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

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

(於中華人民共和國註冊成立的股份有限公司)

(Stock Code: 1829)

(股份代號：1829)

**INTERIM RESULTS
ANNOUNCEMENT
FOR THE SIX MONTHS ENDED
30 JUNE 2019**

**截至2019年6月30日止六個月
中期業績公告**

INTERIM RESULTS HIGHLIGHTS

中期業績摘要

- Revenue amounted to RMB13,938.7 million, representing an increase of RMB1,890.4 million or 15.7% from RMB12,048.3 million for the six months ended 30 June 2018.
- Gross profit amounted to RMB2,103.3 million, representing an increase of RMB163.6 million or 8.4% from RMB1,939.7 million for the six months ended 30 June 2018.
- Profit from operations amounted to RMB999.7 million, representing an increase of RMB92.8 million or 10.2% from RMB906.9 million for the six months ended 30 June 2018.
- Profit attributable to the owners of the parent amounted to RMB981.5 million, representing an increase of RMB89.1 million or 10.0% from RMB892.4 million for the six months ended 30 June 2018.
- The Board does not recommend the payment of interim dividend.

- 收入為人民幣13,938.7百萬元，較截至2018年6月30日止六個月人民幣12,048.3百萬元增加人民幣1,890.4百萬元或15.7%。
- 毛利為人民幣2,103.3百萬元，較截至2018年6月30日止六個月人民幣1,939.7百萬元增加人民幣163.6百萬元或8.4%。
- 經營溢利為人民幣999.7百萬元，較截至2018年6月30日止六個月人民幣906.9百萬元增加人民幣92.8百萬元或10.2%。
- 歸屬於母公司擁有人的溢利為人民幣981.5百萬元，較截至2018年6月30日止六個月人民幣892.4百萬元增加人民幣89.1百萬元或10.0%。
- 董事會不建議派付中期股息。

* For identification purposes only

* 僅供識別

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2019

The Board announces the unaudited operating results of the Group for the Period and a comparison with the operating results for the Corresponding Period in 2018. The results of the Group were prepared based on the consolidated financial statements, which were prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (the “IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance.

INTERIM RESULTS

The consolidated financial information set out below is extracted from the unaudited interim financial report prepared in accordance with the International Accounting Standard 34, “Interim financial reporting” issued by the IASB and the disclosure requirements under the Listing Rules as set out in the Group’s 2019 interim report which will be despatched to the Shareholders separately.

截至2019年6月30日止六個月的中期業績

董事會宣佈本集團於本期間的未經審計經營業績，以及與2018年同期經營業績的比較。本集團業績乃基於根據國際會計準則理事會（「國際會計準則理事會」）頒佈的國際財務報告準則以及香港《公司條例》的披露規定編製的合併財務報表而編製。

中期業績

以下載列的合併財務資料乃摘錄自根據由國際會計準則理事會頒佈的國際會計準則第34號「中期財務報告」及《上市規則》的披露規定編製的未經審計中期財務報告，並分別載入本集團將寄發予股東的2019年中期報告內。

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS 中期簡明合併損益表

		For the six months ended 30 June 截至6月30日止六個月	
		2019 2019年 (Unaudited) (未經審計) RMB'000 人民幣千元	2018 2018年 (Unaudited) (未經審計) RMB'000 人民幣千元
		Notes 附註	
REVENUE	收入	4	13,938,669
Cost of sales	銷售成本		<u>(11,835,328)</u>
Gross profit	毛利		<u>2,103,341</u>
Other revenue	其他收入	5	10,284
Other income, net	其他收入淨額	5	16,525
Selling and distribution expenses	銷售及分銷開支		(470,945)
Administrative expenses	行政開支		(540,619)
Impairment losses on financial and contract assets, net	金融及合同資產 減值虧損淨額		(117,777)
Other operating expenses	其他經營開支		<u>(1,065)</u>
PROFIT FROM OPERATIONS	經營溢利		<u>999,744</u>
Finance income	財務收入	6	262,114
Finance expenses	財務開支	6	<u>(135,919)</u>
Net finance income	財務收入淨額	6	<u>126,195</u>
Share of profits and losses of:	應佔以下溢利及虧損：		
Associates	聯營公司		94,010
Joint ventures	合營公司		<u>18,412</u>
PROFIT BEFORE TAX	除稅前溢利		1,238,361
Income tax	所得稅	7	<u>(258,063)</u>
PROFIT FOR THE PERIOD	本期間溢利		<u>980,298</u>
Attributable to:	歸屬於：		
Owners of the parent	母公司擁有人	8	981,450
Non-controlling interests	非控股權益		<u>(1,152)</u>
			<u>980,298</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	每股盈利 母公司普通權益持有人 應佔		
Basic and diluted (RMB)	基本及攤薄 (人民幣)		<u>24 cents (分)</u>
			<u>22 cents (分)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME **中期簡明合併綜合收益表**

		For the six months ended 30 June	
		截至6月30日止六個月	
		2019	2018
		2019年	2018年
		(Unaudited)	(Unaudited)
		(未經審計)	(未經審計)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
PROFIT FOR THE PERIOD	本期間溢利	980,298	893,090
OTHER COMPREHENSIVE INCOME	其他綜合收益		
Other comprehensive income/(loss) 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／(虧損)		
Remeasurement of defined benefit obligations	重新計量設定受益義務	(9,735)	3,685
Changes in fair value of financial assets at fair value through other comprehensive income (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公允價值變動	24,868	9,008
Share of other comprehensive income/(loss) of associates	應佔聯營公司其他綜合收益／(虧損)	13,650	(20,705)
Net other comprehensive income/(loss) 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／(虧損) 淨額	28,783	(8,012)
Other comprehensive loss 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虧損：		
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	(50,927)	(44,248)
Net other comprehensive loss 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虧損淨額	(50,927)	(44,248)
Other comprehensive income for the period, net of tax	本期間其他綜合收益 (扣除稅項)	(22,144)	(52,260)
Total comprehensive income for the period	本期間綜合收益總額	958,154	840,830
Attributable to:	歸屬於：		
Owners of the parent	母公司擁有人	959,220	840,096
Non-controlling interests	非控股權益	(1,066)	734
		958,154	840,830

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION **中期簡明合併財務狀況表**

30 June 2019

2019年6月30日

		30 June 2019 2019年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元	31 December 2018 2018年 12月31日 (Audited) (經審計) RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	2,424,465	2,293,698
Investment properties	投資物業	631,860	640,115
Right-of-use assets	使用權資產	1,802,471	–
Prepaid land lease payments	預付土地租賃款項	–	1,755,868
Intangible assets	無形資產	455,872	464,816
Investments in joint ventures	對合營公司的投資	399,002	380,590
Investments in associates	對聯營公司的投資	1,265,792	1,102,433
Trade and other receivables	貿易及其他應收款項	6,058,796	3,905,768
Deferred tax assets	遞延稅項資產	551,606	561,201
Other non-current assets	其他非流動資產	–	897,782
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	497,641	425,890
Total non-current assets	非流動資產總額	14,087,505	12,428,161
CURRENT ASSETS	流動資產		
Inventories	存貨	668,716	578,900
Trade and other receivables	貿易及其他應收款項	12,387,937	11,520,437
Contract assets	合同資產	4,353,757	3,977,833
Restricted deposits	受限制存款	1,040,372	1,211,805
Time deposits with original maturity of over three months	原始到期日超過三個月 的定期存款	4,345,585	5,013,871
Cash and cash equivalents	現金及現金等價物	17,752,424	21,383,610
Total current assets	流動資產總額	40,548,791	43,686,456

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED) 中期簡明合併財務狀況表 (續)

			30 June 2019 2019年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元	31 December 2018 2018年 12月31日 (Audited) (經審計) RMB'000 人民幣千元
CURRENT LIABILITIES	流動負債			
Borrowings	借貸		597,582	878,403
Contract liabilities	合同負債		13,389,093	14,941,065
Trade and other payables	貿易及其他應付款項	<i>11</i>	22,088,738	21,811,779
Lease liabilities	租賃負債		28,784	–
Defined benefit obligations	設定受益義務		29,887	33,114
Tax payable	應繳稅項		284,977	527,133
Total current liabilities	流動負債總額		36,419,061	38,191,494
NET CURRENT ASSETS	流動資產淨額		4,129,730	5,494,962
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減流動負債		18,217,235	17,923,123
NON-CURRENT LIABILITIES	非流動負債			
Borrowings	借貸		45,136	106,356
Trade and other payables	貿易及其他應付款項	<i>11</i>	930,739	746,769
Lease liabilities	租賃負債		40,858	–
Defined benefit obligations	設定受益義務		466,400	462,384
Deferred tax liabilities	遞延稅項負債		88,923	94,360
Total non-current liabilities	非流動負債總額		1,572,056	1,409,869
Net assets	淨資產		16,645,179	16,513,254
EQUITY	權益			
Issued capital	已發行股本		4,125,700	4,125,700
Reserves	儲備		12,408,146	12,301,708
Total equity attributable to owners of the parent	母公司擁有人應佔 權益總額		16,533,846	16,427,408
Non-controlling interests	非控股權益		111,333	85,846
Total equity	權益總額		16,645,179	16,513,254

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

未經審計中期簡明合併財務報表附註

1. CORPORATE INFORMATION

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

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

On 21 December 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 China National Machinery Industry Corporation (“SINOMACH”) and China United Engineering Corporation (“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”).

On 2 January 2013, an 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 30 June 2019, 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 is SINOMACH, which was established in the People’s Republic of China.

1. 公司資料

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

本公司及其附屬公司（「本集團」）主要從事國際工程承包業務及貿易業務。

於2012年12月21日，本公司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，中國機械工業集團有限公司（「國機」）及中國聯合工程有限公司（「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，並轉予中國全國社會保障基金理事會（「社保基金理事會」）。

於2013年1月2日，本公司授予的超額配股權獲悉數行使，本公司已按每股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合共10,770,000股每股面值人民幣1.00元的國有內資股已按一換一的基準轉為H股，並轉予社保基金理事會。於2019年6月30日，合共908,270,000股H股於香港聯交所上市。

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

2.1 BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2019 have been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* and the disclosure requirements of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2018. The interim condensed consolidated financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand, except when otherwise indicated.

2.2 IMPACTS OF NEW AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed applied in the preparation of the Group’s annual financial statements for the year ended 31 December 2018, except for the adoption of the new and revised International Financial Reporting Standards (“IFRSs”) effective as of 1 January 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group applies, for the first time, IFRS 16 *Leases*. As required by IAS 34, the nature and effect of these changes are disclosed below.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the interim condensed consolidated financial statements of the Group.

2.1 編製基準

截至2019年6月30日止六個月的未經審計中期簡明合併財務報表已按國際會計準則（「國際會計準則」）第34號「*中期財務報告*」及香港聯交所證券上市規則的披露規定編製。

未經審計中期簡明合併財務報表並不包括年度財務報表所要求的所有資料及披露資訊，並應連同本集團截至2018年12月31日止年度的年度財務報表一併閱讀。中期簡明合併財務報表以人民幣（「人民幣」）呈列，除另有指明外，所有金額均湊整至最接近千位。

2.2 新訂及經修訂國際財務報告準則的影響

編製未經審計中期簡明合併財務報表所採納的會計政策與編製本集團截至2018年12月31日止年度的年度財務報表隨後所應用者一致，惟採納截至2019年1月1日已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」）除外。本集團尚未提前採納任何其他已頒佈但尚未生效的準則、詮釋或修訂。

本集團首次應用國際財務報告準則第16號「*租賃*」。鑒於國際會計準則第34號規定，該等變動的性質及影響披露如下。

部分其他修訂及詮釋於2019年首次應用，但對本集團的中期簡明合併財務報表並無影響。

IFRS 16 Leases

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 account for most leases under a single on-balance sheet model. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have any financial impact on leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019, and the comparative information for 2018 was not restated and continues to be reported under IAS 17.

(a) *New definition of a lease*

Under IFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

國際財務報告準則第16號「租賃」

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，並要求承租人在單一資產負債表內模型中計算大多數租賃。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號下規定並無實質性改變。出租人將繼續採用與國際會計準則第17號類似的原則將租賃分類為經營租賃或融資租賃。因此，國際財務報告準則第16號對本集團為出租人的租賃並無任何財務影響。

本集團透過採用經修訂追溯採納法採納國際財務報告準則第16號，首次應用日期為2019年1月1日。根據此方法，已追溯應用該準則，並將首次應用該準則的累計影響作為2019年1月1日保留盈利期初餘額的調整，而2018年的比較資料並無重列並繼續根據國際會計準則第17號列報。

(a) *租賃的新定義*

根據國際財務報告準則第16號，一項合約如讓渡在一段時間內控制已識別資產使用的權利以獲取代價，則屬於或包含租賃。倘客戶有權透過使用該項已識別資產獲取絕大部分經濟利益及有權操控該項已識別資產用途，則為讓渡控制權。在首次應用日期，本集團選擇採用的過渡期可行權宜方法，僅對於之前應用國際會計準則第17號及國際財務報告詮釋委員會詮釋第4號識別為租賃的合約應用該準則。未根據國際會計準則第17號及國際財務報告詮釋委員會詮釋第4號識別為租賃的合約不予重新評估。因此，國際財務報告準則第16號的租賃定義僅適用於在2019年1月1日或之後訂立或更改的合約。

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their standard-alone prices. A practical expedient is available to a lessee, which the Group has adopted, not to separate non-lease components and to account for the lease and the associated non-lease components (e.g., property management services for leases of properties) as a single lease component.

(b) As a lessee – Leases previously classified as operating leases

Nature of the effect of adoption of IFRS 16

The Group has lease contracts for various items of property and other equipment. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under IFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low value assets (elected on a lease-by-lease basis) and short-term leases (elected by class of underlying asset). The Group has elected not to recognise right-of-use assets and lease liabilities for (i) leases of low-value assets (e.g., laptop computers); and (ii) leases, that at the commencement date, have a lease term of 12 months or less. Instead, the Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

Impacts on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019 and included in lease liabilities.

在開始或重新評估包含租賃組成部分的合約時，本集團以各租賃組成部分和非租賃組成部分的單獨價格為基礎將合約內的代價分配至該等組成部分。本集團已作為承租人採用可行權宜方法，選擇不分拆非租賃組成部分，而是將租賃組成部分和與其相關的非租賃組成部分（如物業租賃的物業管理服務）作為單一租賃組成部分入賬。

(b) 作為承租人 – 之前分類為經營租賃的租賃

採納國際財務報告準則第16號的影響的性質

本集團擁有多個物業及其他設備項目的租賃合約。本集團之前作為承租人根據對租賃是否將資產擁有權的絕大部分報酬與風險轉移至本集團的評估，將租賃分類為融資租賃或經營租賃。根據國際財務報告準則第16號，本集團對所有租賃應用單一方法確認和計量使用權資產與租賃負債，惟低價值資產租賃（基於每一項租賃選擇）與短期租賃（基於每一類相關資產選擇）兩類選擇性豁免除外。本集團選擇不就(i)低價值資產（如手提電腦）租賃；及(ii)於租賃開始之日租賃期為12個月或以下的租賃確認使用權資產及租賃負債。相反，本集團在租賃期內以直線法將與該等租賃相關的租賃付款確認為開支。

過渡影響

於2019年1月1日的租賃負債乃根據剩餘租賃付款按於2019年1月1日的增量借款利率貼現的現值確認並計入租賃負債。

The right-of-use assets were 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 1 January 2019. All these assets were assessed for any impairment based on IAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position.

The Group has used the following elective practical expedients when applying IFRS 16 at 1 January 2019:

- Applied the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend/terminate the lease
- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics
- Excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application

The impacts arising from the adoption of IFRS 16 as at 1 January 2019 are as follows:

Assets	
Increase in right-of-use assets	
Decrease in prepaid land lease payments	
Decrease in prepayments	
Increase in total assets	
Liabilities	
Increase in lease liabilities	
Increase in total liabilities	

使用權資產乃按照租賃負債的金額計量，並根據與於緊接2019年1月1日前於財務狀況表確認的租賃相關的任何預付或預提租賃付款金額調整。本集團於該日根據國際會計準則第36號對所有該等資產進行減值評估。本集團選擇在財務狀況表中單獨列示使用權資產。

本集團於2019年1月1日應用國際財務報告準則第16號時，採用下述選擇性可行權宜方法：

- 對於租賃期將於首次應用日期起計12個月內結束的租賃應用短期租賃豁免
- 對合約中包含續租／終止租賃選擇權的租賃，採用事後確認方式確定租賃期
- 對具有相似特徵的租賃組合使用單一貼現率
- 在首次採納日計量使用權資產時不包括初始直接成本

於2019年1月1日採納國際財務報告準則第16號的影響如下：

	Increase/ (Decrease) 增加／(減少) (Unaudited) (未經審計) <i>RMB'000</i> 人民幣千元
資產	
使用權資產增加	1,844,073
預付土地租賃款減少	(1,755,868)
預付款項減少	(2,446)
	<hr/>
總資產增加	85,759
負債	
租賃負債增加	85,759
	<hr/>
總負債增加	85,759

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 are as follows:

於2019年1月1日的租賃負債與於2018年12月31日的經營租賃承擔對賬如下：

		(Unaudited) (未經審計) RMB'000 人民幣千元
Operating lease commitments as at 31 December 2018	於2018年12月31日的經營租賃承擔	26,468
Weighted average incremental borrowing rate as at 1 January 2019	於2019年1月1日的加權平均增量借款利率	4.69%
Discounted operating lease commitments at 1 January 2019	於2019年1月1日的已貼現經營租賃承擔	24,991
Less: Commitments relating to short-term leases and those leases with a remaining lease term ending on or before 31 December 2019	減：與短期租賃及餘下租賃期將於2019年12月31日或之前結束的租賃相關的承擔	714
Add: Payments for optional extension periods not recognised as at 31 December 2018	加：於2018年12月31日未獲確認的可選延期期間的付款	61,482
Lease liabilities as at 1 January 2019	於2019年1月1日的租賃負債	85,759

(c) *Summary of new accounting policies*

(c) *新會計政策概要*

The accounting policy for leases as disclosed in the annual financial statements for the year ended 31 December 2018 is replaced with the following new accounting policies upon adoption of IFRS 16 from 1 January 2019:

截至2018年12月31日止年度的年度財務報表所披露的租賃會計政策將於2019年1月1日起採納國際財務報告準則第16號時以如下新會計政策取代：

Right-of-use assets

使用權資產

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term.

使用權資產於租賃開始日期確認。使用權資產按成本減任何累計折舊及任何減值虧損計量，並就任何重新計量的租賃負債作出調整。使用權資產成本包括已確認租賃負債金額、已發生的初始直接成本及於開始日期或之前作出的租賃付款減任何已收取租賃獎勵。除非本集團合理確定於租期結束時取得租賃資產所有權，否則已確認的使用權資產於其估計可使用年期及租期（以較短者為準）內按直線法計提折舊。

Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

租賃負債

租賃負債於租賃開始日期按租期內將作出的租賃付款現值確認。租賃付款包括定額付款（含實質定額款項）減任何租賃獎勵應收款項、取決於指數或利率的可變租賃款項以及預期根據剩餘價值擔保支付的金額。租賃付款亦包括本集團合理確定行使的購買選擇權的行使價及在租期反映本集團行使終止租賃選擇權時，有關終止租賃的罰款。不取決於指數或利率的可變租賃付款在出現觸發付款的事件或條件的期間內確認為一項開支。

於計算租賃付款的現值時，倘租賃內含利率不易釐定，則本集團使用租賃開始日期的增量借款利率計算。於開始日期後，租賃負債金額的增加反映了利息的增長，其減少則關乎所作出的租賃付款。此外，倘存在租期的修改以及租期、實質定額租賃付款或購買相關資產的評估的變更，則重新計量租賃負債的賬面值。

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office buildings and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases, to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. It considers all relevant factors that create an economic incentive for it to exercise the renewal. After the lease commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within the control of the Group and affects its ability to exercise the option to renew.

短期租賃及低價值資產租賃

本集團對辦公樓宇及設備的短期租賃（即自開始日期起租期為12個月或以下且不含購買選擇權的租賃）應用短期租賃確認豁免，亦對其認為屬低價值的辦公設備租賃應用低價值資產租賃確認豁免。短期租賃及低價值資產租賃的租賃付款以直線法按租期確認為一項開支。

釐定有重續選擇權合約的租期時所用重大判斷

本集團將租期釐定為不可撤銷租賃期限，而如果能合理確定將行使延長租賃的選擇權，租期還應包括該選擇權所涵蓋的任何期間，或在合理確定將不會行使終止租賃的選擇權時，還應包括該選擇權所涵蓋的任何期間。

本集團根據其部分租約可選擇將有關資產按額外期限續租。本集團於評估行使重續選擇權有否合理確定性時運用判斷。其將所有會對行使重續構成經濟激勵的相關因素進行考量。於租賃開始日期後，本集團於有影響其行使重續選擇權的可控範圍內重大事件或情況變動時，會重新評估租期。

(d) *Amounts recognised in the unaudited interim condensed consolidated statements of financial position and profit or loss*

The carrying amounts of the Group's right-of-use assets and lease liabilities, and the movements during the period are as follows:

(d) 於未經審計中期簡明合併財務狀況表及損益表確認的金額

下表載列期內本集團使用權資產及租賃負債的賬面值及變動：

		Right-of-use assets 使用權資產			Lease liabilities
		Office buildings 辦公樓宇	Land use right 土地使用權	Total 總計	租賃負債
		(Unaudited) (未經審計)	(Unaudited) (未經審計)	(Unaudited) (未經審計)	(Unaudited) (未經審計)
		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
As at 1 January 2019	於2019年1月1日	88,205	1,755,868	1,844,073	85,759
Additions	添置	1,279	-	1,279	697
Depreciation charge	折舊開支	(18,604)	(23,397)	(42,001)	-
Interest expense	利息開支	-	-	-	1,392
Payments	付款	-	-	-	(17,132)
Others	其他	(880)	-	(880)	(1,074)
As at 30 June 2019	於2019年6月30日	70,000	1,732,471	1,802,471	69,642

IFRIC Interpretation 23 *Uncertainty over Income Tax Treatment*

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 *Income Taxes*. It 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 the following:

- Whether an entity considers uncertain tax treatments separately.
- The assumptions an entity makes about the examination of tax treatments by taxation authorities.
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.
- How an entity considers changes in facts and circumstances.

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty needs to be followed.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex multinational environment, it assessed whether the interpretation had an impact on its interim condensed consolidated financial statements.

Upon adoption of the Interpretation, the Group considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Company's and the subsidiaries' tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Group determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The interpretation did not have an impact on the interim condensed consolidated financial statements of the Group.

國際財務報告詮釋委員會詮釋第23號「所得稅處理之不確定性」

倘稅項處理涉及影響應用國際會計準則第12號「所得稅」的不確定性，該詮釋處理該情況下的所得稅會計方法。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。該詮釋具體處理以下事項：

- 實體是否考慮對不確定稅項進行單獨處理。
- 實體對稅務機關的稅項處理檢查所作的假設。
- 實體如何釐定應課稅溢利（稅項虧損）、稅基、未動用稅項虧損、未動用稅收抵免及稅率。
- 實體如何考慮事實及情況變動。

實體必須釐定是考慮單獨進行各項不確定的稅項處理還是將一項或多項其他不確定稅項處理合併進行。應採用能更好預測不確定性的解決方法。

本集團於確定所得稅處理不確定性時運用重大判斷。由於本集團在複雜的跨國環境下經營，本集團已評估該詮釋是否會對其中期簡明合併財務報表造成影響。

於採納該詮釋時，本集團考慮其是否存在任何不確定稅務情況（尤其是與轉移定價有關時）。本公司及附屬公司於不同司法權區進行的稅務申報包括有關轉移定價的抵扣，而稅務機關可能質疑有關稅項處理。本集團根據其對稅務合規及轉移定價的研究確定，其稅項處理（包括對附屬公司的稅項處理）可能會獲稅務機關接受。該詮釋對本集團的中期簡明合併財務報表並無影響。

Amendments to IFRS 9 Prepayment Features with Negative Compensation

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are ‘solely payments of principal and interest on the principal amount outstanding’ (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the interim condensed consolidated financial statements of the Group.

Amendments to IAS 19 Plan Amendment, Curtailment or Settlement

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset). These amendments had no impact on the interim condensed consolidated financial statements of the Group as it did not have any plan amendments, curtailments, or settlements during the period.

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」

根據國際財務報告準則第9號，債務工具可按攤銷成本或按公允價值計量且其變動計入其他綜合收益計量，惟合約現金流量為「僅支付本金及未償還本金的利息」(SPPI標準)且該工具以該類別適用的業務模式而持有。國際財務報告準則第9號的修訂本就金融資產通過SPPI標準進行了澄清，不論有關事件或情況導致合約提早終止且不論哪一方因合約提早終止而支付或收取合理補償。該等修訂對本集團的中期簡明合併財務報表並無影響。

國際會計準則第19號的修訂本「計劃修訂、縮減或清償」

國際會計準則第19號的修訂本解決了於報告期內發生計劃修訂、縮減或清償時的會計處理。該等修訂明確了當於年度報告期間發生計劃修訂、縮減或清償時，實體須使用反映該事件後根據計劃及計劃資產所提供利益重新計量界定福利負債(資產)淨額所使用的精算假設，釐定計劃修訂、縮減或清償後剩餘期間的當前服務成本。實體亦須使用反映該事件後根據計劃及計劃資產所提供利益的界定福利負債(資產)淨額以及重新計量界定福利負債(資產)淨額所使用的折現率，釐定計劃修訂、縮減或清償後剩餘期間的淨利息。該等修訂對本集團的中期簡明合併財務報表並無影響，因為期內並無計劃進行修訂、縮減或清償。

Amendments to IAS 28 *Long-term interests in associates and joint ventures*

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests. The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 *Investments in Associates and Joint Ventures*.

These amendments had no impact on the interim condensed consolidated financial statements as the Group does not have long-term interests in its associate and joint venture.

Annual Improvements 2015-2017 Cycle:

- **IFRS 3 *Business Combinations***

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as there is no transaction where a joint control is obtained.

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」

該等修訂澄清，實體將國際財務報告準則第9號應用於未使用權益法但實質上構成於聯營公司或合營公司的淨投資（長期權益）一部分的於聯營公司或合營公司的長期權益。該澄清具有相關性，因其說明了國際財務報告準則第9號的預期信貸虧損模型適用於該等長期權益。該等修訂亦澄清，應用國際財務報告準則第9號時，實體不考慮將聯營公司或合營公司的任何虧損或淨投資的任何減值虧損確認為對應用國際會計準則第28號「於聯營公司及合營公司的投資」時產生的聯營公司或合營公司淨投資的調整。

該等修訂對中期簡明合併財務報表並無影響，原因是本集團於其聯營公司及合營公司並無長期權益。

2015年至2017年週期之年度改進：

- **國際財務報告準則第3號「業務合併」**

該等修訂澄清，當實體取得共同經營的一項業務的控制權時，其應用分步實現的業務合併的規定，包括按公允價值重新計量先前於該共同經營業務的資產及負債中所持權益。如此，收購方將重新計量其於該共同經營業務先前所持的全部權益。

實體將該等修訂應用於收購日期為2019年1月1日或之後開始的首個年度報告期間開始時或之後的業務合併，惟可提早應用。

該等修訂對本集團中期簡明合併財務報表並無影響，原因是並無取得共同控制權的交易。

- **IFRS 11 *Joint Arrangements***

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as there is no transaction where a joint control is obtained.

- **IAS 12 *Income Taxes***

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. When the entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period.

Since the Group's current practice is in line with these amendments, they had no impact on the interim condensed consolidated financial statements of the Group.

- **國際財務報告準則第11號「共同安排」**

參與但並非共同控制一項共同經營業務的參與方可能於共同經營之活動構成國際財務報告準則第3號所界定業務的共同經營中取得共同控制權。該等修訂澄清，先前於共同經營業務所持權益不進行重新計量。

實體於2019年1月1日或之後開始的首個年度報告期間開始時或之後將該等修訂應用於其取得共同控制權的交易，惟可提早應用。

該等修訂對本集團中期簡明合併財務報表並無影響，原因是並無取得共同控制權的交易。

- **國際會計準則第12號「所得稅」**

該等修訂澄清，股息的所得稅影響與產生可予分派利潤的過往交易或事件（而非對擁有人的分派）更為直接相關。因此，實體根據其原本確認該等過往交易或事件的項目而於損益、其他綜合收益或權益確認股息的所得稅影響。

實體於2019年1月1日或之後開始的年度報告期間應用該等修訂，惟可提早應用。當實體首次應用該等修訂，其將應用於最早可比較期間開始時或之後確認股息的所得稅影響。

由於本集團的當前慣例與該等修訂一致，因此該等修訂對本集團中期簡明合併財務報表並無影響。

- **IAS 23 *Borrowing Costs***

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted.

Since the Group's current practice is in line with these amendments, they had no impact on the interim condensed consolidated financial statements of the Group.

- **國際會計準則第23號「借貸成本」**

該等修訂澄清，當為使合資格資產達成擬定用途或出售所必需的絕大部分活動已經完成時，實體將原本用於開發該合資格資產的任何借款作為一般借款入賬。

實體對其首次應用該等修訂的年度報告期間開始時或之後產生的借貸成本應用該等修訂。實體於2019年1月1日或之後開始的年度報告期間應用該等修訂，惟可提早應用。

由於本集團的當前慣例與該等修訂一致，因此該等修訂對本集團中期簡明合併財務報表並無影響。

3. OPERATING SEGMENT INFORMATION

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

- (a) Construction contracts: this segment mainly undertakes the Engineering Procurement 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 services, tendering agency services and logistics services.

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

Segment assets exclude investments in associates and joint ventures, prepaid land lease payments, right-of-use assets, intangible assets, deferred tax assets, time deposits, cash and cash equivalents, equity investments at fair value through profit or loss, derivative financial instruments and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude lease liabilities, 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.

3. 經營分部資料

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

- (a) 建造合同：本分部主要在各國從事海外基礎設施相關的施工項目（包括水電、火電或其他工程項目）的工程、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、設計服務、招標代理服務及物流服務。

管理層單獨監察本集團經營分部的業績，以就資源分配及表現評估作出決策。分部表現乃根據可報告之分部溢利／虧損評估，此乃經調整除稅前溢利／虧損之計量指標。經調整除稅前溢利／虧損乃按與本集團除稅前溢利一致的方式計量，惟應佔聯營公司及合營公司之溢利及虧損、銀行存款之利息收入、與設定受益計劃有關之財務成本、金融資產投資收益、處置附屬公司虧損、本集團金融工具之公允價值收益／虧損以及總部及企業收入／開支不計入該計量內。

分部資產不包括於聯營公司及合營公司之投資、預付土地租賃款項、使用權資產、無形資產、遞延稅項資產、定期存款、現金及現金等價物、按公允價值計入損益之股權投資、衍生金融工具以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。

分部負債不包括租賃負債、設定受益義務、應繳稅項、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。

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.

各分部間的銷售及轉撥乃參考向第三方銷售所採用之售價，按當時市價進行交易。

(a) Segment revenue, results, assets and liabilities

(a) 分部收入、業績、資產及負債

		Six months ended 30 June 2019 截至2019年6月30日止六個月			
		Construction contracts 建造合同 (Unaudited) (未經審計) RMB'000 人民幣千元	Trading business 貿易業務 (Unaudited) (未經審計) RMB'000 人民幣千元	Services business 服務業務 (Unaudited) (未經審計) RMB'000 人民幣千元	Total 合計 (Unaudited) (未經審計) RMB'000 人民幣千元
Segment revenue (note 4)	分部收入 (附註4)				
External customers	外部客戶	9,611,542	3,244,668	1,082,459	13,938,669
Intersegment sales	分部間銷售	213,958	24,431	172,771	411,160
Reportable segment revenue	可報告分部收入	9,825,500	3,269,099	1,255,230	14,349,829
Reportable segment profit	可報告分部溢利	776,598	95,253	210,947	1,082,798
Finance income on receivables from customers	應收客戶款項的財務收入	53,587	58,410	-	111,997
Finance costs	財務成本	19,777	26,860	28	46,665
Depreciation and amortisation	折舊及攤銷	12,729	4,183	10,777	27,689
Provision for impairment losses	減值虧損撥備				
– Trade and other receivables	– 貿易及其他應收款項	71,729	14,106	14,969	100,804
– Inventories	– 存貨	-	1,059	-	1,059
– Contract assets	– 合同資產	16,973	-	-	16,973
		As at 30 June 2019 於2019年6月30日			
		Construction contracts 建造合同 (Unaudited) (未經審計) RMB'000 人民幣千元	Trading business 貿易業務 (Unaudited) (未經審計) RMB'000 人民幣千元	Services business 服務業務 (Unaudited) (未經審計) RMB'000 人民幣千元	Total 合計 (Unaudited) (未經審計) RMB'000 人民幣千元
Reportable segment assets	可報告分部資產	20,587,644	5,789,551	2,129,835	28,507,030
Reportable segment liabilities	可報告分部負債	31,510,372	7,143,463	3,955,607	42,609,442

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

(a) 分部收入、業績、資產及負債 (續)

		Six months ended 30 June 2018 截至2018年6月30日止六個月			
		Construction contracts 建造合同 (Unaudited) (未經審計) RMB'000 人民幣千元	Trading business 貿易業務 (Unaudited) (未經審計) RMB'000 人民幣千元	Services business 服務業務 (Unaudited) (未經審計) RMB'000 人民幣千元	Total 合計 (Unaudited) (未經審計) RMB'000 人民幣千元
Segment revenue (note 4)	分部收入 (附註4)				
Sales to external customers	銷售予外部客戶	7,426,066	3,627,958	994,256	12,048,280
Intersegment sales	分部間銷售	240,429	61,963	134,957	437,349
Reportable segment revenue	可報告分部收入	7,666,495	3,689,921	1,129,213	12,485,629
Reportable segment profit	可報告分部溢利	621,709	95,946	156,454	874,109
Finance income on receivables from customers	應收客戶款項的 財務收入	6,685	32,571	4	39,260
Finance costs	財務成本	684	19,462	6,395	26,541
Depreciation and amortisation	折舊及攤銷	-	-	8,400	8,400
Provision/(reversal of provision) for impairment losses	減值虧損撥備/ (撥備撥回)				
- Trade and other receivables	- 貿易及其他應收款項	122,212	(504)	12,159	133,867
- Contract assets	- 合同資產	(8,374)	-	-	(8,374)

		As at 30 June 2018 於2018年6月30日			
		Construction contracts 建造合同 (Unaudited) (未經審計) RMB'000 人民幣千元	Trading business 貿易業務 (Unaudited) (未經審計) RMB'000 人民幣千元	Services business 服務業務 (Unaudited) (未經審計) RMB'000 人民幣千元	Total 合計 (Unaudited) (未經審計) RMB'000 人民幣千元
Reportable segment assets	可報告分部資產	19,528,357	6,097,837	1,937,320	27,563,514
Reportable segment liabilities	可報告分部負債	34,714,202	7,832,622	4,218,896	46,765,720

Capital expenditures amounting to RMB131,265,000 and RMB171,440,000 for the six months ended 30 June 2019 and 2018, respectively are unallocated to segments as such expenditures are managed on a group basis.

截至2019年及2018年6月30日止六個月的資本開支分別為人民幣131,265,000元及人民幣171,440,000元，概無攤分子各分部，此乃由於有關開支以集團為基礎管理。

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

(b) 可報告分部收入、溢利／(虧損)、資產及負債的對賬

		For the six months ended	
		30 June	
		截至6月30日止六個月	
		2019	2018
		2019年	2018年
		(Unaudited)	(Unaudited)
		(未經審計)	(未經審計)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue:	收入：		
Reportable segment revenue	可報告分部收入	14,349,829	12,485,629
Elimination of intersegment revenue	分部間收入抵銷	(411,160)	(437,349)
		<u>13,938,669</u>	<u>12,048,280</u>
Profit:	溢利：		
Reportable segment profit	可報告分部溢利	1,082,798	874,109
Share of profits and losses of associates	應佔聯營公司溢利及虧損	94,010	66,667
Share of profits and losses of joint ventures	應佔合營公司溢利及虧損	18,412	21,322
Investment income on financial assets	金融資產投資收益	7,305	55,934
Loss on disposal of a subsidiary	處置附屬公司虧損	(15)	—
Other income, net	其他收入淨額	2,084	7,002
Other operating expenses	其他經營開支	(5)	—
Interest income from bank deposits	來自銀行存款之利息收入	122,801	131,399
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	(9,215)	(7,150)
Unallocated foreign exchange gains, net	未分配之匯兌收益淨額	19,263	129,354
Depreciation and amortisation	折舊及攤銷	(99,077)	(88,257)
Profit before tax	除稅前溢利	<u>1,238,361</u>	<u>1,190,380</u>

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

(b) 可報告分部收入、溢利／(虧損)、資產及負債的對賬 (續)

		As at 30 June 2019 於2019年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元	As at 31 December 2018 於2018年 12月31日 (Audited) (經審計) RMB'000 人民幣千元
Assets:	資產：		
Reportable segment assets	可報告分部資產	28,507,030	24,903,974
Elimination of intersegment receivables	分部間應收款項抵銷	<u>(5,840,852)</u>	<u>(5,370,896)</u>
		<u>22,666,178</u>	<u>19,533,078</u>
Restricted deposits	受限制存款	1,040,372	1,211,805
Time deposits with original maturity of over three months	原始到期日超過三個月的定期存款	4,345,585	5,013,871
Cash and cash equivalents	現金及現金等價物	17,752,424	21,383,610
Property, plant and equipment	物業、廠房及設備	2,424,465	2,293,698
Right-of-use assets	使用權資產	1,802,471	-
Prepaid land lease payments	預付土地租賃款項	-	1,755,868
Intangible assets	無形資產	455,872	464,816
Long-term assets	長期資產	70,233	82,136
Investments in joint ventures	對合營公司的投資	399,002	380,590
Investments in associates	對聯營公司的投資	1,265,792	1,102,433
Deferred tax assets	遞延稅項資產	551,606	561,201
Other non-current assets	其他非流動資產	-	897,782
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	497,641	425,890
Other unallocated assets	其他未分配資產	<u>1,364,655</u>	<u>1,007,839</u>
		<u>54,636,296</u>	<u>56,114,617</u>
Liabilities:	負債：		
Reportable segment liabilities	可報告分部負債	42,609,442	43,486,607
Elimination of intersegment payables	分部間應付款項抵銷	<u>(5,569,765)</u>	<u>(5,002,235)</u>
		<u>37,039,677</u>	<u>38,484,372</u>
Lease liabilities	租賃負債	69,642	-
Defined benefit obligations	設定受益義務	496,287	495,498
Tax payable	應繳稅項	284,977	527,133
Deferred tax liabilities	遞延稅項負債	88,923	94,360
Other unallocated liabilities	其他未分配負債	<u>11,611</u>	<u>-</u>
		<u>37,991,117</u>	<u>39,601,363</u>

(c) Geographical information

(c) 地理區域資料

		For the six months ended 30 June 截至6月30日止六個月	
		2019 2019年 (Unaudited) (未經審計) RMB'000 人民幣千元	2018 2018年 (Unaudited) (未經審計) RMB'000 人民幣千元
Revenue from external customers	來自外部客戶的收入		
China	中國	3,474,284	3,639,777
Iraq	伊拉克	2,131,685	176,455
Pakistan	巴基斯坦	1,515,472	2,005,155
The Republic of Angola	安哥拉共和國	934,951	1,880,116
Côte d'Ivoire	科特迪瓦	891,690	458,050
Zambia	贊比亞	729,936	46,208
Cameroon	喀麥隆	520,014	590,118
Sri Lanka	斯里蘭卡	465,248	170,536
Ukraine	烏克蘭	445,132	—
United States	美國	365,989	321,616
Others	其他	2,464,268	2,760,249
		13,938,669	12,048,280

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

以上收入資料乃按客戶地域劃分。

		As at 30 June 2019 於2019年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元	As at 31 December 2018 於2018年 12月31日 (Audited) (經審計) RMB'000 人民幣千元
Non-current assets	非流動資產		
Mainland China	中國大陸	5,666,188	5,481,563
Others	其他	112,961	973,367
		5,779,149	6,454,930

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

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

(d) Information about major customers

(d) 有關主要客戶之資料

The Group derived (more than 10% of its total revenue) RMB2,049,558,000 from one single customer for the six months ended 30 June 2019 (30 June 2018: Nil).

截至2019年6月30日止六個月，本集團自單一客戶銷售所產生的收入（佔本集團總收入金額的10%以上）為人民幣2,049,558,000元（2018年6月30日：無）。

4. REVENUE

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts; and an appropriate proportion of contract revenue of construction contracts and the value of services rendered during the period.

An analysis of revenue is as follows:

4. 收入

收入是指期內扣除退貨備抵及貿易折扣的已售貨品發票淨值、建造合同適當部分的合同收入以及所提供服務價值。

收入分析如下：

		For the six months ended 30 June	
		截至6月30日止六個月	
		2019	2018
		2019年	2018年
		(Unaudited)	(Unaudited)
		(未經審計)	(未經審計)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Construction contracts	建造合同	9,611,542	7,426,066
Trading business	貿易業務	3,244,668	3,627,958
Services business	服務業務	1,082,459	994,256
		<u>13,938,669</u>	<u>12,048,280</u>

Set out below is the disaggregation of the Group's revenue from contracts with customers:

本集團的客戶合同收入分析如下：

		For the six months ended 30 June 2019 截至2019年6月30日止六個月			
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 services	商品或服務類型				
Construction contracts	建造合同	9,611,542	-	-	9,611,542
Trading business	貿易業務	-	3,244,668	-	3,244,668
Services business	服務業務	-	-	1,082,459	1,082,459
		<u>9,611,542</u>	<u>3,244,668</u>	<u>1,082,459</u>	<u>13,938,669</u>
Total revenue from contracts with customers	客戶合同收入總額	<u>9,611,542</u>	<u>3,244,668</u>	<u>1,082,459</u>	<u>13,938,669</u>
Geographic markets	地區市場				
Asia	亞洲	5,022,517	2,252,052	1,016,484	8,291,053
Africa	非洲	3,333,889	56,501	47,785	3,438,175
Europe	歐洲	916,237	300,351	2,156	1,218,744
South America	南美洲	168,899	24,490	1,141	194,530
North America	北美洲	170,000	607,910	14,389	792,299
Oceania	大洋洲	-	3,364	504	3,868
		<u>9,611,542</u>	<u>3,244,668</u>	<u>1,082,459</u>	<u>13,938,669</u>
Total revenue from contracts with customers	客戶合同收入總額	<u>9,611,542</u>	<u>3,244,668</u>	<u>1,082,459</u>	<u>13,938,669</u>
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	9,611,542	-	-	9,611,542
Trading transferred at a point of time	於某個時間點轉讓的貿易	-	3,244,668	-	3,244,668
Services transferred over time	於一段時間內轉讓的服務	-	-	1,082,459	1,082,459
		<u>9,611,542</u>	<u>3,244,668</u>	<u>1,082,459</u>	<u>13,938,669</u>
Total revenue from contracts with customers	客戶合同收入總額	<u>9,611,542</u>	<u>3,244,668</u>	<u>1,082,459</u>	<u>13,938,669</u>

For the six months ended 30 June 2018

截至2018年6月30日止六個月

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 services	商品或服務類型				
Construction contracts	建造合同	7,426,066	–	–	7,426,066
Trading business	貿易業務	–	3,627,958	–	3,627,958
Services business	服務業務	–	–	994,256	994,256
Total revenue from contracts with customers	客戶合同收入總額	<u>7,426,066</u>	<u>3,627,958</u>	<u>994,256</u>	<u>12,048,280</u>
Geographic markets	地區市場				
Asia	亞洲	3,339,949	2,801,004	947,055	7,088,008
Africa	非洲	3,395,209	88,060	37,056	3,520,325
Europe	歐洲	118,852	225,962	6,988	351,802
South America	南美洲	572,052	22,770	2,628	597,450
North America	北美洲	–	474,487	–	474,487
Oceania	大洋洲	4	15,675	529	16,208
Total revenue from contracts with customers	客戶合同收入總額	<u>7,426,066</u>	<u>3,627,958</u>	<u>994,256</u>	<u>12,048,280</u>
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	7,426,066	–	–	7,426,066
Trading transferred at a point of time	於某個時間點轉讓的貿易	–	3,627,958	–	3,627,958
Services transferred over time	於一段時間內轉讓的服務	–	–	994,256	994,256
Total revenue from contracts with customers	客戶合同收入總額	<u>7,426,066</u>	<u>3,627,958</u>	<u>994,256</u>	<u>12,048,280</u>

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

客戶合同收入與分部資料中披露的金額之對賬載列如下：

		For the six months ended 30 June							
		2019			2018				
		2019年			2018年				
		Construction contracts	Trading business	Services business	Total	Construction contracts	Trading business	Services business	Total
		建造合同	貿易業務	服務業務	合計	建造合同	貿易業務	服務業務	合計
Revenue	收入								
External customers	外部客戶	9,611,542	3,244,668	1,082,459	13,938,669	7,426,066	3,627,958	994,256	12,048,280
Inter-segment	分部之間	<u>213,958</u>	<u>24,431</u>	<u>172,771</u>	<u>411,160</u>	<u>240,429</u>	<u>61,963</u>	<u>134,957</u>	<u>437,349</u>
		<u>9,825,500</u>	<u>3,269,099</u>	<u>1,255,230</u>	<u>14,349,829</u>	<u>7,666,495</u>	<u>3,689,921</u>	<u>1,129,213</u>	<u>12,485,629</u>
Adjustments and eliminations	調整及抵銷	(213,958)	(24,431)	(172,771)	(411,160)	(240,429)	(61,963)	(134,957)	(437,349)
Total revenue from contracts with customers	客戶合同收入總額	<u>9,611,542</u>	<u>3,244,668</u>	<u>1,082,459</u>	<u>13,938,669</u>	<u>7,426,066</u>	<u>3,627,958</u>	<u>994,256</u>	<u>12,048,280</u>

5. OTHER REVENUE AND OTHER INCOME, NET **5. 其他收入及其他收入淨額**

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

本集團的其他收入及其他收入淨額分析如下：

		For the six months ended 30 June	
		截至6月30日止六個月	
		2019	2018
		2019年	2018年
		(Unaudited)	(Unaudited)
		(未經審計)	(未經審計)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Other revenue	其他收入		
Investment income on financial assets	金融資產投資收益	7,305	55,934
Government grants	政府補貼	2,979	9,473
		<hr/> 10,284 <hr/>	<hr/> 65,407 <hr/>
Other income, net	其他收入淨額		
Net losses on disposal of items of property, plant and equipment	處置物業、廠房及設備項目的虧損淨額	(895)	(2,471)
Net losses on foreign currency forward exchange contracts and interest rate swaps	遠期外匯合約及利率掉期虧損淨額	(7,812)	(8,661)
Gain on bargain purchase recognised in other income	於其他收入確認的折價購買收益	4,577	-
Others	其他	20,655	23,440
		<hr/> 16,525 <hr/>	<hr/> 12,308 <hr/>

6. PROFIT BEFORE TAX

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

(a) Finance income and finance expenses

Finance income on receivables

from customers

Foreign exchange gains

Interest income

Finance income

Interest cost recognised in respect of defined benefit obligations

Interest expenses on borrowings

Bank charges and others

Finance expenses

Net finance income recognised in profit or loss

6. 除稅前溢利

本集團來自持續經營業務之除稅前溢利乃計入／(扣除) 以下各項後得出：

(a) 財務收入及財務開支

For the six months ended
30 June

截至6月30日止六個月

2019 2018

2019年 2018年

(Unaudited) (Unaudited)
(未經審計) (未經審計)

RMB'000 RMB'000

人民幣千元 人民幣千元

應收客戶款項的

財務收入

111,997

39,260

匯兌收益

27,316

63,165

利息收入

122,801

131,399

財務收入

262,114

233,824

就設定受益義務

確認的利息成本

(9,215)

(7,150)

借貸利息開支

(46,665)

(26,541)

銀行費用及其他

(80,039)

(4,607)

財務開支

(135,919)

(38,298)

於損益確認的財務

收入淨額

126,195

195,526

(b) Other items**(b) 其他項目**

		For the six months ended 30 June	
		截至6月30日止六個月	
		2019	2018
		2019年	2018年
		(Unaudited)	(Unaudited)
		(未經審計)	(未經審計)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Amortisation	攤銷		
– Prepaid land lease payments	– 預付土地租賃款項	–	22,527
– Intangible assets	– 無形資產	10,320	10,357
– Long-term assets	– 長期資產	18,531	5,823
		28,851	38,707
		28,851	38,707
Depreciation	折舊		
– Property, plant and equipment	– 物業、廠房及設備	47,635	49,550
– Investment properties	– 投資物業	8,279	8,400
– Right-of-use assets	– 使用權資產	42,001	–
		97,915	57,950
		97,915	57,950
Impairment losses/ (reversal of impairment) on	減值虧損／ (減值撥回)		
– Trade and other receivables	– 貿易及其他應收款項	100,804	133,867
– Inventories	– 存貨	1,059	–
– Contract assets	– 合同資產	16,973	(8,374)
		118,836	125,493
		118,836	125,493
Operating lease charges	經營租賃費用		
– Lease of properties	– 租賃物業	–	19,313
– Rental expenses for short-term leases and leases of low-value assets	– 短期租賃費用及低價值資產租賃費用	2,806	–
		2,806	19,313
		2,806	19,313
Cost of construction contracts	建造合同成本	8,022,074	6,019,808
Cost of goods sold	商品銷售成本	3,020,063	3,396,438
Cost of services provided	所提供服務的成本	793,191	692,290
		11,835,328	10,108,536
		11,835,328	10,108,536

7. INCOME TAX

Pursuant to the relevant laws and regulations in the PRC, the statutory enterprise income tax rate of 25% was applied to the subsidiaries of the Group in Mainland China for the six months ended 30 June 2019 and 2018, except for certain subsidiaries of the Group which were entitled to the preferential tax rate of 15% (2018: 15%) because they were 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% (2018: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries (or jurisdictions) in which the Group operates.

7. 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2019年及2018年6月30日止六個月適用的法定企業所得稅稅率為25%，惟本集團的若干附屬公司因被中國地方政府認定為高新技術企業而有權享有15%（2018年：15%）的優惠稅率除外。

香港利得稅乃就期內在香港產生的估計應課稅溢利按16.5%（2018年：16.5%）的稅率提撥。於其他地區的應課稅利潤乃按本集團營運所在的國家（或司法權區）的適用稅率計算稅項。

		For the six months ended 30 June	
		截至6月30日止六個月	
		2019	2018
		2019年	2018年
		(Unaudited)	(Unaudited)
		(未經審計)	(未經審計)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current income tax – Mainland China	即期所得稅 – 中國大陸	270,051	313,065
Current income tax – Hong Kong	即期所得稅 – 香港	4,096	1,895
Current income tax – Others	即期所得稅 – 其他	2,036	2,174
Deferred income tax	遞延所得稅	(18,120)	(19,844)
Total tax charge for the period	本期間稅項支出總額	258,063	297,290

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

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

		For the six months ended 30 June	
		截至6月30日止六個月	
		2019	2018
		2019年	2018年
		(Unaudited)	(Unaudited)
		(未經審計)	(未經審計)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit before tax	除稅前溢利	1,238,361	1,190,380
Tax at the statutory tax rate	按法定稅率計算的稅項	309,590	297,595
Lower tax rate(s) for specific provinces or enacted by local authority	特定省份或地方當局制定的較低稅率	(10,728)	(5,895)
Income not subject to tax	毋需課稅收益	(10,125)	(10,145)
Share of profits of joint ventures and associates not subject to tax	應佔合營公司及聯營公司毋需課稅溢利	(28,106)	(21,997)
Adjustments in respect of current tax of previous periods	就過往期間即期稅項作出的調整	(14,498)	6,357
Expenses not deductible for tax	不可扣稅開支	11,268	16,905
Tax losses utilised from previous periods	使用過往期間的稅項虧損	(59)	(37)
Others	其他	721	14,507
Tax charge at the Group's effective rate	按本集團實際稅率計算的稅項支出	258,063	297,290

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

The calculation of the basic earnings per share amount is based on the profit for the six months ended 30 June 2019 attributable to ordinary equity holders of the parent and the weighted average number of 4,125,700,000 (six months ended 30 June 2018: 4,125,700,000) ordinary shares in issue during the period.

The calculation of basic earnings per share is based on:

8. 歸屬於母公司普通權益持有人的每股盈利

每股基本盈利乃按截至2019年6月30日止六個月歸屬於母公司普通權益持有人的溢利及期內已發行普通股的加權平均數4,125,700,000股（截至2018年6月30日止六個月：4,125,700,000股）計算。

每股基本盈利的計算乃基於：

		For the six months ended 30 June	
		截至6月30日止六個月	
		2019	2018
		2019年	2018年
		(Unaudited)	(Unaudited)
		(未經審計)	(未經審計)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Earnings	盈利		
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation	計算每股基本盈利所用的歸屬於母公司普通權益持有人的溢利	981,450	892,357
		<hr/> <hr/>	<hr/> <hr/>
		Number of shares	
		股份數目	
		For the six months ended 30 June	
		截至6月30日止六個月	
		2019	2018
		2019年	2018年
		Thousands	Thousands
		shares	shares
		千股	千股
Shares	股份		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	計算每股基本盈利所用的期內已發行普通股的加權平均數	4,125,700	4,125,700
		<hr/> <hr/>	<hr/> <hr/>

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2019 and 2018.

本集團於截至2019年及2018年6月30日止六個月並無已發行具潛在攤薄性的普通股。

9. CONTRACT ASSETS

9. 合同資產

		As at 30 June 2019 於2019年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元	As at 31 December 2018 於2018年 12月31日 (Audited) (經審計) RMB'000 人民幣千元
Contract assets arising from: Construction services	以下項目產生的合同資產： 建築服務	4,395,837	4,002,940
Impairment	減值	(42,080)	(25,107)
		4,353,757	3,977,833

10. TRADE AND OTHER RECEIVABLES

10. 貿易及其他應收款項

		As at 30 June 2019 於2019年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元	As at 31 December 2018 於2018年 12月31日 (Audited) (經審計) RMB'000 人民幣千元
Bills receivable	應收票據	123,800	162,411
Trade receivables	貿易應收款項	8,269,584	7,250,344
Long-term trade receivables	長期貿易應收款項	5,288,025	3,371,567
Less: Allowance for doubtful debts	減：呆賬撥備	(1,965,594)	(1,919,227)
Trade and bills receivables	貿易應收款項 及應收票據	11,715,815	8,865,095
Advances to suppliers	向供應商預付款項	3,384,358	3,416,686
Other receivables	其他應收款項	2,701,765	2,660,486
Debt investments	債權投資	756,602	598,581
Less: Allowance for doubtful debts	減：呆賬撥備	(111,807)	(114,643)
		3,346,560	3,144,424
Total	總計	18,446,733	15,426,205
Portion classified as non-current assets	分類為非流動資產 的部分	(6,058,796)	(3,905,768)
Current portion	流動部分	12,387,937	11,520,437

(a) Ageing analysis

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

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

There are no unified standard credit terms granted to customers of the international engineering contracting business and trading business. The credit terms granted to customers of the international engineering contracting 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.

(a) 賬齡分析

根據發票日期，於報告期末的貿易應收款項及應收票據經扣除撥備的賬齡分析如下：

	As at 30 June 2019 於2019年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元	As at 31 December 2018 於2018年 12月31日 (Audited) (經審計) RMB'000 人民幣千元
	7,105,205	5,820,715
	737,422	299,755
	2,381,088	1,297,292
	1,492,100	1,447,333
	11,715,815	8,865,095

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

(b) Impairment of trade and other receivables

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

(b) 貿易及其他應收款項減值

貿易應收款項及其他應收款項減值撥備的變動如下：

		As at 30 June 2019 於2019年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元	As at 31 December 2018 於2018年 12月31日 (Audited) (經審計) RMB'000 人民幣千元
At January 1	於1月1日	2,033,870	1,330,435
Impact of adopting IFRS 9	採納國際財務報告 準則第9號的影響	-	84,811
Restated opening balance under IFRS 9	根據國際財務報告準則 第9號重述期初餘額	2,033,870	1,415,246
Impairment losses recognised	已確認的減值虧損	235,581	678,248
Impairment losses reversed	已撥回的減值虧損	(134,777)	(48,113)
Amount written off as uncollectible	撇銷不可收回的金額	(57,273)	(11,511)
		2,077,401	2,033,870

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

下表載列使用撥備矩陣計量的有關本集團貿易應收款項信貸風險狀況的資料：

As at 30 June 2019

於2019年6月30日

		Gross carrying amount 總賬面值 (RMB'000) (人民幣千元)	Expected credit losses 預期信貸虧損 (RMB'000) (人民幣千元)	Expected credit loss rate 預期信貸虧損率
Within 1 year	一年內	4,880,350	70,293	1.44%
1 year to 2 years	一年至兩年	684,246	36,750	5.37%
2 years to 3 years	兩年至三年	205,068	26,122	12.74%
Over 3 years	超過三年	557,853	456,394	81.81%
		6,327,517	589,559	

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

SINOMACH
Fellow subsidiaries
Associates
Joint ventures

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

- (d) As at 30 June 2019, borrowings of RMB 1,028,000 (31 December 2018: Nil) were secured by the Group's trade and bills receivables.

- (c) 應收本集團關聯方款項(計入貿易及其他應收款項)分析如下:

	As at 30 June 2019 於2019年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元	As at 31 December 2018 於2018年 12月31日 (Audited) (經審計) RMB'000 人民幣千元
國機	1,026,584	902,995
同系附屬公司	38,074	52,367
聯營公司	6,219	7,941
合營公司	55	299
	<u>1,070,932</u>	<u>963,602</u>

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。

- (d) 於2019年6月30日，借貸人民幣1,028,000元(2018年12月31日：無)以本集團的貿易應收款項及應收票據抵押。

11. TRADE AND OTHER PAYABLES

11. 貿易及其他應付款項

		As at 30 June 2019 於2019年 6月30日 (Unaudited) (未經審計) <i>RMB'000</i> 人民幣千元	As at 31 December 2018 於2018年 12月31日 (Audited) (經審計) <i>RMB'000</i> 人民幣千元
Bills payable	應付票據	7,964	137,157
Trade payables	貿易應付款項	<u>16,627,321</u>	<u>16,538,909</u>
Trade and bills payables	貿易應付款項及應付票據	<u>16,635,285</u>	<u>16,676,066</u>
Accrued salaries, wages and benefits	應計薪金、工資及福利	771,860	843,845
Other taxes payable	其他應繳稅項	77,064	232,599
Long-term payables	長期應付款項	321,140	267,435
Long-term payables due within one year	一年內到期之長期應付款項	807,478	789,582
Other payables	其他應付款項	<u>4,406,650</u>	<u>3,749,021</u>
		23,019,477	22,558,548
Less: Portion classified as current liabilities	減：分類為流動負債的部分	<u>(22,088,738)</u>	<u>(21,811,779)</u>
Non-current portion	非流動部分	<u>930,739</u>	<u>746,769</u>

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

根據發票日期，於報告期末的應付票據及貿易應付款項的賬齡分析如下：

		As at 30 June 2019 於2019年 6月30日 (Unaudited) (未經審計) <i>RMB'000</i> 人民幣千元	As at 31 December 2018 於2018年 12月31日 (Audited) (經審計) <i>RMB'000</i> 人民幣千元
Within 3 months	3個月以內	5,093,168	5,627,392
3 months to 6 months	3個月至6個月	969,928	739,826
6 months to 1 year	6個月至1年	2,267,091	1,819,844
Over 1 year	1年以上	<u>8,305,098</u>	<u>8,489,004</u>
		<u>16,635,285</u>	<u>16,676,066</u>

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

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

		As at 30 June 2019 於2019年 6月30日 (Unaudited) (未經審計) RMB'000 人民幣千元	As at 31 December 2018 於2018年 12月31日 (Audited) (經審計) RMB'000 人民幣千元
SINOMACH	國機	4,846	101,514
Fellow subsidiaries	同系附屬公司	803,023	840,214
Joint ventures	合營公司	20,295	36,797
Associates	聯營公司	31,572	32,261
		<u>859,736</u>	<u>1,010,786</u>

12. DIVIDENDS

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

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2019 (six months ended 30 June 2018: nil).

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

On 24 June 2019 upon the approval at the annual general meeting, the Company declared a final dividend and a special dividend in respect of the financial year ended 31 December 2018 of RMB0.2067 per share (2017: RMB0.1659 per share) and RMB0.00 per share (2017: RMB0.04 per share), respectively, with a total amount of approximately RMB852,782,190 (2017: RMB684,453,630) and RMB0 (2017: RMB165,028,000), respectively.

12. 股息

(a) 於中期期間應付予本公司股東股息

董事不建議派付截至2019年6月30日止六個月的任何中期股息（截至2018年6月30日止六個月：無）。

(b) 於中期期間內批准之過往財政年度應付予本公司股東股息

於2019年6月24日經股東週年大會批准後，本公司就截至2018年12月31日止財政年度宣派末期股息及特別股息分別為每股人民幣0.2067元（2017年：每股人民幣0.1659元）及每股人民幣0.00元（2017年：每股人民幣0.04元），總金額分別約為人民幣852,782,190元（2017年：人民幣684,453,630元）及人民幣0元（2017年：人民幣165,028,000元）。

I. INDUSTRY OVERVIEW

In the first half of the year, the world situation was unsteady and turbulent, the potential economic growth rate of major developed economies declined, the debt problems of some developing countries were highlighted, populism and protectionism were on the rise, which, together with frequent geopolitical conflicts, coupled with the impaired multilateral trade and investment system, had caused the World Bank and the International Monetary Fund to lower their economic growth forecasts for 2019. Domestically, China's national economy operated within a reasonable range, sustaining the momentum of being generally stable with steady progress. Preliminary accounting shows that the gross domestic product in the first half of the year was RMB45,093.3 billion, representing a 6.3% year-on-year growth based on comparable price calculation. However, it should also be noted that the current domestic and foreign economic situation is still complex and grim, the global economic growth has slowed down, the external uncertain factors have increased, the imbalance of domestic development is still prominent, putting downward pressure on the economy.

(I) Engineering Contracting

From January to June 2019, foreign contracted engineering business in China achieved a turnover of RMB476.49 billion, representing a year-on-year increase of 2.8% (equivalent to USD70.27 billion, representing a year-on-year decrease of 3.4%); the newly signed contracts amounted to RMB718.22 billion, representing a year-on-year increase of 5.6% (equivalent to USD105.92 billion, representing a year-on-year decrease of 0.8%). Among them, USD38.59 billion was completed in the countries along "the Belt and Road", accounting for 54.9% of the total amount of the same period, and

I. 行業概覽

上半年，世界局勢波詭雲譎，主要發達經濟體潛在經濟增速下降，部分發展中國家債務問題凸顯，民粹主義興起，保護主義抬頭，地緣政治衝突多發，多邊貿易投資體制受到衝擊，世界銀行、國際貨幣基金組織等均下調了2019年的經濟增長預期。國內，我國國民經濟運行在合理區間，延續了總體平穩、穩中有進發展態勢，初步核算，上半年國內生產總值為人民幣45,093億元，按可比價格計算，同比增長6.3%。但也要看到，當前國內外經濟形勢依然複雜嚴峻，全球經濟增長有所放緩，外部不穩定不確定因素增多，國內發展不平衡不充分問題仍較突出，經濟面臨新的下行壓力。

(一) 工程承包

2019年1至6月，我國對外承包工程業務完成營業額為人民幣4,764.9億元，同比增長2.8%（折合702.7億美元，同比下降3.4%），新簽合同額為人民幣7,182.2億元，同比增長5.6%（折合1,059.2億美元，同比下降0.8%）。其中，在「一帶一路」沿線國家完成營業額為385.9億美元，佔同期總額的54.9%；新簽合同額為636.4億美元，佔

the newly signed contracts amounted to USD63.64 billion, accounting for 60.1% of the total amount of the same period. There were 389 projects (an increase of 33 projects over the same period last year) with a newly signed contract value of more than USD50 million, accounting for 83.8% of the total amount of newly signed contracts. Business turnover was mainly concentrated in electric power engineering construction, transportation construction and general construction industry, accounting for nearly 70% of the total business turnover, which effectively improved the infrastructure conditions of the host country. It can be seen that the general trend in the industry has not undergone dramatic changes, presenting opportunities, but also full of pressure and challenges.

1. Opportunities for industry development

First, infrastructure construction worldwide is recovering, and the demand for investment is still huge. There is an urgent need for less developed countries to push forward their industrialization process through the improvement of infrastructure. Emerging markets promote development and transformation through upgrading infrastructure while developed countries achieve economic recovery by upgrading infrastructure. Countries are competing to launch economic development plans and commit to economic restructuring and industrial upgrading, increase public infrastructure expenditure and government subsidies, encourage cross-border investment and innovate and expand cooperation models, and actively increase support for

同期總額的60.1%。此外，新簽5,000萬美元以上的項目389個，比去年同期增加33個，佔新簽合同總額的83.8%；完成營業額主要集中在電力工程建設、交通運輸建設和一般建築行業，合計佔比近七成，有效改善了東道國基礎設施條件。可以看到，行業的總體趨勢未發生巨變，仍然既面臨機遇，又充滿壓力和挑戰。

1. 行業發展面臨的機遇

一是全球基礎設施建設升溫，投資需求仍然較大。欠發達國家亟需通過完善基礎設施來推動其工業化進程，新興市場通過提升基礎設施水平推進發展轉型以及發達國家通過升級基礎設施實現經濟二次躍升，各國競相推出經濟發展規劃，致力經濟結構調整和產業更新升級，增加基建公共支出和政府補貼，鼓勵跨境投資，創新拓展合作模式，積極加大對基礎設施互聯互通的支持力度，

infrastructure connectivity. It is expected that infrastructure needs in areas such as transportation, electricity, and new energy are still strong. According to estimates by the Asian Development Bank, infrastructure investment demand in the Asia-Pacific region alone is as high as USD1.7 trillion annually. According to estimates by the African Development Bank, the annual investment needs in the infrastructure sector in Africa amount to between USD130 billion and USD170 billion.

Second, the construction initiative of “the Belt and Road” has been further promoted to provide sustained and strong momentum for the development of the industry. Relying on forums, summits, high-level visits, etc., the results-oriented pragmatic cooperation has been solidly promoted. The second “the Belt and Road” international cooperation summit forum has clearly focused on infrastructure and other major projects and capacity cooperation, and will focus on resolving key issues such as major projects, financial support, investment environment, risk control, and security. In addition, the platform for exchange and cooperation between countries has been established, and a number of cooperation funds have been set up to help enterprises expand their overseas business. Such as promoting the “Three Transport Priority Network Development and Industrialization”, the “Top 10 Cooperation Plans” and the “Eight Major Initiatives” in respect of China-Africa cooperation, promoting the connectivity of transportation and infrastructure between China and Central and

可以預見在交通、電力、新能源等領域的基建需求依然旺盛。據亞洲開發銀行估計，僅亞太地區基礎設施投資需求每年就高達1.7萬億美元。據非洲開發銀行估計，非洲基礎設施領域每年投資需求達1,300億美元至1,700億美元。

二是「一帶一路」建設倡議深入推進，為行業發展提供持續強勁動力。依托論壇、峰會、高訪等，以成果為導向的務實合作紮實推進，第二屆「一帶一路」國際合作高峰論壇明確了以基礎設施等重大項目建設和產能合作為重點，將重點解決好重大項目、金融支撐、投資環境、風險管控、安全保障等關鍵問題。此外，國家間交流合作的平台全面搭建，成立了多個合作基金助力企業擴大海外業務。如推動中非合作「三網一化」、「十大合作計劃」和「八大行動」，促進中國一

Eastern European countries, and establishing a Sino-Latin American development financial cooperation mechanism, and so on. These measures provide a rare opportunity for the development of the industry.

Third, the international contracting engineering industry has a strong endogenous development momentum. China is becoming a major power on foreign contracted engineering projects undertaking. Chinese enterprises have strong comprehensive competitive advantage in terms of infrastructure construction, design consulting, equipment manufacturing, etc. China's capital sufficiency, equipment made in China, technologies from China and construction undertaken by Chinese enterprises are increasingly recognized by the international community. The competitiveness of China is increasingly enhanced.

2. *Pressure and challenges faced by industry development*

First, the global funding gap of infrastructure is huge, and the implementation of the project is more difficult. According to estimates by the Asian Development Bank, the gap in infrastructure investment in Asia is as high as USD459 billion each year; the African Development Bank estimates that Africa's infrastructure funding gap is between USD68 billion and USD108 billion each year. At present, the economic situation and investment environment of some countries remain grim, debt risks are rising, and the traditional EPC+F model is being challenged. The delay,

中東歐國家交通和基礎設施互聯互通，建立中—拉美開發性金融合作機制等。這些舉措都為行業發展提供了難得的機遇。

三是對外承包工程行業具有很強的內生發展動力。我國日益成為對外承包工程大國，企業在基礎設施建設、設計諮詢、裝備製造等方面具備較強的綜合競爭優勢，中國資本、中國裝備、中國技術、中國建設越來越受到國際社會的認可，國際競爭力不斷增強。

2. 行業發展面臨的壓力和挑戰

一是全球基建資金缺口巨大，項目落實難度加大。根據亞洲開發銀行估計，亞洲基建投資需求缺口每年高達4,590億美元；非洲開發銀行估計，非洲基建資金缺口每年高達680至1,080億美元。目前，部分國家經濟狀況和投資環境不容樂觀，債務風險上升，

suspension and even cancellation of cooperative projects in many countries have made it harder to achieve the availability of funds for cooperative projects. At the same time, the unitary financing channel of enterprises increases the difficulty of obtaining funds, the financing cost of domestic banks is generally high, and the problems of “high financing cost and financing difficulties” are still prominent.

Second, external risks are becoming increasingly prominent. The security situation in some parts of the world is relatively severe, geopolitical tension are intensifying, and the political security situation in some countries does not look optimistic. Global trade protectionism, unilateralism are on the rise, uncertainties are increasing, and the international competition encountered by enterprises in some key cooperative markets is becoming increasingly fierce.

Third, the business transformation and upgrading of enterprises still faces difficulties. At present, the proportion of traditional transportation infrastructure and energy projects is high, and the proportion of urban development and high-end buildings that are related to economic development is low. There are more short-term construction projects, less high-end investment in industry chain, fewer facilities operation projects that can obtain long-term cash flow, and the ability of enterprises to resist market volatility risks is weak. Most companies lack professional international talents who are familiar with the rules of financing guarantee, procurement, and operation. The ability to adapt

傳統的EPC+F模式受到挑戰。許多國家的合作項目拖延、停工，甚至取消，合作項目資金落實難度加大。同時，企業的融資渠道單一，資金獲取難度增大，國內銀行融資成本普遍較高，「融資貴、融資難」等問題仍然突出。

二是外部風險日益突出。全球局部地區安全形勢較為嚴峻，地緣政治風險加劇，部分國家政治安全形勢不容樂觀。全球貿易保護主義、單邊主義抬頭，不確定因素增多，企業在部分重點合作市場所遭遇的國際競爭愈加激烈。

三是企業業務轉型升級仍面臨困難。當前，傳統交通基礎設施、能源類項目佔比高，與經濟發展高度相關的城市開發、高端建築等佔比低；短期施工項目多，產業鏈高端投資類少；能獲取長期現金流的設施運營類項目少，企業抵抗市場波動風險的能力弱；多數企業缺乏對融資擔保、採

to the development trend of large-scale, integrated, and complex international engineering projects is insufficient.

Fourth, cross-border cooperation between enterprises in the industry chain still needs to be further improved. In the industry chain, the support of professional services, such as survey and design, consulting supervision, equipment manufacturing, legal finance and so on, to contracted engineering enterprises is still insufficient, failing to form a cooperative pattern of “strong alliance and complementary advantages”.

(II) Trading

In the first half of the year, the total value of China’s foreign trade imports and exports amounted to RMB14.67 trillion, representing a year-on-year increase of 3.9%. Among which, amounts of export amounted to RMB7.95 trillion, up by 6.1%; amounts of imports amounted to RMB6.72 trillion, up by 1.4%; and trade surplus reached RMB1.23 trillion, widened by 41.6%.

In general, the external environment in the first half of the year was complicated and severe. Despite continued economic and trade frictions between China and the United State, China’s foreign trade was generally stable with steady progress made, showing strong resilience and high-quality development, which featured seven characteristics as follows:

1. The import and export value of general trade expanded and the proportion increased. In the first half of the year, China’s general trade imports and exports totaled RMB8.78 trillion, up by 5.5%, accounting for 59.9% of

購、運營等環節規則相對熟悉的專業化國際人才，適應部分國際工程項目大型化、綜合化、複雜化發展趨勢的能力顯得不足。

四是產業鏈企業間跨界合作還有待進一步提升。在產業鏈條上，勘察設計、諮詢監理、裝備製造、法律金融等專業服務類企業對承包工程企業的支持力度仍然不足，未能形成「強強聯合、優勢互補」的合作格局。

(二) 貿易

今年上半年，我國外貿進出口總值為人民幣14.67萬億元，比去年同期增長3.9%。其中，出口為人民幣7.95萬億元，增長6.1%；進口為人民幣6.72萬億元，增長1.4%；貿易順差為人民幣1.23萬億元，擴大41.6%。

總的來看，上半年外部環境複雜嚴峻。儘管中美經貿摩擦影響持續顯現，我國外貿進出口總體平穩，穩中有進，表現出很強的韌性，外貿高質量發展有序推進，具體有以下七個方面的特點：

1. 一般貿易進出口增長且比重上升。上半年，我國一般貿易進出口為人民幣8.78萬億元，增長5.5%，佔我國進出口總值的

China's total import and export value, representing a year-on-year increase of 0.9 percentage point. The structure of trade mode continued to optimize.

2. The imports and exports to major trading partners such as the EU, ASEAN and Japan increased. In the first half of the year, China's total value of imports and exports to the EU was RMB2.3 trillion, up by 11.2%, accounting for 15.7% of China's total value of imports and exports, while China's total value of imports and exports to ASEAN was RMB1.98 trillion, up by 10.5%, accounting for 13.5% of China's total value of imports and exports. In the same period, China's total value of imports and exports to the United States was RMB1.75 trillion, down by 9%, accounting for 12% of China's total value of imports and exports, while China's total value of imports and exports to Japan was RMB1.03 trillion, up by 1.7%, accounting for 7% of China's total value of imports and exports.
3. The imports and exports growth rate of countries along "the Belt and Road" is higher than the overall growth rate of national imports and exports. In the first half of the year, China's imports and exports to countries along "the Belt and Road" totaled RMB4.24 trillion, representing an increase of 9.7%, which was 5.8 percentage points higher than the overall imports and exports growth rate of the whole country, accounting for 28.9% of China's total value of imports and exports, and the proportion increased by 1.5 percentage points. It shows that the potential of trade cooperation between China and the countries

59.9%, 比去年同期提升0.9個百分點。貿易方式結構持續優化。

2. 對歐盟、東盟和日本等主要貿易夥伴進出口增長。上半年，我國對歐盟進出口總值為人民幣2.3萬億元，增長11.2%，佔我國進出口總值的15.7%；我國對東盟進出口總值為人民幣1.98萬億元，增長10.5%，佔我國進出口總值的13.5%。同期，我國對美國進出口總值為人民幣1.75萬億元，下降9%，佔我國進出口總值的12%；我國對日本進出口總值為人民幣1.03萬億元，增長1.7%，佔我國進出口總值的7%。
3. 對「一帶一路」沿線國家進出口增速高於全國進出口整體增速。上半年，我國對「一帶一路」沿線國家合計進出口為人民幣4.24萬億元，增長9.7%，高出全國進出口整體增速5.8個百分點，佔我國進出口總值的28.9%，比重提升了1.5個百分點。說明我國與

along “the Belt and Road” is being continuously released, which has become a new driving force for the development of China’s foreign trade.

4. The imports and exports of private enterprises have expanded and the proportion increased. In the first half of the year, the imports and exports of private enterprises in China totaled RMB6.12 trillion, representing an increase of 11%, accounting for 41.7% of China’s total value of imports and exports, 2.7 percentage points higher than the same period last year.
5. The imports and exports growth rate in the central and western regions is higher than the overall growth rate of the country, with more coordinated regional development. In the first half of the year, the imports and exports growth rate of the 12 provinces, cities and autonomous regions in the western region was 14%, which was 10.1 percentage points higher than the national total imports and exports growth rate, while the imports and exports growth rate of the six provinces in China’s Central Region was 8.1%, 4.2 percentage points higher than that of the country.
6. The exports of electromechanical products and labor-intensive products increased simultaneously. In the first half of the year, China’s exports of electromechanical products amounted to RMB4.63 trillion, representing an increase of 5.3%, accounting for 58.2% of China’s total value of the exports.

「一帶一路」沿線國家的貿易合作潛力正在持續釋放，成為拉動我國外貿發展的新動力。

4. 民營企業進出口增長，比重提升。上半年，我國民營企業進出口為人民幣6.12萬億元，增長11%，佔我國進出口總值的41.7%，比去年同期提升了2.7個百分點。
5. 中西部進出口增速高於全國進出口整體增速，區域發展更趨協調。上半年，西部12省市自治區進出口增速為14%，高於全國進出口整體增速10.1個百分點；中部6省進出口增速為8.1%，高出全國進出口整體增速4.2個百分點。
6. 機電產品和勞動密集型產品出口同步增長。上半年，我國機電產品出口為人民幣4.63萬億元，增長5.3%，佔我國出口總值的58.2%。

7. The imports of bulk commodities such as crude oil and coal increased, and the imports of iron ore and soybeans decreased. In the first half of the year, China imported 245 million tons of crude oil, an increase of 8.8%; 154 million tons of coal, an increase of 5.8%; 46.92 million tons of natural gas, an increase of 11.6%. In addition, the imported iron ore was 499 million tons, a decrease of 5.9%; soybeans were 38.27 million tons, a decrease of 14.7%.

7. 原油和煤等大宗商品進口量增加，鐵礦砂、大豆進口量有所減少。上半年，我國進口原油2.45億噸，增加8.8%；煤炭1.54億噸，增加5.8%；天然氣4,692萬噸，增加11.6%。此外，進口鐵礦砂4.99億噸，減少5.9%；大豆3,827萬噸，減少14.7%。

(III) Design Consulting

At present, China's engineering survey and design industry has entered a period of rapid development, and the quality of the workforce, the scale of operation and economic efficiency of the industry have been greatly improved. The engineering survey and design industry faces both opportunities and challenges, and the trend for transformation and upgrading is noticeable.

1. *The industry is entering a reshuffle stage and restructuring continues to pick up pace*

Mergers and restructuring in the industry are accelerating. Unlike in the past, mergers and restructuring are more focused on vertical or horizontal purchase, which strengthens the economies of scale. Today, mergers and acquisitions are to enhance the value of services, for better integration of effective resources, to innovate and develop new business model, for the creation of a complete biological industry chain. The results of restructuring and integration will inevitably bring about major changes in the industry structure, and gradually moving to a polarized direction

(三) 設計諮詢

目前，我國工程勘察設計行業進入了快速發展期，行業隊伍素質、經營規模、經濟效益得到大幅提升。工程勘察設計行業總體是機遇與挑戰並存，轉型升級趨勢明顯。

1. *行業格局邁向深度洗牌階段，重組分化程度不斷加劇*

行業內的併購重組不斷加快。與以往不同的是，過去的併購重組，更關注的是延伸式、拓展式的併購，增強規模化效應。當前的併購，是基於提升服務價值，關注有效資源之間的整合，基於業務模式創新發展，構建完整的生態產業鏈的角度出發。重組整合的結果必將帶來行業結構的重大變化，逐漸從過去穩定的金字塔結構向兩極化方向過渡，一部

from the pyramid structure in the past. Some enterprises stand at the high end of the value chain, and have the advantages of a comprehensive, unified and integrated development, some enterprises will develop their specialized features and improve ancillary support, the original middle level will gradually fade out, and moves towards the two ends.

2. *Integrated development is the trend under imbalance supply and demand*

The main reason for the industry reshuffle is that the demand side is constantly changing, showing the characteristics of an integrated, unified, vertical, industrialized and service-oriented development. Therefore, it will definitely not work if the supply side of the industry is to stick to the traditional development line. To start making adjustment of the supply side and pursue integrated development is inevitable.

First, to pay attention to high quality growth and development. While ensuring the continuous expansion of scale, design companies are also required to maintain sustainable competitive edges, from unilateral project competition to more multilateral value competition. The value output of enterprises is to shift from a unitary profit model with weak counter-cyclical ability which based on people and technology to a vertical profit model featuring integrated services, productization, investment, operation management, etc.

分企業站在價值鏈高端，具有綜合化、一體化、集成化優勢，還有一部分精專特色化單位完善配套支撐，原有的中間層會逐漸減少，主動向兩端靠攏。

2. *供需關係結構性失衡下，融合發展成為追逐點*

行業格局重新洗牌，主要原因是需求端不斷在改變，出現了集成化、一體化、垂直化、產業化、服務化的特徵。因此，行業的供給端如果還沿襲傳統的發展路線肯定不行。着手進行供給側調整、追求融合發展已成必然。

一是注重高質增長發展理念。在確保規模持續擴張的同時，更要求設計企業塑造可持續的競爭力，從單邊項目競爭走向更加多邊價值競爭。企業價值輸出從依托於人與技術、抗周期能力偏弱的單一盈利模式轉向包括綜合型服務、產品化、投資、運營管理等立體式盈利模式轉型。

Second, to establish a mutually beneficial business ecosystem. With the promotion of the whole-process project consultation and project contracting construction model, the design enterprises are paying more attention to whole industry chain, unified and integrated development. More and more design enterprises will choose to actively integrate into the big ecosystem, form a platform-based development mindset, build and optimize the ecological relationship with partners, and create a business ecosystem of “living together, living mutually and re-born”.

Third, to reshape the design value industry chain. Under the integration of industry, the value chain is being segmented, the integration of enterprises is constantly strengthened, and the new ecological value chain is continuously constructed. The design enterprises should not only pay attention to the value position on the engineering construction chain, but also need to find out the position of the engineering construction industry chain in the ecological value chain.

二是建立共生商業生態圈。隨着工程全過程諮詢以及工程總承包建設組織模式的大力推進，設計企業更加注重全產業鏈、一體化、集成化的發展。越來越多設計企業會選擇積極融入大生態圈，建立平台化發展思維，構建、優化與合作夥伴的生態關係，營造「共生、互生、再生」的商業生態圈。

三是重塑設計價值產業鏈。在產業融合下，價值鏈越來越細化，企業之間的融合不斷加強，新的生態價值鏈在不斷構建。設計企業不但要關注工程建設鏈條上的價值地位，還需要去探尋工程建設產業鏈在生態價值鏈上地位。

3. *The process of market development accelerated, opening-up and integration with international market strengthened*

With the decentralization of the government, the principle and approach to industry regulation have changed, qualification reform and strengthening of credit supervision have been put forward. At the same time, polices have played down the attribute of the industry, and the overall future reform of the construction industry has been emphasized. The marketization process of the design industry will be further accelerated in the future.

3. *市場化進程加快，對外開放與國際融合加強*

隨着政府簡政放權，行業監管理念和手段發生改變，提出資質改革，強化信用監管，同時在政策方面淡化了行業屬性，更加強調建築業未來改革的整體路徑，未來設計行業市場化進程將進一步加快。

II. BUSINESS REVIEW

In the first half of the year, being confronted with the complicated international and domestic situations, the Company adopted a multi-pronged approach, make concerted efforts and continued its overall stable development trend. In the Period, the revenue from the International Engineering Contracting Business accounting for about 69.0% of the total revenue, with the gross profit accounting for about 75.6% of the total gross profit, laying a sound foundation for fulfilling the annual business goal.

(I) International Engineering Contracting Business

The Group is an international leading engineering contracting and services supplier, with a primary focus on EPC projects and particular expertise in the power sector. International Engineering Contracting Business is one of the traditional core businesses of the Group, accounting for about 69.0% of the total income of the Group for the Period. The income from the power sector accounted for about 69.2% of the total income of the International Engineering Contracting Business, while the gross

II. 業務概覽

上半年，面對錯綜複雜的國際國內形勢，公司多管齊下、齊心協力，延續了總體平穩的發展態勢。本期間，國際工程承包業務佔總收入約69.0%，毛利佔毛利總額約75.6%，為實現全年業務目標打下了一定基礎。

(一) 國際工程承包業務

本集團是國際領先的工程承包與服務商，主要專注於EPC項目，特別專長於電力能源行業。國際工程承包業務為本集團傳統核心業務之一，約佔於本期間的本集團總收入的69.0%。其中，電力能源行業收入佔本集團國際工程

profit of the power sector accounted for about 78.8% of the total gross profit of the International Engineering Contracting Business, with the gross profit margin was about 18.8%, holding a leading position in the industry.

The following table sets forth the details of the International Engineering Contracting Business for the Period, together with comparative figures for the Corresponding Period in 2018:

承包業務總收入約69.2%，而電力能源行業的毛利則佔國際工程承包業務總毛利約78.8%，毛利率約18.8%，處於行業領先水平。

下表載列本期間國際工程承包業務詳情，以及2018年同期的比較數字：

				Six months ended 30 June 2019 截至2019年 6月30日 止六個月		Six months ended 30 June 2018 截至2018年 6月30日 止六個月	Increase/ (Decrease) 增加/ (減少)
				<i>RMB</i> <i>million</i> 人民幣 百萬元	<i>% of</i> <i>Total</i> 估總額%	<i>RMB</i> <i>million</i> 人民幣 百萬元	
Revenue	收入	Power	電力能源	6,646.4	69.2	4,983.0	33.4%
		Transportation and telecommunications	交通運輸及 電子通訊	166.7	1.7	612.5	(72.8)%
		Non-Core Sectors	非核心行業	2,798.4	29.1	1,830.5	52.9%
		Total	合計	9,611.5	100.0	7,426.0	29.4%
Gross Profit	毛利	Power	電力能源	1,252.6	78.8	1,126.3	11.2%
		Transportation and telecommunications	交通運輸及 電子通訊	39.8	2.5	125.4	(68.3)%
		Non-Core Sectors	非核心行業	297.0	18.7	154.5	92.2%
		Total	合計	1,589.4	100.0	1,406.2	13.0%

				Six months ended 30 June 2019 截至2019年 6月30日 六個月 US\$ million 百萬美元	% of Total 估總額%	Six months ended 30 June 2018 截至2018年 6月30日 六個月 US\$ million 百萬美元	Increase/ (Decrease) 增加/ (減少)
Value of newly signed contracts	新簽約 合同 金額	Power	電力能源	1,291.8	50.5	1,054.3	22.5%
		Transportation and telecommunications	交通運輸及 電子通訊	351.0	13.7	570.8	(38.5)%
		Non-Core Sectors	非核心行業	915.7	35.8	1,258.4	(27.2)%
		Total	合計	<u>2,558.5</u>	<u>100.0</u>	<u>2,883.5</u>	<u>(11.3)%</u>
				As at 30 June 2019 於2019年 6月30日 US\$ million 百萬美元	% of Total 估總額%	As at 31 December 2018 於2018年 12月31日 US\$ million 百萬美元	Increase/ (Decrease) 增加/ (減少)
Backlog	未完成 合同量	Power	電力能源	5,939.6	65.3	7,255.1	(18.1)%
		Transportation and telecommunications	交通運輸及 電子通訊	449.6	4.9	456.1	(1.4)%
		Non-Core Sectors	非核心行業	2,712.7	29.8	2,936.1	(7.6)%
		Total	合計	<u>9,101.9</u>	<u>100.0</u>	<u>10,647.3</u>	<u>(14.5)%</u>

As at 30 June 2019, the Group had undertaken engineering contracting projects in more than 50 countries over the world, primarily in Asia, Africa, Europe and South America. The following map indicates the locations of our engineering contracting projects from 1 January 2009 to 30 June 2019:

截至2019年6月30日，本集團的工程承包項目遍及全球超過50個國家，主要在亞洲、非洲、歐洲及南美洲。以下地圖顯示於2009年1月1日至2019年6月30日我們工程承包項目的位置：



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

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

The following table sets forth a breakdown of the revenue from the Group's international engineering contracting projects by geographic locations for the Period, together with the comparative figures for the Corresponding Period in 2018:

下表載列本集團於本期間與2018年同期按地區劃分的國際工程承包項目收入明細：

		Six months ended 30 June			
		截至6月30日止六個月			
		2019		2018	
		2019年		2018年	
		RMB	% of	RMB	% of
		million	Total	million	Total
		人民幣	估總額%	人民幣	估總額%
		百萬元	估總額%	百萬元	估總額%
Asia	亞洲	5,022.5	52.2	3,339.8	45.0
Africa	非洲	3,333.9	34.7	3,395.2	45.7
Europe	歐洲	916.2	9.5	118.9	1.6
South America	南美洲	168.9	1.8	572.1	7.7
North America	北美洲	170.0	1.8	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Total	合計	9,611.5	100.0	7,426.0	100.0
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

1. Sound project execution

In the first half of the year, the Company stepped up its efforts in the supervision of various projects under implementation stage in hand, strictly controlled various risks, and ensured that the implementation of all projects were in good progress, without the occurrence of major risks and accidents.

The second phase of the KOSTOLAC-B Power Station Project in Serbia was successfully implemented, and various milestones were achieved. On 26 March, the coal mine capacity expansion portion of the project held a ceremony of the transfer of the bucket wheel excavator. On 11 June, the first pile of the main plant area of the main section of the project was successfully

1. 項目執行情況良好

上半年，公司加大各在手執行項目的監管力度，嚴格控制各類風險，保證了項目執行情況的整體良好，無重大風險和事故發生。

塞爾維亞KOSTOLAC-B電站項目二期執行順利，完成多個重要節點。3月26日，該項目煤礦擴容部分舉行了斗輪挖掘機轉場儀式，6月11日，該項目主標段主廠房區域第一根樁順利施工完

completed. On 18 June, the coal mine capacity expansion portion held a ceremony of the transfer of the dumping plough, marking the full completion of the installation of main equipment in the coal mine portion. During the Period, economic and trade and professional delegations from Mainland China and HKSAR also visited the project site for investigation and research.

On 3 April, Lauca Connection Line Project in the Angola achieved the full operation, greatly alleviating the lack of power in the central and southern region of Angola. Meanwhile, it also means that the first batch of three-phase integrated magnetism controlled reactors exported from China to overseas has been successfully put into operation.

The first phase of Thar Power Station Project in the Pakistan achieved first grid connection for power generation of 2# unit on 18 March and completed first grid connection for power generation of 1# unit on 4 April. On 10 April, the project held a ceremony for the grid connection of the two units. The Pakistan side stated that the project, as a Sino-Pakistan economic corridor project, was not simply cooperation between China and Pakistan and also brought together participation by countries such as the United States, Japan and Germany in terms of technology and equipment, which demonstrated that the corridor project and “the Belt and Road” policies were open, cooperative and win-win.

成，6月18日，煤礦擴容部分舉行排土機轉場儀式，標誌着煤礦部分主設備安裝工作全面完成。期間，中國內地與香港特區經貿及專業代表團還到訪項目現場進行調研。

4月3日，安哥拉Lauca連接線項目全線貫通，極大緩解了安哥拉中南部地區電力缺乏的狀況，同時也意味着中國第一批出口海外的三相一體式磁控電抗器的正式投運成功。

巴基斯坦塔爾電站一期項目於3月18日實現2#機組的首次並網發電，又於4月4日完成1#機組的首次並網發電。4月10日，項目舉行了兩台機組並網成功慶典，巴方表示該項目作為中巴經濟走廊項目，不單純是中國和巴基斯坦的合作，還集結了美國、日本、德國等國家在技術、設備等方面的參與，印證了走廊項目、「一帶一路」政策是開放、合作和共贏的政策。

On 19 April, a commissioning ceremony of the Nikopol Photovoltaic Power Station Project in Ukraine was held. The project is currently the largest photovoltaic project in Ukraine, and is equipped with global advanced photovoltaic components, inverters and advanced photovoltaic power station management systems manufactured by China. It is a model for win-win cooperation between Chinese and Ukrainian companies.

On 19 May, the No. 1 steam turbine of the SOYOI Combined Cycle Power Station Project in Angola successfully passed the 72-hour full load reliability test. At this point, all the installation and debugging work of the project was completed, and the entire project is about to be handed over and put into commercial operation.

On 13 June, the Minister of Energy and Water of Angola and his delegation inspected the third phase of the Construction Project of Gandrabro Water Plant in Luanda constructed by the Company. The project is a national key project in Angola. It is highly valued by the senior officials of Angola and has received extensive attention from various social sectors. The Minister expressed great satisfaction with the progress of the project and the quality of the construction, and expressed appreciation for the spirit of CMEC to effectively organize the construction according to the plan.

4月19日，烏克蘭尼科波爾光伏電站項目舉行投產儀式，該項目為烏克蘭目前最大的光伏項目，裝備了中國製造的全球先進的光伏組件，逆變器以及先進的光伏電站管理系統，是中烏兩國企業雙贏合作的典範。

5月19日，安哥拉SOYOI聯合循環電站項目的一號汽機順利通過72小時滿負荷可靠性試驗，至此，該項目的所有安裝調試工作全部完成，即將整體移交投入商業運行。

6月13日，安哥拉能源水利部部長一行，視察了我司承建的羅安達甘德拉布羅水廠三期建設項目。該項目是安哥拉國家重點項目，受到安哥拉高層的高度重視和社會各界的廣泛關注，部長對項目進展和施工質量表示非常滿意，對CMEC按計劃有效組織施工的精神表示贊賞。

2. *Steady market development*

On 12 April, the China-Central and Eastern European Countries Leaders Summit was held in Croatia. During the summit, under the witness of State Council Premier Li Keqiang, State Councilor and Foreign Minister Wang Yi and leaders of Central and Eastern European countries, the Company signed a commercial contract for the Bulgarian Port Construction Project. The project is the first port construction project undertaken by a Chinese enterprise in Bulgaria, and is another interconnected infrastructure construction project under “the Belt and Road” initiative in Central and Eastern Europe and also the first modern port with storage capacity in Bulgaria.

On 15 April, the Company signed the EPC contract for the 300kt/a Electrolytic Aluminum Technical Transformation Project in Tajikistan. The successful signing of the project will lay a good foundation for the Company to expand into new markets and new industries.

On 25 April, under the witness of Gao Yunlong, vice president of the Chinese People’s Political Consultative Conference and chairman of the All-China Federation of Industry and Commerce, Xiao Yaqing, the then director of the State-owned Assets Supervision and Administration Commission of the State Council, and other leaders, the Company signed the EPC contract agreement

2. *市場開拓穩步前行*

4月12日，中國－中東歐國家領導人峰會在克羅地亞召開。峰會期間，在國務院總理李克強、國務委員兼外交部長王毅以及中東歐國家領導人的見證之下，公司簽署了保加利亞港口建設項目商務合同。該項目是中資企業在保加利亞的第一個港口建設項目，是中東歐在「一帶一路」倡議下的又一個互聯互通的基礎設施建設項目，也是保加利亞第一個具備倉儲能力的現代化港口。

4月15日，公司簽署塔吉克300kt/a電解鋁技改項目EPC合同，該項目的成功簽約將為公司拓展新市場和新行業打下良好基礎。

4月25日，在全國政協副主席、全國工商聯主席高雲龍，時任國務院國有資產監督管理委員會主任肖亞慶等領導的見證下，公司簽署了印尼ANH高爐鎳鐵冶煉項目EPC合同協議。該項目為業主在印尼鎳鐵產業園整體規劃中的

for the ANH blast furnace ferronickel smelting project in Indonesia. The project is the first phase of the construction project of the owner in the overall plan of the ferronickel industrial park in Indonesia. Upon completion, the project will provide a production capacity of 80,000 tons of ferronickel per year, which will lay a good foundation for the subsequent increase in production and expansion of the industrial park.

On 27 April, the Company signed the agreement on the Pakistan KE 700MW Coal-fired Power Station Project, the cooperation framework agreement on the Pakistan Modern Agriculture Project, and the loan agreement on the Pakistan ThalNova 330MW Power Station Project.

On 22 May, the Company signed a contract for the Makhmour cement plant in Iraq. The scope of the contract includes the construction of a new cement plant with a daily output of 6,000 tonnes of clinker, and the construction of a 52.2MW self-supplied power station for the cement plant to provide electricity to the cement plant. The project has laid a solid foundation for further enhancing the Company's brand image and penetrating the Iraqi market.

首期建設項目，項目建成後每年將提供8萬噸鎳鐵產能，並將為產業園後續增產擴建奠定良好基礎。

4月27日，公司簽署了巴基斯坦KE 700MW燃煤電站項目相關協議、巴基斯坦現代農業項目合作框架協議，以及巴基斯坦ThalNova 330MW電站項目貸款協議。

5月22日，公司簽署了伊拉克邁赫穆爾水泥廠合同，合同範圍包括新建一座日產6,000噸熟料的水泥廠，同時為該水泥廠建設一座52.2MW自備電站為水泥廠提供電力。該項目為進一步提升公司品牌形象、深耕伊拉克市場打下了堅實的基礎。

On 26 May, under the joint witness of Vice President Wang Qishan, the Prime Minister of Pakistan Imran Khan and relevant leaders of China and Pakistan, the Company successfully signed a tripartite agricultural framework cooperation agreement on modern animal husbandry, agricultural planting and other fields with Balochistan and Lasbela University of Agriculture.

At the end of May, the Company successfully signed the EPC and O&M contract for the 45MW photovoltaic power station in Kedah, Malaysia, with a construction period of 14 months. The project is the Company's third EPC general contracting project for photovoltaic power plants in Malaysia, laying a solid foundation for penetrating the Malaysian photovoltaic power station market.

(II) Trading Business

In the first half of the year, the trading business maintained stable operation, but volatility increased. The overall situation was the coexistence of difficulties and opportunities.

The following table sets forth the details of the Trading Business for the Period, together with the comparative figures for the Corresponding Period in 2018:

5月26日，在國家副主席王岐山、巴基斯坦總理伊姆蘭·汗以及中巴雙方相關領導人的共同見證下，成功簽署公司與俾路支省、拉斯貝拉農業大學在現代畜牧養殖、農業種植等領域的三方農業框架合作協議。

5月底，公司成功簽約馬來西亞吉打州45MW光伏電站EPC和O&M合同，施工工期14個月。該項目為公司在馬來西亞的第三個光伏電站EPC總承包項目，深耕馬來西亞光伏電站市場打下堅實基礎。

(二) 貿易業務

上半年，貿易業務保持經營平穩，但波動性有所增大，總體是困難和機遇並存的態勢。

下表載列截止本期間貿易業務詳情連同2018年同期的比較數字：

				Six months ended 30 June 2019 截至2019年 6月30日 止六個月 RMB million 人民幣百萬元	% of total 估總額%	Six months ended 30 June 2018 截至2018年 6月30日 止六個月 RMB million 人民幣百萬元	Increase/ (Decrease) 增加/ (減少)
Revenue	收入	International trade	國際貿易	2,935.6	90.5	3,158.3	(7.1)%
		Domestic trade	國內貿易	309.1	9.5	469.7	(34.2)%
		Total	合計	<u>3,244.7</u>	<u>100.0</u>	<u>3,628.0</u>	<u>(10.6)%</u>
Gross profit	毛利	International trade	國際貿易	196.2	87.4	195.2	0.5%
		Domestic trade	國內貿易	28.4	12.6	36.3	(21.8)%
		Total	合計	<u>224.6</u>	<u>100.0</u>	<u>231.5</u>	<u>(3.0)%</u>

1. Continue to promote transformation and upgrading. The Company will vigorously develop new trading business models, such as CMIPC's "R&D + manufacturing + trade" model, China National Machinery & Equipment Import & Export (Suzhou) Co., Ltd.'s "Internet + overseas operation platform", "cross-border e-commerce platform" established through cooperation between CMEC General Machinery Import & Export Co., Ltd.* and China Machinery & Equipment (HK) Company Limited, etc.
2. Successfully achieve new business development. The Company has reached a strategic cooperation with the Dingzhou Municipal Government to jointly promote the comprehensive utilization and development of biogas (bio-natural gas), actively build a special equipment production base for biogas (bio-natural gas) comprehensive utilization, and establish a manufacturing and comprehensive utilization industrial technology center for bio-gas (bio-natural gas).

1. 持續推進轉型升級。大力發展新型貿易業務模式，如中設裝備「研發+製造+貿易」模式，中設（蘇州）機械設備工程有限公司的「互聯網+海外運營平台」，中設通用機械進出口有限責任公司與中國機械設備香港有限公司合作的「跨境電商平台」等。
2. 新業務開拓取得成效。公司與定州市政府達成戰略合作，共同推進沼氣（生物天然氣）的綜合利用與開發，積極打造沼氣（生物天然氣）綜合利用專用設備生產基地、建立沼氣（生物天然氣）製備及綜合利用產業技術中心。

3. Actively build technology-based trading business. CMIPC begins to make preparations for building CMEC Group New Materials Research Institute. Preliminary ideas have been put forward for the project of establishing a joint venture laboratory in China through cooperation between Engineering Machinery Company and overseas experimental testing institutions.
4. Continue to promote trade regionalization and localization. After completing the Photovoltaic EPC project in Curacao School, CMEC International Trading Co., Ltd.* has formed a business cluster and signed a number of contracts for commercial Photovoltaic EPC projects in many regions of the Caribbean such as Panama, Costa Rica and Dominica. Based on the existing housing projects in Canada, the North American Regional Center plans to drive warehousing-style trading business to achieve “engineering + trade”.

In addition, the Company will continue to strengthen system construction, strictly guard against various risks, and steadily promote synergy between sectors, all of which have achieved certain results.

3. 積極打造科技型貿易業務。中設裝備公司開始籌建中設集團新材料研究院；中設工程機械和海外實驗檢測機構合作，在國內設立合資實驗室項目已提出初步設想。
4. 繼續推進貿易區域化屬地化。中設國際貿易有限責任公司在完成庫拉索學校光伏EPC項目後，已形成業務集群，在加勒比地區已實現巴拿馬、哥斯達黎加、多米尼加等多個商業光伏EPC項目簽約；北美區域中心在現有加拿大房建項目基礎上，計劃帶動倉儲式貿易業務，實現「工程+貿易」。

此外，不斷加強制度建設，嚴格防範各類風險，穩步推進板塊協同，均取得一定實效。

(III) Services Business

In the first half of the year, the tendering business of the Company maintained the stability. The design consulting business continued to accomplish the improvement. The market development and business execution status were good. The effect of technology funds and technology incubation emerged, and internal and external collaboration were further enhanced. In January, the post-doctoral scientific research station that JiKan Research Institute had applied for establishment was approved by the state, and was also the Company's first national-level technological innovation carrier. In June, the Company successfully held the first science and technology conference, which comprehensively summarized the status quo and capabilities of the Company's scientific and technological strength, and carefully analyzed the specific tasks and needs of scientific and technological development under the new situation, laying a foundation for the Company to promote high-quality development with science and technology in the next step.

The following table sets forth the details of the Services Business as of the Period, together with the comparative figures for the Corresponding Period in 2018:

(三) 服務業務

上半年，公司服務業務中的招標業務穩定發展。設計諮詢業務繼續提升，市場開拓和業務執行狀態良好，科技基金和科技孵化效用顯現，內外部協同進一步增強。1月，機勘院申請設立的博士後科研工作站通過國家審批，這也是公司首個國家級科技創新載體。6月，公司成功召開首屆科技大會，全面總結了公司科技力量的現狀和能力，細緻分析了新形勢下科技發展的具體任務和需求，為公司下一步以科技促進高質量發展打下基礎。

下表載列截止本期間服務業務詳情連同2018年同期的比較數字：

				Six months ended 30 June 2019 截至2019年 6月30日 止六個月 RMB million 人民幣百萬元	% of total 估總額%	Six months ended 30 June 2018 截至2018年 6月30日 止六個月 RMB million 人民幣百萬元	Increase/ (Decrease) 增加/ (減少)
Revenue	收入	Logistics services	物流服務	193.9	17.9	171.4	13.1%
		Design services	設計服務	452.8	41.8	381.2	18.8%
		Tendering agency services	招標代理服務	13.9	1.3	13.8	0.7%
		Export-import agency services	進出口代理服務	3.5	0.3	12.0	(70.8)%
		Others	其他	418.4	38.7	415.9	0.6%
		Total	合計	1,082.5	100.0	994.3	8.9%
Gross Profit	毛利	Total	合計	289.3	100.0	302.0	(4.2)%

In general, the design consulting business in the first half of the year mainly showed three characteristics:

First, the medium and large-sized survey and design projects completed by the two design institutes under the Company were gradually increasing, indicating that the overall capabilities of the two institutes and their ability to compete for projects in the market were constantly improving, and the collection work was progressing steadily, with a decrease in the gearing ratio of China Machinery R&D.

Second, we had seized the development opportunity of the country's strategic industries. China Machinery R&D obtained large contracts in the sectors of new energy and environmental governance, and JiKan Research Institute obtained large contracts in the sectors of subway and transportation.

Third, the effect of driving the market was apparent in terms of technological innovation. The two design institutes under the Company had driven some new markets by leveraging their advantages in sponge cities, fabricated buildings, drones and subway automatic monitoring technology.

總的來說，上半年設計諮詢業務主要呈現三個特點：

一是公司下屬兩家設計院完成的大中型勘察設計項目在逐步增多，說明兩院的綜合能力和在市場競爭力不斷提升，並且收款工作穩步推進，中機院的資產負債率有所降低。

二是抓住了國家戰略性產業的發展機遇，中機院在新能源、環境治理領域，機勘院在地鐵、交通領域均有簽署大額合同。

三是在科技創新方面的帶動市場效應明顯，公司下屬兩家設計院利用在海綿城市、裝配式建築、無人機、地鐵自動監測技術等方面的優勢均帶動了一些新的市場。

III. HUMAN RESOURCES

As at 30 June 2019, the Group had approximately 5,010 (31 December 2018: 4,829) employees. Employees' remuneration comprises basic salary and performance salary. The performance salary is determined according to the assessment of the performance of all staff. The Company does not adopt any pre- or post-IPO share award scheme or share option scheme.

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

III. 人力資源

截至2019年6月30日，本集團僱用員工約5,010人（2018年12月31日：4,829人）。員工薪酬包括基本薪金及績效薪金。績效薪金乃根據全體員工的表現評估釐定。本公司概無採納任何首次公開發售前或後股份獎勵計劃或購股權計劃。

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

IV. FINANCIAL POSITION AND OPERATING RESULTS

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

1. Overview

For the Period, both of the Group's revenue and gross profit increased to a certain extent, and the gross profit margin of core businesses was still maintained at a relatively high level.

2. Revenue

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

For the Period, the Group's revenue amounted to approximately RMB13,938.7 million, representing an increase of 15.7% as compared with the Group's revenue of RMB12,048.3 million for the Corresponding Period in 2018.

IV. 財務狀況及經營業績

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

1. 概覽

於本期間，本集團收入、毛利均有一定幅度增長，核心業務毛利率仍保持較高水平。

2. 收入

本集團的收入來自國際工程承包業務、貿易業務及服務業務。

於本期間，本集團的收入約為人民幣13,938.7百萬元，較本集團於2018年同期的收入人民幣12,048.3百萬元增加15.7%。

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

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

		Six months ended 30 June 截至6月30日止六個月			
		2019 2019年		2018 2018年	
		RMB million 人民幣百萬元	% of Total 總額的%	RMB million 人民幣百萬元	% of Total 總額的%
International Engineering Contracting Business	國際工程承包業務				
Power	電力能源	6,646.4	47.7	4,983.0	41.3
Transportation and Telecommunications	交通運輸及電子通訊	166.7	1.2	612.5	5.1
Non-Core Sectors	非核心行業	2,798.4	20.1	1,830.5	15.2
Trading Business	貿易業務				
International Trade	國際貿易	2,935.6	21.1	3,158.3	26.2
Domestic Trade	國內貿易	309.1	2.2	469.7	3.9
Services Business	服務業務	1,082.5	7.7	994.3	8.3
Total	總計	13,938.7	100	12,048.3	100

1) International Engineering Contracting Business

For the Period, the Group's revenue generated from the International Engineering Contracting Business amounted to RMB9,611.5 million, which accounted for 69.0% of the Group's total revenue for the Period, representing an increase of 29.4% as compared with approximately RMB7,426.0 million for the Corresponding Period in 2018, primarily due to the increase in the revenue generated from the Power and Non-Core Sectors.

1) 國際工程承包業務

於本期間，本集團的國際工程承包業務收入為人民幣9,611.5百萬元，佔於本期間本集團總收入69.0%，較2018年同期約人民幣7,426.0百萬元增加29.4%，主要由於電力能源及非核心行業收入有所增加。

For the Period, revenue from the Power Sector amounted to RMB6,646.4 million, representing an increase of 33.4% as compared with RMB4,983.0 million for the Corresponding Period in 2018, primarily due to the significant progress in the power station projects in Asia during the Period.

For the Period, revenue from the Transportation and Telecommunications Sector amounted to RMB166.7 million, representing a decrease of 72.8% as compared with RMB612.5 million for the Corresponding Period in 2018, primarily due to the significant progress in the railway improvement project in South America during the Corresponding Period in 2018.

For the Period, revenue from the Non-Core Sectors amounted to RMB2,798.4 million, representing an increase of 52.9% as compared with RMB1,830.5 million for the Corresponding Period in 2018, primarily due to the significant progress achieved by the water plant and water supply projects in Asia and Africa, which generated higher revenue as compared with that for the first half of 2018.

於本期間，電力能源行業收入為人民幣6,646.4百萬元，比2018年同期人民幣4,983.0百萬元增加33.4%，主要由於位於亞洲的電站項目本期間有較大進展。

於本期間，交通運輸及電子通訊行業收入為人民幣166.7百萬元，比2018年同期人民幣612.5百萬元減少72.8%，主要由於南美洲鐵路改造項目2018年同期有較大進展。

於本期間，非核心行業收入為人民幣2,798.4百萬元，比2018年同期人民幣1,830.5百萬元增加52.9%，主要由於亞洲和非洲的水廠及供水項目取得較大進展，相比2018年上半年取得收入較多。

2) *Trading Business*

For the Period, the Group's revenue generated from the Trading Business reached RMB3,244.7 million, which accounted for 23.3% of the Group's total revenue for the Period, representing a decrease of 10.6% as compared with RMB3,628.0 million for the Corresponding Period in 2018, primarily due to the decreases in both the revenue from international trade and domestic trade.

For the Period, revenue from the international trade amounted to RMB2,935.6 million, represents a decrease of 7.1% as compared with RMB3,158.3 million for the Corresponding Period in 2018, primarily due to a decrease in the business volume of chemical products business.

2) 貿易業務

於本期間，本集團的貿易業務收入為人民幣3,244.7百萬元，佔本集團於本期間總收入23.3%及較2018年同期人民幣3,628.0百萬元減少10.6%，主要由於國際貿易及國內貿易收入均有所下降。

於本期間，國際貿易收入為人民幣2,935.6百萬元，比2018年同期人民幣3,158.3百萬元減少7.1%，主要由於化工產品業務量有所下降。

For the Period, revenue from domestic trade amounted to RMB309.1 million, representing a decrease of 34.2% as compared with RMB469.7 million for the Corresponding Period in 2018, primarily due to a decrease in the business volume of domestic chemical product trading business.

3) *Services Business*

For the Period, the Group's revenue generated from the Services Business amounted to RMB1,082.5 million, which accounted for 7.7% of the Group's total revenue for the Period, representing an increase of 8.9% as compared with RMB994.3 million for the Corresponding Period in 2018, primarily due to an increase in business volume of design sector as compared with the Corresponding Period in 2018.

3. **Cost of Sales**

For the Period, the Group's cost of sales amounted to RMB11,835.3 million, representing an increase of 17.1% as compared with RMB10,108.5 million for the Corresponding Period in 2018.

於本期間，國內貿易收入為人民幣309.1百萬元，比2018年同期人民幣469.7百萬元減少34.2%，主要由於國內化工貿易業務量的下降。

3) **服務業務**

於本期間，本集團的服務業務收入為人民幣1,082.5百萬元，佔本集團於本期間總收入7.7%及較2018年同期人民幣994.3百萬元增加8.9%，主要由於設計業務量較2018年同期有所增加。

3. **銷售成本**

於本期間，本集團的銷售成本為人民幣11,835.3百萬元，而2018年同期則為人民幣10,108.5百萬元，增幅為17.1%。

4. Gross Profit and Gross Profit Margin

1) Gross profit

During the Period, the Group's gross profit amounted to RMB2,103.3 million, representing an increase of 8.4% as compared with RMB1,939.7 million for the Corresponding Period in 2018.

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

4. 毛利及毛利率

1) 毛利

於本期間，本集團的毛利為人民幣2,103.3百萬元，較2018年同期人民幣1,939.7百萬元增加8.4%。

於本期間，本集團毛利構成情況如下：

		Six months ended 30 June 截至6月30日止六個月			
		2019 2019年		2018 2018年	
		RMB million 人民幣百萬元	% of Total 總額的%	RMB million 人民幣百萬元	% of Total 總額的%
International Engineering Contracting Business	國際工程承包業務				
Power	電力能源	1,252.6	59.6	1,126.3	58.1
Transportation and Telecommunications	交通運輸及電子通訊	39.8	1.9	125.4	6.4
Non-Core Sectors	非核心行業	297.0	14.1	154.5	8.0
		<u>1,589.4</u>	<u>75.6</u>	<u>1,406.2</u>	<u>72.5</u>
Trading Business	貿易業務				
International Trade	國際貿易	196.2	9.3	195.2	10.0
Domestic Trade	國內貿易	28.4	1.4	36.3	1.9
		<u>224.6</u>	<u>10.7</u>	<u>231.5</u>	<u>11.9</u>
Services Business	服務業務	<u>289.3</u>	<u>13.7</u>	<u>302.0</u>	<u>15.6</u>
Total	總計	<u><u>2,103.3</u></u>	<u><u>100</u></u>	<u><u>1,939.7</u></u>	<u><u>100</u></u>

i) *International Engineering Contracting Business*

For the Period, the Group's gross profit from the International Engineering Contracting Business amounted to RMB1,589.4 million, which accounted for 75.6% of the Group's total gross profit for the Period, representing an increase of 13.0% as compared with RMB1,406.2 million for the Corresponding Period in 2018, primarily due to the increases in gross profit in the Power and Non-Core Sectors.

For the Period, the Group's gross profit from the Power Sector amounted to RMB1,252.6 million, representing an increase of 11.2% as compared with RMB1,126.3 million for the Corresponding Period in 2018, primarily due to the significant progress in the power station projects in Asia during the Period.

i) 國際工程承包業務

於本期間，本集團國際工程承包業務的毛利為人民幣1,589.4百萬元，佔本集團本期間總毛利75.6%，較2018年同期人民幣1,406.2百萬元增加13.0%，主要由於電力能源和非核心行業的毛利增加。

於本期間，電力能源行業毛利為人民幣1,252.6百萬元，比2018年同期人民幣1,126.3百萬元增加11.2%，主要由於亞洲的電站項目本期間取得較大進展。

For the Period, the Group's gross profit from the Transportation and Telecommunications Sector amounted to RMB39.8 million, representing a decrease of 68.3% as compared with RMB125.4 million for the Corresponding Period in 2018, primarily due to the significant progress in the railway improvement project in South America during the Corresponding Period in 2018.

For the Period, the Group's gross profit from the Non-Core Sectors amounted to RMB297.0 million, representing an increase of 92.2% as compared with RMB154.5 million for the Corresponding Period in 2018, primarily due to the significant progress achieved by the water plant and water supply projects in Asia and Africa, which generated higher gross profit margin.

ii) *Trading Business*

For the Period, the Group's gross profit from the Trading Business amounted to RMB224.6 million, which accounted for 10.7% of the Group's total gross profit for the Period, representing a decrease of 3.0% as compared with RMB231.5 million for the Corresponding Period in 2018, primarily due to a decrease in the business volume of domestic chemical product trading business.

於本期間，交通運輸及電子通訊行業毛利為人民幣39.8百萬元，比2018年同期人民幣125.4百萬元減少68.3%，主要由於南美洲鐵路改造項目2018年同期有較大進展。

於本期間，非核心行業毛利為人民幣297.0百萬元，比2018年同期人民幣154.5百萬元增加92.2%，主要由於亞洲和非洲的水廠及供水項目取得較大進展，且毛利率較高。

ii) *貿易業務*

於本期間，本集團貿易業務的毛利為人民幣224.6百萬元，佔本集團本期間總毛利10.7%及較2018年同期人民幣231.5百萬元減少3.0%，主要由於國內化工貿易業務量的下降。

iii) *Services Business*

For the Period, the Group's gross profit from the Service Business amounted to RMB289.3 million, which accounted for 13.7% of the Group's total gross profit for the Period, representing a decrease of 4.2% as compared with RMB302.0 million for the Corresponding Period in 2018, which was primarily due to a decrease in the gross profit of export-import agency services.

2) *Gross profit margin*

During the Period, the Group's gross profit margin was approximately 15.1%, representing a slight decrease as compared with that for the Corresponding Period of last year.

Gross profit margins of the Group for the Period consist of the following:

iii) *服務業務*

於本期間，本集團服務業務的毛利為人民幣289.3百萬元，佔本集團本期間總毛利13.7%，較2018年同期人民幣302.0百萬元減少4.2%，主要由於進出口代理服務毛利有所下降。

2) *毛利率*

於本期間，本集團的毛利率約15.1%，與上年同期相比略有降低。

於本期間，本集團毛利率構成情況如下：

		Six months ended 30 June	
		截至6月30日止六個月	
		2019	2018
		2019年	2018年
		%	%
International Engineering Contracting Business	國際工程承包業務	16.5	18.9
Power	電力能源	18.8	22.6
Transportation and Telecommunications	交通運輸及電子通訊	23.9	20.5
Non-Core Sectors	非核心行業	10.6	8.4
Trading Business	貿易業務	6.9	6.4
International Trade	國際貿易	6.7	6.2
Domestic Trade	國內貿易	9.2	7.7
Services Business	服務業務	26.7	30.4
Total	總計	15.1	16.1

i) *International Engineering Contracting Business*

For the Period, the Group's gross profit margin for the International Engineering Contracting Business was 16.5%, as compared with 18.9% for the Corresponding Period in 2018, representing a slight decrease as compared to the Corresponding Period in 2018.

For the Period, the gross profit margin of the Power Sector was 18.8%, as compared with 22.6% for the Corresponding Period in 2018, representing a slight decrease as compared to the Corresponding Period in 2018, which was primarily due to a higher gross profit margin arising from the projects with substantial progress for the Corresponding Period in 2018.

For the Period, the gross profit margin of the Transportation and Telecommunications Sector was 23.9%, as compared with 20.5% for the Corresponding Period in 2018, primarily due to an increase in gross profit margin from the railway improvement project in South America as compared with the Corresponding Period in 2018.

i) 國際工程承包業務

於本期間，本集團國際工程承包業務的毛利率為16.5%，而2018年同期為18.9%，與2018年同期相比略有降低。

於本期間，電力能源行業毛利率為18.8%，而2018年同期則為22.6%，較2018年略有降低，主要由於2018年同期進展較大項目的毛利率較高。

於本期間，交通運輸及電子通訊行業毛利率為23.9%，而2018年同期則為20.5%。主要由於南美洲鐵路改造項目毛利率較2018年同期有所增加。

For the Period, the gross profit margin of the Non-Core Sectors was 10.6%, representing an increase of 2.2% as compared with 8.4% for the Corresponding Period in 2018, primarily due to a higher gross profit margin from the water plant projects in Africa with substantial progress for the Period.

於本期間，非核心行業毛利率為10.6%，與2018年同期的8.4%比增加了2.2%，主要由於非洲水廠項目於本期間有較大進展且毛利率較高。

ii) *Trading Business*

ii) 貿易業務

For the Period, the gross profit margin of the Group's Trading Business was 6.9%, as compared with approximately 6.4% for the Corresponding Period in 2018, which was primarily due to an improvement of gross profit margin of grain trade and a decrease of business with low gross profit margin.

於本期間，本集團貿易業務毛利率為6.9%，而2018年同期則約為6.4%，主要由於糧食貿易業務毛利率的提升以及低毛利率業務量的減少。

iii) *Services Business*

iii) 服務業務

For the Period, the gross profit margin of the Group's Services Business was 26.7%, representing a decrease of 3.7% as compared with about 30.4% for the Corresponding Period in 2018, primarily due to which was primarily due to a slight decrease in gross profit margin of the design service for the Period as compared with that for the Corresponding Period of last year and a decrease in gross profit margin of export-import agency service.

於本期間，本集團服務業務的毛利率為26.7%，而2018年同期則約為30.4%，下降了3.7%，主要由於本期間的設計服務毛利率較上年同期略有下降及進出口代理服務的毛利率下降。

5. Other Revenue

5. 其他收入

For the Period, the Group's other revenue was RMB10.3 million, representing a decrease of 84.3% as compared with RMB65.4 million for the Corresponding Period in 2018, primarily due to the impact of adjustment to the structure of financial management.

於本期間，本集團的其他收入為人民幣10.3百萬元，較2018年同期人民幣65.4百萬元減少84.3%。主要由於財資管理結構調整的影響。

6. Other Income, Net

For the Period, the Group's other income, net was RMB16.5 million, as compared with RMB12.3 million for the Corresponding Period in 2018. The increase was primarily due to a decrease in losses from disposal of properties and equipment and an increase in gains from bargain purchase recognised in other income.

7. Selling and Distribution Expenses

For the Period, the Group's selling and distribution expenses were RMB470.9 million, representing a decrease of 3.1% as compared with RMB486.1 million for the Corresponding Period in 2018, primarily due to the decrease in expenses for domestic and overseas business trips and business entertainment.

8. Administrative Expenses

For the Period, the Group's administrative expenses were RMB540.6 million, representing an increase of 10.1% as compared with RMB490.9 million for the Corresponding Period in 2018, primarily due to an increase in labor costs.

9. Impairment losses on financial and contract assets, net

The impairment losses of financial and contract assets of the Group were RMB117.8 million for the Period, as compared with RMB125.5 million for the Corresponding Period in 2018, which was mainly due to the decreases in the loss allowance for impairment of trade receivables and other receivables of the Company for the Period.

6. 其他收入淨額

於本期間，本集團的其他收入淨額為人民幣16.5百萬元，而2018年同期則為人民幣12.3百萬元。有關增加主要由於處置物業及設備的損失減少以及於其他收入確認的折價購買收益增加。

7. 銷售及分銷開支

於本期間，本集團的銷售及分銷開支為人民幣470.9百萬元，較2018年同期人民幣486.1百萬元減少3.1%，主要由於國內外差旅費及業務招待費等減少。

8. 行政開支

於本期間，本集團的行政開支為人民幣540.6百萬元，較2018年同期約人民幣490.9百萬元增加10.1%，主要是人工成本增加。

9. 金融及合同資產減值虧損淨額

於本期間，本集團的金融及合同資產減值虧損淨額為人民幣117.8百萬元，2018年同期為人民幣125.5百萬元。有關減少主要由於本公司於本期間貿易及其他應收款項減值準備減少。

10. Other Operating Expenses

For the Period, the Group's other operating expense was RMB1.1 million, as compared with RMB8.1 million for the Corresponding Period in 2018. The decrease was primarily due to a decrease in provisions for impairment of inventories of the Company for the Period.

11. Profit from Operations

For the Period, the Group's profit from operations was RMB999.7 million, representing an increase of 10.2% as compared with RMB906.9 million for the Corresponding Period in 2018. This increase was primarily due to the combined effect of the increases in gross profit, sales and distribution expenses and administrative expenses as well as the decreases in other revenue and other operating expenses.

12. Finance Income/Finance Expenses

For the Period, the Group's finance income was RMB262.1 million, representing an increase of 12.1% as compared with RMB233.8 million for the Corresponding Period in 2018. For the Period, the Group's finance expenses were RMB135.9 million, representing an increase of 254.8% as compared with approximately RMB38.3 million for the Corresponding Period in 2018. This change was primarily due to a decrease in net exchange income, the increases in finance income on receivables from customers and interest expenses. As a result, for the Period, the Group's net finance income was RMB126.2 million, as compared with the net finance income of RMB195.5 million for the Corresponding Period in 2018.

10. 其他經營開支

於本期間，本集團的其他經營開支為人民幣1.1百萬元，2018年同期為人民幣8.1百萬元。有關減少主要由於公司本期存貨跌價撥備減少。

11. 經營溢利

於本期間，本集團的經營溢利為人民幣999.7百萬元，較2018年同期人民幣906.9百萬元增加10.2%。該增加主要由於毛利增加、銷售及分銷開支及行政開支增加、其他收入減少、其他經營開支減少的共同影響。

12. 財務收入／財務開支

於本期間，本集團的財務收入為人民幣262.1百萬元，較2018年同期人民幣233.8百萬元增加12.1%。於本期間內，本集團的財務開支為人民幣135.9百萬元，較2018年同期約人民幣38.3百萬元增加254.8%。有關變動主要由於匯兌淨收益減少、應收客戶款項的財務收入增加及利息支出增加。因此，於本期間內，本集團的財務收入淨額為人民幣126.2百萬元，2018年同期的財務收入淨額為人民幣195.5百萬元。

13. Income Tax

For the Period, the Group's income tax was RMB258.1 million, representing a decrease of 13.2% as compared with RMB297.3 million for the Corresponding Period in 2018, primarily due to the adjustment of income tax expenses of previous periods.

14. Profit for the Period

As a result of the foregoing, the Group's net profit increased by 9.8% to RMB980.3 million for the Period as compared with RMB893.1 million for the Corresponding Period in 2018, and its net profit margin decreased by 0.4% to 7.0% for the Period as compared with 7.4% for the Corresponding Period in 2018, basically even with the Corresponding Period in 2018 on a comparable basis.

15. Profit Attributable to the Owners of the Parent

The profit attributable to the owners of the parent increased by 10.0% to RMB981.5 million for the Period as compared with RMB892.4 million for the Corresponding Period in 2018.

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

The profit attributable to the holders of non-controlling interests of the Group amounted to a net loss of RMB1.2 million for the Period as compared with a net profit of RMB0.7 million for the Corresponding Period in 2018.

13. 所得稅

於本期間，本集團的所得稅為人民幣258.1百萬元，較2018年同期人民幣297.3百萬元減少13.2%，主要由於對以前期間所得稅費用的調整。

14. 本期間溢利

由於上文所述，本集團於本期間的淨溢利為人民幣980.3百萬元，較2018年同期人民幣893.1百萬元增加9.8%，而本期間的淨溢利率為7.0%，較2018年同期7.4%減少0.4%，與2018年同期基本持平。

15. 歸屬於母公司擁有人溢利

於本期間，歸屬於母公司擁有人溢利為人民幣981.5百萬元，較2018年同期人民幣892.4百萬元增加10.0%。

16. 歸屬於非控股權益持有人溢利

於本期間，歸屬於本集團非控股權益持有人虧損淨額為人民幣1.2百萬元，而2018年同期溢利淨額為人民幣0.7百萬元。

17. Liquidity and Capital Resources

As at 30 June 2019, the Group's cash and cash equivalents decreased by 17.0% to RMB17,752.4 million as compared with RMB21,383.6 million as at 31 December 2018.

As at 30 June 2019, the Group's borrowings decreased by approximately 34.7% to RMB642.7 million as compared with RMB984.8 million as at 31 December 2018. RMB597.6 million (including RMB9.7 million of long-term borrowings due within one year) was short-term borrowings and the remaining amount of RMB45.1 million was long-term borrowings.

18. Major Investment

No significant investment in associates and joint ventures was increased during the Period.

19. Subsequent Events

There are no subsequent events occurred after 30 June 2019, which may have a significant effect on the assets and liabilities on future operations of the Group.

V. LIQUIDITY

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

We have historically met our working capital and other liquidity requirements principally from cash generated from operations and financed the remainder primarily through bank borrowings and proceeds from the listing of the H Shares on the Stock Exchange on 21 December 2012 (the "Listing").

17. 流動資金及資本資源

截至2019年6月30日，本集團的現金及現金等價物為人民幣17,752.4百萬元，較2018年12月31日人民幣21,383.6百萬元減少17.0%。

截至2019年6月30日，本集團的借貸為人民幣642.7百萬元，較2018年12月31日人民幣984.8百萬元減少約34.7%。人民幣597.6百萬元（包括人民幣9.7百萬元於一年內到期的長期借貸）為短期借貸，而其餘人民幣45.1百萬元為長期借貸。

18. 主要投資

本期間未新增對聯營公司和合營公司的重大投資。

19. 期後事項

於2019年6月30日後並無發生任何對本集團未來營運的資產及負債有重大影響的期後事項。

V. 流動資金

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

一直以來，我們主要靠經營所產生的現金來滿足營運資金及其他流動資金需求，而剩餘金額主要通過銀行借貸和H股於2012年12月21日在聯交所上市（「上市」）所得款項籌措。

1. Cash Flows

The following table sets forth a summary of our cash flows for the Period, with the comparative figures for the Corresponding Period in 2018:

		Six months ended 30 June	
		截至6月30日止六個月	
		2019	2018
		2019年	2018年
		(RMB million)	(RMB million)
		(人民幣百萬元)	(人民幣百萬元)
Net cash flows from/ (used in) operating activities	經營活動所得／(所用)的 現金流量淨額	(3,865.9)	44.5
Net cash flows from investing activities	投資活動所得的 現金流量淨額	626.9	102.0
Net cash flows from/ (used in) financing activities	融資活動所得／(所用)的 現金流量淨額	(411.4)	254.1
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加／ (減少)淨額	(3,650.4)	400.6
Cash and cash equivalents at the beginning of the Period	本期間初的現金及 現金等價物	21,383.6	21,479.3
Effect of foreign exchange rate changes, net	匯率變動的淨影響	19.2	129.4
Cash and cash equivalents at the end of the Period	本期間末的現金及 現金等價物	17,752.4	22,009.3

As at 30 June 2019, the Group's cash and cash equivalents decreased by 17.0% to RMB17,752.4 million as compared with RMB21,383.6 million as at 31 December 2018. The cash and cash equivalents are mainly denominated in RMB.

1. 現金流量

下表載列我們於本期間的現金流量概況，連同2018年同期的比較數字：

截至2019年6月30日，本集團的現金及現金等價物約為人民幣17,752.4百萬元，而截至2018年12月31日則為人民幣21,383.6百萬元，降幅為17.0%。現金及現金等價物主要以人民幣計值。

2. Cash Flows from Operating Activities

For the Period, we had net cash flows used in operating activities of RMB3,865.9 million. Net cash used in operating activities was a result of operating profit before changes in working capital in the amount of RMB1,238.4 million, a cash outflow of RMB4,640.3 million due to changes in working capital and income tax paid in the amount of RMB504.4 million. The change in working capital mainly included the decrease of RMB1,552.0 million in contract liabilities, the increase of RMB392.9 million in contract assets, the increase of RMB2,046.9 million in trade and other receivables, and the decrease of RMB566.8 million in trade and other payables.

3. Cash Flows from Investing Activities

For the Period, our net cash flows from investing activities were RMB626.9 million. The net cash inflow of our investment activities was from the net inflow of RMB668.3 million in bank deposits with maturity of over three months, the net inflow of RMB171.4 million in restricted cash and outflow of RMB213.6 million in investments associates and joint ventures.

4. Cash Flows from Financing Activities

For the Period, our net cash flows used in financing activities were RMB411.4 million. Our main cash outflow used in financing activities primarily consisted of repayment of borrowings in the amount of RMB1,732.2 million. Cash inflow primarily consisted of borrowings raised in the amount of RMB1,390.2 million.

2. 來自經營活動的現金流量

於本期間，我們經營活動所用的現金流量淨額為人民幣3,865.9百萬元。經營活動所用的現金淨額乃來自營運資金變動前的經營溢利人民幣1,238.4百萬元、因營運資金變動致使現金流出人民幣4,640.3百萬元及已付所得稅人民幣504.4百萬元。營運資金變動主要包括合同負債減少人民幣1,552.0百萬元，合同資產增加人民幣392.9百萬元及貿易及其他應收款增加人民幣2,046.9百萬元，貿易及其他應付款項減少人民幣566.8百萬元。

3. 來自投資活動的現金流量

於本期間，我們投資活動所得的現金流量淨額為人民幣626.9百萬元，我們投資活動的現金淨流入乃來自三個月以上銀行存款的款項淨流入人民幣668.3百萬元、受限資金的款項淨流入人民幣171.4百萬元及投資聯合營公司的款項流出人民幣213.6百萬元。

4. 來自融資活動的現金流量

於本期間，我們融資活動所用的現金流量淨額為人民幣411.4百萬元。我們融資活動的現金流出主要為償還借款人民幣1,732.2百萬元。現金流入主要包括取得借款人民幣1,390.2百萬元。

5. Capital Expenditures and Capital Commitments

Our capital expenditures consisted primarily of the purchase of property, plant and equipment, investment properties, lease prepayments and intangible assets. The Group's capital expenditures decreased by 23.4% to RMB131.3 million for the Period as compared with RMB171.4 million for the Corresponding Period in 2018, mainly due to a decrease of input in the construction of the Group's infrastructure projects of fixed assets as compared with that for the Corresponding Period in 2018.

Our capital commitments mainly include the value of contracts signed but not yet completed of engineering work under construction and investment business. On 30 June 2019, the capital commitments of the Group was RMB643.3 million, representing a decrease of 33.8% as compared with RMB971.2 million on 31 December 2018. It was mainly attributable to a decrease in the value of contracts signed but not yet paid for infrastructure projects of fixed assets and a decrease in capital contributions .

5. 資本開支和資本承擔

我們的資本開支主要包括購買物業、廠房及設備、投資物業、預付租賃款項及無形資產。於本期間，本集團的資本開支為人民幣131.3百萬元，較2018年同期的人民幣171.4百萬元減少23.4%，主要由於本集團固定資產基建項目投入較2018年同期有所減少。

我們的資本承擔主要包括在建工程以及投資業務項下已簽訂合同但尚未執行完的合同款項。2019年6月30日，本集團的資本承擔為人民幣643.3百萬元，較2018年12月31日的人民幣971.2百萬元減少33.8%，主要由於本集團固定資產基建項目已簽訂合同但未支付的合同款減少以及資本投入減少所致。

6. Working Capital

(a) Trade and other receivables

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

The following table sets forth the turnover days of the average trade receivables and the turnover days of the average trade payables of the Company for the Period, together with the comparative figures for the Corresponding Period in 2018:

		Six months ended 30 June 2019 截至2019年 6月30日 止六個月 days 天數	Six months ended 30 June 2018 截至2018年 6月30日 止六個月 days 天數
Turnover days of the average trade receivables (Note 1)	平均貿易應收款項的週轉天數 (附註1)	133.0	96.0
Turnover days of the average trade payables (Note 2)	平均貿易應付款項的週轉天數 (附註2)	<u>253.0</u>	<u>289.0</u>

Note 1: The average trade receivables are the sum of opening balance and the closing balance of trade receivables and bills receivable (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 180.

附註1: 平均貿易應收款項乃將貿易應收款項及應收票據(扣除呆賬準備)期初結餘與期末結餘的總和再除二得出。平均貿易應收款項的週轉天數乃將平均貿易應收款項除以總收入再乘以180得出。

6. 營運資金

(a) 貿易及其他應收款項

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

下表載列本期間內本公司平均貿易應收款項及平均貿易應付款項的週轉天數，連同2018年同期的比較數字：

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

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

The following table sets forth the aging analysis of trade and bill receivables (net of allowance of doubtful debts) based on the invoice date as at 30 June 2019 and 31 December 2018:

下表載列截至2019年6月30日及2018年12月31日貿易應收款項及應收票據(扣除呆賬撥備)按發票日期的賬齡分析：

		As at 30 June 2019 於2019年 6月30日 (RMB million) (人民幣百萬元)	As at 31 December 2018 於2018年 12月31日 (RMB million) (人民幣百萬元)
Within 3 months	3個月以內	7,105.2	5,820.7
3 months to 6 months	3個月至6個月	737.4	299.8
6 months to 1 year	6個月至1年	2,381.1	1,297.3
Over 1 year	1年以上	1,492.1	1,447.3
		11,715.8	8,865.1

The Group's credit policies with its customers for the Period remained the same as that for the Corresponding Period in 2018. We continuously enhanced our management of trade and bills receivables to reduce our exposure to doubtful debts. In addition, we made allowance for doubtful debts after fully considering the nature of trade and bills receivables and their collectability. As of 30 June 2019, allowance for doubtful debts for our trade and bills receivables amounted to RMB1,965.6 million, accounting for 14.4% of our trade and bills receivables, compared with RMB1,919.2 million, accounting for 17.8% of our trade and bills receivables as of 31 December 2018.

(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.

於本期間，本集團與其客戶的信貸政策與2018年同期相同。我們不斷加強貿易應收款項及應收票據的管理，以求減低所承擔的呆賬風險。此外，充分考慮貿易應收款項及應收票據的性質及其可收回金額後，我們就呆賬計提撥備。截至2019年6月30日，我們就貿易應收款項及應收票據所作的呆賬撥備為人民幣1,965.6百萬元，佔我們貿易應收款項及應收票據的14.4%。而截至2018年12月31日則為人民幣1,919.2百萬元，佔我們貿易應收款項及應收票據的17.8%。

(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、工資及福利以及應付同系附屬公司款項。

The following table sets forth the aging analysis of our trade and bills payables based on the invoice date as of 30 June 2019 and 31 December 2018:

下表載列截至2019年6月30日及2018年12月31日我們貿易應付款項及應付票據按發票日期的賬齡分析：

		As at 30 June 2019	As at 31 December 2018
		於2019年 6月30日	於2018年 12月31日
		<i>(RMB million)</i>	<i>(RMB million)</i>
		<i>(人民幣百萬元)</i>	<i>(人民幣百萬元)</i>
Within 3 months	3個月以內	5,093.2	5,627.4
3 months to 6 months	3個月至6個月	969.9	739.8
6 months to 1 year	6個月至1年	2,267.1	1,819.9
Over 1 year	1年以上	8,305.1	8,489.0
		<hr/> 16,635.3 <hr/>	<hr/> 16,676.1 <hr/>

The Group's credit policies with its suppliers for the Period remained the same as that for 2018.

於本期間，本集團與其供應商的信貸政策與2018年相同。

VI. INDEBTEDNESS

1. Borrowings

Our consolidated borrowings as of 30 June 2019 and 31 December 2018 for the purpose of calculating the indebtedness of our Company were as follows:

VI. 債務

1. 借貸

截至2019年6月30日及2018年12月31日，我們用以計算本公司債務的合併借貸如下：

		As at 30 June 2019 於2019年 6月30日 (RMB million) (人民幣百萬元)	As at 31 December 2018 於2018年 12月31日 (RMB million) (人民幣百萬元)
Current:	流動：		
Short term bank loans	短期銀行貸款		
Unsecured	無抵押	383.9	640.1
Secured	有抵押	204.0	228.5
Subtotal	小計	587.9	868.6
Add: current portion of long term bank loans	加：長期銀行貸款 的流動部分	9.7	9.8
Subtotal	小計	597.6	878.4
Non-current:	非流動：		
Long term bank loans	長期銀行貸款		
Unsecured	無抵押	3.4	61.0
Secured	有抵押	51.4	55.2
Subtotal	小計	54.8	116.2
Less: current portion of long term bank loans	減：長期銀行貸款 的流動部分	9.7	9.8
Subtotal	小計	45.1	106.4
Total	總計	642.7	984.8

Our short term borrowings primarily include credit borrowings, mortgage borrowings and pledge borrowings from commercial banks and other financial institutions. As at 30 June 2019, our short term borrowings (including the current portion of long term borrowings) amounted to RMB597.6 million, accounting for 93.0% of our total borrowings.

Our long term borrowings primarily included credit, mortgage and pledge borrowings from commercial banks and other financial institutions. These included bank borrowings related to projects financed by export seller's credit, with the total balance of such borrowings (excluding the current portion of long term borrowings) amounting to approximately RMB45.1 million as at 30 June 2019. As at 30 June 2019, our long term borrowings (including their current portion) amounted to RMB54.8 million, accounting for 8.5% of our total borrowings. The decrease in our interest-bearing borrowings to RMB642.7 million as at 30 June 2019 was primarily due to the decreases in both short term borrowings and long term borrowings during the Period.

All borrowings were denominated in RMB, USD, CAD and JPY and were subject to interest rates ranging from 1.55% to 7.00% per annum.

短期借貸主要包括來自商業銀行及其他金融機構的信用借貸、抵押借貸及質押借貸。截至2019年6月30日，我們的短期借貸（包括長期借貸的流動部分）為人民幣597.6百萬元，佔我們的借貸總額93.0%。

長期借貸主要包括來自商業銀行及其他金融機構的信用、抵押及質押借貸。該等借貸包括與由出口賣方信貸融資的項目有關的銀行借貸，截至2019年6月30日，該等借貸（不包括長期借貸的流動部分）的結餘總額約為人民幣45.1百萬元。截至2019年6月30日，包括其流動部分的長期借貸為人民幣54.8百萬元，佔我們借貸總額的8.5%。我們的計息借貸截至2019年6月30日減少至人民幣642.7百萬元，主要由於本期的短期借貸及長期借貸均有所減少。

所有借貸均以人民幣、美元、加拿大元及日元計值並以每年利率1.55%至7.00%計息。

There had been no material defaults in repayment of our bank borrowings and breaches of the finance covenants during the Period. The maturity profile of our interest-bearing borrowings as at 30 June 2019 and 31 December 2018 was as follows:

		As at 30 June 2019 於2019年 6月30日 (RMB million) (人民幣百萬元)	As at 31 December 2018 於2018年 12月31日 (RMB million) (人民幣百萬元)
Within 1 year or on demand	1年以內或實時還款	597.6	878.4
After 1 year but within 2 years	1年至2年	9.8	67.4
After 2 years but within 5 years	2年至5年	26.6	26.8
After 5 years	5年以上	8.7	12.2
Total	總計	642.7	984.8

The Group monitors its capital on the basis of gearing ratio. Gearing ratio is derived by dividing total borrowings by total assets and multiplied by 100%. As of 30 June 2019, the Group's gearing ratio was 1.2%, 0.6% lower than 1.8% as of 31 December 2018, mainly due to the repayment of borrowings.

於本期間，我們在償還銀行借貸方面概無重大違約情況，亦無嚴重違反融資契約的情況。截至2019年6月30日及2018年12月31日，我們的計息借貸到期日如下：

本集團以槓桿比率基準管理資本。槓桿比率乃將借貸總額除以資產總額再乘以100%得出。截至2019年6月30日，本集團的槓桿比率為1.2%，較截至2018年12月31日的1.8%下降0.6%，主要由於償還借貸。

2. Contingent Liabilities

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

VII. RISK FACTORS AND RISK MANAGEMENT

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

2. 或有負債

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

VII. 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. 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.

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.

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。

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. 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.

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貸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，我們給予的信貸期視乎個別情況通過協商釐定，並載列於有關工程承包合同。本公司每月及於信貸期末審查信用風險，以決定本集團是否須就給予客戶的信貸作出任何必要撥備。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；就由出口賣方信貸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。

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

The Group competes with both Chinese and foreign companies for the 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.

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. 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.

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.

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。

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。

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.

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。

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 safety 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 construction 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。

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 actual use and operation by the project owner, operational or quality issues may arise due to natural factors such as hurricanes and tsunamis or improper operation or maintenance by the project owner's operational staff. According to the contracts, the Group is then no longer liable for any warranty obligations or other liabilities. However, since some projects are associated with national interests and people's livelihood or bear significant influences in the local areas, any flaws or defects in quality that occur after project completion may adversely compromise our reputation, as well as 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 replacement of relevant components, causing us losses not foreseeable under the contracts. Since corporate reputation is the cornerstone for our expansion of markets, the Company will continue to step up the training for the project owner's operational staff and endeavor to enter into operational maintenance support contracts with the project owners, so as to enhance the operational and maintenance capabilities of the project owners' operational staff and avoid or reduce the quality issues caused by improper manual handling as far as possible. At the same time, 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。

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。

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.

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。

In recent years the U.S. sanctions landscape has evolved substantially, especially those targeted at Iran and Cuba. 16 January 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 8 May 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.

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。

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 U.S. 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 4 March 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

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，大部分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

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.

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 with regard 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

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。

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

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. Although 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.

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。

VIII. PROSPECTS FOR THE SECOND HALF OF THE YEAR

VIII. 下半年展望

(I) Engineering Contracting Business

(一) 工程承包業務

1. Make every effort to facilitate the contract signing and coming into effect, pay close attention to changes in the policies of relevant authorities, adjust the direction of development in a timely manner, and strictly control contract signing quality.
2. Focus on the various domestic diplomatic opportunities and major and important events in the second half of the year, and plan ahead and as early as possible.
3. Vigorously strengthen the front force, promote the localization of personnel, and maintain long-term existence.

1. 全力抓簽約、促生效。要密切關注相關部門政策的變化，及時調整開拓方向，嚴格把控簽約質量。
2. 要重點關注下半年的各類主場外交機遇和大事要事，事先籌劃、盡早佈局。
3. 要大力加強前方力量，推進人員屬地化，保持長期紮根。

- | | | | |
|----|---|----|-----------------------------|
| 4. | Develop ideas for the financing issue, and focus efforts on the “F” of EPC+F. | 4. | 融資問題要開拓思路，着力在EPC+F的「F」上做文章。 |
| 5. | Constantly strengthen professional construction. | 5. | 不斷加強專業化建設。 |
| 6. | Promote centralized procurement with full efforts. | 6. | 全力推進集中採購。 |
| 7. | Coordinate both domestic and foreign resources and stress on accumulating domestic resources. | 7. | 統籌好國內國外兩種資源，注意積累國內資源。 |

(II) Trading Business

1. Stabilize the traditional business in hand and improve the level of sophistication.
2. Unswervingly carry out market development. Clarify the direction of innovation and explore new projects based on the current situation and with a focus on the core market, core technologies, core products and business practice, taking into account long-term development.
3. Accelerate the pace of talent fostering, pay attention to the construction of talent echelon, and tap the potential of existing talents.
4. Continue to strengthen collaboration among sectors.
5. Strictly prevent and control risks.

(二) 貿易業務

1. 穩定好在手的傳統業務，提升精細化水平。
2. 堅定不移做好市場開發。立足當下，圍繞核心市場、核心技術、核心產品及經營方式，結合長遠發展，明確創新方向，探索新的項目。
3. 加快人才培養步伐，注意人才梯隊建設，挖掘現有人才潛力。
4. 繼續加強板塊間的協同。
5. 嚴格防控風險。

(III) Service Business

1. Find out the shortcomings of the two institutes in terms of internationalization, leading talent training, and risk prevention and control, and do a good job in implementation of rectification, and get rid of all development shortcomings.
2. Enhance the layout and management capabilities of the two institutes in the national market, improve the overall strength and industry status of the two institutes, and constantly strengthen the supporting role for the main business.
3. Put in order the core competency of the design consulting sector.
4. Effectively carry out M&A and restructuring of design resources to enhance the market response and competitiveness of the Company.

(三) 服務業務

1. 要找出兩院在國際化、領軍人才培養、風險防控等方面存在的不足，並抓好整改落實，補齊發展短板。
2. 提升兩院在全國市場的佈局能力和管理能力，提高兩院的綜合實力和行業地位，不斷加強對主業的支撐作用。
3. 做好設計諮詢板塊核心能力的梳理。
4. 做好設計資源的併購重組，提升公司的市場響應速度和競爭能力。

IX. OTHER INFORMATION

1. Compliance with the Model Code for Securities Transactions

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

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

2. Compliance with the Corporate Governance Code

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and enhance corporate value and accountability. The Company has adopted the CG Code as its own code of corporate governance. The Company has complied with the code provisions as set out in the CG Code during the Period and up to the date of this announcement.

IX. 其他資料

1. 遵守《進行證券交易的標準守則》

本公司已採納《標準守則》，作為董事及監事進行證券交易的行為守則，其條款不遜於《標準守則》所載的規定準則。對全體董事及監事作出特定查詢後，全體董事及監事均確認，於本期間內，彼等均一直遵守《標準守則》。

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

2. 遵守《企業管治守則》

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

3. Purchase, Sale or Redemption of the Listed Securities

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

4. Interim Dividend

The Board does not recommend the payment of interim dividend during the Period.

5. Review of Interim Results by the Audit Committee

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

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

3. 購買、出售或贖回上市證券

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

4. 中期股息

董事會不建議於本期間內派付中期股息。

5. 審計委員會審閱中期業績

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

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

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

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

6. 分別於聯交所及本公司的網站刊登本期間的未經審計中期業績及中期報告

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

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

<p>“ASEAN” 「東盟」</p>	<p>Association of Southeast Asian Nations 東南亞國家聯盟</p>
<p>“Audit Committee” 「審計委員會」</p>	<p>the audit committee of the Board 董事會審計委員會</p>
<p>“Board” 「董事會」</p>	<p>the board of Directors 董事會</p>
<p>“CAD” 「加拿大元」</p>	<p>Canadian dollars, the lawful currency of Canada 加拿大元，加拿大的法定貨幣</p>
<p>“CG Code” 「企業管治守則」</p>	<p>the Corporate Governance Code set out in Appendix 14 to the Listing Rules 《上市規則》附錄14所載之企業管治守則</p>
<p>“China Machinery R&D” 「中機院」</p>	<p>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 wholly-owned subsidiary of the our Company established in the PRC on 5 October 1993 with limited liability 中機國際工程設計研究院有限責任公司，一家於1993年10月5日於中國註冊成立的股份有限公司，為本公司的全資附屬公司</p>
<p>“China United” 「中國聯合」</p>	<p>China United Engineering Corporation Limited* (中國聯合工程有限公司), an enterprise established in the PRC on 21 January 1984 and a wholly-owned subsidiary of SINOMACH, our connected person and our Promoter 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</p>
<p>“China Machinery R&D” 「中機院」</p>	<p>China Machinery International Design and Research Institute Co., Ltd.* (中機國際工程設計研究院有限責任公司), a wholly-owned subsidiary of our Company established in the PRC on 5 October 1993 with limited liability 中機國際工程設計研究院有限責任公司，一家於1993年10月5日在中國成立的本公司全資附屬有限責任公司</p>
<p>“CMIPC” 「中設裝備」</p>	<p>China Machinery Industrial Products Co., Ltd.* (中設集團裝備製造有限責任公司), a wholly-owned subsidiary of our Company established in the PRC on 6 February 2002 with limited liability 中設集團裝備製造有限責任公司，一家於2002年2月6日在中國成立的本公司全資附屬有限責任公司</p>

<p>“Company”, our Company”, or “CMEC”</p>	<p>China Machinery Engineering Corporation* (中國機械設備工程有限公司), a joint stock company with limited liability established in the PRC on 18 January 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</p>
<p>「公司」、「本公司」或「中國機械工程」</p>	<p>中國機械設備工程有限公司，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，本公司及其現時附屬公司或（視情況而定）其前身經營的業務</p>
<p>“Core Sectors”</p>	<p>the core sectors of our International Engineering Contracting Business which are the power sector, transportation and telecommunications sector</p>
<p>「核心行業」</p>	<p>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</p>
<p>“Corresponding Period in 2018”</p>	<p>the six months ended 30 June 2018</p>
<p>「2018年同期」</p>	<p>截至2018年6月30日止六個月</p>
<p>“Director(s)”</p>	<p>the director(s) of our Company</p>
<p>「董事」</p>	<p>本公司董事</p>
<p>“Domestic Shares”</p>	<p>ordinary shares in our capital, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi</p>
<p>「內資股」</p>	<p>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</p>
<p>“EPC”</p>	<p>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</p>
<p>「EPC」</p>	<p>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</p>
<p>“EU”</p>	<p>European Union</p>
<p>「歐盟」</p>	<p>歐洲聯盟</p>
<p>“Euros”</p>	<p>Euro dollars, the lawful currency of EU</p>
<p>「歐元」</p>	<p>歐元，歐盟法定貨幣</p>
<p>“Group”, “we” and “us”</p>	<p>the Company and, except where the context otherwise requires, all its subsidiaries</p>
<p>「集團」或「我們」</p>	<p>本公司及除文義另有所指外，其所有附屬公司</p>

<p>“H Share(s)” 「H股」</p>	<p>overseas listed foreign shares in our ordinary share capital with a nominal value of RMB1.00 each, subscribed for and traded in HK\$ and which are listed on the Main Board in the Stock Exchange 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</p>
<p>“HKSAR” 「香港特區」</p>	<p>Hong Kong Special Administration Region of the PRC 中國香港特別行政區</p>
<p>“Hong Kong Companies Ordinances” 「香港公司條例」</p>	<p>the Companies Ordinances, Chapter 622 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time 經不時修訂、補充或以其他方式修改的香港法例第622章公司條例</p>
<p>“Hong Kong dollars” or “HK\$” 「港元」</p>	<p>Hong Kong dollars, the lawful currency of the HKSAR 港元，香港特區法定貨幣</p>
<p>“INED(s)” 「獨立非執行董事」</p>	<p>the independent non-executive Director(s) of our Company 本公司獨立非執行董事</p>
<p>“independent third party(ies)” 「獨立第三方」</p>	<p>person(s) or company(ies) which is (are) independent of the directors, supervisors, controlling shareholder, substantial shareholder and the chief executive (such terms as defined in the Listing Rules) of the Company or any of its subsidiaries or an associate of any of them 獨立於本公司或其任何附屬公司董事、監事、控股股東、主要股東及行政總裁（定義見《上市規則》）或任何一方的聯繫人的個人或公司</p>
<p>“International Engineering Contracting Business” 「國際工程承包業務」</p>	<p>the International Engineering Contracting Business conducted by our Group with a primary focus on EPC projects 由本集團開展，並以EPC項目為重點的國際工程承包業務</p>
<p>“JiKan Research Institute” 「機勘院」</p>	<p>China JiKan Research Institute of Engineering Investigations and Design Co., Ltd.* (機械工業勘察設計研究院有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company 機械工業勘察設計研究院有限公司，一家於中國註冊成立的公司並為本公司全資附屬公司</p>
<p>“JPY” 「日元」</p>	<p>Japanese yen, the lawful currency of Japan 日元，日本法定貨幣</p>
<p>“KW” 「千瓦」</p>	<p>unit of energy, kilowatt. 1 kW=1,000 watts 能源單位千瓦。1千瓦=1,000瓦特</p>
<p>“Listing Rules” 「《上市規則》」</p>	<p>the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time 《聯交所證券上市規則》（經不時修訂、補充或以其他方式修改）</p>

<p>“Model Code” 「《標準守則》」</p>	<p>the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules 《上市規則》附錄十所載之《上市發行人董事進行證券交易的標準守則》</p>
<p>“MW” 「兆瓦」</p>	<p>unit of energy, megawatt. 1MW=1,000kW. The installed capacity of power plants is generally expressed in MW 能源單位兆瓦。1兆瓦=1,000千瓦。發電廠裝機容量通常以兆瓦表示</p>
<p>“Non-Core Sectors” 「非核心行業」</p>	<p>any sectors that do not fall within the Core Sectors of our International Engineering Contracting Business 任何並非屬於我們國際工程承包業務核心行業的行業</p>
<p>“Period” 「本期間」</p>	<p>the six months ended 30 June 2019 截至2019年6月30日止六個月</p>
<p>“PRC” or “China” 「中國」</p>	<p>The People’s Republic of China excluding, for the purpose of this announcement, Hong Kong Special Administration Region of the PRC, the Macau Special Administration Region of the PRC and Taiwan 中華人民共和國，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</p>
<p>“RMB” or “Renminbi” 「人民幣」</p>	<p>Renminbi yuan, the lawful currency of the PRC 人民幣，中國法定貨幣</p>
<p>“Services Business” 「服務業務」</p>	<p>the design consulting services, logistics services, exhibition services, tendering agency services, export-import agency services and other services conducted by the Group 本集團開展的設計諮詢服務、物流服務、展覽服務、招標代理服務、進出口代理服務及其他服務</p>
<p>“Share(s)” 「股份」</p>	<p>share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, including our Domestic Shares and H Shares 本公司股本中每股面值人民幣1.00元的股份，包括內資股及H股</p>
<p>“Shareholder(s)” 「股東」</p>	<p>holder(s) of our Share(s) 我們股份的持有人</p>
<p>“SINOMACH” 「國機」</p>	<p>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 21 May 1988, our controlling shareholder 我們的控股股東中國機械工業集團有限公司，一家於1988年5月21日在中國成立的國有企業</p>
<p>“Sinosure” 「中國信保」</p>	<p>China Export & Credit Insurance Corporation (中國出口信用保險公司), a policy-oriented insurance company specializing in export credit insurance in the PRC and an independent third party 中國出口信用保險公司，一家在中國專營出口信用保險的政策性保險公司和獨立第三方</p>

“Stock Exchange” 「聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
“Supervisor(s)” 「監事」	one (or all) of our Company’s supervisors 本公司的一名（或全體）監事
“the Belt and Road” 「一帶一路」	the Silk Road Economic Belt and the 21st-Century Maritime Silk Road 絲綢之路經濟帶和21世紀海上絲綢之路
“Trading Business” 「貿易業務」	the international and domestic trading business conducted by our Group 本集團進行的國際和國內貿易業務
“UN” 「聯合國」	the United Nations 聯合國
“United States” or “U.S.” or “US” 「美國」	the United States of America, its territories, its possessions and all areas subject to its jurisdiction 美利堅合眾國，包括其領土、屬地及受其司法管轄的所有地區
“U.S. dollars” or “US\$” or “USD” 「美元」	United States dollars, the lawful currency of the United States 美元，美國的法定貨幣
“%” 「%」	per cent 百分比

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

* 指中國公司或實體名稱的英文譯名或相反情況，僅供識別。

By Order of the Board
China Machinery Engineering Corporation*
ZHANG Chun
Chairman

承董事會命
中國機械設備工程股份有限公司
董事長
張淳

Beijing, the PRC, 26 August 2019

中國北京，2019年8月26日

As at the date of this announcement, the Executive Directors are Mr. ZHANG Chun and Mr. HAN Xiaojun; the Non-executive Directors are Mr. YU Benli and Mr. ZHANG Fusheng; and the INEDs are Mr. LIU Li, Ms. LIU Hongyu, Mr. FANG Yongzhong and Mr. WU Tak Lung.

於本公告日期，執行董事為張淳先生及韓曉軍先生；非執行董事為余本禮先生及張福生先生；以及獨立非執行董事為劉力先生、劉紅宇女士、方永忠先生及吳德龍先生。

* *For identification purposes only*

* 僅供識別