“COD”		Chemical Oxygen Demand, the corresponding mass concentration of oxygen for the amount of oxidant consumed when strong oxidant is used to deal with a given water sample and is measured with mg/L. It has different ways according to the oxidising agent, such as potassium permanganate (expressed as COD, also known as CODmn) and potassium dichromate (expressed as CODcr)
「COD」	指	化學需氧量，採用強氧化劑處理水樣時所消耗的氧化劑對應的氧的質量濃度，以毫克╱升表示。根據所用氧化劑的不同，分為高錳酸鉀法（以COD表示，又稱為CODmn）和重鉻酸鉀法（以CODcr表示）
“pre-trial operation”		a stage in the project construction process as prescribed by the PRC government in accordance with the Provisions on Municipal Projects Design Budget Estimate Making, Jian Biao [2011] No. 1) issued by the Ministry of Housing and Urban-Rural Development where a facility under construction is tested for its operational functionality and further developed to qualify for regulatory approvals and enter commercial operation
「試運行階段」	指	中國政府根據住房和城鄉建設部頒佈的《市政工程設計概算編製辦法》（建標[2011]1號）規定的項目建設過程的一個階段，在此期間在建設施接受營運功能測試並經進一步開發，以達到監管審批要求及投產
“TOO”		Transfer-Own-Operate, a project model whereby an enterprise purchases completed wastewater treatment or water supply facilities from the government

分部經營業績概要

			截至 月 日止年度			
			2019	2018	2017	2016
		年	2019年	2018年	2017年	2016年
			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*
	污水處理					
– Revenue	一收入		1,213,810	1,159,075	1,037,163	765,906F0FC92of21
– Gross profit	一毛利		514,135F0F62of21			

合併綜合收益表概要

		截至 月 日止年度			
		2019	2018	2017	2016
	年	2019年	2018年	2017年	2016年
		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*
	收入	1,833,542	1,429,787	1,223,825	914,925
	經營利潤	569,692	469,723	443,317	390,621
	稅前利潤	438,150	415,221	372,425	326,871
Income tax expenses	所得稅費用	(68,072)	(65,494)	(58,336)	(51,193)
	年度利潤	370,078	349,727	314,089	275,678
	其他綜合收益／（虧損）	871	3,282	(1,847)	–
	年度綜合收益總額	370,949	353,009	312,242	275,678

合併資產負債表概要

		於 月 日			
		2019	2018	2017	2016
	年	2019年	2018年	2017年	2016年
		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*
	資產				
Total assets	**資產總額**	9,576,255	7,442,063	6,024,811	4,603,491

負債稨真本惀豁級积掟閂登厤依蹒機駜礬工︵滕荐礙宮

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第六章) 管理層討論及分析

Under the guidance of key national strategic plans such as the "Yangtze River Economic Belt", the "Western Development Strategy" and the "14th Five-Year Plan and the Outline of Long-Range Objectives Through the Year 2035 " of Yunnan Province, the Company will firmly support the "three critical missions" of China and the plan of Yunnan Province to become a leader in ecological civilisation construction, uphold the development concept of "unitary domination with diversified development" and strive to improve its abilities in comprehensive management of the ecological environment and ecological civilisation construction. The Company enjoys exclusive rights to provide wastewater treatment services to Kunming and other regions of China. In the future, on top of continuous development in our existing business market, we will closely follow the direction of the industry policies and further enhance our comprehensive services by making comprehensive investment in the upstream and downstream of the industry chain in various sectors such as watershed management, high-quality reclaimed water supply, sludge resource utilisation, mine restoration and solid waste treatment and disposal, so as to better meet the requirements of high-quality development of the environmental protection industry in the future and seize the market benefits of high-quality development. For development of investment and financing business, the Company will follow the changes in economic development and environmental policies, adopt prudent investment and financing strategies, and make appropriate and flexible adjustments to ensure that all resources can be utilised to maximum efficiency. In terms of management of sustainable corporate development, we will continue to explore our internal growth drivers, continuously stimulate the potential of the Company in technological innovation, talent team construction and enhancement of management quality and efficiency to ensure sustainable and high-quality development of the Group's business.

We principally adopt the TOO, TOT and BOT project models, with a focus on the TOO model. For the year ended 31 December 2020, our TOO projects contributed to 49.3% of our total revenue. Our TOT projects contributed to 6.6% of our total revenue and our BOT projects contributed to 25.2% of our total revenue. We also adopt the BOO and BT project models for some of our projects.

在國家「長江經濟帶」、「西部大開發」及雲南省「十四五規劃和二零三五年遠景目標綱要」等重要戰略規劃的指引下，本公司緊跟國家打好「三大攻堅戰和二零

For the TOO and TOT models, we acquire concessions to operate existing facilities at agreed prices from the relevant local governments. For the BOT model, we finance, construct and operate our own facilities. After the expiration of the relevant concessions, we either obtained new concessions from or transferred the relevant facilities back to the relevant local governments, depending on project types. As of 31 December 2020, we had a total of 49 plants (41 wastewater treatment plants and 8 running water plants) under concession agreements, of which 44 plants were in operation and 5 plants were under construction. Among the 44 plants in operation, 14 were TOO projects, 22 were TOT projects, 6 were BOT projects and 2 were BOO projects.

對於TOO及TOT模式，我們以協議價向當地政府購買現有設施的特許經營權。對於BOT模式，我們的自有設施均由我們自行融資、建設及經營。在相關特許經營權屆滿後，我們根據項目類型自當地政府獲得新的特許經營權或將相關設施轉讓回當地政府。截至2020年12月31日，我們共有49間特許經營水廠(含41間污水廠，8間自來水廠)，其中44間水廠已投入運營，5間在建。該44間正在運營的水處理廠中，其中14間為TOO項目，22間為TOT項目，6間為BOT項目及2間為BOO項目。

During the Reporting Period, the utilisation rate of our facilities was above the industry average and the volume of wastewater treated was maintained at a high level. For the year ended 31 December 2020, the total volume of wastewater treated was 657.5 million m^3 with an average facility utilisation rate of 92%.

於報告期內，我們的設施利用率高於行業平均水平，污水處理量保持較高水準。截至2020年12月31日止年度，污水處理總量為657.5百萬立方米，平均設備利用率為92%。

污水處理項目

As of 31 December 2020, we had a total of 37 wastewater treatment plants in operation (including 14 in Kunming and 23 in other areas of China), with a total wastewater treatment capacity of 1.97 million m^3 per day. We also had 4 wastewater treatment plants under construction in Yunnan Province, the PRC and in Laos, respectively. With our technologically advanced facilities, independently developed patents and strong management skills, we were able to maintain low costs while providing high quality wastewater treatment services. As of 31 December 2020, 91% of our designed wastewater treatment capacity reached the National Class I Category A discharge standard.

截至2020年12月31日，我們總共有37間污水處理廠已投入運營(其中昆明14間，中國其他地區23間)，日總污水處理能力達1.97百萬立方米。我們有4間污水處理廠在建，分別位於中國雲南省和老撾。憑藉技術先進的設施、獨立研發的專利及良好的管理能力，我們能夠維持較低的成本，提供高質量的污水處理服務。截至2020年12月31日，我們設計污水處理能力的91%達到國家一級A類排放標準。

For our running water business, as of 31 December 2020, we had 7 running water plants in the PRC, and 1 running water plant under

Any future occurrence of force majeure events, natural disasters or outbreaks of pandemics may restrict business in the areas affected and adversely affect our business and results of operations. These risks include damage to facilities, equipment and structures caused by natural disasters such as heavy rainfall, extremely high or low temTEMC(natural)s and stlh adrictk, ad ad ad

The following discussion addresses the principal trends that have affected our results of operations during the Reporting Period. The following table sets out our consolidated results of operations for the periods indicated:

下文論述於報告期影響我們經營業績的主要趨勢。下表載列所示期間我們的合併經營業績：

		截至 月 日止年度	
			2019
		年	2019年
			RMB'000
		人民幣千元	*人民幣千元*
	收入		1,833,542
Cost of sales	銷售成本		(1,195,618)
	毛利		637,924
Selling expenses	銷售費用		(13,140)
Administrative expenses	行政費用		(126,082)
Research and development expenses	研發費用		(5,719)
Net impairment losses on financial assets	金融資產減值損失淨額		(8,829)
Other (expenses)/income – net	其他(開支)／收益淨額		86,512
Other losses	其他虧損		(974)
	經營利潤		569,692
Finance income	財務收入		61,408

Our revenue increased by RMB85.9 million, or 4.7%, to RMB1,919.4 million for the year ended 31 December 2020 from RMB1,833.5 million for the year ended 31 December 2019, primarily due to:

- Our revenue from wastewater treatment business increased by RMB62.7 million or 5.2% from RMB1,213.8 million for the year ended 31 December 2019 to RMB1,276.5 million for the year ended 31 December 2020. In particular, wastewater treatment operating income increased by RMB86.4 million, which was mainly due to the change in value added tax rate and the increase in wastewater treatment volume; the construction income decreased by approximately RMB35.2 million, which was mainly due to the decrease in investment for the Environmental Protection Project of Haitou Village of Qingshuihai Nature Reserve in Xundian County and other projects as compared to 2019; and the finance income increased by approximately RMB11.5 million.

- Our revenue from water supply segment decreased by RMB43.9 million or 14.4% from RMB304.9 million for the year ended 31 December 2019 to RMB261.0 million for the year ended 31 December 2020, which was mainly due to the

Our cost of sales increased by RMB44.6 million, or 3.7%, to RMB1,240.2 million for the year ended 31 December 2020, from RMB1,195.6 million for the year ended 31 December 2019. Details are as follows:

- Our cost of sales for wastewater treatment segment increased by RMB18.5 million, or 2.6%, to RMB718.2 million for the year ended 31 December 2020, from RMB699.7 million for the year ended 31 December 2019, which was mainly due to the increase in wastewater treatment volume during the Reporting Period.

- Our cost of sales for water supply segment decreased by RMB39.6 million, or 16.0%, to RMB207.6 million for the year ended 31 December 2020, from RMB247.2 million for the year ended 31 December 2019, which was mainly due to the decrease in construction cost resulting from the decrease in water supply construction business of the Company.

- Our cost of sales for other segments increased by RMB65.8 million, or 26.5%, to RMB314.5 million for the year ended 31 December 2020, from RMB248.7 million for the year ended 31 December 2019. In particular, the entrusted management costs increased by approximately RMB32.0 million resulting from the increase in business volume of entrusted management services; the construction cost increased by approximately RMB46.7 million resulting from the continuous construction of BT projects such as the Project of Reconstruction and Expansion of Yijiu Road in Jiuxiang Tourism Town of Yiliang County. In addition, the thermal power cost decreased by approximately RMB11.5 million resulting from the decrease in demand for electricity from the nearby customers of Hongyu Thermal Power who were affected by the pandemic during the first quarter of 2020.

銷售成本

我們的銷售成本從截至2019年12月31日止年度的人民幣1,195.6百萬元增加至截至2020年12月31日止年度的人民幣1,240.2百萬元，增幅為人民幣44.6百萬元或3.7%，具體如下：

- 我們污水處理分部的銷售成本從截至2019年12月31日止年度的人民幣699.7百萬元增加至截至2020年12月31日止年度的人民幣718.2百萬元，增幅為人民幣18.5百萬元或2.6%，主要由於本報告期內污水處理量增加。

- 我們水供給分部的銷售成本從截至2019年12月31日止年度的人民幣247.2百萬元減少至截至2020年12月31日止年度的人民幣207.6百萬元，降幅為人民幣39.6百萬元或16.0%，主要由於本公司水供給建造業務下降導致建造投入減少。

- 我們其他分部的銷售成本從截至2019年12月31日止年度的人民幣248.7百萬元增加至截至2020年12月31日止年度的人民幣314.5百萬元，增幅為人民幣65.8百萬元或26.5%，其中，委託管理業務量增長，委託管理成本增加約人民幣32.0百萬元；宜良縣九鄉旅遊小鎮宜九路改擴建工程等BT項目持續建設，增加建造成本約人民幣46.7百萬元。另外，2020年第一季度宏宇熱電周邊客戶受疫情影響電力需求量下降，熱電成本減少約人民幣11.5百萬元。

- Our gross profit from other segments increased by RMB1.3 million, or 2.0%, to RMB67.5 million for the year ended 31 December 2020, from RMB66.2 million for the year ended 31 December 2019. Our segment gross margin decreased by 3.3% from 21.0% for the year ended 31 December 2019 to 17.7% for the year ended 31 December 2020, which was mainly due to the lower overall gross margin for the year resulting from the decrease in demand for electricity from the nearby customers of Hongyu Thermal Power who were affected by the COVID-19 pandemic during the first quarter of 2020; and the lower gross margin of construction service due to the fact that BT projects such as the Project of Reconstruction and Expansion of Yijiu Road in Jiuxiang Tourism Town of Yiliang County were at the construction stage.

Our selling expenses increased by RMB0.6 million, or 4.6%, to RMB13.7 million for the year ended 31 December 2020, from RMB13.1 million for the year ended 31 December 2019.

Administrative expenses increased by RMB25.3 million, or 20.1%, to RMB151.4 million for the year ended 31 December 2020, from RMB126.1 million for the year ended 31 December 2019, which was mainly due to the increase in benefit expense for administrative employees of RMB18.4 million and increase in depreciation and rental expense of RMB5.4 million.

Research and development expenses increased by RMB1.7 million, or 29.8%, to RMB7.4 million for the year ended 31 December 2020, from RMB5.7 million for the year ended 31 December 2019.

Impairment losses on financial assets increased by RMB17.9 million from RMB8.8 million for the year ended 31 December 2019 to RMB26.7 million for the year ended 31 December 2020, which was mainly due to the increase in provision for losses that need to be recognised for trade receivables and amounts due from customers for construction contracts and an impairment loss of RMB26.7 million was provided for financial assets during the Reporting Period.

- 我們其他分部的毛利從截至2019年12月31日止年度的人民幣66.2百萬元增加至截至2020年12月31日止年度的人民幣67.5百萬元，增幅為人民幣1.3百萬元或2.0%。我們的分部毛利率從截至2019年12月31日止年度的21.0%減少至截至2020年12月31日止年度的17.7%，降幅為3.3%，主要由於2020年第一季度宏宇熱電周邊客戶受新冠肺炎疫情影響電力需求有所減少，導致全年綜合毛利率偏低；宜良縣九鄉旅遊小鎮宜九

Our finance costs decreased by RMB107.2 million, or 55.6%, The following table sets out our cash flows for the years indicated:

下表載列我們於所示年度的現金流量：

		截至 月 日止年度	
			2019
		年	2019年
			RMB'000
		人民幣千元	*人民幣千元*
Net cash used in operating activities	經營活動所用的現金淨額		(172,812)
Net cash used in investing activities	投資活動所用的現金淨額		(1,131,514)
Net cash from financing activities	融資活動所得的現金淨額		1,500,966
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物淨(減少)╱增加		196,640
Effect of foreign exchange rates	匯率變化影響		13,845
Cash and cash equivalents at the beginning of the Reporting Period	報告期初的現金及現金等價物		1,079,714
Cash and cash equivalents at the end of the Reporting Period	報告期末的現金及現金等價物		1,290,199

經營活動所用的現金淨額

Our net cash used in operating activities primarily consists of cash received from our clients for services provided by us which net of used cash in our operations for the purchase of raw materials and other inventories, payments to suppliers and subcontractors, payments of expenses such as salaries and benefits, and payments of interest and income tax.

我們的經營活動所用的現金淨額主要包括就提供服務向客戶收取的現金。我們亦於經營中使用現金購買原材料及其他存貨、向供應商及分包商付款、支付工資及福利等費用以及支付利息及所得稅。

營運資本

The table below presents our current assets and current liabilities as of the dates indicated:

下表載列於所示日期我們的流動資產及流動負債的詳情：

		於 月 日	
			2019
		年	2019年
			RMB'000
		人民幣千元	*人民幣千元*
	流動資產		
Receivables under service concession arrangements	特許經營權協議下的應收款項		7,548
Inventories	存貨		22,636
Amounts due from customers for construction contracts	應收客戶建造合同款		27,578
Financial assets at fair value through profit or loss	按公允價值計入損益的金融資產		246,327
Financial assets at amortised cost	以攤銷成本計量的金融資產		

We recorded net current assets of RMB682.8 million as of 31 December 2020 and net current assets of RMB2,613.2 million as of 31 December 2019. The decrease in our net current assets was mainly attributable to the increase in unsecured short-term borrowings and payables to local governments and third parties.

Our receivables under service concession arrangements refer to the outstanding receivables arising from our construction services (for BOT projects) or acquisition considerations (for TOT projects), Under our BOT and TOT agreements, the amounts of receivables under service concession arrangements will be settled by tariff payments to be received during the operation phases of our BOT and TOT projects (adjusted by operation services and finance income). The portion of the receivables under service concession arrangements due within twelve months from a particular balance sheet date are classified as current assets as at that balance sheet date and the remainder is classified as non-current assets.

Our receivables under service concession arrangements increased by RMB1,037.7 million or 74.7% from RMB1,389.5 million on 31 December 2019 to RMB2,427.2 million on 31 December 2020, primarily because our receivables under service concession arrangements that were classified as non-current assets increased by RMB1,038.6 million or 75.2% year-on-year from 2019 to 2020. The increase was mainly due to the increase in receivables under service concession arrangements of RMB521.9 million resulting from the fact that we obtained the concession right of Zhaotong Water and continued the construction of Zhaotong Central City Second Sewage Treatment Plant; recognition of receivables of RMB46.7 million based on the construction progress of the Fanchang County Second Sewage Treatment Plant Concession

Our inventory turnover days decreased from 5.4 days on 31 December 2019 to 5.1 days on 31 December 2020 (calculated as the average inventories for the relevant year divided by the cost of sales recognised for the relevant year, multiplied by 366 days. The arithmetic mean of the opening and closing balances of inventories is used for the years ended 31 December 2019 and 2020).

我們的存貨週轉天數由2019年12月31日的5.4天減少至2020年12月31日的5.1天(按有關年間平均存貨除以有關年間確認的銷售成本再乘以366天計算。截至2019年及2020年12月31日止年度採用存貨期初及期末結餘的算數平均值)。

應收客戶建造合同款

The portion of amounts due from customers for construction contracts due within twelve months from a particular balance sheet date are classified as current assets as at that balance sheet date and the remainder is classified as non-current assets.

自特定資產負債表日期起計十二個月內到期的應收客戶建造合同款部分被分類為截至該資產負債表日期的流動資產，而剩餘部分被分類為非流動資產。

Our total amounts due from customers for construction contracts increased by RMB95.9 million, or 17.6%, to RMB639.7 million as of 31 December 2020 from RMB543.8 million as of 31 December 2019, primarily due to the investment in new construction for BT projects such as the Urban Construction Demonstration Project of Improvement of Dark and Odorous Water in Urban Area of Zhaotong, the Environmental Protection Project of Haitou Village of Qingshuihai Nature Reserve in Xundian County and the Project of Construction of Municipal Infrastructure and Ancillary Facilities for Environmental Protection of Jiuxiang Tourism Town of Yiliang County as well as the normal operation of existing construction projects.

我們的應收客戶建造合同款由2019年12月31日的人民幣543.8百萬元增加人民幣95.9百萬元或17.6%，至2020年12月31日的人民幣639.7百萬元，主要由於昭通市城市黑臭水體治理示範城市建設項目、尋甸縣清水海保護區海頭村環保工程、宜良縣九鄉旅遊小鎮市政環保基礎配套設施建設項目等BT項目新增建設投入以及原有建造項目正常進行。

應收賬款及其他應收款

Our trade and other receivables primarily consist of (i) trade receivables from local governments, related parties and third parties; (ii) other receivables from related parties, third parties and local governments; and (iii) prepayments. Our trade receivables are amounts due from customers for operation services provided to the customers in TOO, TOT and BOT projects. Our other receivables primarily consist of loans granted to and interest receivable from related parties, and VAT refund yet to be received. Our prepayments primarily consist of prepaid construction payables and prepayment for goods.

我們的應收賬款及其他應收款主要包括(i)應收地方政府、關聯方及第三方賬款；(ii)應收關聯方、第三方及地方政府的其他款項；及(iii)預付款。我們的應收賬款是指公司在TOO、TOT、BOT等項目中已為客戶提供的運營服務而應向客戶收取的款項。我們的其他應收款項主要包括向關聯方授出的貸款及應收利息以及未收取的增值税退税。預付款主要包括預付工程款及預付貨款等。

The following table shows the breakdown of our consolidated trade and other receivables as of the dates indicated:

下表載列於所示日期我們的合併應收賬款及其他應收款明細：

		於 月 日	
			2019
		年	2019年
			RMB'000
		人民幣千元	*人民幣千元*
	應收賬款：		
–Third parties	一第三方		80,165
–Related parties	一關聯方		123,168
–Local government	一地方政府		780,419
–Loss allowance	一虧損撥備		(16,294)
	應收賬款一淨額		967,458
	其他應收款：		
–Third parties	一第三方		57,597
–Related parties	一關聯方		1,026,202
–Local government	一地方政府		47,057
–Loss allowance	一虧損撥備		(3,472)
	其他應收款一淨額		1,127,384
	預付款：		
–Local government	一地方政府		3,587
–Others	一其他		126,990
–Impairment loss	一資產減值		(4)
	預付款一淨額		130,573
	應收賬款及其他應收款一淨額		2,225,415

Our net trade and other receivables increased by RMB165.6 million, or 7.4%, to RMB2,391.0 million as of 31 December 2020 from

Notes:

(1) Calculated as the average net trade receivables for the relevant period divided by the revenue for the relevant period and multiplied by 366 days. The arithmetic mean of the opening and closing balances of trade receivables is used for the years ended 31 December 2019 and 2020.

(2) Calculated as the average net trade and other receivables for the relevant period divided by the revenue for the relevant period and multiplied by 366 days. The arithmetic mean of the opening and closing balances of trade and other receivables is used for the years ended 31 December 2019 and 2020.

附註：

(1) 按有關年間平均應收賬款淨額除以有關年間收入再乘以366天計算。截至2019年及2020年12月31日止年度採用應收賬款期初及期末結餘的算數平均值。

(2) 按有關年間平均應收賬款及其他應收款淨額除以有關年間收入再乘以366天計算。截至2019年及2020年12月31日止年度採用應收賬款及其他應收款期初及期末結餘的算數平均值。

應付賬款及其他應付款╱合同負債

Trade and other payables

Our trade and other payables primarily consist of trade payables, other payables, staff salaries and welfare payables, advance from customers, payables on acquisition of property, plant and equipment, payables on acquisition of land use rights from related parties, interest payables, and accrued taxes other than income tax.

The following table shows the breakdown of our trade and other payables as of the dates indicated:

應付賬款及其他應付款

我們的應付賬款及其他應付款主要包括應付賬款、其他應付款、應付職工工資和福利、預收款項、購置不動產、工廠及設備的應付款、向關聯方購買土地使用權的應付款、應付利息及除所得稅外的應計稅款。

下表載列於所示日期我們的應付賬款及其他應付款明細：

		於 月 日	
			2019
		年	2019年
			RMB'000
		人民幣千元	*人民幣千元*
Trade payables	應付賬款		150,971
Other payables	其他應付款		146,012
Consideration payable for acquisition of subsidiaries	購買子公司未支付的對價		21,209
Staff salaries and welfare payables	應付職工工資和福利		42,285
Payables on acquisition of property, plant and equipment	購置不動產、工廠及設備的應付款		46,207
Payables on acquisition of land use rights from related parties	向關聯方購買土地使用權的應付款		58,194
Interest payables	應付利息		4,586
Accrued taxes other than income tax	除所得稅外的應計稅款		17,384
			486,848

The weighted average effective interest rates at each balance sheet date are as follows:

各資產負債表日期的加權平均實際利率如下：

		於 月 日	
		年	2019 2019年
Weighted average effective interest rates	加權平均實際利率		4.83%

As of 31 December 2019 and 2020, our total borrowings amounted to RMB4,566.4 million and RMB4,966.9 million, respectively, mainly due to the fact that to meet the relatively significant capital requirements for project construction, the Company increased the bank borrowings of approximately RMB1,285.0 million this year. Among our indebtedness, borrowings amounting to RMB461.2 million and RMB363.9 million as of 31 December 2019 and 2020, respectively, were secured by our property, plant and equipment. In addition to the above borrowings, our total borrowings also include corporate bonds of approximately RMB700.0 million we issued on 25 December 2015 in the PRC for a term of seven years with an annual interest rate at 4.35%. At the end of the fifth year, the Company may adjust the interest rates for the remaining two years. In the event that investors disagree with the adjustment made to the interest rates, they may choose to demand an early redemption of outstanding corporate bonds.

In 2020, the Company has repurchased corporate bonds with a nominal value of RMB660.0 million, and reduced the coupon rate of the bonds to 4.15%, which will remain unchanged in the sixth and seventh years of lifetime (from 25 December 2020 to 24 December 2022).

As of 31 December 2020, there was no delay or default in the repayment of our borrowings, and no bank had withdrawn any of the banking facilities previously extended to us or had demanded any early repayment.

As of 31 December 2020, we were not in breach of any covenants in our loan agreements. Given our ability to access new bank borrowings and our strong credit profile, we believe we will not be subject to any risk of potential withdrawal of banking facilities or early repayment of outstanding loans. As of 31 December 2020, we had not received any requests for early repayment of the principal or interests under any of our loan agreements.

於2019年及2020年12月31日，我們的借款總額分別為人民幣4,566.4百萬元及人民幣4,966.9百萬元，主要由於本公司的項目建設有較大的資金需求，因此本年增加了銀行借款約為人民幣1,285.0百萬元。我們債務中，截至2019年及2020年12月31日的借款人民幣461.2百萬元及人民幣363.9百萬元以不動產、工廠及設備作抵押。除上述借款外，我們的借款總額亦包括我們於

The table below sets out the maturity profiles of our borrowings as of the dates indicated:

下表載列所示日期我們借款的到期情況：

		於 月 日	
			2019
		年	2019年
			RMB'000
		人民幣千元	*人民幣千元*
On demand or within 1 year	即期或1年以內		701,320
Between 1 and 2 years	1至2年		241,670
Between 2 and 5 years	2至5年		3,623,377
Later than 5 years	5年以上		–
			4,566,367

As of 31 December 2019 and 2020, our net gearing ratios were 43.9% and 49.6%, respectively. Our net gearing ratios as at 31 December 2020 increased as compared with 31 December 2019 primarily due to an increase in closing balance of borrowings by RMB400.5 million in 2020.

於2019年及2020年12月31日，我們的淨資產負債比率分別為43.9%及49.6%。相較於截至2019年12月31日，我們截至2020年12月31日的淨資產負債比率增加的主要原因是2020年借款期末餘額增加人民幣4001 百萬元。

Except as disclosed above, as of the 31 December 2020, we did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

除上文所披露者外，截至2020年12月31日，我們並無任何已發行及尚未償還或同意發行的借貸資本、銀行透支、貸款或其他類似債務、承兌負債或承兌信用證、債權證、按揭、質押、租購承擔、擔保或其他重大或有負債。

承諾

(a) Capital commitments

(a) 資本性承諾

Capital expenditures contracted for at each balance sheet date, but not yet incurred are as follows:

於各資產負債表日期已訂約但尚未產生的資本性支出如下：

		於 月 日	
			2019
		年	2019年
			RMB'000
		人民幣千元	*人民幣千元*
Property, plant and equipment	不動產、工廠及設備		28,609

(b) Operating lease commitments – the Group as lessee

(b) 經營租賃承諾－本集團為承租人

The Group leases various buildings under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

本集團在不可撤銷經營租賃協議下租賃多幢樓宇。該租賃具有不同期限、自動調整條款和續租權。在不可撤銷經營租賃協議下，未來總計最低租賃費用如下：

		於 月 日
		年
		人民幣千元
Within 1 year	1年以內	

Effective from 1 January 2019, the Group has recognised right-of-use assets for these leases.

自2019年1月1日起，本集團已確認該等租賃的使用權資產。

Based on our current business plan, we expect to incur capital expenditure amounting to RMB401.2 million for the year ending 31 December 2021. Our anticipated capital expenditure is subject to change from time to time based on the reassessment of our business plan, prevailing market conditions, regulatory environment and outlook of our future operational results.

根據我們的當前業務計劃，我們預期將於截至2021年12月31日止年度產生資本開支人民幣401.2百萬元。我們的預期資本開支可能根據我們業務計劃、目前市況、監管環境及未來經營業績展望的重估不時變化。

資產負債表外安排

Save as disclosed in this report, as of 31 December 2020, we did not have any outstanding off-balance sheet guarantees, commodity forward contracts or other off-balance sheet arrangements. We do not engage in trading activities involving non-exchange traded contracts. The Group's policy does not participate in and invest in any financial products that are speculative and/or have significant risks. In the course of our normal business, we do not enter into transactions involving, or otherwise form relationships with, unconsolidated entities or financial partnerships that are established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

除本報告所披露者外，於2020年12月31日，我們並無任何未結清的資產負債表外擔保、商品遠期合約或其他資產負債表外安排，我們概未從事涉及非交易買賣合約的交易活動，本集團之政策是不參與及不投資於任何具有投機性及╱或有重大風險之金融產品上。於我們的經營過程中，我們概無與未合併實體訂立交易或以任何方式與其建立關係，或與為促進資產負債表外安排或為其他合約狹義或有限目的而建立的財務夥伴關係訂立交易。

首次公開發售及首次公開發售所得款項用途

The H shares of the Company were listed on the Stock Exchange on 6 April 2017 and the Company issued 339,430,000 H shares of par value of RMB1.00 per share with the Offer Price of HK$3.91 per H share. The total issuance size (before deducting the expenses) amounted to approximately HK$1,327,171,300. Following the Listing of H shares of the Company, a total of 593,000 H shares were over-allocated. After deducting (i) the net proceeds from the sale of Sale Shares by the Selling Shareholders in the Global Offering; and (ii) the underwriting commissions and other expenses relating to the Global Offering, the Company received net cash proceeds of RMB1,072.3 million from the Global Offering.

本公司H股於2017年4月6日在聯交所上市，並以每股3.91港元的價格發行本公司339,430,000股每股面值人民幣1.00元的H股，發行總額(扣除開支前)為約1,327,171,300港元。本公司H股上市後，合共593,000股H股獲超額配發，經扣除(i)全球發售中售股股東出售待售股份的所得款項淨額；及(ii)全球發售相關承銷佣金及其他開支後，本公司收取的全球發售所得款項現金淨額為人民幣1,072.3百萬元。

As of 31 December 2020, approximately RMB927.4 million, accounting for 86.5% of RMB1,072.3 million of net proceeds from the Initial Public Offering, has been used in accordance with the use as stated in the paragraph headed "Future Plans and Use of Proceeds" in the Prospectus. The use of proceeds is as follows:

截至2020年12月31日，全球發售所得款項現金淨額人民幣1,072.3百萬元中約人民幣927.4百萬元(佔首次公開發售所得款項淨額的86.5%)已經按照招股說明書中未來計劃及所得款項用途一段所述用途使用。募集資金用途使用如下：

RMB million	*RMB million*

As of 31 December 2020, the unused net proceeds from the Initial Public Offering for each of the business strategies as stated in the above table have been placed as deposits in licensed banks of the PRC which will be used in accordance with the progress of the Company's investment projects. Affected by the COVID-19 pandemic, the original progress of utilisation was sl8MCID

For details of the employees and remuneration policies during the Reporting Period, please refer to "Report of the Board of Directors – A. Business Review – 7. Relationship with Employees".

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

There were no material charges on the Group's assets during the Reporting Period.

On 27 December 2019, the Company (as the asset entrustor) entered into an asset management agreement with Bosera Capital Management Co., Ltd. (" ") (as the asset manager) and Kunming Branch of China Merchants Bank Company Limited (" ") (as the asset entrustee) on 27 December 2019 in relation to the investment and management of the entrusted assets, pursuant to which the

The Company's investments mainly focus on its main business and relevant environmental protection industries in the upstream and downstream. On the basis of prioritising the investments in the main business and related industries, and in accordance with the progress of project implementation, the Company will manage idle funds, if any, to improve the efficiency of capital utilisation on the premise of keeping the risks under control.

Save as disclosed above, the Company had no plans of major investments or capital and asset acquisition as of 31 December 2020.

The Company entered into two entrusted loan contracts with Kunming

According to the knowledge of the Company, Kunming Bus, Kunming DIG and Xindu Investment are all controlled or held by Kunming SASAC, and Kunming DIG holds 6.818% equity interest of Xindu Investment. Saved as disclosed above, Kunming Bus, Xindu Investment and Kunming DIG are not related to each other, and neither are they the connected persons as defined in the Listing Rules.

On the basis of prioritising the investments in the main business and related industries, and in accordance with the progress of project implementation, the Company will manage idle funds, if any, to improve the efficiency of capital utilisation on the premise of keeping the risks under control. When selecting counterparties, we will assess the risk of capital recovery based on the counterparties' operating conditions and past cooperation, and will continuously monitor whether there is any material adverse impact on the counterparties' operations so that we can take timely measures to ensure the safety of the Company's capital.

據本公司所知，昆明公交、昆明發展投資集團及新都投資均由昆明市國資委實際控制或持有，且新都投資由昆明發展投資集團持有6.818%股權，除此以外，昆明公交、新都投資、昆明發展投資集團相互並無關連，該等公司亦非上市規則中所定義的關連人士。

在優先保障主業及相關產業投資的基礎上，根據項目開展進度，在有閒置資金的情況下，本

執行董事

郭玉梅女士，53歲，1990年7月加入本集團，於2011年1月獲委任為本公司執行董事及總經理，於2016年6月23日獲委任為公司董事長，於2019年7月10日辭任總經理職務。郭女士在水處理行業擁有逾30年的工作經驗，負責本公司的戰略決策。郭女士現為本公司戰略與投資決策委員會主任委員、薪酬與考核委員會及提名委員會委員。

郭女士於2006年7月加入昆明滇池投資，現任昆明滇池投資董事。2006年7月至

Ms. Yu worked in the Kunming Light Union City Credit Cooperative (昆明輕聯城市信用合作社) from August 1988 to April 1993. From May 1993 to March 1994, she worked in Kunming Lianfa City Credit Cooperative (昆明聯發城市信用合作社) and worked at Kunming International Trust and Investment Co., Ltd. (昆明國際信託投資公司) from April 1994 to November 2005. She has been working in Kunming Industrial since November 2005. She has been serving as the deputy manager of the planning and finance department, deputy manager of the contract audit department, manager of the audit legal department, manager of the capital operation department, supervisor and assistant to the general manager of Kunming Industrial.

余女士於1988年8月至1993年4月於昆明輕聯城市信用合作社工作。1993年5月至1994年3月於昆明聯發城市信用合作社工作。1994年4月至2005年11月於昆明國際信託投資公司工作；2005年11月至今於昆明產投工作，歷任昆明產投計劃財務部副經理、合同審計部副經理、審計法務部經理、資本運營部經理、監事、總經理助理職務。

In July 1988, Ms. Yu graduated from Kunming Second Light Industry School (昆明市二輕工業學校), majoring in finance and graduated from Yunnan Finance and Trade College (雲南財貿學院) in June 1992, majoring in finance. In December 2010, she graduated from CPC Yunnan Provincial Party School (中共雲南省委黨校), majoring in economic management. Ms. Yu is also a senior accountant in the PRC.

余女士於1988年7月畢業於昆明市二輕工業學校財會專業；1992年6月畢業於雲南財貿學院金融專業；2010年12月，畢業於中共雲南省委黨校經濟管理專業。余女士亦為中國高級會計師。

獨立非執行董事

尹曉冰, aged 47, joined our Group in June 2016 and was appointed as an independent non-executive Director on 23 June 2016. Mr. Yin participates in making significant decisions and advises on corporate governance, connected transactions, and various matters concerning Directors and senior management. He is currently the chairman of the Audit Committee and the Nomination Committee, and a member of the Strategy and Investment Decision Committee and the Remuneration and Appraisal Committee of our Company.

尹曉冰先生，47歲，於2016年6月加入本集團並於2016年6月23日獲任為獨立非執行董事。尹先生參與作出重大決策並就企業管治、關連交易以及有關董事與高級管理層的各種事宜提供建議。尹先生現為本公司審計委員會、提名委員會主任委員以及戰略與投資決策委員會、薪酬與考核委員會委員。

Mr. Yin currently serves as an associate professor of the School of Business Administration and Tourism Management and a tutor for master's degree students of Yunnan University (雲南大學), a visiting scholar of the Sloan School of Management of the Massachusetts Institute of Technology, and a non-practicing member of Chinese Institute of Certified Public Accountants.

尹先生是雲南大學工商管理與旅遊管理學院副教授、碩士研究生導師、美國麻省理工學院斯隆管理學院訪問學者、中國註冊會計師協會非執業會員。

何錫鋒 , aged 58, joined our Group in June 2016 and was appointed as an independent non-executive Director on 23 June 2016. Mr. He participates in making significant decisions and advises on corporate governance, connected transactions, and various matters concerning Directors and senior management. Mr. He is currently the chairman of the Remuneration and Appraisal Committee and a member of the Audit Committee and the Nomination Committee of our Company. Based on publicly available information, Mr. He was arrested for alleged involvement in a bribery case, and the Company could not get in touch with Mr. He and he could not perform his duties normally, after the Board meeting of the Company held on 9 February 2021 considered and passed the removal proposal regarding Mr. He, the Board recommended that Mr. He be removed as an independent non-executive Director, the chairman of the Remuneration and Appraisal Committee and a member of the Audit Committee and the Nomination Committee of our Company. Such removal proposal is subject to the consideration and approval at the general meeting of the Company. For details, please refer to the announcements of the Company dated 9 February and 25 February 2021.

Mr. He currently serves as the chief partner and previously served as the legal representative and the head of Yunnan Weizhen Law Office (雲南唯真律師事務所). Mr. He serves as a legal counsel of several government agencies, public institutions and associations, such as International Cooperation Center of the Ministry of Agriculture and Rural Affairs (農業農村部國際合作中心), etc. Mr. He currently serves as a standing director of China-ASEAN Legal Cooperation Center (中國東盟法律合作中心), a director of China-ASEAN Business Council (中國東盟商務理事會) and a director of Yunnan International Trade and Investment Association (雲南省國際貿易投資商會).

Mr. He graduated from Yunnan University (雲南大學) in Yunnan Province, the PRC, majoring in law in December 1990 and from Yunnan Normal University (雲南師範大學) in Yunnan Province, the PRC, with a master's degree in history, in June 1996.

The biographical details of Mr. He disclosed above were based on his confirmation during the interim period of 2020, and as of the date of this annual report, the Company was not aware of the latest status of his biographical details due to inability to contact with him.

雲浚淳 , aged 42, joined our Group in November 2020 and was appointed as an independent non-executive Director on 6 November 2020. Mr. Wan participates in making significant decisions and advises on corporate governance, connected transactions and various matters concerning Directors and senior management. Mr. Wan is currently a member of the Audit Committee of our Company.

何錫鋒先生，58歲，於2016年6月加入本集團，於2016年

Mr. Wan served as the head of compensation and benefits consulting
of Hewitt Associates (Hong Kag9u.xfssoIRErom Kag9u.xJuly Kag9u.x2 Kag Hong0 Kag HongHongHong6 Kag From K365u.xJanua

Mr. Na graduated from the Party School of Yunnan Provincial Committee of the Chinese Communist Party (中國共產黨雲南省委員會黨校) in Yunnan Province, the PRC, in December 2004, majoring in economics and management.

陳昌勇 is an executive Director and the general manager of our Company. Please see the section headed "Profiles of Directors, Supervisors and Senior Management – A.

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楊 陽, aged 48, joined our Group in January 2015 and has been the chief financial officer of our Company since 29 January 2015. Mr. Yang has also been appointed as one of our joint company secretaries and our Board secretary in June 2016, responsible for the management of our Company's finance, financing, capital operation and securities affairs, as well as daily affairs of the Board. On 9 February 2021, he has resigned as chief financial officer, secretary of Board and the joint company secretary of the Company

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第八章) 董事會報告

The Board hereby submit their report together with the audited financial statements of the Group for the year ended 31 December 2020.

董事會現向股東提呈本集團截至2020年12月31日止年度報告及經審計財務報表。

業務審視

經營環境及展望

The Company is a leading wastewater treatment and reclaimed water

本公司是中國雲南省污水處理及再生水服務行業的領軍企業，也是中國雲南省污水處理規模最大的企業，享有向昆明市及中國其他若干地區提供污水處理服務的獨家權利。特許經營權有利於本公司繼續保持和鞏固在雲南省水務市場的經營優勢和競爭地位。憑借基於特許經營的業務模式、技術、項目執行力及服務區域的拓展，我們已取得穩定的收入及平穩的業務增長。同時，我們緊跟行業發展要求及機遇，不斷完善相關產業鏈的發展與佈局，以提升企業環境治理綜合服務能力。

2020年是中國全面建成小康社會和「十三五」規劃的收官之年，是打贏污染防治攻堅戰的決勝之年，同時也是公司負責滇池治理「三年攻堅」項目的關鍵年。政府工作報告對於環境保護工作作出了部署，主要包括：單位國內生產總值能耗和主要污染物排放量繼續下降，努力完成「十三五」規劃目標任務；打好藍天、碧水、淨土保衛戰，實現污染防治攻堅戰階段性目標；提高生態環境治理成效等。雖然經濟社會發展受到新冠肺炎疫情影響，但生態環境部在《關於在疫情防控常態化前提下積極服務落實「六保」任務堅決打贏打好污染防治攻堅戰的意見》中明確要求，環保治理階段目標不打折扣，「十三五」規劃的生態環境保護約束性指標必須確保完成。

報告期內，中央政府加大宏觀政策逆周期調節力度，加大「兩新一重」領域投資建設，一定程度上對環保基建等重點領域形成利好，促進行業進一步繁榮。人民銀行、財政部、銀保監會、證監會、外匯局等五部門聯合印發的《關於進一步強化金融支

財務關鍵指標

The following table shows some major financial ratios of the Group to reflect the Group's profitability, operational capabilities and solvency, for shareholders to analyse the Group's potential to grow and develop:

下表載列本集團若干主要財務比率，以反映本集團的盈利能力、運營能力及償債能力，以供股東對本集團的成長和發展能力作出分析：

		於 月 日或 於截至 月 日止年度 年	2019 2019年
Gross profit margin(1)	毛利率(1)		34.8%
Net profit margin(2)	淨利潤率(2)		20.2%
Return on equity(3)	股本回報率(3)		9.0%
Return on total assets(4)	總資產回報率(4)		3.9%
Current ratio(5)	流動比率(5)		305.0%
Quick ratio(6)	速動比率(6)		303.3%
Gearing ratio(7)	淨資產負債比率(7)		43.9%

Notes:

(1) Equals to gross profit divided by our total revenue for the same period.

(2) Equals to profit for the year divided by our total revenue for the same period.

(3) Represents profit for the year as a percentage of total equity for the same period.

(4) Represents profit for the year as a percentage of total assets for the same period.

(5) Equals to current assets divided by current liabilities as at the end of the period.

(6) Equals to current assets less inventories divided by current liabilities as at the end of the period.

(7) Calculated as net debt divided by total capital at the end of the period. Net debt is calculated as total borrowings less cash and cash equivalents at the end of the period. Total capital is calculated as total equity plus net debt.

附註：

(1) 等於毛利除以我們於相同期間的總收入。

(2) 等於年內利潤除以我們於相同期間的總收入。

(3) 年內利潤所佔相同期間權益總額的百分比。

(4) 年內利潤所佔相同期間總資產的百分比。

(5) 等於流動資產除以期末流動負債。

(6) 等於流動資產減存貨再除以期末流動負債。

(7) 按債務淨額除以期末資本總額計算。債務淨額按借款總額減期末現金及現金等價物計算。資本總額按權益總額加債務淨額計算。

毛利率及淨利潤率

Please refer to "Management Discussion and Analysis – E. Financial Review – 1. Consolidated Results of Operations" for a discussion of the factors affecting our gross profit margin and net profit margin during the Reporting Period.

有關報告期內影響我們毛利率及淨利潤率的因素的討論，請參閱「管理層討論及分析－E、財務回顧－1. 合併經營業績」。

股本回報率

Our return on equity decreased from 9.0% in 2019 to 8.2% in 2020, primarily due to the decrease in profit for the year by RMB19.7 million in 2020.

我們的股本回報率從2019年的9.0%下降至2020年的8.2%，主要由於2020年年度利潤下降人民幣19.7百萬元。

總資產回報率

Our return on total assets decreased from 3.9% in 2019 to 3.3% in 2020, primarily due to an increase in total assets by RMB920.2 million in 2020.

我們的總資產回報率從2019年的3.9%下降至2020年的3.3%，主要由於2020年總資產增加人民幣920.2百萬元。

流動比率及速動比率

Our current ratio and quick ratio decreased from 305.0% and 303.3% as of 31 December 2019 to 124.3% and 123.9% as of 31 December 2020, respectively, primarily because current assets decreased by RMB393.4 million and current liabilities increased by RMB1,537.0 million in 2020.

我們的流動比率及速動比率從於2019年12月31日的305.0%及303.3%分別下降至於2020年12月31日的124.3%及123.9%，主要由於2020年流動資產減少人民幣393.4百萬元，流動負債增加人民幣1,537.0百萬元。

資產負債比率

Please refer to "Management Discussion and Analysis – E. Financial Review – 4. Indebtedness" for a discussion of the factors affecting our gearing ratio during the Reporting Period.

有關報告期內影響我們資產負債比率的因素的討論，請參閱「管理層討論及分析－E、財務回顧－4. 債項」。

Based on the above indicators, we believe that the Group possesses strong competitiveness and operational capabilities to create value for shareholders on an ongoing basis.

根據上述指標，我們認為，本集團存在較高的競爭力和運營能力，可以為股東持續莓獲祉，嶗禣裙澍

Our operations are subject to various national and local laws and regulations governing environmental protection, safety production and product quality, among others. As for our compliance measures, we aim to meet regulatory and industrial standards of the relevant central and local government authorities and our industry associations.

As of 31 December 2020, there are no material pending or threatened litigation matters or other proceedings, and the Group is not involved in any litigation or other proceedings that would materially and adversely affect our business, financial condition or results of operations.

Directors confirmed that during the Reporting Period, the Group had complied with the applicable PRC laws and regulations in all material respects, and did not have any incidents of material non-compliance, and had obtained all relevant permits, approval documents, qualifications, authorisationsHKDlts of operations.

(ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings.

The carrying amounts of cash and bank balances, restricted funds, term deposits with initial term of over three months, trade and other receivables, receivables under service concession arrangements, amounts due from customers for construction contracts and financial assets at amortised cost included in the consolidated statement of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets. The objective of the Group's

On the basis as stated above, a total loss allowance provision for receivables under service concession arrangements, amounts due from customers for construction contracts and other receivables (other than tax refunds that are not financial assets) amounted at 31 December 2020 as follows.

在上文所述的基礎上，特許經營權協議下的應收款項的總虧損撥備、應收客戶建造合同款及其他應收款項（除不屬於金融資產的退稅外）的金額於2020年12月31日如下。

		特許經營權協議下的應收款項	應收客戶建造合同款	其他應收款項	以攤銷成本計量的金融資產	總計
As at 31 December 2020	於2020年12月31日					
Expected loss rate	預期虧損率	0.01%-0.6%	0.5%-1.2%	0.3%-1%	0%	
Gross carrying amount *(RMB'000)*	總賬面金額*（人民幣千元）*	2,440,245	646,908	1,200,799	300,000	4,587,952
Loss allowance provision *(RMB'000)*	虧損撥備*（人民幣千元）*	(13,053)	(7,225)	(5,533)	–	(25,811)
		2,427,192	639,683	1,195,266	300,000	4,562,141

A summary of the assumptions underpinning the Group's ECL credit loss model is as follows:

本集團預期信貸虧損模式的相關假設概述如下：

類別	本集團對各類的定義	確認預期信貸損失撥備的基準
Performing	Customers have a low risk of default and a strong capacity to meet contractual cash flows	

與員工的關係

As of 31 December 2020, we had 1,360 full-time employees, all of whom were in China and most of whom were based in Yunnan. The following table sets forth the breakdown of our employees by function as of 31 December 2020:

於2020年12月31日，我們有1,360名全職僱員，全部在中國，大部分在雲南。下表載列我們截至2020年12月31日按職能劃分的僱員明細：

	職能	人數
Management and Administration	管理及行政	166
Finance	財務	39
Research and Development	研發	85
Quality Monitoring	質量監測	232
Marketing	營銷	17
Operations	運營	779
Construction and Maintenance	建設及維護	42
Total	總計	1,360

We recruit our employees on the open market. Compensation for our employees includes basic wages, performance-based wages, bonuses and other staff benefits. For the years ended 31 December 2019 and 2020, our employee benefits amounted to approximately RMB161.1 million and RMB177.9 million, respectively.

我們在公開市場上招募僱員。我們僱員的報酬包括基本工資、績效工資、獎金及其他僱員福利。於截至2019年及2020年12月31日止年度，我們的僱員福利分別約為人民幣161.1百萬元和人民幣177.9百萬元。

We believe our employees are the most valuable resources to achieve our success. To ensure the quality of our employees at all levels, we have in-house training programs to train our staff. New employees at our production facility receive trainings pertinent to their job duties. We also own Kunming Dianchi Water Treatment Vocational Training School, which provides more training courses for our employees.

我們認為僱員是我們獲得成功的最寶貴資源。為確保各級僱員的素質，我們開設公司內部的培訓計劃為僱員提供培訓。工廠的新員工會接受與其職責對應的培訓。我們同時擁有昆明滇池水處理職業培訓學校，為我們的員工提供更多培訓。

Our labor union communicates closely with the management regarding labor matters and represents our employees' interests. During the Reporting Period, we had not experienced any interruptions to our operations caused by major labor disputes and there were no complaints or claims from our employees which had a material adverse effect on our business. Our Directors believe that we have a good relationship with our employees. During the Reporting Period, the Group had no major labor disputes which might produce significant impact on the normal business and operation of the Group.

我們的工會代表員工的利益，就有關勞工事宜與我們的管理層密切溝通。報告期內，我們並無因重大勞動糾紛引致的運營中斷，亦無對我們的業務產生嚴重不利的員工投訴與索償。我們的董事認為我們與僱員的關係良好，報告期內，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。

Customers of our wastewater treatment services were primarily local governments in Yunnan Province, the PRC. Customers of our reclaimed water supply services were municipal government agencies, public parks, and residential property management companies. Customers of our running water supply service were generally local

Except for our Controlling Shareholder, all of our five largest customers are independent third parties, and none of our Directors, their associates or any Shareholder (who, to the knowledge of our Directors, owned 5% or more of our Company's share capital) had any interest in any of our five largest customers during the Reporting Period. We did not have any major customers who were also our suppliers.

Our principal suppliers are power suppliers who provide electricity to our facilities, construction contractors who designed and constructed our facilities and suppliers of raw materials including wastewater treatment chemicals and other equipment maintenance replacements. We have been working with our major suppliers for a period ranging from one to more than five years.

During the Reporting Period, our largest supplier was Hunan Jinkai Garden Group Co., Ltd. Our purchases from our largest supplier were RMB140.3 million, accounting for approximately 11.9% of our total purchases. During the Reporting Period, our purchases from our top five suppliers were RMB361.8 million, accounting for approximately 30.6% of our total purchases.

Hunan Jinkai Garden Group Co., Ltd., a private enterprise, provides project construction services for us. Our other major suppliers include Kunming Power Supply Bureau of Yunnan Power Grid Company

We have implemented the corresponding measures in the operation of our business to ensure the compliance with the applicable requirements under the PRC environmental protection laws and regulations. As of 31 December 2020, we had not received any material claims issued for failing to comply with the relevant licensing and environmental requirements.

我們在業務營運中已實施相應措施，以確保我們遵守中國環境法律法規的適用要求。截至2020年12月31日，我們並無遭遇因未能遵守有關許可證及環保要求而發出的重大索賠。

As of 31 December 2020, we obtained all the material environmental licenses and certificates for each of our facilities, and we had complied in all material respects with the relevant environmental laws and regulations.

截至2020年12月31日止，我們已為各個設施獲取所有重要的環境許可證，而且我們已全面遵守相關環境法律法規。

Our environmental compliance expenses were RMB8.7 million and RMB6.8 million for the years ended 31 December 2020 and 2019, respectively. To the best of our Directors' knowledge, information and belief, we do not expect our costs of compliance with environmental laws and regulations to increase significantly in the near future.

截至2020年及2019年12月31日止年度，我們的環境合規支出分別為人民幣

The audited results of the Company and its subsidiaries for the year ended 31 December 2020 are stated in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on pages 167 to 168. The financial positions of the Company and its subsidiaries for the year ended 31 December 2020 are stated in the Consolidated Statement of Financial Position on pages 169 to 170. The consolidated cash flows of the Company and its subsidiaries for the year ended 31 December 2020 are stated in the Consolidated Statement of Cash Flows on pages 172 to 173.

The discussion and analysis on the Group's business performance and financial position for the current year are stated under "Management Discussion and Analysis" on pages 22 to 63 hereof.

As of 31 December 2020, the Company had issued 1,029,111,000 shares (comprising 689,088,000 Domestic Shares and 340,023,000 H Shares) with a nominal value of RMB1 each.

公司債券發行

We issued corporate bonds with par value of RMB700.0 million for a term of seven years, bearing interest at 4.35% per annum on 25 December 2015. At the end of the fifth year, the Company may adjust the interest rates for the remaining two years. In the event that investors disagree with the adjustment made to the interest rates, they may choose to demand for an early redemption of corporate bonds outstanding. The proceeds from the issuance of the bonds will all be used in four projects, namely the second wastewater treatment plant in Yiliang County and the supporting pipe network project, the construction of Yunnan Water Quality Monitoring Center and the supporting wastewater treatment plant management building, the acquisition of Luolonghe and Laoyuhe Wastewater Treatment Plants (including reclaimed water plant) and the acquisition of the tenth wastewater treatment plant in Kunming City.

我們已於2015年12月25日於中國發行面值為人民幣700.0百萬元的公司債券，期限7年，年利率為4.35%。於第5年末，本公司可調整餘下兩年的利率，倘投資者不同意對利率所作調整，可選擇要求提前贖回未償還的公司債券。該債券發行的募集資金將全部用於宜良縣第二污水處理廠項目及配套管網工程、雲南水質監測中心及污水廠管理配套用房建設、收購洛龍河、撈魚河污水廠(含再生水廠)和收購昆明市第十污水處理廠4個項目。

In 2020, the Company has repurchased the corporate bonds with a nominal value of RMB660.0 million, and reduced the coupon rate of the bonds to 4.15%, which will remain unchanged in the sixth and seventh years of its lifetime (from 25 December 2020 to 24 December 2021).

於2020年，本公司已回購賬面值為人民幣660.0百萬元的公司債券，同時下調債券利率為4.15%，並在存續期的第6至第7年(2020年12月25日至2021年12月24日)固定不變。

購買、出售或贖回本公司上市證券

Save as disclosed in “D. Issuance of Corporate Bonds” in this section, neither the Company nor any of its subsidiaries had made any other purchase, sale or redemption of the Company’s listed securities during the Reporting Period.

除本章節「D.公司債券發行」所披披露外，於報告期內，本公司或其任何附屬公司並無其他購買、出售或贖回本公司任何上市證券事宜。

優先購買權

In accordance with the Company Law of the PRC, other applicable laws and regulations and the provisions of the Articles of Association of the Company, there are no provisions in relation to the Company’s shareholders’ entitlement to the pre-emptive right to acquire.

根據中國《公司法》，其他適用法律法規以及本公司章程規定，並無有關本公司股東享有優先購買權之規定。

儲備及可供分派儲備

The details in relation to the changes in the reserve of the Company for the current year are stated in Note 41 to the Financial Statements. Pursuant to the Company Law of the PRC, undistributed profit could be distributed as dividend after allocation is made to the statutory surplus reserve. According to the requirements of the Articles of Association, when the Company is to distribute its profit after tax in the relevant accounting year, the profit after tax shall be deemed to be the lesser of the amounts stated in the financial statements prepared in accordance with the China Accounting Standards and the International Financial Reporting Standards. For the calculation in accordance with the International Financial Reporting Standards, as at the end of 2020, the undistributed profit of the Company amounted to RMB1,389.9 million. For the calculation in accordance with the China Accounting Standards, as at the end of 2020, the undistributed profit of the Company amounted to RMB1,387.2 million.

有關本公司本年度的儲備變動詳情，載於財務報表附註41。根據中國公司法，在撥往法定盈餘公積後，未分派利潤可當作股息分派。根據本公司的公司章程 [illegible]

The property, plant and equipment mainly include those property, plant and equipment that we operate in our business and are located in China, including such property leased during the operational lease for our business operating under concession.

The Board proposes to distribute a final cash dividend (the " ") of RMB0.120 per share (tax inclusive), totalling RMB123,493,320 (tax inclusive) to all Shareholders whose names appear on the Company's registers of shareholders of domestic shares and H shares as at Tuesday, 29 June 2021, subject to the approval by the Shareholders at the 2020 annual general meeting (the " ") intended to be held by the Company on Friday, 18 June 2021. The dividend of domestic Shareholders shall be declared and paid in RMB while the dividend of H Shareholders shall be declared in RMB but paid in Hong Kong dollars, with the exchange rate being subject to the average exchange rate published by the People's Bank of China within one week prior to the 2020 Annual General Meeting. The expected 2020 Final Dividend distribution date is Thursday, 5 August 2021.

The proposal regarding the distribution of 2020 Final Dividend shall be confirmed subject to the approval by Shareholders at the 2020 Annual General Meeting.

If the proposal of distribution of 2020 Final Dividend is approved by the 2020 Annual General Meeting, the Shareholders will be entitled to the proposed 2020 Final Dividend:

若分派2020年度末期股息的方案獲2020年度股東週年大會審議通過，為確定股東享有2020

The details in relation to the bank borrowings and other borrowings of the Company and its subsidiaries as of 31 December 2020 are stated in Note 30 to the Financial Statements.

During the Reporting Period, the Company's board of directors consisted of nine Directors, among whom, three are executive Directors, three are non-executive Directors and three are independent non-executive Directors. The Directors have been appointed by the shareholders of the Company with a term of three years, after which they may be re-elected.

The Board of Supervisors currently consists of three Supervisors, among whom, two are employee representative Supervisors. The remaining Supervisor has been appointed by our shareholders and the current employee representative Supervisors have been appointed by the representatives of our labor union. The Supervisors are appointed for a term of three years, after which they may be re-elected.

During the year until the end of the Reporting Period, the information regarding the Company's Directors and Supervisors are set out as follows:

於本年度內直至報告期末，本公司董事、監事的資料如下：

姓名	年齡

姓名	年齡	職位	角色及職責	委任日期	加入本集團的日期	與其他董事、監事及高級管理層的關係
Ms. Yu Yanbo[5]	50	Non-executive Director	Participates in the development of business strategies of the Company	19 June 2020	June 2020	None
余燕波女士[5]	50	非執行董事	參與制定本公司的業務發展戰略	2020年6月19日	2020年6月	無
Mr. Yin Xiaobing	47	Independent Non-executive Director (Chairman of the Audit Committee and the Nomination Committee, and member of the Strategy and Investment Decision Committee and the Remuneration and Appraisal Committee)	Participates in making significant decisions and advises on corporate governance, connected transactions, and various matters concerning Directors and senior management	23 June 2016	June 2016	None
尹曉冰先生	47	獨立非執行董事(審計委員會、提名委員會主任委員以及戰略與投資決策委員會、薪酬與考核委員會委員)	參與作出重大決策及就企業管治、關連交易及董事及高級管理層的各種事宜提出建議	2016年6月23日	2016年6月	無
Mr. He Xifeng[6]	58	Independent Non-executive Director (Chairman of the Remuneration and Appraisal Committee, and member of the Audit Committee and the Nomination Committee)	Participates in making significant decisions and advises on corporate governance, connected transactions, and various matters concerning Directors and senior management	23 June 2016	June 2016	None
何錫鋒先生[6]	58	獨立非執行董事(薪酬與考核委員會主任委員、審計委員會及提名委員會委員)	參與作出重大決策及就企業管治、關連交易及董事及高級管理層的各種事宜提出建議	2016年6月23日	2016年6月	無

姓名	年齡	職位	角色及職責	委任日期	加入本集團的日期	與其他董事、監事及高級管理層的關係
Mr. Sin Lik Man(7)	42	Independent Non-executive Director (Member of the Audit Committee)	Participation in making significant decisions and advises on corporate governance, connected transactions and various matters concerning Directors and senior management	16 November 2018 to 6 November 2020	November 2018	None
冼力文先生(7)	42	獨立非執行董事(審計委員會委員)	參與作出重大決策及就企業管治、關連交易及董事及高級管理層的各種事宜提出建議	2018年11月16日至2020年11月6日	2018年11月	無
Mr. Johnson Wan(8)	42	Independent Non-executive Director (Member of the Audit Committee)	Participation in making significant decisions and advises on corporate governance, connected transactions and various matters concerning Directors and senior management	6 November 2020	November 2020	None
雲浚淳先生(8)	42	獨立非執行董事(審計委員會委員)	參與作出重大決策及就企業管治、關連交易及董事及高級管理層的各種事宜提出建議	2020年11月6日	2020年11月	無

姓名	年齡	職位	角色及職責	委任日期	加入本集團的日期	與其他董事、監事及高級管理層的關係
Mr. Na Zhiqiang	59	Chairman of the Board of Supervisors, Employee Representative Supervisor	Responsible for leading the daily work of the Board of Supervisors, overseeing the Directors, managers and other management personnel to ensure the compliance with laws and regulations, the Articles of Association and the resolutions of shareholders' general meetings	19 January 2011	February 1990(9)	None
那志強先生	59	監事會主席、職工代表監事	負責主持監事會的日常工作，監督董事、經理及其他管理人員，確保遵守法律及法規、組織章程細則及股東會議的決議案	2011年1月19日	1990	

(6) Based on publicly available information, Mr. He was arrested for alleged involvement in a bribery case, and the Company could not get in touch with Mr. He and he could not perform his duties normally, after the Board meeting of the Company held on 9 February 2021 considered and passed the removal proposal regarding Mr. He, the Board recommended that Mr. He be removed as an independent non-executive Director, the chairman of the Remuneration and Appraisal Committee and a member of the Audit Committee and the Nomination Committee of the Company. Such removal proposal is subject to the consideration and approval at the general meeting of the Company.

(7) Due to working schedule and his desire to devote more time to his other businesses, Mr. Sin requested to resign from the position of independent non-executive director and a member of the Audit Committee of the Company on 29 September 2020 and his resignation took effect on 6 November 2020.

(8) Mr. Wan was appointed as an independent non-executive Director of the Company at the 2020 First Extraordinary General Meeting, and was appointed as a member of the Audit Committee at the Board meeting convened after the general meeting.

(9) Mr. Na joined Kunming No. 1 Water Purification Plant in February 1990.

(10) Mr. Yao joined the management cashier office of Kunming City Drainage Co., Ltd., a predecessor of the Group, in November 1995.

During the year until the end of the Reporting Period, the Company had four senior management members. For details, please refer to “Chapter Seven – Profiles of Directors, Supervisors and Senior Management – E. Senior Management” in the report.

The Company has received the confirmation of independence issued by the independent non-executive Directors in accordance with Rule 3.13 of the Listing Rules and is of the opinion that all independent non-executive Directors are independent of the Company.

(6) 根據公開資料顯示，何先生因涉嫌涉及賄賂案被作出逮捕決定，且本公司無法與何先生取得聯繫，且其無法正常履行職務，經本公司於2021年2月9日召開的董事會審議通過何先生的免職建議，董事會建議免去其於本公司擔任的獨立非執行董事、薪酬與考核委員會主任委員、審計委員會及提名委員會委員職務，免職建議尚需通過本公司股東大會審議方可做實。

(7) 冼先生因工作時間安排且希望投放更多時間於其他事務，已於2020年9月29日請求辭去本公司獨立非執行董事及審計委員會委員的職務，其辭任於2020年11月6日生效。

(8) 雲先生已於2020年第一次臨時股東大會上獲委任為本公司獨立非執行董事及於股東大會後召開的董事會上獲委任為審計委員會委員。

(9) 那先生於1990年2月加入昆明市第一水質淨化廠。

(10) 姚先生於1995年11月加入本集團的前身之一昆明城市排水公司收費管理處。

於本年度內直至報告期末止，本公司高級管理層包括4名成員，資料詳情請參閱本報告「第七章董事、監事及高級管理層簡歷 – E.高級管理層」一節。

本公司已獲獨立非執行董事根據上市規則第3.13條出具對本公司獨立性之確認，以及本公司認為所有獨立非執行董事均獨立於本公司。

During the Reporting Period, the Company's Directors, Supervisors and senior management changed as follows:

1. Mr. Chen Changyong was appointed as an executive Director of the first session of the Board of the Company at the 2019 Annual General Meeting.

2. Ms. Yu Yanbo was appointed as a non-executive Director of the first session of the Board of the Company at the 2019 Annual General Meeting.

3. Ms. Zhao Zhu requested to resign from the position of non-executive director of the first session of the Board of the Company on 21 August 2020 due to job transfer and her resignation took effect on 6 November 2020.

4. Ms. Ren Na was appointed as a non-executive Director of the first session of the Board of the Company at the 2020 First Extraordinary General Meeting.

5. Due to working schedule and his desire to devote more time to his other businesses, Mr. Sin Lik Man requested to resign from the position of independent non-executive director and a member of the Audit Committee of the Company on 29 September 2020 and his resignation took effect on 6 November 2020.

6. Mr. Johnson Wan was appointed as an independent non-executive Director of the first session of the Board of the Company at the 2020 First Extraordinary General Meeting, and was appointed as a member of the Audit Committee at the Board meeting convened after the general meeting.

7. Due to work reallocation, Mr. Yang Yang has resigned as a chief financial officer, secretary to the Board and joint company secretary of the Company on 9 February 2021.

8. Based on publicly available information, Mr. He was arrested

Changes to the information of Directors and Supervisor during the Reporting Period required to be disclosed under Rule 13.51B(1) of the Listing Rules are as follows:

1. Ms. Ren Na, a non-executive director of the Company, has been serving as a supervisor of CTV Yuntou Culture Tourism Industry Investment Co., Ltd. (中視雲投文化旅遊產業投資有限公司) since October 2020.

2. Mr. Yin Xiaobing, an independent non-executive director of the Company, ceased to serve as an independent non-executive director of Yunnan Aluminum Co., Ltd. (雲南鋁業股份有限公司) (Stock code: 000807) from January 2020; ceased to serve as an executive director and manager of Guokuangtengda (Beijing) Investment Fund Management Co., Ltd. (國礦騰達(北京)投資基金管理有限公司) from June 2020; ceased to serve as a director of Kunming Economic and Technological Development Zone Investment and Development Group Co. Ltd. (昆明經濟技術開發區投資開發(集團)有限公司) from November 2020; ceased to serve as the head of the financial management department of the School of Business Administration and Tourism Management of Yunnan University (雲南大學) since January 2021; and has been serving as an independent non-executive director of Huaneng Lancang River Hydropower Inc. (華能瀾滄江水電股份有限公司) (stock code: 600025) since February 2021.

3. Mr. Johnson Wan, an independent non-executive Director of the Company, has been serving as the managing director and head of new energy/industry/bulk commodity research department of Jefferies Hong Kong Limited since February 2021.

4. Mr. Shao Wei, a supervisor of the Company, ceased to serve as the financial controller of Xundian County Wenlu Investment and Development Co., Ltd. (尋甸縣文旅投資開發有限公司) since January 2021; has been serving as a director of Kunming Petrochina Kunlun CNG Co., Ltd. (昆明中石油崑崙車用天然氣有限公司) since June 2020; and the chairman of the board of supervisors of Kunming Petrochina Energy Investment and Development Co., Ltd. (昆明中油能源投資發展有限公司) since March 2021.

根據上市規則13.51B(1)條，須予披露的董事、監事的資料變動如下：

1. 本公司非執行董事任娜女士於2020年10月至今擔任中視雲投文化旅遊產業投資有限公司監事。

2. 本公司獨立非執行董事尹曉冰先生自2020年1月起不再擔任雲南鋁業股份有限公司(股票代碼000807)獨立非執行董事；自2020年6月起不再擔任國礦騰達(北京)投資基金管理有限公司執行董事及經理；自2020年11月起不再擔任昆明經濟技術開發區投資開發(集團)有限公司董事；自2021年1月起不再擔任雲南大學工商管理與旅遊管理學院財務管理系系主任；於2021年2月至今，擔任華能瀾滄江水電股份有限公司(股票代碼為600025)獨立非執行董事。

3. 本公司獨立非執行董事雲浚淳先生自2021年2月起擔任富瑞金融集團香港有限公司董事總經理、中國新能源／工業／大宗商品研究部主管。

4. 本公司監事紹偉先生自2021年1月起不再擔任尋甸縣文旅投資開發有限公司財務總監；於2020年6月至今擔任昆明中石油崑崙車用天然氣有限公司董事；於2021年3月至今擔任昆明中油能源投資發展有限公司監事會主席。

董事及監事服務合約

None of the Directors or Supervisors of the Company has entered into a service contract with the Company or any of its subsidiaries that may not be terminated by the employer within one year without the payment of compensation (other than statutory compensation).

本公司所有董事和監事均未與本公司或其附屬公司訂立任何僱主在一年內不能在不予賠償(法定賠償除外)的情況下終止的服務合約。

董事、監事及高級管理層的薪酬

The details of the remuneration of the Company's Directors, Supervisors and senior management are stated in Note 12 to the Financial Statements.

本公司董事、監事及高級管理層的薪酬詳情載於財務報表附註12。

The scope of the remuneration of the senior management officers is as follows:

高級管理人員的薪酬範圍載列如下：

(RMB'000) **薪酬範圍***(人民幣千元)*	**高級管理人員人數**
0-500	–
500-1,000	4

Notes:

1. The remuneration in the above table is pre-tax remuneration. The remuneration range includes salary (wages, bonuses and allowances, employee benefits), benefit plans (basic pension insurance and enterprise annuity paid by the employer) and others (housing provident fund, medical insurance and other social insurance paid by the employer).

註：

1. 上表薪酬為稅前薪酬，薪酬範圍包括：工資(工資、獎金和津貼、職工福利)、福利計劃(僱主支付的基本養老保險和企業年金)、其他(僱主支付的住房公積金、醫療保險和其他社會保險)

董事、監事(及與其有關連的實體)於重要交易、安排或合約的權益

At the end of 2020 or at any time during 2020, none of the Company's Directors, Supervisors (and such entities connected therewith) had any individual interests, directly or indirectly, in the major transactions, arrangements or contracts as established by the Company or any of its subsidiaries.

於2020年度結束時或2020年度內的任何時間，本公司所有董事、監事(及與其有關連的實體)概無在本公司或其任何附屬公司所設立的重要的交易、安排或合約直接或間接擁有任何個人利益。

股東名稱	身份╱權益性質	股份類別	股份數目(股)	佔本公司已發行股本總額的概約百分比	佔本公司相關類別股份的概約百分比
Modern Orient Limited	Interest of Controlled Corporation	H Shares	47,754,000 (long position) *(Notes 2 and 3)*	4.64%	14.04%
Modern Orient Limited	受控法團權益	H股	47,754,000 (好倉) *(附註2及3)*	4.64%	14.04%
Beijing Enterprises Water Group Limited	Beneficial Owner	H Shares	47,754,000 (long position) *(Notes 2 and 3)*	4.64%	14.04%
Beijing Enterprises Water Group Limited	實益擁有人	H股	47,754,000 (好倉) *(附註2及3)*	4.64%	14.04%
Beijing Enterprises Investments Limited	Interest of Controlled Corporation	H 股	47,754,000 (long position) *(Notes 2 and 3)*	4.64%	14.04%
Beijing Enterprises Investments Limited	受控法團權益	H股	47,754,000 (好倉) *(附註2及3)*	4.64%	14.04%
Beijing Enterprises Holdings Limited	Interest of Controlled Corporation	H 股	47,754,000 (long position) *(Notes 2 and 3)*	4.64%	14.04%
Beijing Enterprises Holdings Limited	受控法團權益	H股	47,754,000 (好倉) *(附註2及3)*	4.64%	14.04%
Beijing Enterprises Group Company Limited	Interest of Controlled Corporation	H 股	47,754,000 (long position) *(Notes 2 and 3)*	4.64%	14.04%
Beijing Enterprises Group Company Limited	受控法團權益	H股	47,754,000 (好倉) *(附註2及3)*	4.64%	14.04%

股東名稱	身份／權益性質	股份類別	股份數目(股)	佔本公司已發行股本總額的概約百分比	佔本公司相關類別股份的概約百分比
Beijing Enterprises Group (BVI) Company Limited	Interest of Controlled Corporation	H 股	47,754,000 (long position) *(Notes 2 and 3)*	4.64%	14.04%
Beijing Enterprises Group (BVI) Company Limited	受控法團權益	H股	47,754,000 (好倉) *(附註2及3)*	4.64%	14.04%
Beijing Enterprises Environmental Construction Limited	Interest of Controlled Corporation	H 股	47,754,000 (long position) *(Notes 2 and 3)*	4.64%	14.04%
Beijing Enterprises Environmental Construction Limited	受控法團權益	H股	47,754,000 (好倉) *(附註2及3)*	4.64%	14.04%

Notes:

1. The above information disclosed is primarily based on the information provided by the website of the Hong Kong Stock Exchange (http://www.hkexnews.hk) and the records of the register maintained by the Company under section 336 of the SFO.

2. Pursuant to Section 336 of the SFO, if certain conditions are fulfilled, the shareholders of the Company are required to submit a form for disclosure of interests. In the event of changes in the shareholding of the shareholders of the Company, the shareholders will not be required to notify the Company and the Hong Kong Stock Exchange unless certain conditions have been fulfilled, so that the latest shareholding of the shareholders of the Company may be different from the shareholding submitted to the Hong Kong Stock Exchange.

3. The 47,754,000 shares belong to the same batch of shares.

4. Save as disclosed above, as at 31 December 2020, the Company is not aware of any other persons (other than the Directors, Supervisors and chief executives of the Company) who have interest or short position in the shares or underlying shares of the Company that are required to be recorded in the register under the provisions of Section 336 of the SFO.

註：

1. 以上所披露數據主要基於香港聯交所網站(根據《證券及期貨條例》第 條規定存置的登記冊之記錄殈嚭。

2. 根據《證券及期貨條例》第 條，倘若干條件達成，則本公司股東須呈交披露權益表格。倘股東於本公司的持股量變更，除非若干條件已達成，否則股東毋須知會本公司及香港聯交所，故股東於本公司之最新持股量可能與呈交予香港聯交所的持股量不同。

3. 該 股股份屬同一批股份。

4. 除上述披露外，截至 年 月 日，本公司並不知悉任何其他人士(本公司董事、監事及最高行政人員除外)於本公司股份或相關股份中擁有根據證券及期貨條例第 條規定須記錄於登記冊內之權益或淡倉。

To regulate the terms and conditions under which the Company will provide such operation and management services to the Controlling

The controlling shareholder and the Company may enter into separate independent service agreements and specify specific terms of each transaction in accordance with the scope stipulated in the New Framework Agreement to regulate the transactions contemplated under the New Framework Agreement. These individual service agreements shall comply with the terms of the New Framework Agreement and set out the specific terms of each transaction. The price of operation and management services under the New Framework Agreement will be determined based on the following principles:

(1) the fees as prescribed by the PRC government, if any;

(2) if there is a market price, it shall be executed at market price; and

(3) if there is no market price reference, the price is determined based on reasonable costs + reasonable profit (not more than 10%). Reasonable costs refer to the costs mutually agreed through negotiation between the Company and the controlling shareholder for actual expenses incurred for provision of products or services under the New Framework Agreement to the controlling shareholder or the costs mutually agreed through negotiation between both parties (including taxes and fees). The reasonable profit was fixed at no more than 10%. On the one hand, the Company considers that it is commercially reasonable to adopt an overall margin for different types of projects to be transacted under the New Framework Agreement, which will allow the Company to have more flexibility to negotiate with the controlling shareholder regarding the pricing for individual projects. On the other hand, the Company will ensure that the overall profit margin for the transactions under the New Framework Agreement will not be lower than 8%. When determining the price and specific terms of an individual agreement, the Company will strictly follow relevant internal control measures to ensure that the price is fair and reasonable, and the terms of individual agreement conforms with the principles stipulated under the New Framework Agreement.

控股股東及本公司可按照新框架協議規定的範圍另行訂立個別獨立服務協議及規定各項交易的具體條款，以規管新框架協議項下擬進行的交易。該等個別服務協議應遵守新框架協議的條款，並載明各項交易的具體條款。新框架協議下運行管理服務的價格，將根據下列原則確定：

(1) 中國政府規定的費用(如有)；

(2) 倘有市場價，按市場價執行；及

(3) 倘無市價參考，則按照合理成本+合理利潤(不超過10%)方式確定價格。合理成本指本公司與控股股東雙方協商認可的為控股股東提供新框架協議下產品或服務所發生的實際費用或雙方協商認可的成本(含稅、費)。合理利潤確定為不超過10%，一方面，本公司認為針對新框架協議項下的不同類型項目採納一個整體利潤率在商業上屬合理，這將使本公司可以更靈活地與控股股東就個別項目的定價進行磋商。另一方面，本公司將確保新框架協議項下交易的整體利潤率將不會低於8%。當釐定具體合同的價格及具體條款時，本公司將嚴格遵守相關的內部控制措施，以確保價格公平合理，且具體合同條款符合新框架協議規定的原則。

Under the New Framework Agreement, we shall have the priority to be chosen as the provider of operation and management services by the Controlling Shareholder, provided that the terms of service and service fee offered by us are the same as that offered by a third party or third parties. The Controlling Shareholder may engage a third party or third parties for the provision of operation and management services only if we fail to satisfy the needs of the Controlling Shareholder, or if the terms of service and service fee offered by such third-party service provider are more favorable than those offered by us.

根據新框架協議，我們應有權優先獲控股股東挑選為運行管理服務供應商，惟我們提供的服務條款及服務費應等同於第三方所提供者。僅當我們未能滿足控股股東需要或第三方服務提供商所提供的服務條款及服務費優於本公司所提供者時，控股股東方可委託第三方提供運行管理服務。

個別服務協議

The Company and the Controlling Shareholder have entered into 13 individual service agreements in relation to the treatment plants conducting the excluded business, including entrusted operation management agreements, pre-trial operation agreements and trial operation agreements, which are governed by the terms of the New Framework Agreement. The management fees under individual service agreements are calculated based on the actual wastewater treatment volume multiplied by the price per cubic meter. The price per cubic meter is based on the pricing principles determined in the New Framework Agreement. If there is a market price, it shall be executed at market price. If there is no market price reference, the price is calculated based on reasonable costs + reasonable profit (not more than 10%).

本公司已就從事保留業務的各處理廠與控股股東訂立個別服務協議，包括委託運行管理協議、預試運行階段協議及試運行階段協議共計13個個別服務協議。該等協議受新框架協議條款的規管，個別服務協議項下的管理費均根據實際污水處理量乘以每立方米價格計算，每立方米價格乃根據新框架協議確定的定價原則，有市場價，按市場價執行；倘無市價參考，則按照合理成本+合理利潤（不超過10%）計算。

年度上限及實際交易金額

報告期內，委託運行管理框架協議下的交易2020年年度上限為人民幣193,440,000元，實際交易金額為人民幣129,719,099元。

須遵守申報、年度審核、公告，但豁免通函及獨立股東批准的持續關連交易

污泥處理處置服務合同

於2020年11月17日，本公司之全資附屬公司昆明滇池物流與昆明滇池投資訂立污泥處理處置服務合同，據此，昆明滇池投資將就本集團位於昆明市各污水處理廠產生的部分污泥向滇池物流提供截至2022年12月31日止三個年度的污泥處理及處置服務。

昆明滇池投資向昆明滇池物流提供的服務包括滇池物流收集及運輸至昆明滇池投資的本集團位於À B ⑴孩

遵守《企業管治守則》

本公司作為香港聯交所上市公司，始終致力於保持高水平的企業管治常規，本報告期內，本公司已根據守則內所載之條文設置了各個董事委員會並制訂了相關的企業管治制度。

公眾持股量

根據本公司可公開獲得的資料及據董事所知，於最後實際可行日期，公眾人士持有本公司已發行H股不少於25%，符合上市規則的最低公眾人持股量的要求。

捐贈

於本報告期內，本公司合共作出人民幣6,000元的慈善捐贈。

獲准許的彌償條文

於報告期內，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(香港沾(包括但不限昀쌍醥穠。

PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership) and PricewaterhouseCoopers Certified Public Accountants, being the Company's domestic and international auditors for the year 2018 respectively, retired at the annual general meeting of the Company held on 21 June 2019. On the same date, the Board has been authorised to approve the appointment of Zhongshen Zhonghuan Certified Public Accountants (Special General Partnership) and Mazars CPA Limited as the domestic and international auditors of the Company respectively.

According to the annual general meeting of the Company held on 19 June 2020, the Board of Directors has been authorised to determine the domestic and international auditors of the Company for the year 2020 and their remunerations. After such annual general meeting, based on the tender result of the Company, the Board of Directors approved the appointment of Zhongshen Zhonghuan Certified Public Accountants (Special General Partnership) and Mazars CPA Limited as the domestic and international auditors of the Company respectively.

Mazars CPA Limited is appointed as the auditor for the Financial Statements for the year ended 31 December 2020 prepared in accordance with the International Financial Reporting Standards. Such Financial Statements prepared in accordance with the International Financial Reporting Standards as stated herein have been audited by Mazars CPA Limited and a standard unqualified audit report has been issued.

By order of the Board

Chairperson

Kunming, the PRC

核數師

於2019年6月21日舉行的本公司的股東週年大會上，本公司2018年度的中國境內及國際核數師，普華永道中天會計師事務所(特殊普通合夥)及羅兵咸永道會計師事務所均於當日退任。同時，於當日董事會已獲授權批准委任中審眾環會計師事務所(特殊合夥)及中審眾環(香港)會計師事務有限公司分別為本公司中國境內及國際核數師。

根據2020年6月19日舉行的本公司的股東週年大會，董事會已獲授權確定本公司2020年度中國境內核數師及國際核數師并釐定其報酬。於該股東週年大會後，根據本公司招標結果，董事會批准委任中審眾環會計師事務所(特殊普通合夥)及中審眾環(香港)會計師事務所有限公司分別為本公司中國境內及國際核數師。

中審眾環(香港)會計師事務所有限公司就截至2020年12月31日止之年度根據《國際財務報告準則》編製的財務報表獲委任為核數師。本年報內根據《國際財務報告準則》編製的財務報表已由中審眾環(香港)會計師事務所有限公司審計，並出具標準無保留意見的審計報告。

承董事會命

郭玉梅

董事長

中國，昆明

EI G)C C) DGEDG I) D GC C)G EDGI
第九章) 企業管治報告

The Board of Directors of the Company has hereby submitted its Corporate Governance Report for 2020 to the shareholders.

本公司董事會現向股東提呈其2020年度的企業管治報告。

企業管治守則的遵守情況

The Company is mainly engaged in the comprehensive development of sewage treatment, reclaimed water and running water supply and environmental protection related industries. The Company focuses on its main business and intensively cultivates its existing businesses while continuously optimising the extended development along the industrial chain, committing itself to providing shareholders with continuous and stable investment income. At the same time, the Company attaches great importance to maintaining a high standard of corporate governance to enhance shareholders' value and protect shareholders' rights and interests, ensure the continuous and effective corporate governance and provide effective guarantees for the Company's business expansion, competitiveness enhancement, long-term stability and sustainable development.

本公司主要從事污水處理、再生水及自來水供應以及環保相關產業的綜合發展，圍繞主業，精耕現有業務，同時不斷優化產業鏈延伸發展，致力於為股東提供持續、穩健的投資收益。同時，本公司注重維持高水準之企業管治，以提升股東價值及保障股東之權益，保障公司治理持續有效，為公司業務拓展、競爭力提升、長期穩定、可持續發展提供有效保障。

The Company has adopted the code provisions of the Corporate Governance Code (the “ ”) and Corporate Governance Report as contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “ ”) and as its own corporate governance code. The Company has established and enhanced the corporate governance structure in accordance with the Listing Rules and the CG Code and has set up a series of corporate governance policies. The directors of the Company believe that during the Reporting Period, the Company has been observing all mandatory code provisions as stipulated in the CG Code except for provision A.4.2.

本公司已採納《香港聯合交易所有限公司證券上市規則》(「**上市規則**」)附錄十四所載的企業管治守則(「**企業管治守則**」)及企業管治報告內的守則條文，作為其本身的企業管治守則。本公司已根據上市規則及企業管治守則的要求建設和完善企業管治架構，建立一系列企業管治制度。本公司董事認為，於報告期內，除守則條文A.4.2外，其已遵守企業管治守則所載的一切強制性守則條文。

Under code provision A.4.2, every director, including those appointed for a specific term, should be subjected to retirement by rotation at least once every three years. As of the end of the Reporting Period, the terms of office of the first Board and the board of supervisors of the Company have expired for 3 years, but the relevant nomination work of relevant candidates has not yet ended. At the same time, the Board considers the continuity of the Board and the board of supervisors of the Company. Under the relevant provisions of the articles of association of the Company, if, upon the expiry of a director's term of office, a new director cannot be elected on a timely basis, before the re-elected director commences his/her term of office, such director shall continue to perform his/her duties in accordance with the laws, administrative regulations, departmental rules and the articles of association of the Company. Therefore, the Board considers that deviations from provision A.4.2 of the Corporate Governance Code will not have a significant impact on the Group's operation as a whole and the Company will complete the relevant work as soon as possible.

根據企業管治守則第A.4.2條，每名董事(包括有指定日期的董事)應輪流退任，至少每三年一次。截至報告期末，本公司第一屆董事會、監事會任期已滿三年，惟相關候選人的提名工作尚未結束，與此同時，董事會考慮到本公司董事會、監事會工作的連續性，在《公司章程》的相關規定下，董事任期屆滿未及時改選，在改選出的董事就任前，原董事仍應當依照法律、行政法規、部門規章和《公司章程》的規定，履行董事職務。故董事會認為偏離企業管制守則條文第A.4.2條的情形整體上不會對本集團的運營造成重大影響。並且本公司將盡快完成相關工作。

The Board will examine and review, from time to time, the Company's corporate governance practices and operation in order to comply with the relevant provisions under the Listing Rules and to protect shareholders' interests.

董事會將不時審查本公司的企業管治常規及運作，以符合上市規則項下有關規定並保障股東的權益。

遵守董事及監事進行證券交易之標準守則

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the " ") as its own code of conduct for its directors, supervisors and relevant employees (has the same meaning ascribed to it under the CG Code) in respect of their dealings in the Company's securities. After making specific enquiries to all of the directors and supervisors of the Company, the directors and supervisors of the Company confirmed that they had strictly complied with the required standards as set out in the Model Code during the Reporting Period.

本公司已採納上市規則附錄十所載《上市發行人董事進行證券交易的標準守則》(「**標準守則**」)，作為所有董事、監事及有關僱員(定義與企業管治守則相同)進行本公司證券交易的行為守則。根據對本公司董事及監事的專門查詢後，各董事及監事於報告期內均已嚴格遵守標準守則所訂之標準。

During the Reporting Period, the Board comprises nine Directors, including three executive Directors, three non-executive Directors and three independent non-executive Directors.

During the Reporting Period, pursuant to Rules 19A.54 of the Listing Rules, we have entered into a contract with each of our Directors in respect of, among other things, compliance with relevant laws and regulations, observance of the Articles of Association and provisions on arbitration. Save as disclosed above, we have not entered into, and do not propose to enter into, any service contracts with any of the Directors or Supervisors in their respective capacities as Directors/ Supervisors (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

The Company complies with the requirement under the Listing Rules that it has at least three independent non-executive Directors (representing at least one-third of the Board), among whom, at least one independent non-executive Director must have appropriate professional qualifications or accounting or related financial management expertise. Moreover, after taking into consideration the factors regarding the evaluation of the independence of independent non-executive Directors as set out in Rule 3.13 of the Listing Rules and the written confirmation of all independent non-executive Directors (except Mr. He Xifeng who the Company cannot get into touch with), the Board of Directors believe that all of its independent non-executive

As of the end of the Reporting Period, the composition of the Board is as follows:

截至本報告期末，董事會組成如下：

姓名	年齡	性別	職位	委任日期	任期
Ms. Guo Yumei	53	Female	Chairperson; Executive Director	Appointed as Executive Director in January 2011 and as Chairperson on 23 June 2016	3 years
郭玉梅女士	53	女	董事長、執行董事	2011年1月獲委任為執行董事，並於2016年6月23日獲委任為董事長	3年
Mr. Chen Changyong	51	Male	Executive Director and General Manager	Appointed as General Manager on 10 July 2019 and as Executive Director on 19 June 2020	3 years
陳昌勇先生	51	男	執行董事兼總經理	2019年7月10日獲委任為總經理及於2020年6月19日獲委任為執行董事	3年
Mr. Luo Yun	42	Male	Executive Director and Deputy General Manager	Appointed as Deputy General Manager in January 2015 and as Executive Director on 23 June 2016	3 years
羅雲先生	42	男	執行董事兼副總經理	2015年1月獲委任為副總經理及於2016年6月23日獲委任為執行董事	3年
Ms. Song Hong	57	Female	Non-executive Director	23 June 2016	3 years
宋紅女士	57	女	非執行董事	2016年6月23日	3年
Ms. Ren Na	40	Female	Non-executive Director	6 November 2020	3 years
任娜女士	40	女	非執行董事	2020年11月6日	3年
Ms. Yu Yanbo	50	Female	Non-executive Director	19 June 2020	3 years
余燕波女士					

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

The Board of Directors shall be accountable to the general meeting and have the duty to report to the general meeting. The Board of Directors shall be responsible for implementing the resolutions of the general meeting. The authority of the Board of Directors are expressly stated in the Articles of Association of the Company and the major responsibility

姓名	職位	出席／應參加 會議次數	出席率
Ms. Zhao Zhu(2) 趙竹女士(2)	Non-executive Director 非執行董事	18/18	100%
Ms. Ren Na(3) 任娜女士(3)	Non-executive Director 非執行董事	6/6	100%
Ms. Yu Yanbo(4) 余燕波女士(4)	Non-executive Director 非執行董事	15/15	100%
Mr. Yin Xiaobing 尹曉冰先生	Independent Non-executive Director 獨立非執行董事	24/24	100%
Mr. He Xifeng(5) 何錫鋒先生(5)	Independent Non-executive Director 獨立非執行董事	13/24	54.2%
Mr. Sin Lik Man(6) 冼力文先生(6)	Independent Non-executive Director 獨立非執行董事	18/18	100%
Mr. Johnson Wan(7) 雲浚淳先生(7)	Independent Non-executive Director 獨立非執行董事	6/6	100%

During the Reporting Period, one annual general meeting, one extraordinary general meeting, one domestic shareholders' class meeting and one H shareholders' class meeting of the Company were held. The attendance of the Directors was as follows:

報告期內，本公司共召開了1次股東週年大會、1

Notes:

(1) Mr. Chen Changyong is a newly appointed executive Director approved by the 2019 Annual General Meeting, and he attended the general meeting held after his appointment.

(2) Ms. Zhao Zhu submitted her resignation to the board of directors on 21 August 2020 and resigned as the non-executive Director of the Company. The resignation as a non-executive Director of the Company took effect after the 2020 First Extraordinary General Meeting.

(3) Ms. Ren Na is a newly appointed non-executive Director approved by the 2020 First Extraordinary General Meeting who attended the extraordinary general meeting and the shareholders' class meeting held after his appointment as a director candidate.

(4) Ms. Yu Yanbo was a non-executive Director newly appointed after being

In accordance with the provisions of the Articles of Association of the Company, the Directors shall be elected and appointed at the general meeting for a term of three years, after which they may be re-elected. The Company has formulated the procedures of such appointment. The Nomination Committee shall be responsible for nominating new Directors and then submitting such nomination to the Board of Directors for review and consideration. All newly nominated Directors must be elected and approved at the general meeting.

Under code provision A.4.2, every director, including those appointed for a specific term, should be subjected to retirement by rotation at least once every three years. As of the end of the Reporting Period, the terms of office of the first Board and the board of supervisors of the Company have expired for 3 years, but the relevant nomination work of relevant candidates has not yet ended. At the same time, the Board considers the continuity of the Board and the board of supervisors of the Company. Under the relevant provisions of the articles of association of the Company, where the directors has not been re-elected upon the expiration of term of office, the original directors shall, before their posts are taken up by the re-elected directors, continue to perform their duties in accordance with the laws, administrative regulations, departmental rules and the Articles of Association of the Company. Therefore, the Board considers that deviations from provision A.4.2 of the Corporate Governance Code will not have a significant impact on the Group's operation as a whole and the Company will complete the relevant work as soon as possible.

委任董事

根據本公司章程規定，董事須於股東大會上選任，任期為三年，可連選連任。公司制定了董事的委任程序。提名委員會負責提名新董事，然後提交董事會審議，所有新提名董事均須於股東大會上選舉及批准。

據企業管治守則第

The Directors of the Company may receive basic salary, non-monetary advantage, right to pension, bonuses, and compensations (including such compensation provided due to the loss or termination of their job duties or appointment).

The independent non-executive Directors of the Company receive their remuneration from the Company, whereby the Company shall pay Mr. Yin Xiaobing and Mr. He Xifeng an amount of pre-tax remuneration RMB150,000, respectively on a yearly basis, and Mr. Sin Lik Man (resigned on 6 November 2020) and Mr. Johnson Wan (appointed on 6 November 2020) an amount of pre-tax remuneration RMB220,000, respectively on a yearly basis. The remuneration is the annual remunerations and is paid to each of the independent non-executive Directors after deducting the relevant taxes and fees during their respective terms of office in the year. Travel and accommodation expenses incurred for the Company's Board meetings,pan /Lang (en-US)/MCID 13195 BDC BT0.0267i 457.8402 Tm (andi

董事培訓

The newly appointed Directors have all received comprehensive, official and customised induction training upon their first appointments, so that they can have adequate understanding of the Company's business and operation and be fully aware of their responsibilities and duties under the Listing Rules and relevant regulatory rules.

每位新委任董事均已於首次接受委任時獲得全面、正式及專門為其設計之入職培訓，以確保該董事對本公司之業務及運作均有適當之理解，並充分知悉其於上市規則及相關監管規定之下責任及義務。

For the year ended 31 December 2020, the Directors have participated in the following training:

截至2020年12月31日止年度，董事曾參與下列培訓：

	董事	培訓類型	培訓課時
Ms. Guo Yumei *(Chairperson)*	郭玉梅女士*(董事長)*	A, B	20
Mr. Chen Changyong *(General Manager)*	陳昌勇先生*(總經理)*	A, B	15
Mr. Luo Yun	羅雲先生	A, B	20
Ms. Song Hong	宋紅女士	A, B	20
Ms. Ren Na	任娜女士	A, B	8
Ms. Yu Yanbo	余燕波女士	A, B	15
Mr. Yin Xiaobing	尹曉冰先生	A, B	20
Mr. He Xifeng	何錫鋒先生	A, B	12
Mr. Johnson Wan	雲浚淳先生	A, B	8

A: Reading materials related to continuous compliance responsibilities, corporate governance and other relevant topics

B: Reading newspapers, periodicals, newsletters of the Company and updates on economy, general business and water industry, or materials about Directors' responsibilities and duties

A： 閱讀有關持續合規責任、企業管治及其他相關課題的相關材料

B： 閱讀報章、期刊、本公司簡報及有關經濟、一般業務、水務行業的最新消息或董事職責及責任等

聯席公司秘書及其培訓

During the Reporting Period, Mr. Yang Yang (楊 陽) and Mr. Chiu Ming King (趙明璟) act as the Joint Company Secretaries and are responsible for facilitating the procedures of the Board of Directors and facilitating the communication between the Directors and between the Directors and shareholders and the management level. Mr. Chiu Ming King has his main contact with the Company as Mr. Yang Yang and Mr. Yang Yang shall report significant events to the Chairperson. The profiles of the Joint Company Secretaries are stated in the section headed "Profiles of Directors, Supervisors and Senior Management" in this Report. During the Reporting Period, the Joint Company Secretaries received professional training for no less than 15 hours to update their technique and knowledge.

報告期內，聯席公司秘書由楊陽先生和趙明璟先生擔任，負責促進董事會程序，以及董事之間及董事與股東及管理層之間溝通。趙明璟先生在本公司的主要聯絡人為楊陽先生，並由楊陽先生向董事長就重大事項進行匯報。聯席公司秘書的簡歷載於本報告「董事、監事及高級管理層簡歷」一節。報告期內，聯席公司秘書均接受不少於15小時更新其技能及知識的專業培訓。

During the Reporting Period, the Audit Committee held 4 meetings, the details of which are as follows:

報告期內，審計委員會共召開4次會議，詳情如下：

On 22 January 2020, a meeting of the Audit Committee was held, at which 3 proposals including the Proposal on the Internal Audit Plan were considered and unanimously approved by all members of the Audit Committee.

於2020年1月22日在本公司內召開審計委員會會議，會議審議了包括內部審計計劃等3項議題並獲得審計委員會全體委員一致通過。

On 27 March 2020, a meeting of the Audit Committee was held, at which 11 proposals including the Proposal on Financial Statements Reviewed by External Auditors in the Previous Year and the Proposal on Profit Distribution Plan were considered and unanimously approved by all members of the Audit Committee.

於2020年3月27日在本公司內召開審計委員會會議，會議審議了包括對上一年度經外聘核數師審核的財務報表、利潤分配方案等共11項議題並獲得審計委員會全體委員一致通過。

On 19 June 2020, a meeting of the Audit Committee was held, at which 2 proposals including the Proposal on the Proposed Appointment of the Company's Auditors for the year of 2020 were considered and unanimously approved by all members of the Audit Committee.

於2020年6月19日在本公司內召開審計委員會會議，會議審議了包括建議委任公司2020年度核數師等共2項議題並獲得審計委員會全體委員一致通過。

On 21 August 2020, a meeting of the Audit Committee was held, at which 8 proposals including the Proposal on 2020 Interim Results Report were considered and unanimously approved by all members of the Audit Committee.

於2020年8月21日在本公司內召開審計委員會會議，會議審議了包括2020年中期業績報告等共8項議題並獲得審計委員會全體委員一致通過。

During the Reporting Period, the attendance of the meetings by the committee members was as follows:

報告期內，各委員出席會議情況如下：

	姓名	出席／應參加會議次數	出席率
Mr. Yin Xiaobing *(Chairman)*	尹曉冰先生*（主任委員）*	4/4	100%
Mr. He Xifeng	何錫鋒先生	4/4	100%
Mr. Sin Lik Man	冼力文先生	4/4	100%
Mr. Johnson Wan[(1)]	雲浚淳先生[(1)]	0/0	–

Note:

(1) Mr. Wan was appointed as an independent non-executive Director at the 2020 First Extraordinary General Meeting, and was appointed as a member of the Audit Committee at the Board meeting convened after the general meeting. After his appointment and up to the end of the Reporting Period, the Company has not convened any meeting of the Audit Committee.

註：

(1) 雲先生於2020年第一次臨時股東大會上獲委任為獨立非執行董事，並於股東大會後舉行的董事會上獲委任為審計委員會委員，獲委任後至報告期末，本公司未召開審計委員會會議。

During the Reporting Period, the Remuneration and Appraisal Committee of the Company consists of three members, namely Mr. He Xifeng (何錫鋒), Mr. Yin Xiaobing (尹曉冰) and Ms. Guo Yumei (郭玉梅). Except for Ms. Guo Yumei, who is an executive Director, all other members are independent non-executive Directors. Mr. He Xifeng (何錫鋒) is the chairman of the Remuneration and Appraisal Committee. As of the date of this report, due to his failure to perform his duties properly, the Board has recommended the removal of Mr. He from his positions as an independent non-executive Director and member of the relevant committees. The proposed removal is subject to consideration and approval at the general meeting of the Company.

The principal responsibilities of the Remuneration and Appraisal Committee are to formulate and review the policy and structure of the remuneration for the Directors and senior management, to establish the

On 18 December 2020, a meeting of the Remuneration and Appraisal Committee was held in the Company. The meeting considered a proposal of the appraisal and realisation of the remuneration of the person in charge of the Company for the year of 2019 which was unanimously approved by all members who attended the meeting.

於2020年12月18日在本公司內召開薪酬與考核委員會會議，會議審議了考核兌現2019年度企業負責人薪酬的議題並獲得出席會議全體委員一致通過。

During the Reporting Period, the attendance of the meetings by the committee members was as follows:

報告期內，各委員出席會議情況如下：

	姓名	出席／應參加會議次數	出席率
Mr. He Xifeng *(Chairman)*	何錫鋒先生*(主任委員)*	1/4	25%
Mr. Yin Xiaobing	尹曉冰先生	4/4	100%
Ms. Guo Yumei	郭玉梅女士	4/4	100%

提名委員會

During the Reporting Period, the Nomination Committee of the Company consists of three members, namely Mr. Yin Xiaobing (尹曉冰), Ms. Guo Yumei (郭玉梅) and Mr. He Xifeng (何錫鋒) (as of the date of this report, due to the failure of Mr. He Xifeng to perform his duties properly, the Board has recommended the removal of his positions as an independent non-executive Director and member of the relevant committees. The proposed removal is subject to consideration and approval at the general meeting). Except for Ms. Guo Yumei, who is an executive Director, all other members are independent non-executive Directors. Mr. Yin Xiaobing (尹曉冰) is the chairman of the Nomination Committee.

報告期內，本公司提名委員會包括三名委員，即尹曉冰先生、郭玉梅女士及何錫鋒先生(於本報告日期，因何錫鋒先生無法正常履職，董事會已建議免除其獨立非執行董事及相關委員會委員職務，建議免職尚需通過股東大會審議方可做實)。除郭玉梅女士為執行董事外，所有其他成員均為獨立非執行董事。尹曉冰先生為提名委員會主任委員。

The principal responsibilities of the Nomination Committee are to make recommendations to our Board on the scale, structure, and composition of the Board and on the nomination of Directors, to review the Director and senior management candidates, to review the independency of the independent non-executive Directors, and to perform other duties and responsibilities as assigned by the Board.

提名委員會的主要職責為就董事會的規模、架構及組成及提名董事向董事會提出建議、檢討董事及高級管理層候選人、檢討獨立非執行董事的獨立性及履行董事會賦予的其他職責與責任。

During the Reporting Period, the Nomination Committee held 4 meetings, the details of which are as follows:

On 27 March 2020, a meeting of the Nomination Committee was held in the Company, at which 3 proposals of reviewing the scale, structure, size and composition of the Board of the Company, assessing the independence of the independent non-executive Directors of the Company and reviewing the diversity policy of the Board of the Company and the progress on achieving the objectives set for implementing the said policy were considered and unanimously approved by all members of the Nomination Committee.

On 21 August 2020, a meeting of the Nomination Committee was held in the Company, at which a proposal of approving the change of a Director was considered and unanimously approved by all members of the Nomination Committee.

On 29 September 2020, a meeting of the Nomination Committee was held in the Company, at which 2 proposals including the proposal of changing an independent non-executive Director were considered and unanimously approved by all members who attended the meeting.

On 6 November 2020, a meeting of the Nomination Committee was held in the Company, at which a proposal of electing a member of the Audit Committee

董事提名政策、董事會成員多元化政策及分析

According to the Company's Articles of Association and the relevant nomination system of directors, the Nomination Committee provides consultation to the Board with respect to the nomination of Directors. It will first consider and determine the candidates for nomination, then make recommendations to the Board. The Board will decide whether to propose such candidate to the general meeting for election. In the course of selecting candidates of new directors, the Nomination Committee and the Board will consider the cultural, educational background and professional experience, etc. of relevant parties in accordance with the "Diversity Policy of Members of The Board of Directors". They will also consider the business operation models. The final decision will be based on the nominated candidates who will bring about benefits and contributions to the Board. Details of the appointment of directors are set out in the section headed "C. BOARD OF DIRECTORS – 4. Appointment of Directors" above.

根據本公司章程及董事提名相關制度，提名委員會在董事提名方面擔任董事會顧問角色，首先商議新董事的提名人選，然後向董事會推薦，並由董事會決定是否提交股東大會選舉。在商議新董事人選時，提名委員會及董事會根據《董事會成員多元化政策》考慮有關人士的文化及教育背景、專業經驗等，同時亦會考慮有關自身的業務運作模式，最終決定乃基於提名人選將帶給董事會的裨益及貢獻。有關委任董事的詳情載列於上文標題為[illegible]

For purposes of reaching a sustainable balanced development, the Company has regarded the increasing diversity of the members of the Board of Directors as the key element that supports the Company to achieve its strategic objective and to maintain the sustainable development.

為達致可持續的均衡發展，本公司視董事會成員日益多元化為支持其達到戰略目標及維持可持續發展的關鍵要素。

The Company has formulated the "Diversity Policy of Members of The Board of Directors", the contents of which include:

本公司已制定《董事會成員多元化政策》，其內容包括：

- When the Company is establishing the composition of the members of the Board of Directors, it will take into consideration from different aspects and achieve the diversity of the member of the Board of Directors. Such aspects shall include but is not limited to sex, age, cultural and educational background, races, professional experience, technique, knowledge and term of service. All the appointment for the members of the Board of Directors are made on the principle of recruiting meritocratic professional. Meanwhile, the candidates are selected based on objective conditions, fully taking into consideration the benefits brought by the diversity of members of the Board of Directors.

- 本公司在設定董事會成員組合時，會從多個方面考慮並實現董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。董事會所有委任均以用人唯才為原則，並以客觀條件考慮人選，同時會充分顧及董事會成員多元化的裨益。

- The Company's selection of candidates will be subject to a series of standards regarding diversity, including but not limited to sex, age, cultural and educational background, races, professional experience, technique, knowledge and term of service. The final decision will be made based on the strength of the candidates and such contribution they can make to the Board of Directors.

- 本公司甄選人選將以一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。最終將按人選的長處及可為董事會提供的貢獻而作決定。

The Nomination Committee has selected new Directors pursuant to the requirements of the "Diversity Policy of Members of the Board of Directors", while a special meeting was held during the Reporting Period to review the implementation and progress of the "Diversity Policy of Members of the Board of Directors", with a view to achieving the objective of diversifying the members of the Board of Directors.

提名委員會已按照《董事會成員多元化政策》的要求，甄選新董事，同時在報告期內召開了專門的會議檢視《董事會成員多元化政策》的執行及推進情況，以期達致董事會成員多元化目標。

At the end of the Reporting Period, an analysis of diversification of the Board of Directors is as follows. The composition of the Board of Directors, the background of its members and procedures of selection of new Directors during the Reporting Period are in line with the requirements of the "Diversity Policy of Members of the Board of Directors".

於報告期末，董事會多元化分析如下。報告期內董事會的組成、成員背景及甄選新董事的程序符合《董事會成員多元化政策》的要求。

風險管理及內部監控

The Board acknowledges its responsibility for the effectiveness of risk management and internal control systems of the Group. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against any misstatement or loss that is not significant. Internal control and risk management systems are reviewed annually and adjusted timely according to the business development and operating conditions of the Company to ensure its continuous effectiveness. In 2020, in response to the operational risks brought by the COVID-19 pandemic, the Company established a COVID-19 Prevention and Control Leading Team for the coordination and organised of the procurement of materials for pandemic prevention and control, daily information collection, resumption of work and transportation, etc., which have effectively controlled the risks brought by the COVID-19 pandemic to the Company.

董事會確認其對本集團風險管理及內部監控系統有效性之責任。該等系統旨在管理而非消除未能達成業務目標的風險，並且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。內部監控和風險管理系統會每年檢視，並根據公司業務發展及運行情況適時調整，以確保其持續有效性。2020年，為應對新冠肺炎疫情帶來的運營風險，公司成立了新冠肺炎疫情防控領導小組，統籌、組織公司疫情防控物資採購、每日信息匯總、復工保運等工作，有效控制了新冠肺炎疫情對公司帶來的風險。

We have established a set of consolidated risk management policies and measures for purposes of identifying, evaluating and managing the operating risk. Our Audit Committee is responsible for monitoring the Group's financial control, internal control procedures and risk management system. The head of the internal audit department is responsible for making periodic report of the results and, where necessary, discussing with external legal advisors about any possible issues so as to ensure that we do not violate the relevant regulatory provisions or applicable laws.

我們已設立一套綜合風險管理政策及措施，以識別、評估及管理營運風險。我們審計委員會負責監察本集團的財務控制、內部控制程序及風險管理系統。內部審計部門的主管負責定期匯報結果，並在必要時與外部法律顧問討論任何可能出現的問題，幫助確保我們不違反相關監管規定或適用法律。

For purposes of such various risks we are exposed to during our operation, we focus on the strengthening of the internal control and risk management systems. We have implemented many policies and measures in order to ensure that effective risk management is conducted in respect of the operation, financial reports and records, fund management and the compliance with applicable laws and regulations of Hong Kong and China.

就我們的營運面臨各種風險而言，我們專注於加強內部控制與風險管理系統。我們已實施多項政策及措施，以確保營運、財務報告及記錄、資金管理及遵守香港與中國的適用法律法規等各方面均設有有效的風險管理。

The major characteristics of the risk management and internal control systems are: the Company has consolidated the risk management and internal control systems and has formulated the systematic framework from the level of the Company and business. Under such framework, a mutual mapping between key risk points and control points is established by setting up risk control matrix in order to implement the control measures in relation to risk identification, evaluation and addressing in various business processes within the enterprise. As a result, risk management and internal control can be merged in organic manner, significantly enhancing the enterprise's capability in risk precaution and control and its control means and creating practicable effect on the corporate management. The Company shall classify the internal control system into three layers, namely the basic management system, specific regulations/management measures and detailed rules for implementation according to the defined subject matter, the level involved and the restriction scope. The effectiveness of various rules and regulations shall be evaluated each year and annual construction plan of the system shall be devised in accordance with the evaluation results and the regulatory requirements and based on the business need of the Company and such rules and

The procedures by which the Company examines the effectiveness of the risk management and internal supervision system shall include: to formulate an appraisal proposal, to establish appraisal team, to implement on-site test, to identify and control defects, to summarise and compile the appraisal results, and to prepare an appraisal report. The Company shall authorise the legal audit department to be responsible for the specific organisation and implementation of the appraisal on internal control. The Company shall put forward some confirmed opinions after conducting comprehensive analysis on the defects in internal control. Then, the Company shall make a final confirmation after it has carried out the review pursuant to the stipulated authority and procedures and shall classify such defects as material defects, important defects and general defects based on the impact produced by such defects. Such confirmed opinions shall be proposed in form of a written report to report to the Board of Directors and the Operating Meeting. Material defects shall be finally confirmed by the Board of Directors. The Company shall timely adopt the corresponding strategies with respect to the material defects and important defects, and practicably control risks within the range that the Company can undertake. In addition, the Company shall pursue the liabilities of the relevant department or personnel.

In addition, the Company places a great emphasis on inside information management. For the purposes of strengthening the confidentiality of inside information, maintaining the fairness of information disclosure and protecting the legal interests and rights of the general investors, the Company's information disclosure system and y1andy1and thaormlishe Tm[(and)10 .6 ([(and)10 ac( )d)0- (ormce ([(and)10 ( )0.([(and)10)13.50.7 (he)6.1 C0- (orm13.6 (C tha)anyts,f

Our Board of Directors and the senior management are accountable for the overall responsibility in respect of monitoring the implementation of internal control and risk management procedures and other measures in the Group. The Company's risk management and internal control systems aim at managing but not eliminating the risk for not being able to achieve the business objective. Moreover, only reasonable but not absolute guarantee is made for misrepresentation or loss that are not significant. The Board of Directors will conduct an examination on the Company's risk management and internal control systems once a year. The Board of Directors states that it has reviewed and examined the Company's risk management and internal control systems as of 31 December 2020. The Board of Directors confirms that it has examined the effectiveness of the Company's risk management and internal control systems. The Board believes that the Company's risk management and internal control systems are effective and sufficient. The Company's risk management and internal control systems can effectively guard against such risks existing in the operation.

We have also appointed and reappointed external professional advisors (including the auditor, legal or other advisors) for provision of professional advice and continuous guidance on how we observe all applicable related laws and regulations.

According to the Company Law in China and the Articles of Association of the Company, the Company can only pay dividends from the after-tax profits after making the following distribution:

- Compensation for accumulated losses (if any);
- Allocating the equivalent of 10% of after-tax profits to the statutory reserve; and
- The amount (if any) approved by the shareholders at the general meeting will be allocated to arbitrary provident fund.

After the statutory reserve fund has reached and maintained at 50% or above the registered capital, no further transfer is required. The Company's distributable profit in relation to the above transfer and the Company's dividend distribution are expected to be paid by after-tax profit determined in accordance with the Generally Accepted Accounting Principles in China or IFRS, whichever is lower.

All shareholders of the Company are entitled the same right to receive dividends and distributions distributed by shares or cash.

我們的董事會與高級管理層就監督內部控制與風險管理程序以及其他措施在本集團的實施情況承擔整體責任。本公司的風險管理及內部監控系統

The proposal of payment and the amounts of dividends will be made at the discretion of the Board and will depend on the Company's general business condition and strategies, cash flows, financial results and capital requirements, the interests of the Company's shareholders, taxation conditions, statutory and regulatory restrictions, and other factors that our Board deems relevant. Any dividend distribution shall also be subject to the approval of our shareholders in a shareholders' general meeting.

The Company has not encountered with any significant and uncertain events and circumstances that might produce significant doubts on the Company's capability of its continuous operation of business. The Board of Directors has confirmed to undertake the liabilities for the preparation of the Group's financial statements as of 31 December 2020.

Auditors engaged by the Company shall be openly selected and nominated by the Board and approved by or with the authorisation of the general meeting of shareholders. Their remuneration is determined by the Board as authorised by the general meeting of shareholders. To ensure better alignment between the Company's audit works in the PRC andwith Tm[(or)2.2 (oin8 (sm[(or)2.2Maza[(A Tm[(or)2.2CPA(A Tm[(or)2.2Limi8 (sm.7 (and)2.1 [(A Tm[(o)15.4 ( )]TJETEMC /Span /A

股東有權向公司提出股東大會臨時提案

本公司章程亦規定，公司召開股東大會，持有公司有表決權的股份總數百分之三以上(含百分之三)

2. In order to further strengthen the party building work of state-owned enterprises and take into account the actual needs of the Company, the Board proposed to make amendments to certain articles concerning party building in the Articles of Association. For details, please refer to the announcement of the Company dated 27 March 2020. The resolution of the proposed amendments to the Articles of Association was approved by way of special resolution at the 2019 Annual General Meeting.

3. According to relevant requirements of the Reply of the State Council on the Adjustment of the Notice Period of the General Meetings and Other Matters Applicable to Overseas Listed Companies (Guo Han [2019] No. 97), the Company Law of the People's Republic of China and the Notice on Further Facilitating the "Inclusion of Party Construction Works in the Articles of Association" of State-owned Enterprises, the Board proposed to make amendments to certain articles concerning the notice period of the general meetings and party building in the Articles of Association based on the actual situation of the Company. For details, please refer to the announcement of the Company dated 25 September 2020. The resolution of the proposed amendments to the Articles of Association was approved by way of special resolution at the 2020 First Extraordinary General Meeting, 2020 first domestic shareholders' class meeting and 2020 first H shareholders' class meeting of the Company held on 16 November 2020.

2. 為進一步加強國有企業黨建工作，同時結合本公司實際需要，董事會建議對《公司章程》中涉及黨建的部分條款進行修訂。詳情請見本公司日期為2020年3月27日的公告。本次建議修訂公司章程的議題已經2019年股東週年大會上以特別決議案形式批准做實。

3. 根據《國務院關於調整適用在境外上市公司召開股東大會通知期限等事項規定的批覆》(國函[2019]97號)、《中華人民共和國公司法》及《關於進一步推進國有企業「黨建入章」工作的通知》相關規定及要求，並結合公司實際情況，董事會建議對本公司的《公司章程》中涉及股東大會通知期限、黨建部分條款進行修訂。詳情請見本公司日期為2020年9月25日的公告。本次建議修訂公司章程的議題已經本公司於2020年11月6日召開的2020年第一次臨時股東大會及2020年第一次內資股類別股東大會、H股類別股東大會上以特別決議案形式批准做實。

Save for the above amendments, there were no other amendments made to the Articles of Association during the Reporting Period.

本報告期內，除上述修訂外，公司章程無其他修訂。

環境、社會及管治報告

During the Reporting Period, the Company has complied with the provisions of "Comply or Explain" ("不遵守就解釋") stated in the Environmental, Social and Governance ("　") Reporting Guide. The Environmental, Social and Governance Report is set out in Chapter 13 of the "Environmental, Social and Governance Report" of this annual report.

報告期內，本公司已遵守有關《環境、社會及管治報告指引》載列的「不遵守就解釋」條文。環境、社會及管治報告載於本年報之「環境、社會及管治報告」第十三章。

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第十章) 監事會報告

一、 監事會組成

As of 31 December 2020, the Board of Supervisors of the Company consists of three Supervisors, of whom two are employee representative Supervisors. The remaining Supervisor has been appointed by our shareholders and the current employee representative Supervisors have been appointed by the representatives of our labor union. The Supervisors are appointed for a term of three years after which they may be re-elected.

截至2020年12月31日，本公司監事會包括3名監事，其中2名職工代表監事。其餘監事已由股東委任，現有職工代表監事已由工會代表委任。監事任期3年，此後可連選連任。

The composition of the Board of Supervisors of the Company is as follows:

本公司的監事會組成如下：

姓名	職位	委任日期
Na Zhiqiang	Chairman of the Board of Supervisors; Employee Representative Supervisor	19 January 2011
那志強	監事會主席、職工代表監事	2011年1月19日
Yao Jianhua	Employee Representative Supervisor	19 January 2011
姚建華	職工代表監事	2011年1月19日
Shao Wei	Supervisor	7 May 2016
邵偉	監事	2016年5月7日

二、 監事會會議情況

In 2020, the Board of Supervisors of the Company convened 24 meetings of the Board of Supervisors in total. The attendance of the supervisors is as follows:

2020年，本公司監事會共召開了24次監事會會議，各位監事出席會議情況如下：

姓名	出席／應參加會議次數	出席率
Na Zhiqiang 那志強	24/24	100%
Yao Jianhua 姚建華	24/24	100%
Shao Wei 邵偉	24/24	100%

三、 年主要工作情況

（一） 監察公司經營情況

2020年，本公司監事會成員通過列席公司歷次董事會、股東大會，對提交董事會及股東大會審議的各項議案進行審閱，對本公司的經營活動進行審查。監事會認為，公司的經營活動符合國家有關法律法規和本公司章程的規定，決策程序合法，公司未從事任何違法、違規或超出依法核定的經營範圍的經營活動。

（二） 監察公司董事及高級管理人員履行職責情況

2020

2020年，本公司監事會成員通過列席董事會色莯綛睗

第十章) 監事會報告

(2) The Board of Supervisors will seriously study the relevant state laws and regulations and the newly released policies. It will continuously enhance the efficiency of supervision and actively urge the construction and effective operation of the internal control system. It will establish a long-term effective mechanism of corporate governance, facilitating the sustainable and healthy development of the Company. Moreover, it will give full play to its role as the Board of Supervisors by practicably assuming the responsibility of protecting the interests of shareholders and safeguarding a healthy and stable development of the

（二） 認真學習國家有關法律法規和新出台的相關政策，不斷提高監督效率，積極督促內部控制體系的建設和有效運行。建立公司規範治理的長效機制，促使公司持續、健康的發展，充分發揮好監事會作用，切實擔負起保護廣大股東權益的責任，保障企業健康穩定發展。

（三） 勤勉盡職，積極參加公司董事會、股東大會等重要會議，參與重大事項的決策過程，掌握重大決策事項決策程序的合法性，更好地維護公司和全體股東的利益。

（四） 繼續加強對公司董事和高級管理人員在履行職責、執行決議和遵守法規等方面的監督，特別是對高級管理人員違規、失職、不作為的監督與糾正，以便使其決策和經營活動更加規範、合法。

2021年，監事會將認真遵守法律、法規和公司章程的規定，履行職權和義務，切實維護公司及廣大股東的利益，確保公司規範健康運作。

(Incorporated in the People's Republic of China with limited liability)

We have audited the consolidated financial statements of Kunming Dianchi Water Treatment Co., Ltd. (the " ") and its subsidiaries (together the " ") set out on pages 167 to 311, which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (" ") issued by the International Accounting Standards Board (the " ") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

We conducted our audit in accordance with Hong Kong Standards on Auditing (" ") issued by the Hong Kong Institute of Certified Public Accountants (the " "). 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 are independent of the Group in accordance with the HKICPA's DC BT0.026 Tc 8 0 0 8 42.ong Kong

致昆明滇池水務股份有限公司全體股東

(於中華人民共和國註冊成立的有限公司)

意見

我們審計了後附第167頁至第311頁昆明滇池水務股份有限公司(「**貴公司**」)及其子公司(統稱「**貴集團**」)的合併財務報表,包括 貴集團於2020年12月31日的合併財務狀況表、截至該日止年度的合併損益及其他全面收益表、合併權益變動表、合併現金流量表、合併財務報表附註以及主要會計政策。

我們認為,該等綜合財務報表已根據國際會計準則理事會(「**國際會計準則理事會**」)頒佈的《國際財務報告準則》真實而中肯地反映了貴集團於2020年12月31日的綜合財務狀況及其截至該日止年度的財務表現及現金流量,並已遵照香港《公司條例》的披露要求妥為擬備。

意見的基礎

我們按照香港會計師公會(「**香港會計師公會**」)頒佈的《香港審計準則》(「**香港審計準則**」)的規定執行了審計工作。核數師報告的「核數師對合併財務報表審計的責任」部分進一步闡述了我們在這些準則下的責任。按照香港會計師公會頒佈的《職業會計師道德守則》(「**道德守則**」)的要求,我們獨立於貴集團,並履行了道德守則職業道德方面的其他責任。我們相信,我們獲得的審計證據是充分、適當的,為發表審計意見提供了基礎。

關鍵審計事項

(continued) **關鍵審計事項***(續)*

關鍵審計事項	我們的審計如何處理關鍵審計事項
貿易應收款項、特許經營權協議及建造合同下的應收款項的可回收性 提述綜合財務報表之附註26「應收賬款及其他應收款」、附註18「特許經營權協議下的應收款項」、附註19「應收客戶建造合同款」及附註2「重要會計政策－關鍵會計估計及判斷」。 於2020年12月31日，貿易應收款項、特許經營權協議及建造合同下的應收款項的賬面淨值分別約為人民幣1,125,379,000元、人民幣2,427,192,000元及人民幣639,683,000元，貿易應收款項、特許經營權協議及建造合同下的應收款項的虧損撥備分別約為人民幣35,312,000元、人民幣13,053,000元及人民幣7,225,000元。特許經營權協議及建造合同下的大部分應收款項及貿易應收賬款中約人民幣990,790,000元為應收地方政府部門的款項。 依據風險組合、客戶的流動性狀況、歷史信貸虧損、過往收款歷史、後續入賬及宏觀經濟的其他當前及前瞻性資料，管理層評估了貿易應收款項、特許經營權協議及建造合同下的應收款項的可回收程度。 我們將上述事項確定為關鍵審計事項領域，原因是確定貿易應收款項、特許經營權協議及建造合同下的應收款項的重大金額可回收程度涉及重大判斷。	我們的審計程序包括： – 已評估管理層對貴集團有關評估程序的控制，分別涉及貿易應收款項、特許經營權協議及建造合同下的應收款項的可收回性； – 已分別抽樣測試貿易應收款項、特許經營權協議及建造合同下的應收款項的賬齡報告及歷史信貸虧損的準確性及完整性； – 獲得管理層對未來預期信貸虧損的評估以及個別重大結餘的信貸風險變化，並評價管理層對現有證據的評估，包括但不限於獲取市場數據以供我們分析；及 – 已檢查分別就貿易應收款項、特許經營權協議及建造合同下的應收款項的後續入賬。

(continued)　　**關鍵審計事項**(續)

Refer to Note 2 for the accounting policy of service concession arrangements under financial asset model, Note 2 “Significant accounting policies – Critical accounting estimates and judgements”, and Note 18 to the consolidated financial statements for the receivables under service concession arrangements.

The Group has entered into a number of service concession arrangements with certain governmental authorities or their designators (the “ ”) under Build-Operate-Transfer arrangements and Transfer-Operate-Transfer arrangements in respect of its wastewater treatment, reclaimed water supply and running water supply. 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 approximately RMB2,427,192,000, which accounted for 23% of the Group’s total assets.

Management conducted the valuation for those service concession arrangements under financial asset model at initial recognition, and performed revaluation when there were indicators that the critical assumptions in the initial valuation have been significantly affected and deviated subsequent to initial recognition. Such valuation and revaluation were determined based on the forecasted cash flows to be derived from the related projects which involved critical judgements and assumptions including but not limited to the effective interest rate, forecasted unit price of service fee, operating costs and profit margins of the operating services. With reference to the valuation and revaluation performed by the management, 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.

We identified the above matter as a key audit matter area because of the significant judgement involved in determining the receivables and revenue recognised for service concession arrangements under financial asset model and their significant amounts.

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 management, the valuation processes and significant assumptions adopted. We also evaluated the reasonableness of the methodologies and assumptions used in the valuation.

We selected samples of service concession arrangements under financial asset model for testing. The key procedures included:

1. Examining the agreements between the Group and the Grantors.

2. Testing the reasonableness and appropriateness of critical assumptions adopted in the cash flow forecasts, mainly in relation to:

   – sending confirmations to the Grantors to confirm the current unit price;

   – assessing and analysing the reasonableness of the operating costs by comparing to the actual costs of other existing service concession arrangements of the Group; and

   – assessing and analysing the profit margins of the operating services by comparing with the average profit margin of the operating services of the industry.

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.

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.

(continued)

關鍵審計事項(續)

關鍵審計事項	我們的審計如何處理關鍵審計事項
按金融資產模型核算的特許經營權協議下的應收款項及收入 按金融資產模型核算的特許經營權協議的會計政策參見綜合財務報表附註2「主要會計政策－重大會計估計及判斷」，特許經營權協議下的應收款項參見綜合財務報表附註18。 貴集團與若干政府機關或其指定機構(「**授予人**」)就提供污水處理、再生水供應及自來水供應的「建設－經營－移交」安排及「移交－經營－移交」安排，訂立了多項特許經營權協議。該等特許經營權協議中有一部分乃按照「金融資產」模型核算，其餘則按照「無形資產」模型核算。就貴集團按金融資產模型核算的特許經營權協議而言，其確認的應收款項及收入的公允價值由估值得出，其中運用了多項關鍵假設。於2020年12月31日，貴集團特許經營權協議下的應收款項賬面金額約為人民幣2,427,192,000元，佔資產總額的23%。 管理層在初始確認時對按金融資產模型核算的特許經營權協議進行估值，若有跡象表明初始確認時的估值所採用的關鍵假設在初始確認後受到重大影響並出現偏差，則進行重估。該等估值及重估乃根據相關項目將產生的預測現金流量釐定，當中涉及關鍵判斷及假設，包括但不限於實際利率、預測的服務費單價、經營成本及經營服務的利潤率。經參考管理層進行的估值及重估，管理層釐定了年內就按金融資產模型核算的特許經營權協議而確認的應收款項及收入金額，以及應收款項及收入的後續計量。 由於釐定就按金融資產模型核算的特許經營權協議確認的應收款項及收入涉及重大判斷，且其金額巨大，我們將上述事項確定為關鍵審計事項領域。	對於年內進行的按金融資產模型核算的特許經營權協議的估值和重估，我們評估了管理層使用的方法、估值過程及採用的重要假設。我們亦評估了估值方法及所用假設的合理性。 我們對按金融資產模型核算的特許經營權協議進行了抽樣測試。主要程序包括： 1. 檢查貴集團與授予人簽署的合約。 2. 對現金流量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： – 向授予人發送函證以核實現時單價； – 對比貴集團其他現有的特許經營權協議的實際成本，評估並分析經營成本的合理性；及 – 對比同行業經營服務的平均毛利率，評估並分析經營服務的毛利率。 我們亦質疑管理層就按金融資產模型核算的特許經營權協議下的應收款項及收入的後續計量是否需要進行重估而作出的評估，方法是將實際結果

The directors of the Company are responsible for the other information. The other information comprises the information included in the 2020 annual report, but does not include 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.

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 IFRSs issued by the IASB, and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going
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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. This report is made solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, we exercise professional judgement and maintain professional skepticism 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

(continued)

核數師就審計綜合財務報表承擔的責任 *(續)*

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，我們與負責監管人士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.

我們還向負責監管人士提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，為消除威脅而採取的行動及相關的防範措施。

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.

我們通過與負責監管人士溝通，確定本期綜合財務報表審計工作中最重要的事項，即關鍵審計事項。除非法律或法規不容許公開披露此等事項或在極罕有的情況下，我們認為披露此等事項可合理預期的不良後果將超過公眾知悉此等事項的利益而不應在報告中予以披露，否則我們會在核數師報告中描述此等事項。

Certified Public Accountants
Hong Kong, 26 March 2021

中審眾環(香港)會計師事務所有限公司
執業會計師
香港，2021年3月26日

The engagement director on the audit resulting in this independent auditor's report is:

Practising Certificate number: P04793

出具本獨立核數師報告的審計項目董事是：

馮兆恒
執業證書編號：P04793

AS AT 31 DECEMBER 2020 於2020年12月31日

		Notes 附註	年 人民幣千元	2019 2019年 RMB'000 人民幣千元
	非流動資產			
Investment properties	投資物業	15		–
Right-of-use assets/land use rights	使用權資產/土地使用權	16		464,182
Property, plant and equipment	不動產、工廠及設備	17		3,058,900
Receivables under service concession arrangements	特許經營權協議下的應收款項	18		1,381,995
Amounts due from customers for construction contracts	應收客戶建造合同款	19		516,266
Intangible assets	無形資產	20		199,420
Investments in associates	聯營投資	21		14,833
Deferred tax assets	遞延所得稅資產	22		52,990
				5,688,586
	流動資產			
Receivables under service concession arrangements	特許經營權協議下的應收款項	18		7,548
Inventories	存貨	23		22,636
Amounts due from customers for construction contracts	應收客戶建造合同款	19		27,578
Financial assets at fair value through profit or loss	按公允價值計入損益的金融資產	24		246,327
Financial assets at amortised cost	以攤銷成本計量的金融資產	25		–
Trade and other receivables	應收賬款及其他應收款	26		2,225,415
Cash and bank balances	現金及銀行結餘	27		1,290,199
Restricted funds	受限制資金	27		67,966
				3,887,669
	流動負債			
Trade and other payables	應付賬款及其他應付款	28		486,848
Tax payables	應付稅項			75,273
Borrowings	借款	30		701,320
Lease liabilities	租賃負債	29		3,786
Contract liabilities	合同負債	28		7,238
Financial liabilities at fair value through profit or loss	按公允價值計入損益的金融負債	24		–
				1,274,465
	流動資產淨值			2,613,204
	總資產減流動負債			8,301,790

AS AT 31 DECEMBER 2020 於2020年12月31日

				2019
			年	2019年
		Notes		*RMB'000*
		附註	*人民幣千元*	*人民幣千元*
	非流動負債			
Deferred revenue	遞延收益	*31*		266,354
Borrowings	借款	*30*		3,865,047
Lease liabilities	租賃負債	*29*		1,495
Deferred tax liabilities	遞延所得稅負債	*22*		74,473
				4,207,369
	淨資產			4,094,421

	本公司權益持有人應佔					
	股本	其他儲備	留存收益	總額	非控制性權益	權益總額
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	人民幣千元	*人民幣千元*	*人民幣千元*	*人民幣千元*	*人民幣千元*	*人民幣千元*
	(Note 32)	*(Note 33)*	*(Note 34)*			

		2019
	年	2019年

一般資料

昆明滇池水務股份有限公司(「**本公司**」)是按照《中華人民共和國(「**中國**」)公司法》於2010年12月23日在中華人民共和國(「**中國**」)雲南省註冊成立的股份有限責任公司，其股份在香港聯合交易所有限公司(「**聯交所**」)主板上市。本公司的註冊辦事處位於昆明滇池第七污水處理廠。

本公司及其子公司(統稱「**本集團**」)在中國主要從事水供給和污水處理設施的開發、設計、施工、運營和維護。本公司主要附屬公司的活動載於綜合財務報表附註39。

主要會計政策

合規聲明

該等綜合財務報表已按照國際會計準則理事會(「**國際會計準則理事會**」)頒佈的國際財務報告準則(「**國際財務報告準則**」)，其包括所有適用的個別國際財務報告準則、國際會計準則(「**國際會計準則**」)及詮釋，以及香港公司條例的披露規定而編製。本綜合財務報表亦遵守聯交所證券上市規則(「**上市規則**」)的適用披露規定。通過國際會計準則確認的數據與按照中國會計準則確認的數據不存在重大差異。

綜合財務報表均以人民幣(「**人民幣**」)(與本公司之功能貨幣相同搒 「

(continued) **主要會計政策**(續)

採納新訂╱經修訂國際財務報告準則

The Group has applied, for the first time, the following new/revised IFRSs:

本集團首次應用下列新訂╱經修訂國際財務報告準則：

Amendments to IASs 1 and 8	Definition of Material	國際會計準則第1號及第8號(修訂本)	重大性的定義
Amendments to IAS 39, IFRSs 7 and 9	Interest Rate Benchmark Reform – Phase 1	國際會計準則第39號、國際財務報告準則第7號及第9號(修訂本)	利率基準改革—第一階段
Amendments to IFRS 3	Definition of a Business	國際財務報告準則第3號(修訂本)	業務的定義
Amendments to IFRS 16	COVID-19-Related Rent Concessions	國際財務報告準則第16號(修訂本)	與2019冠狀病毒疫情有關的租金優惠

國際會計準則第 號及第 號(修訂本)：重大性的定義

The amendments clarify the definition of material and align the definition used across IFRSs.

該等修訂澄清重大性的定義並統一國際財務報告準則中使用的該定義。

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

採納該等修訂並無對綜合財務報表造成任何重大影響。

國際會計準則第 號、國際財務報告準則第 號及第 號(修訂本)：利率基準改革—第一階段

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainties caused by interest rate benchmark reform (the market-wide reform of an interest rate benchmark, including the replacement of an interest rate benchmark with an alternative benchmark). In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

該等修訂修改若干特定對沖會計規定，以減輕利率基準改革(整個市場的利率基準改革，包括將一項利率基準替換為另一項基準)所產生不確定因素之潛在影響。此外，該等修訂要求公司向投資者提供有關其受該等不確定因素直接影響的對沖關係的更多資料。

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

採納該等修訂並無對綜合財務報表造成任何重大影響。

(continued) **主要會計政策***(續)*

計量基礎

The measurement basis used in the preparation of these consolidated financial statements is historical cost basis, except for investment properties, financial assets at fair value through profit or loss (“ ”) and financial liabilities at FVPL which is measured at fair value as explained in the accounting policy set out below.

編製合併財務報表所用的計量基礎為歷史成本基準，但誠如下文所載會計政策所述，投資物業、按公允價值透過損益內列賬(「

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting year as that of the Company using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Non-controlling interests are presented, separately from equity holders of the Company, in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position. The non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of the acquiree’s net assets in the event of liquidation, are measured initially either at fair value or at the present ownership instrument’s proportionate share in the recognised amounts of the acquiree’s identifiable net assets. This choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are initially measured at fair value, unless another measurement basis is required by IFRSs.

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Profit or loss and each component of other comprehensive income are attributed to the equity holders of the Company and to the non-controlling interests. Total comprehensive income is attributed to the equity holders of the Company and the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the equity holders of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest determined at the date when control is lost and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests at the date when control is lost. The amounts previously recognised in other comprehensive income in relation to the disposed subsidiary are accounted for on the same basis as would be required if the holding company had directly disposed of the related assets or liabilities. Any investment retained in the former subsidiary and any amounts owed by or to the former

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A subsidiary is an entity that is controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

In the Company's statement of financial position as set out in Note 41 to the consolidated financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses, if any. The carrying amount of the investments is reduced to its recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

The Group's investment in associate is accounted for under the equity method of accounting, except when the investment or a portion thereof is classified as held for sale. Under the equity method, the investment is initially recorded at cost and adjusted thereafter for the post-acquisition changes in the Group's share of the investee's net assets and any impairment loss relating to the investment. Except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee, the Group discontinues recognising its share of further losses when the Group's share of losses of the investee equals or exceeds the carrying amount of its

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In the Company's statement of financial position which is presented within these notes, investments in associates is stated at cost less impairment loss. The carrying amount of the investment is reduced to its recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of associates and joint ventures are accounted for by the Company on the basis of dividends received and receivable using the equity method.

If an investment in an associate becomes an investment in a joint venture, any retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, on the loss of significant influence, the Group remeasures any retained interest in the former investee at fair value. The difference between the fair value of any retained investment and proceeds from disposing of the partial interest in the investee and the carrying amount of the investment at the date when significant influence is lost is recognised in profit or loss. In addition, all amounts previously recognised in other comprehensive income in respect of the former investee are accounted for on the same basis as would be required if the former investee had directly disposed of the related

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As described in Note 32(a) to the consolidated financial statements, the Group received certain completed water supply or wastewater treatment facilities as capital injection from its controlling shareholder and undertakes the operation and maintenance of such facilities owned by the Group in the concession period, during which the Group can charge service fees based on the supplied water or treated wastewater to recover its costs of investment, operations and maintenance and obtain reasonable return, according to the concession agreement entered into by the Group and the governmental authority (“ ” Model or “ ”). Since the Group directed the use of the assets and controlled the significant residual interest in the assets under the TOO Model during the concession period and the Group has the exclusive priority right to extend its operation period and is not required to return these assets to the governmental authority at the end of the concession period, the fixed assets under the TOO Model are accounted for as property, plant and equipment.

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment other than construction in progress, over their estimated useful lives from the date on which they are available for use and after taking into account their estimated residual value, using the straight-line method at the following rates per annum. Where parts of an item of property, plant

(continued) **主要會計政策***(續)*

投資物業

Investment properties are buildings that are held by owner or lessee to earn rental income and/or for capital appreciation. These include properties held for a currently undetermined future use.

投資物業乃由業主持有或承租人持有以賺取租金收入及╱或實現資本增值的樓宇，包括持有現時未釐定未來用途的物業。

Investment properties are stated at fair value at the end of the Reporting Period. Any gain or loss arising from a change in fair value is recognised in profit or loss. The fair value of investment properties is based on valuations by independent valuer who hold recognised professional qualification and have recent experience in the location and category of property being valued. The fair value reflects, among other things, rental income from current leases and other assumptions that market participants would use when pricing investment properties under current market conditions, and is adjusted based on separately recognised assets or liabilities to avoid double counting assets or liabilities.

投資物業在報告期末按公允價值列賬。因公允價值變動而產生的任何收益或虧損於損益確認。投資物業公允價值乃根據獨立估值師(持有認可專業資格並於所估值物業的地點及類別方面擁有新近經驗)所作的估值計算。公允價值反映(其中包括)當前租賃的租金收入以及市場參與者於當前市況下為投資物業定價時會使用的其他假設，並根據已單獨確認的資產或負債進行調整，以避免重複計算資產或負債。

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year in which the item is derecognised.

當投資物業被出售或永久不再使用，而其出售預期不會產生未來經濟利益時，投資物業將取消確認。取消確認資產所產生的任何收益或虧損(按出售該資產的所得款項淨額與其賬面值的差額計算)計入取消確認該項目的年度損益內。

無形資產

特許經營權

The Group engages with government authorities in the development, financing, operating and maintenance of wastewater treatment services (the " ") over a specified period of time (the " "). The Group has access to operate the wastewater treatment facilities to provide the concession services in accordance with the terms specified in the arrangement.

本集團與政府部門進行合作，在特定期間內(「**特許經營期間**」)內，進行污水處理服務的開發、融資、運營和維護(「**特許經營服務**」)。本集團有權在協議規定的範圍內對污水處理設施進行運營，提供特許經營服務。

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The Group recognises the related rights in the service concession arrangements as intangible assets or financial assets. The operator shall recognise an intangible asset to the extent that it receives a right (license) to charge users of the concession service and shall recognise a financial asset to the extent that it has an unconditional contractual right to receive a guaranteed minimum volume from the grantor. Therefore, intangible assets – concession rights are recognised for the rights under these service concession arrangements by the Group, which are amortised on a straight-line basis over the Service Concession Period ranging from 20 to 30 years.

Purchased computer software license are capitalised on the basis of the costs incurred to acquire the specific software. These costs are amortised over periods ranging from 5 to 10 years.

Development costs relate to the cost incurred for improving technology and techniques to improve the wastewater treatment plants. Capitalised development costs are amortised from the point at which the assets are ready for use on a straight-line basis over their estimated useful lives.

As described in note 16 to the consolidated financial statement, all land in the PRC is state-owned or collectively-owned and no individual land ownership exists. The land use rights of certain land of the Group were contributed by Kunming Dianchi Investment Co., Ltd. (昆明滇池投資有限公司, " "). The land use rights are stated at cost less accumulative amortisation and accumulated impairment losses, if any. Land use rights are amortised over the lease period of 48 to 50 years using straight-line method.

If an owner-occupied property becomes an investment property that will be carried at fair value, the Group applies IFRS 16 for property held by a lessee as a right-of-use asset up to the date of change in

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主要會計政策(續)

金融工具

金融資產

Recognition and derecognition

Financial assets are recognised when and only when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Group's contractual rights to future cash flows from the financial asset expire or (ii) the Group transfers the financial asset and either (a) it transfers substantially all the risks and rewards of ownership of the financial asset, or (b) it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises the financial asset to the extent of its continuing involvement and an associated liability for amounts it may have to pay.

Classification and measurement

Financial assets (except for trade receivables without a significant financing component) are initially recognised at their fair value plus, in the case of financial assets not carried at fair value through profit or loss (“ ”), transaction costs that are directly attributable to the acquisition of the financial assets. Such trade receivables are initially measured at their transaction price.

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) debt investment measured at fair value through other comprehensive income (“ ”); (iii) equity investment measured at fair value through other comprehensive income (“ ”); or (iv) measured at FVPL.

確認及終止確認

金融資產於且僅於本集團成為該工具合約條文之一方時按交易日基準確認。

金融資產於且僅於(i)本集團來自該金融資產之未來現金流量之合約權利屆滿時或(ii)本集團轉讓該金融資產，且(a)本集團已轉移該金融資產擁有權之絕大部份風險及回報，或(b)本集團並未轉移或保留該金融資產擁有權之絕大部份風險及回報，惟其放棄對該金融資產之控制權時終止確認。

倘本集團仍保留已轉讓金融資產擁有權之絕大部份風險及回報，本集團會繼續確認該金融資產。

倘本集團既不轉移亦不保留已轉讓資產擁有權之絕大部份風險及回報，且繼續控制該已轉讓資產，本集團按其持續參與程度及可能須支付之相關負債金額確認該金融資產。

分類及計量

金融資產(無重大融資成分的貿易應收款項除外)初步按其公允價值確認，倘金融資產並未按公允價值計入損益(「**按公允價值計入損益**」)，則加上收購金融資產之直接應佔交易成本。該等貿易應收款項初步按其交易價計量。

於初步確認時，金融資產分類為(i)按攤銷成本計量；(ii)按公允價值計入其他全面收益計量之債務投資(「**強制性按公允價值計入其他全面收益**」)；(iii)按公允價值計入其他全面收益計量之股本投資(「**指定為按公允價值計入其他全面收益**」)；或(iv)按公允價值計入損益。

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Recognition and derecognition

Financial liabilities are recognised when and only when the Group becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are directly attributable to the issue of the financial liabilities.

The Group's financial liabilities include trade and other payables, borrowings, lease liabilities and financial liabilities at FVPL. All financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Financial liabilities are designated at initial recognition as at FVPL only if:

(i) the designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different bases;

(ii) they are part of a group of financial liabilities or financial assets and financial liabilities that are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or

(iii) they contain one or more embedded derivatives, in which case the entire hybrid contract may be designated as a financial liability at FVPL, except where the embedded derivatives do not significantly modify the cash flows or it is clear that separation of the embedded derivatives is prohibited.

主要會計政策*(續)*

金融工具*(續)*

金融負債

確認及終止確認

金融負債於且僅於本集團成為該工具合約條文之一方時確認。

金融負債於且僅於負債消除時，即在有關合約訂明之責任獲解除、註銷或屆滿時，方終止確認。

分類及計量

金融負債初步按其公允價值確認，倘金融負債並未按公允價值計入損益，則加上發行金融負債之直接應佔交易成本。

本集團的金融負債包括應付賬款及其他應付款、借款、租賃負債及以公允價值計量且變動計入損益的金融負債。所有金融負債均初步按其公允價值確認及隨後採用實際利率法按攤銷成本計量，惟貼現將不會產生重大影響時，則於該情況下按成本列賬。

倘符合下列條件，則金融負債於初步確認時指定為以公允價值計量且其變動計入當期損益處理：

(i) 該分類會消除或明顯減少按不同基準計量資產或負債或確認其盈虧所產生的計量或確認不一致；

(ii) 其屬於一組受管理之金融負債或金融資產及金融負債的一部份且根據明文規定之風險管理策略按公允價值基準評估其表現；或

(iii) 其包含一個或多個嵌入式衍生工具，在此情況下，整個混合合約可能被指定為以公允價值計量且其變動計入當期損益的金融負債，惟嵌入式衍生工具不會顯著改變現金流量，或者明顯禁止分離嵌入式衍生工具者除外。

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Assessment of significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. In particular, the following information is taken into account in the assessment:

- the debtor's failure to make payments of principal or interest on the due dates;
- an actual or expected significant deterioration in the financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- actual or expected changes in the technological, market, economic or legal environment that have or may have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

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Low credit risk

A financial instrument is determined to have low credit risk if:

(a) it has a low risk of default;

(b) the borrower has a strong capacity to meet its contractual cash flow obligations in the near terms; and

(c) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

As detailed in Note 3.1(b) to the consolidated financial statements, cash and bank balances and restricted funds are determined to have low credit risk.

Simplified approach of ECL

For trade and other receivables, receivables under service concession arrangements and amounts due from customers for construction contracts, the Group applies a simplified approach in calculating ECL. The Group recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(continued) 主要會計政策(續)

(continued) 金融工具(續)

(continued) 金融資產及其他項目的減值(續)

Credit-impaired financial asset

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower.

(b) a breach of contract, such as a default or past due event.

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

信貸減值金融資產

金融資產在一項或以上事件(對該金融資產估計未來現金流量構成不利影響)發生時出現信貸減值。金融資產出現信貸減值之證據包括有關下列事件之可觀察數據：

(a) 發行人或借款人的重大財困。

(b) 違反合約(如違約或逾期事件)。

(c) 借款人的貸款人因有關借款人財困的經濟或合約理由而向借款人批出貸款人不會另行考慮的優惠。

(d) 借款人將可能陷入破產或其他財務重組。

(e) 因財務困難導致金融資產失去活躍市場。

(f) 按反映已產生信貸虧損之大幅折扣購買或發起金融資產。

Write-off

The Group writes off a financial asset when the Group has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities under the Group's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

撇銷

倘本集團並無合理期望全數或部分收回金融資產之合約現金流量，本集團會撇銷金融資產。然而，在考慮會計法律意見(如適用)後，所撇銷金融資產仍可根據本集團收回過期款項之程序實施強制執行。任何其後進行的收回均於損益確認。

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Identification of performance obligations (continued)

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Timing of revenue recognition (continued)

If a performance obligation is not satisfied over time, the Group satisfies the performance obligation at a point in time when the customer obtains control of the promised asset. In determining when the transfer of control occurs, the Group considers the concept of control and such indicators as legal title, physical possession, right to payment, significant risks and rewards of ownership of the asset, and customer acceptance.

Revenue from wastewater treatment operation and other services is recognised when the services are rendered.

Revenue from water supplqther1s recognised when a Group entity has delivered water to the customer.

her1s recognised over time based on the percentage of completion of the contract, which is determined by the direct proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, at the end of each Reporting Period. The Group provides construction he under Build-Transfer (the " ") arrangements and Build-Operate-Transfer (the " ") arrangements. Under these construction arrangements, the Group carries out construction work of the wastewater treatment and water supplqtfacilities and returns the assets to the counter parties of the construction arrangements after completion of the construction or expiry of the operation period. In particular, the finance income arising from construction he under BT arrangements of approximately RMB48,353,000 during the year was recognised in revenue (2019: finance income of approximately RMB61,238,000).

Revenue from management he is recogni sed over time on a straight-line basie over the life of the related h contracts. The management h income arising from thh operation management s0.7 (h)13.7 (contracts)13.8 (of)13.9 (approximately)13.8 (RMB)13.8 (1)13.6 (9)13.7 (0)13.7 (,)13.9 (1)13.7 (5)13.6 (4)13.7 (,)13.9 (0)13.

(continued) 主要會計政策(續)

(continued) 收益確認(續)

(continued) 國際財務報告準則第 號範疇內的客戶合約收益(續)

Timing of revenue recognition (continued)

For revenue recognised over time under IFRS 15, provided the outcome of the performance obligation can be reasonably measured, the Group applies the output method (i.e. based on the direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract) to measure the progress towards complete satisfaction of the performance obligation because the method provides a faithful depiction of the Group's performance and reliable information is available to the Group to apply the method. Otherwise, revenue is recognised only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

The following output methods are applied:

- construction services income: revenue recognition for entrusted construction management services; revenue is recognised according to the progress of construction projects; and
- management services income: revenue recognition for wastewater treatment entrusted operation management services; revenue is recognised based on the volume of wastewater treatment service provided to the customers in each period in accordance with the contractual settlement cycle.

收益確認的時間性(續)

對於根據國際財務報告準則第15號隨時間確認的收入，只要能夠合理地計量履約責任的結果，本集團會應用產出法(即直接計量至今已轉移給客戶的貨品或服務的價值相對合約下所承諾剩餘貨品或服務)以計量達致履約責任的完成進度，因為此法可真實反映本集團的履約情況，且本集團有可靠資料以應用此方法。否則，收入僅以所招致成本為限，直至可合理地計量履約責任的結果為止。

本集團已採用以下產出法：

- 建設服務收入：委託建設管理服務的收入確認；根據建設工程項目工程進度，確認收入；及
- 管理服務收入：污水處理委託運行管理服務的收入確認；根據合同結算週期，基於各期間為委託方提供的污水處理量結算，確認收入。

(continued) 主要會計政策*(續)*

(continued) 收益確認*(續)*

利息收入

Interest income from financial assets is recognised using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the assets while it is applied to the amortised cost (i.e. the gross carrying amount net of loss allowance) in case of credit-impaired financial assets.

金融資產利息收入以實際利率法確認。就按攤銷成本計量而無信貸減值的金融資產而言，實際利率應用於資產的賬面總值，如屬有信貸減值的金融資產則應用於攤銷成本(即賬面總值減去虧損撥備)。

合約資產及合約負債

If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the contract is presented as a contract asset, excluding any amounts presented as a receivable. Conversely, if a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the contract is presented as a contract liability when the payment is made or the payment is due (whichever is earlier). A receivable is the Group's right to consideration that is unconditional or only the passage of time is required before payment of that consideration is due.

倘本集團於客戶支付代價前或在支付到期應付前將貨品或服務轉移予客戶，合約將呈列為合約資產，不包括呈列為應收款項之任何金額。相反，倘客戶支付代價，或本集團有權無條件取得代價金額，則於本集團向客戶轉讓貨品或服務前，合約將於作出付款或付款到期應付(以較早者為準)時呈列為合約負債。應收款項為本集團無條件僅在支付到期代價前所需時間流逝之取得代價權利。

For a single contract or a single set of related contracts, either a net contract asset or a net contract liability is presented. Contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

單一合約或一組相關合約以合約資產淨值或合約負債淨額呈列。無關合約之合約資產及合約負債並不按淨額基準呈列。

For the wastewater treatment service and water supply services, it is common for the Group to receive from the customer the whole or some of the contractual payments before the services are completed or when the goods are delivered (i.e. the timing of revenue recognition for such transactions). The Group recognises a contract liability until it is recognised as revenue. During that period, any significant financing components, if applicable, will be included in the contract liability and will be expensed as accrued unless the interest expense is eligible for capitalisation.

就污水處理服務及水供應服務而言，本集團於服務完成前或貨品交付時(即有關交易的收益確認時間)自客戶收取全部或部分合約款項屬常見。直至合約負債確認為收益，本集團確認合約負債。期

(continued) 主要會計政策*(續)*

(continued) 合約資產及合約負債*(續)*

On the consolidated statement of financial position, the Group reports the net contract position for each contract as either an asset or a liability. Amount due from customers for construction contracts represents an asset where costs incurred plus recognised profits (less recognised losses) exceed progress billings.

在合併財務狀況表上，本集團就每項合同將淨合同狀況報告為資產或負債。當已產生的成本加已確認的利潤(減已確認虧損)超過進度付款時，應收客戶建造合同款相當於一項資產。

外幣換算

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the " "). Since the Group's main operation is carried out in the PRC, the amounts shown in the consolidated financial statements are presented in RMB.

本集團各實體財務報表所包含的項目乃以實體經營所在主要經濟環境的貨幣(「**功能貨幣**」)計量。由於本集團之業務主要於中國開展，於綜合財務報表所示金額乃以人民幣呈列。

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses resulting from the retranslation of non-monetary items carried at fair value are recognised in profit or loss except for those arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the gains or losses are also recognised directly in equity.

以外幣進行之交易乃按於交易日期之現行匯率換算為功能貨幣。結算此等交易及以外幣計值之貨幣資產及負債以年終匯率折算產生之匯兌收益及虧損於損益內確認。重新換算按公允價值列賬的非貨幣項目產生之外匯收益及虧損於損益內確認，惟就直接於權益確認的重新換算非貨幣項目產生的外匯收益及虧損除外，在此情況下，該等收益或虧損亦直接於權益確認。

The results and financial position of all the group entities that have a functional currency different from the presentation currency (" ") are translated into the presentation currency as follows:

有別於呈列貨幣的所有集團實體(「**海外業務**」)的業績及財務狀況的功能貨幣按下列基準轉換成呈列貨幣：

– Assets and liabilities for each statement of financial position presented and fair value adjustments on the carrying amounts of assets and liabilities arising on an acquisition of a foreign operation which are to be treated as assets and liabilities of that foreign operation, are translated at the closing rate at the end of the Reporting Period.

– Income and expenses for each statement of comprehensive income are translated at average exchange rate.

— 所呈列各財務狀況表的資產及負債，及收購海外業務產生的資產及負債(被視為該海外業務的資產及負債)賬面值的公允價值調整，按報告期末的收市匯率轉換。

— 各全面收益表的收入及開支按平均匯率轉換。

(continued) 主要會計政策*(續)*

(continued) 外幣換算*(續)*

– All resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised as a separate component of equity.

– On the disposal of a foreign operation, which includes a disposal of the Group's entire interest in a foreign operation, a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest is no longer equity-accounted for, the cumulative amount of the exchange differences relating to the foreign operation that is recognised in other comprehensive income and accumulated in the separate component of equity is reclassified from equity to profit or loss when the gain or loss on disposal is recognised.

– On the partial disposal of the Group's interest in a subsidiary that includes a foreign operation which does not result in the Group losing control over the subsidiary, the proportionate share of the cumulative amount of the exchange differences recognised in the separate component of equity is re-attributed to the non-controlling interests in that foreign operation and are not reclassified to profit or loss.

– On all other partial disposals, which includes partial disposal of associates or joint ventures that do not result in the Group losing significant influence or joint control, the proportionate share of the cumulative amount of exchange differences recognised in the separate component of equity is reclassified to profit or loss.

— 因源於上述貨幣項目(構成本集團對海外業務淨投資之部份)之換算及匯兌差異而產生之所有匯兌差異均確認為獨立權益部份。

— 就出售海外業務(包括出售本集團於海外業務之全部權益)而言,倘一項出售涉及失去對一間附屬公司(包括一項海外業務)之控制權或部份出售於包含海外業務之合營安排或聯營公司之權益,而不再以權益會計法處理當中之保留權益時,該海外業務涉及之匯兌差異累計金額於其他全面收入確認,以及於獨立權益成份累計,並於確認出售損益時,從權益重新分類至損益。

— 部份出售本集團於附屬公司(包括海外業務)的權益且該出售不會導致本集團失去對該附屬公司控制權時,於獨立權益部份確認的匯兌差異的累計金額,按比例重新歸入該海外業務的非控股權益,且不會重新分類至損益。

— 就所有其他部份出售(包括部份出售聯營公司或合營公司,而本集團不會因此失去重大影響力或共同控制權)而言,於獨立權益部份確認的匯兌差異的累計金額,按比例重新分類至損益。

(continued)

At the end of each Reporting Period, the Group reviews internal and external sources of information to assess whether there is any indication that its property, plant and equipment, right-of-use assets, intangible assets, investments in associates and investments in subsidiaries may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs of disposal and value in use. In addition, the Group tests its intangible assets that are not yet available for use for impairment by estimating their recoverable amount on an annual basis and whenever there is an indication that those assets may be impaired. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. a cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as losses in profit or loss immediately.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment loss is recognised as an income in profit or loss immediately.

Borrowings costs which are directly attributable to the acquisition, construction and production of qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their

FOR THE YEAR ENDED 31 DECEMBER 2020 截至

(continued) **主要會計政策** *(續)*

(continued) **租賃** *(續)*

(continued) ***作為承租人*** *(續)*

The Group accounts for each lease component within a lease contract as a lease separately. The Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component.

本集團將租賃合同中的每個租賃組成部分分別作為租賃入賬。本集團以租賃組成部分之相關獨立價格為基準將合約代價分配至各租賃組成部分。

Amounts payable by the Group that do not give rise to a separate component are considered to be part of the total consideration that is allocated to the separately identified components of the contract.

本集團未產生單獨組成部分的應付金額被視為分配給合同中單獨確定的組成部分的總代價的一部分。

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease. The right-of-use asset is initially measured at cost, which comprises

本集團於租賃開始日期確認使用權資產和租賃負債。使用權資產按成本進行初始計量，包括：

(a) the amount of the initial measurement of the lease liability;

(b) any lease payments made at or before the commencement date, less any lease incentives received;

(c) any initial direct costs incurred by the Group; and

(d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

(a) 租賃負債初步計量金額；

(b) 於開始日期或之前作出的任何租賃付款，減去已獲得的租賃優惠；

(c) 本集團所產生的任何初始直接成本；及

(d) 由本集團廢除及移除相關資產，恢復其所在場地或將相關資產恢復到租賃條款及條件所要求的條件所產生的成本估算，惟該等成本乃因生產存貨而產生除外。

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. Depreciation is provided on a straight-line basis over the shorter of the lease term and the estimated useful lives of the right-of-use asset. The unexpired lease term of the leased properties is ranged 2 to 3 years.

其後，使用權資產乃按成本減任何累計折舊及任何累計減值虧損計量，並就租賃負債任何重新計量而作出調整。折舊按租賃期與使用權資產的未到期的租賃期限中的較短者以直線法計提。租賃物業的可使用年限為2至3年。

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date of the contract.

租賃負債初步按在合同開始日尚未支付的租賃付款額的現值計量。

(continued)

主要會計政策(續)

(continued)

租賃(續)

(continued)

作為承租人(續)

The lease payments comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;

(b) variable lease payments that depend on an index or a rate;

(c) amounts expected to be payable under residual value guarantees;

(d) exercise price of a purchase option if the Group is reasonably certain to exercise that option; and

(e) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease, or where it is not readily determinable, the incremental borrowing rate of the lessee.

Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured using a revised discount rate when there are changes to the lease payments arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option.

The lease liability is remeasured by using the original discount rate when there is a change in the residual value guarantee, the in-substance fixed lease payments or the future lease payments resulting from a change in an index or a rate (other than floating interest rate). In case of a change in future lease payments resulting from a change in floating interest rates, the Group remeasures the lease liability using a revised discount rate.

租賃付款包括以下租賃期中在開始日期尚未支付的有關標的資產使用權的付款：

(a) 固定租賃款項(包括實質固定款項)減任何應收租賃優惠；

(b) 可變租賃付款，其取決於一項指數或利率；

(c) 承租人根據剩餘價值擔保預期應付金額；

(d) 購買權的行使價(倘本集團合理確定行使該等權利)；及

(e) 終止租賃的罰金付款(倘租賃條款反映本集團行使權利以終止租賃)。

租賃付款使用租賃中隱含的利率折現，或者在無法輕易確定的情況下使用承租人的增量借款利率進行折現。

隨後，通過增加賬面值以反映租賃負債的利息並通過減少賬面值以反映已支付的租賃費用來計量租賃負債。

當重新評估本集團是否合理確定將行使購買、延期或終止行使權利而產生的租賃付款發生變化時，將使用修訂後的折現率對租賃負債進行重新計量。

當剩餘價值保證及因指數或利率變動(浮動利率除外)而產生的實物固定租賃付款額或未來租賃付款額發生變化時，使用原始折現率重新計量租賃負債。倘浮動利率變動導致未來租賃付款有所變動，本集團會使用經修訂的折現率重新計量租賃負債。

(continued)

(continued)

(continued)

The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. If the carrying

(continued)

The charge for current income tax is based on the results for the period as adjusted for items that are non-assessable or disallowed. It

(continued)

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(continued)

主要會計政策 *(續)*

(continued)

關聯方 *(續)*

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

一名人士之近親指於該人士與實體的交易中預期可能會影響該名人士或受該名人士影響之家庭成員，並包括：

(a) that person's children and spouse or domestic partner;

(a) 該名人士之子女及配偶或同居伴侶；

(b) children of that person's spouse or domestic partner; and

(b) 該名人士之配偶或同居伴侶之子女；及

(c) dependants of that person or that person's spouse or domestic partner.

(c) 該名人士或該名人士配偶或同居伴侶之受養人。

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

於關聯方之定義中，聯營公司包括該聯營公司之附屬公司，而合營公司包括該合營公司之附屬公司。

分部報告

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's chief operating decision maker for the purpose of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

綜合財務報表內所呈報經營分部及各分部項目之金額，與定期就本集團各業務線及地域之資源分配及表現評估而向本集團主要運營決策者提供之財務資料一致。

Individual material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

就財務報告而言，個別重大經營分部不會匯集計算，惟擁有類似經濟特徵及在產品及服務性質、生產過程性質、客戶類別或種類、分銷產品或提供服務之方法以及監管環境性質方面類似之分部除外。個別不重大之經營分部倘具備大部分該等特質，亦可以彙集計算。

重大會計估計及判斷

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

估計會被持續評估，並根據過往經驗和其他因素進行評價，包括在有關情況下相信對未來事件的合理預測。

(continued)　主要會計政策(續)

(continued)　重大會計估計及判斷(續)

應收賬款及其他應收款、特許經營權協議及建造合同下的應收款項的減值

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the risk portfolio, customers' liquidity, historical credit losses, past collection history, subsequent settlement and other current and forward-looking information on macro-economic factors affecting the ability of the customers to settle the receivables at the end of each Reporting Period. Details of the key assumptions and inputs used are disclosed in the tables in Note 3 to the consolidated financial statements.

金融資產虧損撥備乃基於有關違約風險及預期虧損率之假設作出。於各報告期末，本集團根據風險組合、客戶的流動性狀況、歷史信貸虧損、過往收款歷史、後續入賬及影響客戶結清應收賬款能力的宏觀經濟因素的其他當前及前瞻性資料，通過判斷作出該等假設及選擇減值計算之輸入數據。所使用的關鍵假設及輸入數據的詳情在合併財務報表附註3的表格中披露。

當期及遞延所得稅

The Group is subject to income taxes in different areas in the PRC. Judgement is required in determining the provision for income taxes in each of these jurisdictions. There are transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

本集團需要在中國不同地區繳納所得稅。於確定各個司法權區的所得稅計提時須作出判斷。在日常業務過程中涉及最終稅額確定的某些交易及計算是不確定的。如果這些事項的最終稅務結果不同於最初記錄的金額，這將影響決定期內所得稅及遞延稅項。

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and taxation charges in the period in which such estimate is changed.

當管理層認為未來很可能有應稅利潤抵扣暫時性差異或稅務虧損，則確認與暫時性差異及稅務虧損相關的遞延稅項資產。當預期結果與原先估計不同時，這種差異將影響遞延稅項資產的確認以及該等估計變動時的期內稅務費用。

(continued)

(continued)

The Group recognises revenue for construction work and service contracts according to the percentage of completion of the individual contract of construction or service work. The Group's management estimates the percentage of completion of construction or service work based on the actual cost incurred over the total budgeted cost, where the corresponding contract revenue is also estimated by management. Because of the nature of the activity undertaken in construction and service contracts, the date at which the activity is entered into and the date when the activity is completed usually fall into different accounting periods. The Group reviews and revises the estimation of both contract revenue and contract costs in the budget prepared for each construction contract and service contract as the contract progresses.

If the Group is paid for the construction and upgrade services (under BOT arrangement) or the cash payments for the rights to charge public users (under TOT arrangement) 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 in accordance with IFRS 15. Significant judgement is exercised in determining the transaction price and the allocation thereof. Discount rates, estimates

(continued) 主要會計政策*(續)*

(continued) 重大會計估計及判斷*(續)*

(continued) ***特許經營權協議****(續)*

Subsequent to initial recognition, the intangible asset is measured at cost, which includes capitalised borrowing costs, less accumulated amortisation and impairment losses. The estimated useful life of an intangible asset in a service concession arrangement is the period from when the Group is able to charge the public for the use of the infrastructure to the end of the concession period.

初始確認後，無形資產按成本計量，包括資本化借款成本減累計攤銷和減值損失。特許經營權協議中無形資產的估計可使用年限是指，自本集團開始向公眾收取基礎設施使用費起至特許期間結束的期間。

The net amounts of the operating concession carried as intangible assets in the consolidated statement of financial position as at 31 December 2020 was approximately RMB319,697,000 (2019: approximately RMB191,340,000), while the receivables under service concession arrangements was approximately RMB2,427,192,000 (2019: approximately RMB1,389,543,000).

於2020年12月31日的合併財務狀況表中列示於無形資產下的特許經營權的淨值約為人民幣319,697,000元(2019年：約人民幣191,340,000元)，而特許經營權協議下的應收款項則約為人民幣2,427,192,000元(2019年：約人民幣1,389,543,000元)。

確認政府補助

During 2020, the Group recognised government grant receivables as income for value-added tax refund of approximately RMB9,297,000 (2019: approximately RMB17,419,000) *(Note 7)*. Management considered there is reasonable assurance that the value-added tax refund can be received pursuant to Notice on Issuing the Catalogue of Preferential Value-added Tax Policies for Products Made through and Labor Services for Integrated Utilisation of Resources issued by the State Administration of Taxation in the PRC, and the grants were continuously received in 2020. When the expectation is different from the original estimate, such differences will impact the timing of recognition of government grants and reflect in the period in which such estimate is changed.

於2020年內，本集團因增值稅退稅確認應收政府補助約人民幣9,297,000元作為收入(2019年：約人民幣17,419,000元)*(附註7)*。根據中國國稅總局發佈的《資源綜合利用產品和勞務增值稅優惠目錄》並鑑於我們在2020年持續獲得補助，管理層認為增值稅退稅有合理的保證。若預期與原先估計不同，有關差異將影響政府補助確認的時間並將反映在該估計變更的當期。

投資物業估值

The Group's investment properties are stated at fair value based on the valuation carried out by an independent professional qualified valuer by using income approach by making reference to comparable market rent as available in the relevant market.

本集團的投資物業乃根據獨立專業合資格人士以收益法進行的估值，參考相關市場中可得的可比較市場租金，按公允價值列賬。

(continued) 主要會計政策(續)

(continued) 重大會計估計及判斷(續)

(continued) *投資物業估值*(續)

In determining the fair value of investment properties, the valuer has based on a method of valuation which involves, inter alia, market rent of comparable properties in close proximity adjusted for differences in key valuation attributes, such as size and age. In relying on the valuation report, management has exercised their judgement and is satisfied that the method of valuation is reflective of the current market conditions at the end of the Reporting Period. Particular of the investment properties of the Group is set out in Note 15 to the consolidated financial statements.

於釐定投資物業的公允價值時，估值師以估值方法為依據，當中涉及(其中包括)鄰近的可資比較物業的銷售價格，並就關鍵估值屬中的差異(如面積及樓齡)作出調整。依賴估值報告時，管理層已運用其判斷力，並信納估值方法能夠反映於報告期末的現時市況。有關本集團投資物業的詳情載於綜合財務報表附註15。

國際財務報告準則之未來變動

At the date of approving these consolidated financial statements, the IASB has issued the following new/revised IFRSs that are not yet effective for the current year, which the Group has not early adopted.

於綜合財務報表獲批准日期，國際會計準則理事會已頒佈下列於本年度尚未生效且本集團並無提前採用之新訂／經修訂國際財務報告準則。

Amendments to IAS 39, IFRSs 4, 7, 9 and 16	*Interest Rate Benchmark Reform – Phase 2*[1]
Amendments to IAS 16	*Proceeds before Intended Use*[2]
Amendments to IAS 37	*Cost of Fulfilling a Contract*[2]
Amendments to IFRS 3	*Reference to the Conceptual Framework*[2]
Annual Improvements to IFRSs	*2018–2020 Cycle*[2]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*[3]
Amendments to IAS 1	*Disclosures of Accounting Policies*[3]
Amendments to IAS 8	*Definition of Accounting Estimates*[3]
IFRS 17	*Insurance Contracts*[3]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]

國際會計準則第39號、國際財務報告準則第4號、第7號、第9號及第16號(修訂本)	*利率基準改革—第2階段*[1]
國際會計準則第16號(修訂本)	*未作擬定用途前之所得款項*[2]
國際會計準則第37號(修訂本)	*履行合約的成本*[2]
國際財務報告準則第3號(修訂本)	*概念框架指引*[2]
國際財務報告準則之年度改進	*2018年 至2020年週期*[2]
國際會計準則第1號(修訂本)	*將負債分類為即期或非即期*[3]
國際會計準則第1號(修訂本)	*披露會計政策*[3]
國際會計準則第8號(修訂本)	*會計估計的定義*[3]
國際財務報告準則第17號	*保險合約*[3]
國際財務報告準則第10號及國際會計準則第28號(修訂本)	*投資者與其聯營公司或合營企業之間的資產出售或出資*[4]

(continued)

(continued)

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 The effective date to be determined

The management of the Group does not anticipate that the adoption of the new/revised IFRSs in future periods will have any material impact mater161 610.3852 Tm54

(continued) 財務風險管理*(續)*

(continued) 財務風險因素*(續)*

(continued) 市場風險*(續)*

(ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings.

Borrowings obtained at variable rates expose the Group to cash flow interest-rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest-rate risk.

The interest rates and terms of repayments of borrowings are disclosed in Note 30 to the consolidated financial statements.

As at 31 December 2020, if the interest rate on floating interest rate borrowings had been higher/lower by 0.5% (2019: 0.5%), the Group's net profit for the year would have changed mainly as a result of higher/lower interest expenses on floating rate borrowings. Details of changes are as follows:

(ii) 現金流量及公允價值利率風險

利率風險是指由於市場利率變化造成的金融工具公允價值或未來現金流量波動的風險。本集團承受因市場利率變化帶來的風險主要在於借款。

浮動利率下的借款使本集團承受現金流量利率風險。按固定利率取得的借款則使本集團承受公允價值利率風險。

利率及借款償還期限在合併財務報表附註30中披露。

於2020年12月31日，如浮動利率借款的利息上升╱下降0.5%(2019年：0.5%)，則本集團該年度的淨利潤將發生變化，主要因為浮動利率借款的利息費用上升╱下降所致。具體變化如下：

			2019
		年	2019年
			RMB'000
		人民幣千元	*人民幣千元*
Net profit (decrease)/increase	淨利潤(減少)╱增加		
– Higher 0.5%	–增加0.5%		(13,768)
– Lower 0.5%	–減少0.5%		13,768

(continued) **財務風險管理***(續)*

(continued)

The carrying amounts of cash and bank balances, restricted , 合併財務狀況表中包含的現金及銀行結餘、
t 制資 、 e 3個月以上的定期存款、應收賬
r , 款 項 e
a d a 應 m u 及以 n
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a s s
c o m
d a
c o
i n f

(continued) 財務風險管理(續)

(continued) 財務風險因素(續)

(continued) 信用風險(續)

(i) Trade receivables (continued) *(i) 貿易應收款項(續)*

On that basis, loss allowance provision for trade receivables amounted to approximately RMB35,312,000 was recognised as at 31 December 2020 (2019: approximately RMB16,294,000). The expected loss rate for trade receivables and the loss allowance provision as at 31 December 2020 and 2019 are illustrated as follows:

按此基準，於2020年12月31日(採納國際財務報告準則第9號)確認貿易應收款項虧損撥備約人民幣35,312,000元(2019年：約人民幣16,294,000元)。於2020年及2019年12月31日，應收款項的預期虧損率及虧損撥備如下：

		長達一年	至 年	至 年	合計
Trade receivables	**貿易應收款項**				
As at 31 December 2020	**於 年 月 日**				
Expected loss rate	預期虧損率				
Gross carrying amount *(RMB'000)*	總賬面值*(人民幣千元)*				
Loss allowance provision *(RMB'000)*	虧損撥備*(人民幣千元)*				
Credit-impaired	信貸損失	否	否	否	

		Up to 1 year 長達一年	1 to 2 years 1至2年	2 to 3 years 2至3年	Total 合計
Trade receivables	**貿易應收款項**				
As at 31 December 2019	於2019年12月31日				
Expected loss rate	預期虧損率	1.25%	3.77%	27.91%	
Gross carrying amount *(RMB'000)*	總賬面值*(人民幣千元)*	935,027	37,300	11,425	983,752
Loss allowance provision *(RMB'000)*	虧損撥備*(人民幣千元)*	(11,698)	(1,407)	(3,189)	(16,294)
		923,329	35,893	8,236	967,458
Credit-impaired	信貸損失	No 否	No 否	No 否	

(continued) 財務風險管理(續)

(continued) 財務風險因素(續)

(continued) 信用風險(續)

(i) Trade receivables (continued)

(i) 貿易應收款項(續)

During the year ended 31 December 2020, the Group recognised loss allowance of approximately RMB15,089,000 (2019: approximately RMB6,640,000) on trade receivables. The movement in the loss allowance for trade receivables is summarised below.

於截至2020年12月31日止年度，本集團就貿易應收款項確認虧損撥備約人民幣15,089,000元(2019年：約人民幣6,640,000元)。貿易應收款項虧損撥備的變動總結如下。

			2019
		年	2019年
			RMB'000
		人民幣千元	*人民幣千元*
At the beginning of the Reporting Period	報告期初		9,654
Increase in allowance	撥備增加		6,640
Increase from acquisition of subsidiaries which are not businesses *(Note 38)*	收購不屬於業務的子公司的增加*(附註38)*		–
At the end of the Reporting Period	報告期末		16,294

(ii) Receivables under service concession arrangements/amounts due from customers for construction contracts/other receivables/financial assets at amortised cost

(ii) 特許經營權協議下的應收款項／應收客戶建造合同款／其他應收款項／或以攤銷成本計量的金融資產

The Group considers the probability of default upon initial recognition of asset and 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.

本集團在資產的初始確認時考慮違約的可能性，也評估在每個資產存續的報告期間信貸風險是否會持續顯著增加。在評估信貸風險是否顯著增加時本集團將報告日時資產發生違約的可能性與初始確認時發生違約的可能性進行比較，同時也考慮可獲得的合理及支持性前瞻資訊。

The Group does not hold any collateral over receivables under service concession arrangements or amounts due from customers for construction contracts as at 31 December 2020 (2019: Nil).

於2020年12月31日，本集團並無就特許經營權協議下的應收款項或應收客戶建造合同款持有任何抵押品(2019年：無)。

The Group uses four categories for these receivables, which reflect their credit risk and how the loss provision is determined for each of those categories.

本集團將該等應收款項分為四類，反映各類別的信用風險及如何釐定虧損撥備。

(continued)　財務風險管理(續)

(continued)　財務風險因素(續)

(continued)　信用風險(續)

(ii) Receivables under service concession arrangements/amounts due from customers for construction contracts/other receivables/financial assets at amortised cost (continued)

(ii) 特許經營權 協議下的應收款項╱應收客戶建造合同款╱其他應收款項╱或以攤銷成本計量的金融資產(續)

A summary of the assumptions underpinning the Group's ECL model is as follows:

本集團預期信貸虧損模式的相關假設概述如下：

類別	本集團對各類的定義	確認預期信貸損失撥備的基準
Performing 正常	Customers have a low risk of default and a strong capacity to meet contractual cash flows 客戶違約風險低，且有能力產生合約現金流量	12 months expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime 12個月預期損失。倘資產的預期存續期少於12個月，預期損失按其預期存續期計量
Underperforming 關注	Receivables for which there is a significant increase in credit risk 信貸風險顯著增加的應收款項	Lifetime expected losses 整個存續期內預期損失
Non-performing 不良	Customers have difficulties in making full payment despite numerous reminders 儘管多次提醒，但客戶仍難以全額付款	Lifetime expected losses 整個存續期內預期損失
Write-off 撇銷	There is no reasonable expectation of recovery 合理預期不能收回	Asset is written off 撇銷資產

(continued) 財務風險管理(續)

(continued) 財務風險因素(續)

(continued) 信用風險(續)

(ii) Receivables under service concession arrangements/amounts due from customers for construction contracts/other receivables/financial assets at amortised cost (continued)

(ii) 特許經營權協議下的應收款項／應收客戶建造合同款／其他應收款項／或以攤銷成本計量的金融資產(續)

During the year ended 31 December 2020, the Group recognised loss allowance of approximately RMB11,582,000 (2019: approximately RMB2,185,000) on the receivables under service concession arrangements, amounts due from customers for construction contracts and other receivables. The movement in the loss allowance for those receivables is summarised below.

於截至2020年12月31日止年度，本集團就特許經營權協議下的應收款項、應收客戶建造合同款、應收客戶建造合同款，及其他應收款項，確認虧損撥備約人民幣11,582,000元(2019年：約人民幣2,185,000元)。該等應收款項虧損撥備的變動總結如下。

		年 人民幣千元	2019 2019年 *RMB'000* *人民幣千元*
At the beginning of the Reporting Period	報告期初		7,908
Increase in allowance	撥備增加		

The Group's objective is to maintain sufficient cash and sources of funding through committed credit facility and maintain flexibility in funding by maintaining committed credit lines. To manage the liquidity risk, management monitors rolling for[illegible]'s liquidi[illegible] reserve (comprising undrawn ba[illegible] cas[illegible] equivalents on the basis of ex[illegible]flows. All the [illegible] are in compliance with releva[illegible]t terms if any and the expected to fund the futu[illegible]ow needs through inter[illegible] generated cash flows from [illegible] and borrowings from finan[illegible] institutions.

(continued)

(continued)

(continued)

The table below analyses the Group's financial liabilities that will be settled on a net basis into relevant maturity grouping based on the remaining period at the reporting date to the contractual maturity date. The wG30disclo13.88 mG30in 8 mG30e8 millractual mat(8)0.5 (mG30undisc505t3.88]TJETEMC /Span <Lang (en-US)/MCID 21546 >BD

(continued) 財務風險管理*(續)*

(continued) 財務風險因素*(續)*

(continued) 流動資金風險*(續)*

The estimated amount of interest payments on borrowings are arrived based on the principal borrowing balance and prevailing interests rates at respective balance sheet dates up to the final maturity date of the borrowing agreements.

上述估計的借款利息付款系依據借款本金餘額及各個資產負債表日至借款協議的最終到期日的同期利率進行計算所得。

資本風險管理

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.

本集團的資本管理政策是保障集團能繼續經營，以為股東提供回報和為其他利益關係者提供利益，同時維持最佳的資本結構以減低資本成本。

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

為了維持或調整資本結構，本集團可能會調整支付予股東的股利數額、向股東退還資本、發行新股或出售資產以減低債務。

Consistent with others in the industry, the Group monitors capital on basis of the gearing ratio. This ratio is calculated as net debts divided by total capital. Net debts are calculated as total borrowings less cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated financial statements plus net debts.

與業內其他公司一樣，本集團利用資產負債比監察其資本。此比率按照債務淨額除以總資本計算。債務淨額為總借款減去現金及現金等價物。總資本為「權益」(如合併財務資料所列)加債務淨額。

The net gearing ratio as at 31 December 2020 and 2019 is as follow:

於2020年及2019年12月31日，淨資產負債比率如下：

	年	2019 2019年

(continued)

The following presents the assets and liabilities measured at fair value or required to disclose their fair value in these financial statements on a recurring basis across the three levels of the fair value hierarchy defined in IFRS 13 Fair Value Measurement, with the fair value measurement categorised in its entirety based on the lowest level input that is significant to the entire measurement. The levels of inputs are defined as follows:

- Level 1 (highest level): quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

(continued) **財務風險管理(續)**

(continued) **公允價值估計**

以公允價值計量的金融(負債)/資產

金融(負債)/資產	於 月 日的公允價值		公允價值等級	估值技術和關鍵輸入值	重要而無法觀察之輸入數據	重要而無法觀察之輸入數據與公允價值之相互關係
	[missing] 年 人民幣千元	2019 2019年 RMB'000 人民幣千元				
1) Cross Currency swap classified as financial (liabilities)/assets at FVPL		46,327	Level 2	Discounted cash flow method	N/A	N/A
1) 交叉貨幣掉期分類為以公允價值計量且其變動計入當期損益的金融(負債)/資產		46,327	第2層	現金流量折現法	不適用	不適用
2) Investment in Single Asset Management Plan classified as financial assets at FVPL		200,000	Level 3	Quoted prices from financial institution	Operating cash flows, interest rate, expected exit timing, specific right or terms associated with investments	Interest rate increases/decreases by 1%, fair value would increases/decreases by RMB2,000,000
2) 單一資產管理計劃投資分類為以公允價值計量且其變動計入當期損益的金融資產		200,000	第3層	金融機構報價	營運現金流量、利率、預期退出時間、與投資相關的特定權利或條款	利率上升/下降1%,公允價值上升/下降人民幣2,000,000元
3) Investment properties		–	Level 3	Income approach	Weighted average of market rent ranging from RMB34.58/s.q.m to RMB39.67/s.q.m.	Market yields increase/decrease 0.5% result in increase/decrease in fair value by approximately RMB26,087,000
3) 投資物業		–	第3層	收益法	加權平均市場租金,介乎每平方米人民幣34.58元至每平方米人民幣39.67元	市場收益率增加/減少0.5%將導致公允價值增加/減少約人民幣26,087,000元

(continued) 財務風險管理*(續)*

(continued) 公允價值估計*(續)*

(continued) *以公允價值計量的金融資產(續)*

During the years ended 31 December 2020 and 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements. The Group's policy is to recognise transfers between levels as at the end of the Reporting Period.

截至2020年及2019年12月31日止年度，第1層與第2層公允價值計量之間並無轉移，亦無轉入第3層公允價值計量及自第3層公允價值計量轉出。本集團之政策是於報告期末確認層級之間之轉移。

Movements in Level 3 fair value measurements *第3層公允價值計量之變動*

(a) FVPL (a) 按公允價值計入損益

		年 人民幣千元	2019 2019年 *RMB'000* *人民幣千元*
At the beginning of the Reporting Period	於報告期初		–
Additions	購買		200,000
Disposal	贖回		–
At the end of the Reporting Period	於報告期末		200,000

Description of valuation techniques and inputs used in Level 3 fair value measurement *第3層公允價值計量所用之估值技術及輸入值之闡述*

The investment in Single Asset Management Plan mainly comprises investment in certain accounts receivables and other non-standardised credit assets (the " "). The fair value of the Investment is estimated based on the net asset value of the Investment reported to the investors by the investment manager as at the end of the Reporting Period.

單一資產管理計劃的投資主要包括對某些應收賬款和其他非標準化信貸資產的投資(「**投資**」)。投資的公允價值是根據投資經理在報告期末向投資者報告的投資資產淨值估算的。

(continued) 財務風險管理(續)

(continued) 公允價值估計(續)

(continued) 以公允價值計量的金融資產(續)

Description of valuation techniques and inputs used in Level 3 fair value measurement

第3層公允價值計量所用之估值技術及輸入值之闡述

(b) Investment properties

(b) 投資物業

			2019
		年	2019年
			RMB'000
		人民幣千元	*人民幣千元*
At the beginning of the Reporting Period	於報告期初		–
Transfer from right-of-use assets and construction in progress	自使用權資產及在建工程轉入		–
Change in fair value	公允價值變動		–

Description of valuation techniques and inputs used in Level 3 fair value measurement

The valuation of investment properties, which conforms to the International Valuation Standards, was conducted using income approach by making reference to comparable market rent as available in the relevant market. Market rent of comparable properties in close proximity adjusted for differences in key valuation attributes, such as size, was used to value the properties. The most significant input into this valuation approach is market rent per square meter.

(continued) 財務風險管理*(續)*

(continued) 公允價值估計*(續)*

(continued) *以公允價值計量的金融資產(續)*

Fair values of financial assets and liabilities carried at other than fair value

非以公允價值計量的金融資產和負債的公允價值

In the opinion of the directors, no other financial assets of the Group are carried at amount materially different from their fair values as at 31 December 2020.

董事認為，本集團其他金融資產的賬面值與其於2020年12月31日的公允價值沒有重大差異。

按攤銷成本計量的金融資產和負債的公允價值

The fair values of the following financial assets and liabilities approximate their carrying amounts:

- Trade and other receivables (except for prepayments);
- Receivables under service concession arrangements;
- Amounts due from customers for construction contracts;
- Financial assets at amortised cost;
- Cash and bank balances;
- Restricted funds;
- Term deposits with initial term of over three months;
- Trade and other payables (except for advance from customers, staff salaries and welfare payables and accrued taxes other than income tax);
- Borrowings; and
- Lease liabilties.

以下金融資產和負債的公允價值近似於其賬面值：

- 應收賬款及其他應收款(預付款除外)；
- 特許經營權協議下的應收款項；
- 應收客戶建築合同款項；
- 以攤銷成本計量的金融資產；
- 現金及銀行結餘：
- 受限制資金；
- 原期限為3個月以上的定期存款；
- 應付賬款及其他應付款(預收款項、應付職工工資和福利以及除所得稅外的應計稅款除外)；
- 借款；及
- 租賃負債。

分部信息(續)

分部信息

截至2020年12月31日止年度的分部收入和業績(即營業利潤)及其他資料如下：

		污水處理	水供給	其他	合計
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue from external customers	外部客戶收入				
Segment gross profit	分部毛利				
Segment profit	分部利潤				
Fair value loss on financial					

(continued) **分部信息(續)**

(continued) **分部信息(續)**

截至2020年12月31日的分部資產和負債如下：

		污水處理	水供給	其他	合計
		人民幣千元	*人民幣千元*	*人民幣千元*	*人民幣千元*
	分部資產				
	未分配的：				
Deferred tax assets	遞延稅項資產				
Investments in associates	聯營投資				
	資產總額				
	分部負債				
	未分配的：				
Deferred tax liabilities	遞延稅項負債				
Tax payables	應付稅項				
	負債總額				

(continued) 分部信息*(續)*

(continued) 分部信息*(續)*

Segment revenue and result (i.e. the operating profit) and other information for the year ended 31 December 2019 are presented as below:

截至2019年12月31日止年度的分部收入及業績(即營業利潤)及其他資料如下：

		Wastewater treatment 污水處理 *RMB'000* *人民幣千元*	Water supply 水供給 *RMB'000* *人民幣千元*	Others 其他 *RMB'000* *人民幣千元*	Total 合計 *RMB'000* *人民幣千元*
Revenue from external customers	外部客戶收入	1,213,810	304,857	314,875	1,833,542
Segment gross profit	分部毛利	514,145	57,622	66,157	637,924
Segment profit	分部利潤	445,753	31,526	46,086	523,365
Fair value gain on financial assets at FVPL	以公允價值計入損益的金融資產的公允價值收益				46,327
Finance income	財務收入				61,408
Finance costs	財務成本				(192,709)
Share of results of associates	聯營公司經營成果份額				(241)
Profit before tax	稅前利潤				438,150
	其他信息				
Depreciation of property, plant and equipment	不動產、工廠及設備的折舊	188,247	5,716	19,839	213,802
Depreciation of right-of-use assets	使用權資產折舊	10,090	–	3,834	13,924
Amortisation of intangible assets	無形資產攤銷	8,787	2,482	438	11,707
Write-off of intangible assets	無形資產撇銷	9,458	–	–	9,458
Capital expenditures	資本開支	205,189	34,040	25,479	264,708

(continued) **分部信息***(續)*

(continued) **分部信息***(續)*

Segment assets and liabilities as at 31 December 2019 are presented below:

截至2019年12月31日的分部資產和負債如下：

		Wastewater treatment 污水處理 *RMB'000* *人民幣千元*	Water supply 水供給 *RMB'000* *人民幣千元*	Others 其他 *RMB'000* *人民幣千元*	Total 合計 *RMB'000* *人民幣千元*
	分部資產	6,760,731	743,269	2,004,432	9,508,432
	未分配的：				
Deferred tax assets	遞延稅項資產				52,990
Investments in associates	聯營投資				14,833
	資產總額				9,576,255
	分部負債	3,879,507	385,147	1,067,434	5,332,088
	未分配的：				
Deferred tax liabilities	遞延稅項負債				74,473
Tax payables	應付稅項				75,273
	負債總額				5,481,834

地理信息

The Group's operations are principally located in the PRC, hence, geographical segment information is not considered necessary.

本集團的業務主要位於中國。因此，不需要地理區域信息。

其他(開支)╱收益淨額

		年 人民幣千元	2019 2019年 *RMB'000* 人民幣千元
Government grants:	政府補助：		33,595
– relating to property plant and equipment *(Note 31)*	一與		

Note: Pursuant to Notice on Issuing the Catalogue of Preferential Value-added Tax (" ") Policies for Products Made through and Labor Services for Integrated Utilisation of Resources issued by the State Administration of Taxation in the PRC, companies which sell self-produced products made with integrated utilised resources or provides labor services for integrated utilisation of resources can enjoy the policy of value-added tax refund upon collection from 1 July 2015. The wastewater treatment business and the reclaimed water supply business of the Group which fall into the catalogue are qualified to enjoy 70% and 50% (2019: 70% and 50%) VAT refund, respectively.

其他虧損

		年	2019 2019年
		人民幣千元	*RMB'000* *人民幣千元*
Loss on disposal of property, plant and equipment – net	處置不動產、工廠及設備的虧損－淨額		577
Donation	捐贈		33
Penalty expenses *(Note a)*	罰款支出*(附註a)*		–
Penalty expenses – compensation for breach of contract *(Note b)*	罰款支出－違反合同的賠償*(附註b)*		–
Others	其他		364
			974

Notes:

(a) Included in the penalty expenses is a claim of approximately RMB2,388,000 payable to Leshan Tenghong Construction Engineering Co., Ltd. (樂山騰宏建築工程有限公司) under the ((2020)川11民終488號) on 23 July 2020.

(b) Included in the penalty expenses – compensation for breach of contract is a penalty of approximately RMB4,236,000 payable to Leshan Tenghong Construction Engineering Co., Ltd. (樂山騰宏建築工程有限公司) under the ((2020)川11民終489號) on 24 July 2020.

附註：

(a) 罰款支出為根據2020年7月23日((2020)川11民終488號)的判決結果，應支付給施工公司樂山騰宏建築工程有限公司約人民幣2,388,000元的索償。

(b) 罰款支出－違反合同的賠償為根據2020年7月24日((2020)川11民終489號)的判決結果，應支付施工公司樂山騰宏建築工程有限公司約人民幣4,236,000元的罰款。

財務成本－淨額

		年 人民幣千元	2019 2019年 *RMB'000* *人民幣千元*
	財務收入：		
– Interest income from term deposits	－定期存款的利息收入		361
– Interest income charged to related parties *(Note 37(b)(iv))*	－向關聯方收取的利息收入 *(附註37(b)(iv))*		61,047
			61,408
	財務成本：		
– Total interest expenses on borrowings	－借款利息總支出		(158,292)
– Interest expenses on unsecured borrowings	－未擔保借款利息支出		(40,609)
– Interest expenses on corporate bonds	－公司債券利息支出		(31,015)
– Interest expenses on secured borrowings	－擔保借款利息支出		(86,668)
– Less: borrowing costs capitalised in property, plant and equipment *(Note (17)(d))*	－減：資本化計入不動產、		

稅前利潤

稅

(continued) 稅前利潤*(續)*

Notes: (continued)

(b) Employees of the Group i n the PRC are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance %5b6. The Group contributes on a monthly basis to these funds based on approximately 6.3% to 23.6% of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each period.

附註：(續)

(b) 本集團在中國的職工加入政府規定的住房公積金、醫療保險和其他社會保險計劃。本集團每月按職工薪金的6.3%至23.6%左右向該等基金供款(不超過一定上限)。就該等公積金而言，本集團的責任只限於在每一期間作出供款。

所得稅費用

		年 *人民幣千元*	2019 2019年 *RMB'000* *人民幣千元*
Current tax	當期稅項		57,139
Under provision in prior years	以往年度撥備不足		2,629
			59,768
Deferred tax *(Note 22)*	遞延稅項*(附註22)*		8,304
Income tax expenses	所得稅費用		68,072

In March 2018, the two-tiered profits tax rates regime was signed into law of Hong Kong, under which, the first HK$2,000,000 of profits of qualifying corporations will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5%. The profits of corporations incorporated in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

於2018年3月，香港法例引入兩級利得稅率制度，據此，合資格公司之首2,000,000港元溢利將以8.25%之稅率徵稅，而超過2,000,000港元之溢利將以16.5%之稅率徵稅。不符合兩級稅率制度的在香港註冊成立的實體溢利將持續按16.5%之統一稅率徵稅。

(continued) **所得稅費用***(續)*

稅項之對賬

		年 人民幣千元	2019 2019年 *RMB'000* *人民幣千元*
Profit before tax	稅前利潤		438,150
Income tax at applicable tax rate	按適用稅率計算的所得稅		109,538
Non-deductible expenses *(Note)*	不可扣除的費用*(附註)*		249
Preferential tax rates of the Company and certain subsidiaries	本公司及部分子公司的優惠稅率		(39,566)
Additional deduction allowance for research and development expenses	研發費用的額外扣除撥備		(615)
Tax exempt revenue	稅項豁免收入		(4,836)
Under provision in prior years	往年度撥備不足		2,629
Share of results of associates	聯營公司經營成果份額		36
Others	其他		637
Income tax expenses	所得稅費用		68,072

Note: Non-deductible expenses primarily include expenses without valid invoices, welfare and entertainment expenses exceeding the tax deduction limits under the CIT Law.

附註： 不可扣除的費用主要包括無有效發票的費用、根據企業所得稅法超出稅收減免限額的福利及招待費。

董事及僱員酬金

董事及最高行政人員酬金

Directors and chief executives' emoluments for the years ended 31 December 2020 and 2019 are set out as follows:

截至2020年及2019年12月31日止年度董事及最高行政人員薪酬載列如下：

		袍金	工資	僱主向福利計劃供款	其他	合計
		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
	截至 年 月 日止年度					
Executive directors	*執行董事*					
Ms. Guo Yumei (郭玉梅)	郭玉梅女士					
Mr. Chen Changyong (陳昌勇) *(Note (a)(iii))*	陳昌勇先生*(附註(a)(iii))*					
Mr. Luo Yun (羅雲)	羅雲先生					
Non-executive directors	*非執行董事*					
Ms. Song Hong (宋紅)	宋紅女士					
Ms. Zhao Zhu (趙竹) *(Note (a)(i))*	趙竹女士*(附註(a)(i))*					
Ms. Ren Na (任娜) *(Note (a)(v))*	任娜女士*(附註(a)(v))*					
Ms. Yu Yan Bo (余燕波) *(Note (a)(iv))*	余燕波女士*(附註(a)(iv))*					
Independent non-executive directors	*獨立非執行董事*					
Mr. Yin Xiaobing (尹曉冰)	尹曉冰先生					
Mr. He Xifeng (何錫鋒)	何錫鋒先生					
Mr. Sin Lik Man (冼力文) *(Note (a)(ii))*	冼力文先生*(附註(a)(ii))*					
Mr. Johnson Wan (雲浚淳) *(Note (a)(vi))*	雲浚淳先生*(附註(a)(vi))*					
Supervisors	*監事*					
Mr. Na Zhiqiang (那志強)	那志強先生					
Mr. Yao Jianhua (姚建華)	姚建華先生					
Mr. Shao Wei (邵偉)	邵偉先生					

Note: The remuneration in the above table is pre-tax remuneration. Wages include wages, bonuses and allowances, and employee benefits paid by the employer; contributions to benefit plans include basic pension insurance and enterprise annuities paid by the employer; others include housing contributions, medical insurance and other social insurance paid by the employer.

董事及僱員酬金*(續)*

(continued)

(continued)　董事及最高行政人員酬金*(續)*

		Fees 袍金 *RMB'000* *人民幣千元*	Salaries 工資 *RMB'000* *人民幣千元*	Employer's contribution to benefit scheme 僱主向福利計劃供款 *RMB'000* *人民幣千元*	Others 其他 *RMB'000* *人民幣千元*	Total 合計 *RMB'000* *人民幣千元*
Year ended 31 December 2019	截至2019年12月31日止年度					
Executive directors	*執行董事*					
Ms. Guo Yumei (郭玉梅)	郭玉梅女士	–	645	53	47	745
Mr. Luo Yun (羅雲)	羅雲先生	–	563	58	47	668
Non-executive directors	*非執行董事*					
Ms. Song Hong (宋紅)	宋紅女士	–	–	–	–	–
Ms. Ma Ce (馬策)	馬策女士	–	–	–	–	–
Ms. Zhao Zhu (趙竹)	趙竹女士	–	–	–	–	–
Independent non-executive directors	*獨立非執行董事*					
Mr. Yin Xiaobing (尹曉冰)	尹曉冰先生	[illegible]	150	[illegible]	[illegible]	[illegible] 150 [illegible]
Mr. He Xifeng (						

(continued)

投資物業*(續)*

During the year ended 31 December 2020, the Group's investment properties under construction in the Kunming No. 2 Water Purification Plant were completed and leased out under relevant leases, and were transferred from right-of-use assets and property, plant and equipment to investment properties for accounting purposes, with a construction cost of approximately RMB204,586,000. At the end of the Reporting Period, based on the valuation made by Beijing Yachao Asset Appraisal Co.,Ltd. (北京亞超資產評估有限公司) (" "), an independent professional qualified valuer, the fair value of the entire buildings No. 1, No. 2 and No. 3 (including the basement) of the Kunming No. 2 Water Purification Plant leased out was approximately RMB249,413,000, and the difference between the fair value and the carrying amount of approximately RMB44,827,000 was recognised in profit or loss;

於截至2020年12月31日止年度，本集團位於昆明市第二水質淨化廠的投資性房地產在建項目完工，並簽訂相關租約出租，自使用權資產及不動產、工廠和設備轉至投資性房地產核算，建造成本約為人民幣204,586,000元。於報告期末，根據獨立專業合資格評估機構北京亞超資產評估有限公司(「**北京亞超**」)作出的評估，第二水質淨化廠出租的1號、2號、3號建築物整棟(含地下室)的公允價值約為人民幣249,413,000元，公允價值與賬面價值之差約為人民幣44,827,000元已於損益確認；

The Group leased out the self-occupied management buildings in the Kunming No.3 Water Purification Plant and transferred such buildings from property, plant and equipment to investment properties for accounting purpose, with the carrying amount of approximately RMB2,204,000. At the end of the Reporting Period, based on the valuation made by Beijing Yachao, the fair value of the six management buildings of the Kunming No.3 Water Purification Plant was approximately RMB11,863,000, and the difference between the fair value and the carrying amount of approximately RMB9,659,000 was recognised in other comprehensive income; and

本集團將否犍Ｖ獨쌍步▼尢攡丈鼍竣[illegible]

Liuyang Water and Hongyu Thermal Power, subsidiaries of the Group, leased out the land use rights for two pieces self-occupied lands located at the Paper Making Industry Base in Dayao Town, Liuyang City and transferred the land use rights to investment properties for accounting purpose, with a carrying amount of approximately RMB10,993,000. At the end of the Reporting Period, based on the valuation made by Beijing Yachao, an independent professional qualified valuer, the fair value of the land use rights for two pieces of lands located at the Paper Making Industry Base in Dayao Town, Liuyang City was approximately RMB12,479,000, and the difference between the fair value and the carrying amount of the lands of approximately RMB1,486,000 was recognised in other comprehensive income.

(continued)

At the end of the Reporting Period, the fair value of the investment properties located in the PRC was approximately RMB273,755,000 (2019: Nil). They were revalued by Beijing Yachao, independent professional qualified valuer, with appropriate qualification and recent experience in the valuation of similar properties in the relevant location.

The Group's entire properties interests were held under leases to earn rentals income or for capital appreciation which were measured using fair value model and were classified and accounted for as investment properties.

The investment properties are leased to tenants on a noncancellable

不動產、工廠及設備

		樓宇及設施	機器及設備	辦公設備及電子設備	車輛	在建工程	合計
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		人民幣千元	*人民幣千元*	*人民幣千元*	*人民幣千元*	*人民幣千元*	*人民幣千元*
	截至 年 月 日止年度						
At the beginning of the Reporting Period	報告期初	1,754,737	632,622	48,048	15,108	603,089	3,053,604
Additions	增加	8,971	20,085	3,597	1,118	185,929	219,700
Transfer	轉入	105,446	1,060	384	–	(106,890)	–
Disposals	處置	(571)	–	–	(31)	–	(602)
Depreciation	折舊	(99,430)	(103,634)	(7,386)	(3,352)	–	(213,802)
At the end of the Reporting Period	報告期末	1,769,153	550,133	44,643	12,843	682,128	3,058,900

(continued)

Notes:

(a) The net book value of property, plant and equipment pledged as collateral for the Group's borrowings *(Note 30)* as at the end of the Reporting Period were as follows:

(b) Depreciation of property, plant and equipment has been charged to the consolidated statement of profit or loss and other comprehensive income as follows:

(c) As at 31 December 2020, the Group is still in the process of applying for the building ownership certificates of certain of its buildings and the aggregated carrying amounts of these buildings amounted to approximately RMB24,625,000 (2019:

(continued)

特許經營權協議下的應收款項*(續)*

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.

就本集團的特許經營權協議而言，金融資產部分(特許經營權協議下的應收款項)的匯總信息如下。

			2019 2019年 *RMB'000* 人民幣千元
		年 ***人民幣千元***	
	特許經營權協議下的應收款項		
Current portion:	流動部分：		
Receivables under service concession arrangements	特許經營權協議下的應收款項		7,550
Loss allowance	虧損撥備		(2)
			7,548
Non-current portion:	非流動部分：		
Receivables under service concession arrangements	特許經營權協議下的應收款項		1,382,480
Loss allowance	虧損撥備		(485)
			1,381,995
			1,389,543

In respect of the Group's receivables under service concession arrangements, the Group has different credit policies, depending on the locations in which they operate. Collection of receivables under service concession arrangements are closely monitored in order to minimise any credit risk associated with the receivables.

就本集團的特許經營權協議下的應收款項而言，本集團有不同的信用政策，取決於經營的地點。密切監察特許經營權協議下的應收款項的收取，以盡量減小與該應收款項有關的任何信用風險。

The receivables under service arrangements were billable receivables. They were mainly due from governmental authorities in the PRC, as grantors in respect of the Group's service concession arrangements.

服務協議下的應收款項為已開具發票的應收款項。該款項主要為就本集團的特許經營權協議而言，應收作為授予方的中國政府部門的款項。

無形資產

	計算機軟件	特許經營權	開發成本	合計
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	人民幣千元	*人民幣千元*	*人民幣千元*	*人民幣千元*
截至 年 月 日止年度				

(continued) **無形資產***(續)*

As at 31 December 2020, the Hongze Wastewater Treatment Plant included in the finite useful life has a remaining amortisation period of 240 months (2019: Nil) with a carrying value of approximately RMB41,145,000 (2019: Nil); as at 31 December 2020, the Yiliang Second Wastewater Treatment Plant included in the finite useful life has a remaining amortisation period of 332 months (2019: 344 months) with a carrying value of approximately RMB16,148,000 (2019: approximately RMB16,732,000); as at 31 December 2020, the Qujing Running Water Plants No. 1 and No. 2 included in the finite useful life have a remaining amortisation period of 295 months (2019: 307 months) with a carrying value of approximately RMB13,164,000 (2019: approximately RMB13,700,000).

於2020年12月31日，包括在有限可使用年期內的洪澤污水處理廠的剩餘攤銷期為240個月(2019年：無)，賬面值約為人民幣41,145,000元(2019年：無)；於2020年12月31日，包括有限可使用年期內的宜良第二污水處理廠的剩餘攤銷期為332個月(2019年：344個月)，賬面值約為人民幣16,148,000元(2019年：約為人民幣16,732,000元)；於2020年12月31日，包括在有限可使用年期內的曲靖自來水一廠二廠的剩餘攤銷期為295個月(2019年：307個月)，賬面值約為人民幣13,164,000元(2019年：約為人民幣13,700,000元)。

Amortisation of intangible assets has been charged to the consolidated statement of profit or loss and other comprehensive income as follows:

無形資產攤銷於合併損益及其他全面收益表中支銷如下：

			2019
		年	2019年
			RMB'000
		人民幣千元	*人民幣千元*
Cost of sales	銷售成本		10,679
Administrative expenses	行政費用		1,028
			11,707

(continued)

聯營投資*(續)*

聯營公司之財務資料*(續)*

本集團的聯營投資以及歸屬於本集團的部分關鍵財務資料如下：

遞延稅項資產和負債*(續)*

在截至2020年12月31日止年度期間的遞延稅項資產和負債(沒有考慮結餘可在同一徵稅區內抵銷)的變動如下：

		(Note a)		*(Note b)*				
	遞延稅項資產	結轉的稅務虧損 *(附註a)*	政府補助	重估結果產生的折舊和攤銷差異 *(附註b)*	減值	未變現外匯虧損	以公允價值計量且其變動計入當期損益的金融負債的公允價值變動	合計
		RMB'000 *人民幣千元*	*RMB'000* *人民幣千元*	*RMB'000* *人民幣千元*	*RMB'000* *人民幣千元*	*RMB'000* *人民幣千元*	*RMB'000* *人民幣千元*	*RMB'000* *人民幣千元*
	於 年 月 日	3,674	35,556	5,497	3,360	2,774	–	50,861
Recognised in profit or loss	於損益中確認	(51)	4,114	(414)	1,254	(2,774)	–	2,129

遞延稅項資產和負債(續)

(continued)

(b) Certain wastewater treatment facilities and land use rights were recorded at the carrying amounts from KDI's perspective in the consolidated financial statements, which are different from tax bases of these assets. The deferred income tax assets arising from such differences were initially recognised as a credit to reserve.

(b) 在合併財務報表中從昆明滇池投資的角度按賬面價值將污水處理設施和土地使用權入賬，與該等資產的稅基存在差異。該等差異產生的遞延所得稅資產在初始確認時計入其他儲備的貸方。

	遞延稅項負債	收購子公司產生的公允價值調整 *RMB'000* *人民幣千元*	特許經營權應收款產生的差異 *RMB'000* *人民幣千元*	以公允價值計量且其變動計入當期損益的金融資產的公允價值變動 *RMB'000* *人民幣千元*	投資物業公允價值變動 *RMB'000* *人民幣千元*	其他 *RMB'000* *人民幣千元*	合計 *RMB'000* *人民幣千元*
	於 年 月 日	52,233	11,747	–	–	60	64,040
Recognised in profit or loss	於損益中確認	(2,299)	5,843	6,949	–	(60)	10,433
	於 年 月 日	49,934	17,590	6,949	–	–	74,473
	於 年 月 日	49,934	17,590	6,949	–	–	74,473
Recognised in profit or loss *(Note 11)*	於損益中確認 *(附註11)*	(1,966)	9,964	(6,949)	6,724	–	7,773
	於 年 月 日						

存貨

以公允價值計量且變動計入損益的金融(負債)／資產*(續)*

(a) 衍生工具的到期日為2021年3月26日、2021年9月27日及2022年3月28日。本集團訂立該等衍生工具的目的是減輕銀行借貸170,000,000美元及1,015,000,000港元所產生的貨幣風險，主要是為在中國註冊成立的子公司運營提供資金。該等衍生工具不具備套期會計的資格，其相應的公允價值變動已在損益中確認。於年內，交叉貨幣掉期的公允價值變動虧損(2019年：收益)合共約人民幣130,940,000元(2019年：約人民幣46,327,000元)已於損益確認。

公允價值

Note: On 11 September 2020, the Company (as the asset entrustor) entered into the Mutual Trust No. 4 Asset Management Agreement with Bosera Capital Management Co., Ltd. (as the asset manager) and China Merchants Bank (as the asset entrustee) in relation to the investment and management of the entrusted assets. Pursuant to the Mutual Trust No. <d3EA42 Tm[(N661 opted assets./d)/MCID 27327 >BDC BT0.028 T21 i86 Tw 1PTE9rGS1 gs/Tan ember ang (zh-TW)/MCID 27333 >BDC BT0.043 Tc

應收賬款及其他應收款

(continued)

應收賬款及其他應收款*(續)*

As at 31 December 2020, the fair values of the current portion of trade and other receivables of the Group, except for the prepayments which are not financial assets, approximated their carrying amounts.

於2020年12月31日，除不屬於金融資產的預付款外，本集團一年內到期的應收賬款及其他應收款的公允價值，均與其賬面價值相近。

As at 31 December 2020, the carrying amounts of trade and other receivables are principally denominated in RMB. The trade receivables are due for payment upon presentation of invoices.

於2020年12月31日，應收賬款及其他應收款的賬面價值主要以人民幣為單位。應收賬款應在發出發票時支付。

The Group applies the simplified approach to provide for ECL prescribed by IFRS 9, which permits the use of the life time expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information. As at 31 December 2020, a provision of approximately RMB35,312,000 (2019: approximately RMB16,294,000) was made against the gross amounts to trade receivables.

本集團應用國際財務報告準則第9號所規定容許使用壽命期預期虧損撥備的簡化方法對所有貿易應收款項為預期信貸虧損計提撥備。為計量預期信貸虧損，貿易應收款項已根據共享信貸風險特徵及過期天數進行分組。預期信貸損失還包括前瞻性資訊。於2020年12月31日，就貿易應收款項總額作出撥備約人民幣35,312,000元(2019年：約人民幣16,294,000元)。

To measure the ECL, other receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information. As at 31 December 2020, a provision of approximately RMB5,533,000 (2019: approximately RMB3,472,000) was made against the gross amounts to other receivables.

為計量預期信貸虧損，其他應收款項已根據共享信貸風險特徵及過期天數進行分組。預期信貸損失還包括前瞻性資訊。於2020年12月31日，就其他應收款項總額作出撥備約人民幣5,533,000元(2019年：約人民幣3,472,000元)。

(continued)

Notes:

(a) Ageing analysis of gross trade receivables at the end of the Reporting Period, based on the invoice dates, is as follows:

The Group does not hold any collateral as security over these debtors.

(b) The Company entered into the entrusted loan contracts with Kunming Xindu Investment Co., Ltd. (昆明新都投資有限公司, " "), Kunming Bus Group Co., Ltd. (昆明公交集團有限責任公司, " "), and Kunming Development Investment Group Co., Ltd. (昆明發展投資集團有限公司, "

現金及現金等價物

		Notes 附註	年 人民幣千元	2019 2019年 *RMB'000* *人民幣千元*
Cash and bank balances	現金及銀行結餘	*(a)*		1,290,199
Restricted funds	受限制資金	*(b)*		67,966

(a) Cash and cash equivalents are denominated in

(a) 現金及現金等價物以如下貨幣計值：

		年 人民幣千元	2019 2019年 *RMB'000* *人民幣千元*
RMB	人民幣		552,856
HKD	港元		714,487
USD	美元		22,856
			1,290,199

All cash at bank are deposits with original maturity within 3 months. The Group earns interest on cash at bank at floating bank deposit rates ranged from 0.30% to 1.92% during the year ended 31 December 2020 (2019: 0.30% to 1.92%).

所有銀行存款原定到期日都在3個月以下。在截至2020年12月31日止年度期間，本集團按0.30%至1.92%之間的浮動銀行存款利率獲取存款收益(2019年：0.30%至1.92%)。

(b) As at 31 December 2020 and 2019, the restricted funds mainly comprised of guarantee deposits for construction projects.

(b) 於2020年及2019年12月31日，受限制資金主要包括建設項目的保證金。

應付賬款及其他應付款／合同負債

應付賬款及其他應付款／合同負債

(continued) *(續)*

Notes:

(a) As at 31 December 2020, all trade and other payables of the Group were not required to pay interests, and their fair values, except for the advance from customers, staff salaries and welfare payables and accrued taxes other than income tax which are not financial liabilities, approximated their carrying amounts due to their short maturities. The trade payables are normally granted with credit terms ranging from 30 to 90 days.

(b) As at 31 December 2020, the Group's trade and other payables are principally denominated in RMB.

(c) Ageing analysis of trade payables to third parties by invoice date at the end of the Reporting Period is as follow:

			2019
		年	2019年
			RMB'000
		人民幣千元	*人民幣千元*
– Within one year	– 1年以內		137,309
– Over one year and within two years	– 1至2年		13,662
– Over two years	– 超過2年		–
			150,971

(d) The movements (excluding those arising from increases and decreases both occurred within the same year) of receipt in advance from contracts with customer within IFRS 15 during each of the Reporting Period are as follows:

			2019
		年	2019年
			RMB'000
		人民幣千元	*人民幣千元*
At the beginning of the Reporting Period	於報告期初		11,737
Recognised as revenue	確認為收益		(11,737)
Receipt of advances or recognition of receivables *(Note)*	預收款項或確認應收款項*(附註)*		7,238
At the end of the Reporting Period	於報告期末		7,238

Note:

The amounts represented the receipts in advance from local government and third parties for wastewater treatment and BOT project under construction.

Included in the amount of transaction price allocated to the remaining performance obligations that are unsatisfied (or partially unsatisfied) at 31 December 2020 is approximately RMB45,493,000 (2019: approximately RMB7,238,000), which is expected to be recognised as revenue within 1 year.

附註：

(a) 於2020年12月31日，本集團所有應付賬款及其他應付款均無需支付利息。並且，除不屬金融負債的預收款項、應付職工工資和福利及除所得稅外的應計稅款外，應付賬款及其他應付款系因短期內到期，其公允價值與其賬面價值相近。應付賬款一般授出的信貸期為30至90天。

(b) 於2020年12月31日，本集團的應付賬款及其他應付款主要以人民幣為單位。

(c) 於報告期末，根據銷售發票的應付第三方賬款賬齡分析如下：

(d) 於各報告期內在國際財務報告準則第15號範圍內的預收客戶合同款的變動情況(不包括於同年內增減所產生者)如下：

附註：

有關款項為就在建污水處理及BOT項目從地方政府及第三方收取的預收款項。

於分配至於2020年12月31日未履行(或部分未履行)餘下履約責任的交易價格金額中，約人民幣45,493,000元(2019年：約人民幣7,238,000元)預計將於一年內確認為收益。

租賃

			2019
		年	2019年
			RMB'000
		人民幣千元	*人民幣千元*
(Note 16)	**使用權資產***(附註16)*		
Leased properties	租賃物業		5,147
Land use rights	土地使用權		459,035
			464,182

The total rental payment for leases for the year ended 31 December 2020 were approximately RMB3,989,000.

(continued)

Notes:

(a) All the borrowings were denominated in RMB, HKD or USD.

(b) As at 31 December 2020 and 2019, analysis of the secured borrowings are as follows:

(c) As approved by the National Development and Reform Commission on 25 November 2015, the Company issued corporate bonds of RMB700,000,000 for a term of 7 years, bearing interest at 4.35% per annum. At the end of the fifth year, the Company can adjust the interest rate within a range of 0.00% to 3.00% for the remaining 2-year period, and the investors have an option to request early redemption at par value of the outstanding corporate bond.

In 2020, the Company has repurchased corporate bonds with a nominal value of RMB660,000,000, and reduced the coupon rate of the bonds to 4.15%, which will remain unchanged in the sixth and seventh years of lifetime (from 25 December 2020 to 24 December 2022).

(d) The maturities of borrowings are as follows:

借款*(續)*

附註：

(a) 所有借款均以人民幣、港元或美元計值。

(b) 於2020年及2019年12月31日，有擔保的借款分析如下：

(continued) 借款*(續)*

Notes: (continued) *附註：(續)*

(e) The weighted average effective interest rates for borrowings at the end of the Reporting Period are as follows:

(e) 於報告期末，借款的加權平均實際利率如下：

		年	2019 2019年
Weighted average effective interest rates	加權平均實際利率		4.83%

Interest rates of borrowings denominated in RMB are reset periodically according to the benchmark rates announced by the People's Bank of China.

人民幣借款的利率按中國人民銀行公佈的基準利率定期調整。

The Group's borrowings bear interest at floating rates, except bank loans in an aggregate principal amount of approximately RMB1,822,832,000 (2019: approximately RMB1,812,864,000) bearing interest at fixed rates ranging from 3.27% to 6.00% (2019: ranging from 4.13% to 6.00%) per annum.

本集團的借款以浮動利率計息，惟本金總額約為人民幣1,822,832,000元(2019年：約人民幣1,812,864,000元)的銀行貸款按固定利率計息，介乎每年3.27%至6.00%(2019年：介乎每年4.13%至6.00%)。

(f) The fair values of current borrowings equal their carrying amount as the discounting impact is not significant. The fair values of non-current borrowings are estimated based on discounted cash flow using the prevailing market interest rates available to the Group for financial instruments with substantially the same terms and characteristics. The fair values of non-current borrowings approximated to their carrying amount.

(f) 由於折現的影響不重大，因此流動借款的公允價值與其賬面價值相等。非流動借款的公允價值按照折現的現金流量，並使用與借款的條款和特點大體相同的金融工具在現行市場的利率進行估計。非流動借款的公允價值與其賬面價值相近。

(g) The Group had the following undrawn borrowing facilities:

(g) 本集團有下列未動用的銀行借貸額度：

		年 *人民幣千元*	2019 2019年 *RMB'000* *人民幣千元*
RMB facilities	人民幣額度		1,225,000

遞延收益

Deferred revenue of the Group included government grants in respect of the Group's or the Company's construction of various facilities and wastewater treatment facilities, thermal production, and the performance of research and development activities.

本集團的遞延收益包括就本集團或本公司建造各項設施、污水處理設施、熱力生產以及研發工作表現而獲得的政府補助。

Government grants relating to property, plant and equipment are recognised to the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the estimated lives of the related assets.

與購買不動產、工廠和設備有關之政府補助按有關資產之預計年期以直線法在合併損益及其他全面收益表中確認。

(continued) 遞延收益*(續)*

Government grants relating to research and development activities are recognised in the consolidated statement of profit or loss and comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

與研發活動有關之政府補助按擬補償之成本配合其所需期間在合併損益及綜合收益表中確認。

		年 人民幣千元	2019 2019年 *RMB'000* *人民幣千元*
Government grants related to:	相關政府補助：		
—property, plant and equipment	—不動產、工廠及設備		265,588
—research and development activities	—研發活動		766
			266,354

The movements of government grants are set out as follows:

政府補助之變動載列如下：

		年 人民幣千元	2019 2019年 *RMB'000* *人民幣千元*
At the beginning of the Reporting Period	報告期初		222,530
Additions	增加		60,000
Credit to the statement of profit or loss and other comprehensive income	記入損益及其他全面收益表		(16,176)
Refund of government grants *(Note)*	退還政府補助*(附註)*		–
At the end of the Reporting Period	報告期末		266,354

Note:

In December 2019, KDI transferred the provincial fund of RMB10,000,000 for 2019 to the Company in respect of the project of operation and maintenance of rural domestic wastewater collection and treatment facilities in Dianchi Watershed and Niulanjiang Water Replenishment Area (Kunming Section). Kunming Municipal Dianchi Administration Bureau required that such project fund shall be paid by the responsible entity, being Kunming Municipal Dianchi Administration Bureau, and therefore the Company shall return the fund to KDI and then the responsible entity will disburse the fund to the Company.

附註：

2019年12月，昆明滇池投資轉撥付滇池流域及牛欄江補水區(昆明段)農村生活污水收集處理設施運行維護項目2019年省級資金人民幣10,000,000元至本公司，昆明市滇池管理局要求該筆項目資金撥付路徑要由責任主體昆明市滇管局撥付，因此需本公司按原渠道退回，再由責任主體撥付該筆資金至本公司。

Note:

(a) The Company was established on 23 December 2010, with an initial registered share capital of RMB360,000,000, divided into 360,000,000 shares with a nominal value of RMB1.00 each. 344,943,000 shares or 95.82% equity interest amounting to RMB1,260,091,000 were issued to KDI at a premium of RMB915,148,000, in exchange /Image Or.S BDC BT0.077 Tc -9eBDC BT0.077 Tc -9eBDC BT0.077 15Nt3thxchan6

留存收益

		RMB'000 人民幣千元
	於 年 月 日	1,413,378
Profit for the year	年度利潤	368,411
Transfer to statutory reserves *(Note 33(a))*	提取法定儲備*(附註33(a))*	(36,024)
Dividends declared and paid to the equity holders of the Company *(Note 13)*	向本公司權益持有人宣派及支付股利*(附註13)*	(176,390)
	於 年 月 日及 年 月 日	1,569,375
Profit for the year	年度利潤	348,547
Transfer to statutory reserves *(Note 33(a))*	提取法定儲備*(附註33(a))*	(20,911)
Dividends declared and paid to the equity holders of the Company *(Note 13)*	向本公司權益持有人宣派及支付股利*(附註13)*	(184,211)
	於 年 月 日	

現金流信息

經營(使用)／產生的現金

		年 人民幣千元	2019 2019年 *RMB'000* *人民幣千元*
Profit before tax:	稅前利潤：		438,150
Adjustments for:	調整項目：		
– Impairment losses on financial assets	－金融資產減值損失		8,829
– Depreciation of property, plant and equipment	－不動產、工廠及設備的折舊		213,802
– Depreciation of right-of-use assets	－使用權資產折舊		13,924
– Amortisation of intangible assets	－無形資產攤銷		11,707
– Write-off of intangible assets	－無形資產撇銷		9,458
– Fair value loss/(gain) on derivative financial instruments	－衍生金融工具的公允價值損失／(收益)		(46,327)
– Fair value gain on investment properties	－投資物業的公允價值收益		–
– Share of results of associates	－聯營公司經營成果份額		241
– Finance cost – net	－財務成本－淨額		89,659
– Interest income from structured deposits	－結構性存款產生的利息收入		(899)
– Amortisation of government grants relating to purchase of property, plant and equipment	－與採購不動產、工廠及設備相關的政府補助攤銷		(15,855)
– Loss on disposal of property, plant and equipment	－處置不動產、工廠及設備的虧損		577
– Exchange differences	－匯兌差額		54,616
– Write-down of inventories	－存貨撇銷		–

(continued) **現金流信息*(續)***

融資活動產生的負債變化*(續)*

(continued)

年

		Borrowings 借款 *RMB'000* *人民幣千元*	Lease liabilities 租賃負債 *RMB'000* *人民幣千元*	Total 合計 *RMB'000* *人民幣千元*
At the beginning of the Reporting Period	報告期初	2,779,204	–	2,779,204
Additions	增加	–	8,981	8,981
Net cash flows	淨現金流量	1,732,547	(4,082)	1,728,465
Interest expenses	利息支出	31,015	382	31,397
Exchange differences	匯兌差額	23,601	–	23,601
At the end of the Reporting Period	報告期末	4,566,367	5,281	4,571,648

承諾

資本性承諾

At the end of the Reporting Period, capital expenditures contracted for, but not yet incurred are as follows:

於報告期末已訂約但尚未產生的資本性支出如下：

		年 ***人民幣千元***	2019 2019年 *RMB'000* *人民幣千元*
Property, plant and equipment	不動產、工廠及設備		28,609

Concession projects and construction projects contracted at the end of the Reporting Period, but not yet incurred are as follows:

於報告期末簽訂但尚未發生的特許項目及建設項目如下：

		年 ***人民幣千元***	2019 2019年 *RMB'000* *人民幣千元*
Concession projects and construction projects	特許項目及建設項目		4,018,446

(continued) **關聯方交易(續)**

名稱和與關聯方關係

		關聯方名稱	關係性質
KDI	Controlling shareholder of the Company	昆明滇池投資	本公司的控股股東
Kunming DIG	Controlled by Kunming SASAC and a minority shareholder of the Company	昆明發展投資集團	受昆明市國資委控制、本公司少數股東
Kunming Industrial Development and Investment Co., Ltd. (昆明產業開發投資有限責任公司, “ ”)	Controlled by Kunming SASAC and a minority shareholder of		

(continued) **關聯方交易***(續)*

與關聯方的交易

Save as disclosed elsewhere in this report, during the years ended 31 December 2020 and 2019, the Group had the following significant transactions with related parties.

除本報告其他部分所披露者外，截至2020年及2019年12月31日止年度，本集團與關聯方的重大交易如下：

(i) Treatment and disposal charge in relation to certain sludge generated from wastewater treatment facilities:

(i) 提供污水處理廠設施產生的部分污泥的處理處置支付服務費用：

			2019
		年	2019年
			RMB'000
		人民幣千元	*人民幣千元*
KDI	昆明滇池投資		–

(ii) Loans granted to related parties:

(ii) 貸款予關聯方：

			2019
		年	2019年
			RMB'000
		人民幣千元	*人民幣千元*
Kunming Bus	昆明公交		300,000
Kunming DIG	昆明發展投資集團		300,000
Xindu Investment	新都投資		400,000
			1,000,000

The transactions under finance arrangement between the Group and related parties are paid and settled in RMB, repayable on demand.

本集團與關聯方之間的融資協議下的交易以人民幣支付和結算，並按要求隨時償還。

Interest was charged on certain loans granted to related parties at a rate of 7.0% p.a. and 8.5% p.a. (2019: 7.5% p.a. to 8.5% p.a.).

給予關聯方的部分貸款包含利息，利率以每年7.0%和每年8.5%計(2019年：每年7.5%至每年8.5%)。

(continued)

(continued)

(iii) Loans repaid from related parties:

(iv) Interest income from related parties:

(v) Operation and management services seM (en-2nt)]Te f tot *(continued)* **關聯方交易***(續)*

(continued) **與關聯方的交易***(續)*

(vi) Commission charged by related parties:

(vi) 支付給關聯方的手續費：

2019

Key management includes directors (executive and non-executive), supervisors and executives. The compensation paid or payable to key management for employee services is shown below:

(continued) 關聯方交易*(續)*

(continued) 與關聯方交易的餘額*(續)*

(ii) Trade and other payables due to related parties:

(ii) 應付關聯方賬款及其他應付款：

	年 人民幣千元	2019 2019年 *RMB'000* *人民幣千元*

Other payables are all non-trade payables and will be settled upon demand by these related parties.

(iii) Financial assets at amortised cost

On 10 June 2020 and 30 September 2020, the Group completed the acquisition of 100% equity interest in Kunming Dongchuan Guozhen Sewage Treatment Co., Ltd. (昆明市東川區國禎污水處理有限公　司) (“

子公司

Particulars of the principal subsidiaries as at the date of this report and during the year ended 31 December 2020 are set out below.

於本報告日期及截至2020年12月31日止年度，本集團主要子公司的詳情如下：

子公司名稱	營業／註冊成立地點及註冊成立日期	已發行及繳足股本 人民幣千元	本公司持有的已發行股本／註冊資本的面值比例 年 直接	 間接	2019 2019年 Directly 直接	 Indirectly 間接	主營業務	根據法律註冊的法人種類
Yunnan Reclaimed Water Industry Co., Ltd. (雲南中水工業有限公司, " ")	PRC, 28 March 2002	10,000			100%	–	Reclaimed water supply	Limited liability
雲南中水工業有限公司(「**雲南中水**」)	中國，2002年3月28日	10,000			100%	–	再生水供給	有限責任
Kunming Wastewater Treatment and Operation Co., Ltd. (昆明城市污水處理運營有限責任公司, " ")	PRC[illegible]	[illegible]			[illegible]	[illegible]	[illegible] facilities	[illegible]

(continued) **子公司**(續)

子公司名稱	營業/註冊成立地點及註冊成立日期	已發行及繳足股本	本公司持有的已發行股本/註冊資本的面值比例 年		2019 2019年		主營業務	根據法律註冊的法人種類
		人民幣千元	直接	間接	Directly 直接	Indirectly 間接		
Dian Chi Water Treatment (LAOS) Sole Co., Ltd.	LAOS, 22 August 2016	51,412			–	100%	Wastewater treatment	Limited liability
滇池水務(老撾)獨資有限公司	老撾，2016年8月22日	51,412			–	100%	污水處理	有限責任
Haian Qutang Dianchi Water Treatment Co., Ltd. (海安曲塘滇池水務有限公司, " ") (Formerly known as Haian Qutang Water Treatment Co., Ltd. 海安曲塘污水處理有限公司)	PRC, 6 July 2009	2,000			100%	–	Wastewater treatment	Limited liability
海安曲塘滇池水務有限公司(「**曲塘水務**」) (前身為海安曲塘污水處理有限公司)	中國，2009年7月6日	2,000			100%	–	污水處理	有限責任
Hongze Dianchi Water Treatment Co., Ltd. (洪澤滇池水務有限公司, " ") (Formerly known as Hongzetianying Water Treatment Co., Ltd. 洪澤天楹污水處理有限責任公司)	PRC, 6 March 2006	30,000			100%	–	Wastewater treatment	Limited liability
」)		30,000			100%	–	污水處理	有限責任
Haian Libao Dianchi Water Treatment Co., Ltd. (," ") (Formerly known as Haian Libao Water Treatment Co., Ltd.	曋砠荇蝅箭紩蠖顒	蝤鞢醥			100%	–		

(continued) **子公司**(續)

子公司名稱	營業/註冊成立地點及註冊成立日期	已發行及繳足股本 人民幣千元	本公司持有的已發行股本/註冊資本的面值比例 年 直接	間接	2019 2019年 Directly 直接	Indirectly 間接	主營業務	根據法律註冊的法人種類
Dianchi International Holdings Limited (滇池國際控股有限公司, " ")	Hong Kong, 25 January 2018	170,462			100%	–	Investment holding	Limited liability
滇池國際控股有限公司(「**滇池國際**」)	香港，2018年1月25日	170,462			100%	–	投資控股	有限責任
Luquan Dianchi Water Treatment Co., Ltd. (祿勸滇池水務有限公司, " ")	PRC, 21 October 2019	3,000			–	–	Wastewater treatment	Limited liability
祿勸滇池水務有限公司(「**祿勸水務**」)	中國，2019年10月21日	3,000			–	–	污水處理	有限責任
Kunming Dianchi Solid Waste Disposal Resources Utilisation Co., Ltd. (昆明滇池固廢處置資源化利用有限責任公司, " ")	PRC, 22 February 2019	8,000			–	–	Utilisation of solid waste	Limited liability
昆明滇池固廢處置資源化利用有限責任公司(「**固廢處置**」)	中國，2019年2月22日	8,000			–	–	固體廢物利用	有限責任
Kunming Dongchuan Guozhen Sewage Treatment Co., Ltd. (昆明市東川區國禎污水處理有限公司, " ")	PRC, 13 May 2008	5,000			–	–	Wastewater treatment	Limited liability
昆明市東川區國禎污水處理有限公司(「**東川區國禎**」)	中國，2008年5月13日	5,000			–	–	污水處理	有限責任
Putian Huake Environmental Protection Engineering Co. Ltd. (莆田市華科環保工程有限公司, " ")	PRC, 15 July 2009	50,000			–	–	Wastewater treatment	Limited liability
莆田市華科環保工程有限公司(「**莆田市華科環保**」)	中國，2009年7月15日	50,000			–	–	污水處理	有限責任
Zhaotong Dianchi Water Treatment Co., Ltd. (昭通滇池水務有限公司, " ")	PRC, 23 October 2019	100,000			–	–	Wastewater treatment	Limited liability
昭通滇池水務有限公司(「**昭通水務**」)	中國，2019年10月23日	100,000			–	–	污水處理	有限責任

None of the subsidiaries had issued any debts securities during the year. 該等子公司於年內概無發行任何債務證券。

本公司財務狀況表*(續)*

附註：

本公司儲備變動

其他儲備

報告期後事項

除該等綜合財務報表別處所披露的事項外，本集團有以下期後事項：

股利

經董事會日期為2021年3月26日的決議案批准，本公司擬派發末期股利每股人民幣0.120(含稅)，合計人民幣123,493,320元(含稅)。該議案將提交本公司股東週年大會供股東批准。

提供委託貸款

本公司於2020年1月23日及2020年2月13日與昆明公交及交通銀行分別簽訂兩份委托貸款合同，由本公司委托交通銀行向昆明公交分別提供人民幣60,000,000元及人民幣240,000,000元的貸款，到期日分別為2021年1月23日及2021年2月14日。於2021年2月22日該等委托貸款合同項下所有貸款均已按相關委托貸款合同償還，並於報告期後收取利息約人民幣3,613,000元。

本公司於2021年2月22日與昆明公交及交通銀行簽訂委託貸款合同，由本公司委托交通銀行向昆明公交提供人民幣300,000,000元的貸款，貸款期限自2021年2月24日至2022年2月24日，年利率為8.5%。

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第十三章) 環境、社會及管治報告

During the Reporting Period, the Company has complied with the "comply or explain" provision set out in the "Environmental, Social and Governance Reporting Guide".

報告期內，本公司已遵守有關《環境、社會及管治報告指引》載列的「不遵守就解釋」條文。

In order to enable stakeholders (including shareholders, investors, regulatory authorities, customers, employees, partners and communities) to understand the Environmental, Social and Governance Reporting Guidelines (the " ") of the Group, this report has been prepared. We hope this report would allow investors to better understand the Company's performance in environmental, social and governance aspects, so as to improve its management system and efforts in promoting sustainable development system. This report covers the period from 1 January 2020 to 31 December 2020 (the " "). This report mainly reports on the core business of the Company and its subsidiaries.

本公司為各利益相關方(包括股東與投資者、監管機構、客戶、員工、合作夥伴、社區)了解本集團的環境、社會及管治報告指引(「 **指引**」)編製了本報告，公司希望通過這份報告，讓廣大投資者進一步了解有關公司環境、社會和管治方面的信息，以完善可持續發展管理體系，實踐可持續發展體制。本報告涵蓋期限為2020年1月1日至2020年12月31日(「**報告期**」)。本報告主要匯報本公司及其附屬公司的核心業務。

The Board is responsible for evaluating and determining the ESG risks relating to the issuer and it has included the ESG matters in the risk management and internal monitoring system of the Group. Both the management and staff of the major subsidiaries and functional departments have participated in preparing the ESG Report, assisting the Group to review its operations and identify relevant ESG matters as well as evaluating the importance of the above to our businesses and to each stakeholder.

董事會負責評估及釐定發行人有關環境、社會、管治的風險，並已把ESG事宜包括在集團之風險管理及內部監控系統中。而各主要子公司以及各職能部門的管理人員及員工均有參與編製ESG報告，協助集團檢討其運作情況及鑑別相關ESG事宜，並評估相關事宜對我們的業務以及各持份者的重要性。

環境

Since its inception, the Company not only protects resources and the environment through carrying out green business, but also plants green living idea in the mind of our employees which are carried through in every process of our production and operation. In addition to the compliance with GB/T24001-2016 Environmental Management System Requirements and Guidelines (《環境管理體系要求及使用指南》), GB/T19001-2016 Quality Management System Requirements (《質量管理體系要求》) and GB/T 28001-2011 Administrative System Requirements on Occupational Health and Safety (《職業健康安全管理體系要求》), and in light of the characteristics of the Company, Dianchi Water implements and executes its internal standardised management system to reduce the impact of waste, wastewater, exhaust gas, noise on the environment, so as to implement green office practices and promote green development through our own efforts and inconspicuous actions. The Company keeps paying attention to environmental policies and information, and helps its staff comprehend the latest applicable environmental laws and regulations, policies, industry trends and domestic and international best practices in the industry through our internal management procedures. During the Reporting Period, no violation of the environment-related laws and regulations has been found on the Company.

本公司自成立以來，不僅通過綠色業務保護資源環境，還將綠色理念植根於每位員工心中，貫徹於生產經營的每一環節。公司在GB/T24001-2016《環境管理體系要求及使用指南》、GB/T19001-2016《質量管理體系要求》、GB/T28001-2011《職業健康安全管理體系要求》的基礎上，結合公司特點，實施和執行公司內部標準化管理系統來降低廢物、廢水、廢氣、噪音等對環境的影響，來實現綠色辦公，從自身行動和細微之處助力綠色發展。公司持續關注環保政策信息，通過內部管理程序，以使公司的員工掌握最新的適用環保法律法規、政策、行業動態及國內外行業最佳實踐，公司於報告期間並無發現違反與環境有關之法律及規例之個案。

我們制定了較為完善的突發環境事件應急預案。針對影響生產運營的各項主要環境風險進行識別及評價，按環境風險源的風險程度，以及對環境的影響程度，由全廠、各工段（班組）、操作人員分層次進行監控。

公司嚴格依據法律、標準，配備符合環保要求的設備、設施，採用新技術、新工藝、新材料，改善作業環境，通過技術進步加強環境保護管理，降低發生環境污染事故的風險；建立健全環境風險隱患排查制度、操作規程，明確管理責任，加強隱患排查及治理等管理措施，加強危險源的日常管理，實行管理控制；我們還設立了專門的機構和人員負責安全、環境工作，建立日常檢查制度，確保檢查有記錄，記錄有整改，通過及時整改，達到安全生產的目的；通過加強對各級、各類僱員的教育培訓，使得各類僱員能夠熟練掌握本崗位環保管理及作業要求，提高僱員的環保意識及技能，實現操作安全、環保，保障生產運營管理正常開展，充分發揮污水處理設施截污治污作用，避免和降低由於突發環境事件給自然環境、社會環境帶來破壞及損失，保證公司、社會及人員生命財產安全。

排放物

公司作為治污環保企業，在經營決策中以可持續發展為指導原則，將項肉㑦劍錕眉埦毅帰鐢簃峇

Within the scope of the Company's business, all the emissions are processed in strict accordance with the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), the Discharge Standard of Urban Sewage Treatment Plants (《城鎮污水處理廠排放標準》) (GB18918-2002), the Evaluation Standard of the Operating Performance of Urban Sewage Treatment Plants (《城鎮污水處理廠運營質量評價標準》) (CJJ/T228-2014) and other relevant regulations, and standards. Our sewage treatment plant in Dianchi Lake Basin has completed upgrading and reconstruction in 2011 and its effluent quality has reached Class I Standard A standard. In particular, the main effluents such as Chemical Oxygen Demand (COD), Total nitrogen (T-N), Total phosphorus (T-P) and Ammonia nitrogen (NH3-N) were 73%, 48%, 79% and 93% lower than the emission limits of national Class I Standard A standard in 2020, respectively.

During our production and operation, exhaust gas is mainly generated from sewage treatment. In the process of transportation and purification of wastewater, odor, methane and other gases generated by water flow turbulence, microbial reaction, sludge treatment and other activities are small in quantity, instead of main emissions of the Company. The Company collected and treated exhaust gas generated during operation through process technologies such as ion deodorisation and biological deodorisation. The Company also developed a comprehensive work plan to monitor the concentration of exhaust gases. During the Reporting Period, the emission concentration of hydrogen sulfide, ammonia, methane and odor were 0.02mg/m^3, 0.13mg/m^3, 0.0007% and 12 (dimensionless) respectively, all of which were below the emission limit and met the national emission requirements.

The greenhouse gas directly generated in our production and operation process was limited, mainly from the fuel consumed by sludge transportation and a small part from the fuel consumed by production and office, while indirect greenhouse gas emissions mainly came from

Although the exhaust gas is not the main emissions of sewage treatment, the Company has continuously optimised treatment technology, perfected production management system and minimised generation of exhaust gas in order to reduce the impact of exhaust gas. The Company strengthens greening arrangement of the plant area through plant greening of isolation around the source of odor gas to ensure normal operation of biological and ion processing facilities by collecting and treating exhaust gas. The Company also expands the scope of monitoring by adopting quarterly monitoring to monitor whether the concentration of hydrogen sulfide, ammonia, methane and odor in the plant area meets the standards.

雖然廢氣不是污水處理主要排放物，但公司為減少廢氣影響，不斷優化處理技術、完善生產管理制度，盡量減少廢氣產生；加強廠區綠化佈置，在臭氣產生源周圍種植綠化隔離；保障生物和離子處理設施正常運行，將廢氣進行收集處理；擴大監測範圍，採取季度監控方式對廠區硫化氫、氨、甲烷、臭氣濃度是否達標進行監測。

Electricity cost is the main component of our total production and operation costs. While continuously improving the quality of operation and management, we have been encouraging support for innovations of improvement in energy conservation and consumption reduction by setting up special project awards each year to reward units and individuals who have made outstanding contributions in energy conservation and consumption reduction. At the same time, the Company actively responds to the national energy conservation and emission reduction publicity work, formulates work plans and programs and publicises and cultivates employees' energy conservation habits.

電力成本是我們生產運營總成本的主要構成，我們在不斷提升運營管理質量同時，一直鼓勵支持節能降耗改造創新工作，每年設立專項特別獎以獎勵在節能降耗方面做出突出貢獻單位和個人。同時積極響應國家節能減排宣傳工作，制定工作計劃方案，宣傳和培養僱員的節能習慣。

廢水

The Company's main business is sewage treatment, operation of water supply facilities, reclaimed water utilisation, etc. We receive wastewater and reduce the waste in it by way of treatment and purification, in order to minimise the impact of wastewater on the environment and protect the ecological environment of rivers and lakes. In 2020, the chemical oxygen demand reduction of the Company's operating plants was 169,000 tons, ammonia nitrogen reduction was 14,500 tons and the total phosphorus reduction was 3,500 tons.

我們的主營業務為污水處理、供水設施運營、再生水利用等。我們接納污水並進行處理、淨化，削減污水中污染物，盡量減少污水對環境的影響，保持河湖的生態環境。2020年，公司運營各廠化學需氧量消減量為16.9萬噸，氨氮消減量為1.45萬噸，總磷消減量為0.35萬噸。

Wastewater generated in our operation includes domestic sewage, backwash water of equipment and some water for forestation in our plants. All the wastewater will be transferred to sewage treatment plants collected either by circulation networks or by municipal pipe network and then discharged if they meet discharge standard after treatment. During the Reporting Period, the emission of our Chemical Oxygen Demand (COD), ammonia nitrogen (NH3-N) and total phosphorus (TP) was 10,362 tons, 394 tons and 90 tons, respectively.

我們在運營中產生的廢水有生活污水、設備反衝洗水及部分廠區綠化用水，這些廢水由廠區內循環管網收集後，經廠區污水處理設施達標處理後排放，或經市政管網收集後匯入污水處理廠達標處理後排放。於本報告期間，我們的化學需氧量(COD)、氨氮(NH3-N)及總磷(TP)排放量分別為10,362噸、394噸和90噸。

The non-hazardous waste generated by the Company in the production and operation process is mainly wastepaper. Due to the small amount of production, there is no statistical data on the production amount of non-hazardous waste generated. We reduce generation of non-hazardous waste through source control. In 2020, we purchased 11.6 tons of paper according to schedule. At the same time, we adopted highly efficient and environmentally friendly printing and scanning equipment to promote paperless office and reduce paper use. We encouraged paper to be printed on both sides to reduce paper waste. As for the hazardous waste oil produced during the operation of machinery and equipment and the hazardous waste liquids generated in the process of examination, they are the main sources of hazardous waste. The Company sets up waste holding areas according to the relevant national regulations and the measures to prevent wind dispersal, leakage and runoff, and commissions the qualified third parties to dispose the waste by batch. The total amount of hazardous waste in 2020 was 36.41 tons which was entrusted to a third-party compliance unit for unified disposal. The Company regulates the maintenance and management of mechanical equipment and inspection instrument and uses equipment oil and inspection liquids on a reasonable basis to avoid production of unnecessary waste oil and waste liquids.

The Company will continuously strengthen maintenance and management of mechanical equipment and inspection instrument, use equipment oil and inspection liquids on a reasonable basis and update mechanical equipment and inspection instrument in a timely manner to keep them in a stable working condition to reduce the amount of waste oil and waste liquids.

Dianchi Water is a leading wastewater treatment and reclaimed water supply services provider in Yunnan Province, the PRC. As “finished products”, our outlet water strictly complies with the relevant national and local standards such as the Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (《城鎮污水處理廠污染物排

The Company advocates the use of video conferencing, and supports long-distance, real-time information exchange and collaborative conferences with multi-media technologies such as real-time audio and video, so as to reduce office costs, improve work efficiency and promote a low-pollution and low-emission green office.

公司提倡使用視頻會議，通過網絡平台以實時的音、視頻等多媒體手段，支持多地遠距離實時信息交流、開展協同會議辦公，減少辦公成本的同時提高工作效率，促進低污染和低排放的綠色辦公。

The Company conducts daily monitoring on energy, water and other raw materials and arranges monthly statistical analysis on their consumption. The Company formulated a target evaluation mechanism at the beginning of 2020 and strived to improve its resource utilisation rate by adopting strict process supervision.

公司在能源、水資源和其他原材料方面，進行日常監控，按月統計、分析消耗情況，2020年初建立目標考核機制，嚴格過程監管，致力於提高資源利用率。

能源消耗

Electricity costs account for a large part of the production costs of water enterprises. Kunming Power Supply Bureau of Yunnan Power Grid Company Limited is our main power supplier. In 2020, all the factories operated by the Company consumed electricity of approximately 220,000 thousand kWh in aggregate.

電力成本佔水務企業生產成本的較大比重，雲南電網有限責任公司昆明供電局是我們主要的電力供應商。2020年，公司運營各廠電力消耗總量約2.2億千瓦時。

In order to increase energy utilisation rate, the Company, supported by the platforms designed especially for water projects under the 12th Five-Year Plan of the State, carried out technological transformation on energy saving and consumption reduction in respect of key devices with large energy consumption and low efficiency, including lifting pump, air blower, aeration system and sludge dewatering system. The average energy consumption rate per ton of sewage treatment decreased by 18% from 0.29 kWh in 2012 to 0.24 kWh in 2020. The Company actively conducted power marketisation transactions and gave priority to wind electricity and electricity supplied by hydropower plants, which not only used clean energy, but also reduced its electricity cost. Through the above measures, the electricity cost of the Company decreased by approximately RMB20.96 million in 2020 as compared to purchase of electricity based on catalog tariff.

為提高能源利用率，公司借助國家十二五水專項平台，開展節能降耗技術改造，對能耗大、效率低的關鍵設備進行了技改，包括提升泵、鼓風機、曝氣系統、污泥脫水系統等。平均每噸污水處理能耗率從2012年的0.29千瓦時降至2020年的0.24千瓦時，降幅為18%。公司積極開展電力市場化交易工作，優先使用風電、水電廠的供電，不但使用了清潔能源，而且降低了企業的用電成本，通過以上措施，2020年全年用電成本相較於參照目錄電價採購電力節約成本約人民幣2,096萬元。

The Company encourages all its staff to save energy during work hours. The Company also encourages its staff to use electric vehicles fueled by clean energy and use public transport more frequently.

在辦公過程中，公司倡導廣大員工節約用電，鼓勵員工使用清潔能源的電動汽車，鼓勵員工多使用公共交通。

In 2020, all the factories operated by the Company consumed running water of approximately 213,000 tons in aggregate and water consumption per ton of sewage treatment is 0.29 kg.

The Company has Kunming's only reclaimed water distribution system in the main urban area, and the production of the reclaimed water supply business has increased year by year. The Company's reclaimed water, which has been widely used for landscaping, cleaning roads, industrial production and recharging riverway and waterscape, has approximately 460 company subscribers. As of 31 December 2020, the Company had 10 wastewater treatment plants producing reclaimed water, with a total designed daily production capacity of 213,000 m^3. Reclaimed water customers of the Company include commercial and industrial establishments, enterprises and public institutions in Kunming.

The Company performs environmental impact assessment on all the projects constructed according to the relevant laws and regulations of the PRC. The Company applies “simultaneous 6suing, As a result of our technological research and development, the overall effluent quality of our facilities in Kunming main city area improved significantly: BOD decreased by 45%, COD by 46%, TN by 31%, TP by 64% and NH3-N by 71% from 2012 to 2020, which greatly reduced the pollution load brought by the tail water from wastewater treatment plants to natural water. Energy consumption decreased by 18% from 2012 to 2020. As of 31 December 2020, 91% of the Company designed wastewater treatment capacity reached the National Class I Standard A standard.

在我們的技術研發的推動下，我們於昆明主城區的設施的整體出水水質有了顯著改善：自2012年至2020年，BOD、COD、TN、TP、及NH3-N分別降低了45%、46%、31%、64%及71%，大幅降低了污水處理廠尾水進入自然水體的污染負荷；2012年至2020年電力能耗降低18%。截至2020年12月31日，公司設計污水處理能力的91%達到國家一級A類排放標準。

For pollution sources that produce noises during the production process, such as fan equipment, the Company has taken measures such as installing blimps to reduce their impacts on surrounding environment. The Company strictly implements a running time from 8:00 a.m. to 10:00 p.m. for the dehydration machine rooms in its factories close to residential areas while night running is strictly forbidden, so as to minimise the impacts on environment. At the same time, the Company has a well-established testing system to obtain noise level which is used to guide its production.

針對生產過程中產生噪聲的污染源，如風機設備，公司採取安裝隔音罩等措施降低對週邊環境的影響，對靠近居民區的廠，脫水機房嚴格執行早8:00至晚10:00的開機時間，嚴禁夜間運行，以減少對環境的影響，同時，公司有完善的檢測制度以獲取噪聲值，反饋和指導公司的生產。

社會

The Company strictly complies with applicable laws and regulations on labour protection such as the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) and the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》) to guarantee equal employment. We are against any recruitment discrimination concerning age, marital status, race, social status, religious belief, disability, gender, sexual orientation or political background etc. The Company and related subsidiaries strictly comply with various national laws and regulations in relation to human resources. employees are legally entitled to the benefits, remunerations and holidays required by any law. The Company establishes the Measures on Human Resources Management (Trial) (《人力資源管理辦法(試行)》) and the Interim Measures for the Administration on Remuneration (《薪酬管理暫行辦法》), etc. to satisfy the arrangement on the recruitment, internal transfer, dismissal, training, promotion, performance evaluation, and remuneration and benefit of employees, and ensure that no employees are discriminated due to race, age and gender, etc. Besides, the employment of child labor is strictly prohibited and we are against forced labor of any kind, striving to let all the employees work with respect in an equal and harmonious work environment.

本公司嚴格遵守使用《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《中華人民共和國社會保險法》等國家人事相關的各類勞動保障相關法律法規，保障平等僱傭，我們反對任何基於年齡、婚姻狀況、種族、社會階層、宗教信仰、殘疾、性別、性取向、或政治背景等的招聘歧視。公司及相關子公司嚴格遵守國家人事相關的各類法律法規，員工依法享有任何法律規定的福利、薪酬及假期。公司建立了《人力資源管理辦法(試行)》、《薪酬管理暫行辦法》等，滿足僱員的聘用、調職、解聘、培訓、晉升、績效考核、薪酬福利等安排，保證員工不因種族、年齡、性別等因素受到歧視，嚴禁僱傭童工，反對各種形式的強迫勞動，務求讓員工在平等和諧的工作環境下，有尊嚴地工作。

The Company has established a competitive salary system based on the importance of an employee's position and by reference to the operating strategy of the Company and the industry and the region's salary level. Besides, the Company strictly follows relevant national laws and regulations and continuously improves the staff benefits, pays various statutory social insurances according to the laws and regulations and ensures that the staff are entitled to statutory holidays, paid annual leaves, marriage leaves and maternity leaves. The Company strictly complies with the working hours specified by China, safeguards the rights of rest and vocation of the employees according to the national provisions, and ensures the statutory holidays and guarantees employees' rights for paid leaves. In terms of performance assessment, the Company has built a result and goal-oriented employee performance appraisal system covering various aspects, such as the performance, ability and attitude etc. of the staff. The promotion and salary review of staff is determined by the result of that appraisal appropriately. The Company has also formulated standardised conditions and procedures for dismissing employees and arbitrary dismissal is not allowed. In order to create a healthy, diversified and harmonious working environment, all the matters

員工福利

In addition to statutory employee benefits for full time staff including social security scheme, marriage leave, maternity leave, paternity leave and funeral leave, the Company offers different fringe benefits, for instance, festival bonus, work allowance under special conditions, labour protection, working meal and commuter allowance. The Company also purchases accident insurance and provides additional hospitalisation medical insurance for our employees.

公司為全職員工提供法定的固定福利(包括社會保障計劃、婚假、產假、陪產假、喪假等)外，還為員工提供其他的附加福利，例如：節日慰問、特殊條件的工作津貼、勞動防護、工作餐及上下班通勤等，亦為員工購買意外傷害保險及補充住院醫療保險。

(1) As of the end of the Reporting Period, the total number of employees of the Company by gender, employment type, age group and geographical region is detailed in the table below:

(1) 截至報告期末，本公司按性別、僱傭類型、年齡組別及地區劃分的僱員總數詳見下表：

男女比例 **僱傭類型** **年齡分佈**

發展及培訓

In order to meet the Company's operation and management needs, we establish training plans based on development of strategic plans, by actively constructing of a learning enterprise, creating a learning team and actively exploring a new training system adapting the development needs of the Company. In 2020, actively addressing the impact of the pandemic, we used a newly developed comprehensive mobile training and learning platform online, established the Company's own online course library and created a new model of training management. Amid the challenge of pandemic control, we achieved unprecedented training results through synergetic collaboration of online and offline courses in the premise of reduced personnel gathering and flow. We achieved leapfrog growth of training periods and coverage, effectively enhancing the occupational skills and development skills of the employees of the Company, thus improving their ability to perform duties.

For management training, based on the working shortcomings in daily operation and management of different management personnel, the Company targets to provide project trainings such as mindset training, art of management, duty performance of supervisors, financial management, risk control, laws and regulations, business etiquette, communication skills and document writing, in order to raise the performing skills of management personnel.

In terms of skilled talent training, the Company organises pre-match training for national and municipal water treatment and drainage industry staff vocational skills competition, to promote learning through competition, select and cultivate a batch of composite skilled backbone who is knowledgeable of the main business, monitoring and analysis. The Company organises a series of trainings such as sewage treatment, laboratory monitoring, reclaimed water treatment and solid waste disposal, and creates standardised online learning courses to accumulate expertise and build a sharing platform. Through obtaining the vocational skills self-recognition qualification of three job types (i.e., sewage treatment, water production treatment and chemical inspection), the Company's career promotion channels for technical jobs is broadened. Upon approval of documents for review including work implementation proposals of relevant job types, evaluation criteria, management system and quality control documents by the Ministry of Human Resources and Social Security of Kunming City and the Appraisal Centre of Occupational Capability of Yunnan Province, along with obtaining self-recognition qualification, the foundation of cultivating more skilled and high-quality talents of the Company is consolidated.

為滿足公司經營管理需要，我們圍繞發展戰略制定培訓計劃，積極構建學習型企業，打造學習型團隊，積極探索適應公司發展需求的培訓新體系。2020年，積極應對疫情影響，我們上線使用了新建的綜合性移動培訓學習平台，從無到有打造了

In terms of new employee training, the Company focuses more on guidance of skillset quality, targets on the differentiated personnel structure for new employees, categorised customised online and offline training courses, keeps improving and optimising on contents, forms and methods. The new employee training of the Company is short-term, efficient, refined and pragmatic.

新員工培訓方面，更加注重綜合能力素質引導，針對新員工差異化的人員結構，分類定制線上、線下培訓課程，在內容、形式、方式和時間上進行了持續改進和完善，短時高效、精煉務實。

During the Reporting Period, the Company's training statistics classified by employee level are as follows:

報告期內，本公司按員工級別進行分類統計的受訓情況如下：

Training ratio of middle and senior staff: 94.1%
中高層員工受訓比例：94.1%

The average duration of study: 36.6 hours
平均學習時長：36.6學時

Training ratio of general employees: 89.8%
一般員工受訓比例：89.8%

The average duration of study: 23.6 hours
平均學習時長：23.6學時

During the Reporting Period, the Company's training statistics classified by employee gender are as follows:

報告期內，本公司按員工性別進行分類統計的受訓情況如下：

Training ratio of male employees: 84.4%
男性員工受訓比例：84.4%

The average duration of study: 26.2 hours
平均學習時長：26.2學時

Training ratio of female employees: 89.7%
女性員工受訓比例：89.7%

The average duration of study: 31.0 hours
平均學習時長：31.0學時

After years of construction and accumulation, the Company continuously increased the strength of training resources and formed a team of part-time lecturers with technical and management skills. Through internal and external links, the Company continuously maintained, improved and enriched the teaching staff and joined China Eco-Environmental Industry and Education Alliance to strengthen exchanges with industry associations and internationally renowned institutions.

經過多年的建設與積累，公司不斷加強培訓資源建設力度，形成了一批有技術、懂管理的兼職講師團隊，通過內引、外聯，持續維持、完善、充實講師團師資隊伍，並加入中國生態環境產教聯盟，加強與行業協會、國際知名院校的交流。

The Company strictly follows state and local regulations regarding recruitment and hire of employees such as the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) and the Prohibition of Child Labor Provisions (《禁止使用童工規定》), etc. and will not hire applicants who fail to meet requirements set and 13ifact ≮5e(egulisio.nt)12ifact ≮lnnd 13ifact ≮addibiti, Except for utility service providers, the Company has established a centralised procurement policy for selected suppliers. The Company has internally established the Intermediary Agency Selection and Employment Management Measures (《中介機構選聘管理辦法》), the Contract Management Measures (《合同管理辦法》), the Production Operation Procurement Management Measures (Trial) (《生產運行採購工作管理辦法(試行)》) and other systems to standardise management of various activities of the entire procurement process of the Company. Under such policy, subsidiaries of the Company are required to solicit bids from different suppliers. The Company adopts the principle of fairness, impartiality and openness to select qualified suppliers in the form of public bidding where the project is located. The discipline inspection and supervision department performs supervision duties during the bidding process. The Company selects suppliers based on product price, product environmental protection requirements, quality, and timely delivery of products. We encourage and prioritise our cooperation with suppliers who have environmental protection and safety certifications. Green development concepts, such as construction safety and environmental protection, have been included in our construction contracts and performance evaluation. Meanwhile, we learn about the supplier's reputation from the Internet, bid evaluation experts, using enterprises and other channels, including whether there are environmental and social complaints and lawsuits related reports, and take the investigation results as one of the reference factors of cooperation.

All supply contracts will be required to be reviewed and approved by the headquarter which will conduct periodic tests to check the quality of the delivered products. The Company has sourced raw materials from a few local suppliers in proximity to Kunming in order to benefit from the economies of scale and easy transportation, which allows faster and cheaper delivery of raw materials. The Company has readily available alternative suppliers in the market who offer similar raw materials with terms comparable to its existing suppliers. To mitigate the risks associated with any reliance on its major suppliers, the Company periodically seeks potential alternative suppliers and obtains quotations from such suppliers with the view to keeping in contact with potential suppliers.

除公司的公共服務供貨商外，公司已對合作的供

During the Reporting Period, major suppliers of the Company are independent third parties based in China, most of which are concentrated in Southwest China, of which Hunan Jinkai Garden Group Co., Ltd., a private enterprise, provides project construction services for us. Our other major suppliers include Kunming Power Supply Bureau of Yunnan Power Grid Company Limited which provides electricity for our operation, construction contractors such as Shidian Branch of Yunnan Jiantou Zhongxing Construction Co., Ltd. and Inner Mongolia Yingang Construction Group Co., Ltd. which undertake the construction portions of our projects and raw materials providers such as Kunming Kejingyuan Environmental Protection Technology Co., Ltd., Beijing Bishuiyuan Environmental Protection Technology Co., Ltd. and Yunnan Haida New Ecological Environment Construction Co., Ltd. which provide water treatment chemicals and others materials for the operation and maintenance of our facilities.

本報告期內，公司主要供貨商均為位於中國的獨立第三方，大部分集中在中國西南區域。其中，湖南省金凱園林集團有限公司，其為一家民營企業，為我們提供項目施工服務。我們其他的主要供應商包括為我們提供運營用電的雲南電網有限責任公司昆明供電局，承接我們項目施工部分的雲南建投中行建設有限公司施甸分公司、內蒙古寅崗建設集團有限公司等施工承包商，以及為我們提供污水處理化學品及其他設施運行維護材料的昆明科淨源環保科技有限公司、北京碧水源科技環保有限公司、雲南海達新生態環境建設有限公司等原材料供應商。

產品責任

The Company attaches great importance to product quality and strictly complies with relevant laws and regulations such as the Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (《城鎮污水處理廠污染物排放標準》), the Management Regulations for Checking and Accepting Completed Installations of Environmental Protection of Construction Projects (《建設項目竣工環境保護驗收管理辦法》) and Urban Water Supply Regulations (《城鎮供水條例》), etc. With reference to its own conditions, it sets up and implements an internal standardisation management system on basis of GB/T24001-2016 Environmental Management System – General Guidelines on Implementation (GB/T24001-2016《環境管理體系要求及使用指南》), GB/T19001-2016 Quality Management System – Requirements (GB/T19001-2016《質量管理體系要求》) and GB/T28001-2011 Occupational Health and Safety Management System – Requirements (GB/T28001-2011《職業健康安全管理體系要求》).

公司高度重視產品的質量，嚴格遵守《城鎮污水處理廠污染物排放標準》、《建設項目竣工環境保護驗收管理辦法》、《城鎮供水條例》等相關法律法規，在GB/T24001-2016《環境管理體系要求及使用指南》、GB/T19001-2016《質量管理體系要求》、GB/T28001-2011《職業健康安全管理體系要求》的基礎上，結合公司特點，實施和執行公司內部標準化管理體系。

The Company attaches great importance to intellectual property work and incorporates intellectual property into the Company's strategy of "self-invigoration through science and technology". Through establishment of an intellectual property management system oriented to transformation and application of results, the Company implements normative management of intellectual property. The Company also establishes a special agency and formulates corresponding project approval documents for project approval, clarifying that a patent search is necessary to be performed before project approval by issuing an intellectual property search report on whether patent protection

公司高度重視知識產權工作，將知識產權納入公司「科技興司」戰略，通過建立知識產權管理體系，以成果轉化應用為導向，開展知識產權規範性管理。成立專門機構，對於立項項目，制定了相應的立項文件，明確了立項前必須進行專利檢索，就未來是否獲得專利保護或者是否專利侵權出具知識產權檢索報告。建立知識產權保護和預警機制，能夠較好地保護自身知識產權，無侵犯他人知識產權的行為。

公司高度重視產品的品質，實施和執行公司內部標準化管理體系，確保出水水質穩定達標。報告期內，未發生已售或產品因安全與健康理由回收的情況，亦未收到客戶關於產品及服務的投訴。在生產過程中，各個關鍵工藝點均有即時資料監控，相關資料直接接至各廠中控監控系統和公司監控平臺，操作人員嚴格按照一廠一冊的標準化運行手冊操作，保證工藝的正常運行，同時，進、出水的水質監控，公司依託具有CMA（中國計量認證「

」）認證的環境監測公司每天檢測，每天上午取樣，下午出具檢測報告，檢測資料及時回饋和指導生產，確保出水水質的達標排放，不但如此，公司還有一套進出口線上監測系統，每天24小時檢測進出口水質，檢測資料同時上傳至市和省級污染源監測綜合管理平臺。公司處理後的污水均執行《城鎮污水處理廠污染物排放標準》（GB18918-2002）。

Our customers are primarily local governments. Regarding the information from customers, the Company has an information management system and a complete platform of collection, transmission, accumulation and integration. The Company regularly upgrades its information platform management software, eliminates and replaces problematic hardware facilities with regular maintenance, backup and hierarchical management of the system to ensure reliability of the system. In response to the government's confidentiality requirements, each department of the Company has formulated corresponding confidentiality plans in accordance with confidentiality regulations of the government and the Company to ensure the timeliness, accuracy, security and confidentiality of customer information.

我們的客戶主要是各地政府，對於來自客戶的資訊資料，公司已有資訊管理系統和完整的收集、傳輸、積累和整合的平臺。公司對資訊平臺管理軟件進行定期升級，淘汰和更換隱患硬體設施；對系統定期進行維護，備份和分級管理，確保系統的可靠性。積極回應政府保密工作要求，公司各部門根據政府及公司保密工作規定，分別制定了相適應的保密工作方案，以保障客戶資訊資料的及時性、準確性、安全性和保密性。

反腐敗

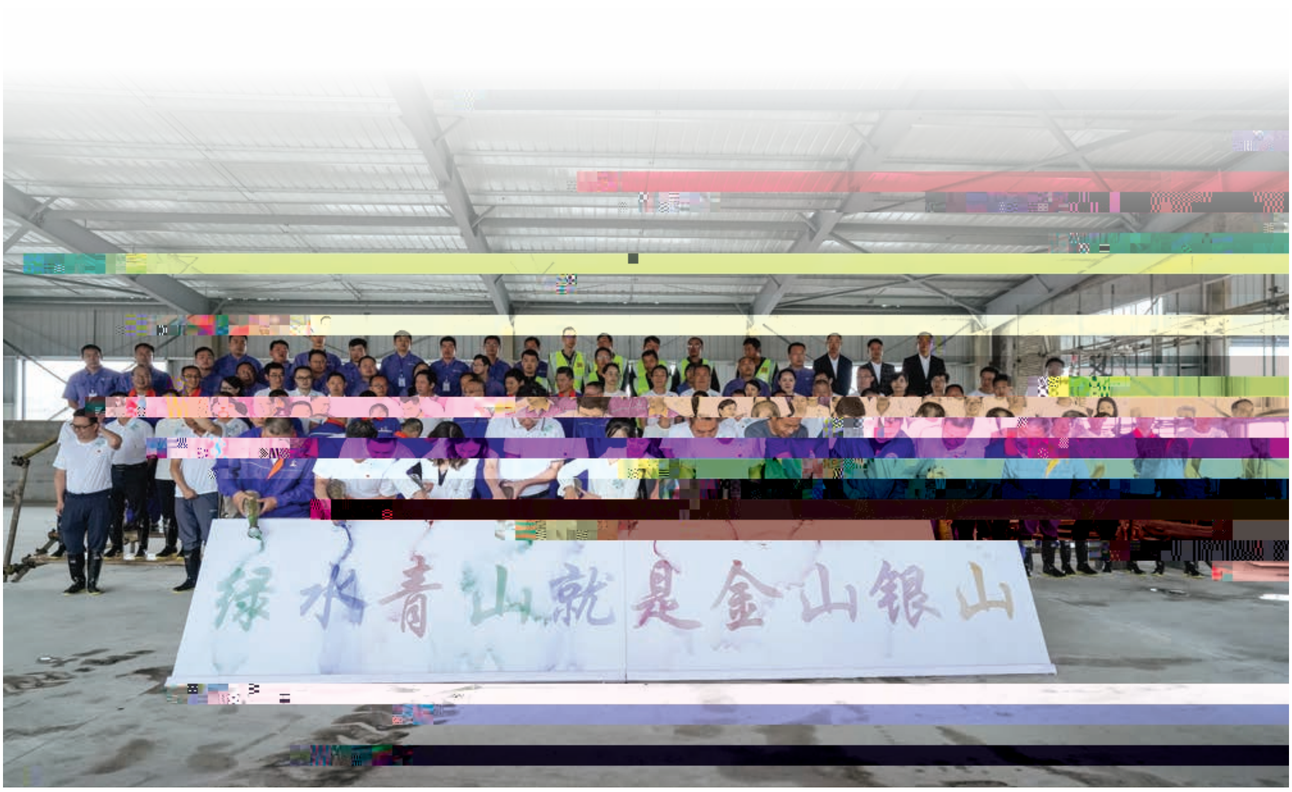
While developing the business, the Company insists on planning, implementing and assessing the anti-corruption effort together with the reform development of the Company, as well as adopting the combination of external administrative supervision and internal supervision of discipline commission. The Company is in strict observance with relevant laws, regulations and regulatory requirements, such as the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Supervision Law of the PRC (《中華人民共和國監察法》), the Law on Tendering and Bidding of the People's Republic of China (《中華人民共和國招標投標法》), the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》), the Anti-Money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》) and the Interim Provisions on Prohibition of Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》), to ensure effective protection of legal interests of the Company and stakeholders including the employees, investors, creditors.

公司在業務發展的同時，堅持把反腐敗工作與公司改革發展同謀劃、同實施、同考核，採用外部行政監管、內部紀委監督相結合的方式，嚴格遵守《中華人民共和國公司法》、《中華人民共和國監察法》、《中華人民共和國招標投標法》、《中華人民共和國反不正當競爭法》、《中華人民共和國反洗錢法》及《關於禁止商業賄賂行為的暫行規定》等法律法規及監管要求，以確保公司、僱員、投資者、債權人等利益相關方合法權益受到有效保護。

落實黨委主體責任，推動全面從嚴治黨

In 2020, the Party Committee of the Company focused on the requirements of corporate Party building in the new era and strengthened the management of Party building work. During the year, 25 Party Committee meetings were held and a total of 273 "Three Important and One Large Matters" were considered and approved. The Company fully facilitated the "Inclusion of Party Construction Works in the Articles of Association". The Company addressed the environmental protection inspection of the central and provincial government and the actual issues of inspections, interviews and handover, conducted self-checking on time and completed rectification targets according to the requirements. The completion rate of rectification was 100%. The Company strictly enforced its own personnel selection and appointment procedures, strengthened the supervision, inspection and adjustment of the performance of relevant personnel. During the Reporting Period, the Company made 12 integrity dialogues and conscientiously conducted 6 pre-service conversations with newly selected and appointed mid-level cadres. Meanwhile, the Company organised a series of activities for the "Celebration of the 99th Anniversary of Party Building" and "Guardians of Green Waters and Green Mountains" Party building forest planting theme activity.

2020年，公司黨委圍繞新時期企業黨建要求，加強黨建工作的管理，全年共召開黨委會25次、審議決策「三重一大」事項共273項。全面推進「黨建入章」工作。針對中央、省環保督查及實際巡查約談移交問題及時進行自檢自查，並根據要求完成整改目標，整改完成率100%。嚴格執行公司人員選拔任用程序，加強相關人員履職情況的監督、檢查及調整。報告期內開展廉政談話12次，對新選拔任用的幹部部認真開展任前談話6人次。同時，組織開展了「慶祝黨建99週年」系列活動、「綠水青山守護者」黨建林種植主題活動。



履行紀委監督責任，築牢反腐倡廉堡壘

公司紀委牢牢把握工作定位，精準有效發揮監督保障執行、促進完善發展作用，著力提升監督執紀成效。一是將黨風廉政建設和反腐敗工作任務分解到各子公司和各部門督促落實；二是與6位班子成員簽訂黨風廉政建設「一崗雙責」目標責任書，並向公司下屬的11家基層黨組織印發黨風廉政建設工作目標考核任務清單；三是嚴格落實「三重一大」決策制度實施細則，實行集體決策、民主議事、司務公開，強化權力運行制約和監督；四是每月向上級監管部門報告落實黨風廉政建設黨委主體責任

Year 2020 is a decisive year for victories in the poverty alleviation. According to the arrangement of poverty alleviation work in Kunming City, the Company kept working hard for poverty alleviation work, In 2020, to fight the COVID-19 pandemic, the Company assigned over 210 Party member cadres to engage in frontline work of pandemic prevention and control directly and established 6 volunteer service teams to engage in pandemic prevention and control works. 34 Party members took the initiative to submit a petition, while 268 Party members started volunteer donation activities with a total donation amount of RMB46,300.

2020年針對新冠肺炎疫情，公司組織了210餘名黨員幹部直接投入疫情一線工作，成立了6支志願服務隊投入疫情防控工作，34名黨員主動寫了請戰書，268名黨員開展了自願捐款活動，共計捐款人民幣4.63萬元。

As a water environmental protection enterprise, we actively advocate harmony and integration in society and environment. The Company will continue to fulfill its social responsibilities enthusiastically, adhere to the core values of “enthusiastic about charitable causes and giving back to the society” sustainably and actively participate in caring community activities to strive to become an outstanding corporate citizenship.

作為一家水務環保企業，我們積極宣導與社會、環境和諧共融，公司將繼續積極履行社會責任，持續秉持「熱心公益、回饋社會」的核心價值，積極參與關懷社區活動，致力成為優秀的企業公民。

DCWT 滇池水务

KUNMING