



中國機械設備工程股份有限公司

China Machinery Engineering Corporation*

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

(於中華人民共和國註冊成立的股份有限公司)

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* For identification purposes only
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Chairman's Statement

董事長致辭



Chairman
BAI Shaotong
董事長
白紹桐

Dear Shareholders,

In 2019, under the support of expansionary policies vigorously implemented by various countries in the world and the growth momentum of major economies, the global economy maintained a generally stable growth rate, but under the direct effect of factors such as insufficient global aggregate demand comprising investment demand and consumption demand, the little effect of traditional monetary and fiscal policies of various countries, especially those of developed economies, the growing social unrest of some countries, the continuous rise of unilateralist and protectionist policies, and the accelerated restructuring

尊敬的各位股東：

2019年，在世界各國大力施行的擴張性政策以及主要經濟體增長慣性的支撐下，全球經濟雖然維持了大體平穩的增長率，但在投資需求和消費需求組成的全球總需求不足、各國尤其是發達經濟體傳統的貨幣與財政政策的效果幾近失靈、部分國家深陷社會動蕩、單邊主義和保護主義政策持續抬頭、全球供應鏈加快重構等因素的直

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of the global supply chain, the uneven development of various economies intensified, financial turmoil continued, FDI dropped significantly, and the global economic downward trend was obvious.

On the other hand, on the basis of seeking progress while maintaining stability and focusing on the supply-side structural reform, and making solid progress in stabilizing employment, finance, foreign trade, foreign capital, investment, and expectations, China achieved key progress in the three major battles, the overall national economy operated smoothly, and major expectations had been achieved to a greater extent. However, under the effect of increasing trade turbulence and risk points in the global economy, and interweaving structural, institutional and cyclical problems in China in the macro environment, the downward pressure on China's economy became increasingly prominent.

Under the complex situation of significant increase in various risks and challenges in China and abroad, in 2019, closely focusing on national strategies and industry trends, China Machinery Engineering Corporation (CMEC) made precise efforts and adopted multiple policies to effectively promote the optimization of market layout, continuously improved the market-oriented operation mechanism, accelerated the promotion of technological innovation, expanded high-level mutual benefit and win-win cooperation, decisively resolved and actively prevented major risks, withstood the downward pressure of the market, and achieved steady development with steady progress amid stability and growth in quality and volume.

接作用下，各經濟體發展不均加劇、金融震蕩不斷、FDI大幅下降、全球經濟下行趨勢明顯。

另一方面，中國經濟在堅持穩中求進的基礎上，以供給側結構性改革為主線，紮實做好穩就業、穩金融、穩外貿、穩外資、穩投資、穩預期工作，三大攻堅戰取得關鍵進展，國民經濟運行總體平穩，主要預期目標得到較好實現。但在世界經濟貿易動蕩源和風險點增多，國內結構性體制性週期性問題交織的宏觀環境下，中國經濟承受的下行壓力日益突出。

在國內外各種風險挑戰明顯上升的複雜局面下，2019年，中國機械設備工程股份有限公司(CMEC)緊緊圍繞國家戰略、行業趨勢，精準發力、多策並舉，切實推進市場佈局優化，持續完善市場化經營機制，加快推進科技創新，擴大高水平互利共贏合作，果斷化解並積極防範重大風險，頂住了市場下行壓力，實現了穩中求進、質量並舉的穩健發展。

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BUSINESS REVIEW

The Company realized revenue of RMB28,295.9 million in 2019, gross profit of RMB4,795.1 million, and profit attributable to shareholders of RMB2,181.2 million (the Board recommended the distribution of a final dividend of RMB0.1586 per share for 2019).

As the core business of the Company, revenue contribution from the International Engineering Contracting Business accounted for approximately 69.9% of the total revenue of the Company. The Company ranked 9th in the “Top 100 Enterprises in terms of Turnover of China International Contracting Engineering Business in 2019” published by the Ministry of Commerce of the PRC. The Company ranked 9th in the overall ranking and 7th in the overall ranking of power projects in the “2019 Ranking of Major Projects of Large-scale Overseas Building Equipment Projects of Enterprises” issued by China Chamber of Commerce for Import and Export of Machinery and Electrical Products. In addition, it was ranked 1st in terms of contract value of overseas projects of the metallurgical mine equipment industry, 3rd in terms of new energy projects, 4th in terms of power generation projects, 5th in terms of water treatment industry, and 9th in terms of rail transportation industry.

In the past year, the Company has made concerted efforts in both traditional markets and emerging markets, and had projects on hand in five continents around the world, as well as continuously cultivating and signing new projects: In the African market, signed Equatorial Guinea Malabo Gas Turbine Power Station Project, Nigeria Proton Combined Cycle Power Station Project and other highway projects in Ivory Coast and Zambia. In the Asian market, the Tajik aluminum plant improvement project was included in the list of achievements of President Xi Jinping's visit to Tajikistan, and the signing of the Pakistani tripartite agricultural framework cooperation agreement was witnessed by Vice President Wang Qishan. For the Company's first investment-led EPC project-Pakistan Thar phase I, two power plant units were put into commercial operation, and the coal mine project entered the operation and maintenance stage. Meanwhile, Phase II of the project came into effect and Phase III of the project was going to come into effect.

業務回顧

公司在2019年實現收入人民幣28,295.9百萬元；毛利人民幣4,795.1百萬元；股東應佔溢利為人民幣2,181.2百萬元（董事會建議派付2019年末期股息，每股人民幣0.1586元）。

作為本公司的核心業務，國際工程承包業務收入貢獻約佔公司總收入的69.9%。在中國商務部公佈的《2019年中國對外承包工程業務完成營業額前100家企業》排名中，本公司名列第9位。在中國機電產品進出口商會發佈的《2019年企業境外大型成套設備工程項目重點行業簽約排名》中，本公司排名總榜第9位、電力項目總體第7位；此外，還分別在冶金礦山裝備行業海外項目簽約額排名第1、新能源項目排名第3、輸變電項目排名第4、水處理行業排名第5、軌道交通行業排名第9。

過去一年間，公司在傳統市場和新興市場共同發力，在全球五大洲均有在手執行項目，也不斷培育和簽約新項目：在非洲市場，簽約赤道幾內亞馬拉博燃機電站項目、尼日利亞普羅頓聯合循環電站項目以及科特迪瓦、贊比亞等公路項目。在亞洲市場，塔吉克鋁廠改造項目列入習近平主席訪問塔吉克斯坦成果清單；巴基斯坦三方農業框架合作協議簽署獲王岐山副主席見證；公司首個投資帶動EPC項目－巴基斯坦塔爾一期，兩台電站機組已投入商業運行，煤礦項目進入運維階段，與此同時，項目二期已經生效、三期即將生效。

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In the European market, the Varna Port Construction Project of Bulgaria was included in the eighth “China-Central and Eastern European Countries Leadership Meeting” results list, and the signing of the business contracts was witnessed by the Premier Li Keqiang. In the South American market, the Argentina Belgrano Cargo Railway Rehabilitation Project, which was signed under the witness of President Xi Jinping, completed 98% of the work volume, and was actively promoting the effectiveness of supplementary projects and the development of new projects. In the Oceania market, CNCEC, a subsidiary of the Company, signed a new villa construction project in Melbourne, Australia.

We are also proud to present the fruitful results in the development of the new energy market achieved by the Company. The biogas power generation project in Dnipro, Ukraine was another major breakthrough for the Company in the field of new energy followed by the wind power, photovoltaic and geothermal power projects. In 2019, the Company continued to facilitate the construction of photovoltaic power stations, signed the Laos Ministry of Defense No. 02 Integrated Agricultural Park photovoltaic power plant project, photovoltaic power plant projects in Lupu Mountain, Ukraine, and the photovoltaic and water plant projects in Colombia.

In addition to the power engineering projects where the Company enjoyed advantages traditionally, the Company also actively explored emerging businesses. In the field of coal mine construction, a contract for the construction project of the 3-million-ton coal mine and coal preparation plant in Dubowski, Karaganda, Kazakhstan was signed. In the field of new-type urbanization and infrastructure construction, the contracts for the Bahrain affordable housing, and the Burundi National Police Hospital Project were signed. The Company also continued to put efforts in developing industrialization projects: the foundation of the Boron Carbide project in Bandarma, Turkey was laid and received a congratulatory message from the Turkish President Erdogan. During the Second Belt and Road Forum for International Cooperation, the Company signed the ANH blast furnace ferronickel smelting project in Indonesia.

在歐洲市場，保加利亞瓦爾納港口項目被列入第八次「中國－中東歐國家領導人會晤」成果清單，商務合同簽約獲李克強總理見證。在南美洲市場，習近平主席見證簽署的阿根廷貝爾格拉諾貨運鐵路改造項目，已完成工程量的98%，正在積極推進增補工程生效及新項目開發。在大洋洲市場，公司所屬中成套新簽澳大利亞墨爾本別墅建設項目。

更值得驕傲的是，公司的新能源市場開拓取得了豐碩的成果：烏克蘭第聶伯市沼氣發電項目，是公司繼風電、光伏、地熱發電項目後，在新能源領域取得的又一重大突破。2019年，公司繼續發力光伏電站建設，先後簽署了老撾國防部02號綜合農業園光伏電站項目、烏克蘭盧普山尼以及哥倫比亞安巴萊馬光伏電站項目。

在具傳統優勢的電力工程之外，公司還積極開拓新興領域的業務：在煤礦建設領域，簽約哈薩克斯坦卡拉乾達杜博夫斯基年產300萬噸煤礦及選煤廠建設項目；新型城鎮化和基建領域，簽約巴林保障房、布隆迪國家警察醫院項目；公司還持續大力開拓工業化項目：土耳其班德爾馬市碳化硼項目奠基，收到土耳其總統埃爾多安的賀電；公司在第二屆「一帶一路」國際合作高峰論壇企業家大會期間，簽署了印尼ANH高爐鎳鐵冶煉項目。

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In the past year, the Company continued to make good use of external resources to optimize the EPC project contracting ecosystem, and continued to refine and deepen the industrial alliances with DEC and XD Group, as well as strategic cooperation with international conglomerates such as GE and Siemens. In addition, the Company continued to expand its circle of friends steadily in 2019, and entered into strategic cooperation agreements with Wolseley Group in the U.S., Giga Group in Pakistan, and China YTO and CNCDC.

At the same time, in 2019, the Company's trading services focused on sub-sectors, core businesses and markets, optimized management, improved efficiency and avoided risks, ensuring stable operation. The independent research and development of high-end castings and forgings such as the "Four Wheels and One Track" was steadily advanced. The market development of high-speed rail brake pads and metro brake pads was further deepened. New models such as trading + internet, engineering projects + trade and cross-border e-commerce trade were continuously implemented to generate benefits in developed economies such as the U.S. and Europe. The Company also remained in potential fields in the domestic market, conducting in-depth discussions with local governments on businesses such as healthcare.

The design consulting business has increasingly played a supporting role in the Company's core business, and its expertise in exploring the domestic market has been continuously enhanced. The development, integration and application of engineering technologies such as intelligent factories, sponge cities, informatization across space, sky and ground surfaces and fabricated buildings have enhanced the service capacity and market competitiveness of the whole industrial chain of CMEC, and the market benefits have begun to emerge. In 2019, the Company obtained a total of 93 authorized patents, including 16 invention patents, 68 utility model patents and 9 appearance design patents. A total of 34 software copyrights were registered.

過去一年來，公司還持續善用外部資源，優化EPC總承包生態圈，與東方電氣、西電集團的產業聯盟、與通用電氣、西門子等國際巨頭的戰略合作不斷細化和深入。此外，2019年公司還繼續穩步擴大「朋友圈」，與美國沃利集團、巴基斯坦GIGA集團、中國一拖、中國煤炭開發公司簽署了戰略合作協議。

與此同時，2019年，公司的貿易服務緊抓細分領域、聚焦核心業務與市場，優化管理、提高效能、規避風險，保證了穩健運行。「四輪一帶」等高端鑄鍛件的自主研發穩步推進，高鐵剎車盤、地鐵剎車盤市場開拓日益深入，在美歐等發達經濟體推進的貿易+互聯網、工程項目+貿易、跨境電商貿易等新模式持續落地並不斷產生效益。公司還立足國內市場有潛力的領域，對醫療大健康等業務與地方政府開展了深入探討。

設計諮詢業務對公司核心業務的支撐作用日益增強、開拓國內市場的專業能力不斷提升。智能工廠、海綿城市、空天地信息化、裝配式建築等工程技術的開發、集成和應用，提升了CMEC全產業鏈服務能力和市場競爭力，市場效益已初步顯現。2019年度，公司共獲得授權專利93項，其中發明專利16項，實用新型專利68項，外觀設計專利9項；共登記軟件著作權34項。

FUTURE PROSPECTS

Due to the combined effects of the outbreak of COVID-19 pandemic and the global economic structural adjustment entering a crucial stage, it is more likely 2020 will see an overwhelming global recession. In particular, it is unlikely that COVID-19 pandemic will end in a short period of time, which will have a significant impact on the people flow, logistics and capital flow in the international environment and the development of the international contracting engineering industry.

Although the easing monetary policy, deficit fiscal policy and government investments in infrastructure will be the key drivers and the mainstream for the global economies to hedge against the pressure of financial market and economic downturn in 2020, a series of inherent problems such as the sustainability of growth momentum, urgency of economic structural adjustment, conflicts between the old and the new global governance systems and the continuous adjustment of international economic and trade rules are still to be addressed in between policy easing and market tightening. Problems from different sources, different levels and different orientation will make the situation faced by global economies, regional markets and sub-industries involved in international contracting projects even more complex and volatile. This imposes higher requirements on the Company's market response and response capabilities.

The Company's sustainable and healthy development is based on its ability to adapt to changes in the international market and enhance its stability and resilience. In 2020, the Company will focus on strengthening its core competitiveness, and strengthen its market operation capability and high-quality development capability through promoting the reform of internal institutions and further overcoming difficulties by drilling internal skills, focusing on key points, improving weak links and improving weak points:

未來展望

受新冠肺炎疫情和全球經濟結構性調整進入關鍵期的共同影響，2020年世界經濟全面衰退的可能性大增。特別是新冠肺炎疫情短時間內結束的可能性不大，將對國際環境下的人流、物流、資金流造成嚴重影響，給國際承包工程行業的發展帶來重大衝擊。

雖然寬鬆的貨幣政策、赤字政策、政府投資基建措施，將成為2020年全球各經濟體對衝金融市場和經濟下降壓力的重要抓手和主基調，但在政策寬鬆與市場緊縮的博弈中，仍然疊加着增長動力的可持續性、經濟結構性調整的急迫性、新舊全球治理體系的矛盾衝突、國際經濟貿易規則的不斷調整等一系列固有問題待解。不同來源、不同層次、不同取向的問題疊加，將使得全球各經濟體、各區域市場、國際承包工程涉及的各細分行業面對的情況益發複雜多變。這對公司的市場應對方式和應對能力提出了更高要求。

順應國際市場風雲變幻，增強自身的穩定性和抗壓性，是公司可持續健康發展的根本。2020年，公司將以強化核心競爭力為抓手，通過推進內部機構改革、進一步過緊日子等苦練內功的方式方法，抓重點、補短板、強弱項，夯實市場運作能力和高質量發展能力：

Chairman's Statement

董事長致辭

Firstly, the Company will comprehensively consolidate its core competitiveness. Taking the preparation of the Company's "14th Five-Year Plan" as an opportunity, the Company will fully rely on the overall advantages of SINOMACH, the parent company, in the industry, and further strengthen the supporting role of trade and services, design consulting and technology in the main business based on International Engineering Contracting Business in accordance with the national policy of promoting the in-depth integration and development of advanced manufacturing industry and modern service industry, so as to further enhance the blood-generating function of asset management, engineering logistics and agricultural development. The Company will focus on strengthening the construction of professional capabilities, closely follow the market demand to create and develop projects, and continue to deepen the market layout along "the Belt and Road". Meanwhile, the Company will seize the market opportunities brought by the policy environment such as "new infrastructure" to strengthen domestic market development and the linkage and connection between domestic and international markets while developing and constructing new markets oversea. While maintaining its leading position in the international power engineering and construction industry, the Company will take further steps to actively expand industries such as water, environmental protection, agriculture, construction, transportation, industry and communication, promote the market and industry diversification of large-scale complete equipment engineering projects in depth, and effectively build a leading force in modern equipment manufacturing service industry.

首先，全面夯實核心競爭力。以公司「十四五」規劃編制為契機，充分依靠母公司國機在行業內的整體優勢，根據國家推動先進製造業和現代服務業深度融合發展的政策取向，以國際工程承包業務為基礎，進一步強化貿易與服務、設計諮詢與科技對主業的支撐作用，進一步提升資產管理、工程物流和農業開發的造血功能；著重加強專業化能力建設，緊跟市場需求創造和開發項目，持續深化「一帶一路」沿線市場佈局；在形成海外市場開發建設新格局的同時，抓住「新基建」等政策環境帶來的市場機遇，加強國內市場開發與國內國際兩個市場的聯動和對接力度；在保持國際電力工程建設行業前列地位的同時，進一步積極拓展水務、環保、農業、建築、交通、工業、通信等行業，向縱深推進大型成套設備工程項目建設的市場和行業多元化，切實打造現代裝備製造服務業領軍力量。

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Secondly, the Company will focus on enhancing the vitality of operation. Internally, on the one hand, through a series of system and mechanism reform and management innovation, the Company will improve its incentive mechanism, restraint mechanism and sharing mechanism to achieve the goal of activating micro entities and expanding business vitality; on the other hand, the Company will further improve the management of the whole life cycle of projects, guide the market-oriented development of technology and enhance the supporting abilities of technology on business operation. Externally, on the one hand, the Company will continue to promote its inherent advantages and characteristics, integrate and make good use of various market resources, strengthen the innovation of business models, enhance the development capabilities of financing and cooperation, and open up channels for project implementation; on the other hand, based on the market demand, the Company will further integrate domestic and foreign quality resources, continue to expand the circle of friends and promote coordinated development for the purpose of strengthening the weak links of capabilities.

Thirdly, the Company will effectively strengthen risk prevention and control. Facing the complex external environment, the Company will further strengthen the awareness of rules, vigorously promote compliance operation, strengthen the research on risk identification, prevention and control measures of geopolitics, policies, laws and economy in the countries where our business and projects are located, and actively prevent political risks, economic risks and social risks. The Company will further improve and standardize the risk management system, process and standards, and resolutely curb illegal and non-compliant operation; The Company will also continue to strengthen the quality of project execution, comprehensively strengthen safety production, improve the ability to respond to various emergencies and ensure high-quality development of the Company.

其次，著力增強經營活力。對內，一方面要通過一系列體制機制改革和管理創新，通過完善激勵機制、約束機制、共享機制，達到激活微觀主體及業務開拓活力的目的；另一方面要進一步提升項目全生命週期管理水平，引導技術市場化發展、提升科技對業務經營的支撐力度。對外，一方面要繼續發揚公司固有優勢和特色，整合和善用各種市場資源，強化商業模式的創新，提升融資、合作等層面的開拓能力，為項目落地疏通渠道；另一方面要根據市場需求，立足補強能力短板的目的，進一步整合國內外優質資源，繼續擴大朋友圈，促進協同發展。

第三，切實加強風險防控。面對複雜的外部環境，公司將進一步牢固樹立規則意識，大力推進合規經營，加強對業務與項目所在國地緣政治、政策、法律、經濟等的風險識別和防控措施研究，積極防範政治風險、經濟風險以及社會風險；進一步健全和規範風險管理的制度、流程和標準，堅決遏制違法違規經營行為；持續強化項目執行質量，全面加強安全生產工作，提高應對各類突發事件的能力，確保公司高質量發展。

Chairman's Statement

董事長致辭

Looking forward to 2020, regardless of how the external markets change, CMEC will continue to seize opportunities, deeply explore potential, optimize structure, improve layout, consolidate foundation, enhance ability, strengthen reform, be committed to innovation, and make steady progress without fear of difficulties, striving to create a new phase for the Company's operation and development.

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

BAI Shaotong
Chairman

Beijing, China
30 March 2020

展望2020年，無論外部市場如何波動變化，CMEC都將緊抓機遇、深挖潛力，優化結構、完善佈局，夯實基礎、提升能力，強化改革、銳意創新，無懼風雨、穩步前行，努力開創公司經營發展新局面。

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



董事長
白紹桐

中國北京
2020年3月30日

Company Profile

公司簡介

The Company was established in 1978 and was the first state-owned industrial and trading enterprise in the PRC. The Company is a subsidiary controlled by SINOMACH. The Company was listed on the Main Board of the Stock Exchange on 21 December 2012. As at 31 December 2019, the Company had issued a total of 908,270,000 H Shares and 3,217,430,000 non-tradable Domestic Shares. The Company has a primary focus on EPC projects and particular expertise in the power sector, capable of providing one-stop customized and integrated engineering contracting solutions and services. The Company also conducts the Trading Business, Services Business and the emerging business segments.

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

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

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

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

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

本公司成立於1978年，是中國第一家國有工貿企業，是國機附屬公司。本公司於2012年12月21日在聯交所主板上市。截至2019年12月31日，本公司已發行合共908,270,000股H股及3,217,430,000股尚未流通的內資股。本公司主要專注於EPC項目，特別專長於電力能源行業，能夠提供一站式訂製及綜合工程承包方案及服務。本公司亦從事貿易業務、服務業務以及新興業務板塊。

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

競爭優勢：品牌聲譽、運營模式、業務網絡、專業團隊、商務運作、融資策劃。

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

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

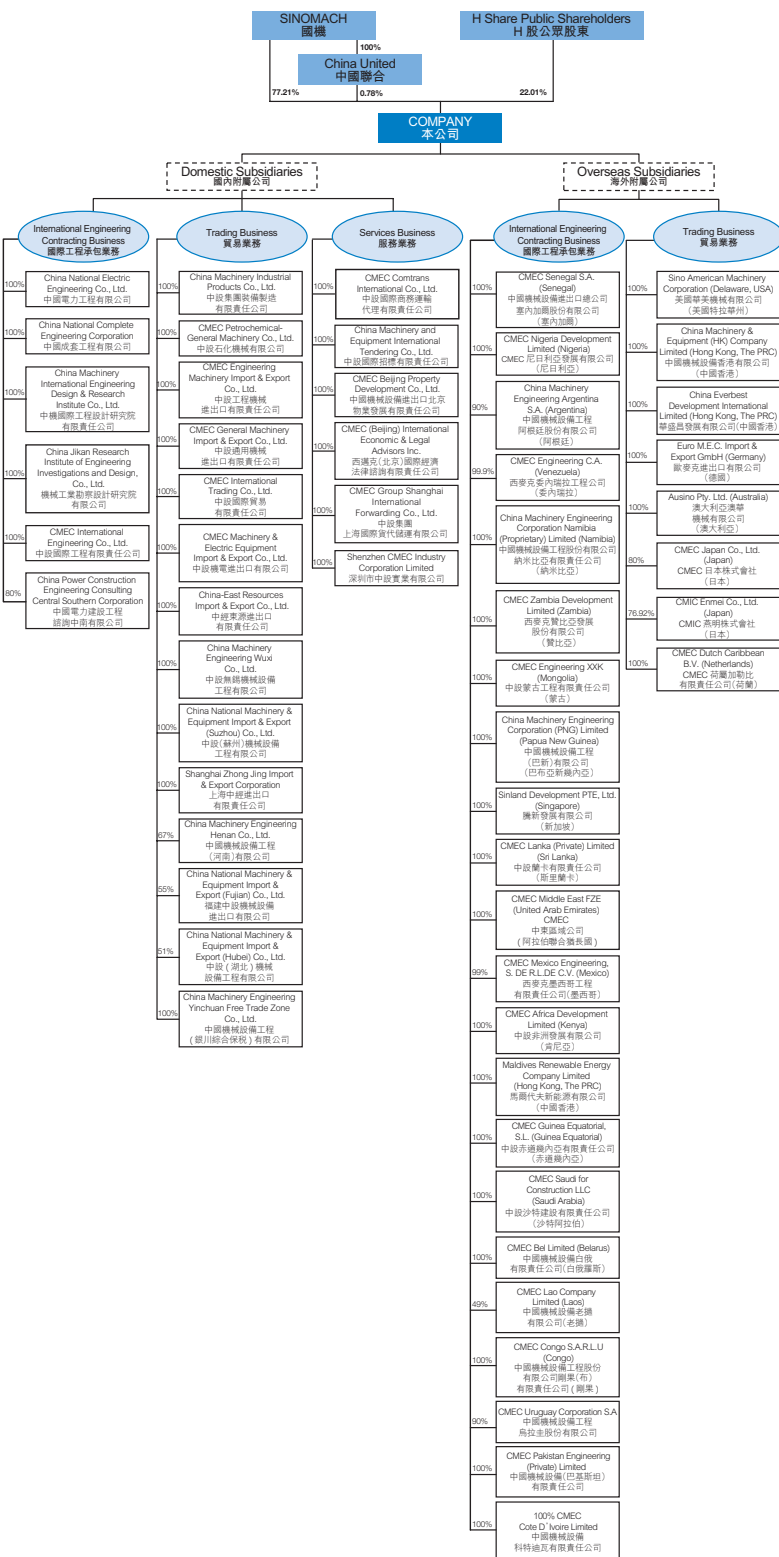
服務業務：本公司從事一定程度的服務業務，主要包括：設計諮詢服務、物流服務、招標代理服務、進出口代理服務及其他服務等。

Company Profile

公司簡介

Corporate Structure: As at 31 December 2019, the Company's corporate structure was as follows:

企業架構：截至2019年12月31日，本公司企業架構如下：



Key Operating and Financial Data

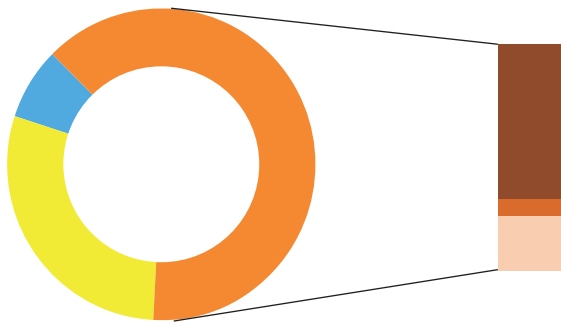
重要經營及財務數據

Revenue Structure in 2019

2019年收入結構

Unit: RMB million

單位：人民幣百萬元



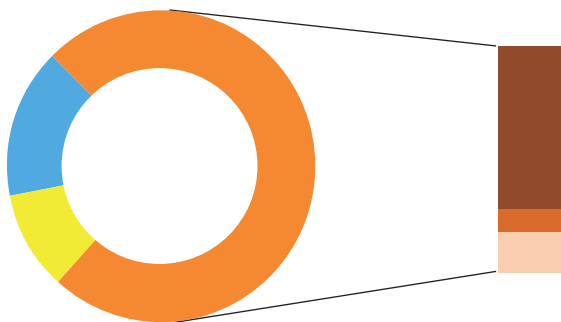
	Revenue 收入	Revenue Breakdown 收入佔比
IEC 工程板塊	19,771	70%
-Power 電力能源	12,337	44%
-Transportation and Telecommunication 交通運輸及電子通訊	593	2%
-Non-Core Sectors 非核心行業	6,841	24%
Trading 貿易板塊	6,462	23%
Services Business 服務業務	2,063	7%
Total 總計	28,296	100%

Gross Profit Structure in 2019

2019年毛利結構

Unit: RMB million

單位：人民幣百萬元



	Gross Profit 毛利	Gross Profit Breakdown 毛利佔比
IEC 工程板塊	3,560	74%
-Power 電力能源	2,388	50%
-Transportation and Telecommunication 交通運輸及電子通訊	176	4%
-Non-Core Sectors 非核心行業	996	20%
Trading 貿易板塊	607	13%
Services Business 服務業務	628	13%
Total 總計	4,795	100%

Key Operating and Financial Data

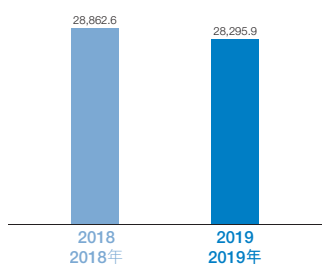
重要經營及財務數據

1. Revenue

收入

Unit: RMB million

單位：人民幣百萬元

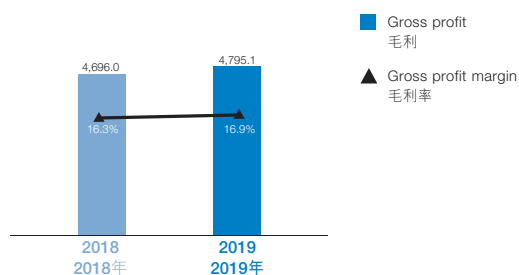


2. Gross Profit and Gross Profit Margins

毛利及毛利率

Unit: RMB million

單位：人民幣百萬元

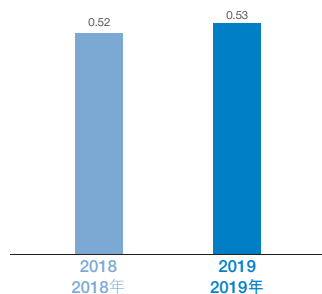


3. Basic Earnings per Share

每股基本盈利

Unit: RMB

單位：人民幣

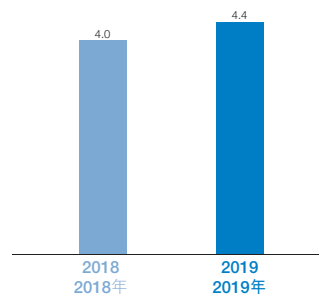


4. Net Asset Per Share

每股淨資產

Unit: RMB

單位：人民幣

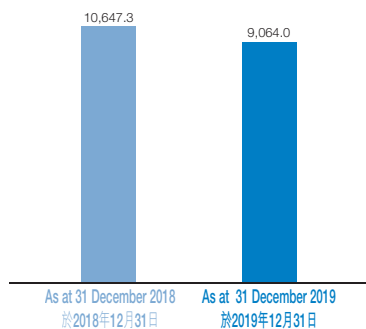


5. Backlog for the International Engineering Contracting Business

國際工程承包業務未完成合同量

Unit: US\$ million

單位：百萬美元

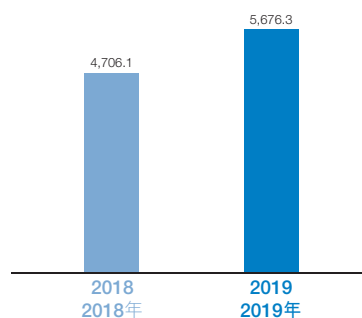


6. Newly Signed Contracts Value for the International Engineering Contracting Business

國際工程承包業務的新簽約合同金額

Unit: US\$ million

單位：百萬美元

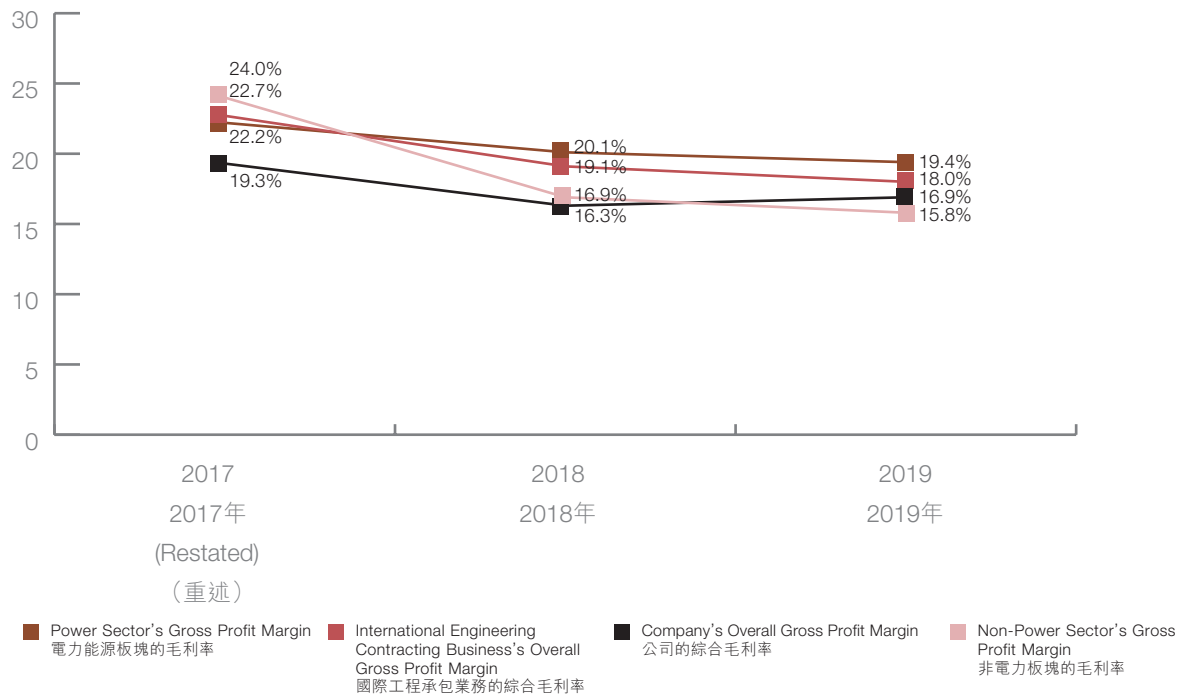


Key Operating and Financial Data

重要經營及財務數據

7. Gross Profit Margin for the International Engineering Contracting Business

國際工程承包業務的毛利率



Financial Highlights

財務摘要

		Year ended 31 December 截至12月31日止年度				
		2019	2018	2017	2016	2015
		2019年	2018年	2017年	2016年	2015年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue	收入	28,295,927	28,862,688	27,375,112	21,017,236	24,056,269
Gross profit	毛利	4,795,100	4,695,953	5,289,045	3,544,191	3,726,821
Other revenue and other income/ (expenses), net	其他收入及其他收入/ (開支)淨額	59,369	22,382	405,916	14,892	(6,264)
Operating expenses	經營開支	(2,922,047)	(3,166,397)	(2,671,437)	(1,991,968)	(1,934,119)
Profit from operations	經營溢利	1,932,422	1,551,938	3,023,524	1,567,115	1,786,438
Profit before tax	除稅前溢利	2,816,509	2,825,767	2,360,925	2,783,930	2,996,868
Income tax	所得稅	(635,253)	(689,926)	(584,298)	(674,140)	(787,908)
Profit for the year	年內溢利	2,181,256	2,135,841	1,776,627	2,109,790	2,208,960
Other comprehensive income for the year	年內其他綜合收益	72,590	(123,209)	(77,311)	74,536	(11,906)
Total comprehensive income for the year	年內綜合收益總額	2,253,846	2,012,632	1,699,316	2,184,326	2,197,054
Profit attribute to:	溢利歸屬於：					
– Owners of the parent	– 母公司擁有人	2,181,173	2,131,540	1,774,959	2,106,521	2,204,777
– Non-controlling interests	– 非控股權益	83	4,301	1,668	3,269	4,183
Total comprehensive income attributable to:	綜合收益總額歸屬於：					
– Owners of the parent	– 母公司擁有人	2,251,114	2,008,234	1,697,723	2,180,909	2,192,817
– Non-controlling interests	– 非控股權益	2,732	4,398	1,593	3,417	4,237
Basic and diluted earnings per share (expressed in RMB per share)	每股基本及攤薄盈利(以每股 人民幣元計值)	0.53	0.52	0.43	0.51	0.53
Total non-current assets	非流動資產總額	14,879,511	12,428,161	9,794,017	8,103,361	6,854,702
Total current assets	流動資產總額	38,881,932	43,686,456	46,556,442	39,348,918	37,097,851
Total assets	資產總額	53,761,443	56,114,617	56,350,459	47,452,279	43,952,553
Total non-current liabilities	非流動負債總額	1,562,072	1,409,869	1,245,291	956,450	882,288
Total current liabilities	流動負債總額	34,240,976	38,191,494	37,724,419	31,120,276	28,523,824
Total liabilities	負債總額	35,803,048	39,601,363	38,969,710	32,076,726	29,406,112
Total equity attributable to owners of the parent	母公司擁有人應佔權益總額	17,845,825	16,427,408	17,300,486	15,328,515	14,500,886
Non-controlling interests	非控股權益	112,570	85,846	80,263	47,038	45,555
Total equity	權益總額	17,958,395	16,513,254	17,380,749	15,375,553	14,546,441
Total equity and liabilities	權益及負債總額	53,761,443	56,114,617	56,350,459	47,452,279	43,952,553

Management Discussion and Analysis

管理層討論與分析

I. INDUSTRY OVERVIEW

In 2019, the world economy remained at the period of deep adjustment after the international financial crisis. Global economic and trade growth slowed down, and the sources of turbulence and risks increased. Growth in major developed economies continued to decline, and downward pressure on emerging economies increased. The unilateralism and protectionist policies adopted by the U.S. government affected the world economy to a large extent. The efficiency of monetary and fiscal policies in various countries, especially the developed economies, weakened. Insufficient global demand also severely restrained the global economic growth.

Domestically, China's economy achieved overall stability with steady development. Huge progress was made in building a moderately prosperous society in all aspects. Preliminary accounting shows that the GDP for the year ended 31 December 2019 was RMB99,086.5 billion, representing a year-on-year growth of 6.1% based on comparable price calculation, which met the expected growth target of 6% to 6.5%; The per capita GDP was RMB70,892, which reached USD10,276 at the average annual exchange rate, hitting the mark of exceeding USD10,000 for the first time. But at the same time, attention must be paid to the fact that China is still in the primary stage of socialism and will remain so for a long time to come. China remains the largest developing country in the world. With the intertwined issues on economic structure, system and cycle in China, the combined impact of shifting into new gears in economy, teething problems in restructuring and digestion of previous stimulation policy further deepened, and the downward pressure on the economy continued to increase.

I. 行業概覽

2019年，世界經濟仍處在國際金融危機後的深度調整期，全球經濟貿易增長放緩，動蕩源和風險點增多。主要發達經濟體增速持續下行，新興經濟體下行壓力加大。美國政府推行單邊主義和保護主義政策對世界經濟影響較大，各國尤其是發達經濟體的貨幣與財政政策的效果減弱，全球總需求不足也嚴重抑制了世界經濟的增長。

從國內來看，我國經濟運行總體平穩、穩中有進，全面建成小康社會取得新的重大進展。初步核算，截至2019年12月31日止年度國內生產總值人民幣990,865億元，按可比價格計算，比上年增長6.1%，符合6%至6.5%的預期目標；人均國內生產總值人民幣70,892元，按照年平均匯率折算達到10,276美元，首次突破1萬美元大關。但同時必須清醒看到，我國仍處於並將長期處於社會主義初級階段的基本國情沒有變，我國是世界最大發展中國家的國際地位沒有變，我國的經濟結構性、體制性、周期性問題相互交織，「三期疊加」影響持續深化（「三期」是指增長速度換擋期、結構調整陣痛期、前期刺激政策消化期），經濟下行壓力持續加大。

Management Discussion and Analysis

管理層討論與分析

A. International Engineering Contracting Business

In 2019, foreign contracted engineering business in China achieved a turnover of RMB1,192.75 billion, representing a year-on-year increase of 6.3% (equivalent to USD172.9 billion, representing a year-on-year increase of 2.3%). Newly signed contracts amounted to RMB1,795.33 billion, representing a year-on-year increase of 12.5% (equivalent to USD260.25 billion, representing a year-on-year increase of 7.6%). Among which, 6,944 new contracts in connection with foreign contracting works amounting to USD154.89 billion were signed in 62 countries along “the Belt and Road”, accounting for 59.5% of the PRC’s newly contracted foreign projects over the same period, representing a year-on-year increase of 23.1%; the business turnover was USD97.98 billion, accounting for 56.7% of the total amount over the same period, representing a year-on-year increase of 9.7%.

In general, the development of foreign contracted engineering business in China can be described as mixed in 2019. The Chinese government successfully held the second “the Belt and Road” international cooperation summit forum, which provided new impetus for promoting the long-term stable development of “the Belt and Road” infrastructure cooperation and achieving high-quality development. However, in the meantime, the world economy remained sluggish with reduced enthusiasm in foreign investment. In view of the ups and downs in Sino-US trade frictions and frequent tensions in certain regions, industry development faced unabated external risks. The main features are as follows:

A. 國際工程承包業務

2019年，我國對外承包工程業務完成營業額人民幣11,927.5億元，同比增長6.3%（折合1,729億美元，同比增長2.3%），新簽合同額人民幣17,953.3億元，同比增長12.5%（折合2,602.5億美元，同比增長7.6%）。在「一帶一路」沿線的62個國家新簽對外承包工程項目合同6,944份，新簽合同額1,548.9億美元，佔同期我國對外承包工程新簽合同額的59.5%，同比增長23.1%；完成營業額979.8億美元，佔同期總額的56.7%，同比增長9.7%。

總的來說，2019年，我國對外承包工程業務發展形勢可謂喜憂參半。中國政府成功舉辦第二屆「一帶一路」國際合作高峰論壇，為推動「一帶一路」基建合作行穩致遠、實現高質量發展提供新的動力。但與此同時，世界經濟持續低迷，國際投資熱度減弱，中美貿易摩擦跌宕起伏，部分地區緊張局勢頻現，行業發展面臨的外部風險有增無減。主要呈現以下特點：

Management Discussion and Analysis

管理層討論與分析

Firstly, the overall business size remained stable with increasing number of contracts signed for major projects.

The amount of newly signed contracts and business turnover both maintained growth for the year. The amount of newly signed contracts and business turnover in 62 countries along “the Belt and Road” accounted for half of the annual total. The ability of enterprises to undertake large projects continued to enhance. The number of newly signed projects with a contract value of more than USD50 million and more than USD100 million both increased compared with the same period last year. Contracts were signed for the chemical complex project in Baltic, the Phulbari ultra-supercritical coal-fired power plant in Bangladesh, the telecommunications operations and maintenance services project in Myanmar.

Secondly, the investment in engineering sector made steady progress, and the economic and social benefits of industry development significantly improved.

The increasing number of infrastructure projects undertaken by direct investment, BOT (build-operate-transfer), PPP (public-private partnership), and equity cooperation year by year showed that the pace of industrial transformation and upgrading accelerated significantly. By paying more attention to the cooperation with upstream and downstream enterprises in the industrial chain, the companies in the industry actively participated in the investment and construction in overseas economic and trade cooperation zones, and strive to build the overseas economic and trade cooperation zones into important carriers and platforms for co-construction of “the Belt and Road” and the promotion of international cooperation on production capacity, which encouraged local taxation and employment in an effective manner, and facilitated local economic and social development, thereby bringing tangible benefits to local people.

一是業務規模整體平穩，大項目簽約量保持增長。全年的新簽合同額和完成營業額均保持了增長，在「一帶一路」沿線的62個國家的新簽合同額和完成營業額佔全年總額的半壁江山。企業承攬大項目能力持續增強，新簽合同額5,000萬美元以上的項目和1億美元以上均較上年同期有所增加。波羅的海化工綜合體項目、孟加拉國普爾巴里超超臨界燃煤電站、緬甸電信運維服務項目相繼簽約。

二是工程類投資業務穩步推進，行業發展的經濟社會效益顯著提升。直接投資、BOT（建設、經營、移交）、PPP（公共私營合作制）、股權合作等方式承攬的基建項目逐年增多，行業轉型升級的步伐明顯加快。行業企業更加注重與產業鏈上下游企業的合作，積極參與境外經貿合作區投資與建設，將境外經貿合作區打造成為共建「一帶一路」、促進國際產能合作的重要載體和平台，有效拉動了當地的稅收和就業，促進了當地經濟、社會的發展，給當地人民帶來了實實在在的好處。

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Thirdly, corporate strategy for overseas development became clearer, and sustainable development has gradually become a common vision in the industry. According to changes in the business development conditions, many enterprises specified their development strategy as “giving priority to overseas market” while restructuring their internal resources and accelerating their planning on overseas business; some enterprises joined hands with each other to develop overseas market through cooperation funds, industry alliances and other means, in order to leverage the comprehensive advantages of Chinese funds, Chinese standards, Chinese technology, and Chinese equipment; some enterprises innovated in carrying out tripartite cooperation and multilateral cooperation, so as to integrate global resources in terms of financing, technology and labor, and actively undertake difficult and iconic major projects.

Fourthly, downward pressure on the industry increased, and traditional competitive advantages weakened. The global economy has slowed down as a whole since 2019. Certain developing countries entered a peak period of debt repayment, and significantly reduced the number of contracted infrastructure projects. As the international multilateral financial institutions have been paying increasing attention to social and environmental sustainability issues, companies faced more stringent requirements when participating in international project bidding. The competent government authorities and relevant financial institutions in China also strengthened their supervision over overseas investments. Some projects were delayed or put on hold due to financing difficulties. Companies were subject to increasing difficulty in business expansion in general. In view of the conditions of the industry, against the backdrop of rising labor costs, more intense market competition and generally narrowing financing channels, the traditional competitive advantages of companies in the international infrastructure market have been weakening, giving rise to a great need to break the development bottleneck in terms of financing capabilities, risk management and application of new technologies to create new competitive advantages.

三是企業海外發展戰略更加清晰，可持續發展漸成行業共識。根據業務發展形勢的變化，許多企業明確制定了「海外優先」的發展戰略，重整內部資源，加快海外業務佈局；有的企業通過合作基金、產業聯盟等方式「聯合出海」，發揮中國資金、中國標準、中國技術、中國裝備的綜合優勢；有的企業創新開展三方合作、多方合作，在全球範圍內整合融資、技術和人力資源，積極承攬高難度、標誌性大項目。

四是行業下行壓力增大，傳統競爭優勢減弱。2019年以來，全球經濟整體放緩，部分發展中國家進入債務還款高峰期，基建項目發包量明顯減少。國際多邊金融機構日益關注社會和環境可持續議題，企業參與國際項目招投標面臨更為嚴苛的要求。國內政府主管部門、相關金融機構也加強了境外投資監管，部分項目因融資難題被延後或擱置，企業普遍感受到業務拓展難度加大。從行業自身情況來看，在人力成本持續上漲、市場競爭更加激烈、融資渠道普遍收窄的形勢下，企業在國際基建市場的傳統競爭優勢正在減弱，極需從融資能力、風險管控、新技術應用等方面破解發展瓶頸，打造新的競爭優勢。

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Fifthly, the overall regional security situation constantly shifted, and the development environment of infrastructure was subject to multiple risks. In 2019, with significantly heightened geopolitical risks and turbulence all over the world, risks to social security continued to increase, the economic downward pressure continued to accumulate and enterprises faced the grimness of bankruptcy. For instance, the risk of terrorism in Pakistan, India, Myanmar and other countries in Asia was prominent, religious and extremist organizations reinforced their penetration, tensions continued to build in Kashmir at the India-Pakistan Border, and the security environment in South Asia showed a trend of further deterioration. Crisis in Latin America was severe, with the risk characteristics mainly manifested as high uncertainty in policies, weak economic growth, exchange rate risks and hyperinflation, and political and social turmoil in one nation would spread and extend into other nations in the region. Affected by the above factors, the development of global infrastructure industry continued to face higher institutional and personnel security risks.

B. Trading Business

In 2019, China's foreign trade faced profound changes in domestic and foreign conditions, with increasing instability factors and uncertainties, resulting in a complex and severe environment. Nevertheless, the foreign trade imports and exports in China still recorded steady growth in terms of volume and quality. The total value of foreign trade imports and exports amounted to RMB31.54 trillion, representing an increase of 3.4% over 2018. Among which, amounts of export amounted to RMB17.23 trillion, up by 5%; amounts of import amounted to RMB14.31 trillion, up by 1.6%; and trade surplus reached RMB2.92 trillion, expanding by 25.4%. Trading for the year primarily demonstrated the following features:

五是地區整體安全形勢多變，諸多風險影響基礎設施發展環境。2019年，地緣政治風險顯著升高，世界各地動亂頻發，社會安全風險持續加劇，全球經濟下行壓力不斷積累，企業破產形勢嚴峻。比如：亞洲地區的巴基斯坦、印度、緬甸等國恐襲風險凸顯，宗教及極端勢力組織滲透不斷加強，印巴邊境克什米爾地區緊張局勢持續加劇，南亞地區安全環境呈現進一步惡化趨勢。拉美地區更是危機重重，風險特徵主要表現為政策不確定性較高，經濟增長疲軟，匯率風險和惡性通貨膨脹，發生在一國之內的政治和社會動蕩向整個地區多國蔓延和擴散。受以上多方面因素影響，全球基礎設施行業發展面臨越來越高的機構和人員安全風險。

B. 貿易業務

2019年，我國外貿面臨的國內外條件發生深刻變化，不穩定不確定因素增加，形勢複雜嚴峻。在這種情況下，我國外貿進出口仍然實現了量的穩定增長和質的穩步提升。貿易進出口總值人民幣31.54萬億元，比2018年增長3.4%。其中，出口人民幣17.23萬億元，增長5%；進口人民幣14.31萬億元，增長1.6%；貿易順差人民幣2.92萬億元，擴大25.4%。全年的貿易運行主要呈現以下特點：

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Firstly, the scale of trade made steady progress.

In 2019, the scale of imports and exports increased quarter by quarter, with imports and exports amounted to RMB7.03 trillion in the first quarter, RMB7.68 trillion in the second quarter, RMB8.26 trillion in the third quarter and RMB8.59 trillion in the fourth quarter.

Secondly, the trade structure continued to optimize.

The international market layout was further optimized. The share of imports and exports to emerging markets increased by 1.7% to 59.5%. In particular, the share to the countries along “the Belt and Road” increased to 29.3%. The domestic regional layout became more balanced. The shares of exports in the central and western regions increased by 1.4% to 18.3%. Commodity structure continued to be optimized. The exports of electromechanical products increased by 4% with its share reaching 58.4%. The vitality of private enterprises has been increasing. Their share of exports increased by 3.6% to 51.4%, exceeding 50% for the first time. The trade structure was further optimized. The share of exports of general trade increased by 1.8% to 58%.

Thirdly, the quality of trade further improved.

The exports of high-quality, high-tech, and high-value-added products recorded rapid growth. The unit export prices of integrated circuits, photovoltaics, machine tools and medical devices achieved double-digit growth. Sixty-five transformation and upgrading bases for foreign trade were newly identified. Six public platforms for international marketing services at national level for the first batch were determined. Cross-border e-commerce retail imports and exports increased by 30.3%. The number of overseas warehouses exceeds 1,000, with a network covering the whole world. The pilot scheme for the export of second-hand cars in ten provinces and cities was initiated, and eight processing trade bonded maintenance projects for the new batch were encouraged for implementation in advance.

一是貿易規模穩中有進。2019年進出口規模逐季攀升，第一季度進出口值為人民幣7.03萬億元、第二季度為人民幣7.68萬億元、第三季度為人民幣8.26萬億元、第四季度達到人民幣8.59萬億元。

二是貿易結構持續優化。國際市場佈局進一步優化，對新興市場進出口佔比提高1.7%至59.5%。其中，與「一帶一路」沿線國家佔比提高至29.3%。國內區域佈局更加均衡，中西部地區出口佔比提高1.4%至18.3%。商品結構持續優化，機電產品出口增長4%，佔比達58.4%。民營企業主體活力不斷增強，出口佔比提高3.6%至51.4%，首次超過50%。貿易結構進一步優化，一般貿易出口佔比提高1.8%至58%。

三是貿易質量不斷提升。高質量、高技術、高附加值產品出口快速增長。集成電路、光伏、機床、醫療器械等出口單價實現2位數增長。新確定外貿轉型升級基地65家，認定首批6個國家級國際營銷服務公共平台。跨境電商零售進出口增長30.3%。海外倉數量超過1,000個，覆蓋面輻射全球。啟動10省市二手車出口試點，支持8個新一批加工貿易保稅維修項目先行先試。

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Fourthly, the contribution to national economic and social development increased. The sustained and stable development of foreign trade strongly facilitated open economy construction and coordinated development of the national economy in China, as well as accelerated the process of industrialization and urbanization. The import tax and trade surplus throughout the year made significant contribution to improving the balance of payments, increasing foreign exchange reserves, and maintaining the stability of the RMB exchange rate.

Fifthly, trading played an important role in the development of global economy and trade. Against the background of continued decline in global demand, China's economy sustained long-term upward trend with stability, and expanded imports to provide countries around the world with an extensive market and valuable opportunities for cooperation. The 2nd China International Import Expo was successfully held, at which, 3,800 companies from 181 countries, regions and international organizations contracted to participate in the exhibition. On a one-year basis, the cumulative intent for transaction amounted to USD71.13 billion, providing a unique platform for showcase and exchange among countries, and strengthening the world's confidence in mutual development with China.

Sixthly, the ranking of major trading partners changed, ASEAN has become the second largest trading partner of China. In 2019, the largest trading partner remained the EU, with imports and exports to the EU of RMB4.86 trillion, representing an increase of 8%. Imports and exports to ASEAN amounted to RMB4.43 trillion, representing an increase of 14.1%. Imports and exports to the United States amounted to RMB3.73 trillion, representing a decrease of 10.7%. The fourth largest trading partner was Japan, with imports and exports to Japan of RMB2.17 trillion, representing an increase of 0.4%. In addition, China's imports and exports to countries along "the Belt and Road" amounted to RMB9.27 trillion, representing an increase of 10.8%, which was 7.4 percentage points higher than the overall growth rate.

四是對國民經濟社會發展貢獻增強。外貿持續穩定發展，有力推動了我國開放型經濟建設和國民經濟協調發展，加快了工業化和城鎮化進程。全年的進口環節稅收和貿易順差，為改善國際收支、增加外匯儲備、保持人民幣匯率穩定作出積極貢獻。

五是對全球經濟貿易發展發揮重要作用。在全球需求持續下滑的背景下，中國經濟穩中向好長期向好，積極擴大進口，為世界各國提供廣闊的市場和寶貴的合作契機。成功舉辦第二屆中國國際進口博覽會，來自181個國家、地區和國際組織的3,800家企業簽約參展。按一年計，累計意向成交711.3億美元，為各國提供了獨特的展示和交流平台，增強了世界與中國共同發展的信心。

六是主要貿易夥伴位次發生變化，東盟成為我國第二大貿易夥伴。2019年，第一大貿易夥伴仍然是歐盟，對歐盟進出口人民幣4.86萬億元，增長8%；對東盟進出口人民幣4.43萬億元，增長14.1%；對美國進出口人民幣3.73萬億元，下降10.7%；第四大貿易夥伴是日本，對日本進出口人民幣2.17萬億元，增長0.4%。此外，我國對「一帶一路」沿線國家進出口人民幣9.27萬億元，增長10.8%，高出整體增速7.4個百分點。

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C. Services Business

Overall, opportunities and challenges coexisted in the design consulting industry of Services Business.

On the one hand, high-quality development and construction of “the Belt and Road” presented new opportunities. In recent years, supply-side structural reform has been promoted in the survey and design industry to accelerate the change of the situation of serious homogeneity. Drawing on others’ successful experience and focusing on integrated innovation, the core technology of the industry substantially became autonomous. With rapid improvement in core competitiveness, the overall industry entered world-class level and achieved high-quality development.

The size of the industry continued to expand, and science and technology activities were unprecedentedly active. A number of highly difficult and advanced world-leading engineering projects, such as Shanghai Tower, China Zun, Hong Kong-Zhuhai-Macao Bridge, Sky Eye and Beijing Daxing International Airport, have refreshed the list of Chinese miracles and become the latest interpretation of the brand of “Chinese Engineering Design”. The companies in the industry united together and achieved fruitful results in the construction of “the Belt and Road”. With firmer pace of “going out” and broader overseas market, the competitive landscape further improved. Leveraging significant technological advantages in metallurgical, cement, chemical, petrochemical and power industries, competitiveness in overseas markets continued to enhance. At the same time, national strategies, such as rural revitalization strategy, building a beautiful China, regional coordinated development strategy, and promoting simultaneous development of new industrialization, informatization, urbanization and agricultural modernization, provided numerous opportunities for the survey and design industry.

C. 服務業務

服務業務中的設計諮詢行業，總體形勢仍然是機遇和挑戰並存。

一方面是高質量發展和「一帶一路」建設帶來新的機遇。近年來，勘察設計行業積極推進供給側結構性改革，加快改變同質化嚴重的局面，通過博採眾長、集成創新，行業核心技術基本實現自主化，核心競爭能力得到快速提升，總體水平進入世界一流方陣，實現了高質量發展。

行業規模持續擴大，科技活動空前活躍；一批高難度、最新最先進的世界頂級工程項目，如上海中心、中國尊、港珠澳大橋、天眼、北京大興國際機場等，刷新了中國奇蹟，成為「中國工程設計」品牌的最新註釋；行業企業共建「一帶一路」取得豐碩成果，「走出去」步伐更加堅定，海外市場愈加寬闊，競爭態勢不斷向好，冶金、水泥、化工、石化、電力等行業技術優勢明顯，海外市場競爭力持續增強。與此同時，鄉村振興戰略、建設美麗中國、區域協調發展戰略、推進新型工業化、信息化、城鎮化、農業現代化同步發展等國家戰略都為勘察設計行業提供了眾多機遇。

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On the other hand, the survey and design industry is undergoing a dynamic, complex, fuzzy and intertwined drastic change. The internal impetus for corporate development and the core competitiveness of the industry are changing, posing new challenges to the development of enterprises in the industry. At present, the market demand-driven industrial upgrading represented by customization, intelligent manufacturing, and transition from products to services is accelerating. The industry competition landscape has been transforming from a “pyramid” structure to a “dumbbell” structure. More market participants are joining with new business thinking models, new resource endowments, and new operating models. The reform of the organizational structure of engineering construction has given rise to new service content, which promoted the general contracting of projects and the entire process of engineering consulting, and further expanded business chain and business content of the enterprises in the industry. Uncertainty in market demand, the borderless nature of resources, the market-oriented flow of human resources and the diversification of value demands, and the requirements of a multilateral and three-dimensional value network have become increasingly prominent.

另一方面則是勘察設計行業正處在一個動態、複雜、模糊、交融的大變局中，企業發展的內在動力、行業核心競爭力正在發生改變，對行業企業的發展帶來新的挑戰。目前，以市場需求所驅動的個性化定制、智能製造、從產品向服務轉型等為代表的產業升級正在加速演進；產業競爭格局正在從「金字塔」結構向「啞鈴型」結構轉型，更多的市場參與者以全新的商業思維模式、全新的資源稟賦、全新的運作模式加入其中；工程建設組織模式改革催生新的服務內容，工程總承包和全過程工程諮詢大力推進，行業企業的業務鏈條和業務內容不斷拓展；市場需求的不確定性、資源的無邊界特點、人力資源的市場化流動與價值訴求多元化、多邊立體的價值網絡要求等趨勢日益凸顯。

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II. BUSINESS OVERVIEW

A. International Engineering Contracting Business

We are a leading international engineering contractor and service provider in China, focusing on the EPC projects, particularly in the power industry. Our International Engineering Contracting Business is the Company's traditional core business, accounting for about 69.9% of the Company's total revenue in 2019.

In 2019, despite the complex situation of slower global economic growth and the significant increase in domestic and international risks and challenges, the Company focused on national strategies and its principal business, practically pushed forward the optimization of market layout and continued to improve the market-oriented operation mechanism, achieving the stable development of "seeking progress while maintaining stability with emphasis on both quality and quantity".

The Company ranked ninth in the Top 100 Chinese Contractors in Terms of Revenue from Completed Overseas Engineering Business in 2019 《2019年中國對外承包工程業務完成營業額前100家企業》 issued by the Ministry of Commerce of the PRC. The Company ranked 9th in the overall list and 7th in overall list for power projects in the 2019 Ranking in the Key Industries in Terms of Contract Amount of Overseas Large-scale Complete Equipment Engineering Projects 《2019年企業境外大型成套設備工程項目重點行業簽約排名》 issued by the China Chamber of Commerce for Import and Export of Machinery and Electronic Products. In addition, it ranked 1st in terms of contracted overseas projects in the metallurgical and mining equipment industry, 3rd in new energy projects, 4th in power transformer projects, 5th in water treatment industry, and 9th in rail transportation industry.

II. 業務概覽

A. 國際工程承包業務

我們是中國領先的國際工程承包與服務商，主要專注於EPC項目，特別專長於電力能源行業。我們的國際工程承包業務為本公司傳統核心業務，約佔2019年本公司總收入的69.9%。

2019年，在全球經濟增速放緩、國內外風險挑戰明顯上升的複雜局面下，本公司緊緊鎖定國家戰略與公司主業，切實推進市場佈局優化，持續完善市場化經營機制，實現了穩中求進、質量並舉的穩健發展。

在中國商務部公佈的《2019年中國對外承包工程業務完成營業額前100家企業》排名中，本公司名列第9位。在中國機電產品進出口商會發佈的《2019年企業境外大型成套設備工程項目重點行業簽約排名》中，本公司排名總榜第9位、電力項目總體第7位；此外，還分別在冶金礦山裝備行業海外項目簽約額排名第1、新能源項目排名第3、輪變電項目排名第4、水處理行業排名第5、軌道交通行業排名第9。

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The following table sets forth the details of the International Engineering Contracting Business for the year ended 31 December 2019 and the comparative figures for the year ended 31 December 2018:

下表載列截至2019年12月31日止年度國際工程承包業務詳情，以及截至2018年12月31日止年度的比較數字：

Unit: RMB million
單位：人民幣百萬元

				2019	% of Total	2018	Year-on-year Growth/ (Decline)
				2019年	總額的%	2018年	按年增長／(減少)
Revenue	收入	Power	電力能源	12,337.1	62.4%	12,537.2	(1.6)%
		Transportation and Telecommunications	交通運輸及電子通訊	593.3	3.0%	1,335.6	(55.6)%
		Non-Core Sectors	非核心行業	6,840.7	34.6%	4,408.1	55.2%
		Total	總計	19,771.1	100.0%	18,280.9	8.2%
Gross profit	毛利	Power	電力能源	2,388.4	67.1%	2,517.8	(5.1)%
		Transportation and Telecommunications	交通運輸及電子通訊	175.9	4.9%	343.6	(48.8)%
		Non-Core Sectors	非核心行業	996.0	28.0%	624.7	59.4%
		Total	總計	3,560.3	100.0%	3,486.1	2.1%

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1. The effects of optimizing the market layout with focus on “the Belt and Road” is obvious.

Based on its own business advantages and seizing the policy and market opportunities in the countries and regions along “the Belt and Road”, the Company focused on adjusting the global market layout and achieved significant results. During 2019, in the African market, the Company signed Equatorial Guinea Malabo Gas Turbine Power Station Project, Nigeria Proton Combined Cycle Power Station Project and other highway projects in Ivory Coast and Zambia. In the Asian market, the Tajik aluminum plant improvement project was included in the list of achievements of President Xi Jinping’s visit to Tajikistan, and the signing of the Pakistani agricultural framework cooperation agreement was witnessed by Vice President Wang Qishan. The Mehmur Cement Plant Project in Iraq was signed and the modification and signing of the construction of the Salah Al-Din power plant project in Iraq was completed. In the European market, the signing of the commercial contract for the Varna Port Construction Project of Bulgaria was witnessed by Premier Li Keqiang. CNCEC, a subsidiary of the Company, signed agricultural cooperation agreements with two Ukrainian companies respectively. In the Oceanian market, CNCEC, a subsidiary of the Company, signed a new villa construction project in Melbourne, Australia. Together with the existing projects of the Company, as at the end of 2019, a global market layout was formed with simultaneous development in Asia and Africa, new developments in Europe and South America, and several achievements made in North America and Oceania.

1. 以「一帶一路」為主線的市場佈局優化效果明顯

公司立足自身業務優勢，把握「一帶一路」相關國家和地區的政策和市場機遇，著力調整全球市場佈局，取得明顯成效。2019年，在非洲市場，簽約赤道幾內亞馬拉博燃機電站項目、尼日利亞普羅頓聯合循環電站項目以及科特迪瓦、贊比亞等公路項目；在亞洲市場，塔吉克鋁廠改造項目列入習近平主席訪問塔吉克斯坦成果清單、巴基斯坦農業框架合作協議簽署獲王岐山副主席見證，伊拉克邁赫穆爾水泥廠項目簽約、伊拉克薩拉哈丁電站項目完成修改簽約；在歐洲市場，保加利亞瓦爾納港口項目商務合同簽約獲李克強總理見證，公司所屬中成套與烏克蘭兩家公司分別簽署農業領域合作協議；在大洋洲市場，公司所屬中成套新簽澳大利亞墨爾本別墅建設項目。加之目前公司在手執行項目，截至2019年年底，公司已形成亞洲、非洲並舉，歐洲、南美洲跟進，北美洲、大洋洲屢有斬獲的全球市場佈局。

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

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

The following table sets forth a breakdown of the revenue from the Group's International Engineering Contracting Business by geographic locations for the year ended 31 December 2019:

下表載列截至2019年12月31日止年度按地理位置劃分的本集團國際工程承包業務收入明細：

		2019	% of Total
		2019年	總額的%
		RMB million	
		人民幣百萬元	
Asia	亞洲	9,551.0	48.3%
South America	南美洲	985.6	5.0%
North America	北美洲	325.1	1.6%
Africa	非洲	7,964.3	40.3%
Europe	歐洲	945.1	4.8%
Total	總計	19,771.1	100.0%

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2. The carry-forward development capability of existing projects continues to improve

Currently, the Company has projects executed in the five continents (i.e. Asia, Africa, Europe, America and Oceania). What's more important is that the capability of relevant implementing projects driving the carry-forward development of new projects is growing. The successful implementation and transfer of the photovoltaic power plant project in Nikopol, Ukraine created a good reputation for the Company in Ukraine and surrounding markets and brought new opportunities for projects. The Mongolian Sainshanda wind power project actively explored a new model of project management with good implementation effect. The expansion and construction project of the combination circulation power station in Basra, Iraq officially started. For the Company's first investment-led EPC project-Pakistan Thar phase I, two power plant units were put into commercial operation, and the coal mine project entered the operation and maintenance stage, while the successful implementation of the new model also brought good results of the phase II being into effect and the phase III being about to be into effect. The pre-acceptance certificate for the SOYO combined cycle power plant project in Angola was obtained. The KIPETO wind power project in Kenya implemented a unique community management, established a scientific and sound Health, Safety and Environment ("HSE") management framework, and the localized labor reached 85%. The Argentina Belgrano Cargo Railway Rehabilitation Project, the signing of which was witnessed by President Xi Jinping, completed 98% of the work volume, and was actively promoting the effectiveness of supplementary projects and the development of new projects.

2. 在手執行項目的滾動開發能力持續提升

目前，公司在全球五大洲（亞洲、非洲、歐洲、美洲、大洋洲）均有在手執行項目。更為重要的是，相關執行項目帶動新項目滾動開發的能力日益增長。烏克蘭尼克波爾光伏電站項目順利執行和移交，為公司在烏克蘭及周邊市場打造了良好口碑，帶來了新的項目機會；蒙古賽因山達風電項目積極探索項目管理新模式，執行效果良好；伊拉克巴士拉聯合循環電站擴建項目正式開工。公司首個投資帶動EPC項目－巴基斯坦塔爾一期，兩台電站機組已投入商業運行，煤礦項目進入運維階段；新模式的成功實踐，還帶來二期生效、三期即將生效的良好效果。安哥拉索約聯合循環電廠項目取得預驗收證書；肯尼亞基佩托風電項目實施了富有特色的社區管理，建立起科學健全的健康、安全及環境（「HSE」）管理架構，屬地化用工達到85%。習近平主席曾經見證的阿根廷貝爾格拉諾貨運鐵路改造項目，已完成工程量的98%，正在積極推進增補工程生效及新項目開發。

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3. Another major breakthrough was achieved in new energy market development

The Company has been focusing on new energy market expansion in recent years and achieved a series of significant results in 2019. The biogas power generation project in Dnipro, Ukraine was another major breakthrough for the Company in the field of new energy followed by the wind power, photovoltaic and geothermal power projects. In 2019, the Company continued to facilitate the construction of photovoltaic power stations, signed the Laos Ministry of Defense No. 02 Integrated Agricultural Park photovoltaic power plant project, Lupu Mountain photovoltaic power plant project in Ukraine, Kedah photovoltaic power plant project and Kelantan photovoltaic power plant project in Malaysia. CNEEC, a subsidiary of the Company, signed the Ambalema photovoltaic power plant project in Colombia. The Company ranked 3rd in the 2019 Ranking of Chinese Enterprises in the Power Industry in Terms of Contract Amount of Overseas New Energy Projects 《2019年中國電力行業境外新能源項目簽約額企業排名》 issued by the China Chamber of Commerce for Import and Export of Machinery and Electronic Products.

3. 新能源市場開發再次取得重要突破

近年來，本公司一直注重新能源市場開拓，2019年更取得了一系列重要成績。烏克蘭第聶伯市沼氣發電項目，是本公司繼風電、光伏、地熱發電項目後，在新能源領域取得的又一重大突破。2019年，本公司繼續發力光伏電站建設，先後簽署了老撾國防部02號綜合農業園光伏電站項目、烏克蘭盧普山尼光伏電站項目、馬來西亞吉打州光伏電站項目以及吉蘭丹州光伏電站項目；公司所屬中電工簽署了哥倫比亞安巴萊馬光伏電站項目。在中國機電產品進出口商會發佈的《2019年中國電力行業境外新能源項目簽約額企業排名》中，本公司排名第3位。

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4. Continuously expand new areas of the market

In the field of coal mine construction, a contract for the construction project of the 3-million-ton coal mine and coal preparation plant in Dubowski, Karaganda, Kazakhstan was signed. In the field of new-type urbanization and infrastructure construction, the contracts for the third phases of the development housing project of the Saudi Ministry of Housing and Construction, the Bahrain affordable housing, and the Burundi National Police Hospital Project were signed. In the field of digitalization and communication construction, the Company signed the Nigerian border safety net project, and urged the communication tower project in Myanmar and the safety net phase II project in Ghana to start as soon as possible. The Company also continued to put efforts in developing industrialization projects: the foundation of the Boron Carbide project in Bandarma, Turkey was laid and received a congratulatory message from the Turkish President Erdogan. During the Second “the Belt and Road” Forum for International Cooperation, CNCEC signed the ANH blast furnace ferronickel smelting project in Indonesia.

4. 不斷開拓市場新領域

煤礦建設領域，簽約哈薩克斯坦卡拉乾達杜博夫斯基年產300萬噸煤礦及選煤廠建設項目。新型城鎮化和基建領域，簽約沙特住建部發展性住房項目三期、巴林保障房、布隆迪國家警察醫院項目。數字化通訊建設領域，簽約尼日利亞邊境安全網項目，力促緬甸通信塔項目、加納安全網二期項目盡早開工。本公司還持續大力開拓工業化項目：土耳其班德爾馬市碳化硼項目奠基，收到土耳其總統埃爾多安的賀電；中成套在第二屆「一帶一路」國際合作高峰論壇企業家大會期間，簽署了印尼ANH高爐鍊鐵冶煉項目。

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The following table sets forth the operational details of the International Engineering Contracting Business for the year ended 31 December 2019 and the comparative figures for the year ended 31 December 2018:

下表載列截至2019年12月31日止年度國際工程承包業務的運營詳情，以及截至2018年12月31日止年度的比較數字：

Unit: USD million

單位：百萬美元

				As at		As at	
				31 December	% of	31 December	Increase/
				2019	Total	2018	(Decrease)
				於2019年		於2018年	增長／
				12月31日	總額的%	12月31日	(減少)
Value of newly signed contracts	新簽約	Power	電力能源	1,497.0	26.4%	1,336.4	12.0%
	合同	Transportation and	交通運輸及	681.7	12.0%	844.2	(19.2)%
	金額	Telecommunications	電子通訊	3,497.6	61.6%	2,525.5	38.5%
		Non-Core Sectors	非核心行業				
Total			5,676.3	100.0%	4,706.1	20.6%	
Backlog	未完成	Power	電力能源	5,530.1	61.0%	7,255.1	(23.8)%
	合同量	Transportation and	交通運輸及	330.6	3.7%	456.1	(27.5)%
		Telecommunications*	電子通訊*	3,203.3	35.3%	2,936.1	9.1%
		Non-Core Sectors	非核心行業				
Total			9,064.0	100.0%	10,647.3	(14.9)%	

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

* 以淨額確認收入的合同金額已在未完成合同量中扣除。

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5. The progress of regionalization and localization was accelerated

At present, the Company has set up three regional platforms in the global main target markets, namely the Middle East-Arab Regional Center in Dubai, United Arab Emirates (“UAE”), the central and eastern European regional center in Belgrade, Serbia, and the First Regional Center for Africa in Nairobi, Kenya. In southern Africa, CNCEC has set up a regional agricultural center. At the same time, the Company’s construction of an overseas investment and financing platform based on China Everbest, a subsidiary of the Company, has been completed.

6. The management and service capabilities of whole industry chain and full life cycle projects are improving

Since 2019, on the basis of the previous mergers and acquisitions and restructuring, the Company has strengthened the integration of institutional mechanism. By relying on the professional power of enterprises including JiKan Research Institute, China Machinery R&D, CHPI, Scientech International, Zhongnan, Jiangsu Pangwo Power, the Company has built its own team for EPC project preliminary consultation, equipment supervision and manufacturing, construction supervision and operation and maintenance services, forming a standardized whole industry chain management plan for EPC projects. Project procurement management was strengthened to conduct dynamic management of suppliers’ qualities, which also strengthened the review and approval management control of non-tendering procurement activities. The construction of HSE standardized project management system was fully commenced. The initial after-sales service working mechanism framework was also formulated.

5. 區域化屬地化建設進度加快

截至目前，本公司已在全球主要目標市場設立了三個區域平台，分別是位於阿拉伯聯合酋長國（「阿聯酋」）迪拜的中東－阿區域中心、位於塞爾維亞貝爾格萊德的中東歐區域中心和位於肯尼亞內羅畢的非洲第一區域中心。在南部非洲，中成套設立農業區域中心。與此同時，本公司以子公司香港華盛昌為基礎的境外投融資平台業已完成搭建工作。

6. 全產業鏈與全生命週期項目管理和服務能力日益增強

2019年以來，本公司在前期並購重組的基礎上，加強體制機制整合，依託機勘院、中機院、哈成套、興電國際、中南公司、龐沃電力等企業的專業力量，打造起EPC項目前期諮詢、設備監造、施工監理、運維服務的自有隊伍，形成了EPC項目全產業鏈標準化管理方案。強化項目採購管理，實行了對供應商資質的動態管理，強化了對非招標採購活動的審批管控。全面啟動了項目HSE標準化管理體系建設。售後服務工作機制框架也已初步形成。

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7. A number of technological measures strengthening main business operations were implemented

Revolving around the improvement of EPC technological content and competitiveness in the international high-end market, the Company strengthened the scientific research and conversion of technological achievements that are closely connected to its main businesses in 2019. The acceptance of the power plant factory modularization project led by Zhongnan was completed; the main body of the overseas remote comprehensive monitoring system of the project jointly developed with CHPI was completed; Zhongnan completed the technical manual of photo-thermal power generation, China Machinery R&D completed the Sponge City, Civil Engineering, Municipal Environmental Protection Engineering, and technical manual of prefabricated building. The Company also carried out connection and communication on various technical topics with GE, Thyssenkrupp Industrial Solutions, XD Group, Taiyuan Heavy Industry Co., Ltd, ST Lanpec Technologies Limited and other companies, providing practical technical support for its core business expansion.

7. 一批強化主業經營的科技措施相繼落地

圍繞提升EPC科技含量和國際高端市場競爭力，本公司在2019年強化了緊密結合主營業務的科研攻關和科技成果轉化。中南公司牽頭的電站工廠化模塊化課題完成驗收；與哈成套聯合開發的項目海外遠程綜合監控系統主體建設完成；中南公司完成了光熱發電技術手冊，中機院完成了海綿城市、土木工程、市政環保工程、裝配式建築技術手冊。本公司還與通用電氣、蒂森克虜伯工程技術有限公司、西電集團、太原重工股份有限公司、甘肅藍科石化高新裝備股份有限公司等公司進行了多項技術專題對接交流，為核心業務開拓提供了切實的技術支撐。

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8. Continuous innovation in investment and financing models

To constantly satisfy the needs of core business development, the Company set up an international export credit agency database and an international financial institution database in 2019. On the basis of consolidating cooperation with traditional policy banks, Chinese-funded commercial banks and Sinosure, the Company increased cooperation with new international investment and financing institutions, sovereign wealth fund, international export credit insurance agencies, and the local financial institutions in the countries and regions where we carry out projects. The Company adapted to certain project features and its operational needs, and actively promoted its seller's credit re-financing business.

9. Continue to optimize EPC general contracting ecology

The Company continued to refine the industry alliance cooperation with DEC and XD Group, and continuously deepened its strategic cooperation with leading industry companies such as GE and Siemens AG. Apart from the collaborative development and construction of specific projects, the Company also held The First High-Level Forum with DEC and held conference with GE on sub-Saharan Africa regional cooperation in 2019. In addition, the Company continued to steadily expand the "friend circle" in 2019 and signed strategic cooperation agreements with the Wally Group in United States, GIGA Group in Pakistan, China YTO and CNCDC.

8. 投融資模式不斷創新

為不斷滿足核心業務發展需要，2019年本公司搭建了國際性出口信貸機構庫和國際性金融機構庫。在鞏固與傳統政策性銀行、中資商業銀行及中國信保合作基礎上，加大了與新型國際投融資機構、主權基金、國際性出口信貸保險機構、項目所在國及區域本地金融機構的業務聯繫與合作。適應部分項目特色及公司經營需求，積極推進賣貨再融資業務。

9. 持續優化EPC總承包生態圈

與東方電氣、西電集團的產業聯盟合作不斷細化，與通用電氣、西門子等行業領軍企業的戰略合作不斷深入。除了在具體項目上的合作開發和建設外，2019年本公司還與東方電氣召開了產業聯盟第一次高層論壇，與通用電氣召開了撒哈拉以南非洲區域合作啓動會。此外，2019年本公司繼續穩步擴大「朋友圈」，與美國沃利集團、巴基斯坦GIGA集團、中國一拖、中國煤炭開發公司簽署了戰略合作協議。

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B. Trading Business

In 2019, even though the trading business was faced with the uncertainties brought by the continuously developing trade frictions between China and the United States and global trade protectionism, the operational risks arising from domestic economic contraction as well as the transformation pressure from the adjustment of business segments, the Company explored segmented areas in depth, focused on core businesses and market, optimized management, increased efficiency and averted risks, ensuring the sound operation of segment business operations.

The following table sets forth the details of the Trading Business for the year ended 31 December 2019 and the comparative figures for the year ended 31 December 2018:

B. 貿易業務

2019年，貿易業務面對持續發展的中美貿易摩擦和全球貿易保護主義帶來的不確定性因素、國內經濟收縮帶來的經營風險和板塊業務調整帶來的轉型壓力，深挖細分領域、聚焦核心業務與市場，優化管理、提高效能、規避風險，保證了板塊經營業務的穩健運行。

下表載列截至2019年12月31日止年度貿易業務詳情連同截至2018年12月31日止年度的比較數字：

Unit: RMB million
單位：人民幣百萬元

				2019	% of Total	2018	Year-on-year Growth/ (Decline)
				2019年	總額的%	2018年	按年增長／(減少)
Revenue	收入	International trade	國際貿易	5,475.4	84.7%	7,003.4	(21.8)%
		Domestic trade	國內貿易	986.6	15.3%	1,473.1	(33.0)%
	Total		總計	6,462.0	100.0%	8,476.5	(23.8)%
Gross profit	毛利	International trade	國際貿易	538.3	88.6%	418.1	28.7%
		Domestic trade	國內貿易	69.1	11.4%	71.3	(3.1)%
	Total		總計	607.4	100.0%	489.4	24.1%

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1. Strengthen feature products and core business

In recent years, the development ideas of high-end casting and forging parts and new energy as the feature products and services, integrated corporate trading with EPC as the core being a guide and active exploration of new models such as “Trade + Internet” have been formed for the trading business of the Company. In 2019, the focus of trading business became clearer and its development deepened: CMIPC continued to advance the research and development of the “Four Wheels and One Track” (i.e. driving wheel, guiding wheel, supporting wheel, sprocket wheel and track of engineering heavy equipment) and completed the design of the first set of hydraulic shovel high manganese steel tracks independently developed; in addition to the introduction of high-speed rail brake discs, CMIPC began to supply metro brake discs to the Chengdu Metro in batches; the East China Division took its own intellectual property as a guide and actively promoted the “Trade + Internet” business in the US and Europe; East Resources launched warehousing-style trading in Canada and achieved a breakthrough in “Engineering Projects + Trade”; CMEC General Machinery steadily improved cross-border e-commerce trade with the help of the CMEC Hong Kong platform.

1. 強化拳頭產品與核心業務

近年來，本公司貿易業務已形成以高端鑄鍛件、新能源為拳頭產品和服務，以EPC為核心的綜合商社型貿易為主導，積極探索貿易+互聯網等新模式的發展思路。2019年，貿易業務聚焦更加明確、發展更加深入：中設裝備持續推進「四輪一帶」（工程重型裝備的驅動輪，引導輪，支重輪，托鏈輪，履帶）的研發，自主開發的首套液壓鏟高錳鋼履帶完成設計工作；除推出高鐵剎車盤外，中設裝備還開始向成都地鐵批量供貨地鐵剎車盤；華東事業部以自有知識產權為先導，積極在美歐推進「貿易+互聯網」業務；中經東源在加拿大開展倉儲式貿易，實現了「工程項目+貿易」的突破；中設通用機械借助中設香港平台，穩健提升跨境電商貿易。

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2. Strengthen connection between trade and main businesses

The Company's strategic planning was actively implemented in the trading business. Revolving around "the Belt and Road" overseas industrialization projects, the connection between trading business and the Company's overseas regionalization platform was advanced, while the cooperation and integration of the Company's central and eastern European regional center and the Middle East-Arab Regional Center was advanced steadily. The construction of the trading business' own regional center continued to deepen. The "Southeast Asia Regional Trade Center" and "The Caribbean Regional Trade Center" were operating smoothly, while construction of "Central America Integrated Trade Center" and "North American Integrated Business Center" was in progress.

3. Strengthen connection between trade and policies

Since 2019, the focus of trading business has been on domestic policy research, and business transformation and upgrading have been advanced on the basis of domestic market optimization. The Company became connected with Ningxia Health Commission on "Internet + Medical Health". In 2019, the Company also increased in-depth cooperation with local governments and university research institutes as it signed a strategic cooperation framework agreement with Dingzhou municipal government of Hebei province, and signed a cooperation agreement with Ocean University of China.

2. 強化貿易與主業對接

貿易業務積極落實公司戰略規劃，圍繞海外「一帶一路」工業化項目，推進貿易業務與公司海外區域化平台的對接，與公司中東歐區域中心、中東－阿區域中心的合作與融合穩步推進。貿易業務自身的區域中心建設也不斷深化，「東南亞區域貿易中心」「加勒比區域貿易中心」運行良好，「中美洲綜合貿易中心」和「北美綜合業務中心」也在持續建設中。

3. 強化貿易與政策對接

2019年以來，貿易業務持續盯緊國內政策研究，以完善國內市場為基礎，推進業務轉型升級。公司與寧夏衛健委就「互聯網+醫療健康」進行了對接。此外，2019年，公司還繼續擴大與地方政府、大學研究機構的深入合作，與河北省定州市政府簽署了戰略合作框架協議，與中國海洋大學簽署了合作協議。

Management Discussion and Analysis

管理層討論與分析

4. Strengthen management to maintain profitability

Compared to the listed industry peers in the international trade segment, the profitability of the Company's trading business remained at a relatively good level. In order to maintain high profitability in trading business under the pressure from market contraction, the Company carried out comprehensive readjustment and inspection on trading business and operational process by strengthening its efforts in management, regulating the operational processes of subsidiaries and effectively controlling risks, drafted and issued the Management Regulations of Operational Process of Trading Business, formulated the Positive List of CMEC Trading Business and revised the Negative List of CMEC Trading Business. In addition, the Company is advancing the implementation of trading business restructuring plan, further achieving the reform, restructuring and regulated governance of subsidiaries.

C. Service Business

The design consulting business of Services Business maintained its high-speed growth momentum with its development direction closely revolving around transformation towards technology-based engineering company. The Company continued to promote innovation in technology, business and management, continuously optimized business structure and enhanced the capability of whole industry chain service as well as market competitiveness. Significant results were achieved in business expansion, while the project quality and profitability continued to improve.

4. 強化管理以保持盈利能力

對比上市公司的國際貿易板塊同行企業，公司貿易業務的盈利能力依然處於較好的水平。為保持在市場收縮壓力下貿易業務盈利能力的高位運行，公司以加大管理力度、規範各子公司業務操作流程、有效控制風險為抓手，對貿易業務與流程進行了全面梳理檢查，起草和頒佈了《貿易業務流程管理規定》、制定了《CMEC貿易業務正面清單》、修訂了《CMEC貿易業務負面清單》。此外，公司正在推進貿易業務重組方案落地實施，進一步實現子公司改革重組和規範治理。

C. 服務業務

服務業務中的設計諮詢業務繼續維持高速增長態勢，緊緊圍繞向「科技型工程公司」轉型的發展方向，不斷推進科技創新、業務創新和管理創新，持續優化業務結構，提升全產業鏈服務能力和市場競爭力，業務拓展成效顯著，項目質量和盈利能力繼續提升。

Management Discussion and Analysis

管理層討論與分析

1. Become a stronger support for the Company's core business

Under the guidance of the Company's overall development strategies, China Machinery R&D and JiKan Research Institute provided quality preliminary consultation and technical services in professional fields such as overseas civil engineering, municipal projects, power engineering projects, survey, mapping and geotechnical construction based on their own technical advantages with an aim to "become a design and technical service platform for CMEC's engineering contracting business"; they prepared engineering technology manuals and supported the market development of the Company's overseas business; they also carried out on-site investigation and research on the technical service and design consultation market of engineering projects in countries including Ivory Coast, UAE and Angola, and provided solutions for the technical requirements and difficulties of overseas projects, continuing the exploration in design and consultation internationalization. The Company continued to strengthen the connection and cooperation with the Agency for International Economic Cooperation of the Ministry of Commerce, and sent personnel to participate in the technical supervision and inspection and design feasibility verification of foreign aid projects in countries including Nepal, Pakistan, Mauritania, Cameroon, continuing to enhance the capability of technical services in foreign aid projects.

1. 對公司核心業務的支撐作用日益增強

在公司總體發展戰略指導下，中機院和機勘院立足自身技術優勢，以「成為CMEC工程承包業務的設計與技術服務平台」為目標，在海外土木工程、市政工程、電力工程項目，勘察、測繪、岩土施工等專業領域為公司核心業務提供了優質的前期諮詢和技術服務；編寫工程技術手冊，支撐公司海外業務的市場開發；對科特迪瓦、阿聯酋、安哥拉等國進行了工程項目技術服務及設計諮詢市場的實地調研，為海外項目技術需求和難點問題提供解決方案，持續走出設計諮詢國際化的探索步伐。持續加強與商務部國際經濟合作事務局的對接與合作，派員參加了尼泊爾、巴基斯坦、毛里塔尼亞、喀麥隆等國別援外項目的技術監督檢查和設計方案論證工作，不斷提升援外項目技術服務能力。

Management Discussion and Analysis

管理層討論與分析

2. Constantly improving professional ability to open up the domestic market

China Machinery R&D successively ranked on the “Top 60 Chinese Engineering Design Companies” jointly issued by American Engineering News-Record (ENR) magazine, and China Construction Times magazine, constantly ranking forefront among the nationwide survey and design units in terms of design revenue. In 2019, China Machinery R&D strengthened the merger, acquisition and reorganization of small and medium-sized design enterprises in Yunnan, Guizhou, Jiangsu and other regions which were suitable for its own development characteristics, and realistically and rationally arranged the business layout in the southeast and southwest regions.

JiKan Research Institute has grown steadily in traditional professional sectors such as engineering survey, surveying and mapping engineering, engineering inspection and engineering contracting. In 2019, it also accelerated the development of civil and municipal construction, and was approved as a “whole-process consulting pilot unit” by the Housing and Construction Department of Shaanxi Province.

2. 開拓國內市場的專業能力不斷提升

中機院連續登榜美國《工程新聞記錄》(ENR)和中國《建築時報》共同發布的「2019中國工程設計企業60強」，在全國勘察設計單位中的設計營業收入排名穩居前列。2019年，中機院加強了對雲南、貴州、江蘇等地區適合自身發展特點的中小型設計企業的並購重組，現實合理的佈局東南、西南地區的經營格局。

機勘院在傳統優勢專業板塊如工程勘察、測繪工程、工程檢測、工程承包增長穩定，2019年還加速開拓民建、市政領域建設，獲批陝西省住建廳「全過程諮詢試點單位」。

Management Discussion and Analysis

管理層討論與分析

3. Excellent scientific and technological innovation and effective conversion of achievements

Technology incubator projects such as intelligent manufacturing in the motor industry, informationalized mapping technology across space, sky and ground surfaces, fabricated construction engineering technology, as well as research on and application of engineering construction conditions in countries along “the Belt and Road” have already independently undertaken or obtained 103 contracts cumulatively to support other production units during the incubation period, with a contract value exceeding RMB200 million. In addition, in 2019 the Company was granted with 93 patents, of which 16 were invention patents, 68 were utility model patents and 9 were appearance design patents; and a total of 34 software copyrights were registered. JiKan Research Institute was awarded one first prize of Shaanxi Provincial Science and Technology Progress Award, one first prize of China Machinery Industry Science and Technology Award (Technology Invention Award), Mao Yisheng Science and Technology Award-Geotechnical Engineering Technology Innovation Award (Collective Award); China Machinery R&D was awarded one second prize of the 2019 China National Machinery Industry Science and Technology Award.

3. 科技創新與成果轉化卓有成效

電機行業智能製造、空天地信息化測繪技術、裝配式建築工程技術、「一帶一路」沿線國家工程建設條件研究與應用等科技孵化項目，在孵化期內已獨立承攬或支持其他生產部門的合同累計103項，合同額超過人民幣2億元。此外，2019年度，公司共獲得授權專利93項，其中發明專利16項，實用新型專利68項，外觀設計專利9項；共登記軟件著作權34項。機勘院榮獲陝西省科技進步一等獎1項，中國機械工業科學技術一等獎（技術發明獎）1項，茅以升科學技術獎－岩土工程技術創新獎（集體獎）；中機院榮獲2019年度「中國機械工業集團科學技術獎」二等獎1項。

Management Discussion and Analysis

管理層討論與分析

The following table sets forth the details of the Services Business for the year ended 31 December 2019 and the comparative figures for the year ended 31 December 2018:

下表載列截至2019年12月31日止年度服務業務詳情連同截至2018年12月31日止年度的比較數字：

Unit: RMB million
單位：人民幣百萬元

				2019	% of Total	2018	Year-on-year Growth/ (Decline)
				2019年	總額的%	2018年	按年增長／(減少)
Revenue	收入	Design consulting services	設計諮詢服務	1,094.4	53.0%	1,040.8	5.1%
		Logistics services	物流服務	340.6	16.5%	290.7	17.2%
		Export-import agency services	進出口代理服務	41.1	2.0%	41.1	0.0%
		Tendering agency services	招標代理服務	40.8	2.0%	33.2	22.9%
		Others	其他	545.9	26.5%	699.4	(21.9)%
		Total	總計	2,062.8	100.0%	2,105.2	(2.0)%
Gross profit	毛利	Design consulting services	設計諮詢服務	245.0	39.0%	253.7	(3.4)%
		Logistics services	物流服務	140.2	22.3%	103.8	35.1%
		Export-import agency services	進出口代理服務	39.9	6.4%	38.7	3.1%
		Tendering agency services	招標代理服務	15.5	2.5%	11.5	34.8%
		Others	其他	186.8	29.8%	312.8	(40.3)%
		Total	總計	627.4	100.0%	720.5	(12.9)%

Management Discussion and Analysis

管理層討論與分析

D. Emerging Business

In 2019, the three major emerging business segments, namely asset management, engineering logistics and agriculture development, were formed, continuously strengthening the foundation for the gradual expansion of the Company's current businesses and scope of operation, the increase in the level of business income and profitability.

In terms of asset management, the Company's overall guidance on investment management has been formulated, which formed the preliminary post-investment management guidance. The construction and operation of five CMEC Plaza projects have been steadily progressing, of which certain projects are about to be transferred and used while certain projects are carrying out the second-phase project research.

In respect of engineering logistics, the business further focuses on mining and oilfield companies, and has formed mining projects with the Congo (Zambia)-Zambia copper belt as the core, the PetroChina oilfield project with the Niger market as the core, and the oilfield project with the Chad market as the core. The Company strengthened management, implemented the key projects in hand properly, and continued to maintain the leading position and market share in the engineering logistics industry.

As to agricultural development, the Company followed up the amino acid investment project of the China-Ukraine International Agricultural Demonstration Cooperation Park; actively explored the EPC+ integrated operation-led development model in the field of smart grid and agricultural engineering.

D. 新興業務

2019年，以資產管理、工程物流、農業開發為基礎形成的3大新興業務板塊已逐漸落地生根，為公司逐步擴大現有業務和經營範圍、提高業務收入和利潤水平持續夯實基礎。

資產管理方面，制定了公司投資管理工作總體指導意見，形成了初步的投後管理指導意見；五個中設廣場項目建設與運營穩步推進，部分項目即將移交使用，部分項目正在進行二期研究。

工程物流方面，業務著眼點進一步對準礦山和油田企業，形成了以剛果（金）—贊比亞銅礦帶為核心的礦山類項目、尼日爾市場為核心的中石油油田項目、乍得市場為核心的油田項目；加強管理，做好在手執行的重點項目，持續保持工程物流行業領先地位和市場佔有率。

農業開發方面，跟進中烏國際農業示範合作園區氨基酸投資項目；在智能電網、農業工程領域，積極探索EPC+綜合運作主導型開發模式。

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E. Important Events

1. Acquisition of 64.82% equity interest in CHPI

On 17 December 2019, the Company and Science and Technology Research Institute entered into the Acquisition Agreement (the “Acquisition”), pursuant to which the Company agreed to acquire 64.82% equity interest in CHPI which was held by Science and Technology Research Institute for an aggregate consideration of RMB100,885,800. As at the date of this annual report, the Acquisition is not completed.

Reference is made to the circular of the Company dated 25 November 2017, which disclosed CHPI had been undergoing a work relating to the benefit plan of retired employees that required the approval from relevant PRC governmental authorities, and thus on 26 October 2017, CNEEC disposed of CHPI to Science and Technology Research Institute at nil consideration. As the above work was completed, the commitment regarding the reorganization of CNEEC into the Company was fully undertaken through the Acquisition. In addition, on the one hand, the full industry chain capabilities of the Company’s major business will be further improved through the Acquisition. In particular, the front-end design, process monitoring and back-end operation and maintenance capabilities of the Company’s international engineering contracting segment will be effectively supplemented, which will further enhance the comprehensive competitiveness of the Company’s major business. On the other hand, the professional technical team of the Company will be further supplemented in an effective manner, the technical talent pool is enhanced, and enhance the core competitiveness of the Company.

Details for the transaction are set out on the Company’s announcement made on 17 December 2019 on the respective websites of the Stock Exchange and the Company.

E. 重要事件

1. 收購哈成套64.82%股權

於2019年12月17日，本公司與科技研究院訂立收購協議（「收購事項」），據此，本公司同意以人民幣100,885,800元的總代價收購科技研究所持哈成套64.82%的股權。截至本年報日期，收購事項尚未完成。

茲提述本公司日期為2017年11月25日的通函，其中披露由於哈成套在進行有關須經相關中國政府機關批准的退休僱員福利計劃的工作尚在進行中，因此於2017年10月26日，中電工以零代價向科技研究院出售哈成套。基於上述工作已完成，通過收購事項，本公司將完整地履行中電工重組進入本公司的承諾。此外，通過收購事項，一方面，本公司主業全產業鏈能力將進一步提升，尤其是本公司國際工程承包板塊的前端設計、過程監控和後端運維能力將得到有效補充，進一步加強本公司主業綜合競爭力；另一方面，本公司的專業技術隊伍將得到進一步有效補充，提高本公司技術人才儲備，提升本公司的核心競爭力。

有關交易的詳情請參見本公司於聯交所網站及本公司網站分別刊發的日期為2019年12月17日的公告。

Management Discussion and Analysis

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F. Impact of COVID-19 pneumonia epidemic

Since the nationwide outbreak of COVID-19 in January 2020, the Company has actively responded to and strictly implemented various provisions and requirements of the Party and the governments at all levels for the prevention and control of the epidemic. In order to succeed in both epidemic prevention and production. The Company and its branches and subsidiaries have resumed work successively since 3 February with relevant regulations in their respective regions.

The COVID-19 pneumonia epidemic is expected to have a certain impact on the Company's production and operation, and the extent of the impact will depend on the progress and duration of the epidemic prevention, and the implementation of worldwide prevention and control policies. The Company will take various measures to minimize the impact, and conduct in-depth research on changes in market demand caused by the COVID-19 epidemic to prepare for market development in the "post-epidemic" era.

The Company will continue to pay close attention to the development of the COVID-19 epidemic, and evaluate and actively respond to its impact on the Company's financial position and operating results.

F. 新型冠狀病毒肺炎疫情的影響

自新型冠狀病毒的傳染疫情從2020年1月起在全國爆發以來，公司積極響應並嚴格執行黨和國家各級政府對病毒疫情防控的各項規定和要求，為做到防疫和生產兩不誤，本公司及各分(子)公司自2月3日起遵照各所在地區相關規定陸續開始復工。

預計此次新冠肺炎疫情將對本公司的生產和經營造成一定的影響，影響程度取決於疫情防控的進展情況、持續時間以及全球防控政策的實施情況。本公司將採取各種措施，努力將影響降至最低，並深入研究新冠肺炎疫情引起的市場需求變化，為「後疫情」時代開發市場做好準備。

本公司將持續密切關注新冠肺炎疫情的發展情況，並評估和積極應對其對本公司財務狀況、經營成果等方面的影響。

Management Discussion and Analysis

管理層討論與分析

III. FINANCIAL POSITION AND OPERATING RESULTS

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

1. Overview

The Group's profitability basically remained stable in 2019. Profit before tax decreased by 0.3% to RMB2,816.5 million in 2019 as compared to RMB2,825.8 million in 2018.

2. Revenue

The Group generated its revenue from the International Engineering Contracting Business, Trading Business and Services Business. The Group's revenue decreased by 2.0% to RMB28,295.9 million in 2019 as compared to RMB28,862.6 million in 2018.

III. 財務狀況及經營業績

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

1. 概覽

本集團的盈利於2019年基本持平。2019年除稅前溢利為人民幣2,816.5百萬元，較2018年的人民幣2,825.8百萬元減少0.3%。

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。2019年，本集團的收入為人民幣28,295.9百萬元，較2018年的人民幣28,862.6百萬元下降2.0%。

Management Discussion and Analysis

管理層討論與分析

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

下表載列於所示期間三個業務分部各自的金額及佔總收入的百分比：

		Year ended 31 December 截至12月31日止年度			
		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	12,337.1	43.6%	12,537.2	43.4%
Transportation and Telecommunications	交通運輸及電子通訊	593.3	2.1%	1,335.6	4.6%
Non-Core Sectors	非核心行業	6,840.7	24.2%	4,408.1	15.3%
Subtotal	小計	19,771.1	69.9%	18,280.9	63.3%
Trading Business	貿易業務				
International trade	國際貿易	5,475.4	19.3%	7,003.4	24.3%
Domestic trade	國內貿易	986.6	3.5%	1,473.1	5.1%
Subtotal	小計	6,462.0	22.8%	8,476.5	29.4%
Services Business	服務業務	2,062.8	7.3%	2,105.2	7.3%
Total	總計	28,295.9	100.0%	28,862.6	100.0%

Management Discussion and Analysis

管理層討論與分析

1) International Engineering Contracting Business

The Group's revenue generated from the International Engineering Contracting Business increased by 8.2% to RMB19,771.1 million in 2019 as compared to RMB18,280.9 million in 2018, primarily due to the increase in the revenue generated from the Non-Core Sectors.

The revenue generated from the Power Sector decreased by 1.6% to RMB12,337.1 million in 2019 as compared to RMB12,537.2 million in 2018, basically maintaining the same level as the corresponding previous year.

The revenue generated from the Transportation and Telecommunications Sector decreased by 55.6% to RMB593.3 million in 2019 as compared to RMB1,335.6 million in 2018, primarily due to the significant progress in the railway improvement project in South America in the corresponding previous year, which was approaching its end this year.

The revenue generated from the Non-Core Sectors increased by 55.2% to RMB6,840.7 million in 2019 as compared to RMB4,408.1 million in 2018, primarily due to the significant progress in the water plant projects in Africa and Asia and the lithium carbonate plant project in South America during the year.

1) 國際工程承包業務

2019年，本集團的國際工程承包業務收入為人民幣19,771.1百萬元，而2018年則為人民幣18,280.9百萬元，增幅為8.2%，主要由於非核心行業收入有所增加。

2019年電力能源行業收入為人民幣12,337.1百萬元，比2018年人民幣12,537.2百萬元減少1.6%，與上年同期基本持平。

2019年交通運輸及電子通訊行業收入為人民幣593.3百萬元，比2018年人民幣1,335.6百萬元減少55.6%，主要由於上年同期南美洲的鐵路改造項目有較大進展，今年該項目已接近尾聲。

2019年非核心行業收入為人民幣6,840.7百萬元，比2018年人民幣4,408.1百萬元增加55.2%，主要由於位於非洲以及亞洲的水廠建設項目以及位於南美洲的碳酸鋰廠建設項目本年有較大進展。

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2) Trading Business

The Group's revenue generated from the Trading Business decreased by 23.8% to RMB6,462.0 million in 2019 as compared to RMB8,476.5 million in 2018, primarily due to the decrease in the revenue from international trade and domestic trade.

The revenue generated from the international trade decreased by 21.8% to RMB5,475.4 million in 2019 as compared to RMB7,003.4 million in 2018, primarily due to the Company's increased efforts in management and control of trading businesses with low gross profit margin and high capital occupation pressure, in order to lower the operating risks of trading businesses more effectively.

The revenue generated from the domestic trade decreased by 33.0% to RMB986.6 million in 2019 as compared to RMB1,473.1 million in 2018, primarily due to the Company's disposal and adjustments to certain trading subsidiaries according to the strategic requirements to strengthen risk management and control of Trading Business.

3) Services Business

The Group's revenue generated from the Services Business decreased by 2.0% to RMB2,062.8 million in 2019 as compared to RMB2,105.2 million in 2018, primarily due to revenue from the franchise electricity sale was affected by the local drought, which was decreased compared with the same period last year.

2) 貿易業務

2019年，本集團的貿易業務收入為人民幣6,462.0百萬元，而2018年則為人民幣8,476.5百萬元，降幅為23.8%，主要由於國際貿易以及國內貿易收入均有所下降。

2019年，國際貿易收入為人民幣5,475.4百萬元，比2018年人民幣7,003.4百萬元減少21.8%，主要由於公司強化了對部分低毛利率、資金佔壓大的貿易業務的管控力度，從而更加有效的降低貿易業務的經營風險。

2019年，國內貿易收入為人民幣986.6百萬元，比2018年人民幣1,473.1百萬元減少33.0%，主要由於公司基於強化貿易業務風險管控的戰略要求，對個別貿易類子公司的業務進行了處置和調整。

3) 服務業務

2019年，本集團的服務業務收入為人民幣2,062.8百萬元，而2018年則為人民幣2,105.2百萬元，降幅為2.0%，主要由於特許經營權售電收入受當地大旱的影響較上年同期有所下降。

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3. Cost of sales

The Group's cost of sales decreased by 2.8% to RMB23,500.8 million in 2019 as compared to RMB24,166.7 million in 2018, primarily due to the corresponding reduction of costs due to the reduction of revenue.

4. Gross profit and gross profit margin

(i) Gross profit of the Group in 2019 consists of the followings:

3. 銷售成本

2019年，本集團的銷售成本為人民幣23,500.8百萬元，而2018年則為人民幣24,166.7百萬元，降幅為2.8%，主要是由於收入減少導致成本相應減少。

4. 毛利及毛利率

(i) 2019年本集團毛利構成情況如下：

		Year ended 31 December 截至12月31日止年度			
		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	2,388.4	49.8%	2,517.8	53.7%
Transportation and Telecommunications	交通運輸及電子通訊	175.9	3.7%	343.6	7.3%
Non-Core Sectors	非核心行業	996.0	20.8%	624.7	13.3%
Subtotal	小計	3,560.3	74.3%	3,486.1	74.3%
Trading Business	貿易業務				
International trade	國際貿易	538.3	11.2%	418.1	8.9%
Domestic trade	國內貿易	69.1	1.4%	71.3	1.5%
Subtotal	小計	607.4	12.6%	489.4	10.4%
Services Business	服務業務	627.4	13.1%	720.5	15.3%
Total	總計	4,795.1	100.0%	4,696.0	100.0%

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(ii) Gross profit margins of the Group in 2019 are set out below:

(ii) 2019年本集團毛利率載於下表：

		Year ended 31 December	
		截至12月31日止年度	
		2019	2018
		2019年	2018年
		(%)	(%)
International Engineering Contracting Business	國際工程承包業務	18.0%	19.1%
Power	電力能源	19.4%	20.1%
Transportation and Telecommunications	交通運輸及電子通訊	29.6%	25.7%
Non-Core Sectors	非核心行業	14.6%	14.2%
Trading Business	貿易業務	9.4%	5.8%
International trade	國際貿易	9.8%	6.0%
Domestic trade	國內貿易	7.0%	4.8%
Services Business	服務業務	30.4%	34.2%
Total	總計	16.9%	16.3%

The Group's gross profit increased by 2.1% to RMB4,795.1 million in 2019 as compared to RMB4,696.0 million in 2018. This increase is mainly attributable to the increase in the gross profit of International Engineering Contracting Business and Trading Business as compared to the corresponding previous year.

2019年，本集團的毛利為人民幣4,795.1百萬元，而2018年則為人民幣4,696.0百萬元，增幅為2.1%。此增幅主要由於國際工程承包業務及貿易業務毛利較上年同期有所增加。

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管理層討論與分析

1) International Engineering Contracting Business

(a) Gross Profit

The gross profit generated from the International Engineering Contracting Business increased by 2.1% to RMB3,560.3 million in 2019 as compared to RMB3,486.1 million in 2018, primarily due to the significant increase in the gross profit of Non-Core Sectors.

The gross profit generated from the Power Sector decreased by 5.1% to RMB2,388.4 million in 2019 as compared to RMB2,517.8 million in 2018, primarily due to the decline in gross profit margin of projects with significant progress made during the year as compared to that of previous projects.

The gross profit generated from the Transportation and Telecommunications Sector decreased by 48.8% to RMB175.9 million in 2019 as compared to RMB343.6 million in 2018, primarily due to the significant progress in the railway improvement project in South America in the corresponding previous year, which was approaching its end this year.

The gross profit generated from the Non-Core Sectors increased by 59.4% to RMB996.0 million in 2019 as compared to RMB624.7 million in 2018, primarily due to the significant progress of the water plant projects in Africa and Asia and the lithium carbonate plant project in South America during the year.

1) 國際工程承包業務

(a) 毛利

2019年，國際工程承包業務毛利為人民幣3,560.3百萬元，而2018年則為人民幣3,486.1百萬元，增加2.1%，主要是由於非核心行業毛利增加較大。

2019年，電力能源行業毛利為人民幣2,388.4百萬元，而2018年為人民幣2,517.8百萬元，減少5.1%，主要由於當年有較大進展的項目毛利率較之前的項目毛利率有所降低。

2019年，交通運輸及電子通訊行業毛利為人民幣175.9百萬元，而2018年為人民幣343.6百萬元，減少48.8%，主要由於上年同期南美洲的鐵路改造項目有較大進展，今年該項目已接近尾聲。

2019年，非核心行業毛利為人民幣996.0百萬元，比2018年的人人民幣624.7百萬元增加59.4%，主要由於位於非洲以及亞洲的水廠建設項目以及位於南美洲的碳酸鋰廠建設項目本年有較大進展。

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(b) Gross Profit Margin

The gross profit margin generated from the International Engineering Contracting Business decreased to 18.0% in 2019 as compared to 19.1% in 2018, primarily due to the decline in the gross profit margin from the Power Sector as compared to the corresponding previous year.

The gross profit margin generated from the Power Sector slightly decreased to 19.4% in 2019 as compared to 20.1% in 2018, primarily due to the decline in gross profit margin of projects with significant progress made during the year as compared to that of previous projects.

The gross profit margin generated from the Transportation and Telecommunications Sector was 29.6% in 2019 as compared to 25.7% in 2018, primarily due the increase in gross profit margin after further verification of the cost of the railway improvement project in South America as it approached its end during this year.

The gross profit margin generated from the Non-Core Sectors was 14.6% in 2019 as compared to 14.2% in 2018, primarily due to the relatively high gross profit margin of the water plant project in Africa.

(b) 毛利率

2019年，國際工程承包業務毛利率下降至18.0%，而2018年則為19.1%，主要由於電力能源業務毛利率較上年同期有所下降。

2019年，電力能源行業毛利率為19.4%，2018年則為20.1%，較上年同期略有減少，主要由於當年有較大進展的項目毛利率較之前的項目毛利率有所降低。

2019年，交通運輸及電子通訊行業毛利率為29.6%，而2018年則為25.7%，主要由於本年度南美洲的鐵路改造項目執行接近尾聲，對成本進一步核實後毛利率有所增加。

2019年，非核心行業毛利率為14.6%，而2018年則為14.2%，主要由於位於非洲的水廠建設項目毛利率較高。

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2) Trading Business

(a) Gross Profit

The gross profit generated from the Trading Business increased by 24.1% to RMB607.4 million in 2019 as compared to RMB489.4 million in 2018, primarily due to the increase in gross profit from international trade.

The gross profit generated from international trade increased by 28.7% to RMB538.3 million in 2019 as compared to RMB418.1 million in 2018, primarily due to the increase of gross profit in the imported food selling business.

The gross profit generated from domestic trade decreased by 3.1% to RMB69.1 million in 2019 as compared to RMB71.3 million in 2018, due to the Company's disposal and adjustments to business of certain trading subsidiaries according to the strategic requirements to strengthen risk management and control of Trading Business. The decrease in revenue from Trading Business also led to the decrease in gross profit.

(b) Gross Profit Margin

The gross profit margin of the Trading Business was 9.4% in 2019, as compared with 5.8% in 2018, which was primarily due to the increase in the gross profit margin of international trade and domestic trade.

2) 貿易業務

(a) 毛利

2019年，貿易業務毛利為人民幣607.4百萬元，比2018年的人民幣489.4百萬元增加24.1%，主要由於國際業務毛利有所增加。

2019年，國際貿易業務毛利為人民幣538.3百萬元，比2018年的人民幣418.1百萬元增加28.7%，主要由於進口糧食銷售業務毛利有所增加。

2019年，國內貿易業務毛利為人民幣69.1百萬元，比2018年的人民幣71.3百萬元減少3.1%，由於公司基於強化貿易業務風險管控的戰略要求，對個別貿易類子公司的業務進行了處置和調整，貿易業務收入下降導致毛利也有所減少。

(b) 毛利率

2019年，貿易業務毛利率為9.4%，2018年為5.8%，主要由於國際貿易以及國內貿易毛利率均有所增長。

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管理層討論與分析

The gross profit margin of the international trade was 9.8% in 2019, as compared with 6.0% in 2018, which was primarily due to the relatively high gross profit margin in the imported food selling business.

2019年，國際貿易業務毛利率為9.8%，而2018年為6.0%，主要由於進口糧食銷售業務毛利率較高。

The gross profit margin of the domestic trade was 7.0% in 2019, as compared with 4.8% in 2018, which was primarily due the increase in the volume of the casting product business with relatively high gross profit margin in 2019.

2019年，國內貿易業務毛利率為7.0%，2018年為4.8%，主要由於2019年毛利率較高的鍛件產品業務量有所增長。

3) Services Business

3) 服務業務

(a) Gross Profit

(a) 毛利

The gross profit of the Services Business decreased by 12.9% to RMB627.4 million in 2019 as compared to RMB720.5 million in 2018, primarily due to revenue from the franchise electricity sale was affected by the local drought, which was decreased compared with the same period last year, while the daily operating costs maintained basically the same level with the previous year, which led to the decrease in gross profit.

2019年，服務業務毛利為人民幣627.4百萬元，比2018年的人民幣720.5百萬元減少12.9%，主要由於特許經營權售電收入受當地大旱的影響較上年同期有所下降，而日常運營成本與往年基本持平導致毛利減少。

(b) Gross Profit Margin

(b) 毛利率

The gross profit margin of the Services Business was 30.4% in 2019, as compared with 34.2% in 2018, which was primarily due to revenue from the franchise electricity sale was affected by the local drought, which was decreased compared with the same period last year while the daily operating costs were basically the same with the previous year, which led to the decrease in gross profit margin.

2019年，服務業務毛利率為30.4%，而2018年則為34.2%，主要由於特許經營權售電收入受當地大旱的影響較上年同期有所下降，而日常運營成本與往年基本持平導致毛利率下降。

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5. Other revenue

The Group's other revenue amounted to RMB36.3 million in 2019 as compared to RMB106.9 million in 2018, mainly due to the impact of new wealth management regulations on revenue generated from wealth management products, which decreased compared to the corresponding previous year.

6. Other income and expenses, net

The Group's other income and expenses, net amounted to RMB23.1 million in 2019 as compared to income of RMB(84.6) million in 2018, mainly attributable to the increase in gain from fair value changes of foreign currency forward exchange contracts.

7. Selling and distribution expenses

The Group's selling and marketing expenses decreased by 11.3% to RMB1,112.6 million in 2019 as compared to RMB1,254.1 million in 2018, mainly attributable to the decrease in labor costs.

8. Administrative expenses

The Group's administrative expenses increased by 9.2% to RMB1,401.9 million in 2019 as compared to RMB1,283.5 million in 2018, mainly attributable to the increase in labor costs and intermediary services expenses.

5. 其他收入

2019年，本集團的其他收入為人民幣36.3百萬元，而2018年則為人民幣106.9百萬元，主要由於理財產品收益受到資管新規影響較上年同期有所減少。

6. 其他收支淨額

2019年，本集團的其他收支淨額為人民幣23.1百萬元，而2018年則為收入人民幣(84.6)百萬元，主要由於遠期外匯合約公允價值變動盈利增加。

7. 銷售及分銷開支

2019年，本集團的銷售及市場營銷開支為人民幣1,112.6百萬元，而2018年則為人民幣1,254.1百萬元，降幅為11.3%，主要由於人工成本有所減少。

8. 行政開支

2019年，本集團的行政開支為人民幣1,401.9百萬元，而2018年則為人民幣1,283.5百萬元，增幅為9.2%，主要由於人工成本及中介機構服務費有所增加。

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

The Group's impairment losses on financial and contract assets and other operating expenses decreased by 35.2% to RMB407.6 million in 2019 as compared to RMB628.8 million in 2018, mainly attributable to the high provision for impairment on receivables as a result of implementation of new accounting standards in the previous year.

10. Profit from operations

The Group's profit from operations increased by 24.5% to RMB1,932.4 million in 2019 as compared to RMB1,551.9 million in 2018, mainly attributable to the increase in gross profit, as well as the decrease in selling and distribution expenses and decrease in impairment losses on financial and contract assets, net.

11. Finance income/finance expenses

In 2019, the Group's finance income amounted to RMB787.2 million as compared to RMB1,314.9 million in 2018, representing a decrease of 40.1% as compared to the corresponding previous year, mainly attributable to greater exchange gain recorded during the last year.

In 2019, the Group's finance expenses amounted to RMB129.4 million as compared to RMB208.3 million in 2018, representing a decrease of 37.9% as compared to the corresponding previous year, mainly attributable to high discounted interest expense as a result of the Company's sell-out of accounts receivable for the engineering contracting projects in the previous year.

Thus, in 2019, net finance income of the Group amounted to RMB657.8 million as compared to RMB1,106.6 million in 2018.

9. 金融及合同資產減值虧損／其他經營開支

2019年，本集團的金融及合同資產減值虧損和其他經營開支為人民幣407.6百萬元，而2018年則為人民幣628.8百萬元，降幅為35.2%，主要由於上年度受執行新會計準則影響，應收賬款減值撥備金額較高。

10. 經營溢利

2019年，本集團的經營溢利為人民幣1,932.4百萬元，而2018年則為人民幣1,551.9百萬元，增幅為24.5%，主要由於毛利增加、銷售及分銷開支減少及金融及合同資產減值虧損淨額減少。

11. 財務收入／財務開支

2019年，本集團的財務收入為人民幣787.2百萬元，而2018年則為人民幣1,314.9百萬元，較上年同期減少40.1%，主要由於上年匯兌收益較大。

2019年，本集團的財務開支為人民幣129.4百萬元，而2018年則為人民幣208.3百萬元，較上年同期減少37.9%，主要由於上年公司對工程承包項目應收賬款賣斷引起的貼現利息支出較大。

因此，2019年，本集團的財務收入淨額為人民幣657.8百萬元，2018年為財務淨收入人民幣1,106.6百萬元。

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12. Income tax

The Group's income tax decreased by 7.9% to RMB635.3 million in 2019 as compared to RMB689.9 million in 2018, mainly attributable to the adjustment of income tax expenses of previous periods.

13. Profit for the year

As a result of the foregoing, the Group's net profit for the year increased by 2.1% to RMB2,181.3 million in 2019 as compared to RMB2,135.8 million in 2018 and its net profit margin was 7.7% in 2019 as compared to 7.4% in 2018.

14. Net profit attributable to owners of the parent

The net profit attributable to owners of the parent increased by 2.3% to RMB2,181.2 million in 2019 as compared to RMB2,131.5 million in 2018.

15. Net profit attributable to the holders of non-controlling interests

The net profit attributable to the holders of non-controlling interests of the Group amounted to RMB0.1 million in 2019 as compared to net profit of RMB4.3 million in 2018, representing a decrease from the corresponding previous year.

12. 所得稅

2019年，本集團的所得稅為人民幣635.3百萬元，而2018年則為人民幣689.9百萬元，降幅為7.9%。主要由於對以前期間所得稅費用的調整的影響。

13. 年內溢利

由於上文所述，2019年，本集團的年內淨溢利為人民幣2,181.3百萬元，而2018年則為人民幣2,135.8百萬元，增幅為2.1%，其於2019年的淨溢利率為7.7%，而2018年則為7.4%。

14. 歸屬於母公司擁有人的淨溢利

2019年，歸屬於母公司擁有人的淨溢利為人民幣2,181.2百萬元，而2018年則為人民幣2,131.5百萬元，增幅為2.3%。

15. 歸屬於非控股權益持有人淨溢利

2019年，歸屬於本集團非控股權益持有人淨溢利為人民幣0.1百萬元，2018年為淨溢利人民幣4.3百萬元，較上年同期有所減少。

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管理層討論與分析

16. Liquidity and capital resources

As at 31 December 2019, the Group's cash and cash equivalents decreased by 27.2% to RMB15,561.5 million, compared to RMB21,383.6 million as at 31 December 2018.

As at 31 December 2019, the Group's borrowings amounted to RMB555.3 million, compared to RMB984.8 million as at 31 December 2018, representing a decrease of 43.6%. Short-term borrowings amounted to RMB444.2 million (including RMB8.9 million of long-term borrowings due within one year) and long-term borrowings amounted to RMB111.1 million.

The borrowings were denominated in either RMB, US dollars or Japanese Yen and were subject to interest rates ranging from 1.00% to 7.24% per annum.

17. Capital expenditures

The Group's capital expenditures consisted primarily of the purchase of property, plant and equipment, intangible assets and land lease prepayments. In 2019, the Group's capital expenditure was RMB306.1 million, representing a decrease of 39.3% as compared to RMB503.9 million in 2018, mainly attributable to the completion of some of the infrastructure projects.

18. Gearing ratio

In 2019, the Group's gearing ratio (total borrowings divided by total assets) was 1.0%, representing a slight decrease as compared to 1.8% in 2018, mainly attributable to the decrease in short-term borrowings.

16. 流動資金及資本資源

於2019年12月31日，本集團持有現金及現金等價物為人民幣15,561.5百萬元，而於2018年12月31日則為人民幣21,383.6百萬元，降幅為27.2%。

於2019年12月31日，本集團借貸為人民幣555.3百萬元，而於2018年12月31日則為人民幣984.8百萬元，降幅為43.6%。短期借貸為人民幣444.2百萬元（含一年內到期的長期借貸人民幣8.9百萬元），長期借貸為人民幣111.1百萬元。

該等借貸均以人民幣、美元或日元計值並以每年利率1.00%至7.24%計息。

17. 資本開支

本集團的資本開支主要包括購買物業、廠房及設備、無形資產及預付土地租賃款項。2019年，本集團的資本開支為人民幣306.1百萬元，而2018年則為人民幣503.9百萬元，降幅為39.3%，主要由於基建項目部分已完工。

18. 槓桿比率

2019年，本集團的槓桿比率（借貸總額除以總資產）為1.0%，與2018年的1.8%相比略有減少，主要是由於短期借款的減少。

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19. Major acquisition and disposals and significant investments

Please see the paragraph headed “II. BUSINESS OVERVIEW – E. Important Events” on page 46 of this annual report.

20. Contingent liabilities

The Company and certain subsidiaries of the Group are defendants in certain lawsuits as well as the named parties in other proceedings arising in the normal course of business. As at the date of approval of the financial statements, the outcomes of such contingencies, lawsuits or other proceedings cannot be determined. The directors of the Company, in combination with the legal advice issued by the attorneys and the information available as at the date of the approval of the financial statements, believe that any resulting liabilities will not have a material adverse impact on the financial position, liquidity, or operating results of the Group.

21. Event after reporting period

On 30 March 2020, the Board resolved that a final dividend of RMB0.1586 per share is to be distributed to the Shareholders, subject to approval of the Shareholders at the forthcoming annual general meeting. Such final dividend proposed after the end of the reporting period has not been recognised as liabilities as at the end of the reporting period.

On 17 December 2019, the Company and Science and Technology Research Institute entered into an equity transfer agreement, pursuant to which the Company agreed to acquire, and Science and Technology Research Institute agreed to dispose of, 64.82% equity interest in CHPI which was held by Science and Technology Research Institute for an aggregate consideration of RMB100,885,800, subject to the terms and conditions of such agreement. The acquisition is expected to be completed in April 2020.

19. 重大收購及出售及重大投資

請參閱本年報第46頁「II. 業務概覽 – E. 重要事件」一段。

20. 或有負債

在正常業務過程中，本公司及本集團的若干附屬公司為某些訴訟中的被告及在其他法律程序的被點名方。截至本財務報表批准報出日，仍未能確定該類或有事件、訴訟或其他法律程序的結果。本公司董事結合代理律師出具的法律意見以及截至本財務報表批准報出日所掌握的信息等，相信任何可能由此引起的負債不會對本集團的財務狀況、流動資金或經營業績產生重大不利影響。

21. 報告期後的事項

2020年3月30日，董事會決議向股東派發每股人民幣0.1586元的末期股息，惟須獲股東於應屆股東週年大會上批准。於報告期末後擬派的末期股息尚未確認為報告期末的負債。

2019年12月17日，本公司與科技研究院簽訂股權轉讓協議，根據該協議及在其條款及條件的規限下，本公司已同意以人民幣100,885,800元的總對價收購科技研究院持有的哈成套64.82%股份，而科技研究院亦同意出售該部分股權。該收購事項預計於2020年4月完成。

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IV. LIQUIDITY

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

We have historically met our working capital and other liquidity requirements principally from cash generated from operations, while financing the remainder primarily through bank borrowings and proceeds from the Listing.

1. Cash Flows

The following table sets forth a summary of our cash flows for the year ended 31 December 2019, together with the corresponding figures for the year ended 31 December 2018:

		Year ended 31 December	
		截至12月31日止年度	
		2019	2018
		2019年	2018年
		RMB million	RMB million
		人民幣百萬元	人民幣百萬元
Net cash (used in)/from operating activities	經營活動(所用)/產生的現金淨額	(3,505.8)	604.7
Net cash used in investment activities	投資活動所用的現金淨額	(1,090.8)	(332.6)
Net cash used in financing activities	融資活動所用的現金淨額	(1,370.0)	(732.2)
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(5,966.6)	(460.1)
Cash and cash equivalents at the beginning of the year	年初的現金及現金等價物	21,383.6	21,479.3
Net effect of foreign exchange rate changes	匯率變動的淨影響	144.5	364.4
Cash and cash equivalents at the end of the year	年末的現金及現金等價物	15,561.5	21,383.6

IV. 流動資金

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

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

1. 現金流量

下表載列截至2019年12月31日止年度我們的現金流量概況，以及截至2018年12月31日止年度的比較數字：

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As at 31 December 2019, the Group held cash and cash equivalents decreased by 27.2% to RMB15,561.5 million compared to RMB21,383.6 million as at 31 December 2018. The main sources of business funds of the Group were the receipts from engineering projects.

2. Cash flows from operating activities

For the year ended 31 December 2019, our net cash flows from operating activities was RMB (3,505.8) million. The cash generated from operating profit in 2019 was RMB2,768.1 million, the cash outflow from changes in working capital was RMB5,495.9 million, and the income tax paid was RMB778.0 million, changes in working capital mainly included (i) contract liabilities decreased by RMB1,330.6 million; (ii) trade and other payables decreased by RMB2,366.3 million; (iii) trade and other receivables increased by RMB639.0 million; and (iv) contract assets increased by RMB1,267.4 million.

3. Cash flows from investment activities

For the year ended 31 December 2019, our net cash generated from investment activities was RMB (1090.8) million. The net cash outflow from our investment activities mainly includes (i) net cash outflow of RMB797.8 million due to a reduction in time deposits of three months or more; (ii) cash outflow of RMB216.4 million due to restricted deposits; (iii) payment for the acquisition of property, plant and equipment was RMB284.9 million; and (iv) the investment in the associate was RMB220.9 million.

於2019年12月31日，本集團持有現金及現金等價物為人民幣15,561.5百萬元，而於2018年12月31日則為人民幣21,383.6百萬元，降幅為27.2%。本集團的業務資金來源主要為工程項目收款。

2. 來自經營活動的現金流量

截至2019年12月31日止年度，我們經營活動產生的現金流量淨額為人民幣(3,505.8)百萬元。2019年經營溢利產生的現金為人民幣2,768.1百萬元，營運資金變動現金流出人民幣5,495.9百萬元，支付所得稅人民幣778.0百萬元，營運資金變動主要包括(i)合同負債減少人民幣1,330.6百萬元；(ii)貿易及其他應付款項減少人民幣2,366.3百萬元；(iii)貿易及其他應收款項增加人民幣639.0百萬元；及(iv)合同資產增加人民幣1,267.4百萬元。

3. 來自投資活動的現金流量

截至2019年12月31日止年度，我們投資活動產生的現金淨額為人民幣(1,090.8)百萬元。我們投資活動的現金淨流出主要包括(i)三個月及以上定期存款減少導致現金淨流出人民幣797.8百萬元；(ii)存放受限制存款導致現金流出人民幣216.4百萬元；(iii)支付購置物業、廠房及設備的款項人民幣284.9百萬元；及(iv)對聯營公司的投資支付人民幣220.9百萬元。

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4. Cash flows from financing activities

For the year ended 31 December 2019, our net cash generated from financing activities was RMB (1,370.0) million. Our cash inflows from financing activities mainly included RMB306.3 million received from borrowings. Net cash outflows from financing activities mainly included (i) repayment of bank borrowings of RMB756.4 million and (ii) payment of RMB852.8 million dividends to Shareholders.

5. Capital expenditures and capital commitments

Our capital expenditures mainly include the purchase of buildings, specific equipments, prepaid lease payments and intangible assets. The Group's capital expenditure decreased by 39.3% to RMB306.1 million in 2019 compared to RMB503.9 million in 2018, mainly due to the gradual completion of investment projects and fixed asset infrastructure projects of the Company in this year.

Our capital commitments mainly include contract payments that have been signed under construction projects but not yet executed, and payments that have been approved by the budget but not yet signed. The Group's capital commitment decrease by 28.8% to RMB691.9 million in 2019 compared to RMB971.2 million in 2018, mainly due to the gradual completion of the Company's investment projects and fixed asset infrastructure projects in this year.

4. 來自融資活動的現金流量

截至2019年12月31日止年度，我們融資活動產生的現金淨額為人民幣(1,370.0)百萬元。我們融資活動的現金流入主要包括取得借貸所收到款項人民幣306.3百萬元，融資活動的現金淨流出主要包括(i)償還銀行借貸人民幣756.4百萬元及(ii)派付人民幣852.8百萬元股息予股東。

5. 資本開支和資本承擔

我們的資本開支主要包括購買樓宇、特定設備、預付租賃款項及無形資產。2019年，本集團的資本開支為人民幣306.1百萬元，而2018年則為人民幣503.9百萬元，降幅為39.3%，主要由於本年度公司的投資項目及固定資產基建項目逐步建成。

我們的資本承擔主要包括在建工程項下已簽訂合同但尚未執行完的合同款項以及預算已批准但尚未簽訂合同的款項。2019年，本集團的資本承擔為人民幣691.9百萬元，較2018年的人人民幣971.2百萬元減少28.8%，主要由於本年度公司的投資項目及固定資產基建項目逐步建成。

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6. Working capital

(a) Trade and other receivables

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

The following table sets forth the turnover days of the average trade receivables and the turnover days of the average trade payables of the Company for the years ended 31 December 2019 and 2018.

The turnover days of the average trade receivables (Note 1)	平均貿易應收款項的周轉天數 (附註1)
The turnover days of the average trade payables (Note 2)	平均貿易應付款項的周轉天數 (附註2)

Note 1:

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

6. 營運資金

(a) 貿易及其他應收款項

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

下表載列於截至2019年及2018年12月31日止年度本公司平均貿易應收款項及平均貿易應付款項的周轉天數。

Year ended 31 December
截至12月31日止年度

2019	2018
2019年	2018年
(RMB million)	(RMB million)
(人民幣百萬元)	(人民幣百萬元)

	115	97
	246	245

附註1:

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

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Note 2:

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

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 31 December 2019 and 2018.

附註2：

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

下表載列於2019年及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 31 December	
		於12月31日	
		2019	2018
		2019年	2018年
		(RMB million)	(RMB million)
		(人民幣百萬元)	(人民幣百萬元)
Within 3 months	3個月以內	5,710.0	5,820.7
3 to 6 months	3個月至6個月	761.4	299.8
6 months to 1 year	6個月至1年	1,022.4	1,297.3
Over 1 year	1年以上	1,650.7	1,447.3
		9,144.5	8,865.1

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The Group's credit policies with its customers for the year ended 31 December 2019 remained the same as that for the year ended 31 December 2018. We continually enhanced our management of trade and bills receivables to reduce the exposure to doubtful debts. In addition, we made allowance for doubtful debts after fully considering the nature of trade and bills receivables and their collectability. As at 31 December 2019, allowance for doubtful debts for our trade and bill receivables amounted to RMB2,195.0 million, accounting for 19.4% of our trade and bill receivables, as compared to RMB1,919.2 million, accounting for 17.8% of our trade and bill receivables as at 31 December 2018. The increase in allowance for doubtful debt in 2019 compared to 2018 was primarily due to the increase in the original value of trade receivables and bills receivables, which resulted in an increase in the provision for doubtful debts in accordance with the corresponding bad debt provision policy.

截至2019年12月31日止年度，本集團與其客戶的信用政策與截至2018年12月31日止年度相同。我們不斷加強貿易應收款項及應收票據的管理，以求減低所承擔的呆賬風險。此外，充分考慮貿易應收款項及應收票據的性質及其可收回金額後，我們就呆賬計提撥備。於2019年12月31日，我們就貿易應收款項及應收票據所作的呆賬撥備為人民幣2,195.0百萬元，佔我們貿易應收款項及應收票據的19.4%，而於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%。2019年比2018年呆賬撥備增加主要由於貿易應收款項及應收票據原值的增加，根據相應的壞賬計提政策，導致了呆帳撥備的增加。

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(b) Trade and other payables

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

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

		As at 31 December	
		於12月31日	
		2019	2018
		2019年	2018年
		(RMB million)	(RMB million)
		(人民幣百萬元)	(人民幣百萬元)
Within 3 months	3個月以內	6,050.9	5,627.4
3 to 6 months	3個月至6個月	675.7	739.8
6 months to 1 year	6個月至1年	1,884.2	1,819.9
Over 1 year	1年以上	6,840.2	8,489.0
		15,451.0	16,676.1

The Group's credit policies with its suppliers for the year ended 31 December 2019 remained the same as that for the year ended 31 December 2018.

(b) 貿易及其他應付款項

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

下表載列於2019年及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：

截至2019年12月31日止年度，本集團與其供應商的信用政策與截至2018年12月31日止年度相同。

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V. INDEBTEDNESS

1. Borrowings

Our consolidated borrowings as at 31 December 2019 and 2018 for the purpose of calculating the indebtedness of our Group were as follows:

		As at 31 December	
		於12月31日	
		2019	2018
		2019年	2018年
		RMB million	RMB million
		人民幣百萬元	人民幣百萬元
Current:	流動：		
Short-term borrowings	短期借貸		
Bank loans	銀行貸款		
unsecured	無擔保	196.2	640.1
secured	有擔保	239.1	228.5
Subtotal	小計	435.3	868.6
Add: current portion of long-term borrowings	加：長期借貸的流動部分	8.9	9.8
Subtotal	小計	444.2	878.4
Non-current:	非流動：		
Long-term borrowings	長期借貸		
Bank loans	銀行貸款		
unsecured	無擔保	72.8	61.0
secured	有擔保	47.2	55.2
Subtotal	小計	120.0	116.2
Less: current portion of long-term borrowings	減：長期借貸的流動部分	8.9	9.8
Subtotal	小計	111.1	106.4
Total	總計	555.3	984.8

V. 債務

1. 借貸

於2019年及2018年12月31日，我們用以計算本集團債務的合併借貸如下：

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Our short-term borrowings primarily include credit borrowings, mortgage borrowings and guarantee borrowings from commercial banks and other financial institutions. As at 31 December 2019, our short-term borrowings (including the current portion of long-term borrowings) amounted to RMB444.2 million, accounting for 80.0% of our total borrowings.

Our long-term borrowings primarily included pledge borrowings from commercial banks and other financial institutions. These included bank borrowings related to engineering projects, with the total balance of such borrowings (including the current portion) amounting to approximately RMB120.0 million as at 31 December 2019. As at 31 December 2019, our long-term borrowings (excluding the current portion) amounted to RMB111.1 million, accounting for 20.0% of our total borrowings. The decrease in our interest-bearing borrowings to RMB555.3 million as at 31 December 2019 was primarily due to the repayment of bank borrowings for engineering projects and infrastructure projects.

All borrowings were denominated in either RMB, US dollars or Japanese Yen and were subject to interest rates ranging from 1.00% to 7.24% per annum.

There had been no material defaults in payment of our bank borrowings and breaches of the finance covenants during the year ended 31 December 2019.

短期借貸主要包括來自商業銀行及其他金融機構的信用借貸、抵押借貸及保證借貸。於2019年12月31日，我們的短期借貸（包括長期借貸的流動部分）為人民幣444.2百萬元，佔我們的借貸總額80.0%。

長期借貸主要包括來自商業銀行的信用及抵押借款。該等借貸包括與工程項目有關的銀行借貸，於2019年12月31日，該等借貸（包括流動部分）的結餘總額約為人民幣120.0百萬元。於2019年12月31日，不包括流動部分的長期借貸為人民幣111.1百萬元，佔我們借貸總額的20.0%。我們的計息借貸於2019年12月31日減少至人民幣555.3百萬元，主要由於工程項目及基建項目償還銀行借款所致。

所有借貸均以人民幣、美元或日元計值並以每年利率1.00%至7.24%計息。

於截至2019年12月31日止年度，我們在償還銀行借貸方面概無重大違約情況，亦無嚴重違反融資契約的情況。

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The maturity profile of our interest-bearing borrowings as at 31 December 2019 and 2018 is as follows:

於2019年及2018年12月31日，我們的計息借貸到期日如下：

		As at 31 December	
		於12月31日	
		2019	2018
		2019年	2018年
		(RMB million)	(RMB million)
		(人民幣百萬元)	(人民幣百萬元)
Within 1 year or on demand	1年以內或實時還款	444.2	878.4
After 1 year but within 2 years	1年至2年	20.8	67.4
After 2 years but within 5 years	2年至5年	57.9	26.8
After 5 years	5年以上	32.4	12.2
Total	總計	555.3	984.8

2. Gearing ratio

The Group monitors capital on the basis of the gearing ratio. Gearing ratio is derived by dividing total borrowings by total assets multiplied by 100%. In 2019, the Group's gearing ratio (total borrowings divided by total assets) was 1.0%, which was basically the same as 1.8% in 2018.

2. 槓桿比率

本集團以槓桿比率基準管理資本。槓桿比率乃將借貸總額除以資產總額再乘以100%得出。2019年，本集團的槓桿比率（借貸總額除以總資產）為1.0%，與2018年的1.8%相比基本持平。

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VI. RISK FACTORS AND RISK MANAGEMENT

The Company is exposed to various types of risks, including currency risk, interest rate risk, credit risk, liquidity risk, competition risk, investment risk and personnel change risk, etc., in the normal course of business. Our management continuously pays attention to these risks and monitors us to take appropriate measures in accordance with the articles of association of the Company and related systems and implement them in a timely and effective manner, so as to ensure that those risks are manageable.

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 related policy and in compliance with the PRC laws and regulations, we are not allowed to widely engage in hedging activities. Therefore, we entered into foreign currency forward contracts to lock in the value in RMB for some of our future cash receipts, primarily in respect of the proceeds of our international engineering contracting projects to reduce our currency risk and to obtain certainty of forecasted income generated from the deferred payments to be received from the project owners. The Group maintains and follows the internal policies and controls for managing the use of derivative financial instruments and will not participate in pure speculative arbitrage activities.

VI. 風險因素及風險管理

公司在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、投資風險以及人員變動風險等。我們的管理層持續保持對該等風險的關注並督促我們依據公司制訂的章程及相關制度採取適當的措施且及時有效的執行，以確保該等風險可控。

1. 貨幣風險

貨幣風險主要來自海外的銷售、採購及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。由於按照相關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。

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2. Interest Rate Risk

Interest rate risk arises primarily from borrowings and bank deposits, of which the borrowings bearing interests at variable rates and at fixed rates expose us to cash flow interest rate risk and fair value interest rate risk, respectively. The Company regularly reviews and monitors the mix of our fixed and variable rate borrowings, either through managing the contractual terms of interest-bearing financial assets and liabilities or using of interest rate swaps in order to manage our interest rate risks.

3. Credit Risk

Our credit risk is primarily attributable to trade and other receivables. The Company has a comprehensive credit policy in place and our exposure to these credit risks is monitored on an ongoing basis. With respect to the International Engineering Contracting Business, credit terms granted are negotiated individually on a case-by-case basis and are set forth in the relevant engineering contracting contracts. The Company conducts monthly reviews of credit risks and end-of-credit-term period reviews to determine if the Group needs to make any necessary provisions for credits that we have extended to customers. We evaluate our customer's credit status and repayment capability through establishing an appropriate business evaluation system. Meanwhile, we implemented the policy to buy export credit insurance. For the Trading Business, the Company and the trading subsidiaries are required to buy unified export credit insurance from Sinasure; for the International Engineering Contracting Business financed by export seller's credit, the Group typically buys export credit insurance from Sinasure for its projects to meet its financing needs as well as to control credit risk for trade and other receivables.

2. 利率風險

利率風險主要來自借貸及銀行存款，其中按浮動利率及固定利率計息的借貸分別使我們面臨現金流量利率風險及公允價值利率風險。本公司通過管理計息金融資產及負債的合同條款或對利率掉期的使用定期檢討及監察固定利率借貸與浮動利率借貸的比例，以管理利率風險。

3. 信用風險

信用風險主要來自貿易及其他應收款項。本公司已制定完備的信貸制度並持續監控面臨的該等信用風險。就國際工程承包業務，我們給予的信用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。本公司每月基於信用期末審查信用風險，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制度。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。

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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. In response to 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。為應對流動資金風險，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、信息搜集、管理及施工能力、適應性及品牌認知度等各個方面擁有較大的競爭優勢。本公司將繼續藉助在價格方面的競爭優勢，尤其在發展中國家的項目，並受益於具有競爭力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。

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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.

6. Investment Risk

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

本集團與中外公司就國際貿易業務進行競爭。與從事國際貿易業務的中國公司競爭集中於價格、產品範圍及供貨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貨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。憑藉在國際貿易業務40多年的經營歷史，董事相信，本集團所擁有的廣泛銷售及市場營銷網絡、在國際貿易市場長期累積的經驗、訓練有素的商業人才、提供融資方案的強大能力及良好的聲譽，令本集團比中國同行競爭者更具優勢。

6. 投資風險

投資風險主要指投資的實際回報與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以及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。

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

7. 海外業務國別風險

目前，我們大部分的國際工程承包業務項目於海外進行，尤其是在發展中國家或發展較落後的地區，當中包括一些社會或政治持續動盪的國家及地區。因此，國際工程承包業務在我們進行業務或經營項目的海外司法權區內可能受到上述國家不斷改變的經濟、監管、社會及政治情況影響。倘本集團的海外業務或營運受到意料之外及不利的外國經濟、監管、社會及政治情況影響，本集團可能經歷項目受阻、資產及人員損失及其他間接虧損。在一些本集團擁有僱員、業務或營運的高風險地區內，本集團或會產生額外成本以保障我們的人員及資產。本公司一般尋求透過合同安排規避我們因不可抗力事件而承擔的責任及規定項目業主、分包商及供貨商作出彌償保證，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。

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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 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. 安全及質量風險

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，包括在架空平台工作、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、分包商及供貨商作出彌償保證，以及投購建築、安裝及工程一切險、第三方責任保險以及人身意外傷害保險，強化我們的內部監控系統以確保項目具備安全及優質的工作環境，以及與項目業主及地方政府機關維持緊密聯繫，務求降低我們所面臨上述與我們的國際工程承包業務有關的潛在風險。

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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質量問題，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質量瑕疵或缺陷，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平，儘量避免或減少因人為操作不當原因導致的質量問題發生。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。

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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。

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11. Sanctions Risk

We are a company incorporated in the PRC and we comply with all applicable PRC laws and regulations, undertake the international commitments and international obligations made by China and the relevant resolutions passed by the United Nations Security Council. However, as a result of our international activities, we are also subject to the laws and regulations of the various countries and regions in which we do business. In order to prevent and control the risk of sanctions, we established an export control internal compliance program (ICP) within the Company. The Company's ICP adopts the principle of comprehensive control (CATCH-ALL), and the scope and content of the ICP control will be adjusted in time in accordance with the changes in the international export control situation and the possible impact on the business of the Company. In particular, if any of our transactions is conducted in or through the United States, or otherwise involves U.S. persons, U.S. dollar clearing in the United States or U.S.-origin goods, U.S. sanctions regulations may be applicable to some or all of such transactions.

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

11. 制裁風險

我們為在中國註冊成立的公司，須遵守所有適用的中國法律法規，承擔中國的國際承諾和國際義務、聯合國安理會的有關決議。然而，由於從事國際業務，我們亦須遵守我們開展業務所在不同國家及地區的法律法規。為了防控制裁風險，我們在公司內部建立了出口管制內控合規機制(ICP)。公司ICP採取的是全面控制原則(CATCH-ALL)，並且ICP的管控範圍和內容將結合國際出口管制形勢變化和可能給公司業務帶來的影響而及時調整。尤其是，倘我們的任何交易在美國或通過美國開展，或以其他方式涉及美籍人士、於美國的美元結算或美國原產貨品，則美國制裁法規可能適用於部分或全部該等交易。

近年來，美國制裁格局大幅演變，尤其是針對伊朗及古巴的制裁。2016年1月16日為「執行日」，標誌著向伊朗承諾的制裁解除（為伊朗、P5+1（美國、俄羅斯、中國、法國、英國、德國）及歐盟談判並經聯合國認可的聯合全面行動計劃(JCPOA)的一部分)得到全面執行（「**伊朗核協議**」）。作為伊朗減少若干核相關活動的交換，伊朗免於美國、歐盟及聯合國的若干制裁。然而，美國於2018年5月8日宣佈將退出伊朗核協議並恢復對伊朗的制裁。因此，本公司審慎決定終止在伊朗的所有業務關係，且本公司在伊朗並無現有或已實施項目。

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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 United States and taking into account the local economic conditions, no potential project carried out in Cuba has been approved by the general manager of the Company. The Company has no existing or implemented project in Cuba and has expressed no willingness to carry out business in Cuba market recently. Pursuant to our ICP control, every potential project carried out in Cuba must be (1) reviewed by the Company's internal export compliance office, (2) reviewed by outside legal counsel, and (3) approved by the general manager of the Company.

至於古巴，繼古巴、美國兩國於奧巴馬政府執政時恢復正式外交關係及美國政府將古巴從國家恐怖主義支持者名單中剔除後，對外國資產管制局的古巴資產管制條例及美國商務部工業與安全局所實施的出口管理條例第746.4條作出的一系列修訂，擴展了美籍人士可在古巴進行的交易範圍。然而，從2017年11月開始，特朗普政府開始撤回奧巴馬政府所施行的部分（並非全部）變革，並重新收緊美國對古巴的禁運。這些變革包括國務院增設「與古巴有關的受限制實體及子實體名單」，當中列明「在古巴軍事、情報或保安部門或人員的控制下或為其行事」的實體（「**古巴限制名單**」）。美籍人士被禁止與古巴限制名單所列的實體進行某些直接金融交易。此外，大部分供古巴限制名單所列的實體使用的美國產品均不獲商務部授予出口許可證。另外，在2019年3月4日，特朗普政府宣佈將授權美國國民根據1996年《古巴自由與民主聲援法》（亦稱為《赫爾姆斯－伯頓法》）第三章對古巴境內的實體提出有限的民事訴訟。因應美國的監管變化並考慮到當地的經濟狀況，本公司總經理並未批准在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，並且近期內亦無意在古巴市場開展業務。根據我們的ICP管控，在古巴開展的每個潛在項目均須(1)經本公司內部的出口管制辦公室審核；(2)經外部的法律顧問審核；及(3)獲本公司總經理批准。

Management Discussion and Analysis 管理層討論與分析

Notwithstanding the Trump Administration's revised sanctions policies vis-à-vis Iran and Cuba, we believe we have been in compliance with the Sanctions Undertakings made at the time of the Listing as regards to economic sanctions. We also believe that our internal control policies targeted at sanctions compliance, and in particular our internal compliance program on export control, are sound and sufficient to assist us in navigating the evolving international sanctions landscape. Despite the far-reaching and complex nature of U.S. sanctions programs, our limited activities in the United States and rigorous internal control policies will minimize our exposure and liability to any potential sanctions violations. Of course, it is not possible to foresee which countries or organizations the U.S. government may place under sanctions in the future. However, previous U.S. administrations, including the Trump administration, have provided either a "wind-down" period, or issued a general or specific license, in order to allow affected firms to terminate operations and withdraw from countries placed under new sanctions. Though the termination or forfeiture of any business operations or revenue in relation to any newly sanctioned counterparties, industries, projects or countries, may cause an adverse impact on our operations, financial condition, or ability to carry on business in the jurisdictions concerned, we strive to reduce such hazards through proactive political and economic risk assessment, along with timely legal advice from experienced external counsel. Furthermore, as a result of the foregoing, the Company's exposure in Cuba is so limited that any adverse impact from changes to Cuba sanction by the United States will be minimal.

雖然特朗普政府修訂對伊朗及古巴的制裁政策，但我們認為，我們一直遵守上市時就經濟制裁所作的承諾。我們亦認為，我們針對制裁合規的內部控制政策，尤其是針對出口控制的內部合規方案屬健全，足以在國際制裁格局演變的進程中為我們導航。儘管美國制裁計劃十分深遠複雜，但我們在美國進行的業務有限，且內部控制政策嚴格，將最大限度降低違反潛在制裁的風險及責任。當然，我們不可能預見未來美國政府會對哪些國家或組織實施制裁。然而，往屆美國政府（包括特朗普政府）會給予「緩衝」期，或是頒發一般或特別許可證，以使受影響的公司終止在新受制裁的國家內經營或撤離該等國家。儘管終止與任何新受制裁交易方、行業、項目或國家相關的業務活動，或沒收相關收入可能對我們在所涉及司法管轄區的經營、財務狀況或從事業務的能力造成不利影響，但我們爭取透過積極的政治經濟分析評估，並且及時向經驗豐富的外部顧問尋求法律意見來減少該等危害。此外，由於如上所述本公司在古巴開展活動面臨的風險有限，故美國變更對古巴的制裁對我們產生的不利影響極小。

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12. Personnel Change Risk

Personnel change risk refers to the risk of affecting the Company's operations due to the resignation or leaving office of the Company's senior management personnel. As the Company is a listed company controlled by the state, we have higher requirements for the professional conduct and integrity of senior management personnel. Under such a high standard, situations in which senior management personnel resigns due to personal reasons, systematic personnel transfers or being no longer suitable for serving positions in the Company may occur. However, we have formulated, and will continue to improve, the articles of association of the Company and related rules and regulations, in order to ensure the orderly and efficient normal operation of the Company in spite of temporary absence of individual senior management personnel, with a sound awareness of rules and effective systems. At the same time, in order to avoid frequent changes in senior management personnel and to ensure the stability of the Company's management, we will also continue to strengthen compliance supervision of personnel and further enhance the overall compliance awareness of senior management personnel. Therefore, we believe that personnel change risk is a controllable risk during the standardized and refined operation of the Company.

12. 人員變動風險

人員變動風險是指公司的高層管理人員辭任、離任，導致公司運營可能受影響的風險。因本公司屬於國有控股上市公司，對高層管理人員的職業操守、廉潔奉公等具有更高要求。在此高標準下，高層管理人員因自身原因辭任、系統人事調動或不適宜繼續在本公司擔任職務的情形可能發生。但是，我們已經制定、亦將不斷完善制定公司章程、相關規則制度等，以健全的規則意識和有效制度保障公司若在個別高層管理人員暫時缺位的異常狀況下仍能夠有序、高效地正常運轉；同時，為避免高層管理人員變動頻繁，保證公司管理層的穩定性，我們也將持續加強對人員的合規督導，進一步提升高層管理人員的全方位合規意識。因此，我們認為人員變動風險是公司規範、精良化運轉過程中的可控風險。

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13. Other Risk

The Company is subject to factors such as natural disasters, epidemics and other outbreaks of diseases. If any of the above situations occurs, the financial condition, potential revenue, asset value and liabilities of the Company may be affected. The recent outbreak of the novel coronavirus disease and the resulting government controls (such as restricted entry and exit, traffic interruptions, etc.) may affect the construction and operation of the engineering projects of the Company, leading to adverse impacts such as delays in construction and increased costs. In order to minimize the negative impact of the recent novel coronavirus disease, the Company will further strengthen communication with customers and adopt measures such as various prevention measures for epidemics and flexible employment in strict accordance with regulations to mitigate the impact brought about by the epidemic while diversifying and reducing the risk through diversification of customers.

13. 其他風險

本公司面臨自然災害、流行傳染病和其它疫情爆發等因素影響。如上述任一情形發生，則可能影響本公司的財務狀況、潛在收益、資產價值和負債。近期新冠肺炎疫情的爆發及因此衍生的政府管制（如出入境受限、交通中斷等），可能會影響到本公司的工程項目的施工及運轉，進而帶來工期延誤、成本增加等不利影響。為儘量減少近期新冠肺炎帶來的負面影響，公司將進一步加強與客戶之間的溝通，嚴格按照規定採取各項防疫手段、靈活用工等措施，緩解疫情帶來的影響，並通過客戶的多元化分散並降低風險。

Management Discussion and Analysis

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VII. OUTLOOK

In 2020, the Company will further reaffirm its position as industry leader, and practically create a leading force in modern equipment manufacturing service industry. The Company will focus on implementing system reform aiming to enhance vitality and core competitiveness, thereby stimulating the exploring capability of micro-entity and business. The Company will also reinforce bottom-line thinking, and promote quality development of the Company.

(I) Business Development Strategy

1. Engineering Contracting Business

(1) Proper resources allocation between traditional market and emerging market.

The Company will advocate deep cultivation in traditional market, carefully manage first-tier businesses, and conduct research on operating strategies and key development areas based on the “One Country, One Policy” principle. In respect of emerging market, the Company will track progress of projects on selective basis, and closely monitor policy changes in order to understand the directions of industry support.

(2) Create and develop projects by closely monitoring market demands.

The Company will continue to keep its eyes on key new energy projects, new-type urbanization projects and agriculture projects. Through proactive adoption of construction-operation integration and investment-construction-operation integration, the industry chain and value chain of engineering contracting business will be extended.

VII. 前景展望

2020年，公司將進一步明確現代裝備製造服務業領軍力量的定位，切實打造現代裝備製造服務業領軍力量；著力開展增強活力和核心競爭力的體制機制改革，激活微觀主體及業務開拓活力；強化底線思維，促進公司的高質量發展。

(一) 業務發展戰略

1. 工程承包業務

(1) 在傳統市場與新興市場

合理配置資源。倡導在傳統市場深耕細作，認真梳理一線業務，一國一策地研究經營策略和開發重點。對新興市場，要有選擇地跟蹤項目，密切注意政策變化，掌握產業扶持方向。

(2) 緊跟市場需求創造和開發項目。

持續重點跟蹤新能源項目、新型城鎮化項目和農業項目。積極運用建營一體化、投建營一體化等方式，延伸承包工程產業鏈和價值鏈。

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- (3) Continue to deepen the layout in markets along the “Belt and Road”.** Adhering to established principles, the Company will continue deepen the market expansion for regionalization construction, introduce more resources and technology investment, and strengthen project development in markets along “the Belt and Road”.
- (4) Focus on improving contract signing quality and contract conversion rate.** It is essential for the Company to capture influential projects within the region or industry, projects that can generate impressive cash flows and economic benefits, as well as projects with sustainable commercial mode. Moreover, the Company will put more resources in countries with good economy prospects.
- (5) Focus on enhancing professionalism.** Based on the direction towards professionalism, the Company will guide and promote the building up of professional job assignment and capability in business division.
- (6) Facilitate the establishment of open regional platform.** Based on the actual needs for business development, the Company will proactively facilitate the construction of regional centers and the establishment of new regional centers under united planning and coordination.
- (3) 持續深化「一帶一路」沿線市場佈局。**按照以往的既定原則，持續深入區域化屬地化建設的市場開拓導向，引導更多資源和技術投入，強化「一帶一路」沿線市場項目開發。
- (4) 重點提高簽約質量和生效轉化率。**要抓住地區或行業有重大影響力的項目，要抓住可以產生現金流、經濟收益好、發展可持續的項目，要抓住有後續商業模式的項目，要在經濟景氣度高的國家投入更多資源。
- (5) 著重加強專業化能力建設。**公司將按照專業化導向，引導並推動事業部進行專業化分工和能力建設。
- (6) 推進開放式區域平台建設。**根據業務開發的實際需求，統一規劃、統一協調，積極穩妥地進行區域中心建設和新區域中心的設立。

Management Discussion and Analysis

管理層討論與分析

2. Trading Business

- (1) The Company is willing to conduct transformation and upgrade, and actively adapt to overseas business development. The Company will put greater efforts in department construction, as well as enhance its capability in strategy implementation, risk control and management, and the ability to offer guidance, service and support to businesses.
- (2) The Company will put greater efforts in resources management and reorganization of certain subsidiaries, improve rectification mechanism, explore emerging businesses, and offer precise support for promising entities and teams.
- (3) The Company will continue to strengthen its unique competitive edges in overseas trading, and further improve key products and feature products.
- (4) The Company will enhance innovation, seize political signals, strive to seize political opportunities, and actively explore and promote biomass power generation, healthcare and other business opportunities.

2. 貿易業務

- (1) 要勇於轉型升級，主動適應海外市場業務發展的需要。要加大部門建設，提高戰略執行能力、風險控制和管理能力以及對業務的引領、服務、支撐能力。
- (2) 要加大資源整合和部分子公司重整力度，完善容錯糾錯機制，探索開拓新興業務，對好的企業和團隊予以精準扶持。
- (3) 要持續增強海外貿易特色優勢，進一步做實主打產品和拳頭產品。
- (4) 要加強創新，敏銳抓住政策信號，努力搶抓政策機遇，積極探索並推進生物質發電、大健康等商機。

Management Discussion and Analysis

管理層討論與分析

3. Service Business

- (1) Enhance support to main businesses. The China Machinery R&D and JiKan Research Institute will maintain the leading positions in their respective leading areas, put greater efforts in making design consultation and technology standards “going out”, and enhance the Company’s capability in integrating and controlling domestic and international standards.
- (2) Strengthen the interaction between domestic and overseas markets. For domestic market, business expansion shall focus on quality development instead of low-level expansion. It is essential to have accurate connection with major operations, and proactively adapt to the “going out and bringing in” policy for major operations. The Company will focus on increasing market supply, instead of inventory consumption or reallocation of existing businesses.
- (3) Facilitate the launch of technology development and planning. The Company will implement the strategies decided at the technology conference, facilitate the launch of technology development and planning, as well as prepare for the connection plans for different business segments.
- (4) Guide the market development for technology. Aiming for gaining market benefits, the Company will further promote the practical cultivation of specific technologies and the conversion of scientific and technological achievements.

3. 服務業務

- (1) 加強對主業的支撐力度。中機院和機勘院要保持在各自優勢領域的領先地位，加大設計諮詢及技術標準「走出去」的力度，升級公司對國內國際兩個標準的融合能力和把控能力。
- (2) 強化國內國際兩個市場聯動。國內業務開拓要高質量發展，不要低水平擴張；要與主業經營精準對接，積極配合主業走出去和引進來；要做市場增量，而不是消耗存量或對已有業務的再分配。
- (3) 加快科技發展規劃出台。落實科技大會的決策部署，加快出台科技發展規劃並做好各業務板塊的對接計劃。
- (4) 引導技術市場化發展。以市場效益為目標導向，進一步將專項科技孵化和科技成果轉化落在實處。

Management Discussion and Analysis

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(II) Corporate Management Strategy

In respect of management, the Company will focus on the comprehensive deepening of reforms, so as to enhance management efficiency and improve procedure management. The Company will also focus on enhancing efficiency, and establishing comprehensive, dimensional centralized management system and operating system. The Company will continue to strengthen and improve management mechanism and system with its characteristics; continue to rectify bureaucratic culture in headquarters; enhance cost and expense control; greatly promote internal coordination; further improve risk control system; ensure safety production; enhance the standard and ability in human resources guarantee; focus on long-term development and prepare for the “14th 5-Year Plan”; and properly perform other fundamental management.

(二) 公司管理戰略

在管理方面，公司將著力以全面深化改革提升管理效能，強化流程管理，著重提高效率，建立起全方位、立體化的集團化管理體系和運行機制。不斷加強和完善自身特色管理制度與體系；持續整治總部機關化作風；強化成本費用管理；大力推進內部協同；進一步完善風險防控機制；常抓不懈安全生產工作；提升人力資源保障的水平與能力；著眼長遠發展，做好「十四五」規劃編製；紮實做好其他各項基礎管理工作。

Major Corporate Events for the Year

本年度企業大事記

January 1月



1.1 The first combined cycle unit of the SOYO combined cycle power plant in Angola passes the reliability test and is about to be handed over and put into commercial operation.

On 23 January, the first combined cycle unit of the SOYO combined cycle power plant project in Angola constructed by CMEC successfully passed the 72-hour full load reliability test and was about to be handed over and put into commercial operation. This project is the first large-scale thermal power generation project in Angola and currently the largest gas turbine power plant project in Africa.

1.1 安哥拉索約聯合循環電站首套聯合循環機組通過可靠性試驗，即將移交投入商業運行

1月23日，CMEC承建的安哥拉索約聯合循環電站首套聯合循環機組順利通過72小時滿負荷可靠性試驗，即將移交投入商業運行。該項目是安哥拉首個大型火力發電項目、目前非洲地區最大的燃機電站項目。



1.2 The Cameroon Mekin hydropower plant construction project is completed

On 22 January, all construction works of the Cameroon Mekin hydropower plant construction project constructed by CNEEC under CMEC were completed and entered the warranty period.

1.2 喀麥隆莫肯水電站工程項目完工

1月22日，CMEC所屬中國電工承建的喀麥隆莫肯水電站工程項目完成全部建設工作，進入質保期。

Major Corporate Events for the Year

本年度企業大事記

February 2月



2.1 The ceremony of Angola “Great Wall Comprehensive School”, which is donated by CMEC, is held in Soyo, Angola

On 1 February, the ceremony of Angola “Great Wall Comprehensive School”, which was donated by CMEC, was held in Soyo, Angola, marking the official completion and operation of the Soyo Great Wall School.

2.1 CMEC捐贈的安哥拉「長城綜合學校」儀式在安哥拉索約市舉行

2月1日，CMEC捐贈的安哥拉「長城綜合學校」儀式在安哥拉索約市舉行，標誌着索約長城學校正式落成投入使用。



2.2 The Minister of Sports and Physical Education of Cameroon visits the Cameroon Training Ground Project

On 7 February, Mouelle Kombi Narcisse, the Minister of Sports and Physical Education of Cameroon, visited the Cameroon Training Ground Project site. After the project is completed, it will become the main stadium and training ground for some matches of the 2021 Africa Cup of Nations.

2.2 喀麥隆體育部部長參觀喀麥隆訓練場項目

2月7日，喀麥隆體育部部長納西塞·穆雷·庫姆茲臨喀麥隆訓練場項目現場。該項目建成後將成為2021年非洲杯部分賽事的主賽場和訓練場。

Major Corporate Events for the Year

本年度企業大事記

March 3月



3.1 CMEC Vice President Zhang Wei meets Faisal Naseem, the Vice President of the Maldives

From 1 March, CMEC Vice President Zhang Wei met Faisal Naseem, the Vice President of the Maldives, to discuss CMEC's assistance to the Maldives in formulating national geotechnical standards and technological cooperation.

3.1 CMEC副總裁張煒拜會馬爾代夫副總統費薩爾·納西姆

3月1日，CMEC副總裁張煒拜會馬爾代夫副總統費薩爾·納西姆，就CMEC幫助馬爾代夫制定岩土國家標準和科技合作進行討論。



3.2 The first phase of the Thar Coal-fired Power Plant Project in Pakistan achieves first grid connection for power generation of No. 2 unit

On 18 March, the first phase of the Thar 2x330MW Coal-fired Power Plant Project in Pakistan invested and constructed by CMEC achieved first grid connection for power generation of No. 2 unit. This project is a priority implementation project of the Sino-Pakistan economic corridor under "the Belt and Road" strategic framework and the Company's first investment-driven EPC project.

3.2 巴基斯坦塔爾一期燃煤電站2號機組首次並網發電成功

3月18日，由CMEC投資和承建的巴基斯坦塔爾一期2×330MW燃煤電站2號機組首次並網發電一次成功。該項目是「一帶一路」戰略框架下中巴經濟走廊的優先實施項目，也是公司首個投資帶動EPC項目。



3.3 Zambian President Edgar Lungu visits the Petauke Kai General Hospital Project

On 22 March, Zambian President Edgar Lungu, during his visit to the Petauke Kai General Hospital Project constructed by CNCEC under CMEC, highly affirmed the construction speed and project quality, and thanked CNCEC for its outstanding contribution to improving the living standard of the people in Zambia.

3.3 贊比亞總統視察佩塔烏凱綜合醫院項目

3月22日，贊比亞總統埃德加·倫古視察CMEC所屬的中成套承建的佩塔烏凱綜合醫院項目，對施工速度和工程質量給予高度肯定，感謝中成套在改善贊比亞人民生活水平等方面所做出的突出貢獻。

Major Corporate Events for the Year

本年度企業大事記

April 4月



4.1 CMEC signs a commercial contract for the Bulgarian Port Construction Project

On 12 April, the China-Central and Eastern European Countries Leaders Summit was held in Dubrovnik, Croatia. Under the witness of State Council Premier Li Keqiang, State Councilor Wang Yi and leaders of Central and Eastern European countries, CMEC signed a commercial contract for the Bulgarian Port Construction Project.

4.1 CMEC簽署保加利亞港口建設項目商務合同

4月12日，中國—中東歐國家領導人峰會在克羅地亞杜布羅夫尼克召開。在國務院總理李克強、國務委員王毅以及中東歐國家領導人的見證之下，CMEC簽署保加利亞港口建設項目商務合同。



4.2 CMEC signs the EPC contract for the 300kt/a Electrolytic Aluminum Technical Transformation Project in Tajikistan

On 15 April, the EPC contract amounting to USD545 million for the 300kt/a Electrolytic Aluminum Technical Transformation Project in Tajikistan was successfully signed at the head office of the Tajikistan Aluminum Company. The project is included in the list of achievements of President Xi Jinping's visit to Tajikistan.

4.2 CMEC簽署塔吉克300kt/a電解鋁技改項目EPC合同

4月15日，塔吉克300kt/a電解鋁技改項目EPC合同在塔吉克鋁業公司總部順利簽署，合同金額為5.45億美元，該項目列入習近平主席訪問塔吉克斯坦成果清單。

Major Corporate Events for the Year

本年度企業大事記

April 4月



4.3 The 200MW Nikopol Photovoltaic Project in Ukraine successfully commences operation

On 19 April, the 200MW Nikopol Photovoltaic Project, the largest photovoltaic project in Ukraine contracted by CMEC, successfully commenced operation.

4.3 烏克蘭尼科波爾200兆瓦光伏項目順利投產

4月19日，CMEC總承包的烏克蘭目前最大的光伏項目－尼科波爾200兆瓦光伏項目順利投產。



4.4 CMEC signs agreements for new projects during the second "the Belt and Road" international cooperation summit forum

On 25 to 27 April, CMEC signed the agreements for the KIE700 MW coal-based power plant project, the modern agriculture project and the 330MW power plant project in Pakistan, and the ANH blast furnace ferronickel smelting project in Indonesia during the Second "the Belt and Road" International Cooperation Summit Forum.

4.4 CMEC參加第二屆「一帶一路」國際合作高峰論壇期間簽署新項目

4月25日－27日，CMEC在第二屆「一帶一路」國際合作高峰論壇期間簽署巴基斯坦KIE700兆瓦燃煤電站項目、巴基斯坦現代農業項目、巴基斯坦330兆瓦電站項目、印尼ANH高爐鎳鐵冶煉項目相關協議。

Major Corporate Events for the Year

本年度企業大事記

May 5月



5.1 Vice President Wang Qishan visits Pakistan and witnesses the signing of a CMEC cooperation agreement

On 26 May, during Vice President Wang Qishan's visit to Pakistan, he witnessed the signing of a tripartite agricultural framework cooperation agreement on modern animal husbandry, agricultural planting and other fields by CMEC with Balochistan and Lasbela University of Agriculture. This project is the only approved project for agricultural cooperation between enterprises.

5.1 國家副主席王岐山訪問巴基斯坦並見證CMEC簽署合作協議

5月26日，國家副主席王岐山訪問巴基斯坦期間，見證了CMEC與俾路支省、拉斯貝拉農業大學簽署現代畜牧養殖、農業種植等領域的三方農業框架合作協議，該項目是此次唯一獲批的企業間農業合作見簽項目。



5.2 CMEC is awarded the "Outstanding Contribution Unit" award of the International Infrastructure Investment and Construction Summit Forum

On 30 to 31 May, the 10th International Infrastructure Investment and Construction Summit Forum was held in Macau, and the Organizing Committee of the International Infrastructure Investment and Construction Summit Forum awarded the "Outstanding Contribution Unit" award to CMEC.

5.2 CMEC榮獲國際基礎設施投資與建設高峰論壇「突出貢獻單位」獎

5月30-31日，第十屆國際基礎設施投資與建設高峰論壇在澳門召開，國際基礎設施投資與建設高峰論壇組委會授予CMEC「突出貢獻單位」獎。

Major Corporate Events for the Year

本年度企業大事記

June 6月



6.1 The main diversion tunnel of Sri Lanka's Broadland Hydropower Plant is opened

On June 6, the main diversion tunnel of Sri Lanka's Broadlands Hydropower Plant, which was contracted by CNEEC under CMEC, was opened.

6.1 斯里蘭卡布羅德蘭水電站主引水隧洞貫通

6月6日，CMEC所屬中國電工總承包的斯里蘭卡布羅德蘭水電站主引水隧洞貫通。



6.2 The main plant area of the second phase of the KOSTOLAC-B Power Plant Project in Serbia is successfully completed and the installation of main equipment in the coal mine portion was fully completed

On 11 June, the first pile of the main plant area of the main section of the second phase of the KOSTOLAC-B Power Plant Project in Serbia constructed by CMEC was successfully completed. The last procedure of the open pit continuous mining system of the coal mine capacity expansion portion of the second phase, namely the transfer of the dumping plough, marked an achievement of an important milestone for the project.

6.2 塞爾維亞KOSTOLAC-B電站二期工程主廠房順利完工及煤礦擴容部分主設備安裝工作全面完成

6月11日，CMEC承建的塞爾維亞KOSTOLAC-B電站二期工程主標段主廠房區域第一根樁順利施工完成，項目二期煤礦擴容部分露天礦連續開採系統的最後一個環節—排土機轉場，標誌着項目一個重要里程碑的完成。

Major Corporate Events for the Year

本年度企業大事記

July 7月



7.1 Current President Fang Yanshui and GIGA Group sign a strategic cooperation agreement in Beijing

On 5 July, CMEC and GIGA Group signed a strategic cooperation agreement. The two parties will cooperate in various fields such as energy and power, agriculture, and mining sectors in Pakistan.

7.1 現任總裁方彥水在北京與GIGA集團簽訂戰略合作協議

7月5日，CMEC與GIGA集團簽訂戰略合作協議，雙方將在巴基斯坦能源電力領域、農業領域、礦業領域等多個領域開展合作。



7.2 The lignite open-pit mine project in the Thar Coalfield II Block, Sindh, Pakistan, obtains the project handover certificate issued by the owner

On 9 July, the lignite open-pit mine project in the Thar Coalfield II Block, Sindh, Pakistan, obtained the project handover certificate issued by the owner, and achieved the smooth handover of the EPC project in the Thar Coal Mine two months in advance, which was praised by all circles.

7.2 巴基斯坦信德省塔爾煤田II區塊褐煤露天礦項目獲得業主簽發的項目移交證書

7月9日，巴基斯坦信德省塔爾煤田II區塊褐煤露天礦項目獲得業主簽發的項目移交證書，提前兩個月實現了塔爾煤礦EPC項目的順利移交，獲得各界贊譽。

Major Corporate Events for the Year

本年度企業大事記

July 7月



7.3 Angola's President visits the SOYO I combined cycle power plant project

On 19 July, Angola's President Joao Lourenco visited the site of the SOYO I combined cycle power plant project constructed by CMEC and highly appraised the project.

7.3 安哥拉總統視察SOYO I聯合循環電站項目

7月19日，安哥拉總統若昂·洛倫索視察CMEC承建的SOYO I聯合循環電站項目現場，對項目進行高度評價。



7.4 CMEC holds the 40th anniversary activities of CMEC's entry into the ASEAN market at Manila, Philippines

On 24 July, the 17th "China Engineering and Technology Expo" held by the China International Contractors Association opened in Manila, Philippines. CMEC participated in the exhibition and held the 40th anniversary activities of CMEC's entry into the ASEAN market at the exhibition site.

7.4 CMEC在菲律賓馬尼拉舉辦CMEC進入東盟市場四十周年紀念活動

7月24日，由中國對外承包工程商會舉辦的第十七屆「中國工程技術展覽會」在菲律賓馬尼拉開幕，CMEC參展並在展會現場舉辦CMEC進入東盟市場四十周年紀念活動。

Major Corporate Events for the Year

本年度企業大事記

August 8月



8.1 Current President Fang Yanshui on behalf of CMEC signs a cooperation agreement on the Mozambican Ncondezi Coal-fired Power Project with GE

On 7 August, CMEC and GE signed a cooperation agreement on the Mozambican Ncondezi Coal-fired Power Project to promote project implementation and deepen cooperation between CMEC and GE in the energy field. The coal-electricity integration project is the first large-scale coal-fired power project in Mozambique. The signing of the agreement marks the new stage of cooperation between CMEC and GE from the traditional EPC field.

8.1 現任總裁方彥水代表CMEC與GE簽署莫桑比克Ncondezi煤電項目合作協議

8月7日，CMEC與GE簽署莫桑比克Ncondezi煤電項目合作協議，推進項目實施，深化CMEC和GE在能源領域的合作。該煤電一體化項目是莫桑比克首個大型煤電項目，該協議的簽署標誌着CMEC同GE合作由傳統的EPC領域合作進入了項目開發合作的新階段。



8.2 Prime Minister of Cameroon visits the Sanaga drinking water treatment plant and its supporting projects

On 7 August, Prime Minister of Cameroon Joseph Dion Ngut visited the site of the Sanaga drinking water treatment plant and its supporting projects constructed by CMEC in Yaounde, fully affirming the work of the project department and looking forward to the water plant in Cameroon becoming a new monument in the history of Sino-Cameroon friendship.

8.2 喀麥隆總理視察雅溫得市薩納加飲用水處理廠及其配套工程項目

8月7日，喀麥隆總理約瑟夫·迪翁·恩古特視察CMEC承建的雅溫得市薩納加飲用水處理廠及其配套工程項目現場，充分肯定了項目部的工作成績，期待喀麥隆水廠項目成為中喀友誼史上一座新的豐碑。

Major Corporate Events for the Year

本年度企業大事記

September 9月



9.1 The bucket wheel excavator of the coal mine capacity expansion portion of the second phase of the Kostolac Power Plant Project in Serbia obtains a Taking-Over Certificate (TOC)

On 6 September, the bucket wheel excavator of the coal mine capacity expansion portion of the second phase of the Kostolac power plant project in Serbia constructed by CMEC obtained a Taking-Over Certificate (TOC), marking the official transfer of the bucket wheel excavator to the owner and entering the warranty period. This part of the work was completed 3 months ahead of the contract period.

9.1 塞爾維亞科斯托拉茨電站項目二期工程煤礦擴容部分斗輪挖掘機獲得臨時接收證書(TOC)

9月6日，CMEC承建的塞爾維亞科斯托拉茨電站項目二期工程煤礦擴容部分斗輪挖掘機獲得臨時接收證書(TOC)，標誌着斗輪挖掘機正式移交業主並進入質保期。該部分工作較合同工期提前3個月完成。



9.2 Two substations and one line of the Ivory Coast power grid development and reconstruction project are put into operation

On 13 September, two substations and one line of the Ivory Coast power grid development and reconstruction project constructed by CMEC were put into operation, marking the project's soon entrance into the stage of comprehensive adjustment and acceptance.

9.2 科特迪瓦電網發展和改造項目兩座變電站和一條線投入運行

9月13日，由CMEC承建的科特迪瓦電網發展和改造項目兩座變電站和一條線投入運行，標誌項目即將進入全面調試驗收階段。



9.3 Prime Minister of Pakistan and Chinese Ambassador to Pakistan attend the groundbreaking ceremony of the Pakistan M-3 Industrial Park Prefabricated Fast Installation House Factory Project

On 18 September, the groundbreaking ceremony of the Pakistan M-3 Industrial Park Prefabricated Fast Installation House Factory Project constructed by CMEC was held in Prime Minister's Office in Islamabad. Prime Minister of Pakistan Imran Khan and Chinese Ambassador to Pakistan Yao Jing were invited to attend the unveiling ceremony.

9.3 巴基斯坦總理及中國駐巴基斯坦大使出席巴基斯坦M-3工業園預制快速安裝房工廠項目奠基揭牌儀式

9月18日，由CMEC承建的巴基斯坦M-3工業園預制快速安裝房工廠項目奠基揭牌儀式在伊斯蘭堡總理府舉行，巴基斯坦總理伊姆蘭·汗及中國駐巴基斯坦大使姚敬應邀出席揭牌儀式。

Major Corporate Events for the Year

本年度企業大事記

October 10月



10.1 The Turkish President congratulates the operation of the Boron Carbide Project

On 25 October, the Boron Carbide Project in Bandarma, Turkey with annual output of 1,300 tons held a groundbreaking ceremony, marking the successful entrance of China's boron carbide production line into the European market. The project received a congratulatory message from the Turkish President Erdogan.

10.1 土耳其總統祝賀碳化硼項目開工

10月25日，CMEC承建的土耳其班德爾瑪年產1,300噸碳化硼項目舉行奠基儀式，標誌着我國碳化硼生產線成功打入歐洲市場，首次實現向歐洲市場出口。土耳其總統埃爾多安發來賀電。



10.2 The installation of the first wind turbine of the KIPETO wind power project in Kenya is completed

On 30 October, the installation of the first wind turbine of the KIPETO wind power project in Kenya constructed by CMEC was completed. The project is the wind power project with the largest single-unit installed capacity in Kenya and a landmark project in the field of clean energy in East Africa. The project implements a unique community management with donation of school bags to local elementary schools, and repaired pools and speed bumps for the local community.

10.2 肯尼亞基佩托風電項目首颱風機吊裝完成

10月30日，CMEC承建的肯尼亞基佩托風電項目首颱風機吊裝完成。該項目是肯尼亞單機裝機容量最大的風電項目，也是東非地區清潔能源領域的里程碑式項目。該項目實施了富有特色的社區管理，為當地小學捐贈了書包，為當地社區修繕了水池和減速帶。

Major Corporate Events for the Year

本年度企業大事記

November 11月



11.1 The leader of Angola inspects the third phase of the Construction Project of Gandrabro Water Plant in Angola

On 12 November, Ms. Luisa Pedro Francisco Damio, the Vice President of the People's Movement for the Liberation of Angola of the ruling party in Angola and the delegation of members of the National Assembly of Angola inspected the third phase of the Construction Project of Gandrabro Water Plant in Angola constructed by CMEC.

11.1 安哥拉領導人視察安哥拉甘德拉布羅水廠三期建設項目

11月12日，安哥拉執政黨的「安哥拉人民解放運動」副主席路易莎·佩德羅·弗朗西斯科·達米奧女士率安哥拉國家議會議員代表團視察CMEC承建的安哥拉甘德拉布羅水廠三期建設項目。



11.2 CMEC wins the 2019 International Sustainable Practice Excellence Award

On 21 November, the 2019 Global Sustainable Competitiveness Excellence Enterprise Summit Forum was held in Beijing. CMEC won the 2019 International Sustainable Practice Excellence Award.

11.2 CMEC 榮獲「2019海外可持續實踐卓越企業獎」

11月21日，2019全球企業可持續競爭力高峰論壇在北京舉行。CMEC榮獲「2019海外可持續實踐卓越企業獎」。

Major Corporate Events for the Year

本年度企業大事記

November 11月



11.3 The People's Daily reports on the Ethiopian Leipzig Waste Power Plant

On 21 November, the People's Daily published a detailed report on the benefit that the Ethiopian Leipzig Waste Power Plant constructed by CNEEC under CMEC brought to the local people, claiming that it guarantees the electricity for lighting in 1/3 of Addis Ababa's homes, cultivates a large number of local talents in the field of waste-to-energy, and spreads green development experience and technology to all parts of Africa.

11.3 《人民日報》報道埃塞俄比亞萊比垃圾發電廠項目

11月21日，《人民日報》刊發CMEC所屬中國電工承建的埃塞俄比亞萊比垃圾發電廠造福當地百姓的詳細報道，稱其保證亞的斯亞貝巴1/3家庭的照明用電，為當地培養大批垃圾發電專業領域人才，將綠色發展經驗、技術傳播到非洲各地。



11.4 The President of the Republic of Côte d'Ivoire participates in the power transmission ceremony of the Dabakala Substation

On 29 November, the power transmission ceremony of the Dabakala Substation of the Ivorian Power Grid Development and Transformation Project was held in Dabakala City, Côte d'Ivoire. The President of the Republic of Côte d'Ivoire, Alassane Ouattara, participated in the ceremony, expressed satisfaction with the construction progress and quality of the Ivorian Power Grid Project and continued to support cooperation by both parties on new projects. Gao Jianshe, a member of the Standing Committee of SINOMACH Party Committee and Deputy General Manager, attended the ceremony.

11.4 科特迪瓦共和國總統參加Dabakala變電站送電儀式

11月29日，科特迪瓦電網發展和改造項目Dabakala變電站送電儀式在科特迪瓦Dabakala市舉行，科特迪瓦共和國總統阿拉薩內·瓦塔拉參加儀式，並對科特迪瓦電網項目的施工進度和質量表示滿意，支持雙方在新項目上繼續合作，國機黨委常委、副總經理高建設參加儀式。

Major Corporate Events for the Year

本年度企業大事記

December 12月



12.1 The signing ceremony of the Burundi National Police Hospital Project is held in the Burundi Ministry of Finance

On 2 December, under the witness of Chinese Ambassador to Burundi Li Changlin, the signing ceremony of the CMEC Burundi National Police Hospital Project was held in the Burundi Ministry of Finance. The implementation of the project will improve the medical conditions of Burundi and the modernization level of Burundi Hospital.

12.1 布隆迪國家警察醫院項目簽約儀式在布隆迪財政部舉行

12月2日，在中國駐布隆迪大使李昌林的見證下，CMEC布隆迪國家警察醫院項目簽約儀式在布隆迪財政部舉行。項目的實施將改善布隆迪的醫療條件，提高布隆迪醫院的現代化水平。



12.2 CMEC is awarded the “Best Investor Relations Team” award of the China Securities Golden Bauhinia Awards

On 5 December, the award ceremony of the 9th China Securities Golden Bauhinia Awards was held in Hong Kong. Carrie Lam Cheng Yuet-ngor, Hong Kong Chief Executive, attended and addressed the ceremony. After strict selection by the selection committee, the Company was awarded the “Best Investor Relations Team” award.

12.2 CMEC榮獲中國證券金紫荊獎「最佳投資者關係團隊」獎

12月5日，第九屆中國證券金紫荊獎頒獎典禮在香港舉行，香港特首林鄭月娥出席頒獎典禮並致辭。經過評選委員會嚴格遴選，公司獲頒「最佳投資者關係團隊」獎項。



12.3 CMEC signs the general contract for the construction of the Affordable Housing Project in East Sitra, the Kingdom of Bahrain

On 8 December, CMEC and the Ministry of Housing of Bahrain signed the general contract for the construction of the Affordable Housing Project in East Sitra, Bahrain in Al Manama, the capital of Bahrain. The Chinese Ambassador to the Kingdom of Bahrain, Anwar, witnessed the signing of the project. The scope of the affordable housing project includes the construction of more than 3,100 affordable housing and related municipal ancillary projects in Sitra Province, Bahrain.

12.3 CMEC簽署巴林王國錫特拉東部保障房項目施工總承包建設合同

12月8日，CMEC與巴林住房部在巴林首都麥納麥簽署巴林王國錫特拉東部保障房項目施工總承包建設合同，中國駐巴林王國大使安瓦爾見證項目簽署。保障房項目範圍包括在巴林錫特拉省建設3,100餘套保障房及相關市政配套工程。

Report of Directors

董事會報告

The Board is pleased to present its report together with the audited consolidated financial statements of the Group prepared in accordance with IFRS for the year ended 31 December 2019.

GLOBAL OFFERING

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

PRINCIPAL ACTIVITIES

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

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

RESULTS

The audited results of the Group for the year ended 31 December 2019 are set out in consolidated statement of profit or loss and the consolidated statement of comprehensive income in this annual report. The financial position of the Group and the Company as at 31 December 2019 is set out in the consolidated statement of financial position and the statement of financial position in this annual report, respectively. The cash flows of the Group for the year ended 31 December 2019 are set out in the consolidated statement of cash flows in this annual report.

A discussion and analysis of the Group's performance during the year ended 31 December 2019 and the key factors affecting its results and financial position are set out in the section headed "Management Discussion and Analysis" of this annual report.

董事會欣然提呈其報告連同根據國際財務報告準則編製的本集團截至2019年12月31日止年度的經審計合併財務報表。

全球發售

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

主要業務

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

本公司主要附屬公司的詳情載於本年報財務報表附註1。

業績

本集團截至2019年12月31日止年度的經審計業績載於本年報合併損益表及合併綜合收益表。本集團及本公司於2019年12月31日的財務狀況分別載於本年報合併財務狀況表及財務狀況表。本集團截至2019年12月31日止年度的現金流量情況載於本年報合併現金流量表。

本集團截至2019年12月31日止年度表現的討論與分析以及影響其業績及財務狀況的主要因素載於本年報「管理層討論與分析」一節。

FINAL DIVIDEND

The Board recommended the distribution of a final dividend of RMB0.1586 per Share (pre-tax) for 4,125,700,000 Shares for the year ended 31 December 2019, representing a total amount of RMB654,336,020 (pre-tax).

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

The proposed final dividend is subject to Shareholders' approval at the upcoming AGM. Subject to approval, the final dividend is expected to be distributed on or before 30 September 2020 to the holders of Domestic Shares and H Shares whose names appear in the register of members of the Company on the record date for dividend distribution. The Company will issue a separate announcement regarding the date of the upcoming AGM, the record date for the payment of H Share dividends and the dates of closure of register of members of the Company.

In accordance with tax law and relevant requirements under taxation regulatory institutions of the PRC, the Company is required to withhold 10% enterprise income tax when it distributes the final dividend for the year ended 31 December 2019 to all non-resident enterprise shareholders (including HKSCC Nominees Limited, other nominees, trustees or other entities and organizations, who will be deemed as non-resident enterprise shareholders) whose names appear on the H share register of members of the Company on the dividend record date*.

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

末期股息

董事會建議派付截至2019年12月31日止年度的末期股息，就4,125,700,000股股份每股人民幣0.1586元（稅前），合共人民幣654,336,020元（稅前）。

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

擬派發的末期股息須經股東於應屆股東週年大會上批准。經批准後，末期股息預計於2020年9月30日或之前分派予股息分派記錄日期名列本公司股東名冊的內資股及H股持有人。本公司將就應屆股東週年大會日期、支付H股股息的記錄日期及本公司暫停辦理股份過戶登記日期刊發獨立公告。

根據稅法及中國稅務監管機構的有關要求，本公司向於股息記錄日期*名列本公司H股股東名冊上的所有非居民企業股東（包括香港中央結算（代理人）有限公司、其他代理人、受託人或其他團體及組織，將被視為非居民企業股東）派發截至2019年12月31日止年度之末期股息時，須預扣10%的企業所得稅。

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

Report of Directors

董事會報告

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

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

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

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

- For Individual H Shareholders who are residents of Hong Kong, Macau, and other countries or regions that have entered into a 10% tax treaty with the PRC, the Company will withhold and pay individual income tax at the rate of 10% for these shareholders.
- For Individual H Shareholders who are residents of countries or regions that have entered into a tax treaty with a rate of less than 10% with the PRC, the Company will withhold and pay individual income tax at the rate of 10% for these shareholders. In case these shareholders demand a refund of more than the amount of individual income tax payable under the tax agreement, the Company can process the application for the enjoyment of the relevant tax agreement treatment according to the relevant tax agreement, but shareholders must promptly comply with the “Administrative Measures for Non-resident Taxpayers to Enjoy the Agreement Treatment” (State Taxation Administration Announcement No. 35 of 2019) (《非居民納稅人享受協定待遇管理辦法》(國家稅務總局公告2019年第35號)) and relevant tax treaties to provide relevant documents and information. After review and approval by the competent tax authority, the Company will assist in handling the refund of the over-withheld tax.
- For Individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of more than 10% but less than 20%, the Company will finally withhold and pay individual income tax at the actual tax rate stipulated in the relevant tax treaty.
- For Individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 20%, or a country which has not entered into any tax treaties with the PRC, or under any other circumstances, the Company will finally withhold and pay individual income tax at the rate of 20% on behalf of the Individual H Shareholders.
- H股個人股東為香港、澳門居民及其他與中國訂立10%稅率稅收協定的國家或地區的居民，本公司將按10%的稅率為該等股東代扣代繳個人所得稅。
- H股個人股東為與中國訂立低於10%稅率稅收協定的國家或地區的居民，本公司將按10%的稅率為該等股東代扣代繳個人所得稅。倘該等股東要求退還超出稅收協議項下應繳個人所得稅的金額，本公司可根據相關稅收協定代為辦理享受有關稅收協議待遇的申請，但股東須及時根據《非居民納稅人享受協定待遇管理辦法》(國家稅務總局公告2019年第35號)及相關稅收協定的要求提供相關文件和資料。經主管稅務機關審核批准後，本公司將協助對多扣繳稅款予以退還。
- H股個人股東住所所在國為與中國簽訂股息稅率高於10%但低於20%的稅收協定的，本公司將最終按相關稅收協定實際稅率代扣代繳個人所得稅。
- H股個人股東住所所在國為與中國簽訂股息稅率20%的稅收協定的、與中國並沒有簽訂任何稅收協定的或在任何其他情況下，本公司將最終按20%稅率代扣代繳個人所得稅。

Report of Directors

董事會報告

- According to the relevant requirements under the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Finance Tax [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), jointly published by the Ministry of Finance, State Taxation Administration and China Securities Regulatory Commission, the Company shall withhold an individual income tax at the rate of 20% on dividend derived from the H Shares of the Company acquired through the Shenzhen-Hong Kong Stock Connect by mainland individual investors. For dividend received by domestic securities investment funds from investing in the H Shares of the Company through the Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The Company will not withhold the income tax on dividend derived from the H Shares of the Company acquired through the Shenzhen-Hong Kong Stock Connect for domestic enterprise investors, and those domestic enterprise investors shall report and pay the relevant tax themselves.
- If the domicile of an Individual H Shareholder is not the same as the Registered Address or if the Individual H Shareholder would like to apply for a refund of the additional amount of tax finally withheld and paid, the Individual H Shareholder shall notify and provide relevant supporting documents to the Company on or before the commencement date of the closure of register of members.* Upon examination of the supporting documents by the relevant tax authorities, the Company will follow the guidance given by the tax authorities to implement relevant tax withholding and payment provisions and arrangements. Individual H Shareholders may either personally or appoint a representative to attend to the procedures in accordance with the requirements under the Tax Treaties Notices if they do not provide the relevant supporting documents to the Company within the time period stated above.
- 根據財政部、國家稅務總局、中國證券監督管理委員會聯合發佈的《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)的規定，對內地個人投資者通過深港通投資本公司H股取得的股息紅利，由本公司按照20%的稅率代扣個人所得稅。對內地證券投資基金通過深港通投資本公司H股取得的股息紅利，參照個人投資者徵稅。內地企業投資者通過深港通投資本公司H股取得的股息紅利，本公司對內地企業投資者不代扣股息紅利所得稅款，應納稅款由企業自行申報繳納。
- 如H股個人股東的住所與登記地址不符或希望申請退還最終多扣繳的稅款，H股個人股東須於暫停辦理股份過戶登記的開始日期*或之前通知本公司並提供相關證明文件，證明文件經相關稅務機關審核後，本公司會遵守稅務機關的指引執行與代扣代繳相關的規定和安排。如H股個人股東在上述期限前未能向本公司提供相關證明文件，可按稅收協定通知的有關規定自行或委託代理人辦理有關手續。

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

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

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

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

AGM AND CLOSURE OF REGISTER

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

BUSINESS REVIEW

A fair review of the business of the Group during the year ended 31 December 2019, a discussion on the Group's future business development and the financial and operational key performance indicators employed by the Directors in measuring the performance of our business are set out in the sections headed "Chairman's Statement" on pages 2 to 10 of this annual report, "Key Operating and Financial Data" on pages 13 to 15 of this annual report, "Management Discussion and Analysis – II. Business Overview" on pages 26 to 36 of this annual report and "Management Discussion and Analysis – VII. Outlook" on pages 86 to 90 of this annual report. The financial risk management objectives and policies of the Group are set out in note 37 to the financial statements in this annual report. Save as disclosed in note 38 to the financial statements in this annual report, there were no significant events that have an effect on the Group subsequent to the financial year ended 31 December 2019.

PRINCIPAL RISKS AND UNCERTAINTIES

A number of factors may affect the results and business operations of the Group, some of which are inherent to the industries the Group operates in and some are from external sources. As regards the principal risks and uncertainties facing the Group, please refer to the section headed "Management Discussion and Analysis – VI. Risk Factors and Risk Management" on pages 73 to 85 of this annual report.

股東週年大會及暫停辦理股份過戶登記

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

業務回顧

對本集團截至2019年12月31日止年度業務的公平回顧、有關本集團未來業務發展的討論及董事評估業務表現時使用的財務與經營主要表現指標，載於以下章節：本年報第2至10頁的「董事長致辭」，本年報第13至15頁的「重要經營及財務數據」，本年報第26至36頁的「管理層討論與分析 – II. 業務概覽」及本年報第86至90頁的「管理層討論與分析 – VII. 前景展望」。本集團的財務風險管理目標及政策載於本年報財務報表附註37。除本年報財務報表附註38所披露外，截至2019年12月31日止財政年度後並沒有對本集團有影響的重大事項。

主要風險及不確定因素

諸多因素可能影響本集團的業績及業務經營，部分因素屬本集團所參與經營的行業所固有的，部分因素則來源於外部。有關本集團面臨的主要風險及不確定因素，請參閱本年報第73至85頁「管理層討論與分析 – VI. 風險因素及風險管理」一節。

Report of Directors

董事會報告

KEY RELATIONSHIPS

(i) Employees

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

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

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

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

重要關係

(i) 僱員

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

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

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

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

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

(ii) Customers

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

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

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

There are no unified standard credit terms granted to customers of the construction business and trading business. The credit terms granted to customers of the construction business are negotiated individually on a case-by-case basis and set forth in the relevant contracts. The credit terms granted to customers of the trading business are normally about three to six months. The bills receivables are generally due within 180 days from the date of issuance. The Group's credit policy is set out in note 37(a) to the financial statements in this annual report. An ageing analysis of our trade receivable is set out in note 22(a) to the financial statements in this annual report.

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

(ii) 客戶

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

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

我們已與許多客戶建立了長期合作關係。

建造業務及貿易業務的客戶並無獲授統一標準信用期。授予建造業務客戶的信用期乃按個別情況逐次協商，並載列於有關合同內。授予貿易業務客戶的信用期一般約為三至六個月。應收票據一般於發行日期起計180日內到期。本集團的信用政策載於本年報財務報表附註37(a)。貿易應收款項的賬齡分析載於本年報財務報表附註22(a)。

Report of Directors

董事會報告

(iii) Suppliers and Subcontractors

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

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

The trade payables are non-interest-bearing and are usually paid within the agreed period, usually due within 180 days. The bills payable are generally due within 180 days from the date of issuance. An ageing analysis of our trade payables is set out in note 24 to the financial statements in this annual report.

(iii) 供應商及分包商

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

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

貿易應付款項為免息，通常於協議期間內支付且通常於180日內到期。應付票據通常於發行日期起計180日內到期。貿易應付款項的賬齡分析載於本年報財務報表附註24。

ENVIRONMENTAL POLICIES

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

COMPLIANCE WITH LAWS AND REGULATIONS

To the best knowledge of our Directors, in 2019, we were in compliance with all relevant PRC laws and regulations in all material respects and have obtained all necessary licenses, approvals and permits from relevant and appropriate regulatory authorities for our business operations in the PRC; the operations of our overseas subsidiaries were not in breach of any applicable laws and regulations of the relevant jurisdictions and our overseas subsidiaries' business operations were in compliance with the applicable laws and regulations of the jurisdictions in all material respects where the overseas subsidiaries were incorporated.

環保政策

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

遵守法律及法規

據董事所深知，於2019年，我們於所有重大方面均遵守相關中國法律法規，並就中國的業務經營自相關及適當的監管部門取得所有必要的執照、批准及許可；我們海外附屬公司的經營並無違反相關司法管轄區的任何適用法律法規，且我們海外附屬公司的業務經營亦於所有重大方面符合有關海外附屬公司註冊成立所在司法管轄區的適用法律法規。

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董事會報告

PERMITTED INDEMNITY

Pursuant to the Articles of Association, the Company is entitled to establish a necessary system of insurance for the liabilities of its Directors, Supervisors and senior management for the purpose of lowering the risk that may be incurred from regular performance of duties by such parties. The Company has arranged appropriate and valid insurance coverage for Directors', Supervisors' and senior management's liabilities in respect of legal actions against its Directors, Supervisors and senior management arising out of corporate activities during the year ended 31 December 2019 and the indemnity provision and Directors', Supervisors' and senior management's liability insurance remained in force as of the date of this report.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year ended 31 December 2019 or subsisted at the end of the year.

FINANCIAL SUMMARY

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

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2019, the Group's five largest suppliers accounted for 12.21% (2018: 10.10%) of the Group's total purchases. The Group's largest supplier accounted for 3.45% (2018: 2.46%) of the Group's total purchases.

獲准許的彌償

根據章程規定，本公司有權就其董事、監事及高級管理人員責任設立必要的保險制度，以降低該等人員正常履行職責而可能引致的風險。截至2019年12月31日止年度，本公司已為董事、監事及高級管理人員投購合適有效的保險，覆蓋彼等因企業活動而可能承擔的訴訟責任，彌償撥備及董事、監事及高級管理人員之責任保險於本報告日期仍然生效。

股票掛鈎協議

截至2019年12月31日止年度期間或年度結束時，本公司概無訂立任何股票掛鈎協議將會或可能導致本公司發行股份，或規定本公司訂立任何協議將會或可能導致本公司發行股份。

財務概要

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

主要客戶及供應商

截至2019年12月31日止年度，本集團的五大供應商佔本集團採購總額的12.21%（2018年：10.10%）。本集團的最大供應商佔本集團採購總額的3.45%（2018年：2.46%）。

For the year ended 31 December 2019, the Group's sales to its five largest customers accounted for 24.02% (2018: 22.27%) of the Group's total sales. The Group's sales to its largest customer accounted for 7.40% (2018: 5.46%) of the Group's total sales.

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

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 31 December 2019 are set out in note 13 to the financial statements in this annual report.

ISSUED CAPITAL

Details of movements in the issued capital of the Group during the year ended 31 December 2019 are set out in consolidated statement of changes in equity in the financial statements.

RESERVES

Details of movements in the reserves of the Group during the year ended 31 December 2019 are set out in consolidated statement of changes in equity in this annual report, and details of movements in the reserves of the Group during the year ended 31 December 2019 are set out in the consolidated statement of changes in equity in the financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2019, the Company's reserves available for distribution, calculated in accordance with the provisions of Company Law, amounted to approximately RMB7,471.5 million (as at 31 December 2018: RMB6,882.7 million).

截至2019年12月31日止年度，本集團向其五大客戶作出的銷售額佔本集團銷售總額24.02%（2018年：22.27%）。本集團向其最大客戶作出的銷售額佔本集團銷售總額7.40%（2018年：5.46%）。

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

物業、廠房及設備

本集團於截至2019年12月31日止年度的物業、廠房及設備的變動詳情載於本年報財務報表附註13。

已發行股本

本集團於截至2019年12月31日止年度的已發行股本變動詳情載於本年財務報表中的合併權益變動表。

儲備

本集團於截至2019年12月31日止年度的儲備變動詳情載於本年報合併權益變動表，而本集團於截至2019年12月31日止年度的儲備變動詳情載於本年財務報表中的合併權益變動表內。

可分派儲備

於2019年12月31日，根據公司法條文計算本公司可供分派的儲備約為人民幣7,471.5百萬元（於2018年12月31日：人民幣6,882.7百萬元）。

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董事會報告

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at 31 December 2019 are set out in note 26 to the financial statements in this annual report.

THE BOARD

The Directors during the year ended 31 December 2019 and up to the date of this report were:

Executive Directors:

Mr. ZHANG Chun (*resigned on 25 November 2019 with immediate effect*)

Mr. HAN Xiaojun (*resigned on 20 November 2019 with immediate effect*)

Mr. FANG Yanshui (*appointed as a Director on 14 February 2020 with immediate effect*)

Non-executive Directors:

Mr. BAI Shaotong (*appointed as a Director and the chairman on 5 December 2019 with immediate effect*)

Mr. YU Benli

Mr. ZHANG Fusheng

INEDs:

Mr. LIU Li

Ms. LIU Hongyu

Mr. FANG Yongzhong

Mr. WU Tak Lung

BOARD OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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

銀行貸款及其他借貸

本集團於2019年12月31日的銀行貸款及其他借貸之詳情載於本年報財務報表附註26。

董事會

於截至2019年12月31日止年度內及直至本報告日期，董事包括：

執行董事：

張淳先生（於2019年11月25日辭任並即時生效）

韓曉軍先生（於2019年11月20日辭任並即時生效）

方彥水先生（於2020年2月14日委任為董事並即時生效）

非執行董事：

白紹桐先生（於2019年12月5日委任為董事及董事長並即時生效）

余本禮先生

張福生先生

獨立非執行董事：

劉力先生

劉紅宇女士

方永忠先生

吳德龍先生

董事會、監事及高級管理人員

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

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the INEDs and the Company considers such Directors to be independent for the year ended 31 December 2019.

SERVICE CONTRACT AND LETTER OF APPOINTMENTS OF DIRECTORS AND SUPERVISORS

As approved at the annual general meeting of the Company on 24 June 2019, Mr. GUO Weihua has been appointed as a shareholder representative Supervisor of the third session of the Supervisory Board, whose term of service commenced on 24 June 2019 until the expiration of the term of the third session of the Supervisory Board.

As approved at the Board meeting on 5 December 2019, Mr. BAI Shaotong has been appointed as a non-executive Director and the chairman of the third session of the Board, whose term of service commenced on 5 December 2019 until the expiration of the term of third session of the Board.

獨立非執行董事的獨立性確認書

本公司已接獲各獨立非執行董事根據上市規則第3.13條的規定作出其符合獨立性之年度確認書，且本公司認為該等董事於截至2019年12月31日止年度內皆為獨立人士。

董事及監事的服務合同及委任函

經2019年6月24日本公司舉行的股東週年大會批准，郭偉華先生已獲委任為第三屆監事會股東代表監事，任期自2019年6月24日起至第三屆監事會任期屆滿為止。

經2019年12月5日舉行的董事會會議批准，白紹桐先生已獲委任為第三屆非執行董事及董事長，任期自2019年12月5日起直至第三屆董事會任期屆滿為止。

Report of Directors

董事會報告

As approved at the extraordinary general meeting of the Company on 14 February 2020, (i) Mr. BAI Shaotong has been approved, confirmed and ratified for being appointed as a non-executive Director and the chairman of the third session of the Board, whose term of service commenced from 5 December 2019 until the expiration of the term of third session of the Board; (ii) Mr. FANG Yanshui has been appointed as an executive Director of the third session of the Board, whose term of service commenced from 14 February 2020 until the expiration of the term of third session of the Board; and (iii) Ms. WANG Huifang has been appointed as a shareholder representative Supervisor of the third session of the Supervisory Board, whose term of service commenced from 14 February 2020 until the expiration of the term of the third session of the Supervisory Board.

After their appointment or ratification of appointment, Mr. BAI Shaotong and Mr. FANG Yanshui have entered into service contract or appointment letter with the Company for a term of service commencing from the date of their respective appointment and ending on 4 March 2021 or on the date on when the fourth session of the Board is elected by the Shareholders. The Company shall be entitled to enter into an appointment letter with Mr. GUO Weihua and Ms. WANG Huifang.

For the year ended 31 December 2019, none of the Directors or Supervisors had entered or proposed to enter into a service contract and/or an appointment letter with any member of the Group which will not expire or is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No Director or Supervisor or their connected entities had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or its holding company or any of its subsidiaries or fellow subsidiaries was a party subsisted at the end of the year or at any time during the year ended 31 December 2019.

經2020年2月14日本公司舉行的臨時股東大會批准，(i)白紹桐先生已獲批准、確認及追認委任為第三屆董事會非執行董事及董事長，任期自2019年12月5日至第三屆董事會任期屆滿為止；(ii)方彥水先生已獲委任為第三屆董事會執行董事，任期自2020年2月14日起至第三屆董事會任期屆滿為止；及(iii)王惠芳女士已獲委任為第三屆監事會股東代表監事，任期自2020年2月14日起至第三屆監事會任期屆滿為止。

彼等獲委任或追認委任後，白紹桐先生及方彥水先生已分別與本公司訂立服務合同或委任函，任期分別自彼等獲委任之日起，至2021年3月4日或股東選出第四屆董事會之日止。本公司有權與郭偉華先生及王惠芳女士訂立委任函。

截至2019年12月31日止年度，概無董事及監事與本集團任何成員公司訂立或擬訂立於一年後屆滿或本公司不得在一年內毋須作出賠償（法定賠償除外）而可終止的任何服務合同及／或委任函。

董事及監事於重大合約之權益

截至2019年12月31日止年度，各董事及監事或其關連實體概無於本公司或其控股公司或其任何附屬公司或同系附屬公司所訂立、對本集團業務而言屬重大且於本年末或任何時間仍然存續的任何合約中直接或間接擁有重大權益。

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed under the sections headed "Connected Transactions" and "Continuing Connected Transactions", there has been no contract of significance (whether for the provision of services to the Company or not) between the Company or any of its subsidiaries and controlling shareholders (as defined in the Listing Rules) of the Company or any of its subsidiaries during the year ended 31 December 2019.

MANAGEMENT CONTRACTS

No contracts (except for the Directors' service contracts) concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2019.

EMOLUMENT POLICY

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

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

REMUNERATION OF DIRECTORS, SUPERVISORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors, Supervisors and five highest paid individuals are set out in notes 7 and 8 to the financial statements in this annual report.

控股股東於重大合約之權益

截至2019年12月31日止年度，除「關連交易」及「持續關連交易」兩節所披露者外，本公司或任何其附屬公司以及本公司或任何其附屬公司之控股股東（定義見上市規則）概無重大合約（不論是否為本公司提供服務）。

管理合約

截至2019年12月31日止年度，概無就本公司整體業務或其任何主要部分的管理及行政訂立或訂有任何合約（惟董事服務合約除外）。

薪酬政策

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

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

董事、監事及五位最高薪酬人士的薪酬

有關董事、監事及五位最高薪酬人士的薪酬詳情載於本年報財務報表附註7及8。

Report of Directors

董事會報告

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

Pursuant to Rules 13.51(B) of the Listing Rules, the change to Directors', Supervisors' or chief executive's information subsequent to the date of the 2019 interim report of the Company and up to the date of this report are set out below:

On 24 June 2019, Mr. QIAN Xiangdong resigned as a shareholder representative Supervisor due to job reassignment.

On 24 June 2019, Mr. GUO Weihua was appointed as a shareholder representative Supervisor.

On 29 August 2019, Mr. WU Tak Lung, an INED, served as independent non-executive director of Zhongguancun Science-Tech Leasing Co., Ltd. (中關村科技租賃股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1601). On 21 April 2020, Mr. WU has been resigned as independent non-executive director of Beijing Media Corporation Limited (北青傳媒股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1000).

On 20 November 2019, Mr. HAN Xiaojun resigned as an executive Director and the president of the Company (the "President") due to job reassignment and ceased as a member of each of the Strategy and Development Committee and the Operation and Risk Management Committee under the Board.

On 25 November 2019, Mr. ZHANG Chun resigned as an executive Director, the chairman of the Board as well as the temporary person in charge to act on behalf of the President as designated by the Board due to personal reasons and accordingly, ceased to be a member and the chairman of each of the Strategy and Development Committee and the Nomination Committee.

On 5 December 2019, Mr. BAI Shaotong was appointed as a non-executive Director, the chairman of the Board as well as a member and the chairman of the Strategy and Development Committee, and a member and the chairman of the Nomination Committee. Since 27 December 2019, Mr. BAI Shaotong has served as the director and the chairman of China National Machinery Industry Engineering Group.

董事、監事及行政總裁資料變動

根據《上市規則》第13.51(B)條，於本公司2019年中期報告日期後及直至本報告日期為止之董事、監事及行政總裁資料變更載列如下：

於2019年6月24日起，錢向東先生因工作調動辭任股東代表監事。

於2019年6月24日起，郭偉華先生獲委任為股東代表監事。

於2019年8月29日起，獨立非執行董事吳德龍先生擔任中關村科技租賃股份有限公司（聯交所主板上市的公司，股份代號：1601）獨立非執行董事。於2020年4月21日起，吳先生已辭任北青傳媒股份有限公司（聯交所主板上市的公司，股份代號：1000）獨立非執行董事。

於2019年11月20日起，韓曉軍先生因工作調動辭任本公司執行董事兼總裁（「總裁」），並不再擔任董事會轄下戰略與發展委員會及經營與風險管理委員會各自成員。

於2019年11月25日起，張淳先生因個人原因辭任本公司執行董事、董事長，以及董事會指定的暫行總裁職責，並不再擔任戰略與發展委員會委員及主席、提名委員會委員及主席的職務。

於2019年12月5日起，白紹桐先生獲委任為本公司非執行董事、董事長、戰略與發展委員會成員及該委員會主席、提名委員會成員及該委員會主席。於2019年12月27日起，白紹桐先生擔任中國機械工業工程集團董事及董事長。

Report of Directors

董事會報告

On 30 December 2019, Mr. FANG Yanshui was appointed as the President. On 14 February 2020, Mr. FANG Yanshui was appointed as an executive Director, a member and the chairman of the Strategy and Development Committee as well as a member of the Operation and Risk Management Committee.

On 14 February 2020, Mr. QUAN Huaqiang resigned as a shareholder representative Supervisor and the chairman of the Supervisory Board due to job reassignment.

On 14 February 2020, Ms. WANG Huifang was appointed as a shareholder representative Supervisor and the chairman of the Supervisory Board.

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

As at 31 December 2019, none of the Directors, Supervisors or members of the senior management of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which would have to be notified to the Company and the Stock Exchange pursuant to divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

No time during the year ended 31 December 2019 were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director, Supervisor or their respective spouse or children under 18 years of age, or were any such rights exercised by them; nor was the Company, its holding company and any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors, the Supervisors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

於2019年12月30日起，方彥水先生獲委任為總裁。於2020年2月14日起，方彥水先生獲委任為本公司執行董事、戰略與發展委員會成員、經營與風險管理委員會成員。

於2020年2月14日起，全華強先生因工作調動辭任股東代表監事及監事會主席。

於2020年2月14日起，王惠芳女士獲委任為股東代表監事及監事會主席。

董事、監事及高級管理人員於股份、相關股份及債券的權益、淡倉及購股權

於2019年12月31日，概無本公司董事、監事或高級管理人員於本公司或其相關法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的權益或淡倉（包括彼等根據證券及期貨條例的該等條文被當做或被視為擁有的權益或淡倉），或按證券及期貨條例第352條記載於本公司於該條所指的登記冊內的權益或淡倉，或根據《標準守則》須知會本公司及聯交所的權益或淡倉。

董事及監事購買股份或債券的權利

截至2019年12月31日止年度期間，概無授予任何董事、監事或彼等各自的配偶或未滿18歲的子女通過購入本公司股份或債券的方式而獲益的權利，或由彼等行使任何該等權利；亦無由本公司、其控股公司或其任何附屬公司或同系附屬公司作出安排以令董事、監事，或彼等各自的配偶或未滿18歲的子女於任何其他法人團體獲得該等權利。

Report of Directors

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

As at 31 December 2019, so far as it was known by or otherwise notified to any Directors or the chief executive of the Company, the particulars of the corporations or persons (other than a Director, Supervisor or chief executive of the Company) which had 5% or more interests and short positions in the Shares and the underlying Shares as recorded in the register kept under section 336 of the SFO were as follows:

主要股東及其他人士於股份及相關股份的權益及淡倉

於2019年12月31日，據任何董事或本公司最高行政人員所知或以其他方式獲知會，根據證券及期貨條例第336條存置的登記冊所記錄擁有股份及相關股份5%或以上權益及淡倉的法團或人士（董事、監事或本公司最高行政人員除外）詳情如下：

Long positions and Short positions in the Shares

股份的好倉及淡倉

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

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Name of Shareholders	Class of Shares	Capacity/ Nature of Interest	Number of Issued Shares/ Underlying Shares Held	Total	Approximate	Approximate
					Percentage of Shareholding in the Relevant Class of Shares <i>(Note 1)</i>	Percentage of Shareholding in the Total Shares <i>(Note 1)</i>
股東名稱	股份類別	身份／權益性質	所持已發行股份／ 相關股份數目	總數	佔有關股份類別 股權概約百分比 <i>(附註1)</i>	佔股份總數股 權概約百分比 <i>(附註1)</i>
SSF	H Shares	Interests of beneficial owner/ Personal interests	81,352,000 (Long position)	81,352,000	8.96%	1.97%
社保基金理事會	H股	實益擁有人權益／個人權益	81,352,000 (好倉)			
Value Partners Group Limited	H Shares	Interests of controlled corporation/ Corporate interests	66,684,000 (Long position) <i>(Note 3)</i>	66,684,000	7.34%	1.62%
惠理集團有限公司	H股	受控法團權益／法團權益	66,684,000 (附註3) (好倉)			
Value Partners High-Dividend Stocks Fund	H Shares	Beneficial owner/ Personal interests	63,560,000 (Long position)	63,560,000	6.99%	1.14%
惠理高息股票基金	H股	實益擁有人／個人權益	63,560,000 (好倉)			
LSV Asset Management	H Shares	Investment manager/ Other interests	40,670,000 (Long position)	54,674,000	6.02%	1.32%
	H股	投資經理／其他權益	40,670,000 (好倉)			
		Interests of controlled corporation/ Corporate interests	14,004,000 (Long position) <i>(Note 4)</i>			
		受控法團權益／法團權益	14,004,000 (附註4) (好倉)			

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Name of Shareholders	Class of Shares	Capacity/ Nature of Interest	Number of Issued Shares/ Underlying Shares Held	Total	Approximate Percentage of Shareholding in the Relevant Class of Shares <i>(Note 1)</i> 佔有關股份類別 股權概約百分比 <i>(附註1)</i>	Approximate Percentage of Shareholding in the Total Shares <i>(Note 1)</i> 佔股份總數股 權概約百分比 <i>(附註1)</i>
股東名稱	股份類別	身份／權益性質	所持已發行股份／ 相關股份數目	總數		
Cape Ann Asset Management Limited	H Shares	Investment manager/ Other interest	54,241,000 <i>(Long position)</i>	54,241,000	5.97%	1.31%
	H股	投資經理／其他權益	54,241,000 <i>(好倉)</i>			
Citigroup Inc.	H Shares	377 shares as Interests of controlled corporations and 50,066,013 shares as approved lending agent/ Corporate and other Interests	50,066,390 <i>(Note 5)</i> <i>(Long position)</i>	50,066,390	5.51%	1.21%
花旗集團	H股	377股股份為受控法團權益及 50,066,013股股份為核准借 出代理人／法團及其他權益	50,066,390 <i>(附註5)</i> <i>(好倉)</i>			
		Approved lending agent/Other interest	50,066,013 <i>(Note 5)</i> <i>(Lending pool)</i>	50,066,013	5.51%	1.21%
		核准借出代理人／其他權益	50,066,013 <i>(附註5)</i> <i>(可借出股份)</i>			
Wellington Management Group LLP	H Shares	Investment manager/ Other interest	46,348,835 <i>(Long position)</i> <i>(Note 6)</i>	46,348,835	5.10%	1.12%
	H股	投資經理／其他權益	46,348,835 <i>(好倉)</i> <i>(附註6)</i>			

Notes:

- (1) This percentage is calculated on the basis of the number of underlying Shares/total Shares that had been issued by the Company as of 31 December 2019.
- (2) SINOMACH was beneficially interested in 3,185,260,000 Domestic Shares, representing approximately 77.21% of our total share capital. China United was beneficially interested in 32,170,000 Domestic Shares, representing approximately 0.78% of our total share capital. Since China United is a wholly-owned subsidiary of SINOMACH, SINOMACH is, therefore, deemed to be interested in the Domestic Shares held by China United.

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

- (3) The 66,684,000 Shares as referred to in note 3 above.

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

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

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

附註：

- (1) 該百分比乃以本公司截至2019年12月31日已發行的相關股份數目／股份總數計算。
- (2) 國機於3,185,260,000股內資股中實益擁有權益，佔我們總股本約77.21%。中國聯合於32,170,000股內資股中實益擁有權益，佔我們總股本約0.78%。由於中國聯合為國機的全資附屬公司，因此，國機被視為於中國聯合所持內資股中擁有權益。

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

- (3) 上文附註3所述的66,684,000股股份。

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

- (4) 上文附註4所述的14,004,000股股份。

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

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(5) The 50,066,390 Shares as referred to in note 5 above.

Among these 50,066,390 Shares, 265 Shares were held by Citicorp Global Markets Limited, an indirect non-wholly-owned subsidiary of Citigroup Inc., 112 Shares were held by Citigroup Global Markets Hong Kong Limited, an indirect wholly-owned subsidiary of Citigroup Inc. and 50,066,013 Shares in lending pool were held by Citibank, N.A., an indirect wholly-owned subsidiary of Citigroup Inc.. Accordingly, Citigroup Inc. is deemed to be interested in 50,066,390 Shares.

(6) The 46,348,835 Shares are referred in note 6 above.

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

Save as disclosed above, and as at 31 December 2019, the Directors were not aware of any persons (who were not Directors, Supervisors or the chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed under divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to section 336 of the SFO, to be entered in the register referred to therein.

(5) 上文附註5所述的50,066,390股股份。

該等50,066,390股股份中，265股股份由花旗集團間接非全資附屬公司花旗環球金融亞洲有限公司持有，112股股份由花旗集團間接全資附屬公司花旗環球金融香港有限公司持有，而50,066,013股股份由花旗集團之間接全資附屬公司花旗銀行持有。因此，花旗集團被視為於50,066,390股股份中擁有權益。

(6) 上文附註6所述的46,348,835股股份。

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

除上文披露者外，及截至2019年12月31日，董事並不知悉任何人士（並非董事、監事或本公司主要行政人員）於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部規定須予披露的權益或淡倉，或須根據證券及期貨條例第336條登記於該條所述的股東名冊的權益或淡倉。

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2019, the Company did not redeem any of its H Shares listed on the Stock Exchange nor did the Company or any of its subsidiaries purchase or sell any of such shares.

PRE-EMPTIVE RIGHTS

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

NON-COMPETITION UNDERTAKING

SINOMACH entered into a non-competition agreement dated 12 July 2011 as supplemented by a supplemental agreement dated 10 December 2012 (together as “**Non-competition Agreement**”) with the Company. Pursuant to the agreement, SINOMACH provided certain non-competition undertakings to the Company and granted the option to acquire certain retained business which overlaps with the Company’s International Engineering Contracting Business in the Core Sectors (the “**Relevant Sectors**”) and right of first refusal for any new business opportunities in relation to the Relevant Sectors. Pursuant to the Non-competition Agreement, the INEDs are responsible for reviewing the implementation of the undertakings under the agreement on an annual basis. During the year ended 31 December 2019, the INEDs have reviewed the implementation of the Non-competition Agreement and confirmed that SINOMACH has been in full compliance with the agreement and there was no breach by SINOMACH.

購買、出售或贖回上市證券

截至2019年12月31日止年度，本公司並無贖回其於聯交所上市之任何H股，而本公司或其任何附屬公司亦無購買或出售任何該等股份。

優先認股權

章程或公司法概無條文規定本公司須向現有股東按比例提呈發售新股的優先認股權。

避免同業競爭承諾

國機與本公司於2011年7月12日簽訂避免同業競爭協議，並經日期為2012年12月10日的補充協議所補充（統稱「**避免同業競爭協議**」）。根據協議，國機向本公司作出若干避免同業競爭承諾，並授予收購與本公司於核心行業（「**相關行業**」）國際工程承包業務重疊的部分保留業務的選擇權及就相關行業所產生的新商機的先選擇權。根據避免同業競爭協議，獨立非執行董事每年負責檢討協議項下承諾的執行情況。截至2019年12月31日止年度，獨立非執行董事已對避免同業競爭協議的遵守情況作了檢討，並確認國機完全遵守有關協議，且概無作出任何違反行為。

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SINOMACH has confirmed in writing to the Company of its compliance with the Non-competition Agreement for disclosure in this annual report during the year ended 31 December 2019. Furthermore, as contemplated in the Non-competition Agreement, SINOMACH shall transfer all its equity interest in CNCEC, CNEEC and China National Automation Control System Corporation (“**CACS**”) to the Company within three years after the Listing. The acquisition of the entire equity interests of CNCEC by the Company was completed on 23 May 2016. The Company and SINOMACH entered into an agreement on 24 November 2017 to acquire the entire equity interests of CNEEC by the Company. The acquisition of the entire equity interests of CNEEC by the Company was completed on 4 April 2018. Following the acquisition of CNEEC, on 17 December 2019, the Company acquired 64.82% equity interest in CHPI, the Acquisition has not been completed (for details, please refer to the disclosure in the paragraph “Connected Transactions” below). The acquisition of the equity interest in CACS by the Company is currently expected to be delayed. Please refer to the announcement and circular both published on 5 February 2016 and 24 November 2017 and the announcements published on 23 May 2016, 12 January 2018, 9 April 2018 and 17 December 2019 on the respective websites of the Stock Exchange and the Company for further details.

DIRECTORS’ AND SUPERVISORS’ INTEREST IN COMPETING BUSINESS

As at 31 December 2019, none of the Directors, the Supervisors or their respective close associates had engaged in or had any interest in any business which competes or may compete with the businesses of the Group.

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken in the ordinary course of business by the Group during the year ended 31 December 2019 are set out in note 35 to the financial statements in this annual report. Save as disclosed in aforesaid note 35 and in the paragraph headed “Connected Transactions” below, none of the related party transactions as disclosed constituted disclosable non-exempted connected transaction or non-exempted continuing connected transaction under the Listing Rules and the Company had complied with the relevant requirements of Chapter 14A of the Listing Rules during the year ended 31 December 2019.

截至2019年12月31日止年度，國機已以書面形式向本公司確認，其已就避免同業競爭協議的遵守情況於本年報中作出披露。此外，根據避免同業競爭協議，國機應於上市後三年內向本公司轉讓其於中成套、中電工及中國自動化控制系統總公司（「**中國自控**」）的全部股權。本公司於2016年5月23日完成收購中成套的全部股權。本公司於2017年11月24日與國機訂立了一份收購中電工全部股權的協議。本公司於2018年4月4日完成收購中電工全部股權。繼收購中電工之後，本公司於2019年12月17日收購哈成套64.82%的股權，收購事項尚未完成（具體詳見下文「關連交易」一段所披露。目前預計本公司會延遲收購中國自控的股權。詳情請參閱在聯交所網站及本公司網站分別刊發的2016年2月5日及2017年11月24日的公告及通函以及2016年5月23日、2018年1月12日、2018年4月9日及2019年12月17日的公告。

董事及監事於競爭性業務中的權益

於2019年12月31日，概無董事、監事或彼等各自的緊密聯繫人從事或於任何與本集團業務形成競爭或可能形成競爭的業務中擁有權益。

關聯方交易

截至2019年12月31日止年度，於本集團日常業務過程進行之關聯方交易之詳情載於本年報財務報表附註35。除上述附註35以及下文「關連交易」一段所披露者外，截至2019年12月31日止年度，概無已披露之關聯方交易構成《上市規則》須予披露不獲豁免關連交易或不獲豁免持續關連交易，而本公司已遵守《上市規則》第14A章之相關規定。

CONNECTED TRANSACTIONS

I. Connected Transactions

Acquisition of 64.82% equity interest in CHPI

On 17 December 2019, the Company and Science and Technology Research Institute entered into the Acquisition Agreement (the “**Acquisition**”), pursuant to which the Company agreed to acquire 64.82% equity interest in CHPI which was held by Science and Technology Research Institute for an aggregate consideration of RMB100,885,800. As at the date of this annual report, the Acquisition has not been completed.

Reference is made to the circular of the Company dated 25 November 2017, which disclosed CHPI had been undergoing a work relating to the benefit plan of retired employees that requires the approval from relevant PRC governmental authorities, thus on 26 October 2017, CNEEC disposed of the entire equity interest in CHPI to Science and Technology Research Institute at nil consideration. As the above work has been completed now, through the Acquisition, the commitment regarding the reorganization of CNEEC into the Company will be fully undertaken. In addition, through the Acquisition, on the one hand, the full industry chain capabilities of the Company’s major business could be further improved. In particular, the front-end design, process monitoring and back-end operation and maintenance capabilities of the Company’s international engineering contracting segment will be effectively supplemented, which will in turn further enhance the comprehensive competitiveness of the Company’s major business. On the other hand, the professional technical team of the Company will be further supplemented in an effective manner, the technical talent pool will be enhanced, and the core competitiveness of the Company will be improved. Science and Technology Research Institute is a subsidiary of SINOMACH, the controlling shareholder of the Company, and, accordingly, a connected person of the Company under the Listing Rules.

For details of the transaction, please refer to the announcement dated 17 December 2019 published by the Company on the respective websites of the Stock Exchange and the Company.

關連交易

I. 關連交易

收購哈成套64.82%股權

於2019年12月17日，本公司與科技研究院訂立收購協議（「**收購事項**」），據此，本公司同意以人民幣100,885,800元的總代價收購科技研究院所持哈成套64.82%的股權。截至本年報日期，收購事項尚未完成。

茲提述本公司日期為2017年11月25日的通函，其中披露由於哈成套有關須經相關中國政府機關批准的退休僱員福利計劃的工作尚在進行中，因此於2017年10月26日，中國電工以零代價向科技研究院出售哈成套全部股權。基於上述工作已完成，通過收購事項，本公司將完整地履行中國電工重組進入本公司的承諾。此外，通過收購事項，一方面，本公司主業全產業鏈能力將進一步提升，尤其是本公司國際工程承包板塊的前端設計、過程監控和後端運維能力將得到有效補充，進一步加強本公司主業綜合競爭力；另一方面，本公司的專業技術隊伍將得到進一步有效補充，提高本公司技術人才儲備，提升本公司的核心競爭力。科技研究院為本公司的控股股東國機附屬公司，因此根據上市規則，其為本公司的關連人士。

有關交易的詳情請參見本公司於聯交所網站及本公司網站分別刊發的日期為2019年12月17日的公告。

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II. Continuing Connected Transactions

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

The table below set out the annual caps and the actual transaction amount of such continuing connected transactions for 2019:

II. 持續關連交易

亦屬關聯方交易之本公司持續關連交易已根據國際會計準則第24號「關聯方披露」於財務報表的附註35披露。

下表載列該等持續關連交易於2019年的年度上限及實際交易金額：

Continuing Connected Transactions	Connected Person	Annual cap for 2019 (RMB million) (Note (i))	Actual Transaction Amount for 2019 (RMB million) 2019年的 實際交易金額 (人民幣百萬元) (附註(i))
持續關連交易	關連人士		
1. Provision of engineering services and products by our Group to SINOMACH Group 本集團向國機集團提供工程服務及產品	China National Machinery Industry Corporation 中國機械工業集團有限公司	3,900.0	1,214.1
	CMEC International Exhibition Co., Ltd. 西麥克國際展覽有限責任公司		
	China Engineering and Agriculture Machinery Import and Export Co., Ltd. 中國工程與農業機械進出口有限公司		
	China Erzhong Group (Deyang) Heavy Industries Co., Ltd. 二重集團(德陽)重型裝備股份有限公司		
	Jiangsu SUMEC Machinery & Electric Technology Co., Ltd. 江蘇蘇美達機電科技有限公司		
	China National Heavy Machinery Research Institute Co., Ltd. 中國重型機械研究院股份公司		
	China National Heavy Machinery Corporation 中國重型機械有限公司		
	SCVIC Engineering Corporation 機械工業第四設計研究院有限公司		

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Continuing Connected Transactions	Connected Person	Annual cap for 2019 (RMB million) (Note (i))	Actual Transaction Amount for 2019 (RMB million)
持續關連交易	關連人士	2019年的 年度上限 (人民幣百萬元) (附註(i))	2019年的 實際交易金額 (人民幣百萬元)
	China United Northwest Institute for Engineering Design & Research Co., Ltd. 中聯西北工程設計研究院有限公司		
	Jiangsu SUMEC Electricity Co., Ltd. 江蘇蘇美達電力運營有限公司		
	Jiangsu SUMEC Intelligent Technology Co., Ltd. 江蘇蘇美達智能科技有限公司		
	China Erzhong Group Deyang Wanlu Transportation Co., Ltd. 中國第二重型機械集團德陽萬路運業有限公司		
	SINOMECH Engineering Group Co., Ltd. 中國能源工程集團有限公司		
	SINOMACH (Tianjin) Automotive Equipment Co., Ltd. 中汽(天津)汽車裝備有限公司		
	China Machinery Engineering & Construction Corporation 中國機械工業機械工程有限公司		
2. Receipt of engineering services and products from SINOMACH Group by our Group 本集團接受國機集團的工程服務及產品	China Machinery Industry Construction Group INC. 中國機械工業建設集團有限公司	2,500.0	253.6
	Harbin Power System Engineering and Research Institute Co., Ltd. 哈爾濱電站設備成套設計研究所有限公司		
	China Construction Machinery Co., Ltd. 中工工程機械成套有限公司		
	Changzhou Jiangnan Environmental Engineering Co., Ltd. 常州江南環境工程有限公司		
	CMCU Engineering Construction General Bureau 中機中聯工程有限公司		
	China Ocean Aviation Group Limited 中國海洋航空集團有限公司		

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Continuing Connected Transactions	Connected Person	Annual cap for 2019 (RMB million)	Actual Transaction Amount for 2019 (RMB million)
持續關連交易	關連人士	(Note (i)) 2019年的 年度上限 (人民幣百萬元) (附註(i))	2019年的 實際交易金額 (人民幣百萬元)
	Tianjin Wuyue Construction Supervision Co., Ltd. 天津五岳工程建設監理有限公司		
	CMEC International Exhibition Co., Ltd. 西麥克國際展覽有限責任公司		
	Zhejiang Xin'an Engineering Consultation Co., Ltd 浙江信安工程諮詢有限公司		
	China Erzhong Group (Deyang) Precision Transmission Equipment Co., Ltd. 二重集團(德陽)精衛傳動設備有限公司		
	China Machine-Building International Corporation 中國機械對外經濟技術合作有限公司		
	Sinomach Finance Co., Ltd. 國機財務有限責任公司		
	Guangzhou Kinte Industrial Co., Ltd. 廣州擎天實業有限公司		
	China SINOMACH Heavy Industry Corporation 中國國機重工集團有限公司		
	Beijing Materials Handling Research Institute Co., Ltd. 北京起重運輸機械設計研究院有限公司		
	China Engineering and Agriculture Machinery Import and Export Co., Ltd. 中國工程與農業機械進出口有限公司		
	Chongqing Materials Research Institute Co., Ltd. 重慶材料研究院有限公司		
	China SANAN Construction Group Corporation 中國三安建設集團有限公司		
	China National Cable Engineering Corporation 中國電纜工程有限公司		

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Continuing Connected Transactions	Connected Person	Annual cap for 2019 (RMB million) (Note (i))	Actual Transaction Amount for 2019 (RMB million)
持續關連交易	關連人士	2019年的 年度上限 (人民幣百萬元) (附註(i))	2019年的 實際交易金額 (人民幣百萬元)
	China CACS Engineering Corporation 中國自控系統工程有限公司		
	The Fourth Construction of China Machinery Industry Co., Ltd. 中國機械工業第四建設工程有限公司		
	Lanpec Technologies Limited 甘肅藍科石化高新裝備股份有限公司		
	China Machinery Industry International Cooperation Co., Ltd. 中國機械工業國際合作有限公司		
	Shenyang Academy of Instrumentation Science Co., Ltd. 瀋陽儀錶科學研究院有限公司		
3. Trading procurement by our Group from SINOMACH Group 本集團向國機集團進行貿易採購	N/A 不適用	800.0	-
4. Sales of trading products by our Group to SINOMACH Group 本集團向國機集團銷售貿易產品	N/A 不適用	200.0	-
5. Receipt of integrated services by the Group to SINOMACH Group 本集團接受國機集團綜合服務	N/A 不適用	500.0	-
6. Provision of integrated services by our Group to SINOMACH Group 本集團向國機集團提供綜合服務	China Machine-Building International Corporation 中國機械對外經濟技術合作有限公司	500.0	32.0
	Automotive Engineering Corporation 中國汽車工業工程有限公司		
	CMEC International Exhibition Co., Ltd. 西麥克國際展覽有限責任公司		
	China United Engineering Corporation Limited 中國聯合工程有限公司		

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Continuing Connected Transactions	Connected Person	Annual cap for 2019 (RMB million)	Actual Transaction Amount for 2019 (RMB million)
		<i>(Note (i))</i>	
		2019年的 年度上限 (人民幣百萬元)	2019年的 實際交易金額 (人民幣百萬元)
		<i>(附註(i))</i>	
	China Machinery Industry Fifth Construction Corp 中國機械工業第五建設有限公司		
	China Machinery Industry Construction Group INC. 中國機械工業建設集團有限公司		
	China CAMC Engineering Co., Ltd. 中工國際工程股份有限公司		
	China IPPR International Engineering Co., Ltd. 中國中元國際工程有限公司		
	SIPPR Engineering Group Co., Ltd. 機械工業第六設計研究院有限公司		
	China SINOMACH Heavy Industry Corporation 中國國機重工集團有限公司		
	Changsha Qidian Automotive Products Co., Ltd. 長沙汽電汽車零部件有限公司		
	China National Cable Engineering Corporation 中國電纜工程有限公司		
	CMC Engineering Corporation 中機工程有限公司		
	SINOMACH Academy of Science and Technology Co.,Ltd. 國機集團科學技術研究院有限公司		
	SINOMACH Intelligence Technology Co., Ltd. 國機智能科技有限公司		

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Continuing Connected Transactions	Connected Person	Annual cap for 2019 (RMB million) (Note (i))	Actual Transaction Amount for 2019 (RMB million)
持續關連交易	關連人士	2019年的 年度上限 (人民幣百萬元) (附註(i))	2019年的 實際交易金額 (人民幣百萬元)
7. Financing services to our Group from SINOMACH Group 國機集團向本集團提供金融服務	Sinomach Finance Co., Ltd 國機財務有限責任公司		
(1) Deposit services 存款服務		3,900.0	3,893.6
(2) General loan services 一般貸款服務		No annual cap 無年度上限	-
(3) General financial services 一般金融服務		25.0	-

Notes:

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

附註：

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

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

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

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

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

1. 本集團向國機集團提供工程服務及產品

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

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

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

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

During the year ended 31 December 2019, the annual cap of this continuing connected transaction was RMB3,900.0 million and the actual transaction amount was RMB1,214.1 million.

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

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

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

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

於截至2019年12月31日止年度，本持續關連交易的年度上限為人民幣3,900.0百萬元，而實際交易金額則為人民幣1,214.1百萬元。

2. 本集團接受國機集團提供的工程服務及產品

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

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

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

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

During the year ended 31 December 2019, the annual cap of this continuing connected transaction was RMB2,500.0 million and the actual transaction amount was RMB253.6 million.

3. Trading procurement by our Group from SINOMACH Group

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

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

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

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

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

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

於截至2019年12月31日止年度，本持續關連交易的年度上限為人民幣2,500.0百萬元，而實際交易金額則為人民幣253.6百萬元。

3. 本集團向國機集團進行貿易採購

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

鑒於國機集團的產能強大，2018貿易採購框架協議可促進貿易業務。

有關2018貿易採購框架協議的主要條款及條件，請參見下文相關披露。

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

During the year ended 31 December 2019, the annual cap of this continuing connected transaction was RMB800.0 million and the actual transaction amount was RMBnil.

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

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

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

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

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

During the year ended 31 December 2019, the annual cap of this continuing connected transaction was RMB200.0 million and the actual transaction amount was RMBnil.

於截至2019年12月31日止年度，本持續關連交易的年度上限為人民幣800.0百萬元，而實際交易金額則為人民幣零元。

4. 本集團向國機集團銷售貿易產品

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

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

有關2018貿易銷售框架協議的主要條款及條件，請參見下文相關披露。

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

於截至2019年12月31日止年度，本持續關連交易的年度上限為人民幣200.0百萬元，而實際交易金額則為人民幣零元。

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

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

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

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

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

During the year ended 31 December 2019, the annual cap of this continuing connected transaction was RMB500.0 million and the actual transaction amount was RMBnil.

5. 本集團接受國機集團綜合服務

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

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

有關接受綜合服務框架協議的主要條款及條件，請參見下文相關披露。

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

於截至2019年12月31日止年度，本持續關連交易的年度上限為人民幣500.0百萬元，而實際交易金額則為人民幣零元。

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

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

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

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

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

During the year ended 31 December 2019, the annual cap of this continuing connected transaction was RMB500.0 million and the actual transaction amount was RMB32.0 million.

6. 本集團向國機集團提供綜合服務

2018綜合服務框架協議（「**2018綜合服務框架協議**」）已由本公司與國機於2017年10月19日訂立。據此，本集團就國機集團所承接的業務向國機集團提供綜合服務（例如法律諮詢服務、展覽及會議服務、倉存及運輸服務、招標服務、代理服務、物業管理服務及設計諮詢服務），有關詳情於本公司於2017年10月19日刊登的公告內披露。

國機集團已聘請本集團向彼等提供本集團合資格提供的某些綜合服務。2018綜合服務框架協議可增加本集團的收入及盈利。

有關2018綜合服務框架協議的主要條款及條件，請參見下文相關披露。

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

於截至2019年12月31日止年度，本持續關連交易的年度上限為人民幣500.0百萬元，而實際交易金額則為人民幣32.0百萬元。

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Principal terms of the agreements

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

Each of the 2018 Provision of Engineering Services and Products Agreement, 2018 Receipt of Engineering Services and Products Agreement, 2018 Trading Procurement Agreement, 2018 Trading Sales Agreement and 2018 Integrated Services Agreement (collectively “**2018 Agreements**”) is to extend the terms to another 3 years, and the Receipt of Integrated Services Agreement is also for a term of 3 years, all commencing from 1 January 2018 and ending on 31 December 2020 and may be renewed on terms to be agreed upon by SINOMACH and the Company. Each of such framework agreements (i) may be terminated by a non-defaulting party by serving a written default notice to the defaulting party stipulating the relevant breach and the defaulting party having failed to remedy such breach within a reasonable period after its receipt of the default notice; and (ii) shall be terminated automatically if the performance of the transactions contemplated thereunder will be in breach of the requirements under the Listing Rules or the necessary approvals required under the Listing Rules or relevant waivers from the Stock Exchange cannot be obtained.

協議的主要條款

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

2018提供工程服務和產品框架協議、2018接受工程服務和產品框架協議、2018貿易採購框架協議、2018貿易銷售框架協議及2018綜合服務框架協議（統稱「**2018框架協議**」）將各協議年期延長三年，接受綜合服務框架協議的年期為三年，均自2018年1月1日起至2020年12月31日止，並可按國機與本公司商定的條款續期。每一份該等框架協議可在下列情況下終止：(i) 非違約方向違約方發出說明有關違反行為的書面違約通知，而違約方於收到違約通知後一段合理期間內仍無法彌補有關違反行為；及(ii)若履行據此擬進行的交易將違反上市規則規定或不能取得上市規則規定的必要批准或聯交所授予的相關豁免，則自動終止。

The pricing policy, payment terms and all other material terms and conditions of the Renewed Agreements remained unchanged. The Receipt of Integrated Services Agreement adopts new pricing policies and new payment terms, pursuant to which the price payable for the subject services and/or products thereunder shall be determined in accordance with, among others, price prescribed by the government, price range guided by the government, price guided by the industry, price negotiated between the parties. Pursuant to the new payment terms, the Payment and settlement for transactions shall be subject to the specific terms on timing and method of payment and settlement under the separate agreements. Details for the terms and conditions of the Renewed Agreements, 2018 Agreements and the Receipt of Integrated Services Agreement were disclosed in the Company's announcements and circulars published on 14 and 17 November 2014, 19 October and 8 November 2017, respectively.

7. Financing services to our Group from SINOMACH Group

2018 Financial Service Agreement (the “**2018 Financial Services Agreement**”) entered into by and between the Company and Sinomach Finance Co., Ltd. (the “**Finance Company**”), a subsidiary of SINOMACH Group, on 19 October 2017. The New Financial Services Agreement dated 14 November 2014 (the “**New Financial Services Agreement**”) will be expired on 31 December 2017. The 2018 Financial Services Agreement has become effective upon approved by the 2017 First EGM for a term for 3 years from 1 January 2018 to 31 December 2020. The proposed annual caps for the years ended 31 December 2018, 2019 and 2020 for the continuing connected transactions contemplated under the 2018 Financial Services Agreement have been approved by the 2017 First EGM.

重訂框架協議的定價政策、支付條款及所有其他重大條款及條件維持不變。接受綜合服務框架協議採納新定價政策和支付條例，據此，就其項下的標的服務及／或產品應付的價格將根據（其中包括）政府規定的價格、政府指引的價格範圍、行業指引的價格、各方協定的價格釐定。根據新支付條款，各交易須根據各單位協議有關支付及結算時間與方式的具體條款支付及結算。重訂框架協議、2018框架協議和接受綜合服務的條款及條件之詳情已於本公司分別於2014年11月14日及17日，2017年10月19日及11月8日刊登的公告及通函內披露。

7. 國機集團向本集團提供之金融服務

本公司與國機財務有限責任公司（「**財務公司**」）（國機集團的附屬公司）於2017年10月19日訂立2018金融服務合作協議（「**2018金融服務合作協議**」）。日期為2014年11月14日的新金融服務合作協議（「**新金融服務合作協議**」）將於2017年12月31日到期。2018金融服務合作協議經本公司於2017年第一次臨時股東大會批准生效，其三年年期為2018年1月1日至2020年12月31日。2018金融服務合作協議項下擬進行的持續關連交易於截至2018年、2019年及2020年12月31日止年度之建議年度上限已獲2017年第一次臨時股東大會批准。

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Financial services and major terms

The pricing policy, payment terms and all other material terms and conditions of the New Financial Services Agreement remain unchanged. Pursuant to the 2018 Financial Services Agreement, the Finance Company agrees to provide to the Group the following financial services:

Type 1 – Deposit Services

The Finance Company will provide deposit taking services for current deposits, call deposits, deposits with maturity of 1-day and 7-day respectively and time deposits (3-month, 6-month, 1-year, 3-years and other deposit periods as required by the regulatory policies).

Type 2 – General Loan Services

The Finance Company will provide various types of loans to the Group (including working capital loans, fixed assets loans, finance leases, purchaser's credit business and domestic factoring).

Type 3 – General Financial Services

The general financial services to be provided by the Finance Company to the Group include collection, payment and settlement services, provision of entrusted loans, issuance of letters of guarantee and bank guarantee, issuance of bank letters of credit, handling of bank acceptance, handling of bill acceptance and discounting, financial and financing consultation, arrangement of credit certification and related consultation and agency services, underwriting of corporate bonds designated investment business, acceptance bill custody business, trans-bank cash management platform service and other businesses which are approved by CBRC (former CBIRC) to carry out. The Finance Company would charge the corresponding fees.

金融服務及主要條款

新金融服務合作協議的定價政策、支付條款及所有其他重大條款及條件保持不變。根據2018金融服務合作協議，財務公司同意向本集團提供下列金融服務：

第一類 – 存款服務

財務公司將提供活期存款、協定存款、通知存款（期限分別為：1天和7天）、定期存款（期限分別為：3個月、6個月、1年、3年及其他符合監管政策要求的其他存期）等接受存款服務。

第二類 – 一般貸款服務

財務公司將向本集團提供各類貸款（包括流動資金貸款、固定資產貸款、融資租賃、買方信貸業務、消費信貸及國內保理）。

第三類 – 一般金融服務

財務公司將向本集團提供的一般金融服務包括：收付款及結算服務、提供委託貸款、開具保函及代開銀行保函、代開銀行信用證、代理銀行承兌總匯票、辦理票據承兌及貼現、財務和融資顧問、信用鑒證及相關的諮詢及代理服務、承銷企業債券委託投資業務、承兌匯票託管業務、跨銀行現金管理平台服務以及經中國銀監會（中國銀保監會前身）批准的可從事的其他業務。財務公司將收取相應手續費。

In relation to the Entrusted Loans, the Finance Company shall complete the release of the Entrusted Loans on the date of receipts of the Entrusted Deposits of the Group and its subsidiaries, and commit that the Group and its subsidiaries would repay the loans by their own, without provision of any guarantee by the Group and its subsidiaries, provided that the Group will require guarantee for the Entrusted Loans business of its subsidiaries, the Finance Company shall cooperate to complete the relevant procedures according to the instruction from the Group.

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

For details for the 2018 Financial Services Agreement, please refer to the Company's announcement and circular published on 19 October and 8 November 2017, respectively, on the respective websites of the Stock Exchange and the Company.

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

關於委託貸款，財務公司在收到本集團及其附屬公司委託存款的當日完成委託貸款的發放，並承諾本集團及其附屬公司償貸自主，無需本集團及其附屬公司提供任何擔保，但如本集團對其附屬公司的委託貸款業務提出擔保要求，財務公司將按照本集團指示配合辦理相關手續。

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

有關2018金融服務合作協議的詳情，請參閱本公司在聯交所網站及本公司網站分別刊發的2017年10月19日及11月8日的公告及通函。

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

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During the year ended 31 December 2019, the cap for the maximum daily deposit balance (including any interest accrued thereon) with the Finance Company was RMB3,900.0 million and the actual amount was RMB3,893.6 million. No annual cap has been set for the general loan services with the Finance Company and the actual amount was RMBnil. The annual caps for the total fees to be charged by the Finance Company for the provision of general financial services are RMB25.0 million, and the actual amount was RMBnil.

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

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

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

於截至2019年12月31日止年度，在財務公司的每日最高存款結餘（包括其任何應計利息）上限為人民幣3,900.0百萬元，而實際金額為人民幣3,893.6百萬元。在財務公司的一般貸款服務無年度上限，而實際金額為人民幣零元。在財務公司的一般金融服務而收取費用的年度上限為人民幣25.0百萬元，而實際金額為人民幣零元。

獨立非執行董事已審閱上述各項持續關連交易，並確認該等交易：

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

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

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- a. nothing has come to the auditors' attention that causes the auditor to believe that the non-exempt continuing connected transactions have not been approved by the Board;
 - b. for transactions involving the provision of goods or services by the Group, nothing has come to the auditors' attention that causes the auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;
 - c. nothing has come to the auditors' attention that causes the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
 - d. with respect to the aggregate amount of each of the non-exempt continuing connected transactions set out above, nothing has come to the auditors' attention that causes the auditor to believe that the non-exempt continuing connected transactions have exceeded the maximum aggregate annual value disclosed above.
- a. 核數師並無注意到任何事項令彼等相信該等不獲豁免的持續關連交易未獲董事會批准；
 - b. 就本集團提供貨品或服務所涉及的交易而言，核數師並無注意到任何事項令彼等相信該等交易在所有重大方面未有按照本集團的定價政策進行；
 - c. 核數師並無注意到任何事項令彼等相信該等交易在所有重大方面未有按照規管該等交易的相關協議所進行；及
 - d. 就上述各項不獲豁免的持續關連交易之總金額而言，核數師並無注意到任何事項令彼等相信該等不獲豁免的持續關連交易之金額超出上文所披露的年度上限總額。

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

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

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

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

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EVENTS AFTER THE REPORTING PERIOD

The material events after the reporting period are disclosed in note 38 to the financial statements in this annual report.

AUDIT COMMITTEE

The Audit Committee had reviewed together with the management and external auditor of the Company the accounting principles and policies adopted by the Group and the audited consolidated financial statements for the year ended 31 December 2019.

CODE OF CONDUCT REGARDING EMPLOYEES' SECURITIES TRANSACTIONS

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

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as its own code of corporate governance. The Company has complied with the code provisions as set out in the CG Code during the year ended 31 December 2019 and up to the date of this report except for deviations disclosed in the Corporate Governance Report contained in this annual report.

The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

報告期後事項

重大報告期後事項於本年報財務報表附註38內予以披露。

審計委員會

審計委員會已與本公司的管理層及外聘核數師審閱本集團採納的會計準則及政策以及截至2019年12月31日止年度經審計合併財務報表。

僱員進行證券交易的行為守則

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

企業管治

本集團致力於維持企業管治的高標準以確保股東利益及提高公司價值及問責性。本公司已採用《企業管治守則》作為其企業管治守則。除本年報所載企業管治報告所披露之偏離情況外，本公司於截至2019年12月31日止年度至本報告日期一直遵守《企業管治守則》所載的守則條文。

本公司將繼續檢討及提升其企業管治常規，以確保遵守《企業管治守則》。

SUFFICIENCY OF PUBLIC FLOAT

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

INDEPENDENT AUDITORS

There were no changes of independent auditors in the past 3 years.

A resolution for the reappointment of Ernst & Young and Ernst & Young Hua Ming LLP (Special General Partnership) as the independent auditors of the Company will be proposed at the forthcoming AGM.

充足的公眾持股量

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

獨立核數師

於過往三年，獨立核數師概無變動。

本公司將於應屆股東週年大會提呈一項決議案續聘安永會計師事務所及安永華明會計事務所（特殊普通合伙）為本公司之獨立核數師。

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COMPLIANCE WITH SANCTIONS UNDERTAKINGS

As disclosed in the Prospectus, the Company and the Directors have covenanted to the Stock Exchange that they will not, directly or indirectly, (1) use any of the proceeds from the Global Offering, or make such proceeds available to any individual or entity, to fund any activities in or business of or with (i) any individual or entity or (ii) in any country or territory, that at the time of such funding, is the target of any sanctions administered by OFAC, or (2) engage in any activity that is sanctionable under the ISA (as amended by the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010), the Executive Order 13846 or the Executive Order 13871 (collectively, the “**Executive Orders**”) for so long as the ISA or Executive Orders remain in effect (the “**Sanctions Undertakings**”). The Directors confirmed that both the Company and the Directors were in compliance with the Sanctions Undertakings as at the date of this report. In particular, the Company has taken the following measures to ensure compliance with the Sanctions Undertakings:

1. Proceeds Account – The Company has opened and maintained separate designated bank accounts for the proceeds from the Listing in Hong Kong as at the date of this report (the “**Proceeds Accounts**”). The Proceeds Accounts are segregated from other normal bank accounts of our Company and designated for the sole use of deposit and deployment of the proceeds from Listing. With such segregation and designation, the Proceeds Accounts record all transactions and activities within these bank accounts and trace the flow of funds in and out of the Proceeds Accounts. As at 31 December 2015, the proceeds from the Company’s Listing in Hong Kong has been fully utilized for the intended purposes. For details, please refer to page 145 of the 2015 annual report of the Company dated 27 April 2016.
2. Accounting measures – The Company has ensured that separate books and records are in place to monitor the activities, including deposits and disbursements, of the Proceeds Accounts.

恪守制裁承諾

誠如招股章程所披露，本公司及董事已向聯交所承諾，彼等將不會直接或間接(1)動用任何全球發售所得款項，或向任何個人或實體提供該等所得款項，以向在(i)任何個人或實體或(ii)任何國家或領土(彼等於下述撥資之時，為外國資產管制局所實施的任何制裁的目標)開展的任何活動或彼等本身或與彼等進行的任何業務提供資金；或(2)於伊朗制裁法(經2010年全面制裁伊朗、問責及撤資法修訂)、執行令13846號或執行令13871號(統稱「**執行令**」)保持有效期間內參與受伊朗制裁法或執行令所制裁的任何活動(「**制裁承諾**」)。董事作出確認，截至本報告日期，本公司及董事均恪守制裁承諾。尤其是，公司已採取下列措施，以確保遵守制裁承諾：

1. 所得款項賬戶 – 本公司已就截至本報告日期於香港上市的所得款項開立及維持單獨的指定銀行賬戶(「**所得款項賬戶**」)。所得款項賬戶獨立於本公司的其他一般銀行賬戶，並指定作唯一用途，即存入及調配上市所得款項。鑒於上述賬戶是獨立及指定賬戶，所得款項賬戶會記錄在該等銀行賬戶內進行的所有交易及活動，並可追蹤所得款項賬戶的資金流進出情況。截至2015年12月31日，本公司香港上市的所得款項已全部用作擬定用途。詳情請參見本公司於2016年4月27日公佈的2015年度報告第145頁。
2. 會計措施 – 本公司已確保擁有分立的賬簿及記錄，以監察所得款項賬戶的存入及支出等活動。

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

In recent years the US sanctions landscape has evolved substantially, especially those targeted at Iran. 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. In exchange for curtailing certain nuclear-related activities, Iran was granted relief from certain U.S., EU, and UN sanctions.

For details, please refer to the Company’s announcement published on the respective websites of the Stock Exchange and the Company on 23 March 2016. 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.

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

近年來，美國制裁格局發生了巨大變化，尤其是針對伊朗的制裁變動。2016年1月16日被定為「執行日」，標誌著經伊朗、P5+1（美國、俄羅斯、中國、法國、英國、德國）及歐盟談判及聯合國批准，全面解除對伊朗的制裁成為《聯合全面行動計劃》的一部分。作為伊朗減少若干核相關活動的交換，美國、歐盟及聯合國解除對伊朗的若干制裁。

詳情請參閱本公司分別載於聯交所及本公司網站的2016年3月23日刊發的公告。然而，美國於2018年5月8日宣佈將退出伊朗核協議並恢復對伊朗的制裁。因此，本公司審慎決定終止在伊朗的所有業務關係，且本公司在伊朗並無現有或已實施項目。

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In addition, given the new development in the sanctions landscape on Cuba, Holland & Knight LLP has advised the Company that, despite the remaining U.S. embargo on Cuba, the Company (and its shareholders and investors) would face very limited risks in engaging in Cuba activities if done from outside of U.S., and similarly limited risks if done under U.S. authorization from or through a U.S. subsidiary of the Company. With Cuba having been removed from the U.S. Department of State's State Sponsors of Terrorism ("SST") list, the reputational risks and heightened due diligence (especially for non-U.S. financial institutions) associated with transactions involving countries placed on SST list has been reduced significantly, even though the U.S. embargo remains in place. For details, please refer to the Company's announcement published on the respective websites of the Stock Exchange and the Company on 19 December 2016.

此外，考慮到古巴制裁格局的新發展，Holland & Knight LLP告知本公司：儘管美國對古巴繼續禁運，但倘在美國境外參與古巴活動，本公司（及其股東與投資者）面臨的風險非常有限，倘根據本公司的美國授權或透過本公司的一家美國附屬公司參與古巴活動，亦會面臨類似的風險。美國國務院已將古巴從國家恐怖主義支持者（「恐怖主義支持者」）名單中刪除，儘管美國禁運仍然持續，但與涉及名列恐怖主義支持者名單的國家進行交易的信譽風險及高度盡職調查（尤其是非美金融機構）已顯著降低。詳情請參閱本公司分別載於聯交所及本公司網站的2016年12月19日刊發的公告。

By Order of the Board
BAI Shaotong
Chairman

承董事會命
董事長
白紹桐

Beijing, the PRC, 30 March 2020

中國北京，2020年3月30日

Corporate Governance Report

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CORPORATE GOVERNANCE REPORT

The Board is pleased to present this corporate governance report in the annual report of the Company for year ended 31 December 2019 (the “Year”). In addition, certain information regarding the Directors and the Board committees has been updated as at the date of this annual report.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as its own code of corporate governance. Except for the code provision A.2.7 of the CG Code in Appendix 14 of the Listing Rules, the Company has complied with the code provisions as set out in the CG Code during the Year and up to the date of this report.

According to the code provision A.2.7 of the CG Code, the chairman should hold meeting with INEDs at least once a year without the presence of other directors. Due to the timing of the 2019 meeting, it was not possible to arrange a meeting for the chairman and INEDs in 2019. The Company plans to arrange a meeting between the chairman and INEDs in 2020.

Chairman and President

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

- a) presiding over the shareholders’ general meetings; and convening and presiding over meetings of the Board, examining the implementation of the resolutions of the Board;

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董事會欣然呈列本公司截至2019年12月31日止年度（「本年度」）之年報所載之企業管治報告。此外，於本年報日期，若干有關董事及董事會委員會的資料經已更新。

企業管治常規

本集團致力維持高水準的企業管治，以保障股東權益以及提升企業價值及問責性。本公司已採納《企業管治守則》作為其企業管治守則。除《上市規則》附錄十四《企業管治守則》之守則條文A.2.7條外，本公司於本年度內及截至本報告日期謹遵《企業管治守則》之守則條文規定。

按照《企業管治守則》之守則條文A.2.7條規定，董事長應至少每年與獨立非執行董事舉行一次沒有其他董事出席的會議。由於2019年會議時間安排原因，2019年內沒能為董事長與獨立非執行董事安排召開會議。本公司計劃於2020年內為董事長與獨立非執行董事之間安排召開會議。

董事長及總裁

根據《企業管治守則》之守則條文A.2.1條規定，董事長及行政總裁之角色應有所區分，應由不同人士擔任。於本公司目前的組織架構下，白紹桐先生為董事會董事長（「董事長」）及方彥水先生為本公司總裁（「總裁」）。由經驗豐富的人才組成的高級管理人員及董事會可確保權力與職權平衡。根據章程，董事長的主要職務及職責包括：

- a) 主持股東大會會議以及召開並主持董事會會議、檢討董事會決議的實施情況；

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- b) organizing the formulation of regulations on the operation of the Board, and coordinating the operation of the Board;
- c) hearing regular or non-regular performance reports on the Company's senior management; and
- d) giving opinions guiding the execution of board resolutions, signing the Company's share certificates, debentures and other important documents, and representing the Company in signing important legally binding documents with third parties.

The major responsibilities of the President include:

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

- b) 組織制定有關董事會運作的各項制度及協調董事會的運作；
- c) 聽取本公司高級管理人員定期或不定期的工作報告；及
- d) 對董事會決議的執行提出指導性意見，簽署公司股票、債權與其他重要文件並代表公司對外簽署有法律約束力的重要文件。

總裁的主要職責包括：

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

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

SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

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

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

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

董事及監事的證券交易

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》所載的規定標準。對全體董事及監事的專門查詢後，各董事及監事均確認，彼等於本年度內一直遵守《標準守則》。

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

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS

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

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

董事會

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

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

Corporate Governance Report

企業管治報告

Currently, the Board comprises the following eight Directors:

Executive Director

FANG Yanshui (*President*)

Non-Executive Directors

BAI Shaotong (*Chairman*)

YU Benli

ZHANG Fusheng

INEDs

LIU Li

LIU Hongyu

FANG Yongzhong

WU Tak Lung

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

Save as disclosed in this annual report, there was no financial, business, family or other material relationship among the Directors.

The executive Director is responsible for the leadership and control of the Company and overseeing the Group’s businesses, strategic decisions and performances and are responsible for promoting the success of the Company by directing and supervising its affairs.

The four INEDs are responsible for ensuring a high standard of financial and other mandatory reporting of the Board as well as providing a balance in the Board in order to effectively exercise independent judgment on the corporate actions of the Company so as to protect Shareholders’ interest and overall interest of the Group.

董事會目前由以下八名董事組成：

執行董事

方彥水 (*總裁*)

非執行董事

白紹桐 (*董事長*)

余本禮

張福生

獨立非執行董事

劉力

劉紅宇

方永忠

吳德龍

各董事的個人履歷載於本年報「董事、監事、高級管理人員及僱員」一節。

除於本年報披露者外，董事之間概無任何財務、業務、親屬或其他重要關係。

執行董事負責領導及控制本公司並監管本集團的業務、策略決策及表現，並負責透過指導及監管本公司之事務推動其成功發展。

四名獨立非執行董事負責確保董事會作出高水準的財務及其他法定報告，並平衡董事會，以就本公司的公司行動有效行使獨立判斷，從而保護股東利益及本集團的整體利益。

Corporate Governance Report

企業管治報告

Throughout the Year, the Company had at all times met the requirement of the Listing Rules that the number of INEDs must represent at least one-third of the Board members and at least one of the INEDs shall have appropriate professional qualifications of accounting or related financial management expertise. The Company has four INEDs currently representing half of the Board and therefore the Company has complied with the Listing Rules.

All Directors, including the INEDs, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The INEDs were invited to serve on the Audit Committee, the Remuneration Committee, the Nomination Committee, the Strategy and Development Committee and the Operation and Risk Management Committee.

As regards the CG Code provision requiring directors to disclose the number and nature of offices held in public companies or organizations and other significant commitments as well as their identity and the time involved to the issuer, the Directors agreed to disclose their commitments to the Company in a timely manner.

The Company has arranged appropriate insurance coverage on the liabilities of the Directors and senior management in respect of any legal actions taken against them arising out of performing their duties. The insurance coverage is reviewed on an annual basis.

Confirmation of Independence

Each of the INEDs has made an annual confirmation of independence by reference to Rule 3.13 of the Listing Rules and the Board is satisfied that all INEDs were independent and met the independent guidelines set out in Rule 3.13 of the Listing Rules, up to the date of this annual report.

於本年度，本公司於任何時候符合《上市規則》的規定，規定獨立非執行董事的人數須佔董事會成員至少三分之一，且至少一名獨立非執行董事擁有適當的專業會計資格或相關財務管理專業。本公司現時有四名獨立非執行董事，佔全體董事會成員的半數，因此本公司已遵守《上市規則》。

全體董事（包括獨立非執行董事）令董事會具備廣泛珍貴之業務經驗、知識及專業技能，從而提高董事會履行職能的效能和效益。獨立非執行董事獲邀加入本公司審計委員會、薪酬委員會、提名委員會、戰略與發展委員會以及經營與風險管理委員會。

就有關要求董事向發行人披露彼等於公眾公司或組織機構任職的次數及性質，以及其他重大承擔，連同彼等之身份及投入時間之企業管治守則條文而言，董事同意及時向本公司披露彼等之承擔。

本公司已為董事及高級管理人員投購合適的責任保險，保障彼等因履行職務而可能要承擔的訴訟責任。該保險範圍乃按年檢討。

獨立性確認書

各名獨立非執行董事已根據《上市規則》第3.13條作出年度獨立性確認書。董事會信納全體獨立非執行董事均為獨立，並於截至本年報日期符合《上市規則》第3.13條所載的獨立性指引。

Corporate Governance Report

企業管治報告

Directors' Induction and Continuous Professional Development

Each newly appointed Director has received formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

The Company has from time to time provided briefings to all Directors to develop and refresh the Directors' duties and responsibilities. Continuing briefing and professional development for Directors will be arranged whenever necessary. The Directors are provided with monthly updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge his or her duties. All Directors are also encouraged to attend relevant training courses at the Company's expense. They have been required to provide the Company with their training records.

During the Year, all Directors had participated in continuous professional development ("CPD") to develop and refresh their knowledge and skills by reading materials and/or attending briefings by legal counsels or seminars organised by professional bodies on corporate governance or updates on laws, rules and regulations relating to the roles, functions and duties of a director.

董事之入職及持續專業發展

每名新委任董事均將於首次接受委任時獲得正式、全面及專門的入職簡介，以確保對本公司的業務及營運均有適當的理解，並充分知悉董事於《上市規則》及相關法定規定下的責任及義務。

本公司不時為全體董事舉行簡介會，以提高及重溫董事的職能及責任。如有需要，會為董事安排持續的簡介會及專業發展。董事亦可每月獲取有關本公司表現、狀況及前景的最新消息，使整個董事會及各董事得以履行彼等的職責。全體董事亦獲鼓勵出席相關的培訓課程，費用由本公司承擔。彼等須向本公司提供其培訓記錄。

於本年度內，所有董事均參與持續專業發展（「持續專業發展」），透過閱讀有關企業管治或有關董事角色、職能及責任的法律、規則及法規最新資料的材料及／或出席法律顧問的簡介會或專業團體舉辦的講座，以發展及更新彼等的知識及技能。

Corporate Governance Report

企業管治報告

Individual record of each Director who received training for the Year is summarised as follows:

本年度接受培訓的各董事的個人記錄概述如下：

Directors 董事		Types of CPD 持續專業發展的種類 (Notes) (附註)
Executive Directors		
Mr. ZHANG Chun (resigned on 25 November 2019)	執行董事 張淳先生 (於2019年11月25日辭任)	A and B A及B
Mr. HAN Xiaojun (resigned on 20 November 2019)	韓曉軍先生 (於2019年11月20日辭任)	A and B A及B
Mr. FANG Yanshui (appointed on 14 February 2020)	方彥水先生 (於2020年2月14日獲委任)	N/A 不適用
Non-executive Directors		
Mr. BAI Shaotong (appointed on 5 December 2019)	非執行董事 白紹桐先生 (於2019年12月5日獲委任)	A and B A及B
Mr. YU Benli	余本禮先生	A and B A及B
Mr. ZHANG Fusheng	張福生先生	A and B A及B
INEDs		
Mr. LIU Li	獨立非執行董事 劉力先生	A and B A及B
Ms. LIU Hongyu	劉紅宇女士	A and B A及B
Mr. FANG Yongzhong	方永忠先生	A and B A及B
Mr. WU Tak Lung	吳德龍先生	A and B A及B

Notes:

- A: attending seminars/forums/workshops/conferences relevant to the business or directors' duties
- B: studying regulatory updates on laws, rules and regulations relating to directors' roles and functions

附註：

- A: 出席有關業務或董事職責的研討會／論壇／工作坊／會議
- B: 學習有關董事角色及職能的法律、規則及法規的監管事項更新資料

All Directors had provided the Company with their training records for the Year.

全體董事已向本公司提供彼等本年度培訓記錄。

Meetings of Board and Board Committees and Directors' Attendance Records

The Company adopts the practice of holding board meetings regularly, at least four times a year. Notices of not less than fourteen days are given for all regular board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting. For other Board and committee meetings, reasonable notice is generally given. The agenda and accompanying board papers are dispatched to the Directors or committee members at least fourteen days before the regular meetings and at least five days before the extraordinary meetings to ensure that they have sufficient time to review the papers and be adequately prepared for the meetings. When the Directors or committee members are unable to attend a meeting, he or she may appoint in writing another Director to attend the meeting on his or her behalf. The power of attorney shall specify the scope of authorization. The proxy shall exercise the rights of the Director within the scope of the authorization. A Director failing to attend the board meeting in person or by proxy shall be deemed as having waived his or her voting rights at such meeting.

The company secretary or his delegate is responsible for keeping all minutes of the Board meetings and the Board committees. Draft minutes are normally circulated to Directors for comments within a reasonable time after each meeting and the final version is open for Directors' inspection. According to the Listing Rules, any directors and their close associates with a material interest in the transactions to be discussed at the Board meetings will abstain from voting on resolutions approving such transactions and will not be counted in the quorum at meetings.

Any Director wishing to do so in the furtherance of his or her duties may take independent professional advice at the Company's expense. Directors get familiar with the Group's principal activities through initial induction, ongoing participation at the Board and committee meetings, and meeting with key members of management. The Directors are encouraged to update their skills and knowledge.

董事會及董事會委員會的會議及董事的出席記錄

本公司採納定期舉行董事會會議之慣例，最少一年舉行四次會議。全體董事將獲發不少於十四天之通知以召開定期董事會會議，令全體董事均有機會出席定期會議並討論議程事項。就其他董事會及委員會會議而言，一般將獲發合理通知。會議議程及隨附之董事會文件最少於定期會議舉行之前十四天及臨時會議舉行之前五天寄發予董事或委員會成員，以確保彼等有足夠時間審閱文件及為會議作充足準備。倘董事或委員會成員未能出席會議，彼可以用書面形式委任另一名董事代其出席會議。授權書須訂明授權範圍。委任代表可行使授權範圍內的董事權利。未能親身或委任代表出席董事會會議的董事視作已放棄彼等於有關會議上的投票權。

公司秘書或其委任代表負責保存董事會會議及董事會委員會的所有會議記錄。會議記錄草案一般會於每次會議之後的合理時間內發給董事傳閱，以供發表意見，最終版本可供董事查閱。根據《上市規則》，任何於董事會會議上將予討論的交易中擁有重大利益的董事及彼等的緊密聯繫人，均須就批准有關交易的決議案放棄投票，且不得計入會議的法定人數。

任何董事可為履行職責而尋求獨立專業意見，費用由本公司承擔。董事可透過初始入職、持續參與董事會及委員會會議，以及與管理層主要成員會面，藉以熟悉本集團的主要業務。董事獲鼓勵更新彼等技能及知識。

Corporate Governance Report

企業管治報告

During the Year and up to the date of 30 March 2020, the Company held nineteen Board meetings (including written resolutions), one annual general meeting and two class meetings and one extraordinary general meeting (collectively, the “Shareholders’ Meetings”). Details of attendance of the Directors are as follows:

於本年度及截至2020年3月30日，公司已舉行十九次董事會會議（包括書面決議）、一次股東週年大會及兩次類別股東大會以及一次臨時股東大會（合稱「股東大會」）。董事出席詳情載列如下：

Directors 董事		Board meetings 董事會會議	Shareholders’ Meetings 股東大會
Executive Directors 執行董事			
Mr. ZHANG Chun (resigned on 25 November 2019)	張淳先生 (於2019年11月25日辭任)	11/11	3/3
Mr. HAN Xiaojun (resigned on 20 November 2019)	韓曉軍先生 (於2019年11月20日辭任)	11/11	3/3
Mr. FANG Yanshui (appointed on 14 February 2020)	方彥水先生 (於2020年2月14日獲委任)	2/2	N/A 不適用
Non-Executive Directors 非執行董事			
Mr. BAI Shaotong (appointed on 5 December 2019)	白紹桐先生 (於2019年12月5日獲委任)	6/6	1/1
Mr. YU Benli	余本禮先生	19/19	4/4
Mr. ZHANG Fusheng	張福生先生	19/19	4/4
INEDs 獨立非執行董事			
Mr. LIU Li	劉力先生	19/19	4/4
Ms. LIU Hongyu	劉紅宇女士	19/19	4/4
Mr. FANG Yongzhong	方永忠先生	19/19	4/4
Mr. WU Tak Lung	吳德龍先生	19/19	4/4

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy and discussed all measurable objectives set for implementing the policy.

The Company recognises and embraces the benefits of diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All the appointments of the Board members will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

BOARD COMMITTEES

The Board has established, with written terms of reference, five Board committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee, the Strategy and Development Committee and the Operation and Risk Management Committee (together, the “**Board Committees**”), to oversee particular aspects of the Company's affairs. The Board Committees are provided with sufficient resources to discharge their duties.

The written terms of reference for each Audit Committee, Remuneration Committee and Nomination Committee are in line with the Listing Rules and they are posted on the respective websites of the Stock Exchange and the Company.

董事會成員多元化政策

董事會採納董事會成員多元化政策，並就政策實施討論所有重要目標。

本公司認同及著重董事會成員多元化所帶來的裨益。本公司致力確保董事會擁有適合本公司業務所需而在技能、經驗及在意見多元化方面取得平衡。所有董事會成員的委任將繼續以甄選優秀人才為基準，並充分顧及董事會成員多元化的裨益。甄選候選人將按多方面作考慮，包括但不限於性別、年齡、文化及教育背景、經驗（專業或其他方面）、技能及知識。將會按照獲甄選候選人將會為董事會帶來的益處及貢獻而作出最終決定。

董事會委員會

董事會已成立五個擁有書面職權範圍的董事會委員會，即審計委員會、薪酬委員會、提名委員會、戰略與發展委員會以及經營與風險管理委員會（統稱「**董事會委員會**」），以監察本公司特定範疇的事務。董事會委員會獲提供充足資源以履行彼等職能。

審計委員會、薪酬委員會及提名委員會的書面職權範圍均符合《上市規則》，並分別刊載於聯交所及本公司網站。

Corporate Governance Report

企業管治報告

Audit Committee

The Board established the Audit Committee with written terms of reference in compliance with the CG Code. The Audit Committee comprises two INEDs and one non-executive Director, namely Mr. LIU Li, Ms. LIU Hongyu and Mr. ZHANG Fusheng, the majority of them are INEDs. Mr. LIU Li is the chairman of the Audit Committee.

The primary duties of the Audit Committee include, among others:

- a) To review the financial statements and reports and consider any significant or unusual items raised by the internal audit division or external auditor before submission to the Board;
- b) To review the relationship with the external auditor by reference to the work performed by the auditor, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of external auditor; and
- c) To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and internal audit system and associated procedures, including the adequacy of the resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function.

During the Year and up to the date of 30 March 2020, the Audit Committee held seven meetings to review and supervise the financial reporting process and internal control review. It had in conjunction with Ernst & Young, the existing external auditor of the Company, reviewed the Group's the unaudited interim results for 2019 and audited annual results for the Year and recommended the same to the Board for their consideration and approval. The Audit Committee was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made. The Audit Committee also carried out and discharged its other duties as set out in the CG Code.

審計委員會

董事會根據《企業管治守則》成立審計委員會，並以書面制定其職權範圍。審計委員會由兩名獨立非執行董事及一名非執行董事組成，即劉力先生、劉紅宇女士及張福生先生，大部分成員為獨立非執行董事。劉力先生為審計委員會主席。

審計委員會的主要職責包括(其中包括)：

- a) 於呈交董事會前審閱財務報表及報告，並考慮內部審計機構或外聘核數師提出之任何重大或不尋常項目；
- b) 透過參考核數師進行的工作、其費用及委聘條款檢討與外聘核數師的關係，並就委任、重新委任及罷免外聘核數師向董事會提出建議；及
- c) 檢討本公司的財務申報系統、內部監控系統以及內部審計系統及相關程序的充足度與成效，包括資源充足度、員工資格及經驗、培訓課程及本公司的會計及財務申報職能預算。

於本年度及截至2020年3月30日，審計委員會曾召開七次會議，審閱及監察財務申報程序及內部監控。其與本公司現任外聘核數師安永會計師事務所審閱本集團2019年未經審計中期業績及截至本年度的經審計全年業績，並就此向董事會作出建議，以供董事會考慮及批准。審計委員會認為，編製該等業績符合適用會計準則及規定，且已作出足夠的披露。審計委員會亦履行其於《企業管治守則》所載的其他職責。

Corporate Governance Report

企業管治報告

Details of attendance of the Audit Committee meetings are as follows:

審計委員會會議的出席詳情如下：

Directors 董事		Attendance 出席次數
Mr. LIU Li (<i>Chairman</i>)	劉力先生 (主席)	7/7
Ms. LIU Hongyu	劉紅宇女士	7/7
Mr. ZHANG Fusheng	張福生先生	7/7

Remuneration Committee

The Board established the Remuneration Committee with written terms of reference in compliance with the CG Code. The Remuneration Committee comprises two INEDs and one non-executive Director, namely Mr. FANG Yongzhong, Mr. ZHANG Fusheng and Mr. LIU Li, the majority of them are INEDs. Mr. FANG Yongzhong is the chairman of the Remuneration Committee.

The primary duties of the Remuneration Committee include, among others:

- To make recommendations to the Board on the Company's policy and structure for remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing the remuneration policy;
- To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives; and
- To determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management, or to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

薪酬委員會

董事會根據《企業管治守則》成立薪酬委員會，並以書面制定其職權範圍。薪酬委員會由兩名獨立非執行董事及一名非執行董事組成，即方永忠先生、張福生先生及劉力先生，大部分成員為獨立非執行董事。方永忠先生為薪酬委員會主席。

薪酬委員會之主要職責包括(其中包括)：

- 就本公司董事及高級管理人員的薪酬政策及構架，及就設立正規而具透明度的程序制定薪酬政策，向董事會提出建議；
- 因應董事會所訂企業的方針及目標而檢討及批准管理層的薪酬建議；及
- 以授權職責釐定個別執行董事及高級管理人員的薪酬待遇，或就個別執行董事及高級管理人員的薪酬待遇向董事會提出建議。

Corporate Governance Report

企業管治報告

During the Year and up to the date of 30 March 2020, the Remuneration Committee held one meeting to review the remuneration packages of the Directors and the senior management and relevant remuneration, performance systems of the Company.

Details of attendance of the Remuneration Committee meetings are as follows:

Directors		Attendance
董事		出席次數
Mr. FANG Yongzhong (<i>Chairman</i>)	方永忠先生 (主席)	1/1
Mr. LIU Li	劉力先生	1/1
Mr. ZHANG Fusheng	張福生先生	1/1

Remuneration Policy of Directors

Each Director has entered into service contract or letter of appointment with the Company. The current executive Director is entitled to an annual fixed fee (tax included) pursuant to the service contract entered into with the Company. The fee includes, among others, salaries, benefits, duty subsidies and pension contribution as determined in accordance with the laws and regulations of the PRC and the policy guidance issued by the senior regulatory authorities as well as the duties, performance and working experience of the executive Director. Meanwhile, the executive Director is also entitled to management bonus as determined by the Board or the Remuneration Committee with reference to the overall operating results and performance of the Company. The decision to grant such management bonus was made by the general meeting or the Board under the authorisation of the general meeting. Each non-executive Director and each INED is entitled to fixed subsidy, which is determined with reference to the prevailing market price, pursuant to the service contract or letter of appointment entered into with the Company. Reasonable fees incurred by the Directors during their services in the Company shall be borne by the Company.

於本年度及截至2020年3月30日，薪酬委員會舉行一次會議，以審閱董事及高級管理人員的薪酬待遇以及公司薪酬、績效相關制度。

薪酬委員會會議的出席詳情如下：

董事薪酬政策

各董事已與本公司訂立服務合同或委任函。現任執行董事根據其與本公司訂立的服務合同於每年獲得固定的袍金（含稅）。該袍金包括本公司按中國法律法規和上級監管機構發佈的政策指引、根據執行董事的職務、表現及工作經驗釐定的工資、福利、崗位津貼及退休金供款等。同時，執行董事亦可獲得董事會或薪酬委員會參考本公司的整體經營業績及其表現後釐定的管理花紅。管理花紅的發回事宜由股東大會或由股東大會授權董事會決定。各非執行董事和各獨立非執行董事根據其與本公司訂立的服務合同或委任函獲得固定津貼，該津貼是參考現行市價釐定。董事在其為本公司提供服務期間招致的合理費用由本公司承擔。

Nomination Committee

The Board established the Nomination Committee with written terms of reference in compliance with the CG Code. The Nomination Committee comprises two INEDs and one non-executive Director, namely Ms. LIU Hongyu, Mr. FANG Yongzhong and Mr. BAI Shaotong, the majority of them are INEDs. Mr. BAI Shaotong is the chairman of the Nomination Committee.

The primary duties of the Nomination Committee include, among others:

- a) To review the structure, size and composition of the Board on a regular basis according to the operating activities, asset size and equity structure of the Company and make recommendations regarding any proposed changes;
- b) To make recommendations to the Board on appointment or re-appointment of and succession planning for Directors;
- c) To identify candidates who are qualified/suitable to join the Board and to select or make recommendations to the Board on the selection of candidates nominated for directorships;
- d) To assess the candidates for the senior management of the Company and its wholly-owned and controlled subsidiaries, and provide appraisal opinions to the Board; and
- e) To assess the independence of the INEDs.

During the Year and up to the date of 30 March 2020, the Nomination Committee meeting held one meeting to review the structure, size and composition of the Board, review and recommend new director candidates for the third session of the Board, and deal with matters by participating in the Board meetings, among others, to discuss and assess the independence of the INEDs; and recommend the senior management of the Company.

提名委員會

董事會根據企業管治守則成立提名委員會，並以書面制定其職權範圍。提名委員會由兩名獨立非執行董事及一名非執行董事組成，即劉紅宇女士、方永忠先生及白紹桐先生，大部分成員為獨立非執行董事。白紹桐先生為提名委員會主席。

提名委員會之主要職責包括(其中包括)：

- a) 根據本公司之業務活動、資產規模及股權架構定期檢討董事會之架構、規模及組成，並就任何建議變動提出建議；
- b) 就董事委任或重新委任及繼任計劃向董事會提出建議；
- c) 物色合資格／適合加入董事會的人選，並作出選擇或就選擇獲提名擔任董事人選向董事會提出建議；
- d) 評估本公司及其全資及受控附屬公司之高級管理人員人選，並向董事會提供評估意見；及
- e) 評估獨立非執行董事之獨立性。

於本年度及截至2020年3月30日，提名委員會舉行一次會議，以審閱董事會的架構、規模及人員組成，審閱及建議第三屆董事會增補董事候選人，並透過與董事會議處理事宜，其中包括，以討論及評估獨立非執行董事之獨立性，以及建議公司高級管理人員。

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企業管治報告

Details of attendance of the Nomination Committee meetings are as follows:

提名委員會會議的出席詳情如下：

Directors 董事		Attendance 出席次數
Mr. ZHANG Chun (<i>Chairman</i>) (resigned on 25 November 2019)	張淳先生(主席) (於2019年11月25日辭任)	N/A 不適用
Mr. BAI Shaotong (<i>Chairman</i>) (appointed on 5 December 2019)	白紹桐先生(主席) (於2019年12月5日獲委任)	N/A 不適用
Ms. LIU Hongyu	劉紅宇女士	1/1
Mr. FANG Yongzhong	方永忠先生	1/1

Nomination Policy

The key objective of the Nomination Policy shall include, among others:

提名政策

提名政策的主要目標包括(其中包括)：

Selection Criteria

- Effect on the Board's composition and diversity, including but not limited to the candidate's gender, age, cultural and educational background, geographical location, professional experience, skills, knowledge and length of service, etc.
- Commitment of the candidate to devote sufficient time to effectively carry out his/her duties.
- Independence of the candidate.
- Potential or actual conflicts of interest that may arise if the candidate is selected.
- Length of service of the independent non-executive Director to be re-appointed.
- Provide consent in relation to their standing for election as a non-executive Director and the public disclosure of their personal data on any documents or the relevant website.

甄選準則

- 對董事會的組成及成員多元化的影響，包括但不限於候選人的性別、年齡、文化及教育背景、地區、專業經驗、技能、知識和服務任期等。
- 候選人投入充足的時間且有效地履行其職責的承諾。
- 候選人的獨立性。
- 候選人因獲選而引發潛在或實際的利益衝突。
- 對於擬續任的獨立非執行董事，其已服務的年限。
- 候選人同意就其參選非執行董事或與此有關的事情在任何文件或相關網站公開披露其個人資料。

Corporate Governance Report

企業管治報告

- Nomination Committee may request candidates to provide additional information and documents, if considered necessary.
- give advice to the Board in relation to the succession plans for directors.

Nomination Procedures

- Nomination Committee shall identify or select candidates according to the selection criteria.
- Nomination Committee shall conduct assessment on candidates, including but not limited to interviews and background search, if necessary.
- Nomination Committee shall hold Nomination Committee meeting to consider and resolve the matter on the nomination.
- Nomination Committee shall recommend the holding of general meeting and board meeting to consider and resolve the matter on the nomination.
- Appointment of directors shall be made according to the decision made during the general meeting and board meeting.

Supervision and Review

The Nomination Committee is responsible for the supervision of execution of this nomination policy, reviewing this nomination policy and discussing on whether amendments shall be made in due course, and giving advice to the Board in this regard. Amendments shall be implemented only after the approval of the Board.

- 提名委員會如認為有必要，可以要求候選人提供額外資料及文件。
- 就董事的繼任計劃向董事會提出建議。

提名程序

- 提名委員會依據提名政策之甄選準則，物色及挑選候選人。
- 如若必要，提名委員會對候選人開展評估，包括但不限於個人訪談、背景調查等。
- 提名委員會召開提名委員會會議審議提名候選人事項，並形成決議。
- 提名委員會建議召開股東大會和董事會會議，審議提名候選人事項，並形成決議。
- 根據股東大會和董事會決議委任董事。

監督及檢討

提名委員會負責監察本提名政策的執行，並在適當的時候重新審核本提名政策，討論是否需要做出的修訂，向董事會提出建議，經董事會批准後實施。

Corporate Governance Report

企業管治報告

Appointment and Re-election of Directors

The current executive Director and non-executive Directors has entered into a service contract or letter of appointment with the Company for a term commencing from the date of the general meeting at which the respective executive Director or non-executive Directors were appointed, until the end of the term of the third session of the Board and may be terminated in accordance with the respective terms of the service agreements.

Each of the INEDs has signed a letter of appointment with the Company for a term commencing from the date of the general meeting at which the respective INEDs were appointed until the end of the term of the third session of the Board.

None of the Directors has a service agreement which is not terminable by the Group within one year without payment of compensation (other than statutory compensation).

In accordance with the Articles of Association, all Directors shall be elected or replaced at the Shareholders' general meetings with a term of office of three years. Upon expiry of the term of office, a director shall be eligible to offer himself for re-election and re-appointment. Any person appointed by the Board to fill a casual vacancy or as an addition to the Board shall hold office until the Company's next AGM and that person shall then be eligible for re-election and re-appointment.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association and the Nomination Policy. The Nominee Committee is responsible for reviewing the Board composition, monitoring the appointment, re-election and succession planning of Directors.

委任及重選董事

現任執行董事及非執行董事均已與本公司訂立服務合同或委任函，任期為自股東大會委任其為執行董事或非執行董事之日起，至第三屆董事會任期結束之日止，並可根據服務協議各自的條款予以終止。

各獨立非執行董事均已與本公司簽立委任函，任期為自股東大會選舉其為獨立非執行董事之日起，至第三屆董事會任期結束之日止。

概無董事已訂立本集團不得於一年內毋須作出賠償（法定賠償除外）而終止的任何服務協議。

根據章程，全體董事須於股東大會上膺選或更換，任期為三年。於任期屆滿後，董事合資格膺選連任及重新委任。由董事會委任以填補董事會空缺或作為新增董事的任何人士，其任期直至本公司下屆股東週年大會為止，而該名人士其後合資格膺選連任及重新委任。

委任、重選及罷免董事的程序及過程載於章程及提名政策。提名委員會負責審閱董事會組成、監察董事的委任、重選及繼任計劃。

Corporate Governance Report

企業管治報告

Strategy and Development Committee

The Strategy and Development Committee comprises one Executive Director, two Non-Executive Directors and one INED, namely Mr. BAI Shaotong, Mr. FANG Yanshui, Mr. YU Benli and Mr. LIU LI. Mr. BAI Shaotong is the chairman of Strategy and Development Committee.

The primary duties of the Strategy and Development Committee include, among others:

- a) To conduct research in respect of, and formulating the strategy and business development of our Company, including the medium to long term plans, and supervising the implementation of our Company's strategic planning;
- b) To present assessment reports on the implementation of our Company's strategic planning, management and business development; and
- c) To research and analyse major issues encountered by our Company in the course of its development.

During the Year and up to the date of 30 March 2020, the Strategy and Development Committee did not hold meeting.

戰略與發展委員會

戰略與發展委員會由一名執行董事、兩名非執行董事及一名獨立非執行董事組成，即白紹桐先生、方彥水先生、余本禮先生及劉力先生。白紹桐先生為戰略與發展委員會主席。

戰略與發展委員會之主要職責包括(其中包括)：

- a) 就本公司的策略及業務發展(包括中長期計劃)進行研究及制定策略，並監督本公司策略規劃之實施；
- b) 就本公司策略規劃、管理及業務發展之實施呈列評估報告；及
- c) 研究及分析本公司於發展過程中遇上的重大事項。

於本年度及截至2020年3月30日，戰略與發展委員會並無舉行會議。

Corporate Governance Report

企業管治報告

Operation and Risk Management Committee

The Operation and Risk Management Committee comprises one Executive Director, one Non-Executive Director and two INEDs, namely Mr. YU Benli, Mr. FANG Yanshui, Mr. FANG Yongzhong and Mr. WU Tak Lung. Mr. YU Benli is the chairman of Operation and Risk Management Committee.

The primary duties of the Operation and Risk Management Committee include, among others:

- a) To review and evaluate the progress of significant investments, operating activities, and significant business operation;
- b) To review and evaluate the decision making standards and mechanisms as regards significant operating decisions, significant risks, significant events, and significant business procedures; and
- c) To establish sound and comprehensive risk management, strategies and solutions in respect of the risk management and internal control system with a view to ensuring the effective and efficient operation of such system.

During the Year and up to the date of 30 March 2020, the Operation and Risk Management Committee held two meetings to discuss and consider the internal control system work report for 2019 of the Company.

經營與風險管理委員會

經營與風險管理委員會由一名執行董事、一名非執行董事及兩名獨立非執行董事組成，分別為余本禮先生、方彥水先生、方永忠先生及吳德龍先生。余本禮先生為經營與風險管理委員會主席。

經營與風險管理委員會之主要職責包括（其中包括）：

- a) 審閱及評估重大投資、營運活動及主要業務過程；
- b) 檢討及評估有關重大營運決策、主要風險、重大事項及主要業務程序之決策準則及機制；及
- c) 就風險管理及內部監控系統建立有效及全面風險管理、戰略及解決方案，以確保系統得以有效運作。

於本年度及截至2020年3月30日，經營與風險管理委員會舉行兩次會議，以討論及審議本公司2019年度年內控體系工作報告。

Corporate Governance Report

企業管治報告

Details of attendance of the Operation and Risk Management Committee meetings are as follows:

經營與風險管理委員會會議的出席詳情如下：

Directors 董事		Attendance 出席次數
Mr. YU Benli (<i>Chairman</i>)	余本禮先生 (主席)	2/2
Mr. HAN Xiaojun (resigned on 20 November 2019)	韓曉軍先生 (於2019年11月20日辭任)	1/1
Mr. FANG Yanshui (appointed on 14 February 2020)	方彥水先生 (於2020年2月14日獲委任)	1/1
Mr. FANG Yongzhong	方永忠先生	2/2
Mr. WU Tak Lung	吳德龍先生	2/2

Delegation by the Board

The Board reserves its decision-making right over all major matters of the Company, including approval and monitoring of all policy matters, overall strategies and budgets, risk management system, material transactions (in particular those that may involve conflict of interests), financial information and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to significant transactions entered into by the management as defined under the relevant Working Rules for the General Manager (《總經理工作規則》).

董事會授權

董事會保留於本公司所有主要事項之決策權，包括：批准及監察所有政策事宜、整體策略及預算、風險管理系統、重大交易（特別是可能涉及利益衝突之交易）、財務資料以及其他重大財務及營運事宜。董事可尋求獨立專業意見以履行其職責，費用由本公司承擔，且本公司鼓勵董事跟高級管理人員進行獨立溝通及諮詢。

本集團之日常管理、行政及營運已授權高級管理人員處理。授權功能及責任由董事會定期檢討。根據相關《總經理工作規則》所界定，管理層訂立重大交易前須取得董事會之批准。

Corporate Governance Report

企業管治報告

Corporate Governance Functions of the Board

The Board recognizes that corporate governance should be the collective responsibility of the Directors which include:

- a. To develop, review and implement the Company's policy and practices on corporate governance;
- b. To review and monitor the training and continuous professional development to the Directors and senior management;
- c. To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- d. To develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors;
- e. To review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report; and
- f. To develop, review and monitor the implementation of the Shareholders' communication policy to ensure its effectiveness, and make recommendation to the Board where appropriate to enhance Shareholders' relationship with the Company.

董事會的企業管治職能

董事會認為企業管治乃董事的共同責任，當中包括：

- a. 制定、檢討及實行本公司的企業管治政策及常規；
- b. 檢討及監察董事與高級管理人員的培訓及持續專業發展；
- c. 檢討及監察本公司遵守法例及監管規定的政策及常規；
- d. 制定、檢討及監察適用於僱員及董事的行為守則及合規手冊（如有）；
- e. 檢討本公司遵守《企業管治守則》及企業管治報告的披露的合規情況；及
- f. 制定、檢討及監察股東通訊政策的實施以確保其成效，並於適當情況下向董事會提供建議，以加強股東與本公司的關係。

Corporate Governance Report

企業管治報告

Remuneration of Directors, Supervisors and Senior Management

Particulars of the Directors' and Supervisors' remuneration for the Year are set out in note 7 to the financial statements in this annual report.

There were six employees being classified as senior management during the Year. Pursuant to code provision of B.1.5 of the CG Code, the annual remuneration of the members of the senior management (other than the Directors and Supervisors) for the Year by band is set out below:

Remuneration bands (RMB) 薪酬等級 (人民幣元)		Number of individuals 人數
0 to 1,000,000	0至1,000,000	0
1,000,001 to 1,500,000	1,000,001至1,500,000	6
1,500,001 to 2,000,000	1,500,001至2,000,000	0
2,000,001 to 2,500,000	2,000,001至2,500,000	0

During the Year, no Directors, Supervisors or chief executives waived or agreed to waive any emoluments, and no emoluments were paid by the Group to the Directors, Supervisors, chief executives or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

董事、監事及高級管理人員的薪酬

本年度的董事及監事薪酬詳情載於本年報財務報表附註7。

於本年度，共有六名僱員被歸類為高級管理人員。根據企業管治守則第B.1.5條守則條文，高級管理人員（董事及監事除外）的年度薪酬等級載列如下：

截至本年度，概無董事、監事或行政總裁放棄或同意放棄任何薪酬，本集團亦無向董事、監事、行政總裁或五名最高薪酬人士支付薪酬，作為吸引彼等加入或加入本集團時的獎勵或離職賠償。

Corporate Governance Report

企業管治報告

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the consolidated financial statements for the Year, which give a true and fair view of the state of affairs of the Company and the Group's results and cash flows for the year then ended and are properly prepared on a going concern basis in accordance with the applicable statutory requirements and accounting standards.

Pursuant to code provision C.1.1 of the CG Code, the management provides such explanation and information to the Board to enable it to make an informed assessment of the financial and other information put before the Board for approval. The Company also provides the members of the Board with monthly updates on the Company's performance, financial positions and prospects.

The Directors were not aware of any material uncertainties which may affect the Company's business or cast significant doubt upon the Company's ability to continue as a going concern.

Ernst & Young has also stated its reporting responsibility in the independent auditor's report of the consolidated financial statements for the Year.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board has overall and ongoing responsibility to maintain sound and effective risk management and internal control systems of the Company in order to manage rather than eliminate risk of failure to achieve business objective, and to provide reasonable but not absolute assurance against material misstatement or loss.

董事對財務報表的責任

董事知悉彼等的責任為編製本年度的合併財務報表。合併財務報表真實公平地反映本公司事務狀況及本集團於截至該日止年度的業績及現金流量，並根據適用法律規定及會計準則按持續經營基準妥善編製。

根據《企業管治守則》C.1.1條守則條文，管理層向董事會提供該等說明及資料，使董事會可就其批准的財務及其他資料作出知情評估。本公司亦會每月向董事會成員提供有關本公司業績、財務狀況及前景的更新資料。

董事並不知悉可能影響本公司業務或對本公司的持續經營能力造成重大疑問的任何重大不確定因素。

安永會計師事務所已於本年度的合併財務報表的獨立核數師報告內作出其申報責任聲明。

內部監控及風險管理

董事會持續全權負責維持本公司穩健及有效的風險管理及內控系統，該系統旨在管理可能導致無法達到業務目標之風險，而非排除此風險，並提供合理而非絕對的保證，以免出現錯誤陳述或損失。

Corporate Governance Report

企業管治報告

The Board executes the decision-making right over operation. It endeavors to establish and improve the internal control policies and plans and supervise the implementation of the internal control system to safeguard shareholder investments and Company assets, thus being responsible for the establishment and supervision of the internal control system of the Company. It is the responsibility of the Board to establish, improve, review and effectively implement the internal control system.

In terms of management structure, the Company has optimized the organizational structure and implemented a flat management. The relevant functional departments are sufficiently staffed, taking charge of financial operations and monitoring, internal control, risk management, compliance management, internal audit, anti-corruption and production safety. In addition, the Company arranges reasonable budgets to provide regular trainings for the staff of the Company and its subsidiaries performing functions such as finance, risk management, compliance management and internal audit so as to ensure that they are fully qualified and experienced.

All departments are under direct leadership of the President and management of the Company, who is thereby enable to report instantly to the Board on the operations of each department and problems received. Accordingly, any significant matter (if subject to disclosure to the market) identified by the staff could be reported to the management in a timely, accurate and effective manner. The management of the Company assessed such significant matter in accordance with internal management requirements and procedures in a timely manner and made corresponding decisions. The decisions of the management of the Company could be implemented accurately and timely under supervision.

In respect of legal compliance, in 2019, the Company has put great efforts in the prevention of and response to various compliance risks, strictly operated and managed in accordance with laws and regulation, and adhered to integrated management and control of legal risk prevention, compliance management and legal supervision, and continued the enhancement of legal function.

董事會執行營運決策權，並致力建立及改善內部監控政策與計劃，以及監管內部監控系統的實施，以保障股東投資與公司資產，故董事會負責建立及監察本公司之內部監控系統。董事會之職責為建立、改善、檢討並有效實行內部監控系統。

管理架構上，公司優化了組織結構設置，實行了扁平化管理。相關職能部門配備了充足的人員，負責財務運作和監控、內部控制、風險管理、合規管理、內部審計、反舞弊及安全生產等具體工作。此外，公司安排合理預算，定期為公司及附屬公司財務、風險管理、合規管理、內部審計等職能員工提供培訓，確保其擁有足夠的素質和經驗。

公司總裁及管理層與各部門直接對接，並能將各部門運作情況及反映的問題及時向董事會匯報。因此，員工發現的重大情況（如需在市場披露）能夠被及時、準確、有效地傳遞到公司管理層。公司管理層根據相應的內部管理規定和程序及時評估這些重大情況，並制定相應決策。公司管理層的決策能夠正確、及時地貫徹和監督執行。

在法律合規方面，2019年公司精心做好各項合規風險防範與應對工作，嚴格依法依規經營管理，堅持法律風險防範、合規管理和法律監督三位一體管控。並持續推進法律職能前移。

Corporate Governance Report

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In 2019, the Company continued to strengthen the financial management and kept on emphasizing the importance of budget control. We advanced the overseas on-site financial management, continuously improved the financial management and controlling system of the local branches and encouraged geographical and localized financial management. We continuously deepened our frontline management and proactively engaged in preliminary research and decision-making for the investment business. Innovative financial management policies were implemented, the centralized financial management standard was therefore enhanced. The Company continued to strengthen the financial foundation, upgrade our financial tools and implement efficient management and control of various financial risks arose from the Company's overseas capital payables and receivables and invoice management through online overseas accounting and invoice module, resulting in an advancement of the informatization of the Company's financial management.

In respect of export control, in 2018, the Company coped with the risk arose from export control resulting from international environment and Sino-US relationship proactively, and kept track on the change in export control regulations. We completed the first round of export control external assessment, and incorporated the investment business into the scope of export control management and assessment.

2019年，公司持續加強財務管理工作，不斷發揮預算管理的價值引領作用。優化境外現場財務管理，不斷完善區域公司財務管控體系，推動財務區域化、屬地化管理。持續深化管理職能前移，積極參與投資業務前期調研、決策。創新財務管控措施，提升集團化財務管理水平。持續夯實財務基礎，升級財務工具，通過海外報賬、發票模塊上線對公司海外資金收支以及發票管理中的各項財務風險實現了更加有效的管控，公司財務信息化水平邁上了一個新的台階。

在出口管制方面，2018年公司積極應對國際形勢和中美關係帶來的出口管制風險，嚴密跟蹤出口管制法律的變化。完成了第一次出口管制外審工作，並將投資業務納入出口管制管理和審核範疇。

Disclosure of Inside Information

The Group acknowledges its responsibilities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) and the Listing Rules and the overriding principle that inside information should be announced immediately when it is the subject of a decision. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts its affairs with close regard to the disclosure requirement under the Listing Rules as well as the “Guidelines on Disclosure of Inside Information” published by the Securities and Futures Commission of Hong Kong in June 2012;
- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and its website;
- the Group has strictly prohibited unauthorized use of confidential or inside information; and
- the Group has established and implemented procedures for responding to external enquiries about the Group’s affairs, so that only the Executive Directors, the Joint Company Secretaries and investor relations officers are authorized to communicate with parties outside the Group.

The Group’s risk management and internal control systems will be reviewed and assessed on an on-going basis by the Audit Committee and Operation and Risk Management Committee, respectively, which will report the same to the Board, and will be further reviewed and assessed at least once each year by the Board.

披露內幕消息

本集團知悉其根據香港法例第571章證券及期貨條例及《上市規則》所應履行的責任，整體原則是內幕消息必須在有所決定後即時公佈。處理及發佈內幕消息的程序及內部監控措施如下：

- 本集團處理事務時會充分考慮《上市規則》項下的披露規定以及香港證券及期貨事務監察委員會於2012年6月頒佈的「內幕消息披露指引」；
- 本集團已透過財務報告、公告及公司網站等途徑向公眾廣泛及非獨家披露資料，實施及披露其公平披露政策；
- 本集團已嚴格禁止未經授權使用機密或內幕消息；及
- 本集團已就外界查詢本集團事務訂立及執行回應程序，據此，僅執行董事、聯席公司秘書及投資者關係專員方獲授權與本集團外部人士溝通。

審計委員會以及經營與風險管理委員會將持續檢討及評估本集團之風險管理及內部監控系統，並向董事會匯報結果，而董事會則每年最少對本集團之內部監控系統進行一次進一步檢討及評估。

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During the Year, the Board assessed the risk management and internal control systems of the Company and its subsidiaries such as financial control, operation control, compliance control and risk management systems and was not aware of any material problems or any material mistakes. The Board believes that the current monitoring system of the Company is effective and that the qualifications and experience of the staff performing accounting and financial reporting functions and the training programs of the Company as well as the experiences and resources for setting the budget of the Company are adequate.

INTERNAL AUDIT

The audit department of the Company (the “**Audit Department**”) adhered to risk-oriented strategy, strictly complied with the auditing procedures, enhanced the auditing quality and ensured the accomplishment of the audit target. Rectification was furthered, therefore the internal auditing result could be obtained efficiently and effectively. Audit information platform was improved so as to raise the auditing efficiency.

INDEPENDENT AUDITORS’ REMUNERATION

For the Year, the remunerations (pre-tax) paid or payable to the external auditors in respect of audit services and review service amounted to RMB7.53 million and RMB2.40 million, respectively. The amount for 2019 review service comprised the service fee on review of interim financial statements. The Audit Committee was satisfied that the review service in 2019 did not affect the independence of the auditor.

董事會在本年度內對本公司及其附屬公司的財務監控、運作監控、合規監控及風險管理等風險管理及內控系統進行審查，未發現公司內部控制存在任何重大問題，或出現任何重大失誤。董事會認為本公司目前的監控體系是有效的，並認為本公司進行會計及財務匯報的員工的資歷和經驗、員工培訓及有關預算方面的經驗和資源是足夠的。

內部審計

公司審計部（「**審計部**」）堅持風險導向，嚴格實施審計程序，提高審計質量，確保審計目標的實現；加大跟蹤督促整改力度，促進內部審計成果及時有效運用；完善審計信息化平台，提升審計效率。

獨立核數師薪酬

截至本年度，付予或應付予外聘核數師有關審計服務及審閱服務的薪酬（稅前）分別為人民幣7.53百萬元及人民幣2.40百萬元。2019年審閱服務的費用為審閱中期財務報表的服務費用。審計委員會對2019年度審閱服務並沒有影響到核數師的獨立性感到滿意。

Corporate Governance Report

企業管治報告

JOINT COMPANY SECRETARIES

Ms. WANG Weiling (“**Ms. WANG**”) acts as one of the joint company secretaries of the Company (the “**Company Secretary**”), the secretary to the Board and the authorised representative of the Company. She is responsible for advising the Board on corporate governance matters and ensuring that the Board policies and procedures, and the applicable laws, rules and regulations are followed.

In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company has appointed Sir KWOK Siu Man KR (“**Sir Seaman**”), as its joint Company Secretary to assist Ms. WANG to discharge her duties as the Company Secretary. For the purpose of code provision F.1.1 of the CG Code, Sir Seaman keeps close contact with Ms. WANG, being the person with sufficient seniority at the Company.

For the Year, Ms. WANG and Sir Seaman has undertaken 15 hours of relevant professional training, respectively, in compliance with Rule 3.29 of the Listing Rules.

聯席公司秘書

王瑋玲女士（「**王女士**」）擔任本公司其中一名聯席公司秘書（「**公司秘書**」）、董事會秘書及本公司授權代表。彼負責就企業管治事宜向董事會提供意見，並確保已遵從董事會政策與程序，以及適用法例、規則及規例。

為維持良好企業管治並確保遵守《上市規則》與適用香港法例，本公司已委聘郭兆文黎剎騎士勳賢（「**郭勳賢**」）為其聯席公司秘書，以協助王女士履行其作為公司秘書之職務。就《企業管治守則》之守則條文F.1.1條而言，郭勳賢與王女士緊密聯繫，王女士屬本公司的較高職位人士。

於本年度，為遵守《上市規則》第3.29條，王女士及郭勳賢已分別接受15個小時之相關專業培訓。

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DIVIDEND POLICY

In order to enhance transparency of the Company and facilitate the Shareholders and investors to make informed investment decisions relating to the Company, the Board adopted a dividend policy of the Company (the “**Dividend Policy**”).

According to the Dividend Policy, when determining whether to declare any dividend in the future and the amount of dividend to be declared, the Company shall consider a number of factors, including but not limited to:

- results of operation;
- cash flows and financial condition;
- operation and capital requirement;
- amount of distributable profit based on the generally accepted accounting principles in the PRC or International Financial Reporting Standards, whichever is lower; and
- statutory and contractual restrictions on the payment of dividends by the Company.

In addition to the above, the Company can only distribute dividends out of the after-tax profit after the following allocations have been made: (i) recovery of accumulated losses, if any; (ii) mandatory allocations to the statutory common reserve fund equivalent to 10% of the after-tax profit, unless the common reserve fund reaches 50% of our registered capital or above; and (iii) allocations to discretionary common reserve fund, subject to the Shareholders’ approval at the Shareholders meeting.

The Company does not have any pre-determined dividend distribution proportion or distribution ratio. The declaration, payment and amount of dividends will be subject to the PRC laws, the Articles of Association and the Board’s discretion. The Board will review the Dividend Policy on a regular basis.

股息政策

為提高本公司之透明度及讓股東及投資者便於進行有關本公司之知情投資決定，董事會採納本公司之股息政策（「**股息政策**」）。

根據股息政策，於未來釐定是否宣派任何股息及釐定將予宣派之股息金額時，本公司須考慮若干因素，包括但不限於：

- 經營業績；
- 現金流及財務狀況；
- 經營及資金需求；
- 可予分派利潤之金額乃根據中國之廣泛接受會計原則或國際財務報告準則（以較低者為準）；及
- 限制本公司派付股息之法定及合同限制。

除上述者外，本公司僅可從除稅後溢利按下列方式分派股息：(i) 累計虧損彌補狀況（如有）；(ii) 對法定公積金作出相等於除稅後溢利10%的強制分配（除非公積金達到我們的註冊資本的50%或以上）；及(iii) 對任意公積金作出的分配，但須待股東於股東大會上批准後方可作實。

本公司並無任何預先釐定股息分派部門或分派比率。股息宣派、派付及其金額將視乎中國法律、章程及董事會之酌情決定而定。董事會將定期審閱股息政策。

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, when the Company convenes an AGM, Shareholders holding 3% or more of the total voting shares of the Company shall be entitled to propose new resolutions to the Company in writing which should be submitted to the convener 10 days prior to the convening of the general meeting. The convener of the general meeting shall issue a supplemental notice of general meeting to other Shareholders within 2 days of the receipt of such proposal and incorporate such newly proposed matters falling within the scope of duties of the general meeting into the agenda of such meeting. The new agenda shall be tabled to the general meeting for consideration.

Shareholders can submit their written recommendations through the following facsimile, e-mail or postal address:

Facsimile: 86 10 6332 1086

E-mail: ir@mail.cmec.com

Postal address: No. 178 Guang'anmenwai Street, Xicheng District, Beijing, the PRC (Postal Code: 100055)

Pursuant to article 57 of the Articles of Association, general meetings shall be convened where Shareholders who individually or jointly hold 10% or more of the Shares make a request to convene an extraordinary general meeting in writing. The matter for consideration proposed by the party requesting the holding of the extraordinary general meeting shall be included in the agenda of such meeting.

As for proposing a person for election as a director, the procedures are set out in the Articles of Association which is available on the respective websites of the Stock Exchange and the Company.

All resolutions put forward at shareholder meetings will be voted on by poll based on shareholding pursuant to the Listing Rules and poll results will be posted on the respective websites of the Stock Exchange and the Company in a timely manner after each shareholder meeting.

股東權利

為保障股東權益及權利，倘本公司召開股東週年大會，持有本公司具表決權股份總數3%或以上的股東有權以書面形式向本公司提出新決議案，書面建議須於召開股東大會之前10天呈交召集人。股東大會召集人須於接獲有關建議2天內向其他股東發出股東大會補充通知，將符合股東大會職責範圍的相關新建議事項加入大會議程。新議程將於股東大會上提出以供審議。

股東可通過以下傳真、電郵、郵寄地址提交彼等的書面建議：

傳真：86 10 6332 1086

電郵：ir@mail.cmec.com

郵寄地址：中國北京西城區廣安門外大街178號（郵編：100055）

根據章程第57條，倘個別或共同持有10%或以上股份的股東作出書面要求召開臨時股東大會，則須召開股東大會。要求舉行臨時股東大會的人士所提呈以供審議的事項須加入該大會的議程。

至於建議一名人士膺選董事方面，有關程序載於章程內，而章程可分別於聯交所及本公司的網站查閱。

於股東大會提呈之所有決議案將根據《上市規則》以按股數投票方式表決，而表決結果將於各股東大會後適時分別刊載於聯交所及本公司的網站。

Corporate Governance Report

企業管治報告

Enquiries to the Board

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to Room 804, 8/F, Tower 1, South Sea Centre, 75 Mody Road, Tsimshatsui East, Kowloon, Hong Kong, and provide sufficient contact information for the timely and proper handling and record keeping of the relevant enquiries.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

In 2012, the Company successfully completed its Listing in Hong Kong. Through roadshow presentations around the globe, its investor relations website, investor enquiry hotline, investor mailbox and other communication channels, the Company maintains close liaisons with investors worldwide in a timely and efficient manner. Moreover, through investment forums, corporate visits, teleconferences and various other channels, the Company maintains proactive and frank exchanges with investors and analysts. The Company has attached great importance to listening to Shareholders and investors and accepting reasonable suggestions and opinions from them. It strives to continuously enhance its operating results, present a true picture of the Company's financial and operational status to Shareholders and investors, actively facilitate the internal communications in respect of the feedback from the capital market, and continuously perfect and enrich the system aiming to canvass information in relation to investor relations. The management over investor relations involves an all-faceted interactive communication process.

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable shareholders and investors to make informed investment decisions. In 2019, the Company will gradually develop a systematic structure of investor relations featured by its own characteristics. The Company aims at actively participating in all kinds of summits in capital market and strengthen communication with investors, as well as strive to achieve timely and transparent information disclosures.

向董事會查詢

有意就本公司事宜向董事會作出查詢的股東可將查詢送交香港九龍尖沙咀東麼地道75號南洋中心第1座8樓804室，並提供足夠的聯絡資料，以便有關查詢及時獲得公司恰當的處理和記錄。

與股東之溝通及投資者關係

於2012年，本公司成功在香港完成上市。本公司透過於世界各地進行的路演、其投資者關係網站、投資者查詢熱線、投資者信箱及其他溝通渠道，及時並有效保持與全球各地投資者的緊密聯繫。此外，本公司透過投資論壇、公司訪問、電話會議及各類其他渠道，積極及真誠與投資者及分析師交流。本公司十分重視聆聽並接受股東及投資者的合理建議和意見，致力持續改善其營運業績、向股東及投資者呈列本公司的真實財務與營運狀況、積極促進有關來自資本市場反饋意見的內部交流，以及持續優化及加強系統，目的是宣揚有關投資者關係的資料。投資者關係管理涉及全面互動溝通程序。

本公司認為，與股東之有效溝通對改善投資者關係及了解本集團業務、表現及策略甚為重要。本公司亦確認適時及非選擇性披露資料之重要性，將有助股東及投資者作出知情投資決定。在2019年，公司將逐步形成具有自身特色的投資者關係體系架構。公司旨在積極參加資本市場各類峰會活動，加強與投資者的溝通互動，努力使信息及時披露及具透明度。

Corporate Governance Report

企業管治報告

The AGM provides opportunity for shareholders to communicate directly with the Directors. The Chairman, the President, the chairman of each of the Board Committees and the independent auditor of the Company, Ernst & Young, will attend the AGM to answer Shareholders' questions.

To promote effective communication, the Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and its Shareholders and maintains a website at www.cmec.com, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access. The Company also maintained frequent contacts with Shareholders and investors through various channels such as meetings, telephone and emails. For example, we will convene telephone meetings to answer enquiries from Shareholders and investors, as well as arrange one-on-one conversation with investors. In addition, we arranged on-site visits to the Group's projects and non-deal roadshows for investors and research analysts.

The Company has adopted a shareholders' communication policy with the objective of ensuring that the Shareholders, both individual and institutional shareholders (collectively, the "**Shareholder(s)**") and, in appropriate circumstances, the investment community at large, are provided with ready, equal, balanced and understandable information about the Company (including its financial performance, strategic goals and plans, material developments and governance) in a timely manner, for the purpose of enabling the Shareholders to exercise their rights in an informed manner, and allowing them and the investment community to engage actively with the Company.

Information about the Company will be communicated to the Shareholders and the investment community mainly through the Company's financial reports (interim and annual reports), annual general meetings and other general meetings that may be convened, as well as by making available all the disclosures submitted to the Stock Exchange and its corporate communications on the respective websites of the Stock Exchange and the Company.

股東週年大會為股東提供直接與董事溝通的機會。董事長、總裁、各董事會委員會主席及本公司獨立核數師安永會計師事務所將出席股東週年大會，以回應股東提問。

為推動有效溝通，本公司採納股東通訊政策，旨在建立本公司與其股東的雙向關係及溝通，並設有網站www.cmec.com，以供公眾人士查閱有關本公司業務營運及發展、財務資料、企業管治常規及其他資料的最新消息。本公司亦透過會議、電話及電郵等各種渠道與股東及投資者保持緊密聯繫，例如，召開電話會議回覆股東及投資者的提問及安排一對一的投資者訪談等。另外，我們為投資者及研究分析師安排本集團項目的實地考察及非交易路演。

本公司已採納股東溝通政策，目標是確保股東，包括個人及機構（以下統稱「股東」），及在適當情況下包括一般投資人士，均可適時取得方便、相同、平衡及容易理解的本公司資料（包括其財務表現、策略目標及計劃、重大發展及管治），一方面使股東可在知情情況下行使權力，另一方面也讓股東及投資人士與本公司加強溝通。

本公司向股東及投資人士傳達本公司資料的主要渠道為：本公司的財務報告（中期及年度報告）、股東週年大會及其他可能召開的股東大會，並將所有呈交予聯交所的披露資料及公司通訊分別登載在聯交所及本公司網站。

Corporate Governance Report

企業管治報告

INFORMATION DISCLOSURE

The Company discloses information in compliance with the Listing Rules, and publishes periodic reports and announcements to the public in accordance with the relevant laws and regulations. The primary focus of the Company is to ensure information disclosure is timely, fair, accurate, truthful and complete, thereby enabling Shareholders, investors as well as the public to make rational and informed decisions regarding the Company.

CONSTITUTIONAL DOCUMENT

At the AGM held on 24 June 2019, the amendments to the Articles of Association were approved by the Shareholders. There is no material change in the amendments to the Articles of Association. An updated version of the Articles and Association is available on the respective websites of the Stock Exchange and the Company.

ANNUAL GENERAL MEETING

All Shareholders are encouraged to attend the forthcoming AGM and exercise their right to vote. Further details of business to be conducted at the general meeting will be set out in the circular and notice to the Shareholders to be sent and posted on the respective websites of the Stock Exchange and the Company in due course.

資料披露

本公司根據《上市規則》披露資料，並根據相關法例及規例定期向公眾人士公佈報告及公告。本公司重點確保及時、公平、準確、真誠及完整地披露資料，讓股東、投資者及公眾人士得以作出有關本公司的理性及知情決定。

章程文件變動

章程的修訂於2019年6月24日召開的股東週年大會經股東批准通過。章程的修訂並無重大變動。章程的更新版本可分別於聯交所及本公司網站查閱。

股東週年大會

本公司鼓勵全體股東出席應屆股東週年大會並行使彼等表決權。有關於股東大會進行之事宜的進一步詳情將載於稍後寄發予股東之通函及通告內，該等通函及通告亦將適時分別於聯交所及本公司網站內刊發。

Report of the Supervisory Board

監事會報告

The Supervisory Board is pleased to present this report of the Supervisory Board in the annual report of the Company for the year ended 31 December 2019.

In 2019, all members of the Supervisory Board have practically performed their supervisory functions to safeguard the rights and interests of the Group and the Shareholders in accordance with relevant provisions in the Company Law, the Articles of Association, the Rules of Procedures of the Supervisory Board and the Listing Rules. Members of the Supervisory Board carried out examination of the Company's financial accounts and supervision of the management of the Company, compliance in operation, implementation of resolutions of the general meetings, internal control, the Directors, the president and other senior management for their compliance with the laws, administrative regulations and the Articles of Association, etc. in executing their respective duties

I. MEMBERS OF THE SUPERVISORY BOARD AND CHANGES IN MEMBERS DURING THE REPORTING PERIOD

According to relevant provisions in the Articles of Association and the Company Law, the third session of the Supervisory Board shall comprised three Supervisors, including two Shareholder representative Supervisors and one staff representative Supervisor. According to the Articles of Association, the election of the two Shareholder representative Supervisors shall be subject to approval at the general meeting by Shareholders, while the staff representative supervisor shall be elected by staff of the Company at the staff representative meeting. The term of the third session of the Supervisory Board is three years commencing from 5 March 2018.

As at the date of this annual report, the third session of the Supervisory Board of the Company comprises Ms. WANG Huifang, Mr. GUO Weihua and Ms. LIU Ting.

監事會欣然呈列於本公司截至2019年12月31日止年度的年報的監事會報告。

2019年，監事會全體成員依照公司法、章程、監事會議事規則及上市規則的有關規定，切實履行監督職責，維護本集團及股東的權益。監事會成員對本公司財務賬目進行檢查並對本公司的管理情況、依法運營情況、股東大會決議執行情況、內控情況、董事、總裁及其他高級管理層行使其各自職責時對法律、行政法規及章程的遵守情況等進行了監督。

一、監事會成員及報告期內成員變動情況

根據章程及公司法的相關規定，第三屆監事會應由三名監事組成，包括兩名股東代表監事及一名職工代表監事。根據章程的規定，選舉兩名股東代表監事須獲股東於股東大會上批准，而職工代表監事將由本公司職工於職工代表大會選舉。第三屆監事會的任期由2018年3月5日起計為期三年。

截至本年報日期，王惠芳女士、郭偉華先生及劉婷女士為本公司第三屆監事會成員。

Report of the Supervisory Board

監事會報告

Ms. LIU Ting has been elected as the staff representative Supervisor for the third session of the Supervisory Board at the staff representative meeting of the Company held on 8 January 2018. Ms. LIU Ting's term of service commenced on 5 March 2018, the date on which the third session of the Supervisory Board was formed, until the expiration of the term of the third session of the Supervisory Board.

As announced by the Company on 24 June 2019, Mr. GUO Weihua has been elected as the Shareholder representative Supervisor for the third session of the Supervisory Board at the annual general meeting held on 24 June 2019. Mr. GUO Weihua's term of service commenced on 24 June 2019 until the expiration of the term of the third session of the Supervisory Board. Mr. QIAN Xiangdong resigned as the Shareholder representative Supervisor of the third session of the Supervisory Board on the same day with immediate effect.

As announced by the Company on 14 February 2020, Ms. WANG Huifang has been elected as the Shareholder representative Supervisor for the third session of the Supervisory Board at the extraordinary general meeting held on 14 February 2020. At the eighth meeting of the third session of the Supervisory Board held on 14 February 2020, Ms. WANG Huifang has been elected as the chairman for the third session of the Supervisory Board. Ms. WANG Huifang's term of service commenced on 14 February 2020 until the expiration of the term of the third session of the Supervisory Board. Mr. QUAN Huaqiang resigned as the Shareholder representative Supervisor of the third session of the Supervisory Board on the same day with immediate effect.

劉婷女士於2018年1月8日舉行的本公司職工代表大會上，獲選舉為第三屆監事會職工代表監事。劉婷女士的任期自2018年3月5日第三屆監事會產生之日起直至第三屆監事會任期屆滿為止。

誠如本公司於2019年6月24日所公佈，於2019年6月24日舉行的股東週年大會上，郭偉華先生已獲補選為第三屆監事會股東代表監事。郭偉華先生的任期自2019年6月24日起至第三屆監事會任期屆滿為止。錢向東先生辭去第三屆監事會股東代表監事於同日立即生效。

誠如本公司於2020年2月14日所公佈，於2020年2月14日舉行的臨時股東大會上，王惠芳女士已獲補選為第三屆監事會股東代表監事。於2020年2月14日舉行的第三屆監事會第八次會議上，王惠芳女士已獲選為第三屆監事會主席。王惠芳女士的任期自2020年2月14日起至第三屆監事會任期屆滿為止。全華強先生辭去第三屆監事會股東代表監事及監事會主席於同日立即生效。

Report of the Supervisory Board

監事會報告

II. MEETINGS OF THE SUPERVISORY BOARD

During the year of 2019 and up to the date of this report of the Supervisory Board (being 30 March 2020), six meetings of the Supervisory Board were held.

On 26 March 2019, the Company held the fourth meeting of the third session of the Supervisory Board to consider the 2018 audited financial report and the 2018 results announcement of the Company and the 2018 report of the Supervisory Board of the Company.

On 28 April 2019, the Company held the fifth meeting of the third session of the Supervisory Board to consider the resignation of Mr. QIAN Xiangdong as a Supervisor of the Company and the recommendation to appoint a new Supervisor candidate of the third session of the Supervisory Board.

On 26 August 2019, the Company held the sixth meeting of the third session of the Supervisory Board to consider the 2019 unaudited interim financial report and the 2019 interim results announcement of the Company.

On 30 December 2019, the Company held the seventh meeting of the third session of the Supervisory Board to consider the resignation of Mr. QUAN Huaqiang as a Supervisor of the Company and the recommendation to appoint a new Supervisor candidate of the third session of the Supervisory Board.

On 14 February 2020, the Company held the eighth meeting of the third session of the Supervisory Board to elect the chairman of the third session of the Supervisory Board.

On 30 March 2020, the Company held the ninth meeting of the third session of the Supervisory Board to consider the 2019 audited financial report and the 2019 results announcement of the Company and the 2019 report of the Supervisory Board of the Company.

二、監事會會議情況

於2019年度內至本監事會報告日期(2020年3月30日)，監事會舉行了6次會議。

於2019年3月26日，本公司舉行第三屆監事會第四次會議，以審議本公司2018年經審計財務報告及2018年業績公告和本公司2018年監事會報告。

於2019年4月28日，本公司舉行第三屆監事會第五次會議，以審議錢向東先生辭任本公司監事職務及推薦本公司第三屆監事會增補監事候選人。

於2019年8月26日，本公司舉行第三屆監事會第六次會議，以審議本公司2019年未經審計中期財務報告及2019年中期業績公告。

於2019年12月30日，本公司舉行第三屆監事會第七次會議，以審議全華強先生辭任本公司監事職務及推薦本公司第三屆監事會增補監事候選人。

於2020年2月14日，本公司舉行第三屆監事會第八次會議，以選舉本公司第三屆監事會主席。

於2020年3月30日，本公司舉行第三屆監事會第九次會議，以審議本公司2019年經審計財務報告及2019年業績公告和本公司2019年監事會報告。

Report of the Supervisory Board

監事會報告

III. INDEPENDENT OPINION ISSUED BY THE SUPERVISORY BOARD ON RELEVANT MATTERS

1. Management of the Company

The Board of the Company as whole and each Director have earnestly performed their duties with integrity and diligence, and each Director has earnestly understood the operation of the Company and thoroughly discussed the Company's affairs before making decisions. The management of the Company faithfully fulfilled their duties and responsibilities as stipulated in the laws, regulations and the Articles of Association, and earnestly implemented the resolutions approved by the Board. Facing with the harsh and complicated market environment, the management has actively taken challenges and earnestly performed their duties according to their terms of reference and implemented the decisions of the Board in a scientific way.

2. Operation of the Company

In 2019, the Company strictly complied with the laws and regulations, and operated in accordance with the Listing Rules. The Company managed to achieve satisfying results in areas of operation, cost control, project construction, implementation and management, internal management, work safety and market expansion, which laid a solid foundation for the smooth and faster development for the Company to be excellent and strong. The Company further improved the systems of internal controls, and enhanced, in particular, the system of business processes and responsibility assignment of all functional departments of the Company, making further progress in corporate governance.

三、監事會就有關事項發表的獨立意見

1. 本公司管理情況

本公司董事會整體及每名董事均認真履行了誠信及勤勉責任，董事在認真了解本公司運營情況及進行充分討論的情況下，對本公司決策事項進行了決策。本公司管理層忠實履行了法律、法規及章程規定的職責，認真執行了董事會通過的各項決議。管理層面對嚴峻複雜的市場環境，積極應對，在職權之內認真履行職責，科學執行董事會決策。

2. 本公司營運情況

於2019年，本公司能夠嚴格執行法律、法規，按上市規則運作。本公司營運、成本控制、項目建設、實施及管理、內部管理、工作安全及市場開拓等方面均取得了令人滿意的成績，為本公司做優做強，實現更好更快發展奠定了堅實基礎。本公司進一步完善了內部控制的各項制度，特別是完善了本公司各職能部門的業務流程和責任分配體系，企業管治水平進一步提高。

Report of the Supervisory Board

監事會報告

3. Implementation of the resolutions of General Meetings

In 2019 and up to the date of this report of the Supervisory Board, the members of the Supervisory Board attended four general meetings and sit in on nineteen meetings of the Board, exercising supervision in respect of the lawfulness and compliance of the procedures of the matters considered by the Board meetings.

The Supervisory Board made no objection to the reports and resolutions proposed at the general meetings and considered that the Board earnestly implemented the resolutions approved by the general meetings.

4. Financial matters of the Company

Members of the Supervisory Board monitored and examined the financial management system and the financial condition and reviewed relevant financial information of the Company. Upon examination, the Supervisory Board concluded that the Company had strictly complied with the relevant financial laws, regulations and financial policies, and that the financial system has an integrated structure; the financial management system was sound and implemented effectively; the accounting treatment was in line with the consistency principles; and the Company's financial reports gave an objective and fair view of the financial position and operating results of the Company.

The Supervisory Board reviewed the unqualified auditor's report issued by Ernst & Young (安永會計師事務所) and Ernst & Young Hua Ming LLP (Special General Partnership) (安永華明會計師事務所(特殊普通合夥)) in respect of the audited consolidated financial statements of the Company for the year ended 31 December 2019 prepared in accordance with IFRS and Accounting Standards for Business Enterprises of the PRC respectively, and raised no objection to such reports.

3. 股東大會決議案執行情況

於2019年度內至本監事會報告日期，監事會成員出席了4次股東大會，列席參加了19次董事會會議，對董事會會議審議之事項的程序合法性和合規性實施監督。

監事會對於股東大會上提呈的各項報告和議案並無異議，並認為董事會認真執行了經股東大會批准的各项決議案。

4. 本公司財務事項

監事會成員對本公司的財務管理制度和財務狀況進行了監督檢查，審閱了本公司相關財務資料。通過審查，監事會認為本公司嚴格遵守了相關金融法律、法規及財務政策，財務系統組織結構完整，財務管理制度健全且獲有效執行；會計處理方法遵循了一貫性原則；本公司財務報告客觀、公允地反映了本公司的財務狀況及營運業績。

監事會審閱了安永會計師事務所及安永華明會計師事務所(特殊普通合夥)分別就根據國際財務報告準則及中國企業會計準則編製的截至2019年12月31日止年度的經審計合併財務報表出具的無保留意見的審計報告，對該報告無異議。

Report of the Supervisory Board

監事會報告

5. Internal control of the Company

Members of the Supervisory Board monitored and examined the internal control of the Company and reviewed relevant internal control information of the Company. Upon review, the Supervisory Board concluded that the Company was under the effective management of the Board and the management during the reporting period, and the Company continued to improve the internal control system and improve the risk management and control capabilities, ensuring the regulated and stable operation of the Company.

6. Information disclosure system

Members of the Supervisory Board monitored and examined the Company's information disclosure system and reviewed relevant documents of the Company publicly disclosed. Upon examination, the Supervisory Board concluded that, during the reporting period, the Company's information disclosure and other management processes strictly abided by the Listing Rules and the provisions of the Company's information disclosure system, and relevant information was disclosed in a lawful, timely and comprehensive manner, and no false information was found. The Supervisory Board also did not discover that the Directors, Supervisors and senior management, as well as relevant inside information insiders, had used inside information to buy and sell stocks and harm the interests of the Company and Shareholders.

5. 本公司內控情況

監事會成員對本公司的內控狀況進行了監督檢查，審閱了本公司相關內部控制的資料。通過審查，監事會認為，本公司在報告期內處於董事會和管理層的有效管理之下，且本公司持續完善內部控制體系，提高風險管控能力，確保本公司規範穩健運營。

6. 信息披露制度的情況

監事會成員對本公司的信息披露制度進行了監督檢查，審閱了本公司進行公開披露的相關文件。通過審查，監事會認為，報告期內，本公司信息披露等管理流程嚴格遵守上市規則和本公司信息披露制度的規定，對相關信息進行了依法、及時、全面地披露，未發現虛假信息。監事會亦未發現本公司董事、監事和高級管理人員以及相關內幕信息知情人有利用內幕信息買賣股票、損害本公司和股東利益的行為。

Report of the Supervisory Board

監事會報告

7. Others

Members of the Supervisory Board participated in the review of the annual performance appraisal of the Company's management. Upon examination, the Supervisory Board concluded that the annual performance appraisal of the management by the Board was conducted strictly in accordance with the appraisal procedures approved by the Articles of Association and the general meeting. The Supervisory Board made no objection to the appraisal results.

In 2020, the Supervisory Board will continue to carry out its fiduciary duties to implement effective supervision on the Company, its Directors and senior management in accordance with the relevant provisions of the Company Law, the Articles of Association, the Rules of Procedures of the Supervisory Board and the Listing Rules and pay close attention to the operation and management condition of the Company as well as any significant development of the Company, so as to facilitate the profit growth of the Company and to dutifully protect the interests of all Shareholders and the Company. In addition, the Supervisory Board will further consolidate resources for supervision so as to enhance our management, helping and ensuring the realization of the Company's targets for all works in 2020.

By order of the Supervisory Board
WANG Huifang
Chairman of the Supervisory Board

Beijing, the PRC, 30 March 2020

7. 其他

監事會成員參與了對本公司管理層年度績效考核工作的檢查。通過審查，監事會認為，本公司董事會對管理層的年度績效考核工作，是嚴格依據公司章程及股東大會批准的考核程序進行的，監事會對考核結果沒有異議。

2020年，監事會將依據公司法、章程、監事會議事規則及上市規則的有關規定，繼續謹遵誠信原則，對本公司、其董事及高級管理人員實施有效監督，且密切關注本公司的營運及管理情況，並關注本公司的任何重大發展，藉以促進本公司的盈利增長，並忠實維護全體股東及本公司的利益。另外，監事會將進一步整合監督資源，促進管理提升，助力和保障本公司2020年度各項工作目標的順利實現。

承監事會命
王惠芳
監事會主席

中國北京，2020年3月30日

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

I. EXECUTIVE DIRECTOR

Mr. FANG Yanshui (方彥水先生)

Mr. FANG, aged 48, is currently the President, the executive Director and deputy secretary of the Party committee of the Company. He was appointed as the President on 30 December 2019 and appointed as the executive Director on 14 February 2020. He has over 20 years of experience in engineering contracting. Mr. FANG joined our Company in August 1993. Mr. FANG successively served as a sales representative, the deputy general manager of the Third International Engineering Division under No.4 Complete Engineering Department, the deputy general manager of No.4 Division and the general manager and the secretary of General Party Branch of the Third International Engineering Division and the general manager of No.4 Complete Engineering Department. Mr. FANG was promoted to the assistant to the general manager of our Company and the general manager of No.4 Division in September 2015. He served as the vice president of the Company from February 2017 to December 2019. Mr. FANG graduated from Hunan University in 1993, majoring in industrial foreign trade. Mr. FANG is a senior engineer.

I. 執行董事

方彥水先生

方先生，現年48歲，現任本公司總裁、執行董事兼黨委副書記。彼於2019年12月30日獲委任為總裁，並於2020年2月14日獲委任為執行董事。彼擁有超過20年的工程承包業務經驗。方先生於1993年8月加入本公司，歷任任業務員、第四成套事業部國際工程三部副總經理、第四事業部副總經理兼國際工程三部總經理、黨總支書記、第四工程成套事業部總經理，並於2015年9月晉升為本公司總經理助理兼第四事業部總經理。彼於2017年2月至2019年12月擔任本公司副總裁。方先生於1993年在湖南大學畢業，主修工業外貿。方先生為高級工程師。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

II. NON-EXECUTIVE DIRECTORS

Mr. BAI Shaotong (白紹桐先生)

Mr. BAI, aged 56, is currently the chairman of the Board, a non-executive Director and secretary of the Party committee. He was appointed as the chairman of the Board and non-executive Director on 5 December 2019. He has successively served as a standing committee member of the Party committee, a deputy general manager and the general manager of the engineering contracting division of SINOMACH since December 2017 and he has also served as the Director and the chairman of China National Machinery Industry Engineering Group since 27 December 2019. From December 2011 to December 2017, he served as a standing committee member of the Party committee and a secretary of the disciplinary committee of Harbin Electric Corporation* (哈爾濱電氣集團公司) and successively served as a standing committee member of the Party committee, a secretary of the disciplinary committee and the chairman of the supervisory committee of Harbin Electric Company Limited* (哈爾濱電氣股份有限公司). From January 2010 to December 2011, he served as the general manager and deputy secretary of the Party group of China Huadian Corporation Jiangsu Branch* (中國華電集團公司江蘇分公司). He successively served as the deputy general manager, a member of the Party group, the deputy secretary of the Party group, the executive deputy general manager and the general manager of China Huadian Engineering (Group) Co., Ltd.* (中國華電工程(集團)有限公司) from May 2001 to January 2010, during which, he was also (i) the director of the human resources department and the director of the marketing department of China Huadian Engineering (Group) Corporation* (中國華電工程(集團)公司) from March 2001 to July 2003 and (ii) the vice chairman and chairman of Guodian Nanjing Automation Co., Ltd.* (國電南京自動化股份有限公司) from April 2005 to February 2010, successively. He successively served as an assistant to the general manager, the general manager and the deputy general manager of the power station equipment department and a member of the Party group of China Huadian Power Station Equipment Engineering Group Corporation* (中國華電電站裝備工程(集團)總公司) from February 1999 to May 2001, during which, he was also the director of the human resources department of China Huadian Power Station Equipment Engineering Group Corporation from October 2000 to March 2001; and an assistant engineer, engineer, the vice section chief and section chief of the power station equipment department of the Electric Machinery Bureau under the Ministry of Electric Power Industry, and the deputy general manager of the power station equipment department and general manager of the general affairs department of China Huadian Power Station Equipment Engineering Group Corporation from July 1987 to February 1999, successively.

II. 非執行董事

白紹桐先生

白先生，現年56歲，現任董事會董事長、非執行董事及黨委書記。白先生於2019年12月5日獲委任為董事會董事長兼非執行董事。彼於2017年12月起至今先後擔任國機黨委常委、副總經理及工程承包事業部總經理，並於2019年12月27日起兼任中國機械工業工程集團董事及董事長。於2011年12月至2017年12月擔任哈爾濱電氣集團公司黨委常委、紀委書記及先後擔任哈爾濱電氣股份有限公司黨委常委、紀委書記及監事會主席。於2010年1月至2011年12月擔任中國華電集團公司江蘇分公司總經理、黨組副書記。於2001年5月至2010年1月先後擔任中國華電工程(集團)有限公司副總經理、黨組成員、黨組副書記、常務副總經理、總經理，期間(i)於2001年3月至2003年7月兼任中國華電工程(集團)公司人力資源部主任及市場部主任及(ii)於2005年4月至2010年2月先後兼任國電南京自動化股份有限公司副董事長、董事長。於1999年2月至2001年5月先後擔任中國華電電站裝備工程(集團)總公司總經理助理、電站裝備部總經理、副總經理、黨組成員，期間於2000年10月至2001年3月兼任中國華電電站裝備工程(集團)總公司人力資源部主任，於1987年7月至1999年2月先後擔任電力工業部電力機械局助理工程師、工程師、電站裝備處副處長、處長、中國華電電站裝備工程(集團)總公司電站裝備部副總經理兼綜合部總經理。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

Mr. BAI graduated from the Power Engineering Department of Northeast China Institute of Electric Power with a bachelor's degree in thermal power engineering for power plants (電廠熱能動力工程) in 1987, and obtained a master's degree in business administration from China Europe International Business School (中歐國際工商學院) in 2008.

Mr. YU Benli (余本禮先生)

Mr. YU, aged 67, is currently a non-executive Director of the Company, and was appointed on 20 February 2014. He has more than 30 years of experience in machinery industry. From June 1977 to December 1979, Mr. YU served at The People's Bank of China, Nanjing Branch. From December 1979 to October 1983, he served at Jiangsu Machinery Equipment Import & Export Corporation (江蘇機械設備進出口公司), a subsidiary of the Company. From October 1983 to January 1988, Mr. YU served at Sino American Machinery Corporation (美國華美機械有限公司), a subsidiary of the Company and was stationed in the United States. From January 1988 to April 2013, he served at SUMEC Group Corporation (江蘇蘇美達集團公司), a subsidiary of SINOMACH and the predecessors of which are Jiangsu Machinery Equipment Import & Export Corporation (江蘇機械設備進出口公司) and China Jiangsu Machinery Equipment Import & Export Corporation (中設江蘇機械設備進出口集團公司). He held a number of positions including assistant general manager, deputy general manager, general manager and chairman. From May 2012 to December 2018, Mr. YU served as the chairman of China Perfect Machinery Industry Corp., Ltd. (中國浦發機械工業股份有限公司), a subsidiary of SINOMACH. Currently, Mr. YU is also a director of China National Machinery Industry International Co., Ltd. (中國機械國際合作股份有限公司), a subsidiary of SINOMACH. Mr. YU has resigned as the chairman of China Machine Tool Sales and Technology Services Co., Ltd. (中國機床銷售與技術服務有限公司), a subsidiary of SINOMACH, in February 2014.

Mr. YU graduated from Nanjing Jinling Vocational University (南京市金陵職業大學) with a degree in business operation. He is a senior international business specialist.

白先生於1987年畢業於東北電力學院動力工程系，獲得電廠熱能動力工程學士學位，並於2008年於中歐國際工商學院獲得工商管理碩士學位。

余本禮先生

余先生，現年67歲，現任本公司非執行董事，於2014年2月20日獲委任。彼於機械行業擁有超過30年經驗。自1977年6月至1979年12月，余先生任職於中國人民銀行南京分行。自1979年12月至1983年10月，彼任職於江蘇機械設備進出口公司(本公司的附屬公司)。於1983年10月至1988年1月，余先生任職於美國華美機械有限公司(本公司的附屬公司)，並留駐於美國。於1988年1月至2013年4月，彼任職於江蘇蘇美達集團公司(國機的附屬公司)，其前身為江蘇機械設備進出口公司及中設江蘇機械設備進出口集團公司。彼曾先後擔任多個職位，包括總經理助理、副總經理、總經理及董事長。2012年5月至2018年12月，余先生擔任中國浦發機械工業股份有限公司(國機的附屬公司)的董事長。目前，余先生擔任中國機械國際合作股份有限公司(國機的附屬公司)董事。於2014年2月，余先生辭任中國機床銷售與技術服務有限公司(國機的附屬公司)之董事長。

余先生畢業於南京市金陵職業大學商務經營專業，為高級國際商務師。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

Mr. ZHANG Fusheng (張福生先生)

Mr. ZHANG, aged 68, is currently a non-executive Director of the Company, and was appointed on 20 February 2014. He has more than 30 years of experience in equipment manufacturing industry. He began his career with Zhejiang Automotive Industrial Corporation (浙江省汽車工業公司) in July 1980 and was promoted to assistant manager in August 1986. In April 1988, Mr. ZHANG was appointed as deputy county magistrate of Zhejiang Province Yongjia County People's Government (浙江省永嘉縣人民政府). From May 1990 to August 1998, he held the positions of deputy general manager and general manager of China Automotive Industrial Import & Export Zhejiang Branch (中國汽車工業進出口浙江公司), a subsidiary of SINOMACH. From August 1998 to February 2012, he was the general manager of China Automotive Import & Export Corporation (中國汽車進出口總公司), a subsidiary of SINOMACH.

Mr. ZHANG was the chairman of China National Machinery Industry International Co., Ltd. (中國機械國際合作股份有限公司), a subsidiary of SINOMACH from February 2012 to December 2018. Mr. ZHANG was a director of CNEEC, a subsidiary of SINOMACH from 2 November 2011 to January 2016, and a director of CNCEC from 29 December 2011 to 25 November 2016. Mr. ZHANG was a director of Beijing Xianglong Assets Management Co., Ltd (北京祥龍資產經營有限責任公司) from February 2015 to December 2018. Since June 2016, Mr. ZHANG was a director of China CAMC Engineering Co., Ltd. (中工國際工程股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 002051).

In 2000, Mr. ZHANG graduated from Wuhan University of Technology (武漢理工大學) with a master's degree in business administration. Mr. ZHANG is a professorate senior engineer.

張福生先生

張先生，現年68歲，現任本公司非執行董事，並於2014年2月20日獲委任。張先生擁有超過30年的裝備製造行業經驗。張先生於1980年7月就職於浙江省汽車工業公司，並於1986年8月晉升為副經理。1988年4月，張先生被任命為浙江省永嘉縣人民政府副縣長。1990年5月至1998年8月，張先生曾就職於中國汽車工業進出口浙江公司(國機的附屬公司)，歷任副總經理及總經理。1998年8月至2012年2月，張先生曾擔任中國汽車進出口總公司(國機的附屬公司)總經理。

2012年2月至2018年12月，張先生曾擔任中國機械國際合作股份有限公司(國機的附屬公司)董事長。自2011年11月2日至2016年1月，張先生曾擔任中電工(國機的附屬公司)董事，並於2011年12月29日至2016年11月25日，擔任中成套董事。自2015年2月至2018年12月，張先生擔任北京祥龍資產經營有限責任公司董事。自2016年6月至今，張先生擔任在深圳證券交易所上市的中工國際工程股份有限公司(股票代碼：002051)的董事。

2000年，張先生畢業於武漢理工大學，獲得工商管理碩士學位。張先生為教授級高級工程師。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

III. INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LIU Li (劉力)

Mr. LIU, aged 64, is currently an independent non-executive Director of the Company, and was appointed on 13 January 2011. He was a teacher at the department of physics, the Beijing Institute of Iron and Steel (北京鋼鐵學院) from September 1984 to January 1986. From January 1986 to date, Mr. LIU has been holding various teaching positions at the Guanghua School of Management (光華管理學院), and its predecessor, the department of economics of the school of economics and management (經濟學院經濟管理系), Peking University, including lecturer, associate professor, professor, supervisor for doctoral students, the director of the finance department and a director of the MBA program at the Guanghua School of Management, Peking University. Mr. LIU is also a deputy director of the Research Center of Finance & Securities at Peking University.

Currently, Mr. LIU is also an independent non-executive director of Bank of Communications Co., Ltd. (交通銀行股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 3328) and an independent non-executive director of China International Capital Corporation Limited (中國國際金融股份有限公司) (stock code: 3908). Besides, he is nominated as the chairman of Corporate Governance Committee and the members of both Audit Committee and Risk Control Committee. He is also an independent director of Success Electronics Ltd (宇順電子股份有限公司) (stock code: 002289) and Cnpc Capital Company Limited (中國石油集團資本股份有限公司) (stock code: 000617), both of which were listed on Shenzhen Stock Exchange.

In addition, Mr. LIU had been an independent director of Langfang Development Co., Ltd. (廊坊發展股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600149), and Beijing Oil HBP Group (華油惠博普科技股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 002554) during the past three years.

In 1982 and 1984, Mr. LIU graduated from Peking University with a bachelor's degree and a master's degree in physics, respectively. Mr. LIU is also a member of the Chinese Institute of Certified Public Accountants (non-practicing).

III. 獨立非執行董事

劉力先生

劉先生，現年64歲，現任本公司獨立非執行董事，於2011年1月13日獲委任。1984年9月至1986年1月，劉先生曾任北京鋼鐵學院物理系教師。自1986年1月至今，劉先生在北京大學光華管理學院以及其前身經濟學院經濟管理系任教，歷任北京大學光華管理學院講師、副教授、教授、博士生導師以及金融系主任及MBA項目主任等多個教職。劉先生亦為北京大學金融與證券研究中心副主任。

目前，劉先生亦擔任在聯交所主板上市的交通銀行股份有限公司(股份代號：3328)之獨立非執行董事及中國國際金融股份有限公司(股份代號：3908)之獨立非執行董事。此外，彼被提名為公司治理委員會主席、審計委員會及風險控制委員會成員。彼亦擔任均於深圳證券交易所上市的宇順電子股份有限公司(股票代碼：002289)及中國石油集團資本股份有限公司(股票代碼：000617)的獨立董事。

此外，劉先生於過去三年內曾擔任在上海證券交易所上市的廊坊發展股份有限公司(股票代碼：600149)及在深圳證券交易所上市的華油惠博普科技股份有限公司(股票代碼：002554)的獨立董事。

於1982年及1984年，劉先生畢業自北京大學，分別獲得物理學學士及碩士學位。劉先生亦為中國註冊會計師協會會員(非執業)。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

Ms. LIU Hongyu (劉紅宇女士)

Ms. LIU, aged 56, is currently an independent non-executive Director of the Company and was appointed on 13 January 2011. From July 1985 to May 1988, she served as an officer at the financial management office of the People's Bank of China Sichuan branch (四川省人民銀行). From May 1988 to April 1993, Ms. LIU served as a legal counsel for the Agricultural Bank of China (Beijing Branch) and from April 1993 to April 2004, she was the managing partner at Beijing Tongda Law Firm (北京市同達律師事務所). In 2004, Beijing Tongda Law Firm and Jincheng Law Firm (金誠律師事務所) merged and the merged firm was renamed as Beijing Jincheng & Tongda Law Firm (北京金誠同達律師事務所) where Ms. LIU became one of its founding partners. From June 2009 to 10 September 2015, Ms. LIU served as an independent director of CCCG Real Estate Corporation Limited (中交地產股份有限公司) (previously named as CRED-Chongshi Real Estate Corporation Limited (中房地產股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 000736). From August 2010 to August 2016, Ms. LIU served as an external supervisor of the Bank of Beijing Co., Ltd. (北京銀行股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601169). Currently, Ms. LIU is an independent director of Lanpec Technologies Limited (甘肅藍科石化高新裝備股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601798), and the Bank of Beijing Co., Ltd. (北京銀行股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601169), and an independent non-executive director of Gome Electrical Appliances Holding Limited (國美電器控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 00493).

In 1985, Ms. LIU graduated from Southwest University of Political Science and Law (西南政法大學) with a bachelor's degree in law. She graduated from the Graduate School of the Chinese Academy of Social Sciences (中國社會科學院研究生院) in economic law in 1998. Ms. LIU also obtained an EMBA degree from the Guanghua School of Management, Peking University in 2003.

劉紅宇女士

劉女士，現年56歲，現任本公司獨立非執行董事，於2011年1月13日獲委任。在1985年7月至1988年5月間，曾擔任四川省人民銀行金融管理處幹部。在1988年5月至1993年4月間，劉女士曾擔任中國農業銀行北京分行法律顧問，並在1993年4月至2004年4月間任北京市同達律師事務所主任。2004年，北京市同達律師事務所與金誠律師事務所合併更名為北京金誠同達律師事務所，劉女士任北京金誠同達律師事務所創始合夥人之一。在2009年6月至2015年9月10日間，劉女士曾擔任在深圳證券交易所上市的中交地產股份有限公司(原名為中房地產股份有限公司)(股票代碼：000736)的獨立董事。在2010年8月至2016年8月間，劉女士曾擔任在上海證券交易所上市的北京銀行股份有限公司(股票代碼：601169)的外部監事。現時，劉女士擔任在上海證券交易所上市的甘肅藍科石化高新裝備股份有限公司(股票代碼：601798)的獨立董事、在上海證券交易所上市的北京銀行股份有限公司(股票代碼：601169)的獨立董事，以及在聯交所主板上市的公司國美電器控股有限公司(股份代號：00493)的獨立非執行董事。

1985年，劉女士畢業於西南政法大學，獲法律學士學位。1998年，劉女士從中國社會科學院研究生院的經濟法專業畢業。2003年，劉女士亦獲得北京大學光華管理學院的高級管理人員工商管理碩士學位。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

Mr. FANG Yongzhong (方永忠先生)

Mr. FANG, aged 68, is currently an independent non-executive Director of the Company, and was appointed on 29 July 2011. In September 1971, he joined the construction machinery factory of the Shenyang Railway Bureau (瀋陽鐵路局施工機械廠). Mr. FANG then joined the engineering department of the Shenyang Railway Bureau (瀋陽鐵路局瀋陽工程處) and held a number of positions within the bureau including technician, assistant engineer, engineer, vice section chief, section chief, vice departmental director and departmental director between February 1977 and August 1994.

Mr. FANG was appointed as a vice director of the Shenyang sub-bureau of the Shenyang Railway Bureau in August 1994 and between August 1994 and December 1999, he was also general manager of Shenyang Engineering Corporation of the Shenyang Railway Bureau. From December 1999 to December 2003, Mr. FANG served at Shenyang Railway Engineering Construction Group Co., Ltd. (瀋陽鐵路工程建設集團有限公司) as the chairman of the board and general manager. From December 2003 to March 2008, Mr. FANG held various positions at China Railway No.9 Group Co., Ltd. (中鐵九局集團有限公司) including director, deputy general manager and vice chairman of the board of directors. From March 2008 to December 2012, Mr. FANG was also an external director of China Railway Science & Industry Group (中鐵科工集團有限公司) (“CRSIG”), China Railway No. 5 Engineering Group Co., Ltd. (中鐵五局(集團)有限公司) (“China Railway No.5 Bureau”), China Overseas Engineering Group Co., Ltd. (中國海外工程有限責任公司) (“COVEC”) and China Railway & Airport Construction Group Corporation (中國中鐵航空港建設集團有限公司) (“CACCC”) and is a supervisor and the chairman of the supervisory board of China Railway Construction and Engineering Group (中鐵建工集團有限公司) (“CRCEG”). These five companies are subsidiaries of China Railway Group Limited (中國中鐵股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 00390) and the Shanghai Stock Exchange (stock code: 601390).

方永忠先生

方先生，現年68歲，現任本公司獨立非執行董事，於2011年7月29日獲委任。彼於1971年9月加入瀋陽鐵路局施工機械廠。方先生其後加入瀋陽鐵路局瀋陽工程處，且於1977年2月至1994年8月間於該局擔任技術員、助理工程師、工程師、副段長、段長、副處長和處長等不同職務。

方先生於1994年8月獲任為瀋陽鐵路局瀋陽分局副局長，並於1994年8月至1999年12月間於瀋陽鐵路局瀋陽工程總公司擔任總經理。在1999年12月至2003年12月間，方先生加入瀋陽鐵路工程建設集團有限公司擔任董事長兼總經理。在2003年12月至2008年3月間，方先生於中鐵九局集團有限公司擔任不同職務，包括董事、副總經理及副董事長等。在2008年3月至2012年12月，方先生亦是中鐵科工集團有限公司(「中鐵科工集團」)、中鐵五局(集團)有限公司(「中鐵五局」)、中國海外工程有限責任公司(「中國海外工程公司」)及中國中鐵航空港建設集團有限公司(「中國中鐵航空港建設公司」)的外部董事，及中鐵建工集團有限公司(「中鐵建工集團」)的監事及監事會主席。這五家公司為在聯交所主板及上海證券交易所上市的中國中鐵股份有限公司(聯交所股份代號：00390；上海證券交易所股票代碼：601390)的附屬公司。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

As an external director, Mr. FANG participates in board meetings of CRSIG, China Railway No.5 Bureau, COVEC and CACCC, representing the interests of the respective shareholder, China Railway Group Limited. However, Mr. FANG is not involved in the day to day management of CRSIG, China Railway No.5 Bureau, COVEC and CACCC. As a supervisor and the chairman of the supervisory board of CRCEG, Mr. Fang participates in meetings of the supervisory board and the board of directors of CRCEG, representing the interests of the shareholder, China Railway Group Limited. However, Mr. FANG is not involved in the day to day management of CRCEG.

Mr. FANG completed his studies in railway engineering (工程系鐵道工程專業) and graduated from the Shanghai Railway Institute (上海鐵道學院) in 1977, and also obtained an EMBA in decision-making management from International East-West University (美國國際東西方大學決策管理學) in December 1995. Mr FANG is a senior engineer and a registered national first class architect.

Mr. WU Tak Lung (吳德龍先生)

Mr. WU, aged 54, is currently an independent non-executive Director of the Company, and was appointed on 20 February 2014. He is a member of Hong Kong Institute of Certified Public Accountants, a fellow member of Hong Kong Securities and Investment Institute, the Association of Chartered Certified Accountants, the Taxation Institute of Hong Kong and the Hong Kong Institute of Chartered Secretaries. Mr. WU was awarded the bachelor's degree of business administration in accounting by the Hong Kong Baptist University and the master's degree of business administration (MBA) jointly by the University of Manchester and the University of Wales.

作為外部董事，方先生分別代表股東中國中鐵股份有限公司的權益，參與中鐵科工集團、中鐵五局、中國海外工程公司及中國中鐵航空港建設公司的董事會會議。然而，方先生不參與中鐵科工集團、中鐵五局、中國海外工程公司及中國中鐵航空港建設公司的日常管理。作為中鐵建工集團的監事及監事會主席，方先生代表股東中國中鐵股份有限公司的權益，參與中鐵建工集團的監事會及董事會會議。然而，方先生不參與中鐵建工集團的日常管理。

1977年，方先生畢業於上海鐵道學院工程系鐵道工程專業，並於1995年12月從美國國際東西方大學決策管理學系畢業，取得高級管理人員工商管理碩士學位。方先生為高級工程師和國家一級註冊建造師。

吳德龍先生

吳先生，現年54歲，現任本公司獨立非執行董事，於2014年2月20日獲委任。彼為香港會計師公會會員、香港證券及投資學會、特許公認會計師公會、香港稅務學會及香港特許秘書公會資深會員。吳先生獲香港浸會大學頒授會計學工商管理學士學位，並獲曼徹斯特大學及韋爾斯大學聯合頒發工商管理碩士學位。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

Mr. WU had worked in an international accounting firm, Deloitte Touche Tohmatsu, for five years, and was then employed by several listed and private companies in Hong Kong as head of corporate finance and executive director. Mr. WU currently served as an independent non-executive director of Kam Hing International Holdings Limited (錦興國際控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 2307), Sinomax Group Limited (盛諾集團有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1418), Henan Jinma Energy Company Limited (河南金馬能源股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 6885) and Zhongguancun Science-Tech Leasing Co., Ltd. (中關村科技租賃股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1601). Moreover, he was an independent non-executive director of Beijing Media Corporation Limited (北青傳媒股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1000), Huarong Investment Stock Corporation Limited (華融投資股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 2277), First Tractor Company Limited (第一拖拉機股份有限公司), a company listed on both the Main Board of the Stock Exchange (stock code: 00038), and the Shanghai Stock Exchange (stock code: 601038), Sinotrans Shipping Limited (中外運航運有限公司), a company listed on the Main Board of the Stock Exchange and was delisted in January 2019 (stock code: 368) and Olympic Circuit Technology Co., Ltd (廣東世運電路科技有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603920) in the last three years.

吳先生曾於一家國際核數師行德勤•關黃陳方會計師行工作五年，其後於香港多間上市及私人公司服務，擔任企業融資主管及執行董事。吳先生現為錦興國際控股有限公司（聯交所主板上市的公司，股份代號：2307）、盛諾集團有限公司（聯交所主板上市的公司，股份代號：1418）、河南金馬能源股份有限公司（聯交所主板上市的公司，股份代號：6885）及中關村科技租賃股份有限公司（聯交所主板上市的公司，股份代號：1601）的獨立非執行董事。此外，他曾於過去三年內在北青傳媒股份有限公司（聯交所主板上市的公司，股份代號：1000）、華融投資股份有限公司（聯交所主板上市的公司，股份代號：2277）、第一拖拉機股份有限公司（同時在聯交所主板（股份代號：00038）及上海證券交易所（股票代碼：601038）上市的公司）、中外運航運有限公司（聯交所主板上市的公司，已於2019年1月除牌，股份代號：368）及廣東世運電路科技有限公司（上海證券交易所上市的公司，股票代碼：603920）擔任獨立非執行董事。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

IV. SUPERVISORS

Ms. WANG Huifang (王惠芳女士)

Ms. WANG, aged 48, is currently a Supervisor and was appointed on 14 February 2020. She has over 20 years of experience in finance and accounting. Ms. WANG joined SINOMACH in December 2017. Prior to joining SINOMACH, she served as an assistant accountant in the Finance Department of China National Construction & Agricultural Machinery Import & Export Corporation* (中國工程與農業機械進出口總公司) from July 1993 to March 1996. From March 1996 to January 1998, Ms. WANG served as the assistant to general manager and treasurer of Shanghai Hualong Import & Export Corporation* (上海華隆進出口公司). From January 1998 to July 1999, Ms. WANG served as an accountant in the Finance Department of China National Construction & Agricultural Machinery Import & Export Corporation* (中國工程與農業機械進出口總公司). From July 1999 to November 2000, she was the assistant to general manager of China Mechanical & Electrical Advertising Corporation* (中國機電廣告公司). From November 2000 to May 2001, she served as an accountant in the Finance Department and the Stock Reform Office of China National Construction & Agricultural Machinery Import & Export Corporation* (中國工程與農業機械進出口總公司). From May 2001 to January 2005, she served as the chief financial officer and the general manager of the Finance Department of China CAMC Engineering Company Limited* (中工國際工程股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock code: 002051) ("CAMCE"). From January 2005 to December 2017, she served as the chief financial officer of CAMCE. From January 2015 to January 2018, Ms. WANG served as the director of CAMCE Investment Management Co., Ltd.* (中工投資管理有限公司). From April 2012 to January 2018, she served as director of CAMCE Holding Inc. (中工國際(加拿大)有限公司). From May 2012 to January 2018, she served as the director of Procon Holding (Alberta) Inc. (加拿大普康控股(阿爾伯塔)有限公司). From December 2017 to January 2018, she served as the deputy head of Property and Finance Department of SINOMACH and the chief financial officer of CAMCE. From January 2018 to March 2018, she served as the deputy head of Property and Finance Department of SINOMACH. From March 2018 to March 2019, she served as the deputy head of Property and Finance Department and the department head of the Accounting Department of SINOMACH. From March 2019 to December 2019, she served as the deputy head of Property and Finance Department of SINOMACH. She has been the head of Property and Finance Department of SINOMACH since December 2019.

IV. 監事

王惠芳女士

王女士，現年48歲，現任監事，於2020年2月14日獲委任。彼擁有超過20年財務會計經驗。王女士於2017年12月加入國機。在加入國機前，彼於1993年7月至1996年3月期間，擔任中國工程與農業機械進出口總公司財務部助理會計師。於1996年3月至1998年1月期間，王女士擔任上海華隆進出口公司總經理助理、財務主管。王女士於1998年1月至1999年7月期間，擔任中國工程與農業機械進出口總公司財務部會計師。彼於1999年7月至2000年11月期間，擔任中國機電廣告公司總經理助理。彼於2000年11月至2001年5月期間，擔任中國工程與農業機械進出口總公司財務部、股改辦會計師。於2001年5月至2005年1月期間，擔任中工國際工程股份有限公司(深圳證券交易所上市的公司，股票代碼：002051)（「中工國際」）財務總監兼財務部總經理。彼於2005年1月至2017年12月期間，擔任中工國際財務總監。於2015年1月至2018年1月期間，王女士曾擔任中工投資管理有限公司董事。於2012年4月至2018年1月期間，彼曾擔任中工國際(加拿大)有限公司董事。於2012年5月至2018年1月期間，彼曾擔任加拿大普康控股(阿爾伯塔)有限公司董事。彼於2017年12月至2018年1月期間，擔任國機資產財務部副部長、中工國際財務總監。彼於2018年1月至2018年3月期間，擔任國機資產財務部副部長。於2018年3月至2019年3月期間，彼擔任國機資產財務部副部長兼會計處處長。彼於2019年3月至2019年12月期間，擔任國機資產財務部副部長。彼於2019年12月至今，擔任國機資產財務部部長。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

Ms. WANG graduated from Central University of Finance and Economics in 1993 with a bachelor's degree in management majoring in accounting. She graduated with a master's degree in business administration from Peking University in 2004. Ms. WANG is a senior accountant and a non-practicing member of the Chinese Institute of Certified Public Accountants.

Mr. GUO Weihua (郭偉華先生)

Mr. GUO, aged 58, a professor-level senior engineer, is a Supervisor and was appointed on 24 June 2019. He is the chairman and secretary of the party committee of China United. Mr. GUO joined the Second Design and Research Institute of Mechanical Industry (predecessor of China United) as a water supply and drainage engineer in July 1984. Since February 1991, Mr. GUO served as the party branch secretary and vice president and secretary of the sixth party branch of Xiamen branch, deputy director of the First Architectural Engineering Design and Research Institute, president, assistant to the president and vice president of Ningbo branch and president of the Architectural Engineering Institute of the company, respectively. Since October 2001, he was appointed as director, vice-general manager, general manager, secretary of the party committee and chairman of the company, respectively, and since December 2016 till now, Mr. GUO has been the chairman and secretary of the party committee of the company. From December 2014 to December 2017, Mr. GUO served as a director of Lanpec Technologies Limited (甘肅藍科石化高新裝備股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601798). From May 2015 to October 2016, he served as an independent director of Shanghai Datun Energy Resources Company Limited (上海大屯能源股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600508). Mr. GUO graduated with a bachelor's degree in engineering from Hunan University in 1984, majoring in water supply and drainage.

王女士於1993年畢業於中央財經大學，專業會計學，取得管理學學士學位，並於2004年畢業於北京大學取得工商管理碩士學位。王女士為高級會計師及中國註冊會計師協會非執業會員。

郭偉華先生

郭先生，現年58歲，教授級高級工程師，於2019年6月24日獲委任為監事。郭先生於1984年7月加入機械工業第二設計研究院（中國聯合的前身）擔任給排水工程師。自1991年2月起，郭先生分別擔任該公司廈門分院黨支部書記兼副院長、第六黨支部書記，第一建築工程設計研究所副所長兼寧波分院院長、院長助理、副院長兼建築工程院院長等職位。從2001年10月起，彼分別被任命為該公司董事、副總經理、總經理、黨委書記、董事長等職位。並自2016年12月至今，郭先生擔任該公司董事長兼黨委書記。於2014年12月至2017年12月期間，郭先生曾擔任在上海證券交易所上市的甘肅藍科石化高新裝備股份有限公司（股票代碼：601798）的董事。於2015年5月至2016年10月期間，彼曾擔任在上海證券交易所上市的上海大屯能源股份有限公司（股票代碼：600508）的獨立董事。郭先生於1984年畢業於湖南大學，專業給排水並取得工學學士學位。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

Ms. LIU Ting (劉婷女士)

Ms. LIU, aged 37, was appointed as a Supervisor on 12 January 2018. She is the deputy general manager of the audit department of the Company. She served as a staff member of the project auditing division of the Company from August 2006 to September 2009. In September 2009, she started as a staff member of the audit department of the Company, and was subsequently promoted to deputy general manager of the audit department. Ms. LIU has over 10 years of experience in accounting and auditing. Ms. LIU graduated from School of Business, Renmin University of China (中國人民大學商學院) with a bachelor's degree in management in 2004, majoring in accounting, and obtained a master's degree in management from Renmin University of China (中國人民大學) in 2006. Ms. LIU is a senior accountant, a Chinese certified public accountant, a Certified Practising Accountant (Australia) and an international certified internal auditor.

V. SENIOR MANAGEMENT

Mr. ZHANG Jianguo (張建國先生)

Mr. ZHANG, aged 59, is a vice president of our Company and is in charge of our Company's trade and other business. Prior to joining our Company, Mr. ZHANG was a lecturer at Peking University (北京大學) from July 1987 to May 1991. In May 1991, Mr. ZHANG joined our Company and he was appointed as a deputy general manager of the department of human resources and education of our Company in June 1993. Mr. ZHANG was subsequently promoted as a vice director of the general office of our Company and held that position from December 1993 to October 1997. In 1997, Mr. ZHANG was appointed as a deputy general manager of CMEC Tendering, and was promoted to the general manager thereof in July 2001 and held that position until May 2006. In March 2005, Mr. ZHANG was also appointed as an assistant general manager of our Company. Mr. ZHANG has been a vice president of our Company since May 2006. Mr. ZHANG is a senior economist and graduated from Peking University with a master's degree in history in 1987.

劉婷女士

劉女士，現年37歲，於2018年1月12日獲委任為監事。彼為本公司審計部副總經理。彼於2006年8月至2009年9月，擔任本公司項目審計部職員，並於2009年9月擔任本公司審計部職員，其後晉升為審計部副總經理。劉女士擁有超過10年會計及審計經驗。劉女士於2004年畢業於中國人民大學商學院，專業會計學，取得管理學學士學位，並於2006年於中國人民大學取得管理學碩士學位。劉女士為高級會計師、中國註冊會計師、澳洲註冊會計師及國際註冊內部審計師。

V. 高級管理層

張建國先生

張先生，現年59歲，現任本公司副總裁，主管本公司貿易及其他業務。在加入本公司之前，在1987年7月至1991年5月間，張先生曾任北京大學講師，張先生於1991年5月加入本公司，並於1993年6月獲委任為本公司人教部副總經理。其後張先生於1993年12月至1997年10月期間擔任本公司辦公室副主任。張先生於1997年被任命為中設招標副總經理，於2001年7月晉升為該公司的總經理，並擔任這一職務直至2006年5月。2005年3月，張先生亦被任命為本公司總經理助理。張先生自2006年5月起出任本公司副總裁。張先生為高級經濟師。張先生在1987年畢業於北京大學，取得歷史學碩士學位。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

Mr. WANG Tianyi (王天翼先生)

Mr. WANG, aged 59, is currently secretary of the discipline inspection committee (appointed in December 2013). He is responsible for discipline inspection and supervision. Mr. WANG has over 30 years of experience in corporate and financial management. Mr. WANG joined our Company in January 2014. Before joining our Company, during the period from October 1980 to August 1988, Mr. WANG served at the business division of the finance department under the Ministry of First Machinery Industry and the auditing division directly under the auditing bureau of the National Machinery Industry Committee. From August 1988 to April 1993, Mr. WANG served as the deputy director of the office of the auditing bureau of National Audit Office in the Ministry of Mechanical and Electronic Industry and the chief of the general division of such auditing bureau. From April 1993 to May 1998, Mr. WANG served as the chief of the auditing division directly under the auditing bureau of National Audit Office in MMI. Thereafter, Mr. WANG served as the deputy general manager of the auditing department, the deputy general manager of the financial department and the chief of the first financial division, the general manager of the financial department and the director of asset financial department in China National Machinery and Equipment (Group) Company (中國機械裝備(集團)公司) during the period from May 1998 to October 2003. During the period from October 2003 to December 2010, Mr. WANG served as deputy general manager, financial controller and secretary of the discipline inspection committee of China National Electric Equipment Corporation. During the period from December 2010 to January 2014, Mr. WANG served as deputy general manager, financial controller and secretary of the discipline inspection committee of China National Electric Engineering Co., Ltd.. From January 2014 to December 2018, Mr. Wang served as Secretary of the Discipline Commission and Vice President of the Company. Mr. WANG graduated from the Correspondence Teaching College of Renmin University of China (中國人民大學函授學院) majoring in industrial accounting in 1987. Mr. WANG is a senior accountant.

王天翼先生

王先生，現年59歲，現任本公司紀委書記（於2013年12月獲委任）。彼負責公司紀檢監察工作。王先生於企業和財務管理方面擁有超過30年經驗。王先生於2014年1月加入本公司。在加入本公司前，王先生於1980年10月至1988年8月期間，先後任職於第一機械工業部財務司事業處、國家機械工業委員會審計局直屬單位審計處。王先生於1988年8月至1993年4月歷任審計署駐機械電子工業部審計局辦公室副主任、綜合處處長。於1993年4月至1998年5月，王先生擔任審計署駐機械工業部審計局直屬單位審計處處長。其後，王先生於1998年5月至2003年10月任職於中國機械裝備(集團)公司，歷任審計部副總經理、財務部副總經理兼財務一處處長、財務部總經理、資產財務部部長。於2003年10月至2010年12月期間，王先生先後擔任中國電工設備總公司的副總經理、財務總監、紀委書記。於2010年12月至2014年1月期間，王先生擔任中國電力工程有限公司的副總經理、財務總監、紀委書記。於2014年1月至2018年12月，王先生擔任本公司紀委書記兼副總裁。王先生於1987年從中國人民大學函授學院畢業，主修工業會計。王先生為高級會計師。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

Ms. Ai Wei (艾威女士)

Ms. Ai, aged 50, is currently a vice president of our Company (appointed in November 2014) and is in charge of the import and export trading businesses of our Company. Ms. Ai has over 20 years of experience in the management of trading businesses. Ms. Ai joined our Company in July 1991. During the period from January 1992 to January 1998, Ms. Ai served at CMEC Machine Tool Co., Ltd. (中設機床工具有限責任公司). From January 1998 to August 2005, Ms. Ai served as manager of the third division of CMEC International Trading Co., Ltd., and she was promoted and worked as deputy general manager from September 2005 to May 2007. Thereafter, Ms. Ai was appointed as general manager of CMEC General Machinery Import & Export Co., Ltd. in May 2007 and served at that position until October 2013. Ms. Ai was promoted and worked as an assistant general manager of our Company in May 2010 and was appointed as deputy general manager of China Perfect Machinery Industry Corp., Ltd. (中國浦發機械工業股份有限公司) from October 2013 to November 2014.. Ms. Ai graduated from Peking University majoring in economics and management in 1991. Ms. Ai is a senior international business specialist.

艾威女士

艾女士，現年50歲，現任本公司副總裁（於2014年11月獲委任），主管本公司的進出口貿易業務。艾女士擁有超過20年的貿易業務管理經驗。艾女士於1991年7月加入本公司，於1992年1月至1998年1月間任職於中設機床工具有限責任公司。於1998年1月至2005年8月間，艾女士擔任中設國際貿易有限責任公司三分部經理，並於2005年9月晉升為副總經理直至2007年5月，其後於2007年5月被任命為中設通用機械進出口有限責任公司的總經理，並擔任這一職務直至2013年10月。彼於2010年5月晉升為本公司總經理助理並於2013年10月起獲委任為中國浦發機械工業股份有限公司的副總經理直至2014年11月。艾女士於1991年在北京大學畢業，主修經濟管理。艾女士為高級國際商務師。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

Mr. ZHANG Wei (張煒先生)

Mr. ZHANG, aged 58, is currently a vice president of our Company (appointed in September 2015). He is responsible for our Company's design and consultancy services. Mr. ZHANG has over 30 years of experience in engineering survey, design, technology and administrative management. From July 1983 to January 1989, he taught at Hefei University of Technology (合肥工業大學). Prior to his joining our Company, he held a number of positions within laboratory of investigation & research institute of Ministry of Machinery including director and chief engineer, vice section chief of Geotechnical Engineering Section and president assistant from January 1989 to March 1996. From April 1996 to December 2014, he successively held the posts of chief engineer, vice president, president and CPC Committee of China Jikan Research Institute of Engineering Investigations and Design, Co., Ltd., and has been a chairman from December 2014 to January 2019. Mr. ZHANG obtained a master's degree from Hefei University of Technology (合肥工業大學) in 1988, majoring in hydrogeology and engineering geology, and obtained a master's degree in business administration (MBA) from Xi'an Jiaotong University (西安交通大學) in 2004. Currently, Mr. ZHANG is professor of engineering. He was awarded the title of National Engineering Survey and Design Master in 2006.

張煒先生

張先生，現年58歲，現任本公司副總裁（於2015年9月獲委任）。彼負責本公司的設計諮詢業務。張先生擁有超過30年的工程勘察、設計、技術及行政管理經驗。於1983年7月至1989年1月間，張先生曾於合肥工業大學任教。在加入本公司前，張先生曾於1989年1月至1996年3月期間擔任機械部勘察研究院試驗室主任、主任工程師、岩土工程處副處長及院長助理等多個職位。於1996年4月至2014年12月期間歷任機械工業勘察設計研究院有限公司總工程師、副院長、院長、黨委書記，並於2014年12月至2019年1月兼任機械工業勘察設計研究院有限公司董事長。張先生於1988年獲得合肥工業大學碩士學位，主修水文地質與工程地質並於2004年獲得西安交通大學工商管理碩士學位。目前，張先生為教授級高級工程師，並於2006年榮獲全國工程勘察設計大師稱號。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

Mr. TONG Zigang (童自剛先生)

Mr. TONG, aged 49, is currently the vice president of our Company (appointed in February 2017) and is in charge of our Company's International Engineering Contracting Business. He has over 20 years of experience in engineering contracting business. Mr. TONG joined our Company in June 2006. Prior to his joining our Company, Mr. TONG successively served as a sales representative of the Second Engineering Department and the deputy general manager of the Fourth Engineering Department of China Machinery-building International Corporation (中國機械對外經濟技術合作總公司) from August 1994 to June 2006. During the period from June 2006 to September 2015, Mr. TONG successively served as the general manager of the Second International Engineering Department and the Sixth International Engineering Department under No.3 Complete Engineering Department of the Company, the deputy general manager and the general manager of No.3 Complete Engineering Department. Mr. TONG was promoted to the assistant to the general manager of our Company and the general manager of the Third Department in September 2015. Mr. TONG graduated from Beijing University of Technology in 1994, majoring in mechanical engineering and manufacturing, and obtained a bachelor's degree in engineering, Mr. TONG graduated from the School of Economics at Renmin University of China (中國人民大學), majoring in global economy as an incumbency graduate student, and obtained a master's degree in economics in 2000. Mr. TONG is a senior engineer. Mr. TONG also obtained the International Premium Project Manager (IPMP Class A, 國際特級項目經理) which was awarded by the International Project Management Association (IPMA, 國際項目管理協會).

童自剛先生

童先生，現年49歲，現任本公司副總裁（於2017年2月獲委任），主管本公司的國際工程承包業務。彼擁有超過20年的工程承包業務經驗。童先生於2006年6月加入本公司。於加入本公司前，童先生曾於1994年8月至2006年6月先後擔任中國機械對外經濟技術合作總公司第二工程部業務員及第四工程部副總經理。童先生於2006年6月至2015年9月間先後擔任本公司第三工程成套事業部國際工程二部及國際工程六部總經理、事業部副總經理及事業部總經理。並於2015年9月晉升為本公司總經理助理兼第三事業部總經理。童先生於1994年畢業於北京工業大學，主修機械設計及製造，獲工學學士學位，於2000年畢業於中國人民大學經濟學院，在職研究生世界經濟專業，獲經濟學碩士學位。童先生為高級工程師。童先生亦獲得由國際項目管理協會(IPMA)授予的國際特級項目經理(IPMPA級)資格。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

Ms. WANG Weiling (王瑋玲女士)

Ms. WANG, aged 54, is currently the chief financial officer, Board Secretary, a Joint Company Secretary of the Company. She joined the Company in July 1988 and successively held various positions including accountant of the storage and transportation department and accountant of the finance department. From April 1998 to July 2005, Ms. WANG served as the deputy general manager and the general manager of the finance department at CMEC International Engineering Co., Ltd. (中設國際工程有限責任公司), a subsidiary of the Company, and the chief of the finance department of the Company's 1st complete plants division. Ms. WANG served as the deputy general manager of the general department of finance of the Company from July 2005 to September 2006. From September 2006 to June 2007, she served as the chief accountant of China Machinery-building International Corporation (中國機械對外經濟技術合作總公司). From June 2007 to February 2018, she has been serving as the general manager of the general department of finance of the Company. From January 2016 to March 2018, she has been concurrently serving as the chief financial officer of CNEEC. From August 2016 to February 2018, she has been serving as an assistant to the general manager and general Manager of Finance department of the Company. On 12 February 2018, Ms. WANG was appointed as the chief financial officer, Board Secretary and a Joint Company Secretary. She has about 30 years of experience in finance and accounting. Since 5 March 2020, Ms. WANG has been concurrently serving as the deputy head of the audit department of SINOMACH (to preside over the work of the department).

Ms. WANG graduated with a bachelor's degree in economics from Beijing Institute of Business (北京商學院) in July 1988 where she majored in finance and accounting in the accounting department. She obtained a master's degree in economics from Renmin University of China (中國人民大學) in July 1999 where she majored in business economics in the trade department. Ms. WANG is a senior accountant in the PRC.

王瑋玲女士

王女士，現年54歲，現任本公司財務總監、董事會秘書、聯席公司秘書。彼於1988年7月加入本公司，先後擔任多個職位包括儲運部會計及財務部會計。於1998年4月至2005年7月間，王女士於中設國際工程有限責任公司(本公司的附屬公司)擔任財務部副總經理、財務部總經理及本公司第一工程成套事業部財務部主任。王女士於2005年7月至2006年9月擔任本公司財務總部副總經理，2006年9月至2007年6月擔任中國機械對外經濟技術合作總公司總會計師。彼於2007年6月至2018年2月，擔任本公司財務總部總經理。於2016年1月至2018年3月兼任中電工財務總監。於2016年8月至2018年2月，彼擔任本公司總經理助理兼財務總部總經理。於2018年2月12日，王女士獲委任為本公司財務總監、董事會秘書兼聯席公司秘書。於2020年3月5日起，王女士兼任國機審計部副部長(主持部門工作)。彼擁有約30年金融及財務經驗。

王女士於1988年7月畢業於北京商學院會計系財會專業，取得經濟學學士學位。彼於1999年7月於中國人民大學貿易系商業經濟專業，取得經濟學碩士學位。王女士為中國高級會計師。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

VI. EMPLOYEES

As at 31 December 2019, the Group had 5,322 employees in total. The following table sets forth the number of employees according to different job functions:

		Number of employees 僱員數目
Business Staff	業務人員	4,938
International Engineering Contracting Business	國際工程承包業務	4,277
Trading Business	貿易業務	495
Services Business	服務業務	166
Management, finance and administration	管理、財務和行政	345
Others	其他	39
Total	合計	5,322

The following tables set forth the Group's staff structure by geographical location, academic qualification, designation and age, respectively:

Analysis of the Group's staff by geographical location

No. 編號	Geographical location 地理位置		Number of staff 員工數目	Percentage 百分比
1	China	中國	4,882	91.73%
2	Asia (excluding China and Turkey)	亞洲(不包括中國及土耳其)	169	3.18%
3	Africa	非洲	222	4.17%
4	Europe (including Turkey)	歐洲(包括土耳其)	19	0.36%
5	South America	南美洲	23	0.43%
6	North America	北美洲	7	0.13%
Total		合計	5,322	100%

VI. 僱員

於2019年12月31日，本集團共有5,322名僱員。下表載列按不同職能劃分的僱員數目：

下表分別載列按地理位置、學歷、職稱及年齡劃分的本集團員工架構：

按地理位置劃分的本集團員工分析

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

Analysis of the Group's staff by academic qualification

按學歷劃分的本集團員工分析

No. 編號	Academic qualification 學歷		Number of staff 員工數目	Percentage 百分比
1	Postgraduate or above	研究生或以上	1,603	30.12%
2	Undergraduate	學士學位	3,138	58.96%
3	College diploma or below	專科文憑或以下	581	10.92%
Total		合計	5,322	100%

Analysis of the Group's staff by designation

按職稱劃分的本集團員工分析

No. 編號	Designation 職稱		Number of staff 員工數目	Percentage 百分比
1	Senior Grade	高級	1,431	26.89%
2	Intermediate Grade	中級	1,905	35.79%
3	Junior Grade and below	初級及以下	1,986	37.32%
Total		合計	5,322	100%

Analysis of the Group's staff by age

按年齡劃分的本集團員工分析

No. 編號	Age 年齡		Number of staff 員工數目	Percentage 百分比
1	56 years old and above	56歲及以上	392	7.37%
2	46-55 years old	46至55歲	788	14.81%
3	36-45 years old	36至45歲	1,545	29.03%
4	35 years old and below	35歲及以下	2,597	48.79%
Total		合計	5,322	100%

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

1. Staff Development and Incentives

In 2019, the Company further improved performance management system and formulated overall reform plan for optimization of business department's positions, performance and salary. The Company implemented new regulations on management selection and finished the election process of the subsidiaries and subordinate party committees, so as to perfect the organization and structure of the Company. Management members were appointed for relevant positions, age structure of the management team was improved and back up management team was established.

In terms of staff cultivating, the Company formulates the construction plans for talent teams and continuously enhanced the establishment of the Company's six talent teams, including "senior management personnel, project management personnel, engineering and technical personnel, professional management personnel, marketing personnel, investment and capital operation personnel", which reinforces the base of key talent reserve.

The Company will establish diversified career development channels in the future, especially continue to focus on building development channels for core business staff, further improve the retirement schemes, and therefore ensure both the development channels and retirement schemes are in place, in order for employees to share development opportunities and reform results. The Company will further establish and perfect a more rational, open and scientific employment system by constantly consolidating the fruits of talents introduction and enhancing the exchanges between the cadre and the talents.

1. 員工發展和激勵

2019年，公司進一步完善了績效管理體系，形成事業部崗位、績效與薪酬優化項目整體改革方案。公司重新制定了幹部選拔任用規定，完成了到任期的子公司和下屬黨委的換屆工作，完善了公司組織構架，選任多名相關崗位的幹部，優化了幹部隊伍年齡結構，建立了後備幹部庫。

在人才培養方面，公司制定人才隊伍建設規劃，持續加強「高級管理人才、項目管理人才、工程技術人才、專業管理人才、市場營銷人才、投資和資本運作人才」六支人才隊伍建設，夯實關鍵人才儲備根基。

在未來，公司要建立多元化職業發展通道，尤其會繼續著力打通核心業務人員的晉升通道，進一步完善人員退出機制，形成晉升有通道，退出有機制的局面，讓員工共享發展機遇及改革成果。公司還將通過不斷鞏固人才引進成果，加強幹部與人才的交流，進一步制定及完善更合理、公開和科學的僱傭制度。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

2. Staff Remuneration

For the year ended 31 December 2019, the Group incurred staff costs of approximately RMB1,524.3 million. Staff's remuneration comprises basic salary and performance salary. The performance salary is determined according to the assessment of performance of the whole staff. In 2019, remuneration policy committee, remuneration supervision committee and remuneration performance appraisal committee of the Board focus on promoting the reform of remuneration system and re-establishing the structure of remuneration system.

3. Staff Training

In respect of staff training, in 2019, the Company made use of innovative training method and intensified the training, and built a two level training system with the headquarters, each department office and subsidiary as main body, innovated in training methods and devoted greater efforts to training in-service cadres at all levels and new recruits.

We provide systematic and effective training for our employees. We provide sustainable and specific education training for our senior management, middle management as well as technical and operational staff with a view to improving the quality and ability of our staff at different levels.

2. 僱員薪酬

截至2019年12月31日止年度，本集團產生的員工成本約人民幣1,524.3百萬元。僱員薪酬由基本工資和績效工資兩部分組成。績效工資依據本集團全員業績考核結果確定。於2019年，董事會薪酬政策委員會、薪酬監督委員會及薪酬績效考核委員會著重推進薪酬制度改革及重新搭建公司薪酬體系架構。

3. 僱員培訓

在人才培訓方面，2019年，公司創新培訓方法，加大培訓力度，構建以公司本部和各部室、子公司為主體的兩級培訓體系，創新培訓方式，並加大對各級在職幹部員工和新入職員工的培訓力度。

我們為僱員提供系統性及實效性培訓，分別對高級管理人員、中層管理人員以及各專業技術及業務人員進行高持續性及強針對性的教育培訓，以不斷提高各級僱員的素質及能力。

Directors, Supervisors, Senior Management and Employees

董事、監事、高級管理人員及僱員

To regulate the management of staff training, the Company has formulated comprehensive measures for administering employees' education and training, which effectively promote the establishment of the Company's education training system. The Company focuses on the training needs of the senior management, middle management, technical and operational staff as well as the development needs of the Company when formulating and implementing education training programmes. The Company aims to implement a diversified training system for the staff so as to encourage the staff to participate in training.

The Company will further strengthen to train young cadre in the future and establish different levels of cadre, which lays the foundation for the sustainable development of the Company. The Company will also improve three-level talents training system among overseas, domestic institutions and the Company to ensure the comprehensive coverage of senior management, middle management and every ordinary staff of the Company in the training system.

4. Guarantee of Staff Rights

The Group strictly complies with the relevant PRC laws and regulations and makes contributions to various pension contribution plans, medical insurance plans, unemployment insurance plans, maternity insurance plans and personal injury insurance plans.

為對僱員培訓實行規範化管理，本公司已制定完善的員工教育和培訓管理辦法，卓有成效地推進公司教育培訓體系建設。在教育培訓計劃的制定和實施過程中，尤其關注高層管理人員、中層管理人員、各專業技術及業務人員的培訓需求，並根據本公司不斷發展的需要，實現配套的員工多樣化培訓體系，以鼓勵更多僱員參與培訓。

在未來，本公司將進一步加強培育年輕幹部，形成人才梯隊，為公司可持續發展奠定基礎。本公司亦將改善海外機構、國內機構及本公司之間的三級人才培訓體系，確保培訓體系全面涵蓋本公司高級管理層、中級管理層及每名普通員工。

4. 員工權利保障

本集團嚴格遵守相關中國法律法規，對各種養老保險計劃、醫療保險計劃、失業保險計劃、生育保險計劃及人身傷害保險計劃作出供款。

Independent Auditor's Report

獨立核數師報告



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To the shareholders of China Machinery Engineering Corporation
(Established in the People's Republic of China with limited liability)

致中國機械設備工程股份有限公司股東
(於中華人民共和國註冊成立的股份有限公司)

OPINION

意見

We have audited the consolidated financial statements of China Machinery Engineering Corporation (the "Company") and its subsidiaries (the "Group") set out on pages 226 to 410, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

本核數師(以下簡稱「我們」)已審核第226頁至第410頁所載中國機械設備工程股份有限公司(「貴公司」)及其附屬公司(「貴集團」)的合併財務報表,包括於2019年12月31日的合併財務狀況表、截至該日止年度的合併損益表、合併綜合收益表、合併權益變動表和合併現金流量表,以及合併財務報表附註,包括主要會計政策概要。

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

我們認為,該等合併財務報表已根據國際會計準則委員會(「國際會計準則委員會」)頒佈的國際財務報告準則(「國際財務報告準則」)真實而公允地反映貴集團於2019年12月31日的合併財務狀況以及彼等截至該日止年度的合併財務業績及合併現金流量,並已按照香港公司條例的披露規定妥為編製。

BASIS FOR OPINION

意見基礎

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

我們已根據香港會計師公會(「香港會計師公會」)頒佈的香港核數準則(「香港核數準則」)進行審核。我們根據該等準則須承擔的責任在本報告中「核數師就審核合併財務報表須承擔的責任」中進一步詳述。根據香港會計師公會之專業會計師職業道德守則(簡稱「守則」),我們獨立於貴集團,並已遵循守則履行其他職業道德責任。我們相信,我們所獲得的審核憑證能充足和適當地為我們的意見提供基礎。

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

關鍵審核事項

根據我們的專業判斷，關鍵審核事項為我們審核本期合併財務報表中最重要的事項。此等事項是我們在整體審核合併財務報表和作出意見時進行處理的，而不會就此等事項單獨發表意見。就下文各事項，我們在報告中描述我們的審核過程處理該事宜的方法。

我們已履行了本報告「核數師就審核合併財務報表承擔的責任」部分闡述的責任，包括與該等事項相關的責任。相應地，我們的審核工作包括執行為應對評估的合併財務報表重大錯誤陳述風險而設計的審核程序。我們執行審核程序的結果，包括應對下述關鍵審核事項所執行的程序，為隨附合併財務報表發表審核意見提供了基礎。

Independent Auditor's Report

獨立核數師報告

Key audit matter

關鍵審核事項

Revenue recognition for construction contracts

建造合同收入確認

The Company derives a significant portion of its revenues from construction-type contracts that are accounted for by applying the percentage-of-completion (“POC”) method.

貴公司收入主要來自建造類合同，該類合同按完工百分比法入賬。

The POC method involves the use of significant management judgement and estimates including estimates of the progress towards completion, the scope of deliveries and services required, total contract costs, remaining costs to completion, total contract revenues and contract risks. In addition, revenue, cost and gross profit realised on such contracts can vary (sometimes significantly) from the Company's original estimates because of changes in conditions.

使用完工百分比法涉及重大管理層判斷及估計，包括對竣工進度的估計，交付範圍及所需服務、合同成本總額、竣工尚需發生的成本、合同收入總額及合同風險。此外，建造合同實際發生的收入、成本及毛利會因條件變更而偏離（有時嚴重偏離）貴公司的初始估計。

The disclosures about construction contracts are included in note 2.4, note 3, note 5 and note 21 to the consolidated financial statements.

有關建造合同的披露載於合併財務報表附註2.4、附註3、附註5及附註21。

How our audit addressed the key audit matter

關鍵審核事項在審核中的處理方法

We tested the internal controls of the Company over its processes to record contract costs and contract revenues under the percentage-of-completion (“POC”) method.

我們對貴公司按完工百分比法記錄合同成本及合同收入的流程進行了內控測試。

We evaluated the judgements and estimates of management in determining the estimated total contract costs through the review of contract cost budget and other relevant project documentation, and the discussion of the status of projects under construction with management, finance and technical staff of the Company.

我們通過檢查合同成本預算及相關項目文件及與貴公司管理層、財務及技術員工討論在建項目的狀態，評估管理層確定合同預計成本總額所作判斷及估計。

We performed tests of details, including vouching to invoices or other source documents, for the costs incurred, and assessing the status of the projects on a sample basis.

基於抽樣基礎，我們進行細節測試，包括檢查已產生的成本之發票或其他原始文檔，及評估項目狀態。

We retested the calculation of the POC for certain key projects.

我們就若干關鍵項目重新測試完工百分比的計算。

We also assessed the adequacy of the relevant disclosures.

我們亦評估相關披露的充足度。

Key audit matter

關鍵審核事項

Impairment of trade and other receivables

貿易及其他應收款項減值撥備

The Group has significant trade and other receivables from customers and other stakeholders. Allowances for the impairment of these balances are estimated by management through the application of significant judgement and use of subjective assumptions. Allowances for expected credit losses ("ECLs") for trade and other receivables are made based on the assessment of the recoverability of such receivables as appropriate. When determining whether a trade or other receivable is collectable, significant management judgement is involved. Management ascertains the ECLs for trade and other receivables based on various factors including, amongst others, historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment, the extent of collateral or credit enhancements available, and other information concerning the creditworthiness of the debtors.

貴集團有來自客戶及其他利益相關者的大量貿易及其他應收款項。該等結餘的減值撥備由管理層運用重大判斷及主觀假設進行估計。貿易及其他應收款項預期信用損失（「預期信用損失」）撥備乃根據對該等應收款項可收回性進行的評估（如適用）而作出。於釐定貿易或其他應收款項是否能夠收回時涉及重大管理層判斷。管理層根據多項因素確定貿易及其他應收款項預期信用損失，包括（其中包括）過往信用損失經驗、就債務人特定前瞻性因素作出的調整及經濟環境、可動用抵押品或增信措施的程度，以及有關債務人信用度的其他資料。

The disclosures about impairment of trade and other receivables are included in note 2.4, note 3 and note 22 to the consolidated financial statements.

貿易及其他應收款項減值的披露載於合併財務報表附註 2.4、附註3及附註22。

How our audit addressed the key audit matter

關鍵審核事項在審核中的處理方法

We tested the internal controls over the Group's impairment allowance assessment procedures as appropriate. We obtained direct external confirmations for trade and other receivable balances on a sample basis, and performed alternative audit procedures for unreturned confirmations.

我們測試貴集團減值撥備評估程序（如適用）的內部控制。我們已基於抽樣基礎取得貿易及其他應收款項結餘的直接外部確認函，並就未有回應確認函進行其他審核程序。

We evaluated the basis and assumptions of the ECL model used by management in the calculation of the ECLs. Our procedures to assess the recoverability of trade and other receivables included, among others, inquiry of management's judgements, testing of historical payment patterns, assessment of the relevant forward-looking factors, and verification of the extent of collateral and credit enhancements available.

我們評估管理層於計算預期信用損失時所使用的預期信用損失基準及假設。我們就評估貿易及其他應收款項可收回性而進行的程序包括（其中包括）查詢管理層的判斷、測試過往付款模式、評估相關前瞻性因素，以及核實可動用抵押品及增信措施的程度。

In addition, we evaluated the adequacy of the disclosures regarding the ECL allowances for trade and other receivables.

此外，我們評估與貿易及其他應收款項預期信用損失撥備相關披露的充足度。

Independent Auditor's Report

獨立核數師報告

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

年報所載的其他資料

貴公司董事須對其他資料承擔責任。其他資料包括年報中所包含的所有資料，但不包括合併財務報表及我們就此發出的核數師報告。

我們對合併財務報表作出的意見並無涵蓋其他資料，且我們不會對其他資料發表任何形式的核證結論。

就審核合併財務報表而言，我們的責任為閱讀其他資料，從而考慮其他資料是否與合併財務報表或我們在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。倘若我們基於已進行的工作認為其他資料出現重大錯誤陳述，我們須報告有關事實。我們就此並無須報告的事項。

董事就合併財務報表須承擔的責任

貴公司董事須負責根據國際會計準則委員會頒佈之國際財務報告準則及香港公司條例之披露規定，編製表達真實且公允之合併財務報表，及落實其認為編製合併財務報表所必要的內部控制，以使合併財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

編製合併財務報表時，貴公司董事須負責評估貴集團持續經營的能力，並披露與持續經營有關的事項（如適用）。除非貴公司董事擬將貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法，否則須採用以持續經營為會計基礎。

Independent Auditor's Report

獨立核數師報告

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

審計委員會協助貴公司董事履行職責、監督貴集團的財務報告過程。

核數師就審核合併財務報表須承擔的責任

我們的目標為合理確保合併財務報表整體不存在由於欺詐或錯誤而導致的重大錯誤陳述，並出具載有我們意見的核數師報告。我們報告乃僅向全體股東（作為整體）作出，不作其他用途。我們概不就本報告的內容對任何其他人士負上或承擔任何責任。

合理確定屬高層次的核證，惟不能保證根據香港核數準則進行的審核工作總能發現所存在的重大錯誤陳述。錯誤陳述可源於欺詐或錯誤，倘合理預期個別或整體錯誤陳述可影響使用者根據該等合併財務報表作出的經濟決定時，則被視為重大錯誤陳述。

我們根據香港核數準則進行審核的工作之部分，是運用專業判斷，並在整個審核過程保持專業懷疑態度。我們亦：

- 識別及評估合併財務報表由於欺詐或錯誤而導致的重大錯誤陳述風險，針對該等風險設計及執行審核程序，以及獲得充足及適當的審核憑證為我們的意見提供基礎。由於欺詐可能涉及合謀、偽造、故意遺漏、誤導性陳述或凌駕內部控制的情況，因此未能發現因欺詐而造成的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審核有關的內部控制，以設計在各種情況下均恰當的審核程序，但並非旨在對貴集團的內部控制的有效性發表意見。

Independent Auditor's Report

獨立核數師報告

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評估所用會計政策是否恰當，以及貴公司董事所作出的會計估計和相關披露是否合理。
- 對董事採用的以持續經營為會計基礎是否恰當作出總結，並根據已獲取的審核憑證，確定是否存在可能對貴集團持續經營的能力構成重大疑慮的事件或情況等重大不確定因素。倘我們認為存在重大不確定因素，則須在核數師報告中提請注意合併財務報表內的相關披露，或如果相關披露不足，則須修訂我們的意見。我們的結論乃基於截至核數師報告日期所獲得的審核憑證。然而，未來事件或情況可能導致貴集團無法持續經營。
- 評估合併財務報表（包括披露）的整體呈列方式、架構及內容，以及合併財務報表是否公允地反映相關交易及事項。
- 就貴集團內各實體或業務活動的財務資料獲得充足且適當的審核憑證，以就合併財務報表發表意見。我們須負責指導、監督和執行貴集團的審核工作。我們須為我們的審核意見承擔全部責任。

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

我們就（其中包括）審核工作的計劃範圍、時間安排以及重大審核發現（包括我們在審核過程中發現的任何內部控制的重大缺失）與審計委員會進行溝通。

我們亦向審計委員會作出聲明，確認我們已遵守有關獨立性的道德要求，並就所有被合理認為可能影響我們獨立性的關係和其他事宜以及相關防範措施（如適用）與彼等進行溝通。

Independent Auditor's Report

獨立核數師報告

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yee Chung Man.

Ernst & Young

Certified Public Accountants
Hong Kong

30 March 2020

我們通過與審計委員會溝通，釐定對本期合併財務報表審核工作而言至關重要的事項，即關鍵審核事項。除非法律或法規不容許公開披露此等事項，或於極罕有的情況下，我們認為披露此等事項可合理預期的不良後果將超越公眾知悉此等事項的利益而不應於報告中披露，否則我們會於核數師報告中描述此等事項。

負責此審核項目及簽發本獨立核數師報告的項目合夥人為余仲文。

安永會計師事務所
執業會計師
香港

2020年3月30日

Consolidated Statement of Profit or Loss

合併損益表

Year ended 31 December 2019 • 截至2019年12月31日止年度

		Notes	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
		附註		
REVENUE	收入	5	28,295,927	28,862,688
Cost of sales	銷售成本	6	(23,500,827)	(24,166,735)
Gross profit	毛利		4,795,100	4,695,953
Other revenue	其他收入	5	36,303	106,938
Other income/(expenses), net	其他收入／(開支)淨額	5	23,066	(84,556)
Selling and distribution expenses	銷售及分銷開支		(1,112,637)	(1,254,072)
Administrative expenses	行政開支		(1,401,859)	(1,283,522)
Impairment losses on financial and contract assets, net	金融及合同資產減值 虧損淨額		(387,166)	(625,666)
Other operating expenses	其他經營開支		(20,385)	(3,137)
PROFIT FROM OPERATIONS	經營溢利		1,932,422	1,551,938
Finance income	財務收入	6	787,154	1,314,914
Finance expenses	財務開支	6	(129,412)	(208,318)
Net finance income	財務收入淨額	6	657,742	1,106,596
Share of profits and losses of:	應佔以下溢利及虧損：			
Joint ventures	合營公司		27,825	34,167
Associates	聯營公司		198,520	133,066
PROFIT BEFORE TAX	除稅前溢利	6	2,816,509	2,825,767
Income tax	所得稅	9	(635,253)	(689,926)
PROFIT FOR THE YEAR	年內溢利		2,181,256	2,135,841
Attributable to:	歸屬於：			
Owners of the parent	母公司擁有人		2,181,173	2,131,540
Non-controlling interests	非控股權益		83	4,301
			2,181,256	2,135,841
EARNINGS PER SHARE				
ATTRIBUTABLE TO ORDINARY	母公司普通權益持有人			
EQUITY HOLDERS OF THE PARENT	應佔每股盈利			
Basic and diluted (RMB)	基本及攤薄（人民幣）	12	53 cents (分)	52 cents (分)

Consolidated Statement of Comprehensive Income

合併綜合收益表

Year ended 31 December 2019 • 截至2019年12月31日止年度

		2019	2018
		2019年	2018年
	Note	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元
PROFIT FOR THE YEAR	年內溢利	2,181,256	2,135,841
OTHER COMPREHENSIVE INCOME/ (LOSS)	其他綜合收益／(虧損)		
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:	於後續期間不能重分類進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	28	(19,360)
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	56,412	(24,851)
Share of other comprehensive income/(loss) of associates	分佔聯營公司其他綜合收益／(虧損)	25,363	(25,622)
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	於後續期間不能重分類進損益的其他綜合收益／(虧損)淨額	81,135	(69,833)
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:	於後續期間能重分類進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	(8,545)	(53,376)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	於後續期間能重分類進損益的其他綜合虧損淨額	(8,545)	(53,376)
OTHER COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR, NET OF TAX	年內其他綜合收益／(虧損) (扣除稅項)	72,590	(123,209)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年內綜合收益總額	2,253,846	2,012,632
Attributable to:	歸屬於：		
Owners of the parent	母公司擁有人	2,251,114	2,008,234
Non-controlling interests	非控股權益	2,732	4,398
		2,253,846	2,012,632

Consolidated Statement of Financial Position

合併財務狀況表

31 December 2019 • 2019年12月31日

			31 December	31 December
			2019	2018
			2019年	2018年
			12月31日	12月31日
	Notes		RMB'000	RMB'000
	附註		人民幣千元	人民幣千元
NON-CURRENT ASSETS				
Property, plant and equipment	物業、廠房及設備	13	2,502,016	2,293,698
Investment properties	投資物業	14	630,179	640,115
Right-of-use assets	使用權資產	15	1,788,979	-
Prepaid land lease payments	預付土地租賃款項	15	-	1,755,868
Intangible assets	無形資產	16	440,556	464,816
Investments in joint ventures	對合營公司的投資	17	405,798	380,590
Investments in associates	對聯營公司的投資	18	1,368,578	1,102,433
Trade and other receivables	貿易及其他應收款項	22	6,537,503	3,905,768
Deferred tax assets	遞延稅項資產	27	655,243	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	19	550,659	425,890
Total non-current assets	非流動資產總額		14,879,511	12,428,161
CURRENT ASSETS				
Inventories	存貨	20	460,842	578,900
Trade and other receivables	貿易及其他應收款項	22	10,615,938	11,520,437
Contract assets	合同資產	21	5,203,385	3,977,833
Restricted deposits	受限制存款	23	1,228,663	1,211,805
Time deposits with original maturity over three months	原始到期日超過三個月的定期存款	23	5,811,624	5,013,871
Cash and cash equivalents	現金及現金等價物	23	15,561,480	21,383,610
Total current assets	流動資產總額		38,881,932	43,686,456
CURRENT LIABILITIES				
Borrowings	借貸	26	444,218	878,403
Contract liabilities	合同負債	25	13,612,370	14,941,065
Trade and other payables	貿易及其他應付款項	24	19,653,953	21,811,779
Lease liabilities	租賃負債	15	27,854	-
Defined benefit obligations	設定受益義務	28	38,170	33,114
Tax payable	應繳稅項		464,411	527,133
Total current liabilities	流動負債總額		34,240,976	38,191,494

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Consolidated Statement of Financial Position

合併財務狀況表

31 December 2019 • 2019年12月31日

			31 December	31 December
			2019	2018
			2019年	2018年
			12月31日	12月31日
		<i>Notes</i>	RMB'000	<i>RMB'000</i>
		<i>附註</i>	<i>人民幣千元</i>	<i>人民幣千元</i>
NET CURRENT ASSETS	流動資產淨額		4,640,956	5,494,962
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減流動負債		19,520,467	17,923,123
NON-CURRENT LIABILITIES	非流動負債			
Borrowings	借貸	26	111,087	106,356
Trade and other payables	貿易及其他應付款項	24	867,637	746,769
Lease liabilities	租賃負債	15	36,378	–
Defined benefit obligations	設定受益義務	28	439,971	462,384
Deferred tax liabilities	遞延稅項負債	27	106,999	94,360
Total non-current liabilities	非流動負債總額		1,562,072	1,409,869
Net assets	淨資產		17,958,395	16,513,254
EQUITY	權益			
Issued capital	已發行股本	29	4,125,700	4,125,700
Reserves	儲備	30	13,720,125	12,301,708
Total equity attributable to owners of the parent	母公司擁有人應佔權益總額		17,845,825	16,427,408
Non-controlling interests	非控股權益		112,570	85,846
Total equity	權益總額		17,958,395	16,513,254

Director Bai Shaotong
董事 白紹桐

Director Fang Yanshui
董事 方彥水

Consolidated Statement of Changes in Equity

合併權益變動表

Year ended 31 December 2019 • 截至2019年12月31日止年度

		Attributable to owners of the parent 歸屬於母公司擁有人							Non-controlling interests 非控股權益	Total equity 權益總額
		Issued capital 已發行股本	Capital reserve 資本儲備	Fair value reserve of financial assets at FVOCI 以公允價值計量且其變動計入其他綜合收益的金融資產的公允價值儲備	Statutory surplus reserve 法定盈餘公積金	Exchange fluctuation reserve 匯兌波動儲備	Retained profits 保留溢利	Sub-total 小計		
	Note 附註	RMB'000 人民幣千元 (note 29) (附註29)	RMB'000 人民幣千元 (note 30) (附註30)	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2019	於2019年1月1日	4,125,700	1,785,692	(23,776)	1,377,179	(36,548)	9,199,161	16,427,408	85,846	16,513,254
Profit for the year	年內溢利	-	-	-	-	-	2,181,173	2,181,173	83	2,181,256
Other comprehensive income for the year:	年內其他綜合收益：									
Exchange differences on translation of foreign operations	外幣報表折算差額	-	-	-	-	(11,194)	-	(11,194)	2,649	(8,545)
Remeasurement losses on defined benefit plans, net of tax	設定受益計劃重新評估虧損，扣稅後	-	-	-	-	-	(640)	(640)	-	(640)
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	以公允價值計量且其變動計入其他綜合收益的股權投資的公允價值變動，扣稅後	-	-	56,412	-	-	-	56,412	-	56,412
Share of other comprehensive income of associates	分佔聯營公司其他綜合收益	-	-	25,363	-	-	-	25,363	-	25,363
Total comprehensive income for the year	年內綜合收益總額	-	-	81,775	-	(11,194)	2,180,533	2,251,114	2,732	2,253,846
Business combination	業務合併	31	-	-	-	-	-	-	26,553	26,553
Capital contribution from a non-controlling shareholder	一名非控股股東的資本投入	-	-	-	-	-	-	-	10,274	10,274
Dividends declared to shareholders of the Company	已向本公司股東宣派的股息	-	-	-	-	-	(852,782)	(852,782)	-	(852,782)
Profit appropriation to reserves	轉撥至儲備的溢利	-	-	-	165,770	-	(165,770)	-	-	-
Adjustment of deferred tax from valuation surplus	從估值盈餘調整遞延稅項	-	20,085	-	-	-	-	20,085	-	20,085
Dividends declared to non-controlling shareholders of subsidiaries	已向附屬公司非控股股東宣派的股息	-	-	-	-	-	-	-	(2,219)	(2,219)
Others	其他	-	-	-	-	-	-	-	(10,616)	(10,616)
At 31 December 2019	於2019年12月31日	4,125,700	1,805,777*	57,999*	1,542,949*	(47,742)*	10,361,142*	17,845,825	112,570	17,958,395

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Consolidated Statement of Changes in Equity

合併權益變動表

Year ended 31 December 2019 • 截至2019年12月31日止年度

		Attributable to owners of the parent 歸屬於母公司擁有人							Non-controlling interests 非控股權益	Total equity 權益總額	
		Issued capital	Capital reserve	Available-for-sale investment revaluation reserve	Fair value reserve of financial assets at FVOCI	Statutory surplus reserve	Exchange fluctuation reserve	Retained profits			Sub-total
		已發行股本	資本儲備	可供出售投資重估儲備	以公允價值計量且其變動計入其他綜合收益的金融資產的公允價值儲備	法定盈餘公積金	匯兌波動儲備	保留溢利	小計		
Note		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
附註		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(note 29)	(note 30)								
		(附註29)	(附註30)								
At 31 December 2017	於2017年12月31日	4,125,700	3,479,823	(7,295)	-	1,198,687	16,925	8,486,646	17,300,486	80,263	17,380,749
Effect of adoption of IFRS 9	採納國際財務報告準則第9號的影響	-	-	7,295	26,697	-	-	(85,790)	(51,798)	-	(51,798)
At 1 January 2018 (restated)	於2018年1月1日 (重述)	4,125,700	3,479,823	-	26,697	1,198,687	16,925	8,400,856	17,248,688	80,263	17,328,951
Profit for the year	年內溢利	-	-	-	-	-	-	2,131,540	2,131,540	4,301	2,135,841
Other comprehensive income for the year:	年內其他綜合收益：										
Exchange differences on translation of foreign operations	外幣報表折算差額	-	-	-	-	-	(53,473)	-	(53,473)	97	(53,376)
Re-measurement losses on defined benefit plans, net of tax	設定受益計劃重新評估虧損，扣稅後	-	-	-	-	-	-	(19,360)	(19,360)	-	(19,360)
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	以公允價值計量且其變動計入其他綜合收益的股權投資的公允價值變動，扣稅後	-	-	-	(24,851)	-	-	-	(24,851)	-	(24,851)
Share of other comprehensive income of associates	分佔聯營公司其他綜合收益	-	-	-	(25,622)	-	-	-	(25,622)	-	(25,622)
Total comprehensive income for the year	年內綜合收益總額	-	-	-	(50,473)	-	(53,473)	2,112,180	2,008,234	4,398	2,012,632
Business combination under common control	同一控制下的業務合併	31	(1,980,031)	-	-	-	-	-	(1,980,031)	-	(1,980,031)
Capital contribution from a non-controlling shareholder	一名非控股股東的資本投入	-	-	-	-	-	-	-	-	3,366	3,366
Dividends declared to shareholders of the Company	已向本公司股東宣派的股息	-	-	-	-	-	-	(849,483)	(849,483)	-	(849,483)
Profit appropriation to reserves	轉撥至儲備的溢利	-	285,900	-	-	178,492	-	(464,392)	-	-	-
Dividends declared to non-controlling shareholders of subsidiaries	已向附屬公司非控股股東宣派的股息	-	-	-	-	-	-	-	-	(2,181)	(2,181)
At 31 December 2018	於2018年12月31日	4,125,700	1,785,692*	-	(23,776)*	1,377,179*	(36,548)*	9,199,161*	16,427,408	85,846	16,513,254

* These reserve accounts comprise the consolidated reserves of RMB13,720,125,000 (31 December 2018: RMB12,301,708,000) in the consolidated statement of financial position as at 31 December 2019.

* 該等儲備款項包括列入2019年12月31日的合併財務狀況表中的合併儲備人民幣13,720,125,000元(2018年12月31日：人民幣12,301,708,000元)。

Consolidated Statement of Cash Flows

合併現金流量表

Year ended 31 December 2019 • 截至2019年12月31日止年度

		2019	2018
		2019年	2018年
	Notes	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	來自經營活動的現金流量		
Profit before tax:	除稅前溢利：	2,816,509	2,825,767
Adjustments for:	調整項目：		
Finance costs	財務成本	6(a) 82,199	171,218
Foreign exchange differences, net	匯兌差額淨額	(270,426)	(764,314)
Share of profits and losses of associates	應佔聯營公司溢利及虧損	(198,520)	(133,066)
Share of profits and losses of joint ventures	應佔合營公司溢利及虧損	(27,825)	(34,167)
Interest income	利息收入	6(a) (246,843)	(267,881)
Investment income on financial assets	金融資產投資收益	5 (31,838)	(93,111)
Net losses/(gains) on disposal of items of property, plant and equipment	處置物業、廠房及設備項目的淨損失/(收益)	5 1,734	(14,020)
Dividend income from equity securities	股本證券股息收入	5 (3,822)	(3,868)
Net losses on foreign currency forward exchange contracts and interest rate swaps	遠期外匯合約及利率掉期損失淨額	5 9,130	85,648
Depreciation of property, plant, equipment and investment properties	物業、廠房、設備及投資物業折舊	6(c) 111,968	116,675
Depreciation of right-of-use assets	使用權資產折舊	6(c) 82,507	-
Amortisation	攤銷	38,725	83,062
Impairment and foreseeable contract losses	減值和可預計合同虧損	6(c) 404,628	627,203
		2,768,126	2,599,146
Decrease in inventories	存貨減少	125,385	90,031
(Increase)/decrease in contract assets	合同資產(增加)/減少	(1,267,428)	2,651,060
Increase in trade and other receivables	貿易及其他應收款項增加	(638,978)	(4,198,322)
Decrease in contract liabilities	合同負債減少	(1,330,615)	(855,293)
(Decrease)/increase in trade and other payables	貿易及其他應付款項(減少)/增加	(2,366,321)	796,459
Decrease in defined benefit obligations	設定受益義務減少	(17,997)	(9,438)
Cash (used in)/generated from operations	經營活動(所用)/流入現金	(2,727,828)	1,073,643
Income tax paid	已付所得稅	(777,973)	(468,959)
Net cash flows (used in)/from operating activities	經營活動(所用)/產生的現金流量淨額	(3,505,801)	604,684

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Consolidated Statement of Cash Flows

合併現金流量表

Year ended 31 December 2019 • 截至2019年12月31日止年度

			2019	2018
			2019年	2018年
		Notes	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
CASH FLOWS FROM INVESTING ACTIVITIES	來自投資活動的現金流量			
Interest received	已收利息	6(a)	246,843	267,881
Dividends received	已收股息	5	3,822	3,868
Investment income received	投資收益	5	31,838	93,111
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	13	(284,852)	(431,406)
Purchases of equity investments at fair value through other comprehensive income	購買以公允價值計量且其變動計入其他綜合收益的股權投資		(49,677)	(36,640)
Proceeds from disposal of items of property, plant and equipment	處置物業、廠房及設備項目的所得款項		34,532	26,155
Proceed from disposal of other intangible assets	處置其他無形資產的所得款項		1,001	449
Proceeds from settlement of forward exchange contracts and interest rate swaps	結算遠期外匯合約及利率掉期的所得款項		(43,559)	(43,885)
Proceeds from disposal of lease prepayments	處置租賃預付款項的所得款項		-	12,362
Proceeds from disposal of financial assets	處置金融資產的所得款項		-	150,000
Additions of prepaid land lease payments	添置預付土地租賃款項		-	(11,580)
Additions of other intangible assets	添置其他無形資產		(2,405)	(24,228)
Additions of other long-term assets	添置其他長期資產		(584)	(36,652)
Dividends received from associates	自聯營公司收取的股息		11,963	8,737
Interest on financial instruments included in other receivables	其他應收款項以內的金融工具利息		(78,915)	(79,408)
Acquisition of a subsidiary	收購附屬公司	31	74,757	(1,980,031)
Investments in associates	對聯營公司的投資		(220,926)	(173,481)
Placing of restricted deposits	存放受限制存款		(216,354)	(21,652)
Proceeds from redemption of restricted deposits	贖回受限制存款所得款項		199,496	173,372
Placing of non-pledged time deposits with original maturity of over three months when acquired	存放獲取時原始到期日超過三個月之無抵押定期存款		(9,985,492)	(29,640,548)
Proceeds from redemption of non-pledged time deposits with original maturity of over three months when acquired	贖回獲取時原始到期日超過三個月之無抵押定期存款所得款項		9,187,739	31,410,988
Net cash flows used in investing activities	投資活動所用的現金流量淨額		(1,090,773)	(332,588)

Continued/...
續 / ...

Consolidated Statement of Cash Flows

合併現金流量表

Year ended 31 December 2019 • 截至2019年12月31日止年度

			2019	2018
		Notes	2019年	2018年
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
CASH FLOWS FROM FINANCING ACTIVITIES	來自融資活動的現金流量			
Proceeds from borrowings	借貸所得款項		306,286	1,332,248
Repayment of borrowings	償還借貸		(756,427)	(1,253,277)
Capital contribution from a non-controlling shareholder	一名非控股股東的資本投入		10,274	3,366
Proceeds from disposal of debt investments	處置債權投資的所得款項		30,896	205,070
Principal portion of lease payments	租賃付款的本金部分		(38,313)	-
Dividends paid	已付股息		(852,782)	(849,483)
Dividends paid to non-controlling shareholders	已付非控股股東的股息		(4,349)	249
Interest paid	已付利息		(65,657)	(170,416)
Net cash flows used in financing activities	融資活動所用的現金流量淨額		(1,370,072)	(732,243)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物減少淨額		(5,966,646)	(460,147)
Cash and cash equivalents at beginning of year	年初的現金及現金等價物	23	21,383,610	21,479,315
Effect of foreign exchange rate changes, net	匯率變動的影響淨額		144,516	364,442
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末的現金及現金等價物	23	15,561,480	21,383,610
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物餘額分析			
Cash and bank balances	現金及銀行結餘	23	22,601,767	27,609,286
Restricted deposits	受限制存款	23	(1,228,663)	(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	23	(5,811,624)	(5,013,871)
Cash and cash equivalents as stated in the statement of cash flows	現金流量表所列現金及現金等價物	23	15,561,480	21,383,610

Notes to the Financial Statements

財務報表附註

31 December 2019 • 2019年12月31日

1. CORPORATE AND GROUP INFORMATION

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

The Company was established on 18 January 2011 as part of the reorganisation (the “Reorganisation”) of China National Machinery & Equipment Import & Export Corporation (the “Predecessor”), a state-owned enterprise. The Company and its subsidiaries (collectively the “Group”) are mainly engaged in the international construction business and trading business.

Prior to the Reorganisation and establishment of the Company, the core business of the Group was controlled and operated by the Predecessor. The Predecessor was wholly owned by China National Machinery Industry Corporation (“SINOMACH”, 中國機械工業集團有限公司). Pursuant to the Reorganisation, the Predecessor transferred its core business together with related assets and liabilities to the Company. Upon establishment, the Company had a total of 3,300 million issued ordinary shares, with a par value of RMB1.00 each. The Company issued to SINOMACH 3,267 million shares, or 99% of the total issued shares, in exchange for the above transfer of business and assets and liabilities from the Predecessor. The Company also issued 33 million shares, or 1% of the total issued shares, to China United Engineering Corporation (“China United”, 中國聯合工程有限公司), a wholly-owned subsidiary of SINOMACH for a cash consolidation of RMB46,930,900.

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 SINOMACH and China United in aggregate were converted into H shares on a one-for-one basis and transferred to the National Council for Social Security Fund of the PRC (“SSF”).

1. 公司及集團資料

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

作為國有企業中國機械設備進出口總公司（「前身」）重組（「重組」）的一部分，本公司於2011年1月18日成立。本公司及其附屬公司（統稱為「本集團」）主要從事國際工程業務及貿易業務。

在重組及成立本公司以前，本集團的核心業務由前身控制及經營。前身由中國機械工業集團有限公司（「國機」）全資擁有。根據重組，前身將其核心業務連同相關資產及負債轉讓予本公司。成立後，本公司擁有合共3,300百萬股每股面值人民幣1.00元的已發行普通股。本公司向國機發行3,267百萬股股份，或已發行股份總數的99%，以交換前身轉讓的上述業務及資產及負債。本公司亦向國機的全資附屬公司中國聯合工程有限公司（「中國聯合」）發行33百萬股股份，或已發行股份總數的1%，現金對價為人民幣46,930,900元。

於2012年12月21日，本公司於香港聯合交易所有限公司（「香港聯交所」）主板上市。本公司透過首次公開發售（「首次公開發售」），按每股股份5.40港元的價格向香港及海外投資者發行718,000,000股H股。基於首次公開發售，國機及中國聯合共同擁有的合共71,800,000股每股面值人民幣1.00元的國有內資股已按一換一的基準轉為H股，並轉讓予中國全國社會保障基金理事會（「社保基金理事會」）。

Notes to the Financial Statements

財務報表附註

31 December 2019 • 2019年12月31日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

On 2 January 2013, the over-allotment option granted by the Company was fully exercised, and the Company issued and allotted an aggregate of 107,700,000 H shares at HK\$5.40 per share. Accordingly, a total of 10,770,000 domestic state-owned shares of RMB1.00 each owned by SINOMACH and China United were converted into H shares on a one-for-one basis and transferred to the SSF. As at 31 December 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 was SINOMACH, which was established in the PRC.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name 名稱	Place and date of incorporation/ registration 註冊成立/註冊 地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔權益 百分比		Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
			Direct 直接	Indirect 間接		
1 CMEC International Engineering Co., Ltd. 中設國際工程有限責任公司	The PRC 9 September 1997 中國 1997年9月9日	RMB50,000,000 人民幣50,000,000元	100%	-	Construction contracting and trading 施工承包及貿易	Limited liability company 有限責任公司
2 China Everbest Development International Limited 華盛昌發展有限公司	Hong Kong SAR 12 August 1988 香港特別行政區 1988年8月12日	HKD980,651,741 980,651,741港元	100%	-	Trading and securities investment 貿易及證券投資	-
3 China Machinery & Equipment (HK) Company Limited 中國機械設備香港有限公司	Hong Kong SAR 20 September 1983 香港特別行政區 1983年9月20日	HKD25,115,970 25,115,970港元	100%	-	Trading 貿易	-

1. 公司及集團資料 (續)

於2013年1月2日，本公司授出的超額配股權已獲悉數行使。因此，本公司已按每股股份5.40港元發行及配發合共107,700,000股H股。因此，國機及中國聯合擁有的10,770,000股每股面值人民幣1.00元的國有內資股已按一換一的基礎轉為H股，並轉讓予社保基金理事會。於2019年12月31日，合共908,270,000股H股在香港聯交所上市。

根據本公司董事（「董事」）的意見，國機（於中國成立）為本公司的控股公司及最終控股公司。

附屬公司資料

本公司主要附屬公司的詳細資料如下：

Notes to the Financial Statements

財務報表附註

31 December 2019 • 2019年12月31日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

1. 公司及集團資料 (續)

Information about subsidiaries (continued)

附屬公司資料 (續)

Name 名稱	Place and date of incorporation/ registration 註冊成立／註冊 地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股／ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔權益 百分比		Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
			Direct 直接	Indirect 間接		
4 CMEC Engineering Machinery Import & Export Co., Ltd. 中設工程機械進出口有限責任公司	The PRC 9 January 1995 中國 1995年1月9日	RMB80,000,000 人民幣80,000,000元	100%	-	Trading 貿易	Limited liability company 有限責任公司
5 CMEC Comtrans International Co., Ltd. 中設國際商務運輸代理有限 責任公司	The PRC 5 March 1997 中國 1997年3月5日	RMB20,000,000 人民幣20,000,000元	100%	-	Transportation agency 運輸代理	Limited liability company 有限責任公司
6 Ausino Pty. Ltd. 澳大利亞澳華機械有限公司	Australia 13 September 1984 澳大利亞 1984年9月13日	AUD3,974,486 3,974,486澳元	100%	-	Trading 貿易	-
7 CMEC Group Shanghai International Forwarding Co., Ltd. 中設集團上海國際貨代儲運 有限公司	The PRC 30 January 1996 中國 1996年1月30日	RMB10,820,000 人民幣10,820,000元	100%	-	Transportation agency 運輸代理	Limited liability company 有限責任公司
8 Shenzhen CMEC Industry Corporation Limited 深圳市中設實業有限公司	The PRC 18 March 1992 中國 1992年3月18日	RMB9,200,000 人民幣9,200,000元	100%	-	Storage and property service 儲存及物業服務	Limited liability company 有限責任公司
9 CMEC International Trading Co., Ltd. 中設國際貿易有限責任公司	The PRC 16 January 1995 中國 1995年1月16日	RMB8,000,000 人民幣8,000,000元	100%	-	Trading 貿易	Limited liability company 有限責任公司

Notes to the Financial Statements

財務報表附註

31 December 2019 • 2019年12月31日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

1. 公司及集團資料 (續)

Information about subsidiaries (continued)

附屬公司資料 (續)

Name 名稱	Place and date of incorporation/ registration 註冊成立/註冊 地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔權益 百分比		Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
			Direct 直接	Indirect 間接		
10 CMEC Machinery & Electric Equipment Import & Export Co., Ltd. 中設機電進出口有限公司	The PRC 16 January 1995 中國 1995年1月16日	RMB20,000,000 人民幣20,000,000元	100%	-	Trading 貿易	Limited liability company 有限責任公司
11 CMEC Beijing Property Development Co., Ltd. 中國機械設備進出口北京物業發展 有限責任公司	The PRC 15 January 1985 中國 1985年1月15日	RMB5,000,000 人民幣5,000,000元	100%	-	Property management and rental 物業管理及租賃	Limited liability company 有限責任公司
12 CMEC General Machinery Import & Export Co., Ltd. 中設通用機械進出口有限責任公司	The PRC 9 January 1995 中國 1995年1月9日	RMB6,000,000 人民幣6,000,000元	100%	-	Trading 貿易	Limited liability company 有限責任公司
13 China Machinery and Equipment International Tendering Co., Ltd. 中設國際招標有限責任公司	The PRC 29 April 1996 中國 1996年4月29日	RMB5,000,000 人民幣5,000,000元	100%	-	Tendering for construction contracts 建造合同招標	Limited liability company 有限責任公司
14 China Machinery Industrial Products Co., Ltd. 中設集團裝備製造有限責任公司	The PRC 6 February 2002 中國 2002年2月6日	RMB75,000,000 人民幣75,000,000元	100%	-	Trading 貿易	Limited liability company 有限責任公司

Notes to the Financial Statements

財務報表附註

31 December 2019 • 2019年12月31日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

Name 名稱	Place and date of incorporation/ registration 註冊成立／註冊 地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股／ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔權益 百分比		Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
			Direct 直接	Indirect 間接		
15 CMEC Petrochemical-General Machinery Co., Ltd. 中設石化機械有限公司	The PRC 16 January 1995 中國 1995年1月16日	RMB5,000,000 人民幣5,000,000元	100%	-	Trading 貿易	Limited liability company 有限責任公司
16 China Machinery International Engineering Design & Research Institute Co., Ltd. 中機國際工程設計研究院 有限責任公司	The PRC 5 October 1993 中國 1993年10月5日	RMB300,000,000 人民幣300,000,000元	100%	-	Engineering design, contracting and supervision 工程設計、承包及監理	Limited liability company 有限責任公司
17 China-East Resources Import & Export Co., Ltd. 中經東源進出口有限責任公司	The PRC 22 July 1993 中國 1993年7月22日	RMB20,000,000 人民幣20,000,000元	100%	-	Trading and construction contracting 貿易及施工承包	Limited liability company 有限責任公司
18 China National Machinery & Equipment Import & Export (Suzhou) Co., Ltd. 中設(蘇州)機械設備工程 有限公司	The PRC 20 February 1987 中國 1987年2月20日	RMB19,562,000 人民幣19,562,000元	100%	-	Trading 貿易	Limited liability company 有限責任公司
19 Shanghai Zhong Jing Import & Export Corporation 上海中經進出口有限責任公司	The PRC 21 December 1995 中國 1995年12月21日	RMB4,580,000 人民幣4,580,000元	100%	-	Trading 貿易	Limited liability company 有限責任公司

1. 公司及集團資料 (續)

附屬公司資料 (續)

Notes to the Financial Statements

財務報表附註

31 December 2019 • 2019年12月31日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

1. 公司及集團資料 (續)

Information about subsidiaries (continued)

附屬公司資料 (續)

Name 名稱	Place and date of incorporation/ registration 註冊成立/註冊 地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔權益 百分比		Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性质
			Direct 直接	Indirect 間接		
20 China Machinery Engineering Wuxi Co., Ltd. 中設無錫機械設備工程有限公司	The PRC 9 April 1987 中國 1987年4月9日	RMB38,000,000 人民幣38,000,000元	100%	-	Trading 貿易	Limited liability company 有限責任公司
21 Sino American Machinery Corporation 美國華美機械有限公司	United States of America ("USA") 22 August 1983 美利堅合眾國 (「美國」) 1983年8月22日	USD1,918,476 1,918,476美元	100%	-	Trading 貿易	-
22 Euro M.E.C. Import & Export GmbH 歐麥克進出口有限公司	Germany 9 March 1990 德國 1990年3月9日	DEM100,000 100,000德國馬克	100%	-	Trading 貿易	-
23 CMEC Japan Co., Ltd. CMEC日本株式會社	Japan 2 April 1986 日本 1986年4月2日	JPY50,000,000 50,000,000日元	80%	-	Trading 貿易	-
24 China Machinery Engineering Henan Co., Ltd. 中國機械設備工程(河南) 有限公司	The PRC 17 April 1997 中國 1997年4月17日	RMB4,180,000 人民幣4,180,000元	67%	-	Trading 貿易	Limited liability company 有限責任公司

Notes to the Financial Statements

財務報表附註

31 December 2019 • 2019年12月31日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

Name 名稱	Place and date of incorporation/ registration 註冊成立／註冊 地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股／ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔權益 百分比		Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
			Direct 直接	Indirect 間接		
25 CMIC Enmei Co., Ltd. CMIC燕明株式會社	Japan 13 May 1994 日本 1994年5月13日	JPY26,000,000 26,000,000日元	76.92%	-	Trading 貿易	-
26 CMEC (Beijing) International Economic & Legal Advisors Inc. 西邁克(北京)國際經濟法律諮詢 有限責任公司	The PRC 24 September 1993 中國 1993年9月24日	RMB500,000 人民幣500,000元	100%	-	Legal consultancy 法律諮詢	Limited liability company 有限責任公司
27 China National Machinery & Equipment Import & Export (Fujian) Co., Ltd. 福建中設機械設備進出口 有限公司	The PRC 21 February 2001 中國 2001年2月21日	RMB5,460,000 人民幣5,460,000元	55%	-	Trading 貿易	Limited liability company 有限責任公司
28 China National Machinery & Equipment Import & Export (Hubei) Co., Ltd. 中設(湖北)機械設備工程 有限公司	The PRC 30 November 2007 中國 2007年11月30日	RMB5,000,000 人民幣5,000,000元	51%	-	Trading 貿易	Limited liability company 有限責任公司
29 CMEC Senegal S.A. 中國機械設備進出口總公司 塞內加爾股份有限公司	Senegal 20 April 2009 塞內加爾 2009年4月20日	XOF10,000,000 10,000,000西非法郎	100%	-	Construction contracting 施工承包	-

1. 公司及集團資料(續)

附屬公司資料(續)

Notes to the Financial Statements

財務報表附註

31 December 2019 • 2019年12月31日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

1. 公司及集團資料 (續)

Information about subsidiaries (continued)

附屬公司資料 (續)

Name 名稱	Place and date of incorporation/ registration 註冊成立/註冊 地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔權益 百分比		Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
			Direct 直接	Indirect 間接		
30 CMEC Engineering C.A. 西麥克委內瑞拉工程公司	Venezuela 11 March 2011 委內瑞拉 2011年3月11日	VEF200,000 200,000強勢玻利瓦爾	99.90%	0.10%	Construction contracting 施工承包	-
31 CMEC Nigeria Development Limited CMEC尼日利亞發展有限公司	Nigeria 25 March 2011 尼日利亞 2011年3月25日	NGN20,000,000 20,000,000奈拉	100%	-	Construction contracting 施工承包	-
32 China Machinery Engineering Argentina S.A. 中國機械設備工程阿根廷股份 有限公司	Argentina 30 July 2012 阿根廷 2012年7月30日	ARS429,000 429,000比索	90%	10%	Construction contracting 施工承包	-
33 China Power Construction Engineering Consulting Central Southern Corporation 中國電力建設工程諮詢中南 有限公司	The PRC 11 January 1993 中國 1993年1月11日	RMB12,500,000 人民幣12,500,000元	80%	-	Engineering design 工程設計	Limited liability company 有限責任公司
34 China Machinery Engineering Corporation Namibia (Proprietary) Limited 中國機械設備工程股份有限公司 納米比亞有限責任公司	Namibia 11 June 2013 納米比亞 2013年6月11日	NAD20,000 20,000納米比亞元	100%	-	Construction contracting 施工承包	-

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1. CORPORATE AND GROUP INFORMATION (CONTINUED)

1. 公司及集團資料 (續)

Information about subsidiaries (continued)

附屬公司資料 (續)

Name 名稱	Place and date of incorporation/ registration 註冊成立／註冊 地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股／ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔權益 百分比		Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
			Direct 直接	Indirect 間接		
35 China Machinery Engineering Corporation (PNG) Limited 中國機械設備工程(巴新)有限公司	Papua New Guinea 22 January 2014 巴布亞新幾內亞 2014年1月22日	USD50,000 50,000美元	100%	-	Construction contracting 施工承包	-
36 Sinland Development PTE, Ltd. 騰新發展有限公司	Singapore 22 July 2014 新加坡 2014年7月22日	USD7,150,000 7,150,000美元	100%	-	Construction contracting 施工承包	-
37 China JiKan Research Institute of Engineering Investigations and Design, Co., Ltd. 機械工業勘察設計研究院有限公司	The PRC 23 February 1989 中國 1989年2月23日	RMB105,000,000 人民幣105,000,000元	100%	-	Construction research and design 施工勘測及設計	Limited liability company 有限責任公司
38 CMEC Lanka (Private) Limited 中設蘭卡有限責任公司	Sri Lanka 12 February 2015 斯里蘭卡 2015年2月12日	USD1,000,000 1,000,000美元	100%	-	Construction contracting 施工承包	-
39 CMEC Middle East FZE CMEC中東區域公司	United Arab Emirates 20 January 2015 阿拉伯聯合酋長國 2015年1月20日	USD5,370,000 5,370,000美元	100%	-	Construction service 施工服務	-
40 China National Complete Engineering Corporation 中國成套工程有限公司	The PRC 5 September 1985 中國 1985年9月5日	RMB100,348,774 人民幣100,348,774元	100%	-	Construction contracting 施工承包	Limited liability company 有限責任公司

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1. CORPORATE AND GROUP INFORMATION (CONTINUED)

1. 公司及集團資料 (續)

Information about subsidiaries (continued)

附屬公司資料 (續)

Name 名稱	Place and date of incorporation/ registration 註冊成立/註冊 地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔權益 百分比		Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
			Direct 直接	Indirect 間接		
41 CMEC Mexico Engineering, S.DE R.L.DE C.V. 西麥克墨西哥工程有限責任公司	Mexico 3 August 2015 墨西哥 2015年8月3日	USD100,000 100,000美元	99%	1%	Construction contracting 施工承包	-
42 CMEC Zambia Development Limited 西麥克贊比亞發展股份有限公司	Zambia 14 September 2015 贊比亞 2015年9月14日	USD10,000 10,000美元	100%	-	Construction contracting 施工承包	-
43 CMEC Africa Development Limited 中設非洲發展有限公司	Kenya 16 December 2015 肯尼亞 2015年12月16日	KES20,480,000 20,480,000先令	100%	-	Construction contracting 施工承包	-
44 China Machinery Engineering Yinchuan Free Trade Zone Co., Ltd. 中國機械設備工程(銀川綜合保 稅)有限公司	The PRC 23 June 2016 中國 2016年6月23日	RMB24,000,000 人民幣24,000,000元	100%	-	Trading business 貿易業務	Limited liability company 有限責任公司
45 Maldives Renewable Energy Company Limited 馬爾代夫新能源有限公司	Hong Kong SAR 4 February 2016 香港特別行政區 2016年2月4日	USD1 1美元	100%	-	Construction contracting 施工承包	-
46 CMEC Engineering XXK 中設蒙古工程有限責任公司	Mongolia 30 November 2016 蒙古 2016年11月30日	USD100,000 100,000美元	100%	-	Construction contracting 施工承包	-

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1. CORPORATE AND GROUP INFORMATION (CONTINUED)

1. 公司及集團資料 (續)

Information about subsidiaries (continued)

附屬公司資料 (續)

Name 名稱	Place and date of incorporation/ registration 註冊成立／註冊 地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股／ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔權益 百分比		Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
			Direct 直接	Indirect 間接		
47 CMEC Guinea Equatorial, S.L. 中設赤道幾內亞有限責任公司	Guinea Equatorial 1 June 2017 赤道幾內亞 2017年6月1日	XOF20,000,000 20,000,000西非法郎	100%	-	Construction contracting 施工承包	-
48 CMEC Saudi for Construction LLC 中設沙特建設有限責任公司	Saudi Arabia 20 July 2017 沙特阿拉伯 2017年7月20日	USD270,000 270,000美元	100%	-	Construction contracting 施工承包	-
49 CMEC Dutch Caribbean B.V. CMEC荷屬加勒比有限責任公司	Netherlands 14 November 2017 荷蘭 2017年11月14日	USD200,000 200,000美元	100%	-	Trading business 貿易業務	-
50 CMEC Bel Limited 中國機械設備白俄有限責任公司	Belarus 16 January 2018 白俄羅斯 2018年1月16日	USD500,000 500,000美元	100%	-	Construction contracting 施工承包	-
51 CMEC Lao Company Limited 中國機械設備老撾有限公司	Laos 16 January 2018 老撾 2018年1月16日	USD1,000,000 1,000,000美元	49%	-	Construction contracting 施工承包	-
52 China National Electric Engineering Co., Ltd. 中國電力工程有限公司	PRC 27 September 1984 中國 1984年9月27日	RMB888,100,000 人民幣888,100,000元	100%	-	Construction contracting 施工承包	Limited liability company 有限責任公司

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1. CORPORATE AND GROUP INFORMATION (CONTINUED)

1. 公司及集團資料 (續)

Information about subsidiaries (continued)

附屬公司資料 (續)

Name 名稱	Place and date of incorporation/ registration 註冊成立/註冊 地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔權益 百分比		Principal activities 主要業務	Nature of PRC incorporated company 中國註冊成立公司性質
			Direct 直接	Indirect 間接		
53 CMEC Congo S.A.R.L.U. 中國機械設備工程股份有限公司 剛果(布)有限責任公司	Congo 8 March 2018 剛果 2018年3月8日	XAF1,000,000 1,000,000 中非金融合作法郎	100%	-	Construction contracting 施工承包	-
54 CMEC Uruguay Corporation S.A. 中國機械設備工程烏拉圭股份 有限公司	Uruguay 24 October 2019 烏拉圭 2019年10月24日	UYU 3,000,000 3,000,000烏拉圭比索	90%	10%	Construction contracting 施工承包	-
55 CMEC Pakistan Engineering (Private) Limited 中國機械設備(巴基斯坦) 有限責任公司	Pakistan 29 April 2019 巴基斯坦 2019年4月29日	USD100,000 100,000美元	100%	-	Construction contracting 施工承包	-
56 CMEC Cote D'Ivoire Limited 中國機械設備科特迪瓦 有限責任公司	Cote D'Ivoire 10 July 2019 科特迪瓦 2019年7月10日	XOF1,000,000 1,000,000西非法郎	100%	-	Construction contracting 施工承包	-

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2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which comprise all standards and interpretations approved by the International Accounting Standards Board (the “IASB”), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments which have been measured at fair value and financial assets at fair value through other comprehensive income (FVOCI). These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2019. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

2.1 編製基準

該等財務報表乃根據國際財務報告準則（「國際財務報告準則」，包括經國際會計準則委員會（「國際會計準則委員會」）批准的全部準則及詮釋）及香港公司條例的披露要求編製。該等財務報表乃按歷史成本慣例編製，惟以公允價值計量的衍生金融工具及以公允價值計量且其變動計入其他綜合收益的金融資產除外。該等財務報表乃以人民幣（「人民幣」）呈列，而除另有指明外，所有數值均調整至最接近的千位數。

合併基準

合併財務報表包括本公司及其附屬公司（統稱「本集團」）截至2019年12月31日止年度的財務報表。附屬公司為本公司直接或間接控制的實體（包括結構性實體）。當本集團對涉及投資對象的可變回報承擔風險或享有權利，以及能透過對投資對象的權力（即賦予本集團有能力以主導投資對象相關活動的既存權利）影響該等回報時，即取得控制權。

倘本公司直接或間接擁有少於投資對象大多數投票或類似權利，則本集團於評估其是否對投資對象擁有權力時會考慮一切相關事實及情況，包括：

- (a) 與投資對象其他投票持有人的合約安排；
- (b) 其他合約安排所產生的權利；及
- (c) 本集團的投票權及潛在投票權。

Notes to the Financial Statements

財務報表附註

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2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (continued)

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.1 編製基準 (續)

合併基準 (續)

附屬公司的財務報表乃按與本公司相同的報告期及一致的會計政策編製。附屬公司的業績自本集團取得控制權當日起合併於賬目內，並繼續合併直至失去有關控制權當日為止。

損益及其他綜合收益各組成部分均歸屬於本集團母公司的擁有人及非控股權益，即使此舉引致非控股權益出現負數結餘。與本集團成員公司之間的交易有關的所有集團內部資產及負債、權益、收入、開支及現金流量於合併入賬時悉數對銷。

倘有任何事實及情況表明上述三項控制權條件的其中一項或多項有變，本集團會重新評估是否控制被投資方。附屬公司的所有權權益在沒有失去控制權的情況下發生變動，則按權益交易入賬。

倘本集團失去對一家附屬公司的控制權，則終止確認(i)該附屬公司的資產(包括商譽)及負債；(ii)任何非控股權益的賬面值及(iii)於權益內記錄的累計換算差額；並確認(i)所收代價的公允價值；(ii)所保留任何投資的公允價值及(iii)損益中任何因此產生的盈餘或虧損。依據本集團直接處置相關資產或負債的相同基準，先前於其他綜合收益內確認的本集團應佔組成部分重新分類至損益或保留溢利(倘適當)。

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財務報表附註

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to IFRS 9	<i>Prepayment Features with Negative Compensation</i>
IFRS 16	<i>Leases</i>
Amendments to IAS 19	<i>Plan Amendment, Curtailment or Settlement</i>
Amendments to IAS 28	<i>Long-term Interests in Associates and Joint Ventures</i>
IFRIC 23	<i>Uncertainty over Income Tax Treatments</i>
<i>Annual Improvements to IFRSs 2015-2017 Cycle</i>	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23

Except for the amendments to IFRS 9 and IAS 19, and *Annual Improvements to IFRSs 2015-2017 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the new and revised IFRSs are described below:

- (a) 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 all leases under a single on-balance sheet model to recognise and measure right-of-use assets and lease liabilities, except for certain recognition exemptions. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors continue to classify leases as either operating or finance leases using similar principles as in IAS 17.

2.2 會計政策變更及披露

本集團已就本年度的財務報表首次採納下列新訂及經修訂國際財務報告準則：

國際財務報告準則第9號的修訂本	具有負補償的提前還款特性
國際財務報告準則第16號	租賃
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28號的修訂本	於聯營公司及合營公司的長期權益
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
國際財務報告準則之年度改進(2015年至2017年週期)	國際財務報告準則第3號、國際財務報告準則第11號、國際會計準則第12號及國際會計準則第23號的修訂本

除國際財務報告準則第9號及國際會計準則第19號的修訂本以及國際財務報告準則之年度改進(2015年至2017年週期)(其與本集團財務報表的編製無關)外，新訂及經修訂國際財務報告準則的性質及影響如下：

- (a) 國際財務報告準則第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，並要求承租人按單一會計模型入賬所有租賃，以確認及計量使用權資產和租賃負債，除卻若干確認豁免。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。

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(a) (continued)

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

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.

2.2 會計政策變更及披露 (續)

(a) (續)

本集團通過採用經修訂追溯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確認為2019年1月1日保留溢利期初餘額的調整，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號及相關詮釋列報。

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對價，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。

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(a) (continued)

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. 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 leases with a lease term of 12 months or less (“short-term leases”) (elected by class of underlying asset). Instead of recognising rental expenses under operating leases on a straight-line basis over the lease term commencing from 1 January 2019, the Group recognises depreciation (and impairment, if any) of the right-of-use assets and interest accrued on the outstanding lease liabilities (as finance costs).

Impact 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. 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.

2.2 會計政策變更及披露 (續)

(a) (續)

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）與租賃期為12個月或以下的租賃（「短期租賃」）（基於標的資產類別選擇）兩類選擇性豁免除外。本集團確認使用權資產折舊（及減值，如有）及未償付租賃負債之應計利息（為財務成本），而非於自2019年1月1日開始之租賃期內以直線法於經營租賃項下確認租賃開支。

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。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。

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(a) (continued)

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

Impact on transition (continued)

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:

- Applying the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application
- Using hindsight in determining the lease term where the contract contains options to extend/terminate the lease
- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics when measuring the lease liabilities at 1 January 2019, relying on the entity's assessment of whether leases were onerous by applying IAS 37 immediately before 1 January 2019 as an alternative to performing an impairment review, and excluding initial direct costs from the measurement of the right-of-use assets at the date of initial application when applying IFRS 16.C8(b)(i)

2.2 會計政策變更及披露 (續)

(a) (續)

作為承租人 – 之前分類為經營租賃的租賃 (續)

過渡影響 (續)

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
- 計量2019年1月1日之租賃負債時，對具有合理的類似特質的租賃組合採用單一折現比率，將實體緊接2019年1月1日前應用國際會計準則第37號對租賃是否存在虧損的評估作為進行減值審閱之替代方案，並於應用國際財務報告準則第16.C8(b)(i)號時將初始直接成本從首次應用日期計量的使用權資產中撇除

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

2.2 會計政策變更及披露 (續)

(a) (continued)

(a) (續)

Financial impact at 1 January 2019

於2019年1月1日的財務影響

The impact arising from the adoption of IFRS 16 at 1 January 2019 was as follows:

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) RMB'000 人民幣千元
Assets	資產	
Increase in right-of-use assets	使用權資產增加	1,844,073
Decrease in prepaid land lease payments	預付土地租賃款減少	(1,755,868)
Decrease in prepayments	預付款項減少	(2,446)
		<hr/>
Increase in total assets	總資產增加	<u>85,759</u>
Liabilities	負債	
Increase in lease liabilities	租賃負債增加	<u>85,759</u>
Increase in total liabilities	總負債增加	<u>85,759</u>

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

2.2 會計政策變更及披露 (續)

(a) (continued)

(a) (續)

Financial impact at 1 January 2019 (continued)

於2019年1月1日的財務影響 (續)

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：

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
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
		87,236
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 as at 1 January 2019	於2019年1月1日的已貼現經營租賃承擔	85,759
Lease liabilities as at 1 January 2019	於2019年1月1日的租賃負債	85,759

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(b) Amendments to IAS 28 clarify that the scope exclusion of IFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies IFRS 9, rather than IAS 28, including the impairment requirements under IFRS 9, in accounting for such long-term interests. IAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The Group assessed its business model for its long-term interests in associates and joint ventures upon adoption of the amendments on 1 January 2019 and concluded that the long-term interests in associates and joint ventures continued to be measured at amortised cost in accordance with IFRS 9. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

2.2 會計政策變更及披露 (續)

(b) 國際會計準則第28號的修訂本釐清國際財務報告準則第9號的範圍豁免僅包括權益法應用的於一間聯營公司或合營公司的權益，並不包括實質上組成於聯營公司或合營公司淨投資一部分的長期權益（尚未就此應用權益法）。因此，實體於入賬有關長期權益時採用國際財務報告準則第9號，而非國際會計準則第28號（包括國際財務報告準則第9號項下的減值規定）。國際會計準則第28號其後應用於淨投資（包括長期權益），惟僅於確認一間聯營公司或合營公司的虧損以及聯營公司或合營公司的淨投資減值的情況下。本集團於2019年1月1日採納該等修訂時評估其於聯營公司及合營公司的長期權益的業務模式，並得出結論認為，聯營公司及合營公司的長期權益繼續根據國際財務報告準則第9號按攤餘成本計量。因此，該等修訂對本集團的財務狀況或表現並無任何影響。

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(c) IFRIC 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of IAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. Upon adoption of the interpretation, the Group considered whether it has any uncertain tax positions arising from the transfer pricing on its intergroup sales. Based on the Group’s tax compliance and transfer pricing study, the Group determined that it is probable that its transfer pricing policy will be accepted by the tax authorities. Accordingly, the interpretation did not have any impact on the financial position or performance of the Group.

2.2 會計政策變更及披露 (續)

(c) 倘稅項處理涉及影響國際會計準則第12號的應用的不確定性(通常稱之為「不確定稅務狀況」),則國際財務報告詮釋委員會詮釋第23號處理在該情況下的所得稅(即期及遞延)會計處理方法。該詮釋不適用於國際會計準則第12號範圍外的稅項或徵稅,尤其亦不包括與不確定稅項處理相關的權益及處罰相關規定。該詮釋具體處理(i)實體是否考慮對不確定稅項進行單獨處理;(ii)實體對稅務機關的稅項處理檢查所作的假設;(iii)實體如何釐定應課稅溢利或稅項虧損、稅基、未動用稅項虧損、未動用稅收抵免及稅率;及(iv)實體如何考慮事實及情況變動。於採納該詮釋時,本集團已考慮其有否因集團內公司間銷售的轉讓定價而產生之任何不確定稅務狀況。根據對本集團的稅務合規情況及轉讓定價研究,本集團認為其轉讓定價政策極可能為稅務機關所接受。因此,該詮釋對本集團的財務狀況或表現並無任何影響。

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2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to IFRS 3	<i>Definition of a Business</i> ¹
Amendments to IFRS 9, IAS 39 and IFRS 7	<i>Interest Rate Benchmark Reform</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
IFRS 17	<i>Insurance Contracts</i> ²
Amendments to IAS 1 and IAS 8	<i>Definition of Material</i> ¹
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i> ⁴

- ¹ Effective for annual periods beginning on or after 1 January 2020
- ² Effective for annual periods beginning on or after 1 January 2021
- ³ No mandatory effective date yet determined but available for adoption
- ⁴ Effective for annual periods beginning on or after 1 January 2022.

Further information about those IFRSs that are expected to be applicable to the Group is described below.

2.3 已頒佈但尚未生效的國際財務報告準則

本集團並未於該等財務報表中應用以下已頒佈但尚未生效的新訂及經修訂國際財務報告準則。

國際財務報告準則第3號的修訂本	<i>業務的釋義</i> ¹
國際財務報告準則第9號、國際會計準則第39號及國際財務報告準則第7號的修訂本	<i>利率基準改革</i> ¹
國際財務報告準則第10號及國際會計準則第28號的修訂本	<i>投資者與其聯營公司或合營公司之間的資產出售或注資</i> ³
國際財務報告準則第17號	<i>保險合約</i> ²
國際會計準則第1號及國際會計準則第8號的修訂本	<i>重要性的釋義</i> ¹
國際會計準則第1號的修訂本	<i>將負債分類為流動或非流動</i> ⁴

- ¹ 於2020年1月1日或之後開始的年度期間生效
- ² 於2021年1月1日或之後開始的年度期間生效
- ³ 尚未釐定強制生效日期但可供採納
- ⁴ 於2022年1月1日或之後開始的年度期間生效

預期適用於本集團的該等國際財務報告準則的進一步資料如下。

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2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

Amendments to IFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 January 2020. Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to IFRS 9, IAS 39 and IFRS 7 address the effects of interbank offered rate reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments are effective for annual periods beginning on or after 1 January 2020. Early application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效的國際財務報告準則 (續)

國際財務報告準則第3號的修訂本澄清業務的定義，並提供額外指引。該修訂本訂明可視為業務的一組整合活動和資產，必須至少包括一項投入和一項重要過程，而兩者必須對創造產出的能力有重大貢獻。業務無須包括創造產出所需的所有投入或過程。該修訂取消了評估市場參與者是否有能力收購業務並能持續生產產出的規定，轉為重點關注所取得的投入和重要過程共同對創造產出的能力有否重大貢獻。該修訂亦已收窄收益的定義範圍，重點關注為客戶提供的貨品或服務、投資收入或日常活動產生的其他收入。此外，修訂本亦提供有關評估所取得過程是否重大的指引，並新增公允價值集中度測試選項，允許對所取得的一組活動和資產是否不屬於業務進行簡化評估。本集團預期自2020年1月1日起採用該等修訂。由於該等修訂預期適用於首次應用日期或其後發生的交易或其他事件，因此本集團於過渡日期將不受該等修訂本的影響。

國際財務報告準則第9號、國際會計準則第39號及國際財務報告準則第7號的修訂本處理銀行間同業拆借利率改革對財務報告的影響。該等修訂提供暫時性寬免，使對沖會計處理能夠在不確定時期內持續進行，直至取代現有利率基準。此外，該等修訂要求公司向投資者提供有關直接受該等不確定性因素影響的對沖關係的額外資料。該等修訂於2020年1月1日或之後開始的年度期間生效，可提早應用。該等修訂預計不會對本集團財務報表產生重大影響。

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2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效的國際財務 報告準則 (續)

國際財務報告準則第10號及國際會計準則第28號的修訂本針對國際財務報告準則第10號及國際會計準則第28號之間有關投資者與其聯營或合營公司之間的資產出售或注資兩者規定的不一致性。該等修訂規定，當投資者與其聯營或合營公司之間的資產出售或注資構成一項業務時，須確認全數收益或虧損。當交易涉及不構成一項業務的資產時，由該交易產生的收益或虧損於該投資者的損益內確認，惟僅以不相關投資者於該聯營或合營公司的權益為限。該等修訂將按未來適用基準應用。國際會計準則委員會於2015年12月撤銷國際財務報告準則第10號及國際會計準則第28號修訂本的強制生效日期，並將在完成對聯營公司及合營企業的會計處理作出更廣泛的覆核後定出新強制生效日期。然而，該等修訂本現時可提前採用。

國際會計準則第1號及國際會計準則第8號的修訂本重新界定重要性。根據新定義，倘可合理預期漏報、錯報或掩蓋個別信息將可影響使用財務報表作一般目的的主要使用者基於相關財務報表作出的決定，則該信息為重要。修訂本指明，重要性取決於信息的性質或牽涉範圍。倘可合理預期信息錯報會影響主要使用者的決定，則有關錯誤為重大。本集團預期自2020年1月1日起採用修訂本。該等修訂預期不會對本集團財務報表有任何重大影響。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

2.4 主要會計政策概要

於聯營公司及合營公司的投資

聯營公司為本集團擁有一般不少於20%股份投票權的長期權益且本集團可對其行使重大影響力的實體。重大影響力指有權參與投資對象的財務及營運政策決定，但並非控制或共同控制該等政策。

合營公司指一種合營安排，對安排擁有共同控制權的訂約方據此對合營公司的淨資產擁有權利。共同控制指按照合約協定對一項安排所共有的控制，共同控制僅在有關活動要求享有控制權的訂約方作出一致同意的決定時存在。

本集團於聯營公司及合營公司的投資乃採用權益會計法，按本集團應佔的淨資產減任何減值虧損在合併財務狀況表列賬。

倘若會計政策存在任何不一致，將會作出相應調整。

本集團所佔聯營公司及合營公司的收購後業績及其他綜合收益分別計入合併損益表及合併其他綜合收益表。此外，倘於聯營公司或合營公司的權益直接確認出現變動，則本集團會於合併權益變動表確認其應佔任何變動（倘適用）。因本集團與其聯營公司或合營公司之間的交易而產生的未變現收益及虧損將以本集團於聯營公司或合營公司的投資為限予以對銷，惟倘未變現虧損為所轉讓資產減值的憑證則除外。收購聯營公司或合營公司所產生的商譽計入本集團於聯營公司或合營公司投資的一部分。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates and joint ventures (continued)

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

2.4 主要會計政策概要 (續)

於聯營公司及合營公司的投資 (續)

倘於聯營公司的投資變為對合營公司的投資(反之亦然),則不會重新計量保留權益。相反,該投資將繼續根據權益法入賬。在所有其他情況下,倘失去對聯營公司的重大影響力或對合營公司的共同控制權,本集團會按其公允價值計量及確認任何剩餘投資。聯營公司或合營公司於失去重大影響力或共同控制權時的賬面值與剩餘投資及出售所得款項的公允價值之間的任何差額於損益內確認。

當於聯營公司或合營公司的投資分類為持作出售時,該投資根據國際財務報告準則第5號持作出售非流動資產及已終止經營業務入賬。

業務合併及商譽

業務合併乃採用購買法列賬。轉讓對價乃以收購日期的公允價值計量,該公允價值為本集團轉讓的資產於收購日期的公允價值、本集團向被收購方前擁有人承擔的負債及本集團為換取被收購方控制權而發行的股本權益的總和。對於各業務合併,本集團選擇是否以公允價值或被收購方可識別資產淨值的應佔比例,計量於被收購方的非控股權益,即於被收購方中賦予持有人在清盤時按比例分佔資產淨值的現有所有權權益。非控股權益的所有其他組成部分乃按公允價值計量。收購相關成本於產生時費用化。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 is measured at fair value with changes in fair value either recognised in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

當本集團收購一項業務時，會根據合同條款、於收購日期的經濟環境及相關條件，評估須承擔的金融資產及負債，以作出適合的分類及標示，其中包括分離被收購方主合同中的嵌入式衍生工具。

如業務合併分階段進行，先前持有的股本權益按其於收購日期的公允價值重新計量，所產生的任何收益或虧損在損益中確認。

收購方將轉讓的任何或有對價按收購日期的公允價值確認。屬金融工具並分類為資產或負債且屬於國際會計準則第39號範圍內的或有對價按公允價值計量，其公允價值變動於損益內或作為其他綜合收益的變動確認。分類為權益的或有對價不重新計量，其後續結算在權益中入賬。

商譽初步按成本計量，即已轉讓對價、非控股權益的確認金額及本集團先前持有的被收購方股本權益的任何公允價值總額，與所收購可識別淨資產及所承擔負債之間的差額。如對價與其他項目的總額低於所收購淨資產的公允價值，該差額於重新評估後將於損益內確認為議價購買收益。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽須每年作減值測試，若有事件發生或情況改變顯示賬面值有可能減值時，則會更頻密地進行測試。本集團於12月31日進行商譽的年度減值測試。為進行減值測試，因業務合併而購入的商譽自收購日期起被分配至預期可從合併產生的協同效益中獲益的本集團各現金產生單位或現金產生單位組別，而無論本集團其他資產或負債是否已分配至該等單位或單位組別。

減值乃通過評估與商譽有關的現金產生單位（現金產生單位組別）的可收回金額釐定。當現金產生單位（現金產生單位組別）的可收回金額低於賬面金額時，減值虧損便予以確認。已就商譽確認的減值虧損不得於隨後期間撥回。

如商譽分配至現金產生單位（或現金產生單位組別）而該單位的部分業務已出售，則在釐定出售損益時，與所出售業務相關的商譽會計入該業務的賬面金額。在該等情況下出售的商譽乃根據所出售業務及現金產生單位的保留份額的相對價值進行計量。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurement

The Group measures its derivative financial instruments, debt instruments and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.4 主要會計政策概要 (續)

公允價值計量

於各報告期末，本集團按公允價值計量其衍生金融工具、債務工具及股權投資。公允價值為市場參與者之間於計量日期進行的有序交易中，出售資產所收取或轉讓負債所支付之價格。公允價值計量假設出售資產或轉讓負債的交易於該資產或負債的主要市場，或在無主要市場的情況下，則於對該資產或負債最有利的市場進行。主要或最有利市場須為本集團能參與的市場。假設市場參與者基於最佳經濟利益行事，資產或負債的公允價值使用市場參與者為資產或負債定價所用假設計量。

非金融資產之公允價值計量會計及市場參與者將資產用於最高價值及最佳用途或售予會將資產用於最高價值及最佳用途之另一名市場參與者而產生經濟利益的能力。

本集團針對不同情況使用不同估值方法，確保有足夠數據計量公允價值，並盡量利用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 主要會計政策概要 (續)

公允價值計量 (續)

公允價值於財務報表計量或披露之所有資產及負債，均基於對公允價值計量整體而言屬重要之最低層輸入數據按下述公允價值層級分類：

第一層 – 按同等資產或負債於活躍市場之報價（未經調整）計算

第二層 – 按估值方法計算（計量公允價值的重要最低層輸入數據可直接或間接觀察）

第三層 – 按估值方法計算（計量公允價值的重要最低層輸入數據不可觀察）

對於按經常性基準於財務報表確認之資產及負債，本集團於各報告期末重新評估分類（基於對公允價值計量整體而言屬重大之最低層輸入數據），以確定有否在不同層級之間轉移。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets, financial assets and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

2.4 主要會計政策概要 (續)

非金融資產減值

當資產(存貨、合同資產、遞延稅項資產、金融資產及投資物業除外)存在減值跡象或須對資產進行年度減值測試時，會估計資產的可收回金額。資產的可收回金額是指資產或現金產生單位的使用價值與其公允價值減出售成本兩者之中的較高者，並以個別資產釐定，除非該資產並不產生很大程度上獨立於其他資產或資產組別的現金流入，在此情況下可收回金額按資產所屬現金產生單位釐定。

僅當資產的賬面值超過其可收回金額時方可確認減值虧損。評估使用價值時，估計未來現金流量乃以反映當前市場評定的貨幣時間價值以及資產特有風險的稅前折現率折現至其現值。減值虧損乃於其在與該已減值資產的功能一致的該等開支類別中產生期間自損益表中扣除。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets (continued)

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

2.4 主要會計政策概要 (續)

非金融資產減值 (續)

在每個報告期末均會評估是否有跡象表明之前確認的減值虧損可能不復存在或有所減少。若存在該跡象，則會估計可收回金額。僅當用於釐定資產的可收回金額的估計有所改變時，先前就該資產確認的減值虧損（商譽除外）才可轉回，但轉回後的數額不能高於假設以往年度沒有就該資產確認減值虧損而原應釐定的賬面值（扣除任何折舊／攤銷）。該減值虧損的轉回於產生期間計入損益表，除非資產以重估金額入賬，於此情況下，則減值虧損撥回將根據該重估資產的相關會計政策入賬。

關聯方

倘一方符合以下條件，則視為與本集團有關聯：

- (a) 倘該方屬以下人士或該人士的家庭近親成員，且該人士
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理層成員；

或

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties (continued)

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity) and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 主要會計政策概要 (續)

關聯方 (續)

(b) 倘該方為符合下列任何條件的實體：

- (i) 該實體與本集團屬同一集團的成員公司；
- (ii) 實體為另一實體的聯營公司或合營公司（或為另一實體的母公司、附屬公司或同系附屬公司）；
- (iii) 該實體與本集團均為同一第三方的合營公司；
- (iv) 實體為第三方實體的合營公司，而另一實體為該第三方實體的聯營公司；
- (v) 實體為本集團或與本集團有關聯的實體就僱員利益設立的離職福利計劃；及該離職福利計劃之資助僱主；
- (vi) 實體受(a)所識別人士控制或共同控制；
- (vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體（或該實體的母公司）主要管理層成員；及
- (viii) 該實體或一個集團任何成員公司（該實體屬一部分），向本集團或本集團母公司提供主要管理人員服務。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

2.4 主要會計政策概要 (續)

物業、廠房及設備以及折舊

除在建工程外，物業、廠房及設備按成本減累計折舊及任何累計減值虧損列賬。當一項物業、廠房及設備分類為持作出售或當其組成持作出售的處置組合的一部分時，其毋須折舊並根據國際財務報告準則第5號入賬。物業、廠房及設備項目成本包括其購入價及使資產達致其擬定用途的運作狀況及地點的任何直接應佔成本。

成本亦可包括由權益轉撥外幣購買物業、廠房及設備合資格作現金流量對沖的任何收益或虧損。

物業、廠房及設備項目投產後產生的維修及保養等開支，一般於產生期間計入損益表。於符合確認標準的情況下，大型檢測開支計入資產賬面值，作為重置成本。倘物業、廠房及設備之重要部分須定期更換，則本集團確認該等部分為具特定使用年期之個別資產並相應計提折舊。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation (continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2.71% to 3.80%
Office and other equipment	9.50% to 19.00%
Motor vehicles	11.88%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.4 主要會計政策概要 (續)

物業、廠房及設備以及折舊 (續)

折舊乃以直線法在估計使用年內將各物業、廠房及設備項目的成本撇銷至其剩餘價值。就此而言使用的主要年折舊率如下：

樓宇	2.71%至3.80%
辦公室及其他設備	9.50%至19.00%
汽車	11.88%

倘物業、廠房及設備項目的各部分有不同的可使用年期，該項目的成本將在各部分之間作合理分配，而每部分將個別計提折舊。剩餘價值、使用年期及折舊方法至少於各財政年度結算日檢討，並於適當時調整。

初始確認的物業、廠房及設備項目（包括任何重要部分）於出售或預期使用不會再產生未來經濟利益時終止確認。於資產終止確認年度在損益表確認的任何出售或報廢收益或虧損，乃有關資產出售所得款項淨額與賬面值之差額。

在建工程指正在建設的樓宇，按成本減任何減值虧損入賬且不計提折舊。成本包括建設期間建設的直接成本及相關借入資金的資本化借貸成本。在建工程於落成可用時按適當類別重新分類至物業、廠房及設備。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured at cost including transaction costs both at initial recognition and subsequent to initial recognition.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2.11%-4.75%
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The carrying amounts of investment properties measured using the cost method are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

2.4 主要會計政策概要 (續)

投資物業

投資物業乃於土地及樓宇持有之收益，用以賺取租金收入及／或資本升值，而非用於產品或服務之生產或供應或行政用途；或於日常業務營運中銷售。該等物業乃按成本計量，包括初始確認及初始確認後的交易成本。

折舊乃以直線法在估計使用年期內將各物業、廠房及設備項目的成本撇銷至其剩餘價值。就此而言使用的主要年率如下：

樓宇	2.11%-4.75%
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倘發生任何事件或情況變化顯示投資物業之賬面值可能無法收回，則會對採用成本方法計量的投資物業之賬面值進行檢討，以釐定是否出現減值。

報廢或出售投資物業所產生的任何收益或虧損於報廢或出售年度在損益表內確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment properties (continued)

For a transfer from investment properties to owner-occupied properties or inventories, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under “Property, plant and equipment and depreciation” for owned property and/or accounts for such property in accordance with the policy stated under “Right-of-use assets” for property held as a right-of-use asset up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with the policy stated under “Property, plant and equipment and depreciation” above. For a transfer from inventories to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of profit or loss.

2.4 主要會計政策概要 (續)

投資物業 (續)

就轉為自用物業或存貨的投資物業而言，用作日後入賬的推定物業成本，為改變用途之日的公允價值。倘本集團擁有的自用物業轉變為投資物業，本集團根據自用物業「物業、廠房及設備以及折舊」項下所列政策將物業入賬，及／或根據截至改變用途之日作為使用權資產持有之「使用權資產」項下所列政策對該物業進行入賬，並根據上述「物業、廠房及設備以及折舊」項下所列政策，按物業在該日的賬面值和公允價值的差額記入重估賬。就轉為投資物業的存貨而言，物業在該日的公允價值和其之前賬面值的差額會於損益表確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

2.4 主要會計政策概要 (續)

無形資產 (商譽除外)

單獨取得的無形資產於初始確認時按成本計量。通過業務合併取得的無形資產的成本為收購日期的公允價值。無形資產的可使用年期評定為有限期或無限期。有限期的無形資產隨後按可使用經濟年期攤銷，於有跡象顯示無形資產可能出現減值時評估減值。有限可使用年期的無形資產的攤銷期及攤銷方法至少於各財政年度結算日覆核一次。

無固定年期的無形資產將每年個別地或者於現金產生單位層面進行減值測試。該等無形資產不進行攤銷。無固定年期的無形資產須每年評估其可使用年期，以確定無固定年期的評估是否依然可行。否則，可使用年期的評估從無固定年期變更為有固定年期，將採用未來適用法進行會計處理。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (other than goodwill) (continued)

Concession assets

The Group is engaged in certain service concession arrangements in which the Group carries out construction work (e.g., hydropower stations) in exchange for a right for the Group to operate the asset concerned in accordance with pre-established conditions set by the granting authority. In accordance with IFRIC Interpretation 12 Service Concession Arrangements (IFRIC 12), the assets under the concession arrangements may be classified as intangible assets or financial assets. The assets are classified as intangibles if the operator receives a right (a license) to charge users of the public service or as financial assets if the operator has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. The Group classifies the non-current assets linked to the long-term investment in these concession arrangements as “concession assets” within intangible assets on the statement of financial position if the intangible asset model is adopted. Such concession assets represent the consideration received for its construction service rendered. Once the underlying infrastructure of the concession arrangements is completed, the concession assets are amortised over the term of the concession using straight-line method under the intangible asset model.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over the estimated useful lives of 2 to 5 years.

2.4 主要會計政策概要 (續)

無形資產 (商譽除外) (續)

特許經營資產

本集團涉及若干服務特許經營安排，據此，本集團按照授權當局所預定條件開展建築工程（如水電站），以換取有關資產的經營權。根據國際財務報告詮釋委員會詮釋第12號服務特許經營安排，特許經營安排下的資產可列作無形資產或金融資產。如果經營者取得權利（特許權）向公共服務使用者收費，則將資產列作無形資產，如果經營者擁有無條件從授權當局就建造服務收取現金或其他金融資產的合同權利，則列作金融資產。如採用無形資產模式，則本集團會將該等特許經營安排下長期投資相關的非流動資產於財務狀況表內列作無形資產類別中的「特許經營資產」。該等特許經營資產指就其所提供的建造服務而收取的對價。於特許經營安排的相關基建設施落成後，特許經營資產根據無形資產模式以直線法按特許經營期攤銷。

軟件

已購買的軟件乃按成本減任何減值虧損列賬，按其估計可使用年期（兩至五年）以直線法攤銷。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (other than goodwill) (continued)

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases (applicable from 1 January 2019)

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At inception or on reassessment of a contract that contains a lease component and non-lease component(s), the Group adopts the practical expedient not to separate non-lease component(s) and to account for the lease component and the associated non-lease component(s) (e.g., property management services for leases of properties) as a single lease component.

2.4 主要會計政策概要 (續)

無形資產 (商譽除外) (續)

研究及開發費用

所有研究費用均於產生時自損益表扣除。

新產品開發計劃產生的開支僅於本集團證明在技術上能夠完成無形資產令其可供使用或出售、有意完成及有能力使用或出售該資產、該資產將如何帶來日後經濟利益、具有完成計劃所需的資源且能夠可靠地計量開發期間支出時，方會資本化並以遞延方式入賬。未能符合此等條件的產品開發開支概於發生時列作開支。

租賃 (自2019年1月1日起適用)

本集團於合約開始時評估合約是否為或包含租賃。倘合約為換取對價而給予在一段時間內控制已識別資產使用的權利，則該合約為或包含租賃。

本集團作為承租人

本集團對所有租賃 (惟短期租賃及低價值資產租賃除外) 採取單一確認及計量方法。本集團確認租賃負債以支付租賃款項，而使用權資產指使用相關資產的權利。

訂立或重新評估包含租賃組成部分及非租賃組成部分之合約時，本集團採取實際可行的權宜之計，不將非租賃組成部分分離，並考慮租賃組成部分及相關之非租賃組成部分 (例如，物業租賃管理服務) 作為單一租賃組成部分。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (applicable from 1 January 2019) (continued)

Group as a lessee (continued)

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). 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. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	36 to 50 years
Plant and machinery	2 to 5 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2.4 主要會計政策概要 (續)

租賃 (自2019年1月1日起適用) (續)

本集團作為承租人 (續)

(a) 使用權資產

使用權資產於租賃開始日期 (即相關資產可供使用當日) 確認。使用權資產按成本減累計折舊及減值虧損計量, 並根據租賃負債的重新計量進行調整。使用權資產成本包括已確認租賃負債的款額、已產生初始直接成本及於開始日期或之前作出的租賃款項減已收租賃獎勵。使用權資產按租賃期及資產之估計使用壽命中的較短者按直線法折舊, 如下:

租賃土地	36至50年
廠房及機械	2至5年

倘租賃資產所有權於租賃期結束時轉移至本集團或成本反映購買選擇權的行使, 則使用該資產的估計使用壽命計算折舊。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (applicable from 1 January 2019) (continued)

Group as a lessee (continued)

(b) 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 termination of 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 in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because 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 lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

2.4 主要會計政策概要 (續)

租賃 (自2019年1月1日起適用) (續)

本集團作為承租人 (續)

(b) 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)減應收租賃獎勵款項、取決於指數或利率的可變租賃付款以及預期根據剩餘價值擔保下支付的金額。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尚在租賃期內反映本集團正行使終止選擇權時，有關終止租賃支付的罰款。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支出。

於計算租賃付款的現值時，由於租賃內所含利率不易釐定，故本集團應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利息的增加，並因支付租賃款項而減少。此外，倘有任何修改，即租期變更、租賃付款變更(例如某一指數或比率的變更導致未來租賃付款發生變化)或購買相關資產的選擇權評估的變更，則重新計量租賃負債的賬面值。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (applicable from 1 January 2019) (continued)

Group as a lessee (continued)

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is 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 recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be 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.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.4 主要會計政策概要 (續)

租賃 (自2019年1月1日起適用) (續)

本集團作為承租人 (續)

(c) 短期租賃及低價值資產租賃

本集團將短期租賃確認豁免應用於其機械設備短期租賃 (即自生效日期起租賃期為12個月或以下且不包含購買選擇權之租賃)，亦將低價值資產租賃之確認豁免應用於被視為低價值之辦公設備及筆記型電腦租賃。短期租賃及低價值資產租賃的租賃付款於租賃期內按直線法確認為支出。

本集團作為出租人

當本集團作為出租人，本集團於租賃開始時 (或當存在租賃變更時) 將其每項租賃分類為經營租賃。

本集團不轉讓資產所有權的絕大部分風險及利益的租約歸類為經營租約。倘合約包括租賃及非租賃部分，本集團根據相對獨立的售價基準將合約對價分配予各部分。租金收入於租賃期內按直線法入賬，由於其經營性質，計入當期損益。磋商及安排一項經營性租賃時產生的初始直接成本計入租賃資產的賬面值，並按與租金收入相同的基準於租期內確認。或有租金於其賺取期間確認為收入。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (applicable before 1 January 2019)

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

2.4 主要會計政策概要 (續)

租賃 (2019年1月1日前適用)

由出租人保留資產所有權的絕大部分報酬與風險的租賃均以經營租賃入賬。如本集團為出租人，本集團將經營租賃出租的資產計入非流動資產，經營租賃應收租金在租賃期內按直線法計入損益表內。如本集團為承租人，則本集團根據經營租賃應付的租金（扣除自出租人收取的任何優惠金額）將以直線法於租期內自損益表扣除。

根據經營租賃支付的預付土地租金在初期以成本列賬，其後於租期以直線法進行確認。

投資及其他金融資產

初始確認及計量

金融資產在初始確認時按攤餘成本、以公允價值計量且其變動計入其他綜合收益及以公允價值計量且其變動計入損益進行分類。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

初始確認及計量 (續)

金融資產在初始確認時的分類取決於金融資產的合同現金流特徵及本集團管理金融資產的商業模式。惟不包含重大融資部分或本集團已就此應用實務中的不調整重大融資部分影響的應收款項外，本集團初始按公允值加上（倘金融資產並非按公允值計入損益）交易成本計量金融資產。不包含重要融資組成部分或本集團已應用實務中的不調整重大融資部分影響的貿易應收款項，按照國際財務報告準則第15號所確定的交易價格，按照下文「收入確認」所述的政策進行計量。

為了通過攤餘成本或以公允價值計量且其變動計入其他綜合收益對金融資產進行分類及計量，金融資產須產生僅支付未償本金及利息（「SPPI」）的現金流。不論業務模式，具有並非SPPI之現金流特徵之金融資產分類為以公允價值計量且其變動計入損益計量。

本集團管理金融資產的業務模式是指其如何管理其金融資產以產生現金流。業務模式決定現金流來自收取合同現金流、出售金融資產還是兩者兼而有之。按攤餘成本分類及計量之金融資產按目的為持有金融資產以收取合同現金流之業務模式持有，而以公允價值計量且其變動計入其他綜合收益之金融資產則按目的為收取合同現金流及出售之業務模式持有。不屬於上述業務模式之金融資產，以公允價值計量且其變動計入當期損益。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

初始確認及計量 (續)

金融資產的所有定期購買及出售在交易日確認，即本集團承諾購買或出售資產的日期。定期購買或出售是指在市場規則或慣例規定的期限內，購買或出售需要交付資產的金融資產。

後續計量

就後續計量而言，金融資產分為以下幾類：

以攤餘成本計量的金融資產 (債務工具)

以攤餘成本計量的金融資產後續使用實際利率法計量，並可能受減值影響。當資產終止確認、修訂或減值時，收益或虧損於損益中確認。

以公允價值計量且其變動計入其他綜合收益的金融資產 (債務工具)

就以公允價值計量且其變動計入其他綜合收益的債務投資而言，利息收入、匯兌重估及減值虧損或撥回於損益表內確認並按與以攤餘成本計量的金融資產相同的方式計算。剩餘公允價值變動於其他綜合收益內確認。於終止確認後，於其他綜合收益內確認的累計公允價值變動重新計入損益表。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

後續計量 (續)

以公允價值計量且其變動計入其他綜合收益的金融資產 (股權投資)

於初步確認時，本集團可選擇於權益投資符合國際會計準則第32號金融工具：列報項下的權益投資定義且並非持作買賣時，將其股本投資不可撤回地分類為指定以公允價值計量且其變動計入其他綜合收益的權益工具。分類乃按個別工具基準釐定。

該等金融資產的收益及虧損概不會被重新計入損益。當確立支付權時，股息於綜合收益表中確認為其他收入，惟當本集團於作為收回金融資產一部分成本的所得款項中獲益時則除外，於此等情況下，該等收益於其他綜合收益入賬。指定以公允價值計量且其變動計入其他綜合收益的權益工具不受減值評估影響。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

後續計量 (續)

以公允價值計量且其變動計入損益的金融資產

以公允價值計量且其變動計入損益的金融資產按公允價值於財務狀況表列賬，而公允價值變動淨額於損益表中確認。

該類別包括本集團並無不可撤回地選擇以公允價值計量且其變動計入其他綜合收益進行分類的衍生工具及權益投資。權益投資的股息在支付權確立時，與股利相關的經濟利益有可能流向本集團，股利的金額能夠可靠地計量時亦於損益表中確認為其他收入。

當嵌入混合合約（包含金融負債及非金融主體）的衍生工具具備與主體不緊密相關的經濟特徵及風險；具備與嵌入式衍生工具相同條款的單獨工具符合衍生工具的定義；且混合合約並非以公允價值計量且其變動計入損益，則該衍生工具與主體分開並作為單獨衍生工具列賬。嵌入式衍生工具以公允價值計量，且其變動計入損益。

僅當合約條款出現變動，大幅改變其他情況下所需現金流量時；或當原分類至以公允價值計量且其變動計入損益的金融資產獲重新分類時，方進行重新評估。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Financial assets at fair value through profit or loss (continued)

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

後續計量 (續)

以公允價值計量且其變動計入損益的金融資產 (續)

嵌入混合合約 (包含金融資產主體) 的衍生工具不得單獨列賬。金融資產主體連同嵌入式衍生工具須整體分類為以公允價值計量且其變動計入損益的金融資產。

終止確認金融資產

金融資產 (或如適用, 一項金融資產的一部分或一組同類金融資產的一部分) 在下列情況將終止確認 (即從本集團的合併財務狀況表中刪除):

- 收取該項資產所得現金流量的權利已經屆滿; 或
- 本集團已轉讓其收取該項資產所得現金流量的權利, 或已根據「轉付」安排, 有責任在無重大延誤情況下將所收取現金流量悉數付予第三方; 及(a)本集團已轉讓該項資產的絕大部分風險及回報; 或(b)本集團既無轉讓亦無保留該項資產絕大部分風險及回報, 但已轉讓該項資產的控制權。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial assets (continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2.4 主要會計政策概要 (續)

終止確認金融資產 (續)

倘本集團轉讓其收取一項資產所得現金流量的權利或已訂立轉付安排，會評估其有否保留該項資產擁有權的風險及回報，以及保留的程度。倘本集團既無轉讓或保留該項資產的絕大部分風險及回報，亦無轉讓該項資產的控制權，本集團會在本集團持續參與該項資產的前提下繼續確認該已轉讓資產。於該情況下，本集團亦確認相關負債。已轉讓資產及相關負債乃按反映本集團保留的權利及義務的基準計量。

本集團以擔保形式繼續涉入轉讓資產，該已轉讓資產乃以該項資產之原賬面值及本集團可能需要支付之最高代價兩者之較低者計量。

金融資產減值

本集團對所有並非以公允價值計量且其變動計入當期損益的債務工具的預期信用損失計提撥備。預期信用損失法是基於合同規定的到期合同現金流量與本集團預期收到的所有現金流量之間的差額，按接近原本的實際利率的利率將該差額折現。預期現金流量將包括出售所持抵押的現金流量或組成合約條款的其他信用提升措施。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (continued)

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.4 主要會計政策概要 (續)

金融資產減值 (續)

一般模式

預期信用損失於兩個階段進行確認。對於自初始確認後並無顯著增加的信用風險，預期信用損失就可能於未來12個月內出現的違約事件計提撥備(12個月預期信用損失)。對於自初始確認後有顯著增加的信用風險，須在信用損失預期的剩餘年期計提虧損撥備，不論違約事件於何時發生(存續期預期信用損失)。

於各報告日期，本集團評估自初始確認後金融工具的信用風險是否顯著增加。本集團作出評估時會對於報告日期金融工具發生的違約風險及於初始確認日期起金融工具發生的違約風險進行比較，並考慮無需付出不必要成本或努力而可得到的合理及可支持資料，包括歷史及前瞻性資料。

本集團將合約付款逾期90日的金融資產視作違約。然而，於若干情況下，當內部或外部資料顯示本集團不可能在本集團採取任何信用提升安排前悉數收回未償還合約金額時，本集團亦可能認為該金融資產違約。金融資產於不能合理預期收回合約現金流量時撇銷。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (continued)

General approach (continued)

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

2.4 主要會計政策概要 (續)

金融資產減值 (續)

一般模式 (續)

以公允價值計量且其變動計入其他綜合收益的債務投資及按攤餘成本計量的金融資產，在一般模式下可能會發生減值，並且在以下階段分類用於預期信用損失計量，惟採用下文詳述的簡化模式的應收款項及合同資產除外。

第一階段 — 自初始確認以來信用風險沒有顯著增加的金融工具，其虧損撥備按相等於12個月預期信用損失的金額計量

第二階段 — 自初始確認以來信用風險顯著增加，但並不屬於信用減值金融資產的金融工具，其虧損撥備按相等於存續期預期信用損失的金額計量

第三階段 — 於報告日發生信用減值的金融資產（但不是購買或原始信用減值），其虧損撥備按相等於存續期預期信用損失的金額計量

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (continued)

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables and contract assets that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bills payable, derivative financial instruments and interest-bearing bank and other borrowings.

2.4 主要會計政策概要 (續)

金融資產減值 (續)

簡易法

對於不包含重要融資組成部分的應收款項及合同資產，或當本集團採取實務中不調整重要融資組成部分的影響時，本集團在計算信用減值損失時採用簡易法。根據簡易法，本集團不跟蹤信用風險的變化，而是在每個報告日期基於存續期預期信用損失確認減值準備。本集團根據其歷史信用損失經驗建立了一個撥備矩陣，並根據債務人具體的前瞻性因素及經濟環境加以調整。

對於包含重要融資組成部分的應收款項及合同資產以及應收租賃款項，本集團選擇採用上述簡易法計算信用減值損失的會計政策。

金融負債

初始確認及計量

於初始確認時，金融負債會被分類為以公允價值計量且其變動計入損益的金融負債、貸款及借貸或應付款項、或指定為於有效對沖中作為對沖工具之衍生工具（如適用）。

所有金融負債初始按公允價值確認，如屬貸款、借貸及應付款項，則扣除直接應佔交易成本。

本集團的金融負債包括貿易及其他應付款項、應付票據、衍生金融工具以及計息銀行及其他借貸。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities (continued)

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

2.4 主要會計政策概要 (續)

金融負債 (續)

後續計量

金融負債的後續計量按如下分類進行：

以公允價值計量且其變動計入損益的金融負債

以公允價值計量且其變動計入損益的金融負債包括持有待售的金融負債及於初始確認時指定為以公允價值計量且其變動計入損益的金融負債。

如果獲取金融負債的目的是為了在近期再次購買，則該金融負債分類為持有待售金融負債。此類金融負債包括本集團在國際財務報告準則第9號所界定的套期關係中，未被指定為套期工具的衍生金融工具。單獨嵌入衍生工具亦分類為持有待售金融負債，除非他們被指定為有效的對沖工具。持有待售金融負債的損益於損益表中確認。於損益表確認的公允價值淨損益不包括就該等金融負債收取的任何利息。

只有符合國際財務報告準則第9號的規定時，方可在初始確認時指定為以公允價值計量且其變動計入損益的金融負債。指定為以公允價值計量且其變動計入當期損益的負債損益於損益表中確認，惟本集團自有信用風險所產生的損益乃於其他綜合收益呈列，且隨後並無重新分類至損益。於損益表確認的公允價值淨損益並不包括就該等金融負債收取的任何利息。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities (continued)

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in “Impairment of financial assets”; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

2.4 主要會計政策概要 (續)

金融負債 (續)

以攤餘成本列賬的金融負債 (貸款及借貨)

貸款及借貨經初始確認後，計息貸款及借貨隨後以實際利率法按攤餘成本計量，除非折現影響為微不足道，在該情況下則按成本列賬。當負債終止確認及按實際利率法進行攤銷程序時，其收益及虧損在損益表內確認。

攤餘成本於計及收購事項任何折讓或溢價及屬實際利率不可或缺一部分的費用或成本後計算。實際利率攤銷計入損益表的財務成本內。

財務擔保合約

本集團發出的財務擔保合約乃因特定債務人無法按債務工具的條款支付到期款項，而須向合約持有人支付款項以彌補其因此招致的損失之合約。財務擔保合約初始乃按公允價值並就與發出擔保直接相關的交易成本進行調整後，確認為負債。於初始確認後，本集團按以下兩者中之較高者計量財務擔保合約：(i)根據「金融資產減值」所載政策所釐定的預期信用損失；及(ii)初始確認的金額減(倘使用)已確認的累計收入。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risk and interest rate risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss.

2.4 主要會計政策概要 (續)

終止確認金融負債

於負債項下的責任被解除或取消或屆滿時，金融負債將被終止確認。

於負債項下的責任被解除或取消或屆滿時，金融負債將被終止確認。如現有金融負債由同一債權人以條款大相徑庭的負債所取代，或現有負債條款作出重大修訂，此類置換或修訂將被視為終止確認本來的負債及確認新負債，有關賬面值的差額於損益表中確認。

抵銷金融工具

於具現有法定權利抵銷確認金額及有意以淨額結算，或同時變賣資產及償還負債，金融資產及金融負債互相抵銷並於財務狀況表內呈報淨額。

衍生金融工具

初始確認及後續計量

本集團利用遠期外匯合約及利率掉期交易等衍生金融工具對沖其與外幣及利率風險。該等衍生金融工具初始按訂立衍生合約當日之公允價值確認，其後則按公允價值重新計量。倘衍生工具之公允價值為正數，則以資產列賬，而倘公允價值為負數則以負債列賬。

衍生工具公允價值發生變動所產生之收益或虧損乃直接計入損益表。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derivative financial instruments (continued)

Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

- Where the Group expects to hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the end of the reporting period, the derivative is classified as non-current (or separated into current and non-current portions) consistently with the classification of the underlying item.
- Embedded derivatives that are not closely related to the host contract are classified consistently with the cash flows of the host contract.
- Derivative instruments that are designated as, and are effective hedging instruments, are classified consistently with the classification of the underlying hedged item. The derivative instruments are separated into current portions and non-current portions only if a reliable allocation can be made.

2.4 主要會計政策概要 (續)

衍生金融工具 (續)

流動和非流動分類

未被指定為有效對沖工具中的衍生工具根據事實和情況(即相關合約現金流量)劃分為流動、非流動或者分為流動和非流動兩部分。

- 如果本集團預期持有衍生工具作為經濟對沖(而並無應用對沖會計處理方法)至超過報告期末後12個月期間,該衍生工具被劃分為非流動(或分為流動和非流動兩部分)以和相關項目分類保持一致。
- 與主合同不密切相關的嵌入式衍生品的劃分需和主合同的現金流量保持一致。
- 一項衍生工具若被指定為且為有效的對沖工具,其分類須和相關對沖項目分類一致。衍生工具可根據可靠的分配方法分拆為流動和非流動部分。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the specific identification of cost and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

2.4 主要會計政策概要 (續)

存貨

存貨按成本及可變現淨值(以較低者為準)列賬。成本按具體成本確認基準釐定，在製品及製成品的成本包括直接材料、直接勞工及按適當比例計算的間接費用。可變現淨值按預計售價減完成及出售所產生的任何估計成本計算。

現金及現金等價物

就合併現金流量表而言，現金及現金等價物包括手頭現金及活期存款，以及短期且流動性極高的投資，該等投資可隨時兌換為已知數額的現金且價值轉變風險並不重大，並於購入後三個月內到期，減須於通知時償還並構成本集團現金管理一部分的銀行透支。

就合併財務狀況表而言，現金及現金等價物包括用途不受限制的手頭現金及銀行存款(包括定期存款及性質與現金類似的資產)。

撥備

倘因過往事件導致現有債務(法定或推定)及日後可能需要有資源流出以償還債務，則確認撥備，惟必須能可靠估計有關債務金額。

倘折現的影響重大，則確認的撥備金額為預期需用作償還債務的未來支出於報告期末的現值。因時間流逝而產生的折現現值增額，列作財務成本計入損益表。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions (continued)

The Group provides for warranties in relation to the provision of construction services for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are recognised based on sales volume and past experience of the level of repairs, discounted to their present values as appropriate.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2.4 主要會計政策概要 (續)

撥備 (續)

本集團為建築服務提供擔保，就保修期內出現的瑕疵提供一般維修。本集團授出的此類擔保為保證性擔保，有關金額根據銷售額及修理的過往經驗，酌情折現現值後予以確認。

所得稅

所得稅包括即期及遞延稅項。有關損益外確認項目的所得稅於損益外確認，不論是否於其他綜合收益或直接於權益內確認。

本期與以往期間的即期稅項資產和負債根據於報告期末已頒佈或已大致頒佈的稅率（及稅法），並考慮本集團業務所在國家的現有詮釋及慣例，按預期自稅務當局收回或付予稅務當局的金額計算。

遞延稅項以負債法就於報告期末資產及負債的稅項基準及其用作財務報告的賬面值之間的所有暫時性差額作出撥備。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 主要會計政策概要 (續)

所得稅 (續)

除以下情況外，遞延稅項負債就所有應課稅暫時差額予以確認：

- 當遞延稅項負債來自初始確認商譽或並非業務合併的交易的資產或負債，而於交易時並不影響會計溢利或應課稅溢利或虧損；及
- 就與於附屬公司、聯營公司及合營公司的投資有關的應課稅暫時差額而言，除非撥回暫時差額的時間可以控制及暫時差額可能不會在可見將來撥回。

就所有可扣稅暫時差額、承前未用稅項抵免和未用稅項虧損確認遞延稅項資產，惟以日後有可能出現應課稅溢利可利用該等可扣稅暫時差額、承前未用稅項抵免和未用稅項虧損予以抵銷為限，除非：

- 於初始確認非業務合併的交易中的資產或負債產生與可扣稅暫時差額有關的遞延稅項資產，而有關遞延稅項資產於進行交易時對會計溢利或應課稅溢利或虧損均無影響；及
- 對涉及附屬公司、聯營公司及合營公司投資的可扣稅暫時差額而言，僅在暫時差額有可能在可見將來撥回，以及日後可用該等暫時差額抵銷可能出現的應課稅溢利時，方會確認遞延稅項資產。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.4 主要會計政策概要 (續)

所得稅 (續)

遞延稅項資產的賬面值會於各報告期末覆核，倘不再可能有足夠應課稅溢利可用於抵免全部或部分遞延稅項資產，則會予以扣減。未確認的遞延稅項資產會於各報告期末重估和於可能有足夠應課稅溢利可收回全部或部分遞延稅項資產時確認。

遞延稅項資產和負債乃根據於報告期末前已實施或大致實施的稅率（和稅法），按預期於資產獲變現或負債償還期間適用的稅率計算。

在且僅在本集團擁有以即期稅項資產及即期稅項負債抵銷（並且遞延稅項資產及遞延稅項負債與同一稅務機關向有意於預期結算或收回大額遞延稅項負債或資產的各未來期間以淨額結算即期稅項負債及資產的同一課稅實體，或同時變現資產及結算負債的不同課稅實體徵收的所得稅有關）的合法權利的情況下，遞延稅項資產和遞延稅項負債方可互相抵銷。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

2.4 主要會計政策概要 (續)

政府資助

政府資助在能合理地確保可收取有關資助並符合一切附帶條件的情況下，按其公允價值予以確認。如資助與開支項目有關，則將有系統地按照擬補償的成本被費用化期間予以確認為收入。

若補貼與資產相關，則將其公允價值貸記至遞延收入賬目，並在相關資產的預期使用年限內每年按等額計入損益表，或扣除自資產的賬面值，透過減少折舊開支的方式計入損益表。

收入確認

來自客戶合約的收入

來自客戶合約的收入乃於貨品或服務的控制權轉讓予客戶時確認，該金額能反映本集團預期就交換該等貨品或服務有權獲得的代價。

當合約中的代價包含可變金額時，代價金額於本集團向客戶轉讓貨品或服務而有權獲得交換時估計。可變代價於合約開始時估計並受到約束，直至當與可變代價相關的不確定因素隨後得到解決時，確認的累積收益金額極有可能不會發生重大收入回撥。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) Construction services

Revenue from the provision of construction services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services.

2.4 主要會計政策概要 (續)

收入確認 (續)

來自客戶合約的收入 (續)

當合約中包含融資成份，該融資成份為客戶提供超過一年的貨品或服務轉讓融資的重大利益時，收入按應收款項的現值計量，使用折現率折現，該折現率將反映在本集團與客戶在合約開始時的單獨融資交易中。當合約中包含融資成份，而該融資成份為本集團提供了一年以上的重大財務利益時，合約項下確認的收入包括按實際利息法於合約負債加算的利息。就客戶付款至轉讓承諾貨品或服務的期限為一年或者更短的合約而言，交易價格採用國際財務報告準則第15號中實際權宜之計，不會對重大融資成份的影響作出調整。

(a) 建造服務

提供建造服務的收入隨著時間的推移而確認，使用輸入法計量完成履約服務的進度，乃由於在資產被創造或增強時，本集團的履約創造或增強了客戶控制的資產。輸入法根據完成建造服務的實際發生成本佔估計總成本的比例確認收入。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(b) Trading business

Revenue from the sale of trading services is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. If the Group has the right to determine the price of the goods which are acquired from the third party and transferred to the customer, and the Group is able to control the goods before the transfer to the customer, the Group shall be the principal and recognise the income according to the total amount received or receivable. Otherwise, the Group shall be the agent and recognise the income according to the net amount.

(c) Services business

Revenue from the services business is recognised over the performance progress of the services in accordance with the proportion of the accumulated and actual contract costs in the total estimated contract costs. If the performance schedule cannot be reasonably determined and the costs incurred by the Group can be expected to be compensated, the revenue shall be recognised according to the amount of costs incurred until the performance schedule can be reasonably determined.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms.

2.4 主要會計政策概要 (續)

收入確認 (續)

來自客戶合約的收入 (續)

(b) 貿易業務

銷售貿易服務的收入在資產控制權轉移予客戶的時間點(通常在交付產品時)確認。倘本集團有權釐定從第三方收購並轉讓予客戶的貨品的價格,而本集團於轉讓予客戶之前能夠控制貨品,則本集團應為主事人,並按照已收或應收總金額確認收入。否則,本集團應為代理,並按照淨額確認收入。

(c) 服務業務

服務業務的收入隨著服務履約進程按累計及實際合同成本佔預計合同成本總額的比例予以確認。倘履約時間表無法合理釐定,而本集團產生的成本預期能夠彌償,則收入應按已產生成本金額予以確認,直至履約時間表能夠合理釐定為止。

其他來源收入

租賃收入於租期內按時間比例基準確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets.

Contract liabilities

A consideration liability is recognised when a payment is received or a payment is due from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

2.4 主要會計政策概要 (續)

收入確認 (續)

其他收入

利息收入按應計基準以實際利率法，採用於金融工具之預計年期或較短時間（如適用）內將估計未來現金收入精確折現至金融資產賬面淨值之利率確認。

股息收入於股東收取付款的權利確立，與股息相關的經濟利益很可能流入本集團且股息金額能夠可靠地計量時確認。

合同資產

合同資產乃就向客戶轉移貨品或服務而換取對價的權利。倘本集團在客戶支付對價前或付款到期前，通過向客戶轉移貨品或服務履約，則合同資產就已賺取的有條件對價而予以確認。合同資產須進行減值評估，其詳細資料已納入金融資產減值會計政策。

合同負債

當本集團轉讓相關貨品或服務前收到客戶的付款或款項已到期時確認對價負債。合同負債於本集團履行合同時確認為收入（即將相關貨品或服務之控制權轉讓予客戶）。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.
- (c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the pattern of the revenue to which the asset related is recognised. Other contract costs are expensed as incurred.

Employee benefits

Pension schemes

The Group contributes on a monthly basis to various defined contribution retirement schemes organised by the relevant municipal and provincial governments in the PRC. The municipal and provincial governments undertake to assume the retirement benefits payable to all existing and future retired employees under these plans and the Group has no further obligations for post-retirement benefits beyond the contributions made. The contributions to the schemes are recognised as and when incurred.

2.4 主要會計政策概要 (續)

合同成本

除資本化為存貨、物業、廠房及設備以及無形資產的成本外，倘符合所有下列條件，則將履行客戶合約產生的成本資本化為資產：

- (a) 有關成本與實體可明確識別的合約或預期合約有直接關係。
- (b) 有關成本令實體將用於履行（或持續履行）日後履約義務的資源得以產生或有所增加。
- (c) 有關成本預期可收回。

資本化合同成本乃按符合確認相關資產的收入模式的系統基準攤銷並自損益表扣除。其他合同成本於產生時費用化。

僱員福利

養老金計劃

本集團按月向中國有關市級及省級政府組織的多項設定供款退休計劃供款。市級及省級政府承諾向參加上述計劃的所有現有及日後退休僱員支付退休福利，而除供款外，本集團毋須再支付任何退休後福利。上述計劃供款於產生時確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefits (continued)

Pension schemes (continued)

The Group implements a pension annuity plan, pursuant to which the Group pays contributions to the plan regularly and the Group has no further obligation thereto once the required contributions have been made. The contributions are recognised as employee benefit expenses when incurred.

In addition, the Group also pays supplemental pension subsidies to employees who retired before 1 January 2010. Such supplemental pension subsidies mainly comprised monthly cash payments to the retirees for life as determined by the Group upon their respective retirement and subject to cost of living adjustments. The supplemental pension subsidies scheme is an unfunded scheme. As detailed in note 28 below, these defined benefit obligations recognised were assessed using the projected unit credit actuarial valuation method; the cost of providing such subsidies is charged to the statement of profit or loss so as to spread the service cost over the average lives of such former employees, in accordance with the actuarial reports which contained full valuations of the plans for each of the relevant accounting periods.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government securities which have maturity approximating to the terms of the related pension liability.

Re-measurements arising from experience adjustments and changes in actuarial assumptions are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

2.4 主要會計政策概要 (續)

僱員福利 (續)

養老金計劃 (續)

本集團實行一項退休年金計劃，據此，本集團定期向該計劃供款，而除作出規定供款外，本集團並無其他供款責任。有關供款於產生時確認為僱員福利。

此外，本集團亦向於2010年1月1日前退休的僱員支付補充退休津貼。有關補充退休津貼主要包括一旦僱員退休，由本集團釐定按月向退休人員現金支付的生活費（受生活成本調整所規限）。補充退休津貼計劃為一項未經撥款計劃。按下文附註28所述，該等已確認的設定受益義務根據預計單位進賬精算估值法評估，而根據載有各有關會計期間所有計劃金額的精算報告，提供該等津貼的成本於損益表內扣除，以便在有關前僱員的平均服務年期內分攤服務成本。

設定受益義務的現值乃採用政府證券利率折現估計未來現金流出額而釐定，而該等證券的到期日與有關養老金責任年期相若。

來自經驗調整的重新計量及精算假設的變動均於合併財務狀況表中即時確認，於其產生期間於其他綜合收益扣除或計入。重新計量並不會於其後期間重新分類至損益。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefits (continued)

Pension schemes (continued)

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under finance expenses and allocated by function as part of “cost of sales”, “selling and distribution expenses” or “administrative expenses” in the consolidated statement of profit or loss:

- service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements
- net interest expense or income.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.4 主要會計政策概要 (續)

僱員福利 (續)

養老金計劃 (續)

利息淨額乃採用折現率將設定負債或資產淨額進行折現計算。本集團在合併損益表財務開支項下按功能確認以下設定義務淨額的變動並按功能分配為「銷售成本」、「銷售及分銷開支」或「行政開支」：

- 服務成本，包括當期服務成本、過往服務成本、縮減及不定期結算的收益及虧損
- 利息開支或收入淨額

借貸成本

購買、建造或生產合資格資產（即需要一段頗長時間始能投入其擬定用途或出售的資產）而直接產生的借貸成本，均資本化為該等資產成本的一部分。當該等資產大致上可作擬定用途或出售時，則終止將該等借貸成本資本化。特定借貸於撥作合資格資產的支出前用作短暫投資所賺取的投資收入，從資本化的借貸成本中扣除。所有其他借貸成本均於其產生期間列為開支。借貸成本包括實體因借貸而產生的利息及其他成本。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

2.4 主要會計政策概要 (續)

股息

末期股息於股東在股東大會批准時確認為負債。擬派末期股息披露於財務報表附註。

由於本公司組織大綱及章程細則授予董事宣派中期股息的權力，因此中期股息的建議及宣派可同時進行。故此，中期股息於建議及宣派時即時確認為負債。

外幣

該等財務報表以本公司的功能貨幣人民幣列示。本集團旗下各實體自行釐定其功能貨幣，各實體的財務報表項目均以其功能貨幣計量。本集團旗下實體入賬的外幣交易初步按交易日彼等各自功能貨幣的匯率列賬。以外幣計值的貨幣資產及負債按於報告期末的功能貨幣匯率進行換算。結算或換算貨幣項目產生的差額於損益表內確認。

因結算或換算貨幣項目產生的差額於損益確認，惟指定作為對沖本集團海外業務投資淨額一部分的貨幣項目除外。該等貨幣項目於其他綜合收益確認，直至投資淨額出售為止，此時累計金額乃重新分類至損益。因該等貨幣項目的匯兌差額而產生的稅項支出及抵免亦於其他綜合收益列賬。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

2.4 主要會計政策概要 (續)

外幣 (續)

按歷史成本列賬並以外幣計量的非貨幣項目，採用初始交易日期的匯率換算。按公允價值列賬並以外幣計量的非貨幣項目，採用計量公允價值日期的匯率換算。換算按公允價值計量的非貨幣項目產生的收益或虧損按與確認項目公允價值變動的收益或虧損一致的方式處理（即公允價值收益或虧損於其他綜合收益或損益內確認的項目的換算差額亦分別於其他綜合收益或損益內確認）。

在終止確認與預付款項有關的非貨幣性資產或非貨幣性負債時，為釐定初始確認相關資產、費用或收益時所採用的匯率，初始交易日期為本集團初步確認預付款項產生的非貨幣性資產或非貨幣性負債的日期。若支付或收取多筆預付款項，則本集團必須對支付或收取的每一筆預付款項確定交易日。

若干海外附屬公司的功能貨幣為人民幣以外的貨幣。於報告期末，該等實體的資產及負債按報告期末的匯率換算為人民幣，其損益表則按年內的加權平均匯率換算為人民幣。

因此而產生的匯兌差額於其他綜合收益內確認，並累計為匯兌波動儲備。於出售海外業務時，與該項特定海外業務有關的其他綜合收益部分於損益表內確認。

Notes to the Financial Statements

財務報表附註

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (continued)

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

2.4 主要會計政策概要 (續)

外幣 (續)

收購海外業務產生的任何商譽及對因收購而產生的資產及負債的賬面值作出的任何公允價值調整作海外業務的資產及負債處理，並按收市匯率換算。

就合併現金流量表而言，海外附屬公司的現金流量按現金流量日期的匯率換算為人民幣。海外附屬公司於年內經常產生的現金流量則按該年度的加權平均匯率換算為人民幣。

3. 重大會計判斷及估計

本集團財務報表的編製需要管理層作出判斷、估計及假設，而該等判斷、估計及假設會影響收入、開支、資產及負債的呈報金額及其相應披露以及或有負債的披露。有關該等假設及估計的不確定性可能導致須就日後受影響的資產或負債的賬面值作出重大調整。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- Determining the timing of satisfaction of construction services
- The Group concluded that revenue from construction services is to be recognised over time because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group determined that the input method is the best method in measuring the progress of the construction services because there is a direct relationship between the Group's effort and the transfer of services to the customer. The Group recognises revenue on the basis of the proportion of the accumulated and actual contract costs in the total estimated contract costs.

3. 重大會計判斷及估計 (續)

判斷

於應用本集團會計政策的過程中，除作出涉及估計的判斷外，管理層已作出對財務報表內已確認金額構成最大影響的以下判斷：

來自客戶合約的收入

本集團採用以下顯著影響釐定客戶合約收入金額及時間的判斷：

- 確定履行建造服務的時間
- 本集團總結得出來自建造服務的收入乃隨著時間的推移而確認，因為本集團的業績可相應創造或提升客戶控制的資產。
- 本集團確定投入法乃計量建造服務進度的最佳方法，乃由於本集團的工作與向客戶轉移服務之間存在直接關係。本集團根據累計及實際合同成本佔估計合同總成本的比例確認收入。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (continued)

Principal versus agent considerations

Determining whether revenue of the Group should be reported gross or net is based on a continuing assessment of various factors. When determining whether the Group is acting as the principal or agent in offering goods to the customer, the Group firstly identify who controls the specified goods before they are transferred to the customer. The Group considers that it acts as a principal that obtains control of any of a good or another asset from the other party that the Group then transfers to the customer. However, the Group does not necessarily control a specified good if the Group obtains legal title to that good only momentarily before legal title is transferred to a customer. If control is unclear, when the Group is primarily obligated in a transaction, is subject to inventory risk, has latitude in establishing prices and selecting suppliers, or has several but not all of these indicators, the Group records revenues on a gross basis. Otherwise, the Group records the net amount earned as commissions from goods sold. The Group performs the assessment based on the above-mentioned factors and reaches the conclusion that the Group acts as a principal or agent when the Group recognises the revenue from sales.

3. 重大會計判斷及估計 (續)

判斷 (續)

委託人與代理人考慮事項

於釐定本集團收入需以總額或淨額列報時，乃基於持續評估若干因素而定。當釐定本集團於向客戶提供貨品時乃作為委託人或代理人時，本集團首先分辨特定貨品於轉移至客戶前之控制權歸屬。當本集團向對手方取得隨後會轉移予客戶的任何貨品或其他資產之控制權時，本集團視其自身為委託人。然而，倘本集團僅於法定所有權轉移予客戶前暫時擁有貨品之法定所有權時，則本集團並不一定控制特定貨品。倘控制權所屬者未明、本集團在一項交易中的責任重大、面臨存貨風險及可自行設定價格及挑選供應商，或符合上述數項而非所有指標，則本集團會以總額基礎計入收入。否則，本集團入賬出售貨品所得佣金的淨額。本集團根據上述因素進行評估，為本集團自銷售確認收入時屬委託人或代理人作出結論。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (continued)

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Property lease classification – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all the fair value of the commercial property, that it retains substantially all the significant risks and rewards incidental to ownership of these properties which are leased out on and accounts for the contracts as operating leases.

3. 重大會計判斷及估計 (續)

判斷 (續)

投資物業及自用物業的劃分

本集團判斷物業是否符合投資物業的條件，並已制定作出此類判斷的標準。投資物業指為賺取租金或資本升值或同時為這兩個目的而持有的物業。因此，本集團考慮一項物業產生的現金流量是否大部分獨立於本集團持有的其他資產。有些物業的一部分是為賺取租金或資本升值而持有，而另一部分是為生產或供應貨品或服務或行政用途而持有。如果該等部分可以分開出售或按融資租賃分開出租，則本集團會分開對相關部分進行會計處理。如果該等部分不能分開出售，則只有在為生產或供應貨品或服務或行政用途而持有的部分並不重大的情況下，該物業方為投資物業。本集團會對各項物業進行獨立判斷，以確定配套服務是否足以導致物業不符合投資物業的定義。

物業租賃分類 – 本集團為出租人

本集團已就其投資物業組合訂立商業物業租賃合同。根據對有關合同條款及條件之評估，如租期不構成商用物業之經濟壽命的主要部分且最低租賃款項現值不等於商用物業之絕大部分公允價值，本集團已釐定該等被租賃物業保留該等所有權附帶的絕大部分重大風險及回報，並將有關合約以經營租賃入賬。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (continued)

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

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Percentage of completion of construction work

The Group recognises revenue according to the percentage of completion of individual contracts for construction work, which requires estimation to be made by management. The stage of completion is estimated by reference to the actual costs incurred over the total budgeted costs, and the corresponding contract revenue is also estimated by management. Due to the nature of the activity undertaken in construction contracts, the date at which the activity is entered into and the date at which the activity is completed usually fall into different accounting periods. Hence, the Group reviews and revises the estimates of both contract revenue and contract costs in the budget prepared for each contract as the contract progresses. Where the actual contract revenue is less than estimated or actual contract costs are more than estimated, a foreseeable loss may arise.

3. 重大會計判斷及估計 (續)

判斷 (續)

確定具有重續選擇權合約之租賃期時所用重大判斷

本集團有若干包含延期及終止選擇權的租賃合約。本集團在評估是否行使續期權或終止租賃時運用判斷。即考慮所有相關因素，該等因素可為其實施續期或終止提供經濟激勵。於開始日期後，倘出現本集團可予控制之重大事件或情況有變(例如對租賃資產進行重大改建或對租賃資產進行重大定制)，並影響其行使(或不行使)續期權或終止之能力，本集團會重新評估租賃期。

估計的不確定性

很有可能導致須對下個財政年度資產及負債的賬面金額作出重大調整的未來主要假設及於報告期末的估計不確定性的其他主要來源論述如下。

施工工程完成百分比

本集團根據個別施工工程合同完工百分比確認收入，此需要管理層作出估計。完工階段乃參考總預算成本中發生的實際成本估計得出，而相應合同收入亦由管理層作出估計。由於施工合同中所進行活動的性質，活動開始日期與活動完工日期通常處於不同會計期間。因此，本集團須按合同進展審閱及修訂各合同編製的預算內的合同收入及合同成本估計。倘實際合同收入較估計低或實際合同成本較估計高，則或會產生可預見虧損。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (continued)

Deferred income tax

Deferred tax assets relating to certain temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The realisation of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise which will be recognised in profit or loss in the period in which such a reversal takes place.

The carrying amount of deferred tax assets as at 31 December 2019 was RMB655,243,000 (31 December 2018: RMB561,201,000). More details are given in note 27.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

3. 重大會計判斷及估計 (續)

估計的不確定性 (續)

遞延所得稅

與若干暫時性差額及稅項虧損有關的遞延稅項資產於管理層認為日後有可能出現應課稅溢利可用作抵銷該等暫時性差額或稅項虧損時確認。遞延稅項資產的實現主要取決於未來是否有足夠的溢利或應課稅暫時性差額在將來可供動用。如實際產生的未來溢利少於預期值，則可能發生遞延稅項資產的重大撥回，並在該撥回發生期間的損益內確認。

於2019年12月31日，遞延稅項資產的賬面值為人民幣655,243,000元（2018年12月31日：人民幣561,201,000元）。更多詳情載於附註27。

租賃 – 估算增量借款利率

本集團無法輕易釐定租賃內所隱含的利率，因此，使用增量借款利率（「增量借款利率」）計量租賃負債。增量借款利率為本集團於類似經濟環境中為取得與使用權資產價值相近之資產，而以類似抵押品與類似期間借入所需資金應支付之利率。因此，增量借款利率反映了本集團「應支付」的利率，當無可觀察的利率時（如就並無訂立融資交易之附屬公司而言）或當須對利率進行調整以反映租賃之條款及條件時（如當租賃並非以附屬公司之功能貨幣訂立時），則須作出利率估計。當可觀察輸入數據可用時，本集團使用可觀察輸入數據（如市場利率）估算增量借款利率並須作出若干實體特定的估計（如附屬公司之獨立信用評級）。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (continued)

Provision for expected credit losses on trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in note 22 and note 21 to the financial statements, respectively.

3. 重大會計判斷及估計 (續)

估計的不確定性 (續)

貿易應收款項及合同資產的預期信用損失撥備

本集團使用撥備矩陣計算貿易應收款項及合同資產的預期信用損失。撥備率乃基於具有類似虧損模式(如按照地理位置、產品類型、客戶類型及評級,以及信用證及其他信用保證形式的保障範圍)的不同客戶分部組合的逾期日數釐定。

撥備矩陣初步基於本集團過往觀察所得違約率而釐定。本集團將按經前瞻性資料調整的過往信用損失經驗調節該矩陣。例如,倘預測經濟狀況(即國內生產總值)預期將於未來一年惡化,導致製造分部的違約事件增加,則會調整過往違約率。於各報告日期,過往觀察所得違約率將予更新,並會分析前瞻性估計變動。

對過往觀察所得違約率、預測經濟狀況及預期信用損失之間的關連性進行的評估屬重大估計。預期信用損失金額對情況變化及預測經濟狀況相當敏感。本集團的過往信用損失經驗及預測經濟狀況亦未必能代表客戶日後的實際違約情況。有關本集團貿易應收款項及合同資產的預期信用損失資料分別於財務報表附註22及附註21披露。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (continued)

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

3. 重大會計判斷及估計 (續)

估計的不確定性 (續)

非金融資產減值

於各報告期末，本集團均會對所有非金融資產（包括使用權資產）是否出現任何減值跡象作出評估。無固定年期的無形資產每年進行減值測試，並於出現減值跡象時另行測試。當出現賬面值不可被收回的跡象時，會對其他非金融資產進行測試。當資產或現金產生單位的賬面值超出其可收回金額（為其公允價值減出售成本與其使用價值兩者之間的較高者）時，即出現減值。公允價值減出售成本乃根據類似資產於公允且具約束力的銷售交易中獲得的數據或可觀察市場價格減出售資產的增量成本計算。當計算使用價值時，管理層必須估計來自資產或現金產生單位的預期未來現金流量，並選擇合適的折現率以計算該等現金流量的現值。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (continued)

Fair value of unlisted equity investments

The unlisted equity investments have been valued based on a market-based valuation technique as detailed in note 37 to the financial statements. The valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as Level 2. The fair value of the unlisted equity investments at 31 December 2019 was RMB474,519,000 (2018: RMB363,918,000). Further details are included in note 19 to the financial statements.

4. OPERATING SEGMENT INFORMATION

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

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

3. 重大會計判斷及估計 (續)

估計的不確定性 (續)

非上市股權投資公允價值

非上市股權投資已根據基於市場的估值技術估值，詳情載於財務報表附註37。估值要求本集團確定可資比較上市公司(同業)並選擇價格倍數。此外，本集團就有關非流動性及規模差異的折現作出估計。本集團將該等投資的公允價值分類為第2級。於2019年12月31日，非上市股權投資的公允價值為人民幣474,519,000元(2018年：363,918,000)。進一步詳情載於財務報表附註19。

4. 經營分部資料

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

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

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4. OPERATING SEGMENT INFORMATION (CONTINUED)

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

Segment assets exclude investments in associates and joint ventures, prepaid land lease payments, intangible assets, deferred tax assets, time deposits, cash and cash equivalents, other non-current assets and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude defined benefit obligations, tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

4. 經營分部資料 (續)

管理層單獨監察本集團經營分部的業績，以就資源分配及表現評估作出決策。分部表現乃根據可報告之分部溢利／虧損評估，此乃經調整除稅前溢利／虧損之計量指標。經調整除稅前溢利／虧損乃貫徹以本集團除稅前溢利計量，惟應估聯營公司及合營公司之溢利減虧損、處置附屬公司收益、銀行存款之利息收入、與設定受益計劃有關之財務成本、股息收入、本集團金融工具之公允價值收益／虧損、其他收入／開支、未經分配的利息／開支以及總部及企業收入／開支不計入該計量內。

分部資產不包括於聯營公司及合營公司之投資、預付土地租賃款項、無形資產、遞延稅項資產、定期存款、現金及現金等價物、其他非流動資產及其他未分配總部及企業資產，此乃由於該等資產以集團為基礎管理。

分部負債不包括設定受益義務、應付稅項、遞延稅項負債及其他未分配總部及企業負債，此乃由於該等負債以集團為基礎管理。

各分部間的銷售及轉撥乃參考向第三方銷售所採用之售價，按當時市價進行交易。

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4. OPERATING SEGMENT INFORMATION (CONTINUED)

4. 經營分部資料 (續)

(a) Segment revenue, results, assets and liabilities

(a) 分部收入、業績、資產及負債

Year ended 31 December 2019	截至2019年12月31日止年度	Construction contracts 建造合同 RMB'000 人民幣千元	Trading business 貿易業務 RMB'000 人民幣千元	Services business 服務業務 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Segment revenue (note 5):	分部收入 (附註5) :				
Sales to external customers	銷售予外部客戶	19,771,168	6,461,975	2,062,784	28,295,927
Intersegment sales	分部間銷售	633,776	14,955	57,621	706,352
Reportable segment revenue	可報告分部收入	20,404,944	6,476,930	2,120,405	29,002,279
Reportable segment profit	可報告分部溢利	1,767,086	319,958	364,050	2,451,094
Finance income on receivables from customers	應收客戶款項的財務收入	143,549	123,607	2,729	269,885
Finance costs (other than interest on lease liabilities)	財務成本 (租賃負債的利息除外)	3,293	69,701	6,057	79,051
Depreciation and amortisation	折舊及攤銷	28,100	9,046	20,756	57,902
Provision/(reversal of provision) for impairment losses	減值虧損準備 / (準備轉回)				
- Trade and other receivables	- 貿易及其他應收款項	331,055	3,504	10,729	345,288
- Contract assets	- 合同資產	40,415	(343)	1,804	41,876
- Inventories	- 存貨	-	1,060	-	1,060
Reportable segment assets	可報告分部資產	17,515,565	6,297,429	2,647,801	26,460,795
Reportable segment liabilities	可報告分部負債	28,369,072	7,894,754	4,474,025	40,737,851

Capital expenditure for the year is not allocated to segments as such expenditure is managed on a group basis.

年內資本開支未攤分予各分部，乃由於有關開支以集團為基礎管理。

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4. OPERATING SEGMENT INFORMATION (CONTINUED)

4. 經營分部資料 (續)

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

(a) 分部收入、業績、資產及負債 (續)

Year ended 31 December 2018	截至2018年12月31日 止年度	Construction contracts 建造合同 RMB'000 人民幣千元	Trading business 貿易業務 RMB'000 人民幣千元	Services business 服務業務 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Segment revenue (note 5):	分部收入 (附註5) :				
Sales to external customers	銷售予外部客戶	18,280,930	8,476,535	2,105,223	28,862,688
Intersegment sales	分部間銷售	724,325	166,471	313,028	1,203,824
Reportable segment revenue	可報告分部收入	19,005,255	8,643,006	2,418,251	30,066,512
Reportable segment profit	可報告分部溢利	1,567,250	81,661	444,454	2,093,365
Finance income on receivables from customers	應收客戶款項的 財務收入	203,643	71,185	-	274,828
Finance costs	財務成本	129,630	40,050	1,538	171,218
Depreciation and amortisation	折舊及攤銷	6,452	2,934	22,269	31,655
Provision/(reversal of provision) for impairment losses	減值虧損撥備 / (撥備撥回)				
- Trade and other receivables	- 貿易及其他應收款項	595,422	7,184	27,529	630,135
- Contract assets	- 合同資產	(4,469)	-	-	(4,469)
- Inventories	- 存貨	-	1,537	-	1,537
Reportable segment assets	可報告分部資產	16,829,240	6,171,792	1,902,942	24,903,974
Reportable segment liabilities	可報告分部負債	31,406,436	7,994,214	4,085,957	43,486,607

Capital expenditure for the year is not allocated to segments as such expenditure is managed on a group basis.

年內資本開支未攤分予各分部，乃由於有關開支以集團為基礎管理。

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4. OPERATING SEGMENT INFORMATION (CONTINUED)

4. 經營分部資料 (續)

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

(b) 可報告分部收入、溢利／虧損、資產及負債的對賬

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Revenue:	收入：		
Reportable segment revenue	可報告分部收入	29,002,279	30,066,512
Elimination of intersegment revenue	分部間收入抵銷	(706,352)	(1,203,824)
		28,295,927	28,862,688
Profit:	溢利：		
Reportable segment profit	可報告分部溢利	2,451,094	2,093,365
Share of profits and losses of joint ventures	應佔合營公司溢利及虧損	27,825	34,167
Share of profits and losses of associates	應佔聯營公司溢利及虧損	198,520	133,066
Dividend income from equity investments 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的股息收益	3,822	3,868
Investment income on financial assets	金融資產投資收益	31,838	93,111
Other (expenses)/income, net	其他(開支)/收入淨額	(66,504)	23,979
Other operating expenses	其他經營開支	(2,922)	(1,600)
Interest income from bank deposits	來自銀行存款之利息收入	246,843	267,881
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	(15,190)	(18,430)
Unallocated foreign exchange gains	未分配之匯兌收益	144,516	364,442
Depreciation and amortisation	折舊及攤銷	(203,333)	(168,082)
Profit before tax	除稅前溢利	2,816,509	2,825,767

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4. OPERATING SEGMENT INFORMATION (CONTINUED)

4. 經營分部資料 (續)

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

(b) 可報告分部收入、溢利／虧損、資產及負債的對賬 (續)

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Assets:	資產：		
Reportable segment assets	可報告分部資產	26,460,795	24,903,974
Elimination of intersegment receivables	分部間應收款項抵銷	(6,188,703)	(5,370,896)
		20,272,092	19,533,078
Restricted deposits	受限制存款	1,228,663	1,211,805
Time deposits with original maturity over three months	原始到期日超過三個月的定期存款	5,811,624	5,013,871
Cash and cash equivalents	現金及現金等價物	15,561,480	21,383,610
Property, plant and equipment	物業、廠房及設備	2,502,016	2,293,698
Right-of-use assets	使用權資產	1,788,979	–
Prepaid land lease payments	預付土地租賃款項	–	1,755,868
Intangible assets	無形資產	440,556	464,816
Long-term assets	長期資產	50,529	82,136
Investments in joint ventures	對合營公司的投資	405,798	380,590
Investments in associates	對聯營公司的投資	1,368,578	1,102,433
Deferred tax assets	遞延稅項資產	655,243	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	550,659	425,890
Other unallocated assets	其他未分配資產	3,125,226	1,007,839
		53,761,443	56,114,617
Liabilities:	負債：		
Reportable segment liabilities	可報告分部負債	40,737,851	43,486,607
Elimination of intersegment payables	分部間應付款項抵銷	(6,051,065)	(5,002,235)
		34,686,786	38,484,372
Lease liabilities	租賃負債	64,232	–
Defined benefit obligations	設定受益義務	478,141	495,498
Tax payable	應付稅項	464,411	527,133
Deferred tax liabilities	遞延稅項負債	106,999	94,360
Other unallocated liabilities	其他未分配負債	2,479	–
		35,803,048	39,601,363

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4. OPERATING SEGMENT INFORMATION (CONTINUED)

(c) Geographical information

Revenue from external customers

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Mainland China	中國大陸	6,979,859	9,703,766
Pakistan	巴基斯坦	2,993,292	4,740,988
Iraq	伊拉克	2,835,243	651,594
The Republic of Angola	安哥拉共和國	2,040,697	3,523,316
Ivory Coast	科特迪瓦	1,876,906	1,306,505
Zambia	贊比亞	1,262,949	688,208
Cameroon	喀麥隆	1,204,789	1,172,322
Kenya	肯尼亞	1,167,681	31,491
Laos	老撾	1,103,762	900,835
United States	美國	862,285	690,489
Others	其他	5,968,464	5,453,174
		28,295,927	28,862,688

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。

4. 經營分部資料 (續)

(c) 地理區域資料

來自外部客戶的收入

	2019	2018
	2019年	2018年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Mainland China	6,979,859	9,703,766
Pakistan	2,993,292	4,740,988
Iraq	2,835,243	651,594
The Republic of Angola	2,040,697	3,523,316
Ivory Coast	1,876,906	1,306,505
Zambia	1,262,949	688,208
Cameroon	1,204,789	1,172,322
Kenya	1,167,681	31,491
Laos	1,103,762	900,835
United States	862,285	690,489
Others	5,968,464	5,453,174
	28,295,927	28,862,688

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4. OPERATING SEGMENT INFORMATION (CONTINUED)

(c) Geographical information (continued)

Non-current assets

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Mainland China	中國大陸	5,879,035	5,481,563
Others	其他	91,633	973,367
		5,970,668	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.

(d) Information about major customers

No revenue was generated from sales to a single customer which amounted to more than 10% of the Group's revenue for the year ended 31 December 2019 (2018: Nil).

4. 經營分部資料 (續)

(c) 地理區域資料 (續)

非流動資產

	2019	2018
	2019年	2018年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Mainland China	5,879,035	5,481,563
Others	91,633	973,367
	5,970,668	6,454,930

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

(d) 有關主要客戶之資料

截至2019年12月31日止年度，並無銷售所產生的收入佔本集團收入10%以上的單一客戶（2018年：無）。

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5. REVENUE, OTHER REVENUE AND EXPENSES

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

5. 收入、其他收入及開支

收入、其他收入及其他開支淨額分析如下：

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue from contracts with customers	客戶合同收入	28,148,430	28,723,649
Revenue from other sources	其他來源收入		
Gross rental income from investment property operating leases:	來自投資物業經營租賃的租賃收入總額：		
Other lease payments, including fixed payments	其他租賃付款，包括定額付款	147,497	139,039
		28,295,927	28,862,688

Notes to the Financial Statements

財務報表附註

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5. REVENUE, OTHER REVENUE AND EXPENSES (CONTINUED)

Revenue

(i) Disaggregated revenue information

For the year ended 31 December 2019

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	貨物或服務類型				
Construction contracts	建造合同	19,771,168	-	-	19,771,168
Trading business	貿易業務	-	6,461,975	-	6,461,975
Services business	服務業務	-	-	2,062,784	2,062,784
Total revenue	收入總額	19,771,168	6,461,975	2,062,784	28,295,927
Geographic markets	地區市場				
Asia	亞洲	9,550,976	4,630,109	1,911,582	16,092,667
Africa	非洲	7,964,334	357,527	87,159	8,409,020
Europe	歐洲	945,133	452,013	29,920	1,427,066
South America	南美洲	985,635	31,314	30,891	1,047,840
North America	北美洲	325,090	953,763	370	1,279,223
Oceania	大洋洲	-	37,249	2,862	40,111
Total revenue	收入總額	19,771,168	6,461,975	2,062,784	28,295,927
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	19,771,168	-	-	19,771,168
Trading transferred at a point of time	於某個時間點轉讓的貿易	-	6,461,975	-	6,461,975
Services transferred over time	於一段時間內轉讓的服務	-	-	2,062,784	2,062,784
Total revenue	收入總額	19,771,168	6,461,975	2,062,784	28,295,927

5. 收入、其他收入及開支 (續)

收入

(i) 經分拆收入資料

截至2019年12月31日止年度

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財務報表附註

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5. REVENUE, OTHER REVENUE AND EXPENSES (CONTINUED)

Revenue (continued)

(i) Disaggregated revenue information (continued)

For the year ended 31 December 2018

Segments	分部	Construction contracts 建造合同	Trading business 貿易業務	Services business 服務業務	Total 合計
Type of goods or services	貨物或服務類型				
Construction contracts	建造合同	18,280,930	-	-	18,280,930
Trading business	貿易業務	-	8,476,535	-	8,476,535
Services business	服務業務	-	-	2,105,223	2,105,223
Total revenue	收入總額	18,280,930	8,476,535	2,105,223	28,862,688
Geographic markets	地區市場				
Asia	亞洲	8,101,783	6,086,276	1,911,751	16,099,810
Africa	非洲	7,572,529	162,075	104,932	7,839,536
Europe	歐洲	1,020,420	1,412,562	28,631	2,461,613
South America	南美洲	1,140,609	351,300	45,732	1,537,641
North America	北美洲	445,589	434,904	13,069	893,562
Oceania	大洋洲	-	29,418	1,108	30,526
Total revenue	收入總額	18,280,930	8,476,535	2,105,223	28,862,688
Timing of revenue recognition	確認收入時間點				
Construction transferred over time	於一段時間內轉讓的 建造	18,280,930	-	-	18,280,930
Trading transferred at a point of time	於某個時間點轉讓的 貿易	-	8,476,535	-	8,476,535
Services transferred over time	於一段時間內轉讓的 服務	-	-	2,105,223	2,105,223
Total revenue	收入總額	18,280,930	8,476,535	2,105,223	28,862,688

5. 收入、其他收入及開支 (續)

收入 (續)

(i) 經分拆收入資料 (續)

截至2018年12月31日止年度

Notes to the Financial Statements

財務報表附註

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5. REVENUE, OTHER REVENUE AND EXPENSES (CONTINUED)

Revenue (continued)

(i) Disaggregated revenue information (continued)

Set out below is the reconciliation of the revenue to the amounts disclosed in the segment information:

For the year ended 31 December 2019

Segments	分部	Construction contracts 建造合同	Trading business 貿易業務	Services business 服務業務	Total 合計
Revenue	收入				
External customers	外部客戶	19,771,168	6,461,975	2,062,784	28,295,927
Intersegment sales	分部間銷售	633,776	14,955	57,621	706,352
		20,404,944	6,476,930	2,120,405	29,002,279
Intersegment adjustments and eliminations	分部間調整及抵銷	(633,776)	(14,955)	(57,621)	(706,352)
Total revenue	收入總額	19,771,168	6,461,975	2,062,784	28,295,927

5. 收入、其他收入及開支 (續)

收入 (續)

(i) 經分拆收入資料 (續)

收入與分部資料中披露的金額之對賬載列如下：

截至2019年12月31日止年度

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財務報表附註

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5. REVENUE, OTHER REVENUE AND EXPENSES (CONTINUED)

Revenue (continued)

(i) Disaggregated revenue information (continued)

For the year ended 31 December 2018

Segments	分部	Construction contracts 建造合同	Trading business 貿易業務	Services business 服務業務	Total 合計
Revenue	收入				
External customers	外部客戶	18,280,930	8,476,535	2,105,223	28,862,688
Intersegment sales	分部間銷售	413,935	135,172	647,950	1,197,057
		18,694,865	8,611,707	2,753,173	30,059,745
Intersegment adjustments and eliminations	分部間調整及抵銷	(413,935)	(135,172)	(647,950)	(1,197,057)
Total revenue	收入總額	18,280,930	8,476,535	2,105,223	28,862,688

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

5. 收入、其他收入及開支 (續)

收入 (續)

(i) 經分拆收入資料 (續)

截至2018年12月31日止年度

下表載列本報告期間所確認包含在報告期初合同負債中的收入金額：

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	已確認收入 (包含在報告期初的合同負債中)：		
Construction contracts	建造合同	4,959,574	4,130,752
Trading business	貿易業務	591,757	516,583
Services business	服務業務	340,812	225,318
		5,892,143	4,872,653

Notes to the Financial Statements

財務報表附註

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5. REVENUE, OTHER REVENUE AND EXPENSES (CONTINUED)

Revenue (continued)

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Construction contracts

The performance obligation is satisfied over time as services are rendered and payment is generally due within 180 days from the date of billing. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

Trading business

The performance obligation is satisfied upon delivery of the products and payment is generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required.

Services business

The performance obligation is satisfied over time as services are recognised over the performance progress of the services in accordance with the proportion of the accumulated and actual contract costs in the total estimated contract costs.

5. 收入、其他收入及開支 (續)

收入 (續)

(ii) 履約責任

有關本集團的履約責任的資料概述如下：

建造合同

履約責任會隨著服務提供而予以履行，而付款一般於出具發票日期起計180天內到期支付。由於本集團收取最終付款的權利取決於合同所訂明的若干期間內客戶對服務質量的滿意度，若干百分比的付款由客戶保留，直至質保期結束為止。

貿易業務

履約責任於交付產品後履行，而付款支付一般於交付後30至90日內到期支付，惟新客戶（一般需要提前付款）除外。

服務業務

隨著服務提供而履行的履約責任乃按照估計合同成本總額中累計及實際合同成本比例隨著服務履約進程予以確認。

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財務報表附註

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5. REVENUE, OTHER REVENUE AND EXPENSES (CONTINUED)

Revenue (continued)

(ii) Performance obligations (continued)

The remaining performance obligations expected to be recognised relate to construction services that are to be satisfied within one to five years.

5. 收入、其他收入及開支 (續)

收入 (續)

(ii) 履約責任 (續)

剩餘履約合同義務主要與建造合同相關，其預計未來1年至5年確認收入。

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Other revenue	其他收入		
Dividend income from equity investments 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股息收入	3,822	3,868
Investment income on financial assets	金融資產投資收益	31,838	93,111
Government grants	政府補貼	643	9,959
		36,303	106,938
Other (expenses)/income, net	其他(開支)/收入淨額		
Net (losses)/gains on disposal of items of property, plant and equipment	處置物業、廠房及設備項目的(虧損)/收益淨額	(1,734)	14,020
Net losses on foreign currency forward exchange contracts	外匯遠期合約的虧損淨額	(9,130)	(85,648)
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	29,353	(12,928)
		23,066	(84,556)

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財務報表附註

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6. PROFIT BEFORE TAX

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

(a) Finance income and finance expenses

			2019	2018
			2019年	2018年
		Notes	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Finance income on receivables from customers	應收客戶款項的 財務收入		269,885	274,828
Foreign exchange gains	匯兌收益		270,426	772,205
Interest income	利息收入		246,843	267,881
Finance income			787,154	1,314,914
Interest cost recognised in respect of defined benefit obligations	就設定受益義務確認的 利息成本	28	15,190	18,430
Interest expenses on borrowings	借貸利息開支		79,051	171,218
Interest on lease liabilities	租賃負債利息		3,148	–
Bank charges and others	銀行費用及其他		32,023	18,670
Finance expenses			129,412	208,318
Net finance income recognised in profit or loss	於損益確認的財務收入 淨額		657,742	1,106,596

6. 除稅前溢利

本集團之除稅前溢利已扣除／(計入)：

(a) 財務收入及財務開支

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6. PROFIT BEFORE TAX (CONTINUED)

(b) Staff costs

		2019	2018
		2019年	2018年
	Notes	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元
Salaries, wages and other benefits	薪金、工資及其他福利	1,819,211	1,857,845
Contributions to defined contribution retirement plans	設定退休供款計劃的供款	232,205	214,083
Expenses recognised in respect of defined benefit retirement plans	就設定受益退休計劃確認的開支	28 1,520	6,460
		2,052,936	2,078,388

(c) Other items

		2019	2018
		2019年	2018年
	Notes	RMB'000	RMB'000
	附註	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	15 –	47,859
– Intangible assets	– 無形資產	16 25,996	24,842
– Long-term assets	– 長期資產	40,764	10,361
		66,760	83,062
Depreciation	折舊		
– Property, plant and equipment	– 物業、廠房及設備	13 96,588	98,863
– Investment properties	– 投資物業	14 15,380	17,812
– Right-of-use assets	– 使用權資產	15 82,507	–
		194,475	116,675

6. 除稅前溢利 (續)

(b) 員工成本

		2019	2018
		2019年	2018年
	Notes	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元
Salaries, wages and other benefits	薪金、工資及其他福利	1,819,211	1,857,845
Contributions to defined contribution retirement plans	設定退休供款計劃的供款	232,205	214,083
Expenses recognised in respect of defined benefit retirement plans	就設定受益退休計劃確認的開支	28 1,520	6,460
		2,052,936	2,078,388

(c) 其他項目

		2019	2018
		2019年	2018年
	Notes	RMB'000	RMB'000
	附註	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	15 –	47,859
– Intangible assets	– 無形資產	16 25,996	24,842
– Long-term assets	– 長期資產	40,764	10,361
		66,760	83,062
Depreciation	折舊		
– Property, plant and equipment	– 物業、廠房及設備	13 96,588	98,863
– Investment properties	– 投資物業	14 15,380	17,812
– Right-of-use assets	– 使用權資產	15 82,507	–
		194,475	116,675

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6. PROFIT BEFORE TAX (CONTINUED)

(c) Other items (continued)

			2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
		Notes 附註		
Impairment losses/ (reversal of impairment losses) on	減值虧損／(減值撥回)			
– Trade and other receivables	– 貿易及其他應收款項	22	345,288	630,135
– Inventories	– 存貨		1,060	1,537
– Contract assets	– 合同資產	21	41,876	(4,469)
– Investments in associates	– 對聯營公司的投資		16,404	–
			404,628	627,203
Operating lease charges	經營租賃費用			
– Lease of properties	– 租賃物業		–	42,625
– Rental expenses for short-term leases and lease of low-value assets	– 短期租賃費用及低價值資產租賃費用	15	25,102	–
– Lease of other assets	– 租賃其他資產		281	1,087
			25,383	43,712
Auditors' remuneration, including disbursements	核數師薪酬，含代墊費用		10,127	9,580
Rental income from investment properties	來自投資物業的租賃收入			
– Gross rental	– 毛租金		147,497	139,039
– Direct outgoings	– 直接支出		(43,831)	(35,615)
Net rental	淨租金		103,666	103,424
Cost of construction contracts	建造合同成本		16,210,843	14,794,835
Cost of goods sold	商品銷售成本		5,854,632	7,987,184
Cost of services provided	所提供服務的成本		1,435,352	1,384,716
			23,500,827	24,166,735

Notes to the Financial Statements

財務報表附註

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7. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

7. 董事、行政總裁及監事薪酬

根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條、《公司(披露董事利益資料)規例》第2部披露的年內董事及行政總裁的薪酬如下：

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Fees	袍金	1,144	1,093
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	2,691	2,868
Performance related bonuses	與表現掛鈎的花紅	1,834	3,278
Pension scheme contributions	退休金計劃供款	200	224
		5,869	7,463

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7. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION (CONTINUED)

Executive directors, non-executive directors, the chief executive and supervisors

7. 董事、行政總裁及監事薪酬 (續)

執行董事、非執行董事、行政總裁及監事

		Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
	Fees	薪金、津貼及實物利益	與表現掛鉤的花紅	退休金計劃供款	薪酬合計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
2019	2019年				
Executive directors:	執行董事：				
Mr. Zhang Chun (note (1))	張淳先生 (附註(1))	-	652	-	50
Mr. Han Xiaojun (note (2))	韓曉軍先生 (附註(2))	-	652	991	50
		-	1,304	991	100
					2,395
Non-executive directors:	非執行董事：				
Mr. Bai Shaotong (note (3))	白紹桐先生 (附註(3))	-	-	-	-
Mr. Zhang Fusheng	張福生先生	80	36	-	-
Mr. Yu Benli	余本禮先生	80	32	-	-
		160	68	-	-
					228
Independent non-executive directors:	獨立非執行董事：				
Mr. Liu Li	劉力先生	246	-	-	-
Ms. Liu Hongyu	劉紅宇女士	246	-	-	-
Mr. Fang Yongzhong	方永忠先生	246	-	-	-
Mr. Wu Tak Lung	吳德龍先生	246	-	-	-
		984	-	-	-
					984
Chief executive:	行政總裁：				
Mr. Fang Yanshui (note (4))	方彥水先生 (附註(4))	-	554	843	50
					1,447
Supervisors:	監事：				
Mr. Quan Huaqiang	全華強先生	-	-	-	-
Mr. Qian Xiangdong (note (5))	錢向東先生 (附註(5))	-	-	-	-
Mr. Guo Weihua (note (6))	郭偉華先生 (附註(6))	-	-	-	-
Ms. Liu Ting	劉婷女士	-	765	-	50
		-	765	-	50
		1,144	2,691	1,834	200
					5,869

Notes:

- Mr. Zhang Chun resigned in November 2019.
- Mr. Han Xiaojun resigned in November 2019.
- Mr. Bai Shaotong was elected as the chairman and a non-executive director in December 2019.
- Mr. Fang Yanshui was elected as the chief executive in December 2019.
- Mr. Qian Xiangdong resigned in June 2019.
- Mr. Guo Weihua was elected as a supervisor in June 2019.

附註：

- 張淳先生於2019年11月辭任。
- 韓曉軍先生於2019年11月辭任。
- 白紹桐先生於2019年12月獲選為董事長兼非執行董事。
- 方彥水先生於2019年12月獲選為行政總裁。
- 錢向東先生於2019年6月辭任。
- 郭偉華先生於2019年6月獲選為監事。

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7. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION (CONTINUED)

Executive directors, non-executive directors, the chief executive and supervisors (continued)

7. 董事、行政總裁及監事薪酬 (續)

執行董事、非執行董事、行政總裁及監事 (續)

		Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
	Fees	薪金、津貼及實物利益	掛鈎的花紅	退休金計劃供款	薪酬合計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
2018	2018年				
Executive directors:	執行董事：				
Mr. Sun Bai (note (1))	孫柏先生 (附註(1))	-	89	4	146
Mr. Zhang Chun (note (2))	張淳先生 (附註(2))	-	1,063	55	1,752
Mr. Han Xiaojun (note (3))	韓曉軍先生 (附註(3))	-	1,063	55	1,752
Mr. Zhou Yamin (note (4))	周亞民先生 (附註(4))	-	1,063	55	1,752
		-	3,278	169	5,402
Non-executive directors:	非執行董事：				
Mr. Wang Zhian (note (5))	王治安先生 (附註(5))	17	8	-	25
Mr. Zhang Fusheng	張福生先生	80	38	-	118
Mr. Yu Benli	余本禮先生	80	37	-	117
		177	83	-	260
Independent non-executive directors:	獨立非執行董事：				
Mr. Liu Li	劉力先生	229	-	-	229
Ms. Liu Hongyu	劉紅宇女士	229	-	-	229
Mr. Fang Yongzhong	方永忠先生	229	-	-	229
Mr. Wu Tak Lung	吳德龍先生	229	-	-	229
		916	-	-	916
Supervisors:	監事：				
Mr. Quan Huaqiang	全華強先生	-	-	-	-
Mr. Qian Xiangdong	錢向東先生	-	-	-	-
Ms. Liu Ting	劉婷女士	-	830	55	885
		-	830	55	885
		1,093	2,868	224	7,463

Notes:

- (1) Mr. Sun Bai was the chairman of the Company before January 2018 and resigned in January 2018.
- (2) Mr. Zhang Chun was the chief executive before January 2018. From that time till now, Mr. Zhang Chun is the chairman of the Company.
- (3) Mr. Han Xiaojun was elected as the executive director in March 2018.
- (4) Mr. Zhou Yamin was elected as the executive director in March 2018 and resigned in December 2018.
- (5) Mr. Wang Zhian retired as a non-executive director in March 2018.

附註：

- (1) 孫柏先生在2018年1月前為本公司董事長並已於2018年1月辭任。
- (2) 張淳先生在2018年1月前為本公司行政總裁。2018年1月至今，張淳先生為本公司董事長。
- (3) 韓曉軍先生於2018年3月獲選為執行董事。
- (4) 周亞民先生於2018年3月獲選為執行董事，並於2018年12月卸任。
- (5) 王治安先生於2018年3月退任非執行董事。

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8. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included one executive director and the chief executive (2018: two directors), details of whose remuneration are set out in note 7 above. Details of the remuneration for the year of the remaining three (2018: three) highest paid employees who are neither a director, chief executive nor supervisor of the Company are as follows:

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	1,663	1,712
Performance related bonuses	與表現掛鉤的花紅	2,528	2,869
Pension scheme contributions	退休金計劃供款	150	166
		4,341	4,747

The number of non-director, non-chief executive and non-supervisor highest paid employees whose remuneration fell within the following band is as follows:

		Number of employees	
		僱員人數	
		2019	2018
		2019年	2018年
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至 2,000,000港元	3	3

8. 五位最高薪酬僱員

年內，五位最高薪酬僱員包括一名執行董事及行政總裁（2018年：兩名），彼等的薪酬詳情載於上述附註7。年內既非本公司董事、非行政總裁亦非監事的餘下三名（2018年：三名）最高薪酬僱員的薪酬詳情如下：

薪酬在以下範圍的非董事、非行政總裁及非監事最高薪酬僱員人數如下：

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9. INCOME TAX

Pursuant to the relevant laws and regulations in the PRC, the statutory enterprise income tax rate of 25% is applied to the Company's Mainland China subsidiaries for the years ended 31 December 2019 and 2018, except for certain Mainland China subsidiaries of the Company which were entitled to the preferential tax rate of 15% (2018: 15%) because they are recognised as high and new technology enterprises by the local governments in the PRC, and certain Mainland China subsidiaries of the Company which were entitled to the preferential tax rate of 20% since 2019 because they are small and micro businesses.

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 year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries (or jurisdictions) in which the Group operates.

9. 所得稅

根據中國相關法律及法規，本公司的中國內地附屬公司於截至2019年及2018年12月31日止年度適用的法定企業所得稅稅率為25%，惟本公司的若干中國內地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，及自2019年起本公司的若干中國內地附屬公司因其為小型微利企業而有權享有20%的優惠稅率除外。

香港利得稅乃就年內在香港產生的估計應課稅溢利按16.5%（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。

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current income tax – Mainland China	即期所得稅 – 中國大陸		
Charge for the year	本年度變動	741,194	863,250
(Overprovision)/Underprovision in prior years	過往年度（超額撥備）／撥備不足	(30,954)	7,302
Current income tax – Hong Kong	即期所得稅 – 香港		
Charge for the year	本年度變動	9,734	1,084
Overprovision in prior years	過往年度超額撥備	(13,361)	(610)
Current income tax – Others	即期所得稅 – 其他		
Charge for the year	本年度變動	10,808	5,908
Underprovision in prior years	過往年度撥備不足	2,437	3,275
Deferred income tax	遞延所得稅	(84,605)	(190,283)
Total tax charge for the year from continuing operations	來自持續經營業務的年度稅項支出總額	635,253	689,926

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9. INCOME TAX (CONTINUED)

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

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Profit before tax from continuing operations	來自持續經營業務的除稅前溢利	2,816,509	2,825,767
Tax at the statutory tax rate	按法定稅率計算的稅項	704,127	706,442
Lower tax rate(s) for specific provinces or enacted by local authority	特定省份或地方當局制定的較低稅率	(8,523)	(20,230)
Profits and losses attributable to joint ventures and associates	合營公司及聯營公司應佔溢利及虧損	(56,586)	(41,808)
Income not subject to tax	毋需課稅收益	(28,241)	(19,294)
Adjustments in respect of current tax of previous periods	就過往期間即期稅項作出的調整	(41,878)	9,967
Expenses not deductible for tax	不可扣稅開支	73,068	45,971
Tax losses utilised from previous periods	使用過往期間的稅項虧損	(2,300)	(151)
Others	其他	(4,414)	9,029
Tax charge at the Group's effective rate from continuing operations	來自持續經營業務的按本集團實際稅率計算的稅項支出	635,253	689,926

The share of tax attributable to associates and joint ventures amounting to RMB49,630,000 (2018: RMB33,266,000) and RMB6,956,000 (2018: RMB8,542,000), respectively, is included in "Share of profits and losses of joint ventures and associates" in the consolidated statement of profit or loss.

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

應佔聯營公司及合營公司稅項分別為人民幣49,630,000元(2018年: 人民幣33,266,000元)及人民幣6,956,000元(2018年: 人民幣8,542,000元), 已計入合併損益表「應佔合營公司及聯營公司溢利及虧損」內。

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10. PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

The consolidated profit attributable to owners of the parent for the year ended 31 December 2019 includes a profit of RMB1,589,476,000 (2018: RMB1,720,824,000) which has been dealt with in the financial statements of the Company.

11. DIVIDENDS

Proposed final dividend of RMB0.1586
(2018: RMB0.2067) per ordinary share

擬派末期股息每股普通股
人民幣0.1586元(2018年：
人民幣0.2067元)

The proposed final dividend for the year ended 31 December 2019 is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

Pursuant to the State Administration of Taxation Circular Guoshuihan [2008] No. 897, the Company is required to withhold a 10% enterprise income tax when it distributes dividends to its non-resident enterprise shareholders out of the profit earned in 2008 and beyond. In respect of all shareholders whose names appear on the Company's register of members who are not individuals, which are considered as non-resident enterprise shareholders, the Company will distribute the dividends after deducting enterprise income tax at the rate of 10%.

Due to the repeal of Guoshuifa [1993] No. 45 Circular on the Questions Concerning Tax on the Profits Earned by Enterprises with Foreign Investment, Foreign Enterprises and Individual Foreigners from the Transfer of Stocks (Stock Rights) and on Dividend Income, the Company is required from 4 January 2011 under the Individual Income Tax Law of the PRC and its implementation rules and regulations to withhold and pay individual income tax at rates ranging from 10% to 20% when it distributes dividends to its non-PRC resident individual shareholders out of the profits earned in 2010 and beyond.

10. 歸屬於母公司擁有人的溢利

截至2019年12月31日止年度歸屬於母公司擁有人的合併溢利包括已於本公司財務報表入賬的溢利人民幣1,589,476,000元(2018年：人民幣1,720,824,000元)。

11. 股息

2019	2018
2019年	2018年
RMB'000	RMB'000
人民幣千元	人民幣千元

654,336	852,782
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擬派的截至2019年12月31日止年度末期股息須獲本公司股東於應屆股東週年大會上批准。

按照國家稅務總局頒佈的通知(國稅函[2008]第897號)，本公司自2008年及以後的所得利潤向其非居民企業股東派發股息時，需要代扣10%的企業所得稅。對於名列本公司股東名冊的所有非個人股東(即被視為非居民企業的股東)，本公司將在扣除10%的所得稅後派發股息。

由於《關於外商投資企業、外國企業和外籍個人取得股票(股權)轉讓收益和股息所得稅收問題的通知》(國稅發[1993]第45號)已經廢止，自2011年1月4日起本公司應根據《中華人民共和國個人所得稅法》及其實施條例及規定，自2010年及以後所得利潤向非中國居民個人股東派發股息時，須代扣代繳10%至20%的個人所得稅。

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

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of 4,125,700,000 (2018: 4,125,700,000) ordinary shares.

The calculation of basic earnings per share is based on:

12. 歸屬於母公司普通權益持有人的每股盈利

每股基本盈利乃按年內歸屬於母公司普通權益持有人的溢利及普通股的加權平均數4,125,700,000股（2018年：4,125,700,000股）計算。

每股基本盈利的計算如下：

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
<hr/>			
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	2,181,173	2,131,540
		<hr/>	
		Number of shares	
		股份數目	
		2019	2018
		2019年	2018年
		Thousand	Thousand
		shares	shares
		千股	千股
<hr/>			
Shares	股份		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	計算每股基本盈利所用的年內已發行普通股的加權平均數	4,125,700	4,125,700
		<hr/>	

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2019 and 2018.

截至2019年及2018年12月31日止年度，本集團並無潛在攤薄已發行普通股。

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13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

		Buildings	Motor vehicles	Office and other equipment	Construction in progress	Total
		樓宇	汽車	辦公及其他設備	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Cost:	成本：					
At 1 January 2018	於2018年1月1日	1,678,430	165,824	251,294	566,894	2,662,442
Additions	添置	74,529	7,142	21,110	328,625	431,406
Transfer from investment properties (note 14)	撥自投資物業 (附註14)	34,411	-	-	-	34,411
Transfer from prepaid land lease payments (note 15a)	撥自預付土地租賃款項 (附註15a)	-	-	-	3,023	3,023
Transfer to investment properties (note 14)	撥入投資物業 (附註14)	(2,311)	-	-	(46,365)	(48,676)
Disposals	處置	(8,036)	(46,894)	(14,746)	-	(69,676)
At 31 December 2018	於2018年12月31日	1,777,023	126,072	257,658	852,177	3,012,930
At 1 January 2019	於2019年1月1日	1,777,023	126,072	257,658	852,177	3,012,930
Additions	添置	59,913	4,159	40,136	180,644	284,852
Acquisition of a subsidiary (note 31)	收購附屬公司 (附註31)	42,997	-	21,054	-	64,051
Transfer to right-of-use asset (note 15b)	撥入使用權資產 (附註15b)	-	-	-	(9,688)	(9,688)
Transfer to investment properties (note 14)	撥入投資物業 (附註14)	(9,002)	-	-	(24)	(9,026)
Disposals	處置	(33,561)	(17,726)	(8,279)	-	(59,566)
Others	其他	4,049	508	2,844	-	7,401
At 31 December 2019	於2019年12月31日	1,841,419	113,013	313,413	1,023,109	3,290,954

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13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

13. 物業、廠房及設備 (續)

		Buildings	Motor vehicles	Office and other equipment	Construction in progress	Total
		樓宇	汽車	其他設備	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Accumulated depreciation and impairment:	累計折舊及減值：					
At 1 January 2018	於2018年1月1日	(417,465)	(128,252)	(120,772)	(130)	(666,619)
Charge for the year	年內支出	(61,253)	(11,303)	(26,307)	-	(98,863)
Transfer from investment properties (note 14)	撥自投資物業 (附註14)	(11,291)	-	-	-	(11,291)
Written back on disposals	處置後撥回	3,311	41,096	13,134	-	57,541
At 31 December 2018	於2018年12月31日	(486,698)	(98,459)	(133,945)	(130)	(719,232)
At 1 January 2019	於2019年1月1日	(486,698)	(98,459)	(133,945)	(130)	(719,232)
Charge for the year	年內支出	(58,907)	(8,533)	(29,148)	-	(96,588)
Transfer to investment properties (note 14)	撥入投資物業 (附註14)	3,574	-	-	-	3,574
Written back on disposals	處置後撥回	401	15,371	7,536	-	23,308
At 31 December 2019	於2019年12月31日	(541,630)	(91,621)	(155,557)	(130)	(788,938)
Net book value:	賬面淨值：					
At 31 December 2018	於2018年12月31日	1,290,325	27,613	123,713	852,047	2,293,698
At 31 December 2019	於2019年12月31日	1,299,789	21,392	157,856	1,022,979	2,502,016

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13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) An analysis of the net book values of land and buildings is as follows:

Outside Hong Kong	香港以外
– Long-term leases	– 長期租賃
– Medium-term leases	– 中期租賃
– Freehold	– 永久業權

(b) As at 31 December 2019, certain of the Group's borrowings of RMB74,454,000 (31 December 2018: RMB79,804,000) were secured by certain of the Group's buildings with an aggregate net book value of RMB33,999,000 (2018: RMB33,587,000), which included borrowings of RMB47,140,000 secured by investment properties (note 14) and right-of-use assets (note 15) in addition to property, plant and equipment as mentioned above.

13. 物業、廠房及設備 (續)

(a) 土地及樓宇的賬面淨值分析如下：

2019	2018
2019年	2018年
RMB'000	RMB'000
人民幣千元	人民幣千元

463,773	377,014
796,029	879,165
39,987	34,146
1,299,789	1,290,325

(b) 於2019年12月31日，本集團人民幣74,454,000元（2018年12月31日：人民幣79,804,000元）的若干借貸由本集團賬面總淨值為人民幣33,999,000元（2018年：人民幣33,587,000元）的若干樓宇作抵押，其中人民幣47,140,000元的借貸由投資物業（附註14）和使用權資產（附註15）以及上述提及的物業、廠房及設備作抵押。

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14. INVESTMENT PROPERTIES

14. 投資物業

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cost:	成本：		
At the beginning of the year	於年初	725,860	711,595
Transfer from property, plant and equipment (note 13)	撥自物業、廠房及設備 (附註13)	9,026	48,676
Transfer to property, plant and equipment (note 13)	撥入物業、廠房及設備 (附註13)	-	(34,411)
Others	其他	(8)	-
At the end of the year	於年末	734,878	725,860
Accumulated depreciation:	累計折舊		
At the beginning of the year	於年初	(85,745)	(79,933)
Charge for the year	年內支出	(15,380)	(17,812)
Transfer from property, plant and equipment (note 13)	撥自物業、廠房及設備 (附註13)	(3,574)	-
Transfer to prepaid land lease payments (note 15a)	撥入預付土地租賃款項 (附註15a)	-	709
Transfer to property, plant and equipment (note 13)	撥入物業、廠房及設備 (附註13)	-	11,291
At the end of the year	於年末	(104,699)	(85,745)
Net book value:	賬面淨值：	630,179	640,115

The Group's investment properties consist of certain commercial properties in Mainland China and Australia. The directors of the Company have determined that the investment properties are commercial assets, based on the nature, characteristics and risks of each property. The Group's investment properties were revalued on 31 December 2019 based on valuations performed by Savills Corporate Appraisal and Advisory Limited, a firm of independent qualified valuers in Hong Kong, at RMB2,037,955,000 (2018: RMB2,039,128,000).

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 15 to the financial statements.

本集團的投資物業包括中國大陸及澳大利亞某些商業物業。本公司董事已根據每項物業之性質、特徵及風險，釐定屬商業資產的投資物業。本集團的投資物業於2019年12月31日經第一太平戴維斯估值及專業顧問有限公司（香港的獨立合資格估值師事務所）重新估值為人民幣2,037,955,000元（2018年：人民幣2,039,128,000元）。

投資物業以經營租賃方式租予第三者，其進一步概要詳情載於財務報表附註15。

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14. INVESTMENT PROPERTIES (CONTINUED)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

Recurring fair value measurement for: 經常性公允價值計量：

Commercial properties 商業物業

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2018: Nil).

14. 投資物業 (續)

公允價值層級

下表列示本集團投資物業公允價值計量層級：

Fair value as at 31 December 2019 Significant unobservable inputs (Level 3) 於2019年 12月31日的 公允價值重大 不可觀察輸入 數據 (第3級) RMB'000 人民幣千元	Fair value as at 31 December 2018 Significant unobservable inputs (Level 3) 於2018年 12月31日的 公允價值重大 不可觀察輸入 數據 (第3級) RMB'000 人民幣千元
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2,037,955 2,039,128

年內，第1級與第2級之間並無公允價值計量轉移，亦無轉入或轉出第3級 (2018年：無)。

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14. INVESTMENT PROPERTIES (CONTINUED)

Fair value hierarchy (continued)

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

	Valuation techniques 估值方法	Significant unobservable inputs 重大不可觀察輸入數據	Range or weighted average 範圍或加權平均	
			2019 2019年	2018 2018年
Commercial properties 商業物業	Term and reversion 年期及復歸	Estimated rental value (per s.q.m. and per month) 估計租金價值 (每平方米每月)	0.48 to 206 0.48至206	0.45 to 205 0.45至205
		Rent growth (p.a.) 租金增長率 (每年)	0%	0%
		Long term vacancy rate 長期空置率	0%	0%
		Yield 回報率	3.5% to 7% 3.5%至7%	3.5% to 7% 3.5%至7%

Under the income approach, the term and reversion approach in particular, the rental income derived from the existing tenancies with due allowance for the reversionary potential of the property is capitalised at the capitalisation rate. The estimated total net leased income is capitalised over the remaining term of land use rights of the property at an appropriate market yield expected by investors for the type of properties.

As at 31 December 2019, certain of the Group's borrowings of RMB47,140,000 (31 December 2018: RMB55,174,000) were secured by certain of the Group's investment properties with an aggregate net book value of RMB47,335,000 (2018: RMB48,287,000).

14. 投資物業 (續)

公允價值層級 (續)

投資物業所用估值方法及主要估值輸入數據概述如下：

按照收益法，尤其是年期及復歸法，現有租約內的租金收入連同該物業復歸潛力的適當補償按資本化率予以資本化。估計租金淨收益總額按投資者對不同類型物業預期的適當市場回報率於物業餘下的土地使用權年期內予以資本化。

於2019年12月31日，本集團人民幣47,140,000元（2018年12月31日：人民幣55,174,000元）的若干借貸由本集團賬面總淨值為人民幣47,335,000元（2018年：人民幣48,287,000元）的若干投資物業作抵押。

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15. LEASES

The Group as a lessee

The Group has lease contracts for various items of plant and machinery used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 36 to 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of plant and machinery generally have lease terms between 2 and 5 years.

(a) Prepaid land lease payments (before 1 January 2019)

		<i>RMB'000</i> 人民幣千元
Carrying amount at 1 January 2018	於2018年1月1日之賬面值	1,808,241
Additions	添置	11,580
Transfer to property, plant and equipment (note 13)	撥入物業、廠房及設備(附註13)	(3,023)
Disposals	處置	(13,988)
Depreciation charge	折舊開支	(47,859)
Transfer from investment properties (note 14)	撥自投資物業(附註14)	(709)
Written back on disposals	處置後撥回	1,626
		<hr/>
Carrying amount at 31 December 2018	於2018年12月31日之賬面值	1,755,868

As at 31 December 2018, certain of the Group's borrowings of RMB55,174,000 were secured by certain of the Group's prepaid land lease payments with an aggregate net book value of RMB778,000.

15. 租賃

本集團作為承租人

本集團擁有多個營運中之廠房及機械項目的租賃合約。已提前作出一次性付款以向業主收購租賃土地，租期為36至50年，而根據該等土地租賃的條款，將不會繼續支付任何款項。廠房及機械的租期通常介乎2至5年。

(a) 預付土地租賃款項(2019年1月1日前)

於2018年12月31日，本集團人民幣55,174,000元的若干借貸由本集團賬面總淨值為人民幣778,000元的若干預付土地租賃款項作抵押。

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15. LEASES (CONTINUED)

The Group as a lessee (continued)

(b) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

		Prepaid land lease payments	Plant and machinery	Total
		預付土地 租賃款項	廠房及機械	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Carrying amount at 1 January 2019	於2019年1月1日之 賬面值	1,755,868	88,205	1,844,073
Additions	添置	-	17,725	17,725
Transfer from property, plant and equipment (note 13)	撥自物業、廠房及設備 (附註13)	9,688	-	9,688
Depreciation charge	折舊開支	(46,933)	(35,574)	(82,507)
Carrying amount at 31 December 2019	於2019年12月31日之 賬面值	1,718,623	70,356	1,788,979

As at 31 December 2019, certain of the Group's borrowings of RMB47,140,000 were secured by certain of the Group's right-of-use assets with an aggregate net book value of RMB758,000.

15. 租賃 (續)

本集團作為承租人 (續)

(b) 使用權資產

本集團年內使用權資產的賬面值及變動如下：

		Prepaid land lease payments	Plant and machinery	Total
		預付土地 租賃款項	廠房及機械	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Carrying amount at 1 January 2019	於2019年1月1日之 賬面值	1,755,868	88,205	1,844,073
Additions	添置	-	17,725	17,725
Transfer from property, plant and equipment (note 13)	撥自物業、廠房及設備 (附註13)	9,688	-	9,688
Depreciation charge	折舊開支	(46,933)	(35,574)	(82,507)
Carrying amount at 31 December 2019	於2019年12月31日之 賬面值	1,718,623	70,356	1,788,979

於2019年12月31日，本集團人民幣47,140,000元的若干借貸由本集團賬面總淨值為人民幣758,000元的若干使用權資產作抵押。

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15. LEASES (CONTINUED)

The Group as a lessee (continued)

(c) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

15. 租賃 (續)

本集團作為承租人 (續)

(c) 租賃負債

年內租賃負債的賬面值及變動如下：

		Lease liabilities 租賃負債 RMB'000 人民幣千元
Carrying amount at 1 January 2019	於2019年1月1日之賬面值	85,759
New leases	新租賃	16,706
Accretion of interest recognised during the year	年內已確認利息增幅	3,148
Payments	付款	(41,461)
Other	其他	80
		<hr/>
Carrying amount at 31 December 2019	於2019年12月31日之賬面值	64,232
		<hr/>
Analysed into:	分析為：	
Current portion	流動部分	27,854
Non-current portion	非流動部分	36,378
		<hr/>

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財務報表附註

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15. LEASES (CONTINUED)

The Group as a lessee (continued)

(d) The amounts recognised in profit or loss in relation to leases are as follows:

		2019 2019年 RMB'000 人民幣千元
Interest on lease liabilities	租賃負債利息	3,148
Depreciation charge of right-of-use assets	使用權資產折舊開支	82,507
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 December 2019	與短期租賃及餘下租期於2019年12月31日或之前屆滿的其他租賃有關的開支	25,102
Total amount recognised in profit or loss	損益中確認款項總額	110,757

The Group as a lessor

The Group leases its investment properties (note 14). The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB147,497,000(2018: RMB139,039,000), details of which are included in note 5 to the financial statements.

15. 租賃 (續)

本集團作為承租人 (續)

(d) 於損益中確認的租賃相關款項如下：

		2019 2019年 RMB'000 人民幣千元
Interest on lease liabilities	租賃負債利息	3,148
Depreciation charge of right-of-use assets	使用權資產折舊開支	82,507
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 December 2019	與短期租賃及餘下租期於2019年12月31日或之前屆滿的其他租賃有關的開支	25,102
Total amount recognised in profit or loss	損益中確認款項總額	110,757

本集團作為出租人

本集團出租其投資物業(附註14)。該等租賃的條款亦要求租戶支付擔保按金並根據現行市況進行定期租金調整。年內本集團的已確認租金收入為人民幣147,497,000元(2018年：人民幣139,039,000元)，詳情載於財務報表附註5。

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15. LEASES (CONTINUED)

The Group as a lessor (continued)

At 31 December 2019, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

Within one year	一年內
After one year but within two years	一年以上但兩年以內
After two years but within three years	兩年以上但三年以內
After three years but within four years	三年以上但四年以內
After four years but within five years	四年以上但五年以內
After five years	五年以上

15. 租賃 (續)

本集團作為出租人 (續)

於2019年12月31日，日後本集團根據與其租戶之不可撤銷經營租賃的應收未貼現租賃款項如下：

2019	2018
2019年	2018年
RMB'000	RMB'000
人民幣千元	人民幣千元
87,467	35,504
84,422	32,663
33,243	75,971
15,940	25,613
11,127	10,855
9,288	9,512
241,487	190,118

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16. INTANGIBLE ASSETS

16. 無形資產

		Concession assets 特許經營資產 RMB'000 人民幣千元	Software and others 軟件及其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost:	成本：			
At 1 January 2018	於2018年1月1日	461,738	31,627	493,365
Additions	添置	12,187	12,041	24,228
Disposals	處置	(468)	(4,508)	(4,976)
At 31 December 2018	於2018年12月31日	473,457	39,160	512,617
At 1 January 2019	於2019年1月1日	473,457	39,160	512,617
Additions	添置	–	2,074	2,074
Disposals	處置	–	(4,011)	(4,011)
Others	其他	331	–	331
At 31 December 2019	於2019年12月31日	473,788	37,223	511,011
Accumulated amortisation:	累計攤銷：			
At 1 January 2018	於2018年1月1日	(10,553)	(16,933)	(27,486)
Charge for the year	年內支出	(18,875)	(5,967)	(24,842)
Disposals	處置	–	4,527	4,527
At 31 December 2018	於2018年12月31日	(29,428)	(18,373)	(47,801)
At 1 January 2019	於2019年1月1日	(29,428)	(18,373)	(47,801)
Charge for the year	年內支出	(19,181)	(6,815)	(25,996)
Disposals	處置	–	3,342	3,342
At 31 December 2019	於2019年12月31日	(48,609)	(21,846)	(70,455)
Net book value:	賬面淨值：			
At 31 December 2018	於2018年12月31日	444,029	20,787	464,816
At 31 December 2019	於2019年12月31日	425,179	15,377	440,556

Concession assets represent assets under “Build-Operate-Transfer” service concession arrangements and mainly consist of hydropower stations in Laos. The cost of concession assets which have been put into operation was at 31 December 2019 amounted to RMB473,788,000 (31 December 2018: RMB473,457,000). The increase due to exchange rate changes.

特許經營資產為建設、經營及移交服務特許經營安排資產，主要為位於老撾的水電站。特許經營資產已投入運營，相關特許經營資產於2019年12月31日的成本為人民幣473,788,000元（2018年12月31日：人民幣473,457,000元）。增加原因為匯率變動。

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17. INVESTMENTS IN JOINT VENTURES

17. 對合營公司的投資

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Share of net assets	應佔資產淨額	405,798	380,590

Particulars of the joint ventures are as follows:

合營公司的詳細資料如下：

Name	Particulars of issued shares held	Place and date of registration	Percentage of ownership interest, voting power and profit sharing	Principal activities
名稱	所持有已發行股份詳情	註冊地點及日期	所有權權益、投票權及溢利分配百分比	主要業務
China National Guo Lian Development New Energy (Wuxi) Co., Ltd.	Registered capital of RMB478,998,300	The PRC 4 November 2014	41.75%	Engineering design
中設國聯無錫新能源發展有限公司	註冊資本為 人民幣478,998,300元	中國 2014年11月4日	41.75%	工程設計
CMIPC Huajin Casting Co., Ltd.	Registered capital of RMB251,390,000	The PRC 31 March 2015	34%	Metal casting production
山西中設華晉鑄造有限公司	註冊資本為 人民幣251,390,000元	中國 2015年3月31日	34%	金屬鑄造生產
China Machinery Metal Jiangsu Co., Ltd.	Registered capital of RMB100,000,000	The PRC 31 August 2016	25%	Metal manufacturing
國機金屬江蘇有限公司	註冊資本為 人民幣100,000,000元	中國 2016年8月31日	25%	金屬製造

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17. INVESTMENTS IN JOINT VENTURES (CONTINUED)

The following table illustrates the summarised financial information of China National Guo Lian Development New Energy (Wuxi) Co., Ltd.:

17. 對合營公司的投資 (續)

下表列示中設國聯無錫新能源發展有限公司的財務資料概要：

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current assets	流動資產	366,969	302,943
Non-current assets	非流動資產	1,577,953	1,641,707
Current liabilities	流動負債	(193,221)	(414,481)
Non-current liabilities	非流動負債	(983,276)	(912,223)
		768,425	617,946
Non-controlling interests	非控股權益	(80,954)	(87,747)
Total equity attributable to owners of the parent	母公司擁有人應佔權益總額	687,471	530,199
Proportion of the Group's ownership	本集團擁有權比例	41.75%	50%
Group's share of net assets of the joint venture	本集團應佔合營公司的資產淨額	287,019	265,100
Revenue	收入	228,463	214,822
Cost of sales	銷售成本	(104,355)	(95,545)
Expenses	開支	(50,669)	(48,588)
Profit before tax	除稅前溢利	73,439	70,689
Tax	稅項	(4,880)	(110)
Profit after tax	除稅後溢利	68,559	70,579
Other comprehensive income	其他綜合收益	-	-
Total comprehensive income	綜合收益總額	68,559	70,579
Total comprehensive income attributable to owners of the parent	母公司擁有人應佔綜合收益總額	59,341	59,942
Proportion of the Group's ownership	本集團擁有權比例	41.75%	50%
Group's share of profit after tax of the joint venture	本集團應佔合營公司的除稅後溢利	24,537	29,971
Share of total comprehensive income	應佔綜合收益總額	24,537	29,971

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17. INVESTMENTS IN JOINT VENTURES (CONTINUED)

The following table illustrates the summarised financial information of CMIPC Huajin Casting Co., Ltd.:

17. 對合營公司的投資 (續)

下表列示山西中設華晉鑄造有限公司的財務資料概要：

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current assets	流動資產	329,504	371,224
Non-current assets	非流動資產	200,121	207,053
Current liabilities	流動負債	(264,869)	(321,056)
Non-current liabilities	非流動負債	-	-
Net assets	資產淨額	264,756	257,221
Proportion of the Group's ownership	本集團擁有權比例	34%	34%
Group's share of net assets of the joint venture	本集團應佔合營公司的資產淨額	90,017	87,455
Revenue	收入	581,030	497,565
Cost of sales	銷售成本	(511,503)	(437,792)
Expenses	開支	(61,992)	(51,752)
Profit before tax	除稅前溢利	7,535	8,021
Tax	稅項	-	(1,561)
Profit after tax	除稅後溢利	7,535	6,460
Other comprehensive income	其他綜合收益	-	-
Total comprehensive income	綜合收益總額	7,535	6,460
Proportion of the Group's ownership	本集團擁有權比例	34%	34%
Group's share of profit after tax of the joint venture	本集團應佔合營公司的除稅後溢利	2,562	2,196
Share of total comprehensive income	應佔綜合收益總額	2,562	2,196

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17. INVESTMENTS IN JOINT VENTURES (CONTINUED)

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Share of the joint ventures' profit for the year	年內應佔合營公司溢利	726	2,000
Share of the joint ventures' total comprehensive income	應佔合營公司綜合收益總額	726	2,000
Aggregate carrying amount of the Group's investments in the joint ventures	本集團於合營公司投資的賬面總值	28,762	28,035

17. 對合營公司的投資 (續)

下表列示本集團合營公司(個別而言並非重要)的匯總財務資料:

18. INVESTMENTS IN ASSOCIATES

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Share of net assets	應佔資產淨額	1,368,578	1,102,433

The Group's trade receivable and payable balances with the associates are disclosed in notes 22 and 24 to the financial statements, respectively.

18. 對聯營公司的投資

本集團與聯營公司的貿易應收款項及應付款項結餘分別於財務報表附註22及24披露。

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18. INVESTMENTS IN ASSOCIATES (CONTINUED)

Particulars of the associates are as follows:

Name	Particulars of issued shares held	Place and date of registration	Percentage of ownership interest, voting power and profit sharing 所有權權益、投票權及溢利分配百分比	Principal activities 主要業務
名稱	所持有已發行股份詳情	註冊地點及日期		
Engro Powergen Thar (Private) Limited 安格魯塔爾電力公司	PKR12,455,120,000 12,455,120,000 巴基斯坦盧比	Pakistan 23 September 2014 巴基斯坦 2014年9月23日	35%	Power station construction and operation 電站建造及運營
Ningguo Investment Co., Ltd. 寧國中成投資有限公司	RMB5,000,000 人民幣5,000,000元	The PRC 27 March 2014 中國 2014年3月27日	40%	Investment in infrastructure 基礎設施投資
Beijing Union Glory Investment Co., Ltd. 北京中潤偉業投資有限公司	RMB10,000,000 人民幣10,000,000元	The PRC 4 March 1999 中國 1999年3月4日	45%	Investment in infrastructure 基礎設施投資
China National Machinery Industry International Co., Ltd.* 中國機械國際合作股份有限公司	RMB381,971,000 人民幣381,971,000元	The PRC 21 May 1988 中國 1988年5月21日	19.29%	Commercial exhibition and international trade 商業會展與國際貿易
Zhuzhou South Electromechanical Manufacturing Co., Ltd. 株洲南方機電製造有限公司	RMB9,500,000 人民幣9,500,000元	The PRC 31 August 2004 中國 2004年8月31日	21.05%	Accessories manufacturing 配件製造
AIL 1 Pte. Ltd.	SGD4,000,000	Singapore 3 November 2016	20.10%	Investment holding
AIL 1 Pte. Ltd.	4,000,000 新元	新加坡 2016年11月3日	20.10%	投資控股
AIL 1 (FPI) Pte. Ltd.	SGD4,400,000	Singapore 29 March 2017	20.10%	Investment holding
AIL 1 (FPI) Pte. Ltd.	4,400,000 新元	新加坡 2017年3月29日	20.10%	投資控股

18. 對聯營公司的投資 (續)

聯營公司的詳情如下：

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18. INVESTMENTS IN ASSOCIATES (CONTINUED)

18. 對聯營公司的投資 (續)

Name	Particulars of issued shares held	Place and date of registration	Percentage of ownership interest, voting power and profit sharing 所有權權益、投票權及溢利分配百分比	Principal activities 主要業務
名稱	所持有已發行股份詳情	註冊地點及日期		
Beijing Xingqiao International Engineering Technology Co., Ltd. 北京興橋國際工程技術有限公司	RMB50,000,000 人民幣50,000,000元	The PRC 3 January 1994 中國 1994年1月3日	36.00% 36.00%	Professional technical service 專業技術服務
Beijing CLP distance power technology Co., Ltd. 北京中電遠方電力技術有限公司	RMB3,000,000 人民幣3,000,000元	The PRC 20 July 2010 中國 2010年7月20日	30.00% 30.00%	Project management services 項目管理服務
SINOMACH FINANCE Co.,Ltd 國機財務有限責任公司	RMB1,500,000,000 人民幣1,500,000,000元	The PRC 25 January 1989 中國 1989年1月25日	21.99% 21.99%	Financial services 金融服務
JiangSu Pangwo Power Engineering Co., Ltd 江蘇龐沃電力工程有限公司	RMB14,710,000 人民幣14,710,000元	The PRC 29 February 2016 中國 2016年2月29日	32% 32%	Housing industry 住宅行業
Beijing Baoli Real Estate Management Co.,Ltd 北京保利物業管理有限公司	RMB15,000,000 人民幣15,000,000元	The PRC 8 January 2019 中國 2019年1月8日	40% 40%	Real estate 房地產
China Pingmei Shengma Far East Chemical Co., Ltd 中國平煤神馬能源化工集團有限責任公司	RMB450,000,000 人民幣450,000,000元	The PRC 5 December 2018 中國 2018年12月5日	15% 15%	Wholesale industry 批發業

* Although the Group only holds 19.29% equity of China National Machinery Industry International Co., Ltd., the Group can appoint a director for this company. Therefore, the Group has a significant impact on the operation and management of this company, so this company is accounted for as an associate.

* 雖然本集團僅持有中國機械國際合作股份有限公司19.29%的股權，但本集團可以委任該公司的董事，因此本集團對該公司的經營管理有重大影響。因此該公司作為聯營公司入賬。

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18. INVESTMENTS IN ASSOCIATES (CONTINUED)

The following table illustrates the summarised financial information of Engro Powergen Thar (Private) Limited:

18. 對聯營公司的投資 (續)

下表列示安格魯塔爾電力公司的財務資料概要：

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Current assets	流動資產	1,899,545	231,733
Non-current assets	非流動資產	6,860,097	5,517,595
Current liabilities	流動負債	(2,342,961)	(108,607)
Non-current liabilities	非流動負債	(4,824,906)	(4,543,515)
Net assets	資產淨額	1,591,775	1,097,206
Proportion of the Group's ownership	本集團擁有權比例	35%	35%
Group's share of net assets of the associate	本集團應佔聯營公司的 資產淨額	557,121	384,022
Revenue	收入	1,406,952	-
Cost of sales	銷售成本	(1,138,973)	-
Expenses	開支	97,856	227,866
Profit before tax	除稅前溢利	365,835	227,866
Tax	稅項	(209)	(79)
Profit after tax	除稅後溢利	365,626	227,787
Other comprehensive income	其他綜合收益	-	-
Total comprehensive income	綜合收益總額	365,626	227,787
Proportion of the Group's ownership	本集團擁有權比例	35%	35%
Group's share of profit after tax of the associate	本集團應佔聯營公司的 除稅後溢利	127,969	79,725
Share of total comprehensive income	應佔綜合收益總額	127,969	79,725

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18. INVESTMENTS IN ASSOCIATES (CONTINUED)

The following table illustrates the summarised financial information of SINOMACH FINANCE Co.,Ltd:

18. 對聯營公司的投資 (續)

下表列示國機財務有限公司的財務資料概要：

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Total assets	總資產	38,798,323	30,206,774
Total liabilities	負債總額	(35,943,258)	(27,709,824)
Net assets	淨資產	2,855,065	2,496,950
Proportion of the Group's ownership	本集團擁有權比例	21.99%	21.99%
Group's share of net assets of the associate	本集團應佔聯營公司的資產淨額	627,829	549,079
Revenue	收入	902,700	778,885
Cost of sales	銷售成本	(501,190)	(453,046)
Other income/(expenses)	其他收入/(開支)	(18,782)	40,370
Profit before tax	除稅前溢利	382,728	366,209
Tax	稅項	(84,926)	(89,278)
Profit after tax	除稅後溢利	297,802	276,931
Other comprehensive income	其他綜合收益	115,338	(116,519)
Total comprehensive income	綜合收益總額	413,140	160,412
Proportion of the Group's ownership	本集團擁有權比例	21.99%	21.99%
Group's share of profit after tax of the associate	本集團應佔聯營公司的除稅後溢利	65,486	60,897
Share of total comprehensive income	應佔綜合收益總額	90,849	35,275

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18. INVESTMENTS IN ASSOCIATES (CONTINUED)

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

18. 對聯營公司的投資 (續)

下表列示本集團聯營公司(個別而言並非重要)的匯總財務資料:

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Share of the associates' profit/(loss) for the year	年內應佔聯營公司溢利／(虧損)	5,065	(7,556)
Share of the associates' total comprehensive income	應佔聯營公司綜合收益總額	5,065	(7,556)
Aggregate carrying amount of the Group's investments in the associates	本集團於聯營公司投資的賬面總值	183,628	169,332

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19. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

19. 以公允價值計量且其變動計入其他綜合收益的股權投資

		As at 31 December 2019 於2019年 12月31日 RMB'000 人民幣千元	As at 31 December 2018 於2018年 12月31日 RMB'000 人民幣千元
Listed equity investments, at fair value	上市股權投資，按公允價值		
Shenwan Hongyuan Group Co., Ltd.	申萬宏源集團股份有限公司	67,161	53,388
	江蘇寧滬高速公路股份		
Jiangsu Expressway Co., Ltd	有限公司	3,366	2,940
Bank of Beijing Co., Ltd	北京銀行股份有限公司	5,613	5,544
		76,140	61,872
Unlisted equity investments, at fair value	非上市股權投資，按公允價值		
Sinomach Capital Holding Corporation	國機資本控股有限公司	321,145	262,135
Sindh Engro Coal Mining Co., Ltd	安格魯煤炭公司	50,199	34,925
Thar Energy Limited	塔爾電力公司	49,461	26,972
Others	其他	53,714	39,986
		474,519	364,018
		550,659	425,890

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

由於本集團認為該等投資在性質上屬於戰略性，故上述股權投資不可撤銷地被指定為以公允價值計量且其變動計入其他綜合收益。

During the year ended 31 December 2019, the Group received dividends in the amounts of RMB3,300,000 (2018: RMB3,300,000), RMB121,000 (2018: RMB264,000), RMB283,000 (2018: RMB172,000) and RMB118,000 (2018: RMB132,000) from SINOMACH Capital Holding Corporation, Shanghai Baoding Investment Co., Ltd, Bank of Beijing Co., Ltd and Jiangsu Expressway Co., Ltd, respectively.

截至2019年12月31日止年度，本集團收到國機資本控股有限公司、上海寶鼎投資股份有限公司、北京銀行股份有限公司及江蘇寧滬高速公路股份有限公司的股息分別為人民幣3,300,000元（2018年：人民幣3,300,000元）、人民幣121,000元（2018年：人民幣264,000元）、人民幣283,000元（2018年：人民幣172,000元）及人民幣118,000元（2018年：人民幣132,000元）。

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20. INVENTORIES

20. 存貨

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Goods in transit	在途商品	3,119	100,432
Entrusted processing materials	委託加工物資	144,262	188,228
Finished goods	產成品	314,094	285,881
Completed properties held for sale	持作待售已竣工物業	-	11,364
		461,475	585,905
Provision for impairment	減值撥備	(633)	(7,005)
		460,842	578,900

21. CONTRACT ASSETS

21. 合同資產

		31 December	31 December	1 January
		2019	2018	2018
		2019年	2018年	2018年
		12月31日	12月31日	1月1日
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Contract assets arising from:	以下項目產生的 合同資產：			
Construction services	施工服務	5,270,368	4,002,940	5,374,496
		5,270,368	4,002,940	5,374,496
Impairment	減值	(66,983)	(25,107)	(29,576)
		5,203,385	3,977,833	5,344,920

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21. CONTRACT ASSETS (CONTINUED)

Contract assets are initially recognised for revenue earned from contracts with customers for the construction. Upon settlement with the customer, the amounts recognised as contract assets are reclassified to trade receivables. The increase in contract assets in 2019 was the result of the decrease of settlement with the customer at the end of the year.

During the year ended 31 December 2019, RMB41,876,000 (2018: RMB4,469,000) was recognised as an allowance for expected credit losses on contract assets. The Group's trading terms and credit policy with customers are disclosed in note 22 to the financial statements.

As at 31 December 2019, the expected timing of recovery or settlement for contract assets is subject to the specific contracts terms and the progress of the performance obligations.

The movements in the loss allowance for impairment of contract assets are as follows:

21. 合同資產 (續)

合同資產初步就與客戶訂立的建造合同獲得的收入確認。於與客戶結算後，確認為合同資產的金額將重新分類至貿易應收款。2019年合同資產的增加為年底與客戶結算減少所致。

截至2019年12月31日止年度，人民幣41,876,000元已確認為合同資產預期信用損失撥備（2018年：人民幣4,469,000元）。本集團與客戶的交易條款及信用政策於財務報表附註22中披露。

於2019年12月31日，合同資產的預計收回或結算時間受特定合同條款及履約義務進度所限制。

合同資產減值的虧損撥備變動載列如下：

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At beginning of year	於年初	25,107	29,576
Impairment losses	減值虧損	44,791	11,400
Impairment losses reversed	已撥回的減值虧損	(2,915)	(15,869)
At end of year	於年末	66,983	25,107

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21. CONTRACT ASSETS (CONTINUED)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on ageing of trade receivables for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

21. 合同資產 (續)

於各報告日期，均採用撥備矩陣進行減值分析，以計量預期信用損失。計量合同資產之預期信用損失之撥備率乃基於應收貿易款項之預期信用損失，因合同資產及應收貿易款項均來自相同客戶群。合同資產之撥備率乃基於按類似虧損模式將不同客戶分部分類之應收貿易款項的賬齡計算。該計算反映概率加權結果，貨幣時值及於報告日期可得的有關過往事項、當前條件及未來經濟條件預測的合理及可靠資料。

有關本集團採用撥備矩陣計量合同資產之信用風險之資料載列如下：

		2019	2018
		2019年	2018年
Expected credit loss rate	預期信用損失率	1.27%	0.63%
Gross carrying amount (RMB'000)	總賬面值 (人民幣千元)	5,270,368	4,002,940
Expected credit losses (RMB'000)	預期信用損失 (人民幣千元)	66,983	25,107

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22. TRADE AND OTHER RECEIVABLES

22. 貿易及其他應收款項

			2019	2018
			2019年	2018年
		Notes	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Bills receivable	應收票據		241,784	162,411
Trade receivables	貿易應收款項		7,690,695	7,250,344
Long-term trade receivables	長期貿易應收款項		3,406,978	3,371,567
Less: Allowance for doubtful debts	減：呆賬撥備	(b)	(2,194,989)	(1,919,227)
Trade and bills receivables	貿易應收款項及應收票據	(a)	9,144,468	8,865,095
Advances to suppliers	預付供應商款項		2,669,127	3,416,686
Other receivables	其他應收款項		2,684,646	2,659,934
Derivative financial instruments	衍生金融工具		19,036	552
Debt investments	債權投資		2,751,962	598,581
Less: Allowance for doubtful debts	減：呆賬撥備	(b)	(115,798)	(114,643)
			5,339,846	3,144,424
Total	總計		17,153,441	15,426,205
Portion classified as non-current assets	分類為非流動資產的部分		(6,537,503)	(3,905,768)
Current portion	流動部分		10,615,938	11,520,437

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22. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Ageing analysis

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

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

There are no unified standard credit terms granted to customers of the construction contracts, trading business and services business. The credit terms granted to customers of the construction contracts 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 and services business are normally about three to six months. The bills receivable are generally due within 180 days from the date of issuance. The Group's credit policy is set out in note 37(a).

22. 貿易及其他應收款項 (續)

(a) 賬齡分析

根據發票日期，於報告期末的貿易應收款項及應收票據經扣除虧損撥備的賬齡分析如下：

	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Within 3 months	5,710,029	5,820,715
3 months to 6 months	761,387	299,755
6 months to 1 year	1,022,380	1,297,292
Over 1 year	1,650,672	1,447,333
	9,144,468	8,865,095

建造合同、貿易業務及服務業務的客戶並無獲授統一標準信用期。授予建造合同業務客戶的信用期乃按個別情況逐次獨立協定，並載列於有關合同內。授予貿易業務及服務業務客戶的信用期一般約為三至六個月。應收票據一般於發行日期起計180日內到期。本集團的信用政策載於附註37(a)。

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22. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Impairment of trade and other receivables

The movements in the loss allowance for impairment of trade and other receivables are as follows:

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At beginning of year	於年初	2,033,870	1,415,246
Impairment losses recognised	已確認的減值虧損	497,535	678,248
Impairment losses reversed	已撥回的減值虧損	(152,247)	(48,113)
Amount written off as uncollectible	撤銷不可收回的金額	(60,656)	(11,511)
Other	其他	(7,715)	-
At end of year	於年末	2,310,787	2,033,870

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing of trade receivables for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

22. 貿易及其他應收款項 (續)

(b) 貿易及其他應收款項減值

貿易及其他應收款項減值虧損撥備的變動如下：

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At beginning of year	於年初	2,033,870	1,415,246
Impairment losses recognised	已確認的減值虧損	497,535	678,248
Impairment losses reversed	已撥回的減值虧損	(152,247)	(48,113)
Amount written off as uncollectible	撤銷不可收回的金額	(60,656)	(11,511)
Other	其他	(7,715)	-
At end of year	於年末	2,310,787	2,033,870

於各報告日期採用撥備矩陣進行減值分析，以計量預期信用損失。撥備率乃基於具有類似虧損模式的多個客戶分類組別的貿易應收款項的賬齡釐定。該計算反映概率加權結果，貨幣時值及於報告日期可得的有關過往事項、當前條件及未來經濟條件預測的合理及可靠資料。

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22. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

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

As at 31 December 2019

		Gross carrying amount 總賬面值 (RMB'000) (人民幣千元)	Expected credit losses 預期信用損失 (RMB'000) (人民幣千元)	Expected credit loss rate 預期信用損失率
Within 1 year	一年內	3,795,157	16,091	0.42%
1 year to 2 years	一年至兩年	1,037,297	32,045	3.09%
2 years to 3 years	兩年至三年	172,907	24,847	14.37%
Over 3 years	超過三年	391,376	302,568	77.31%
		5,396,737	375,551	

As at 31 December 2018

		Gross carrying amount 總賬面值 (RMB'000) (人民幣千元)	Expected credit losses 預期信用損失 (RMB'000) (人民幣千元)	Expected credit loss rate 預期信用損失率
Within 1 year	一年內	3,457,528	34,951	1.01%
1 year to 2 years	一年至兩年	637,546	20,237	3.17%
2 years to 3 years	兩年至三年	163,393	27,352	16.74%
Over 3 years	超過三年	399,944	332,530	83.14%
		4,658,411	415,070	

22. 貿易及其他應收款項 (續)

(b) 貿易及其他應收款項減值 (續)

下表使用撥備矩陣載列有關本集團貿易應收款項信用風險狀況的資料：

於2019年12月31日

於2018年12月31日

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22. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
SINOMACH	國機	449,964	902,995
Fellow subsidiaries	同系附屬公司	23,411	52,367
Associates	聯營公司	6,894	7,941
Joint venture	合營公司	244	299
		480,513	963,602

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 31 December 2019 and 31 December 2018, none of the Group's borrowings were secured by the Group's trade receivables.

22. 貿易及其他應收款項 (續)

- (c) 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:

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
SINOMACH	國機	449,964	902,995
Fellow subsidiaries	同系附屬公司	23,411	52,367
Associates	聯營公司	6,894	7,941
Joint venture	合營公司	244	299
		480,513	963,602

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用期償還。

- (d) 於2019年12月31日及2018年12月31日，本集團概無由本集團貿易應收款項作為抵押的借貸。

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23. CASH AND CASH EQUIVALENTS AND RESTRICTED DEPOSITS

23. 現金及現金等價物及受限制存款

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	22,601,767	27,609,286
Less: Restricted deposits	減：受限制存款	(1,228,663)	(1,211,805)
Cash and cash equivalents in the consolidated statement of financial position	於合併財務狀況表的現金及現金等價物	21,373,104	26,397,481
Less: Non-pledged time deposits with original maturity of over three months when acquired	減：獲取時原到期日為三個月以上的無抵押定期存款	(5,811,624)	(5,013,871)
Cash and cash equivalents in the statement of financial position and in the consolidated statement of cash flows	於財務狀況表及合併現金流量表的現金及現金等價物	15,561,480	21,383,610

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to RMB12,304,178,000 (2018: RMB15,536,562,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and restricted deposits are deposited with creditworthy banks with no recent history of default.

截至報告期末，本集團以人民幣（「人民幣」）計值的現金及銀行結餘為人民幣12,304,178,000元（2018年：人民幣15,536,562,000元）。人民幣不可自由兌換成其他貨幣。然而，根據中國大陸《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團可透過獲授權經營外匯業務的銀行將人民幣兌換成其他貨幣。

銀行存款按每日銀行存款利率的浮動利率計息。短期定期存款的存款期介乎一日至三個月，視乎本集團的即時現金需求而定，並按相關短期定期存款利率計息。銀行結餘及受限制存款存放於近期無拖欠記錄且信譽良好的銀行。

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24. TRADE AND OTHER PAYABLES

24. 貿易及其他應付款項

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Bills payable	應付票據	168,658	137,157
Trade payables	貿易應付款項	15,282,324	16,538,909
		15,450,982	16,676,066
Accrued salaries, wages and benefits	應計薪金、工資及福利	779,462	843,845
Other taxes payable	其他應繳稅項	188,424	232,599
Long-term payables	長期應付款項	139,447	267,435
Long-term payables due within one year	一年內到期之長期應付款項	588,014	789,582
Derivative financial instruments	衍生金融工具	37,796	53,741
Other payables	其他應付款項	3,337,465	3,695,280
		20,521,590	22,558,548
Less: Portion classified as current liabilities	減：分類為流動負債的部分	(19,653,953)	(21,811,779)
Non-current portion	非流動部分	867,637	746,769

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24. TRADE AND OTHER PAYABLES (CONTINUED)

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

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 3 months	3個月以內	6,050,888	5,627,392
3 months to 6 months	3個月至6個月	675,672	739,826
6 months to 1 year	6個月至1年	1,884,214	1,819,844
Over 1 year	1年以上	6,840,208	8,489,004
		15,450,982	16,676,066

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

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

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
SINOMACH	國機	3,903	101,514
Fellow subsidiaries	同系附屬公司	515,792	840,214
Joint ventures	合營公司	50,809	36,797
Associates	聯營公司	24,850	32,261
		595,354	1,010,786

24. 貿易及其他應付款項 (續)

根據發票日期，於報告期末的應付票據及貿易應付款項的賬齡分析如下：

貿易應付款項不計息，通常於協定期間內支付且通常於180日內到期。應付票據通常於發行日期起計180日內到期。

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

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25. CONTRACT LIABILITIES

25. 合同負債

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Contract liabilities	合同負債	13,612,370	14,941,065

Details of contract liabilities are as follows:

合同負債詳情如下：

		31 December	31 December	1 January
		2019	2018	2018
		2019年	2018年	2018年
		12月31日	12月31日	1月1日
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Advances received from customers	已收客戶預付款項			
Construction contracts	建造合同	12,008,481	13,297,241	14,179,418
Trading business	貿易業務	885,400	1,278,097	1,257,052
Services business	服務業務	718,489	365,727	359,888
Total contract liabilities	合同負債總額	13,612,370	14,941,065	15,796,358

Contract liabilities include advances received to deliver products and construction and management services. The decrease in contract liabilities in 2019 was mainly due to the decrease in advances received from customers in relation to the provision of construction services at the end of the year.

合同負債包括就交付產品以及提供建築及管理服務而收到的預付款項。2019年的合同負債減少主要是由於年末提供建築服務有關的已收客戶預付款項減少所致。

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26. BORROWINGS

26. 借貸

		2019 2019年			2018 2018年		
		Effective interest rate (%) 實際利率(%)	Maturity 到期日	RMB'000 人民幣千元	Effective interest rate (%) 實際利率(%)	Maturity 到期日	RMB'000 人民幣千元
Current	流動						
Short term bank loans:	短期銀行貸款：						
– Unsecured	– 無擔保	3.00-5.05	2020 2020年	196,250	3.00-6.00	2019 2019年	640,164
– Secured	– 有擔保	3.30-7.24	2020 2020年	239,106	3.29-5.44	2019 2019年	228,450
Current portion of long term bank loans:	長期銀行貸款的 流動部分：		2020 2020年			2019 2019年	
– Unsecured	– 無擔保	1.55	2020 2020年	262	1.55-1.98	2019 2019年	1,189
– Secured	– 有擔保	5.14	2020 2020年	8,600	5.13	2019 2019年	8,600
				444,218			878,403
Non-current	非流動						
Long term bank loans:	長期銀行貸款：						
– Unsecured	– 無擔保	1.00-4.90	2020-2029 2020年-2029年	72,547	1.00-4.90	2020-2029 2020年-2029年	59,782
– Secured	– 有擔保	5.14	2020-2025 2020年-2025年	38,540	5.13	2020-2025 2020年-2025年	46,574
				111,087			106,356
				555,305			984,759

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26. BORROWINGS (CONTINUED)

26. 借貸 (續)

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Bank loans repayable:	應償還銀行貸款：		
Within one year	一年以內	444,218	878,403
In the second year	第二年	20,823	67,407
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	57,872	26,775
Over five years	五年以上	32,392	12,174
		555,305	984,759

Notes:

- (a) As at 31 December 2019, certain borrowings of RMB74,454,000 (31 December 2018: RMB79,084,000) were secured by the Group's property, plant and equipment (note 13), which included borrowings of RMB47,140,000 secured by property, plant and equipment as mentioned in note 26(d) below.
- (b) As at 31 December 2019, certain borrowings of RMB211,511,000 (31 December 2018: RMB204,540,000) were guaranteed by the Company.
- (c) As at 31 December 2019, certain borrowings of RMB281,000 (31 December 2018: Nil) were secured by the Group's bills receivable.
- (d) As at 31 December 2019, certain borrowings of RMB47,140,000 (31 December 2018: RMB55,174,000) were secured by certain of the Group's property, plant and equipment, investment properties, and right-of-use assets (note 13, note 14 and note 15).

附註：

- (a) 於2019年12月31日，若干借貸人民幣74,454,000元（2018年12月31日：人民幣79,084,000元）由本集團的物業、廠房及設備作為抵押，其中包括以下附註26(d)中提及的由本集團的物業、廠房及設備作為抵押的借貸人民幣47,140,000元（附註13）。
- (b) 於2019年12月31日，若干借貸人民幣211,511,000元（2018年12月31日：人民幣204,540,000元）由本公司作擔保。
- (c) 於2019年12月31日，若干借貸人民幣281,000元（2018年12月31日：無）由本集團的應收票據作為質押。
- (d) 於2019年12月31日，若干借貸人民幣47,140,000元（2018年12月31日：人民幣55,174,000元）由本集團若干物業、廠房及設備、投資物業以及使用權資產作為抵押（附註13、附註14和附註15）。

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27. DEFERRED TAX

Deferred tax assets

		Provision for impairment of assets	Construction contracts	Provisions and accruals	Changes in fair value of derivative financial instruments	Surplus on revaluation of non-current assets	Others	Total
		資產減值撥備	建造合同	撥備及 應計費用	衍生金融工具 公允價值變動	非流動資產 重估盈餘	其他	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2019	於2019年1月1日	431,226	90,760	151,610	13,456	(153,539)	27,688	561,201
Deferred tax credited/(charged) to the statement of profit or loss during the year	年內於損益表中計入/ (扣除)的遞延稅項	96,046	46,706	(28,994)	(8,857)	20,085	(30,944)	94,042
Gross deferred tax assets at 31 December 2019	於2019年12月31日 遞延稅項資產總額	527,272	137,466	122,616	4,599	(133,454)	(3,256)	655,243
At 1 January 2018	於2018年1月1日	341,082	21,841	163,261	2,759	(153,539)	1,379	376,783
Deferred tax credited/(charged) to the statement of profit or loss during the year	年內於損益表中計入/ (扣除)的遞延稅項	90,144	68,919	(11,651)	10,697	-	22,878	180,987
Deferred tax credited to other comprehensive income	於其他綜合收益中計入 的遞延稅項	-	-	-	-	-	3,431	3,431
Gross deferred tax assets at 31 December 2018	於2018年12月31日 遞延稅項資產總額	431,226	90,760	151,610	13,456	(153,539)	27,688	561,201

27. 遞延稅項

遞延稅項資產

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27. DEFERRED TAX (CONTINUED)

Deferred tax assets (continued)

Deferred tax assets have not been recognised in respect of the following items:

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Tax losses	稅項虧損	66,933	64,440
Other deductible temporary differences	其他可抵扣暫時差額	574,717	578,613
		641,650	643,053

Deferred tax liabilities

27. 遞延稅項 (續)

遞延稅項資產 (續)

尚未就下列項目確認遞延稅項資產：

		Withholding taxes 預扣稅金 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019	於2019年1月1日	50,247	44,113	94,360
Deferred tax charged/(credited) to the statement of profit or loss during the year	年內於損益表中扣除/(計入)的遞延稅項	15,285	(5,848)	9,437
Deferred tax debited to other comprehensive income	於其他綜合收益中扣除的遞延稅項	-	3,202	3,202
Gross deferred tax liabilities at 31 December 2019	於2019年12月31日遞延稅項負債總額	65,532	41,467	106,999
At 1 January 2018	於2018年1月1日	42,813	59,160	101,973
Deferred tax charged/(credited) to the statement of profit or loss during the year	年內於損益表中扣除/(計入)的遞延稅項	7,434	(16,730)	(9,296)
Deferred tax debited to other comprehensive income	於其他綜合收益中扣除的遞延稅項	-	1,683	1,683
Gross deferred tax liabilities recognised in the consolidated statement of financial position at 31 December 2018	於2018年12月31日於合併財務狀況表中確認之遞延稅項負債總額	50,247	44,113	94,360

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28. DEFINED BENEFIT OBLIGATIONS

The Group's obligations in respect of defined benefit retirement plans at the end of the reporting period were computed by a firm of independent actuaries, Towers Watson Management Consulting (Shenzhen) Co., Ltd. Beijing Branch ("Towers Watson"), using the projected unit credit method.

(a) The provisions for defined benefit obligations recognised in the statement of financial position are shown as follows:

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Retirement and other supplemental benefit obligations	退休及其他補充受益義務	478,141	495,498
Less: Portion classified as current liabilities	減：分類為流動負債的部分	38,170	33,114
Non-current portion	非流動部分	439,971	462,384

(b) The movements in present value of defined benefit obligations are as follows:

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At the beginning of year	於年初	495,498	485,576
Interest cost on benefit obligations	受益義務的利息成本	15,190	18,430
Past service costs	以往服務成本	1,520	6,460
Benefits paid during the year	年內的已付福利	(34,707)	(34,328)
Remeasurement losses recognised in other comprehensive income	於其他綜合收益內確認的重新計量虧損	640	19,360
At the end of the year	於年末	478,141	495,498

28. 設定受益義務

本集團於報告期末就該等設定受益退休計劃須承擔的責任由獨立精算師韜睿惠悅管理諮詢(深圳)有限公司北京分公司(「韜睿惠悅諮詢公司」)採用預計單位貸記法計算。

(a) 於財務狀況表內確認的設定受益義務撥備列示如下：

(b) 設定受益義務現值變動如下：

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28. DEFINED BENEFIT OBLIGATIONS (CONTINUED)

(c) The net expenses recognised in profit or loss in respect of the provisions for defined benefit obligations of the Group are as follows:

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interest cost on defined benefit obligations recognised in finance expenses	於財務開支內確認的設定受益義務的利息成本	15,190	18,430
Past service cost recognised in administrative expenses	於行政開支內確認的以往服務成本	1,520	6,460
		16,710	24,890

(d) The principal actuarial assumptions used in valuing the provisions for defined benefit obligations as at the end of 2019 and 2018 are as follows:

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Discount rates	折現率	3.25%	3.25%
Cost of living adjustment for civil retirees and retirees	離退休人員生活成本調整	3.00%	3.00%
Cost of living adjustment for beneficiaries	遺屬生活成本調整	0.00%	0.00%
Medical cost increase rate	醫療成本增長率	8.00%	8.00%
Cost of living adjustment and allowance for early retirees	提前退休人員生活成本調整及撥備	4.50%	4.50%
Cost of social insurance contribution and housing fund contribution adjustment for early retirees	提前退休人員社會保險繳費及住房公積金成本調整	10.00%	10.00%

28. 設定受益義務 (續)

(c) 本集團於損益內就設定受益義務撥備而確認的開支淨額如下：

	2019	2018
	2019年	2018年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Interest cost on defined benefit obligations recognised in finance expenses	15,190	18,430
Past service cost recognised in administrative expenses	1,520	6,460
	16,710	24,890

(d) 估算於2019年及2018年末的設定受益義務撥備所使用的主要精算假設如下：

	2019	2018
	2019年	2018年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Discount rates	3.25%	3.25%
Cost of living adjustment for civil retirees and retirees	3.00%	3.00%
Cost of living adjustment for beneficiaries	0.00%	0.00%
Medical cost increase rate	8.00%	8.00%
Cost of living adjustment and allowance for early retirees	4.50%	4.50%
Cost of social insurance contribution and housing fund contribution adjustment for early retirees	10.00%	10.00%

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28. DEFINED BENEFIT OBLIGATIONS (CONTINUED)

(e) A one percentage change in the assumed rate of increase in cost of living adjustment for civil retirees and retirees would have the following effects:

		Increase/ (decrease) in rate 增長率 上升/(下降)	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Increase in effect on the defined benefit obligations	對設定受益義務的影響增加	1%	20,850	21,722
Decrease in effect on the defined benefit obligations	對設定受益義務的影響減少	(1%)	(18,316)	(19,050)

A one percentage change in other assumptions would not have any significant impact on net defined benefit obligations.

(f) Expected distributions of benefit payments in the future years out of the defined benefit obligations are as follows:

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Within the next 12 months	未來12個月內	38,165	39,005
Between 1 and 2 years	1至2年	37,254	38,043
Between 2 and 5 years	2至5年	105,558	108,272
Between 5 and 10 years	5至10年	150,915	157,034
Over 10 years	10年以上	364,602	385,710
Total expected payments	預期付款總額	696,494	728,064

The average duration of the defined benefit obligations at the end of the reporting period was 9 years (2018: 9 years).

28. 設定受益義務 (續)

(e) 假設離退休人員生活成本調整增長率變動一個百分點的影響如下：

其餘假設內變動一個百分點將不會對設定受益義務淨額造成重大影響。

(f) 未來年度內從設定受益義務中預期支付的福利如下：

於報告期末設定受益義務的平均久期為9年(2018年：9年)。

Notes to the Financial Statements

財務報表附註

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29. ISSUED CAPITAL

29. 已發行股本

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Ordinary shares, issued and fully paid	已發行及繳足的普通股		
Domestic shares of RMB1.00 each	每股人民幣1.00元的 內資股	3,217,430	3,217,430
H shares of RMB1.00 each	每股人民幣1.00元的H股	908,270	908,270
		4,125,700	4,125,700

30. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 230 to 231 of the financial statements.

30. 儲備

本集團於本年度及過往年度的儲備金額及其變動於該等財務報表第230頁至第231頁中的合併權益變動表內呈列。

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財務報表附註

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31. BUSINESS COMBINATIONS

(a) Business combination

On 7 January 2019, the Group acquired a 55% equity interest in CERIECO RUBBER (THAILAND) CO., LTD at a total cash consideration of RMB27,880,000. The acquisition has been accounted for using the acquisition method. The consolidated financial statements include the results of CERIECO RUBBER (THAILAND) CO., LTD for the period from the acquisition date.

The fair values of the identifiable assets and liabilities of CERIECO RUBBER (THAILAND) CO., LTD as at the date of acquisition were as follows:

31. 業務合併

(a) 非同一控制下的企業合併

本集團於2019年1月7日以人民幣27,880,000元的總現金代價收購CERIECORUBBER (THAILAND) CO., LTD的55%股權。該收購乃採用購買法列賬。合併財務報表包括CERIECORUBBER (THAILAND) CO., LTD自收購日期起的業績。

CERIECORUBBER (THAILAND) CO., LTD於收購日期的可識別資產及負債的公允價值如下：

		Upon acquisition date 於收購日期 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	64,051
Other non-current assets	其他非流動資產	233
Inventories	存貨	8,386
Trade and other receivables	貿易及其他應收款項	34,783
Cash and cash equivalents	現金及現金等價物	102,637
Borrowings	借貸	(164)
Contract liabilities	合同負債	(1,920)
Trade and other payables	貿易及其他應付款項	(148,996)
		<hr/>
Total identifiable net assets at fair value	按公允價值呈列的可識別淨資產總額	59,010
		<hr/>
Non-controlling interests	非控股權益	(26,553)
Gain on bargain purchase recognised in other income	於其他收入確認的議價購買收益	(4,577)
		<hr/>
Satisfied by cash	以現金支付	27,880
		<hr/>
Analysis of cash flows on acquisition:	收購現金流量分析：	
Net cash acquired with the subsidiary (included in cash flows from investing activities)	收購附屬公司的現金淨額 (計入投資活動所得現金流)	102,637
Cash paid	已付現金	(27,880)
		<hr/>
Net cash flow on acquisition	收購時的現金流淨額	74,757

Notes to the Financial Statements

財務報表附註

31 December 2019 • 2019年12月31日

31. BUSINESS COMBINATIONS (CONTINUED)

(b) Business combination under common control

On 4 April 2018, the Group acquired a 100% equity interest in China National Electric Engineering Co., Ltd. (CNEEC) at a total cash consideration of RMB1,980,031,000. The Company and CNEEC were under the common control of SINOMACH both before and after the acquisition, and such control was not transitory. Thus, the acquisition was considered to be a business combination under common control. The acquisition date was 4 April 2018, which was determined by the date of equity transfer. Accordingly, the consolidated statement of profit or loss and the consolidated statement of comprehensive income included the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under common control, where this is a shorter period, regardless of the date of the common control combination. The net assets of the combining entities or businesses were combined using the existing book values from the controlling parties' perspective. No amount was recognised in consideration for goodwill or excess of the acquirers' interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of the common control combination, to the extent of the continuation of the controlling party's interest.

The carrying amounts of the consolidated assets and liabilities of CNEEC and its subsidiaries as at the acquisition date and the comparative financial figures were as follows:

31. 業務合併 (續)

(b) 同一控制下的業務合併

本集團於2018年4月4日以人民幣1,980,031,000元的總現金代價收購中國電力工程有限公司(「中電工」)的100%股權。收購前後，本公司與中電工均受國機在同一控制，且控制權並非暫時。因此，該收購被視為同一控制下的業務合併。收購日期為2018年4月4日，乃根據股權轉讓日期釐定。因此，合併損益表及合併綜合收益表包括財務報表最早列報日或者合併實體或業務開始受同一控制之日起計的期間(以較短期間為準)各合併實體或業務的業績，而不論同一控制合併的日期。被合併實體或業務的淨資產以控制方而言所存在的賬面值合併。在控制方之權益持續之情況下，於同一控制合併中並無就商譽或收購方應佔被收購方可識別資產、負債及或有負債的公允淨值超過於收購成本的金額予以確認。

中電工及其附屬公司於收購日期的合併資產及負債的賬面值以及比較財務數據如下：

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財務報表附註

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31. BUSINESS COMBINATIONS (CONTINUED)

31. 業務合併 (續)

(b) Business combination under common control (continued)

(b) 同一控制下的業務合併 (續)

		Upon acquisition date 於收購 日期 RMB'000 人民幣千元	As at 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	375,043	378,471
Investment properties	投資物業	48,624	49,388
Prepaid land lease payments	預付土地租賃款項	14,452	14,556
Intangible assets	無形資產	443,463	448,369
Investment in an associate	對聯營公司的投資	21,972	22,448
Other non-current assets	其他非流動資產	–	96,764
Non-current financial assets	非流動金融資產	158,729	–
Deferred tax assets	遞延稅項資產	31,751	27,829
Inventories	存貨	23,168	17,677
Current trade and other receivables	流動貿易及其他應收 款項	907,105	837,017
Amounts due from contract customers	應收合同客戶款項	–	1,810,635
Contract assets	合同資產	2,022,129	–
Other current financial assets	其他流動金融資產	150,000	–
Restricted deposits	受限制存款	177,865	184,574
Time deposits with original maturity over three months	原始到期日超過三個月 的定期存款	1,315,884	1,751,828
Cash and cash equivalents	現金及現金等價物	2,639,799	3,012,988
Receipts in advance	預收款項	–	(2,916,322)
Contract liabilities	合同負債	(3,190,384)	–
Current trade and other payables	流動貿易及其他應付 款項	(4,127,551)	(4,521,857)
Current defined benefit obligations	流動設定受益義務	(8,190)	(8,190)
Tax payable	應繳稅項	(19,296)	(24,391)
Non-current trade and other payables	非流動貿易及其他 應付款項	(8,470)	(74,618)
Non-current defined benefit obligations	非流動設定受益義務	(87,610)	(90,380)
Deferred tax liabilities	遞延稅項負債	(61,126)	(46,466)
Non-controlling interests	非控股權益	(6,972)	(7,367)
Total identifiable net assets at carrying amounts, net of non-controlling interests	按賬面值呈列的可識別 淨資產總額，扣減 非控股權益	820,385	962,953
Surplus of consideration over net asset carrying value	代價較資產賬面淨值的 盈餘	1,159,646	
Satisfied by cash	以現金支付	1,980,031	

Notes to the Financial Statements

財務報表附註

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32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

32. 合併現金流量表附註

(a) Changes in liabilities arising from financing activities

(a) 融資活動所產生的負債變動

		Borrowings	Other long-term payables	Dividends payable	Interest payable	Lease liabilities
		借貨	其他長期應付款項	應付股息	應付利息	租賃負債
2019		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2019年		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2019	於2019年1月1日	984,759	100,581	3,643	1,918	-
Effect of adoption of IFRS 16	採納國際財務報告準則第16號的影響	-	-	-	-	85,759
At 1 January 2019 (restated)	於2019年1月1日 (重述)	984,759	100,581	3,643	1,918	85,759
Changes from financing cash flows	融資現金流量變動	(429,454)	(20,523)	(857,131)	(51,368)	(38,313)
Interest expense	利息開支	-	-	-	51,015	3,148
Declaration of dividends	宣派股息	-	-	852,782	-	-
Declaration of dividends to non-controlling shareholders	向非控股股東宣派股息	-	-	2,219	-	-
Foreign exchange movement	外匯變動	-	-	-	-	80
New leases	新租賃	-	-	-	-	16,706
Interest paid classified as operating cash flows	分類為經營現金流之已付利息	-	-	-	-	(3,148)
At 31 December 2019	於2019年12月31日	555,305	80,058	1,513	1,565	64,232

Notes to the Financial Statements

財務報表附註

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32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

32. 合併現金流量表附註(續)

(a) Changes in liabilities arising from financing activities (continued)

(a) 融資活動所產生的負債變動(續)

		Borrowings	Other long-term payables	Dividends payable	Interest payable
		借貸	其他長期應付款項	應付股息	應付利息
2018		RMB'000	RMB'000	RMB'000	RMB'000
2018年		人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018 (Restated)	於2018年1月1日 (重述)	916,369	90,000	1,213	1,116
Changes from financing cash flows	融資現金流量變動	68,390	10,581	(849,234)	(170,416)
Interest expenses on borrowings	借貸利息開支	–	–	–	171,218
Declaration of dividends	宣派股息	–	–	849,483	–
Declaration of dividends to non-controlling shareholders	向非控股股東宣派股息	–	–	2,181	–
At 31 December 2018	於2018年12月31日	984,759	100,581	3,643	1,918

Notes to the Financial Statements

財務報表附註

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32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

Within operating activities	於經營活動內
Within financing activities	於融資活動內

32. 合併現金流量表附註 (續)

(b) 租賃現金流出總額

現金流量表中租賃現金流出總額如下：

2019
2019年
RMB'000
人民幣千元

28,377
38,313

66,690

33. CONTINGENT LIABILITIES

Legal contingencies

The Company and certain subsidiaries of the Group are defendants in certain lawsuits as well as the named parties in other proceedings arising in the normal course of business. As at the date of approval of the financial statements, the outcomes of such contingencies, lawsuits or other proceedings cannot be determined. The directors of the Company, in combination with the legal advice issued by the attorneys and the information available as at the date of the approval of the financial statements, believe that any resulting liabilities will not have a material adverse impact on the financial position, liquidity, or operating results of the Group.

33. 或有負債

法律或有事件

在正常業務過程中，本公司及本集團的若干附屬公司為某些訴訟中的被告及在其他法律程序的被點名方。截至本財務報表批准報出日，仍未能確定該類或有事件、訴訟或其他法律程序的結果。本公司董事結合代理律師出具的法律意見以及截至本財務報表批准報出日所掌握的信息等，相信任何可能由此引起的負債不會對本集團的財務狀況、流動資金或經營業績產生重大不利影響。

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財務報表附註

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34. COMMITMENTS

- (a) The Group had the following capital commitments at the end of the reporting period:

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Contracted, but not provided for:	已訂約但未撥備：		
Buildings	樓宇	622,255	690,162
Capital contributions in respect of associates and equity investments	對聯營公司及股權投資的資本投入	69,676	281,011
		691,931	971,173

- (b) **Operating lease commitments as at 31 December 2018**

The Group leased certain of its office properties and office equipment under operating lease arrangements. Leases for properties and office equipment were negotiated for terms ranging from 1 to 3 years.

At 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2018
		2018年
		RMB'000
		人民幣千元
Within one year	一年以內	21,578
In the second to fifth years, inclusive	第二年至第五年（包括首尾兩年）	4,890
		26,468

34. 承擔

- (a) 本集團於報告期末擁有以下資本承擔：

	2019	2018
	2019年	2018年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Contracted, but not provided for:		
Buildings	622,255	690,162
Capital contributions in respect of associates and equity investments	69,676	281,011
	691,931	971,173

- (b) **於2018年12月31日的經營租賃承擔**

本集團根據經營租賃安排承租若干辦公室物業及辦公設備。該等物業及辦公設備的議定期限介乎一至三年。

於2018年12月31日，本集團根據不可撤銷經營租賃到期應付的未來最低租金總額如下：

	2018
	2018年
	RMB'000
	人民幣千元
Within one year	21,578
In the second to fifth years, inclusive	4,890
	26,468

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財務報表附註

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35. RELATED PARTY TRANSACTIONS

- (a) The transactions below were conducted in the ordinary course of business of the Group and are in accordance with the terms agreed between the Group and its related parties:

35. 關聯方交易

- (a) 下列交易乃於本集團一般業務過程中根據本集團與其關聯方議定的條款進行：

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Receipt of engineering services and products from	接受來自於下列各方的工程服務及產品		
– Fellow subsidiaries*	– 同系附屬公司*	253,648	141,050
– Associates	– 聯營公司	–	783
Provision of engineering services and products to	向下列各方提供工程服務及產品		
– SINOMACH*	– 國機*	1,200,326	1,257,792
– Joint venture	– 合營公司	9,366	67,865
– Associates	– 聯營公司	364,040	1,555,712
– Fellow subsidiaries*	– 同系附屬公司*	13,728	5,978
Provision of integrated services to	向下列各方提供綜合服務		
– Fellow subsidiaries*	– 同系附屬公司*	31,988	124,197
– Associate (also a fellow subsidiary)*	– 聯營公司(同時是同系附屬公司)*	3	790
– Joint venture	– 合營公司	419	1,265
Net deposit placed with	於下列各方的存款淨額		
– Associate (also a fellow subsidiary)*	– 聯營公司(同時是同系附屬公司)*	12,074	(572,362)
Interest income received from	向下列各方收取的利息收入		
– Associate (also a fellow subsidiary)	– 聯營公司(同時是同系附屬公司)	82,092	65,759

* These related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

* 該等關聯方交易亦構成關連交易或持續關連交易(定義見上市規則第14A章)。

Notes to the Financial Statements

財務報表附註

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35. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Outstanding balances with related parties:

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cash deposits placed with	於下列各方的現金存款		
– Associate (also a fellow subsidiary)	– 聯營公司(同時是同系 附屬公司)	3,893,603	3,881,529
Trade and other receivables due from	應收下列各方的貿易及其他 應收款項		
– SINOMACH	– 國機	449,964	902,995
– Fellow subsidiaries	– 同系附屬公司	23,411	52,367
– Associates	– 聯營公司	6,894	7,941
– Joint venture	– 合營公司	244	299
Contract liabilities	合同負債		
– SINOMACH	– 國機	152,161	706,475
– Fellow subsidiaries	– 同系附屬公司	1,532	2,461
– Associates	– 聯營公司	510	62,377
Trade and other payables due to	欠付下列各方的貿易及其他 應付款項		
– SINOMACH	– 國機	3,903	101,514
– Fellow subsidiaries	– 同系附屬公司	515,792	840,214
– Associates	– 聯營公司	24,850	32,261
– Joint ventures	– 合營公司	50,809	36,797
Prepayments due to	欠付下列各方的預付款項		
– Fellow subsidiaries	– 同系附屬公司	69,836	87,393
– Associates	– 聯營公司	–	10,465
– Joint ventures	– 合營公司	10,368	26,184

Note:

Except for the balances of cash deposits placed with a fellow subsidiary which accrue interest at relevant market rates, the balances due from related parties are unsecured, interest-free and have no fixed terms of repayment.

As at 31 December 2019, the Group has granted guarantees to the extent of RMB347,353,000 (31 December 2018: RMB383,853,000) for securing bank loans of a joint venture.

35. 關聯方交易(續)

(b) 關聯方的結欠餘額：

附註：

除於一家同系附屬公司的現金存款結餘按相關市場利率計息外，應收關聯方的結餘均無擔保、不計息且並無固定還款期。

截至2019年12月31日，本集團對一家合營公司的銀行貸款作出達致人民幣347,353,000元(2018年12月31日：人民幣383,853,000元)的擔保。

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35. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Compensation of key management personnel of the Group:

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Short term employee benefits	短期僱員福利	15,202	17,479
Post-employment benefits	離職後福利	531	653
Total compensation paid to key management personnel	向主要管理人員支付的薪酬總額	15,733	18,132

Further details of directors' and the chief executive's emoluments are included in note 7 to the financial statements.

董事及行政總裁酬金的進一步詳情載於財務報表附註7。

(d) Commitments with related parties

As at 31 December 2019, the Group entered into several sale and purchase agreements with related parties. The commitments and backlogs are as follows:

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Receipt of engineering services and products from	接受來自於下列各方的工程服務及產品		
– Fellow subsidiaries	– 同系附屬公司	3,030,639	2,453,307
Provision of engineering services to	向下列各方提供工程服務		
– SINOMACH	– 國機	2,659,667	3,549,728
– Associate	– 聯營公司	318,677	666,938

35. 關聯方交易 (續)

(c) 本集團主要管理人員的薪酬：

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Short term employee benefits	短期僱員福利	15,202	17,479
Post-employment benefits	離職後福利	531	653
Total compensation paid to key management personnel	向主要管理人員支付的薪酬總額	15,733	18,132

董事及行政總裁酬金的進一步詳情載於財務報表附註7。

(d) 關聯方承諾

於2019年12月31日，本集團與關聯方訂立若干買賣協議。有關承諾及未完成合同量如下：

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Receipt of engineering services and products from	接受來自於下列各方的工程服務及產品		
– Fellow subsidiaries	– 同系附屬公司	3,030,639	2,453,307
Provision of engineering services to	向下列各方提供工程服務		
– SINOMACH	– 國機	2,659,667	3,549,728
– Associate	– 聯營公司	318,677	666,938

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36. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2019

Financial assets

Equity investments designated at fair value through other comprehensive income
Financial assets included in trade and other receivables
Restricted deposits
Time deposits with original maturity over three months
Cash and cash equivalents

以公允價值計量且其變動計入其他綜合收益的股權投資
計入貿易及其他應收款項的金融資產
受限制存款
原始到期日超過三個月的定期存款
現金及現金等價物

Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss – mandatorily designated as such	Financial assets at amortised cost	Total
以公允價值計量且其變動計入其他綜合收益的金融資產	以公允價值計量且其變動計入損益的金融資產 – 強制指定	按攤餘成本計量的金融資產	總計
RMB'000	RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元	人民幣千元
550,659	-	-	550,659
1,957,266	19,036	12,008,904	13,985,206
-	-	1,228,663	1,228,663
-	-	5,811,624	5,811,624
-	-	15,561,480	15,561,480
2,507,925	19,036	34,610,671	37,137,632

36. 按類別劃分的金融工具

各類金融工具於報告期末的賬面值如下：

2019年

金融資產

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36. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows (continued):

2019 (continued)

Financial liabilities

36. 按類別劃分的金融工具 (續)

各類金融工具於報告期末的賬面值如下：(續)

2019年 (續)

金融負債

		Financial liabilities at fair value through profit or loss – held for trading 以公允價值計量且其變動計入當期損益的金融負債 – 持作買賣 RMB'000 人民幣千元	Financial liabilities at amortised cost 按攤餘成本計量的金融負債 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Financial liabilities included in trade and other payables	計入貿易及其他應付款項的金融負債	–	18,768,850	18,768,850
Derivative financial instruments included in trade and other payables	計入貿易及其他應付款項的衍生金融工具	37,796	–	37,796
Interest-bearing bank and other borrowings	計息銀行及其他借貸	–	555,305	555,305
		37,796	19,324,155	19,361,951

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36. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows (continued):

2018

Financial assets

	Financial assets at FVOCI 以公允價值計量且其變動計入其他綜合收益的金融資產 RMB'000 人民幣千元	Financial assets through profit or loss – mandatorily designated as such 以公允價值計量且其變動計入當期損益的金融資產 – 強制指定 RMB'000 人民幣千元	Financial assets at amortised cost 按攤餘成本計量的金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Equity investments designated at FVOCI	以公允價值計量且其變動計入其他綜合收益的股權投資 425,890	-	-	425,890
Financial assets included in trade and other receivables	計入貿易及其他應收款項的金融資產 -	552	12,052,395	12,052,947
Restricted deposits	受限制存款 -	-	1,211,805	1,211,805
Time deposits with original maturity over three months	原始到期日超過三個月的定期存款 -	-	5,013,871	5,013,871
Cash and cash equivalents	現金及現金等價物 -	-	21,383,610	21,383,610
	425,890	552	39,661,681	40,088,123

36. 按類別劃分的金融工具 (續)

各類金融工具於報告期末的賬面值如下：(續)

2018年

金融資產

	Financial assets at fair value through profit or loss – mandatorily designated as such 以公允價值計量且其變動計入當期損益的金融資產 – 強制指定 RMB'000 人民幣千元	Financial assets at amortised cost 按攤餘成本計量的金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Equity investments designated at FVOCI	以公允價值計量且其變動計入其他綜合收益的股權投資 425,890	-	425,890
Financial assets included in trade and other receivables	計入貿易及其他應收款項的金融資產 -	12,052,395	12,052,947
Restricted deposits	受限制存款 -	1,211,805	1,211,805
Time deposits with original maturity over three months	原始到期日超過三個月的定期存款 -	5,013,871	5,013,871
Cash and cash equivalents	現金及現金等價物 -	21,383,610	21,383,610
	425,890	39,661,681	40,088,123

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36. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows (continued):

2018 (continued)

Financial liabilities

36. 按類別劃分的金融工具 (續)

各類金融工具於報告期末的賬面值如下：(續)

2018年 (續)

金融負債

		Financial liabilities at fair value through profit or loss – held for trading 以公允價值計量且其變動計入當期損益的金融負債 – 持作買賣 RMB'000 人民幣千元	Financial liabilities at amortised cost 按攤餘成本計量的金融負債 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Financial liabilities included in trade and other payables	計入貿易及其他應付款項的金融負債	–	20,929,417	20,929,417
Derivative financial instruments included in trade and other payables	計入貿易及其他應付款項的衍生金融工具	53,741	–	53,741
Interest-bearing bank and other borrowings	計息銀行及其他借貸	–	984,759	984,759
		53,741	21,914,176	21,967,917

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37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices adopted by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables. Management has a credit policy in place and the exposures to this credit risk are monitored on an ongoing basis.

The Group primarily evaluates customers' credit status and their ability to guarantee payment through its establishment of an appropriate business evaluation system. The Group generally requires customers to settle progress billings in accordance with contractual terms and other debts in accordance with agreements. Credit terms may be granted to customers, depending on credit assessment carried out by management on an individual basis. Also, in order to properly manage the credit risk on trade and other receivables, the Group has issued policies on the purchase of export credit insurance. To protect against credit risk in its trading business, the Group usually buys unified export credit insurance from China Export & Credit Insurance Corporation if needed.

There are no significant concentrations of credit risk within the Group.

37. 財務風險管理及公允價值

本集團的日常業務過程中面臨信用風險、流動資金風險、利率風險及貨幣風險。本集團面臨的該等風險以及本集團用以管理該等風險的財務風險管理政策及慣常做法如下。

(a) 信用風險

本集團的信用風險主要歸屬於貿易及其他應收款項。管理層已制定信用政策並持續監控面臨的此項信用風險。

本集團主要通過建立一個適當的業務評價制度以評估客戶的信用狀況及其保證支付的能力。本集團一般要求客戶按照合同條款清償進度款項及根據協議清償其他債務。根據管理層對各個案進行的信用評估，可能向客戶授予信用期。此外，為適當管理貿易及其他應收款項的信用風險，本集團制定了購買出口信用保險的政策。為防範貿易業務中的信用風險，本集團一般向中國出口信用保險公司購買統一的出口信用保險（倘需要）。

本集團不存在重大信用風險集中。

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財務報表附註

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37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(a) Credit risk (continued)

As at 31 December 2019, 2.8% of the total trade and other receivables were due from the Group's largest customer (2018: 6.3%) and 11.9% of the total trade and other receivables were due from the five largest customers (2018: 11.8%).

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 22 to the financial statements.

(b) Liquidity risk

The funding needs of the Company and its subsidiaries are raised and allocated by the Group. Fund raising from external sources by subsidiaries is subject to approval by the Company. The Company and its subsidiaries manage cash flows according to their own business approval processes. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with loan covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirement in the short and longer term.

37. 財務風險管理及公允價值 (續)

(a) 信用風險 (續)

於2019年12月31日，貿易及其他應收款項總額中有2.8% (2018年：6.3%) 應向本集團最大客戶收取，而貿易及其他應收款項總額中有11.9% (2018年：11.8%) 應向五大客戶收取。

有關本集團面臨的貿易及其他應收款項的信用風險的進一步定量披露載於財務報表附註22。

(b) 流動資金風險

本公司及其附屬公司的資金需求由本集團籌集及分配。附屬公司向外部來源籌集資金應得到本公司的批准。本公司及其附屬公司通過其自身的業務審批流程管理現金流量。本集團的政策是定期監察目前及預期的流動資金要求及其借貸合約的合規情況，確保其維持足夠的現金儲備及取得主要金融機構充足的資金承諾額度，以滿足其短期及較長期的流動資金要求。

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財務報表附註

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37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(b) Liquidity risk (continued)

The following table details the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date that the Group can be required to pay:

37. 財務風險管理及公允價值 (續)

(b) 流動資金風險 (續)

下表詳述於報告期末本集團的金融負債的剩餘合同期限，其依據的是合同未折現現金流量（含使用合同利率或依據報告期末的適用利率（如為浮動）計算的利息款項）以及本集團必須付款的最早日期：

		Contractual undiscounted cash outflow				
		合同未折現現金流出				
		Within	1 to 2	2 to 5	Over	Total
		1 year or	years	years	5 years	
		on demand				
		1年以內或	1到2年	2到5年	5年以上	總計
		按要求還款	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
31 December 2019	2019年12月31日					
Borrowings	借貸	459,991	27,857	67,093	34,268	589,209
Trade and bills payables included in trade and other payables	計入貿易及其他應付款項的貿易應付款項及應付票據	15,450,982	-	-	-	15,450,982
Derivative financial instruments included in trade and other payables	計入貿易及其他應付款項的衍生金融工具	37,796	-	-	-	37,796
Other payables included in trade and other payables	計入貿易及其他應付款項的其他應付款項	2,609,275	-	-	-	2,609,275
Long-term payables included in trade and other payables	計入貿易及其他應付款項的長期應付款項	589,697	18,535	40,934	83,299	732,465
		19,147,741	46,392	108,027	117,567	19,419,727
Derivatives settled gross:	總額結算衍生工具：					
Foreign currency forward exchange contracts:	遠期外匯合約：					
- Outflow	- 流出	2,554,820	1,463,607	-	-	4,018,427
- Inflow	- 流入	(2,578,431)	(1,484,338)	-	-	(4,062,769)

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財務報表附註

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37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(b) Liquidity risk (continued)

37. 財務風險管理及公允價值 (續)

(b) 流動資金風險 (續)

		Contractual undiscounted cash outflow 合同未折現現金流出				
		Within	1 to 2	2 to 5	Over	Total 總計
		1 year or on demand 1年以內或 按要求還款 RMB'000 人民幣千元	years 1到2年 RMB'000 人民幣千元	years 2到5年 RMB'000 人民幣千元	5 years 5年以上 RMB'000 人民幣千元	
31 December 2018	2018年12月31日					
Borrowings	借貸	896,012	70,657	31,308	12,923	1,010,900
Trade and bills payables included in trade and other payables	計入貿易及其他應付款項的貿易應付款項及應付票據	16,676,066	-	-	-	16,676,066
Derivative financial instruments included in trade and other payables	計入貿易及其他應付款項的衍生金融工具	53,741	-	-	-	53,741
Other payables included in trade and other payables	計入貿易及其他應付款項的其他應付款項	3,215,946	-	-	-	3,215,946
Long-term payables included in trade and other payables	計入貿易及其他應付款項的長期應付款項	789,582	125,104	111,918	34,024	1,060,628
		21,631,347	195,761	143,226	46,947	22,017,281
Derivatives settled gross:	總額結算衍生工具：					
Foreign currency forward exchange contracts:	遠期外匯合約：					
- Outflow	一流出	2,481,957	82,358	-	-	2,564,315
- Inflow	一流入	(2,447,529)	(83,333)	-	-	(2,530,862)

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財務報表附註

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37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(c) Interest rate risk

The Group's interest rate risk arises primarily from bank deposits and interest-bearing borrowings. Deposits and borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group regularly reviews and monitors the mix of fixed and variable rate borrowings either through the contractual terms of the interest-bearing financial assets and liabilities or through the use of interest rate swaps in order to manage its interest rate risks.

(i) Interest rate profile

The following table details the interest rate profile of the Group's net instruments (interest-bearing financial assets less interest-bearing financial liabilities) at the end of the reporting period, after taking into account the effect of interest rate swaps:

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Net fixed rate instruments:	淨固定利率工具：		
Contract assets	合同資產	5,203,385	3,977,833
Bank deposits	銀行存款	8,191,619	9,536,246
Less: Borrowings	減：借貸	225,926	596,654
		13,169,078	12,917,425
Net variable rate instruments:	淨浮動利率工具：		
Bank deposits	銀行存款	14,410,148	18,073,040
Less: Borrowings	減：借貸	329,379	388,105
		14,080,769	17,684,935

37. 財務風險管理及公允價值 (續)

(c) 利率風險

本集團的利率風險主要來自於銀行存款及計息借貸。按浮動利率及固定利率發放的存款及借貸分別使本集團面臨現金流量利率風險及公允價值利率風險。本集團通過計息金融資產及負債的合同條款或通過利率掉期的使用定期審查及監察固定利率及浮動利率的借貸比例，以管理其利率風險。

(i) 利率概況

下表詳述計及利率掉期的影響，本集團於報告期末的淨工具（計息金融資產減計息金融負債）利率概況：

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37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(c) Interest rate risk (continued)

(ii) Sensitivity analysis

At 31 December 2019, it is estimated that a general increase/decrease of 100 basis points in interest rates of net variable rate instruments, with all other variables held constant, would increase/decrease the Group's profit after tax and retained profits by approximately RMB105,606,000 (2018: RMB132,637,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to cash flow interest rate risk for non-derivative financial instruments in existence at the end of the reporting period.

The estimated 100 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of the next annual reporting period. The sensitivity analysis is performed on the same basis as 2018.

37. 財務風險管理及公允價值 (續)

(c) 利率風險 (續)

(ii) 敏感性分析

於2019年12月31日，淨浮動利率工具的利率總體上浮／下浮100個基點而所有其他變量保持不變，估計將導致本集團的除稅後溢利及保留溢利增加／減少約人民幣105,606,000元（2018年：人民幣132,637,000元）。

上述敏感性分析假設利率變動於報告期末發生並適用於報告期末存在的非衍生金融工具面臨的現金流量利率風險。

估計100個基點的上浮或下浮代表管理層對直至下一個年度報告期末期間內的合理利率變動可能性的評估。敏感性分析按2018年的相同基礎進行。

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37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(d) Currency risk

(i) Forecast transactions

The Group uses foreign currency forward exchange contracts to hedge some of its currency risk in respect of committed future sales transactions. At 31 December 2019, the Group had foreign currency forward exchange contracts hedged against forecast transactions with a net fair value of RMB22,717,000 (31 December 2018: RMB47,598,000), recognised as derivative financial instruments recorded in “trade and other payables”.

(ii) Recognised assets and liabilities

Changes in the fair value of foreign currency forward exchange contracts on monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss (see note 5). The fair value of foreign currency forward exchange contracts used by the Group on monetary assets and liabilities denominated in foreign currencies at 31 December 2019 and recognised as derivative financial instruments recorded in “trade and other payables” was RMB(3,957,000) (31 December 2018: RMB5,591,000).

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

37. 財務風險管理及公允價值 (續)

(d) 貨幣風險

(i) 預測交易

本集團利用遠期外匯合約對沖其已承諾未來銷售交易的部分貨幣風險。於2019年12月31日，本集團為對沖預測交易的遠期外匯合約淨公允價值為人民幣22,717,000元(2018年12月31日：人民幣47,598,000元)，確認為記錄於「貿易及其他應付款項」中的衍生金融工具。

(ii) 已確認資產及負債

有關以外幣計價的貨幣資產及負債的遠期外匯合約的公允價值變動於損益中確認(見附註5)。本集團於2019年12月31日就以外幣計價的貨幣資產及負債使用的遠期外匯合約的公允價值為人民幣(3,957,000)元，確認為記錄於「貿易及其他應付款項」中的衍生金融工具(2018年12月31日：人民幣5,591,000元，記錄於「貿易及其他應付款項」)。

就其他以外幣計價的貨幣資產及負債而言，本集團確保通過於必要時以即期匯率買入或賣出外匯以解決短期不平衡，以使淨風險保持在一個可接受的水平。

Notes to the Financial Statements

財務報表附註

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37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(d) Currency risk (continued)

(iii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax and retained profits that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at those dates, assuming all other risk variables remained constant.

		2019			2018		
		2019年			2018年		
		Increase/ (decrease) in foreign exchange rate	Increase/ (decrease) in profit after tax and retained profits	Increase/ (decrease) in equity	Increase/ (decrease) in foreign exchange rate	Increase/ (decrease) in profit after tax and retained profits	Increase/ (decrease) in equity
		外匯匯率 增加/(減少)	除稅後溢利及 保留溢利 增加/(減少)	權益增加 增加/(減少)	外匯匯率 增加/(減少)	除稅後溢利及 保留溢利 增加/(減少)	權益增加 增加/(減少)
		%	RMB'000	RMB'000	%	RMB'000	RMB'000
		%	人民幣千元	人民幣千元	%	人民幣千元	人民幣千元
USD	美元	5	462,735	466,982	5	406,408	408,729
USD	美元	(5)	(462,735)	(466,982)	(5)	(406,408)	(408,729)
XAF	中非金融合作法郎	5	11,997	11,997	5	16,503	16,503
XAF	中非金融合作法郎	(5)	(11,997)	(11,997)	(5)	(16,503)	(16,503)
EUR	歐元	10	107,164	107,164	10	108,188	108,188
EUR	歐元	(10)	(107,164)	(107,164)	(10)	(108,188)	(108,188)
CAD	加元	5	25,540	25,540	5	20,829	20,829
CAD	加元	(5)	(25,540)	(25,540)	(5)	(20,829)	(20,829)

37. 財務風險管理及公允價值 (續)

(d) 貨幣風險 (續)

(iii) 敏感性分析

下表顯示倘若本集團於報告期末有重大敞口的外匯匯率於該等日期出現變動，假設所有其他風險變量保持不變，本集團的除稅後溢利及保留溢利可能產生的即時變更。

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財務報表附註

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37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(d) Currency risk (continued)

(iii) Sensitivity analysis (continued)

Results of the analysis presented in the above table represent an aggregate of the instantaneous effects on each of the group entities' profit after tax and retained profits measured in the respective foreign currencies, translated into RMB at the exchange rates ruling at the end of each reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including intercompany payables and receivables within the Group which are denominated in currencies other than the functional currencies of the lenders or the borrowers. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis as 2018.

37. 財務風險管理及公允價值 (續)

(d) 貨幣風險 (續)

(iii) 敏感性分析 (續)

上表呈列的分析結果代表對本集團各實體的除稅後溢利及保留溢利(按各自的外幣計量, 並就列報而言按各報告期末的匯率換算成人民幣)的總計實時影響。

敏感性分析假設外匯匯率變動已被應用於重新計量本集團持有的令本集團於報告期末面臨外匯風險的金融工具, 包括本集團內公司間的以貸方或借方的功能貨幣以外的貨幣計價的應付款項及應收款項。分析不包括境外業務的財務報表換算為本集團的呈列貨幣產生的差異。分析按2018年的相同基礎進行。

Notes to the Financial Statements

財務報表附註

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37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(e) Fair values

(i) Financial instruments carried at fair value

The following table presents the carrying value of financial instruments measured at fair value at the end of the reporting period across the two levels of the fair value hierarchy defined in IFRS 7 *Financial Instruments: Disclosures* with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

The Group's financial instruments carried at fair value as at 31 December 2019 and 2018 are measured under Level 1 or Level 2.

37. 財務風險管理及公允價值 (續)

(e) 公允價值

(i) 以公允價值列賬的金融工具

下表呈列以公允價值計量的金融工具於報告期末在國際財務報告準則第7號金融工具：披露所界定的公允價值層級的兩個層級的賬面值，各金融工具的公允價值完全依據對該公允價值計量而言屬重要的最低層級輸入參數歸類。層級定義如下：

本集團於2019年及2018年12月31日按公允價值列賬的金融工具均按第1級或第2級計量。

	2019 2019年			2018 2018年		
	Fair value measurement using 採用以下數據的公允價值計量			Fair value measurement using 採用以下數據的公允價值計量		
	Quoted prices in active markets (Level 1) 於活躍市場的 報價 (第1級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察輸入 數據 (第2級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	Quoted prices in active markets (Level 1) 於活躍市場的 報價 (第1級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察輸入 數據 (第2級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Assets	資產					
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				
	76,140	474,519	550,659	61,972	363,918	425,890
Derivative financial instruments, included in trade and other receivables		計入貿易及其他應收款項的衍生金融工具				
- Foreign currency forward exchange contracts	19,036	-	19,036	552	-	552
Financial assets included in Trade and other receivables		計入貿易及其他應收款項的金融資產				
	-	1,957,266	1,957,266	-	-	-
Liabilities	負債					
Derivative financial instruments, included in trade and other payables		計入貿易及其他應付款項的衍生金融工具				
- Foreign currency forward exchange contracts	37,796	-	37,796	53,741	-	53,741

Notes to the Financial Statements

財務報表附註

31 December 2019 • 2019年12月31日

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(e) Fair values (continued)

(ii) Estimation of fair values

(1) Receivables and borrowings

The fair value is estimated as the present value of the future cash flows discounted at the market interest rate at the end of the reporting period.

(2) Derivatives

Derivative financial instruments, including forward currency contracts and interest rate swaps, are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The carrying amounts of forward currency contracts and interest rate swaps are the same as their fair values.

(f) Capital management

The Group monitors capital on the basis of the gearing ratio. The gearing ratio is derived by dividing total borrowings by total assets multiplied by 100%. In 2019, the Group's gearing ratio (total borrowings of RMB555,305,000 divided by total assets of RMB53,761,443,000) was 1.0%, representing an decrease of 0.8% as compared to 1.8% (total borrowings of RMB984,759,000 divided by total assets of RMB56,114,617,000) as recorded in 2018, mainly due to the decrease in short-term borrowings.

37. 財務風險管理及公允價值 (續)

(e) 公允價值 (續)

(iii) 公允價值的估計

(1) 應收款項及借貸

公允價值估計為未來現金流量按報告期末的市場利率折現的現值。

(2) 衍生工具

衍生金融工具(包括遠期貨幣合約及利率掉期合約)採用類似遠期定價及掉期模式的估值技術,按現值計量。該等模型採用多項市場可觀察輸入數據,如交易對手信用質量、外匯即期、遠期利率和利率曲線。遠期貨幣合約和利率掉期合約的賬面值與其公允價值相同。

(f) 資本管理

本集團以槓桿比率基準管理資本。槓桿比率乃將借貸總額除以資產總額再乘以100%得出。2019年,本集團的槓桿比率(借貸總額人民幣555,305,000元除以資產總額人民幣53,761,443,000元)為1.0%,與2018年的1.8%(借貸總額人民幣984,759,000元除以資產總額人民幣56,114,617,000元)相比減少0.8%,主要是由於短期借款的減少。

Notes to the Financial Statements

財務報表附註

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38. EVENTS AFTER THE REPORTING PERIOD

On 30 March 2020, the board of directors of the Company resolved that a final dividend of RMB0.1586 per share is to be distributed to the shareholders, subject to approval of the shareholders at the forthcoming annual general meeting. Such final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

On 17 December 2019, the Company and SINOMACH Academy of Science and Technology Co., Ltd. (“Science and Technology Research Institute”) entered into an equity transfer agreement, pursuant to which the Company agreed to acquire, and Science and Technology Research Institute agreed to dispose of a 64.82% equity interest in CHPI Harbin Power System Engineering and Research Institute Co., Ltd. which was held by Science and Technology Research Institute for an aggregate consideration of RMB100,885,800, subject to the terms and conditions of such agreement. The acquisition is expected to be completed in April 2020.

Subsequent to 31 December 2019, a number of countries around the world have reported confirmed cases of novel coronavirus. The recent outbreak of the novel coronavirus disease and the resulting government controls (such as restricted entry and exit, traffic interruptions, etc.) may affect the subsequent construction and operation of the engineering projects of the Group, which may lead to adverse impacts such as delays in construction and increased costs. However, there will be no adjustment or impact on the Group's financial statements for the year of 2019. As at the date of approval of these financial statements, the extent of the future adverse effect could not be estimated.

38. 報告期後事項

於2020年3月30日，本公司董事會決議向股東派付末期股息每股人民幣0.1586元，惟須待股東於應屆股東週年大會上批准。於報告期末後建議派發的有關末期股息尚未在報告期末確認為負債。

於2019年12月17日，本公司與國機集團科學技術研究院有限公司（「科技研究院」）簽訂股權轉讓協議，根據該協議及在其條款及條件的規限下，本公司已同意以人民幣100,885,800元的總對價收購科技研究院持有的哈成套64.82%股份，而科技研究院亦同意出售該部分股權。該收購事項預計於2020年4月完成。

於2019年12月31日之後，全世界範圍內的很多國家已經報告新型冠狀病毒的確診病例。新冠肺炎疫情的爆發及因此衍生的政府管制（如出入境受限、交通中斷等），可能會影響到本集團工程項目的後續施工及運轉，進而可能帶來工期延誤、成本增加等不利影響。但並不會對本集團2019年財務報表造成任何調整和影響。截至本財務報告批准報出日止，尚不能估計該事項對未來不利影響的程度。

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財務報表附註

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39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

39. 本公司的財務狀況表

有關本公司於報告期末的財務狀況表的資料如下：

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	1,066,011	951,070
Investment properties	投資物業	9,783	10,762
Right-of-use assets	使用權資產	1,349,560	-
Prepaid land lease payments	預付土地租賃款項	-	1,356,929
Intangible assets	無形資產	5,618	10,129
Investments in subsidiaries	對附屬公司的投資	5,564,186	5,532,103
Investment in a joint venture	對合營公司的投資	200,000	200,000
Investment in an associate	對聯營公司的投資	364,098	354,493
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	429,690	354,969
Trade and other receivables	貿易及其他應收款項	5,408,551	3,514,025
Deferred tax assets	遞延稅項資產	498,158	398,334
Other non-current assets	其他非流動資產	-	897,782
Total non-current assets	非流動資產總額	14,895,655	13,580,596
CURRENT ASSETS	流動資產		
Inventories	存貨	14,813	6,144
Trade and other receivables	貿易及其他應收款項	7,446,422	8,244,181
Contract assets	合同資產	3,931,671	2,470,361
Restricted deposits	受限制存款	310,791	309,925
Time deposits with original maturity over three months	原始到期日超過三個月的定期存款	3,675,313	4,742,703
Cash and cash equivalents	現金及現金等價物	8,283,802	10,156,284
Total current assets	流動資產總額	23,662,812	25,929,598

Notes to the Financial Statements

財務報表附註

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39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Information about the statement of financial position of the Company at the end of the reporting period is as follows (continued):

39. 本公司的財務狀況表 (續)

有關本公司於報告期末的財務狀況表的資料如下 (續)：

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
CURRENT LIABILITIES	流動負債		
Contract liabilities	合同負債	8,232,396	9,449,487
Trade and other payables	貿易及其他應付款項	12,220,841	13,011,618
Lease liabilities	租賃負債	9,403	-
Defined benefit obligations	設定受益義務	19,520	19,261
Tax payable	應繳稅項	320,138	318,596
		<hr/>	<hr/>
Total current liabilities	流動負債總額	20,802,298	22,798,962
		<hr/>	<hr/>
NET CURRENT ASSETS	流動資產淨額	2,860,514	3,130,636
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減流動負債	17,756,169	16,711,232
		<hr/>	<hr/>
NON-CURRENT LIABILITIES	非流動負債		
Trade and other payables	貿易及其他應付款項	490,826	265,964
Lease liabilities	租賃負債	8,136	-
Defined benefit obligations	設定受益義務	217,790	212,690
		<hr/>	<hr/>
Total non-current liabilities	非流動負債總額	716,752	478,654
		<hr/>	<hr/>
Net assets	淨資產	17,039,417	16,232,578
		<hr/>	<hr/>
EQUITY	權益		
Issued capital	已發行股本	4,125,700	4,125,700
Reserves (note)	儲備 (附註)	12,913,717	12,106,878
		<hr/>	<hr/>
Total equity	權益總額	17,039,417	16,232,578
		<hr/>	<hr/>

Notes to the Financial Statements

財務報表附註

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39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note: A summary of the Company's reserves is as follows:

39. 本公司的財務狀況表 (續)

附註：本公司的儲備概要如下：

		Capital reserve	Statutory surplus reserve	Retained profits	Total
		資本儲備	法定盈餘公積金	保留溢利	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於2018年1月1日	3,879,173	1,198,687	6,216,285	11,294,145
Effect of adoption of IFRS9	採納國際財務報告準則 第9號的影響	-	-	(26,391)	(26,391)
Profit for the year	年內溢利	-	-	1,720,824	1,720,824
Remeasurement gains on defined benefit plans, net of tax	設定受益計劃重新評估收益， 扣稅後	-	-	(8,520)	(8,520)
Changes in fair value of an available-for-sale investment	可供出售投資公允價值變動	-	-	(23,698)	(23,698)
Total comprehensive income for the year	年內綜合收益總額	-	-	1,662,215	1,662,215
Dividends paid to shareholders of the Company	付予本公司股東的股息	-	-	(849,482)	(849,482)
Profit appropriation to reserves	轉撥至儲備的溢利	-	178,492	(178,492)	-
At 31 December 2018 and 1 January 2019	於2018年12月31日及 2019年1月1日	3,879,173	1,377,179	6,850,526	12,106,878
Profit for the year	年內溢利	-	-	1,589,476	1,589,476
Remeasurement gains on defined benefit plans, net of tax	設定受益計劃重新評估收益， 扣稅後	-	-	(5,980)	(5,980)
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	以公允價值計量且其變動計入 其他綜合收益的股權投資的 公允價值變動，扣稅後	-	-	56,040	56,040
Total comprehensive income for the year	年內綜合收益總額	-	-	1,639,536	1,639,536
Dividends paid to shareholders of the Company	付予本公司股東的股息	-	-	(852,782)	(852,782)
Adjustment of deferred tax from valuation surplus	從估值盈餘中調整遞延稅項	20,085	-	-	20,085
Profit appropriation to reserves	轉撥至儲備的溢利	-	165,770	(165,770)	-
At 31 December 2019	於2019年12月31日	3,899,258	1,542,949	7,471,510	12,913,717

40. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 30 March 2020.

40. 批准財務報表

財務報表已於2020年3月30日獲董事會批准及授權刊發。

“ASEAN”	Association of Southeast Asian Nations	「東盟」	東南亞國家聯盟
“Audit Committee”	the audit committee of the Board	「審計委員會」	董事會審計委員會
“Board”	the board of Directors	「董事會」	董事會
“CG Code”	the Corporate Governance Code set out in Appendix 14 to the Listing Rules	「《企業管治守則》」	載於《上市規則》附錄十四之《企業管治守則》
“China Everbest”	China Everbest Development International Limited (華盛昌發展有限公司), a wholly-owned subsidiary of our Company incorporated in Hong Kong with limited liability on 12 August 1988	「香港華昌盛」	華盛昌發展有限公司，一家於1988年8月12日在香港註冊成立的本公司全資附屬有限責任公司
“China Machinery R&D”	China Machinery International Engineering Design & Research Institute Co., Ltd.* (中機國際工程設計研究院有限責任公司), a company incorporated in the PRC and a wholly-owned subsidiary of the Company	「中機院」	中機國際工程設計研究院有限責任公司，一家於中國註冊成立的公司並為本公司全資附屬公司
“China YTO”	YTO Group Corporation (中國一拖集團有限公司)	「中國一拖」	中國一拖集團有限公司
“CHPI”	Harbin Power System Engineering and Research Institute Co., Ltd.* (哈爾濱電站設備成套設計研究所有限公司), a corporation established in the PRC on 14 January 1997	「哈成套」	哈爾濱電站設備成套設計研究所有限公司，一家於1997年1月14日在中國註冊成立的公司
“CMIPC”	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	「中設裝備」	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

Glossary of Terms

詞彙表

“CNCDC”	China National Coal Development Co., LTD. (中國煤炭開發有限責任公司), previously known as China National Coal Development Corporation established in 1981, is a wholly-owned subsidiary of China National Coal Group	「中國煤炭開發公司」	中國煤炭開發有限責任公司，隸屬於中國中煤能源集團有限公司，是中國中煤能源股份有限公司的全資子公司，前身是1981年成立的中國煤炭開發總公司
“CNCEC”	China National Complete Engineering Corporation* (中國成套工程有限責任公司), a corporation established in the PRC on 5 September 1985 and wholly-owned by the Company	「中成套」	中國成套工程有限責任公司，一家於1985年9月5日在中國成立的企業，由本公司全資擁有
“CNEEC”	China National Electric Engineering Co., Ltd.* (中國電力工程有限責任公司), a limited liability company incorporated in the PRC in October 1979 (including all CNEEC subsidiaries, except where the context otherwise requires), which is wholly-owned by SINOMACH	「中電工」或 「中國電工」	中國電力工程有限責任公司，一家於1979年10月在中國註冊成立的有限責任公司(包括中電工所有附屬公司，除非文義另有所指)，由國機全資擁有
“Company”, “our Company” or “CMEC”	China Machinery Engineering Corporation* (中國機械設備工程股份有限責任公司), a joint stock company with limited liability incorporated 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	「公司」、 「本公司」或 「CMEC」	中國機械設備工程股份有限責任公司，一家於2011年1月18日在中國註冊成立的股份有限責任公司；除非文義另有所指，否則包括：(i) 我們的前身及(ii)就本公司成為其現時附屬公司的控股公司前的期間而言，其及其現時附屬公司或(視情況而定)其前身經營的業務
“Company Law”	Company Law in the PRC (中國公司法), adopted by the Standing Committee of the National People’s Congress on 27 October 2005 and which became effective on 1 January 2006, as amended, supplemented or otherwise modified from time to time	「公司法」	全國人民代表大會常務委員會於2005年10月27日採納並於2006年1月1日生效的中國公司法(經不時修訂、增補或以其他形式修改)

“Core Sectors”	the core sectors of our International Engineering Contracting Business which are the power sector, transportation and telecommunications sector	「核心行業」	我們國際工程承包業務的核心行業為電力能源行業、交通運輸行業及電子通訊行業
“DEC”	Dongfang Electric Corporation	「東方電氣」	中國東方電氣集團有限公司
“developing countries”	refers to the 139 countries worldwide with low income, low middle income and upper middle income economies which as defined by World Bank are those with gross national income (GNI) per capita less than USD12,475	「發展中國家」	世界銀行所定義收入處於低水平、中低水平及中高水平的全球139個國家，其人均國民總收入低於12,475美元
“Director(s)”	the director(s) of our Company	「董事」	本公司董事
“Domestic Share(s)”	ordinary shares in our capital, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi	「內資股」	我們股本中的普通股，每股面值為人民幣1.00元，乃以人民幣認購及繳足
“East Resources”	China-East Resources Import & Export Co., Ltd.* (中經東源進出口有限責任公司), a wholly-owned subsidiary of our Company established in the PRC on 22 July 1993 with limited liability	「中經東源」	中經東源進出口有限責任公司，一家於1993年7月22日在中國成立的本公司全資附屬有限責任公司
“EPC”	a common form of contracting arrangement whereby the contractor is commissioned by the project owner to carry out such project work as design, procurement, construction and trial operations, or any combination of the above, either through the contractor’s own labor or by subcontracting part or all of the project work, and be responsible for the quality, safety, timely delivery and cost of the project	「EPC」	承包安排的常見形式，即承包商受項目擁有人的委託進行設計、採購、施工及試工等項目工作，或任何上述的組合（無論是通過承包商本身的人員或分包部分或所有項目工作），並對項目的質量、安全、工期及成本負責
“EU”	European Union	「歐盟」	歐洲聯盟

Glossary of Terms

詞彙表

“GDP”	the gross domestic product	「國內生產 總值」	國內生產總值
“GE”	General Electric Company, a company incorporated in the United States, whose principal activities include, among others, engineering and power generation services	「通用電氣」	通用電氣公司，在美國註冊成立的公司，主要業務為（其中包括）工程及發電服務
“Group”, “we” and “us”	the Company and, except where the context otherwise requires, all its subsidiaries	「集團」或 「我們」	本公司及除文義另有所指外，其所有附屬公司
“H Share(s)”	overseas listed foreign shares in our ordinary share capital with a nominal value of RMB1.00 each, subscribed for and traded in HK\$ and which are listed on the Main Board in the Stock Exchange	「H股」	我們普通股本中的境外上市外資股，每股面值人民幣1.00元，以港元認購及買賣，並於聯交所主板上市
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administration Region of the PRC	「港元」	港元，中國香港特別行政區法定貨幣
“Hong Kong Companies Ordinances”	the Companies Ordinates, Chapter 622 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time	「香港公司 條例」	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
“IFRS”	International Financial Reporting Standards	「國際財務報告 準則」	國際財務報告準則
“independent third party(ies)”	person(s) or company(ies) which is (are) independent of the directors, supervisors, controlling shareholder, substantial shareholder and the chief executive (such terms as defined in the Listing Rules) of the Company or any of its subsidiaries or an associate of any of them	「獨立第三方」	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

“International Engineering Contracting Business”	the International Engineering Contracting Business conducted by our Group with a primary focus on EPC projects	「國際工程承包業務」	由本集團開展，並以EPC項目為重點的國際工程承包業務
“JiKan Research Institute”	China JiKan Research Institute of Engineering Investigations and Design Co., Ltd.* (機械工業勘察設計研究院有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company	「機勘院」	機械工業勘察設計研究院有限公司，一家於中國註冊成立的公司並為本公司全資附屬公司
“Listing”	listing of our H Shares on the Stock Exchange	「上市」	我們的H股在聯交所上市
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time	「《上市規則》」	《聯交所證券上市規則》(經不時修訂)
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules	「《標準守則》」	《上市規則》附錄十所載《上市發行人董事進行證券交易的標準守則》
“Non-Core Sectors”	any sectors that do not fall within the Core Sectors of our International Engineering Contracting Business	「非核心行業」	任何並非屬於我們國際工程承包業務核心行業的行業
“OFAC”	the Office of Foreign Assets Control of the US Department of the Treasury	「外國資產管制局」	美國財政部屬下外國資產管制局
“PRC” or “China”	The People’s Republic of China excluding, for the purpose of this annual report only, Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan	「中國」	中華人民共和國，僅就本年報而言，不包括中國香港特別行政區、中國澳門特別行政區及台灣
“RMB” or “Renminbi”	Renminbi yuan, the lawful currency of the PRC	「人民幣」	人民幣元，中國法定貨幣

Glossary of Terms

詞彙表

“Science and Technology Research Institute”	SINOMACH Academy of Science and Technology Co., Ltd.* (國機集團科學技術研究院有限公司), a limited liability company established in the PRC, which is wholly-owned by SINOMACH	「科技研究院」	國機集團科學技術研究院有限公司，一家於中國成立的有限責任公司，由國機全資擁有
“Services Business”	the design consulting services, logistics services, tendering agency services, export-import agency services and other services conducted by the Group	「服務業務」	本集團開展的設計諮詢服務、物流服務、招標代理服務、進出口代理服務及其他服務
“Share(s)”	share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, including our Domestic Shares and H Shares	「股份」	本公司股本中每股面值人民幣1.00元的股份，包括內資股及H股
“Shareholder(s)”	holder(s) of our Share(s)	「股東」	我們的股份持有人
“SINOMACH”	China National Machinery Industry Corporation* (中國機械工業集團有限公司), a state-owned enterprise established in the PRC on 21 May 1988, our controlling shareholder	「國機」	我們的控股股東中國機械工業集團有限公司，一家於1988年5月21日在中國成立的國有企業
“SINOMACH Group”	SINOMACH and its subsidiaries, which excludes our Group	「國機集團」	國機及其附屬公司，不包括本集團
“Sinosure”	China Export & Credit Insurance Corporation (中國出口信用保險公司), a policy-oriented insurance company specializing in export credit insurance in the PRC and an independent third party	「中國信保」	中國出口信用保險公司，一家在中國專營出口信用保險的政策性保險公司和獨立第三方
“Stock Exchange”	The Stock Exchange of Hong Kong Limited	「聯交所」	香港聯合交易所有限公司
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules	「附屬公司」	具有《上市規則》賦予該詞的涵義
“Supervisor(s)”	the supervisor(s) of the Company	「監事」	本公司監事

“the Belt and Road”	the Silk Road Economic and the 21st-Century Maritime Silk Road	「一帶一路」	絲綢之路經濟帶和21世紀海上絲綢之路
“Trading Business”	the international and domestic trading business conducted by our Group	「貿易業務」	本集團進行的國際和國內貿易業務
“UN”	the United Nations	「聯合國」	聯合國
“United States” or “U.S.” or “US”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction	「美國」	美利堅合眾國，其領土、屬地及受限於其司法管轄權的所有地區
“US dollars” or “U.S. dollars” or “USD”	United States dollars, the lawful currency of the United States	「美元」	美元，美國的法定貨幣
“XD Group”	China XD Group Co., Ltd.	「西電集團」	中國西電集團公司
“Zhongnan”	China Power Construction Engineering Consulting Central Southern Co., Ltd.* (中國電力建設工程諮詢中南有限公司), a corporation established in the PRC on 28 September 2012. It is based on a framework of strategic cooperation between CMEC and Central Southern China Electric Power Design Institute (“CSEPD I”) of China Power Engineering Consulting Group. CMEC and CSEPD I have joint ownership of the company based on the transfer of shares from the latter to the former	「中南公司」	中國電力建設工程諮詢中南有限公司，是在CMEC和中國電力工程顧問集團中南電力設計院（「中南院」）戰略合作框架基礎上，由中南院通過股份轉讓形式，雙方共同持股的子公司，改製成立於2012年9月28日
“%”	per cent. or percentage	「%」	百分比
* Denotes English translation of the name of a Chinese company or entity or vice versa and is provided for identification purposes only.		* 指中國公司或實體名稱的英文譯名或相反情況，僅供識別。	

Corporate Information

公司資料

LEGAL NAME OF THE COMPANY

中國機械設備工程股份有限公司

ENGLISH NAME OF THE COMPANY

China Machinery Engineering Corporation*

BOARD OF DIRECTORS

Executive Director

Mr. FANG Yanshui (*President*)

Non-executive Directors

Mr. BAI Shaotong (*Chairman*)

Mr. YU Benli

Mr. ZHANG Fusheng

Independent Non-executive Directors

Mr. LIU Li

Ms. LIU Hongyu

Mr. FANG Yongzhong

Mr. WU Tak Lung

SUPERVISORS

Ms. WANG Huifang (*Chairman*)

(*Shareholder representative supervisor*)

Mr. GUO Weihua (*Shareholder representative supervisor*)

Ms. LIU Ting (*Staff representative supervisor*)

JOINT COMPANY SECRETARIES

Ms. WANG Weiling

Sir KWOK Siu Man KR, FCS

AUTHORIZED REPRESENTATIVES

Mr. BAI Shaotong

Ms. WANG Weiling

* For Identification Purposes Only

本公司法定名稱

中國機械設備工程股份有限公司

本公司英文名稱

China Machinery Engineering Corporation*

董事會

執行董事

方彥水先生 (*總裁*)

非執行董事

白紹桐先生 (*主席*)

余本禮先生

張福生先生

獨立非執行董事

劉力先生

劉紅宇女士

方永忠先生

吳德龍先生

監事

王惠芳女士 (*主席*)

(*股東代表監事*)

郭偉華先生 (*股東代表監事*)

劉婷女士 (*職工代表監事*)

聯席公司秘書

王瑋玲女士

郭兆文黎剎騎士勳賢FCS

授權代表

白紹桐先生

王瑋玲女士

* 僅供識別

AUDIT COMMITTEE

Mr. LIU Li (*Chairman*)
Mr. ZHANG Fusheng
Ms. LIU Hongyu

NOMINATION COMMITTEE

Mr. BAI Shaotong (*Chairman*)
Ms. LIU Hongyu
Mr. FANG Yongzhong

REMUNERATION COMMITTEE

Mr. FANG Yongzhong (*Chairman*)
Mr. ZHANG Fusheng
Mr. LIU Li

STRATEGY AND DEVELOPMENT COMMITTEE

Mr. BAI Shaotong (*Chairman*)
Mr. FANG Yanshui
Mr. YU Benli
Mr. LIU Li

OPERATION AND RISK MANAGEMENT COMMITTEE

Mr. YU Benli (*Chairman*)
Mr. FANG Yanshui
Mr. FANG Yongzhong
Mr. WU Tak Lung

INDEPENDENT AUDITORS

International Auditors
Ernst & Young

PRC Auditors
Ernst & Young Hua Ming LLP (Special General Partnership)

PRINCIPAL BANKS

China Development Bank
The Export-Import Bank of China
Industrial and Commercial Bank of China Limited
Bank of China Limited
CITIC Bank
China Merchants Bank (Beijing Branch)
Bank of Communications (Beijing Dongdan Sub-branch)

審計委員會

劉力先生(主席)
張福生先生
劉紅宇女士

提名委員會

白紹桐先生(主席)
劉紅宇女士
方永忠先生

薪酬委員會

方永忠先生(主席)
張福生先生
劉力先生

戰略與發展委員會

白紹桐先生(主席)
方彥水先生
余本禮先生
劉力先生

經營與風險管理委員會

余本禮先生(主席)
方彥水先生
方永忠先生
吳德龍先生

獨立核數師

國際核數師
安永會計師事務所

中國核數師
安永華明會計師事務所(特殊普通合夥)

主要往來銀行

國家開發銀行
中國進出口銀行
中國工商銀行
中國銀行股份有限公司
中信銀行
招商銀行(北京分行)
交通銀行(北京東單支行)

Corporate Information

公司資料

REGISTERED OFFICE AND HEAD OFFICE IN THE PRC

No. 178 Guang'anmenwai Street,
Xicheng District, Beijing, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 804, 8/F, Tower 1
South Sea Centre
75 Mody Road
Tsimshatsui East
Kowloon, Hong Kong

HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

LEGAL ADVISORS

As to Hong Kong Laws
Clifford Chance LLP

As to PRC Laws
Tian Yuan Law Firm

STOCK CODE

01829

INVESTOR INQUIRIES

Investor Hotline: 86 10 6331 2262
Fax No: 86 10 6332 1086

COMPANY'S WEBSITE

www.cmec.com

中國註冊辦事處及本部

中國北京市西城區
廣安門外大街178號

香港主要營業地點

香港九龍
尖沙咀東
麼地道75號
南洋中心
第1座8樓804室

香港H股股份過戶登記處

香港中央證券登記有限公司
香港灣仔
皇后大道東183號
合和中心
17樓1712-1716號舖

法律顧問

關於香港法律
高偉紳律師事務所

關於中國法律
天元律師事務所

股份代號

01829

投資者諮詢

投資者熱線：86 10 6331 2262
傳真：86 10 6332 1086

公司網站

www.cmec.com



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

* For identification purposes only

* 僅供識別