



雲南水務

雲南水務投資股份有限公司

YUNNAN WATER INVESTMENT CO., LIMITED*

(於中華人民共和國註冊成立的股份有限公司)

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

股份代號 Stock Code : 06839

2016 ANNUAL REPORT
年度報告

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BOARD OF DIRECTORS

Executive Directors

Mr. Yu Long (*Chief Executive Officer*)
Mr. Liu Xujun (*Deputy Chief Executive Officer*)
Mr. Huang Yunjian (*Deputy Chief Executive Officer*)
Mr. Dai Richeng

Non-executive Directors

Mr. Jiao Jun (*acting Chairman*)
Mr. He Yuanping
Mr. Feng Zhuangzhi

Independent Non-executive Directors

Mr. Kwok For Chi
Mr. Hu Song
Mr. Ma Shihao
Mr. Ren Gangfeng

AUDIT COMMITTEE

Mr. Kwok For Chi (*Chairman*)
Mr. Hu Song
Mr. Ma Shihao
Mr. Ren Gangfeng

REMUNERATION COMMITTEE

Mr. Hu Song (*Chairman*)
Mr. Yu Long
Mr. Ren Gangfeng

NOMINATION COMMITTEE

Mr. Jiao Jun (*acting chairman*)
Mr. Hu Song
Mr. Ren Gangfeng

COMPLIANCE COMMITTEE

Mr. Yu Long (*Chairman*)
Mr. Kwok For Chi
Mr. Hu Song
Mr. Ren Gangfeng
Ms. Yang Chuanyun (*Supervisor*)

董事會

執行董事

于龍先生 (*行政總裁*)
劉旭軍先生 (*副總裁*)
黃雲建先生 (*副總裁*)
戴日成先生

非執行董事

焦軍先生 (*代主席*)
何願平先生
馮壯志先生

獨立非執行董事

郭科志先生
胡松先生
馬世豪先生
任鋼鋒先生

審核委員會

郭科志先生 (*主席*)
胡松先生
馬世豪先生
任鋼鋒先生

薪酬委員會

胡松先生 (*主席*)
于龍先生
任鋼鋒先生

提名委員會

焦軍先生 (*代主席*)
胡松先生
任鋼鋒先生

合規委員會

于龍先生 (*主席*)
郭科志先生
胡松先生
任鋼鋒先生
楊川雲女士 (*監事*)

COMPANY SECRETARY

Mr. Li Bo

公司秘書

李博先生

AUTHORISED REPRESENTATIVES

Mr. Yu Long
Mr. Liu Xujun

授權代表

于龍先生
劉旭軍先生

**HEADQUARTER AND PRINCIPAL
PLACE OF BUSINESS IN THE PEOPLE'S
REPUBLIC OF CHINA**

15th and 16th Floor, Block A
He Cheng International
1088 Haiyuan Zhong Road
Gaoxin District
Kunming, Yunnan
PRC

總部及中華人民共和國
主要營業地址

中國
雲南昆明
高新區
海源中路1088號
和成國際A座
15、16樓

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 5007
50/F, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

香港主要營業地點

香港
灣仔
港灣道18號
中環廣場50樓
5007室

BRANCH SHARE REGISTRAR IN HONG KONG

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

香港股份過戶登記分處

卓佳證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心22樓

LEGAL ADVISERS

As to Hong Kong law:

Troutman Sanders
34th Floor, Two Exchange Square
8 Connaught Place
Hong Kong

法律顧問

有關香港法律：

長盛國際律師事務所
香港
中環康樂廣場8號
交易廣場二座34樓

Corporate Information

公司資料

As to PRC law:

Jia Yuan Law Offices
4th Floor Ocean Plaza
158 Fuxing Men Nei Street
Xicheng District, Beijing
PRC

COMPLIANCE ADVISER

Somerley Capital Limited
20/F, China Building
29 Queen's Road Central
Hong Kong

PRINCIPAL BANKERS

Industrial Bank Co., Ltd.
China Guangfa Bank Co., Ltd.
DBS Bank (China) Limited
Bank of China Limited
Bank of Communications Co., Ltd.
Ping An Bank Co., Limited
China CITIC Bank Corporation Limited
China Everbright Bank Company Limited
China Minsheng Banking Corp., Ltd.

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
22/F, Prince's Building
Central
Hong Kong

STOCK CODE

6839

COMPANY'S WEBSITE

<http://www.yunnanwater.cn>

有關中國法律：

嘉源律師事務所
中國北京
西城區
復興門內大街158號
遠洋大廈4層

合規顧問

新百利融資有限公司
香港
皇后大道中29號
華人行20樓

主要往來銀行

興業銀行股份有限公司
廣發銀行股份有限公司
星展銀行(中國)有限公司
中國銀行股份有限公司
交通銀行股份有限公司
平安銀行股份有限公司
中信銀行股份有限公司
中國光大銀行股份有限公司
中國民生銀行股份有限公司

核數師

羅兵咸永道會計師事務所
執業會計師
香港
中環
太子大廈22樓

股份代號

6839

公司網址

<http://www.yunnanwater.cn>

In this annual report, unless the context otherwise requires, the following expressions shall have the following meanings:

於本年報內，除文義另有所指外，下列詞彙具有以下涵義：

“Acting in Concert Parties”	Mr. Liu Xujun and Mr. Huang Yunjian, both executive Directors, and Mr. Wang Yong, a member of the senior management of the Company
「一致行動人士」	執行董事劉旭軍先生及黃雲建先生以及本公司高級管理層成員王勇先生
“AGM”	the annual general meeting of the Company to be convened and held on 13 June 2017, or any adjournment thereof
「股東週年大會」	本公司將於二零一七年六月十三日舉行股東週年大會或其任何續會
“Articles of Association”	the articles of association of the Company
「公司章程」	本公司的組織章程細則
“associate(s)”	has the meaning ascribed to it under the Listing Rules
「聯繫人」	具有上市規則賦予該詞的涵義
“Beijing OriginWater”	Beijing OriginWater Technology Co., Ltd.* (北京碧水源科技股份有限公司), a limited liability company established in the PRC, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 300070)
「北京碧水源」	北京碧水源科技股份有限公司，於中國成立的股份有限公司，其股份在深圳證券交易所上市(股份代號：300070)
“Board” or “Board of Directors”	the Board of Directors of the Company
「董事會」	本公司的董事會
“Chairman”	the Chairman of the Board
「主席」	董事會主席
“Company”, “our Company” or “Yunnan Water”	Yunnan Water Investment Co., Limited* (雲南水務投資股份有限公司), a joint stock limited liability company established in the PRC, the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 6839)
「本公司」或「雲南水務」	雲南水務投資股份有限公司，於中國成立的股份有限公司，其H股在聯交所主板上市(股份代號：6839)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
「關連人士」	具有上市規則賦予該詞的涵義
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
「控股股東」	具有上市規則賦予該詞的涵義

Definitions

釋義

“Corporate Governance Code”	the Corporate Governance Code and Corporate Governance Report, as set out in Appendix 14 to the Listing Rules
「企業管治守則」	上市規則附錄十四所載的企業管治守則及企業管治報告
“Director(s)”	the director(s) of our Company
「董事」	本公司董事
“Domestic Share(s)”	the issued ordinary shares at the nominal value of RMB1.00 per share in the share capital of the Company which are subscribed for or credited as paid up in RMB
「內資股」	以人民幣認購或列作繳足的本公司股本中每股面值人民幣 1.00 元的已發行普通股
“ESG”	environmental, social, and governance
「ESG」	環境、社會及管治
“ESG Guide”	environmental, social and governance guide
「ESG 指引」	環境、社會及管治指引
“Group” or “our Group”	the Company and its subsidiaries from time to time
「本集團」	本公司及其不時的附屬公司
“H Share(s)”	the issued ordinary shares at the nominal value of RMB1.00 per share in the share capital of the Company which are listed on the Main Board of the Stock Exchange
「H 股」	在聯交所主板上市的本公司股本中每股面值人民幣 1.00 元的已發行普通股
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
「港元」	香港法定貨幣港元
“HKFRS”	Hong Kong Financial Reporting Standards, including Hong Kong Accounting Standards and Interpretations promulgated by the Hong Kong Accounting Standard Board
「香港財務報告準則」	香港財務報告準則，包括香港會計準則及香港會計準則委員會頒佈的詮釋
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
「香港」	中國香港特別行政區
“IPO”	the initial public offering of the Company’s Shares through the Stock Exchange in May 2015
「首次公開發售」	二零一五年五月本公司股份通過聯交所成功首次公開發售

“Listing Date”	27 May 2015, being the date on which the H Shares were listed and from which dealings in the H Shares of the Company commenced on the Stock Exchange
「上市日期」	二零一五年五月二十七日，即H股於聯交所上市及開始買賣的日期
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
「上市規則」	聯交所證券上市規則
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
「標準守則」	上市規則附錄十所載的上市發行人董事進行證券交易的標準守則
“PRC” or “China”	the People’s Republic of China, and for the purpose of this annual report only, excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
「中國」	中華人民共和國，僅本年報而言，不包括香港、中華人民共和國澳門特別行政區及台灣
“Prospectus”	the prospectus of the Company dated 13 May 2015, issued in relation to the IPO and listing of H Shares on the Stock Exchange
「招股章程」	日期為二零一五年五月十三日有關首次公開發售及H股於聯交所上市的本公司招股章程
“Reporting Period”	the 12-month period from 1 January 2016 to 31 December 2016
「報告期」	由二零一六年一月一日起至二零一六年十二月三十一日止十二個月期間
“RMB”	Renminbi, the lawful currency of the PRC
「人民幣」	中國的法定貨幣人民幣
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
「證券及期貨條例」	香港法例第571章《證券及期貨條例》
“Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, including the H Share(s) and Domestic Share(s)
「股份」	本公司股本中每股面值人民幣1.00元的普通股，包括H股及內資股
“Shareholder(s)”	the holder(s) of the Share(s)
「股東」	股份持有人

Definitions

釋義

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
「聯交所」	香港聯合交易所有限公司
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
「附屬公司」	具有上市規則賦予該詞的涵義
“Supervisor(s)”	supervisor(s) of the Company
「監事」	本公司的監事
“Supervisory Committee”	the supervisory committee of the Company
「監事委員會」	本公司的監事委員會
“Undertaking Shareholders”	namely YMCI, Yunnan Province Water and Beijing OriginWater
「有承諾的股東」	即雲南城投集團、雲南省水務及北京碧水源
“YMCI”	Yunnan Metropolitan Construction Investment Co., Ltd.*(雲南省城市建設投資集團有限公司), a limited liability company established in the PRC and is the sole shareholder of Yunnan Province Water, the Company’s controlling shareholder and one of the Undertaking Shareholders
「雲南城投集團」	雲南省城市建設投資集團有限公司，於中國成立的有限責任公司及雲南省水務的唯一股東，為本公司控股股東及其中一名有承諾的股東
“Yunnan Province Water”	Yunnan Province Water Industry Investment Co., Ltd.* (雲南省水務產業投資有限公司), a limited liability company incorporated in the PRC
「雲南省水務」	雲南省水務產業投資有限公司，於中國註冊成立的有限責任公司
“%”	per cent
「%」	百分比

* For identification purposes only

* 僅供識別

The Board is pleased to announce the following financial highlights:

董事會欣然宣佈下列財務摘要：

		Year ended 31 December 截至十二月三十一日止年度		
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	Percentage Change 百分比 變動
Revenue	收益	2,865,890	1,558,394	83.9%
Gross profit	毛利	879,500	507,622	73.3%
Profit before income tax	所得稅前溢利	516,734	382,869	35.0%
EBITDA ^(Note)	除利息、稅項、折舊及 攤銷前盈利 ^(附註)	946,346	498,202	90.0%
Profit for the year	年內溢利	414,266	317,443	30.5%
Return on shareholders' equity (%)	股東資金回報率(%)	5.72%	6.42%	N/A 不適用
Basic earnings per share (RMB)	每股基本盈利(人民幣元)	0.325	0.270	20.4%

Note: EBITDA is the profit for the year before deduction of finance cost-net, income taxation, depreciation and amortisation.

附註：除利息、稅項、折舊及攤銷前盈利為扣除財務費用－淨額、所得稅項、折舊及攤銷前之本年度盈利。

During the Reporting Period, the Group's audited profit attributable to ordinary shareholders of the Company amounted to approximately RMB388.1 million (for the year ended 31 December 2015: approximately RMB285.9 million).

於本報告期內，本集團經審核本公司普通股股東應佔溢利為約人民幣388.1百萬元(截至二零一五年十二月三十一日止年度：約人民幣285.9百萬元)。

Basic earnings per share for the Reporting Period was approximately RMB0.325 (for the year ended 31 December 2015: approximately RMB0.270), the calculation of such basic earnings per share amount is based on the profit attributable to ordinary shareholders of the Company, and the weighted average number of Shares of approximately of 1,193,213,000 (2015: 1,058,932,000) in issue during the Reporting Period.

報告期內每股基本盈利為約人民幣0.325元(截至二零一五年十二月三十一日止年度：約人民幣0.270元)，該每股基本盈利金額乃按本公司普通股股東應佔溢利及報告期內已發行的加權平均股份約1,193,213,000股(二零一五年：1,058,932,000股)股份為基準計算。

The Board recommended the payment of the final dividend of RMB0.1 per ordinary share for the year ended 31 December 2016 (for the year ended 31 December 2015: RMB0.1 per ordinary share). The Company did not declare or pay any interim dividend or special dividend for the year ended 31 December 2016.

董事會建議派發截至二零一六年十二月三十一日止年度的末期股息每股普通股人民幣0.1元(截至二零一五年十二月三十一日止年度：每股普通股人民幣0.1元)。截至二零一六年十二月三十一日止年度，本公司未宣派或支付任何中期股息或特別股息。

The AGM will be held at 10:00 a.m. on Tuesday, 13 June 2017 at conference room 1503, 15th Floor, Block A, He Cheng International, 1088 Haiyuan Zhong Road, Gaoxin District, Kunming, Yunnan Province, the PRC. The proposed final dividend is subject to consideration and approval by the Shareholders at the AGM.

股東週年大會將於二零一七年六月十三日(星期二)上午十時正假座中國雲南省昆明市高新區海源中路1088號和成國際A座15樓1503會議室舉行。建議末期股息須獲股東於股東週年大會審議通過後始可作實。

Chief Executive Officer's Report 行政總裁報告



Chief Executive Officer
行政總裁
Yu Long 于龍

As the chief executive officer of Yunnan Water, I am pleased to present to all Shareholders the annual report of our Company for the year ended 31 December 2016.

2016 was the first year of the “13th Five-year Plan”, and also the first year of the development concepts “innovation, coordination, green growth, opening up and sharing” consistently implemented by the State. The Company has actively responded to the State’s policy of green development, which is closely linked to two major business segments of the Group, i.e. water and solid waste treatment. The Group has well positioned itself as “municipal environmental protection integrated services provider” to grasp the opportunities brought by the nation-wide policy support to “PPP model” and the strategic implementation of “One Belt, One Road” for continuing its business expansion in the overseas and domestic markets and has put forward effective internal management reforms, and hence, enhancing the overall competitiveness of the Group.

作為雲南水務行政總裁，本人欣然向各位股東提呈本公司截至二零一六年十二月三十一日止本年度之報告。

二零一六年是「十三五」規劃的開局之年，亦是國家貫徹落實「創新、協調、綠色、開放、共用」五大發展理念的起始之年。本公司積極回應國家綠色發展政策，立足於「城市環境綜合服務商」的定位，緊扣本集團水務和固廢處理兩大業務板塊，抓住全國政策支持「PPP模式」和「一帶一路」戰略實施之契機，以繼續於海內外市場拓展業務，並改革內部管理，繼而提升本集團的整體競爭力。

BUSINESS REVIEW

2016 was the first complete financial year following our listing on the Stock Exchange. Under the leadership of the Board and the support from all our shareholders, the Company has stably improved and streamlined the management standard and has been focusing on its strategic plans and annual operational objectives, resulting in a rapid growth in the operating revenue of the Group. For the year ended 31 December 2016, total revenue was approximately RMB2,865.9 million, representing an increase of approximately 83.9% as compared to approximately RMB1,558.4 million for the year ended 31 December 2015. Profit for the year ended 31 December 2016 was approximately RMB414.3 million, representing an increase of approximately 30.5% as compared to approximately RMB317.4 million for the year ended 31 December 2015.

Against the backdrop of the State's promotion of ecological civilization construction as a national strategy, with the establishment and strengthening of the relevant systems and mechanisms, and the increase of the State's policy support, the environmental protection industry in China has ushered into a new phase of development with new and further opportunities and a broader platform. The Group has gradually evolved from a raw water supply, tap water supply and wastewater treatment service provider into an integrated municipal environmental service provider covering a full spectrum of services including raw water supply, tap water supply, wastewater treatment and solid waste treatment sector including sludge disposal, disposal of food waste, urban solid waste landfill and incineration power generation, industrial hazardous waste treatment. We will continue to build up our brand image as a leading integrated municipal environmental service provider in the PRC while closely looking at any business opportunities available in the overseas markets, such as those in the Southeast Asia. During the Reporting Period, the water treatment capacity and the solid waste treatment business capacity of the Group amounted to 2,634,000 tonnes per day and 1,350,000 tonnes per day, respectively.

BUSINESS EXPANSION

In 2016, the Group continued to accelerate expansion in the favourable domestic and overseas markets such as Yunnan, Shandong, Fujian, Jiangsu, Heilongjiang, Hunan and Xinjiang as well as other coastal developed areas and major countries and regions of Southeast Asian, such as Indonesia.

業績回顧

二零一六年是本公司於聯交所上市後第一個完整的財政年度，在董事會的領導和全體股東予以的支持之下，本公司已穩步提升及完善管理水準，並一直專注於戰略計劃及年度經營目標，為本集團的經營收益帶來快速增長。截至二零一六年十二月三十一日止年度，總收益約人民幣2,865.9百萬元，較截至二零一五年十二月三十一日止年度約人民幣1,558.4百萬元增長約83.9%；截至二零一六年十二月三十一日止年度的溢利約414.3百萬元，較截至二零一五年十二月三十一日止年度約人民幣317.4百萬元增長約30.5%。

在生態文明建設上升為國家戰略的背景之下，隨著相關體制及機制的建立及加強，政策逐步增加，相關體制機制健全，中國環保產業迎來了新的發展階段，擁有了更多新機會及更廣闊的平台。本集團已逐步從原水供應、自來水供應及污水處理服務供應商發展成為一家綜合的城市環境服務供應商，提供全方位的服務，包括原水供應、自來水供應、污水處理及固體廢物處理（包括污泥處置、餐廚垃圾處理、城市生活垃圾填埋及焚燒發電）、工業危險廢棄物處理等業務。我們將繼續打造成為中國領先的城市環境綜合服務商的品牌形象，並同時密切留意東南亞等海外市場的各項商機。於報告期內，本集團水務處理規模約達2,634,000噸／日，固廢處置業務規模約達1,350,000噸／日。

業務拓展

二零一六年，本集團繼續加快在境內外環境有利的市場的擴展，例如雲南、山東、福建、江蘇、黑龍江、湖南、新疆以及其他沿海發達地區及東南亞主要國家和地區（例如印度尼西亞）。

Chief Executive Officer's Report 行政總裁報告

During the Reporting Period, the Group has continued to work closely with the government enterprises to develop the government-corporate cooperation model, striving to achieve mutual social and economic benefit with and win-win situation with local government. The Group has acquired 3 large-scale PPP projects (including black and odorous water treatment, watercourse comprehensive treatment, etc.) in Yunnan Province through tendering in 2016. Meanwhile, the Group continued acquiring profitable assets and expand its market penetration in the domestic and overseas markets, such as Southeast Asian countries, in full steam in order to boost the business capacity and brand recognition of the Group.

With an aim to strengthening its ties in the industry across the country and exploring and expanding into the overseas markets, the Group has tightly grasped the “One Belt, One Road” strategy implemented by the State and strode towards “going global”. Leveraging on the geographical advantage of Yunnan as a bridgehead to the southwest of China, the Group will put more focus on the potential markets in the Southeast Asia, using Thailand as an important market base with an aim to expanding the Group’s business into the Southeast Asian countries and other countries, for example Indonesia, Malaysia, Singapore, and even Australia.

FINANCING

In 2016, the Group has continued to actively seek external financing both domestically and overseas and implemented various innovative investment and financing models with an aim to reducing financing costs and optimizing financing structure. To this end, the Group has expanded gradually from the traditional financing of bank-loan financing to various debt financing instruments in the financing market and achieved a synergy between the two models. During the Reporting Period, the Group successfully issued the first asset-backed securities (ABS) with water tariff collection rights of wastewater treatment and water supply as the underlying assets in the PRC, and also issued other financing instruments, such as private placement notes (PPN) and corporate bond. In order to ensure that the continuous and robust business expansion of the Group is supported by the capital required, the Company has well managed its debt to assets ratio. The corporate long-term credit rating of the Company has been adjusted from AA to AA+ due to better market recognition on the capability and brand image of the Company.

於報告期內，本集團持續與政府企業緊密合作，並繼續深入探索政企合作模式，謀求與地方政府實現互利共贏，帶來良好的經濟社會效益；本集團於二零一六年通過投標，取得了雲南省內三個大型的PPP項目(包括黑臭水體治理及河道綜合治理等)。同時，本集團繼續致力收購有益的資產，全力在境內以及東南亞國家等海外市場擴大其市場滲透，提升本集團等海外業務能力及品牌認知度。

為加強在中國與業界的聯繫及拓展海外市場，本集團緊抓國家實施的「一帶一路」戰略，闊步「走出去」，憑藉雲南作為中國西南地區橋頭堡的地理優勢，本集團將更加重視東南亞潛在市場，以香港為重要市場基地，擴大本集團業務至東南亞國家及其他國家，例如印度尼西亞、馬來西亞、新加坡，甚至澳大利亞。

融資

於二零一六年，本集團繼續積極尋求境內外的外部融資，並實施各種創新的投資及融資模式，旨在降低融資成本，優化融資結構。為達成這項目標，本集團在融資市場上逐步從銀行貸款融資這種傳統融資擴展至各種債務融資工具，實現兩者之間的協同效應。於報告期內，本集團在中國成功發行首單以污水處理及供水收費權為基礎資產的資產支持證券(ABS)，亦實現非定向債務融資工具(PPN)、公司債券等其他融資工具的發行。為確保本集團的持續及強大業務擴展獲得所需資金支持，本公司較好控制了資產負債率。基於本公司實力及品牌形象進一步得到市場認可，本公司主體長期信用等級已由AA調整至AA+。

CORPORATE MANAGEMENT

The Company has formulated a risk management control process with a clear division of duties and responsibilities for all investment projects of the Group. The Company has established a project examination assessment committee formed by the employees from project management, technology, legal and finance departments of the Company who will conduct discussions and evaluations on the projects.

The usual rules of conflict of interests, abstention and veto are adopted in order to ensure that the decision-making process is fair and efficient. Further, the Company has implemented regional centralized management model in the PRC and established a total of 5 regional management centers in Shandong area, Northeast area, Southwest area, East China area and North China area. It is expected that the project management standards will be further enhanced and the Group will benefit from regional project integration.

The Company will spend further efforts on corporate management and define the corporate culture and cohesion by further streamlining the management, strengthening supervision over the financial, operating and human resources aspects of the subsidiaries and further improving the internal project approval procedures and staff training and development.

BUSINESS RISK

During the Reporting Period, the Group has achieved an excellent operating result. Nonetheless, the Group will continue to monitor and assess its business risks. The Group's business involves certain major risks and uncertainties which are caused by the increase in cross-border merger and acquisitions, the volatility of the foreign exchange market, political instability of the overseas countries, keen competition for talents in technology and research, the early stage of development of PPP model and the uncertain and inadequate protection under the legal system of certain overseas market.

Facing the increasing risks and the challenges ahead, the Company will continue to assess and tighten its internal control procedures to manage the risks posed to the business of the Group.

企業管理

本公司已制定對本集團所有投資項目具有清晰義務和責任分擔的風險管理控制流程。本公司已成立由公司項目管理、技術、法務和財務部門同事(其將就項目進行討論和評估)組成的項目考核評估委員會。

本公司將採取利益衝突、棄權及否決的通常規則，以確保決策過程公平有效。再者，本公司在中國已實施區域集中管理模式，在山東地區、東北地區、西南地區、華東地區及華北地區共設立5個區域管理中心。預期項目管理標準將進一步得以加強，本集團將從區域項目整合中獲益。

本公司將透過進一步精簡管理加強企業管理，建立企業文化和凝聚力，強化對下屬企業財務、運營、人事等職能監督，進一步完善內部項目審批程序和員工培訓及發展。

業務風險

於報告期內，本集團已取得良好的經營業績。然而，本集團將繼續監察並評估其業務風險：本集團業務涉及若干主要風險及不明朗因素，此乃由於跨境併購增加、外匯市場波動、海外國家的政治不穩定、對技術和研究人才的激烈競爭、PPP模式尚處於早期發展階段以及若干海外市場法律制度下不明確及不足夠的保障所造成。

面對日益增長的風險和未來的挑戰，本公司將繼續評估並收緊其內部控制程序，以管理本集團業務面臨的風險。

FUTURE OUTLOOK

As the Chinese government has introduced a series of policies for environmental protection for its “13th Five-Year” plan, laws and regulations relating to environmental protection in the State are becoming increasingly stringent. The environmental protection industry is expected to become one of the new yet important industries driving economic development under the “new normal” era of the State. Driven by state policies, it is expected that huge market opportunities and potential will be brought for the future water supply services and solid waste treatment and the level of development and scale and growth of the industries will be set in high speed. Closely monitoring and aligning with State’s national strategies and industry trends, the Group will actively develop and adjust its strategic business plans and investment plans, and at the same time continue to enhance its operational, technological and project management standards to ensure that Group will maintain sustainable development in the rapidly changing market environment.

Looking ahead, the Group will embark on “technological leadership” and promote innovative development within the Group. The Group plans to carry out specialized operation and centralized management for projects of its solid waste treatment segment and invest a substantial amount of resources in the research and development of technologies relating to solid waste treatment, such as sludge carbonization and waste gasification, with a view to reinforcing its core technologies and equipment manufacturing, which the Board expects might also serve as a new income stream for the Group to enhance its market competitiveness and profitability. Meanwhile, the Group plans to fully apply photovoltaic power generation and precision aeration technology to further reduce energy consumption and operating cost and improve investment returns for the Group.

The Group will strive to maintain and improve the investment decision-making process and risk management systems and procedures. The Group will also engage professional organizations to conduct project evaluation with a view to increasing the success rate of tendering and rate of return of the Group’s investments while managing various risks to the highest possible extent. It is expected that reforms in human resources management will be implemented and incentive schemes will also be introduced to boost the morale of the staff.

未來展望

由於中國政府為其「十三五」計劃推出一系列環保政策，國家環保相關的法律法規變得日益嚴峻。預期環保產業將成為國家「新常態」時代下推動經濟發展的新興但重要的產業之一。在國家政策推動下，預期未來供水服務和固體廢物處理將帶來巨大的市場機遇和潛力，及行業高速發展，產業規模迅速擴大。密切監察並配合國家的全國戰略和行業發展趨勢，本集團將積極開發及調整戰略性業務計劃和投資計劃，同時不斷加強其運營、技術及項目管理標準，確保本集團在快速變化的市場環境中持續發展。

展望未來，本集團將開展「技術領先」並在本集團內部推廣創新發展。本集團計劃對其固體廢物處理分部的項目進行專項經營和集中管理，並投入大量資源於固體廢物處理(如污泥碳化和廢氣化)相關的技術研發，以加強其核心技術和設備製造。董事會預期這亦可能成為本集團提升市場競爭力及盈利能力的新收入來源。同時，本集團計劃全面應用光伏發電及精準曝氣技術，進一步降低能源消耗和經營成本，提高本集團的投資回報。

本集團將努力維護和完善投資決策過程和風險管理體系和程序。本集團亦將聘請專業機構進行項目評估，以期儘量提高本集團投資的投標成功率及收益率，同時又將各項風險減至最低。預期本集團將實施人力資源管理改革，並將引進獎勵辦法，以提高員工的士氣。

It has been a great year for the Group in 2016. In the upcoming year, the Group will continue to utilize its advantages of in-depth knowledge of and extensive experience in the environmental protection industry and the extensive geographical coverage and scale of operations of the Group in order to enhance the profitability and sustainability of the Group, while, at the same time, develop and improve the Group's systems and procedures timelessly and persistently, which would not only lead to higher efficiency but also greater risk averseness of the Group.

ACKNOWLEDGEMENTS

The growth of our business relied on the support and assistance provided by the Shareholders, investors and partners as well as the hard work and dedication of all employees. On behalf of our management, I would like to express my deep appreciation to all of you.

Yu Long
Chief Executive Officer



Kunming, the PRC
30 March 2017

二零一六年對本集團而言是極為重大的一年。在未來一年，本集團將繼續利用其對環保行業深入了解及在環保行業方面具有豐富的經驗，加上本集團廣泛的地域覆蓋和業務規模此等優勢，提升本集團的盈利能力及可持續性，同時，持續不斷地發展和完善本集團的制度和程序，不僅可令本集團的效率提高，而且亦增強本集團的風險意識。

致謝

本公司業務的發展，仰賴所有股東、投資者、合作夥伴的信任與支援，以及全體員工的盡忠職守，在此，本人代表公司管理層向大家致以最誠摯的感謝。

于龍
行政總裁



中國，昆明
二零一七年三月三十日

Management Discussion and Analysis

管理層討論及分析

INDUSTRY OVERVIEW

Following the smooth implementation of the “12th Five-Year Plan”, the newly revised Environmental Protection Law of China (《中華人民共和國環境保護法》) has achieved remarkable results. As the requirements for environmental governance have been tightened and the enterprises are now subject to a more stringent regulatory environment, the consequential impact on the needs for better environmental governance is positive and significant. All major environmental management systems and important regulatory measures under the relevant law have been effectively executed and complied with.

2016 marks the beginning for the “13th Five-Year Plan”. The “13th Five-Year Plan” of the Chinese government has called for the comprehensive improvement of eco-environmental quality as one of its main goals and overall philosophy. The Chinese government has expanded the overall layout of the development strategy from the “four-in-one” of economic development, political development, cultural development and social development into the “five-in-one” with the inclusion of the development of ecological civilization for the first time. Centering around this new objective, overall planning and deployment have been carried out from different aspects of comprehensive environmental management, ecological security mechanism and green environmental protection industry development. On the one hand, the strengthening support to environmental protection industry by way of favourable government policies demonstrates that China is determined to continue tightening pollution control and enhancing awareness of improvement of the environment, and on the other hand, it also provides new and further opportunities and a broader platform for the long-term and sustainable development of the environmental protection industry.

行業概覽

「十二五」規劃的順利落實後，新修訂的《中華人民共和國環境保護法》取得了顯著成效。由於對環境治理的要求收緊且現時企業須受更嚴格的監管環境規限，故對於需要更佳環境治理所產生的影響具有積極意義且屬重要。各項主要環境管理制度和根據相關法律的重要法規措施均得到了有效執行和遵守。

二零一六年迎來了「十三五」規劃新一輪的開局，中國政府「十三五」規劃綱提出要以全面改善生態環境為其中之一項主要目標及整體思路。中國政府已將發展戰略的總佈局由包括經濟發展、政治發展、文化發展及社會發展的「四位一體」擴大為首次將生態文明發展納入的「五位一體」。圍繞這新目標從環境綜合治理、生態安全保障機制及綠色環保產業發展等不同方面進行了總體規劃和部署。憑借一系列的政府有利政策對環保行業的支持持續加強，一方面體現出國家繼續嚴格執行污染治理、促進環境改善的決心，另一方面更為環保行業的長遠發展進一步帶來新機遇和更加廣闊的平台。

During the Reporting Period, the environment protection industry in China continued to develop favorably under the positive economic outlook of China with the following major changes: (1) nowadays, the implementation of environmental protection projects places more emphasis on its goal of improving environmental quality than on the production capacity and paramount importance is given to the improvement of environmental corporate governance, whether in terms of the government's planning or the monitoring system; (2) the investment in environment protection industry shifts from focusing on the quantity of the outputs to the quality of the outputs and from the demands of the industry to the changes in the supply and demand of the industry; and (3) the robust development of environment protection industry continuously drives the growth of segment market, such as black and odorous water treatment, sponge city construction and development, soil remediation technologies, carbon trading, which have shown enormous business potential. It is expected that the environmental protection industry will enter into a new phase of digital upgrade with the introduction of new concepts, such as smart environmental technology and digital environmental protection.

Driven by state policies, it is expected that huge market opportunities and potential will be brought for the future water supply services and solid waste treatment industries. Water supply, wastewater treatment and solid waste treatment industries will benefit from the rapidly accelerating urbanization in China and the policy support of the Chinese government for the overall environmental protection industry. The Board expects that the level of development and scale and growth of the industries will be further expanded and investors in the capital markets will also gradually pay more attention to the environmental protection industry.

DEVELOPMENT STRATEGIES AND PROSPECT

As the Chinese government has introduced a series of policies for environmental protection for its "13th Five-Year" plan, laws and regulations relating to environmental protection in China are becoming increasingly stringent. The environmental protection industry is expected to become one of the new yet important industries driving economic development under the "new normal" era of China. In 2017, the Group will continue to adhere to its business strategy of becoming a leading municipal environmental protection integrated services provider in China, with an aim to creating environmentally-friendly cities across China. Closely monitoring and aligning with China's national strategies and industry trends, the Group will actively develop and adjust its strategic business plans and investment plans, and at the same time continue to enhance its operational, technological and project management standards to ensure that Group will maintain sustainable development in the rapidly changing market environment.

於報告期內，中國環保產業取得良好的持續發展，並產生以下幾點主要的變化：(1)改善環境質量的目標更加看重環保項目的切實落地；以往的考核要求，是以建設量為標準，而當前，無論從政府規劃還是考核體系來看，都已把環境治理的改善放在了第一位；(2)環保產業的投資需要從重視數量向重視品質轉變，需要從重視行業供需向重視行業供給轉變；及(3)環保產業的蓬勃發展不斷推進細分市場崛起，黑臭水體、海綿城市、土壤修復、碳交易等新型市場已展現出強大活力。環保產業將迎來新一輪的數字化升級，將逐漸融入大數據及智慧環保等多種手段以改變環保行業的現狀。

在國家政策的推動下，預期將為水務及固廢處理產業的未來帶來龐大市場機遇和發展潛力。供水、污水處理及固廢處理產業將從急速加快的中國城鎮化進程以及中國政府對環保行業的政策支持中獲益。董事會預計，該等產業的發展、規模及增長水平將進一步擴大，而資本市場的投資者亦會逐漸更加關注環保行業。

發展策略及前景

隨著中國政府「十三五」期間政府密集出台一系列環保政策，中國環保相關法律法規日趨嚴格，環保產業有望成為中國「新常態」下經濟發展的既新且益發重要的產業之一。二零一七年，本集團將繼續秉承成為中國領先的城市環境綜合服務商的戰略，務求建設環境友好型城市。緊密監察及配合國家戰略及行業趨勢，積極制定及調整其戰略及業務規劃及投資計劃，同時不斷提升經營、技術及項目管理水平，確保本集團將會在瞬息萬變的市場環境中砥礪前行。

Management Discussion and Analysis

管理層討論及分析

Looking ahead, the Group will embark on “technological leadership” and promote innovative development within the Group. The Group plans to carry out specialized operation and centralized management for projects of its solid waste segment and invest a substantial amount of resources in the research and development of technologies relating to solid waste treatment, such as sludge carbonization and waste gasification, with a view to reinforcing its core technologies and equipment manufacturing, which the Board expects might also serve as a new income stream for the Group to enhance its market competitiveness and profitability. Meanwhile, the Group plans to fully apply photovoltaic power generation and precision aeration technology to further reduce energy consumption and operating cost and improve investment returns for the Group.

In terms of financing, the Group will continue to actively seek external financing both domestically and overseas in 2017. Domestically, the Group plans to diversify and expand its capital sources through the issuances of various financial products, such as asset-backed securities (ABS) and fixed asset loans, in order to implement the Group’s construction and production plans and expand the Group’s production scale, and thereby creating a virtuous business cycle between financing and development. As for overseas financing, the Group plans to utilize Yunnan Water (Hong Kong) Company Limited (“**Yunnan Water (HK)**”), a wholly-owned subsidiary of the Company, as its main financing platform by way of a combination of various means, such as issuance of debt securities in the offshore bond market, bank loans, etc., in order to support the Group’s investment projects in the overseas market.

To achieve sustainable development, the development strategy of the Group will continue to focus on its business operation in Yunnan Province, and at the same time the Group will continue to seek investment opportunities to expand its business to other favourable regions of China, particularly in the southeastern coastal areas, northern China, northwest and southwest regions. The Group will also closely monitor certain overseas emerging markets such as Southeast Asia, Australia and other overseas countries. The Group will capture opportunities in the environmental protection industry and combine its practical experience in the PPP model to acquire suitable projects which are complementary to its existing business in order to further increase its market share. The Group will continue to enhance its operational, technological and project management standards to further improve operational efficiency.

展望未來，本集團將著手於「技術領先」以推動本集團創新發展。本集團計劃將對其固廢板塊項目進行專業化運營及集中化管理，並大量投入資源研發污泥碳化、垃圾氣化等固廢處理技術，以期加強其核心技術及裝備製造，亦可作為本集團的新收入來源，提高市場競爭力和盈利能力。同時，本集團計畫全面利用光伏發電及精確曝氣技術，進一步節能降耗及減低經營成本，提高本集團的投資收益率。

同時，本集團將於二零一七年持續於境內外積極尋求外部融資。於境內，本集團計劃通過資產支持證券(ABS)、固定資產貸款等金融產品的使用，形成資金來源，運用良性融資源進行公司生產建設，擴大資產規模，從而增加有效融資資源，形成融資及發展的良性迴圈。至於境外融資方面，搭建以本公司全資附屬公司雲南水務(香港)股份有限公司(「雲南水務(香港)」)為中心的境外融資平台，打通境外債券市場融資通道，形成銀行借款、債券與其他境外金融資產的有效匹配，以支持本集團境外的投資建設。

為實現可持續發展，本集團的發展戰略將繼續集中於雲南省經營業務，同時繼續尋求投資機會，將業務擴展至本集團於中國的其他優勢地區，特別是東南沿海地區、華北、西北及西南地區。本集團亦將密切留意東南亞、澳大利亞等國家等若干海外新興市場。本集團將會把握環保行業帶來的機遇，並結合公私合夥制實踐經驗，收購與現有業務相輔相成的合適項目以進一步擴大市場份額，通過持續提升本集團的經營水準、技術水準及項目管理水準以進一步提高運營效率。

BUSINESS REVIEW

The Group is one of the leading integrated service providers in the municipal wastewater treatment and water supply industries in China. The Group mainly adopts the BOT, BOO, TOT, TOO, BT, EPC and O&M project models to provide customized and integrated turnkey solutions for water supply, wastewater treatment and solid waste treatment as well as system integration services of core technologies to customers. The Group's businesses are carried out in China and the Southeast Asian countries, the Group's principal businesses comprise five major segments, namely, wastewater treatment, water supply, solid waste treatment, construction and sales of equipment, and others.

As at 31 December 2016, the Group's relevant water projects had the total daily treatment capacity of approximately 2,634,000 tonnes, representing an increase of approximately 39.0% as compared to the total daily treatment capacity of 1,895,000 tonnes as at 31 December 2015. As at 31 December 2016, the Group's relevant solid waste treatment projects had the total annual solid waste treatment capacity of approximately 1,350,000 tonnes, representing an increase of approximately 92.0% as compared to the total annual capacity of 703,000 tonnes as at 31 December 2015.

Wastewater Treatment Projects

As at 31 December 2016, the Group had a total of 67 concession wastewater treatment projects under construction and in operation, including 5 BOO projects, 48 BOT projects, 2 TOO projects and 12 TOT projects, with total daily wastewater treatment capacity of approximately 1,379,000 tonnes, representing an addition of 10 BOT projects and 5 TOT projects year-on-year, and an increase in total daily wastewater treatment capacity of approximately 355,000 tonnes compared with the year ended 31 December 2015, representing a growth rate of approximately 34.7%.

As at 31 December 2016, concession projects which commenced commercial operation had a total daily wastewater treatment capacity of approximately 1,124,000 tonnes, representing an addition of 2 BOO projects, 8 BOT projects and 4 TOT projects year-on-year which commenced commercial operation, and an increase in total daily wastewater treatment capacity of approximately 355,000 tonnes compared with the year ended 31 December 2015. During the Reporting Period, the Group's effective wastewater treatment utilization rate was approximately 71.7%, and the average unit charge of wastewater treatment was approximately RMB1.17 per tonne.

業務回顧

本集團為中國城市污水處理及供水行業之領先綜合服務商之一。本集團的業務主要採用BOT、BOO、TOT、TOO、BT、EPC及O&M模式，向客戶提供訂製及綜合的供水、污水處理及固廢處理的整體解決方案及核心技術系統集成服務。本集團的業務在中國境內及東南亞國家開展，主營業務包括五個主要分部，即污水處理、供水、固廢處理、建造及設備銷售，以及其他服務。

截至二零一六年十二月三十一日，本集團相關水務項目的日處理總量約為2,634,000噸，較截至二零一五年十二月三十一日日處理總量1,895,000噸增長約39.0%。截至二零一六年十二月三十一日，本集團相關固廢處理項目的年固廢處理總量約為1,350,000噸，較截至二零一五年十二月三十一日年處理總量703,000噸增長約92.0%。

污水處理項目

截至二零一六年十二月三十一日，本集團在建和運營的特許經營污水項目共67個，包括5個BOO項目、48個BOT項目、2個TOO項目及12個TOT項目，日污水總處理量約為1,379,000噸，與截至二零一五年十二月三十一日止年度同比新增10個BOT項目，5個TOT項目，日污水總處理量增加約355,000噸，增長率約為34.7%。

截至二零一六年十二月三十一日，投入商業運營的特許經營項目日污水總處理量為約1,124,000噸，與截至二零一五年十二月三十一日止年度同比新增投入商業運營的2個BOO項目、8個BOT項目及4個TOT項目，日污水總處理量增加約355,000噸。於報告期內，本集團的實際污水處理利用率約71.7%，平均污水處理收費單價約為每噸人民幣1.17元。

Management Discussion and Analysis

管理層討論及分析

As at 31 December 2016, 9 concession projects had not commenced commercial operation with a total daily wastewater treatment capacity of approximately 255,000 tonnes, representing an addition of 2 BOT projects and 1 TOT project year-on-year and an increase in total daily wastewater treatment capacity of approximately 85,000 tonnes compared with 31 December 2015. During the Reporting Period, 2 BOO projects had commenced commercial operation with a total daily capacity of 85,000 tonnes.

Water Supply Projects

As at 31 December 2016, the Group had a total of 31 concession water supply projects under construction or in operation, including 14 BOO projects, 9 BOT projects and 8 TOT projects, with total daily capacity of approximately 1,016,000 tonnes, representing an addition of 2 BOT projects and 6 TOT projects year-on-year, and an increase in total daily capacity of approximately 370,000 tonnes compared with the year ended 31 December 2015, representing a growth rate of approximately 57.3%.

As at 31 December 2016, concession projects which commenced commercial operation had a total daily capacity of approximately 675,000 tonnes, representing an addition of 1 BOO project and 6 TOT projects which commenced commercial operation year-on-year and an increase in total daily capacity of approximately 310,000 tonnes compared with the year ended 31 December 2015. During the Reporting Period, the Group's effective water supply utilization rate was approximately 70.1%, and the average unit charge of water supply was approximately RMB2.56 per tonne.

As at 31 December 2016, 11 concession projects had not commenced commercial operation with a total daily capacity of approximately 341,000 tonnes, representing an addition of 2 BOT projects year-on-year and an increase in total daily capacity of approximately 100,000 tonnes. During the Reporting Period, 1 BOO project had commenced commercial operation with a total daily capacity of 40,000 tonnes.

Solid Waste Treatment Projects

As at 31 December 2016, the Group had 7 solid waste treatment projects with a total annual treatment capacity of 985,000 tonnes, of which 6 of them with an annual treatment capacity of 729,000 tonnes had commenced commercial operation and 1 of them with an annual treatment capacity of 256,000 tonnes was pending for operation. As compared to 31 December 2015, 3 additional solid waste treatment projects commenced operation and the total annual treatment capacity increased by 428,000 tonnes. During the Reporting Period, the Group's effective solid waste treatment utilization rate was approximately 89.1%.

截至二零一六年十二月三十一日，日污水總處理量為約255,000噸的9個特許經營項目尚未投入商業運營，與截至二零一五年十二月三十一日同比新增2個BOT項目及1個TOT項目，日污水總處理量增加約85,000噸。於報告期內，日污水總處理量為85,000噸的2個BOO項目已投入商業運營。

供水項目

截至二零一六年十二月三十一日，本集團擁有31個日處理總量約1,016,000噸的在建或運營中的供水特許經營項目，其中包括14個BOO項目、9個BOT項目及8個TOT項目，與截至二零一五年十二月三十一日同比新增2個BOT項目及6個TOT項目，日處理總量增加約370,000噸，增長率約為57.3%。

截至二零一六年十二月三十一日，投入商業運營的特許經營項目日處理總量約675,000噸，與截至二零一五年十二月三十一日止年度同比新增投入商業運營的1個BOO項目及6個TOT項目，日處理總量增加約310,000噸。於報告期內，本集團的實際供水利用率約為70.1%，平均供水收費單價約為每噸人民幣2.56元。

截至二零一六年十二月三十一日，日處理總量約341,000噸的11個特許經營項目尚未投入商業運營，同比新增2個BOT項目，日處理總量增加約100,000噸。於報告期內，日處理總量為40,000噸的1個BOO項目已投入商業運營。

固廢處理項目

截至二零一六年十二月三十一日，本集團擁有7個固廢處理項目，年處理總量為985,000噸，其中年處理量為729,000噸的6個項目已經投入商業運營，年處理量為256,000噸的1個項目有待投入商業運營。與二零一五年十二月三十一日相比，新增3個投入運營的固廢處理項目，年處理總量增加428,000噸。於報告期內，本集團的實際固廢處理利用率約為89.1%。

Construction and Sales of Equipment

The Group's construction and sales of equipment segment comprises BT projects, EPC projects and sales of equipment. As at 31 December 2016, the Group had a total of 11 BT projects, which were either under construction and/or completed, among which income of 9 BT projects were recognised during the Reporting Period, representing an addition of 2 BT projects under construction as compared with 31 December 2015.

During the Reporting Period, the Group had a total of 7 EPC projects, representing an addition of 2 EPC projects as compared with 31 December 2015.

The Group engages in the production, sales and installation of equipment necessary for wastewater treatment, water supply and solid waste treatment facilities. The major category of water equipment in the Group's production is membrane products. All of the membrane products are produced by the own plant of the Group.

Others

During the Reporting Period, the Group also undertook O&M projects for wastewater treatment, water supply and solid waste treatment facilities owned by third parties, as well as provision of technical and consultancy services in relation to environmental protection. As at 31 December 2016, the Group had 27 O&M projects, including 2 solid waste treatment projects with annual treatment capacity of approximately 365,000 tonnes, 1 water supply project with daily capacity of approximately 5,000 tonnes and 24 wastewater treatment projects of daily wastewater treatment capacity of approximately 234,000 tonnes, representing an addition of 1 solid waste treatment O&M project, and an increase in the total daily treatment capacity of approximately 14,000 tonnes as compared with 31 December 2015.

建造及設備銷售

本集團的建造及設備銷售分部包括BT項目、EPC項目及設備銷售。截至二零一六年十二月三十一日，本集團在建設及／或已完工的BT項目共11個，其中於報告期內確認收益的BT項目共9個，與截至二零一五年十二月三十一日同比新增2個在建BT項目。

於報告期內，本集團EPC項目共7個，與截至二零一五年十二月三十一日同比新增2個EPC項目。

本集團生產、銷售及安裝污水處理、供水及固廢處理設施所需的設備，本集團所生產的水務設備的主要類別為膜產品。全部膜產品由本集團自有工廠生產。

其他

本集團在報告期內也就第三方擁有的污水處理、供水及固廢處理設施開展O&M項目，並提供了與環境保護相關的技術及諮詢服務。截至二零一六年十二月三十一日，本集團擁有27個O&M項目，其中2個年處理能力約為365,000噸的固廢處理項目，1個每日規模約為5,000噸的供水項目，24個每日污水處理量約為234,000噸的污水處理項目，與截至二零一五年十二月三十一日相比新增1個固廢處理O&M項目，每日處理總量增加約14,000噸。

FINANCIAL REVIEW

Results of Operation

During the Reporting Period, the Group recorded revenue of approximately RMB2,865.9 million, representing an increase of approximately 83.9% compared with the year ended 31 December 2015. During the Reporting Period, the Group realized a net profit of approximately RMB414.3 million, representing an increase of approximately 30.5% compared with the year ended 31 December 2015. Profit attributable to the ordinary shareholders of the Company was approximately RMB388.1 million, representing an increase of approximately 35.7% as compared with 31 December 2015. Earnings per share for the year ended 31 December 2016 was approximately RMB0.325.

Revenue

Revenue of the Group increased from approximately RMB1,558.4 million for the year ended 31 December 2015 to approximately RMB2,865.9 million for the Reporting Period, representing an increase of approximately 83.9%.

In respect of the business segments of the Group, revenue from wastewater treatment increased by approximately 49.6% from approximately RMB420.0 million for the year ended 31 December 2015 to approximately RMB628.4 million for the Reporting Period. Revenue from water supply increased by approximately 40.7% from approximately RMB454.6 million for the year ended 31 December 2015 to approximately RMB639.4 million for the Reporting Period. Revenue from solid waste treatment tremendously increased from RMB8.2 million for the year ended 31 December 2015 to approximately RMB425.3 million for the Reporting Period. Revenue from construction and sales of equipment increased by approximately 85.9% from approximately RMB597.0 million for the year ended 31 December 2015 to approximately RMB1,109.6 million for the Reporting Period. Revenue from other business slightly decreased by approximately 19.6% from approximately RMB78.6 million for the year ended 31 December 2015 to approximately RMB63.2 million for the Reporting Period.

The increase in revenue from the wastewater treatment segment was mainly attributable to (i) the increase in the unit price of wastewater treatment charged by certain wastewater treatment plants; and (ii) the increase in construction revenue and finance income generated by certain wastewater treatment projects under construction.

財務回顧

經營成果

本集團於報告期內錄得收益約人民幣2,865.9百萬元，相較截至二零一五年十二月三十一日止年度增長約83.9%。本集團報告期內實現淨溢利約人民幣414.3百萬元，相較截至二零一五年十二月三十一日止年度增長約30.5%。本公司普通股股東應佔溢利約為人民幣388.1百萬元，相較截至二零一五年十二月三十一日增長約35.7%，截至二零一六年十二月三十一日止年度的每股盈利約為人民幣0.325元。

收益

本集團的收益由截至二零一五年十二月三十一日止年度約人民幣1,558.4百萬元增長至報告期內約人民幣2,865.9百萬元，增幅約83.9%。

就本集團的業務分部而言，污水處理的收益由截至二零一五年十二月三十一日止年度的約人民幣420.0百萬元增長約49.6%至報告期約人民幣628.4百萬元。供水業務的收益由截至二零一五年十二月三十一日止年度約人民幣454.6百萬元增長約40.7%至報告期的約人民幣639.4百萬元。固廢處理業務的收益由截至二零一五年十二月三十一日止年度的人民幣8.2百萬元大幅增加至報告期約人民幣425.3百萬元。建造及設備銷售的收益由截至二零一五年十二月三十一日止年度的約人民幣597.0百萬元增長約85.9%至報告期約人民幣1,109.6百萬元。其他業務的收益由截至二零一五年十二月三十一日止年度的約人民幣78.6百萬元略減約19.6%至報告期約人民幣63.2百萬元。

污水處理分部收益增加主要由於(i)若干污水處理廠的污水處理單價提高；及(ii)在建的若干污水處理項目產生的建造收益及財務收入增加。

The increase in revenue from the water supply segment was mainly attributable to (i) an increase in construction revenue generated from certain water supply projects under construction; and (ii) the BOT water supply projects acquired in 2016 which realized operating and construction revenue during the Reporting Period.

The increase in revenue from the solid waste treatment segment was mainly attributable to (i) certain solid waste treatment projects under commercial operation acquired at the end of 2015 which realized a full-year revenue during the Reporting Period; (ii) certain solid waste treatment projects under commercial operation newly acquired in 2016; and (iii) the construction revenue generated by solid waste treatment projects under construction.

The increase in revenue from the construction and sales of equipment segment was mainly attributable to (i) business expansion of EPC and sales of equipment in wastewater treatment, water supply watershed management and solid waste treatment industries; and (ii) the construction and finance income of 10 BT projects under construction including those newly acquired during the Reporting Period.

Cost of Sales

Cost of sales of the Group for the Reporting Period was approximately RMB1,986.4 million, representing an increase of approximately 89.0% as compared with approximately RMB1,050.8 million for the year ended 31 December 2015. The increase was primarily due to (i) an increase in construction costs of various projects under continuous construction; (ii) the acquisitions of certain operating projects in solid waste treatment and water supply industries in the Reporting Period, resulting in an increase in operating costs; (iii) certain projects acquired at the end of 2015 achieved full-year operation in 2016; and (iv) an increase in scale of EPC and sales of equipment.

Gross Profit Margin

For the Reporting Period, gross profit margin of the Group was approximately 30.7%, representing a slight decrease as compared with approximately 32.6% for the year ended 31 December 2015. The decrease was primarily due to (i) the weighted average operating margin of the newly acquired solid waste treatment industry is slightly behind the waste water treatment and the construction and sales of equipment segments due to a relatively high depreciation and amortization cost; and (ii) certain water supply projects which newly operated or acquired recorded a lower gross profit margin due to a lower initial unit price.

供水分部收益增加主要由於(i)在建若干供水項目所產生的建造收益增加；及(ii)於二零一六年收購的BOT供水項目在報告期內實現運營及建造收益。

固廢處理分部收益增加主要由於(i)於二零一五年底收購的若干已商業運營的固廢處理項目，於報告期內實現全年收益；(ii)二零一六年新收購若干已商業運營的固廢處理項目；及(iii)在建的固廢處理項目產生建造收益。

建造及設備銷售分部收益增加主要由於(i)污水處理、供水流域治理及固廢處理行業的EPC及設備銷售業務擴大；及(ii)報告期內10個在建BT項目(包括新收購項目)的建造及財務收入。

銷售成本

本集團於報告期內的銷售成本約人民幣1,986.4百萬元，較截至二零一五年十二月三十一日止年度的約人民幣1,050.8百萬元增加約89.0%。該增加主要由於(i)多個處於在建階段項目的建造成本增加；(ii)報告期內收購若干經營固廢處理及供水行業的項目，導致運營成本增加；(iii)二零一五年底收購的若干項目在二零一六年實現全年運營；及(iv)EPC及設備銷售規模擴大。

毛利率

於報告期內，本集團的毛利率約30.7%，較截至二零一五年十二月三十一日止年度約32.6%略減。該減少主要是由於(i)新收購的固廢處理行業的加權平均經營溢利率略低於建造及設備銷售分部，乃由於相對高的折舊及攤銷成本所致；及(ii)新經營或收購的若干供水項目初始供水服務單價較低。

Management Discussion and Analysis

管理層討論及分析

Other Income

For the Reporting Period, the Group recorded other income of approximately RMB160.4 million in aggregate as compared with approximately RMB97.6 million for the year ended 31 December 2015, representing an increase of approximately 64.3%. The increase in other income during the Reporting Period was mainly attributable to the refund of value-added tax (“VAT”). Pursuant to the preferential VAT policies issued by the PRC State Administration of Taxation, the wastewater and solid waste treatment businesses of the Group were eligible for full exemption of VAT prior to 1 July 2015. However, effective from 1 July 2015, the VAT policies were changed and the full exemption of VAT was superseded by 70% refund of the net VAT paid.

Selling Expenses

For the Reporting Period, selling expenses of the Group was approximately RMB22.8 million, representing an increase of approximately 32.6% from approximately RMB17.2 million for the year ended 31 December 2015. The increase was due to the increasing scale of EPC and sales of equipment and the increase in selling expenses from newly acquired businesses in 2016.

Administrative Expenses

Administrative expenses of the Group increased by RMB149.8 million from approximately RMB181.2 million for the year ended 31 December 2015 to approximately RMB331.0 million for the Reporting Period, representing an increase of approximately 82.7%. Increase in administrative expenses was primarily due to (i) the expansion of the Group’s business by acquisition of a number of subsidiaries, which resulted in an increase in expenses such as employee benefit expenses and legal and professional fees for the acquisitions; (ii) the solid waste projects acquired at the end of 2015 were under a full-year operation in 2016.

其他收入

於報告期內，本集團錄得其他收入合共約人民幣160.4百萬元，而截至二零一五年十二月三十一日止年度約為人民幣97.6百萬元，增長約64.3%。報告期內其他收入增加主要是由於增值稅退稅。根據中國國家稅務總局頒佈的增值稅優惠政策，本集團污水及固廢處理業務於二零一五年七月一日前合資格全面免除增值稅。然而，自二零一五年七月一日起，增值稅政策改變，按已繳增值稅淨額退稅70%取代了全面免除增值稅。

銷售開支

於報告期內，本集團的銷售開支約人民幣22.8百萬元，較截至二零一五年十二月三十一日止年度約人民幣17.2百萬元增加約32.6%。該增加乃由於EPC及設備銷售規模增加及二零一六年新收購業務銷售開支增加所致。

行政開支

本集團行政開支由截至二零一五年十二月三十一日止年度的約人民幣181.2百萬元增加人民幣149.8百萬元至報告期內約人民幣331.0百萬元，增幅約為82.7%。行政開支增加主要由於(i)本集團業務隨著收購多家附屬公司而擴大導致針對收購的僱員福利開支、法律及專業費用等開支增加；(ii)二零一五年年底收購的固廢項目在二零一六年全年運營。

Finance Costs — net

Net finance costs increased by RMB178.9 million from approximately RMB41.2 million for the year ended 31 December 2015 to approximately RMB220.1 million for the Reporting Period, representing an increase of almost four times that for the previous year. The increase in net finance costs was primarily due to a number of additional bank borrowings and the issuance of other debt securities to support the Group's business acquisition and operation.

The average interest rate on borrowings of the Group for the Reporting Period was approximately 4.70% per annum, representing a decrease compared with approximately 6.36% per annum for the year ended 31 December 2015 due to the diversified source of financing channel in the Reporting Period.

Share of profit of investments accounted for using the equity method

Share of profit of investments accounted for using the equity method increased by approximately RMB37.5 million from approximately RMB4.9 million for the year ended 31 December 2015 to approximately RMB42.4 million during the Reporting Period. The increase was mainly due to the combined effect of the recognition of the negative goodwill arising from acquisition of the joint venture, Galaxy NewSpring Pte. Ltd., and share of its financial results from its acquisition date to 31 December 2016.

Profit Before Income Tax

As a result of the above factors, the Group recorded profit before income tax of approximately RMB516.7 million for the year ended 31 December 2016, representing an increase of approximately 34.9% as compared with approximately RMB382.9 million recorded for the year ended 31 December 2015.

Income Tax Expenses

Income tax expenses increased by RMB37.1 million from approximately RMB65.4 million for the year ended 31 December 2015 to approximately RMB102.5 million for the Reporting Period, representing an increase of approximately 56.7%. The weighted average effective tax rate was approximately 19.8% (2015: 17.1%). The increase is caused by the change in the profitability of the Group's subsidiaries in respective countries or regions applying different corporate income tax rates.

融資成本淨額

融資成本淨額由截至二零一五年十二月三十一日止年度約人民幣41.2百萬元增加人民幣178.9百萬元至報告期內約人民幣220.1百萬元，增長為上一年度的近四倍。融資成本淨額增加主要由於額外銀行借款及發行其他債券以支持本集團的業務收購及營運所致。

本集團報告期內平均借款利率約為每年4.70%，與截至二零一五年十二月三十一日止年度的每年約6.36%相比大幅降低乃由於報告期內融資渠道多元化所致。

以權益法入賬的投資溢利

以權益法入賬的投資溢利由截至二零一五年十二月三十一日止年度約人民幣4.9百萬元，增加人民幣37.5百萬元至報告期內約人民幣42.4百萬元。增長主要是由於確認收購合營公司Galaxy NewSpring Pte. Ltd.產生的負商譽及收購日期至二零一六年十二月三十一日應佔其財務業績的共同作用所致。

所得稅前溢利

由於上述因素，本集團截至二零一六年十二月三十一日止年度錄得所得稅前溢利約人民幣516.7百萬元，相對於截至二零一五年十二月三十一日止年度錄得約人民幣382.9百萬元，增幅約為34.9%。

所得稅開支

所得稅開支由截至二零一五年十二月三十一日止年度的約人民幣65.4百萬元增加人民幣37.1百萬元至報告期內的約人民幣102.5百萬元，增幅約56.7%。加權平均有效稅率約為19.8%（二零一五年：17.1%）。增加乃由於本集團於採用不同企業所得稅率的各自國家或地區的子公司的盈利情況發生變化。

Management Discussion and Analysis

管理層討論及分析

Profit and Net Profit Margin for the Reporting Period

As a result of the foregoing, profit for the Reporting Period increased by RMB96.9 million from approximately RMB317.4 million for the year ended 31 December 2015 to approximately RMB414.3 million for the Reporting Period, representing an increase of approximately 30.5%. Net profit margin decreased from approximately 20.4% for the year ended 31 December 2015 to approximately 14.5% for the Reporting Period.

Receivables under Service Concession Arrangements

The Group's receivables under service concession arrangements increased by RMB937.9 million from approximately RMB1,953.3 million as at 31 December 2015 to approximately RMB2,891.2 million as at 31 December 2016, representing an increase of approximately 48.0%. Such increase was primarily due to (i) the wastewater concession projects newly acquired in 2016; and (ii) the additional investments on BOT and TOT projects under construction by the Group which led to an increase in the outstanding receivables under the service concession arrangements.

Trade and Other Receivables and Prepayments

The Group's trade and other receivables and prepayments increased by RMB2,245.8 million from approximately RMB1,970.3 million as at 31 December 2015 to approximately RMB4,216.1 million as at 31 December 2016, representing an increase of approximately 114.0%. Such increase was primarily due to (i) an increase in trade and other receivables and prepayments from the projects acquired by the Group during the Reporting Period; (ii) an expansion of EPC and sales of equipment; and (iii) an increase in deposits for proposed acquisition projects.

Cash and Cash Equivalents

The Group's total cash balance of increased by RMB2,457.8 million from approximately RMB1,672.1 million as at 31 December 2015 to approximately RMB4,129.9 million as at 31 December 2016 representing an increase of approximately 147.0%. Such increase was primarily in line with the larger scale of the issuance of multiple financial instruments.

報告期內溢利及純利率

由於上述各項，報告期內溢利由截至二零一五年十二月三十一日止年度的約人民幣317.4百萬元增加人民幣96.9百萬元至報告期內約人民幣414.3百萬元，增幅約30.5%。純利率由截至二零一五年十二月三十一日止年度約20.4%減少至報告期內約14.5%。

服務特許經營安排下的應收款項

本集團服務特許經營權安排下的應收款項由二零一五年十二月三十一日約人民幣1,953.3百萬元增加人民幣937.9百萬元至二零一六年十二月三十一日的約人民幣2,891.2百萬元，增幅約48.0%。增加主要由於(i)二零一六年新收購的污水特許經營權項目所導致；及(ii)本集團增加對BOT及TOT在建項目投資導致應計服務特許經營安排下的未償還應收款項增加所致。

貿易及其他應收款項以及預付款項

本集團的貿易及其他應收款項以及預付款項由二零一五年十二月三十一日的約人民幣1,970.3百萬元增加人民幣2,245.8百萬元至二零一六年十二月三十一日的約人民幣4,216.1百萬元，增長約114.0%。該增長主要是由於(i)報告期內本集團收購項目的貿易應收款項及其他應收款項以及預付款項增加；(ii)EPC及設備銷售的擴大；及(iii)擬收購項目的保證金增加。

現金及現金等價物

本集團的現金結餘總額由二零一五年十二月三十一日的約人民幣1,672.1百萬元增加人民幣2,457.8百萬元至二零一六年十二月三十一日的約人民幣4,129.9百萬元，增長約147.0%。該增長主要與各類型融資工具發行規模擴大相符。

Trade and Other Payables

The Group's trade and other payables increased by RMB1,778.7 million from approximately RMB1,128.9 million as at 31 December 2015 to approximately RMB2,907.6 million as at 31 December 2016, representing an increase of approximately 157.6%. Such increase was primarily due to (i) the increase in trade and other payables for the newly acquired projects; (ii) an increase in purchasing cost for sales of equipment and the construction investment in concession and BT projects; and (iii) the remaining consideration to be paid for the newly acquired businesses.

Borrowings

As at 31 December 2016, the Group had borrowings of approximately RMB8,298.5 million (31 December 2015: approximately RMB3,064.3 million).

As at 31 December 2016, the Group had unsecured borrowings of approximately RMB6,468.7 million (31 December 2015: approximately RMB2,250.9 million), and secured borrowings of approximately RMB1,829.8 million (31 December 2015: approximately RMB813.4 million).

Perpetual capital instruments

On 29 December 2016, the Group issued unsecured perpetual capital instruments with aggregated net proceeds of RMB2,000.0 million to a financial institution in the PRC (2015: nil). The perpetual capital instruments have no maturity, and the payments of distribution can be deferred at the discretion of the Company. There was no profit attributable to the holders of perpetual capital instruments for the year ended 31 December 2016.

貿易及其他應付款項

本集團的貿易及其他應付款項由二零一五年十二月三十一日的約人民幣1,128.9百萬元增加人民幣1,778.7百萬元至二零一六年十二月三十一日的約人民幣2,907.6百萬元，增長約157.6%。該增長主要是由於(i)新收購項目的貿易及其他應付款項增加；(ii)設備銷售的採購成本和特許經營及BT項目的建造投資增加；及(iii)新收購業務將支付的餘下代價。

借款

截至二零一六年十二月三十一日，本集團借款約為人民幣8,298.5百萬元(二零一五年十二月三十一日：約人民幣3,064.3百萬元)。

截至二零一六年十二月三十一日，本集團的無抵押借款約為人民幣6,468.7百萬元(二零一五年十二月三十一日：約人民幣2,250.9百萬元)及有抵押借款約為人民幣1,829.8百萬元(二零一五年十二月三十一日：約人民幣813.4百萬元)。

永久資本工具

於二零一六年十二月二十九日，本集團向中國一家金融機構發行所得款項淨額合計人民幣2,000.0百萬元之無抵押永久資本工具(二零一五年：無)。該永久資本工具並無期限，且分派的支付可由本公司酌情予以遞延。截至二零一六年十二月三十一日止年度並無永久資本工具持有人應佔溢利。

Management Discussion and Analysis

管理層討論及分析

Pledge of Assets

As at 31 December 2016, the Group had borrowings of approximately RMB688.5 million which were secured by the Group's land use rights, shares of a subsidiary and a joint venture (31 December 2015: borrowings of approximately RMB153.9 million were secured by land use rights and property, plant and equipment of the Group, non-controlling interests and external parties). As at 31 December 2016, the Group had borrowings of approximately RMB1,141.3 million (31 December 2015: approximately RMB659.5 million) which were secured by right of charges from concession projects of tap water supply and wastewater treatment and BT projects.

Capital Commitments

The Group's capital commitments increased by RMB2,872.4 million from approximately RMB1,810.8 million as at 31 December 2015 to approximately RMB4,683.2 million as at 31 December 2016, representing an increase of approximately 158.6%. Such increase was primarily due to business expansion, the Group's increased investments in property, plant and equipment, BT and concession projects and business combinations.

Gearing Ratio

The Group's gearing ratio (calculated as net debt divided by total capital) increased from approximately 21.98% as at 31 December 2015 to approximately 36.52% as at 31 December 2016. The increase in gearing ratio was mainly due to the increased scale of debt financing during the Reporting Period.

The IPO of the Company and the Use of Proceeds from the IPO

The H shares of the Company were listed on the Stock Exchange on 27 May 2015. After completion of the IPO, the total number of the Company's H shares was 363,713,900 (including the H shares converted from domestic shares on a one-for-one basis). The proceeds from the IPO after deducting the relevant listing expenses were approximately HK\$1,739 million. The utilization of which is in line with the information as disclosed in the prospectus of the Company dated 13 May 2015. As at 31 December 2016, the Group has utilized proceeds of approximately HK\$1,715 million, and unutilized proceeds amounted to approximately HK\$24 million.

資產抵押

於二零一六年十二月三十一日，本集團約人民幣688.5百萬元借款由本集團的土地使用權、應佔一家附屬公司及一家合營公司股權份額作擔保(二零一五年十二月三十一日：約人民幣153.9百萬元借款由本集團、非控股權益及第三方的土地使用權及物業、廠房及設備作擔保)。截至二零一六年十二月三十一日，本集團約人民幣1,141.3百萬元(二零一五年十二月三十一日：約人民幣659.5百萬元)借款由自來水供應及污水處理特許經營項目及BT項目的抵押權作擔保。

資本承擔

本集團的資本承擔由二零一五年十二月三十一日約人民幣1,810.8百萬元增加人民幣2,872.4百萬元至二零一六年十二月三十一日約人民幣4,683.2百萬元，增幅約158.6%。該項增加主要由於隨着業務的擴張，本集團加大了物業、廠房及設備以及BT項目及特許經營項目等及業務合併的投入。

資產與負債的比率

本集團資產與負債的比率(按淨債務除以總資本計算)由二零一五年十二月三十一日的約21.98%增至二零一六年十二月三十一日的約36.52%。資產與負債的比率上升主要乃由於報告期內債務融資規模增加導致。

本公司首次公開發售以及首次公開發售所得款項用途

本公司H股於二零一五年五月二十七日在聯交所上市。於首次公開發售完成後，本公司H股總數為363,713,900股(包括由內資股股份以一兌一基準轉換而成的H股)。經扣除相關上市開支後，首次公開發售所得款項約為1,739百萬港元。所得款項用途與本公司日期為二零一五年五月十三日的招股章程所披露資料相符，且截至二零一六年十二月三十一日本集團已使用所得款項約1,715百萬港元，尚未使用所得款項約24百萬港元。

Employees and Remuneration Policy

As at 31 December 2016, the Group employed 3,666 employees (31 December 2015: 2,005). For the year ended 31 December 2016, staff cost was approximately RMB264.3 million (for the year ended 31 December 2015: RMB148.3 million). The Group will strive to ensure that the remuneration level of employees is in line with industry practices and prevailing market conditions, and remunerations of employees will be determined based on their performance. The remuneration package provided to employees also includes basic and floating salaries, discretionary bonus and staff benefits. The Group also provides external and internal training programs for its employees.

The Group did not experience any significant labour disputes causing any material impact on its normal business operations.

Foreign Exchange Risk

The Group principally operates in the PRC with most of the transactions being settled in RMB, which is the functional currency of most of the group entities. The Group also has certain subsidiaries in foreign operations. Foreign exchange risk arises from the recognised assets and liabilities and net investments in foreign operations. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through operating and financing activities denominated in the relevant foreign currencies. The group entities are exposed to foreign exchange risk of foreign currencies other than their functional currencies, primarily with respect to the US dollars ("US\$"), Euro ("EUR"), and Hong Kong dollars ("HK\$") (together "Non-functional Currencies").

As at 31 December 2016 and 2015, the group entities within the Group had more financial liabilities than financial assets denominated in Non-functional Currencies. Fluctuations in exchange rates between the functional currencies of respective group entities and Non-functional Currencies in which the group entities conducts business may affect the Groups financial position and results of operations. The Group seeks to limit its exposure to foreign currency risk by closely monitoring and minimizing its net foreign currency position. During the Reporting Period, the Group did not have any derivative financial instrument to hedge its foreign currency exposure.

Contingent Liabilities

As at 31 December 2016, the Group did not have any significant contingent liabilities.

僱員及薪酬政策

於二零一六年十二月三十一日，本集團聘用3,666名僱員(二零一五年十二月三十一日：2,005名)。截至二零一六年十二月三十一日止年度，員工成本約為人民幣264.3百萬元(截至二零一五年十二月三十一日止年度：人民幣148.3百萬元)。本集團將致力確保僱員薪酬水準符合行業慣例及現行市場情況，而僱員薪酬乃基於彼等的表現釐定。為僱員提供的薪酬待遇亦包括基本及浮動薪資、酌情花紅及員工福利。本集團亦為僱員提供外部及內部培訓計劃。

本集團並無任何重大勞務糾紛對本集團正常業務營運產生重大影響。

外匯風險

本集團主要在中國經營業務，大部分交易以人民幣結算，人民幣為大部分集團公司的功能貨幣。本集團亦有若干附屬公司經營境外業務。外匯風險來自境外業務的可辨認資產及負債和投資淨額。本集團境外業務淨資產所產生的貨幣風險，主要透過以相關外幣計值的經營及融資活動進行管理。集團實體承受其功能貨幣以外外幣的外匯風險，主要涉及美元(「美元」)、歐元(「歐元」)及港元(「港元」)(統稱「非功能貨幣」)。

於二零一六年及二零一五年十二月三十一日，本集團各集團實體以非功能貨幣計值的金融負債超過金融資產。各集團實體的功能貨幣與各集團實體經營業務的非功能貨幣之間的匯率波動可能影響本集團的財務狀況及經營業績。本集團密切監察及盡量減少其外幣持倉淨額至最低水平以限制所需承擔的外幣風險。於報告期內，本集團並無使用衍生金融工具以對沖其外幣風險。

或然負債

截至二零一六年十二月三十一日，本集團並無任何重大或然負債。

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Final Dividend

The Board has resolved to declare a final dividend of RMB0.1 per share (tax included) for the year ended 31 December 2016. The proposed distribution of final dividend by the Company is subject to approval at the forthcoming annual general meeting. Upon approval, the final dividend will be paid on or before 28 July 2017.

SIGNIFICANT INVESTMENTS AND ACQUISITIONS

- On 9 December 2016, the Company entered into a joint venture agreement with Haining Municipal Water Investment Group Co., Limited* (海寧市水務投資集團有限公司) in relation to the establishment of Zhejiang Haiyun Environmental Protection Company Limited* (浙江海雲環保有限公司) as a joint venture company in Haining, Zhejiang Province, the PRC, with a total investment amount of RMB1,100,000,000.
- On 1 November 2016, Yunnan Water (HK) entered into a joint venture agreement with Penglai Urban Construction Investment Group Co., Ltd.* (蓬萊市城市建設投資集團有限公司) in relation to the establishment of Shandong Yunshui Xianjing Environmental Protection Investment Company, Ltd.* (山東雲水仙境環保投資有限公司) as a joint venture company in Penglai, Shandong Province, the PRC, with a total investment amount of US\$100,000,000.
- On 24 October 2016, the Company (as purchaser) entered into an equity transfer agreement with Yunnan Zhengxiao Cables Co., Ltd.* (雲南正曉電纜有限公司) (as vendor) in relation to the acquisition of 40% equity interest of Yunnan Zhengxiao Environmental Protection Investment Co., Ltd.* (雲南正曉環保投資有限公司) at a consideration of RMB220,000,000.
- On 28 July 2016, Yunnan Water (HK) (as purchaser) and the Company (as purchaser's guarantor) entered into a sale and purchase agreement with Mitsui & Co., Ltd in relation to the acquisition of 50% interest in Galaxy NewSpring Pte. Ltd. at a consideration of US\$100,000,000. On 26 October 2016, Yunnan Water (HK) (as purchaser) and the Company (as purchaser's guarantor) entered into a sale and purchase agreement with Hyflux Asset Management Pte. Ltd. (as vendor) and Hyflux Ltd. (as vendor's guarantor) in relation to the acquisition of the remaining 50% interest in Galaxy NewSpring Pte. Ltd. at a consideration of US\$136,500,000.

末期股息

董事會議決宣派截至二零一六年十二月三十一日止年度的末期股息，每股人民幣0.1元(含稅)。建議派發末期股息須待本公司應屆股東週年大會批准後，方可作實。經批准後，末期股息將於二零一七年七月二十八日或之前派發。

重大投資及收購

- 於二零一六年十二月九日，本公司與海寧市水務投資集團有限公司就於中國浙江省海雲市內合資設立浙江海雲環保有限公司訂立合資協議，總投資額為人民幣1,100,000,000元。
- 於二零一六年十一月一日，雲南水務(香港)與蓬萊市城市建設投資集團有限公司就於中國山東省蓬萊市內合資設立山東雲水仙境環保投資有限公司訂立合資協議，總投資額為100,000,000美元。
- 於二零一六年十月二十四日，本公司(作為買方)與雲南正曉電纜有限公司(作為賣方)訂立股權轉讓協議，內容有關以代價人民幣220,000,000元收購雲南正曉環保投資有限公司的40%股權。
- 於二零一六年七月二十八日，雲南水務(香港)(作為買方)與本公司(作為買方之擔保人)與三井物產株式會社訂立買賣協議，內容有關以代價100,000,000美元收購Galaxy NewSpring Pte. Ltd.的50%權益。於二零一六年十月二十六日，雲南水務(香港)(作為買方)及本公司(作為買方之擔保人)與Hyflux Asset Management Pte. Ltd.(作為賣方)及Hyflux Ltd.(作為賣方之擔保人)就按代價136,500,000美元收購Galaxy NewSpring Pte. Ltd.剩餘的50%權益訂立買賣協議。

- On 21 April 2016, the Company (as purchaser) entered into an equity transfer agreement with Heilongjiang Chenery Investment Group Company Limited* (黑龍江辰能投資集團有限責任公司) and Heilongjiang Chenery Hit High-Tech Venture Capital Co., Ltd* (黑龍江辰能哈工大高科技風險投資有限公司) (collectively, as vendors) in relation to the acquisition of 75.51% equity interest in Harbin Yun Shui Gong Da Environmental Technology Co., Ltd.* (哈爾濱雲水工大環保科技股份有限公司) (formerly known as “Harbin Chenery & Hit Environmental Technology Co., Ltd.* (哈爾濱辰能工大環保科技股份有限公司)”) and its subsidiaries at a consideration of RMB158,000,000. The acquisition was completed on 4 August 2016.
- On 11 January 2016, the Company (as purchaser) entered into an equity transfer agreement with Environmental Experts (China) Development & Investment Company Limited (專業環保(中國)投資開發有限公司) and Hong Kong Rich Investment Limited (香港年峰投資有限公司) (collectively, as vendors) in relation to the acquisition of 100% equity interest in Harbin Guo Huan Medical Solid Waste Harmless Centralized Disposal Center Co., Ltd.* (哈爾濱國環醫療固體廢物無害化集中處置中心有限公司) at a consideration of RMB290,641,420. The acquisition was completed on 2 June 2016.
- On 21 December 2015, Yunnan Water (HK) (as purchaser) entered into an equity transfer agreement with Mr. Wang Zhi (as vendor), Future International Group Co., Ltd. (“**Future International**”) and Huize Water (Qingzhou) Company Limited* (暉澤水務(青州)有限公司) in relation to the sale and purchase of 65% interest in Future International at a consideration of RMB292,500,000. The acquisition was completed on 8 January 2016.
- 於二零一六年四月二十一日，本公司(作為買方)與黑龍江辰能投資集團有限責任公司及黑龍江辰能哈工大高科技風險投資有限公司(統稱賣方)就以代價人民幣158,000,000元收購哈爾濱雲水工大環保科技股份有限公司(前稱「哈爾濱辰能工大環保科技股份有限公司」)及其附屬公司的75.51%股權訂立股權轉讓協議。該收購於二零一六年八月四日完成。
- 於二零一六年一月十一日，本公司(作為買方)與專業環保(中國)投資開發有限公司及香港年峰投資有限公司(統稱賣方)就以代價人民幣290,641,420元收購哈爾濱國環醫療固體廢物無害化集中處置中心有限公司的100%股權訂立股權轉讓協議。該收購於二零一六年六月二日完成。
- 於二零一五年十二月二十一日，雲南水務(香港)(作為買方)與王志先生(作為賣方)、暉澤集團有限公司(「暉澤」)及暉澤水務(青州)有限公司就以代價人民幣292,500,000元買賣暉澤的65%權益訂立股權轉讓協議。該收購於二零一六年一月八日完成。

For details of the above-mentioned significant investments and acquisitions, please refer to the announcements published by the Company on 9 December 2016, 1 November 2016, 24 October 2016, 28 July 2016, 26 October 2016, 21 April 2016, 11 January 2016 and 21 December 2015, respectively.

有關上述重大投資及收購事項的詳情，請參閱本公司分別於二零一六年十二月九日、二零一六年十一月一日、二零一六年十月二十四日、二零一六年七月二十八日、二零一六年十月二十六日、二零一六年四月二十一日、二零一六年一月十一日及二零一五年十二月二十一日刊發的公告。

Management Discussion and Analysis

管理層討論及分析

Subsequent Events:

- On 30 November 2015, Yunnan Metropolitan Construction Investment Co., Ltd.* (雲南省城市建設投資集團有限公司) (“YMCI”) has pledged the 100% equity interests (the “Equity Pledge”) in Yunnan Province Water Industry Investment Co., Ltd.* (雲南省水務產業投資有限公司) in favour of a financial institution as security for a loan of YMCI. On 23 March 2017, the Company was informed that the Equity Pledge has been released.
- On 26 October 2016, Yunnan Water (HK) entered into an equity sale and purchase agreement with Hyflux Asset Management Pte. Ltd. and Hyflux Ltd. to acquire the remaining 50% equity interest in Galaxy NewSpring Pte. Ltd. at the consideration of US\$136,500,000. The acquisition was completed on 15 March 2017.
- On 25 January 2017, the Company and Yunnan Sidu Investment Management Co., Ltd.* (雲南斯度投資管理有限公司) entered into a joint venture agreement in relation to the establishment of Yunnan Solid Waste Investment Co., Ltd.* (雲南固廢投資有限公司) as a joint venture company in Yunnan Province, the PRC, with a total investment amount of RMB500,000,000.
- On 17 January 2017, the Shanghai Stock Exchange has officially announced that it has no objection to the Company’s application for the non-public issuance of the renewable corporate green bonds with maximum principal of RMB1,800,000,000 to qualified investors in the PRC.
- On 5 January 2017, the National Development and Reform Commission of the PRC has officially approved the public issuance of the green bond at nominal value of not exceeding RMB550,000,000 by the Company.

For details of the above-mentioned subsequent events, please refer to the announcements published by the Company on 23 March 2017, 15 March 2017, 25 January 2017, 17 January 2017 and 5 January 2017, respectively.

報告期後事項：

- 於二零一五年十一月三十日，雲南省城市建設投資集團有限公司（「雲南城投」）將其持有雲南省水務100%股權質押（「股權質押」）予一間金融機構作為雲南城投貸款的質押擔保。於二零一七年三月二十三日，本公司獲知會股權質押已獲解除。
- 於二零一六年十月二十六日，雲南水務（香港）與Hyflux Asset Management Pte. Ltd. 及Hyflux Ltd. 訂立股權買賣協議，以收購Galaxy NewSpring Pte. Ltd. 剩餘50%的股權，代價為136,500,000美元。該項收購於二零一七年三月十五日完成。
- 於二零一七年一月二十五日，本公司與雲南斯度投資管理有限公司就於中國雲南省內合資設立雲南固廢投資有限公司訂立合資協議，總投資額為人民幣500,000,000元。
- 於二零一七年一月十七日，上海證券交易所已正式宣佈其對於本公司申請向中國合格投資者非公開發行最高本金人民幣1,800,000,000元的可續期綠色公司債券並無異議。
- 於二零一七年一月五日，中國國家發展和改革委員會已正式批准本公司公開發行面值不超過人民幣550,000,000元的綠色債券。

有關上述期後事項的詳情，請參閱本公司分別於二零一七年三月二十三日，二零一七年三月十五日、二零一七年一月二十五日、二零一七年一月十七日及二零一七年一月五日刊發的公告。

EXECUTIVE DIRECTORS AND NON-EXECUTIVE DIRECTORS

Mr. Jiao Jun (“Mr. Jiao”), aged 60, joined the Group as non-executive Director of the Company in May 2014 and was appointed as the acting Chairman of the Company and the acting chairman of the Nomination Committee on 24 February 2017 until the appointment of the new Chairman and the chairman of the Nomination Committee. Mr. Jiao obtained a bachelor’s degree in solid mechanics from Lanzhou University in Lanzhou in January 1982, and a master’s degree in earthquake engineering from Yunnan College of Engineering in Yunnan in July 1987. Mr. Jiao obtained the qualification of senior engineer in engineering management in February 1996. Mr. Jiao is mainly responsible for formulating the Company’s business development strategies and providing advice on audit and risk management. He has extensive and professional working experience in environmental and water works industry. Mr. Jiao has served as lecturers in Southwest Forestry University and Yunnan Technology University. Mr. Jiao held different positions in various departments of the Department of Construction of Yunnan between 1988 and 2011, including clerk for deputy director, clerk for director, deputy director, director of the office of anti-earthquake command headquarters, head of the anti-earthquake department and head of the financial planning department. He has been the deputy general manager of YMCI since June 2011. Mr. Jiao has been appointed as director of Yunnan Circular Economy Investment Co., Ltd. (“**Circular Economy**”) (which was held by YMCI and Yunnan Province Water) since December 2013 and was appointed as chairman in July 2014. He has been appointed as executive director of Kunming Future City Development Co., Ltd. since September 2014.

執行董事及非執行董事

焦軍先生(「焦先生」)，60歲，於二零一四年五月加入本集團擔任本公司非執行董事，並於二零一七年二月二十四日獲委任為本公司代主席及提名委員會代主席，任期直至委任新的主席及提名委員會主席為止。焦先生於一九八二年一月取得蘭州市蘭州大學固體力學學士學位，並於一九八七年七月取得雲南省雲南工學院地震工程碩士學位。焦先生於一九九六年二月取得工程管理高級工程師資格。焦先生主要負責制定本公司業務發展策略並就審計及風險管理提出意見。彼在環保及水務行業擁有豐富的專業工作經驗。焦先生曾於西南林業大學、雲南省雲南工學院擔任講師。焦先生於一九八八年至二零一一年期間在雲南省建設廳多個部門擔任副主任科員、主任科員、副主任、抗震指揮部辦公室主任、抗震處處長、計劃財務處處長。彼自二零一一年六月起一直擔任雲南城投集團的副總經理。焦先生自二零一三年十二月起擔任雲南循環經濟投資有限公司(「循環經濟」)(由雲南城投集團及雲南省水務持有)的董事及於二零一四年七月擔任主席。彼於二零一四年九月起至擔任昆明未來城開發有限公司的執行董事。

Directors, Supervisors and Senior Management 董事、監事及高級管理人員

Mr. He Yuanping (“Mr. He”), aged 50, joined our Group in June 2011 as a non-executive Director of the Company. Mr. He obtained a bachelor’s degree in engineering from Nanjing University of Science and Technology in Nanjing in July 1987. He also completed a master’s degree in mechanical engineering in Beijing University of Science and Technology in Beijing in February 1992 and obtained a master’s degree in finance from the Victoria University of Wellington in New Zealand in July 2000. He is mainly responsible for formulating the Company’s business strategies and providing advice on audit and risk management. He has more than ten years of management experience in large-scale enterprises and the water works industry. Mr. He was appointed as director, deputy general manager and chief financial officer of Beijing OriginWater Science and Technology Development Co., Ltd. (predecessor of Beijing OriginWater) from September 2005 to June 2007. Mr. He was appointed as director, deputy general manager, chief financial officer and secretary to the Board of Directors of Beijing OriginWater since June 2007. He has been appointed as chairman and director of a number of subsidiaries of Beijing OriginWater since May 2011. Mr. He has been appointed as director of Wuhan Sanzhen Industry Holding Co., Ltd. (a company listed and traded its shares on the Shanghai stock exchange, stock code: 600168) since November 2013. He has been appointed as an independent director of Telestone Technology Corporation (a company listed on Nasdaq, stock code: TSTC) since November 2011.

何願平先生(「何先生」)，50歲，於二零一一年六月加入本集團擔任本公司非執行董事。何先生於一九八七年七月取得南京市南京理工大學工程學學士學位。彼亦於一九九二年二月完成北京市北京科技大學的機械工程碩士學位，並於二零零零年七月取得新西蘭惠靈頓維多利亞大學的金融碩士學位。彼主要負責制定本公司業務策略，並就審計及風險管理提出意見。彼擁有逾十年的大型企業及水務行業管理經驗。何先生自二零零五年九月起至二零零七年六月擔任北京碧水源科技發展有限公司(北京碧水源的前身)的董事、副總經理兼財務總監。何先生自二零零七年六月起擔任北京碧水源的董事、副總經理、財務總監兼董事會秘書。彼自二零一一年五月起擔任北京碧水源多間附屬公司的主席及董事。何先生於二零一三年十一月起擔任武漢三鎮實業控股股份有限公司(於上海證券交易所上市及買賣其股份的公司，股份代號：600168)的董事；彼於二零一一年十一月起擔任Telestone Technology Corporation(納斯達克上市公司，股份代號：TSTC)的獨立董事。

Directors, Supervisors and Senior Management 董事、監事及高級管理人員

Mr. Feng Zhuangzhi (“Mr. Feng”), aged 41, joined our Group in June 2013 as non-executive Director of the Company. Mr. Feng obtained a bachelor’s degree in economics from the Central University of Finance and Economics in Beijing in July 1997 and a master’s degree in business administration from a joint university programme organized by the Chinese University of Hong Kong and Tsinghua University in Beijing in December 2005. He is mainly responsible for formulating corporate and business strategies and providing advice on audit and risk management. Mr. Feng has more than 15 years of senior management experience in large-scale enterprises and the water works industry. Mr. Feng has been appointed as director of Finergy Guangda (Tianjin) Capital Partners (Limited Partnership) since May 2011. Mr. Feng has been appointed as general manager and managing director of Yunnan Finergy Tongda Investment Fund Management Co. Ltd. since March 2012. Mr. Feng has been appointed as a member of the investment management committee of Yunnan Energy-saving Environmental Protection Venture Capital Fund Partnership (Limited Partnership) since December 2012. Mr. Feng has been appointed as director of Shandong Higer Information Technology Co., Limited (山東海格爾信息技術股份有限公司) (shares of which listed on the New Third Board, stock code: 834482) since August 2015.

馮壯志先生(「馮先生」)，41歲，於二零一三年六月加入本集團擔任本公司非執行董事。馮先生於一九九七年七月取得北京市中央財經大學經濟學學士學位，並於二零零五年十二月取得香港中文大學與北京清華大學的聯合大學計劃工商管理碩士學位。彼主要負責制定公司及業務策略並就審計及風險管理提出意見。馮先生擁有逾15年在大型企業及水務行業擔任高級管理層的經驗。於二零一一年五月起，馮先生擔任融源廣達(天津)股權投資管理合夥企業(有限合夥)的董事。於二零一二年三月起，馮先生歷任雲南融源通達股權投資基金管理有限公司的總經理及董事總經理。於二零一二年十二月起，馮先生擔任雲南融源節能環保創業投資基金合夥企業(有限合夥)的投資管理委員會成員。於二零一五年八月起，馮先生擔任山東海格爾信息技術股份有限公司(其股份於新三板上市，股份代號：834482)的董事。

Directors, Supervisors and Senior Management

董事、監事及高級管理人員

Mr. Yu Long (“Mr. Yu”), aged 45, joined the Company in June 2011 as executive Director and Chief Executive Officer of the Company. Mr. Yu obtained a MBA degree from Guanghua School of Management, Peking University in Beijing in July 2013. Mr. Yu won the “Yunnan Labour Medal” awarded by Yunnan Provincial Union Federation in 2012 and 2013 and the “Yunnan 2008-2012 town wastewater and household waste treatment facilities construction advancement - personal award” granted by the People’s Government of Yunnan Province. Mr. Yu is mainly responsible for the overall operation and management, strategic planning and business development of the Company. Mr. Yu has more than 14 years of experience in environmental and water works industry, market development, project management, investment capital management, and risk control management. Mr. Yu has been appointed as part-time professor of the Urban Construction and Management School of Yunnan University and the Environmental Science and Engineering School of Kunming University of Technology successively since April 2012. Mr. Yu was appointed as general manager of water works division and deputy general manager of Beijing Tsinghua Novel Environmental Protection Company Limited between July 2003 and August 2007. Mr. Yu was appointed as project management director of Kardan Water Group Limited between August 2007 and July 2008. Between July 2008 and April 2009, Mr. Yu was appointed as the deputy general manager of Ruoshi (Beijing) Investment Co., Ltd. Between May 2009 and October 2012, Mr. Yu was appointed as the sales director and the deputy general manager of Beijing OriginWater. Mr. Yu has been appointed as chairman or director of various subsidiaries of our Company since January 2011.

于龍先生(「于先生」)，45歲，於二零一一年六月加入本公司擔任本公司執行董事兼行政總裁。于先生於二零一三年七月取得北京市北京大學光華管理學院工商管理碩士學位。于先生先後於二零一二年及二零一三年，分別獲雲南省總工會頒發「雲南省五一勞動獎章」及雲南省人民政府授予「雲南省2008-2012年城鎮污水生活垃圾處理設施建設先進個人」。于先生主要負責本公司的整體經營及管理、策略規劃及業務發展。于先生於環保及水務行業、市場開發、項目管理、投資資本管理及風險控制管理擁有逾14年經驗。于先生自二零一二年四月起先後於雲南大學城市建設與管理學院及昆明理工大學環境科學與工程學院擔任兼職教授。於二零零三年七月至二零零七年八月期間，于先生擔任北京清華永新環保有限公司的副總經理及水務部門的總經理。於二零零七年八月至二零零八年七月期間，于先生擔任凱丹水務國際有限集團的項目管理總監。於二零零八年七月至二零零九年四月，擔任若石(北京)投資有限公司的副總經理。於二零零九年五月至二零一二年十月，彼擔任北京碧水源的銷售總監及副總經理。彼自二零一一年一月起於本公司之多家附屬公司擔任主席或董事。

Directors, Supervisors and Senior Management 董事、監事及高級管理人員

Mr. Liu Xujun (“Mr. Liu”), aged 44, joined our Group in June 2011 as executive Director and Deputy Chief Executive Officer of the Company, and was subsequently appointed as chief engineer in December of the same year. Mr. Liu obtained a bachelor’s degree in water supply and drainage engineering from Tongji University in Shanghai in July 1995. Later, he further obtained a master’s degree in environmental engineering from Kunming University of Science & Technology in Kunming in June 2009, and he currently is still pursuing research studies for doctor of philosophy in environment engineering at Tongji University in Shanghai. Mr. Liu was qualified as a senior engineer specialized in water supply and drainage in September 2006 by the Kunming Architecture Senior Engineer Certifying Committee (昆明市建築工程高級工程師評審委). He was also qualified as a professional manager in June 2007 by the Human Resources and Social Security Bureau of Yunnan Province of the PRC. Mr. Liu has become a member of the International Water Association (IWA) (國際水協) since January 2013. He subsequently qualified as a professorate senior engineer specialized in water supply and drainage in November 2014 by the Yunnan Professorate Senior Engineer Certifying Committee (雲南省正高級工程師評審委員會). Mr. Liu is mainly responsible for the overall operation and management, strategic planning and business development of the Company. Mr. Liu has more than 19 years of technical experience in the water works industry, including 5 years of senior management experience in water works enterprises. Mr. Liu served as engineering staff in Kunming Municipal Sewerage Co., Ltd., a deputy director and later a director of World Bank project office between July 1995 and October 2005. Mr. Liu worked as a procurement specialist for the World Bank Resident Mission from December 2007 to October 2009. He was appointed as chief engineer and deputy general of Yunnan Province Water from January 2010 to June 2011 and has been appointed as a director of Circular Economy since December 2013.

劉旭軍先生(「劉先生」)，44歲，於二零一一年六月加入本集團擔任本公司執行董事兼副總裁，其後於同年十二月兼任總工程師。劉先生於一九九五年七月取得上海同濟大學給水排水工程專業學士學位。其後於二零零九年六月取得昆明市昆明理工大學環境工程碩士學位，現時劉先生仍在持續進修，攻讀上海同濟大學環境工程博士學位。劉先生於二零零六年九月取得昆明市建築工程高級工程師評審委頒發的給排水高級工程師資格。彼亦於二零零七年六月取得中國雲南省人力資源和社會保障廳頒發的職業經理人資格。劉先生自二零一三年一月起成為IWA國際水協的會員。其後於二零一四年十一月取得雲南省正高級工程師評審委員會頒發的給排水正高級工程師資格。劉先生主要負責本公司整體經營及管理、策略規劃及業務發展。劉先生在水務行業擁有逾19年的技術經驗，其中包括5年在水務企業擔任高級管理層的經驗。劉先生於一九九五年七月至二零零五年十月在昆明市城市排水公司擔任工程人員、世界銀行項目辦事處副總監，其後升任為總監。於二零零七年十二月至二零零九年十月，劉先生擔任世界銀行中國代表處的採購專家。彼於二零一零年一月至二零一一年六月獲委任為雲南省水務的總工程師及副總經理及自二零一三年十二月起，擔任循環經濟的董事。

Directors, Supervisors and Senior Management 董事、監事及高級管理人員

Mr. Huang Yunjian (“Mr. Huang”), aged 51, joined our Group in December 2011 as Deputy Chief Executive Officer of the Company, and was subsequently appointed as executive Director and Deputy Chief Executive Officer of the Company in August 2012. Mr. Huang obtained a degree in environment engineering from Kunming University of Science and Technology in Kunming in July 1988. He obtained a certificate for senior research studies on modern economics in 2005 and a certificate for the “Western China Environmental Infrastructure Technologies and Projects” course in December 2005. Mr. Huang further obtained the qualification of a Chinese career manager in June 2006 awarded by Chinese Career Manager Coalition. He is mainly responsible for management, strategic planning and business development of our Group. He has more than 17 years of experience in operation management and senior management in water works related companies. Mr. Huang was appointed as engineer and plant manager of the 4th plant of Kunming Municipal Sewerage Co., Ltd. from April 1998 to June 2005. Mr. Huang was appointed as the legal representative, executive director and general manager of Kunming Wastewater Treatment Co. Ltd. between June 2005 and July 2008. Mr. Huang was appointed as assistant to the general manager and deputy general manager of Yunnan Province Water, our controlling shareholder, between January 2010 and June 2011. Mr. Huang also served as legal representative and director in a number of subsidiaries of the Company. In addition, Mr. Huang was also appointed as a part-time professor of Kunming University of Science and Technology since January 2013. And Mr. Huang has been appointed as director of Yunnan Fengyuan Water Co., Ltd. (which was held by YMCI) since March 2014.

黃雲建先生(「黃先生」)，51歲，於二零一一年十二月加入本集團擔任本公司副總裁，其後於二零一二年八月獲委任為本公司執行董事兼副總裁。黃先生於一九八八年七月取得昆明市昆明理工大學環境工程學位。彼於二零零五年取得現代經濟管理高級研修班證書，及於二零零五年十二月取得「華西環保基建技術及項目(Western China Environmental Infrastructure Technologies and Projects)」課程證書。黃先生其後於二零零六年六月取得中國職業經理聯合會頒發的中國職業經理資格。彼主要負責本集團的管理、策略規劃及業務發展。彼在營運管理及擔任水務相關公司高級管理層方面擁有逾17年的經驗。黃先生於一九九八年四月至二零零五年六月擔任昆明市城市排水公司第四污水廠的工程師及工廠經理。於二零零五年六月至二零零八年七月期間，擔任昆明城市污水處理運營有限責任公司的法定代表、執行董事兼總經理。黃先生於二零一零年一月至二零一一年六月期間，擔任本公司控股股東雲南省水務的總經理助理及副總經理。黃先生亦擔任本公司多間附屬公司的法定代表兼董事。另外，黃先生自二零一三年一月起，擔任昆明理工大學的兼職教授。黃先生自二零一四年三月起，擔任雲南豐源水務股份有限公司(由雲南城投集團持有)的董事。

Directors, Supervisors and Senior Management 董事、監事及高級管理人員

Mr. Dai Richeng (“Mr. Dai”), aged 52, joined the Group in June 2016 as executive Director of the Company. Mr. Dai holds a master degree in environmental engineering from the Department of Chemical Engineering in Nanjing University of Science and Technology and a doctoral degree in environmental engineering of the Department of Environmental Engineering from Tsinghua University. Mr. Dai has extensive experience for about 30 years in the water treatment industry. He was an engineer at the Water Pollution Research Office of the Quan Jun Environmental Science Research Centre* (全軍環境科學研究中心水污染研究室) and later acted as a senior engineer in the China Water Pollution Research Centre* (中國水污染研究中心). From 1998 to 2010, Mr. Dai acted as the general manager and senior engineer in a subsidiary principally engaged in wastewater treatment of Tsinghua Tongfang Co., Ltd.* (同方股份有限公司), the shares of which are listed on the Shanghai Stock Exchange (stock code: 600100). From 2010 to 2012, he was the vice-president and senior engineer of Beijing Enterprises Water Group Limited (北控水務集團有限公司), the shares of which are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (stock code: 371). Since 2012, Mr. Dai has been the executive director of Beijing OriginWater, a substantial Shareholder of the Company, and the shares of which are listed on the Shenzhen Stock Exchange (stock code: 300070).

戴日成先生(「戴先生」), 52歲, 於二零一六年六月加入本集團擔任本公司執行董事。戴先生獲得南京理工大學化學工程系環境專業工學碩士及清華大學環境工程系環境工程專業工學博士學位。戴先生於水處理行業擁有約三十年的豐富經驗, 彼曾於全軍環境科學研究中心水污染研究室擔任工程師, 其後於中國水污染研究中心擔任高級工程師。戴先生於一九九八年至二零一零年期間, 於同方股份有限公司(其股份於上海證券交易所上市, 股份代號: 600100)以污水處理為主的附屬公司擔任總經理兼高級工程師。彼於二零一零年至二零一二年期間, 於北控水務集團有限公司(其股份於香港聯合交易所有限公司(「聯交所」)上市, 股份代號: 371)擔任副總裁兼高級工程師。戴先生自二零一二年起, 擔任本公司主要股東北京碧水源(其股份於深圳證券交易所上市, 股份代號: 300070)的執行董事。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Kwok For Chi (“Mr. Kwok”), aged 46, joined the Company as an independent non-executive Director in April 2015. Mr. Kwok obtained his bachelor’s degree in accounting and business administration from The Hong Kong University of Science and Technology in November 1994, and became a member of the Hong Kong Institute of Certified Public Accountants. Mr. Kwok has more than 15 years of experience in financial management and auditing, he worked in KPMG accountancy firm from August 1994 to October 2006. Mr. Kwok was appointed as the chief financial officer and company secretary of KFM Kingdom Holdings Limited, a company listed on the Stock Exchange (stock code: 3816), since February 2012. Prior to that, Mr. Kwok served as the chief financial officer and company secretary of Xing Yuan Power Holdings Company Limited from December 2010 to February 2012, the financial controller of Beijing Huaxia Real Estate Development Company Limited from October 2006 to December 2008, and Head of the Group Finance and Investment Centre of Hopson Development Holdings Limited, a company listed on the Stock Exchange (stock code: 754), from April 2008 to November 2009.

獨立非執行董事

郭科志先生(「郭先生」), 46歲, 於二零一五年四月加入擔任本公司之獨立非執行董事。郭先生於一九九四年十一月自香港科技大學獲得會計工商管理學士學位, 並為香港會計師公會會員。郭先生擁有逾15年財務管理及審計經驗, 彼曾於一九九四年八月至二零零六年十月任職於畢馬威會計事務所。郭先生自二零一二年二月起擔任金德控股有限公司(於聯交所上市之公司, 股份代號: 3816)的首席財務官及公司秘書。此前, 二零一零年十二月至二零一二年二月期間, 郭先生擔任興源動力控股有限公司的首席財務官及公司秘書; 於二零零六年十月至二零零八年十二月期間, 擔任北京華夏創業房地產開發有限公司的財務總監及二零零八年四月至二零零九年十一月擔任合生創展集團有限公司(於聯交所上市之公司, 股份代號: 754)的集團財務及投資中心主任。

Directors, Supervisors and Senior Management 董事、監事及高級管理人員

Mr. Ma Shihao (“Mr. Ma”), aged 78, joined the Group in August 2014 as independent non-executive Director of the Company. Mr. Ma obtained a bachelor’s degree in water supply and drainage study of civil engineering from Tsinghua University in Beijing in January 1963. Mr. Ma was qualified as an engineer specialized in radioactive wastewater treatment in December 1979 by the National Cadre Bureau of Science and Technology, and qualified as a senior engineer specialized in wastewater treatment in August 1987 and as a senior engineer (professor level) specialized in environmental engineering in November 1995 by the Beijing Senior Professional and Technical Personnel Certifying Committee. He is mainly participating in making significant decisions and providing independent advice on corporate governance, connected transactions and matters of corporate operations. Mr. Ma has more than 50 years of working experience in the water industry. He worked in Beijing Environmental Protection Technology Research Centre between January 1963 and January 1999, and was subsequently appointed as a member of the Shandong Xiaoqinghe Wastewater Treatment Construction Technology Advisory Committee. Mr. Ma was appointed as independent director of Beijing OriginWater between September 2007 and April 2014. Mr. Ma is the author of the Beijing discharge standard of water pollutants for municipal wastewater treatment plants (DB11/890-2012) promulgated by Beijing People’s Government in May 2012 and the second amendment of the Beijing integrated discharge standard of water pollutants (DB11/307-2013) promulgated by Beijing People’s Government in December 2013. Mr. Ma was awarded by the Ministry of Environmental Protection and the Beijing Municipal Management Committee for preparing various feasibility reports on wastewater treatment. Mr. Ma was awarded for his book, “The Book of Practical Water Treatment Technology” in September 2002 published by China Petroleum & Chemical Industry Federation.

馬世豪先生(「馬先生」)，78歲，於二零一四年八月加入本集團擔任本公司獨立非執行董事。馬先生於一九六三年一月取得北京清華大學土木工程給水排水研究學士學位。馬先生於一九七九年十二月考獲國家科學技術幹部局所授放射性污水處理工程師資格，並於一九八七年八月及一九九五年十一月先後取得北京市高級專業技術職務評審委員會頒發的污水處理高級工程師資格及環境工程高級工程師(教授級)資格。彼主要參與本集團重大決策，並就企業管治、關連交易及公司運營事宜提出獨立意見。馬先生擁有逾50年的水務行業工作經驗，彼曾於一九六三年一月至一九九九年一月期間就職於北京市環境保護科學研究院，其後獲委任為山東小清河污水治理工程技術顧問委員會委員。馬先生於二零零七年九月至二零一四年四月擔任北京碧水源的獨立董事。馬先生為北京市人民政府於二零一二年五月頒佈的北京市城鎮污水處理廠水污染物排放標準(DB11/890-2012)及北京市人民政府於二零一三年十二月頒佈的北京市水污染物綜合排放標準(DB11/307-2013)二次修訂的作者。馬先生因曾編製多份有關污水治理的可行性報告而獲得環保部獎勵及北京市市政市容管理委員會的獎勵。馬先生因其於二零零二年九月由中國石油和化學工業聯合會刊發的《實用水處理技術叢書》一書而獲得獎勵。

Directors, Supervisors and Senior Management 董事、監事及高級管理人員

Mr. Ren Gangfeng (“Mr. Ren”), aged 39, joined the Group in August 2014 as independent non-executive Director of the Company. Mr. Ren obtained a bachelor’s degree in environmental planning and management from Kunming University of Science & Technology in Kunming in July 2000. He is mainly responsible for making significant business decisions and providing independent advice on corporate governance, connected transactions, various matters of Directors and senior management. Mr. Ren has more than 8 years of senior management experience in water works industry. In July 2007, Mr. Ren was appointed the engineer, project manager and the project director of China Urban Construction Design & Research Institute Company Limited. Since March 2010, Mr. Ren has been appointed as the legal representative and general manager of Yunnan Hong Feng Construction Work Company Limited.

Mr. Hu Song (“Mr. Hu”), aged 55, joined the Group in August 2014 as an independent non-executive Director of the Company. Mr. Hu obtained a master’s degree in western economics from Huazhong University of Science and Technology in Wuhan in December 2002. He is mainly participating in making significant business decisions and providing independent advice on corporate governance, connected transactions, various matters of Directors and scale management. Mr. Hu has approximately 13 years of experience as senior management in large-scale enterprises. Mr. Hu was appointed as the director of Shenzhen Yungong Investment Co., Ltd.* between March 2003 and February 2009. Mr. Hu was appointed as director of Zhaomao Capital Management Co., Ltd.* between August 2008 and November 2014. Since July 2013, Mr. Hu has been the consultant of Mission Hills Group.

任鋼鋒先生(「任先生」)，39歲，於二零一四年八月加入本集團擔任本公司獨立非執行董事。任先生於二零零零年七月取得昆明市昆明理工大學環境規劃及管理學士學位。彼主要負責參與本集團重大業務決策，並就企業管治、關連交易以及董事及高級管理層的多項事宜提出獨立意見。任先生擁有逾8年在水務行業擔任高級管理層的經驗。於二零零七年七月，任先生擔任中國城市建設研究院有限公司的工程師、項目經理及項目主管。自二零一零年三月起，任先生擔任雲南宏鋒工程設計諮詢有限公司法定代表人兼總經理。

胡松先生(「胡先生」)，55歲，於二零一四年八月加入本集團擔任本公司獨立非執行董事。胡先生於二零零二年十二月取得武漢市華中科技大學西方經濟學碩士學位。彼主要參與本集團重大業務決策，並就企業管治、關連交易以及董事及規模經營的多項事宜提出獨立意見。胡先生在大型企業擁有約13年擔任高級管理層的經驗。二零零三年三月至二零零九年二月期間，胡先生擔任深圳市允公投資有限公司董事。二零零八年八月至二零一四年十一月期間，胡先生擔任深圳市朝茂創業投資管理有限公司董事。自二零一三年七月起，胡先生擔任觀瀾湖集團顧問。

Directors, Supervisors and Senior Management 董事、監事及高級管理人員

SUPERVISORS

Ms. Wang Shuqin (“Ms. Wang”), aged 44, has been a shareholder representative Supervisor of the Company since June 2011. Ms. Wang obtained a bachelor’s degree in economics and management from Huazhong Agricultural University in June 1995, and a master’s degree in economics from Renmin University of China in January 2002. Ms. Wang was qualified as an enterprise legal adviser certified by SASAC in October 2006 and a senior accountant in May 2010 certified by Beijing Municipal Bureau of Human Resources and Social Security. Ms. Wang is mainly responsible for supervising Directors, managers and other management personnel to ensure compliance with laws and regulations, the Articles of Association and the resolution of Shareholders’ meetings. Ms. Wang has more than 8 years of experience in environmental and water works industry. She has been the manager of finance department and promoted to the deputy chief financial officer of Beijing OriginWater, since May 2007, and the supervisor of a number of subsidiaries of Beijing OriginWater since August 2011.

Ms. Li Bo (“Ms. Li”), aged 40, joined the Group in August 2014 as a shareholder representative Supervisor of the Company. Ms. Li obtained a master’s degree in business administration from Dalian University of Technology in Dalian in June 2008. She is mainly responsible for supervising the Directors, managers and other management personnel to ensure compliance with laws and regulations, the Articles of Association and the resolutions of Shareholders’ meetings. Ms. Li has more than 10 years of senior management experience in water works industry. Ms. Li was appointed as the deputy manager of the investment and financing department of YMCI, between April 2005 and May 2010 and was promoted as manager of the investment and financing department between May 2010 and May 2012. Since May 2012, Ms. Li has been acting as the board office director of YMCI. Ms. Li has also been appointed as the director of a number of subsidiaries of YMCI since January 2014.

監事

王淑琴女士(「王女士」)，44歲，自二零一一年六月起擔任本公司股東代表監事。王女士於一九九五年六月取得華中農業大學經濟管理學學士學位及於二零零二年一月取得中國人民大學經濟學碩士學位。彼於二零零六年十月獲國資委認證為企業法律顧問，並於二零一零年五月獲北京市人力資源和社會保障局認證為高級會計師。王女士主要負責監督董事、經理及其他管理層人員，以確保遵守法律及法規、公司章程及股東會議的決議案。王女士在環保及水務行業擁有逾8年經驗。彼自二零零七年五月起擔任北京碧水源的財務部經理其後升任財務副總監，自二零一一年八月起擔任北京碧水源多間附屬公司的監事。

李波女士(「李女士」)，40歲，於二零一四年八月加入本集團擔任本公司股東代表監事。李女士於二零零八年六月於大連市大連理工大學取得工商管理碩士學位。彼主要負責監督董事、經理及其他管理層人員，以確保遵守法律及法規、公司章程及股東會議的決議案。李女士擁有逾10年在水務行業擔任高級管理層的經驗。於二零零五年四月至二零一零年五月期間擔任雲南城投集團的投資及融資部副經理，並於二零一零年五月至二零一二年五月期間晉升為投資及融資部經理。自二零一二年五月起，李女士一直擔任雲南城投集團董事會辦公室主任。彼自二零一四年一月起亦擔任雲南城投集團多間附屬公司的董事。

Directors, Supervisors and Senior Management 董事、監事及高級管理人員

Ms. Yang Chuanyun (“Ms. Yang”), aged 39, joined the Group in June 2011 as an employee representative Supervisor of the Company. Ms. Yang obtained a bachelor’s degree in economic law in June 2000 and a master’s degree in economic law in June 2003 from China University of Political Science and Law in Beijing. She is currently the manager of the legal department of the Company. Ms. Yang is mainly responsible for supervising the Directors, managers and other management personnel to ensure compliance with laws and regulations, the Articles of Association and the resolutions of Shareholders’ meetings. Ms. Yang has more than 10 years of working experience in large-scale enterprises. Between September 2004 and July 2008, Ms. Yang was appointed as the legal consultant of Beijing Municipal Investment Company Limited. Ms. Yang served in the legal department of Yunnan Province Water, our controlling shareholder, between December 2009 and June 2011.

Ms. Tang Shuang (“Ms. Tang”), aged 32, joined the Group in January 2015 as an employee representative Supervisor of the Company. Ms. Tang obtained a bachelor’s degree in management from Yunnan University in Yunnan in July 2007. Ms. Tang obtained the qualification as an accountant in May 2006 awarded by the Ministry of Finance. She is responsible for supervising the Directors, managers and other management personnel to ensure compliance with laws and regulations, the Articles of Association and the resolutions of Shareholders’ meetings. Ms. Tang has more than 8 years of working experience in large-scale enterprises. Ms. Tang was an employee of the Yunnan branch office of Ping An Life Insurance Limited between July 2007 and June 2008, later she served as the accountant for the Beijing branch office of Ping An Property & Casualty Insurance Company of China Limited from July 2008 to March 2010. From March 2010 to February 2015, Ms. Tang served in the business department of Yunnan OriginWater Technology Company Limited. Since March 2015, Ms. Tang served in the bidding and procurement department of our Company.

楊川雲女士(「楊女士」)，39歲，於二零一一年六月加入本集團擔任本公司職工代表監事。楊女士分別於二零零零年六月及二零零三年六月取得北京市中國政法大學經濟法學士學位及經濟法碩士學位。彼現任本公司法務部經理。楊女士主要負責監督董事、經理及其他管理層人員，以確保遵守法律及法規、公司章程及股東會議的決議案。楊女士擁有逾10年的大型企業工作經驗。二零零四年九月至二零零八年七月期間，楊女士擔任北京市政投資有限公司的法務專員。二零零九年十二月至二零一一年六月期間，楊女士任職於我們的控股股東雲南省水務的法務部。

唐爽女士(「唐女士」)，32歲，於二零一五年一月加入本集團擔任本公司職工代表監事。唐女士於二零零七年七月在雲南取得雲南大學管理學學士學位。唐女士於二零零六年五月獲財政部授予會計師資格。彼負責監督董事、經理及其他管理層人員，以確保遵守法律及法規、公司章程及股東會議的決議案。唐女士擁有逾八年在大型企業工作的經驗。於二零零七年七月至二零零八年六月期間，唐女士在中國平安人壽保險股份有限公司雲南分行任職，其後於二零零八年七月至二零一零年三月期間在中國平安財產保險股份有限公司北京分行擔任會計師。於二零一零年三月至二零一五年二月期間，唐女士在雲南城投碧水源水務科技有限責任公司商務部任職。二零一五年三月起，唐女士在本公司招標採購部任職。

Directors, Supervisors and Senior Management 董事、監事及高級管理人員

Mr. Cao Jinwen (“Mr. Cao”), aged 39, joined our Group in January 2015 as an independent Supervisor of our Company. Mr. Cao obtained a bachelor’s degree in tourism management from Beijing Technology and Business University in June 2001, further obtained a master’s degree in business administration from Yunnan University in January 2009, and obtained the Membership Certificate of Certified Public Accountants in May 2013 from the Yunnan Provincial Institute of Certified Public Accountants. He is responsible for supervising the Directors, managers and other management personnel to ensure compliance with laws and regulations, the Articles of Association and the resolutions of Shareholders’ meetings. Mr. Cao has more than 14 years of working experience in large-scale enterprises. Mr. Cao was appointed as an auditor of Zhong He Zheng Xin (Yunnan) CPAs between July 2001 and August 2008, and he was later promoted as the business manager and senior manager. Since September 2008, Mr. Cao has been appointed as director and managing director of the investment bank department of Hongta Securities Company Limited. Since July 2013, Mr. Cao has been the external professor of Yunnan University for the master’s degree course in accountancy.

Mr. Tan Hairui (“Mr. Tan”), aged 46, joined the Group in January 2015 as an independent Supervisor of the Company. Mr. Tan obtained a bachelor’s degree in economics from Yunnan Finance and Trade College (now known as Yunnan University of Finance and Economics) in Yunnan in July 1993. Mr. Tan obtained the certificate as a registered accountant issued by Accountant Examination Committee of Ministry of Finance of the PRC in April 1999 and a Lawyer’s License in August 2004. Mr. Tan is mainly responsible for supervising the Directors, managers and other management personnel to ensure compliance with laws and regulations, the Articles of Association and the resolutions of Shareholders’ meetings. Mr. Tan has more than 16 years of working experience in large-scale enterprises. He was the deputy manager of the financial department of Yunda Science & Technology Industry Company from 2000 to December 2001. Mr. Tan joined Yunnan Hengxin Law Firm as trainee solicitor and lawyer from January 2002 to August 2007. Mr. Tan joined the Yunnan Quzhi Law Firm as lawyer between September 2007 and March 2009. Since March 2009, Mr. Tan has been working in Yunnan Geyuan Law Firm as a lawyer.

曹晉聞先生(「曹先生」)，39歲，於二零一五年一月加入本集團擔任本公司獨立監事。曹先生於二零零一年六月取得北京工商大學旅遊管理學士學位。於二零零九年一月再取得雲南大學工商管理碩士學位，並於二零一三年五月獲雲南省註冊會計師協會授予註冊會計師會員證書。彼主要負責監督董事、經理及其他管理層人員，以確保遵守法律及法規、公司章程及股東會議的決議案。曹先生擁有逾14年在大型企業工作的經驗。於二零零一年七月至二零零八年八月期間，曹先生在中和正信(雲南)會計師事務所擔任核數師，其後晉升為業務經理及高級經理。自二零零八年九月起，曹先生在紅塔證券股份有限公司投資銀行事業部擔任董事及董事總經理。自二零一三年七月起，彼在雲南大學擔任會計碩士課程外聘教授。

譚海銳先生(「譚先生」)，46歲，於二零一五年一月加入本集團擔任本公司獨立監事。譚先生於一九九三年七月在雲南取得雲南財貿學院(現稱雲南財經大學)經濟學學士學位。彼於一九九九年四月，取得中國財政部會計師考試委員會頒發的註冊會計師證書及於二零零四年八月，取得律師執業資格證。譚先生主要負責監督董事、經理及其他管理層人員，以確保遵守法律及法規、公司章程及股東會議的決議案。彼擁有逾16年在大型企業工作的經驗。彼於二零零零年至二零零一年十二月在雲大科技產業股份有限公司擔任財務部副經理。於二零零二年一月至二零零七年八月加入雲南恒鑫律師事務所擔任實習律師和律師。譚先生於二零零七年九月至二零零九年三月期間在雲南曲直律師事務所擔任律師。自二零零九年三月至今，譚先生在雲南格元律師事務所擔任律師。

SENIOR MANAGEMENT

Mr. Hu Shake (“Mr. Hu”), aged 60, joined the Group in December 2011 as deputy chief executive officer of the Company. Mr. Hu was graduated from Vocational College of Yunnan Highway Bureau in July 1984, majoring in highway engineering. He is mainly responsible for investment projects of our Group in Yunnan, liaising and coordinating work of projects in Dali and Nujiang areas. Mr. Hu has over 20 years of relevant senior management experience in a number of companies and water works related companies. From March 1996 to December 1999, Mr. Hu was appointed as the head of construction of the construction command headquarters for the Yunnan Chuda Expressway. From January 2000 to August 2005, Mr. Hu was appointed as chief monitoring engineer and deputy commander of the construction command headquarters for the Yunnan Songming Expressway pending for repairs. From August 2005 to May 2006, Mr. Hu was appointed as deputy general manager of Yunnan Kunmo Expressway Company Limited. From June 2006 to April 2009, Mr. Hu was appointed as deputy head of quality control department of Yunnan Highway Development and Investment Company Limited. From May 2009 to June 2011, Mr. Hu was appointed as deputy general manager of Yunnan Province Water, the controlling shareholder of the Company. And Mr. Hu was appointed as director of a number of subsidiaries of our Company since 2010.

Mr. Yang Fang (“Mr. Yang”), aged 43, joined the Group in March 2013 as party secretary of the Company. Mr. Yang obtained a bachelor’s degree in accounting and statistics from Yunnan University of Finance and Economics in July 1998 and further obtained an executive master’s degree in business administration from Dalian University of Technology in June 2008. Mr. Yang was qualified as a first class enterprise human resources managing personnel in March 2009 certified by the Ministry of Labor and Social Security. He was subsequently appointed as deputy chief executive officer of the Company in November 2014. He is mainly responsible for disciplinary inspection, supervision of the overall operation, human resources, liaising and coordinating work of projects in Xinjiang and Wenshan areas. Mr. Yang has more than 9 years of senior management experience in water works related companies. Mr. Yang has served in various positions in YMCI, including deputy manager of personnel and organization department, manager of personnel and organization department and manager of the human resources department. Mr. Yang was the party secretary of Yunnan Province Water from May 2012 to September 2014.

高級管理人員

胡沙克先生(「胡先生」)，60歲，於二零一一年十二月加入本集團擔任本公司副總裁。胡先生於一九八四年七月畢業於雲南省公路局職工大學公路工程專業。彼主要負責本集團在雲南的投資項目、聯絡及協調在大理及怒江地區的工程。胡先生曾在多間公司及水務相關公司擔任高級管理層，擁有逾20年相關經驗。於一九九六年三月至一九九九年十二月期間，胡先生擔任雲南楚大高速公路建設指揮部的建設部主管。於二零零零年一月至二零零五年八月期間，彼擔任雲南嵩明待補高速公路建設指揮部首席監測工程師及副指揮官。於二零零五年八月至二零零六年五月期間，胡先生擔任雲南昆磨高速公路有限公司副總經理。於二零零六年六月至二零零九年四月期間，胡先生擔任雲南公路開發投資有限責任公司質量控制部副主管。於二零零九年五月至二零一一年六月期間，胡先生擔任本公司控股股東雲南省水務的副總經理。胡先生自二零一零年起擔任本公司多間附屬公司的董事。

楊方先生(「楊先生」)，43歲，於二零一三年三月加入本集團擔任本公司黨委書記。楊先生於一九九八年七月取得雲南財經大學會計與統計學學士學位，並於二零零八年六月取得大連理工大學高級工商管理碩士學位。楊先生於二零零九年三月獲勞動和社會保障部認證為一級企業人力資源管理師。其後於二零一四年十一月獲委任為本公司副總裁。彼主要負責紀檢、監察整體營運、人力資源、聯絡及協調在新疆及文山地區的工程。楊先生於水務相關公司擁有逾9年的高級管理層經驗。楊先生曾於雲南城投集團擔任多個職務，包括人事組織部副經理，人事組織部經理，人力資源部經理。楊先生於二零一二年五月至二零一四年九月期間，擔任雲南省水務的黨委書記。

Directors, Supervisors and Senior Management 董事、監事及高級管理人員

Mr. Wang Yong (“Mr. Wang”), aged 45, joined the Group in January 2013 as manager of finance department of the Company, subsequently he was promoted to financial controller in November 2013. Mr. Wang obtained a bachelor’s degree in economics in July 1993 from Yunnan Finance and Trade College (now known as Yunnan University of Finance and Economics) and a master’s degree in business administration in January 2009 from the Yunnan University. He was qualified as an accountant in the PRC in May 1996, and also qualified as a registered tax agent in the PRC in October 2000, later he was promoted to a senior accountant in October 2004. He is mainly responsible for the Company’s financial management, liaising and coordinating work of projects in Beijing area. Mr. Wang has more than 13 years of senior management experience in large-scale enterprises and extensive experience in accounting. From April 2002 to January 2013, Mr. Wang was appointed as the manager of finance department of Kunming Sino-Platinum Metals Catalyst Co., Ltd.

COMPANY SECRETARY

Mr. Li Bo (“Mr. Li”), aged 38, joined the Company in May 2013 as company secretary of the Company and was appointed as Secretary to the Board since August 2013. Mr. Li graduated from Capital University of Economics and Business in Beijing with a bachelor’s degree in economics in July 2001 and obtained a master’s degree in accounting from Macquarie University in Australia in April 2006. Mr. Li is currently a member of the Hong Kong Institute of Certified Public Accountants and a member of the Certified Public Accountants of Australia. He is mainly responsible for assisting the operation of our Company and meetings of the Board. Mr. Li has more than 8 years of experience in finance-related senior positions. Mr. Li was engaged by Audit Office of New South Wales as a contract auditor since August 2007 and was later promoted to senior auditor. From March 2011 to June 2013, Mr. Li was appointed as the financial controller and the company secretary of Beijing Jingkelong Company Limited, a company listed on the Stock Exchange (stock code: 814).

王勇先生(「王先生」)，45歲，於二零一三年一月加入本集團擔任本公司財務部經理，其後於二零一三年十一月獲晉升為財務總監。王先生於一九九三年七月取得雲南財貿學院(現稱雲南財經大學)經濟學學士學位，於二零零九年一月取得雲南大學工商管理碩士學位。彼於一九九六年五月成為合資格中國會計師，亦於二零零零年十月成為合資格中國註冊稅務師，其後於二零零四年十月晉升為高級會計師。彼主要負責本公司財務管理、聯絡及協調在北京地區的工程。王先生擁有逾13年的大型企業高級管理層經驗並於會計方面擁有豐富經驗。於二零零二年四月至二零一三年一月期間，王先生擔任昆明貴研催化劑有限公司的財務部經理。

公司秘書

李博先生(「李先生」)，38歲，於二零一三年五月加入本公司擔任本公司公司秘書，並於二零一三年八月起擔任本公司董事會秘書。李先生於二零零一年七月畢業於北京市首都經貿大學並取得經濟學學士學位，於二零零六年四月取得澳大利亞麥考瑞大學(Macquarie University)會計學碩士學位。李先生現時為香港會計師公會會員及澳大利亞會計師公會會員。彼主要負責協助本公司營運及董事會運作。李先生於財務相關高級職位擁有逾8年經驗。彼於二零零七年八月起獲聘為Audit Office of New South Wales的核數師，其後於屆升為高級核數師。於二零一一年三月至二零一三年六月期間，李先生擔任北京市京客隆商業集團(於聯交所上市的公司，股份代號：814)的財務總監兼公司秘書。

The Board is pleased to present the annual report and the audited financial statements of the Group (the “**Financial Statements**”) for the year ended 31 December 2016 to the Shareholders.

THE IPO AND THE USE OF PROCEEDS FROM THE IPO

The H shares of the Company were listed on the Stock Exchange on 27 May 2015. After completion of the IPO, the total number of the Company's H shares was 363,713,900 (including the H shares converted from domestic shares on a one-for-one basis). The proceeds from the IPO after deducting the relevant listing expenses were approximately HK\$1,739 million. The utilization of which is in line with the information as disclosed in the prospectus of the Company dated 13 May 2015. As at 31 December 2016, the Group has utilized proceeds of approximately HK\$1,715 million, and unutilized proceeds amounted to approximately HK\$24 million.

SHARE CAPITAL

As of 31 December 2016, the total share capital of the Company was RMB1,193,213,457, divided into 1,193,213,457 Shares of RMB1.00 each. Details of movements in the share capital of the Company during the year are set out in note 27 to the Financial Statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the Reporting Period.

PRE-EMPTIVE RIGHTS

Pursuant to the Articles of Association and the laws of the PRC, the Company is not subject to any pre-emptive rights requiring it to propose new issues to its existing Shareholders in proportion to their shareholdings.

董事會謹此向股東提呈本集團截至二零一六年十二月三十一日止年度的年報及經審計財務報表(「財務報表」)。

首次公開發售以及首次公開發售所得款項用途

本公司H股於二零一五年五月二十七日在聯交所上市。於首次公開發售完成後，本公司H股總數為363,713,900股(包括由內資股股份以一兌一基準轉換而成的H股)。經扣除相關上市開支後，首次公開發售所得款項約為1,739百萬港元。所得款項用途與本公司日期為二零一五年五月十三日的招股章程所披露資料相符，且截至二零一六年十二月三十一日本集團已使用所得款項約1,715百萬港元，尚未使用所得款項約24百萬港元。

股本

截至二零一六年十二月三十一日，本公司股本總額為人民幣1,193,213,457元，分為1,193,213,457股每股面值人民幣1.00元的股份。年內本公司股本變動的詳情載於財務報表附註27。

購買、出售或贖回本公司上市證券

於報告期內，本公司或其任何附屬公司概無購買、出售或贖回任何本公司上市證券。

優先購買權

根據公司章程及中國法律，本公司並無任何有關優先購買權的規定，使本公司須建議按其現有股東的股權比例向現有股東發行新股。

PRINCIPAL BUSINESS

The Group is an operator primarily engaged in municipal environmental integrated services and the only urban environmental integrated service provider in Yunnan Province. The Group is also one of the few integrated operators in municipal environmental services in China that has expanded overseas successfully, and our overseas business is mainly located in Southeast Asian regions. In addition, the Group operates upstream and downstream development industries to improve the Group's profitability structure and broaden the sources of income. The Group has good track records in projects such as urban waste water treatment, tap water and raw water supply, river management and solid waste treatment.

The major business segments of the Group include investment, construction and management services for urban water supply, waste water treatment, solid waste treatment and environmental integrated management projects, construction and sales of equipment and other environmental protection related services. The corporate strategy of the Group is to set our base of business in Yunnan, identify overseas investment opportunities continuously, and gradually expand our business to other favourable regions in China and overseas emerging markets, in order to secure a stable source of income.

RESULTS

The audited results of operations of the Group for the year ended 31 December 2016 are set out in the consolidated statement of profit or loss and other comprehensive income on page 100 to 101. The financial position of the Group as at 31 December 2016 is set out in the consolidated balance sheet on page 102 to 104. The consolidated cash flow of the Group for the year ended 31 December 2016 is set out in the consolidated statement of cash flows on page 107 to 108.

Discussion and analysis about the operating performance and significant elements affecting the results of operations and financial condition of the Group during the Reporting Period are set out in the chapter headed "Management Discussion and Analysis" of this annual report from page 16 to 32.

DISTRIBUTIONS AND DIVIDENDS

The Board has resolved to declare the final dividend of RMB0.1 per Share (tax included) for the year ended 31 December 2016. The proposed final dividend is subject to the consideration and approval by the Shareholders at the AGM. The final dividend is payable to the Shareholders whose names are listed in the register of members of the Company on 25 June 2017, in an aggregate amount of approximately RMB119.3 million.

主要業務

本集團為一家主要從事城市環境綜合服務的運營商，為雲南省唯一一家提供城市環境綜合服務的公司。本集團亦為中國少數成功擴展至海外的城市環境服務綜合運營商，本集團的海外業務主要在東南亞地區。此外，本集團從事上下游開發產業以改善本集團的盈利結構，擴闊收入來源。本集團擁有城市污水處理、自來水及原水供應、河道治理、固廢處理等項目的良好往績。

本集團的主要業務板塊包括城市供水、污水處理、固廢處理、環境綜合治理項目之投資、建設及管理服務、設備建造及銷售以及其他環保相關服務。本集團之企業策略以雲南為業務據點，持續物色海外投資機會並將業務逐步擴展至中國其他具前景地區以至新興市場，以保障穩定收入來源。

業績

本集團截至二零一六年十二月三十一日止年度的經審計經營業績載於第100頁至第101頁的合併損益及其他綜合收益表。本集團於二零一六年十二月三十一日的財務狀況載於第102頁至第104頁的合併資產負債表。本集團截至二零一六年十二月三十一日止年度的合併現金流量載於第107頁至第108頁的合併現金流量表。

對於經營表現及影響報告期內本集團經營業績及財務狀況的重大因素的論述及分析，載於本年報第16至32頁的「管理層討論及分析」章節內。

分派及股息

董事會議決宣派截至二零一六年十二月三十一日止年度末期股息每股人民幣0.1元(含稅)。建議末期股息須待股東於股東週年大會上審議及批准後始可作實。末期股息應支付予二零一七年六月二十五日名列本公司股東名冊的股東，合計金額約人民幣119.3百萬元。

Pursuant to the requirements of the Articles of Association, the final dividend will be denominated and declared in RMB. The final dividend on Domestic Share will be paid in RMB and on H Share will be paid in Hong Kong dollars. The relevant exchange rate for conversion shall be calculated by the average median exchange rate for converting RMB into Hong Kong dollar as quoted by the China Foreign Exchange Trading Centre for the week immediately before the date on which the dividend was declared (i.e. Tuesday, 13 June 2017). The final dividend is expected to be distributed on or before 28 July 2017.

The Company has established a sound decision making process and profit distribution mechanism. Emphasis is placed on Shareholder returns and cash dividends are distributed to Shareholders regularly. In formulating the profit distribution plan, the Board has fully considered the opinions and demands of Shareholders to, after taking into account the statutory interests of minority Shareholders, and has submitted the profit distribution plan at the general meeting for approval. Also, the independent non-executive Directors have properly carried out their duties in regards to the decision making process of the profit distribution plan.

Under the relevant tax rules and regulations of the PRC (collectively the “**PRC Tax Law**”), the Company is required to withhold corporate income tax at the rate of 10% when distributing the final dividend to non-resident enterprises (such term shall have the meaning as defined under the PRC Tax Law) whose names appear on the H Shares register of members of the Company.

In accordance with the PRC Tax Law, the Company is also required to withhold individual income tax when distributing the final dividend to individual shareholders whose names appeared on the H Shares register of members of the Company. The Company will determine the country of domicile of the individual holders of H Shares based on the registered addresses as recorded in the H Shares register of members of the Company on the record date with details as follows:

- For individual holders of H Shares who are Hong Kong and Macau residents and those whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of them.

根據公司章程規定，末期股息將以人民幣計值及宣派。內資股的末期股息將以人民幣支付，而H股的末期股息則將以港元支付。相關折算匯率將以宣佈派息當日(即二零一七年六月十三日(星期二))前一個星期中國外匯交易中心公佈的港幣兌人民幣的匯率中間價的平均值計算。末期股息預計於二零一七年七月二十八日或之前派發。

本公司設有穩健的決策程序及利益分配機制，重視股東回報，並定期向股東分派現金股息。於制訂利益分配計劃時，董事會經計及少數股東的法定權益後已全面考慮股東的意見和訴求，並已於股東大會上提呈利益分配計劃以待批准。此外，獨立非執行董事已妥善履行彼等有關利益分配計劃的決策程序的職責。

根據中國相關稅務規則及法規(統稱「中國稅法」)，本公司向名列本公司H股股東名冊的非居民企業(按中國稅法界定的涵義)派發末期股息，須代扣代繳10%的企業所得稅。

遵照中國稅法，本公司向名列本公司H股股東名冊的個人股東派發末期股息，須代扣代繳個人所得稅。本公司將根據記錄日本公司H股股東名冊所記錄登記地址，確定個人H股股東的居住國，詳情如下：

- 對於身為香港、澳門地區居民及居住國已和中國訂立稅務協議規定股息稅率為10%的個人H股股東，本公司將按10%稅率代扣代繳個人所得稅。

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- For individual holders of H Shares whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of less than 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of them. The Company would make applications on their behalf to seek entitlement of the relevant agreed preferential treatments pursuant to the Notice of the State Administration of Taxation in relation to the Administrative Measures on Preferential Treatment Entitled by Non-residents under Tax Treaties (Tentative) (Guo Shui Fa [2009] No.124) (《國家稅務總局關於印發〈非居民享受稅收協議待遇管理辦法(試行)〉的通知》(國稅發[2009]124號)).
 - For individual holders of H Shares whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of higher than 10% but lower than 20%, the Company would withhold and pay the individual income tax at the agreed-upon effective tax rate on behalf of them.
 - For individual holders of H Shares who are residents of those countries without any tax treaties with the PRC or having tax treaties with the PRC stipulating a dividend tax rate of 20% or more, and other situations, the Company would withhold and pay the individual income tax at a tax rate of 20% on behalf of them.
- 對於居住國已和中國訂立稅務協議規定股息稅率低於10%的個人H股股東，本公司將按10%稅率代扣代繳個人所得稅。本公司將按照《國家稅務總局關於印發〈非居民享受稅收協議待遇管理辦法(試行)〉的通知》(國稅發[2009]124號)，代為辦理享受有關協議待遇之申請。
 - 對於居住國已和中國訂立稅務協議規定股息稅率高於10%但低於20%的個人H股股東，本公司將按已協定的實際稅率代扣代繳個人所得稅。
 - 對於居住國並無與中國訂立任何稅務協議、或與中國訂立稅務協議規定股息稅率為20%或以上及其他情況，本公司將按20%稅率代扣代繳個人所得稅。

If individual shareholders of H Shares have any queries on the above arrangement, they may consult their tax advisers for advice on the taxation effects involving the ownership and disposal of H Shares in PRC, Hong Kong and other countries (regions).

如H股個人股東對上述安排有任何疑問，可向彼等的稅務顧問諮詢有關擁有及處置H股所涉及的中國、香港及其他國家(地區)稅務影響的意見。

CLOSURE OF REGISTER OF MEMBERS

In order to determine the list of Shareholders who are entitled to attend and vote at the AGM, the register of holders of H Shares of the Company will be closed from 14 May 2017 to 13 June 2017 (both dates inclusive), during which period no transfer of Shares will be registered. Holders of H Shares whose names appear on the register of holders of H Shares of the Company at the close of business on 12 June 2017 are entitled to attend and vote at the AGM.

暫停辦理過戶登記

為確定符合資格出席股東週年大會及於會上投票的股東名單，本公司的H股持有人登記冊將由二零一七年五月十四日起至二零一七年六月十三日止(包括首尾兩天)暫停辦理股份過戶登記手續。於二零一七年六月十二日營業時間結束時名列本公司H股持有人登記冊的H股持有人，將符合資格出席股東週年大會並於會上投票。

In order to attend and vote at the AGM, any holder of H Shares whose transfer has not been registered shall lodge the transfer documents together with the relevant share certificates with the Company's H Share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by no later than 4:30 p.m. on 12 May 2017.

為符合資格出席股東週年大會及於會上投票，任何H股持有人若仍未辦理股份轉讓登記，最遲須於二零一七年五月十二日下午四時三十分前將股份轉讓文件連同相關股票提交本公司的H股股份登記分處卓佳證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心22樓，以辦理登記。

For the purpose of determining entitlement for the final dividend for the year ended 31 December 2016, the register of members of the Company will be closed from 20 June 2017 to 25 June 2017 (both dates inclusive) during which registration of transfer of Shares will be suspended.

To be eligible to receive the final dividend, all transfer documents must be lodged with the Company's H Share registrar in Hong Kong, Tricor Investor Services Limited, at 22nd Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H Shares), or the secretariat of the Board, located at 16th Floor, Block A, He Cheng International, 1088 Haiyuan Zhong Road, Gaoxin District, Kunming, Yunnan Province, the PRC (for holders of Domestic Shares), by no later than 4:30 p.m. on 19 June 2017.

PROPERTY, PLANT AND EQUIPMENT

Details of movement in property, plant and equipment of the Group during the Reporting Period are set out in note 16 to the Financial Statements.

RESERVES

Details of movements in the reserves of the Company during the Reporting Period are set out in Consolidated Statement of Changes in Equity, of which details of reserves available for distribution to Shareholders are set out in Consolidated Statement of Changes in Equity.

DONATIONS

During the Reporting Period, the Group made external donations of approximately RMB2.2 million in contract value (excluding personal donations of employees).

BANK BORROWINGS AND OTHER BORROWINGS

Details of bank borrowings and other borrowings of the Group as of 31 December 2016 are set out in note 30 to the Financial Statements of this annual report.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Certain information concerning the Directors and the Supervisors and senior management of the Company during the Reporting Period and as at the date of this annual report is set out below.

就釐定享有截至二零一六年十二月三十一日止年度之末期股息權利，本公司之股份過戶登記處將於二零一七年六月二十日至二零一七年六月二十五日(包括首尾兩日)暫停辦理股份過戶登記手續。

為符合資格收取末期股息，所有過戶文件必須於二零一七年六月十九日下午四時三十分前交回本公司之香港H股股份過戶登記處(如屬H股持有人)，地址為香港皇后大道東183號合和中心22樓，或董事會秘書處(如屬內資股持有人)，地址為中國雲南省昆明市高新區海源中路1088號和成國際A座16樓。

物業、廠房及設備

報告期內本集團物業、廠房及設備變動的詳情載於財務報表附註16。

儲備

報告期內本公司儲備變動的詳情載於合併權益變動表，其中可供分派予股東儲備的詳情亦載於合併權益變動表。

捐款

於報告期內，本集團的對外捐款為約人民幣2.2百萬元(合同價值)(不包括僱員的個人捐款)。

銀行借款及其他借款

本集團截至二零一六年十二月三十一日的銀行借款及其他借款的詳情載於本年報財務報表附註30。

董事、監事及高級管理層

下表載列本公司於報告期內及截至本年報日期董事、監事和高級管理層的部份數據。

Directors' Report 董事會報告

Directors

董事

Name 姓名	Title in the Company 於本公司的職銜	Date of Appointment for the Current Term 現行任期的委任日期
Executive Directors 執行董事		
Mr. Yu Long 于龍先生	Executive Director, Chief Executive Officer 執行董事、行政總裁	15 July 2014 二零一四年七月十五日
Mr. Liu Xujun 劉旭軍先生	Executive Director, Deputy Chief Executive Officer 執行董事、副總裁	15 July 2014 二零一四年七月十五日
Mr. Huang Yunjian 黃雲建先生	Executive Director, Deputy Chief Executive Officer 執行董事、副總裁	15 July 2014 二零一四年七月十五日
Mr. Dai Richeng (appointed on 7 June 2016) 戴日成先生(於二零一六年 六月七日獲委任)	Executive Director 執行董事	7 June 2016 二零一六年六月七日
Non-Executive Directors 非執行董事		
Mr. Xu Lei (resigned on 24 February 2017) 許雷先生(於二零一七年 二月二十四日辭任)	Non-executive Director, Chairman 非執行董事、主席	15 July 2014 二零一四年七月十五日
Mr. Wen Jianping (resigned on 17 March 2016) 文劍平先生(於二零一六年 三月十七日辭任)	Non-executive Director 非執行董事	15 July 2014 二零一四年七月十五日
Mr. Jiao Jun (appointed as the acting Chairman on 24 February 2017) 焦軍先生(於二零一七年 二月二十四日獲委任為 代主席)	Non-executive Director, acting Chairman 非執行董事、代主席	15 July 2014 二零一四年七月十五日
Mr. He Yuanping 何願平先生	Non-executive Director 非執行董事	15 July 2014 二零一四年七月十五日
Mr. Feng Zhuangzhi 馮壯志先生	Non-executive Director 非執行董事	15 July 2014 二零一四年七月十五日
Independent Non-executive Directors 獨立非執行董事		
Mr. Kwok For Chi 郭科志先生	Independent Non-executive Director 獨立非執行董事	20 April 2015 二零一五年四月二十日
Mr. Hu Song 胡松先生	Independent Non-executive Director 獨立非執行董事	18 August 2014 二零一四年八月十八日
Mr. Ma Shihao 馬世豪先生	Independent Non-executive Director 獨立非執行董事	18 August 2014 二零一四年八月十八日
Mr. Ren Gangfeng 任鋼鋒先生	Independent Non-executive Director 獨立非執行董事	18 August 2014 二零一四年八月十八日

During the Reporting Period, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation of independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules, and considers all the independent non-executive Directors to be independent from the Company.

於報告期內，董事會一直符合上市規則有關委任至少三名獨立非執行董事(佔董事會人數的三分之一)而當中有一名獨立非執行董事須具有合適專業資格或會計或相關財務管理專業知識之規定。

本公司已接獲各獨立非執行董事根據上市規則第3.13條作出的年度獨立性確認書，並認為全體獨立非執行董事均為獨立於本公司的人士。

Name 姓名	Title in the Company 於本公司的職銜	Date of Appointment for the Current Term 現行任期的委任日期
Supervisors 監事		
Ms. Wang Shuqin 王淑琴女士	Chairman and Shareholder representative Supervisor 主席、股東代表監事	15 July 2014 二零一四年七月十五日
Ms. Li Bo 李波女士	Shareholder representative Supervisor 股東代表監事	18 August 2014 二零一四年八月十八日
Mr. Tan Hairui 譚海銳先生	Independent Supervisor 獨立監事	7 January 2015 二零一五年一月七日
Mr. Cao Jinwen 曹晉聞先生	Independent Supervisor 獨立監事	7 January 2015 二零一五年一月七日
Ms. Yang Chuanyun 楊川雲女士	Employee representative Supervisor 職工代表監事	15 July 2014 二零一四年七月十五日
Ms. Tang Shuang 唐爽女士	Employee representative Supervisor 職工代表監事	7 January 2015 二零一五年一月七日

Senior Management

高級管理層

Mr. Hu Shake 胡沙克先生	Deputy chief executive officer 副總裁	15 July 2014 二零一四年七月十五日
Mr. Yang Fang 楊方先生	Deputy chief executive officer 副總裁	1 November 2014 二零一四年十一月一日
Mr. Wang Yong 王勇先生	Chief financial controller 財務總監	20 November 2013 二零一三年十一月二十日
Mr. Li Bo 李博先生	Company secretary, secretary to the Board 公司秘書、董事會秘書	15 August 2013 二零一三年八月十五日

BIOGRAPHIES OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The biographical details of Directors, Supervisors and senior management of the Company are set out on page 33 to 46 of this annual report. There are no relationships among the Directors, Supervisors and senior management of the Company, including financial, business, family or other material relationships as defined in Appendix 14 to the Listing Rules.

SERVICE CONTRACTS OF THE DIRECTORS AND SUPERVISORS

The Company has entered into a service contract with each of the Directors and Supervisors containing terms relating to, among other things, compliance with relevant laws and regulations, observation of the Articles of Association and provision on arbitration. The service contracts may be renewed in accordance with the Articles of Association and applicable rules.

None of the Directors or Supervisors has entered into any service contract with the Company during the Reporting Period which is not terminable by the Company within one year without payment of compensation (other than statutory compensation).

DETERMINATION OF AND BASIS FOR DETERMINATION OF THE REMUNERATION OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The remuneration of the Directors, Supervisors and senior management is subject to the recommendations of the Remuneration Committee and determined by the Board.

The Remuneration Committee is responsible for recommending remuneration for Directors, Supervisors and senior management to the Board with reference to, among other factors, salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company.

EMOLUMENTS OF DIRECTORS AND SUPERVISORS

Details of the emoluments of the Directors and Supervisors of the Company are set out in note 41 to the Financial Statements.

董事、監事及高級管理層簡歷

本公司董事、監事及高級管理層簡歷的詳情載於本年報第33至46頁。根據上市規則附錄十四本公司董事、監事及高級管理層彼此間概無財務、業務、家族等關連或其他重大關連。

董事及監事服務合約

本公司已與各董事及監事訂立服務合約，其中載有有關(其中包括)遵守相關法律及法規、遵守公司章程及仲裁條文的條款。該等服務合約可根據公司章程及適用法例予以重續。

於報告期內概無董事或監事與本公司已訂立於一年內由本公司不可在毋須支付補償(惟法定補償除外)的情況下終止的任何服務合約。

董事、監事及高級管理人員的薪酬釐定及釐定基準

董事、監事及高級管理人員的薪酬須由薪酬委員會作出建議及董事會釐定。

薪酬委員會負責就董事、監事及高級管理人員的薪酬向董事會作出建議，並參考(其中包括)可資比較公司所支付的薪金、投入時間及責任，以及本公司其他職位的僱用條件。

董事及監事薪酬

本公司董事及監事薪酬的詳情載於財務報表附註41。

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

During the Reporting Period, there were no transaction, arrangement or contract of significance subsisting in relation to the Group's business in which any Director or Supervisor or an entity connected to them had a material interest, either directly or indirectly.

CONTRACT OF SIGNIFICANCE

Save as disclosed in this annual report, at no time during the Reporting Period had the Company or any of its subsidiaries entered into any contract of significance with any controlling shareholder or any of its subsidiaries, nor had any contract of significance been entered into for the services provided by any controlling shareholder or any of its subsidiaries to the Company or any of its subsidiaries.

DIRECTORS' AND SUPERVISORS' INTERESTS IN COMPETING BUSINESS

During the Reporting Period, to the best knowledge of the Board, none of the Directors and Supervisors and their respective associates has any business or interest that competes or may compete with the business of the Group or have or may have any conflict of interest with the Group.

EQUITY-LINKED AGREEMENTS

The Company has not entered into any equity-linked agreement during the Reporting Period.

董事及監事於交易、安排或合約中的權益

於報告期內，概無仍然存續而對本集團業務而言屬重大的重要交易、安排或合約任何董事或監事或與其關聯的實體於其中直接或間接擁有重大權益。

重大合約

除本年報所披露者外，於報告期內，本公司或其任何附屬公司並無與任何控股股東或其任何附屬公司訂立任何重大合約，亦無就由任何控股股東或其任何附屬公司向本公司或其任何附屬公司提供服務而訂立之任何重大合約。

董事及監事於競爭業務的權益

於報告期內，董事會概不知悉董事及監事及彼等各自聯繫人的任何業務或權益對本集團業務構成競爭或可能構成競爭或對本集團造成或可能造成任何其他利益衝突。

股票掛鈎協議

本公司於報告期內並未訂立任何股票掛鈎協議。

Directors' Report 董事會報告

INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2016, the Directors, Supervisors and chief executives of the Company had the following interest in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required, pursuant to Section 352 of the SFO or otherwise, to be entered in the register maintained thereunder, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, or held interest in the Company as follows:

董事、監事及最高行政人員在股份、相關股份及債券之權益及淡倉

於二零一六年十二月三十一日，本公司董事、監事及最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中，擁有根據證券及期貨條例第352條或以其他方式須載入本公司根據該條文所存置的登記名冊的權益，或根據標準守則須知會本公司及聯交所的權益，或已持有的本公司權益如下：

Name of Director, Supervisor and chief executive 董事、監事及最高 行政人員姓名	Capacity 身份	Type of Shares 股份類別	Number of Shares held 持有股份數目	Percentage of the respective type of Shares in issue (%) 佔已發行 類別股份 的比例(%)	Percentage of the total number of Shares in issue (%) 佔已發行 總股份 的比例(%)
Mr. Huang Yunjian ¹ 黃雲建先生 ¹	Beneficial owner, interests held jointly with another person 實益擁有人，與 另一人士共同持有權益	Domestic Shares 內資股	361,487,162 (L)	43.58	30.30
Mr. Liu Xujun ² 劉旭軍先生 ²	Beneficial owner, interests held jointly with another person 實益擁有人，與 另一人士共同持有權益	Domestic Shares 內資股	361,487,162 (L)	43.58	30.30
Mr. Yu Long 于龍先生	Beneficial owner 實益擁有人	Domestic Shares 內資股	10,690,000 (L)	1.29	0.90
Mr. Yu Long 于龍先生	Beneficial owner 實益擁有人	H Shares H股	770,000 (L)	0.21	0.06

Notes:

- (L) refers to long position
- (1) Huang Yunjian is the beneficial owner of 1,950,000 Domestic Shares. By virtue of the acting in concert agreement (the "Acting in Concert Agreement") dated 24 July 2014 entered into between Yunnan Province Water, Liu Xujun, Huang Yunjian and Wang Yong, pursuant to which each of Liu Xujun, Huang Yunjian and Wang Yong agreed to act in concert with Yunnan Province Water in exercising their voting rights in the Shareholders' meeting of the Company. Mr. Huang is deemed to be interested in all the Domestic Shares held by Yunnan Province Water, Liu Xujun, Wang Yong and Mr. Huang himself in aggregate pursuant to the SFO.
- (2) Liu Xujun is the beneficial owner of 195,000 Domestic Shares. By virtue of the Acting in Concert Agreement, he is deemed to be interested in all the Domestic Shares held by Yunnan Province Water, Huang Yunjian, Wang Yong and himself in aggregate pursuant to the SFO.

Save as disclosed above, to the best knowledge of the Company, as at 31 December 2016, none of the Directors, Supervisors and the chief executives of the Company had any interests and short positions in the Shares, underlying Shares or debentures of the Company or its associated corporation which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

附註：

- (L) 代表好倉
- (1) 黃雲建為1,950,000股內資股的實益擁有人。憑藉雲南省水務、劉旭軍、黃雲建與王勇簽訂的日期為二零一四年七月二十四日的一致行動協議(「一致行動協議」)，劉旭軍、黃雲建與王勇分別同意就在本公司股東大會上行使投票權與雲南省水務一致行動。根據證券及期貨條例，黃先生被視為於雲南省水務、劉旭軍、王勇及其合共持有的所有內資股中持有權益。
- (2) 劉旭軍為195,000股內資股的實益擁有人。憑藉一致行動協議，根據證券及期貨條例，彼被視為於雲南省水務、黃雲建、王勇及其合共持有的所有內資股中持有權益。

除上文披露者外，據本公司所深知，於二零一六年十二月三十一日，概無董事、監事及本公司最高行政人員於本公司或其相聯法團的任何股份、相關股份及債券中，擁有根據證券及期貨條例第352條須載入本公司登記名冊的權益及淡倉或根據標準守則須另行知會本公司及聯交所的權益。

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES

To the Company's best knowledge, as at 31 December 2016, the following persons (other than Directors or Supervisors whose interests are disclosed in the section headed "Interests and Short Positions of Directors, Supervisors and Chief Executives in Shares, Underlying Shares and Debentures" above) had interests or short positions in the Shares, underlying Shares or debentures of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO, or had interests or short positions in 5% or more of the respective type of share capital in issue of the Company which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

主要股東於股份中的權益及淡倉

據本公司所深知，於二零一六年十二月三十一日，下列人士(本公司的董事及監事除外，彼等之權益於上文「董事、監事及最高行政人員在股份、相關股份及債券之權益及淡倉」一節披露)於本公司股份、相關股份及債券中擁有根據《證券及期貨條例》第XV部第2及第3分部須向本公司披露權益或淡倉或根據證券及期貨條例第336條須存置在本公司登記冊中記錄的權益或淡倉，擁有佔本公司類別已發行股本5%或以上的權益或淡倉：

Name of Shareholder 股東名稱	Capacity 持股身份	Type of Shares 股份類別	Number of Shares 股份數目	Percentage of the respective type of Shares in issue (%) 佔已發行類別股份的比例(%)	Percentage of the total number of Shares in issue (%) 佔已發行總股份的比例(%)
Yunnan Province Water ¹ 雲南省水務 ¹	Beneficial owner, interests held jointly with another person 實益擁有人，與另一名人士共同持有權益	Domestic Shares 內資股	361,487,162 (L)	43.58	30.30
Wang Yong ² 王勇 ²	Beneficial owner, interests held jointly with another person 實益擁有人，與另一名人士共同持有權益	Domestic Shares 內資股	361,487,162 (L)	43.58	30.30
YMCI ¹ 雲南城投集團 ¹	Interests in controlled corporation, interests held jointly with another person Interests in controlled corporation 於受控法團的權益，與另一名人士共同持有權益於受控法團的權益	Domestic Shares 內資股	361,487,162 (L)	43.58	30.30
Beijing OriginWater 北京碧水源	Beneficial owner 實益擁有人	Domestic Shares 內資股	286,650,000 (L)	34.56	24.02

Name of Shareholder 股東名稱	Capacity 持股身份	Type of Shares 股份類別	Number of Shares 股份數目	Percentage of the respective type of Shares in issue (%) 佔已發行 類別股份 的比例 (%)	Percentage of the total number of Shares in issue (%) 佔已發行 總股份 的比例 (%)
CNPC Assets Management Co., Ltd. 中油資產管理有限公司	Interests in controlled corporation 於受控法團的權益	Domestic Shares 內資股	137,880,000 (L)	16.62	11.56
China National Petroleum Corporation ³ 中國石油天然氣集團公司 ³	Interests in controlled corporation 於受控法團的權益	Domestic Shares 內資股	137,880,000 (L)	16.62	11.56
Kunlun Trust Co. Ltd. ³ 昆侖信託有限責任公司 ³	Interests in controlled corporation 於受控法團的權益	Domestic Shares 內資股	137,880,000 (L)	16.62	11.56
Finergy Development (Tianjin) Equity Investment Partnership (Limited Partnership) ³ 融源成長(天津)股權投資 合夥企業(有限合夥) ³	Beneficial owner 實益擁有人	Domestic Shares 內資股	137,880,000 (L)	16.62	11.56
the National Council for Social Security Fund of the PRC 全國社會保障基金理事會	Beneficial owner 實益擁有人	H Shares H 股	30,454,900 (L)	8.37	2.55
Value Partners Group Limited ⁴	Interests in controlled corporation 於受控法團的權益	H Shares H 股	28,890,000 (L)	7.94	2.42
Caiyun International Investment Limited* ¹ 彩雲國際投資有限公司 ¹	Beneficial owner 實益擁有人	H Shares H 股	2,189,000 (L)	0.60	0.18

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Notes:

- (L) refers to long position
- (1) Yunnan Province Water is wholly owned by YMCI and is the beneficial owner of 361,487,162 Domestic Shares. Caiyun International Investment Limited is wholly owned by YMCI and is the beneficial owner of 2,189,000 H Shares. YMCI is deemed to be interested in all the Domestic Shares held by Yunnan Province Water and H Shares held by Caiyun International Investment Limited pursuant to the SFO which representing approximately 30.48% of total issued Shares. By virtue of the Acting in Concert Agreement, each of Yunnan Province Water and YMCI is deemed to be interested in all the Domestic Shares held by Huang Yunjian, Liu Xujin, Wang Yong and each of Yunnan Province Water and YMCI in aggregate pursuant to the SFO.
- (2) Wang Yong is the beneficial owner of 585,000 Domestic Shares. By virtue of the Acting in Concert Agreement, he is deemed to be interested in all the Domestic Shares held by himself, Yunnan Province Water, Huang Yunjian and Liu Xujin in aggregate pursuant to the SFO.
- (3) Finergy Development (Tianjin) Equity Investment Partnership (Limited Partnership) is controlled as to 84.86% by Kunlun Trust Co., Ltd., its general partner, and the beneficial owner of 137,880,000 Domestic Shares; Kunlun Trust Co., Ltd. is owned as to 82.18% by CNPC Assets Management Co., Ltd., which in turn is wholly-owned by China National Petroleum Corporation. Under the SFO, each of Kunlun Trust Co., Ltd., CNPC Assets Management Co., Ltd. and China National Petroleum Corporation is deemed to be interested in all the Domestic Shares held by Finergy Development (Tianjin) Equity Investment Partnership (Limited Partnership).
- (4) Value Partners Group Limited holds interests in the Company indirectly through two wholly-owned subsidiaries, namely Value Partners Hong Kong Limited and Value Partners Limited.

Save as disclosed above, to the best knowledge of the Company, as at 31 December 2016, no person (other than the Directors, Supervisors and chief executives) had informed the Company that he had interests or short positions in the Shares or underlying Shares of equity derivatives of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or held any interests or short positions in 5% or more of the respective types of capital in issue of the Company.

附註：

- (L) 代表好倉
- (1) 雲南省水務由雲南城投集團全資擁有並為361,487,162股內資股的實益擁有人。彩雲國際投資有限公司由雲南城投集團全資擁有並為2,189,000股H股的實益擁有人。根據證券及期貨條例，雲南城投集團被視為於雲南省水務及彩雲國際投資有限公司持有的所有股份中擁有權益佔所有已發行股份約30.48%。憑藉一致行動協議，根據證券及期貨條例，雲南省水務及雲南城投集團均被視為於黃雲建、劉旭軍、王勇及其合共持有的所有內資股中擁有權益。
- (2) 王勇為585,000股內資股的實益擁有人。憑藉一致行動協議，根據證券及期貨條例，彼被視為於雲南省水務、黃雲建、劉旭軍及其合共持有的所有內資股中擁有權益。
- (3) 融源成長(天津)股權投資合夥企業(有限合夥)由其一般合夥人昆侖信託有限責任公司控制84.86%並為137,880,000股內資股的實益擁有人；昆侖信託有限責任公司由中油資產管理有限公司擁有82.18%；而中油資產管理有限公司由中國石油天然氣集團公司全資擁有。根據證券及期貨條例，昆侖信託有限責任公司、中油資產管理有限公司及中國石油天然氣集團公司各自被視為於融源成長(天津)股權投資合夥企業(有限合夥)持有的所有內資股中擁有權益。
- (4) Value Partners Group Limited 通過兩家全資附屬公司，即Value Partners Hong Kong Limited及Value Partners Limited，間接持有本公司權益。

除上文披露者外，據本公司所深知，於二零一六年十二月三十一日，本公司並無獲任何人士(董事、監事或最高行政人員除外)告知，彼於本公司股份或股票衍生工具的相關股份中，擁有根據證券及期貨條例第XV部第2及3分部有關條文須向本公司披露的權益或淡倉或根據證券及期貨條例第336條須存置在本公司登記冊中記錄的權益或淡倉，擁有佔本公司類別已發行股本5%或以上的權益或淡倉。

MANAGEMENT CONTRACT

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Company's business were entered into or existed during the year.

CONNECTED TRANSACTIONS

(i) Continuing Connected Transactions

As disclosed in the Prospectus and the announcements of the Company dated 14 October 2016 and 6 November 2016, the Group has entered into certain continuing connected transactions.

During the year ended 31 December 2016, the transactions carried out pursuant to the BT Construction Agreement (as supplemented by two supplemental agreements) are non-exempt connected transactions which are subject to the reporting, announcement, annual review and independent Shareholders' approval requirements under the Listing Rules and the transactions carried out pursuant to the Membrane Ancillary Material Procurement Master Agreement and Master Sale and Purchase Agreement for Engineering Services are continuing connected transactions exempted from the independent Shareholders' approval requirement but are still subject to the reporting, announcement and annual review requirements under the Listing Rules. The Company has obtained approval from the Stock Exchange in respect of the non-exempt continuing connected transactions under the BT Construction Agreement (as supplemented by two supplemental agreements) upon the IPO and such transactions were exempted from the independent shareholders' approval requirement.

管理合約

除僱員聘任合約外，集團年內並沒有就全部或任何重大部分的本公司業務管理及行政訂立或存在任何合約。

關連交易

(i) 持續關連交易

如招股章程及本公司日期分別為二零一六年十月十四日及二零一六年十一月六日的公告披露，本集團已經訂立若干持續關連交易。

於截至二零一六年十二月三十一日止年度，根據BT工程建設協議(經兩份補充協議補充)進行的交易為未獲豁免關連交易，須遵守上市規則項下的申報、公告、年度審閱及獨立股東批准規定，而根據膜輔料採購總協議以及工程服務總協議進行的交易為持續關連交易，豁免遵守獨立股東批准規定，但仍須遵守上市規則項下的申報、公告及年度審閱規定。本公司已就BT工程建設協議(經兩份補充協議補充)項下的未獲豁免持續關連交易取得聯交所首次公開發售以後的批准，該等交易豁免遵守獨立股東批准規定。

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The table below shows the annual caps and actual transaction value of such continuing connected transactions for the year ended 31 December 2016:

下表載列該等持續關連交易於截至二零一六年十二月三十一日止年度的年度上限及實際交易價值：

Name, date and term of the agreement 協議名稱、日期及期限	Connected Persons 關連人士	Nature and description of the transaction 交易性質及概況	Basis for determining the consideration 定價基礎	Annual cap for 2016 二零一六年度 上限 RMB' 000 人民幣千元	Actual transaction amount in 2016 二零一六年 實際交易價值 RMB' 000 人民幣千元
BT Construction Agreement BT 工程建設協議 The BT Construction Agreement was entered into on 20 August 2014, with two supplemental agreements signed on 3 December 2014 and 25 March 2015 respectively to ascertain the annual cap of transaction for 3 years from 2015 to 2017. 原BT工程協議於二零一四年八月二十日訂立，並於二零一四年十二月三日及二零一五年三月二十五日簽訂補充協議以確定二零一五年至二零一七年三年年度交易上限。	Yunnan New Century Dianchi International Cultural Tourism Convention Investment Co., Ltd. 雲南新世紀滇池國際文化旅遊會展投資有限公司	Yunnan Water offers construction service for Yunnan New Century Dianchi 雲南水務為雲南新世紀滇池提供工程建設服務	On an arm's length basis and on normal commercial terms. 公平原則及一般商業條款	77,000	—
Membrane Ancillary Material Procurement Master Agreement 膜輔料採購總協議 It was entered into on 14 October 2015 to set the annual cap of transaction for 3 years from 2015 to 2017. 於二零一五年十月十四日訂立，以設定二零一五年至二零一七年三年年度交易上限。	Beijing OriginWater Technology Co., Ltd. and its subsidiaries 北京碧水源科技股份有限公司及其附屬公司	Yunnan Water purchases membrane ancillary materials from Beijing OriginWater 雲南水務向北京碧水源採購膜輔料	On an arm's length basis and on normal commercial terms. 公平原則及一般商業條款	25,000	4,585
Master Sale and Purchase Agreement for Engineering Services 工程服務總協議 It was entered into on 6 November 2015 to set the annual cap of transaction for 3 years from 2015 to 2017. 於二零一五年十一月六日訂立，以設定二零一五年至二零一七年三年年度交易上限。	Yunnan Metropolitan Construction Investment Co., Ltd. and its subsidiaries 雲南省城市建設投資集團有限公司及其附屬公司	Yunnan Water provides Engineering Services to YMCI 雲南水務為雲南城投集團提供工程服務	On an arm's length basis and on normal commercial terms. 公平原則及一般商業條款	51,000	4,670

Several related-party transactions as disclosed in Note 38 to the financial statements prepared in accordance with HKFRS fall under the definition of “continuing connected transaction” in Chapter 14A of the Listing Rules. The Company has complied with the requirements in accordance with Chapter 14A of the Listing Rules.

Review by and confirmation of independent non-executive Directors of the Company

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that such transactions were:

- (1) entered into in the ordinary and usual course of business of the Group;
- (2) carried out in normal commercial terms or better; and
- (3) carried out according to the relevant transaction agreements, the terms of which are fair and reasonable, and in the interests of the Shareholders as a whole.

Auditor's Confirmation

The auditor of the Company was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing the conclusions in respect of the above-mentioned continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

The Directors confirmed that the Company has complied with the requirements under Chapter 14A of the Listing Rules with regard to the above continuing connected transactions.

(ii) Connected Transaction

On 24 October 2016, the Company entered into the equity transfer agreement (the “**Equity Transfer Agreement**”) with Yunnan Zhengxiao Cables Co., Ltd.* (雲南正曉電纜有限公司) (the “**Vendor**”), pursuant to which the Company agreed to acquire, and the Vendor agreed to sell, 40% equity interest in Zhengxiao Environmental Protection Investment Co., Ltd.* (雲南正曉環保投資有限公司) (the “**Target Company**”) for a consideration of

財務報告準則編製的財務報表附註38所披露的若干關連方交易符合上市規則第十四A章對「持續關連交易」的定義。本公司已遵守根據上市規則第十四A章的規定。

本公司獨立非執行董事審閱及確認

根據上市規則第14A.55條，獨立非執行董事已審閱上述持續關連交易，並確認該等交易：

- (1) 乃於本集團日常業務中訂立；
- (2) 按照一般或更佳商務條款進行；及
- (3) 乃根據相關交易的協議進行，條款公平合理，並符合股東的整體利益。

核數師確認

根據香港會計師公會頒佈的香港鑒證業務準則第3000號(修訂)「非審核或審閱過往財務資料的鑒證工作」規定，並參照實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」，本公司核數師獲委聘就本集團的持續關連交易作出報告。根據上市規則第14A.56條，本公司核數師已就上述持續關連交易的審查結果及結論發出無保留意見函件。核數師函件的副本經已由本公司提交聯交所。

董事確認本公司已就上述持續關連交易遵守上市規則第十四A章項下相關規定。

(ii) 關連交易

於二零一六年十月二十四日，本公司與雲南正曉電纜有限公司(「賣方」)訂立股權轉讓協議(「股權轉讓協議」)，據此，本公司同意收購而賣方同意出售雲南正曉環保投資有限公司(「目標公司」)的40%股權，代價為人民幣220,000,000元，再

RMB220,000,000 plus the additional consideration in the amount of RMB10,000,000 (subject to the fulfillment of certain conditions precedent) (the “**Acquisition**”). The Acquisition would have significant implications on the Group for the future development of medical waste treatment business in the market of Yunnan Province.

Before completion of the Acquisition, the Target Company was a subsidiary held by the Company as to 60%, and the remaining 40% equity interest was held by the Vendor. As the Vendor was a substantial shareholder of the Target Company, the Vendor was a connected person of the Company at the subsidiary level. As such, the Acquisition constituted a connected transaction of the Company under Chapter 14A of the Listing Rules and was subject to the announcement, reporting and shareholders' approval requirements unless otherwise exempted under Chapter 14A of the Listing Rules.

As the transaction under the equity transfer agreement (the “**Previous Equity Transfer Agreement**”) entered into amongst the Company and the Vendor on 18 December 2015 with respect to the acquisition of the 60% equity interest of the Target Company was completed within the past 12 months from the date of the Equity Transfer Agreement, the transaction under the Previous Equity Transfer Agreement and the Acquisition were aggregated in computing the applicable percentage ratios pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios of the Acquisition were more than 5% and none of the applicable percentage ratios was more than 25%, the Acquisition also constituted a discloseable transaction of the Company and was subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

Given that the Acquisition was (i) on normal commercial terms; (ii) the Board had approved the Acquisition; and (iii) the independent non-executive Directors had confirmed that the terms of the Acquisition were fair and reasonable, the Acquisition was on normal commercial terms and in the interest of the Company and the Shareholders as a whole, pursuant to Rule 14A.101 of the Listing Rules, the Acquisition was exempt from the circular, independent financial advice and independent Shareholders' approval requirements and was subject to only the announcement and reporting requirements under Chapter 14A of the Listing Rules.

The Acquisition was completed on 8 December 2016.

加額外代價人民幣10,000,000元(視乎達成若干先決條件,方為作實)(「收購事項」)。收購事項對於本集團未來於雲南省市場開拓醫療廢物處理業務具有重要意義。

在收購事項完成前,目標公司為本公司持有60%之附屬公司,其餘40%股權由賣方持有。由於賣方為目標公司之主要股東,故賣方為本公司於附屬公司層面之關連人士。因此,根據上市規則第十四A章,收購事項構成本公司之關連交易並須遵守公告、申報及股東批准之規定,惟根據上市規則第十四A章獲豁免則除外。

由於本公司與賣方之間於二零一五年十二月十八日所訂立有關收購目標公司60%股權的另一股權轉讓協議(「前股權轉讓協議」)項下之交易於股權轉讓協議日期之前12個月內完成,故根據上市規則第14.22條,前股權轉讓協議項下之交易與收購事項須合併計算適用百分比率。由於收購事項之一項或多項適用百分比率超過5%而概無適用百分比率超過25%,故根據上市規則第十四章,收購事項亦構成本公司之須予披露的交易並須遵守公告及申報之規定。

由於收購事項(i)按正常商業條款進行;(ii)董事會已批准收購事項;及(iii)獨立非執行董事已確認收購事項之條款屬公平合理,收購事項乃按正常商業條款進行且符合本公司及股東整體利益,根據上市規則第14A.101條,收購事項獲豁免遵守上市規則第十四A章下之通函、獨立財務意見及獨立股東批准之規定及僅須遵守公告及申報規定。

收購事項於二零一六年十二月八日完成。

COMPLIANCE WITH THE NON-COMPETITION UNDERTAKING

Each of the Acting in Concert Parties signed a non-competition undertaking on 6 May 2015, in favor of the Company (the “**Non-competition Undertaking**”). Pursuant to the Non-competition Undertaking, each of the Acting in Concert Parties has irrevocably undertaken that it will not, and will procure that its associates (except the Company) will not, directly or indirectly, whether as principal or agent, either on its own account or in conjunction with or on behalf of any person, firm or company, whether inside or outside the PRC, among other things, carry on, engage, participate or hold any right or interest in or render any services to or otherwise be involved in any business which is in competition with the business of the Company from time to time (the “**Restricted Business**”). Each of the Acting in Concert Parties has also undertaken to the Company that, if there is any new business opportunity in the Restricted Business, it shall within a reasonable period of time refer such new business opportunities to our Company on a pre-emptive basis.

The Acting in Concert Parties have confirmed in writing to the Company of their compliance with the Non-competition Undertaking for disclosure in this report during the Reporting Period.

The independent non-executive Directors have reviewed the information provided by the Acting in Concert Parties regarding compliance with the Non-competition Undertaking and had determined that the Acting in Concert Parties have fully complied with and are not in breach of the Non-competition Undertaking during the Reporting Period.

COMPLIANCE WITH NON-COMPETITION AGREEMENTS

The Undertaking Shareholders signed non-competition agreements (the “**Non-Competition Agreements**”) on 6 May 2015, in favour of the Company. Pursuant to the Non-competition Agreements, each of the Undertaking Shareholder has irrevocably undertaken that it will not and will procure that its associates (except the Company) will not, directly or indirectly, whether as principal or agent, either on its own account or in conjunction with or on behalf of any person, firm or company, whether inside or outside the PRC, among other things, carry on, engage, participate or hold any right or interest in or render any services to or otherwise be involved in any business which is in competition with the business of the Group from time to time. Each of the Undertaking Shareholders has also undertaken to the Company that, if there is any new business opportunity in the Restricted Business, it shall within a reasonable period of time refer such new business opportunities to our Company on a pre-emptive basis.

遵守不競爭承諾

各一致行動人士已於二零一五年五月六日簽署以本公司為受益人的不競爭承諾（「不競爭承諾」）。根據不競爭承諾，各一致行動人士已不可撤回地承諾，其不會並將促使其聯繫人（本公司除外）不會直接或間接（無論以當事人或代理的身份，無論為其自身利益或會同或代表任何人士、商號或公司，無論在中國境內或境外）（其中包括）開展、從事、參與與本公司業務不時存在競爭的任何業務（「受限制業務」）或於該等業務中持有任何權利或利益或為該等業務提供任何服務或涉足該等業務。各一致行動人士亦已向本公司承諾，倘受限制業務中出現任何新商機，其將於一段合理期間內將該新商機優先推介予本公司。

一致行動人士已以書面形式向本公司確認，於報告期內，彼等已遵守將在本年報內披露的不競爭承諾。

獨立非執行董事已審閱一致行動人士就遵守不競爭承諾提供的一切必需資料，並確定自報告期內，一致行動人士已完全遵守且並無違反不競爭承諾。

遵守不競爭協議

有承諾的股東已於二零一五年五月六日簽署以本公司為受益人的不競爭協議（「不競爭協議」）。根據不競爭協議，各有承諾的股東已不可撤回地承諾，其不會並將促使其聯繫人（本公司除外）不會直接或間接（無論以當事人或代理的身份，無論為其自身利益或會同或代表任何人士、商號或公司，無論在中華人民共和國境內或境外）（其中包括）開展、從事、參與與本集團業務不時存在競爭的任何業務或於該等業務中持有任何權利或利益或為該等業務提供任何服務或涉足該等業務。各有承諾的股東亦已向本公司承諾，倘受限制業務中出現任何新商機，其將於一段合理期間內將該新商機優先推介予本公司。

Directors' Report

董事會報告

The Undertaking Shareholders have confirmed in writing to the Company of their compliance with the Non-competition Agreements for disclosure in this report during the Reporting Period.

The independent non-executive Directors have reviewed the information provided by the Undertaking Shareholders regarding compliance with the Non-competition Agreements and confirmed that all Undertaking Shareholders have fully complied with and are not in breach of the Non-competition Agreements during the Reporting Period.

MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period the total amount of procurement from the five largest suppliers of the Group accounted for 50.1% of the total amount of procurement for the year ended 31 December 2016. The procurement from the largest supplier accounted for 35.1% of the total amount of procurement for the year ended 31 December 2016.

During the Reporting Period, the total amount of sales for the year ended 31 December 2016 to the five largest customers of the Group accounted for 54.2% of the total amount of revenue, and the total amount of sales to the largest customer accounted for 25.6% of the total amount of revenue of the Group for the year ended 31 December 2016.

The Directors and the Supervisors of the Company, and their respective close associates, or any Shareholder (which to the knowledge of the Directors own more than 5% of the issued Shares of the Company) do not hold any interest in the top five customers and top five suppliers of the Group.

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Please refer to the Note 2.26 to the Financial Statements for detailed information on the retirement and employee benefits scheme of the Company.

BUSINESS REVIEW

The Company's business review and the discussion and analysis of the Group's performance for the year and material factors relating to its results and financial conditions are respectively set out in the chapter headed "Chief Executive Officer's Report" from page 10 to 15 and the chapter headed "Management Discussion and Analysis" from page 16 to 32 in this annual report. Such discussions constitute an integral part of this annual report.

有承諾的股東已以書面形式向本公司確認，於報告期內，彼等已遵守將在本年報內披露的不競爭協議。

獨立非執行董事已審閱有承諾的股東就遵守不競爭協議提供的一切必需資料，並確認自報告期內，各有承諾的股東已完全遵守且並無違反不競爭協議。

主要客戶及供應商

報告期內本集團向五大供應商的採購總額佔截至二零一六年十二月三十一日止年度採購總額的50.1%，而向最大供貨商的採購額佔截至二零一六年十二月三十一日止年度採購總額的35.1%。

報告期內本集團向五大客戶的銷售總額佔截至二零一六年十二月三十一日止年度收益總額的54.2%，而向最大的客戶的銷售總額佔集團截至二零一六年十二月三十一日止年度收益的25.6%。

本公司董事及監事及彼等各自的緊密聯繫人或據董事及監事所知持有本公司5%以上已發行股份的任何股東概無於本集團五大客戶及五大供應商中擁有任何權益。

退休及僱員福利計劃

有關本公司退休及僱員福利計劃的詳情，請參閱財務報表附註2.26。

業務回顧

本年度本公司業務回顧及本集團表現之討論及分析以及與其業績及財務狀況相關之重大因素，分別載於本年報第10至第15頁之「行政總裁報告」以及第16至第32頁之「管理層討論及分析」章節內。該等討論構成本年報之一部分。

ENVIRONMENTAL POLICY

As one of the leading integrated urban environmental treatment services providers in the PRC, the Group is committed to operating its various business segments in an environmentally-friendly manner. The Board believes that compliance with the relevant environmental protection rules and regulations is crucial to the long term development and success of the Group's businesses. In order to maintain a high standard of staff awareness of the relevant rules and regulations, the Group offers periodical trainings to the key technical personnel at the various water treatment plants and solid waste treatment plants. As a result of the Group's commitment to environmental protection and through the implementation of advanced technologies, the Group has achieved safe and environmentally-friendly production during the Reporting Period.

COMPLIANCE WITH LAWS AND REGULATIONS

The Board believes the compliance with laws and regulations as the cornerstone of a business and attaches considerable importance to it. To the best knowledge of the Board, during the Reporting Period, the Company has complied with the relevant laws and regulations that have a significant impact on the Company. Furthermore, as the H Shares of the Company are listed on the Stock Exchange, the Company shall be bound by the Listing Rules and the SFO.

RISKS AND UNCERTAINTIES

The Group's business, future results of operations and prospects could be affected by certain risks and uncertainties. Please refer to the chapter headed "Chief Executive Officer's Report" from page 10 to 15 of this annual report for detail analysis of the relevant risks and uncertainties.

PERMITTED INDEMNITY PROVISIONS

During the Reporting Period and up to the date of this annual report, the Company has undertaken and maintained a collective liability insurance policy covering, among others, all directors of the Company and its "associated companies" (as such term is defined under the Companies Ordinance (Chapter 622 of the laws of Hong Kong)).

環境政策

作為中國領先的城市綜合環境治理服務供應商之一，本集團致力以保護環境的方式經營其多個業務分部。董事會相信遵守相關環保規則及法規對本集團業務的長期發展及成功至關重要。為維持員工對相關規則及法規有高度意識，本集團向不同水處理廠及固廢處理廠的主要技術人員定期提供培訓。鑒於本集團對環保的承擔且採用先進的技術，故本集團於報告期內的生產達致安全且環保。

遵守法律及法規

董事會認為遵守法律及法規乃企業的基石，故十分關注其重要性。就董事會所知悉，本公司於報告期一直遵守對本公司具重大影響力的相關法律及法規。此外，由於本公司之H股於聯交所上市，故此，本公司須受上市規則及證券及期貨條例約束。

風險及不確定性

本集團的業務、未來經營業績及前景可能會因該等風險及不確定性而受到重大且不利的影響。本年報第10至15頁之「行政總裁報告」章節內列出本集團現時面對的主要風險及不確定性。

獲准許的彌償條文

於報告期內及截至本年度報告日期，本公司已為(包括但不限於)本公司及其「有聯繫公司」(如公司條例(香港法例第622章)下賦予該詞彙的定義)的董事購買及維持一項集體責任保險。

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Reporting Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director and Supervisor or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

DEBT INSTRUMENT ISSUE

During the Reporting Period, the Group issued the following debt instruments for purposes of meeting the daily business operation needs, adjusting the debt structure, replenishing working capital and project investment.

- (1) On 11 October 2016, Huize Water (Qingzhou) Company Limited* (暉澤水務(青州)有限公司) and Jinghong Water Supply and Drainage Co., Ltd.* (景洪市給排水有限責任公司), both being non-wholly owned subsidiaries of the Company, issued the asset-backed securities with a principal amount of RMB1,000,000,000, a maturity period of not more than 9 years at a weighted average interest rate of 4.122% to institutional investors in the PRC;
- (2) On 26 August 2016, the Company issued a three-year private placement note with a principal amount of RMB1,000,000,000 at an interest rate of 4% per annum.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance with a view to safeguarding the interest of shareholders and enhancing corporate value. The Board believes that good corporate governance is one of the factors leading to the success of the Company and balancing the interests of shareholders, customers and employees.

During the Reporting Period, the Company has complied with all code provisions as set out in the Corporate Governance Code in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange. Details of the corporate governance practice of the Company are set out in the Corporate Governance Report from page 71 to 90 of this annual report.

董事及監事購買股份或債券之權利

於報告期，概無授予任何董事及監事或彼等各自之配偶或十八歲以下之子女權利，可藉購買本公司股份或債券而取得利益，彼等亦無行使任何該等權利；本公司或其任何附屬公司亦概無達成任何安排，致使董事能購入任何其他法人團體之該等權利。

發行債務融資工具

於報告期內，本集團已發行以下債務融資工具作為滿足其日常經營需要，調整債務結構，補充流動資金及項目投資。

- (1) 於二零一六年十月十一日，本公司非全資附屬公司暉澤水務(青州)有限公司及景洪市給排水有限責任公司，向中國機構投資者發行本金金額為人民幣1,000,000,000元的資產支持證券，最長期限為9年，加權平均利率為4.122%；
- (2) 於二零一六年八月二十六日，本公司非公開發行本金金額為人民幣1,000,000,000元的債務融資工具，該定向工具期限為三年，利率為4%。

遵守企業管治守則

本公司致力維持高水準的企業管治，務求維護股東利益及提升企業價值。董事會相信良好的企業管治是引領本公司走向成功及平衡股東、客戶以及僱員之間利益關係之因素之一。

於報告期內，本公司已遵守上市規則附錄十四企業管治守則所載的所有守則條文。本公司企業管治常規之詳情載於本年報第71至90頁之企業管治報告內。

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and to the best knowledge of the Directors, the Company has maintained the prescribed minimum percentage of public float approved by the Stock Exchange and permitted under the Listing Rules as at the date of this annual report.

SIGNIFICANT LEGAL PROCEEDINGS

For the year ended 31 December 2016, the Group had not been involved in any material litigation nor arbitration and the Directors are not aware of any litigation or claims of material importance pending or threatened against the Group.

EVENTS AFTER THE REPORTING PERIOD

Details of the events after the Reporting Period of the Company are set out in the chapter headed "Management Discussion and Analysis" from page 16 to 32 of this annual report.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the annual results and the Consolidated Financial Statements of the Group for the year ended 31 December 2016.

AUDITOR

PricewaterhouseCoopers was appointed as auditor of the Company for the financial statements prepared in accordance with HKFRS for the year ended 31 December 2016. The Company's financial statements for the year ended 31 December 2016 prepared in accordance with HKFRS have been audited by PricewaterhouseCoopers. The Company has retained the services of PricewaterhouseCoopers since 2013.

A resolution to re-appoint PricewaterhouseCoopers as the auditor of the Company for the year of 2017 will be proposed at the AGM.

公眾持股量的足夠性

根據本公司的公開可得資料及據董事所知，於本年報日期，本公司已維持經聯交所批准及上市規則准許的規定最低公眾持股量。

重大訴訟

截至二零一六年十二月三十一日止年度，本公司並無涉及任何重大法律訴訟或仲裁。就董事所知，亦無任何尚未了結或本集團可能面臨的重大法律訴訟或索賠。

期後事項

本公司期後事項之詳情載於本年報第16頁至32頁之「管理層討論及分析」章節內。

審核委員會

本公司審核委員會已審閱本集團截至二零一六年十二月三十一日止年度的全年業績及合併財務報表。

核數師

羅兵咸永道會計師事務所獲委聘為本公司截至二零一六年十二月三十一日止年度就根據香港財務報告準則編製財務報表的核數師。本公司根據香港財務報告準則編製的截至二零一六年十二月三十一日止年度財務報表已經羅兵咸永道會計師事務所審計。本公司自二零一三年起委聘羅兵咸永道會計師事務所提供審計服務。

本公司將於股東週年大會上提呈再次委任羅兵咸永道會計師事務所為二零一七年度本公司核數師的決議案。

Directors' Report 董事會報告

FINANCIAL HIGHLIGHTS

Summary of results of operation and the position of assets and liabilities of the Group for the last five financial years is set out on page 257 in this annual report.

For and on behalf of the Board
Yunnan Water Investment Co., Limited*

Jiao Jun
acting Chairman

Kunming, the PRC
30 March 2017

財務摘要

本集團於過往五個財政年度的經營業績及資產及負債載於本年報第257頁。

代表董事會
雲南水務投資股份有限公司

焦軍
代主席

中國，昆明
二零一七年三月三十日

The Board is pleased to present this corporate governance report of the Company from 1 January 2016 to 31 December 2016.

The Group strive to maintain high standards of corporate governance to enhance Shareholder value and safeguard Shareholders' interests. The Company's corporate governance principles emphasize the importance of a quality Board, effective internal control and accountability to the Shareholders.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance with a view to safeguarding the interest of shareholders and enhancing corporate value. The Board believes that good corporate governance is one of the factors leading to the success of the Company and balancing the interests of shareholders, customers and employees.

During the Reporting Period, the Company has complied with all code provisions as set out in the Corporate Governance Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Group has adopted the Model Code as the code of conduct regarding securities transactions by the Directors and Supervisors. The Group has made specific enquiries with all of its Directors and Supervisors, and all Directors and Supervisors have confirmed that they have fully complied with the required standard set out in the Model Code during the Reporting Period.

董事會欣然提呈載自二零一六年一月一日至二零一六年十二月三十一日止的企業管治報告。

本集團致力維持高水平企業管治，以提升股東價值及保障股東權益。本公司的企業管治原則重視質素優良的董事會、有效的內部監控及向股東負責。

遵守企業管治守則

本公司致力維持高水準的企業管治，務求維護股東利益及提升企業價值。董事會相信良好的企業管治是引領本公司走向成功及平衡股東、客戶以及僱員之間利益關係之因素之一。

於報告期內，本公司已遵守企業管治守則所載的所有守則條文。

董事及監事進行證券交易的標準守則

本集團已採納標準守則作為董事及本公司監事進行證券交易的守則。本集團已向全體董事及監事作出具體查詢，全體董事及監事已確認，彼等於報告期內一直完全遵守標準守則所載的規定標準。

Corporate Governance Report 企業管治報告

BOARD OF DIRECTORS	董事會
Board composition	董事會的組成
The Directors who held office during the Reporting Period are:	於報告期內任職的董事為：
Executive Directors	執行董事
Mr. Yu Long (<i>Chief Executive Officer</i>)	于龍先生(行政總裁)
Mr. Liu Xujun (<i>Deputy Chief Executive Officer</i>)	劉旭軍先生(副總裁)
Mr. Huang Yunjian (<i>Deputy Chief Executive Officer</i>)	黃雲建先生(副總裁)
Mr. Dai Richeng (<i>appointed on 7 June 2016</i>)	戴日成先生(於二零一六年六月七日獲委任)
Non-executive Directors	非執行董事
Mr. Xu Lei (<i>Chairman, resigned on 24 February 2017</i>)	許雷先生(主席，於二零一七年二月二十四日辭任)
Mr. Jiao Jun (<i>acting Chairman, effective from 24 February 2017</i>)	焦軍先生(代主席，自二零一七年二月二十四日起生效)
Mr. Wen Jianping (<i>resigned on 17 March 2016</i>)	文劍平先生(於二零一六年三月十七日辭任)
Mr. He Yuanping	何願平先生
Mr. Feng Zhuangzhi	馮壯志先生
Independent Non-executive Directors	獨立非執行董事
Mr. Kwok For Chi	郭科志先生
Mr. Hu Song	胡松先生
Mr. Ma Shihao	馬世豪先生
Mr. Ren Gangfeng	任鋼鋒先生

To the best knowledge of the Company, none of the Directors has any financial, business, family or other material/relevant relationships with each other. In particular, there is no such relationship between the Chairman and the Chief Executive Officer. The roles of Chairman (and the acting Chairman since the resignation of the Chairman on 24 February 2017) and the Chief Executive Officer are separated and assumed by Mr. Xu Lei (and Mr. Jiao Jun who was appointed as the acting Chairman on 24 February 2017) and Mr. Yu Long, respectively. For details, please refer to the section headed "Chairman and Chief Executive Officer" below.

據本公司目前所知，董事彼此間概無任何財務、業務、家族或其他重大／相關關連。尤其是主席與行政總裁之間概無該等關連。主席(及自主席於二零一七年二月二十四日辭任以來之代主席)及行政總裁的職位分開並分別由許雷先生(及於二零一七年二月二十四日獲委任為代主席的焦軍先生)及于龍先生擔任。有關詳情請參閱下文「主席及行政總裁」一節。

The biographies of the Directors are set out in the section headed “Directors, Supervisors and Senior Management” of this annual report.

The Company has entered into a service contract with each of the Directors containing terms relating to, among other things, compliance with relevant laws and regulations, observation of the Articles of Association and provision on arbitration. Pursuant to the Articles of Association, the Directors (including the non-executive Directors and the independent non-executive Directors) shall serve a term of three years from the date of he/she takes up the appointment.

During the Reporting Period, the Board at all times complied with the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors (at least one-third of the Board) with at least one independent non-executive Director possessing appropriate professional qualifications of accounting or related financial management expertise.

The Company has received written confirmation from each of the independent non-executive Directors of his independence during the Reporting Period pursuant to Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors to be independent during the Reporting Period in accordance with the independence guidelines as set out in the Listing Rules.

All Directors, including the non-executive Directors and the independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

董事簡歷載於本年報「董事、監事及高級管理人員」章節內。

本公司已與各董事訂立服務合約，當中載有有關(其中包括)遵守相關法律及法規、遵守章程及仲裁相關條文的條款。根據章程，董事(包括非執行董事及獨立非執行董事)的任期由其獲委任之日起計為期三年。

於報告期內，董事會一直遵守上市規則中有關委任至少三名獨立非執行董事(佔董事會人數至少三分之一)以及其中至少一名獨立非執行董事須擁有會計合適專業資格或相關財務管理知識之規定。

本公司已接獲各獨立非執行董事根據上市規則第3.13條的規定於報告期內就其獨立性發出的確認書。本公司認為全體獨立非執行董事於報告期內根據上市規則所載獨立性指引均具獨立性。

全體董事(包括非執行董事及獨立非執行董事)為董事會帶來不同範疇之寶貴業務經驗、知識及專長，使其高效及有效運作。

Responsibilities of the Board

The Board's fundamental responsibility is to exercise its best judgement and to act in the best interests of the Company and its Shareholders. The Board oversees management's efforts to promote the Company's success while operating in an effective and responsible manner. The Board also formulates the Company's overall business strategies and monitors management's execution of such strategies.

By discharging its responsibilities, the Board has defined the business and governance issues for which it needs to be responsible, and these matters reserved for the Board have been separately defined, and are reviewed periodically, to ensure that the Company maintains the proper level of corporate governance and to ensure they are up to date. In this regard, the Board discharges, among others, the following duties:

- (1) to be responsible for convening general meetings, to propose at a general meeting to pass the relevant matters and to report on its work to the general meeting and to implement the resolutions of the general meetings;
- (2) to decide on the Company's business plans and investment plans;
- (3) to formulate the Company's proposed annual preliminary and final financial budgets and profit distribution plan and plan for recovery of losses;
- (4) to draw up plans for the material asset acquisition or disposal, repurchase of shares of the Company or merger, division, dissolution and alteration of corporate form of the Company;
- (5) to decide on the proposals for salaries, incentives and punishments of the Company's staff;
- (6) to decide on the establishment of special committees under the Board and to appoint or remove its person-in-charge;
- (7) to propose at general meetings for the appointment, renewal or remove of accountants' firm conducting auditing for the Company; and
- (8) to review and supervise the policies and practices of the Company in compliance with legal and regulatory requirements.

董事會的職責

董事會的基本責任為行使其最佳判斷及以本公司及其股東的最佳利益行事。董事會在以有效及負責任方式運營的同時監管管理層的努力以推動本集團成功。董事會亦制訂本公司的整體業務策略及監控管理層對該等策略的執行。

通過履行其責任，董事會已界定其須負責的業務及管治事務，而就董事會保留的有關事宜已獲單獨界定及獲定期審閱，以確保本公司維持適當水平的企業管治，並確保其企業管治持續更新。就此而言，董事會行使如下職能(其中包括)：

- (1) 召集股東大會會議，提請股東大會通過有關事項，並向股東大會報告工作及執行股東大會的決議；
- (2) 決定公司的經營計劃和投資方案；
- (3) 制訂公司的年度財務預算方案和決算方案及溢利分配方案和彌補虧損方案；
- (4) 擬訂公司重大資產收購和出售、回購本公司股票或合併、分立、解散及變更公司形式的方案；
- (5) 決定公司職工的工資、福利及獎懲方案；
- (6) 決定董事會專門委員會的設置和任免專門委員會負責人；
- (7) 向股東大會提請聘任、續聘或解聘承辦公司審計業務的會計師事務所；及
- (8) 檢討及監察公司在遵守法律及監管規定方面的政策及常規。

The Board delegates the responsibility of day-to-day business and operations to the Company's senior management team, which includes its chief administration officers, the chief executive officer and deputy chief executive officers. The senior management team meets regularly or as frequent as necessary to formulate policies and make recommendations to the Board. The senior management team administers, enforces, interprets and supervises compliance with the internal rules and operational procedures of the Company as well as its subsidiaries and conducts regular reviews, recommends and advises on appropriate amendments to such rules and procedures. The senior management team reports to the Board on a regular basis and communicates with the Board whenever required.

Corporate Governance Functions of the Board

The Board is responsible for formulating the corporate governance policies and performing the corporate governance duties, which include, among others:

- (1) to develop and review the policies and practices of the Company on corporate governance and make recommendations;
- (2) to review and monitor the training and continuous professional development of the Directors and Senior management;
- (3) to review and monitor the policies and practices of the Company on compliance with legal and regulatory requirements;
- (4) to review and supervise the compliance of the Directors and employees of the Company and its subsidiaries with the required standards as set out in the Model Code; and
- (5) to review the compliance of the Company with relevant code provisions as set out in the Corporate Governance Code and make its disclosure in the corporate governance report prepared under the Listing Rules.

董事會已將其日常業務及經營職責轉授本公司高級管理團隊，高級管理團隊包括主要行政管理人員、行政總裁及副總裁。高級管理團隊定期舉行會議或不時就制訂政策及向董事會作出推薦意見的需要而舉行會議。高級管理團隊掌管、執行、詮釋及監督本公司及其附屬公司遵守內部規則及操作程序的情況及定期進行檢討、推薦及建議對有關規則及程序進行適當修訂。高級管理團隊定期向董事會匯報，並在有需要時與董事會保持溝通。

董事會企業管治功能

董事會負責制訂企業管治政策及履行企業管治責任其中包括：

- (1) 發展並檢討本公司的企業管治制度及慣例，並依此提出建議；
- (2) 審核及監察董事及高級管理人員的培訓及持續專業發展；
- (3) 審閱並監督有關本公司遵守法律法規相關要求的制度及慣例；
- (4) 審閱並監督本公司及其附屬公司的董事及僱員遵守標準守則所載的規定標準；及
- (5) 檢討本公司遵守企業管治守則的守則條文規定的情況，並將其披露於按照上市規則規定籌備的企業管治報告中。

Operation of the Board

Regular meetings of the Board shall be held at least four times a year. Meetings shall be convened by the Chairman and notice of and documents for such meetings shall be sent to all Directors and Supervisors 14 days before the meeting is held. The Chairman, any Shareholder(s) representing more than one-tenth voting rights, more than one-third of the Directors, or the Supervisory committee or more than one-half of the independent non-executive Directors or the Chief Executive Officer may propose the holding of an extraordinary meeting of the Board. The Chairman shall convene and preside over the extraordinary meeting of the Board within ten days upon receipt of the proposal, and shall give written notice to all Directors and Supervisors five days before the meeting is held. During the Reporting Period, the Board held 33 Board meetings, one annual general meeting and two extraordinary general meetings.

In case of urgency, the extraordinary Board meeting may be held upon approval by the Chairman, not subject to the requirement of meeting notice as set out in the Articles of Association, provided that reasonable notice shall be given to Directors, Supervisors and the Chief Executive Officer.

Nomination, Appointment and Removal of Directors

The Company has formulated formal and transparent procedures for the appointment of new directors to the Board. The nominations of new directors are considered first by the Nomination Committee and the Remuneration Committee, then they will make recommendations to the Board for consideration. All nominees of new directors must be approved by the shareholders at the general meeting of the Company. Dismissal of members of the Board must also obtain approval of the shareholders at the general meeting of the Company.

董事會的運作

董事會每年至少召開四次定期會議，由主席召集，會議通知及會議文件應於會議舉行十四日以前送達全體董事和監事。主席、代表十分之一以上表決權的股東、三分之一以上董事或者監事會、半數以上獨立非執行董事、行政總裁可以提議召開董事會臨時會議。主席應當自接到提議後十日內，召集和主持董事會臨時會議，並於會議召開五日以前書面通知全體董事和監事。於報告期內，董事會共召開了三十三次董事會會議，一次股東週年大會及二次臨時股東大會。

遇緊急情況時，經主席批准，董事會臨時會議的召開不受章程所載會議通知的限制，但應當給予董事、監事和行政總裁合理通知。

董事的提名及任免

本公司已就委任新董事加入董事會制訂正式及具透明度的程序。新董事的提名先由提名委員會和薪酬委員會考慮，再向董事會推薦以待考慮。所有新提名的董事須經股東於本公司股東大會上批准。罷免董事會成員亦須經股東於本公司股東大會上批准。

Attendance of Board Meetings and General Meetings

During the Reporting Period, the Board held 33 meetings. All Directors duly performed their duties and attended the meetings in person or by electronic communication means. They made informed decisions to safeguard the interests of the Company and the Shareholders as a whole. The attendance of Directors is as follows:

董事出席董事會及股東大會情況

於報告期內，董事會舉行了三十三次會議。所有董事均妥善履行其責任親自或通過電子通訊方式出席會議。彼等作出知情決定保障本公司及股東的整體利益。董事的出席率如下：

Name of Director	董事姓名	Attendance/ Number of Board Meetings 董事會出席次數/ 舉行次數
Mr. Xu Lei (resigned on 24 February 2017)	許雷先生 (於二零一七年二月二十四日辭任)	33
Mr. Yu Long	于龍先生	33
Mr. Liu Xujun	劉旭軍先生	33
Mr. Huang Yunjian	黃雲建先生	33
Mr. Dai Richeng (appointed on 7 June 2016)	戴日成先生 (於二零一六年六月七日獲委任)	21
Mr. Jiao Jun	焦軍先生	33
Mr. Wen Jianping (resigned on 17 March 2016)	文劍平先生 (於二零一六年三月十七日辭任)	12
Mr. He Yuanping	何願平先生	33
Mr. Feng Zhuangzhi	馮壯志先生	33
Mr. Kwok For Chi	郭科志先生	33
Mr. Hu Song	胡松先生	33
Mr. Ma Shihao	馬世豪先生	33
Mr. Ren Gangfeng	任鋼鋒先生	33

Apart from regular Board meetings, the Chairman also held a meeting with the independent non-executive Directors without the presence of executive Directors during the year ended 31 December 2016.

除定期董會會議外，於截至二零一六年十二月三十一日止年度，主席亦曾在執行董事不在場之情況下與獨立非執行董事舉行一次會議。

Corporate Governance Report 企業管治報告

During the Reporting Period, the Board has considered and approved important proposals, mainly including:

- Proposal in respect of the approval of the 2015 annual report of the Company
 - Proposal in respect of the approval of the 2015 profit distribution plan of the Company
 - Proposal in respect of the approval of the 2016 financial budget report of the Company
 - Proposal in respect of preparation of 2016 proposed investment project plan of the Company
 - Proposals in respect of the approvals of the issuances of debt financing instruments of the Company and provision of guarantee by the Group
 - Proposal in respect of the approval of the 2016 interim report of the Company
 - Proposal in respect of the amendment to the Articles of Association
 - Proposal in respect of the appointment of executive Director
 - Proposals in respect of notifiable transactions and connected transactions
- 報告期內，董事會審議並通過的重要議案主要包括：
- 關於批准本公司二零一五年度報告的議案
 - 關於批准本公司二零一五年度溢利分配方案的議案
 - 關於批准本公司二零一六年度財務預算報告的議案
 - 關於製定本公司二零一六年度擬投資項目計劃的議案
 - 關於批准本公司發行債務融資工具及本集團提供擔保的議案
 - 關於批准本公司二零一六年度中期報告的議案
 - 關於修訂公司章程的議案
 - 關於委任執行董事的議案
 - 關於審議須予公佈交易及關連交易的議案

Pursuant to the Articles of Association, general meetings comprise annual general meetings and extraordinary general meetings. Annual general meetings are held once every year and within six months after the conclusion of the previous financial year. During the Reporting Period, the Company held a total of 3 general meetings, including two extraordinary general meetings. The attendance of Directors is as follows:

根據《公司章程》，股東大會分為股東週年大會和臨時股東大會。股東週年大會每年召開一次，並應於上一個財務年度結束後的六個月內舉行。於報告期內，本公司共召開了三次股東大會，其中有二次為臨時股東大會。董事的出席率如下：

Name of Director	董事姓名	Attendance/ Number of annual general meeting 股東週年大會 出席次數/ 會議次數	Attendance/ Number of extraordinary general meeting 臨時股東大會 出席次數/ 會議次數
Mr. Xu Lei (resigned on 24 February 2017)	許雷先生 (於二零一七年二月二十四日辭任)	1/1	2/2
Mr. Yu Long	于龍先生	1/1	2/2
Mr. Liu Xujun	劉旭軍先生	1/1	2/2
Mr. Huang Yunjian	黃雲建先生	1/1	2/2
Mr. Dai Richeng (appointed on 7 June 2016)	戴日成先生 (於二零一六年六月七日獲委任)	1/1	1/2
Mr. Jiao Jun	焦軍先生	1/1	2/2
Mr. Wen Jianping (resigned on 17 March 2016)	文劍平先生 (於二零一六年三月十七日辭任)	1/1	1/2
Mr. He Yuanping	何願平先生	1/1	2/2
Mr. Feng Zhuangzhi	馮壯志先生	1/1	2/2
Mr. Kwok For Chi	郭科志先生	1/1	2/2
Mr. Hu Song	胡松先生	1/1	2/2
Mr. Ma Shihao	馬世豪先生	1/1	2/2
Mr. Ren Gangfeng	任鋼鋒先生	1/1	2/2

Continuous Professional Development of Directors and Supervisors

Directors shall from time to time understand their responsibilities as Directors of the Company, and the mode of operation, business activities and development of the Company.

All newly appointed Directors will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment, so as to ensure that newly appointed Directors have appropriate understanding of the business and operations of the Company and are fully aware of their responsibilities and obligations under the Listing Rules and relevant regulatory requirements. During the Reporting Period, Directors of the Company have participated in the training about “Obligations of Directors of Listing Companies” conducted by lawyers.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. The Company constantly arrange internal seminars and provide reading materials on relevant topics to Directors, and all Directors are encouraged to attend relevant training courses.

During the year ended 31 December 2016, apart from provision of general introduction for newly appointed Directors, the Company has also arranged the Directors, Supervisors and relevant senior management members to participate in a training and seminar on 7 June 2016 hosted by lawyers with a view to enhancing the awareness of the management of the Company towards the Listing Rules.

Mr. Xu Lei (resigned on 24 February 2017), Mr. Jiao Jun, Mr. Yu Long, Mr. He Yuanping, Mr. Dai Richeng (appointed on 7 June 2016), Mr. Feng Zhuangzhi, Mr. Liu Xujun, Mr. Huang Yunjian, Mr. Kwok For Chi, Mr. Ma Shihao, Mr. Ren Gangfeng and Mr. Hu Song have participated in relevant trainings and have provided the relevant records to the Company. The Directors developed and updated their knowledge and skills through participation in the training programmes, which in turn ensures that they could make suitable contribution to the Board.

董事及監事之持續專業發展

董事須不時了解其作為本公司董事之職責，以及本公司之經營方式、業務活動及發展。

全體董事均於首次獲委任時獲提供正式、全面及針對性就任介紹，確保新任董事們可適當掌握本公司業務及營運，並全面理解根據上市規則及相關法律規定的職責及責任。本公司董事於報告期內，已參加律師舉辦有關「上市公司董事職責」的培訓。

董事須參與適當的持續專業發展，發展並更新其知識及技能，以確保其繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。本公司持續為董事安排內部研討會及就有關主題刊發閱讀材料，並鼓勵董事參加相關培訓課程。

截至二零一六年十二月三十一日止年度，除為新任董事提供入職介紹外，本公司亦已安排董事、監事及相關高級管理人員於二零一六年六月七日參加由律師主持有關提高本公司管理層對上市條例的認知的培訓及講座。

許雷先生(於二零一七年二月二十四日辭任)，焦軍先生，于龍先生，何願平先生，戴日成先生(於二零一六年六月七日獲委任)，馮壯志先生，劉旭軍先生，黃雲建先生，郭科志先生，馬世豪先生，任鋼鋒先生和胡松先生已參與有關培訓，並已向本公司提供有關記錄。董事透過參與培訓課程發展及提升自身知識及技能，從而保證自己可為董事會作出合適的貢獻。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles and duties of the Chairman and the Chief Executive Officer are separate and held by different persons and have been clearly defined in the Articles of Association. Mr. Xu Lei serves as Chairman (who resigned on 24 February 2017 and Mr. Jiao Jun was appointed as the acting Chairman on 24 February 2017) and Mr. Yu Long serves as Chief Executive Officer. The Chairman is elected by a majority vote of all Directors, and the Chief Executive Officer is nominated and appointed by the Board.

The Chairman of the Board places great emphasis on communication with the independent non-executive Directors. The Chairman holds meetings with the independent non-executive Directors at least once every year, in respect of development strategy, corporate governance, operational management, at which no executive director is present.

The Chairman encourages open and active discussions. Directors may speak freely at the Board meetings and actively participate in the discussions of significant decision-makings in the Board meetings.

BOARD COMMITTEES

The Board had delegated certain responsibilities to various committees. The Company had established four Board committees, being the Nomination Committee, the Remuneration Committee, Compliance Committee and the Audit Committee.

(1). Nomination Committee

The Nomination Committee consists of one non-executive Director, Mr. Jiao Jun (appointed as the acting chairman on 24 February 2017 in place of Mr. Xu Lei who resigned as the Chairman and the chairman of the Nomination Committee on the same day), and two independent non-executive Directors, Mr. Hu Song and Mr. Ren Gangfeng.

The principal responsibilities of the Nomination Committee include reviewing and monitoring the structure, size, composition and diversity of members of the Board in light of the Company's strategy; identifying suitably qualified individuals and making recommendations to the Board to be new Board members; reviewing and making recommendations to the Board on individuals nominated to be Directors by Shareholders to ensure that all nominations are fair and transparent; assessing the independence of independent non-executive Directors; reviewing and monitoring the implementation of diversity policy of Board members of the Company. Terms of reference of the Nomination Committee have been published on the website of the Company.

主席及行政總裁

主席及行政總裁的職責有所區分，並由不同人士擔任，且於公司章程明確界定。許雷先生擔任主席(彼於二零一七年二月二十四日辭任，焦軍先生於二零一七年二月二十四日獲委任為代主席)，于龍先生擔任行政總裁。主席由全體董事過半數選舉產生。行政總裁由董事會提名並聘任。

主席注重與獨立非執行董事溝通，與獨立非執行董事在執行董事不在場情況下至少單獨會面一次，溝通公司發展戰略、公司治理、經營管理等情況。

主席提倡公開、積極討論的文化，董事在董事會會議上暢所欲言，就公司重大決策事項積極充分討論。

董事委員會

董事會已將部份職責轉授予多個委員會。本公司已設立四個董事委員會，即提名委員會、薪酬委員會、合規委員會及審核委員會。

(1). 提名委員會

提名委員會現時由一名非執行董事焦軍先生(於二零一七年二月二十四日獲委任為代主席以代替於當天辭任主席及提名委員會主席的許雷先生)以及兩名獨立非執行董事胡松先生及任鋼鋒先生組成。

提名委員會的主要職責包括：根據本公司策略檢討及監察董事會架構、規模、組成及成員多元化；物色合資格的人士及向董事會提供建議新董事會成員；就股東提名擔任董事的人士進行審閱及向董事會提供建議，以確保所有提名均屬公正和具透明度；評估獨立非執行董事的獨立性；檢討及監察本公司董事會成員多元化政策的實行。有關提名委員會的職權範圍已載列於本公司網站。

Corporate Governance Report 企業管治報告

During the Reporting Period, the Nomination Committee has reviewed the appointment of new executive Director.

The Company had adopted a Board diversity policy with a view to achieving the diversity of the Board. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members.

The Nomination Committee will follow a range of diversified perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be made upon the possible contribution that the selected candidates will bring to the Board.

During the Reporting Period, the Nomination Committee of the Company has held the meeting once, to review the structure, size and composition of the Board and the independence of the independent non-executive Directors. The attendance record of the committee members are as follows:

於報告期內，提名委員會審議新執行董事之委任事宜。

本公司已採取董事會多元化政策，務求達到董事會多元化之目的。本公司承認並接受構建一個多元化的董事會可提升董事會表現質素的理念。董事會致力確保董事會因應本公司業務具備適當技巧、經驗及多樣的觀點及角度。本公司仍會按有關人選的長處並考慮對董事會成員多元化的裨益而作出董事會委任。

提名委員會將從多方面就多元化因素進行考慮，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務年資，並按董事人選可為董事會帶來的貢獻而作出最終決定。

於報告期內，本公司提名委員會共舉行了一次會議，以檢討董事會架構、人數及組成以及獨立非執行董事之獨立性。委員會之成員出席記錄如下：

Name of Director	董事姓名	Attendance/ Number of Meetings 出席次數/ 會議次數
Mr. Xu Lei (resigned on 24 February 2017)	許雷先生(於二零一七年二月二十四日辭任)	1/1
Mr. Hu Song	胡松先生	1/1
Mr. Ren Gangfeng	任鋼鋒先生	1/1

(2). Remuneration Committee

The Remuneration Committee consists of one executive Director, Mr. Yu Long, and two independent non-executive Directors, Mr. Hu Song (as chairman) and Mr. Ren Gangfeng.

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the policy and structure of remuneration for all Directors and senior management members and on the establishment of a formal and transparent procedure for developing remuneration policy; review and approval of the remuneration proposals from the management; making recommendations to the Board on the remuneration packages of individual executive Directors and senior management members; and to advise Shareholders with respect to the service contracts of Directors that require Shareholders' approval under the Listing Rules. Terms of reference of the Remuneration Committee have been published on the website of the Company.

In 2016, the Remuneration Committee provided recommendations to the Board on the remuneration and performance management policy and framework for the Directors and senior management. Meanwhile, it inspected and assessed the performance of duties by the Directors and senior management and the annual performance.

During the Reporting Report, the Remuneration Committee of the Company has held the meeting once, the attendance record of the committee members are as follows:

Name of Director	董事姓名	Attendance/ Number of Meetings 出席次數/ 會議次數
Mr. Hu Song	胡松先生	1/1
Mr. Yu Long	于龍先生	1/1
Mr. Ren Gangfeng	任鋼鋒先生	1/1

(2). 薪酬委員會

薪酬委員現時會由一名執行董事于龍先生以及兩名獨立非執行董事胡松先生(擔任主席)及任鋼鋒先生組成。

薪酬委員會的主要職責包括：就董事及高級管理人員的全體薪酬政策及架構及就設立正規而具透明度的程序制訂薪酬政策向董事會提出建議；檢討及批准管理層的薪酬建議；向董事會建議個別執行董事及高級管理人員的薪酬待遇；及根據上市規則就有關需要由股東批准的董事服務合同向股東提出建議。有關薪酬委員會的職權範圍已載列於本公司網站。

於二零一六年，薪酬委員會對就董事和高級管理人員的薪酬和績效管理政策、架構向董事會提供建議。同時，對董事和高級管理人員的履行職責情況及年度績效進行檢查及評估。

於報告期內，本公司薪酬委員會共舉行一次會議，委員之成員之出席記錄如下：

(3). Compliance Committee

The Compliance Committee consists of one executive Director, Mr. Yu Long, and three independent non-executive Directors, Mr. Kwok For Chi, Mr. Hu Song and Mr. Ren Gangfeng and one Supervisor, Ms. Yang Chuanyun. Mr. Yu Long is the chairman of the committee.

The principle responsibilities of the Compliance Committee are to conduct independent investigation and make decisions on compliance matters with respect to our business operations by authorization from the Board. The Company has established the Compliance Committee to ensure the operation of any projects acquired and operated by us are in compliance with our internal control standards and the relevant PRC laws and regulations. During the Reporting Period, the Compliance Committee of the Company has held the meeting once, all the members were attended.

(4). Audit Committee

The Audit Committee consists of four independent non-executive Directors, Mr. Kwok For Chi (as chairman), Mr. Hu Song, Mr. Ma Shihao and Mr. Ren Gangfeng.

The principal responsibilities of the Audit Committee include reviewing and supervising the financial reporting process, risk management and internal control systems of the Company, including making recommendations on appointing or changing the external auditor and its terms of engagement; reviewing and monitoring external auditor's independence and audit process objectively; monitor the integrity of the Company's financial statements, annual report and accounts and half-year report; oversight of the Company's financial reporting system, risk management and internal control system; other matters that the Board has authorized it to deal with. Terms of reference of the Audit Committee have been published on the website of the Company.

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the Reporting Period. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management of the Company.

(3). 合規委員會

合規委員會由一名執行董事于龍先生、三名獨立非執行董事郭科志先生、胡松先生和任鋼鋒先生和一名監事楊川雲女士組成。于龍先生為該委員會主席。

合規委員會主要職責為董事會所授權的運營進行獨立調查及就合規事宜進行決策。本公司成立合規委員會以確保本集團收購項目及運營符合內部監控及相關的中國法律法規。於報告期內，本公司合規委員會共舉行一次會議，所有成員均出席該次會議。

(4). 審核委員會

審計委員會現時由四名獨立非執行董事，郭科志先生(擔任主席)、胡松先生、馬世豪先生及任鋼鋒先生組成。

審核委員會的主要職責包括：檢討及監督本公司的財務申報過程、風險管理及內部控制制度，包括就委任及更換外部核數師及其委任條款提出推薦意見；客觀檢討及監察外部核數師的獨立性及審核過程；監察本公司財務報表、年度報告及賬目以及半年度報告的完整性；監督本公司財務報告制度、風險管理及內部監控系統；董事會授權其處理的其他事項。有關審核委員會的職權範圍已載列於本公司網站。

審核委員會已審閱本集團於報告期內之經審核合併財務報表。審核委員會亦已就有關公司所採納的會計政策及常規以及內部控制事宜與本公司高級管理層進行討論。

During the Reporting Period, the Audit Committee of the Company has held the meeting twice, the attendance record of the committee members are as follows:

於報告期內，本公司審核委員會共舉行了兩次會議，委員會之成員出席記錄如下：

Name of Director	董事姓名	Attendance/ Number of Meetings 出席次數/ 會議次數
Mr. Kwok For Chi	郭科志先生	2/2
Mr. Hu Song	胡松先生	2/2
Mr. Ma Shihao	馬世豪先生	2/2
Mr. Ren Gangfeng	任鋼鋒先生	2/2

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Company has established a formal and transparent procedure for formulating policies on remuneration of senior management of the Group. Details of the remuneration of each of the Directors for the year ended 31 December 2016 are set out in Note 41 to the Consolidated Financial Statements.

Pursuant to paragraph B.1.5 of the Corporate Governance Code, remuneration paid to the senior management (excluding the Directors) by bands for the year ended 31 December 2016 is set out below:

董事及高級管理人員的薪酬

本公司已就制訂本集團高級管理人員的薪酬政策建立正式及具透明度的程序。截至二零一六年十二月三十一日止年度各董事薪酬的詳情載於合併財務報表附註41。

根據企業管治守則第B.1.5段，下表載列截至二零一六年十二月三十一日止年度按區間劃分支付予高級管理人員(不包括董事)的薪酬：

Remuneration bands (RMB)	薪酬區間(人民幣)	Number of individuals 人數
Nil to 500,000	零至500,000元	2
500,001 to 800,000	500,001至800,000元	2

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group for the year ended 31 December 2016. The Directors consider that the Group has adequate resources to continue in business for the foreseeable future and are not aware of material uncertainties that may cast significant doubt on the Group's ability to continue its operation as a going concern.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other statutory and regulatory requirements.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Group's consolidated financial statements, which are put to the Board for approval.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

The Group believes that effective environmental, social and corporate governance management policies are crucial to the sustainability of the Group's business. As such, the Group proactively enhances its understanding of the latest laws and regulations and the best practices both within and outside the PRC, which are relevant to the Group's business, as well as its management approach and management system. As a responsible corporation, the Group is also committed and dedicated to maintaining the highest environmental and social standards.

The Group has complied with all relevant laws and regulations in relation to its business, including but not limited to health and safety, workplace conditions, employment and the environment. The Group understands that a better future depends on everyone's participation and contribution. Towards that end, it has encouraged employees, customers, suppliers and other stakeholders to participate in environmental and social activities which benefit the community as a whole. The Group also maintains strong relationships with its employees, has enhanced cooperation with its suppliers and has provided high quality products and services to its customers so as to ensure sustainable development.

問責及審計

董事確認知悉編製本集團截至二零一六年十二月三十一日止年度的合併財務報表之責任。董事認為本集團擁有充足資源以在可見將來繼續經營業務，而且並不知悉可能引致本集團能否持續經營業務成為重大疑問的重大不明朗因素。

董事會須負責就年度及中期報告、內幕消息公佈及根據上市規則及其他法律及監管規定而須發表之其他披露呈報作出平衡、清晰及可理解之評估。

管理層已向董事會提供必要的解釋及數據，讓董事會可就提交予董事會批准的本集團合併財務報表作出知情評審。

環境、社會及企業管治

本集團認為，有效的環境、社會及企業管治管理政策對於本集團業務的可持續發展至關重要。因此，本集團積極加深瞭解與本集團業務、其管理方針及管理系統有關的中國境內外最新法律及法規以及最佳慣例。作為一家負責任的企業，本集團亦決心致力維持最高的環境及社會標準。

本集團已遵守有關其業務的所有相關法律及法規，包括(但不限於)健康及安全、職業環境、僱傭及環境方面的法律及法規。本集團明白到，更美好的未來需要社會上每一個人參與共建。為了達成這個目標，本集團鼓勵僱員、客戶、供應商及其他股份持有者參與對社區整體有益的環境及社會活動。此外，本集團與其僱員維持堅固的關係、已加強與其供應商的合作，以及向其客戶提供優質產品及服務，藉以確保可持續發展。

An ESG report has been prepared with reference to Appendix 27 ESG Guide to the Listing Rules. The report represents our wide commitment to sustainable development during the Reporting Period, and covers the major environmental and social policies of our Group and the achievements and performance of such policies. The ESG report is set out on page 258 to 272 of this annual report.

本公司現正參照上市規則附錄二十七 ESG 指引編製一份 ESG 報告。該報告代表了我們於報告期內對可持續發展的廣泛承諾，涵蓋了本集團的主要環境和社會政策以及該等政策的成就和表現。該環境、社會及管治報告載於本年報第 258 至 272 頁。

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for maintaining an adequate risk management and internal control system to safeguard the Shareholder's investments and the Company's assets and with the support of the Audit Committee, reviewing the effectiveness of such system on an annual basis.

風險管理與內部監控

董事會負責維持充分的風險管理及內部監控系統，以保障股東投資及本公司的資產，並在審核委員會的支持下，每年檢討有關系統的效能。

The Board, through the Audit Committee, conducted a review of internal audit system and the effectiveness of the risk management and internal control system of the Company and its subsidiaries including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget.

董事會透過審核委員會檢討本公司及其附屬公司的內部審計系統及風險管理及內部監控系統的效能，包括本公司在會計及財務申報職能方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算是否充足。

During the Reporting Period, the Board, through a review, considered that the risk management and internal control system of the Company and its subsidiaries was effective and adequate.

於報告期內，董事會通過檢討認為本公司及其附屬公司的風險管理及內部監控系統有效及足夠。

AUDITOR AND AUDITOR'S REMUNERATION

The statement of the auditor of the Company about its reporting responsibilities for the Consolidated Financial Statements is set out in the "Independent Auditor's Report" from page 91 to 99 of this annual report.

核數師及核數師酬金

本公司核數師有關其就合併財務報表須承擔的申報責任的聲明載於本年報第 91 至第 99 頁的「獨立核數師報告」內。

During the Reporting Period, the remuneration paid/payable to the Company's auditor, PricewaterhouseCoopers, is set out below:

下表載列本報告期內支付／應付予本公司核數師羅兵咸永道的薪酬：

		Amount 金額 RMB'000 人民幣千元
Fee for audit services	審計服務收費	4,900
Fee for non-audit services	非審計服務收費	1,080
Total fees	費用總額	5,980

The Group also appointed other external auditors in respect of audit services and non-audit services during the Reporting Period.

本集團於報告期內亦聘請了其他核數師提供核數服務及非核數服務。

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/ INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investors understanding of the Group's business performance and strategies. The Company also recognizes the importance of transparency and timely disclosure of corporate information, which will enable Shareholders and investors to make the best investment decisions. The general meetings of the Company provide a forum for face-to-face communication between the Board and the Shareholders.

SHAREHOLDER'S RIGHTS

Pursuant to the Articles of Association, Shareholder(s) holding more than 10% (individually or together with others) of Shares of the Company shall be entitled to request for an extraordinary general meeting or class meeting according to the following procedures:

- (1) Upon signing one or several written requests with the same content and format, and stating the subject of the meeting, the aforesaid Shareholders may request the Board to convene an extraordinary general meeting or class meeting. Concerning the above request, the Board shall, in accordance with the law, administrative regulations and the Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary general meeting within ten days upon receipt of the proposal. Shares held by the above Shareholders who made the requests shall be calculated as at the date of submitting the written request.
- (2) If the Board agrees to convene an extraordinary general meeting or class meeting, it shall issue a notice of general meeting within five days upon making the Board decision. Any changes made to the original request in the notice shall be agreed by the relevant Shareholders.
- (3) If the Board disagrees to convene the extraordinary general meeting or class meeting, or does not reply within 10 days upon receipt of the proposal, Shareholders individually or together holding more than 10% of the Shares are entitled to request the Supervisory Committee in writing to hold an extraordinary general meeting or class meeting.
- (4) If the Supervisory Committee agrees to convene the extraordinary general meeting or class meeting, it shall issue a notice of general meeting within five days upon receiving the requests. Any changes made to the original request in the notice shall be agreed by the relevant Shareholders.

與股東及投資者的溝通／投資者關係

本公司認為，與股東保持有效溝通，對促進投資者關係及加深投資者對本集團業務表現及戰略的了解至為重要。本公司亦明白保持公司資料透明度及適時披露公司資料的重要性，此舉將使股東及投資者作出最佳投資決定。本公司股東大會為董事會與股東提供直接對話的平台。

股東的權利

根據公司章程，單獨或者合計持有百分之十以上公司股份的股東，有權按照下列程序要求召開臨時股東大會或者類別股東會議：

- (1) 簽署一份或者數份同樣格式內容的書面要求，要求董事會召開臨時股東大會或者類別股東會議，並闡明會議的議題。董事會應當根據法律、行政法規和公司章程的規定，在收到前述要求後十日內提出同意或不同意召開臨時股東大會或者類別股東會議的書面反饋意見。上述提議股東的持股數按股東提出書面要求之日計算。
- (2) 董事會同意召開臨時股東大會或者類別股東會議的，應當在作出董事會決議後五日內發出召開股東大會的通知，通知中對原要求的變更，應當徵得相關股東的同意。
- (3) 董事會不同意召開臨時股東大會或者類別股東會議提議的，或在收到要求後十日內未作出反饋的，單獨或者合計持有百分之十以上股份的股東有權以書面形式要求監事會召開會議。
- (4) 監事會同意召開臨時股東大會或者類別股東會議的，應當在收到要求後五日內發出召開股東大會的通知，通知中對原要求的變更，應當徵得相關股東的同意。

(5) If the Supervisory Committee does not issue the notice of general meeting within the prescribed period, it shall be deemed as the Supervisory Committee not convening and not holding the general meeting. Then the Shareholders who individually or together hold more than 10% of the Shares for more than 90 consecutive days may convene and hold the meeting themselves. Before publicly announcing the resolution(s) of the general meeting, the convening Shareholders shall hold no less than 10% of the Shares. When the convening Shareholder issues the notice for general meeting and publicly announces the resolution(s) of the general meeting, they shall submit the relevant proof materials to the securities regulatory authority where the Company is located and relevant stock exchange.

Pursuant to the Articles of Association, Shareholders who individually or together holding more than 3% of the Shares may submit ad hoc proposals in writing to the convener of the general meeting ten days before the holding of the general meeting. The convener shall issue a supplementary notice of the general meeting within two days upon receipt of the proposals and announce the contents of the ad hoc proposals.

The Company sets out the following contact details for the Shareholders to communicate with the Company:

Telephone number: +86 871 6720-9716
Company website: www.yunnanwater.cn
E-mail address: ir@yunnanwater.com.cn

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by the law.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

On 7 June 2016, the Company passed a resolution at the annual general meeting to approve the amendments to Articles of Association, which was effective on 30 November 2016. The amended Articles of Association was published on the website of the Stock Exchange.

(5) 監事會未在規定期限內發出股東大會通知的，視為監事會不召集和主持股東大會，連續九十日以上單獨或者合計持有百分之十以上股份的股東可以自行召開和主持大會。在股東大會決議公告前，召集股東持股比例不得低於百分之十。召集股東應在發出股東大會通知及股東大會決議公告時，向公司所在地證券監督管理機構和證券交易所提交有關證明材料。

根據公司章程，單獨或者合計持有百分之三以上股份的股東，可以在股東大會召開十日前提出臨時提案並書面提交召集人。召集人應當在收到提案後兩日內發出股東大會補充通知，公告臨時提案的內容。

本公司現載列下列通訊資料，以便股東與本公司溝通：

電話號碼：+86 871 6720-9716
公司網站：www.yunnanwater.cn
電郵地址：ir@yunnanwater.com.cn

為免存疑，股東須將妥為簽署之書面要求、通知或聲明、或查詢(視情況而定)之正本存置於及寄送至上述地址，並提供彼等的全名、聯絡詳情及身份，以便本公司回覆。股東資料可能根據法律規定而予以披露。

公司章程的修改

於二零一六年六月七日，本公司股東週年大會通過決議案批准公司章程修訂，經修訂公司章程於二零一六年十一月三十日起生效。經修訂公司章程已刊載於聯交所網站。

COMPANY SECRETARY

Mr. Li Bo had been the company secretary of the Company. Pursuant to Rule 3.29 of the Listing Rules, the Company Secretary must take no less than 15 hours of relevant professional training in each financial year. Mr. Li provided his training records to the Company indicating more than 15 hours of relevant professional development by attending courses on company secretary functions, accounting system and Listing Rules, etc. offered by qualified professional training institutions.

公司秘書

李博先生為本公司公司秘書。根據上市規則第3.29條，公司秘書必須在每個財政年度參加不少於15小時的相關專業培訓。李先生已向本公司提供培訓記錄，通過參加由合資格專業培訓機構提供的有關公司秘書職能、會計制度及上市規則等內容的課程以完成15小時以上的相關專業培訓。



羅兵咸永道

To the Shareholders of Yunnan Water Investment Co., Limited
(incorporated in the People's Republic of China with limited liability)

致雲南水務投資股份有限公司股東
(於中華人民共和國註冊成立的有限公司)

OPINION

意見

What we have audited

我們已審計的內容

The consolidated financial statements of Yunnan Water Investment Co., Limited (the "Company") and its subsidiaries (the "Group") set out on pages 100 to 256, which comprise:

雲南水務投資股份有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第100至256頁的合併財務報表，包括：

- the consolidated balance sheet as at 31 December 2016;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

- 於二零一六年十二月三十一日的合併資產負債表；
- 截至該日止年度的合併損益及其他綜合收益表；
- 截至該日止年度的合併權益變動表；
- 截至該日止年度的合併現金流量表；及
- 合併財務報表附註，包括主要會計政策概要。

Our opinion

我們的意見

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

我們認為，該等合併財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於二零一六年十二月三十一日的合併財務狀況及其截至該日止年度的合併財務表現及合併現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

Independent Auditor's Report 獨立核數師報告

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Receivables and revenue recognised for service concession arrangements under financial asset model
- Recoverability of trade receivables

意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計合併財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

根據香港會計師公會頒布的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本年度合併財務報表的審計最為重要的事項。這些事項是在我們審計整體合併財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們在審計中識別的關鍵審計事項概述如下：

- 服務特許經營安排下的金融資產模型的應收款項和收入的確認和計量
- 應收賬款的可回收性

Key Audit Matter	How our audit addressed the Key Audit Matter	關鍵審計事項	我們的審計如何處理關鍵審計事項
<p>Receivables and revenue recognised for service concession arrangements under financial asset model</p> <p>Refer to note 2.11(a) (i) for the accounting policy of service concession arrangements under financial asset model, note 4(a) for the critical accounting estimates and judgements involved, and note 19 to the consolidated financial statements for the receivables under service concession arrangements.</p> <p>The Group has entered into a number of service concession arrangements with certain governmental authorities or their designators (the “Grantors”) under Build-Operate-Transfer arrangements and Transfer- Operate-Transfer arrangements in respect of its sewage and reclaimed water treatment and water distribution services. Certain of these service concession arrangements are accounted for using “financial asset” model while others are accounted for using “intangible asset” model. For the Group’s service concession arrangements under financial asset model, the fair value of receivables and revenue recognised are derived from valuation in which a number of critical assumptions were used. As at 31 December 2016, the carrying amount of receivables under service concession arrangements amounted to RMB2,891,228,000, which accounted for 14% of the Group’s total assets.</p>	<p>With respect to valuation and revaluation for the service concession arrangements under financial asset model undertaken during the year, we assessed the methodologies used by the external valuer and evaluated the independence, competence and capabilities of the external valuer.</p> <p>We selected samples of service concession arrangements under financial asset model for testing. The key procedures included:</p> <ol style="list-style-type: none"> 1. Examining the agreements between the Group and the Grantors. 2. Testing the reasonableness and appropriateness of critical assumptions adopted in the cash flow forecasts, mainly in relation to: <ul style="list-style-type: none"> – sending confirmations to the Grantors to confirm the current unit price and the future price incremental rate; – assessing and analysing the reasonableness of the operating costs by comparing to the actual costs of other existing service concession arrangements of the Group; 	<p>服務特許經營安排下的金融資產模型的應收款項和收入的確認和計量</p> <p>服務特許經營安排下的金融資產模型的相關會計政策請參閱合併財務報表附註2.11(a)(i)，重要會計估計和判斷請參閱附註4(a)，以及服務特許經營安排下的應收款項請參閱附註19。</p> <p>貴集團與某些政府機關或其指定方(「授予人」)就提供污水及再生水處理和供水服務的「建設－運營－移交」安排及「移交－運營－移交」安排，訂立了多項服務特許經營安排。貴集團的一部分服務特許經營安排按照金融資產模型核算，其餘的服務特許經營安排按照無形資產模型核算。貴集團的服務特許經營安排下的金融資產模型的應收款項及收入，其公允價值由估值得出，該等估值運用了多項關鍵假設。於二零一六年十二月三十一日，貴集團服務特許經營安排下的應收款項賬面金額為人民幣2,891,228,000元，佔資產總額的14%。</p>	<p>關於本年度對服務特許經營安排下的金融資產模型進行的估值及重估，我們評估了外部評估師使用的方法以及外部評估師的獨立性和專業勝任能力。</p> <p>我們對服務特許經營安排下的金融資產模型進行了抽樣測試。主要程序包括：</p> <ol style="list-style-type: none"> 1. 檢查貴集團與授予人簽署的合約。 2. 對現金流預測所使用的關鍵假設的合理性及恰當性進行測試，主要包括： <ul style="list-style-type: none"> – 向授予人發送函證，核實服務費的現時單價及未來價格的增長幅度； – 對比貴集團其他現有的服務特許經營權安排的實際成本，評估並分析運營成本的合理性；

Independent Auditor's Report

獨立核數師報告

Key Audit Matter	How our audit addressed the Key Audit Matter	關鍵審計事項	我們的審計如何處理關鍵審計事項
<p>Receivables and revenue recognised for service concession arrangements under financial asset model (Cont'd)</p> <p>Management has engaged an external valuer to perform the valuation for those service concession arrangements under financial asset model at initial recognition, and to perform revaluation when there were indicators that the critical assumptions in the initial valuation have been significantly affected and deviated subsequent to initial recognition. Such valuation and revaluation were determined based on the forecasted cash flows to be derived from the related projects which involved critical judgements and assumptions including but not limited to the effective interest rate, forecasted unit price of service fee, operating costs and profit margins of the operating services. With reference to the valuation and revaluation performed by the external valuer, management determined the amount of receivables and revenue to be recognised for service concession arrangements under financial asset model during the year, and the subsequent measurement of receivables and revenue.</p> <p>We paid significant attention to this area due to the significance of receivables and revenue recognised for service concession arrangements under financial asset model and there was critical judgement involved in determining the critical assumptions used in the valuation and revaluation.</p>	<ul style="list-style-type: none"> - assessing and analysing the profit margins of the operating services by comparing with the average profit margin of the operating services of the industry; and - assessing the effective interest rate by reference to our knowledge of the industry and independent research on external evidence. <p>We also challenged management's assessment of whether the subsequent measurement of receivables and revenue recognised for the service concession arrangements under financial asset model should be subject to revaluation by comparing the actual outcome, if available, with the critical assumptions applied in the valuation in previous years and assessing the potential impact of reasonably possible changes in the critical assumptions.</p> <p>Based on our audit work, we found the critical assumptions used by management on the service concession arrangements under financial asset model to be consistent with the evidence that we obtained.</p>	<p>服務特許經營安排下的金融資產模型的應收款項和收入的確認和計量(續)</p> <p>管理層聘請了外部評估師對服務特許經營安排下的金融資產模型在初始確認時進行估值，若有跡象表明初始確認時的估值所採用的關鍵假設發生重大變化，則進行重估。該等估值及重估主要基於服務特許經營安排的現金流預測，所涉及的重要判斷及關鍵假設包括但不限於有效折現率、服務費的預測單價、運營成本及運營服務的毛利率。根據外部評估師的估值及重估，管理層確定應於當年確認的服務特許經營安排下的金融資產模型的應收款項及收入，以及相關的後續計量金額。</p> <p>我們著重關注該領域，主要由於服務特許經營安排下的金融資產模型的應收款項和收入金額較為重大，以及貴集團在初始評估及後續的重估中運用的關鍵假設涉及重大判斷。</p>	<ul style="list-style-type: none"> - 對比同行業運營服務的平均毛利率，評估並分析運營服務的毛利率的合理性；及 - 結合同行業的服務特許經營權安排下的金融資產模型所使用的有效折現率及其他外部信息，評估並分析有效折現率的合理性。 <p>我們關注了管理層關於服務特許經營安排下的金融資產模型是否需要進行重評的判斷，我們實施的程序包括將可獲取的關鍵假設的實際結果與以前年度估值所使用的資料進行對比，並評估可能會對關鍵假設產生潛在影響的事項。</p> <p>根據我們的審計工作，我們認為管理層就服務特許經營安排下的金融資產模型所使用的關鍵假設與我們取得的審計證據一致。</p>

Key Audit Matter	How our audit addressed the Key Audit Matter	關鍵審計事項	我們的審計如何處理關鍵審計事項
Recoverability of trade receivables		應收賬款的可回收性	
<p>Refer to note 4(b) for the critical accounting estimates and judgements involved, and note 24 to the consolidated financial statements for trade receivables.</p> <p>As at 31 December 2016, the carrying amount of trade receivables amounted to RMB1,827,444,000, which accounted for 9% of the Group's total assets.</p> <p>The identification of impairment events and the determination of the impairment provision of trade receivables require the application of critical judgement by management.</p> <p>Management performed individual credit evaluations on trade receivables. These evaluations focused on the customers' settlement history and current ability to pay, and took into account information specific to the customers as well as pertaining to the economic environment in which the customers operated.</p> <p>We paid significant attention to this area because management made critical judgements over both timing of recognition of impairment and the estimation of the amount of any such impairment.</p>	<p>We obtained an understanding of management's processes and controls over credit risk management. This included the identification of which receivables were impaired and estimation of the impairment provisions. We determined that we could rely on these controls for the purposes of our audit.</p> <p>In addition, we selected samples to inquire management for the details of their evaluations and tested the underlying information referenced by management, which included comparing with external evidence obtained from our independent research on public available information of the customers, performing ageing analysis, examining the historical transactions and settlement records of the customers, sending confirmations to the customers and testing of the subsequent settlements.</p> <p>Based on the above, we found that the judgement applied by management on their assessment of the recoverability of trade receivables was consistent with the evidence we obtained.</p>	<p>相關重要會計估計和判斷請參閱合併財務報表附註4(b)與附註24。</p> <p>於二零一六年十二月三十一日，貴集團應收賬款的賬面金額為人民幣1,827,444,000元，佔資產總額的9%。</p> <p>管理層對應收賬款減值事件的識別以及減值準備的計提需要運用重大判斷。</p> <p>管理層就應收賬款的信用風險進行了單項評估。該等評估重點關注客戶的歷史結算記錄及當前支付能力，並考慮客戶自身及其經營所處的經濟環境的特定信息。</p> <p>我們著重關注該領域主要由於管理層對應收賬款減值準備確認的時點及減值金額的估計作出了重大判斷。</p>	<p>我們針對管理層對應收賬款信用風險管理的流程和內部控制進行瞭解。該等流程和內部控制主要包括對應收賬款減值事項的識別及減值金額的估計。我們認為就審計工作而言可依賴該等內部控制。</p> <p>此外，我們抽取應收賬款樣本，向管理層瞭解及獲取對該等應收賬款可回收性評估的具體信息，我們實施的測試工作包括：結合我們從外部獲取的應收賬款客戶的公開信息評估其信用風險，執行應收賬款賬齡分析，檢查應收賬款客戶的歷史交易及結算記錄，向應收賬款客戶發送函證以及對期後收款執行測試。</p> <p>根據上述的工作，我們認為管理層對應收賬款的可回收性作出評估所使用的判斷，與我們取得的審計證據一致。</p>

Independent Auditor's Report 獨立核數師報告

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括合併財務報表及我們的核數師報告。

我們對合併財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對合併財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與合併財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及治理層就合併財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒布的《香港財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的合併財務報表，並對其認為為使合併財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備合併財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

治理層須負責監督貴集團的財務報告過程。

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

核數師就審計合併財務報表承擔的責任

我們的目標，是對合併財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下(作為整體)報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響合併財務報表使用者依賴合併財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

Independent Auditor's Report

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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意合併財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價合併財務報表的整體列報方式、結構和內容，包括披露，以及合併財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對合併財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

除其他事項外，我們與治理層溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向治理層提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

從與治理層溝通的事項中，我們確定哪些事項對本年度合併財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

Independent Auditor's Report 獨立核數師報告

The engagement partner on the audit resulting in this independent auditor's report is Zee, Ho Sum.

出具本獨立核數師報告的審計項目合夥人是徐浩森。

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 30 March 2017

羅兵咸永道會計師事務所
執業會計師

香港，二零一七年三月三十日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

合併損益及其他綜合收益表

		Year ended 31 December 截至十二月三十一日止年度		
		Note 附註	2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Revenue	收益	5	2,865,890	1,558,394
Cost of sales	銷售成本	8	(1,986,390)	(1,050,772)
Gross profit	毛利		879,500	507,622
Other income	其他收入	6	160,389	97,552
Other gains - net	其他收益淨額	7	8,387	12,402
Selling expenses	銷售開支	8	(22,810)	(17,187)
Administrative expenses	行政開支	8	(331,001)	(181,220)
Operating profit	經營溢利		694,465	419,169
Finance income	融資收益	10	12,674	25,553
Finance expenses	財務開支	10	(232,816)	(66,749)
Finance costs - net	融資成本淨額	10	(220,142)	(41,196)
Share of profit of investments accounted for using the equity method	以權益法入賬的應佔投資溢利	15	42,411	4,896
Profit before income tax	所得稅前溢利		516,734	382,869
Income tax expenses	所得稅開支	11	(102,468)	(65,426)
Profit for the year	年內溢利		414,266	317,443
Other comprehensive income	其他全面收益			
Items that may be reclassified to profit or loss	可能重新分類至損益的項目			
Currency translation differences	貨幣換算差額		5,123	976
Share of other comprehensive income of investments accounted for using the equity method	以權益法入賬的應佔投資其他全面收益	15	(29,643)	—
			(24,520)	976
Total comprehensive income for the year	年內全面收益總額		389,746	318,419
Profit attributable to:	以下人士應佔溢利：			
Ordinary shareholders of the Company	本公司普通股股東		388,093	285,853
Non-controlling interests	非控股權益		26,173	31,590
			414,266	317,443

Consolidated Statement of Profit or Loss and Other Comprehensive Income 合併損益及其他綜合收益表

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Total comprehensive income attributable to:	以下人士應佔全面收益總額：		
Ordinary shareholders of the Company	本公司普通股股東	363,573	286,829
Non-controlling interests	非控股權益	26,173	31,590
		389,746	318,419
Earnings per share for profit attributable to ordinary shareholders of the Company (expressed in RMB per share)	本公司普通股股東應佔溢利的每股盈利 (以每股人民幣元表示)		
– Basic and diluted	– 基本及攤薄	12 0.325	0.270

The notes on pages 109 to 256 are an integral part of these consolidated financial statements.

第109頁至第256頁的附註構成該等合併財務報表之組成部分。

Consolidated Balance Sheet

合併資產負債表

		As at 31 December 於十二月三十一日		
		Note 附註	2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
ASSETS				
Non-current assets				
	Property, plant and equipment	16	2,326,287	1,617,329
	Investment properties	17	17,177	17,764
	Land use rights	18	192,381	121,311
	Receivables under service concession arrangements	19	2,860,146	1,941,739
	Amounts due from customers for contract works	23	659,974	404,142
	Intangible assets	20	4,560,375	1,711,249
	Investments accounted for using the equity method	15	746,680	34,925
	Available-for-sale financial assets	21	4,675	—
	Trade and other receivables	24	128,605	57,410
	Prepayments	24	1,230,108	715,826
	Deferred income tax assets	33	245,992	56,173
			12,972,400	6,677,868
Current assets				
	Receivables under service concession arrangements	19	31,082	11,540
	Inventories	22	27,385	20,595
	Amounts due from customers for contract works	23	30,614	3,477
	Trade and other receivables	24	2,723,824	1,044,376
	Prepayments	24	133,538	152,711
	Restricted cash	25	9,610	19,603
	Cash and cash equivalents	26	4,129,921	1,672,121
			7,085,974	2,924,423
Total assets	總資產		20,058,374	9,602,291

Consolidated Balance Sheet 合併資產負債表

		As at 31 December 於十二月三十一日		
		Note 附註	2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
EQUITY	權益			
Equity attributable to ordinary shareholders of the Company	本公司普通股股東應佔權益			
Share capital	股本	27	1,193,213	1,193,213
Other reserves	其他儲備	28	2,247,305	2,264,254
Retained earnings	保留盈利		800,051	600,956
			4,240,569	4,058,423
Perpetual capital instruments	永久資本工具	29	2,000,000	—
Non-controlling interests	非控股權益		1,005,890	884,189
Total equity	總權益		7,246,459	4,942,612
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Borrowings	借款	30	5,689,554	2,025,960
Trade and other payables	貿易及其他應付款項	31	49,055	54,514
Deferred income	遞延收益	32	646,997	164,876
Deferred income tax liabilities	遞延所得稅負債	33	646,890	198,116
Provision	撥備	34	78,717	25,791
			7,111,213	2,469,257

Consolidated Balance Sheet

合併資產負債表

		As at 31 December 於十二月三十一日		
		Note 附註	2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Current liabilities	流動負債			
Borrowings	借款	30	2,608,925	1,038,355
Trade and other payables	貿易及其他應付款項	31	2,858,512	1,074,341
Amounts due to customers for contract works	合約工程應付客戶款項	23	3,333	4,552
Current income tax liabilities	流動所得稅負債		229,932	73,174
			5,700,702	2,190,422
Total liabilities	總負債		12,811,915	4,659,679
Total equity and liabilities	權益和負債總額		20,058,374	9,602,291

The notes on pages 109 to 256 are an integral part of these consolidated financial statements.

The financial statements on pages 100 to 256 were approved by the Board of Directors of the Company on 30 March 2017 and were signed on its behalf.

第109頁至第256頁的附註構成該等合併財務報表之組成部分。

第100頁至第256頁的財務報表已於二零一七年三月三十日經本公司董事會批准，並由下列人士代表簽發。

Yu Long
于龍
Director
董事

Liu Xujun
劉旭軍
Director
董事

Consolidated Statement of Changes in Equity 合併權益變動表

		Attributable to ordinary shareholders of the Company 本公司擁有人應佔				Non- controlling interests	Total equity
		Share capital 股本 RMB' 000 人民幣千元 (note 27) (附註27)	Other reserves 其他儲備 RMB' 000 人民幣千元 (note 28) (附註28)	Retained earnings 保留盈利 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元	非控股權益 RMB' 000 人民幣千元	總權益 RMB' 000 人民幣千元
Balance at 1 January 2015	於二零一五年一月一日的結餘	862,564	1,155,140	366,542	2,384,246	337,078	2,721,324
Total comprehensive income for the year	年內全面收益總額						
Profit for the year	年內溢利	—	—	285,853	285,853	31,590	317,443
Currency translation differences	貨幣換算差額	—	976	—	976	—	976
		—	976	285,853	286,829	31,590	318,419
Total transactions with owners, recognised directly in equity	與擁有人進行的交易總額 (直接於權益中確認)						
Issue of ordinary shares	發行普通股	330,649	1,183,137	—	1,513,786	—	1,513,786
Shares issuance costs	股份發行成本	—	(126,438)	—	(126,438)	—	(126,438)
Acquisition of subsidiaries	收購附屬公司	—	—	—	—	500,888	500,888
Capital contribution by non-controlling interests	非控股權益出資	—	—	—	—	14,633	14,633
Transfer to statutory reserve	轉至法定儲備	—	51,439	(51,439)	—	—	—
		330,649	1,108,138	(51,439)	1,387,348	515,521	1,902,869
Balance at 31 December 2015	於二零一五年十二月三十一日的結餘	1,193,213	2,264,254	600,956	4,058,423	884,189	4,942,612

Consolidated Statement of Changes in Equity

合併權益變動表

		Attributable to ordinary shareholders of the Company 本公司擁有人應佔				Holders of perpetual capital 永久資本工具持有人		Non-controlling interests 非控股權益	Total equity 總權益
		Share capital 股本	Other reserves 其他儲備	Retained earnings 保留盈利	Total 總計	永久資本工具持有人	非控股權益	總權益	
		RMB' 000 人民幣千元 (note 27) (附註 27)	RMB' 000 人民幣千元 (note 28) (附註 28)	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元 (note 29) (附註 29)	RMB' 000 人民幣千元	RMB' 000 人民幣千元	
Balance at 1 January 2016	於二零一六年一月一日的結餘	1,193,213	2,264,254	600,956	4,058,423	—	884,189	4,942,612	
Total comprehensive income for the year	年內全面收益總額								
Profit for the year	年內溢利	—	—	388,093	388,093	—	26,173	414,266	
Share of other comprehensive income of investments accounted for using the equity method	以權益法入賬的應佔投資 其他全面收益	—	(29,643)	—	(29,643)	—	—	(29,643)	
Currency translation differences	貨幣換算差額	—	5,123	—	5,123	—	—	5,123	
		—	(24,520)	388,093	363,573	—	26,173	389,746	
Total transactions with owners, recognised directly in equity	與擁有人進行的交易總額 (直接於權益中確認)								
Acquisition of subsidiaries (note 37)	收購附屬公司(附註 37)	—	—	—	—	—	282,215	282,215	
Capital contribution by non-controlling interests	非控股權益出資	—	—	—	—	—	87,452	87,452	
Issuance of perpetual capital instruments	發行永久資本工具	—	—	—	—	2,000,000	—	2,000,000	
Acquisition of additional interests in subsidiaries (note 14(d))	收購附屬公司的額外權益(附註 14(d))	—	(62,106)	—	(62,106)	—	(266,618)	(328,724)	
Disposal of a subsidiary	出售附屬公司	—	—	—	—	—	(7,521)	(7,521)	
Transfer to statutory reserve	轉至法定儲備	—	69,677	(69,677)	—	—	—	—	
Dividends for the year ended 31 December 2015	截至二零一五年十二月三十一日止年度股息	—	—	(119,321)	(119,321)	—	—	(119,321)	
		—	7,571	(188,998)	(181,427)	2,000,000	95,528	1,914,101	
Balance at 31 December 2016	於二零一六年十二月三十一日的結餘	1,193,213	2,247,305	800,051	4,240,569	2,000,000	1,005,890	7,246,459	

The notes on pages 109 to 256 are an integral part of these consolidated financial statements.

第 109 頁至第 256 頁的附註構成該等合併財務報表之組成部分。

Consolidated Statement of Cash Flows

合併現金流量表

		Year ended 31 December 截至十二月三十一日止年度		
		Note 附註	2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Cash flows from operating activities				
	經營活動的現金流量			
Cash used in operations	經營所用現金	35	(792,218)	(681,970)
Income tax paid	已付所得稅		(62,641)	(80,304)
Interest paid	已付利息		(233,375)	(91,665)
Net cash used in operating activities			(1,088,234)	(853,939)
Cash flows from investing activities				
	投資活動的現金流量			
Acquisition of subsidiaries, net of cash acquired	收購附屬公司，扣除 取得的現金		(1,126,170)	(661,915)
Investment in a joint venture	對合資企業的投資		(670,037)	—
Funds granted to a joint venture	向合資企業提供資金		(476,488)	—
Prepayments for acquisition of subsidiaries	收購附屬公司的預付款項		(461,609)	(523,658)
Capital injection to an associate	向聯營公司注資		—	(35,000)
Purchases of property, plant and equipment, land use rights and other intangible assets	購買物業、廠房及設備、 土地使用權及其他 無形資產		(516,512)	(152,480)
Purchases and investments of concession projects	購買及投資特許經營項目		(10,000)	—
Government grants relating to purchase of property, plant and equipment and intangible assets	與購買物業、廠房及 設備及無形資產 有關的政府補助		3,680	25,000
Proceeds from disposal of a subsidiary	出售附屬公司所得款項		11,642	—
Proceeds from disposal of property, plant and equipment and land use rights	出售物業、廠房及設備 以及土地使用權所得 款項	35	16,005	6,834
Interest received	已收利息		17,089	9,352
Net cash used in investing activities			(3,212,400)	(1,331,867)

Consolidated Statement of Cash Flows

合併現金流量表

		Year ended 31 December 截至十二月三十一日止年度	
		Note 附註	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Cash flows from financing activities	融資活動的現金流量		
Proceeds from issuance of ordinary shares	發行普通股的所得款項	—	1,513,786
Capital injections by non-controlling interests	來自非控股權益的注資	87,452	14,633
Proceeds from issuance of perpetual capital instruments	發行永久資本工具所得款項	2,000,000	—
Proceeds from borrowings	借款所得款項	7,063,685	2,642,635
Funds from a related party	來自關聯方的資金	208,240	—
Repayments of borrowings	償還借款	(2,253,676)	(807,560)
Payments for listing expenses	支付上市費用	—	(126,438)
Dividends paid	已付股息	(119,321)	—
Payments for acquisition of additional interests in subsidiaries	收購附屬公司的額外權益的付款	(248,724)	—
Net cash generated from financing activities	融資活動所得現金淨額	6,737,656	3,237,056
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	2,437,022	1,051,250
Cash and cash equivalents at beginning of year	年初現金及現金等價物	1,672,121	612,649
Exchange gains on cash and cash equivalents	現金及現金等價物匯兌收益	20,778	8,222
Cash and cash equivalents at end of year	年末現金及現金等價物	4,129,921	1,672,121

The notes on pages 109 to 256 are an integral part of these consolidated financial statements.

第109頁至第256頁的附註構成該等合併財務報表之組成部分。

1. GENERAL INFORMATION AND BASIS OF PRESENTATION

1.1 General information

Yunnan Water Investment Co., Limited (the “Company”) was incorporated in Yunnan Province of the People’s Republic of China (the “PRC”) on 21 June 2011. On 22 July 2014, the Company was converted from a limited liability company into a joint stock limited liability company with registered capital of RMB787,880,000. The address of its registered office is 16th Floor, Block A Hecheng International, 1088 Haiyuan Zhong Road, Gaoxin District, Kunming, Yunnan Province, the PRC. The Company is an investment holding company. The Company and its subsidiaries (together the “Group”) are principally engaged in the development, design, construction, operation and maintenance of municipal water supply, wastewater treatment and solid waste treatment facilities in the PRC.

The Company’s H shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 27 May 2015.

These financial statements are presented in Renminbi (“RMB”), unless otherwise stated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years and periods presented, unless otherwise stated.

1. 一般資料及呈列基準

1.1 一般資料

雲南水務投資股份有限公司(「本公司」)於二零一一年六月二十一日在中華人民共和國(「中國」)雲南省註冊成立。於二零一四年七月二十二日，本公司由有限責任公司轉為股份有限公司，註冊資本為人民幣787,880,000元。其註冊辦事處地址是中國雲南省昆明市高新區海源中路1088號和成國際A座16樓。本公司為一家投資控股公司，本公司及其附屬公司(統稱「本集團」)主要在中國從事城市供水、污水處理及固廢處理設施的開發、設計、建設、營運及維護。

本公司H股已於二零一五年五月二十七日在香港聯合交易所有限公司主板上市。

該等財務報表以人民幣(「人民幣」)千元呈列，除非另有說明則另當別論。

2. 主要會計政策概要

編製合併財務報表所採納的主要會計政策載列如下。除另有說明外，該等政策乃於所呈列的所有年度及期間貫徹應用。

Notes to the Consolidated Financial Statements

合併財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

(a) *New and amended standards adopted by the Group*

The following new standards and amendments to standards are mandatory for the Group’s financial year beginning 1 January 2016. The adoption of these new standards and amendments to standards does not have significant impact to the results or financial position of the Group.

Annual Improvements 2014
年度改進二零一四
HKFRS 14
香港財務報告準則第14號
HKFRS 11 (Amendment)
香港財務報告準則第11號
(修訂本)
HKAS 16 and HKAS 38
(Amendments)
香港會計準則第16號及香港
會計準則第38號(修訂本)
HKAS 27 (Amendment)
香港會計準則第27號(修訂本)

Annual improvements 2012~2014 cycle
二零一二年至二零一四年週期的年度改進
Regulatory deferral accounts
監管遞延賬戶
Accounting for acquisition of interests in joint operations
收購於共同業務的權益的會計處理
Clarification of acceptable methods of depreciation
and amortisation
可接受的折舊和攤銷方法說明
Equity method in separate financial statements
獨立財務報表的權益法

2. 主要會計政策概要(續)

2.1 編製基準

本公司合併財務報表乃根據所有適用香港財務報告準則(「香港財務報告準則」)及香港公司條例(第622章)的披露規定編製。合併財務報表已按歷史成本慣例編製。

編製符合香港財務報告準則的財務報表須使用若干重要會計估計。在應用本集團的會計政策過程中亦須由管理層作出判斷。涉及更高程度判斷或複雜性的範圍，或假設及估計對合併財務報表而言屬重大的範圍，披露於附註4。

(a) *本集團採納的新訂及經修訂準則*

以下新準則及準則修訂於本集團自二零一六年一月一日開始的財政年度強制應用。採納該等新訂準則及準則修訂並不會對本集團的業績或財務狀況產生重大影響。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd) **2. 主要會計政策概要(續)**

2.1 Basis of preparation (Cont'd)

(a) New and amended standards adopted by the Group (Cont'd)

HKFRS 10, HKFRS 12 and HKAS 28 (Amendments) 香港財務報告準則第10號、香港 財務報告準則第12號及 香港會計準則第28號(修訂本) HKAS1 (Amendment) 香港會計準則第1號(修訂本)	Investment entities: applying the consolidation exception 投資實體：不納入合併的運用 Disclosure initiative 披露計劃
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(b) New and amended standards not yet adopted by the Group

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2016 and have not been applied in preparing these consolidated financial statements.

HKAS 12 (Amendments) 香港會計準則第12號(修訂本) HKAS 7 (Amendments) 香港會計準則第7號(修訂本) HKFRS 15 香港財務報告準則第15號 HKFRS 2 (Amendments) 香港財務報告準則第2號(修訂本) HKFRS 9 香港財務報告準則第9號 HKFRS 16 香港財務報告準則第16號 HKFRS 10 and HKAS 28 (Amendments) 香港財務報告準則第10號及 香港會計準則第28號(修訂本)	Income taxes ¹ 所得稅 ¹ Statement of cash flows ¹ 現金流量表 ¹ Revenue from contracts with customers ² 來自與客戶訂立合約的收入 ² Classification and measurement of share-based payment transactions ² 以股份為基礎的付款交易的分類及計量 ² Financial instruments ² 金融工具 ² Leases ³ 租賃 ³ Sale or contribution of assets between an investor and its associate or joint venture ⁴ 投資者與其聯營或合營公司之間的資產出售或注資 ⁴
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2.1 編製基準(續)

(a) 本集團採納的新訂及經修訂準則(續)

(b) 本集團尚未採納的新訂及經修訂準則

多項新訂準則及準則的修訂於二零一六年一月一日之後開始的年度期間生效，惟編製該等合併財務報表時尚未應用。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.1 Basis of preparation (Cont'd)

(b) New and amended standards not yet adopted by the Group (Cont'd)

1. Effective for annual periods beginning on 1 January 2017.
2. Effective for annual periods beginning on 1 January 2018.
3. Effective for annual periods beginning on 1 January 2019.
4. Effective date to be determined.

Further information about below HKFRS that is expected to be applicable to the Group is as follows:

2. 主要會計政策概要(續)

2.1 編製基準(續)

(b) 本集團尚未採納的新訂及經修訂準則(續)

1. 於自二零一七年一月一日開始的年度期間生效。
2. 於自二零一八年一月一日開始的年度期間生效。
3. 於自二零一九年一月一日開始的年度期間生效。
4. 生效日期待定。

有關預期適用於本集團的下文香港財務報告準則的進一步資料如下：

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.1 Basis of preparation (Cont'd)

(b) *New and amended standards not yet adopted by the Group (Cont'd)*

HKFRS 15, "Revenue from Contracts with Customers" establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise through a 5-step approach: (1) identify the contracts with customer; (2) identify separate performance obligations in a contract; (3) determine the transaction price; (4) allocate transaction price to performance obligations and (5) recognise revenue when performance obligation is satisfied. The core principle is that a company should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. It moves away from a revenue recognition model based on an "earnings processes" to an asset-liability approach based on transfer of control. It also includes a cohesive set of disclosure requirements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. HKFRS 15 replaces the previous revenue standards: HKAS 18 Revenue and HKAS 11 Construction Contracts, and the related interpretations on revenue recognition. The standard is not effective until 1 January 2018. Management is currently assessing the effects of applying the new standard on the Group's financial statements. At this stage, the Group is not able to estimate the effect of the new rules on the Group's financial statements. The Group will make more detailed assessments of the effect over the next twelve months. HKFRS 15 is mandatory for financial years commencing on or after 1 January 2018. At this stage, the Group does not intend to adopt the standard before its effective date.

2. 主要會計政策概要(續)

2.1 編製基準(續)

(b) 本集團尚未採納的新訂及經修訂準則(續)

香港財務報告準則第15號「來自與客戶訂立合約的收入」建立一個綜合框架，通過五步法確定何時確認收入及確認多少收入：(1)識別客戶合約；(2)識別合約中的獨立履約責任；(3)釐定交易價格；(4)分配交易價格至履約責任；及(5)於完成履約責任時確認收入。核心原則為公司須確認收入，以述明按反映公司預期可用以交換已約定貨品或服務之代價的金額向客戶移交該等貨品或服務。此準則從基於「盈利過程」的收入確認模型轉向基於控制權轉移的「資產－負債」法。其亦包括一整套有關實體與客戶訂立的合約的性質、金額、時間以及收入及現金流量的不確定性的披露規定。香港財務報告準則第15號取代之前的收入準則：香港會計準則第18號「收入」及香港會計準則第11號建造合約及有關收入確認的相關詮釋。該準則將於二零一八年一月一日起生效，管理層目前正在評估應用新準則對本集團財務報表的影響。在現階段，本集團無法估計新規則對本集團財務報表的影響。本集團將對未來十二個月的影響進行更詳細的評估。香港財務報告準則第15號於二零一八年一月一日或之後開始的財政年度強制生效。在現階段，本集團不擬於生效日期前採用該準則。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.1 Basis of preparation (Cont'd)

(b) *New and amended standards not yet adopted by the Group (Cont'd)*

HKFRS 9, "Financial Instruments" addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The standard does not need to be applied until 1 January 2018. While the Group has yet to undertake a detailed assessment, it would appear that no impact on the Group's current classification, measurement and derecognition of financial assets and financial liabilities. Hedge accounting is not relevant to the Group. The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets under HKFRS 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. While the Group has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it may result in earlier recognition of credit losses. The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

2. 主要會計政策概要(續)

2.1 編製基準(續)

(b) 本集團尚未採納的新訂及經修訂準則(續)

香港財務報告準則第9號「金融工具」針對金融資產和金融負債的分類、計量及終止確認，並介紹對沖會計的新規定和金融資產的新減值模型。該準則於二零一八年一月一日前毋須應用。儘管本集團尚未進行詳細評估，惟其不會對本集團金融資產及金融負債的當前分類、計量及終止確認產生影響。對沖會計與本集團並不相關。新減值模型要求以預期信用虧損，而非香港會計準則第39號下僅以已產生信用虧損確認減值撥備。該規定適用於按攤銷成本分類的金融資產、按公平值計入其他全面收益的債務工具、香港財務報告準則第15號「來自與客戶訂立合約的收入」下的合約資產、應收租賃款、貸款承擔及若干財務擔保合約。儘管本集團尚未就新模型可能對其減值撥備造成的影響進行詳細評估，惟其可能導致提前確認信用虧損。新準則亦引入延伸的披露要求及呈列方式變動。該等變動預期將更改本集團有關其金融工具披露的性質及程度，尤其是於採納新準則的年度。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.1 Basis of preparation (Cont'd)

- (b) *New and amended standards not yet adopted by the Group (Cont'd)*

HKFRS 16 will result in almost all leases being recognised on the consolidated balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change. The standard will affect primarily the accounting for Group's operating leases. As at 31 December 2016, the Group has non-cancellable operating lease commitments of RMB14,058,000 (note 36). If the amounts were recognised on the consolidated balance sheet, it has immaterial influences on total assets and liabilities. The impact on gearing ratio is also immaterial.

2. 主要會計政策概要(續)

2.1 編製基準(續)

- (b) 本集團尚未採納的新訂及經修訂準則(續)

香港財務報告準則第16號將導致差不多所有租賃在合併資產負債表內確認，因經營與融資租賃的劃分已被刪除。根據該新準則，資產(該租賃項目的使用權)與支付租金的金融負債被確認。唯一例外者為短期和低價值租賃。對出租人的會計處理將不會有重大改變。此準則將主要影響本集團經營租賃的會計處理。於二零一六年十二月三十一日，本集團有不可撤銷的經營租賃承擔人民幣14,058,000元(附註36)。倘該等金額於合併資產負債表確認，其對總資產及負債的影響甚微。對資產負債率的影響亦不重大。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.2 Subsidiaries

2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) Business combinations not under common control

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

2. 主要會計政策概要(續)

2.2 附屬公司

2.2.1 合併入賬

附屬公司乃本集團擁有控制權的實體(包括結構性實體)。當本集團因參與實體的業務而可有權獲得可變回報，且有能力通過對實體行使其權力而影響該等回報時，即表示本集團控制某實體。附屬公司於控制權轉讓予本集團之日起合併入賬，並於控制權終止之日終止合併入賬。

(a) 非共同控制下的業務合併

本集團採用收購法對業務合併入賬。就收購附屬公司轉讓的代價為所轉讓資產、對被收購方之前擁有人所產生負債及本集團所發行股權的公平值。所轉讓代價包括或然代價安排產生的任何資產或負債的公平值。於業務合併時所收購的可識別資產及所承擔的負債及或然負債，初步按收購日的公平值計量。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.2 Subsidiaries (Cont'd)

2.2.1 Consolidation (Cont'd)

- (a) Business combinations not under common control (Cont'd)

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

2. 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.1 合併入賬(續)

- (a) 非共同控制下的業務合併(續)

本集團根據逐項收購基準確認所有被收購方非控股權益。屬於現時擁有人權益且賦予其持有人權利可在清盤時按比例分佔實體淨資產的被收購方非控股權益，乃按公平值計算，或按現時擁有權權益於該被收購方可資識別淨資產已確認金額的應佔比例計算。所有其他非控股權益部分均按其收購日期的公平值計算，惟香港財務報告準則對計量基準另有規定者除外。

收購相關成本於產生時列為開支。

倘按階段完成業務合併，則收購方之前持有的被收購方股權的收購日賬面值重新計量為於收購日的公平值；重新計量產生的任何收益或虧損於損益中確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.2 Subsidiaries (Cont'd)

2.2.1 Consolidation (Cont'd)

- (a) Business combinations not under common control (Cont'd)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of profit or loss.

2. 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.1 合併入賬(續)

- (a) 非共同控制下的業務合併(續)

本集團所轉讓的任何或然代價將在收購日按公平值確認。被視為一項資產或負債的或然代價公平值後續變動，將按照香港會計準則第39號的規定，確認為損益。分類為權益的或然代價毋須重新計量，而其後結算於權益入賬。

所轉讓代價、被收購方的任何非控股權益金額及被收購方的任何先前股權於收購日期的公平值超過所收購可識別資產淨值公平值的數額乃記錄為商譽。就議價購買而言，倘所轉讓代價、已確認非控股權益及之前持有的經計量權益總和低於所收購附屬公司資產淨值的公平值，則有關差額將直接於合併損益表內確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.2 Subsidiaries (Cont'd)

2.2.1 Consolidation (Cont'd)

- (a) Business combinations not under common control (Cont'd)

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

- (b) Business combinations under common control

The consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

2. 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.1 合併入賬(續)

- (a) 非共同控制下的業務合併(續)

集團內公司間交易、集團公司之間交易的結餘及未變現收益均予以抵銷。未變現虧損亦被抵銷，惟該交易提供證據顯示被轉讓資產出現減值時則除外。附屬公司呈報的賬目已作出必要調整，以確保與本集團的會計政策一致。

- (b) 共同控制下的業務合併

合併財務報表包括發生共同控制合併的合併實體或業務的財務報表，猶如該等項目自合併實體或業務首次受控制方控制當日起已合併處理。

Notes to the Consolidated Financial Statements

合併財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Subsidiaries (Cont'd)

2.2.1 Consolidation (Cont'd)

- (b) Business combinations under common control
(Cont'd)

The net assets of the combining entities or businesses are combined using the existing book values from the controlling party's perspective. No amount is recognised in consideration for goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the previous balance sheet date or when they first came under common control, whichever is earlier.

2. 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.1 合併入賬(續)

- (b) 共同控制下的業務
合併(續)

合併實體或業務的資產淨值按控制方的現有賬面值合併入賬。於控制方權益維持不變的情況下，概無就共同控制合併時產生的商譽或收購方應佔被收購方可識別資產、負債及或然負債公平值超出成本的差額確認任何金額。

合併損益及其他綜合收益表包括各合併實體或業務自所呈報的最早日期起或自合併實體或業務首次受共同控制當日以來(以較短期間為準)的業績，而不論共同控制合併日期。

合併財務報表內的比較數字乃假設有關實體或業務於上一個資產負債表日或首次受共同控制當日(以較早者為準)已合併而編製。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.2 Subsidiaries (Cont'd)

2.2.1 Consolidations (Cont'd)

- (b) Business combination under common control
(Cont'd)

A uniform set of accounting policies is adopted by those entities. All intra-group transactions, balances and unrealised gains on transactions between combining entities or businesses are eliminated on consolidation.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting is recognised as an expense in the year in which it is incurred.

- (c) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2. 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.1 合併入賬(續)

- (b) 共同控制下的業務
合併(續)

該等實體採用統一會計政策。所有合併實體或業務的集團內部交易、結餘及未變現交易收益已於綜合時悉數對銷。

將以合併會計法入賬的共同控制合併相關交易成本，包括專業費用、登記費用、向股東傳遞資料的成本、因合併過往獨立經營的業務而產生的成本等，於產生年度確認為開支。

- (c) 不導致控制權變動的
附屬公司擁有權益變動

與非控股權益進行的不導致失去控制權的交易按權益交易入賬－即以彼等作為擁有人的身份與附屬公司擁有人進行交易。任何所付代價的公平值與相關應佔所收購附屬公司淨資產賬面值的差額，在權益中入賬。向非控股權益出售而產生的收益或虧損，亦在權益中入賬。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.2 Subsidiaries (Cont'd)

2.2.1 Consolidation (Cont'd)

(d) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. It means the amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

2. 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.1 合併入賬(續)

(d) 出售附屬公司

本集團失去控制權時，於實體的任何保留權益按失去控制權當日的公平值重新計量，有關賬面值變動在損益中確認。就其後入賬列作聯營公司、合營企業或金融資產的保留權益而言，其公平值為初始賬面值。此外，先前於其他全面收益確認與該實體有關的任何金額按猶如本集團已直接出售有關資產或負債的方式入賬。這可能意味著先前在其他全面收益確認的金額重新分類至損益或按適用香港財務報告準則的規定／許可條文轉撥至另一類權益。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.2 Subsidiaries (Cont'd)

2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2. 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.2 獨立財務報表

於附屬公司的投資乃按成本減減值入賬。成本包括投資的直接歸屬成本。附屬公司業績按本公司已收及應收股息入賬。

倘自相關投資收取的股息超出附屬公司於股息宣派期間的全面收益總額，或倘個別財務報表內所列投資的賬面值超出合併財務報表所示被投資方資產淨值(包括商譽)的賬面值，則須對於附屬公司的投資進行減值測試。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.3 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the consolidated statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of profit of investments accounted for using the equity method" in the consolidated statement of profit or loss.

2. 主要會計政策概要(續)

2.3 聯營公司

聯營公司為本集團有重大影響力但並無控制權，且一般擁有介乎20%至50%投票權股份的實體。於聯營公司的投資採用權益法入賬。根據權益法，投資於初始時按成本確認，並於收購日後通過確認投資者於被投資者的應佔損益增加或減少投資的賬面金額。在收購聯營公司的擁有權權益時，收購成本與集團應佔聯營公司可識別資產和負債的公平值淨額的差額確認為商譽。

倘於聯營公司的擁有權權益減少，而重大影響力獲保留，則先前於其他全面收益內確認的金額僅有一定比例部分重新分類至損益(如適用)。

本集團應佔收購後的損益在合併損益表中確認，而應佔收購後其他全面收益的變動，則在其他全面收益中確認。投資賬面值會相應作出調整。當本集團應佔聯營公司的虧損等於或超過其於聯營公司的權益(包括任何其他無抵押應收款)時，本集團不會再確認額外虧損，除非其已代該聯營公司承擔法律或推定責任或已代該聯營公司作出付款。

本集團在每個報告日期釐定於聯營公司的投資是否存在客觀減值證據。一旦存在減值證據，本集團會按聯營公司可收回金額與其賬面值差額計算減值金額，並於合併損益表以權益法入賬的應佔投資溢利確認有關金額。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.3 Associates (Cont'd)

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gain or losses on dilution of equity interest in associates are recognised in the consolidated statement of profit or loss.

2.4 Joint arrangements

Under HKFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

2. 主要會計政策概要(續)

2.3 聯營公司(續)

本集團及其聯營公司之間的上游及下游交易所產生的損益於本集團財務報表確認，惟僅以非關連投資者於聯營公司的權益為限。除非交易有跡象顯示所轉讓資產已減值，否則未變現虧損亦會對銷。聯營公司的會計政策亦已作所需的更改，以確保與本集團所採納的政策保持一致。

於聯營公司的股權攤薄盈虧於合併損益表中確認。

2.4 合營安排

根據香港財務報告準則第11號，於合營安排的投資被分類為共同經營或合營企業，視乎各投資方的合約權利及義務而定。本集團已評估其合營安排的性質，並將該等合營安排釐定為合營企業。合營企業採用權益法入賬。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.4 Joint arrangements *(Cont'd)*

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's investments in joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that makes strategic decisions of the Group.

2. 主要會計政策概要(續)

2.4 合營安排(續)

根據權益會計法，於合營企業的權益初步按成本確認，隨後作出調整以確認本集團應佔收購後溢利或虧損及其他全面收益變動的份額。本集團於合營企業的投資包括收購時識別的商譽。於收購合營企業的擁有權權益後，合營企業成本與本集團應佔該合營企業可資識別資產負債的淨公平值之間的任何差額，均作為商譽入賬。倘本集團應佔合營企業的虧損等於或超過其於合營企業的權益（包括實際上構成本集團於合營企業部分投資淨額的任何長期權益），本集團不會確認額外虧損，除非本集團已產生義務或代表合營企業付款。

本集團與其合營企業交易的未變現收益予以抵銷，惟以本集團於合營企業的權益為限。除非有證據顯示交易中所轉讓的資產出現減值，否則未變現虧損亦會抵銷。合營企業的會計政策在必要時作出變動，確保與本集團所採納政策一致。

2.5 分部報告

經營分部按照與向主要經營決策者提供的內部報告貫徹一致的方式報告。主要經營決策者被界定為作出本集團戰略決策的本公司執行董事，負責分派經營分部的資源及評估其表現。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.6 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in RMB, which is the Company’s functional currency and the Group’s presentation currency.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation when items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of profit or loss within “finance costs - net”. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss within “other gains - net”.

2. 主要會計政策概要(續)

2.6 外幣換算

(a) 功能及呈列貨幣

各集團實體的財務報表所列項目均以該實體經營所在的主要經濟環境的貨幣(「功能貨幣」)計量。合併財務報表乃以本公司的功能貨幣及本集團的呈列貨幣人民幣呈報。

(b) 交易及餘額

外幣交易均按交易當日或重新計量項目的估值日期的匯率折算為功能貨幣。結算該等交易以及將外幣計價的貨幣資產及負債按年終匯率折算產生的匯兌收益及虧損在合併損益表確認，惟作為合資格現金流量套期及合資格淨投資套期於其他全面收益內遞延除外。

與借款及現金及現金等價物有關的匯兌收益及虧損乃於合併損益表「融資成本淨額」內呈列，所有其他匯兌收益及虧損乃於合併損益表「其他收益淨額」內呈列。

Notes to the Consolidated Financial Statements 合併財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.6 Foreign currency translation (Cont'd)

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i. assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- ii. income and expenses for each consolidated statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- iii. all resulting currency translation differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

2. 主要會計政策概要(續)

2.6 外幣換算(續)

(c) 集團公司

所有功能貨幣有別於呈列貨幣的本集團實體(均無惡性通貨膨脹經濟體的貨幣)的業績及財務狀況乃按以下方式換算為呈列貨幣：

- i. 各資產負債表呈列的資產及負債乃按該資產負債表日期的收市匯率換算；
- ii. 各合併損益表的收支乃按平均匯率換算(除非該平均匯率並非各交易日當時匯率的累積影響的合理約數，在此情況下，則收支會按各交易日的匯率換算)；及
- iii. 所有因此而產生的貨幣換算差額均於其他全面收益內確認。

因收購外國實體而產生的商譽及公平值調整均按該外國實體的資產及負債處理，並以收市匯率換算。所產生的貨幣換算差額於其他全面收益內確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.7 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Plants and buildings	20-50 years
Machinery	10-30 years
Motor vehicles	6 years
Electronic equipment and others	5-10 years

2. 主要會計政策概要(續)

2.7 物業、廠房及設備

物業、廠房及設備均以歷史成本減折舊列賬。歷史成本包括收購該等項目直接發生的開支。

其後成本只有在與該項目有關的未來經濟利益很可能流入本集團，而該項目的成本能夠可靠地計量時，方會計入資產的賬面值內或確認為獨立資產（若適用）。被取代部分的賬面值被終止確認。所有其他維修及保養成本於發生時自財政期間的合併損益表扣除。

物業、廠房及設備折舊乃採用直線法計算，按以下估計可使用年期將成本分攤至其剩餘價值：

廠房及樓宇	20-50年
機器	10-30年
汽車	6年
電子設備及其他	5-10年

Notes to the Consolidated Financial Statements

合併財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.7 Property, plant and equipment (Cont'd)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Construction in progress represents plant under construction, which is stated at actual construction cost less any impairment loss. Construction in progress is transferred to fixed assets when completed and ready for use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.12).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gains - net" in the consolidated statement of profit or loss.

2.8 Investment properties

Investment properties are interests in buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Investment properties are measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any impairment losses.

Depreciation is calculated on the straight-line basis to write off the cost of each item of investment properties to its residual value over its estimated useful life. The estimated useful life is as follows:

Plants and buildings	30-50 years
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2. 主要會計政策概要(續)

2.7 物業、廠房及設備(續)

於各報告期末，本集團會對資產剩餘價值及可使用年期進行複核，並作出調整(如適用)。

在建工程指在建工廠，其按實際建造成本減任何減值虧損入賬。在建工程於完成並可使用時轉撥至固定資產。

倘資產賬面值超過其估計可收回金額，資產賬面值即時撇減至其可收回金額(附註2.12)。

出售的收益及虧損乃經比較所得款項與賬面值後釐定，並在合併損益表「其他收益淨額」內確認。

2.8 投資物業

投資物業指為賺取租金收入及／或資本增值，而非為了生產或供應產品或服務或行政用途或在日常業務過程中出售而持有的樓宇的權益。投資物業最初按成本(包括交易成本)計量。

初步確認之後，投資物業以成本扣除累計折舊及任何減值虧損入賬。

折舊按每一項投資物業的估計可使用年期以直線法計算，以核銷成本至其剩餘價值。估計可使用年期如下：

廠房及樓宇	30-50年
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.9 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units (“CGUs”), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2. 主要會計政策概要(續)

2.9 無形資產

(a) 商譽

商譽產生自收購附屬公司，並相當於所轉讓代價、被收購方的任何非控股權益金額以及於被收購方過往的權益在收購日的公平值超過本集團獲得的被收購方的可辨認淨資產公平值的數額。

就減值測試而言，因業務合併獲得的商譽會分配至各個或多組現金產生單位（「現金產生單位」）（預期將受惠於合併的協同效應）。獲分配商譽的各單位或各組單位指為內部管理目的而對商譽進行監督的實體內的最低水平。商譽在經營分部層面監督。

商譽會每年進行減值複核，或當有事件出現或情況改變顯示可能出現減值時，作出更頻密複核。商譽賬面值與可收回金額作比較，可收回金額為使用價值與公平值的較高者減出售成本。任何減值即時確認為費用，且其後不會撥回。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.9 Intangible assets (Cont'd)

(b) *Development expenditure*

When the future economic benefits become apparent as a project progresses into the development stage the costs incurred on development projects (relating to the design and testing of new or improved products) are capitalised as intangible assets when recognition criteria are fulfilled and tests for impairment are performed annually. Other development expenditures that do not meet those criteria are recognised as expenses as incurred. Development costs previously recognised as expenses are not recognised as assets in subsequent periods. Capitalised development costs are transferred to technical know-how when the assets are ready for use.

(c) *Operating concessions*

The detailed accounting policy of operating concessions is depicted in note 2.11. The operating concessions are amortised on a straight-line basis over the terms of operation ranging from 16 to 30 years.

(d) *Unfulfilled contract rights*

Unfulfilled contract rights represent the fair value of unfulfilled contracts in excess of the carrying value for unfulfilled construction contracts acquired through business combination. These intangible assets are amortised on the straight-line basis over the remaining contract periods ranging from 2 to 29 years.

2. 主要會計政策概要(續)

2.9 無形資產(續)

(b) *開發費用*

當未來經濟利益可明顯為開發階段的項目進程，有關設計及測試新產品或改良產品的開發項目成本，於符合確認條件時資本化為無形資產，並每年進行減值測試。未能符合該等標準的其他開發支出乃於產生時被確認為開支。之前已確認為開支的開發成本不得於往後期間確認作資產。已資本化的開發成本於資本可供使用時轉至專有技術。

(c) *特許經營權*

特許經營權的詳細會計政策列述於附註2.11。特許經營權於16至30年的經營期內按直線法攤銷。

(d) *未履行合約權利*

未履行合約權利指未履行合約的公平值超過透過業務合併所取得的未履行建造合約的賬面值。該等無形資產於2至29年的餘下合約期內按直線法攤銷。

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
 (Cont'd)**

2.9 Intangible assets (Cont'd)

(e) Licenses

Licenses represent the fair value of the operating permits of solid waste treatment plants and water supply facilities acquired through business combination. These intangible assets are amortised on the straight-line basis over the concession period from 20 to 48 years.

(f) Technical know-how and software

Acquired technical know-how and software are capitalised on the basis of the costs incurred to acquire or through business combination. These costs are amortised over their estimated useful lives from 15 to 47 years.

2.10 Land use rights

Land use rights represent prepaid operating lease payments for land less accumulated amortisation and any impairment losses. Amortisation is calculated using the straight-line method to allocate the prepaid operating lease payments for land over the remaining lease term or the operating period, whichever is shorter.

Land use rights 40-50 years

2. 主要會計政策概要(續)

2.9 無形資產(續)

(e) 牌照

牌照指固廢處理廠及供水設施透過業務合併所取得的營業執照的公平值。該等無形資產於20至48年的特許經營期內按直線法攤銷。

(f) 專有技術及軟件

所收購的專有技術及軟件乃按收購或透過業務合併產生的成本予以資本化。該等成本於15至47年的估計可使用年期內予以攤銷。

2.10 土地使用權

土地使用權指土地的預付經營租賃付款減累計攤銷及任何減值虧損。攤銷乃採用直線法將土地的預付經營租賃付款分攤至剩餘租賃期限或經營租賃期間(以較短者為準)計算。

土地使用權 40-50年

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.11 Service concession arrangements

The Group has entered into a number of service concession arrangements with certain governmental authorities or their designators (the “Grantors”). The service concession arrangements consist of Build-Operate-Transfer (the “BOT”) arrangements and Transfer-Operate-Transfer (the “TOT”) arrangements. Under the BOT arrangements, the Group carries out construction work of the facilities of the sewage and reclaimed water treatment, water distribution or solid waste treatment for the Grantors and receives in return a right to operate the facilities of service project concerned for a specified period of time (the “Service Concession Period”) in accordance with the pre-established conditions set by the Grantors, the service project should be transferred to the Grantors with nil consideration at the end of the operation period. A TOT arrangement is similar to a BOT arrangement, except that the Group pays consideration for the right to operate the facilities of the sewage and reclaimed water treatment, water distribution or solid waste treatment that has been built.

The Group is generally entitled to use all the property, plant and equipment of the facilities, however, the relevant governmental authorities as Grantors will control and regulate the scope of service that the Group must provide with the facilities, and retain the beneficial entitlement to any residual interest in the facilities at the end of the Service Concession Period. Each of these service concession arrangements is governed by a contract and, where applicable, supplementary agreements entered into between the Group and the relevant governmental authority in the PRC that set out, inter alia, performance standards, mechanisms for adjusting prices for the services rendered by the Group, and specific obligations levied on the Group to restore the facilities to a specified level of serviceability at the end of the Service Concession Period and arrangements for arbitrating disputes.

2. 主要會計政策概要(續)

2.11 服務特許經營安排

本集團與若干政府機關或其指定人(「授予人」)訂立多項服務特許經營安排。服務特許經營安排包括建設－經營－移交(「BOT」)安排及移交－經營－移交(「TOT」)安排。根據BOT安排，本集團為授予人進行污水及再生水處理、供水或固體廢物處理設施的建設工程，因而根據授予人預先設定的條件獲得服務項目設施於指定期間的經營權(「服務特許經營期間」)，服務項目須於經營期間結束時以零代價移交予授予人。TOT安排類似於BOT安排，惟本集團須就經營已建設的污水及再生水處理、供水或固體廢物處理設施的權利支付代價。

本集團一般有權使用該等設施的所有物業、廠房及設備，然而，有關政府機構作為授予人將控制及監管本集團利用該等設施須提供的服務範圍，並於服務特許經營期間結束時保留其於該等設施任何餘下權益的實益權利。該等服務特許經營安排受本集團與中國有關政府機構訂立的合約及(倘適用)補充協議的規限，當中載明(其中包括)執行標準、本集團所提供服務的調價機制、本集團於服務特許經營期間結束時為將該等設施恢復到規定服務水平而承擔的特定責任，以及仲裁糾紛的安排。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.11 Service concession arrangements (Cont'd)

(a) Consideration given by the Grantor

- (i) Service concession arrangements under financial asset model

A financial asset (receivables under a service concession arrangement) is recognised to the extent that the Group has an unconditional right to receive cash or another financial asset from the Grantor for the construction services rendered and/or the consideration paid and payable by the Group to the Grantor during the Service Concession Period. The Group has an unconditional right to receive cash if the Grantor contractually guarantees to pay the Group specified or determinable amounts or the shortfall, if any, between amounts received from the users of the public service and the specified or determinable amounts. The financial asset (receivable under a service concession arrangement) is accounted for in accordance with the policy set out for loans and receivables under note 2.13 "financial assets".

2. 主要會計政策概要(續)

2.11 服務特許經營安排(續)

(a) 授予人給予的代價

- (i) 金融資產模式下的服務特許經營安排

於服務特許經營期間，所確認金融資產(服務特許經營安排下的應收款項)以下列者為限：本集團有無條件權利就所提供建築服務向授予人收取現金或其他金融資產及／或本集團支付及應付授予人的代價。倘授予人以合約方式擔保向本集團支付指定或待定金額或已收公共服務用戶的款項與指定或待定金額兩者間的差額(如有)，本集團仍擁有無條件權利收取現金。金融資產(服務特許經營安排下的應收款項)根據附註2.13「金融資產」的貸款及應收款項所載的政策列賬。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.11 Service concession arrangements (Cont'd)

(a) Consideration given by the Grantor (Cont'd)

- (i) Service concession arrangements under financial asset model (Cont'd)

When the Group receives a payment during the concession period, it will apportion such payment between (i) a repayment of the financial asset (if any), which will be used to reduce the carrying amount of financial receivables on the consolidated statement of financial position, (ii) interest income, will be recognised as revenue in profit or loss and (iii) revenue from operating service in the profit or loss. Revenue from operating service is calculated based on cost plus a profit margin.

- (ii) Service concession arrangements under intangible asset model

An intangible asset (operating concession) is recognised to the extent that the Group receives a right to charge users of public service, which is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses and service. The intangible asset (operating concession) is accounted for in accordance with the policy set out for "intangible assets" in note 2.9 above, which is amortised on a straight-line basis over the Service Concession Period.

2. 主要會計政策概要(續)

2.11 服務特許經營安排(續)

(a) 授予人給予的代價(續)

- (i) 金融資產模式下的服務特許經營安排(續)

本集團於特許經營期內收到款項時，會將有關款項分配至(i)償還金融資產(如有)，用以減少合併財務狀況表金融應收款項的賬面值，(ii)利息收入(將於損益確認為收入)及(iii)經營服務的收入(於損益確認)。經營服務的收入按成本加溢利率計算。

- (ii) 無形資產模式下的服務特許經營安排

無形資產(特許經營權)於本集團獲得向公共服務用戶收費的權利時確認，惟該權利並非收取現金的無條件權利，因為該款項須以公眾使用該服務為條件。無形資產(特許經營權)根據上文附註2.9「無形資產」所載的政策列賬，按直線法於服務特許經營期間內攤銷。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.11 Service concession arrangements (Cont'd)

(a) Consideration given by the Grantor (Cont'd)

- (ii) Service concession arrangements under intangible asset model (Cont'd)

Revenue relating to operating service are accounted for in accordance with the policy for note 2.29 "revenue recognition" below. Costs for operating services are expensed in the period in which they are incurred.

- (iii) Service concession arrangements under hybrid model

If the Group is paid for the construction services partly by a financial asset and partly by an intangible asset, then each component of the consideration is accounted for separately and is recognised initially at the fair value of the consideration.

2. 主要會計政策概要(續)

2.11 服務特許經營安排(續)

(a) 授予人給予的代價(續)

- (ii) 無形資產模式下的服務特許經營安排(續)

與經營服務有關的收入乃根據下文附註2.29「收入確認」的政策入賬。經營服務的成本於產生期間支銷。

- (iii) 混合模式下的服務特許經營安排

倘本集團為運營商提供建設服務分別形成金融資產和無形資產，各類資產分別入賬並初始按代價的公平值初始確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.11 Service concession arrangements (Cont'd)

(b) Construction and upgrade services

The fair value of the construction and upgrade service under the concession arrangement is calculated as the estimated total construction cost plus a profit margin. The profit margins are valued by an independent qualified valuer, based on prevailing market rate applicable to similar construction services rendered in similar location at date of agreement.

Revenue and costs relating to construction or upgrade services are accounted for in accordance with the policy for note 2.17 “construction contracts” below.

(c) Contractual obligations to restore the infrastructure to a specified level of serviceability

The Group has contractual obligations which it must fulfil as a condition of its licences, that is (i) to maintain the sewage and reclaimed water treatment and water distribution plants it operates to a specified level of serviceability and/or (ii) to restore the plants to a specified condition before they are handed over to the Grantor at the end of the service concession arrangements. These contractual obligations to maintain or restore the sewage and reclaimed water treatment and water distribution plants, except for upgrade element, are recognised and measured in accordance with the policy set out for note 2.27 “provisions” below.

2. 主要會計政策概要(續)

2.11 服務特許經營安排(續)

(b) 建造及升級服務

特許經營安排下的建造及升級服務的公平值乃按估計總建造成本加溢利率計算。溢利率由獨立合資格估值師按於協議日期適用於類似位置所提供的類似建造服務的通行市場費率估值。

建造或升級服務有關的營業收入及成本按下文附註2.17「建設合約」的政策列賬。

(c) 修復基建設施至一定可提供服務水平的合約責任

本集團須承擔合約責任，作為獲取執照所須符合的條件，以(i)維護其經營的污水及再生水處理及供水廠，確保符合一定可提供服務水平及／或(ii)於服務特許經營安排結束時，在移交工廠予授予人之前，將工廠修復至指定狀況。維護或修復污水及再生水處理及供水廠的合約責任(除升級部分外)按下文附註2.27「撥備」所載的政策予以確認及計量。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.12 Impairment of non-financial assets

Assets that have an indefinite useful life or not yet available for use are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.13 Financial assets

2.13.1 Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

2. 主要會計政策概要(續)

2.12 非金融資產的減值

可使用年期不確定或尚未可供使用的資產，毋須攤銷，但每年須就減值進行測試。資產於事件發生或狀況轉變顯示可能無法收回其賬面值時進行減值複核。當資產賬面值超逾其可收回金額時，則就超出的數額確認減值損失。可收回金額指資產公平值減出售成本與使用價值兩者之間的較高者。就評估減值而言，資產將按獨立可識辨現金流量的最低層次(現金產生單位)組合。出現減值的非金融資產(商譽除外)會於每個報告日進行複核以確定減值是否可能撥回。

2.13 金融資產

2.13.1 分類

本集團的金融資產分為以下類別：貸款及應收款項及可供出售金融資產。該分類視乎購入金融資產的目的而定。管理層於初始確認金融資產時釐定有關資產的分類。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.13 Financial assets (Cont'd)

2.13.1 Classification (Cont'd)

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables", "receivables under service concession arrangements", "amounts due from customers for contract works", "restricted cash" and "cash and cash equivalents" in the consolidated balance sheet.

(b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

2. 主要會計政策概要(續)

2.13 金融資產(續)

2.13.1 分類(續)

(a) 貸款及應收款項

貸款及應收款項為有固定或可確定付款額且並非於活躍市場報價的非衍生金融資產。此等款項乃計入流動資產，惟於或預期於報告期末後超過12個月結算的款項則列作非流動資產。本集團的貸款及應收款項包括合併資產負債表內的「貿易及其他應收款項」、「服務特許經營安排下的應收款項」、「合約工程應收客戶款項」、「受限制現金」及「現金及現金等價物」。

(b) 可供出售金融資產

可供出售金融資產乃指定為此類別或不屬於任何其他類別的非衍生工具。除非投資到期或管理層擬於報告期末起計12個月內出售有關投資，否則可供出售金融資產會列入非流動資產項下。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.13 Financial assets *(Cont'd)*

2.13.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated statement of profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets are subsequently carried at fair value. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

2. 主要會計政策概要(續)

2.13 金融資產(續)

2.13.2 確認及計量

常規購入及出售的金融資產於交易日(本集團承諾購入或出售該資產的日期)確認。所有並非按公平值計入損益的金融資產的投資於初始時按公平值加交易成本確認。按公平值計入損益的金融資產，於初始時按公平值確認，而交易成本則在合併損益表中列作開支。從該等投資收取現金流量的權利屆滿或已轉讓而本集團已實質上轉移一切所有權風險及回報時，則終止確認有關金融資產。貸款及應收款項乃使用實際利率法按攤銷成本列賬。

可供出售金融資產其後按公平值列賬。分類為可供出售的貨幣及非貨幣證券的公平值變動於其他全面收益中確認。

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)**

2.13 Financial assets (Cont'd)

2.13.2 Recognition and measurement (Cont'd)

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated statement of profit or loss as “other gains - net”.

Available-for-sale equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are subsequently measured at cost.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the consolidated statement of profit or loss as part of other income. Dividends on available-for-sale equity instruments are recognised in the consolidated statement of profit or loss as part of other income when the Group's right to receive payments is established.

2. 主要會計政策概要(續)

2.13 金融資產(續)

2.13.2 確認及計量(續)

若歸類為可供出售的證券被售出或減值，則於權益中確認的累計公平值調整於合併損益表中列為「其他收益淨額」。

於活躍市場並無市場報價且其公平值無法可靠計量的可供出售權益工具其後按成本計量。

按實際利率法計算的可供出售證券的利息在合併損益表中確認為其他收入的一部分。可供出售權益工具的股息，於本集團確立收取款項的權利後在合併損益表確認為其他收入的一部分。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.14 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.15 Impairment of financial assets

(a) *Assets carried at amortised cost*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

2. 主要會計政策概要(續)

2.14 抵銷金融工具

當有可依法強制執行的權利抵銷已確認的金額，且有意向以淨額基準結算或同時變現資產及結算負債，則可將金融資產與負債互相抵銷，並在資產負債表內呈報淨額。合法強制執行權不得取決於未來事件，且必須於正常業務過程中及在公司或相關訂約方違約、無力償債或破產的情況下強制執行。

2.15 金融資產減值

(a) *按攤銷成本列賬的資產*

本集團於每個報告期末評估是否有客觀證據證明一項或一組金融資產出現減值。一項或一組金融資產的減值及減值損失只於有客觀證據證明減值乃來自初始確認資產後發生一項或多項事件(「損失事件」)，而該項(或該等)損失事件對該項或該組金融資產的估計未來現金流量的影響能可靠估算時才出現。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.15 Impairment of financial assets (Cont'd)

(a) Assets carried at amortised cost (Cont'd)

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as construction delays due to fire, earthquake or other natural disasters, changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of profit or loss.

2. 主要會計政策概要(續)

2.15 金融資產減值(續)

(a) 按攤銷成本列賬的資產
(續)

減值證據可包括以下跡象：債務人或一組債務人出現重大財政困難，欠付或拖欠支付利息或本金，彼等將有可能破產或進行其他財務重組，以及有可察覺的資料顯示估計未來現金流量有可計量的減少(例如由於火災、地震或其他天然災害而造成建設延誤、與違約有相互關聯的拖欠情況或經濟狀況改變)。

就貸款及應收款項類別而言，損失金額乃根據資產賬面值與按金融資產的原始實際利率折現而估計未來現金流量(不包括仍未產生的未來信用損失)的現值兩者的差額計量。資產賬面值予以削減，而損失金額則在合併損益表確認。如貸款附有浮動利率，則計量任何減值損失的折現率為按合約釐定的當前實際利率。

在往後期間，如減值損失的金額減少，而此減少可客觀地關聯到確認減值後發生的事件(例如債務人的信用評級改善)，則之前已確認的減值損失可在合併收益表撥回。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.15 Impairment of financial assets (Cont'd)

(b) *Assets classified as available for sale*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is reclassified from equity and recognised in profit or loss. Impairment losses recognised in the consolidated statement of profit or loss on equity instruments are not reversed through the consolidated statement of profit or loss.

2.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expense.

2. 主要會計政策概要(續)

2.15 金融資產減值(續)

(b) 分類為可供出售的資產

本集團於每個報告期末評估是否有客觀證據證明一項或一組金融資產出現減值。就股本投資而言，證券的公平值重大或持續下跌至低於其成本值亦為資產減值的證據。倘存在證據顯示出現減值，其累計損失(以購入成本與現時公平值間的差額計量)減該金融資產以往於損益內確認的任何減值虧損會於權益內撇銷，並於損益內確認。於合併損益表內確認的股本工具減值虧損不會透過合併損益表撥回。

2.16 存貨

存貨按成本與可變現淨值兩者的較低者入賬。成本以加權平均法釐定。製成品及在製品的成本包括設計成本、原材料、直接勞工、其他直接成本及相關生產經常費用(按正常營運能力計算)，惟不包括借貸成本。可變現淨值指在日常業務過程中的估計售價，減適用的可變銷售開支。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.17 Construction contracts

A construction contract is defined by HKAS 11, "Construction contracts", as a contract specifically negotiated for the construction of an asset.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract by reference to the stage of completion. Contract costs are recognised as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

The Group uses the "percentage-of-completion" method to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion.

On the balance sheet, the Group reports the net contract position for each contract as either an asset or a liability. A contract represents an asset where costs incurred plus recognised profits (less recognised losses) exceed progress billings; a contract represents a liability where the opposite is the case.

2. 主要會計政策概要(續)

2.17 建設合約

根據香港會計準則第11號對建設合約的定義，「建設合約」指一項特別就建造一項資產而商議的合約。

當一項建造合約的結果能可靠估算，而該合約很可能獲得盈利，則合約收入參考竣工階段按合約期確認。合約成本乃參考報告期末合約活動的竣工階段確認為費用。當總合約成本有可能超過總合約收入，預期虧損將即時確認為費用。

當一項建造合約的結果不能可靠估算，則合約收入只就很可能收回的已產生合約成本的數額確認。

合約工程變更、索償及獎勵款項亦計入合約收入內，惟以與客戶協定及能夠可靠計量者為限。

本集團採用「完工百分比」法確定在某段期間內應確認的適當金額。完成階段通常按照截至報告期末已經產生的合約成本佔各合約全部估計成本的比例計量。在釐定完成階段時，在年度內產生與合約未來活動有關的成本，不包括在合約成本內。

於資產負債表，本集團就每份合約的合約狀況淨額報告為資產或負債。當已產生的成本加已確認的溢利(減已確認的虧損)超過進度付款時，合約相當於一項資產；當情況相反時，相關的合約則確認為負債。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.18 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.19 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand and deposits held at call with banks.

Bank deposits which are restricted to use are classified as "restricted cash". Restricted cash are excluded from cash and cash equivalents in the cash flow statements.

2.20 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.21 Perpetual capital instruments

Perpetual capital instruments with no contractual obligation for the Group to deliver cash or another financial asset to the holders are classified as equity instruments. They are initially recorded at the proceeds received within equity. Discretionary interest declared by the Group to the holders of perpetual capital instrument is treated as dividend.

2. 主要會計政策概要(續)

2.18 貿易及其他應收款項

貿易應收款項為在日常業務過程中就向客戶銷售的商品或提供的服務而應收客戶的款項。如貿易及其他應收款項預期在一年或以內收回，其被分類為流動資產，否則分類為非流動資產。

貿易及其他應收款項於初始時按公平值確認，其後採用實際利率法按攤銷成本減減值撥備計算。

2.19 現金及現金等價物

在合併現金流量表內，現金及現金等價物包括手頭現金及銀行通知存款。

受限制使用的銀行存款歸類為「受限制現金」。受限制現金自現金流量表的現金及現金等價物中剔除。

2.20 股本

普通股歸類為權益。直接歸屬於發行新股或購股權的遞增成本扣除稅項後在權益中列為所得款項的扣減項目。

2.21 永久資本工具

本集團並無合約責任將現金或另外金融資產交付持有人的永久資本工具歸類為權益工具。該工具初始按收取的所得款項列入權益。本集團向永久資本工具持有人宣派的酌情利息被視為股息。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.22 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.23 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the report period.

2. 主要會計政策概要(續)

2.22 貿易及其他應付款項

貿易應付款項為在日常業務過程中自供應商購買貨品或服務的付款責任。如貿易應付賬款須於一年或以內(或正常業務運作週期(以較長期間為準))支付,則被分類為流動負債,否則分類為非流動負債。

貿易及其他應付款項最初按公平值確認,其後使用實際利率法按攤銷成本計算。

2.23 借款

借款於初始按公平值並扣除產生的交易成本確認。借款其後按攤銷成本列賬;所得款項(扣除交易成本)與贖回價值的差額於借款期間以實際利率法在合併損益表中確認。

如部分或全部融資有可能被提取,則設立貸款融資時支付的費用確認為貸款的交易成本。在此情況下,費用遞延至貸款提取為止。如沒有證據證明部分或全部融資有可能被提取,則該費用資本化作為流動資金服務的預付款,並於相關的融資期內攤銷。

除非本集團有無條件權利將償還負債的日期遞延至報告期末後最少12個月,否則借款歸類為流動負債。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.24 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.25 Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2. 主要會計政策概要(續)

2.24 借款成本

收購、建設或生產符合規定的資產(指需要用上大量時間方可實現其擬定用途或可銷售的資產)直接應佔的一般及專項借款成本乃計入該等資產的成本,直至該等資產大致可用於其擬定用途或銷售為止。

就特定借款,因有待合資格資產的支出而臨時投資賺取的投資收入,應自合資格資本化的借款成本中扣除。

所有其他借款成本於其產生期間內於損益中確認。

2.25 即期及遞延所得稅

期內的稅項費用包括即期及遞延所得稅。稅項乃於收益表中確認,惟與在其他全面收益或直接於權益確認的項目相關者除外。在此情況下,稅項亦分別於其他全面收益或直接於權益中確認。

(a) 即期所得稅

即期所得稅費用根據本公司及其附屬公司經營及產生應課稅收入的國家於資產負債表日已頒佈或實質頒佈的稅法計算。管理層就適用稅務法規詮釋所規限的情況定期評估稅項申報情況,並在適用情況下按預期須向稅務機構支付的稅款確定撥備。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.25 Current and deferred income tax (Cont'd)

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2. 主要會計政策概要(續)

2.25 即期及遞延所得稅(續)

(b) 遞延所得稅

內部基準差異

遞延所得稅採用負債法，就資產和負債的稅基與資產和負債在財務報表的賬面值之間產生的暫時性差異確認。然而，若遞延所得稅負債來自商譽的初始確認，則不予確認此等遞延稅項負債；若遞延所得稅來自在交易(不包括企業合併)中對資產或負債的初始確認，而該項資產或負債在交易時不影響會計及應課稅損益，則不予確認此等遞延所得稅。遞延所得稅採用在資產負債表日期前已頒佈或實質頒佈，並預期在有關遞延所得稅資產實現或遞延所得稅負債結算時適用的稅率(及法律)而釐定。

遞延所得稅資產僅限於有可能產生未來應課稅溢利並可用於抵銷暫時性差異時予以確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.25 Current and deferred income tax (Cont'd)

(b) Deferred income tax (Cont'd)

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates and joint ventures. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred income tax liability in relation to taxable temporary differences arising from the associate's and joint ventures' undistributed profits is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

2. 主要會計政策概要(續)

2.25 即期及遞延所得稅(續)

(b) 遞延所得稅(續)

外部基準差異

遞延所得稅負債就於附屬公司、聯營公司及合營安排的投資產生的應課稅暫時性差異而撥備，惟就於遞延所得稅負債而言，倘本集團可以控制暫時性差異的撥回時間，而暫時性差異在可預見將來有可能不會撥回則除外。一般情況下，本集團無法控制聯營公司及合營企業的暫時性差異的撥回。僅當有協議令本集團於可預見未來能夠控制暫時性差異的撥回時，方不會確認與聯營公司及合營企業未分派溢利所產生應課稅暫時性差異有關的遞延所得稅負債。

遞延所得稅資產乃就於附屬公司、聯營公司及合營安排投資產生的可扣減暫時性差異予以確認，僅限於未來有可能撥回暫時性差異且存在充足應課稅溢利可用於抵銷暫時性差異。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.25 Current and deferred income tax (Cont'd)

(c) *Offsetting*

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.26 Employee benefits

(a) *Defined contribution plan*

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the PRC government.

2. 主要會計政策概要(續)

2.25 即期及遞延所得稅(續)

(c) *抵銷*

當有可依法強制執行的權利將即期稅項資產與即期稅項負債抵銷，且遞延所得稅資產和負債涉及由同一稅務機關對應課稅實體或不同應課稅實體但有意向以淨額基準結算結餘時徵收所得稅，則可將遞延所得稅資產與負債互相抵銷。

2.26 僱員福利

(a) *定額供款計劃*

根據中國的規例及法規，本集團位於中國的僱員參與多項由中國相關市級及省級政府運作的定額供款退休福利計劃，據此，本集團及位於中國的僱員每月須對該等計劃作出按僱員薪金百分比計算得出的供款。

市級及省級政府承諾會承擔根據上述計劃應付予所有現有及未來的退休中國僱員的退休福利責任。除每月供款外，本集團並無進一步責任向其僱員提供退休付款及其他退休後福利。該等計劃的資產乃與本集團的資產分開，並由中國政府所管理的獨立基金持有。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.26 Employee benefits (Cont'd)

(b) Defined benefit plan

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the consolidated balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The current service cost of the defined benefit plan, recognised in the statement of profit or loss in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation results from employee service in the current year, benefit changes, curtailments and settlements.

2. 主要會計政策概要(續)

2.26 僱員福利(續)

(b) 定額福利計劃

一般而言，定額福利計劃釐定員工在退休時可收取的退休福利金額，通常視乎年齡、服務年資和薪酬等一個或多個因素而定。

在合併資產負債表內就定額福利退休金計劃而確認的負債，為定額福利責任於報告期末的現值減計劃資產的公平值。定額福利責任每年由獨立精算師利用預計單位貸記法計算。定額福利責任的現值利用將用以支付福利的貨幣為單位計值且到期日與有關退休負債的年期近似的高質素企業債券的利率，將估計未來現金流出量貼現計算。在該等債券並無活躍市場的國家，乃採用政府債券的市場利率。

於損益表僱員福利開支項下確認的定額福利計劃即期服務成本(除計入資產成本者外)反映本年度僱員服務所導致的定額福利責任的增加、福利變動、削減及結算。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.26 Employee benefits (Cont'd)

(b) Defined benefit plan (Cont'd)

Past-service costs are recognised immediately in statement of profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Remeasurement arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

2.27 Provisions

Provisions for maintenance costs and employee benefit are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2. 主要會計政策概要(續)

2.26 僱員福利(續)

(b) 定額福利計劃(續)

過往服務成本即時於損益表中確認。定額福利責任的現值來自計劃修訂或縮減的變動，即時於損益中確認為過往服務成本。

淨利息成本按定額福利責任的淨結餘及計劃資產公平值，應用貼現率計算。此成本包含在損益表中的僱員福利開支中。

根據經驗而調整的重新計量以及精算假設的變動，在產生期間內於其他權益收益的權益中扣除或計入。

2.27 撥備

在出現以下情況時，本集團確認維修成本及僱員福利撥備：本集團因過往事件而產生現有法律或推定義務；履行該義務預期很可能導致資源流出；金額已可靠估計。未來經營虧損不確認撥備。

如存在多項類似義務，則根據整體義務類別考慮釐定償付時導致資源流出的可能性。即使在同一義務類別所包含的任何單個項目的流出的可能性極低，仍須確認撥備。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.27 Provisions *(Cont'd)*

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.28 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to purchase of property, plant and equipment and intangible assets are included in non-current liabilities as deferred government grants and are credited to the consolidated statement of profit or loss on a straight-line basis over the expected lives of the related assets.

2.29 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

2. 主要會計政策概要(續)

2.27 撥備(續)

撥備按償付義務所須的預期支出金額的現值計量，而計算現值所使用的稅前利率為反映當前市場對資金的時間價值及與有關義務相關的風險的評估。由時間推移引起撥備的增加確認為利息費用。

2.28 政府補貼

在有合理保證將收取補助及本集團將遵守所有隨附條件時，政府補貼乃按其公平值確認。

與成本相關的政府補貼均會遞延並於需要與其有意補償的成本相配比的期間內，在合併損益表確認。

與購買物業、廠房及設備以及無形資產相關的政府補貼於非流動負債項下列作遞延政府補貼，並按直線法在相關資產的預期使用年期內計入合併損益表。

2.29 收入確認

收益按已收或應收代價的公平值計量，並指就所供應產品應收的金額，經扣除折讓回報及增值稅後呈列。如能可靠計量收入金額、未來經濟利益可能流向該實體，以及本集團各項業務中如下文所述的特定標準達致時，本集團確認收入。經考慮客戶類型、交易類型及每項安排的特點，本集團根據過往業績對回報作出估計。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.29 Revenue recognition (Cont'd)

(a) Sales of water and goods

Sales of water and goods are recognised when a group entity has delivered water and goods to the customer; the customer has accepted the water and goods and collectability of the related receivables is reasonably assured.

(b) Sales from construction contracts

Income from construction service is recognised on the percentage-of-completion method, as further explained in the accounting policy for “construction contracts” (note 2.17).

(c) Rendering of service

Revenue from wastewater treatment, solid waste treatment and other services is recognised when service is rendered.

(d) Rental income

Rental income from investment properties is recognised in the consolidated statement of profit or loss on a straight-line basis over the term of the lease.

(e) Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

2. 主要會計政策概要(續)

2.29 收入確認(續)

(a) 水及產品銷售

水及產品銷售於本集團實體向客戶付運水及產品，獲客戶接納及有關應收款項的可收回性得到合理保證時方予以確認。

(b) 建設合約銷售

建設服務所得收入按完工百分比法確認，如「建設合約」的會計政策(附註2.17)所進一步解釋。

(c) 提供服務

污水處理、固體廢物處理及其他服務的收益於提供服務時確認。

(d) 租金收入

投資物業的租金收入就租期以直線法於合併損益表內確認。

(e) 利息收入

利息收入利用實際利率法確認。當貸款及應收款項出現減值時，本集團將其賬面值減至其可收回金額(即以該金融工具的原始實際利率折現的估計未來現金流量)，並繼續將該折現轉回作為利息收入。已減值貸款及應收款項的利息收入使用原始實際利率確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

2.30 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of profit or loss on a straight-line basis over the period of the lease.

2.31 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and fair value and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

2. 主要會計政策概要(續)

2.30 租賃

對由出租人保留的所有權風險及回報的大部分租賃乃分類為經營租賃。根據經營租賃支付的款項(扣除收取出租人的任何優惠)以直線法就租期於合併損益表內扣除。

2.31 股息分派

對本公司股東的股息分派於股息獲本公司股東或董事(如適用)批准期間在本集團財務報表確認為負債。

3. 財務風險管理

3.1 財務風險因素

本集團的活動令其承受多種財務風險：市場風險(包括外匯風險、公平值及現金流量利率風險)、信貸風險及流動資金風險。本集團的整體風險管理計劃專注於金融市場的不可預測性，並設法減低對本集團財務表現的潛在不利影響。

3. FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors

(a) Market risk

(i) Foreign exchange risk

The Group principally operates in the PRC with most of the transactions being settled in RMB, which is the functional currency of most of the group entities. The Group also has certain subsidiaries in foreign operations. Foreign exchange risk arises from the recognised assets and liabilities and net investments in foreign operations. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through financing activities denominated in the relevant foreign currencies. The group entities are exposed to foreign exchange risk of foreign currencies other than their functional currencies, primarily with respect to the US dollars ("US\$"), Euro ("EUR") and Hong Kong dollars ("HKD") (together "Non-functional Currencies").

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險

(i) 外匯風險

本集團主要在中國營運，大部分交易以人民幣(「人民幣」)結算，人民幣是本集團旗下大部分公司的功能貨幣。本集團亦有若干附屬公司經營境外業務。外匯風險來自境外業務的可辨認資產及負債和投資淨額。本集團境外業務淨資產所產生的貨幣風險，主要透過以相關外幣計值的融資活動進行管理。集團實體承受其功能貨幣以外外幣的外匯風險，主要涉及美元(「美元」)、歐元(「歐元」)及港元(「港元」)(統稱「非功能貨幣」)。

3. FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(a) Market risk (Cont'd)

(i) Foreign exchange risk (Cont'd)

As at 31 December 2016 and 2015, the Group had more financial liabilities than financial assets denominated in Non-functional Currencies of the group entities. Fluctuations in exchange rates between the functional currencies of respective group entities and Non-functional Currencies in which the group entities conducts business may affect the Group's financial position and results of operations. The Group seeks to limit its exposure to foreign currency risk by closely monitoring and minimizing its net foreign currency position.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(i) 外匯風險(續)

於二零一六年及二零一五年十二月三十一日，本集團各集團實體以非功能貨幣計值的金融負債超過金融資產。各集團實體的功能貨幣與各集團實體經營業務的非功能貨幣之間的匯率波動可能影響本集團的財務狀況及經營業績。本集團密切監察及盡量減少其外幣持倉淨額至最低水平以限制所需承擔的外幣風險。

Notes to the Consolidated Financial Statements 合併財務報表附註

3. FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(a) Market risk (Cont'd)

(i) Foreign exchange risk (Cont'd)

The following table shows the sensitivity analysis of a 7% change in functional currencies of respective group entities against Non-functional Currencies. The sensitivity analysis includes Non-functional Currencies denominated monetary items and adjusts their translation at the year-end for a 7% change in Non-functional Currencies with all other variables held constant. If Non-functional Currencies had strengthened/weakened by 7% against the respective functional currencies of group entities, the effect in the profit for the year of the Group is as follows:

Net profit (decrease)/increase	淨溢利(減少)/增加
- Strengthened 7%	- 升值7%
- Weakened 7%	- 貶值7%

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(i) 外匯風險(續)

下表列示各集團實體的功能貨幣兌非功能貨幣變動7%的敏感度分析。該敏感度分析包括以非功能貨幣計值的貨幣項目，於年末按非功能貨幣變動7%(所有其他變量保持不變)而調整換算。倘非功能貨幣兌集團實體的相關功能貨幣升值/貶值7%，則對本集團年內溢利的影響如下：

As at 31 December 於十二月三十一日

	2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Net profit (decrease)/increase		
- Strengthened 7%	(11,043)	(2,520)
- Weakened 7%	11,043	2,520

3. FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(a) Market risk (Cont'd)

(ii) Fair value and cash flow interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest risk which is partially offset by cash held at variable rates. Borrowings obtained at fixed rates expose the Group to fair value interest risk.

The Group regularly reviews and monitors the mix of fixed and floating interest rate borrowings in order to manage its interest rate risk. The Group's interest-bearing bank borrowings, pledged deposits and cash and cash equivalents are stated at amortised cost and not revalued on a periodic basis. Floating rate interest income and expenses are credited/charged to profit or loss as earned/incurred.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 公平值及現金流量利率風險

本集團的利率風險來自於長期借款。按浮動利率取得的借款使本集團面臨現金流量利息風險，而這部分被按浮動利率持有的現金所抵銷。按固定利率取得的借款使本集團面臨公平值利息風險。

本集團定期審閱和監察固定和浮動利率的借款組合以管理其利率風險。本集團的計息銀行借款、有抵押存款以及現金及現金等價物均按攤銷成本列賬，並非會定期重估。浮動利率利息收入及開支於賺取／產生時計入／抵減損益。

Notes to the Consolidated Financial Statements

合併財務報表附註

3. FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(a) Market risk (Cont'd)

(ii) Fair value and cash flow interest rate risk (Cont'd)

As at 31 December 2016, the Group has floating rate borrowings amounting to RMB3,098,085,000 (2015: RMB1,095,043,000). If there would be a general increase/decrease in the market interest rates by 100 basis points, with all other variables held constant, the Group's post-tax profit would have decreased/increased by approximately RMB20,598,000 for the year ended 31 December 2016 (2015: RMB8,266,000). The sensitivity analysis above has been determined assuming that the change in market interest rates had occurred as at the 31 December 2016 and 2015 and had applied the exposure to cash flow interest rate risk to those financial instruments in existence at those dates.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 公平值及現金流量利率風險(續)

於二零一六年十二月三十一日，本集團的浮動利率借款為人民幣3,098,085,000元(二零一五年：人民幣1,095,043,000元)。截至二零一六年十二月三十一日止年度，如市場利率整體上升/下跌100個基點，而所有其他變量保持不變，則本集團的除稅後溢利將減少/增加約人民幣20,598,000元(二零一五年：人民幣8,266,000元)。上述敏感度分析乃假設市場利率變動已於二零一六年及二零一五年十二月三十一日發生並已應用該等金融工具所承擔於該等日期存在的現金流量利率風險而釐定。

3. FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(b) Credit risk

Credit risk is managed on group basis. The Group's maximum exposure to credit risk in relation to financial assets is the carrying amounts of restricted cash, cash and cash equivalents, trade and other receivables, amounts due from customers for contract works and receivables under service concession arrangements.

For deposit with banks, the Group has limited its credit exposure by restricting their selection of banks on the reputable local listed commercial banks or state-owned banks. Management believes these financial institutions are reputable and there is no significant credit risk of loss on such assets.

For trade receivables (note 24) and receivables under service concession arrangements (note 19), the customers are primarily local governments and PRC state-owned entities and management considers the credit risk is not high.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信用風險

信用風險按集團基準進行管理。本集團所面對有關金融資產的最大信用風險為受限制現金、現金及現金等價物、貿易及其他應收款項、合約工程應收客戶款項以及服務特許經營安排下的應收款項的賬面值。

就銀行存款而言，本集團透過限制其挑選銀行（挑選信譽良好的地方上市商業銀行或國有銀行）以限制其信用風險。管理層相信該等金融機構信譽良好，並無有關資產虧損的重大信用風險。

就貿易應收款項(附註24)及服務特許經營安排下的應收款項(附註19)而言，客戶主要為地方政府及中國國有實體，而管理層認為信用風險並不高。

Notes to the Consolidated Financial Statements

合併財務報表附註

3. FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(c) Liquidity risk

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group financial department. Group financial department monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash and cash equivalents to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The Group financial department monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group expects to fund its future cash flow needs through internally generated cash flows from operations, borrowings and perpetual capital instruments from financial institutions.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, including interest payments computed using contractual rates, or, if floating, based on current rates.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險

現金流量預測乃由本集團經營實體編製後由本集團財務部匯總而得。本集團財務部監控本集團流動資金需求的滾動預測，以確保有足夠的現金及現金等價物滿足營運需要，同時於任何時間均維持其未提取但已承諾借款融資有足夠餘額，以便本集團不會違反其任何借款融資的借款限額或契諾(如適用)。

本集團財務部監察現金及現金等價物水平，並將現金及現金等價物維持在管理層認為足以為本集團的營運提供資金及減輕現金流量波動影響的水平。本集團預期透過經營活動內部產生的現金流量及來自金融機構的借款及永久資本工具應付其未來現金流量需求。

下表分析本集團的非衍生金融負債，此乃按照相關的到期組別，根據結算日至合約到期日的剩餘期間進行分析。表內所披露的金額為合約未貼現現金流量，包括根據合約利率(或倘為浮動利率，則為即期匯率)計算的利息付款。

Notes to the Consolidated Financial Statements 合併財務報表附註

3. FINANCIAL RISK MANAGEMENT (Cont'd)

3. 財務風險管理(續)

3.1 Financial risk factors (Cont'd)

3.1 財務風險因素(續)

(c) Liquidity risk (Cont'd)

(c) 流動資金風險(續)

		Less than 1 year 1年以內 RMB' 000 人民幣千元	Between 1 and 2 years 1至2年 RMB' 000 人民幣千元	Between 2 and 5 years 2至5年 RMB' 000 人民幣千元	Over 5 years 5年以上 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
As at 31 December 2016		於二零一六年十二月三十一日				
Financial liabilities		金融負債				
Borrowings	借款	2,904,139	1,592,384	3,815,009	899,770	9,211,302
Trade and other payables (*)	貿易及其他應付款項(*)	2,607,338	10,000	30,000	23,000	2,670,338
		5,511,477	1,602,384	3,845,009	922,770	11,881,640
As at 31 December 2015		於二零一五年十二月三十一日				
Financial liabilities		金融負債				
Borrowings	借款	1,183,517	656,083	1,272,105	409,415	3,521,120
Trade and other payables (*)	貿易及其他應付款項(*)	947,368	10,000	30,000	30,000	1,017,368
		2,130,885	666,083	1,302,105	439,415	4,538,488

* Excluding staff welfare benefit payable, other taxes payable and advances from customers.

* 不包括應付員工福利、其他應付稅項及客戶墊款。

Notes to the Consolidated Financial Statements

合併財務報表附註

3. FINANCIAL RISK MANAGEMENT (Cont'd)

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, sell assets to reduce debt or raise funding through capital markets as necessary.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as "total equity" as shown in the financial statements plus net borrowings.

3. 財務風險管理(續)

3.2 資本管理

本集團的資本管理的目的為保障本集團能夠持續經營，以為股東提供回報及為其他利益相關者提供利益，以及維持最佳的資本架構以減少資本成本。

為保持或調整資本結構，本集團可能會調整派付予股東的股息金額、向股東退還資本、出售資產以減少債務或透過資本市場籌集資金(如需要)。

本集團根據資產負債比率監控資本。該比率按淨債務除以總資本計算。淨債務按借款總額(包括合併資產負債表所示的「即期及非即期借款」)減現金及現金等價物計算。總資本按財務報表所示的「權益總額」加借款淨額計算。

As at 31 December
於十二月三十一日

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Total borrowings (note 30)	借款總額(附註30)	8,298,479	3,064,315
Less: cash and cash equivalents (note 26)	減：現金及現金等價物 (附註26)	(4,129,921)	(1,672,121)
Net borrowings	借款淨額	4,168,558	1,392,194
Total equity	權益總額	7,246,459	4,942,612
Total capital	資本總額	11,415,017	6,334,806
Gearing ratio	資產負債比率	36.52%	21.98%

The increase in the gearing ratio was resulted primarily from the increase of borrowings during the year ended 31 December 2016.

資產負債比率提高主要是由於截至二零一六年十二月三十一日止年度借款增加。

Notes to the Consolidated Financial Statements 合併財務報表附註

3. FINANCIAL RISK MANAGEMENT (Cont'd)

3. 財務風險管理(續)

3.3 Financial instruments by category

3.3 按類別劃分的金融工具

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Financial assets	金融資產		
Loans and receivables	貸款及應收款項		
– Trade and other receivables	– 貿易及其他應收款項	2,852,429	1,101,786
– Receivables under service concession arrangements	– 服務特許經營安排下的應收款項	2,891,228	1,953,279
– Amounts due from customers for contract works	– 合約工程應收客戶款項	690,588	407,619
– Cash and cash equivalents	– 現金及現金等價物	4,129,921	1,672,121
– Restricted cash	– 受限制現金	9,610	19,603
		10,573,776	5,154,408
Available-for-sale financial assets	可供出售金融資產	4,675	—
		10,578,451	5,154,408
Financial liabilities	金融負債		
– Borrowings	– 借款	8,298,479	3,064,315
– Trade and other payables (*)	– 貿易及其他應付款項(*)	2,654,986	1,001,883
		10,953,465	4,066,198

* Excluding staff welfare benefit payable, other taxes payable and advances from customers.

All financial instruments are stated at amortised cost.

* 不包括應付員工福利、其他應付稅項及客戶墊款。

所有金融工具按攤銷成本列值。

Notes to the Consolidated Financial Statements

合併財務報表附註

3. FINANCIAL RISK MANAGEMENT (Cont'd)

3.4 Fair value estimation

The Group's financial instruments recognized in the consolidated balance sheet are mainly receivables and financial liabilities carried at amortised cost. The fair values of these financial instruments approximate their carrying amounts.

Financial instruments carried at fair value are disclosed by levels of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

As at 31 December 2016, the Group does not have any financial instruments that are measured at fair value.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing these financial statements are evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

3. 財務風險管理(續)

3.4 公平值估計

本集團於合併資產負債表內確認的金融工具主要為按攤銷成本列賬的應收款項及金融負債。該等金融工具的公平值與其賬面值相若。

按公平值列賬的金融工具乃按以下公平值計量層級進行披露：

- 相同資產或負債在活躍市場的報價(未經調整)(第一級)。
- 除第一級所包括的報價外，該資產或負債的可觀察(直接(即價格)或間接(即源自價格))輸入數據(第二級)。
- 並非依據可觀察市場數據得出的資產或負債的輸入數據(即不可觀察輸入數據)(第三級)。

於二零一六年十二月三十一日，本集團並無按公平值計量的任何金融工具。

4. 主要會計估計及判斷

編製該等財務報表時所用的估計及判斷乃根據過往經驗及其他因素(包括根據現有情況對未來事件作出的認為屬合理的預期)而作出並會進行評估。

本集團會就未來作出估計及假設。根據定義，因此而作出的會計估計極少與相關實際結果相同。很可能導致對下個財政年度的資產及負債的賬面值作出重大調整的估計及假設論述如下。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS
(Cont'd)

(a) Service concession arrangements under financial asset model

When the Group is paid for the construction and upgrade services by a financial asset, significant judgement is exercised in determining the fair values of the financial asset at initial recognition. Cash flow forecast, effective discount rate and other factors are used in the valuation model. Any changes in the expected cash flows, such as effective discount rate, forecasted unit price of service fee, operating costs and profit margins of the operating services, will result in change in the carrying value of the financial asset and the revenue recognised in concession period.

According to the service concession arrangements signed with the Grantors, the unit price of service fee would be periodically adjusted to compensate operating cost increase, including labour costs, material costs, taxation, through a pricing mechanism which is still subject to regulation by local government authorities. Judgement is required in assessing whether increase in costs can be compensated through unit price adjustment and the timing. In making this judgement, the Group evaluates the pricing mechanism in the service concession arrangements, the extent of development of the project and status of negotiation with the government authorities.

(b) Impairment of trade receivables

The Group records impairment of trade receivables based on an assessment made by management on the recoverability of trade receivables. Provisions are made where events or changes in circumstances indicate that the balances may not be collectible. Impairment assessment requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of trade receivables and the impairment charge in the period in which such estimate has been changed.

4. 主要會計估計及判斷(續)

(a) 金融資產模式下的服務特許經營安排

本集團為運營商提供建設及升級服務而形成金融資產時，釐定金融資產初始確認的公平值時需進行重大判斷。於估值模型中使用現金流量預測、有效折現率及其他因素。倘預期現金流量(如有效折現率、預測服務費單價、運營服務的運營成本及毛利率)有任何變動，將導致金融資產賬面值及於特許經營期內確認的收益產生變動。

根據與授予人簽訂的服務特許經營安排，服務費單價會按照定價機制(仍受地方政府部門監管)定期調整，以抵銷勞工成本、材料成本、稅項等經營成本漲幅。評估成本漲幅可否通過調整單價進行抵銷以及調整時機時，須作出判斷。作出判斷時，本集團會評估服務特許經營安排中的定價機制、項目發展程度以及與政府部門的磋商情況。

(b) 貿易應收款項減值

本集團根據管理層對貿易應收款項可收回程度作出的評估入賬貿易應收款項減值。一旦事件發生或情況改變顯示餘額可能無法收回時，則會作出撥備。減值評估須運用判斷及估計。當預期的金額與原定估計有差異時，則該差異將會影響估計改變期間內貿易應收款項的賬面值及減值額。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS
(Cont'd)

(c) Income taxes and deferred income taxation

The Group is primarily subject to income taxes in the PRC, Hong Kong, Thailand and Indonesia. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred income tax provision in the year in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

(d) Impairment assessment of goodwill

Goodwill is reviewed for impairment at each balance sheet date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts of goodwill has been determined based on fair value less costs to disposal calculations, taking into account latest market information and past experience. These calculations require the use of judgements and estimates.

Key assumptions used in the calculations are disclosed in note 20.

4. 主要會計估計及判斷(續)

(c) 所得稅及遞延所得稅項

本集團主要須繳納中國、香港、泰國及印尼所得稅。釐定所得稅撥備時須作出重大判斷。於日常業務過程中，不少交易及計算的最終釐定均不確定。倘此等事宜的最終稅務結果與初步記錄的金額不同，有關差額將影響於作出有關釐定的年度所得稅及遞延所得稅項撥備。

當管理層認為未來可能有應課稅溢利以用作抵銷暫時性差異或稅項虧損時，會確認與若干暫時差額及稅項虧損有關的遞延所得稅資產。其實際動用的結果可能會有所不同。

(d) 商譽減值評估

商譽於各資產負債表日期或有事件發生或狀況轉變顯示可能無法收回其賬面值時檢討是否出現減值。商譽的可收回金額乃根據公平值減出售成本的計算結果在計及最新市場資料及過往經驗後進行釐定。進行有關計算時需作出判斷及估計。

計算時所採用的主要假設已於附註20披露。

5. SEGMENT INFORMATION

The executive directors of the Company are the chief operating decision-maker of the Group. Management has determined the operating segments based on reports reviewed by the executive directors of the Company for the purpose of allocating resources and assessing performance.

The executive directors of the Company consider the business from product and service perspective. The Group is organised into five business segments as below:

- (a) Wastewater treatment;
- (b) Water supply;
- (c) Construction and sales of equipment;
- (d) Solid waste treatment;
- (e) Others, including operation and maintenance services and other businesses.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment results, which is a measure of revenue and gross profit of each operating segment.

The amounts provided to the executive directors of the Company with respect to total assets and total liabilities are measured in a manner consistent with that of the financial statements. These assets and liabilities are allocated based on the operations of the segment.

Unallocated assets mainly represented cash and cash equivalents, certain prepayments, certain receivables and investments accounted for using the equity method of the group entities engaging in multiple business segments. Management considered that it is impracticable or not meaningful in allocating to different segments.

Unallocated liabilities mainly represented borrowings, certain payables and deferred income of the group entities engaging in multiple business segments. Management considered that it is impracticable or not meaningful in allocating to different segments.

5. 分部資料

本公司執行董事為本集團的首席經營決策者，管理層根據本公司執行董事為資源分配及表現評估目的所審閱的報告釐定經營分部。

本公司執行董事從產品與服務層面考慮業務。本集團組為以下五個業務分部：

- (a) 污水處理；
- (b) 供水；
- (c) 建造及銷售設備；
- (d) 固廢處理；
- (e) 其他，包括運營和維護服務及其他業務。

管理層分開監察本集團經營分部的業績，以對資源分配及表現評估作出決策。分部表現按可呈報業績進行評估，其為各經營分部收入及毛利的一種計量。

本公司執行董事獲提供的總資產及總負債金額乃以與財務報表所採用者一致的方式計量。該等資產及負債根據分部經營業務進行分配。

未分配資產主要指現金及現金等價物、若干預付款項、若干應收款項及從事多個業務分部的集團實體以權益法入賬的投資。管理層認為，分配至不同分部不切實際或意義不大。

未分配負債主要指借款、若干應付款項及從事多個業務分部的集團實體的遞延收入。管理層認為，分配至不同分部不切實際或意義不大。

Notes to the Consolidated Financial Statements

合併財務報表附註

5. SEGMENT INFORMATION (Cont'd)

- (i) Segment results and capital expenditure for the year ended 31 December 2016 are as follows:

Year ended 31 December 2016:

		Wastewater treatment	Water supply	Construction and sales of equipment 建造及 銷售設備	Solid waste treatment	Others	Unallocated	Total
		污水處理 RMB' 000 人民幣千元	供水 RMB' 000 人民幣千元	銷售設備 RMB' 000 人民幣千元	固廢處理 RMB' 000 人民幣千元	其他 RMB' 000 人民幣千元	未分配 RMB' 000 人民幣千元	總計 RMB' 000 人民幣千元
Gross segment revenue	分部收益總額	628,365	639,401	1,426,132	425,280	63,244	—	3,182,422
Inter-segment revenue	分部間收益	—	—	(316,532)	—	—	—	(316,532)
Revenue	收益	628,365	639,401	1,109,600	425,280	63,244	—	2,865,890
Gross profit	毛利	318,001	119,569	329,886	88,450	23,594	—	879,500
Other income	其他收入							160,389
Other gains - net	其他收益淨額							8,387
Selling expenses	銷售開支							(22,810)
Administrative expenses	行政開支							(331,001)
Finance costs - net	融資成本淨額							(220,142)
Share of profit of investments accounted for using the equity method	以權益法入賬的應佔投資溢利	16,800	23,196	—	—	2,415	—	42,411
Profit before income tax	所得稅前溢利							516,734
Income tax expenses	所得稅開支							(102,468)
Profit for the year	年內溢利							414,266
Depreciation and amortisation	折舊和攤銷	(35,662)	(60,641)	(8,310)	(84,985)	(5,472)	(14,400)	(209,470)
Segment assets	分部資產	4,396,604	3,388,706	2,256,373	3,217,256	924,381	5,875,054	20,058,374
Segment assets include:	分部資產包括：							
Investments accounted for using the equity method	以權益法入賬的投資	297,923	411,416	—	—	37,341	—	746,680
Segment liabilities	分部負債	745,374	908,912	1,242,292	874,421	332,245	8,708,671	12,811,915
Additions to non-current assets (other than financial instruments and deferred income tax assets)	非流動資產的添置 (金融工具和遞延所得稅資產除外)	418,947	1,979,052	14,828	1,264,089	136,186	51,045	3,864,147

5. 分部資料(續)

- (i) 截至二零一六年十二月三十一日止年度的分部業績及資本開支如下：

截至二零一六年十二月三十一日止年度：

Notes to the Consolidated Financial Statements 合併財務報表附註

5. SEGMENT INFORMATION (Cont'd)

- (i) Segment results and capital expenditure for the year ended 31 December 2016 are as follows: (Cont'd)

Year ended 31 December 2015:

		Wastewater treatment	Water supply	Construction and sales of equipment 建造及 銷售設備	Solid waste treatment	Others	Unallocated	Total
		污水處理 RMB' 000 人民幣千元	供水 RMB' 000 人民幣千元	銷售設備 RMB' 000 人民幣千元	固廢處理 RMB' 000 人民幣千元	其他 RMB' 000 人民幣千元	未分配 RMB' 000 人民幣千元	總計 RMB' 000 人民幣千元
Gross segment revenue	分部收益總額	420,009	454,577	644,183	8,220	78,594	—	1,605,583
Inter-segment revenue	分部間收益	—	—	(47,189)	—	—	—	(47,189)
Revenue	收益	420,009	454,577	596,994	8,220	78,594	—	1,558,394
Gross profit	毛利	207,672	108,507	144,384	1,271	45,788	—	507,622
Other income	其他收入							97,552
Other gains - net	其他收益淨額							12,402
Selling expenses	銷售開支							(17,187)
Administrative expenses	行政開支							(181,220)
Finance costs - net	融資成本淨額							(41,196)
Share of profit/(loss) of investments accounted for using the equity method	以權益法入賬的應佔 投資溢利/(虧損)	4,971	—	—	—	(75)	—	4,896
Profit before income tax	所得稅前溢利							382,869
Income tax expenses	所得稅開支							(65,426)
Profit for the year	年內溢利							317,443
Depreciation and amortisation	折舊和攤銷	(31,376)	(21,448)	(9,181)	(3,841)	(2,279)	(6,012)	(74,137)
Segment assets	分部資產	2,756,951	815,567	1,192,471	2,168,355	393,268	2,275,679	9,602,291
Segment assets include: Investments accounted for using the equity method	分部資產包括: 以權益法入賬的投資	—	—	—	—	34,925	—	34,925
Segment liabilities	分部負債	610,785	97,156	559,553	584,371	287,984	2,519,830	4,659,679
Additions to non-current assets (other than financial instruments and deferred income tax assets)	非流動資產的添置 (金融工具和遞延所得稅 資產除外)	302,014	67,965	54,801	1,419,503	11,970	144,207	2,000,460

5. 分部資料(續)

- (i) 截至二零一六年十二月三十一日止年度的分部業績及資本開支如下:(續)

截至二零一五年十二月三十一日止年度:

Notes to the Consolidated Financial Statements

合併財務報表附註

5. SEGMENT INFORMATION (Cont'd)

- (ii) For the year ended 31 December 2016, the Group's business were primarily carried out in the PRC, thus, geographical segment information on operational performance has not been prepared. The table of segment assets/liabilities by region is as follows:

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Segment assets	分部資產		
– PRC	– 中國	13,289,257	6,799,596
– Hong Kong	– 香港	26,867	21,384
– Thailand	– 泰國	550,238	505,632
– Indonesia	– 印尼	316,958	N/A 不適用
Total segment assets	分部資產總額	14,183,320	7,326,612
– Unallocated	– 未分配	5,875,054	2,275,679
Total assets	總資產	20,058,374	9,602,291
Segment liabilities	分部負債		
– PRC	– 中國	3,819,953	1,918,481
– Hong Kong	– 香港	124	115
– Thailand	– 泰國	206,702	221,253
– Indonesia	– 印尼	76,465	N/A 不適用
Total segment liabilities	分部負債總額	4,103,244	2,139,849
– Unallocated	– 未分配	8,708,671	2,519,830
Total liabilities	總負債	12,811,915	4,659,679

Inter-segment transfers or transactions are entered into at terms and conditions agreed upon by respective parties. Eliminations comprise inter-segment trade and non-trade balances. Pricing policy for inter-segment transactions is determined by reference to market price.

5. 分部資料(續)

- (ii) 截至二零一六年十二月三十一日止年度，本集團主要在中國開展業務，故經營表現的地域分部資料並未編製。下表載列按地域劃分的分部資產／負債：

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Segment assets	分部資產		
– PRC	– 中國	13,289,257	6,799,596
– Hong Kong	– 香港	26,867	21,384
– Thailand	– 泰國	550,238	505,632
– Indonesia	– 印尼	316,958	N/A 不適用
Total segment assets	分部資產總額	14,183,320	7,326,612
– Unallocated	– 未分配	5,875,054	2,275,679
Total assets	總資產	20,058,374	9,602,291
Segment liabilities	分部負債		
– PRC	– 中國	3,819,953	1,918,481
– Hong Kong	– 香港	124	115
– Thailand	– 泰國	206,702	221,253
– Indonesia	– 印尼	76,465	N/A 不適用
Total segment liabilities	分部負債總額	4,103,244	2,139,849
– Unallocated	– 未分配	8,708,671	2,519,830
Total liabilities	總負債	12,811,915	4,659,679

分部間轉撥或交易乃按各方協定的條款及條件進行。對銷包括分部間貿易及非貿易結餘。分部間交易的定價政策經參考市價後釐定。

Notes to the Consolidated Financial Statements 合併財務報表附註

5. SEGMENT INFORMATION (Cont'd)

- (iii) Breakdown of the revenue from all services and sales of goods is as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Operating services	運營服務	747,440	360,232
Construction services	建造服務	973,360	648,908
Finance income	融資收入	167,755	107,979
Engineering-Procurement-Construction (“EPC”) and sales of equipment	設計－採購－施工 (「EPC」)及設備銷售	914,091	362,681
Others	其他	63,244	78,594
		2,865,890	1,558,394

- (iv) Revenue from customers contributing over 10% of the total revenue of the Group is as follow:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Customer A (note a)	客戶A(附註a)	732,678	188,049
Customer B	客戶B	431,729	181,271
Customer C	客戶C	N/A 不適用*	162,763
Customer D	客戶D	N/A 不適用*	155,867

- (a) Customer A represents Yunnan Construction and Investment Holding Group Co., Ltd and its subsidiaries (“YCIH”), which are related parties of the Group. The detailed information of transactions with YCIH is depicted in note 38.

Note *: The corresponding revenue did not exceed 10% of the total revenue of the Group for the year ended 31 December 2016.

5. 分部資料(續)

- (iii) 自全部服務及銷售貨品產生的收益之明細載列如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Operating services	運營服務	747,440	360,232
Construction services	建造服務	973,360	648,908
Finance income	融資收入	167,755	107,979
Engineering-Procurement-Construction (“EPC”) and sales of equipment	設計－採購－施工 (「EPC」)及設備銷售	914,091	362,681
Others	其他	63,244	78,594
		2,865,890	1,558,394

- (iv) 對本集團總收入貢獻超過10%的客戶收入如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Customer A (note a)	客戶A(附註a)	732,678	188,049
Customer B	客戶B	431,729	181,271
Customer C	客戶C	N/A 不適用*	162,763
Customer D	客戶D	N/A 不適用*	155,867

- (a) 客戶A指本集團的關聯方雲南省建設投資控股集團有限公司及其附屬公司(「雲南建投集團」)。與雲南建投集團交易的詳情資料列明於附註38。

附註*：截至二零一六年十二月三十一日止年度相應收入並無超過本集團總收入的10%。

Notes to the Consolidated Financial Statements

合併財務報表附註

6. OTHER INCOME

6. 其他收入

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Interest income	利息收入		
– Bank deposits and others	– 銀行存款及其他	11,038	10,325
– Other receivables from third parties	– 其他應收第三方 款項	7,502	10,318
– Other receivables from related parties	– 其他應收關聯方 款項	5,633	4,552
Rental income	租金收益	3,356	3,680
Government grants (note a)	政府補助(附註 a) 增值稅(「增值稅」)	78,979	56,625
Value-Added Tax (“VAT”) refunds (note b)	退稅(附註 b)	49,220	11,940
Miscellaneous income	雜項收益	4,661	112
		160,389	97,552

- (a) Amounts represented the subsidies granted by certain local governments to the Group in respect of the Group's provision of sewage and reclaimed water treatments, distribution of water or construction of sewage and reclaimed water treatment plants.
- (b) Pursuant to the preferential VAT policies issued by the PRC State Administration of Taxation, the wastewater and solid waste treatment businesses of the Group was eligible for full exemption of VAT prior to 1 July 2015. Effective from 1 July 2015, the policies were changed and the full exemption of VAT is superseded by 70% refund of the net VAT payment. The Group recognised the VAT refund as other income during the year ended 31 December 2016.

- (a) 該款項指若干地方政府就本集團提供污水及再生水處理、供水或建設污水及再生水處理廠而向其授出的補貼。
- (b) 根據中國國家稅務總局頒佈的優惠增值稅政策，於二零一五年七月一日前，本集團的污水及固廢處理業務符合資格全額豁免繳納增值稅。而自二零一五年七月一日起，政策已變更，全額豁免繳納增值稅被已繳淨增值稅退稅70%所取代。於截至二零一六年十二月三十一日止年度，本集團確認增值稅退稅為其他收益。

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合併財務報表附註

7. OTHER GAINS - NET

7. 其他收益淨額

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Negative goodwill arising from acquisition of a subsidiary	收購一家附屬公司產生的負商譽	—	12,472
Gain/(loss) on disposal of property, plant and equipment and land use rights	出售物業、廠房及設備以及土地使用權的收益／(虧損)	8,387	(70)
		8,387	12,402

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合併財務報表附註

8. EXPENSES BY NATURE

8. 按性質劃分的開支

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Employee benefit expenses (note 9)	僱員福利開支(附註9)		
– Cost of sales	– 銷售成本	129,927	62,728
– Administrative expenses	– 行政開支	122,269	76,300
– Selling expenses	– 銷售開支	12,114	9,242
Depreciation of property, plant and equipment (note 16)	物業、廠房及設備折舊(附註16)	94,506	59,530
Amortisation of land use rights (note 18)	土地使用權攤銷(附註18)	3,920	3,470
Amortisation of intangible assets (note 20)	無形資產攤銷(附註20)	111,044	11,137
Legal and professional fee	法律及專業費用	62,712	22,967
Auditor's remuneration	核數師薪酬	5,980	5,967
Allowance for doubtful debts	呆賬撥備	18,362	2,412
Cost of solid waste treatment	固廢處理成本	93,710	6,642
Electricity, raw materials consumptions and other costs for wastewater treatment and water supply services	污水處理及供水服務的電力、原材料消耗及其他成本	120,751	65,410
Costs of construction services	建造服務成本	849,213	553,799
Costs of EPC and sales of equipment	EPC及銷售設備成本	603,497	265,080
Others	其他	112,196	104,495
Total cost of sales, selling expenses and administrative expenses	銷售成本、銷售開支及行政開支總額	2,340,201	1,249,179

Notes to the Consolidated Financial Statements
合併財務報表附註

9. EMPLOYEE BENEFIT EXPENSES-INCLUDING DIRECTORS' EMOLUMENTS

9. 僱員福利開支－包括董事酬金

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Wages and salaries	工資及薪金	199,936	112,710
Social security benefits	社會保障福利	36,099	18,730
Housing benefits	住房福利	9,316	5,442
Staff welfare	員工福利	12,297	7,570
Other allowances and benefits	其他津貼及福利	6,662	3,818
		264,310	148,270

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2015: three) directors, whose emoluments are reflected in the analysis shown in note 41. The emoluments payable to the remaining two (2015: two) individuals during the year are as follows:

(a) 五名最高薪人士

本集團於本年度的五名最高薪人士包括三名(二零一五年：三名)董事，其酬金反映於附註41所列分析。於本年度向餘下兩名(二零一五年：兩名)人士應付的酬金如下所示：

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Basic salaries, housing allowances, other benefits in kind	基本薪金、住房津貼、其他實物福利	1,139	931
Bonuses	花紅	360	280
		1,499	1,211

Notes to the Consolidated Financial Statements
合併財務報表附註

9. EMPLOYEE BENEFIT EXPENSES-INCLUDING DIRECTORS' EMOLUMENTS (Cont'd)

(a) Five highest paid individuals (Cont'd)

The emoluments of these remaining individuals of the Group fell within the following bands:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年	2015 二零一五年
Emolument bands	酬金範圍		
Nil to RMB894,500 (equivalent to nil to HKD1,000,000)	零至人民幣 894,500 元 (相等於零至 1,000,000 港元)	2	2

(b) No emolument was paid by the Group to any of the five highest paid individuals as an inducement to join, upon joining the Group, leave the Group or as compensation for loss of office for the years ended 31 December 2016 and 2015.

9. 僱員福利開支－包括董事酬金 (續)

(a) 五名最高薪人士 (續)

本集團該等餘下人士的酬金介乎以下範圍：

Year ended 31 December
截至十二月三十一日止年度

		2016 二零一六年	2015 二零一五年
Emolument bands	酬金範圍		
Nil to RMB894,500 (equivalent to nil to HKD1,000,000)	零至人民幣 894,500 元 (相等於零至 1,000,000 港元)	2	2

(b) 截至二零一六年及二零一五年十二月三十一日止年度，本集團概無向任何五名最高薪人士支付任何酬金，作為招攬其加入本集團、於加入本集團後的獎勵，或作為其離開本集團或離職的補償。

Notes to the Consolidated Financial Statements 合併財務報表附註

10. FINANCE COSTS - NET

10. 融資成本淨額

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Finance income	融資收入		
– Net exchange gains on financing activities (note a)	– 融資活動的匯兌收益淨額(附註 a)	(12,674)	(25,553)
Finance expenses	融資開支		
– Borrowing costs	– 借款成本	260,525	92,622
Less: amounts capitalised on qualifying assets (note b)	減：合資格資產的資本化金額(附註 b)	(31,759)	(27,785)
		228,766	64,837
– Unwinding of provision (note 34)	– 解除撥備(附註 34)	4,050	1,912
		232,816	66,749
		220,142	41,196

(a) Amounts mainly represented the exchange gains of translating cash and cash equivalents and borrowings denominated in foreign currencies.

(b) For the year ended 31 December 2016, the Group has capitalised borrowing costs amounting to RMB17,660,000 and RMB14,099,000 (2015: RMB27,235,000 and RMB550,000) on qualifying property, plant and equipment and intangible assets, respectively.

Borrowing costs were capitalised at the weighted average rate of 4.70% for the year ended 31 December 2016 (2015: 6.36%).

(a) 該款項主要指換算以外幣計值的現金及現金等價物及借款的匯兌收益。

(b) 截至二零一六年十二月三十一日止年度，本集團已就合資格物業、廠房及設備以及無形資產分別資本化借款成本人民幣17,660,000元及人民幣14,099,000元(二零一五年：人民幣27,235,000元及人民幣550,000元)。

截至二零一六年十二月三十一日止年度，借款成本乃按4.70%(二零一五年：6.36%)的加權平均率予以資本化。

Notes to the Consolidated Financial Statements

合併財務報表附註

11. INCOME TAX EXPENSES

11. 所得稅開支

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Current income tax	即期所得稅		
– PRC corporate income tax	– 中國企業所得稅	160,054	54,236
Deferred income tax (note 33)	遞延所得稅(附註33)	(57,586)	11,190
		102,468	65,426

(a) PRC corporate income tax

Certain subsidiaries in certain industries operating in the western region of Mainland China can enjoy a preferential corporate income tax rate of 15%, provided their revenues generated from main operating activities accounted for more than 70% of their total revenues of the period.

Certain subsidiaries operating wastewater and solid waste treatment projects in Mainland China are eligible for a tax holiday of three-year full exemption followed by three-year half exemption of corporate income tax commencing from their first year generating operating revenue.

Except for preferential treatments available to certain subsidiaries as mentioned above, other subsidiaries within the Group in the PRC are subject to corporate income tax at the statutory rate of 25% (2015: same).

(a) 中國企業所得稅

在中國內地西部地區運營若干行業的若干附屬公司可享受15%的優惠企業所得稅稅率，前提是其主要經營業務產生的收益為其期內總收益的70%以上。

在中國內地運營污水及固廢處理項目的若干附屬公司符合資格享受自其各自首個產生運營收益年度起開始三年免稅及其後三年稅收減半的企業所得稅稅務優惠。

除上述若干附屬公司享受的優惠待遇外，本集團其他中國附屬公司須按25%(二零一五年：相同)的法定稅率繳納企業所得稅。

11. INCOME TAX EXPENSES (Cont'd)

(b) Thailand corporate income tax

The subsidiary operating solid waste treatment project in Thailand is eligible for an eight-year tax holiday of full exemption from 2013 to 2020.

(c) Hong Kong profits tax

The applicable Hong Kong profits tax rate is 16.5% for the year ended 31 December 2016 (2015: same).

No provision for Hong Kong profits tax was made as the Group did not have any assessable profit in Hong Kong for the year ended 31 December 2016 (2015: same).

(d) Indonesia corporate income tax

The subsidiary operating solid waste treatment project in Indonesia is subject to corporate income tax at the statutory rate of 25% (2015: N/A).

No provision for Indonesia corporate income tax was made as the Group did not have any assessable profit in Indonesia for the year ended 31 December 2016 (2015: N/A).

11. 所得稅開支(續)

(b) 泰國企業所得稅

在泰國經營固廢處理項目的附屬公司自二零一三年至二零二零年起可享有八年免稅期。

(c) 香港利得稅

截至二零一六年十二月三十一日止年度，適用香港利得稅稅率為16.5%(二零一五年：相同)。

由於本集團於截至二零一六年十二月三十一日止年度並無產生任何應課稅溢利，故並未計提香港利得稅撥備(二零一五年：相同)。

(d) 印尼企業所得稅

在印尼經營固廢處理項目的附屬公司須按25%的法定稅率繳納企業所得稅(二零一五年：不適用)。

由於本集團於截至二零一六年十二月三十一日止年度並無產生任何應課稅溢利，故並未計提印尼企業所得稅撥備(二零一五年：不適用)。

Notes to the Consolidated Financial Statements

合併財務報表附註

11. INCOME TAX EXPENSES (Cont'd)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profit of the group entities as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Profit before income tax	除所得稅前溢利	516,734	382,869
Less: Share of profits of investments accounted for using the equity method	減：以權益法入賬 的應佔投資溢利	(42,411)	(4,896)
		474,323	377,973
Tax calculated at tax rates applicable to profits in the respective companies	按有關公司溢利適用的 稅率計算的稅項	90,596	62,948
Effect of tax losses not recognised as deferred income tax assets	未確認為遞延所得稅 資產的稅務虧損 影響	9,688	—
Effect of expenses not deductible for tax purpose	不可扣稅開支的影響	2,184	2,478
Income tax expenses	所得稅開支	102,468	65,426

The weighted average applicable tax rate was 19.1% (2015: 16.7%). The increase is caused by a change in the profitability of the Group's subsidiaries in respective countries and regions applying different corporate income tax rates.

11. 所得稅開支(續)

本集團除所得稅前溢利的稅項有別於使用適用於集團實體的溢利的加權平均稅率所計算的理論金額，具體如下：

加權平均適用稅率為19.1%(二零一五年：16.7%)。該增加乃因本集團在相關國家及地區附屬公司(採用不同企業所得稅率)的盈利能力變動而造成。

12. EARNINGS PER SHARE

(a) Basic

The basic earnings per share is calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of ordinary shares issued during the years ended 31 December 2016 and 2015.

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Profit attributable to the ordinary shareholders of the Company (RMB' 000)	本公司普通股股東應佔溢利 (人民幣千元)	388,093	285,853
Weighted average number of ordinary shares in issue (thousands)	已發行的普通股加權 平均數(千股)	1,193,213	1,059,181
Basic earnings per share (RMB per share)	每股基本盈利 (每股人民幣元)	0.325	0.270

(b) Diluted

Diluted earnings per share is the same as basic earnings per share as there were no potential diluted ordinary shares outstanding as at 31 December 2016 and 2015.

12. 每股盈利

(a) 基本

每股基本盈利按本公司股東應佔溢利除以截至二零一六年及二零一五年十二月三十一日止年度的已發行普通股加權平均數計算。

(b) 攤薄

由於二零一六年及二零一五年十二月三十一日並無發行在外的潛在攤薄普通股，故每股攤薄盈利與每股基本盈利相同。

13. DIVIDENDS

At the board of directors meeting held on 30 March 2017, the directors of the Company proposed a final dividend for the year ended 31 December 2016 of RMB0.1 per ordinary share amounting to approximately RMB119,321,000 (2015: RMB0.1 per ordinary share, amounting to approximately RMB119,321,000) out of retained earnings of the Company. These proposed dividends have not been reflected as dividends payable in these consolidated financial statements for the year ended 31 December 2016 but will be reflected as dividends distribution for the year ending 31 December 2017.

The 2015 dividends were paid on 28 July 2016.

13. 股息

在二零一七年三月三十日舉行的董事會會議上，本公司董事建議就截至二零一六年十二月三十一日止年度派付末期股息每股普通股人民幣0.1元，合共約人民幣119,321,000元(二零一五年：每股普通股人民幣0.1元，合共約人民幣119,321,000元)自本公司保留盈利中撥付。該等建議股息並無於截至二零一六年十二月三十一日止年度的有關合併財務報表中反映為應付股息，但將於截至二零一七年十二月三十一日止年度反映為股息分派。

二零一五年股息已於二零一六年七月二十八日派付。

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14. SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 December 2016, all of which are private limited liability companies:

14. 附屬公司

以下為二零一六年十二月三十一日主要附屬公司名單，其均是非上市有限公司：

Name (note a) 名稱(附註 a)	Principal activities and place of incorporation and operation 主要活動、註冊地點 及營業地點	Issued and fully paid-up capital/ registered capital 已發行及悉數 繳足股本/註冊資本	Percentage of equity attributable to the Company (%) 本公司應佔 權益百分比(%)	Percentage of equity attributable to non- controlling interest (%) (note c) 非控股權益應佔 權益百分比(%) (附註 c)
Dali Water Industry Investment Co., Ltd. ("Dali Water") 大理水務產業投資有限公司(「大理水務」)	Sewage treatment and water supply, the PRC 污水處理及供水，中國	RMB120,000,000 人民幣 120,000,000 元	note b 附註 b	note b 附註 b
Yunnan OriginWater Technology Company Limited ("OriginWater Technology") 雲南城投碧水源水務科技有限責任公司 (「城投碧水源水務科技」)	Environmental protection equipment sales and construction, the PRC 環保設備銷售及建設，中國	RMB60,000,000 人民幣 60,000,000 元	100 (2015: 100) 100 (二零一五年: 100)	-(2015: -) -(二零一五年: -)
Yunnan OriginWater Membrane Technology Co., Ltd. 雲南城投碧水源膜科技有限責任公司	Environmental protection equipment sales, the PRC 環保設備銷售，中國	RMB55,614,800 人民幣 55,614,800 元	100 (2015: 71.93) 100 (二零一五年: 71.93)	-(2015: 28.07) -(二零一五年: 28.07)
Jinghong Water Supply and Drainage Co., Ltd. 景洪市給排水有限責任公司	Sewage treatment and water supply, the PRC 污水處理及供水，中國	RMB80,000,000 人民幣 80,000,000 元	51 (2015: 51) 51 (二零一五年: 51)	49 (2015: 49) 49 (二零一五年: 49)
Honghe Water Industry Investment Co., Ltd. 紅河水務產業投資有限公司	Wastewater treatment, the PRC 污水處理，中國	RMB85,000,000 人民幣 85,000,000 元	100 (2015: 100) 100 (二零一五年: 100)	-(2015: -) -(二零一五年: -)
Emin Water Industry Investment Co., Ltd. 額敏縣水務產業投資有限公司	Water supply, the PRC 供水，中國	RMB50,000,000 人民幣 50,000,000 元	100 (2015: 100) 100 (二零一五年: 100)	-(2015: -) -(二零一五年: -)
Shandong Environmental Industry Investment and Development Co., Ltd. 山東省環保產業投資發展有限公司	Environmental protection equipment sales, the PRC 環保設備銷售，中國	RMB120,000,000 人民幣 120,000,000 元	80 (2015: 80) 80 (二零一五年: 80)	20 (2015: 20) 20 (二零一五年: 20)
Yuxi Clean Environmental Protection Technology Co., Ltd. 玉溪科林環境科技發展有限責任公司	Solid waste treatment, the PRC 固廢處理，中國	RMB60,000,000 人民幣 60,000,000 元	100 (2015: 100) 100 (二零一五年: 100)	-(2015: -) -(二零一五年: -)
Wuxi Zhongfa Water Investment Co., Ltd. 無錫中發水務投資有限公司	Wastewater treatment, the PRC 污水處理，中國	RMB134,000,000 人民幣 134,000,000 元	75 (2015: 75) 75 (二零一五年: 75)	25 (2015: 25) 25 (二零一五年: 25)
Yunnan Dianzhong Water Co., Ltd. 雲南滇中水務有限公司	Investment in sewage treatment and water supply, the PRC 投資污水處理及供水，中國	RMB110,000,000 人民幣 110,000,000 元	80 (2015: 80) 80 (二零一五年: 80)	20 (2015: 20) 20 (二零一五年: 20)

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14. SUBSIDIARIES (Cont'd)

14. 附屬公司(續)

Name (note a) 名稱(附註a)	Principal activities and place of incorporation and operation 主要活動、註冊地點 及營業地點	Issued and fully paid-up capital/ registered capital 已發行及悉數 繳足股本/註冊資本	Percentage of equity attributable to the Company (%)	Percentage of equity attributable to non- controlling interest (%) (note c)
			本公司應佔 權益百分比(%)	非控股權益應佔 權益百分比(%) (附註c)
Yunnan Water (Hong Kong) Company Limited ("Yunnan Water Hong Kong") 雲南水務(香港)股份有限公司(「雲南水務香港」)	Investment in sewage treatment and water supply, Hong Kong 投資污水處理及供水, 香港	HKD498,905,000 498,905,000港元	100 (2015: 100) 100 (二零一五年: 100)	-(2015: -) -(二零一五年: -)
PJT Technology Co., Ltd	Solid waste treatment, Thailand 固廢處理, 泰國	THB740,000,000 740,000,000泰銖	100 (2015: 100) 100 (二零一五年: 100)	-(2015: -) -(二零一五年: -)
Huize Water (Qingzhou) Company Limited 暉澤水務(青州)有限公司	Water supply, the PRC 供水, 中國	RMB53,152,000 人民幣53,152,000元	65 (2015: N/A) 65 (二零一五年: 不適用)	35 (2015: N/A) 35 (二零一五年: 不適用)
Yunnan Yunshui Environment Investment Co., Ltd 雲南雲水環境投資有限公司	Investment in sewage treatment and water supply, the PRC 投資污水處理及供水, 中國	US\$30,000,000 30,000,000美元	100 (2015: N/A) 100 (二零一五年: 不適用)	-(2015: N/A) -(二零一五年: 不適用)
Yunnan Yunshui Xianjing Investment Co., Ltd 山東雲水仙境環境投資有限公司	Investment in sewage treatment and water supply, the PRC 投資污水處理及供水, 中國	US\$25,000,000 25,000,000美元	85 (2015: N/A) 85 (二零一五年: 不適用)	15 (2015: N/A) 15 (二零一五年: 不適用)
Shandong Binzhou New Environment Investment Co., Ltd. 山東濱州濱新環境投資有限公司	Investment in sewage treatment and water supply, the PRC 投資污水處理及供水, 中國	RMB80,000,000 人民幣80,000,000元	80 (2015: 80) 80 (二零一五年: 80)	20 (2015: 20) 20 (二零一五年: 20)
Shandong Tengyue Dangerous Chemical Wastes research and treatment Co., Ltd. ("Shandong Tengyue") 山東騰躍化學危險廢棄物研究處理有限公司(「山東騰躍」)	Solid waste treatment, the PRC 固廢處理, 中國	RMB108,571,429 人民幣108,571,429元	51 (2015: 51) 51 (二零一五年: 51)	49 (2015: 49) 49 (二零一五年: 49)
Yunnan Kongang Water Co., Ltd. 雲南空港水務有限公司	Investment in sewage treatment and water supply, the PRC 投資污水處理及供水, 中國	RMB500,000,000 人民幣500,000,000元	80 (2015: 80) 80 (二零一五年: 80)	20 (2015: 20) 20 (二零一五年: 20)
Guizhou Renhuaiaorui Water Investment Co., Ltd. 貴州仁懷浩瑞水務投資有限公司	Investment in sewage treatment and water supply, the PRC 投資污水處理及供水, 中國	RMB200,000,000 人民幣200,000,000元	100 (2015: 100) 100 (二零一五年: 100)	-(2015: -) -(二零一五年: -)
Yueyang Dongting Water investment Co., Ltd. 岳陽洞庭水務投資有限公司	Investment in sewage treatment and water supply, the PRC 投資污水處理及供水, 中國	RMB 100,000,000 人民幣100,000,000元	51 (2015: 51) 51 (二零一五年: 51)	49 (2015: 49) 49 (二零一五年: 49)
Xiaoxian Yunshui Water investment Co., Ltd. 蕭縣雲水水務投資有限公司	Water supply, the PRC 供水, 中國	RMB50,850,000 人民幣50,850,000元	100 (2015: 100) 100 (二零一五年: 100)	-(2015: -) -(二零一五年: -)

Notes to the Consolidated Financial Statements 合併財務報表附註

14. SUBSIDIARIES (Cont'd)

14. 附屬公司(續)

Name (note a) 名稱(附註 a)	Principal activities and place of incorporation and operation 主要活動、註冊地點 及營業地點	Issued and fully paid-up capital/ registered capital 已發行及悉數 繳足股本/註冊資本	Percentage of equity attributable to the Company (%) 本公司應佔 權益百分比(%)	Percentage of equity attributable to non- controlling interest (%) (note c) 非控股權益應佔 權益百分比(%) (附註 c)
Wenshan Water Industry investment Co., Ltd. ("Wenshan Water") 文山州水務產業投資有限公司(「文山水務」)	Wastewater treatment, the PRC 污水處理，中國	RMB50,000,000 人民幣50,000,000元	100 (2015: 100) 100(二零一五年：100)	- (2015: -) -(二零一五年：-)
Lvliang Dingheng Water Supply Co., Ltd ("Lvliang Water") 呂梁鼎橫供水有限公司(「呂梁供水」)	Water supply, the PRC 供水，中國	RMB50,000,000 人民幣50,000,000元	70 (2015: N/A) 70(二零一五年：不適用)	30 (2015: N/A) 30(二零一五年：不適用)
Yun Shui Gong Da Environmental Technology Co., Ltd ("Harbin Yun Shui") 哈爾濱雲水工大環保科技股份有限公司 (「哈爾濱雲水」)	Investment in solid waste treatment, the PRC 投資固廢處理，中國	RMB83,700,000 人民幣83,700,000元	76 (2015: N/A) 76(二零一五年：不適用)	24 (2015: N/A) 24(二零一五年：不適用)
Shunping Qingyuan Wastewater Treatment Co., Ltd 順平縣清源污水處理有限公司	Wastewater treatment, the PRC 污水處理，中國	RMB56,000,000 人民幣56,000,000元	80 (2015: N/A) 80(二零一五年：不適用)	20 (2015: N/A) 20(二零一五年：不適用)
Dali Yunshui Environment Investment Co., Ltd 大理雲水環境治理有限公司	Investment in sewage treatment and water supply, the PRC 投資污水處理及供水，中國	RMB74,850,000 人民幣74,850,000元	70 (2015: N/A) 70(二零一五年：不適用)	30 (2015: N/A) 30(二零一五年：不適用)

(a) The names of these subsidiaries referred to in this report represent management's best effort at translating the Chinese names of those companies, as no English names have been registered.

(b) According to the capital injection agreement date in 9 April 2014, the Group and the minority shareholders will hold 45% and 55% equity interests of Dali Water, respectively. As at 31 December 2016, the Group has completed its portion of capital injection to Dali Water while the minority shareholders have not (2015: same). The Group has controlled Dali Water by 70% voting power through an agreement entered into with one of the minority shareholders of Dali Water pursuant to which the minority shareholder will act consistently with the Group in business operation and finance decision making of Dali Water.

(a) 本報告所提及的該等附屬公司的英文名稱乃管理層盡力翻譯其中文名稱的結果，原因是未曾註冊任何英文名稱。

(b) 根據日期為二零一四年四月九日的增資擴股協議，本集團與少數股東將分別持有大理水務45%和55%的股權。截至二零一六年十二月三十一日，本集團已完成向大理水務應享有部分的股本投入，而少數股東尚未投入(二零一五年：相同)。本集團透過一份與其中一名大理水務少數股東所訂立的協議而控制大理水務的70%投票權，據此，少數股東將在作出有關大理水務的業務經營及財務決策時與本集團一致行動。

Notes to the Consolidated Financial Statements

合併財務報表附註

14. SUBSIDIARIES (Cont'd)

- (c) The total non-controlling interests in respect of the subsidiaries as at 31 December 2016 are RMB1,005,890,000 (2015: RMB884,189,000), and are considered not material to the Group. The movement of non-controlling interests is as follow:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
As at 1 January	於一月一日	884,189	337,078
Profit for the year	年內溢利	26,173	31,590
Acquisition of subsidiaries (note 37)	收購附屬公司(附註37)	282,215	500,888
Capital contribution by non-controlling interests	非控股權益出資	87,452	14,633
Acquisition of additional interests in subsidiaries (note d)	收購附屬公司額外權益(附註d)	(266,618)	—
Disposal of a subsidiary	出售附屬公司	(7,521)	—
As at 31 December	於十二月三十一日	1,005,890	884,189

14. 附屬公司(續)

- (c) 二零一六年十二月三十一日有關附屬公司非控股權益總額為人民幣1,005,890,000元(二零一五年: 人民幣884,189,000元), 並被視為對本集團而言並不重大。非控股權益的變動如下:

Notes to the Consolidated Financial Statements 合併財務報表附註

14. SUBSIDIARIES (Cont'd)

- (d) During the year ended 31 December 2016, the Company acquired additional shares of certain subsidiaries, the Group recognised a decrease in non-controlling interests and a decrease in equity attributable to ordinary shareholders of the Company. The effect of changes in the ownership interest of the Group on the equity attributable to ordinary shareholders of the Company during the year is summarised as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Carrying amount of non-controlling interests acquired	已收購非控股權益的賬面值	266,618	—
Consideration for acquiring additional non-controlling interests	收購額外非控股權益的代價	(328,724)	—
Excess of consideration recognised within equity	於權益確認的代價超出部分	(62,106)	—

14. 附屬公司(續)

- (d) 於截至二零一六年十二月三十一日止年度，本公司收購若干附屬公司的額外股份，本集團確認非控股權益減少以及本公司普通股股東應佔股權減少。本集團所有權權益變動對年內本公司普通股股東應佔權益的影響概述如下：

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The amounts recognised in the consolidated balance sheet are as follows:

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
A joint venture (note a)	合營公司(附註a)	709,339	—
An associate (note b)	聯營公司(附註b)	37,341	34,925
		746,680	34,925

15. 以權益法入賬的投資

於合併資產負債表確認的金額如下：

Notes to the Consolidated Financial Statements

合併財務報表附註

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Cont'd)

The amounts of investments accounted for using the equity method recognised in the consolidated statement of profit or loss are as follows:

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
A joint venture	合營公司		
– Share of (loss)/profit for the year	– 應佔年內 (虧損)/溢利	(38,717)	4,971
– Negative goodwill arising from investment in a joint venture	– 因於合營公司的 投資產生的負商譽	78,713	—
An associate	聯營公司		
– Share of profit/(loss) for the year	– 應佔年內溢利/ (虧損)	2,415	(75)
		42,411	4,896

15. 以權益法入賬的投資(續)

於合併損益表確認使用權益法入賬的投資金額如下：

(a) Investment in a joint venture

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
As at 1 January	於一月一日	—	45,178
Investment in a joint venture (note ii)	於合營公司的投資(附註ii)	670,037	—
Negative goodwill arising from investment of a joint venture (note ii)	因於合營公司的投資產生 的負商譽(附註ii)	78,713	—
Share of (loss)/profit for the year (note iii)	應佔年內(虧損)/ 溢利(附註iii)	(38,717)	4,971
Share of other comprehensive income for the year (note iii)	應佔年內其他全面 收益(附註iii)	(29,643)	—
Currency translation differences	貨幣換算差額	28,949	—
Step-up acquisition of Wenshan Water from a joint venture to a subsidiary	將文山水務由合營公司 逐步收購為附屬公司	—	(50,149)
As at 31 December	於十二月三十一日	709,339	—

(a) 於合營公司的投資

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Cont'd)

(a) Investment in a joint venture (Cont'd)

- (i) The Group has interests in a joint venture that is accounted for using the equity method.

Name of entity 實體名稱	Place of business/ country of incorporation 營業地點/ 註冊成立的國家	Percentage of ownership interest 所有權權益百分比 As at 31 December 於十二月三十一日	
		2016 二零一六年	2015 二零一五年
Galaxy NewSpring Pte. Ltd. ("GNS")	Singapore 新加坡	50%	—

GNS is an unlisted company and there is no quoted market price available for its shares.

On 28 July 2016, the Group acquired 50% equity interest of GNS from a third party at a cash consideration of US\$100,000,000 (equivalent to approximately RMB668,015,000). The acquisition was completed on 26 September 2016 and GNS became a joint venture of the Group thereafter.

The principal activity of GNS is investment holding. The principal activities of the subsidiaries of GNS are investments in, either directly or indirectly, water-related infrastructure assets, including water treatment plants, waste water treatment plants and water recycling plants in the PRC.

15. 以權益法入賬的投資(續)

(a) 於合營公司的投資(續)

- (i) 本集團年內於合營公司的投資乃以權益法入賬。

GNS為一家非上市私人公司，且其股份並無市場報價。

於二零一六年七月二十八日，本集團從第三方收購GNS的50%股權，現金代價為100,000,000美元(相當於約人民幣668,015,000元)。收購已於二零一六年九月二十六日完成且GNS其後成為本集團的合營公司。

GNS的主要業務為投資控股。GNS附屬公司的主要業務為直接或間接投資於水務相關基礎設施資產，包括中國的水處理廠、污水處理廠以及再生水廠。

Notes to the Consolidated Financial Statements
合併財務報表附註

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Cont'd)

(a) Investment in a joint venture (Cont'd)

- (ii) The fair value of the identifiable net assets of GNS as at 26 September 2016 was estimated to be approximately RMB1,497,500,000. The excess of the Group's share of the fair value of the identifiable net assets of GNS over the cost of the investment represents negative goodwill, which is recognised as share of profit of investments accounted for using the equity method in the Group's consolidated statement of profit or loss.

15. 以權益法入賬的投資(續)

(a) 於合營公司的投資(續)

- (ii) GNS於二零一六年九月二十六日的可識別資產淨值的公平值估計為人民幣1,497,500,000元。本集團應佔GNS可識別資產淨值公平值超出其投資成本的部分即為負商譽，負商譽於本集團的合併損益表內確認為以權益法入賬的應佔投資溢利。

		RMB' 000 人民幣千元
Cash consideration	現金代價	668,015
Transaction costs	交易成本	2,022
Cost of investment	投資成本	670,037
Less: share of identifiable net assets of the joint venture	減：應佔合營公司可識別資產淨值	(748,750)
Negative goodwill arising from investment in GNS	因於GNS的投資產生的負商譽	(78,713)

Notes to the Consolidated Financial Statements
合併財務報表附註

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Cont'd)

(a) Investment in a joint venture (Cont'd)

- (iii) Set out below are the summarised financial information of GNS, which is accounted for using the equity method.

15. 以權益法入賬的投資(續)

(a) 於合營公司的投資(續)

- (iii) 下文所載為GNS以權益法入賬的財務資料概要。

		For the period from 26 September 2016 to 31 December 2016 自二零一六年 九月二十六日 至二零一六年 十二月三十一日 止期間 RMB' 000 人民幣千元
Revenue	收益	65,091
Loss for the period	期內虧損	(77,434)
Other comprehensive income	其他全面收益	(59,286)
Total comprehensive income	全面收益總額	(136,720)

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY
METHOD (Cont'd)

(a) Investment in a joint venture (Cont'd)

- (iv) Pursuant to the conditional sale and purchase agreement (the “SPA”) dated on 26 October 2016, the Group has conditionally agreed to purchase the remaining 50% equity interest of GNS from another third party at a cash consideration of US\$136,500,000 (equivalent to approximately RMB905,159,000) (the “Acquisition”). As at 31 December 2016, the Group has paid a deposit of US\$10,000,000 (equivalent to approximately RMB69,413,000), and has an outstanding commitment for the rest of consideration of US\$126,500,000 (equivalent to approximately RMB835,746,000) which has been included in the Group’s capital commitment as depicted in note 36(a). On 15 March 2017, the consideration was fully paid and the Acquisition was completed and GNS became a subsidiary of the Group.

15. 以權益法入賬的投資(續)

(a) 於合營公司的投資(續)

- (iv) 根據日期為二零一六年十月二十六日的有條件買賣協議(「買賣協議」)，本集團已有條件同意向另一名第三方購買GNS的餘下50%股權，現金代價為136,500,000美元(相當於約人民幣905,159,000元)(「收購事項」)。於二零一六年十二月三十一日，本集團已支付按金10,000,000美元(相當於約人民幣69,413,000元)，且就餘下代價126,500,000美元(相當於約人民幣835,746,000元)擁有尚未償還承擔。該等承擔已包含於附註36(a)資本承擔中列述。於二零一七年三月十五日，代價已悉數支付且收購事項已完成及GNS成為本集團的附屬公司。

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY
METHOD (Cont'd)

(a) Investment in a joint venture (Cont'd)

- (v) Pursuant to the shareholder's loan agreement dated on 21 September 2016, as of the completion date of the acquisition for the first 50% equity interest of GNS, the Group should provide a loan of US\$56,143,000 (equivalent to approximately RMB389,706,000) to GNS for it to repay its bank borrowings. Pursuant to the SPA of the Acquisition, as of the signing date of the SPA and the completion date of the Acquisition, the Group should provide a loan of US\$12,502,000 (equivalent to approximately RMB86,782,000) and US\$68,645,000 (equivalent to approximately RMB476,488,000) respectively to GNS for it to repay its loan from another joint venture shareholder.

As at 31 December 2016, the Group has provided aforesaid two loans of US\$56,143,000 and US\$12,502,000 (together equivalent to approximately RMB476,488,000) to GNS (note 38(d)) and has an outstanding commitment to provide the remaining loan of US\$68,645,000 (equivalent to approximately RMB476,488,000) to GNS.

15. 以權益法入賬的投資(續)

(a) 於合營公司的投資(續)

- (v) 根據日期為二零一六年九月二十一日的股東貸款協議，截至收購GNS首個50%股權的完成日期，本集團應向GNS提供貸款56,143,000美元(相當於約人民幣389,706,000元)，供其償還其銀行借款。根據收購事項的買賣協議，截至買賣協議的簽署日期以及收購事項的完成日期，本集團應分別向GNS提供貸款12,502,000美元(相當於約人民幣86,782,000元)及68,645,000美元(相當於約人民幣476,488,000元)，供其償還來自另一合營公司股東的貸款。

於二零一六年十二月三十一日，本集團已向GNS分別提供上述兩筆貸款56,143,000美元及12,502,000美元(合共相當於約人民幣476,488,000元)(附註38(d))並擁有一項尚未償還承擔以向GNS提供餘下貸款68,645,000美元(合共相當於約人民幣476,488,000元)。

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY
METHOD (Cont'd)

(a) Investment in a joint venture (Cont'd)

(vi) As at 31 December 2016, GNS was in net current liabilities position of US\$101,384,000 (equivalent to approximately RMB672,886,000). The Group have undertaken the necessary financial support, within the next 12 months from 31 December 2016, so that GNS is able to operate as a going concern and meet its liabilities as and when they fall due. Another joint venture shareholder of GNS has also undertaken to not to withdraw shareholders loan to GNS of US\$56,143,000 (equivalent to approximately RMB372,621,000) if the Acquisition is not completed upon maturity of their shareholder's loan.

(vii) As at 31 December 2016, GNS has capital commitments of USD21,134,000 (equivalent to approximately RMB147,239,000) in relation to property, plant and equipment and concession projects.

15. 以權益法入賬的投資(續)

(a) 於合營公司的投資(續)

(vi) 於二零一六年十二月三十一日，GNS錄得流動負債淨額狀況101,384,000美元(相當於約人民幣672,886,000元)。本集團已自二零一六年十二月三十一日起12個月內承諾提供必要財務支持，以便GNS能夠持續經營及償還其到期負債。倘收購事項於彼等的股東貸款到期時尚未完成，GNS的另一合營公司股東亦已承諾不收回其對GNS的股東貸款56,143,000美元(合共相當於約人民幣372,621,000元)。

(vii) 於二零一六年十二月三十一日，GNS就物業、廠房及設備以及特許經營項目擁有資本承擔21,134,000美元(合共相當於約人民幣147,239,000元)。

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15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Cont'd)

(b) Investment in an associate

The Group has interests in an associate that are accounted for using the equity method during the year.

Name of entity 實體名稱	Place of business/ country of incorporation 營業地點/ 註冊成立的國家	Percentage of ownership interest 所有權權益百分比 As at 31 December 於十二月三十一日	
		2016 二零一六年	2015 二零一五年
Bazhou Keda Haorui Environmental Investment Co., Ltd. ("Bazhou Keda") 巴州科達浩瑞環境投資有限公司(「巴州科達」)	the PRC 中國	43.75%	43.75%

The Group and a third party set up Bazhou Keda in 2015, which is principally engaged in investment and construction of sewage and reclaimed water treatment plants.

Bazhou Keda is an unlisted company and there is no quoted market price available for its shares.

15. 以權益法入賬的投資(續)

(b) 於聯營公司的投資

本集團年內於該聯營公司的投資乃以權益法入賬。

本集團與第三方於二零一五年成立巴州科達，主要從事建設污水及再生水處理廠。

巴州科達為一家非上市私人公司，且其股份並無市場報價。

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16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

		Plants and buildings 廠房及樓宇 RMB' 000 人民幣千元	Machinery 機器 RMB' 000 人民幣千元	Motor vehicles 汽車 RMB' 000 人民幣千元	Electronic equipment and others 電子設備 及其他 RMB' 000 人民幣千元	Construction in progress 在建工程 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
At 1 January 2015	於二零一五年一月一日						
Cost	成本	305,190	670,222	19,922	55,762	567,346	1,618,442
Accumulated depreciation	累計折舊	(63,811)	(160,108)	(8,638)	(6,933)	—	(239,490)
Net book amount	賬面淨值	241,379	510,114	11,284	48,829	567,346	1,378,952
Year ended 31 December 2015	截至二零一五年 十二月三十一日止年度						
Opening net book amount	期初賬面淨值	241,379	510,114	11,284	48,829	567,346	1,378,952
Acquisitions of subsidiaries	收購附屬公司	120,694	3,997	2,893	4,013	16,224	147,821
Additions	添置	1,734	7,498	6,934	3,678	132,268	152,112
Transfer from construction in progress	轉撥自在建工程	115,381	98,543	—	—	(213,924)	—
Disposals	出售	(1,031)	(949)	(19)	(27)	—	(2,026)
Depreciation (note 8)	折舊(附註8)	(15,183)	(34,376)	(4,199)	(5,772)	—	(59,530)
Closing net book amount	期末賬面淨值	462,974	584,827	16,893	50,721	501,914	1,617,329
At 31 December 2015	於二零一五年十二月三十一日						
Cost	成本	557,379	778,519	31,276	65,027	501,914	1,934,115
Accumulated depreciation	累計折舊	(94,405)	(193,692)	(14,383)	(14,306)	—	(316,786)
Net book amount	賬面淨值	462,974	584,827	16,893	50,721	501,914	1,617,329
Year ended 31 December 2016	截至二零一六年 十二月三十一日止年度						
Opening net book amount	期初賬面淨值	462,974	584,827	16,893	50,721	501,914	1,617,329
Acquisitions of subsidiaries (note 37)	收購附屬公司(附註37)	261,093	250,417	5,898	5,815	1,947	525,170
Additions	添置	59,236	31,243	16,391	13,614	165,211	285,695
Transfer from construction in progress	轉撥自在建工程	144,795	410,212	—	—	(555,007)	—
Disposals	出售	(5,817)	(292)	(749)	(543)	—	(7,401)
Depreciation (note 8)	折舊(附註8)	(18,218)	(60,950)	(7,842)	(7,496)	—	(94,506)
Closing net book amount	期末賬面淨值	904,063	1,215,457	30,591	62,111	114,065	2,326,287
At 31 December 2016	於二零一六年十二月三十一日						
Cost	成本	1,033,674	1,547,925	59,401	89,173	114,065	2,844,238
Accumulated depreciation	累計折舊	(129,611)	(332,468)	(28,810)	(27,062)	—	(517,951)
Net book amount	賬面淨值	904,063	1,215,457	30,591	62,111	114,065	2,326,287

Notes to the Consolidated Financial Statements 合併財務報表附註

16 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Depreciation was charged to consolidated statement of profit or loss under the following caption:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Cost of sales	銷售成本	82,980	51,773
Selling expenses	銷售開支	720	664
Administrative expenses	行政開支	10,806	7,093
Total	總計	94,506	59,530

16. 物業、廠房及設備(續)

折舊乃於合併損益表內的以下項目扣除：

17. INVESTMENT PROPERTIES

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
As at 1 January	於一月一日	17,764	5,042
Acquisition of subsidiaries	收購附屬公司	160	13,051
Depreciation	折舊	(747)	(329)
As at 31 December	於十二月三十一日	17,177	17,764

17. 投資物業

(a) The Group had no contractual obligations for future repairs and maintenance as at 31 December 2016 and 2015.

(b) Independent valuation of the Group's investment properties were performed by independent third party valuers to determine the fair value of the investment properties as at 31 December 2016. The fair value of these investment properties as at 31 December 2016 as assessed by the valuers by direct comparison method or discounted cash flow method were approximately RMB28,645,000 (2015: RMB27,476,700).

(a) 於二零一六年及二零一五年十二月三十一日，本集團並無日後維修及維護合約責任。

(b) 本集團投資物業由獨立第三方估值師進行獨立估值，以釐定投資物業於二零一六年十二月三十一日的公平值。該等投資物業於二零一六年十二月三十一日的公平值經估值師以直接比較法或貼現現金流量法評估約為人民幣28,645,000元(二零一五年：人民幣27,476,700元)。

Notes to the Consolidated Financial Statements

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18. LAND USE RIGHTS

The Group's interests in land use rights represent prepaid operating lease for lands located in the PRC with a lease term of 40-50 years, and their net book value are analysed as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
As at 1 January	於一月一日	121,311	97,870
Additions	添置	28,259	4,379
Acquisition of subsidiaries	收購附屬公司	46,731	23,410
Amortisation recognised as expenses and cost of sales (note 8)	確認為開支的攤銷及 銷售成本(附註8)	(3,920)	(3,470)
Disposals	出售	—	(878)
As at 31 December	於十二月三十一日	192,381	121,311

19. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS

The following is the summarised information of the financial asset component (receivables under a service concession arrangements) with respect to the Group's service concession arrangements:

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Receivables under service concession arrangements	服務特許經營安排下的 應收款項	2,891,228	1,953,279
Portion classified as current assets	分類為流動資產的部分	(31,082)	(11,540)
Non-current portion	非流動部分	2,860,146	1,941,739

(a) The effective interest rate fell within the range from 4.04% to 8.50% for the year ended 31 December 2016 (2015: range from 4.71% to 8.06%).

18. 土地使用權

本集團於土地使用權的權益為租期介乎40至50年的中國土地的預付經營租賃，其賬面淨值分析如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
As at 1 January	於一月一日	121,311	97,870
Additions	添置	28,259	4,379
Acquisition of subsidiaries	收購附屬公司	46,731	23,410
Amortisation recognised as expenses and cost of sales (note 8)	確認為開支的攤銷及 銷售成本(附註8)	(3,920)	(3,470)
Disposals	出售	—	(878)
As at 31 December	於十二月三十一日	192,381	121,311

19. 服務特許經營安排下的應收款項

與本集團服務特許經營安排有關的金融資產組成部分(服務特許經營安排下的應收款項)的資料概述如下：

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Receivables under service concession arrangements	服務特許經營安排下的 應收款項	2,891,228	1,953,279
Portion classified as current assets	分類為流動資產的部分	(31,082)	(11,540)
Non-current portion	非流動部分	2,860,146	1,941,739

(a) 截至二零一六年十二月三十一日止年度，實際利率介乎4.04%至8.50%之間(二零一五年：介乎4.71%至8.06%之間)。

19. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS (Cont'd)

- (b) In respect of the Group's receivables under service concession arrangements, credit risks varied amongst the Group's projects operated in different locations of the PRC. The collection of receivables under services concession arrangements is closely monitored in order to minimise any credit risk associated with the receivables.

19. 服務特許經營安排下的應收款項 (續)

- (b) 就本集團於服務特許經營安排下的應收款項而言，信貸風險因本集團於中國不同地點運營的項目而異。為降低與應收款項有關的任何信貸風險，服務特許經營安排下的應收款項的收回情況受到密切監控。

As at 31 December
 於十二月三十一日

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Yunnan Province	雲南省	1,081,311	1,067,164
Xinjiang Province	新疆省	566,760	472,339
Shandong Province	山東省	415,034	175,224
Jiangsu Province	江蘇省	240,551	238,552
Henan Province	河南省	188,234	—
Hebei Province	河北省	147,174	—
Anhui Province	安徽省	118,827	—
Guangdong Province	廣東省	133,337	—
		2,891,228	1,953,279

The receivables under service arrangements were billable receivables. They were mainly due from governmental authorities in Mainland China, as grantors in respect of the Group's service concession arrangements. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are considered fully recoverable.

服務安排下的應收款項為可開具賬單的應收款項，其主要來自作為本集團服務特許經營安排授予人的中國內地政府機構。根據過往經驗，董事認為毋須就該等結餘作出減值撥備，原因是信貸質素並無重大變動且結餘仍被視為可全數收回。

Notes to the Consolidated Financial Statements

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19. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS (Cont'd)

- (c) The expected collection schedule of receivables under service concession arrangements is as follows:

19. 服務特許經營安排下的應收款項 (續)

- (c) 服務特許經營安排下的應收款項的預期收款時間表如下：

		As at 31 December	
		於十二月三十一日	
		2016	2015
		二零一六年	二零一五年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Within one year	一年以內	31,082	11,540
One to two years	一至兩年	32,812	20,639
Two to five years	兩至五年	103,524	59,773
Over five years	超過五年	2,723,810	1,861,327
		2,891,228	1,953,279

Notes to the Consolidated Financial Statements 合併財務報表附註

20. INTANGIBLE ASSETS

20. 無形資產

		Goodwill (note b) 商譽(附註b)	Development expenditure 開發開支	Operating concessions 特許經營權	Unfulfilled contract rights 未履行合同權利	Licenses 許可	Technical know-how and software 專有技術及軟件	Total 總計
		RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元
At 1 January 2015	於二零一五年一月一日							
Cost	成本	1,915	5,743	150,754	33,636	—	819	192,867
Accumulated amortisation	累計攤銷	—	—	(4,348)	(5,582)	—	(296)	(10,226)
Net book amount	賬面淨值	1,915	5,743	146,406	28,054	—	523	182,641
Year ended 31 December 2015	截至二零一五年十二月三十一日止年度							
Opening net book amount	期初賬面淨值	1,915	5,743	146,406	28,054	—	523	182,641
Acquisition of subsidiaries	收購附屬公司	113,186	—	1,057,975	—	88,580	38,011	1,297,752
Additions	添置	—	177	241,290	—	—	526	241,993
Amortisation	攤銷	—	—	(4,854)	(5,233)	(825)	(225)	(11,137)
Closing net book amount	期末賬面淨值	115,101	5,920	1,440,817	22,821	87,755	38,835	1,711,249
At 31 December 2015	於二零一五年十二月三十一日							
Cost	成本	115,101	5,920	1,463,229	33,636	88,666	39,377	1,745,929
Accumulated amortisation	累計攤銷	—	—	(22,412)	(10,815)	(911)	(542)	(34,680)
Net book amount	賬面淨值	115,101	5,920	1,440,817	22,821	87,755	38,835	1,711,249
Year ended 31 December 2016	截至二零一六年十二月三十一日止年度							
Opening net book amount	期初賬面淨值	115,101	5,920	1,440,817	22,821	87,755	38,835	1,711,249
Acquisition of subsidiaries (note 37)	收購附屬公司(附註37)	109,357	—	1,462,295	21,703	569,520	3,750	2,166,625
Additions	添置	—	2,343	757,075	399	—	1,457	761,274
Currency translation differences	貨幣換算差額	321	—	35,487	—	—	—	35,808
Disposal of subsidiaries	出售附屬公司	(879)	—	—	(2,655)	—	(3)	(3,537)
Transfer from development expenditure	轉撥自開發開支	—	(4,411)	—	—	—	4,411	—
Amortisation	攤銷	—	—	(89,341)	(11,271)	(8,626)	(1,806)	(111,044)
Closing net book amount	期末賬面淨值	223,900	3,852	3,606,333	30,997	648,649	46,644	4,560,375
At 31 December 2016	於二零一六年十二月三十一日							
Cost	成本	223,900	3,852	3,722,356	50,538	658,186	48,829	4,707,661
Accumulated amortisation	累計攤銷	—	—	(116,023)	(19,541)	(9,537)	(2,185)	(147,286)
Net book amount	賬面淨值	223,900	3,852	3,606,333	30,997	648,649	46,644	4,560,375

Notes to the Consolidated Financial Statements

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20. INTANGIBLE ASSETS (Cont'd)

- (a) Amortisation was charged to the consolidated statement of profit or loss under the following caption:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cost of sales	銷售成本	109,243	10,465
Administrative expenses	行政開支	1,801	672
Total	總計	111,044	11,137

- (b) Impairment test for goodwill

The goodwill of the Group as at 31 December 2016 mainly arose from the acquisition of Shandong Tengyue, Harbin Yun Shui and Future Interational Group Co., Ltd. ("Future International"), amounting to RMB109,522,000, RMB53,664,000 and RMB42,129,000, respectively. For the purpose of impairment testing, the goodwill was allocated to a cash generating unit ("CGU"). The recoverable amount of the CGU is determined based on fair value less costs to disposal. The calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Management determined the projection period based on their past experience and expectation for the market development and is consistent with their business plan. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below, respectively.

20. 無形資產(續)

- (a) 攤銷已於合併損表中的下列項目扣除：

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cost of sales	銷售成本	109,243	10,465
Administrative expenses	行政開支	1,801	672
Total	總計	111,044	11,137

- (b) 商譽減值測試

本集團於二零一六年十二月三十一日的商譽主要因收購山東騰躍、哈爾濱雲水及暉澤集團有限公司(「暉澤」)而產生，分別為人民幣109,522,000元、人民幣53,664,000元及人民幣42,129,000元。就減值測試而言，商譽分配至現金產生單位(「現金產生單位」)。現金產生單位的可收回金額乃根據公平值減出售成本釐定。計算方式利用稅前現金流量預測，依據管理層批核的五年期財政預算。管理層採用的預算期限是基於管理人員的過往經驗及其對市場發展的預期，且與彼等的經營計劃一致。超過五年期間的現金流量乃分別使用下述估計增長率推算。

Notes to the Consolidated Financial Statements 合併財務報表附註

20. INTANGIBLE ASSETS (Cont'd)

(b) Impairment test for goodwill (Cont'd)

- (i) Key assumptions used for fair value less costs to disposal calculations of Shandong Tengyue:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Average annual growth rate of revenue (iv)	收益平均年增長率 (iv)	9%	9%
Long-term growth rate (v)	長期增長率 (v)	3%	3%
Pre-tax discount rate (vi)	稅前貼現率 (vi)	14%	14%

A sensitivity analysis on key assumptions used in the calculation has been carried out. If the average annual growth rate of revenue had been lower than management estimates by 5% or discount rate had been higher than management estimates by 5% with other variables held constant, the recoverable amount of goodwill would still exceed its carrying value and no impairment will be required.

20. 無形資產(續)

(b) 商譽減值測試(續)

- (i) 山東騰躍用作公平值減銷售成本計算法的主要假設：

本集團已就計算過程中所採用的主要假設作出敏感度分析。倘收入平均年增長率比管理層的估計低5%或貼現率比管理層的估計高5%，而其他變量保持不變，則商譽的可收回金額仍將超過其賬面值，因而毋須減值。

Notes to the Consolidated Financial Statements 合併財務報表附註

20. INTANGIBLE ASSETS (Cont'd)

(b) Impairment test for goodwill (Cont'd)

- (ii) Key assumptions used for fair value less costs to disposal calculations of Harbin Yun Shui:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Average annual growth rate of revenue (iv)	收益平均年增長率 (iv)	5%	N/A 不適用
Long-term growth rate (v)	長期增長率 (v)	3%	N/A 不適用
Pre-tax discount rate (vi)	稅前貼現率 (vi)	12%	N/A 不適用

A sensitivity analysis on key assumptions used in the calculation has been carried out. If the average annual growth rate of revenue had been lower than management estimates by 5% or discount rate had been higher than management estimates by 5% with other variables held constant, the recoverable amount of goodwill would still exceed its carrying value and no impairment will be required.

20. 無形資產(續)

(b) 商譽減值測試(續)

- (ii) 哈爾濱雲水用作公平值減銷售成本計算法的主要假設：

本集團已就計算過程中所採用的主要假設作出敏感度分析。倘收入平均年增長率比管理層的估計低5%或貼現率比管理層的估計高5%，而其他變量保持不變，則商譽的可收回金額仍將超過其賬面值，因而毋須減值。

Notes to the Consolidated Financial Statements 合併財務報表附註

20. INTANGIBLE ASSETS (Cont'd)

(b) Impairment test for goodwill (Cont'd)

- (iii) Key assumptions used for fair value less costs to disposal calculations of Future International:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Average annual growth rate of revenue (iv)	收益平均年增長率 (iv)	9%	N/A 不適用
Long-term growth rate (v)	長期增長率 (v)	3%	N/A 不適用
Pre-tax discount rate (vi)	稅前貼現率 (vi)	13%	N/A 不適用

A sensitivity analysis on key assumptions used in the calculation has been carried out. If the average annual growth rate of revenue had been lower than management estimates by 5% or discount rate had been higher than management estimates by 5% with other variables held constant, the recoverable amount of goodwill would still exceed its carrying value and no impairment will be required.

- (iv) Management determined average annual growth rate of revenue based on past performance and its expectations for each market development.
- (v) The long term growth rate used is consistent with the forecasts included in each industry report.
- (vi) The discount rate used is pre-tax discount rate applied to the cash flow projections which reflects specific risks relating to each business.

20. 無形資產(續)

(b) 商譽減值測試(續)

- (iii) 暉澤用作公平值減銷售成本計算法的主要假設：

本集團已就計算過程中所採用的主要假設作出敏感度分析。倘收入平均年增長率比管理層的估計低5%或貼現率比管理層的估計高5%，而其他變量保持不變，則商譽的可收回金額仍將超過其賬面值，因而毋須減值。

- (iv) 管理人員乃根據過往表現及其對市場發展的預期釐定收入平均年增長率。
- (v) 所用長期增長率與行業報告所載預測一致。
- (vi) 所用貼現率為現金流量預測所採用的稅前貼現率，其反映與業務有關的特定風險。

Notes to the Consolidated Financial Statements

合併財務報表附註

21. AVAILABLE-FOR-SALE FINANCIAL ASSETS

The amounts represented an investment in a private company whose principal activities are research and development of environmental technologies in Harbin, Heilongjiang Province. As at 31 December 2016, the Group held 13.3% equity interests of this company. The available-for-sale financial assets are measured at cost as the equity interest of this company do not have a quoted market price in an active market and the fair value cannot be reliably measured.

22. INVENTORIES

Raw materials	原材料
Work in progress	在產品
Finished goods	製成品

No provisions for inventories have been made for the year ended 31 December 2016 and 2015.

21. 可供出售金融資產

該金額指於一間私營公司的投資，該私營公司的主要業務為於黑龍江省哈爾濱市研發環保技術。於二零一六年十二月三十一日，本集團持有該公司13.3%股權。可供出售金融資產以成本計量，因為該公司股權並無在活躍市場報價且公平值無法可靠計量。

22. 存貨

As at 31 December
於十二月三十一日

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Raw materials	原材料	18,367	12,895
Work in progress	在產品	6,545	7,536
Finished goods	製成品	2,473	164
		27,385	20,595

截至二零一六年及二零一五年十二月三十一日止年度，並無計提存貨撥備。

Notes to the Consolidated Financial Statements
合併財務報表附註

23. AMOUNTS DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORKS

Contracts in progress at the end of the reporting periods:

23. 就合約工程應收／(應付)客戶款項

報告期末進行中合約：

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Costs incurred to date plus recognised profits less recognised losses	迄今已產生的成本加已確認溢利減已確認虧損	803,554	460,120
Less: Progress billings	減：進度付款	(116,299)	(57,053)
		687,255	403,067
Analysed for reporting purposes as:	就申報目的分析為：		
Amounts due from customers for contract works	就合約工程應收客戶款項		
– Non-current	– 非即期	659,974	404,142
– Current	– 即期	30,614	3,477
		690,588	407,619
Amounts due to customers for contract works	就合約工程應付客戶款項		
– Current	– 即期	(3,333)	(4,552)
		687,255	403,067

Notes to the Consolidated Financial Statements
合併財務報表附註

24. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

24. 貿易及其他應收款項及預付款項

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Trade receivables	貿易應收款項		
– Related parties (note 38(d))	– 關聯方(附註38(d))	1,024,685	285,098
– Local governments	– 地方政府	367,560	239,831
– Third parties	– 第三方	469,629	327,831
Less: provision for impairment	減：減值撥備	(34,430)	(12,906)
		1,827,444	839,854
Other receivables due from:	應收以下各方其他應收款項：		
– Joint venture (note 38(d))	– 合營公司(附註38(d))	482,378	—
– Related parties (note 38(d))	– 關聯方(附註38(d))	6,403	6,111
– Third parties	– 第三方	543,081	266,646
Less: provision for impairment	減：減值撥備	(6,877)	(10,825)
		1,024,985	261,932
Total trade and other receivables	貿易及其他應收款項總額	2,852,429	1,101,786
Less: non-current portion of other receivables	減：其他應收款項的 非即期部分	(128,605)	(57,410)
Current portion of trade and other receivables	貿易及其他應收款項的 即期部分	2,723,824	1,044,376
Prepayments	預付款項		
– Related parties (note 38(d))	– 關聯方(附註38(d))	25,064	108,778
– Third parties	– 第三方	1,338,582	759,759
		1,363,646	868,537
Less: non-current portion of prepayments	減：預付款項非即期部分	(1,230,108)	(715,826)
Current portion of prepayments	預付款項即期部分	133,538	152,711

The carrying amount of trade and other receivables, other than prepayments, approximate their fair values and are mainly denominated in RMB.

貿易及其他應收款項(預付款項除外)的賬面值與其公平值相若，且主要以人民幣計值。

Notes to the Consolidated Financial Statements 合併財務報表附註

24. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Cont'd)

(a) Trade receivables

In general, the Group grants credit periods of 90 to 180 days to its customers. Ageing analysis of gross trade receivables (including amounts due from related parties of trading in nature) at the respective balance sheet dates, based on the invoice dates or contractual terms, is as follows:

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Within one year	一年以內	1,502,558	662,136
One to two years	一至兩年	158,404	107,948
Two to three years	兩至三年	130,108	50,621
Over three years	三年以上	70,804	32,055
		1,861,874	852,760

(i) As of 31 December 2016, the Group's trade receivables of RMB615,547,000 (2015: RMB251,654,000) were fully performing within credit periods.

24. 貿易及其他應收款項及預付款項(續)

(a) 貿易應收款項

本集團一般向其客戶授出90至180天的信用期。於各結算日按發票日期或合約條款作出的貿易應收款項總額(包括應收關聯方貿易性質款項)賬齡分析如下：

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Within one year	一年以內	1,502,558	662,136
One to two years	一至兩年	158,404	107,948
Two to three years	兩至三年	130,108	50,621
Over three years	三年以上	70,804	32,055
		1,861,874	852,760

(i) 截至二零一六年十二月三十一日，本集團為數人民幣615,547,000元(二零一五年：人民幣251,654,000元)的貿易應收款項於信用期內已全面履行。

Notes to the Consolidated Financial Statements

合併財務報表附註

24. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Cont'd)

(a) Trade receivables (Cont'd)

- (ii) As of 31 December 2016, the Group's trade receivables of RMB1,051,516,000 (2015: RMB518,620,000) were past due but not impaired. These receivables relate to a number of independent customers that there is no recent history of default. Based on past experience and project status, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The ageing of these receivables is as follows:

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Within one year	一年以內	769,615	382,061
One to two years	一至兩年	147,410	98,146
Two to three years	兩至三年	96,786	32,822
Over three years	三年以上	37,705	5,591
		1,051,516	518,620

24. 貿易及其他應收款項及預付款項(續)

(a) 貿易應收款項(續)

- (ii) 截至二零一六年十二月三十一日，本集團貿易應收款項人民幣1,051,516,000元(二零一五年：人民幣518,620,000元)已逾期但未減值。該等應收款項與多名近期並無違約記錄的獨立客戶有關。根據過往經驗及項目現狀，本公司董事認為毋須就該等結餘作出減值撥備，原因是信貸質素並無重大變動且結餘仍被認為可全數收回。該等應收款項的賬齡如下：

Notes to the Consolidated Financial Statements 合併財務報表附註

24. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Cont'd)

(a) Trade receivables (Cont'd)

- (iii) As of 31 December 2016, the Group's trade receivables of RMB194,811,000 (2015: RMB82,486,000) were impaired. The provision of these trade receivables amounted to RMB34,430,000 as of 31 December 2016 (2015: RMB12,906,000). The individually impaired trade receivables relate to customers that were in financial difficulties or customers that were in default or delinquency in payments. It was assessed that a portion of the receivables is expected to be recovered. The ageing of these trade receivables is as follows:

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Within one year	一年以內	120,495	41,509
One to two years	一至兩年	8,062	7,619
Two to three years	兩至三年	33,155	6,894
Over three years	三年以上	33,099	26,464
		194,811	82,486

24. 貿易及其他應收款項及預付款項(續)

(a) 貿易應收款項(續)

- (iii) 截至二零一六年十二月三十一日，本集團人民幣194,811,000元(二零一五年：人民幣82,486,000元)的貿易應收款項已減值。截至二零一六年十二月三十一日，該等貿易應收款項的撥備金額為人民幣34,430,000元(二零一五年：人民幣12,906,000元)。個別已減值的貿易應收款項與遭遇財務困難的客戶或拖欠或逾期付款的客戶有關。經評估，部分應收款項預期將可收回。該等貿易應收款項的賬齡如下：

Notes to the Consolidated Financial Statements

合併財務報表附註

24. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Cont'd)

(a) Trade receivables (Cont'd)

- (iv) Movement of the Group's provision for impairment of trade receivables are as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
As at 1 January	於一月一日	12,906	10,973
Impairment provision	減值撥備	25,241	2,004
Reversal due to collection	因收回而撥回	(3,717)	(71)
As at 31 December	於十二月三十一日	34,430	12,906

(b) Other receivables

- (i) As of 31 December 2016, the Group's other receivables of RMB1,012,389,000 (2015: RMB243,722,000) were past due but not impaired.

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Within one year	一年以內	639,835	158,633
One to two years	一至兩年	315,346	49,569
Two to three years	兩至三年	14,588	4,932
Over three years	三年以上	42,620	30,588
		1,012,389	243,722

24. 貿易及其他應收款項及預付款項(續)

(a) 貿易應收款項(續)

- (iv) 本集團貿易應收款項的減值撥備變動如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
As at 1 January	於一月一日	12,906	10,973
Impairment provision	減值撥備	25,241	2,004
Reversal due to collection	因收回而撥回	(3,717)	(71)
As at 31 December	於十二月三十一日	34,430	12,906

(b) 其他應收款項

- (i) 截至二零一六年十二月三十一日，本集團人民幣1,012,389,000元(二零一五年：人民幣243,722,000元)的其他應收款項已逾期但並無減值。

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Within one year	一年以內	639,835	158,633
One to two years	一至兩年	315,346	49,569
Two to three years	兩至三年	14,588	4,932
Over three years	三年以上	42,620	30,588
		1,012,389	243,722

Notes to the Consolidated Financial Statements 合併財務報表附註

24. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Cont'd)

(b) Other receivables (Cont'd)

- (ii) As of 31 December 2016, the Group's other receivables of RMB19,473,000 (2015: RMB29,035,000) were impaired. The provision for these other receivables was RMB6,877,000 as of 31 December 2016 (2015: RMB10,825,000). The ageing of these other receivables is as follows:

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Within one year	一年以內	5,463	15,107
One to two years	一至兩年	5,055	3,370
Two to three years	兩至三年	114	6,199
Over three years	三年以上	8,841	4,359
		19,473	29,035

24. 貿易及其他應收款項及預付款項(續)

(b) 其他應收款項(續)

- (ii) 截至二零一六年十二月三十一日，本集團人民幣19,473,000元(二零一五年：人民幣29,035,000元)的其他應收款項已減值。截至二零一六年十二月三十一日，該等其他應收款項的撥備金額為人民幣6,877,000元(二零一五年：人民幣10,825,000元)。該等其他應收款項的賬齡如下：

Notes to the Consolidated Financial Statements

合併財務報表附註

24. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Cont'd)

(b) Other receivables (Cont'd)

- (iii) Movement of the Group's provision for impairment of other receivables are as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
As at 1 January	於一月一日	10,825	11,602
Impairment provision	減值撥備	240	1,256
Reversal due to collection	因收回而撥回	(3,402)	(777)
Write off bad debts	撇銷壞賬	(786)	(1,256)
As at 31 December	於十二月三十一日	6,877	10,825

(c) Prepayments

The Group's prepayments are mainly for purchase of goods, prepayments for land use rights, construction works and other services and prepayments for acquisition of equity interests.

- (d) The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

25. RESTRICTED CASH

Amount represented cash deposits held at bank for guarantee for service concession arrangements, such as performance bond, in relation to a solid waste treatment in Thailand. Such deposits will be released after the obligations are settled.

24. 貿易及其他應收款項及預付款項(續)

(b) 其他應收款項(續)

- (iii) 本集團其他應收款項的減值撥備變動如下：

Year ended 31 December
截至十二月三十一日止年度

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
As at 1 January	於一月一日	10,825	11,602
Impairment provision	減值撥備	240	1,256
Reversal due to collection	因收回而撥回	(3,402)	(777)
Write off bad debts	撇銷壞賬	(786)	(1,256)
As at 31 December	於十二月三十一日	6,877	10,825

(c) 預付款項

本集團的預付款項主要為購買貨物、土地使用權、建造工程及其他服務的預付款項以及股權收購的預付款項。

- (d) 報告日期面對的最高信貸風險為上述各類應收款項的賬面值。本集團並無持有任何抵押物作為擔保。

25. 受限制現金

有關款項是指存於銀行的現金存款，以便為與泰國的固體廢物處理有關的服務特許經營安排(如履約保函)提供擔保。該等存款將於責任結清後解除。

Notes to the Consolidated Financial Statements
合併財務報表附註

26. CASH AND CASH EQUIVALENTS

26. 現金及現金等價物

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Cash at bank and on hand	銀行及手頭現金	3,126,921	1,672,121
Short-term bank deposits (note a)	短期存款(附註a)	1,003,000	—
		4,129,921	1,672,121

(a) As at 31 December 2016, short-term bank deposit was denominated in RMB, with interest rate of 1.65% per annum and will mature by 31 March 2017.

(a) 於二零一六年十二月三十一日，短期銀行存款以人民幣計值，年利率為1.65%，將於二零一七年三月三十一日前到期。

(b) As at 31 December 2016, cash and cash equivalents of the Group are denominated in:

(b) 於二零一六年十二月三十一日，本集團的現金及現金等價物以下列貨幣計值：

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
- RMB	- 人民幣	3,593,621	1,487,510
- HKD	- 港元	9,346	162,924
- USD	- 美元	499,279	9,785
- THB	- 泰銖	16,532	11,902
- IDR	- 印尼盾	11,143	—
		4,129,921	1,672,121

Notes to the Consolidated Financial Statements

合併財務報表附註

27. SHARE CAPITAL

27. 股本

		Number of shares (thousand) 股份數目(千股)	Share capital RMB'000 人民幣千元
As at 1 January 2015	於二零一五年一月一日	862,564	862,564
Shares issued in initial public offering (note a)	首次公開發售發行的股份 (附註a)	330,649	330,649
As at 31 December 2015, 1 January 2016 and 31 December 2016	於二零一五年 十二月三十一日、 二零一六年一月一日及 二零一六年十二月三十一日	1,193,213	1,193,213

(a) On 27 May 2015, the Company issued 287,521,000 H shares of RMB1 each at HKD5.8 per share as public and international offers in connection with the Listing and raised gross proceeds of approximately HKD1,667,622,000. Besides, on 10 June 2015, pursuant to the exercise of the over-allotment option, additional 43,128,000 shares of RMB1 each were issued at HKD5.8 per share and raised gross proceeds of HKD250,142,000.

(a) 二零一五年五月二十七日，本公司按每股5.8港元發行287,521,000股每股面值人民幣1元的H股，作為與上市有關的公開及國際發售，並籌集所得款項總額約1,667,622,000港元。此外，二零一五年六月十日，因超額配股權獲行使，按每股5.8港元發行43,128,000股每股面值人民幣1元的額外股份，並籌集所得款項總額250,142,000港元。

Notes to the Consolidated Financial Statements 合併財務報表附註

28. OTHER RESERVES

28. 其他儲備

		Capital reserve 股本儲備 RMB' 000 人民幣千元	Statutory reserve 法定儲備 RMB' 000 人民幣千元	Translation reserve 匯兌儲備 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
Balance at 1 January 2015	於二零一五年一月一日的結餘	1,078,608	76,624	(92)	1,155,140
Issue of ordinary shares (note 27(a))	發行普通股(附註27(a))	1,183,137	—	—	1,183,137
Shares issuance costs	股份發行成本	(126,438)	—	—	(126,438)
Currency translation differences	匯兌差額	—	—	976	976
Profit appropriation (note a)	溢利劃撥(附註a)	—	51,439	—	51,439
Balance at 31 December 2015	於二零一五年十二月三十一日的結餘	2,135,307	128,063	884	2,264,254
Balance at 1 January 2016	於二零一六年一月一日的結餘	2,135,307	128,063	884	2,264,254
Acquisition of additional interests in subsidiaries	收購附屬公司額外權益	(62,106)	—	—	(62,106)
Share of other comprehensive income of investments accounted for using the equity method	以權益法入賬的應佔投資的其他全面收益	—	—	(29,643)	(29,643)
Currency translation differences	匯兌差額	—	—	5,123	5,123
Profit appropriation (note a)	溢利劃撥(附註a)	—	69,677	—	69,677
Balance at 31 December 2016	於二零一六年十二月三十一日的結餘	2,073,201	197,740	(23,636)	2,247,305

(a) Statutory reserve

In accordance with relevant rules and regulations in the PRC, except for sino-foreign equity joint venture enterprises, all PRC companies are required to transfer 10% of their profit after taxation calculated under PRC accounting rules and regulations to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserve fund can only be used, upon approval by the relevant authority, to offset losses carried forward from previous years or to increase capital of the respective companies.

(a) 法定儲備

根據中國相關規則及法規，除中外合資企業外，所有中國公司均須將根據中國會計規則及法規計算的除稅後溢利的10%轉撥至法定儲備金，直至累計資金總額達至其註冊資本的50%為止。法定儲備金須經有關機關批准，方可用作抵銷過往年度結轉的虧損或增加有關公司的資本。

Notes to the Consolidated Financial Statements

合併財務報表附註

29. PERPETUAL CAPITAL INSTRUMENT

On 29 December 2016, the Group issued unsecured perpetual capital instruments with aggregated net proceeds of RMB2,000 million to a financial institution in the PRC (2015: nil). The perpetual capital instruments have no maturity, and the payments of distribution can be deferred at the discretion of the Company. There was no profit attributable to the holders of perpetual capital instruments for the year ended 31 December 2016.

30. BORROWINGS

29. 永久資本工具

於二零一六年十二月二十九日，本集團向中國一家金融機構發行所得款項淨額合計人民幣2,000百萬元的無抵押永久資本工具(二零一五年：無)。該永久資本工具並無期限，且分派的支付可由本公司酌情予以遞延。截至二零一六年十二月三十一日止年度並無永久資本工具持有人應佔溢利。

30. 借款

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Non-current	非即期		
Long-term bank borrowings	長期銀行借款		
– Secured	– 有抵押	1,727,559	700,000
– Unsecured	– 無抵押	1,787,069	531,433
		3,514,628	1,231,433
Corporate bonds and other borrowings	公司債券及其他借款		
– Unsecured	– 無抵押	2,174,926	794,527
		5,689,554	2,025,960
Current	即期		
Short-term bank borrowings	短期銀行借款		
– Secured	– 有抵押	—	38,860
– Unsecured	– 無抵押	1,941,205	919,799
Current portion of long-term bank borrowings	長期銀行借款的即期部分		
– Secured	– 有抵押	102,280	74,500
– Unsecured	– 無抵押	108,073	5,196
Current portion of corporate bonds and other borrowings	公司債券及其他借款的即期部分		
– Unsecured	– 無抵押	457,367	—
		2,608,925	1,038,355
Total	總計	8,298,479	3,064,315

Notes to the Consolidated Financial Statements 合併財務報表附註

30. BORROWINGS (Cont'd)

- (a) During the year ended 31 December 2016, the Group issued Asset-Backed Securities in the principal of RMB1,000,000,000 with maturity of nine years and interest rate ranging from 3.19% to 4.99% per annum.

During the year ended 31 December 2016, the Group issued private placement notes in the principal of RMB1,000,000,000 with maturity of three years and interest rate of 4.0% per annum.

- (b) As at 31 December 2016, bank borrowings of RMB1,829,839,000 (2015: RMB813,360,000) were secured by pledge of the Group's receivables under service concession arrangements, land use rights and investments in a subsidiary and a joint venture with carrying value as follows:

30. 借款(續)

- (a) 截至二零一六年十二月三十一日止年度，本集團發行期限為九年本金額為人民幣1,000,000,000元的資產支持證券，年利率介乎3.19%至4.99%。

截至二零一六年十二月三十一日止年度，本集團發行期限為三年本金額為人民幣1,000,000,000元的私募票據，年利率為4.0%。

- (b) 於二零一六年十二月三十一日，銀行借款人民幣1,829,839,000元(二零一五年：人民幣813,360,000元)由賬面值如下的本集團服務特許經營安排應收款項、土地使用權及於一間附屬公司及一間合營公司的投資質押作抵押：

As at 31 December
於十二月三十一日

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Investments in a subsidiary and a joint venture	於一間附屬公司及一間合營公司的投資	1,251,555	—
Receivables under service concession arrangements	服務特許經營安排應收款項	309,214	241,220
Land use rights	土地使用權	20,430	28,573
Property, plant and equipment	物業、廠房及設備	—	18,890
		1,581,199	288,683

Notes to the Consolidated Financial Statements

合併財務報表附註

30. BORROWINGS (Cont'd)

(b) (Cont'd)

As at 31 December 2016, bank borrowings of RMB24,517,000 (2015: RMB24,450,000), RMB1,842,103,000 (2015: RMB313,200,000) and RMB117,000,000 (2015: RMB55,000,000) were guaranteed by a PRC local government, a related party and a third party, respectively.

- (c) As at 31 December 2016, the Group's borrowings were repayable as follows:

30. 借款(續)

(b) (續)

於二零一六年十二月三十一日，銀行借款人民幣24,517,000元(二零一五年：人民幣24,450,000元)、人民幣1,842,103,000元(二零一五年：人民幣313,200,000元)，以及人民幣117,000,000元(二零一五年：人民幣55,000,000元)已分別由中國當地政府、關聯方及第三方擔保。

- (c) 於二零一六年十二月三十一日，本集團借款的償還情況如下：

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within one year	一年以內	2,608,925	1,038,355
One to two years	一至兩年	1,361,475	564,932
Two to five years	二至五年	3,537,193	1,134,512
Over five years	五年以上	790,886	326,516
		8,298,479	3,064,315

Notes to the Consolidated Financial Statements 合併財務報表附註

30. BORROWINGS (Cont'd)

- (d) The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the end of each of the year are as follows:

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Within six months	六個月以內	3,691,523	644,046
Six months to one year	六個月至一年	1,383,459	1,436,670
One to five years	一至五年	2,637,161	928,083
Over five years	超過五年	586,336	55,516
		8,298,479	3,064,315

The carrying amounts of the Group's borrowings approximate their fair value.

- (e) The Group's borrowings carried weighted average interest rates of 4.70% per annum for the year ended 31 December 2016 (2015: 6.36%).
- (f) The Group's borrowings were denominated in:

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
- RMB	- 人民幣	6,321,026	2,432,723
- EUR	- 歐元	24,517	24,450
- USD	- 美元	1,952,936	607,142
		8,298,479	3,064,315

30. 借款(續)

- (d) 於各年末，本集團借款面臨的利率變動風險及合約重新定價日期如下：

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Within six months	六個月以內	3,691,523	644,046
Six months to one year	六個月至一年	1,383,459	1,436,670
One to five years	一至五年	2,637,161	928,083
Over five years	超過五年	586,336	55,516
		8,298,479	3,064,315

本集團借款的賬面值與其公平值相若。

- (e) 截至二零一六年十二月三十一日止年度，本集團的借款按加權平均年利率4.70%(二零一五年：6.36%)計息。
- (f) 本集團借款以下列貨幣計值：

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
- RMB	- 人民幣	6,321,026	2,432,723
- EUR	- 歐元	24,517	24,450
- USD	- 美元	1,952,936	607,142
		8,298,479	3,064,315

Notes to the Consolidated Financial Statements

合併財務報表附註

31. TRADE AND OTHER PAYABLES

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Trade payables:	貿易應付款項：		
– Related parties (note a and 38(d))	– 關聯方(附註a及38(d))	531,674	129,638
– Third parties (note a)	– 第三方(附註a)	1,183,181	568,567
Other payables:	其他應付款項：		
– Related parties (note 38(d))	– 關聯方(附註38(d))	210,553	15,037
– Third parties	– 第三方	729,578	288,641
Advances from customers	來自客戶的墊款	61,328	15,243
Staff welfare benefit payable	應付員工福利	31,312	25,869
Other taxes payable	其他應付稅項	159,941	85,860
Less: non-current portion	減：非即期部分	(49,055)	(54,514)
Current portion	即期部分	2,858,512	1,074,341

(a) At 31 December 2016 and 2015, the ageing analysis of the trade payables based on invoice date is as follows:

(a) 於二零一六年及二零一五年十二月三十一日，貿易應付款項基於發票日期的賬齡分析如下：

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Within one year	一年以內	1,238,674	396,269
One to two years	一至兩年	266,666	227,226
Two to three years	二至三年	142,570	63,523
Over three years	三年以上	66,945	11,187
		1,714,855	698,205

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合併財務報表附註

32. DEFERRED INCOME

Deferred income represented government grants received from governmental authorities with respect to Group's constructions of waste water treatment facilities, water supply facilities, solid waste treatment plants as well as the provision of water supply service. The movement of deferred income is as below:

32. 遞延收入

遞延收入是指就本集團建造污水處理設施、供水設施、固體廢物處理廠以及提供供水服務獲政府機構發放的政府補助。遞延收入的變動如下：

		Government grants 政府補助 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	144,749
Acquisition of subsidiaries	收購附屬公司	2,000
Additions	添置	36,582
Credit to consolidated statement of profit or loss	計入合併損益表	(18,455)
At 31 December 2015	於二零一五年十二月三十一日	164,876
At 1 January 2016	於二零一六年一月一日	164,876
Acquisition of subsidiaries (note 37)	收購附屬公司(附註37)	447,088
Additions	添置	61,725
Credit to consolidated statement of profit or loss	計入合併損益表	(26,692)
At 31 December 2016	於二零一六年十二月三十一日	646,997

Notes to the Consolidated Financial Statements
合併財務報表附註

33. DEFERRED INCOME TAX

33. 遞延所得稅

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Deferred income tax assets:	遞延所得稅資產：		
– Deferred income tax asset to be recovered within 12 months	– 12個月內收回的遞延所得稅資產	695	26,436
– Deferred income tax asset to be recovered after 12 months	– 12個月後收回的遞延所得稅資產	245,297	29,737
		245,992	56,173
Deferred income tax liabilities:	遞延所得稅負債：		
– Deferred income tax liability to be recovered within 12 months	– 12個月內收回的遞延所得稅負債	(19,673)	—
– Deferred income tax liability to be recovered after 12 months	– 12個月後收回的遞延所得稅負債	(627,217)	(198,116)
		(646,890)	(198,116)
Deferred income tax liabilities, net	遞延所得稅負債淨額	(400,898)	(141,943)

Notes to the Consolidated Financial Statements 合併財務報表附註

33. DEFERRED INCOME TAX (Cont'd)

The movement in deferred income tax assets and liabilities during the year, without taking into accounts for the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax assets

		Staff welfare benefit payable 應付員工福利	Provision for impairment of trade and other receivables 貿易及其他應收款項減值撥備	Government grant 政府補助	Accrued expenses 應計開支	Unrealised profit of intercompany transactions 公司間交易未變現溢利	Tax losses 稅項虧損	Total 總計
		RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元
At 1 January 2015	於二零一五年一月一日	4,993	4,910	13,262	2,620	—	19,052	44,837
(Charge)/credit to consolidated statement of profit or loss	於合併損益表(扣除)/計入	(3,836)	498	3,754	1,574	4,467	(8,292)	(1,835)
Acquisition of subsidiaries	收購附屬公司	—	19,871	—	1,434	—	—	21,305
At 31 December 2015	於二零一五年十二月三十一日	1,157	25,279	17,016	5,628	4,467	10,760	64,307
At 1 January 2016	於二零一六年一月一日	1,157	25,279	17,016	5,628	4,467	10,760	64,307
(Charge)/credit to consolidated statement of profit or loss	於合併損益表(扣除)/計入	(462)	4,438	8,412	21,527	9,876	22,396	66,187
Acquisition of subsidiaries (note 37)	收購附屬公司(附註37)	—	11,069	113,786	—	—	—	124,855
At 31 December 2016	於二零一六年十二月三十一日	695	40,786	139,214	27,155	14,343	33,156	255,349

33. 遞延所得稅(續)

年內遞延所得稅資產及負債的變動(不計及同一稅項司法權區內結餘的抵銷)如下:

遞延所得稅資產

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 合併財務報表附註

33. DEFERRED INCOME TAX (Cont'd)

Deferred income tax liabilities

		Service concession receivables 服務特許 應收款項 RMB' 000 人民幣千元	Fair value gains 公平值收益 RMB' 000 人民幣千元	Accelerated tax depreciation 加速稅項折舊 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
At 1 January 2015	於二零一五年一月一日	(25,287)	(30,316)	(2,695)	(58,298)
(Charge)/credit to consolidated statement of profit or loss	於合併損益表 (扣除)/計入	(8,933)	1,578	(2,000)	(9,355)
Acquisition of subsidiaries	收購附屬公司	—	(138,597)	—	(138,597)
At 31 December 2015	於二零一五年十二月三十一日	(34,220)	(167,335)	(4,695)	(206,250)
At 1 January 2016	於二零一六年一月一日	(34,220)	(167,335)	(4,695)	(206,250)
(Charge)/credit to consolidated statement of profit or loss	於合併損益表 (扣除)/計入	(27,457)	15,646	3,210	(8,601)
Acquisition of subsidiaries (note 37)	收購附屬公司(附註37)	—	(441,396)	—	(441,396)
At 31 December 2016	於二零一六年十二月三十一日	(61,677)	(593,085)	(1,485)	(656,247)

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of RMB8,977,000 (2015: nil) in respect of losses amounting to RMB53,535,000 (2015: nil) that with no expiry date.

33. 遞延所得稅(續)

遞延所得稅負債

就稅項虧損結轉確認的遞延所得稅資產乃以在日後可能實現應課稅溢利的有關稅項利益金額為限。本集團並無就為數人民幣53,535,000元(二零一五年：零)的虧損(無到期日)確認遞延所得稅資產人民幣8,977,000元(二零一五年：零)。

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合併財務報表附註

34. PROVISIONS

34. 撥備

		Maintenance costs 維修成本 RMB' 000 人民幣千元 (note a) (附註 a)	Employee benefit 僱員福利 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
At 1 January 2015	於二零一五年一月一日	10,480	3,928	14,408
Acquisition of subsidiaries	收購附屬公司	9,559	—	9,559
Amortised to consolidated statement of profit or loss (note 10)	攤銷至合併損益表 (附註 10)	1,912	—	1,912
Paid during the year	年內已付款項	—	(88)	(88)
At 31 December 2015	於二零一五年十二月三十一日	21,951	3,840	25,791
At 1 January 2016	於二零一六年一月一日	21,951	3,840	25,791
Acquisition of subsidiaries	收購附屬公司	27,904	—	27,904
Provision capitalised in intangible assets	於無形資產中將撥備撥作資本	21,057	—	21,057
Amortised to consolidated statement of profit or loss (note 10)	攤銷至合併損益表 (附註 10)	4,050	—	4,050
Paid during the year	年內已付款項	—	(85)	(85)
At 31 December 2016	於二零一六年十二月三十一日	74,962	3,755	78,717

(a) Pursuant to the service concession agreements entered into by the Group, the Group has the contractual obligations to maintain the facilities it operates to specified level of serviceability and/or to restore the plants to a specified conditions before they are handed over to the Grantors at the end of the service concession period. These contractual obligations to maintain or restore the facilities, except for any upgrade elements, are recognised and measured at the best estimate of the expenditure that would be required to settle the present obligation at the end of the year.

(a) 根據本集團訂立的服務特許經營協議，本集團的合約責任為保養其經營的設施，確保符合特定的可提供服務水平及／或於服務特許經營期結束時，在移交廠房予授予人之前，將其修復至指定狀態。該等保養或修復設施的合約責任(任何改造部分除外)乃按年末履行當前責任所需支出的最佳估計值確認與計量。

Notes to the Consolidated Financial Statements
合併財務報表附註

35. CASH USED IN OPERATIONS

35. 經營所用現金

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Profit before income tax	所得稅前溢利	516,734	382,869
Adjustments for:	就以下各項作出調整：		
– Bad debt provision	– 壞賬撥備	18,362	2,412
– Amortisation of investment properties	– 投資物業攤銷	747	329
– Amortisation of land use rights	– 土地使用權攤銷	3,920	3,470
– Amortisation of intangible assets	– 無形資產攤銷	111,044	11,137
– Depreciation of property, plant and equipment	– 物業、廠房及設備折舊	94,506	59,530
– Share of profit of investments accounted for using the equity method	– 以權益法入賬的應佔投資溢利	(42,411)	(4,896)
– Finance costs - net	– 融資成本淨額	196,205	50,962
– Disposal (gain)/loss of property, plant and equipment and land use rights (note a)	– 出售物業、廠房及設備以及土地使用權(收益)/虧損(附註 a)	(8,387)	70
– Negative goodwill	– 負商譽	—	(12,472)
Changes in working capital (excluding the effects of acquisition and currency translation differences on consolidation)	營運資金變動(不包括收購及合併入賬時匯兌差額的影響)		
– Inventories	– 存貨	(14,649)	(2,238)
– Amounts due from customers for contract works	– 就合約工程應收客戶款項	(156,469)	(209,393)
– Trade and other receivables and receivables under concession arrangements	– 貿易及其他應收款項以及特許經營安排下的應收款項	(1,978,954)	(1,062,438)
– Trade and other payables	– 貿易及其他應付款項	435,781	105,561
– Deferred income	– 遞延收入	31,353	(6,873)
Cash used in operations	經營所用現金	(792,218)	(681,970)

Notes to the Consolidated Financial Statements

合併財務報表附註

35. CASH USED IN OPERATIONS (Cont'd)

- (a) In the consolidated statement of cash flows, proceeds from sale of property, plant and equipment and land use rights comprise:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Net book amount	賬面淨值	7,407	2,904
Gain/(loss) on disposal of property, plant and equipment and land use rights	出售物業、廠房及設備以及土地使用權收益/(虧損)	8,387	(70)
Cash received from prior year's disposal	自過往年度出售收取的現金	211	4,000
Proceeds from disposal of property, plant and equipment and land use rights	出售物業、廠房及設備以及土地使用權所得款項	16,005	6,834

36. COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for but not yet incurred as of 31 December 2016 is as follows:

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Property, plant and equipment and concession projects	物業、廠房及設備及特許經營項目	2,368,788	898,701
Equity investments	權益投資	2,314,454	912,072

35. 經營所用現金(續)

- (a) 於現金流量表內，銷售物業、廠房及設備以及土地使用權所得款項包括：

36. 承擔

(a) 資本承擔

截至二零一六年十二月三十一日已訂約但尚未產生的資本支出如下：

Notes to the Consolidated Financial Statements

合併財務報表附註

36. COMMITMENTS (Cont'd)

(b) Operating lease commitments – Group as lessee

The Group has leased various offices and warehouses under non-cancellable operating lease agreements. The lease terms are between 1 and 10 years.

The Group had future aggregate minimum lease rental payments under non-cancellable operating leases as follows:

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Within one year	一年以內	7,089	6,500
One to five years	一至五年	5,846	6,074
Over five years	五年以上	1,123	450
		14,058	13,024

(c) Other commitments

The Group's other commitments in relation to its investment in a joint venture are depicted in note 15(a).

37. BUSINESS COMBINATION

The Group has completed several business combinations during the year ended 31 December 2016. The acquired businesses have contributed revenues of RMB301,703,000 and net profit of RMB20,603,000 to the Group for the period from acquisition date to 31 December 2016. Had the business combinations been completed at 1 January 2016, the consolidated statement of profit or loss of the Group for the year ended 31 December 2016 would show pro-forma revenue of RMB3,049,732,000 and net profit of RMB415,191,000.

36. 承擔(續)

(b) 經營租賃承擔 – 本集團作為承租人

本集團根據不可撤銷經營租賃協議租賃多個辦公室及倉庫。租賃期為1至10年。

本集團根據不可撤銷經營租約擁有的未來最低租金付款總額如下：

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Within one year	一年以內	7,089	6,500
One to five years	一至五年	5,846	6,074
Over five years	五年以上	1,123	450
		14,058	13,024

(c) 其他承擔

本集團對合營公司的其他承擔事項已列述於附註15(a)。

37. 業務合併

本集團於截至二零一六年十二月三十一日止年度已完成多項業務合併。自收購日期至二零一六年十二月三十一日止期間，已收購業務為本集團貢獻收益人民幣301,703,000元及純利人民幣20,603,000元。倘業務於二零一六年一月一日已完成，本集團於截至二零一六年十二月三十一日止年度的合併損益表將顯示備考收益人民幣3,049,732,000元及純利人民幣415,191,000元。

Notes to the Consolidated Financial Statements 合併財務報表附註

37. BUSINESS COMBINATION (Cont'd)

Set out below are the summarised information of the completed business combinations during 2016.

37. 業務合併(續)

下文載列於二零一六年完成的業務合併的概要資料。

	Future International (note a)	Harbin Guo huan Medical Solid Waste Harmless Centralized Disposal Center Co., Ltd. ("Guo Huan") (note b)	Harbin Yun Shui (note c)	Ruili Water Supply and Drainage Co., Ltd. ("Ruili Water") (note d)	Greentech Energy Solutions Pte. Ltd. ("Greentech") (note e)	Lvliang Water (note f)	Others (note g)	Total	
	購澤 (附註 a)	哈爾濱國環醫藥固體廢物無害化集中處置中心有限公司 (「國環」) (附註 b)	哈爾濱雲水 (附註 c)	瑞麗市供排水有限公司 (「瑞麗供排水」) (附註 d)	(「Greentech」) (附註 e)	呂梁供水 (附註 f)	其他 (附註 g)	總計	
	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	
Consideration:	代價:								
- Cash	- 現金	200,000	290,619	158,000	122,500	233,723	122,550	173,345	1,300,737
- Unpaid consideration	- 未付代價	92,500	23	—	52,500	—	6,450	46,115	197,588
Total Consideration	總代價	292,500	290,642	158,000	175,000	233,723	129,000	219,460	1,498,325
Fair value of identifiable net assets acquired	所收購可識別淨資產的公平值								
Cash and cash equivalents	現金及現金等價物	11,563	5,217	12,004	3,073	182	213	6,515	38,767
Restricted cash	受限制現金	293,000	—	—	—	—	—	—	293,000
Trade and other receivables	貿易及其他應收款項	518,131	4,370	161,490	24,093	14,065	1,803	22,380	746,332
Receivables under service concession arrangements	服務特許經營安排下的應收款項	—	—	—	—	—	—	502,806	502,806
Property, plant and equipment	物業、廠房及設備	1,569	103,826	265,778	748	1,211	150,543	1,495	525,170
Intangible assets	無形資產	800,078	328,301	100,793	381,243	290,470	150,756	5,627	2,057,268
Deferred income tax assets	遞延所得稅資產	74,414	—	32,741	17,700	—	—	—	124,855
Other assets	其他資產	3,594	6,124	53,594	76,061	—	2,570	4,848	146,791
Borrowings	借款	(206,300)	(1,980)	(48,000)	(17,500)	—	—	(71,129)	(344,909)
Trade and other payables	貿易及其他應付款項	(675,367)	(72,442)	(307,647)	(183,998)	(2,907)	(83,600)	(176,548)	(1,502,509)
Provision	撥備	(27,904)	—	—	—	—	—	—	(27,904)
Deferred income tax liabilities	遞延所得稅負債	(139,189)	(85,459)	(41,701)	(38,653)	(67,474)	(40,093)	(28,827)	(441,396)
Deferred Income	遞延收入	(268,403)	(2,010)	(88,908)	(87,767)	—	—	—	(447,088)
Total identifiable net assets	可識別淨資產總額	385,186	285,947	140,144	175,000	235,547	182,192	267,167	1,671,183
Non-controlling interests	非控股權益	(134,815)	—	(35,808)	—	(10,693)	(53,192)	(47,707)	(282,215)
		250,371	285,947	104,336	175,000	224,854	129,000	219,460	1,388,968
Goodwill	商譽	42,129	4,695	53,664	—	8,869	—	—	109,357

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37. BUSINESS COMBINATION (Cont'd)

- (a) Future International is principally engaged in water supply in the PRC. On 8 January 2016, the Group acquired 65% equity interest of Future International from an independent third party.
- (b) Guo Huan is principally engaged in solid waste treatment in the PRC. On 2 June 2016, the Group acquired 100% equity interest of Guo Huan from an independent third party.
- (c) Harbin Yun Shui (formerly known as “Harbin Chenenergy & Hit Environmental Technology Co., Ltd.”) is principally engaged in solid waste treatment in the PRC. On 4 August 2016, the Group acquired 75.51% equity interest of Harbin Yun Shui from independent third parties.
- (d) Ruili Water is principally engaged in water supply and wastewater treatment in the PRC. On 7 September 2016, the Group acquired 100% equity interest of Ruili Water from independent third parties.
- (e) Greentech is principally engaged in solid waste treatment and power generation in Surabaya, Indonesia. On 28 September 2016, the Group acquired 100% equity interest of Greentech from an independent third party.
- (f) Lvliang Water is principally engaged in water supply in the PRC. On 21 October 2016, the Group acquired 70% equity interest of Lvliang Water from an independent third party.
- (g) Others represent eight completed acquisitions in water supply, wastewater treatment industry in the PRC. The fair value of acquired net assets and goodwill of these business combinations are not material to the Group.

Acquisition-related costs of above business combinations were charged to the administrative expenses and were not material to the Group.

The goodwill of RMB109,357,000 arises from a number of factors including expected efficiencies in the business of the subsidiaries after the acquisitions, which cannot be separately recognised as an intangible asset.

37. 業務合併(續)

- (a) 暉澤主要在中國從事供水。於二零一六年一月八日，本集團向一名獨立第三方收購暉澤的65%股權。
- (b) 國環主要在中國從事固廢處理。於二零一六年六月二日，本集團向一名獨立第三方收購國環的100%股權。
- (c) 哈爾濱雲水(前稱「哈爾濱辰能工大環保科技股份有限公司」)主要在中國從事固廢處理。於二零一六年八月四日，本集團向一名獨立第三方收購哈爾濱雲水的75.51%股權。
- (d) 瑞麗供排水主要在中國從事供水及污水處理。於二零一六年九月七日，本集團向一名獨立第三方收購瑞麗供排水的100%股權。
- (e) Greentech主要在印尼泗水從事固廢處理及發電。於二零一六年九月二十八日，本集團向一名獨立第三方收購Greentech的100%股權。
- (f) 呂梁供水主要在中國從事供水。於二零一六年十月二十一日，本集團向一名獨立第三方收購呂梁供水的70%股權。
- (g) 其他指在中國供水、污水處理行業的八項已完成收購事項。所收購資產淨值的公平值及該等業務合併的商譽對本集團而言並不重大。

上述業務合併的收購相關成本已於行政開支扣除且對本集團而言並不重大。

人民幣109,357,000元的商譽乃產生自多項因素，包括收購後附屬公司業務的預期效率，這不能分開確認為無形資產。

38 RELATED PARTY TRANSACTIONS

38. 關聯方交易

(a) Name and relationship with related parties

(a) 關聯方的名稱及與關聯方的關係

Name 名稱	Relationship 關係
Yunnan Province Water Industry Investment Co., Ltd. ("Yunnan Province Water") 雲南省水務產業投資有限公司(「雲南省水務」)	Shareholder of the Company 本公司股東
Beijing OriginWater Technology Co., Ltd. ("Beijing OriginWater") 北京碧水源科技股份有限公司(「北京碧水源」)	Shareholder of the Company 本公司股東
Wenshan Water (note i) 文山州水務產業投資有限公司(「文山水務」)(附註 i)	Joint venture of the Group before 30 December 2015 本集團於二零一五年十二月三十日前的合營企業
GNS GNS	Joint venture of the Group 本集團的合營企業
Yunnan Metropolitan Construction Investment Co., Ltd. ("YMCI") 雲南省城市建設投資集團有限公司(「雲南城投集團」)	Shareholder of Yunnan Province Water
Jinghong Municipal Investment and Development Co., Ltd. ("Jinghong Investment") 景洪市城投有限公司(「景洪城投」)	雲南省水務的股東 Fellow subsidiary 同系附屬公司
Yunnan Chengjiang Eagle Tourist Resort Co., Ltd. ("Yunnan Chengjiang Eagle") 雲南澄江老鷹地旅遊度假村有限公司(「雲南澄江老鷹地」)	Fellow subsidiary 同系附屬公司
Yunnan City Voted Erhai Real Estate Limited. ("Yunnan Erhai Estate") 雲南城投洱海置業有限公司(「雲南洱海置業」)	Fellow subsidiary 同系附屬公司
Kunming NO.1 Construction Group Co., LTD ("Kunming NO.1 Construction") 昆明一建建設集團有限公司(「昆明一建」)	Fellow subsidiary 同系附屬公司

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38 RELATED PARTY TRANSACTIONS (Cont'd)

38. 關聯方交易(續)

(a) Name and relationship with related parties (Cont'd)

(a) 關聯方的名稱及與關聯方的關係(續)

Name 名稱	Relationship 關係
Yunnan City Voted Banna Investment and Development Co., Ltd. ("Banna Investment") 雲南城投版納投資開發有限公司(「版納投資」)	Fellow subsidiary 同系附屬公司
Yunnan City Voted Longjiang Real Estate Limited ("Yunnan Longjiang Estate") 雲南城投龍江房地產開發有限公司(「雲南龍江房地產」)	Fellow subsidiary 同系附屬公司
ZTE Yunnan City Investment Information Technology Co. Ltd. ("ZTE Yunnan City Investment") 雲南中興城投信息技術有限公司(「雲南中興城投」)	Fellow subsidiary 同系附屬公司
Kunming University Of Science And Technology Oxbridge College ("Kunming Oxbridge College") 昆明理工大學津橋學院(「昆明津橋學院」)	Fellow subsidiary 同系附屬公司
Yunnan City Voted Chinese Business Family Investment and Development Co., Ltd. ("Yunnan Chinese Business Family") 雲南城投華商之家投資開發有限公司(「雲南華商之家」)	Fellow subsidiary 同系附屬公司
Yunnan Circular Economy Investment Co., Ltd ("Circular Economy") 雲南市循環經濟投資有限公司(「循環經濟」)	Fellow subsidiary 同系附屬公司
Caiyun International Investment Limited ("Caiyun Investment") 彩雲國際投資有限公司(「彩雲投資」)	Fellow subsidiary 同系附屬公司
YCIH (note ii) 雲南省建設投資控股集團有限公司及其附屬公司(「雲南建設集團」)(「YCIH」)(附註 ii)	State-owned enterprise 國有企業

38 RELATED PARTY TRANSACTIONS (Cont'd)

(a) Name and relationship with related parties (Cont'd)

- (i) Wenshan Water became a wholly owned subsidiary of the Company since 30 December 2015. Before that, it was a joint venture of the Group.
- (ii) On 19 April 2016, Yunnan Construction Engineering Group Co., Ltd. merged with The 14th Metallurgical Construction Corporation Ltd., both of which are state-owned enterprises and related parties of the Group. The merged group was renamed to Yunnan Construction and Investment Holding Group Co., Ltd.

(b) Transactions with related parties

During the years ended 31 December 2016 and 2015, the Group had the following significant transactions with related entities which are carried out on terms agreed with the counter parties in the ordinary course of business:

(i) Purchase of goods and construction services

		2016	2015
		二零一六年	二零一五年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
YCIH	雲南建投集團	697,604	554,869
Beijing OriginWater	北京碧水源	4,821	5,018
ZTE Yunnan City Investment	雲南中興城投	888	824
		703,313	560,711

38. 關聯方交易(續)

(a) 關聯方的名稱及與關聯方的關係(續)

- (i) 文山水務自二零一五年十二月三十日起成為本公司的全資附屬公司。在此之前，其為本集團的合營公司。
- (ii) 於二零一六年四月十九日，雲南建工集團有限公司與十四冶建設集團有限公司合併，兩者均為國有企業及本集團的關聯方。合併集團更名為雲南省建設投資控股集團有限公司。

(b) 與關聯方進行的交易

於截至二零一六年及二零一五年十二月三十一日止年度，本集團與關聯實體按對手方的正常業務過程中協定的條款進行了以下重大交易：

(i) 購買貨品及建設服務

Year ended 31 December
截至十二月三十一日止年度

		2016	2015
		二零一六年	二零一五年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
YCIH	雲南建投集團	697,604	554,869
Beijing OriginWater	北京碧水源	4,821	5,018
ZTE Yunnan City Investment	雲南中興城投	888	824
		703,313	560,711

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38 RELATED PARTY TRANSACTIONS (Cont'd)

(b) Transactions with related parties (Cont'd)

(ii) Sales of goods

		Year ended 31 December 截至十二月三十一日止年度	
		2016	2015
		二零一六年	二零一五年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
YCIH	雲南建投集團	732,678	188,049
Yunnan Erhai Estate	雲南洱海置業	1,695	300
Yunnan Chinese Business Family	雲南華商之家	1,023	—
Yunnan Chengjiang Eagle	雲南澄江老鷹地	945	313
Banna Investment	版納投資	843	—
Yunnan Longjiang Estate	雲南龍江房地產	134	3,195
Kunming NO.1 Construction	昆明一建	—	15,488
Kunming Oxbridge College	昆明津橋學院	30	1,080
		737,348	208,425

(iii) Sales of land use rights and property, plant and equipment

		Year ended 31 December 截至十二月三十一日止年度	
		2016	2015
		二零一六年	二零一五年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Circular Economy	循環經濟	—	2,959

38. 關聯方交易(續)

(b) 與關聯方進行的交易(續)

(ii) 銷售貨品

		Year ended 31 December 截至十二月三十一日止年度	
		2016	2015
		二零一六年	二零一五年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
YCIH	雲南建投集團	732,678	188,049
Yunnan Erhai Estate	雲南洱海置業	1,695	300
Yunnan Chinese Business Family	雲南華商之家	1,023	—
Yunnan Chengjiang Eagle	雲南澄江老鷹地	945	313
Banna Investment	版納投資	843	—
Yunnan Longjiang Estate	雲南龍江房地產	134	3,195
Kunming NO.1 Construction	昆明一建	—	15,488
Kunming Oxbridge College	昆明津橋學院	30	1,080
		737,348	208,425

(iii) 銷售土地使用權及物業、廠房及設備

		Year ended 31 December 截至十二月三十一日止年度	
		2016	2015
		二零一六年	二零一五年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Circular Economy	循環經濟	—	2,959

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38 RELATED PARTY TRANSACTIONS (Cont'd)

(b) Transactions with related parties (Cont'd)

(iv) *Purchase of land use rights and property, plant and equipment*

		Year ended 31 December 截至十二月三十一日止年度	
		2016	2015
		二零一六年	二零一五年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Circular Economy	循環經濟	2,959	—

(v) *Transactions under business arrangement*

		Year ended 31 December 截至十二月三十一日止年度	
		2016	2015
		二零一六年	二零一五年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Funds from related parties	關聯方提供資金		
– Caiyun Investment (note 38(d)(iii))	– 彩雲投資 (附註 38(d)(iii))	208,240	—
– Jinghong Investment	– 景洪城投	970	1,173
– YMCI	– 雲南城投集團	—	658
– YCIH	– 雲南建投集團	—	300
– Yunnan Province Water	– 雲南省水務	—	235
		209,210	2,366

38. 關聯方交易(續)

(b) 與關聯方進行的交易(續)

(iv) *購買土地使用權及物業、廠房及設備*

		Year ended 31 December 截至十二月三十一日止年度	
		2016	2015
		二零一六年	二零一五年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Circular Economy	循環經濟	2,959	—

(v) *業務安排下的交易*

		Year ended 31 December 截至十二月三十一日止年度	
		2016	2015
		二零一六年	二零一五年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Funds from related parties	關聯方提供資金		
– Caiyun Investment (note 38(d)(iii))	– 彩雲投資 (附註 38(d)(iii))	208,240	—
– Jinghong Investment	– 景洪城投	970	1,173
– YMCI	– 雲南城投集團	—	658
– YCIH	– 雲南建投集團	—	300
– Yunnan Province Water	– 雲南省水務	—	235
		209,210	2,366

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38 RELATED PARTY TRANSACTIONS (Cont'd)

(b) Transactions with related parties (Cont'd)

(v) Transactions under business arrangement (Cont'd)

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Funds to related parties	向關聯方提供資金		
– GNS (note 38(d) (i))	– GNS(附註38(d) (i))	476,488	—
– Jinghong Investment	– 景洪城投	970	1,173
– YCIH	– 雲南建投集團	268	—
– Beijing OriginWater	– 北京碧水源	—	229
		477,726	1,402

(vi) Interest income and interest expense

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Interest income of funds to related parties	向關聯方提供資金的利息收入		
– GNS	– GNS	5,633	—
– Wenshan Water	– 文山水務	—	4,552
		5,633	4,552
Interest expense of funds from related parties	關聯方提供資金的利息開支		
– Caiyun Investment	– 彩雲投資	1,464	—

38. 關聯方交易(續)

(b) 與關聯方進行的交易(續)

(v) 業務安排下的交易(續)

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Funds to related parties	向關聯方提供資金		
– GNS (note 38(d) (i))	– GNS(附註38(d) (i))	476,488	—
– Jinghong Investment	– 景洪城投	970	1,173
– YCIH	– 雲南建投集團	268	—
– Beijing OriginWater	– 北京碧水源	—	229
		477,726	1,402

(vi) 利息收入及利息開支

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Interest income of funds to related parties	向關聯方提供資金的利息收入		
– GNS	– GNS	5,633	—
– Wenshan Water	– 文山水務	—	4,552
		5,633	4,552
Interest expense of funds from related parties	關聯方提供資金的利息開支		
– Caiyun Investment	– 彩雲投資	1,464	—

Notes to the Consolidated Financial Statements 合併財務報表附註

38 RELATED PARTY TRANSACTIONS (Cont'd)

(b) Transactions with related parties (Cont'd)

(vii) Key management compensation

Key management includes executive directors. The compensation paid or payable to key management for employee services is shown below:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Salaries and other benefits	薪金及其他福利	7,740	5,735

(viii) Guarantee

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Guarantee provided by related parties in respect of the borrowings of the Group – Jinghong Investment	關聯方就本集團借款提供的擔保 — 景洪城投	7,500	15,000

The related parties have not charged the Group any fee for providing the above guarantee to the Group.

關聯方並無就向本集團提供上述擔保收取本集團任何費用。

38. 關聯方交易(續)

(b) 與關聯方進行的交易(續)

(vii) 主要管理人員薪酬

主要管理層包括執行董事。就僱員服務已付或應付主要管理人員的薪酬如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Salaries and other benefits	薪金及其他福利	7,740	5,735

(viii) 擔保

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Guarantee provided by related parties in respect of the borrowings of the Group – Jinghong Investment	關聯方就本集團借款提供的擔保 — 景洪城投	7,500	15,000

The related parties have not charged the Group any fee for providing the above guarantee to the Group.

關聯方並無就向本集團提供上述擔保收取本集團任何費用。

38 RELATED PARTY TRANSACTIONS (Cont'd)

(c) Transactions with other state-owned enterprises

In accordance with HKAS 24 “Related Party Disclosures”, state-owned enterprises and their subsidiaries, directly or indirectly controlled by the PRC Government are regarded as related parties of the Group.

The Group operates in an economic environment predominated by state-owned enterprises. During the years ended 31 December 2016 and 2015, the Group had transactions with state-owned enterprises including, but not limited to, operating services, construction services and equipment sales.

These transactions are conducted in the ordinary course of the Group’s business on terms comparable to those with other entities that are not state-owned. The Group has established its pricing strategy and approval process for purchase and sales of products and services. Such pricing strategy approval processes are consistently applied regardless of the counterparties are state-owned entities or not. Having due regard to the substance of the relationships, the directors of the Company are of the opinion that none of these transactions are material related party transactions that require separate disclosure except for the transactions with YCIH as disclosed above.

38. 關聯方交易(續)

(c) 與其他國有企業進行的交易

根據香港會計準則第24號「關聯方披露」，由中國政府直接或間接控制的國有企業及其附屬公司被視為本集團的關聯方。

本集團在由國有企業控制的經濟環境中經營業務。於截至二零一六年及二零一五年十二月三十一日止年度，本集團與國有企業進行的交易包括(但不限於)運營服務、建設服務及設備銷售。

此等交易乃在本集團的日常業務過程中按可與其他非國有實體所訂立者比較的條款進行。本集團已建立買賣產品及服務的定價策略及批准流程。有關定價策略批准流程貫徹採用，而不論對手方是否為國有實體。經適當考慮有關關係的實質後，本公司董事認為此等交易概非須進行獨立披露的重大關聯方交易，惟上文所披露與雲南建投集團進行的交易除外。

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38 RELATED PARTY TRANSACTIONS (Cont'd)

38. 關聯方交易(續)

(d) Balance with related parties

(d) 與關聯方的結餘

		As at 31 December	
		於十二月三十一日	
		2016	2015
		二零一六年	二零一五年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Trade receivables - current	貿易應收款項 - 即期		
- YCIH	- 雲南建投集團	1,012,993	272,312
- Kunming NO.1 Construction	- 昆明一建	5,077	6,946
- Yunnan Erhai Estate	- 雲南洱海置業	3,533	2,260
- Yunnan Chengjiang Eagle	- 雲南澄江老鷹地	2,337	2,502
- Yunnan Longjiang Estate	- 雲南龍江房地產	485	1,078
- Yunnan Chinese Business Family	- 雲南華商之家	260	—
		1,024,685	285,098

The balances are denominated in RMB, unsecured, interest free and with credit periods of 90 to 180 days.

結餘以人民幣計值、無抵押、免息及享有90至180天的信貸期。

		As at 31 December	
		於十二月三十一日	
		2016	2015
		二零一六年	二零一五年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Prepayments for purchase of goods	購買貨品預付款		
- Beijing OriginWater	- 北京碧水源	25,064	24,560
- YCIH	- 雲南建投集團	—	83,519
- ZTE Yunnan City Investment	- 雲南中興城投	—	699
		25,064	108,778

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合併財務報表附註

38 RELATED PARTY TRANSACTIONS (Cont'd)

(d) Balance with related parties (Cont'd)

		As at 31 December	
		於十二月三十一日	
		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Other receivables	其他應收款項		
- GNS (note i)	- GNS(附註 i)	482,378	—
- YCIH (note ii)	- 雲南建投集團(附註 ii)	6,378	6,111
- Kunming NO.1 Construction (note ii)	- 昆明一建(附註 ii)	25	—
		488,781	6,111

- (i) Pursuant to the shareholder's loan agreement with GNS, the Group granted an unsecured shareholder's loan with a principal of US\$68,645,000 (equivalent to RMB476,488,000) to GNS with interest rate at 4.80% per annum. The amounts due from GNS of US\$56,143,000 (equivalent to RMB389,706,000) and US\$12,502,000 (equivalent to RMB86,782,000) are repayable by 21 March 2017 and 25 October 2019, respectively.

As at 31 December 2016, interest receivables of the aforesaid shareholder's loan amounted to RMB5,890,000.

- (ii) The balances are unsecured and interest free. The amounts due from YCIH and Kunming NO.1 Construction are denominated in RMB and repayable on demand.

38. 關聯方交易(續)

(d) 與關聯方的結餘(續)

- (i) 根據與GNS的股東貸款協議，本集團向GNS授出一項本金額為68,645,000美元(相當於人民幣476,488,000元)年利率為4.80%的無抵押股東貸款。應收GNS的款項56,143,000美元(相當於人民幣389,706,000元)及12,502,000美元(相當於人民幣86,782,000元)乃分別應於二零一七年三月二十一日及二零一九年十月二十五日償還。

於二零一六年十二月三十一日，上述股東貸款的利息應收款項為人民幣5,890,000元。

- (ii) 結餘為無抵押及免息。應收雲南建投集團及昆明一建的款項以人民幣計值且須按要求償還。

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38 RELATED PARTY TRANSACTIONS (Cont'd)

(d) Balance with related parties (Cont'd)

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Trade payables - current	貿易應付款項－即期		
– YCIH	– 雲南建投集團	528,526	126,292
– Beijing OriginWater	– 北京碧水源	3,096	3,346
– ZTE Yunnan City Investment	– 雲南中興城投	52	—
		531,674	129,638

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Advance from customers	客戶墊款		
– YCIH	– 雲南建投集團	502	—
– Banna Investment	– 版納投資	—	690
		502	690

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合併財務報表附註

38 RELATED PARTY TRANSACTIONS (Cont'd)

(d) Balance with related parties (Cont'd)

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Other payables	其他應付款項		
- Caiyun Investment (note iii)	- 彩雲投資(附註 iii)	208,799	—
- YCIH (note iv)	- 雲南建投集團 (附註 iv)	1,130	14,413
- Yunnan Province Water (note iv)	- 雲南省水務(附註 iv)	624	624
		210,553	15,037

(iii) The balance mainly represented a fund granted from a related party of RMB208,240,000, which is denominated in US\$, unsecured, repayable in March 2017, and bear interest at 4.20% per annum.

(iv) The balances are denominated in RMB, unsecured, interest free and repayable on demand.

38. 關聯方交易(續)

(d) 與關聯方的結餘(續)

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Other payables	其他應付款項		
- Caiyun Investment (note iii)	- 彩雲投資(附註 iii)	208,799	—
- YCIH (note iv)	- 雲南建投集團 (附註 iv)	1,130	14,413
- Yunnan Province Water (note iv)	- 雲南省水務(附註 iv)	624	624
		210,553	15,037

(iii) 結餘主要指關聯方授出的資金人民幣208,240,000元，該款項以美元計值、無抵押及須於二零一七年三月償還，按年利率4.20%計息。

(iv) 結餘以人民幣計值、免息及須按要求償還。

39. EVENTS AFTER THE BALANCE SHEET DATE

As stated in note 15, pursuant to the SPA dated on 26 October 2016, the Group has conditionally agreed to purchase the remaining 50% equity interest in GNS from another third party at a cash consideration of US\$136,500,000 (equivalent to approximately RMB905,159,000). On 15 March 2017 the Acquisition was completed and GNS became a wholly owned subsidiary of the Group. Details of the financial information of this business combination are not disclosed, as the accounting for this acquisition is still incomplete at the time the financial statements have been approved for issue. GNS will be consolidated with effect from 15 March 2017.

39. 資產負債表日後事項

如附註15所述，根據日期為二零一六年十月二十六日的買賣協議，本集團已有條件同意向另一名第三方購買GNS的餘下50%股權，現金代價為136,500,000美元(相當於約人民幣905,159,000元)。於二零一七年三月十五日，收購事項已完成且GNS成為本集團的全資附屬公司。該業務合併的財務資料詳情並無予以披露，原因為該收購事項的賬目在財務報表獲批准刊發之時仍未完成。GNS將自二零一七年三月十五日起合併入賬。

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合併財務報表附註

40. BALANCE SHEET OF THE COMPANY

40. 本公司資產負債表

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
ASSETS	資產		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	97,947	38,302
Receivables under service concession arrangements	服務特許經營安排下的應收款項	53,685	45,296
Investments in subsidiaries	於附屬公司的投資	4,422,838	2,642,425
Intangible assets	無形資產	5,885	—
Investments accounted for using the equity method	以權益法入賬的投資	37,341	34,925
Trade and other receivables	貿易及其他應收款項	7,015	6,975
Prepayments	預付款項	985,337	307,158
Available-for-sale financial assets	可供出售金融資產	76	—
Deferred income tax assets	遞延所得稅資產	34,028	9,748
		5,644,152	3,084,829
Current assets	流動資產		
Inventory	存貨	—	12
Trade and other receivables	貿易及其他應收款項	2,739,293	1,771,063
Prepayments	預付款項	2,047	34,479
Restricted cash	受限制現金	—	10,000
Cash and cash equivalents	現金及現金等價物	2,517,709	786,465
		5,259,049	2,602,019
Total assets	總資產	10,903,201	5,686,848

Notes to the Consolidated Financial Statements

合併財務報表附註

40. BALANCE SHEET OF THE COMPANY (Cont'd)

40. 本公司資產負債表(續)

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
EQUITY	權益		
Equity attributable to ordinary shareholders of the Company	本公司普通股股東應佔權益		
Share capital	股本	1,193,213	1,193,213
Other reserves (note a)	其他儲備(附註a)	2,238,581	2,223,956
Retained earnings (note a)	保留盈利(附註a)	134,313	121,834
		3,566,107	3,539,003
Perpetual capital instruments	永久資本工具	2,000,000	—
Total equity	總權益	5,566,107	3,539,003
LIABILITIES	負債		
Non-current liabilities	非流動負債		
Borrowings	借款	2,649,744	824,527
Deferred income	遞延收入	600	3,283
Deferred income tax liabilities	遞延所得稅負債	—	1,577
		2,650,344	829,387
Current liabilities	流動負債		
Borrowings	借款	1,987,367	751,600
Trade and other payables	貿易及其他應付款項	699,383	566,858
		2,686,750	1,318,458
Total liabilities	總負債	5,337,094	2,147,845
Total equity and liabilities	權益及負債總額	10,903,201	5,686,848

The balance sheet of the Company was approved by the Board of Directors of the Company on 30 March 2017 and was signed on its behalf.

本公司資產負債表由本公司董事會於二零一七年三月三十日批准並由其代為簽署。

Yu Long
Director

Liu Xujun
Director

于龍
董事

劉旭軍
董事

Notes to the Consolidated Financial Statements
合併財務報表附註

40. BALANCE SHEET OF THE COMPANY (Cont'd)

40. 本公司資產負債表(續)

(a) Movement of reserves and retained earnings

(a) 儲備變動及保留盈利

		Capital reserve	Statutory reserve	Retained earnings	Total
		股本儲備	法定儲備	保留盈利	總計
		RMB' 000	RMB' 000	RMB' 000	RMB' 000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
As at 1 January 2015	於二零一五年一月一日	1,138,958	15,011	6,857	1,160,826
Issue of ordinary shares	發行普通股	1,183,137	—	—	1,183,137
Shares issuance costs	股份發行成本	(126,438)	—	—	(126,438)
Transfer to statutory reserve	轉至法定儲備	—	13,288	(13,288)	—
Profit for the year	年度溢利	—	—	128,265	128,265
As at 31 December 2015	於二零一五年 十二月三十一日	2,195,657	28,299	121,834	2,345,790
As at 1 January 2016	於二零一六年一月一日	2,195,657	28,299	121,834	2,345,790
Profit for the year	年內溢利	—	—	146,425	146,425
Transfer to statutory reserve	轉至法定儲備	—	14,625	(14,625)	—
Dividends for the year ended 31 December 2015	截至二零一五年十二月 三十一日止年度的股息	—	—	(119,321)	(119,321)
As at 31 December 2016	於二零一六年 十二月三十一日	2,195,657	42,924	134,313	2,372,894

Notes to the Consolidated Financial Statements

合併財務報表附註

41. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and supervisors' emoluments

The emoluments of individual director and supervisors' of the Company paid/payable by the Group are presented as below:

(i) For the year ended 31 December 2016

41. 董事福利及權益

(a) 董事及監事的酬金

本集團已付／應付本公司個人董事及監事的酬金呈列如下：

(i) 截至二零一六年十二月三十一日止年度

Name of directors	董事姓名	Fees 袍金	Salaries, allowances and bonus 薪金、 津貼及 花紅	House allowances and other benefits 住房 津貼及 其他福利	Pension 退休金	Total 總計
Executive Directors 執行董事						
Mr. Yu Long (chief executive officer)	于龍先生 (行政總裁)	120	1,580	106	—	1,806
Mr. Liu Xujun	劉旭軍先生	120	528	97	—	745
Mr. Huang Yunjian	黃雲建先生	120	544	97	—	761
Mr. Dai Richeng (Appointed on 7 June 2016)	戴日成先生(於二零一六年 六月七日獲委任)	480	—	55	—	535
Non-executive Directors * 非執行董事*		—	—	—	—	—
Mr. Xu Lei (Resigned on 24 February 2017)	許雷先生(於二零一七年 二月二十四日辭任)	—	—	—	—	—
Mr. Wen Jianping (Resigned on 17 March 2016)	文劍平先生(於二零一六年 三月十七日辭任)	—	—	—	—	—
Mr. He Yuanping	何願平先生	—	—	—	—	—
Mr. Feng Zhuangzhi	馮壯志先生	—	—	—	—	—
Mr. Jiao Jun	焦軍先生	—	—	—	—	—
Supervisors 監事						
Ms. Yang Chuanyun	楊川雲女士	221	—	64	—	285
Ms. Wang Shuqin	王淑琴女士	—	—	—	—	—
Ms. Li Bo	李波女士	—	—	—	—	—
Mr. Tan Hairui	譚海銳先生	36	—	—	—	36
Mr. Cao Jinwen	曹晉文先生	36	—	—	—	36
Ms. Tang Shuang	唐爽女士	194	—	39	—	233

Notes to the Consolidated Financial Statements
合併財務報表附註

41. BENEFITS AND INTERESTS OF DIRECTORS (Cont'd)

(a) Directors' and supervisors' emoluments (Cont'd)

(i) For the year ended 31 December 2016 (Cont'd)

41. 董事福利及權益(續)

(a) 董事及監事的酬金(續)

(i) 截至二零一六年十二月三十一日止年度(續)

Name of directors	董事姓名	House				Total
		Fees	Salaries, allowances and bonus	allowances and other benefits	Pension	
		袍金	薪金、津貼及花紅	住房津貼及其他福利	退休金	總計
		RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Independent Non-executive Directors	獨立非執行董事					
Mr. Ma Shihao	馬世豪先生	100	—	—	—	100
Mr. Ren Gangfeng	任鋼鋒先生	100	—	—	—	100
Mr. Hu Song	胡松先生	100	—	—	—	100
Mr. Kwok For Chi	郭科志先生	179	—	—	—	179
		1,806	2,652	458	—	4,916

Notes to the Consolidated Financial Statements
合併財務報表附註

41. BENEFITS AND INTERESTS OF DIRECTORS (Cont'd)

(a) Directors' and supervisors' emoluments (Cont'd)

(ii) For the year ended 31 December 2015

Name of directors	董事姓名	Fees 袍金 RMB' 000 人民幣千元	Salaries, allowances and bonus 薪金、 津貼及 花紅 RMB' 000 人民幣千元	House	Pension 退休金 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
				allowances and other benefits 住房 津貼及 其他福利 RMB' 000 人民幣千元		
Executive Directors 執行董事						
Mr. Yu Long (chief executive officer)	于龍先生 (行政總裁)	120	1,380	92	—	1,592
Mr. Liu Xujun	劉旭軍先生	120	428	77	—	625
Mr. Huang Yunjian	黃雲建先生	120	444	77	—	641
		—	—	—	—	—
Non-executive Directors * 非執行董事*						
Mr. Xu Lei	許雷先生	—	—	—	—	—
Mr. Wen Jianping	文劍平先生	—	—	—	—	—
Mr. He Yuanping	何願平先生	—	—	—	—	—
Mr. Feng Zhuangzhi	馮壯志先生	—	—	—	—	—
Mr. Jiao Jun	焦軍先生	—	—	—	—	—
Supervisors 監事						
Ms. Yang Chuanyun	楊川雲女士	258	—	30	—	288
Ms. Wang Shuqin	王淑琴女士	—	—	—	—	—
Ms. Li Bo	李波女士	—	—	—	—	—
Mr. Tan Hairui	譚海銳先生	36	—	—	—	36
Mr. Cao Jinwen	曹晉聞先生	36	—	—	—	36
Ms. Tang Shuang	唐爽女士	141	—	24	—	165

41. 董事福利及權益(續)

(a) 董事及監事的酬金(續)

(ii) 截至二零一五年十二月三十一日止年度

Notes to the Consolidated Financial Statements
合併財務報表附註

41. BENEFITS AND INTERESTS OF DIRECTORS (Cont'd)

(a) Directors' and supervisors' emoluments (Cont'd)

(ii) For the year ended 31 December 2015 (Cont'd)

Name of directors	董事姓名	Fees 袍金 RMB' 000 人民幣千元	Salaries, allowances and bonus 薪金、 津貼及 花紅 RMB' 000 人民幣千元	House	Pension 退休金 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
				allowances and other benefits 住房 津貼及 其他福利 RMB' 000 人民幣千元		
Independent Non-executive Directors		獨立非執行董事				
Mr. Yao Yan Ping (Resigned on 20 April 2015)	姚恩平先生(於二零一五年四月二十日辭任)	—	—	—	—	—
Mr. Ma Shihao	馬世豪先生	100	—	—	—	100
Mr. Ren Gangfeng	任鋼鋒先生	100	—	—	—	100
Mr. Hu Song	胡松先生	100	—	—	—	100
Mr. Kwok For Chi	郭科志先生	117	—	—	—	117
		1,248	2,252	300	—	3,800

* There were no fees or other emoluments payable to non-executive directors during the year.

* 年內並無應付非執行董事的袍金或其他薪酬。

41. 董事福利及權益(續)

(a) 董事及監事的酬金(續)

(ii) 截至二零一五年十二月三十一日止年度(續)

41. BENEFITS AND INTERESTS OF DIRECTORS (Cont'd)

(b) Directors' retirement benefits and termination benefits

None of the directors received or will receive any retirement benefits or termination benefits for the year ended 31 December 2016 (2015: none).

(c) Consideration provided to third parties for making available directors' services

For the year ended 31 December 2016, the Group did not pay consideration to any third parties for making available directors' services (2015: nil).

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

As at 31 December 2016, there are no loans, quasi-loans and other dealing arrangements in favour of directors, controlled bodies corporate by and connected entities with such directors (2015: nil).

(e) The aggregate emoluments paid to or receivable by directors in respect of their services as directors of the Company for the year ended 31 December 2016 were RMB1,319,000 (2015: RMB777,000). The aggregate emoluments paid to or receivable by directors in respect of their other services in connection with the management of the affairs of the Company for the year ended 31 December 2016 were RMB3,007,000 (2015: RMB2,498,000).

41. 董事福利及權益(續)

(b) 董事的退休福利及離職福利

截至二零一六年十二月三十一日止年度，概無董事已收取或將收取任何退休福利或離職福利(二零一五年：無)。

(c) 就獲取董事服務而向第三方提供的代價

截至二零一六年十二月三十一日止年度，本集團並無就獲取董事服務向任何第三方支付代價(二零一五年：無)。

(d) 有關以董事、董事的受控制法團及關連實體為受益人的貸款、準貸款及其他交易的資料

於二零一六年十二月三十一日，概無以董事、董事的受控制法團及關連實體為受益人的貸款、準貸款及其他交易安排(二零一五年：無)。

(e) 董事就彼等於截至二零一六年十二月三十一日止年度擔任本公司董事已獲應付或應收的薪酬總額為人民幣1,319,000元(二零一五年：人民幣777,000元)。董事就彼等於截至二零一六年十二月三十一日止年度對管理本公司事務提供的其他服務已獲應付或應收的薪酬總額為人民幣3,007,000元(二零一五年：人民幣2,498,000元)。

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR
LOSS AND OTHER COMPREHENSIVE INCOME

簡明合併損益及其他綜合收益表

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元	2013 二零一三年 RMB' 000 人民幣千元	2012 二零一二年 RMB' 000 人民幣千元
Revenue	收益	2,865,890	1,558,394	1,100,761	688,734	398,521
Gross profit	毛利	879,500	507,622	333,637	260,739	139,677
Profit before income tax	所得稅前溢利	516,734	382,869	226,157	252,233	160,086
Profit for the year	年內溢利	414,266	317,443	187,896	200,856	126,111
Profit for the year attributable to: Ordinary shareholders of the Company	以下人士應佔溢利： 本公司普通股股東	388,093	285,853	166,587	193,683	120,043
Total comprehensive income for the year	年內全面收益 總額	389,746	318,419	187,804	200,856	126,111
Total comprehensive income attributable to: Ordinary shareholders of the Company	以下人士應佔全面 收益總額： 本公司普通股股東	363,573	286,829	166,495	193,683	120,043

CONDENSED CONSOLIDATED BALANCE SHEET

簡明合併資產負債表

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元	2013 二零一三年 RMB' 000 人民幣千元	2012 二零一二年 RMB' 000 人民幣千元
Assets	資產					
Total non-current assets	非流動資產總額	12,972,400	6,677,868	3,525,728	2,233,718	1,709,725
Total current assets	流動資產總額	7,085,974	2,924,423	1,494,211	1,323,691	1,057,503
Total assets	資產總額	20,058,374	9,602,291	5,019,939	3,557,409	2,767,228
Equity and liabilities	權益及負債					
Equity attributable to: Ordinary shareholders of the Company	以下應佔權益： 本公司普通股股東	4,240,569	4,058,423	2,384,246	2,068,251	1,432,395
Perpetual capital instruments	永久資本工具	2,000,000	—	—	—	—
Non-controlling interests	非控股權益	1,005,890	884,189	337,078	208,153	152,004
Total equity	權益總額	7,246,459	4,942,612	2,721,324	2,276,404	1,584,399
Non-current liabilities	非流動負債	7,111,213	2,469,257	1,080,945	330,216	383,955
Current liabilities	流動負債	5,700,702	2,190,422	1,217,670	950,789	798,874
Total liability	負債總額	12,811,915	4,659,679	2,298,615	1,281,005	1,182,829
Total equity and liabilities	總權益及負債	20,058,374	9,602,291	5,019,939	3,557,409	2,767,228

Environmental, Social & Governance Report

環境、社會及管治報告

In order to let the shareholders understand the ESG policies, measures and performance of the Group, we have prepared this Environmental, Social and Governance report (the “ESG Report”) that covers wastewater treatment, water supply and solid waste treatment in China during the Report Period of this Group according to the ESG Guide in Appendix 27 of the Listing Rules.

The Board is responsible for evaluating and determining the environmental, social and governance risks relating to the issuer and it has included the ESG matters in the risk management and internal monitoring system of the Group. Both the management and staff of the major affiliated companies and functional departments have participated in preparing the ESG Report, assisting the Group to examine its operation condition, identifying relevant ESG matters as well as evaluating the importance of the above to our businesses and to each stakeholder. The table below contains a summary of the major ESG matters to this Group during the Reporting Period:

本集團為讓各持股份者瞭解本集團有關 ESG 之政策、措施及表現，我們根據聯交所證券上市規則附錄二十七所載之 ESG 指引編製了本環境、社會及管治報告（「ESG 報告」），涵蓋本集團報告期間於中國之污水處理、供水及固廢處理業務。

董事會負責評估及釐定有關環境、社會及管治的風險，並已把 ESG 事宜包括在集團之風險管理及內部監控系統中。而各主要附屬公司以及各職能的管理層及員工均有參與編製 ESG 報告，協助集團檢討其運作情況及鑒別相關 ESG 事宜，並評估相關事宜對我們的業務以及各持股份者的重要性。下表載有對本集團於報告期內所屬重大的 ESG 事宜之摘要：

ESG Guide Abstract	ESG 指引提要	Major ESG Matters	重大 ESG 事宜
A. Environmental	A. 環境		
A1. Emissions	A1. 排放物	Air emissions, wastewater discharge, solid waste treatment and greenhouse gases emissions	廢氣、廢水及固廢處理與溫室氣體排放
A2. Use of Resources	A2. 資源使用	Energy and water consumption	能源及水消耗
A3. Environment and Natural Resources	A3. 環境及天然資源	Environment impact management	環境影響管理
B. Social	B. 社會		
B1. Employment	B1. 僱傭	Employee practices	僱員待遇
B2. Health and Safety	B2. 健康與安全	Workplace health and safety	職業健康與安全
B3. Development and Training	B3. 發展及培訓	Staff development and training	員工發展及培訓
B4. Labor Standards	B4. 勞工準則	Anti-child and forced labour	防止童工或強制勞工
B5. Supply Chain Management	B5. 供應鏈管理	Supply chain environment and social responsibility management	供應鏈環境及社會責任管理
B6. Product Responsibility	B6. 產品責任	Service quality and standard	服務品質及標準
B7. Anti-corruption	B7. 反貪污	Anti-bribery and anti-corruption	反賄賂及反貪污
B8. Community Investment	B8. 社區投資	Social contribution	社會公益

A. ENVIRONMENTAL

Since its incorporation, the Group has been specializing in the field of environmental protection and providing customers with solutions and core technology integration services that are stable, of high quality, customized and integrated, in the area of water supply, wastewater and solid waste treatment. Besides, the Group is actively playing its role as corporate citizen to fulfill its environmental protection responsibility, improve the eco-environment, promote sustainable development and create environmentally-friendly cities with technologies and funds, forging ahead with a strategic positioning as a leading municipal environmental protection integrated services provider in China.

The Group believes it is of great importance to comply with applicable environmental protection laws, regulations and policies for the long-term development and success of the Group. Therefore, we keep ourselves up-to-date on developments in local legislation and standards for environmental protection, analyze the latest applicable laws, regulations, policies as well as the best practices in this industry, and timely update our policies and procedures accordingly to ensure our environmental management is in line with the latest standards.

The Group is actively participating in environmental protection. All of our subsidiaries are required to strictly comply with our internal environmental protection policies and procedures, in order to meet the requirements set out in the local environmental laws and regulations. The Group was not aware of any material non-compliance cases in relation to environmental laws and regulations during the Reporting Period.

A. 環境

本集團自註冊成立以來一直專注並深耕於環保領域，以穩定、高品質的服務水準，為客戶提供訂制及綜合的供水、污水及固廢處理的整體解決方案和核心技術集成服務。集團積極扮演企業公民角色，奉行對環保的責任，致力改善生態環境品質，推動可持續發展，利用技術和資金，創造環境友好型城市，向中國領先的城市環境綜合服務商戰略定位穩步邁進。

本集團相信遵守相關環保法律法規及政策對本集團業務的長期發展及成功至關重要。因此，我們會持續瞭解行業的政策導向，分析最新的適用環保法律法規、政策及國內外行業最佳實踐，並及時更新我們與環保相關的管理制度，以確保我們的環境管理與時俱進。

本集團積極實踐環保工作，本集團所有附屬公司均需嚴格遵守集團內部有關環保的管理制度，並嚴格執行相關管理制度，滿足有關的法例規定。本集團於報告期間並無發現違反與環境有關之法律及規例之個案。

A1. Air emissions, wastewater discharge and solid waste treatment

As a pollution control enterprise, the Group is always committed to complying with relevant environmental protection laws, and regulations and policies in every production process. Besides, it incorporates sustainable development as the guiding principle in the decision-making process, takes the environmental impact of the project into consideration and emphasizes the harmony between human and nature instead of just pursuing economic benefits. The Group possesses industry-leading membrane technology, enabling it to effectively increase the quality of both the treated water and supplied water. Meanwhile, the Group is striving to develop new technologies in the field of solid waste treatment in order to meet the increasingly stringent standards for air emissions and wastewater generated during the solid waste treatment.

Air emissions and wastewater

The Group continues to innovate new treatment technologies and to optimize its production management system, aiming to effectively achieve the annual emission reduction targets for the operation project, and therefore has received government recognition and praise.

For odor generated from wastewater treatment treatment, we have planted greenbelts around the gas source and collected it for bio-treatment, in order to meet with the national emission standard. For hazardous gas generated from solid waste treatment, we have introduced and adopted international advanced technology and continued to enhance the treatment equipment to ensure that harmful components contained in the flue gas have been effectively removed and the emissions met the emission standards.

Wastewater generated from the operating facilities of sewage treatment and water supply mainly contains small amount of domestic sewage and equipment flushing water and will be discharged after processing and reaching the required standards. Wastewater generated from the solid waste treatment facilities have been recycled or be discharged into the municipal pipe network after processing, striving to achieve “Zero Discharge”.

A1. 廢氣、廢水及固廢處理

本集團作為治污環保企業，始終確保生產的各環節遵守相應的環保法律法規及政策，在經營決策中以可持續發展為指導原則，將項目對環境帶來的影響納入考慮因素，不片面追求經濟效益，注重人與自然的和諧共處。集團具有行業領先的膜技術，能有效提高處理後的污水和供水水質。同時，集團積極努力研發固廢處理領域的新技術，以適應固廢處理過程中所排放的廢氣及廢水等方面越發嚴格的標準。

廢氣及廢水

本集團不斷革新處理技術、完善生產管理制度，為運營項目所在地較好地完成每年的減排目標，由此獲得了各級政府的肯定和好評。

針對污水處理過程中產生的臭氣，我們採取在臭氣產生源周圍種植綠化隔離帶及將臭氣收集後進行生物處理等工藝方式，使其達到國家許可的排放標準。針對固廢處置過程中產生的有害氣體，我們引進國際先進技術，不斷對煙氣處理設備進行革新，確保有效去除煙氣中的有害成份，保證達標排放。

污水處理和供水設施運營中產生的廢水主要為少量生活污水和設備沖洗用水，經我們廠內污水處理設施處理達標後排放；我們固廢處理設施運營中產生的廢水，經廠內專用污水處理設施處理，達標後循環使用或排入市政管網，努力實現「零排放」。

Solid waste

The Group has established comprehensive policies for all kinds of solid wastes generated during the production process and has implemented a number of effective measures to reduce and properly disposed of the solid wastes.

For solid wastes such as sludge generated from wastewater treatment and water supply, we strictly follow relevant national laws, regulations, industrial standards and the requirements of environmental impact assessment report of the project. We have also established comprehensive production management and monitoring policies and systems, in order to manage the measurement, transportation and disposal of the solid waste to prevent secondary pollution. Besides, we possess an advanced membrane technology within the industry and have actively carried out research and development work in order to effectively reduce solid wastes generated during the operation process.

For solid wastes generated from solid waste treatment, we have classified or sealed them with warning signs in accordance with national laws and industry standards. All disposals of such solid wastes are carried out strictly in accordance with national policies, law & regulation and government-approved environmental impact assessment report.

For non-hazardous solid wastes generated in daily office operation, we have implemented measures to control the purchase amount of stationeries such as papers, and reminded the staff to preview the document on computer before printing and encouraged printing on both sides of the papers in order to reduce the paper consumption. We also advocate reuse of office stationeries including envelopes, files etc. Besides, we advocate that disposable tableware should not be used in the office and that chargeable electronic office equipments should be purchased in order to reduce usage of disposable batteries.

Carbon emission

The carbon emission of us is mainly generated from the consumption of the electricity. We have taken various energy conservation measures to reduce carbon emission. Please refer to the “Energy Consumption” section below for more details.

固廢

集團針對生產運營過程中產生的各類廢棄物制定了完善的管理制度，採取有效措施減低排放量並妥善處置。

針對污水處理及供水過程中產生的污泥等固體廢棄物，我們嚴格按照國家政策法規、行業標準，以及項目環境影響評價報告要求，制定完整的生產管理制度及過程監控制度，對固體廢棄物的計量、運輸和處置進行規範管理，確保不產生二次污染。同時，我們擁有當前行業內較為先進的膜核心技術，並積極開展研發工作，力爭有效減少運營過程中的固體廢棄物。

針對固廢處理過程中的固體廢棄物，集團嚴格按照國家政策及行業標準要求分類或密閉存放，並在顯眼處安裝警告標誌，所有固體廢棄物的處置均嚴格按照國家政策法規及經政府批准的環境影響評價報告要求開展。

針對辦公室日常運作所產生的無害固體廢棄物，我們對紙張等文具的購買量進行控制，提醒員工在電腦上預覽文檔後再列印，並鼓勵雙面列印，減少紙張浪費。我們亦提倡重複使用辦公文具，如信封、資料夾等用品。此外，我們鼓勵辦公室不使用紙杯等一次性餐具；同時亦鼓勵購買可充電的電子辦公設備，減少一次性電池的使用。

碳排放

我們的碳排放主要源自市電的消耗。我們已實施各種節能措施，以幫助減少相應的碳排放量。詳情請參考下文「能源消耗」一節。

A2. Energy and water consumption

As one of the leading integrated service provider in the wastewater treatment and water supply industries in Yunnan Province of China, the Group has always taken the environmental, social and governmental impact into consideration in the core operating practice and strictly controlled the resource consumption of each project according to the principle of economic operation aiming to increase the resource utilization rate.

The Group conducts daily monitoring and statistical analysis for each operating project to master and review the consumption of energy, water resource and raw materials, supervise and evaluate each project. In addition to complying with relevant national laws and regulations, the Group has also prepared a series of systems on internal monitoring, management and assessment, set the control target for total energy consumption and given early warning and fine-tuning to production projects of which the energy consumption increases rapidly to ensure that the Group can utilize the resource in an effective way while maintaining high-standard operation. The Group has been striving to achieve maximum benefit for customers and the environment with the minimal resource consumption, and to promote clean and sustainable resources and energies.

Energy consumption

Waste incineration is a way of converting thermal energy to electricity which realizes “minimization, reclamation and harmlessness” and avoids a waste of resource. The Group enhances the measures on stacking fermentation of waste to increase the heat utilization ratio and also adopts variable frequency regulation for large-power motors in order to reduce self-consumed electricity and increase the on-grid energy. Besides, we adopt advanced operating technology during the incineration process, enhance the thermal insulation effect of the equipment and recycle thermal energy for secondary use to increase the re-utilization rate of energy.

A2. 能源及水消耗

作為中國雲南省城市污水處理及供水行業領先綜合服務供應商之一，本集團在核心運營實踐中始終結合環境、社會及政府的考量，始終按照經濟運行的原則嚴格控制各項目的資源消耗，並致力於提高資源利用率。

本集團對各運營項目進行日常監控統計分析以掌握能源、水資源和原材料消耗情況，核定能耗、水耗和原材料消耗的指標，對各項目進行監督考核。除遵守國家相關法律法規以外，本集團亦制訂了一系列內部監控、管理及考核制度，建立能源消耗總量控制目標，並對能源消耗總量增長過快的生產項目及時作出預警和調控，確保本集團能保持高標準運營的同時有效利用資源。本集團始終致力使用最少的資源為客戶和環境創造最大的效益，推進資源與能源的清潔永續。

能源消耗

垃圾焚燒發電是通過焚燒實現「減量化、資源化、無害化」，利用焚燒的熱能轉化為電能，避免資源浪費。本集團重點加強了垃圾堆放發酵的措施以提高熱量利用率，亦對大功率電機採用變頻調節，節約自用電，增加上網電量。同時，在焚燒過程中，我們採用先進的操作工藝，加強設備的隔熱保溫效果，通過二次熱能的回收利用手段，提高能源的再利用率。

In order to increase the energy utilization rate during the process of wastewater treatment, the Group focuses on technological transformation for key devices with large energy consumption and low efficiency, including the lifting pump, air blower and sludge dewatering system etc. Besides, the Group continuously develops and promotes new green technologies to reduce energy consumption in technological link.

To improve the energy efficiency during the water supply process, the Group continues to innovate new production technology and improve the production management system to increase the water production rate.

The Group encourages all its staff to save energy during the production process and office work. The Group also arranges janitors to conduct inspections during the non-office hours to ensure that the electric devices such as lighting equipment has been switched-off. The Group also set office fuel consumption targets and encourages the staff to use of public transport.

Water consumption

The Group requires all its operating projects to use reclaimed water to clean and cool down the equipment if permitted and to water the plants in factories and office areas, so as to reduce water resource consumption during production.

To further reduce water consumption, water in all the solid waste treatment facilities is fully recycled to achieve zero discharge and reclaimed water is also used as flushing water in some toilets. The Group also invests to carry out activities such as posting water conservation signs to remind staff to save water.

For our water supply business, we draw water from local sources with proper government approval. Therefore, we do not have any water sourcing issues.

針對污水處理中的能源消耗，為提高能源利用率，本集團重點對能耗大、效率低的關鍵設備進行了技術改造，其中包括提升泵、鼓風機、污泥脫水系統等。此外，本集團不斷研發推廣綠色新技術以減少工藝環節的能源消耗。

針對供水過程中的能源消耗，為提高能源利用率，本集團不斷革新生產技術、完善生產管理制度，以提高產水率。

在生產辦公過程中，本集團也宣導廣大員工節約用電。本集團亦安排保潔人員在非辦公時間進行巡查，確保照明設備等用電設備處於關閉狀態；本集團亦核定辦公機動車油耗指標，並鼓勵員工多使用公共交通。

耗水

本集團要求各運營項目在生產設備允許範疇內使用再生水對設備進行沖洗和冷卻，廠區及辦公區綠化用水全部使用再生水，以降低生產過程中的水資源消耗。

為進一步減少耗水，本集團固廢處理設施用水全部採取循環利用實現零排放，並將部分衛生間沖洗水改用再生水。本集團亦投入資源開展活動，通過張貼節約用水標識等方式提醒全體員工節約用水。

因我們的供水業務在獲得當地政府的批復後從自然水體引水，所以在求取適用水源上不存在問題。

A3. Environment impact management

The construction of environmental protection projects will have certain impact on the environment and natural resources. The Group considers such impact as one of the key factors when making investment decisions. The Group performs evaluation of the above-mentioned impact according to relevant laws and regulations. The Group applies “simultaneous design, construction and operation” acceptance check after the project has been put into operation to meet the requirements of the relevant laws, regulations and policies. Besides, the Group has also developed relevant systems and procedures to monitor and manage environmental impact of all projects in order to avoid excessive use and waste of natural resources

As treated wastewater is ultimately discharged to the environment, the Group strictly adheres to the processing requirements to guarantee the stable quality of treated water and reduce its impact on the environment.

The Group has also taken a series of treatment measures for thermal pollution and noise pollution during the solid waste treatment process. The Group has adopted advanced thermal insulation material to provide the heat generation equipment with thermal insulation treatment in order to ensure that the heat source point reaches the operation standard and has also installed blimps for the equipment that produces noises in order to ensure the noise emission to reach the standard.

A3. 環境影響管理

環保項目的建設對環境和天然資源會產生一定影響，本集團在投資決策時將項目對環境的影響列入考慮的重點因素。本集團建設的項目一律按照相關的法律法規要求進行環境影響的評價，並在項目建設投運後申請環保「三同時」驗收，確保所有項目的建設、運行都滿足法律法規及政策的要求。此外，本集團也制訂了相關制度程序，對所有項目建設的環境影響進行監控和管理，避免濫用及損耗天然資源的情況發生。

因污水處理業務中處理後的污水需排入自然環境中，為減少污水對環境的影響，本集團在項目運營過程中嚴格執行工藝紀律，確保出水水質穩定達標。

針對固廢處理過程中產生的熱污染、噪音污染等，本集團也一一採取了治理措施。針對生產過程中的熱污染，本集團採用先進的隔熱材料對產熱設備進行隔熱處理，確保熱源點達到作業標準；針對生產過程中的噪音污染，本集團對產生噪音的設備安裝隔音罩，確保噪音排放達標。

B. SOCIAL

B1. Employee practices

The Group is an enterprise which values core technology, aspiration and social responsibility. It attaches importance to team construction and employee's virtues and ethics, introduces talents by multiple channels and cultivates talents by using incentive mechanism. The Group has comprehensive human resources policies covering recruitment, remuneration, staff welfare and performance etc.

We strictly abide by applicable laws, regulations and rules on labour protection to guarantee equal employment. We are against any recruitment discrimination concerning age, marital status, race, social status, religious belief, disability, gender, sexual orientation or political background etc. We guarantee equal opportunity and fair treatment for all level of staff and job applicants in recruitment, internal transfer, training, promotion, performance evaluation and remuneration. Besides, we have the same remuneration and staff welfare structure for both the male and female staff.

The Group carries out open recruitment to encourage fair competition, make overall assessment and recruitment on a selective basis. The Group signs labour contracts with employees in accordance with labour laws and regulations to effectively protect rights and interests of employees.

In terms of remuneration, the Group has established a competitive salary system based on the importance of an employee's position in the group and by reference to the operating strategy of the Group and the industry and the region's salary level. Besides, the Group strictly follows relevant national laws and regulations and continuously improves the staff welfare, reviews the staff working hours, pays various statutory social insurances according to the laws and regulations and ensures that the staff are entitled to statutory holidays, paid annual leaves, marriage leaves and maternity leaves.

B. 社會

B1. 僱員待遇

本集團是一家注重核心技術、有理想、有社會責任感的企業，堅持以德為先的用人理念，歷來重視團隊建設，多渠道引進人才並採用激勵機制培養人才。本集團建立了完善的人力資源制度，包括招聘、薪酬福利、績效等模塊。

我們嚴格遵守適用的勞動保障相關法例和法規，保障平等僱傭。我們反對任何基於年齡、婚姻狀況、種族、社會階層、宗教信仰、殘疾、性別、性取向、或政治背景等的招聘歧視。本集團所有僱員的安排，如聘用、調職、培訓、晉升、績效考核、薪酬福利水準等，都確保所有員工及職位申請者均享有平等機會及獲得公平待遇。此外，我們的男女員工在薪酬架構上都是一致的。

人員招聘方面，本集團以公開、平等、競爭、擇優的原則吸納人才，面向社會公開招聘，全面考核，擇優錄用。錄用後本集團嚴格按照勞動法規與員工簽訂勞動用工合同，切實保障員工權益。

薪酬方面，本集團視乎員工崗位的重要程度，並參考本集團經營戰略，以及行業水準和地區水準，建立了具有競爭力的薪酬體系；同時，本集團嚴格遵守國家相關法律法規，不斷完善員工福利待遇及檢討員工的工作時數，根據法律法規繳納了各項法定社會保險並保障員工享受社會法定假日、帶薪年休假、婚假、產假等假期。

Environmental, Social & Governance Report

環境、社會及管治報告

In terms of performance assessment, the Group has built a result and goal oriented employee performance appraisal system covering various aspects, such as the performance, ability and attitude etc. of the staff. The promotion and salary review of staff is determined by the result of the appraisal. In order to create a healthy, diversified and harmonious working environment, all the matters concerning promotion, salary review and post transfer will be considered in an objective way according to staff performance and the business condition of the Group.

During the Reporting Period, the Group was not aware of any material non-compliance cases in relation to human resources laws and regulations.

B2 Workplace health and safety

The Group has established policies and targets on safety, quality and environmental management, and set up safety management procedure and systems according to the Fire Protection Law, Safe Production Law, Environmental Protection Law, Law on Occupational Diseases Control, Law on the Safety of Special Equipment, Safety Supervision Regulations on Special Equipment, Safety Management Regulations on Special Equipment, Safety Management Regulations on Hazardous Chemicals of the PRC and other applicable laws and regulations, prepared and issued the comprehensive plan on emergency rescue of safety accidents and emergency plans for safety accidents as well as established a safe production committee and held meeting regularly in order to study, deploy and solve existing problems in the process of safe production management.

We have implemented the safe production responsibility at each level during the operating management process, and conducted safety inspection regularly to eliminate hidden dangers at the production site and prevent the occurrence of accidents. During the project construction process, the Group is committed to fulfilling its safety responsibility and to enhancing safety monitoring in order to ensure construction safety and provide the staff with a safe working environment.

績效考核方面，本集團以目標結果為導向，建立了員工績效考核體系，覆蓋員工業績、能力態度等多個方面，並恰當地將考核結果運用於員工職務晉升和工資檢討。為營造健康、多元化及共融的工作環境，一切升遷、薪酬回顧及調職決定均以員工個人表現配合本集團業務情況作客觀考慮。

於報告期，本集團並未發現任何與人力資源相關的法例和法規的重大違規事宜。

B2 職業健康與安全

本集團制定了安全、品質、環境管理方針和目標，並按照中華人民共和國消防法、安全生產法、環境保護法、職業病防治法、特種設備安全法、特種設備安全監察條例、危險化學品安全管理條例及其他適用國家法規的要求，建立安全管理制度和體系，編製發佈了生產安全事故應急救援綜合預案和安全事故應急預案，成立了安全生產委員會並定期召開會議，研究、部署和解決生產安全管理過程中存在的問題。

我們已在運營管理過程中層層落實安全生產職責，並定期開展安全檢查，消除生產現場的安全隱患，杜絕安全生產事故的發生。在項目建設過程中，本集團認真落實業主方的安全職責，加強安全監管，確保施工安全，為員工提供一個安全的工作環境。

We actively carry out safety trainings and education for the staff, regularly enhance the professional skill and safety awareness of the staff, and strengthen emergency response capability by carrying out emergency drills on production accidents. We also provide safety equipment as necessary in accordance with the policies of the Group and organize regular physical examinations for the staff in order to prevent them from occupational harm and occupational diseases.

During the Reporting Period, the Group was not aware of any material non-compliance cases in relation to workplace health and safety laws and regulations.

B3 Staff development and training

The Group has built a scientific and effective training programme for the overall development of the staff. The Group prepares training plans according to job nature and roles and responsibilities and ensures the implementation of the plans, which bring positive effect to the Group and assist the staff in their development. The trainings consist of orientation, business training and continuous education training etc.

Orientation

To help the new staff get involved in the Group better, we conduct orientations to introduce the culture and various internal rules and regulations of the Group.

Business training

Our staff receives different types of training according to their roles and responsibilities. For instance, the operating center carried out professional trainings on wastewater treatment process and water quality assay and analysis and the project management center carried out skill trainings on electricity generation by waste incineration and destructive distillation process for waste during the Reporting Period.

我們積極開展員工安全培訓教育，不斷提高員工的業務技能和安全意識，通過生產安全事故應急演練，提高員工對突發事件的應對能力，並按照集團勞保用品管理制度，按時發放勞保用品，每年定期組織員工進行健康體檢，避免員工在日常工作過程中受到職業性危害及職業病的發生。

本集團於報告期間並無發現任何違反與工作場所健康與安全有關之法律及規例之個案。

B3 員工發展及培訓

本集團注重員工的成長，建立了科學有效的培訓機制。根據員工工作性質、職務職責等制定培訓計劃並確保實施，發揮培訓對集團的積極作用，並對員工發展提升提供幫助，使員工不斷進步和成長。培訓內容分為入職培訓、業務培訓、持續教育培訓等。

入職培訓

為幫助新員工儘快融入，我們會舉辦迎新會，介紹本集團的企業文化以及各項內部規章制度等。

業務培訓

在職員工按工作需要定期接受不同類型的培訓。例如於報告期間，運營中心開展包括污水處理工藝、水質化驗分析技能等專業性培訓；項目管理中心開展包括垃圾焚燒發電、垃圾乾餾流程等技能培訓。

Continuous education training

We provide staff with comprehensive training programs according to the characteristics of different positions in order to help employees grow rapidly and realize individual value and to contribute to the growth and development of the Group.

In addition, to further enhance the communication between the headquarters and the wholly-owned subsidiaries, and strengthen the executive power of the team, we organized various trainings on business development and management during Reporting Period.

B4 Anti-child and forced labour

The Group carries out recruitment and employment in strict compliance with the relevant national and local laws and regulations and rejects the application from any person that does not meet the requirements of the laws and regulations. Besides, the Group also conducts background investigations based on the information provided by the staff and will reject the application from any person who provides false information.

The Group was not aware of any material non-compliance cases in relation to labour standards during the Reporting Period.

B5 Supply chain environment and social responsibility management

In accordance with the provisions of the “Bidding and Bidding Law” and the “Regulations on the Implementation of Bidding and Bidding”, the Group adopts the principle of fairness, impartiality and openness to select qualified suppliers in the form of public bidding on the public resource trading platform where the project is located. The Group selects qualified suppliers by bid invitation, comparison & selection or bid negotiation if the tender amount fails to reach the requirement as stipulated under the Tendering and Bidding Law. The Group considers the environmental & social performance, qualification level, goods provided or service quality, service adaptability and capability as well as quoted price in a comprehensive way when selecting suppliers.

The Group requires relevant internal departments to conduct evaluation on all the goods and services suppliers during the year to determine the renewal of the contracts with such suppliers.

持續教育培訓

我們根據不同崗位的特點，為員工提供完備的培訓計劃，旨在幫助員工快速成長，實現個人在企業中的價值，為企業成長與發展作出貢獻。

除此之外，為進一步增強總部和各全資附屬公司的溝通和交流，打造團隊執行力，我們於報告期間還舉行了各種拓展和管控制業務培訓。

B4 防止童工或強制勞工

本集團對於人員的招聘和錄用嚴格遵循國家和地方有關規定執行，對不符合法律規定條件的申請者一律不予錄用。此外，本集團還根據員工提供的資料進行背景調查，調查結果發現有作假者，本集團也不予錄用。

本集團於報告期間並無發現任何違反與防止兒童或強制勞工有關之法律及規例之個案。

B5 供應鏈環境及社會責任管理

本集團按照《招標投標法》及《招投標實施條例》的規定，按照公平、公正、公開的原則，在項目所在地公共資源交易平台採取公開招標的方式選取合格供應商。如未達到《招標投標法》規定的招標金額，本集團根據具體情況採用邀請招標、競爭性比選或議標的方式選取合格供應商。本集團選取供應商時綜合考慮其環境及社會績效、資質水準、提供的貨物或服務品質、服務配合度及能力，以及報價等因素。

本集團每年組織內部相關部門對本年度所有貨物及服務的供應商進行服務後評價，以確定是否與供應商續約。

B6 Service quality and standard

The Group attaches great importance to the impact of the Group's products and services on the user's safety and health. We have developed strict internal management policies and procedures according to relevant national policies and standards, aiming to provide high quality services and keep making progress towards higher standards.

Quality control

The Group has technologies and industrial experience necessary to maintain the quality of environmental protection projects at each stage such as design, investment, construction and operation. For instance, we adopt advanced online monitoring systems to continuously monitor the quality of the treated wastewater and supplied water during the operating process of the wastewater treatment and water supply facilities. Specifically, the monitoring data of the online monitoring system for wastewater treatment will be transmitted to the government platform for pollution sources of the authority in a real-time way for 24-hour monitoring.

Besides, we have obtained international management system certificates such as ISO9001, ISO14001 and OHSAS18001, strictly abide by the above standards during the process of production and assembly, and enhance the operation of the systems on quality, environment, occupational health & safety in order to ensure the quality of the membrane products manufactured.

We carry out major businesses by strictly complying with following relevant national/industrial standards and the details of the articles are in below:

For the wastewater treatment business of the Group, we are committed to ensuring that the treated wastewater meets the requirement of Discharge Standard for Pollutants for Municipal Wastewater Treatment Plant (GB 18918-2002) and that wastewater discharge outlets are built in compliance with the requirements of the environmental impact assessment report approved by the government for designated discharge.

B6 服務品質及標準

本集團高度重視其產品和服務對使用者的安全與健康的影響，按照國家相關政策標準，制定嚴格的內部管理制度和程序，致力於提供優質的服務，並向達致更高標準不斷改進。

品質控制

本集團在環保項目的設計、投資、建設、運營等各個階段均具備維護品質所必備的技術及行業經驗。例如，我們的污水處理及供水設施投入運營時，採用先進的線上監測系統連續監測污水處理出水及供水的水質。其中，污水處理的線上監測系統監測資料即時傳輸至政府部門的污染源監測綜合管理平台，供其每天24小時監察。

另外，為確保我們製造的膜產品的品質，我們已取得ISO9001、ISO14001、OHSAS18001的國際管理體系證書，在生產及裝配的整個過程中嚴格執行上述標準，加強品質、環境、職業健康安全管理体系的運作。

我們的主要業務嚴格執行相關的国家／行業標準，具體條文如下：

針對本集團的污水處理業務，我們致力確保處理後的污水均達到《城鎮污水處理廠污染物排放標準》(GB 18918-2002)，並按照經政府批准的環境影響評價報告要求建成污水排放口，定點排放。

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With regard to the water supply segment, the Group attaches great importance to water quality control during the whole process from the water source to the user since the quality of the water supplied directly affects the public health. The Group complies with a number of national standards, including but not limited to Hygienic Standard for Drinking Water (GB 5749-2006), Standard for Quality of Urban Water Supply (CJ/T 206-2005) and Technical Regulations on Operation, Maintenance and Safety of Urban Water Supply Plant (CJJ 58-2009), which demonstrates that the Group supplies reliable and clean water.

The Group has established strict quality management systems, tests and inspects against various indexes on production and operation and conducts real-time monitoring on the water quality to ensure that the water quality meets the relevant standards.

In terms of the solid waste treatment business, the services provided by the Group are governed by Pollution Control Standard for Domestic Waste Landfill (GB 16889-2008), Pollution Control Standard for Municipal Waste Incineration (GB 18485-2014), Technical Requirements on Medical Waste Incinerator (GB 19218-2003) and Pollution Control Standard for Hazardous Waste Incineration (GB 18484-2001). We have set up internal control systems and set discharge limits for incineration plants according to strict operation conditions and technical requirements in order to minimize the impact of waste incineration to the environment and to the public.

The Group has prepared comprehensive contingency plans and emergency mechanisms for potential risks and accidents in the production process and will immediately activate the contingency plans in case of emergency happens to ensure users' safety and health.

The Group was not aware of any material non-compliance cases in relation to services quality laws and regulations during the Reporting Period.

針對本集團的供水業務，由於安全的用水品質會直接影響公眾的身體健康，因此本集團高度關注從水源到使用者終端整個過程的水質控制。本集團所提供的用水符合國家標準，包括但不限於《生活飲用水衛生標準》(GB 5749-2006)、《城市供水水質標準》(CJ/T 206-2005)及《城鎮供水廠運行、維護及安全技術規程》(CJJ 58-2009)，表明本集團的供水清潔可靠。

本集團建立了嚴格的品質管制體系，對各項生產運行指標進行化驗與檢測，即時監控水質情況，保證水質達標。

就固廢處理業務而言，本集團之服務受《生活垃圾填埋場污染控制標準》(GB 16889-2008)、《生活垃圾焚燒污染控制標準》(GB 18485-2014)、《醫療廢物焚燒爐技術要求》(GB 19218-2003)以及《危險廢物焚燒污染控制標準》(GB 18484-2001)規管。我們建立了內部控制體系，通過嚴格的操作條件和技術要求，在實際運行中設定焚燒廠的排放限額，儘量將垃圾焚燒對環境及公眾健康造成的負面影響降至最低。

本集團針對生產運營中潛在風險和可能出現的突發事件制定了完善的應急預案和健全的應急機制，發生緊急情況時立即啟動應急預案，維護用戶安全與健康。

本集團於報告期間並無發現違反與上述提及之服務品質有關之法律及規例的個案。

B7 Anti-bribery and anti-corruption

The Group has established a disciplinary commission and a disciplinary inspection office dedicated for bribery, blackmail and fraud prevention as well as relevant investigations and handling. The Group also sets up corruption risk prevention and control system which demands the senior management and middle management to report their personal matters. We also established whistle-blowing channels via telephone and e-mail to report cases relating to the violation of laws and the code of conduct. The Group also attaches importance to corruption risk education, organizes corruption risk training, holds special lectures on corruption prevention and enhances the anti-corruption awareness of the staff. Both the management and the staff are required to follow the rules of moral conducts of the Group and no cases against the anti-corruption stipulation and code of conducts has so far been identified.

The Group was not aware of any material non-compliance cases in relation to corruption and money laundering during the Reporting Period.

B8 Social contribution

The Group has a strong sense of social responsibility. As an active advocator for building a learning-oriented enterprise, the cooperation between the Group and universities is regarded as a meaningful public welfare activity for both the community as well as the Group. The Group makes contributions in implementing the strategy of developing the country through science and education and reinvigorating the country through talents development as well as building a harmonious society while actively establishing and enhancing the reputation of the Group.

The Group has established “Yunnan Water Scholarship” and “Yunnan Water Student Subsidies” in a number of universities such as the School of Environmental Science and Engineering of Kunming University of Science and Technology and Yunnan University of Nationalities for consecutive years to recognize undergraduates who are outstanding in morality, intelligence, physical fitness and aesthetic qualities as well as other outperformed students from underprivileged families.

B7 反賄賂及反貪污

本集團成立了紀委和紀檢監察室，負責防止賄賂、勒索、欺詐等工作和相關調查及處理；本集團建立了廉潔風險防控體系，要求管理層及中層管理人員申報個人事項；本集團建立了電話、郵件等舉報方式，受理有關違紀違法舉報；本集團重視對員工的廉潔風險教育，組織開展廉潔風險警示教育，舉辦廉潔專題講座，加強員工的廉潔意識。管理層和所有員工均須遵守本集團的道德行為守則，至今未出現違反廉潔規定和道德行為準則的行為。

本集團於報告期間並無發現任何違反相關之法律及規例之個案。

B8 社會公益

本集團是一家有著強烈社會責任感的企業。作為創建學習型企業的積極宣導者，本集團與高校的合作被視為一項對雙方具有深遠意義的公益事業，本集團在積極樹立和提升企業品牌的同時，還將在貫徹科教興國和人才強國戰略、促進和諧社會建設等方面做出我們應有的貢獻。

本集團連續多年在位於雲南省的昆明理工大學環境科學與工程學院、雲南民族大學等多個高等院校設立「雲南水務獎學金」及「雲南水務助學金」，獎勵德、智、體、美等全面發展的優秀本科生及品學兼優的家庭經濟困難學生。

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Meanwhile, the Group has entered into an agreement with prestigious universities in accordance with the instructions of industry-university-research cooperation so that the universities can send students to the Group for internship according to the teaching plan and the syllabus, without interruption to the Group's daily operation. The Group has made proper arrangement according to different internship programmes and courses for the students and has offered professional technicians to provide necessary guidance to ensure that the students can complete the internship successfully and lay a solid foundation for serving the society after graduation.

The Group is enthusiastic about social contribution and charitable causes. In August 2016, the Group participated in the ceremony of a poverty alleviation and donation event which called “show loving heart and deliver warmth” for people in poverty-stricken areas in Dongchuan District organized by the authority of the Gaoxin District of Kunming and donated RMB 100,000 to Tongdu Street in Dongchuan District. The Group has continuously launched study activities named “show loving heart and deliver warmth” for students from impoverished mountainous areas in Yunnan Province. The Group made donations for people in the disaster areas and actively and timely engaged in earthquake relief work after major natural disasters such as the “8.3 Ludian Earthquake” occurred.

The combination of “reverence, thankfulness and confidence” has always been the cultural concept advocated by the Group since its inception. The spirit of actively undertaking responsibilities, dedication and caring heart of staff fully reflects our cohesion. Under the guidance of this concept, the Group will continue to strive to perform its social responsibility as well as actively hold and participate in social charity activities.

與此同時，本集團根據有關校企合作、「產、學、研」相結合的指示精神，與高校簽訂協定，約定高校根據教學計劃和課程教學大綱的要求，在不干擾本集團正常生產的前提下，派遣學生到本集團實習，本集團根據學生實習項目、課程等予以適當安排，並派專業技術人員進行教學指導，以保證學生能順利完成教學實習內容，為畢業後服務於社會奠定良好的基礎。

本集團熱心於公益慈善事業。二零一六年八月，本集團參加昆明高新區為東川區貧困地區群眾「獻愛心、送溫暖」扶貧捐款儀式，並向昆明高新區對口幫扶的東川區銅都街道捐款人民幣10萬元。本集團常年向雲南省貧困山區兒童發起「獻愛心、送溫暖」的助學活動，並在發生「8.3魯甸地震」等重大自然災害後，第一時間向災區人民捐款捐物，積極參與「抗震救災」工作。

「敬畏心、感恩心、自信心」三心合一，是本集團成立以來一直宣導的企業文化理念。雲南水務人積極承擔、樂於奉獻、關愛他人的精神，充分體現了集團企業文化的向心力和凝聚力。在這一文化理念的指引下，本集團未來將繼續認真履行社會責任，積極舉辦、參與社會公益慈善活動。



雲南水務投資股份有限公司
YUNNAN WATER INVESTMENT CO., LIMITED*