



中國機械設備工程股份有限公司

China Machinery Engineering Corporation*

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

(於中華人民共和國註冊成立的股份有限公司)

Stock Code 股份代號: 1829

Interim Report **2014** 中期報告



* For identification purposes only
* 僅供識別

CONTENTS

目錄

Chairman's Statement	2	董事長致辭
Company Profile	9	公司簡介
Unaudited Interim Results	11	未經審計中期業績
Key Operating and Financial Data	12	重要經營及財務數據
Financial Highlights	13	財務摘要
Management Discussion and Analysis	14	管理層討論及分析
Corporate Governance and Other Information	60	企業管治及其他資料
Review Report	70	審閱報告
Consolidated Statement of Profit or Loss and Other Comprehensive Income – unaudited	72	合併損益及其他綜合收益表 – 未經審計
Consolidated Balance Sheet – unaudited	74	合併資產負債表 – 未經審計
Consolidated Statement of Changes in Equity – unaudited	76	合併權益變動表 – 未經審計
Condensed Consolidated Cash Flow Statement – unaudited	78	簡明合併現金流量表 – 未經審計
Notes to the Unaudited Interim Financial Report	79	未經審計中期財務報告附註
Glossary of Terms	117	詞彙表
Corporate Information	125	公司資料

Chairman's Statement

董事長致辭

Dear Shareholders,

In the first half of 2014, the global economy was gradually picking up its growth momentum, though the overall growth remained sluggish. Developed countries implemented reindustrialization policies which stimulated the economies to grow slowly and steadily, among which was the US with its real economy slowly treading away from the gloom. Impacted by the Ukraine incident, Europe's overall economy remained slackened with slow growth, in spite of the introduction of the negative interest rate policy. Developing countries continued to maintain relatively rapid growth, though the overall economic growth rate was compromised by a series of regional factors including the aggravated situation in Iraq, the escalation of conflicts in Syria and the political turmoil in Thailand. In respect of the industry, demand for international engineering contracting in the emerging markets was still trending upward, though less aggressive as compared with that in the past. Despite the continual efforts into infrastructure investment, developed countries experienced slow growth as a result of the impact from the exacerbated global turbulence.

Looking back at the business development for the first half of 2014, the period has witnessed an increase in external market risks and a decelerated growth in the global market, while the Group's overseas projects were also impacted by the unexpected outbreak of international crises. Despite all of the above, by leveraging its well-accumulated operating experience in the global market and the steadfast developmental approach under the guidance of the "CMEC Five-Year Development Strategy", the Group achieved steady growth in all three major business segments, namely the International Engineering Contracting Business, Trading Business and Other Businesses, while further consolidating the premium brand image of "CMEC" in the global market. During the period under review, the Group's overall operation maintained a solid growth and achieved the target results for the first half of the year. The Group recorded a total revenue of RMB11,089.9 million, representing a steady increase of approximately 6.4% over the Corresponding Period in 2013. Gross profit amounted to RMB2,125.6 million, representing an increase of approximately 5.1% over the Corresponding Period in 2013. In particular, our International Engineering Contracting Business continued to

尊敬的各位股東：

二零一四年上半年，世界經濟重拾升勢，但整體增長仍顯乏力。發達國家實施再工業化政策刺激經濟緩步增長，美國實體經濟逐步走出陰霾。歐洲受到烏克蘭事件的影響，儘管引入負利率政策，仍難改疲軟態勢，整體經濟增長緩慢。發展中國家經濟繼續保持較快增長，但受伊拉克局勢惡化、敘利亞衝突升級、泰國政局動盪等一系列地區局勢因素拖累，經濟發展增速整體有所放緩。行業方面，新興市場國際工程承包需求繼續保持增長勢頭，但增速較過去已有明顯放緩；發達國家不斷加強基礎建設投資，但受國際大環境動盪加劇拖累，增長緩慢。

回顧二零一四年上半年業務發展情況，儘管外圍市場風險加大，全球市場增速放緩，集團海外項目也受到國際局勢突發風險的影響，但憑借在國際市場成熟的運營經驗及在「CMEC五年發展戰略」的指引下穩健的發展步伐，集團整體取得了在國際工程承包業務、貿易業務及其他業務三大業務板塊的穩步增長，並進一步鞏固了「CMEC」品牌在全球市場的優質形象。回顧期內，集團整體經營狀況保持穩定增長，實現了上半年預定業績目標。集團總收入為人民幣11,089.9百萬元，較2013年同期穩步提升約6.4%；毛利水平達人民幣2,125.6百萬元，較2013年同期增長約5.1%，其中國際工程承包業務收入及利潤對集團的貢獻水平繼續保持較高佔比，分別佔集團總收入及集團毛利約76.0%及87.7%。截至二零一四年六月三十日，儘管海外市場環境動盪，風險增加，但國際工程承包業務的未完成合同量仍達到

Chairman's Statement

董事長致辭

contribute to a large proportion of the Group's revenue and profit, accounting for approximately 76.0% and 87.7% of the Group's total revenue and gross profit, respectively. As of June 30, 2014, regardless of the volatility and the increased risks of the overseas market, the backlog of our International Engineering Contracting Business still achieved a level of US\$7,040.2 million. The steadily improving results and financial performance have provided the Group with strong support and powerful momentum. Meanwhile, the Group's market potential was further expanded through CMEC's ever-superb project-contracting capabilities and its long-established premium brand image in the overseas market.

BUSINESS REVIEW

In the first half of 2014, under the guidance of the "CMEC Five-Year Development Strategy", the Group proactively adjusted and realigned its business structure, optimized the allocation of internal and external resources and made concentrated efforts in further advancing our core businesses. During the period, the Group's three major business segments, namely, the International Engineering Contracting Business, Trading Business and Other Businesses, achieved a rapid synergistic development, gradually forming up a multi-faceted strategic business structure with International Engineering Contracting Business as the core, which is able to better align with our development strategies and increase overall competitiveness of the Group. By fully capitalizing on the synergy among the business segments, the Group put great emphasis on solidifying the leading position of the Group's International Engineering Contracting Business within the industry and attained numerous accomplishments during the period. By the same token, the Group also developed the Trading Business steadily, pursued vertical expansion of industry chain actively and explored the investment and financing management business. Meanwhile, during the Period, the Group has paid great attention to the advancement of upgrading refined management for internal organization; the management divisions of each business segment slowly took shape and delivered impetus to the business, laying down a solid foundation for the Group's overall business development.

7,040.2百萬元水平。穩步增長的業績及財務表現為集團未來發展提供了強有力的支持和充足動力。同時，憑借中國機械工程一如既往的出色項目承包能力以及在海外市場成功樹立的優質品牌形象，集團的市場空間得到進一步擴大。

業務回顧

二零一四年上半年，集團在「CMEC五年發展戰略」的指引下積極進行業務結構的調整與融合，實現了內外部資源的優化配置，集中推進核心業務的進一步發展。期內，集團國際工程承包業務、貿易業務及其他業務三大業務板塊協同快速發展，逐步構建以國際工程承包業務為核心，多元立體延伸的戰略業務構架，更好滿足集團發展戰略及提升整體綜合競爭實力。通過充分發揮業務板塊間的協同作用，集團重點強化國際工程承包業務在行業內的領先優勢並於期內取得了一系列成績，穩步發展貿易業務，積極縱向延展產業鏈、探索投融資管理業務。同時，本期間內集團緊密推進內部組織結構細化管理升級，各業務板塊管理部門逐步成型並發揮對業務的推動作用，為集團整體業務的發展提供了堅實的保障。

Chairman's Statement

董事長致辭

In respect of the International Engineering Contracting Business, despite the continuous volatile international landscape in the first half of the year, thanks to our well-established overseas project contracting experience, advanced project contracting capabilities and a well-rounded project management system, the Group was still able to achieve a good operating result for its international contracting projects overall and advanced further into the global market. Drawing on our expertise in power infrastructure projects as our core driving force, the Group also created synergies in promoting other areas of contracting business including transportation and telecommunications. Moreover, by integrating and optimizing internal resources, we provided support in terms of core technology and resources for the International Engineering Contracting Business, thereby significantly increasing the Group's overall strength in the business. Meanwhile, apart from being dedicated to the deployment and the enlargement of the Group's overseas engineering contracting business, the Group has also slowly dipped its toe into the domestic market which proved to be positively effective.

In the first half of 2014, the Group's International Engineering Contracting Business continued to consolidate its competitive advantages in its well-established conventional markets in Asia, Africa, etc. By intensifying the localized and regionalized operating strategies, the Group also managed to gain a foothold in regional business, strengthen establishment in the core markets and explore the local market demand, altogether securing the Group's resources and competitive edge within the core market. At the same time, through improving our own project management capability and implementing persistent market expansion, the Group came to enroot itself in regional markets including Latin America and Europe and secured a number of project contracts. Of which, the launching ceremony of the Argentina Belgrano cargo railway rehabilitation project was held successfully in the presence of the Chinese President Mr. Xi Jinping and the President of Argentina Mrs. Cristina Kirchner, providing a crucial strategic channel for the Group to consolidate its position in the Latin-American market. In addition, the Group fully capitalized on the increase in demand within the domestic market, and explored the opportunities presented by the domestic market by leveraging our own project-

國際工程承包業務方面，儘管上半年國際局勢動盪不斷，但依托成熟的海外項目承包經驗、領先的項目承包能力及完善系統的項目管理體系，集團上半年國際承包項目運營業績整體良好，並取得了國際市場的進一步拓展。集團以在電力能源基建領域的項目專長為核心驅動力，協同推動包括交通運輸、電子通訊等其他領域工程承包業務發展，並通過內部資源整合優化為國際工程承包業務提供核心技術及資源支持，大幅提升了集團國際工程承包業務的綜合實力。同時，在積極佈局及提升集團國際工程承包海外版圖的過程中，集團也逐步探索進入國內市場，並取得了較好的效果。

二零一四年上半年，集團國際工程承包業務不斷鞏固在傳統亞洲、非洲等成熟市場的競爭優勢，通過深化屬地化及區域化經營策略，建立區域業務根據地，加強核心市場建設，深入挖掘地區市場需求，確保集團在核心市場的資源及競爭優勢。同時，集團已通過提升自身項目管理及持續的市場拓展逐步開拓拉丁美洲及歐洲等區域市場並獲得一系列項目合同，其中阿根廷貝爾格拉諾貨運鐵路改造項目的啟動儀式在國家主席習近平先生和阿根廷總統克莉絲蒂娜女士的共同見證下成功舉行，為集團鞏固拉丁美洲市場打開了重要的戰略通道。此外，集團還深入挖掘國內市場需求增長，依托自身項目經驗及技術優勢探索國內市場機遇。本期間內，集團首個分佈式光伏發電項目在江蘇無錫威克集團成功併網試運行發電，標誌着集團成功進入國內太陽能能源市場，並進一步拓寬了業務領域及市場範圍。同時，集團國際工程

Chairman's Statement 董事長致辭

related experience and technological advantage. During the Period, the first distributed photovoltaic project undertaken by the Group successfully achieved grid connection in Jiangsu Wuxi Weike Group (江蘇無錫威克集團) and has been on trial of power generation, marking the Group's entrance into the domestic solar energy market and further expanding our business scope and market coverage. Meanwhile, the Group remained committed to technological upgrade and project quality improvement with respect to the Group's International Engineering Contracting Business, thereby overcoming technical obstacles in overseas projects and successfully completing a series of highly challenging projects. In particular, the Group has surmounted technical obstacles in respect of two power plant projects in Belarus and precisely met the technical standard, which not only gained high recognition from the project owners, but also added to the CMEC brand's influence over the local market. The Group's well-rounded adjustment and reconnaissance have contributed to a more diverse and stable business structure for the Group within the global market, and provided a strong drive for future growth.

Faced with the capricious international environment for the first half of the year, the Group fully committed itself to strengthening its risk control capability and emergency protocol in respect of overseas projects, laying down a solid foundation for the steadfast development of the projects. In June, turbulence in Iraq deepened which affected the Group's projects in Iraq. Thanks to the effective and well-formulated emergency protocol for our overseas projects which was promptly executed, all of the Group's personnel in Iraq were evacuated to a safe area within the shortest time. The Group's ability to rapidly optimize our risk control capability has then become a model within the industry, fully demonstrating the Group's leading position.

承包業務持續推進技術升級和項目質量的提升，積極攻克海外項目技術障礙，實現了一系列高難度項目的順利竣工。其中，集團在白俄羅斯兩個燃氣電站項目突破技術困難，實現技術標準的準確銜接順利交付，贏得了項目業主的高度讚譽，進一步提升了CMEC品牌在當地市場的影響力。集團在市場布局方面的多維調整及探索使集團在全球的市場構架更為多元穩定，為未來增長注入強勁動力。

面對上半年動盪起伏的國際局勢，集團積極強化海外項目風險管控及應對處理能力，為集團海外項目的持續穩步推進奠定堅實基礎。6月，伊拉克局勢動盪，集團在伊項目受到影響，但通過及時有效、系統完善的海外項目突發情況應急處理體系，集團在伊項目人員在最短時間內全部安全撤離。集團迅速並且完善的風險管控能力也成為行業標桿，凸顯集團領先地位。

Chairman's Statement

董事長致辭

In respect of the Trading Business, risks associated with international trade continued to increase for the first half of the year. However, the Group applied strict control over market risks and concentrated on the development of trading businesses with high gross profit margins, achieving a steady growth for the overall Trading Business. During the period under review, revenue and gross profit of the Trading Business recorded a stable growth in average. Meanwhile, by leveraging the synergistic effect among business segments, the Group managed to ramp up the growth of the Trading Business, while proactively implementing the consolidation and optimization of the Group's internal resources and staying committed to increasing the added value of the Trading Business, so as to facilitate the long-term growth of the Trading Business.

In relation to the investment and financing business, the Group continued to explore the opportunities presented by the extended industry chain, and exerted great efforts on the establishment of the investment and financing business and capital management business. Banking on our extensive operating experience in the field of engineering project contracting and our professional and refined business model for investment and financing, the Group provided professional and premium investment and financing services to project owners by using contracted engineering projects as our platform and incorporating various resource advantages of the Group.

貿易業務方面，上半年國際貿易風險持續增加，集團嚴控市場風險因素，緊推高毛利貿易業務發展，貿易業務整體取得了穩步的增長。回顧期內，貿易業務收入及毛利水平均錄得穩定增長，同時，集團充分發揮板塊間的協同作用拉動貿易業務增長，積極進行集團內部資源的整合優化，並不斷提升貿易業務的附加價值，推動貿易業務的長期增長。

投融資業務方面，集團繼續挖掘產業鏈延展帶來的機遇，大力推進投融資與資本管理業務的開展。依托在工程承包項目領域豐富的運營經驗及專業細化的投融資業務模式，集團以工程承包項目為平台，綜合集團多方面資源優勢為項目業主提供了專業優質的投融資服務。

OUTLOOK

Looking forward, as the world economy gradually stabilizes and recovers, the international infrastructure market will also gather momentum slowly. Moreover, the national policies will also provide fresh impetus to the market, which is favorable for Chinese international engineering contracting enterprises to further expand into the global market. With the three major business segments as our structural core, the Group will seize market opportunities and benefit from preferential policies, and fully capitalize on the synergistic effect among the business segments. In addition, apart from consolidating the existing premium businesses and the established markets, the Group will also proactively explore new businesses and new markets, bring about rapid transformation and upgrade of traditional businesses and promote the establishment of a diverse yet integrated industry chain, facilitating a vigorous development of the Group's overall operation and the further improvement of results.

With the steady progress of the "Silk Road Economic Belt" policy and the "Sino-Pakistan Economic Pass" policy, in the future, the Group's International Engineering Contracting Business will further develop with the support of preferential policies, and the Company will progressively expand into regional markets benefited from favourable policies, thereby precisely capitalizing on the market opportunities brought by the incentive policies. Our International Engineering Contracting Business will maintain the existing established markets while continuing to ramp up the efforts in expanding into new markets, fully capitalizing the increase in demand in the established markets, and accelerating the process of localization into the overseas markets, all paving the way to the next milestone of the Group's International Engineering Contracting Business. In addition, by leveraging our extensive experience in project contracting, the Group will also step up its deployment within the domestic market with an emphasis on fields supported

未來展望

展望未來，世界經濟將逐步企穩回升，國際基礎設施建設市場上行動力逐步增強，同時國家政策驅動將進一步為市場注入動力，有利中國國際工程承包企業在全球的進一步佈局。集團將緊抓市場機遇及政策紅利，以三大業務板塊為核心構架，充分發揮業務板塊間的協同拉動作用，在鞏固已有優勢業務及成熟市場的同時，積極開拓新業務和新市場，帶動傳統業務的快速轉型和升級，推進多元一體化產業鏈的形成，促進集團整體業務的蓬勃發展及業績的進一步提升。

隨着「絲綢之路經濟帶」及「中巴經濟走廊」政策的不斷推進，未來集團國際工程承包業務受惠政策紅利將得到進一步發展，公司將逐步拓展政策利好區域市場，準確捕捉政策拉動帶來的市場機遇。國際工程承包業務將在維護現有成熟市場的同時不斷加大對新市場的開發力度，深入挖掘成熟市場需求增長，加快海外市場屬地化建設，推動集團國際工程承包業務取得進一步提升。此外，依托在項目承包方面的豐富經驗，集團還將加快在國內市場的佈局，重點開拓新能源等政策利好的領域。下半年，集團還將繼續嚴控國際貿易風險，加緊內部資源整合及業務升級腳步，推進高毛利貿易產品的發展，打造核心產

Chairman's Statement

董事長致辭

by favorable policies such as new energies. In the second half of the year, the Group will continue to implement strict control over risks associated with international trade as before and focus on the consolidation of internal resources and the progress of business upgrades. Moreover, the Group will also promote the development of trading products with high gross profit margins and create a portfolio for core products. In the meantime, the Group will utilize our well-established International Engineering Contracting Business as our platform to proactively promote the investment and financing business, and in doing so, we seek to perpetually fortify the Group's overall competitiveness and thus bring exceedingly good results to our mass shareholders in return.

Finally, on behalf of the Board, I would like to take this opportunity to express our sincere gratitude to the shareholders and the society for their concern and support, and to all of the Group's staff who joined us in our endeavors!

SUN Bai

Chairman

Beijing, China

September 17, 2014

品組合。同時，依托集團已有成熟的國際工程承包業務平台大力發展投融資業務，不斷增強集團的綜合競爭實力，以更優異的業績表現回饋廣大股東。

最後，我謹代表董事會向一直以來關心和
支持中國機械工程的廣大股東、社會及與
我們一同奮鬥的集團全體同仁表示衷心的
感謝！

孫柏

董事長

中國北京

2014年9月17日

The Company was established in 1978 and was the first state-owned industrial and trading enterprise in the PRC. The Company is a subsidiary controlled by SINOMACH. The Company was listed on the Main Board of the Stock Exchange on December 21, 2012. As at June 30, 2014, the Company had a total of 908,270,000 H Shares and 3,217,430,000 non-tradable Domestic Shares issued. The Company has a primary focus on EPC projects and particular expertise in the power sector, capable of providing one-stop customized and integrated engineering contracting solutions and services. The Company also conducts the Trading Business and Other Businesses.

Prospects for Enterprise Development: Becoming the world's leading international engineering contractor and service provider and transforming itself into a first class conglomerate in the world through cutting-edge innovation and value creation.

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

International Engineering Contracting Business: With over 30 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 also undertake engineering contracting projects in more than 48 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.

Other Businesses: To a lesser extent, the Company is involved in the Other Businesses that provide logistics services, exhibition services, tendering agency services and other services (including design services and export-import agency services).

本公司成立於1978年，是中國第一家國有工貿企業，是由國機控股的附屬公司。本公司於2012年12月21日在聯交所主板上市。於2014年6月30日，本公司已發行合共908,270,000股H股及3,217,430,000股非流通內資股。本公司專注於EPC項目，特別專長於電力能源行業，能夠提供一站式訂制及綜合工程承包方案及服務。本公司亦從事貿易業務及其他業務。

企業發展前景：成為全球領先的國際工程承包商和服務商，體現在創新領先、價值創造、全球一流、綜合型企業。

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逾30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，尤其是在發展中國家，並已在超過48個國家（主要在亞洲、非洲、歐洲及南美洲）承接工程承包項目。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。

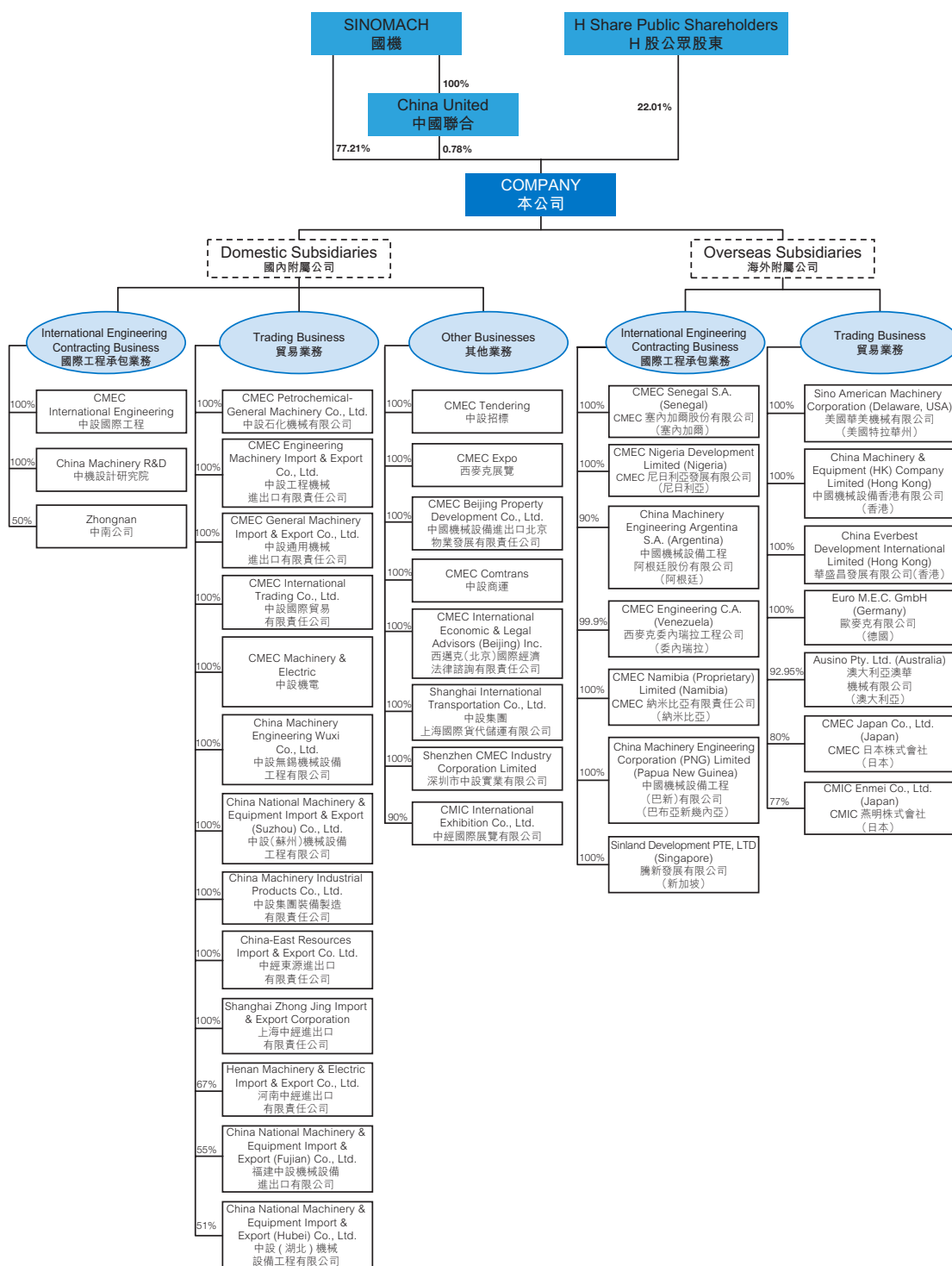
其他業務：本公司從事較小程度的其他業務，提供物流服務、展覽服務、招標代理服務及其他服務（包括設計服務及進出口代理服務）。

Company Profile

公司簡介

Corporate Structure: As at June 30, 2014, the Company's corporate structure was as follows:

企業架構：於2014年6月30日，本公司企業架構如下：



Unaudited Interim Results 未經審計中期業績

The Board hereby announces the unaudited operating results of the Group for the Period, together with the operating results for the Corresponding Period in 2013 for comparison. For the Period, the consolidated revenue of the Group amounted to RMB11,089.9 million, representing an increase of 6.4% over the Corresponding Period in 2013; profit before taxation amounted to RMB1,484.9 million, representing an increase of approximately 9.4% over the Corresponding Period in 2013; profit attributable to the Shareholders of the Company amounted to RMB1,087.6 million, representing an increase of 8.7% over the Corresponding Period in 2013; basic earnings per Share attributable to Shareholders of the Company amounted to approximately RMB0.26, representing an increase of 8.3% as compared with that in the Corresponding Period in 2013.

董事會謹此宣佈本集團於本期間的未經審計經營業績，連同2013年同期的經營業績，以作比較。於本期間，本集團合併收入為人民幣11,089.9百萬元，較2013年同期增加6.4%；除稅前溢利為人民幣1,484.9百萬元，較2013年同期增加約9.4%；本公司股東應佔溢利為人民幣1,087.6百萬元，較2013年同期增加8.7%；本公司股東應佔每股基本盈利約為人民幣0.26元，較2013年同期增加8.3%。

Key Operating and Financial Data

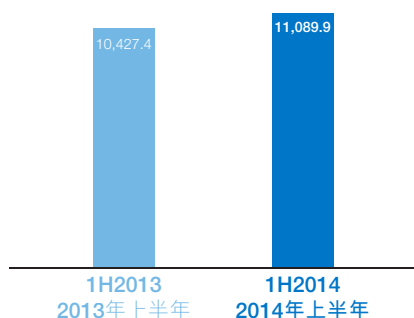
重要經營及財務數據

1. Revenue

收入

Unit: RMB million

單位：人民幣百萬元

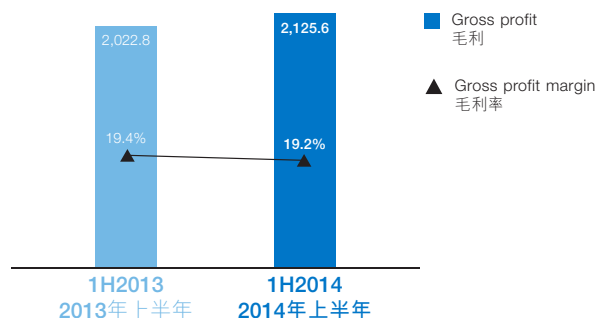


2. Gross Profit and Gross Profit Margins

毛利及毛利率

Unit: RMB million

單位：人民幣百萬元

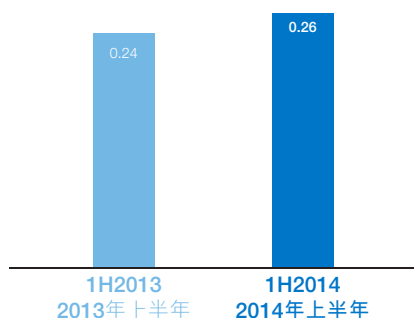


3. Basic Earnings per Share

每股基本盈利

Unit: RMB

單位：人民幣

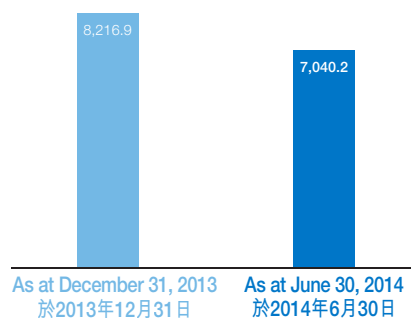


4. Backlog for the International Engineering Contracting Business

國際工程承包業務未完成合同量

Unit: US\$ million

單位：百萬美元

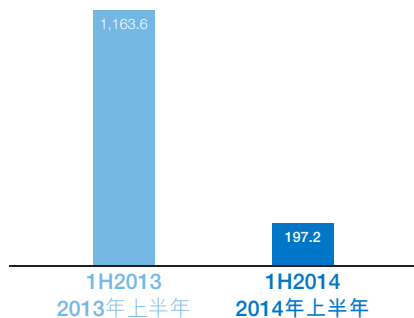


5. Newly Effective Contract Value for the International Engineering Contracting Business

國際工程承包業務的新生效合同金額

Unit: US\$ million

單位：百萬美元



6. Signed Contracts Pending to be Effective for the International Engineering Contracting Business

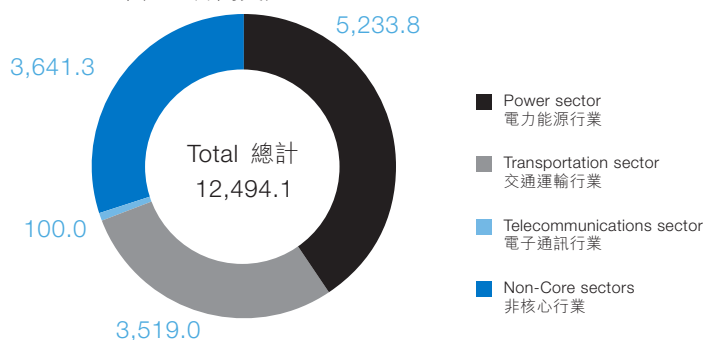
國際工程承包業務的已簽約待生效合同

As at June 30, 2014

於2014年6月30日

Unit: US\$ million

單位：百萬美元



Financial Highlights

財務摘要

For the six months ended June 30

截至6月30日止六個月

2014

2013

2014年

2013年

RMB'000

RMB'000

人民幣千元

人民幣千元

Revenue	收入	11,089,918	10,427,405
Gross profit	毛利	2,125,627	2,022,800
Other revenue and other income/(expenses), net	其他收入及其他收入/(開支)淨額	(189,890)	49,284
Operating expenses	經營開支	(890,587)	(819,730)
Profit from operations	經營溢利	1,045,150	1,252,354
Profit before taxation	除稅前溢利	1,484,923	1,357,116
Income tax	所得稅	(398,686)	(355,760)
Profit for the Period	本期間內溢利	1,086,237	1,001,356
Total other comprehensive income	其他綜合收益總額	(10,374)	(4,997)
Total comprehensive income for the Period	本期間內綜合收益總額	1,075,863	996,359
Profit attributable to:	溢利歸屬於：		
– Shareholders of the Company	– 本公司股東	1,087,626	1,000,718
– Non-controlling interests	– 非控股權益	(1,389)	638
Total comprehensive income attributable to:	綜合收益總額歸屬於：		
– Shareholders of the Company	– 本公司股東	1,077,132	995,680
– Non-controlling interests	– 非控股權益	(1,269)	679
Basic and diluted earnings per share (expressed in RMB per share)	每股基本及攤薄盈利 (以每股人民幣計值)	0.26	0.24
Total non-current assets	非流動資產總額	5,816,327	6,385,175
Total current assets	流動資產總額	27,743,508	26,950,708
Total assets	資產總額	33,559,835	33,335,883
Total non-current liabilities	非流動負債總額	427,701	491,034
Total current liabilities	流動負債總額	21,082,361	22,149,185
Total liabilities	負債總額	21,510,062	22,640,219
Equity attributable to Shareholders of the Company	本公司股東應佔權益	12,032,874	10,697,903
Non-controlling interests	非控股權益	16,899	(2,239)
Total equity	權益總額	12,049,773	10,695,664
Total equity and liabilities	權益及負債總額	33,559,835	33,335,883

Note:

The financial information of the Group for the six months ended June 30, 2013 and 2014 are set forth on pages 72 to 116, and is presented on the basis set out in note 2 to the unaudited interim financial report.

附註：

本集團截至2013及2014年6月30日止六個月的財務資料載列於第72頁至116頁，按未經審計中期財務報告附註2所載基準而呈列。

Management Discussion and Analysis

管理層討論及分析

I. INDUSTRY OVERVIEW

Despite the stronger recovery of the global economy and the overall upturn in global economic activities, significant risks continued to linger in the first half of 2014, and the downside pressure cannot be overlooked. Through the implementation of re-industrialization policies, the economies of developed countries have been gradually recovering on the whole, while the momentum of autonomous growth has increased and an upward trend has become increasingly obvious, which provided a strong support for the recovery of the global economy. The emerging economies have gradually achieved a stable development; however, under the influence of the political situations in areas such as Iraq, Ukraine, Syria and Thailand, as well as the ongoing adjustment of the global economy, it remains difficult for the major emerging economies to resume the pace of growth enjoyed a few years ago. Against the backdrop of the continuous fluctuation of the global economy, through measures such as deepening the reform, China's economy continued to develop with good momentum. The gross domestic product in the first half of 2014 reached RMB26,900 billion, representing a year-on-year increase of 7.4%¹.

A. International Engineering Contracting Business

In the first half of 2014, although the world's economy and political situation changed rapidly, the overall demand in the global infrastructure market still maintained a rapid growth. The robust demand for infrastructures in developing countries has become a major driving force for the growth of investment in infrastructure around the globe. In the first half of 2014, the international engineering contracting business in China has achieved a turnover of US\$61.58 billion, with a 6.5% year-on-year increase. The value of newly-signed contracts reached US\$81.04 billion, with a 5.7% year-on-year increase². In view of the steady growth of infrastructure demand in the developing countries and the gradual increase in the demand for upgrading infrastructures in the developed countries, international engineering contractors continued to expand new frontiers in the global market and adopted multi-market development strategies. Although the market pattern and share of the international engineering contracting industry have not experienced significant changes, as the risks of the international market are rising, the competition is set to become more complicated and intense³.

I. 行業概覽

2014年上半年，世界經濟復蘇態勢增強，全球經濟活動總體加強，但風險因素依然突出，下行壓力不可忽視。通過實施再工業化政策，發達國家經濟總體緩步復蘇，經濟自主增長動力增強，上行趨勢逐漸顯現，對世界經濟復蘇形成強有力的支撐。新興經濟體經濟逐漸企穩，但受伊拉克、烏克蘭、敘利亞、泰國等地區局勢因素影響，加之全球經濟調整尚未結束，主要的新興經濟體的經濟增長速度仍難以恢復到前幾年的水平。在世界經濟持續波動的背景之下，中國經濟通過深化改革等措施，繼續保持良好的發展勢頭，2014年上半年國內生產總值達26.9萬億元人民幣，同比增長7.4%¹。

A. 國際工程承包業務

2014年上半年，世界經濟及政治局勢快速變化，但全球基建市場整體需求仍保持快速增長，發展中國家旺盛的基建需求成為全球基建投資增長的重要動力。2014年上半年，我國對外工程承包業務完成營業額615.8億美元，同比增長6.5%，新簽合同額810.4億美元，同比增長5.7%²。伴隨著發展中國家基建需求的穩步增長和發達國家對更新基建的需求逐步增長，國際工程承包商不斷在全球市場開拓新陣地並採取多市場並行的發展戰略。雖然國際工程承包行業的市場格局和市場份額並未發生太大變化，但國際市場風險因素上升，競爭格局更趨複雜激烈³。

Management Discussion and Analysis

管理層討論及分析

Currently, the world's economy is experiencing profound adjustments, and various countries are relying on increasing investments in infrastructure construction to stimulate economic growth, which is reflected by the large-scale infrastructure projects in the development plans of various nations⁴. In recent years, the Chinese government has continued to promote the strategy of "Going Out" and has proposed to establish a regional cooperation model through the establishment of the "New Silk Road Economic Belt". These all have provided ampler market opportunities to the international engineering contractors. Furthermore, the Chinese government endeavors to promote the establishment of the "Asian Infrastructure Investment Bank". The setting up of such bank will accelerate the progress of industrialization and urbanization in the Asian countries, which provides strong stimulus to the investment demand of infrastructures in the Asian region and further accelerates the growth of the Chinese international contractors, and facilitates their development into an important player of the global infrastructure market.

Recently, European and American large-scale international engineering contractors have actively adjusted the market layout and performed dynamically. With the support from the relevant governments, Korean and Japanese international contractors have gradually expanded into the African markets. Russia and Brazil have shown their keen interests in participating in the regional transportation networks in Africa. Going forward, the Chinese international engineering contractors will face increasing competition pressure in the international markets⁵. However, as the Chinese international engineering contractors have operated in overseas markets for many years, they maintain traditional advantages in the Asian and African markets. At the same time, although unrests in countries such as Iraq, Ukraine and Syria in the first half of 2014 have hindered the progress of projects undertaken by the Chinese international engineering contractors in such regions to a certain extent, in the wake of the further integration of the Chinese and global economy, positive economic situation in China will provide a solid backup to the Chinese international engineering contractors when they cope with more intense overseas competitions and further expand international markets.

當前世界經濟正處於深度調整期，各國均選擇了通過擴大對基礎設施建設投資來刺激經濟增長，各國的發展規劃中也都包含了龐大的基建計劃⁴。近年來，中國政府持續推進「走出去」戰略，更提出構建「新絲綢之路經濟帶」的區域合作模式，這些都為國際工程承包商提供了更豐富的市場機遇。此外，中國政府着力推進「亞洲基礎設施投資銀行」的建立，該銀行的建立將加快亞洲國家工業化、城市化的進程，有力刺激亞洲地區的基建投資需求，令中國國際承包商增長步伐再度加快並成長為全球基建市場的重要組成力量。

近年，歐美大型國際工程承包商積極調整市場佈局，表現活躍；韓國、日本國際承包商在相關政府的支持下，逐步開拓非洲市場；俄羅斯和巴西也表現出對參與非洲區域運輸網絡濃厚的興趣。中國國際承包商未來面臨的國際競爭壓力將進一步增大⁵。但是中國國際工程承包商植根海外市場多年，在亞洲及非洲市場仍具有傳統優勢。同時，儘管2014年上半年伊拉克、烏克蘭、敘利亞等地局勢動盪在一定程度上阻礙了中國國際工程承包商在該等地區的項目推進，但隨着中國經濟與世界經濟的進一步緊密融合，中國的良好經濟態勢將為中國國際工程承包商應對更加激烈的海外競爭及進一步拓展國際市場提供堅實的後盾。

Management Discussion and Analysis

管理層討論及分析

B. Trading Business

The development of the world's economy has remained unstable this year, yet the overall growth momentum is obvious. The Organisation for Economic Co-operation and Development (OECD) forecasts that the growth of the global economy will be 3.4%, whereas the forecast of the International Monetary Fund (IMF) is 3.6%. World Trade Organization (WTO) anticipates that the growth of the global trading volume will be 4.7%, which shows an increase of 2.6% as compared to that in 2013. The trend of the overall economic and trading development is positive⁶.

In the first half of 2014, the overseas trading industry of China enjoyed opportunities while facing continuous challenges. On the one hand, as the global economy gradually recovered and the incentivising effects of the policies of the Chinese government in supporting the stable growth of foreign trade slowly emerged, the confidence of export enterprises remained high and the exports showed improvement each month. However, on the other hand, the pressure brought by complicated factors such as the stagnant growth of demand from external markets, the aggravation of trade frictions and the increase in domestic production costs was still apparent. However, in overall, along with the recovery of the global economy and the vigorous promotions of national policies, it is expected that in the second half of this year, the import and export growth of foreign trade will rebound significantly and the pace of growth will start to pick up from the low level at the beginning of the year⁷.

¹ Source: National Bureau of Statistics, Preliminary Accounting of China's GDP (Gross Domestic Product) in the first half of 2014 (http://www.stats.gov.cn/tjsj/zxfb/201407/t20140717_582698.html)

² Source: regular press conference of the Ministry of Commerce of the PRC ("MOFCOM") on July 15, 2014

³ Source: 2014 first press conference of the China International Contractors Association ("CHINCA") in March 2014

⁴ Source: 2014 first press conference of CHINCA in March 2014

⁵ Source: 2014 first press conference of CHINCA in March 2014

⁶ Source: regular press conference of MOFCOM on May 16, 2014

⁷ Source: regular press conference of MOFCOM on July 15, 2014

B. 貿易業務

今年以來世界經濟發展依然不穩定，但總體回暖勢頭明顯。經濟合作與發展組織(OECD)預測今年全球經濟增速為3.4%，國際貨幣基金組織(IMF)預測將增長3.6%，世界貿易組織(WTO)預計今年全球貿易量增長4.7%，較2013年提高2.6%。經濟及貿易發展趨勢總體向好⁶。

2014年上半年我國的對外貿易行業面臨機遇的同時也不斷迎接挑戰。一方面，世界經濟回暖，我國政府支持外貿穩定增長政策的激勵效應逐步顯現，出口企業信心持續高漲，出口形勢逐月好轉；但另一方面，外部市場需求增長乏力、貿易摩擦加劇、國內生產成本上升等複雜因素帶來的壓力仍然明顯。但是總體而言隨着全球經濟的回暖 and 國家政策的大力推動，預計本年下半年外貿進出口增速將有明顯回升，全年增速將會呈現出一個前低後高的走勢⁷。

¹ 資料來源：國家統計局，2014年上半年我國GDP（國內生產總值）初步核算情況(http://www.stats.gov.cn/tjsj/zxfb/201407/t20140717_582698.html)

² 資料來源：中國商務部（「商務部」）例行新聞發佈會2014年7月15日

³ 資料來源：中國對外承包工程商會（「對外承包商會」）2014年首次新聞發佈會2014年3月

⁴ 資料來源：對外承包商會2014年首次新聞發佈會2014年3月

⁵ 資料來源：對外承包商會2014年首次新聞發佈會2014年3月

⁶ 資料來源：商務部例行新聞發佈會2014年5月16日

⁷ 資料來源：商務部例行新聞發佈會2014年7月15日

Management Discussion and Analysis

管理層討論及分析

II. BUSINESS OVERVIEW

The overall business of the Company maintained a steady growth and achieved various business targets in the first half of 2014. The revenue and profit attributed to the International Engineering Contracting Business recorded a steady growth as compared with the same period last year. The Trading Business reversed its falling trend and rebounded through adjustment and consolidation. For the Period, the International Engineering Contracting Business accounted for approximately 76.0% of our total revenue, whereas its gross profit accounted for approximately 87.8% of our total gross profit, which established a solid foundation for achieving the business target of the whole year of 2014.

A. International Engineering Contracting Business

We are a leading international engineering contracting and services provider with a primary focus on EPC projects and with particular expertise in the power sector. The International Engineering Contracting Business is one of the traditional core businesses of the Group. It represents approximately 76.0% of the Group's total revenue for the Period. In particular, revenue from the power sector accounted for approximately 84.7% of the Group's total revenue of the International Engineering Contracting Business, whereas the gross profit of the power sector accounted for approximately 94.5% of the total gross profit of the International Engineering Contracting Business. Gross profit margin maintained at an industry-leading level of approximately 24.7%.

II. 業務概覽

2014年上半年公司總體業務保持穩定增長，實現了多項業務目標。國際工程承包業務收入、利潤同比穩步增長。貿易業務通過調整整合，呈現止跌回升態勢。本期間，國際工程承包業務佔總收入約76.0%，毛利佔毛利總額約87.8%。為實現2014年全年業務目標打下了良好基礎。

A. 國際工程承包業務

本集團是國際領先的工程承包與服務商，主要專注於EPC項目，特別專長於電力能源行業。國際工程承包業務為本集團傳統核心業務之一，約佔於本期間的本集團總收入的76.0%。其中，電力能源行業收入佔本集團國際工程承包業務總收入約84.7%，而電力能源行業的毛利則佔國際工程承包業務總毛利約94.5%，毛利率保持在約24.7%，處於行業領先水平。

Management Discussion and Analysis

管理層討論及分析

Details of the International Engineering Contracting Business for the Period, compared with those for the Corresponding Period in 2013, are set out in the table below:

下表載列本期間國際工程承包業務詳情，以及2013年同期的比較數字：

				Six months ended June 30, 2014	% of Total	Six months ended June 30, 2013	Increase/ (decrease)
				截至2014年6月30日止六個月	總額的%	截至2013年6月30日止六個月	增加／(減少)
				<i>RMB million</i>		<i>RMB million</i>	
				人民幣百萬元		人民幣百萬元	
Revenue	Power	收入	電力能源	7,141.7	84.7%	7,117.3	0.3%
	Transportation		交通運輸	448.7	5.3%	270.8	65.7%
	Telecommunications		電子通訊	55.6	0.7%	132.1	(57.9%)
	Non-Core Sectors		非核心行業	782.7	9.3%	483.9	61.7%
	Total		總計	8,428.7	100%	8,004.1	5.3%
Gross profit	Power	毛利	電力能源	1,762.1	94.5%	1,702.1	3.5%
	Transportation		交通運輸	30.1	1.6%	33.4	(9.9%)
	Telecommunications		電子通訊	4.4	0.2%	17.3	(74.6%)
	Non-Core Sectors		非核心行業	68.9	3.7%	22.8	202.2%
	Total		總計	1,865.5	100%	1,775.6	5.1%

Management Discussion and Analysis

管理層討論及分析

				Six months ended June 30, 2014 截至2014年 6月30日 止六個月 US\$ million 百萬美元	% of Total	Six months ended June 30, 2013 截至2013年 6月30日 止六個月 US\$ million 百萬美元	Increase/ (decrease) 增加/ (減少)
Newly effective contract value	Power	新生效合同	電力能源	16.8	8.5%	702.4	(97.6%)
	Transportation	金額	交通運輸	40.0	20.3%	120.4	(66.8%)
	Telecommunications		電子通訊	-	-	183.2	-
	Non-Core Sectors		非核心行業	140.4	71.2%	157.6	(10.9%)
	Total	總計		197.2	100%	1,163.6	(83.1%)
				As at June 30, 2014 於2014年 6月30日 US\$ million 百萬美元	% of Total	As at December 31, 2013 於2013年 12月31日 US\$ million 百萬美元	Increase/ (decrease) 增加/ (減少)
Backlog	Power	未完成	電力能源	4,727.1	67.1%	5,869.1	(19.5%)
	Transportation	合同量	交通運輸	834.2	11.9%	875.5	(4.7%)
	Telecommunications		電子通訊	331.0	4.7%	340.6	(2.8%)
	Non-Core Sectors		非核心行業	1,147.9	16.3%	1,131.7	1.4%
	Total	總計		7,040.2	100%	8,216.9	(14.3%)
Signed contracts pending to be effective	Power	已簽約	電力能源	5,233.8	41.9%	5,798.9	(9.7%)
	Transportation	待生效	交通運輸	3,519.0	28.2%	3,519.0	-
	Telecommunications	合同	電子通訊	100.0	0.8%	100.0	-
	Non-Core Sectors		非核心行業	3,641.3	29.1%	4,058.0	(10.3%)
	Total	總計		12,494.1	100%	13,475.9	(7.3%)

Management Discussion and Analysis

管理層討論及分析

As at June 30, 2014, the Group had undertaken engineering contracting projects in more than 48 countries over the world, primarily in Asia, Africa, Europe and South America.

The following map indicates the locations of our engineering contracting projects from January 1, 2009 to June 30, 2014:



於2014年6月30日，本集團的工程承包項目遍及全球超過48個國家，主要在亞洲、非洲、歐洲及南美洲。

以下地圖顯示於2009年1月1日至2014年6月30日我們工程承包項目的位置：

The following table sets forth a breakdown of the revenue from the Group's international engineering contracting projects by geographic locations for the Period, compared with those for the Corresponding Period in 2013:

下表載列本集團於本期間與2013年同期按地區劃分的國際工程承包項目收入明細：

		Six months ended June 30, 截至6月30日止六個月			
		2014 2014年		2013 2013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%
Asia	亞洲	4,443.5	52.7%	2,366.7	29.6%
Africa	非洲	1,741.0	20.7%	2,508.6	31.3%
Europe	歐洲	1,413.5	16.8%	2,108.2	26.3%
South America	南美洲	830.7	9.8%	1,020.6	12.8%
Total	總計	8,428.7	100%	8,004.1	100%

Management Discussion and Analysis

管理層討論及分析

1. Satisfactory Project Performance

As of June 30, 2014, the total backlog for the International Engineering Contracting Business was US\$7,040.2 million, of which, approximately 67.1%, 11.9%, 4.7% and 16.3% of the contract values were attributable to the Group's power sector, transportation sector, telecommunications sector and other non-Core Sectors, respectively.

The execution of projects under the International Engineering Contracting Business during the Period was satisfactory. The Group strictly controlled project costs and ensured that the quality, progress and safety levels were all up to standard. Six projects were completed on schedule in the Period, involving a total project value of US\$976.21 million.

Numerous challenges arose during the construction of the Belarus Lukoml 400MW combined cycle power plant and Belarus Brest 400MW combined cycle power plant projects in Belarus. However, the Group successfully overcame the technical obstacles and precisely met the technical standard. Notwithstanding the scarcity of resources and extremely cold weather, we completed the projects on time, which not only gained high recognition from the project owners, but also demonstrated our precise technical capabilities and excellent construction standard. In addition, the first distributed power-related project undertaken by the Company in Wuxi, Jiangsu, China achieved grid connection and has been on trial of power generation, marking the successful entrance of the Company into the solar energy industry and further expanding our business scope and market coverage. The project was launched on December 30, 2013 and lasted for around two months. We have successfully completed the different stages of the project, including component installation, adjustment and trial run, operation and grid connection. Besides, the project was rated number one in Wuxi in various categories, including the first distributed photovoltaic power generation project with the largest unit capacity, the first distributed photovoltaic power

1. 履約情況良好

於2014年6月30日，國際工程承包業務的未完成合同額為7,040.2百萬美元。其中，本集團電力能源行業佔比約67.1%，交通運輸行業佔比約11.9%，電子通訊行業佔比約4.7%，其他非核心行業佔比約16.3%。

本期間國際工程承包業務的項目執行情況良好。本集團嚴控項目的成本，確保質量、進度和安全品質達標，本期間共有六個項目按期完工，項目總金額達976.21百萬美元。

白俄羅斯盧科姆利400兆瓦複循環燃機電站及白俄羅斯布列斯特400兆瓦複循環燃機電站項目在項目推進過程中面對諸多挑戰，集團突破技術難點，實現技術標準的準確銜接，在克服當地物資緊缺和極端嚴寒天氣的情況下實現了項目的按時完工，在贏得業主高度讚賞的同時也體現了公司的精準的技術能力和卓越的施工水準。另外，公司首個分佈式光伏發電項目在中國江蘇無錫正式併網試運行發電，標誌著公司成功進入太陽能能源行業，進一步拓展了業務領域及市場範圍。該項目自2013年12月30日啟動，歷時2個多月，順利完成了包括組件安裝、調試、運行、併網等多個項目階段，榮膺無錫市第一個單體容量最大的分佈式光伏發電項目、第一個中壓併網接入高壓用戶變的分佈式光伏發電項目、第一個建立與國家電網一級調度關係的分佈式光伏發電項目

Management Discussion and Analysis

管理層討論及分析

generation project with integration of power grid with medium voltage accessing the high voltage users, and the first distributed photovoltaic power generation project that has established a first class dispatching relationship with the State Grid. It signified that the Company has achieved concrete results in the exploration and development of new energy, establishing a cornerstone for further development in that field in the future.

Moreover, several projects of the Company also made milestone development. The construction of the GaranGoussou substation in N'Djamena and the 90kV cable interconnection work of the Farcha2 to GaranGoussou substation passed 24-hour no-load trial operation and completed each test with charge equipment. The IZDEMIR 1x350MW supercritical power plant in Turkey was successfully integrated into the power grid, having achieved full load in one time and commenced power generation. The Thaukyegat (2) hydropower project in Myanmar received the final acceptance certificate issued by the project owner, signifying the official delivery after the performance of the underlying contract in Myanmar. Generator No.2 of phase II of the 2X300MW Puttalam coal power project in Sri Lanka started commercial operation after the temporary delivery certificate was signed. The Limbe stadium project in Cameroon received a temporary acceptance certificate issued by the Ministry of Sports of Cameroon, the project owner. Thus far, the Limbe stadium project has reached its one-year warranty period. During the period under review, both internal and external projects of the Company demonstrated impressive progress, and were completed on schedule.

In addition, for the Period, under the intense political situation in Iraq, the Company launched a comprehensive program and activated the emergency warning system. We successfully organized and completed the evacuation of staff who worked in the power stations in Iraq, and became a role model on safe evacuation of staff under emergency situations for Chinese enterprises operating in Iraq.

等多個「第一」的殊榮。這也標誌著公司在新能源領域的探索及拓展已取得了具體的成果，為未來在該領域的進一步開拓佈局奠定了穩固基石。

此外，公司還有一批重要項目也取得了里程碑進展。乍得恩賈梅納GaranGoussou變電站工程、Farcha2至GaranGoussou變電站90千伏電纜連接工程已經順利通過24小時空載試運行並完成了各項設備帶電試驗。土耳其IZDEMIR一座350兆瓦超臨界燃煤電站併網成功並一次升至滿負荷，順利實現發電。緬甸道耶卡(2)水電站項目收到業主簽發的最終驗收證書，標誌著緬甸相關合約全面履約完畢，正式移交。斯里蘭卡普特拉姆二期兩座300兆瓦燃煤電站項目2號機組簽署了臨時移交證書，進入商業運行。喀麥隆林貝體育場收到業主喀麥隆體育部簽發的臨時接收證書。至此，林貝體育場項目進入為期一年的質保期。於回顧期內，公司內外各項目進展良好，如期完約。

此外，於本期間，面對伊拉克緊張的政治局勢，公司全面佈局並在第一時間啟動緊急預警機制，順利組織和完成了伊拉克電站項目現場人員的撤退工作，樹立了在伊中資企業人員應急事故安全撤離的典範。

Management Discussion and Analysis

管理層討論及分析

2. Adjustment and Stepped-up Efforts in Market Development

For the Period, newly effective contract value of the Group amounted to US\$197.2 million, representing a decrease of approximately 83% as compared with the Corresponding Period in 2013. In the first half of 2014, the economy of China was still in an adjusting period. Although the government introduced various “micro-incentives” policies, more time is required for the policies to take effect and the stimulus to the economy is currently weak. Meanwhile, the Group implemented a stricter operation management measures for better control on external risks. In order to ensure the quality of projects and the liquidity of the Company, we also further raised the contracting requirements and started to select projects in a more cautious manner, which led to a drop in the number of new projects acquired.

Even so, there were highlights on the project development of the Group in the first half of 2014. The contract relating to the Philips student apartment project in Canada has come into effect, signifying the Group’s official entrance into the infrastructure sector of the developed countries. In response to the strategy of “One Belt and One Road” in China, the Group reached into cooperation intention with both the Government of Pakistan and some companies in Pakistan in different projects. The signing of the strategic cooperation agreement with Wuxi Guolian Environmental Energy Group Co., Ltd. laid a solid foundation for the Company to further develop in domestic and overseas new energy projects in the future. Moreover, the Belgrano cargo railway rehabilitation project in Argentina has acquired the executive order signed by the Argentinian President, and the project’s supplemental loan agreement was signed under the witness of the Chinese President Xi Jinping in July 2014. This provides a smoother path for bringing the contract into effect and offers strong support for the Company to explore the South American market in the future.

As at June 30, 2014, the value of the signed contracts pending to be effective under the International Engineering Contracting Business of the Group amounted to US\$12,494.1 million, of which the power sector accounted for approximately 41.9%.

2. 市場開發調整蓄勢

於本期間，本集團新生效合同額為197.2百萬美元，較2013年同期下降約83%。2014年上半年，國內經濟繼續處於調整期，儘管國家出台多項「微刺激」政策，但政策顯效仍需較長時間，對經濟具體拉動效果微弱。同時，本集團為更好控制外部風險實行了更為嚴格的經營管理措施，為確保項目的高品質及公司資金流暢通，進一步提高了簽約要求，在項目的選擇上更為謹慎，使得新項目的獲得數量有所下降。

儘管如此，2014年上半年，本集團在項目開發上仍不乏亮點，加拿大菲利普學生公寓項目合約生效，標誌著本集團正式打入發達國家基礎設施建設領域。為響應國家「一帶一路」戰略，本集團與巴基斯坦政府及巴基斯坦部份公司達成了不少項目合作意向。與無錫國聯環保能源集團有限公司簽署了戰略合作協議，為公司今後在國內外深入開拓新能源項目奠定了堅實的基礎。此外，於2014年7月，阿根廷貝爾格拉諾貨運鐵路改造項目已獲得阿根廷總統簽署的總統令，並在中國習近平主席的見證下簽署了項目補充貸款協議，為合同生效鋪平了道路，也為公司將來開拓南美市場提供了強有力的支援。

於2014年6月30日止，本集團的國際工程承包業務已簽約待生效合同額為12,494.1百萬美元，其中電力能源佔約41.9%。

Management Discussion and Analysis

管理層討論及分析

B. Trading Business

During the Period, the adjustment and consolidation of the Trading Business began to bear fruit. The Company has commenced the internal integration of the trading segment since the end of last year, under which, China Machinery Industrial Products Co., Ltd. would be the leading entity, while five trading subsidiaries in Beijing will be reorganized by way of custodian arrangement. Meanwhile, with China Machinery Engineering Wuxi Co., Ltd as the leading entity, the “Eastern China Business Department” has been established jointly with China National Machinery & Equipment Import & Export (Suzhou) Co., Ltd, Shanghai Zhong Jing Import & Export Corporation and Euro M.E.C. GmbH (Germany). By virtue of the above initiatives, two main forces of the trading groups are formed inside and outside Beijing. We are committed to reorganizing our segments and businesses in order to promote the transformation of the operation model and to push forward the transformation of the trading subsidiaries from product merchant to value-adding service provider and further development in the direction of solution provider with the goal of gradually moving away from pure trading business characterized by low profit, high risk and advancement of credits. According to the result of the first half of the year, the Group achieved an obvious result through reorganization and contained the continuous recession in the Trading Business. The core business of the Trading Business and the variety of products further increased, which formed a distinctive operation model in the respective fields, including those of forging and casting goods, electrical products and new energy, and achieved a better economic benefit. It is anticipated that the Trading Business will continue to pick up this upward trend in the second half of the year.

B. 貿易業務

本期間，貿易業務通過調整整合後已見成效。公司從去年底開始對貿易板塊進行內部整合，以中設集團裝備製造有限責任公司為龍頭，以託管方式將京內五家貿易子公司進行重組，同時以中設無錫機械設備工程有限公司為龍頭，中設（蘇州）機械設備工程有限公司、上海中經進出口有限責任公司、歐麥克有限公司（德國），組建成立「華東事業部」，由此在京內外形成了兩大貿易集團主力軍，力圖通過板塊和業務的重組，促進經營模式轉型，推動貿易子公司從產品貿易商向產品增值服務商轉變，並進一步向提供解決方案方向發展，逐步放棄利潤低、風險大且需墊資的純貿易業務。從上半年業績看，集團通過重組已經取得了較為明顯的效果，遏制了貿易業務持續下滑的局面，貿易業務中的核心業務和產品種類進一步提升，已經在高端鑄鍛件、電氣產品、新能源等領域各自形成極有特色的經營模式，取得了較好的經濟效益。下半年貿易業務有望繼續重拾升軌。

Management Discussion and Analysis

管理層討論及分析

Details of the Trading Business for the Period, compared with those for the Corresponding Period in 2013, are set out in the table below:

下表載列截至本期間貿易業務詳情連同2013年同期的比較數字：

				Six months ended June 30, 2014	% of Total	Six months ended June 30, 2013	Increase/ (decrease)
				截至2014年6月30日止六個月	總額的%	截至2013年6月30日止六個月	增加/ (減少)
				RMB million		RMB million	
				人民幣百萬元		人民幣百萬元	
Revenue	International trade	收入	國際貿易	1,791.5	80.2%	1,615.8	10.9%
	Domestic trade		國內貿易	441.1	19.8%	369.3	19.4%
Total			總計	2,232.6	100%	1,985.1	12.5%
Gross profit	International trade	毛利	國際貿易	108.2	80.5%	96.9	11.7%
	Domestic trade		國內貿易	26.2	19.5%	14.3	83.2%
Total			總計	134.4	100%	111.2	20.9%

C. Other Businesses

In addition to the Group's International Engineering Contracting Business and Trading Business, the Group also operates the Other Businesses, including the provision of design services, logistics services, exhibition services, tendering agency services and other services (including the export-import agency services), and conducting strategic equity investment. During the Period, revenue and gross profit margin from the Other Businesses decreased slightly, whereas gross profit margin remained at a relatively high level within the industry.

C. 其他業務

除了本集團的國際工程承包業務及貿易業務外，本集團亦經營其他業務，包括提供設計服務、物流服務、展覽服務、招標代理服務及其他服務（包括進出口代理服務），並從事戰略性股權投資。於本期間，來自其他業務的收入和毛利率輕微下跌，但毛利率仍維持在行業內較高水平。

Management Discussion and Analysis

管理層討論及分析

Details of the Group's Other Businesses for the Period, compared with those for the Corresponding Period in, 2013, are set out in the table below:

下表載列本集團於本期間其他業務詳情連同2013年同期的比較數字：

				Six months ended June 30, 2014	% of Total	Six months ended June 30, 2013	Increase/ (decrease)
				截至2014年6月30日止六個月	總額的%	截至2013年6月30日止六個月	增加/ (減少)
				RMB million		RMB million	
				人民幣百萬元		人民幣百萬元	
Revenue	Logistics services	收入	物流服務	142.4	33.2%	160.9	(11.5%)
	Design services		設計服務	197.3	46.0%	126.5	56.0%
	Exhibition services		展覽服務	59.8	14.0%	114.4	(47.7%)
	Tendering agency services		招標代理服務	5.9	1.4%	5.5	7.3%
	Export-import agency services		進出口代理服務	4.4	1.0%	10.4	(57.7%)
	Other		其他	18.8	4.4%	20.5	(8.3%)
	Total		總計	428.6	100%	438.2	(2.2%)
Gross profit	Total	毛利	總計	125.7	100%	136.0	(7.6%)

III. HUMAN RESOURCES

As at June 30, 2014, the Group had 2,661 (December 31, 2013: 2,633) employees. Employees' remuneration comprises basic salary and performance salary. The performance salary is determined according to the assessment of the performance of all the staff. The Company does not adopt any pre- or post-IPO share award scheme or share option scheme as incentive to eligible employees.

III. 人力資源

於2014年6月30日，本集團擁有員工2,661人（2013年12月31日：2,633人）。員工薪酬包括基本薪金及績效薪金。績效薪金乃根據全體員工的表現評估釐定。本公司概無採納任何首次公開發售前或後股份獎勵計劃或購股權計劃，作為對合資格僱員的獎勵。

Management Discussion and Analysis

管理層討論及分析

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

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

IV. FINANCIAL POSITION AND OPERATING RESULTS

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

IV. 財務狀況及經營業績

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

1. Overview

For the Period, several of the Group's key financial indicators slightly improved: revenue, gross profit and profit before taxation all increased. The International Engineering Contracting Business, the Group's core business, maintained a higher level of gross profit margin and recorded an increase in revenue of approximately 5.3% as compared with that in the Corresponding Period in 2013. The Group's ever more profitable and premium power sector continued to occupy core position, and the Group's business structure remained stable.

1. 概覽

於本期間，本集團各項主要財務數據呈現小幅增長態勢：收入、毛利、除稅前溢利均有所增長，本集團核心業務國際工程承包業務在保持較高毛利率水平的情況下，收入較2013年同期有約5.3%的增長，本集團盈利更強、質量更優的電力能源板仍佔據核心地位，本集團業務結構保持穩定。

2. Revenue

The Group generated its revenue from its International Engineering Contracting Business, Trading Business and Other Businesses.

During the Period, the Group's revenue amounted to RMB11,089.9 million, representing an increase of approximately 6.4% as compared with the Group's revenue for the Corresponding Period in 2013.

2. 收入

本集團的收入來自國際工程承包業務、貿易業務及其他業務。

於本期間，本集團的收入為人民幣11,089.9百萬元，較本集團於2013年同期的收入增加約6.4%。

Management Discussion and Analysis

管理層討論及分析

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

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

		Six months ended June 30, 截至6月30日止六個月			
		2014		2013	
		2014年		2013年	
		<i>RMB million</i>	<i>% of Total</i>	<i>RMB million</i>	<i>% of Total</i>
		人民幣百萬元	總額的%	人民幣百萬元	總額的%
International Engineering Contracting Business	國際工程承包業務				
Power	電力能源	7,141.7	64.4%	7,117.3	68.3%
Transportation	交通運輸	448.7	4.0%	270.8	2.6%
Telecommunications	電子通訊	55.6	0.5%	132.1	1.3%
Non-Core Sectors	非核心行業	782.7	7.1%	483.9	4.6%
Trading Business	貿易業務				
International trade	國際貿易	1,791.5	16.1%	1,615.8	15.5%
Domestic trade	國內貿易	441.1	4.0%	369.3	3.5%
Other Businesses	其他業務	428.6	3.9%	438.2	4.2%
Total	總計	11,089.9	100%	10,427.4	100%

1) International Engineering Contracting Business

For the Period, the Group's revenue generated from the International Engineering Contracting Business amounted to RMB8,428.7 million, which accounted for approximately 76.0% of the Group's total revenue for the Period, representing an increase of approximately 5.3% as compared with RMB8,004.1 million in the Corresponding Period in 2013, primarily due to the increase in revenue from the non-Core Sectors and transportation sector.

1) 國際工程承包業務

於本期間，本集團的國際工程承包業務收入為人民幣8,428.7百萬元，佔於本期間本集團總收入約76.0%及較2013年同期人民幣8,004.1百萬元增加約5.3%，主要由於非核心行業板塊及交通運輸板塊項目收入增長。

Management Discussion and Analysis

管理層討論及分析

For the Period, revenue from the power sector amounted to RMB7,141.7 million, representing an increase of approximately 0.3% as compared with RMB7,117.3 million in the Corresponding Period in 2013, which is at substantially the same level.

於本期間，電力能源行業收入為人民幣7,141.7百萬元，比2013年同期人民幣7,117.3百萬元增長約0.3%，基本持平。

For the Period, revenue from the transportation sector amounted to RMB448.7 million, representing an increase of approximately 65.7% as compared with RMB270.8 million in the Corresponding Period in 2013, primarily attributable to the significant progress in the construction of the vessel projects in Asia during the first half of 2014.

於本期間，交通運輸行業收入為人民幣448.7百萬元，比2013年同期人民幣270.8百萬元增長約65.7%，主要由於亞洲船舶項目於2014年上半年有較大進展。

For the Period, revenue from the telecommunications sector amounted to RMB55.6 million, representing a decrease of approximately 57.9% as compared with RMB132.1 million in the Corresponding Period in 2013, mainly due to the higher progress of the telecommunications projects in Asia for the Corresponding Period in 2013.

於本期間，電子通訊行業收入為人民幣55.6百萬元，比2013年同期人民幣132.1百萬元下降約57.9%，主要由於2013年同期在亞洲的電子通訊項目進度較高。

For the Period, revenue from the non-Core Sectors amounted to RMB782.7 million, representing an increase of approximately 61.7% as compared with RMB483.9 million in the Corresponding Period in 2013, primarily attributable to the significant progress of the university town project and municipal medical project in Africa and the water supply and sewage treatment projects achieved in Asia during the first half of 2014.

於本期間，非核心行業收入為人民幣782.7百萬元，比2013年同期人民幣483.9百萬元增長約61.7%，主要原因是位於非洲的大學城項目、城市醫療項目以及位於亞洲的供水及污水處理項目於2014年上半年有較大進展。

Management Discussion and Analysis

管理層討論及分析

2) Trading Business

For the Period, the Group's revenue generated from the Trading Business amounted to RMB2,232.6 million, which accounted for approximately 20.1% of the Group's total revenue for the Period, representing an increase of approximately 12.5% as compared with RMB1,985.1 million in the Corresponding Period in 2013, which is attributable to the fact that the adjustment and consolidation of the Group's Trading Business began to bear fruit during the first half of 2014.

For the Period, revenue from the international trade amounted to RMB1,791.5 million, representing an increase of approximately 10.9% as compared with RMB1,615.8 million for the Corresponding Period in 2013, primarily due to the significant progress made in the chemical fertilizer supply project in Asia during the first half of 2014.

For the Period, revenue from the domestic trade amounted to RMB441.1 million, representing an increase of approximately 19.4% as compared with RMB369.3 million for the Corresponding Period in 2013, mainly as a result of an increase in the trading volume of metal and chemical products.

3) Other Businesses

For the Period, the Group's revenue generated from the Other Businesses amounted to RMB428.6 million, which accounted for approximately 3.9% of the Group's total revenue for the Period, representing a decrease of approximately 2.2% as compared with RMB438.2 million for the Corresponding Period in 2013, and hence was at substantially the same level.

2) 貿易業務

於本期間，本集團的貿易業務收入為人民幣2,232.6百萬元，佔本集團於本期間總收入約20.1%及較2013年同期人民幣1,985.1百萬元增長約12.5%，由於2014年上半年本集團貿易業務通過調整整合後已見成效。

於本期間，國際貿易收入為人民幣1,791.5百萬元，比2013年同期人民幣1,615.8百萬元增長約10.9%，主要由於位於亞洲的化肥供貨項目在2014年上半年有較大進展。

於本期間，國內貿易收入為人民幣441.1百萬元，比2013年同期369.3百萬元增長約19.4%，主要由於金屬製品和化工產品業務量的增加。

3) 其他業務

於本期間，本集團的其他業務收入為人民幣428.6百萬元，佔本集團於本期間總收入約3.9%及較2013年同期人民幣438.2百萬元下降約2.2%，基本持平。

Management Discussion and Analysis

管理層討論及分析

3. Cost of Sales

The Group's cost of sales increased by approximately 6.7% to RMB8,964.3 million for the Period compared with RMB8,404.6 million for the Corresponding Period in 2013.

4. Gross Profit and Gross Profit Margin

1) Gross Profit

During the Period, the Group's gross profit amounted to RMB2,125.6 million, representing an increase of approximately 5.1% as compared with RMB2,022.8 million for the Corresponding Period in 2013.

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

3. 銷售成本

於本期間，本集團的銷售成本為人民幣8,964.3百萬元，而2013年同期則為人民幣8,404.6百萬元，增幅約為6.7%。

4. 毛利及毛利率

1) 毛利

於本期間，本集團的毛利為人民幣2,125.6百萬元，較2013年同期人民幣2,022.8百萬元增加約5.1%。

於本期間，本集團毛利構成情況如下：

		Six months ended June 30, 截至6月30日止六個月			
		2014 2014年		2013 2013年	
		RMB million 人民幣百萬元	% of Total 總額的%	RMB million 人民幣百萬元	% of Total 總額的%
International Engineering Contracting Business	國際工程 承包業務				
Power	電力能源	1,762.1	82.9%	1,702.1	84.1%
Transportation	交通運輸	30.1	1.4%	33.4	1.7%
Telecommunications	電子通訊	4.4	0.2%	17.3	0.9%
Non-Core Sectors	非核心行業	68.9	3.2%	22.8	1.1%
Trading Business	貿易業務				
International trade	國際貿易	108.2	5.1%	96.9	4.8%
Domestic trade	國內貿易	26.2	1.2%	14.3	0.7%
Other Businesses	其他業務	125.7	6.0%	136.0	6.7%
Total	總計	2,125.6	100%	2,022.8	100%

Management Discussion and Analysis

管理層討論及分析

i) *International Engineering Contracting Business*

For the Period, the Group's gross profit from the International Engineering Contracting Business amounted to RMB1,865.5 million, which accounted for approximately 87.7% of the Group's total gross profit for the Period, representing an increase of approximately 5.1% as compared with RMB1,775.6 million for the Corresponding Period in 2013, primarily due to the increase in gross profit in the power sector and non-Core Sectors.

For the Period, gross profit of the power sector amounted to RMB1,762.1 million, representing an increase of approximately 3.5% as compared with RMB1,702.1 million for the Corresponding Period in 2013, primarily due to the significant progress in a power station project in Asia during the Period.

For the Period, gross profit of the transportation sector amounted to RMB30.1 million, representing a decrease of approximately 9.9% as compared with RMB33.4 million in the Corresponding Period in 2013, mainly attributable to the completion and delivery of vessels to a project owner in Europe in relation to vessels construction project in 2013.

For the Period, gross profit of the telecommunications sector amounted to RMB4.4 million, representing a decrease of approximately 74.6% as compared with RMB17.3 million in the Corresponding Period in 2013, primarily due to the significant progress of the telecommunications project with higher profit margin in Asia in the Corresponding Period in 2013.

i) 國際工程承包業務

於本期間，本集團國際工程承包業務的毛利為人民幣1,865.5百萬元，佔本集團本期間總毛利約87.7%，較2013年同期人民幣1,775.6百萬元增長約5.1%，主要由於電力能源行業以及非核心行業毛利的增長。

於本期間，電力能源行業毛利為人民幣1,762.1百萬元，比2013年同期人民幣1,702.1百萬元增長約3.5%，主要由於在位於亞洲的某電站項目於本期間取得較大進展。

於本期間，交通運輸行業毛利為人民幣30.1百萬元，比2013年同期人民幣33.4百萬元下降約9.9%，主要由於某歐洲業主船舶建設項目已於2013年完成及交船。

於本期間，電子通訊行業毛利為人民幣4.4百萬元，比2013年同期人民幣17.3百萬元下降約74.6%，主要由於在亞洲的較高毛利率的電子通訊項目2013年同期進度較高。

Management Discussion and Analysis

管理層討論及分析

For the Period, gross profit of the non-Core Sectors amounted to RMB68.9 million, representing an increase of approximately 202.2% as compared with RMB22.8 million in the Corresponding Period in 2013, primarily attributable to the significant progress of the university town project and the rehabilitation of municipal water supply and sewage treatment works projects in Africa and the water supply and sewage treatment projects in Asia during the Period.

ii) Trading Business

For the Period, the Group's gross profit from the Trading Business amounted to RMB134.4 million, which accounted for approximately 6.3% of the Group's total gross profit for the Period, representing an increase of approximately 20.9% as compared with RMB111.2 million for the Corresponding Period in 2013, primarily due to the increase in turnover and gross profit from the international and domestic trade.

iii) Other Businesses

For the Period, the Group's gross profit from the Other Businesses amounted to RMB125.7 million, which accounted for approximately 6.0% of the Group's total gross profit for the Period, representing a decrease of approximately 7.6% as compared with RMB136.0 million for the Corresponding Period in 2013, primarily due to the decrease in export-import agency business, logistics services business and exhibition services business.

於本期間，非核心行業毛利為人民幣68.9百萬元，比2013年同期人民幣22.8百萬元增長約202.2%，主要由於在非洲的大學城項目、城市供水及污水處理系統改造項目以及在亞洲的供水及污水處理項目於本期間有較大進展。

ii) 貿易業務

於本期間，本集團貿易業務的毛利為人民幣134.4百萬元，佔本集團本期間總毛利約6.3%及較2013年同期人民幣111.2百萬元增長約20.9%，主要是國際和國內貿易業務量及毛利均有所增長。

iii) 其他業務

於本期間，本集團其他業務的毛利為人民幣125.7百萬元，佔本集團本期間總毛利約6.0%及較2013年同期人民幣136.0百萬元減少約7.6%，主要由於進出口代理業務、物流服務業務及展會服務業務有所減少。

Management Discussion and Analysis

管理層討論及分析

2) Gross Profit Margin

During the Period, the Group's gross profit margin was approximately 19.2%, compared with approximately 19.4% for the Corresponding Period in 2013, and hence was at substantially the same level.

Gross profit margins of the Group for the Period are set out in the following table:

2) 毛利率

於本期間，本集團的毛利率約19.2%，與2013年同期約為19.4%基本持平。

於本期間，本集團毛利率構成情況如下：

		Six months ended June 30, 截至6月30日止六個月	
		2014	2013
		2014年	2013年
		%	%
International Engineering	國際工程		
Contracting Business	承包業務	22.1%	22.2%
Power	電力能源	24.7%	23.9%
Transportation	交通運輸	6.7%	12.3%
Telecommunications	電子通訊	7.9%	13.1%
Non-Core Sectors	非核心行業	8.8%	4.7%
Trading Business	貿易業務	6.0%	5.6%
International trade	國際貿易	6.0%	6.0%
Domestic trade	國內貿易	5.9%	3.9%
Other Businesses	其他業務	29.3%	31.0%
Total	總計	19.2%	19.4%

Management Discussion and Analysis

管理層討論及分析

i) *International Engineering Contracting Business*

For the Period, the Group's gross profit margin for the International Engineering Contracting Business was approximately 22.1%, which was substantially the same as approximately 22.2% for the Corresponding Period in 2013.

For the Period, the gross profit margin of the power sector increased to approximately 24.7%, as compared with approximately 23.9% for the Corresponding Period in 2013, mainly attributable to the significant progress of projects with higher gross profit margin in Asia during the first half of 2014.

For the Period, the gross profit margin of the transportation sector decreased to approximately 6.7%, compared with approximately 12.3% in the Corresponding Period in 2013, primarily due to the delivery of vessel to a particular project owner in Europe in relation to vessels construction project which have a higher gross profit margin in 2013, while there was no similar project with high gross profit margin during the Period.

For the Period, the gross profit margin of the telecommunications sector decreased to approximately 7.9%, compared with approximately 13.1% in the Corresponding Period in 2013, mainly attributable to the significant progress of the telecommunications projects with higher gross profit margin in Asia in the Corresponding Period in 2013.

For the Period, the gross profit margin of the non-Core Sectors increased to approximately 8.8%, representing an increase of approximately 4.1% as compared with approximately 4.7% in the Corresponding Period in 2013, primarily attributable to the significant progress of the university town project and the rehabilitation of municipal water supply and sewage treatment works projects in Africa and the water supply and sewage treatment projects in Asia with higher profit margin during the first half of 2014.

i) 國際工程承包業務

於本期間，本集團國際工程承包業務的毛利率約為22.1%，與2013年同期的約22.2%基本持平。

於本期間，電力能源行業毛利率升至約24.7%，而2013年同期則為約23.9%，主要由於在位於亞洲的較高毛利率項目2014年上半年有較大進展。

於本期間，交通運輸行業毛利率降至約6.7%，而2013年同期則為約12.3%，主要由於某較高毛利率的歐洲業主的船舶建造項目已於2013年交船，而本期間未有類似的項目取得如此高毛利率。

於本期間，電子通訊行業毛利率降至約7.9%，而2013年同期則為約13.1%，主要由於在亞洲的較高毛利率的電子通訊項目2013年同期進度較高。

於本期間，非核心行業毛利率升至約8.8%，比2013年同期的約4.7%，上升了約4.1%，主要由於較高毛利率的在非洲的大學城項目、城市供水及污水處理系統改造項目以及在亞洲的供水及污水處理項目於2014年上半年有較大進展。

Management Discussion and Analysis

管理層討論及分析

ii) Trading Business

For the Period, the gross profit margin of the Group's Trading Business increased to approximately 6.0%, compared with approximately 5.6% for the Corresponding Period in 2013, primarily due to the increase in the gross profit margin of the domestic trade as compared with that for the Corresponding Period in 2013.

iii) Other Businesses

For the Period, the Group's gross profit margin for the Other Businesses decreased to approximately 29.3%, compared with approximately 31.0% for the Corresponding Period in 2013, primarily due to the shrink in businesses with higher profit margin including logistics services and exhibition services.

5. Other Revenue

The Group's other revenue decreased by approximately 30.8% to RMB0.9 million for the Period as compared with RMB1.3 million for the Corresponding Period in 2013. This decrease is mainly attributable to the decrease in government subsidies during the Period as a result of the adjustment in governmental policies in different industries.

ii) 貿易業務

於本期間，本集團貿易業務的毛利率升至約6.0%，而2013年同期則約為5.6%，主要由於國內貿易毛利率較2013年同期增加。

iii) 其他業務

於本期間，本集團其他業務的毛利率減至約29.3%，而2013年同期則約為31.0%，主要由於物流服務及展覽服務等具有較高毛利的業務有所減少。

5. 其他收入

於本期間，本集團的其他收入為人民幣0.9百萬元，較2013年同期人民幣1.3百萬元減少約30.8%。有關減少主要由於不同行業的政府政策有所調整，令本期間的政府補助減少。

Management Discussion and Analysis

管理層討論及分析

6. Other Income/(Expenses), Net

The Group's other income/(expenses), net amounted to RMB(190.8) million for the Period as compared with RMB48.0 million for the Corresponding Period in 2013. The other income/(expenses), net is mainly attributable to the loss for the Period arising from a fair value change on foreign currency forward exchange contracts and an interest rate swap contract.

7. Selling and Marketing Expenses

The Group's selling and marketing expenses increased by approximately 9.8% to RMB577.1 million for the Period as compared with RMB525.7 million for the Corresponding Period in 2013. This increase is mainly attributable to the increase in wages and benefits as well as transportation and storage expenses.

8. Administrative Expenses

The Group's administrative expenses increased by approximately 2.5% to RMB252.4 million for the Period as compared with RMB246.3 million for the Corresponding Period in 2013. This increase is mainly attributable to the increase in wages and benefits and consultancy fees.

9. Other Operating Expenses

The Group's other operating expenses increased by approximately 28.1% to RMB61.1 million for the Period as compared with RMB47.7 million for the Corresponding Period in 2013. This increase is mainly attributable to the increase in impairment loss on receivables as compared with that in the Corresponding Period in 2013.

6. 其他收入／(開支)，淨額

於本期間，本集團的其他收入／(開支)淨額為人民幣(190.8)百萬元，而2013年同期則為人民幣48.0百萬元。其他收入／(開支)淨額主要由於遠期結售匯合同及利率掉期合同公允價值變動產生的本期間損失。

7. 銷售及市場營銷開支

於本期間，本集團的銷售及市場營銷開支為人民幣577.1百萬元，較2013年同期人民幣525.7百萬元增加約9.8%。有關增加主要由於工資福利及運輸倉儲費用的增加。

8. 行政開支

於本期間，本集團的行政開支為人民幣252.4百萬元，較2013年同期人民幣246.3百萬元增加約2.5%。有關增加主要由於工資福利及諮詢服務費的增加。

9. 其他經營開支

於本期間，本集團的其他經營開支為人民幣61.1百萬元，較2013年同期人民幣47.7百萬元增加約28.1%。有關增長主要由於應收款項減值虧損較2013年同期增加。

Management Discussion and Analysis

管理層討論及分析

10. Profit from Operations

The Group's profit from operations decreased by approximately 16.6% to RMB1,045.1 million for the Period as compared with RMB1,252.4 million for the Corresponding Period in 2013. This decrease is mainly attributable to the loss for the Period arising from a fair value change on foreign currency forward exchange contracts and an interest rate swap contract.

11. Finance Income/Finance Expenses

The Group's finance income increased by approximately 17.5% to RMB455.3 million for the Period as compared with RMB387.4 million for the Corresponding Period in 2013. This increase is mainly attributable to the increase in interest income from bank deposits. The Group's finance expenses decreased by approximately 94.5% to RMB15.5 million for the Period as compared with RMB282.5 million for the Corresponding Period in 2013. This decrease is mainly attributable to the increase in exchange gain due to the depreciation of RMB against USD, HKD and other foreign currencies in the first half of 2014. As a result, the Group's net finance income increased by approximately 319.3% to RMB439.8 million for the Period as compared with the net finance income of RMB104.9 million for the Corresponding Period in 2013.

12. Income Tax

The Group's income tax increased by approximately 12.1% to RMB398.7 million for the Period as compared with RMB355.7 million for the Corresponding Period in 2013.

10. 經營溢利

於本期間，本集團的經營溢利為人民幣1,045.1百萬元，較2013年同期人民幣1,252.4百萬元減少約16.6%。該減少主要由於遠期結售匯合同及利率掉期合同公允價值變動產生的本期間損失。

11. 財務收入／財務開支

於本期間，本集團的財務收入為人民幣455.3百萬元，較2013年同期人民幣387.4百萬元增加約17.5%。有關增加主要由於銀行存款利息收入的增加。於期內，本集團的財務開支為人民幣15.5百萬元，較2013年同期人民幣282.5百萬元減少約94.5%。有關減少主要由於人民幣兌美元、港元及其他外幣在2014年上半年出現一定程度貶值導致外匯收益增加。因此，於本期間內，本集團的財務收入淨額為人民幣439.8百萬元，較2013年同期的財務收入淨額人民幣104.9百萬元增加約319.3%。

12. 所得稅

於本期間，本集團的所得稅為人民幣398.7百萬元，較2013年同期人民幣355.7百萬元增加約12.1%。

Management Discussion and Analysis

管理層討論及分析

13. Profit for the Period

As a result of the foregoing, the Group's net profit increased by approximately 8.5% to RMB1,086.2 million for the Period as compared with RMB1,001.4 million for the Corresponding Period in 2013, and its net profit margin increased by approximately 0.19% to approximately 9.79% for the Period compared with approximately 9.60% for the Corresponding Period in 2013.

14. Profit Attributable to the Shareholders

The profit attributable to the Shareholders increased by approximately 8.7% to RMB1,087.6 million for the Period as compared with RMB1,000.8 million for the Corresponding Period in 2013.

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

The loss attributable to the holders of non-controlling interests of the Group amounted to RMB1.4 million for the Period as compared with a profit of RMB0.6 million for the Corresponding Period in 2013.

16. Liquidity and Capital Resources

As at June 30, 2014, the Group's cash and cash equivalents increased by approximately 7.8% to RMB15,686.2 million as compared with RMB14,550.2 million as at December 31, 2013, as a result of the decrease in time deposits.

As at June 30, 2014, the Group's borrowings decreased by approximately 4.8% to RMB298.9 million as compared with RMB313.9 million as at December 31, 2013. RMB255.4 million (including RMB73.8 million of long-term borrowings due within one year) was short-term borrowings and the remaining amount of RMB43.5 million was long-term borrowings.

13. 本期間溢利

由於上文所述，本集團於本期間的淨溢利為人民幣1,086.2百萬元，較2013年同期人民幣1,001.4百萬元增加約8.5%，而本期間的淨溢利率約為9.79%，較2013年同期約9.60%增加約0.19%。

14. 歸屬於股東溢利

於本期間，歸屬於股東溢利為人民幣1,087.6百萬元，較2013年同期人民幣1,000.8百萬元增加約8.7%。

15. 歸屬於非控股權益持有人溢利

於本期間，歸屬於本集團非控股權益持有人虧損為人民幣1.4百萬元，而2013年同期溢利為人民幣0.6百萬元。

16. 流動資金及資本資源

於2014年6月30日，本集團的現金及現金等價物為人民幣15,686.2百萬元，較2013年12月31日人民幣14,550.2百萬元增加約7.8%，由定期存款的減少導致。

於2014年6月30日，本集團的借貸為人民幣298.9百萬元，較2013年12月31日人民幣313.9百萬元減少約4.8%。人民幣255.4百萬元（包括人民幣73.8百萬元於一年內到期的長期借貸）為短期借貸，而其餘人民幣43.5百萬元為長期借貸。

Management Discussion and Analysis

管理層討論及分析

17. Major Investment

The Group made no major investment during the Period.

18. Major Acquisitions and Disposals

The Group had no major acquisition and disposal during the Period.

19. Significant Event

In June 2014, Iraq was subject to intense political and military turbulence. Islamic State of Iraq and the Levant (ISIS) and aligned forces began a major attack in northern Iraq against the Iraqi government. Faced with the dangerous and complicated situation, the Company activated the emergency warning system immediately. By the careful arrangement and elaborate organization of the leadership and frontline command group of the Company, all personnel on site of the Company's contracted project relating to the construction of Salah Al-din 2 X 630MW power plant in Iraq were promptly and successfully transferred to a safe area.

17. 主要投資

本集團於本期間並無作出主要投資。

18. 主要收購及出售

本集團於本期間並無作出主要收購及出售。

19. 重大事項

2014年6月，伊拉克政局動盪，武裝衝突不斷。伊拉克和黎凡特伊斯蘭國(ISIS)及聯盟武裝部隊開始針對伊拉克政府向伊拉克北部大舉發起攻勢。面對此危險及複雜的局面，本公司即時啟動緊急預警系統。在本公司的領導以及本公司前線指揮小組的細心安排及周詳組織下，所有身處本公司有關伊拉克薩拉哈丁兩台630兆瓦發電廠建設合約項目的施工現場的人員均已成功迅速轉移至安全地區。

V. LIQUIDITY

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

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

V. 流動資金

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

一直以來，我們主要靠經營所產生的現金來滿足營運資金及其他流動資金需求，而剩餘金額主要通過銀行借貸和上市所得款項籌措。

Management Discussion and Analysis

管理層討論及分析

1. Cash flows

The following table sets forth a summary of our cash flows for the Period, together with the comparative figures for the Corresponding Period in 2013:

		Six months ended June 30, 截至6月30日止六個月	
		2014	2013
		2014年	2013年
		(RMB million)	(RMB million)
		(人民幣百萬元)	(人民幣百萬元)
Net cash used in operating activities	經營活動所用的現金淨額	(559.1)	(141.0)
Net cash generated from investing activities	投資活動產生的現金淨額	1,688.6	1,657.7
Net cash (used in)/generated from financing activities	融資活動(所用)/產生的現金淨額	(18.2)	408.4
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	1,111.3	1,925.1
Cash and cash equivalents at the beginning of the Period	本期間初的現金及現金等價物	14,550.2	12,089.4
Effect of foreign exchange rate changes	匯率變動的影響	24.7	(105.5)
Cash and cash equivalents at the end of the Period	本期間末的現金及現金等價物	15,686.2	13,909.0

As at June 30, 2014, the Group's cash and cash equivalents increased by approximately 7.8% to RMB15,686.2 million as compared with RMB14,550.2 million as at December 31, 2013. The main source of the Group's operating capital is the decrease in cash investment in time deposits.

1. 現金流量

下表載列我們於本期間的現金流量概況，連同2013年同期的比較數字：

		Six months ended June 30, 截至6月30日止六個月	
		2014	2013
		2014年	2013年
		(RMB million)	(RMB million)
		(人民幣百萬元)	(人民幣百萬元)
Net cash used in operating activities	經營活動所用的現金淨額	(559.1)	(141.0)
Net cash generated from investing activities	投資活動產生的現金淨額	1,688.6	1,657.7
Net cash (used in)/generated from financing activities	融資活動(所用)/產生的現金淨額	(18.2)	408.4
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	1,111.3	1,925.1
Cash and cash equivalents at the beginning of the Period	本期間初的現金及現金等價物	14,550.2	12,089.4
Effect of foreign exchange rate changes	匯率變動的影響	24.7	(105.5)
Cash and cash equivalents at the end of the Period	本期間末的現金及現金等價物	15,686.2	13,909.0

於2014年6月30日，本集團的現金及現金等價物為人民幣15,686.2百萬元，而於2013年12月31日則為人民幣14,550.2百萬元，增幅約為7.8%。本集團的經營資金來源主要為投資於定期存款的現金減少。

Management Discussion and Analysis

管理層討論及分析

2. Cash flows from operating activities

For the Period, we had net cash used in operating activities of RMB(559.1) million. Net cash used in operating activities was a result of operating profit before changes in working capital in the amount of RMB1,483.9 million, a cash outflow due to changes in working capital of RMB1,620.2 million and income tax paid in the amount of RMB422.8 million. The changes in working capital mainly included a decrease in receipts in advance of RMB1,473.8 million, an increase in receivables for construction contracts of RMB979.3 million and an increase in trade and other receivables of RMB979.3 million. Such amount was partially offset by an increase in trade and other payables of RMB1,879.9 million.

3. Cash flows from investing activities

For the Period, our net cash generated from investing activities was RMB1,688.6 million. Our cash inflow for investing activities mainly consisted of a decrease in time deposits of RMB1,163.7 million and interest income of RMB272.7 million received.

4. Cash flows from financing activities

For the Period, our net cash used in financing activities was RMB(18.2) million. Our cash outflow from financing activities primarily consisted of repayments of borrowings of RMB315.7 million. Cash inflow primarily consisted of borrowings of RMB298.2 million obtained.

2. 來自經營活動的現金流量

於本期間，我們經營活動所用的現金淨額為人民幣(559.1)百萬元。經營活動所用的現金淨額乃來自營運資金變動前的經營溢利人民幣1,483.9百萬元、因營運資金變動致使現金流出人民幣1,620.2百萬元及已付所得稅人民幣422.8百萬元。營運資金變動主要包括預收款項減少人民幣1,473.8百萬元、建造合同應收款項增加人民幣979.3百萬元以及貿易及其他應收款項增加人民幣979.3百萬元。該金額部份已由貿易及其他應付款項增加人民幣1,879.9百萬元所抵銷。

3. 來自投資活動的現金流量

於本期間，我們投資活動產生的現金淨額為人民幣1,688.6百萬元。我們投資活動的現金流入主要包括定期存款減少人民幣1,163.7百萬元，收到利息收入272.7百萬元。

4. 來自融資活動的現金流量

於本期間，我們融資活動所用的現金淨額為人民幣(18.2)百萬元。我們融資活動的現金流出主要包括償還借款人民幣315.7百萬元。現金流入主要包括取得借款人民幣298.2百萬元。

Management Discussion and Analysis

管理層討論及分析

5. Capital expenditures and capital commitments

Our capital expenditures consisted primarily of the purchase of property, plant and equipment, investment properties and lease prepayments. The Group's capital expenditures increased by approximately 116.1% to RMB118.0 million for the Period as compared with RMB54.6 million for the Corresponding Period in 2013, mainly due to the satisfactory progress made in the construction of the Group's infrastructure projects of fixed assets.

Our capital commitments mainly include the value of contracts signed but not yet completed and the value of contracts not yet signed but the budget of which have been authorized. During the Period, the capital commitments of the Group was RMB1,842.2 million, representing an increase of approximately 7.0% as compared with RMB1,721.9 million for the Corresponding Period in 2013. It was mainly attributed to the certain adjustment to the budget of the Group's infrastructure projects of fixed assets in China.

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.

5. 資本開支及資本承擔

我們的資本開支主要包括購買物業、廠房及設備、投資物業及預付租賃款項。於本期間，本集團的資本開支為人民幣118.0百萬元，較2013年同期的人民幣54.6百萬元增加約116.1%，主要由於本集團固定資產基建項目實施取得一定進展。

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。於本期間，本集團的資本承擔為人民幣1,842.2百萬元，較2013年同期的人民幣1,721.9百萬元增加約7.0%，主要由於本集團位於中國的固定資產基建項目預算有一定調整。

6. 營運資金

(a) 貿易及其他應收款項

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

Management Discussion and Analysis

管理層討論及分析

The following table sets forth the turnover days of the average trade receivables and the turnover days of the average trade payables of the Company for the Period, together with the comparative figures in the Corresponding Period in 2013:

下表載列本期間內本公司平均貿易應收款項及平均貿易應付款項的週轉天數，連同2013年同期的比較數字：

		Six months ended June 30, 2014 截至2014年 6月30日止 六個月 days 天數	Six months ended June 30, 2013 截至2013年 6月30日止 六個月 days 天數
The turnover days of the average trade receivables for the Trading Business (Note 1)	貿易業務平均貿易 應收款項的週轉天數 (附註1)	78	110
The turnover days of the average trade payables (Note 2)	平均貿易應付款項的 週轉天數 (附註2)	236	215

Note 1: The average trade receivables for the Trading Business are the sum of opening balance and the closing balance of trade receivables for the Trading Business 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 revenue of the Trading Business and multiplied by 180.

附註1：貿易業務平均貿易應收款項乃將貿易業務貿易應收款項期初結餘與期末結餘的總和再除二得出。貿易業務平均貿易應收款項的週轉天數乃將貿易業務平均貿易應收款項除以貿易業務收入再乘以180得出。

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

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

Management Discussion and Analysis

管理層討論及分析

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 June 30, 2014 and December 31, 2013:

下表載列於2014年6月30日及2013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 June 30, 2014	As at December 31, 2013
		於2014年 6月30日	於2013年 12月31日
		(RMB million)	(RMB million)
		(人民幣百萬元)	(人民幣百萬元)
Within 3 months	3個月以內	1,307.1	1,306.5
3 to 6 months	3至6個月	716.7	218.5
6 months to 1 year	6個月至1年	468.6	301.8
Over 1 year	一年以上	607.9	532.4
		3,100.3	2,359.2

The Group's credit policies with its customers for the Period remained the same as that for the Corresponding Period in 2013. We continually enhanced our management of trade and bills receivables to reduce our exposure to doubtful debts. In addition, we made allowance for doubtful debts after fully considering the nature of trade and bills receivables and their collectability. As at June 30, 2014, allowance for doubtful debts for our trade and bill receivables amounted to RMB546.0 million, accounting for approximately 15.0% of our trade and bill receivables, compared with RMB461.3 million, accounting for approximately 16.4% of our trade and bill receivables as at December 31, 2013. The increase in allowance for doubtful debt from 2013 to 2014 was primarily due to the provision we made in connection with certain trade and bills receivables from our International Engineering Constructing Business and Trading Business as a result of evidences of significant financial difficulties of debtors that came to our attention.

於本期間，本集團與其客戶的信貸政策與2013年同期相同。我們不斷加強貿易應收款項及應收票據的管理，以求減低所承擔的呆賬風險。此外，充分考慮貿易應收款項及應收票據的性質及其可收回金額後，我們就呆賬計提撥備。於2014年6月30日，我們就貿易應收款項及應收票據所作的呆賬撥備為人民幣546.0百萬元，佔我們貿易應收款項及應收票據約15.0%，而於2013年12月31日則為人民幣461.3百萬元，佔我們貿易應收款項及應收票據約16.4%。2013年至2014年呆賬撥備增加主要由於我們因得悉有證據顯示債務人出現嚴重財困而就國際工程承包業務及貿易業務的若干貿易應收款項及應收票據計提撥備。

Management Discussion and Analysis

管理層討論及分析

(b) Trade and other payables

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

The following table sets forth the aging analysis of our trade and bills payables based on the invoice date as at June 30, 2014 and December 31, 2013:

		As at June 30, 2014	As at December 31, 2013
		於2014年 6月30日	於2013年 12月31日
		(RMB million)	(RMB million)
		(人民幣百萬元)	(人民幣百萬元)
Within 3 months	3個月以內	6,413.0	4,707.0
3 to 6 months	3至6個月	703.5	761.4
6 months to 1 year	6個月至1年	2,018.9	534.1
Over 1 year	一年以上	3,634.7	4,770.4
		12,770.1	10,772.9

The Group's credit policies with its suppliers for the Period remained the same as that for 2013.

(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2014年6月30日及2013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：

於本期間，本集團與其供應商的信貸政策與2013年相同。

Management Discussion and Analysis

管理層討論及分析

VI. INDEBTEDNESS

1. Borrowings

Our consolidated borrowings as at June 30, 2014 and December 31, 2013 for the purpose of calculating the indebtedness of our Company were as follows:

VI. 債務

1. 借貸

於2014年6月30日及2013年12月31日，我們用以計算本公司債務的合併借貸如下：

		As at June 30, 2014 於2014年 6月30日 (RMB million) (人民幣百萬元)	As at December 31, 2013 於2013年 12月31日 (RMB million) (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	7.3	16.9
secured	有擔保	174.3	145.7
Subtotal	小計	181.6	162.6
Add: current portion of long-term borrowings	加：長期借貸的流動部份	73.8	71.7
Subtotal	小計	255.4	234.3
Non-current:	非流動：		
Long-term borrowings	長期借貸		
Bank loans	銀行貸款		
unsecured	無擔保	2.6	2.7
secured	有擔保	114.7	148.6
Subtotal	小計	117.3	151.3
Less: current portion of long-term borrowings	減：長期借貸的流動部份	73.8	71.7
Subtotal	小計	43.5	79.6
Total	總計	298.9	313.9

Management Discussion and Analysis

管理層討論及分析

Our short-term borrowings primarily include credit borrowings, mortgage borrowings and guarantee borrowings from commercial banks and other financial institutions. As at June 30, 2014, our short-term borrowings (including the current portion of long-term borrowings) amounted to RMB255.4 million, accounting for approximately 85.4% 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 projects financed by export seller's credit, with the total balance of such borrowings (including the current portion) amounting to RMB117.3 million as at June 30, 2014. As at June 30, 2014, our long-term borrowings (excluding the current portion) amounted to RMB43.5 million, accounting for approximately 14.6% of our total borrowings. The significant decrease in our interest-bearing borrowings to RMB43.5 million as at June 30, 2014 was primarily due to the repayment of long-term bank borrowings using cash generated from our business operations with a view to reducing our finance expenses and the decrease in projects that made use of export seller's credit financing.

As at June 30, 2014, certain of the Group's borrowings were secured by certain of the Group's buildings with an aggregate net book value of RMB4.5 million (as at December 31, 2013: RMB4.7 million).

There had been no material defaults in repayment of our bank borrowings and breaches of the finance covenants during the Period.

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、抵押借貸及擔保借貸。於2014年6月30日，我們的短期借貸（包括長期借貸的流動部份）為人民幣255.4百萬元，佔我們的借貸總額約85.4%。

長期借貸主要包括來自商業銀行及其他金融機構的質押借貸。該等借貸包括與由出口賣方信貸融資的項目有關的銀行借貸，於2014年6月30日，該等借貸（包括流動部份）的結餘總額為人民幣117.3百萬元。於2014年6月30日，不包括流動部份的長期借貸為人民幣43.5百萬元，佔我們借貸總額約14.6%。我們的計息借貸於2014年6月30日大幅減少至人民幣43.5百萬元，主要由於以我們業務經營產生的現金償還長期銀行借貸（旨在減少我們的財務開支）及使用出口賣方信貸融資的項目的減少。

於2014年6月30日，本集團若干借貸由本集團賬面總淨值為人民幣4.5百萬元（於2013年12月31日：人民幣4.7百萬元）的若干樓宇作抵押。

於本期間，我們在償還銀行借貸方面概無重大違約情況，亦無嚴重違反融資契約的情況。

Management Discussion and Analysis

管理層討論及分析

The maturity profile of our interest-bearing borrowings as at June 30, 2014 and December 31, 2013 was as follows:

於2014年6月30日及2013年12月31日，我們的計息借貸到期日如下：

		As at June 30, 2014 於2014年 6月30日 (RMB million) (人民幣百萬元)	As at December 31, 2013 於2013年 12月31日 (RMB million) (人民幣百萬元)
Within 1 year or on demand	1年以內或實時還款	255.4	234.3
After 1 year but within 2 years	1年至2年	40.9	73.7
After 2 years but within 5 years	2年至5年	2.0	4.0
After 5 years	5年以上	0.6	1.9
Total	總計	298.9	313.9

The Group monitors capital on the basis of gearing ratio. Gearing ratio is derived by dividing total borrowings by total assets multiplied by 100%. As of June 30, 2014, the Group's gearing ratio was approximately 0.89%, 0.09 percentage point lower than approximately 0.98% as of December 31, 2013, mainly due to the repayments of borrowings.

本集團以槓桿比率基準管理資本。槓桿比率乃將借貸總額除以資產總額再乘以100%得出。截至2014年6月30日，本集團的槓桿比率約為0.89%，較截至2013年12月31日約0.98%下降0.09個百分點，主要由於償還借貸。

2. Contingent liabilities

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

2. 或有負債

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

Management Discussion and Analysis

管理層討論及分析

For our export-import agency services, the Group issued irrevocable letters of guarantee through certain banks to buyers for the benefit of sellers, which guarantee the repayment of advances paid by the buyers, plus interest if applicable, if and when the total or part of the advances becomes repayable to the buyers from the sellers in accordance with the relevant contracts. These guarantees are typically issued to provide security to a buyer in paying an advance to a seller before the actual goods are received, and the Group does not receive separate consideration for issuing such guarantees. In order for the Group to issue these letters of guarantee, the Group requires the sellers to provide it with security interests on their assets or guarantees from third parties that must be sufficient to cover the total outstanding amount under the respective letters of guarantee issued. As at June 30, 2014, the total outstanding amount under these letters of guarantee issued was RMB869.2 million (as at December 31, 2013: RMB849.7 million), which are secured by the sellers' assets or guaranteed by certain banks on behalf of the sellers.

本集團通過若干銀行就我們的進出口代理服務為賣方利益向買方發出不可撤銷的保函，當賣方根據相關合同須向買方償還全部或部份墊款時，保函將擔保償還買方已支付的預付款加利息（如適用）。發出該等保函一般是為買方提供保證以在收到實際貨物前向賣方支付預付款，本集團並不就發出該等保函而另外收取對價。為了能讓本集團發出該等保函，本集團要求賣方向本集團提供有關資產或彼等自第三方取得的擔保項下的抵押權益，該等抵押權益必須足夠償還各項已發出保函項下的未償還總額。於2014年6月30日，該等已發出保函項下的未償還總額為人民幣869.2百萬元（於2013年12月31日：人民幣849.7百萬元），乃由賣方的資產作為擔保或由若干銀行代表賣方提供擔保。

VII. RISK FACTORS AND RISK MANAGEMENT

We are exposed to various types of market risks, including currency risk, competition risk, credit risk, investment risk, overseas management risk, project risk, safety and quality risk, post project transfer risk and corruption risk. Our management monitors our exposure to these risks to ensure appropriate measures are in place and are implemented in a timely and effective manner.

VII. 風險因素及風險管理

我們於日常業務過程中面對多類市場風險，包括貨幣風險、競爭風險、信用風險、投資風險、海外管理風險、項目風險、安全及品質風險、項目移交後風險以及舞弊風險。我們的管理層監督我們面臨的該等風險以確保適當的措施到位且及時有效地執行。

Management Discussion and Analysis

管理層討論及分析

1. Currency Risk

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

2. Competition Risk

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

1. 貨幣風險

我們面臨貨幣風險，主要是通過在海外的銷售和採購及我們的國際工程承包業務以及海外融資產生之以外幣（我們與此等交易相關的業務的功能貨幣人民幣除外）計價的應收款項、應付款項及現金結餘。產生該風險的貨幣主要有美元及歐元。我們主要就國際工程承包項目的收款訂立遠期外匯合同，以鎖定我們部份未來現金收入的人民幣價值，務求降低貨幣風險及確保根據該等項目將自項目業主收取的延遲付款所產生的預測收入。按照政策及中國法律和法規，我們不得廣泛從事對沖活動。因此，我們的外幣對沖活動限於此等遠期外匯合同。我們的遠期外匯合同與我們的業務量相匹配，即該等合同的金額及條款與將收取的外匯款項相匹配。

2. 競爭風險

我們就我們的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，我們面對來自發達國家（如美國、日本及多個歐洲國家）且具備領先技術的工程承包商的競爭，後者在全球分支網絡、信息搜集、管理及施工能力、適應性及品牌認知度等各個方面擁有較大的競爭優勢。我們將繼續借助在價格方面的競爭優勢，尤其在發展中國家的項目，並受益於較低的勞動力成本和設備價格。我們亦將繼續把握中國政府與外國政府（尤其是發展中國家政府）之間的合作，與國內外承包商競爭。

Management Discussion and Analysis

管理層討論及分析

We compete with both Chinese and foreign companies for our international trading business. Competition with Chinese companies engaged in the international trading business focuses on price, range of products, suppliers and purchasers, 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, we will continue to compete with the Chinese and foreign companies by capitalizing on our financing capabilities and value-adding services. With more than 30 years of operating history in the international trading business, we believe we have 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 commercial capabilities, strong capabilities in providing financing solutions and good reputation.

3. Credit Risk

Our credit risk is primarily attributable to trade and other receivables. We have a credit policy in place and our exposure to these credit risks is monitored on an ongoing basis. Credit terms extended to our customers are determined on a case-by-case basis, depending on credit assessment carried out by our management. Our credit terms granted to customers of our Trading Business are normally about three to six months. With respect to our 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. We conduct monthly reviews of our credit risk as an internal control measure, and we also conduct end-of-term period reviews to determine if we need to make any necessary provisions for credit that we have extended. As to credit risk for trade and other receivables, we first evaluate the customer's credit status and its ability to guarantee the payment through establishing an appropriate business evaluation system. Meanwhile, in order to establish our risk control mechanism on trade and other receivables, we implemented the policy to buy export credit insurance. For the Trading Business, we and our trading subsidiaries are required to buy unified export credit insurance from Sinasure; for the International Engineering Contracting Business financed by export seller's credit, we typically buy export credit insurance from Sinasure for our projects in order to meet financing needs as well as to control credit risk for trade and other receivables.

我們與中外公司就國際貿易業務進行競爭。與從事國際貿易業務的中國公司競爭源於對價格、產品範圍、供應商及買方的競爭，而與國外公司的競爭則來自中外供應商生產產品的價格及質量的競爭力。儘管國際貿易市場競爭激烈，然而由於該市場非常巨大，我們將利用自身的融資能力及增值服務以繼續與中外公司競爭。憑藉在國際貿易業務30多年的經營歷史，我們所擁有的廣泛銷售及市場營銷網絡、在國際貿易市場長期建立的經驗、訓練有素的商業能力、提供融資方案的強大能力及良好的聲譽，令我們相信我們比我們的中國同行競爭者更具優勢。

3. 信用風險

信用風險主要來自於貿易及其他應收款項。我們已制定信貸政策並持續監控面臨的該等信用風險。我們給予客戶的信貸期乃根據管理層作出的信用評估，視乎個別情況而定。我們給予貿易業務客戶的信貸期一般約為三至六個月。在國際工程承包業務方面，我們給予的信貸期視乎個別情況通過協商釐定，並載列於有關工程承包合同。每個月審查信用風險已成為我們的內部監控措施，我們亦會於信貸期末作出審查，決定是否就給予客戶的信貸作出任何必要的撥備。就涉及貿易及其他應收款項的信用風險，我們通過建立合適的業務評估系統，首先評估客戶的信用狀況，以及其擔保還款的能力。與此同時，為了建立貿易及其他應收款項的風險控制機制，我們實行購買出口信用保險政策。就貿易業務而言，我們及我們貿易子公司須向中國信保購買統一出口信用保險；就由出口賣方信貸融資的國際工程承包業務而言，我們一般會為我們的項目向中國信保購買出口信用保險，以應付財務需要以及控制貿易及其他應收款項的信用風險。

Management Discussion and Analysis

管理層討論及分析

4. Investment Risk

Investment risks mainly represent any discrepancy between actual return from investment and anticipated return caused by factors which are out of our control or contingent factors which cannot be ascertained when making an investment decision. In addition, it also associates with relevant advance payments for certain projects, decrease of investment in infrastructure by non-governmental investment institutions resulting from changes in policies, and significant outlay of working capital over extended period of time. Governmental approvals from and regulatory compliance with various governmental departments may also increase uncertainties when implementing investment projects. We have set up an investment review committee and engaged independent third parties such as financial advisor, taxation advisor and lawyer 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.

5. Overseas Management Risk

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

To the extent that our overseas business or operations is affected by unexpected and adverse foreign economic, regulatory, social and political conditions, we may experience project disruptions, losses of assets and personnel, and other indirect losses. In some of the high-risk locations where we have employees, business or operations, we may incur additional costs in safeguarding our personnel and assets. We typically seek 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.

4. 投資風險

投資風險主要指由於我們控制範圍以外的因素或隨機因素的影響，投資的實際回報及預期回報之間的差異。此外亦與墊付若干項目的有關款項、政策變動造成非政府投資機構對基建的投資減少及在較長期間內動用大量營運資金等有關。自不同政府部門取得政府批准及遵守監管規例亦可能增加執行投資項目時的不確定因素。我們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、律師等第三方機構進行充分的盡職調查，分析論證，以提高投資決策水平，管控投資風險。

5. 海外管理風險

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

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

Management Discussion and Analysis

管理層討論及分析

6. Project Risk

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

6. 項目風險

項目風險與我們的國際工程承包業務項目所涉及的風險有關。儘管我們視電力能源、交通運輸及電子通訊行業為我們的核心行業，但對我們的國際工程承包業務的需求（主要為國際性）則取決於我們經營所在及提供服務的行業的一般活動及增長水平。基於我們所能控制範圍以外的因素，包括但不限於普遍經濟狀況、政府投資計劃、人口趨勢、政治穩定性、消費者信心及行業要求或市場准入，我們的工程承包項目的實際組合每年不同。該等宏觀因素的任何波動將對我們的國際工程承包業務之需求造成影響，可能導致我們可參與的新項目投資金額及數目以及我們可進行的項目類型增加或減少及令我們進行中的項目有所延誤或被取消。儘管我們於工程承包項目之定價過程中已考慮到預計成本及目標利潤率，我們的國際工程承包業務之盈利能力仍可能受到影響，而我們的收益可能出現波動。

Management Discussion and Analysis

管理層討論及分析

7. Safety And Quality Risk

Due to the nature of construction work involved in our International Engineering Contracting Business, our 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 we ensure compliance with the requisite safety requirements and standards, we are subject to the inherent risks of geological catastrophes, fire, toxic gas, equipment failure and explosion and so on. Besides, our employees are subject to the personal risks caused by unstable security environment. Any personal injury or loss of life our employees may suffer, damage to or destruction of properties and equipment and other losses caused by force majeure in the situations mentioned above would result in the delay in our engineering contracting projects, extended occupation of the time and efforts of our management, suspension of our operations or even imposition of legal liabilities. We endeavor 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.

7. 安全及品質風險

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

Management Discussion and Analysis

管理層討論及分析

8. Post-project Transfer Risk

Our international engineering contracting projects are contractually completed after the warranty period expires and the project owner issues a final acceptance certificate. During the course of use and operation by the project owner, operational or quality issues may arise due to natural factors such as hurricanes and tsunamis or improper operation or maintenance by the project owner's operational staff. According to the contracts, we are then no longer liable for any warranty obligations or other liabilities. However, since some projects are associated with national interests and people's livelihood or bear significant influences in the local areas, any flaws or defects in quality that occur after the project transfer may adversely compromise our reputation, as well as having a negative impact on customers' overall evaluation on us. Some of the project owners may require us to bear costs for continuous maintenances or the change of relevant parts, causing us losses not foreseeable under the contracts. Since corporate reputation is the cornerstone for our expansion of markets, we will step up the training for the project owner's operational staff and endeavor to enter into operational maintenance guiding contracts with the project owners, so as to enhance the operational and maintenance capability of the project owners' operational staff and avoid or reduce the quality issues caused by improper manual handling as far as possible. At the same time, we emphasize 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.

8. 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或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、維護不當等原因產生運行或品質問題，此時根據合同我們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，項目移交後產生的任何品質瑕疵或缺陷，將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。部份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設備，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，我們將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工程移交後的運行維護指導合同，提高項目業主運營人員的運行維護水準，儘量避免或減少因人為操作不當原因導致的品質問題發生。同時，我們注重業務開發的核心市場培養和可持續發展，注重收集客戶的意見和建議，與客戶積極溝通，努力維護良好的社會效益和企業利益。

Management Discussion and Analysis

管理層討論及分析

9. Corruption Risk

Currently, the PRC government is 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 embezzlement of any employee will bring material adverse effects to the reputation of our Company. Being an international engineering contractor and service provider, we cannot avoid carrying out necessary normal 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 the risks associated with personal non-compliance of employees or even corruption risks. We will continuously strengthen our internal control and further improve the establishment of anti-corruption regime of the Company as well as strengthening accountabilities. We will, at the same time, actively embark on staff's compliance trainings, so as to enhance the compliance awareness of staff and increase their compliance consciousness.

VIII. PROSPECTS IN THE SECOND HALF OF 2014

By virtue of the satisfactory operating results in the first half of 2014, ample business reserves, sustainable market competitiveness and strong potential in taking the lead in the markets of the emerging economies in the future, the Company is of full confidence that we will be able to achieve the annual results target in 2014 and will continue to be on a steady and fast track of development.

9. 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。我們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、項目業主等不可避免地進行必要的正常溝通或工作聯繫，在此過程中，我們可能面臨僱員個人違規，甚至舞弊風險。我們將持續加強內部控制，進一步完善公司反舞弊制度建設，強化責任追究，同時積極開展員工合規培訓，提高彼等合規意識，增強彼等遵規守法的自覺性。

VIII. 2014年下半年業務前景

基於2014年上半年較好的經營業績、豐富的業務儲備、市場競爭優勢的繼續保持和佔領未來新興經濟體市場的充沛潛力，公司對於完成2014年全年預期業績目標充滿信心，並將繼續保持穩定快速的發展步伐。

Management Discussion and Analysis

管理層討論及分析

1. Ensure the Steady Growth of the International Engineering Contracting Business

In the future, the Company will operate its International Engineering Contracting Business by keeping abreast of the national policies and strategies. The Company will proactively adopt various measures to cope with the problems encountered during the course of business development, to strengthen quality control and to reduce risks in order to ensure that different operational goals are fulfilled, thus achieving a steady growth of the business.

Apart from maintaining the existing mature markets, the Company will extend more efforts in exploring new markets at the same time. The Company aims to consolidate its position in the Asian and African markets and explore markets in Central and Eastern Europe, Central Asia and South America in order to effectively boost the number of contracts signed and transaction values of such business. The Company will seize the chance to ride on the national strategic adjustment and grasp the market opportunities brought by the introduction of the national incentive policies. Besides, we will keep closer track of markets in the “Silk Road Economic Belt”, carefully study the key policies of the “Sino-Pakistan Economic Corridor” and keep an eye on the markets of Central Asia and Pakistan in a proactive manner. Meanwhile, the Company will also speed up the localization process of overseas markets and focus on establishing operational branches in the core markets. The Company will take these operational institutions as a platform to explore the market demands, intensify comprehensive exploration in the local markets and increase its business share in the markets, as well as enhancing the brand reputation and competitive advantages in regional markets. Besides, as the progress in business regionalization is accelerating, the Company will give priority to establishing regional operation centres in areas with favourable conditions, integrate resources of local markets and innovate the development model in order to build up integrated competitive advantages. Through further diversification of financing activities, especially in the key markets and industries, the Company will implement the

1. 確保國際工程承包業務穩定增長

未來，公司國際工程承包業務將緊緊圍繞國家政策和戰略開展，積極採取多種措施應對業務發展中面臨的問題，嚴把品質，降低風險，確保各項經營指標的順利完成，實現該業務的穩定增長。

在維護現有成熟市場的同時，公司將加大對新市場的開拓力度。持續穩固亞非市場並不斷拓展中東歐、中亞及南美市場，有效提升該業務的簽約量和成交額。公司將緊抓國家戰略調整紅利，準確捕捉國家鼓勵性政策出台帶來的市場機遇，加大對「絲綢之路經濟帶」市場的跟蹤開發力度，深入解讀「中巴經濟走廊」的政策實施重點並積極關注中亞及巴基斯坦等市場。同時，公司還將加快海外市場屬地化進程，重點加強在核心市場經營分支的建設，並以該等經營機構為平台深入挖掘市場需求，加強對當地市場的全面開拓及提升其業務的市場佔有率，強化在區域市場的品牌美譽度及競爭優勢。此外，伴隨業務區域化進程的加快，公司將優先在條件良好的地區建設區域經營中心，整合當地市場資源，創新開發模式，形成綜合性競爭優勢。通過進一步推動融資多元化，尤其是在重點市場和重點行業，公司將落實「投資帶動EPC」的經營戰略，固化並改良運作流程並進一步加強自身能力建設，完善產業鏈條。作為領先的國際工程承包商，公司高度重視項目的履約情況，並不斷提升工程品質及確保項目工期。未來公司將

Management Discussion and Analysis

管理層討論及分析

“investment-driven EPC” operating strategy to solidify and improve the operational flow, as well as further strengthening the self-building capacity of the Company and optimizing the industry chains. As a leading international engineering contractor, the Company has attached great importance to the implementation of projects, continuous upgrade of the quality of construction and ensuring the meeting of project schedules. In the future, apart from consolidating its position in the domestic market, the Company will also increase tenders for domestic infrastructure projects, make a proactive attempt in adopting franchise as the operational model and strike a balance between the domestic and overseas businesses of the Company.

2. Promote the Upgrading and Development of the Trading and Service Business

In the second half of 2014, the Company will speed up the process in transforming and upgrading the trading and service business in order to put the business on the fast track of development with a quality growth.

The Company will continue its reorganization of the trading segments in order to ensure that each trading subsidiary is able to fully leverage the synergistic, integrated and industrialized edges after the reorganization, and ensure a steady growth of the operational business. The Company will strictly manage the business risk and will carry out sound risk management after the reorganization while proactively expanding the business segments. Under the unified and synergistic management and strategic planning of the Company, each subsidiary will integrate its own business characteristics and clarify its core businesses and core products with a view to fully utilizing its advantages and building the core brand. Apart from the active adjustment of internal trading segments, the Company will seize the opportunities brought by urbanization in PRC to actively expand the domestic market by conducting thorough analysis on key markets and steaming ahead with its key projects. Meanwhile, the Company will grasp the development opportunities in the fields of environmental protection and new energy including solar energy, waste treatment, sewage purification, etc., which are key drivers for future economic growth.

在穩固國內市場的同時，加大國內基建項目的投標，積極嘗試特許經營的模式，均衡公司國內外的業務。

2. 促進貿易與服務業務升級發展

2014年下半年，公司將加快貿易與服務業務轉型升級的步伐，推進該業務進入快速高質發展軌道。

公司將繼續做好貿易板塊的重組工作，確保重組後的貿易子公司能夠充分發揮協同化、集成化、產業化的優勢，確保經營業務的穩步增長。公司將嚴控業務風險，在積極拓展業務板塊的同時做好重組後的風險控制。在公司的統一協同管理及戰略規劃下，各貿易子公司將結合自身的業務特點，明確自身核心業務、核心產品、充分發揮優勢並打造核心品牌。此外，在積極進行內部業務板塊調整的同時，公司還將緊抓國內城鎮化契機，積極開拓國內市場，深入分析重點市場、重點項目並予以大力推進。同時，公司將捕捉未來市場經濟核心增長所帶動的環保及新能源領域發展機遇，如太陽能、垃圾處理、污水淨化等。

Corporate Governance and Other Information

企業管治及其他資料

1. SHARE CAPITAL

As of June 30, 2014, the total share capital of the Company was RMB4,125,700,000, divided into 4,125,700,000 Shares with nominal value of RMB1.00 each.

2. INTERIM DIVIDENDS

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

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

As of June 30, 2014, none of the Directors, Supervisors or 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.

1. 股本

於2014年6月30日，本公司的總股本為人民幣4,125,700,000元，分為4,125,700,000股每股面值人民幣1.00元的股份。

2. 中期股息

董事會並不建議派付本期間的中期股息。

3. 董事、監事及高級管理層於股份、相關股份及債券的權益、淡倉及購股權計劃

於2014年6月30日，概無董事、監事或本公司高級管理層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作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。

Corporate Governance and Other Information

企業管治及其他資料

4. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As of June 30, 2014, 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 Directors, Supervisors or the chief executive of the Company) which had 5% or more interests and short positions in the Shares or the underlying Shares as recorded in the register kept under section 336 of the SFO were as follows:

Long positions in the Shares 股份的好倉

4. 主要股東及其他人士於股份、相關股份及債券的權益及淡倉

於2014年6月30日，就任何董事或本公司主要行政人員所知或以其他方式獲知會，擁有記錄於根據證券及期貨條例第336條存置的登記冊中的股份或相關股份5%或以上權益及淡倉的法團或人士（董事、監事或本公司主要行政人員除外）的詳情如下：

Name of Shareholders 股東名稱	Class of Shares 股份類別	Capacity/ Nature of Interest 身份／權益性質	Number of Issued Underlying Shares Held (Share) 所持已發行股份／ 相關股份的數目（股）	Approximate Percentage of Shareholding in the Relevant Class of Share (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 Share (Note 1) (%) 佔股份 總額股權 概約百分比 (附註1) (%)
SINOMACH 國機	Domestic Shares 內資股	Interests of beneficial owner and controlled corporation 實益擁有人權益及 受控法團權益	3,217,430,000 (Note 2) (Long position) 3,217,430,000 (附註2) (好倉)	100%	77.99%
NSSF 社保基金理事會	H Shares H股	Interests of beneficial owner 實益擁有人權益	81,352,000 (Long position) 81,352,000 (好倉)	8.96%	1.97%

Corporate Governance and Other Information

企業管治及其他資料

Name of Shareholders 股東名稱	Class of Shares 股份類別	Capacity/ Nature of Interest 身份／權益性質	Number of Issued Shares/ Underlying Shares Held (Share) 所持已發行股份／ 相關股份的數目(股)	Approximate Percentage of Shareholding in the Relevant Class of Share (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 Share (Note 1) (%) 佔股份 總額股權 概約百分比 (附註1) (%)
BNP Paribas Jersey Nominee Company Limited	H Shares H股	Nominee for another person 另一名人士之代名人	73,430,000 (Note 3) (Long position) 73,430,000 (附註3) (好倉)	8.08%	1.78%
BNP Paribas Jersey Trust Corporation Limited	H Shares H股	Trustee 受託人	73,430,000 (Note 3) (Long position) 73,430,000 (附註3) (好倉)	8.08%	1.78%
Cheah Capital Management Limited 切亞資本管理有限公司	H Shares H股	Interests of controlled corporation 受控法團權益	73,430,000 (Note 3) (Long position) 73,430,000 (附註3) (好倉)	8.08%	1.78%
Cheah Company Limited 切亞有限公司	H Shares H股	Interests of controlled corporation 受控法團權益	73,430,000 (Note 3) (Long position) 73,430,000 (附註3) (好倉)	8.08%	1.78%

Corporate Governance and Other Information

企業管治及其他資料

Name of Shareholders 股東名稱	Class of Shares 股份類別	Capacity/ Nature of Interest 身份／權益性質	Number of Issued Shares/ Underlying Shares Held (Share) 所持已發行股份／ 相關股份的數目（股）	Approximate Percentage of Shareholding in the Relevant Class of Share (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 Share (Note 1) (%) 佔股份 總額股權 概約百分比 (附註1) (%)
Value Partners Group Limited 惠理集團有限公司	H Shares H股	Interests of controlled corporation 受控法團權益	73,430,000 (Note 3) (Long position) 73,430,000 (附註3) (好倉)	8.08%	1.78%
Cheah Cheng Hye 謝清海	H Shares H股	Founder of a discretionary trust 全權信託創立人	73,430,000 (Note 3) (Long position) 73,430,000 (附註3) (好倉)	8.08%	1.78%
To Hau Yin 杜巧賢	H Shares H股	Interests of spouse 配偶權益	73,430,000 (Note 3) (Long position) 73,430,000 (附註3) (好倉)	8.08%	1.78%
The People's Insurance Co. (Group) of China Ltd. 中國人民保險集團 股份有限公司	H Shares H股	Interests of beneficial owner 實益擁有人權益	71,759,000 (Long position) 71,759,000 (好倉)	7.90%	1.74%

Corporate Governance and Other Information

企業管治及其他資料

Name of Shareholders 股東名稱	Class of Shares 股份類別	Capacity/ Nature of Interest 身份／權益性質	Number of Issued Shares/ Underlying Shares Held (Share) 所持已發行股份／ 相關股份的數目(股)	Approximate Percentage of Shareholding in the Relevant Class of Share (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 Share (Note 1) (%) 佔股份 總額股權 概約百分比 (附註1)(%)
China South Locomotive & Rolling Stock Corporation Limited 中國南車股份有限公司	H Shares H股	Interests of controlled corporation 受控法團權益	71,759,000 (Note 4) (Long position) 71,759,000 (附註4) (好倉)	7.90%	1.74%
CSR (Hong Kong) Company Limited 中國南車(香港)有限公司	H Shares H股	Interests of beneficial owner 實益擁有人權益	71,759,000 (Note 4) (Long position) 71,759,000 (附註4) (好倉)	7.90%	1.74%
CSR Group 中國南車集團公司	H Shares H股	Interests of controlled corporation 受控法團權益	71,759,000 (Note 4) (Long position) 71,759,000 (附註4) (好倉)	7.90%	1.74%

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 June 30, 2014.
- (2) SINOMACH was beneficially interested in 3,185,260,000 Domestic Shares, representing approximately 77.21% of our total share capital. China United was beneficially interested in 32,170,000 Domestic Shares, representing approximately 0.78% of our total share capital. Since China United is a wholly-owned subsidiary of SINOMACH, SINOMACH is, therefore, deemed to be interested in the Domestic Shares held by China United.

附註：

- (1) 該百分比乃以本公司於2014年6月30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。

Corporate Governance and Other Information

企業管治及其他資料

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 73,430,000 Shares as referred to in note 3 above.

BNP Paribas Jersey Trust Corporation Limited, as trustee of The C H Cheah Family Trust, has 100% interest over BNP Paribas Jersey Nominee Company Limited. BNP Paribas Jersey Nominee Company Limited has 100% interest over Cheah Company Limited which in turn has 100% interest over Cheah Capital Management Limited. Cheah Capital Management Limited has 28.47% interest over Value Partners Group Limited which in turn has 100% interest over Value Partners Hong Kong Limited. Value Partners Hong Kong Limited has 100% interest over Value Partners Limited.

The C H Cheah Family Trust was set up by Mr. Cheah Cheng Hye. Madam To Hau Yin is the spouse of Mr. Cheah Cheng Hye and accordingly is deemed to be interested in the 73,430,000 Shares.

- (4) The 71,759,000 Shares as referred to in note 4 above.

CSR Group has 55% interest over China South Locomotive & Rolling Stock Corporation Limited which in turn has 100% interest over CSR (Hong Kong) Company Limited.

Save as disclosed above, and as at June 30, 2014, the Directors were not aware of any persons (who were not Directors, Supervisors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company 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. PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

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

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73,430,000股股份。

BNP Paribas Jersey Trust Corporation Limited為The C H Cheah Family Trust的受託人，擁有BNP Paribas Jersey Nominee Company Limited全部權益。BNP Paribas Jersey Nominee Company Limited擁有切亞有限公司全部權益，而切亞有限公司擁有切亞資本管理有限公司全部權益。切亞資本管理有限公司擁有惠理集團有限公司28.47%權益，而惠理集團有限公司則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。

The C H Cheah Family Trust由謝清海先生成立。杜巧賢女士為謝清海先生的配偶，故此被視為於73,430,000股股份中擁有權益。

- (4) 上文附註4所述的71,759,000股股份。

中國南車集團公司擁有中國南車股份有限公司55%權益，而中國南車股份有限公司擁有中國南車(香港)有限公司全部權益。

除上文披露者外，於2014年6月30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)於本公司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。

5. 購買、出售或贖回上市證券

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

Corporate Governance and Other Information

企業管治及其他資料

6. BOARD COMPOSITION

As at the date of this report, the Board comprises: Mr. SUN Bai and Mr. ZHANG Chun as executive Directors; Mr. WANG Zhian, Mr. YU Benli and Mr. ZHANG Fusheng as non-executive Directors; and Mr. LIU Li, Ms. LIU Hongyu, Mr. FANG Yongzhong and Mr. WU Tak Lung as INEDs.

7. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and 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 Period and up to the date of this report. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

8. COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Upon specific enquiry of all the Directors and Supervisors, all the Directors and Supervisors confirmed that they had complied with the Model Code during the Period.

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

6. 董事會組成

於本報告日期，董事會成員包括：孫柏先生及張淳先生為執行董事；王治安先生、余本禮先生及張福生先生為非執行董事；以及劉力先生、劉紅宇女士、方永忠先生及吳德龍先生為獨立非執行董事。

7. 遵守企業管治守則

本公司致力於維持企業管治的高標準，以保障股東權益及提高公司價值和問責性。本公司已採納《企業管治守則》作為其企業管治守則。本公司於本期間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》。

8. 遵守董事及監事進行證券交易的標準守則

本公司已採納《標準守則》作為其董事進行證券交易的行為守則。對全體董事及監事作出特定查詢後，所有董事及監事均確認，於本期間內，彼等均一直遵守《標準守則》。

本公司亦已採納一套其條款不遜於《標準守則》所訂標準的僱員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的僱員遵照規定買賣本公司證券。

Corporate Governance and Other Information

企業管治及其他資料

9. INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to the relevant requirements of the Listing Rules, the Company has appointed sufficient number of INEDs with appropriate professional qualifications, or appropriate accounting or related financial management expertise. The Company has appointed a total of four INEDs: Mr. LIU Li, Ms. LIU Hongyu, Mr. FANG Yongzhong and Mr. WU Tak Lung, respectively.

10. CHANGE TO INFORMATION OF DIRECTORS AND SUPERVISORS

Mr. ZHANG Chun, the executive Director and president of the Company, has been appointed as the chairman of China National Electric Engineering Co., Ltd. (中國電力工程有限公司), in March 2014.

Mr. YU Benli, the non-executive Director, 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. LIU Li, the INED, has resigned as an independent director of Bohai Ferry Co. Ltd. (渤海輪渡股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603167), in March 2014.

On March 4, 2014, Mr. WU Tak Lung, the INED, has been appointed as an independent non-executive director of 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). On July 22, 2014, Mr. WU has resigned as an independent non-executive director of Valuetronics Holdings Limited, a company listed on the Singapore Exchange.

9. 獨立非執行董事

本公司已根據上市規則的有關規定委任足夠數目並具備適當的專業資格或具備適當的會計或相關財務管理專長的獨立非執行董事。本公司共委任四名獨立非執行董事：分別為劉力先生、劉紅宇女士、方永忠先生及吳德龍先生。

10. 董事及監事資料變更

於2014年3月，本公司執行董事兼總裁張淳先生獲委任為中國電力工程有限公司之董事長。

於2014年2月，非執行董事余本禮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。

於2014年3月，獨立非執行董事劉力先生辭任渤海輪渡股份有限公司（一家於上海證券交易所上市之公司（股票代碼：603167））獨立董事一職。

於2014年3月4日，獨立非執行董事吳德龍先生獲委任為聯交所主板上市公司盛諾集團有限公司（股份代號：1418）之獨立非執行董事。於2014年7月22日，吳先生辭任鴻通電子控股有限公司（一家於新加坡交易所上市之公司）獨立非執行董事。

Corporate Governance and Other Information

企業管治及其他資料

Save as disclosed above, as at the date of this report, there were no other changes to the Directors' and Supervisors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

11. CHANGE TO INFORMATION IN RESPECT OF COMPANY SECRETARY

On June 26, 2014, Mr. ZHOU Yamin has been appointed by the Board to succeed Mr. CHEN Minjian as the joint company secretary of the Company, the secretary to the Board and an authorised representative of the Company.

12. REVIEW BY THE AUDIT COMMITTEE

The Audit Committee consists of three members (two INEDs and one non-executive Director), namely Mr. LIU Li, Ms. LIU Hongyu and Mr. WANG Zhian. It has jointly reviewed with the management on the accounting standards, and discussed internal control and financial reporting matters (including the review of the interim results) of the Group. The Group's interim results for the Period have been reviewed by the Audit Committee. The Audit Committee considered that the interim results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

除上文披露者外，於本報告日期，董事及監事根據上市規則第13.51B(1)條須予披露的資料並無其他變動。

11. 公司秘書資料變更

於2014年6月26日，周亞民先生已經由董事會委任，接替陳民建先生擔任本公司聯席公司秘書、董事會秘書及本公司授權代表。

12. 審計委員會的審閱

審計委員會由三名成員（兩名獨立非執行董事及一名非執行董事）組成，即劉力先生、劉紅宇女士及王治安先生。審計委員會已與管理層共同審閱會計準則，並討論了本集團的內部控制及財務報告事宜（包括審閱中期業績）。本集團於本期間的中期業績已獲審計委員會審閱。審計委員會認為，中期業績已遵從適用會計準則及法律法規，而本公司亦已作出適當披露。

Corporate Governance and Other Information

企業管治及其他資料

13. COMPLIANCE WITH SANCTIONS UNDERTAKINGS

As disclosed in the Prospectus, the Company and the Directors have covenanted to the Stock Exchange that they will not, directly or indirectly, (1) use any of the proceeds from the Global Offering, or make such proceeds available to any individual or entity, to fund any activities in or business of or with (i) any individual or entity or (ii) in any country or territory, that at the time of such funding, is the target of any sanctions administered by OFAC, or (2) engage in any activity that is sanctionable under the ISA (as amended by the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010) or the Executive Order 13590 (the “**Executive Order**”) for so long as the ISA and Executive Order remain in effect (the “**Sanctions Undertakings**”). The Directors confirmed that both the Company and the Directors were in compliance with the Sanctions Undertakings as at the date of this report.

13. 恪守制裁承諾

誠如招股章程所披露，本公司及董事已向聯交所承諾，彼等將不會直接或間接(1)動用任何全球發售所得款項，或向任何個人或實體提供該等所得款項，以向在(i)任何個人或實體或(ii)任何國家或領土（彼等於下述撥資之時，為外國資產管制局所實施的任何制裁的目標）開展的任何活動或彼等本身或與彼等進行的任何業務提供資金；或(2)於伊朗制裁法（經2010年全面伊朗制裁法修訂）或執行令13590號（「**執行令**」）保持有效期間內參與受伊朗制裁法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。

Review Report

審閱報告

**Review report to the board of directors of
China Machinery Engineering Corporation**
(Incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 72 to 116 which comprises the consolidated balance sheet of China Machinery Engineering Corporation (the "Company") as at June 30, 2014 and the related consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the condensed consolidated cash flow statement for the six months then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, Interim financial reporting, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

審閱報告
致中國機械設備工程股份有限公司董事會
(於中華人民共和國註冊成立的股份有限公司)

引言

我們已審閱第72頁至第116頁所載中期財務報告，包括中國機械設備工程股份有限公司（「貴公司」）截至2014年6月30日的合併資產負債表，以及截至該日止六個月的相關合併損益及其他綜合收益表、合併權益變動表以及簡明合併現金流量表連同附註解釋。根據《香港聯合交易所有限公司證券上市規則》，上市公司須根據上市規則相關規定及國際會計準則委員會頒佈的《國際會計準則》第34號「中期財務報告」的規定編製中期財務報告。董事須負責根據《國際會計準則》第34號編製及呈報中期財務報告。

我們的責任是根據審閱結果，對中期財務報告作出結論，並按照雙方協議的業務條款，僅向全體董事會報告。除此之外，本報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔任何責任。

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at June 30, 2014 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim financial reporting*.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

August 28, 2014

審閱範圍

我們按照香港會計師公會所頒佈的《香港審閱工作準則》第2410號「獨立核數師對中期財務資訊的審閱」進行審閱。中期財務報告審閱工作包括主要向負責財務及會計事宜的人員詢問，並進行分析和其他審閱程序。由於審閱的範圍遠較按照《香港核數準則》進行審計的範圍為小，所以不能保證我們會注意到在審計中可能會被發現的所有重大事項。因此，我們不會發表審計意見。

結論

根據我們的審閱工作，我們並沒有注意到任何事項使我們相信截至2014年6月30日的中期財務報告在所有重大方面沒有按照《國際會計準則》第34號「中期財務報告」編製。

畢馬威會計師事務所

執業會計師
香港中環
遮打道10號
太子大廈8樓

2014年8月28日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

合併損益及其他綜合收益表

For the six months ended June 30, 2014 – unaudited • 截至2014年6月30日止六個月 – 未經審計
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

		Six months ended June 30, 截至6月30日止六個月		
		2014	2013	
		2014年	2013年	
		RMB'000	RMB'000	
		人民幣千元	人民幣千元	
	Note 附註			
Revenue	收入	4	11,089,918	10,427,405
Cost of sales	銷售成本		(8,964,291)	(8,404,605)
Gross profit	毛利		2,125,627	2,022,800
Other revenue	其他收入	5	867	1,272
Other (expenses)/income, net	其他(開支)/收入淨額	6	(190,757)	48,012
Selling and marketing expenses	銷售及市場營銷開支		(577,095)	(525,657)
Administrative expenses	行政開支		(252,435)	(246,402)
Other operating expenses	其他經營開支		(61,057)	(47,671)
Profit from operations	經營溢利		1,045,150	1,252,354
Finance income	財務收入		455,269	387,350
Finance expenses	財務開支		(15,463)	(282,401)
Net finance income	財務收入淨額	7(a)	439,806	104,949
Share of profits less losses of associates	應佔聯營公司 溢利減虧損		(33)	(187)
Profit before taxation	除稅前溢利	7	1,484,923	1,357,116
Income tax	所得稅	8	(398,686)	(355,760)
Profit for the period	本期間溢利		1,086,237	1,001,356
Other comprehensive income for the period:	本期間其他綜合收益			
Items that will not be reclassified to profit or loss:	不會被重分類至損益的項目:			
Remeasurements of defined benefit obligations	重新計量設定收益義務		(8,910)	(2,180)
Items that may be reclassified subsequently to profit or loss:	於日後可能被重分類至損益的項目:			
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		(1,464)	(2,817)
Total comprehensive income for the period	本期間綜合收益總額		1,075,863	996,359

The notes on pages 79 to 116 form part of this interim financial report.

第79至第116頁的附註為本中期財務報告的組成部分。

Consolidated Statement of Profit or Loss and Other Comprehensive Income

合併損益及其他綜合收益表

For the six months ended June 30, 2014 – unaudited • 截至2014年6月30日止六個月 – 未經審計
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

		Six months ended June 30,	
		截至6月30日止六個月	
		2014	2013
		2014年	2013年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		<i>Note</i>	
		<i>附註</i>	
Profit attributable to:	溢利歸屬於：		
Shareholders of the Company	本公司股東	1,087,626	1,000,718
Non-controlling interests	非控股權益	(1,389)	638
Profit for the period	本期間溢利	1,086,237	1,001,356
Total comprehensive income attributable to:	綜合收益總額歸屬於：		
Shareholders of the Company	本公司股東	1,077,132	995,680
Non-controlling interests	非控股權益	(1,269)	679
Total comprehensive income for the period	本期間綜合收益總額	1,075,863	996,359
Basic and diluted earnings per share (RMB)	每股基本及攤薄盈利 (人民幣元)	9	0.24
		0.26	

The notes on pages 79 to 116 form part of this interim financial report.

第79至第116頁的附註為本中期財務報告的組成部分。

Consolidated Balance Sheet

合併資產負債表

At June 30, 2014 – unaudited • 於2014年6月30日 – 未經審計
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

			At June 30, 2014 於2014年 6月30日 RMB'000 人民幣千元	At December 31, 2013 於2013年 12月31日 RMB'000 人民幣千元
		Note 附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	11	565,283	485,012
Investment properties	投資物業		26,614	14,163
Lease prepayments	預付租賃款項	12	1,768,115	1,788,109
Intangible assets	無形資產		8,025	7,919
Interest in associates	聯營公司權益		182	215
Other non-current assets	其他非流動資產	13	238,781	343,944
Trade and other receivables	貿易及其他應收款項	14	6,573	53,382
Construction contracts	建造合同應收款項	15	2,949,158	3,201,943
Deferred tax assets	遞延稅項資產		253,596	154,577
Total non-current assets	非流動資產總額		5,816,327	6,049,264
Current assets	流動資產			
Inventories	存貨		275,656	212,735
Trade and other receivables	貿易及其他應收款項	14	5,499,767	4,894,653
Construction contracts	建造合同應收款項	15	3,648,251	2,372,575
Restricted deposits	受限制存款		210,844	251,435
Time deposits with original maturity over three months	原始到期日超過三個月 的定期存款		2,422,811	3,622,336
Cash and cash equivalents	現金及現金等價物	16	15,686,179	14,550,166
Total current assets	流動資產總額		27,743,508	25,903,900
Current liabilities	流動負債			
Borrowings	借貸	17	255,369	234,307
Receipts in advance	預收款項	18	5,547,912	7,021,664
Trade and other payables	貿易及其他應付款項	19	14,897,887	12,227,087
Retirement and other supplemental benefit obligation	退休及其他補充福利義務		30,250	30,870
Income tax payable	應付所得稅		350,943	276,013
Total current liabilities	流動負債總額		21,082,361	19,789,941
Net current assets	流動資產淨額		6,661,147	6,113,959
Total assets less current liabilities	資產總額減流動負債		12,477,474	12,163,223

The notes on pages 79 to 116 form part of this interim financial report.

第79至第116頁的附註為本中期財務報告的組成部分。

Consolidated Balance Sheet

合併資產負債表

At June 30, 2014 – unaudited • 於2014年6月30日 – 未經審計
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

			At June 30, 2014 於2014年 6月30日 RMB'000 人民幣千元	At December 31, 2013 於2013年 12月31日 RMB'000 人民幣千元
		Note 附註		
Non-current liabilities	非流動負債			
Borrowings	借貸	17	43,461	79,637
Trade and other payables	貿易及其他應付款項	19	53,800	1,705
Retirement and other supplemental benefit obligation	退休及其他補充福利義務		330,440	325,820
Total non-current liabilities	非流動負債總額		427,701	407,162
NET ASSETS	淨資產		12,049,773	11,756,061
CAPITAL AND RESERVES	資本及儲備	20		
Share Capital	股本		4,125,700	4,125,700
Reserves	儲備		7,907,174	7,613,925
Total equity attributable to the shareholders of the Company	本公司股東應佔權益總額		12,032,874	11,739,625
Non-controlling interests	非控股權益		16,899	16,436
TOTAL EQUITY	權益總額		12,049,773	11,756,061

Approved and authorized for issue by the board of directors on August 28, 2014.

經董事會於2014年8月28日批准及授權刊發。

Name: Sun Bai

姓名：孫柏

Position: Chairman

職位：董事長

Name: Zhang Chun

姓名：張淳

Position: Director

職位：董事

The notes on pages 79 to 116 form part of this interim financial report.

第79至第116頁的附註為本中期財務報告的組成部分。

Consolidated Statement of Changes in Equity

合併權益變動表

For the six months ended June 30, 2014 – unaudited • 截至2014年6月30日止六個月 – 未經審計
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

		Attributable to equity shareholders of the Company					Sub-total	Non-controlling interests	Total equity
		本公司股東應佔							
		Share capital	Capital reserve	Reserve fund	Exchange reserve	Retained earnings			
股本	資本儲備	儲備基金	匯兌儲備	保留盈利	小計	非控股權益	權益總額		
		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	
Balance at January 1, 2013	於2013年1月1日	4,018,000	2,895,423	316,090	17,417	2,673,411	9,920,341	(2,918)	9,917,423
Changes in equity for the six months ended June 30, 2013:	截至2013年6月30日止六個月權益變動：								
Profit for the period	本期間溢利	-	-	-	-	1,000,718	1,000,718	638	1,001,356
Other comprehensive income	其他綜合收益	-	-	-	(2,858)	(2,180)	(5,038)	41	(4,997)
Total comprehensive income	綜合收益總額	-	-	-	(2,858)	998,538	995,680	679	996,359
Issuance of shares upon public offering, net of issuing expenses (note 20(a))	公開發售股份，扣除發行費用 (附註20(a))	107,700	349,147	-	-	-	456,847	-	456,847
Dividends payable to shareholders of the Company	付予本公司股東的股息	-	-	-	-	(674,965)	(674,965)	-	(674,965)
Balance at June 30, 2013	於2013年6月30日	4,125,700	3,244,570	316,090	14,559	2,996,984	10,697,903	(2,239)	10,695,664
Changes in equity for the six months ended December 31, 2013:	截至2013年12月31日止六個月權益變動：								
Profit for the period	本期間溢利	-	-	-	-	958,539	958,539	346	958,885
Other comprehensive income	其他綜合收益	-	-	-	(3,286)	23,890	20,604	(862)	19,742
Total comprehensive income	綜合收益總額	-	-	-	(3,286)	982,429	979,143	(516)	978,627
Issuance of shares upon public offering, net of issuing expenses	公開發售股份，扣除發行費用	-	62,579	-	-	-	62,579	-	62,579
Disposal of interest in a subsidiary with loss in control	處置一家附屬公司的權益並失去控制權	-	-	-	-	-	-	19,375	19,375
Appropriation to reserves	撥入儲備	-	-	194,078	-	(194,078)	-	-	-
Dividends paid to non-controlling interests of subsidiaries	付予附屬公司非控股權益的股息	-	-	-	-	-	-	(184)	(184)
Balance at December 31, 2013	於2013年12月31日	4,125,700	3,307,149	510,168	11,273	3,785,335	11,739,625	16,436	11,756,061

The notes on pages 79 to 116 form part of this interim financial report.

第79至第116頁的附註為本中期財務報告的組成部分。

Consolidated Statement of Changes in Equity

合併權益變動表

For the six months ended June 30, 2014 – unaudited • 截至2014年6月30日止六個月 – 未經審計
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

		Attributable to equity shareholders of the Company					Non-controlling interests		Total equity
		本公司股東應佔							
		Share capital	Capital reserve	Reserve fund	Exchange reserve	Retained earnings	Sub-total		
		股本	資本儲備	儲備基金	匯兌儲備	保留盈利	小計	非控股權益	權益總額
		RMB'000	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	人民幣千元
Balance at January 1, 2014	於2014年1月1日	4,125,700	3,307,149	510,168	11,273	3,785,335	11,739,625	16,436	11,756,061
Changes in equity for the six months ended June 30, 2014:	截至2014年6月30日止六個月權益變動：								
Profit for the period	本期間溢利	-	-	-	-	1,087,626	1,087,626	(1,389)	1,086,237
Other comprehensive income	其他綜合收益	-	-	-	(1,584)	(8,910)	(10,494)	120	(10,374)
Total comprehensive income	綜合收益總額	-	-	-	(1,584)	1,078,716	1,077,132	(1,269)	1,075,863
Capital contribution	資本投入	-	-	-	-	-	-	1,750	1,750
Dividends paid to non-controlling interests of subsidiaries	付予附屬公司非控股權益的股息	-	-	-	-	-	-	(18)	(18)
Dividends payable to shareholders of the Company	付予本公司股東的股息	-	-	-	-	(783,883)	(783,883)	-	(783,883)
Balance at June 30, 2014	於2014年6月30日	4,125,700	3,307,149	510,168	9,689	4,080,168	12,032,874	16,899	12,049,773

The notes on pages 79 to 116 form part of this interim financial report.

第79至第116頁的附註為本中期財務報告的組成部分。

Condensed Consolidated Cash Flow Statement

簡明合併現金流量表

For the six months ended June 30, 2014 – unaudited • 截至2014年6月30日止六個月 – 未經審計
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

		Six months ended June 30, 截至6月30日止六個月	
		2014	2013
		2014年	2013年
		RMB'000	RMB'000
	Note 附註	人民幣千元	人民幣千元
Operating activities	經營活動		
Cash (used in)/generated from operations	經營活動(使用)/產生的現金	(136,371)	481,703
Tax paid	已付稅項	(422,775)	(622,718)
Net cash used in operating activities	經營活動使用的現金淨額	(559,146)	(141,015)
Investing activities	投資活動		
Payment for the purchase of property, plant and equipment	購買物業、廠房及設備的款項	(116,939)	(54,286)
Other cash flows arising from investing activities	來自投資活動的其他現金流	1,805,566	1,712,022
Net cash generated from investing activities	投資活動產生的現金淨額	1,688,627	1,657,736
Financing activities	融資活動		
Other cash flows arising from financing activities	來自融資活動的其他現金流	(18,206)	408,423
Net cash (used in)/generated from financing activities	融資活動(使用)/產生的現金淨額	(18,206)	408,423
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	1,111,275	1,925,144
Cash and cash equivalents at 1 January	於1月1日的現金及現金等價物	14,550,166	12,089,395
Effect of foreign exchanges rate changes	匯率變動的影響	24,738	(105,539)
Cash and cash equivalents at 30 June	於6月30日的現金及現金等價物	15,686,179	13,909,000

The notes on pages 79 to 116 form part of this interim financial report.

第79至第116頁的附註為本中期財務報告的組成部分。

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

1 PRINCIPAL ACTIVITIES AND ORGANIZATION

China Machinery Engineering Corporation (the “Company”) was established in the People’s Republic of China (the “PRC”) on January 18, 2011 as a joint stock company with limited liability as part of the reorganization of China National Machinery & Equipment Import & Export Corporation, a state-owned enterprise. The Company and its subsidiaries (the “Group”) are mainly engaged in international construction contracting business and trading business.

On December 21, 2012, the Company became listed on the Main Board of The Stock Exchange of Hong Kong Limited (“HKSE”).

2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“IAS”) 34, Interim financial reporting, issued by the International Accounting Standards Board (“IASB”). It was authorized for issuance on August 28, 2014.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2013 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2014 annual financial statements. Details of these changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

1 主要業務及組織架構

作為國有企業中國機械設備進出口總公司重組的一部分，中國機械設備工程股份有限公司（「本公司」）於2011年1月18日在中華人民共和國（「中國」）成立為股份有限公司。本公司及其附屬公司（「本集團」）主要從事國際工程承包業務及貿易業務。

於2012年12月21日，本公司於香港聯合交易所有限公司（「香港聯交所」）主板上市。

2 編製基準

本中期財務報告按照香港聯合交易所有限公司證券上市規則的適用披露條文（包括遵照由國際會計準則委員會（「國際會計準則委員會」）頒佈的國際會計準則（「國際會計準則」）第34號「中期財務報告」）編製，並於2014年8月28日獲授權刊發。

本中期財務報告按與2013年年度財務報表所採用的相同會計政策編製，惟預期將於2014年年度財務報表中反映的會計政策變更除外。有關會計政策變更的詳情載於附註3。

管理層在編製符合國際會計準則第34號的中期財務報告時，須作出判斷、估計及假設，該等判斷、估計及假設會影響政策的應用以及資產與負債及收支按從年初至今的呈報金額。實際結果可能有別於該等估計。

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

2 BASIS OF PREPARATION (CONTINUED)

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2013 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”).

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. KPMG’s independent review report to the Board of Directors is included in the interim financial report.

The financial information relating to the financial year ended December 31, 2013 that is included in the interim financial report as being previously reported information does not constitute the Company’s annual financial statements prepared under IFRSs for that financial year but is derived from those financial statements. The annual financial statements for the year ended December 31, 2013 are available from the Company’s registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated March 24, 2014.

2 編製基準 (續)

本中期財務報告載有簡明合併財務報表及經挑選說明附註。附註包括對自2013年年度財務報表以來本集團財務狀況及業績方面的變動構成重要影響的事件及交易的說明。簡明合併中期財務報表及附註並不包括就按照國際財務報告準則（「國際財務報告準則」）編製的完整財務報表所需的全部資料。

本中期財務報告未經審計，但已由畢馬威會計師事務所根據香港會計師公會頒佈的香港審閱工作準則第2410號「實體的獨立核數師對中期財務信息的審閱」的規定進行審閱。畢馬威會計師事務所向董事會作出匯報的獨立審閱報告載入中期財務報告內。

中期財務報告所載截至2013年12月31日止財政年度的財務資料屬先前呈報的資料，並不構成本公司根據國際財務報告準則編製該財政年度的年度財務報表，該等財務資料均取自該等年度財務報表。截至2013年12月31日止年度的年度財務報表可於本公司的註冊辦事處索取。核數師已於日期為2014年3月24日的核數師報告中對該等財務報表發表無保留意見。

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

3 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of amendments to IFRSs and one new Interpretation that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- Amendments to IFRS 10, IFRS 12 and IAS 27, *Investment entities*
- Amendments to IAS 32, *Offsetting financial assets and financial liabilities*
- Amendments to IAS 36, *Recoverable amount disclosures for non-financial assets*
- Amendments to IAS 39, *Novation of derivatives and continuation of hedge accounting*
- IFRIC 21, *Levies*

None of the other developments are relevant to the Group's financial statements and the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Amendments to IFRS 10, IFRS 12 and IAS 27, *Investment entities*

The amendments provide consolidation relief to those parents which qualify to be an investment entity as defined in the amended IFRS 10. Investment entities are required to measure their subsidiaries at fair value through profit or loss. These amendments do not have an impact on the group's interim financial report as the Group does not qualify to be an investment entity.

3 會計政策變更

國際會計準則委員會已頒佈多項對國際財務報告準則的修訂及一項新詮釋，該等修訂及詮釋於本集團及本公司當前會計期間內首次生效。其中，與本集團財務報表有關的如下：

- 國際財務報告準則第10號、國際財務報告準則第12號及國際會計準則第27號(修訂本)「投資實體」
- 國際會計準則第32號(修訂本)「抵銷金融資產及金融負債」
- 國際會計準則第36號(修訂本)「非金融資產之可收回金額披露」
- 國際會計準則第39號(修訂本)「衍生工具更替及對沖會計法之延續」
- 國際財務報告詮釋委員會詮釋第21號「徵費」

概無與本集團財務報表有關的其他發展，而本集團並無採用於當前會計期間尚未生效的任何新準則或詮釋。

國際財務報告準則第10號、國際財務報告準則第12號及國際會計準則第27號(修訂本)「投資實體」

該等修訂放寬符合經修訂國際財務報告準則第10號界定的投資實體的母公司的合併要求。投資實體須按公允值並透過損益計量其附屬公司。由於本集團並不符合投資實體的資格，故該等修訂並不會對本集團中期財務報告造成影響。

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

3 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Amendments to IAS 32, Offsetting financial assets and financial liabilities

The amendments to IAS 32 clarify the offsetting criteria in IAS 32. The amendments do not have an impact on the group's interim financial report as they are consistent with the policies already adopted by the group.

Amendments to IAS 36, Recoverable amount disclosures for non-financial assets

The amendments to IAS 36 modify the disclosure requirements for impaired non-financial assets. Among them, the amendments expand the disclosures required for an impaired asset or CGU whose recoverable amount is based on fair value less costs of disposal. The adoption of the amendments does not have any material impact on the Group's interim financial report.

Amendments to IAS 39, Novation of derivatives and continuation of hedge accounting

The amendments to IAS 39 provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. The amendments do not have an impact on the group's interim financial report as the group has not novated any of its derivatives.

IFRIC 21, Levies

The Interpretation provides guidance on when a liability to pay a levy imposed by a government should be recognised. The amendments do not have an impact on the group's interim financial report as the guidance is consistent with the group's existing accounting policies.

3 會計政策變更 (續)

國際會計準則第32號 (修訂本)「抵銷金融資產及金融負債」

國際會計準則第32號的修訂釐清國際會計準則第32號中抵銷的依據。由於該等修訂與本集團現已採納的政策一致，故該等修訂並不會對本集團中期財務報告造成影響。

國際會計準則第36號 (修訂本)「非金融資產之可收回金額披露」

國際會計準則第36號的修訂修改已減值非金融資產的披露要求。其中，該等修訂擴大對已減值資產或現金產出單位 (其可回收金額乃基於公允價值減處置成本) 的披露要求。採納該等修訂並不會對本集團中期財務報告造成重大影響。

國際會計準則第39號 (修訂本)「衍生工具更替及對沖會計法之延續」

國際會計準則第39號的修訂放寬為符合若干標準並指定作為對沖工具的衍生工具進行更替時的終止對沖會計規定。由於本集團並沒有更替任何衍生工具，故該等修訂並不會對本集團中期財務報告造成影響。

國際財務報告詮釋委員會詮釋第21號「徵費」

該詮釋於支付政府徵費的負債須予確認時提供指引。由於有關指引與本集團現行會計政策一致，故該等修訂並不會對本集團中期財務報告造成影響。

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

4 REVENUE

The principal activities of the Group are construction contracting on international infrastructure-related projects, sales of machineries and equipments etc and provision of other services.

Revenue represents: (i) an appropriate proportion of contract revenue of construction contracts, net of business tax and surcharges if any; (ii) the invoiced value of goods sold, net of value-added tax and surcharges, and after trade discounts; and (iii) the value of other services rendered.

An analysis of the Group's revenue is as follows:

4 收入

本集團的主要業務為承包與國際基礎設施有關的項目、銷售機械設備等，以及提供其他服務。

收入指：(i)建造合同的合同收入的合適比例減營業稅及附加費(如有)；(ii)出售貨品的發票值減增值稅及附加費，並經扣減交易折扣後所得；及(iii)提供的其他服務的價值。

本集團的收入分析如下：

		Six months ended June 30,	
		截至6月30日止六個月	
		2014	2013
		2014年	2013年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue from construction contracts	來自建造合同的收入	8,428,726	8,004,083
Sales of goods in trading business	貿易業務中的商品銷售	2,232,631	1,985,085
Others (note (i))	其他(附註(i))	428,561	438,237
		11,089,918	10,427,405

Note:

- (i) Other revenue mainly represents revenue from the provision of export-import agency services, tendering agency services, exhibition services, design services and logistics services.

附註：

- (i) 其他收入主要指來自於提供進出口代理服務、招標代理服務、展覽服務、設計服務及物流服務的收入。

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

5 OTHER REVENUE

5 其他收入

		Six months ended June 30, 截至6月30日止六個月	
		2014	2013
		2014年	2013年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Government grants	政府補貼	867	1,272
		867	1,272

6 OTHER (EXPENSES)/INCOME, NET

6 其他(開支)/收入淨額

		Six months ended June 30, 截至6月30日止六個月	
		2014	2013
		2014年	2013年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Net losses on disposal of property, plant and equipment	出售物業、廠房及設備的虧損淨額	(4,730)	(122)
Net gains on disposal of an unquoted equity security	出售非流通股本證券的收益淨額	-	2,165
Net (losses)/gains on foreign currency forward exchange contracts and interest rate swaps	遠期外匯合同及利率掉期的(虧損)/收益淨額	(191,627)	43,988
Others	其他	5,600	1,981
		(190,757)	48,012

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/crediting:

(a) Finance income and finance expenses

		Six months ended June 30, 截至6月30日止六個月	
		2014	2013
		2014年	2013年
		RMB'000	RMB'000
		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	102,892	165,750
Foreign exchange gains	匯兌收益	94,719	-
Interest income	利息收入	257,658	221,600
Finance income		455,269	387,350
Interest cost recognized in respect of defined benefit retirement plans	就設定收益退休計劃 確認的利息成本	7,680	6,960
Interest expenses on borrowings	借貸的利息開支	2,386	3,526
Foreign exchange losses	匯兌虧損	-	264,171
Bank charges and others	銀行費用及其他	5,397	7,744
Finance expenses		15,463	282,401
Net finance income recognized in profit or loss	於損益確認的 財務收入淨額	439,806	104,949

Note:

- (i) There was no borrowing cost capitalized for the six months ended June 30, 2013 and 2014.

7 除稅前溢利

除稅前溢利已扣除／計入：

(a) 財務收入及財務開支

		Six months ended June 30, 截至6月30日止六個月	
		2014	2013
		2014年	2013年
		RMB'000	RMB'000
		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	102,892	165,750
Foreign exchange gains	匯兌收益	94,719	-
Interest income	利息收入	257,658	221,600
Finance income		455,269	387,350
Interest cost recognized in respect of defined benefit retirement plans	就設定收益退休計劃 確認的利息成本	7,680	6,960
Interest expenses on borrowings	借貸的利息開支	2,386	3,526
Foreign exchange losses	匯兌虧損	-	264,171
Bank charges and others	銀行費用及其他	5,397	7,744
Finance expenses		15,463	282,401
Net finance income recognized in profit or loss	於損益確認的 財務收入淨額	439,806	104,949

附註：

- (i) 截至2013年及2014年6月30日止六個月，概無借貸成本被資本化。

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

7 PROFIT BEFORE TAXATION (CONTINUED)

7 除稅前溢利(續)

(b) Other items

(b) 其他項目

		Six months ended June 30, 截至6月30日止六個月	
		2014	2013
		2014年	2013年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Amortization	攤銷		
– lease prepayments	– 預付租賃款項	19,994	18,862
– intangible assets	– 無形資產	1,171	923
		21,165	19,785
Depreciation	折舊		
– property, plant and equipment	– 物業、廠房及設備	16,751	14,641
– investment properties	– 投資物業	1,097	439
		17,848	15,080
Impairment losses on	減值虧損		
– trade and other receivables	– 貿易及其他應收款項	84,511	35,232
– construction contracts	– 建造合同應收款項	(23,454)	12,409
Operating lease charges	經營租賃費用		
– hire of properties	– 租用物業	10,902	8,413
– hire of other assets	– 租用其他資產	249	788
		11,151	9,201
Provision for foreseeable losses on construction contracts	建造合同預計虧損撥備	–	90,135
Cost of inventories	存貨成本	2,006,049	1,770,803

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

8 INCOME TAX

(a) Income tax in the consolidated statement of comprehensive income represents:

		Six months ended June 30, 截至6月30日止六個月	
		2014	2013
		2014年	2013年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current tax	本期稅項		
– PRC Corporate Income Tax	– 中國企業所得稅	491,576	401,236
– Hong Kong Profits Tax	– 香港利得稅	–	488
– Others	– 其他	6,129	29,937
		497,705	431,661
Deferred tax	遞延稅項	(99,019)	(75,901)
		398,686	355,760

The Group is subject to income tax on an individual legal entity basis on profits arising in or derived from the tax jurisdictions in which companies comprising the Group domicile or operate.

The provision for Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the six months ended June 30, 2013 and 2014.

The charge for PRC corporate income tax for the Company and the Group's subsidiaries established in the PRC is calculated at the statutory rate of 25% for the six months ended June 30, 2013 and 2014, except for two subsidiaries of the Group, being small-scale enterprises, are entitled to a preferential income tax rate of 20% for the six months ended June 30, 2013 and 2014.

8 所得稅

(a) 合併綜合收益表內的所得稅包含：

		Six months ended June 30, 截至6月30日止六個月	
		2014	2013
		2014年	2013年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current tax	本期稅項		
– PRC Corporate Income Tax	– 中國企業所得稅	491,576	401,236
– Hong Kong Profits Tax	– 香港利得稅	–	488
– Others	– 其他	6,129	29,937
		497,705	431,661
Deferred tax	遞延稅項	(99,019)	(75,901)
		398,686	355,760

本集團須就本集團成員公司於所處或經營的稅務司法管轄區產生或賺取的溢利，按獨立法人實體基準繳納所得稅。

香港利得稅撥備於截至2013年及2014年6月30日止六個月按估計應課稅溢利的16.5%計算。

本公司及本集團於中國成立的附屬公司於截至2013年及2014年6月30日止六個月須按法定稅率25%繳付中國企業所得稅開支，惟本集團兩家附屬公司（為小規模企業）可於截至2013年及2014年6月30日止六個月享有20%的優惠所得稅稅率。

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

8 INCOME TAX (CONTINUED)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

8 所得稅 (續)

(b) 採用適用稅率計算之稅項開支與會計溢利對賬：

		Six months ended June 30,	
		截至6月30日止六個月	
		2014	2013
		2014年	2013年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit before taxation	除稅前溢利	1,484,923	1,357,116
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	除稅前溢利之名義稅項，按有關司法管轄區適用於溢利之稅率計算	371,047	338,783
PRC tax concessions	中國稅務寬減	(6)	(10)
Effect of non-deductible expenses	不可抵扣開支之影響	19,666	15,520
Effect of non-taxable income	非應課稅收入之影響	(8)	(47)
Tax effect of unused tax losses and deductible temporary differences not recognized	未使用稅項虧損及未確認可抵扣暫時差額之稅務影響	7,805	1,294
Others	其他	182	220
Actual tax expense	實際稅項開支	398,686	355,760

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

9 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to shareholders of the Company for the six months ended June 30, 2014 of RMB1,087,626,000 (six months ended June 30, 2013: RMB1,000,718,000) and the weighted average number of shares in issue of 4,125,700,000 (six months ended June 30, 2013: 4,125,105,000 shares). The weighted average number of shares in issue is set out below:

9 每股盈利

每股基本盈利乃按截至2014年6月30日止六個月歸屬於本公司股東的溢利人民幣1,087,626,000元(截至2013年6月30日止六個月：人民幣1,000,718,000元)及已發行的加權平均股數4,125,700,000股(截至2013年6月30日止六個月：4,125,105,000股)計算。已發行的加權平均股數載列如下：

		Six months ended June 30,	
		截至6月30日止六個月	
		2014	2013
		2014年	2013年
		Thousands	<i>Thousands</i>
		shares	<i>shares</i>
		<i>千股</i>	<i>千股</i>
Issued shares at January 1	於1月1日的已發行股份	4,125,700	4,018,000
Effect of issuance of shares in January 2013	於2013年1月發行股份 的影響	-	107,105
Weighted average number of shares at June 30	於6月30日的加權平均股數	4,125,700	4,125,105

There was no difference between the basic and diluted earnings per share as there were no dilutive potential shares outstanding for the periods presented.

在呈列期間概無任何發行在外的潛在可攤薄股份，因此，每股基本盈利與每股攤薄盈利並無差別。

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

10 SEGMENT REPORTING

The Group manages its businesses by divisions, which are organized by a mixture of both business lines and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resources allocation and performance assessment, the Group has presented the following three reportable segments.

- Construction contracts: this segment mainly undertakes engineering, procurement and construction ("EPC") contracting business of overseas infrastructure-related construction projects (including hydropower, thermal power or other engineering projects) in various countries.
- 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.
- Other businesses: this segment mainly engages in providing export – import agency services, tendering agency services, exhibition services, design services and logistics services.

10 分部報告

本集團由按業務類別及地區組成的部門管理其業務。與就分配資源及評估表現而向本集團的最高執行管理層作內部呈報資料的方式一致，本集團已呈報下列三個可報告分部。

- 建造合同：本分部主要在各國從事海外基礎設施相關的施工項目（包括水電、火電或其他工程項目）的設計、採購及施工（「EPC」）承包業務。
- 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。
- 其他業務：本分部主要從事提供進出口代理服務、招標代理服務、展覽服務、設計服務及物流服務。

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

10 SEGMENT REPORTING (CONTINUED)

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all non-current assets and current assets with the exception of restricted deposits, time deposits with original maturity over three months, cash and cash equivalents, property, plant and equipment, lease prepayments, intangible assets, interest in associates, deferred tax assets, other non-current assets and other unallocated assets. Segment liabilities include receipts in advance, trade and other payables (excluding accrued salaries, wages and benefits, and payables that cannot be reasonably allocated to any segment), construction contracts, provisions and borrowings managed directly for the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortization of assets attributable to those segments.

10 分部報告 (續)

(a) 分部業績、資產及負債

為了評估分部表現及在分部間分配資源，本集團的最高執行管理層在以下基礎上監控各可報告分部應佔的業績、資產及負債：

分部資產包括所有非流動資產及流動資產，但下列項目除外：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、物業、廠房及設備、預付租賃款項、無形資產、聯營公司的權益、遞延稅項資產、其他非流動資產及其他未分配的資產。分部負債包括直接為分部管理的預收款項、貿易及其他應付款項（不包括應計薪金、工資及福利，及不能合理地分配至任何分部的應付款項）、建造合同應付款項、撥備及借貸。

分配予可報告分部的收入及開支乃經參考該等分部所產生的銷售額及該等分部所產生的開支或歸屬於該等分部的資產因折舊或攤銷而另外產生的開支。

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

10 SEGMENT REPORTING (CONTINUED)

10 分部報告 (續)

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

(a) 分部業績、資產及負債 (續)

The measure used for reporting segment profit is the profit before taxation. Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resources allocation and assessment of segment performance for the six months ended June 30, 2013 and 2014 is set out below:

用於報告分部溢利的計量指標為除稅前溢利。截至2013年及2014年6月30日止六個月，就分配資源及評估分部表現而向本集團的最高執行管理層提供的本集團可報告分部的相關資料載列如下：

		Six months ended June 30, 2014			
		截至2014年6月30日止六個月			
		Construction	Trading	Other	Total
		contracts	business	businesses	合計
		建造合同	貿易業務	其他業務	合計
		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
Revenue from external customers	來自外部客戶的收入	8,428,726	2,232,631	428,561	11,089,918
Inter-segment revenue	分部間收入	-	10,991	207,214	218,205
Reportable segment revenue	可報告分部收入	8,428,726	2,243,622	635,775	11,308,123
Reportable segment profit	可報告分部溢利	1,215,352	6,699	23,039	1,245,090
Interest income on receivables from customers	應收客戶款項的利息收入	102,892	-	-	102,892
Interest expenses	利息開支	1,414	972	-	2,386
Depreciation and amortization	折舊及攤銷	-	-	1,235	1,235
Provision of impairment losses/ (reversal of impairment losses)	減值虧損撥備/ (減值虧損撥備撥回)				
- trade and other receivables	- 貿易及其他應收款項	61,184	21,102	2,225	84,511
- construction contracts	- 建造合同應收款項	(23,454)	-	-	(23,454)
Reportable segment assets	可報告分部資產	9,912,650	2,183,972	969,806	13,066,428
- capital expenditure	- 資本開支	-	-	-	-
Reportable segment liabilities	可報告分部負債	16,468,677	2,038,389	799,163	19,306,229

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

10 SEGMENT REPORTING (CONTINUED)

10 分部報告 (續)

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

(a) 分部業績、資產及負債 (續)

		Six months ended June 30, 2013 截至2013年6月30日止六個月			
		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	Other businesses 其他業務 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Revenue from external customers	來自外部客戶的收入	8,004,083	1,985,085	438,237	10,427,405
Inter-segment revenue	分部間收入	-	115,839	230,698	346,537
Reportable segment revenue	可報告分部收入	8,004,083	2,100,924	668,935	10,773,942
Reportable segment profit	可報告分部溢利	1,185,514	30,445	64,050	1,280,009
Interest income on receivables from customers	應收客戶款項的利息收入	165,750	-	-	165,750
Interest expenses	利息開支	2,263	1,263	-	3,526
Depreciation and amortization	折舊及攤銷	-	-	576	576
Provision of impairment losses/ (reversal of impairment losses)	減值虧損撥備/ (減值虧損撥備撥回)				
- trade and other receivables	- 貿易及其他應收款項	38,099	(2,790)	(77)	35,232
- construction contracts	- 建造合同應收款項	12,409	-	-	12,409
- foreseeable losses on construction contracts	- 建造合同預計虧損	90,135	-	-	90,135
		Year ended December 31, 2013 截至2013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	Other businesses 其他業務 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Reportable segment assets	可報告分部資產	8,309,516	1,997,682	799,250	11,106,448
- capital expenditure	- 資本開支	-	-	-	-
Reportable segment liabilities	可報告分部負債	15,924,759	2,312,069	749,367	18,986,195

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

10 SEGMENT REPORTING (CONTINUED)

10 分部報告 (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

		Six months ended June 30, 截至6月30日止六個月	
		2014	2013
		2014年	2013年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
<hr/>			
Revenue	收入		
Reportable segment revenue	可報告分部收入	11,308,123	10,773,942
Elimination of inter-segment revenue	分部間收入抵銷	(218,205)	(346,537)
		11,089,918	10,427,405
<hr/>			
Profit	溢利		
Reportable segment profit	可報告分部溢利	1,245,090	1,280,009
Share of profits less losses of associates	應佔聯營公司溢利減虧損	(33)	(187)
Net gains on disposal of an unquoted equity security	出售非流通股本證券的 收益淨額	-	2,165
Other (expenses)/income, net	其他(開支)/收入淨額	(506)	317
Interest income from bank deposits	來自銀行存款的利息收入	257,658	221,600
Interest cost recognized in respect of defined benefit retirement plans	就設定收益退休計劃確認的 利息成本	(7,680)	(6,960)
Foreign exchange gain/(loss), net	匯兌收益/(虧損)淨額	28,172	(105,539)
Depreciation and amortization	折舊及攤銷	(37,778)	(34,289)
		1,484,923	1,357,116
<hr/>			

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

10 SEGMENT REPORTING (CONTINUED)

10 分部報告 (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)

		At June 30, 2014 於2014年 6月30日 RMB'000 人民幣千元	At December 31, 2013 於2013年 12月31日 RMB'000 人民幣千元
Assets			
Reportable segment assets	可報告分部資產	13,066,428	11,106,448
Elimination of inter-segment receivables	分部間應收款項抵銷	(769,371)	(635,266)
		12,297,057	10,471,182
Restricted deposits	受限制存款	210,844	251,435
Time deposits with original maturity over three months	原始到期日超過三個月的定期存款	2,422,811	3,622,336
Cash and cash equivalents	現金及現金等價物	15,686,179	14,550,166
Property, plant and equipment	物業、廠房及設備	565,283	485,012
Lease prepayments	預付租賃款項	1,756,273	1,776,129
Intangible assets	無形資產	8,025	7,919
Interest in associates	聯營公司權益	182	215
Deferred tax assets	遞延稅項資產	253,596	154,577
Other non-current assets	其他非流動資產	238,781	343,944
Other unallocated assets	其他未分配資產	120,804	290,249
		33,559,835	31,953,164
Liabilities			
Reportable segment liabilities	可報告分部負債	19,306,229	18,986,195
Elimination of inter-segment payables	分部間應付款項抵銷	(769,371)	(635,266)
		18,536,858	18,350,929
Retirement and other supplemental benefit obligation	退休及其他補充福利義務	360,690	356,690
Accrued salaries, wages and benefits	應計薪金、工資及福利	850,603	655,507
Income tax payable	應付所得稅	350,943	276,013
Dividends payable	應付股息	783,883	-
Other unallocated liabilities	其他未分配負債	627,085	557,964
		21,510,062	20,197,103

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

10 SEGMENT REPORTING (CONTINUED)

(c) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, investment properties, lease prepayments, intangible assets, interest in associates and other non-current assets ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or to which the goods were delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, investment properties and lease prepayments, the location of the operation to which they are used, in the case of intangible assets, and the location of operations, in the case of interest in associates and other non-current assets.

10 分部報告 (續)

(c) 地理區域資料

下表載列有關下列項目的地理區域資料：(i)本集團來自外部客戶的收入及(ii)本集團的物業、廠房及設備、投資物業、預付租賃款項、無形資產、聯營公司權益及其他非流動資產(「特定非流動資產」)。客戶的地理位置乃根據提供服務的地點或交付貨品的地點劃分。如屬物業、廠房及設備、投資物業及預付租賃款項，特定非流動資產的地理位置乃根據資產的所在地劃分；如屬無形資產，則根據使用無形資產的業務的所在地劃分；如屬聯營公司權益及其他非流動資產，則根據經營所在地劃分。

Six months ended June 30,
截至6月30日止六個月

		2014	2013
		2014年	2013年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue from external customers	來自外部客戶的收入		
Iraq	伊拉克	3,527,294	1,246,116
China (Mainland)	中國(大陸)	1,621,675	1,073,644
Belarus	白俄羅斯	838,601	1,012,716
Venezuela	委內瑞拉	834,413	1,026,681
Equatorial Guinea	赤道幾內亞	656,479	486,893
Sri Lanka	斯里蘭卡	281,817	369,091
Turkey	土耳其	351,637	1,093,291
Angola	安哥拉	342,102	335,247
The Republic of Congo	剛果共和國	189,186	224,290
United States	美國	178,982	402,159
Others	其他	2,267,732	3,157,277
		11,089,918	10,427,405

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

10 SEGMENT REPORTING (CONTINUED)

(c) Geographic information (continued)

		At June 30, 2014 於2014年 6月30日 RMB'000 人民幣千元	At December 31, 2013 於2013年 12月31日 RMB'000 人民幣千元
Specified non-current assets	特定非流動資產		
China (Mainland)	中國(大陸)	2,588,665	2,514,513
Others	其他	8,216	19,449
		2,596,881	2,533,962

10 分部報告(續)

(c) 地理區域資料(續)

11 PROPERTY, PLANT AND EQUIPMENT

During the six months ended June 30, 2014, the Group acquired items of property, plant and equipment of RMB128,202,000 (six months ended June 30, 2013: RMB54,295,000). No material items of property, plant and equipment were disposed of during the six months ended June 30, 2013 and 2014.

12 LEASE PREPAYMENTS

Lease prepayments mainly represent land use right premiums paid by the Group for land located outside Hong Kong.

11 物業、廠房及設備

截至2014年6月30日止六個月，本集團增加了約人民幣128,202,000元的物業、廠房及設備(截至2013年6月30日止六個月：約人民幣54,295,000元)。截至2013年及2014年6月30日止六個月，本集團並無處置任何重大物業、廠房及設備。

12 預付租賃款項

預付租賃款項主要為本集團就位於香港以外土地的土地使用權所支付的出讓金。

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

13 OTHER NON-CURRENT ASSETS

13 其他非流動資產

		At June 30,	At December 31,
		2014	2013
		於 2014年	於2013年
		6月30日	12月31日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cost and prepaid consideration of unquoted equity investments in non-listed companies	非上市公司的非流通股權投資的成本及預付代價	239,051	344,214
Less: impairment losses	減：減值虧損	(270)	(270)
		238,781	343,944

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

14 TRADE AND OTHER RECEIVABLES

14 貿易及其他應收款項

		At June 30,	At December 31,
		2014	2013
		於2014年	於2013年
		6月30日	12月31日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Bills receivable	應收票據	49,610	33,471
Trade receivables	貿易應收款項		
– China National Machinery Industry Corporation (“SINOMACH”)	– 中國機械工業集團有限公司(「國機」)	8,767	10,159
– fellow subsidiaries	– 同系附屬公司	2,457	995
– third parties	– 第三方	3,585,494	2,775,855
Less: allowance for doubtful debts	減：呆賬撥備	(545,952)	(461,300)
Trade and bills receivables	貿易應收款項及應收票據	3,100,376	2,359,180
Amount due from/advances to fellow subsidiaries	應收／墊付同系附屬公司款項	27,083	21,034
Advances to suppliers	供應商預付款	1,446,954	1,213,714
Other receivables related to agency services	代理服務相關的其他應收款項	291,536	336,388
Derivative financial instruments	衍生金融工具	21,875	142,332
Other receivable related to disposal of interests in a subsidiary	有關出售附屬公司權益的其他應收款項	–	198,325
Others	其他	675,676	734,392
Less: allowance for doubtful debts	減：呆賬撥備	(57,160)	(57,330)
		5,506,340	4,948,035
Less: portion classified as current assets	減：分類為流動資產的部分	5,499,767	4,894,653
Non-current portion	非流動部分	6,573	53,382

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

14 TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Ageing analysis

The ageing analysis of trade and bills receivables (which are included in trade and other receivables), based on the invoice date and net of allowance for doubtful debts, is as follows:

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

14 貿易及其他應收款項 (續)

(a) 賬齡分析

根據發票日期，貿易應收款項及應收票據（於貿易及其他應收款項入賬）經扣除呆賬撥備的賬齡分析如下：

	At June 30, 2014 於2014年 6月30日 RMB'000 人民幣千元	At December 31, 2013 於2013年 12月31日 RMB'000 人民幣千元
	1,307,126	1,306,468
	716,695	218,537
	468,636	301,757
	607,919	532,418
	3,100,376	2,359,180

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

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

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

14 TRADE AND OTHER RECEIVABLES (CONTINUED)

14 貿易及其他應收款項 (續)

(b) Impairment of trade and other receivables

Impairment losses in respect of trade and other receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade and other receivables directly.

The movement in the allowance for doubtful debts during the period/year is as follows:

(b) 貿易及其他應收款項減值

有關貿易及其他應收款項的減值虧損乃使用撥備金額確認，除非本集團認為金額收回的可能性極低，在此情況下，減值虧損從貿易及其他應收款項中直接撇銷。

呆賬撥備於期／年內的變動如下：

		At June 30, 2014 於2014年 6月30日 RMB'000 人民幣千元	At December 31, 2013 於2013年 12月31日 RMB'000 人民幣千元
At the beginning of the period/year	於期／年初	518,630	466,104
Impairment losses recognized	已確認的減值虧損	84,511	59,398
Uncollectible amounts written off	撇銷不可收回的金額	(29)	(6,872)
At the end of the period/year	於期／年末	603,112	518,630
Attributable to:	下列應佔：		
Trade and bills receivables	貿易應收款項及應收票據	545,952	461,300
Other receivables	其他應收款項	57,160	57,330

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

15 CONSTRUCTION CONTRACTS

15 建造合同

		At June 30, 2014 於2014年 6月30日 RMB'000 人民幣千元	At December 31, 2013 於2013年 12月31日 RMB'000 人民幣千元
Gross amount due from contract customers for contract work	建造合同應收款項總額		
– current portion	– 流動部分	3,648,251	2,372,575
– non-current portion	– 非流動部分	2,949,158	3,201,943
		6,597,409	5,574,518
Contract costs incurred plus recognized profits less recognized losses to date	迄今已產生合同成本加已確認溢利減已確認虧損	68,046,400	61,086,026
Less: progress billings allowance for doubtful debts for construction contracts	減：進度款項建造合同應收款項的呆賬撥備	61,291,852 157,139	55,330,915 180,593
		6,597,409	5,574,518

16 CASH AND CASH EQUIVALENTS

16 現金及現金等價物

		At June 30, 2014 於2014年 6月30日 RMB'000 人民幣千元	At December 31, 2013 於2013年 12月31日 RMB'000 人民幣千元
Cash on hand	手頭現金	1,440	1,660
Cash at bank and other financial institutions	於銀行及其他金融機構的現金	15,684,739	14,548,506
		15,686,179	14,550,166

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

17 BORROWINGS

17 借貸

		At June 30, 2014		At December 31, 2013	
		於2014年6月30日		於2013年12月31日	
		Interest rate		Interest rate	
		(%)	RMB'000	(%)	RMB'000
		利率(%)	人民幣千元	利率(%)	人民幣千元
Current:	流動：				
Short-term borrowings	短期借貸				
Bank loans	銀行貸款				
– unsecured	– 無擔保	6.23-6.72	7,314	5.39-6.72	16,933
– secured	– 有擔保	2.35-6.78	174,275	3.26-6.60	145,650
			181,589		162,583
Add: current portion of long-term borrowings	加：長期借貸的流動部分		73,780		71,724
			255,369		234,307
Non-current:	非流動：				
Long-term borrowings	長期借貸				
Bank loans	銀行貸款				
– unsecured	– 無擔保	1.25	2,548	1.25	2,733
– secured	– 有擔保	1.80-2.41	114,693	1.80-2.41	148,628
			117,241		151,361
Less: current portion of long-term borrowings	減：長期借貸的流動部分		73,780		71,724
			43,461		79,637
			298,830		313,944

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

17 BORROWINGS (CONTINUED)

(a) The borrowings are repayable as follows:

		At June 30, 2014 於2014年 6月30日 RMB'000 人民幣千元	At December 31, 2013 於2013年 12月31日 RMB'000 人民幣千元
Within 1 year or on demand	1年以內或按 要求還款	255,369	234,307
After 1 year but within 2 years	1年至2年	40,793	73,728
After 2 years but within 5 years	2年至5年	2,031	3,959
After 5 years	5年以上	637	1,950
		43,461	79,637
		298,830	313,944

(b) As at December 31, 2013 and June 30, 2014, certain borrowings were secured by the Group's property, plant and equipment and restricted deposits.

17 借貸 (續)

(a) 借貸的償還期如下：

		At June 30, 2014 於2014年 6月30日 RMB'000 人民幣千元	At December 31, 2013 於2013年 12月31日 RMB'000 人民幣千元
Within 1 year or on demand	1年以內或按 要求還款	255,369	234,307
After 1 year but within 2 years	1年至2年	40,793	73,728
After 2 years but within 5 years	2年至5年	2,031	3,959
After 5 years	5年以上	637	1,950
		43,461	79,637
		298,830	313,944

(b) 於2013年12月31日及2014年6月30日，本集團若干借貸由本集團的物業、廠房及設備以及受限制存款作為抵押。

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

18 RECEIPTS IN ADVANCE

18 預收款項

		At June 30,	At December 31,
		2014	2013
		於2014年	於2013年
		6月30日	12月31日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Receipts in advance for construction contracts (note (i))	建造合同的預收款項 (附註(i))	4,470,442	6,035,713
Receipts in advance for sales of goods	銷售貨品的預收款項	872,845	885,437
Others	其他		
– third parties	– 第三方	204,625	100,514
		5,547,912	7,021,664

Note:

- (i) The balances as at December 31, 2013 and June 30, 2014 represented advances received from customers (or main contractors, if relevant) for which the related construction work have not been performed as at the end of the reporting period.

附註：

- (i) 於2013年12月31日及2014年6月30日的結餘指自客戶(或總承包商(如相關))收取的預收款，而其中相關施工工作於報告期末仍未履行。

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

19 TRADE AND OTHER PAYABLES

19 貿易及其他應付款項

		At June 30, 2014	At December 31, 2013
		於2014年 6月30日	於2013年 12月31日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Bills payable	應付票據	38,381	60,494
Trade payables	貿易應付款項		
– fellow subsidiaries	– 同系附屬公司	958,852	551,194
– third parties	– 第三方	11,772,840	10,161,219
Trade and bills payables	貿易應付款項及應付票據	12,770,073	10,772,907
Dividends payable	應付股息	783,883	–
Amount due to fellow subsidiaries	欠同系附屬公司款項	3,157	2,464
Other payables related to agency services	代理服務相關的 其他應付款項	296,302	506,169
Accrued salaries, wages and benefits	應計薪金、工資及福利	850,603	655,507
Other taxes payable	其他應繳稅項	20,168	90,161
Others	其他	162,119	195,275
Financial liabilities measured at amortized costs	按攤銷成本計量的 金融負債	14,886,305	12,222,483
Derivative financial instruments	衍生金融工具	65,382	6,279
Others	其他	–	30
		14,951,687	12,228,792
Less: portion classified as current liabilities	減：分類為流動負債 的部分	14,897,887	12,227,087
Non-current portion	非流動部分	53,800	1,705

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

19 TRADE AND OTHER PAYABLES (CONTINUED)

- (a) The ageing analysis of trade and bills payables (which are included in trade and other payables), based on the invoice date, is as follows:

19 貿易及其他應付款項 (續)

- (a) 根據發票日期，貿易應付款項及應付票據（於貿易及其他應付款項入賬）的賬齡分析如下：

		At June 30,	At December 31,
		2014	2013
		於2014年	於2013年
		6月30日	12月31日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 3 months	3個月以內	6,412,986	4,707,016
3 to 6 months	3至6個月	703,499	761,383
6 months to 1 year	6個月至1年	2,018,887	534,083
Over 1 year	1年以上	3,634,701	4,770,425
		12,770,073	10,772,907

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

20 CAPITAL AND RESERVES

(a) Dividends

- (i) *Dividends payable to shareholders of the Company attributable to the interim period*

The directors of the Company do not recommend the payment of any interim dividend for the six months ended June 30, 2014 (six months ended June 30, 2013: nil).

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

On June 26, 2014 upon the approval at the annual general meeting, the Company declared final dividend in respect of the financial year ended December 31, 2013 of RMB0.19 per share, with total amount of approximately RMB783,883,000 (2012: RMB674,964,520). The Company did not make any dividend payments during the six months ended June 30, 2014 (six months ended June 30, 2013: nil).

(b) Reserves

- (i) *Capital reserve*

Capital reserve includes:

- the contributions or distributions to shareholders;
- share premium as the difference between the total amount of the par value of shares issued and the amount of the net proceeds received from the IPO; and
- the revaluation surplus resulting from state-owned enterprises restructuring.

20 資本及儲備

(a) 股息

- (i) 本中期期間應付本公司股東的股息

本公司董事不建議派發截至2014年6月30日止六個月的中期股息(截至2013年6月30日止六個月：無)。

- (ii) 屬於上一財政年度，並於本中期期間批准的應付本公司股東的股息

於2014年6月26日，本公司於股東週年大會上獲批准後宣派截至2013年12月31日止財政年度的末期股息每股人民幣0.19元，總額共計約人民幣783,883,000元(2012年：人民幣674,964,520元)。本公司於截至2014年6月30日止六個月期間並未支付任何股息(截至2013年6月30日止六個月：無)。

(b) 儲備

- (i) 資本儲備

資本儲備包括：

- 資本投入或對股東的分派；
- 股份溢價，即已發行股份面值總額與首次公開發售所得款項淨額之間的差額；及
- 國有企業重組產生的重估盈餘。

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

20 CAPITAL AND RESERVES (CONTINUED)

(b) Reserves (continued)

(ii) Reserve fund

The reserve fund of the Company includes statutory reserve fund and discretionary common reserve.

Pursuant to the Articles of Association of the Company, the Company transfers 10% of its net profit as determined in accordance with the Accounting Rules and Regulations of the PRC to its statutory reserve fund unless the statutory reserve balance of the Company has reached 50% or more of its register capital.

The Company transfers some of its net profit as determined in accordance with Accounting Rules and Regulations of the PRC to its discretionary common reserve when it is approved by its shareholders.

The transfer to the reserve fund must be made before distribution of a dividend to shareholders. The reserve fund can be utilized in setting off accumulated losses or increasing capital of the Company and is non-distributable other than in liquidation.

(iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations that have functional currency other than the RMB.

20 資本及儲備 (續)

(b) 儲備 (續)

(ii) 儲備基金

本公司的儲備基金包括法定儲備基金及任意盈餘儲備。

根據本公司章程，本公司按依據中國會計制度及法規確定之淨溢利的10%計提法定儲備基金，除非本公司法定儲備結餘達至其註冊資本的50%或以上。

經本公司的股東批准，本公司可將按中國會計制度及法規確定的淨溢利的一部分撥入其任意盈餘儲備。

儲備基金必須於向股東分派股息之前計提。儲備基金可用作抵銷累計虧損或增加本公司的資本，且不可供分派（但於清算時除外）。

(iii) 匯兌儲備

匯兌儲備包括換算以人民幣以外的貨幣為功能貨幣的境外業務的財務報表產生的所有匯兌差額。

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

21 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

21 金融工具的公允值計量

(a) Financial instruments carried at fair value

(a) 以公允值列賬的金融工具

(i) Fair value hierarchy

(i) 公允值層級

		At June 30, 2014 於2014年 6月30日 RMB'000 人民幣千元	At December 31, 2013 於2013年 12月31日 RMB'000 人民幣千元
Level 2 (Significant other observable inputs)	第2級(重大其他可觀察到的輸入值)		
Assets	資產		
Derivative financial instruments	衍生金融工具		
– foreign currency forward exchange contracts	– 遠期外匯合同	21,875	142,332
Liabilities	負債		
Derivative financial instruments	衍生金融工具		
– foreign currency forward exchange contracts	– 遠期外匯合同	61,581	–
– interest rate swaps	– 利率掉期	3,801	6,279

(ii) Valuation techniques and inputs used in Level 2 fair value measurements

(ii) 第2級公允值計量所採用的估值技術及輸入值

The fair value of foreign currency forward exchange contracts is determined by discounting the difference between the contractual forward price and the current market forward price. The fair value of interest rate swaps is determined using discounted cash flow models.

遠期外匯合同的公允值使用折現合同遠期價格與現時市場遠期價格的差異計算。利率掉期的公允值使用折現現金流量模型釐定。

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

21 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair values of financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortized cost are not materially different from their fair values as at December 31, 2013 and June 30, 2014 except as follows:

		At June 30, 2014 於2014年6月30日		At December 31, 2013 於2013年12月31日	
		Book value 賬面值 RMB'000 人民幣千元	Fair value 公允值 RMB'000 人民幣千元	Book value 賬面值 RMB'000 人民幣千元	Fair value 公允值 RMB'000 人民幣千元
Construction contracts	建造合同	6,597,409	6,513,754	5,574,518	5,381,350
Long-term borrowings	長期借貸	(117,241)	(115,529)	(151,361)	(146,943)

21 金融工具的公允值計量 (續)

(b) 非按公允值列賬的金融工具的公允值

於2013年12月31日及2014年6月30日，本集團按成本或攤銷成本列賬的金融工具的賬面值與其公允值並無重大差異，以下除外：

22 CAPITAL COMMITMENTS

Capital commitments outstanding at the period/year end not provided for in the interim financial report were as follows:

		At June 30, 2014 於2014年 6月30日 RMB'000 人民幣千元	At December 31, 2013 於2013年 12月31日 RMB'000 人民幣千元
Contracted for	已訂約	274,810	310,055
Authorized but not contracted for	已獲准但未訂約	1,567,363	1,411,810
		1,842,173	1,721,865

22 資本承擔

於期／年末，並未在中期財務報告內撥備的資本承擔如下：

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

23 CONTINGENT LIABILITIES

(a) Legal contingencies

The Company and certain subsidiaries of the Group are defendants in certain lawsuits as well as the named parties in other proceedings arising in the normal course of business. While the outcomes of such contingencies, lawsuits or other proceedings cannot be determined at present, the directors of the Company believe that any resulting liabilities will not have a material adverse impact on the financial position, liquidity, or operating results of the Group.

(b) Guarantees

For some agency business, the Group worked with banks to issue irrevocable letter of guarantee to buyers, which guaranteed the repayment of advances paid by the buyer plus interest if applicable if and when the total or part of the advances becomes repayable to the buyer from the seller in accordance with the relevant contracts.

As at June 30, 2014, the maximum liability of the Group under these guarantees issued are the outstanding amount of letter of guarantee issued through certain banks to the buyers of RMB869,226,000 (as at December 31, 2013: RMB849,652,000), which are secured by certain assets of the sellers or letter of guarantees through certain banks from sellers.

The directors of the Company do not consider it probable that a claim will be made against the Group under any other guarantees.

23 或有負債

(a) 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。雖然目前未能確定該等或有事件、訴訟或其他法律程序的結果，本公司董事相信任何由此引致的負債不會對本集團的財務狀況、流動資金或經營業績產生重大不利影響。

(b) 擔保

對於一些代理業務，本集團與銀行合作向買方發出不可撤銷的保函，以擔保當全部或部分由買方支付的預付款根據相關合同應由賣方向買方償還時，買方獲償還所支付的墊款加利息（如適用）。

於2014年6月30日，本集團於該等已發出擔保項下的負債最大值是通過某些銀行向買方發出的金額為人民幣869,226,000元（於2013年12月31日：人民幣849,652,000元）的保函餘額，其以賣方的若干資產或賣方通過某些銀行取得的保函作擔保。

本公司董事並不認為有可能將根據任何其他擔保向本集團提出申索。

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

24 MATERIAL RELATED PARTY TRANSACTIONS

24 重大關聯方交易

(a) Transactions with SINOMACH and fellow subsidiaries

(a) 與國機及同系附屬公司的交易

Apart from those disclosed elsewhere in the financial statements, the principal related party transactions with SINOMACH and fellow subsidiaries, which were carried out in the ordinary course of business are as follows:

除財務報表其他部分所披露者外，於日常業務過程中與國機及同系附屬公司進行的主要關聯方交易如下：

		Six months ended June 30,	
		截至6月30日止六個月	
		2014	2013
		2014年	2013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	886,100	515,833
Provision of integrated services to	向下列各方提供綜合服務		
– SINOMACH	– 國機	–	6,151
– Fellow subsidiaries	– 同系附屬公司	2,261	6,282
Lease expenses paid to	支付予下列各方的租賃費用		
– A fellow subsidiary	– 一家同系附屬公司	105	105
Net deposits placed with/(withdrawn from)	於下列各方的存款／(取款)淨額		
– A fellow subsidiary	– 一家同系附屬公司	178,790	500,000
Interest income charged to	向下列各方收取的利息收入		
– A fellow subsidiary	– 一家同系附屬公司	16,858	147

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

24 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

24 重大關聯方交易 (續)

(b) Outstanding balances with SINOMACH and fellow subsidiaries

(b) 國機及同系附屬公司的結欠餘額

		At June 30, 2014	At December 31, 2013
		於2014年 6月30日	於2013年 12月31日
		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		
– A fellow subsidiary	– 一家同系附屬公司	679,950	501,160
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	8,767	10,159
– Fellow subsidiaries	– 同系附屬公司	29,540	22,029
Receipts in advance from	自下列各方收取的預收款項		
– SINOMACH	– 國機	47,541	47,541
Trade and other payables due to	欠付下列各方的貿易及其他應付款項		
– Fellow subsidiaries	– 同系附屬公司	962,009	553,658

(c) Contributions to defined contribution plans

(c) 設定供款計劃的供款

The Group participates in various defined contribution retirement plans organized by relevant local government authorities of the PRC and SINOMACH for its employees. As at June 30, 2014, there was no material outstanding contribution to post-employment benefit plans.

本集團替其僱員參與由中國相關地方政府機關及國機管理的設定供款退休計劃。於2014年6月30日，離職後福利計劃並無重大未支付供款。

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

24 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Transactions with other state-controlled entities in the PRC

The Group operates in an economic environment predominated by enterprises directly or indirectly owned or controlled by the PRC government through its numerous authorities, affiliates or other organizations (collectively “State-owned Enterprises”). For the six months ended June 30, 2013 and 2014, the Group had transactions with State-owned Enterprises including, but not limited to, sales of goods, rendering of services, purchase of goods and services. The directors consider that the transactions with these State-owned Enterprises are activities in the ordinary course of the Group’s business and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and these State-owned Enterprises are ultimately controlled or owned by the PRC government. The Group has also established pricing policies for services and products, and such pricing policies do not depend on whether or not the customers are State-owned Enterprises. Having due regard to the substance of the relationships, the directors are of the opinion that none of these transactions are material related party transactions that require separate disclosure.

Apart from transactions mentioned above, the Group has transactions with other state-controlled banks, including but not limited to depositing and borrowing money.

24 重大關聯方交易 (續)

(d) 於中國與其他受國家控制實體 的交易

本集團在由中國政府通過其眾多機構、聯屬機構或其他組織直接或間接擁有或控制的企業(統稱「國有企業」)為主導的經濟環境下營運。於截至2013年及2014年6月30日止六個月期間，本集團與國有企業之間的交易包括(但不限於)銷售商品、提供服務以及購買商品及服務。董事認為，與國有企業的交易屬本集團正常業務過程中的活動，並且本集團的交易並無因本集團及該等國有企業受中國政府的最終控制或擁有的事實而遭受重大或不適當的影響。本集團亦已就服務及產品訂立定價政策，有關定價政策並不取決於客戶是否為國有企業。經充分考慮其關係的性質後，董事認為，該等交易並非須予以獨立披露的重大關聯方交易。

除上述交易外，本集團亦與其他受國家控制的銀行進行交易，包括但不限於存款及借貸。

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

For the six months ended June 30, 2014 • 截至2014年6月30日止六個月
(Expressed in Renminbi unless otherwise stated) (除另有註明外，以人民幣列示)

24 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Key management personnel remuneration

Key management personnel are those persons holding positions with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including the Company's directors.

Remuneration for key management personnel is as follows:

24 重大關聯方交易 (續)

(e) 主要管理人員薪酬

主要管理人員乃擔任具有直接或間接規劃、主導及控制本集團業務的權責的職位的人士，包括本公司董事。

主要管理人員的薪酬如下：

		Six months ended June 30, 截至6月30日止六個月	
		2014 2014年 RMB'000 人民幣千元	2013 2013年 RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	4,108	4,787
Retirement scheme contributions	退休計劃供款	169	168
		4,277	4,955

25 SUBSEQUENT EVENTS

There was no material subsequent event subsequent to June 30, 2014.

25 期後事項

本公司於2014年6月30日後並無任何重大期後事項。

Glossary of Terms

詞彙表

“Articles of Association”	the articles of association of our Company, adopted on February 14, 2011 and as amended from time to time
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors of the Company
“CG Code”	the Corporate Governance Code set out in Appendix 14 to the Listing Rules
“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 wholly-owned subsidiary of our Company established in the PRC on October 5, 1993 with limited liability
“China United”	China United Engineering Corporation* (中國聯合工程公司), an enterprise established in the PRC on January 21, 1984 and a wholly-owned subsidiary of SINOMACH, our connected person and our Promoter who holds 1.0% equity interest in our Company as at the date of December 11, 2012
“CMEC Comtrans”	CMEC Comtrans International Co., Ltd.* (中設國際商務運輸代理有限責任公司), a wholly-owned subsidiary of our Company established in the PRC on March 5, 1997 with limited liability
“CMEC Expo”	CMEC International Exhibition Co., Ltd.* (西麥克國際展覽有限責任公司), a wholly-owned subsidiary of our Company established in the PRC on January 9, 1995 with limited liability
“CMEC International Engineering”	CMEC International Engineering Co., Ltd.* (中設國際工程有限責任公司), a wholly-owned subsidiary of our Company established in the PRC on September 9, 1997 with limited liability
“CMEC Machinery & Electric”	CMEC Machinery & Electric Equipment Import & Export Co., Ltd.* (中設機電進出口有限公司), a wholly-owned subsidiary of our Company established in the PRC on January 16, 1995 with limited liability
“CMEC Tendering”	China Machinery and Equipment International Tendering Co., Ltd.* (中設國際招標有限責任公司), a wholly-owned subsidiary of our Company established in the PRC on April 29, 1996 with limited liability

Glossary of Terms

詞彙表

「章程」	指	本公司於2011年2月14日採納的章程（經不時修訂）
「審計委員會」	指	本公司審計委員會
「董事會」	指	本公司董事會
「企業管治守則」	指	上市規則附錄十四所載之企業管治守則
「中機設計研究院」	指	中機國際工程設計研究院有限責任公司，一家於1993年10月5日在中國成立的有限責任公司，並為本公司的全資附屬公司
「中國聯合」	指	中國聯合工程公司，一家於1984年1月21日在中國成立的企業，並為國機的全資附屬公司。中國聯合為我們的關連人士暨發起人，於2012年12月11日持有本公司1.0%股權
「中設商運」	指	中設國際商務運輸代理有限責任公司，一家於1997年3月5日在中國成立的有限責任公司，並為本公司的全資附屬公司
「西麥克展覽」	指	西麥克國際展覽有限責任公司，一家於1995年1月9日在中國成立的有限責任公司，並為本公司的全資附屬公司
「中設國際工程」	指	中設國際工程有限責任公司，一家於1997年9月9日在中國成立的有限責任公司，並為本公司的全資附屬公司
「中設機電」	指	中設機電進出口有限公司，一家於1995年1月16日在中國成立的有限責任公司，並為本公司的全資附屬公司
「中設招標」	指	中設國際招標有限責任公司，一家於1996年4月29日在中國成立的有限責任公司，並為本公司的全資附屬公司

Glossary of Terms

詞彙表

“Company”, “Our Company”, or “CMEC”	China Machinery Engineering Corporation* (中國機械設備工程股份有限公司), a company incorporated in the PRC with limited liability whose H Shares are listed on the main board of the Stock Exchange
“Core Sectors”	the core sectors of our International Engineering Contracting Business which are the power sector, transportation sector and telecommunications sector
“Corresponding Period in 2013”	the six months ended June 30, 2013
“developing countries”	according to the World Bank, developing countries can refer to the countries with low- and middle-income economies, which are those with a gross national income per capita of less than US\$12,275
“Director(s)”	the director(s) of our Company
“Domestic Shares”	ordinary shares in our capital, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi
“EPC” or “turnkey”	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
“Global Offering”	the offering by the Company of 825,700,000 H Shares for subscription by the public in Hong Kong and placing with professional and institutional investors outside the United States in December 2012
“Group”, “we” or “us”	the Company and, except where the context otherwise requires, all its subsidiaries
“H Share(s)”	overseas listed foreign shares in our ordinary share capital with a nominal value of RMB1.00 each, which are listed on the Stock Exchange and subscribed for and traded in HK\$
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administration Region

Glossary of Terms

詞彙表

「公司」、「本公司」或「中國機械工程」	指	中國機械設備工程股份有限公司，一家在中國註冊成立的有限公司，其H股於聯交所主板上市
「核心行業」	指	我們國際工程承包業務的核心行業為電力能源行業、交通運輸行業及電子通訊行業
「2013年同期」	指	截至2013年6月30日止六個月
「發展中國家」	指	根據世界銀行的資料，發展中國家可指經濟體收入處於低及中水準的國家，其人均國民總收入少於12,275美元
「董事」	指	本公司董事
「內資股」	指	我們股本中的普通股，每股面值為人民幣1.00元，乃以人民幣認購及繳足
「EPC」或「交鑰匙」	指	承包安排的常見形式，即承包商受項目業主的委託進行設計、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
「全球發售」	指	本公司於2012年12月提呈發售825,700,000股H股，供香港公眾認購，並配售予美國境外的專業及機構投資者
「集團」、「本集團」或「我們」	指	本公司及其所有附屬公司（除文義另有所指外）
「H股」	指	我們普通股本中的境外上市外資股，每股面值人民幣1.00元，以港元認購及買賣，並於聯交所上市
「港元」	指	港元，香港特別行政區法定貨幣

Glossary of Terms

詞彙表

“INED(s)”	the independent non-executive Director(s) of our Company
“International Engineering Contracting Business”	the international engineering contracting business conducted by our Group with a primary focus on EPC projects
“ISA”	the United States Iran Sanctions Act, as amended (P.L. 104-172, August 5, 1996) (formerly the Iran and Libya Sanctions Act of 1996)
“kV”	unit of electric potential, kilovolt. 1kV=1,000 volts
“Listing”	listing of our H Shares on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
“MW”	unit of energy, megawatt. 1 MW = 1,000kW. The installed capacity of power plants is generally expressed in MW
“non-Core Sectors”	any sectors that do not fall within the Core Sectors of our International Engineering Contracting Business
“NSSF”	National Council for Social Security Fund of the PRC (中華人民共和國全國社會保障基金理事會)
“OFAC”	the Office of Foreign Assets Control of the US Department of the Treasury
“Other Businesses”	the other businesses conducted by our Group, other than the International Engineering Contracting Business and the Trading Business, which include, among others, design services, logistic services, exhibition services, tendering agency services, export-import agency services and other services
“Period”	the six months ended June 30, 2014
“PRC”	The People’s Republic of China
“Prospectus”	the prospectus of the Company dated December 11, 2012
“RMB” or “Renminbi”	Renminbi yuan, the lawful currency of the PRC

Glossary of Terms

詞彙表

「獨立非執行董事」	指	本公司獨立非執行董事
「國際工程承包業務」	指	由本集團開展，並以EPC項目為重點的國際工程承包業務
「伊朗制裁法」	指	美國的伊朗制裁法，經修訂（P.L. 104-172，1996年8月5日）（前稱1996年伊朗及利比亞制裁法）
「千伏」	指	電壓單位千伏。1千伏=1,000伏特
「上市」	指	我們的H股在聯交所上市
「上市規則」	指	聯交所證券上市規則（經不時修訂）
「標準守則」	指	上市規則附錄十所載之上市發行人董事進行證券交易的標準守則
「兆瓦」	指	能源單位兆瓦。1兆瓦=1,000千瓦。發電廠裝機容量通常以兆瓦表示
「非核心行業」	指	任何並非屬於我們國際工程承包業務核心行業的行業
「社保基金理事會」	指	中華人民共和國全國社會保障基金理事會
「外國資產管制局」	指	美國財政部屬下外國資產管制局
「其他業務」	指	本集團開展的其他業務（國際工程承包業務及貿易業務除外），其中包括設計服務、物流服務、展覽服務、招標代理服務、進出口代理服務及其他服務
「本期間」	指	截至2014年6月30日止六個月
「中國」	指	中華人民共和國
「招股章程」	指	本公司日期為2012年12月11日的招股章程
「人民幣」	指	人民幣，中國法定貨幣

Glossary of Terms

詞彙表

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“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
“Shareholder(s)”	holder(s) of our Share(s)
“SINOMACH”	China National Machinery Industry Corporation* (中國機械工業集團有限公司), a state-owned enterprise established in the PRC on May 21, 1988, our controlling shareholder
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	one (or all) of our Company’s supervisors
“Trading Business”	the international and domestic trading business conducted by our Group
“United States” or “US”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US dollars” or “US\$”	United States dollars, the lawful currency of the United States
“Zhongnan”	China Power Construction Engineering Consulting Central Southern Company* (中國電力建設工程諮詢中南有限公司) that was 50% held by China Power Engineering Consulting Group Zhongnan Power Design Institute* (中國電力工程顧問集團中南電力設計院) and 50% held by us
“%”	per cent

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

Note:

ROUNDING

Certain amounts and percentages figures included in this interim report have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies between totals and sums of amounts listed in any table or diagram are due to rounding.

Glossary of Terms

詞彙表

「證券及期貨條例」	指	香港法例第571章證券及期貨條例（經不時修訂、補充或以其他方式修改）
「股份」	指	本公司股本中每股面值人民幣1.00元的股份，包括內資股及H股
「股東」	指	我們的股份持有人
「國機」	指	我們的控股股東中國機械工業集團有限公司，一家於1988年5月21日在中國成立的國有企業
「中國信保」	指	中國出口信用保險公司，一家在中國專營出口信用保險的政策性保險公司和獨立第三方
「聯交所」	指	香港聯合交易所有限公司
「監事」	指	本公司的一名（或全體）監事
「貿易業務」	指	本集團進行的國際和國內貿易業務
「美國」	指	美利堅合眾國、其領土、屬地及受其司法管轄的所有地區
「美元」	指	美元，美國的法定貨幣
「中南公司」	指	中國電力建設工程諮詢中南有限公司，中國電力工程顧問集團中南電力設計院及我們各自持有50%權益
「%」	指	百分比

* 指中國公司或實體名稱的英文譯名或相反情況，僅供識別。

備註：

約整

本中期報告所載若干款項及百分比數字已經湊整，或約整至小數點後一位或兩位數。任何表格或圖表內所列總額與當中所列各數字之和之間的差異乃因約整所致。

LEGAL NAME OF THE COMPANY

中國機械設備工程股份有限公司

ENGLISH NAME OF THE COMPANY

China Machinery Engineering Corporation*

BOARD OF DIRECTORS

Executive Directors

Mr. SUN Bai (*Chairman*)
Mr. ZHANG Chun (*President*)

Non-executive Directors

Mr. WANG Zhian
Mr. YU Benli
Mr. ZHANG Fusheng

Independent Non-executive Directors

Mr. LIU Li
Ms. LIU Hongyu
Mr. FANG Yongzhong
Mr. WU Tak Lung

SUPERVISORS

Mr. QUAN Huaqiang (*Chairman*)
(*Shareholder representative supervisor*)
Mr. QIAN Xiangdong (*Shareholder representative supervisor*)
Mr. BAI Ming (*Staff representative supervisor*)

JOINT COMPANY SECRETARIES

Mr. ZHOU Yamin
Ms. TSANG Fung Chu

* 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

孫柏先生 (*董事長*)
張淳先生 (*總裁*)

非執行董事

王治安先生
余本禮先生
張福生先生

獨立非執行董事

劉力先生
劉紅宇女士
方永忠先生
吳德龍先生

監事

全華強先生 (*監事長*)
(*股東代表監事*)
錢向東先生 (*股東代表監事*)
白明先生 (*僱員代表監事*)

聯席公司秘書

周亞民先生
曾鳳珠女士

* 僅供識別

Corporate Information

公司資料

AUTHORIZED REPRESENTATIVES

Mr. ZHANG Chun
Mr. ZHOU Yamin

授權代表

張淳先生
周亞民先生

AUDIT COMMITTEE

Mr. LIU Li (*Chairman*)
Mr. WANG Zhian
Ms. LIU Hongyu

審計委員會

劉力先生 (*主席*)
王治安先生
劉紅宇女士

NOMINATION COMMITTEE

Mr. SUN Bai (*Chairman*)
Ms. LIU Hongyu
Mr. FANG Yongzhong

提名委員會

孫柏先生 (*主席*)
劉紅宇女士
方永忠先生

REMUNERATION COMMITTEE

Mr. FANG Yongzhong (*Chairman*)
Mr. SUN Bai
Mr. LIU Li

薪酬委員會

方永忠先生 (*主席*)
孫柏先生
劉力先生

STRATEGY AND DEVELOPMENT COMMITTEE

Mr. SUN Bai (*Chairman*)
Mr. ZHANG Chun
Mr. YU Benli
Mr. LIU Li

戰略與發展委員會

孫柏先生 (*主席*)
張淳先生
余本禮先生
劉力先生

OPERATION AND RISK MANAGEMENT COMMITTEE

Ms. ZHANG Chun (*Chairman*)
Mr. WANG Zhian
Mr. ZHANG Fusheng
Mr. FANG Yongzhong

經營與風險管理委員會

張淳先生 (*主席*)
王治安先生
張福生先生
方永忠先生

AUDITOR

International Auditor
KPMG

PRINCIPAL BANKS

Bank of China Limited
The Export – Import Bank of China
CITIC Bank
China Development Bank
Industrial and Commercial Bank of China
China Merchants Bank (Beijing Branch)
Bank of Communication (Beijing Dongdan Sub-branch)

REGISTERED OFFICE AND HEAD OFFICE IN THE PRC

No. 178 Guang'anmenwai Street
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

核數師

國際核數師
畢馬威會計師事務所

主要往來銀行

中國銀行股份有限公司
中國進出口銀行
中信銀行
國家開發銀行
中國工商銀行
招商銀行(北京分行)
交通銀行(北京東單支行)

中國註冊辦事處及本部

中國北京市
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室

Corporate Information

公司資料

LEGAL ADVISOR

As to Hong Kong law
Shearman & Sterling

STOCK CODE

01829

INVESTOR INQUIRIES

Investor Hotline: 86 10 6331 2262
Fax No: 86 10 6332 1086

COMPANY'S WEBSITE

www.cmec.com

法律顧問

關於香港法律
美國謝爾曼•思特靈律師事務所

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