



雲南水務

雲南水務投資股份有限公司

YUNNAN WATER INVESTMENT CO., LIMITED*

(於中華人民共和國註冊成立的股份有限公司)

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

股份代號 Stock Code : 06839

年度報告 2015
ANNUAL REPORT
2015
在 真 轄 呈

* 僅供識別 For identification purposes only

Corporate Information 公司資料	2
Definitions 釋義	5
Financial Highlights 業績摘要	8
Chairman's Statement 主席報告	9
Chief Executive Officer's Report 行政總裁報告	12
Management Discussion and Analysis 管理層討論及分析	25
Directors, Supervisors and Senior Management 董事、監事及高級管理人員	42
Directors' Report 董事會報告	56
Corporate Governance Report 企業管治報告	79
Independent Auditor's Report 獨立核數師報告	96
Consolidated Statement of Comprehensive Income 合併綜合收益表	98
Consolidated Balance Sheet 合併資產負債表	100
Consolidated Statement of Changes in Equity 合併權益變動表	102
Consolidated Statement of Cash Flows 合併現金流量表	103
Notes to the Consolidated Financial Statements 合併財務報表附註	105
Four-year Financial Summary 四年財務概要	230

BOARD OF DIRECTORS

Executive Directors

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

Non-executive Directors

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

Independent Non-executive Directors

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

Mr. Xu Lei (*Chairman*)
Mr. Hu Song
Mr. Ren Gangfeng

COMPLIANCE COMMITTEE

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

董事會

執行董事

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

非執行董事

許雷先生 (*主席*)
焦軍先生
何願平先生
馮壯志先生

獨立非執行董事

郭科志先生
胡松先生
馬世豪先生
任鋼鋒先生

審核委員會

郭科志先生 (*主席*)
胡松先生
馬世豪先生
任鋼鋒先生

薪酬委員會

胡松先生 (*主席*)
于龍先生
任鋼鋒先生

提名委員會

許雷先生 (*主席*)
胡松先生
任鋼鋒先生

合規委員會

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

COMPANY SECRETARY

Mr. Li Bo

公司秘書

李博先生

AUTHORISED REPRESENTATIVES

Mr. Yu Long
Mr. Liu Xujun

授權代表

于龍先生
劉旭軍先生

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

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

總部及中華人民共和國
主要營業地址

中國
雲南昆明
高新區
海源中路 1088 號
和成國際 A 座
15、16 樓

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

香港主要營業地點

香港
灣仔
港灣道 18 號
中環廣場 50 樓
5007 室

BRANCH SHARE REGISTRAR IN HONG KONG

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

香港股份過戶登記分處

卓佳證券登記有限公司
香港
灣仔
皇后大道東 183 號
合和中心 22 樓

LEGAL ADVISERS

As to Hong Kong law:

Freshfields Bruckhaus Deringer
11th Floor
Two Exchange Square
Central
Hong Kong

法律顧問

有關香港法律:

富而德律師事務所
香港
中環
交易廣場
第二座 11 樓

Corporate Information 公司資料

As to PRC law:

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

COMPLIANCE ADVISER

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

PRINCIPAL BANKERS

China Guangfa Bank Co., Ltd.
The Hongkong and Shanghai Banking Corporation Limited
Bank of China Limited
Bank of Communications Co., Ltd.
China Minsheng Banking Corp., Ltd.
China Construction Bank Corporation
China Merchants Bank
The Bank of East Asia, Limited
Agricultural Bank of China

AUDITOR

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

STOCK CODE

6839

COMPANY'S WEBSITE

<http://www.yunnanwater.cn>

有關中國法律:

嘉源律師事務所
中國北京
西城區
復興門內大街158號
遠洋大廈4層

合規顧問

新百利融資有限公司
香港
皇后大道中29號
華人行20樓

主要往來銀行

廣發銀行股份有限公司
香港上海滙豐銀行有限公司
中國銀行股份有限公司
交通銀行股份有限公司
中國民生銀行股份有限公司
中國建設銀行股份有限公司
招商銀行
東亞銀行有限公司
中國農業銀行

核數師

羅兵咸永道會計師事務所
執業會計師
香港
中環
太子大廈22樓

股份代號

6839

公司網址

<http://www.yunnanwater.cn>

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

於本年報內，除文義另有所指外，下列詞彙具有以下涵義：

“Acting in Concert Parties”	Mr. Liu Xujun and Mr. Huang Yunjian, both executive Directors, and Mr. Wang Yong, a member of the senior management of the Company
「一致行動人士」	執行董事劉旭軍先生及黃雲建先生以及本公司高級管理層成員王勇先生
“AGM”	the annual general meeting of the Company to be convened and held on 7 June 2016, or any adjournment thereof
「股東週年大會」	本公司將於二零一六年六月七日舉行股東週年大會或其任何續會
“Articles of Association”	the articles of association of the Company
「公司章程」	本公司的組織章程細則
“associate(s)”	has the meaning ascribed to it under the Listing Rules
「聯繫人」	具有上市規則賦予該詞的涵義
“Beijing OriginWater”	Beijing OriginWater Technology Co., Ltd.* (北京碧水源科技股份有限公司), a limited liability company established in the PRC, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 300070)
「北京碧水源」	北京碧水源科技股份有限公司，於中國成立的股份有限公司，其股份在深圳證券交易所上市(股份代號：300070)
“Board” or “Board of Directors”	the board of Directors of the Company
「董事會」	本公司的董事會
“Company”, “our Company” or “Yunnan Water”	Yunnan Water Investment Co., Limited* (雲南水務投資股份有限公司), a joint stock limited liability company established in the PRC, the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 6839)
「本公司」或「雲南水務」	雲南水務投資股份有限公司，於中國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
「首次公开发售」	二零一五年五月本公司股份通過聯交所成功首次公开发售
“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开发售及 H 股於聯交所上市的本公司招股章程

“Reporting Period”	the 12-month period from 1 January 2015 to 31 December 2015
「報告期」	由二零一五年一月一日起至二零一五年十二月三十一日止十二個月期間
“RMB”	Renminbi, the lawful currency of the PRC
「人民幣」	中國的法定貨幣人民幣
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
「證券及期貨條例」	香港法例第571章《證券及期貨條例》
“Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, including the H 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
“Supervisor(s)”	supervisor(s) of the Company
「監事」	本公司的監事
“Supervisory Committee”	the supervisory committee of the Company
「監事委員會」	本公司的監事委員會
“Undertaking Shareholders”	namely YMCI, Yunnan Province Water and Beijing Origin Water
「有承諾的股東」	即雲南城投集團、雲南省水務及北京碧水源
“YMCI”	Yunnan Metropolitan Construction Investment Co., Ltd.* (雲南省城市建設投資集團有限公司), a limited liability company established in the PRC and is the sole shareholder of Yunnan Province Water, the Company’s controlling shareholder and one of the Undertaking Shareholders
「雲南城投集團」	雲南省城市建設投資集團有限公司，於中國成立的有限責任公司及雲南省水務的唯一股東，為本公司控股股東及其中一名有承諾的股東
“Yunnan Province Water”	Yunnan Province Water Industry Investment Co., Ltd.* (雲南省水務產業投資有限公司), a limited liability company incorporated in the PRC
「雲南省水務」	雲南省水務產業投資有限公司，於中國注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

業績摘要

The Board is pleased to announce the following financial highlights:

董事會欣然宣佈下列財務摘要：

		Year ended 31 December 截至十二月三十一日止年度		
		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	Percentage Change 百分比 變動
Revenue	收益	1,558,394	1,100,761	41.6%
Gross profit	毛利	507,622	333,637	52.1%
Profit before income tax	所得稅前溢利	382,869	226,157	69.3%
EBITDA <i>(Note)</i>	除利息、稅項、折舊及 攤銷前盈利 <i>(附註)</i>	498,202	315,256	58.0%
Profit for the year	年內溢利	317,443	187,896	68.9%
Return on shareholders' equity (%)	股東資金回報率(%)	6.42%	6.90%	N/A 不適用
Basic earnings per share (RMB)	每股基本盈利(人民幣元)	0.270	0.206	31.1%

Note: EBITDA is the profit for the year before deduction of interest, taxation, depreciation and amortisation.

附註：除利息、稅項、折舊及攤銷前盈利為扣除利息、稅項、折舊及攤銷前之本年度盈利。

During the Reporting Period, the Group's audited profit attributable to owners of the Company amounted to approximately RMB285.9 million.

於本報告期內，本集團經審核本公司擁有人應佔溢利為約人民幣285.9百萬元。

Basic earnings per share for the Reporting Period was approximately RMB0.270 (for the year ended 31 December 2014: approximately RMB0.206), the calculation of such basic earnings per share amount is based on the profit attributable to Shareholders, and the weighted average number of Shares of approximately of 1,058,932,000 (2014: 806,551,000) in issue during the Reporting Period.

報告期內每股基本盈利為約人民幣0.270元(截至二零一四年十二月三十一日止年度：每股盈利約人民幣0.206元)，該每股基本盈利金額乃按本公司普通權益擁有人應佔溢利及報告期內已發行的加權平均股份約1,058,932,000股(二零一四年：806,551,000股)股份為基準計算。

The Board recommended the payment of the final dividend of RMB0.1 per Share for the year ended 31 December 2015. The Company did not declare or pay any interim dividend or special dividend for the year ended 31 December 2015.

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

Pursuant to the resolution of the Shareholders' meeting of the Company on 1 November 2014, the Company had declared and paid cash dividends of RMB110,500,000 in 2014.

根據本公司於二零一四年十一月一日股東大會的決議案，本公司於二零一四年已宣派及派付現金股息人民幣110,500,000元。

The AGM will be held at 10:00 a.m. on Tuesday, 7 June 2016 at conference room 1503, 15th Floor, Block A, He Cheng International, 1088 Haiyuan Zhong Road, Gaoxin District, Kunming, Yunnan Province, the PRC. The proposed final dividend is subject to consideration and approval by the Shareholders at the AGM.

股東週年大會將於二零一六年六月七日(星期二)上午十時正假座中國雲南省昆明市高新區海源中路1088號和成國際A座15樓1503會議室舉行。建議末期股息須獲股東於股東週年大會審議通過後始可作實。



Chairman 主席
Xu Lei 許雷

In this vibrant spring, Yunnan Water has ushered in the release of its first annual report after the IPO. On behalf of all my colleagues in Yunnan Water, I would like to take this opportunity to extend my sincere gratitude to all Shareholders and members of the community for their long-term care and support to Yunnan Water!

The IPO of Yunnan Water was highly recognized by the international capital market. Many renowned international investment institutions have become the Company's Shareholders and a group of excellent investors have become the Company's partners. This has positive and profound significance for Yunnan Water to improve its corporate governance level and achieve sustainable development.

在這萬物復蘇、生機盎然的春天，雲南水務迎來了首次公開發售後首份年報的發佈。籍此機會，我代表雲南水務全體同仁，誠摯感謝各位股東和社區人士長期以來對雲南水務的關心與支持！

雲南水務首次公開發售獲得國際資本市場高度認可，眾多著名國際投資機構成為本公司股東，一批優秀投資者成為本公司合作夥伴，這對雲南水務提高企業管治水平、實現可持續發展具有積極而深遠的意義。

Chairman's Statement 主席報告

2015 was a milestone year for Yunnan Water which was successfully listed on the Stock Exchange with its H Shares being selected as one of the constituents of the “MSCI Global Small Cap Indexes” in November 2015 and was positioned as an “urban environmental integrated services provider”. Yunnan Water continued to expand its influence in the environmental protection industry of the PRC and kept expanding its market share in the environmental water industries. Meanwhile, it actively expand the environmental solid waste treatment sectors such as waste incineration, hazardous waste and medical waste to comprehensively develop urban environmental management. Yunnan Water has gradually entered a new development phase. With the full support of all Shareholders, the management team and all my colleagues in Yunnan Water made strenuous efforts and went all out to produce the first high-growth annual report.

During the Reporting Period, our Group rapidly expanded by gaining 27 new projects, with the total number of projects and the investment amount hitting historical highs. For the relevant water projects, the annual designed capacity increased from approximately 1,598,000 tonnes at the beginning of the Reporting Period to approximately 1,895,000 tonnes, representing an increase of approximately 18.6%. For solid waste disposal projects, the annual designed capacity increased from approximately 146,000 tonnes at the beginning of the Reporting Period to 703,000 tonnes, representing an increase of approximately 381.5%. Starting as a local enterprise in Yunnan Province, our Group has surpassed its own limitations to successfully establish a nationwide presence currently covering 7 provinces in the PRC and managed to expand its international operations. By establishing a presence in Southeast Asian countries such as Thailand, our Group has successfully advanced towards a new historical starting point.

During the Reporting Period, our Company further exploited its internal management potentials and increased industrial mergers and acquisitions to maintain the continual increase in operating revenue. Our Company recorded profit attributable to Shareholders amounting to approximately RMB317.4 million, representing an increase of approximately 68.9% (2014: approximately RMB187.9 million) as compared to the last year, which sustained a high growth trend.

Given our Group's strong operating results and financial position and taking into account the Group's long-term sustainable development, the Board proposes to pay a final dividend of RMB0.1 per Share to the Shareholders to reward their long-term support and contribution to our Company.

二零一五年是雲南水務的里程碑，成功於聯交所上市，H股於二零一五年十一月入選為「摩根士丹利資本國際全球小型股指數－中國」成份股，並定位為「城市環境綜合服務商」，在中國環保產業中持續擴大自己的影響力，繼在環保水務產業不斷擴大市場份額，同時積極拓展垃圾焚燒、危險廢物、醫療廢物等環保固廢處理領域，全面發展城市環境治理，雲南水務已逐步進入新的發展階段。在全體股東的鼎力支持下，雲南水務的管理團隊和全體同仁奮發有為，全力以赴，交出了首份高增長的年報。

回顧報告期內，本集團增長迅速，獲增27個新項目，項目總數與投資金額創歷年新高，相關水務項目從報告期初的年設計處理量約159.8萬噸增長至約189.5萬噸，增長約18.6%，固廢處理項目從報告期初的年設計處理量約14.6萬噸增長至約70.3萬噸，增長約381.5%。本集團從一個雲南省本地企業，突破自身限制，成功佈局全國，目前業務覆蓋全國7省份，並成功走向國際，在泰國等東南亞國家佈局，本集團成功邁向新的歷史起點。

回顧報告期內，本公司進一步開發內部管理的潛力，並加大產業併購，保持經營收益持續提升。本公司實現股東應佔盈利約人民幣317.4百萬元，較去年增長約68.9%（二零一四年：約人民幣187.9百萬元），持續一個高增長的趨勢。

基於本集團良好的經營業績及財務狀況，考慮到本集團的長期可持續發展，董事會擬向股東派發末期股息每股人民幣0.1元，以回報彼等長期對本公司的支持和貢獻。

I would like to express my sincere gratitude to the management and all my colleagues of our Group for the achievements they made in 2015 and would like to extend my heartfelt thanks to all Shareholders, members of the Board, all sectors of communities from the Mainland and Hong Kong and all departments for their full support. The Company will continue to work hard to constantly generate better returns for the Shareholders and constantly make contributions to the sustainable development of the society and environment.

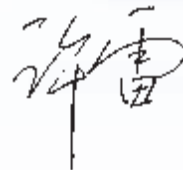
Xu Lei
Chairman



Kunming, the PRC
30 March 2016

本人謹向本集團管理層及全體同仁在二零一五年取得的成就表達誠摯謝意，對各位股東、董事會成員、內地及香港各界人士、各個部門的鼎力支持致以衷心感謝。本公司將繼續打拼，不斷為股東創造更佳回報，不斷為社會及環境的可持續發展做出貢獻。

許雷
主席



中國，昆明
二零一六年三月三十日

Chief Executive Officer's Report 行政總裁報告



Chief Executive Officer
行政總裁
Yu Long 于龍

As the chief executive officer of Yunnan Water, I am deeply honored to present to all Shareholders the annual report of our Group for the year ended 31 December 2015.

With the nation's "12th Five-year Plan" close to its late stage, the Company, by virtue of a clear development strategy, further developed the environmental industry to build the whole industrial chain mode of operation with full efforts, which further enhanced the corporate value. 2015 was the Company's first year of listing on the Stock Exchange and was also the first year for the Company to concentrate its efforts on becoming an "integrated urban environmental services provider" and was the starting year of a new round of development.

作為雲南水務的行政總裁，在此向各位股東提呈本集團截至二零一五年十二月三十一日止年度之年報，我深感榮幸。

隨著國家「十二五規劃」已近後期，本公司憑藉清晰的發展戰略，深入拓展環境產業，全力打造全產業鏈運作模式，進一步提升了企業價值。二零一五年是本公司於聯交所上市的首年，亦是本公司致力成為「城市環境綜合服務商」進軍的第一年，為新一輪發展的開局之年。

During the Reporting Period, under the leadership of the Board, the Company actively seized the policy opportunity to optimize the industrial structure by focusing on the annual operating plan, effectively promote the construction of environmental protection projects, deepen the reform and improve the overall management standard, which resulted in a steady operation of all business departments. The operating results showed a development trend of stable growth. Total revenue for the full year was approximately RMB1,558.4 million, representing an increase of approximately 41.6% as compared to approximately RMB1,100.8 million for the previous year. Profit for the year was approximately RMB317.4 million, representing an increase of approximately 68.9% as compared to approximately RMB187.9 million for the previous year.

On 27 May 2015, the Company was successfully listed on the Stock Exchange. The issue price of the Shares was HK\$5.8 per Share and the issue size was 33,064.9 million Shares (after the exercise of the over-allotment option). A total of HK\$1.918 billion (before deduction of expenses) was raised through the IPO. The Company has become the first state-controlled enterprise in Yunnan Province independently listed on the Stock Exchange.

The Company created a plurality of “number one” in the Hong Kong capital market on the Listing Date:

- ◆ water and environmental protection company with the greatest amount of funds raised in the Hong Kong IPO market tranche
- ◆ water and environmental protection company with the highest over-subscription rate for the Hong Kong public offer tranche
- ◆ water and environmental protection sector IPO with the highest over-subscription rate for the international placing tranche
- ◆ IPO with the highest issue valuation in the water and environmental protection sector

於報告期內，本公司在董事會的領導下，積極把握政策機遇，緊密圍繞年度經營計劃，優化產業結構，延伸環保產業價值鏈，有效推進環保項目建設，深化改革，全面提升管理水準，實現了各業務部門的穩定運營，經營業績呈現穩定增長的發展態勢。實現全年總收益約人民幣1,558.4百萬元，同比上年約人民幣1,100.8百萬元增長約41.6%；年內溢利約317.4百萬元，同比上年約人民幣187.9百萬元增長約68.9%。

二零一五年五月二十七日，本公司成功在聯交所正式掛牌，股份發行價格為每股5.8港元，發行規模為33,064.9萬股股份(行使超額配售權後)。通過首次公開發售共募集到19.18億港元(扣除費用前)。本公司成為了雲南省第一家在聯交所獨立上市的國有控股企業。

本公司於上市日期在香港資本市場創造了「多個第一」：

- ◆ 香港首次公開發售市場部分，集資額最大的水務及環保公司
- ◆ 香港公開發售部分，超額認購倍數最高的水務及環保公司
- ◆ 國際配售部分，超額認購倍數最高的水務及環保行業首次公平發售
- ◆ 在水務環保行業發行估值最高的首次公開發售

I. CORE COMPETITIVENESS

1. Resource Advantages and Specialized Technology

The Company has timely launched the objective based on the protection of Erhai in Yunnan Province and focusing on the protection of water resources in Erhai and fully leveraged professional advantages and capabilities such as water investment and construction, operation and management and technical services in water-related areas such as raw water storage, water source protection and treatment, urban and rural water supply, sewage treatment and use of recycled water to realize the “Grand Water” Model of whole industrial chain operation from water source protection to sewage treatment and from project construction to project operation and the unified management of water sources, unified construction, unified production, unified water supply and drainage and unified operation and management. With advanced technological processes, the water quality of sewage effluent treated using the 3AMBR technology is far better than the highest national standard (Grade 1A discharge standard of GB18918-2002) required by the national sewage treatment industry and various indicators have reached Surface Water Standard Class IV. Tail water can meet the needs of a variety of systems for the reuse of reclaimed water and there are five advanced “three in one” PVDF hollow fiber membrane production lines.

In the future, by virtue of its specialized technology and brand advantages in areas such as sewage and garbage treatment, the Company will aim at the development of Southeast Asia based on the southwest of China and provide more advanced technologies, product services and equipment in the aspects of water pollution control, sewage reclamation and raw water protection for the nine major plateau lakes, the Three Rivers Basin and the Basin along the Mekong River in Yunnan Province and launched relevant technologies, products and filings to overseas markets by leveraging the geographical advantage of Yunnan Province as an important bridgehead open to South Asia and Southeast Asia and policy advantages.

一、核心競爭力

1、資源優勢及專業技術

本公司適時地推出了以雲南省洱海保護為基礎，緊密圍繞保護洱海水資源的目標，在原水儲蓄、水源保護及治理、城鄉供水、污水處理和再生水利用等涉水領域裡，充分發揮水務投資建設、運營管理、技術服務等專業優勢及能力，實現從水源保護到污水處理、從工程建設到項目運營的全產業鏈運作和水源統一管理、統一建設、統一生產、統一供排水、統一運營管理的「大水務」模式。擁有先進的技術工藝，3AMBR技術處理的污水出水水質大幅優於國家污水處理行業所要求的最高國家標準(GB18918-2002中一級A排放標準)，而且多項指標達到了地表水標準IV類，尾水可滿足多種體系再生水回用需求，並擁有五條先進的「三合一」PVDF中空纖維膜生產線。

未來，本公司將憑藉自身在污水、垃圾處理等領域內的專利技術與品牌優勢，以中國西南為基礎，致力發展東南亞，並為雲南省境內九大高原湖泊、三江流域、沿湄公河流域的水污染治理、污水資源化、原水保護等方面提供更為先進的技術和產品服務，同時借助雲南省作為面向南亞、東南亞開放的重要橋頭堡的地理優勢和政策優勢，將相關技術、產品和設備推向海外市場。

2. Excellent Industrial Value Chain Extension Capability

With the rapid development of the Company's operations, it will strive to extend the industrial value chain while maintaining the original capital and investment advantages to gradually improve the whole industrial chain pattern of our Company. Currently, the Company has successfully set foot in the water and solid waste sectors.

3. Modern Enterprise Management Mechanism of Market-oriented Innovation

The Company has consistently promoted the innovation and reform of enterprise management. Being confronted with intense market challenges and international competition, the Company has established a modern enterprise management system with its own characteristics in line with international practices and gradually formed an operation and management system combining internationalization with localization. The Company has continuously undertaken the optimization of the internal control system since 2014, further improved the internal control evaluation system in 2015 and achieved a multi-faceted, multi-level and multi-system upgrade in the level of enterprise management.

4. Prominent Industrial Consolidation Capability

With comprehensive technical reserves and a high-quality technical talent pool, the Company has achieved strong industrial consolidation capabilities and are able to effectively consolidate all kinds of the resources of enterprises controlled and invested by it and can provide resource support to them in various aspects such as technology, management, manpower, capital, market development, corporate culture and so on based on different needs. The Company cooperates with outstanding domestic and foreign partners which will provide specialized technical support and assistance to the Group and share advanced international water technologies and management practices and experience.

2、具有優秀的產業價值鏈延伸能力

隨著業務的快速發展，本公司在保持原有資本和投資優勢的同時，著力延伸產業價值鏈，逐步完善本公司的全產業鏈格局。目前，本公司已經成功涉足水務及固廢領域。

3、市場化創新的現代企業管理機制

本公司堅持不懈地推進企業管理的創新與變革，面對激烈的市場挑戰和國際化的競爭，本公司已建立起一套與國際慣例接軌、具有自身特色的現代企業管理制度體系，逐步形成了國際化與本土化相結合的經營管理體制。本公司自二零一四年開始持續開展內部監控體系優化建設工作，二零一五年進一步完善了內部監控評價體系，多方位、多層次、多體系地實現了企業管理水準的升級。

4、突出的產業整合能力

本公司擁有全面的技術儲備、高素質的技術人才儲備，已實現了強有力的產業整合能力，能夠有效整合公司控股及參股企業的各種資源，能夠按照不同需求為其提供技術、管理、人力、資金、市場開拓、企業文化等等多方面的資源支持。本公司與國內外優秀的合作夥伴進行合作，將為本集團提供專業的技術支援和幫助，分享先進的國際水務技術和管理實踐經驗。

II. INDUSTRY COMPETITION LANDSCAPE AND DEVELOPMENT TREND

1. Competition Landscape and Challenges facing the Company's Future Development

- (1) Diversified competition in the industry and increased regional competition: In recent years, to further seize and consolidate the domestic water market, water companies have accelerated industrial distribution one after another to occupy key areas. Some large water projects have attracted wide attention. Merger and acquisition projects, small urban projects and village and town projects have also gradually drew the attention of the companies in the water industry with the implementation of urbanization and environmental protection policies. Some local governments also regulate the local markets by way of investing in the establishment of regional water companies to participate in market competition. Meanwhile, there are cases where enterprises from other sectors undergoing transformation and entering the water and environmental protection market. As a result, competition in the industry tends to be complicated and diversified.
- (2) Water enterprises face the challenge of transformation and emerging industries cause market concern: During the "12th Five-year Plan" period, the state guided water enterprises to change their respective strategic positioning to integrated environmental service provider or system solution provider through the promulgation of policies. This transformation is also being recognized by the market and more and more enterprises. In recent years, emerging industries such as solid waste treatment, sludge disposal, desalination, recycling of reclaimed water, disposal of food waste, landscape water treatment have gradually become hot spots for investment considered thoroughly by environmental protection enterprises. The industry competition pattern has evolved from competing for single water projects to developing diversified areas in the environmental protection industry.

二、行業競爭格局和發展趨勢

1、本公司未來發展面臨的競爭格局及挑戰

- (1) 行業競爭多元化，區域競爭加劇：近年來，為進一步搶佔和鞏固國內水務市場，各水務公司紛紛加快產業佈局佔領的重點區域。一些大型水務項目備受各方關注，併購項目、小城市項目乃至村鎮項目也隨著城鎮化和環保政策的推進逐漸引起水務行業的公司注意，部分地方政府也通過投資成立區域性水務公司的方式來監管本地市場，參與市場競爭。同時還存在其他行業的企業轉型進入水務及環保市場的情況，令行業競爭趨向複雜化和多元化。
- (2) 水務企業面臨轉型挑戰，新興產業引起市場關注：「十二五」期間，國家通過頒佈政策引導各水務企業把各自的戰略定位向綜合環境服務商或系統解決方案供應商轉變，這一轉型也正在被市場和越來越多的企業所認同。近年來，固廢處理、污泥處置、海水淡化、再生水回收利用、餐廚垃圾處置、景觀水治理等新興產業逐漸成為環保類企業深入挖掘的投資熱點，行業競爭模式從單一的水務項目爭奪向開拓環保產業多元化領域發展。

(3) Enhanced government regulation and increased industry standards bring both opportunities and challenges. During the “12th Five-year Plan” period, the state strategically introduced a series of policies supporting water industry development. With the implementation of new environmental protection laws, the introduction of “Ten Measures” and the promotion of the Public-Private-Partnership (“PPP”) model, the policy incentives will have a profound impact on the water industry, which will drive the water industry to enter a golden development stage. In the foreseeable future, the supervision of the implementation of industry standards and the continued improvement of industry regulations will become one of the major tasks of the government in monitoring the water industry. Therefore, the reform to raise standards will become an important task of water enterprises having projects in stock in the recent few years. This represents an important test for both the technological upgrade capability and the operation, management and control capabilities of enterprises. Meanwhile, a large number of equipment upgrade and manufacture and technological reform services are also bound to create market opportunities, which will provide a certain profit margin for companies with the appropriate technological capability.

2. Prospects for the Development of the Industry

The environmental pollution is becoming increasingly severe in China. The state is putting increasing emphasis on environmental protection and investment in the environmental protection sector has been increasing year after year. During the “9th Five-year Plan”, approximately RMB351.6 billion was invested in such sector; during the “10th Five-year Plan”, approximately RMB839.5 billion was invested in such sector; during the “11th Five-year Plan”, approximately RMB1.4 trillion was invested in such sector; and during the “12th Five-year Plan”, approximately RMB3.4 trillion was invested in such sector. The policy guidance of the government has facilitated the rapid development of the environmental protection industry in the PRC. As estimated by the Academy of Planning of the Ministry of Environmental Protection, it is anticipated that investment in environmental protection will be increased to around RMB2 trillion each year during the “13th Five-year Plan”. Total investment in environmental protection is expected to exceed RMB17 trillion during the “13th Five-year Plan”.

(3) 政府監管加強，行業標準提升帶來機遇與挑戰：「十二五」期間，國家從戰略層面出台了一系列支持水務發展的政策。隨著新環保法的執行，「水十條」的出台，政府和社會資本合作（「PPP」）模式的推廣，暖風頻吹的政策面深遠影響水務行業，推動水務行業步入黃金發展階段。在可預見的未來，監督行業標準的執行、不斷完善行業規範將成為政府對於水務行業監控的主要工作之一。因此，提標改造在近幾年中將會成為擁有存量項目水務企業的一項重要工作，對企業的技術升級能力與運營管控能力都是一項重要考驗，同時大量的設備升級製造和技術改造服務也存在必然的市場機會，將會為具有相應技術能力的公司提供一定的利潤空間。

2、對行業發展的展望

中國環境污染日益嚴重，國家對環保的重視程度越來越高，在環保領域的投入逐年遞增，於「九五規劃」期間，於該領域投入約人民幣3,516億元；於「十五規劃」於該領域投入約人民幣8,395億元，「十一五」於該領域投入約1.4萬億元；於「十二五規劃」期間，於該領域投入約3.4萬億元。政府的政策導向促進了中國環保產業的快速發展，據環保部規劃院測算，預計「十三五規劃」期間環保投入將增加到每年人民幣2萬億元左右，「十三五規劃」期間社會環保總投資有望超過人民幣17萬億元。

Chief Executive Officer's Report 行政總裁報告

With the contradiction between economic development and the resource environment becoming increasingly prominent in the PRC, developing the green economy vigorously has become the general consensus of the whole society. The concept of green development is also gradually winning support from people with the introduction of the relevant policies. The development of the green economy will certainly require the support of the environmental protection industry. Standing at a new starting point, the Company will actively grasp the historical development opportunity of the state's initiative of advocating green environmental protection. Based on the current core advantages, the Company will drive Grand Water whole industrial chain construction in respect of water supply and sewage, develop the solid waste industry sector, reinforce the two supporting points of capital and technology, explore new business models and seek new growth points so as to further increase its core competitiveness. While continuing to strengthen the leading industry position in Yunnan Province, the Company will actively implement industrial distribution in regions enjoying a competitive edge by leveraging the power of the international capital market and targeting the whole country, South Asia and Southeast Asia. The Company will endeavor to make positive contributions to the "Vanguard of Ecological Civilization Construction in Yunnan" and make use of the Group's technology and funds to create environmentally friendly cities so as to strive to become a leading integrated services provider in urban environmental services in the PRC.

隨著我國經濟發展與資源環境矛盾的日益突出，大力發展綠色經濟已成為全社會的普遍共識，綠色發展的理念也正伴隨著相關政策的出台逐步深入人心，綠色經濟的發展必然離不開環保產業的支撐。本公司站在新起點，將積極把握國家宣導綠色環保的歷史發展機遇，立足於現有的核心優勢，推動供水和污水的大水務全產業鏈建設，拓展固廢行業領域，強化資本和技術兩大支撐點，探索新的商業模式，尋求新的增長點，進一步提升公司的核心競爭力。在繼續鞏固雲南省行業領先地位的同時，本公司借助國際資本市場的力量，面向全國及南亞、東南亞，積極向具有競爭優勢的地區進行產業佈局，努力為「雲南生態文明建設排頭兵」作出積極貢獻，利用本集團的技術和資金，創造環境友好型城市，致力成為中國領先的城市環境綜合服務商。

III. DEVELOPMENT STRATEGY

The Company will firmly grasp the opportunity of the implementation of the state's "One Belt, One Road" strategy and the promotion of the "PPP investment and financing model" by leveraging its own advantages and taking into account the actual situation of Yunnan Province and closely combining the water industry policy of the state with that of Yunnan Province to focus on the strategic objective of a strong province in green economy and ethnic culture and a bridgehead of the PRC open to the southwest, with adjusting the economic structure and changing the developing mode as the mainline, stepping up efforts in supporting the industry and expediting industry development as the focus, reform and opening up and technological innovation as the driving force and improving people's livelihood as the goal. The Company will further optimize the regional economic layout, accelerate the overall implementation of social construction, enhance ecological construction, environmental protection and actively develop the international market, acquire core management and technology, and reinforce development capabilities. The Company will further expand the industry chain continuously through mergers and acquisitions and strategic cooperation and proceed with synchronous development to generate synergies and expand the competitive advantages.

In 2016, the Company will further implement the development strategy of becoming an "urban environmental integrated services provider" with core technologies, strong investment and financing capabilities, core competitiveness and social influence which is based in Yunnan Province, serves the whole country and moves towards South Asia and Southeast Asia. Meanwhile, the Company will accelerate distribution in the water and solid waste treatment sectors and plan to steadily increase the profitability of the Company through investment in regions and countries such as Zhejiang, Fujian, Xinjiang, Heilongjiang, Inner Mongolia, Thailand, Malaysia and Indonesia to endeavor to create greater value for the Shareholders.

三、發展戰略

本公司將利用自身優勢，緊密結合雲南省實際情況、緊密結合國家與雲南省的水務產業政策，圍繞綠色經濟強省、民族文化強省和中國面向西南開放的橋頭堡戰略目標，緊緊把握國家「一帶一路」戰略實施和「PPP投融資模式」推廣的契機，以調整經濟結構、轉變發展方式為主線，以加大產業培植力度、加快產業發展為重點，以改革開放和科技創新為動力，以改善民生為目的。本公司將進一步優化區域經濟佈局、加快社會建設的整體推進、加強生態建設、環境保護並積極拓展國際市場、獲得核心管理和技術、增強發展能力。本公司將持續通過併購和戰略合作進一步拓展產業鏈，同步發展以發揮協同效應，擴大競爭優勢。

二零一六年，本公司將進一步推進成為立足雲南、面向全國、走向南亞及東南亞，擁有核心技術及強大投融資能力，具備核心競爭力及社會影響力的城市環境綜合服務商的發展戰略。同時，加快在水務及固廢處理領域的佈局，並計劃通過在浙江、福建、新疆、黑龍江、內蒙古、泰國、馬來西亞及印尼等地區和國家的投資，穩步提升本公司的盈利能力，努力為股東創造更大的價值。

IV. OPERATING PLAN

In 2016, the Company will firmly grasp the market opportunities of PPP projects and small town projects that are currently emerging and the favorable opportunity of accelerating development in the environmental protection market. The Company will actively participate in tender project activities in the market and extend the environmental protection industry chain further through multi-channel research and increasing investment in environmental protection businesses such as water and solid waste treatment to endeavor to expand the overseas market. Apart from increasing the operation and management standards of the Company's own projects and continuing to improve the Company's group-oriented management and the construction of the relevant network platform, the Company will save part of the costs through the overall planning of the existing resources of various subsidiaries and will deeply tap the potential to increase the profit level. With regard to internal management, the Company will enhance the capabilities of investment, operation, engineering, technology and equipment and mutual coordination and achieve the fast, efficient and steady development of our Company by mastering the relationship between scale and quality and between speed and effectiveness to create higher value for all Shareholders.

V. CAPITAL PLAN

While maintaining the current operations and meeting the needs of capital required by investment project companies under construction, the Company will actively explore multi-channel low-cost financing packages in accordance with the Company's development needs and optimize the debt structure to improve capital efficiency, providing effective capital support for the development of the Company.

四、經營計劃

二零一六年，本公司將緊緊抓住當前不斷湧現的PPP項目和小城鎮項目的市場機會及環保市場加速發展的有利時機。本公司將積極參與市場投標項目活動，進一步通過多管道研究並加大水務、固廢處理等環保業務的投資力度，延伸環保產業鏈，努力拓展海外市場。除提升本公司的自有項目的運營管理水準，繼續完善本公司集團化管理和相關網路平台的建設，通過統籌規劃各附屬公司現有資源節約部分成本，深度挖掘潛力以提升盈利水準。在內部管理方面，提升投資、運營、工程、技術、設備能力及相互協調，掌握規模與品質、速度與效益的關係，實現公司快速、高效、平穩發展，為全體股東創造更高價值。

五、資金計劃

在維持當前投資項目所需資金需求的情況下，根據本公司發展需求，積極探索多管道低成本融資方案，優化債務結構以提高資金使用效率，為本公司的發展提供有效的資金保障。

VI. POSSIBLE BUSINESS RISKS

- (1) Market expansion and investment risks: the nation's market-oriented reform of water industry has gone through more than 10 years. The domestic water industry has achieved remarkable results in market orientation. However, it also means prime water project resources are gradually decreasing. In recent years, the domestic water market has shown the characteristics of intensifying mergers, acquisitions and reorganizations and an increasing number of small and medium projects. Limited market space and the diversified ways of obtaining projects will bring new challenges and obstacles to the further expansion of the Company's business. Water projects, while attracting attention from the community, have caused the purchase and sale advantages to shift towards the seller, which has to a certain extent increased the Company's costs in participating in bidding for water projects. Meanwhile, some factors inherent in China's water industry that are unfavorable to the market-oriented reform such as geographical segmentation and local protectionism still exist, making it more difficult for the Company to enter emerging water markets and affecting the pace of the Group's business expansion.

Countermeasures: in line with the market development trend, the Company will enhance the specialized equipment of marketing staff, increase the coverage and depth of market expansion and keep track of frontier market information in a timely manner, and at the same time, further enhance investment evaluation criteria control and scientific decision making management to step up efforts in project risk management and control. While striving to promote and expand the Company's project investment in the relevant sectors, the Company will seek a balance between market share and investment income.

六、可能面對的業務風險

- (1) 市場擴張及投資風險：我國水務行業的市場化改革已走過十幾個年頭，國內水務行業市場化成效顯著，但同時也意味著優質水務項目資源逐步減少。近年來國內水務市場呈現併購重組加劇、項目趨於中小型化的特點，有限的市場空間和獲取項目方式的多樣化將會給公司業務進一步擴張帶來新的挑戰和阻力，而水務項目在受到社會關注的同時也使得買賣優勢向賣方有所傾斜，在一定程度上加大了公司參與水務項目競標的成本。同時，我國水務行業所固有的地域分割、地方保護主義等一些不利於市場化改革的因素依然存在，使得公司進入新興水務市場的難度加大，影響本集團業務擴張的速度。

應對措施：本公司將順應市場發展趨勢，加強市場拓展人員的專業配備，加大市場拓展的覆蓋度和深度，及時跟蹤邊境市場訊息，同時進一步加強投資評價標準控制和科學決策管理，提升項目風險管控力度，在努力推進和拓展本公司在相關領域的項目投資的同時，尋求市場份額與投資收益的平衡。

Chief Executive Officer's Report

行政總裁報告

- (2) Operation and management risks: the Company currently holds and has invested in 85 companies which distribute over all provinces, cities and autonomous regions in China and overseas. The Company has formed a relatively complete risk management and internal control system and improve it every year. However, due to the differences in the Company's branches in terms of geographical distribution, humanistic features and corporate culture, certain management and supervision risks may arise.

Countermeasures: Combined with the establishment of the internal control system, the Company has further improved the operation and management system and the business process, established and advocated a unified corporate culture conforming to the features of the water industry and possessing the characteristics of Yunnan Water, and strengthened the cultural construction of subsidiaries. The Company will constantly train middle management and bring its philosophies of management, operation and culture to subsidiaries in different localities through constantly replenishing the backbone. Meanwhile, the Company will enhance the overall cohesion and solidarity through mutual assistance and communication among subsidiaries.

- (3) Cost control risks: In recent years, prices of energy, labor and raw materials have been continuously increasing, leading to greater inflation pressure. Most of the Company's projects are new projects. Therefore, the Company will further strengthened its efforts in managing issues such as project cost control, operation management and investment income.

- (2) 經營管理風險：本公司目前持有並投資的85家公司分佈於全國各省、市、自治區及海外，雖然本公司已經形成了一套較為完整的風險管理與內部監控制度並逐年完善，但由於各分支機構在地理分佈、人文特色、企業文化上存在一些差異，或產生部分管理和監管風險。

應對措施：本公司結合內部監管制度建設工作，進一步完善了運營管理體系和業務流程，建立並宣導符合水務行業特色、具有雲南水務特點的統一的企業文化，加強對下屬企業的文化建設。本公司不斷培訓中層管理人員，通過不斷補充中堅力量，將本公司的管理理念、經營理念、文化理念帶入到各地附屬公司。同時，通過附屬公司之間的相互協助與溝通，加強整體的凝聚力與向心力。

- (3) 成本控制風險：近年來能源、人工、原材料等價格持續上升，通貨膨脹壓力加大，本公司大部份項目屬新建項目，因此對工程成本控制、運營管理、投資收益等問題勢必加強管理。

Countermeasures: On one hand, the Company will put emphasis on talent reservation and cultivation. With the rapid development of its operations, professional and efficient technical personnel have become a strong support for the Company on the road ahead. On the other hand, the Company will improve internal management, enhance the Company's management capability, strictly implement dynamic cost management during the stage of project implementation, endeavor to extend the management aspect forward and enhance project cost management support. Focusing on regulating management, the Company will enhance the management of and control over companies invested and controlled by the Company and adopt measures such as supervision, inspection and training to strive to drive operation and management efforts.

- (4) Policy risks: Environmental protection projects such as water and solid waste are characterized by their public welfare nature and long investment cycles. Given the fact that the country's economic growth is subject to cyclical changes with differences in the specific situations of different localities and that the time and extent for the adjustment of water prices are also subject to certain uncertainties, water investments are subject to certain policy risks as well as restrictions from laws, policies and local regulations.

應對措施：一方面注重人才儲備、培養，隨著業務的快速發展，專業高效的技術人才成為本公司前進道路上的強力後盾；另一方完善內部管理，提升管理能力，嚴格實行工程實施階段造價動態管理，努力將管理環節向前延伸，加強項目造價管理支援工作；以規範管理為重點，加強對各參控股公司的管控，採取監督、檢查、指導、培訓等服務工作，努力推動運營管理工作。

- (4) 政策風險：水務、固廢等環保項目具有公益性和投資週期長的特性，鑒於國家經濟增長具有週期性變化，且各地具體情況存在差異，水價調整的時間與力度也具有一定的不確定性，致使水務投資面臨一定的政策風險，受到來自法律、政策、地方規定等制約。

Chief Executive Officer's Report 行政總裁報告

Countermeasures: Environmental protection is a key basic industry supported by the state. In recent years, the state has introduced various policies to provide support. With the demand for environmental protection becoming increasingly urgent, the overall policy for the environmental protection industry will be positive over a long period of time. The Company will pay close attention to changes in the state's macroeconomic policies and take full advantage of the preferential policies provided by the state to enhance the collection, study and analysis of market and industrial policy information. Through adjusting the internal business structure, the Company will improve the standard of scientific decision making of its management, enhance the Company's resilience and the ability to resist policy risks.

ACKNOWLEDGEMENTS:

In 2015, the rapid growth of our Company relied on loyal employees who had made relentless efforts in contributing to the development of the Company and the support and assistance provided by the Shareholders to the Group. On behalf of the management, I would like to express my deep appreciation to employees of all departments for their contribution and would also like to express by heartfelt gratitude to the Shareholders and business partners for their long-term support and trust. The Company will strictly abide by the Listing Rules, grasp development opportunities to improve operation and management, reward the Shareholders with even better performance for their trust and make contribution to the community.

Yu Long

Chief Executive Officer



Kunming, the PRC
30 March 2016

應對措施：環保是國家重點支持的基礎產業，近年來國家出台了各項政策給予扶持，隨著環境保護的需求日益迫切，環保行業整體政策面將長期向好，本公司將密切關注國家宏觀經濟政策的變化，充分利用國家給予的各項優惠政策，加強對市場和產業政策資訊的採集和研究分析，通過調整內部業務結構，提高管理人員的科學決策水準，增強本公司的應變能力和抵禦政策性風險的能力。

致謝：

本公司於二零一五年的快速成長有賴於一批為本公司發展努力不懈付出地忠誠員工和各股東對本集團的支持及幫助。本人謹代表本公司管理層對各部門員工的貢獻深表謝意，也衷心感謝各位股東及業務夥伴長期以來的支持和信任。本公司將嚴格遵守上市規則，抓住發展機遇，改善經營管理，以更優異的業績回饋股東的信任並為社會做出貢獻。

行政總裁

于龍



中國，昆明
二零一六年三月三十日

I. INDUSTRY OVERVIEW

The development plan for “Building a Beautiful China” by the 18th National Congress of the Communist Party of China has revolutionized China’s environment protection industry to an unprecedented development. After the official implementation of the most stringent amendments to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) on 1 January 2015, the pressure on local governments in terms of environmental performance assessment has been increased and the requirement for environmental governance has been strengthened. According to the Comprehensive Scheme on Energy Saving and Emission Reduction during the 12th Five-Year Plan Period (「十二五」節能減排綜合性工作方案), the performance assessment result of emission reduction will be referred to as an important basis for a comprehensive evaluation and the selection and appointment of the management team and members of state-owned enterprises. For the purpose of satisfying such performance assessment, it is anticipated that the local governments will emphasize the development of environmental protection industry such as water industry and solid waste treatment industries, and will promulgate more preferential policies for these industries.

The State Council of the PRC and the relevant ministries have successively issued the Atmospheric Pollution Prevention Action Plan (《大氣污染防治行動計劃》), the Water Pollution Prevention Action Plan (《水污染防治行動計劃》), and major pollution prevention plans such as the forthcoming Soil Pollution Prevention Action Plan (《土壤污染治理行動計劃》) and the Pollutant Emission Standards for Sewage Treatment Plants in Towns and Counties (《城鎮污水處理廠污染物排放標準》) which guide enterprises to strictly control emission standards, introduce advanced technology and promote diversified investments, including the introduction of social capital, increasing government funding allocation and further strengthening of supervision and strict environmental law enforcement. In light of the above, it is expected to bring huge market opportunities and development potential for China’s water and solid waste treatment related environmental protection industries.

Driven by national strategies, water and solid waste treatment enterprises will benefit from the rapid acceleration of the urbanization process in the PRC and the policy support of the Chinese government for the environmental protection industry. The Board expects the business scale of such enterprises will be further expanded and the investors in the capital markets will also gradually pay more attention to the environmental protection industry.

1. 行業概覽

中共十八大關於「建設美麗中國」的發展規劃，為環保產業帶來前所未有的發展。歷來最嚴格的《中華人民共和國環境保護法》修訂於二零一五年一月一日正式實施之後，地方政府面對更大的環保考核壓力及對環境治理的更高要求。根據「十二五」節能減排綜合性工作方案，減排績效考核結果將作為國有企業領導班子及幹部綜合考評及幹部選拔任用的重要參考依據。為達到績效考評，預計地方政府將重點發展水務及固廢處理等環保行業，並將頒佈更多有關該等產業的優惠政策。

中國國務院及相關部委相繼頒佈《大氣污染防治行動計劃》、《水污染防治行動計劃》以及即將推出的《土壤污染治理行動計劃》及《城鎮污水處理廠污染物排放標準》等重大污染防治計劃，指導企業嚴格控制排放標準、引入先進技術並推廣多元投資，包括引入社會資本、增加政府撥款，並進一步提高監管力度及嚴格執行環境法律。鑒於上文所述，預期將為中國水務及固廢處理相關環保產業的未來帶來龐大市場機遇和發展潛力。

在國家戰略的推動下，水務及固廢處理企業將從急速加快的中國城鎮化進程以及中國政府對環保行業的政策支持中獲益。董事會預計，該等企業的業務規模將進一步擴大，而資本市場的投資者亦會逐漸更加關注環保行業。

II. DEVELOPMENT STRATEGIES AND PROSPECT

The Group is one of the leading enterprises in investing and operating urban sewage treatment, water supply and solid waste treatment facilities in the PRC. The Company has a solid base of shareholders comprising state-owned and private enterprises, and has unique competitive advantages in the development of wastewater treatment, water supply and solid waste treatment projects as well as identifying suitable targets for investment and acquisition in the PRC and Southeast Asia. The Group has extensive experience in the design, investment, construction and operation of raw water supply, tap water supply and wastewater treatment and solid waste treatment projects, and has accumulated extensive technical expertise, enabling the Group to implement appropriate measures according to preliminary assessment of the projects and to fully satisfy customers' requirements by timely selecting a precise technical process and utilizing professional and systematic management.

The Group strives to become a leading municipal environmental protection integrated services provider, and aims to strengthen its industry position in Yunnan Province persistently through geographical expansion to favorable regions in the PRC where the Group has competitive advantages, in particular northern, eastern, northwestern and southwestern regions of the PRC. The Group will pay close attention to certain overseas markets such as Southeast Asia. The Group will capture the opportunities arising from the environmental protection industry and combine with practical experience gained in the PPP mode of cooperation between government and social capital to acquire suitable projects which are complementary to its existing businesses, and further increase its market share. The Group will continue to enhance its technological and project management standards to further improve operational efficiency, and will seize the opportunities to develop signature projects to further strengthen its market presence and gain wider recognition effectively.

The Group will continue to adopt 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”) and Operation and Maintenance (“O&M”) models as well as licensed operation models to provide turnkey solutions of raw water and tap water supply, wastewater treatment, solid waste treatment as well as system integration services of core technologies to customers, and increase the integrated treatment capacities of the Group, laying the foundation for realizing its development plans.

2. 發展策略及展望

本集團是中國內地投資及運營城鎮污水處理、供水及固廢處理設施的領先企業之一。本公司擁有堅實的國有及私有企業股東基礎，於開發污水處理、供水及固廢處理項目和在中國及東南亞尋求合適的投資及收購目標方面擁有獨特的競爭優勢。本集團在供水供應、自來水供應、污水處理及固廢處理項目的設計、投資、建設和運營方面擁有豐富的經驗，並積累了眾多技術專長，這使得本集團能夠根據項目前期評估並因地制宜，及時選擇精準的工藝技術和運用專業化、系統性管理，全面滿足客戶需求。

本集團致力成為領先的城市環境綜合服務商，希望通過地域擴張，繼續鞏固在雲南省的行業地位，並擴展到中國有競爭優勢的有利地區，特別是華北、華東、中國西北及西南部，並密切留意東南亞等若干海外市場。本集團將會把握環保行業帶來的機遇，並結合PPP實踐經驗，收購合適的項目，與現有業務相輔相成，以進一步擴大市場份額。通過持續提升本集團的技術水準及項目管理水準以進一步提高運營效率，爭取發展具標誌性項目機會以進一步增強市場地位並有效獲得更廣泛認可。

本集團將繼續推進以建設－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」）及營運及維護（「O&M」）模式及持牌許可經營模式，向客戶提供原水、自來水供應、污水處理與固廢處理的整體解決方案及核心技術系統集成服務，提高本公司的綜合處理能力，為實現其發展計劃奠定基礎。

2015 is the first year for listing of the Company on Stock Exchange. The successful IPO has not only strengthened the shareholders base of the Group, but also further enhanced the Group's financing capability and increased its brand awareness and reputation. During the Reporting Period, the Group continued to steadily develop its various business segments. Due to the support of the relevant favorable policies in the PRC and Southeast Asia and the growing market demands, in addition to consolidating and expanding the achievements gained in the existing water business, the Group continued its expansion in industrial hazardous wastes, medical hazardous wastes, waste power generation and other areas of solid waste treatment, striving to maintain its leading position in a highly competitive market environment and achieving excellent results.

III. BUSINESS REVIEW

The Group mainly adopts the BOT, BOO, TOO, TOT, BT, EPC, O&M and licensed operation models in its businesses to provide customized and integrated turnkey solutions for raw water and tap water supply, wastewater treatment and solid waste treatment as well as system integration services of core technologies to customers.

The Group's businesses are carried out in various provinces within the PRC and several major cities in Thailand. The Group's principal businesses comprise five major segments, namely, wastewater treatment, water supply, solid waste treatment, construction and equipment sales, and others (including O&M projects for wastewater treatment, water supply and municipal waste disposal projects entrusted operation, and consultancy services). The Group's relevant water projects have the total daily treatment capacity amounted to approximately 1,895,000 tonnes as at 31 December 2015, representing an increase of approximately 18.6% compared to the total daily treatment capacity amounted to approximately 1,598,000 tonnes as at 31 December 2014. The Group's relevant solid waste treatment projects have the total annual solid waste treatment capacity amounted to approximately 703,000 tonnes as at 31 December 2015, representing an increase of approximately 381.5% compared to the total annual capacity amounted to approximately 146,000 tonnes as at 31 December 2014.

二零一五年是本公司於聯交所上市的第一年，成功首次公開發售不僅加強了本集團的股東基礎，亦進一步加強了本集團的融資能力並提升了品牌知名度和美譽度。於報告期內，本集團繼續穩步推進旗下各業務板塊的發展，基於國內及東南亞各相關利好環境政策的支持和不斷增長的市場需求，除鞏固並擴大原有水務取得的成果外，繼續拓展工業危廢、醫療危廢、垃圾發電等固廢處理領域並盡力取得卓越成效，以期在激烈的市場競爭環境中維持領先地位及取得優良的業績。

3. 業務回顧

本集團的業務主要採用BOT、BOO、TOO、TOT、BT、EPC、O&M及持牌許可經營模式，向客戶提供訂制及綜合的原水、自來水供應、污水處理及固廢處理的整體解決方案及核心技術系統集成服務。

本集團的業務在中國境內多個省份以及泰國境內幾個主要城市開展，主營業務包括五個主要分部，即污水處理、供水、固廢處理、建造及設備銷售，以及其他服務(包括O&M污水處理、供水及市政垃圾處理項目的委託運營服務及諮詢服務)。於二零一五年十二月三十一日，本集團相關水務項目的日處理總量約為189.5萬噸，較二零一四年十二月三十一日日處理總量約159.8萬噸增長約18.6%。於二零一五年十二月三十一日，本集團相關固廢處理項目的年固廢處理總量約為70.3萬噸，較二零一四年十二月三十一日年處理總量約14.6萬噸增長約381.5%。

Wastewater Treatment Projects

During the Reporting Period, the Group had a total of 52 concession wastewater treatment projects under construction and in operation, including 5 BOO projects, 38 BOT projects, 2 TOO projects and 7 TOT projects, with total daily wastewater treatment capacity of approximately 1,024,000 tonnes, representing an addition of 3 BOT projects and 2 TOT projects year-on-year, and an increase in total daily wastewater treatment capacity of approximately 155,000 tonnes compared with the year ended 31 December 2014, representing a growth rate of approximately 17.8%.

During the Reporting Period, concession projects which commenced commercial operation had a total daily wastewater treatment capacity of approximately 769,000 tonnes, representing an addition of 2 new BOT projects and 2 TOT projects year-on-year which commenced commercial operation, and an increase in total daily wastewater treatment capacity of approximately 125,000 tonnes compared with the year ended 31 December 2014. During the Reporting Period, the Group's effective wastewater treatment utilization rate was approximately 69.2%, and the average unit charge of wastewater treatment was approximately RMB1.06 per tonne.

As at 31 December 2015, 8 concession projects had not commenced commercial operation with a total daily wastewater treatment capacity of approximately 255,000 tonnes, representing an addition of 1 new BOT project year-on-year and an increase in total daily wastewater treatment capacity of approximately 30,000 tonnes compared with 31 December 2014.

With an outstanding track record for project operation, the Group has established a good reputation as a professional services provider of wastewater treatment. This will enable the Group to secure future projects arising from active market development and existing customers.

Water Supply Projects

During the Reporting Period, the Group had 23 water supply concession projects with total daily capacity of approximately 646,000 tonnes, representing an addition of 6 new BOT projects and 1 new BOO project year-on-year, and an increase in total daily capacity of approximately 125,000 tonnes compared with 31 December 2014.

污水處理項目

於報告期內，本集團在建和運營的特許經營污水處理項目共52個，包括5個BOO項目、38個BOT項目、2個TOO項目及7個TOT項目，日污水總處理量為約102.4萬噸，與截至二零一四年十二月三十一日止年度同比新增3個BOT項目，2個TOT項目，日污水總處理量增加約15.5萬噸，增長率約為17.8%。

於報告期內，投入商業運營的特許經營項目日污水總處理量為約76.9萬噸，與截至二零一四年十二月三十一日止年度同比新增2個投入商業運營的BOT項目，2個投入運營的TOT項目，日污水總處理量增加約12.5萬噸。於報告期內，本集團的實際污水處理利用率約69.2%，平均污水處理收費單價約為每噸人民幣1.06元。

截至二零一五年十二月三十一日，日污水總處理量為約25.5萬噸的8個特許經營項目尚未投入商業運營，與截至二零一四年十二月三十一日同比新增1個BOT項目，日污水總處理量增加約3.0萬噸。

本集團憑藉優秀的項目運營往績，已建立了污水處理專業服務提供者的美譽，這使本集團能從積極開拓市場及現有客戶中獲取未來的新項目。

供水項目

於報告期內，本集團擁有23個日處理總量約64.6萬噸的供水特許經營項目，與截至二零一四年十二月三十一日同比新增6個BOT項目、1個BOO項目，日處理總量增加約12.5萬噸。

During the Reporting Period, concession projects which commenced commercial operation had a total daily capacity of approximately 365,000 tonnes, representing an addition of 2 new BOO projects which commenced commercial operation year-on-year and an increase in total daily capacity of approximately 50,000 tonnes compared with the year ended 31 December 2014. During the Reporting Period, the Group's effective water supply utilization rate was approximately 65.1%, and the average unit charge of water supply was approximately RMB2.35 per tonne.

As at 31 December 2015, 10 concession projects had not commenced commercial operation with a total daily capacity of approximately 281,000 tonnes, representing an addition of 6 new BOT projects pending for operation with a total daily capacity of approximately 105,000 tonnes, and 1 BOO project with a total daily capacity of approximately 20,000 tonnes compared with 31 December 2014. As at 31 December 2015, 2 BOO projects had commenced commercial operation with a total daily capacity of approximately 50,000 tonnes.

Solid Waste Disposal Projects

During the Reporting Period, the Group had successfully expanded its business to cover solid waste treatment and had 4 solid waste treatment projects with annual treatment capacity of approximately 557,000 tonnes. As at 31 December 2015, 3 solid waste treatment projects with total annual treatment capacity of approximately 301,000 tonnes were under commercial operation and 1 solid waste treatment project with annual treatment capacity of approximately 256,000 tonnes was pending to commence commercial operation. During the Reporting Period, the Group's effective utilization rate of solid waste disposal projects was approximately 85.7%.

Construction and Equipment Sales

The Group's construction and equipment sales segment comprises BT projects, EPC projects and equipment sales. As at 31 December 2015, the Group had a total of 9 BT projects, which were either under construction and/or completed, among which income of 7 BT projects were recognised during the Reporting Period, representing an addition of 6 new BT projects under construction as compared with 31 December 2014.

During the Reporting Period, the Group had a total of 5 EPC projects, representing an addition of 2 EPC projects as compared with 31 December 2014.

於報告期內，投入商業運營的特許經營項目日處理總量約36.5萬噸，與截至二零一四年十二月三十一日止年度同比新增2個投入商業運營的BOO項目，日處理總量增加約5.0萬噸。於報告期內，本集團的實際供水利用率約65.1%，平均供水收費單價約為每噸人民幣2.35元。

截至二零一五年十二月三十一日，日處理總量約28.1萬噸的10個特許經營項目尚未投入商業運營，與二零一四年十二月三十一日相比新增6個日處理總量約為10.5萬噸的待營運BOT項目，以及1個2.0萬噸的BOO項目為截至二零一五年十二月三十一日，2個BOO項目已開始商業運營，日處理總量約5.0萬噸。

固廢處理項目

於報告期內，本集團成功將業務擴展至固廢處理，擁有4個固廢處理項目，年處理量約55.7萬噸。於二零一五年十二月三十一日，年處理量約30.1萬噸的3個固廢處理項目已投入商業運營，年處理總量約25.6萬噸的1個固廢處理項目正有待投入商業運營。於報告期內，本集團的固廢處理項目的實際利用率約85.7%。

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。截至二零一五年十二月三十一日，本集團在建設及／或已完工的BT項目共9個，其中於報告期內確認收益的BT項目共7個，與截至二零一四年十二月三十一日同比新增6個在建BT項目。

於報告期內，本集團EPC項目共5個，與截至二零一四年十二月三十一日同比新增2個EPC項目。

Management Discussion and Analysis

管理層討論及分析

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

Others

During the Reporting Period, the Group also undertook O&M projects for wastewater treatment, tap water supply and solid waste treatment facilities owned by third parties, as well as provision of technical and consultancy services in relation to environmental protection. As at 31 December 2015, the Group had 26 O&M projects, including 1 solid waste treatment project with annual treatment capacity of approximately 146,000 tonnes, 1 tap water project with daily capacity of approximately 5,000 tonnes and 24 wastewater treatment projects of daily wastewater treatment capacity of approximately 221,000 tonnes, representing an addition of 3 new wastewater treatment O&M projects and an increase in total daily capacity of approximately 17,000 tonnes as compared with 31 December 2014.

IV. FINANCIAL REVIEW

Results of Operation

During the Reporting Period, the Group recorded revenue of approximately RMB1,558.4 million, representing an increase of approximately 41.6% compared with the year ended 31 December 2014. During the Reporting Period, the Group realized a net profit of approximately RMB317.4 million, representing an increase of approximately 68.9% compared with the year ended 31 December 2014. Profit attributable to the owners of the Company was approximately RMB285.9 million, representing an increase of approximately 71.6% as compared with 31 December 2014. Earnings per share for the year ended 31 December 2015 was approximately RMB0.27.

Revenue

Revenue of the Group increased from approximately RMB1,100.8 million for the year ended 31 December 2014 to approximately RMB1,558.4 million for the Reporting Period, representing an increase of approximately 41.6%.

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、自來水供應及固廢處理設施開展 O&M 項目，並開展了與環境保護相關的技術及諮詢服務。截至二零一五年十二月三十一日，本集團擁有 26 個 O&M 項目，其中 1 個年處理能力約為 14.6 萬噸的固廢處理項目，1 個每日規模約為 0.5 萬噸的自來水供應項目，24 個每日污水處理量約為 22.1 萬噸的污水處理項目，與截至二零一四年十二月三十一日同比新增 3 個污水處理 O&M 項目，每日規模合共增加約 1.7 萬噸。

4. 財務回顧

經營成果

本集團於報告期內錄得收益約人民幣 1,558.4 百萬元，相較截至二零一四年十二月三十一日止年度增長約 41.6%。本集團報告期內實現淨溢利約人民幣 317.4 百萬元，相較截至二零一四年十二月三十一日止年度增長約 68.9%。本公司擁有人應佔溢利約人民幣 285.9 百萬元，相較截至二零一四年十二月三十一日增長約 71.6%，截至二零一五年十二月三十一日止年度的每股盈利約為人民幣 0.27 元。

收益

本集團的收益由截至二零一四年十二月三十一日止年度約人民幣 1,100.8 百萬元增長至報告期內約人民幣 1,558.4 百萬元，增幅約 41.6%。

In respect of the business segments of the Group, revenue from wastewater treatment increased by approximately 9.5% from approximately RMB383.6 million for the year ended 31 December 2014 to approximately RMB420.0 million for the Reporting Period. Revenue from water supply increased by approximately 110.5% from approximately RMB216.0 million for the year ended 31 December 2014 to approximately RMB454.6 million for the Reporting Period. Revenue from solid waste treatment increased from nil for the year ended 31 December 2014 to approximately RMB8.2 million for the Reporting Period. Revenue from construction and equipment sales increased by approximately 27.0% from approximately RMB470.1 million for the year ended 31 December 2014 to approximately RMB597.0 million for the Reporting Period. Revenue from other business increased by approximately 153.5% from approximately RMB31.0 million for the year ended 31 December 2014 to approximately RMB78.6 million for the Reporting Period. The breakdown of revenue by business segments of the Group are as follows:

就本集團的業務分部而言，污水處理的收益由截至二零一四年十二月三十一日止年度的約人民幣383.6百萬元增長約9.5%至報告期約人民幣420.0百萬元。供水業務的收益由截至二零一四年十二月三十一日止年度約人民幣216.0百萬元增長約110.5%至報告期的約人民幣454.6百萬元。固廢處理業務的收益由截至二零一四年十二月三十一日止年度無收益增加至報告期約人民幣8.2百萬元。建造及設備銷售的收益由截至二零一四年十二月三十一日止年度的約人民幣470.1百萬元增長約27.0%至報告期約人民幣597.0百萬元。其他業務的收益由截至二零一四年十二月三十一日止年度的約人民幣31.0百萬元增長約153.5%至報告期約人民幣78.6百萬元。以下為本集團按業務分部劃分的收益明細：

Business Segments	業務分部	Year ended 31 December		Percentage Change
		2015	2014	
		二零一五年	二零一四年	百分比變動
		RMB million	RMB million	
		人民幣百萬元	人民幣百萬元	
Wastewater treatment	污水處理	420.0	383.6	9.5%
Water supply	供水	454.6	216.0	110.5%
Solid waste treatment	固廢處理	8.2	0	N/A 不適用
Construction and equipment sales	建造及設備銷售	597.0	470.1	27.0%
Other business	其他業務分部	78.6	31.0	153.5%
Total:	合計：	1,558.4	1,100.7	41.6%

According to the chart above, the increase in revenue from the wastewater treatment segment was mainly attributable to (i) the increase in wastewater treatment capacity and the unit price of wastewater treatment charged by some sewage treatment plants, and (ii) the wastewater treatment projects acquired in 2014 which realized a full-year revenue during the Reporting Period, and some concession projects having commenced commercial operation which were previously under construction in 2014.

據上表所示污水處理分部收益增加主要由於(i)部分污水處理廠的污水處理單價提高和污水處理量增加，及(ii)於二零一四年收購的若干污水處理項目，於報告期內實現全年收益，以及於二零一四年原先部份在建特許經營項目已投入商業運營。

Management Discussion and Analysis

管理層討論及分析

The increase in revenue from the water supply segment was mainly attributable to (i) the BOO projects acquired in 2014 which realized a full-year revenue during the Reporting Period, and (ii) the increase in construction revenue and finance revenue generated from certain water supply projects, which were previously under construction.

The increase in revenue from the solid waste treatment segment was mainly attributable to the commencement of the Group's solid waste treatment business during the Reporting Period and the acquisitions of certain solid waste treatment projects, which were under commercial operation.

The increase in revenue from the construction and equipment sales segment was mainly attributable to (i) the expansion of EPC and equipment sales business, and (ii) the 7 BT projects including those newly acquired during the Reporting Period.

The increase in revenue from other business segment was mainly attributable to the addition of certain O&M projects.

Cost of Sales

Cost of sales of the Group for the Reporting Period was approximately RMB1,050.8 million, representing an increase of approximately 37.0% as compared with approximately RMB767.1 million for the year ended 31 December 2014. The increase was primarily due to (i) increase in construction cost due to more projects were under construction; (ii) increase in operating costs due to increase in projects under operation; (iii) certain newly acquired solid waste treatment projects; and (iv) increase in sales scale of EPC and equipment.

Gross Profit Margin

For the Reporting Period, gross profit margin of the Group was approximately 32.6%, representing a slight increase compared with approximately 30.3% for the year ended 31 December 2014. The increase was primarily due to (i) increase in per unit price water supply in certain projects, and (ii) increase in gross profit margin of concession project construction by providing equipment and system integration services to the Group's own wastewater and tap water supply projects.

供水分部收益增加主要由於(i)於二零一四年收購的BOO項目，在報告期內實現全年收益，及(ii)原先在建的若干供水項目所產生的建造收益及財務收益有所增加。

固廢處理分部收益增加主要由於報告期內本集團開展固廢處理業務並收購了若干已商業運營的固廢處理項目。

建造及設備銷售分部收益增加主要由於(i)EPC及設備銷售業務規模擴大，及(ii)7個BT項目(包括報告期內新購的項目)。

其他業務分部收益增加主要由於新增了若干O&M項目。

銷售成本

本集團於報告期內的銷售成本約人民幣1,050.8百萬元，較截至二零一四年十二月三十一日止年度的約人民幣767.1百萬元增加約37.0%。該增加主要由於：(i)更多項目處於在建階段，致使建造成本增加；(ii)仍處於運營期的項目增加，致使運營成本增加；(iii)新收購若干固廢處理項目；及(iv)EPC及設備銷售規模增加。

毛利率

於報告期內，本集團的毛利率約32.6%，較截至二零一四年十二月三十一日止年度約30.3%略增。該增加主要是由於：(i)若干項目的供水單價提高，及(ii)因向本集團自有污水及自來水供應項目提供設備及系統整合服務令特許經營權項目的建造毛利率增加。

Other Income and Other gains - net

For the Reporting Period, the Group recorded other income and other gains-net of approximately RMB110.0 million in aggregate as compared with approximately RMB52.3 million for the year ended 31 December 2014, representing an increase of approximately 110.3%. The amount for the Reporting Period comprised government subsidy of approximately RMB68.6 million. The increase was primarily due to (i) the increase of government subsidy granted for BOO projects, (ii) the increase in interest income generated from bank deposit, and (iii) recognition of a negative goodwill from acquisition.

Selling Expenses

For the Reporting Period, selling expenses of the Group was approximately RMB17.2 million, representing an increase of approximately 27.4% from approximately RMB13.5 million for the year ended 31 December 2014. The increase was due to newly acquired projects in 2014 were in operation throughout the year in 2015.

Administrative Expenses

Administrative expenses of the Group increased by RMB55.4 million from approximately RMB125.8 million for the year ended 31 December 2014 to approximately RMB181.2 million for the Reporting Period, representing an increase of approximately 44.0%. Increase in administrative expenses was primarily due to (i) the expansion of the Group's business, which resulted in the increase in employee benefit expenses, office expenses, travelling expenses, accommodation expenses and operating lease rental expenses, and (ii) the expenses incurred in connection with the IPO.

Finance Costs - net

Net finance costs increased by RMB9.7 million from approximately RMB31.5 million for the year ended 31 December 2014 to approximately RMB41.2 million for the Reporting Period, representing an increase of approximately 30.8%. Increase in net finance costs was primarily due to the larger scale of debt financing.

The average interest rate on borrowings of the Group for the Reporting Period was approximately 6.36% per annum, representing a marginal decrease compared with approximately 6.84% per annum for the year ended 31 December 2014.

其他收入及其他收益淨額

於報告期內，本集團錄得其他收益及其他收益淨額合共約人民幣110.0百萬元，而截至二零一四年十二月三十一日止年度約為人民幣52.3百萬元，增長約110.3%。報告期內的金額包括政府補助約人民幣68.6百萬元。增長主要是由於(i) BOO項目的政府補助增加，(ii) 銀行存款利息收入增加，及(iii) 確認收購產生的負商譽。

銷售開支

於報告期內，本集團的銷售開支約人民幣17.2百萬元，較截至二零一四年十二月三十一日止年度約人民幣13.5百萬元增加約27.4%。該增加乃由於二零一四年新收購項目在二零一五年全年運營所致。

行政開支

本集團行政開支由截至二零一四年十二月三十一日止年度的約人民幣125.8百萬元增加人民幣55.4百萬元至報告期內約人民幣181.2百萬元，增幅約為44.0%。行政開支增加主要由於：(i) 本集團業務擴大導致僱員福利開支及辦公費用、差旅費用、招待費用、經營租賃租金開支增加，及(ii) 就首次公開發售產生的開支。

融資成本淨額

融資成本淨額由截至二零一四年十二月三十一日止年度約人民幣31.5百萬元增加人民幣9.7百萬元至報告期內約人民幣41.2百萬元，增幅約30.8%。融資成本淨額增加主要由於大規模債務融資。

本集團報告期內平均借款利率約為每年6.36%，與截至二零一四年十二月三十一日止年度的每年6.84%相比略有減少。

Management Discussion and Analysis

管理層討論及分析

Profit Before Income Tax

As a result of the above factors, the Group recorded profit before income tax of approximately RMB382.9 million for the year ended 31 December 2015, representing an increase of approximately 69.3% as compared with approximately RMB226.2 million recorded for the year ended 31 December 2014.

Income Tax Expenses

Income tax expenses increased by RMB27.1 million from approximately RMB38.3 million for the year ended 31 December 2014 to approximately RMB65.4 million for the Reporting Period, representing an increase of approximately 70.8%. Increase in income tax expenses was in line with the increase in profit before income tax.

Profit and Net Profit Margin for the Reporting Period

As a result of the foregoing, profit for the Reporting Period increased by RMB129.5 million from approximately RMB187.9 million for the year ended 31 December 2014 to approximately RMB317.4 million for the Reporting Period, representing an increase of approximately 68.9%. Net profit margin increased from approximately 17.1% for the year ended 31 December 2014 to approximately 20.4% for the Reporting Period.

Receivables under Service Concession Arrangements

The Group's receivables under service concession arrangements increased by RMB499.0 million from approximately RMB1,454.3 million as at 31 December 2014 to approximately RMB1,953.3 million as at 31 December 2015, representing an increase of approximately 34.3%. Such increase was primarily due to the additional investment in BOT and TOT projects by the Group which led to an increase in the outstanding receivables under the service concession arrangements.

所得稅前溢利

由於上述因素，本集團截至二零一五年十二月三十一日止年度錄得所得稅前溢利約人民幣382.9百萬元，相對於截至二零一四年十二月三十一日止年度錄得約人民幣226.2百萬元，增幅約為69.3%。

所得稅開支

所得稅開支由截至二零一四年十二月三十一日止年度的約人民幣38.3百萬元增加人民幣27.1百萬元至報告期內的約人民幣65.4百萬元，增幅約70.8%，與所得稅前溢利的增幅一致。

報告期內溢利及純利率

由於上述各項，溢利由截至二零一四年十二月三十一日止年度的約人民幣187.9百萬元增加人民幣129.5百萬元至報告期內約人民幣317.4百萬元，增幅約68.9%。純利率由截至二零一四年十二月三十一日止年度約17.1%增加至報告期內約20.4%。

服務特許經營安排下的應收款項

本集團服務特許經營權安排下的應收款項由二零一四年十二月三十一日約人民幣1,454.3百萬元增加人民幣499.0百萬元至二零一五年十二月三十一日的約人民幣1,953.3百萬元，增幅約34.3%。增加主要由於本集團增加對BOT、TOT項目的投資導致應計服務特許經營安排下的未償還應收款項增加所致。

Trade and Other Receivables

The Group's trade and other receivables increased by RMB986.6 million from approximately RMB983.7 million as at 31 December 2014 to approximately RMB1,970.3 million as at 31 December 2015, representing an increase of approximately 100.3%. Such increase was primarily due to (i) the increase in trade and other receivables of the projects newly acquired by the Group, (ii) increase in EPC services and equipment sales, and (iii) increase in deposit for proposed projects.

Cash and Cash Equivalents

The Group's total cash balance of increased by RMB1,079.1 million from approximately RMB612.6 million as at 31 December 2014 to approximately RMB1,691.7 million as at 31 December 2015 (comprising cash and cash equivalents of approximately RMB1,672.1 million and restricted cash of approximately RMB19.6 million), representing an increase of approximately 176.2%. Such increase was primarily due to the fund raised from the IPO and increased scale of debt financing.

Trade and Other Payables

The Group's trade and other payables increased by RMB252.2 million from approximately RMB876.7 million as at 31 December 2014 to approximately RMB1,128.9 million as at 31 December 2015, representing an increase of approximately 28.8%. Such increase was primarily due to (i) increase in trade payables of newly acquired projects; (ii) increase in purchasing cost of construction and equipment sales, operation in wastewater treatment and water supply facility; and (iii) the remaining considerations to be paid for new acquired projects.

貿易及其他應收款項

本集團的貿易及其他應收款項由二零一四年十二月三十一日的約人民幣983.7百萬元增加人民幣986.6百萬元至二零一五年十二月三十一日的約人民幣1,970.3百萬元，增長約100.3%。該增長主要是由於(i)本集團新增併購項目的貿易應收款項及其他應收款項增加，(ii) EPC服務及設備銷售的規模擴大，及(iii)擬收購項目的保證金增加。

現金及現金等價物

本集團的現金結餘總額由二零一四年十二月三十一日的約人民幣612.6百萬元增加人民幣1,079.1百萬元至二零一五年十二月三十一日的約人民幣1,691.7百萬元(包括現金及現金等價物約人民幣1,672.1百萬元及受限制現金約人民幣19.6百萬元)，增長約176.2%。該增長主要乃由於首次公開發售籌集的資金及債務融資規模擴大所致。

貿易及其他應付款項

本集團的貿易及其他應付款項由二零一四年十二月三十一日的約人民幣876.7百萬元增加人民幣252.2百萬元至二零一五年十二月三十一日的約人民幣1,128.9百萬元，增長約28.8%。該增長主要是由於(i)新收購項目的貿易應付款項增加；(ii)建造及設備銷售部分以及投入運營的污水處理及供水設施的採購開支增加；及(iii)新收購項目將支付的餘下代價。

Borrowings

As at 31 December 2015, the Group had borrowings of approximately RMB3,064.3 million (31 December 2014: approximately RMB1,139.3 million), out of which approximately RMB2,076.3 million (31 December 2014: approximately RMB837.3 million) was at fixed interest rates and approximately RMB988.0 million (31 December 2014: approximately RMB302.0 million) was at floating interest rates.

As at 31 December 2015, the Group had unsecured borrowings of approximately RMB2,250.9 million (31 December 2014: approximately RMB650.0 million) and recurred borrowings of approximately RMB813.4 million (31 December 2014: approximately RMB489.3 million).

Pledge of Assets

As at 31 December 2015, the Group had borrowings of approximately RMB153.9 million which were secured by land use rights and properties of the Group, non-controlling interests and external parties (31 December 2014: borrowings of approximately RMB100.0 million secured by land use rights). As at 31 December 2015, the Group had borrowings of approximately RMB659.5 million (31 December 2014: approximately RMB362.3 million) which were secured by right of charges from concession projects of tap water supply and wastewater treatment.

Capital Commitments

The Group's capital commitments increased by RMB574.9 million from approximately RMB323.8 million as at 31 December 2014 to approximately RMB898.7 million as at 31 December 2015, representing an increase of approximately 177.5%. Such increase was primarily due to business expansion and Group's increased investments in properties, plants and equipment, BT and BOT projects.

借款

截至二零一五年十二月三十一日，本集團借款約為人民幣3,064.3百萬元(二零一四年十二月三十一日：約人民幣1,139.3百萬元)，其中按固定利率的約人民幣2,076.3百萬元(二零一四年十二月三十一日：約人民幣837.3百萬元)，按浮動利率約有人民幣988.0百萬元(二零一四年十二月三十一日：約人民幣302.0百萬元)。

截至二零一五年十二月三十一日，本集團擁有無抵押的借款約人民幣2,250.9百萬元(二零一四年十二月三十一日：約人民幣650.0百萬元)及有抵押的借款約人民幣813.4百萬元(二零一四年十二月三十一日：約人民幣489.3百萬元)。

資產抵押

於二零一五年十二月三十一日，本集團約人民幣153.9百萬元借款由本集團的土地使用權及物業、非控股權益及外部人士作擔保(二零一四年十二月三十一日：約人民幣100.0百萬元借款由土地使用權作擔保)。截至二零一五年十二月三十一日，本集團約人民幣659.5百萬元(二零一四年十二月三十一日：約人民幣362.3百萬元)借款由特許經營權及自來水供應及污水處理項目的抵押權作擔保。

資本承擔

本集團的資本承擔由二零一四年十二月三十一日約人民幣323.8百萬元增加人民幣574.9百萬元至二零一五年十二月三十一日約人民幣898.7百萬元，增幅約177.5%，主要由於隨著業務的擴張，本集團加大了物業、廠房及設備以及BT及BOT項目等的投入。

Gearing Ratio

The Group's gearing ratio (calculated as total borrowings divided by total assets) increased from approximately 22.7% as at 31 December 2014 to approximately 31.9% as at 31 December 2015. The fluctuation in gearing ratio was mainly due to increase in borrowings to finance the acquisitions during the year.

The Initial Public Offering

The H Shares of the Company were listed on the Stock Exchange on 27 May 2015, and 287,521,000 H Shares with nominal value of RMB1.00 each had been issued by the Company at the price of HK\$5.8 per Share, with a total amount received from the issuance (before deduction of expenses) of approximately HK\$1,667,621,800. On 10 June 2015, the over-allotment option was fully exercised and 43,128,000 H Shares with nominal value of RMB1.00 each were issued at the price of HK\$5.8 per Share, with a total amount received from the issuance (before deduction of expenses) of approximately HK\$250,142,400. After completion of the IPO, the total number of the Company's H Shares was 363,713,900 (including the H Shares converted from Domestic Shares on a one-for-one basis). The proceeds from the IPO after deducting the expenses was approximately HK\$1,739 million.

資產與負債的比率

本集團資產與負債的比率(按借款總額除以資產總值計算)由二零一四年十二月三十一日的約22.7%增至二零一五年十二月三十一日的約31.9%。資產與負債的比率波動主要乃由於年內為收購提供資金的借款增加所致。

首次公開發售

本公司H股於二零一五年五月二十七日在聯交所上市，並以每股5.8港元的價格發行本公司287,521,000股每股面值人民幣1.00元的H股，發行總額(扣除開支前)為約1,667,621,800港元。二零一五年六月十日，超額配股權獲悉數行使，以每股5.8港元的價格發行43,128,000股每股面值人民幣1.00元的H股，發行總額(扣除開支前)為約250,142,400港元。於首次公開發售完成後，本公司H股總數為363,713,900股(包括由內資股股份以一兌一基準轉換而成的H股)。經扣除開支後，首次公開發售所得款項約為1,739百萬港元。

Management Discussion and Analysis

管理層討論及分析

Use of Proceeds from the IPO

Net proceeds from the IPO was approximately HK\$1,739 million, the utilization of which is in line with the information as disclosed in the Prospectus. As at 31 December 2015, the Group has utilized proceeds of approximately HK\$1,438 million, and unutilized proceeds amounted to approximately HK\$301 million. The respective utilization of the net proceeds as at 31 December 2015 was as follows:

Utilization of Proceeds	資金用途	Amount 金額 HK\$ million 百萬港元	Utilized 已使用 HK\$ million 百萬港元	Unutilized Amount 未使用金額 HK\$ million 百萬港元
For investing in and developing new wastewater treatment and water supply projects	用於投資及發展新污水處理及供水項目	522	522	0
For the acquisition of existing wastewater treatment projects	用於收購污水處理項目	522	412	110
For repayment of portion of current bank borrowings	用於償還即期銀行借款	522	466	56
For funding the Company's working capital and general corporate purposes	用於撥付本公司營運資金及一般公司用途	173	38	135
Total	合計	1,739	1,438	301

Employees and Remuneration Policy

As at 31 December 2015, the Group employed 2,005 employees (31 December 2014: 1,739). For the year ended 31 December 2015, staff cost was approximately RMB148.3 million (for the year ended 31 December 2014: RMB101.6 million). The Group will strive to ensure that the remuneration level of employees is in line with industry practices and prevailing market conditions, and remunerations of employees will be determined based on their performance. The remuneration package provided to employees also include basic and floating salaries, discretionary bonus and staff benefits. The Group also provides external and internal training programs for its employees.

首次公開發售所得款項用途

首次公開發售所得款項淨額約為1,739百萬港元。所得款項用途與本公司的招股章程所披露資料相符，且截至二零一五年十二月三十一日本集團已使用所得款項約1,438百萬港元，尚未使用所得款項約301百萬港元。且截至二零一五年十二月三十一日的所得款項淨額各自用途如下：

僱員及薪酬政策

於二零一五年十二月三十一日，本集團聘擁有2,005名僱員(二零一四年十二月三十一日：1,739名)。截至二零一五年十二月三十一日止年度，僱員福利開支約為人民幣148.3百萬元(截至二零一四年十二月三十一日止年度：人民幣101.6百萬元)。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，包括基本及浮動薪資、酌情花紅及員工福利。本集團為僱員提供外部及內部培訓計劃。

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

Foreign Exchange Risk

The majority of the Group's operations are in the PRC and most of its transactions are settled in RMB, which is its functional currency. However, the Group is subject to foreign exchange rate risk, as its cash and cash equivalents and borrowings are mainly denominated in Euro, Hong Kong dollar and US dollar. The Group does not have a foreign currency hedging policy, and the Group manages its foreign currency risk by closely monitoring the scale of its foreign currency transactions and its foreign currency assets and liabilities. If the Euro, Hong Kong dollar or the US dollar strengthens, a foreign exchange loss will be charged to the Group and the Group's profit will be reduced, and vice versa. Currently, the Group does not have any derivative financial instrument to hedge its foreign currency risk.

Contingent Liabilities

As at 31 December 2015, the Group did not have any significant contingent liabilities.

Final Dividend

The Board has resolved to declare a final dividend of RMB0.1 per share (tax included) for the year ended 31 December 2015. The proposed distribution of final dividend by the Company is subject to approval at the AGM. Upon approval, the final dividend will be paid on or before 28 July 2016.

V. SIGNIFICANT INVESTMENTS AND ACQUISITIONS

- On 17 September 2015, the Company entered into an agreement with Shandong Tengyue Chemical Hazardous Waste Research & Treatment Co., Ltd* (山東騰躍化學危險廢物研究處理有限公司) (“Tengyue”) and its original shareholders to acquire 51% equity interest of Tengyue through increase of registered capital at a consideration of RMB416.3 million. Tengyue's principal activities are chemical hazardous waste disposal. This transaction was completed on 2 November 2015.

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

本集團大部分的業務經營主要位於中國，且其大部分交易以人民幣結算，人民幣為其功能貨幣。儘管如此，本集團受外匯匯率風險影響，因為本集團以外幣計量的現金及現金等價物以及借款以歐元、港元及美元計值。本集團並無外幣對沖政策，而本集團透過密切監察外幣交易的規模、外幣資產及負債以管理本集團的外幣風險。倘歐元、港元或美元升值，本集團將錄得外匯虧損，而本集團的溢利將會減少，反之亦然。目前，本集團並無使用衍生金融工具以對沖其外幣風險。

或然負債

截至二零一五年十二月三十一日，本集團並無任何重大或然負債。

末期股息

董事會議決宣派發截至二零一五年十二月三十一日止年度的末期股息，每股人民幣0.1元(含稅)。建議派發末期股息須待本公司股東週年大會批准後，方可作實。經批准後，末期股息將於二零一六年七月二十八日或之前派發。

5. 重大投資及收購

- 於二零一五年九月十七日，本公司與山東騰躍化學危險廢物研究處理有限公司(「騰躍」)及其原股東訂立協議，通過增加註冊資本按代價人民幣416.3百萬元收購騰躍51%股權。騰躍的主營業務為化學危險廢物處理。該項交易已於二零一五年十一月二日完成。

Management Discussion and Analysis

管理層討論及分析

- On 21 September 2015, the Company entered into an equity transfer agreement with an independent third party to acquire 100% equity interest in Ningde Zhangwan Waste Incineration and Power Generation Co., Ltd.* (寧德漳灣垃圾焚燒發電有限公司), which holds concession right of household waste incineration and power generation project in Ningde City at a consideration of RMB213.9 million.
 - On 6 November 2015, the Company entered into an equity transfer agreement with an independent third party to acquire 100% equity interest in PJT Technology Co., Limited, which holds concession right of urban waste-to-energy generation project in the Phuket Island, Thailand at a consideration of USD70.0 million. This acquisition was completed on 30 December 2015.
 - On 18 December 2015, the Company entered into an equity transfer agreement with an independent third party to acquire 60% equity interest in Yunnan Zhengxiao Environmental Protection Investment Co., Ltd.* (雲南正曉環保投資有限公司), which holds medical waste treatment project at a consideration of RMB300.0 million. This acquisition was completed on 21 December 2015.
 - On 21 December 2015, the Company entered into an equity transfer agreement with an independent third party to acquire 65% equity interest in Future International Group Co., Limited, which holds water supply project in Qingzhou Shandong Province, at a consideration of RMB292.5 million.
- 於二零一五年九月二十一日，本公司與獨立第三方訂立股權轉讓協議，按代價人民幣213.9百萬元收購寧德漳灣垃圾焚燒發電有限公司100%權益，其持有寧德市生活垃圾焚燒及發電項目的特許經營權。
 - 於二零一五年十一月六日，本公司與獨立第三方訂立股權轉讓協議，按代價70.0百萬美元收購PJT Technology Co., Limited之100%權益，其持有泰國普吉島市政垃圾發電項目的特許經營權。該項收購於二零一五年十二月三十日完成。
 - 於二零一五年十二月十八日，本公司與獨立第三方訂立股權轉讓協議，按代價人民幣300.0百萬元收購雲南正曉環保投資有限公司60%權益，其持有昆明市醫療廢物處理項目。該項收購於二零一五年十二月二十一日完成。
 - 於二零一五年十二月二十一日，本公司與獨立第三方訂立股權轉讓協議，按代價人民幣292.5百萬元收購暉澤集團有限公司65%權益，其持有山東省青州市供水項目。

For details of the above-mentioned significant investments and acquisitions, please refer to the announcements published by the Company on 17 September 2015, 21 September 2015, 6 November 2015, 20 December 2015 and 21 December 2015.

有關上述重大投資及收購事項的詳情，請參閱本公司於二零一五年九月十七日、二零一五年九月二十一日、二零一五年十一月六日、二零一五年十二月二十日及二零一五年十二月二十一日刊發的公告。

VI. EVENTS AFTER THE REPORTING PERIOD

- On 21 December 2015, the Company entered into an equity transfer agreement with an independent third party to acquire 65% equity interest in Future International Group Co., Limited, which holds water supply project in Qingzhou Shandong Province, at a consideration of RMB292.5 million. This acquisition was completed on 8 January 2016.
- On 11 January 2016, the Company entered into an equity transfer agreement with Environmental Experts (China) Development & Investment Company Limited and Hong Kong Rich Investment Limited to acquire 100% equity interest of Harbin Guo Huan Medical Solid Waste Harmless Centralized Disposal Center Co., Ltd.* (哈爾濱國環醫療固體廢物無害化集中處置中心有限公司) (“**Guo Huan**”) at the consideration of RMB290.6 million. Guo Huan’s principal activities are harmless treatment of medical wastes and hazardous wastes. Details of this acquisition are set out in the announcement published by the Company on 11 January 2016.
- Mr. Wen Jianping resigned from non-executive Director effective on 17 March 2016. For details of his resignation, please refer to the announcement published by the Company on 17 March 2016.

6. 期後事項

- 於二零一五年十二月二十一日，本公司與獨立第三方訂立股權轉讓協議，按代價人民幣292.5百萬元收購暉澤集團有限公司65%權益，其持有山東省青州市供水項目。該項收購於二零一六年一月八日完成。
- 於二零一六年一月十一日，本公司與專業環保(中國)投資開發有限公司及香港年峰投資有限公司簽訂了股權轉讓協議，收購哈爾濱國環醫療固體廢物無害化集中處置中心有限公司(「國環」)之100%股權，代價為人民幣290.6百萬元。國環之主要業務為無害化處置醫療廢物及工業廢物。有關收購的詳情載於本公司於二零一六年一月十一日刊發的公告。
- 文劍平先生辭任非執行董事，並於二零一六年三月十七日生效。有關其辭任的詳情，請參閱本公司於二零一六年三月十七日刊發的公告。

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

EXECUTIVE DIRECTORS AND NON-EXECUTIVE DIRECTORS

Mr. Xu Lei (“Mr. Xu”), aged 49, joined our Group in June 2011 as Chairman and non-executive Director of the Company. Mr. Xu obtained an executive master of business administration degree from Peking University in July 2007 and doctor of philosophy in study of industrial economics from Wuhan University of Technology in Wuhan in June 2012. He is mainly responsible for formulating the Group’s business development strategies and making major operational decisions, supervising and examining the execution of board resolutions. Mr. Xu has extensive senior management experience in the aspects of urban development, urban water supply, culture and tourism, medical services, biopharmaceuticals, financial education and hotel industry. Mr. Xu is also the chairman of YMCI. He is also the chairman of Yunnan Metropolitan Real Estate Development Co., Ltd. (a company listed on the Shanghai stock exchange, stock code: 600239), and the chairman of Champion Property & Casualty Insurance Co., Ltd. In addition, he is also the chairman of Caiyun International Investment Limited (a wholly-owned subsidiary of YMCI). On 1 October 2015, Mr. Xu was appointed as vice chairman and non-executive director of Top Spring International Holdings Limited (its shares are listed on the Stock Exchange, stock code: 3688).

執行董事及非執行董事

許雷先生(「許先生」)，49歲，於二零一一年六月加入本集團擔任本公司主席兼非執行董事。許先生於二零零七年七月獲北京大學頒授高級工商管理碩士學位，並於二零一二年六月獲武漢市武漢理工大學頒授產業經濟學博士學位。彼主要負責制定本集團業務發展策略及主要運營決策監督及檢查董事會決議案的執行情況。許先生於城市發展、城市供水、文化及旅遊、醫療服務、生物製藥、金融教育及酒店業務方面擁有豐富高級管理層經驗。許先生亦為雲南城投集團之主席。彼亦擔任雲南城投置業股份有限公司(其股份於上海證券交易所上市之公司，股份代號：600239)及誠泰財產保險股份有限公司之主席。此外，彼亦擔任彩雲國際投資有限公司(雲南城投集團之全資附屬公司)之主席。於二零一五年十月一日，許先生獲委任為萊蒙國際集團有限公司(其股份於聯交所上市之公司，股份代號：3688)之副主席兼非執行董事。

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

Mr. Jiao Jun (“Mr. Jiao”), aged 59, is the non-executive Director of the Company. Mr. Jiao joined the Company as Director in May 2014. Mr. Jiao obtained a bachelor’s degree in solid mechanics from Lanzhou University in Lanzhou in January 1982, and a master’s degree in earthquake engineering from Yunnan College of Engineering in Yunnan in July 1987. Mr. Jiao obtained the qualification of senior engineer in engineering management in February 1996. Mr. Jiao is mainly responsible for formulating the Company’s business development strategies and providing advice on audit and risk management. He has extensive and professional working experience in environmental and water works industry. Mr. Jiao has served as lecturers in Southwest Forestry University and Yunnan Technology University. Mr. Jiao held different positions in various departments of the Department of Construction of Yunnan between 1988 and 2011, including clerk for deputy director, clerk for director, deputy director, director of the office of anti-earthquake command headquarters, head of the anti-earthquake department and head of the financial planning department. He has been the deputy general manager of YMCI since June 2011. Mr. Jiao has been appointed as director of Yunnan Circular Economy Investment Co., Ltd. (“**Circular Economy**”) (which was held by YMCI and Yunnan Province Water) since December 2013 and was appointed as chairman in July 2014. He has been appointed as executive director of Kunming Future City Development Co., Ltd. since September 2014.

焦軍先生(「焦先生」)，59歲，本公司非執行董事。焦先生於二零一四年五月加入擔任本公司董事。於一九八二年一月，焦先生取得蘭州市蘭州大學固體力學學士學位，並於一九八七年七月取得雲南省雲南工學院地震工程碩士學位。焦先生於一九九六年二月取得工程管理高級工程師資格。焦先生主要負責制定本公司業務發展策略並就審計及風險管理提出意見。彼在環保及水務行業擁有豐富的專業工作經驗。焦先生曾於西南林業大學、雲南省雲南工學院擔任講師。焦先生於一九八八年至二零一一年期間在雲南省建設廳多個部門擔任副主任科員、主任科員、副主任、抗震指揮部辦公室主任、抗震處處長、計劃財務處處長。彼自二零一一年六月起一直擔任雲南城投集團的副總經理。焦先生自二零一三年十二月起擔任雲南循環經濟投資有限公司(「循環經濟」)(由雲南城投集團及雲南省水務持有)的董事及於二零一四年七月擔任主席。彼於二零一四年九月起至擔任昆明未來城開發有限公司的執行董事。

Directors, Supervisors and Senior Management

董事、監事及高級管理人員

Mr. Yu Long (“Mr. Yu”), aged 44, joined the Company in June 2011 as executive Director and Chief Executive Officer of the Company. Mr. Yu obtained a MBA degree from Guanghua School of Management, Peking University in Beijing in July 2013. Mr. Yu won the “Yunnan Labour Medal” awarded by Yunnan Provincial Union Federation in 2012 and 2013 and the “Yunnan 2008-2012 town wastewater and household waste treatment facilities construction advancement - personal award” granted by the People’s Government of Yunnan Province. Mr. Yu is mainly responsible for the overall operation and management, strategic planning and business development of the Company. Mr. Yu has more than 14 years of experience in environmental and water works industry, market development, project management, investment capital management, and risk control management. Mr. Yu has been appointed as part-time professor of the Urban Construction and Management School of Yunnan University and the Environmental Science and Engineering School of Kunming University of Technology successively since April 2012. Mr. Yu was appointed as general manager of water works division and deputy general manager of Beijing Tsinghua Novel Environmental Protection Company Limited between July 2003 and August 2007. Mr. Yu was appointed as project management director of Kardan Water Group Limited between August 2007 and July 2008. Between July 2008 and April 2009, Mr. Yu was appointed as the deputy general manager of Ruoshi (Beijing) Investment Co., Ltd. Between May 2009 and October 2012, Mr. Yu was appointed as the sales director and the deputy general manager of Beijing OriginWater. Mr. Yu has been appointed as chairman or director of various subsidiaries of our Company since January 2011.

于龍先生(「于先生」)，44歲，於二零一一年六月加入本公司擔任本公司執行董事兼行政總裁。于先生於二零一三年七月取得北京市北京大學光華管理學院工商管理碩士學位。于先生先後於二零一二年及二零一三年，分別獲雲南省總工會頒發「雲南省五一勞動獎章」及雲南省人民政府授予「雲南省2008-2012年城鎮污水生活垃圾處理設施建設先進個人」。于先生主要負責本公司的整體經營及管理、策略規劃及業務發展。于先生於環保及水務行業、市場開發、項目管理、投資資本管理及風險控制管理擁有逾14年經驗。于先生自二零一二年四月起先後於雲南大學城市建設與管理學院及昆明理工大學環境科學與工程學院擔任兼職教授。於二零零三年七月至二零零七年八月期間，于先生擔任北京清華永新環保有限公司的副總經理及水務部門的總經理。於二零零七年八月至二零零八年七月期間，于先生擔任凱丹水務國際有限集團的項目管理總監。於二零零八年七月至二零零九年四月，擔任若石(北京)投資有限公司的副總經理。於二零零九年五月至二零一二年十月，彼擔任北京碧水源的銷售總監及副總經理。彼自二零一一年一月起於本公司之多家附屬公司擔任主席或董事。

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

Mr. He Yuanping (“Mr. He”), aged 49, joined our Group in June 2011 as a non-executive Director of the Company. Mr. He obtained a bachelor’s degree in engineering from Nanjing University of Science and Technology in Nanjing in July 1987. He also completed a master’s degree in mechanical engineering in Beijing University of Science and Technology in Beijing in February 1992 and obtained a master’s degree in finance from the Victoria University of Wellington in New Zealand in July 2000. He is mainly responsible for formulating the Company’s business strategies and providing advice on audit and risk management. He has more than ten years of management experience in large-scale enterprises and the water works industry. Mr. He was appointed as director, deputy general manager and chief financial officer of Beijing OriginWater Science and Technology Development Co., Ltd. (predecessor of Beijing OriginWater) from September 2005 to June 2007. Mr. He was appointed as director, deputy general manager, chief financial officer and secretary to the board of directors of Beijing OriginWater since June 2007. He has been appointed as chairman and director of a number of subsidiaries of Beijing OriginWater since May 2011. Mr. He has been appointed as director of Wuhan Sanzhen Industry Holding Co., Ltd. (a company listed and traded its shares on the Shanghai stock exchange, stock code: 600168) since November 2013. He has been appointed as an independent director of Telestone Technology Corporation (a company listed on Nasdaq, stock code: TSTC) since November 2011 and independent non-executive director of Yingde Gases Group Co., Ltd. (its shares are listed on the Stock Exchange, stock code: 2168) since December 2013.

Mr. Feng Zhuangzhi (“Mr. Feng”), aged 40, joined our Group in June 2013 as non-executive Director of the Company. Mr. Feng obtained a bachelor’s degree in economics from the Central University of Finance and Economics in Beijing in July 1997 and a master’s degree in business administration from a joint university programme organized by the Chinese University of Hong Kong and Tsinghua University in Beijing in December 2005. He is mainly responsible for formulating corporate and business strategies and providing advice on audit and risk management. Mr. Feng has more than 15 years of senior management experience in large-scale enterprises and the water works industry. Mr. Feng has been appointed as director of Finergy Guangda (Tianjin) Capital Partners (Limited Partnership) since May 2011. Mr. Feng has been appointed as general manager of Yunnan Finergy Tongda Investment Fund Management Co. Ltd. since March 2012. Mr. Feng has been appointed as a member of the investment

何願平先生(「何先生」)，49歲，於二零一一年六月加入本集團擔任本公司非執行董事。何先生於一九八七年七月取得南京市南京理工大學工程學學士學位。彼亦於一九九二年二月完成北京市北京科技大學的機械工程碩士學位，並於二零零零年七月取得新西蘭惠靈頓維多利亞大學的金融碩士學位。彼主要負責制定本公司業務策略，並就審計及風險管理提出意見。彼擁有逾十年的大型企業及水務行業管理經驗。何先生自二零零五年九月起至二零零七年六月擔任北京碧水源科技發展有限公司(北京碧水源的前身)的董事、副總經理兼財務總監。何先生自二零零七年六月起擔任北京碧水源的董事、副總經理、財務總監兼董事會秘書。彼自二零一一年五月起擔任北京碧水源多間附屬公司的主席及董事。何先生於二零一三年十一月起擔任武漢三鎮實業控股股份有限公司(於上海證券交易所上市及買賣其股份的公司，股份代號：600168)的董事；彼於二零一一年十一月起擔任Telestone Technology Corporation(納斯達克上市公司，股份代號：TSTC)的獨立董事；及於二零一三年十二月起擔任盈德氣體集團有限公司(其股份於聯交所上市之公司，股份代號：2168)的獨立非執行董事。

馮壯志先生(「馮先生」)，40歲，於二零一三年六月加入本集團擔任本公司非執行董事。馮先生於一九九七年七月取得北京市中央財經大學經濟學學士學位，並於二零零五年十二月取得香港中文大學與北京清華大學的聯合大學計劃工商管理碩士學位。彼主要負責制定公司及業務策略並就審計及風險管理提出意見。馮先生擁有逾15年在大型企業及水務行業擔任高級管理層的經驗。於二零一一年五月起，馮先生擔任融源廣達(天津)股權投資管理合夥企業(有限合夥)的董事。於二零一二年三月起，馮先生擔任雲南融源通達股權投資基金管理有限公司的總經理。於二零一二年十二月

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

management committee of Yunnan Energy-saving Environmental Protection Venture Capital Fund Partnership (Limited Partnership) since December 2012. Mr. Feng has been appointed as director of Shandong Higer Information Technology Co., Limited (山東海格爾信息技術股份有限公司) (shares of which listed on the New Third Board, stock code: 834482) since August 2015.

Mr. Liu Xujun (“Mr. Liu”), aged 43, joined our Group in June 2011 as executive Director and Deputy Chief Executive Officer of the Company, and was subsequently appointed as chief engineer in December of the same year. Mr. Liu obtained a bachelor’s degree in water supply and drainage engineering from Tongji University in Shanghai in July 1995. Later, he further obtained a master’s degree in environmental engineering from Kunming University of Science & Technology in Kunming in June 2009, and he currently is still pursuing research studies for doctor of philosophy in environment engineering at Tongji University in Shanghai. Mr. Liu was qualified as a senior engineer specialized in water supply and drainage in September 2006 by the Kunming Architecture Senior Engineer Certifying Committee (昆明市建築工程高級工程師評審委). He was also qualified as a professional manager in June 2007 by the Human Resources and Social Security Bureau of Yunnan Province of the PRC. Mr. Liu has become a member of the International Water Association (IWA) (國際水協) since January 2013. He subsequently qualified as a professorate senior engineer specialized in water supply and drainage in November 2014 by the Yunnan Professorate Senior Engineer Certifying Committee (雲南省正高級工程師評審委員會). Mr. Liu is mainly responsible for the overall operation and management, strategic planning and business development of the Company. Mr. Liu has more than 19 years of technical experience in the water works industry, including 5 years of senior management experience in water works enterprises. Mr. Liu served as engineering staff in Kunming Municipal Sewerage Co., Ltd., a deputy director and later a director of World Bank project office between July 1995 and October 2005. Mr. Liu worked as a procurement specialist for the World Bank Resident Mission from December 2007 to October 2009. He was appointed as chief engineer and deputy general of Yunnan Province Water from January 2010 to June 2011 and has been appointed as a director of Circular Economy since December 2013.

起，馮先生擔任雲南融源節能環保創業投資基金合伙企業(有限合伙)的投資管理委員會成員。於二零一五年八月起，馮先生擔任山東海格爾信息技術股份有限公司(其股份於新三板上市，股份代號：834482)的董事。

劉旭軍先生(「劉先生」)，43歲，於二零一一年六月加入本集團擔任本公司執行董事兼副總裁，其後於同年十二月兼任總工程師。劉先生於一九九五年七月取得上海同濟大學給水排水工程專業學士學位。其後於二零零九年六月取得昆明市昆明理工大學環境工程碩士學位，現時劉先生仍在持續進修，攻讀上海同濟大學環境工程博士學位。劉先生於二零零六年九月取得昆明市建築工程高級工程師評審委頒發的給排水高級工程師資格。彼亦於二零零七年六月取得中國雲南省人力資源和社會保障廳頒發的職業經理人資格。劉先生自二零一三年一月起成為IWA國際水協的會員。其後於二零一四年十一月取得雲南省正高級工程師評審委員會頒發的給排水正高級工程師資格。劉先生主要負責本公司整體經營及管理、策略規劃及業務發展。劉先生在水務行業擁有逾19年的技術經驗，其中包括5年在水務企業擔任高級管理層的經驗。劉先生於一九九五年七月至二零零五年十月在昆明市城市排水公司擔任工程人員、世界銀行項目辦事處副總監，其後升任為總監。於二零零七年十二月至二零零九年十月，劉先生擔任世界銀行中國代表處的採購專家。彼於二零一零年一月至二零一一年六月獲委任為雲南省水務的總工程師及副總經理及自二零一三年十二月起，擔任循環經濟的董事。

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

Mr. Huang Yunjian (“Mr. Huang”), aged 50, joined our Group in December 2011 as Deputy Chief Executive Officer of the Company, and was subsequently appointed as executive Director and Deputy Chief Executive Officer of the Company in August 2012. Mr. Huang obtained a degree in environment engineering from Kunming University of Science and Technology in Kunming in July 1988. He obtained a certificate for senior research studies on modern economics in 2005 and a certificate for the “Western China Environmental Infrastructure Technologies and Projects” course in December 2005. Mr. Huang further obtained the qualification of a Chinese career manager in June 2006 awarded by Chinese Career Manager Coalition. He is mainly responsible for management, strategic planning and business development of our Group. He has more than 17 years of experience in operation management and senior management in water works related companies. Mr. Huang was appointed as engineer and plant manager of the 4th plant of Kunming Municipal Sewerage Co., Ltd. from April 1998 to June 2005. Mr. Huang was appointed as the legal representative, executive director and general manager of Kunming Wastewater Treatment Co. Ltd. between June 2005 and July 2008. Mr. Huang was appointed as assistant to the general manager and deputy general manager of Yunnan Province Water, our controlling shareholder, between January 2010 and June 2011. Mr. Huang also served as legal representative and director in a number of subsidiaries of the Company. In addition, Mr. Huang was also appointed as a part-time professor of Kunming University of Science and Technology since January 2013. And Mr. Huang has been appointed as director of Yunnan Fengyuan Water Co., Ltd. (which was held by YMCI) since March 2014.

黃雲建先生(「黃先生」)，50歲，於二零一一年十二月加入本集團擔任本公司副總裁，其後於二零一二年八月獲委任為本公司執行董事兼副總裁。黃先生於一九八八年七月取得昆明市昆明理工大學環境工程學位。彼於二零零五年取得現代經濟管理高級研修班證書，及於二零零五年十二月取得「華西環保基建技術及項目(Western China Environmental Infrastructure Technologies and Projects)」課程證書。黃先生其後於二零零六年六月取得中國職業經理聯合會頒發的中國職業經理資格。彼主要負責本集團的管理、策略規劃及業務發展。彼在營運管理及擔任水務相關公司高級管理層方面擁有逾17年的經驗。黃先生於一九九八年四月至二零零五年六月擔任昆明市城市排水公司第四污水廠的工程師及工廠經理。於二零零五年六月至二零零八年七月期間，擔任昆明城市污水處理運營有限責任公司的法定代表、執行董事兼總經理。黃先生於二零一零年一月至二零一一年六月期間，擔任本公司控股股東雲南省水務的總經理助理及副總經理。黃先生亦擔任本公司多間附屬公司的法定代表兼董事。另外，黃先生自二零一三年一月起，擔任昆明理工大學的兼職教授。黃先生自二零一四年三月起，擔任雲南豐源水務股份有限公司(由雲南城投集團持有)的董事。

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Kwok For Chi (“Mr. Kwok”), aged 45, joined the Company as an independent non-executive Director in April 2015. Mr. Kwok obtained his bachelor’s degree in accounting and business administration from The Hong Kong University of Science and Technology in November 1994, and became a member of the Hong Kong Institute of Certified Public Accountants. Mr. Kwok has more than 15 years of experience in financial management and auditing, he worked in KPMG accountancy firm from August 1994 to October 2006. Mr. Kwok was appointed as the chief financial officer and company secretary of KFM Kingdom Holdings Limited, a company listed on the Stock Exchange (stock code: 3816), since February 2012. Prior to that, Mr. Kwok served as the chief financial officer and company secretary of Xing Yuan Power Holdings Company Limited from December 2010 to February 2012, the financial controller of Beijing Huaxia Real Estate Development Company Limited from October 2006 to December 2008, and Head of the Group Finance and Investment Centre of Hopson Development Holdings Limited, a company listed on the Stock Exchange (stock code: 754), from April 2008 to November 2009.

獨立非執行董事

郭科志先生(「郭先生」)，45歲，於二零一五年四月加入擔任本公司之獨立非執行董事。郭先生於一九九四年十一月自香港科技大學獲得會計工商管理學士學位，並為香港會計師公會會員。郭先生擁有逾15年財務管理及審計經驗，彼曾於一九九四年八月至二零零六年十月任職於畢馬威會計事務所。郭先生自二零一二年二月起擔任金德控股有限公司(於聯交所上市之公司，股份代號：3816)的首席財務官及公司秘書。此前，二零一零年十二月至二零一二年二月期間，郭先生擔任興源動力控股有限公司的首席財務官及公司秘書；於二零零六年十月至二零零八年十二月期間，擔任北京華夏創業房地產開發有限公司的財務總監及二零零八年四月至二零零九年十一月擔任合生創展集團有限公司(於聯交所上市之公司，股份代號：754)的集團財務及投資中心主任。

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

Mr. Ma Shihao (“Mr. Ma”), aged 77, joined the Group in August 2014 as independent non-executive Director of the Company. Mr. Ma obtained a bachelor’s degree in water supply and drainage study of civil engineering from Tsinghua University in Beijing in January 1963. Mr. Ma was qualified as an engineer specialized in radioactive wastewater treatment in December 1979 by the National Cadre Bureau of Science and Technology, and qualified as a senior engineer specialized in wastewater treatment in August 1987 and as a senior engineer (professor level) specialized in environmental engineering in November 1995 by the Beijing Senior Professional and Technical Personnel Certifying Committee. He is mainly participating in making significant decisions and providing independent advice on corporate governance, connected transactions and matters of corporate operations. Mr. Ma has more than 50 years of working experience in the water industry. He worked in Beijing Environmental Protection Technology Research Centre between January 1963 and January 1999, and was subsequently appointed as a member of the Shandong Xiaoqinghe Wastewater Treatment Construction Technology Advisory Committee. Mr. Ma was appointed as independent director of Beijing OriginWater between September 2007 and April 2014. Mr. Ma is the author of the Beijing discharge standard of water pollutants for municipal wastewater treatment plants (DB11/890-2012) promulgated by Beijing People’s Government in May 2012 and the second amendment of the Beijing integrated discharge standard of water pollutants (DB11/307-2013) promulgated by Beijing People’s Government in December 2013. Mr. Ma was awarded by the Ministry of Environmental Protection and the Beijing Municipal Management Committee for preparing various feasibility reports on wastewater treatment. Mr. Ma was awarded for his book, “The Book of Practical Water Treatment Technology” in September 2002 published by China Petroleum & Chemical Industry Federation.

馬世豪先生(「馬先生」)，77歲，於二零一四年八月加入本集團擔任本公司獨立非執行董事。馬先生於一九六三年一月取得北京清華大學土木工程給水排水研究學士學位。馬先生於一九七九年十二月考獲國家科學技術幹部局所授放射性污水處理工程師資格，並於一九八七年八月及一九九五年十一月先後取得北京市高級專業技術職務評審委員會頒發的污水處理高級工程師資格及環境工程高級工程師(教授級)資格。彼主要參與本集團重大決策，並就企業管治、關連交易及公司運營事宜提出獨立意見。馬先生擁有逾50年的水務行業工作經驗，彼曾於一九六三年一月至一九九九年一月期間就職於北京市環境保護科學研究院，其後獲委任為山東小清河污水治理工程技術顧問委員會委員。馬先生於二零零七年九月至二零一四年四月擔任北京碧水源的獨立董事。馬先生為北京市人民政府於二零一二年五月頒佈的北京市城鎮污水處理廠水污染物排放標準(DB11/890-2012)及北京市人民政府於二零一三年十二月頒佈的北京市水污染物綜合排放標準(DB11/307-2013)二次修訂的作者。馬先生因曾編製多份有關污水治理的可行性報告而獲得環保部獎勵及北京市市政市容管理委員會的獎勵。馬先生因其於二零零二年九月由中國石油和化學工業聯合會刊發的《實用水處理技術叢書》一書而獲得獎勵。

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

Mr. Ren Gangfeng (“Mr. Ren”), aged 38, joined the Group in August 2014 as independent non-executive Director of the Company. Mr. Ren obtained a bachelor’s degree in environmental planning and management from Kunming University of Science & Technology in Kunming in July 2000. He is mainly responsible for making significant business decisions and providing independent advice on corporate governance, connected transactions, various matters of Directors and senior management. Mr. Ren has more than 8 years of senior management experience in water works industry. In July 2007, Mr. Ren was appointed the engineer, project manager and the project director of China Urban Construction Design & Research Institute Company Limited. Since March 2010, Mr. Ren has been appointed as the legal representative and general manager of Yunnan Hong Feng Construction Work Company Limited.

Mr. Hu Song (“Mr. Hu”), aged 54, joined the Group in August 2014 as an independent non-executive Director of the Company. Mr. Hu obtained a master’s degree in western economics from Huazhong University of Science and Technology in Wuhan in December 2002. He is mainly participating in making significant business decisions and providing independent advice on corporate governance, connected transactions, various matters of Directors and scale management. Mr. Hu has approximately 13 years of experience as senior management in large-scale enterprises. Mr. Hu was appointed as the director of Shenzhen Yungong Investment Co., Ltd.* between March 2003 and February 2009. Mr. Hu was appointed as director of Zhaomao Capital Management Co., Ltd.* between August 2008 and November 2014. Since July 2013, Mr. Hu has been the consultant of Mission Hills Group.

任鋼鋒先生(「任先生」)，38歲，於二零一四年八月加入本集團擔任本公司獨立非執行董事。任先生於二零零零年七月取得昆明市昆明理工大學環境規劃及管理學士學位。彼主要負責參與本集團重大業務決策，並就企業管治、關連交易以及董事及高級管理層的多項事宜提出獨立意見。任先生擁有逾8年在水務行業擔任高級管理層的經驗。於二零零七年七月，任先生擔任中國城市建設研究院有限公司的工程師、項目經理及項目主管。自二零一零年三月起，任先生擔任雲南宏鋒工程設計諮詢有限公司法定代表人兼總經理。

胡松先生(「胡先生」)，54歲，於二零一四年八月加入本集團擔任本公司獨立非執行董事。胡先生於二零零二年十二月取得武漢市華中科技大學西方經濟學碩士學位。彼主要參與本集團重大業務決策，並就企業管治、關連交易以及董事及規模經營的多項事宜提出獨立意見。胡先生在大型企業擁有約13年擔任高級管理層的經驗。二零零三年三月至二零零九年二月期間，胡先生擔任深圳市允公投資有限公司董事。二零零八年八月至二零一四年十一月期間，胡先生擔任深圳市朝茂創業投資管理有限公司董事。自二零一三年七月起，胡先生擔任觀瀾湖集團顧問。

SUPERVISORS

Ms. Yang Chuanyun (“Ms. Yang”), aged 38, joined the Group in June 2011 as an employee representative Supervisor of the Company. Ms. Yang obtained a bachelor’s degree in economic law in June 2000 and a master’s degree in economic law in June 2003 from China University of Political Science and Law in Beijing. She is currently the manager of the bidding and procurement department of the Company. Ms. Yang is mainly responsible for supervising the Directors, managers and other management personnel to ensure compliance with laws and regulations, the Articles of Association and the resolutions of Shareholders’ meetings. Ms. Yang has more than 10 years of working experience in large-scale enterprises. Between September 2004 and July 2008, Ms. Yang was appointed as the legal consultant of Beijing Municipal Investment Company Limited. Ms. Yang served in the legal department of Yunnan Province Water, our controlling shareholder, between December 2009 and June 2011.

Ms. Wang Shuqin (“Ms. Wang”), aged 43, has been a shareholder representative Supervisor of the Company since June 2011. Ms. Wang obtained a bachelor’s degree in economics and management from Huazhong Agricultural University in June 1995, and a master’s degree in economics from Renmin University of China in January 2002. Ms. Wang was qualified as an enterprise legal adviser certified by SASAC in October 2006 and a senior accountant in May 2010 certified by Beijing Municipal Bureau of Human Resources and Social Security. Ms. Wang is mainly responsible for supervising Directors, managers and other management personnel to ensure compliance with laws and regulations, the Articles of Association and the resolution of Shareholders’ meetings. Ms. Wang has more than 8 years of experience in environmental and water works industry. She has been the manager of finance department and promoted to the deputy chief financial officer of Beijing OriginWater, since May 2007, and the supervisor of a number of subsidiaries of Beijing OriginWater since August 2011.

監事

楊川雲女士(「楊女士」)，38歲，於二零一一年六月加入本集團擔任本公司職工代表監事。楊女士分別於二零零零年六月及二零零三年六月取得北京市中國政法大學經濟法學士學位及經濟法碩士學位。彼現任本公司招標及採購部經理。楊女士主要負責監督董事、經理及其他管理層人員，以確保遵守法律及法規、公司章程及股東會議的決議案。楊女士擁有逾10年的大型企業工作經驗。二零零四年九月至二零零八年七月期間，楊女士擔任北京市政投資有限公司的法務專員。二零零九年十二月至二零一一年六月期間，楊女士任職於我們的控股股東雲南省水務的法務部。

王淑琴女士(「王女士」)，43歲，自二零一一年六月起擔任本公司股東代表監事。王女士於一九九五年六月取得華中農業大學經濟管理學學士學位及於二零零二年一月取得中國人民大學經濟學碩士學位。彼於二零零六年十月獲國資委認證為企業法律顧問，並於二零一零年五月獲北京市人力資源和社會保障局認證為高級會計師。王女士主要負責監督董事、經理及其他管理層人員，以確保遵守法律及法規、公司章程及股東會議的決議案。王女士在環保及水務行業擁有逾8年經驗。彼自二零零七年五月起擔任北京碧水源的財務部經理其後升任財務副總監，自二零一一年八月起擔任北京碧水源多間附屬公司的監事。

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

Ms. Li Bo (“Ms. Li”), aged 39, joined the Group in August 2014 as a shareholder representative Supervisor of the Company. Ms. Li obtained a master’s degree in business administration from Dalian University of Technology in Dalian in June 2008. She is mainly responsible for supervising the Directors, managers and other management personnel to ensure compliance with laws and regulations, the Articles of Association and the resolutions of Shareholders’ meetings. Ms. Li has more than 10 years of senior management experience in water works industry. Ms. Li was appointed as the deputy manager of the investment and financing department of YMCI, between April 2005 and May 2010 and was promoted as manager of the investment and financing department between May 2010 and May 2012. Since May 2012, Ms. Li has been acting as the board office director of YMCI. Ms. Li has also been appointed as the director of a number of subsidiaries of YMCI since January 2014.

Mr. Tan Hairui (“Mr. Tan”), aged 45, joined the Group in January 2015 as an independent Supervisor of the Company. Mr. Tan obtained a bachelor’s degree in economics from Yunnan Finance and Trade College (now known as Yunnan University of Finance and Economics) in Yunnan in July 1993. Mr. Tan obtained the certificate as a registered accountant issued by Accountant Examination Committee of Ministry of Finance of the PRC in April 1999 and a Lawyer’s License in August 2004. Mr. Tan is mainly responsible for supervising the Directors, managers and other management personnel to ensure compliance with laws and regulations, the Articles of Association and the resolutions of Shareholders’ meetings. Mr. Tan has more than 16 years of working experience in large-scale enterprises. He was the deputy manager of the financial department of Yunda Science & Technology Industry Company from 2000 to December 2001. Mr. Tan joined Yunnan Hengxin Law Firm as trainee solicitor and lawyer from January 2002 to August 2007. Mr. Tan joined the Yunnan Quzhi Law Firm as lawyer between September 2007 and March 2009. Since March 2009, Mr. Tan has been working in Yunnan Geyuan Law Firm as a lawyer.

李波女士(「李女士」)，39歲，於二零一四年八月加入本集團擔任本公司股東代表監事。李女士於二零零八年六月於大連市大連理工大學取得工商管理碩士學位。彼主要負責監督董事、經理及其他管理層人員，以確保遵守法律及法規、公司章程及股東會議的決議案。李女士擁有逾10年在水務行業擔任高級管理層的經驗。於二零零五年四月至二零一零年五月期間擔任雲南城投集團的投資及融資部副經理，並於二零一零年五月至二零一二年五月期間晉升為投資及融資部經理。自二零一二年五月起，李女士一直擔任雲南城投集團董事會辦公室主任。彼自二零一四年一月起亦擔任雲南城投集團多間附屬公司的董事。

譚海銳先生(「譚先生」)，45歲，於二零一五年一月加入本集團擔任本公司獨立監事。譚先生於一九九三年七月在雲南取得雲南財貿學院(現稱雲南財經大學)經濟學學士學位。彼於一九九九年四月，取得中國財政部會計師考試委員會頒發的註冊會計師證書及於二零零四年八月，取得律師執業資格證。譚先生主要負責監督董事、經理及其他管理層人員，以確保遵守法律及法規、公司章程及股東會議的決議案。彼擁有逾16年在大型企業工作的經驗。彼於二零零零年至二零零一年十二月在雲大科技產業股份有限公司擔任財務部副經理。於二零零二年一月至二零零七年八月加入雲南恒鑫律師事務所擔任實習律師和律師。譚先生於二零零七年九月至二零零九年三月期間在雲南曲直律師事務所擔任律師。自二零零九年三月至今，譚先生在雲南格元律師事務所擔任律師。

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

Mr. Cao Jinwen (“Mr. Cao”), aged 38, joined our Group in January 2015 as an independent Supervisor of our Company. Mr. Cao obtained a bachelor’s degree in tourism management from Beijing Technology and Business University in June 2001, further obtained a master’s degree in business administration from Yunnan University in January 2009, and obtained the Membership Certificate of Certified Public Accountants in May 2013 from the Yunnan Provincial Institute of Certified Public Accountants. He is responsible for supervising the Directors, managers and other management personnel to ensure compliance with laws and regulations, the Articles of Association and the resolutions of Shareholders’ meetings. Mr. Cao has more than 14 years of working experience in large-scale enterprises. Mr. Cao was appointed as an auditor of Zhong He Zheng Xin (Yunnan) CPAs between July 2001 and August 2008, and he was later promoted as the business manager and senior manager. Since September 2008, Mr. Cao has been appointed as director and managing director of the investment bank department of Hongta Securities Company Limited. Since July 2013, Mr. Cao has been the external professor of Yunnan University for the master’s degree course in accountancy.

Ms. Tang Shuang (“Ms. Tang”), aged 31, joined the Group in January 2015 as an employee representative Supervisor of the Company. Ms. Tang obtained a bachelor’s degree in management from Yunnan University in Yunnan in July 2007. Ms. Tang obtained the qualification as an accountant in May 2006 awarded by the Ministry of Finance. She is responsible for supervising the Directors, managers and other management personnel to ensure compliance with laws and regulations, the Articles of Association and the resolutions of Shareholders’ meetings. Ms. Tang has more than 8 years of working experience in large-scale enterprises. Ms. Tang was an employee of the Yunnan branch office of Ping An Life Insurance Limited between July 2007 and June 2008, later she served as the accountant for the Beijing branch office of Ping An Property & Casualty Insurance Company of China Limited from July 2008 to March 2010. From March 2010 to February 2015, Ms. Tang served in the business department of Yunnan OriginWater Technology Company Limited. Since March 2015, Ms. Tang served in the bidding and procurement department of our Company.

曹晉聞先生(「曹先生」)，38歲，於二零一五年一月加入本集團擔任本公司獨立監事。曹先生於二零零一年六月取得北京工商大學旅遊管理學士學位。於二零零九年一月再取得雲南大學工商管理碩士學位，並於二零一三年五月獲雲南省註冊會計師協會授予註冊會計師會員證書。彼主要負責監督董事、經理及其他管理層人員，以確保遵守法律及法規、公司章程及股東會議的決議案。曹先生擁有逾14年在大型企業工作的經驗。於二零零一年七月至二零零八年八月期間，曹先生在中和正信(雲南)會計師事務所擔任核數師，其後晉升為業務經理及高級經理。自二零零八年九月起，曹先生在紅塔證券股份有限公司投資銀行事業部擔任董事及董事總經理。自二零一三年七月起，彼在雲南大學擔任會計碩士課程外聘教授。

唐爽女士(「唐女士」)，31歲，於二零一五年一月加入本集團擔任本公司職工代表監事。唐女士於二零零七年七月在雲南取得雲南大學管理學學士學位。唐女士於二零零六年五月獲財政部授予會計師資格。彼負責監督董事、經理及其他管理層人員，以確保遵守法律及法規、公司章程及股東會議的決議案。唐女士擁有逾八年在大型企業工作的經驗。於二零零七年七月至二零零八年六月期間，唐女士在中國平安人壽保險股份有限公司雲南分行任職，其後於二零零八年七月至二零一零年三月期間在中國平安財產保險股份有限公司北京分行擔任會計師。於二零一零年三月至二零一五年二月期間，唐女士在雲南城投碧水源水務科技有限責任公司商務部任職。二零一五年三月起，唐女士在本公司招標採購部任職。

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

SENIOR MANAGEMENT

Mr. Hu Shake (“Mr. Hu”), aged 59, joined the Group in December 2011 as deputy chief executive officer of the Company. Mr. Hu was graduated from Vocational College of Yunnan Highway Bureau in July 1984, majoring in highway engineering. He is mainly responsible for investment projects of our Group in Yunnan, liaising and coordinating work of projects in Dali and Nujiang areas. Mr. Hu has over 20 years of relevant senior management experience in a number of companies and water works related companies. From March 1996 to December 1999, Mr. Hu was appointed as the head of construction of the construction command headquarters for the Yunnan Chuda Expressway. From January 2000 to August 2005, Mr. Hu was appointed as chief monitoring engineer and deputy commander of the construction command headquarters for the Yunnan Songming Expressway pending for repairs. From August 2005 to May 2006, Mr. Hu was appointed as deputy general manager of Yunnan Kunmo Expressway Company Limited. From June 2006 to April 2009, Mr. Hu was appointed as deputy head of quality control department of Yunnan Highway Development and Investment Company Limited. From May 2009 to June 2011, Mr. Hu was appointed as deputy general manager of Yunnan Province Water, the controlling shareholder of the Company. And Mr. Hu was appointed as director of a number of subsidiaries of our Company since 2010.

Mr. Yang Fang (“Mr. Yang”), aged 42, joined the Group in March 2013 as party secretary of the Company. Mr. Yang obtained a bachelor’s degree in accounting and statistics from Yunnan University of Finance and Economics in July 1998 and further obtained an executive master’s degree in business administration from Dalian University of Technology in June 2008. Mr. Yang was qualified as a first class enterprise human resources managing personnel in March 2009 certified by the Ministry of Labor and Social Security. He was subsequently appointed as deputy chief executive officer of the Company in November 2014. He is mainly responsible for disciplinary inspection, supervision of the overall operation, human resources, liaising and coordinating work of projects in Xinjiang and Wenshan areas. Mr. Yang has more than 9 years of senior management experience in water works related companies. Mr. Yang has served in various positions in YMCI, including deputy manager of personnel and organization department, manager of personnel and organization department and manager of the human resources department. Mr. Yang was the party secretary of Yunnan Province Water from May 2012 to September 2014.

高級管理人員

胡沙克先生(「胡先生」)，59歲，於二零一一年十二月加入本集團擔任本公司副總裁。胡先生於一九八四年七月畢業於雲南省公路局職工大學公路工程專業。彼主要負責本集團在雲南的投資項目、聯絡及協調在大理及怒江地區的工程。胡先生曾在多間公司及水務相關公司擔任高級管理層，擁有逾20年相關經驗。於一九九六年三月至一九九九年十二月期間，胡先生擔任雲南楚大高速公路建設指揮部的建設部主管。於二零零零年一月至二零零五年八月期間，彼擔任雲南嵩明待補高速公路建設指揮部首席監測工程師及副指揮官。於二零零五年八月至二零零六年五月期間，胡先生擔任雲南昆磨高速公路有限公司副總經理。於二零零六年六月至二零零九年四月期間，胡先生擔任雲南公路開發投資有限責任公司質量控制部副主管。於二零零九年五月至二零一一年六月期間，胡先生擔任本公司控股股東雲南省水務的副總經理。胡先生自二零一零年起擔任本公司多間附屬公司的董事。

楊方先生(「楊先生」)，42歲，於二零一三年三月加入本集團擔任本公司黨委書記。楊先生於一九九八年七月取得雲南財經大學會計與統計學學士學位，並於二零零八年六月取得大連理工大學高級工商管理碩士學位。楊先生於二零零九年三月獲勞動和社會保障部認證為一級企業人力資源管理師。其後於二零一四年十一月獲委任為本公司副總裁。彼主要負責紀檢、監察整體營運、人力資源、聯絡及協調在新疆及文山地區的工程。楊先生於水務相關公司擁有逾9年的高級管理層經驗。楊先生曾於雲南城投集團擔任多個職務，包括人事組織部副經理，人事組織部經理，人力資源部經理。楊先生於二零一二年五月至二零一四年九月期間，擔任雲南省水務的黨委書記。

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

Mr. Wang Yong (“Mr. Wang”), aged 44, joined the Group in January 2013 as manager of finance department of the Company, subsequently he was promoted to financial controller in November 2013. Mr. Wang obtained a bachelor’s degree in economics in July 1993 from Yunnan Finance and Trade College (now known as Yunnan University of Finance and Economics) and a master’s degree in business administration in January 2009 from the Yunnan University. He was qualified as an accountant in the PRC in May 1996, and also qualified as a registered tax agent in the PRC in October 2000, later he was promoted to a senior accountant in October 2004. He is mainly responsible for the Company’s financial management, liaising and coordinating work of projects in Beijing area. Mr. Wang has more than 13 years of senior management experience in large-scale enterprises and extensive experience in accounting. From April 2002 to January 2013, Mr. Wang was appointed as the manager of finance department of Kunming Sino-Platinum Metals Catalyst Co., Ltd.

王勇先生(「王先生」)，44歲，於二零一三年一月加入本集團擔任本公司財務部經理，其後於二零一三年十一月獲晉升為財務總監。王先生於一九九三年七月取得雲南財貿學院(現稱雲南財經大學)經濟學學士學位，於二零零九年一月取得雲南大學工商管理碩士學位。彼於一九九六年五月成為合資格中國會計師，亦於二零零零年十月成為合資格中國註冊稅務師，其後於二零零四年十月晉升為高級會計師。彼主要負責本公司財務管理、聯絡及協調在北京地區的工程。王先生擁有逾13年的大型企業高級管理層經驗並於會計方面擁有豐富經驗。於二零零二年四月至二零一三年一月期間，王先生擔任昆明貴研催化劑有限公司的財務部經理。

COMPANY SECRETARY

Mr. Li Bo (“Mr. Li”), aged 37, joined the Company in May 2013 as company secretary of the Company and was appointed as Secretary to the Board since August 2013. Mr. Li graduated from Capital University of Economics and Business in Beijing with a bachelor’s degree in economics in July 2001 and obtained a master’s degree in accounting from Macquarie University in Australia in April 2006. Mr. Li is currently a member of the Hong Kong Institute of Certified Public Accountants and a member of the Certified Public Accountants of Australia. He is mainly responsible for assisting the operation of our Company and meetings of the Board. Mr. Li has more than 8 years of experience in finance-related senior positions. Mr. Li was engaged by Audit Office of New South Wales as a contract auditor since August 2007 and was later promoted to senior auditor. From March 2011 to June 2013, Mr. Li was appointed as the financial controller and the company secretary of Beijing Jingkelong Company Limited, a company listed on the Stock Exchange (stock code: 814).

公司秘書

李博先生(「李先生」)，37歲，於二零一三年五月加入本公司擔任本公司公司秘書，並於二零一三年八月起擔任本公司董事會秘書。李先生於二零零一年七月畢業於北京市首都經貿大學並取得經濟學學士學位，於二零零六年四月取得澳大利亞麥考瑞大學(Macquarie University)會計學碩士學位。李先生現時為香港會計師公會會員及澳大利亞會計師公會會員。彼主要負責協助本公司營運及董事會運作。李先生於財務相關高級職位擁有逾8年經驗。彼於二零零七年八月起獲聘為Audit Office of New South Wales的核數師，其後於屆升為高級核數師。於二零一一年三月至二零一三年六月期間，李先生擔任北京市京客隆商業集團(於聯交所上市的公司，股份代號：814)的財務總監兼公司秘書。

Directors' Report 董事會報告

The Board is pleased to present the annual report and the audited financial statements of the Group (the “**Financial Statements**”) for the year ended 31 December 2015 to the Shareholders.

INITIAL PUBLIC OFFERING OF THE COMPANY

The Company was listed on the Stock Exchange in May 2015, and 287,521,000 H Shares with nominal value of RMB1.00 each had been issued by the Company at the price of HK\$5.8 per Share, with a total amount received from the issuance (before deduction of expenses) of approximately HK\$1,667,621,800. On 10 June 2015, the over-allotment option was fully exercised and 43,128,000 H Shares with nominal value of RMB1.00 each were issued at the price of HK\$5.8 per Share, with a total amount received from the issuance (before deduction of expenses) of approximately HK\$250,142,400. After completion of the IPO, the total number of the Company's H Shares was 363,713,900 (including the H Shares converted from Domestic Shares on a one-for-one basis).

The Company issued a total of 1,193,213,457 Shares of which 829,499,557 Shares were Domestic Shares and 363,713,900 Shares were H Shares.

SHARE CAPITAL

As of 31 December 2015, the total share capital of the Company was RMB1,193,213,457, divided into 1,193,213,457 Shares of RMB1.00 each. Details of movements in the share capital of the Company during the year are set out in note 26 to the Financial Statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the period from the Listing Date to 31 December 2015.

PRE-EMPTIVE RIGHTS

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

董事會謹此向股東提呈本集團截至二零一五年十二月三十一日止年度的年報及經審計財務報表(「財務報表」)。

本公司首次公開發售

本公司於二零一五年五月於聯交所上市，並以每股5.8港元的價格發行本公司287,521,000股每股面值人民幣1.00元的H股，發行總額(扣除開支前)為約1,667,621,800港元。二零一五年六月十日，超額配股權獲悉數行使，以每股5.8港元的價格發行43,128,000股每股面值人民幣1.00元的H股，發行總額(扣除開支前)為約250,142,400港元。於首次公開發售完成後，本公司H股總數為363,713,900股(包括由內資股股份以一兌一基準轉換而成的H股)。

本公司合共發行1,193,213,457股股份，其中829,499,557股股份為內資股，363,713,900股股份為H股。

股本

截至二零一五年十二月三十一日，本公司股本總額為人民幣1,193,213,457元，分為1,193,213,457股每股面值人民幣1.00元的股份。年內本公司股本變動的詳情載於財務報表附註26。

購買、出售或贖回本公司上市證券

自上市日期至二零一五年十二月三十一日止期間，本公司或其任何附屬公司概無購買、出售或贖回任何本公司上市證券。

優先購買權

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

PRINCIPAL BUSINESS

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

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

RESULTS

The audited results of operations of the Group for the year ended 31 December 2015 are set out in the consolidated statement of comprehensive income on page 98 to 99. The financial position of the Group as at 31 December 2015 is set out in the consolidated balance sheet on pages 100 to 101. The consolidated cash flow of the Group for the year ended 31 December 2015 is set out in the consolidated statement of cash flows on pages 103 to 104.

Discussion and analysis about the operating performance and significant elements affecting the results of operations and financial condition of the Company during the Reporting Period are set out in the chapter headed "Management Discussion and Analysis" of this annual report from page 25 to 41.

主要業務

本公司是一家主要從事城市環境服務的綜合運營商，為雲南省唯一一家提供城市環境綜合服務的公司。本公司亦為中國少數成功走向海外的城市環境綜合運營商，海外業務主要在東南亞地區。此外，本公司從事開發產業上下游以改善公司的盈利結構，擴闊收入來源。本公司擁有城市污水處理、自來水及原水供應、河道治理、固廢處理等項目的良好往績。

本公司的主要業務板塊包括城市供水、污水處理、城市固廢物處理、環境治理項目之投資、建設及管理服務、設備銷售以及其他環保相關服務。本集團之企業策略以雲南為業務據點，持續物色投資機會並將業務逐步擴展至其他地區，以保障穩定收入來源。

業績

本集團截至二零一五年十二月三十一日止年度的經審計經營業績載於第98至99頁的合併綜合收益表。本集團於二零一五年十二月三十一日的財務狀況載於第100至101頁的合併資產負債表。本集團截至二零一五年十二月三十一日止年度的合併現金流量載於第103至104頁的合併現金流量表。

對於經營表現及影響報告期內本公司經營業績及財務狀況的重大因素的論述及分析，載於本年報第25至41頁的「管理層討論及分析」章節內。

DISTRIBUTIONS AND DIVIDENDS

The Board has resolved to declare the final dividend of RMB0.1 per Share (tax included) for the year ended 31 December 2015. The proposed final dividend is subject to the consideration and approval by the Shareholders at the AGM. The final dividend is payable to the Shareholders whose names are listed in the register of members of the Company on 19 June 2016, in an aggregate amount of approximately RMB119.3 million. The final dividend will be denominated and declared in RMB. The final dividend on Domestic Share will be paid in RMB and on H Share will be paid in Hong Kong dollars. The relevant exchange rate for conversion shall be calculated by the average median exchange rate for converting RMB into Hong Kong dollar as quoted by the China Foreign Exchange Trading Centre for the week immediately before the date on which the dividend was declared (i.e. Tuesday, 7 June 2016). The final dividend is expected to be distributed on or before 28 July 2016.

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

Pursuant to the requirements of the Articles of Association, dividend is denominated and declared in RMB. Dividend for Domestic Shares will be paid in RMB, while dividend for H Shares will be paid in Hong Kong dollar. The relevant exchange rate for conversion shall be calculated by the average median exchange rate for converting RMB into Hong Kong dollar as quoted by the China Foreign Exchange Trading Center for the week immediately before the date on which the dividend is declared (i.e. Tuesday, 7 June 2016).

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

分派及股息

董事會議決宣派截至二零一五年十二月三十一日止年度末期股息每股人民幣0.1元(含稅)。建議末期股息須待股東於股東週年大會上審議及批准後始可作實。末期股息應支付予二零一六年六月十九日名列本公司股東名冊的股東，合計金額約人民幣119.3百萬元。末期股息將以人民幣計值及宣派。內資股的末期股息將以人民幣支付，而H股的末期股息則將以港元支付。匯率將以宣佈派息當日(即二零一六年六月七日(星期二))前一個星期中國外匯交易中心公佈的港幣兌人民幣的匯率中間價的平均值計算。末期股息預計於二零一六年七月二十八日或之前派發。

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

根據公司章程規定，股息以人民幣計值和宣佈。內資股的股息將以人民幣支付，而H股的股息則將以港元支付。相關折算匯率按中國外匯交易中心於緊接宣派股息日期(即二零一六年六月七日(星期二))前一週所報將人民幣兌港元的平均中間匯率計算。

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

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

- For individual holders of H Shares who are Hong Kong and Macau residents and those whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of them.
- For individual holders of H Shares whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of less than 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of them. The Company would make applications on their behalf to seek entitlement of the relevant agreed preferential treatments pursuant to the Notice of the State Administration of Taxation in relation to the Administrative Measures on Preferential Treatment Entitled by Non-residents under Tax Treaties (Tentative) (Guo Shui Fa [2009] No.124) (《國家稅務總局關於印發〈非居民享受稅收協議待遇管理辦法(試行)〉的通知》(國稅發[2009]124號)).
- For individual holders of H Shares whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of higher than 10% but lower than 20%, the Company would withhold and pay the individual income tax at the agreed-upon effective tax rate on behalf of them.
- For individual holders of H Shares who are residents of those countries without any tax treaties with the PRC or having tax treaties with the PRC stipulating a dividend tax rate of 20% or more, and other situations, the Company would withhold and pay the individual income tax at a tax rate of 20% on behalf of them.

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

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

- 對於身為香港、澳門地區居民及居住國已和中國訂立稅務協議規定股息稅率為10%的個人H股股東，本公司將按10%稅率代扣代繳個人所得稅。
- 對於居住國已和中國訂立稅務協議規定股息稅率低於10%的個人H股股東，本公司將按10%稅率代扣代繳個人所得稅。本公司將按照《國家稅務總局關於印發〈非居民享受稅收協議待遇管理辦法(試行)〉的通知》(國稅發[2009]124號)，代為辦理享受有關協議待遇之申請。
- 對於居住國已和中國訂立稅務協議規定股息稅率高於10%但低於20%的個人H股股東，本公司將按已協定的實際稅率代扣代繳個人所得稅。
- 對於居住國並無與中國訂立任何稅務協議、或與中國訂立稅務協議規定股息稅率為20%或以上及其他情況，本公司將按20%稅率代扣代繳個人所得稅。

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

CLOSURE OF REGISTER OF MEMBERS

In order to determine the list of Shareholders who are entitled to attend and vote at the AGM, the register of holders of H Shares of the Company will be closed from 8 May 2016 to 7 June 2016 (both dates inclusive), during which period no transfer of Shares will be registered. Holders of H Shares whose names appear on the register of holders of H Shares of the Company at the close of business on 6 June 2016 are entitled to attend and vote at the AGM.

In order to attend and vote at the AGM, any holder of H Shares whose transfer has not been registered shall lodge the transfer documents together with the relevant share certificates with the Company's H Share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by no later than 4:30 p.m. on 6 May 2016.

For the purpose of determining entitlement for the final dividend for the year ended 31 December 2015, the register of members of the Company will be closed from Tuesday, 14 June 2016 to Sunday, 19 June 2016 (both dates inclusive) during which registration of transfer of Shares will be suspended.

To be eligible to receive the final dividend, all transfer documents must be lodged with the Company's H Share registrar in Hong Kong, Tricor Investor Services Limited, at 22nd Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H Shares), or the secretariat of the Board, located at 16th Floor, Block A, He Cheng International, 1088 Haiyuan Zhong Road, Gaoxin District, Kunming, Yunnan Province, the PRC (for holders of Domestic Shares), by no later than 4:30 p.m. on Monday, 13 June 2016.

PROPERTY, PLANT AND EQUIPMENT

Details of movement in property, plant and equipment of the Group during the Reporting Period are set out in note 17 to the Financial Statements.

暫停辦理過戶登記

為確定符合資格出席股東週年大會及於會上投票的股東名單，本公司的H股持有人登記冊將由二零一六年五月八日起至二零一六年六月七日止(包括首尾兩天)暫停辦理股份過戶登記手續。於二零一六年六月六日營業時間結束時名列本公司H股持有人登記冊的H股持有人，將符合資格出席股東週年大會並於會上投票。

為符合資格出席股東週年大會及於會上投票，任何H股持有人若仍未辦理股份轉讓登記，最遲須於二零一六年五月六日下午四時三十分前將股份轉讓文件連同相關股票提交本公司的H股股份登記分處卓佳證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心22樓，以辦理登記。

就釐定享有截至二零一五年十二月三十一日止年度之末期股息權利，本公司之股份過戶登記處將於二零一六年六月十四日(星期二)至二零一六年六月十九日(星期日)(包括首尾兩日)暫停辦理股份過戶登記手續。

為符合資格收取末期股息，所有過戶文件必須於二零一六年六月十三日(星期一)下午四時三十分前交回本公司之香港H股股份過戶登記處(如屬H股持有人)，地址為香港皇后大道東183號合和中心22樓，或董事會秘書處(如屬內資股持有人)，地址為中國雲南省昆明市高新區海源中路1088號和成國際A座16樓。

物業、廠房及設備

報告期內本集團物業、廠房及設備變動的詳情載於財務報表附註17。

RESERVES

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

DONATIONS

During the Reporting Period, the Group made external donations of approximately RMB2.1 million (excluding personal donations of employees).

BANK BORROWINGS AND OTHER BORROWINGS

Details of bank borrowings and other borrowings of the Group as at 31 December 2015 are set out in note 29 to the Financial Statements of this annual report.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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

Directors

董事

Name 姓名	Title in the Company 於本公司的職銜	Date of Appointment for the Current Term 現任任期的委任日期
Executive Director 執行董事		
Mr. Yu Long 于龍先生	Executive Director, Chief Executive Officer 執行董事、行政總裁	15 July 2014 二零一四年七月十五日
Mr. Liu Xujun 劉旭軍先生	Executive Director, Deputy Chief Executive Officer 執行董事、副總裁	15 July 2014 二零一四年七月十五日
Mr. Huang Yunjian 黃雲建先生	Executive Director, Deputy Chief Executive Officer 執行董事、副總裁	15 July 2014 二零一四年七月十五日

儲備

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

捐款

於報告期內，本集團的對外捐款為約人民幣2.1百萬元(合同價值)(不包括僱員的個人捐款)。

銀行借款及其他借款

本集團於二零一五年十二月三十一日的銀行借款及其他借款的詳情載於本年報財務報表附註29。

董事、監事及高級管理層

下表載列本公司於報告期內及截至本年報日期董事、監事和高級管理層的部份數據。

Directors' Report 董事會報告

Name 姓名	Title in the Company 於本公司的職銜	Date of Appointment for the Current Term 現行任期的委任日期
Non-Executive Directors 非執行董事		
Mr. Xu Lei 許雷先生	Non-executive Director, Chairman 非執行董事、主席	15 July 2014 二零一四年七月十五日
Mr. Wen Jianping (resigned on 17 March 2016) 文劍平先生(於二零一六年 三月十七日辭任)	Non-executive Director 非執行董事	15 July 2014 二零一四年七月十五日
Mr. Jiao Jun 焦軍先生	Non-executive Director 非執行董事	15 July 2014 二零一四年七月十五日
Mr. He Yuanping 何願平先生	Non-executive Director 非執行董事	15 July 2014 二零一四年七月十五日
Mr. Feng Zhuangzhi 馮壯志先生	Non-executive Director 非執行董事	15 July 2014 二零一四年七月十五日
Independent Non-executive Directors 獨立非執行董事		
Mr. Kwok For Chi 郭科志先生	Independent Non-executive Director 獨立非執行董事	20 April 2015 二零一五年四月二十日
Mr. Hu Song 胡松先生	Independent Non-executive Director 獨立非執行董事	18 August 2014 二零一四年八月十八日
Mr. Ma Shihao 馬世豪先生	Independent Non-executive Director 獨立非執行董事	18 August 2014 二零一四年八月十八日
Mr. Ren Gangfeng 任鋼鋒先生	Independent Non-executive Director 獨立非執行董事	18 August 2014 二零一四年八月十八日
Mr. Yao Yan Ping, Francis (resigned on 18 March 2015) 姚恩平先生(於二零一五年 三月十八日辭任)	Independent Non-executive Director 獨立非執行董事	18 August 2014 二零一四年八月十八日

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

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

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

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

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

Senior Management
高級管理層

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

**BIOGRAPHIES OF THE DIRECTORS, SUPERVISORS AND
SENIOR MANAGEMENT**

The biographical details of Directors, Supervisors and senior management of the Company are set out on pages 42 to 55 of this annual report. There are no relationships among the Directors, Supervisors and senior management of the Company, including financial, business, family or other material relationships as defined in Appendix 14 to the Listing Rules.

董事、監事及高級管理層簡歷

本公司董事、監事及高級管理層簡歷的詳情載於本年報第42至55頁。根據上市規則附錄十四本公司董事、監事及高級管理層彼此間概無財務、業務、家族等關連或其他重大關連。

SERVICE CONTRACTS OF THE DIRECTORS AND SUPERVISORS

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

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

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

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

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

EMOLUMENTS OF DIRECTORS AND SUPERVISORS

Details of the emoluments of the Directors and Supervisors of the Company are set out in note 39 to the Financial Statements.

董事及監事服務合約

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

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

董事、監事及高級管理人員的薪酬釐定及釐定基準

董事、監事及高級管理人員的薪酬須由薪酬委員會作出建議及董事會釐定。

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

董事及監事薪酬

本公司董事及監事薪酬的詳情載於財務報表附註39。

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

During the Reporting Period, there were no transaction, arrangements or contracts of significance subsisting in relation to the Group's business to which the Company or any of its subsidiaries was a party, directly or indirectly, and in which any Director or Supervisor had a material interest.

CONTRACT OF SIGNIFICANCE

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

DIRECTORS' AND SUPERVISORS' INTERESTS IN COMPETING BUSINESS

From the Listing Date to the date of this report, to the best knowledge of the Board, none of the Directors and Supervisors and their respective associates has any business or interest that competes or may compete with the business of the Group or have or may have any conflict of interest with the Group.

EQUITY-LINKED AGREEMENTS

Save for the IPO, the Company has not entered into any equity-linked agreement during the Reporting Period.

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

As at 31 December 2015, the Directors, Supervisors and chief executives of the Company had the following interest in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required, pursuant to Section 352 of the SFO or otherwise, to be entered in the register maintained thereunder, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, or held interest in the Company as follows:

董事及監事於交易、安排或合約中的權益

於報告期內，概無仍然存續而對本集團業務而言屬重大、本公司或其任何附屬公司直接或間接為訂約方及任何董事或監事於其中擁有重大權益的重要交易、安排或合約。

重大合約

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

董事及監事於競爭業務的權益

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

股票掛鈎協議

除首次公開發售外，本公司於報告期內並未訂立任何股票掛鈎協議。

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

於二零一五年十二月三十一日，本公司董事、監事及最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中，擁有根據證券及期貨條例第352條或以其他方式須載入本公司根據該條文所存置的登記名冊的權益，或根據標準守則須知會本公司及聯交所的權益，或已持有的本公司權益如下：

Directors' Report 董事會報告

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

Notes:

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

Save as disclosed above, to the best knowledge of the Company, as at 31 December 2015, none of the Directors, Supervisors and the chief executive of the Company had any interests and short positions in the Shares, underlying Shares or debentures of the Company or its associated corporation which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

附註：

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

除上文披露者外，據本公司所深知，於二零一五年十二月三十一日，概無董事、監事及本公司最高行政人員於本公司或其相聯法團的任何股份、相關股份及債券中，擁有根據證券及期貨條例第352條須載入本公司登記名冊的權益及淡倉或根據標準守則須另行知會本公司及聯交所的權益。

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES

To the Company's best knowledge, as at 31 December 2015, 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，於二零一五年十二月三十一日，下列人士(本公司的董事及監事除外，彼等之權益於上文「董事、監事及最高行政人員在股份、相關股份及債券之權益及淡倉」一節披露)於本公司股份、相關股份及債券中擁有根據《證券及期貨條例》第XV部第2及第3分部須向本公司披露權益或淡倉或根據證券及期貨條例第336條須存置在本公司登記冊中記錄的權益或淡倉，擁有佔本公司類別已發行股本5%或以上的權益或淡倉：

Name of Shareholder 股東名稱	Capacity 持股身份	Type of Shares 股份類別	Number of Shares 股份數目	Percentage of the respective type of Shares in issue (%) 佔已發行類別股份的比例(%)	Percentage of the total number of Shares in issue (%) 佔已發行總股份的比例(%)
Yunnan Province Water ¹ 雲南省水務 ¹	Beneficial owner, interests held jointly with another person 實益擁有人，與另一名人士共同持有權益	Domestic Shares 內資股	361,487,162 (L)	43.58	30.30
Wang Yong ² 王勇 ²	Beneficial owner, interests held jointly with another person 實益擁有人，與另一名人士共同持有權益	Domestic Shares 內資股	361,487,162 (L)	43.58	30.30
YMCI ¹ 雲南城投集團 ¹	Interests in controlled corporation, interests held jointly with another person 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. 中油資產管理有限公司	Interests in controlled corporation 於受控法團的權益	Domestic Shares 內資股	137,880,000 (L)	16.62	11.56

Directors' Report 董事會報告

Name of Shareholder 股東名稱	Capacity 持股身份	Type of Shares 股份類別	Number of Shares 股份數目	Percentage of the domestic Shares in issue (%) 佔已發行內資股的比例 (%)	Percentage of the total number of Shares in issue (%) 佔已發行總股份的比例 (%)
China National Petroleum Corporation ³ 中國石油天然氣集團公司 ³	Interests in controlled corporation 於受控法團的權益	Domestic Shares 內資股	137,880,000 (L)	16.62	11.56
Kunlun Trust Co. Ltd. ³ 昆侖信託有限責任公司 ³	Interests in controlled corporation 於受控法團的權益	Domestic Shares 內資股	137,880,000 (L)	16.62	11.56
Finergy Development (Tianjin) Equity Investment Partnership (Limited Partnership) ³ 融源成長(天津)股權投資合夥企業(有限合夥) ³	Beneficial owner 實益擁有人	Domestic Shares 內資股	137,880,000 (L)	16.62	11.56
the National Council for Social Security Fund of the PRC 全國社會保障基金理事會	Beneficial owner 實益擁有人	H Shares H 股	30,454,900 (L)	8.37	2.55
Value Partners Group Limited ⁴ Value Partners Group Limited ⁴	Interests in controlled corporation 於受控法團的權益	H Shares H 股	36,866,000 (L)	10.14	3.09
Value Partners Classic Fund Value Partners Classic Fund	Beneficial owner 實益擁有人	H Shares H 股	25,774,000 (L)	7.09	2.16
Rays Capital Partners Limited ⁵ Rays Capital Partners Limited ⁵	Investment Manager 投資經理	H Shares H 股	25,545,000 (L)	7.02	2.14
Ruan David Ching-chi ⁵ 阮清旗 ⁵	Interests in controlled corporation 於受控法團的權益	H Shares H 股	25,545,000 (L)	7.02	2.14
Yip Yok Tak Amy ⁵ 葉約德 ⁵	Interests in controlled corporation 於受控法團的權益	H Shares H 股	25,545,000 (L)	7.02	2.14
Caiyun International Investment Limited* ¹ 彩雲國際投資有限公司 ¹	Beneficial owner 實益擁有人	H Shares H 股	2,189,000 (L)	0.60	0.18

Notes:

- (L) refers to Long position
- (1) Yunnan Province Water is wholly owned by YMCI and is the beneficial owner of 361,487,162 Domestic Shares. Caiyun International Investment Limited is wholly owned by YMCI and is the beneficial owner of 2,189,000 H Shares. YMCI is deemed to be interested in all the Domestic Shares held by Yunnan Province Water and H Shares held by Caiyun International Investment Limited pursuant to the SFO which representing approximately 30.48% of total issued Shares. By virtue of the Acting in Concert Agreement, each of Yunnan Province Water and YMCI is deemed to be interested in all the Domestic Shares held by Huang Yunjian, Liu Xujin, Wang Yong and each of Yunnan Province Water and YMCI in aggregate pursuant to the SFO.
- (2) Wang Yong is the beneficial owner of 585,000 domestic shares. By virtue of the Acting in Concert Agreement, he is deemed to be interested in all the domestic shares held by himself, Yunnan Province Water, Huang Yunjian and Liu Xujin in aggregate pursuant to the SFO.
- (3) Finergy Development (Tianjin) Equity Investment Partnership (Limited Partnership) is controlled as to 84.86% by Kunlun Trust Co., Ltd., its general partner, and the beneficial owner of 137,880,000 domestic shares; Kunlun Trust Co., Ltd. is owned as to 82.18% by CNPC Assets Management Co., Ltd., which in turn is wholly-owned by China National Petroleum Corporation. Under the SFO, each of Kunlun Trust Co., Ltd., CNPC Assets Management Co., Ltd. and China National Petroleum Corporation is deemed to be interested in all the domestic shares held by Finergy Development (Tianjin) Equity Investment Partnership (Limited Partnership).
- (4) Value Partners Group Limited holds interests in the Company indirectly through two wholly-owned subsidiaries, namely Value Partners Hong Kong Limited and Value Partners Limited.
- (5) RAYS Capital Partners Limited is the beneficial owner of 25,545,000 H shares. RAYS Capital Partners Limited is beneficially owned as to 50% by Yip Yok Tak Amy and 50% by Ruan David Ching-chi respectively. Each of Yip Yok Tak Amy and Ruan David Ching-chi is deemed to be interested in all the H shares held by RAYS Capital Partners Limited pursuant to the SFO.

附註：

- (L) 代表好倉
- (1) 雲南省水務由雲南城投集團全資擁有並為361,487,162股內資股的實益擁有人。彩雲國際投資有限公司由雲南城投集團全資擁有並為2,189,000股H股的實益擁有人。根據證券及期貨條例，雲南城投集團被視為於雲南省水務及彩雲國際投資有限公司持有的所有股份中擁有權益佔所有已發行股份約30.48%。憑藉一致行動協議，根據證券及期貨條例，雲南省水務及雲南城投集團均被視為於黃雲建、劉旭軍、王勇及其合共持有的所有內資股中擁有權益。
- (2) 王勇為585,000股內資股的實益擁有人。憑藉一致行動協議，根據證券及期貨條例，彼被視為於雲南省水務、黃雲建、劉旭軍及其合共持有的所有內資股中擁有權益。
- (3) 融源成長(天津)股權投資合夥企業(有限合夥)由其一般合夥人昆侖信託有限公司控制84.86%並為137,880,000股內資股的實益擁有人；昆侖信託有限責任公司由中油資產管理有限公司擁有82.18%；而中油資產管理有限公司由中國石油天然氣集團公司全資擁有。根據證券及期貨條例，昆侖信託有限責任公司、中油資產管理有限公司及中國石油天然氣集團公司各自被視為於融源成長(天津)股權投資合夥企業(有限合夥)持有的所有內資股中擁有權益。
- (4) Value Partners Group Limited 通過兩家全資子公司，即Value Partners Hong Kong Limited 及 Value Partners Limited，間接持有本公司權益。
- (5) RAYS Capital Partners Limited 為25,545,000股H股的實益擁有人。RAYS Capital Partners Limited 由葉約德及阮清旗分別實益擁有50%權益。根據證券及期貨條例，葉約德及阮清旗各自被視為於RAYS Capital Partners Limited 持有的所有H資股中擁有權益。

Directors' Report 董事會報告

Save as disclosed above, to the best knowledge of the Company, as at 31 December 2015, 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.

MANAGEMENT CONTRACT

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

除上文披露者外，據本公司所深知，於二零一五年十二月三十一日，本公司並無獲任何人士（董事、監事或最高行政人員除外）告知，彼於本公司股份或股票衍生工具的相關股份中，擁有根據證券及期貨條例第XV部第2及3分部有關條文須向本公司披露的權益或淡倉或根據證券及期貨條例第336條須存置在本公司登記冊中記錄的權益或淡倉，擁有佔本公司類別已發行股本5%或以上的權益或淡倉。

管理合約

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

CONTINUING CONNECTED TRANSACTIONS

From the Listing Date to 31 December 2015, the Group has conducted certain non-exempt continuing connected transactions. The Company has obtained approval from the Stock Exchange in respect of the non-exempt continuing connected transactions upon the IPO and such transactions were exempted from the independent shareholders' approval requirement. The table below shows the annual caps and actual transaction value of such continuing connected transactions during the period between the Listing Date and 31 December 2015:

持續關連交易

由上市日期起至二零一五年十二月三十一日止，本集團曾進行多項不獲豁免持續關連交易。本公司已獲聯交所批准首次公開發售後不獲豁免持續關連交易的年度上限，並獲豁免遵守獨立股東批准的規定。下表載列該等持續關連交易於上市日期起至二零一五年十二月三十一日止期間內的年度上限及實際交易價值：

Name, date and term of the agreement 協議名稱、日期及期限	Connected Persons 關連人士	Nature and description of the transaction 交易性質及概況	Basis for determining the consideration 定價基礎	Annual cap for 2015 (from The Listing Date) 二零一五年度上限(自上市日期起) RMB' 000 人民幣千元	Actual transaction amount in 2015 (from The Listing Date) 二零一五年實際交易價值(自上市日期起) RMB' 000 人民幣千元
BT Construction Agreement BT 工程建設協議	Yunnan New Century Dianchi International Cultural Tourism Convention Investment Co., Ltd.* 雲南新世紀滇池國際文化旅遊會展投資有限公司	Offer BT construction service for Yunnan New Century Dianchi 雲南水務為雲南新世紀滇池提供工程建設服務	On an arm's length basis and on normal commercial terms. 公平原則及一般商業條款	64,600 64,600	— —
Entered into a BT construction agreement on 20 August 2014, with two supplementary agreements signed on 3 December 2014 and 25 March 2015 respectively to ascertain the proposed annual cap for the years ending 31 December 2015, 2016 and 2017. 原BT工程協議於2014年8月20日訂立，並於2014年12月3日及2015年3月25日簽訂補充協議以確定2015至2017年三年年度交易上限。					
Membrane Ancillary Material Procurement Master Agreement 膜輔料採購總協議	Beijing OriginWater and its subsidiaries 北京碧水源科技股份有限公司及其附屬公司	Purchase membrane ancillary materials from Beijing OriginWater Group 雲南水務向北京碧水源採購膜輔料	On an arm's length basis and on normal commercial terms. 公平原則及一般商業條款	10,000 10,000	4,195 4,195
Entered into a membrane ancillary material master agreement on 14 October 2015 to set the proposed annual cap for the years ending 31 December 2015, 2016 and 2017. 於2015年10月14日訂立，以設定2015年至2017年三年年度交易上限。					
Master Sale and Purchase Agreement for Engineering Services 工程服務總協議	YMCI and its subsidiaries 雲南省城市建設投資集團有限公司及其附屬公司	Provide Engineering Services to YMCI Group 雲南水務為雲南城投集團提供工程服務	On an arm's length basis and on normal commercial terms. 公平原則及一般商業條款	48,000 48,000	18,455 18,455
Entered into a master sale and purchase agreement for engineering services on 6 November 2015 to set the proposed annual cap for the years ending 31 December 2015, 2016 and 2017. 於2015年11月6日訂立，以設定2015年至2017年三年年度交易上限。					

Directors' Report 董事會報告

Several related party transactions as disclosed in Note 36 to the financial statements prepared in accordance with HKFRS fall under the definition of “continuing connected transaction” in Chapter 14A of the Listing Rules. The Company has complied with the requirements in accordance with Chapter 14A of the Listing Rules.

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

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

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

Auditor's Confirmation

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

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

根據香港財務報告準則編製的財務報表附註36所披露的若干關連方交易符合上市規則第十四A章對「持續關連交易」的定義。本公司已遵守根據上市規則第十四A章的規定。

本公司獨立非執行董事審閱及確認

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

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

核數師確認

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

董事確認本公司已就上述持續關連交易遵守上市規則第14A章項下相關規定。

COMPLIANCE WITH THE NON-COMPETITION UNDERTAKING

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

The Acting in Concert Parties have confirmed in writing to the Company of their compliance with the Non-competition Undertaking for disclosure in this report during the Listing Date to 31 December 2015.

The independent non-executive Directors have reviewed the information provided by the Acting in Concert Parties regarding compliance with the Non-competition Undertaking and had determined that the Acting in Concert Parties have fully complied with and are not in breach of the Non-competition Undertaking from 6 May 2015 to 31 December 2015.

COMPLIANCE WITH NON-COMPETITION AGREEMENTS

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

遵守不競爭承諾

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

一致行動人士已以書面形式向本公司確認，於上市日期至二零一五年十二月三十一日期間內，彼等已遵守將在本年報內披露的不競爭承諾。

獨立非執行董事已審閱一致行動人士就遵守不競爭承諾提供的一切必需資料，並確定自二零一五年五月六日至二零一五年十二月三十一日期間內，一致行動人士已完全遵守且並無違反不競爭承諾。

遵守不競爭協議

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

Directors' Report 董事會報告

The Undertaking Shareholders have confirmed in writing to the Company of their compliance with the Non-competition Agreements for disclosure in this report during the Listing Date to 31 December 2015.

The independent non-executive Directors have reviewed the information provided by the Undertaking Shareholders regarding compliance with the Non-competition Agreements and confirmed that all Undertaking Shareholders have fully complied with and are not in breach of the Non-competition Agreements from 6 May 2015 to 31 December 2015.

MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period the total amount of procurement from the five largest suppliers of the Group accounted for 65.0% of the total amount of procurement for the year ended 31 December 2015. The purchase from the largest supplier accounted for 47.7% of the total amount of procurement for the year ended 31 December 2015.

During the Reporting Period, the total amount of sales for the year ended 31 December 2015 to the five largest customers of the Group accounted for 46.6% of the total amount of revenue, and the total amount of sales to the largest customer accounted for 12% of the total amount of revenue of the Group for the year ended 31 December 2015.

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

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

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

BUSINESS REVIEW

The Company's business review and the discussion and analysis of the Group's performance for the year and material factors relating to its results and financial conditions are respectively set out in the chapter headed "Chief Executive Officer's Report" on pages 12 to 24 and the chapter headed "Management Discussion and Analysis" on pages 25 to 41 in this annual report. Such discussions constitute an integral part of this report.

有承諾的股東已以書面形式向本公司確認，於上市日期至二零一五年十二月三十一日期間內，彼等已遵守將在本年報內披露的不競爭協議。

獨立非執行董事已審閱有承諾的股東就遵守不競爭協議提供的一切必需資料，並確認自二零一五年五月六日至二零一五年十二月三十一日期間內，各有承諾的股東已完全遵守且並無違反不競爭協議。

主要客戶及供應商

報告期內本集團向五大供應商的採購總額佔截至二零一五年十二月三十一日止年度採購總額的65.0%，而向最大供貨商的採購額佔截至二零一五年十二月三十一日止年度採購總額的47.7%。

報告期內本集團向五大客戶的銷售總額佔截至二零一五年十二月三十一日止年度收益總額的46.6%，而向最大的客戶的銷售總額佔集團截至二零一五年十二月三十一日止年度收益的12%。

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

退休及僱員福利計劃

有關本公司退休及僱員福利計劃的詳情，請參閱財務報表附註2.26。

業務回顧

本年度本公司業務回顧及本集團表現之討論及分析以及與其業績及財務狀況相關之重大因素，分別載於本年報第12及24頁之「行政總裁報告」以及第25至41頁之「管理層討論及分析」章節內。該等討論構成本報告之一部分。

ENVIRONMENTAL POLICY

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

COMPLIANCE WITH LAWS AND REGULATIONS

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

RISKS AND UNCERTAINTIES

The Group's business, future results of operations and prospects could be affected by certain risks and uncertainties. Please refer to the chapter headed "Chief Executive Officer's Report" on pages 12 to 24 of this annual report for detail analysis of the relevant risks and uncertainties.

PERMITTED INDEMNITY PROVISIONS

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

環境政策

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

遵守法律及法規

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

風險及不確定性

本集團的業務、未來經營業績及前景可能會因該等風險及不確定性而受到重大且不利的影響。本年報第12至24頁之「行政總裁報告」章節內列出本集團現時面對的主要風險及不確定性。

獲准許的彌償條文

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

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time since from the Listing Date to 31 December 2015 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director and Supervisor or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

BOND ISSUE

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

RMB400 million bonds due on 2018 with an interest rate for the issue of 5.23% and the par value of RMB100 were issued on 7 December 2015. The net proceeds were approximately RMB396.4 million.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

From the Listing Date to the end of the Reporting Period, the Company has complied with all code provisions as set out in the Corporate Governance Code in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange. Details of the corporate governance practice of the Company are set out in the Corporate Governance Report on pages 79 to 95 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

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

董事及監事購買股份或債券之權利

自上市日期起至二零一五年十二月三十一日止，概無授予任何董事及監事或彼等各自之配偶或十八歲以下之子女權利，可藉購買本公司股份或債券而取得利益，彼等亦無行使任何該等權利；本公司或其任何附屬公司亦概無達成任何安排，致使董事能購入任何其他法人團體之該等權利。

發行債券

於報告期內，本公司已發行以下債券作為滿足其日常經營需要，調整債務結構，補充流動資金及項目投資。

於二零一五年十二月七日發行息率為5.23%，發行面值為人民幣100元，於二零一八年到期人民幣4億元債券，所得款項淨額約為人民幣3.964億元。

遵守企業管治守則

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

自上市日期至報告期結束，本公司已遵守上市規則附錄十四企業管治守則所載的所有守則條文。本公司企業管治常規之詳情載於本年報第79頁至95頁之企業管治報告內。

公眾持股量的足夠性

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

USE OF PROCEEDS FORM THE IPO

The proceeds from the IPO of the Company were used, among other things, to expand the assets portfolio of the Group so as to support the sustainable growth of the Company's businesses, which was in line with the usage and purposes disclosed in the Prospectus.

As of 31 December 2015, the Group has utilized approximately HK\$1,438 million from proceeds from the IPO, and unutilized proceeds amounted to approximately HK\$301 million. Details are set out in Management Discussion and Analysis on pages 25 to 41 of this annual report.

SIGNIFICANT LEGAL PROCEEDINGS

For the year ended 31 December 2015, the Group had not been involved in any material litigation nor arbitration and the Directors are not aware of any litigation or claims of material importance pending or threatened against the Group.

EVENTS AFTER THE REPORTING PERIOD

Details of the events after the Reporting Period of the Company are set out in the chapter headed "Management Discussion and Analysis" on pages 25 to 41 of this annual report.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the annual results and the Financial Statements of the Company for the year ended 31 December 2015.

AUDITOR

PricewaterhouseCoopers was appointed as auditor of the Company for the financial statements prepared in accordance with HKFRS for the year ended 31 December 2015. The Company's financial statements for the year ended 31 December 2015 prepared in accordance with HKFRS have been audited by PricewaterhouseCoopers. The Company has retained the services of PricewaterhouseCoopers since 2013.

首次公開發售所得款項用途

本公司從首次公開發售的所得款項，用作擴充本集團的資產組合以支持本公司業務的持續增長，與招股章程所披露的用途及目的一致。

截至二零一五年十二月三十一日，本集團已使用首次公開發售所得款項約港幣1,438百萬元，尚未使用所得款項約港幣301百萬元。詳情載於本年報第25頁至第41頁之管理層討論及分析內。

重大訴訟

截至二零一五年十二月三十一日止年度，本公司並無涉及任何重大法律訴訟或仲裁。就董事所知，亦無任何尚未了結或本集團可能面臨的重大法律訴訟或索賠。

期後事項

本公司期後事項之詳情載於本年報第25頁至41頁之「管理層討論及分析」章節內。

審核委員會

本公司審核委員會已審閱本公司截至二零一五年十二月三十一日止年度的全年業績及財務報表。

核數師

羅兵咸永道會計師事務所獲委聘為本公司截至二零一五年十二月三十一日止年度就根據香港財務報告準則編製財務報表的核數師。本公司根據香港財務報告準則編製的截至二零一五年十二月三十一日止年度財務報表已經羅兵咸永道會計師事務所審計。本公司自2013年起委聘羅兵咸永道會計師事務所提供審計服務。

Directors' Report 董事會報告

A resolution to re-appoint PricewaterhouseCoopers as the auditor of the Company for the year of 2016 will be proposed at the AGM.

FINANCIAL HIGHLIGHTS

Summary of results of operation and the position of assets and liabilities of the Group for the last four financial years is set out on page 230 in this annual report.

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

Xu Lei
Chairman

Kunming, the PRC
30 March 2016

* *For identification purposes only*
* 僅供識別

本公司將於股東週年大會上提呈再次委任羅兵咸永道會計師事務所為2016年度本公司核數師的決議案。

財務摘要

本集團於過往四個財政年度的經營業績及資產及負債載於本年報第230頁。

代表董事會
雲南水務投資股份有限公司

主席
許雷

中國，昆明
二零一六年三月三十日

The Board is pleased to present this corporate governance report as set out in the Company's annual report from the Listing Date to 31 December 2015.

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

From the Listing Date to the end of the Reporting Period, the Company has complied with all code provisions as set out in the Corporate Governance Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

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

董事會欣然提呈載自上市日至本公司截至二零一五年十二月三十一日止的企業管治報告。

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

遵守企業管治守則

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

自上市日期至報告期結束，本公司已遵守企業管治守則所載的所有守則條文。

董事及監事進行證券交易的標準守則

本集團已採納標準守則作為董事及本公司監事進行證券交易的守則。本集團已向全體董事及監事作出具體查詢，全體董事及監事已確認，彼等於上市日期至報告期結束的整個期間一直完全遵守標準守則所載的規定標準。

Corporate Governance Report 企業管治報告

BOARD OF DIRECTORS	董事會
Board composition	董事會的組成
The Directors who held office during the Listing Date up to the date of this report are:	於上市日期直至本年報日期期間任職的董事為：
Executive Directors	執行董事
Mr. Yu Long (<i>Chief Executive Officer</i>)	于龍先生(行政總裁)
Mr. Liu Xujun (<i>Deputy Chief Executive Officer</i>)	劉旭軍先生(副總裁)
Mr. Huang Yunjian (<i>Deputy Chief Executive Officer</i>)	黃雲建先生(副總裁)
Non-executive Directors	非執行董事
Mr. Xu Lei (<i>Chairman</i>)	許雷先生(主席)
Mr. Wen Jianping (<i>resigned on 17 March 2016</i>)	文劍平先生(於二零一六年三月十七日辭任)
Mr. Jao Jun	焦軍先生
Mr. He Yuanping	何願平先生
Mr. Feng Zhuangzhi	馮壯志先生
Independent Non-executive Directors	獨立非執行董事
Mr. Kwok For Chi	郭科志先生
Mr. Hu Song	胡松先生
Mr. Ma Shihao	馬世豪先生
Mr. Ren Gangfeng	任鋼鋒先生

To the best knowledge of the Company, none of the Directors has any financial, business, family or other material/relevant relationships with each other. In particular, there is no such relationship between the Chairman and the Chief Executive Officer. The roles of Chairman and the Chief Executive Officer are separated and assumed by Mr. Xu Lei and Mr. Yu Long, respectively. For details, please refer to the section headed "Chairman and Chief Executive Officer" below.

The biographies of the Directors are set out in the chapter headed "Directors, Supervisors and Senior Management" of this annual report.

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

據本公司目前所知，董事彼此間概無任何財務、業務、家族或其他重大／相關關連。尤其是主席與行政總裁之間概無該等關連。主席及行政總裁職位分別由許雷先生及于龍先生擔任。有關詳情請參閱下文「主席及行政總裁」章節。

董事簡歷載於本年報「董事、監事及高級管理人員」章節內。

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

Since the Listing Date and up to the date of this report, the Board at all times complied with the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors (at least one-third of the Board) with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written confirmation from each of the independent non-executive Directors of his independence from the Listing Date to 31 December 2015 pursuant to Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors to be independent from the Listing Date to 31 December 2015 in accordance with the independence guidelines as set out in the Listing Rules.

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

Responsibilities of the Board

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

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

- (1) to be responsible for convening general meetings, to propose at a general meeting to pass the relevant matters and to report on its work to the general meeting and to implement the resolutions of the general meetings;
- (2) to decide on the Company's business plans and investment plans;
- (3) to formulate the Company's proposed annual preliminary and final financial budgets and profit distribution plan and plan for recovery of losses;

由上市日期起直至本年報日期，董事會一直遵守上市規則中有關委任至少三名獨立非執行董事(佔董事會人數至少三分之一)以及其中至少一名獨立非執行董事須擁有合適專業資格或會計或相關財務管理知識之規定。

本公司已接獲各獨立非執行董事根據上市規則第3.13條的規定自上市日至二零一五年十二月三十一日就其獨立性發出的確認書。本公司認為全體獨立非執行董事自上市日至二零一五年十二月三十一日根據上市規則所載獨立性指引均具獨立性。

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

董事會的職責

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

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

- (1) 召集股東大會會議，提請股東大會通過有關事項，並向股東大會報告工作及執行股東大會的決議；
- (2) 決定公司的經營計劃和投資方案；
- (3) 制訂公司的年度財務預算方案和決算方案及利潤分配方案和彌補虧損方案；

Corporate Governance Report 企業管治報告

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|--|---|
| (4) to draw up plans for the material asset acquisition or disposal, repurchase of shares of the Company or merger, division, dissolution and alteration of corporate form of the Company; | (4) 擬訂公司重大資產收購和出售、回購本公司股票或合併、分立、解散及變更公司形式的方案； |
| (5) to decide on the proposals for salaries, incentives and punishments of the Company's staff; | (5) 決定公司職工的工資、福利及獎懲方案； |
| (6) to decide on the establishment of special committees under the Board and to appoint or remove its person-in-charge; | (6) 決定董事會專門委員會的設置和任免專門委員會負責人； |
| (7) to propose at general meetings for the appointment, renewal or remove of accountants' firm conducting auditing for the Company; and | (7) 向股東大會提請聘任、續聘或解聘承辦公司審計業務的會計師事務所；及 |
| (8) to review and supervise the policies and practices of the Company in compliance with legal and regulatory requirements. | (8) 檢討及監察公司在遵守法律及監管規定方面的政策及常規。 |

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

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

Corporate Governance Functions of the Board

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

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

Operation of the Board

Regular meetings of the Board shall be held at least four times a year. Meetings shall be convened by the Chairman and notice of and documents for such meetings shall be sent to all Directors and Supervisors 14 days before the meeting is held. The Chairman, any Shareholder(s) representing more than one-tenth voting rights, more than one-third of the Directors, or the Supervisory committee or more than one-half of independent non-executive Directors or the Chief Executive Officer may propose the holding of an extraordinary meeting of the Board. The Chairman shall convene and preside over the extraordinary meeting of the Board within ten days upon receipt of the proposal, and shall give written notice to all Directors and Supervisors five days before the meeting is held. During the Reporting Period, the Board held 15 Board meetings, one annual general meeting and three extraordinary general meetings.

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

董事會企業管治功能

董事會負責制訂企業管治政策及履行企業管治責任其中包括：

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

董事會的運作

董事會每年至少召開四次定期會議，由主席召集，會議通知及會議文件應於會議舉行十四日以前送達全體董事和監事。主席、代表十分之一以上表決權的股東、三分之一以上董事或者監事會、半數以上獨立非執行董事、行政總裁可以提議召開董事會臨時會議。主席應當自接到提議後十日內，召集和主持董事會臨時會議，並於會議召開五日以前書面通知全體董事和監事。於報告期內，董事會共召開了十五次董事會會議，一次股東週年大會及三次臨時股東大會。

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

Nomination, Appointment and Removal of Directors

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

Attendance of Board Meetings and General Meetings

During the Reporting Period, the Board held 15 meetings. All Directors duly performed their duties and attended the meetings in person or by electronic communication means. They made informed decisions to safeguard the interests of the Company and the Shareholders as a whole. The attendance of Directors is as follows:

Name of Director	董事姓名	Attendance/ Number of Board Meetings 董事會出席次數/ 舉行次數
Mr. Xu Lei	許雷先生	15/15
Mr. Yu Long	于龍先生	15/15
Mr. Liu Xujun	劉旭軍先生	15/15
Mr. Huang Yunjian	黃雲建先生	15/15
Mr. Wen Jianping (resigned on 17 March 2016)	文劍平先生 (於二零一六年三月十七日辭任)	15/15
Mr. Jiao Jun	焦軍先生	15/15
Mr. He Yuanping	何願平先生	15/15
Mr. Feng Zhuangzhi	馮壯志先生	15/15
Mr. Kwok For Chi (appointed on 20 April 2015)	郭科志先生 (於二零一五年四月二十日獲委任)	14/14
Mr. Hu Song	胡松先生	15/15
Mr. Ma Shihao	馬世豪先生	15/15
Mr. Ren Gangfeng	任鋼鋒先生	15/15
Mr. Yao Yan Ping, Francis (resigned on 18 March 2015)	姚恩平先生 (於二零一五年三月十八日辭任)	1/1

Apart from regular Board meetings, the Chairman also held a meeting with the independent non-executive Directors without the presence of executive Directors during the year ended 31 December 2015.

董事的提名及任免

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

董事出席董事會及股東大會情況

於報告期內，董事會舉行了十五次會議。所有董事均妥善履行其責任親自或通過電子通訊方式出席會議。彼等作出知情決定保障本公司及股東的整體利益。董事的出席率如下：

除定期董會會議外，於截至二零一五年十二月三十一日止年度，主席亦曾在執行董事不在場之情況下與獨立非執行董事舉行一次會議。

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

- Proposal in respect of the amendment to the Articles of Association
 - Proposal in respect of the approval the public offering of H Shares of the Company in Hong Kong
 - Proposal in respect of the approval the 2014 annual report of the Company
 - Proposal in respect of the approval the 2014 profit distribution plan of the Company
 - Proposal in respect of the approval the 2015 financial budget report of the Company
 - Proposal in respect of the 2015 financial budget report of the Company
 - Proposal in respect of preparation of 2015 proposed investment project plan of the Company
 - Proposal in respect of the approval of issuance of debt financing of the Company
 - Proposal in respect of the approval the 2015 interim result report of the Company
 - Proposal in respect of the amendment to rules of procedure for the Audit Committee of the Company
- 本報告期內，董事會審議並通過的重要議案主要包括：
- 關於修訂公司章程的議案
 - 關於批准本公司H股於香港公開發售的議案
 - 關於批准本公司2014年度報告的議案
 - 關於批准本公司2014年度利潤分配方案的議案
 - 關於批准本公司2015年度財務預算報告的議案
 - 關於本公司2015年度財務預算報告的議案
 - 關於製定本公司2015年度擬投資項目計劃的議案
 - 關於批准本公司發行債務融資的議案
 - 關於批准本公司2015年度中期業績報告的議案
 - 關於修訂本公司審核委員會議事規則議案

Corporate Governance Report 企業管治報告

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

根據《公司章程》，股東大會分為股東週年大會和臨時股東大會。股東週年大會每年召開一次，並應於上一個財務年度結束後的六個月內舉行。於報告期內，我們共召開了四次股東大會，其中有三次為臨時股東大會。董事的出席率如下：

Name of Director	董事姓名	Attendance/ Number of annual general meeting 股東週年大會 出席次數/ 會議次數	Attendance/ Number of extraordinary general meeting 臨時股東大會 出席次數/ 會議次數
Mr. Xu Lei	許雷先生	1/1	2/3
Mr. Yu Long	于龍先生	1/1	3/3
Mr. Liu Xujun	劉旭軍先生	1/1	3/3
Mr. Huang Yunjian	黃雲建先生	1/1	3/3
Mr. Wen Jianping (resigned on 17 March 2016)	文劍平先生 (於二零一六年三月十七日辭任)	1/1	3/3
Mr. Jiao Jun	焦軍先生	1/1	3/3
Mr. He Yuanping	何願平先生	1/1	3/3
Mr. Feng Zhuangzhi	馮壯志先生	1/1	3/3
Mr. Kwok For Chi (appointed on 20 April 2015)	郭科志先生 (於二零一五年四月二十日獲委任)	1/1	2/2
Mr. Hu Song	胡松先生	1/1	3/3
Mr. Ma Shihao	馬世豪先生	1/1	3/3
Mr. Ren Gangfeng	任鋼鋒先生	1/1	3/3
Mr. Yao Yan Ping, Francis (resigned on 18 March 2015)	姚恩平先生 (於二零一五年三月十八日辭任)	N/A	1/1

Continuous Professional Development of Directors and Supervisors

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

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

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

During the year ended 31 December 2015, apart from provision of general introduction for newly appointed Directors, the Company has also arranged the Directors, Supervisors and relevant senior management members to participate in a seminar on “Corporate Governance and Equity Merger and Acquisition” hosted by lawyers with a view to enhancing the awareness of the management of the Company towards the Listing Rules.

Mr. Xu Lei, Mr. Jiao Jun, Mr. Yu Long, Mr. He Yuanping, Mr. Feng Zhuangzhi, Mr. Liu Xujun, Mr. Huang Yunjian, Mr. Ma Shihao, Mr. Ren Gangfeng and Mr. Hu Song have participated in relevant trainings and have provided the relevant records to the Company. The Directors developed and updated their knowledge and skills through participation in the training programmes, which in turn ensures that they could make suitable contribution to the Board.

董事及監事之持續專業發展

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

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

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

截至二零一五年十二月三十一日止年度，除為新任董事提供入職介紹外，本公司亦已安排董事、監事及相關高級管理人員參加由律師主持有關「公司治理及股權併購」的講座，藉此提高本公司管理層對上市條例的認知。

許雷先生，焦軍先生，于龍先生，何願平先生，馮壯志先生，劉旭軍先生，黃雲建先生，馬世豪先生，任鋼鋒先生和胡松先生已參與有關培訓，並已向本公司提供有關記錄。董事透過參與培訓課程發展及提升自身知識及技能，從而保證自己可為董事會作出合適的貢獻。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles and duties of the Chairman and the Chief Executive Officer are separate and held by different persons and have been clearly defined in the Articles of Association. Mr. Xu Lei serves as Chairman of the Board and Mr. Yu Long serves as Chief Executive Officer. The Chairman of the Board is elected by a majority vote of all Directors, and the Chief Executive Officer is nominated and appointed by the Board.

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

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

BOARD COMMITTEES

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

(1). Nomination Committee

The Nomination Committee consists of one non-executive Director, Mr. Xu Lei, and two independent non-executive Directors, Mr. Hu Song and Mr. Ren Gangfeng. Mr. Xu Lei is the chairman of the Committee.

The principal responsibilities of the Nomination Committee include reviews and monitors the structure, size, composition and diversity of the Board in light of the Company's strategy; identifies suitably qualified individuals and makes recommendations to the Board to be new Board members; reviews and makes recommendations to the Board on individuals nominated to be Directors by Shareholders; assesses the independence of independent non-executive Directors; reviews and monitors the implementation of the board diversity policy of the Company.

主席及行政總裁

主席及行政總裁的職責有所區分，並由不同人士擔任，且於公司章程明確界定。許雷先生擔任主席，于龍先生擔任行政總裁。主席由全體董事過半數選舉產生。行政總裁由董事會提名並聘任。

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

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

董事委員會

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

(1). 提名委員會

提名委員會由一名非執行董事許雷先生及兩名獨立非執行董事胡松先生及任鋼鋒先生組成。許雷先生為該委員會主席。

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；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。

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

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

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

Name of Director	董事姓名	Attendance/ Number of Meetings 出席次數/ 會議次數
Mr. Xu Lei	許雷先生	1/1
Mr. Hu Song	胡松先生	1/1
Mr. Ren Gangfeng	任鋼鋒先生	1/1

(2). Remuneration Committee

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

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

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

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

(2). 薪酬委員會

薪酬委員會由一名執行董事于龍先生及兩名獨立非執行董事胡松先生及任鋼鋒先生組成。胡松先生為該委員會主席。

The primary duties of the Remuneration Committee are, among others, to make recommendations to the Board on the policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; to review and approve the management's remuneration proposals; to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management; and to advise shareholders of the Company with respect to any service contracts of Directors that require shareholders' approval under the Listing Rules.

In 2015, the Remuneration Committee provided recommendations to the Board on the remuneration and performance management policy and framework for the Directors and senior management. Meanwhile, it inspected and assessed the performance of duties by the Directors and senior management and the annual performance.

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

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

(3). Compliance Committee

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

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

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

於二零一五年，薪酬委員會對就董事和高級管理人員的薪酬和績效管理政策、架構向董事會提供建議。同時，對董事和高級管理人員的履行職責情況及年度績效進行檢查及評估。

於報告期內，本公司薪酬委員會共舉行一次會議，委員之成員之出席記錄如下：

(3). 合規委員會

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

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

(4). Audit Committee

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

The principal responsibilities of the Audit Committee include reviewing and supervising the financial reporting procedures, including making proposals on appointing or changing the external auditors; supervising the Company's internal audit system and its implementation; communication between the internal auditors and external auditors; auditing the financial information and its disclosure; reviewing the Company's internal control system and auditing the significant connected transactions; oversight of the Company's financial reporting system, risk management and internal control system; other matters that the Board has authorized it to deal with.

In 2015, the Audit Committee reviewed the Company's interim report for 2015 and conducted discussions and made recommendations on internal control and the internal audit procedure, etc.

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

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

(4). 審核委員會

審計委員會由四名獨立非執行董事郭科志先生、胡松先生、馬世豪先生及任鋼鋒先生組成。郭科志先生為該委員會主席。

審核委員會的主要職責包括：審閱及監督財務申報程序，包括就委任或更換外部核數師提出建議；監督本公司的內部審核制度及其實施；負責內部核數師與外部核數師之間的溝通；審核財務資料及其披露；檢討本公司的內部監控制度及審核重大關連交易；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。

於二零一五年，審計委員會審閱了公司二零一五年半年度報告及對內部監控、內部審計程序等進行討論及提出建議。

於報告期內，本公司審核委員會共舉行了兩次會議，委員會之成員出席記錄如下：

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Company has established a formal and transparent procedure for formulating policies on remuneration of senior management of the Group. Details of the remuneration of each of the Directors for the year ended 31 December 2015 are set out in Note 39 to the Consolidated Financial Statements.

Pursuant to paragraph B.1.5 of the Corporate Governance Code, remuneration paid to the senior management (excluding the Directors) by bands for the year ended 31 December 2015 is set out below:

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

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Company for the year ended 31 December 2015. The Directors consider that the Group has adequate resources to continue in business for the foreseeable future and are not aware of material uncertainties that may cast significant doubt on the Company's ability to continue its operation as a going concern.

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

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

RISK MANAGEMENT AND INTERNAL CONTROL

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

董事及高級管理人員的薪酬

本公司已就制訂本集團高級管理人員的薪酬政策建立正式及具透明度的程序。截至二零一五年十二月三十一日止年度各董事薪酬的詳情載於合併財務報表附註39。

根據企業管治守則第B.1.5段，下表載列截至二零一五年十二月三十一日止年度按區間劃分支付予高級管理人員(不包括董事)的薪酬：

問責及審計

董事確認知悉編製本公司截至二零一五年十二月三十一日止年度的合併財務報表之責任。董事認為本集團擁有充足資源以在可見將來繼續經營業務，而且並不知悉可能引致本公司能否持續經營業務成為重大疑問的重大不明朗因素。

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

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

風險管理與內部監控

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

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

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

AUDITOR AND AUDITOR'S REMUNERATION

The statement of the auditor of the Company about its reporting responsibilities for the Consolidated Financial Statements is set out in the "Independent Auditor's Report" on page 96 to 97 of this annual report.

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

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

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

核數師及核數師酬金

本公司核數師有關其就合併財務報表須承擔的申報責任的聲明載於本年報第96至97頁的「獨立核數師報告」內。

下表載列本報告期內支付／應付予本公司核數師羅兵咸永道的薪酬：

		Amount 金額 RMB'000 人民幣千元
Fee for audit services		
	審計服務收費	
Annual audit and interim review services	年度核數及中期審閱服務	3,700
Other services including reporting accountant's services during the Company's IPO and bond offering	其他服務，包括首次公開發售及債券發行的申報核數師服務	2,900
Fee for non-audit services		
	非審計服務收費	150
Total fees		6,750

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

本集團於報告期內亦聘請了其他核數師提供核數服務及非核數服務。

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/ INVESTOR RELATIONS

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

與股東及投資者的溝通／投資者關係

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

SHAREHOLDER'S RIGHTS

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

- (1) Upon signing one or several written requests with the same content and format, and stating the subject of the meeting, the aforesaid Shareholders may request the Board to convene an extraordinary general meeting or class meeting. Concerning the above request, the Board shall, in accordance with the law, administrative regulations and the Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary general meeting within ten days upon receipt of the proposal. Shares held by the above Shareholders who made the requests shall be calculated as at the date of submitting the written request.
- (2) If the Board agrees to convene an extraordinary general meeting or class meeting, it shall issue a notice of general meeting within five days upon making the Board decision. Any changes made to the original request in the notice shall be agreed by the relevant Shareholders.
- (3) If the Board disagrees to convene the extraordinary general meeting or class meeting, or does not reply within 10 days upon receipt of the proposal, Shareholders individually or together holding more than 10% of the Shares are entitled to request the Supervisory Committee in writing to hold an extraordinary general meeting or class meeting.
- (4) If the Supervisory Committee agrees to convene the extraordinary general meeting or class meeting, it shall issue a notice of general meeting within five days upon receiving the requests. Any changes made to the original request in the notice shall be agreed by the relevant Shareholders.
- (5) If the Supervisory Committee does not issue the notice of general meeting within the prescribed period, it shall be deemed as the Supervisory Committee not convening and not holding the general meeting. Then the Shareholders who individually or together hold more than 10% of the Shares for more than 90 consecutive days may convene and hold the meeting themselves. Before publicly announcing the resolution(s) of the general meeting, the convening Shareholders shall hold no less than 10% of the Shares. When the convening Shareholder issues the notice for general meeting and publicly announces the resolution(s) of the general meeting, they shall submit the relevant proof materials to the securities regulatory authority where the Company is located and relevant stock exchange.

股東的權利

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

- (1) 簽署一份或者數份同樣格式內容的書面要求，要求董事會召開臨時股東大會或者類別股東會議，並闡明會議的議題。董事會應當根據法律、行政法規和公司章程的規定，在收到前述要求後十日內提出同意或不同意召開臨時股東大會或者類別股東會議的書面反饋意見。上述提議股東的持股數按股東提出書面要求之日計算。
- (2) 董事會同意召開臨時股東大會或者類別股東會議的，應當在作出董事會決議後五日內發出召開股東大會的通知，通知中對原要求的變更，應當徵得相關股東的同意。
- (3) 董事會不同意召開臨時股東大會或者類別股東會議提議的，或在收到要求後十日內未作出反饋的，單獨或者合計持有百分之十以上股份的股東有權以書面形式要求監事會召開會議。
- (4) 監事會同意召開臨時股東大會或者類別股東會議的，應當在收到要求後五日內發出召開股東大會的通知，通知中對原要求的變更，應當徵得相關股東的同意。
- (5) 監事會未在規定期限內發出股東大會通知的，視為監事會不召集和主持股東大會，連續九十日以上單獨或者合計持有百分之十以上股份的股東可以自行召開和主持大會。在股東大會決議公告前，召集股東持股比例不得低於百分之十。召集股東應在發出股東大會通知及股東大會決議公告時，向公司所在地證券監督管理機構和證券交易所提交有關證明材料。

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

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

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

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

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

On 8 May 2015, the Company passed a resolution to approve the amendments to Articles of Association, which was effective on the Listing Date. The updated Articles of Association was published on the website of the Stock Exchange.

COMPANY SECRETARY

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

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

本公司現載列下列通訊資料，以便股東與本公司溝通：

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

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

公司章程的修改

於二零一五年五月八日，本公司通過決議案批准公司章程修訂，公司章程於上市日期生效。更新的公司章程已刊載於聯交所網站。

公司秘書

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

Independent Auditor's Report 獨立核數師報告



羅兵咸永道

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

致雲南水務投資股份有限公司股東
(於中華人民共和國註冊成立的有限公司)

We have audited the consolidated financial statements of Yunnan Water Investment Co., Limited (the "Company") and its subsidiaries set out on pages 98 to 229, which comprise the consolidated balance sheet as at 31 December 2015, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

本核數師(以下簡稱「我們」)已審計列載於第98至229頁雲南水務投資股份有限公司(以下簡稱「貴公司」)及其附屬公司的合併財務報表,此合併財務報表包括於二零一五年十二月三十一日的合併資產負債表與截至該日止年度的合併綜合收益表、合併權益變動表和合併現金流量表,以及主要會計政策概要及其他附註解釋資料。

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

董事就合併財務報表須承擔的責任

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

核數師的責任

我們的責任是根據我們的審計對該等合併財務報表發表意見,僅向閣下(作為整體)報告,除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

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總機: +852 2289 8888, 傳真: +852 2810 9888, www.pwchk.com

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 December 2015, and of their financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 30 March 2016

我們已根據香港會計師公會頒布的香港審計準則進行審計。該等準則要求我們遵守道德規範，並規劃及執行審計以對合併財務報表是否不存在任何重大錯誤陳述獲取合理保證。

審計涉及執程序以獲取有關合併財務報表所載金額及披露資料的審計憑證。所選擇的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司擬備真實而中肯的合併財務報表相關的內部控制，以設計適當的審計程序，但目的並非對公司內部控制的有效性發表意見。審計亦包括評價董事所採用會計政策的恰當性及作出會計估計的合理性，以及評價合併財務報表的整體列報方式。

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

意見

我們認為，該等合併財務報表已根據香港財務報告準則真實而中肯地反映貴公司及其附屬公司於二零一五年十二月三十一日的財務狀況及彼等截至該日止年度的財務表現及現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

羅兵咸永道會計師事務所
執業會計師

香港，二零一六年三月三十日

Consolidated Statement of Comprehensive Income

合併綜合收益表

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

		Year ended 31 December 截至十二月三十一日止年度		
		Notes 附註	2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Revenue	收益	5	1,558,394	1,100,761
Cost of sales	銷售成本	8	(1,050,772)	(767,124)
Gross profit	毛利		507,622	333,637
Other income	其他收入	6	97,552	49,059
Other gains - net	其他收益淨額	7	12,402	3,273
Selling expenses	銷售開支	8	(17,187)	(13,456)
Administrative expenses	行政開支	8	(181,220)	(125,816)
Operating profit	經營溢利		419,169	246,697
Finance income	融資收益	10	25,553	3,551
Finance expenses	財務開支	10	(66,749)	(35,033)
Finance costs – net	融資成本淨額	10	(41,196)	(31,482)
Share of profit of investments accounted for using the equity method	以權益法入賬的應佔 投資溢利	15	4,896	10,942
Profit before income tax	所得稅前溢利		382,869	226,157
Income tax expenses	所得稅開支	11	(65,426)	(38,261)
Profit for the year	年內溢利		317,443	187,896
Other comprehensive income	其他全面收益			
Items that may be reclassified to profit or loss	可能重新分類至損益的 項目			
Currency translation differences	貨幣換算差額		976	(92)
Total comprehensive income for the year	年內全面收益總額		318,419	187,804
Profit attributable to:	以下人士應佔溢利：			
Owners of the Company	本公司擁有人		285,853	166,587
Non-controlling interests	非控股權益		31,590	21,309
			317,443	187,896

Consolidated Statement of Comprehensive Income 合併綜合收益表

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

		Year ended 31 December 截至十二月三十一日止年度		
		Notes 附註	2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Total comprehensive income attributable to:				
	以下人士應佔全面收益總額：			
Owners of the Company	本公司擁有人		286,829	166,495
Non-controlling interests	非控股權益		31,590	21,309
			318,419	187,804
Earnings per share for profit attributable to owners of the Company (expressed in RMB per share)				
	本公司擁有人應佔溢利的每股盈利(以每股人民幣元表示)			
- Basic and diluted	— 基本及攤薄	12	0.270	0.206

The notes on pages 105 to 229 are an integral part of these consolidated financial statements.

The financial statements on pages 98 to 229 were approved by the Board of Directors on 30 March 2016 and were signed on its behalf

第105頁至第229頁的附註構成該等合併財務報表之組成部分。

第98頁至第229頁的財務報表已於二零一六年三月三十日經董事會批准，並由下列人士代表簽發

Yu Long
于龍
Name of Director
董事姓名

Liu Xujun
劉旭軍
Name of Director
董事姓名

Consolidated Balance Sheet

合併資產負債表

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

		As at 31 December		
		於十二月三十一日		
		Notes	2015	2014
		附註	二零一五年	二零一四年
			RMB' 000	RMB' 000
			人民幣千元	人民幣千元
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	17	1,617,329	1,378,952
Investment properties	投資物業	18	17,764	5,042
Land use rights	土地使用權	16	121,311	97,870
Receivables under service concession arrangements	服務特許經營安排下的應收款項	19	1,941,739	1,444,600
Amounts due from customers for contract works	合約工程應收客戶款項	22	404,142	193,924
Intangible assets	無形資產	20	1,711,249	182,641
Investments accounted for using the equity method	以權益法入賬的投資	15	34,925	45,178
Trade and other receivables	貿易及其他應收款項	23	773,236	138,186
Deferred income tax assets	遞延所得稅資產	31	56,173	39,335
			6,677,868	3,525,728
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	19	11,540	9,662
Non-current assets held-for-sale	持有待售的非流動資產		—	7,500
Inventories	存貨	21	20,595	12,459
Amounts due from customers for contract works	合約工程應收客戶款項	22	3,477	6,455
Trade and other receivables	貿易及其他應收款項	23	1,197,087	845,486
Restricted cash	受限制的現金	24	19,603	—
Cash and cash equivalents	現金及現金等價物	25	1,672,121	612,649
			2,924,423	1,494,211
Total assets	總資產		9,602,291	5,019,939

Consolidated Balance Sheet 合併資產負債表

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

		As at 31 December 於十二月三十一日		
		Notes 附註	2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	26	1,193,213	862,564
Other reserves	其他儲備	27	2,264,254	1,155,140
Retained earnings	保留盈利		600,956	366,542
			4,058,423	2,384,246
Non-controlling interests	非控股權益		884,189	337,078
Total equity	總權益		4,942,612	2,721,324
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Borrowings	借款	29	2,025,960	868,992
Trade and other payables	貿易及其他應付款項	28	54,514	—
Deferred income	遞延收益	30	164,876	144,749
Deferred income tax liabilities	遞延所得稅負債	31	198,116	52,796
Provision	撥備	32	25,791	14,408
			2,469,257	1,080,945
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	28	1,074,341	876,698
Borrowings	借款	29	1,038,355	270,323
Amounts due to customers for contract works	合約工程應付客戶款項	22	4,552	3,727
Current income tax liabilities	流動所得稅負債		73,174	66,922
			2,190,422	1,217,670
Total liabilities	總負債		4,659,679	2,298,615
Total equity and liabilities	權益和負債總額		9,602,291	5,019,939

The notes on pages 105 to 229 are an integral part of these consolidated financial statements.

第105頁至第229頁的附註構成該等合併財務報表之組成部分。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

		Attributable to owners of the Company 本公司擁有人應佔				Non-controlling interests 非控股權益 RMB' 000 人民幣千元	Total equity 總權益 RMB' 000 人民幣千元
		Paid-in capital/ share capital 實繳資本/股本 RMB' 000 人民幣千元 (note 26) (附註26)	Other reserves 其他儲備 RMB' 000 人民幣千元 (note 27) (附註27)	Retained earnings 保留盈利 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元		
Balance at 1 January 2014	於二零一四年一月一日的結餘	787,880	940,384	339,987	2,068,251	208,153	2,276,404
Total comprehensive income for the year	年內全面收益總額						
Profit for the year	年內利潤	—	—	166,587	166,587	21,309	187,896
Currency translation differences	貨幣換算差額	—	(92)	—	(92)	—	(92)
		—	(92)	166,587	166,495	21,309	187,804
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)						
Capital injection (note 26(b))	注資(附註26(b))	74,684	185,316	—	260,000	—	260,000
Acquisition of subsidiaries	收購附屬公司	—	—	—	—	73,616	73,616
Capital contribution by non-controlling interests	非控股權益出資	—	—	—	—	34,000	34,000
Transfer to statutory reserve	轉至法定儲備	—	29,532	(29,532)	—	—	—
Dividends	股息	—	—	(110,500)	(110,500)	—	(110,500)
		74,684	214,848	(140,032)	149,500	107,616	257,116
Balance at 31 December 2014	於二零一四年十二月三十一日的結餘	862,564	1,155,140	366,542	2,384,246	337,078	2,721,324
Balance at 1 January 2015	於二零一五年一月一日的結餘	862,564	1,155,140	366,542	2,384,246	337,078	2,721,324
Total comprehensive income for the year	年內全面收益總額						
Profit for the year	年內利潤	—	—	285,853	285,853	31,590	317,443
Currency translation differences	貨幣換算差額	—	976	—	976	—	976
		—	976	285,853	286,829	31,590	318,419
Total transactions with owners, recognised directly in equity	與擁有人進行的交易總額 (直接於權益中確認)						
Issue of ordinary shares	發行普通股	330,649	1,183,137	—	1,513,786	—	1,513,786
Shares issuance costs	股份發行成本	—	(126,438)	—	(126,438)	—	(126,438)
Acquisition of subsidiaries (note 35)	收購附屬公司(附註35)	—	—	—	—	500,888	500,888
Capital contribution by non-controlling interests	非控股權益出資	—	—	—	—	14,633	14,633
Transfer to statutory reserve	轉至法定儲備	—	51,439	(51,439)	—	—	—
		330,649	1,108,138	(51,439)	1,387,348	515,521	1,902,869
Balance at 31 December 2015	於二零一五年十二月三十一日的結餘	1,193,213	2,264,254	600,956	4,058,423	884,189	4,942,612

The notes on pages 105 to 229 are an integral part of these consolidated financial statements.

第105頁至第229頁的附註構成該等合併財務報表之組成部分。

Consolidated Statement of Cash Flows 合併現金流量表

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

		Year ended 31 December 截至十二月三十一日止年度		
		Notes 附註	2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Cash flows from operating activities				
	經營活動的現金流量			
Cash used in operations	經營所用現金	33	(681,970)	(434,454)
Income tax paid	已付所得稅		(80,304)	(53,796)
Interest paid	已付利息		(91,665)	(54,109)
Net cash used in operating activities			(853,939)	(542,359)
Cash flows from investing activities				
	投資活動的現金流量			
Acquisition of subsidiaries, net of cash acquired	收購附屬公司，扣除 取得的現金		(661,915)	(136,935)
Prepayments for acquisition of subsidiaries	收購附屬公司的預付款項		(523,658)	—
Capital injection to an associate	向聯營公司注資		(35,000)	—
Purchases of property, plant and equipment, land use rights and other intangible assets	購買物業、廠房及設備、 土地使用權及其他 無形資產		(152,480)	(305,380)
Government grants relating to purchase of property, plant and equipment and intangible assets	與購買物業、廠房及 設備及無形資產 有關的政府補助		25,000	54,219
Proceeds from disposal of property, plant and equipment and land use rights	出售物業、廠房及設備 以及土地使用權所得 款項	33	6,834	25,778
Interest received	已收利息		9,352	4,888
Cash flows of other investing activities, net	其他投資活動的 現金流量淨額		—	53,638
Net cash used in investing activities			(1,331,867)	(303,792)

Consolidated Statement of Cash Flows

合併現金流量表

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

		Year ended 31 December 截至十二月三十一日止年度	
		Notes 附註	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Cash flows from financing activities	融資活動的現金流量		
Proceeds from issuance of ordinary shares	發行普通股的所得款項	1,513,786	—
Capital injections by non-controlling interests	來自非控股權益的注資	14,633	—
Proceeds from borrowings	借款所得款項	2,642,635	895,302
Capital injections from equity holders	權益持有人注資	—	294,000
Repayments of borrowings	償還借款	(807,560)	(353,553)
Payments for listing expenses	支付上市費用	(126,438)	(31,525)
Funds from related parties	關聯方提供資金	—	6,940
Dividends paid	已付股息	—	(110,500)
Net cash generated from financing activities	融資活動所得現金淨額	3,237,056	700,664
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	1,051,250	(145,487)
Cash and cash equivalents at beginning of year	年初現金及現金等價物	612,649	758,146
Exchange gains/(losses) on cash and cash equivalents	現金及現金等價物匯兌收益/(虧損)	8,222	(10)
Cash and cash equivalents at end of year	年末現金及現金等價物	1,672,121	612,649

The notes on pages 105 to 229 are an integral part of these consolidated financial statements.

第105頁至第229頁的附註構成該等合併財務報表之組成部分。

Notes to the Consolidated Financial Statements

合併財務報表附註

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

1. GENERAL INFORMATION AND BASIS OF PRESENTATION

1.1 General information

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. 一般資料及呈列基準

1.1 一般資料

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

本公司H股已於二零一五年五月二十七日在香港聯合交易所有限公司主板上市。

該等財務報表以人民幣(「人民幣」)千元呈列，除非另有說明則另當別論。

2. 主要會計政策概要

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

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

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

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and investment properties, which are carried at fair value.

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

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

The following new amendments to standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2015:

HKAS19 (Amendment) 香港會計準則第19號(修訂本)	Employee Benefits 僱員福利
HKFRSs (Amendment) 香港財務報告準則(修訂本)	Annual improvements 2010-2012 Cycle 二零一零年至二零一二年週期的年度改進
HKFRSs (Amendment) 香港財務報告準則(修訂本)	Annual improvements 2011-2013 Cycle 二零一一年至二零一三年週期的年度改進

The adoption of these new amendments to standards does not have significant impact to the results or financial position of the Group.

(b) *New Hong Kong Companies Ordinance (Cap.622)*

In addition, the requirements of Part 9 “Accounts and Audit” of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

2. 主要會計政策概要(續)

2.1 編製基準

本公司合併財務報表乃根據所有適用香港財務報告準則(「香港財務報告準則」)編製。合併財務報表已按歷史成本慣例編製(經按公平值計值的可供出售金融資產及投資物業重估所修訂)。

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

(a) *本集團採納的新訂及經修訂準則*

本集團已就於二零一五年一月一日或之後開始的財政年度首次採納下列準則的新修訂：

採納該等準則的新修訂並無對本集團的業績或財務狀況產生重大影響。

(b) *新香港《公司條例》(第622章)*

此外，新香港《公司條例》(第622章)第9部「賬目及審計」的規定於本財政年度生效，因此，合併財務報表內若干資料的呈列及披露會發生變動。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

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

2.1 Basis of preparation (Cont'd)

(c) New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015 and have not been applied in preparing these consolidated financial statements.

HKFRS 14
香港財務報告準則第14號
HKFRS 11 (Amendment)
香港財務報告準則第11號
(修訂本)
HKAS 16 and HKAS
38 (Amendment)
香港會計準則第16號及
香港會計準則第38號(修訂本)
HKFRS 10 and HKAS
28 (Amendment)
香港財務報告準則第10號及
香港會計準則第28號(修訂本)
HKAS 27 (Amendment)
香港會計準則第27號(修訂本)
HKFRS 10, HKFRS 12 and
HKAS 28 (Amendment)
香港財務報告準則第10號、
香港財務報告準則第12號及
香港會計準則第28號(修訂本)
HKAS1 (Amendment)
香港會計準則第1號(修訂本)
HKFRSs (Amendment)
香港財務報告準則(修訂本)
HKFRS 15
香港財務報告準則第15號
HKFRS 9
香港財務報告準則第9號

Regulatory deferral accounts¹
監管遞延賬戶¹
Accounting for acquisition of interests in joint operations¹
收購於共同業務的權益的會計處理¹
Clarification of acceptable methods of depreciation
and amortisation¹
可接受的折舊和攤銷方法說明¹
Sale or Contribution of Assets Between an Investor
and Its Associate or Joint Venture³
投資者及其聯營公司或合資企業之間的銷售或注資³
Equity Method in Separate Financial Statements¹
獨立財務報表的權益法¹
Investment Entities: Applying the Consolidation Exception¹
投資實體：不納入合併的運用¹
Disclosure initiative¹
披露計劃¹
Annual improvement to 2012 – 2014 cycle¹
二零一二年至二零一四年週期的年度改進¹
Revenue from contracts with consumers²
自與客戶訂立合約的收益²
Financial instruments²
金融工具²

2.1 編製基準(續)

(c) 尚未採納的新訂準則及 詮釋

多項新訂準則及準則的修訂以及詮釋於二零一五年一月一日之後開始的年度期間生效，惟編製該等合併財務報表時尚未應用。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

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

2.1 Basis of preparation (Cont'd)

(c) New standards and interpretations not yet adopted (Cont'd)

1. Effective for the Group for annual period beginning on 1 January 2016.
2. Effective for the Group for annual period beginning on 1 January 2018.
3. Effective date to be determined by the International Accounting Standards Board.

The Group is in the process of making an assessment of the impact of the new standards, amendments to the standards and interpretations but is not yet in a position to state whether these new standards, amendments to standards and interpretations would have a significant impact to the Group's results of operations and financial position.

2.2 Subsidiaries

2.2.1 Consolidation

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

2. 主要會計政策概要(續)

2.1 編製基準(續)

(c) 尚未採納的新訂準則及 詮釋(續)

1. 於本集團自二零一六年一月一日開始的年度期間生效。
2. 於本集團自二零一八年一月一日開始的年度期間生效。
3. 生效日期待由國際會計準則委員會釐定。

本集團正在評估新準則、準則修訂及詮釋的影響，但尚未能夠聲明該等新準則、準則修訂及詮釋是否會對本集團的經營業績及財務狀況產生重大影響。

2.2 附屬公司

2.2.1 合併入賬

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

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

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

2.2 Subsidiaries (Cont'd)

2.2.1 Consolidation (Cont'd)

(a) Business combinations

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

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

Acquisition-related costs are expensed as incurred.

2. 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.1 合併入賬(續)

(a) 業務合併

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

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

收購相關成本於產生時列為開支。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

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

2.2 Subsidiaries (Cont'd)

2.2.1 Consolidation (Cont'd)

(a) Business combinations (Cont'd)

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

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

2. 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.1 合併入賬(續)

(a) 業務合併(續)

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

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

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

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

2.2 Subsidiaries (Cont'd)

2.2 附屬公司(續)

2.2.1 Consolidation (Cont'd)

2.2.1 合併入賬(續)

(a) Business combinations (Cont'd)

(a) 業務合併(續)

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

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

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

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

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

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

2.2 Subsidiaries (Cont'd)

2.2.1 Consolidation (Cont'd)

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

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

- (c) Disposal of subsidiaries

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

2. 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.1 合併入賬(續)

- (b) 不導致控制權變動的附屬公司擁有權益變動

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

- (c) 出售附屬公司

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

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

(All amounts expressed in thousands of RMB unless otherwise stated)

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

2.2 Subsidiaries (Cont'd)

2.2.2 Separate financial statements

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

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

2. 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.2 獨立財務報表

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

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

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

(All amounts expressed in thousands of RMB unless otherwise stated)

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

2.3 Associates

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

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

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

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

2. 主要會計政策概要(續)

2.3 聯營公司

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

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

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

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

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

(All amounts expressed in thousands of RMB unless otherwise stated)

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

2.4 Joint arrangements

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

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

2. 主要會計政策概要(續)

2.4 合營安排

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

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

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

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

2.4 Joint arrangements (Cont'd)

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

2.5 Segment reporting

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

2.6 Foreign currency translation

(a) Functional and presentation currency

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

2. 主要會計政策概要(續)

2.4 合營安排(續)

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

2.5 分部報告

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

2.6 外幣換算

(a) 功能及呈列貨幣

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

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

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

2.6 Foreign currency translation (Cont'd)

(b) Transactions and balances

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated income statement within "finance costs - net". All other foreign exchange gains and losses are presented in the income statement within "other gains - net".

2. 主要會計政策概要(續)

2.6 外幣換算(續)

(b) 交易及結餘

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

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

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

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

2.6 Foreign currency translation (Cont'd)

(c) Group companies

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

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

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

2. 主要會計政策概要(續)

2.6 外幣換算(續)

(c) 集團公司

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

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

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

Notes to the Consolidated Financial Statements

合併財務報表附註

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

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

2.7 Property, plant and equipment

Plants and buildings comprise mainly factories and offices. All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

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

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

2. 主要會計政策概要(續)

2.7 物業、廠房及設備

廠房及樓宇主要包括工廠及辦公室。物業、廠房及設備均以歷史成本減折舊列賬。歷史成本包括收購該等項目直接發生的開支。成本亦可包括自權益中轉撥有關以外幣購買物業、廠房及設備的合資格現金流量套期所產生的任何收益／虧損。

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

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

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

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

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

2.7 Property, plant and equipment (Cont'd)

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.13).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gains - net" in the consolidated income statements.

2.8 Investment properties

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

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

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

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

2.7 物業、廠房及設備(續)

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

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

倘資產賬面值超過其估計可收回金額，資產賬面值即時撇減至其可收回金額(附註2.13)。

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

2.8 投資物業

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

初步確認之後，投資物業以成本扣除累計折舊及任何減值虧損入賬。

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

廠房及樓宇	30-50年
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Notes to the Consolidated Financial Statements

合併財務報表附註

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

2.9 Intangible assets

(a) Goodwill

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

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

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

2. 主要會計政策概要(續)

2.9 無形資產

(a) 商譽

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

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

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

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

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

2.9 Intangible assets (Cont'd)

(b) Development expenditure

When the future economic benefits become apparent as a project progresses into the development stage the costs incurred on development projects (relating to the design and testing of new or improved products) are capitalised as intangible assets when recognition criteria are fulfilled and tests for impairment are performed annually. Other development expenditures that do not meet those criteria are recognised as expenses as incurred. Development costs previously recognised as expenses are not recognised as assets in subsequent periods. Capitalised development costs are amortised from the point at which the assets are ready for use on a straight-line basis over their estimated useful lives.

(c) Operating concessions

The detail accounting policy of operating concessions please refer to note 2.12.

(d) Operating contract rights

Operating contract rights represent the fair value of water treatment plants' operating rights acquired through business combination. These intangible assets are amortised on the straight-line basis over the remaining period of the operating contract rights.

2. 主要會計政策概要(續)

2.9 無形資產(續)

(b) 開發費用

當未來經濟利益可明顯為開發階段的項目進程，有關設計及測試新產品或改良產品的開發項目成本，於符合確認條件時資本化為無形資產，並每年進行減值測試。未能符合該等標準的其他開發支出乃於產生時被確認為開支。之前已確認為開支的開發成本不得於往後期間確認為資產。已資本化的開發成本由資產可供使用時起以直線法按其估計可使用年期予以攤銷。

(c) 特許經營權

有關特許經營權的會計政策詳情，請參閱附註2.12。

(d) 運營合同權利

運營合同權利指透過業務合併收購的污水處理廠經營權的公平值。該等無形資產乃採用直線法於剩餘合約經營權期間內攤銷。

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

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

2.9 Intangible assets (Cont'd)

(e) Licenses

Licenses represent the fair value of solid waste treatment plants' operating permits acquired through business combination. These intangible assets are amortised on the straight-line basis over the concession period.

(f) Technical know-how and software

Technical know-how represent the fair value of solid waste treatment plants' technique acquired through business combination. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Technical know-how and software has a finite useful life and is carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of technical know-how and software over their useful lives.

2.10 Land use rights

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

Land use rights 40-50 years

2.11 Non-current assets (or disposal Groups) held-for-sale

Non-current assets (or disposal groups) are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The non-current assets (except for certain assets as explained below) or disposal groups are stated at the lower of carrying amount and fair value less costs to sell. Deferred tax assets, assets arising from employee benefits, financial assets (other than investments in subsidiaries and associates) and investment properties, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in note 2.

2. 主要會計政策概要(續)

2.9 無形資產(續)

(e) 牌照

牌照指固廢處理廠透過業務合併所取得的營業執照。該等無形資產於特許經營期按直線法攤銷。

(f) 專有技術及軟件

專有技術指透過業務合併收購的固體廢物處理廠經營權的公平值，所收購的電腦軟件執照乃根據收購特定軟件及加以使用所涉及的成本予以資本化。專有技術及軟件有限定的可使用年期，並按成本減累計攤銷後的淨值列賬。攤銷利用直線法將專有技術及軟件的成分攤至其估計可使用年期。

2.10 土地使用權

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

土地使用權 40-50年

2.11 持作出售的非流動資產(或出售組別)

當非流動資產(或出售組別)的賬面值將主要通過銷售交易收回，且認為極有可能進行銷售時，其會被分類為持作出售的資產。非流動資產(若干資產除外，解釋見下文)或出售組別按賬面值與公平值減出售成本之間的較低者列賬。遞延稅項資產、僱員福利產生的資產、財務資產(附屬公司及聯營公司的投資除外)及投資物業(即使屬持作出售)將繼續根據附註2其他部分所載的政策計量。

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

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

2.12 Service concession arrangements

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

(a) Consideration given by the Grantor

A financial asset (receivable under a service concession arrangement) is recognised to the extent that the Group has an unconditional right to receive cash or another financial asset from the Grantor for the construction services rendered and/or the consideration paid and payable by the Group to the Grantor. The Group has an unconditional right to receive cash if the Grantor contractually guarantees to pay the Group specified or determinable amounts or the shortfall, if any, between amounts received from the users of the public service and specified or determinable amounts. The financial asset (receivable under a service concession arrangement) is accounted for in accordance with the policy set out for loans and receivables under “financial assets” below.

2. 主要會計政策概要(續)

2.12 服務特許經營安排

本集團與若干政府機關或其指定人(「授予人」)訂立多項服務特許經營安排。服務特許經營安排包括建設－經營－移交(「BOT」)安排及移交－經營－移交(「TOT」)安排。根據BOT安排，本集團為授予人進行污水及再生水處理或供水服務的建設工程，因而根據授予人預先設定的條件獲得服務項目於指定期間的經營權(「經營期間」)，服務項目須於經營期間結束時以零代價移交予授予人。TOT安排類似於BOT安排，惟本集團須就經營已建設的污水及再生水處理或供水服務的權利支付代價。

(a) 授予人給予的代價

所確認金融資產(服務特許經營安排下的應收款項)以下列者為限：本集團有無條件權利就所提供建築服務向授予人收取現金或其他金融資產及／或本集團支付及應付授予人的代價。倘授予人以合約方式擔保向本集團支付指定或待定金額或已收公共服務用戶的款項與指定或待定金額兩者間的差額(如有)，本集團仍擁有無條件權利收取現金。金融資產(服務特許經營安排下的應收款項)根據下文「金融資產」的貸款及應收款項所載的政策列賬。

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

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

2.12 Service concession arrangements (Cont'd)

(a) Consideration given by the Grantor (Cont'd)

An intangible asset (operating concession) is recognised to the extent that the Group receives a right to charge users of public service, which is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses and service. The intangible asset (operating concession) is accounted for in accordance with the policy set out for “intangible assets” above, which is amortized on a straight-line basis over the terms of operation ranging from 25 to 30 years.

If the Group is paid for the construction services partly by a financial asset and partly by an intangible asset, then each component of the consideration is accounted for separately and is recognised initially at the fair value of the consideration.

(b) Construction and upgrade services

Revenue and costs relating to construction or upgrade services are accounted for in accordance with the policy for “construction contracts” below.

(c) Operating service

Revenue relating to operating service are accounted for in accordance with the policy for “revenue recognition” below. Costs for operating services are expensed in the period in which they are incurred.

2. 主要會計政策概要(續)

2.12 服務特許經營安排(續)

(a) 授予人給予的代價(續)

無形資產(特許經營權)於本集團獲得向公共服務用戶收費的權利時確認，惟該權利並非收取現金的無條件權利，因為該款項須以公眾使用該服務為條件。無形資產(特許經營權)根據上文「無形資產」所載的政策列賬，按直線法於經營期內(25至30年)攤銷。

倘本集團為運營商提供建設服務分別形成金融資產和無形資產，各類資產分別入賬並初始按代價的公平值初始確認。

(b) 建造及升級服務

建造或升級服務有關的營業收入及成本按下文「建設合約」的政策列賬。

(c) 經營服務

與經營服務有關的營業收入按下文「收入確認」所載的政策列賬。有關經營服務的成本於其產生的期間內列作開支。

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

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

2.12 Service concession arrangements (Cont'd)

- (d) *Contractual obligations to restore the infrastructure to a specified level of serviceability*

The Group has contractual obligations which it must fulfil as a condition of its licences, than is (i) to maintain the sewage and reclaimed water treatment and water distribution plants it operates to a specified level of serviceability and/or (ii) to restore the plants to a specified condition before they are handed over to the Grantor at the end of the service concession arrangements. These contractual obligations to maintain or restore the sewage and reclaimed water treatment and water distribution plants, except for upgrade element, are recognised and measured in accordance with the policy set out for “provision” below.

2.13 Impairment of non-financial assets

Assets that have an indefinite useful life or not yet available for use are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGU). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2. 主要會計政策概要(續)

2.12 服務特許經營安排(續)

- (d) *修復基礎設施至一定可提供服務水平的合約責任*

本集團須承擔合約責任，作為獲取執照所須符合的條件，以(i)維護其經營的污水及再生水處理及供水廠，確保符合一定可提供服務水平及／或(ii)於服務特許經營安排結束時，在移交工廠予授予人之前，將工廠修復至指定狀況。維護或修復污水及再生水處理及供水廠的合約責任(除升級部分外)按下文「撥備」所載的政策予以確認及計量。

2.13 非金融資產的減值

可使用年期不確定或尚未可供使用的資產，毋須攤銷，但每年須就減值進行測試。資產於事件發生或狀況轉變顯示可能無法收回其賬面值時進行減值複核。當資產賬面值超逾其可收回金額時，則就超出的數額確認減值損失。可收回金額指資產公平值減出售成本與使用價值兩者之間的較高者。就評估減值而言，資產將按獨立可識辨現金流量的最低層次(現金產生單位)組合。出現減值的非金融資產(商譽除外)會於每個報告日進行複核以確定減值是否可能撥回。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

2.14 Financial assets

2.14.1 Classification

The Group classifies its financial assets in the following categories: loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables", "receivables under service concession arrangements" and "cash and cash equivalents" in the consolidated balance sheet.

2. 主要會計政策概要(續)

2.14 金融資產

2.14.1 分類

本集團的金融資產分為以下類別：貸款及應收款項及可供出售金融資產。該分類視乎購入金融資產的目的而定。管理層於初始確認金融資產時釐定有關資產的分類。

(a) 貸款及應收款項

貸款及應收款項為有固定或可確定付款額且並非於活躍市場報價的非衍生金融資產。此等款項乃計入流動資產，惟於或預期於報告期末後超過12個月結算的款項則列作非流動資產。本集團的貸款及應收款項包括合併資產負債表內的「貿易及其他應收款項」、「服務特許經營安排下的應收款項」及「現金及現金等價物」。

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

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

2.14 Financial assets (Cont'd)

2.14.1 Classification (Cont'd)

(b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

2.14.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

2. 主要會計政策概要(續)

2.14 金融資產(續)

2.14.1 分類(續)

(b) 可供出售金融資產

可供出售金融資產乃指定為此類別或不屬於任何其他類別的非衍生工具。除非投資到期或管理層擬於報告期末起計12個月內出售有關投資，否則可供出售金融資產會列入非流動資產項下。

2.14.2 確認及計量

常規購入及出售的金融資產於交易日(本集團承諾購入或出售該資產的日期)確認。所有並非按公平值計入損益的金融資產的投資於初始時按公平值加交易成本確認。按公平值計入損益的金融資產，於初始時按公平值確認，而交易成本則在收益表中列作開支。從該等投資收取現金流量的權利屆滿或已轉讓而本集團已實質上轉移一切所有權風險及回報時，則終止確認有關金融資產。可供出售金融資產其後按公平值列賬。貸款及應收款項乃使用實際利率法按攤銷成本列賬。

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

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

2.14 Financial assets (Cont'd)

2.14.2 Recognition and measurement (Cont'd)

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as “other gains - net”.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the consolidated income statement as part of other income when the Group's right to receive payments is established.

2.14 金融資產(續)

2.14.2 確認及計量(續)

分類為可供出售的貨幣及非貨幣證券的公平值變動於其他全面收益中確認。

若歸類為可供出售的證券被售出或減值，則於權益中確認的累計公平值調整於收益表中列為「其他收益淨額」。

按實際利率法計算的可供出售證券的利息在收益表中確認為其他收入的一部分。可供出售權益工具的股息，於本集團確立收取款項的權利後在合併收益表確認為其他收入的一部分。

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

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

2.15 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.16 Impairment of financial assets

(a) *Assets carried at amortised cost*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as construction delays due to fire, earthquake or other natural disasters, changes in arrears or economic conditions that correlate with defaults.

2. 主要會計政策概要(續)

2.15 抵銷金融工具

當有可依法強制執行的權利抵銷已確認的金額，且有意向以淨額基準結算或同時變現資產及結算負債，則可將金融資產與負債互相抵銷，並在合併資產負債表內呈報淨額。合法強制執行權不得取決於未來事件，且必須於正常業務過程中及在公司或相關訂約方違約、無力償債或破產的情況下強制執行。

2.16 金融資產減值

(a) *按攤銷成本列賬的資產*

本集團於每個報告期末評估是否有客觀證據證明一項或一組金融資產出現減值。一項或一組金融資產的減值及減值損失只於有客觀證據證明減值乃來自初始確認資產後發生一項或多項事件(「損失事件」)，而該項(或該等)損失事件對該項或該組金融資產的估計未來現金流量的影響能可靠估算時才出現。

減值證據可包括以下跡象：債務人或一組債務人出現重大財政困難，欠付或拖欠支付利息或本金，彼等將有可能破產或進行其他財務重組，以及有可察覺的資料顯示估計未來現金流量有可計量的減少(例如由於火災、地震或其他天然災害而造成建設延誤、與違約有相互關聯的拖欠情況或經濟狀況改變)。

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

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

2.16 Impairment of financial assets (Cont'd)

(a) Assets carried at amortised cost (Cont'd)

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

2. 主要會計政策概要(續)

2.16 金融資產減值(續)

(a) 按攤銷成本列賬的資產(續)

就貸款及應收款項類別而言，損失金額乃根據資產賬面值與按金融資產的原始實際利率折現而估計未來現金流量(不包括仍未產生的未來信用損失)的現值兩者的差額計量。資產賬面值予以削減，而損失金額則在合併收益表確認。如貸款附有浮動利率，則計量任何減值損失的折現率為按合約釐定的當前實際利率。在實際應用中，本集團可利用可觀察的市場價格，按工具的公平值計量減值。

在往後期間，如減值損失的金額減少，而此減少可客觀地關聯到確認減值後發生的事件(例如債務人的信用評級改善)，則之前已確認的減值損失可在合併收益表撥回。

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

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

2.16 Impairment of financial assets (Cont'd)

(b) Assets classified as available for sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the Group uses the criteria referred to in (a) above. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated income statement.

2.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expense.

2. 主要會計政策概要(續)

2.16 金融資產減值(續)

(b) 分類為可供出售的資產

本集團於每個報告期末評估是否有客觀證據證明一項或一組金融資產出現減值。就債券而言，本集團採用上文(a)項的標準。就分類為可供出售的權益投資而言，倘該證券的公平值大幅或長期下跌至低於其成本，則視為資產出現減值的跡象。若可供出售金融資產出現任何此等證據，則累計虧損(按購入成本與當前公平值之間的差額，減過往於損益賬中確認的金融資產的任何減值損失計量)會從權益中扣除，並於損益內確認。該合併收益表中就權益工具確認的減值損失不在該合併收益表中回撥。在往後期間，如分類為可供出售的債務工具的公平值增加，而此增加可客觀地關聯到於損益確認減值損失後發生的事件，則減值損失可在合併收益表撥回。

2.17 存貨

存貨按成本與可變現淨值兩者的較低者入賬。成本以加權平均法釐定。製成品及在製品的成本包括設計成本、原材料、直接勞工、其他直接成本及相關生產經常費用(按正常營運能力計算)，惟不包括借貸成本。可變現淨值指在日常業務過程中的估計售價，減適用的可變銷售開支。

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

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

2.18 Construction contracts

A construction contract is defined by HKAS 11, "Construction contracts", as a contract specifically negotiated for the construction of an asset.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract by reference to the stage of completion. Contract costs are recognised as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

The Group uses the "percentage-of-completion" method to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion.

On the balance sheet, the Group reports the net contract position for each contract as either an asset or a liability. A contract represents an asset where costs incurred plus recognised profits (less recognised losses) exceed progress billings; a contract represents a liability where the opposite is the case.

2. 主要會計政策概要(續)

2.18 建設合約

根據香港會計準則第11號對建設合約的定義，「建設合約」指一項特別就建造一項資產而商議的合約。

當一項建造合約的結果能可靠估算，而該合約很可能獲得盈利，則合約收入參考竣工階段按合約期確認。合約成本乃參考報告期末合約活動的竣工階段確認為費用。當總合約成本有可能超過總合約收入，預期虧損將即時確認為費用。

當一項建造合約的結果不能可靠估算，則合約收入只就很可能收回的已產生合約成本的數額確認。

合約工程變更、索償及獎勵款項亦計入合約收入內，惟以與客戶協定及能夠可靠計量者為限。

本集團採用「完工百分比」法確定在某段期間內應確認的適當金額。完成階段通常按照截至報告期末已經產生的合約成本佔各合約全部估計成本的比例計量。在釐定完成階段時，在年度內產生與合約未來活動有關的成本，不包括在合約成本內。

於資產負債表，本集團就每份合約的合約狀況淨額報告為資產或負債。當已產生的成本加已確認的利潤(減已確認的虧損)超過進度付款時，合約相當於一項資產；當情況相反時，相關的合約則確認為負債。

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

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

2.19 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.20 Cash

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand and deposits held at call with banks.

2.21 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.22 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2. 主要會計政策概要(續)

2.19 貿易及其他應收款項

貿易應收款項為在日常業務過程中就向客戶銷售的商品或提供的服務而應收客戶的款項。如貿易及其他應收款項預期在一年或以內收回，其被分類為流動資產，否則分類為非流動資產。

貿易及其他應收款項於初始時按公平值確認，其後採用實際利率法按攤銷成本減減值撥備計算。

2.20 現金

在合併現金流量表內，現金及現金等價物包括手頭現金及銀行通知存款。

2.21 股本

普通股歸類為權益。直接歸屬於發行新股或購股權的遞增成本扣除稅項後在權益中列為所得款項的扣減項目。

2.22 貿易及其他應付款項

貿易應付款項為在日常業務過程中自供應商購買貨品或服務的付款責任。如貿易應付賬款須於一年或以內(或正常業務運作週期(以較長期間為準))支付，則被分類為流動負債，否則分類為非流動負債。

貿易及其他應付款項最初按公平值確認，其後使用實際利率法按攤銷成本計算。

Notes to the Consolidated Financial Statements

合併財務報表附註

(All amounts expressed in thousands of RMB unless otherwise stated)

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

2.23 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statements over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the report period.

2.24 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2. 主要會計政策概要(續)

2.23 借款

借款於初始按公平值並扣除產生的交易成本確認。借款其後按攤銷成本列賬；所得款項（扣除交易成本）與贖回價值的差額於借款期間以實際利率法在合併收益表中確認。

如部分或全部融資有可能被提取，則設立貸款融資時支付的費用確認為貸款的交易成本。在此情況下，費用遞延至貸款提取為止。如沒有證據證明部分或全部融資有可能被提取，則該費用資本化作為流動資金服務的預付款，並於相關的融資期內攤銷。

除非本集團有無條件權利將償還負債的日期遞延至報告期末後最少12個月，否則借款歸類為流動負債。

2.24 借款成本

收購、建設或生產符合規定的資產（指需要用上大量時間方可實現其擬定用途或可銷售的資產）直接應佔的一般及專項借款成本乃計入該等資產的成本，直至該等資產大致可用於其擬定用途或銷售為止。

就特定借款，因有待合資格資產的支出而臨時投資賺取的投資收入，應自合資格資本化的借款成本中扣除。

所有其他借款成本於其產生期間內於損益中確認。

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

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

2.25 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2. 主要會計政策概要(續)

2.25 即期及遞延所得稅

期內的稅項費用包括即期及遞延稅項。稅項乃於收益表中確認，惟與其他全面收益或直接於權益確認的項目相關者除外。在此情況下，稅項亦分別於其他全面收益或直接於權益中確認。

(a) 即期所得稅

即期所得稅費用根據本公司的附屬公司及聯營公司經營及產生應課稅收入的國家於資產負債表日已頒佈或實質頒佈的稅法計算。管理層就適用稅務法規詮釋所規限的情況定期評估稅項申報情況，並在適用情況下按預期須向稅務機構支付的稅款確定撥備。

(b) 遞延所得稅

內部基準差異

遞延所得稅採用負債法，就資產和負債的稅基與資產和負債在財務報表的賬面值之間產生的暫時性差異確認。然而，若遞延稅項負債來自商譽的初始確認，則不予確認此等遞延稅項負債；若遞延所得稅來自在交易(不包括企業合併)中對資產或負債的初始確認，而該項資產或負債在交易時不影響會計及應課稅損益，則不予確認此等遞延所得稅。遞延所得稅採用在資產負債表日期前已頒佈或實質頒佈，並預期在有關遞延所得稅資產實現或遞延所得稅負債結算時適用的稅率(及法律)而釐定。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

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

2.25 Current and deferred income tax (Cont'd)

(b) Deferred income tax (Cont'd)

Inside basis differences (Cont'd)

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

2. 主要會計政策概要(續)

2.25 即期及遞延所得稅(續)

(b) 遞延所得稅(續)

內部基準差異(續)

遞延所得稅資產僅限於有可能產生未來應課稅利潤並可用於抵銷暫時性差異時予以確認。

外部基準差異

遞延所得稅負債就於附屬公司、聯營公司及合營安排的投資產生的應課稅暫時性差異而撥備，惟就於遞延所得稅負債而言，倘本集團可以控制暫時性差異的撥回時間，而暫時性差異在可預見將來有可能不會撥回則除外。一般情況下，本集團無法控制聯營公司的暫時性差額的回撥。僅當有協議令本集團於可預見未來能夠控制暫時性差額的撥回時，方不會確認與聯營公司未分派溢利所產生應課稅暫時性差額有關的遞延稅項負債。

遞延所得稅資產乃就於附屬公司、聯營公司及合營安排投資產生的可扣減暫時性差異予以確認，僅限於未來有可能撥回暫時性差異且存在充足應課稅利潤可用於抵銷暫時性差額。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

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

2.25 Current and deferred income tax (Cont'd)

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.26 Employee benefits

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the PRC government.

The Group's contributions to the defined contribution retirement schemes are expensed as incurred.

2. 主要會計政策概要(續)

2.25 即期及遞延所得稅(續)

(c) 抵銷

當有可依法強制執行的權利將即期稅項資產與即期稅項負債抵銷，且遞延所得稅資產和負債涉及由同一稅務機關對應課稅實體或不同應課稅實體但有意向以淨額基準結算結餘時徵收所得稅，則可將遞延所得稅資產與負債互相抵銷。

2.26 僱員福利

根據中國的規例及法規，本集團位於中國的僱員參與多項由中國相關市級及省級政府運作的定額供款退休福利計劃，據此，本集團及位於中國的僱員每月須對該等計劃作出按僱員薪金百分比計算得出的供款。

市級及省級政府承諾會承擔根據上述計劃應付予所有現有及未來的退休中國僱員的退休福利責任。除每月供款外，本集團並無進一步責任向其僱員提供退休付款及其他退休後福利。該等計劃的資產乃與本集團的資產分開，並由中國政府所管理的獨立基金持有。

本集團向定額供款退休計劃所作供款於產生時計入開支。

Notes to the Consolidated Financial Statements

合併財務報表附註

(All amounts expressed in thousands of RMB unless otherwise stated)

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

2.27 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.28 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to purchase of property, plant and equipment and intangible assets are included in non-current liabilities as deferred government grants and are credited to the consolidated income statement on a straight-line basis over the expected lives of the related assets.

2. 主要會計政策概要(續)

2.27 撥備

在出現以下情況時，本集團確認撥備：本集團因過往事件而產生現有法律或推定義務；履行該義務預期很可能導致資源流出；金額已可靠估計。未來經營虧損不確認撥備。

如存在多項類似義務，則根據整體義務類別考慮釐定償付時導致資源流出的可能性。即使在同一義務類別所包含的任何單個項目的流出的可能性極低，仍須確認撥備。

撥備按償付義務所須的預期支出金額的現值計量，而計算現值所使用的稅前利率為反映當前市場對資金的時間價值及與有關義務相關的風險的評估。由時間推移引起撥備的增加確認為利息費用。

2.28 政府補貼

在有合理保證將收取補助及本集團將遵守所有隨附條件時，政府補貼乃按其公平值確認。

與成本相關的政府補貼均會遞延並於需要與其有意補償的成本相配比的期間內，在合併收益表確認。

與購買物業、廠房及設備以及無形資產相關的政府補貼於非流動負債項下列作遞延政府補貼，並按直線法在相關資產的預期使用年內計入合併收益表。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

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

2.29 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) *Sales of water and goods*

Sales of water and goods are recognised when a Group entity has delivered products to the customer; the customer has accepted the products and collectability of the related receivables is reasonably assured.

(b) *Sales from construction contracts*

Income from construction service is recognised on the percentage-of-completion method, as further explained in the accounting policy for "construction contract" above (note 2.18).

(c) *Sales of service*

Revenue from wastewater treatment operation and other services is recognised when service is rendered.

2. 主要會計政策概要(續)

2.29 收入確認

收益按已收或應收代價的公平值計量，並指就所供應產品應收的金額，經扣除折讓回報及增值稅後呈列。如能可靠計量收入金額、未來經濟利益可能流向該實體，以及本集團各項業務中如下文所述的特定標準達致時，本集團確認收入。經考慮客戶類型、交易類型及每項安排的特點，本集團根據過往業績對回報作出估計。

(a) *水及產品銷售*

水及產品銷售於本集團實體向客戶付運產品，獲客戶接納及有關應收款項的可收回性得到合理保證時方予以確認。

(b) *建設合約銷售*

建設服務所得收入按完工百分比法確認，如上文「建設合約」的會計政策(附註2.18)所進一步解釋。

(c) *服務銷售*

污水處理及其他服務的收益於提供服務時確認。

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

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

2.29 Revenue recognition (Cont'd)

(d) Rental income

Rental income from investment property is recognised in the income statement on a straight-line basis over the term of the lease.

(e) Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

2.30 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and fair value interest rate risk and cash flow interest rate), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

2. 主要會計政策概要(續)

2.29 收入確認(續)

(d) 租金收入

投資物業的租金收入就租期以直線法於收益表內確認。

(e) 利息收入

利息收入利用實際利率法確認。當貸款及應收款項出現減值時，本集團將其賬面值減至其可收回金額(即以該金融工具的原始實際利率折現的估計未來現金流量)，並繼續將該折現轉回作為利息收入。已減值貸款及應收款項的利息收入使用原始實際利率確認。

2.30 租賃

對由出租人保留的所有權風險及回報的大部分租賃乃分類為經營租賃。根據經營租賃支付的款項(扣除收取出租人的任何優惠)以直線法就租期於收益表內扣除。

3. 財務風險管理

3.1 財務風險因素

本集團的活動令其承受多種財務風險：市場風險(包括貨幣風險、公平值利率風險及現金流量利率風險)、信貸風險及流動資金風險。本集團的整體風險管理計劃專注於金融市場的不可預測性，並設法減低對本集團財務表現的潛在不利影響。

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

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3. FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(a) Market risk (Cont'd)

(i) Foreign exchange risk

The Group operates mainly in the PRC with most of the transactions being settled in Renminbi (“RMB”) which is the functional currency of most of the group companies. In December 2015, the Group has also acquired a subsidiary in Thailand of which the currency is THB. Foreign exchange risk of the Group arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations, primarily with respect to US dollars (“USD”), Euro (“EUR”) and Hong Kong dollars (“HKD”). The Group currently does not have a foreign currency hedging policy.

The foreign currency translation risk arising from the net assets of the subsidiary in Thailand is not material to the Group as at 31 December 2015.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(i) 外匯風險

本集團主要在中國營運，大部分交易以人民幣(「人民幣」)結算，人民幣是本集團旗下大部分公司的功能貨幣。於二零一五年十二月，本集團亦收購一家位於泰國的子公司，其貨幣為泰銖。本集團外匯風險乃產生自與海外投資及經營的現金及現金等價物以及銀行借貸有關的已確認資產／負債，主要是美元(「美元」)、歐元(「歐元」)及港元(「港元」)。本集團目前並無外幣對沖政策。

於二零一五年十二月三十一日，泰國子公司的淨資產產生的外匯風險對集團而言不重大。

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

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3. FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(a) Market risk (Cont'd)

(i) Foreign exchange risk (Cont'd)

The following table shows the sensitivity analysis of a 5% change in RMB against USD, EUR and HKD. The sensitivity analysis includes USD, EUR and HKD denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates with all other variables held constant. If USD, EUR and HKD had strengthened/weakened by 5% against RMB, the effect in the profit for the year of the Group is as follows:

		As at 31 December	
		於十二月三十一日	
		2015	2014
		二零一五年	二零一四年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Net profit (decrease)/increase	淨利潤(減少)/增加		
- Strengthen 5%	- 升值5%	(20,339)	(990)
- Weaken 5%	- 貶值5%	20,339	990

(ii) Fair value and cash flow interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest risk which is partially offset by cash held at variable rates. Borrowings obtained at fixed rates expose the Group to fair value interest risk.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(i) 外匯風險(續)

下表列示人民幣兌美元、歐元和港元變動5%的敏感度分析。該敏感度分析包括以美元、歐元和港元計值的貨幣項目，於年末按外匯匯率變動5%（所有其他變量保持不變）而調整換算。倘非美元、歐元和港元兌人民幣升值／貶值5%，則對本集團年內利潤的影響如下：

(ii) 公平值及現金流量利率風險

本集團的利率風險來自於長期借款。按浮動利率取得的借款使本集團面臨現金流量利息風險，而這部分被按浮動利率持有的現金所抵銷。按固定利率取得的借款使本集團面臨公平值利息風險。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

3. FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(a) Market risk (Cont'd)

(ii) Fair value and cash flow interest rate risk (Cont'd)

The Group regularly reviews and monitors the mix of fixed and floating interest rate borrowings in order to manage its interest rate risk. The Group's interest-bearing bank borrowings, pledged deposits and cash and cash equivalents are stated at amortised cost and not revalued on a periodic basis. Floating rate interest income and expenses are credited/charged to profit or loss as earned/incurred.

If there would be a general increase/decrease in the market interest rates by one percentage, with all other variables held constant, the Group's interest expenses would have increased/decreased by approximately RMB9,790,000 for the year ended 31 December 2015 (2014: RMB1,070,000). The sensitivity analysis above has been determined assuming that the change in market interest rates had occurred as at the 31 December 2015 and 2014 and had applied the exposure to interest rate risk to those financial instruments in existence at those dates. The estimated one percentage point increase or decrease represents management's assessment of a reasonably possible change in market interest rates over the period until the next annual year end.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 公平值及現金流量利率風險(續)

本集團定期審閱和監察固定和浮動利率的借款組合以管理其利率風險。本集團的計息銀行借款、有抵押存款以及現金及現金等價物均按攤銷成本列賬，並非會定期重估。浮動利率利息收入及開支於賺取／產生時計入／抵減損益。

截至二零一五年十二月三十一日止年度，如市場利率整體上升／下跌一個百分點，而所有其他變量保持不變，則本集團的利息開支將增加／減少約人民幣9,790,000元(二零一四年：人民幣1,070,000元)。上述敏感度分析乃假設市場利率變動已於二零一五年及二零一四年十二月三十一日發生並已應用該等金融工具所承擔於該等日期存在的利率風險而釐定。估計一個百分點增加或減少即管理層評估期內直至下一次年度止的市場利率可能合理變動。

Notes to the Consolidated Financial Statements

合併財務報表附註

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(除非另有說明，否則所有金額均以人民幣千元表示)

3. FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(b) Credit risk

Credit risk is managed on group basis. The Group's maximum exposure to credit risk in relation to financial assets is the carrying amounts of cash and cash equivalents, trade and other receivables and receivables under service concession arrangements.

For deposit with banks, the Group has limited its credit exposure by restricting their selection of banks on the reputable local listed commercial banks or state-owned banks. Management believes these financial institutions are reputable and there is no significant credit risk of loss on such assets.

For trade receivables (note 23) and service concession receivables (note 19), the customers are primarily local governments and PRC state-owned entities and management considers the credit risk is not high.

(c) Liquidity risk

Cash flow forecasting is performed in the operating entities of the Group in and aggregated by Group financial department. Group financial department monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash and cash equivalents to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities (note 29) at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信用風險

信用風險按集團基準進行管理。本集團所面對有關金融資產的最大信用風險為現金及現金等價物、貿易及其他應收款項以及服務特許經營安排下的應收款項的賬面值。

就銀行存款而言，本集團透過限制其挑選銀行（挑選信譽良好的地方上市商業銀行或國有銀行）以限制其信用風險。管理層相信該等金融機構信譽良好，並無有關資產虧損的重大信用風險。

就貿易應收款項(附註23)及服務特許經營應收款項(附註19)而言，客戶主要為地方政府及中國國有實體，而管理層認為信用風險並不高。

(c) 流動資金風險

現金流量預測乃由本集團經營實體編製後由本集團財務部匯總而得。本集團財務部監控本集團流動資金需求的滾動預測，以確保有足夠的現金及現金等價物滿足營運需要，同時於任何時間均維持其未提取但已承諾借款融資有足夠餘額(附註29)，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)。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

3. FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(c) Liquidity risk (Cont'd)

Each subsidiary of the Group is responsible for cash flow forecast itself. 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 and borrowings 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 the current rates as at 31 December 2015 and 2014 respectively.

		Less than 1 year 1年以內 RMB' 000 人民幣千元	Between 1 and 2 years 1至2年 RMB' 000 人民幣千元	Between 2 and 5 years 2至5年 RMB' 000 人民幣千元	Over 5 years 5年以上 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
As at 31 December 2015	於二零一五年十二月三十一日					
Financial liabilities	金融負債					
Borrowings	借款	1,183,517	656,083	1,272,105	409,415	3,521,120
Trade and other payables (*)	貿易及其他應付款項(*)	947,368	8,728	22,888	22,899	1,001,883
		2,130,885	664,811	1,294,993	432,314	4,523,003
As at 31 December 2014	於二零一四年十二月三十一日					
Financial liabilities	金融負債					
Borrowings	借款	749,994	113,860	624,858	319,714	1,808,426
Trade and other payables (*)	貿易及其他應付款項(*)	805,116	—	—	—	805,116
		1,555,110	113,860	624,858	319,714	2,613,542

* Excluding staff welfare benefit payable, other taxes payable and advances.

* 不包括應付員工福利、其他應付稅項及墊款。

3. 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險(續)

本集團各附屬公司負責其各自的現金流量預測。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，則分別為截至二零一五年十二月三十一日及二零一四年十二月三十一日即期匯率)計算的利息付款。

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

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3. FINANCIAL RISK MANAGEMENT (Cont'd)

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as "total equity" as shown in the financial statements plus net borrowings.

3. 財務風險管理(續)

3.2 資本管理

本集團的資本管理的目的為保障本集團能夠持續經營，以為股東提供回報及為其他利益相關者提供利益，以及維持最佳的資本架構以減少資本成本。

為保持或調整資本結構，本集團可能會調整派付予股東的股息金額、向股東退還資本或出售資產以減少債務。

本集團根據資產負債比率監控資本。該比率按淨債務除以總資本計算。淨債務按借款總額(包括合併資產負債表所示的「即期及非即期借款」)減現金及現金等價物計算。總資本按財務報表所示的「權益總額」加借款淨額計算。

As at 31 December

於十二月三十一日

		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Total borrowings (note 29)	借款總額(附註29)	3,064,315	1,139,315
Less: cash and cash equivalents (note 25)	減：現金及現金等價物(附註25)	(1,672,121)	(612,649)
Net borrowings	借款淨額	1,392,194	526,666
Total equity	權益總額	4,942,612	2,721,324
Total capital	資本總額	6,334,806	3,247,990
Gearing ratio	資產負債比率	21.98%	16.22%

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

(All amounts expressed in thousands of RMB unless otherwise stated)

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3. FINANCIAL RISK MANAGEMENT (Cont'd)

3.3 Financial instruments by category

		As at 31 December 於十二月三十一日	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Assets	資產		
Trade and other receivables - excluding non-financial assets	貿易及其他應收款項 (不包括非金融資產)	1,101,786	751,224
Receivables under service concession arrangements	服務特許經營安排下的應收款項	1,953,279	1,454,262
Amounts due from customers for contract works	合約工程應收客戶款項	407,619	200,379
Cash and cash equivalents	現金及現金等價物	1,672,121	612,649
Restricted cash	受限制現金	19,603	—
Liabilities	負債		
Borrowings	借款	3,064,315	1,139,315
Trade and other payables (*)	貿易及其他應付款項(*)	1,001,883	805,116

* Excluding staff welfare benefit payable, other taxes payable and advances.

* 不包括應付員工福利、其他應付稅項及墊款。

3.4 Fair value estimation

The Group's financial instruments recognized in the consolidated balance sheet are mainly receivables and financial liabilities carried at amortized cost. The fair values of these financial instruments approximate their carrying amounts.

Financial instruments carried at fair value are disclosed by levels of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

3.4 公平值估計

本集團於合併資產負債表內確認的金融工具主要為按攤銷成本列賬的應收款項及金融負債。該等金融工具的公平值與其賬面值相若。

按公平值列賬的金融工具乃按以下公平值計量層級進行披露：

- 相同資產或負債在活躍市場的報價(未經調整)(第一級)。
- 除第一級所包括的報價外，該資產或負債的可觀察(直接(即價格)或間接(即源自價格))輸入數據(第二級)。
- 並非依據可觀察市場數據得出的資產或負債的輸入數據(即不可觀察輸入數據)(第三級)。

Notes to the Consolidated Financial Statements

合併財務報表附註

(All amounts expressed in thousands of RMB unless otherwise stated)

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3. FINANCIAL RISK MANAGEMENT (Cont'd)

3.4 Fair value estimation (Cont'd)

As at 31 December 2015, the Group does not have any other financial instruments that are measured at fair value (2014: nil).

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments used in preparing these financial statements are evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Impairment of trade and other receivables and receivables under service concession arrangements

The Group records impairment of receivables based on an assessment made by management on the recoverability of trade and other receivables, and receivables under service concession arrangements. Provisions are applied where events or changes in circumstances indicate that the balances may not be collectible. Impairment assessment requires the use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact both the carrying value of trade and other receivables and the impairment charge in the period in which such estimate has been changed.

3. 財務風險管理(續)

3.4 公平值估計(續)

於二零一五年十二月三十一日，本集團並無按公平值計量的任何其他金融工具(二零一四年：無)。

4. 主要會計估計及判斷

編製該等財務報表時所用的估計及判斷乃根據過往經驗及其他因素(包括根據現有情況對未來事件作出的認為屬合理的預期)而作出並會進行評估。

本集團會就未來作出估計及假設。根據定義，因此而作出的會計估計極少與相關實際結果相同。很可能導致對下個財政年度的資產及負債的賬面值作出重大調整的估計及假設論述如下。

(a) 貿易及其他應收款項以及服務特許經營安排下的應收款項減值

本集團根據管理層對貿易及其他應收款項以及服務特許經營安排下的應收款項可收回程度作出的評估入賬應收款項減值。一旦事件發生或情況改變顯示餘額可能無法收回時，則會作出撥備。減值評估須運用判斷及估計。當預期的金額與原定估計有差異時，則該差異將會影響估計改變期間內貿易及其他應收款項的賬面值及減值額。

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

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)

(b) Income taxes and deferred taxation

The Group is primarily subject to income taxes in the PRC. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provision in the year in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

(c) Percentage of completion of construction and service contracts

The Group recognises revenue for construction work and services contracts according to the percentage of completion of the individual contract of construction or service work. Management estimates the percentage of completion of construction or service work based on the actual cost incurred over the total budgeted cost, where the corresponding contract revenue is also estimated by management. Because of the nature of the activity undertaken in construction and service contracts, the date at which the activity is entered into and the date when the activity is completed usually fall into different accounting periods. The Group reviews and revises the estimation of both contract revenue and contract costs in the budget prepared for each construction contract and services contract as the contract progresses.

4. 主要會計估計及判斷(續)

(b) 所得稅及遞延稅項

本集團主要須繳納中國所得稅。釐定所得稅撥備時須作出重大判斷。於日常業務過程中，不少交易及計算的最終釐定均不確定。倘此等事宜的最終稅務結果與初步記錄的金額不同，有關差額將影響於作出有關釐定的年度所得稅及遞延稅項撥備。

當管理層認為未來可能有應課稅利潤以用作抵銷暫時性差異或稅項虧損時，會確認與若干暫時差額及稅項虧損有關的遞延所得稅資產。其實際動用的結果可能會有所不同。

(c) 建設及服務合約完成百分比

本集團根據個別建設工程或服務工程合約的完成百分比確認建設工程及服務合約的收入。管理層根據實際產生的成本與總預算成本的比例估計建設或服務工程的完成百分比，管理層亦估計相應合約收入。由於建設及服務合約所進行的工程活動性質使然，進行工程活動的日期及工程活動完工的日期通常介於不同的會計期間。本集團於合約進行時檢討及修訂為各建設合約及服務合約編製的預算內的合約收入及合約成本估計。

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

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)

(d) Service concession arrangements

The fair value of the construction and upgrade service under the concession arrangement is calculated as the estimated total construction cost plus a profit margin of 3.93% to 5.47%. The profit margins are valued by an independent qualified valuer, based on prevailing market rate applicable to similar construction services rendered in similar location at date of agreement.

The Group is paid for the construction and upgrade services by a financial asset and/or an intangible asset, and each component of the operator's consideration is accounted for separately. Significant judgment is exercised in determine the fair values of the financial receivable at initial recognition. Discount rates, estimates of future cash flows and other factors are used in the valuation process. Any change in the expected cash flows will result in change in the carrying value of the financial receivable.

When the Group receives a payment during the concession period, it will apportion such payment between (i) a repayment of the financial receivable (if any), which will be used to reduce the carrying amount of financial receivables on the consolidated balance sheet, (ii) interest income, will be recognised as revenue in profit or loss and (iii) revenue from operating the water treatment plants in the profit or loss. Revenue from operating and maintaining service is calculated based on cost plus a profit margin.

Subsequent to initial recognition, the intangible asset is measured at cost, which includes capitalised borrowing costs, less accumulated amortisation and impairment losses. The estimated useful life of an intangible asset in a service concession arrangement is the period from when the Group is able to charge the public for the use of the infrastructure to the end of the concession period.

4. 主要會計估計及判斷(續)

(d) 服務特許經營安排

特許經營安排下建設及升級服務的公平值按估計總建造成本加利潤率3.93%至5.47%計算。利潤率由一名獨立合資格估值師根據於協議日期在類似地點提供類似建設服務所適用的現行市價進行估值。

本集團為運營商提供服務而形成金融資產及／或無形資產，各類資產分開入賬。於釐定財務應收款項初始確認的公平值時需進行重大判斷。於估值過程中使用貼現率、估計未來現金流量及其他因素。倘預期現金流量有任何變動，將導致財務應收款項賬面值產生變動。

本集團於特許經營期內收到款項時，其會將有關款項分配至(i)償還財務應收款項(如有)，將用以減少合併資產負債表財務應收款項的賬面值、(ii)利息收入(將於損益表確認為收益)及(iii)污水處理廠運營收益(於損益表確認)。其中經營及維修服務所得收益根據成本加利潤率計算。

於初始確認後，無形資產按成本(包括資本化借貸成本)減累計攤銷及減值虧損計量。服務特許經營安排中無形資產的估計可使用年期為自本集團可就公眾使用基礎設施收取費用之時起至特許經營期結束為止的期間。

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

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)

(d) Service concession arrangements (Cont'd)

The carrying amounts of the operation concession carried as intangible assets in the consolidated balance sheet as at 31 December 2015 were RMB1,447,977,000 (2014: RMB146,406,000), while the receivables under service concession arrangements were RMB1,953,279,000 (2014: RMB1,454,262,000).

The operator may have contractual obligations it must fulfil as a condition of its licence (a) to maintain the infrastructure to a specified level of serviceability or (b) to restore the infrastructure to a specified condition before it is handed over to the Grantor at the end of the service arrangement. These contractual obligations to maintain or restore infrastructure, except for any upgrade element, shall be recognised and measured in accordance with HKAS 37 at the best estimate of the expenditure that would be required to settle the present obligation at the end of the reporting period in the consolidated balance sheet.

According to the service concession arrangements signed with the Grantors, the service fee unit price would be periodic adjusted to compensated operating cost increase, including labour costs, material costs, taxation, through a pricing mechanism which still subject to regulation by local government authorities.

Judgement is required in assessing whether these increase costs can be compensate through unit price adjustment and the timing. In making this judgement, the Group evaluates the pricing mechanism in the service concession arrangements, the extent of development of the project, status of negotiation with the government authorities.

4. 主要會計估計及判斷(續)

(d) 服務特許經營安排(續)

於二零一五年十二月三十一日，按無形資產列入合併資產負債表的經營特許權的賬面值為人民幣1,447,977,000元(二零一四年：人民幣146,406,000元)，而服務特許經營安排下的應收款項為人民幣1,953,279,000元(二零一四年：人民幣1,454,262,000元)。

營運商可擁有合約責任，其必須符合其許可證條件(a)維護其基建，確保符合特定的可提供服務的水平或(b)於服務安排結束時，在向授予人移交該等基建之前，將其修復至指定狀態。該等維護或修復基建的合約責任(任何升級部分除外)乃根據香港會計準則第37號予以確認與計量，即於合併資產負債表內按於報告期末履行當前責任所需支出的最佳估計值進行確認與計量。

根據與授予人簽訂的服務特許經營安排，服務費單價會按照定價機制(仍受地方政府部門監管)定期調整，以抵銷勞工成本、材料成本、稅項等經營成本漲幅。

評估成本漲幅可否通過調整單價進行抵銷以及調整時機時，須作出判斷。作出判斷時，本集團會評估服務特許經營安排中的定價機制、項目發展程度以及與政府部門的磋商情況。

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

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)

(e) Useful lives and residual values of property, plant and equipment, and intangible assets

The Group's management determines the useful lives, residual values and related depreciation/amortisation charges for its property, plant and equipment and intangible assets, and reviews the useful lives and residual values periodically to ensure that the method and rates of depreciation are consistent with expected pattern of realisation of economic benefits from property, plant and equipment. This estimate is based on the historical experience of the actual residual values and useful lives of plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to server industry cycles. If there are significant changes from previous estimated useful lives and residual values, the amount of depreciation/amortisation expenses may changes.

(f) Estimated impairment of goodwill

Goodwill is reviewed for impairment at each balance sheet date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts of goodwill has been determined based on value-in-use calculations, taking into account latest market information and past experience. These calculation require the use of judgements and estimates.

Key assumptions used in the value-in-use calculations are disclosed in Note 20.

A sensitivity analysis on key assumptions used in the calculation has been carried out. If the gross margin or growth rate had been lower than management estimates by 5% or discount rate had been higher than management estimates by 5% with other variables held constant, the Group would not have suffered any impairment of goodwill as at 31 December 2015.

4. 主要會計估計及判斷(續)

(e) 物業、廠房及設備以及無形資產的可使用年期及餘值

本集團管理層釐定物業、廠房及設備以及無形資產的可使用年期、餘值及相關折舊／攤銷費用，並定期檢討可使用年期及餘值，確保折舊方法及折舊率與物業、廠房及設備所得經濟利益的預計變現模式一致。此估計乃基於對類似性質及功能的廠房及設備的實際餘值及可使用年期的過往經驗。估計可能因技術改進及競爭對手為應對行業週期而採取的行動而大幅變動。倘先前可使用年期及餘值的估計出現大幅變動，折舊金額／攤銷開支或會變動。

(f) 估計商譽減值

商譽於各資產負債表日期或有事件發生或狀況轉變顯示可能無法收回其賬面值時檢討是否出現減值。商譽的可收回金額乃根據使用價值的計算結果在計及最新市場資料及過往經驗後進行釐定。進行有關計算時需作出判斷及估計。

計算使用價值時所採用的主要假設已於附註20披露。

本集團已就計算過程中所採用的主要假設作出敏感度分析。倘毛利率或增長率比管理層的估計低5%或貼現率比管理層的估計高5%，而其他變量保持不變，則本集團於二零一五年十二月三十一日不會出現任何商譽減值的情況。

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

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)

(g) Purchase accounting

Accounting for acquisitions require the Group to allocate the cost of acquisition to specific assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. In connection with the acquisitions in note 35, the Group has undertaken a process to identify all assets and liabilities acquired, including acquired intangible assets. Judgements made in identifying all acquired assets, determining the estimated fair value assigned to each class of assets acquired and liabilities assumed, as well as asset's useful lives, could materially impact the calculation of goodwill and depreciation and amortisation charges in subsequent periods. Estimated fair values are based on information available near the acquisition date and on expectations and assumptions that have been deemed reasonable by management. Determining the estimated useful lives of tangible and intangible assets acquired also requires judgement.

4. 主要會計估計及判斷(續)

(g) 關於購買事項的會計處理

在對收購事項進行會計處理時，要求本集團根據所收購資產及所承擔負債於收購日期的估計公平值，將收購成本分配到所收購的特定資產及所承擔的特定負債中。對於附註35所述的收購事項，本集團已執行程序，確定所收購的全部資產及負債，包括所收購的無形資產。確定所收購的全部資產、釐定分配至所收購的各類資產及所承擔的各類負債中的估計公平值以及資產使用年期時所作出的判斷，可對其後期間計算商譽以及折舊及攤銷開支時產生重大影響。估計公平值乃根據臨近收購日期所可掌握的資料，且在預計並假設有關資料已獲管理層視為合理的基礎上得出。釐定有形及無形資產的估計使用年期時亦需作出判斷。

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

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5. SEGMENT INFORMATION

The executive directors of the Company are the chief operating decision-maker of the Group. Management has determined the operating segments based on reports reviewed by the executive directors of the Company for the purpose of allocating resources and assessing performance.

The executive directors of the Company consider the business from product and service perspective.

During the year, the Group has invested in new business and new region. The Group is reorganised into the business segments as below:

- (a) Wastewater treatment;
- (b) Water supply;
- (c) Construction services and equipment sales;
- (d) Solid waste treatment *;
- (e) The “Others”, involves operation & maintenance services and other businesses.

* With the acquisition of several companies in the PRC and Thailand, solid waste treatment business became significant to the Group, it has been disclosed as a separate segment in the consolidated financial statements.

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 are allocated based on the operations of the segment and the physical location of the asset. These liabilities are allocated based on the operations of the segment.

5. 分部資料

本公司執行董事為本集團的首席經營決策者，管理層根據本公司執行董事為資源分配及表現評估目的所審閱的報告釐定經營分部。

本公司執行董事從產品與服務層面考慮業務。

本集團於年內已投資新業務及新領域。本集團重組為以下業務分部：

- (a) 污水處理；
- (b) 供水；
- (c) 建造服務及設備銷售；
- (d) 固廢處理*；
- (e) 「其他」，涉及運營和維護服務及其他業務。

* 透過收購中國及泰國的多家公司，固廢處理業務已成為本集團的重大業務，其已於合併財務報表內作為獨立分部披露。

管理層分開監察本集團經營分部的業績，以對資源分配及表現評估作出決策。分部表現按可呈報業績進行評估，其為各經營分部收入及毛利的一種計量。

本公司執行董事獲提供的總資產及總負債金額乃以與財務報表所採用者一致的方式計量。該等資產根據分部經營業務及資產所處實際地點進行分配。該等負債根據分部經營業務進行分配。

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

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(除非另有說明，否則所有金額均以人民幣千元表示)

5. SEGMENT INFORMATION (Cont'd)

- (i) Segment results and capital expenditure for the years ended 31 December 2015 and 2014 are as follows:

Year ended 31 December 2015:

		Wastewater treatment	Water supply	Construction and equipment sales	Solid waste treatment	Others	Unallocated	Total
		污水處理	供水	建造及 設備銷售	固廢處理	其他	未分配	總計
		RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Gross segment revenue	分部收益總額	420,009	454,577	644,183	8,220	78,594	—	1,605,583
Inter-segment revenue	分部間收益	—	—	(47,189)	—	—	—	(47,189)
Revenue	收益	420,009	454,577	596,994	8,220	78,594	—	1,558,394
Gross profit	毛利	207,672	108,507	144,384	1,271	45,788	—	507,622
Other income	其他收入							97,552
Other gains - net	其他收益淨額							12,402
Selling expenses	銷售開支							(17,187)
Administrative expenses	行政開支							(181,220)
Finance costs - net	融資成本淨額							(41,196)
Share of profit/ (loss) of investments accounted for using equity method	以權益法入賬的應佔 投資溢利/(虧損)	4,971	—	—	—	(75)	—	4,896
Profit before income tax	所得稅前溢利							382,869
Income tax expenses	所得稅開支							(65,426)
Profit for the year	年內溢利							317,443
Depreciation and amortisation	折舊和攤銷	(31,376)	(21,448)	(9,181)	(3,841)	(2,279)	(6,012)	(74,137)
Segment assets	分部資產	2,756,951	815,567	1,192,471	2,168,355	393,268	2,275,679	9,602,291
Segment assets include: Investments accounted for using equity method	分部資產包括： 以權益法入賬的投資	—	—	—	—	34,925	—	34,925
Segment liabilities	分部負債	610,785	97,156	559,553	584,371	287,984	2,519,830	4,659,679
Additions to non-current assets (other than financial instruments and deferred tax assets)	非流動資產的添置 (金融工具和遞延稅項 資產除外)	302,014	67,965	54,801	1,419,503	11,970	144,207	2,000,460

5. 分部資料(續)

- (i) 截至二零一五年及二零一四年十二月三十一日止年度的分部業績及資本開支如下：

截至二零一五年十二月三十一日止年度：

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

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5. SEGMENT INFORMATION (Cont'd)

- (i) Segment results and capital expenditure for the years ended 31 December 2015 and 2014 are as follows: (Cont'd)

Year ended 31 December 2014 (Restated)*:

		Wastewater treatment 污水處理 RMB' 000 人民幣千元	Water supply 供水 RMB' 000 人民幣千元	Construction and equipment sales 建造及 設備銷售 RMB' 000 人民幣千元	Solid waste treatment 固廢處理 RMB' 000 人民幣千元	Others 其他 RMB' 000 人民幣千元	Unallocated 未分配 RMB' 000 人民幣千元	Total 合計 RMB' 000 人民幣千元
Gross segment revenue	分部收益總額	383,608	216,043	551,862	—	31,034	—	1,182,547
Inter-segment revenue	分部間收益	—	—	(81,786)	—	—	—	(81,786)
Revenue	收益	383,608	216,043	470,076	—	31,034	—	1,100,761
Gross profit	毛利	128,358	75,600	120,073	—	9,606	—	333,637
Other income	其他收入							49,059
Other gains – net	其他收益淨額							3,273
Selling expenses	銷售開支							(13,456)
Administrative expenses	行政開支							(125,816)
Finance costs - net	融資成本淨額							(31,482)
Share of profit of investments accounted for using equity method	以權益法入賬的應佔 投資溢利	10,942	—	—	—	—	—	10,942
Profit before income tax	所得稅前溢利							226,157
Income tax expenses	所得稅開支							(38,261)
Profit for the year	年內溢利							187,896
Depreciation and amortisation	折舊和攤銷	(22,447)	(24,546)	(3,871)	—	(3,171)	(3,911)	(57,946)
Segment assets	分部資產	2,715,338	769,595	743,972	11,000	95,480	684,554	5,019,939
Segment assets include: Investments accounted for using equity method	分部資產包括： 以權益法入賬的投資	45,178	—	—	—	—	—	45,178
Segment liabilities	分部負債	536,586	107,179	463,640	—	36,107	1,155,103	2,298,615
Additions to non-current assets (other than financial instruments and deferred tax assets)	非流動資產的添置 (金融工具和遞延稅項 資產除外)	171,130	259,830	34,594	11,000	1,871	200,299	678,724

* The segment information is applied retrospectively for the comparison to the year ended 31 December 2015.

* 分部資料獲追溯應用，以與截至二零一五年十二月三十一日止年度作比較。

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

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5. SEGMENT INFORMATION (Cont'd)

- (ii) For the years ended 31 December 2015 and 2014, the Group's business were primarily carried out in the PRC, thus, geographical segment information on operational performance has not been prepared. The table of segment assets/liabilities by region is as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Segment assets	分部資產		
– PRC	– 中國	8,886,724	5,019,939
– Other countries	– 其他國家	715,567	—
		9,602,291	5,019,939
Segment liabilities	分部負債		
– PRC	– 中國	4,397,197	2,298,615
– Other countries	– 其他國家	262,482	—
		4,659,679	2,298,615

Inter-segment transfers or transactions are entered into at terms and conditions agreed upon by respective parties. Eliminations comprise inter-segment trade and non-trade balances. Pricing policy for inter-segment transactions is determined by reference to market price.

5. 分部資料(續)

- (ii) 截至二零一五年及二零一四年十二月三十一日止年度，本集團主要在中國開展業務，故經營表現的地域分部資料並未編製。下表載列按地域劃分的分部資產／負債：

分部間轉撥或交易乃按各方協定的條款及條件進行。對銷包括分部間貿易及非貿易結餘。分部間交易的定價政策經參考市價後釐定。

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

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5. SEGMENT INFORMATION (Cont'd)

Breakdown of the revenue from all services is as follows:

5. 分部資料(續)

自全部服務產生的收益之明細載列如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Operating services	運營服務	360,232	289,959
Construction services	建造服務	648,908	460,483
Finance income	融資收入	107,979	55,744
EPC and equipment sales	EPC及設備銷售	362,681	263,541
Others	其他	78,594	31,034
		1,558,394	1,100,761

Revenue of approximately RMB181,271,000, RMB162,763,000 and RMB155,867,000 are derived from the three largest single customers for the year ended 31 December 2015, representing 12%, 10% and 10% of the Group's total revenue, which are attributable to revenue from construction and equipment sales. Revenue of approximately RMB202,162,000 is derived from the largest single customer for the year ended 31 December 2014, representing 18% of the Group's total revenue and is attributable to revenue from construction and equipment sales.

截至二零一五年十二月三十一日止年度，來自三名最大單一客戶的收益分別約為人民幣181,271,000元、人民幣162,763,000元及人民幣155,867,000元，佔本集團總收益的12%、10%及10%。該等收益來自建造及設備銷售。截至二零一四年十二月三十一日止年度，來自最大單一客戶的收益約為人民幣202,162,000元，佔本集團總收益的18%。該等收益來自建造及設備銷售。

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

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6. OTHER INCOME

6. 其他收入

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Interest income	利息收入		
– Bank deposits and others	– 銀行存款及其他	10,325	8,370
– Other receivables from third parties	– 來自第三方的其他 應收款項	10,318	—
– Other receivables from related parties (note 36(b) (v))	– 來自關聯方的其他 應收款項 (附註 36(b)(v))	4,552	1,634
Rental income - net (note 18)	租金收入淨額(附註 18)	3,680	3,480
Government grants (note a)	政府補助(附註 a)	68,565	34,880
Miscellaneous income	雜項收入	112	695
		97,552	49,059

(a) Amounts represented the subsidies granted by certain local governments to the Group in respect of the Group's provision of sewage and reclaimed water treatments, distribution and sale of piped water or construction of sewage and reclaimed water treatment plants.

(a) 該款項指若干地方政府就本集團提供污水及再生水處理、分銷及銷售自來水或建設污水及再生水處理廠而向其授出的補貼。

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

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7. OTHER GAINS - NET

7. 其他收益淨額

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Negative goodwill arising from acquisition of a subsidiary (note 35(d))	收購一家附屬公司產生的負商譽(附註35(d))	12,472	—
(Loss)/profit on disposal of property, plant and equipment and land use rights	出售物業、廠房及設備以及土地使用權的(虧損)/收益	(70)	3,273
		12,402	3,273

8 EXPENSES BY NATURE

8. 按性質劃分的開支

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Employee benefit expenses (note 9)	僱員福利開支(附註9)		
– Cost of sales	– 銷售成本	62,728	35,345
– Administrative expenses	– 行政開支	76,300	58,884
– Selling expenses	– 銷售開支	9,242	7,371
Depreciation of property, plant and equipment (note 17)	物業、廠房及設備折舊(附註17)	59,530	46,054
Amortisation of land use right (note 16)	土地使用權攤銷(附註16)	3,470	2,932
Amortisation of intangible assets (note 20)	無形資產攤銷(附註20)	11,137	8,631
Legal and professional fee	法律及專業費用	22,967	4,397
Auditor's remuneration	核數師薪酬	5,967	1,701
– Audit services	– 審核服務	5,236	1,008
– Non-audit services	– 非審核服務	731	693
Allowance for doubtful debts	呆賬撥備	2,412	8,345
Cost of solid waste treatment	固廢處理成本	6,642	—
Costs of sewage and water distribution services	污水及供水服務成本	65,410	72,516
Costs of construction services	建造服務成本	553,799	431,134
Costs of EPC and equipment sales	EPC及設備銷售成本	265,080	156,558
Others	其他	104,495	72,528
Total cost of sales, selling expenses and administrative expenses	銷售成本、銷售開支及行政開支總額	1,249,179	906,396

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

9 EMPLOYEE BENEFIT EXPENSES-INCLUDING DIRECTORS' EMOLUMENTS 9. 僱員福利開支－包括董事酬金

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 千人民幣千元
Wages and salaries	工資及薪金	112,710	82,525
Social Security benefits	社會保障福利	18,730	10,242
Housing benefits	住房福利	5,442	2,768
Staff welfare	員工福利	7,570	2,739
Other allowances and benefits	其他津貼及福利	3,818	3,326
		148,270	101,600

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2014: two) directors, whose emoluments are reflected in the analysis shown in note 39. The emoluments payable to the remaining two (2014: three) individuals during the year are as follows:

(a) 五名最高薪人士

本集團於本年度的五名最高薪人士包括三名(二零一四年：兩名)董事，其酬金反映於附註39所列分析。於本年度向餘下兩名(二零一四年：三名)人士應付的酬金如下所示：

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 千人民幣千元
Basic salaries, housing allowances, other benefits in kind	基本薪金、住房津貼、其他實物福利	931	717
Bonuses	花紅	280	366
		1,211	1,083

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

9 EMPLOYEE BENEFIT EXPENSES-INCLUDING DIRECTORS' EMOLUMENTS (Cont'd) 9. 僱員福利開支－包括董事酬金 (續)

(a) Five highest paid individuals (Cont'd)

The emoluments of these remaining individuals of the Group fell within the following bands:

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年	2014 二零一四年
Emolument bands	酬金範圍		
	零至人民幣 838,000 元		
Nil to RMB838,000 (equivalent to nil to HKD1,000,000)	(相等於零至 1,000,000 港元)	2	3

(b) No emolument was paid by the Group to any of the above directors or the five highest paid individuals as an inducement to join, upon joining the Group, leave the Group or as compensation for loss of office for the years ended 31 December 2015 and 2014.

(a) 五名最高薪人士(續)

本集團該等餘下人士的酬金介乎以下範圍：

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年	2014 二零一四年

(b) 截至二零一五年及二零一四年十二月三十一日止年度，本集團概無向上述任何董事或五名最高薪人士支付任何酬金，作為招攬其加入本集團、於加入本集團後的獎勵，或作為其離開本集團或離職的補償。

10. FINANCE COSTS - NET

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 千人民幣千元
Borrowing costs	借款成本	92,622	55,354
Less: amounts capitalised on qualifying assets (note 17)	減：合資格資產的資本化金額(附註 17)	(27,785)	(21,090)
		64,837	34,264
Unwinding of provision (note 32)	解除撥備(附註 32)	1,912	769
Foreign exchange gains on financing activities (note a)	融資活動外匯收益(附註 a)	(25,553)	(3,551)
		41,196	31,482

(a) Amounts mainly represented exchange gains on converting HKD denominated cash proceeds of global offering to RMB.

(a) 該金額主要指將以港元計值的全球發售所得款項現金兌換為人民幣所產生的匯兌收益。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

11. INCOME TAX EXPENSES

11. 所得稅開支

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 千人民幣千元
Current income tax	即期所得稅		
– PRC corporate income tax	– 中國企業所得稅	54,236	43,908
Deferred income tax (note 31)	遞延所得稅(附註31)	11,190	(5,647)
		65,426	38,261

Certain subsidiaries in certain industries operated in the western region of Mainland China can enjoy a preferential corporate income tax rate of 15%, provided their revenues from principal activities amount to more than 70% of their total revenues in the year.

Certain subsidiaries operated wastewater and solid waste treatment projects in Mainland China were eligible for tax holiday of a three-year full exemption followed by a three-year half exemption commencing from their respective first year generating operating revenue.

Under the PRC Corporate Income Tax Law and respective regulations, except for preferential treatments available to certain subsidiaries as mentioned above, other subsidiaries within the Group were subject to corporate income tax at the statutory rate of 25%.

No provision for Hong Kong profits tax and Thailand profits tax was made as the Group did not have assessable profit in Hong Kong and Thailand during the year.

在中國內地西部地區運營若干行業的若干附屬公司可享受15%的優惠企業所得稅稅率，前提是其主要業務產生的收益為其年內總收益的70%以上。

在中國內地運營污水及固廢處理項目的若干附屬公司符合資格享受自其各自首個產生運營收益年度起開始三年免稅及其後三年稅收減半的稅務優惠。

根據《中華人民共和國企業所得稅法》及相關條例，除上述若干附屬公司享受的優惠待遇外，本集團其他附屬公司須按25%的法定稅率繳納企業所得稅。

由於本集團年內並無在香港及泰國產生應課稅溢利，故並無計提香港利得稅及泰國利得稅撥備。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

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11. INCOME TAX EXPENSES (Cont'd)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profit of the Group entities as follows:

11. 所得稅開支(續)

本集團除稅前利潤的稅項有別於使用適用於集團實體的利潤的加權平均稅率所計算的理論金額，具體如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Profit before tax	除稅前利潤	382,869	226,157
Tax calculated at domestic tax rates applicable to profits in the respective companies	按有關公司利潤適用的境內稅率計算的稅項	64,172	40,005
Tax effects of:	以下各項的稅務影響：		
– Associate and joint venture's results reported net of tax	– 所報告的聯營公司及合營公司業績(扣除稅項)	(1,224)	(2,735)
– Expenses not deductible for tax purposes	– 不可扣稅開支	2,478	991
Income tax expenses	所得稅開支	65,426	38,261

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

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(除非另有說明，否則所有金額均以人民幣千元表示)

12. EARNINGS PER SHARE

(a) Basic

The basic earnings per share is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares issued or deemed to be issued during the year. The Company was converted to a joint stock company on 22 July 2014, 787,880,000 ordinary shares with par value of RMB1 each were issued and allotted to the respective shareholders of the Company according to the paid-in capitals registered under these shareholders as at 22 July 2014. This capitalisation of share capital is applied retrospectively during the year ended 31 December 2014 for the purpose of computation of earnings per share.

On 27 May and 10 June 2015, 287,521,000 and 43,128,000 H shares with par value of RMB1 each were issued by the Company on the Main Board of The Stock Exchange of Hong Kong Limited, respectively.

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Profit attributable to the owners of the Company (RMB' 000)	本公司擁有人應佔溢利 (人民幣千元)	285,853	166,587
Weighted average number of ordinary shares in issue (thousands)	已發行的普通股加權平均數(千股)	1,059,181	806,551
Basic earnings per share (RMB per share)	每股基本盈利 (每股人民幣元)	0.270	0.206

(b) Diluted

Diluted earnings per share is the same as basic earnings per share as there were no potential diluted ordinary shares outstanding as at 31 December 2015 and 2014.

12. 每股盈利

(a) 基本

每股基本盈利按本公司擁有人應佔溢利除以年內已發行或視作已發行的普通股加權平均數計算。本公司於二零一四年七月二十二日轉型為股份有限公司，787,880,000股每股面值人民幣1元的普通股乃根據二零一四年七月二十二日登記於該等股東名下的實繳資本發行及配發予本公司各股東。本次股本資本化乃於截至二零一四年十二月三十一日止年度追溯應用，以計算每股盈利。

於二零一五年五月二十七日及六月十日，本公司於香港聯合交易所有限公司主板分別發行287,521,000股及43,128,000股每股面值人民幣1元的H股。

(b) 攤薄

由於二零一五年及二零一四年十二月三十一日並無發行在外的潛在攤薄普通股，故每股攤薄盈利與每股基本盈利相同。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

13. DIVIDENDS

At the board of directors meeting held on 30 March 2016, the directors of the Company proposed a final dividend for the year ended 31 December 2015 of RMB0.1 per ordinary share (tax included) amounting to approximately RMB119,321,000 out of retained earnings of the Company. These proposed dividends have not been reflected as dividends payable in these consolidated financial statements for the year ended 31 December 2015 but will be reflected as dividends distribution for the year ending 31 December 2016.

Pursuant to the resolution of the shareholder's meeting of the Company on 1 November 2014, the Company had declared and paid cash dividends of RMB110,500,000 in 2014.

13. 股息

在二零一六年三月三十日舉行的董事會會議上，本公司董事建議就截至二零一五年十二月三十一日止年度派付末期股息每股普通股人民幣0.1元(含稅)，合共約人民幣119,321,000元自本公司保留盈利中撥付。該等建議股息並無於截至二零一五年十二月三十一日止年度的有關合併財務報表中反映為應付股息，但將於截至二零一六年十二月三十一日止年度反映為股息分派。

根據本公司於二零一四年十一月一日股東大會的決議案，本公司於二零一四年已宣派及派付現金股息人民幣110,500,000元。

Notes to the Consolidated Financial Statements

合併財務報表附註

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

14. SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 December 2015, all of which are private limited liability companies:

14. 附屬公司

以下為二零一五年十二月三十一日主要附屬公司名單，其均是非上市有限公司：

Name 名稱	Place of incorporation and kind of legal status 註冊地點及法律狀況類型	Principal activities and place of operation 主要活動及營業地點	Issued and fully paid-up capital/ registered capital 已發行及悉數 繳足股本/註冊資本	Percentage of equity attributable to the Company (%) 本公司應佔 權益百分比(%)	Percentage of equity attributable to the non- controlling interest (%) 非控制權益應佔 權益百分比(%)
Dali Water Industry Investment Co., Ltd. ("Dali Water") 大理水務產業投資有限公司(「大理水務」)	PRC, Limited liability company 中國，有限責任公司	Sewage treatment and water distribution, PRC 污水處理及供水，中國	RMB90,000,000 人民幣90,000,000元	45*	55
Yunnan OriginWater Technology Company Limited("OriginWater Technology") 雲南城投碧水源水務科技有限責任公司(「城投碧水源水務科技」)	PRC, Limited liability company 中國，有限責任公司	Environmental protection equipment sales and Construction, PRC 環保設備銷售及建設，中國	RMB60,000,000 人民幣60,000,000元	100	—
Yunnan OriginWater Membrane Technology Co., Ltd. 雲南城投碧水源膜科技有限責任公司	PRC, Limited liability company 中國，有限責任公司	Environmental protection equipment sales, PRC 環保設備銷售，中國	RMB55,614,800 人民幣55,614,800元	71.93	28.07
Jinghong Water Supply and Drainage Co., Ltd. 景洪市給排水有限責任公司	PRC, Limited liability company 中國，有限責任公司	Sewage treatment and water distribution, PRC 污水處理及供水，中國	RMB80,000,000 人民幣80,000,000元	51	49
Honghe Water Industry Investment Co., Ltd. 紅河州水務產業投資有限公司	PRC, Limited liability company 中國，有限責任公司	Sewage treatment, PRC 污水處理，中國	RMB85,000,000 人民幣85,000,000元	100	—
Emin Water Industry Investment Co., Ltd. 額敏縣水務產業投資有限公司	PRC, Limited liability company 中國，有限責任公司	Water distribution, PRC 供水，中國	RMB50,000,000 人民幣50,000,000元	100	—
Wuxi Zhongfa Water Investment Co., Ltd. 無錫中發水務投資有限公司	PRC, Limited liability company 中國，有限責任公司	Construction service, PRC 建設服務，中國	RMB134,000,000 人民幣134,000,000元	75	25
Yunnan Water Secondary Water Supply Co., Ltd. 雲南水務二次供水有限公司	PRC, Limited liability company 中國，有限責任公司	Construction service, PRC 建設服務，中國	RMB10,000,000 人民幣10,000,000元	60	40
Yunnan Dianzhong Water Co., Ltd. 雲南滇中水務有限公司	PRC, Limited liability company 中國，有限責任公司	Investment in sewage treatment and water distribution, PRC 投資污水處理及供水，中國	RMB600,000,000 人民幣600,000,000元	80	20
Yunnan Water (Hong Kong) Company Limited 雲南水務(香港)股份有限公司	HongKong, Limited liability company 香港，有限責任公司	Investment in sewage treatment and water distribution, Hong Kong 投資污水處理及供水，香港	HKD128,000,000 128,000,000港元	100	—
Yunnan Zhengxiao Environmental Protection Investment Co., Ltd. ("Zhenxiao Environmental") 雲南正曉環保投資有限公司(「正曉環保」)	PRC, Limited liability company 中國，有限責任公司	Solid waste treatment, PRC 固廢處理，中國	RMB30,500,000 人民幣30,500,000元	60	40

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

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(除非另有說明，否則所有金額均以人民幣千元表示)

14. SUBSIDIARIES (Cont'd)

14. 附屬公司(續)

Name 名稱	Place of incorporation and kind of legal status 註冊地點及法律狀況類型	Principal activities and place of operation 主要活動及營業地點	Issued and fully paid-up capital/ registered capital 已發行及悉數 繳足股本/註冊資本	Percentage of equity attributable to the Company (%) 本公司應佔 權益百分比(%)	Percentage of equity attributable to the non- controlling interest (%) 非控制權益應佔 權益百分比(%)
PJT Technology Co., Ltd. ("PJT Technology")	Thailand, Limited liability company 泰國，有限責任公司	Investment in sewage treatment and water distribution, Thailand 投資污水處理及供水，泰國	THB740,000,000 740,000,000泰銖	100	—
Shandong Binzhou New Environment Investment Co., Ltd. 山東濱州濱新環境投資有限公司	PRC, Limited liability company 中國，有限責任公司	Investment in sewage treatment and water distribution, PRC 投資污水處理及供水，中國	RMB80,000,000 人民幣80,000,000元	80	20
Shandong Tengyue Chemical Hazardous Waste Research & Treatment Co., Ltd. ("Shandong Tengyue") 山東騰躍化學危險廢棄物研究處理有限公司 (「山東騰躍」)	PRC, Limited liability company 中國，有限責任公司	Solid waste treatment, PRC 固廢處理，中國	RMB108,571,429 人民幣 108,571,429元	51	49
Wenshan Water Industry Investment Co., Ltd. ("Wenshan Water") 文山州水務產業投資有限公司(「文山水務」)	PRC, Limited liability company 中國，有限責任公司	Investment in sewage treatment, PRC 投資污水處理，中國	RMB50,000,000 人民幣50,000,000元	100	—
Mengla Water Supply and Drainage Co., Ltd. 猛臘縣給排水有限責任公司	PRC, Limited liability company 中國，有限責任公司	Sewage treatment and water distribution, PRC 污水處理及供水，中國	RMB 21,000,000 人民幣21,000,000元	51	49
Shandong Environmental Industry Investment and Development Co., Ltd. 山東省環保產業投資發展有限公司	PRC, Limited liability company 中國，有限責任公司	Environmental protection equipment sales, PRC 環保設備銷售，中國	RMB 120,000,000 人民幣 120,000,000元	80	20
Yunnan Kongang Water Co., Ltd. 雲南空港水務有限公司	PRC, Limited liability company 中國，有限責任公司	Investment in sewage treatment and water distribution, PRC 投資污水處理及供水，中國	RMB 50,000,000 人民幣50,000,000元	80	20
Xiaoxian Yunshui Water Investment Co., Ltd. 蕭縣雲水水務投資有限公司	PRC, Limited liability company 中國，有限責任公司	Investment in sewage treatment and water distribution, PRC 投資污水處理及供水，中國	RMB50,850,000 人民幣50,850,000元	100	—

* The Group has substantially controlled Dali Water through an agreement entered into with one of minority shareholders of Dali Water pursuant to which the minority shareholder confirmed to act consistently with the Group in business operation and finance decision making of Dali Water.

* 本集團透過一份與其中一名大理水務少數股東所訂立的協議而控制大理水務的大部分股權，據此，少數股東確認，在作出有關大理水務的業務經營及財務決策時與本集團一致行動。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

14. SUBSIDIARIES (Cont'd)

The names of these subsidiaries referred to in this report represent management's best effort at translating the Chinese names of those companies, as no English names have been registered.

The total non-controlling interests in respect of the subsidiaries as at 31 December 2015 are RMB884,189,000, and are considered not material to the Group.

In 2015, increases in non-controlling interests of RMB500,888,000 were derived from acquisitions, and increase in non-controlling interests of RMB14,633,000 represented capital injection.

15. INVESTMENTS IN AN ASSOCIATE AND A JOINT VENTURE

The amounts recognised in the consolidated balance sheet are as follows:

		As at 31 December 於十二月三十一日	
		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 千人民幣千元
An associate	聯營公司	34,925	—
A joint venture	合營公司	—	45,178
		34,925	45,178

The amounts recognised in the consolidated income statement are as follows:

		As at 31 December 於十二月三十一日	
		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 千人民幣千元
An associate	聯營公司	(75)	—
A joint venture	合營公司	4,971	10,942
		4,896	10,942

14. 附屬公司(續)

本報告所提述的該等附屬公司的英文名稱乃管理層盡力翻譯其中文名稱的結果，原因是未曾註冊任何英文名稱。

二零一五年十二月三十一日有關附屬公司非控制權益總額為人民幣884,189,000元，並被視為對本集團而言並不重大。

於二零一五年，非控制權益增加人民幣500,888,000元來自收購事項及非控制權益增加人民幣14,633,000元為注資。

15. 於聯營公司及合營公司的投資

於合併資產負債表確認的金額如下：

於合併收益表確認的金額如下：

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

15. INVESTMENTS IN AN ASSOCIATE AND A JOINT VENTURE (Cont'd)

(a) Investment in an associate

The Group has interests in an associate that are accounted for using equity method during the year.

Name of entity 實體名稱	Place of business/country of incorporation 營業地點／註冊 成立的國家	Percentage of ownership interest 所有權權益百分比 As at 31 December 於十二月三十一日		Note 附註
		2015 二零一五年	2014 二零一四年	
Bazhou Keda Haorui Environmental Investment Co., Ltd. ("Bazhou Keda") 巴州科達浩瑞環境投資有限公司(「巴州科達」)	PRC 中國	43.75	N/A 不適用	(i)

- (i) The Group and a third party set up Bazhou Keda in 2015, which is principally engaged in construction of sewage and reclaimed water treatment plants.
- Bazhou Keda is a private company and there is no quoted market price available for its shares.

15. 於聯營公司及合營公司的投資 (續)

(a) 於聯營公司的投資

本集團年內於該聯營公司的投資乃以權益法入賬。

- (i) 本集團與第三方於二零一五年成立巴州科達，主要從事建設污水及再生水處理廠。
- 巴州科達為一家非上市私人公司，且其股份並無市場報價。

(b) Investment in a joint venture

The Group has interests in a joint venture that are accounted for using equity method during the year.

Name of entity 實體名稱	Place of business/country of incorporation 營業地點／註冊 成立的國家	Percentage of ownership interest 所有權權益百分比 As at 31 December 於十二月三十一日		Note 附註
		2015 二零一五年	2014 二零一四年	
Wenshan Water 文山水務	PRC 中國	N/A 不適用	51	(ii)

The joint venture is principally engaged in construction of sewage and reclaimed water treatment plants and provision of sewage and reclaimed water treatment.

- (ii) On 30 December 2015, the Company acquired the rest 49% equity interest in Wenshan Water and Wenshan Water became a wholly owned subsidiary of the Company (note 35(d)).

(b) 於合營公司的投資

本集團年內於該合營公司的投資乃以權益法入賬。

該合營公司主要從事建設污水及再生水處理廠，並提供污水及再生水處理。

- (ii) 於二零一五年十二月三十日，本公司收購文山水務餘下49%的股權，及文山水務成為本公司的全資附屬公司(附註35(d))。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

15. INVESTMENTS IN AN ASSOCIATE AND A JOINT VENTURE (Cont'd)

(b) Investment in a joint venture (Cont'd)

No individual joint venture or associate is considered to be material to the Group.

No commitments and contingent liabilities relating to the Group's interest in the joint venture or associate as at 31 December 2015 and 2014.

16. LAND USE RIGHTS

The Group's interests in land use rights represent prepaid operating lease for lands located in the PRC with a lease term of 40-50 years, and their net book value are analysed as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 千人民幣千元
As at 1 January	於一月一日	97,870	42,957
Additions	添置	4,379	29,882
Acquisition of subsidiaries (note 35(b))	收購附屬公司(附註35(b))	23,410	28,621
Amortisation:	攤銷:		
– Recognised as expenses (note 8)	– 確認為開支(附註8)	(3,470)	(2,932)
Disposals	出售	(878)	(658)
As at 31 December	於十二月三十一日	121,311	97,870

As at 31 December 2015, land use rights of RMB28,573,000 (2014: RMB21,060,000) were pledged as collateral for the Group's banking borrowings.

15. 於聯營公司及合營公司的投資 (續)

(b) 於合營公司的投資(續)

概無個別合營公司被視為對本集團屬重要。

於二零一五年及二零一四年十二月三十一日，概無與本集團於合營公司或聯營公司的權益有關的承擔及或然負債。

16. 土地使用權

本集團於土地使用權的權益為租期介乎40至50年的中國土地的預付經營租賃，其賬面淨值分析如下：

於二零一五年十二月三十一日，人民幣28,573,000元(二零一四年：人民幣21,060,000元)的土地使用權作為本集團銀行借款的抵押品予以質押。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Plants and buildings 廠房及樓宇 RMB' 000 人民幣千元	Machinery 機器 RMB' 000 人民幣千元	Motor vehicles 汽車 RMB' 000 人民幣千元	Electronic equipment and others 電子設備 及其他 RMB' 000 人民幣千元	Construction in progress 在建工程 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
At 1 January 2014	於二零一四年一月一日						
Cost	成本	188,384	592,222	13,425	8,546	410,624	1,213,201
Accumulated depreciation	累計折舊	(52,971)	(132,211)	(4,739)	(3,515)	—	(193,436)
Net book amount	賬面淨值	135,413	460,011	8,686	5,031	410,624	1,019,765
Year ended 31 December 2014	截至二零一四年 十二月三十一日止年度						
Opening net book amount	期初賬面淨值	135,413	460,011	8,686	5,031	410,624	1,019,765
Acquisitions	收購	63,896	39,974	1,492	36,546	30,637	172,545
Additions	添置	610	24,093	5,408	10,688	193,960	234,759
Transfer from construction in progress	轉撥自在建工程	53,860	14,015	—	—	(67,875)	—
Disposals	出售	(1,560)	(82)	(403)	(18)	—	(2,063)
Depreciation (note 8)	折舊(附註8)	(10,840)	(27,897)	(3,899)	(3,418)	—	(46,054)
Closing net book amount	期末賬面淨值	241,379	510,114	11,284	48,829	567,346	1,378,952
At 31 December 2014	於二零一四年十二月三十一日						
Cost	成本	305,190	670,222	19,922	55,762	567,346	1,618,442
Accumulated depreciation	累計折舊	(63,811)	(160,108)	(8,638)	(6,933)	—	(239,490)
Net book amount	賬面淨值	241,379	510,114	11,284	48,829	567,346	1,378,952
Year ended 31 December 2015	截至二零一五年 十二月三十一日止年度						
Opening net book amount	期初賬面淨值	241,379	510,114	11,284	48,829	567,346	1,378,952
Acquisitions (note 35)	收購(附註35)	120,694	3,997	2,893	4,013	16,224	147,821
Additions	添置	1,734	7,498	6,934	3,678	132,268	152,112
Transfer from construction in progress	轉撥自在建工程	115,381	98,543	—	—	(213,924)	—
Disposals	出售	(1,031)	(949)	(19)	(27)	—	(2,026)
Depreciation (note 8)	折舊(附註8)	(15,183)	(34,376)	(4,199)	(5,772)	—	(59,530)
Closing net book amount	期末賬面淨值	462,974	584,827	16,893	50,721	501,914	1,617,329
At 31 December 2015	於二零一五年十二月三十一日						
Cost	成本	557,379	778,519	31,276	65,027	501,914	1,934,115
Accumulated depreciation	累計折舊	(94,405)	(193,692)	(14,383)	(14,306)	—	(316,786)
Net book amount	賬面淨值	462,974	584,827	16,893	50,721	501,914	1,617,329

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

17. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

As at 31 December 2015, the Group has capitalised borrowing costs amounting to RMB27,785,000 (2014: RMB21,090,000) on qualifying assets. Borrowing costs were capitalised at the weighted average rate of 6.30% (2014: 7.06%) (note 10).

As at 31 December 2015, buildings of RMB18,890,000 (2014: nil) were pledged as collateral for the Group's bank borrowings.

Depreciation was charged to the following items:

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Cost of sales	銷售成本	51,773	40,641
Selling expenses	銷售開支	664	636
Administrative expenses	行政開支	7,093	4,777
Total	總計	59,530	46,054

18. INVESTMENT PROPERTIES

17. 物業、廠房及設備(續)

於二零一五年十二月三十一日，本集團合資格資產的資本化借款成本為人民幣27,785,000元(二零一四年：人民幣21,090,000元)。借款成本分別按加權平均利率6.30%、(二零一四年：7.06%)資本化(附註10)。

於二零一五年十二月三十一日，人民幣18,890,000元(二零一四年：零)的樓宇作為本集團銀行借款的抵押品予以質押。

折舊乃於以下項目扣除：

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
As at 1 January	於一月一日	5,042	5,371
Acquisition of subsidiaries (note 35(b))	收購附屬公司(附註35(b))	13,051	—
Depreciation	折舊	(329)	(329)
As at 31 December	於十二月三十一日	17,764	5,042

18. 投資物業

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

18. INVESTMENT PROPERTIES (Cont'd)

Amounts recognised in profit and loss for investment properties:

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Rental income	租金收入	4,052	4,046
Direct operating expenses from property that generated rental income	來自產生租金收入的 物業的直接經營開支	(372)	(566)
		3,680	3,480

The Group had no contractual obligations for future repairs and maintenance as at 31 December 2015 and 2014.

Independent valuations of the Group's investment properties were performed by the valuer, Zhongwei Zhengxin (Beijing) Assets Appraisal Co., Ltd., and Kunheng (Shandong) Land and Properties Appraisal Co.Ltd, to determine the fair value of the investment properties as at 31 December 2015 and 2014. The fair value of these investment properties as at 31 December 2015 as assessed by open market value method or present value method were approximately RMB27,476,700 (2014: RMB14,426,000).

As at 31 December 2015, the carrying amount of investment properties of RMB9,336,000 (2014: nil) were pledged as collateral for the bank borrowings of non-controlling interests.

18. 投資物業(續)

於投資物業利潤及虧損確認的款項：

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Rental income	租金收入	4,052	4,046
Direct operating expenses from property that generated rental income	來自產生租金收入的 物業的直接經營開支	(372)	(566)
		3,680	3,480

於二零一五年及二零一四年十二月三十一日，本集團並無日後維修及維護合約責任。

估值師中威正信(北京)資產評估有限公司及山東坤恒土地房地產評估有限公司已對本集團的投資物業進行獨立估值，以釐定投資物業於二零一五年及二零一四年十二月三十一日的投資物業公平值。該等按公開市場價值法或呈報價值法評估的投資物業於二零一五年十二月三十一日的公平值分別約為人民幣27,476,700元(二零一四年：人民幣14,426,000元)。

於二零一五年十二月三十一日，賬面值為人民幣9,336,000元(二零一四年：零)的投資物業作為其非控股權益銀行借款的抵押物予以質押。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

19. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS

The Group has entered into a number of services concession arrangements with certain governmental authorities in the PRC and Thailand under BOT or TOT models in respect of its sewage and reclaimed water treatment, water distribution services and solid waste treatment. These service concession arrangements generally involve the Group as an operator (i) constructing sewage and reclaimed water treatment plants and water distribution facilities (collectively, the “Facilities”) for those arrangements under BOT models; (ii) paying a specific amount for those arrangements under TOT models; and (iii) operating and maintaining the Facilities at a specified level of serviceability on behalf of the relevant governmental authorities for the periods from 20 to 30 years (the “Service Concession Periods”), and the Group will be paid for its services over the Service Concession Periods at prices stipulated through a pricing mechanism. The Group is generally entitled to use all the property, plant and equipment of the Facilities, however, the relevant governmental authorities as grantors will control and regulate the scope of service that the Group must provide with the Facilities, and retain the beneficial entitlement to any residual interest in the Facilities at the end of the Service Concession Periods. Each of these service concession arrangements is governed by a contract and, where applicable, supplementary agreements entered into between the Group and the relevant governmental authority in the PRC that set out, inter alia, performance standards, mechanisms for adjusting prices for the services rendered by the Group, and specific obligations levied on the Group to restore the Facilities to a specified level of serviceability at the end of the Service Concession Periods and arrangements for arbitrating disputes.

As further explained in the accounting policy for “Service concession arrangements” set out in note 2.12 to the financial statements, the consideration paid by the Group for a service concession arrangement is accounted for as an intangible asset (operating concession) (note 20) or a financial asset (receivable under a service concession arrangement) or a combination of both, as appropriate.

19. 服務特許經營安排下的應收款項

本集團已根據BOT或TOT模式與若干中國及泰國政府機構就提供污水及再生水處理、供水服務及固廢處理訂立多項服務特許經營安排。該等服務特許經營安排一般需要本集團作為運營商(i)根據BOT模式就該等安排建設污水及再生水處理廠及供水設施(統稱「設施」);(ii)根據TOT模式就該等安排支付特定款項;及(iii)代表相關政府機構於20至30年期間(「服務特許經營期間」)按規定服務水平經營及維護設施,而本集團將按定價機制規定的價格就其於服務特許經營期間提供的服務取得付款。本集團一般有權使用設施的所有物業、廠房及設備,然而,相關政府機構(作為授予人)將控制及監管本集團使用設施必須提供的服務的範圍,並保留其於服務特許經營期間結束時於設施的任何剩餘權益的實際權利。每項該等服務特許經營安排均受本集團與中國相關政府機構訂立的合約及(如適用)補充協議的規管,當中載明(其中包括)執行標準、本集團所提供服務的調價機制及本集團於服務特許經營期間結束時為將設施恢復至規定服務水平而承擔的特定責任,以及對糾紛進行仲裁的安排。

財務報表附註2.12所載「服務特許經營安排」的會計政策進一步解釋,本集團就服務特許經營安排支付的代價按無形資產(特許經營權)入賬(附註20)或金融資產(服務特許經營安排下的應收款項)入賬或兩者合併入賬(如適用)。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

19. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS (Cont'd)

Among the above services concession arrangements with certain governmental authorities, there are four services concession arrangements that are recognised as intangible assets, as those projects had rights to charge users for the public service, and 44 concession arrangements which are recognised as financial assets as those projects had unconditional contractual right to receive cash from local government.

The effective interest rate fell within the range from 4.71% to 8.06%.

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

19. 服務特許經營安排下的應收款項 (續)

於上述與若干政府部門的服務特許經營安排中，其中四項服務特許經營安排確認為無形資產，乃由於該等項目有權就公共服務向用戶收取費用，而44項特許經營安排確認為金融資產，乃由於該等項目擁有無條件合約權利可向地方政府收取現金。

實際利率介乎4.71%至8.06%之間。

與本集團服務特許經營安排有關的金融資產組成部分(服務特許經營安排下的應收款項)的資料概述如下：

		As at 31 December 於十二月三十一日	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Receivables under service concession arrangements	服務特許經營安排下的應收款項	1,953,279	1,454,262
Portion classified as current assets	分類為流動資產的部分	(11,540)	(9,662)
Non-current portion	非流動部分	1,941,739	1,444,600

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

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(除非另有說明，否則所有金額均以人民幣千元表示)

19. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS (Cont'd)

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.

Yunnan Province	雲南省
Jiangsu Province	江蘇省
Xinjiang Province	新疆省
Shandong Province	山東省

19. 服務特許經營安排下的應收款項 (續)

就本集團於服務特許經營安排下的應收款項而言，信貸風險因本集團於中國不同地點運營的項目而異。為降低與應收款項有關的任何信貸風險，服務特許經營安排下的應收款項的收回情況受到密切監控。

As at 31 December
於十二月三十一日

		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
		1,067,164	884,053
		238,552	236,780
		472,339	248,495
		175,224	84,934
		1,953,279	1,454,262

The expected collection schedule of receivables under service concession arrangements is as follows:

服務特許經營安排下的應收款項的預期收款時間表如下：

As at 31 December
於十二月三十一日

		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Within one year	一年以內	11,540	9,662
One to two years	一至兩年	20,639	9,494
Two to five years	兩至五年	59,773	55,969
Over five years	超過五年	1,861,327	1,379,137
		1,953,279	1,454,262

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

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(除非另有說明，否則所有金額均以人民幣千元表示)

19. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS (Cont'd)

The receivables under service arrangements were billable receivables. They were mainly due from governmental authorities in Mainland China, as grantors in respect of the Group's service concession arrangements. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are considered fully recoverable. As at 31 December 2015, the receivables under service concession arrangements with net carrying amount of RMB241,220,000 (2014: RMB238,800,000) were pledged to certain banks as security of the Group's bank loans.

As at 31 December 2015, receivables under service concession arrangements with net carrying amount of RMB85,836,000 (2014: nil) were pledged as collateral for an external third party's bank borrowings.

19. 服務特許經營安排下的應收款項 (續)

服務安排下的應收款項為可開具賬單的應收款項，其主要來自作為本集團服務特許經營安排授予人的中國內地政府機構。根據過往經驗，董事認為毋須就該等結餘作出減值撥備，原因是信貸質素並無重大變動且結餘仍被視為可全數收回。於二零一五年十二月三十一日，服務特許經營安排下的應收款項，賬面淨值為人民幣241,220,000元(二零一四年：人民幣238,800,000元)已向若干銀行質押，以作為本集團的銀行貸款擔保。

於二零一五年十二月三十一日，服務特許經營安排下賬面淨值為人民幣85,836,000元(二零一四年：零)的應收款項作為外部第三方銀行借款的抵押物予以質押。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

20. INTANGIBLE ASSETS

20. 無形資產

		Goodwill 商譽 RMB' 000 人民幣千元	Development expenditure 開發開支 RMB' 000 人民幣千元	Operating concessions 特許經營權 RMB' 000 人民幣千元	Operating contract rights 運營合同權利 RMB' 000 人民幣千元	Licenses 許可 RMB' 000 人民幣千元	Technical know-how and software 專有技術及軟件 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
At 1 January 2014	於二零一四年一月一日							
Cost	成本	1,035	155	41,360	7,742	—	622	50,914
Accumulated amortisation	累計攤銷	—	—	(659)	(806)	—	(130)	(1,595)
Net book amount	賬面淨值	1,035	155	40,701	6,936	—	492	49,319
Year ended 31 December 2014	截至二零一四年十二月三十一日止年度							
Opening net book amount	期初賬面淨值	1,035	155	40,701	6,936	—	492	49,319
Acquisition of subsidiaries	收購附屬公司	—	—	10,999	25,894	—	5	36,898
Additions	添置	880	5,588	98,395	—	—	192	105,055
Amortisation (note 8)	攤銷(附註8)	—	—	(3,689)	(4,776)	—	(166)	(8,631)
Closing net book amount	期末賬面淨值	1,915	5,743	146,406	28,054	—	523	182,641
At 31 December 2014	於二零一四年十二月三十一日							
Cost	成本	1,915	5,743	150,754	33,636	—	819	192,867
Accumulated amortisation	累計攤銷	—	—	(4,348)	(5,582)	—	(296)	(10,226)
Net book amount	賬面淨值	1,915	5,743	146,406	28,054	—	523	182,641
Year ended 31 December 2015	截至二零一五年十二月三十一日止年度							
Opening net book amount	期初賬面淨值	1,915	5,743	146,406	28,054	—	523	182,641
Acquisition of subsidiaries (note 35)	收購附屬公司(附註35)	113,186	—	1,057,975	—	88,580	38,011	1,297,752
Additions	添置	—	177	241,290	—	—	526	241,993
Amortisation (note 8)	攤銷(附註8)	—	—	(4,854)	(5,233)	(825)	(225)	(11,137)
Closing net book amount	期末賬面淨值	115,101	5,920	1,440,817	22,821	87,755	38,835	1,711,249
At 31 December 2015	於二零一五年十二月三十一日							
Cost	成本	115,101	5,920	1,463,229	33,636	88,666	39,377	1,745,929
Accumulated amortisation	累計攤銷	—	—	(22,412)	(10,815)	(911)	(542)	(34,680)
Net book amount	賬面淨值	115,101	5,920	1,440,817	22,821	87,755	38,835	1,711,249

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

20. INTANGIBLE ASSETS (Cont'd)

Amortisation was charged to the following items:

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Cost of sales	銷售成本	10,465	8,465
Administrative expenses	行政開支	672	166
Total	總計	11,137	8,631

20. 無形資產(續)

攤銷已於下列項目扣除：

(a) Impairment test for goodwill

The goodwill of the Group as at 31 December 2015 mainly arose in the acquisition of Shandong Tengyue (note 35(b)). For the purpose of impairment testing, the goodwill was allocated to Shandong Tengyue which is a cash generating unit ("CGU"). The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a fifteen-year period. Management determined a projection period of fifteen years based on their past experience and expectation for the market development and is consistent with their business plan. Cash flows beyond the fifteen-year period are extrapolated using the estimated growth rates stated below.

(a) 商譽減值測試

本集團於二零一五年十二月三十一日的商譽主要因收購山東騰躍(附註35(b))產生。就減值測試而言，商譽分配至山東騰躍(為現金產生單位「現金產生單位」)。現金產生單位的可收回金額乃根據使用價值計算釐定。計算方式利用稅前現金流量預測，依據管理層批核的十五年期財政預算。管理層採用的十五年預算期限是基於管理人員的過往經驗及其對市場發展的預期，且與彼等的經營計劃一致。超過十五年期間的現金流量乃使用下述估計增長率推算。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

20. INTANGIBLE ASSETS (Cont'd)

(a) Impairment test for goodwill (Cont'd)

Key assumptions used for value-in-use calculations:

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Average annual growth (i)	平均年增長率 (i)	15%	N/A 不適用
Long-term growth rate (ii)	長期增長率 (ii)	3%	N/A 不適用
Pre-tax discount rate (iii)	稅前貼現率 (iii)	14%	N/A 不適用

(i) Management determined average annual growth rate based on past performance and its expectations for the market development.

(ii) The long term growth rate used is consistent with the management's forecasts.

(iii) The discount rate used is pre-tax discount rate applied to the cash flow projections which reflects specific risks relating to the business.

20. 無形資產(續)

(a) 商譽減值測試(續)

使用價值計算所用的主要假設：

Year ended 31 December
截至十二月三十一日止年度

2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
------------------------------------	------------------------------------

15%	N/A 不適用
3%	N/A 不適用
14%	N/A 不適用

(i) 管理人員乃根據過往表現及其對市場發展的預期釐定平均年增長率。

(ii) 所用長期增長率與管理層預測一致。

(iii) 所用貼現率為現金流量預測所採用的稅前貼現率，其反映與業務有關的特定風險。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

21. INVENTORIES

21. 存貨

		As at 31 December 於十二月三十一日	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Raw materials	原材料	12,895	7,101
Goods in transit	在運貨物	—	813
Work in progress	在產品	7,536	4,545
Finished Goods	製成品	164	—
		20,595	12,459

No provisions for inventories have been made for the year ended 31 December 2015 and 2014.

截至二零一五年及二零一四年十二月三十一日止年度，並無計提存貨撥備。

22. AMOUNTS FROM/(TO) CUSTOMERS FOR CONTRACT WORKS

22. 就合約工程應收／(應付)客戶款項

Contracts in progress at the end of the reporting periods:

報告期末進行中合約：

		As at 31 December 於十二月三十一日	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Costs incurred to date plus recognised profits less recognised losses	迄今已產生的成本加已確認利潤減已確認虧損	460,120	242,907
Less: Progress billings	減：進度付款	(57,053)	(46,255)
		403,067	196,652
Analysed for reporting purposes as:	就申報目的分析為：		
Amounts due from customers for contract works	就合約工程應收客戶款項		
– Non current	– 非即期	404,142	193,924
– Current	– 即期	3,477	6,455
Amounts due to customers for contract works	就合約工程應付客戶款項	(4,552)	(3,727)
		403,067	196,652

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

23. TRADE AND OTHER RECEIVABLES

23. 貿易及其他應收款項

		As at 31 December 於十二月三十一日	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Trade receivables	貿易應收款項		
– Related parties (note 36(d))	– 關聯方(附註36(d))	285,098	317,862
– Local governments	– 地方政府	239,831	163,386
– Others	– 其他	328,196	130,087
Less: provision for impairment	減：減值撥備	(13,271)	(10,973)
Trade receivables – net	貿易應收款項 – 淨額	839,854	600,362
Other receivables due from:	應收以下各方其他應收款項：		
– Related parties (note 36(d))	– 關聯方(附註36(d))	6,111	63,158
– Third parties	– 第三方	390,517	99,306
Less: provision for impairment	減：減值撥備	(134,696)	(11,602)
Other receivables – net	其他應收款項 – 淨額	261,932	150,862
Prepayments	預付款項		
– Related parties (note 36(d))	– 關聯方(附註36(d))	108,778	69,973
– Third parties	– 第三方	759,759	162,475
		868,537	232,448
Less: non-current portion	減：非即期部分		
– Prepayments – third parties	– 預付款項 – 第三方	(715,826)	(100,000)
– Other receivables – third parties	– 其他應收款項 – 第三方	(57,410)	(38,186)
Non-current portion	非即期部分	(773,236)	(138,186)
Current portion	即期部分	1,197,087	845,486

The carrying amount of trade and other receivables approximate their fair values and are 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 Consolidated Financial Statements 合併財務報表附註

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

23. TRADE AND OTHER RECEIVABLES (Cont'd)

(a) Trade receivables

In general, the Group grant credit periods from 90 to 180 days to its customers. Aging analysis of gross trade receivables at the respective balance sheet dates, based on the invoice dates or contractual terms, is as follows:

		As at 31 December 於十二月三十一日	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Within one year	一年以內	662,501	423,832
One to two years	一至兩年	107,948	121,497
Two to three years	兩至三年	50,621	56,086
Over three years	三年以上	32,055	9,920
		853,125	611,335

As of 31 December 2015, the Group's trade receivables of RMB251,654,000 (2014: RMB225,624,000) were fully performing, which mainly represented retention fees of construction projects due from customers.

As of 31 December 2015, the Group's trade receivables of RMB518,620,000 (2014: RMB302,825,000) were past due but not impaired.

23. 貿易及其他應收款項(續)

(a) 貿易應收款項

本集團一般向其客戶授出90天至180天的信用期。於各結算日按發票日期或合約條款作出的貿易應收款項總額賬齡分析如下：

截至二零一五年十二月三十一日，本集團為數人民幣251,654,000元(二零一四年：人民幣225,624,000元)的貿易應收款項已全面履行，主要為應收客戶建設項目保證金。

截至二零一五年十二月三十一日，本集團已逾期但並無減值的貿易應收款項為人民幣518,620,000元(二零一四年：人民幣302,825,000元)。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

23. TRADE AND OTHER RECEIVABLES (Cont'd)

(a) Trade receivables (Cont'd)

These receivables relate to a number of independent customers that there is no recent history of default. Based on past experience and project status, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The aging of these receivables is as follows:

		As at 31 December 於十二月三十一日	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Within one year	一年以內	382,061	180,237
One to two years	一至兩年	98,146	109,796
Two to three years	兩至三年	32,822	12,792
Over three years	三年以上	5,591	—
		518,620	302,825

23. 貿易及其他應收款項(續)

(a) 貿易應收款項(續)

該等應收款項與多名近期並無違約記錄的獨立客戶有關。根據過往經驗及項目現狀，本公司董事認為毋須就該等結餘作出減值撥備，原因是信貸質素並無重大變動且結餘仍被認為可全數收回。該等應收款項的賬齡如下：

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

23. TRADE AND OTHER RECEIVABLES (Cont'd)

(a) Trade receivables (Cont'd)

As of 31 December 2015, the Group's trade receivables of RMB82,851,000 (2014: RMB82,886,000) were impaired. The provision for these trade receivables was RMB13,271,000 as of 31 December 2015 (2014: RMB10,973,000). The individually impaired trade receivables relate to customers that were in financial difficulties or customers that were in default in payments. It was assessed that a portion of the receivables is expected to be recovered. The aging of these trade receivables is as follows:

23. 貿易及其他應收款項(續)

(a) 貿易應收款項(續)

截至二零一五年十二月三十一日，本集團人民幣82,851,000元(二零一四年：人民幣82,886,000元)的貿易應收款項已減值。截至二零一五年十二月三十一日，該等貿易應收款項的撥備金額為人民幣13,271,000元(二零一四年：人民幣10,973,000元)。個別已減值的貿易應收款項與遭遇財務困難的客戶或拖欠付款的客戶有關。經評估，部分應收款項預期將可收回。該等貿易應收款項的賬齡如下：

		As at 31 December	
		於十二月三十一日	
		2015	2014
		二零一五年	二零一四年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within one year	一年以內	41,874	20,005
One to two years	一至兩年	7,619	9,667
Two to three years	兩至三年	6,894	43,294
Over three years	三年以上	26,464	9,920
		82,851	82,886

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

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(除非另有說明，否則所有金額均以人民幣千元表示)

23. TRADE AND OTHER RECEIVABLES (Cont'd)

(a) Trade receivables (Cont'd)

Movement of the Group's provision for impairment of trade receivables are as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
As at 1 January	於一月一日	10,973	7,056
Acquisition of subsidiaries	收購附屬公司	365	—
Impairment provision	減值撥備	2,004	3,928
Unused amounts reversed	已撥回未動用款項	(71)	(11)
As at 31 December	於十二月三十一日	13,271	10,973

(b) Other receivables

As of 31 December 2015, the Group's other receivables of RMB243,722,000 (2014: RMB149,149,000) were past due but not impaired.

		As at 31 December 於十二月三十一日	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Within one year	一年以內	158,633	116,138
One to two years	一至兩年	49,569	6,952
Two to three years	兩至三年	4,932	13,803
Over three years	三年以上	30,588	12,256
		243,722	149,149

23. 貿易及其他應收款項(續)

(a) 貿易應收款項(續)

本集團貿易應收款項的減值撥備變動如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
As at 1 January	於一月一日	10,973	7,056
Acquisition of subsidiaries	收購附屬公司	365	—
Impairment provision	減值撥備	2,004	3,928
Unused amounts reversed	已撥回未動用款項	(71)	(11)
As at 31 December	於十二月三十一日	13,271	10,973

(b) 其他應收款項

截至二零一五年十二月三十一日，本集團人民幣243,722,000元(二零一四年：人民幣149,149,000元)的其他應收款項已逾期但並無減值。

		As at 31 December 於十二月三十一日	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Within one year	一年以內	158,633	116,138
One to two years	一至兩年	49,569	6,952
Two to three years	兩至三年	4,932	13,803
Over three years	三年以上	30,588	12,256
		243,722	149,149

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

23. TRADE AND OTHER RECEIVABLES (Cont'd)

(b) Other receivables (Cont'd)

As of 31 December 2015, the Group's other receivables of RMB152,906,000 (2014: RMB13,315,000) were impaired. The provision for these other receivables was RMB134,696,000 as of 31 December 2015 (2014: RMB11,602,000). The aging of these other receivables is as follows:

		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Within one year	一年以內	97,688	1,493
One to two years	一至兩年	3,370	4,655
Two to three years	兩至三年	7,741	828
Over three years	三年以上	44,107	6,339
		152,906	13,315

Movement of the Group's provision for impairment of other receivables are as follows:

		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
As at 1 January	於一月一日	11,602	5,432
Acquisition of subsidiaries	收購附屬公司	123,871	1,753
Impairment provision	減值撥備	1,256	4,417
Unused amounts reversed	已撥回未動用款項	(777)	—
Write off bad debts	撇銷壞賬	(1,256)	—
As at 31 December	於十二月三十一日	134,696	11,602

23. 貿易及其他應收款項(續)

(b) 其他應收款項(續)

截至二零一五年十二月三十一日，本集團人民幣152,906,000元(二零一四年：人民幣13,315,000元)的其他應收款項已減值。截至二零一五年十二月三十一日，該等其他應收款項的撥備金額為人民幣134,696,000元(二零一四年：人民幣11,602,000元)。該等其他應收款項的賬齡如下：

As at 31 December
於十二月三十一日

		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Within one year	一年以內	97,688	1,493
One to two years	一至兩年	3,370	4,655
Two to three years	兩至三年	7,741	828
Over three years	三年以上	44,107	6,339
		152,906	13,315

本集團其他應收款項的減值撥備變動如下：

Year ended 31 December
截至十二月三十一日止年度

		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
As at 1 January	於一月一日	11,602	5,432
Acquisition of subsidiaries	收購附屬公司	123,871	1,753
Impairment provision	減值撥備	1,256	4,417
Unused amounts reversed	已撥回未動用款項	(777)	—
Write off bad debts	撇銷壞賬	(1,256)	—
As at 31 December	於十二月三十一日	134,696	11,602

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

23. TRADE AND OTHER RECEIVABLES (Cont'd)

(c) Prepayments

The Group's prepayments are mainly for purchase of goods, prepayment for land use rights, construction works and other services.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

24. RESTRICTED CASH

Amount represented current cash deposits held at bank as guarantee for service concession arrangements, in relation to waste and wastewater treatment facilities in the PRC and Thailand, such as bidding, performance bond and construction work.

25. CASH AND CASH EQUIVALENTS

23. 貿易及其他應收款項(續)

(c) 預付款項

本集團的預付款項主要為購買貨物、土地使用權、建造工程及其他服務的預付款項。

報告日期面對的最高信貸風險為上述各類應收款項的賬面值。本集團並無持有任何抵押物作為擔保。

24. 受限制現金

有關款項是指存於銀行的流動現金，以便為與中國及泰國的廢物及污水處理設施有關的服務特許經營安排(如競標、履約保函及建造工程)提供擔保。

25. 現金及現金等價物

		As at 31 December 於十二月三十一日	
		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Cash at bank and on hand	銀行及手頭現金	1,672,121	612,649
Denominated in:	按以下貨幣計值：		
– RMB	– 人民幣	1,487,510	609,736
– HKD	– 港元	162,924	2,913
– THB	– 泰銖	11,902	—
– USD	– 美元	9,785	—
		1,672,121	612,649

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

26. SHARE CAPITAL

26. 股本

		Number of shares (thousand) 股份數目 (千股)	Paid-in capital/ Share capital 實繳資本/ 股本 RMB' 000 人民幣千元
As at 1 January 2014	於二零一四年一月一日	不適用	787,880
Ordinary shares of RMB1.00 each issued and allocated on 22 July 2014 (note a)	於二零一四年七月二十二日 已發行及配發每股面值 人民幣1.00元普通股 (附註a)	787,880	—
As at 22 July 2014	於二零一四年七月二十二日	787,880	787,880
Capital injection (note b)	注資(附註b)	74,684	74,684
As at 31 December 2014	於二零一四年十二月三十一日	862,564	862,564
As at 1 January 2015	於二零一五年一月一日	862,564	862,564
Shares issued by share offer (note c)	股份發售發行的股份(附註c)	330,649	330,649
As at 31 December 2015	於二零一五年十二月三十一日	1,193,213	1,193,213

(a) On 22 July 2014, the Company was converted from a limited liability company into a joint stock limited liability company with a registered capital of RMB787,880,000. The Company issued and allotted 787,880,000 ordinary shares with par value of RMB1 each to the respective then shareholders of the Company in accordance with the proportion of their paid-in capital to the Company as at 22 July 2014.

(a) 二零一四年七月二十二日，本公司由有限責任公司轉制為股份有限公司，註冊資本為人民幣787,880,000元。本公司按照當時股東各自於二零一四年七月二十二日對本公司實繳資本的比例，向其發行及配發787,880,000股每股面值人民幣1元的普通股。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

26. SHARE CAPITAL (Cont'd)

- (b) On 15 September 2014, pursuant to a capital injection agreement and revised articles of association, Yunnan Province Water Industry Investment Co., Ltd. ("Yunnan Province Water"), Hangzhou Qingyu Jianzai Venture Capital Investment Partnership (Limited Partnership) ("Hangzhou Qingyu") and Sichuan Rongchen Investment Co., Ltd. ("Sichuan Rongchen") injected cash with an aggregated amount of RMB260,000,000 into the Company, of which RMB74,684,000 was recognised as share capital and RMB185,316,000 was recognised as capital reserves. After this capital injection, Yunnan Province Water, Beijing OriginWater Technology Co., Ltd. ("Beijing OriginWater"), Finergy Development (Tianjin) Equity Investment Partnership (Limited Partnership) ("Finergy Development"), 30 key management, Hangzhou Qingyu and Sichuan Rongchen held 45.43%, 33.23%, 15.98%, 3.69%, 0.67% and 1.00% equity interest of the Company, respectively.
- (c) On 27 May 2015, the Company issued 287,521,000 H shares of RMB1 each at HKD5.8 per share as public and international offers in connection with the Listing, and raised gross proceeds of approximately HKD1,667,622,000. Besides, on 10 June 2015, pursuant to the exercise of the over-allotment option, additional 43,128,000 shares of RMB1 each were issued at HKD5.8 per share and raised gross proceeds of HKD250,124,000.

26. 股本(續)

- (b) 二零一四年九月十五日，根據注資協議及經修訂組織章程細則，雲南省水務產業投資有限公司(「雲南省水務」)、杭州青域簡在創業投資合夥企業(有限合夥)(「杭州青域」)及四川融琛投資有限公司(「四川融琛」)向本公司注入現金總額人民幣260,000,000元，其中人民幣74,684,000元確認為股本，而人民幣185,316,000元確認為資本儲備。是次注資後，雲南省水務、北京碧水源科技股份有限公司(「北京碧水源」)、融源成長(天津)股權投資合夥企業(有限合夥)(「融源成長」)、30名主要管理人員、杭州青域及四川融琛分別持有本公司45.43%、33.23%、15.98%、3.69%、0.67%及1.00%股權。
- (c) 二零一五年五月二十七日，本公司按每股5.8港元發行287,521,000股每股面值人民幣1元的H股，作為與上市有關的公開及國際發售，並籌集所得款項總額約1,667,622,000港元。此外，二零一五年六月十日，因超額配股權獲行使，按每股5.8港元發行43,128,000股每股面值人民幣1元的額外股份，並籌集所得款項總額250,124,000港元。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

27. OTHER RESERVES

27. 其他儲備

		Capital reserve 股本儲備 RMB' 000 人民幣千元	Statutory reserve 法定儲備 RMB' 000 人民幣千元	Translation reserve 匯兌儲備 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
Balance at 1 January 2014	於二零一四年 一月一日的結餘	893,292	47,092	—	940,384
Contribution by Yunnan Province Water, Hangzhou Qingyu, and Sichuan Rongchen (note 26(b))	雲南省水務、杭州青域 及四川融琛出資 (附註 26(b))	185,316	—	—	185,316
Currency translation differences	匯兌差額	—	—	(92)	(92)
Profit appropriation (note a)	利潤劃撥(附註 a)	—	29,532	—	29,532
Balance at 31 December 2014	於二零一四年 十二月三十一日 的結餘	1,078,608	76,624	(92)	1,155,140
Balance at 1 January 2015	於二零一五年一月一日 的結餘	1,078,608	76,624	(92)	1,155,140
Issue of ordinary shares (note 26(c))	發行普通股(附註 26(c))	1,183,137	—	—	1,183,137
Shares issuance costs	股份發行成本	(126,438)	—	—	(126,438)
Currency translation differences	匯兌差額	—	—	976	976
Profit appropriation (note a)	利潤劃撥(附註 a)	—	51,439	—	51,439
Balance at 31 December 2015	於二零一五年 十二月三十一日 的結餘	2,135,307	128,063	884	2,264,254

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

27. OTHER RESERVES (Cont'd)

(a) Statutory reserve and enterprise expansion fund

In accordance with relevant rules and regulations in the PRC, except for sino-foreign equity joint venture enterprises, all PRC companies are required to transfer 10% of their profit after taxation calculated under PRC accounting rules and regulations to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserve fund can only be used, upon approval by the relevant authority, to offset losses carried forward from previous years or to increase capital of the respective companies.

28. TRADE AND OTHER PAYABLES

27. 其他儲備(續)

(a) 法定儲備及企業發展基金

根據中國相關規則及法規，除中外合資企業外，所有中國公司均須將根據中國會計規則及法規計算的除稅後利潤的10%轉撥至法定儲備金，直至累計資金總額達至其註冊資本的50%為止。法定儲備金須經有關機關批准，方可用作抵銷過往年度結轉的虧損或增加有關公司的資本。

28. 貿易及其他應付款項

		As at 31 December 於十二月三十一日	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Trade payables:	貿易應付款項：		
– Related parties (note 36(d))	– 關聯方(附註36(d))	129,638	145,401
– Third parties	– 第三方	568,567	376,656
Other payables:	其他應付款項：		
– Related parties (note 36(d))	– 關聯方(附註36(d))	15,037	37,894
– Third parties	– 第三方	288,641	245,165
Advances from customers	來自客戶的墊款	15,243	15,239
Staff welfare benefit payable	應付員工福利	25,869	19,676
Other taxes payable	其他應付稅項	85,860	36,667
Less: non-current portion	減：非即期部分	(54,514)	—
Current portion	即期部分	1,074,341	876,698

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

28. TRADE AND OTHER PAYABLES (Cont'd)

At 31 December 2015 and 2014, the aging analysis of the trade payables based on invoice date is as follows:

28. 貿易及其他應付款項(續)

於二零一五年及二零一四年十二月三十一日，貿易應付款項基於發票日期的賬齡分析如下：

		As at 31 December	
		於十二月三十一日	
		2015	2014
		二零一五年	二零一四年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Within one year	一年以內	396,269	440,275
One to two years	一至兩年	227,226	66,584
Two to three years	兩至三年	63,523	13,363
Over three years	三年以上	11,187	1,835
		698,205	522,057

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

29. BORROWINGS

29. 借款

		As at 31 December 於十二月三十一日	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Non-current	非即期		
Long-term bank borrowings	長期銀行借款		
– Secured	– 有抵押	774,500	489,332
– Unsecured	– 無抵押	536,629	19,545
		1,311,129	508,877
Other borrowings - unsecured	其他借款 – 無抵押	—	6,000
Corporate bonds - unsecured	公司債券 – 無抵押	794,527	396,838
		2,105,656	911,715
Less: current portion of long-term borrowings	減：長期借款的即期部分		
Bank borrowings	銀行借款		
– Secured	– 有抵押	(74,500)	(38,814)
– Unsecured	– 無抵押	(5,196)	(3,909)
		(79,696)	(42,723)
		2,025,960	868,992
Current	即期		
Short-term bank borrowings	短期銀行借款		
– Secured	– 有抵押	38,860	—
– Unsecured	– 無抵押	919,799	225,000
		958,659	225,000
Other borrowings - unsecured	其他借款 – 無抵押	—	2,600
Current portion of long-term bank borrowings	長期銀行借款的即期部分	79,696	42,723
		1,038,355	270,323
Total	總計	3,064,315	1,139,315
Denominated in:	以下列貨幣計值：		
– RMB	– 人民幣	2,432,723	1,112,271
– EUR	– 歐元	24,450	27,044
– USD	– 美元	607,142	—
		3,064,315	1,139,315

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

29. BORROWINGS (Cont'd)

(a) Borrowings

The Group's borrowings carried weighted average interest rates of 6.36% per annum for the year ended 31 December 2015 (2014: 6.84%).

As at 31 December 2015, bank borrowings of RMB813,360,000 (2014: RMB462,288,000) were secured by pledge of the Group's buildings and machinery and concession rights.

As at 31 December 2015, bank borrowings of RMB24,450,000 (2014: RMB27,044,000), RMB313,200,000 (2014: RMB225,000,000), and RMB55,000,000 (2014: nil) were guaranteed by a PRC local government, related party and third party, respectively.

As at 31 December 2015 and 2014, the Group's borrowings were repayable as follows:

29. 借款(續)

(a) 借款

截至二零一五年十二月三十一日止年度，本集團的借款分別按加權平均年利率6.36%(二零一四年：6.84%)計息。

於二零一五年十二月三十一日，銀行借款人民幣813,360,000元(二零一四年：人民幣462,288,000元)由本集團樓宇、機器及特許權質押作抵押。

於二零一五年十二月三十一日，銀行借款人民幣24,450,000元(二零一四年：人民幣27,044,000元)、人民幣313,200,000元(二零一四年：人民幣225,000,000元)，以及人民幣55,000,000元(二零一四年：零)已分別由中國當地政府、關聯方及第三方擔保。

於二零一五年及二零一四年十二月三十一日，本集團借款的償還情況如下：

		As at 31 December 於十二月三十一日	
		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Bank borrowings	銀行借款		
Within one year	一年以內	1,038,355	267,723
One to two years	一至兩年	166,877	57,587
Two to five years	二至五年	738,040	228,284
Over five years	五年以上	326,516	180,283
		2,269,788	733,877
Corporate bonds and other borrowings	公司債券及其他借款		
Within one year	一年以內	—	2,600
One to two years	一至兩年	398,055	6,000
Two to five years	二至五年	396,472	396,838
		794,527	405,438
		3,064,315	1,139,315

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

29. BORROWINGS (Cont'd)

(a) Borrowings (Cont'd)

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the end of each of the year are as follows:

		As at 31 December 於十二月三十一日	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Within six months	六個月以內	644,046	119,656
Six months to one year	六個月至一年	1,436,670	439,165
One to five years	一至五年	928,083	561,560
Over five years	超過五年	55,516	18,934
		3,064,315	1,139,315

The carrying amounts of the Group's borrowings approximate their fair value.

(b) Corporate bonds

On 7 December 2015, the Company issued corporate bonds with the principal of RMB400,000,000, maturity of three years and bearing interest of 5.23% per annum.

On 18 June 2014, the Company issued corporate bonds with the principal of RMB400,000,000, maturity of three years and bearing interest of 7.7% per annum.

29. 借款(續)

(a) 借款(續)

於各年末，本集團借款面臨的利率變動風險及合約重新定價日期如下：

As at 31 December
於十二月三十一日

2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
644,046	119,656
1,436,670	439,165
928,083	561,560
55,516	18,934
3,064,315	1,139,315

本集團借款的賬面值與其公平值相若。

(b) 公司債券

於二零一五年十二月七日，本公司發行本金為人民幣400,000,000元的公司債券，年期為三年，按年利率5.23%計息。

於二零一四年六月十八日，本公司已發行本金為人民幣400,000,000元的公司債券，年期為三年，按年利率7.7%計息。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

30. DEFERRED INCOME

Deferred income represented government grants received from governmental authorities with respects to Group's certain construction of waste water treatment and water supply facilities as well as the provision of water distribution service. The movement of deferred income is as below:

		BOO projects BOO項目 RMB' 000 人民幣千元	BOT/TOT projects BOT/TOT項目 RMB' 000 人民幣千元	Others 其他 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
At 1 January 2014	於二零一四年一月一日	67,433	50,236	454	118,123
Additions	添置	38,890	1,059	15,329	55,278
Credit to income statement	計入收益表	(1,752)	(18,169)	(8,731)	(28,652)
At 31 December 2014	於二零一四年十二月三十一日	104,571	33,126	7,052	144,749
At 1 January 2015	於二零一五年一月一日	104,571	33,127	7,051	144,749
Acquisition of subsidiaries (note 35)	收購附屬公司(附註35)	—	2,000	—	2,000
Additions	添置	25,000	—	11,582	36,582
Credit to income statement	計入收益表	(1,824)	(15,755)	(876)	(18,455)
At 31 December 2015	於二零一五年十二月三十一日	127,747	19,372	17,757	164,876

30. 遞延收入

遞延收入是指就本集團建造若干污水處理及供水設施以及提供供水服務獲政府機構發放的政府補助。遞延收入的變動如下：

31. DEFERRED INCOME TAX

		As at 31 December 於十二月三十一日	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Deferred tax assets:	遞延稅項資產：		
– Deferred tax asset to be recovered within 12 months	– 12個月內收回的遞延稅項資產	26,436	11,547
– Deferred tax asset to be recovered after 12 months	– 12個月後收回的遞延稅項資產	29,737	27,788
		56,173	39,335
Deferred tax liabilities:	遞延稅項負債：		
– Deferred tax liability to be recovered after 12 months	– 12個月後收回的遞延稅項負債	(198,116)	(52,796)
Deferred tax liabilities, net	遞延稅項負債淨額	(141,943)	(13,461)

31. 遞延所得稅

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

31. DEFERRED INCOME TAX (Cont'd)

The movement in deferred income tax assets and liabilities during the year, without taking into accounts for the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets	遞延稅項資產	Staff welfare benefit payable 應付員工福利 RMB' 000 人民幣千元	Bad debt provision 壞賬撥備 RMB' 000 人民幣千元	Government grant 政府補助 RMB' 000 人民幣千元	Accrued expenses 應計開支 RMB' 000 人民幣千元	Tax losses 稅項虧損 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
At 1 January 2014	於二零一四年一月一日	1,535	2,547	9,791	188	5,905	19,966
Credit to income statement	計入收益表	3,458	2,363	3,471	2,432	13,147	24,871
At 31 December 2014	於二零一四年十二月三十一日	4,993	4,910	13,262	2,620	19,052	44,837
At 1 January 2015	於二零一五年一月一日	4,993	4,910	13,262	2,620	19,052	44,837
(Charge)/credit to income statement	於收益表(扣除)/計入	(3,836)	498	3,754	1,574	(3,825)	(1,835)
Acquisition of subsidiaries (note 35)	收購附屬公司(附註35)	—	19,871	—	1,434	—	21,305
At 31 December 2015	於二零一五年十二月三十一日	1,157	25,279	17,016	5,628	15,227	64,307

31. 遞延所得稅(續)

年內遞延所得稅資產及負債的變動(不計及同一稅項司法權區內結餘的抵銷)如下:

Deferred tax liabilities	遞延稅項負債	Service concession receivables 服務特許 應收款項 RMB' 000 人民幣千元	Fair value gains 公平值收益 RMB' 000 人民幣千元	Accelerated tax depreciation 加速 稅項折舊 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
At 1 January 2014	於二零一四年一月一日	(7,604)	(2,356)	(651)	(10,611)
(Charge)/credit to income statement	於收益表(扣除)/計入	(17,683)	503	(2,044)	(19,224)
Acquisition of subsidiaries	收購附屬公司	—	(28,463)	—	(28,463)
At 31 December 2014	於二零一四年十二月三十一日	(25,287)	(30,316)	(2,695)	(58,298)
At 1 January 2015	於二零一五年一月一日	(25,287)	(30,316)	(2,695)	(58,298)
(Charge)/credit to income statement	於收益表(扣除)/計入	(8,933)	1,578	(2,000)	(9,355)
Acquisition of subsidiaries (note 35)	收購附屬公司(附註35)	—	(138,597)	—	(138,597)
At 31 December 2015	於二零一五年十二月三十一日	(34,220)	(167,335)	(4,695)	(206,250)

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

32. PROVISIONS

32. 撥備

		Maintenance costs 維修成本 RMB' 000 人民幣千元 (note a) (附註 a)	Employee benefit 僱員福利 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
At 1 January 2014	於二零一四年一月一日	2,141	—	2,141
Acquisition of subsidiaries	收購附屬公司	—	3,971	3,971
Provision capitalised in intangible assets	於無形資產中將撥備撥作資本	7,570	—	7,570
Provision charged to income statement (note 10)	於收益表扣除的撥備(附註10)	769	—	769
Paid during year	年內已付款項	—	(43)	(43)
At 31 December 2014	於二零一四年十二月三十一日	10,480	3,928	14,408
At 1 January 2015	於二零一五年一月一日	10,480	3,928	14,408
Acquisition of subsidiaries (note 35(c))	收購附屬公司(附註35(c))	9,559	—	9,559
Provision charged to income statement (note 10)	自收益表扣除撥備(附註10)	1,912	—	1,912
Paid during the year	年內已付款項	—	(88)	(88)
At 31 December 2015	於二零一五年十二月三十一日	21,951	3,840	25,791

(a) Pursuant to the service concession agreements entered into by the Group, the Group has the contractual obligations to maintain the facilities it operates to specified level of serviceability and/or to restore the plants to a specified condition before they are handed over to the Grantors at the end of the service concession periods. These contractual obligations to maintain or restore the facilities, except for any upgrade elements, are recognised and measured in accordance with HKAS 37 at the best estimate of the expenditure that would be required to settle the present obligation at the end of the year.

(a) 根據本集團訂立的服務特許經營協議，本集團的合約責任為保養其經營的設施，確保符合特定的可提供服務水平及／或於服務特許經營期結束時，在移交廠房予授予人之前，將其修復至指定狀態。該等保養或修復設施的合約責任(任何改造部分除外)乃根據香港會計準則第37號按年末履行當前責任所需支出的最佳估計值確認與計量。

Notes to the Consolidated Financial Statements

合併財務報表附註

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

33. CASH GENERATED FROM OPERATIONS

33. 經營(所用)／所得現金

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Profit before income tax	所得稅前利潤	382,869	226,157
Adjustments for:	就以下各項作出調整：		
– Bad debt provision	– 壞賬撥備	2,412	8,345
– Amortisation of investment property	– 投資物業攤銷	329	329
– Amortisation of land use right	– 土地使用權攤銷	3,470	2,932
– Amortisation of intangible assets	– 無形資產攤銷	11,137	8,631
– Depreciation of property, plant and equipment	– 物業、廠房及設備折舊	59,530	46,054
– Share of profit from investments accounted for using equity method	– 以權益法入賬的應佔投資利潤	(4,896)	(10,942)
– Dividend income on available-for-sale financial assets	– 可供出售金融資產的股息收入	—	(453)
– Finance costs - net	– 融資成本淨額	50,962	26,593
– Disposal loss of investments	– 出售投資虧損	—	536
– Disposal loss/(gain) of property, plant and equipment, land use rights and other intangible assets	– 出售物業、廠房及設備、土地使用權及其他無形資產虧損／(收益)	70	(3,273)
– Negative goodwill	– 負商譽	(12,472)	—
Changes in working capital (excluding the effects of acquisition and currency translation differences on consolidation)	營運資金變動(不包括收購及合併入賬時匯兌差額的影響)		
– Inventories	– 存貨	(2,238)	(6,394)
– Amount due from customers for contract works	– 就合約工程應收客戶款項	(209,393)	(181,386)
– Trade and other receivables and receivables under concession arrangements	– 貿易及其他應收款項以及特許經營安排下的應收款項	(1,062,438)	(682,370)
– Trade and other payables	– 貿易及其他應付款項	105,561	158,380
– Deferred income	– 遞延收入	(6,873)	(27,593)
Cash used in operations	經營所用現金	(681,970)	(434,454)

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

33. CASH GENERATED FROM OPERATIONS (Cont'd)

In the statement of cash flows, proceeds from sale of property, plant and equipment, land use rights and other intangible assets comprise:

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Net book amount	賬面淨值	2,904	26,855
(Loss)/gain on disposal of property, plant and equipment, land use rights and other intangible assets	出售物業、廠房及設備、土地使用權及其他無形資產(虧損)/收益	(70)	3,273
Disposal consideration not settled	未結算出售代價	—	(4,350)
Cash received from prior year's disposal	自過往年度出售收取的現金	4,000	—
Proceeds from disposal of property, plant and equipment, land use rights and other intangible assets	出售物業、廠房及設備、土地使用權及其他無形資產的所得款項	6,834	25,778

33. 經營(所用)/所得現金(續)

於現金流量表內，銷售物業、廠房及設備、土地使用權及其他無形資產所得款項包括：

34. COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for but not yet incurred as of 31 December 2015 and 2014, is as follows:

		As at 31 December 於十二月三十一日	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Property, plant and equipment and concession projects	物業、廠房及設備及特許經營項目	898,701	323,779

34. 承擔

(a) 資本承擔

截至二零一五年以及二零一四年十二月三十一日已訂約但尚未產生的資本支出如下：

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

34. COMMITMENTS (Cont'd)

(b) Operating lease commitments – Group as lessee

The Group has leased various offices and warehouses under non-cancellable operating lease agreements. The lease terms are between 1 and 10 years.

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

		As at 31 December	
		於十二月三十一日	
		2015	2014
		二零一五年	二零一四年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Within one year	一年以內	6,500	2,995
One to five years	一至五年	6,074	1,477
Over five years	五年以上	450	54
		13,024	4,526

34. 承擔(續)

(b) 經營租賃承擔 – 本集團作為承租人

本集團根據不可撤銷經營租賃協議租賃多個辦公室及倉庫。租賃期為1至10年。

本集團根據不可撤銷經營租約擁有的未來最低租金付款總額如下：

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

35. BUSINESS COMBINATION

(a) PJT Technology

PJT Technology's principal activities are investment in waste incineration and power generation in Phuket, Thailand. On 30 December 2015, the Company acquired 100% equity interest of PJT Technology from an independent third party.

The acquired business has contributed none of revenues and net profit to the Group for the period from acquisition date to 31 December 2015. Had PJT Technology been consolidated from 1 January 2015, the consolidated income statement of the Group for the year ended 31 December 2015 would show pro-forma revenue of RMB1,645,749,000 and net profit of RMB320,594,000.

The following table summarises the consideration paid for PJT Technology, the fair value of net assets acquired and goodwill at the acquisition date.

	RMB' 000 人民幣千元
Consideration:	代價：
– Cash	– 現金 452,587
– Unpaid consideration	– 未付代價 1,678
Total consideration	代價總額 454,265
Fair value of identifiable net assets acquired	所收購可識別淨資產的公平值
Cash and cash equivalents	現金及現金等價物 2,872
Restricted cash	受限制現金 8,915
Trade and other receivables	貿易及其他應收款項 19,424
Inventory	存貨 2,920
Property, plant and equipment	物業、廠房及設備 181
Intangible assets	無形資產 465,560
Borrowings	借款 (8,912)
Trade and other payables	貿易及其他應付款項 (5,894)
Deferred income tax liabilities	遞延所得稅負債 (34,465)
Total identifiable net assets	可識別淨資產總額 450,601
Goodwill	商譽 3,664

35. 業務合併

(a) PJT Technology

PJT Technology的主營業務為在泰國普吉島投資垃圾焚燒及發電。於二零一五年十二月三十日，本公司向一名獨立第三方收購PJT Technology的100%股權。

收購日期至二零一五年十二月三十一日期間，所收購業務並未對本集團的收入及純利作出貢獻。倘PJT Technology自二零一五年一月一日起合併入賬，則本集團截至二零一五年十二月三十一日止年度的合併收益表將列示的備考收入及純利將分別為人民幣1,645,749,000元及人民幣320,594,000元。

下表概述就PJT Technology已付的代價、於收購日期所收購淨資產的公平值及商譽。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

35. BUSINESS COMBINATION (Cont'd)

(b) Shandong Tengyue

Shandong Tengyue's principal activities are chemical and medical waste treatment in Shandong Province, the PRC. On 2 November 2015, the Company injected capital of RMB416,330,000 to Shandong Tengyue to acquire its 51% equity interest.

The acquired business has contributed revenues of RMB8,344,000 and net profit of RMB1,297,000 to the Group for the period from acquisition date to 31 December 2015. Had Shandong Tengyue been consolidated from 1 January 2015, the consolidated income statement of the Group for the year ended 31 December 2015 would show pro-forma revenue of RMB1,595,967,000 and net profit of RMB312,842,000.

35. 業務合併(續)

(b) 山東騰躍

山東騰躍的主營業務為在中國山東省進行化學及醫療廢物處理。於二零一五年十一月二日，本公司向山東騰躍注資人民幣416,330,000元以獲取其51%股權。

收購日期至二零一五年十二月三十一日期間，所收購業務為本集團貢獻收入人民幣8,344,000元及純利人民幣1,297,000元。倘山東騰躍自二零一五年一月一日起合併入賬，則本集團截至二零一五年十二月三十一日止年度的合併收益表將列示的備考收入及純利將分別為人民幣1,595,967,000元及人民幣312,842,000元。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

35. BUSINESS COMBINATION (Cont'd)

(b) Shandong Tengyue (Cont'd)

The following table summarises the consideration paid for Shandong Tengyue, the fair value of net assets and acquired goodwill at the acquisition date.

35. 業務合併(續)

(b) 山東騰躍(續)

下表概述就山東騰躍已付的代價、淨資產的公平值及於收購日期所收購的商譽。

		RMB' 000 人民幣千元
Consideration:	代價：	
– Cash	– 現金	216,330
– Unpaid consideration	– 未付代價	200,000
Total consideration	代價總額	416,330
Fair value of identifiable net assets acquired	所收購可識別淨資產的公平值	
Cash and cash equivalents	現金及現金等價物	224,591
Restricted cash	受限制現金	689
Trade and other receivables	貿易及其他應收款項	246,516
Investment properties	投資物業	13,051
Property, plant and equipment	物業、廠房及設備	145,673
Intangible assets	無形資產	119,429
Land use rights	土地使用權	23,410
Deferred income tax assets	遞延所得稅資產	19,871
Borrowings	借款	(19,360)
Trade and other payables	貿易及其他應付款項	(144,543)
Deferred income tax liabilities	遞延所得稅負債	(24,742)
Total identifiable net assets	可識別淨資產總額	604,585
Non-controlling interests	非控股權益	(297,777)
		306,808
Goodwill	商譽	109,522

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

35. BUSINESS COMBINATION (Cont'd)

(c) Zhengxiao Environmental

Zhengxiao Environmental's principal activities are medical waste treatment in Yunnan Province, the PRC. On 21 December 2015, the Company acquired 60% equity interest of Zhengxiao Environmental from an independent third party.

The acquired business has contributed none of revenues and net profit to the Group for the period from acquisition date to 31 December 2015. Had Zhengxiao Environmental been consolidated from 1 January 2015, the consolidated income statement of the Group for the year ended 31 December 2015 would show pro-forma revenue of RMB1,629,126,000 and net profit of RMB354,873,000.

The following table summarises the consideration paid for Zhengxiao Environmental, the fair value of net assets and goodwill acquired at the acquisition date.

35. 業務合併(續)

(c) 正曉環保

正曉環保的主營業務為在中國雲南省進行醫療廢物處理。於二零一五年十二月二十一日，本公司向一名獨立第三方收購正曉環保的60%股權。

收購日期至二零一五年十二月三十一日期間，所收購業務並未對本集團的收入及純利作出貢獻。倘正曉環保自二零一五年一月一日起合併入賬，則本集團截至二零一五年十二月三十一日止年度的合併收益表將列示的備考收入及純利將分別為人民幣1,629,126,000元及人民幣354,873,000元。

下表概述就正曉環保已付的代價、淨資產的公平值及於收購日期所收購的商譽。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

35. BUSINESS COMBINATION (Cont'd)

35. 業務合併(續)

(c) Zhengxiao Environmental (Cont'd)

(c) 正曉環保(續)

		RMB' 000 人民幣千元
Consideration:	代價：	
– Cash	– 現金	210,000
– Unpaid consideration	– 未付代價	90,000
Total consideration	代價總額	300,000
Fair value of identifiable net assets acquired	所收購可識別淨資產的公平值	
Cash and cash equivalents	現金及現金等價物	2,731
Trade and other receivables	貿易及其他應收款項	77,077
Property, plant and equipment	物業、廠房及設備	1,444
Intangible assets	無形資產	599,577
Deferred income tax assets	遞延所得稅資產	1,434
Borrowings	借款	(74,500)
Trade and other payables	貿易及其他應付款項	(18,814)
Deferred income tax liabilities	遞延所得稅負債	(79,390)
Provision	撥備	(9,559)
Total identifiable net assets	可識別淨資產總額	500,000
Non-controlling interests	非控股權益	(200,000)
		300,000
Goodwill	商譽	—

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

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(除非另有說明，否則所有金額均以人民幣千元表示)

35. BUSINESS COMBINATION (Cont'd)

(d) Wenshan Water

Wenshan Water was a joint venture of the Group from 2010, which was held 51% equity. Wenshan Water's principal activities are sewage treatment in Yunnan, the PRC. On 30 December 2015, Wenshan Urban and Rural Development Company transferred its 49% equity interest in Wenshan Water to the Group. Wenshan Water became the wholly owned subsidiary of the Group.

The acquired business has contributed none of revenues and net profit to the Group for the period from acquisition date to 31 December 2015. Had Wenshan Water been consolidated on 1 January 2015, the consolidated income statement of the Group for the year ended 31 December 2015 would show pro-forma revenue of RMB1,583,590,000 and net profit of RMB327,190,000.

The following table summarises the consideration paid for Wenshan Water, the fair value of net assets and acquired goodwill at the acquisition date.

35. 業務合併(續)

(d) 文山水務

文山水務自二零一零年起為本集團的合營企業，本集團持有其51%的股權。文山水務的主營業務為在中國雲南進行污泥處理。於二零一五年十二月三十日，Wenshan Urban and Rural Development Company向本集團轉讓文山水務的49%股權。文山水務成為本集團的全資附屬公司。

收購日期至二零一五年十二月三十一日期間，所收購業務並未對本集團的收入及純利作出貢獻。倘文山水務於二零一五年一月一日合併入賬，則本集團截至二零一五年十二月三十一日止年度的合併收益表將列示的備考收入及純利將分別為人民幣1,583,590,000元及人民幣327,190,000元。

下表概述就文山水務已付的代價、淨資產的公平值及於收購日期所收購的商譽。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

35. BUSINESS COMBINATION (Cont'd)

35. 業務合併(續)

(d) Wenshan Water (Cont'd)

(d) 文山水務(續)

		RMB' 000 人民幣千元
Consideration:		
– Fair value of 51% equity interest in Wenshan Water held by the Group	代價： – 本集團所持文山水務 51% 股權的公平值	50,149
– Cash	– 現金	35,710
		85,859
Fair value of identifiable net assets acquired		
Cash and cash equivalents	所收購可識別淨資產的公平值 現金及現金等價物	22,518
Trade and other receivables	貿易及其他應收款項	9,833
Receivables under service concession arrangements	服務特許經營安排下的應收款項	110,437
Property, plant and equipment	物業、廠房及設備	523
Trade and other payables	貿易及其他應付款項	(39,869)
Deferred income	遞延收入	(2,000)
		101,442
Total identifiable net assets	可識別淨資產總額	
Non-controlling interests	非控股權益	(3,111)
		98,331
Negative goodwill	負商譽	(12,472)

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

36. RELATED PARTY TRANSACTIONS

36. 關聯方交易

(a) Name and relationship with related parties

(a) 關聯方的名稱及與關聯方的關係

Name 名稱	Relationship 關係
Yunnan Province Water 雲南省水務	Shareholder of the Company 本公司股東
Beijing OriginWater 北京碧水源	Shareholder of the Company 本公司股東
Finergy Development 融源成長	Shareholder of the Company 本公司股東
Wenshan Water (note 15(b)(ii)) 文山水務(附註 15(b)(ii))	Joint venture of the Group before 30 December 2015 本集團於二零一五年十二月三十日前的 合營企業
Bazhou Keda (note 15(a)(i)) 巴州科達(附註 15(a)(i))	Associate 聯營公司
Maguan Water Industry Investment Co., Ltd. ("Maguan Water") 馬關縣水務產業投資有限公司(「馬關水務」)	Subsidiary of Wenshan Water 文山水務的附屬公司
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
Jinghong Municipal Investment and Development Co., Ltd. ("Jinghong Investment") 景洪市城市投資開發有限公司(「景洪城投」)	Subsidiary of YMCI
Yunnan Chengjiang Eagle Tourist Resort Co., Ltd. ("Yunnan Chengjiang Eagle") 雲南澄江老鷹地旅遊度假村有限公司(「雲南澄江老鷹地」)	Subsidiary of YMCI
Yunnan City Voted Erhai Real Estate Limited. ("Yunnan Erhai Estate") 雲南城投洱海置業有限公司(「雲南洱海置業」)	Subsidiary of YMCI
Yunnan City Voted Longjiang Real Estate Limited. ("Yunnan Longjiang Estate") 雲南城投龍江房地產開發有限公司(「雲南龍江房地產」)	Subsidiary of YMCI
ZTE Yunnan City Investment Information Technology Co. Ltd. ("ZTE Yunnan City Investment") 雲南中興城投信息技術有限公司(「雲南中興城投」)	Subsidiary of YMCI

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

36. RELATED PARTY TRANSACTIONS (Cont'd)

36. 關聯方交易(續)

(a) Name and relationship with related parties (Cont'd)

(a) 關聯方的名稱及與關聯方的關係(續)

Name	Relationship
Kunming University Of Science And Technology Oxbridge College (“Kunming Oxbridge College”) 昆明理工大學津橋學院(「昆明津橋學院」)	Subsidiary of YMCI 雲南城投集團的附屬公司
Kunming NO.1 Construction Group Co.,Ltd. (“Kunming NO.1 Construction”) 昆明一建建設集團有限公司(「昆明一建」)	Subsidiary of YMCI 雲南城投集團的附屬公司
Yunnan City Voted Bana Investment and Development Co.,Ltd(“Bana Investment”) 雲南城投版納投資開發有限公司(「版納投資」)	Subsidiary of YMCI 雲南城投集團的附屬公司
Yunnan Circular Economy Investment Co.,Ltd (“Circular Economy”) 雲南循環經濟投資有限公司(「循環經濟」)	Subsidiary of YMCI 雲南城投集團的附屬公司
Yunnan Construction Engineering Group Co., Ltd. (“Yunnan Construction”) 雲南建工集團有限公司(「雲南建工」)	State-owned enterprises 國有企業
The 14th metallurgical construction corporation Ltd. (“The 14th metallurgical construction”) 十四冶建設集團有限公司(「十四冶建設」)	State-owned enterprises 國有企業

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

36. RELATED PARTY TRANSACTIONS (Cont'd)

(b) Transactions with related parties

During the years ended 31 December 2015 and 2014, the Group had the following significant transactions with related entities which are carried out on terms agreed with the counter parties in the ordinary course of business:

(i) Purchase of goods and construction services

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Yunnan Construction	雲南建工	554,869	486,579
Beijing OriginWater	北京碧水源	5,018	3,414
The 14th Metallurgical Construction	十四冶建設	—	4,381
ZTE Yunnan City Investment	雲南中興城投	824	—
		560,711	494,374

(ii) Sales of goods

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Yunnan Construction	雲南建工	148,096	94,623
The 14th Metallurgical Construction	十四冶建設	39,953	202,162
Yunnan Erhai Estate	雲南洱海置業	300	3,110
Yunnan Chengjiang Eagle	雲南澄江老鷹地	313	2,222
Yunnan Longjiang Estate	雲南龍江房地產	3,195	—
Kunming NO.1 Construction	昆明一建	15,488	—
Kunming Oxbridge College	昆明津橋學院	1,080	—
		208,425	302,117

36. 關聯方交易(續)

(b) 與關聯方進行的交易

於截至二零一五年及二零一四年十二月三十一日止年度，本集團與關聯實體按對手方的正常業務過程中協定的條款進行了以下重大交易：

(i) 購買貨品及建設服務

Year ended 31 December
截至十二月三十一日止年度

2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
-----------------------------------	-----------------------------------

554,869	486,579
5,018	3,414
—	4,381
824	—
560,711	494,374

(ii) 銷售貨品

Year ended 31 December
截至十二月三十一日止年度

2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
-----------------------------------	-----------------------------------

148,096	94,623
39,953	202,162
300	3,110
313	2,222
3,195	—
15,488	—
1,080	—
208,425	302,117

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

36. RELATED PARTY TRANSACTIONS (Cont'd)

(b) Transactions with related parties (Cont'd)

(iii) Sales of land use right and property, plant and equipment

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Circular Economy	循環經濟	2,959	—

(iv) Transactions under business arrangement

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Funds from related parties	關聯方提供資金		
– Yunnan Province Water	– 雲南省水務	235	389
– Beijing OriginWater	– 北京碧水源	—	229
– Yunnan Construction	– 雲南建工	300	—
– Jinghong Investment	– 景洪城投	1,173	6,322
– YMCI	– 雲南城投集團	658	—
		2,366	6,940

36. 關聯方交易(續)

(b) 與關聯方進行的交易(續)

(iii) 銷售土地使用權及物業、廠房及設備

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Circular Economy	循環經濟	2,959	—

(iv) 業務安排下的交易

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Funds from related parties	關聯方提供資金		
– Yunnan Province Water	– 雲南省水務	235	389
– Beijing OriginWater	– 北京碧水源	—	229
– Yunnan Construction	– 雲南建工	300	—
– Jinghong Investment	– 景洪城投	1,173	6,322
– YMCI	– 雲南城投集團	658	—
		2,366	6,940

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

36. RELATED PARTY TRANSACTIONS (Cont'd)

(b) Transactions with related parties (Cont'd)

(iv) Transactions under business arrangement (Cont'd)

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Funds to related parties	向關聯方提供資金		
– YMCI	– 雲南城投集團	—	200,000
– Wenshan Water	– 文山水務	—	63,046
– Jinghong Investment	– 景洪城投	1,173	2,169
– Beijing OriginWater	– 北京碧水源	229	—
		1,402	265,215

The funding arrangement between the Group and related parties are denominated and settled in RMB and repayable on demand. And certain loans bear interests are set out in note (d) below.

36. 關聯方交易(續)

(b) 與關聯方進行的交易(續)

(iv) 業務安排下的交易(續)

本集團與關聯方的融資安排以人民幣計值及結清並須於要求時償還。若干貸款按下文附註(d)所載者計息。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

36. RELATED PARTY TRANSACTIONS *(Cont'd)*

(b) Transactions with related parties *(Cont'd)*

(v) Interest income and interest expense

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Interest income of funds to related parties	向關聯方提供資金的利息收入		
– YMCI	– 雲南城投集團	—	200
– Jinghong Investment	– 景洪城投	—	1,232
– Wenshan Water	– 文山水務	4,552	202
		4,552	1,634
Interest expense of funds from related parties	關聯方提供資金的利息開支		
– Jinghong Investment	– 景洪城投	—	1,232

36. 關聯方交易(續)

(b) 與關聯方進行的交易(續)

(v) 利息收入及利息開支

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Interest income of funds to related parties	向關聯方提供資金的利息收入		
– YMCI	– 雲南城投集團	—	200
– Jinghong Investment	– 景洪城投	—	1,232
– Wenshan Water	– 文山水務	4,552	202
		4,552	1,634
Interest expense of funds from related parties	關聯方提供資金的利息開支		
– Jinghong Investment	– 景洪城投	—	1,232

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

36. RELATED PARTY TRANSACTIONS (Cont'd)

(b) Transactions with related parties (Cont'd)

(vi) Key management compensation

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

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Salaries and other benefits	薪金及其他福利	5,735	3,637

(vii) Guarantee

Guarantee provided by related parties in respect of the borrowings of the Group – Jinghong Investment	關聯方就本集團借款提供的擔保 – 景洪城投	15,000	22,500
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The related parties have not charged the Group any fee for providing above guarantee to the Group.

36. 關聯方交易(續)

(b) 與關聯方進行的交易(續)

(iv) 主要管理人員薪酬

主要管理層包括執行董事。就僱員服務已付或應付主要管理人員的薪酬如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Salaries and other benefits	薪金及其他福利	5,735	3,637

(vii) 擔保

		Year ended 31 December 截至十二月三十一日止年度	
		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Guarantee provided by related parties in respect of the borrowings of the Group – Jinghong Investment	關聯方就本集團借款提供的擔保 – 景洪城投	15,000	22,500

關聯方並無就向本集團提供上述擔保收取本集團任何費用。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

36. RELATED PARTY TRANSACTIONS (Cont'd)

(c) Transactions with other state-owned enterprises

In accordance with HKAS 24 “Related Party Disclosures”, state-owned enterprises and their subsidiaries, directly or indirectly controlled by the PRC Government are regarded as related parties of the Group.

The Group operates in an economic environment predominated by state-owned enterprises. During the years ended 31 December 2015 and 2014, the Group had transactions with state-owned enterprises including, but not limited to, operating services, construction services and equipment sales.

These transactions are conducted in the ordinary course of the Group’s business on terms comparable to those with other entities that are not state-owned. The Group has established its pricing strategy and approval process for purchase and sales of products and services. Such pricing strategy approval processes are consistently applied regardless of the counterparties are state-owned entities or not. Having due regard to the substance of the relationships, the directors of the Company are of the opinion that none of these transactions are material related party transactions that require separate disclosure except for the transactions with Yunnan Construction and The 14th Metallurgical Construction as disclosed above.

36. 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。於截至二零一五年及二零一四年十二月三十一日止年度，本集團與國有企業進行的交易包括(但不限於)運營服務、建設服務及設備銷售。

此等交易乃在本集團的日常業務過程中按可與其他非國有實體所訂立者比較的條款進行。本集團已建立買賣產品及服務的定價策略及批准流程。有關定價策略批准流程貫徹採用，而不論對手方是否為國有實體。經適當考慮有關關係的實質後，本公司董事認為此等交易概非須進行獨立披露的重大關聯方交易，惟上文所披露與雲南建工及十四冶建設進行的交易除外。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

36. RELATED PARTY TRANSACTIONS (Cont'd)

(d) Balance with related parties

Trade receivables - current	貿易應收款項－即期
– Beijing OriginWater	– 北京碧水源
– Yunnan Construction	– 雲南建工
– The 14th Metallurgical Construction	– 十四冶建設
– Yunnan Erhai Estate	– 雲南洱海置業
– Yunnan Chengjiang Eagle	– 雲南澄江老鷹地
– Yunnan Longjiang Estate	– 雲南龍江房地產
– Kunming NO.1 Construction	– 昆明一建

36. 關聯方交易(續)

(d) 與關聯方的結餘

As at 31 December
於十二月三十一日

2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
------------------------------------	------------------------------------

		—	4,127
		233,406	185,606
		38,906	122,426
		2,260	3,110
		2,502	2,593
		1,078	—
		6,946	—
		285,098	317,862

The balances are denominated in RMB, unsecured, interest free and repayable on demand.

結餘以人民幣計值、無抵押、免息及須於要求時償還。

As at 31 December
於十二月三十一日

2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
------------------------------------	------------------------------------

Prepayments for purchase of goods	購買貨品預付款
– Beijing OriginWater	– 北京碧水源
– Yunnan Construction	– 雲南建工
– ZTE Yunnan City Investment	– 雲南中興城投

		24,560	19,778
		83,519	50,159
		699	—
		108,778	69,937

The balances are denominated in RMB, current, unsecured and interest free.

結餘以人民幣計值、即期、無抵押及免息。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

36. RELATED PARTY TRANSACTIONS (Cont'd)

36. 關聯方交易(續)

(d) Balance with related parties (Cont'd)

(d) 與關聯方的結餘(續)

		As at 31 December 於十二月三十一日	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Amounts due from related parties without interest bearing (i)	應收關聯方的不計息款項 (i)		
– Maguan Water	– 馬關水務	—	133
– Wenshan Water	– 文山水務	—	25
– The 14th Metallurgical Construction	– 十四冶建設	40	—
– Yunnan Construction	– 雲南建工	6,071	—
		6,111	158
Amounts due from related parties with interest bearing (ii)	應收關聯方的計息款項 (ii)		
– Wenshan Water	– 文山水務	—	63,000

(i) The balances are denominated in RMB, unsecured, interest free and repayable on demand.

(i) 結餘以人民幣計值、無抵押、免息及須於要求時償還。

(ii) The balances are denominated in RMB, unsecured, repayable on demand, with the interest rate 6.00% per annum.

(ii) 結餘以人民幣計值、無抵押、須於要求時償還，按年利率6.00%計息。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

36. RELATED PARTY TRANSACTIONS (Cont'd)

(d) Balance with related parties (Cont'd)

		As at 31 December 於十二月三十一日	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Trade payables - current	貿易應付款項－即期		
– The 14th Metallurgical Construction	– 十四冶建設	1,205	2,114
– Yunnan Construction	– 雲南建工	125,087	143,287
– Beijing OriginWater	– 北京碧水源	3,346	—
		129,638	145,401
		As at 31 December 於十二月三十一日	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Advance from customer	來自客戶的墊款		
– Banna Investment	– 版納投資	690	690
		As at 31 December 於十二月三十一日	
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Amounts due to related parties	應付關聯方的款項		
– Yunnan Construction	– 雲南建工	14,413	37,276
– Yunnan Province Water	– 雲南省水務	624	389
– Beijing OriginWater	– 北京碧水源	—	229
		15,037	37,894

The balances are denominated in RMB, unsecured, interest free and repayable on demand.

計息結餘以人民幣計值、無抵押及須於要求時償還。

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

37. EVENTS AFTER THE BALANCE SHEET DATE

- (i) On 11 January 2016, the Group has entered into the Equity Transfer Agreement with Environmental Experts (China) Development & Investment Company Limited and Hong Kong Rich Investment Limited to acquire 100% equity interest of Harbin Guo Huan Medical Solid Waste Harmless Centralized Disposal Center Co., Ltd. (“Guo Huan”) at the consideration of RMB290.6 million. Guo Huan’s principal activities are solid waste treatment.
- (ii) The Group acquired 65% of the share capital of Future International Group Co., Limited, which holds water supply projects in Qingzhou, Shandong Province, for a cash consideration of RMB292.5 million on 8 January 2016.

37. 資產負債表日後事項

- (i) 於二零一六年一月十一日，本集團與專業環保(中國)投資開發有限公司及香港年峰投資有限公司簽訂了股權轉讓協議，按代價人民幣290.6百萬元收購哈爾濱國環醫療固體廢物無害化集中處置中心有限公司(「國環」)之100%股權訂立股權轉讓協議。國環的主要業務活動為固廢處理。
- (ii) 本集團於二零一六年一月八日按現金代價人民幣292.5百萬元收購暉澤集團有限公司65%股本，其持有山東省青州市供水項目。

38. BALANCE SHEET, RESERVE AND RETAINED EARNINGS MOVEMENT OF THE COMPANY

38. 本公司資產負債表、儲備及保留盈利變動

		As at 31 December 於十二月三十一日	
		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
ASSETS	資產		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	38,302	33,104
Receivables under service concession arrangements	服務特許經營安排下的應收款項	45,296	40,414
Investments in subsidiaries	於附屬公司的投資	2,642,425	1,145,361
Investments in an associate and a joint venture	於一家聯營公司及合資企業的投資	34,925	25,594
Deferred income tax assets	遞延所得稅資產	9,748	16,459
Trade and other receivables	貿易及其他應收款項	314,133	—
		3,084,829	1,260,932
Current assets	流動資產		
Inventories	存貨	12	—
Trade and other receivables	貿易及其他應收款項	1,805,542	1,168,508
Cash and cash equivalents	現金及現金等價物	786,465	132,089
Restricted cash	受限制的現金	10,000	—
		2,602,019	1,300,597
Total assets	總資產	5,686,848	2,561,529

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

38. BALANCE SHEET, RESERVE AND RETAINED EARNINGS MOVEMENT OF THE COMPANY (Cont'd)

38. 本公司資產負債表、儲備及保留 盈利變動(續)

		As at 31 December 於十二月三十一日	
		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
EQUITY	權益		
Equity attributable to owners of the Company	本公司擁有人應佔權益		
Share capital	股本	1,193,213	862,564
Other reserves	其他儲備	2,223,956	1,153,969
Retained earnings	保留盈利	121,834	6,857
Total equity	總權益	3,539,003	2,023,390
LIABILITIES	負債		
Non-current liabilities	非流動負債		
Borrowings	借款	824,527	396,838
Deferred income	遞延收入	3,283	1,149
Deferred income tax liabilities	遞延所得稅負債	1,577	—
		829,387	397,987
Current liabilities	流動負債		
Borrowings	借款	751,600	100,000
Trade and other payables	貿易及其他應付款項	566,858	40,152
		1,318,458	140,152
Total liabilities	總負債	2,147,845	538,139
Total equity and liabilities	權益及負債總額	5,686,848	2,561,529

The balance sheet of the Company was approved by the Board of Directors on 30 March 2016 and was signed on its behalf

本公司資產負債表由董事會於二零一六年三月三十日批准並由其代表簽署

Yu Long
Name of Director

Liu Xujun
Name of Director

于龍
董事姓名

劉旭軍
董事姓名

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

38. BALANCE SHEET, RESERVE AND RETAINED EARNINGS MOVEMENT OF THE COMPANY (Cont'd) 38. 本公司資產負債表、儲備及保留盈利變動(續)

(a) Reserve movement of the Company

(a) 本公司儲備變動

		Capital reserve 股本儲備 RMB' 000 人民幣千元	Statutory reserve 法定儲備 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
As at 1 January 2014	於二零一四年一月一日	953,642	9,770	963,412
Contribution by Yunnan Province Water, Hangzhou Qingyu, and Sichuan Rongchen	雲南省水務、杭州青域及四川融琛出資			
Transfer to statutory reserve	轉至法定儲備	185,316	—	185,316
		—	5,241	5,241
As at 31 December 2014	於二零一四年十二月三十一日	1,138,958	15,011	1,153,969
As at 1 January 2015	於二零一五年一月一日	1,138,958	15,011	1,153,969
Issue of ordinary shares	發行普通股	1,183,137	—	1,183,137
Shares issuance costs	股份發行成本	(126,438)	—	(126,438)
Transfer to statutory reserve	轉至法定儲備	—	13,288	13,288
As at 31 December 2015	於二零一五年十二月三十一日	2,195,657	28,299	2,223,956

(b) Retained Earnings of the Company

(b) 本公司保留盈利

		RMB' 000 人民幣千元
At 1 January 2014	於二零一四年一月一日	70,189
Profit for the year	年內利潤	52,409
Transfer to statutory reserve	轉至法定儲備	(5,241)
Dividends	股息	(110,500)
At 31 December 2014	於二零一四年十二月三十一日	6,857
At 1 January 2015	於二零一五年一月一日	6,857
Profit for the year	年內利潤	128,265
Transfer to statutory reserve	轉至法定儲備	(13,288)
At 31 December 2015	於二零一五年十二月三十一日	121,834

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

39. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and supervisors' emoluments

The emoluments of individual directors and supervisors of the Company paid/payable by the Group are presented as below:

(i) For the year ended 31 December 2015

Name of directors	董事姓名	House			Total	
		Salaries, allowances and bonus	allowances and other benefits	Pension		
		Fees	薪金、津貼及花紅	津貼及其他福利	退休金	總計
		RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive Directors		執行董事				
Mr. Yu Long (chief executive officer)	于龍先生 (行政總裁)	—	1,500	92	—	1,592
Mr. Liu Xujun	劉旭軍先生	—	548	77	—	625
Mr. Huang Yunjian	黃雲建先生	—	564	77	—	641
Non-executive Directors *		非執行董事*				
Mr. Xu Lei	許雷先生	—	—	—	—	—
Mr. Wen Jianping	文劍平先生	—	—	—	—	—
Mr. He Yuanping	何願平先生	—	—	—	—	—
Mr. Feng Zhuangzhi	馮壯志先生	—	—	—	—	—
Mr. Jiao Jun	焦軍先生	—	—	—	—	—
Supervisors		監事				
Ms. Yang Chuanyun	楊川雲女士	—	258	30	—	288
Ms. Wang Shuqin	王淑琴女士	—	—	—	—	—
Ms. Li Bo ****	李波女士****	—	—	—	—	—
Mr. Tan Hairui **	譚海銳先生**	—	36	—	—	36
Mr. Cao Jinwen **	曹晉聞先生**	—	36	—	—	36
Ms. Tang Shuang **	唐爽女士**	—	141	24	—	165

39. 董事福利及權益

(a) 董事及監事的酬金

本集團已付／應付本公司個人董事及監事的酬金呈列如下：

(i) 截至二零一五年十二月三十一日止年度

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

39. BENEFITS AND INTERESTS OF DIRECTORS (Cont'd)

(a) Directors' and supervisors' emoluments (Cont'd)

(i) For the year ended 31 December 2015 (Cont'd)

39. 董事福利及權益(續)

(a) 董事及監事的酬金(續)

(i) 截至二零一五年十二月三十一日止年度(續)

Name of directors	董事姓名	House				Total
		Salaries, allowances and bonus	allowances and other benefits	Pension		
		Fees	薪金、津貼及花紅	津貼及其他福利	退休金	總計
		袍金				
		RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Independent Non-executive Directors	獨立非執行董事					
Mr. Yao Yan Ping *****	姚恩平先生 *****	—	—	—	—	—
Mr. Ma Shihao	馬世豪先生	—	100	—	—	100
Mr. Ren Gangfeng	任鋼鋒先生	—	100	—	—	100
Mr. Hu Song	胡松先生	—	100	—	—	100
Mr. Kwok For Chi ***	郭科志先生 ***	—	117	—	—	117
		—	3,500	300	—	3,800

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

39. BENEFITS AND INTERESTS OF DIRECTORS (Cont'd)

(a) Directors' and supervisors' emoluments (Cont'd)

(ii) For the year ended 31 December 2014

Name of directors	董事姓名	Fees 袍金 RMB' 000 人民幣千元	Salaries, allowances and bonus 薪金、 津貼及 花紅 RMB' 000 人民幣千元	House	Pension 退休金 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
				allowances and other benefits 住房 津貼及 其他福利 RMB' 000 人民幣千元		
Executive Directors 執行董事						
Mr. Yu Long (chief executive officer)	于龍先生 (行政總裁)	—	1,306	87	—	1,393
Mr. Liu Xujun	劉旭軍先生	—	269	74	—	343
Mr. Huang Yunjian	黃雲建先生	—	294	75	—	369
Non-executive Directors 非執行董事						
Mr. Xu Lei	許雷先生	—	—	—	—	—
Mr. Wen Jianping	文劍平先生	—	—	—	—	—
Mr. He Yuanping	何願平先生	—	—	—	—	—
Mr. Feng Zhuangzhi	馮壯志先生	—	—	—	—	—
Mr. Jiao Jun	焦軍先生	—	—	—	—	—
Supervisors 監事						
Ms. Yang Chuanyun	楊川雲女士	—	148	27	—	175
Ms. Wang Shuqin	王淑琴女士	—	—	—	—	—
Mr. Fang Bin	房斌先生	—	—	—	—	—
Ms. Li Bo ****	李波女士****	—	—	—	—	—
Independent Non-executive Directors 獨立非執行董事						
Mr. Yao Yan Ping	姚恩平先生	—	—	—	—	—
Mr. Ma Shihao	馬世豪先生	—	—	—	—	—
Mr. Ren Gangfeng	任鋼鋒先生	—	—	—	—	—
Mr. Hu Song	胡松先生	—	—	—	—	—
		—	2,017	263	—	2,280

39. 董事福利及權益(續)

(a) 董事及監事的酬金(續)

(ii) 截至二零一四年十二月三十一日止年度

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

(All amounts expressed in thousands of RMB unless otherwise stated)

(除非另有說明，否則所有金額均以人民幣千元表示)

39. BENEFITS AND INTERESTS OF DIRECTORS (Cont'd)

(a) Directors' and supervisors' emoluments (Cont'd)

- * There were no fees or other emoluments payable to non-executive directors during the year.
- ** Appointed on 7 January 2015
- *** Appointed on 20 April 2015
- **** Appointed on 18 August 2014
- ***** Resigned on 20 April 2015

(b) Directors' retirement benefits and termination benefits

None of the directors received or will receive any retirement benefits or termination benefits for the year ended 31 December 2015.

(c) Consideration provided to third parties for making available directors' services

For the year ended 31 December 2015, the Group did not pay consideration to any third parties for making available directors' services.

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

As at 31 December 2015, there is no loans, quasi-loans and other dealing arrangements in favour of directors, controlled bodies corporate by and connected entities with such directors.

39. 董事福利及權益(續)

(a) 董事及監事的酬金(續)

- * 年內，概無應付予非執行董事的袍金或其他酬金。
- ** 於二零一五年一月七日獲委任
- *** 於二零一五年四月二十日獲委任
- **** 於二零一四年八月十八日獲委任
- ***** 於二零一五年四月二十日辭任

(b) 董事的退休福利及離職福利

截至二零一五年十二月三十一日止年度，概無董事已收取或將收取任何退休福利或離職福利。

(c) 就獲取董事服務而向第三方提供的代價

截至二零一五年十二月三十一日止年度，本集團並無就獲取董事服務向任何第三方支付代價。

(d) 有關以董事、董事的受控制法團及關連實體為受益人的貸款、準貸款及其他交易的資料

於二零一五年十二月三十一日，概無以董事、董事的受控制法團及關連實體為受益人的貸款、準貸款及其他交易安排。

Four-year Financial Summary 四年財務概要

A summary of the results and of the assets and liabilities of the Group for the last four financial years, as extracted from the published audited consolidated financial statements, is set out below.

本集團過去四個財政年度之業績及資產及負債概要，乃摘錄自己刊發之經審核合併財務報表，現載列如下。

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

簡明合併綜合收益表

		Year ended 31 December 截至十二月三十一日止年度			
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元	2013 二零一三年 RMB' 000 人民幣千元	2012 二零一二年 RMB' 000 人民幣千元
Revenue	收益	1,558,394	1,100,761	688,734	398,521
Gross profit	毛利	507,622	333,637	260,739	139,677
Profit before income tax	稅前溢利	382,869	226,157	252,233	160,086
Profit for the year	年內溢利	317,443	187,896	200,856	126,111
Profit for the year attributable to: Owners of the Company	以下人士應佔溢利： 本公司擁有人	285,853	166,587	193,683	120,043
Total comprehensive income for the year	年內全面收益 總額	318,419	187,804	200,856	126,111
Total comprehensive income attributable to: Owners of the Company	以下人士應佔全面 收益： 本公司擁有人	286,829	166,495	193,683	120,043

CONDENSED CONSOLIDATED BALANCE SHEET

簡明合併資產負債表

		As at 31 December 於十二月三十一日			
		2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元	2013 二零一三年 RMB' 000 人民幣千元	2012 二零一二年 RMB' 000 人民幣千元
Assets	資產總額				
Total non-current assets	非流動資產總額	6,677,868	3,525,728	2,233,718	1,709,725
Total current assets	流動資產總額	2,924,423	1,494,211	1,323,691	1,057,503
Total assets	資產總額	9,602,291	5,019,939	3,557,409	2,767,228
Equity and liabilities	權益及負債				
Equity attributable to: Owners of the company	以下應佔權益： 本公司擁有人	4,058,423	2,384,246	2,068,251	1,432,395
Non-controlling interests	非控股權益	884,189	337,078	208,153	152,004
Total equity	權益總額	4,942,612	2,721,324	2,276,404	1,584,399
Non-current liabilities	非流動負債	2,469,257	1,080,945	330,216	383,955
Current liabilities	流動負債	2,190,422	1,217,670	950,789	798,874
Total liability	負債總額	4,659,679	2,298,615	1,281,005	1,182,829
Total equity and liabilities	總權益及負債	9,602,291	5,019,939	3,557,409	2,767,228



雲南水務投資股份有限公司
YUNNAN WATER INVESTMENT CO., LIMITED*