



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

中期報告
INTERIM REPORT
2018
中報報告

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. He Yuanping

Mr. Yang Fang (*Deputy Chief Executive Officer*)

Non-executive Directors

Mr. Yang Tao (*Chairman*)

Mr. Dai Richeng

Ms. Li Bo

Mr. Feng Zhuangzhi

Independent Non-executive Directors

Mr. Liu Shuen Kong

Mr. Hu Song

Mr. Ma Shihao

AUDIT COMMITTEE

Mr. Liu Shuen Kong (*Chairman*)

Mr. Hu Song

Mr. Ma Shihao

REMUNERATION COMMITTEE

Mr. Hu Song (*Chairman*)

Mr. Yang Fang

Mr. Ma Shihao

NOMINATION COMMITTEE

Mr. Yang Tao (*Chairman*)

Mr. Hu Song

Mr. Ma Shihao

COMPLIANCE COMMITTEE

Mr. Dai Richeng (*Chairman*)

Mr. Liu Shuen Kong

Mr. Yang Fang

Mr. Hu Song

Mr. Ma Shihao

Mr. Huang Yi (*Supervisor*)

COMPANY SECRETARY

Mr. Li Bo

董事會

執行董事

何願平先生

楊方先生 (*副總裁*)

非執行董事

楊濤先生 (*主席*)

戴日成先生

李波女士

馮壯志先生

獨立非執行董事

廖船江先生

胡松先生

馬世豪先生

審核委員會

廖船江先生 (*主席*)

胡松先生

馬世豪先生

薪酬委員會

胡松先生 (*主席*)

楊方先生

馬世豪先生

提名委員會

楊濤先生 (*主席*)

胡松先生

馬世豪先生

合規委員會

戴日成先生 (*主席*)

廖船江先生

楊方先生

胡松先生

馬世豪先生

黃軼先生 (*監事*)

公司秘書

李博先生

AUTHORIZED REPRESENTATIVES

Mr. Yang Fang
Mr. Dai Richeng

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA (THE "PRC")

Yunnan Water
2089 Haiyuan Bei Road
Gaoxin District
Kunming, Yunnan
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 3110-11, 31/F, Tower 1, The Gateway
Harbour City, 25 Canton Road,
Tsim Sha Tsui, Kowloon, Hong Kong

BRANCH SHARE REGISTRAR IN HONG KONG

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

LEGAL ADVISERS

As to Hong Kong law:

L&C Legal LLP
(in association with Jingtian & Gongcheng)
Suite 1502, 15F., York House
The Landmark
15 Queen's Road Central
Hong Kong

As to PRC law:

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

授權代表

楊方先生
戴日成先生

總部及中華人民共和國 〔中國〕營業地址

中國
雲南昆明
高新技術開發區
海源北路2089號
雲南水務

香港主要營業地點

香港九龍
尖沙咀廣東道25號海港城
港威大廈第1座31樓3110-11室

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

法律顧問

有關香港法律：

羅陳律師事務所有限法律責任合夥
(與競天公誠律師事務所聯營)
香港
皇后大道中15號
置地廣場
約克大廈15樓1502室

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

Corporate Information

公司資料

COMPLIANCE ADVISER

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

PRINCIPAL BANKERS

Ping An Bank Co., Ltd.
Bank of China Limited
China Construction Bank Corporation
Bank of Communications Co., Ltd.
DBS Bank (Hong Kong) Limited
Industrial Bank Co., Ltd.
China CITIC Bank Corporation Limited
Agricultural Bank of China Limited
Shanghai Pudong Development Bank Co., Ltd.
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>

合規顧問

新百利融資有限公司
香港中環
皇后大道中29號
華人行20樓

主要往來銀行

平安銀行股份有限公司
中國銀行股份有限公司
中國建設銀行股份有限公司
交通銀行股份有限公司
星展銀行(香港)有限公司
興業銀行股份有限公司
中信銀行股份有限公司
中國農業銀行股份有限公司
上海浦發銀行股份有限公司
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>

Definitions 釋義

In this interim report, unless the context otherwise requires, the following expressions shall have the following meanings:
於本中期報告內，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, Mr. Huang Yunjian and Mr. Wang Yong, members of the senior management of the Company
「一致行動人士」	本公司高級管理層成員劉旭軍先生、黃雲建先生及王勇先生
“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
“Company”	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」	雲南水務投資股份有限公司，於中國註冊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
“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

Definitions

釋義

“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
“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”	the People’s Republic of China, and for the purpose of this 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，僅本報告而言，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 6-month period from 1 January 2018 to 30 June 2018
「報告期」	由二零一八年一月一日起至二零一八年六月三十日止六個月期間
“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 Shares and Domestic Shares
「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)”	holder(s) of the Share(s)
「股東」	股份持有人
“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

Definitions

釋義

“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
“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	

Financial Highlights 財務摘要

The Board is pleased to announce the following financial highlights:

董事會欣然宣佈下列財務摘要：

		Six months ended 30 June 截至六月三十日止六個月		
		2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	Percentage Change 百分比 變動
Revenue	收入	2,422,877	1,657,722	46.2%
Gross profit	毛利	581,866	413,120	40.8%
Profit before income tax	所得稅前利潤	160,684	186,322	-13.8%
Profit for the period	期內利潤	127,095	155,542	-18.3%
EBITDA (Note 1)	除利息、稅項、折舊及攤銷前利潤(附註1)	688,370	595,035	15.7%
Profit attributable to ordinary shareholders of the Company	本公司普通股股東應佔利潤	78,493	91,766	-14.5%
Return on shareholders' equity – half year (%)	股東權益回報率 – 半年(%)	1.95%	2.33%	-16.3%
Basic earnings per share (RMB)	每股基本盈利(人民幣元)	0.066	0.077	-14.3%

Note 1 EBITDA is the profit for the Reporting Period before deduction of interests, income taxation, depreciation and amortisation.

附註1 除利息、稅項、折舊及攤銷前利潤為扣除利息、所得稅、折舊及攤銷前之本報告期內利潤。

During the Reporting Period, the Group realized core business profit of approximately RMB124.6 million, representing a significant increase as compared with the six months ended 30 June 2017, Core business profit represents profit for the period excluding fair value gains or losses on the remeasurement of investments accounted for using the equity method and one-off recovery of other receivables.

本集團報告期內實現核心業務利潤約為人民幣124.6百萬元，與截至二零一七年六月三十日止六個月同比顯著增長，核心業務利潤指期內溢利扣除重新計量以權益法入賬投資的公平值的損益及一次性轉回的其他應收款。

Management Discussion and Analysis

管理層討論及分析

INDUSTRY OVERVIEW

With the increasing emphasis on the environmental protection from the Party and the state, along with the gradual improving top-level design of ecological civilization in recent years, the environmental protection industry has shown a favorable momentum of healthy and rapid development. With the inclusion into the Constitution of the PRC in 2018, “ecological civilization” has been granted with higher legal status and stronger legal effect. Meanwhile, the establishment of the Ministry of Ecology and Environment (中華人民共和國生態環境部) enabled environmental protection as well as pollution prevention and control to be managed in an integrated manner. During the Reporting Period, the Environmental Protection Tax Law of the People’s Republic of China (《中華人民共和國環境保護稅法》), which is of great significance for protecting and improving the environment, reducing pollutant emissions, as well as promoting the construction of ecological civilization, has been officially implemented. In addition, the National Ecological Environmental Protection Conference (全國生態環境保護大會) was held, on which “intensifying efforts to promote the construction of ecological civilization, solving ecological and environmental issues, resolutely fighting the battle against pollution prevention and control, and promoting the construction of China’s ecological civilization to a higher level” was emphasized. Benefiting from all the above-mentioned laws, regulations and policies, the development of the environmental protection industry has been brought along with new opportunities and new impetus.

Under the background of ecological civilization construction, the water business industry has established its solid position in the market with its huge market scale and stable investment income. Based on the current development stage of the industry, the traditional water business represented by municipal water supply and wastewater treatment has been in a mature development stage with market space growing steadily year by year. However, the comprehensive treatment of water environment as well as the wastewater treatment in villages and towns are still under rapid development, showing a broad market space. In 2018, the processing capacity of the water business industry has continued to grow, and the demand for upgrading of treatment facilities as well as the construction of municipal and rural water supply networks becomes pressing. Furthermore, due to the official implementation of the newly revised Law on Water Pollution Prevention and Control of the People’s Republic of China (《中華人民共和國水污染防治法》) at the beginning of the year, which was attached with more stringent supervision and management, the optimization and upgrade as well as enhanced goals and efficiency will therefore become important tasks for water business enterprises with stock projects in the future.

行業概覽

近年來，黨和國家對環境保護的重視程度不斷加強，生態文明頂層設計逐步完善，環保行業呈現出健康快速發展的良好態勢。二零一八年，「生態文明」被寫入憲法，具有了更高的法律地位和更強的法律效力；生態環境部組建，環境保護和污染防治得以實現統籌管理。報告期內，《中華人民共和國環境保護稅法》正式施行，其對於保護和改善環境、減少污染物排放、推進生態文明建設具有十分重要的意義；全國生態環境保護大會召開，會議強調要「加大力度推進生態文明建設、解決生態環境問題，堅決打好污染防治攻堅戰，推動我國生態文明建設邁上新臺階」。上述一系列法律法規和政策動態，為環保行業的發展提供了新契機與新動力。

在生態文明建設大背景下，水務行業以其巨大的市場規模、穩定的投資收益佔據一席之地。從水務行業目前的發展階段看，以城市供水和污水處理兩部分為代表的傳統水務已處於發展成熟期，市場空間逐年平穩增長；而水環境綜合治理、村鎮污水治理等領域尚處於快速發展期，市場空間廣闊。二零一八年，水務行業處理能力不斷增長，處理設施升級改造，城鄉供水管網建設需求迫切；此外，新修訂的《中華人民共和國水污染防治法》於年初正式施行，監管力度進一步加強，優化升級和提標增效將成為擁有存量項目水務企業未來的一項重要工作。

Management Discussion and Analysis 管理層討論及分析

Attributing to the increasingly stringent national policies, solid waste treatment, an indispensable part of ecological civilization construction, has become one of the fastest growing areas among China's environmental protection industry. The Environmental Protection Tax Law of the People's Republic of China (《中華人民共和國環境保護稅法》), which was officially implemented in early 2018, clearly stipulates the tax items and tax amount of solid waste, thus opening up a larger market for the solid waste treatment field and promoting the release of demand in the treatment of medical waste and hazardous waste. In 2018, along with the country's high priority on and the in-depth development of environmental treatment, the potential for domestic solid waste treatment will shift from municipal area towards rural area; on the other hand, the treatment of industrial solid waste will become a hot topic under the trend of industrial de-capacity and the strict supervision of environmental protection.

2018 is the 40th anniversary of reform and opening up of the PRC while its ecological civilization construction has entered into a new era of development. Meanwhile, the concept of "Lucid waters and lush mountains are invaluable assets" has been in place, and the country's determination on the treatment of the ecological environment is unprecedentedly strong. With the implementation of various policies, the market potential for environmental treatment will be continuously released, which will generate more opportunities and greater development potential for the environmental protection industry.

DEVELOPMENT STRATEGIES AND PROSPECT

In the first half of 2018, the external circumstance of the environmental protection industry was mixed with opportunities and challenges. In the meantime, due to the rising of interest rates and the widening of credit spreads in the financial market, the profit growth of the environmental protection industry was negatively affected. Therefore, the Group not only paid close attention to the changes in the external business environment, but also improved the operational management standards for its existing projects, while optimizing the debt structure and accelerating the implementation of the regional management model. In addition, the Group comprehensively promoted the enhancement of the operational effectiveness and efficiency of the Group, thereby achieving a steady growth of business on the basis of ensuring rigid implementation without any systemic risk of operation.

固體廢物處理是生態文明建設不可缺少的重要內容，近年來，隨著國家在政策上的不斷加碼，固廢處理已成為中國環保行業中增速最快的領域之一。二零一八年初正式實施的《中華人民共和國環境保護稅法》對固體廢物的稅目、稅額做出明確規定，這將為固廢處理領域打開更大的市場空間，並促使醫廢、危廢處理領域的需求加速釋放。二零一八年，隨著國家的高度重視及環境治理進入縱深階段，生活垃圾處理潛力將由城市轉向農村；在工業去產能、環保嚴監管的趨勢下，工業固廢也將進入治理熱潮。

二零一八年正逢改革開放四十年，中國生態文明建設進入新的發展時期，「綠水青山就是金山銀山」從理念走向落地，國家對生態環境治理的決心空前強大。隨著各項政策的貫徹落實，環境治理的市場將不斷釋放，環保行業將迎來更大的市場機遇與發展潛力。

發展策略及展望

二零一八年上半年，環保行業外部環境機遇與挑戰並存，金融市場利率上升和信用利差擴大，對環保行業利潤增長造成負面影響。本集團密切關注外部經營環境的變化，完善已有項目運營管理水準，優化債務結構，加快推行大區化管理模式，全面推動本集團運營效率和經營效益的提升，在確保剛性兌付和不出現經營系統性風險的前提下，實現了業務的平穩增長。

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Due to the normalization of the national supervision and inspection on environmental protection as well as the refinement of the enforcement of environmental protection related law, it is expected that rectification measures instead of closing will be applied to the enterprises discharging pollutant gradually, which will promote the further release of the industrial environmental protection market. On the other hand, the National Development and Reform Commission indicated that it was necessary to gradually adjust the price of residential water to a level not lower than the cost, and the price of non-residential water to a level compensating cost with reasonable profit. The operation and development of the Group's water business will also be benefited from such adjustment. In the second half of the year, the Group will pay close attention to the impacts on its business operation of the policies and regulations as well as the change in interest rate, and focus on improving its operational management level and quality. Meanwhile, on the basis of consolidating and expanding the scale of water business, the Group will accelerate the development of solid waste treatment segment, including industrial hazardous waste, medical hazardous waste, and garbage incineration-power generation, in order to promote the implementation of key investment projects, while consolidating and developing the Group's market competitiveness among the industry.

In terms of financing, against the backdrop of credit scale getting tighter and capital cost rising gradually, the Group will strictly control its financial cost while properly matching the plans of annual investment with capital usage, to obtain low-cost fund to the greatest extent. Meanwhile, the Group will strengthen its fund management, so as to further enhance the utilization efficiency of its internal fund. In terms of investment, the Group will improve the investment efficiency of external investment projects and equity mergers and acquisitions, while paying close attention to the proportion of operational assets in municipal environment comprehensive treatment project package and the financial ability of the local governments where the projects are located, and will give priority to the projects which are supported by stable cash flow and with reasonable gain. For operation management, the Group will speed up the pace of quality improvement and efficiency enhancement for the existing operating projects, while strengthening the dynamic supervision and management of the Group's receivables and payables scale as well as the management of revenue and expenditure plans, and will also make overall arrangement to prevent liquidity risks.

Looking forward, the Group will continue to adhere to the development goal of "based in Yunnan, covering the country and going global, striving to be a leading integrated service provider of municipal environment", and to seize more market opportunities in the environmental protection industry. Meanwhile, by taking advantage of new environmental protection policies, the Group will further enhance its technological capabilities, investment and financing capabilities, core competitiveness and social influence, thereby continuously creating greater value for shareholders.

伴隨國家環保督察常態化、環保執法精細化，排污企業有望從過去關停為主，逐漸轉變為整改為主，這將促進工業環保市場進一步釋放。另一方面，國家發改委指出要逐步將居民用水價格調整至不低於成本水準，非居民用水價格調整至補償成本並合理盈利水準，水價的調整也將有利於本集團水務業務的運營和發展。下半年，本集團將密切關注政策法規與利率變化對企業經營活動的影響，提升運營管理水準和經營品質，在鞏固及擴大水務業務規模的基礎上，加快培育工業危廢、醫療危廢、垃圾焚燒發電等固廢處理領域業務，推進重點投資項目落地，鞏固和發展本集團在行業中的市場競爭力。

融資方面，在信貸規模趨緊且資金成本逐步上升的大環境下，本集團將嚴格控制財務成本，合理匹配年度投資與資金使用計劃，盡量獲取低成本資金，同時加強資金管理，進一步提高本集團內部資金使用效率；投資方面，提高對外投資項目和股權併購活動的投資效率，高度關注可經營性資產在市政環境綜合治理項目包中的比例和項目所在地政府的財政支付能力，優先考慮具有穩定現金流支撐及具有合理收益的項目；運營管理方面，加快推動已運營項目的提質增效工作，加強對本集團應收應付規模的動態監管，加強資金的收支計劃管理，統籌安排，防範資金流動性風險。

未來，本集團將繼續本著「立足雲南、面向全國、走向國際，致力成為領先的城市環境綜合服務商」的發展目標，抓住更多環保行業市場機遇，利用環保行業新政策帶來的契機，進一步提升本集團的技術能力、投融資能力、核心競爭力及社會影響力，不斷為股東創造更大的價值。

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BUSINESS REVIEW

The Group is one of the leading municipal environment integrated services providers in the PRC. The Group mainly adopts the Build-Operate-Transfer (“BOT”), Build-Own-Operate (“BOO”), Transfer-Own-Operate (“TOO”), Transfer-Operate-Transfer (“TOT”), Build and Transfer (“BT”), Engineering-Procurement-Construction (“EPC”), Operation and Maintenance (“O&M”) project models to provide customized and integrated turnkey solutions for water supply, wastewater treatment and solid waste treatment as well as the comprehensive treatment of municipal environment (which includes watercourse treatment, black and odorous water treatment, reservoir work and etc.) to customers. The Group’s businesses are principally carried out in the PRC 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 30 June 2018, the Group’s relevant water projects (including the following wastewater treatment projects, water supply projects and all water related projects under other business segments) had a total daily treatment capacity of approximately 5,036,800 tonnes, representing an increase of approximately 6.9% as compared to the total daily treatment capacity of 4,712,700 tonnes as at 31 December 2017.

As at 30 June 2018, the Group’s relevant solid waste treatment projects (including the following solid waste treatment projects and all solid waste treatment related projects under other business segments) had a total annual solid waste treatment capacity of approximately 2,574,000 tonnes, representing an increase of approximately 16.4% as compared to the total annual treatment capacity of 2,211,000 tonnes as at 31 December 2017.

Meanwhile, the Group has been closely following the policies introduced by the Chinese government, and actively capturing the market opportunities to expand its footage in the municipal environment comprehensive treatment projects. During the Reporting Period, the Group had obtained five main relevant projects including “urban water comprehensive treatment works” in Qinyang City, Henan Province, “construction of wastewater treatment facilities” in the entire Xuwen County, Zhanjiang City, Guangdong Province, “urban water transformation and upgrading works” in Wuzhi County, Jiaozuo City, Henan Province, “the integration of water supply and drainage” in Shuangcheng District, Harbin City, Heilongjiang Province and “the wastewater treatment system” in Xianmei Area, Rongcheng District, Jieyang City, Guangdong Province. The total investment amount of the above-mentioned five projects was approximately RMB6 billion with business involving wastewater treatment, the integration of water supply and drainage, watercourse comprehensive treatment and etc., among which most of the projects are carried out by way of service concession arrangement (eg. BOT model). As at 30 June 2018, the Group had 16 projects in relation to the municipal environment comprehensive treatment under construction.

業務回顧

本集團為中國領先的城市環境綜合服務商之一。本集團主要採用建設—營運—移交(「BOT」)、建設—擁有—營運(「BOO」)、移交—擁有—營運(「TOO」)、移交—營運—移交(「TOT」)、建設及移交(「BT」)、設計—採購—施工(「EPC」)、營運及維護(「O&M」)等項目模式，向客戶提供訂製及綜合的供水、污水處理、固廢處理及城市環境綜合整治服務(包括河道整治、黑臭水體治理、水庫工程等)。本集團的業務主要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，以及其他業務。

截至二零一八年六月三十日，本集團水務相關項目(包含以下污水處理項目、供水項目及其他業務分部中的所有水務相關項目)的日處理總量約為5,036,800噸，較截至二零一七年十二月三十一日日處理總量4,712,700噸增長約6.9%。

截至二零一八年六月三十日，本集團相關固廢處理項目(包含以下固廢處理項目及其他業務分部中的所有固廢處理相關項目)的年固廢處理總量約為2,574,000噸，較截至二零一七年十二月三十一日日處理總量2,211,000噸增長約16.4%。

同時，本集團緊跟國家政策，抓住市場機遇，繼續積極推進市政環境綜合治理項目。於報告期內，本集團先後獲得河南省沁陽市城區水系綜合治理工程、廣東省湛江市徐聞縣整縣推進污水處理設施建設項目、河南省焦作武陟縣城區水系提升項目、黑龍江省哈爾濱市雙城區供排水一體化項目以及廣東省揭陽市榕城區仙梅片區污水處理系統等5個主要的相關項目，上述5個項目涉及總投資額約為人民幣60億元，業務覆蓋污水處理、供排水一體化及河道綜合治理等多個方面，其中大部分項目以服務特許經營權安排(例如BOT模式)進行。於二零一八年六月三十日，本集團擁有16個在建的市政環境綜合治理項目。

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管理層討論及分析

Wastewater Treatment Projects

As at 30 June 2018, the Group had a total of 109 concession wastewater treatment projects which were either under construction or in operation, including 7 BOO projects, 67 BOT projects, 2 TOO projects, 20 TOT projects and 13 municipal environment comprehensive treatment projects, with a total daily wastewater treatment capacity of 2,778,000 tonnes, representing an addition of 2 BOO projects, 1 BOT project, 6 TOT projects and 3 municipal environment comprehensive treatment projects, and an increase in the total daily wastewater treatment capacity of 259,000 tonnes or a growth rate of approximately 10.6% as compared with 31 December 2017.

As at 30 June 2018, 83 concession projects with a total daily wastewater treatment capacity of 2,352,000 tonnes had commenced commercial operation, representing an addition of 6 TOT projects and an increase in the total daily wastewater treatment capacity of 168,000 tonnes as compared with 31 December 2017. During the Reporting Period, the Group's effective wastewater treatment utilization rate was approximately 73.88%, and the average unit charge of wastewater treatment was approximately RMB1.33 per tonne.

As at 30 June 2018, 26 concession projects with a total daily wastewater treatment capacity of 426,000 tonnes had not commenced commercial operation (including 13 municipal environment comprehensive treatment projects with a total daily wastewater treatment capacity of 115,000 tonnes), representing an addition of 1 BOT project, 2 BOO projects and 3 municipal environment comprehensive treatment projects, and an increase in the total daily wastewater treatment capacity of 91,000 tonnes as compared with 31 December 2017.

Water Supply Projects

As at 30 June 2018, the Group had 51 concession water supply projects with a total daily capacity of approximately 1,887,000 tonnes which were either under construction or in operation, including 13 BOO projects, 25 BOT projects, 11 TOT projects and 2 municipal environment comprehensive treatment projects, representing an addition of 1 BOT project, and an increase in the total daily capacity of approximately 20,000 tonnes or a growth rate of approximately 1.2% as compared with 31 December 2017.

As at 30 June 2018, 32 concession projects with a total daily capacity of approximately 1,285,000 tonnes had commenced commercial operation.

During the Reporting Period, the Group's effective water supply utilization rate was approximately 71.94%, and the average unit charge of water supply was approximately RMB2.27 per tonne.

污水處理項目

截至二零一八年六月三十日，本集團在建或運營中的特許經營污水處理項目共109個，包括7個BOO項目、67個BOT項目、2個TOO項目、20個TOT項目及13個市政環境綜合治理項目，日污水總處理量為2,778,000噸，較截至二零一七年十二月三十一日新增2個BOO項目、1個BOT項目、6個TOT項目及3個市政環境綜合治理項目，日污水總處理量增加259,000噸，增加率約為10.6%。

截至二零一八年六月三十日，日污水總處理量為2,352,000噸的83個特許經營項目已投入商業運營，較截至二零一七年十二月三十一日新增6個TOT項目，日污水總處理量增加168,000噸。於報告期內，本集團的實際污水處理利用率約為73.88%，平均污水處理收費單價約為每噸人民幣1.33元。

截至二零一八年六月三十日，日污水總處理量為426,000噸的26個特許經營項目尚未投入商業運營(包括13個日污水處理總量為115,000噸的市政環境綜合治理項目)，較截至二零一七年十二月三十一日新增1個BOT項目、2個BOO項目及3個市政環境綜合治理項目，日污水總處理量增加91,000噸。

供水項目

截至二零一八年六月三十日，本集團擁有51個日處理總量約1,887,000噸的在建或運營中的供水特許經營項目，其中包括13個BOO項目、25個BOT項目、11個TOT項目及2個市政環境綜合治理項目，較截至二零一七年十二月三十一日新增1個BOT項目，日處理總量增加約20,000噸，增長率約為1.2%。

截至二零一八年六月三十日，日處理總量約1,285,000噸的32個特許經營項目已投入商業運營。

於報告期內，本集團的實際供水利用率約為71.94%，平均供水收費單價約為每噸人民幣2.27元。

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As at 30 June 2018, 19 concession projects with a total daily capacity of approximately 602,000 tonnes had not commenced commercial operation (including 2 municipal environment comprehensive treatment projects with a total daily capacity of 180,000 tonnes), representing an addition of 1 BOT project, and an increase in the total daily capacity of approximately 20,000 tonnes as compared with 31 December 2017.

Solid Waste Treatment Projects

As at 30 June 2018, the Group had 14 solid waste treatment projects with a total annual treatment capacity of 2,428,000 tonnes, 8 of them with an annual treatment capacity of 1,168,000 tonnes had commenced commercial operation, and 6 of them with an annual treatment capacity of 1,260,000 tonnes were under construction (including 1 municipal environment comprehensive treatment project with an annual treatment capacity of 300,000 tonnes). As compared with 31 December 2017, 2 additional solid waste treatment projects were under construction and the total annual treatment capacity increased by 381,000 tonnes. During the Reporting Period, the Group's effective solid waste treatment utilization rate was approximately 84.4%.

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 30 June 2018, the Group had a total of 11 BT projects, which were either under construction and/or completed, among which the revenue of 10 BT projects were recognized during the Reporting Period.

During the Reporting Period, the Group had a total of 10 EPC projects.

The Group engages in the production, sales and installation of facilities for wastewater treatment and water supply as well as facilities required for solid waste treatment. The major category of water business 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 at 30 June 2018, the Group had 32 O&M projects, including 30 wastewater treatment projects with a total daily wastewater treatment capacity of approximately 366,800 tonnes, 1 water supply project with a daily capacity of approximately 5,000 tonnes and 1 solid waste treatment project with an annual treatment capacity of approximately 146,000 tonnes.

截至二零一八年六月三十日，日處理總量約602,000噸的19個特許經營項目尚未投入商業運營（包括2個日處理總量為180,000噸的市政環境綜合治理項目），與二零一七年十二月三十一日同比新增1個BOT項目，日處理總量增加約20,000噸。

固廢處理項目

截至二零一八年六月三十日，本集團擁有14個固廢處理項目，年處理總量為2,428,000噸，其中年處理量為1,168,000噸的8個項目已經投入商業運營，年處理量為1,260,000噸的6個項目正在建設（包括1個年處理量為300,000噸的市政環境綜合治理項目）。與截至二零一七年十二月三十一日相比，新增2個在建的固廢處理項目，年處理總量增加381,000噸。於報告期內，本集團的實際固廢處理利用率約為84.4%。

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。截至二零一八年六月三十日，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10個。

於報告期內，本集團EPC項目共10個。

本集團生產、銷售及安裝污水處理、供水設施及固廢處理所需的設備，本集團所生產的水務設備的主要類別為膜產品。全部膜產品均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。截至二零一八年六月三十日，本集團擁有32個O&M項目，其中30個每日污水處理總量約為366,800噸的污水處理項目，1個每日規模約為5,000噸的供水項目，1個年處理能力約為146,000噸的固廢處理項目。

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FINANCIAL REVIEW

Results of Operation

During the Reporting Period, the Group recorded a revenue of approximately RMB2,422.9 million, representing a year-on-year increase of 46.2% as compared with the six months ended 30 June 2017. During the Reporting Period, the Group realized core business profit of approximately RMB124.6 million, representing a significant increase as compared with the six months ended 30 June 2017. Core business profit represents profit for the period excluding fair value gains or losses on the remeasurement of investments accounted for using the equity method and one-off recovery of other receivables. During the Reporting Period, the Group realized a net profit of approximately RMB127.1 million, representing a year-on-year decrease of 18.3% as compared with the six months ended 30 June 2017. Profit attributable to the ordinary shareholders of the Company was approximately RMB78.5 million, representing a year-on-year decrease of 14.5% as compared with the six months ended 30 June 2017. Earnings per share for the six months ended 30 June 2018 was approximately RMB0.066.

Revenue

Revenue of the Group increased from approximately RMB1,657.7 million for the six months ended 30 June 2017 to approximately RMB2,422.9 million for the Reporting Period, representing an increase of approximately 46.2%.

In respect of the business segments of the Group, revenue from the wastewater treatment business segment increased to approximately double the revenue of approximately RMB596.8 million for the six months ended 30 June 2017 to approximately RMB1,269.0 million for the Reporting Period. Revenue from the water supply segment decreased by approximately 18.1% from approximately RMB620.2 million for the six months ended 30 June 2017 to approximately RMB508.0 million for the Reporting Period. Revenue from solid waste treatment business segment increased by approximately 25.8% from RMB238.5 million for the six months ended 30 June 2017 to approximately RMB300.0 million for the Reporting Period. Revenue from construction and sales of equipment business segment increased by approximately 69.8% from approximately RMB178.0 million for the six months ended 30 June 2017 to approximately RMB302.3 million for the Reporting Period. Revenue from other business increased by approximately 80.2% from approximately RMB24.2 million for the six months ended 30 June 2017 to approximately RMB43.6 million for the Reporting Period.

The increase in revenue from the wastewater treatment business segment was mainly attributable to (i) an increase in construction revenue generated by the large-scale construction investments of certain municipal environment comprehensive treatment projects during the Reporting Period; and (ii) certain wastewater projects acquired in the second quarter of 2017, realized a full half-year revenue during the Reporting Period.

財務回顧

經營成果

本集團於報告期內錄得收益約人民幣2,422.9百萬元，與截至二零一七年六月三十日止六個月的收益同比增幅為46.2%。本集團報告期內實現核心業務利潤約為人民幣124.6百萬元，與截至二零一七年六月三十日止六個月同比顯著增長。核心業務利潤指期內溢利扣除重新計量以權益法入賬投資的公允價值的損益及一次性轉回的其他應收款。本集團報告期內實現淨溢利約人民幣127.1百萬元，與截至二零一七年六月三十日止六個月同比降幅為18.3%。本公司普通股股東應佔溢利約為人民幣78.5百萬元，與截至二零一七年六月三十日止六個月同比降幅為14.5%。截至二零一八年六月三十日止六個月的每股盈利約為人民幣0.066元。

收益

本集團的收益由截至二零一七年六月三十日止六個月約人民幣1,657.7百萬元增長至報告期內約人民幣2,422.9百萬元，增幅約46.2%。

就本集團的業務分部而言，污水處理業務分部的收益由截至二零一七年六月三十日止六個月約人民幣596.8百萬元增長約兩倍至報告期約人民幣1,269.0百萬元。供水業務分部的收益由截至二零一七年六月三十日止六個月約人民幣620.2百萬元降低約18.1%至報告期約人民幣508.0百萬元。固廢處理業務分部的收益由截至二零一七年六月三十日止六個月約人民幣238.5百萬元增長約25.8%至報告期約人民幣300.0百萬元。建造及設備銷售業務分部的收益由截至二零一七年六月三十日止六個月約人民幣178.0百萬元增加約69.8%至報告期約人民幣302.3百萬元。其他業務的收益由截至二零一七年六月三十日止六個月約人民幣24.2百萬元增長約80.2%至報告期約人民幣43.6百萬元。

污水處理業務分部收益增加主要是由於(i)報告期內若干市政環境綜合治理處理項目的大規模建造投資使建造收入增加所致；(ii)二零一七年第二季度內收購若干污水項目，於報告期實現半年收益所致。

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The decrease in revenue from the water supply business segment was mainly attributable to (i) a sharp decrease in construction revenue due to the finishing touch of several main water supply projects in Dali city during the Reporting Period; and (ii) a modest increase in operating revenue of ongoing water supply projects, and the increase in operating revenue is less than the decrease in construction revenue.

The increase in revenue from the solid waste treatment business segment was mainly attributable to (i) an increase in construction revenue generated by certain solid waste treatment projects under construction; and (ii) certain solid waste projects which acquired in the second half of 2017 recorded a full half-year revenue during the Reporting Period.

The increase in revenue from the construction and sales of equipment business segment was mainly attributable to the expansion of EPC construction services and equipment sales during the Reporting Period.

The increase in revenue from the other business segment was mainly generated by certain newly acquired O&M projects during the Reporting Period.

Cost of Sales

During the Reporting Period, the Group recorded cost of sales of approximately RMB1,841.0 million, representing a year-on-year increase of RMB596.4 million or a growth rate of 47.9% as compared with approximately RMB1,244.6 million for the six months ended 30 June 2017. The increase was primarily due to (i) an increase in construction investments due to the constructions of several ongoing and newly-acquired wastewater treatment and solid waste treatment projects during the Reporting Period; and (ii) the expansion of EPC construction services and equipment sales led to an increase of multiple services and goods purchase costs during the Reporting Period.

Gross Profit Margin

During the Reporting Period, gross profit margin of the Group was approximately 24.0%, representing a slight decrease of approximately 0.9% as compared with approximately 24.9% for the six months ended 30 June 2017.

Other Income

During the Reporting Period, the Group recorded other income of approximately RMB51.7 million, representing a year-on-year decrease of RMB103.3 million or a decrease rate of 66.6% as compared with approximately RMB155.0 million for the six months ended 30 June 2017. The year-on-year decrease in other income was mainly attributable to a recovery of certain other receivables during the six months ended 30 June 2017.

供水業務分部收益減少主要是由於(i)報告期內多項位於大理市的主要供水項目建設接近完工，建造收入大幅減少；及(ii)已有自來水廠運營收入略微增加且運營收入的增長不及建造收入的減少所致。

固廢處理業務分部收益增加主要是由於(i)若干固廢項目於報告期內持續建設所產生的建造收入增加；及(ii)二零一七年下半年收購的若干固廢項目於報告期內錄得半年收益所致。

建造及設備銷售業務分部收益增加主要是由於報告期內EPC建造服務及設備銷售規模擴大所致。

其他業務分部收益增加主要是由於報告期內新增的若干委託運營業務所致。

銷售成本

本集團於報告期內錄得銷售成本約人民幣1,841.0百萬元，較截至二零一七年六月三十日止六個月約人民幣1,244.6百萬元同比增加人民幣596.4百萬元，增幅為47.9%。該增加主要是由於(i)報告期內多項已有及新增的污水及固廢項目建設導致建造投資上升；(ii)EPC建設及設備銷售服務規模增加導致報告期內多種服務及商品採購成本上升所致。

毛利率

於報告期內，本集團的毛利率約24.0%，較截至二零一七年六月三十日止六個月約24.9%微弱降低約0.9%。

其他收入

於報告期內，本集團錄得其他收入約人民幣51.7百萬元，較截至二零一七年六月三十日止六個月約人民幣155.0百萬元同比減少103.3百萬元，降幅約為66.6%。其他收入同比減少主要是由於截至二零一七年六月三十日止六個月收回若干其他應收款。

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Selling Expenses

During the Reporting Period, selling expenses of the Group were approximately RMB21.3 million, representing a year-on-year increase of RMB3.0 million or a growth rate of 16.4% from approximately RMB18.3 million for the six months ended 30 June 2017. The increase of selling expenses was in line with the growth of multiple operating segments during the Reporting Period.

Administrative Expenses

During the Reporting Period, administrative expenses of the Group were approximately RMB177.2 million representing a year-on-year decrease of RMB25.3 million or a decrease rate of 12.5% from approximately RMB202.5 million for the six months ended 30 June 2017. The decrease in administrative expenses was primarily due to a decrease in legal and professional fees which was led by slowing-down business acquisitions during the Reporting Period.

Finance Costs — net

Net finance costs increased by RMB78.9 million from approximately RMB216.1 million for the six months ended 30 June 2017 to approximately RMB295.0 million for the Reporting Period, representing a growth rate of 36.5%. The increase in net finance costs was primarily due to a larger scale of bank and other borrowings.

The average interest rate on borrowings of the Group for the Reporting Period was approximately 4.87% per annum, representing a year-on-year increase of 0.61% as compared with 4.26% for the six months ended 30 June 2017. The increase in the average borrowing rate was due to the nationwide increase of financing interest rate in the Reporting Period.

Profit Before Income Tax

As a result of the above factors, the Group recorded a profit before income tax of approximately RMB160.7 million for the six months ended 30 June 2018, representing a decrease of approximately 13.7% as compared with approximately RMB186.3 million recorded for the six months ended 30 June 2017.

Income Tax Expenses

Income tax expenses increased by RMB2.8 million from approximately RMB30.8 million for the six months ended 30 June 2017 to approximately RMB33.6 million for the Reporting Period, representing a growth rate of approximately 9.1%. The weighted average effective tax rate was approximately 20.9% (for the year ended 31 December 2017: 20.1%). 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.

銷售開支

於報告期內，本集團的銷售開支約人民幣21.3百萬元，較截至二零一七年六月三十日止六個月約人民幣18.3百萬元同比增加人民幣3.0百萬元，增幅為16.4%。於報告期內，銷售費用增加與多個經營分部的增長一致。

行政開支

於報告期內，本集團的行政開支約人民幣177.2百萬元，較截至二零一七年六月三十日止六個月約人民幣202.5百萬元同比減少人民幣25.3百萬元，降幅為12.5%。行政開支減少主要是由於報告期內業務收購速度減慢導致收購相關的法律及專業費用降低所致。

融資成本淨額

融資成本淨額由截至二零一七年六月三十日止六個月約人民幣216.1百萬元增加人民幣78.9百萬元至報告期內約人民幣295.0百萬元，增幅為36.5%。融資成本淨額增加主要是由於銀行及其他借款的規模增加所致。

本集團於報告期內平均借款利率約為每年4.87%，與截至二零一七年六月三十日止六個月的4.26%同比增加0.61%。平均借款利率增長主要是由於報告期內全國範圍內融資利率普遍升高所致。

所得稅前溢利

由於上述因素，本集團截至二零一八年六月三十日止六個月錄得所得稅前溢利約人民幣160.7百萬元，相對於截至二零一七年六月三十日止六個月錄得約人民幣186.3百萬元，降幅約為13.7%。

所得稅開支

所得稅開支由截至二零一七年六月三十日止六個月約人民幣30.8百萬元增加人民幣2.8百萬元至報告期內約人民幣33.6百萬元，增幅約9.1%。加權平均有效稅率約為20.9%（截至二零一七年十二月三十一日止年度：20.1%）。該增長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所致。

Profit and Net Profit Margin for the Reporting Period

As a result of the foregoing, profit for the Reporting Period decreased by RMB28.4 million from approximately RMB155.5 million for the six months ended 30 June 2017 to approximately RMB127.1 million for the Reporting Period, representing a decrease of approximately 18.3%. Net profit margin decreased from approximately 9.4% for the six months ended 30 June 2017 to approximately 5.2% for the Reporting Period.

Receivables under Service Concession Arrangements

The Group's receivables under service concession arrangements increased by RMB1,330.6 million from approximately RMB5,111.1 million as at 31 December 2017 to approximately RMB6,441.7 million as at 30 June 2018, representing an increase of approximately 26.0%. Such increase was primarily due to (i) an increase in investments on municipal environment comprehensive treatment projects under construction; and (ii) the receivables of a newly acquired wastewater concession project during the Reporting Period.

Trade and Other Receivables and Prepayments

The Group's trade and other receivables and prepayments increased by RMB656.0 million from approximately RMB6,205.0 million as at 31 December 2017 to approximately RMB6,861.0 million as at 30 June 2018, representing an increase of approximately 10.6%. Such increase was primarily due to a continuous increase in scale of EPC construction services and sales of equipment let to an increase in purchase prepayments and trade receivables.

Cash and Cash Equivalents

The Group's total cash balance decreased by RMB884.3 million from approximately RMB2,896.9 million as at 31 December 2017 to approximately RMB2,012.6 million as at 30 June 2018, representing a decrease of approximately 30.5%. Such decrease was primarily due to continuous construction investments of existing and newly acquired municipal environment comprehensive treatment projects under construction, resulting in payments during the Reporting Period.

Trade and Other Payables

The Group's trade and other payables increased by RMB936.6 million from approximately RMB4,528.7 million as at 31 December 2017 to approximately RMB5,465.3 million as at 30 June 2018, representing an increase of approximately 20.7%. Such increase was primarily due to (i) the increasing scale of services and goods purchase for EPC construction projects and sales of equipment; (ii) an increase in projects of construction services payable due to the continuous investments in municipal environment comprehensive treatment projects under construction; (iii) the increase in trade and other payables of newly-acquired subsidiaries during the Reporting Period.

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二零一七年六月三十日止六個月約人民幣155.5百萬元減少人民幣28.4百萬元至報告期內約人民幣127.1百萬元，降幅約18.3%。純利率由截至二零一七年六月三十日止六個月約9.4%下降至報告期內約5.2%。

服務特許經營權安排下的應收款項

本集團服務特許經營權安排下的應收款項由二零一七年十二月三十一日的約人民幣5,111.1百萬元增加人民幣1,330.6百萬元至二零一八年六月三十日的約人民幣6,441.7百萬元，增幅約26.0%。增加主要是由於(i)對在建的市政環境綜合治理項目投資增加；及(ii)報告期內新收購一項污水特許經營權項目所致。

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二零一七年十二月三十一日的約人民幣6,205.0百萬元增加人民幣656.0百萬元至二零一八年六月三十日的約人民幣6,861.0百萬元，增幅約10.6%。該增長主要是由於EPC建設服務及設備銷售的規模持續增加導致採購預付及貿易應收款項增加所致。

現金及現金等價物

本集團的現金結餘總額由二零一七年十二月三十一日的約人民幣2,896.9百萬元減少人民幣884.3百萬元至二零一八年六月三十日的約人民幣2,012.6百萬元，降幅約30.5%。該減少主要是由於已有及新增在建的市政環境綜合治理項目持續建設投資，導致報告期內付款所致。

貿易及其他應付款項

本集團的貿易及其他應付款項由二零一七年十二月三十一日的約人民幣4,528.7百萬元增加人民幣936.6百萬元至二零一八年六月三十日的約人民幣5,465.3百萬元，增幅約20.7%。該增長主要是由於報告期內(i)EPC建設項目及設備銷售的服務及商品採購規模不斷擴大；及(ii)由於對在建的市政環境綜合治理項目的持續投資，增加購買應付建築服務；(iii)新收購附屬公司的貿易及其他應付款項增加所致。

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Borrowings

As at 30 June 2018, the Group had borrowings of approximately RMB14,899.5 million (31 December 2017: approximately RMB13,788.0 million).

As at 30 June 2018, the Group had unsecured borrowings of approximately RMB11,721.4 million (31 December 2017: approximately RMB10,465.7 million), and secured borrowings of approximately RMB3,178.1 million (31 December 2017: approximately RMB3,322.3 million).

Pledge of Assets

As at 30 June 2018, the Group had borrowings of approximately RMB1,543.0 million which were secured by the Group's land use rights and shares of subsidiaries (31 December 2017: borrowings of approximately RMB1,633.4 million which were secured by the Group's land use rights, shares of a subsidiary and a joint venture). As at 30 June 2018, the Group had borrowings of approximately RMB1,635.1 million (31 December 2017: approximately RMB1,688.9 million) which were secured by right of charges from water supply, wastewater treatment, solid waste treatment and BT projects.

Capital Commitments

The Group's capital commitments increased by RMB621.9 million from approximately RMB7,949.7 million as at 31 December 2017 to approximately RMB8,571.6 million as at 30 June 2018, representing an increase of approximately 7.8%. Such increase was primarily due to the Group's increased investments in multiple concession projects.

Gearing Ratio

The Group's gearing ratio (calculated as net debt divided by total capital) increased from approximately 61.96% as at 31 December 2017 to approximately 66.40% as at 30 June 2018. The increase in gearing ratio was mainly due to the increasing scale of debt financing during the Reporting Period.

The Initial Public Offering

The H shares of the Company were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 27 May 2015 (the "IPO"). 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).

借款

於二零一八年六月三十日，本集團借款約為人民幣14,899.5百萬元(二零一七年十二月三十一日：約人民幣13,788.0百萬元)。

於二零一八年六月三十日，本集團的無抵押借款約為人民幣11,721.4百萬元(二零一七年十二月三十一日：約人民幣10,465.7百萬元)及有抵押的借款約為人民幣3,178.1百萬元(二零一七年十二月三十一日：約人民幣3,322.3百萬元)。

資產抵押

於二零一八年六月三十日，本集團約人民幣1,543.0百萬元借款由本集團的土地使用權及應佔附屬公司股份作擔保(二零一七年十二月三十一日：約人民幣1,633.4百萬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)。於二零一八年六月三十日，本集團約人民幣1,635.1百萬元(二零一七年十二月三十一日：約人民幣1,688.9百萬元)借款由供水、污水處理、固廢處理及BT項目的收費權作擔保。

資本承擔

本集團的資本承擔由二零一七年十二月三十一日約人民幣7,949.7百萬元增加人民幣621.9百萬元至二零一八年六月三十日約人民幣8,571.6百萬元，增幅約7.8%。該增加主要是由於本集團增加於多個特許經營項目的投資。

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)由二零一七年十二月三十一日的約61.96%增至二零一八年六月三十日的約66.40%。資產與負債的比率上升主要是由於報告期內債務融資規模持續增加所致。

首次公開發售

本公司H股於二零一五年五月二十七日在香港聯合交易所有限公司(「聯交所」)上市(「首次公開發售」)。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

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The proceeds from the IPO after deducting the relevant listing expenses were approximately HK\$1,739 million. The utilization of the proceeds is in line with the information as disclosed in the prospectus of the Company dated 13 May 2015. As at 30 June 2018, the proceeds has been fully utilized.

Employees and Remuneration Policy

As at 30 June 2018, the Group hired 5,853 employees (31 December 2017: 5,302). For the six months ended 30 June 2018, employee cost of the Group were approximately RMB231.2 million (for the six months ended 30 June 2017: approximately RMB174.8 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. 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 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").

The Group seeks to limit its exposure to foreign currency risk by closely monitoring and minimizing its net foreign currency position. Management considers the fluctuations in exchange rates between the functional currencies of respective group entities and Non-functional Currencies in which the group entities conducts business will not have significant effect on the Group's financial position and results of operations.

Contingent Liabilities

As at 30 June 2018, the Group did not have any significant contingent liabilities.

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，於二零一八年六月三十日，所得款項已全部使用完畢。

僱員及薪酬政策

於二零一八年六月三十日，本集團聘用5,853名僱員(二零一七年十二月三十一日：5,302名)。截至二零一八年六月三十日止六個月，本集團員工成本約為人民幣231.2百萬元(截至二零一七年六月三十日止六個月：約人民幣174.8百萬元)。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確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」)。

本集團力圖通過密切監察及盡量減少其外幣持倉淨額來限制外幣風險敞口。管理層認為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不會對本集團的財務狀況及經營業績產生重大影響。

或然負債

於二零一八年六月三十日，本集團並無任何重大或然負債。

Management Discussion and Analysis

管理層討論及分析

INTERIM DIVIDEND

The Board does not recommend any distribution of interim dividend for the six months ended 30 June 2018 (six months ended 30 June 2017: Nil).

SIGNIFICANT INVESTMENTS AND ACQUISITIONS

- On 11 January 2018, the Company together with YCIH No.5 Construction Co., Ltd.* (雲南建投第五建設有限公司) were formally awarded a project in relation to Qinyang urban water comprehensive treatment works, which was granted by Qinyang Housing and Urban-Rural Development Bureau (沁陽市住房和城鄉建設局) through public tender and authorized by the People's Government of Qinyang City, Henan Province. The total estimated investment amount of the project is approximately RMB1,767,973,000.
- On 24 January 2018, the Company entered into a joint venture agreement with Qinyang Qinbei Construction Investment Co., Ltd.* (沁陽市沁北建設投資有限公司) and YCIH No.5 Construction Co., Ltd.* (雲南建投第五建設有限公司) in relation to the establishment of Qinyang Yunhuai Water Co., Ltd.* (沁陽市雲懷水務有限公司) as a joint venture company in Henan Province, the PRC, with a total investment amount of RMB442,003,000.
- On 13 February 2018, Yunnan Water (Hong Kong) Company Limited and the Company (as the purchaser) has entered into the Equity Transfer Agreement with Mr. Wang Zhi (as the vendor), Future International Group Co., Limited and Huize Water (Qingzhou) Company Limited* (暉澤水務(青州)有限公司) (“Huize”) for purchasing and selling the remaining 35% of Huize at a consideration of RMB200,000,000.
- On 21 March 2018, the Company together with Guangdong Yixin Great Wall Construction Group Co., Ltd.* (廣東一新長城建築集團有限公司) and Zhongdu Engineering Design Co., Ltd.* (中都工程設計有限公司) were formally awarded a project in relation to the construction of wastewater treatment facilities in the entire Xuwen County, which was granted by the Housing and Urban-Rural Development Bureau of Xuwen County (徐聞縣住房和城鄉建設局) through public tender and authorized by the People's Government of Xuwen County, Zhanjiang City, Guangdong Province, the PRC. The total estimated investment amount of the project is RMB1,249,740,000.

中期股息

董事會不建議派發截至二零一八年六月三十日止六個月之中期股息(截至二零一七年六月三十日止六個月期間：無)。

重大投資及收購

- 於二零一八年一月十一日，本公司聯同雲南建投第五建設有限公司正式獲授由河南省沁陽市人民政府授權的沁陽市住房和城鄉建設局通過公開招標方式授予的沁陽市城區水系綜合治理工程項目。該項目估算總投資額約為人民幣1,767,973,000元。
- 於二零一八年一月二十四日，本公司與沁陽市沁北建設投資有限公司及雲南建投第五建設有限公司就於中國河南省內設立合資公司：沁陽市雲懷水務有限公司訂立合資協議，總投資額為人民幣442,003,000元。
- 於二零一八年二月十三日，雲南水務(香港)股份有限公司及本公司(作為買方)與王志先生(作為賣方)、Future International Group Co., Limited及暉澤水務(青州)有限公司(「暉澤」)就以代價人民幣200,000,000元買賣暉澤剩餘35%權益訂立股權轉讓協議。
- 於二零一八年三月二十一日，本公司聯同廣東一新長城建築集團有限公司及中都工程設計有限公司，正式獲授由中國廣東省湛江市徐聞縣人民政府授權的徐聞縣住房和城鄉建設局通過公開招標方式授予的徐聞縣整縣推進污水處理設施建設項目。該項目估算總投資額為人民幣1,249,740,000元。

Management Discussion and Analysis 管理層討論及分析

- On 4 April 2018, the Company together with YCIH No. 5 Construction Co., Ltd.* (雲南建投第五建設有限公司) were formally awarded a project in relation to Wuzhi County urban water transformation and upgrading works, which was granted by the Wuzhi County Water Resources Bureau (武陟縣水利局) through public tender and authorized by the People's Government of Wuzhi County, Jiaozuo City, Henan Province. The total estimated investment amount of the project is RMB1,103,097,800.
- On 3 May 2018, the Company together with Heilongjiang Shuangxing Municipal Engineering Co., Ltd.* (黑龍江雙興市政工程有限責任公司) were formally awarded a project in relation to the integration of water supply and drainage in Shuangcheng District, Harbin City, Heilongjiang Province, which was granted by Harbin Shuangcheng Water Supply and Drainage Group Co., Ltd.* (哈爾濱市雙城區供排水集團公司) through public tender and authorized by the People's Government of Harbin City, Heilongjiang Province. The total estimated investment amount of the project is approximately RMB1,260,669,800.
- On 4 May 2018, the Company, Guangdong Yixin Great Wall Construction Group Co., Ltd.* (廣東一新長城建築集團有限公司) and Zhongdu Engineering Design Co., Ltd.* (中都工程設計有限公司) entered into a joint venture agreement in relation to the establishment of Xuwen Yunshui Environmental Protection Co., Ltd.* (徐聞縣雲水環保有限公司) as a joint venture company in Xuwen County, Zhanjiang City, Guangdong Province, the PRC, with a total investment amount of RMB380,000,000.
- On 25 May 2018, the Company together with Guangzhou Engineering Contractor Group Co., Ltd.* (廣州工程總承包集團有限公司) and Anhui Urban Construction Design Institute Corp., Ltd.* (安徽省城建設研究總院股份有限公司) were formally awarded a project in relation to the wastewater treatment system construction project in Xianmei Area, Rongcheng District, Jieyang City, which was granted by Jieyang City Rongcheng District Construction Bureau* (揭陽市榕城區建設局) by way of public tender and authorized by the People's Government of Jieyang City, Guangdong Province. The total estimated investment amount of the project is approximately RMB287,892,900.
- 於二零一八年四月四日，本公司聯同雲南建投第五建設有限公司正式獲授由河南省焦作市武陟縣人民政府授權的武陟縣水利局通過公開招標方式授予的武陟縣城區水系改造提升工程項目。該項目估算總投資額為人民幣1,103,097,800元。
- 於二零一八年五月三日，本公司聯同黑龍江雙興市政工程有限責任公司正式獲授由黑龍江省哈爾濱市人民政府授權的哈爾濱市雙城區供排水集團公司通過公開招標方式授予的黑龍江省哈爾濱市雙城區供排水一體化項目。該項目估算總投資額約為人民幣1,260,669,800元。
- 於二零一八年五月四日，本公司與廣東一新長城建築集團有限公司及中都工程設計有限公司就於中國廣東省湛江市徐聞縣內設立合資公司：徐聞縣雲水環保有限公司訂立合資協議，總投資額為人民幣380,000,000元。
- 於二零一八年五月二十五日，本公司聯同廣州工程總承包集團有限公司及安徽省城建設研究總院股份有限公司正式獲授由廣東省揭陽市人民政府授權的揭陽市榕城區建設局通過公開招標方式授予的揭陽市榕城區仙梅片區污水處理系統建設工程項目。該項目估算總投資額約為人民幣287,892,900元。

For details of the above-mentioned significant investments and acquisitions, please refer to the announcements published by the Company on 11 January 2018, 24 January 2018, 13 February 2018, 21 March 2018, 4 April 2018, 3 May 2018, 4 May 2018 and 25 May 2018 respectively.

有關上述重大投資及收購事項的詳情，請參閱本公司日期分別為二零一八年一月十一日、二零一八年一月二十四日、二零一八年二月十三日、二零一八年三月二十一日、二零一八年四月四日、二零一八年五月三日、二零一八年五月四日及二零一八年五月二十五日的公告。

Management Discussion and Analysis

管理層討論及分析

Subsequent Events

- The registered address of the Company in the PRC has been changed to Yunnan Water, 2089 Haiyuan Bei Road, Gaoxin District, Kunming, Yunnan, with effect from 9 July 2018.
- On 24 July 2018, the Company together with Guangzhou Engineering Contractor Group Co., Ltd.* (廣州工程總承包集團有限公司) were formally awarded a project in relation to the whole package of domestic wastewater treatment facilities in Jiexi County, which was granted by Jieyang City Jiexi County Housing and Urban-Rural Construction Bureau* (揭陽市揭西縣住房和城鄉建設局) through public tender and authorized by the People's Government of Jieyang City, Guangdong Province. The total estimated investment amount of the project is approximately RMB726,709,300.
- On 16 August 2018, the Company was formally awarded a project in relation to the integrated treatment of solid wastes for the Venous Industrial Park in Ganquanbao Economic Development Zone in Urumqi, which was granted by Management Center for Construction and Development of Service Industries of Ganquanbao Industrial Zone (Economic Development Zone) in Urumqi by way of public tender and was authorized by the People's Government of Urumqi City, Xinjiang Uygur Autonomous Region (新疆維吾爾自治區烏魯木齊市人民政府). The total estimated construction investment amount of the Project is approximately RMB398,529,000.
- On 30 August 2018, Mr. Dai Richeng was re-designated from an executive Director to a non-executive Director, and ceased to be the vice chairman of the Board; Mr. He Yuanping was re-designated from a non-executive Director to an executive Director; the duties of other members of the Board remain unchanged. The corresponding changes in members of the Board committees and authorized representatives will be subject to the resolutions of the forthcoming Board meeting.
- On 7 September 2018, the Company and Guangzhou Engineering Contractor Group Co., Ltd.* (廣州工程總承包集團有限公司) entered into a joint venture agreement in relation to the establishment of Jiexi Yunshuiqing Environmental Protection Co., Ltd.* (揭西縣雲水清環保有限公司) as a joint venture company in Jiexi County, Jieyang City, Guangdong Province, the PRC, with a total investment amount of RMB176,000,000.

For details of the above-mentioned subsequent events, please refer to the announcements published by the Company on 9 July 2018, 24 July 2018, 16 August 2018, 30 August 2018 and 7 September 2018 respectively.

報告期後事項

- 自二零一八年七月九日起，本公司在中國的註冊地址更改為雲南省昆明市高新技術開發區海源北路2089號雲南水務。
- 於二零一八年七月二十四日，本公司聯同廣州工程總承包集團有限公司正式獲授由廣東省揭陽市人民政府授權的揭陽市揭西縣住房和城鄉建設局通過公開招標方式授予的揭西縣生活污水處理設施整縣打包項目。該項目估算總投資額約為人民幣726,709,300元。
- 於二零一八年八月十六日，本公司正式獲授由新疆維吾爾自治區烏魯木齊市人民政府授權的烏魯木齊市甘泉堡工業區(經濟技術開發區)建設發展服務產業管理中心通過公開招標方式授予的烏魯木齊市甘泉堡開發區固廢綜合處置靜脈產業園項目。該項目估算建設總投資額約為人民幣398,529,000元。
- 於二零一八年八月三十日，戴日成先生已由執行董事調任為非執行董事，並不再擔任董事會副主席職務；何願平先生已由非執行董事調任為執行董事，董事會其他成員職務均維持不變。董事會專業委員會成員組成及授權代表的相關調整將以臨近召開董事會的審議結果為準。
- 於二零一八年九月七日，本公司與廣州工程總承包集團有限公司就於中國廣東省揭陽市揭西縣內設立合資公司：揭西縣雲水清環保有限公司訂立合資協議，總投資額為人民幣176,000,000元。

有關上述報告期後事項的詳情，請參閱本公司日期分別為二零一八年七月九日，二零一八年七月二十四日，二零一八年八月十六日，二零一八年八月三十日及二零一八年九月七日刊發的公告。

Disclosure of Interests 披露權益資料

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

As at 30 June 2018, Directors, Supervisors and chief executives of the Company had the following interests 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 interests 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

於二零一八年六月三十日，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 (%) 佔已發行的總股份的比例(%)
Mr. Yang Fang 楊方先生	Beneficial owner 實益擁有人	Domestic Shares 內資股	1,755,000 (L)	0.21	0.15
Mr. Huang Yi 黃軼先生	Beneficial owner 實益擁有人	Domestic Shares 內資股	1,560,000 (L)	0.18	0.13
Mr. Yu Long 于龍先生	Beneficial owner 實益擁有人	Domestic Shares 內資股	10,820,000 (L)	1.30	0.91
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

(L) refers to long position

(L) 代表好倉

Save as disclosed above, to the best knowledge of the Company, as at 30 June 2018, none of the Directors, Supervisors and chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations 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.

除上文披露者外，據本公司所深知，於二零一八年六月三十日，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。

Disclosure of Interests 披露權益資料

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES

To the Company's best knowledge, as at 30 June 2018, 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，於二零一八年六月三十日，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	Percentage of the respective type of Shares in issue (%)		
			Number of Shares 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(%)
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
Mr. Huang Yunjian ¹ 黃雲建先生 ¹	Beneficial owner, interests held jointly with another person 實益擁有人，與另一名人 士共同持有權益	Domestic Shares 內資股	361,487,162 (L)	43.58	30.30
Mr. Liu Xujun ¹ 劉旭軍先生 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
Mr. Wang Yong ¹ 王勇先生 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

Disclosure of Interests 披露權益資料

Name of Shareholder 股東名稱	Capacity 持股身份	Type of Shares 股份類別	Number of Shares 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(%)
YMCI ¹ 雲南城投集團 ¹	Interests in controlled corporation, interests held jointly with another person 於受控法團的權益，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
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
CNPC Assets Management Co., Ltd. ² 中油資產管理有限公司 ²	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 ² 中國石油天然氣集團公司 ²	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. ² 昆侖信託有限責任公司 ²	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) ² 融源成長(天津)股權投資合夥企業(有限合夥) ²	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	33,064,900 (L)	9.09	2.77
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	8,449,000 (L)	2.32	0.71
YMCI ¹ 雲南城投集團 ¹	Interests in controlled corporation, interests held jointly with another person 於受控法團的權益，與另一名人士共同持有權益	H Shares H股	8,449,000 (L)	2.32	0.71

Disclosure of Interests

披露權益資料

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 8,449,000 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 31.01% 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 Xujun, Wang Yong and each of Yunnan Province Water and YMCI in aggregate pursuant to the SFO.

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, 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.

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.

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 Yunnan Province Water, Huang Yunjian, Liu Xujun and himself in aggregate pursuant to the SFO.

(2) Finergy Development (Tianjin) Equity Investment Partnership (Limited Partnership) is controlled as to 90.01% 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 controlled 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).

Save as disclosed above, to the best knowledge of the Company, as at 30 June 2018, 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8,449,000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31.01%。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。

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。

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。

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。

(2) 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90.01%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為中國石油天然氣集團公司控股子公司。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。

除上文披露者外，據本公司所深知，於二零一八年六月三十日，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。

NOMINATION COMMITTEE

The Nomination Committee currently consists of one non-executive Director, Mr. Yang Tao (as chairman), and two independent non-executive Directors, Mr. Hu Song and Mr. Ma Shihao.

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 regarding 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.

During the Reporting Period, the Nomination Committee had convened two meetings, to discuss the nomination of Mr. Liu Shuen Kong as the independent non-executive Director candidate of the second session of the Board and the nomination of Mr. Huang Yi as the member of Compliance Committee and to express opinion in this regard. For details, please refer to the circular and announcement of change of composition of Board committees of the Company dated 27 April 2018 and 25 May 2018, respectively.

REMUNERATION COMMITTEE

The Remuneration Committee currently consists of one executive Director, Mr. Yang Fang and two independent non-executive Directors Mr. Hu Song (as chairman) and Mr. Ma Shihao.

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; reviewing and approving 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 advising Shareholders with respect to the service contracts of Directors that require Shareholders' approval under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). Terms of reference of the Remuneration Committee have been published on the website of the Company.

提名委員會

提名委員會現時由一名非執行董事楊濤先生(擔任主席)以及兩名獨立非執行董事胡松先生及馬世豪先生組成。

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。

於報告期內，提名委員會共舉行了兩次會議，以討論提名廖船江先生任第二屆董事會獨立非執行董事候選人及提名黃軼先生為合規委員會委員發表意見。詳情請參閱本公司日期分別為二零一八年四月二十七日的通函及二零一八年五月二十五日的董事委員會成員變更公告。

薪酬委員會

薪酬委員會現時由一名執行董事楊方先生以及兩名獨立非執行董事胡松先生(擔任主席)及馬世豪先生組成。

薪酬委員會的主要職責包括：就全體董事及高級管理人員的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；及根據聯交所證券上市規則(「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。

Corporate Governance

企業管治

AUDIT COMMITTEE

The Audit Committee currently consists of three independent non-executive Directors, Mr. Liu Shuen Kong (appointed on 13 June 2018 as the chairman in place of Mr. Kwok For Chi who resigned as the member and the chairman of the Audit Committee and the member of the Compliance Committee on the same day), Mr. Hu Song and Mr. Ma Shihao.

The principal responsibilities of the Audit Committee include reviewing and supervising the financial reporting process, risk management and internal control system of the Company, including making recommendations on appointing and changing the external auditor and its terms of engagement; reviewing and monitoring external auditor's independence and audit process objectively; monitoring the integrity of the Company's financial statements, annual report and accounts and half-year report; overseeing of the Company's financial reporting system, risk management and internal control system; attending to 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.

During the Reporting Period, the Audit Committee had convened one meeting, to discuss the annual results of 2017, the proposed distribution of final dividend, the re-appointment of auditor and to review the establishment of internal control of 2017 of the Company and other matters.

The Audit Committee had reviewed the unaudited interim condensed financial information of the Group for the Reporting Period. The Audit Committee had also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control matters with senior management of the Company.

COMPLIANCE COMMITTEE

The Compliance Committee currently consists of one non-executive Director, Mr. Dai Richeng (as chairman), three independent non-executive Directors, Mr. Liu Shuen Kong, Mr. Hu Song and Mr. Ma Shihao, and one Supervisor, Mr. Huang Yi (appointed on 25 May 2018 to replace Ms. Yang Chuanyun, the resigning member of the Compliance Committee).

The principal responsibilities of the Compliance Committee are to conduct independent investigation and make decisions on compliance matters with respect to the business operations as authorized by the Board. The Company has established the Compliance Committee to ensure the operation of any projects acquired and operated by the Group are in compliance with the Company's internal control standards and the relevant PRC laws and regulations. Terms of reference of the Compliance Committee have been published on the website of the Company.

審核委員會

審核委員會現時由三名獨立非執行董事，廖船江先生（於二零一八年六月十三日獲委任為主席以代替於當天辭任審核委員會委員兼主席以及合規委員會委員的郭科志先生）、胡松先生及馬世豪先生組成。

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。

於報告期內，審核委員會共舉行了一次會議，以討論二零一七年度業績、建議派發末期股息、續聘核數師及審核公司二零一七年度內部控制建設情況等事項。

審核委員會已審閱本集團於報告期內之未經審核中期簡明財務資料。審核委員會亦已就本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。

合規委員會

合規委員會現時由一名非執行董事戴日成先生（擔任主席）、三名獨立非執行董事廖船江先生、胡松先生及馬世豪先生以及一名監事黃軼先生（於二零一八年五月二十五日獲委任，以代替辭任合規委員會委員的楊川雲女士）組成。

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。有關合規委員會的職權範圍已載列於本公司網站。

INFORMATION ON DIRECTORS AND SUPERVISORS

Changes in information on Directors and supervisors of the Company (the "Supervisors") which are required to be disclosed pursuant to Rules 13.51(2) and 13.51B(1) of the Listing Rules are as follows:

On 13 April 2018, Mr. Kwok For Chi resigned as an independent non-executive Director, member and chairman of the Audit Committee and member of the Compliance Committee with effect from the conclusion of the annual general meeting of 2018.

On 21 May 2018, Ms. Yang Chuanyun resigned as the employee representative Supervisor with effect from the same date.

Mr. Liu Shuen Kong was appointed as an independent non-executive Director and the member and chairman of the Audit Committee, with effect from 13 June 2018 until the expiry of the term of office of the second session of the Board.

Ms. Zhang Ling was appointed as an independent Supervisor at the 2018 first extraordinary general meeting, with effect from 5 January 2018 until the expiry of the term of office of the second session of the Supervisory Committee.

Mr. Huang Yi was appointed as an employee representative Supervisor on 21 May 2018 and was appointed as a member of the Compliance Committee on 25 May 2018. Mr. Huang Yi's term of office as an employee representative Supervisor was effective from 21 May 2018 until the end of the term office of the second session of the Supervisory Committee. Mr. Huang Yi's term of office as a member of the Compliance Committee was effective from 25 May 2018 until the expiry of the term of office of the second session of the Board.

On 30 August 2018, Mr. Dai Richeng was re-designated from an executive Director to a non-executive Director, and ceased to be the vice chairman of the Board; Mr. He Yuanping was re-designated from a non-executive Director to an executive Director; the duties of other members of the Board remain unchanged. The corresponding changes in members of the Board committees and authorized representatives will be subject to the resolutions of the forthcoming Board meeting.

Save as disclosed above, after having made all reasonable enquiries, the Company is not aware of any other information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the Company's annual report for the year ended 31 December 2017.

董事及監事資料

根據上市規則第13.51(2)條及第13.51B(1)條須予披露的董事及本公司監事(「監事」)資料變更如下：

郭科志先生於二零一八年四月十三日辭任獨立非執行董事、審核委員會委員兼主席及合規委員會委員之職務，其辭職報告已於二零一八年股東週年大會結束時生效。

楊川雲女士於二零一八年五月二十一日辭任本公司職工代表監事，其辭職報告已於同日生效。

廖船江先生獲委任為獨立非執行董事及審核委員會委員兼主席，自二零一八年六月十三日起生效，至第二屆董事會任期屆滿為止。

張玲女士經二零一八年第一次臨時股東大會選舉獲委任為獨立監事，自二零一八年一月五日起生效，至第二屆監事會任期屆滿為止。

黃軼先生於二零一八年五月二十一日獲委任為職工代表監事，並於二零一八年五月二十五日獲委任為合規委員會委員，黃軼先生擔任職工代表監事的任期自二零一八年五月二十一日生效，至第二屆監事會任期屆滿為止。黃軼先生擔任合規委員會委員的任期自二零一八年五月二十五日起生效，直至第二屆董事會任期屆滿為止。

於二零一八年八月三十日，戴日成先生已由執行董事調任為非執行董事，並不再擔任董事會副主席職務；何願平先生已由非執行董事調任為執行董事，董事會其他成員職務均維持不變。董事會專業委員會成員組成及授權代表的相關調整將以臨近召開董事會的審議結果為準。

自本公司截至二零一七年十二月三十一日止年度年報日期以來，除上文所披露者外，經作出一切合理查詢後，本公司並不知悉任何根據上市規則第13.51B(1)條須予披露的其他資料。

Corporate Governance

企業管治

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

The Company had complied with all code provisions as set out in the Corporate Governance Code throughout the six months ended 30 June 2018.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "Model Code") as the code of conduct regarding securities transactions by the Directors and supervisors of the Company.

The Company had made specific enquiries with all of its Directors and Supervisors, and all Directors and Supervisors had confirmed that they have fully complied with the required standard set out in the Model Code throughout the six months ended 30 June 2018.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the six months ended 30 June 2018, to the best knowledge of the Board, none of the Directors and Supervisors and their respective associates had any business or interest that competes or may compete with the business of the Group or had or might have any conflict of interest with the Group.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2018, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company.

PUBLIC FLOAT

According to public information available to the Company and to the best knowledge of the Board, as at the date of this interim results announcement, at least 25% of the total issued share capital of the Company were held in public hands.

遵守企業管治守則

本集團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重要因素之一。

於截至二零一八年六月三十日止六個月，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

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易的標準守則（「標準守則」）作為董事及本公司監事進行證券交易的守則。

於截至二零一八年六月三十日止六個月，本公司向全體董事及監事作出具體查詢後，全體董事及監事均確認其已遵守標準守則所載的規定。

董事於競爭性業務的權益

於截至二零一八年六月三十日止六個月，董事會概不知悉董事及監事及彼等各自的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。

購買、出售或贖回本公司的上市證券

於截至二零一八年六月三十日止六個月，本公司或其附屬公司概無購買、出售或贖回本公司任何上市證券。

公眾持股量

根據本公司可獲得之公開資料及據董事會所深知，於本中期業績公佈日期本公司全部已發行股本中最少25%由公眾人士持有。

REVIEW OF THE INTERIM RESULTS

The Group's unaudited interim condensed consolidated financial information for the six months ended 30 June 2018 has been reviewed by the auditor of the Company, PricewaterhouseCoopers, in accordance with the Hong Kong Review Engagement Standards 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by Hong Kong Institute of Certified Public Accountants. The unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2018 has also been reviewed by the Audit Committee.

By Order of the Board
Yunnan Water Investment Co., Limited*
Yang Tao
Chairman

Kunming, the PRC

29 August 2018

* For identification purposes only

審閱中期業績

本集團截至二零一八年六月三十日止六個月的未經審核中期簡明合併財務信息已由本公司核數師羅兵咸永道會計師事務所按照香港會計師公會所頒佈之香港審閱準則第2410號「由實體的獨立核數師執行的中期財務信息審閱」進行審閱。本集團截至二零一八年六月三十日止六個月的未經審核中期簡明合併財務信息亦由審核委員會審閱。

承董事會命
雲南水務投資股份有限公司
主席
楊濤

中國·昆明

二零一八年八月二十九日

* 僅供識別

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

中期簡明合併損益及其他綜合收益表

		Six months ended 30 June	
		截至六月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
	Note 附註		
Revenue	7	2,422,877	1,657,722
Cost of sales		(1,841,011)	(1,244,602)
Gross profit		581,866	413,120
Other income	8	51,715	155,024
Other gains – net		2,401	59,454
Selling expenses		(21,260)	(18,281)
Administrative expenses		(177,196)	(202,537)
Operating profit		437,526	406,780
Finance income	9	10,610	19,822
Finance costs	9	(305,631)	(235,901)
Finance costs – net		(295,021)	(216,079)
Share of profit/(loss) of investments accounted for using the equity method – net	14	18,179	(4,379)
Profit before income tax		160,684	186,322
Income tax expense	10	(33,589)	(30,780)
Profit for the period		127,095	155,542
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
– Currency translation differences		(49,817)	72,941
– Share of other comprehensive income of investments accounted for using the equity method		–	3,731
		(49,817)	76,672
Total comprehensive income for the period – net of tax		77,278	232,214

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

中期簡明合併損益及其他綜合收益表

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年	2017 二零一七年
		RMB'000 人民幣千元	RMB'000 人民幣千元
		(Unaudited) (未經審核)	(Unaudited) (未經審核)
Note 附註			
Profit attributable to:			
	以下人士應佔利潤：		
	– Ordinary shareholders of the Company	78,493	91,766
	– Holders of perpetual capital instruments	41,195	42,638
	– Non-controlling interests	7,407	21,138
		127,095	155,542
Total comprehensive income attributable to:			
	以下人士應佔綜合收益 總額：		
	– Ordinary shareholders of the Company	28,676	168,438
	– Holders of perpetual capital instruments	41,195	42,638
	– Non-controlling interests	7,407	21,138
		77,278	232,214
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	0.066	0.077

The above interim condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

上述中期簡明合併損益及其他綜合收益表應與相關附註一併閱讀。

Interim Condensed Consolidated Balance Sheet

中期簡明合併資產負債表

			30 June	31 December
			2018	2017
			二零一八年	二零一七年
			六月三十日	十二月三十一日
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
			(Unaudited)	(Audited)
			(未經審核)	(經審核)
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	2,465,705	2,379,444
Investment properties	投資物業		26,364	26,692
Land use rights	土地使用權		188,239	189,751
Receivables under service concession arrangements	服務特許經營安排下的 應收款項	16	6,386,984	5,058,220
Amounts due from customers for contract works	合約工程應收客戶款項	3	–	260,694
Contract assets	合約資產	3, 17	377,929	–
Intangible assets	無形資產	15	9,181,432	8,508,853
Investments accounted for using the equity method	以權益法入賬的投資	14	647,308	623,028
Available-for-sale financial assets	可供出售金融資產	3	–	4,675
Financial asset at fair value through other comprehensive income	以公平值計量且其變動 計入其他綜合收益的 金融資產	3	4,675	–
Trade and other receivables	貿易及其他應收款項	18	13,770	30,214
Prepayments	預付款項	18	947,145	1,695,626
Deferred income tax assets	遞延所得稅資產		374,195	314,869
			20,613,746	19,092,066
Current assets	流動資產			
Receivables under service concession arrangements	服務特許經營安排下的 應收款項	16	54,733	52,928
Inventories	存貨		60,862	45,630
Amounts due from customers for contract works	合約工程應收客戶款項	3	–	405,060
Contract assets	合約資產	3, 17	463,641	–
Trade and other receivables	貿易及其他應收款項	18	5,459,400	4,350,247
Prepayments	預付款項	18	440,684	128,899
Restricted cash	受限制的現金		138,979	124,292
Cash and cash equivalents	現金及現金等價物	19	2,012,618	2,896,927
			8,630,917	8,003,983
Total assets	總資產		29,244,663	27,096,049

Interim Condensed Consolidated Balance Sheet 中期簡明合併資產負債表

		30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
		Note 附註	
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
Other reserves	其他儲備		2,231,854
Retained earnings	保留盈利		935,419
			4,360,486
Perpetual capital instruments	永久資本工具	20	1,200,000
Non-controlling interests	非控股權益		960,337
			4,536,565
			1,200,000
			949,384
Total equity	總權益		6,520,823
			6,685,949
LIABILITIES	負債		
Non-current liabilities	非流動負債		
Borrowings	借款	22	10,125,423
Trade and other payables	貿易及其他應付款項	21	1,997,086
Deferred income	遞延收益		654,507
Deferred income tax liabilities	遞延所得稅負債		1,085,597
Provision	撥備		327,592
			9,349,422
			1,272,984
			633,892
			970,786
			263,487
			14,190,205
			12,490,571

Interim Condensed Consolidated Balance Sheet

中期簡明合併資產負債表

		Note	30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Current liabilities	流動負債			
Borrowings	借款	22	4,774,031	4,438,574
Trade and other payables	貿易及其他應付款項	21	3,468,242	3,255,709
Amounts due to customers for contract works	合約工程應付客戶款項	3	–	5,023
Contract liabilities	合約負債	3, 17	83,770	–
Current income tax liabilities	流動所得稅負債		207,592	220,223
			8,533,635	7,919,529
Total liabilities	總負債		22,723,840	20,410,100
Total equity and liabilities	權益和負債總額		29,244,663	27,096,049

The above interim condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

上述中期簡明合併資產負債表應與相關附註一併閱讀。

Interim Condensed Consolidated Statement of Changes in Equity

中期簡明合併權益變動表

		Attributable to ordinary shareholders of the Company 本公司普通股股東應佔						
		Share capital	Other reserves	Retained earnings	Total	Holders of perpetual capital instruments (note 20) 永久 資本工具 持有人 (附註20)	Non- controlling interests 非控股 權益	Total equity 總權益
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Six months ended 30 June 2018 (Unaudited)	截至二零一八年 六月三十日止六個月 (未經審核)							
Balance at 1 January 2018	於二零一八年一月一日的 結餘	1,193,213	2,331,308	1,012,044	4,536,565	1,200,000	949,384	6,685,949
Total comprehensive income for the period	期內綜合收益總額							
Profit for the period	期內溢利	-	-	78,493	78,493	41,195	7,407	127,095
Currency translation differences	貨幣換算差額	-	(49,817)	-	(49,817)	-	-	(49,817)
		-	(49,817)	78,493	28,676	41,195	7,407	77,278
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	收購附屬公司	-	-	-	-	-	153,750	153,750
Capital injection by non-controlling interests	非控股權益注資	-	-	-	-	-	2,000	2,000
Acquisition of additional interests in subsidiaries (note 13)	收購附屬公司的額外權益 (附註13)	-	(49,637)	-	(49,637)	-	(152,204)	(201,841)
Dividends for the year ended 31 December 2017 (note 12)	截至二零一七年十二月 三十一日止年度的股息 (附註12)	-	-	(155,118)	(155,118)	-	-	(155,118)
Distribution to holders of perpetual capital instruments	向永久資本工具持有人 作出分派	-	-	-	-	(41,195)	-	(41,195)
		-	(49,637)	(155,118)	(204,755)	(41,195)	3,546	(242,404)
Balance at 30 June 2018	於二零一八年 六月三十日的結餘	1,193,213	2,231,854	935,419	4,360,486	1,200,000	960,337	6,520,823

Interim Condensed Consolidated Statement of Changes in Equity

中期簡明合併權益變動表

		Attributable to ordinary shareholders of the Company 本公司普通股股東應佔				Holder of perpetual capital instruments (note 20) 永久 資本工具 持有人 (附註20)	Non- controlling interests 非控股 權益	Total equity 總權益
		Share capital 股本 RMB'000 人民幣千元	Other reserves 其他儲備 RMB'000 人民幣千元	Retained earnings 保留盈利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元			
Six months ended 30 June 2017 (Unaudited)	截至二零一七年 六月三十日止六個月 (未經審核)							
Balance at 1 January 2017	於二零一七年一月一日的 結餘	1,193,213	2,247,305	800,051	4,240,569	2,000,000	1,005,890	7,246,459
Total comprehensive income for the period	期內綜合收益總額							
Profit for the period	期內溢利	-	-	91,766	91,766	42,638	21,138	155,542
Share of other comprehensive income of investments accounted for using the equity method	以權益法入賬的應佔投資 其他綜合收益	-	3,731	-	3,731	-	-	3,731
Currency translation differences	貨幣換算差額	-	72,941	-	72,941	-	-	72,941
		-	76,672	91,766	168,438	42,638	21,138	232,214
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	收購附屬公司	-	-	-	-	-	59,646	59,646
Capital injection by non-controlling interests	非控股權益注資	-	-	-	-	-	93,000	93,000
Acquisition of additional interests in subsidiaries (note 13)	收購附屬公司的額外權益 (附註13)	-	(159,238)	-	(159,238)	-	(295,840)	(455,078)
Issuance of perpetual capital instruments	發行永久資本工具	-	-	-	-	1,200,000	-	1,200,000
Redemption of perpetual capital instruments	贖回永久資本工具	-	-	-	-	(2,000,000)	-	(2,000,000)
Dividends for the year ended 31 December 2016 (note 12)	截至二零一六年十二月 三十一日止年度的股息 (附註12)	-	-	(119,321)	(119,321)	-	-	(119,321)
Distribution to holders of perpetual capital instruments	向永久資本工具持有人 作出分派	-	-	-	-	(42,638)	-	(42,638)
Distribution to non-controlling interests	向非控股權益作出分派	-	-	-	-	-	(21,334)	(21,334)
		-	(159,238)	(119,321)	(278,559)	(842,638)	(164,528)	(1,285,725)
Balance at 30 June 2017	於二零一七年 六月三十日的結餘	1,193,213	2,164,739	772,496	4,130,448	1,200,000	862,500	6,192,948

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

上述中期簡明合併權益變動表應與相關附註一併閱讀。

Interim Condensed Consolidated Statement of Cash Flows

中期簡明合併現金流量表

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Cash flows from operating activities	經營活動的現金流量		
Cash used in operations	經營所用現金	(1,112,688)	(444,299)
Income tax paid	已付所得稅	(102,811)	(123,657)
Interest paid	已付利息	(361,923)	(184,282)
Net cash used in operating activities	經營活動所用現金淨額	(1,577,422)	(752,238)
Cash flows from investing activities	投資活動的現金流量		
Payments for property, plant and equipment, land use rights and other intangible assets	物業、廠房及設備、土地使用權及其他無形資產付款	(179,433)	(23,499)
Payments for acquisition of subsidiaries, net of cash acquired	收購附屬公司付款，扣除取得的現金	(149,020)	(1,130,824)
Prepayments for acquisition of subsidiaries	收購附屬公司的預付款項	(60,000)	(300,555)
Funds granted to related parties	向關聯方提供資金	(1,179)	-
Refund of deposits for acquisition of subsidiaries	收購附屬公司的按金退款	73,800	-
Interest received	已收利息	13,960	15,767
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備的所得款項	600	5,618
Government grants relating to purchase of property, plant and equipment	有關購買物業、廠房及設備的政府補助	-	10,000
Payment for funds granted to a joint venture	向合營企業提供資金付款	-	(687,100)
Capital injection to an associate	向聯營公司注資	-	(300,000)
Net cash used in investing activities	投資活動所用現金淨額	(301,272)	(2,410,593)

Interim Condensed Consolidated Statement of Cash Flows

中期簡明合併現金流量表

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Cash flows from financing activities	融資活動的現金流量		
Capital injections by non-controlling interests	來自非控股權益的注資	2,000	93,000
Proceeds from borrowings	借款所得款項	2,524,009	7,076,067
Repayments of borrowings	償還借款	(1,447,981)	(2,576,866)
Distributions paid to holders of perpetual capital instruments	向永久資本工具持有人支付的分派	(84,001)	(42,638)
Proceeds from issuance of perpetual capital instruments	發行永久資本工具所得款項	-	1,200,000
Repayments of a perpetual capital instruments	償還永久資本工具	-	(2,000,000)
Payments of acquisition of additional interests in subsidiaries	收購附屬公司的額外權益的付款	-	(455,078)
Repayments of funds from a related party	償還來自關聯方的資金	-	(208,240)
Dividend paid to the non-controlling interests	向非控股權益支付的股息	-	(21,334)
Net cash generated from financing activities	融資活動所得現金淨額	994,027	3,064,911
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(884,667)	(97,920)
Cash and cash equivalents at beginning of the period	期初現金及現金等價物	2,896,927	4,129,921
Exchange gains/(losses) on cash and cash equivalents	現金及現金等價物匯兌收益/(虧損)	358	(18,080)
Cash and cash equivalents at end of the period	期末現金及現金等價物	2,012,618	4,013,921

The above interim condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

上述中期簡明合併現金流量表應與相關附註一併閱讀。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

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. As at 30 June 2018, the total registered capital of the Company was RMB1,193,213,000. The address of its registered office is migrated to No. 2089 Haiyuan Bei Road, Gaoxin District, Kunming, Yunnan Province, the PRC since 9 July 2018.

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.

This interim condensed consolidated financial information for the six months ended 30 June 2018 (the “Interim Financial Information”) is presented in Renminbi (“RMB”), unless otherwise stated. This Interim Financial Information was approved for issue by the board of directors of the Company on 29 August 2018.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Basis of preparation

This Interim Financial Information for the six months ended 30 June 2018 has been prepared in accordance with HKAS 34, “Interim Financial Reporting”. The Interim Financial Information should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2017, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

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。於二零一八年六月三十日，本公司的註冊資本總額為人民幣1,193,213,000元。自二零一八年七月九日起，其註冊辦事處地址遷至中國雲南省昆明市高新技術開發區海源北路2089號雲南水務。

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。

截至二零一八年六月三十日止六個月的中期簡明合併財務資料(「中期財務資料」)以人民幣(「人民幣」)呈列，除非另有說明。中期財務資料乃於二零一八年八月二十九日經本公司董事會批准刊發。

2. 編製基準及會計政策

(a) 編製基準

截至二零一八年六月三十日止六個月的中期財務資料乃根據香港會計準則第34號「中期財務報告」編製。中期財務資料須連同本集團根據香港財務報告準則(「香港財務報告準則」)編製的截至二零一七年十二月三十一日止年度的財務報表一併閱讀。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Cont'd)

(b) Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2017, as described in those annual financial statements, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings and the adoption of new standards, amendments to standards and interpretations as set out below.

(i) *New standards, amendments to standards and interpretations adopted by the Group*

The following new standards, amendments to standards and interpretations are mandatory for the Group's financial year beginning 1 January 2018:

HKFRS 9
香港財務報告準則第9號
HKFRS 15
香港財務報告準則第15號
HKAS 28 (Amendments)
香港會計準則第28號(修訂本)
HKAS 40 (Amendments)
香港會計準則第40號(修訂本)
HK (IFRIC) 22
香港(國際財務報告詮釋委員會)第22號

Financial instruments
金融工具
Revenue from contracts with customers
來自與客戶訂立合約的收入
Investments in associates and joint ventures
於聯營公司及合營公司的投資
Transfers of investment property
轉讓投資物業
Foreign currency transactions and advance consideration
外幣交易及預付代價

The impact of the adoption of these new standards and the new accounting policies are disclosed in note 3 below. The amendments to standards and interpretations adopted by the Group did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

2. 編製基準及會計政策(續)

(b) 會計政策

本集團所採納的會計政策與截至二零一七年十二月三十一日止年度的年度財務報表採用的會計政策一致(詳情載於該等年度財務報表內)，惟所得稅估計使用將適用於預期年度盈利總額的稅率以及採納下文所載新訂準則、準則修訂及詮釋除外。

(i) *本集團採納的新訂準則、準則修訂及詮釋*

下列新訂準則、準則修訂及詮釋於本集團自二零一八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新會計政策的影響披露於下文附註3。本集團採納的其他準則及詮釋對本集團的會計政策並無任何影響，故毋須作出追溯調整。

Notes to the Interim Condensed Consolidated Financial Statements 中期簡明合併財務報表附註

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Cont'd)

(b) Accounting policies (Cont'd)

(ii) Impact of new standards, amendments to standards and interpretations issued but not yet applied by the entity

HKFRS 16
香港財務報告準則第16號
HK(IFRIC) 23
香港(國際財務報告詮釋委員會)第23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)

1. Effective for annual periods beginning on 1 January 2019.
2. Effective date to be determined.

The impact of new standards, amendments to standards and interpretations that issued but not effective is still under assessment by the Group.

2. 編製基準及會計政策(續)

(b) 會計政策(續)

(ii) 已頒佈但實體尚未應用的新訂準則、準則修訂及詮釋的影響

Leases ¹
租賃 ¹
Uncertainty over income tax treatments ¹
所得稅處理的不確定性 ¹
Sale or contribution of assets between an investor and its associate or joint venture ²
投資者與其聯營公司或合營公司之間的資產出售或注資 ²

1. 於自二零一九年一月一日開始的年度期間生效。
2. 生效日期待定。

已頒佈但尚未生效的新訂準則及準則修訂和解釋的影響，本集團尚在評估過程中。

3. CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of HKFRS 9 “Financial instruments” (“HKFRS 9”) and HKFRS 15 “Revenue from contracts with customers” (“HKFRS 15”) on the Group’s financial information and the new accounting policies that have been applied from 1 January 2018, where they are different to those applied in prior periods.

3.1 Impact on the financial statements

As explained in Note 3.2 and 3.3, HKFRS 9 and HKFRS 15 were generally adopted by the Group by the modified retrospective approach without restating comparative information. As a result of the changes in the Group’s accounting policies certain reclassifications and adjustments are therefore not reflected in the balance statement as at 31 December 2017, but are recognised in the opening balance statement on 1 January 2018.

3. 會計政策變動

本附註說明採納香港財務報告準則第9號「金融工具」(「香港財務報告準則第9號」)及香港財務報告準則第15號「來自與客戶訂立合約的收入」(「香港財務報告準則第15號」)對本集團財務資料的影響及自二零一八年一月一日起應用的新會計政策(倘其與過往期間所應用者不同)。

3.1 對財務報表的影響

誠如附註3.2及3.3所闡釋，本集團於使用經修訂追溯方式採納香港財務報告準則第9號及香港財務報告準則第15號時通常不會重列可比較資料。由於本集團會計政策變動，若干重分類及調整並無於二零一七年十二月三十一日的資產負債表反映，惟於二零一八年一月一日的年初資產負債表確認。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

3. CHANGES IN ACCOUNTING POLICIES (Cont'd)

3.1 Impact on the financial statements (Cont'd)

The following table shows the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained in more detail by standard below.

3. 會計政策變動(續)

3.1 對財務報表的影響(續)

下表列示就各單獨項目確認的調整。並無載列不受有關變動影響的項目。因此，已披露的小計及總計不得按所列數字重新計算。有關調整根據準則於下文詳細闡述。

		31 December 2017			1 January 2018
		As originally presented	HKFRS 9	HKFRS 15	Restated
		二零一七年 十二月 三十一日 (初始呈列)	香港 財務報告 準則第9號	香港 財務報告 準則第15號	二零一八年 一月 一日 (經重列)
Interim condensed consolidated balance sheet (extract)	中期簡明合併資產負債表 (摘錄)	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
Non-current assets	非流動資產				
- Financial assets at fair value through other comprehensive income ("FVOCI")	- 以公平值計量 且其變動計入其他 綜合收益的金融資產	-	4,675	-	4,675
- Available-for-sale financial assets	- 可供出售金融資產	4,675	(4,675)	-	-
- Contract assets	- 合約資產	-	-	260,694	260,694
- Amounts due from customers for contract works	- 合約工程應收客戶款項	260,694	-	(260,694)	-
Current assets	流動資產				
- Contract assets	- 合約資產	-	-	405,060	405,060
- Amounts due from customers for contract works	- 合約工程應收客戶款項	405,060	-	(405,060)	-
Total assets	總資產	27,096,049	-	-	27,096,049
Current liabilities	流動負債				
- Amounts due to customers for contract works	- 合約工程應付客戶款項	5,023	-	(5,023)	-
- Trade and other payables - advances from customers	- 貿易及其他應付款項 - 來自客戶的墊款	52,531	-	(52,531)	-
- Contract liabilities	- 合約負債	-	-	57,554	57,554
Total liabilities	總負債	20,410,100	-	-	20,410,100

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

3. CHANGES IN ACCOUNTING POLICIES (Cont'd)

3.2 Adoption of HKFRS 9

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of HKFRS 9 by the Group resulted in changes in accounting policies and classification of financial assets. In accordance with the transitional provisions in HKFRS 9, comparative figures of the Group have not been restated. The new accounting policies are set out in Note 3.2 (c) below.

(a) Classification and measurement

On 1 January 2018 (the date of initial application of HKFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate HKFRS 9 measurement categories.

Reclassification from available-for-sale financial assets to FVOCI

The Group elected to present in other comprehensive income ("OCI") changes in the fair value of its equity investments previously classified as available-for-sale financial assets, because the equity investments were held as long-term strategic investments that are not expected to be sold in the short to medium term. There were no changes in fair value of the equity investments in previous years, therefore no adjustment to OCI was recorded to opening equity due to the reclassification.

Other than that, there were no changes to the classification and measurement of financial instruments.

3. 會計政策變動(續)

3.2 採納香港財務報告準則第9號

香港財務報告準則第9號取代香港會計準則第39號有關金融資產及金融負債確認、分類及計量、終止確認金融工具、金融資產減值及對沖會計處理的條文。

本集團採納香港財務報告準則第9號導致會計政策及金融資產分類變動。根據香港財務報告準則第9號之過渡條文，本集團未有重列比較數字。新會計政策載於下文附註3.2(c)。

(a) 分類及計量

於二零一八年一月一日(首次應用香港財務報告準則第9號之日期)，本集團管理層已評估應用於本集團所持金融資產之業務模式，並將其金融工具分類為適當香港財務報告準則第9號計量類別。

重新分類可供出售金融資產至以公平值計量且其變動計入其他綜合收益的金融資產

本集團選擇於其他綜合收益呈列先前分類為可供出售金融資產之股權投資之公平值變動，原因為該等投資乃持作長期策略投資且預期不會於中短期內出售。過往年度股權投資的公平值並無變動，故並未因重新分類對其他綜合收益內入賬之期初股權作出調整。

除此之外，金融工具的分類及計量概無變動。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

3. CHANGES IN ACCOUNTING POLICIES (Cont'd)

3.2 Adoption of HKFRS 9 (Cont'd)

(b) Impairment of financial assets

The new impairment model requires the recognition of impairment provisions based on expected credit losses (“ECL”) rather than only incurred credit losses as is the case under HKAS 39. The Group has three types of financial assets measured at amortised cost that are subject to HKFRS 9’s new expected credit loss model:

- receivables under service concession arrangements;
- trade and other receivables; and
- contract assets.

While cash and cash equivalents and restricted cash are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

The Group applies the HKFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for receivables under service concession arrangements, trade receivables and contract assets. Impairment on other receivables is measured as either 12-month ECL or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition.

3. 會計政策變動(續)

3.2 採納香港財務報告準則第9號(續)

(b) 金融資產減值

新減值模式要求按預期信貸虧損(「預期信貸虧損」)確認減值撥備，而非僅按香港會計準則第39號所規定的經產生後的信貸虧損確認減值撥備。本集團擁有三類按攤銷成本計量的須遵守香港財務報告準則第9號項下新訂的預期信貸虧損模型的金融資產：

- 服務特許經營安排下的應收款項；
- 貿易及其他應收款項；及
- 合約資產。

雖然現金及現金等價物以及受限制現金亦須遵守香港財務報告準則第9號的減值規定，但已識別減值虧損並不重大。

本集團採用香港財務報告準則第9號簡化方法計量預期信貸虧損，就服務特許經營安排下的應收款項、貿易應收款項及合約資產按年期計提預期虧損撥備。其他應收款項的減值則按12個月的預期信貸虧損或按年期的預期信貸虧損計量，視乎信貸風險初始確認後有否大幅增加而定。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

3. CHANGES IN ACCOUNTING POLICIES (Cont'd)

3.2 Adoption of HKFRS 9 (Cont'd)

(b) Impairment of financial assets (Cont'd)

To measure the ECL, receivables under service concession arrangements, trade and other receivables, contract assets have been grouped based on shared credit risk characteristics. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group established ECL model based on historical settlement records, past experience and available forward-looking information. The Group has reviewed its financial assets and has not identified any significant impact as at 1 January 2018 from the adoption of ECL model.

(c) Summary of significant accounting policies

The following describes the Group's updated financial instruments policy to reflect the adoption of HKFRS 9:

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- those to be measured at amortised cost.

3. 會計政策變動(續)

3.2 採納香港財務報告準則第9號(續)

(b) 金融資產減值(續)

為計量預期信貸虧損，服務特許經營安排下的應收款項、貿易及其他應收款項、合約資產已根據攤估信貸風險特徵分類。合約資產涉及未入賬在建工程，且與相同類型合約的貿易應收款項具有大致相同的風險特徵。因此，本集團認為，貿易應收款項的預期損失率與合約資產損失率合理相若。

本集團按歷史結算記錄、過往經驗及現有的前瞻性資料建立預期信貸虧損模型。本集團已審閱其金融資產且並無發現於二零一八年一月一日採納預期信貸虧損模式存在任何重大影響。

(c) 主要會計政策概要

下文闡述本集團已更新的金融工具政策，以反映對香港財務報告準則第9號的採納：

(i) 分類

本集團將其金融資產分類為以下計量類別：

- 其後按公平值(透過其他綜合收益或透過損益)計量的金融資產，及
- 按攤銷成本計量的金融資產。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

3. CHANGES IN ACCOUNTING POLICIES (Cont'd)

3.2 Adoption of HKFRS 9 (Cont'd)

(c) Summary of significant accounting policies (Cont'd)

(i) Classification (Cont'd)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

3. 會計政策變動(續)

3.2 採納香港財務報告準則第9號(續)

(c) 主要會計政策概要(續)

(i) 分類(續)

該分類取決於實體管理金融資產的業務模式及現金流量的合約條款。

就按公平值計量的資產而言，收益及虧損將計入損益或其他綜合收益。並非持作買賣的權益工具投資將視乎本集團是否有在初步確認時作出不可撤銷的選擇，以透過其他綜合收益按公平值將股權投資列賬。

(ii) 計量

於初步確認時，本集團按其公平值加上(倘金融資產並非透過損益按公平值入賬)收購金融資產直接應佔的交易成本計量金融資產。透過損益按公平值入賬的金融資產的交易成本於損益中支銷。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

3. CHANGES IN ACCOUNTING POLICIES (Cont'd)

3.2 Adoption of HKFRS 9 (Cont'd)

(c) Summary of significant accounting policies (Cont'd)

(ii) Measurement (Cont'd)

- Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group categorises its debt instruments as amortised cost, which are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the consolidated statement of comprehensive income when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

3. 會計政策變動(續)

3.2 採納香港財務報告準則第9號(續)

(c) 主要會計政策概要(續)

(ii) 計量(續)

- 債務工具

債務工具的后續計量取決於本集團管理資產的業務模式及資產的現金流量特徵。本集團將其債務工具分類為按攤銷成本，乃為收取合約現金流量而持有，其中僅為支付本金及利息的有關現金流量以攤銷成本計量。後續以攤銷成本計量，且並非對沖關係一部分的債務投資的收益或虧損，在資產被終止確認或減值時於合併綜合收益表中確認。該等金融資產的利息收入按實際利率法計入財務收入。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

3. CHANGES IN ACCOUNTING POLICIES (Cont'd)

3.2 Adoption of HKFRS 9 (Cont'd)

(c) Summary of significant accounting policies (Cont'd)

(ii) Measurement (Cont'd)

- Equity investments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the consolidated statement of profit or loss and other comprehensive income. Dividends from such investments continue to be recognised in the consolidated statement of profit or loss and other comprehensive income as other income when the Group's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in "other income and gains – net" in the consolidated statement of profit or loss and other comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at financial assets at fair value through other comprehensive income are not reported separately from other changes in fair value.

3. 會計政策變動(續)

3.2 採納香港財務報告準則第9號(續)

(c) 主要會計政策概要(續)

(ii) 計量(續)

- 股權投資

本集團後續按公平值計量所有股權投資。倘本集團管理層已選擇於其他綜合收益呈列股權投資的公平值收益及虧損，則公平值收益及虧損後續不再重新分類至合併損益及其他綜合收益表。當本集團收取付款的權利確立時，此類投資的股息繼續於合併損益及其他綜合收益表確認為其他收益。透過損益按公平值列賬的金融資產的公平值變動在適用時於合併損益及其他綜合收益表「其他收入及收益淨額」內確認。透過其他綜合收益按公平值列賬的金融資產的股權投資的減值虧損(及減值虧損撥回)不會與公平值的其他變動分開呈報。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

3. CHANGES IN ACCOUNTING POLICIES (Cont'd)

3.2 Adoption of HKFRS 9 (Cont'd)

(c) Summary of significant accounting policies (Cont'd)

(iii) Impairment of financial assets

The Group assesses on a forward looking basis the ECL associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ECL are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial assets.

For receivables under service concession arrangements, trade receivables and contract assets, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the assets. The provision matrix is determined based on historical observed default rates over the expected life of financial assets with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Impairment on other receivables is measured as either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime ECL.

3. 會計政策變動(續)

3.2 採納香港財務報告準則第9號(續)

(c) 主要會計政策概要(續)

(iii) 金融資產減值

本集團按前瞻基準評估與按攤銷成本入賬的金融資產有關之預期信貸虧損。所用的減值方法取決於信貸風險有否大幅增加。

預期信貸虧損為金融資產預期年期內信貸虧損的概率加權估計(即所有現金短缺額的現值)。

就服務特許經營安排下的應收款項、貿易應收款及合約資產而言，本集團採用香港財務報告準則第9號准許的簡化方式，該方式要求預期年期虧損於初步確認資產時確認。撥備矩陣根據有類似信貸風險特徵的金融資產於預期年期內的過往可觀察違約率釐定，並就前瞻估計調整。於各報告日期更新過往可觀察違約率及分析前瞻估計的變動。

其他應收款項減值按12個月預期信貸虧損或年期預期信貸虧損計量，視乎信貸風險初始確認後有否大幅增加而定。倘應收款項信貸風險於初始確認後大幅增加，則其減值按預期年期信貸虧損計量。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

3. CHANGES IN ACCOUNTING POLICIES (Cont'd)

3.3 Adoption of HKFRS 15

HKFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces HKAS 18 "Revenue" and HKAS 11 "Construction contracts" and related interpretations. The new accounting policies are set out in Note 3.3 (b) below.

(a) Impact of adoption

The Group elected to use a modified retrospective approach for transition which allows the Group to recognise the cumulative effects of initially applying HKFRS 15 as an adjustment to the opening balance of retained earnings in the 2018 financial year. The Group elected to apply the practical expedient for completed contracts and did not restate the contracts completed before 1 January 2018, referred to as open contracts, thus the comparative figures have not been restated.

Reclassifications were made as at 1 January 2018 to be consistent with the terminology used under HKFRS 15:

- Contract assets recognised in relation to construction services were previously presented as amounts due from customers for contract work;
- Contract liabilities for progress billing recognised in relation to construction services were previously presented as amounts due to customers to contract work; and

3. 會計政策變動(續)

3.3 採納香港財務報告準則第15號

香港財務報告準則第15號處理收入確認及確立向財務報表使用者報告有用資訊之原則，內容關於一個實體與客戶訂立之合約產生之收入及現金流之性質、金額、時間及不確定性。倘一名客戶取得貨品或服務之控制權及因而有能力控制貨品或服務之用途及由此取得利益，則確認收入。該準則取代香港會計準則第18號「收入」及香港會計準則第11號「建築合約」及相關詮釋。新會計政策載於下文附註3.3(b)。

(a) 採納的影響

本集團選擇使用經修訂追溯法以作過渡，此法讓本集團確認首次應用香港財務報告準則第15號作為二零一八年財政年度保留盈利的年初結餘的調整的累計效用。本集團選擇應用已完成合約的可行權宜之法，並無對於二零一八年一月一日前已完成的合約(即開放合約)進行重列，因此比較數字並無予以重列。

重新分類於二零一八年一月一日起進行，以符合香港財務報告準則第15號要求：

- 就建造服務確認的合約資產，過往呈列為就合約工程應收客戶款項；
- 就建造服務確認的進度付款合約負債，過往呈列為就合約工程應付客戶款項；及

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

3. CHANGES IN ACCOUNTING POLICIES (Cont'd)

3.3 Adoption of HKFRS 15 (Cont'd)

(a) Impact of adoption (Cont'd)

- Contract liabilities for advances from customers in relation to water supply services and solid waste treatment services were previously presented as trade and other payables – advance from customers.

Following the adoption of HKFRS 15, costs such as stamp duty incurred directly attributable to obtaining a contract, if recoverable, are capitalised and recorded in contract assets.

For contracts where the period between the payment by the customer and the transfer of the promised facilities or service exceeds one year, the transaction price is adjusted for the effects of a financing component, if significant.

(b) Summary of significant accounting policies

The following describes the Group's updated revenue from contracts with customers' policy to reflect the adoption of HKFRS 15:

Revenue is measured at the fair value of the consideration received or receivable for the sales of water and goods and rendering of services in the ordinary course of the Group's activities. Revenue is shown, net of discounts and after eliminating sales with the Group companies. The Group recognises revenue when specific criteria have been met for each of the Group's activities, as described below.

(i) 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.

3. 會計政策變動(續)

3.3 採納香港財務報告準則第15號(續)

(a) 採納的影響(續)

- 就供水服務及固廢處理服務的客戶墊款的合約負債，過往呈列為貿易及其他應付款項 — 客戶墊款。

於採納香港財務報告準則第15號後，為獲得合約而直接產生的印花稅等成本，如預計可收回，則資本化並入賬為合約資產。

對於客戶付款與承諾設施或服務轉讓之間的期限超過一年的合約，如果有重大影響，需調整交易價格以反映融資部分的影響。

(b) 主要會計政策概要

下文闡述本集團已更新的與客戶訂立合約的收入的政策，以反映香港財務報告準則第15號的採納：

收入按本集團水及產品銷售並於日常業務過程中提供服務之已收或應收代價之公平值計量。收入於扣除折讓及對銷與本集團成員公司之銷售後呈列。當收入就本集團各項業務而言符合下文所述之特定準則時，本集團則確認收入。

(i) 水及產品銷售

水及產品銷售於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。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

3. CHANGES IN ACCOUNTING POLICIES (Cont'd)

3.3 Adoption of HKFRS 15 (Cont'd)

(b) Summary of significant accounting policies (Cont'd)

(ii) Rendering of construction services

Revenues are recognised when or as the control of the asset under construction is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer; or
- creates and enhances an asset that the customer controls as the Group performs; or
- do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

3. 會計政策變動(續)

3.3 採納香港財務報告準則第15號(續)

(b) 主要會計政策概要(續)

(ii) 提供建造服務

收入於或隨著在建資產的控制權轉讓予客戶而確認。視乎合約條款及適用於該合約的法律規定，資產控制權可經過一段時間或於某一時間點轉移。倘本集團在履約過程中滿足下列條件，資產控制權將經過一段時間轉移：

- 提供全部利益，而客戶亦同步收到並消耗有關利益；或
- 本集團履約時創造並提升客戶所控制的資產；或
- 並無創造對本集團而言有其他用途之資產，而本集團可強制執行其權利收回至今已完成履約部分的款項。

倘資產控制權經過一段時間轉移，收入確認將按整個合約期間已完成履約責任的進度進行。否則，收入於客戶獲得資產控制權的時間點確認。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

3. CHANGES IN ACCOUNTING POLICIES (Cont'd)

3.3 Adoption of HKFRS 15 (Cont'd)

(b) Summary of significant accounting policies (Cont'd)

(ii) Rendering of construction services (Cont'd)

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

For construction services, the Group's performance creates or enhances an asset or work in progress that the customer controls as the asset is created or enhanced, thus the Group satisfies a performance obligation and recognises revenue over time, by reference to completion of the specific transaction assessed on the basis of the actual costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract.

(iii) Rendering of other services

Revenue from wastewater treatment, solid waste treatment and other services is recognised when service is rendered.

(iv) Rental income

Rental income from investment properties is recognised in the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the term of the lease.

3. 會計政策變動(續)

3.3 採納香港財務報告準則第15號(續)

(b) 主要會計政策概要(續)

(ii) 提供建造服務(續)

完成履約責任的進度乃基於本集團完成履約責任的付出或投入計量，並參考截至報告期末產生的合約成本佔各合約的總估計成本的百分比。

就建造服務而言，由於涉及創造或提升資產，本集團的履約創造或提升客戶控制的資產或在建工程，本集團因此達成履約責任並隨時間確認收入，並參考報告期末產生的實際成本佔各合約的總估計成本的百分比評估特定交易的完成情況進行確認。

(iii) 提供其他服務

污水處理、固體廢物處理及其他服務的收入於提供服務時確認。

(iv) 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及其他綜合收益表內確認。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

3. CHANGES IN ACCOUNTING POLICIES (Cont'd)

3.3 Adoption of HKFRS 15 (Cont'd)

(b) Summary of significant accounting policies (Cont'd)

(v) 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.

4. ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this Interim Financial Information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements of the Group for the year ended 31 December 2017.

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

3. 會計政策變動(續)

3.3 採納香港財務報告準則第15號(續)

(b) 主要會計政策概要(續)

(v) 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。

4. 估計

編製中期財務資料需要管理層作出判斷、估計及假設，而有關判斷、估計及假設會影響會計政策的應用和申報資產及負債以及收支數額。實際結果可能有別於該等估計。

在編製該中期財務資料時，管理層於採用本集團會計政策中作出的重大判斷及估計不確定性的關鍵來源，與本集團截至二零一七年十二月三十一日止年度的年度財務報表所採用者相同。

5. 財務風險管理及金融工具

5.1 財務風險因素

本集團業務承受多種財務風險：市場風險（包括外幣風險、利率公平值風險及現金流量利率風險及定價風險）、信貸風險及流動資金風險。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Cont'd)

5.1 Financial risk factors (Cont'd)

The Interim Financial Information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2017.

There have been no changes in the risk management policies since year end.

5.2 Liquidity risk

Cash flow forecast is performed by the operating entities of the Group and aggregated by the Group's finance department. The Group's finance department monitors rolling forecasts of the Group's liquidity requirements to ensure that it has sufficient cash and cash equivalents to meet operational needs while maintaining sufficient liquidity reserves 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.

5. 財務風險管理及金融工具 (續)

5.1 財務風險因素 (續)

中期財務資料並不包括年度財務報表規定的所有財務風險管理資料及披露，且應與本集團於二零一七年十二月三十一日之年度財務報表一併閱讀。

自年末以來，風險管理政策並無任何變動。

5.2 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流動儲備有足夠餘額，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。

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中期簡明合併財務報表附註

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Cont'd)

5.2 Liquidity risk (Cont'd)

		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 30 June 2018	於二零一八年六月三十日					
Financial liabilities	金融負債					
Borrowings	借款	5,333,343	4,897,677	4,500,163	2,355,731	17,086,914
Trade and other payables (*)	貿易及其他應付款項(*)	3,402,104	2,036,119	30,000	13,000	5,481,223
		8,735,447	6,933,796	4,530,163	2,368,731	22,568,137
As at 31 December 2017	於二零一七年 十二月三十一日					
Financial liabilities	金融負債					
Borrowings	借款	5,016,807	3,055,548	5,941,969	2,105,365	16,119,689
Trade and other payables (*)	貿易及其他應付款項(*)	2,934,701	1,309,042	30,000	13,000	4,286,743
		7,951,508	4,364,590	5,971,969	2,118,365	20,406,432

* 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。

5.3 Fair value estimation

The different levels have been defined as follows:

- 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).

The FVOCI is measured at fair value, which is grouped into level 3 fair value measurement, subsequent to initial recognition.

5.3 公平值估算

不同層級之定義如下：

- 相同資產或負債於活躍市場之報價(未經調整)(第一級)。
- 並非納入第一級之報價，惟可直接(即價格)或間接(即源自價格)觀察之資產或負債之輸入值(第二級)。
- 並非依據可觀察之市場數據之資產或負債之輸入值(即非可觀察輸入值)(第三級)。

透過其他綜合收益按公平值列賬乃按公平值計量，於初步確認後歸類為第三級公平值計量。

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中期簡明合併財務報表附註

6. SEASONALITY OF OPERATIONS

There is a seasonal factor in the Group's revenue. In general, revenue in the second half of the year is higher than the first half. In the financial year ended 31 December 2017, 32% of revenues accumulated in the first half of the year, with 68% accumulating in the second half.

7. 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; and
- (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 segments.

Unallocated assets mainly represented cash and cash equivalents, restricted cash, certain prepayments and certain receivables of the group entities engaging in multiple business segments. Management considered that it is impracticable or not meaningful in allocating to different segments.

6. 業務的季節性

本集團的收入存在季節因素。下半年收益一般高於上半年收入。截至二零一七年十二月三十一日止財政年度，上半年累計32%的收入，而下半年累計68%的收入。

7. 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。本集團分為五個業務分部，詳情如下：

- (a) 污水處理；
- (b) 供水；
- (c) 建造及設備銷售；
- (d) 固廢處理；及
- (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。分部表現按可呈報分部業績進行評估，其為各經營分部收入及毛利的一種計量。

向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。

未分配資產主要指從事多個業務分部的集團實體的現金及現金等價物、受限制的現金、若干預付款項及若干應收款項。管理層認為，分配至不同分部不切實際或意義不大。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

7. SEGMENT INFORMATION (Cont'd)

Unallocated liabilities mainly represented certain 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.

- (i) Segment results for the six months ended 30 June 2018 are as follows:

Six months ended 30 June 2018:

		Wastewater treatment	Water supply	Construction and sales of equipment 建造及 設備銷售	Solid waste treatment	Others	Unallocated	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total segment revenue	分部收入總額	1,268,966	507,992	545,880	300,012	43,639	-	2,666,489
Inter-segment revenue	分部間收入	-	-	(243,612)	-	-	-	(243,612)
Revenue from external customers	來自外部客戶的收入	1,268,966	507,992	302,268	300,012	43,639	-	2,422,877
Timing of revenue recognition	收入確認時間							
- At a point in time	— 某一時點	-	247,604	95,584	-	-	-	343,188
- Over time	— 某一時段	1,268,966	260,388	206,684	300,012	43,639	-	2,079,689
Gross profit	毛利	335,012	92,580	46,555	90,794	16,925	-	581,866
Other income	其他收入							51,715
Other gains – net	其他收益淨額							2,401
Selling expenses	銷售開支							(21,260)
Administrative expenses	行政開支							(177,196)
Finance income	融資收入							10,610
Finance costs	融資成本							(305,631)
Share of profit/(loss) of investments accounted for using the equity method – net	以權益法入賬的應佔投資溢利/(虧損)淨額	6,967	(4,715)	3,457	12,470	-	-	18,179
Profit before income tax	所得稅前溢利							160,684
Income tax expense	所得稅開支							(33,589)
Profit for the period	期內溢利							127,095
Depreciation and amortisation	折舊和攤銷	(57,720)	(76,820)	(7,332)	(76,906)	(7,227)	(6,660)	(232,665)

7. 分部資料(續)

未分配負債主要指若干借款、若干應付款項及從事多個業務分部的集團實體的遞延收益。管理層認為，分配至不同分部不切實際或意義不大。

- (i) 截至二零一八年六月三十日止六個月的分部業績如下：

截至二零一八年六月三十日止六個月：

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

7. SEGMENT INFORMATION (Cont'd)

- (i) Segment results for the six months ended 30 June 2018 are as follows: (Cont'd)

Six months ended 30 June 2017:

		Wastewater treatment	Water supply	Construction and sales of equipment 建造及 設備銷售	Solid waste treatment	Others	Unallocated	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total segment revenue	分部收入總額	596,801	620,174	362,304	238,478	24,222	-	1,841,979
Inter-segment revenue	分部間收入	-	-	(184,257)	-	-	-	(184,257)
Revenue from external customers	來自外部客戶的收入	596,801	620,174	178,047	238,478	24,222	-	1,657,722
Gross profit	毛利	219,569	65,799	27,802	96,370	3,580	-	413,120
Other income	其他收入							155,024
Other gains – net	其他收益淨額	30,584	21,246	-	-	6,123	1,501	59,454
Selling expenses	銷售開支							(18,281)
Administrative expenses	行政開支							(202,537)
Finance income	融資收入							19,822
Finance costs	融資成本							(235,901)
Share of profit/(loss) of investments accounted for using the equity method – net	以權益法入賬的應佔投 資溢利/(虧損)淨額	9,178	(13,557)	-	-	-	-	(4,379)
Profit before income tax	所得稅前溢利							186,322
Income tax expense	所得稅開支							(30,780)
Profit for the period	期內溢利							155,542
Depreciation and amortisation	折舊和攤銷	(48,415)	(65,542)	(4,090)	(62,003)	(5,824)	(6,760)	(192,634)

7. 分部資料(續)

- (i) 截至二零一八年六月三十日止六個月的分部業績如下:(續)

截至二零一七年六月三十日止六個月:

		Wastewater treatment	Water supply	Construction and sales of equipment 建造及 設備銷售	Solid waste treatment	Others	Unallocated	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total segment revenue	分部收入總額	596,801	620,174	362,304	238,478	24,222	-	1,841,979
Inter-segment revenue	分部間收入	-	-	(184,257)	-	-	-	(184,257)
Revenue from external customers	來自外部客戶的收入	596,801	620,174	178,047	238,478	24,222	-	1,657,722
Gross profit	毛利	219,569	65,799	27,802	96,370	3,580	-	413,120
Other income	其他收入							155,024
Other gains – net	其他收益淨額	30,584	21,246	-	-	6,123	1,501	59,454
Selling expenses	銷售開支							(18,281)
Administrative expenses	行政開支							(202,537)
Finance income	融資收入							19,822
Finance costs	融資成本							(235,901)
Share of profit/(loss) of investments accounted for using the equity method – net	以權益法入賬的應佔投 資溢利/(虧損)淨額	9,178	(13,557)	-	-	-	-	(4,379)
Profit before income tax	所得稅前溢利							186,322
Income tax expense	所得稅開支							(30,780)
Profit for the period	期內溢利							155,542
Depreciation and amortisation	折舊和攤銷	(48,415)	(65,542)	(4,090)	(62,003)	(5,824)	(6,760)	(192,634)

Notes to the Interim Condensed Consolidated Financial Statements

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7. SEGMENT INFORMATION (Cont'd)

(ii) Segment assets and liabilities as at 30 June 2018 are as follows:

As at 30 June 2018:

		Wastewater treatment	Water supply	Construction and sales of equipment 建造及 設備銷售	Solid waste treatment	Others	Unallocated	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Segment assets	分部資產	9,741,722	6,993,758	4,038,628	4,866,395	839,750	2,764,410	29,244,663
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	190,723	317,191	32,094	102,766	4,534	-	647,308
Segment liabilities	分部負債	2,916,494	1,834,895	2,249,554	1,149,181	1,302,533	13,271,183	22,723,840

As at 31 December 2017:

於二零一七年十二月三十一日：

		Wastewater treatment	Water supply	Construction and sales of equipment 建造及 設備銷售	Solid waste treatment	Others	Unallocated	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Segment assets	分部資產	7,528,533	6,127,885	3,204,309	4,907,107	1,224,204	4,104,011	27,096,049
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	180,563	337,532	27,023	73,376	4,534	-	623,028
Segment liabilities	分部負債	2,231,133	927,438	1,751,499	1,200,863	800,206	13,498,961	20,410,100

Notes to the Interim Condensed Consolidated Financial Statements

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7. SEGMENT INFORMATION (Cont'd)

(iii) Breakdown of the revenue from all services and sales of goods is as follows:

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Operating revenue	運營收入	679,946	601,262
Construction services	建造服務	1,295,606	825,836
Finance income	融資收入	155,094	121,395
Engineering-Procurement-Construction and sales of equipment	設計 — 採購 — 施工及設備銷售	248,592	85,007
Others	其他	43,639	24,222
		2,422,877	1,657,722

8. OTHER INCOME

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Interest income	利息收入		
– Other receivables from third parties	— 其他應收第三方款項	3,347	2,453
– Other receivables from a joint venture	— 其他應收合營企業款項	–	5,265
Value-added tax refunds	增值稅退稅	25,787	33,957
Government grants	政府補助	19,119	15,436
Recovery of other receivables (note a)	收回其他應收款項(附註a)	3,354	95,054
Miscellaneous income	雜項收益	108	2,859
		51,715	155,024

(a) During the six months ended 30 June 2018, the Group has received other receivables of RMB3,354,000 (six months ended 30 June 2017: RMB95,054,000) which were fully impaired in prior years.

7. 分部資料(續)

(iii) 自全部服務及銷售貨品產生的收入之明細載列如下：

8. 其他收入

(a) 截至二零一八年六月三十日止六個月，本集團已收到過往年度悉數減值的其他應收款項人民幣3,354,000元(截至二零一七年六月三十日止六個月：人民幣95,054,000元)。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

9. FINANCE COSTS – NET

9. 融資成本淨額

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Finance income	融資收入		
– Interest income from bank deposits	— 銀行存款利息收入	10,610	19,822
Finance costs	融資成本		
– Borrowing costs	— 借款成本	(355,871)	(237,778)
Less: amounts capitalised on qualifying assets (note a)	減：合資格資產的資本化金額 (附註a)	56,801	19,943
		(299,070)	(217,835)
– Unwinding of provision	— 解除撥備	(5,466)	(4,768)
– Net exchange losses on financing activities	— 融資活動的匯兌虧損淨額	(1,095)	(13,298)
		(305,631)	(235,901)
Finance costs – net	融資成本淨額	(295,021)	(216,079)

(a) For the six months ended 30 June 2018, the Group has capitalised borrowing costs amounting to RMB17,179,000 and RMB39,622,000 (six months ended 30 June 2017: RMB418,000 and RMB19,525,000) on qualifying property, plant and equipment and intangible assets, respectively. Borrowing costs were capitalised at the weighted average rate of 5.62% for the six months ended 30 June 2018 (six months ended 30 June 2017: 4.61%).

(a) 截至二零一八年六月三十日止六個月，本集團已分別就合資格物業、廠房及設備以及無形資產資本化借款成本人民幣17,179,000元及人民幣39,622,000元（截至二零一七年六月三十日止六個月：人民幣418,000元及人民幣19,525,000元）。截至二零一八年六月三十日止六個月，借款成本乃按5.62%（截至二零一七年六月三十日止六個月：4.61%）的加權平均率予以資本化。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

10. INCOME TAX EXPENSE

10. 所得稅開支

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Current income tax	即期所得稅		
– Corporate income tax	— 企業所得稅	93,372	62,506
Deferred income tax	遞延所得稅		
– Corporate income tax	— 企業所得稅	(59,783)	(31,726)
		33,589	30,780

(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% (six months ended 30 June 2017: same).

(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 six months ended 30 June 2018 (six months ended 30 June 2017: same).

(a) 中國企業所得稅

在中國大陸西部地區從事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，前提是其主要營業收入須達到其當期收入總額的70%以上。

在中國大陸經營污水及固廢處理項目的若干附屬公司自產生營運收入首年起可享有三年免稅期及緊接三年企業所得稅減半的待遇。

除上文所述若干附屬公司可享受優惠待遇外，本集團於中國的其他附屬公司須按法定稅率25%繳納企業所得稅（截至二零一七年六月三十日止六個月：相同）。

(b) 泰國企業所得稅

在泰國經營固廢處理項目的附屬公司可享有由二零一三年至二零二零年八年免稅期。

(c) 香港利得稅

截至二零一八年六月三十日止六個月，適用香港利得稅稅率為16.5%（截至二零一七年六月三十日止六個月：相同）。

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中期簡明合併財務報表附註

10. INCOME TAX EXPENSE (Cont'd)

(c) Hong Kong profits tax (Cont'd)

No provision for Hong Kong profits tax was made as the Group did not have any assessable profit in Hong Kong for six months ended 30 June 2018 (six months ended 30 June 2017: same).

(d) Indonesia corporate income tax

The subsidiaries operating solid waste treatment project in Indonesia is subject to corporate income tax at the statutory rate of 25% for the six months ended 30 June 2018 (six months ended 30 June 2017: same).

11. EARNINGS PER SHARE

(a) Basic

The basic earnings per share is calculated by dividing the profit attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares issued during the six months ended 30 June 2018.

		Six months ended 30 June	
		截至六月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
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)	78,493	91,766
Weighted average numbers of ordinary shares in issue (thousands)	已發行的普通股加權平均數 (千股)	1,193,213	1,193,213
Basic earnings per share (RMB per share)	每股基本盈利 (每股人民幣元)	0.066	0.077

(b) Diluted

Diluted earnings per share is the same as basic earnings per share as there were no potential diluted ordinary shares outstanding during the six months ended 30 June 2018 (Six months ended 30 June 2017: same).

10. 所得稅開支(續)

(c) 香港利得稅(續)

由於本集團於截至二零一八年六月三十日止六個月並無產生任何應課稅溢利，故並未計提香港利得稅撥備(截至二零一七年六月三十日止六個月：相同)。

(d) 印尼企業所得稅

截至二零一八年六月三十日止六個月，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(截至二零一七年六月三十日止六個月：相同)。

11. 每股盈利

(a) 基本

每股基本盈利按本公司股普通股股東應佔溢利除以截至二零一八年六月三十日止六個月已發行的普通股加權平均數計算。

(b) 攤薄

由於截至二零一八年六月三十日止六個月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(截至二零一七年六月三十日止六個月：相同)。

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12. DIVIDENDS

Pursuant to the resolution of the Company's Annual General Meeting held on 13 June 2018, the Company has declared 2017 dividends of RMB155,118,000 (2016 dividends: RMB119,321,000). The 2017 dividends were paid on 27 July 2018.

No interim dividend for the six months ended 30 June 2018 (six months ended 30 June 2017: nil) has been proposed by the board of directors of the Company.

13. ACQUISITION OF ADDITIONAL INTERESTS IN SUBSIDIARIES

During the six months ended 30 June 2018, the Group acquired additional interests in 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 period is summarised as follow:

12. 股息

根據本公司於二零一八年六月十三日舉行的股東週年大會的決議案，本公司已宣派二零一七年股息人民幣155,118,000元(二零一六年股息：人民幣119,321,000元)。二零一七年股息已於二零一八年七月二十七日派付。

本公司董事會不建議派發截至二零一八年六月三十日止六個月之中期股息(截至二零一七年六月三十日止六個月：無)。

13. 收購附屬公司的額外權益

於截至二零一八年六月三十日止六個月，本集團收購若干附屬公司的額外權益。本集團確認非控股權益減少以及本公司普通股股東應佔權益減少。本集團所有權權益變動對期內本公司普通股股東應佔權益的影響概述如下：

		Six months ended 30 June	
		截至六月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Carrying amount of non-controlling interests acquired	已收購非控股權益的賬面值	152,204	295,840
Consideration paid/payable to non-controlling interests	非控股權益的已付／應付代價	(201,841)	(455,078)
Excess of consideration recognised within equity	於權益確認的代價超出部分	(49,637)	(159,238)

Notes to the Interim Condensed Consolidated Financial Statements

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14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

There was no joint venture nor associate of the Group as at 30 June 2018 which, in the opinion of the executive directors, are material to the Group. For those individually immaterial associates and joint ventures that are accounted for using the equity method, amounts recognised in the interim condensed consolidated balance sheet and the interim condensed consolidated income statement are set out as below:

Amounts recognised in the interim condensed consolidated balance sheet

		As at 於	
		30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Investments accounted for using the equity method	以權益法入賬的投資		
– A joint venture (note a)	— 合營企業(附註a)	592,576	572,287
– Associates (note b)	— 聯營公司(附註b)	54,732	50,741
		647,308	623,028

Amounts recognised in the interim condensed consolidated statement of profit or loss and other comprehensive income

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Share of net profit/(loss) of associates and a joint venture accounted for using the equity method – net	分佔以權益法入賬的聯營公司及合營企業溢利/(虧損)淨額		
– A joint venture (note a)	— 合營企業(附註a)	18,877	(13,514)
– Associates (note b)	— 聯營公司(附註b)	(698)	9,135
		18,179	(4,379)
Other comprehensive income	其他綜合收益	–	3,731
		18,179	(648)

14. 以權益法入賬的投資

於二零一八年六月三十日，本集團並無執行董事認為對本集團而言屬重大的合營企業或聯營公司。就以權益法入賬的個別非重大聯營公司及合營企業而言，於中期簡明合併資產負債表及中期簡明合併收益表確認的金額載列如下：

於中期簡明合併資產負債表確認的金額

於中期簡明合併損益及其他綜合收益表確認的金額

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Cont'd)

(a) Investment in a joint venture

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Opening balance at 1 January	於一月一日的期初結餘	572,287	709,339
Share of profit/(loss) for the period	分佔期內溢利/(虧損)	18,877	(13,514)
Recognition of unrealised profits of prior periods	確認以前期間的未變現溢利	1,412	-
Other comprehensive income	其他綜合收益	-	3,731
Currency translation difference	貨幣換算差額	-	(2,636)
Fair value gains on the remeasurement of a joint venture	重新計量合營企業的公平值收益	-	51,830
Step-up acquisition from a joint venture to a subsidiary	由合營企業逐步收購為附屬公司	-	(748,750)
Closing balance at 30 June	於六月三十日的期末結餘	592,576	-

(b) Investment in associates

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Opening balance at 1 January	於一月一日的期初結餘	50,741	37,341
Acquisition of a subsidiary	收購附屬公司	-	4,533
Addition	添置	-	300,000
Share of (loss)/profit for the period	分佔期內(虧損)/溢利	(698)	9,135
Recognition of unrealised profits of prior periods	確認以前期間的未變現溢利	4,689	-
Fair value gains on the remeasurement of associates	重新計量聯營公司的公平值收益	-	6,123
Step-up acquisition from an associate to a subsidiary	由聯營公司逐步收購為附屬公司	-	(43,464)
Closing balance at 30 June	於六月三十日的期末結餘	54,732	313,668

14. 以權益法入賬的投資(續)

(a) 於合營企業的投資

Six months ended 30 June
截至六月三十日止六個月

2018	2017
二零一八年	二零一七年
RMB'000	RMB'000
人民幣千元	人民幣千元

Opening balance at 1 January	於一月一日的期初結餘	572,287	709,339
Share of profit/(loss) for the period	分佔期內溢利/(虧損)	18,877	(13,514)
Recognition of unrealised profits of prior periods	確認以前期間的未變現溢利	1,412	-
Other comprehensive income	其他綜合收益	-	3,731
Currency translation difference	貨幣換算差額	-	(2,636)
Fair value gains on the remeasurement of a joint venture	重新計量合營企業的公平值收益	-	51,830
Step-up acquisition from a joint venture to a subsidiary	由合營企業逐步收購為附屬公司	-	(748,750)
Closing balance at 30 June	於六月三十日的期末結餘	592,576	-

(b) 於聯營公司的投資

Six months ended 30 June
截至六月三十日止六個月

2018	2017
二零一八年	二零一七年
RMB'000	RMB'000
人民幣千元	人民幣千元

Opening balance at 1 January	於一月一日的期初結餘	50,741	37,341
Acquisition of a subsidiary	收購附屬公司	-	4,533
Addition	添置	-	300,000
Share of (loss)/profit for the period	分佔期內(虧損)/溢利	(698)	9,135
Recognition of unrealised profits of prior periods	確認以前期間的未變現溢利	4,689	-
Fair value gains on the remeasurement of associates	重新計量聯營公司的公平值收益	-	6,123
Step-up acquisition from an associate to a subsidiary	由聯營公司逐步收購為附屬公司	-	(43,464)
Closing balance at 30 June	於六月三十日的期末結餘	54,732	313,668

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

15. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

15. 物業、廠房及設備以及無形資產

		Property, plant and equipment 物業、 廠房及設備 RMB'000 人民幣千元	Intangible assets 無形資產 RMB'000 人民幣千元
Six months ended 30 June 2018	截至二零一八年六月三十日止六個月		
Net book value	賬面淨值		
As at 1 January 2018	於二零一八年一月一日	2,379,444	8,508,853
Acquisition of subsidiaries	收購附屬公司	18,126	250,298
Additions	添置	149,534	584,749
Depreciation/amortisation	折舊／攤銷	(80,674)	(150,557)
Currency translation differences	貨幣換算差額	-	(11,911)
Disposals	出售	(725)	-
As at 30 June 2018	於二零一八年六月三十日	2,465,705	9,181,432
Six months ended 30 June 2017	截至二零一七年六月三十日止六個月		
Net book value	賬面淨值		
As at 1 January 2017	於二零一七年一月一日	2,326,287	4,560,375
Acquisition of subsidiaries	收購附屬公司	12,716	2,113,408
Additions	添置	85,269	825,892
Depreciation/amortisation	折舊／攤銷	(80,870)	(108,818)
Currency translation differences	貨幣換算差額	45	11,027
Disposals	出售	(5,334)	-
As at 30 June 2017	於二零一七年六月三十日	2,338,113	7,401,884

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中期簡明合併財務報表附註

16. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS

The following is the summarised information of the financial asset component (receivable under service concession arrangements) with respect to the Group's service concession arrangements:

		As at	
		於	
		30 June	31 December
		2018	2017
		二零一八年	二零一七年
		六月三十日	十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Receivables under service concession arrangements	服務特許經營安排下的應收款項	6,441,717	5,111,148
Less: portion classified as current assets	減：分類為流動資產的部分	(54,733)	(52,928)
Non-current portion	非即期部分	6,386,984	5,058,220

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.

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 over the expected life and adjusted for forward-looking estimates, 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.

16. 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：

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。

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。根據於預期年期內之過往經驗並按未來估計調整，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 Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

17. CONTRACT ASSETS AND CONTRACT LIABILITIES

Contract assets consist of unbilled amount resulting from construction services when the cost-to-cost method of revenue recognised exceeds the amount billed to the customer.

The Group receives advances from customers based on billing schedule as established in contracts. Payments are usually received in advance of the performance under the contracts which are mainly from construction, water supply and solid waste treatment services.

Details of contract assets and contract liabilities are as follows:

17. 合約資產及合約負債

合約資產包括因建築服務產生的已確認成本比例法收入超過已向客戶收取的金額時的未收取金額。

本集團根據合約中規定的收款時間表收取客戶預付款。付款通常在合約履行之前收取，合約主要來自建築、供水及固廢處理服務。

合約資產及合約負債的詳情如下：

		As at	
		30 June	31 December
		2018	2017
		二零一八年	二零一七年
		六月三十日	十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Contract assets related to construction services	與建築服務有關的合約資產		
– Non current	— 非即期	377,929	–
– Current	— 即期	463,641	–
		841,570	–
Contract liabilities – Current	合約負債 — 即期		
– Related to construction services	— 與建築服務有關	57,048	–
– Related to water supply services	— 與供水服務有關	19,158	–
– Related to solid waste treatment services	— 與固廢處理服務有關	7,564	–
		83,770	–

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

18. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

18. 貿易及其他應收款項以及預付款項

		As at	
		於	
		30 June	31 December
		2018	2017
		二零一八年	二零一七年
		六月三十日	十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade receivables	貿易應收款項	4,306,260	3,509,126
Less: provision for impairment	減：減值撥備	(41,721)	(41,721)
		4,264,539	3,467,405
Other receivables	其他應收款項	1,216,193	920,618
Less: provision for impairment	減：減值撥備	(7,562)	(7,562)
		1,208,631	913,056
Total trade and other receivables	貿易及其他應收款項總額	5,473,170	4,380,461
Less: non-current portion of other receivables	減：其他應收款項的非即期部分	(13,770)	(30,214)
Current portion of trade and other receivables	貿易及其他應收款項的即期部分	5,459,400	4,350,247
Prepayments	預付款項		
– Related parties (note 25 (d))	— 關連方(附註25(d))	89,416	67,595
– Third parties	— 第三方	1,298,413	1,756,930
		1,387,829	1,824,525
Less: non-current portion of prepayments	減：預付款項非即期部分	(947,145)	(1,695,626)
Current portion of prepayments	預付款項即期部分	440,684	128,899

The carrying amount of trade and other receivables, approximate their fair values and were mainly denominated in RMB.

貿易及其他應收款項的賬面值與其公平值相若，且主要以人民幣計值。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

18. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Cont'd)

In general, the Group grants credit periods of 90 to 180 days to its customers. Aging 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 於	
		30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Within one year	一年以內	3,211,455	2,451,422
Over one year	一年以上	1,094,805	1,057,704
		4,306,260	3,509,126

18. 貿易及其他應收款項以及預付款項(續)

通常情況下，本集團授予客戶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(包括屬貿易性質的應收關聯方款項)總額賬齡分析如下：

19. CASH AND CASH EQUIVALENTS

		As at 於	
		30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Cash at bank and on hand	銀行及手頭現金	1,982,962	2,836,457
Short-term bank deposits	短期銀行存款	29,656	60,470
		2,012,618	2,896,927
Denominated in:	以下列貨幣計值：		
– RMB	— 人民幣	1,849,232	2,607,303
– United States dollars (“USD”)	— 美元(「美元」)	123,741	207,020
– Thai Baht	— 泰銖	31,559	35,126
– Indonesian Rupiah	— 印尼盾	285	7,189
– Hong Kong dollars	— 港元	7,801	40,289
		2,012,618	2,896,927

19. 現金及現金等價物

Notes to the Interim Condensed Consolidated Financial Statements

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20. PERPETUAL CAPITAL INSTRUMENTS

The perpetual capital instruments have no maturity and the payments of distribution can be deferred at the discretion of the Group. Movement of the perpetual capital instruments is as follows:

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Opening balance at 1 January	於一月一日的期初結餘	1,200,000	2,000,000
Issues	發行	-	(2,000,000)
Redemptions	贖回	-	1,200,000
Profit attributable to holders of perpetual capital instruments	永久資本工具持有人應佔溢利	41,195	42,638
Distributions to holders of perpetual capital instruments	向永久資本工具持有人作出的分派	(41,195)	(42,638)
Closing balance at 30 June	於六月三十日的期末結餘	1,200,000	1,200,000

20. 永久資本工具

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。永久資本工具的變動如下：

21. TRADE AND OTHER PAYABLES

		As at 於	
		30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Trade payables	貿易應付款項	4,341,171	3,028,851
Notes payables	應付票據	-	40,000
Other payables	其他應付款項	902,901	1,138,834
Advances from customers	來自客戶的墊款	-	52,531
Staff welfare benefit payable	應付員工福利	3,764	38,562
Dividend payables	應付股息	155,118	-
Other taxes payable	其他應付稅項	62,374	229,915
		5,465,328	4,528,693
Less: non-current portion	減：非即期部分	(1,997,086)	(1,272,984)
Current portion	即期部分	3,468,242	3,255,709

21. 貿易及其他應付款項

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21. TRADE AND OTHER PAYABLES (Cont'd)

As at 30 June 2018, the aging analysis of the trade payables (including amounts due to related parties of trading in nature) based on invoice date were as follows:

		As at 於	
		30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Within one year	一年以內	3,097,255	1,830,650
Over one year	一年以上	1,243,916	1,198,201
		4,341,171	3,028,851

22. BORROWINGS

21. 貿易及其他應付款項(續)

於二零一八年六月三十日，根據發票日期，本集團的貿易應付款項(包含貿易性質的應付關聯方款項)的賬齡分析如下：

		As at 於	
		30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Non-current	非即期	10,125,423	9,349,422
Current	即期	4,774,031	4,438,574
		14,899,454	13,787,996

22. 借款

		As at 於	
		30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Non-current	非即期	10,125,423	9,349,422
Current	即期	4,774,031	4,438,574
		14,899,454	13,787,996

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

22. BORROWINGS (Cont'd)

Movements in borrowings is analysed as follows:

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Opening balance as at 1 January	於一月一日的期初結餘	13,787,996	8,298,479
Proceeds from borrowings	借款所得款項	2,524,009	7,076,067
Repayments of borrowings	償還借款	(1,447,981)	(2,576,866)
Acquisition of subsidiaries	收購附屬公司	-	13,400
Exchange losses/(gains) on financing activities	融資活動的匯兌虧損/(收益)	7,777	(4,098)
Currency translation differences	貨幣換算差額	27,653	(54,598)
Closing balance as at 30 June	於六月三十日的期末結餘	14,899,454	12,752,384

The Group's borrowings as at 30 June 2018 carried weighted average interest rates of 4.87% per annum (31 December 2017: 4.26%).

As at 30 June 2018, borrowings of RMB3,178,073,000 (31 December 2017: RMB3,322,262,000) were secured by pledge of the Group's receivables under service concession arrangements, land use rights and investments in subsidiaries with carrying value as follows:

		As at 於	
		30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Investments in subsidiaries	於附屬公司的投資	1,656,357	1,608,357
Receivables under service concession arrangements	服務特許經營安排下的應收款項	310,066	310,760
Land use rights	土地使用權	19,779	19,996
		1,986,202	1,939,113

22. 借款(續)

借款變動的分析如下：

於二零一八年六月三十日，本集團借款所附加權平均利率為每年4.87%（二零一七年十二月三十一日：4.26%）。

於二零一八年六月三十日，借款人民幣3,178,073,000元（二零一七年十二月三十一日：人民幣3,322,262,000元）由賬面值如下的本集團服務特許經營安排下的應收款項、土地使用權及於附屬公司的投資質押作抵押：

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

22. BORROWINGS (Cont'd)

As at 30 June 2018, borrowings of RMB22,898,000 (31 December 2017: RMB24,719,000), RMB1,537,855,000 (31 December 2017: RMB1,444,248,000) and RMB257,111,000 (31 December 2017: RMB306,981,000) were guaranteed by a PRC local government, a related party and a third party, respectively.

23. COMMITMENTS

(a) Capital commitment

Capital expenditure contracted for but not yet incurred as of 30 June 2018 is as follows:

		As at	
		於	
		30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Property, plant and equipment, land use right, concession projects and construction projects	物業、廠房及設備、 土地使用權、特許經營項目 及建設項目	8,252,177	7,501,972
Equity interests	股權	319,407	447,695
		8,571,584	7,949,667

(b) Operating lease commitments – where the Group is the lessee

The Group has leased various offices and warehouses under non-cancellable operating lease agreements. The lease terms are between 1 and 9 years.

22. 借款(續)

於二零一八年六月三十日，借款人民幣22,898,000元(二零一七年十二月三十一日：人民幣24,719,000元)、人民幣1,537,855,000元(二零一七年十二月三十一日：人民幣1,444,248,000元)及人民幣257,111,000元(二零一七年十二月三十一日：人民幣306,981,000元)分別由中國地方政府、關聯方及第三方提供擔保。

23. 承擔

(a) 資本承擔

截至二零一八年六月三十日已訂約但尚未產生的資本支出如下：

(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9年。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

23. COMMITMENTS (Cont'd)

(b) Operating lease commitments – where the Group is the lessee (Cont'd)

The Group had future aggregate minimum lease rental payments under non-cancellable operating leases as follows:

		As at 於	
		30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Within one year	一年以內	10,890	10,143
One to five years	一至五年	10,997	12,269
Over five years	五年以上	709	865
		22,596	23,277

24. BUSINESS COMBINATION

The Group has completed several business combinations during the six months ended 30 June 2018. The acquired businesses have contributed revenues of RMB4,678,000 and net loss of RMB2,278,000 to the Group for the period from acquisition date to 30 June 2018. Had the business combinations been completed at 1 January 2018, the interim condensed consolidated statement of profit or loss and other comprehensive income of the Group for the period ended 30 June 2018 would show pro-forma revenue of RMB2,432,845,000 and profit for the period of RMB122,347,000.

23. 承擔(續)

(b) 經營租賃承擔 — 本集團作為承租人(續)

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：

24. 業務合併

本集團於截至二零一八年六月三十日止六個月已完成多項業務合併。自收購日期至二零一八年六月三十日止期間，已收購業務為本集團貢獻收入人民幣4,678,000元及虧損淨額人民幣2,278,000元。倘業務合併於二零一八年一月一日已完成，本集團於截至二零一八年六月三十日止期間的中期簡明合併損益及其他綜合收益表將顯示備考收入人民幣2,432,845,000元及期內溢利人民幣122,347,000元。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

24. BUSINESS COMBINATION (Cont'd)

Set out below is the summarised information of the major completed business combinations during the six months ended 30 June 2018.

24. 業務合併(續)

下文載列於截至二零一八年六月三十日止六個月完成的主要業務合併的概要資料。

		Yunnan Water International Limited 雲水國際 有限公司 (Note a) (附註a) RMB'000 人民幣千元	DSG Environment Shandong Limited 龍泉環境工程 山東有限公司 (Note b) (附註b) RMB'000 人民幣千元
Consideration:	代價：		
– Cash	— 現金	135,000	55,000
– Unpaid consideration	— 未付代價	20,000	80,000
Total Consideration	代價總額	155,000	135,000
Fair value of identifiable net assets acquired	所收購可識別淨資產的公平值		
Trade and other receivables	貿易及其他應收款項	3,714	20,008
Receivables under service concession arrangements	服務特許經營安排下的應收款項	292,241	163,659
Intangible assets	無形資產	206,940	43,358
Other assets	其他資產	1,225	8,968
Trade and other payables	貿易及其他應付款項	(131,637)	(48,943)
Provision	撥備	(24,499)	(14,428)
Deferred income tax liabilities	遞延所得稅負債	(66,130)	(37,622)
Total identifiable net assets	可識別淨資產總額	281,854	135,000
Non-controlling interests	非控股權益	(126,854)	–
		155,000	135,000
Goodwill	商譽	–	–

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

24. BUSINESS COMBINATION (Cont'd)

- (a) The principal activity of Yunnan Water International Limited (“Water International”) and its subsidiary is investment in water related infrastructure assets, including wastewater treatment plants and water recycling plants in the PRC. On 9 May 2018, the Group acquired 55% equity interest of Water International from an independent third party.
- (b) The principal activity of DSG Environment Shandong Limited (“DSG Environment”) and its subsidiary is investment in water related infrastructure assets, including wastewater treatment plants and water recycling plants in the PRC. On 10 May 2018, the Group acquired 100% equity interest of DSG Environment from an independent third party.
- (c) Acquisition-related costs of business combinations were charged to the administrative expenses and were not material to the Group.

24. 業務合併(續)

- (a) 雲水國際有限公司(「雲水國際」)及其附屬公司的主要業務為投資於水務相關基礎設施資產，包括中國的污水處理廠及再生水廠。於二零一八年五月九日，本集團從獨立第三方收購雲水國際的55%股權。
- (b) 龍泉環境工程山東有限公司(「龍泉環境工程」)及其附屬公司的主要業務為投資於水務相關基礎設施資產，包括中國的污水處理廠及再生水廠。於二零一八年五月十日，本集團從獨立第三方收購龍泉環境工程的100%股權。
- (c) 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。

25. RELATED PARTY TRANSACTIONS

(a) Name and relationship with related parties

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 本公司的股東
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 本公司的股東
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 雲南省水務的股東
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
Yunnan Construction and Investment Holding Group Co., Ltd. (“YCIH”) 雲南省建設投資控股集團有限公司(「雲南建投集團」)	State-owned enterprise 國有企業

25. 關聯方交易

(a) 關聯方的名稱及與關聯方的關係

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

25. RELATED PARTY TRANSACTIONS (Cont'd)

(b) Significant transactions with related parties

During the six months ended 30 June 2018, the Group had the following significant transactions with related parties which are carried out on terms agreed with the counter parties in the ordinary course of business:

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Sales and purchases of goods and services			
銷售及購買貨品及服務			
– Purchase of construction services from YCIH	— 從雲南建投集團購買建造服務	1,111,172	678,852
– Purchase of goods from Beijing OriginWater	— 從北京碧水源購買貨品	4,915	3,347
– Sales of goods and services to YCIH	— 銷售貨品及服務予雲南建投集團	287,201	242,058
– Sales of goods and services to other related parties	— 銷售貨品及服務予其他關聯方	4,157	197

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Borrowings from Caiyun Investment			
向彩雲投資借款			
Opening balance at 1 January	於一月一日的期初結餘	785,249	208,799
Receipt	收款	–	208,240
Repayment	付款	–	(419,819)
Interest charged	已收利息	18,644	2,780
Interest paid	已付利息	(18,575)	–
Currency translation differences	貨幣換算差額	9,729	–
Closing balance at 30 June	於六月三十日的期末結餘	795,047	–

The borrowings granted from Caiyun Investment are denominated in USD, unsecured, and bear interest at weighted average rate of 4.72% per annum and repayable in 2020.

25. 關聯方交易(續)

(b) 與關聯方進行的重大交易

於截至二零一八年六月三十日止六個月，本集團與關聯方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：

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Sales and purchases of goods and services			
銷售及購買貨品及服務			
– Purchase of construction services from YCIH	— 從雲南建投集團購買建造服務	1,111,172	678,852
– Purchase of goods from Beijing OriginWater	— 從北京碧水源購買貨品	4,915	3,347
– Sales of goods and services to YCIH	— 銷售貨品及服務予雲南建投集團	287,201	242,058
– Sales of goods and services to other related parties	— 銷售貨品及服務予其他關聯方	4,157	197

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Borrowings from Caiyun Investment			
向彩雲投資借款			
Opening balance at 1 January	於一月一日的期初結餘	785,249	208,799
Receipt	收款	–	208,240
Repayment	付款	–	(419,819)
Interest charged	已收利息	18,644	2,780
Interest paid	已付利息	(18,575)	–
Currency translation differences	貨幣換算差額	9,729	–
Closing balance at 30 June	於六月三十日的期末結餘	795,047	–

彩雲投資授予的借款以美元計價、無擔保、承擔每年4.72%的加權平均利息，並須於二零二零年償還。

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中期簡明合併財務報表附註

25. RELATED PARTY TRANSACTIONS (Cont'd)

(c) Transactions with other state-owned enterprises

In accordance with Hong Kong Accounting Standard 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 six months ended 30 June 2018, the Group had transactions with state-owned enterprises including, but not limited to, operating services, construction services, sales of equipment, bank deposits and borrowings.

These transactions are within normal business operations on market terms and 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 believe that the meaningful information of related party transactions has been adequately disclosed in the Interim Financial Information.

25. 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。於截至二零一八年六月三十日止六個月，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、設備銷售、銀行存款及借款。

此等交易乃正常業務營運中按市場條款及在本集團的日常業務過程中按可與本集團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，本公司董事相信有關關聯方交易的有用資料已於中期財務資料充分披露。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

25. RELATED PARTY TRANSACTIONS (Cont'd)

(d) Significant outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

		As at	
		30 June	31 December
		2018	2017
		二零一八年	二零一七年
		六月三十日	十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade receivables for sales of goods and provision of services	銷售貨品及提供服務的貿易應收款項		
- YCIH	— 雲南建投集團	2,729,207	1,961,545
- YMCI	— 雲南城投集團	7,536	8,817
- Other related parties	— 其他關聯方	14,411	14,411
		2,751,154	1,984,773
Other receivables due from related parties	應收關聯方的其他應收款項		
- Beijing OriginWater	— 北京碧水源	24,311	24,311
- YCIH	— 雲南建投集團	8,255	7,076
- Other related parties	— 其他關聯方	25	25
		32,591	31,412
Prepayments for purchase of goods and services	購買貨品及服務的預付款		
- YCIH	— 雲南建投集團	74,380	57,723
- Beijing OriginWater	— 北京碧水源	15,036	6,872
- YMCI	— 雲南城投集團	-	3,000
		89,416	67,595

25. 關聯方交易(續)

(d) 由銷售／購買貨品及服務產生的尚未償付的主要結餘

以下有關與關連方交易的結餘於報告期末尚未償付：

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中期簡明合併財務報表附註

25. RELATED PARTY TRANSACTIONS (Cont'd)

(d) Significant outstanding balances arising from sales/purchases of goods and services (Cont'd)

		As at	
		於	
		30 June	31 December
		2018	2017
		二零一八年	二零一七年
		六月三十日	十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade payables for purchase of goods and services	購買貨品及服務的貿易應付款項		
– YCIH	— 雲南建投集團	1,571,185	1,189,234
– Beijing OriginWater	— 北京碧水源	3,096	3,096
– Other related parties	— 其他關聯方	–	52
		1,574,281	1,192,382
Less: non-current portion of trade and other payables	減：貿易及其他應付款項的非即期部分	(1,400,375)	(1,139,723)
Current portion of trade and other payables	貿易及其他應付款項的即期部分	173,906	52,659
Other payables due to related parties	應付關聯方的其他應付款項		
– YCIH	— 雲南建投集團	860	80,824
– Yunnan Province Water	— 雲南省水務	697	697
		1,557	81,521
Contract liabilities for sales of goods and provision of services	銷售貨品及提供服務的合約負債		
– YCIH	— 雲南建投集團	1,802	2,000
– Beijing OriginWater	— 北京碧水源	121	121
		1,923	2,121

The balances of trade receivables from sales of goods and services are mainly denominated in RMB, unsecured, interest free and with credit periods of 90 to 180 days.

The balances of other receivables from related parties are denominated in RMB, unsecured and interest free and repayable on demand.

銷售貨品及服務的貿易應收款項結餘主要以人民幣計值、無抵押、免息及享有90至180天的信貸期。

對關聯方的其他應收款項結餘以人民幣計值、無抵押、免息，按需求償還。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

25. RELATED PARTY TRANSACTIONS (Cont'd)

(d) Significant outstanding balances arising from sales/purchases of goods and services (Cont'd)

The trade and other payables for purchase of goods and services are denominated in RMB, unsecured, interest free, and are settled in accordance with agreed terms with related parties.

(e) Key management compensation

Key management includes executive directors. The compensation paid or payable to key management for employee services is shown below:

25. 關聯方交易(續)

(d) 由銷售／購買貨品及服務產生的尚未償付的主要結餘(續)

購買貨品及服務的貿易及其他應付款項以人民幣計值、無抵押、免息，及根據與關聯方協定的條款結付。

(e) 重要管理人員薪酬

重要管理人員包括執行董事。就員工服務已付或應付重要管理人員的薪酬如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Salaries and other benefits	薪金及其他福利	6,256	4,363

(f) Guarantee

Guarantee provided by related parties in respect of the perpetual capital instruments of the Group
— YMCI

關聯方就本集團永久資本工具提供的擔保
— 雲南城投集團

(f) 擔保

		As at 於	
		30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Guarantee provided by related parties in respect of the perpetual capital instruments of the Group	關聯方就本集團永久資本工具提供的擔保	1,200,000	1,200,000
— YMCI	— 雲南城投集團		



雲南水務投資股份有限公司

YUNNAN WATER INVESTMENT CO., LIMITED*