



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



\* 僅供識別 For identification purposes only

年度報告 | 2020  
ANNUAL REPORT | 2020



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# Corporate Information

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Yu Long (*Vice-chairman, General Manager*)  
Mr. Yang Fang (*Deputy General Manager*)

#### Non-executive Directors

Mr. Li Jialong (*Chairman*)  
(*Appointed on 16 July 2020*)  
Mr. Dai Richeng (*Appointed on 12 October 2020*)  
Ms. Li Bo  
Mr. Chen Yong  
Mr. Yang Tao (*Resigned on 16 July 2020*)  
Mr. He Yuanping (*Resigned on 12 October 2020*)

#### Independent Non-executive Directors

Mr. Liu Shuen Kong  
Mr. Zhong Wei (*Appointed on 12 October 2020*)  
Mr. Zhou Beihai (*Appointed on 12 October 2020*)  
Mr. Hu Song (*Resigned on 14 July 2020*)  
Mr. Ma Shihao (*Resigned on 12 October 2020*)

### AUDIT COMMITTEE

Mr. Liu Shuen Kong (*Chairman*)  
Mr. Zhong Wei  
Mr. Zhou Beihai

### REMUNERATION COMMITTEE

Mr. Zhong Wei (*Chairman*)  
Mr. Yu Long  
Mr. Zhou Beihai

### NOMINATION COMMITTEE

Mr. Li Jialong (*Chairman*)  
Mr. Zhou Beihai  
Mr. Zhong Wei

### COMPLIANCE COMMITTEE

Mr. Zhong Wei (*Chairman*)  
Mr. Yu Long  
Mr. Yang Fang  
Mr. Liu Shuen Kong  
Mr. Zhou Beihai  
Mr. Huang Yi (*Supervisor*)

### COMPANY SECRETARY

Mr. Li Bo

### 董事會

#### 執行董事

于龍先生(*副董事長, 總經理*)  
楊方先生(*副總經理*)

#### 非執行董事

李家龍先生(*董事長*)  
(*於二零二零年七月十六日獲委任*)  
戴日成先生(*於二零二零年十月十二日獲委任*)  
李波女士  
陳勇先生  
楊濤先生(*於二零二零年七月十六日離任*)  
何願平先生(*於二零二零年十月十二日離任*)

#### 獨立非執行董事

廖船江先生  
鍾偉先生(*於二零二零年十月十二日獲委任*)  
周北海先生(*於二零二零年十月十二日獲委任*)  
胡松先生(*於二零二零年七月十四日離任*)  
馬世豪先生(*於二零二零年十月十二日離任*)

### 審核委員會

廖船江先生(*主席*)  
鍾偉先生  
周北海先生

### 薪酬委員會

鍾偉先生(*主席*)  
于龍先生  
周北海先生

### 提名委員會

李家龍先生(*主席*)  
周北海先生  
鍾偉先生

### 合規委員會

鍾偉先生(*主席*)  
于龍先生  
楊方先生  
廖船江先生  
周北海先生  
黃軼先生(*監事*)

### 公司秘書

李博先生

## AUTHORISED REPRESENTATIVES

Mr. Yu Long  
Mr. Yang Fang

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

Yunnan Water  
2089 Haiyuan Bei Road  
Gaoxin District Kunming  
Yunnan  
PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

## BRANCH SHARE REGISTRAR IN HONG KONG

Tricor Investor Services Limited  
Level 54, Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

## LEGAL ADVISERS

### As to Hong Kong law:

Jingtian & Gongcheng LLP  
Suites 3203-3207, 32/F., Edinburgh Tower  
The Landmark  
15 Queen's Road Central  
Hong Kong

### As to PRC law:

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

## 授權代表

于龍先生  
楊方先生

## 總部及中華人民共和國主要營業地址

中國  
雲南昆明  
高新技術開發區  
海源北路2089號  
雲南水務

## 香港主要營業地點

香港  
九龍  
尖沙咀廣東道25號  
海港城港威大廈第1座31樓  
3110-11室

## 香港股份過戶登記分處

卓佳證券登記有限公司  
香港  
灣仔  
皇后大道東183號  
合和中心54樓

## 法律顧問

### 有關香港法律：

競天公誠律師事務所有限法律責任合夥  
香港  
皇后大道中15號  
置地廣場公爵大廈32樓  
3203-3207室

### 有關中國法律：

嘉源律師事務所  
中國  
北京西城區  
復興門內大街158號  
遠洋大廈4層

# Corporate Information

## 公司資料

### PRINCIPAL BANKERS

Industrial Bank co., Ltd.  
China Development Bank  
China Construction Bank Corporation  
Industrial and Commercial Bank of China Limited  
Agricultural Bank of China Limited  
Agricultural Development Bank of China  
Bank of Communications Co., Ltd.  
China CITIC Bank Corporation Limited  
Shanghai Pudong Development Bank Co., Ltd.  
Ping An Bank Co., Limited

### AUDITOR

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

### STOCK CODE

6839

### COMPANY'S WEBSITE

<http://www.yunnanwater.cn>

### 主要往來銀行

興業銀行股份有限公司  
國家開發銀行  
中國建設銀行股份有限公司  
中國工商銀行股份有限公司  
中國農業銀行股份有限公司  
中國農業發展銀行  
交通銀行股份有限公司  
中信銀行股份有限公司  
上海浦東發展銀行股份有限公司  
平安銀行股份有限公司

### 核數師

羅兵咸永道會計師事務所  
執業會計師  
香港  
中環  
太子大廈22樓

### 股份代號

6839

### 公司網址

<http://www.yunnanwater.cn>

In this annual report, unless the context otherwise requires, the following expressions shall have the following meanings:  
於本年報內，除文義另有所指外，下列詞彙具有以下涵義：

|  |   |
|--|---|
| “Acting in Concert Parties”                | Mr. Liu Xujun, Mr. Huang Yunjian and Mr. Wang Yong  |
| 「一致行動人士」                                   | 劉旭軍先生、黃雲建先生及王勇先生  |
| “AGM”                                      | the annual general meeting of the Company to be convened and held by 30 June 2021   |
| 「股東週年大會」                                   | 本公司將於二零二一年六月三十日前舉行之股東週年大會   |
| “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 joint stock limited liability company established in the PRC, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 300070)     |
| 「北京碧水源」                                    | 北京碧水源科技股份有限公司，於中國成立的股份有限公司，其股份在深圳證券交易所上市（股份代號：300070）   |
| “Board” or “Board of Directors”            | the Board of Directors of the Company   |
| 「董事會」                                      | 本公司的董事會   |
| “Chairman”                                 | the Chairman of the Board   |
| 「董事長」                                      | 董事長   |
| “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   |

## Definitions 釋義

|                              |   |
|------------------------------|---|
| “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  |
| “Director(s)”                | the director(s) of our Company  |
| 「董事」                         | 本公司董事   |
| “Domestic Share(s)”          | the issued ordinary shares at the nominal value of RMB1.00 per share in the share capital of the Company which are subscribed for or credited as paid up in RMB   |
| 「內資股」                        | 以人民幣認購或列作繳足的本公司股本中每股面值人民幣1.00元的已發行普通股   |
| “ESG”                        | environmental, social, and governance   |
| 「ESG」                        | 環境、社會及管治  |
| “ESG Guide”                  | the Environmental, Social and Governance Reporting Guide, as set out in Appendix 27 to the Listing Rules  |
| 「ESG指引」                      | 環境、社會及管治報告指引，如上市規則附錄27所述  |
| “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   |



|                    |  |
|--------------------|--|
| “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   |
| “PPP Project”      | the public-private-partnership project   |
| 「PPP項目」            | 政府和社會資本合作項目  |
| “PRC” or “China”   | the People’s Republic of China, and for the purpose of this annual report only, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan |
| 「中國」               | 中華人民共和國，僅本報告而言，不包括香港、中國澳門特別行政區及台灣  |
| “Reporting Period” | the 12-month period from 1 January 2020 to 31 December 2020  |
| 「報告期」              | 由二零二零年一月一日起至二零二零年十二月三十一日止十二個月期間  |
| “RMB”              | Renminbi, the lawful currency of the PRC   |
| 「人民幣」              | 中國的法定貨幣人民幣   |
| “SFO”              | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)  |
| 「證券及期貨條例」          | 香港法例第571章《證券及期貨條例》   |
| “Share(s)”         | ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, including the H Share(s) and Domestic Share(s)                     |
| 「股份」               | 本公司股本中每股面值人民幣1.00元的普通股，包括H股及內資股  |
| “Shareholder(s)”   | the holder(s) of the Share(s)  |
| 「股東」               | 股份持有人  |
| “Stock Exchange”   | The Stock Exchange of Hong Kong Limited  |
| 「聯交所」              | 香港聯合交易所有限公司  |
| “subsidiary(ies)”  | has the meaning ascribed to it under the Listing Rules   |
| 「附屬公司」             | 具有上市規則賦予該詞的涵義  |

## Definitions 釋義

|                            |  |
|----------------------------|--|
| “Supervisor(s)”            | supervisor(s) of the Company   |
| 「監事」                       | 本公司的監事   |
| “Supervisory Committee”    | the supervisory committee of the Company   |
| 「監事委員會」                    | 本公司的監事委員會  |
| “THB”                      | Thailand Baht(s), the lawful currency of Thailand  |
| 「泰銖」                       | 泰國法定貨幣泰銖   |
| “Undertaking Shareholders” | namely YHTH, Yunnan Province Water and Beijing OriginWater   |
| 「有承諾的股東」                   | 即雲南康旅集團、雲南省水務及北京碧水源  |
| “US\$” or “USD”            | United States dollars, the lawful currency of the United States of America   |
| 「美元」                       | 美國法定貨幣美元   |
| “YHTH”                     | Yunnan Health & Cultural Tourism Holding Group Co., Ltd.* (雲南省康旅控股集團有限公司) (formerly known as 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   |
| 「雲南康旅集團」                   | 雲南省康旅控股集團有限公司(前稱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   |
| “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, its company name has been changed to “Yunnan Health & Cultural Tourism Holding Group Co., Ltd.* (雲南省康旅控股集團有限公司)” on 26 November 2020 |
| 「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·其名稱已於二零二零年十一月二十六日更名為「雲南省康旅控股集團有限公司」  |
| “Yunnan Province Water”    | Yunnan Province Water Industry Investment Co., Ltd.* (雲南省水務產業投資有限公司), a limited liability company incorporated in the PRC  |
| 「雲南省水務」                    | 雲南省水務產業投資有限公司·於中國註冊成立的有限責任公司   |
| “%”                        | per cent   |
| 「%」                        | 百分比  |

\* For identification purposes only  
\* 僅供識別

## Financial Highlights 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<br>截至十二月三十一日止年度 |                                   |                            |
|------------------------------------|--------------------------|--|-----------------------------------|----------------------------|
|                                    |                          | 2020<br>二零二零年<br>RMB'000<br>人民幣千元      | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 | Percentage<br>Change<br>變動 |
| Revenue                            | 收益                       | <b>8,396,630</b>                       | 6,538,024                         | 28.4%                      |
| Gross profit                       | 毛利                       | <b>2,096,132</b>                       | 1,832,313                         | 14.4%                      |
| Profit before income tax           | 所得稅前溢利                   | <b>502,624</b>                         | 677,549                           | -25.8%                     |
| EBITDA (Note 1)                    | 除利息、稅項、折舊及<br>攤銷前盈利(附註1) | <b>2,346,764</b>                       | 2,012,308                         | 16.6%                      |
| Profit for the year                | 年內溢利                     | <b>341,311</b>                         | 553,808                           | -38.4%                     |
| Return on shareholders' equity (%) | 股東資金回報率(%)               | <b>4.49%</b>                           | 6.48%                             | N/A 不適用                    |
| Basic earnings per share (RMB)     | 每股基本盈利(人民幣元)             | <b>0.187</b>                           | 0.334                             | -44.0%                     |

Note 1: EBITDA is the profit for the year before deduction of finance cost – net, income taxation, depreciation and amortisation.

附註1：除融資成本淨額、所得稅、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 ordinary Shareholders amounted to approximately RMB223.1 million (for the year ended 31 December 2019: approximately RMB398.2 million).

於本報告期內，本集團經審核本公司普通股股東應佔溢利約為人民幣223.1百萬元(截至二零一九年十二月三十一日止年度：約人民幣398.2百萬元)。

Basic earnings per share for the Reporting Period was approximately RMB0.187 per share (for the year ended 31 December 2019: basic earnings approximately RMB0.334 per share), the calculation of such basic earnings per share amount is based on the profit attributable to ordinary shareholders of the Company, and the weighted average number of Shares of approximately of 1,193,213,000 (2019: 1,193,213,000) in issue during the Reporting Period.

報告期內每股基本盈利約為人民幣0.187元(截至二零一九年十二月三十一日止年度：每股盈利約為人民幣0.334元)，該每股基本盈利金額乃按本公司普通股股東應佔溢利及報告期內已發行的加權平均股份約1,193,213,000股(二零一九年：1,193,213,000股)股份為基準計算。

The Board recommended the payment of the final dividend of RMB0.06 per ordinary share for the year ended 31 December 2020 (for the year ended 31 December 2019: RMB0.15 per ordinary share). The Company did not declare or pay any interim dividend or special dividend for the year ended 31 December 2020.

董事會建議派發截至二零二零年十二月三十一日止年度的末期股息每股普通股人民幣0.06元(截至二零一九年十二月三十一日止年度：每股普通股人民幣0.15元)。截至二零二零年十二月三十一日止年度，本公司未宣派或支付任何中期股息或特別股息。

The proposed final dividend is subject to consideration and approval by the Shareholders at the AGM.

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's Statement 董事長致詞

Dear Shareholders:

On behalf of the Board, I am pleased to present the annual report of the Group for the financial year ended 31 December 2020.

In 2020, the once-in-a-century outbreak of COVID-19 pandemic has adversely affected the global economy significantly, and the degree of economic recession and uncertainty in various countries were increasing day by day. After nearly a year of adjustment, the current economic situation shows some signs of recovery, but the paces of economic recovery of various countries vary. In the face of complex and challenging internal and external environment, the domestic economy has rebounded strongly in the epidemic crisis and achieved growth, with economic results even higher than expected. In the complex epidemic prevention and control measures at home and abroad, China's environmental protection industry has withstood a severe test. A large number of environmental protection enterprises have acted quickly to contribute to the epidemic prevention and control and laid a foundation for promoting the environmental protection industry to a new level.

The year 2020 is the last year for realization of the 13th Five-Year Plan, and the decisive year of pollution prevention and control. Environmental protection industry has shown new characteristics. Firstly, environmental protection enterprises have gradually entered into the form of industrial collectivization; secondly, environmental protection enterprises have gradually evolved from professional governance in a certain field to comprehensive solution of environmental protection problems; in addition, technological advantages have gradually become the key to sustainable development of environmental protection enterprises. In the aspect of water industry, intelligent water business has been flourishing in the water business industry in recent years. In particular, in 2020 during which the outbreak of the COVID-19 pandemic took place, the country has proposed to increase investment in digital economy and artificial intelligence, which will further promote the development of intelligent water; In terms of solid waste, with the promotion and popularization of waste classification, the amount of waste clearing and transportation has been increasing, and the demand for harmless treatment has increased significantly.

列位股東：

本人謹代表董事會，欣然提呈本集團截至二零二一年十二月三十一日止財政年度之年報。

二零二零年，百年一遇的新冠肺炎疫情重創全球經濟，各國經濟衰退程度和不確定性與日俱增，經過近一年的應對調整，當前經濟狀況出現一定回暖跡象，但各國經濟復蘇仍不平衡。面對複雜惡劣的內外環境，國內經濟在疫情危機中堅強反彈，實現正增長，經濟成果高於預期。在國內外複雜的防疫形勢下，中國環保行業經受住了嚴峻的考驗，廣大環保企業迅速行動，為打赢疫情防控阻擊戰貢獻力量，為推動環保產業再上新台阶打下基礎。

二零二零年是「十三五」的收官之年，也是污染防治攻堅戰的決勝之年，環保行業呈現出新的特點。首先，環保企業已經逐步邁入產業集團化形態；其次，環保企業逐漸從某一細分領域專業治理向環保問題的綜合解決方向轉變；另外，技術優勢已逐步成為環保企業可持續發展的關鍵。水務板塊方面，智慧水務近幾年已經成為水務行業發展的熱點，尤其在疫情突發的2020年，國家提出將加大對數字經濟和人工智慧的投入，更加促進了智慧水務的發展；固廢方面，隨著垃圾分類的推進和普及，垃圾清運量不斷提高，無害化處理需求增長明顯。

## Chairman's Statement 董事長致詞

Facing the complex external environment and the challenge brought by the COVID-19 pandemic, the Board has thoroughly analysed the domestic and foreign economic situation, and based on the principle of adaptability and foresight, constantly overcome all kinds of challenges according to the actual needs of the Company's current operation development. Since the second quarter, the Group has rapidly resumed work and production, accelerated the construction progress of projects under construction, optimised the operation efficiency of existing assets, expanded the demand for upgrading and expansion of existing assets, prudently expanded incremental assets, and worked hard to fight against the epidemic, while achieving stable and healthy development of the Group.

During the Reporting Period, under the leadership of the Board, the Group, proactively adjusted its asset structure and continuously improved its project operation management. In the face of difficulties and the impact of the COVID-19 epidemic, the operating results remained basically stable. During the Reporting Period, the Group recorded a total annual revenue of approximately RMB8,396.6 million, representing an increase of approximately 28.4% as compared to approximately RMB6,538.0 million of last year. Profit for the year was approximately RMB341.3 million, representing a decrease of approximately 38.4% as compared to approximately RMB553.8 million of last year. Through investments in new construction and equity acquisition, the Group has owned 225 water treatment projects with a total treatment volume of approximately 6,433,600 tonnes per day as of 31 December 2020. The Group's business segment of solid waste treatment, an important focus of strategic development of the Group, has exhibited rapid development during the Reporting Period. As of 31 December 2020, the Group owned 23 solid waste treatment projects with treatment capacity of approximately 4,045,500 tonnes per day.

On the basis of the Group's good operating results and solid financial position, and considering the long-term sustainable development of the Group, the Board proposes to distribute a final dividend of RMB0.06 to Shareholders to repay their long-term support and contribution to the Group. The distribution of final dividend shall be subject to approval by Shareholders at the forthcoming AGM. Upon approval, the final dividend will be paid on or before 30 July 2021.

In 2021, the Group will continue to pay great efforts in two principal businesses of water and solid waste treatment. It will accelerate the progress of projects under construction, improve the operation and management level of existing projects, prudently conduct market development and project investment. In addition to that, the Group will explore new technologies and sectors in the environmental protection industry, and optimize the debt structure, aiming for the release of bonuses and value enhancement.

面對複雜的外部環境和新冠疫情挑戰，董事會深入分析國內外經濟形勢，以適應性和前瞻性為原則，依據公司目前經營發展的實際需求，不斷克服各項挑戰。本集團從二季度起迅速復工復產，加快在建項目建設進度，優化存量資產運營效率，拓展存量資產提標擴建需求，審慎拓展增量資產，努力打好疫情防疫攻堅戰，同時實現企業的穩定健康發展。

於報告期內，本集團在董事會的領導下迎難而上，積極調整資產結構，持續提升項目運營管理水準，面對疫情的影響，經營業績仍然保持基本穩定。本集團於報告期內實現全年總收益約人民幣8,396.6百萬元，較上一年度業績約人民幣6,538.0百萬元增長約28.4%；年內溢利約341.3百萬元，較上一年度業績約人民幣553.8百萬元減少約38.4%。本集團通過投資新建和股權收購等方式，已擁有水處理項目225個，合計處理量約達6,433,600噸／日。本集團作為戰略發展重點培育的固體廢棄物處理業務板塊，在本年度亦繼續快速發展，截至二零二零年十二月三十一日止，已擁有固廢處理項目約23個，處理規模約為4,045,500噸／日。

基於本集團良好的經營業績以及財務狀況，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0.06元，以回報彼等長期對本集團的支持和貢獻。末期股息的派發將於即將召開的股東週年大會上經股東批准，經批准後，末期股息將於二零二一年七月三十日或之前派發。

二零二一年，本集團將繼續抓好水務和固廢兩大主業，全力推進在建項目建設進度，不斷完善存量項目運營管理水準，審慎做好市場開拓、項目投資，積極探索環保行業新技術、新領域，切實優化負債結構，推動企業紅利釋放及價值提升。

## Chairman's Statement 董事長致詞

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to the management and employees of the Group for their loyalty and diligence, and also to our Shareholders, our Board members, investors and partners for their long-term support. The Group will continue to create great value for its Shareholders with excellent performance and contribute to the development of environmental industry and the construction of ecological civilization.

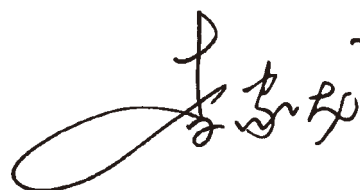
**Li Jialong**  
Chairman



Kunming, the PRC  
31 March 2021

本人謹代表董事會，藉此機會對本集團管理層及員工的忠實勤勉、恪盡職守，以及對各位股東、董事會成員、投資者及合作夥伴的一貫支持，致以由衷謝意。本集團將繼續以優良的業績為股東創造更大的價值，為環保行業的發展與生態文明的建設貢獻力量。

**李家龍**  
董事長



中國·昆明  
二零二一年三月三十一日

2020 is an extraordinary year. The sudden outbreak of the COVID-19 pandemic has disrupted the pace of social economic operation. In the face of the challenges brought by the COVID-19 epidemic, environmental protection enterprises acted quickly to contribute to epidemic prevention and control. China's environmental protection industry was under great test and pressure, and gained new development and growth. In 2020, the revised Law on the Prevention and Control of Environment Pollution Caused by Solid Wastes (《固體廢物污染環境防治法》) was officially implemented. The pilot construction of "wasteless city" has been promoted step by step, the import of solid waste has been banned, the classification of domestic waste and the treatment of plastic pollution have been carried out, which has promoted the standardized development of China's solid waste treatment industry. The policies on sewage treatment have been introduced one after another, and the supervision of water environmental protection has been strengthened, which promotes the marketization of water treatment and the expansion of the overall scale of water environmental protection industry. In the future, "waste recycling" will become the development direction in the field of environmental protection, technology, standardisation and refinement will also become important indexes of the core competitiveness of environmental protection enterprises.

### EPIDEMIC PREVENTION AND CONTROL MEASURES

Since the outbreak of the COVID-19 pandemic, Yunnan Water has promptly taken practical actions to join the front line of epidemic prevention and control. The Group's four medical waste treatment enterprises have always adhered to their post to strictly prevent the secondary spread of epidemic disease.

### PROJECT CONSTRUCTION AND OPERATION

Affected by the COVID-19 pandemic, the Group's operation in the first half of 2020 was not as expected. With the effective control of the epidemic situation, the Group quickly resumed work and production, and focused on accelerating the construction progress of projects under construction and improving the operation and management level of projects in operation in the second half of 2020. The Group's operating income remained stable in 2020, laying a foundation for the further release of operating benefits in the future. In the future, the Group will start the three-year action of improving the quality and efficiency of water sector operation, make reasonable statistics and monitoring, pay close attention to the operation status, further improve the operation management level in an all-round way, and systematically promote the work of improving the quality and efficiency of water sector operation projects.

At the same time, the Group will focus on human, material, financial, technical resources and other advantageous resources to fully promote the development and construction of key projects, highlight the implementation of key projects, pay close attention to the project construction progress and quality control, and ensure the smooth realization of the annual construction goals.

二零二零年是極不平凡的一年，突如其來的新冠肺炎疫情打亂了社會經濟的發展節奏，面對疫情的考驗，廣大環保企業迅速行動，為打贏疫情防控阻擊戰貢獻力量，中國環保產業考驗和壓力巨大，也收穫了新的發展和成長。二零二零年，修訂後的《固體廢物污染環境防治法》正式實施，「無廢城市」試點建設次第推進、「全面禁止進口固體廢物」、「生活垃圾分類」以及「塑膠污染治理」等工作的開展，推動了我國固體廢物處理處置行業的規範化發展。污水處理方面的政策也相繼出台，水務環保監管加強，促使水治理市場化不斷提升，推動水務環保產業總體規模的擴大。未來，資源化處置將成為環保領域的發展方向，科技化、規範化、精細化也將成為環保企業核心競爭力重要指標。

### 打好疫情防控阻擊戰

新型冠狀病毒疫情發生以來，雲南水務迅速以實際行動投身疫情防控第一線。本集團下屬4家醫療廢棄物處置企業，始終堅守在醫療廢棄物處置陣地，嚴防疫病二次傳播。

### 項目建設與運營

受疫情影響，二零二零年上半年本集團運營情況不及預期，隨著疫情得到有效控制，本集團迅速復工復產，並把下半年工作重點放在加快在建項目建設進度、提高已運營項目運營管理水準上。本集團二零二零年運營收入保持穩定，為今後運營紅利的進一步釋放打下基礎。未來，本集團將啟動水務板塊運營提質增效三年行動，合理統計監測，緊抓運營狀況，進一步全面提升運營管理水準，系統推進水務板塊運營項目提質增效工作。

同時，本集團將集中人力、物力、財力、技術等優勢資源，全力推進重點項目開發建設，突出重點工程實施，抓緊項目建設進度及品質管制，確保年度建設目標順利實現。

# General Manager's Report

## 總經理報告

### TECHNOLOGY RESEARCH AND DEVELOPMENT

The Group always adheres to a core technology-supported and proprietary innovation-driven development model and values the importance of the role of core technologies for the long-term development of enterprises. In 2020, the Group developed and promoted the application of MBR integrated intelligent water treatment device with core technology for rural sewage treatment projects with strong market demand; At the same time, the Group also takes the development and application of sludge pyrolysis and carbonization technology as an important research and development direction, which will provide important technical support for the reduction, harmlessness, stabilization and recycling of solid organic waste treatment.

### PROJECT DEVELOPMENT

In 2020, the Group continued to adopt the strategy of prudent and has focused on the existing high-quality project upgrading and transformation opportunities. By actively participating in market bidding, new investment and equity acquisition, the Group has continued to consolidate the market scale of water supply and drainage business and solid waste treatment business, laying a good foundation for the sustainable development of the Group.

### FINANCING

In 2020, owing to the impact of the COVID-19 pandemic, the operating costs of the environmental protection industry increased, the treating income decreased to varying degrees, and the uncertainty of the resumption of construction in progress or project payment collection brought greater pressure on the capital chain of environmental protection enterprises. In view of the severe situation of tightened financing, the Group continued to strengthen its cooperation with financial institutions and employed multiple financial management methods, and reduced inefficient deployment of resources to speed up capital turnover; During the COVID-19 pandemic, the Group actively sought to innovate its financing mode. The Group successfully issued "the first special PPN for epidemic prevention and control in the water industry in China" of RMB100 million and "the first epidemic prevention and control debt related to medical waste disposal" of RMB800 million.

### 技術研發

本集團始終堅持以核心技術為支撐，自主創新驅動發展的模式，重視核心技術對企業長遠發展的重要作用。二零二零年，本集團針對目前市場需求旺盛的農村污水處理項目，研發並推廣應用具有核心技術的MBR一體式智慧水務處理裝置；同時，本集團將污泥熱解碳化技術的開發與應用也作為重要研發方向，其將為實現固體有機質廢棄物處理的減量化、無害化、穩定化、資源化提供重要的技術支撐。

### 項目拓展

二零二零年，本集團繼續採取審慎的投資策略，重點關注已有的優質項目提標改造機會，通過積極參與市場投標、投資新建和股權收購的方式，繼續鞏固供排水業務板塊、固體廢棄物處理業務板塊的市場規模，為集團可持續發展奠定良好的基礎。

### 融資

二零二零年，受疫情影響，環保行業運營成本增加，處理收入有不同程度下降，在建項目延期復工或項目回款的不確定，均給環保企業資金鏈帶來較大壓力。面對融資收緊的嚴峻形勢，本集團繼續深化與金融機構的合作，運用多種財務管理手段，減少資源的無效佔用，加快資金周轉；在疫情期間，本集團積極創新融資模式，成功發行「全國水務行業首單疫情防控專項PPN」1億元及「全國首單醫廢處置相關疫情防控債」8億元。



## SUSTAINABLE DEVELOPMENT AND FUTURE PROSPECT

Going forward in 2021, upholding the positioning of “first-rate urban environmental protection integrated services provider”, the Group will continue to pay great effort on two principal businesses of water and solid waste treatment and perform well in all stages of project investment, construction and operation. It will commit itself to further enhancing the standards of the Company's projects and operation management, so as to improve its profitability.

One of the Group's task priorities in 2021 is to strengthen operation management and continuously improve operation quality. The sooner existing projects obtained by the Group from previous expansion are put into operation the earlier, the better as they can bring stable cash inflow and sustainable momentum for the development of the Group. To this end, the Group has put in place a relatively complete assessment and supervision mechanism to ensure the progress of projects under construction. Meanwhile, the Group proactively promoted the quality and efficiency enhancement of projects in operation. The efficiency improvement of existing projects of the Group enables the operation level as well as business scale of the Group to be elevated as a whole, thereby enhancing its overall competitiveness.

In terms of new technologies, the Group will continue to promote the research and marketing of key projects, such as sludge carbonization and intelligent water. Through the development of its core technology and the joint effort of external partners, the Group will strive to promote its projects in a scalable manner as soon as possible. In 2021, the Group will also actively carry out cooperation in the field of environmental new energy and reserve key core technologies.

In terms of financing, the Group intends to actively introduce equity financing in an appropriate way to further enhance the development momentum, improve the existing capital structure and increase its financing capacity, striving for the reduction of gearing ratio.

In 2021, the Group will continue to optimize operation and prudently proceed with development as an urban environmental protection integrated services provider. It will make scientific investments in PRC and overseas water, solid waste treatment and other segments, with a view to further enhance the Group's market competitiveness and strive for the sustainable development of the Group.

## 可持續發展及未來展望

展望二零二一年，本集團將繼續立足於「一流城鎮環境綜合服務商」的定位，抓好水務和固廢兩大主業，做好項目投資、建設、運營各個階段工作，進一步提升公司項目和運營管理水準，改善盈利質量。

加強運營管理，持續提升運營品質是本集團二零二一年的重點工作，只有盡快將本集團前期擴張取得的存量項目投入運營，才能更好地為集團的發展帶來穩定的現金流收入及持續發展的動力。為此，本集團已形成較為完善的考核及監督機制，確保在建項目建設進度；同時，已運營項目的提質增效工作也在積極推進，通過對存量項目效益的提升，不僅能夠提高運營水準，還能增加集團的整體業務規模，提升綜合競爭力。

新技術方面，本集團將繼續推進污泥碳化、智慧水務等重點領域的研發推廣進度，通過自身核心技術與外部合作夥伴的共同努力，爭取盡快實現規模化推廣。二零二一年，本集團還將積極開展環境新能源領域的合作，儲備關鍵核心技術。

融資方面，本集團有意以適當方式積極引入股權類融資，進一步增強發展動力，改善現有的資本結構，提升融資空間，力爭降低資產負債率。

二零二一年，本集團將繼續以城鎮環境綜合服務商的角色，優化運營，審慎開拓，對國內外水務、固廢及其他細分領域進行科學投資，以此進一步提升集團的市場競爭力，為集團可持續發展不懈奮鬥。

## General Manager's Report 總經理報告

### ACKNOWLEDGEMENTS

Finally, on behalf of the management of Yunnan Water, I would like to express my sincere gratitude to all Shareholders, investors, partners and all our diligent and dedicated employees for their long-term help and support to the Group.

**Yu Long**

*Vice-Chairman, General Manager*



Kunming, the PRC

31 March 2021

### 致謝

最後，本人謹代表雲南水務管理層，向一直以來給予本集團幫助與支持的所有股東、投資者、合作夥伴，以及全體勤奮敬業的員工，致以最誠摯的感謝。

**于龍**

*副董事長，總經理*



中國，昆明

二零二一年三月三十一日

### INDUSTRY OVERVIEW

The year of 2020 is the last year for realization of the 13th Five-Year Plan, and the decisive year of pollution prevention and control. The sudden outbreak of COVID-19 has disrupted the pace of social economic operation. Environmental protection enterprises have shown agility to respond promptly to contribute to epidemic prevention and control. The environmental protection in the PRC industry has withstood the severe test and gained new development and growth.

Affected by the epidemic, the environmental protection industry in the PRC was severely impacted in the first and second quarters of 2020, and the overall situation was grim and complex. Since the third quarter of 2020, with the gradual effective prevention and control of the COVID-19 epidemic, enterprises in the environmental protection industry have actively resumed work and production, and the overall operation of the industry gradually recovered. In March 2020, the Ministry of Agriculture and Rural Affairs issued the Key Points of Green Development of Agriculture and Rural Areas in 2020\* (《2020年農業農村綠色發展工作要點》), and several ministries jointly released a notice on promoting the governance of rural residential environment, to make the importance of rural environment governance explicit. In June 2020, the Ministry of Ecology and Environment officially published the Outline of Ecological and Environmental Monitoring Plan (2020–2035)\* (《生態環境監測規劃綱要(2020–2035)年》), stating that an innovative and modern ecological and environmental monitoring system must be in place to comprehensively advance the monitor of environmental quality, pollution sources and ecological conditions. In July 2020, the National Green Development Fund Co., Ltd. (國家綠色發展基金股份有限公司) (the “Fund”) was officially introduced and commenced operation. The Fund will focus on the investment of pollution control, ecological rehabilitation and land space greening, energy and resource conservation, green transportation and clean energy. In September 2020, the revised Law on the Prevention and Control of Environment Pollution Caused by Solid Wastes (《固體廢物污染環境防治法》) was officially implemented, which further clarifies that the prevention and control of environmental pollution by solid waste should adhere to the principles of reduction, recycling and harmlessness, and that the state should implement the domestic waste classification system and impose severe punishment on illegal acts. In October 2020, the 14th Five-Year Plan put forward that green production and life style should be formed extensively in 2035, and carbon emissions will be stable after reaching the peak. The ecological environment will be improved, and the goal of beautiful China will be basically realized. In December 2020, the Measures for the Administration of Ecological Environment Standards (《生態環境標準管理辦法》) was promulgated, which is the command and guide of China's ecological environment standard work, and stipulates the constitution, principles and implementation methods of the ecological environment standard system.

### 行業概覽

二零二零年是「十三五」的收官之年，也是污染防治攻堅戰的決勝之年，突如其來的新冠肺炎疫情打亂了社會經濟運行的節奏，環保企業迅速行動，為疫情防控貢獻力量，中國環保產業經受住了嚴峻的考驗，也收穫了新的發展和成長。

受疫情影響，我國環保產業在二零二零年一、二、三、四季受到較大衝擊，整體形勢嚴峻複雜。三、四季後，隨著疫情逐步得到有效防控，環保行業積極復工復產，產業整體運行漸次恢復。二零二零年三月，農業農村部印發《二零二零年農業農村綠色發展工作要點》，多部委聯合印發推進農村人居環境治理的通知，明確了推進農村環境治理的重要性；二零二零年六月，生態環境部正式發佈了《生態環境監測規劃綱要(2020–2035年)》，提出要全面深化我國生態環境監測改革創新，全面推進環境品質監測、污染源監測和生態狀況監測，系統提升生態環境監測現代化能力；二零二零年七月，國家綠色發展基金股份有限公司(「基金」)正式揭牌運營，基金將重點投資污染治理、生態修復和國土空間綠化、能源資源節約利用、綠色交通和清潔能源等領域；二零二零年九月，修訂後的《固體廢物污染環境防治法》正式實施，進一步明確固體廢物污染環境防治堅持減量化、資源化和無害化原則，明確國家推行生活垃圾分類制度，對違法行為實行嚴懲重罰；二零二零年十月，第「十四五」規劃提出，到二零三五年要廣泛形成綠色生產生活方式，碳排放達峰後穩中有降，生態環境根本好轉，美麗中國建設目標基本實現；二零二零年十二月，《生態環境標準管理辦法》頒佈，其是我國生態環境標準工作的統領與指南，規定了生態環境標準體系構成、原則與實施方式。

## Management Discussion and Analysis 管理層討論及分析

In respect of the water business industry, in recent years, the demand for water supply and drainage in the PRC and the PRC government's efforts in environmental protection have been increasing, and the demand for water environment treatment has been developing in depth. On the one hand, the quality and efficiency of water use should be improved, and stricter water-saving system should be implemented. The construction of urban sewage facilities and the inspection of sewage discharge should be improved, so as to further release the sewage treatment capacity. With the requirements of green development, rural areas, where backward and inefficient wastewater treatment facilities are in an urgent need of improvement, exhibit great potential for investment in water industry. In recent years, intelligent water business has been flourishing in the water business industry, which is growing more sophisticated and intelligent with the use of the internet, big data and other technologies. In light of the intelligent water business with more new technologies, water business enterprises are expected to enjoy enhanced competitiveness and broader market prospects.

As an important driving force to protect ecological balance and realize recyclable economy, solid waste treatment industry has frequently issued relevant national policies. At present, the trend of "harmless treatment" in the solid waste industry is obvious, and the "waste recycling" will become an important index affecting the competitiveness of solid waste treatment enterprises. The traditional way of waste treatment is changing, and the utilization of waste recycling will become the mainstream direction. At the same time, the development of mechanized cleaning and transportation of sanitation has accelerated, which has presented a huge market for development. In the field of hazardous waste, with the construction of large-scale treatment facilities, it is expected to become the fastest growing market for solid waste treatment. On the other hand, the market competition of solid waste treatment industry is becoming increasingly fierce. With the refinement of energy subsidy policy, enterprises must pay effort to reduce costs, and constantly research and develop technology to improve production. Enterprises will shift from focusing on scale to quality, and operation ability will play a key role in the future development of enterprises.

In recent years, China's sludge treatment technology has made some progress, and the policies and standards of sludge treatment are gradually improved. However, in the face of the higher requirements of social development for biomass energy and environmental quality, the transformation of sludge treatment from harmless to recycling will become trending for environmental protection enterprises in the future.

水務行業方面，近年來我國供排水需求和政府環保整治力度不斷加大，水環境治理需求不斷深入發展。一方面，用水方面要求提質增效，實施嚴格節水制度；另一方面，城鎮污水設施建設和污水排放檢測要求提升，進一步釋放污水處理產能。隨著農村綠色發展要求的提出，農村污水處理設施極待完善，農村污水處理效率極待提高，農村污水處理將成為水務行業投資藍海；智慧水務是近年水務行業的新熱點，互聯網、大數據等技術不斷融入水務管理，將水務行業推向更精細、更智能的發展階段，隨著新興技術與智慧工業不斷融合，智慧水務將為水務企業帶來更強的競爭力和更廣闊的市場前景。

固廢處理行業作為保護生態平衡、實現可循環經濟的重要推動力量，與之相關的國家政策頻頻發佈。目前，固廢細分行業中「無害化」處理趨勢明顯，「資源化」處理則將成為影響固廢處理企業競爭力的重要指標，傳統的垃圾處理方式正發生變化，垃圾資源化利用將成為主流的方向。同時，環衛的機械化清掃、轉運，加速發展，開闢了巨大的市場空間。而在危險廢棄物領域，隨著大規模處理設施的建設，有望成為固廢治理增速最快的市場。另一方面，固廢處理行業的市場競爭也日趨激烈，能源補貼政策細化，企業必須不遺餘力地降低成本，並不斷研發技術，提升產量，企業將從注重規模轉向注重品質，運營能力將在未來企業發展中起到關鍵作用。

近年來，我國污泥處理處置技術取得了一定的進展，污泥處理處置方面的政策和標準也在逐漸完善。但面對社會發展對生物質能源以及環境品質提出的更高要求，污泥處理從無害化向資源化轉變，將成為我國環保企業未來一段時間的熱門課題。

# Management Discussion and Analysis

## 管理層討論及分析

2020 is the critical year for the construction of ecological civilization. In the face of the severe and complex international situation, coupled with the impact of the COVID-19 epidemic and the tremendous pressure of the economic downturn, environmental protection enterprises have shown great market resilience and stamina from pause to recovery. The Group will unify its operation objectives and social responsibilities, and contribute to the development of environmental protection industry and the construction of ecological civilization.

### DEVELOPMENT STRATEGIES AND PROSPECT

In the face of the severe and complex international situation, the severe impact of the epidemic and the tremendous pressure of the economic downturn, the Group was capable to tackle difficulties in 2020 by overcoming the adverse impact of COVID-19 pandemic, properly dealing with the severe and complex development environment, and carrying out substantial work in project operation, engineering construction and market development.

Going forward in 2021, on the basis of continuing to consolidate the existing project construction progress and operation management level, the Group will strengthen equity financing, reduce financial leverage, and focus on market opportunities in comprehensive solid waste treatment, sludge treatment and comprehensive rural environmental improvement, so as to further improve its profit quality.

**Optimize the financing structure.** The Group will overcome the obstacles brought by the impact of the COVID-19 epidemic, accelerate the implementation progress of projects under construction and planned to ensure the realization of investment profits as soon as possible; At the same time, the Group will consider other ways of financing, such as equity financing to improve the existing capital structure, enhance the financing space, realize the repair of performance and valuation, so as to better realize the benign operation. Meanwhile, the Group will continue to implement the regional management mode, accelerate the cultivation of key projects through prudent and reasonable capital expenditure, so as to realize the adjustment of income structure and the stable expansion of business.

**Continuously improve operation quality.** The Group will continue to carry out benchmarking management. By evaluating the relevant indicators reflecting the performance of operation management, the Group will formulate benchmarking management plan according to the actual situation of the Company and the project to integrate with the annual assessment of operation management. The Group will accelerate the improvement of quality and efficiency of existing projects and further optimize the yield of sewage projects, at the same time, to accelerate the promotion and popularization of the intelligent water business of the Group, enhance the core competitiveness of the Group's sewage treatment in rural areas, and build up the operation and management advantages of the Group.

二零二零年是生態文明建設的關鍵之年，面對嚴峻複雜的國際形勢、疫情肆虐的嚴重衝擊和經濟下行的巨大壓力，環保企業從暫停靜止到重獲生機，展現出巨大的市場韌性和後勁。本集團將把自身的經營目標與社會責任相統一，為環保行業的發展與生態文明的建設貢獻力量。

### 發展策略及前景

面對嚴峻複雜的國際形勢、疫情肆虐的嚴重衝擊和經濟下行的巨大壓力，二零二零年本集團勇於攻堅，克服新冠肺炎疫情不利影響，妥善應對嚴峻複雜發展環境，在項目運營、工程建設、市場開拓等方面開展了大量工作。

二零二一年，本集團在繼續鞏固現有項目建設進度及運營管理水準的基礎上，將加強股權類融資力度，降低金融性財務槓桿，重點關注固廢綜合處置、污泥處置和農村環境綜合整治等方面的市場機遇，進一步提升盈利質量。

**優化融資結構。**本集團將克服疫情阻礙，加快在建、擬建項目的實施進度，確保投資紅利儘快釋放；同時，本集團將考慮通過股權融資等途徑，以改善現有的資本結構，提升融資空間，實現業績和估值的修復，從而更好地實現良性運營。同時，本集團將持續推行大區化管理模式，通過審慎合理的資本開支，加快培育重點項目，以實現收入結構的調整和業務的平穩擴張。

**持續提升運營品質。**本集團將持續開展對標管理，通過梳理反映運營管理績效的相關指標，根據公司及項目實際，制定對標管理計劃，將其與運營管理年度考核工作緊密相結合。本集團將加快推動已運營項目的提質增效工作，進一步優化項目的收益率。同時，加快推進公司智慧水務的推廣與普及，提升本集團村鎮污水處理的核心競爭力，構建本集團的運營管理優勢。

## Management Discussion and Analysis 管理層討論及分析

The Group will continue to accelerate its progress in technology research and development and market promotion on the basis of core technology, fully tap into the potential of employees, attract and retain talents, and continuously enhance the enterprise's innovation ability and sustainable development ability. At the same time, the Group pays close attention to various new policies and new hot spots in the field of environmental protection industry, pays close attention to technology exploration and technology promotion, cooperates with advantageous enterprises in the industry authorized by the government, provides one-stop solutions to cities and towns in order to further enhance the core competitiveness of the Group.

Looking forward, the Group will continue to adhere to the development goal of "based in Yunnan, covering the nation and going global, striving to be a leading integrated environmental services provider at the municipal level"\* (立足雲南、面向全國、走向國際，致力成為領先的城鎮環境綜合服務商)，and pay close attention to the development of the industry, grasp the industry development trend, further improve the Group's technical strength, core competitiveness and social influence, and constantly create greater value for its shareholders.

### BUSINESS REVIEW

The Group is one of the leading integrated service providers in the urban environmental protection industry in China. The Group mainly adopts the Build-Operate-Transfer ("BOT"), Build-Own-Operate ("BOO"), Transfer-Operate-Transfer ("TOT"), Transfer-Own-Operate ("TOO"), Build and Transfer ("BT"), Engineering-Procurement-Construction ("EPC"), Rehabilitate-Operate-Transfer ("ROT"), Operation and Maintenance ("O&M") and licensed operation models to provide customized and integrated turnkey solutions for water supply, wastewater treatment and solid waste treatment as well as system integration services of core technologies to customers. The Group's businesses are carried out in the PRC and the Southeast Asian countries, the Group's principal businesses comprise five major segments, namely, wastewater treatment, water supply, solid waste treatment, construction and sales of equipment and others.

As at 31 December 2020, the Group's water related projects (including the following wastewater treatment projects, water supply projects and all water related projects under other business segments) had the total daily treatment capacity of approximately 6,433,600 tonnes. As at 31 December 2020, the Group's solid waste treatment related projects (including the following solid waste treatment projects and all solid waste treatment related projects under other business segments) had the total annual treatment capacity of approximately 4,045,500 tonnes.

本集團將繼續以核心技術為基礎，加快推進技術研發和市場推廣，充分挖掘員工潛質，吸引、留住人才，不斷增強企業創新能力和可持續發展能力。同時，本集團密切關注環保行業領域各項新政策、新熱點，緊抓技術探索及技術推廣，與政府授權的業內優勢企業展開合作，向城鎮提供一站式解決方案，進一步提升本集團的核心競爭力。

未來，本集團將繼續本著「立足雲南、面向全國、走向國際，致力成為領先的城鎮環境綜合服務商」的發展目標，密切關注行業動態，把握行業發展趨勢，進一步提升本集團的技術實力、核心競爭力及社會影響力，不斷為股東創造更大的價值。

### 業務回顧

本集團為中國領先的城鎮綜合環境服務商之一。本集團的業務主要採用建設—營運—移交(「BOT」)、建設—擁有一—營運(「BOO」)、移交—營運—移交(「TOT」)、移交—擁有一—營運(「TOO」)、建設及移交(「BT」)、設計—採購—施工(「EPC」)、改造—營運—移交(「ROT」)、營運及維護(「O&M」)及持牌運營等項目模式，向客戶提供訂製及綜合的供水、污水處理及固廢處理的整體解決方案及核心技術系統集成服務。本集團的業務在中國境內及東南亞國家開展，主營業務包括五個主要分部，即污水處理、供水、固廢處理、建造及設備銷售以及其他服務。

截至二零二零年十二月三十一日，本集團水務相關項目(包含以下污水處理項目、供水項目及其他業務分部中的所有水務處理相關項目)的日處理總量約為6,433,600噸。截至二零二零年十二月三十一日，本集團固廢處理相關項目(包含以下固廢處理項目及其他業務分部中的所有固廢處理相關項目)的年處理總量約為4,045,500噸。

### Wastewater Treatment Projects

As at 31 December 2020, the Group had a total of 128 concession wastewater treatment projects, including 7 BOO projects, 69 BOT projects, 2 TOO projects, 20 TOT projects, 2 ROT projects and 28 municipal environment comprehensive treatment projects, with total daily treatment capacity of approximately 3,568,800 tonnes, representing a reduction of 1 TOT project, and an addition of 5 municipal environment comprehensive treatment projects year-on-year, and an increase in the daily wastewater treatment capacity of approximately 188,400 tonnes or a growth rate of approximately 5.6% as compared with the year ended 31 December 2019.

As at 31 December 2020, 93 concession projects with total daily treatment capacity of approximately 2,533,000 tonnes had commenced commercial operation (including 1 municipal environment comprehensive treatment project with a total daily wastewater treatment capacity of approximately 11,000 tonnes), representing a reduction of 1 TOT project, and an addition of 3 BOT projects which commenced operation year-on-year, and an increase in total daily treatment capacity of approximately 55,000 tonnes as compared with the year ended 31 December 2019. During the Reporting Period, the Group's effective wastewater treatment utilization rate was approximately 77.4%, and the average unit charge of wastewater treatment was approximately RMB1.47 per tonne.

As at 31 December 2020, 35 concession projects with total daily treatment capacity of approximately 1,035,800 tonnes had not commenced commercial operation (including 27 municipal environment comprehensive treatment projects with total daily treatment capacity of approximately 757,900 tonnes), representing an addition of 6 municipal environment comprehensive treatment projects, 1 municipal environment comprehensive treatment project converted to EPC model, 3 BOT projects under construction converted to operation, and the daily treatment capacity increased by approximately 133,400 tonnes as compared with 31 December 2019.

### 污水處理項目

截至二零二零年十二月三十一日，本集團特許經營污水項目共128個，包括7個BOO項目、69個BOT項目、2個TOO項目、20個TOT項目、2個ROT項目及28個市政環境綜合治理項目，日處理總量約為3,568,800噸，與截至二零一九年十二月三十一日止年度同比減少1個TOT項目，新增5個市政環境綜合治理項目，日污水處理量增加約188,400噸，增長率約為5.6%。

截至二零二零年十二月三十一日，日處理總量約為2,533,000噸的93個特許經營項目已投入商業運營（包括1個日污水處理總量約11,000噸的市政環境綜合治理項目），與截至二零一九年十二月三十一日止年度同比減少1個TOT項目，新投運3個BOT項目，日處理總量增加約55,000噸。於報告期內，本集團的實際污水處理利用率約77.4%，平均污水處理收費單價約為每噸人民幣1.47元。

截至二零二零年十二月三十一日，日處理總量為約1,035,800噸的35個特許經營項目尚未投入商業運營（包括27個日污水處理總量約757,900噸的市政環境綜合治理項目），與截至二零一九年十二月三十一日同比新增6個市政環境綜合治理項目，1個市政環境綜合治理項目轉變為EPC模式，3個BOT項目從在建轉變為運營，日污水處理量增加約133,400噸。

# Management Discussion and Analysis

## 管理層討論及分析

### Water Supply Projects

As at 31 December 2020, the Group had a total of 68 concession water supply projects with total daily treatment capacity of approximately 2,480,100 tonnes, including 15 BOO projects, 36 BOT projects, 11 TOT projects and 6 municipal environment comprehensive treatment projects, representing an addition of 1 BOT project and 1 municipal environment comprehensive treatment project, and an increase in total daily capacity of approximately 35,000 tonnes as compared with 31 December 2019, representing a growth rate of approximately 1.4%.

As at 31 December 2020, 46 concession projects with total daily capacity of approximately 1,530,000 tonnes had commenced commercial operation (including 1 municipal environment comprehensive treatment project with a total daily treatment capacity of approximately 30,000 tonnes), representing an addition of 8 BOT projects, and an increase in the total daily capacity of approximately 125,000 tonnes as compared with 31 December 2019. During the Reporting Period, the Group's commercial water supply decreased due to the impact of the COVID-19 pandemic. the Group's effective water supply utilization rate was approximately 63.8%, and the average unit charge of water supply was approximately RMB2.24 per tonne.

As at 31 December 2020, 22 concession projects with total daily capacity of approximately 950,100 tonnes had not commenced commercial operation (including 5 municipal environment comprehensive treatment projects with total daily treatment capacity of approximately 429,700 tonnes), representing an addition of 1 PPP project and 1 BOT project, 8 BOT projects under construction converted to operation, and the total daily capacity decreased by approximately 90,000 tonnes as compared with 31 December 2019.

### Solid Waste Treatment Projects

As at 31 December 2020, the Group had 23 solid waste treatment projects with total annual treatment capacity of 4,045,500 tonnes, 8 of which with an annual treatment capacity of 1,169,400 tonnes had commenced commercial operation and 15 of them with an annual treatment capacity of 2,876,100 tonnes were under construction (including 3 municipal environment comprehensive treatment projects with an annual treatment capacity of approximately 1,119,800 tonnes, and the municipal environment comprehensive treatment projects were reduced by 1 as compared with 31 December 2019, because the project converted to BOT model). As compared to 31 December 2019, 2 additional solid waste treatment projects were under construction and the total annual treatment capacity increased by 474,500 tonnes. During the Reporting Period, the Group's effective solid waste treatment utilization rate was approximately 80.4%.

### 供水項目

截至二零二零年十二月三十一日，本集團擁有68個日處理總量約2,480,100噸的供水特許經營項目，其中包括15個BOO項目、36個BOT項目、11個TOT項目及6個市政環境綜合治理項目，與截至二零一九年十二月三十一日同比新增1個BOT項目，1個市政環境綜合治理項目，日處理總量增加約35,000噸，增長率約為1.4%。

截至二零二零年十二月三十一日，日處理總量約1,530,000噸的46個特許經營項目已投入商業運營（包括1個日處理總量約30,000噸的市政環境綜合治理項目），較截至二零一九年十二月三十一日新投運8個BOT項目，日處理總量增加約125,000噸。於報告期內，受新冠疫情影響，本集團商業供水量有所下降，實際供水利用率約為63.8%，平均供水收費單價約為每噸人民幣2.24元。

截至二零二零年十二月三十一日，日處理總量約950,100噸的22個特許經營項目尚未投入商業運營（包括5個日處理總量約429,700噸的市政環境綜合治理項目），較截至二零一九年十二月三十一日新增1個PPP項目，新增1個BOT項目，8個BOT項目從在建轉變為運營，日處理總量減少約90,000噸。

### 固廢處理項目

截至二零二零年十二月三十一日，本集團擁有23個固廢處理項目，年處理總量為4,045,500噸，其中年處理量為1,169,400噸的8個項目已經投入商業運營，年處理量為2,876,100噸的15個項目正在建設（包括3個年處理量約1,119,800噸的市政環境綜合治理項目，市政環境綜合治理項目較二零一九年十二月三十一日減少1個，原因是該項目模式轉變為BOT）。與二零一九年十二月三十一日相比，新增2個在建的固廢處理項目，年處理總量增加474,500噸。於報告期內，本集團的實際固廢處理利用率約為80.4%。



### Construction and Sales of Equipment

The Group's construction and sales of equipment segment comprises BT projects, EPC projects and sales of equipment. As at 31 December 2020, the Group had a total of 11 BT projects, which were either under construction and/or completed, among which revenue of 10 BT projects was recognised during the Reporting Period.

During the Reporting Period, the Group had a total of 13 EPC projects, representing an addition of 2 EPC project as compared with 31 December 2019.

The Group engages in the production, sales and installation of equipment for wastewater treatment, water supply, solid waste treatment and other infrastructure facilities. The major category of water related equipment in the Group's production is membrane. Most 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 and water supply owned by third parties as well as provision of technical and consultancy services in relation to environmental protection. As at 31 December 2020, the Group had 29 O&M projects, representing a reduction of 1 wastewater treatment project as compared with 31 December 2019. These projects included 28 wastewater treatment projects with total daily treatment capacity of approximately 379,700 tonnes (including the capacity of wastewater treatment projects adopting O&M model within municipal environment comprehensive treatment projects), and 1 water supply project with daily treatment capacity of approximately 5,000 tonnes.

## FINANCIAL REVIEW

### Results of Operation

During the Reporting Period, the Group recorded revenue of approximately RMB8,396.6 million, representing an increase of approximately 28.4% compared with the year ended 31 December 2019. The Group realized a net profit of approximately RMB341.3 million, representing a decrease of approximately 38.4% compared with the year ended 31 December 2019. Profit attributable to the ordinary shareholders of the Company was approximately RMB223.1 million, representing a decrease of approximately 44.0% as compared with 31 December 2019. Earnings per share for the year ended 31 December 2020 was approximately RMB0.187.

### 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。截至二零二零年十二月三十一日，本集團在建設及／或已完工的BT項目共11個，其中10個BT項目的收入於報告期內確認為收益。

於報告期內，本集團EPC項目共13個，較二零一九年十二月三十一日增加2個EPC項目。

本集團生產、銷售及安裝污水處理、供水、固廢處理及其他基礎設施的設備，本集團所生產的水務相關設備的主要類別為膜產品。大部分膜產品由本集團自有工廠生產。

### 其他

本集團在報告期內也為第三方擁有的污水處理及供水開展O&M項目，並提供了與環境保護相關的技術及諮詢服務。截至二零二零年十二月三十一日，本集團擁有29個O&M項目，較二零一九年十二月三十一日減少1個污水處理項目。其中，28個日處理總量約為379,700噸的污水處理項目（包括市政環境綜合治理項目中以O&M模式運營的污水處理項目的規模），1個日處理量約為5,000噸的供水項目。

## 財務回顧

### 經營業績

本集團於報告期內錄得收益約人民幣8,396.6百萬元，相較截至二零一九年十二月三十一日止年度增長約28.4%。本集團實現淨溢利約人民幣341.3百萬元，相較截至二零一九年十二月三十一日止年度減少約38.4%。本公司普通股股東應佔溢利約為人民幣223.1百萬元，相較截至二零一九年十二月三十一日降低約44.0%，截至二零二零年十二月三十一日止年度的每股溢利約為人民幣0.187元。

# Management Discussion and Analysis

## 管理層討論及分析

### Revenue

Revenue of the Group increased from approximately RMB6,538.0 million for the year ended 31 December 2019 to approximately RMB8,396.6 million for the Reporting Period, representing an increase of approximately 28.4%.

In respect of the business segments of the Group, revenue from wastewater treatment significant increased from approximately RMB2,978.4 million for the year ended 31 December 2019 to approximately RMB5,286.5 million for the Reporting Period. Revenue from water supply decreased by approximately 20.7% from approximately RMB1,230.7 million for the year ended 31 December 2019 to approximately RMB975.6 million for the Reporting Period. Revenue from solid waste treatment decreased by approximately 11.1% from RMB1,514.6 million for the year ended 31 December 2019 to approximately RMB1,346.7 million for the Reporting Period. Revenue from construction and sales of equipment decreased by approximately 13.1% from approximately RMB714.6 million for the year ended 31 December 2019 to approximately RMB621.1 million for the Reporting Period. Revenue from other business increased from approximately RMB99.8 million for the year ended 31 December 2019 to approximately RMB166.7 million for the Reporting Period.

The increase in revenue from the wastewater treatment segment was mainly attributable to the increase in construction revenue of the existing and new wastewater treatment projects in the course of construction during the Reporting Period.

The decrease in revenue from the water supply business segment was mainly attributable to the decrease in construction revenue as some water supply projects were completed during the Reporting Period.

The decrease in revenue from the solid waste treatment business segment was mainly attributable to the decrease in operation revenue during the Reporting Period.

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

### 收益

本集團的收益由截至二零一九年十二月三十一日止年度約人民幣6,538.0百萬元增長至報告期內約人民幣8,396.6百萬元，增幅約28.4%。

就本集團的業務分部而言，污水處理的收益由截至二零一九年十二月三十一日止年度的約人民幣2,978.4百萬元大幅增長至報告期約人民幣5,286.5百萬元。供水業務的收益由截至二零一九年十二月三十一日止年度約人民幣1,230.7百萬元減少約20.7%至報告期的約人民幣975.6百萬元。固廢處理業務的收益由截至二零一九年十二月三十一日止年度的人民幣1,514.6百萬元減少約11.1%至報告期約人民幣1,346.7百萬元。建造及設備銷售的收益由截至二零一九年十二月三十一日止年度的約人民幣714.6百萬元減少約13.1%至報告期約人民幣621.1百萬元。其他業務的收益由截至二零一九年十二月三十一日止年度的約人民幣99.8百萬元增加至報告期約人民幣166.7百萬元。

污水處理分部收益增加主要由於報告期內原在建及新建的污水處理項目於建設過程中的建造收益增加所致。

供水分部收益減少主要由於報告期內部分供水項目已完工，建造收益減少所致。

固廢處理分部收益減少主要由於報告期內運營收入減少所致。

建造及設備銷售分部收益減少主要由於報告期內EPC建造及設備銷售業務減少所致。

### Cost of Sales

Cost of sales of the Group for the Reporting Period was approximately RMB6,300.5 million, representing an increase of approximately 33.9% as compared with approximately RMB4,705.7 million for the year ended 31 December 2019. The increase was primarily due to (i) some water plants under construction in 2019 were converted to operation in 2020, and started to recognise depreciation and operating costs during the Reporting Period; (ii) some projects were renovated or expanded with higher treatment capacity during the Reporting Period which resulted in the increase of revenue and operating costs accordingly.

### Gross Profit

During the Reporting Period, gross profit of the Group was approximately RMB2,096.1 million, representing an increase of approximately 14.4% as compared with approximately RMB1,832.3 million for the year ended 31 December 2019.

### Other Income

During the Reporting Period, the Group recorded other income of approximately RMB86.7 million as compared with approximately RMB124.0 million for the year ended 31 December 2019, representing a decrease of approximately 30.1%. The decrease in other income was mainly due to a decrease in income of government grants.

### Other Gains — net

During the Reporting Period, the Group recorded other net gains of approximately RMB48.8 million, representing an increase of approximately RMB50.2 million as compared with a net loss of approximately RMB1.4 million for the year ended 31 December 2019. The increase in other gains was mainly due to net gain on disposal of investment in a joint venture.

### Selling Expenses

During the Reporting Period, selling expenses of the Group was approximately RMB42.4 million, representing a decrease of approximately 2.3% as compared with RMB43.4 million for the year ended 31 December 2019.

### Administrative Expenses

Administrative expenses of the Group increased by RMB17.5 million from approximately RMB424.2 million for the year ended 31 December 2019 to approximately RMB441.7 million for the Reporting Period, representing an increase of approximately 4.1%. The increase in administrative expenses was primarily due to an increase in depreciation and amortisation and legal and professional fee.

### 銷售成本

本集團於報告期內的銷售成本約人民幣6,300.5百萬元，較截至二零一九年十二月三十一日止年度的約人民幣4,705.7百萬元增加約33.9%。該增加主要由於(i)報告期內部分水廠轉固，及開始確認折舊和運營成本；(ii)報告期內部分項目改建或擴建，處理能力提高，相應地增加了收益及運營成本。

### 毛利

於報告期內，本集團的毛利約人民幣2,096.1百萬元，較截至二零一九年十二月三十一日止年度約人民幣1,832.3百萬元增幅約14.4%。

### 其他收入

於報告期內，本集團錄得其他收入約人民幣86.7百萬元，而截至二零一九年十二月三十一日止年度錄得約人民幣124.0百萬元，降幅約為30.1%。其他收入減少主要是由於政府補助收入減少。

### 其他收益淨額

於報告期內，本集團錄得其他收益淨額約人民幣48.8百萬元，較截至二零一九年十二月三十一日止年度虧損淨額約人民幣1.4百萬元增加約為人民幣50.2百萬元。其他收益增加主要是由於處置合營公司產生的收益。

### 銷售開支

於報告期內，本集團的銷售開支約人民幣42.4百萬元，較截至二零一九年十二月三十一日止年度約人民幣43.4百萬元減少約2.3%。

### 行政開支

本集團行政開支由截至二零一九年十二月三十一日止年度的約人民幣424.2百萬元增加人民幣17.5百萬元至報告期內約人民幣441.7百萬元，增幅約為4.1%。行政開支增加主要是由於中介費與折舊攤銷費用的增加。

# Management Discussion and Analysis

## 管理層討論及分析

### Finance Costs — net

Net finance costs increased by RMB439.1 million from approximately RMB814.2 million for the year ended 31 December 2019 to approximately RMB1,253.3 million for the Reporting Period, representing an increase of approximately 53.9%. The increase in net finance costs was primarily due to an increase in borrowings and increase of average interest rate on borrowings during the Reporting Period.

The average interest rate on borrowings of the Group for the Reporting Period was approximately 5.74% per annum, representing an increase compared with approximately 5.32% per annum for the year ended 31 December 2019.

### Profit Before Income Tax

As a result of the above factors, the Group recorded profit before income tax of approximately RMB502.6 million for the Reporting Period, representing a decrease of approximately 25.8% as compared with approximately RMB677.5 million recorded for the year ended 31 December 2019.

### Income Tax Expenses

Income tax expenses increased by RMB37.6 million from approximately RMB123.7 million for the year ended 31 December 2019 to approximately RMB161.3 million for the Reporting Period, representing an increase of approximately 30.4%. The increase is caused by a change in the profitability of the Group's subsidiaries in respective countries and regions as a result of different corporate income tax rates being applied during the Reporting Period.

### Profit and Net Profit Margin for the Reporting Period

As a result of the foregoing, profit for the Reporting Period decreased by RMB212.5 million from approximately RMB553.8 million for the year ended 31 December 2019 to approximately RMB341.3 million for the Reporting Period, representing a decrease of approximately 38.4%. Net profit margin decreased from approximately 8.5% for the year ended 31 December 2019 to approximately 4.1% for the Reporting Period.

### Receivables under Service Concession Arrangements

The Group's receivables under service concession arrangements increased by RMB223.1 million from approximately RMB5,078.3 million as at 31 December 2019 to approximately RMB5,301.4 million as at 31 December 2020, representing an increase of approximately 4.4%. Such increase was due to a number of concession projects commenced commercial operation during the Reporting Period.

### 融資成本淨額

融資成本淨額由截至二零一九年十二月三十一日止年度約人民幣814.2百萬元增加人民幣439.1百萬元至報告期內約人民幣1,253.3百萬元，增幅為約53.9%。融資成本淨額增加主要是由於銀行借款增加及平均借款利率上浮所致。

本集團報告期內平均借款利率約為每年5.74%，與截至二零一九年十二月三十一日止年度的每年約5.32%相比增長。

### 所得稅前溢利

由於上述因素，本集團於報告期內錄得所得稅前溢利約人民幣502.6百萬元，相對於截至二零一九年十二月三十一日止年度錄得約人民幣677.5百萬元，降幅約為25.8%。

### 所得稅開支

所得稅開支由截至二零一九年十二月三十一日止年度的約人民幣123.7百萬元增加人民幣37.6百萬元至報告期內的約人民幣161.3百萬元，增幅約30.4%。該增加主要是由於本集團採取不同企業所得稅率的各自國家和地區的附屬公司的盈利情況發生變化所致。

### 報告期內溢利及純利率

由於上述各項，報告期內溢利由截至二零一九年十二月三十一日止年度的約人民幣553.8百萬元減少人民幣212.5百萬元至報告期內約人民幣341.3百萬元，降幅約38.4%。純利率由截至二零一九年十二月三十一日止年度約8.5%降低至報告期內約4.1%。

### 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二零一九年十二月三十一日的約人民幣5,078.3百萬元增加約人民幣223.1百萬元至二零二零年十二月三十一日的約人民幣5,301.4百萬元，增幅約4.4%。增加主要是由於報告期內原在建項目轉運營所致。

### Trade and Other Receivables and Prepayments

The Group's trade and other receivables and prepayments increased by RMB834.7 million from approximately RMB8,770.1 million as at 31 December 2019 to approximately RMB9,604.8 million as at 31 December 2020, representing an increase of approximately 9.5%. Such increase was primarily due to the continuous operation of EPC construction and sales of equipment business.

### Cash and Cash Equivalents

The Group's cash and cash equivalents decreased by RMB770.7 million from approximately RMB2,468.4 million as at 31 December 2019 to approximately RMB1,697.7 million as at 31 December 2020, representing a decrease of approximately 31.2%. Such decrease was primarily due to the net cash used in operating and investment activities which was partially offset by the net cash generated from financing activities during the Reporting Period.

### Trade and Other Payables

The Group's trade and other payables increased by RMB2,068.4 million from approximately RMB6,968.0 million as at 31 December 2019 to approximately RMB9,036.4 million as at 31 December 2020, representing an increase of approximately 29.7%. Such increase was primarily due to an increase in construction services payable due to the continuous investments in municipal environment comprehensive treatment projects under construction.

### Borrowings

As at 31 December 2020, the Group had borrowings of approximately RMB27,541.8 million (31 December 2019: approximately RMB21,618.9 million). As at 31 December 2020, the Group had unsecured borrowings of approximately RMB15,365.8 million (31 December 2019: approximately RMB12,885.1 million), and secured borrowings of approximately RMB12,176.0 million (31 December 2019: approximately RMB8,733.8 million).

### 貿易及其他應收款項以及預付款項

本集團的貿易及其他應收款項以及預付款項由二零一九年十二月三十一日的約人民幣8,770.1百萬元增加約人民幣834.7百萬元至二零二零年十二月三十一日的約人民幣9,604.8百萬元，增幅約9.5%。該增加主要是由於EPC建造及設備銷售業務的持續經營。

### 現金及現金等價物

本集團的現金及現金等價物由二零一九年十二月三十一日的約人民幣2,468.4百萬元減少約人民幣770.7百萬元至二零二零年十二月三十一日的約人民幣1,697.7百萬元，降幅約31.2%。該減少主要是由於報告期內用於經營和投資活動的現金淨額被融資活動的現金淨流入部分抵銷。

### 貿易及其他應付款項

本集團的貿易及其他應付款項由二零一九年十二月三十一日的約人民幣6,968.0百萬元增加約人民幣2,068.4百萬元至二零二零年十二月三十一日的約人民幣9,036.4百萬元，增幅約29.7%。該增加主要是由於對在建的市政環境綜合治理項目的持續投資，增加購買應付建築服務。

### 借款

於二零二零年十二月三十一日，本集團借款約為人民幣27,541.8百萬元（二零一九年十二月三十一日：約人民幣21,618.9百萬元）。於二零二零年十二月三十一日，本集團的無抵押借款約為人民幣15,365.8百萬元（二零一九年十二月三十一日：約人民幣12,885.1百萬元）及有抵押的借款約為人民幣12,176.0百萬元（二零一九年十二月三十一日：約人民幣8,733.8百萬元）。

# Management Discussion and Analysis

## 管理層討論及分析

### Pledge of Assets

As at 31 December 2020, borrowing of approximately RMB12,176.0 million (31 December 2019: approximately RMB8,733.8 million) were secured by the Group's receivables under service concession arrangements, contract assets, right-of-use assets, property, plant and equipment, intangible assets and the Company's investments in subsidiaries.

### Gearing Ratio

The Group's gearing ratio (calculated as net debt divided by total capital) increased from approximately 69.14% as at 31 December 2019 to approximately 77.26% as at 31 December 2020. The increase in gearing ratio was mainly due to the increased scale of debt financing during the Reporting Period.

The Board will closely monitor and improve the gearing ratio of the Group. In respect of financial resources available, the Group has reached an investment cooperation intention with a trust company on the scale of about RMB2 billions of perpetual bond, and the specific cooperation scheme is under final consideration by both parties.

### Employees and Remuneration Policy

As at 31, December 2020, the Group employed 7,007 employees (31 December 2019: 6,666). During the Reporting Period, staff cost was approximately 588.9 million (for the year ended 31 December 2019: 605.3 million). The Group will strive to ensure that the remuneration level of employees is in line with industry practices and prevailing market conditions, and remunerations of employees will be determined based on their performance. The remuneration package provided to employees also includes basic and floating salaries, discretionary bonus and staff benefits. The Group also provides external and internal training programs for its employees.

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

### 資產抵押

於二零二零年十二月三十一日，人民幣12,176.0百萬元(二零一九年十二月三十一日：約人民幣8,733.8百萬元)的借款由本集團服務特許經營安排下的應收款項、合約資產、使用權資產、物業、廠房及設備、以及無形資產及本公司於附屬公司的投資質押作抵押。

### 資產與負債的比率

本集團資產與負債的比率(按淨債務除以總資本計算)由二零一九年十二月三十一日的約69.14%增至二零二零年十二月三十一日的約77.26%。資產與負債的比例的增長主要是由於報告期內債務融資規模持續增加所致。

董事會將密切監察和改善本集團的資產與負債的比率。就備用財務資源而言，本集團已就規模約人民幣20億元的永續債權與一信託公司達成投資合作意向，具體合作方案雙方正在最終審議當中。

### 僱員及薪酬政策

於二零二零年十二月三十一日，本集團聘用7,007名僱員(二零一九年十二月三十一日：6,666名)。報告期內，員工成本約為人民幣588.9百萬元(截至二零一九年十二月三十一日止年度：人民幣605.3百萬元)。本集團將致力確保僱員薪酬水準符合行業慣例及現行市場情況，而僱員薪酬乃基於彼等的表現釐定。為僱員提供的薪酬待遇亦包括基本及浮動薪資、酌情花紅及員工福利。本集團亦為僱員提供外部及內部培訓計劃。

本集團並無任何重大勞務糾紛對本集團正常業務營運產生重大影響。

### Foreign Exchange Risk

The Group principally operates in the PRC with most of the transactions being settled in RMB, which is the functional currency of most of the group entities. The Group also has certain subsidiaries in foreign operations. Foreign exchange risk arises from the recognised assets and liabilities and net investments in foreign operations. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through financing activities denominated in the relevant foreign currencies.

The group entities are exposed to foreign exchange risk of foreign currencies other than their functional currencies, primarily with respect to the US dollars (“**US\$**”), Euro (“**EUR**”) and Hong Kong dollars (“**HKD**”) (together “**Non-functional Currencies**”). The Group seeks to limit its exposure to foreign currency risk by closely monitoring and minimizing its net foreign currency position. Management considers the fluctuations in exchange rates between the functional currencies of respective group entities and Non-functional Currencies in which the group entities conduct business will not have significant effect on the Group's financial position and results of operations.

### Contingent Liabilities

As at 31 December 2020, the Group did not have any significant contingent liabilities.

### Final Dividend

The Board has resolved to declare a final dividend of RMB0.06 per share (tax included) for the year ended 31 December 2020. The proposed distribution of final dividend by the Company is subject to approval at the forthcoming annual general meeting. Upon approval, the final dividend will be paid on or before 31 July 2021.

## SIGNIFICANT INVESTMENTS AND ACQUISITIONS

— On 17 June 2020, the Company entered into a capital increase agreement with Yunnan Asset Management Co., Ltd.\* (雲南省資產管理有限公司) (“**Yunnan Asset Management**”) and Yunnan Yunshui Construction & Engineering Co., Ltd.\* (雲南雲水建設工程有限公司) (the “**Target Company**”), pursuant to which Yunnan Asset Management has agreed to subscribe for the interests in the Target Company (representing 19.38% of the registered capital of the Target Company on a fully diluted basis as enlarged by the capital increase) at a consideration of RMB300,000,000 (including the additional registered capital of approximately RMB134,573,800 and capital reserve of approximately RMB165,426,200). On 31 December 2020, the Company entered into the second capital

### 外匯風險

本集團主要在中國經營業務，大部分交易以人民幣結算，人民幣為大部分集團公司的功能貨幣。本集團亦有若干附屬公司經營境外業務。外匯風險來自境外業務的已確認資產及負債和投資淨額。本集團境外業務淨資產所產生的貨幣風險，主要透過以相關外幣計值的融資活動進行管理。

集團實體承受其功能貨幣以外外幣的外匯風險，主要涉及美元(「美元」)、歐元(「歐元」)及港元(「港元」)(統稱「非功能貨幣」)。本集團力圖通過密切監察及盡量減少其外幣持倉淨額來限制外幣風險敞口。管理層認為各集團實體的功能貨幣與各集團實體經營業務的非功能貨幣之間的匯率波動不會對本集團的財務狀況及經營業績產生重大影響。

### 或然負債

截至二零二零年十二月三十一日，本集團並無任何重大或然負債。

### 末期股息

董事會議決宣派截至二零二零年十二月三十一日止年度的末期股息，每股人民幣0.06元(含稅)。建議派發末期股息須待本公司應屆股東週年大會批准後方可作實。經批准後，末期股息將於二零二一年七月三十一日或之前派發。

### 重大投資及收購

— 於二零二零年六月十七日，本公司與雲南省資產管理有限公司(「雲南資管」)及雲南雲水建設工程有限公司(「目標公司」)訂立增資協議。雲南資管同意認購目標公司權益(佔目標公司經增資事項擴大後按全面攤薄基準計算的註冊資本的19.38%)，認購代價為人民幣300,000,000元(包括新增註冊資本約人民幣134,573,800元及資本公積約人民幣165,426,200元)。於二零二零年十二月三十一日，本公司與雲南資管

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injection agreement and the supplemental agreement with Yunnan Asset Management and the Target Company, pursuant to which Yunnan Asset Management agreed to (i) further subscribe for the subscription shares (representing approximately 23.958% of the registered capital of the Target Company upon completion of the Second capital increase) at a consideration of RMB500,000,000 (including the additional registered capital of approximately RMB261,234,800 and capital reserve of approximately RMB238,765,200), and (ii) as part of the transaction, the Company agreed to reduce its paid-up capital in the Target Company by RMB42,404,100, from RMB560,000,000 to RMB517,595,900 and to convert RMB42,404,100 from the registered capital to the capital reserve of the Target Company. Upon completion of the second capital increase, the registered capital of the Target Company will be increased from RMB694,573,800 as at the date of this announcement to RMB913,404,500 and the Target Company will be owned as to approximately 56.667% and approximately 43.333% by the Company and Yunnan Asset Management respectively, therefore, the Target Company will remain a subsidiary of the Company and its accounts will continue to be consolidated with those of the Group.

- Pursuant to a renewable trust loan contract dated 11 September 2020 entered into between the Company and Yunnan International Trust Co. Ltd.\* (雲南國際信託有限公司) (the “**Lender**”), the Lender has granted to the Company a loan with a principal amount of up to RMB500,000,000 for a term of 12 months from the date of the trust loan contract, subject to renewal for an additional term. In respect of the loans granted by the Lender to the Company, the trust funds are entrusted by the banks to the Lender pursuant to the capital trust contract. In relation to the Trust Loan Contract, Yunnan Investment Holdings Group Company Limited\* (雲南省投資控股集團有限公司) (“**Yunnan Investment Group**”) entered into a guarantee agreement in favour of the Lender to guarantee the repayment obligations of the Company under the Trust Loan Contract. As part of the counter-guarantee, on 11 December 2020, the Company entered into an equity pledge agreement with the Yunnan Investment Group, pursuant to which the Company (as pledgee) has agreed to pledge its entire equity interest in Yunnan Solid Waste (雲南固廢) to the Yunnan Investment Group (as pledgee) as security for the Parent Company Guarantee provided by the Yunnan Investment Group in favour of the Lender under the Guarantee Agreement. On the same date, in consideration of the Parent Company Guarantee, the Company entered into a guarantee fee agreement with the Yunnan Investment Group, pursuant to which the Company shall pay to Yunnan Investment Group, as part of the Counter Guarantee, an annual guarantee fee calculated at 1% of the actual drawdown of the Loan Amount in the relevant year pursuant to the trust loan agreement.

及目標公司訂立第二注資協議及補充協議。雲南資管同意(i)進一步認購認購股份(佔目標公司於第二增資完成後的註冊資本的約23.958%)，代價為人民幣500,000,000元(包括新增註冊資本約人民幣261,234,800元及資本公積約人民幣238,765,200元)，及(ii)作為交易的一部分，本公司同意將其於目標公司的實繳出資額由人民幣560,000,000元削減人民幣42,404,100元至人民幣517,595,900元，並將人民幣42,404,100元由註冊資本轉換目標公司的資本公積。於第二增資完成後，目標公司之註冊資本將由該公告日期之人民幣694,573,800元增至人民幣913,404,500元，且目標公司將分別由本公司及雲南資管持有約56.667%及約43.333%，因此，目標公司仍將為本公司附屬公司且其賬目將繼續與本集團賬目綜合入賬。

- 根據本公司與雲南國際信託有限公司(「**貸款人**」)於二零二零年九月十一日訂立的可續期信託貸款合同，貸款人已向本公司授出本金最高為人民幣500,000,000元的貸款，自信託貸款合同日期起計為期12個月，惟可重續以延長期限。就貸款人向本公司提供貸款而言，信託資金由銀行根據資金信託合同委託予貸款人。關於信託貸款合同，雲南省投資控股集團有限公司(「**雲投集團**」)以貸款人為受益人訂立擔保協議，以擔保本公司於信託貸款合同項下的還款義務。作為反擔保的一部分，於二零二零年十二月十一日，本公司與雲投集團訂立股權質押協議，據此，本公司(作為質押人)已同意向雲投集團(作為承押人)質押其於雲南固廢的全部股權以作為雲投集團根據擔保協議以貸款人為受益人提供的母公司擔保的抵押。於同日，作為母公司擔保的代價，本公司與雲投集團訂立擔保費協議，據此，本公司應每年向雲投集團支付按根據信託貸款合同於有關年度實際提取貸款金額的1%計算的年度擔保費，作為反擔保的一部分。



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- On 9 December 2020, Qinggeda Yunshui entered into a finance lease agreement with CITIC Financial Leasing, pursuant to which CITIC Financial Leasing has agreed to, among other things, (i) acquire the leased assets from the Lessee at a consideration of RMB90,000,000, which will be paid to the Lessee in a lump sum and (ii) lease the leased assets back to the Lessee for a term of five years with an estimated total lease payment of RMB106,419,400, of which the total rent will be paid by the Lessee in ten equal principal instalments to CITIC Financial Leasing.
- On 9 December 2020, Kaifa Xinquan (Tiantai) entered into a finance lease contract with ABC Financial Leasing, pursuant to which ABC Financial Leasing has agreed to, among other things, (i) acquire the leased assets from Kaifa Xinquan (Tiantai) at a consideration of RMB110,000,000, which will be paid to Kaifa Xinquan (Tiantai) in installments and (ii) lease the leased assets back to Kaifa Xinquan (Tiantai) for a term of 10 years with a total lease payment of approximately RMB140,458,006.37, which will be paid by Kaifa Xinquan (Tiantai) to ABC Financial Leasing in 20 equal installments. The total lease payment of approximately RMB140,458,006.37 will be paid by Kaifa Xinquan (Tiantai) to ABC Financial Leasing in 20 equal installments.
- On 9 December 2020, Dali Water entered into a finance lease agreement with BoCOM Leasing, pursuant to which BoCOM Leasing has agreed to, among other things, (i) acquire the leased assets from the lessee at a consideration of RMB60,000,000 and (ii) lease the leased assets back to the lessee for a term of 60 months with an estimated total lease payment of RMB68,626,841.60, which will be paid by the Lessee to BoCOM Leasing in 20 equal installments.
- On 27 November 2020, Dali Water entered into a finance lease agreement with BoCom Leasing, pursuant to which, BoCom Leasing has agreed to, among other things, (i) acquire the leased assets from the lessee at a consideration of RMB140,000,000 and (ii) lease back the leased assets to the lessee with the lease term for 60 months and an estimated total lease payment of RMB160,129,296.80, which will be paid by the Lessee to BoCom Leasing in 20 equal installments.
- 於二零二零年十二月九日，青格達雲水與中信租賃訂立融資租賃合同。據此，中信租賃已同意(其中包括)(i)以代價人民幣90,000,000元向承租人購買租賃資產，並將一次性支付予承租人及(ii)將租賃資產租回予承租人，租賃期限為五年，概算租賃付款總額為人民幣106,419,400元，其中租金總額將由承租人分十期等額本金支付予中信租賃。
- 於二零二零年十二月九日，凱發新泉(天台)與農銀租賃訂立融資租賃合同。據此，農銀租賃已同意(其中包括)(i)以代價人民幣110,000,000元向凱發新泉(天台)購買租賃資產，並將分批支付予凱發新泉(天台)及(ii)將租賃資產租回予凱發新泉(天台)，租賃期限為十年，租賃付款總額約為人民幣140,458,006.37元，其將由凱發新泉(天台)分20期等額本息支付予農銀租賃。
- 於二零二零年十二月九日，大理水務與交銀租賃訂立融資租賃合同。據此，交銀租賃已同意(其中包括)(i)以代價人民幣60,000,000元向承租人購買租賃資產及(ii)將租賃資產租回予承租人，租賃期限為60個月，概算租賃付款總額為人民幣68,626,841.60元，將由承租人分20期以等額租金的方式支付予交銀租賃。
- 於二零二零年十一月二十七日，大理水務與交銀租賃訂立融資租賃合同。據此，交銀租賃已同意(其中包括)(i)以代價人民幣140,000,000元向承租人購買租賃資產，及(ii)將租賃資產租回予承租人，租賃期限為60個月，概算租賃付款總額為人民幣160,129,296.80元，將由承租人分20期以等額租金的方式支付予交銀租賃。

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- On 23 October 2019, Guizhou Tongren City Development and Investment Group Co., Ltd.\* (貴州省銅仁市城市開發投資集團有限公司), Guizhou Province Shiqian County Water Investment Co., Ltd.\* (貴州省石阡縣水務投資有限責任公司), Guizhou Province Yinjiang Autonomous County Yinfeng Municipal Urban and Rural Construction Investment Group Co., Ltd.\* (貴州省印江自治縣銀豐城鄉建設投資集團有限公司) entered into a shareholders agreement with the Company and China Urban Construction Design & Research Institute\*(中國城建研究院), pursuant to which the parties to the shareholders agreement agreed to establish the JV company in Tongren City, Guizhou Province, the PRC. On 14 October 2020, the JV Company was established, the registered capital of which has not been paid up by the parties yet. Due to changes in the macroeconomic conditions of our country, adjustments to environmental protection policies and regulation of the financing environment, in order to adapt to such objective environments, Tongren Municipal People's Government, Guizhou Province, the PRC\* (中國貴州省銅仁市人民政府) (“**Tongren Municipal Government**”) intends to change the investment model of the PPP project. As agreed between the parties with negotiation, the PPP project contract and the shareholders agreement shall be terminated and released. After negotiation with the Tongren Municipal Government, the costs incurred for design and leveling of the construction site under the PPP project shall be paid by the government directly to the design or construction units. The parties will carry out the dissolution and liquidation of the JV company in accordance with the Company Law and relevant provisions set out in the shareholders agreement.
- On 29 September 2020, the Company (as the vendor) and Fuzhou Dingrong Environmental Protection Technology Co., Ltd.\* (福州市鼎榕環保科技有限公司), (as the purchaser) entered into an equity transaction agreement and the supplemental agreement to the equity transaction agreement, pursuant to which, the Company has agreed to sell, and Dingrong Environmental Protection has agreed to acquire, the 40% interest in Fujian Dongfei Environment Group Co., Ltd.\* (福建東飛環境集團有限公司) legally and beneficially owned by the Company at the consideration of RMB375,200,000. Upon completion of the disposal, the Company shall cease to have any interest in the target company.
- On 20 September 2020, HLJ Yunshui entered into a finance lease agreement with BoCom Leasing, pursuant to which, BoCom Leasing has agreed to, among other things, (i) acquire the leased assets from the lessee at a consideration of RMB98,000,000, which will be paid to the lessee and (ii) lease back the leased assets to the lessee with the lease term for 60 months and an estimated total lease payment of RMB114,443,086, of which the total rentals will be paid by the lessee to BoCom Leasing in 20 installments.
- 於二零一九年十月二十三日，貴州省銅仁市城市開發投資集團有限公司、貴州省石阡縣水務投資有限責任公司、貴州省印江自治縣銀豐城鄉建設投資集團有限公司與本公司及中國城建研究院訂立股東協議，各訂約方同意於中國貴州省銅仁市成立合資公司。於二零二零年十月十四日，合資公司已經設立，訂約方均尚未實繳註冊資本。因國家宏觀經濟變化，環保政策、融資環境調整，為適應客觀環境，中國貴州省銅仁市人民政府（「**銅仁市政府**」）擬變更PPP項目的投資模式，經訂約方協商一致同意，終止並解除PPP項目合同及股東協議。經與銅仁市政府協商，PPP項目已發生的設計和施工場地平整費用由政府直接支付給設計、施工單位。訂約方根據《公司法》及股東協議的相關約定開展合資公司的解散清算工作。
- 於二零二零年九月二十九日，本公司（作為賣方）及福州市鼎榕環保科技有限公司（作為買方）訂立產權交易合同及產權交易合同補充協議。本公司同意出售且福州市鼎榕環保科技有限公司同意購買本公司合法及實益擁有福建東飛環境集團有限公司40%的權益，代價為人民幣375,200,000元。出售事項完成後，本公司不再擁有目標公司任何權益。
- 於二零二零年九月二十日，黑龍江雲水與交銀租賃訂立融資租賃合同。據此，交銀租賃已同意（其中包括）(i)以代價人民幣98,000,000元向承租人購買租賃資產，並將支付予承租人及(ii)將租賃資產租回予承租人，租賃期限為60個月，概算租賃付款總額為人民幣114,443,086元，其中租金總額將由承租人分20期支付予交銀租賃。

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- On 7 August 2020, (I) the Company, Shandong Qingzheng and AVIC International Leasing entered into finance lease agreement A, pursuant to which, AVIC International Leasing has agreed (among others) (i) to purchase the leased asset A from lessee A at the consideration of RMB90,000,000 and pay the consideration to lessee A in two installments and (ii) to lease back the leased asset A to lessee A, with the lease term of five years (60 months) and the total rent of RMB104,724,895.00 estimated by the matching principal method, which will be paid by Lessee A to AVIC International Leasing in 10 installments; (II) the Company, Shandong Binxin and AVIC International Leasing entered into finance lease agreement B, pursuant to which, AVIC International Leasing has agreed (among others) (i) to purchase the leased asset B from lessee B at the consideration of RMB160,000,000 and pay the consideration to lessee B in two installments and (ii) to lease back the leased asset B to lessee B, with the lease term of five years (60 months) and the total rent of RMB186,177,591.12 estimated by the matching principal method, which will be paid by lessee B to AVIC International Leasing in 10 installments.
- On 17 June 2020, the Company, Emin Water and China Resources Financial Leasing entered into a finance lease agreement, pursuant to which, China Resources Financial Leasing has agreed to, among other things, (i) acquire the leased assets from the lessees at a consideration of RMB300,000,000, which will be paid to the lessees in a lump sum and (ii) lease back the leased assets to the lessees with the lease term of 60 months and the total lease payment is estimated to be RMB356,753,891.88, in which, total rents will be paid by the lessees to China Resources Financial Leasing in 20 installments.
- On 12 June 2020, Qinggeda Yunshui and CITIC Financial Leasing entered into a finance lease agreement, pursuant to which, CITIC Financial Leasing has agreed to, among other things, (i) acquire the leased assets from the lessee at a consideration of RMB210,000,000, which will be paid to the lessee in a lump sum and (ii) lease back the leased assets to the lessee with the lease term of five years and the total lease payment is estimated to be RMB247,887,266.66, in which, total rents will be paid by the lessee to CITIC Financial Leasing in ten equal instalments of principal.
- 於二零二零年八月七日，(一)本公司、山東清正與中航國際租賃訂立融資租賃合同A。據此，中航國際租賃已同意(其中包括)(i)以代價人民幣90,000,000元向承租人A購買租賃資產A，並將分兩筆支付予承租人A及(ii)將租賃資產A租回予承租人A，租賃期限為5年(60個月)，等額本金概算租賃付款總額為人民幣104,724,895.00元，其中租金總額將由承租人A分10期支付予中航國際租賃；(二)本公司、山東濱新與中航國際租賃訂立融資租賃合同B。據此，中航國際租賃已同意(其中包括)(i)以代價人民幣160,000,000元向承租人B購買租賃資產B，並將分兩筆支付予承租人B及(ii)將租賃資產B租回予承租人B，租賃期限為5年(60個月)，等額本金概算租賃付款總額為人民幣186,177,591.12元，其中租金總額將由承租人B分10期支付予中航國際租賃。
- 於二零二零年六月十七日，本公司、額敏縣水務與華潤租賃訂立融資租賃合同。據此，華潤租賃已同意(其中包括)(i)以代價人民幣300,000,000元向承租人購買租賃資產，並將一次性支付予承租人及(ii)將租賃資產租回予承租人，租賃期限為60個月，概算租賃付款總額為人民幣356,753,891.88元，其中租金總額將由承租人分20期支付予華潤租賃。
- 於二零二零年六月十二日，青格達雲水與中信租賃訂立融資租賃合同。據此，中信租賃已同意(其中包括)(i)以代價人民幣210,000,000元向承租人購買租賃資產，並將一次性支付予承租人及(ii)將租賃資產租回予承租人，租賃期限為五年，概算租賃付款總額為人民幣247,887,266.66元，其中租金總額將由承租人分十期等額本金支付予中信租賃。

## Management Discussion and Analysis

### 管理層討論及分析

- On 14 May 2020, the Company together with Hunan No. 8 Engineering Co., Ltd.\* (湖南省第八工程有限公司) and Guangzhou Public Utilities Planning & Design Institute Co., Ltd.\* (廣州市公用事業規劃設計院有限公司) were formally awarded the public-private-partnership project of facilitating the construction of domestic wastewater treatment facilities in Lu Feng by the People's Government of Lu Feng, Shanwei City, Guangdong Province by way of public tender. The total estimated investment amount of the project is approximately RMB1,592,590,000.
- On 22 April 2020, the Company together with YCIH No. 1 Water Resources and Hydropower Construction Co., Ltd.\* (雲南建投第一水利水電建設有限公司) and Powerchina Northwest Engineering Corporation Limited\* (中國電建集團西北勘測設計研究院有限公司) were formally awarded the concession project of Tailan River depression reservoir engineering in Wensu County, which is granted by the People's Government of Wensu County, Aksu Region, Xinjiang Uygur Autonomous Region by way of public tender. The total estimated investment of the project amounted to approximately RMB1,355,183,900.
- On 13 March 2020, the Company together with Central and Southern China Municipal Engineering Design and Research Institute Co., Ltd.\* (中國市政工程中南設計研究總院有限公司) and Jiangxi Construction Engineering Third Construction Limited Liability Company\* (江西建工第三建築有限責任公司) were awarded the public-private partnership project of the facilitating construction in relation to the new round of the urban and rural wastewater treatment in Yingde, which is granted by the People's Government of Yingde City, Guangdong Province by way of public tender. The total estimated investment of the Project amounted to approximately RMB626,850,500.
- On 10 March 2020, Langfang Hyflux entered into (I) a sale and purchase contract and (II) a leaseback contract with Greatwall Guoxing, pursuant to which, Greatwall Guoxing has agreed to, among other things, (i) acquire the leased assets from Langfang Hyflux at a consideration of RMB380,000,000, which will be paid to Langfang Hyflux in one lump sum and (ii) lease back the leased assets to Langfang Hyflux with the lease term for 60 months, and a total lease payment of approximately RMB458,236,994.99 shall be paid by Langfang Hyflux to Greatwall Guoxing in 10 installments at floating lease rate.
- 於二零二零年五月十四日，本公司聯同聯合體湖南省第八工程有限公司、廣州市公用事業規劃設計院有限公司接獲中標通知書，正式中標由廣東省汕尾市陸豐市人民政府通過公開招標方式授予的陸豐市正式推進生活污水處理設施以政府與社會資本合作模式的項目。項目估算總投資額約為人民幣1,592,590,000元。
- 於二零二零年四月二十二日，本公司聯同聯合體雲南建投第一水利水電建設有限公司、中國電建集團西北勘測設計研究院有限公司中標由新疆維吾爾自治區阿克蘇地區溫宿縣人民政府通過公開招標方式授予的溫宿縣台蘭河窪地水庫工程特許經營項目。該項目估算總投資額約為人民幣1,355,183,900元。
- 於二零二零年三月十三日，本公司聯同中國市政工程中南設計研究總院有限公司、江西建工第三建築有限責任公司已中標由廣東省英德市人民政府通過公開招標方式授予的英德市新一輪城鄉污水處理基礎設施建設以政府與社會資本合作模式的項目。項目估算總投資額約為人民幣626,850,500元。
- 於二零二零年三月十日，廊坊凱發與長城國興租賃訂立(I)回租買賣合同及(II)回租租賃合同。據此，長城國興租賃已同意(其中包括)(i)以代價人民幣380,000,000元向廊坊凱發購買租賃資產，並將一次性支付予廊坊凱發及(ii)將租賃資產租回予廊坊凱發，租賃期限為60個月，租賃付款總額約為人民幣458,236,994.99元，其將由廊坊凱發分10期按照浮動租賃費率支付予長城國興租賃。

## Management Discussion and Analysis 管理層討論及分析

- On 20 February 2020, Sanming Jinliya entered into a finance lease agreement with ABC Financial Leasing, pursuant to which, ABC Financial Leasing has agreed to, among other things, (i) acquire the leased assets from Sanming Jinliya at a consideration of RMB300,000,000, which will be paid to Sanming Jinliya by instalments and (ii) lease back the leased assets to Sanming Jinliya with the lease term for 8 years and a total lease payment of approximately RMB371,474,504.84, the principal and interest of which will be paid by Sanming Jinliya to ABC Financial Leasing in 32 equal installments.

For details of the above-mentioned significant investments and acquisitions, please refer to the announcements published by the Company on 31 December 2020, 11 December 2020, 9 December 2020, 27 November 2020, 14 October 2020, 29 September 2020, 20 September 2020, 7 August 2020, 17 June 2020, 12 June 2020, 14 May 2020, 22 April 2020, 13 March 2020, 10 March 2020 and 20 February 2020, respectively.

### Subsequent Events:

- On 31 March 2021, the Board hereby announces that Mr. Li Jialong tendered his resignation as a non-executive Director, the Chairman, and chairman and member of the Nomination Committee due to work reasons, with effective upon the conclusion of the EGM. Mr. Yang Fang tendered his resignation as an executive Director and a member of the Compliance Committee due to work reasons, with effective upon the conclusion of the EGM. The Board proposes to nominate Mr. Liu Hui to be a non-executive Director candidate of the third session of the Board. The Board proposes to nominate Ms. Ling Hui to be an executive Director candidate of the third session of the Board. Mr. Wang Yong, the chief financial controller of the Company, tendered his resignation as the chief financial controller due to work reasons, with effect from 31 March 2021, and the Company will make other appointments for him. The Board appointed Ms. Ling Hui as the chief financial controller of the Company, with effect from 31 March 2021.

- 於二零二零年二月二十日，三門市金利亞與農銀租賃訂立融資租賃合同。據此，農銀租賃已同意(其中包括)(i)以代價人民幣300,000,000元向三門市金利亞購買租賃資產，並將分批支付予三門市金利亞及(ii)將租賃資產租回予三門市金利亞，租賃期限為8年，租賃付款總額約為人民幣371,474,504.84元，其將由三門市金利亞分32期等額本息支付予農銀租賃。

有關上述重大投資及收購事項的詳情，請參閱本公司分別於二零二零年十二月三十一日、二零二零年十二月十一日、二零二零年十二月九日、二零二零年十一月二十七日、二零二零年十月十四日、二零二零年九月二十九日、二零二零年九月二十日、二零二零年八月七日、二零二零年六月十七日、二零二零年六月十二日、二零二零年五月十四日、二零二零年四月二十二日、二零二零年三月十三日、二零二零年三月十日及二零二零年二月二十日刊發的公告。

### 報告期後事項：

- 於二零二一年三月三十一日，董事會謹此宣佈，李家龍先生因工作原因，提出辭任非執行董事、董事長及提名委員會主席兼成員之職務，並將於臨時股東大會結束時生效。楊方先生因工作原因，提出辭任執行董事及合規委員會成員之職務，並將於臨時股東大會結束時生效。董事會建議提名劉暉先生為第三屆董事會非執行董事候選人。董事會建議提名凌慧女士為第三屆董事會執行董事候選人。公司財務總監王勇先生(「王先生」)因工作原因，提出辭任財務總監之職務，並將於二零二一年三月三十一日生效，公司將對其另有任用。董事會委任凌慧女士為本公司財務總監，自二零二一年三月三十一日起生效。

## Management Discussion and Analysis

### 管理層討論及分析

- On 5 March 2021, the Board has resolved to seek approval from the Shareholders at the EGM for the various guarantees as follows: (a) the Company will provide guarantees to the onshore subsidiaries controlled by the Company in respect of the credit business and other business of banks and other financial institutions, and provide guarantees to the offshore subsidiaries controlled by the Company in respect of the credit business and other business of banks and other financial institutions pursuant to the relevant requirements of the PRC; and (b) guarantees in respect of the credit business and other businesses of banks and other financial institutions will be provided by onshore and offshore subsidiaries controlled by the Company to each other pursuant to the relevant requirements of the PRC.
- On 4 March 2021, the Company has resolved to dispose of the Disposal Interest, being the 51% equity interest held by the Company in Dongting Water. Since the Company is a State-owned enterprise, the Disposal Interest constitutes a State-owned asset and the disposal of which is required to undergo the process of Public Tender through an approved equity exchange in accordance with the relevant PRC laws and regulations governing the disposal of State-controlled assets. The Potential Disposal will be carried out through YNEX and the successful bidder will enter into the Equity Transaction Agreement with the Company according to the relevant rules and regulations of YNEX. The Minimum Consideration, being the initial bidding price for the Disposal Interest, is expected to be RMB76,500,000, which was determined based on the preliminary asset appraised value of the Disposal Interest on 31 December 2020 and “the capital for investing in Dongting Water + 10% annualized rate of return”, whichever is higher. As at the date of this announcement, the Valuation Report has not yet been finalized, which will be finalized before the formal tender notice is issued, and thus the asset appraised value is subject to the finalized Valuation Report. The final Consideration will depend on the final bid price of the Public Tender, but will not be less than the Minimum Consideration in any event.
- 於二零二一年三月五日，董事會決議將就下述的各項擔保尋求股東於臨時股東大會上批准：(a)本公司為本公司境內控股附屬公司的銀行及其他金融機構信貸業務及其他業務提供擔保，並按照中國相關規定向本公司境外控股附屬公司的銀行及其他金融機構信貸業務及其他業務提供擔保；及(b)本公司境內及境外控股附屬公司之間按照中國相關規定相互提供銀行及其他金融機構信貸業務以及其他業務的擔保。
- 於二零二一年三月四日，本公司已就出售出售權益（即本公司於洞庭水務持有之51%股權）作出決議。由於本公司為國有控股企業，故出售權益構成一項國有資產，且根據監管出售國家控制資產之相關中國法律及法規，其出售須透過經核准產權交易所進行公開掛牌程序。潛在出售事項將透過雲南產權交易所進行，而成功中標者將根據雲南產權交易所之相關規則及法規與本公司訂立產權交易合同。最低代價（即出售權益之初步競標價）預計為人民幣76,500,000元，乃根據出售權益於二零二零年十二月三十一日之初步資產評估價值與「投入洞庭水務資本金+10%年化收益率」孰高的原則釐定。於該公告日期，估值報告尚未定稿，估值報告將於正式掛牌通告發出前定稿，資產評估價值以定稿後的估值報告所示為準。最終代價將視乎公開掛牌之最終出價而定，惟於任何情況下將不少於最低代價。

## Management Discussion and Analysis 管理層討論及分析

- On 15 January 2021, the Company entered into a framework agreement with Zhejiang Qianjiang Biochemical Co., Ltd.\* (“**Qianjiang Biochemical**”) and Haining Municipal Water Investment Group Co., Limited\* (“**Haining Water Investment Group**”), pursuant to which Qianjiang Biochemical will purchase the 51% equity in Zhejiang Haiyun Environmental Protection, 40% equity in Capital Water, 40% equity in Shikang Water, 40% equity in Lvdong Haiyun held by Haining Water Investment Group, and 49% equity in Zhejiang Haiyun Environmental Protection held by the Company by means of non-public issue of shares to Haining Water Investment Group and the Company. Upon completion of the transactions proposed by the parties to the framework agreement, Qianjiang Biochemical will hold 100% equity in Zhejiang Haiyun Environmental Protection, 40% equity in Capital Water, 40% equity in Shikang Water and 40% equity in Lvdong Haiyun. The potential transactions are subject to the negotiation and formal agreements. As of the date of this announcement, (i) all major terms and conditions of the potential transactions are still under negotiation and have not yet been finalized; and (ii) the formal agreements have not yet been entered into by the Company.
- On 7 January 2021, the Company received the notice (the “**Notice**”) issued by Yunnan Health & Cultural Tourism Holding Group Co., Ltd.\* (雲南省康旅控股集團有限公司) (“**YHTH**”), the controlling shareholder of the Company, in relation to the adjustments in the shareholding structure of YHTH (the “**Adjustments of Equity Interests**”). According to the Notice, the registered share capital of YHTH increased from RMB4,142,214,400 to RMB6,142,214,400. As at the date of this announcement, YHTH has completed the changes in industrial and commercial registration regarding the increase of registered share capital.
- 於二零二一年一月十五日，本公司與浙江錢江生物化學股份有限公司(「**錢江生化**」)、海寧市水務投資集團有限公司(「**海寧水投集團**」)簽訂框架協議，錢江生化以向海寧水投集團及本公司非公開發行股份的方式，購買海寧水投集團持有的浙江海雲環保51%股權、首創水務40%股權、實康水務40%股權、綠動海雲40%股權以及本公司持有的浙江海雲環保49%股權。框架協議中訂約各方擬議的交易完成後，錢江生化將持有浙江海雲環保100%股權、首創水務40%股權、實康水務40%股權及綠動海雲40%股權。潛在交易須待磋商及協定正式協議後方可作實。於該公告日期，(i)潛在交易之所有主要條款及條件仍在磋商中，且尚未落實；及(ii)本公司尚未訂立正式協議。
- 於二零二一年一月七日，本公司接獲本公司控股股東雲南省康旅控股集團有限公司(「**雲南康旅集團**」)發出的通知函「**該通知**」，內容有關雲南康旅集團股權結構的調整(「**該等股權調整**」)。根據該通知內容，雲南康旅集團的註冊資本金由人民幣4,142,214,400元增加至人民幣6,142,214,400元。截至該公告日，雲南康旅集團已完成增加註冊資本金事項的工商變更登記。

For details of the above-mentioned subsequent events, please refer to the announcements published by the Company on 31 March 2021, 5 March 2021, 4 March 2021, 15 January 2021 and 7 January 2021.

有關上述期後事項的詳情，請參閱本公司分別於二零二一年三月三十一日、二零二一年三月五日、二零二一年三月四月、二零二一年一月十五日及二零二一年一月七日刊發的公告。

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

### EXECUTIVE DIRECTORS AND NON-EXECUTIVE DIRECTORS

**Mr Li Jialong (“Mr. Li”)**, aged 52, joined the Group in July 2020 and currently serves as a non-executive Director of the Company and the Chairman of the Board, who is a CPC party member, obtained the bachelor’s degree from the Department of Geology of Kunming University of Science and Technology in July 1992. From February 1996 to April 1999, Mr. Li served as the deputy secretary and secretary to the League Committee of the Kunming University of Science and Technology. From April 1999 to February 2002, Mr. Li served in the Yunnan Provincial Committee of the Communist Youth League as the deputy director and the director of the general office, and the director of the Publicity Department in the Yunnan Provincial Committee of the Communist Youth League from February 2002 to February 2005. From February 2005 to April 2009, he acted as the county mayor and the secretary to county committee of the Communist Party Committee of Shuangbai County, Chuxiong Prefecture. He acted as the deputy head of Chuxiong People’s Government from April 2009 to May 2011. From May 2015 to March 2016, he served as the deputy secretary to Communist Party Committee and the vice chairman of Southwest Transportation Construction Group Co., Ltd.\* (西南交通建設集團股份有限公司). From March 2016 to April 2020, he has been the deputy secretary to the Communist Party Committee, the general manager and the vice chairman of Yunnan Construction and Investment Holding Group Co., Ltd.\* (雲南省建設投資控股集團有限公司). Mr. Li has been served as the deputy secretary to the Communist Party Committee, the president the vice chairman of Yunnan Health & Cultural Tourism Holding Group Co., Ltd.\* (雲南康旅集團有限公司) from April 2020 to date.

**Mr. Yu Long (“Mr. Yu”)**, aged 49, joined the Group in June 2011, and currently serves as an executive Director, vice chairman and the general manager of the Company. Mr. Yu obtained a MBA degree from Guanghua School of Management, Peking University in July 2013, and is now studying as a doctor at the School of Economics and Management at University of Chinese Academy of Sciences. Mr. Yu has more than 18 years of experience in environmental and water works industry, market development, project management, investment capital management, and risk control management, and he is mainly responsible for the overall operation and management, strategic planning and business development of the Company. 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\* (凱丹水務國際有限集團) 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.\* (若石(北京)投資有限公司). Between May 2009 and October 2012, Mr. Yu was appointed as the sales director and the deputy general manager of Beijing OriginWater. Between June 2011 and August 2017, Mr. Yu served as General Manager and executive Director of the Company, and as General Manager of the Company between August 2017 and December 2018. Mr. Yu has served as an executive Director, vice chairman and General Manager of the Company from December 2018 till now. In addition, Mr. Yu has been appointed as chairman or director of various subsidiaries of our Group since January 2011.

### 執行董事及非執行董事

**李家龍先生(「李先生」)**，52歲，於二零二零年七月加入本集團，現擔任本公司非執行董事及董事長，為中共黨員。李先生於一九九二年七月獲昆明理工大學授予地質系學士學位。於一九九六年二月至一九九九年四月期間，李先生歷任昆明理工大學團委副書記、團委書記職務。於一九九九年四月至二零零二年二月期間，李先生歷任共青團雲南省委辦公室副主任、主任職務。於二零零二年二月至二零零五年二月期間，李先生擔任共青團雲南省委宣傳部部長。於二零零五年二月至二零零九年四月期間，李先生歷任楚雄州雙柏縣縣長、縣委書記職務。於二零零九年四月至二零一一年五月期間，李先生擔任楚雄州人民政府副州長。於二零一五年五月至二零一六年三月期間，李先生擔任西南交通建設集團股份有限公司黨委副書記、副董事長。於二零一六年三月至二零二零年四月期間，李先生歷任雲南省建設投資控股集團有限公司黨委副書記、總經理、副董事長。於二零二零年四月至今，李先生擔任雲南康旅集團有限公司黨委副書記、總裁、副董事長。

**于龍先生(「于先生」)**，49歲，于先生於二零一一年六月加入本集團，現擔任本公司執行董事，副董事長及總經理。于先生於二零一三年七月取得北京大學光華管理學院工商管理碩士學位，現於中國科學院大學經濟與管理學院博士在讀。于先生於環保及水務行業、市場開發、項目管理、投資資本管理以及風險控制管理擁有逾18年經驗，主要負責本公司的整體運營及管理、策略規劃及業務發展。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期間，于先生擔任若石(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期間，于先生擔任北京碧水源的銷售總監及副總經理。於二零一一年六月至二零一七年八月期間，于先生擔任本公司總經理及執行董事，自二零一七年八月起至二零一八年十二月期間，于先生擔任本公司總經理，自二零一八年十二月至今，于先生擔任本公司執行董事，副董事長及總經理。此外，自二零一一年一月起于先生於本集團之多家附屬公司擔任董事長或董事。



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

**Mr. Dai Richeng (“Mr. Dai”)**, aged 56, joined the Group in October 2020, and currently serves as a non-executive Director. Mr. Dai holds a master’s degree in environmental engineering from the Department of Chemical Engineering in Nanjing University of Science and Technology and a doctoral degree in environmental engineering of the Department of Environmental Engineering from Tsinghua University. Mr. Dai has extensive experience for about 30 years in the water treatment industry. He was an engineer at the Water Pollution Research Office of the Quan Jun Environmental Science Research Centre\* (全軍環境科學研究中心水污染研究室) and later acted as a senior engineer in the China Water Pollution Research Centre\* (中國水污染研究中心). From 1998 to 2010, Mr. Dai acted as the general manager and senior engineer in a subsidiary principally engaged in wastewater treatment of Tsinghua Tongfang Co., Ltd.\* (同方股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600100). From 2010 to 2012, he was the vice-president and senior engineer of Beijing Enterprises Water Group Limited (北控水務集團有限公司) (a company listed on the Stock Exchange, stock code: 371). Mr. Dai has been the general manager of Beijing OriginWater from October 2012 to April 2016, has been the director of Beijing OriginWater from April 2014 to September 2020 and has been the general manager of Beijing OriginWater since March 2018; Mr. Dai was the executive Director and vice-chairman of the Company from June 2016 to August 2018, and the non-executive Director of the Company from August 2018 to December 2018, and from October 2020 till now, he has been the non-executive Director of the Company.

**Ms. Li Bo (“Ms. Li”)**, aged 44, joined the Group in August 2014, and currently serves as non-executive Director, party secretary. Ms. Li obtained a master’s degree in business administration from Dalian University of Technology in Dalian in June 2008. Ms. Li has more than 13 years of senior management experience in water works industry. From August 2014 to August 2017, Ms. Li acted as shareholder representative Supervisor of the Company, from August 2017 till now, she has been the non-executive Director of the Company, and from January 2021 till now, she has been the party secretary of the Company. Ms. Li was appointed as the deputy manager of the investment and financing department of YHTH between April 2005 and May 2010, and was promoted as manager of the investment and financing department between May 2010 and May 2012. Ms. Li acted as the board office director of YHTH from May 2012 to December 2017, and she has been the Secretary to the Board and Assistant to President of YHTH since December 2017. In addition, Ms. Li has also been appointed as the director of a number of subsidiaries of YHTH since January 2014.

**戴日成先生(「戴先生」)**，56歲，於二零二零年十月加入本集團，現擔任本公司非執行董事。戴先生獲得南京理工大學化學工程系環境專業工學碩士及清華大學環境工程系環境工程專業工學博士學位。戴先生於水處理行業擁有約三十年的豐富經驗，彼曾於全軍環境科學研究中心水污染研究室擔任工程師，其後於中國水污染研究中心擔任高級工程師。戴先生於一九九八年至二零一零年期間，於同方股份有限公司(於上海證券交易所上市的公司，股份代號：600100)以污水處理為主的附屬公司擔任總經理兼高級工程師。彼於二零一零年至二零一二年期間，於北控水務集團有限公司(於聯交所上市的公司，股份代號：371)擔任副總裁兼高級工程師。戴先生自二零一二年十月至二零一六年四月期間，擔任北京碧水源總經理，於二零一四年四月至二零二零年九月期間，擔任北京碧水源董事，於二零一八年三月起至今，擔任北京碧水源總經理；戴先生自二零一六年六月至二零一八年八月任本公司執行董事、副董事長，二零一八年八月至二零一八年十二月任本公司非執行董事，於二零二零年十月至今，戴先生擔任本公司執行董事。

**李波女士(「李女士」)**，44歲，於二零一四年八月加入本集團，現擔任本公司非執行董事、黨委書記。李女士於二零零八年六月於大連理工大學取得工商管理碩士學位。李女士擁有逾13年在水務行業擔任高級管理層的經驗。於二零一四年八月至二零一七年八月期間，李女士任本公司股東代表監事，自二零一七年八月起至今擔任本公司非執行董事，自二零二一年一月至今擔任本公司黨委書記。於二零零五年四月至二零一零年五月期間，李女士擔任雲南康旅集團的投資及融資部副經理，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。於二零一二年五月至二零一七年十二月期間，李女士擔任雲南康旅集團董事會辦公室主任。自二零一七年十二月起擔任雲南康旅集團董事會秘書、總裁助理。此外，自二零一四年一月起亦擔任雲南康旅集團多間附屬公司的董事。

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

**Mr. Chen Yong (“Mr. Chen”)**, aged 48, joined the Group in June 2019 as non-executive Director. He is a postgraduate and senior accountant. Mr. Chen obtained a bachelor’s degree in computer science from Xinjiang University (新疆大學) in July 1999 and a master’s degree in business administration from Xinjiang University of Finance and Economics in June 2009. Mr. Chen has over 26 years of extensive experience in accounting and management. From February 1992 to July 2008, Mr. Chen worked for CNPC Xinjiang Sales Company\* (中國石油新疆銷售公司) and served as a Deputy Director of the Finance Department and a Director of the Corporate Management Department. Since September 2010, Mr. Chen has been the General Manager of the Equity Investment Department of Kunlun Trust Co., Ltd.\* (昆侖信託有限責任公司), the General Manager of the Equity Investment Department of CNPC Asset Management Co., Ltd.\* (中油資產管理有限公司), the Managing Director of Ningbo Kunlun Xinyuan Equity Management Partnership (Limited Partnership)\* (寧波昆侖信元股權管理合夥企業(有限合夥)) and an Authorized Representative of the Executive Partner of Yantai Xinzhen Tianying Equity Investment Center (Limited Partnership)\* (煙台信貞添盈股權投資中心(有限合夥)). In addition, Mr. Chen has been supervisor of Shandong International Trust Co., Ltd.\* (山東省國際信託股份有限公司) (a company listed on the Hong Kong Stock Exchange, stock code: 1697) since September 2014. He has been a director of Jiemian (Shanghai) Network Technology Co., Ltd.\* (界面(上海)網絡科技有限公司) since July 2016, and a director of Beijing Wuerzhilu Technology Co., Ltd.\* (北京無二之旅科技有限公司) since April 2017, and a director of Beijing Weiche Technology Co., Ltd.\* (北京喂車科技有限公司) since May 2017. Mr. Chen has been a director of Shandong Provincial Financial Asset Management Co., Ltd.\* (山東省金融資產管理股份有限公司) since July 2018, the vice chairman of Beijing Kunlun Zhihui Technology Co., Ltd.\* (北京昆侖致匯科技有限公司) since February 2018, and a director of Tianjin Climate Exchange Co., Ltd.\* (天津排放權交易所有限公司) since December 2015.

**Mr. Yang Fang (“Mr. Yang”)**, aged 47, joined the Group in June 2012, and currently serves as the executive Director, and deputy general manager 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. From March 2013 to January 2021, Mr. Yang served as party secretary of the Company, and he was subsequently appointed as deputy general manager of the Company in November 2014, and was appointed as the executive Director of the Company in August 2017. Mr. Yang has more than 12 years of senior management experience in water works related companies, and he is responsible for operation and management of some regions. Mr. Yang served in various positions in YHTH, including manager of personnel and organization department, manager of the human resources department.

**陳勇先生(「陳先生」)**，48歲，於二零一九年六月加入本集團，現擔任本公司非執行董事。研究生學歷，高級會計師。陳先生於一九九九年七月取得新疆大學電腦專業應用學士學位，於二零零九年六月取得新疆財經大學工商管理碩士學位。陳先生在會計及管理方面擁有逾二十六年豐富經驗。自一九九二年二月至二零零八年七月，陳先生就職於中國石油新疆銷售公司，先後擔任財務處處副處長、企管處處長等職務。自二零一零年九月起，陳先生任昆侖信託有限責任公司股權投資部總經理、中油資產管理有限公司股權投資部總經理、寧波昆侖信元股權管理合夥企業(有限合夥)董事總經理、煙台信貞添盈股權投資中心(有限合夥)執行事務合夥人委派代表。此外，陳先生自二零一四年九月起，任山東省國際信託股份有限公司(於香港聯交所上市的公司，股份代號：1697)監事。自二零一六年七月起，任界面(上海)網絡科技有限公司董事。自二零一七年四月起，任北京無二之旅科技有限公司董事。自二零一七年五月起，任北京喂車科技有限公司董事。自二零一八年七月起，任山東省金融資產管理股份有限公司董事。自二零一八年二月起，任北京昆侖致匯科技有限公司副董事長。自二零一五年十二月起，任天津排放權交易所有限公司董事。

**楊方先生(「楊先生」)**，47歲，於二零一二年六月加入本集團，現擔任本公司執行董事兼副總經理。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。楊先生自二零一三年三月至二零一一年一月擔任本公司黨委書記，其後於二零一四年十一月獲委任為本公司副總經理，並於二零一七年八月獲委任為本公司執行董事。楊先生於水務相關公司擁有逾12年的高級管理層經驗，負責部分片區的经营管理工作。楊先生曾於雲南康旅集團擔任多個職務，包括組織人事部經理，人力資源部經理等職務。

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

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Liu Shuen Kong (“Mr. Liu”)**, aged 49, joined the Group in June 2018 as independent non-executive Director. Mr. Liu obtained a bachelor’s degree in accounting and a master’s degree in accounting from RMIT University of Australia in 1996 and 2002, respectively. He subsequently obtained a master’s degree in business administration from Deakin University of Australia in 2004. Mr. Liu has more than 21 years of experience in accounting, auditing and management and is a qualified accountant of CPA Australia and Hong Kong Institute of Certified Public Accountants. Mr. Liu has worked at KPMG since 1996 as a manager, senior manager and supervisor. From 1996 to 1999, he worked in the audit department of the Hong Kong office of KPMG. From 1999 to 2010, he worked in the financial advisory service department of the Guangzhou office and Shenzhen office of KPMG. From October 2010 to December 2013, Mr. Liu was chief financial officer and company secretary of Leoch International Technology Limited (a company listed on the Stock Exchange, stock code: 842). From December 2013 to May 2017, Mr. Liu was executive director, chief financial officer and company secretary of Yestock Car Rental Company Limited. Since May 2017, Mr. Liu has been the managing director of member companies of Heungkong Financial Group.

**Mr. Zhong Wei (“Mr. Zhong”)**, aged 51, joined the Group in October 2020, currently serves as an independent non-executive Director. Mr. Zhong graduated from Nanjing University in 1990 majoring in applied physics and from Southeast University in 1994 majoring in industrial economics management. Mr. Zhong received his doctorate’s degree in 1999 from Beijing Normal University majoring in international economics. Between September 2001 and July 2004, Mr. Zhong engaged in postdoctoral research in management science at Tongji University. Mr. Zhong served as an assistant engineer at Wuxi Alarm Devices Factory from July 1990 to July 1992. Mr. Zhong worked as a lecturer at the Business School of Jiangnan University from July 1994 to July 1997. Mr. Zhong served as an associate professor at the Business School of Beijing Normal University between 1999 and 2003. Mr. Zhong has been a professor of the department of finance of the Business School of Beijing Normal University since 2003. Mr. Zhong has long been engaged in the field of finance research and has been involved in the field of macroeconomics and real estate finance. He was selected by the PRC Ministry of Education and the Beijing Supported by Program for New Century Excellent Talents in University\* (北京市新世紀優秀哲學社會科學人才計劃). Mr. Zhong served as an independent director of Dongxing Securities Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 601198), and currently serves as an independent nonexecutive director of China Resources Land Limited (a company listed on the Stock Exchange, stock code: 1109) and Seazen Group Limited (a company listed on the Stock Exchange, stock code: 1030).

### 獨立非執行董事

廖船江先生(「廖先生」)，49歲，於二零一八年六月加入本集團擔任本公司獨立非執行董事。廖先生分別於一九九六年和二零零二年取得澳大利亞皇家墨爾本理工大學會計學士學位及會計碩士學位，其後於二零零四年獲得澳大利亞迪肯大學授予工商管理碩士學位。廖先生在會計、審計及管理方面擁有逾二十一年豐富經驗，是澳洲會計師公會及香港會計師公會的合資格會計師。廖先生自一九九六年起歷任畢馬威會計事務所經理、高級經理及主任等職務，其中：一九九六年至一九九九年，於畢馬威會計事務所香港辦事處的審計部工作；一九九九年至二零一零年，於畢馬威會計事務所廣州辦事處及深圳辦事處的財務顧問服務部工作。於二零一零年十月至二零一三年十二月期間，廖先生任理士國際技術有限公司(於聯交所上市之公司，股份代號：842)財務總監兼公司秘書。於二零一三年十二月至二零一七年五月期間，廖先生任贏時通汽車租賃有限公司執行董事、財務總監、公司秘書。自二零一七年五月起至今廖先生擔任香江金融集團成員公司董事總經理。

鍾偉先生(「鍾先生」)，51歲，於二零二零年十月加入本集團，現擔任本公司獨立非執行董事。鍾先生於一九九零年畢業於南京大學應用物理學專業，一九九四年畢業於東南大學工業經濟管理學專業，一九九九年獲得北京師範大學世界經濟學專業博士學位。二零零一年九月至二零零四年七月，鍾先生在同濟大學從事管理科學博士後研究工作。一九九零年七月至一九九二年七月，鍾先生於無錫報警設備廠任助理工程師。一九九四年七月至一九九七年七月，於江南大學商學院擔任講師。一九九九年至二零零三年，鍾先生於北京師範大學經濟管理學院任副教授。二零零三年至今，於北京師範大學經濟管理學院任教授。鍾先生長期從事金融領域研究，對宏觀經濟和房地產金融有所涉及，入選中國教育部和北京市新世紀優秀哲學社會科學人才計劃。曾任東興證券股份有限公司(於上海證券交易所上市的公司，股份代號：601198)獨立董事，現任華潤置地有限公司(於聯交所上市的公司，股份代號：1109)及新城發展控股有限公司(於聯交所上市的公司，股份代號：1030)獨立非執行董事。

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

**Mr. Zhou Beihai (“Mr. Zhou”)**, aged 57, joined the Group in October 2020, currently serves as an independent non-executive Director. Mr. Zhou obtained a doctoral degree in engineering from the Department of Environmental Engineering at Tsinghua University (清華大學環境工程系) in March 1992. Mr. Zhou carried out research on solid waste landfill technology at The University of Fukuoka in Japan from March 1992 to March 1994, and conducted research on photocatalysis water treatment technology at Saitama University in Japan from January 1995 to March 1995. Mr. Zhou served as the director of the Registration and Management Centre for the solid waste under the State Administration of Environmental Protection (國家環保總局固體廢物登記管理中心) from October 1996 to August 2001, and served as diplomatic officer of science and technology at the Chinese Embassy in Japan from October 2001 to December 2004. Mr. Zhou has been appointed as the professor at the School of Energy and Environmental Engineering of University of Science and Technology Beijing since January 2005.

### SUPERVISORS

**Mr. Long Limin (“Mr. Long”)**, aged 53, joined the Group in August 2017 as a shareholder representative Supervisor and chairman of the Supervisory Committee. Mr. Long obtained a bachelor’s degree in engineering from Chongqing University in 1991 and a master’s degree in business administration from Tsinghua University in 2004. Between 1991 and 2000, Mr. Long acted as deputy factory director of Beijing Plumbing Equipment Factory 1 (北京市水暖器材一廠). Between 2000 and 2010, Mr. Long served as vice general manager of Tsinghua Tongfang Artificial Environment Co., Ltd\* (清華同方人工環境有限公司). Between 2010 and 2011, Mr. Long was the director of operation and the manager of procurement department of Beijing OriginWater. Between 2011 and 2013, Mr. Long served as the general manager of Shandong Yashi Co., Ltd.\* (山東雅士股份有限公司). Between 2013 and 2016, Mr. Long was the director of enquiry and procurement department of Beijing OriginWater. From 2016 to March 2018, Mr. Long was the director of operation planning centre of Beijing OriginWater, and he has been the director and deputy general manager of Beijing OriginWater since March 2018.

**Mr. Zhu Zhen (“Mr. Zhu”)**, aged 36, joined the Group in August 2017 as a shareholder representative Supervisor. Mr. Zhu obtained his master’s degree in law from Tsinghua University in September 2009. Mr. Zhu has almost 10 years of experience in law and investment related industries. Mr. Zhu was the deputy general manager of the auditing and legal department of YHTH from October 2013 to September 2016, and he was promoted as the general manager of the legal department of YHTH in September 2016. Mr. Zhu has also acted as the general manager of the leisure industry department under the investment and management center of YHTH since 2018. In addition, Mr. Zhu has served as director and supervisor in various subsidiaries of YHTH since September 2014.

**周北海先生(「周先生」)**，57歲，於二零二零年十月加入本集團，現擔任本公司獨立非執行董事。周先生於一九九二年三月在清華大學環境工程系研究生畢業，獲工學博士學位。一九九二年三月至一九九四年三月年在日本福岡大學從事固體廢物填埋技術的研究，一九九五年一月至一九九五年三月在日本埼玉大學從事光催化水處理技術的研究，一九九六年十月至二零零一年八月擔任國家環保總局固體廢物登記管理中心主任，二零零一年十月至二零零四年十二月擔任中國駐日本大使館高級科技外交官，二零零五年一月至今擔任北京科技大學能源與環境工程學院教授。

### 監事

**龍利民先生(「龍先生」)**，53歲，於二零一七年八月加入本集團擔任本公司股東代表監事及監事會主席。龍先生於一九九一年獲重慶大學授予工學學士學位，於二零零四年獲清華大學授予工商管理碩士學位。於一九九一年至二零零零年期間，龍先生任北京市水暖器材一廠副廠長；於二零零零年至二零一零年期間，龍先生擔任清華同方人工環境有限公司副總經理職務。於二零一零年至二零一一年期間，龍先生擔任北京碧水源運營總監兼採購部經理。於二零一一年至二零一三年期間，龍先生擔任山東雅士股份有限公司總經理。於二零一三年至二零一六年期間，龍先生擔任北京碧水源詢價採購部總監。於二零一六年至二零一八年三月期間，龍先生擔任北京碧水源經營計劃中心總監，自二零一八年三月起龍先生擔任北京碧水源董事、副總經理。

**朱振先生(「朱先生」)**，36歲，於二零一七年八月加入本集團擔任股東代表監事。朱先生於二零零九年九月於清華大學取得法律碩士學位。朱先生擁有近10年的法律及投資從業經驗。於二零一三年十月至二零一六年九月期間擔任雲南康旅集團審計與法律事務部副總經理，於二零一六年九月晉升為雲南康旅集團法務部總經理。二零一八年起兼任雲南康旅集團投資管理中心休閒產業部總經理。此外，自二零一四年九月起朱先生擔任雲南康旅集團多家附屬公司的董事、監事。

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

**Mr. Huang Yi**, aged 44, joined the Group in June 2011, and currently serves as an employee representative Supervisor, the deputy general manager of the technology and risk control center and the general manager of the southwest region of the Company. Mr. Huang Yi obtained a bachelor's degree in Computer and Application from Yunnan University in July 1998 and a master's degree in Business Administration from Nanjing Normal University in July 2001. From July 2001 to November 2003, Mr. Huang Yi served as a principal staff member of the economic and trade division in the Kunming Resident Office of the National Audit Office. From November 2003 to May 2009, Mr. Huang Yi served successively as senior analyst in the planning and development department, assistant to the director of the audit department and deputy director of the discipline inspection office of Yunnan Malong Industry Group Company Limited\* (雲南馬龍產業集團股份有限公司). Since June 2011, Mr. Huang Yi has served successively as deputy manager of the investment development department, manager of the investment development department, deputy general manager of the market and investment center, the general manager of the technology and risk control center and the general manager of the southwest region of the Company. In addition, since August 2007, Mr. Huang Yi has served as chairman or general manager of certain subsidiaries of the Group.

**Ms. Tang Shuang ("Ms. Tang")**, aged 36, joined the Group in January 2015 as an employee representative Supervisor. Ms. Tang obtained a bachelor's degree in management from Yunnan University in Yunnan in July 2007, and she obtained the qualification as an accountant in May 2006 awarded by the Ministry of Finance. Ms. Tang 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. Tang has more than 11 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. Ms. Tang served as the deputy manager in the bidding and procurement department of our Company from March 2015 to November 2015. Since December 2015, she has been the deputy manager in the business department of our Company.

**黃軼先生**，44歲，於二零一一年六月加入本集團，現擔任本公司職工代表監事及技術與風控中心副總經理兼西南大區總經理。黃軼先生於一九九八年七月取得雲南大學計算機及應用學士學位，並於二零零一年七月取得南京師範大學企業管理碩士學位。黃軼先生於二零零一年七月至二零零三年十一月期間擔任國家審計署駐昆明特派員辦事處經貿處主任科員。於二零零三年十一月至二零零九年五月期間，黃軼先生歷任雲南馬龍產業集團股份有限公司計劃發展部高級分析師，審計部主任助理及紀檢審辦公室副主任。自二零一一年六月起至今，黃軼先生歷任本公司投資發展部副經理，投資發展部經理，市場與投資中心副總經理，技術與風控中心總經理兼西南大區總經理。此外，自二零零七年八月起，黃軼先生於本集團之多家附屬公司擔任董事長或總經理。

**唐爽女士**（「唐女士」），36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，於二零零六年五月獲財政部授予會計師資格。唐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。唐女士擁有逾十一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。二零一五年三月至二零一五年十一月期間，唐女士任本公司招標採購部副經理，自二零一五年十二月起任本公司商務部副經理。

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

**Mr. Tan Hairui (“Mr. Tan”),** aged 50, joined the Group in January 2015 as an independent Supervisor. 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 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 has more than 19 years of working experience in large-scale enterprises, and he 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 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. Mr. Tan worked in Yunnan Geyuan Law Firm as a lawyer from March 2009 to January 2018. Since January 2018, Mr. Tan has been working in Beijing Yingke (Kunming) Law Firm (北京盈科(昆明)律師事務所) as a lawyer.

**Ms. Zhang Ling (“Ms. Zhang”),** aged 45, joined the Group in January 2018 as an independent Supervisor. Mr. Zhang Ling is the deputy professor and Master’s tutor of law school of Yunnan University of Finance and Economics and director of the collaborated regional resources law research center of law school of Yunnan University of Finance and Economics. Ms. Zhang obtained her law degree in July 1997 at Wuhan University and master degree in international business law and European Union law at University of Sheffield in November 2004. Since September 2005, Ms. Zhang has been working at the law school of Yunnan University of Finance and Economics, responsible for teaching, research and application of law. Ms. Zhang had published dozens of professional academic papers on law, held discussions on national social topics and research on provincial laws. She was invited by the Legal Affairs Office of the State Council\* (國務院法制辦), the Ministry of Civil Affairs\* (民政部) and the Ministry of Foreign Affairs\* (外交部) to participate in the amendments of two laws and regulations and legislative consultation. She has received the research award of Yunnan Philosophical Social Science Society\* (雲南省哲學社會科學研究獎勵) twice. In addition, Ms. Zhang had approximately 21 years of solid experience in the legal field. Since she was qualified as a practicing lawyer in November 1999, Ms. Zhang had worked in five different law firms in Yunnan Province and is currently working on or part-time basis at Yunnan Baqian Law Firm\* (雲南八謙律師事務所).

**譚海銳先生(「譚先生」)**，50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取得雲南財貿學院(現稱雲南財經大學)經濟學學士學位，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，於二零零四年八月取得律師執業資格證。譚先生擁有逾19年在大型企業工作的經驗，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。於二零零零年至二零零一年十二月期間，譚先生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期間，譚先生加入雲南恒鑫律師事務所擔任實習律師和律師。於二零零七年九月至二零零九年三月期間，譚先生在雲南曲直律師事務所擔任律師。自二零零九年三月至二零一八年一月，譚先生在雲南格元律師事務所擔任律師，自二零一八年一月至今，譚先生在北京盈科(昆明)律師事務所擔任律師。

**張玲女士(「張女士」)**，45歲，於二零一八年一月加入本集團擔任本公司獨立監事。張玲女士現擔任雲南財經大學法學院副教授、碩士生導師，雲南財經大學法學院區域能源合作法律研究中心主任。張女士於一九九七年七月獲武漢大學授予法學學士學位，其後於二零零四年十一月獲英國謝菲爾德大學授予的國際商事法及歐盟法專業法學碩士學位。張女士自二零零五年九月起任職於雲南財經大學法學院，從事法律的教學、科研及實踐工作。張女士曾先後發表數十篇高級別法學專業學術論文，主持國家社科課題及數項省部級法學研究課題，受國務院法制辦、民政部及外交部邀請參加兩部法規及條例的修訂及立法諮詢工作，曾兩次榮獲雲南省哲學社會科學研究獎勵。此外，張女士擁有近二十一年涉外法律服務的豐富經驗，其自一九九九年十一月獲得中國執業律師資格證以來，先後於雲南省內五家不同律師事務所執業，現兼職於雲南八謙律師事務所。

# Directors, Supervisors and Senior Management

## 董事、監事及高級管理人員

### SENIOR MANAGEMENT

**Mr. Liu Xujun (“Mr. Liu”)**, aged 48, joined the Group in June 2011 and currently serves deputy general manager of the Company. 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 obtained a doctorate degree in environment engineering at Tongji University in Shanghai in September 2017. 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 was 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 has more than 23 years of technical experience in the water works industry, including 9 years of senior management experience in water works enterprises, mainly responsible for the technical management, research and development, and services of the Company. 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 served as chief engineer and deputy general manager of Yunnan Province Water from January 2010 to June 2011. Mr. Liu served as executive director and deputy general manager of the Company from June 2011 to August 2017. He has been the deputy general manager of the Company since August 2017.

**Mr. Huang Yunjian (“Mr. Huang”)**, aged 55, joined the Group in December 2011, and currently serves as secretary of the disciplinary commission of the Company. 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 management in 2005 and a certificate for the “Western China Environmental Infrastructure Technologies and Projects” course in December 2005. Mr. Huang subsequently obtained the qualification of a Chinese professional manager in June 2006 awarded by Chinese Professional Manager Coalition. Mr. Huang has more than 20 years of experience in operation management and senior management in companies related to water works, and he is mainly responsible for management, strategic planning and business development of our Group. Mr. Huang was appointed as engineer and plant manager of the 4th sewage 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.

### 高級管理人員

**劉旭軍先生(「劉先生」)**，48歲，於二零一一年六月加入本集團，現擔任本公司副總經理，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。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，其後於二零一七年九月取得上海同濟大學環境工程學博士學位。二零零六年九月劉先生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。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。劉先生在水務行業擁有逾23年的技術經驗，其中包括9年在水務企業擔任高級管理層的經驗，主要負責本公司技術管理、技術研發和技術服務。於一九九五年七月至二零零五年十月期間，劉先生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主任，其後升任為主任。於二零零七年十二月至二零零九年十月期間，劉先生擔任世界銀行中國代表處的採購專家。於二零一零年一月至二零一一年六月期間，劉先生擔任雲南省水務的總工程師及副總經理。於二零一一年六月至二零一七年八月，劉先生擔任本公司執行董事及副總經理，自二零一七年八月起至今劉先生擔任本公司副總經理。

**黃雲建先生(「黃先生」)**，55歲，於二零一一年十二月加入本集團，現擔任本公司紀委書記，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。於二零零五年取得現代經濟管理高級研修班證書，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。其後於二零零六年六月黃先生取得中國職業經理聯合會頒發的中國職業經理資格。黃先生在營運管理及擔任水務相關公司高級管理層方面擁有逾二十年的經驗，主要負責本公司的管理、策略規劃及業務發展。於一九九八年四月至二零零五年六月期間，黃先生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

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

Huang served 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 served as executive director and deputy general manager of the Company from December 2011 to August 2017. He has been the deputy general manager of the Company from August 2017 to March 2020. Mr. Huang has served as full-time secretary of the disciplinary commission of the Company since March 2020. In addition, Mr. Huang has also been a part-time professor of Kunming University of Science and Technology since January 2013.

**Mr. Wang Yong (“Mr. Wang”)**, aged 49, joined the Group in January 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. From April 2002 to January 2013, Mr. Wang was appointed as the manager of finance department of Kunming Sino-Platinum Metals Catalyst Co., Ltd\* (昆明貴研催化劑有限公司). Mr. Wang joined the Group in January 2013 as manager of finance department of the Company, subsequently he was appointed as financial controller of the Company in November 2013. Mr. Wang has ceased to be the financial controller of the Company since March 2021, and the Company will make other appointments for him.

**Mr. Zhang Song (“Mr. Zhang”)**, aged 47, joined the Group as the investment director in October 2015 and was appointed as a deputy general manager of the Company by the Board in October 2017. Mr. Zhang obtained a master’s degree in business administration from Tongji University in 2005. Mr. Zhang has over 25 years of rich experience in environmental protection and relevant industries. Mr. Zhang served as a member and representative of the preparatory group of Hedong Sewage Treatment Plant at the construction committee of Urumqi from 1995 to 2002 and as the president of China region of Salcon Berhad, Malaysia from 2004 to 2015. Mr. Zhang has tendered his resignation as a deputy general manager of the Company in March 2021 due to personal work arrangement.

間，黃先生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。於二零一零年一月至二零一一年六月期間，黃先生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。於二零一一年十二月至二零一七年八月期間，黃先生擔任本公司執行董事及副總經理，自二零一七年八月起至二零二零年三月黃先生擔任本公司副總經理。自二零二零年三月起黃先生擔任本公司專職紀委書記。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。

**王勇先生(「王先生」)**，49歲，於二零一三年一月加入本集團。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。一九九六年五月成為合資格中國會計師，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。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，二零一三年一月王先生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委任為本公司財務總監。王先生自二零二一年三月起，不再擔任本公司財務總監，公司將對其另有任用。

**張松先生(「張先生」)**，47歲，於二零一五年十月加入本集團擔任投資總監，二零一七年十月由董事會聘任為本公司副總經理。張先生於二零零五年獲得同濟大學工商管理碩士學歷和學位。張先生於環保及相關行業擁有逾25年的豐富經驗。張先生於一九九五年至二零零二年期間在烏魯木齊市建委任河東污水處理廠籌建組成員及代表，其後於二零零四年至二零一五年期間，於馬來西亞實康集團擔任中國區總裁。張先生因個人工作安排，於二零二一年三月辭去本公司副總經理職務。



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

**Mr. Zhao Peng (“Mr. Zhao”)**, aged 41, joined the Group as the general manager assistant and general manager of the marketing and investment centre of the Group in June 2011 and was appointed as a deputy general manager of the Company by the second session of the Board. Mr. Zhao obtained a bachelor’s degree in law from Hebei University of Economics and Business in July 2003. Mr. Zhao has approximately 17 years of rich experience in the environmental protection industry. Mr. Zhao served as the business manager of Beijing Novel Environmental Protection Co., Ltd.\* (北京永新環保有限公司) from September 2003 to April 2004 and subsequently as the marketing director for North China area of Veolia Water Solutions & Technologies (Beijing) Co., Ltd.\* (威立雅水務工程(北京)有限公司) from May 2005 to June 2011.

**Mr. Ma Xiangyi (“Mr. Ma”)**, aged 46, joined the Group in February 2016, successively served as the deputy general manager and general manager of the project management center and was appointed as a deputy general manager of the Company by the second session of the Board. Mr. Ma obtained a bachelor’s degree in industrial and civil construction from Yunnan Polytechnic University in July 1997 and the qualification of intermediate engineer (in water supply and drainage) in August 2002. Mr. Ma has over 23 years of rich experience in water and relevant industries. Mr. Ma served as an engineer at the infrastructure construction division of Kunming Municipal Water Discharge Company\* (昆明市城市排水公司) from August 1997 to August 2005, a deputy general manager of Kunming Dianchi Project Management Company\* (昆明滇池項目管理公司) from September 2005 to October 2012 and a standing deputy general manager of Kunming Dianchi Construction Management Company\* (昆明滇池建設管理公司) from November 2012 to February 2016. In addition, Mr. Ma served as the chairman or a senior management member of a number of subsidiaries of the Group since September 2016.

**Ms. Ling Hui (“Ms. Ling”)**, aged 35, obtained a bachelor’s degree in accounting from Yunnan University of Finance and Economics in July 2008 and a master’s degree in financial markets and portfolio management from the University of Hong Kong in August 2019. Ms. Ling has over 13 years of experience in corporate finance management. From November 2008 to March 2011, she worked as the financial manager of Yuxi Zhongxin sub-branch, the accountant of Yunnan branch, and a member of Group company’s centralized accounting task force in Anbang Insurance Group. Ms. Ling served as assistant to the general manager in the group finance department of Yunnan Yichu Mingtong Engineering Machinery Maintenance Service Co., Ltd.\* (雲南易初明通工程機械維修服務有限公司) from April 2011 to June 2015. She was the supervisor in the finance management center of Yunnan Metropolitan Construction Investment Co., Ltd. from September 2015 to March 2019. Ms. Ling was seconded by Yunnan Metropolitan Construction Investment Co., Ltd. and acted as the chief financial controller of Yunnan Haigeng Hotel Management Co., Ltd. (雲南海埂酒店管理有限公司) and Beijing Yunnan Mansion Hotel Co., Ltd. (北京雲南大廈酒店有限公司) from April 2019 to February 2021. With effect from March 2021, Ms. Ling has been appointed as the chief financial controller of the Company.

**趙鵬先生(「趙先生」)**，41歲，於二零一一年六月加入本集團擔任本公司總經理助理兼市場與投資中心總經理，並由第二屆董事會聘任為本公司副總經理。趙先生於二零零三年七月獲得河北經貿大學授予法學專業學士學位。趙先生於環保行業擁有約17年的豐富經驗。趙先生於二零零三年九月至二零零四年四月期間在北京永新環保有限公司擔任商務經理。其後於二零零五年五月至二零一一年六月期間，於威立雅水務工程(北京)有限公司擔任華北片區市場總監。

**馬祥迺先生(「馬先生」)**，46歲，二零一六年二月加入本集團擔任項目管理中心副總經理、總經理，由公司第二屆董事會聘任為本公司副總經理。馬先生於一九九七年七月取得雲南工業大學工民建專業學士學位，並於二零零二年八月取得中級工程師(給排水)資格。馬先生於水務及相關行業擁有逾23年的豐富經驗。馬先生於一九九七年八月至二零零五年八月期間任昆明市城市排水公司基建處工程師。二零零五年九月至二零一二年十月期間，馬先生擔任昆明滇池項目管理公司副總經理。二零一二年十一月至二零一六年二月期間，馬先生擔任昆明滇池建設管理公司常務副總經理。此外，自二零一六年九月起馬先生於本集團之多家附屬公司擔任主席或高級管理人員。

**凌慧女士(「凌女士」)**，35歲，凌女士於二零零八年七月獲雲南財經大學授予會計學學士學位，於二零一九年八月獲香港大學授予金融市場與投資組合管理專業碩士學位。凌女士在企業財務管理方面擁有逾十三年的經驗。凌女士於二零零八年十一月至二零一一年三月，凌女士在安邦保險集團擔任玉溪中支財務經理、雲南省分公司會計、集團公司集中核算專案組成員；於二零一一年四月至二零一五年六月，凌女士在雲南易初明通工程機械維修服務有限公司集團財務部任總經理助理；於二零一五年九月至二零一九年三月，凌女士於雲南省城市建設投資集團有限公司財務管理中心任主管；於二零一九年四月至二零二一年二月，凌女士任雲南省城市建設投資集團有限公司外派雲南海埂酒店管理有限公司及北京雲南大廈酒店有限公司財務總監。自二零二一年三月起，凌女士被聘任為本公司財務總監。

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

### COMPANY SECRETARY

**Mr. Li Bo (“Mr. Li”)**, aged 42, joined the Group 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 with the operation of our Company and the operation of the Board. Mr. Li has more than 10 years of experience in finance-related senior positions. Mr. Li was engaged by Audit Office of New South Wales as an auditor since August 2007 and was later promoted to senior auditor. From March 2011 to June 2013, Mr. Li served 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」)，42歲，於二零一三年五月加入本集團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取得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，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10年經驗。李先生於二零零七年八月起獲聘為Audit Office of New South Wales的核數師，其後晉升為高級核數師。於二零一一年三月至二零一三年六月期間，李先生擔任北京市京客隆商業集團(於聯交所上市的公司，股份代號：814)的財務總監兼公司秘書。

The Board is pleased to present the annual report and the audited financial statements of the Group (the “**Financial Statements**”) for the year ended 31 December 2020 to the Shareholders.

### SHARE CAPITAL

As at 31 December 2020, 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 changes in share capital of the Company during the year are set out in note 26 to the Consolidated Financial Statements.

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

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

### PRE-EMPTIVE RIGHTS

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

### PRINCIPAL BUSINESS

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

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

董事會謹此向股東提呈本集團截至二零二零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**」)。

### 股本

截至二零二零年十二月三十一日，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合併財務報表附註26。

### 購買、出售或贖回本公司上市證券

於報告期內，本公司或其任何附屬公司概無購買、出售或贖回任何本公司上市證券。

### 優先購買權

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

### 主要業務

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

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

# Directors' Report

## 董事會報告

### RESULTS

The audited results of operations of the Group for the year ended 31 December 2020 are set out in the consolidated statement of comprehensive income on page 96 to 97. The financial position of the Group as at 31 December 2020 is set out in the consolidated balance sheet on page 98 to 100. The consolidated cash flow of the Group for the year ended 31 December 2020 is set out in the consolidated statement of cash flows on page 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" in this annual report from page 17 to 37.

### DISTRIBUTIONS AND DIVIDENDS

The Board has resolved to declare the final dividend of RMB0.06 per Share (tax included) for the year ended 31 December 2020. 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 the record date for determining the entitlement for the final dividend, in an aggregate amount of approximately RMB71.6 million.

Pursuant to the requirements of the Articles of Association, the final dividend will be denominated and declared in RMB. The final dividend on Domestic Share will be paid in RMB and on H Share will be paid in Hong Kong dollars. The relevant exchange rate for conversion shall be calculated by the average median exchange rate for converting RMB into Hong Kong dollar as quoted by the China Foreign Exchange Trading Centre for the week immediately before the date on which the dividend was declared (i.e. the date on the AGM). Upon approved, the final dividend is expected to be distributed on or before Friday, 30 July 2021.

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

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

### 業績

本集團截至二零二零年十二月三十一日止年度的經審計經營業績載於第96至97頁的合併綜合收益表。本集團於二零二零年十二月三十一日的財務狀況載於第98至100頁的合併資產負債表。本集團截至二零二零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17至37頁的「管理層討論及分析」章節內。

### 分派及股息

董事會議決宣派截至二零二零年十二月三十一日止年度末期股息每股人民幣0.06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。末期股息應支付予釐定享有末期股息資格的記錄日名列本公司股東名冊的股東，合計金額約人民幣71.6百萬元。

根據公司章程規定，末期股息將以人民幣計值及宣派。內資股的末期股息將以人民幣支付，而H股的末期股息則將以港元支付。相關折算匯率將以宣佈派息當日(即股東週年大會當日)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。經批准後，末期股息預計於二零二一年七月三十日(星期五)或之前派發。

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

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

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。

# Directors' Report

## 董事會報告

### 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.

### 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 RMB1.9 million (contractual value) (excluding personal donations by employees).

### BANK AND OTHER BORROWINGS

Details of bank and other borrowings of the Group as of 31 December 2020 are set out in note 29 to the Financial Statements in 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 of the date of this annual report is set out below.

#### Directors

| Name<br>姓名                         | Title in the Company<br>於本公司的職銜  | Date of Appointment<br>for the Current Term<br>現行任期的委任日期 |
|------------------------------------|--|--|
| <b>Executive Directors</b><br>執行董事 |  |  |
| Mr. Yu Long<br>于龍先生                | Executive Director, vice-chairman,<br>general manager<br>執行董事、副董事長、總經理 | 12 October 2020<br>二零二零年十月十二日                            |
| Mr. Yang Fang<br>楊方先生              | Executive Director,<br>deputy general manager<br>執行董事、副總經理             | 12 October 2020<br>二零二零年十月十二日                            |

### 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。

### 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1.9百萬元(合同價值)(不包括僱員的個人捐款)。

### 銀行借款及其他借款

本集團於二零二零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。

#### 董事

| Name<br>姓名   | Title in the Company<br>於本公司的職銜               | Date of Appointment<br>for the Current Term<br>現行任期的委任日期 |
|--|---|--|
| <b>Non-executive Directors</b><br>非執行董事  |   |  |
| Mr. Li Jialong<br>李家龍先生  | Non-executive Director, Chairman<br>非執行董事、董事長 | 16 July 2020<br>二零二零年七月十六日                               |
| Ms. Li Bo<br>李波女士  | Non-executive Director<br>非執行董事               | 12 October 2020<br>二零二零年十月十二日                            |
| Mr. Dai Richeng<br>戴日成先生   | Non-executive Director<br>非執行董事               | 12 October 2020<br>二零二零年十月十二日                            |
| Mr. Chen Yong<br>陳勇先生  | Non-executive Director<br>非執行董事               | 12 October 2020<br>二零二零年十月十二日                            |
| Mr. Yang Tao (Resigned as non-executive Director and Chairman on 16 July 2020)<br>楊濤先生(於二零二零年七月十六日離任非執行董事、董事長)   | Non-executive Director<br>非執行董事               | 28 August 2017<br>二零一七年八月二十八日                            |
| Mr. He Yuanping (Resigned as non-executive Director on 12 October 2020)<br>何願平先生(於二零二零年十月十二日離任非執行董事)             | Non-executive Director<br>非執行董事               | 28 August 2017<br>二零一七年八月二十八日                            |
| <b>Independent Non-executive Directors</b><br>獨立非執行董事  |   |  |
| Mr. Liu Shuen Kong<br>廖船江先生  | Independent Non-executive Director<br>獨立非執行董事 | 12 October 2020<br>二零二零年十月十二日                            |
| Mr. Zhong Wei<br>鍾偉先生  | Independent Non-executive Director<br>獨立非執行董事 | 12 October 2020<br>二零二零年十月十二日                            |
| Mr. Zhou Beihai<br>周北海先生   | Independent Non-executive Director<br>獨立非執行董事 | 12 October 2020<br>二零二零年十月十二日                            |
| Mr. Hu Song (Resigned as independent non-executive director on 14 July 2020)<br>胡松先生(於二零二零年七月十四日離任獨立非執行董事)       | Independent Non-executive Director<br>獨立非執行董事 | 28 August 2017<br>二零一七年八月二十八日                            |
| Mr. Ma Shihao (Resigned as independent non-executive director on 12 October 2020)<br>馬世豪先生(於二零二零年十月十二日離任獨立非執行董事) | Independent Non-executive Director<br>獨立非執行董事 | 28 August 2017<br>二零一七年八月二十八日                            |

# Directors' Report

## 董事會報告

### Supervisors and Senior Management

### 監事及高級管理層

| Name<br>姓名   | Title in the Company<br>於本公司的職銜   | Date of Appointment<br>for the Current Term<br>現行任期的委任日期 |
|--|---|--|
| <b>Supervisors</b><br>監事   |   |  |
| Mr. Long Limin<br>龍利民先生  | Chairman of the Supervisory Committee,<br>shareholder representative Supervisor<br>監事會主席、股東代表監事 | 12 October 2020<br>二零二零年十月十二日                            |
| Mr. Zhu Zhen<br>朱振先生   | Shareholder representative Supervisor<br>股東代表監事   | 12 October 2020<br>二零二零年十月十二日                            |
| Mr. Tan Hairui<br>譚海銳先生  | Independent Supervisor<br>獨立監事  | 12 October 2020<br>二零二零年十月十二日                            |
| Ms. Zhang Ling<br>張玲女士   | Independent Supervisor<br>獨立監事  | 12 October 2020<br>二零二零年十月十二日                            |
| Ms. Tang Shuang<br>唐爽女士  | Employee representative Supervisor<br>職工代表監事  | 12 October 2020<br>二零二零年十月十二日                            |
| Mr. Huang Yi<br>黃軼先生   | Employee representative Supervisor<br>職工代表監事  | 12 October 2020<br>二零二零年十月十二日                            |
| <b>Senior management</b><br>高級管理層  |   |  |
| Mr. Liu Xujun<br>劉旭軍先生   | Deputy general manager<br>副總經理  | 12 October 2020<br>二零二零年十月十二日                            |
| Mr. Huang Yunjian<br>(Resigned on 11 March 2020)<br>黃雲建先生<br>(於二零二零年三月十一日離任) | Deputy general manager<br>副總經理  | 28 August 2017<br>二零一七年八月二十八日                            |
| Mr. Wang Yong<br>(Resigned on 31 March 2021)<br>王勇先生<br>(於二零二一年三月三十一日離任)     | Chief financial controller<br>財務總監  | 12 October 2020<br>二零二零年十月十二日                            |
| Mr. Zhang Song<br>(Resigned on 31 March 2021)<br>張松先生<br>(於二零二一年三月三十一日離任)    | Deputy general manager<br>副總經理  | 12 October 2020<br>二零二零年十月十二日                            |
| Mr. Zhao Peng<br>趙鵬先生  | Deputy general manager<br>副總經理  | 12 October 2020<br>二零二零年十月十二日                            |
| Mr. Ma Xiangyi<br>馬祥迺先生  | Deputy general manager<br>副總經理  | 12 October 2020<br>二零二零年十月十二日                            |
| Ms. Ling Hui<br>凌慧女士   | Chief financial controller<br>財務總監  | 31 March 2021<br>二零二一年三月三十一日                             |
| Mr. Li Bo<br>李博先生  | Company Secretary, Secretary to the Board<br>公司秘書、董事會秘書   | 12 October 2020<br>二零二零年十月十二日                            |



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

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

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

The biographical details of Directors, Supervisors and senior management of the Company are set out on page 38 to 48 of this annual report. There are no relationships among the Directors, Supervisors and senior management of the Company, including financial, business, family or other material relationships as defined in Appendix 14 to the Listing Rules.

### SERVICE CONTRACTS OF THE DIRECTORS AND SUPERVISORS

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

None of the Directors or Supervisors has entered into any service contract with the Company during the Reporting Period which is not terminable within one year nor may be terminated by the Company 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.

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

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

### 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38至48頁。根據上市規則附錄十四本公司董事、監事及高級管理層彼此間概無財務、業務、家族等關連或其他重大關連。

### 董事及監事服務合約

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

於報告期內概無董事或監事與本公司已訂立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。

# Directors' Report

## 董事會報告

### 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.

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

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

### CONTRACT OF SIGNIFICANCE

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

### DIRECTORS' AND SUPERVISORS' INTERESTS IN COMPETING BUSINESS

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

### EQUITY-LINKED AGREEMENTS

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

### 董事及監事薪酬

本公司董事及監事薪酬的詳情載於財務報表附註39。

### 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

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

### 董事及監事於競爭業務的權益

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

### 股票掛鈎協議

本公司於報告期內並未訂立任何股票掛鈎協議。

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

As of 31 December 2020, 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:

| Name of Director, Supervisor and chief executive<br>董事、監事及最高行政人員姓名 | Capacity<br>身份            | Type of Shares<br>股份類別 | Number of Shares held<br>持有股份數目 | Percentage of the respective type of Shares in issue (%)<br>佔已發行類別股份的比例(%) | Percentage of the total number of Shares in issue (%)<br>佔已發行總股份的比例(%) |
|--|---------------------------|------------------------|---------------------------------|--|--|
| Mr. Yu Long<br>于龍先生  | Beneficial owner<br>實益擁有人 | Domestic Shares<br>內資股 | 10,820,000(L)<br>10,820,000(L)  | 1.30<br>1.30   | 0.91<br>0.91   |
| Mr. Yu Long<br>于龍先生  | Beneficial owner<br>實益擁有人 | H Shares<br>H股         | 770,000(L)<br>770,000(L)        | 0.21<br>0.21   | 0.06<br>0.06   |
| Mr. Yang Fang<br>楊方先生  | Beneficial owner<br>實益擁有人 | Domestic Shares<br>內資股 | 1,755,000(L)<br>1,755,000(L)    | 0.21<br>0.21   | 0.15<br>0.15   |
| Mr. Huang Yi<br>黃軼先生   | Beneficial owner<br>實益擁有人 | Domestic Shares<br>內資股 | 1,560,000(L)<br>1,560,000(L)    | 0.19<br>0.19   | 0.13<br>0.13   |

Notes:

(L) refers to long position

Save as disclosed above, to the best knowledge of the Company, as at 31 December 2020, none of the Directors, Supervisors and the chief executives of the Company had any interests and short positions in the Shares, underlying Shares or debentures of the Company or its associated corporation which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## 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

於二零二零年十二月三十一日，本公司董事、監事及最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債券中，擁有根據證券及期貨條例第352條或以其他方式須載入本公司根據該條文所存置的登記名冊的權益，或根據標準守則須知會本公司及聯交所的權益，或已持有的本公司權益如下：

| Name of Director, Supervisor and chief executive<br>董事、監事及最高行政人員姓名 | Capacity<br>身份            | Type of Shares<br>股份類別 | Number of Shares held<br>持有股份數目 | Percentage of the respective type of Shares in issue (%)<br>佔已發行類別股份的比例(%) | Percentage of the total number of Shares in issue (%)<br>佔已發行總股份的比例(%) |
|--|---------------------------|------------------------|---------------------------------|--|--|
| Mr. Yu Long<br>于龍先生  | Beneficial owner<br>實益擁有人 | Domestic Shares<br>內資股 | 10,820,000(L)<br>10,820,000(L)  | 1.30<br>1.30   | 0.91<br>0.91   |
| Mr. Yu Long<br>于龍先生  | Beneficial owner<br>實益擁有人 | H Shares<br>H股         | 770,000(L)<br>770,000(L)        | 0.21<br>0.21   | 0.06<br>0.06   |
| Mr. Yang Fang<br>楊方先生  | Beneficial owner<br>實益擁有人 | Domestic Shares<br>內資股 | 1,755,000(L)<br>1,755,000(L)    | 0.21<br>0.21   | 0.15<br>0.15   |
| Mr. Huang Yi<br>黃軼先生   | Beneficial owner<br>實益擁有人 | Domestic Shares<br>內資股 | 1,560,000(L)<br>1,560,000(L)    | 0.19<br>0.19   | 0.13<br>0.13   |

附註：

(L) 代表好倉

除上文披露者外，據本公司所深知，於二零二零年十二月三十一日，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。

## Directors' Report 董事會報告

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES

To the Company's best knowledge, as of 31 December 2020, 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，於二零二零年十二月三十一日，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<br>股東名稱        | Capacity<br>持股身份   | Type of Shares<br>股份類別 | Number of Shares<br>股份數目 | Percentage of the respective type of Shares in issue (%)<br>佔已發行類別股份的比例(%) | Percentage of the total number of Shares in issue (%)<br>佔已發行總股份的比例(%) |
|------------------------------------|--|------------------------|--------------------------|--|--|
| Yunnan Province Water <sup>1</sup> | Beneficial owner, interests held jointly with another person | Domestic Shares        | 361,487,162(L)           | 43.58  | 30.30  |
| 雲南省水務 <sup>1</sup>                 | 實益擁有人，與另一名人<br>士共同持有權益                                       | 內資股                    | 361,487,162(L)           | 43.58  | 30.30  |
| Mr. Huang Yunjian <sup>1</sup>     | Beneficial owner, interests held jointly with another person | Domestic Shares        | 361,487,162(L)           | 43.58  | 30.30  |
| 黃雲建先生 <sup>1</sup>                 | 實益擁有人，與另一名人<br>士共同持有權益                                       | 內資股                    | 361,487,162(L)           | 43.58  | 30.30  |
| Mr. Liu Xujun <sup>1</sup>         | Beneficial owner, interests held jointly with another person | Domestic Shares        | 361,487,162(L)           | 43.58  | 30.30  |
| 劉旭軍先生 <sup>1</sup>                 | 實益擁有人，與另一名人<br>士共同持有權益                                       | 內資股                    | 361,487,162(L)           | 43.58  | 30.30  |
| Mr. Wang Yong <sup>1</sup>         | Beneficial owner, interests held jointly with another person | Domestic Shares        | 361,487,162(L)           | 43.58  | 30.30  |

| Name of Shareholder<br>股東名稱   | Capacity<br>持股身份  | Type of Shares<br>股份類別 | Number of Shares<br>股份數目         | Percentage of the respective type of Shares in issue (%)<br>佔已發行類別股份的比例(%) | Percentage of the total number of Shares in issue (%)<br>佔已發行總股份的比例(%) |
|---|---|------------------------|----------------------------------|--|--|
| 王勇先生 <sup>1</sup>   | 實益擁有人，與另一名人士共同持有權益  | 內資股                    | 361,487,162(L)                   | 43.58  | 30.30  |
| YHTH <sup>1</sup>   | Interests in controlled corporation, interests held jointly with another person | Domestic Shares        | 361,487,162(L)                   | 43.58  | 30.30  |
| 雲南康旅集團 <sup>1</sup>   | 於受控法團的權益，與另一名人士共同持有權益   | 內資股                    | 361,487,162(L)                   | 43.58  | 30.30  |
| Beijing OriginWater<br>北京碧水源  | Beneficial owner<br>實益擁有人   | Domestic Shares<br>內資股 | 286,650,000(L)<br>286,650,000(L) | 34.56<br>34.56   | 24.02<br>24.02   |
| China National Petroleum Corporation <sup>2</sup><br>中國石油天然氣集團有限公司 <sup>2</sup>                   | Interests in controlled corporation<br>於受控法團的權益                                 | Domestic Shares<br>內資股 | 124,754,169(L)<br>124,754,169(L) | 15.04<br>15.04   | 10.46<br>10.46   |
| CNPC Capital Company Limited <sup>2</sup><br>中國石油集團資本股份有限公司 <sup>2</sup>                          | Interests in controlled corporation<br>於受控法團的權益                                 | Domestic Shares<br>內資股 | 124,754,169(L)<br>124,754,169(L) | 15.04<br>15.04   | 10.46<br>10.46   |
| CNPC Capital Limited <sup>2</sup><br>中國石油集團資本有限責任公司 <sup>2</sup>                                  | Interests in controlled corporation<br>於受控法團的權益                                 | Domestic Shares<br>內資股 | 124,754,169(L)<br>124,754,169(L) | 15.04<br>15.04   | 10.46<br>10.46   |
| CNPC Assets Management Co., Ltd. <sup>2</sup><br>中油資產管理有限公司 <sup>2</sup>                          | Interests in controlled corporation<br>於受控法團的權益                                 | Domestic Shares<br>內資股 | 124,754,169(L)<br>124,754,169(L) | 15.04<br>15.04   | 10.46<br>10.46   |
| Kunlun Trust Co. Ltd. <sup>2</sup><br>昆侖信託有限責任公司 <sup>2</sup>                                     | Interests in controlled corporation<br>於受控法團的權益                                 | Domestic Shares<br>內資股 | 124,754,169(L)<br>124,754,169(L) | 15.04<br>15.04   | 10.46<br>10.46   |
| Ningbo Kunlun Xinyuan Equity Investment Management Partnership (Limited Partnership) <sup>2</sup> | Interests in controlled corporation   | Domestic Shares        | 124,754,169(L)                   | 15.04  | 10.46  |

# Directors' Report

## 董事會報告

| Name of Shareholder<br>股東名稱   | Capacity<br>持股身份  | Type of Shares<br>股份類別 | Number of Shares<br>股份數目 | Percentage of the respective type of Shares in issue (%)<br>佔已發行類別股份的比例(%) | Percentage of the total number of Shares in issue (%)<br>佔已發行總股份的比例(%) |
|---|---|------------------------|--------------------------|--|--|
| 寧波昆侖信元股權投資管理合夥企業（有限合夥） <sup>2</sup>   | 於受控法團的權益  | 內資股                    | 124,754,169(L)           | 15.04  | 10.46  |
| Yantai Xinzhen Tianying Equity Investment Center (Limited Partnership) <sup>2</sup> | Beneficial owner  | Domestic Shares        | 124,754,169              | 15.04  | 10.46  |
| 煙台信貞添盈股權投資中心（有限合夥） <sup>2</sup>   | 實益擁有人   | 內資股                    | 124,754,169              | 15.04  | 10.46  |
| The National Council for Social Security Fund of the PRC*                           | Beneficial owner  | H Shares               | 30,454,900(L)            | 8.37   | 2.55   |
| 全國社會保障基金理事會   | 實益擁有人   | H股                     | 30,454,900(L)            | 8.37   | 2.55   |
| Caiyun International Investment Limited <sup>1</sup>                                | Beneficial owner  | H Shares               | 8,449,000(L)             | 2.32   | 0.71   |
| 彩雲國際投資有限公司 <sup>1</sup>   | 實益擁有人   | H股                     | 8,449,000(L)             | 2.32   | 0.71   |
| YHTH <sup>1</sup>   | Interests in controlled corporation, interests held jointly with another person | H Shares               | 8,449,000(L)             | 2.32   | 0.71   |
| 雲南康旅集團 <sup>1</sup>   | 於受控法團的權益，與另一名人士共同持有權益   | H股                     | 8,449,000(L)             | 2.32   | 0.71   |

Notes:

- (L) refers to long position
- (1) Yunnan Province Water is wholly owned by YHTH and is the beneficial owner of 358,757,162 Domestic Shares. Caiyun International Investment Limited is wholly owned by YHTH and is the beneficial owner of 8,449,000 H Shares. YHTH is deemed to be interested in all the Domestic Shares held by Yunnan Province Water and H Shares held by Caiyun International Investment Limited pursuant to the SFO which representing approximately 31.01% of total issued Shares. By virtue of the acting in concert agreement (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. Each of Yunnan Province Water and YHTH is deemed to be interested in all the Domestic Shares held by Huang Yunjian, Liu Xujun, Wang Yong and Yunnan Province Water itself in aggregate pursuant to the SFO.

Mr. Huang Yunjian is the beneficial owner of 1,950,000 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, Mr. Liu, Mr. Wang and himself in aggregate pursuant to the SFO.

Mr. 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, Mr. Huang, Mr. Wang and himself in aggregate pursuant to the SFO.

Mr. 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, Mr. Huang, Mr. Liu and himself in aggregate pursuant to the SFO.

- (2) Ningbo Kunlun Xinyuan Equity Investment Management Partnership (Limited Partnership) ("Ningbo Kunlun Xinyuan") is a general partner of Yantai Xinzhen Tianying Equity Investment Center (Limited Partnership) ("Xinzhen Tianying"), holds 3.85% equity interests in Xinzhen Tianying and is the beneficial owner of 124,754,169 Domestic Shares; Ningbo Kunlun Xinyuan is owned as to 99% by Kunlun Trust Co., Ltd.; Kunlun Trust Co., Ltd. is owned as to 82.18% by CNPC Assets Management Co., Ltd., which in turn is wholly owned by CNPC Capital Limited; CNPC Capital Limited is wholly owned by CNPC Capital Company Limited, which in turn is owned as to 77.35% by China National Petroleum Corporation.

Save as disclosed above, to the best knowledge of the Company, as at 31 December 2020, no person (other than the Directors, Supervisors and chief executives) had informed the Company that he had interests or short positions in the Shares or underlying Shares of equity derivatives of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or held any interests or short positions in 5% or more of the respective types of capital in issue of the Company.

附註：

- (L) 代表好倉
- (1) 雲南省水務由雲南康旅集團全資擁有並為358,757,162股內資股的實益擁有人。彩雲國際投資有限公司由雲南康旅集團全資擁有並為8,449,000股H股的實益擁有人。根據證券及期貨條例，雲南康旅集團被視為於雲南省水務及彩雲國際投資有限公司持有的所有股份中擁有權益佔所有已發行股份約31.01%。憑藉雲南省水務、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，雲南省水務及雲南康旅集團均被視為於黃雲建、劉旭軍、王勇及雲南省水務本身合共持有的所有內資股中擁有權益。

黃雲建先生為1,950,000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、劉先生、王先生及其合共持有的所有內資股中持有權益。

劉旭軍先生為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、黃先生、王先生及其合共持有的所有內資股中持有權益。

王勇先生為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、黃先生、劉先生及其合共持有的所有內資股中擁有權益。

- (2) 寧波昆侖信元股權投資管理合夥企業（有限合夥）（「寧波昆侖信元」）為煙台信貞添盈股權投資中心（有限合夥）（「信貞添盈」）的普通合夥人，其擁有信貞添盈3.85%權益並為124,754,169股內資股的實益擁有人；寧波昆侖信元由昆侖信託有限責任公司控制99%；昆侖信託有限責任公司由中油資產管理有限公司控制82.18%；中油資產管理有限公司由中國石油集團資本有限責任公司全資擁有；中國石油集團資本有限責任公司由中國石油集團資本股份有限公司全資擁有；中國石油集團資本股份有限公司由中國石油天然氣集團有限公司控制77.35%。

除上文披露者外，據本公司所深知，於二零二零年十二月三十一日，本公司並無獲得任何人士（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。

# Directors' Report

## 董事會報告

### 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.

### CONTINUING CONNECTED TRANSACTIONS

During the Reporting Period, the Group conducted a number of non-exempt continuing connected transactions. The table below shows the annual caps and actual transaction value of such continuing connected transactions for the Reporting Period:

| Name, date and term of the agreement<br>協議名稱、日期及期限   | Connected Persons<br>關連人士                               | Nature and description of the transaction<br>交易性質及概況  | Basis for determining the consideration<br>定價基礎                        | Annual cap for 2020<br>二零二零年度<br>上限<br>RMB'000<br>人民幣千元 | Actual transaction amount in 2020<br>二零二零年<br>實際交易價值<br>RMB'000<br>人民幣千元 |
|--|---|---|--|---|--|
| Membrane Ancillary Material Procurement Master Agreement<br>膜輔料採購總協議   | Beijing OriginWater and its subsidiaries<br>北京碧水源及其附屬公司 | Yunnan Water purchases membrane ancillary materials from Beijing OriginWater<br>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<br>公平原則及一般商業條款 | 30,000  | 2,893  |
| It was entered into on 22 December 2017 to set the annual cap of transaction for 3 years from 2018 to 2020.<br>於二零一七年十二月二十二日訂立，以設定二零一八年至二零二零年三年年度交易上限。 |   |   |  |   |  |
| Master Sale and Purchase Agreement for Engineering Services<br>工程服務總協議   | YHTH and its subsidiaries<br>雲南康旅集團及其附屬公司               | Yunnan Water provides Engineering Services to YHTH<br>雲南水務為雲南康旅集團提供工程服務                         | On an arm's length basis and on normal commercial terms<br>公平原則及一般商業條款 | 54,000  | 131  |
| It was entered into on 29 December 2017 to set the annual cap of transaction for 3 years from 2018 to 2020.<br>於二零一七年十二月二十九日訂立，以設定二零一八年至二零二零年三年年度交易上限。 |   |   |  |   |  |

### 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。

### 持續關連交易

於報告期內，本集團曾進行多項不獲豁免持續關連交易。下表載列該等持續關連交易於報告期內的年度上限及實際交易價值：



Several related-party transactions as disclosed in note 37 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 on normal commercial terms or better; and
- (3) carried out according to the relevant transaction agreements, the terms of which are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

### Auditor's Letter

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

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

財務報告準則編製的財務報表附註37所披露的若干關連方交易符合上市規則第十四A章對「持續關連交易」的定義。本公司已遵守根據上市規則第十四A章的規定。

### 本公司獨立非執行董事審閱及確認

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

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

### 核數師函件

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

董事確認本公司已就上述持續關連交易遵守上市規則第十四A章項下相關規定。

### COMPLIANCE WITH THE NON-COMPETITION UNDERTAKING

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

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

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

### COMPLIANCE WITH NON-COMPETITION AGREEMENTS

The Undertaking Shareholders signed non-competition agreements (the “**Non-Competition Agreements**”) on 6 May 2015, in favour of the Company. Pursuant to the Non-competition Agreements, each of the Undertaking Shareholder has irrevocably undertaken that it will not and will procure that its associates (except the Company) will not, directly or indirectly, whether as principal or agent, either on its own account or in conjunction with or on behalf of any person, firm or company, whether inside or outside the PRC, among other things, carry on, engage, participate or hold any right or interest in or render any services to or otherwise be involved in any business which is in competition with the business of the 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，於報告期內，彼等已遵守在本年報內披露的不競爭承諾。

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

### 遵守不競爭協議

有承諾的股東已於二零一五年五月六日簽署以本公司為受益人的不競爭協議（「**不競爭協議**」）。根據不競爭協議，各有承諾的股東已不可撤回地承諾，其不會並將促使其聯繫人（本公司除外）不會直接或間接（無論以當事人或代理的身份，無論為其自身利益或會同或代表任何人士、商號或公司，無論在中華人民共和國境內或境外）（其中包括）開展、從事、參與與本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。

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

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

### MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period the total amount of procurement from the five largest suppliers of the Group accounted for approximately 74.53% of the total amount of procurement for the year ended 31 December 2020. The procurement from the largest supplier accounted for 40.17% of the total amount of procurement for the year ended 31 December 2020.

During the Reporting Period, the total amount of sales for the year ended 31 December 2020 to the five largest customers of the Group accounted for approximately 13.67% of the total amount of revenue, and the total amount of sales to the largest customer accounted for approximately 5.04% of the total amount of revenue of the Group for the year ended 31 December 2020.

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 "General Manager's Report" from page 13 to 16 and the chapter headed "Management Discussion and Analysis" from page 17 to 37 in this annual report. Such discussions constitute an integral part of this annual report.

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

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

### 主要客戶及供應商

報告期內本集團向五大供應商的採購總額佔截至二零二零年十二月三十一日止年度採購總額的約74.53%，而向最大供貨商的採購額佔截至二零二零年十二月三十一日止年度採購總額的40.17%。

報告期內本集團向五大客戶的銷售總額佔截至二零二零年十二月三十一日止年度收益總額的約13.67%，而向最大的客戶的銷售總額佔集團截至二零二零年十二月三十一日止年度收益的約5.04%。

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13至16頁之「總經理報告」以及第17至37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。

# Directors' Report

## 董事會報告

### 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 "General Manager's Report" from page 13 to 16 in 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 defined under the Companies Ordinance (Chapter 622 of the laws of Hong Kong)).

### DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

### 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13至16頁之「總經理報告」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。

### 董事及監事購買股份或債券之權利

自報告期內，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。

## DEBT AND PERPETUAL INSTRUMENTS ISSUANCE

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

- on 13 March 2020, the Company issued the tranche 1 of non-public corporate bonds (epidemic prevention and control bonds) in the principal of RMB800,000,000, with a term of 2+2+1 years and an interest rate of 6.5% per annum;
- on 13 March 2020, the Company issued the tranche 1 of targeted debt financing instruments (epidemic prevention and control bonds) in the principal of RMB100,000,000, with a term of 180 days and an interest rate of 4.0% per annum;
- on 20 March 2020, the Company issued the short-term financial bonds in the principal of RMB400,000,000, with a term of one year and an interest rate of 5.15% per annum;
- on 14 August 2020, the Company issued the green bonds in the principal of RMB330,000,000, with a term of 3+3+4 years and an interest rate of 6.3% per annum; and
- on 20 August 2020, the Company issued the ultra-short-term financial bonds in the principal of RMB1,000,000,000, with a term of 180 days and an interest rate of 5.3% per annum.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

During the Reporting Period, the Company has complied with all code provisions as set out in the Corporate Governance Code. Details of the corporate governance practice of the Company are set out in the Corporate Governance Report from page 70 to 87 in this annual report.

## 發行債務融資工具

於報告期內，本集團已發行以下債務融資工具，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：

- 於二零二零年三月十三日，本公司發行本金為人民幣800,000,000元的非公開發行公司債券(疫情防控債)一期，該筆公司債期限為2+2+1年，年利率為6.5%；
- 於二零二零年三月十三日，本公司發行本金為人民幣100,000,000元的定向債務融資工具(疫情防控債)一期，該筆定向債務融資工具期限為180天，年利率為4.0%；
- 於二零二零年三月二十日，本公司發行本金為人民幣400,000,000元短期融資債券，該筆短期融資債券期限為1年，年利率為5.15%；
- 於二零二零年八月十四日，本公司發行本金為人民幣330,000,000元綠色債券，該筆綠色債券期限為3+3+4年，年利率為6.3%；及
- 於二零二零年八月二十日，本公司發行本金為人民幣1,000,000,000元超短期融資債券，該筆超短期融資債券期限為180天，年利率為5.3%。

## 遵守企業管治守則

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

於報告期內，本公司已遵守企業管治守則所載的所有守則條文。本公司企業管治常規之詳情載於本年報第70頁至87頁之企業管治報告內。

# Directors' Report

## 董事會報告

### SUFFICIENCY OF PUBLIC FLOAT

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

### SIGNIFICANT LEGAL PROCEEDINGS

For the year ended 31 December 2020, the Group had not been involved in any material litigation nor arbitration and the Directors are not aware of any litigation or claims of material importance pending or threatened against the Group.

### EVENTS AFTER THE REPORTING PERIOD

Details of the events after the Reporting Period of the Company are set out in the chapter headed "Management Discussion and Analysis" from page 17 to 37 in this annual report.

### DIVIDEND POLICY

The Company has adopted a dividend policy (the "Dividend Policy"), pursuant to which, before declaration or proposed distribution of dividends, the Board shall consider the following factors:

- the actual and expected financial performance of the Company;
- the retained earnings and distributable reserves of the Company and the subsidiaries of the Group;
- the working capital requirements, capital expenditure requirements and future expansion plans of the Group;
- the liquidity of the Group;
- the overall economic conditions, the business cycle of the Group's business and the inherent or external factors that may affect the business, financial performance and positioning of the Company; and
- Other factors that the Board considers relevant.

The distribution of dividends is also subject to any applicable laws and the Articles of Association.

### 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 2020.

### 公眾持股量的足夠性

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

### 重大訴訟

截至二零二零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17頁至37頁之「管理層討論及分析」章節內。

### 股息政策

本公司已採納股息政策（「股息政策」），在宣派或建議分派股息前，董事會須考慮下列因素：

- 本公司的實際及預期財務表現；
- 本公司及本集團各附屬公司的留存收益及可分派儲備；
- 本集團的營運資金要求、資本開支要求及未來擴展計劃；
- 本集團的流動資金狀況；
- 整體經濟狀況、本集團業務的商業週期及可能對本公司業務、財務業績及定位構成影響的內在或外在因素；及
- 董事會認為相關的其他因素。

派付股息亦須受任何適用法律及公司章程的規限。

### 審核委員會

本公司審核委員會已審閱本公司截至二零二零年十二月三十一日止年度的全年業績及財務報表。

## AUDITOR

PricewaterhouseCoopers was appointed as auditor of the Company for the consolidated financial statements prepared in accordance with HKFRS for the year ended 31 December 2020. The Group's consolidated financial statements for the year ended 31 December 2020 prepared in accordance with HKFRS have been audited by PricewaterhouseCoopers. The Company has retained the services of PricewaterhouseCoopers since 2013.

A resolution to re-appoint PricewaterhouseCoopers as the auditor of the Company for the year of 2021 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 recent five financial years is set out on page 228 in this annual report.

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

**Li Jialong**  
*Chairman*

Kunming, the PRC  
31 March 2021

## 核數師

羅兵咸永道會計師事務所獲委聘為本公司截至二零二零年十二月三十一日止年度就根據香港財務報告準則編製合併財務報表的核數師。本集團根據香港財務報告準則編製的截至二零二零年十二月三十一日止年度合併財務報表已經羅兵咸永道會計師事務所審計。本公司自二零一三年起委聘羅兵咸永道會計師事務所提供審計服務。

本公司將於股東週年大會上提呈再次委任羅兵咸永道會計師事務所為二零二一年度本公司核數師的決議案。

## 財務摘要

本集團於過往五個財政年度的經營業績及資產及負債載於本年報第228頁。

代表董事會  
雲南水務投資股份有限公司

董事長  
李家龍

中國·昆明  
二零二一年三月三十一日

# Corporate Governance Report

## 企業管治報告

The Board is pleased to present this corporate governance report of the Company for the Reporting Period.

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

### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

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

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

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

董事會欣然提呈報告期的企業管治報告。

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

### 遵守企業管治守則

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

於報告期內，本公司已遵守企業管治守則所載的所有守則條文。

### 董事及監事進行證券交易的標準守則

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



| BOARD OF DIRECTORS   | 董事會  |
|--|--|
| <b>Board composition</b>   | <b>董事會的組成</b>                                    |
| The Directors who held office during the Reporting Period are:             | 於報告期內任職的董事為：                                     |
| <b>Executive Directors</b>   | <b>執行董事</b>                                      |
| Mr. Yu Long ( <i>Vice-chairman, General manager</i> )                      | 于龍先生( <i>副董事長、總經理</i> )                          |
| Mr. Yang Fang ( <i>Deputy General manager</i> )                            | 楊方先生( <i>副總經理</i> )                              |
| <b>Non-executive Directors</b>   | <b>非執行董事</b>                                     |
| Mr. Li Jialong ( <i>Chairman</i> )<br>( <i>appointed on 16 July 2020</i> ) | 李家龍先生( <i>董事長</i> )<br>( <i>於二零二零年七月十六日獲委任</i> ) |
| Mr. Dai Richeng ( <i>appointed on 12 October 2020</i> )                    | 戴日成先生( <i>於二零二零年十月十二日獲委任</i> )                   |
| Ms. Li Bo  | 李波女士   |
| Mr. Chen Yong  | 陳勇先生   |
| Mr. Yang Tao ( <i>Chairman</i> )<br>( <i>resigned on 16 July 2020</i> )    | 楊濤先生( <i>董事長</i> )<br>( <i>於二零二零年七月十六日離任</i> )   |
| Mr. He Yuanping<br>( <i>resigned on 12 October 2020</i> )                  | 何願平先生<br>( <i>於二零二零年十月十二日離任</i> )                |
| <b>Independent Non-executive Directors</b>                                 | <b>獨立非執行董事</b>                                   |
| Mr. Liu Shuen Kong   | 廖船江先生  |
| Mr. Zhong Wei  | 鍾偉先生   |
| Mr. Zhou Beihai  | 周北海先生  |
| Mr. Hu Song<br>( <i>resigned on 14 July 2020</i> )                         | 胡松先生<br>( <i>於二零二零年七月十四日離任</i> )                 |
| Mr. Ma Shihao<br>( <i>resigned on 12 October 2020</i> )                    | 馬世豪先生<br>( <i>於二零二零年十月十二日離任</i> )                |

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 general manager. The roles of Chairman and the general manager are assumed by Mr. Li Jialong 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 section headed "Directors, Supervisors and Senior Management" in this annual report.

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

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。尤其是董事長與總經理之間概無該等關連。董事長及總經理職位分別由李家龍先生及于龍先生擔任。有關詳情請參閱下文「董事長及總經理」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。

# Corporate Governance Report

## 企業管治報告

On 14 July 2020, Mr. Hu Song resigned as an independent non-executive Director and Mr. Ma Shihao resigned as an independent non-executive Director on 12 October 2020. The Board comprises two independent non-executive Directors, which fails to meet the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board. On 12 October 2020, the Company appointed Mr. Liu Shuen Kong, Mr. Zhong Wei and Mr. Zhou Beihai as independent non-executive Directors, which 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 confirmation from each of the independent non-executive Directors of his independence during the Reporting Period pursuant to Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors to be independent during the Reporting Period in accordance with the independence guidelines as set out in the Listing Rules.

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

### Responsibilities of the Board

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

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

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

於二零二零年七月十四日，胡松先生辭任獨立非執行董事職務，及於二零二零年十月十二日，馬世豪先生辭任獨立非執行董事職務。董事會包括兩名獨立非執行董事，未能符合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)之規定。於二零二零年十月十二日，公司委任廖船江先生、鍾偉先生及周北海先生為獨立非執行董事，已符合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)之規定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條的規定於報告期內就其獨立性發出的確認書。本公司認為全體獨立非執行董事於報告期內根據上市規則所載獨立性指引均具獨立性。

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

### 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；

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|---|--|
| <p>(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;</p> | <p>(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；</p> |
| <p>(5) to decide on the proposals for salaries, incentives and punishments of the Company's staff;</p>  | <p>(5) 決定公司職工的工資、福利及獎懲方案；</p>                        |
| <p>(6) to decide on the establishment of special committees under the Board and to appoint or remove its person-in-charge;</p>  | <p>(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；</p>                 |
| <p>(7) to propose at general meetings for the appointment, renewal or remove of accountants' firm conducting auditing for the Company; and</p>  | <p>(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</p>          |
| <p>(8) to review and supervise the policies and practices of the Company in compliance with legal and regulatory requirements.</p>  | <p>(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。</p>                |

The Board delegates the responsibility of day-to-day business and operations to the Company's senior management, which includes its chief administration officers, the general manager and deputy general manager. The senior management meets regularly or as frequent as necessary to formulate policies and make recommendations to the Board. The senior management 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 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、總經理及副總經理。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:

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

### 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：

### Operation of the Board

Regular meetings of the Board shall be held at least four times a year. Meetings shall be convened by the Chairman and notice of and documents for such meetings shall be sent to all Directors and Supervisors 14 days before the meeting is held. The Chairman, any Shareholder(s) representing more than one-tenth voting rights, more than one-third of the Directors, or the Supervisory committee or more than one-half of the independent non-executive Directors or the general manager 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 69 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 general manager.

### Nomination, Appointment and Removal of Directors

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

### 董事會的運作

董事會每年至少召開四次定期會議，由董事長召集，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。董事長、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、總經理可以提議召開董事會臨時會議。董事長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69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，經董事長批准，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、監事和總經理合理通知。

### 董事的提名及任免

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

## Attendance of Board Meetings and General Meetings

During the Reporting Period, the Board held 69 Board meetings. All Directors duly performed their duties and attended the meetings in person or by electronic communication means. They made informed decisions to safeguard the interests of the Company and the Shareholders as a whole. The attendance of Directors is as follows:

## 董事出席董事會及股東大會情況

於報告期內，董事會舉行了69次董事會議。所有董事均妥善履行其責任親自或通過電子通訊方式出席會議。彼等作出知情決定保障本公司及股東的整體利益。董事的出席率如下：

| Name of Director                               | 董事姓名                  | Attendance/<br>Number of<br>Board Meetings<br>董事會出席次數/<br>舉行次數 |
|--|-----------------------|--|
| Mr. Li Jialong (appointed on 16 July 2020)     | 李家龍先生(於二零二零年七月十六日獲委任) | 32/32  |
| Mr. Yu Long                                    | 于龍先生                  | 69/69  |
| Ms. Li Bo                                      | 李波女士                  | 69/69  |
| Mr. Dai Richeng (appointed on 12 October 2020) | 戴日成先生(於二零二零年十月十二日獲委任) | 10/10  |
| Mr. Yang Tao (resigned on 16 July 2020)        | 楊濤先生(於二零二零年七月十六日離任)   | 37/37  |
| Mr. He Yuanping (resigned on 12 October 2020)  | 何願平先生(於二零二零年十月十二日離任)  | 59/59  |
| Mr. Yang Fang                                  | 楊方先生                  | 69/69  |
| Mr. Chen Yong                                  | 陳勇先生                  | 69/69  |
| Mr. Liu Shuen Kong                             | 廖船江先生                 | 69/69  |
| Mr. Zhong Wei (appointed on 12 October 2020)   | 鍾偉先生(於二零二零年十月十二日獲委任)  | 10/10  |
| Mr. Zhou Beihai (appointed on 12 October 2020) | 周北海先生(於二零二零年十月十二日獲委任) | 10/10  |
| Mr. Hu Song (resigned on 14 July 2020)         | 胡松先生(於二零二零年七月十四日離任)   | 37/37  |
| Mr. Ma Shihao (resigned on 12 October 2020)    | 馬世豪先生(於二零二零年十月十二日離任)  | 60/60  |

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 2020.

除定期董事會會議外，於截至二零二零年十二月三十一日止年度，董事長亦曾在執行董事不在場之情況下與獨立非執行董事舉行一次會議。

# Corporate Governance Report

## 企業管治報告

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

- Proposal in respect of the approval of the 2019 annual report of the Company
  - Proposal in respect of the approval of the 2019 profit distribution plan of the Company
  - Proposal in respect of the approval of the 2019 financial statements and the 2020 financial budget report of the Company
  - Proposal in respect of the approval of the re-appointment of PricewaterhouseCoopers Zhong Tian LLP as the PRC auditor and PricewaterhouseCoopers as the international auditor of the Company
  - The resolution on appointment of non-executive Directors of the second session of the Board
  - The resolution on appointment of non-executive Directors of the third session of the Board
  - The resolution on appointment of executive Directors of the third session of the Board
  - The resolution on appointment of independent non-executive Directors of the third session of the Board
  - The resolution on election of chairman of the third session of the Board
  - Proposal in respect of the approval of the 2020 interim results report 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：
- 關於批准本公司2019年度報告的議案
  - 關於批准本公司2019年度利潤分配方案的議案
  - 關於批准本公司2019年度財務決算及2020年財務預算報告的議案
  - 關於批准續聘普華永道中天會計師事務所(特殊普通合伙)為中國核數師及續聘羅兵咸永道會計師事務所為本公司的國際核數師的議案
  - 關於委任本公司第二屆董事會非執行董事的議案
  - 關於委任本公司第三屆董事會非執行董事的議案
  - 關於委任本公司第三屆董事會執行董事的議案
  - 關於委任本公司第三屆董事會獨立非執行董事的議案
  - 關於選舉本公司第三屆董事會董事長的議案
  - 關於批准本公司2020年中期業績報告的議案

# 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, a total of four general meetings were held, 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，其中由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/<br>Number of annual<br>general meeting<br>股東週年大會<br>出席次數/<br>會議次數 | Attendance/<br>Number of<br>extraordinary<br>general meeting<br>臨時股東大會<br>出席次數/<br>會議次數 |
|---|-----------------------------|---|---|
| Mr. Li Jialong<br>(first appointed on 16 July 2020)     | 李家龍先生<br>(於二零二零年七月十六日首次獲委任) | N/A 不適用   | 1/2   |
| Mr. Yu Long   | 于龍先生                        | 1/1   | 3/3   |
| Ms. Li Bo   | 李波女士                        | 1/1   | 3/3   |
| Mr. Dai Richeng<br>(first appointed on 12 October 2020) | 戴日成先生<br>(於二零二零年十月十二日首次獲委任) | N/A 不適用   | 1/1   |
| Mr. Yang Tao<br>(resigned on 16 July 2020)              | 楊濤先生<br>(於二零二零年七月十六日離任)     | 0/1   | 1/2   |
| Mr. He Yuanping<br>(resigned on 12 October 2020)        | 何願平先生<br>(於二零二零年十月十二日離任)    | 1/1   | 2/2   |
| Mr. Yang Fang   | 楊方先生                        | 1/1   | 3/3   |
| Mr. Chen Yong   | 陳勇先生                        | 1/1   | 3/3   |
| Mr. Liu Shuen Kong                                      | 廖船江先生                       | 1/1   | 3/3   |
| Mr. Zhong Wei<br>(first appointed on 12 October 2020)   | 鍾偉先生<br>(於二零二零年十月十二日首次獲委任)  | N/A 不適用   | 1/1   |
| Mr. Zhou Beihai<br>(first appointed on 12 October 2020) | 周北海先生<br>(於二零二零年十月十二日首次獲委任) | N/A 不適用   | 1/1   |
| Mr. Hu Song<br>(resigned on 14 July 2020)               | 胡松先生<br>(於二零二零年七月十四日離任)     | 1/1   | 1/1   |
| Mr. Ma Shihao<br>(resigned on 12 October 2020)          | 馬世豪先生<br>(於二零二零年十月十二日離任)    | 1/1   | 2/2   |

# Corporate Governance Report

## 企業管治報告

### Continuous Professional Development of Directors and Supervisors

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

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

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 arranges internal seminars and provides reading materials on relevant topics to Directors, and all Directors are encouraged to attend relevant training courses.

During the year ended 31 December 2020, apart from provision of general introduction for newly appointed Directors, the Company also arranged the Directors, Supervisors and relevant senior management members to participate in a training seminar on “Duties of Directors of Companies Listed in Hong Kong” on 12 October 2020 hosted by the Company’s legal adviser, with a view to raise the level of standard operations among the Board and senior management of the Company.

Mr. Li Jialong, Mr. Yu Long, Ms. Li Bo, Mr. Dai Richeng, Mr. Chen Yong, Mr. Yang Fang, Mr. Liu Shuen Kong, Mr. Zhong Wei, Mr. Zhou Beihai, Mr. Tan Hairui, Ms. Zhang Ling, Mr. Huang Yi and Ms. Tang Shuang have participated in relevant training programs and have provided the relevant records to the Company. The Directors develop and update their knowledge and skills through participation in the training programs, which in turn ensure 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。

截至二零二零年十二月三十一日止年度，除為新任董事提供入職介紹外，本公司亦已安排董事、監事及相關高級管理人員於二零二零年十月十二日參加由境外律師主持的有關「香港上市公司董事責任」的培訓講座，藉此提高本公司董事會和管理層對規範運作水平。

李家龍先生、于龍先生、李波女士、戴日成先生、陳勇先生、楊方先生、廖船江先生、鍾偉先生、周北海先生、譚海銳先生、張玲女士、黃軼先生及唐爽女士均已參與有關培訓，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 general manager are separate and held by different persons and have been clearly defined in the Articles of Association. Mr. Li Jialong serves as chairman in the third session of the Board, and Mr. Yu Long serves as general manager. The chairman is elected by a majority vote of all Directors, and the general manager is nominated and appointed by the Board.

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

During the Reporting Period, the second session of the Nomination Committee consists of one non-executive Director, Mr. Yang Tao (as chairman) and two independent non-executive Directors, Mr. Hu Song and Mr. Ma Shihao. The third session of the Nomination Committee consists of one non-executive Director, Mr. Li Jialong (as chairman) and two independent non-executive Directors, Mr. Zhong Wei and Mr. Zhou Beihai.

## 董事長及總經理

董事長及總經理的職責有所區分，並由不同人士擔任，且於公司章程明確界定。第三屆董事會李家龍先生擔任董事長，于龍先生擔任總經理。董事長由全體董事過半數選舉產生。總經理由董事會提名並聘任。

董事長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、企業管治、經營管理等情況。

董事長提倡公開、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。有關提名委員會的職權範圍已載列於本公司網站。

於報告期內，第二屆提名委員會由一名非執行董事楊濤先生(作為主席)以及兩名獨立非執行董事胡松先生及馬世豪先生組成。第三屆提名委員會由一名非執行董事李家龍先生(作為主席)以及兩名獨立非執行董事鍾偉先生及周北海先生組成。

# Corporate Governance Report

## 企業管治報告

During the Reporting Period, the Nomination Committee of the Company had held two meetings, to discuss the nomination and appointment matters of Directors of the second session and the third session of the Board of the Company, and review the structure, size and composition of the Board and the independence of the independent non-executive Directors. At such meetings, Mr. Li Jialong was nominated as a candidate for an non-executive Director of the second session of the Board. Mr. Li Jialong, Ms. Li Bo, Mr. Dai Richeng and Mr. Chen Yong were nominated as candidates for non-executive Director of the third session of the Board. Mr. Yu Long and Mr. Yang Fang were nominated as candidates for executive Director of the third session of the Board. Mr. Liu Shuen Kong, Mr Zhong Wei and Mr. Zhou Beihai were nominated as candidates for independent non-executive Director of the third session of the Board.

The attendance record of the committee members are as follows:

| Name of Director                                     | 董事姓名                        | Attendance/<br>Number of Meetings<br>出席次數/<br>會議次數 |
|--|-----------------------------|--|
| Mr. Li Jia Long<br>(first appointed on 16 July 2020) | 李家龍先生<br>(於二零二零年七月十六日首次獲委任) | 1/1  |
| Mr. Zhong Wei<br>(appointed on 12 October 2020)      | 鍾偉先生<br>(於二零二零年十月十二日獲委任)    | N/A 不適用  |
| Mr. Zhou Beihai<br>(appointed on 12 October 2020)    | 周北海先生<br>(於二零二零年十月十二日獲委任)   | N/A 不適用  |
| Mr. Yang Tao<br>(resigned on 16 July 2020)           | 楊濤先生<br>(於二零二零年七月十六日離任)     | 1/1  |
| Mr. Hu Song (resigned on 14 July 2020)               | 胡松先生(於二零二零年七月十四日離任)         | 1/1  |
| Mr. Ma Shihao<br>(resigned on 12 October 2020)       | 馬世豪先生<br>(於二零二零年十月十二日離任)    | 2/2  |

The Company had adopted a board diversity policy with a view to achieving the diversity of the Board. The Company recognizes 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 to 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.

於報告期內，本公司提名委員會共舉行了二次會議，以討論本公司第二屆董事會及第三屆董事會董事之提名委任事宜，並檢討董事會架構、人數及組成以及獨立非執行董事之獨立性。會議提名李家龍先生為第二屆董事會非執行董事候選人，提名李家龍先生、李波女士、戴日成先生、陳勇先生為第三屆董事會非執行董事候選人，提名于龍先生、楊方先生為第三屆董事會執行董事候選人，提名廖船江先生、鍾偉先生、周北海先生為第三屆董事會獨立非執行董事候選人。

委員會之成員出席記錄如下：

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。

## (2). Remuneration Committee

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

During the Reporting Period, the second session of the Remuneration Committee consists of one executive Director, Mr. Yang Fang and two independent non-executive Directors Mr. Hu Song (as chairman) and Mr. Ma Shihao. The third session of the Remuneration Committee consists of one executive Director, Mr. Yu Long and two independent non-executive Directors Mr. Zhong Wei (as chairman) and Mr. Zhou Beihai.

In 2020, 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 Period, the Remuneration Committee of the Company had held the meeting once. The attendance record of the committee members are as follows:

## (2). 薪酬委員會

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。有關薪酬委員會的職權範圍已載列於本公司網站。

於報告期內，第二屆董事會薪酬委員會由一名執行董事楊方先生以及兩名獨立非執行董事胡松先生（作為主席）及馬世豪先生組成，第三屆董事會薪酬委員會由一名執行董事于龍先生以及兩名獨立非執行董事鍾偉先生（作為主席）及周北海先生組成。

於二零二零年，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職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：

| Name of Director                                  | 董事姓名                      | Attendance/<br>Number of Meetings<br>出席次數/<br>會議次數 |
|---|---------------------------|--|
| Mr. Zhong Wei<br>(appointed on 12 October 2020)   | 鍾偉先生<br>(於二零二零年十月十二日獲委任)  | N/A 不適用  |
| Mr. Yu Long<br>(appointed on 12 October 2020)     | 于龍先生<br>(於二零二零年十月十二日獲委任)  | N/A 不適用  |
| Mr. Zhou Beihai<br>(appointed on 12 October 2020) | 周北海先生<br>(於二零二零年十月十二日獲委任) | N/A 不適用  |
| Mr. Hu Song<br>(resigned on 14 July 2020)         | 胡松先生<br>(於二零二零年七月十四日離任)   | 1/1  |
| Mr. Yang Fang<br>(resigned on 12 October 2020)    | 楊方先生<br>(於二零二零年十月十二日離任)   | 1/1  |
| Mr. Ma Shihao<br>(resigned on 12 October 2020)    | 馬世豪先生<br>(於二零二零年十月十二日離任)  | 1/1  |

### (3). Compliance Committee

The principal 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 the Group's internal control standards and the relevant PRC laws and regulations. During the Reporting Period, the Compliance Committee of the Company had held the meeting once, all the members were attended.

During the Reporting Period, the second session of the Compliance Committee was consisted of two executive Directors, Mr. Yu Long (as chairman) and Mr. Yang Fang, three independent non-executive Directors, Mr. Liu Shuen Kong, Mr. Hu Song and Mr. Ma Shihao, and one employee representative Supervisor, Mr. Huang Yi. The third session of the Compliance Committee was consisted of two executive Directors, Mr. Yu Long and Mr. Yang Fang, three independent non-executive Directors, Mr. Liu Shuen Kong, Mr. Zhong Wei (as chairman) and Mr. Zhou Beihai, and one employee representative Supervisor, Mr. Huang Yi.

### (4). Audit Committee

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

During the Reporting Period, the second session of the Audit Committee was consisted of three independent non-executive Directors, Mr. Liu Shuen Kong (as chairman), Mr. Hu Song and Mr. Ma Shihao. The third session of the Audit Committee was consisted of three independent non-executive Directors, Mr. Liu Shuen Kong (as chairman), Zhong Wei and Mr. Zhou Beihai.

### (3). 合規委員會

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，所有成員均出席了該次會議。

於報告期內，第二屆董事會合規委員會由兩名執行董事于龍先生(作為主席)及楊方先生，三名獨立非執行董事廖船江先生、胡松先生及馬世豪先生，以及一名職工代表監事黃軼先生組成。第三屆董事會合規委員會由兩名執行董事于龍先生及楊方先生，三名獨立非執行董事廖船江先生、鍾偉先生(作為主席)及周北海先生，以及一名職工代表監事黃軼先生組成。

### (4). 審核委員會

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

於報告期內，第二屆董事會審核委員會由三名獨立非執行董事廖船江先生(作為主席)、胡松先生及馬世豪先生組成。第三屆董事會審核委員會由三名獨立非執行董事廖船江先生(作為主席)、鍾偉先生及周北海先生組成。

# Corporate Governance Report

## 企業管治報告

In 2020, the Audit Committee of the Company had held three meetings, to review the annual report 2018, interim report 2019 of the Company, to propose the payment of dividends, to consider and approve the auditors and fix their remuneration, and to discuss and make recommendations on matters such as internal control and internal audit procedures. During the Reporting Period, the attendance of the committee members are as follows:

於二零二零年，本公司審核委員會共舉行了三次會議，會議審閱了公司二零一九年度報告、二零二零年半年度報告、建議派發股息、建議續聘核數師及釐定核數師酬金、內部審計程序等進行討論及提出建議。報告期內，委員會之成員出席記錄如下：

| Name of Director                                  | 董事姓名                      | Attendance/<br>Number of Meetings<br>出席次數/<br>會議次數 |
|---|---------------------------|--|
| Mr. Liu Shuen Kong                                | 廖船江先生                     | 3/3  |
| Mr. Zhong Wei<br>(appointed on 12 October 2020)   | 鍾偉先生<br>(於二零二零年十月十二日獲委任)  | 1/1  |
| Mr. Zhou Beihai<br>(appointed on 12 October 2020) | 周北海先生<br>(於二零二零年十月十二日獲委任) | 1/1  |
| Mr. Hu Song<br>(resigned on 14 July 2020)         | 胡松先生<br>(於二零二零年七月十四日離任)   | 1/1  |
| Mr. Ma Shihao<br>(resigned on 12 October 2020)    | 馬世豪先生<br>(於二零二零年十月十二日獲委任) | 2/2  |

### REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Company has established a formal and transparent procedure for formulating policies on remuneration of senior management of the Group. Details of the remuneration of each of the Directors for the year ended 31 December 2020 are set out in Note 39 to the Financial Statements.

Pursuant to paragraph B.1.5 of the Corporate Governance Code, the remuneration paid to the senior management (excluding the Directors) by bands for the year ended 31 December 2020 is set out below:

### 董事及高級管理人員的薪酬

本公司已就制訂本集團高級管理人員的薪酬政策建立正式及具透明度的程序。截至二零二零年十二月三十一日止年度各董事薪酬的詳情載於財務報表附註39。

根據企業管治守則第B.1.5段，下表載列截至二零二零年十二月三十一日止年度按區間劃分支付予高級管理人員(不包括董事)的薪酬：

| Remuneration bands (RMB) | 薪酬區間(人民幣)           | Number of individuals<br>人數 |
|--------------------------|---------------------|-----------------------------|
| Nil to 500,000           | 零至500,000元          | 2                           |
| 500,001 to 1,000,000     | 500,001元至1,000,000元 | 5                           |

# Corporate Governance Report

## 企業管治報告

### ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparing the Financial Statements of the Company for the year ended 31 December 2020. 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 Financial Statements, which were put to the Board for approval.

### ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

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

During the Reporting Period, the Group was not aware of any material non-compliance with all relevant laws and regulations in relation to its business, including but not limited to health and safety, labour standards, employment and the environment, which would have a significant impact on the Group, such as the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), the Law of the PRC on Work Safety (《中華人民共和國安全生產法》), the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), the Law of the PRC on the Prevention and Control of Environment Pollution Caused by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》), the Law of the PRC on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》), the Law of the PRC on Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》), the Standard for Pollution Control on the Landfill Site of Municipal Solid Waste (《生活垃圾填埋場污染控制標準》)(GB16889-2008), the Standard for Pollution Control on the Municipal Solid Waste Incineration (《生活垃圾焚燒污染控制標準》)(GB18485-2014), the Technical Requirements on Medical Waste Incinerator (《醫療廢物焚燒爐技術要求》)(GB19218-2003), the Pollution Control Standard for Hazardous Waste Incineration (《危險廢物焚燒污染控制標準》)(GB18484-2014) and the applicable pollutant emission standards formulated by local governments. The Group believes that a better future depends on everyone's participation and contribution. To this end, the Group has encouraged employees, customers, suppliers and other stakeholders to participate in environmental and social activities which benefit the community as a 33 whole. The Group also maintains strong relationships with its employees, has enhanced cooperation with its suppliers and has provided high quality products and services to its customers so as to ensure sustainable development.

### 問責及審計

董事確認知悉編製本公司截至二零二零年十二月三十一日止年度的財務報表之責任。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財務報表作出知情評審。

### 環境、社會及企業管治

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

報告期內，本集團並不知悉任何嚴重違反包括(但不限於)健康及安全、勞工準則、僱傭及環境方面的相關法律及法規而對本集團造成重大影響的情況，例如《中華人民共和國勞動合同法》、《中華人民共和國安全生產法》、《中華人民共和國環境保護法》、《中華人民共和國固體廢物污染環境防治法》、《中華人民共和國大氣污染防治法》、《中華人民共和國水污染防治法》、《生活垃圾填埋場污染控制標準》(GB16889-2008)、《生活垃圾焚燒污染控制標準》(GB 18485-2014)、《醫療廢物焚燒爐技術要求》(GB19218-2003)、《危險廢物焚燒污染控制標準》(GB18484-2014)以及地方政府制定的適用污染物排放標準等。本集團認為，更美好的未來需要社會上每一個人參與共建。為了達成這個目標，本集團鼓勵僱員、客戶、供應商及其他股份持有者參與對社區整體有益的環境及社會活動。此外，本集團與僱員維持堅固的關係、已加強與供應商的合作，以及向客戶提供優質產品及服務，藉以確保可持續發展。

An ESG report has been prepared with reference to ESG Guide. The report presents our contributions to sustainable development during the Reporting Period, and covers the major environmental and social policies, environmental indicators of our Group, measures adopted for reducing emissions by the Group and the relevant achievements of the Group. The ESG Report is set out on page 229 to 276 in this annual report.

### 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 reviewing the effectiveness of such system on an annual basis with the support of the Audit Committee.

The Board, through the Audit Committee, has reviewed the effectiveness of the internal audit system and the risk management and internal control system of the Company and its subsidiaries, including the adequacy of resources, qualifications and experience of staff in the aforementioned systems and of the Company's accounting and financial reporting function, and the adequacy of 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 Financial Statements is set out in the "Independent Auditor's Report" from page 88 to 95 of this annual report.

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

|                            |         | Amount<br>金額<br>RMB'000<br>人民幣千元 |
|----------------------------|---------|----------------------------------|
| Fee for audit services     | 審計服務收費  | 7,250                            |
| Fee for non-audit services | 非審計服務收費 | 200                              |
| Total fees                 | 費用總額    | 7,450                            |

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

本公司現已參照上市規則附錄二十七ESG報告指引編製一份環境、社會及管治報告。該報告呈列我們於報告期內對可持續發展的貢獻，並涵蓋了本集團的主要環境及社會政策、環境指標、所採取的減低排放量措施以及相關的成果。該環境、社會及管治報告載於本年報第229至276頁。

### 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，每年檢討有系統的效率。

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率，包括本公司在上述系統及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88至95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：

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 to enhance 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 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.

### SHAREHOLDERS' RIGHTS

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

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

### 與股東及投資者的溝通／投資者關係

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

### 股東的權利

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

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



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

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

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

Telephone number: +86 871 6720-9716  
Company website: [www.yunnanwater.cn](http://www.yunnanwater.cn)  
E-mail address: [ir@yunnanwater.com.cn](mailto: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.

## COMPANY SECRETARY

Mr. Li Bo has 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.

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

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

本公司現載列下列通訊資料，以便股東與本公司溝通：

電話號碼：+86 871 6720-9716  
公司網站：[www.yunnanwater.cn](http://www.yunnanwater.cn)  
電郵地址：[ir@yunnanwater.com.cn](mailto: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



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

### OPINION

#### What we have audited

The consolidated financial statements of Yunnan Water Investment Co., Limited (the "Company") and its subsidiaries (the "Group") set out on pages 96 to 227, which comprise:

- the consolidated balance sheet as at 31 December 2020;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

#### Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

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

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

#### Independence

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

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

## 羅兵咸永道

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)

### 意見

#### 我們已審計的內容

雲南水務投資股份有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第96至227頁的合併財務報表，包括：

- 於二零二零年十二月三十一日的合併資產負債表；
- 截至該日止年度的合併損益及其他綜合收益表；
- 截至該日止年度的合併權益變動表；
- 截至該日止年度的合併現金流量表；及
- 合併財務報表附註，包括主要會計政策概要。

#### 我們的意見

我們認為，該等合併財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於二零二零年十二月三十一日的合併財務狀況及其截至該日止年度的合併財務表現及合併現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

### 意見的基礎

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

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

#### 獨立性

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

## KEY AUDIT MATTERS

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

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

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

## 關鍵審計事項

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

我們在審計中識別的關鍵審計事項概述如下：

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

| Key Audit Matters<br>關鍵審計事項  | How our audit addressed the Key Audit Matters<br>我們的審計如何處理關鍵審計事項  |
|--|---|
| <p><b>Receivables and revenue recognised for service concession arrangements under financial asset model</b></p> <p>服務特許經營安排下的金融資產模型的應收款項和收入的確認和計量</p> <p>Refer to note 2.11(a)(i) for the accounting policy of service concession arrangements under financial asset model, note 4(a) for the critical accounting estimates and judgements involved, and note 20 to the consolidated financial statements for the receivables under service concession arrangements.</p> <p>服務特許經營安排下的金融資產模型的相關會計政策請參閱合併財務報表附註2.11(a)(i)，重要會計估計和判斷請參閱附註4(a)，以及服務特許經營安排下的應收款項請參閱附註20。</p> <p>The Group has entered into a number of service concession arrangements with certain governmental authorities or their designators (the "Grantors") under Build-Operate-Transfer arrangements and Transfer-Operate-Transfer arrangements in respect of its wastewater treatment, water supply and solid waste treatment services. Certain of these service concession arrangements are accounted for using "financial asset" model while others are accounted for using "intangible asset" model. For the Group's service concession arrangements under financial asset model, the fair value of receivables and revenue recognised are derived from valuation in which a number of critical assumptions were used. As at 31 December 2020, the carrying amount of receivables under service concession arrangements amounted to RMB5,301.4 million, which accounted for 11% of the Group's total assets.</p> <p>貴集團與某些政府機關或其指定方（「授予人」）就提供污水處理、供水及固廢處理服務的「建設—運營—移交」安排及「移交—運營—移交」安排，訂立了多項服務特許經營安排。貴集團的一部分服務特許經營安排按照「金融資產」模型核算，其餘的服務特許經營安排按照「無形資產」模型核算。貴集團的服務特許經營安排下的金融資產模型的應收款項及收入，其公平值由估值得出，該等估值運用了多項關鍵假設。於二零二零年十二月三十一日，貴集團服務特許經營安排下的應收款項賬面金額為人民幣5,301.4百萬元，佔資產總額的11%。</p> | <p>With respect to valuation and revaluation for the service concession arrangements under financial asset model undertaken during the year, we assessed the methodologies used by the external valuers and evaluated the independence, competence and capabilities of the external valuers and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and other inherent risk factors.</p> <p>關於本年度對服務特許經營安排下的金融資產模型進行的估值及重估，我們評估了外部評估師使用的方法以及外部評估師的獨立性和專業勝任能力，並通過考慮估計不確定性的程度和其他固有風險因素評估了重大錯報的固有風險。</p> <p>We selected samples of service concession arrangements under financial asset model for testing. The key procedures included:</p> <p>我們對服務特許經營安排下的金融資產模型進行了抽樣測試。主要程序包括：</p> <ol style="list-style-type: none"> <li>1. Examining the agreements between the Group and the Grantors.<br/>檢查貴集團與授予人簽署的合約。</li> </ol> |

# Independent Auditor's Report

## 獨立核數師報告

| Key Audit Matters<br>關鍵審計事項   | How our audit addressed the Key Audit Matters<br>我們的審計如何處理關鍵審計事項   |
|---|--|
| <p><b>Receivables and revenue recognised for service concession arrangements under financial asset model (Cont'd)</b><br/>服務特許經營安排下的金融資產模型的應收款項和收入的確認和計量(續)</p> <p>Management has engaged external valuers to perform the valuation for those service concession arrangements under financial asset model at initial recognition, and to perform revaluation when there were indicators that the critical assumptions in the initial valuation have been significantly affected and deviated subsequent to initial recognition. Such valuation and revaluation were determined based on the forecasted cash flows to be derived from the related projects which involved critical judgements and assumptions including but not limited to the effective interest rate, forecasted unit price of service fee, operating costs and profit margins of the operating services. The judgements and estimations are subject to high degree of estimation uncertainty and leading to relatively higher inherent risk. With reference to the valuation and revaluation performed by the external valuers, management determined the amount of receivables and revenue to be recognised for service concession arrangements under financial asset model during the year, and the subsequent measurement of receivables and revenue.</p> <p>管理層聘請了外部評估師對服務特許經營安排下的金融資產模型在初始確認時進行估值，若有跡象表明初始確認時的估值所採用的關鍵假設發生重大變化，則進行重估。該等估值及重估主要基於服務特許經營安排的現金流預測，所涉及的重要判斷及關鍵假設包括但不限於有效折現率、服務費的預測單價、運營成本及運營服務的毛利率。該等判斷及估計受到高度估計不確定性的制約，並導致相對較高的固有風險。根據外部評估師的估值及重估，管理層確定應於當年確認的服務特許經營安排下的金融資產模型的應收款項及收入，以及相關的後續計量金額。</p> | <p>2. Testing the reasonableness and appropriateness of critical assumptions adopted in the cash flow forecasts, mainly in relation to:</p> <p>對現金流預測所使用的關鍵假設的合理性及恰當性進行測試，主要包括：</p> <ul style="list-style-type: none"> <li>— sending confirmations to the Grantors to confirm the current unit price and the future price incremental rate;<br/>向授予人發送函證，核實服務費的現時單價及未來價格的增長幅度；</li> <li>— assessing and analysing the reasonableness of the operating costs by comparing to the actual costs of other existing service concession arrangements of the Group;<br/>對比貴集團其他現有的服務特許經營權安排的實際成本，評估並分析運營成本的合理性；</li> <li>— assessing and analysing the profit margins of the operating services by comparing with the average profit margin of the operating services of the industry; and<br/>對比同行業運營服務的平均毛利率，評估並分析運營服務的毛利率的合理性；及</li> <li>— assessing the effective interest rate by reference to our knowledge of the industry and independent research on external evidence.<br/>結合同行業的服務特許經營權安排下的金融資產模型所使用的有效折現率及其他外部信息，評估並分析有效折現率的合理性。</li> </ul> |

| Key Audit Matters<br>關鍵審計事項   | How our audit addressed the Key Audit Matters<br>我們的審計如何處理關鍵審計事項   |
|---|--|
| <p><b>Receivables and revenue recognised for service concession arrangements under financial asset model (Cont'd)</b></p> <p>服務特許經營安排下的金融資產模型的應收款項和收入的確認和計量(續)</p> <p>We paid significant attention to this area due to the significance of receivables and revenue recognised for service concession arrangements under financial asset model and critical judgement involved in determining the critical assumptions used in the valuation and revaluation.</p> <p>我們著重關注該領域，主要由於服務特許經營安排下的金融資產模型的應收款項和收入金額較為重大，以及貴集團在初始評估及後續的重估中運用的關鍵假設涉及重大判斷。</p> | <p>We also challenged management's assessment of whether the subsequent measurement of receivables and revenue recognised for the service concession arrangements under financial asset model should be subject to revaluation by comparing the actual outcome, if available, with the critical assumptions applied in the valuation in previous years and assessing the potential impact of reasonably possible changes in the critical assumptions.</p> <p>我們亦關注了管理層關於服務特許經營安排下的金融資產模型是否需要進行重評的判斷，我們實施的程序包括將可獲取的關鍵假設的實際結果與以前年度估值所使用的資料進行對比，並評估可能會對關鍵假設產生潛在影響的事項。</p> <p>Based on our audit work, we found the critical assumptions used by management on the service concession arrangements under financial asset model to be consistent with the evidence that we obtained.</p> <p>根據我們的審計工作，我們認為管理層就服務特許經營安排下的金融資產模型所使用的關鍵假設與我們取得的審計證據一致。</p> |

# Independent Auditor's Report

## 獨立核數師報告

| Key Audit Matters<br>關鍵審計事項   | How our audit addressed the Key Audit Matters<br>我們的審計如何處理關鍵審計事項   |
|---|--|
| <p><b>Recoverability of trade receivables</b><br/>應收賬款的可回收性</p> <p>Refer to note 4(b) for the critical accounting estimates and judgements involved, and note 23 to the consolidated financial statements for trade receivables.<br/>相關重要會計估計和判斷請參閱合併財務報表附註4(b)及附註23。</p> <p>As at 31 December 2020, the carrying amount of trade receivables amounted to RMB6,257.9 million, which accounted for 13% of the Group's total assets.<br/>於二零二零年十二月三十一日，貴集團應收賬款的賬面金額為人民幣6,257.9百萬元，佔資產總額的13%。</p> <p>The identification of impairment events and the determination of the impairment provision of trade receivables require the application of critical judgement by management.<br/>管理層對應收賬款減值事件的識別以及減值準備的計提需要運用重大判斷。</p> <p>Management recognised the impairment provisions based on expected credit losses rather than only incurred credit losses, which is subject to high degree of estimation uncertainty and leading to relatively higher inherent risk. These evaluations focused on the customers' settlement history and current ability to pay, and took into account information specific to the customers as well as pertaining to the economic environment in which the customers operated.<br/>管理層基於預期信貸虧損而非僅基於產生的信貸虧損確認減值撥備，這受到高度估計不確定性的制約，並導致相對較高的固有風險。該等評估重點關注客戶的歷史結算記錄及當前支付能力，並考慮客戶自身及其經營所處的經濟環境的特定信息。</p> <p>We paid significant attention to this area because management made critical judgements over both timing of recognition of impairment and the estimation of the amount of any such impairment.<br/>我們著重關注該領域主要由於管理層對應收賬款減值準備確認的時點及減值金額的估計作出了重大判斷。</p> | <p>We obtained an understanding of management's processes and controls over credit risk management and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and other inherent risk factors. This included the identification of which receivables were impaired and estimation of the impairment provisions. We determined that we could rely on these controls for the purposes of our audit.<br/>我們針對管理層對應收賬款信用風險管理的流程和內部控制進行了解，並通過考慮估計不確定性的程度和其他固有風險因素評估了重大錯報的固有風險。該等流程和內部控制主要包括對應收賬款減值事項的識別及減值金額的估計。我們認為就審計工作而言可依賴該等內部控制。</p> <p>In addition, we selected samples to inquire management for the details of their evaluations and challenged the underlying information referenced by management, which included comparing with external evidence obtained from our independent research on public available information of the customers, performing ageing analysis, examining the historical transactions and settlement records of the customers, sending confirmations to the customers and testing of the subsequent settlements.<br/>此外，我們抽取應收賬款樣本，向管理層了解及獲取對該等應收賬款可回收性評估的具體信息，我們實施的質疑工作包括：結合我們從外部獲取的應收賬款客戶的公開信息評估其信用風險，執行應收賬款賬齡分析，檢查應收賬款客戶的歷史交易及結算記錄，向應收賬款客戶發送函證以及對期後收款執行測試。</p> <p>Based on the above, we found that the judgement applied by management on their assessment of the recoverability of trade receivables was consistent with the evidence we obtained.<br/>根據上述工作，我們認為管理層對應收賬款的可回收性作出評估所使用的判斷，與我們取得的審計證據一致。</p> |

# Independent Auditor's Report

## 獨立核數師報告

### OTHER INFORMATION

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

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

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

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

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

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

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

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

### 其他信息

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

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

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

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

### 董事及治理層就合併財務報表須承擔的責任

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

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

治理層須負責監督貴集團的財務報告過程。

# Independent Auditor's Report

## 獨立核數師報告

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

### 核數師就審計合併財務報表承擔的責任

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

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

- 識別和評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意合併財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。



# Independent Auditor's Report

## 獨立核數師報告

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評價合併財務報表的整體列報方式、結構和內容，包括披露，以及合併財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對合併財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

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

我們還向治理層提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與彼等溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，用以消除對獨立性產生威脅的行動或採取的防範措施。

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

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

The engagement partner on the audit resulting in this independent auditor's report is Pang Ho Yin.

出具本獨立核數師報告的審計項目合夥人是彭浩賢。

**PricewaterhouseCoopers**  
Certified Public Accountants

**羅兵咸永道會計師事務所**  
執業會計師

Hong Kong, 31 March 2021

香港，二零二一年三月三十一日

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 合併損益及其他綜合收益表

|  |                     | Year ended 31 December<br>截至十二月三十一日止年度 |                                   |
|--|---------------------|--|-----------------------------------|
|  |                     | 2020<br>二零二零年<br>RMB'000<br>人民幣千元      | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
|  |                     | Note<br>附註                             |                                   |
| Revenue  | 收益                  | 5                                      | 8,396,630                         |
| Cost of sales  | 銷售成本                | 8                                      | (6,300,498)                       |
| <b>Gross profit</b>  | <b>毛利</b>           |  | <b>2,096,132</b>                  |
| Other income   | 其他收入                | 6                                      | 86,668                            |
| Other gains/(losses) — net   | 其他收益/(虧損)淨額         | 7                                      | 48,810                            |
| Selling expenses   | 銷售開支                | 8                                      | (42,445)                          |
| Administrative expenses  | 行政開支                | 8                                      | (441,692)                         |
| Impairment losses on financial assets                                | 金融資產減值虧損            | 3.1(b)                                 | (70,156)                          |
| <b>Operating profit</b>  | <b>經營溢利</b>         |  | <b>1,677,317</b>                  |
| Finance income   | 融資收入                | 10                                     | 28,995                            |
| Finance expenses   | 融資開支                | 10                                     | (1,282,258)                       |
| Finance costs — net  | 融資成本淨額              | 10                                     | (1,253,263)                       |
| Share of profit of investments accounted for using the equity method | 以權益法入賬的應佔投資溢利       | 16                                     | 78,570                            |
| <b>Profit before income tax</b>                                      | <b>所得稅前溢利</b>       |  | <b>502,624</b>                    |
| Income tax expenses  | 所得稅開支               | 11                                     | (161,313)                         |
| <b>Profit for the year</b>   | <b>年內溢利</b>         |  | <b>341,311</b>                    |
| <b>Other comprehensive income</b>                                    | <b>其他綜合收益</b>       |  |                                   |
| <i>Items that may be reclassified to profit or loss</i>              | <i>可能重新分類至損益的項目</i> |  |                                   |
| – Exchange differences on translation of foreign operations          | – 換算海外業務的匯兌差額       |  | 12,009                            |
| <b>Total comprehensive income for the year, net of tax</b>           | <b>除稅後年內綜合收益總額</b>  |  | <b>353,320</b>                    |
|  |                     |  | 572,023                           |

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 合併損益及其他綜合收益表

|  |                                      | Year ended 31 December<br>截至十二月三十一日止年度 |                                   |
|--|--------------------------------------|--|-----------------------------------|
|  |                                      | 2020<br>二零二零年<br>RMB'000<br>人民幣千元      | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
|  |                                      | Note<br>附註                             |                                   |
| <b>Profit attributable to:</b>   | <b>以下人士應佔溢利：</b>                     |  |                                   |
| – Ordinary shareholders of the Company   | – 本公司普通股股東                           | <b>223,095</b>                         | 398,153                           |
| – Holders of perpetual capital instruments   | – 永久資本工具持有人                          | <b>117,640</b>                         | 119,800                           |
| – Non-controlling interests  | – 非控股權益                              | <b>576</b>                             | 35,855                            |
|  |                                      | <b>341,311</b>                         | 553,808                           |
| <b>Total comprehensive income attributable to:</b>   | <b>以下人士應佔綜合收益總額：</b>                 |  |                                   |
| – Ordinary shareholders of the Company   | – 本公司普通股股東                           | <b>235,104</b>                         | 416,368                           |
| – Holders of perpetual capital instruments   | – 永久資本工具持有人                          | <b>117,640</b>                         | 119,800                           |
| – Non-controlling interests  | – 非控股權益                              | <b>576</b>                             | 35,855                            |
|  |                                      | <b>353,320</b>                         | 572,023                           |
| <b>Earnings per share for profit attributable to ordinary shareholders of the Company (expressed in RMB per share)</b> | <b>本公司普通股股東應佔溢利的每股盈利 (以每股人民幣元表示)</b> |  |                                   |
| – Basic and diluted  | – 基本及攤薄                              | 12                                     | <b>0.187</b> 0.334                |

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

上述合併損益及其他綜合收益表應與相關附註一併閱讀。

# Consolidated Balance Sheet

## 合併資產負債表

|  |            | As at 31 December<br>於十二月三十一日               |                                   |
|--|------------|---|-----------------------------------|
|  |            | 2020<br>二零二零年<br>RMB'000<br>人民幣千元           | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
|  | Note<br>附註 |   |                                   |
| <b>ASSETS</b>  |            |   |                                   |
|  |            | <b>資產</b>                                   |                                   |
| <b>Non-current assets</b>  |            | <b>非流動資產</b>                                |                                   |
| Property, plant and equipment                                    | 17         | 物業、廠房及設備<br><b>4,081,849</b>                | 3,177,451                         |
| Investment properties  | 18         | 投資物業<br><b>23,960</b>                       | 24,927                            |
| Right-of-use assets  | 19         | 使用權資產<br><b>336,517</b>                     | 270,683                           |
| Receivables under service concession arrangements                | 20         | 服務特許經營安排下的<br>應收款項<br><b>5,235,494</b>      | 5,026,423                         |
| Contract assets  | 5          | 合約資產<br><b>10,959,833</b>                   | 6,191,854                         |
| Amounts due from customers for contract work                     |            | 合約工程應收客戶款項<br>—                             | 4,401                             |
| Intangible assets  | 21         | 無形資產<br><b>12,888,550</b>                   | 11,445,273                        |
| Investments accounted for using the equity method                | 16         | 以權益法入賬的投資<br><b>852,784</b>                 | 1,096,017                         |
| Financial asset at fair value through other comprehensive income |            | 以公平值計量且其變動計入<br>其他綜合收益的金融資產<br><b>4,675</b> | 4,675                             |
| Trade and other receivables                                      | 23         | 貿易及其他應收款項<br><b>422,564</b>                 | 43,999                            |
| Prepayments  | 23         | 預付款項<br><b>1,168,930</b>                    | 1,364,449                         |
| Deferred income tax assets                                       | 32         | 遞延所得稅資產<br><b>701,437</b>                   | 514,623                           |
|  |            | <b>36,676,593</b>                           | 29,164,775                        |
| <b>Current assets</b>  |            | <b>流動資產</b>                                 |                                   |
| Receivables under service concession arrangements                | 20         | 服務特許經營安排下的<br>應收款項<br><b>65,877</b>         | 51,892                            |
| Inventories  | 22         | 存貨<br><b>108,337</b>                        | 103,485                           |
| Amounts due from customers for contract work                     |            | 合約工程應收客戶款項<br>—                             | 5,120                             |
| Contract assets  | 5          | 合約資產<br><b>565,470</b>                      | 521,058                           |
| Trade and other receivables                                      | 23         | 貿易及其他應收款項<br><b>7,837,887</b>               | 7,126,742                         |
| Prepayments  | 23         | 預付款項<br><b>175,461</b>                      | 234,934                           |
| Restricted cash  | 24         | 受限制現金<br><b>125,501</b>                     | 192,691                           |
| Cash and cash equivalents  | 25         | 現金及現金等價物<br><b>1,697,688</b>                | 2,468,435                         |
|  |            | <b>10,576,221</b>                           | 10,704,357                        |
| <b>Total assets</b>  |            | <b>總資產</b><br><b>47,252,814</b>             | 39,869,132                        |

# Consolidated Balance Sheet

## 合併資產負債表

|  |                     | As at 31 December |                   |
|--|---------------------|-------------------|-------------------|
|  |                     | 於十二月三十一日          |                   |
|  |                     | 2020              | 2019              |
|  |                     | 二零二零年             | 二零一九年             |
|  |                     | RMB'000           | RMB'000           |
|  |                     | 人民幣千元             | 人民幣千元             |
|  |                     | Note              |                   |
|  |                     | 附註                |                   |
| <b>EQUITY</b>  | <b>權益</b>           |                   |                   |
| <b>Equity attributable to ordinary shareholders of the Company</b> | <b>本公司普通股股東應佔權益</b> |                   |                   |
| Share capital  | 股本                  | 26                | 1,193,213         |
| Other reserves   | 其他儲備                | 27                | 2,280,588         |
| Retained earnings  | 保留盈利                |                   | 1,181,421         |
|  |                     |                   | <b>5,175,361</b>  |
| Perpetual capital instruments                                      | 永久資本工具              | 28                | 500,000           |
| Non-controlling interests  | 非控股權益               |                   | 1,932,201         |
|  |                     |                   | <b>7,607,562</b>  |
| <b>Total equity</b>  | <b>總權益</b>          |                   | <b>8,545,985</b>  |
| <b>LIABILITIES</b>   | <b>負債</b>           |                   |                   |
| <b>Non-current liabilities</b>                                     | <b>非流動負債</b>        |                   |                   |
| Lease liabilities  | 租賃負債                |                   | 35,776            |
| Borrowings   | 借款                  | 29                | 17,865,921        |
| Trade and other payables   | 貿易及其他應付款項           | 30                | 5,906,360         |
| Deferred income  | 遞延收益                | 31                | 709,768           |
| Deferred income tax liabilities                                    | 遞延所得稅負債             | 32                | 1,277,470         |
| Provision  | 撥備                  | 33                | 497,236           |
|  |                     |                   | <b>26,292,531</b> |
|  |                     |                   | 39,010            |
|  |                     |                   | 15,199,525        |
|  |                     |                   | 3,292,499         |
|  |                     |                   | 701,720           |
|  |                     |                   | 1,168,983         |
|  |                     |                   | 359,123           |
|  |                     |                   | <b>20,760,860</b> |

# Consolidated Balance Sheet

## 合併資產負債表

|                                     |      | As at 31 December |            |
|-------------------------------------|------|-------------------|------------|
|                                     |      | 於十二月三十一日          |            |
|                                     |      | 2020              | 2019       |
|                                     |      | 二零二零年             | 二零一九年      |
|                                     |      | RMB'000           | RMB'000    |
|                                     |      | 人民幣千元             | 人民幣千元      |
|                                     | Note |                   |            |
|                                     | 附註   |                   |            |
| <b>Current liabilities</b>          |      |                   |            |
|                                     |      | <b>流動負債</b>       |            |
| Contract liabilities                | 5    | 88,151            | 106,676    |
| Lease liabilities                   |      | 13,258            | 11,600     |
| Borrowings                          | 29   | 9,675,894         | 6,419,405  |
| Trade and other payables            | 30   | 3,129,990         | 3,675,541  |
| Current income tax liabilities      | 32   | 445,428           | 349,065    |
|                                     |      | <b>13,352,721</b> | 10,562,287 |
| <b>Total liabilities</b>            |      | <b>39,645,252</b> | 31,323,147 |
|                                     |      | <b>權益及負債總額</b>    |            |
| <b>Total equity and liabilities</b> |      | <b>47,252,814</b> | 39,869,132 |

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

上述合併資產負債表應與相關附註一併閱讀。

The financial statements on pages 96 to 227 were approved by the Board of Directors of the Company on 31 March 2021 and were signed on its behalf.

第96至227頁的財務報表已於二零二一年三月三十一日經本公司董事會批准，並由下列人士代表簽發。

Director  
董事

Director  
董事

# Consolidated Statement of Changes in Equity

## 合併權益變動表

|   |                             | Attributable to ordinary shareholders<br>of the Company<br>本公司普通股股東應佔 |  |  |                                 | Holders of<br>perpetual<br>capital<br>Non-<br>controlling<br>interests               |   | Total<br>equity                 |
|---|-----------------------------|---|--|--|---------------------------------|--|---|---------------------------------|
|   |                             | Share<br>capital<br>股本<br>RMB'000<br>人民幣千元<br>(note 26)<br>(附註26)     | Other<br>reserves<br>其他儲備<br>RMB'000<br>人民幣千元<br>(note 27)<br>(附註27) | Retained<br>earnings<br>保留盈利<br>RMB'000<br>人民幣千元 | Total<br>總計<br>RMB'000<br>人民幣千元 | 永<br>久<br>資<br>本<br>工<br>具<br>持<br>有<br>人<br>RMB'000<br>人民幣千元<br>(note 28)<br>(附註28) | 非<br>控<br>股<br>權<br>益<br>RMB'000<br>人民幣千元 | 總<br>權<br>益<br>RMB'000<br>人民幣千元 |
| <b>Balance at 1 January 2020</b>                              | 於二零二零年<br>一月一日的結餘           | 1,193,213   | 2,280,588  | 1,275,515  | 4,749,316                       | 2,610,000  | 1,186,669                                 | 8,545,985                       |
| <b>Total comprehensive income for the year</b>                | 年內綜合收益總額                    |   |  |  |                                 |  |   |                                 |
| Profit for the year   | 年內溢利                        | —   | —  | 223,095  | 223,095                         | 117,640  | 576                                       | 341,311                         |
| Currency translation differences                              | 貨幣換算差額                      | —   | 12,009   | —  | 12,009                          | —  | —   | 12,009                          |
|   |                             | —   | 12,009   | 223,095  | 235,104                         | 117,640  | 576                                       | 353,320                         |
| <b>Transactions with owners in their capacity as owners</b>   | 與擁有人以其擁有人<br>身份進行的交易        |   |  |  |                                 |  |   |                                 |
| Capital contribution by non-controlling interests             | 非控股權益出資                     | —   | 369,923  | —  | 369,923                         | —  | 828,166                                   | 1,198,089                       |
| Acquisition of additional interests in subsidiaries (note 15) | 收購附屬公司的<br>額外權益(附註15)       | —   | —  | —  | —                               | —  | (56,000)                                  | (56,000)                        |
| Issuance of perpetual capital instruments                     | 發行永久資本工具                    | —   | —  | —  | —                               | 500,000  | —   | 500,000                         |
| Redemption of perpetual capital instruments                   | 贖回永久資本工具                    | —   | —  | —  | —                               | (2,610,000)  | —   | (2,610,000)                     |
| Transfer to statutory reserve                                 | 轉至法定儲備                      | —   | 138,207  | (138,207)  | —                               | —  | —   | —                               |
| Dividends for the year ended 31 December 2019                 | 截至二零一九年<br>十二月三十一日止年度<br>股息 | —   | —  | (178,982)  | (178,982)                       | —  | —   | (178,982)                       |
| Distribution to holders of perpetual capital instruments      | 分派予永久資本工具<br>持有人            | —   | —  | —  | —                               | (117,640)  | —   | (117,640)                       |
| Distribution to non-controlling interests                     | 分派予非控股權益                    | —   | —  | —  | —                               | —  | (27,210)                                  | (27,210)                        |
|   |                             | —   | 508,130  | (317,189)  | 190,941                         | (2,227,640)  | 744,956                                   | (1,291,743)                     |
| <b>Balance at 31 December 2020</b>                            | 於二零二零年<br>十二月三十一日的結餘        | 1,193,213   | 2,800,727  | 1,181,421  | 5,175,361                       | 500,000  | 1,932,201                                 | 7,607,562                       |

# Consolidated Statement of Changes in Equity

## 合併權益變動表

|  |                             | Attributable to ordinary shareholders<br>of the Company<br>本公司普通股股東應佔 |  |  |           | Total     | Holders of<br>perpetual<br>capital<br>instruments<br>永久資本<br>工具持有人<br>RMB'000<br>(note 28)<br>(附註28) | Non-<br>controlling<br>interests<br>非控股權益<br>RMB'000<br>人民幣千元 | Total<br>equity<br>總權益<br>RMB'000<br>人民幣千元 |
|--|-----------------------------|---|--|--|-----------|-----------|--|---|--|
|  |                             | Share<br>capital<br>股本<br>RMB'000<br>人民幣千元<br>(note 26)<br>(附註26)     | Other<br>reserves<br>其他儲備<br>RMB'000<br>人民幣千元<br>(note 27)<br>(附註27) | Retained<br>earnings<br>保留盈利<br>RMB'000<br>人民幣千元 |           |           |  |   |  |
| <b>Balance at 1 January 2019</b>                                 | 於二零一九年<br>一月一日的結餘           | 1,193,213   | 2,197,015  | 1,166,594  | 4,556,822 | 1,200,000 | 1,177,450  | 6,934,272   |  |
| <b>Total comprehensive income<br/>for the year</b>               | 年內綜合收益總額                    |   |  |  |           |           |  |   |  |
| Profit for the year  | 年內溢利                        | —   | —  | 398,153  | 398,153   | 119,800   | 35,855   | 553,808   |  |
| Currency translation differences                                 | 貨幣換算差額                      | —   | 18,215   | —  | 18,215    | —         | —  | 18,215  |  |
|  |                             | —   | 18,215   | 398,153  | 416,368   | 119,800   | 35,855   | 572,023   |  |
| <b>Transactions with owners in<br/>their capacity as owners</b>  | 與擁有人以其擁有人<br>身份進行的交易        |   |  |  |           |           |  |   |  |
| Partial disposal of a subsidiary<br>without change of control    | 部分出售附屬公司而不改變<br>控制權         | —   | (5,986)  | —  | (5,986)   | —         | 5,986  | —   |  |
| Capital contribution by<br>non-controlling interests             | 非控股權益出資                     | —   | —  | —  | —         | —         | 30,099   | 30,099  |  |
| Acquisition of additional interests<br>in subsidiaries (note 15) | 收購附屬公司的<br>額外權益(附註15)       | —   | (38,906)   | —  | (38,906)  | —         | (46,659)   | (85,565)  |  |
| Issuance of perpetual capital<br>instruments                     | 發行永久資本工具                    | —   | —  | —  | —         | 1,410,000 | —  | 1,410,000   |  |
| Transfer to statutory reserve                                    | 轉至法定儲備                      | —   | 110,250  | (110,250)  | —         | —         | —  | —   |  |
| Dividends for the year ended<br>31 December 2018                 | 截至二零一八年<br>十二月三十一日止年度<br>股息 | —   | —  | (178,982)  | (178,982) | —         | —  | (178,982)   |  |
| Distribution to holders of perpetual<br>capital instruments      | 分派予永久資本工具持有人                | —   | —  | —  | —         | (119,800) | —  | (119,800)   |  |
| Distribution to non-controlling<br>interests                     | 分派予非控股權益                    | —   | —  | —  | —         | —         | (16,062)   | (16,062)  |  |
|  |                             | —   | 65,358   | (289,232)  | (223,874) | 1,290,200 | (26,636)   | 1,039,690   |  |
| <b>Balance at 31 December 2019</b>                               | 於二零一九年<br>十二月三十一日的結餘        | 1,193,213   | 2,280,588  | 1,275,515  | 4,749,316 | 2,610,000 | 1,186,669  | 8,545,985   |  |

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes. 上述合併權益變動表應與相關附註一併閱讀。



# Consolidated Statement of Cash Flows

## 合併現金流量表

|  |       | Year ended 31 December |             |
|--|-------|------------------------|-------------|
|  |       | 截至十二月三十一日止年度           |             |
|  |       | 2020                   | 2019        |
|  |       | 二零二零年                  | 二零二零年       |
|  |       | RMB'000                | RMB'000     |
|  |       | 人民幣千元                  | 人民幣千元       |
|  | Note  |                        |             |
|  | 附註    |                        |             |
| <b>Cash flows from operating activities</b>  |       |                        |             |
|  |       | <b>經營活動的現金流量</b>       |             |
| Cash used in operations  | 34(a) | <b>(3,600,385)</b>     | (3,028,682) |
| Income tax paid  |       | <b>(142,811)</b>       | (168,673)   |
| Interest paid  |       | <b>(1,396,773)</b>     | (1,051,848) |
| Net cash outflow from operating activities   |       | <b>(5,139,969)</b>     | (4,249,203) |
| <b>Cash flows from investing activities</b>  |       |                        |             |
|  |       | <b>投資活動的現金流量</b>       |             |
| Payments for property, plant and equipment, right-of-use assets, land use rights and other intangible assets |       | <b>(518,651)</b>       | (804,316)   |
| Investments in a joint venture and associates  |       | <b>(40,000)</b>        | (380,000)   |
| Prepayments for acquisition of subsidiaries  |       | —                      | (150,000)   |
| Refund of prepayments for acquisition of subsidiaries  |       | —                      | 118,248     |
| Proceeds from disposal of a joint venture  |       | <b>375,200</b>         | —           |
| Payments for acquisition of subsidiaries, net of cash acquired   |       | —                      | (105,428)   |
| Proceeds from disposal of a subsidiary   |       | —                      | 15,249      |
| Others — net   |       | <b>3,691</b>           | 25,093      |
| Net cash outflow from investing activities   |       | <b>(179,760)</b>       | (1,281,154) |

# Consolidated Statement of Cash Flows

## 合併現金流量表

|  |                          | Year ended 31 December<br>截至十二月三十一日止年度 |                                   |
|--|--------------------------|--|-----------------------------------|
|  |                          | 2020<br>二零二零年<br>RMB'000<br>人民幣千元      | 2019<br>二零二零年<br>RMB'000<br>人民幣千元 |
|  | Note<br>附註               |  |                                   |
| <b>Cash flows from financing activities</b>                      | <b>融資活動的現金流量</b>         |  |                                   |
| Proceeds from borrowings   | 借款所得款項                   | 19,444,205                             | 13,053,304                        |
| Repayments of borrowings   | 償還借款                     | (13,222,037)                           | (8,353,211)                       |
| Proceeds from issuance of perpetual capital instruments          | 發行永久資本工具所得款項             | 500,000                                | 1,410,000                         |
| Repayments of perpetual capital instruments                      | 償還永久資本工具                 | (2,610,000)                            | —                                 |
| Distributions paid to holders of perpetual capital instruments   | 向永久資本工具持有人支付的分派          | (159,640)                              | (119,800)                         |
| Dividends paid   | 已付股息                     | (178,982)                              | (178,982)                         |
| Dividends paid to the non-controlling interests                  | 向非控股權益支付的股息              | (27,422)                               | (3,622)                           |
| Capital injections by non-controlling interests                  | 非控股權益注資                  | 857,395                                | 30,099                            |
| Payments for acquisition of additional interests in subsidiaries | 收購附屬公司的額外權益的付款           | (36,962)                               | (27,375)                          |
| Others — net   | 其他 — 淨額                  | (17,427)                               | (32,827)                          |
| Net cash inflow from financing activities                        | 融資活動現金流入淨額               | 4,549,130                              | 5,777,586                         |
| <b>Net (decrease)/increase in cash and cash equivalents</b>      | <b>現金及現金等價物(減少)/增加淨額</b> | <b>(770,599)</b>                       | 247,229                           |
| Cash and cash equivalents at beginning of the financial year     | 財政年度年初現金及現金等價物           | 2,468,435                              | 2,214,352                         |
| Exchange (losses)/gains on cash and cash equivalents             | 現金及現金等價物匯兌(虧損)/收益        | (148)                                  | 6,854                             |
| Cash and cash equivalents at end of year                         | 年末現金及現金等價物               | 1,697,688                              | 2,468,435                         |

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

上述合併現金流量表應與相關附註一併閱讀。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 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 Company’s H shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 27 May 2015 with the total share capital subsequently increased to RMB1,193,213,000.

The Company is an investment holding company. The Company and its subsidiaries (together the “Group”) are principally engaged in the development, design, construction, operation and maintenance of municipal water supply, wastewater treatment and solid waste treatment facilities. The address of its registered office is Yunnan Water 2089 Haiyuan North Road, Gaoxin District, Kunming, Yunnan Province, the PRC.

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of the Company and its subsidiaries.

#### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities (including derivative instruments) measured at fair value.

### 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型為股份有限公司，註冊資本為人民幣787,880,000元。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，其後總股本已增至人民幣1,193,213,000元。

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」)主要從事城市供水、污水處理及固廢處理設施的開發、設計、建設、營運及維護。其註冊辦事處地址是中國雲南省昆明市高新技術開發區海源北路2089號雲南水務。

該等財務報表以人民幣(「人民幣」)呈列，除非另有說明則另當別論。

### 2. 主要會計政策概要

此附註提供編製該等合併財務報表所採納的主要會計政策列表。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。財務報表乃為本集團(包括本公司及其附屬公司)的財務報表。

#### 2.1 編製基準

本集團的合併財務報表乃根據所有適用的香港財務報告準則(「香港財務報告準則」)及香港公司條例第622章的披露規定編製。合併財務報表乃按歷史成本法編製，惟按公平值計量的若干金融資產及負債(包括衍生工具)除外。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

### 2.1 Basis of preparation (Cont'd)

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

The Group is in a capital-intensive industry and primarily finance its operation by long-term borrowings from financial institutions or capital contribution from equity owners when the construction projects are in early stage of their business cycles but sometimes short-term borrowings are utilised. The Group recorded net current liabilities of approximately RMB2,777 million as at 31 December 2020, which is mainly because the Group has utilised certain short-term borrowings to tentatively finance its long-term assets under construction. As at 31 December 2020, the Group had capital commitment for construction projects of RMB12,540 million.

In preparing the consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Group. The directors of the Company have reviewed the Group's cash flow forecast for not less than 12 months from the balance sheet date which is prepared by management of the Group. The Directors consider the Group will be able to meet its financial obligations as they fall due for the foreseeable future after taking into account the Group's available financial resources, its operating cash flow, the continued availability of the Group's existing banking facilities and borrowings from an intermediate shareholder and its ability to raise funds through issuance of bonds or notes in the market. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

## 2. 主要會計政策概要(續)

### 2.1 編製基準(續)

財務報表乃遵照香港財務報告準則編製，當中須採用若干主要假設及估計，亦要求管理層於應用本集團會計政策的過程中作出判斷。涉及更高程度判斷或複雜性的範圍或假設及估計對合併財務報表而言屬重大的範圍，載於附註4。

本集團屬資本密集型行業，且於建設項目處於業務週期初期階段時，主要透過向金融機構長期借款或權益擁有人出資為其營運提供資金，但有時會使用短期借款。於二零二零年十二月三十一日，本集團錄得流動負債淨額約人民幣2,777百萬元，主要是由於本集團已利用若干短期借款暫時為其在建長期資產提供資金。截至二零二零年十二月三十一日，本集團建設項目資本承擔為人民幣12,540百萬元。

於編製綜合財務報表時，董事已謹慎考慮本集團日後的流動資金狀況。本公司董事已審閱本集團管理層編製的自資產負債表日起不少於12個月的現金流量預測。董事會認為，在考慮到本集團的可用財務資源、經營現金流量、本集團現有銀行融資的持續可獲得性及來自間接股東的借款以及透過在市場上發行債券或票據籌集資金的能力後，本集團能夠在可預見的將來到期承擔其財務責任時履行其義務。因此，綜合財務報表已按持續經營基準編製。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

### 2.1 Basis of preparation (Cont'd)

#### (a) Amended standards adopted by the Group

HKAS 1 and HKAS 8 (Amendments)  
香港會計準則第1號及香港會計準則第8號（修訂本）

HKFRS 3 (Amendments)  
香港財務報告準則第3號（修訂本）

Conceptual Framework (Revised)  
概念框架（經修訂）

HKFRS 9, HKAS 39 and HKFRS 7 (Amendments)  
香港財務報告準則第9號、香港會計準則第39號及  
香港財務報告準則第7號（修訂本）

The adoption of the amended standards does not have significant impact on the Financial Information.

## 2. 主要會計政策概要(續)

### 2.1 編製基準(續)

#### (a) 本集團已採納的經修訂準則

Definition of Material  
重要性定義

Definition of a Business  
業務的定義

Revised Conceptual Framework for Financial Reporting  
經修訂財務報告概念框架

Interest Rate Benchmark Reform  
利率基準改革

採納經修訂的準則對財務報表並無任何重大影響。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

#### 2.1 Basis of preparation (Cont'd)

(b) *The following new standards and amendments to standards have been issued but are not effective for the financial year beginning 1 January 2020 and have not been early adopted:*

HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16 (Amendments)  
香港會計準則第39號、香港財務報告準則第4號、香港財務報告準則第7號、香港財務報告準則第9號及香港財務報告準則第16號（修訂本）  
Accounting Guideline 5 (Revised)  
會計指引第5號（經修訂）  
Annual Improvements  
年度改進  
HKFRS 3, HKAS 16 and HKAS 37 (Amendments)  
香港財務報告準則第3號、香港會計準則第16號及香港會計準則第37號（修訂本）  
HKAS 37 (Amendments)  
香港會計準則第37號（修訂本）  
HKFRS 3 (Amendments)  
香港財務報告準則第3號（修訂本）  
HKFRS 17 (Amendments)  
香港財務報告準則第17號（修訂本）  
HKAS 1 (Amendments)  
香港會計準則第1號（修訂本）  
HKFRS 17  
香港財務報告準則第17號  
Hong Kong Interpretation 5 (2020)  
  
香港詮釋第5號（二零二零年）  
  
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）

### 2. 主要會計政策概要(續)

#### 2.1 編製基準(續)

(b) 下列為已頒佈但於二零二零年一月一日開始的財政年度尚未生效亦並無被提早採納的新訂準則及準則修訂：

Interest Rate Benchmark Reform — Phase 2<sup>1</sup>  
利率基準改革 — 第二階段<sup>1</sup>  
  
Revised Accounting Guideline 5 Merger<sup>2</sup>  
經修訂會計指引第5號合併<sup>2</sup>  
Annual Improvements to HKFRS Standards 2018–2020 Cycle<sup>2</sup>  
香港財務報告準則年度改進(二零一八年至二零二零年週期)<sup>2</sup>  
Narrow-scope amendments<sup>2</sup>  
狹義修訂<sup>2</sup>  
  
Onerous Contracts — Cost of Fulfilling a Contract<sup>2</sup>  
虧損性合約 — 履行合約的成本<sup>2</sup>  
Reference to the Conceptual Framework<sup>2</sup>  
引述概念框架的內容<sup>2</sup>  
Amendments to HKFRS 17<sup>3</sup>  
香港財務報告準則第17號的修訂<sup>3</sup>  
Classification of Liabilities as Current or Non-current<sup>3</sup>  
負債的流動與非流動劃分<sup>3</sup>  
Insurance contract<sup>3</sup>  
保險合約<sup>3</sup>  
Hong Kong Interpretation 5 (2020) Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause<sup>3</sup>  
香港詮釋第5號(二零二零年)「財務報表的列報：借款人對含有按要求隨時付還條文的有期貨款的分類」<sup>3</sup>  
Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture<sup>4</sup>  
投資者與其聯營公司或合營公司之間的資產出售或注資<sup>4</sup>

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

### 2.1 Basis of preparation (Cont'd)

**(b) The following new standards and amendments to standards have been issued but are not effective for the financial year beginning 1 January 2020 and have not been early adopted: (Cont'd)**

1. Effective for annual periods beginning on or after 1 January 2021.
2. Effective for annual periods beginning on or after 1 January 2022.
3. Effective for annual periods beginning on or after 1 January 2023.
4. Effective date to be determined.

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

### 2.2 Principles of consolidation and equity accounting

#### 2.2.1 Subsidiaries

Subsidiaries are all entities (including structured entities) 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group is depicted in note 2.3.

## 2. 主要會計政策概要(續)

### 2.1 編製基準(續)

**(b) 下列為已頒佈但於二零二零年一月一日開始的財政年度尚未生效亦並無被提早採納的新訂準則及準則修訂：(續)**

1. 於二零二一年一月一日或之後開始之年度期間生效。
2. 於二零二二年一月一日或之後開始之年度期間生效。
3. 於二零二三年一月一日或之後開始之年度期間生效。
4. 生效日期待定。

本集團仍在評估已頒佈但尚未生效的新訂準則及修訂的影響。

### 2.2 綜合入賬及權益會計處理的原則

#### 2.2.1 附屬公司

附屬公司指本集團擁有控制權的所有實體(包括結構性實體)。當本集團從參與實體業務而承擔取得其可變回報的風險或享有可變回報的權利，並有能力透過其對實體活動的主導權影響該等回報時，則本集團控制該實體。附屬公司於控制權轉移至本集團當日起全面綜合入賬，並於終止控制權當日起終止綜合入賬。

本集團採用收購會計法將業務合併入賬載於附註2.3。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

### 2.2 Principles of consolidation and equity accounting (Cont'd)

#### 2.2.1 Subsidiaries (Cont'd)

Intercompany 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. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and consolidated balance sheet respectively.

#### 2.2.2 Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

#### 2.2.3 Joint arrangements

Under HKFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

## 2. 主要會計政策概要(續)

### 2.2 綜合入賬及權益會計處理的原則(續)

#### 2.2.1 附屬公司(續)

集團內公司間交易、結餘及集團內公司間交易未變現收益均會抵銷。未變現虧損亦會抵銷，惟該交易有證據顯示已轉讓資產出現減值則除外。附屬公司的會計政策已在有需要時作出調整，以確保與本集團所採納有關政策一致。

附屬公司業績及權益中的非控股權益分別於合併損益及其他綜合收益表、權益變動表及合併資產負債表中單獨呈列。

#### 2.2.2 聯營公司

聯營公司指所有本集團對其擁有重大影響力但並無控制權或共同控制權，且一般擁有其20%至50%投票權的實體。於初步按成本確認後，於聯營公司的投資乃採用權益會計法入賬。

#### 2.2.3 合營安排

根據香港財務報告準則第11號合營安排，於合營安排的投資分類為合營業務或合營公司。分類視乎各投資方的合約權利及責任而非合營安排的法律架構。

於合營公司的權益乃於合併資產負債表初步按成本確認後使用權益法入賬。



# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

### 2.2 Principles of consolidation and equity accounting (Cont'd)

#### 2.2.4 Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

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

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy depicted in note 2.13.

## 2. 主要會計政策概要(續)

### 2.2 綜合入賬及權益會計處理的原則(續)

#### 2.2.4 權益會計法

根據權益會計法，投資初步按成本確認，其後進行調整以於損益確認本集團應佔投資對象收購後溢利或虧損，並於其他綜合收益確認本集團應佔投資對象其他綜合收益的變動。已收或應收聯營公司及合營公司的股息確認為投資賬面值扣減。

倘本集團應佔權益入賬投資的虧損等於或超過其於該實體的權益(包括任何其他無抵押長期應收款項)，則本集團不會確認進一步虧損，除非已代表另一實體承擔責任或作出付款。

本集團與其聯營公司及合營公司之間交易的未變現收益按本集團於該等實體的權益予以對銷。未變現虧損亦會予以對銷，除非該交易證實已轉讓資產出現減值則作別論。按權益法入賬投資對象的會計政策已於必要時變更，以確保與本集團所採納會計政策一致。

按權益法入賬投資的賬面值根據附註2.13所述政策進行減值測試。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

### 2.2 Principles of consolidation and equity accounting (Cont'd)

#### 2.2.5 Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes 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 or transferred to another category of equity as specified/permitted by applicable HKFRSs.

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

## 2. 主要會計政策概要(續)

### 2.2 綜合入賬及權益會計處理的原則(續)

#### 2.2.5 擁有權權益變動

本集團將與不會導致失去控制權的非控股權益交易視作與本集團權益持有人的交易。擁有權權益變動導致控股與非控股權益之間的賬面值出現調整，以反映其各自於附屬公司的權益。非控股權益調整數額與任何已付或已收代價之間的任何差額於本公司權益持有人應佔權益中的獨立儲備內確認。

當本集團因失去控制權、共同控制權或重大影響力而不再對投資綜合入賬或按權益會計法入賬時，於實體的任何保留權益按其公平值重新計量，而賬面值變動於損益確認。就其後入賬列作聯營公司、合營公司或金融資產的保留權益而言，該公平值成為初步賬面值。此外，先前於其他綜合收益就該實體確認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。這意味著先前於其他綜合收益確認的金額重新分類至損益或轉撥至適用香港財務報告準則所指明／許可的另一權益類別內。

倘於合營公司或聯營公司的擁有權權益減少但保留共同控制權或重大影響力，則僅按比例將先前於其他綜合收益確認的金額重新分類至損益(如適用)。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

### 2.3 Business combinations not under common control

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- i. fair values of the assets transferred
- ii. liabilities incurred to the former owners of the acquired business
- iii. equity interests issued by the Group
- iv. fair value of any asset or liability resulting from a contingent consideration arrangement, and
- v. fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

## 2. 主要會計政策概要(續)

### 2.3 非共同控制下的業務合併

本集團採用收購會計法將所有業務合併入賬，而不論是否已收購權益工具或其他資產。收購一間附屬公司轉讓的代價包括：

- i. 所轉讓資產的公平值
- ii. 被收購業務的前擁有人所產生的負債
- iii. 本集團已發行股權
- iv. 或然代價安排產生的任何資產或負債公平值；及
- v. 附屬公司已有股權的公平值。

在業務合併中所收購的可識別資產以及所承擔的負債及或然負債初步按其於收購日期的公平值計量(少數例外情況除外)。本集團根據逐項收購基準按公平值或非控股權益應佔被收購實體可識別資產淨值的比例確認於被收購實體的任何非控股權益。

收購相關成本於產生時支銷。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

#### 2.3 Business combinations not under common control (Cont'd)

The excess of the

- i. consideration transferred;
- ii. amount of any non-controlling interest in the acquired entity, and
- iii. acquisition-date fair value of any previous equity interest in the acquired entity.

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

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 remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

### 2. 主要會計政策概要(續)

#### 2.3 非共同控制下的業務合併(續)

- i. 所轉讓代價；
- ii. 被收購實體的任何非控股權益金額；及
- iii. 先前於被收購實體的任何股權於收購日期的公平值

超出所收購可識別資產淨值的公平值時，其差額以商譽列賬。倘該等款項低於所收購業務的可識別資產淨值的公平值，則差額將直接於損益中確認為議價購買。

倘若現金代價的任何部分延遲結算，未來應付數額一律折現至交換日期，所用折現率為有關實體的新增借款利率，即按類似的條款及條件向獨立金融機構取得類似借款的有關利率。或然代價分類為權益或金融負債。分類為金融負債的金額其後將重新計量至公平值，而公平值變動於損益中確認。

倘業務合併分階段進行，則收購方先前持有的被收購方股權於收購日期的賬面值於收購日期重按新計量至公平值。任何因該項重新計量產生的收益或虧損於損益中確認。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

### 2.4 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.

### 2.5 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 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綜合收益總額，或倘個別財務報表內所列投資的賬面值超出合併財務報表所示被投資方資產淨值(包括商譽)的賬面值，則須對於附屬公司的投資進行減值測試。

### 2.5 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

## 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 at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of profit or loss and other comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss and other comprehensive income on a net basis within other gains or losses.

#### (c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary 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 statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this 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 dates of the transactions), and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

## 2. 主要會計政策概要(續)

### 2.6 外幣換算(續)

#### (b) 交易及餘額

外幣交易均按交易當日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一般在損益表確認。倘彼等與合資格現金流量對沖及合資格淨投資對沖有關或歸因於海外業務投資淨額的一部分，則於權益內遞延。

與借款及現金及現金等價物有關的匯兌收益及虧損乃於合併損益及其他綜合收益表融資成本內呈列，所有其他匯兌收益及虧損按淨額基準乃於合併損益及其他綜合收益表其他收益或虧損內呈列。

#### (c) 集團公司

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

- (i) 各資產負債表呈列的資產及負債乃按該資產負債表日期的收市匯率換算；
- (ii) 各合併損益表的收支乃按平均匯率換算(除非該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，則收支會於各交易日換算)；及
- (iii) 所有因此而產生的換算差額均於其他綜合收益內確認。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

### 2.6 Foreign currency translation (Cont'd)

#### (c) Group companies (Cont'd)

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

### 2.7 Property, plant and equipment

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

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

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term 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)

### 2.6 外幣換算(續)

#### (c) 集團公司(續)

於編製綜合賬目時，換算境外實體任何投資淨額以及指定為該等投資的對沖項目的借貸及其他金融工具產生的匯兌差額於其他綜合收益內確認。於出售境外業務或償還組成投資淨額一部分的任何借貸時，相關匯兌差額重新分類至損益，作為出售損益的一部分。

因收購境外業務而產生的商譽及公平值調整均按該境外業務的資產及負債處理，並以收市匯率換算。

### 2.7 物業、廠房及設備

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

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

折舊使用直線法計算，在以下估計可使用年期或(就租賃物業裝修及若干租賃廠房及設備而言)以下較短期，將成本或重估金額(扣除其剩餘價值)分配至剩餘價值：

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

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

#### 2.7 Property, plant and equipment (Cont'd)

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

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

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

#### 2.8 Investment properties

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

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

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

|                      |             |
|----------------------|-------------|
| Plants and buildings | 30–50 years |
|----------------------|-------------|

### 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覆核，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，並計入損益。根據集團政策，出售經重估資產時，有關資產在其他儲備所涉的數額一律撥入保留盈利。

#### 2.8 投資物業

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

初步確認之後，投資物業以成本扣除累計折舊及任何減值虧損入賬。

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

|       |        |
|-------|--------|
| 廠房及樓宇 | 30–50年 |
|-------|--------|



# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

### 2.9 Intangible assets

#### (a) Goodwill

Goodwill is measured as depicted in note 2.13. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

#### (b) Development expenditure

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

#### (c) Operating concessions

The detailed accounting policy of operating concessions is depicted in note 2.11.

## 2. 主要會計政策概要(續)

### 2.9 無形資產

#### (a) 商譽

商譽乃按附註2.13所述計量。收購附屬公司的商譽計入無形資產。商譽不予攤銷，惟每年進行減值測試，或當有事件或情況改變顯示資產有可能減值時作出更頻繁的減值測試，並按成本見累計減值虧損列賬。出售實體的收益或虧損包括與出售實體相關商譽的賬面值。

商譽就減值測試分配至現金產生單位。商譽擬分配至預期受益於產生該商譽的業務合併的現金產生單位或現金產生單位組別。有關單位或單位組別就內部管理而言，按商譽監控的最低水平予以確認。

#### (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作開支。之前已確認作開支的開發成本不得於往後期間確認作資產。已資本化的開發成本於資產可供使用時轉至專有技術。

#### (c) 特許經營權

特許經營權的詳細會計政策列述於附註2.11。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

#### 2.9 Intangible assets (Cont'd)

##### (d) Unfulfilled contract rights

Unfulfilled contract rights represent the fair value of unfulfilled contracts in excess of the carrying value for unfulfilled construction contracts acquired through business combination.

##### (e) Licenses

Licenses represent the fair value of the operating permits of solid waste treatment plants and water supply facilities acquired through business combination.

##### (f) Technical know-how and software

Acquired technical know-how and software are capitalised on the basis of the costs incurred to acquire or through business combination.

##### (g) Amortisation methods and periods

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

|                                 |             |
|---------------------------------|-------------|
| Operating concessions           | 16–30 years |
| Unfulfilled contract rights     | 30 years    |
| Licenses                        | 5–54 years  |
| Technical know-how and software | 5–47 years  |

#### 2.10 Land use rights

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

|                 |             |
|-----------------|-------------|
| Land use rights | 40–50 years |
|-----------------|-------------|

### 2. 主要會計政策概要(續)

#### 2.9 無形資產(續)

##### (d) 未履行合約權利

未履行合約權利指未履行合約的公平值超過透過業務合併所取得的未履行建造合約的賬面值。

##### (e) 牌照

牌照指固廢處理廠及供水設施透過業務合併所取得的營業執照的公平值。

##### (f) 專有技術及軟件

所收購的專有技術及軟件乃按收購或透過業務合併產生的成本予以資本化。

##### (g) 攤銷方法及年期

本集團於以下期間採用直線法攤銷具有有限使用期的無形資產：

|         |        |
|---------|--------|
| 特許經營權   | 16–30年 |
| 未履行合約權利 | 30年    |
| 牌照      | 5–54年  |
| 專有技術及軟件 | 5–47年  |

#### 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 |
|-------|--------|

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

### 2.11 Service concession arrangements

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

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

## 2. 主要會計政策概要(續)

### 2.11 服務特許經營安排

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

本集團一般有權使用該等設施的所有物業、廠房及設備，然而，有關政府機構作為授予人將控制及監管本集團利用該等設施須提供的服務範圍，並於服務特許經營期間結束時保留其於該等設施任何餘下權益的實益權利。該等服務特許經營安排受本集團與有關政府機構訂立的合約及(倘適用)補充協議的規限，當中載明(其中包括)執行標準、本集團所提供服務的調價機制、本集團於服務特許經營期間結束時為將該等設施恢復到規定服務水平而承擔的特定責任，以及仲裁糾紛的安排。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

#### 2.11 Service concession arrangements (Cont'd)

##### (a) Consideration given by the Grantor

##### (i) Service concession arrangements under financial asset model

A financial asset (receivables under a service concession arrangement) is recognised to the extent that the Group has an unconditional right to receive cash or another financial asset from the Grantor for the construction services rendered and/or the consideration paid and payable by the Group to the Grantor during the Service Concession Period. The Group has an unconditional right to receive cash if the Grantor contractually guarantees to pay the Group specified or determinable amounts or the shortfall, if any, between amounts received from the users of the public service and the specified or determinable amounts. The financial asset (receivable under a service concession arrangement) is accounted for in accordance with the policy set out for financial assets measured at amortised cost under note 2.14.

During the construction periods, the Group recognises a contract asset (note 2.12) and accounts for the significant financing component in the arrangement. When the construction services are completed, the contract asset would be classified and measured as receivables under a service concession arrangement accordingly.

### 2. 主要會計政策概要(續)

#### 2.11 服務特許經營安排(續)

##### (a) 授予人給予的代價

##### (i) 金融資產模型下的服務特許經營安排

於服務特許經營期間，所確認金融資產(服務特許經營安排下的應收款項)以下列者為限：本集團有無條件權利就所提供建築服務向授予人收取現金或其他金融資產及/或本集團支付及應付授予人的代價。倘授予人以合約方式擔保向本集團支付指定或待定金額或已收公共服務用戶的款項與指定或待定金額兩者間的差額(如有)，本集團仍擁有無條件權利收取現金。金融資產(服務特許經營安排下的應收款項)根據附註2.14的按攤銷成本計量的金融資產所載的政策列賬。

於建設期間，本集團確認合約資產(附註2.12)並對安排中的重大融資成分進行會計處理。建造服務完成時，合約資產將相應按服務特許經營安排項下應收款項分類及計量。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

### 2.11 Service concession arrangements (Cont'd)

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

(i) *Service concession arrangements under financial asset model (Cont'd)*

When the Group receives a payment during the concession period, it will apportion such payment between (i) a repayment of the financial asset (if any), which will be used to reduce the carrying amount of financial receivables on the consolidated balance sheet, (ii) interest income, will be recognised as revenue in profit or loss and (iii) revenue from operating service in the profit or loss. Revenue from operating service is calculated based on cost plus a profit margin.

(ii) *Service concession arrangements under intangible asset model*

An intangible asset (operating concession) is recognised to the extent that the Group receives a right to charge users of public service, which is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses and service. The intangible asset (operating concession) is accounted for in accordance with the policy set out for "intangible assets" in note 2.9 above, which is amortised on a straight-line basis over the Service Concession Period.

Revenue relating to operating service are accounted for in accordance with the policy for note 2.29 "revenue recognition" below. Costs for operating services are expensed in the period in which they are incurred.

## 2. 主要會計政策概要(續)

### 2.11 服務特許經營安排(續)

#### (a) 授予人給予的代價(續)

(i) *金融資產模型下的服務特許經營安排(續)*

本集團於特許經營期內收到款項時，會將有關款項分配至(i)償還金融資產(如有)，用以減少合併資產負債表金融應收款項的賬面值，(ii)利息收入(將於損益確認為收入)及(iii)經營服務的收入(於損益確認)。經營服務的收入按成本加溢利率計算。

(ii) *無形資產模型下的服務特許經營安排*

無形資產(特許經營權)於本集團獲得向公共服務用戶收費的權利時確認，惟該權利並非收取現金的無條件權利，因為該款項須以公眾使用該服務為條件。無形資產(特許經營權)根據上文附註2.9「無形資產」所載的政策列賬，按直線法於服務特許經營期間內攤銷。

與經營服務有關的收入乃根據下文附註2.29「收入確認」的政策入賬。經營服務的成本於產生期間支銷。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

#### 2.11 Service concession arrangements (Cont'd)

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

###### (iii) Service concession arrangements under hybrid model

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

Therefore in this arrangement it is necessary to divide the operator's contract asset during the construction period into two components, a financial asset component based on the guaranteed amount and an intangible asset for the remainder. When the construction services are completed, the two components of the contract asset would be classified and measured as a financial asset and an intangible asset accordingly.

##### (b) Construction and upgrade services

The fair value of the construction and upgrade service under the concession arrangement is calculated as the estimated total construction cost plus a profit margin. The profit margins are valued by an independent qualified valuer, based on prevailing market rate applicable to similar construction services rendered in similar location at date of agreement.

Revenue relating to construction and upgrade services are accounted for in accordance with the policy in note 2.29.

### 2. 主要會計政策概要(續)

#### 2.11 服務特許經營安排(續)

##### (a) 授予人給予的代價(續)

###### (iii) 混合模型下的服務特許經營安排

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

因此於該安排中，須將運營商的合約資產分為兩部分，基於擔保金額的金融資產及無形資產。建造服務完成時，合約資產的兩個組成部分將相應按金融資產及無形資產分類和計量。

##### (b) 建造及升級服務

特許經營安排下的建造及升級服務的公平值乃按估計總建造成本加溢利率計算。溢利率由獨立合資格估值師按於協議日期適用於類似位置所提供的類似建造服務的通行市場費率估值。

建造及升級服務有關的營業收入按附註2.29的政策列賬。

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

### 2.11 Service concession arrangements (Cont'd)

#### (c) Contractual obligations to restore the infrastructure to a specified level of serviceability

The Group has contractual obligations which it must fulfil as a condition of its licences, that is (i) to maintain the sewage and reclaimed water treatment and water distribution plants it operates to a specified level of serviceability and/or (ii) to restore the plants to a specified condition before they are handed over to the Grantor at the end of the service concession arrangements. These contractual obligations to maintain or restore the sewage and reclaimed water treatment and water distribution plants, except for upgrade element, are recognised and measured in accordance with the policy set out for note 2.27 "provisions" below.

#### (d) Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

### 2.12 Contract assets and contract liabilities

Under HKFRS 15, a receivable is recognised only if the Group has an unconditional right to consideration. If the Group recognises the related revenue before being unconditionally entitled to the consideration for the promised goods and services in the contract, then the entitlement to consideration is classified as a contract asset. Similarly, a contract liability, rather than a payable, is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue. For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

## 2. 主要會計政策概要(續)

### 2.11 服務特許經營安排(續)

#### (c) 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)按下文附註2.27「撥備」所載的政策予以確認及計量。

#### (d) 利息收入

利息收入乃對一項金融資產賬面總值應用實際利率予以計算，惟其後出現信貸減值的金融資產除外。就信貸減值的金融資產而言，其利息收入是用實際利率乘以金融資產賬面淨額(經扣除虧損撥備)得出。

### 2.12 合約資產及合約負債

根據香港財務報告準則第15號，應收款項僅當本集團擁有代價的無條件權利時方可確認。倘本集團於合約中所承諾的商品及服務的代價成為無條件權利前確認相關收益，則代價的權利被分類為合約資產。類似地，於集團確認相關收益前，客戶支付代價或合約上須支付代價且該金額已到期，則確認為合約負債(而非應付款項)。就與客戶的單一合約而言，呈列合約資產淨值或合約負債淨額。就多份合約而言，不相關合約的合約資產及合約負債不會按淨額基準呈列。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

#### 2.12 Contract assets and contract liabilities (Cont'd)

An impairment of a contract asset is measured, presented and disclosed on the same basis as a financial asset under note 2.14.

The Group recognises the incremental costs of obtaining a contract with a customer within contract assets if the Group expects to recover those costs.

Generally, the Group receives advances from its customers which are short-term in nature. The advances previously included in trade and other payables are reclassified to contract liabilities.

#### 2.13 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested 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 of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### 2. 主要會計政策概要(續)

#### 2.12 合約資產及合約負債(續)

根據附註2.14，合約資產減值根據相同基準按金融資產計量、呈列及披露。

倘本集團預期將可收回為取得客戶合約而產生之增量成本，則會將有關成本確認為合約資產。

一般而言，本集團從客戶收取之墊款屬短期性質。過往計入貿易及其他應付款項的墊款重新分類為合約負債。

#### 2.13 非金融資產的減值

擁有無限可使用年期的商譽及無形資產不作攤銷，而須每年測試一次是否減值，倘有事件或情況變動顯示賬面值或會減值時，則測試次數更頻繁。倘有事件或情況變動顯示賬面值或不可收回時，其他資產將進行減值測試。減值虧損確認為資產賬面值超過其可收回金額的數額。可收回金額為資產公平值減處置費用與使用價值兩者的較高者。為評估減值，資產按大致獨立於其他資產或資產組別(現金產生單位)的單獨可識別現金流入最基本層次分類。已減值的非金融資產(商譽除外)於各報告期末檢討是否可能撥回減值。



# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

### 2.14 Investment and other financial assets

#### 2.14.1 Classification

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

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

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

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

The Group reclassifies debt investment when and only when its business model for managing those assets changes.

#### 2.14.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

## 2. 主要會計政策概要(續)

### 2.14 投資及其他金融資產

#### 2.14.1 分類

本集團將其金融資產分類為以下計量類別：

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

該分類取決於實體管理金融資產的業務模式及現金流量的合約條款。

就按公平值計量的資產而言，收益及虧損將計入損益或其他綜合收益。並非持作買賣的權益工具投資將視乎本集團是否有在初步確認時作出不可撤銷的選擇，從而以公平值計量且其變動計入其他綜合收益列賬。

當且僅當本集團管理該等資產的業務模式改變時，本集團重新分類債務投資。

#### 2.14.2 確認及終止確認

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。從金融資產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。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

#### 2.14 Investment and other financial assets (Cont'd)

##### 2.14.3 Measurement

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

### 2. 主要會計政策概要(續)

#### 2.14 投資及其他金融資產(續)

##### 2.14.3 計量

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

附帶嵌入衍生工具的金融資產於釐定其現金流量是否純粹為支付本金及利息時以整體作出考慮。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

### 2.14 Investment and other financial assets (Cont'd)

#### 2.14.3 Measurement (Cont'd)

##### (a) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

## 2. 主要會計政策概要(續)

### 2.14 投資及其他金融資產(續)

#### 2.14.3 計量(續)

##### (a) 債務工具

債務工具的後續計量取決於本集團管理資產的業務模式及資產的現金流量特徵。本集團將其債務工具分類為三種計量類別：

- 攤銷成本：為收取合約現金流量而持有，且現金流量僅為支付本金及利息之資產按攤銷成本計量。該等金融資產之利息收入按實際利率法計入融資收入。終止確認產生的任何收益或虧損直接於損益確認，並於其他收益／(虧損)中與外匯收益及虧損一併列示。減值虧損於損益表中作為獨立項目列示。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

#### 2.14 Investment and other financial assets (Cont'd)

##### 2.14.3 Measurement (Cont'd)

###### (a) Debt instruments (Cont'd)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

### 2. 主要會計政策概要(續)

#### 2.14 投資及其他金融資產(續)

##### 2.14.3 計量(續)

###### (a) 債務工具(續)

- 以公平值計量且其變動計入其他綜合收益：持作收回合約現金流量及出售金融資產之資產，倘該等資產現金流量僅指支付本金及利息，則以公平值計量且其變動計入其他綜合收益計量。賬面值變動計入其他綜合收益，惟於損益中確認之減值收益或虧損、利息收入及外匯收益及虧損之確認除外。金融資產終止確認時，先前於其他綜合收益確認之累計收益或虧損由權益重新分類至損益並於其他收益／(虧損)中確認。該等金融資產之利息收入按實際利率法計入融資收入。外匯收益及虧損呈列於其他收益／(虧損)中，而減值開支則於損益表中作為獨立項目列示。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

### 2.14 Investment and other financial assets (Cont'd)

#### 2.14.3 Measurement (Cont'd)

##### (a) Debt instruments (Cont'd)

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

##### (b) Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

## 2. 主要會計政策概要(續)

### 2.14 投資及其他金融資產(續)

#### 2.14.3 計量(續)

##### (a) 債務工具(續)

- 以公平值計量且其變動計入損益：不符合攤銷成本標準或以公平值計量且其變動計入其他綜合收益之資產乃以公平值計量且其變動計入損益計量。隨後以公平值計量且其變動計入損益計量之債務投資之收益或虧損於損益中確認，並於產生期間按淨額呈列於其他收益/(虧損)中。

##### (b) 權益工具

本集團所有股本投資隨後按公平值計量。倘本集團管理層已選擇將股本投資之公平值收益及虧損於其他綜合收益呈列，則終止確認投資後，概無後續重新分類公平值收益及虧損至損益。本集團收取付款之權利確立時，有關投資之股息繼續於損益中確認為其他收入。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

### 2.14 Investment and other financial assets (Cont'd)

#### 2.14.3 Measurement (Cont'd)

##### (b) Equity instruments (Cont'd)

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

#### 2.14.4 Impairment

The Group assesses on a forward looking basis the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

## 2. 主要會計政策概要(續)

### 2.14 投資及其他金融資產(續)

#### 2.14.3 計量(續)

##### (b) 權益工具(續)

以公平值計量且其變動計入損益之金融資產公平值變動乃於損益表中其他收益／(虧損)中確認(如適用)。以公平值計量且其變動計入其他綜合收益之股本投資減值虧損(及減值虧損之撥回)不會與其他公平值變動分開呈報。

#### 2.14.4 減值

本集團按前瞻基準評估與按攤銷成本及以公平值計量且其變動計入其他綜合收益入賬的債務工具有關的預期信貸虧損(「預期信貸虧損」)。所用的減值方法取決於信貸風險有否大幅增加。

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

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

## 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 where the Group currently have 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 Group have also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

### 2.16 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of

- the amount determined in accordance with the expected credit loss model under HKFRS 9 Financial Instruments and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

## 2. 主要會計政策概要(續)

### 2.15 對銷金融工具

當本集團目前擁有法定可執行權利可抵銷已確認金額，並有意按淨額基準結算或同時變現資產及結算負債時，金融資產及負債可互相抵銷，並在合併資產負債表中報告其淨額。本集團亦已訂立並不符合抵銷標準的安排，但仍允許相關金額在如破產或終止合約的若干情況下予以抵銷。

### 2.16 財務擔保合同

在擔保簽訂的同時，財務擔保合同確認為一項金融負債。該負債按公平值初步計量並且後續按以下兩者孰高計量：

- 按香港財務報告準則第9號金融工具準則中的預期信用損失模型確定的金額；及
- 初步確認的金額減去，如適用，按香港財務報告準則第15號來自與客戶訂立合約的收入確認準則確認的累計收入。

財務擔保的公平值由基於債務工具下要求的合同支付金額與無需保證的支付金額之間的，或與作為承擔義務應付第三方的預計金額之間的現金流量差異的現值決定。

當與聯營公司之借款或其他應付款關聯的擔保不提供補償時，公平值作為投入列賬並且確認為投資成本的一部分。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

### 2.17 Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### 2.18 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade receivables is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See note 2.14 for further information about the Group's accounting for trade receivables.

### 2.19 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and deposits held at call with financial institutions.

Bank deposits which are restricted to use are classified as "restricted cash". Restricted cash are excluded from cash and cash equivalents in the cash flow statements.

## 2. 主要會計政策概要(續)

### 2.17 存貨

原材料及庫存、在建工程及成品以成本值及可變現淨值兩者的較低者列賬。成本包括直接材料、直接勞動力及適當比例的可變及固定其他開支(後者按正常經營能力基準分配)。成本乃按加權平均成本基準分撥至個別存貨項目。購入存貨的成本乃於扣除退款及折扣後釐定。可變現淨值為於日常業務過程內的估計售價減估計完成所需成本及銷售所需的估計成本計算。

### 2.18 貿易應收款項

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。

貿易應收款項初步按有關代價金額確認，此為無條件，除非按公平值確認包含重大融資成分。本集團持有目的為收取合約現金流量的貿易應收款項，因此採用實際利率法按攤銷成本計量貿易應收款項。有關本集團貿易應收款項會計處理的進一步資料請參閱附註2.14。

### 2.19 現金及現金等價物

就現金流量表呈列而言，現金及現金等價物包括手頭現金及金融機構通知存款。

受限制使用的銀行存款歸類為「受限制現金」。受限制現金自現金流量表的現金及現金等價物中剔除。



# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

### 2.20 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### 2.21 Perpetual capital instruments

Perpetual capital instruments with no contractual obligation for the Group to deliver cash or another financial asset to the holders are classified as equity instruments. They are initially recorded at the proceeds received within equity. Discretionary interest declared by the Group to the holders of perpetual capital instrument is treated as dividend.

### 2.22 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### 2.23 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment 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 reporting period.

## 2. 主要會計政策概要(續)

### 2.20 股本

普通股歸類為權益。直接歸屬於發行新股或購股權的遞增成本扣除稅項後在權益中列為所得款項的扣減項目。

### 2.21 永久資本工具

本集團並無合約責任將現金或另外金融資產交付持有人的永久資本工具歸類為權益工具。該工具初始按收取的所得款項列入權益。本集團向永久資本工具持有人宣派的酌情利息被視為股息。

### 2.22 貿易及其他應付款項

該等金額指於財政年度結束前提供予集團之商品及服務之未償還負債。該等金額為無抵押及通常在確認30日內支付。貿易及其他應付款項列示為流動負債，除非付款並非於報告期間後12個月內到期。有關款項以初始公平值確認，其後採用實際利息法按攤銷成本計量。

### 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損益表中確認。如部分或全部融資有可能被提取，則設立貸款融資時支付的費用確認為貸款的交易成本。在此情況下，費用遞延至貸款提取為止。如沒有證據證明部分或全部融資有可能被提取，則該費用資本化作為流動資金服務的預付款，並於相關的融資期內攤銷。

除非本集團有無條件權利將償還負債的日期遞延至報告期後最少12個月，否則借款歸類為流動負債。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

#### 2.24 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get 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.

Other borrowing costs are expensed in the period in which they are incurred.

#### 2.25 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

##### (a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries, joint ventures 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 and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

### 2. 主要會計政策概要(續)

#### 2.24 借款成本

一般及特定借款成本直接歸屬於需要完成或籌備該資產以作擬定用途或出售的一段時間內資本化的合資格資產。合資格資產必須經一段長時間處理以作其擬定用途或銷售。

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確認。

#### 2.25 即期及遞延所得稅

期內所得稅開支或信貸為本期間應課稅收入按各司法權區適用所得稅率之應付稅項，受暫時差額及未使用稅項虧損應佔遞延稅項資產及負債變動的調整。

##### (a) 即期所得稅

即期所得稅費用根據本公司及其附屬公司、合營公司及聯營公司經營及產生應課稅收入的國家於報告期末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，並考慮稅務機關是否有可能接受不確定的稅收待遇。本集團根據最可能的金額或預期價值計量其稅項餘額，具體取決於哪種方法能夠為解決不確定性提供更佳預測。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

### 2.25 Current and deferred income tax (Cont'd)

#### (b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also 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 substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## 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

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合併財務報表的賬面值之間產生的暫時差額悉數撥備。然而，若遞延所得稅負債來自商譽的初始確認，則不予確認此等遞延稅項負債；若遞延所得稅來自在交易(不包括企業合併)中對資產或負債的初始確認，而該項資產或負債在交易時不影響會計及應課稅損益，則不予確認此等遞延所得稅。

遞延所得稅採用在報告期末前已頒佈或實質頒佈，並預期在有關遞延所得稅資產實現或遞延所得稅負債結算時適用的稅率(及法律)而釐定。

遞延所得稅資產僅限於有可能產生未來應課稅溢利並可用於抵銷暫時差額時予以確認。

倘本公司能控制撥回暫時差額的時間及該等差額可能不會於可見將來撥備，則不會就外國業務投資賬面值與稅基之間的暫時差額確定遞延稅項負債及資產。

即期及遞延所得稅於損益確認，惟倘即期及遞延所得稅於在其他綜合收益或直接於權益中確認的項目有關，在此情況下，稅項亦會分別於其他綜合收益或直接於權益中確認。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

### 2.25 Current and deferred income tax (Cont'd)

#### (b) Deferred income tax (Cont'd)

Companies within the Group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure. The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred income tax asset is recognised for unclaimed tax credits that are carried forward as deferred income tax assets.

### 2.26 Employee benefits

#### (a) Defined contribution plan

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the PRC government.

#### (b) Defined benefit plan

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

## 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)

本集團內成員公司可就投資合資格資產或相關合資格開支享有特殊稅項減免。本集團就該等津貼入賬列為稅收抵免，即津貼降低應付所得稅及即期稅項開支。遞延所得稅資產於未認領的稅項抵免結轉為遞延所得稅資產時確認。

### 2.26 僱員福利

#### (a) 定額供款計劃

根據中國的規例及法規，本集團位於中國的僱員參與多項由中國相關市級及省級政府運作的定額供款退休福利計劃，據此，本集團及位於中國的僱員每月須對該等計劃作出按僱員薪金百分比計算得出的供款。

市級及省級政府承諾會承擔根據上述計劃應付予所有現有及未來的退休中國僱員的退休福利責任。除每月供款外，本集團並無進一步責任向其僱員提供退休付款及其他退休後福利。該等計劃的資產乃與本集團的資產分開，並由中國政府所管理的獨立基金持有。

#### (b) 定額福利計劃

一般而言，定額福利計劃釐定員工在退休時可收取的退休福利金額，通常視乎年齡、服務年資和薪酬等一個或多個因素而定。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

### 2.26 Employee benefits (Cont'd)

#### (b) Defined benefit plan (Cont'd)

The liability recognised in the consolidated balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The current service cost of the defined benefit plan, recognised in the statement of profit or loss in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation results from employee service in the current year, benefit changes, curtailments and settlements.

Past-service costs are recognised immediately in consolidated statement of profit or loss and other comprehensive income. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statement of profit or loss and other comprehensive income.

Remeasurement arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

## 2. 主要會計政策概要(續)

### 2.26 僱員福利(續)

#### (b) 定額福利計劃(續)

在合併資產負債表內就定額福利退休金計劃而確認的負債，為定額福利責任於報告期末的現值減計劃資產的公平值。定額福利責任每年由獨立精算師利用預計單位貸記法計算。定額福利責任的現值利用將用以支付福利的貨幣為單位計值且到期日與有關退休負債的年期近似的高質素企業債券的利率，將估計未來現金流出量貼現計算。在該等債券並無活躍市場的國家，乃採用政府債券的市場利率。

於損益表僱員福利開支項下確認的定額福利計劃即期服務成本(除計入資產成本者外)反映本年度僱員服務所導致的定額福利責任的增加、福利變動、削減及結算。

過往服務成本即時於合併損益及其他綜合收益表中確認。定額福利責任的現值來自計劃修訂或縮減的變動，即時於損益中確認為過往服務成本。

淨利息成本按定額福利責任的淨結餘及計劃資產公平值，應用貼現率計算。此成本包含在合併損益及其他綜合收益表中的僱員福利開支中。

根據經驗而調整的重新計量以及精算假設的變動，在產生期間內於其他綜合收益的權益中扣除或計入。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

### 2.27 Provisions

Provisions for legal claims, service warranties and make good obligations 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 can be 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 management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### 2.28 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of profit or loss and other comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to purchase of property, plant and equipment and intangible assets are included in non-current liabilities as deferred government grants and are credited to the consolidated statement of profit or loss and other comprehensive income 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，本集團確認法律索償、服務保證及妥善履行責任的撥備：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；金額能可靠估計。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。

撥備乃按結算報告期末現時責任所需之管理層最佳估計開支的現值計量。使用作釐定現值之折現率為稅前折現率，其須能夠反映當前市場的貨幣時間價值估算及該負債特有的風險。由時間推移導致撥備金額的增加計入利息開支。

### 2.28 政府補貼

在有合理保證將收取補助及本集團將遵守所有隨附條件時，政府補貼乃按其公平值確認。

與成本相關的政府補貼均會遞延並於需要與其有意補償的成本相配比的期間內，在合併損益及其他綜合收益表確認。

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損益及其他綜合收益表。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

### 2.29 Revenue recognition

Under HKFRS 15, revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer. This may be at a single point in time or over time.

Upon the adoption of HKFRS 15, the Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- when the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- when the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced;
- when the Group's performance does not create an asset with an alternate use to the Group and the Group has an enforceable right to payment for performance completed to date.

If none of the above conditions are met, the Group recognises revenue at a single point in time at which the performance obligation is satisfied for the sale of that good or service when control has been passed.

If control of the product or service transfers over time, revenue is recognised over the period of the contract by measuring the progress towards complete satisfaction of that performance obligation.

## 2. 主要會計政策概要(續)

### 2.29 收入確認

根據香港財務報告準則第15號，收入按客戶合約訂明之代價計量，且不包括代表第三方收取之金額。本集團於其向客戶轉讓產品或服務之控制權時確認收入。該情況可能發生於某個時間點或一段時間內。

於採納香港財務報告準則第15號後，倘符合以下其中一項條件，本集團會於履行履約責任後隨時間轉移確認收入：

- 客戶同時取得及消耗本集團履行履約責任時所提供之利益；
- 本集團之履約行為創造或改良客戶在資產被創造或改良時已控制之資產；
- 本集團之履約行為並未創造一項可被本集團用於替代用途之資產，且本集團獲得具有就迄今為止已完成之履約部份之客戶付款可執行之權利。

倘不符合上述所有條件，本集團將於控制權轉移銷售該貨品或服務之履約責任獲達成之單一時間點確認收入。

倘產品或服務控制權經過一段時間轉移，收入確認將通過計量整個合約期間已完成履約責任的進度進行。

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

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

#### 2.29 Revenue recognition (Cont'd)

##### (a) Sales of goods

Revenue is recognised at the point in time when the control of the product is transferred to the customer which generally coincides with delivery and acceptance of the product sold.

##### (b) Rendering of construction and upgrade services

Revenue from construction and upgrade services is recognised over time by measuring the progress towards complete satisfaction of the service. The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract.

##### (c) Rendering of other services

Revenue from wastewater treatment, solid waste treatment and other services is recognised over the period by measuring the progress towards complete satisfaction of the service.

### 2. 主要會計政策概要(續)

#### 2.29 收入確認(續)

##### (a) 產品銷售

收入在產品的控制權轉移至客戶的單一時點時確認，並通常與交收所出售產品的時點一致。

##### (b) 提供建造及升級服務

建造及升級服務收入於一段時間內確認，且對完成履行服務的進度計量。完成履行履約責任的進度是按本集團為履行履約責任的付出或投入，並參照每份合約截至報告期末已產生的合約成本佔該合約總估計成本的百分比計量。

##### (c) 提供其他服務

污水處理、固廢處理及其他服務的收益通過計量完成履行服務的進度於一段時間內確認。



# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

### 2.30 Leases

The Group leases land use rights on long-term contracts and offices and warehouses on both short-term and long-term contracts.

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

Rental contracts for offices and warehouses are typically made for fixed periods of 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

## 2. 主要會計政策概要(續)

### 2.30 租賃

本集團以長期合約租賃土地使用權，並以短期及長期合約租賃辦公室及倉庫。

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。

辦公室及倉庫的租賃合約一般按1至10年的固定期限訂立。租賃條款乃按個別基準磋商，並包含各種不同條款及條件。租賃協議並無施加任何契諾，惟租賃資產不得用作借款的抵押品。

租賃於租賃資產可供本集團使用當日確認為使用權資產及相應負債。

合約可能包含租賃及非租賃組成部分。本集團按照租賃及非租賃組成部分相應的獨立價格，將合約代價分配至租賃及非租賃組成部分。然而，就本集團為承租人的房地產租賃而言，其選擇將租賃及非租賃組成部分入賬為單一租賃組成部分，並無將兩者區分。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

#### 2.30 Leases (Cont'd)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

### 2. 主要會計政策概要(續)

#### 2.30 租賃(續)

租賃產生的資產及負債初步以現值基準計量。租賃負債包括下列租賃付款的淨現值：

- 固定付款(包括實質上的固定付款)，減去任何應收租賃優惠；
- 基於指數或利率的可變租賃付款，採用於開始日期的指數或利率初步計量；
- 本集團於剩餘價值擔保下預計應付的金額；
- 倘本集團合理確定要行使購買期權，則該期權的行使價；及
- 倘租期反映本集團行使該期權，則終止租賃罰款的付款。

計量負債時亦包括根據合理確定延長選擇權作出的租賃付款。

租賃付款使用租賃中隱含的利率貼現。如該利率無法輕易確定(本集團的租賃通常如此)，則使用承租人的增量借款利率，即個別承租人在類似經濟環境下按類似條款、抵押及條件借入所需資金以取得類似於使用權資產價值的資產所須支付的利率。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

### 2.30 Leases (Cont'd)

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g., term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

## 2. 主要會計政策概要(續)

### 2.30 租賃(續)

為釐定增量借款利率，本集團：

- 在可能情況下，使用個別承租人最近獲得的第三方融資作為出發點，並作出調整以反映自獲得第三方融資以來融資條件的變動；
- 使用累加法，首先就本集團所持有租賃的信貸風險(最近並無第三方融資)調整無風險利率；及
- 進行特定於租賃的調整，如期限、國家、貨幣及抵押。

本集團未來可能根據指數或利率增加可變租賃付款額，而有關指數或利率在生效前不會計入租賃負債。當根據指數或利率對租賃付款作出的調整生效時，租賃負債根據使用權資產進行重新評估及調整。

租賃付款於本金與融資成本之間作出分配。融資成本於租期內自損益扣除以計算出各期間負債結餘的固定週期利率。

使用權資產按成本計量，並包括以下各項：

- 租賃負債的初始計量金額；
- 於開始日期或之前作出的任何租賃付款減任何已收租賃優惠；
- 任何初始直接成本；及
- 修復成本。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

### 2.30 Leases (Cont'd)

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the consolidated balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

### 2.31 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

### 2.32 Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group's derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other gains/(losses).

## 2. 主要會計政策概要(續)

### 2.30 租賃(續)

使用權資產一般於資產可使用年期與租期中的較短者以直線法折舊。倘本集團合理確定要行使購買期權，則使用權資產在相關資產的可使用年內折舊。

與短期租賃相關的付款以直線法於損益內確認為開支。短期租賃指租期為12個月或以下的租賃(並無購買選擇權)。

經營租賃(本集團作為出租人)的租賃收入於租期內以直線法確認為收入。於獲取經營租賃時產生的初始直接成本會加入相關資產的賬面值，並於租期內按確認租賃收入的同一基準確認為開支。相關租賃資產按其性質計入合併資產負債表。於採納新租賃準則後，本集團毋須就作為出租人持有資產的會計處理作出任何調整。

### 2.31 股息分派

對本公司股東的股息分派於股息獲本公司股東或董事(如適用)批准期間在本集團財務報表確認為負債。

### 2.32 衍生工具及對沖活動

衍生工具於衍生工具合約訂立當日按公平值初始確認，其後於各報告期間末按公平值重新計量。公平值變動之會計處理取決於該衍生工具是否被指定為對沖工具，如被指定為對沖工具，則取決於對沖項目之性質。

本集團之衍生工具並不符合對沖會計準則。不符合對沖會計準則之衍生工具之公平值如有變動，將即時於損益內確認並計入其他收益/(虧損)。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

### 2.33 Earnings per share

#### (i) *Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

#### (ii) *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

## 2. 主要會計政策概要(續)

### 2.33 每股盈利

#### (i) *每股基本盈利*

每股基本盈利按以下方式計算：

- 本公司擁有人應佔利潤(不包括普通股以外之任何權益成本)
- 除以財政年度內已發行普通股加權平均數，並就年內已發行普通股(不包括庫存股份)的股息調整。

#### (ii) *每股攤薄盈利*

計算每股攤薄盈利時，會調整用於釐定每股基本盈利的數額，以反映以下因素：

- 與潛在攤薄普通股有關的利息及其他融資成本的除所得稅後影響，及
- 假設轉換所有潛在攤薄普通股，額外將會發行普通股的加權平均數。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 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.

#### (a) Market risk

##### (i) Foreign exchange risk

The Group principally operates in the PRC with most of the transactions being settled in RMB, which is the functional currency of most of the group entities.

The Group also has certain subsidiaries in foreign operations. Foreign exchange risk arises from the recognised assets and liabilities and net investments in foreign operations. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through financing activities denominated in the relevant foreign currencies. The group entities are exposed to foreign exchange risk of foreign currencies other than their functional currencies, primarily with respect to the US dollars ("US\$"), Thai Baht ("THB") and Hong Kong dollars ("HKD") (together "Non-functional Currencies"). The Group seeks to limit its exposure to foreign currency risk by closely monitoring and minimizing its net foreign currency position.

### 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）、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。

#### (a) 市場風險

##### (i) 外匯風險

本集團主要在中國經營業務，大部分交易以人民幣結算，人民幣為大部分集團公司的功能貨幣。

本集團亦有若干附屬公司經營境外業務。外匯風險來自境外業務的已確認資產及負債和投資淨額。本集團境外業務淨資產所產生的貨幣風險，主要透過以相關外幣計值的融資活動進行管理。集團實體承受其功能貨幣以外外幣的外匯風險，主要涉及美元（「美元」）、泰銖（「泰銖」）及港元（「港元」）（統稱「非功能貨幣」）。本集團力圖通過密切監察及盡量減少其外幣持倉淨額來限制外幣風險敞口。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 3. FINANCIAL RISK MANAGEMENT (Cont'd)

#### 3.1 Financial risk factors (Cont'd)

##### (a) Market risk (Cont'd)

##### (ii) Fair value and cash flow interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest risk which is partially offset by cash held at variable rates. Borrowings obtained at fixed rates expose the Group to fair value interest risk.

The Group regularly reviews and monitors the mix of fixed and floating interest rate borrowings in order to manage its interest rate risk. The Group's interest-bearing bank borrowings, restricted cash and cash and cash equivalents are stated at amortised cost and not revalued on a periodic basis. Floating rate interest income and expenses are credited/charged to profit or loss as earned/incurred.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (a) 市場風險(續)

##### (ii) 公平值及現金流量利率風險

本集團的利率風險來自於長期借款。按浮動利率取得的借款使本集團面臨現金流量利息風險，而這部分被按浮動利率持有的現金所抵銷。按固定利率取得的借款使本集團面臨公平值利息風險。

本集團定期審閱和監察固定和浮動利率的借款組合以管理其利率風險。本集團的計息銀行借款、受限制現金以及現金及現金等價物均按攤銷成本列賬，並非會定期重估。浮動利率利息收入及開支於賺取/產生時計入/抵減損益。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 3. FINANCIAL RISK MANAGEMENT (Cont'd)

#### 3.1 Financial risk factors (Cont'd)

##### (a) Market risk (Cont'd)

##### (ii) Fair value and cash flow interest rate risk (Cont'd)

As at 31 December 2020, the Group has floating rate borrowings amounting to RMB10,357,901,000 (2019: RMB7,721,060,000). If there would be a general increase/decrease in the market interest rates by 100 basis points, with all other variables held constant, the Group's post-tax profit would have decreased/increased by approximately RMB82,999,000 for the year ended 31 December 2020 (2019: RMB60,550,000). The sensitivity analysis above has been determined assuming that the change in market interest rates had occurred as at the 31 December 2020 and 2019 and had applied the exposure to cash flow interest rate risk to those financial instruments in existence at those dates. The estimated 100 basis points increase or decrease represents management's estimate 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)

於二零二零年十二月三十一日，本集團的浮動利率借款為人民幣10,357,901,000元(二零一九年：人民幣7,721,060,000元)。截至二零二零年十二月三十一日止年度，如市場利率整體上升／下跌100個基點，而所有其他變量保持不變，則本集團的除稅後溢利將減少／增加約人民幣82,999,000元(二零一九年：人民幣60,550,000元)。上述敏感度分析乃假設市場利率變動已於二零二零年及二零一九年十二月三十一日發生並已應用該等金融工具所承擔於該等日期存在的現金流量利率風險而釐定。估計增加或減少100個基點指管理層估計期內直至下一年度末市場利率的合理可能變動。



# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 3. FINANCIAL RISK MANAGEMENT (Cont'd)

#### 3.1 Financial risk factors (Cont'd)

##### (b) Credit risk

Credit risk is managed on group basis. The Group's maximum exposure to credit risk in relation to financial assets is the carrying amounts of restricted cash, cash and cash equivalents, trade and other receivables, receivables under service concession arrangements, amounts due from customers for contract work and contract assets.

A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

| Category<br>類別        | Group definition of category<br>本集團對各類別的界定   | Basis for recognition of<br>expected credit loss provision<br>確認預期信貸虧損撥備的基準   |
|-----------------------|--|---|
| Performing<br>正常      | Financial assets for which credit risk has not increased significantly since initial recognition<br>自初始確認以來信用風險並無顯著增加的金融資產                                 | 12 months expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime<br>12個月的預期虧損。對於預期使用年期在12個月之內的資產，預期虧損按其預期使用年期計量 |
| Underperforming<br>關注 | Financial assets for which credit risk has increased significantly since initial recognition, but are not credit-impaired<br>自初始確認以來信用風險已顯著增加但未出現信貸減值的金融資產 | Lifetime expected losses<br>年期預期虧損  |
| Non-performing<br>不良  | Financial assets that are credit-impaired at the reporting date<br>於報告日期出現信貸減值的金融資產  | Lifetime expected losses<br>年期預期虧損  |

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (b) 信用風險

信用風險按集團基準進行管理。本集團所面對有關金融資產的最大信用風險為受限制現金、現金及現金等價物、貿易及其他應收款項、服務特許經營安排下的應收款項、合約工程應收客戶款項及合約資產的賬面值。

支撐本集團預期信貸虧損模型的假設概要如下：

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 3. FINANCIAL RISK MANAGEMENT (Cont'd)

#### 3.1 Financial risk factors (Cont'd)

##### (b) Credit risk (Cont'd)

###### (i) Cash deposits at banks and restricted cash

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.

###### (ii) Trade receivables

The Group assessed that the expected loss rate for trade receivables from local governments and related parties were low considering their good finance position and credit history.

Apart from trade receivables due from local governments and related parties, the Group has large number of customers and there was no concentration of credit risk.

The Group applies the simplified approach to providing for expected credit losses ("ECL") prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables due from third parties. To measure the ECL, trade receivables due from third parties have been grouped based on shared credit risk characteristics and the days past due. The ECL also incorporate forward-looking information.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (b) 信用風險(續)

###### (i) 銀行現金存款及受限制現金

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。

###### (ii) 貿易應收款項

鑒於地方政府及關聯方的財務狀況及信貸記錄良好，本集團評定來自地方政府及關聯方的貿易應收款項的預期虧損率較低。

除來自地方政府及關聯方的貿易應收款項外，本集團擁有大量客戶，故並無信貸集中風險。

本集團採用簡化方法對香港財務報告準則第9號規定的預期信貸虧損(「預期信貸虧損」)作出撥備，香港財務報告準則第9號准許對來自第三方的貿易應收款項採用使用年期預期虧損撥備。為計量預期信貸虧損，來自第三方的貿易應收款項已根據共同的信貸風險特徵及逾期天數分組。預期信貸虧損亦納入前瞻性資料。

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

## 3. FINANCIAL RISK MANAGEMENT (Cont'd)

### 3.1 Financial risk factors (Cont'd)

#### (b) Credit risk (Cont'd)

##### (ii) Trade receivables (Cont'd)

As at 31 December 2020, the loss allowance provision for the trade receivables due from third parties excluding local governments and related parties was determined as follows. The expected credit losses below also incorporated forward looking information.

## 3. 財務風險管理(續)

### 3.1 財務風險因素(續)

#### (b) 信用風險(續)

##### (ii) 貿易應收款項(續)

於二零二零年十二月三十一日，應收第三方(不包括地方政府及關聯方)的貿易應收款項虧損撥備計提如下。下文的預期信貸虧損亦包含前瞻性資料。

|                      |          | As at 31 December 2020<br>於二零二零年十二月三十一日 |   |  |
|----------------------|----------|---|---|--|
|                      |          | ECL rate<br>預期信貸<br>虧損率                 | Gross<br>carrying<br>amount<br>賬面總額<br>RMB'000<br>人民幣千元 | Loss<br>allowance<br>provision<br>虧損撥備<br>RMB'000<br>人民幣千元 |
| Trade receivables    | 貿易應收款項   |   |   |  |
| Related parties      | 關聯方      | 0.07%                                   | 2,395,236   | 1,594  |
| Local governments    | 地方政府     | 0.03%                                   | 1,072,050   | 280  |
| Third parties' aging | 第三方款項的賬齡 |   |   |  |
| Up to 1 year         | 1年以內     | 2.94%                                   | 1,850,013   | 54,313   |
| 1 to 2 years         | 1至2年     | 4.63%                                   | 591,976   | 27,385   |
| 2 to 3 years         | 2至3年     | 9.13%                                   | 343,860   | 31,399   |
| 3 to 4 years         | 3至4年     | 13.09%                                  | 124,963   | 16,358   |
| Over 4 years         | 4年以上     | 56.20%                                  | 25,339  | 14,241   |
|                      |          |   | <b>6,403,437</b>  | <b>145,570</b>   |

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 3. FINANCIAL RISK MANAGEMENT (Cont'd)

#### 3.1 Financial risk factors (Cont'd)

##### (b) Credit risk (Cont'd)

###### (iii) Other receivables

The Group expects that the credit risk associated with other receivables due from local governments and related parties is considered to be low, since they have a strong capacity to meet its contractual cash flow obligations in the near term. The Group has assessed that the ECL rate for the amounts due from local governments and related parties are immaterial under 12 months ECL method and considered them to have low credit risk, and thus the loss allowance is immaterial.

For other receivables other than those from local governments and related parties, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (b) 信用風險(續)

###### (iii) 其他應收款項

本集團預期，與應收地方政府及關聯方的其他應收款項有關的信貸風險較低，原因是彼等擁有雄厚實力可在短期滿足其合約現金流量義務。本集團已評定，根據12個月預期信貸虧損方法，應收地方政府及關聯方款項的預期信貸虧損率並不重大，且認為該等款項具有較低的信貸風險，因此虧損撥備並不重大。

就除來自地方政府及關聯方的應收款項外的其他應收款項而言，管理層根據歷史結算記錄及過往經驗定期按組合方式及個別方式對其他應收款項的可收回性作出評估。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 3. FINANCIAL RISK MANAGEMENT (Cont'd)

#### 3.1 Financial risk factors (Cont'd)

##### (b) Credit risk (Cont'd)

##### (iii) Other receivables (Cont'd)

The Group considers the probability of default whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant changes in the expected performance and behaviour of the borrowers, including changes in the payment status of borrowers and changes in the operating results of the borrowers.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (b) 信用風險(續)

##### (iii) 其他應收款項(續)

本集團考慮違約的可能性以及信貸風險是否在各個報告期持續大幅上升。為評估信貸風險是否大幅上升，本集團將資產於報告日期發生違約的風險與於初次確認日期的違約風險作對比。本集團考慮可用的可合理支撐評估結論的前瞻性資料。尤其包括以下指標：

- 內部信用評級
- 外部信用評級
- 預期會導致借款人償債能力發生顯著變化的業務、財務或經濟狀況的實際或預期重大不利變動
- 借款人經營業績的實際或預期重大變動
- 借款人預期表現及行為的重大變動，包括借款人的支付狀況變動及借款人經營業績的變動。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 3. FINANCIAL RISK MANAGEMENT (Cont'd)

#### 3.1 Financial risk factors (Cont'd)

##### (b) Credit risk (Cont'd)

###### (iii) Other receivables (Cont'd)

An impairment analysis is performed at each reporting date using the probability of default approach to measure expected credit losses. The probabilities of default rates are estimated based on comparable companies with published credit ratings. The calculation reflects the probability weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forward-looking credit risk information. As at 31 December 2020, the probability of default applied ranged from 0.01% to 1.41%, and the loss given default was estimated to range from 48.02% to 68.84%. The movement of the Group's provision for impairment of other receivables are set out in Note 23(b).

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (b) 信用風險(續)

###### (iii) 其他應收款項(續)

於各報告日期，本集團使用違約概率法來衡量預期信貸虧損，以進行減值分析。違約概率根據已發佈信用評級的可資比較公司進行估計。該計算反映概率加權結果以及於報告日期可獲得的有關過往事件、當前狀況及前瞻性信用風險信息的合理可支持資料。於二零二零年十二月三十一日，所應用的違約概率介乎 0.01% 至 1.41%，違約損失估計介乎 48.02% 至 68.84%。本集團其他應收款項減值準備的變動情況載於附註23(b)。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 3. FINANCIAL RISK MANAGEMENT (Cont'd)

#### 3.1 Financial risk factors (Cont'd)

##### (b) Credit risk (Cont'd)

##### (iv) Receivables under service concession arrangements and contract assets

The Group has assessed the allowance for credit losses for its receivables under service concession arrangements and contract assets which were mainly attributable to provision for construction and upgrade services and operating of the concession facilities. As the customers are primarily local governments and PRC state-owned entities, the Directors considers the credit risk is low. An impairment analysis is performed at each reporting date using the probability of default approach to measure expected credit losses. The probabilities of default rates are estimated based on comparable companies with published credit ratings. The calculation reflects the probability weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forward-looking credit risk information. As at 31 December 2020, the probability of default applied ranged from 0.01% to 0.10%, and the loss given default was estimated to range from 48.02% to 68.84%. There has been no significant increase in credit risk in the Group's receivables under service concession arrangements with gross amount of RMB5,304,961,000 at 31 December 2020 (2019: RMB5,078,315,000) and contract assets of gross amount of RMB11,531,063,000 at 31 December 2020 (2019: RMB6,712,912,000), since their initial recognition.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (b) 信用風險(續)

##### (iv) 服務特許經營安排及合約資產下的應收款項

本集團已對服務特許經營安排及合約資產下的應收款項(主要是由於提供建築和升級服務以及特許經營權的運營所致)的信貸虧損撥備進行評估。由於客戶主要為地方政府及中國國有實體，董事認為信用風險較低。於各報告日期，本集團使用違約概率法來衡量預期信貸虧損，以進行減值分析。違約概率根據已發佈信用評級的可資比較公司進行估計。該計算反映概率加權結果以及於報告日期可獲得的有關過往事件、當前狀況及前瞻性信用風險信息的合理可支持資料。於二零二零年十二月三十一日，所應用的違約概率介乎0.01%至0.10%，違約損失估計介乎48.02%至68.84%。自初始確認以來，本集團服務特許經營安排下的應收款項(於二零二零年十二月三十一日的總額為人民幣5,304,961,000元(二零一九年：人民幣5,078,315,000元))及合約資產下的應收款項(於二零二零年十二月三十一日的總額為人民幣11,531,063,000元的(二零一九年：人民幣6,712,912,000元))的信用風險並無顯著增加。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 3. FINANCIAL RISK MANAGEMENT (Cont'd)

#### 3.1 Financial risk factors (Cont'd)

##### (c) Liquidity risk

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group financial department. Group financial department monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash and cash equivalents to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The Group's financial department monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group expects to fund its future cash flow needs through internally generated cash flows from operations, borrowings and perpetual capital instruments from financial institutions.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (c) 流動資金風險

現金流量預測乃由本集團經營實體編製後由本集團財務部匯總而得。本集團財務部監控本集團流動資金需求的滾動預測，以確保有足夠的現金及現金等價物滿足營運需要，同時於任何時間均維持其未提取但已承諾借款融資有足夠餘額，以便本集團不會違反其任何借款融資的借款限額或契諾(如適用)。

本集團財務部監察現金及現金等價物水平，並將現金及現金等價物維持在管理層認為足以為本集團的營運提供資金及減輕現金流量波動影響的水平。本集團預期透過經營活動內部產生的現金流量及來自金融機構的借款及永久資本工具應付其未來現金流量需求。



# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 3. FINANCIAL RISK MANAGEMENT (Cont'd)

#### 3.1 Financial risk factors (Cont'd)

##### (c) Liquidity risk (Cont'd)

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, including interest payments computed using contractual rates, or, if floating, based on current rates.

|  |                        | Within<br>1 year<br>1年以內<br>RMB'000<br>人民幣千元 | Between<br>1 and 2 years<br>1至2年<br>RMB'000<br>人民幣千元 | Between<br>2 and 5 years<br>2至5年<br>RMB'000<br>人民幣千元 | Over<br>5 years<br>5年以上<br>RMB'000<br>人民幣千元 | Total<br>總計<br>RMB'000<br>人民幣千元 | Carrying<br>amount<br>liabilities<br>負債賬面值<br>RMB'000<br>人民幣千元 |
|--|------------------------|--|--|--|---|---------------------------------|--|
| <b>Closing balance at 31 December 2020</b> | 於二零二零年十二月三十一日<br>的期末結餘 |  |  |  |   |                                 |  |
| <b>Financial liabilities</b>               | <b>金融負債</b>            |  |  |  |   |                                 |  |
| Borrowings                                 | 借款                     | 10,611,205                                   | 6,865,861  | 6,448,561  | 6,405,450                                   | 30,331,077                      | 27,541,815   |
| Trade and other payables (*)               | 貿易及其他應付款項(*)           | 2,820,665                                    | 5,818,384  | 113,000  | 38,400                                      | 8,790,449                       | 8,727,025  |
| Lease liabilities                          | 租賃負債                   | 15,100                                       | 11,655   | 18,218   | 44,773                                      | 89,746                          | 49,034   |
|  |                        | <b>13,446,970</b>                            | <b>12,695,900</b>                                    | <b>6,579,779</b>                                     | <b>6,488,623</b>                            | <b>39,211,272</b>               | <b>36,317,874</b>  |
| <b>Closing balance at 31 December 2019</b> | 於二零一九年十二月三十一日<br>的期末結餘 |  |  |  |   |                                 |  |
| <b>Financial liabilities</b>               | <b>金融負債</b>            |  |  |  |   |                                 |  |
| Borrowings                                 | 借款                     | 7,470,505                                    | 7,579,710  | 6,128,832  | 5,200,439                                   | 26,379,486                      | 21,618,930   |
| Trade and other payables (*)               | 貿易及其他應付款項(*)           | 3,424,554                                    | 3,085,124  | 349,777  | 4,970                                       | 6,864,425                       | 6,717,053  |
| Lease liabilities                          | 租賃負債                   | 13,152                                       | 10,667   | 19,023   | 50,138                                      | 92,980                          | 50,610   |
|  |                        | <b>10,908,211</b>                            | <b>10,675,501</b>                                    | <b>6,497,632</b>                                     | <b>5,255,547</b>                            | <b>33,336,891</b>               | <b>28,386,593</b>  |

The Group also provides guarantees to borrowings of a joint venture and an associate, which will have contractual cash flows only if a joint venture and an associate default the repayment (Note 37(l)).

\* Excluding staff welfare benefit payable and other taxes payable.

### 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)

下表分析本集團的非衍生金融負債，此乃按照相關的到期組別，根據結算日至合約到期日的剩餘期間進行分析。表內所披露的金額為合約未貼現現金流量，包括根據合約利率（或倘為浮動利率，則為即期匯率）計算的利息付款。

本集團亦為合營公司及聯營公司借款提供擔保，且僅在合營公司及聯營公司拖欠還款情況下方會產生合約現金流量（附註37(l)）。

\* 不包括應付員工福利及其他應付稅項。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 3. FINANCIAL RISK MANAGEMENT (Cont'd)

#### 3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, sell assets to reduce debt or raise funding through capital markets as necessary.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as "total equity" as shown in the consolidated financial statements plus net borrowings.

### 3. 財務風險管理(續)

#### 3.2 資本管理

本集團的資本管理的目的為保障本集團能夠持續經營，以為股東提供回報及為其他利益相關者提供利益，以及維持最佳的資本架構以減少資本成本。

為保持或調整資本結構，本集團可能會調整派付予股東的股息金額、向股東退還資本、出售資產以減少債務或透過資本市場籌集資金(如需要)。

本集團根據資產負債比率監控資本。該比率按淨債務除以總資本計算。淨債務按借款總額(包括合併資產負債表所示的「即期及非即期借款」)減現金及現金等價物計算。總資本按合併財務報表所示的「權益總額」加借款淨額計算。

|   |                  | As at 31 December<br>於十二月三十一日     |                                   |
|---|------------------|-----------------------------------|-----------------------------------|
|   |                  | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Total borrowings (note 29)                | 借款總額(附註29)       | 27,541,815                        | 21,618,930                        |
| Less: cash and cash equivalents (note 25) | 減：現金及現金等價物(附註25) | (1,697,688)                       | (2,468,435)                       |
| Net borrowings                            | 借款淨額             | 25,844,127                        | 19,150,495                        |
| Total equity                              | 總權益              | 7,607,562                         | 8,545,985                         |
| Total capital                             | 資本總額             | 33,451,689                        | 27,696,480                        |
| Gearing ratio                             | 資產負債比率           | 77%                               | 69%                               |

The increase in the gearing ratio was resulted primarily from the increase of borrowings during the year ended 31 December 2020.

資產負債比率提高主要是由於截至二零二零年十二月三十一日止年度借款增加。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 3. FINANCIAL RISK MANAGEMENT (Cont'd)

#### 3.3 Financial instruments by category

### 3. 財務風險管理(續)

#### 3.3 按類別劃分的金融工具

|  |                           | As at 31 December<br>於十二月三十一日     |                                   |
|--|---------------------------|-----------------------------------|-----------------------------------|
|  |                           | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| <b>Financial assets</b>  | <b>金融資產</b>               |                                   |                                   |
| Financial assets at amortised cost                                 | 按攤銷成本計量的金融資產              |                                   |                                   |
| – Trade and other receivables                                      | – 貿易及其他應收款項               | 8,260,451                         | 7,170,741                         |
| – Receivables under service concession arrangements                | – 服務特許經營安排下的應收款項          | 5,301,371                         | 5,078,315                         |
| – Cash and cash equivalents  | – 現金及現金等價物                | 1,697,688                         | 2,468,435                         |
| – Restricted cash  | – 受限制現金                   | 125,501                           | 192,691                           |
| – Amounts due from customers for contract works                    | – 合約工程應收客戶款項              | —                                 | 9,521                             |
|  |                           | <b>15,385,011</b>                 | 14,919,703                        |
| Financial assets at fair value                                     | 按公平值計量的金融資產               |                                   |                                   |
| – Financial asset at fair value through other comprehensive income | – 以公平值計量且其變動計入其他綜合收益的金融資產 | 4,675                             | 4,675                             |
|  |                           | <b>15,389,686</b>                 | 14,924,378                        |
| <b>Financial liabilities</b>                                       | <b>金融負債</b>               |                                   |                                   |
| Financial liabilities at amortised cost                            | 按攤銷成本計量的金融負債              |                                   |                                   |
| – Borrowings   | – 借款                      | 27,541,815                        | 21,618,930                        |
| – Trade and other payables (*)                                     | – 貿易及其他應付款項(*)            | 8,727,025                         | 6,717,053                         |
| – Lease liabilities  | – 租賃負債                    | 49,034                            | 50,610                            |
|  |                           | <b>36,317,874</b>                 | 28,386,593                        |

\* Excluding staff welfare benefit payable and other taxes payable.

\* 不包括應付員工福利及其他應付稅項。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 3. FINANCIAL RISK MANAGEMENT (Cont'd)

#### 3.4 Fair value estimation

The Group's financial instruments recognised in the consolidated balance sheet are mainly receivables and financial liabilities carried at amortised cost. The fair values of these financial instruments approximate their carrying amounts.

Financial instruments carried at fair value are disclosed by levels of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing these financial statements are evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

### 3. 財務風險管理(續)

#### 3.4 公平值估計

本集團於合併資產負債表內確認的金融工具主要為按攤銷成本列賬的應收款項及金融負債。該等金融工具的公平值與其賬面值相若。

按公平值列賬的金融工具乃按以下公平值計量層級進行披露：

- 相同資產或負債在活躍市場的報價(未經調整)(第一級)。
- 除第一級所包括的報價外，該資產或負債的可觀察(直接(即價格)或間接(即源自價格))輸入數據(第二級)。
- 並非依據可觀察市場數據得出的資產或負債的輸入數據(即不可觀察輸入數據)(第三級)。

### 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。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

#### (a) Service concession arrangements under financial asset model

When the Group is paid for the construction and upgrade services by a financial asset, significant judgement is exercised in determining the fair values of the financial asset at initial recognition. Cash flow forecast, effective interest rate and other factors are used in the valuation model. Any changes in the expected cash flows, such as forecasted unit price of service fee, operating costs and profit margins of the operating services, will result in change in the carrying value of the financial asset and the revenue recognised in concession period.

According to the service concession arrangements signed with the Grantors, the unit price of service fee would be periodically adjusted to compensate operating cost increase, including labour costs, material costs, taxation, through a pricing mechanism which is still subject to regulation by local government authorities. Judgement is required in assessing whether increase in costs can be compensated through unit price adjustment and the timing. In making this judgement, the Group evaluates the pricing mechanism in the service concession arrangements, the extent of development of the project and status of negotiation with the government authorities.

#### (b) Impairment provision of trade receivables

The Group records impairment provision of trade receivables based on an assessment made by management on the ECL of trade receivables. The evaluations focused on the customers' settlement history and current ability to pay, and took into account information specific to the customers as well as pertaining to the economic environment in which the customers operated. Provisions are made where events or changes in circumstances indicate that the balances may not be collectible. Impairment assessment requires the use of judgement and estimates. The Group would revisit and evaluate those assumptions related with ECL model periodically.

### 4. 主要會計估計及判斷(續)

#### (a) 金融資產模型下的服務特許經營安排

本集團為運營商提供建設及升級服務而形成金融資產時，釐定金融資產初始確認的公平值時需進行重大判斷。於估值模型中使用現金流量預測、實際利率及其他因素。倘預期現金流量(如預測服務費單價、運營服務的運營成本及毛利率)有任何變動，將導致金融資產賬面值及於特許經營期內確認的收益產生變動。

根據與授予人簽訂的服務特許經營安排，服務費單價會按照定價機制(仍受地方政府部門監管)定期調整，以抵銷勞工成本、材料成本、稅項等經營成本漲幅。評估成本漲幅可否通過調整單價進行抵銷以及調整時機時，須作出判斷。作出判斷時，本集團會評估服務特許經營安排中的定價機制、項目發展程度以及與政府部門的磋商情況。

#### (b) 貿易應收款項減值撥備

本集團根據管理層對貿易應收款項預期信貸虧損作出的評估入賬貿易應收款項減值撥備。該等評估重點關注客戶的歷史結算記錄及當前支付能力，並考慮客戶自身及其經營所處的經濟環境的特定信息。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。本集團將定期回顧及評估該等與預期信貸虧損有關的假設。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

#### (c) Income taxes and deferred income taxation

The Group is primarily subject to income taxes in the PRC, Hong Kong, Thailand and Indonesia. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred income tax provision in the year in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

#### (d) Impairment assessment of goodwill

Goodwill is reviewed for impairment at each balance sheet date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts of goodwill has been determined based on fair value less costs to disposal calculations, taking into account latest market information and past experience. These calculations require the use of judgements and estimates.

### 4. 主要會計估計及判斷(續)

#### (c) 所得稅及遞延所得稅項

本集團主要須繳納中國、香港、泰國及印尼所得稅。釐定所得稅撥備時須作出重大判斷。於日常業務過程中，不少交易及計算的最終釐定均不確定。倘此等事宜的最終稅務結果與初步記錄的金額不同，有關差額將影響於作出有關釐定的年度所得稅及遞延所得稅項撥備。

當管理層認為未來可能有應課稅溢利以用作抵銷暫時差額或稅項虧損時，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不同。

#### (d) 商譽減值評估

商譽於各資產負債表日期或有事件發生或狀況轉變顯示可能無法收回其賬面值時檢討是否出現減值。商譽的可收回金額乃根據公平值減處置費用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。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 5. SEGMENT INFORMATION

The executive directors of the Company are the chief operating decision-maker of the Group. Management has determined the operating segments based on reports reviewed by the executive directors of the Company for the purpose of allocating resources and assessing performance.

The executive directors of the Company consider the business from product and service perspective. The Group is organised into five business segments as below:

- (a) Wastewater treatment;
- (b) Water supply;
- (c) Construction and sales of equipment;
- (d) Solid waste treatment;
- (e) Others, including operation and maintenance services and other businesses.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment results, which is a measure of revenue and gross profit of each operating segment.

The amounts provided to the executive directors of the Company with respect to total assets and total liabilities are measured in a manner consistent with that of the financial statements. These assets and liabilities are allocated based on the operations of the segment.

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

Unallocated liabilities mainly represented certain borrowings, certain payables and deferred income of the group entities engaging in multiple business segments. Management considered that it is impracticable or not meaningful in allocating to different segments.

### 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。本集團分為五個業務分部，詳情如下：

- (a) 污水處理；
- (b) 供水；
- (c) 建造及設備銷售；
- (d) 固廢處理；
- (e) 其他，包括運營和維護服務及其他業務。

管理層分開監察本集團經營分部的業績，以對資源分配及表現評估作出決策。分部表現按可呈報分部業績進行評估，其為各經營分部收入及毛利的一種計量。

本公司執行董事獲提供的總資產及總負債金額乃以與財務報表所採用者一致的方式計量。該等資產及負債根據分部經營業務進行分配。

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

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

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 5. SEGMENT INFORMATION (Cont'd)

- (i) Segment results and capital expenditure for the year ended 31 December 2020 are as follows:

**Year ended 31 December 2020:**

|   |                           | Wastewater<br>treatment | Water<br>supply  | Construction<br>and sales of<br>equipment<br>建造及<br>設備銷售 | Solid waste<br>treatment | Others           | Unallocated      | Total            |
|---|---------------------------|-------------------------|------------------|--|--------------------------|------------------|------------------|------------------|
|   |                           | RMB'000<br>人民幣千元        | RMB'000<br>人民幣千元 | RMB'000<br>人民幣千元   | RMB'000<br>人民幣千元         | RMB'000<br>人民幣千元 | RMB'000<br>人民幣千元 | RMB'000<br>人民幣千元 |
| Gross segment revenue   | 分部收益總額                    | 5,286,533               | 975,588          | 1,912,808  | 1,346,698                | 166,699          | —                | 9,688,326        |
| Inter-segment revenue   | 分部間收益                     | —                       | —                | (1,291,696)  | —                        | —                | —                | (1,291,696)      |
| Revenue from external customers   | 來自外部客戶的收入                 | 5,286,533               | 975,588          | 621,112  | 1,346,698                | 166,699          | —                | 8,396,630        |
| Revenue from contracts with customers   | 與客戶合約之收入                  |                         |                  |  |                          |                  |                  |                  |
| – Recognised at a point in time   | – 於某一點點確認                 | —                       | 683,764          | 324,143  | —                        | —                | —                | 1,007,907        |
| – Recognised at over time   | – 於某一時段確認                 | 4,695,819               | 241,824          | 296,969  | 1,300,224                | 166,699          | —                | 6,701,535        |
| Revenue from other sources  | 其他收入來源                    |                         |                  |  |                          |                  |                  |                  |
| – Finance income  | – 融資收入                    | 590,714                 | 50,000           | —  | 46,474                   | —                | —                | 687,188          |
| Gross profit  | 毛利                        | 1,314,752               | 270,890          | 344,473  | 110,239                  | 55,778           | —                | 2,096,132        |
| Other income  | 其他收入                      |                         |                  |  |                          |                  |                  | 86,668           |
| Other gains — net   | 其他收益淨額                    |                         |                  |  |                          |                  |                  | 48,810           |
| Selling expenses  | 銷售開支                      |                         |                  |  |                          |                  |                  | (42,445)         |
| Administrative expenses   | 行政開支                      |                         |                  |  |                          |                  |                  | (441,692)        |
| Impairment losses on financial assets   | 金融資產減值虧損                  |                         |                  |  |                          |                  |                  | (70,156)         |
| Finance costs — net   | 融資成本淨額                    |                         |                  |  |                          |                  |                  | (1,253,263)      |
| Share of profit/(loss) of investments accounted for using the equity method — net                 | 以權益法入賬的應佔投資溢利/(虧損)淨額      | 29,699                  | 8,918            | 15,299   | 50,231                   | 3,499            | (29,076)         | 78,570           |
| Profit before income tax  | 所得稅前溢利                    |                         |                  |  |                          |                  |                  | 502,624          |
| Income tax expenses   | 所得稅開支                     |                         |                  |  |                          |                  |                  | (161,313)        |
| Profit for the year   | 年內溢利                      |                         |                  |  |                          |                  |                  | 341,311          |
| Depreciation and amortisation   | 折舊和攤銷                     | (152,699)               | (222,233)        | (13,052)   | (175,052)                | (15,320)         | (12,521)         | (590,877)        |
| Segment assets  | 分部資產                      | 21,570,460              | 8,254,206        | 6,788,458  | 9,076,813                | 986,914          | 575,963          | 47,252,814       |
| Segment assets include:   | 分部資產包括:                   |                         |                  |  |                          |                  |                  |                  |
| Investments accounted for using the equity method   | 以權益法入賬的投資                 | 265,724                 | 55,507           | 60,660   | 192,462                  | 38,033           | 240,398          | 852,784          |
| Segment liabilities   | 分部負債                      | 10,110,711              | 1,364,570        | 4,327,386  | 3,203,200                | 777,924          | 19,861,461       | 39,645,252       |
| Additions to non-current assets (other than financial instruments and deferred income tax assets) | 非流動資產的添置 (金融工具和遞延所得稅資產除外) | 5,295,921               | 731,037          | 333,046  | 1,292,150                | 21,306           | 16,066           | 7,689,526        |

### 5. 分部資料(續)

- (i) 截至二零二零年十二月三十一日止年度的分部業績及資本支出如下:

截至二零二零年十二月三十一日止年度:



# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 5. SEGMENT INFORMATION (Cont'd)

(i) Segment results and capital expenditure for the year ended 31 December 2020 are as follows: (Cont'd)

**Year ended 31 December 2019:**

|   |                           | Wastewater<br>treatment  | Water<br>supply        | Construction<br>and sales of<br>equipment<br>建造及<br>設備銷售 | Solid waste<br>treatment | Others                 | Unallocated             | Total                  |
|---|---------------------------|--------------------------|------------------------|--|--------------------------|------------------------|-------------------------|------------------------|
|   |                           | 污水處理<br>RMB'000<br>人民幣千元 | 供水<br>RMB'000<br>人民幣千元 | 設備銷售<br>RMB'000<br>人民幣千元                                 | 固廢處理<br>RMB'000<br>人民幣千元 | 其他<br>RMB'000<br>人民幣千元 | 未分配<br>RMB'000<br>人民幣千元 | 總計<br>RMB'000<br>人民幣千元 |
| Gross segment revenue   | 分部收益總額                    | 2,978,368                | 1,230,737              | 1,618,895  | 1,514,561                | 99,791                 | —                       | 7,442,352              |
| Inter-segment revenue   | 分部間收益                     | —                        | —                      | (904,328)  | —                        | —                      | —                       | (904,328)              |
| Revenue from external customers   | 來自外部客戶的收入                 | 2,978,368                | 1,230,737              | 714,567  | 1,514,561                | 99,791                 | —                       | 6,538,024              |
| Revenue from contracts with customers   | 與客戶合約之收入                  |                          |                        |  |                          |                        |                         |                        |
| – Recognised at a point in time   | – 於某一時點確認                 | —                        | 623,028                | 407,965  | —                        | —                      | —                       | 1,030,993              |
| – Recognised at over time   | – 於某一時段確認                 | 2,564,606                | 556,004                | 306,602  | 1,505,231                | 99,791                 | —                       | 5,032,234              |
| Revenue from other sources  | 其他收入來源                    |                          |                        |  |                          |                        |                         |                        |
| – Finance income  | – 融資收入                    | 413,762                  | 51,705                 | —  | 9,330                    | —                      | —                       | 474,797                |
| Gross profit  | 毛利                        | 946,576                  | 236,761                | 337,764  | 266,203                  | 45,009                 | —                       | 1,832,313              |
| Other income  | 其他收入                      |                          |                        |  |                          |                        |                         | 124,024                |
| Other losses — net  | 其他虧損淨額                    |                          |                        |  |                          |                        |                         | (1,425)                |
| Selling expenses  | 銷售開支                      |                          |                        |  |                          |                        |                         | (43,398)               |
| Administrative expenses   | 行政開支                      |                          |                        |  |                          |                        |                         | (424,196)              |
| Impairment losses on financial assets   | 金融資產減值虧損                  |                          |                        |  |                          |                        |                         | (48,526)               |
| Finance costs — net   | 融資成本淨額                    |                          |                        |  |                          |                        |                         | (814,167)              |
| Share of profit/(loss) of investments accounted for using the equity method — net                 | 以權益法入賬的應佔投資溢利/(虧損)淨額      | 30,304                   | 5,223                  | 10,644   | 24,542                   | —                      | (17,789)                | 52,924                 |
| Profit before income tax  | 所得稅前溢利                    |                          |                        |  |                          |                        |                         | 677,549                |
| Income tax expenses   | 所得稅開支                     |                          |                        |  |                          |                        |                         | (123,741)              |
| Profit for the year   | 年內溢利                      |                          |                        |  |                          |                        |                         | 553,808                |
| Depreciation and amortisation   | 折舊和攤銷                     | (131,155)                | (171,761)              | (16,804)   | (170,718)                | (14,724)               | (15,430)                | (520,592)              |
| Segment assets  | 分部資產                      | 15,619,480               | 7,277,522              | 5,508,035  | 7,348,612                | 986,814                | 3,128,669               | 39,869,132             |
| Segment assets include:   | 分部資產包括:                   |                          |                        |  |                          |                        |                         |                        |
| Investments accounted for using the equity method   | 以權益法入賬的投資                 | 236,025                  | 46,590                 | 45,361   | 464,034                  | 34,534                 | 269,473                 | 1,096,017              |
| Segment liabilities   | 分部負債                      | 5,983,320                | 1,178,220              | 2,230,171  | 2,005,710                | 1,138,799              | 18,786,927              | 31,323,147             |
| Additions to non-current assets (other than financial instruments and deferred income tax assets) | 非流動資產的添置 (金融工具和遞延所得稅資產除外) | 2,423,830                | 489,061                | 398,021  | 1,846,925                | 70,697                 | 1,559                   | 5,230,093              |

### 5. 分部資料(續)

(i) 截至二零二零年十二月三十一日止年度的分部業績及資本支出如下:(續)

**截至二零一九年十二月三十一日止年度:**

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 5. SEGMENT INFORMATION (Cont'd)

- (ii) Segment assets and liabilities are measured in the same way as in the financial statements. The table of segment assets/liabilities by region is as follows:

|                            |             | As at 31 December<br>於十二月三十一日     |                                   |
|----------------------------|-------------|-----------------------------------|-----------------------------------|
|                            |             | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| <b>Segment assets</b>      | <b>分部資產</b> |                                   |                                   |
| - Mainland China           | - 中國大陸      | 45,097,231                        | 35,102,965                        |
| - Thailand                 | - 泰國        | 548,210                           | 620,371                           |
| - Indonesia                | - 印尼        | 913,764                           | 861,630                           |
| - Hong Kong                | - 中國香港      | 109,881                           | 142,481                           |
| - Singapore                | - 新加坡       | 7,765                             | 13,016                            |
| Total segment assets       | 分部資產總額      | 46,676,851                        | 36,740,463                        |
| - Unallocated              | - 未分配       | 575,963                           | 3,128,669                         |
| Total assets               | 總資產         | 47,252,814                        | 39,869,132                        |
| <b>Segment liabilities</b> | <b>分部負債</b> |                                   |                                   |
| - Mainland China           | - 中國大陸      | 19,146,912                        | 11,894,996                        |
| - Thailand                 | - 泰國        | 142,730                           | 132,837                           |
| - Indonesia                | - 印尼        | 450,828                           | 465,420                           |
| - Hong Kong                | - 中國香港      | 19,670                            | 19,901                            |
| - Singapore                | - 新加坡       | 23,651                            | 23,066                            |
| Total segment liabilities  | 分部負債總額      | 19,783,791                        | 12,536,220                        |
| - Unallocated              | - 未分配       | 19,861,461                        | 18,786,927                        |
| Total liabilities          | 總負債         | 39,645,252                        | 31,323,147                        |

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.

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。

### 5. 分部資料(續)

- (ii) 分部資產及負債以相同方式在財務報表中計量。下表載列按地域劃分的分部資產/負債：

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 5. SEGMENT INFORMATION (Cont'd)

- (iii) The revenue of group entities from external customers broken down by location of the goods or services are delivered to is shown in the table below.

|                |      | Year ended 31 December<br>截至十二月三十一日止年度 |                                   |
|----------------|------|--|-----------------------------------|
|                |      | 2020<br>二零二零年<br>RMB'000<br>人民幣千元      | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Mainland China | 中國大陸 | 7,982,874                              | 6,161,315                         |
| Indonesia      | 印尼   | 356,607                                | 274,996                           |
| Thailand       | 泰國   | 55,239                                 | 99,803                            |
| Hong Kong      | 中國香港 | 1,910                                  | 1,910                             |
|                |      | <b>8,396,630</b>                       | 6,538,024                         |

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

|   |                        | Year ended 31 December<br>截至十二月三十一日止年度 |                                   |
|---|------------------------|--|-----------------------------------|
|   |                        | 2020<br>二零二零年<br>RMB'000<br>人民幣千元      | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Operating services  | 運營服務                   | 1,825,725                              | 1,800,114                         |
| Construction services   | 建造服務                   | 5,095,906                              | 3,493,855                         |
| Finance income  | 融資收入                   | 687,188                                | 474,797                           |
| Engineering-Procurement-Construction ("EPC") and sales of equipment | 設計－採購－施工 (「EPC」) 及設備銷售 | 621,112                                | 669,467                           |
| Others  | 其他                     | 166,699                                | 99,791                            |
|   |                        | <b>8,396,630</b>                       | 6,538,024                         |

### 5. 分部資料(續)

- (iii) 收集團實體來自外部客戶的收益按交付貨品或服務的地點劃分的明細載列下表。

|                |      | Year ended 31 December<br>截至十二月三十一日止年度 |                                   |
|----------------|------|--|-----------------------------------|
|                |      | 2020<br>二零二零年<br>RMB'000<br>人民幣千元      | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Mainland China | 中國大陸 | 7,982,874                              | 6,161,315                         |
| Indonesia      | 印尼   | 356,607                                | 274,996                           |
| Thailand       | 泰國   | 55,239                                 | 99,803                            |
| Hong Kong      | 中國香港 | 1,910                                  | 1,910                             |
|                |      | <b>8,396,630</b>                       | 6,538,024                         |

- (iv) 自全部服務及銷售貨品產生的收益之明細載列如下：

|   |                        | Year ended 31 December<br>截至十二月三十一日止年度 |                                   |
|---|------------------------|--|-----------------------------------|
|   |                        | 2020<br>二零二零年<br>RMB'000<br>人民幣千元      | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Operating services  | 運營服務                   | 1,825,725                              | 1,800,114                         |
| Construction services   | 建造服務                   | 5,095,906                              | 3,493,855                         |
| Finance income  | 融資收入                   | 687,188                                | 474,797                           |
| Engineering-Procurement-Construction ("EPC") and sales of equipment | 設計－採購－施工 (「EPC」) 及設備銷售 | 621,112                                | 669,467                           |
| Others  | 其他                     | 166,699                                | 99,791                            |
|   |                        | <b>8,396,630</b>                       | 6,538,024                         |

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 5. SEGMENT INFORMATION (Cont'd)

(v) Assets and liabilities related to contracts with customers

The Group has recognised the following assets and liabilities related to contracts with customers:

|   |             | <b>As at 31<br/>December<br/>2020</b> | As at 31<br>December<br>2019 |
|---|-------------|---------------------------------------|------------------------------|
|   |             | 於二零二零年<br>十二月三十一日<br><b>RMB'000</b>   | 於二零一九年<br>十二月三十一日<br>RMB'000 |
|   |             | 人民幣千元                                 | 人民幣千元                        |
| Contract assets — Non-current               | 合約資產 — 非流動  |                                       |                              |
| – Related to wastewater treatment services  | – 與污水處理服務有關 | <b>8,730,148</b>                      | 4,853,538                    |
| – Related to construction services          | – 與建造服務有關   | <b>908,973</b>                        | 791,226                      |
| – Related to solid waste treatment services | – 與固廢處理服務有關 | <b>746,511</b>                        | —                            |
| – Related to water supply services          | – 與供水服務有關   | <b>579,961</b>                        | 547,090                      |
| Less: provision for impairment              | 減：減值撥備      | <b>(5,760)</b>                        | —                            |
|   |             | <b>10,959,833</b>                     | 6,191,854                    |
| Contract assets — Current                   | 合約資產 — 流動   |                                       |                              |
| – Related to wastewater treatment services  | – 與污水處理服務有關 | <b>285,711</b>                        | 255,588                      |
| – Related to construction services          | – 與建造服務有關   | <b>262,026</b>                        | 253,452                      |
| – Related to water supply services          | – 與供水服務有關   | <b>17,733</b>                         | 12,018                       |
|   |             | <b>565,470</b>                        | 521,058                      |
|   |             | <b>11,525,303</b>                     | 6,712,912                    |
| Contract liabilities — Current              | 合約負債 — 流動   |                                       |                              |
| – Related to construction services          | – 與建造服務有關   | <b>53,138</b>                         | 70,205                       |
| – Related to water supply services          | – 與供水服務有關   | <b>28,551</b>                         | 26,780                       |
| – Related to solid waste treatment services | – 與固廢處理服務有關 | <b>6,462</b>                          | 9,691                        |
|   |             | <b>88,151</b>                         | 106,676                      |

### 5. 分部資料(續)

(v) 與客戶訂立合約相關之資產及負債

本集團將已確認以下與客戶訂立合約相關之資產及負債：

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 5. SEGMENT INFORMATION (Cont'd)

- (vi) Revenue from customers contributing over 10% of the total revenue of the Group is as follow:

|               |             | Year ended 31 December<br>截至十二月三十一日止年度 |                                   |
|---------------|-------------|--|-----------------------------------|
|               |             | 2020<br>二零二零年<br>RMB'000<br>人民幣千元      | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| YCIH (note a) | 雲南建投集團(附註a) | <b>423,025</b>                         | 684,494                           |

- (a) YCIH represents Yunnan Construction and Investment Holding Group Co., Ltd. and its subsidiaries, which are related parties of the Group. The detailed information of transactions with YCIH is depicted in note 37(f).

### 5. 分部資料(續)

- (vi) 對本集團總收入貢獻超過10%的客戶收入如下：

|               |             | Year ended 31 December<br>截至十二月三十一日止年度 |                                   |
|---------------|-------------|--|-----------------------------------|
|               |             | 2020<br>二零二零年<br>RMB'000<br>人民幣千元      | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| YCIH (note a) | 雲南建投集團(附註a) | <b>423,025</b>                         | 684,494                           |

- (a) 雲南建投集團指本集團的關聯方雲南省建設投資控股集團有限公司及其附屬公司。與雲南建投集團交易的詳情資料列明於附註37(f)。

### 6. OTHER INCOME

|                         |       | Year ended 31 December<br>截至十二月三十一日止年度 |                                   |
|-------------------------|-------|--|-----------------------------------|
|                         |       | 2020<br>二零二零年<br>RMB'000<br>人民幣千元      | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Government grants       | 政府補助  | <b>41,938</b>                          | 88,435                            |
| Value-added tax refunds | 增值稅退稅 | <b>16,355</b>                          | 23,460                            |
| Miscellaneous income    | 雜項收入  | <b>28,375</b>                          | 12,129                            |
|                         |       | <b>86,668</b>                          | 124,024                           |

### 6. 其他收入

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 7. OTHER GAINS/(LOSSES) — NET

### 7. 其他收益／(虧損)淨額

|  |                            | Year ended 31 December<br>截至十二月三十一日止年度 |                                   |
|--|----------------------------|--|-----------------------------------|
|  |                            | 2020<br>二零二零年<br>RMB'000<br>人民幣千元      | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Net gain on disposal of investment in a joint venture (note 16)                | 出售合營公司投資產生的收益淨額(附註16)      | 42,397                                 | —                                 |
| Net fair value losses on financial assets at fair value through profit or loss | 以公平值計量且其變動計入損益的金融資產之公平值淨虧損 | (466)                                  | (9,985)                           |
| Others   | 其他                         | 6,879                                  | 8,560                             |
|  |                            | <b>48,810</b>                          | <b>(1,425)</b>                    |

### 8. EXPENSES BY NATURE

### 8. 按性質劃分的開支

|  |                    | Year ended 31 December<br>截至十二月三十一日止年度 |                                   |
|--|--------------------|--|-----------------------------------|
|  |                    | 2020<br>二零二零年<br>RMB'000<br>人民幣千元      | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Employee benefit expenses (note 9)   | 僱員福利開支(附註9)        | 588,882                                | 605,333                           |
| Depreciation of property, plant and equipment (note 17)                        | 物業、廠房及設備折舊(附註17)   | 191,652                                | 177,369                           |
| Depreciation of right-of-use assets (note 19)                                  | 使用權資產折舊(附註19)      | 24,430                                 | 19,777                            |
| Depreciation of investment properties (note 18)                                | 投資物業折舊(附註18)       | 845                                    | 852                               |
| Amortisation of intangible assets (note 21)                                    | 無形資產攤銷(附註21)       | 373,950                                | 322,594                           |
| Legal and professional fee   | 法律及專業費用            | 34,589                                 | 28,118                            |
| Auditor's remuneration   | 核數師薪酬              | 7,450                                  | 7,450                             |
| – Audit services   | – 審計服務             | 7,250                                  | 7,250                             |
| – Non-audit services   | – 非審計服務            | 200                                    | 200                               |
| Electricity, raw materials consumptions and other costs for operating services | 經營服務的電力、原材料消耗及其他成本 | 639,689                                | 526,466                           |
| Costs of construction services   | 建造服務成本             | 4,524,020                              | 3,065,263                         |
| Costs of EPC and sales of equipment  | EPC及銷售設備成本         | 247,449                                | 284,080                           |

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 9. EMPLOYEE BENEFIT EXPENSES, INCLUDING DIRECTORS' EMOLUMENTS

### 9. 僱員福利開支 — 包括董事酬金

|   |                   | Year ended 31 December<br>截至十二月三十一日止年度 |                                   |
|---|-------------------|--|-----------------------------------|
|   |                   | 2020<br>二零二零年<br>RMB'000<br>人民幣千元      | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Wages and salaries  | 工資及薪金             | 462,065                                | 447,129                           |
| Pension costs of defined contribution plans                   | 定額供款計劃的退休金成本      | 10,710                                 | 56,193                            |
| Housing funds, medical insurances and other social insurances | 住房公積金、醫療保險及其他社會保險 | 58,520                                 | 58,062                            |
| Other welfare and allowance                                   | 其他津貼及福利           | 57,587                                 | 43,949                            |
|   |                   | <b>588,882</b>                         | 605,333                           |

#### (a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2019: two) directors, whose emoluments are reflected in the analysis shown in note 39. The emoluments payable to the remaining three (2019: 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兩名(二零一九年：兩名)董事，其酬金反映於附註39所列分析。於本年度向餘下三名(二零一九年：三名)人士應付的酬金如下所示：

|  |                  | Year ended 31 December<br>截至十二月三十一日止年度 |                                   |
|--|------------------|--|-----------------------------------|
|  |                  | 2020<br>二零二零年<br>RMB'000<br>人民幣千元      | 2019<br>二零一九年<br>RMB'000<br>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 | 2,594                                  | 3,739                             |

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

### 9. EMPLOYEE BENEFIT EXPENSES, INCLUDING DIRECTORS' EMOLUMENTS (Cont'd)

#### (a) Five highest paid individuals (Cont'd)

The emoluments of these remaining individuals of the Group fell within the following bands:

|   |   | Year ended 31 December<br>截至十二月三十一日止年度 |               |
|---|---|--|---------------|
|   |   | 2020<br>二零二零年                          | 2019<br>二零一九年 |
| Emolument bands   | 酬金範圍  |  |               |
| RMB445,000 to RMB889,000 (equivalent to HKD500,000 to HKD1,000,000)       | 人民幣445,000元至<br>人民幣889,000元<br>(相等於500,000港元至<br>1,000,000港元)       | 2                                      | —             |
| RMB889,000 to RMB1,334,000 (equivalent to HKD1,000,000 to HKD1,500,000)   | 人民幣889,000元至<br>人民幣1,334,000元<br>(相等於1,000,000港元至<br>1,500,000港元)   | 1                                      | 2             |
| RMB1,334,000 to RMB1,779,000 (equivalent to HKD1,500,000 to HKD2,000,000) | 人民幣1,334,000元至<br>人民幣1,779,000元<br>(相等於1,500,000港元至<br>2,000,000港元) | —                                      | 1             |

### 9. 僱員福利開支 — 包括董事酬金(續)

#### (a) 五名最高薪人士(續)

本集團該等餘下人士的酬金介乎以下範圍：

### 10. FINANCE INCOME AND EXPENSES

### 10. 融資收入及開支

|   |                     | Year ended 31 December<br>截至十二月三十一日止年度 |                                   |
|---|---------------------|--|-----------------------------------|
|   |                     | 2020<br>二零二零年<br>RMB'000<br>人民幣千元      | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| <b>Finance income</b>                                   | <b>融資收入</b>         |  |                                   |
| – Net exchange gains on financing activities (note a)   | – 融資活動的匯兌收益淨額 (附註a) | 15,170                                 | 40,658                            |
| – Interest income                                       | – 利息收入              | 13,825                                 | 25,597                            |
|   |                     | <b>28,995</b>                          | 66,255                            |
| <b>Finance expenses</b>                                 | <b>融資開支</b>         |  |                                   |
| – Borrowing costs                                       | – 借款成本              | (1,477,909)                            | (1,063,193)                       |
| Less: amounts capitalised on qualifying assets (note b) | 減：合資格資產的資本化金額(附註b)  | 204,006                                | 191,435                           |
|   |                     | <b>(1,273,903)</b>                     | (871,758)                         |
| – Unwinding of provision (note 33)                      | – 解除撥備(附註33)        | (8,355)                                | (8,664)                           |
|   |                     | <b>(1,282,258)</b>                     | (880,422)                         |
| Finance costs — net                                     | 融資成本淨額              | <b>(1,253,263)</b>                     | (814,167)                         |



# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 10. FINANCE INCOME AND EXPENSES (Cont'd)

- (a) Amounts mainly represented the exchange gains or losses of translating cash and cash equivalents and borrowings denominated in Non-functional currencies.
- (b) Borrowing costs were capitalised at the weighted average rate of 5.74% for the year ended 31 December 2020 (2019: 5.35%).

### 10. 融資收入及開支(續)

- (a) 該款項主要指換算以非功能貨幣計值的現金及現金等價物及借款的匯兌損益。
- (b) 截至二零二零年十二月三十一日止年度，借款成本乃按5.74%（二零一九年：5.35%）的加權平均利率予以資本化。

### 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           |           |
|   |                   | 2020                   | 2019      |
|   |                   | 二零二零年                  | 二零一九年     |
|   |                   | RMB'000                | RMB'000   |
|   |                   | 人民幣千元                  | 人民幣千元     |
| Current income tax                                      | 即期所得稅             |                        |           |
| – Corporate income tax                                  | – 企業所得稅           | 239,640                | 203,490   |
| Deferred income tax                                     | 遞延所得稅             |                        |           |
| – Increase in deferred income tax assets (note 32)      | – 遞延所得稅資產增加(附註32) | (263,045)              | (200,643) |
| – Increase in deferred income tax liabilities (note 32) | – 遞延所得稅負債增加(附註32) | 184,718                | 120,894   |
|   |                   | <b>(78,327)</b>        | (79,749)  |
|   |                   | <b>161,313</b>         | 123,741   |

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 11. INCOME TAX EXPENSES (Cont'd)

#### (a) PRC corporate income tax

Certain subsidiaries in certain industries operating in the western region of Mainland China can enjoy a preferential corporate income tax rate of 15%, provided their revenues generated from main operating activities accounted for more than 70% of their total revenues of the period.

Certain subsidiaries operating wastewater and solid waste treatment projects in Mainland China are eligible for a tax holiday of three-year full exemption followed by three-year half exemption of corporate income tax commencing from their first year generating operating revenue.

Except for preferential treatments available to certain subsidiaries as mentioned above, other subsidiaries within the Group in Mainland China are subject to corporate income tax at the statutory rate of 25% (2019: 25%).

#### (b) Thailand corporate income tax

The subsidiary operating solid waste treatment project in Thailand is eligible for an eight-year tax holiday of full exemption from July 2013 to June 2020 and subject to corporate income tax at the statutory rate of 20% from July 2020.

#### (c) Hong Kong profits tax

The applicable Hong Kong profits tax rate is 16.5% for the year ended 31 December 2020 (2019: 16.5%).

No provision for Hong Kong profits tax was made as the Group did not have any assessable profit in Hong Kong for the year ended 31 December 2020 (2019: same).

#### (d) Indonesia corporate income tax

The subsidiary operating solid waste treatment project in Indonesia is subject to corporate income tax at the statutory rate of 22% for the year ended 31 December 2020 (2019: same).

### 11. 所得稅開支(續)

#### (a) 中國企業所得稅

在中國大陸西部地區從事若干行業的若干附屬公司可享受15%的優惠企業所得稅稅率，前提是其主要營運業務收益須達到其當期收益總額的70%以上。

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

除上文所述若干附屬公司可享受優惠待遇外，本集團於中國大陸的其他附屬公司須按法定稅率25%（二零一九年：25%）繳納企業所得稅。

#### (b) 泰國企業所得稅

在泰國經營固廢處理項目的附屬公司自二零一三年七月至二零二零年六月起可享有八年完全免稅期。自二零二零年七月起按法定稅率20%繳納企業所得稅。

#### (c) 香港利得稅

截至二零二零年十二月三十一日止年度，適用的香港利得稅稅率為16.5%（二零一九年：16.5%）。

由於本集團於截至二零二零年十二月三十一日止年度並無在香港產生應課稅溢利，故並無計提香港利得稅撥備（二零一九年：相同）。

#### (d) 印尼企業所得稅

截至二零二零年十二月三十一日止年度，在印尼經營固廢處理項目的附屬公司須按22%的法定稅率繳納企業所得稅（二零一九年：相同）。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 11. INCOME TAX EXPENSES (Cont'd)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profit of the group entities as follows:

|   |                                | Year ended 31 December<br>截至十二月三十一日止年度 |                                   |
|---|--------------------------------|--|-----------------------------------|
|   |                                | 2020<br>二零二零年<br>RMB'000<br>人民幣千元      | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Profit before income tax  | 所得稅前溢利                         | 502,624                                | 677,549                           |
| Less: Share of profits of investments<br>accounted for using the equity method                                      | 減：以權益法入賬的<br>應佔投資溢利            | (78,570)                               | (52,924)                          |
|   |                                | <b>424,054</b>                         | 624,625                           |
| Tax calculated at tax rates applicable to profits<br>in the respective companies                                    | 按有關公司溢利適用的<br>稅率計算的稅項          | 104,131                                | 85,691                            |
| Effect of expenses not deductible for tax purpose<br>and tax losses not recognised as deferred<br>income tax assets | 不可扣稅開支及未確認為遞延<br>所得稅資產的稅務虧損的影響 | 57,182                                 | 38,050                            |
| Income tax expenses   | 所得稅開支                          | <b>161,313</b>                         | 123,741                           |

Deferred income tax assets are recognised for tax losses carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. As at 31 December 2020, the Group did not recognise deferred income tax assets of RMB43,809,000 (2019: RMB19,308,000) in respect of tax losses amounting to RMB208,518,000 (2019: RMB92,991,000) that can be carried forward against future taxable income, which will expire by 2025.

### 11. 所得稅開支(續)

本集團除所得稅前溢利的稅項有別於使用適用於集團實體的溢利的加權平均稅率所計算的理論金額，具體如下：

|   |                                | Year ended 31 December<br>截至十二月三十一日止年度 |                                   |
|---|--------------------------------|--|-----------------------------------|
|   |                                | 2020<br>二零二零年<br>RMB'000<br>人民幣千元      | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Profit before income tax  | 所得稅前溢利                         | 502,624                                | 677,549                           |
| Less: Share of profits of investments<br>accounted for using the equity method                                      | 減：以權益法入賬的<br>應佔投資溢利            | (78,570)                               | (52,924)                          |
|   |                                | <b>424,054</b>                         | 624,625                           |
| Tax calculated at tax rates applicable to profits<br>in the respective companies                                    | 按有關公司溢利適用的<br>稅率計算的稅項          | 104,131                                | 85,691                            |
| Effect of expenses not deductible for tax purpose<br>and tax losses not recognised as deferred<br>income tax assets | 不可扣稅開支及未確認為遞延<br>所得稅資產的稅務虧損的影響 | 57,182                                 | 38,050                            |
| Income tax expenses   | 所得稅開支                          | <b>161,313</b>                         | 123,741                           |

就結轉之稅務虧損而確認之遞延所得稅資產僅限於有關稅務利益可透過未來應課稅盈利實現之情況。於二零二零年十二月三十一日，本集團並無就可結轉抵銷未來應課稅收入的稅項虧損人民幣208,518,000元(二零一九年：人民幣92,991,000元)確認遞延所得稅資產人民幣43,809,000元(二零一九年：人民幣19,308,000元)，且其將於二零二五年前陸續到期。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 12. EARNINGS PER SHARE

#### (a) Basic

The basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares issued during the year ended 31 December 2020.

|   |                      | Year ended 31 December |           |
|---|----------------------|------------------------|-----------|
|   |                      | 截至十二月三十一日止年度           |           |
|   |                      | 2020                   | 2019      |
|   |                      | 二零二零年                  | 二零一九年     |
| Profit attributable to the ordinary shareholders of the Company (RMB'000) | 本公司普通股股東應佔溢利 (人民幣千元) | 223,095                | 398,153   |
| Weighted average number of ordinary shares in issue (thousands)           | 已發行的普通股加權平均數(千股)     | 1,193,213              | 1,193,213 |
| Basic earnings per share (RMB per share)                                  | 每股基本盈利(每股人民幣元)       | 0.187                  | 0.334     |

#### (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 2020 (2019: same).

### 13. DIVIDENDS

At the board of directors meeting held on 31 March 2021, the directors of the Company proposed a final dividend for the year ended 31 December 2020 of RMB0.06 per ordinary share amounting to approximately RMB71,593,000 (2019: RMB0.15 per ordinary share amounting to approximately RMB178,982,000) 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 2020 but will be reflected as dividends distribution for the year ending 31 December 2021.

The 2019 dividends were paid in July 2020.

### 12. 每股盈利

#### (a) 基本

每股基本盈利按本公司普通股股東應佔溢利除以截至二零二零年十二月三十一日止年度已發行的普通股加權平均數計算。

|   |                      | Year ended 31 December |           |
|---|----------------------|------------------------|-----------|
|   |                      | 截至十二月三十一日止年度           |           |
|   |                      | 2020                   | 2019      |
|   |                      | 二零二零年                  | 二零一九年     |
| Profit attributable to the ordinary shareholders of the Company (RMB'000) | 本公司普通股股東應佔溢利 (人民幣千元) | 223,095                | 398,153   |
| Weighted average number of ordinary shares in issue (thousands)           | 已發行的普通股加權平均數(千股)     | 1,193,213              | 1,193,213 |
| Basic earnings per share (RMB per share)                                  | 每股基本盈利(每股人民幣元)       | 0.187                  | 0.334     |

#### (b) 攤薄

由於截至二零二零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(二零一九年：相同)。

### 13. 股息

於二零二一年三月三十一日舉行的董事會會議上，本公司董事建議就截至二零二零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0.06元，合共約人民幣71,593,000元(二零一九年：每股普通股人民幣0.15元，合共約人民幣178,982,000元)自本公司保留盈利中撥付。該等建議股息並無於截至二零二零年十二月三十一日止年度的合併財務報表中反映為應付股息，但將於截至二零二一年十二月三十一日止年度反映為股息分派。

二零一九年股息已於二零二零年七月派付。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 14. SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 December 2020, all of which are private limited liability companies:

### 14. 附屬公司

以下為二零二零年十二月三十一日主要附屬公司名單，其均是非上市有限公司：

| Name (note a)<br>名稱(附註a)   | Principal activities and place of incorporation and operation<br>主要活動、註冊地點及營業地點      | Issued and fully paid-up capital<br>已發行及悉數繳足股本 | Ownership interests held by the Group (%)<br>本集團應佔權益百分比(%) | Ownership interests held by the non-controlling interests (%)<br>非控股權益應佔權益百分比(%)<br>(note c)<br>(附註c) |
|--|--|--|--|---|
| Dali Water Industry Investment Co., Ltd.<br>("Dali Water")<br>大理水務產業投資有限公司(「大理水務」)                       | Wastewater treatment and water supply, the PRC*<br>污水處理及供水，中國*                       | RMB165,051,000<br>人民幣<br>165,051,000元          | 45 (2019: 45)<br>(note b)<br>(二零一九年：45)<br>(附註b)           | 55 (2019: 55)<br>(二零一九年：55)   |
| Yunnan Yun Shui Construction & Engineering Co., Ltd<br>("Yun Shui Construction")<br>雲南雲水建設工程有限公司(「雲水建設」) | Environmental protection equipment sales and construction, the PRC*<br>環保設備銷售及建設，中國* | RMB913,405,000<br>人民幣<br>913,405,000元          | 61 (2019: 100)<br>(note d)<br>(二零一九年：100)<br>(附註d)         | 39 (2019: —)<br>(二零一九年：—)   |
| Yunnan OriginWater Membrane Technology Co., Ltd.<br>雲南城投碧水源膜科技有限責任公司                                     | Environmental protection equipment sales, the PRC*<br>環保設備銷售，中國*                     | RMB55,614,800<br>人民幣<br>55,614,800元            | 61 (2019: 100)<br>(note d)<br>(二零一九年：100)<br>(附註d)         | 39 (2019: —)<br>(二零一九年：—)   |
| Jinghong Water Supply and Drainage Co., Ltd.<br>景洪市給排水有限責任公司   | Wastewater treatment and water supply, the PRC*<br>污水處理及供水，中國*                       | RMB80,000,000<br>人民幣<br>80,000,000元            | 51 (2019: 51)<br>(二零一九年：51)                                | 49 (2019: 49)<br>(二零一九年：—)  |
| Yunnan Zhengxiao Environmental Investment Co., Ltd<br>雲南正曉環保投資有限公司                                       | Solid waste treatment, the PRC<br>固廢處理，中國  | RMB30,500,000<br>人民幣<br>30,500,000元            | 100 (2019: 100)<br>(二零一九年：100)                             | — (2019: —)<br>(二零一九年：—)  |
| Wuxi Zhongfa Water Investment Co., Ltd.<br>無錫中發水務投資有限公司  | Wastewater treatment, the PRC*<br>污水處理，中國*   | RMB134,000,000<br>人民幣<br>134,000,000元          | 75 (2019: 75)<br>(二零一九年：75)                                | 25 (2019: 25)<br>(二零一九年：25)   |
| Yunnan Water (Hong Kong) Company Limited<br>雲南水務(香港)股份有限公司   | Investment in wastewater treatment and water supply, Hong Kong<br>投資污水處理及供水，中國香港     | HKD1,735,147,000<br>1,735,147,000港元            | 100 (2019: 100)<br>(二零一九年：100)                             | — (2019: —)<br>(二零一九年：—)  |
| PJT Technology Co., Ltd  | Solid waste treatment, Thailand<br>固廢處理，泰國   | THB740,000,000<br>740,000,000泰銖                | 100 (2019: 100)<br>(二零一九年：100)                             | — (2019: —)<br>(二零一九年：—)  |

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 14. SUBSIDIARIES (Cont'd)

### 14. 附屬公司(續)

| Name (note a)<br>名稱(附註a)   | Principal activities and place of incorporation and operation<br>主要活動、註冊地點及營業地點 | Issued and fully paid-up capital<br>已發行及悉數繳足股本 | Ownership interests held by the Group (%)<br>本集團應佔權益百分比(%) | Ownership interests held by the non-controlling interests (%)<br>非控股權益應佔權益百分比(%)<br>(note c)<br>(附註c) |
|--|---|--|--|---|
| Huize Water (Qingzhou) Company Limited<br>暉澤水務(青州)有限公司   | Water supply, the PRC<br>供水·中國  | RMB53,152,000<br>人民幣<br>53,152,000元            | 100 (2019: 100)<br>(二零一九年: 100)                            | — (2019: —)<br>(二零一九年: —)   |
| Huize Water (Sishui) Company Limited<br>暉澤水務(泗水)有限公司   | Wastewater treatment, the PRC<br>污水處理·中國  | US\$1,000,000<br>1,000,000美元                   | 100 (2019: 100)<br>(二零一九年: 100)                            | — (2019: —)<br>(二零一九年: —)   |
| PT Sumber Organik Indonesia  | Solid waste treatment, Indonesia<br>固廢處理·印尼                                     | IDR10,250,000,000<br>10,250,000,000<br>印尼盾     | 95 (2019: 95)<br>(二零一九年: 95)                               | 5 (2019: 5)<br>(二零一九年: 5)   |
| Shandong Tengyue Dangerous Chemical Wastes research and treatment Co., Ltd.<br>山東騰躍化學危險廢棄物研究處理有限公司       | Solid waste treatment, the PRC*<br>固廢處理·中國*                                     | RMB108,571,429<br>人民幣<br>108,571,429元          | 97 (2019: 97)<br>(二零一九年: 97)                               | 3 (2019: 3)<br>(二零一九年: 3)   |
| Huize Water (Heze) Company Limited<br>暉澤水務(菏澤)有限公司   | Water supply, the PRC*<br>供水·中國*  | RMB100,000,000<br>人民幣<br>100,000,000元          | 55 (2019: 55)<br>(二零一九年: 55)                               | 45 (2019: 45)<br>(二零一九年: 45)  |
| Xinjiang Qinggeda Yunshui Environmental Industry Investment and Development Co., Ltd.<br>新疆青格達雲水環保投資有限公司 | Wastewater treatment, the PRC<br>污水處理·中國  | RMB227,500,000<br>人民幣<br>227,500,000元          | 100 (2019: 100)<br>(二零一九年: 100)                            | — (2019: —)<br>(二零一九年: —)   |
| Yun Shui Gong Da Environmental Technology Co., Ltd<br>哈爾濱雲水工大環保科技股份有限公司                                  | Investment in solid waste treatment, the PRC<br>投資固廢處理·中國                       | RMB83,700,000<br>人民幣<br>83,700,000元            | 100 (2019: 100)<br>(二零一九年: 100)                            | — (2019: —)<br>(二零一九年: —)   |
| Langfang Hyflux NewSpring Co., Ltd.<br>廊坊凱發新泉水務有限公司  | Wastewater treatment, the PRC<br>污水處理·中國  | US\$12,400,000<br>12,400,000美元                 | 100 (2019: 100)<br>(二零一九年: 100)                            | — (2019: —)<br>(二零一九年: —)   |
| Hyflux NewSpring (Guanyun) Co., Ltd.<br>凱發新泉自來水(灌雲)有限公司  | Water supply, the PRC<br>供水·中國  | US\$8,124,000<br>8,124,000美元                   | 100 (2019: 100)<br>(二零一九年: 100)                            | — (2019: —)<br>(二零一九年: —)   |
| Guizhou Renhuai Yunshui Environmental Industry Co., Ltd.<br>貴州仁懷雲水環境有限公司                                 | Wastewater treatment the PRC*<br>污水處理·中國*                                       | RMB522,839,000<br>人民幣<br>522,839,000元          | 90 (2019: 90)<br>(二零一九年: 90)                               | 10 (2019: 10)<br>(二零一九年: 10)  |

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 14. SUBSIDIARIES (Cont'd)

- \* Registered as contractual joint ventures under PRC law
- (a) The English names of these subsidiaries referred to in this report represent management's best effort at translating the Chinese names of those companies, as no English names have been registered.
- (b) According to the capital injection agreement date in 9 April 2014, the Group and the minority shareholders will hold 45% and 55% equity interests of Dali Water, respectively. As at 31 December 2020, The Group has 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 in accordance with the Group in decision on relevant activities of Dali Water. (2019: same).
- (c) The total non-controlling interests in respect of the subsidiaries as at 31 December 2020 are RMB1,932,201,000 (2019: RMB1,186,669,000), and are considered individually immaterial to the Group.
- (d) On 31 December 2020, the Company enter into the supplemental agreement with Yunnan Asset Management Co., Ltd. ("YNDAMC") and Yun Shui Construction, the Company agreed to reduce its paid-up capital in Yun Shui Construction by RMB42,404,000 from RMB560,000,000 to RMB517,596,000 and to convert RMB42,404,000 from the registered capital to the capital reserve of Yun Shui Construction, which will be owned as to approximately 57% and approximately 43% by the Company and YNDAMC respectively. As at 31 December 2020, the change of registered capital of Yun Shui Construction in the supplemental agreement has not been temporarily approved and effective. The effect of supplemental agreement is subject to the approval of Independent Shareholders.
- (e) As at 31 December 2020, the carrying amounts of investment in subsidiaries pledged as security for borrowings are RMB1,339,307,000 (2019: RMB1,781,563,000).

### 14. 附屬公司(續)

- \* 根據中國法律註冊的合同式合營公司
- (a) 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。
- (b) 根據日期為二零一四年四月九日的增資擴股協議，本集團與少數股東將分別持有大理水務45%和55%的股權。截至二零二零年十二月三十一日，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股權，據此，少數股東確認，在作出有關大理水務的相關活動決策時與本集團一致行動(二零一九年：相同)。
- (c) 於二零二零年十二月三十一日有關附屬公司的非控股權益總額為人民幣1,932,201,000元(二零一九年：人民幣1,186,669,000元)，並被視為對本集團個別並不重大。
- (d) 於二零二零年十二月三十一日，本公司與雲南省資產管理有限公司(「雲南省資產管理」)及雲水建設訂立補充協議，本公司同意將其於雲水建設的實繳出資額由人民幣560,000,000元削減人民幣42,404,000元至517,596,000元，並將人民幣42,404,000元由註冊資本轉換為雲水建設的資本公積，並分別由本公司及雲南省資產管理持有約57%及約43%。於二零二零年十二月三十一日，補充協議中雲水建設的註冊資本變更尚未審批生效。補充協議有待獨立股東審批而生效。
- (e) 於二零二零年十二月三十一日，借款由賬面值人民幣1,339,307,000元的於附屬公司的投資質押作抵押(二零一九年：人民幣1,781,563,000元)。

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

### 15. ACQUISITION OF ADDITIONAL INTERESTS IN SUBSIDIARIES

During the year ended 31 December 2020, the Group acquired additional interests of certain subsidiaries, the Group recognised a decrease in non-controlling interests and a decrease in equity attributable to ordinary shareholders of the Company. The effect of changes in equity is summarised as follows:

|  |                | Year ended 31 December<br>截至十二月三十一日止年度 |                                   |
|--|----------------|--|-----------------------------------|
|  |                | 2020<br>二零二零年<br>RMB'000<br>人民幣千元      | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Carrying amount of non-controlling interests acquired            | 已收購非控股權益的賬面值   | 56,000                                 | 46,659                            |
| Consideration for acquiring additional non-controlling interests | 收購額外非控股權益的代價   | (56,000)                               | (85,565)                          |
| Excess of consideration recognised within other reserves         | 於其他儲備確認的代價超出部分 | —                                      | (38,906)                          |

### 16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The amounts recognised in the consolidated balance sheet are as follows:

|                         |           | As at 31 December<br>於十二月三十一日     |                                   |
|-------------------------|-----------|-----------------------------------|-----------------------------------|
|                         |           | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Joint ventures (note a) | 合營公司(附註a) | 728,050                           | 976,601                           |
| Associates (note b)     | 聯營公司(附註b) | 124,734                           | 119,416                           |
|                         |           | 852,784                           | 1,096,017                         |

### 15. 收購附屬公司的額外權益

於截至二零二零年十二月三十一日止年度，本集團收購若干附屬公司的額外權益。本集團確認非控股權益減少以及本公司普通股股東應佔權益減少。權益變動的影響概述如下：

### 16. 以權益法入賬的投資

於合併資產負債表確認的金額如下：



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

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

The amounts of investments accounted for using the equity method recognised in the consolidated statement of profit or loss and other comprehensive income are as follows:

|                                |          | As at 31 December<br>於十二月三十一日     |                                   |
|--------------------------------|----------|-----------------------------------|-----------------------------------|
|                                |          | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Joint ventures                 | 合營公司     |                                   |                                   |
| – Share of profit for the year | – 應佔年內溢利 | 73,252                            | 47,552                            |
| Associates                     | 聯營公司     |                                   |                                   |
| – Share of profit for the year | – 應佔年內溢利 | 5,318                             | 5,372                             |
|                                |          | <b>78,570</b>                     | 52,924                            |

#### (a) Investment in joint ventures

|   |             | Year ended 31 December<br>截至十二月三十一日止年度 |                                   |
|---|-------------|--|-----------------------------------|
|   |             | 2020<br>二零二零年<br>RMB'000<br>人民幣千元      | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| <b>Balance at 1 January</b>                 | 於一月一日的結餘    | <b>976,601</b>                         | 607,401                           |
| Addition                                    | 添置          | 40,000                                 | 320,000                           |
| Share of profit for the year                | 應佔年內溢利      | 73,252                                 | 47,552                            |
| Dividends declared by a joint venture       | 來自合營公司宣派的股息 | (29,000)                               | —                                 |
| Disposal (i-2)                              | 出售(i-2)     | (332,803)                              | —                                 |
| Recognition of unrealised profits or losses | 確認未變現溢利或虧損  | —                                      | 1,648                             |
| <b>Balance at 31 December</b>               | 於十二月三十一日的結餘 | <b>728,050</b>                         | 976,601                           |

(i) The Group has interests in joint ventures that is accounted for using the equity method.

### 16. 以權益法入賬的投資(續)

於合併損益及其他綜合收益表確認使用權益法入賬的投資金額如下：

|                                |          | As at 31 December<br>於十二月三十一日     |                                   |
|--------------------------------|----------|-----------------------------------|-----------------------------------|
|                                |          | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Joint ventures                 | 合營公司     |                                   |                                   |
| – Share of profit for the year | – 應佔年內溢利 | 73,252                            | 47,552                            |
| Associates                     | 聯營公司     |                                   |                                   |
| – Share of profit for the year | – 應佔年內溢利 | 5,318                             | 5,372                             |
|                                |          | <b>78,570</b>                     | 52,924                            |

#### (a) 於合營公司的投資

|   |             | Year ended 31 December<br>截至十二月三十一日止年度 |                                   |
|---|-------------|--|-----------------------------------|
|   |             | 2020<br>二零二零年<br>RMB'000<br>人民幣千元      | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| <b>Balance at 1 January</b>                 | 於一月一日的結餘    | <b>976,601</b>                         | 607,401                           |
| Addition                                    | 添置          | 40,000                                 | 320,000                           |
| Share of profit for the year                | 應佔年內溢利      | 73,252                                 | 47,552                            |
| Dividends declared by a joint venture       | 來自合營公司宣派的股息 | (29,000)                               | —                                 |
| Disposal (i-2)                              | 出售(i-2)     | (332,803)                              | —                                 |
| Recognition of unrealised profits or losses | 確認未變現溢利或虧損  | —                                      | 1,648                             |
| <b>Balance at 31 December</b>               | 於十二月三十一日的結餘 | <b>728,050</b>                         | 976,601                           |

(i) 本集團年內於合營公司的投資乃以權益法入賬。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

#### (a) Investment in joint ventures (Cont'd)

| Name of entity  | 實體名稱                             | Place of business/<br>country of incorporation<br>營業地點/<br>註冊成立的國家 | Percentage of ownership interest<br>As at 31 December<br>所有權權益百分比<br>於十二月三十一日 |               |
|---|----------------------------------|--|---|---------------|
|   |                                  |  | 2020<br>二零二零年   | 2019<br>二零一九年 |
| Zhejiang Haiyun Environmental Protection Company Limited ("Haiyun Environmental") (i-1) | 浙江海雲環保有限公司<br>(「海雲環保」)(i-1)      | PRC<br>中國  | 49%   | 49%           |
| Beijing Bailigerui Resources Technology Company Limited ("Beijing Bailigerui")          | 北京佰利格瑞資源科技<br>有限公司<br>(「北京佰利格瑞」) | PRC<br>中國  | 40%   | N/A<br>不適用    |
| Fujian Dongfei Environment Company Limited ("Dongfei Environment") (i-2)                | 福建東飛環境有限公司<br>(「東飛環境」)(i-2)      | PRC<br>中國  | N/A<br>不適用  | 40%           |

(i-1) Haiyun Environmental is principally engaged in investing, financing, construction, operation and management of water environment projects and infrastructure construction projects in the PRC.

(i-1) 海雲環保主要在中國從事水環境項目及基礎設施建設項目的投資、融資、建設、經營及管理。

(i-2) On 23 December 2020, the Group disposed 40% of ownership interests in Dongfei Environment at a cash consideration of RMB375,200,000 and the net gain on disposal is RMB42,397,000.

(i-2) 於截至二零二零年十二月二十三日止年度，本集團以人民幣375,200,000元現金對價出售東飛環境40%的所有權權益，出售淨收益為人民幣42,397,000元。

(ii) The table below provide summarised financial information of joint ventures that are individually immaterial to the Group.

(ii) 下表概述個別對本集團並不重大的合營公司的財務資料。

|   |                      | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
|---|----------------------|-----------------------------------|-----------------------------------|
| Aggregate carrying amount of individually immaterial joint ventures | 個別不重大合營公司的總賬面值       | 728,050                           | 976,601                           |
| Aggregate amounts of the Group's share of:                          | 本集團分佔以下各項的總額：        |                                   |                                   |
| – Profit from continuing operations and total comprehensive income  | – 來自持續經營業務的溢利及綜合收益總額 | 73,252                            | 47,552                            |

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

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

#### (b) Investment in associates

|   |             | Year ended 31 December<br>截至十二月三十一日止年度 |                                   |
|---|-------------|--|-----------------------------------|
|   |             | 2020<br>二零二零年<br>RMB'000<br>人民幣千元      | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| <b>Balance at 1 January</b>                 | 於一月一日的結餘    | <b>119,416</b>                         | 53,641                            |
| Addition                                    | 添置          | —                                      | 60,000                            |
| Share of profit for the year                | 應佔年內溢利      | <b>5,318</b>                           | 5,372                             |
| Recognition of unrealised profits or losses | 確認未變現溢利或虧損  | —                                      | 403                               |
| <b>Balance at 31 December</b>               | 於十二月三十一日的結餘 | <b>124,734</b>                         | 119,416                           |

(i) All of the associates are unlisted companies and there were no quoted market price available for the shares.

(ii) The table below provide summarised financial information for associates that are individually immaterial to the Group.

(i) 所有聯營公司為非上市公司且並無市場股份報價。

(ii) 下表概述個別對本集團並不重大的聯營公司的財務資料。

|  |                      | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
|--|----------------------|-----------------------------------|-----------------------------------|
| Aggregate carrying amount of individually immaterial associates    | 個別不重大聯營公司的總賬面值       | <b>124,734</b>                    | 119,416                           |
| Aggregate amounts of the Group's share of:                         | 本集團分佔以下各項的總額：        |                                   |                                   |
| – Profit from continuing operations and total comprehensive income | – 來自持續經營業務的溢利及綜合收益總額 | <b>5,318</b>                      | 5,372                             |

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 17. PROPERTY, PLANT AND EQUIPMENT

### 17. 物業、廠房及設備

|   |                   | Plants and<br>buildings<br>廠房及樓宇<br>RMB' 000<br>人民幣千元 | Machinery<br>機器<br>RMB' 000<br>人民幣千元 | Motor<br>vehicles<br>汽車<br>RMB' 000<br>人民幣千元 | Electronic<br>equipment<br>and others<br>電子設備及<br>其他<br>RMB' 000<br>人民幣千元 | Construction<br>in progress<br>在建工程<br>RMB' 000<br>人民幣千元 | Total<br>總計<br>RMB' 000<br>人民幣千元 |
|---|-------------------|---|--------------------------------------|--|---|--|----------------------------------|
| <b>At 1 January 2019</b>                      | 於二零一九年一月一日        |   |                                      |  |   |  |                                  |
| Cost  | 成本                | 1,143,185   | 1,646,686                            | 73,999                                       | 135,094   | 463,317  | 3,462,281                        |
| Accumulated depreciation                      | 累計折舊              | (215,884)   | (518,840)                            | (50,038)                                     | (55,231)  | —  | (839,993)                        |
| <b>Net book amount</b>                        | 賬面淨值              | 927,301   | 1,127,846                            | 23,961                                       | 79,863  | 463,317  | 2,622,288                        |
| <b>Year ended 31 December 2019</b>            | 截至二零一九年十二月三十一日止年度 |   |                                      |  |   |  |                                  |
| Opening net book amount                       | 期初賬面淨值            | 927,301   | 1,127,846                            | 23,961                                       | 79,863  | 463,317  | 2,622,288                        |
| Acquisitions of subsidiaries                  | 收購附屬公司            | 140   | 138                                  | 102  | 20  | —  | 400                              |
| Additions                                     | 添置                | 6,236   | 7,381                                | 3,637  | 18,974  | 697,937  | 734,165                          |
| Transfer from construction in progress        | 轉撥自在建工程           | 93,406  | 104,752                              | —  | —   | (198,158)  | —                                |
| Disposals                                     | 出售                | (65)  | (906)                                | (989)  | (73)  | —  | (2,033)                          |
| Depreciation charge (note 8)                  | 折舊開支(附註8)         | (37,870)  | (103,042)                            | (8,796)                                      | (27,661)  | —  | (177,369)                        |
| <b>Closing net book amount</b>                | 期末賬面淨值            | 989,148   | 1,136,169                            | 17,915                                       | 71,123  | 963,096  | 3,177,451                        |
| <b>At 31 December 2019</b>                    | 於二零一九年十二月三十一日     |   |                                      |  |   |  |                                  |
| Cost  | 成本                | 1,237,604   | 1,757,963                            | 76,541                                       | 152,903   | 963,096  | 4,188,107                        |
| Accumulated depreciation                      | 累計折舊              | (248,456)   | (621,794)                            | (58,626)                                     | (81,780)  | —  | (1,010,656)                      |
| <b>Net book amount</b>                        | 賬面淨值              | 989,148   | 1,136,169                            | 17,915                                       | 71,123  | 963,096  | 3,177,451                        |
| <b>Year ended 31 December 2020</b>            | 截至二零二零年十二月三十一日止年度 |   |                                      |  |   |  |                                  |
| Opening net book amount                       | 期初賬面淨值            | 989,148   | 1,136,169                            | 17,915                                       | 71,123  | 963,096  | 3,177,451                        |
| Additions                                     | 添置                | 27,209  | 212,239                              | 6,125  | 14,915  | 839,586  | 1,100,074                        |
| Transfer from construction in progress        | 轉撥自在建工程           | 81,869  | 129,931                              | —  | —   | (211,800)  | —                                |
| Transfer from investment properties (note 18) | 轉撥自投資物業(附註18)     | 122   | —                                    | —  | —   | —  | 122                              |
| Disposals                                     | 出售                | —   | —                                    | (29)   | (4,117)   | —  | (4,146)                          |
| Depreciation charge (note 8)                  | 折舊開支(附註8)         | (43,813)  | (117,111)                            | (11,655)                                     | (19,073)  | —  | (191,652)                        |
| <b>Closing net book amount</b>                | 期末賬面淨值            | 1,054,535   | 1,361,228                            | 12,356                                       | 62,848  | 1,590,882  | 4,081,849                        |
| <b>At 31 December 2020</b>                    | 於二零二零年十二月三十一日     |   |                                      |  |   |  |                                  |
| Cost  | 成本                | 1,347,153   | 2,100,133                            | 82,544                                       | 163,203   | 1,590,882  | 5,283,915                        |
| Accumulated depreciation                      | 累計折舊              | (292,618)   | (738,905)                            | (70,188)                                     | (100,355)   | —  | (1,202,066)                      |
| <b>Net book amount</b>                        | 賬面淨值              | 1,054,535   | 1,361,228                            | 12,356                                       | 62,848  | 1,590,882  | 4,081,849                        |

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 17. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Depreciation was charged to consolidated statement of profit or loss and other comprehensive income under the following caption:

|                         |      | Year ended 31 December<br>截至十二月三十一日止年度 |                                   |
|-------------------------|------|--|-----------------------------------|
|                         |      | 2020<br>二零二零年<br>RMB'000<br>人民幣千元      | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Cost of sales           | 銷售成本 | 171,782                                | 150,612                           |
| Administrative expenses | 行政開支 | 19,010                                 | 25,786                            |
| Selling expenses        | 銷售開支 | 860                                    | 971                               |
|                         |      | <b>191,652</b>                         | <b>177,369</b>                    |

(a) As at 31 December 2020, the carrying amounts of property, plant and equipment pledged as security for borrowings are RMB1,348,533,000 (2019: RMB1,763,623,000).

### 17. 物業、廠房及設備(續)

折舊乃於合併損益及其他綜合收益表內的以下項目扣除：

|                         |      | Year ended 31 December<br>截至十二月三十一日止年度 |                                   |
|-------------------------|------|--|-----------------------------------|
|                         |      | 2020<br>二零二零年<br>RMB'000<br>人民幣千元      | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Cost of sales           | 銷售成本 | 171,782                                | 150,612                           |
| Administrative expenses | 行政開支 | 19,010                                 | 25,786                            |
| Selling expenses        | 銷售開支 | 860                                    | 971                               |
|                         |      | <b>191,652</b>                         | <b>177,369</b>                    |

(a) 於二零二零年十二月三十一日，借款由賬面價值人民幣1,348,533,000元的物業、廠房及設備作抵押(二零一九年：人民幣1,763,623,000元)。

### 18. INVESTMENT PROPERTIES

|   |             | Year ended 31 December<br>截至十二月三十一日止年度 |                                   |
|---|-------------|--|-----------------------------------|
|   |             | 2020<br>二零二零年<br>RMB'000<br>人民幣千元      | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| <b>Balance at 1 January</b>               | 於一月一日的結餘    | <b>24,927</b>                          | 25,779                            |
| Transfer to property, plant and equipment | 轉撥至物業、廠房及設備 | <b>(122)</b>                           | —                                 |
| Depreciation charge                       | 折舊開支        | <b>(845)</b>                           | (852)                             |
| <b>Balance at 31 December</b>             | 於十二月三十一日的結餘 | <b>23,960</b>                          | 24,927                            |

(a) The Group had no contractual obligations for future repairs and maintenance as at 31 December 2020 (2019: same).

(b) Independent valuation of the Group's investment properties were performed by independent third party valuers to determine the fair value of the investment properties as at 31 December 2020. The fair value of these investment properties as at 31 December 2020 as assessed by the valuers by direct comparison method or discounted cash flow method were approximately RMB37,094,000 (2019: RMB34,958,000).

### 18. 投資物業

|   |             | Year ended 31 December<br>截至十二月三十一日止年度 |                                   |
|---|-------------|--|-----------------------------------|
|   |             | 2020<br>二零二零年<br>RMB'000<br>人民幣千元      | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| <b>Balance at 1 January</b>               | 於一月一日的結餘    | <b>24,927</b>                          | 25,779                            |
| Transfer to property, plant and equipment | 轉撥至物業、廠房及設備 | <b>(122)</b>                           | —                                 |
| Depreciation charge                       | 折舊開支        | <b>(845)</b>                           | (852)                             |
| <b>Balance at 31 December</b>             | 於十二月三十一日的結餘 | <b>23,960</b>                          | 24,927                            |

(a) 於二零二零年十二月三十一日，本集團並無日後維修及維護合約責任(二零一九年：相同)。

(b) 本集團投資物業由獨立第三方估值師進行獨立估值，以釐定投資物業於二零二零年十二月三十一日的公平值。該等投資物業於二零二零年十二月三十一日的公平值經估值師以直接比較法或貼現現金流量法評估約為人民幣37,094,000元(二零一九年：人民幣34,958,000元)。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 19. LEASES

This note provides information for leases where the Group is a lessee.

#### (a) Amounts recognised in the consolidated balance sheet

The consolidated balance sheet shows the following amounts relating to right-of-use assets:

|                                    |                   | Land use rights <sup>(i)</sup><br>土地使用權 <sup>(i)</sup><br>RMB'000<br>人民幣千元 | Offices and warehouses<br>辦公室及倉庫<br>RMB'000<br>人民幣千元 | Total<br>總計<br>RMB'000<br>人民幣千元 |
|------------------------------------|-------------------|--|--|---------------------------------|
| <b>At 1 January 2019</b>           | 於二零一九年一月一日        |  |  |                                 |
| Cost                               | 成本                | 211,002  | 32,680   | 243,682                         |
| Accumulated depreciation           | 累計折舊              | (28,170)   | (5,708)  | (33,878)                        |
| <b>Net book amount</b>             | <b>賬面淨值</b>       | <b>182,832</b>   | <b>26,972</b>  | <b>209,804</b>                  |
| <b>Year ended 31 December 2019</b> | 截至二零一九年十二月三十一日止年度 |  |  |                                 |
| Opening net book amount            | 期初賬面淨值            | 182,832  | 26,972   | 209,804                         |
| Additions                          | 添置                | 43,070   | 37,473   | 80,543                          |
| Currency translation differences   | 貨幣換算差額            | 113  | —  | 113                             |
| Depreciation charge (note 8)       | 折舊開支(附註8)         | (5,560)  | (14,217)   | (19,777)                        |
| Closing net book amount            | 期末賬面淨值            | 220,455  | 50,228   | 270,683                         |
| <b>At 31 December 2019</b>         | 於二零一九年十二月三十一日     |  |  |                                 |
| Cost                               | 成本                | 254,185  | 70,153   | 324,338                         |
| Accumulated depreciation           | 累計折舊              | (33,730)   | (19,925)   | (53,655)                        |
| <b>Net book amount</b>             | <b>賬面淨值</b>       | <b>220,455</b>   | <b>50,228</b>  | <b>270,683</b>                  |
| <b>Year ended 31 December 2020</b> | 截至二零二零年十二月三十一日止年度 |  |  |                                 |
| Opening net book amount            | 期初賬面淨值            | 220,455  | 50,228   | 270,683                         |
| Additions                          | 添置                | 79,803   | 10,610   | 90,413                          |
| Currency translation differences   | 貨幣換算差額            | (149)  | —  | (149)                           |
| Depreciation charge (note 8)       | 折舊開支(附註8)         | (10,230)   | (14,200)   | (24,430)                        |
| Closing net book amount            | 期末賬面淨值            | 289,879  | 46,638   | 336,517                         |
| <b>At 31 December 2020</b>         | 於二零二零年十二月三十一日     |  |  |                                 |
| Cost                               | 成本                | 333,839  | 80,763   | 414,602                         |
| Accumulated depreciation           | 累計折舊              | (43,960)   | (34,125)   | (78,085)                        |
| <b>Net book amount</b>             | <b>賬面淨值</b>       | <b>289,879</b>   | <b>46,638</b>  | <b>336,517</b>                  |

(i) The Group has land lease arrangement with mainland China and Indonesia government for fixed periods of 20 to 50 years.

### 19. 租賃

本附註提供有關本集團為承租人的租賃資料。

#### (a) 於合併資產負債表確認的金額

合併資產負債表列示以下與使用權資產有關的金額：

(i) 本集團與中國大陸及印尼政府訂有土地租賃安排，固定期限為20至50年。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 19. LEASES (Cont'd)

#### (b) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income

The consolidated statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

|   |                  | As at 31 December |               |
|---|------------------|-------------------|---------------|
|   |                  | 於十二月三十一日          |               |
|   |                  | 2020              | 2019          |
|   |                  | 二零二零年             | 二零一九年         |
|   |                  | RMB'000           | RMB'000       |
|   |                  | 人民幣千元             | 人民幣千元         |
| <b>Depreciation charge of right-of-use assets</b> | <b>使用權資產折舊開支</b> |                   |               |
| Offices and warehouses                            | 辦公室及倉庫           | 14,200            | 14,217        |
| Land use rights                                   | 土地使用權            | 10,230            | 5,560         |
|   |                  | <b>24,430</b>     | <b>19,777</b> |

The Group leases land use rights and various offices and warehouses. Rental contracts of offices and warehouses are typically made for fixed periods of 1 to 10 years.

- (c) As at 31 December 2020, the carrying amounts of right-of-use assets pledged as security for borrowings are RMB44,965,000 (2019: RMB36,477,000).

### 20. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS

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

|   |                | As at 31 December |                  |
|---|----------------|-------------------|------------------|
|   |                | 於十二月三十一日          |                  |
|   |                | 2020              | 2019             |
|   |                | 二零二零年             | 二零一九年            |
|   |                | RMB'000           | RMB'000          |
|   |                | 人民幣千元             | 人民幣千元            |
| Receivables under service concession arrangements | 服務特許經營安排下的應收款項 | 5,304,961         | 5,078,315        |
| Less: provision for impairment                    | 減：減值撥備         | (3,590)           | —                |
|   |                | <b>5,301,371</b>  | <b>5,078,315</b> |
| Portion classified as current assets              | 分類為流動資產的部分     | (65,877)          | (51,892)         |
| Non-current portion                               | 非流動部分          | <b>5,235,494</b>  | <b>5,026,423</b> |

### 19. 租賃(續)

#### (b) 於合併損益及其他綜合收益表確認的金額

合併損益及其他綜合收益表列示以下與租賃有關的金額：

|   |                  | As at 31 December |               |
|---|------------------|-------------------|---------------|
|   |                  | 於十二月三十一日          |               |
|   |                  | 2020              | 2019          |
|   |                  | 二零二零年             | 二零一九年         |
|   |                  | RMB'000           | RMB'000       |
|   |                  | 人民幣千元             | 人民幣千元         |
| <b>Depreciation charge of right-of-use assets</b> | <b>使用權資產折舊開支</b> |                   |               |
| Offices and warehouses                            | 辦公室及倉庫           | 14,200            | 14,217        |
| Land use rights                                   | 土地使用權            | 10,230            | 5,560         |
|   |                  | <b>24,430</b>     | <b>19,777</b> |

本集團租賃土地使用權以及多個辦公室及倉庫。辦公室及倉庫的租賃合約通常按1至10年的固定期限訂立。

- (c) 於二零二零年十二月三十一日，借款由賬面值人民幣44,965,000元的使用權資產作抵押(二零一九年：人民幣36,477,000元)。

### 20. 服務特許經營安排下的應收款項

與本集團服務特許經營安排有關的金融資產組成部分(服務特許經營安排下的應收款項)的資料概述如下：

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

### 20. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS (Cont'd)

- (a) In respect of the Group's receivables under service concession arrangements, credit risks varied amongst the Group's projects operated in different locations of Mainland China. The collection of receivables under services concession arrangements is closely monitored in order to minimise any credit risk associated with the receivables.

### 20. 服務特許經營安排下的應收款項(續)

- (a) 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大陸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<br>於十二月三十一日     |                                   |
|----------------------------------|----------|-----------------------------------|-----------------------------------|
|                                  |          | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Yunnan Province                  | 雲南省      | 1,273,889                         | 1,199,953                         |
| Shandong Province                | 山東省      | 1,139,194                         | 1,072,244                         |
| Jiangsu Province                 | 江蘇省      | 663,220                           | 651,921                           |
| Xinjiang Uygur Autonomous Region | 新疆維吾爾自治區 | 490,657                           | 414,008                           |
| Hebei Province                   | 河北省      | 416,652                           | 416,119                           |
| Anhui Province                   | 安徽省      | 349,906                           | 327,067                           |
| Henan Province                   | 河南省      | 341,342                           | 309,772                           |
| Tianjin City                     | 天津市      | 146,966                           | 141,145                           |
| Fujian Province                  | 福建省      | 142,656                           | 226,151                           |
| Guangdong Province               | 廣東省      | 124,620                           | 121,908                           |
| Chongqing City                   | 重慶市      | 96,046                            | 89,190                            |
| Zhejiang Province                | 浙江省      | 74,777                            | 66,462                            |
| Liaoning Province                | 遼寧省      | 45,036                            | 42,375                            |
|                                  |          | <b>5,304,961</b>                  | <b>5,078,315</b>                  |

The receivables under service arrangements were billable receivables. They were mainly due from governmental authorities in Mainland China, as grantors in respect of the Group's service concession arrangements. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are considered fully recoverable.

服務特許經營安排下的應收款項為可開具賬單的應收款項，其主要來自作為本集團服務特許經營安排授予人的中國內地政府機構。根據過往經驗，董事認為毋須就該等結餘作出減值撥備，原因是信貸質素並無重大變動且結餘仍被視為可全數收回。



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

### 20. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS (Cont'd)

- (b) The expected collection schedule of receivables under service concession arrangements is as follows:

|                   |      | As at 31 December<br>於十二月三十一日     |                                   |
|-------------------|------|-----------------------------------|-----------------------------------|
|                   |      | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Within one year   | 一年以內 | 65,877                            | 51,892                            |
| One to two years  | 一至兩年 | 84,531                            | 65,837                            |
| Two to five years | 兩至五年 | 310,763                           | 264,961                           |
| Over five years   | 超過五年 | 4,843,790                         | 4,695,625                         |
|                   |      | <b>5,304,961</b>                  | 5,078,315                         |

### 20. 服務特許經營安排下的應收款項(續)

- (b) 服務特許經營安排下的應收款項的預期收款時間表如下：

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 21. INTANGIBLE ASSETS

### 21. 無形資產

|                                       |                       | Goodwill<br>(note b)<br>商譽<br>(附註b)<br>RMB'000<br>人民幣千元 | Development<br>expenditure<br>開發開支<br>RMB'000<br>人民幣千元 | Operating<br>concessions<br>特許經營權<br>RMB'000<br>人民幣千元 | Unfulfilled<br>contract<br>rights<br>未履行<br>合約權利<br>RMB'000<br>人民幣千元 | Licenses<br>牌照<br>RMB'000<br>人民幣千元 | Technical<br>know-how<br>and software<br>專有技術及<br>軟件<br>RMB'000<br>人民幣千元 | Total<br>總計<br>RMB'000<br>人民幣千元 |
|---------------------------------------|-----------------------|---|--|---|--|------------------------------------|--|---------------------------------|
| <b>At 1 January 2019</b>              | 於二零一九年一月一日            |   |  |   |  |                                    |  |                                 |
| Cost                                  | 成本                    | 437,460   | 3,852  | 9,627,821   | 52,301   | 658,186                            | 102,937  | 10,882,557                      |
| Accumulated amortisation              | 累計攤銷                  | —   | —  | (638,791)   | (38,268)   | (40,155)                           | (12,188)   | (729,402)                       |
| <b>Net book amount</b>                | <b>賬面淨值</b>           | <b>437,460</b>  | <b>3,852</b>   | <b>8,989,030</b>                                      | <b>14,033</b>  | <b>618,031</b>                     | <b>90,749</b>  | <b>10,153,155</b>               |
| <b>Year ended 31 December 2019</b>    | 截至二零一九年十二月三十一日<br>止年度 |   |  |   |  |                                    |  |                                 |
| Opening net book amount               | 期初賬面淨值                | 437,460   | 3,852  | 8,989,030   | 14,033   | 618,031                            | 90,749   | 10,153,155                      |
| Acquisition of subsidiaries           | 收購附屬公司                | —   | —  | —   | —  | —                                  | 21   | 21                              |
| Additions                             | 添置                    | —   | 3,393  | 1,573,719   | —  | —                                  | 1,661  | 1,578,773                       |
| Currency translation differences      | 貨幣換算差額                | 3,838   | —  | 32,061  | —  | —                                  | 19   | 35,918                          |
| Transfer from development expenditure | 轉撥自開發開支               | —   | (1,886)  | —   | —  | —                                  | 1,886  | —                               |
| Amortisation charge (note 8)          | 攤銷開支(附註8)             | —   | —  | (298,802)   | (703)  | (19,073)                           | (4,016)  | (322,594)                       |
| Closing net book amount               | 期末賬面淨值                | 441,298   | 5,359  | 10,296,008  | 13,330   | 598,958                            | 90,320   | 11,445,273                      |
| <b>At 31 December 2019</b>            | 於二零一九年十二月三十一日         |   |  |   |  |                                    |  |                                 |
| Cost                                  | 成本                    | 441,298   | 5,359  | 11,233,601  | 52,301   | 658,186                            | 106,524  | 12,497,269                      |
| Accumulated amortisation              | 累計攤銷                  | —   | —  | (937,593)   | (38,971)   | (59,228)                           | (16,204)   | (1,051,996)                     |
| <b>Net book amount</b>                | <b>賬面淨值</b>           | <b>441,298</b>  | <b>5,359</b>   | <b>10,296,008</b>                                     | <b>13,330</b>  | <b>598,958</b>                     | <b>90,320</b>  | <b>11,445,273</b>               |
| <b>Year ended 31 December 2020</b>    | 截至二零二零年十二月三十一日<br>止年度 |   |  |   |  |                                    |  |                                 |
| Opening net book amount               | 期初賬面淨值                | 441,298   | 5,359  | 10,296,008  | 13,330   | 598,958                            | 90,320   | 11,445,273                      |
| Additions                             | 添置                    | —   | 4,214  | 1,848,877   | —  | —                                  | 2,225  | 1,855,316                       |
| Currency translation differences      | 貨幣換算差額                | (15,706)  | —  | (22,343)  | —  | —                                  | (40)   | (38,089)                        |
| Amortisation charge (note 8)          | 攤銷開支(附註8)             | —   | —  | (349,094)   | (703)  | (19,764)                           | (4,389)  | (373,950)                       |
| Closing net book amount               | 期末賬面淨值                | 425,592   | 9,573  | 11,773,448  | 12,627   | 579,194                            | 88,116   | 12,888,550                      |
| <b>At 31 December 2020</b>            | 於二零二零年十二月三十一日         |   |  |   |  |                                    |  |                                 |
| Cost                                  | 成本                    | 425,592   | 9,573  | 13,060,135  | 52,301   | 658,186                            | 108,709  | 14,314,496                      |
| Accumulated amortisation              | 累計攤銷                  | —   | —  | (1,286,687)   | (39,674)   | (78,992)                           | (20,593)   | (1,425,946)                     |
| <b>Net book amount</b>                | <b>賬面淨值</b>           | <b>425,592</b>  | <b>9,573</b>   | <b>11,773,448</b>                                     | <b>12,627</b>  | <b>579,194</b>                     | <b>88,116</b>  | <b>12,888,550</b>               |

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

### 21. INTANGIBLE ASSETS (Cont'd)

- (a) Amortisation was charged to the consolidated statement of profit or loss and other comprehensive income under the following caption:

|                         |      | Year ended 31 December<br>截至十二月三十一日止年度 |                                   |
|-------------------------|------|--|-----------------------------------|
|                         |      | 2020<br>二零二零年<br>RMB'000<br>人民幣千元      | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Cost of sales           | 銷售成本 | 368,042                                | 317,113                           |
| Administrative expenses | 行政開支 | 5,908                                  | 5,481                             |
|                         |      | <b>373,950</b>                         | <b>322,594</b>                    |

(b) Impairment test for goodwill

The goodwill of the Group as at 31 December 2020 mainly arose from the acquisition of Galaxy NewSpring Pte. Ltd, Shandong Tengyue, Harbin Yun Shui and Future International Group Co., Ltd., amounting to RMB183,149,000, RMB109,521,000 and RMB53,663,000, respectively. For the purpose of impairment testing, the goodwill was allocated to a cash generating unit ("CGU"). The recoverable amount of the CGU is determined based on fair value less costs to disposal. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Management determined the projection period based on their past experience and expectation for the market development and is consistent with their business plan. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below, respectively.

### 21. 無形資產(續)

- (a) 攤銷已於合併損益及其他綜合收益表中的下列項目扣除：

(b) 商譽減值測試

本集團於二零二零年十二月三十一日的商譽主要因收購 Galaxy NewSpring Pte. Ltd、山東騰躍、哈爾濱雲水及暉澤集團有限公司而產生，分別為人民幣 183,149,000 元、人民幣 109,521,000 元及人民幣 53,663,000 元。就減值測試而言，商譽分配至現金產生單位（「現金產生單位」）。現金產生單位的可收回金額乃根據公平值減處置費用釐定。計算方式利用現金流量預測，依據管理層批核的五年期財政預算。管理層採用的預算期限是基於管理人員的過往經驗及其對市場發展的預期，且與彼等的經營計劃一致。超過五年期間的現金流量乃分別使用下述估計增長率推算。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 21. INTANGIBLE ASSETS (Cont'd)

#### (b) Impairment test for goodwill (Cont'd)

- (i) A segment-level summary of the goodwill allocation is presented below:

|                                     |         | As at 31 December<br>於十二月三十一日     |                                   |
|-------------------------------------|---------|-----------------------------------|-----------------------------------|
|                                     |         | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Solid waste treatment               | 固廢處理    | 180,536                           | 181,546                           |
| Water supply                        | 供水      | 120,254                           | 126,523                           |
| Wastewater treatment                | 污水處理    | 111,589                           | 120,016                           |
| Construction and sales of equipment | 建造及設備銷售 | 13,213                            | 13,213                            |
|                                     |         | <b>425,592</b>                    | <b>441,298</b>                    |

- (ii) Key assumptions used for fair value less costs to disposal calculations of each CGU were in the range as follows:

### 21. 無形資產(續)

#### (b) 商譽減值測試(續)

- (i) 以下呈列商譽分配之分部層面概要：

|                                     |         | As at 31 December<br>於十二月三十一日     |                                   |
|-------------------------------------|---------|-----------------------------------|-----------------------------------|
|                                     |         | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Solid waste treatment               | 固廢處理    | 180,536                           | 181,546                           |
| Water supply                        | 供水      | 120,254                           | 126,523                           |
| Wastewater treatment                | 污水處理    | 111,589                           | 120,016                           |
| Construction and sales of equipment | 建造及設備銷售 | 13,213                            | 13,213                            |
|                                     |         | <b>425,592</b>                    | <b>441,298</b>                    |

- (ii) 每個現金產生單位用作公平值減銷售成本計算法的主要假設的範圍如下：

|  |              | As at 31 December 2020<br>截至二零二零年十二月三十一日止年度 |                    |                              |  |
|--|--------------|---|--------------------|------------------------------|--|
|  |              | Solid waste treatment<br>固廢處理               | Water supply<br>供水 | Wastewater treatment<br>污水處理 | Construction and sales of equipment<br>建造及設備銷售 |
| Average annual growth rate of revenue (iv) | 收益平均年增長率(iv) | 3%–10%                                      | 3%–10%             | 3%–10%                       | 10%  |
| Long-term growth rate (v)                  | 長期增長率(v)     | 3%  | 3%                 | 3%                           | 3%   |
| Discount rate (vi)                         | 貼現率(vi)      | 10%–14%                                     | 11%–14%            | 11%–14%                      | 12%  |

|  |              | As at 31 December 2019<br>截至二零一九年十二月三十一日止年度 |                    |                              |  |
|--|--------------|---|--------------------|------------------------------|--|
|  |              | Solid waste treatment<br>固廢處理               | Water supply<br>供水 | Wastewater treatment<br>污水處理 | Construction and sales of equipment<br>建造及設備銷售 |
| Average annual growth rate of revenue (iv) | 收益平均年增長率(iv) | 3%–10%                                      | 3%–10%             | 3%–10%                       | 10%  |
| Long-term growth rate (v)                  | 長期增長率(v)     | 3%  | 3%                 | 3%                           | 3%   |
| Discount rate (vi)                         | 貼現率(vi)      | 12%–14%                                     | 11%–14%            | 11%–14%                      | 12%  |

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 21. INTANGIBLE ASSETS (Cont'd)

#### (b) Impairment test for goodwill (Cont'd)

- (iii) Sensitivity analysis on key assumptions used in the calculation of the impairment tests for goodwill arose from the above subsidiaries have been carried out. If the average annual growth rate of revenue had been lower than management estimates by 5% or discount rate had been higher than management estimates by 5% with other variables held constant, the recoverable amount of goodwill would still exceed their carrying value and no impairment will be required.
- (iv) Management determined average annual growth rate of revenue based on past performance and its expectations for each market development.
- (v) The long-term growth rate used is consistent with the forecasts included in each industry report.
- (vi) The discount rate used is discount rate applied to the cash flow projections which reflects specific risks relating to each business.

### 21. 無形資產(續)

#### (b) 商譽減值測試(續)

- (iii) 本集團已就計算以上附屬公司所產生之商譽減值測試過程中所採用的主要假設作出敏感度分析。倘收入平均年增長率比管理層的估計低5%或貼現率比管理層的估計高5%，而其他變量保持不變，則商譽的可收回金額仍將超過其賬面值，因而毋須減值。
- (iv) 管理人員乃根據過往表現及其對市場發展的預期釐定收入平均年增長率。
- (v) 所用長期增長率與行業報告所載預測一致。
- (vi) 所用貼現率為現金流量預測所採用的貼現率，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

### 22. INVENTORIES

### 22. 存貨

|                  |     | As at 31 December<br>於十二月三十一日 |                  |
|------------------|-----|-------------------------------|------------------|
|                  |     | 2020<br>二零二零年                 | 2019<br>二零一九年    |
|                  |     | RMB'000<br>人民幣千元              | RMB'000<br>人民幣千元 |
| Raw materials    | 原材料 | 62,902                        | 61,209           |
| Work in progress | 在產品 | 17,892                        | 30,094           |
| Finished Goods   | 製成品 | 27,543                        | 12,182           |
|                  |     | <b>108,337</b>                | 103,485          |

No provisions for inventories have been made for the year ended 31 December 2020 (2019: same).

截至二零二零年十二月三十一日止年度，並無計提存貨撥備（二零一九年：相同）。

### 23. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

### 23. 貿易及其他應收款項及預付款項

|  |                  | As at 31 December<br>於十二月三十一日 |                  |
|--|------------------|-------------------------------|------------------|
|  |                  | 2020<br>二零二零年                 | 2019<br>二零一九年    |
|  |                  | RMB'000<br>人民幣千元              | RMB'000<br>人民幣千元 |
| Trade receivables  | 貿易應收款項           |                               |                  |
| – Related parties (note 37(g))                           | – 關聯方（附註 37(g)）  | 2,395,236                     | 2,891,572        |
| – Local governments                                      | – 地方政府           | 1,072,050                     | 935,935          |
| – Third parties  | – 第三方            | 2,936,151                     | 1,835,486        |
| Less: provision for impairment                           | 減：減值撥備           | (145,570)                     | (85,804)         |
|  |                  | <b>6,257,867</b>              | 5,577,189        |
| Other receivables  | 其他應收款項           |                               |                  |
| – Related parties (note 37(k))                           | – 關聯方（附註 37(k)）  | 39,861                        | 36,281           |
| – Third parties  | – 第三方            | 1,995,577                     | 1,589,085        |
| Less: provision for impairment                           | 減：減值撥備           | (32,854)                      | (31,814)         |
|  |                  | <b>2,002,584</b>              | 1,593,552        |
| Total trade and other receivables                        | 貿易及其他應收款項總額      | <b>8,260,451</b>              | 7,170,741        |
| Less: non-current portion of trade and other receivables | 減：貿易及其他應收款項非流動部分 | (422,564)                     | (43,999)         |
| Current portion of trade and other receivables           | 貿易及其他應收款項流動部分    | <b>7,837,887</b>              | 7,126,742        |
| Prepayments  | 預付款項             |                               |                  |
| – Related parties (note 37(g))                           | – 關聯方（附註 37(g)）  | 232,084                       | 502,227          |
| – Third parties  | – 第三方            | 1,112,307                     | 1,097,156        |
|  |                  | <b>1,344,391</b>              | 1,599,383        |
| Less: non-current portion of prepayments                 | 減：預付款項非流動部分      | (1,168,930)                   | (1,364,449)      |
| Current portion of prepayments                           | 預付款項流動部分         | <b>175,461</b>                | 234,934          |

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

### 23. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Cont'd)

#### (a) Trade receivables

Ageing analysis of gross trade receivables (including amounts due from related parties of trading in nature) at the respective balance sheet dates, based on the invoice dates or contractual terms, is as follows:

|                    |      | As at 31 December<br>於十二月三十一日     |                                   |
|--------------------|------|-----------------------------------|-----------------------------------|
|                    |      | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Within one year    | 一年以內 | 2,921,478                         | 2,433,593                         |
| One to two years   | 一至兩年 | 1,263,267                         | 1,776,680                         |
| Two to three years | 兩至三年 | 1,103,251                         | 855,993                           |
| Over three years   | 三年以上 | 1,115,441                         | 596,727                           |
|                    |      | <b>6,403,437</b>                  | <b>5,662,993</b>                  |

The Group have different credit policies for various products and services, depending on the requirements of different business segments and the contractual agreements with different customers.

本集團各種產品及服務均有不同之信貸政策，視乎不同業務部門的要求及與不同客戶的合約協議而定。

Movement of the Group's provision for impairment of trade receivables are as follows:

本集團貿易應收款項的減值撥備變動如下：

|                                       |               | Year ended 31 December<br>截至十二月三十一日止年度 |                                   |
|---------------------------------------|---------------|--|-----------------------------------|
|                                       |               | 2020<br>二零二零年<br>RMB'000<br>人民幣千元      | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| <b>Opening balance at 1 January</b>   | 於一月一日的期初結餘    | <b>85,804</b>                          | 59,986                            |
| Impairment provision                  | 減值撥備          | 59,766                                 | 29,818                            |
| Reversal due to collection            | 因收回而撥回        | —                                      | (4,000)                           |
| <b>Closing balance at 31 December</b> | 於十二月三十一日的期末結餘 | <b>145,570</b>                         | 85,804                            |

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 23. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Cont'd)

#### (b) Other receivables

Movement of the Group's provision for impairment of other receivables are as follows:

|                                       |               | Year ended 31 December |         |
|---------------------------------------|---------------|------------------------|---------|
|                                       |               | 截至十二月三十一日止年度           |         |
|                                       |               | 2020                   | 2019    |
|                                       |               | 二零二零年                  | 二零一九年   |
|                                       |               | RMB'000                | RMB'000 |
|                                       |               | 人民幣千元                  | 人民幣千元   |
| <b>Opening balance at 1 January</b>   | 於一月一日的期初結餘    | <b>31,814</b>          | 9,106   |
| Impairment provision                  | 減值撥備          | <b>1,040</b>           | 22,708  |
| <b>Closing balance at 31 December</b> | 於十二月三十一日的期末結餘 | <b>32,854</b>          | 31,814  |

#### (c) Prepayments

The Group's prepayments are mainly for purchase of goods, land use rights, construction works, services and acquisition of equity interests.

- (d) The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security.

### 23. 貿易及其他應收款項及預付款項(續)

#### (b) 其他應收款項

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           |         |
|                                       |               | 2020                   | 2019    |
|                                       |               | 二零二零年                  | 二零一九年   |
|                                       |               | RMB'000                | RMB'000 |
|                                       |               | 人民幣千元                  | 人民幣千元   |
| <b>Opening balance at 1 January</b>   | 於一月一日的期初結餘    | <b>31,814</b>          | 9,106   |
| Impairment provision                  | 減值撥備          | <b>1,040</b>           | 22,708  |
| <b>Closing balance at 31 December</b> | 於十二月三十一日的期末結餘 | <b>32,854</b>          | 31,814  |

#### (c) 預付款項

本集團的預付款項主要為購買貨物、土地使用權、建造工程及其他服務的預付款項以及股權收購的預付款項。

- (d) 報告日期面對的最高信貸風險為上述各類應收款項的賬面值。本集團並無持有任何抵押物作為擔保。



# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 24. RESTRICTED CASH

As at 31 December 2020 the restricted cash mainly comprised of guarantee deposits for construction of projects (2019: same).

### 25. CASH AND CASH EQUIVALENTS

### 24. 受限制現金

於二零二零年十二月三十一日，受限制現金主要包括建設項目的保證金（二零一九年：相同）。

### 25. 現金及現金等價物

|                                   |                 | As at 31 December |                  |
|-----------------------------------|-----------------|-------------------|------------------|
|                                   |                 | 於十二月三十一日          |                  |
|                                   |                 | 2020              | 2019             |
|                                   |                 | 二零二零年             | 二零一九年            |
|                                   |                 | RMB'000           | RMB'000          |
|                                   |                 | 人民幣千元             | 人民幣千元            |
| Cash at bank and in hand (note a) | 銀行存款及手頭現金（附註 a） | 1,697,688         | 2,458,435        |
| Short-term bank deposits at call  | 短期銀行通知存款        | —                 | 10,000           |
|                                   |                 | <b>1,697,688</b>  | <b>2,468,435</b> |

(a) As at 31 December 2020, cash and cash equivalents of the Group are denominated in:

(a) 於二零二零年十二月三十一日，本集團的現金及現金等價物以下列貨幣計值：

|     |      | As at 31 December |                  |
|-----|------|-------------------|------------------|
|     |      | 於十二月三十一日          |                  |
|     |      | 2020              | 2019             |
|     |      | 二零二零年             | 二零一九年            |
|     |      | RMB'000           | RMB'000          |
|     |      | 人民幣千元             | 人民幣千元            |
| RMB | 人民幣  | 1,654,934         | 2,386,579        |
| USD | 美元   | 25,249            | 31,098           |
| IDR | 印尼盾  | 9,329             | 8,072            |
| THB | 泰銖   | 4,868             | 38,681           |
| HKD | 港元   | 2,821             | 2,769            |
| SGD | 新加坡元 | 487               | 1,236            |
|     |      | <b>1,697,688</b>  | <b>2,468,435</b> |

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 26. SHARE CAPITAL

### 26. 股本

|  |  | Number of<br>shares<br>(thousand)<br>股份數目<br>(千股) | Share<br>capital<br>股本<br><br>RMB'000<br>人民幣千元 |
|--|--|---|--|
| As at 1 January 2019, 31 December 2019,<br>1 January 2020 and 31 December 2020 | 於二零一九年一月一日、<br>二零一九年十二月三十一日、<br>二零二零年一月一日及<br>二零二零年十二月三十一日 | 1,193,213   | 1,193,213                                      |

### 27. OTHER RESERVES

### 27. 其他儲備

|   |                       | Capital<br>reserve<br>股本儲備<br>RMB'000<br>人民幣千元 | Statutory<br>reserve<br>法定儲備<br>RMB'000<br>人民幣千元 | Translation<br>reserve<br>換算儲備<br>RMB'000<br>人民幣千元 | Total<br>總計<br>RMB'000<br>人民幣千元 |
|---|-----------------------|--|--|--|---------------------------------|
| <b>Balance at 1 January 2019</b>                              | 於二零一九年一月一日的結餘         | 1,864,327                                      | 377,323  | (44,635)   | 2,197,015                       |
| Acquisition of additional interests in<br>subsidiaries        | 收購附屬公司的額外權益           | (38,906)                                       | —  | —  | (38,906)                        |
| Partial disposal of a subsidiary<br>without change of control | 部分出售一間附屬公司而<br>不改變控制權 | (5,986)  | —  | —  | (5,986)                         |
| Currency translation differences                              | 貨幣換算差額                | —  | —  | 18,215   | 18,215                          |
| Transfer to statutory reserve (note a)                        | 轉至法定儲備(附註a)           | —  | 110,250  | —  | 110,250                         |
| <b>Balance at 31 December 2019</b>                            | 於二零一九年十二月三十一日<br>的結餘  | 1,819,435                                      | 487,573  | (26,420)   | 2,280,588                       |
| <b>Balance at 1 January 2020</b>                              | 於二零二零年一月一日的結餘         | 1,819,435                                      | 487,573  | (26,420)   | 2,280,588                       |
| Capital contribution by<br>non-controlling interests          | 非控股權益的注資              | 369,923  | —  | —  | 369,923                         |
| Currency translation differences                              | 貨幣換算差額                | —  | —  | 12,009   | 12,009                          |
| Transfer to statutory reserve (note a)                        | 轉至法定儲備(附註a)           | —  | 138,207  | —  | 138,207                         |
| <b>Balance at 31 December 2020</b>                            | 於二零二零年十二月三十一日<br>的結餘  | 2,189,358                                      | 625,780  | (14,411)   | 2,800,727                       |

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 27. OTHER RESERVES (Cont'd)

#### (a) Statutory reserve

In accordance with relevant rules and regulations in the PRC, except for sino-foreign equity joint venture enterprises, all PRC companies are required to transfer 10% of their profit after taxation calculated under PRC accounting rules and regulations to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserve fund can only be used, upon approval by the relevant authority, to offset losses carried forward from previous years or to increase capital of the respective companies.

### 28. PERPETUAL CAPITAL INSTRUMENT

The perpetual capital instruments have no maturity, and the payments of distribution can be deferred at the discretion of the Company. When the Company elects to declare dividends to their ordinary shareholders, the Company shall make distribution to the holders of perpetual capital instruments at the distribution rates as defined in the subscription agreements.

The average annual distribution rate is about 7% for the year ended 31 December 2020 (2019: about 7%).

### 27. 其他儲備(續)

#### (a) 法定儲備

根據中國相關規則及法規，除中外合資企業外，所有中國公司均須將根據中國會計規則及法規計算的除稅後溢利的10%轉撥至法定儲備金，直至累計資金總額達至其註冊資本的50%為止。法定儲備金須經有關機關批准，方可用作抵銷過往年度結轉的虧損或增加有關公司的資本。

### 28. 永久資本工具

永續資本工具並無到期日，且派付款可由本公司酌情遞延。倘本公司選擇向其普通股股東宣派股息，則公司須按認購協議界定之分派率向永久資本工具持有人作出分配。

截至二零二零年十二月三十一日止年度的平均年分派率約為7%（二零一九年：約為7%）。

|   |                 | Year ended 31 December |           |
|---|-----------------|------------------------|-----------|
|   |                 | 截至十二月三十一日止年度           |           |
|   |                 | 2020                   | 2019      |
|   |                 | 二零二零年                  | 二零一九年     |
|   |                 | RMB'000                | RMB'000   |
|   |                 | 人民幣千元                  | 人民幣千元     |
| <b>Balance at 1 January</b>                                     | 於一月一日的結餘        | <b>2,610,000</b>       | 1,200,000 |
| Issuance  | 發行              | <b>500,000</b>         | 1,410,000 |
| Redemption  | 贖回              | <b>(2,610,000)</b>     | —         |
| Profit attributable to holders of perpetual capital instruments | 永久資本工具持有人應佔溢利   | <b>117,640</b>         | 119,800   |
| Distributions to holders of perpetual capital instruments       | 向永久資本工具持有人作出的分派 | <b>(117,640)</b>       | (119,800) |
| <b>Balance at 31 December</b>                                   | 於十二月三十一日的結餘     | <b>500,000</b>         | 2,610,000 |

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 29. BORROWINGS

### 29. 借款

|   |                | As at 31 December<br>於十二月三十一日     |                                   |
|---|----------------|-----------------------------------|-----------------------------------|
|   |                | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| <b>Non-current</b>                                      | <b>非流動</b>     |                                   |                                   |
| Long-term bank borrowings                               | 長期銀行借款         | <b>10,946,507</b>                 | 10,450,837                        |
| Corporate bonds and other borrowings                    | 公司債券及其他借款      | <b>6,919,414</b>                  | 4,748,688                         |
|   |                | <b>17,865,921</b>                 | 15,199,525                        |
| <b>Current</b>  | <b>流動</b>      |                                   |                                   |
| Short-term bank borrowings                              | 短期銀行借款         | <b>4,157,826</b>                  | 1,290,000                         |
| Current portion of long-term bank borrowings            | 長期銀行借款的流動部分    | <b>2,141,836</b>                  | 1,157,247                         |
| Current portion of corporate bonds and other borrowings | 公司債券及其他借款的流動部分 | <b>3,376,232</b>                  | 3,972,158                         |
|   |                | <b>9,675,894</b>                  | 6,419,405                         |
|   |                | <b>27,541,815</b>                 | 21,618,930                        |

(a) The Group's borrowings carried weighted average interest rates of 5.74% per annum for the year ended 31 December 2020 (2019: 5.32%).

(b) As at 31 December 2020, other borrowings from a related party is depicted in note 37(h)&(i)&(j).

(a) 截至二零二零年十二月三十一日止年度，本集團借款加權平均年利率為5.74%（二零一九年：5.32%）。

(b) 於二零二零年十二月三十一日，其他借款中的關聯方借款已披露於附註37(h)&(i)&(j)。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 29. BORROWINGS (Cont'd)

- (c) As at 31 December 2020, borrowings of RMB12,175,993,000 (2019: RMB8,733,836,000) were secured by pledge of the Group's receivables under service concession arrangements, contract assets, right-of-use assets, property, plant and equipment and intangible assets and the Company's investments in subsidiaries.

As at 31 December 2020, borrowings of RMB324,636,000 (2019: RMB21,369,000), RMB537,450,000 (2019: RMB387,450,000) and RMB520,200,000 (2019: RMB206,179,000) were guaranteed by a PRC local government, a related party and third parties, respectively.

### 29. 借款(續)

- (c) 於二零二零年十二月三十一日，借款人民幣12,175,993,000元(二零一九年：人民幣8,733,836,000元)由本集團服務特許經營安排應收款項、合約資產、使用權資產、物業、廠房及設備以及無形資產及於附屬公司的投資質押作抵押。

於二零二零年十二月三十一日，銀行借款人民幣324,636,000元(二零一九年：人民幣21,369,000元)、人民幣537,450,000元(二零一九年：人民幣387,450,000元)以及人民幣520,200,000元(二零一九年：人民幣206,179,000元)已分別由中國當地政府、關聯方及第三方擔保。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 29. BORROWINGS (Cont'd)

- (d) As at 31 December 2020, the Group's borrowings were repayable as follows:

|                   |      | As at 31 December<br>於十二月三十一日     |                                   |
|-------------------|------|-----------------------------------|-----------------------------------|
|                   |      | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Within one year   | 一年以內 | 9,675,894                         | 6,419,405                         |
| One to two years  | 一至兩年 | 5,912,923                         | 6,728,125                         |
| Two to five years | 兩至五年 | 5,815,518                         | 4,717,535                         |
| Over five years   | 超過五年 | 6,137,480                         | 3,753,865                         |
|                   |      | <b>27,541,815</b>                 | <b>21,618,930</b>                 |

- (e) 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<br>於十二月三十一日     |                                   |
|------------------------|--------|-----------------------------------|-----------------------------------|
|                        |        | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Within six months      | 六個月以內  | 7,976,954                         | 4,902,948                         |
| Six months to one year | 六個月至一年 | 9,400,166                         | 3,738,112                         |
| One to five years      | 一至五年   | 7,560,809                         | 11,976,147                        |
| Over five years        | 超過五年   | 2,603,886                         | 1,001,723                         |
|                        |        | <b>27,541,815</b>                 | <b>21,618,930</b>                 |

The carrying amounts of the Group's borrowings approximate their fair value.

本集團借款的賬面值與其公平值相若。

### 29. 借款(續)

- (d) 於二零二零年十二月三十一日，本集團借款的償還情況如下：

|                   |      | As at 31 December<br>於十二月三十一日     |                                   |
|-------------------|------|-----------------------------------|-----------------------------------|
|                   |      | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Within one year   | 一年以內 | 9,675,894                         | 6,419,405                         |
| One to two years  | 一至兩年 | 5,912,923                         | 6,728,125                         |
| Two to five years | 兩至五年 | 5,815,518                         | 4,717,535                         |
| Over five years   | 超過五年 | 6,137,480                         | 3,753,865                         |
|                   |      | <b>27,541,815</b>                 | <b>21,618,930</b>                 |

- (e) 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<br>於十二月三十一日     |                                   |
|------------------------|--------|-----------------------------------|-----------------------------------|
|                        |        | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Within six months      | 六個月以內  | 7,976,954                         | 4,902,948                         |
| Six months to one year | 六個月至一年 | 9,400,166                         | 3,738,112                         |
| One to five years      | 一至五年   | 7,560,809                         | 11,976,147                        |
| Over five years        | 超過五年   | 2,603,886                         | 1,001,723                         |
|                        |        | <b>27,541,815</b>                 | <b>21,618,930</b>                 |

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 29. BORROWINGS (Cont'd)

- (f) The Group has complied with the financial covenants of its borrowing facilities during the year ended 31 December 2020 (2019: same).
- (g) The Group's borrowings were denominated in:

### 29. 借款(續)

- (f) 截至二零二零年十二月三十一日止年度，本集團遵守了其借款融資的財務契約(二零一九年：相同)。
- (g) 本集團借款以下列貨幣計值：

|     |     | <b>As at 31 December</b> |            |
|-----|-----|--------------------------|------------|
|     |     | 於十二月三十一日                 |            |
|     |     | <b>2020</b>              | 2019       |
|     |     | 二零二零年                    | 二零一九年      |
|     |     | <b>RMB'000</b>           | RMB'000    |
|     |     | 人民幣千元                    | 人民幣千元      |
| RMB | 人民幣 | <b>25,320,134</b>        | 18,839,068 |
| USD | 美元  | <b>2,130,805</b>         | 2,678,177  |
| THB | 泰銖  | <b>70,393</b>            | 80,316     |
| EUR | 歐元  | <b>20,483</b>            | 21,369     |
|     |     | <b>27,541,815</b>        | 21,618,930 |

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 30. TRADE AND OTHER PAYABLES

### 30. 貿易及其他應付款項

|                                |                 | As at 31 December<br>於十二月三十一日     |                                   |
|--------------------------------|-----------------|-----------------------------------|-----------------------------------|
|                                |                 | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Trade payables:                | 貿易應付款項：         |                                   |                                   |
| – Related parties (note 37(g)) | – 關聯方（附註 37(g)） | 1,468,045                         | 1,324,339                         |
| – Third parties                | – 第三方           | 5,825,723                         | 3,900,181                         |
|                                |                 | <b>7,293,768</b>                  | 5,224,520                         |
| Notes payables                 | 應付票據            | 160,000                           | 110,000                           |
| Other payables:                | 其他應付款項：         |                                   |                                   |
| – Related parties (note 37(g)) | – 關聯方（附註 37(g)） | 305,788                           | 326,575                           |
| – Third parties                | – 第三方           | 955,240                           | 1,043,518                         |
| Staff welfare benefit payable  | 應付員工福利          | 46,849                            | 53,073                            |
| Other taxes payable            | 其他應付稅項          | 262,476                           | 197,914                           |
| Dividend payables              | 應付股息            | 12,229                            | 12,440                            |
|                                |                 | <b>9,036,350</b>                  | 6,968,040                         |
| Less: non-current portion      | 減：非流動部分         | <b>(5,906,360)</b>                | (3,292,499)                       |
| Current portion                | 流動部分            | <b>3,129,990</b>                  | 3,675,541                         |

- (a) Trade payables are settled in accordance with agreed terms with suppliers.
- (a) 貿易應付款項根據與供應商協定的條款結算。
- (b) At 31 December 2020, the ageing analysis of the trade payables based on invoice dates or contractual terms, is as follows:
- (b) 於二零二零年十二月三十一日，根據發票日期或合約條款作出的貿易應付款項的賬齡分析如下：

|                    |      | As at 31 December<br>於十二月三十一日     |                                   |
|--------------------|------|-----------------------------------|-----------------------------------|
|                    |      | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Within one year    | 一年以內 | 4,202,807                         | 2,410,152                         |
| One to two years   | 一至兩年 | 1,590,313                         | 2,236,221                         |
| Two to three years | 兩至三年 | 1,168,930                         | 176,184                           |
| Over three years   | 三年以上 | 331,718                           | 401,963                           |
|                    |      | <b>7,293,768</b>                  | 5,224,520                         |



# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 31. DEFERRED INCOME

Deferred income represented government grants received from governmental authorities with respect to Group's constructions of wastewater treatment facilities, water supply facilities, solid waste treatment plants as well as the provision of water supply service. The movement of deferred income is as below:

### 31. 遞延收益

遞延收益是指就本集團建造污水處理設施、供水設施、固體廢物處理廠以及提供供水服務獲政府機構發放的政府補助。遞延收益的變動如下：

|   |                    | <b>Government grants</b><br>政府補助<br><b>RMB'000</b><br>人民幣千元 |
|---|--------------------|---|
| <b>Opening balance at 1 January 2019</b>  | 於二零一九年一月一日的期初結餘    | 692,361   |
| Additions   | 添置                 | 38,390  |
| Credit to consolidated statement of profit or loss and other comprehensive income | 計入合併損益及其他綜合收益表     | (29,031)  |
| <b>Closing balance at 31 December 2019</b>  | 於二零一九年十二月三十一日的期終結餘 | 701,720   |
| <b>Opening balance at 1 January 2020</b>  | 於二零二零年一月一日的期初結餘    | <b>701,720</b>  |
| Additions   | 添置                 | <b>40,625</b>   |
| Credit to consolidated statement of profit or loss and other comprehensive income | 計入合併損益及其他綜合收益表     | <b>(32,577)</b>   |
| <b>Closing balance at 31 December 2020</b>  | 於二零二零年十二月三十一日的期終結餘 | <b>709,768</b>  |

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 32. DEFERRED INCOME TAX

#### (a) Deferred income tax assets

|   |                   | As at 31 December<br>於十二月三十一日     |                                   |
|---|-------------------|-----------------------------------|-----------------------------------|
|   |                   | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| <b>The balance comprises temporary differences attributable to:</b> | <b>該結餘包括暫時差額：</b> |                                   |                                   |
| Deferred income   | 遞延收益              | 140,228                           | 149,153                           |
| Tax losses  | 稅項虧損              | 467,596                           | 260,426                           |
| Accrued expenses and impairment provision                           | 應計開支及減值撥備         | 278,293                           | 213,493                           |
| Total deferred income tax assets                                    | 遞延所得稅資產總額         | 886,117                           | 623,072                           |
| Set-off of deferred income tax liabilities                          | 抵銷遞延所得稅負債         | (184,680)                         | (108,449)                         |
| Net deferred income tax assets                                      | 淨遞延所得稅資產          | 701,437                           | 514,623                           |

| Movements  | 變動                    | Deferred income<br>遞延收益<br>RMB'000<br>人民幣千元 | Tax losses<br>稅項虧損<br>RMB'000<br>人民幣千元 | Accrued expenses and impairment provision<br>應計開支及減值撥備<br>RMB'000<br>人民幣千元 | Total<br>總計<br>RMB'000<br>人民幣千元 |
|--|-----------------------|---|--|--|---------------------------------|
| Balance at 1 January 2019  | 於二零一九年一月一日的結餘         | 142,336                                     | 110,929                                | 169,164  | 422,429                         |
| Credit to consolidated statement of profit or loss and other comprehensive income          | 於合併損益及其他綜合收益表中計入      | 6,817                                       | 149,497                                | 44,329   | 200,643                         |
| Balance at 31 December 2019  | 於二零一九年十二月三十一日的結餘      | 149,153                                     | 260,426                                | 213,493  | 623,072                         |
| Balance at 1 January 2020  | 於二零二零年一月一日的結餘         | 149,153                                     | 260,426                                | 213,493  | 623,072                         |
| (Charge)/credit to consolidated statement of profit or loss and other comprehensive income | 於合併損益及其他綜合收益表中(扣除)/計入 | (8,925)                                     | 207,170                                | 64,800   | 263,045                         |
| Balance at 31 December 2020  | 於二零二零年十二月三十一日的結餘      | 140,228                                     | 467,596                                | 278,293  | 886,117                         |

### 32. 遞延所得稅

#### (a) 遞延所得稅資產

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 32. DEFERRED INCOME TAX (Cont'd)

#### (b) Deferred income tax liabilities

### 32. 遞延所得稅(續)

#### (b) 遞延所得稅負債

|   |                   | As at 31 December<br>於十二月三十一日     |                                   |
|---|-------------------|-----------------------------------|-----------------------------------|
|   |                   | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| <b>The balance comprises temporary differences attributable to:</b> | <b>該結餘包括暫時差額：</b> |                                   |                                   |
| Fair value gains  | 公平值收益             | (877,940)                         | (914,306)                         |
| Service concession receivables                                      | 服務特許應收款項          | (526,964)                         | (329,278)                         |
| Others  | 其他                | (57,246)                          | (33,848)                          |
| Total deferred income tax liabilities                               | 遞延所得稅負債總額         | (1,462,150)                       | (1,277,432)                       |
| Set-off of deferred income tax assets                               | 抵銷遞延所得稅資產         | 184,680                           | 108,449                           |
| Net deferred income tax liabilities                                 | 淨遞延所得稅負債          | (1,277,470)                       | (1,168,983)                       |

| Movements   | 變動                    | Service concession receivables                |                                  |                                  | Total<br>總計<br>RMB'000<br>人民幣千元 |
|---|-----------------------|---|----------------------------------|----------------------------------|---------------------------------|
|   |                       | Fair value gains<br>公平值收益<br>RMB'000<br>人民幣千元 | Others<br>其他<br>RMB'000<br>人民幣千元 | Others<br>其他<br>RMB'000<br>人民幣千元 |                                 |
| Opening balance at 1 January 2019   | 於二零一九年一月一日的期初結餘       | (950,555)                                     | (202,529)                        | (3,454)                          | (1,156,538)                     |
| Credit(charge) to consolidated statement of profit or loss and other comprehensive income | 於合併損益及其他綜合收益表中計入/(扣除) | 36,249  | (126,749)                        | (30,394)                         | (120,894)                       |
| Closing balance at 31 December 2019   | 於二零一九年十二月三十一日的期終結餘    | (914,306)                                     | (329,278)                        | (33,848)                         | (1,277,432)                     |
| Opening balance at 1 January 2020   | 於二零二零年一月一日的期初結餘       | (914,306)                                     | (329,278)                        | (33,848)                         | (1,277,432)                     |
| Credit(charge) to consolidated statement of profit or loss and other comprehensive income | 於合併損益及其他綜合收益表中計入/(扣除) | 36,366  | (197,686)                        | (23,398)                         | (184,718)                       |
| Closing balance at 31 December 2020   | 於二零二零年十二月三十一日的期終結餘    | (877,940)                                     | (526,964)                        | (57,246)                         | (1,462,150)                     |

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 33. PROVISIONS

### 33. 撥備

|  |                       | <b>Maintenance costs</b><br>保養成本<br><b>RMB'000</b><br>人民幣千元<br><b>(note a)</b><br>(附註a) | <b>Others</b><br>其他<br><b>RMB'000</b><br>人民幣千元 | <b>Total</b><br>總計<br><b>RMB'000</b><br>人民幣千元 |
|--|-----------------------|---|--|---|
| <b>Opening balance at 1 January 2019</b>   | 於二零一九年一月一日的期初結餘       | 346,464   | 3,270  | 349,734                                       |
| Provision capitalised in intangible assets   | 於無形資產中將撥備撥作資本         | 890   | —  | 890   |
| Amortised to consolidated statement of profit or loss and other comprehensive income (note 10) | 攤銷至合併損益及其他綜合收益表(附註10) | 8,664   | —  | 8,664   |
| Paid during the year   | 年內已付款項                | —   | (165)  | (165)   |
| <b>Closing balance at 31 December 2019</b>   | 於二零一九年十二月三十一日的期終結餘    | 356,018   | 3,105  | 359,123                                       |
| <b>Opening balance at 1 January 2020</b>   | 於二零二零年一月一日的期初結餘       | <b>356,018</b>  | <b>3,105</b>                                   | <b>359,123</b>                                |
| Provision capitalised in intangible assets   | 於無形資產中將撥備撥作資本         | <b>129,941</b>  | —  | <b>129,941</b>                                |
| Amortised to consolidated statement of profit or loss and other comprehensive income (note 10) | 攤銷至合併損益及其他綜合收益表(附註10) | <b>8,355</b>  | —  | <b>8,355</b>                                  |
| Paid during the year   | 年內已付款項                | —   | <b>(183)</b>                                   | <b>(183)</b>                                  |
| <b>Closing balance at 31 December 2020</b>   | 於二零二零年十二月三十一日的期終結餘    | <b>494,314</b>  | <b>2,922</b>                                   | <b>497,236</b>                                |

(a) Pursuant to the service concession agreements entered into by the Group, the Group has the contractual obligations to maintain the facilities it operates to specified level of serviceability and/or to restore the plants to a specified conditions before they are handed over to the Grantors at the end of the service concession period. These contractual obligations to maintain or restore the facilities, except for any upgrade elements, are recognised and measured at the best estimate of the expenditure that would be required to settle the present obligation at the end of the year.

(a) 根據本集團訂立的服務特許經營協議，本集團的合約責任為保養其經營的設施，確保符合特定的可提供服務水平及／或於服務特許經營期結束時，在移交廠房予授予人之前，將其修復至指定狀態。該等保養或修復設施的合約責任(任何改造部分除外)乃按年末履行當前責任所需支出的最佳估計值確認與計量。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 34. NOTE OF CONSOLIDATED STATEMENT OF CASH FLOWS

#### (a) Cash used in operation

### 34. 合併現金流量表附註

#### (a) 經營所用現金

|   |                           | Year ended 31 December |                    |
|---|---------------------------|------------------------|--------------------|
|   |                           | 截至十二月三十一日止年度           |                    |
|   |                           | 2020                   | 2019               |
|   |                           | 二零二零年                  | 二零一九年              |
|   |                           | RMB'000                | RMB'000            |
|   |                           | 人民幣千元                  | 人民幣千元              |
| Profit before income tax  | 所得稅前溢利                    | 502,624                | 677,549            |
| Adjustments for:  | 就以下各項作出調整：                |                        |                    |
| – Impairment losses on financial assets                                     | – 金融資產減值虧損                | 70,156                 | 48,526             |
| – Depreciation of investment properties                                     | – 投資物業折舊                  | 845                    | 852                |
| – Amortisation of intangible assets   | – 無形資產攤銷                  | 373,950                | 322,594            |
| – Depreciation of property, plant and equipment                             | – 物業、廠房及設備折舊              | 191,652                | 177,369            |
| – Depreciation of right-of-use assets                                       | – 使用權資產折舊                 | 24,430                 | 19,777             |
| – Share of profit of investments accounted for using the equity method      | – 以權益法入賬的應佔投資溢利           | (78,570)               | (52,924)           |
| – Other gains — net   | – 其他收益淨額                  | (48,810)               | 1,425              |
| – Finance costs — net   | – 融資成本淨額                  | 1,258,992              | 814,167            |
| Change in working capital:  | 營運資金變化：                   |                        |                    |
| – Inventories   | – 存貨                      | (4,851)                | (1,397)            |
| – Contract assets   | – 合約資產                    | (2,630,702)            | (1,536,468)        |
| – 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 | (2,667,471)            | (3,889,997)        |
| – Prepayments   | – 預付款項                    | (264,092)              | (216,480)          |
| – Trade and other payables  | – 貿易及其他應付款項               | (318,061)              | 609,699            |
| – Contract liabilities  | – 合約負債                    | (18,525)               | (12,733)           |
| – Deferred income   | – 遞延收益                    | 8,048                  | 9,359              |
| <b>Cash used in operations</b>  | <b>經營所用現金</b>             | <b>(3,600,385)</b>     | <b>(3,028,682)</b> |

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 34. NOTE OF CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

#### (b) Net debt reconciliation

|                                      |               | As at 31 December<br>於十二月三十一日     |                                   |
|--------------------------------------|---------------|-----------------------------------|-----------------------------------|
|                                      |               | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Cash and cash equivalents            | 現金及現金等價物      | 1,697,688                         | 2,468,435                         |
| Borrowings                           | 借款            | (27,541,815)                      | (21,618,930)                      |
| Lease liabilities                    | 租賃負債          | (49,034)                          | (50,610)                          |
| <b>Net debt</b>                      | <b>債務</b>     | <b>(25,893,161)</b>               | <b>(19,201,105)</b>               |
| Cash and cash equivalents            | 現金及現金等價物      | 1,697,688                         | 2,468,435                         |
| Gross debt — fixed interest rates    | 債務總額 — 固定利率   | (17,232,948)                      | (13,948,479)                      |
| Gross debt — floating interest rates | 債務總額 — 變動利率   | (10,357,901)                      | (7,721,060)                       |
| <b>Net debt</b>                      | <b>債務總額淨額</b> | <b>(25,893,161)</b>               | <b>(19,201,104)</b>               |

### 34. 合併現金流量表附註(續)

#### (b) 債務淨額調節

|  |                               | Liabilities from<br>financing activities<br>來自融資活動的負債               |                                      |  |                                 |
|--|-------------------------------|---|--------------------------------------|--|---------------------------------|
|  |                               | Cash<br>and cash<br>equivalents<br>現金及<br>現金等價物<br>RMB'000<br>人民幣千元 | Borrowings<br>借款<br>RMB'000<br>人民幣千元 | Lease<br>liabilities<br>租賃負債<br>RMB'000<br>人民幣千元 | Total<br>合計<br>RMB'000<br>人民幣千元 |
| <b>Net debt as at<br/>1 January 2019</b>   | <b>於二零一九年一月一日<br/>的淨債務</b>    | 2,214,352   | (16,934,526)                         | (26,973)   | (14,747,147)                    |
| Cash flows                                 | 現金流量                          | 247,229   | (4,700,093)                          | 13,836   | (4,439,028)                     |
| Other changes (i)                          | 其他變動 (i)                      | —   | —                                    | (37,473)   | (37,473)                        |
| Foreign exchange adjustments               | 外匯折算調整                        | 6,854   | (36,782)                             | —  | (29,928)                        |
| Other non-cash movements                   | 其他非貨幣變動                       | —   | 52,471                               | —  | 52,471                          |
| <b>Net debt as at<br/>31 December 2019</b> | <b>於二零一九年十二月三十一日<br/>的淨債務</b> | 2,468,435   | (21,618,930)                         | (50,610)   | (19,201,105)                    |
| Cash flows                                 | 現金流量                          | (770,599)   | (6,222,168)                          | 11,988   | (6,980,779)                     |
| Other changes (i)                          | 其他變動 (i)                      | —   | —                                    | (10,412)   | (10,412)                        |
| Foreign exchange adjustments               | 外匯折算調整                        | (148)   | 175,345                              | —  | 175,197                         |
| Other non-cash movements                   | 其他非貨幣變動                       | —   | 123,938                              | —  | 123,938                         |
| <b>Net debt as at<br/>31 December 2020</b> | <b>於二零二零年十二月三十一日<br/>的淨債務</b> | <b>1,697,688</b>  | <b>(27,541,815)</b>                  | <b>(49,034)</b>                                  | <b>(25,893,161)</b>             |

(i) Other movements mainly comprise finance expenses recognised of leases.

(i) 其他變動主要包括租賃確認財務開支。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 35. CAPITAL COMMITMENTS

Capital expenditure contracted for but not yet incurred as of 31 December 2020 is as follows:

|  |                      | As at 31 December<br>於十二月三十一日     |                                   |
|--|----------------------|-----------------------------------|-----------------------------------|
|  |                      | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Property, plant and equipment, concession projects and construction projects | 物業、廠房及設備、特許經營項目及建設項目 | 12,539,792                        | 12,414,657                        |
| Equity investments   | 權益投資                 | 240,298                           | 240,298                           |
|  |                      | <b>12,780,090</b>                 | <b>12,654,955</b>                 |

### 36. FINANCIAL GUARANTEE

|   |                           | As at 31 December<br>於十二月三十一日     |                                   |
|---|---------------------------|-----------------------------------|-----------------------------------|
|   |                           | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Provided for the borrowings of a joint venture and an associate (Note 37) | 就合營公司及聯營公司借款提供的擔保 (附註 37) | 385,330                           | 456,629                           |
| Guarantee provided for the borrowings of a third party (Note a)           | 就第三方借款提供的擔保 (附註 a)        | 18,438                            | —                                 |
|   |                           | <b>403,768</b>                    | <b>456,629</b>                    |

(a) On 23 December 2020, the Group disposed 40% of ownership interests in Dongfei Environment and the Dongfei Environment becomes a third party.

### 35. 資本承擔

截至二零二零年十二月三十一日已訂約但尚未產生的資本支出如下：

### 36. 財務擔保

(a) 於二零二零年十二月二十三日，本集團出售東飛環境40%的股權，東飛環境成為第三方。

### 37. SIGNIFICANT RELATED PARTY TRANSACTIONS

#### (a) Major shareholders

The following entities are the major shareholders of the Company

| Name<br>名稱            |       | Place of<br>incorporation<br>公司註冊地 | Ownership interests (%)<br>所有權利益 (%) |               |
|-----------------------|-------|------------------------------------|--------------------------------------|---------------|
|                       |       |                                    | 2020<br>二零二零年                        | 2019<br>二零一九年 |
| Yunnan Province Water | 雲南省水務 | PRC<br>中國                          | 30.07                                | 30.07         |
| Beijing OriginWater   | 北京碧水源 | PRC<br>中國                          | 24.02                                | 24.02         |

### 37. 主要關聯方交易

#### (a) 主要股東

以下實體是本公司的主要股東

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 37. SIGNIFICANT RELATED PARTY TRANSACTIONS (Cont'd)

#### (b) Subsidiaries

Interests in principal subsidiaries are set out in note 14.

#### (c) Name and relationship with other major related parties

| Name<br>名稱  | Relationship<br>關係                               |
|---|--|
| YHTH <sup>(i-1)</sup><br>雲南康旅集團 <sup>(i-1)</sup>  | Shareholder of Yunnan Province Water<br>雲南省水務的股東 |
| Haiyun Environmental<br>海雲環保  | Joint venture<br>合營公司                            |
| Caiyun International Investment Limited<br>("Caiyun Investment")<br>彩雲國際投資有限公司 (「彩雲投資」) | Fellow subsidiary<br>同系附屬公司                      |
| YCIH<br>雲南建投集團  | State-owned enterprise<br>國有企業                   |
| YNDAMC<br>雲南省資產管理   | State-owned enterprise<br>國有企業                   |

(i-1) As at 25 November 2020, Yunnan Metropolitan Construction Investment Co., Ltd., the shareholder of Yunnan Province Water, changed the company name to Yunnan Health & Cultural Tourism Holding Group Co., Ltd..

#### (d) Key management personnel compensation

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

### 37. 主要關聯方交易(續)

#### (b) 附屬公司

主要附屬公司的利益載於附註14。

#### (c) 關聯方的名稱及與其他主要關聯方的關係

(i-1) 於二零二零年十一月二十五日，雲南省水務之股東雲南省城市建設投資集團有限公司，更改公司名稱為雲南省康旅控股集團有限公司。

#### (d) 重要管理人員薪酬

關鍵管理人員包括執行董事。為員工服務的關鍵管理支付或支付的報酬如下：

|                              |        | Year ended 31 December<br>截至十二月三十一日止年度 |                                   |
|------------------------------|--------|--|-----------------------------------|
|                              |        | 2020<br>二零二零年<br>RMB'000<br>人民幣千元      | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Short-term employee benefits | 短期員工福利 | 10,094                                 | 12,478                            |



# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 37. SIGNIFICANT RELATED PARTY TRANSACTIONS (Cont'd)

#### (e) 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 2020 and 2019, 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 significant related party transactions that require separate disclosure except for the transactions with YCIH.

### 37. 主要關聯方交易(續)

#### (e) 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。於截至二零二零年及二零一九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主要關聯方交易，惟與雲南建投集團進行的交易除外。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 37. SIGNIFICANT RELATED PARTY TRANSACTIONS (Cont'd)

#### (f) Significant transactions with related parties

During the years ended 31 December 2020 and 2019, 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:

### 37. 主要關聯方交易(續)

#### (f) 與關聯方的主要交易

於截至二零二零年及二零一九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：

|   |                  | Year ended 31 December |           |
|---|------------------|------------------------|-----------|
|   |                  | 截至十二月三十一日止年度           |           |
|   |                  | 2020                   | 2019      |
|   |                  | 二零二零年                  | 二零一九年     |
|   |                  | RMB'000                | RMB'000   |
|   |                  | 人民幣千元                  | 人民幣千元     |
| Sales and purchases of goods and services                     | 銷售及購買貨品及服務       |                        |           |
| – Sales of goods and services to YCIH                         | – 銷售貨品及服務予雲南建投集團 | 423,025                | 684,494   |
| – Sales of goods and services to other related parties        | – 銷售貨品及服務予其他關聯方  | 6,443                  | 5,845     |
| – Purchase of construction services from YCIH                 | – 從雲南建投集團購買建造服務  | 2,530,841              | 1,734,027 |
| – Purchase of construction services from Haiyun Environmental | – 從海雲環保購買建造服務    | 89,061                 | —         |
| – Purchase of goods from Beijing OriginWater                  | – 從北京碧水源購買資產     | 2,893                  | 3,973     |
| – Purchase of assets from Beijing OriginWater                 | – 從北京碧水源購買貨品     | —                      | 28,800    |
| Finance costs of borrowings                                   | 借款的融資成本          |                        |           |
| – Caiyun Investment   | – 彩雲投資           | 79,047                 | 95,344    |
| – YHTH  | – 雲南康旅集團         | 100,167                | —         |
| – a joint venture and an associate                            | – 一家合營公司及聯營公司    | 89                     | —         |
| Capital contribution by non-controlling interests             | 非控股權益的注資         |                        |           |
| – YNDAMC  | – 雲南省資產管理        | 800,000                | —         |

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

## 37. SIGNIFICANT RELATED PARTY TRANSACTIONS (Cont'd)

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

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

|   |                | As at 31 December<br>於十二月三十一日     |                                   |
|---|----------------|-----------------------------------|-----------------------------------|
|   |                | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
| Trade receivables for sales of goods and services | 銷售貨品及服務的貿易應收款項 |                                   |                                   |
| – YCIH  | – 雲南建投集團       | 2,298,727                         | 2,871,575                         |
| – Haiyun Environmental                            | – 海雲環保         | 76,512                            | —                                 |
| – Other related parties                           | – 其他關聯方        | 19,997                            | 19,997                            |
|   |                | <b>2,395,236</b>                  | 2,891,572                         |

The balances of trade receivables from sales of goods and services are mainly denominated in RMB, unsecured, interest free, and settled in accordance with agreed terms with related parties.

## 37. 主要關聯方交易(續)

### (g) 由銷售／購買貨品及服務產生的尚未償付的主要結餘

以下有關與關聯方交易的結餘於報告期末尚未償付：

銷售貨品及服務的貿易應收款項的結餘主要以人民幣計值、無抵押、免息，及根據與關聯方約定的條款結算。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 37. SIGNIFICANT RELATED PARTY TRANSACTIONS (Cont'd)

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

|  |              | As at 31 December |         |
|--|--------------|-------------------|---------|
|  |              | 於十二月三十一日          |         |
|  |              | 2020              | 2019    |
|  |              | 二零二零年             | 二零一九年   |
|  |              | RMB'000           | RMB'000 |
|  |              | 人民幣千元             | 人民幣千元   |
| Prepayments for purchase of goods and services | 購買貨品及服務之預付款項 |                   |         |
| – YCIH   | – 雲南建投集團     | 207,411           | 473,544 |
| – Beijing OriginWater                          | – 北京碧水源      | 24,673            | 24,841  |
| – YHTH   | – 雲南康旅集團     | —                 | 3,842   |
|  |              | <b>232,084</b>    | 502,227 |

|   |                   | As at 31 December  |             |
|---|-------------------|--------------------|-------------|
|   |                   | 於十二月三十一日           |             |
|   |                   | 2020               | 2019        |
|   |                   | 二零二零年              | 二零一九年       |
|   |                   | RMB'000            | RMB'000     |
|   |                   | 人民幣千元              | 人民幣千元       |
| Trade and other payables for purchase of goods and services | 購買貨品及服務之貿易及其他應付款項 |                    |             |
| – YCIH  | – 雲南建投集團          | 1,642,456          | 1,631,117   |
| – Beijing OriginWater                                       | – 北京碧水源           | 20,150             | 14,400      |
| – Haiyun Environmental                                      | – 海雲環保            | 75,948             | —           |
|   |                   | <b>1,738,554</b>   | 1,645,517   |
| Less: non-current portion of trade and other payables       | 減：貿易及其他應付款項的非即期部分 | <b>(1,548,223)</b> | (1,285,215) |
| Current portion of trade and other payables                 | 貿易及其他應付款項的即期部分    | <b>190,331</b>     | 360,302     |

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

### 37. 主要關聯方交易(續)

#### (g) 由銷售／購買貨品及服務產生的尚未償付的主要結餘(續)

購買貨品及服務之貿易及其他應付款項以人民幣計值、無抵押、免息，及根據與關聯方約定的條款結算。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 37. SIGNIFICANT RELATED PARTY TRANSACTIONS (Cont'd)

#### (h) Borrowings from a related party — Caiyun Investment

|                                       |               | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
|---------------------------------------|---------------|-----------------------------------|-----------------------------------|
| <b>Opening balance at 1 January</b>   | 於一月一日的期初結餘    | <b>1,813,189</b>                  | 1,783,882                         |
| Repayment                             | 還款            | <b>(130,290)</b>                  | —                                 |
| Currency translation differences      | 貨幣換算差額        | <b>(116,897)</b>                  | 29,307                            |
| <b>Closing balance at 31 December</b> | 於十二月三十一日的期末結餘 | <b>1,566,002</b>                  | 1,813,189                         |

The borrowings granted from Caiyun Investment are denominated in USD, unsecured, bear interest and repayable in accordance with agreed terms with Caiyun investment.

彩雲投資授予的借款以美元計值、無抵押、按年計息，並須根據與彩雲投資訂立之協議條款償還。

#### (i) Borrowings from a related party — YHTH

|                                       |               | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
|---------------------------------------|---------------|-----------------------------------|-----------------------------------|
| <b>Opening balance at 1 January</b>   | 於一月一日的期初結餘    | —                                 | —                                 |
| Receipt                               | 收款            | <b>4,023,976</b>                  | —                                 |
| Repayment                             | 還款            | <b>(3,210,404)</b>                | —                                 |
| <b>Closing balance at 31 December</b> | 於十二月三十一日的期末結餘 | <b>813,572</b>                    | —                                 |

The borrowings granted from YHTH are denominated in RMB, unsecured, bear interest and repayable in accordance with agreed terms with YHTH.

#### (i) 向關聯方借款 — 雲南康旅集團

雲南康旅集團授予的借款以人民幣計值、無抵押、按年計息，並須根據與雲南康旅集團訂立之協議條款償還。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 37. SIGNIFICANT RELATED PARTY TRANSACTIONS (Cont'd)

#### (j) Borrowings from a joint venture and an associate

|                                       |               | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
|---------------------------------------|---------------|-----------------------------------|-----------------------------------|
| <b>Opening balance at 1 January</b>   | 於一月一日的期初結餘    | —                                 | —                                 |
| Receipt                               | 收款            | 88,000                            | —                                 |
| Repayment                             | 還款            | (58,000)                          | —                                 |
| <b>Closing balance at 31 December</b> | 於十二月三十一日的期末結餘 | 30,000                            | —                                 |

The borrowings granted from a joint venture and an associate are denominated in RMB, unsecured, bear interest and repayable in 2021.

### 37. 主要關聯方交易(續)

#### (j) 向合營公司及聯營公司借款

合營公司及聯營公司授予的借款以人民幣計值、無抵押、按年計息，並須於二零二一年償還。

#### (k) Funds due from/to related parties

##### (i) Funds due from Beijing OriginWater

|                                       |               | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
|---------------------------------------|---------------|-----------------------------------|-----------------------------------|
| <b>Opening balance at 1 January</b>   | 於一月一日的期初結餘    | 24,311                            | 24,316                            |
| Payment                               | 付款            | 754                               | —                                 |
| Receipt                               | 收款            | (2)                               | (5)                               |
| <b>Closing balance at 31 December</b> | 於十二月三十一日的期末結餘 | 25,063                            | 24,311                            |

##### (ii) Funds due from other related parties

|                                       |               | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
|---------------------------------------|---------------|-----------------------------------|-----------------------------------|
| <b>Opening balance at 1 January</b>   | 於一月一日的期初結餘    | 11,970                            | 7,605                             |
| Payment                               | 付款            | 8,146                             | 4,518                             |
| Receipt                               | 收款            | (5,318)                           | (153)                             |
| <b>Closing balance at 31 December</b> | 於十二月三十一日的期末結餘 | 14,798                            | 11,970                            |

#### (k) 與關聯方的資金往來 (i) 應收北京碧水源的資金

#### (ii) 應收其他關聯方的資金

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 37. SIGNIFICANT RELATED PARTY TRANSACTIONS (Cont'd)

#### (k) Funds due from/to related parties (Cont'd)

##### (ii) Funds due from other related parties (Cont'd)

The funds grant to related parties are denominated in RMB, unsecured, interest free and repayable on demand.

##### (iii) Funds due to other related parties

The funds grant from related parties are denominated in RMB, unsecured, interest free and repayable on demand.

#### (l) Guarantee

|                                       |               | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
|---------------------------------------|---------------|-----------------------------------|-----------------------------------|
| <b>Opening balance at 1 January</b>   | 於一月一日的期初結餘    | 2,065                             | 1,492                             |
| Receipt                               | 收款            | 3,906                             | 573                               |
| Repayment                             | 還款            | (692)                             | —                                 |
| <b>Closing balance at 31 December</b> | 於十二月三十一日的期末結餘 | <b>5,279</b>                      | 2,065                             |

|  |                   | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
|--|-------------------|-----------------------------------|-----------------------------------|
| Guarantee provided by YHTH in respect of the borrowings of the Group | 雲南康旅集團就本集團借款提供的擔保 | 537,450                           | 387,450                           |

|   |                        | 2020<br>二零二零年<br>RMB'000<br>人民幣千元 | 2019<br>二零一九年<br>RMB'000<br>人民幣千元 |
|---|------------------------|-----------------------------------|-----------------------------------|
| Guarantee provided to related parties in respect of the borrowing of a joint venture and an associate | 就合營公司及聯營公司的借款向關聯方提供的擔保 | 385,330                           | 456,629                           |

### 37. 主要關聯方交易(續)

#### (k) 與關聯方的資金往來(續)

##### (ii) 應收其他關聯方的資金(續)

向關聯方提供的資金均以人民幣計值、無抵押、無利息及應按要求償還。

##### (iii) 應付其他關聯方的資金

關聯方提供的資金均以人民幣計值、無抵押、無利息及應按要求償還。

#### (l) 擔保

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 38. BALANCE SHEET OF THE COMPANY

### 38. 本公司資產負債表

|  |                         | As at 31 December |                   |
|--|-------------------------|-------------------|-------------------|
|  |                         | 於十二月三十一日          |                   |
|  |                         | 2020              | 2019              |
|  |                         | 二零二零年             | 二零一九年             |
|  |                         | RMB'000           | RMB'000           |
|  |                         | 人民幣千元             | 人民幣千元             |
| <b>ASSETS</b>  | <b>資產</b>               |                   |                   |
| <b>Non-current assets</b>  | <b>非流動資產</b>            |                   |                   |
| Property, plant and equipment                                      | 物業、廠房及設備                | 172,327           | 165,499           |
| Receivables under service concession arrangements                  | 服務特許經營安排下的應收款項          | 75,809            | 76,581            |
| Investments in subsidiaries  | 於附屬公司的投資                | 9,360,945         | 7,641,220         |
| Intangible assets  | 無形資產                    | 3,681             | 3,453             |
| Investments accounted for using the equity method                  | 以權益法入賬的投資               | 791,549           | 1,036,601         |
| Trade and other receivables  | 貿易及其他應收款項               | 1,112             | 7,086             |
| Prepayments  | 預付款項                    | 384,361           | 384,359           |
| Financial asset at fair value through other comprehensive income   | 以公平值計量且其變動計入其他綜合收益的金融資產 | 76                | 76                |
| Deferred income tax assets   | 遞延所得稅資產                 | 155,182           | 91,855            |
|  |                         | <b>10,945,042</b> | <b>9,406,730</b>  |
| <b>Current assets</b>  | <b>流動資產</b>             |                   |                   |
| Inventory  | 存貨                      | 26                | 10                |
| Trade and other receivables  | 貿易及其他應收款項               | 1,733,048         | 1,245,438         |
| Amounts due from subsidiaries                                      | 應收附屬公司款項                | 8,455,880         | 8,818,532         |
| Prepayments  | 預付款項                    | 1,061             | 1,781             |
| Restricted cash  | 受限制現金                   | 79,250            | 113,525           |
| Cash and cash equivalents  | 現金及現金等價物                | 41,077            | 713,621           |
|  |                         | <b>10,310,342</b> | <b>10,892,907</b> |
| <b>Total assets</b>  | <b>總資產</b>              | <b>21,255,384</b> | <b>20,299,637</b> |
| <b>EQUITY</b>  | <b>權益</b>               |                   |                   |
| <b>Equity attributable to ordinary shareholders of the Company</b> | <b>本公司普通股股東應佔權益</b>     |                   |                   |
| Share capital  | 股本                      | 1,193,213         | 1,193,213         |
| Other reserves (note a)  | 其他儲備 (附註 a)             | 2,365,076         | 2,327,617         |
| Retained earnings (note a)   | 保留盈利 (附註 a)             | 235,524           | 201,500           |
|  |                         | <b>3,793,813</b>  | <b>3,722,330</b>  |
| Perpetual capital instruments                                      | 永久資本工具                  | 500,000           | 2,610,000         |
| <b>Total equity</b>  | <b>總權益</b>              | <b>4,293,813</b>  | <b>6,332,330</b>  |



# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 38. BALANCE SHEET OF THE COMPANY (Cont'd)

### 38. 本公司資產負債表(續)

|                                     |                | As at 31 December |            |
|-------------------------------------|----------------|-------------------|------------|
|                                     |                | 於十二月三十一日          |            |
|                                     |                | 2020              | 2019       |
|                                     |                | 二零二零年             | 二零一九年      |
|                                     |                | RMB'000           | RMB'000    |
|                                     |                | 人民幣千元             | 人民幣千元      |
| <b>LIABILITIES</b>                  | <b>負債</b>      |                   |            |
| <b>Non-current liabilities</b>      | <b>非流動負債</b>   |                   |            |
| Borrowings                          | 借款             | 5,770,783         | 6,747,138  |
| <b>Current liabilities</b>          | <b>流動負債</b>    |                   |            |
| Borrowings                          | 借款             | 7,261,201         | 4,960,200  |
| Trade and other payables            | 貿易及其他應付款項      | 3,929,587         | 2,259,969  |
|                                     |                | <b>11,190,788</b> | 7,220,169  |
| <b>Total liabilities</b>            | <b>總負債</b>     | <b>16,961,571</b> | 13,967,307 |
| <b>Total equity and liabilities</b> | <b>權益及負債總額</b> | <b>21,255,384</b> | 20,299,637 |

The balance sheet of the Company was approved by the Board of Directors of the Company on 31 March 2021 and was signed on its behalf.

本公司資產負債表由本公司董事會於二零二一年三月三十一日批准並由下列人士代為簽署。

\_\_\_\_\_  
Director  
董事

\_\_\_\_\_  
Director  
董事

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 38. BALANCE SHEET OF THE COMPANY (Cont'd)

#### (a) Movement of other reserves and retained earnings

### 38. 本公司資產負債表(續)

#### (a) 其他儲備及保留盈利變動

|  |                         | Capital<br>reserve<br>股本儲備<br>RMB'000<br>人民幣千元 | Statutory<br>reserve<br>法定儲備<br>RMB'000<br>人民幣千元 | Retained<br>earnings<br>保留盈利<br>RMB'000<br>人民幣千元 | Total<br>總計<br>RMB'000<br>人民幣千元 |
|--|-------------------------|--|--|--|---------------------------------|
| <b>Balance at 1 January 2019</b>                 | 於二零一九年一月一日的結餘           | 2,195,657                                      | 99,743   | 203,836  | 2,499,236                       |
| Profit for the year                              | 年內溢利                    | —  | —  | 208,863  | 208,863                         |
| Transfer to statutory reserve                    | 轉至法定儲備                  | —  | 32,217   | (32,217)   | —                               |
| Dividends for the year ended<br>31 December 2018 | 截至二零一八年十二月<br>三十一日止年度股息 | —  | —  | (178,982)  | (178,982)                       |
| <b>Balance at 31 December 2019</b>               | 於二零一九年十二月三十一日<br>的結餘    | 2,195,657                                      | 131,960  | 201,500  | 2,529,117                       |
| <b>Balance at 1 January 2020</b>                 | 於二零二零年一月一日的結餘           | <b>2,195,657</b>                               | <b>131,960</b>                                   | <b>201,500</b>                                   | <b>2,529,117</b>                |
| Profit for the year                              | 年內溢利                    | —  | —  | 250,465  | 250,465                         |
| Transfer to statutory reserve                    | 轉至法定儲備                  | —  | 37,459   | (37,459)   | —                               |
| Dividends for the year ended<br>31 December 2019 | 截至二零一九年十二月<br>三十一日止年度股息 | —  | —  | (178,982)  | (178,982)                       |
| <b>Balance at 31 December 2020</b>               | 於二零二零年十二月三十一日<br>的結餘    | <b>2,195,657</b>                               | <b>169,419</b>                                   | <b>235,524</b>                                   | <b>2,600,600</b>                |

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 39. BENEFITS AND INTERESTS OF DIRECTORS

#### (a) Directors' and supervisors' emoluments

The emoluments of individual director and supervisor of the Company paid/payable by the Group are presented as below:

#### (i) For the year ended 31 December 2020

| Name of directors/supervisors                     | 董事/監事姓名                   | Fees<br>袍金<br>RMB'000<br>人民幣千元 | Salary<br>薪金<br>RMB'000<br>人民幣千元 | Discretionary<br>bonuses<br>酌情花紅<br>RMB'000<br>人民幣千元 | Allowances<br>and other<br>benefits<br>津貼及<br>其他福利<br>RMB'000<br>人民幣千元 | Employer's<br>contribution<br>to pension<br>scheme<br>僱員退休金<br>計劃供款<br>RMB'000<br>人民幣千元 | Total<br>總計<br>RMB'000<br>人民幣千元 |
|---|---------------------------|--------------------------------|----------------------------------|--|--|---|---------------------------------|
|   |                           |                                |                                  |  |  | —   |                                 |
| <b>Executive Directors</b>                        |                           | <b>執行董事</b>                    |                                  |  |  |   |                                 |
| Mr. Yu Long (general manager)                     | 于龍先生(總經理)                 | 10                             | 2,028                            | 640  | 123  | —   | 2,801                           |
| Mr. Yang Fang                                     | 楊方先生                      | 100                            | 533                              | 138  | 110  | —   | 881                             |
| <b>Non-executive Directors*</b>                   |                           | <b>非執行董事*</b>                  |                                  |  |  |   |                                 |
| Mr. Li Jialong<br>(Appointed on 16 July 2020)     | 李家龍先生(於二零二零年<br>七月十六日獲委任) | —                              | —                                | —  | —  | —   | —                               |
| Mr. Dai Richeng<br>(Appointed on 12 October 2020) | 戴日成先生(於二零二零年<br>十月十二日獲委任) | —                              | —                                | —  | —  | —   | —                               |
| Mr. Yang Tao<br>(Resigned on 16 July 2020)        | 楊濤先生(於二零二零年<br>七月十六日辭任)   | —                              | —                                | —  | —  | —   | —                               |
| Mr. He Yuanping<br>(Resigned on 12 October 2020)  | 何願平先生(於二零二零年<br>十月十二日辭任)  | —                              | —                                | —  | —  | —   | —                               |
| Ms. Li Bo   | 李波女士                      | —                              | —                                | —  | —  | —   | —                               |
| Mr. Chenyong                                      | 陳勇先生                      | —                              | —                                | —  | —  | —   | —                               |
| <b>Supervisors</b>                                |                           | <b>監事</b>                      |                                  |  |  |   |                                 |
| Ms. Zhang Ling                                    | 張玲女士                      | 33                             | —                                | —  | —  | —   | 33                              |
| Mr. Huang Yi                                      | 黃軼先生                      | —                              | 439                              | —  | 47   | —   | 486                             |
| Mr. Long Limin                                    | 龍利民先生                     | —                              | —                                | —  | —  | —   | —                               |
| Mr. Zhu Zhen                                      | 朱振先生                      | —                              | —                                | —  | —  | —   | —                               |
| Mr. Tan Hairui                                    | 譚海銳先生                     | 33                             | —                                | —  | —  | —   | 33                              |
| Ms. Tang Shuang                                   | 唐爽女士                      | —                              | 208                              | —  | 43   | —   | 251                             |
| <b>Independent non-executive directors</b>        |                           | <b>獨立非執行董事</b>                 |                                  |  |  |   |                                 |
| Mr. Liu Chuen Kong                                | 廖船江先生                     | 190                            | —                                | —  | —  | —   | 190                             |
| Mr. Ma Shihao<br>(Resigned on 12 October 2020)    | 馬世豪先生(於二零二零年<br>十月十二日辭任)  | 75                             | —                                | —  | —  | —   | 75                              |
| Mr. Hu Song<br>(Resigned on 14 July 2020)         | 胡松先生(於二零二零年<br>七月十四日辭任)   | 50                             | —                                | —  | —  | —   | 50                              |
| Mr. Zhou Beihai<br>(Appointed on 12 October 2020) | 周北海先生(於二零二零年<br>十月十二日獲委任) | 13                             | —                                | —  | —  | —   | 13                              |
| Mr. Zhong Wei<br>(Appointed on 12 October 2020)   | 鍾偉先生(於二零二零年<br>十月十二日獲委任)  | 13                             | —                                | —  | —  | —   | 13                              |
|   |                           | 517                            | 3,208                            | 778  | 323  | —   | 4,826                           |

### 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) 截至二零二零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

### 39. BENEFITS AND INTERESTS OF DIRECTORS (Cont'd)

#### (a) Directors' and supervisors' emoluments (Cont'd) (ii) For the year ended 31 December 2019

| Name of directors/supervisors                    | 董事/監事姓名                  | Fees<br>袍金<br>RMB'000<br>人民幣千元 | Salary<br>薪金<br>RMB'000<br>人民幣千元 | Discretionary<br>bonuses<br>酌情花紅<br>RMB'000<br>人民幣千元 | Allowances<br>and other<br>benefits<br>津貼及<br>其他福利<br>RMB'000<br>人民幣千元 | Employer's  | Total |
|--|--------------------------|--------------------------------|----------------------------------|--|--|---|-------|
|  |                          |                                |                                  |  |  | contribution<br>to pension<br>scheme<br>僱員退休金<br>計劃供款<br>RMB'000<br>人民幣千元 |       |
| <b>Executive Directors</b>                       |                          | <b>執行董事</b>                    |                                  |  |  |   |       |
| Mr. Yu Long (general manager)                    | 于龍先生(總經理)                | 10                             | 1,990                            | —  | 123  | —   | 2,123 |
| Mr. Yang Fang                                    | 楊方先生                     | 100                            | 1,010                            | —  | 110  | —   | 1,220 |
| <b>Non-executive Directors*</b>                  |                          | <b>非執行董事*</b>                  |                                  |  |  |   |       |
| Mr. Yang Tao                                     | 楊濤先生                     | —                              | —                                | —  | —  | —   | —     |
| Mr. He Yuanping                                  | 何顯平先生                    | —                              | —                                | —  | —  | —   | —     |
| Ms. Li Bo  | 李波女士                     | —                              | —                                | —  | —  | —   | —     |
| Mr. Chenyong<br>(Appointed on 13 June 2019)      | 陳勇先生(於二零一九年<br>六月十三日獲委任) | —                              | —                                | —  | —  | —   | —     |
| Mr. Feng Zhuangzhi<br>(Resigned on 13 June 2019) | 馮壯志先生(於二零一九年<br>六月十三日辭任) | —                              | —                                | —  | —  | —   | —     |
| <b>Supervisors</b>                               |                          | <b>監事</b>                      |                                  |  |  |   |       |
| Ms. Zhang Ling                                   | 張玲女士                     | 36                             | —                                | —  | —  | —   | 36    |
| Mr. Huang Yi                                     | 黃軼先生                     | 35                             | 493                              | 250  | 85   | —   | 863   |
| Mr. Long Limin                                   | 龍利民先生                    | —                              | —                                | —  | —  | —   | —     |
| Mr. Zhu Zhen                                     | 朱振先生                     | —                              | —                                | —  | —  | —   | —     |
| Mr. Tan Hairui                                   | 譚海銳先生                    | 36                             | —                                | —  | —  | —   | 36    |
| Ms. Tang Shuang                                  | 唐爽女士                     | 60                             | 163                              | 110  | 74   | —   | 407   |
| <b>Independent non-executive directors</b>       |                          | <b>獨立非執行董事</b>                 |                                  |  |  |   |       |
| Mr. Liu Chuen Kong                               | 廖船江先生                    | 176                            | —                                | —  | —  | —   | 176   |
| Mr. Ma Shihao                                    | 馬世豪先生                    | 100                            | —                                | —  | —  | —   | 100   |
| Mr. Hu Song                                      | 胡松先生                     | 100                            | —                                | —  | —  | —   | 100   |
|  |                          | 653                            | 3,656                            | 360  | 392  | —   | 5,061 |

\* There were no fees or other emoluments payable to non-executive directors during the year.

\* 年內並無應付非執行董事的袍金或其他薪酬。

### 39. 董事福利及權益(續)

#### (a) 董事及監事的酬金(續) (ii) 截至二零一九年十二月三十一日止年度

**39. BENEFITS AND INTERESTS OF DIRECTORS  
(Cont'd)**

**(b) Directors' retirement benefits and termination benefits**

None of the directors received or will receive any retirement benefits or termination benefits for the year ended 31 December 2020 (2019: none).

**(c) Consideration provided to third parties for making available directors' services**

For the year ended 31 December 2020, the Group did not pay consideration to any third parties for making available directors' services (2019: nil).

**(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors**

As at 31 December 2020, there are no loans, quasi-loans and other dealing arrangements in favour of directors, controlled bodies corporate by and connected entities with such directors (2019: nil).

**(e)** The aggregate emoluments paid to or receivable by directors in respect of their services as directors of the Company for the year ended 31 December 2020 were RMB451,000 (2019: RMB486,000). The aggregate emoluments paid to or receivable by directors in respect of their other services in connection with the management of the affairs of the Company for the year ended 31 December 2020 were RMB3,572,000 (2019: RMB3,233,000).

**39. 董事福利及權益(續)**

**(b) 董事的退休福利及離職福利**

截至二零二零年十二月三十一日止年度，概無董事已收取或將收取任何退休福利或離職福利(二零一九年：無)。

**(c) 就獲取董事服務而向第三方提供的代價**

截至二零二零年十二月三十一日止年度，本集團並無就獲取董事服務向任何第三方支付代價(二零一九年：無)。

**(d) 有關以董事、董事的受控制法團及關連實體為受益人的貸款、準貸款及其他交易的資料**

於二零二零年十二月三十一日，概無以董事、董事的受控制法團及關連實體為受益人的貸款、準貸款及其他交易安排(二零一九年：無)。

**(e)** 董事就彼等於截至二零二零年十二月三十一日止年度擔任本公司董事已獲支付或應收的薪酬總額為人民幣451,000元(二零一九年：人民幣486,000元)。董事就彼等於截至二零二零年十二月三十一日止年度對管理本公司事務提供的其他服務已獲支付或應收的薪酬總額為人民幣3,572,000元(二零一九年：人民幣3,233,000元)。

## Five-year Financial Summary 五年財務概要

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

### 簡明合併損益及其他綜合收益 表

|   |               | 2020             | 2019      | 2018      | 2017      | 2016      |
|---|---------------|------------------|-----------|-----------|-----------|-----------|
|   |               | 二零二零年            | 二零一九年     | 二零一八年     | 二零一七年     | 二零一六年     |
|   |               | RMB'000          | RMB'000   | RMB'000   | RMB'000   | RMB'000   |
|   |               | 人民幣千元            | 人民幣千元     | 人民幣千元     | 人民幣千元     | 人民幣千元     |
| Revenue                                     | 收益            | <b>8,396,630</b> | 6,538,024 | 6,255,628 | 5,142,242 | 2,865,890 |
| Gross profit                                | 毛利            | <b>2,096,132</b> | 1,832,313 | 1,498,009 | 1,304,724 | 879,500   |
| Profit before income tax                    | 所得稅前溢利        | <b>502,624</b>   | 677,549   | 644,226   | 702,244   | 516,734   |
| Profit for the year                         | 年內溢利          | <b>341,311</b>   | 553,808   | 496,715   | 544,000   | 414,266   |
| Profit for the year attributable to:        | 以下人士應佔溢利：     |                  |           |           |           |           |
| Ordinary shareholders of the Company        | 本公司普通股股東      | <b>223,095</b>   | 398,153   | 397,753   | 422,812   | 388,093   |
| Total comprehensive income for the year     | 年內綜合收益總額      | <b>353,320</b>   | 572,023   | 323,974   | 695,742   | 389,746   |
| Total comprehensive income attributable to: | 以下人士應佔綜合收益總額： |                  |           |           |           |           |
| Ordinary shareholders of the Company        | 本公司普通股股東      | <b>235,104</b>   | 416,368   | 225,012   | 574,554   | 363,573   |

### CONDENSED CONSOLIDATED BALANCE SHEET

### 簡明合併資產負債表

|                                      |              | 2020              | 2019       | 2018       | 2017       | 2016       |
|--------------------------------------|--------------|-------------------|------------|------------|------------|------------|
|                                      |              | 二零二零年             | 二零一九年      | 二零一八年      | 二零一七年      | 二零一六年      |
|                                      |              | RMB'000           | RMB'000    | RMB'000    | RMB'000    | RMB'000    |
|                                      |              | 人民幣千元             | 人民幣千元      | 人民幣千元      | 人民幣千元      | 人民幣千元      |
| <b>Assets</b>                        | <b>資產</b>    |                   |            |            |            |            |
| Total non-current assets             | 非流動資產總額      | <b>36,676,593</b> | 29,164,775 | 23,363,751 | 19,092,066 | 12,972,400 |
| Total current assets                 | 流動資產總額       | <b>10,576,221</b> | 10,704,357 | 9,310,095  | 8,003,983  | 7,085,974  |
| Total assets                         | 資產總額         | <b>47,252,814</b> | 39,869,132 | 32,673,846 | 27,096,049 | 20,058,374 |
| <b>Equity and liabilities</b>        | <b>權益及負債</b> |                   |            |            |            |            |
| Equity attributable to:              | 以下應佔權益：      |                   |            |            |            |            |
| Ordinary shareholders of the Company | 本公司普通股股東     | <b>5,175,361</b>  | 4,749,316  | 4,556,822  | 4,536,565  | 4,240,569  |
| Perpetual capital instruments        | 永久資本工具       | <b>500,000</b>    | 2,610,000  | 1,200,000  | 1,200,000  | 2,000,000  |
| Non-controlling interests            | 非控股權益        | <b>1,932,201</b>  | 1,186,669  | 1,177,450  | 949,384    | 1,005,890  |
| Total equity                         | 權益總額         | <b>7,607,562</b>  | 8,545,985  | 6,934,272  | 6,685,949  | 7,246,459  |
| Non-current liabilities              | 非流動負債        | <b>26,292,531</b> | 20,760,860 | 16,527,163 | 12,490,571 | 7,111,213  |
| Current liabilities                  | 流動負債         | <b>13,352,721</b> | 10,562,287 | 9,212,411  | 7,919,529  | 5,700,702  |
| Total liabilities                    | 負債總額         | <b>39,645,252</b> | 31,323,147 | 25,739,574 | 20,410,100 | 12,811,915 |
| Total equity and liabilities         | 權益及負債總額      | <b>47,252,814</b> | 39,869,132 | 32,673,846 | 27,096,049 | 20,058,374 |

# Environmental, Social & Governance Report in 2020

## 環境、社會及管治報告2020

### INTRODUCTION

Since its inception, Yunnan Water Investment Co., Limited (the “**Company**” or “**Yunnan Water**”) and its subsidiaries (the “**Group**” or “**we**”) has been specializing in the field of environmental protection and maintaining a stable and high-quality service level, to provide customers with customized integrated solutions and core technology integration services in the areas of water supply, wastewater, ecological environment, solid waste treatment, waste incineration and power generation, transformation of sludge into resources and photovoltaic power generation. The Group actively plays its role as corporate citizen to fulfill its environmental protection responsibility, strives to improve the eco-environmental quality, promotes sustainable development, creates eco-friendly cities with technologies and funds and forges ahead with a strategic positioning as a leading urban environmental protection integrated services provider in China.

In the face of the sudden outbreak of the COVID-19 pandemic (“**COVID-19**”) in the 2020 Financial Year, the Group immediately supported the pandemic prevention and control work, timely understood and managed the capacity and operation condition of medical waste disposal facilities in the affected area, and fully guided and supervised the safe disposal of medical waste in the affected area. During the Spring Festival holiday of the 2020 Financial Year, all the cadres and staff members of the medical waste disposal project did not take a leave of absence. Under the unified arrangement of the Group, they worked hard in the front line and took resolute and effective measures to deal with COVID-19 medical waste in a timely, orderly, efficient and harmless way, and jointly fought against COVID-19 with a meager strength.

In order to enable stakeholders (including shareholders and investors, customers, employees, suppliers and subcontractors, regulatory authorities, government authorities and the society to, as well as non-governmental organizations (“**NGOs**”) and the media) to understand our environmental, social and governance (“**ESG**”) policies, measures and performance. The environmental, social and governance report (the “**Report**”) has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “**ESG Guide**”) in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

### 序言

雲南水務投資股份有限公司(「**本公司**」或「**雲南水務**」)及其附屬公司(「**本集團**」或「**我們**」)自成立以來一直專注並深耕於環保領域，並以穩定、高質量的服務水平，為客戶提供在供水、污水、生態環境、固廢處理、垃圾焚燒發電、污泥資源化處置及光伏發電等方面訂制的整體解決方案和核心技術集成服務。本集團積極扮演企業公民角色，奉行對環保的責任，致力改善生態環境質量，推動可持續發展，利用技術和資金，創造環境友好型城市，向「中國領先的城市環境綜合服務商」戰略定位穩步邁進。

於2020財政年度，面對新冠肺炎疫情(「**新冠肺炎**」)的突然來襲，本集團第一時間支持疫情防控工作，及時摸清及管理疫區醫療廢物處置設施能力和運行情況，並全力指導支持督促疫區做好醫療廢物安全處置工作。在2020財政年度的整個春節假期，醫療廢物處理項目的全體幹部職工無一人休假，在本集團的統一部署下奮鬥在第一線，採取堅決有力措施，及時、有序、高效、無害化處置新冠疫情醫療廢物，以微薄之力共同抗擊新冠疫情。

本集團為讓各利益相關方(包括股東及投資者、客戶、僱員、供應商及分包商、監管機構和政府機構及社會，以及非政府組織(「**非政府組織**」)和媒體)了解我們的環境、社會及管治(「**ESG**」)之政策、措施及表現，根據香港聯合交易所有限公司(「**聯交所**」)證券上市規則附錄二十七所載之環境、社會及管治報告指引(「**ESG指引**」)編製了本環境、社會及管治報告(「**本報告**」)。

# Environmental, Social & Governance Report in 2020

## 環境、社會及管治報告2020

### ESG Management Structure

The Group has appointed the relevant designated personnel (“**Designated Personnel**”) to collect relevant information on its ESG aspects of the Group for the preparation of the Report. The Designated Personnel shall be composed of the major subsidiaries, management and employees of each function, and report to the board of directors (the “**Board**”) of the Company from time to time. At the same time, the Designated Personnel are also responsible for assisting the Group to review its operations and identify relevant ESG matters, evaluating the importance of the above to our businesses and to each stakeholder, as well as examining and assessing the performance in different aspects such as environment, health and safety, labour standards, product and service responsibility in the ESG areas. The Board has set the general direction of the Group’s ESG strategy, assesses and determines relevant ESG risks, includes ESG matters in the Group’s risk management and internal monitoring system, and ensures the effectiveness of ESG risk management and internal control mechanism.

### REPORTING SCOPE

The information disclosed in the Report covers 191 water supply, wastewater and solid waste treatment project of the Group in the People’s Republic of China (the “**PRC**”) (excluding the Group’s newly constructed projects in 2019 financial year and projects outside the PRC). After the data collection system of the Group becomes more mature and the sustainable development work is deepened, the Group will continue to extend the scope of disclosure in the future.

### REPORTING FRAMEWORK

The Report has been prepared with reference to the ESG Guide in the Appendix 27 of the Listing Rules of the Main Board of The Stock Exchange. Details of the corporate governance practice of the Company is set out in the Corporate Governance Report from page 70 to 87 in this annual report.

### REPORTING PERIOD

The Report covers the ESG activities, challenges and measures taken of the Group during the period from the year ended 1 January 2020 to 31 December 2020 (the “**2020 Financial Year**”)

### STAKEHOLDER ENGAGEMENT

The Group attaches importance to stakeholders and their opinions on the Group’s business and ESG matters. In order to understand and respond to the concerns of stakeholders, the Group maintains close communication with major stakeholders. In formulating the operation strategy and ESG measures, the Group will take into account the expectations of the stakeholders, and through mutual cooperation, the Group will continuously improve its performance and create greater value for the society.

### ESG治理結構

本集團已委派相關指定人員〔**指定人員**〕負責搜集本集團在ESG方面的相關資料以及參與編製本報告。指定人員由主要附屬公司以及各職能的管理層及員工組成，並且會不定期向董事會〔**董事會**〕匯報。同時，指定人員亦負責協助檢討本集團與ESG相關的運作情況、鑒別ESG相關事宜並評估相關事宜對本集團的業務和對各持份者的重要性，以及檢查和評估本集團在ESG範疇內環境、健康與安全、勞工標準、產品及服務責任等不同方面的表現。董事會則負責設定本集團ESG策略上的大方向、評估及釐定相關環境、社會及管治的風險、以及把ESG事宜包括在集團之風險管理及內部監控系統中，並確保ESG風險控制及內部控制機制的有效性。

### 報告範圍

本報告所披露數據範圍涵蓋本集團191個供水、污水及固廢處理的中國國內項目（不包括於2019財政年度開始新建的項目及於中國境外的項目）。待本集團之數據收集系統更趨成熟，以及可持續發展工作深化之後，本集團將於未來繼續擴大披露範圍。

### 報告框架

本報告依照聯交所主板上市規則附錄二十七所載之ESG指引所編製編寫。有關本集團的企業管治常規刊載於本年報第70頁至第87頁的《企業管治報告》內。

### 報告期間

本報告涵蓋本集團二零二零年一月一日至二零二零年十二月三十一日止年度〔**2020財政年度**〕取得的ESG方面的活動、挑戰和採取的措施。

### 持份者參與

本集團重視持份者及其對本集團業務及ESG事宜的意見。為了解及回應持份者關注事項，本集團與主要持份者保持緊密溝通。在制訂營運策略及ESG措施時，本集團會考慮持份者的期望，透過彼此合作使本集團不斷改善其表現，為社會締造更大價值。



# Environmental, Social & Governance Report in 2020

## 環境、社會及管治報告2020

Through different stakeholders' participation and communication channels, the Group will bring stakeholders' expectations into the Group's operation and ESG strategy. The communication channels and expectations of stakeholders are as follows:

通過不同的持份者參與及溝通渠道，本集團會將持份者的期望帶入本集團的營運及ESG策略當中。持份者的溝通渠道及期望如下：

| Stakeholders<br>持份者                      | Communication Channels<br>溝通渠道  | Expectations<br>期望   |
|--|---|--|
| Investors and shareholders<br><br>投資者及股東 | <ul style="list-style-type: none"> <li>Annual general meeting and other shareholder meetings</li> <li>Financial reports</li> <li>Announcements and notices by the Group</li> <li>Company website and e-mail</li> <li>News reports, announcements and circulars</li> <li>Results announcements</li> <li>Roadshow</li> <li>Conference and teleconference</li> <li>Site inspection</li> <li>股東週年大會及其他股東大會</li> <li>財務報告</li> <li>集團公告及通知</li> <li>集團網頁及電郵</li> <li>新聞稿、公告及通函</li> <li>業績公佈</li> <li>路演</li> <li>會議及電話會議</li> <li>現場考察</li> </ul> | <ul style="list-style-type: none"> <li>Compliance operation</li> <li>Information transparency</li> <li>Protection of rights and interests and the fair treatment of shareholders</li> <li>Return on investment</li> <li>Improve the quality of products and services</li> <li>Risk management</li> <li>Corporate governance</li> <li>Market position</li> <li>合規經營</li> <li>信息透明度</li> <li>保障權益及股東公平待遇</li> <li>投資回報</li> <li>提升產品與服務質量</li> <li>風險管理</li> <li>企業管治</li> <li>市場地位</li> </ul> |
| Customers<br><br>客戶                      | <ul style="list-style-type: none"> <li>Customer support hotline and email</li> <li>Meetings</li> <li>Customer satisfaction survey</li> <li>Visit and communication</li> <li>客戶支持熱線及電郵</li> <li>會議</li> <li>客戶滿意度調查</li> <li>拜訪溝通</li> </ul>   | <ul style="list-style-type: none"> <li>Stable relationship</li> <li>Products quality</li> <li>Protect customer privacy</li> <li>Business integrity and morality</li> <li>穩定關係</li> <li>產品質量</li> <li>保障客戶隱私</li> <li>商業誠信與道德</li> </ul>  |

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| Stakeholders<br>持份者                | Communication Channels<br>溝通渠道   | Expectations<br>期望  |
|------------------------------------|--|---|
| Employees<br>員工                    | <ul style="list-style-type: none"> <li>• Training, seminars and briefing</li> <li>• Employee performance appraisal and performance evaluation meetings</li> <li>• Culture, public welfare and sports activities</li> <li>• Working meeting and special meeting</li> <li>• Face to face talks, email contact and teleconference</li> <li>• Labor contract</li> <li>• Opinion collection</li> <li>• Career development communication mechanism</li> <li>• Staff care activities</li> <li>• Anonymous communication channels</li> </ul> | <ul style="list-style-type: none"> <li>• Career development opportunities</li> <li>• Health and safety</li> <li>• Remuneration and benefits</li> <li>• Working environment</li> <li>• Protection of employees' rights and interests</li> <li>• Staff care</li> <li>• Staff communication</li> </ul> |
| Suppliers and partners<br>供應商和合作夥伴 | <ul style="list-style-type: none"> <li>• Business meetings, e-mail and telephone</li> <li>• Review and assessment</li> <li>• Regular meetings</li> <li>• Procurement and tender meetings</li> <li>• Telephone follow-up</li> <li>• Opinion survey</li> <li>• Instant messaging software</li> <li>• 商務會議、電郵及電話</li> <li>• 審核與評估</li> <li>• 定期會議</li> <li>• 採購招標會</li> <li>• 電話回訪</li> <li>• 意見調查</li> <li>• 即時通訊軟件</li> </ul>   | <ul style="list-style-type: none"> <li>• Long-term cooperation</li> <li>• Business ethics and reputation</li> <li>• Fair tenders</li> <li>• 長期合作關係</li> <li>• 商業道德與聲譽</li> <li>• 公平招標</li> </ul>  |

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| Stakeholders<br>持份者  | Communication Channels<br>溝通渠道  | Expectations<br>期望   |
|--|---|--|
| Regulatory authorities and Government<br>監管機構和政府機構                     | <ul style="list-style-type: none"> <li>On site investigation, supervision and inspection and visit reception</li> <li>Financial Report</li> <li>Group website</li> <li>Progress report</li> <li>Meetings</li> <li>Instant messaging software</li> <li>Telephone and e-mail contact</li> <li>Information disclosure</li> <li>Daily communication report</li> </ul>                       | <ul style="list-style-type: none"> <li>Compliance with regulations</li> <li>Policy implementation</li> <li>Pay taxes</li> </ul>  |
| The community, non-governmental organisations and media<br>社區、非政府機構及媒體 | <ul style="list-style-type: none"> <li>ESG reports</li> <li>Project visit and site assessment</li> <li>Public hearing</li> <li>Public welfare activities</li> <li>News reports and announcements</li> <li>Results announcements</li> <li>Management interview</li> <li>環境、社會及管治報告</li> <li>項目參觀及現場考核</li> <li>公聽會</li> <li>公益活動</li> <li>新聞稿及公告</li> <li>業績公佈</li> <li>管理層採訪</li> </ul> | <ul style="list-style-type: none"> <li>Giving back to society</li> <li>Environmental protection</li> <li>Social welfare</li> <li>Health and safety</li> <li>回饋社會</li> <li>環境保護</li> <li>社會福利</li> <li>健康與安全</li> </ul> |

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### MATERIALITY ASSESSMENT

In order to better understand the opinions and expectations of the stakeholders on the ESG performance of the Group, the Group adopts a systematic method to conduct the annual materiality assessment. The specific work steps are as follows:

### 重要範疇評估

為更有效了解持份者對本集團之ESG表現的意見及期望，本集團採用有系統的方法進行年度重要範疇評估工作，具體工作步驟如下：

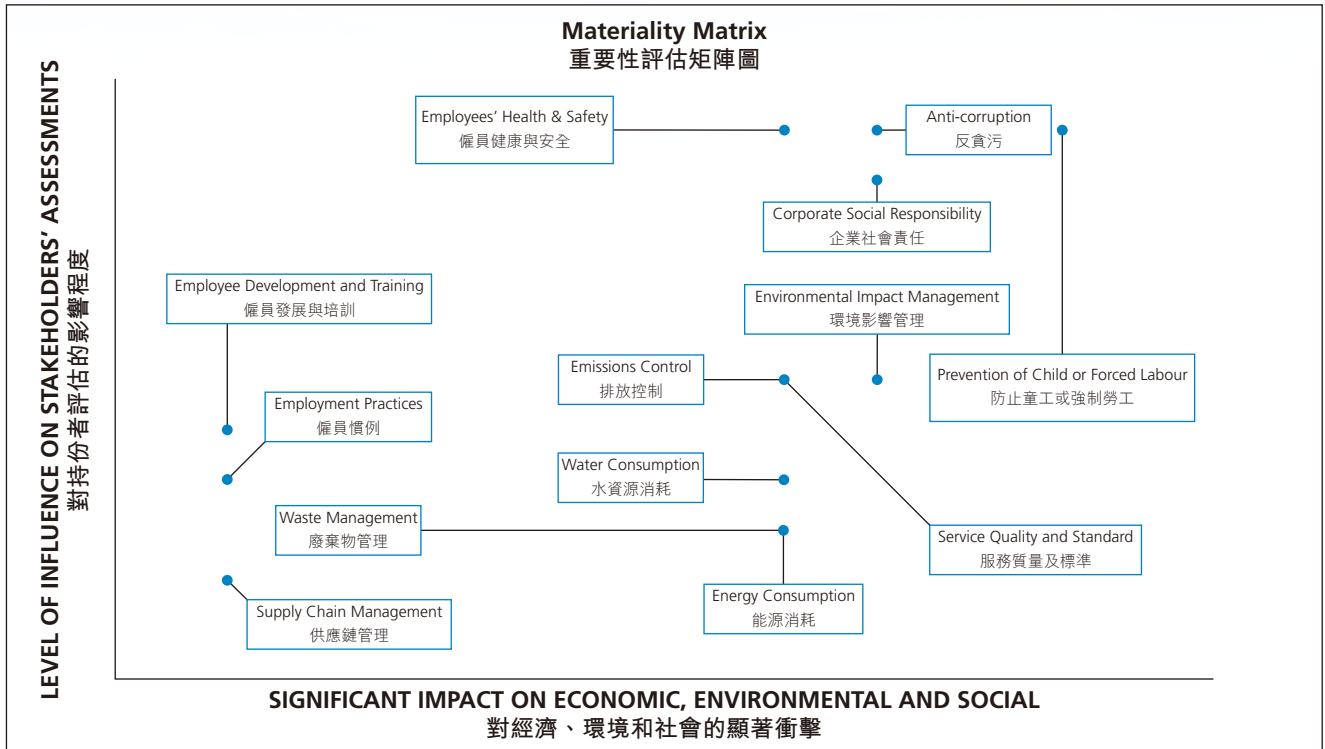


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In 2020 Financial Year, the ESG materiality matrix of the Group is as follows:

於2020財政年度，本集團的ESG重要性矩陣如下：



The Group confirmed that it has established appropriate and effective management policies and internal control systems for ESG issues and confirmed that the disclosed contents comply with the requirements of the ESG Guide.

本集團確認已就ESG事宜設立合適及有效的管理政策及監控系統，並確認所披露內容符合ESG指引的要求。

## CONTACT THE GROUP

The Group welcomes comments and suggestions from stakeholders. You can provide valuable advice on the Report or its performance in sustainable development, and contact the Group through the following ways:

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

## 與本集團聯絡

本集團歡迎持份者提供意見及建議。閣下可就本報告或其在可持續發展方面的表現提供寶貴意見，並透過以下方式與本集團聯絡：

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

# Environmental, Social & Governance Report in 2020

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### A. ENVIRONMENTAL

#### A1. Emissions

The Group believes that it is crucial to comply with applicable environmental laws, regulations and policies for the long-term development and success of the Group. Therefore, we continue to keep abreast with the policy guidance of the industry, analyse the latest applicable environmental protection laws, regulations, policies as well as the best domestic and foreign industry practices, and timely update our policies and procedures in relation to environmental protection to ensure that our environmental management is in line with the latest standards.

The Group is actively participating in environmental protection. All the Group's subsidiaries are required to strictly comply with the Group's internal management system in relation to environmental protection in order to meet the relevant legal requirements, including but not limited to the Environmental Protection Law of the PRC, the Law of the PRC on Environmental Impact Assessment, the Law of the PRC on the Prevention and Control of Atmospheric Pollution, the Air Pollution Control Ordinance in Hong Kong and the applicable pollutant emission standards formulated by local governments. During the 2020 Financial Year, the Group was not aware of any material non-compliance with all relevant laws and regulations in relation to environment.

### A. 環境

#### A1. 排放物

本集團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。因此，我們會持續了解行業的政策導向，分析最新的適用環保法律法規、政策及國內外行業最佳實踐，並及時更新我們與環保相關的管理制度，以確保我們的環境管理與時俱進。

本集團積極實踐環保工作，本集團及其附屬公司均需嚴格遵守集團內部有關環保的管理制度及有關的法律及規例，其中包括但不限於《中華人民共和國環境保護法》、《中華人民共和國環境影響評價法》、《中華人民共和國大氣污染防治法》、香港的《空氣污染管制條例》以及地方政府制定的適用污染物排放標準等。本集團於2020財政年度並無發現違反與環境有關之法律及規例之重大違規事件。

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### EXHAUST GAS EMISSIONS

The Group continues to renovate treatment technologies and to optimize its production management system, aiming to effectively achieve the annual emission reduction targets for the operation project, and therefore has received government recognition and praise. For odour generated from wastewater treatment, the Group has planted greenbelts around the gas sources and collected the gas for biotreatment in order to meet national emission standards. For hazardous gas generated from solid waste treatment, the Group has introduced international advanced technologies and continued to enhance the flue gas treatment equipment to ensure that harmful components contained in the flue gas have been effectively removed and the emission standards are met. We have also formulated a completed job post system and detailed operating procedures to strengthen the management and monitoring of the exhaust gas treatment process, pay close attention to the working conditions, strictly control the exhaust gas collection and treatment process, and identify and solve problems in time, so as to ensure the stable, efficient and normal operation of each exhaust gas treatment equipment.

Through the above measures, the Group's emission of various kinds of exhaust gas in 2020 Financial Year has decreased. Our emissions for 2020 Financial Year are summarized as follows:

| Type of emission                  | 廢氣種類                   | Unit  | 單位 | 2020   | 2019   |
|-----------------------------------|------------------------|-------|----|--------|--------|
| Particulate matter (PM)           | 顆粒物(PM)                | tonne | 噸  | 14.03  | 15.27  |
| Sulfur oxide (SO <sub>x</sub> )   | 硫氧化物(SO <sub>x</sub> ) | tonne | 噸  | 25.50  | 35.05  |
| Nitrogen oxide (NO <sub>x</sub> ) | 氮氧化物(NO <sub>x</sub> ) | tonne | 噸  | 194.97 | 231.08 |

### 廢氣排放

本集團不斷革新處理技術、完善生產管理制度，從而協助運營項目所在地能更好地完成每年的減排目標，因而獲得了各級政府的肯定和好評。針對污水處理過程中產生的臭氣，我們採取在臭氣產生源周圍種植綠化隔離帶及將臭氣收集後進行生物處理等工藝方法，使其達到國家許可的排放標準。針對固廢處置過程中產生的有害氣體，我們引進國際先進技術，不斷對煙氣處理設備進行革新，確保有效去除煙氣中的有害成份，保證達標排放。我們亦制定完善的崗位制度和詳細的操作規程，加強廢氣處理過程的管理和監控，密切注意工況，嚴格控制廢氣的收集和處理過程，及時發現並解決問題，以確保各廢氣處理設備的穩定、高效、正常運行。

通過以上措施，本集團在2020財政年度的各種廢氣排放量均有所下降。於2020財政年度，我們的廢氣排放量概述如下：

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### GREENHOUSE GAS (“GHG”) EMISSIONS

Our GHG emissions arise mainly from the consumption of electricity. The Group has implemented various energy conservation measures to minimize GHG emissions. Please refer to the section headed “Energy Consumption” below for details. Through the implementation of the measures, the employees’ awareness of reducing GHG emissions has been increased. In 2020 Financial Year, the Group only owns a small number of office vehicles and consumes limited fuel. Therefore, the Group does not collect any information on fuel.

In 2020 Financial Year, the Group’s GHG emission intensity is approximately 0.04144 tonnes of CO<sub>2</sub>e per sq.m., representing an increase of approximately 16.34% compared with the 2019 Financial Year. This is mainly due to the expansion of business, resulting in an increase in GHG emissions. Our GHG emissions for the 2020 Financial Year are summarized as follows:

**溫室氣體(「溫室氣體」)排放**  
我們的溫室氣體排放主要源自於電的消耗。我們已實施各種節能措施，以幫助減少相應的溫室氣體排放量。詳情請參考下文「能源消耗」一節。透過實施該等措施，員工減少溫室氣體排放的意識有所提高。於2020財政年度，本集團僅擁有少量辦公機動車及消耗有限的燃油，因此本集團並無收集任何有關燃油的數據。

於2020財政年度，本集團的溫室氣體排放密度約為0.04144噸二氧化碳當量／建築平方米，與2019財政年度相比增加約16.34%。其主要原因是業務擴展導致溫室氣體排放量增加。於2020財政年度，我們的溫室氣體排放量概述如下：

| Indicators <sup>1</sup>                 | 指標 <sup>1</sup>       | Unit                     | 單位                    | 2020           | 2019                 |
|---|-----------------------|--------------------------|-----------------------|----------------|----------------------|
| Direct GHG emissions (Scope 1)          | 直接溫室氣體排放<br>(範圍1)     | tCO <sub>2</sub> e       | 噸二氧化碳<br>當量           | —              | —                    |
| Energy indirect GHG emissions (Scope 2) | 能源間接溫室氣體排放<br>(範圍2)   | tCO <sub>2</sub> e       | 噸二氧化碳<br>當量           | 234,281        | 201,385              |
| <b>Total GHG emissions</b>              | <b>溫室氣體排放總量</b>       | <b>tCO<sub>2</sub>e</b>  | <b>噸二氧化碳<br/>當量</b>   | <b>234,281</b> | <b>201,385</b>       |
| GHG emissions intensity <sup>2</sup>    | 溫室氣體排放密度 <sup>2</sup> | tCO <sub>2</sub> e/sq.m. | 噸二氧化碳<br>當量／建築<br>平方米 | 0.04144        | 0.03562 <sup>3</sup> |



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### Note:

1. GHG emission data is presented in terms of carbon dioxide equivalent with reference to, but not limited to, the “Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards” issued by the World Resources Research Institute and the World Business Council for Sustainable Development, the latest emission factors of China’s regional power grid base line, “How to prepare an ESG Report — Appendix II: Reporting Guidance on Environmental KPIs” issued by the HKEX, and the “Global Warming Potential Values” from the IPCC Fifth Assessment Report (2014) (AR5).
2. As of 31 December 2020, the Group’s gross floor area under the reporting scope is approximately 5,653,329.90 sq.m. (As of 31 December 2019: approximately 5,495,573.61 sq.m.). This data will also be used to calculate other density data.
3. As the calculation method has been adjusted to comply with “How to prepare an ESG Report — Appendix II: Reporting Guidance on Environmental KPIs” issued by the HKEX, the information for the 2019 Financial Year has been revised.

### SOLID WASTE TREATMENT BUSINESS

The Group has always insisted on providing customers with high-quality solid waste treatment services, actively focusing on solid waste treatment issues and continuously developing solid waste technologies as well as promoting the recycling of resources. Also, we install and use monitoring equipment in accordance with relevant national regulations to monitor the discharge of pollutants in real-time and disclose the data of pollution discharge. The Group has special personnel to supervise the implementation of solid waste treatment and disposal measures, and timely collect, transport and treat solid waste according to the regulatory requirements and the disposal measures formulated to eliminate the pollution impact. In addition, we monitor the content of solid waste such as heavy metal from time to time, track information of comprehensive utilization of solid waste and expand the way of comprehensive utilization. The Group strictly follows the hazardous waste treatment and disposal plan to regulate and dispose the hazardous waste, so as to effectively prevent the occurrence of secondary pollution on the site.

### 備註：

1. 溫室氣體排放數據乃按二氧化碳當量呈列，並參照包括但不限於世界資源研究所及世界可持續發展工商理事會刊發的《溫室氣體盤查議定書：企業會計與報告標準》、最新發佈的中國區域電網基線排放因子、聯交所頒佈的《如何編製環境、社會及管治報告 — 附錄二：有關環境關鍵績效指標的報告指引》、IPCC第五次評估報告（二零一四年）(AR5)《全球變暖的潛在價值》。
2. 截至2020年12月31日，本集團所涵蓋之報告範圍的建築面積約為5,653,329.90平方米（截至2019年12月31日約為5,495,573.61平方米）。此數據亦會用作計算其他密度數據。
3. 由於已對計算方法進行調整以符合聯交所發佈的《如何編製環境、社會及管治報告 — 附錄二：有關環境關鍵績效指標的報告指引》，故2019財政年度的數據已修正。

### 固廢處理業務

本集團一直堅持為客戶提供高質量的固廢處理服務，積極關注固廢處置的問題並不斷開拓固廢處理技術以及促進資源的再生利用。我們亦會按照國家有關規定安裝及使用監測設備，實時監測污染物的排放情況並公開污染排放數據。本集團設專人監督固體廢物處理和處置措施的落實，按規範要求和制定的處置措施對固體廢物及時收集、運送和處理，以消除污染影響。此外，我們不定期對固體廢物的重金屬等含量進行監測，以及跟蹤固體廢物綜合利用的信息並擴大綜合利用的途徑。本集團對危險廢物嚴格按照危險廢物處理處置規劃進行規範並處置，切實防止二次污染現場的發生。

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The Group collects, transports and disposes of medical waste in time, and takes effective measures to prevent the loss, leakage or diffusion of medical waste. In the event of major infectious disease outbreaks and other emergencies, the Group will take effective measures to dispose of pandemic medical waste in a timely, orderly, efficient and harmless manner to prevent the second transmission or spread of pandemic disease and to ensure the proper handling of medical waste. At the same time, the Group's medical waste treatment process only produces a small amount of non-toxic and sterile residue and no wastewater, which can truly achieve harmless and minimized disposal.

In addition, through years of technology development and engineering application, the Group has successfully applied pyrolysis carbonization technology to sludge, domestic waste and other organic solid waste fields. In the 2020 Financial Year, the Group hosted the sludge carbonization technology seminar as part of the "Sludge Alliance Series Activities" organised by E20 Environmental Platform, and discussed the technology and market development of sludge carbonization with specially invited leaders from leading enterprises in water industry, experts, scholars, and practical colleagues in sludge field. The sludge carbonization project of the Group's sewage treatment plant in Wangdu County of Baoding city has been put into operation since its completion in January 2020, focusing on the treatment of sludge with 80% moisture content, with a treatment capacity of 40 tonnes per day. The whole system adopts full automatic control, and the high temperature oil and gas generated from pyrolysis will be reused as fuel in the system, thus significantly reducing external energy consumption. The only carbonized product discharged from the project is biochar, which has the characteristics of high nutrient content, large specific surface area, stable properties, and the ability to reduce the effectiveness of heavy metals in soil and their migration into plants. Therefore, it can be used as a resource through a variety of channels, and can fully meet the standards of landscaping, land improvement, agricultural grade-B, brick making and cement clinker.

本集團及時收集、運輸和處置醫療廢物，並採取有效措施，防止醫療廢物流失、泄漏、滲漏或擴散。於重大傳染病疫情等突發事件發生時，本集團會採取有力措施，及時、有序、高效及無害化地處置疫情醫療廢物，嚴防疫病二次傳播或擴散，全力確保醫療廢物妥善處置。與此同時，本集團的醫療廢物處理過程只產生少量無毒無菌殘渣且無廢水產生，能真正做到無害化、減量化處置。

此外，本集團通過多年技術研發和工程應用，已成功將熱解碳化技術應用到污泥、生活垃圾等有機固廢領域。於2020財政年度，本集團承辦了由E20環境平台主辦的「污泥聯盟系列活動」之污泥碳化技術研討會，並與特邀的水務行業領跑企業領導、污泥領域專家學者及域實踐同仁等共同探討污泥碳化領域技術及市場發展狀況。本集團位於保定望都縣的污水廠之污泥碳化項目自2020年1月建成後開始運行，專注於處理含水率80%的污泥，處理規模為40噸／天。整個系統採用全自動化控制，從熱解所產生的高溫油氣會作為燃料全部回用於系統內，從而顯著降低外部能源消耗。項目唯一排出的碳化產品為生物炭，其具有養分含量高、比表面積大、性質穩定、及可顯著降低土壤中重金屬的有效性和重金屬向植株中的遷移性等特點，因而可通過多種渠道進行資源化利用，並可完全符合園林綠化、土地改良、農用B級標準以及製磚和水泥熟料標準。

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This technology is not only suitable for sludge, but also can be used for separated disposal or co-disposal of various types of organic solid wastes, such as domestic waste, kitchen waste, excrement, agricultural and forestry waste. It can fundamentally realize the reduction, harmlessness, stabilization and recycling of organic solid wastes, and reduce air pollution, atmospheric haze and global climate change from the source. The Group is committed to promoting the upgrading of industry standards and improving the system, and forming a benign interaction between technology, standards and system to protect the ecological environment. With the continuous innovation and upgrading of sludge pyrolysis carbonization technology, the Group's latest achievements in agricultural application and development of organic solid waste biochar will drive changes in standards and policies in agricultural application of biochar. When the problems of product application are resolved, this project will play an important role in solving the current dilemma faced by the treatment and disposal of urban sludge in the PRC.

該技術不僅適用於污泥，同時可用於生活垃圾、餐廚垃圾、糞便、農林廢棄物等多類型有機固體廢棄物的單獨處置或協同處置，從根本上實現有機固廢的減量化、無害化、穩定化和資源化，並從源頭上減少大氣污染、大氣霧霾以及應對全球氣候變化。本集團致力促進行業提升標準和完善制度，並形成技術與標準、制度的良性互動，保護生態環境。隨著污泥熱解碳化技術的不斷創新升級，本集團對有機固廢生物炭農業應用開發研究的最新成果，將會推動生物炭在農業應用中的標準和政策變革。當產品應用的問題解決後，本項目對於解決當前我國城鎮污泥處理處置所面臨的困境將會產生非常重要的示範作用。

In 2020 Financial Year, the solid waste treatment volumes of our solid waste treatment business are summarized as follows:

於2020財政年度，我們的固廢處理業務的固廢處理量概述如下：

| Type of solid waste treated | 所處理固廢的種類 | Unit   | 單位 | 2020    | 2019    |
|-----------------------------|----------|--------|----|---------|---------|
| Hazardous wastes            | 危險廢物     | tonnes | 噸  | 17,520  | 22,487  |
| Medical wastes              | 醫療廢物     | tonnes | 噸  | 40,734  | 42,906  |
| Domestic wastes             | 生活垃圾     | tonnes | 噸  | 399,078 | 336,413 |

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### HAZARDOUS WASTES

The operation of the Group does not produce a significant amount of hazardous waste.

### NON-HAZARDOUS WASTES

The Group also generates non-hazardous wastes in its daily operation of business, which are mainly dewatering sludge generated in the process of our sewage treatment and water supply and slag and fly ash generated in the process of the Group's solid waste treatment. The Group has comprehensive management system in place for all kinds of solid wastes generated in the process of its production and operation, strictly complies with national discharge standards and adopts effective measures to reduce and properly dispose of solid wastes.

For solid wastes such as sludge generated in the process of sewage treatment and water supply, the Group strictly follows relevant national policies, regulations, industry standards and the requirements of environmental impact assessment report approval to establish comprehensive production management system and process control system in order to manage the measurement, transportation and disposal of solid wastes to prevent secondary pollution. Besides, the Group possesses advanced membrane technology in the industry and has actively carried out research and development in order to effectively reduce solid wastes generated during the operation process, and to transform the produced sludge into resources with sludge carbonization technology.

### 有害廢棄物

本集團的運營不會產生顯著數量的有害廢棄物。

### 無害廢棄物

本集團於日常業務運作中也會產生無害廢棄物，主要為我們於污水處理及供水過程中產生的脫水污泥，以及由固廢處理過程中產生的爐渣以及飛灰。我們針對生產運營過程中產生的各類廢棄物制定了完善的管理制度，嚴格按照國家排放標準，採取有效措施減低排放量並妥善處置。

針對污水處理及供水過程中產生的污泥等固體廢棄物，我們嚴格按照國家政策法規、行業標準以及項目環境影響評價報告批覆要求，制定完整的生產管理制度及過程監控制度，對固體廢棄物的計量、運輸和處置進行規範管理，確保不產生二次污染。同時，我們擁有當前行業內較為先進的膜核心技術，並積極開展研發工作，力爭大量減少生產運營過程中的固體廢棄物並運用污泥碳化技術將產生的污泥資源化。

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For solid wastes generated in the process of solid waste treatment, the Group adopts a number of comprehensive treatment measures including classification or sealed storage in strict compliance with national policies and industry standards to achieve the purpose of harmless and recycling treatment, and sets up safety warning signs according to regulatory requirements. All disposals of such solid wastes are carried out in strict compliance with national policies and regulations and requirements of government-approved environmental impact assessment report.

For the daily office operation, the Group puts great efforts to promote paperless office and use OA system and video meeting system by connecting OA platform with various departments of the Company to reduce waste arising from document circulation. The Group exercises control over the purchase of stationeries such as paper, implement strict registration system in respect of the collection of office supplies and encourage employees to print on both sides of paper to reduce waste of paper. In 2020 Financial Year, the Group only uses a small amount of paper, so the Group does not collect any information about paper. The Group also advocates the reuse of office stationeries including envelopes, folders, etc. Besides, the Group encourages not to use disposable tableware such as paper cups in the office and encourages the purchase of rechargeable office equipment in order to reduce the usage of disposable batteries. Through the implementation of the above-mentioned measures, the employees' awareness on waste management has been enhanced.

針對固廢處理過程中的廢棄物，本集團嚴格按照國家政策及行業標準要求分類或密閉存放等多種綜合處理辦法，以達到無害化、資源化處理的目的，並按規範要求設置安全警示標誌，所有廢棄物的處置均嚴格按照國家政策法規及經政府批准的環境影響評價報告要求開展。

針對辦公室日常運作，我們大力推廣無紙化辦公，使用辦公自動化OA系統及視頻會議系統，通過OA平台連接公司各部門，減少了文件流轉過程中產生的浪費。我們對紙張等文具的購買量進行控制，對辦公用品的領用實施嚴格的登記管理制度，鼓勵員工雙面打印，減少紙張浪費。於2020財政年度，本集團僅使用少量的紙張，因此本集團並無收集任何有關紙張的數據。我們亦提倡重複使用辦公文具，如信封、文件夾等用品。此外，我們鼓勵辦公室不使用紙杯等一次性餐具，同時亦鼓勵購買可充電的辦公設備，減少一次性電池的使用。通過實施上述措施，提高了員工的廢棄物管理意識。

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In 2020 Financial Year, the Group's non-hazardous wastes emission intensity is approximately 0.08794 tonnes per sq.m., representing an increase of approximately 8.77% as compared with the 2019 Financial Year. The main reason is the expansion of business which leads to an increase in the non-hazardous wastes generation. Our non-hazardous wastes disposals for 2020 Financial Year are summarized as follows:

於2020財政年度，本集團的無害廢物排放密度約為0.08794噸／建築平方米，與2019財政年度相比增加約8.77%。其主要原因是業務擴展使本集團業務所產生的無害廢棄物量也因而增加。於2020財政年度，本集團的無害廢物棄置表現概述如下：

| Type of non-hazardous wastes                   | 無害廢棄物種類         | Unit          | 單位          | 2020           | 2019           |
|--|-----------------|---------------|-------------|----------------|----------------|
| Slag   | 爐渣              | tonnes        | 噸           | 72,385         | 80,070         |
| Fly ash  | 飛灰              | tonnes        | 噸           | 13,755         | 10,160         |
| Sludge   | 污泥              | tonnes        | 噸           | 411,032        | 354,104        |
| <b>Total emissions of non-hazardous wastes</b> | <b>無害廢物排放總量</b> | <b>tonnes</b> | <b>噸</b>    | <b>497,172</b> | <b>444,334</b> |
| Non-hazardous wastes emission intensity        | 無害廢物排放密度        | tonnes/sq.m.  | 噸／<br>建築平方米 | 0.08794        | 0.08085        |

### WASTEWATER DISCHARGE AND TREATMENT

Wastewater generated from the operation of sewage treatment and water supply facilities mainly contains small amount of domestic sewage and equipment flushing water and was discharged after being processed and meeting the required standards. Wastewater generated from the operation of solid waste treatment facilities was recycled or be discharged into the municipal pipe network after being processed and meeting the required standard, striving to achieve "Zero Discharge". After being processed by the Group's sewage treatment facilities, our emissions of chemical oxygen demand (COD) and

### 污水排放及處理

污水處理和供水設施運營中產生的廢水主要為少量生活污水和設備沖洗用水，經我們廠內污水處理設施處理達標後排放。我們固廢處理設施運營中產生的廢水，則經由廠內專用污水處理設施處理，並於達標後循環使用或排入市政管網，努力實現「零排放」。經我們的污水處理設施處理後，我們的化學需氧量(COD)及氨氮(NH<sub>3</sub>-N)的排放量分別削減了約

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ammonia nitrogen (NH<sub>3</sub>-N) were reduced by approximately 128,311 tonnes and 33,892 tonnes respectively (reduced by approximately 122,140 tonnes and 13,261 tonnes respectively in 2019 Financial Year). The wastewater pollutants emissions by the Group for 2020 Financial Year are summarized as follows:

128,311 噸及 33,892 噸(2019 財政年度分別削減了約 122,140 噸及 13,261 噸)。於 2020 財政年度，本集團的污水污染物排放表現概述如下：

| Type of wastewater pollutants | 污水污染物種類            | Unit   | 單位 | 2020   | 2019   |
|-------------------------------|--------------------|--------|----|--------|--------|
| COD                           | COD                | tonnes | 噸  | 14,994 | 15,611 |
| NH <sub>3</sub> -N            | NH <sub>3</sub> -N | tonnes | 噸  | 953    | 1,032  |

### A2. Use of Resources

As one of leading integrated service providers in the municipal wastewater treatment and water supply industries in China, the Group always takes the environmental, social and governmental impact into consideration in its core operating practices and strictly controls the resource consumption of each project according to the principle of economic operation as well as strives to increase the resource utilization rate and improve the operation skills of staff to maximize the resource utilization.

The Group conducts daily monitoring and statistical analysis for each operating project to understand the consumption of energy, water resource and raw materials, so as to determine indicators of the energy consumption, water consumption and raw materials consumption and supervise and evaluate each project. In addition to complying with relevant national laws and regulations, the Group also has a series of internal monitoring, management and assessment systems in place, sets the control target for total energy consumption and gives early warning and fine-tuning to production projects of which the energy consumption increases rapidly, in order to ensure that the Group can utilize the resource in an effective way while maintaining high-standard operation. The Group has been striving to achieve maximum benefit for customers and the environment with the minimal resource consumption, and to promote clean and sustainable resources and energies.

### A2. 資源使用

作為於中國城市污水處理及供水行業領先的綜合服務供應商之一，本集團在核心營運實踐中始終結合環境、社會及政府的考慮，並按照經濟運行的原則嚴格控制各項目的資源消耗，致力提高資源利用率及提升員工的操作技能水平，以使能源利用最大化。

本集團對各營運項目進行日常監控統計分析以掌握能源、水資源和原材料消耗情況，從而核定能耗、水耗和原材料消耗的指標，對各項目進行監督考核。除遵守國家相關法律法規以外，本集團亦制訂了一系列內部監控、管理及考核制度，建立能源消耗總量控制目標，並對能源消耗總量增長過快的生產項目及時作出預警和調控，確保本集團能保持高標準運營的同時有效利用資源。本集團始終致力使用最少的資源為客戶和環境創造最大的效益，推進有效的資源與能源運用的永續發展。

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### ENERGY CONSUMPTION

During the 2020 Financial Year, the energy consumption of the Group was mainly indirectly purchased electricity. The Group encourages all staff to save electrical energy during the production process and office work. The Group also arranges cleaners to conduct inspections during the non-office hours to ensure that the electric devices such as lighting equipment have been switched-off. The Group also sets fuel consumption targets for business vehicles and encourages all staff to use mass transit. Through the implementation of the above-mentioned measures, the employees' awareness of reducing energy consumption has been increased. In 2020 Financial Year, the Group only owns a small number of office vehicles and consumes Limited fuel. Therefore, the Group does not collect any information on fuel.

Waste-to-energy incineration is a way to achieve "reduction, resource utilization and harmlessness" through incineration, converting thermal energy from incineration to electricity to avoid wastage of resources. The Group enhances the measures on stacking fermentation of waste to increase the heat utilization ratio and also adopts variable frequency control for large-power motors in order to reduce self-consumed electricity and increase the on-grid energy. Besides, we adopt advanced operating technology during the incineration process, enhance the thermal insulation effect of the equipment and recycle thermal energy for secondary use to increase the re-utilization rate of energy. Meanwhile, metering devices for electricity, water, heat, etc. are installed at the energy supply accesses to measure the energy used, in order to control consumption and reduce costs.

### 能源消耗

本集團於2020財政年度的能源消耗主要為間接的外購電力消耗。在生產辦公過程中，本集團也倡導廣大員工節約用電。本集團亦安排保潔人員在非辦公時間進行巡查，確保照明設備等用電設備處於關閉狀態。我們亦核定辦公機動車油耗指標，並鼓勵全體員工多使用公共交通。透過實施上述措施，員工減少能源消耗的意識有所提高。於2020財政年度，本集團僅擁有少量辦公機動車及消耗有限的燃油，因此本集團並無收集任何有關燃油的數據。

垃圾焚燒發電是通過焚燒實現「減量化、資源化、無害化」，利用焚燒的熱能轉化為電能，避免資源浪費。本集團重點加強了垃圾堆放發酵的措施以提高熱量利用率，亦對大功率電機採用變頻調節從而節約自用電並增加上網電量。同時，在焚燒過程中，我們採用先進的操作工藝，加強設備的隔熱保溫效果，通過二次熱能的回收利用手段，提高能源的再利用率。與此同時，本集團在能源供應入口安裝電、水、熱等計量裝置，對所用能源進行計量，以控制消耗、減少浪費。



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In order to increase the energy utilization rate in the process of wastewater treatment, the Group focuses on technological transformation of key equipment with high energy consumption and low efficiency, including the lifting pump, air blower and sludge dewatering systems, etc. Besides, the Group continuously develops and promotes new green technologies to reduce energy consumption in the process.

In order to increase the energy utilization rate in the process of water supply, the Group continues to innovate production technology and improve the production management system to increase water production rate.

In 2020 Financial Year, the Group's energy consumption intensity is approximately 70.05 kWh per sq.m., representing an increase of approximately 17.99% as compared with the 2019 Financial Year. The main reason is the expansion of business, which leads to an increase in electricity consumption. Our energy consumption performance for 2020 Financial Year is summarized as follows:

| Type of energy               | 能源種類   | Unit      | 單位            | 2020        | 2019        |
|------------------------------|--------|-----------|---------------|-------------|-------------|
| Electricity                  | 電力     | kWh       | 千瓦時           | 396,040,455 | 326,245,693 |
| Energy consumption intensity | 能源消耗密度 | kWh/sq.m. | 千瓦時/<br>建築平方米 | 70.05       | 59.37       |

### WATER CONSUMPTION

The Group helps people in different regions to resolve water supply problems and provide them with healthy and sufficient tap water. In 2020 Financial Year, the volume of water sold by the Group amounted to approximately 230,673,922 m<sup>3</sup> and the volume of wastewater treated by the Group amounted to approximately 725,059,073 m<sup>3</sup>. The Group requires all its operating projects to use reclaimed water for flushing and cooling of equipment if permitted

針對污水處理中的能源消耗，為提高能源利用率，本集團重點對能耗大、效率低的關鍵設備進行了技術改造，其中包括提升泵、鼓風機、污泥脫水系統等。此外，本集團不斷研發推廣綠色新技術以減少工藝環節的能源消耗。

針對供水過程中的能源消耗，為提高能源利用率，本集團不斷革新生產技術、完善生產管理制度，以提高產水率。

於2020財政年度，本集團的能源消耗密度約為70.05千瓦時／建築平方米，與2019財政年度相比增加約17.99%。其主要原因是業務擴展，導致電力消耗增加。於2020財政年度，本集團的能源消耗表現概述如下：

### 水源消耗

我們幫助不同地區的民眾解決水資源的供給問題，為民眾提供健康、充裕的自來水。我們於2020財政年度的售水量約為230,673,922立方米，而污水處理量約為725,059,073立方米。本集團要求各營運項目在生產設備允

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and to use reclaimed water for all greenery in factories and office areas, so as to reduce water resource consumption during the production process. To further reduce water consumption, water in all the solid waste treatment facilities is fully recycled and reclaimed water is also used as flushing water in some toilets. The Group also invests resources to carry out activities such as posting water conservation signs to remind staff to save water. Through the implementation of the above-mentioned water-saving measures, the employees' awareness of water-conservation has been increased.

In 2020 Financial Year, the Group's water consumption intensity is approximately 5.66 m<sup>3</sup> per sq.m., representing an increase of approximately 0.53% as compared with the 2019 Financial Year. The main reason is the expansion of business, which leads to an increase in water consumption. Our water consumption performance for 2020 Financial Year is summarized as follows:

|                                |             | Unit                  | 單位            | 2020              | 2019              |
|--------------------------------|-------------|-----------------------|---------------|-------------------|-------------------|
| Recycled water                 | 循環用水        | m <sup>3</sup>        | 立方米           | 12,623,083        | 8,457,601         |
| Tap water                      | 自來水         | m <sup>3</sup>        | 立方米           | 19,394,988        | 22,502,929        |
| <b>Total water consumption</b> | <b>耗水總量</b> | <b>m<sup>3</sup></b>  | <b>立方米</b>    | <b>32,018,071</b> | <b>30,960,530</b> |
| Water consumption intensity    | 耗水密度        | m <sup>3</sup> /sq.m. | 立方米/<br>建築平方米 | 5.66              | 5.63              |

For our water supply business, the Group draws water from local sources with proper government approval. Therefore, the Group does not have any water sourcing issues.

### USE OF PACKAGING MATERIALS

As an environmental-friendly water service enterprise, the Group does not use any packaging materials during the daily course of its business operations.

許範疇內使用再生水對設備進行沖洗和冷卻，廠區及辦公區綠化用水全部使用再生水，以降低生產過程中的水資源消耗。為進一步節水，本集團污水處理設施用水盡量採取循環利用，並將部分衛生間沖洗水改用再生水。本集團亦投入資源開展活動，通過張貼節約用水標識等方式提醒全體員工節約用水。透過實施上述節水措施，員工的節水意識有所提高。

於2020財政年度，本集團的耗水密度約為5.66立方米／建築平方米，與2019財政年度相比增加約0.53%。其主要原因是業務擴展，導致耗水量增加。於2020財政年度，本集團的水源消耗表現概述如下：

因我們的供水業務在獲得當地政府的批覆後從自然水體引水，所以在求取適用水源上不存在問題。

### 包裝材料使用

作為水務環保企業，我們於日常業務運作中不涉及包裝材料。

### A3: The Environment and Natural Resources

#### ENVIRONMENT IMPACT MANAGEMENT

The construction of environmental protection projects will have certain impact on the environment and natural resources. The Group considers such impact as one of the key factors when making investment decisions. The Group performs evaluation of the abovementioned impact according to relevant laws and regulations. The Group applies "simultaneous design, construction and operation" acceptance check after the project has been put into operation to meet the requirements of the relevant laws, regulations and policies. Besides, the Group has also developed relevant systems and procedures to monitor and manage environmental impact of all projects in order to avoid excessive use and waste of natural resources, minimize the negative impact of the Group's business operation on the environment, thus achieving sustainable development and creating long-term value for the Group's stakeholders and communities.

As treated wastewater in the wastewater treatment business will be ultimately discharged to the environment, the Group strictly adheres to the processing requirements to guarantee the stable quality of treated water and reduce its impact on the environment. In addition, we have strengthened the maintenance and repair of drainage pipelines and sewage treatment equipment to ensure the integrity and normal operation of pipelines and equipment and to eliminate accidental discharge. When abnormal problems are found, we will contact and report to the environmental protection department in time.

### A3. 環境及天然資源

#### 環境影響管理

環保項目的建設對環境和天然資源會產生一定影響，因此本集團將項目對環境的影響列入考慮投資決策時的重點因素。本集團建設的項目一律按照相關的法律法規要求進行環境影響的評價，並在項目建設投運後申請環保「三同時」驗收，確保所有項目的建設、運行都同時滿足政策法規的要求。此外，本集團也制訂了相關制度程序，對所有項目建設的環境影響進行監控和管理，避免濫用及損耗天然資源的情況發生，盡量減少本集團的業務經營對環境造成的負面影響，從而達致可持續發展，為本集團的持份者及社區締造長遠價值。

因污水處理業務中處理後的污水需排入自然環境中，為減少污水對環境的影響，本集團在項目運營過程中嚴格執行工藝紀律，確保出水水質穩定達標。此外，我們加強了排水管道和污水處理設備的保養和維修，保證管道、設備完整，正常運行，杜絕事故排放。當發現異常問題時，我們會及時與環保部門聯繫並匯報。

## Environmental, Social & Governance Report in 2020 環境、社會及管治報告2020

The Group attaches great importance to the treatment of pollutants including exhaust gas, liquid waste, odour and equipment noise generated in the solid waste treatment process, and takes various control measures for various pollutants to eliminate the environmental pollution caused by solid wastes and plays a positive role in protecting water and soil. The treatments are as follows:

- In addition to fly ash, exhaust gas also contain harmful substances including  $\text{NO}_x$ ,  $\text{SO}_2$ , HCl, heavy metals and dioxins. The major harmful substances are organic substances including dioxins, which are controlled with the more economical and effective "3T+E" technology;
- After treatment of liquid waste with the professional wastewater treatment system set up in the plant, the effluent will be reused or used for greening and road cleaning; and
- Odour is used as combustion gas, or effective measures including adsorption and filtration with adsorption device using activated carbon are adopted to ensure air quality.

For thermal pollution during production process, the Group has adopted advanced thermal insulation material to provide the heat generation equipment with thermal insulation treatment in order to ensure that the heat source point reaches the operation standard.

本集團亦針對固廢處理過程中產生的煙氣、廢液、臭氣、設備噪聲等污染物的治理給予了高度重視，並對各種污染物採取了治理措施。不僅消除了固體廢棄物對環境的污染，也對保護水體和土壤起到了積極作用。治理措施如下：

- 除飛灰外，煙氣還含有氮氧化物( $\text{NO}_x$ )、二氧化硫( $\text{SO}_2$ )、氯化氫(HCl)、重金屬和二噁英類等有害物質。最為主要的有害的物質為二噁英類物質等有機物，本集團會採用較為經濟、有效的「3T+E」技術予以抑制；
- 廢液採用通過廠區設置的專業的廢水處理系統處理後，出水將在進行回用或用於綠化及道路清洗等；及
- 把臭氣作為助燃氣體，或通過活性炭吸附式裝置吸附過濾等有效措施確保空氣質量。

對於生產過程中的熱污染，本集團採用先進的隔熱材料對產熱設備進行隔熱處理，確保熱源點達到作業標準。

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## 環境、社會及管治報告2020

For the noise pollution during production process, the Group has also installed blimps for the noise-generating equipment and utilized green plants to absorb noise according to function zoning, so that the noise emission can meet the standard. We have formulated a completed job post system and detailed operating procedures, strengthened the maintenance and management of noisy equipment, paid close attention to the effectiveness of equipment operation conditions and noise reduction measures, found and solved problems in time, and ensured the stable and normal function of noise control measures.

針對生產過程中的噪音污染，本集團對產生噪聲的設備安裝隔音罩，並根據功能分區，利用綠色植物吸聲降噪，使得噪音排放達標。我們已制定完善的崗位制度和詳細的操作規程，加強高噪聲設備的維護和管理，密切注意設備運行工況和降噪措施的有效性，及時發現解決問題，確保各噪聲控制措施穩定、正常發揮作用。

## B. SOCIAL

### B1. Employment

Employees are the largest and most valuable asset of the Group and the core of our competitive advantage. Therefore, the success of the Group depends heavily on the ability to attract, train and retain employees. The Group adheres to the people-oriented principle, respects and protects the legitimate rights and interests of every employee, strictly regulates labour and employment management, and guarantees employees' occupational health and safety. The Group has also formulated a series of relevant personnel management policies in accordance with relevant laws and regulations to protect the vital interests of employees, fully respect and value the enthusiasm and creativity of employees, aiming to build a harmonious employment relationship, provide employees with healthy, sunny and positive working atmosphere, and to guide employees to actively integrate their personal pursuits into the long-term development of the Group.

## B. 社會

### B1. 僱傭

員工是本集團最大及最具價值的資產和競爭優勢的核心，因此本集團的成功十分依賴於吸引、培養及留住員工的能力。本集團堅持以人為本，並尊重和保障每一位員工的合法權益，嚴格規範勞動僱傭管理，保障員工職業健康安全。本集團亦根據相關法律及規例制定了一系列相關人事管理政策以維護員工切身利益，充分尊重和重視激發員工積極性和創造力，以構建和諧的僱傭關係，為員工提供健康、陽光和積極的工作氛圍，引導員工積極將個人追求融入到本集團長遠發展之中。

# Environmental, Social & Governance Report in 2020

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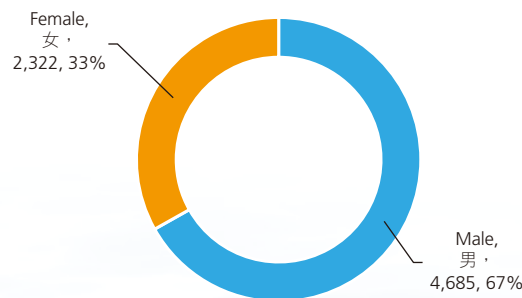
The Group has complied with all laws and regulations related to salary compensation and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination and other treatment package and benefits, including but not limited to the Company Law of the PRC, the Contract Law of the PRC, the Labour Contract Law of the PRC, the Labour Security Supervision Regulations in Mainland China and the Employment Ordinance, the Mandatory Provident Fund Schemes Ordinance, the Minimum Wage Ordinance and the Employees' Compensation Ordinance of Hong Kong. During the 2020 Financial Year, the Group was not aware of any material non-compliance with all relevant laws and regulations in relation to employment.

In 2020 Financial Year, the Group has a total of 7,007 employees, all of whom are full-time employees. Employees by gender, age group and employment category are as follows:

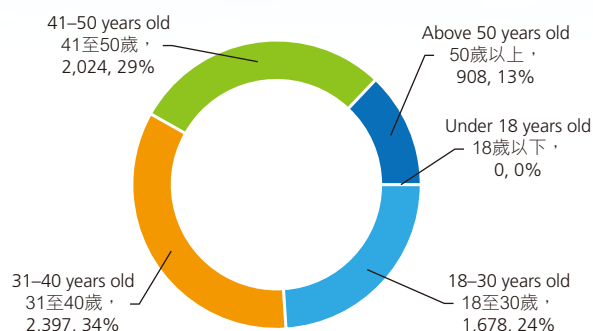
本集團已遵守所有與薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的法律及規例，包括但不限於中國內地的《中華人民共和國公司法》、《中華人民共和國合同法》、《中華人民共和國勞動合同法》、《勞動保障監察條例》及香港的《僱傭條例》、《強制性公積金計劃條例》、《最低工資條例》、《僱員補償條例》。於2020財政年度，本集團並無發現任何對本集團造成重大影響的僱傭相關的適用國家法律及規例之違規事件。

於2020財政年度，本集團合共有7,007名僱員，全部均為全職僱員。僱員按性別、年齡組及僱傭類別的劃分如下：

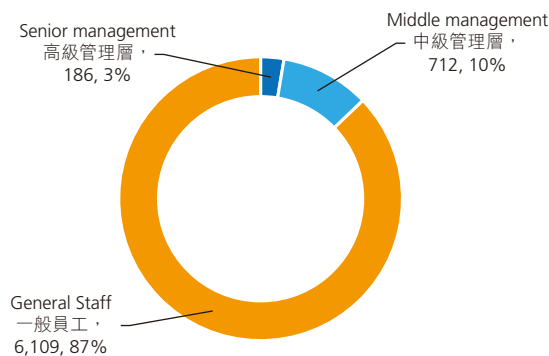
### Number of employees by gender 按性別劃分僱員人數



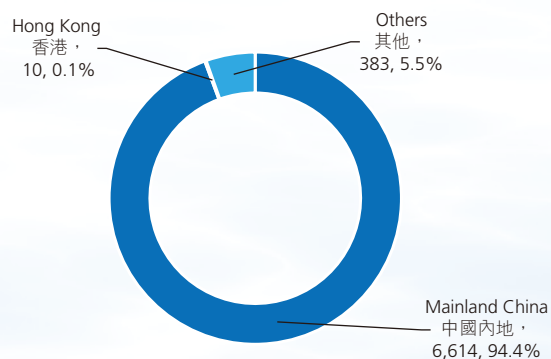
**Number of employees by age group**  
 按年齡組別劃分僱員人數



**Number of employees by employment category**  
 按僱員類別劃分僱員人數



**Number of employees by region**  
 按地區劃分僱員人數



# Environmental, Social & Governance Report in 2020

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### RECRUITMENT, PROMOTION, REWARD AND DISMISSAL

The Group carries out open social recruitment in the market and around the world following the principles of fairness, equality and competition, and makes overall assessment and recruitment on a selective basis. We also recruit excellent college students through campus recruitment, and enable college students move forward courageously toward their career goals under the professional and all-round talent development mechanism. After employees are hired, the Group enters into labour contracts with employees in accordance with labour laws and regulations to effectively protect rights and interests of employees.

Guided by target results, the Group has established an employee performance appraisal system that covers employee performance, competencies, attitudes, etc., and appropriately applies the appraisal results to employee performance pay, promotion and salary adjustments. In order to create a healthy, diversified and inclusive working environment, all promotion, salary review and position transfer decisions are based on the individual performance of employees and the business conditions of the Group for objective consideration.

### REMUNERATION AND BENEFITS

On the basis of evaluating the value of employees' positions, the Group has established a fair, reasonable and competitive remuneration and benefits system based on its business strategy and with reference to the industry level and regional level. At the same time, the Group strictly abides by the relevant laws and regulations of the applicable countries, continuously improves employee benefits and reviews the working hours of employees, pays various statutory social insurances according to laws, and guarantees that employees enjoy statutory holidays and other benefits. In addition, our employees are also entitled to paid annual leave, wedding leave, maternity leave and other holidays.

### 招聘、晉升、獎勵及解聘

人員招聘方面，本集團以公開、平等、競爭、擇優的原則吸納人才，採用市場化與國際化相結合公開進行社會招聘，全面考核，擇優錄用。我們亦透過學校招聘招募優秀的大學生，並在專業和全方位的人才發展機制下，讓大學生們朝著職業生涯目標奮勇前行。本集團在員工錄用後嚴格按照勞動法規與員工簽訂勞動用工合同，切實保障員工權益。

本集團以目標結果為導向，建立了員工績效考核體系，覆蓋員工業績、能力、態度等方面，並恰當地將考核結果運用於員工績效工資、職務晉升和工資調整。為營造健康、多元化及共融的工作環境，一切升遷、薪酬回顧及調職決定均以員工個人表現配合本集團業務情況作客觀考慮。

### 薪酬福利

本集團在對員工崗位價值進行評估的基礎上，以本集團經營戰略為導向，參考行業水平和地區水平，制定了一套公平、合理且有競爭力的薪酬及福利體系。同時，本集團嚴格遵守適用國家的相關法律及規例，不斷完善員工福利待遇及檢討員工的工作時數，依法繳納了各項法定社會保險並保障員工享受社會法定假日等福利。除此之外，員工還可享受帶薪年休假、婚假、產假等假期。



# Environmental, Social & Governance Report in 2020

## 環境、社會及管治報告2020

### EQUAL OPPORTUNITIES

The Group has strictly complied with various national and local government regulations, adopted a fair, just and open recruitment process, and formulated relevant systems to eliminate discrimination in recruitment process, no employee will be discriminated against due to factors such as race, gender, colour, age, family background, national tradition, religion, physical fitness and nationality, so that employees can enjoy fair treatment at all stages of recruitment, salary, training, promotion, termination of labor contracts and retirement, and we can also try our best to recruit professionals with different backgrounds to join the Group. The Group is committed to providing equal opportunities in all aspects and maintaining diversity of employees, and also strongly prohibits any unfair treatment.

## **B2. Health and Safety**

We regard employees as important assets of the Group and therefore attach great importance to occupational health and safety management in the production and operation process. The Group has complied with all laws and regulations related to providing a safe working environment and protecting employees from occupational hazards, including but not limited to the Safety Production Law of the PRC, the Law of the PRC on the Prevention and Control of Occupational Disease, the Fire Protection Law of the PRC, the Special Equipment Safety Law of the PRC, the Special Equipment Safety Supervision Regulations and the Hazardous Chemicals Safety Management Regulations in Mainland China and the Occupational Safety and Health Ordinance, Factories and Industrial Undertakings Ordinance of Hong Kong and the laws and regulations of other applicable countries. In 2020 Financial Year, the Group did not find any major violations of applicable national laws and regulations related to health and safety that have a significant impact on the Group in the projects covered by this Report, nor has it recorded any work-related death accident, nor working days lost due to work-related injuries.

### 平等機會

本集團嚴格遵守國家及地方政府各項法規，採取公平、公正、公開的招聘流程，制定了相關制度以杜絕招聘過程中的歧視現象，不因種族、性別、膚色、年齡、家庭背景、民族傳統、宗教、身體素質和國籍等因素歧視任何一位員工，讓員工在招聘、薪酬、培訓、晉升、終止勞動合同、退休等各個階段享受公平待遇，以盡力羅致不同背景的專才加入本集團。本集團致力於在所有方面提供平等機會並承諾保持員工多元化，亦強力禁止任何不公平對待。

## **B2. 健康與安全**

我們視僱員為本集團之重要資產，因此在生產經營過程中高度重視職業健康與安全管理。本集團已遵守所有與提供安全工作環境及保障僱員避免職業性危害有關的法律及規例，包括但不限於中國內地的《中華人民共和國安全生產法》、《中華人民共和國職業病防治法》、《中華人民共和國消防法》、《中華人民共和國特種設備安全法》、《特種設備安全監察條例》、《危險化學品安全管理條例》及香港的《職業安全及健康條例》、《工廠及工業經營條例》及其他適用國家之法律及規例。於2020財政年度，本集團於本報告包涵蓋之項目並無發現任何對本集團造成重大影響的健康與安全相關的適用國家法律及規例之重大違規事宜，亦無錄得任何因工作關係而導致死亡的意外事件，或因工傷而損失之工作日數。

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The Group has implemented the following measures to create and maintain a safe working environment for employees:

- Set up a safety management organization in accordance with regulations;
  - Hire registered safety engineers;
  - Appoint safety management personnel;
  - Formulate safety, quality and environmental management policies and goals;
  - Establish a safety management system and system;
  - Compile and publish a comprehensive emergency response and rescue plan for production safety accidents and a special emergency response plan for safety accidents; and
  - Establish a safety production committee and hold regular meetings to study, deploy and solve problems in the production safety management process.
- 按規定成立安全管理機構；
  - 聘請國家註冊安全工程師；
  - 任命安全管理人員；
  - 制定安全、質量、環境管理方針和目標；
  - 建立安全管理制度和體系；
  - 編製並發佈生產安全事故綜合應急救援綜合預案和生產安全事故專項應急預案；及
  - 成立安全生產委員會並定期召開會議，研究、部署和解決生產安全管理過程中存在的問題。

### COVID-19 PREVENTION AND CONTROL MEASURES

Since the outbreak of COVID-19, the Group has conscientiously implemented the pandemic prevention and control measures imposed by the higher-level government departments and the Group, held meetings at the first time to study the deployment of pandemic prevention and control, and established an pandemic prevention and control leading team to formulate and issue implementation plans and emergency rescue plans for pandemic prevention and control. According to the requirements of the Group, a daily pandemic report system was launched in a timely manner since 26 January 2020, the heads of 38 departments (centers), regional and directly-managed companies will report to the Pandemic Prevention and Control Office before 9:30 a.m. every day the information about the entry of key affected areas, close contacts, quarantined, suspected or confirmed cases, etc., track the physical condition and movement trajectory of employees with colds and fevers, and make decisions about home isolation in a timely manner when abnormal conditions are found.

### 新冠疫情防控措施

新冠疫情爆發以來，雲南水務認真貫徹落實上級政府部門以及本集團的疫情防控工作部署，於第一時間召開會議研究部署疫情防控，成立疫情防控工作領導小組，制定及下發疫情防控實施方案和疫情防控應急救援預案。2020年1月26日起按照本集團的要求及時啟動了疫情日報制度，38個部門(中心)、大區及直管公司負責人每天上午9點30分前，向疫情防控辦公室報告進入疫情重點地區、密切接觸人員、被隔離人員、疑似病例或確診病例等信息，跟蹤感冒、發燒人員的身體狀況及行動軌跡，發現異常狀況及時作出居家隔離的決定。

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The Group also uses WeChat, Internet, billboards, banners, stickers and other methods to carry out targeted pandemic prevention and control propaganda and production safety education, to enhance employees' awareness and ability to participate in group prevention and control. The Group incorporated the emergency management of pandemic prevention and control into the construction of the emergency management system, and established and improved emergency response systems and plans such as the "Emergency Response Plan Management System for Emergencies", the "Emergency Response and Rescue Plan for COVID-19" and the "Emergency Response Plan for Medical Waste Disposal During Major Epidemics". The Group has carried out a total of 591 trainings, 311 tabletop exercises and 383 actual combat exercises, involving a total of 8,243 participants. Through these trainings and exercises, the level and ability of emergency management have been effectively improved, and the inspection of various hidden safety hazard areas has been further strengthened to ensure that the pandemic is controllable in order to effectively avoid the spread of COVID-19.

### TRAINING ON PRODUCTION SAFETY AND QUALITY

We have implemented the safe production responsibility at each level, carried out hazard identification and risk assessment, and strengthened hazardous operation management during the operating management process. Safety inspection is conducted regularly to eliminate hidden safety hazard at the production site and prevent the occurrence of accidents. During the project construction process, the Group is committed to fulfilling the safety responsibilities of the owner, and has formulated a series of safety measures and policies to enhance safety monitoring in order to ensure construction safety and provide its staff with a safe working environment. The Group has also obtained the OHSAS18001 International Management System Certificate and further strengthened the operation and management of the occupational health and safety management system.

In addition, we actively carry out safety trainings and education for the staff, regularly enhance the professional skill and safety awareness of the staff. The Group also distributes labour insurance supplies on time in accordance with the labor insurance supplies management system and organizes regular health checks every year for its staff in order to prevent them from being exposed to occupational harm and occupational diseases.

本集團亦利用微信、網絡、廣告牌、橫幅、貼畫等多種方式針對性開展疫情防控宣傳和生產安全教育，提高員工參與群防群控意識和能力。將突發疫情防控應急管理納入應急管理體系建設，建立健全《突發事件應急預案管理制度》、《新冠肺炎疫情應急救援預案》、《重大疫情期間醫療廢物處置應急預案》等應急制度及預案，已累計開展疫情預案等培訓591次、桌面演練311次、實戰演練383次，共8,243人次參加，有效提升了突發事件應急管理水平和能力，進一步加強對各安全隱患區域的檢查，確保疫情可控，以有效避免新冠病毒的傳播。

### 安全生產及質量培訓

我們在運營管理過程中層層落實安全生產職責，開展危險辨識和風險評價，加強危險作業管理，定期開展安全檢查，消除生產現場的安全隱患，杜絕安全生產事故的發生。在項目建設過程中，本集團認真落實業主方的安全職責，並已制定一系列安全措施和政策，加強安全監管，確保施工安全，為員工提供一個安全的工作環境。本集團亦取得OHSAS18001的國際管理體系證書，進一步強化職業健康安全管理体系的運作和管理。

此外，我們積極開展員工安全培訓教育，不斷提高員工的業務技能和安全意識，並按照本集團勞保用品管理制度，按時發放勞保用品，每年定期組織員工進行健康體檢，避免員工在日常工作過程中受到職業性危害及職業病的發生。

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The Group has also formulated a series of emergency plans to deal with emergencies, such as the “Comprehensive Emergency Plan for Production Safety Accidents” and the “Emergency Plan for Sudden Environmental Incidents”, etc., and requires to organize no less than one flood prevention drill training activity every year; the fire and earthquake prevention equipment and facilities shall be inspected at least once a year to ensure that they are all in good condition. We strive to improve the ability of employees to deal with emergencies through emergency drills for production safety accidents.

### B3. Development and Training

The Group attaches great importance to the establishment of its internal management training and development system. Through diversified training modes such as induction training, management training, technical training and pre-job training, we meet the different needs of employees at all levels and types and to improve their skills so that they can continue to provide high-quality services and assist the Group in its sustainable development, meanwhile assisting employees in their personal growth and development.

In 2020 Financial Year, approximately 38% of employees of the Group’s subsidiaries covered by this Report participated in training, and each employee completed 6.68 hours of training on average. The percentage of trained employees by gender and employee category is as follows:

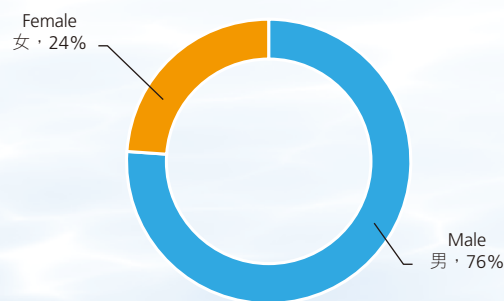
本集團亦為應付突發事件而制定一系列應急預案，例如《生產安全事故綜合應急預案》以及《突發性環境事件應急預案》等，並要求每年組織不少於一次的防洪演習培訓活動以及每年對防火防震設施至少進行一次檢查，以確保設備、設施全部完好。務求通過生產安全事故應急演練，提高員工對突發事件的處置能力。

### B3. 發展及培訓

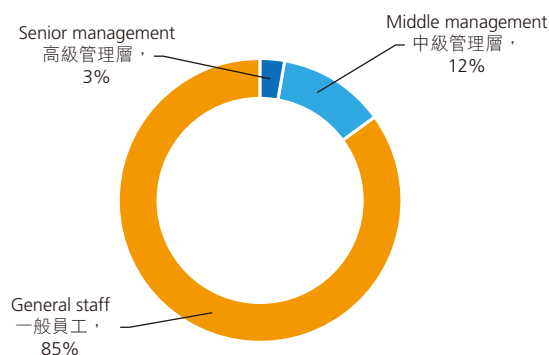
本集團注重企業內部管理培訓與發展體系的建立，通過入職培訓、管理人員培訓、技術人員培訓和崗前培訓等多元化培訓模式來滿足各級各類員工的不同需求，提升員工技能，使員工能夠持續提供高質量的服務，協助本集團進行可持續發展，同時幫助員工個人成長及發展。

於2020財政年度，本集團於本報告涵蓋之附屬公司的僱員共有約38%的員工參與培訓，每位員工平均完成了6.68小時的培訓，其按性別及僱員類別劃分的受訓僱員百分比如下：

### % of trained employees by gender 按性別劃分受訓比例



**% trained employees by employment category**  
**按僱員類別劃分受訓比例**



**Average training hours**

平均受訓時數

| By gender            | 按性別劃分   | Average training hours |
|----------------------|---------|------------------------|
| Male                 | 男性      | 7.71                   |
| Female               | 女性      | 4.61                   |
| By employee category | 按僱員類別劃分 |                        |
| Senior Management    | 高級管理層   | 6.51                   |
| Middle management    | 中級管理層   | 10.03                  |
| Junior personnel     | 基層人員    | 6.30                   |

**TRAINING MANAGEMENT**

To help new staff to get involved as soon as possible, we provide induction training programs for new staff to introduce the corporate culture and various internal rules and regulations of the Group. Our staff receives different types of training according to their roles and responsibilities. For instance, during 2020 Financial Year, the operation center carried out professional trainings on MBR engineering, testing knowledge, automatic control system and online monitoring; the financial center conducted financial business trainings on financial system and policy and overseas investment, etc.; the human resources department also held professional trainings for segments on internal control, risk management, system construction and safety management.

**培訓管理**

為幫助新員工盡快融入，我們會定期舉辦新員工培訓，介紹雲南水務的企業文化以及各項規章制度等。在職員工按工作需要定期接受不同類型的培訓。例如於2020財政年度，運營中心負責開展包括MBR工藝、化驗知識、自控系統、在線監測等專業性培訓，財務中心負責開展包括財務制度與政策、海外投資等財務業務培訓。人力資源部則協同開展包括內部控制、風險管理、制度建設、安全管理等各板塊的專業培訓。

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We provide our staff with comprehensive training programs according to the characteristics of different positions in order to help employees grow rapidly and realize individual value and to contribute to the growth and development of the Group. We provide professional safety technical training for personnel in special jobs such as boilers, pressure vessels, elevators, electrical, lifting, welding equipment, vehicle driving, inflammable and explosive. Employees need to pass the examination of relevant departments and obtain a qualified operation certificate (license) before they can be allowed to operate independently within the specified validity period. In addition, for the on-duty personnel of special types of jobs, they must receive regular safety education to ensure work safety.

### B4. Labour Standards

#### PREVENTING CHILD AND FORCED LABOUR

The Group has complied with all laws and regulations related to the prevention of child labour or forced labour, including but not limited to the Labour Law of the PRC, the Provisions on the Prohibition of Using Child Labour in the PRC and the Employment Ordinance of Hong Kong. In 2020 Financial Year, the Group has not found any violations of applicable national laws and regulations related to the prevention of child labour or forced labour that have a significant impact on the Group.

The Group strictly prohibits any child labour and forced labour. The Group clearly stipulates that only employees who have reached the legal age are hired, and new employees are required to provide true and accurate personal information when entering employment. In addition, the Group also conducts background checks based on the information provided by the employees, and does not employ those who are found to have falsified information. If any of these are found to be illegal, we will also report them to the regulatory authority to prevent similar problems from arising. The Group also conducts regular audits and inspections to prevent any child labor and forced labor in its operations. In addition, employees of the Group only work overtime voluntarily when necessary. The Group will never condone any negative behaviors such as verbal abuse, corporal punishment, physical abuse, oppression and sexual harassment of its employees for any reason.

我們根據不同崗位的特點，為員工提供完備的培訓計劃，幫助員工快速成長，實現個人在企業中的價值，為企業成長與發展作出貢獻。對於從事鍋爐、壓力容器、電梯、電氣、起重、焊接、車輛駕駛、易燃易爆等特殊工種人員，我們會為其提供專業安全技術培訓。員工需要經過有關部門考試合格，並取得合格操作證（執照）後，在規定的有效期內才能准其獨立操作。另外，對於特殊工種的在崗人員，則須接受定期的安全教育，以確保工作安全。

### B4. 勞工準則

#### 防止童工及強制勞工

本集團已遵守所有與防止童工或強制勞工有關的法律及規例，包括但不限於中國內地的《中華人民共和國勞動法》、《禁止使用童工規定》及香港的《僱傭條例》。於2020財政年度，本集團並無發現任何對本集團造成重大影響的防止童工或強制勞工有關的適用國家法律及規例之違規事件。

本集團嚴格禁止僱用任何童工及強制勞工。本集團明確規定只僱用達到法定年齡的員工，並要求新員工入職時提供真實準確的個人資料，此外，本集團還根據員工提供的資料進行背景調查，調查結果發現有作假者，本集團也不予錄用。如當中涉及違法部分，我們會同時上報監管當局，以杜絕同類問題產生。本集團亦會定期進行審核及檢查，以防止在其營運中出現任何童工及強制勞工。此外，本集團的員工僅在必要時自願加班。本集團亦絕不縱容出於任何理由對其員工進行任何例如口頭謾罵、體罰、身體虐待、壓迫、性騷擾等的負面行為。

## B5. Supply Chain Management

### FAIR AND OPEN PROCUREMENT

In accordance with the provisions of the Tendering and Bidding Law of the PRC and other relevant national laws and regulations, the Group selects qualified suppliers through public bidding on the public resource trading platform where the project is located. We have formulated the Administrative Measures for Bidding and Procurement to regulate bidding and procurement activities and improve the efficiency of fund use, and to safeguard the interests of the Group at the same time.

In accordance with the principles of unified management, legality and comprehensive selection of the best, the Group conducts bidding activities for all construction projects and procurement activities for goods, projects and services. All personnel involved in bidding and procurement management shall abide by the following regulations:

- Strictly implement the relevant laws and regulations of the state and Yunnan Province on tendering and bidding management, and adhere to the principle of "openness, fairness, justice, honesty and credibility";
- Strictly abide by procedures, act in accordance with regulations, manage in accordance with the laws, and be honest and self-disciplined;
- Comply with bidding and bid evaluation disciplines, and shall not disclose any bidding information and materials that should be kept confidential during the bidding and bid evaluation process; and
- Strictly forbidden to split project and circumvent the Company's bidding and procurement regulations.

Any violation of tendering and bidding laws and regulations and non-compliance with bidding discipline shall be investigated, verified and dealt with by the discipline inspection department of the Group.

For those that have not reached the bidding amount specified in the Tendering and Bidding Law, the Group selects qualified suppliers by bid invitation, competitive comparison or bid negotiation according to the specific circumstances. The Group considers the environmental and social performance, qualification level, goods provided or service quality, service adaptability and capability as well as quoted price in a comprehensive way when selecting suppliers.

## B5. 供應鏈管理

### 公平及公開採購

本集團根據《中華人民共和國招標投標法》等國家相關法律及規例，在項目所在地公共資源交易平台採取公開招標的方式選取合格供應商。我們已制定《招標、採購管理辦法》，規範招標、採購行為，以提高資金使用效益，同時達到維護本集團利益。

本集團一概按照統一管理、合法、綜合擇優的原則，進行所有工程建設項目之招標活動及貨物、工程、服務的採購活動。所有招標、採購管理相關人員均應遵守以下規定：

- 嚴格執行國家和雲南省招標投標管理的有關法規，堅持「公開、公平、公正、誠實信用」的原則；
- 嚴格遵守程序、照章辦事、依法管理、廉潔自律；
- 遵守招標、評標紀律，不得在招標及評標過程中泄露任何應當保密的招投標信息和資料；及
- 嚴禁拆分項目，規避本公司招標、採購的規定。

對於違反招投標法律和法規規定以及不遵守招標工作紀律的，由本集團紀檢部門進行調查、核實、處理。

對於未達到招標投標法規定的招標金額，本集團根據具體情況採用邀請招標、競爭性比選或議標的方式選取合格供應商。本集團選取供應商時綜合考慮其環境及社會績效、資質水平、提供的貨物或服務質量、服務配合度及能力，以及報價等因素。

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### PROCUREMENT AND BIDDING PROCESS

After the project has met the bidding conditions and has been approved by the Company's management, the Group will organize a unified bidding or comparative procurement for the project in accordance with the "Bidding Flowchart of Yunnan Water Investment Co., Limited" and "Flowchart for Competitive Comparison Procurement of Yunnan Water Investment Co., Limited".

The following chart sets out the simplified "Bidding Flowchart of Yunnan Water Investment Co., Limited":

### 採購及招標流程

在項目已具備招標條件並公司管理層審批後，本集團將按照《雲南水務投資股份有限公司招標流程圖》或《雲南水務投資股份有限公司競爭性比選採購流程圖》，為該項目進行統一組織招標或比選採購。

下圖為簡化後的《雲南水務投資股份有限公司招標流程圖》：



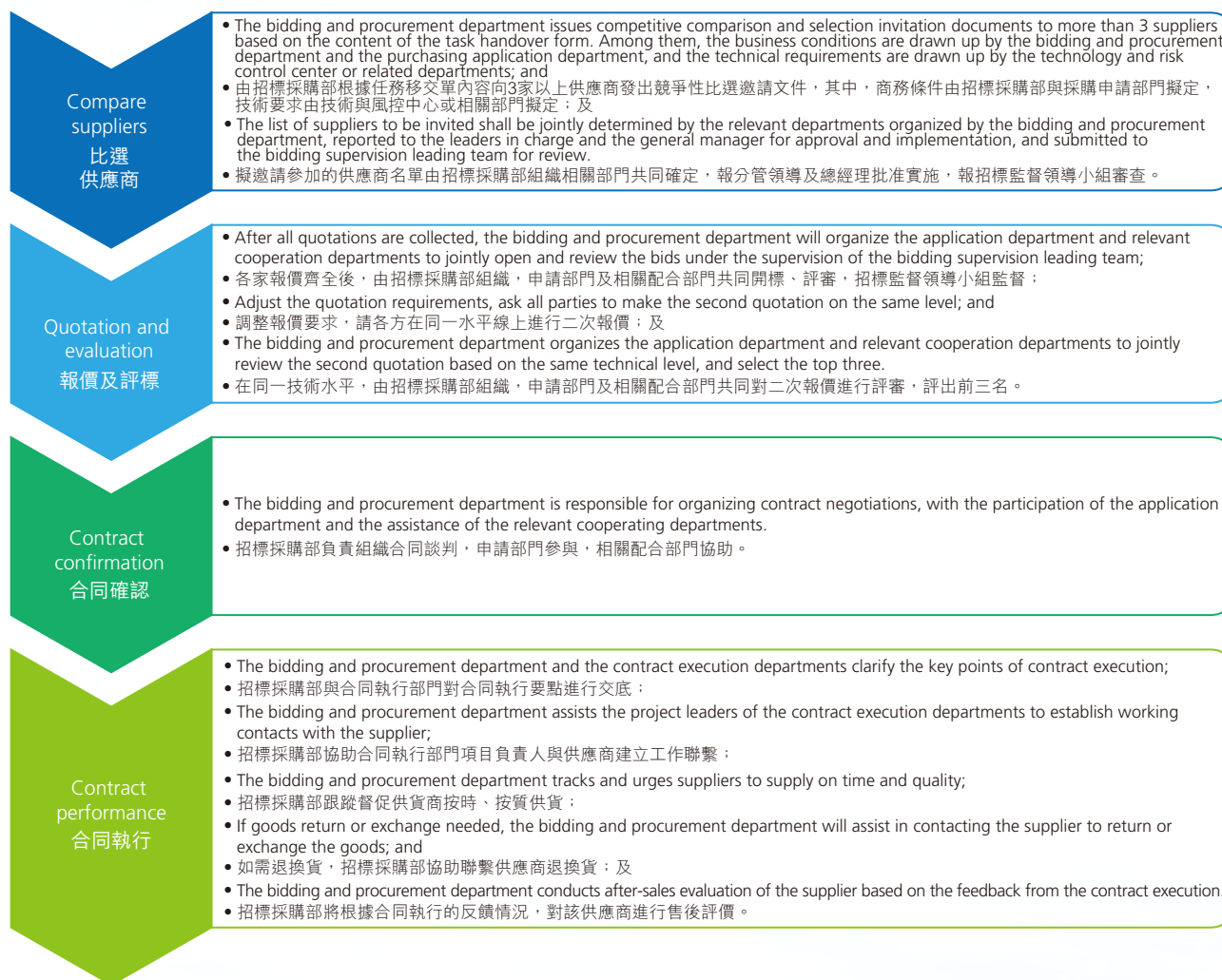


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The following chart sets out the simplified “Flowchart for Competitive Comparison Procurement of Yunnan Water Investment Co., Limited”:

下圖為簡化後的《雲南水務投資股份有限公司競爭性比選採購流程圖》：



### B6. Product Responsibility

The Group attaches great importance to product and service quality and corporate reputation. The Group actively ensures product quality through internal control and is committed to providing services that meet industry standards. The Group strictly complies with the relevant laws and regulations, including but not limited to the Law of the PRC on Protecting Consumers' Rights and Interests, the Advertising Law of the PRC as well as the Consumer Goods Safety Ordinance and the Sales of Goods Ordinance of Hong Kong. In 2020 Financial Year, the Group has not found any violations of applicable national laws and regulations related to product liability that have a significant impact on the Group, nor has it received any recall cases of sold or delivered products for safety and health reasons or any complaint about products and services.

#### PRODUCT QUALITY

The Group has technologies and industrial experience necessary to maintain the quality of environmental protection projects at each stage such as design, investment, construction and operation. For instance, the Group adopt advanced online monitoring systems to continuously monitor the quality of the treated wastewater and supplied water during the operating process of the wastewater treatment and water supply facilities. Specifically, the monitoring data of the online monitoring system for wastewater treatment will be transmitted to the government platform for pollution sources of the authority in a real-time way for 24-hour monitoring. The Group adheres to the policy of "quality first, prevention first", and continuously improves process control in accordance with the cyclical work method of "planning, execution, inspection, and processing".

Besides, the Group has obtained international management system certificates such as ISO9001, ISO14001 and OHSAS18001, strictly abides by the above standards during the process of production and assembly, and enhances the operation of the systems on quality, environment, occupational health & safety in order to ensure the quality of the membrane products manufactured.

### B6. 產品責任

本集團十分重視產品與服務質量及企業信譽。本集團積極透過內部監控確保產品質素，致力提供符合行業標準的服務。本集團嚴格遵守相關法律法規，包括但不限於中國內地的《中華人民共和國消費者權益保法》、《中華人民共和國廣告法》及香港的《消費品安全條例》及《貨品售賣條例》。於2020財政年度，本集團並無發現任何對本集團造成重大影響的產品責任相關的適用國家法律及規例之違規事件，亦無接獲任何已售或已運送產品中因安全與健康理由而須回收的個案以及任何關於產品及服務的投訴。

#### 產品質量

本集團在環保項目的設計、投資、建設、運營等各個階段均具備維護質量所必備的技術及行業經驗。例如，在我們的污水處理及供水設施投入運營時，採用先進的在線監測系統連續監測污水處理出水及供水的水質。其中，污水處理的在線監測系統監測數據實時傳輸至政府部門的污染源監測綜合管理平台，供其每天24小時監察。本集團堅持「質量第一，預防為主」的方針，按「計劃、執行、檢查、處理」循環工作方法，不斷改進過程控制。

另外，為確保我們製造的膜產品的質量，我們已取得ISO9001、ISO14001、OHSAS18001的國際管理體系證書，在生產及裝配的整個過程中嚴格執行上述標準，加強質量、環境、職業健康安全管理体系的運作。

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The Group carries out major businesses by strictly implementing and complying with the relevant national or industrial standards.

With regard to the wastewater treatment business of the Group, the Group is committed to ensuring that the treated wastewater meets the requirement of Discharge Standard for Pollutants for Municipal Wastewater Treatment Plant (GB 18918-2002) or Environmental Quality Standard V for Surface Water or local standards and that wastewater discharge outlets are built in strict compliance with the requirements of the environmental impact assessment report approved by the government for designated discharge.

With regard to the water supply business of the Group, the Group attaches great importance to water quality control from the water source to users since the quality of the water supplied directly affects public health. Water supplied by the Group meets a number of national standards, including but not limited to Hygienic Standard for Drinking Water (GB 5749-2006), Standard for Quality of Urban Water Supply (CJ/T 206-2005), Technical Regulations on Operation, Maintenance and Safety of Urban Water Supply Plant (CJJ 58-2009), Technical Regulations on Operation, Maintenance and Safety of Urban Water Supply Pipeline Network (CJJ 207-2013) and Urban Water Supply Services (GB/T32063-2015) in order to ensure reliable and safe water supply. The Group has established strict quality management systems, tests and inspects against various indexes on production and operation and conducts real-time monitoring on the water quality to ensure that the water quality meets the relevant standards.

With regard to the solid waste treatment business, the services provided by the Group are governed by Pollution Control Standard for Domestic Waste Landfill (GB-16889-2008), Pollution Control Standard for Municipal Waste Incineration (GB-18485-2014), Technical Requirements on Medical Waste Incinerator (GB-19218-2003) and Pollution Control Standard for Hazardous Waste Incineration (GB-18484-2001). The Group has set up internal control systems and set discharge limits for incineration plants according to strict operation conditions and technical requirements in order to minimize the impact of waste incineration to the environment and to the public.

我們的主要業務均嚴格執行並嚴守相關的國家或行業標準。針對本集團的污水處理業務，我們致力確保處理後的污水均達到《城鎮污水處理廠污染物排放標準》(GB-18918-2002)，或《地表水環境質量》類V類標準或地方標準，並嚴格按照經政府批准的環境影響評價報告要求建成污水排放口，定點排放。

針對本集團的供水業務，由於安全的用水質量會直接影響公眾的身體健康，因此本集團高度關注從水源到用戶終端之水質控制。本集團所提供的用水符合國家標準，包括但不限於《生活飲用水衛生標準》(GB-5749-2006)、《城市供水水質標準》(CJ/T-206-2005)及《城鎮供水廠運行、維護及安全技術規程》(CJJ-58-2009)、《城鎮供水管網運行、維護及安全技術規程》(CJJ-207-2013)及《城鎮供水服務》(GB/T32063-2015)，確保可靠及安全的供水。本集團建立了嚴格的品質管制體系，對各項生產運行指標進行化驗與檢測，即時監控水質情況，保證水質達標。

就固廢處理業務而言，本集團之服務受《生活垃圾填埋場污染控制標準》(GB-16889-2008)、《生活垃圾焚燒污染控制標準》(GB 18485-2014)、《醫療廢物焚燒爐技術要求》(GB-19218-2003)以及《危險廢物焚燒污染控制標準》(GB-18484-2014)規管。我們建立了內部控制體系，通過嚴格的操作規範和技術要求，在實際運行中設定焚燒廠的排放限額，盡量將垃圾焚燒對環境及公眾健康造成的負面影響降至最低。

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The Group has also prepared comprehensive contingency plans and emergency mechanisms for potential risks and accidents in the production process and will immediately activate the contingency plans in case of emergency happens to ensure users' safety and health.

### CUSTOMER SERVICE

The Group proactively extends customer service and actively communicates with customers. The Group has formulated the "Manual for Quality Management of Production and Operation", which stipulates that the leaders of the Company must completely and accurately identify and determine customer requirements through investigation, research, analysis and communication with customers, including product requirements, process requirements, quality management system and other requirements. At the same time, the Group stipulates that leaders of the Company must communicate effectively with customers, understand customer satisfaction, and propose directions for continuous improvement, so as to continuously enhance customer satisfaction through continuous improvement.

### PROTECTION OF CUSTOMER PRIVACY

The Group conducts strict and prudent management of customer files to avoid leakage of customer privacy. The Group strictly abides by the Law of the PRC on the Protection of State Secrets and the Provisions on the Confidentiality Management of State Secret Carriers and other laws and regulations, and promises to implement strict security protection measures for customer information collected in the course of business operations to ensure customer information not to be leaked or abused.

Customer information and customer data must not be sold, shared or disclosed for any purpose, and every employee must protect customer information and data in accordance with the Group's regulations. The Group's conversations with customers, transaction history, documents and reports provided by them (if not made public) will be kept confidential, and it is strictly forbidden to disclose customer information to third parties without the customer's authorization. At the same time, customers always have the right to review and modify their information. The Group is firmly committed to protecting customers' privacy, so as to win the trust and confidence of customers and maintain the Group's competitiveness in the market, which is the driving force for the Group's sustainable business development and service quality assurance.

本集團亦針對生產運營中潛在風險和可能出現的突發事件制定了完善的應急預案和健全的應急機制，發生緊急情況時立即啟動應急預案，維護用戶安全與健康。

### 客戶服務

本集團主動延伸客戶服務及積極與客戶溝通。本集團制定了《生產運營質量管理手冊》，規定公司領導必須將顧客的需求和期望通過調查、研究、分析以及與顧客溝通等方式，完整、準確的識別並確定顧客的要求，包括對產品的要求、過程的要求、質量管理體系等要求。同時，本集團規定公司領導必須與顧客進行有效的溝通，了解顧客滿意程度，並提出持續改進的方向，以通過持續改進，不斷增強顧客滿意程度。

### 客戶隱私保護

本集團對客戶檔案進行嚴密謹慎的管理，避免客戶隱私的泄露。本集團嚴格遵守《中華人民共和國保守國家機密法》及《國家秘密載體保密管理的規定》等法律及規例，承諾對在業務運營過程中收集的客戶資料執行嚴格的安全保護措施，確保客戶資料不被泄露及濫用。

客戶資料、客戶數據不得以任何目的出售、共享、透露，每個員工都必須依照本集團規定保護客戶資料及數據。本集團與客戶的對話、事務曆史記錄、彼等提供的文件及報告內容(如不公開)將會保密，並嚴禁在未經客戶授權的情況下將客戶資料披露予第三方。與此同時，客戶始終有權審查及修改其資料。本集團堅決承諾保護客戶私隱，藉此贏得客戶的信任和信心，保持本集團在市場上的競爭力，為本集團可持續業務發展及服務品質保證的推動力。

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### PROTECTION OF INTELLECTUAL PROPERTY

In 2020 Financial Year, the Group continued to devote substantial resources in research and development capabilities. In China, the Group has 114 registered patents related to sewage treatment, water supply, sludge treatment, membrane manufacturing and application, and municipal waste treatment. The Group respects the intellectual property rights of third parties, and is also committed to protecting its own intellectual property rights from infringement. In the future, we will closely monitor infringements in the market and crack down on any infringements such as counterfeit trademarks.

### ADVERTISING AND LABELING

As a company providing environmental protection services, the operation of the Group does not involve major matters related to advertising and labeling. Nevertheless, the Group is committed to ensuring that the labels of its products conform to the actual product conditions. The Group strictly abides by the Advertising Law of the PRC, the Trade Descriptions Ordinance of Hong Kong and other relevant advertising and marketing laws and regulations, formulates and implements relevant systems for monitoring advertising and marketing, strictly reviews publicly released promotional materials and sales commitments, and prevents promotional content from being inaccurate or misleading, so as to protect the consumers' rights from being infringed.

The Group requires all external image display, event promotion, marketing promotion and other publicity content of its units, agencies and subordinate projects be produced and published after the approval of the leader in charge, to avoid any form of false publicity, and to ensure that the content of the publicity true and accurate.

### 知識產權保護

於2020財政年度，本集團繼續投放大量資源於研究及開發能力。在中國，就與污水處理、供水、污泥處理、膜製造及應用以及市政垃圾處理有關的技術，本集團已擁有114項註冊專利。本集團尊重第三方知識產權，亦致力保護自身知識產權不受侵犯。在未來，我們會密切監控市場上的侵權行為，並打擊假冒商標等任何侵權行為。

### 廣告及標籤

作為一間提供環保服務的公司，本集團的運營並不涉及重大與廣告及卷標有關的事項。儘管如此，本集團致力保證本集團產品的標籤符合產品實情。本集團嚴格遵守《中華人民共和國廣告法》及香港的《商品說明條例》等廣告營銷相關法律及規例，制定和實施監管廣告營銷的相關制度，嚴格審核公開發佈的宣傳材料及銷售承諾，防止宣傳內容失實或存在誤導性，保障客戶的消費權益不被侵害。

本集團要求各單位、各機構和下屬項目所有對外形象展示、活動宣傳、營銷宣傳等宣傳內容，須由分管領導長審批後，方可製作及對外發佈，避免任何形式虛假宣傳，確保宣傳內容的真實準確。

## B7. Anti-corruption

### PREVENT CORRUPTION AND FRAUD

The Group has established a disciplinary committee and a disciplinary inspection and supervision office dedicated for preventing bribery, extortion and fraud prevention as well as relevant investigations and handling. The Group has established a corruption risk prevention and control system, developed corruption risk prevention and control measures, so as to implement dynamic management of corruption risk prevention and control. In addition, the Group has established whistleblowing channels via telephone and e-mail to accept reports relating to the violation of laws and the code of conduct. The Group also attaches importance to corruption risk education, organizes corruption risk training, holds special lectures on corruption prevention and enhances the anti-corruption awareness of the staff.

On 1 September 2020, the Company held a conference meeting for family integrity. At the meeting, the Company organized the management and their family members to watch our promotional video and the “Good Family Tradition in Yunling” anti-corruption cultural feature film, “Promote Integrity with Good Family Tradition”, issued the integrity proposal to the attending family members and signed the integrity commitment letters. 66 leaders and middle-level managers of the Company, management members of the second-level companies in Kunming and their family members attended the meeting.

On 7 September 2020, the Group organized a visit to Kunming Disciplinary Education Base to carry out the anti-corruption warning education activities for financial year 2020, focusing on learning advanced models of diligence and integrity, reflecting on typical corruption cases, enhancing employees’ awareness of integrity and building a solid line of ideological and moral defense against corruption and degeneration. A total of 73 employees, including leaders of the Company, middle-level managers and personnel in key position at the headquarters, middle-level and above management members of the second-level companies in Kunming participated in the event. Under the guidance of the staff of Kunming Discipline Education Base, our employees visited the education base.

## B7. 反貪污

### 防止貪污及舞弊

本集團成立了紀委和紀檢監察室，負責防止賄賂、勒索、欺詐等工作和相關調查及處理。本集團已建立廉潔風險防控體系和制定了廉潔風險防控措施，從而實行廉潔風險防控動態管理。此外，本集團已建立電話、郵件等舉報方式，以受理有關違紀違法舉報。本集團亦重視對員工的廉潔風險教育，並組織開展廉潔風險警示教育，舉辦廉潔專題講座，加強員工的廉潔意識。

2020年9月1日，公司召開家屬廉政「懇談會」。會議組織觀看了公司宣傳片和「雲嶺好家風」廉政文化專題片《春風潤滇家風促廉》，向參會家屬發出《廉政倡議書》，簽署了《守廉助廉承諾書》。公司領導、中層管理人員、在昆二級公司班子成員及家屬66人參加會議。

2020年9月7日，本集團組織到昆明市紀律教育基地開展2020財政年度廉潔從業警示教育活動，學習勤廉先進典型，反思典型腐敗案例，增強員工廉潔從業意識，築牢拒腐防變思想道德防線。本公司領導、本部中層管理及關鍵崗位人員、在昆二級公司中層及以上管理人員共計73人參加活動。在昆明市紀律教育基地工作人員的引導下，員工參觀了教育基地。

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The management and all employees of the Group strictly abide by the Group's code of ethics and conduct and relevant laws and regulations, including but not limited to the Tendering and Bidding Law of the PRC, the Interim Provisions on the Prohibition of Commercial Bribery and the Prevention of Bribery Ordinance of Hong Kong. In 2020 Financial Year, the Group has not found any violations of applicable national laws and regulations related to the prevention of bribery, extortion, fraud and money laundering that have a significant impact on the Group, nor has it filed and concluded any corruption lawsuits against the Group or its employees.

本集團管理層和所有員工均能嚴格遵守本集團的道德行為守則及相關法律法規，包括但不限於《中華人民共和國招標投標法》、《關於禁止商業賄賂行為的暫行規定》及香港的《防止賄賂條例》。於2020財政年度，本集團並無發現任何對本集團造成重大影響的防止賄賂、勒索、欺詐及洗黑錢有關的適用國家法律及規例之違規事件，亦沒有對本集團或其僱員提出並已審結的貪污訴訟案件。

### B8. Community Investment

#### CORPORATE SOCIAL RESPONSIBILITY

The Group has a strong sense of social responsibility. As an active advocator for building a learning-oriented enterprise, the cooperation between the Group and universities is regarded as a meaningful public welfare activity for both the community as well as the Group. The Group makes contributions in implementing the strategy of developing the country through science and education and reinvigorating the country through talents development as well as building a harmonious society while actively establishing and enhancing the reputation of the Group.

In order to fulfill its social responsibilities and fight against the epidemic, the cadres and employees of the Group actively donated money to support the anti-epidemic work. During the period of shortage of epidemic prevention materials, the Group timely purchased masks and other epidemic prevention materials and sent them to Thailand, Indonesia and other overseas places. To ensure the normal production of medical waste treatment projects, the Group timely purchased protective clothing, masks and other materials to support the frontline production. In 2020 Financial Year, a total of 4,500 employees donated more than RMB720,000 and 64,300 disposable medical masks and 3M medical masks in aggregate.

### B8. 社區投資

#### 企業社會責任

本集團是一家有著強烈社會責任感的企業。作為創建學習型企業的積極倡導者，本集團把同高校的合作被視為一項具有深遠意義的公益事業。本集團在積極樹立和提升企業品牌的同時，還將在貫徹科教興國和人才強國戰略、促進和諧社會建設等方面做出我們應有的貢獻。

為了履行社會責任，做好抗疫工作，本集團廣大幹部職工積極捐款支持抗疫工作，在防疫物資短缺時期，及時採購口罩等防疫物資寄到泰國、印度尼西亞等海外地方。為了確保醫廢處置項目的正常生產，本集團及時採購防護服、口罩等物資支援生產一線，於2020財政年度，共有4,500人捐款人民幣72萬餘元，捐贈一次性醫用口罩和3M醫用口罩共計64,300個。

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On 31 July 2020, the Group organized all party members, cadres and employees at the headquarters to carry out a patriotic health cleanup “public participation” activity, calling on all party members and employees to improve their political positions, act quickly to implement and take up work responsibilities, and make every effort to promote the implementation of special patriotic health actions within the Group. Carrying out the health cleanup “public participation” activity will not only help clean up our environment, but also effectively guide the public to form a good atmosphere of sanitation and civilization.

The combination of “reverence, thankfulness and confidence” has always been the cultural concept advocated by the Group since its inception. The spirit of actively undertaking responsibilities, dedication and caring heart of the Group’s employees fully reflects the centripetal force and cohesion of our corporate culture. Under the guidance of this concept, the Group will continue to strive to perform its social responsibility as well as actively hold and participate in social charity activities.

2020年7月31日，本集團組織總部全體黨員幹部和員工開展了愛國衛生大掃除「眾參與」活動，號召全體黨員職工提高政治站位，迅速行動落實以及扛起工作責任，全力推進愛國衛生專項行動在本集團落細落實。開展此次衛生大掃除「眾參與」活動，不僅有利於打掃好我們的環境，還能有效引導公眾形成講衛生、講文明的良好風氣。

「敬畏心、感恩心、自信心」三心合一，是本集團成立以來一直倡導的企業文化理念。本集團員工積極承擔、樂於奉獻、關愛他人的精神，充分體現了我們企業文化的向心力和凝聚力。在這一文化理念的指引下，本集團未來將繼續認真履行社會責任，積極舉辦、參與社會公益慈善活動。



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### CONTENT INDEX OF THE “ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE” OF THE STOCK EXCHANGE OF HONG KONG LIMITED

### 香港聯合交易所有限公司的 《環境、社會及管治報告指引》 內容索引表

| Aspect, general disclosure and key performance indicator (KPI) | 層面、一般披露及關鍵績效指標  | Description   | 描述   | Chapter/Statement  | 章節/聲明                     |
|--|-----------------|---|--|--|---------------------------|
| <b>Aspect A1: Emissions</b>                                    | <b>層面A1：排放物</b> |   |  |  |                           |
| General disclosure   | 一般披露            | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to waste gas and greenhouse gas emissions, discharges into water and land, and generation of hazardous and nonhazardous waste, etc. | 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的：(a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。 | Emissions  | 排放物                       |
| KPI A1.1   | 關鍵績效指標A1.1      | Types of emissions and related emissions data.  | 排放物種類及相關排放數據。  | Emissions — Exhaust gas emissions, GHG emissions                                     | 排放物 — 廢氣排放、溫室氣體排放         |
| KPI A1.2   | 關鍵績效指標A1.2      | Total greenhouse gas emissions (in tons) and intensity.   | 溫室氣體總排放量(以噸計算)及密度。   | Emissions — GHG emissions  | 排放物 — 溫室氣體排放              |
| KPI A1.3   | 關鍵績效指標A1.3      | Total amount (in tons) and intensity of hazardous waste generated.  | 所產生有害廢棄物總量(以噸計算)及密度。   | Emissions — Hazardous waste (Not applicable — Explained)                             | 排放物 — 有害廢棄物(不適用 — 已解釋)    |
| KPI A1.4   | 關鍵績效指標A1.4      | Total amount (in tons) and intensity of non-hazardous waste generated.  | 所產生無害廢棄物總量(以噸計算)及密度。   | Emissions — Non-hazardous waste  | 排放物 — 無害廢棄物               |
| KPI A1.5   | 關鍵績效指標A1.5      | Description of the measures to reduce emissions and the results achieved.   | 描述減低排放量的措施及所得成果。   | Emissions — Exhaust gas emissions, GHG emissions, wastewater discharge and treatment | 排放物 — 廢氣排放、溫室氣體排放、污水排放及處理 |
| KPI A1.6   | 關鍵績效指標A1.6      | Description of the methods to treat hazardous and non-hazardous waste, measures to reduce the amount of waste generated, and the results obtained.  | 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。                                       | Emissions — Hazardous waste, non-hazardous waste                                     | 排放物 — 有害廢棄物、無害廢棄物         |

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| Aspect, general disclosure and key performance indicator (KPI) | 層面、一般披露及關鍵績效指標 | Description   | 描述                                | Chapter/Statement   | 章節/聲明                        |
|--|----------------|---|-----------------------------------|---|------------------------------|
| <b>Aspect A2: Use of Resources</b>                             |                |   |                                   |   |                              |
| <b>層面A2：資源使用</b>   |                |   |                                   |   |                              |
| General disclosure   | 一般披露           | Policies for effective use of resources (including energy, water and other raw materials).  | 有效使用資源(包括能源、水及其他原材料)的政策。          | Use of Resources  | 資源使用                         |
| KPI A2.1   | 關鍵績效指標A2.1     | Total direct and/or indirect energy consumption and intensity by type.  | 按類型劃分的直接及/或間接能源總耗量及密度。            | Use of Resources — Energy consumption   | 資源使用 — 能源消耗                  |
| KPI A2.2   | 關鍵績效指標A2.2     | Total water consumption and intensity.  | 總耗水量及密度。                          | Use of Resources — Water consumption  | 資源使用 — 水源消耗                  |
| KPI A2.3   | 關鍵績效指標A2.3     | Description of the energy efficiency improvement plan and the results achieved.   | 描述能源使用效益計劃及所得成果。                  | Use of Resources — Energy consumption   | 資源使用 — 能源消耗                  |
| KPI A2.4   | 關鍵績效指標A2.4     | Description of the availability of the applicable water source as well as the water efficiency improvement plan and the results obtained.         | 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果。  | Use of Resources — Water consumption  | 資源使用 — 水源消耗                  |
| KPI A2.5   | 關鍵績效指標A2.5     | Total amount (in tons) of packaging materials used in the finished products and the amount per production unit.                                   | 製成品所用包裝材料的總量(以噸計算)及每生產單位估量。       | Use of Resources — Use of packaging materials<br>(Not applicable — Explained) | 資源使用 — 包裝材料使用<br>(不適用 — 已解釋) |
| <b>Aspect A3: Environmental and Natural Resources</b>          |                |   |                                   |   |                              |
| <b>層面A3：環境及天然資源</b>  |                |   |                                   |   |                              |
| General disclosure   | 一般披露           | Policies to reduce the issuer's significant impact on the environment and natural resources.  | 減低發行人對環境及天然資源造成重大影響的政策。           | Environmental and Natural Resources — Environmental impact management         | 環境及天然資源 — 環境影響管理             |
| KPI A3.1   | 關鍵績效指標A3.1     | Description of the significant impact of business activities on the environment and natural resources and the actions taken to manage the impact. | 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。 | Environmental and Natural Resources — Environmental impact management         | 環境及天然資源 — 環境影響管理             |

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| Aspect, general disclosure and key performance indicator (KPI) | 層面、一般披露及關鍵績效指標 | Description   | 描述   | Chapter/Statement | 章節/聲明 |
|--|----------------|---|--|-------------------|-------|
| <b>Aspect B1: Employment</b>                                   |                |   |  |                   |       |
| <b>層面B1：僱傭</b>   |                |   |  |                   |       |
| General disclosure   | 一般披露           | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的：(a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。 | Employment        | 僱傭    |
| KPI B1.1   | 關鍵績效指標B1.1     | Total number of employees by gender, type of employment, age group and region.  | 按性別、僱傭類型、年齡組別及地區劃分的僱員總數。   | Employment        | 僱傭    |
| KPI B1.2   | 關鍵績效指標B1.2     | Employee turnover by gender, type of employment, age group and region.  | 按性別、僱傭類型、年齡組別及地區劃分的僱員流失率。  | Employment        | 僱傭    |
| <b>Aspect B2: Health and Safety</b>                            |                |   |  |                   |       |
| <b>層面B2：健康與安全</b>  |                |   |  |                   |       |
| General disclosure   | 一般披露           | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.   | 有關提供安全工作環境及保障僱員避免職業性危害的：(a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。                      | Health and Safety | 健康與安全 |
| KPI B2.1   | 關鍵績效指標B2.1     | Number and rate of work-related deaths.   | 因工作關係而死亡的人數及比率。  | Health and Safety | 健康與安全 |
| KPI B2.2   | 關鍵績效指標B2.2     | Number of working days lost due to work-related injuries.   | 因工傷損失工作日數。   | Health and Safety | 健康與安全 |
| KPI B2.3   | 關鍵績效指標B2.3     | Description of the occupational health and safety measures adopted, as well as related implementation and monitoring methods.   | 描述所採納的職業健康與安全措施，以及相關執行及監察方法。   | Health and Safety | 健康與安全 |

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| Aspect, general disclosure and key performance indicator (KPI) | 層面、一般披露及關鍵績效指標 | Description   | 描述  | Chapter/Statement        | 章節/聲明 |
|--|----------------|---|---|--------------------------|-------|
| <b>Aspect B3: Development and Training</b>                     |                |   |   |                          |       |
| <b>層面B3：發展及培訓</b>  |                |   |   |                          |       |
| General disclosure   | 一般披露           | Policies to improve employees' knowledge and skills in performing their duties. Description of the training activities.   | 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。                   | Development and Training | 發展與培訓 |
| KPI B3.1   | 關鍵績效指標B3.1     | The percentage of employees trained by gender and employee category (e.g. senior management, middle management).  | 按性別及僱員類別(如高級管理層、中級管理層等)劃分的受訓僱員百分比。              | Development and Training | 發展及培訓 |
| KPI B3.2   | 關鍵績效指標B3.2     | Average number of training hours completed by each employee by gender and employment category.  | 按性別及僱員類別劃分，每名僱員完成受訓的平均時數。                       | Development and Training | 發展與培訓 |
| <b>Aspect B4: Labour Standards</b>                             |                |   |   |                          |       |
| <b>層面B4：勞工準則</b>   |                |   |   |                          |       |
| General disclosure   | 一般披露           | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour. | 有關防止童工或強制勞工的：(a) 政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。 | Labour Standards         | 勞工準則  |
| KPI B4.1   | 關鍵績效指標B4.1     | Description of the measures to review recruitment practices to avoid child labour and forced labour.  | 描述檢討招聘慣例的措施以避免童工及強制勞工。                          | Labour Standards         | 勞工準則  |
| KPI B4.2   | 關鍵績效指標B4.2     | Description of the steps taken to eliminate the situation when a violation is discovered.   | 描述在發現違規情況時消除有關情況所採取的步驟。                         | Labour Standards         | 勞工準則  |
| <b>Aspect B5: Supply Chain Management</b>                      |                |   |   |                          |       |
| <b>層面B5：供應鏈管理</b>  |                |   |   |                          |       |
| General disclosure   | 一般披露           | Policies to manage the environmental and social risks of the supply chain.  | 管理供應鏈的環境及社會風險政策。                                | Supply Chain Management  | 供應鏈管理 |

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|--|----------------|---|--|-------------------------|-------|
| KPI B5.1   | 關鍵績效指標B5.1     | Number of suppliers by region.  | 按地區劃分的供貨商數目。   | Supply Chain Management | 供應鏈管理 |
| KPI B5.2   | 關鍵績效指標B5.2     | Description of the practices for engaging suppliers, the number of suppliers to whom the practices are implemented, and the implementation and monitoring methods of the practices.   | 描述有關聘用供貨商的慣例，向其執行有關慣例的供貨商數目，以及相關執行及監察方法。                             | Supply Chain Management | 供應鏈管理 |
| <b>Aspect B6: Product Responsibility 層面B6：產品責任</b>             |                |   |  |                         |       |
| General disclosure   | 一般披露           | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. | 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的：(a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。 | Product Responsibility  | 產品責任  |
| KPI B6.1   | 關鍵績效指標B6.1     | Percentage of the products sold or delivered that must be recycled for safety and health reasons.   | 已售或已運送產品總數中因安全與健康理由而須回收的百分比。   | Product Responsibility  | 產品責任  |
| KPI B6.2   | 關鍵績效指標B6.2     | Number of complaints received about products and services and the handling methods.   | 接獲關於產品及服務的投訴數目以及應對方法。  | Product Responsibility  | 產品責任  |
| KPI B6.3   | 關鍵績效指標B6.3     | Description of the practices related to the maintenance and protection of intellectual property rights.   | 描述與維護及保障知識產權有關的慣例。   | Product Responsibility  | 產品責任  |
| KPI B6.4   | 關鍵績效指標B6.4     | Description of the quality assurance process and product recycling procedures.  | 描述質量檢定過程及產品回收程序。   | Product Responsibility  | 產品責任  |
| KPI B6.5   | 關鍵績效指標B6.5     | Description of the consumer data protection and privacy policies, and the related implementation and monitoring methods.  | 描述消費者數據保障及私隱政策，以及相關執行及監察方法。  | Product Responsibility  | 產品責任  |

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|--|----------------|---|---|----------------------|-------|
| <b>Aspect B7: Anti-corruption</b>                              |                |   |   |                      |       |
| <b>層面B7：反貪污</b>  |                |   |   |                      |       |
| General disclosure   | 一般披露           | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing from bribery, extortion, fraud and money laundering.    | 有關防止賄賂、勒索、欺詐及洗黑錢的：(a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。 | Anti-corruption      | 反貪污   |
| KPI B7.1   | 關鍵績效指標B7.1     | Number of concluded lawsuits regarding corruption brought against the issuer or its employees during the reporting period and the results of the lawsuits.  | 於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。                 | Anti-corruption      | 反貪污   |
| KPI B7.2   | 關鍵績效指標B7.2     | Description of the preventive measures and reporting procedures, as well as the related implementation and monitoring methods.  | 描述防範措施及舉報程序，以及相關執行及監察方法。                            | Anti-corruption      | 反貪污   |
| <b>Aspect B8: Community Investment</b>                         |                |   |   |                      |       |
| <b>層面B8：社區投資</b>   |                |   |   |                      |       |
| General disclosure   | 一般披露           | Policies related to community participation to understand the needs of the community in which the issuer operates and to ensure that its business activities will take into account the interests of the community. | 有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。               | Community Investment | 社區投資  |
| KPI B8.1   | 關鍵績效指標B8.1     | Focus areas of contribution (such as education, environmental issues, labour needs, health, culture, sports).   | 專注貢獻範疇(如教育、環境事宜、勞工需求、健康、文化、體育)。                     | Community Investment | 社區投資  |
| KPI B8.2   | 關鍵績效指標B8.2     | Resources (such as money or time) used in the focus field.  | 在專注範疇所動用資源(如金錢或時間)。                                 | Community Investment | 社區投資  |



雲南水務投資股份有限公司

YUNNAN WATER INVESTMENT CO., LIMITED\*