank  
The Export-Import Bank of China  
Industrial and Commercial Bank of China Limited  
Bank of China Limited  
CITIC Bank  
China Merchants Bank (Beijing Branch)  
Bank of Communications (Beijing Dongdan Sub-branch)

### 審計委員會

劉力先生 (主席)  
張福生先生  
劉紅宇女士

### 提名委員會

張淳先生 (主席)  
劉紅宇女士  
方永忠先生

### 薪酬委員會

方永忠先生 (主席)  
張福生先生  
劉力先生

### 戰略與發展委員會

張淳先生 (主席)  
韓曉軍先生  
余本禮先生  
劉力先生

### 經營與風險管理委員會

余本禮先生 (主席)  
韓曉軍先生  
方永忠先生  
吳德龍先生

### 獨立核數師

*國際核數師*  
安永會計師事務所

*中國核數師*  
安永華明會計師事務所 (特殊普通合伙)

### 主要往來銀行

國家開發銀行  
中國進出口銀行  
中國工商銀行  
中國銀行股份有限公司  
中信銀行  
招商銀行 (北京分行)  
交通銀行 (北京東單支行)

# Corporate Information

## 公司資料

### REGISTERED OFFICE AND HEAD OFFICE IN THE PRC

No. 178 Guang'anmenwai Street,  
Xicheng District, Beijing, PRC

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 804, 8/F, Tower 1  
South Sea Centre  
75 Mody Road  
Tsimshatsui East  
Kowloon, Hong Kong

### HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong

### LEGAL ADVISORS

*As to Hong Kong Laws*  
Clifford Chance LLP

*As to PRC Laws*  
Tian Yuan Law Firm

### STOCK CODE

01829

### INVESTOR INQUIRIES

Investor Hotline: 86 10 6331 2262  
Fax No: 86 10 6332 1086

### COMPANY'S WEBSITE

[www.cmec.com](http://www.cmec.com)

### 中國註冊辦事處及本部

中國北京市西城區  
廣安門外大街178號

### 香港主要營業地點

香港九龍  
尖沙咀東  
麼地道75號  
南洋中心  
第1座8樓804室

### 香港H股股份過戶登記處

香港中央證券登記有限公司  
香港灣仔  
皇后大道東183號  
合和中心  
17樓1712-1716號舖

### 法律顧問

*關於香港法律*  
高偉紳律師事務所

*關於中國法律*  
天元律師事務所

### 股份代號

01829

### 投資者諮詢

投資者熱線：86 10 6331 2262  
傳真：86 10 6332 1086

### 公司網站

[www.cmec.com](http://www.cmec.com)



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

\* For identification purposes only

\* 僅供識別