



中國光大水務有限公司
CHINA EVERBRIGHT WATER LIMITED
(於百慕達註冊成立之有限公司)
(Incorporated in Bermuda with limited liability)
(股份代號 STOCK CODES: U9E.SG & 1857.HK)

年度報告
ANNUAL REPORT
2019

創新發展 篤定前行

Assuring **ADVANCEMENT**
through **INNOVATION**





DESIGN CONCEPT 設計概念

This cover design is themed with “ASSURING ADVANCEMENT THROUGH INNOVATION”. The clear water flow represents Everbright Water’s determination for future advancement. Green leaves are nourished along the path of the water flow, implying that Everbright Water’s growth would bring to the industry innovative development and opportunities.

本封面設計以「創新發展，篤定前行」為主題。清澈的水流代表光大水務進步的決心，而水流所到之處孕養出片片綠葉，寓意光大水務的前行會為行業帶來創新的發展和機遇。

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CONTINUOUS IMPROVEMENT
ACHIEVED BY EXPERTISE

滴水成河 持續提升

CORPORATE PROFILE 公司簡介

China Everbright Water Limited (“**Everbright Water**” or the “**Company**”, together with its subsidiaries, the “**Group**”) is an environmental protection company focusing on water environment management. The Company is listed on the Mainboard of Singapore Exchange Securities Trading Limited (“**SGX**” or “**SGX-ST**”) and the Main Board of The Stock Exchange of Hong Kong Limited (“**SEHK**”) (stock codes: U9E.SG & 1857.HK), with its direct controlling shareholder being China Everbright International Limited (stock code: 257.HK, “**Everbright International**”).

中國光大水務有限公司（「**光大水務**」或「**本公司**」，連同其附屬公司合稱「**本集團**」）是以水環境綜合治理業務為主業的環保集團，為新加坡證券交易所有限公司（「**新交所**」）及香港聯合交易所有限公司（「**聯交所**」）主板上市公司（股份代號：U9E.SG及1857.HK），直接控股股東為中國光大國際有限公司（股份代號：257.HK，「**光大國際**」）。



The Company has developed a full-fledged business coverage, which includes raw water protection, water supply, municipal waste water treatment, industrial waste water treatment, reusable water, river-basin ecological restoration, and sludge treatment and disposal. Meanwhile, the Company has formed a full industry chain on the water business, including project investment, planning and design, technological research and development (“**R&D**”), engineering and construction, operations management, and etc. The Company’s geographical footprint spans across East, Central, South, North, Northeast and Northwest China, including Beijing, Jiangsu, Zhejiang, Shandong, Shaanxi, Henan, Hubei, Guangxi, Liaoning and Inner Mongolia. As at 31 December 2019, the Company invested in and operated water treatment projects with a designed daily water treatment capacity of approximately 6.2 million m³.

With the experienced management team, the Company will seize opportunities and strive to emerge as a leader in the water industry of China.

本公司已實現原水保護、供水、市政污水處理、工業廢水處理、中水回用、流域治理及污泥處理處置等全業務範圍覆蓋，精專於項目投資、規劃設計、科技研發、工程建設、運營管理等業務領域，形成水務行業全產業鏈佈局。業務分佈於中國華東、華中、華南、華北、東北及西北地區，包括北京、江蘇、浙江、山東、陝西、河南、湖北、廣西、遼寧、內蒙古等省市自治區。於二零一九年十二月三十一日，本公司投資建設及運營管理的水處理項目設計規模約620萬立方米/日。

在經驗豐富的管理團隊的帶領下，本公司將緊抓行業機遇，全力以赴，致力成為中國水務行業的翹楚。

CHAIRMAN'S STATEMENT

董事長致辭



MR. WANG TIANYI

王天義先生

Non-Executive Director and Chairman
非執行董事兼董事長

Dear Shareholders,
尊敬的各位股東：

In 2019, amid the volatile domestic and global macro-economy, uncertain market environment and rapidly changing global landscape, China faced with increasingly downward pressure on its domestic economy. Despite such pressure, China continued stepping up its efforts in promoting environmental protection management and ecological conservation. China also continued improving its top-down design, promulgating various key policies, tightening the industry regulations and enhancing their enforcement. Notably, this led to a significant change in China's ecological and environmental protection industry.

二零一九年，國內外宏觀經濟及市場環境波譎雲詭，國際格局加速演變，國內下行風險加大。然而，重重壓力之下，國家對於推動環境保護與治理、生態文明建設的信念堅定不移，力度有增無減。頂層設計持續完善，重磅政策密集出台，監管措施不斷強化——帶動中國生態環保行業發生深刻變化。

In the past year, Everbright Water navigated through challenging market and industry landscape, and seized the opportunities to achieve stable growth with remarkable accomplishments.

在過去一年裏，光大水務在充滿挑戰的市場及行業環境中把握方向、搶抓機遇，實現穩健增長的同時取得多個發展亮點。

In relation to the capital market, the Company became officially listed on the Main Board of the SEHK on 8 May 2019, achieving its dual primary listing status in Singapore and Hong Kong. By providing strong capital support to optimise its strategies and seize market opportunities, this embarked a new development journey for the Company. In relation to the business expansion, the Group, during the year under review (defined below), broke the records by expanding to new geographical areas and new business area, as well as developing new business model. The Group expanded its business to Zhejiang Province, secured its first project in the area of raw water protection and adopted its first market-oriented operation model for the industrial park waste water treatment business. These further improved its market competitiveness. In relation to project construction, the Group not only achieved zero work safety accident during construction but also recorded the shortest construction period in its track record.

During the year under review, owing to the solid progress made in various aspects, the Group recorded steady growth in its key operating indicators. The Group's revenue for the financial year ended 31 December 2019 ("FY2019" or the "year under review") amounted to HK\$5.55 billion, representing an increase of 16% over the financial year ended 31 December 2018 ("FY2018"). Profit attributable to equity holders of the Company for FY2019 was HK\$833.48 million, representing an increase of 23% over FY2018. Basic earnings per share for FY2019 were 30.07 Hong Kong cents, indicating an increase of 4.49 Hong Kong cents over FY2018.

資本市場方面，二零一九年五月八日，本公司成功於聯交所主板掛牌上市，取得新加坡及香港兩地雙重主要上市地位，開啟本公司發展新篇章，為未來優化戰略部署、緊抓市場機遇提供有力的資金保障。業務拓展方面，本集團於回顧年度（定義見下文）內實現了「新區域、新領域、新模式」三重突破，業務足跡延伸至浙江省，取得首個原水保護項目，並開啟了工業園區廢水處理市場化運營模式的探索，市場競爭力進一步增強。工程建設方面，本集團於回顧年度內不僅實現工程建設安全生產零事故，還創造了本集團工程建設史上最短工期記錄。

回顧年度內，得益於各項工作紮實推進，本集團經營指標實現穩健增長。截至二零一九年十二月三十一日止財政年度（「二零一九財政年度」或「回顧年度」），本集團收入為55.5億港元，較截至二零一八年十二月三十一日止財政年度（「二零一八財政年度」）增長16%；二零一九財政年度本公司權益持有人應佔盈利為8.3348億港元，較二零一八財政年度增長23%；二零一九財政年度每股基本盈利為30.07港仙，較二零一八財政年度增加4.49港仙。

The Company became **OFFICIALLY LISTED ON THE MAIN BOARD OF THE SEHK** on 8 May 2019, achieving its dual primary listing status in Singapore and Hong Kong. By providing strong capital support to optimise its strategies and seize market opportunities, this embarked **A NEW DEVELOPMENT JOURNEY FOR THE COMPANY**.

二零一九年五月八日，本公司**成功於聯交所主板掛牌上市**，取得新加坡及香港兩地雙重主要上市地位，**開啟本公司發展新篇章**，為未來優化戰略部署、緊抓市場機遇提供有力的資金保障。

CHAIRMAN'S STATEMENT

董事長致辭

Given its long-term commitment to the water environment management industry, the Company enhanced its corporate image. During the year under review, the Company received various awards and recognitions from home and abroad, such as: “2019 China's Top 50 Environmental Enterprise”, “Top 10 Influential Enterprise in China's Water Industry”, “Centurion Club” and the “Sustainability Winner”. In addition, during the year under review, the Group recorded a number of operating projects being selected as environmental protection facilities opened to the public, at the national, provincial and municipal levels.

In view of its stable operating results, the board of directors of the Company (the “**Board**”) recommended a final dividend of 3.74 Hong Kong cents (equivalent to 0.67 Singapore cent) per ordinary share to the shareholders of the Company (the “**Shareholders**”) for FY2019 (FY2018: 0.50 Singapore cent per ordinary share); the total dividend for FY2019 amounted to 7.48 Hong Kong cents (equivalent to 1.32 Singapore cents) per ordinary share (FY2018: 0.99 Singapore cent per ordinary share).

Looking back on the development in the past five years since the listing of the Company on the Mainboard of the SGX via a reverse takeover, it is obvious to all that the Group has made substantial improvement in respect to its industry chain, business scope and market penetration. This is attributed to the long-term support of the Shareholders, the recognition and trust of all social communities, and the endeavors and diligence of all staff of the Group. On behalf of the Board, I would like to express my sincere gratitude to all the Shareholders, people from all social circles, and our employees.

Riding on the success made in the previous years, the Group will strive for a new height in the new year. It will adhere to its “Innovation-driven Development” ethos and focus on the water environment management sector. By continuing leveraging on its advantages, the Group will strive for a growth in all its business areas, and facilitate the concurrent improvement in economic, social and environmental benefits. It will also firmly uphold its aspiration and mission, ride through the challenges while seizing opportunities, and endeavour to make transformation and innovation, in order to step up to a new phase of high-quality development. In doing so, the Group aims to make continuous contribution to the water environment management business.

MR. WANG TIANYI

Non-Executive Director and Chairman

12 March 2020

長期致力於水環境綜合治理領域的深耕細作，使得本公司企業綜合形象提升。回顧年度內，本公司獲頒「二零一九中國環境企業五十強」、「中國水業十大影響力企業」、「百夫長俱樂部」及「可持續發展大獎」等多項境內外市場及行業殊榮。本集團旗下多個運營項目於回顧年度內獲選為國家、省、市級別的環保開放設施。

基於穩健的經營業績，本公司董事會（「**董事會**」）建議就二零一九財政年度向本公司股東（「**股東**」）派發末期股息每股普通股3.74港仙（等值0.67新加坡分）（二零一八財政年度：每股普通股0.50新加坡分）；二零一九財政年度股息總額為每股普通股7.48港仙（等值1.32新加坡分）（二零一八財政年度：每股普通股0.99新加坡分）。

自本公司通過反向收購獲得新交所主板上市地位以來的五年裡，本集團業務發展的廣度、寬度和深度均獲顯著提升。這有賴於本公司股東的長期支持，離不開社會各界的認可與信賴，更與本集團全體同仁的開拓奮進密不可分。在此，本人謹代表董事會向各位股東、社會各界及全體員工致以最誠摯的謝意！

舊歲已展千重錦，新年再進百尺竿。本集團將堅持「創新引領發展」的戰略方向，精專於水環境綜合治理，繼續發揮自身優勢，全面推進各項業務發展，帶動經濟、社會與環境效益持續同步提升，不忘初心、牢記使命，直面挑戰、緊抓機遇，改革拓新、全力以赴，努力開啟高質量發展的新階段，為水環境治理事業持續貢獻力量。

王天義先生

非執行董事兼董事長

二零二零年三月十二日

CHIEF EXECUTIVE OFFICER'S REPORT

總裁報告



MR. AN XUESONG
安雪松先生

Executive Director and
Chief Executive Officer (“**CEO**”)
執行董事兼總裁

BUSINESS REVIEW AND PROSPECTS

Operating Results

In 2019, amid the uncertainty and changes in external environment, China faced with increasingly downward pressure on its domestic economy and a continuously tightening financing environment. In turn, this led to a more intense competition in the ecological and environmental protection industry with increasing pressure on the industry development. Meanwhile, as China is marching into the final year of the “13th Five-Year Plan”, the government will continue stepping up its efforts in ecological and environmental protection and management, as well as tightening the industry regulations and enhancing their enforcement. This will set more stringent standards and requirements for the environmental protection enterprises and will also allow the industry to further release its market opportunities.

業務回顧及前景

經營業績

二零一九年，外部環境變化莫測，中國經濟下行壓力加大，融資環境持續收緊，令國內生態環保行業的競爭愈加激烈，發展進一步承壓。再者，中國生態環保行業也將隨著國家「十三五」規劃步入收官之年而進入攻堅階段，生態環境保護與治理工作的力度將持續加強，環境監管的強度也將不斷加大，對環保企業提出更高的要求，同時也促進行業持續釋放市場空間。

CHIEF EXECUTIVE OFFICER'S REPORT

總裁報告

In spite of various challenges, the Group, during the year under review, successfully seized timely opportunities arising from consolidation and adjustment of the industry, and maintained a good development momentum. As an environmental protection company focusing on water environment management, the Group adheres to its corporate mission of being “Devoted to Ecology and Environment for a Beautiful China”, and upholds its development philosophy of “capital-driven integration and innovation-driven development”. The Group had gradually formed a full-service business chain in the water industry, including project investment, planning and design, technological R&D, engineering and construction, operations management and etc. Its principal business also covers the areas of raw water protection, water supply, municipal waste water treatment, industrial waste water treatment, reusable water, river-basin ecological restoration, and sludge treatment and disposal and etc.

The Group achieved a major milestone in FY2019. On 8 May 2019, the Company became officially listed on the Main Board of the SEHK, achieving its dual primary listing status in Singapore and Hong Kong (the “**Dual Primary Listing**”). This helped the Company further expand its international financing platforms to be well prepared for the next round of operation and development.

As at 31 December 2019, the Group secured 129 projects in total, including 1 raw water protection project, 3 water supply projects, 96 municipal waste water treatment projects, 12 industrial waste water treatment projects, 1 leachate treatment project, 8 reusable water projects, 6 river-basin ecological restoration projects, and 2 waste water source heat pump projects. These projects command a total investment of approximately RMB23.485 billion. In addition, the Group undertook 2 engineering, procurement and construction (“**EPC**”) projects and 1 operation and management (“**O&M**”) project, which command a total contract value of approximately RMB146 million. All these projects have a designed daily waste water treatment capacity of 5,141,600 m³, a total designed daily water supply capacity of 850,000 m³, and a designed daily reusable water supply of 206,600 m³. The waste water source heat pump projects are capable of providing heating and cooling services to an area of 295,000 m². Among these, 101 projects were under operation, 1 project completed construction, 14 projects were under construction and 16 projects were in the preparatory stage.

雖然面對諸多挑戰，本集團於回顧年度內仍不失時機地搶抓行業整合與調整所帶來的機遇，保持良好發展勢頭。作為以水環境綜合治理業務為主業的環保企業，本集團秉承「情繫生態環境，築夢美麗中國」的企業使命，堅持「資本推動整合，創新引領發展」的發展思路，已逐漸形成水務行業全產業鏈佈局，主營業務涵蓋原水保護、供水、市政污水處理、工業廢水處理、中水回用、流域治理、污泥處理處置等，同時精專於項目投資、規劃設計、科技研發、工程建設、運營管理等領域。

二零一九財政年度是本集團具有里程碑意義的一年。二零一九年五月八日，本公司於聯交所主板正式掛牌上市，實現新加坡及香港兩地雙重主要上市（「**雙重主要上市**」），進一步拓展國際化融資平台，為下一輪經營和發展積蓄力量。

於二零一九年十二月三十一日，本集團投資並持有129個項目，包括：1個原水保護項目、3個供水項目、96個市政污水處理項目、12個工業廢水處理項目、1個滲濾液處理項目、8個中水回用項目、6個流域治理項目及2個污水源熱泵項目，涉及總投資約234.85億元人民幣；同時承接2個工程總包（「**EPC**」）項目及1個委託運營（「**委託運營**」）項目，涉及總合同金額約1.46億元人民幣。設計總規模為日處理污水5,141,600立方米、日供水850,000立方米、日供中水206,600立方米；污水源熱泵項目可為295,000平方米面積提供供熱及製冷服務。其中包含101個運營項目、1個建成完工項目、14個在建項目以及16個籌建項目。

Increased by
增長

16%

FY2019 Revenue
二零一九財政年度收入

HK\$5.55 BILLION
55.5億港元

FY2019 Profit Attributable to
Equity Holders of the Company

本公司權益持有人應佔盈利

HK\$833.48 MILLION
8.3348億港元

Increased by
增長

23%

In terms of operating results, the Group recorded steady growth in its key indicators, such as revenue and profit, in FY2019. During the year under review, the Group's revenue amounted to HK\$5.55 billion, representing an increase of 16% from HK\$4.77 billion in FY2018. Earnings before interest, taxes, depreciation and amortisation ("EBITDA") increased by 15% from HK\$1.43 billion in FY2018 to HK\$1.65 billion in FY2019. Profit attributable to equity holders of the Company for FY2019 was HK\$833.48 million, up 23% from HK\$676.46 million recorded in FY2018. Basic earnings per share for FY2019 were 30.07 Hong Kong cents, indicating an increase of 4.49 Hong Kong cents over 25.58 Hong Kong cents in FY2018. In addition, the Group has ready access to financing channels, with sufficient funds, reasonable gearing ratio and healthy financial position.

In relation to market expansion, the Group continued promoting growth in scale and innovative development. During the year under review, the Group broke the records by expanding to new geographical areas and new business area, as well as developing new business model. Its business expanded to Zhejiang Province, and tapped into several new locations in Shandong Province and Jiangsu Province. Zhejiang Tongxiang West Area Drinking Water Sources Protection Public-Private Partnership ("PPP") Project was the Group's first project in the area of raw water protection and supply, expanding its business coverage. Shandong Zibo Zhangdian East Chemical Industrial Park Industrial Waste Water Treatment Project marked the Group's first adoption of market-oriented operation model for the industrial park waste water treatment business. It is of great significance to the Group's expansion of industry chain. During the year under review, the Group secured 18 new projects and signed 1 supplementary agreement for existing project, commanding a total investment of approximately RMB4.74 billion, including 1 raw water protection project, 13 waste water treatment projects, 3 reusable water projects, 1 waste water pipeline network project, and 1 supplementary agreement for existing project. In addition, the Group undertook 2 EPC projects and 1 O&M project, with a total contract value of approximately RMB146 million.

The new projects contributed to the increases in daily waste water treatment capacity by 655,000 m³, daily reusable water supply capacity by 85,000 m³, daily water supply capacity by 600,000 m³, and daily sludge treatment and disposal capacity by 200 tonnes.

經營業績方面，二零一九財政年度，本集團經營狀況穩健，收入、盈利等指標均錄得穩步增長。回顧年度內，本集團錄得收入55.5億港元，較二零一八財政年度之47.7億港元增長16%；除利息、稅項、折舊及攤銷前盈利16.5億港元，較二零一八財政年度之14.3億港元增長15%；本公司權益持有人應佔盈利8.3348億港元，較二零一八財政年度之6.7646億港元增長23%；二零一九財政年度每股基本盈利為30.07港仙，較二零一八財政年度之25.58港仙增加4.49港仙。本集團融資渠道多元暢通，資金充裕，負債比例合理，財務狀況健康。

市場拓展方面，本集團持續推進規模增長與創新發展，於回顧年度內實現「新區域、新領域、新模式」三重突破：業務足跡拓展至浙江省水務市場，同時進入山東、江蘇兩省內多個新地區；浙江桐鄉西部飲用水源保護建設工程政府和社會資本合作（「PPP」）項目的取得填補了本集團於原水保護和供給領域的空白，進一步完善業務覆蓋；山東淄博張店東部化工區工業廢水處理項目的取得開啟了本集團對化工園區污水處理市場化運營模式的探索，對本公司產業鏈的延伸和發展具有重要意義。回顧年度內，本集團共取得18個新項目並簽署1個現有項目的補充協議，涉及總投資約47.4億元人民幣。其中包括1個原水保護項目、13個污水處理項目、3個中水回用項目、1個污水管網項目及1個現有污水處理項目的補充協議。此外，本集團承接2個EPC項目及1個委託運營項目，涉及合同金額約1.46億元人民幣。

新增規模為日處理污水655,000立方米、日供中水85,000立方米、日供水600,000立方米、日污泥處理處置規模200噸。

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In relation to operations management, the Group adheres to the principle of “safe production with compliant discharge”. As such, the Group continuously maintained stable daily operation of projects and strict compliance with relevant standards, as well as optimising and adjusting its operational process to develop a more robust long-term environmental management mechanism. In the meantime, the Group continued enhancing the implementation of the Environmental, Safety, Health and Social Responsibility (“**ESHS**”) management system (“**ESHS Management System**”) and Risk Management System. The Group also continued promoting the application of its “Intelligent Water” Management System. By doing so, the Group aimed to enhance the level of intelligence in asset management, project management and environmental management as well as to refine and improve the proficiency of its processes. During the year under review, a total of 10 waste water treatment plants of the Group received regulatory approval for tariff hikes, ranging from 4% to 61%, and subsidies of RMB65.27 million in total were granted to the Group.

In relation to project construction, during the year under review, the Group adhered to its project construction philosophy of “Safety is Paramount while Quality is the Key to Survival”, and all of its construction works progressed smoothly. In particular, the Group overcame various challenges during the construction of Inner Mongolia Tongliao Development Zone Waste Water Treatment Project Upgrading and Expansion, such as: a tight construction schedule and complex construction conditions, and successfully recorded the shortest construction period in its track record, while ensuring the normal operation of the existing project. The construction was well recognised by the local government, showing the Group's capability in providing quality and efficient construction work. During the year under review, the Group ensured zero work safety accident during construction. In the meantime, the Group further improved its management system for construction projects, by establishing a Construction Safety and Environment Management Committee and enhancing the management of construction qualifications. By riding on the principles of “high quality, high standards and advanced technologies”, many projects of the Group received awards and recognitions at provincial and municipal levels. In FY2019, the Group had 18 projects which commenced construction, with a designed daily waste water treatment capacity of 354,100 m³ (including treatment capacity of EPC projects), a designed daily reusable water supply capacity of 80,000 m³, and a designed daily sludge treatment capacity of 200 tonnes. A total of 18 projects completed construction and commenced operation, with a designed daily waste water treatment capacity of 440,600 m³, a designed daily reusable water supply capacity of 40,000 m³, a designed daily water supply capacity of 150,000 m³, and a designed daily sludge treatment capacity of 50 tonnes. As at 31 December 2019, the Group had 16 projects in the preparatory stage, with a daily water treatment capacity of 1,150,000 m³.

運營管理方面，本集團將「安全生產、達標排放」銘刻於心，持續推動日常項目運營穩定達標、運行工藝優化調控，打造更加優化的環境管理長效機制；持續完善和深化環境、安全、健康及社會責任（「**ESHS**」）管理體系（「**ESHS管理體系**」）以及風險管理體系；繼續推行「智慧水務」管理系統的應用，提升資產、項目、環境管理的智能化水平，同時增強工藝環節的精細化、專業化操作。回顧年度內，本集團共有10個污水處理廠獲批上調水價，調價幅度介於4%至61%；共獲得各類補貼資金約6,527萬元人民幣。

工程建設方面，回顧年度內，本集團堅持「安全重於泰山，質量生存之本」的工程建設理念，有序推進各項目工程建設。其中，內蒙古通遼開發區污水處理項目提標改造及擴建工程得益於項目團隊克服了工期緊張、施工條件複雜等重重困難，在保證原項目正常運行的前提下，創造了本集團工程建設史上最短工期記錄，建設成果獲得當地政府高度認可——顯示出本集團工程建設質高效優。回顧年度內，在確保工程建設安全生產零事故的同時，本集團進一步完善工程建設管理體系，建立工程安全與環境管理委員會，強化相關資質管理。得益於項目工程建設的「高品質、高標準、高技術」，本集團旗下多個項目工程獲得省市級榮譽認可。二零一九財政年度，本集團共有18個項目開工建設，設計規模為日處理污水354,100立方米（含EPC項目處理規模），日供中水80,000立方米，日處理污泥200噸。18個項目建成投運，設計規模為日處理污水440,600立方米，日供中水40,000立方米，日供水150,000立方米，日處理污泥50噸。於二零一九年十二月三十一日，本集團共有16個籌建項目，日水處理規模達1,150,000立方米。

In relation to technological R&D, the Group adhered to the “Innovation-driven Development” ethos and strived to develop new technologies with characteristics. During the year under review, the Group continuously focused on technological R&D and acquisition of technologies, in the areas such as advanced waste water treatment, water environment management and sludge treatment and disposal. It also developed technologies and products, such as Membrane Aerated Bioreactor (“**MABR**”), accurate dosing and aeration, and new ozone catalysts, to meet the market demands. Meanwhile, the Group proactively applied its research results to its projects. More than 40 in-house technological processes have been adopted by the Group’s projects, to safeguard stable operation and compliance with relevant discharge standards. The Group had also signed agreements for multiple projects to provide its in-house technologies, with a total contract value of approximately RMB112 million. Furthermore, during the year under review, the Group boosted its efforts in upgrading its qualifications, and continued industrial-academic collaborations with tertiary education and scientific research institutions at home and abroad. In FY2019, the Group was granted 25 patents (11 invention patents inclusive) and published 27 scientific papers.

In relation to engineering design, the Group, during the year under review, continued integrating Xuzhou Municipal Engineering Design Institute Co., Ltd. (“**Xuzhou Design Institute**”), which was acquired in FY2018, while actively exploring planning and design businesses. In FY2019, Xuzhou Design Institute undertook 234 engineering design service projects in business areas such as water supply, waste water treatment, leachate treatment and municipal public project consultancy.

In relation to the capital market, the Group, during the year under review, actively explored diversified financing channels for the future development. Apart from achieving dual listing status in Singapore and Hong Kong, the Company completed the issuance of its third tranche of RMB-denominated corporate bonds with a principal amount of RMB700 million in January 2019. The bond issuance effectively improved the Company’s financing structure.

技術研發方面，本集團堅持以技術創新引領發展，致力打造具有特色的新技術。回顧年度內，本集團繼續於污水深度處理、水環境治理、污泥處理處置等領域進行技術研發和引進，打造曝氣膜生物反應器（「**MABR**」）、精確加藥、精確曝氣、新型臭氧催化劑等市場亟需的新技術和產品。同時，本集團積極推進研發技術成果轉化和項目落地。其中，40多個自主工藝包已應用於旗下項目，為項目的穩定運行、達標排放提供良好保障。本集團亦簽署多個技術工藝包項目，涉及總合同金額約1.12億元人民幣。此外，本集團於回顧年度內大力加強資質平台建設，繼續促進與國內外高等院校和科研院的產學研合作。二零一九財政年度內，本集團獲得授權專利25項，包括發明專利11項，發表技術論文27篇。

工程設計方面，繼二零一八財政年度收購徐州市市政設計院有限公司（「**徐州設計院**」）後，本集團於回顧年度內推進徐州設計院的整合工作，積極探索和開展規劃設計等相關業務。二零一九財政年度，徐州設計院承接234項工程設計服務，涉及供水、污水處理、滲濾液處理、市政公用工程諮詢等領域。

資本市場方面，本集團於回顧年度內積極探索多種融資渠道，為下一輪發展籌措資金。除實現新加坡及香港兩地雙重上市地位之外，本公司於二零一九年一月發行本金為7.00億元人民幣的第三期人民幣計價公司債券，有效改善本公司的融資結構。

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Whilst steadily growing and developing its business, the Group places great emphasis on the environment and community, and values them as key components of corporate social responsibilities. During the year under review, the Group progressively opened up many of its projects to the public. The Group received a total of 872 groups of more than 19,000 visitors from all social circles. During the “World Environment Day” event on 5 June 2019, the Group's project companies in various cities, such as Nanjing, Nanning and Beijing, collaborated with the local governments and relevant institutions in organising a series of activities to engage the public and promote environmental protection. Such events received overwhelming responses and enhanced the brand reputation of the Group as a corporate citizen. At the project company level, the staff launched various charity activities, including charity donations, caring visits and poverty alleviation. These activities strengthened the projects' interactions and connections with the local governments and communities, and enhanced the mutual trust and support between the Group and the communities.

Owing to the continuous efforts in business development, project construction, environmental management and sustainable development, the Company received various awards and recognitions from home and abroad during the year under review, including: the 21st place in the 2019 “China's Top 50 Environmental Enterprises” organised by China Environment Chamber of Commerce of the All-China Federation of Industry and Commerce, the “Top 10 Influential Enterprise in China's Water Industry” announced by E20 Environment Platform, the “Best of Social Responsibility Award” at the 2019 China Corporate Elites Award Ceremony, the “Sustainability Winner” by the Securities Investors Association (Singapore), and admission to the list of “Centurion Club” by The Edge Singapore, a financial magazine in Singapore. At project level, the Group had a number of waste water treatment projects being listed as “National Environmental Protection Facilities and Urban Waste Water and Waste Treatment Facilities Opened to the Public”. In addition, several other projects were selected as provincial and municipal environmental protection facilities that are open to the public, reflecting the Group's important role in promoting the awareness of ecological and environmental protection at both national and local levels.

The Company is committed to creating value for the Shareholders. To share the operating fruits with the Shareholders, the Board recommended a final dividend of 3.74 Hong Kong cents (equivalent to 0.67 Singapore cent) per ordinary share for FY2019 (FY2018: 0.50 Singapore cent per ordinary share).

在推進業務穩步發展的同時，本集團始終心繫環境和民生，並將其視為主要的企業社會責任。回顧年度內，本集團向公眾新開放了多個環保項目，旗下各項目累計接待社會各界來訪人士872批次，超過1.9萬人次。在二零一九年六月五日的「世界環境日」活動中，本集團旗下位於南京、南寧、北京等多地的項目公司積極響應環保主題，與當地政府及相關機構聯合，舉辦了一系列別開生面的環保宣傳活動，取得良好效果，加強本集團作為企業公民的品牌美譽度。在項目公司層面，本集團各項目公司員工自發組織慈善捐款、慰問和扶貧等各類公益慈善活動，強化項目與當地政府及周邊社區的互動與聯繫，增強相互信任與支持。

得益於在業務發展、工程建設、環境管理、可持續發展等方面的不懈努力，本公司於回顧年度內陸續獲得國內外多項榮譽及認可：在全國工商聯環境商會發佈的「二零一九中國環境企業五十強」榜單位居第21位，入選E20環境平台「中國水業十大影響力企業」，在中國企業經營頒獎禮中獲頒「最具社會責任獎」以及獲得新加坡證券投資者協會授予的「可持續發展大獎」，入選新加坡財經媒體The Edge Singapore的年度「百夫長俱樂部」等。在項目層面，本集團旗下多個污水處理項目入選「全國環保設施和城市污水垃圾處理設施向公眾開放單位」，另有多個項目獲選為省市級環保開放設施。本集團項目成為從國家到地方對外宣傳生態環保意識的重要陣地。

本公司致力為股東創優增值。基於與股東分享公司經營成果的原則，董事會建議就二零一九財政年度向股東派發末期股息每股普通股3.74港仙（等值0.67新加坡分）（二零一八財政年度：每股普通股0.50新加坡分）。

Business Prospects

Response to COVID-19

Before the Lunar New Year 2020, the novel coronavirus (“**COVID-19**”) spread widely in China. Facing the grim situation of COVID-19 outbreak, the Group has, in a timely manner, put in place numerous precautionary measures and procured essential protective supplies to ensure the health and safety of all its employees in different regions. At the same time, during this critical period, the Group has proactively taken steps in ensuring the stable operations and compliant discharge of all projects, and preventing the secondary transmission of the virus through wastes such as waste water.

At present, the Group coordinates with different parties and takes swift actions. It actively applies for permission to resume constructions of its construction projects, stores up sufficient operational materials and protective gears for its operating projects, and implements various flexible working arrangements according to the nature and duties of each job position. The Group uses its best endeavors to mitigate the adverse impact of the COVID-19 outbreak on the Group.

The Group will continue closely monitoring the development of COVID-19 situation and ensure the safety of employees and stable operations of projects. The Group will also adjust its measures and plans for epidemic prevention and control, project operations and business development accordingly, as and when appropriate. In addition, it will make timely disclosure on any important matters. The Group will also actively carry out capacity building and training programmes during the epidemic to be fully prepared for business development after the epidemic.

Business Outlook

Being the final year of “13th Five-Year Plan” of China, the year of 2020 is crucial towards winning the battle against pollution and building a moderately prosperous society in all respects. Following the escalation of ecological environmental protection and management to a new level as national strategies, the Chinese government placed emphasis of unprecedented level on its environmental protection and ecological conservation. It was constantly stressed the importance of winning the battle for pollution control and prevention in the central economic working conference and other important national conference, to continuously improve the ecological environment. By further enforcing a series of environmental protection policies including the “Clean Water Action Plan”, “Clean Soil Action Plan” and “Clean Air Action Plan”, the government continued strengthening its stringent supervision on the ecological and environmental protection.

業務展望

疫情應對

二零二零年春節前，新型冠狀病毒引發的肺炎（「**新冠肺炎**」）疫情在中國蔓延。面對疫情的嚴峻形勢，本集團及時部署防控措施、採購防護物資，全力確保各地員工的健康安全。與此同時，在疫情期間，本集團積極採取保障措施，確保各項目穩定運營、達標排放，阻斷病毒通過污水等廢棄物媒介二次傳播。

目前，本集團多方協調、迅速行動，為建設工程項目積極進行復工申請，為運營項目及時儲備運營、防護等各類物資，根據各類員工崗位的性質和職責採用多元化工作方式，盡力緩解疫情給本集團帶來的不利影響。

本集團仍會繼續密切關注疫情發展情況，保障員工安全和項目穩定運行，適時調整疫情防控、項目運營、業務開展的方案和措施，並及時披露任何相關重要事項。本集團亦會在疫情期間積極開展團隊培訓和能力建設活動，為疫情結束後的業務發展做充分準備。

業務前景

二零二零年，中國迎來全面建成小康社會和國家「十三五」規劃的收官之年，也面臨污染防治攻堅戰的衝刺和考核之年。隨著生態環境保護和治理已經上升為國家戰略，中國在環境保護、生態文明建設方面的力度、廣度和深度均前所未見。中央經濟工作會議等國家重要會議不斷強調要打好污染防治攻堅戰，推動生態環境質量持續改善；以「水十條」、「土十條」及「大氣十條」為代表的一系列環保政策法規已進入「深耕」階段；中央生態環境保護督察工作持續開展，監管力度趨嚴。

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With the reinforced instructions from the top level, a well-established policy environment and more stringent industry regulations, the ecological environmental protection enterprises have marched into a crucial stage – a stage that they must strive to provide high-quality ecological services and products to meet the growing demand for a better living environment, and a stage that they must have the capabilities and resources to solve major ecological and environmental problems. In addition, the ecological protection enterprises have entered into a transition period with increasing pressures from receding capital flows and stricter supervision. In view thereof, the water companies and other ecological environmental protection enterprises must ride through the challenges, keep moving forward, explore directions and seize opportunities, so as to stand out in a crowd and embark a new round of development.

Amid the constant changes presented in the industry environment, the Group will continue pursuing its stability with good progress, change and improvement. The Group will embark a new and good quality development journey. In terms of market expansion, the Group will continue its focus on expanding into new geographical areas, new business areas and new business models, and securing good quality projects while cultivating new business growth. In terms of operations management, the Group will ensure the stable operation of all projects in compliance with the relevant discharge standards, enhance the standardised and refined operations while reducing operation costs. In terms of safety and environmental management, the Group will continue strengthening its ESHS Management System and Risk Management System. In terms of construction, the Group will pay close attention to the entire construction process to ensure safety, compliance and cost control. The Group will strive to achieve key breakthroughs in technological R&D, accelerate the commercialisation of technological research results, provide quality technical support and seek technological collaborations. In addition, the Group will improve its human resource management, create a positive corporate environment and closely serve its corporate development needs. The Group will also continue strengthening its financial management and leveraging on its dual listing status in Singapore and Hong Kong, so as to optimise its financing structure, broaden its financing channels and enhance its capital efficiency.

面對更堅定的頂層指導、更完善的政策環境、更嚴格的行業監管，生態環保企業已進入提供優質生態服務及產品以滿足日益增長的人居環境需求的攻堅期；到了有條件、有能力解決生態環境突出問題的窗口期；也步入了資本熱潮退去、監管愈加嚴格等壓力疊加的轉型陣痛期。對於水務企業及其他生態環保企業而言，未來將要負重前行，在各類挑戰中摸索方向、搶抓機遇，才能破繭而出，實現新一輪發展。

面對行業內部環境的深刻變化，本集團將圍繞「穩中求進、變中求機、進中求新」的工作思路，開啟高質量發展新階段。市場拓展繼續聚焦「新區域、新領域、新模式」，拓展優質項目，培育新業務增長點；運營管理在確保項目穩定運行、達標排放的同時，提升標準化、精細化水平，降低運營成本；安全與環境管理方面，繼續強化落實ESHS管理體系及風險管理體系；工程建設緊盯全過程管理，堅持安全合規，加強成本管控；技術研發力爭實現關鍵性突破，加快技術成果轉化，同時做好技術支持、技術合作等工作；人力資源建設提速，打造良好企業氛圍，緊密服務公司發展需求；財務管理繼續加強，藉助新加坡香港兩地上市優勢，優化融資結構，拓寬融資渠道，提升資金效率。



Looking back on the development in the past five years since the listing in Singapore, it is obvious to all that the Group has made substantial improvement in various respects, such as business scale, profitability, asset scale and employee size. Looking forward to 2020, despite the challenges presented by COVID-19 outbreak at the beginning of the year, the Group has taken prompt preventive and protective measures to mitigate the adverse impact of the outbreak on its business. In addition, the Group has good project pipeline and sufficient capital resources, as well as a solid foundation in investment, construction and operations management. The Group, thus, believes that the impact of COVID-19 on its full-year financial results and business is still controllable. Moving forward, the Group is confident to continue aligning with relevant national policies, keeping pace with market trends, and seeking development through technology and innovation, in order to achieve comprehensive development and stable business performance. It will in turn bring sustainable and favorable returns for the Shareholders. The Group will strive to build a sustainable living environment for the society with high-quality environmental protection services and products. Leveraging on its outstanding advantages, the Group aims to emerge as a leader in the water environment management industry of China.

FINANCIAL RESULTS

In FY2019, the Group's revenue amounted to HK\$5,550.77 million, an increase of 16% over HK\$4,768.32 million in FY2018. The increase in revenue was mainly attributable to rise in construction activities, which brought higher construction revenue, and rise in operation revenue as a result of commencement of new projects and tariff hikes for several projects effected during the year under review. Gross profit was HK\$1,892.44 million, an increase of 17% over HK\$1,623.78 million in FY2018. The Group's overall gross profit margin remained 34%, the same as compared with FY2018. The EBITDA amounted to HK\$1,647.06 million, an increase of 15% over HK\$1,432.58 million in FY2018. Profit attributable to equity holders of the Company for FY2019 was HK\$833.48 million, 23% more than HK\$676.46 million as compared with last year. Basic earnings per share for FY2019 were 30.07 Hong Kong cents, 4.49 Hong Kong cents more than the amount of 25.58 Hong Kong cents in last year.

回望新加坡上市以來的五年發展歷程，本集團在業務規模、盈利能力、資產規模、團隊人數等多個維度所取得的成績有目共睹。展望新的一年，儘管開年一定程度面臨新冠肺炎疫情帶來的挑戰，但本集團及時採取應對及保障措施，盡力緩解疫情的不利影響；加之現有充足的項目和資金儲備，以及在投資、建設、運營管理等方面的紮實基礎，本集團相信疫情對全年業績及工作的影響仍然在可控範圍內。未來，本集團有信心緊跟國家政策，把握市場脈動，以科技創新為引領，形成全面發展的新格局，以穩健的經營業績為股東創造可持續的良好回報；以優質的環保服務和產品，為社會打造可持續的人居環境；以過硬的綜合實力，奮力成長為中國水環境綜合治理領域的翹楚。

財務業績

於二零一九財政年度，本集團錄得收入為55.5077億港元，較二零一八財政年度之47.6832億港元增加16%。收入增加，主要由於回顧年度內建造活動增加帶來更高的建造收入，加上新項目的投運及若干項目的水價上調帶動運營收入增加。毛利為18.9244億港元，較二零一八財政年度之16.2378億港元增加17%。整體毛利率保持於34%，與二零一八財政年度持平。除利息、稅項、折舊及攤銷前盈利為16.4706億港元，較二零一八財政年度之14.3258億港元增加15%。二零一九財政年度本公司權益持有人應佔盈利為8.3348億港元，較去年之6.7646億港元增加23%。二零一九財政年度每股基本盈利為30.07港仙，較去年之25.58港仙增加4.49港仙。

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FINANCIAL POSITION

As at 31 December 2019, the Group's total assets amounted to approximately HK\$22.68 billion with net assets amounting to HK\$9.55 billion. Net asset value per share attributable to equity holders of the Company was HK\$3.08 per share, representing an increase of 3% as compared to HK\$2.98 per share as at the end of FY2018. As at 31 December 2019, gearing ratio (total liabilities divided by total assets) of the Group was 57.9%, which increased by 2.1ppt* from 55.8% as at the end of FY2018.

FINANCIAL RESOURCES

The Group adopts a prudent approach to cash and financial management to ensure proper risk control and low cost of funds. It finances its operations primarily with internally generated cash flow and loan facilities from banks, supplemented by funds raised from issuance of corporate bonds. As at 31 December 2019, the Group had cash and bank balances of HK\$2.07 billion, representing a decrease of HK\$200.82 million as compared to HK\$2.28 billion at the end of FY2018. Most of the Group's cash and bank balances, representing approximately 97%, was denominated in HK\$ and RMB.

BORROWINGS OF THE GROUP

Amounts payable within one year or less, or on demand

At 31 December 2019 於二零一九年十二月三十一日		At 31 December 2018 於二零一八年十二月三十一日	
Secured 有抵押	Unsecured 無抵押	Secured 有抵押	Unsecured 無抵押
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
224,274	1,786,282	1,062,132	1,098,268

Amounts payable after one year

At 31 December 2019 於二零一九年十二月三十一日		At 31 December 2018 於二零一八年十二月三十一日	
Secured 有抵押	Unsecured 無抵押	Secured 有抵押	Unsecured 無抵押
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
1,307,594	5,761,546	1,453,818	3,986,558

* ppt: percentage point
* 百分點

財務狀況

於二零一九年十二月三十一日，本集團之總資產約為226.8億港元，淨資產為95.5億港元。本公司權益持有人應佔每股資產淨值為每股3.08港元，較二零一八財政年度末每股之2.98港元增加3%。於二零一九年十二月三十一日，本集團資產負債比率（以總負債除以總資產計算所得）為57.9%，較二零一八財政年度末之55.8%上升2.1個百分點。

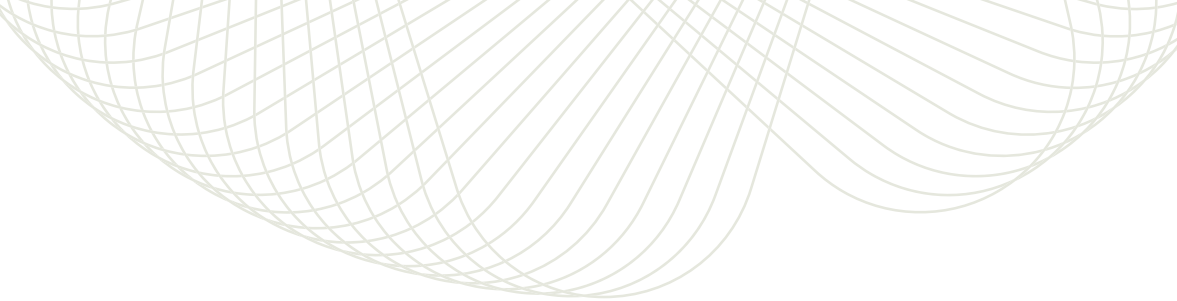
財務資源

本集團對現金及財務管理採取審慎的原則，妥善管理風險及降低資金成本。運營資金基本來自內部現金流及往來銀行提供之貸款，並輔以發行公司債券所籌集的資金。於二零一九年十二月三十一日，本集團持有現金及銀行結餘約20.7億港元，較二零一八財政年度末之22.8億港元減少2.0082億港元。本集團大部分現金及銀行結餘均為港元及人民幣，約佔比97%。

本集團的貸款

一年或以內應付或按要求應付款項

一年後應付款項



The Group is dedicated to improving financing methods and increasing bank facility limit to reserve funding for developing the water environment management business. As at 31 December 2019, the Group had outstanding borrowings of HK\$9.08 billion, representing an increase of HK\$1.48 billion as compared to HK\$7.60 billion as at the end of FY2018. The borrowings included secured interest-bearing borrowings of HK\$1.53 billion and unsecured interest-bearing borrowings of HK\$7.55 billion. The borrowings are mainly denominated in RMB, representing approximately 59% of the total, and the remainder is denominated in HK\$, United States dollars (“USD”) and euros (“EUR”). Most of the borrowings are at floating rates. As at 31 December 2019, the Group had bank and other loan facilities of HK\$10.45 billion, of which HK\$4.13 billion have not been utilised. The bank and other loan facilities are of one to twenty-one years terms.

FOREIGN EXCHANGE RISKS

The Group mainly operates in China. Currency exposure arises within entities of the Group when transactions are mainly denominated in foreign currencies such as USD, EUR, SGD, HK\$ and RMB. In addition, the Group is exposed to currency translation risk upon translation of the new assets in foreign operations into the Group’s reporting currency in HK\$. During FY2019, the Group was affected by the changes in the exchange rate.

PLEDGE OF ASSETS

Certain bank and other loan facilities of the Group as at 31 December 2019 and 2018 were secured by certain revenue, contract assets, receivables and intangible assets in connection with the Group’s service concession arrangements and the equity interests of certain subsidiaries of the Company. As at 31 December 2019, the aggregate net book value of assets and equity interests in subsidiaries pledged amounted to HK\$3.73 billion.

COMMITMENTS

As at 31 December 2019, the Group had purchase commitments of HK\$1.39 billion outstanding in connection with the construction contracts and capital commitment of HK\$23.15 million outstanding in connection with an unlisted equity investment.

本集團致力完善融資方式及提升銀行貸款額度，儲備資金配合水環境治理業務的發展。於二零一九年十二月三十一日，本集團尚未償還貸款總額約為90.8億港元，較二零一八財政年度末之76.0億港元增加14.8億港元。貸款包括有抵押之計息借貸15.3億港元及無抵押之計息借貸75.5億港元。本集團的貸款主要以人民幣為單位，佔總數約59%，其餘則包括港元、美元（「美元」）及歐元（「歐元」）。本集團的大部分貸款均為浮動利率。於二零一九年十二月三十一日，本集團之銀行及其他貸款融資額度為104.5億港元，其中41.3億港元為尚未動用之額度，銀行及其他貸款融資額度期限為一年至二十一年。

外匯風險

本集團主要在中國運營。倘交易主要以外幣（如美元、歐元、新加坡元、港元及人民幣）交易時，本集團實體會承受貨幣風險。此外，在換算海外運營的新資產至本集團呈列貨幣港元時，本集團面臨貨幣換算風險。本集團於二零一九財政年度受匯率變動影響。

資產抵押

於二零一九年及二零一八年十二月三十一日，本集團若干銀行及其他貸款融資以本集團服務特許經營權安排下之相關收入、合約資產、應收款項及無形資產以及本公司若干附屬公司之股權作為抵押。於二零一九年十二月三十一日，已抵押資產及附屬公司股權之賬面淨值總額為37.3億港元。

承擔

於二零一九年十二月三十一日，本集團為建造合約而訂約之採購承擔為13.9億港元，及為一項非上市股權投資而訂約之資本承擔為2,315萬港元。

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CONTINGENT LIABILITIES

As at 31 December 2019, the Company issued financial guarantees to three wholly-owned subsidiaries. The Board does not consider it probable that a claim will be made against the Company under the guarantees. The maximum liability of the Company as at 31 December 2019 for the provision of the guarantees was HK\$1.26 billion.

INTERNAL MANAGEMENT

Corporate management and risk management are of paramount importance in ensuring an efficient, healthy and sustainable corporate development. The Group has established a sound management structure, with five committees under the Board, comprising the Audit Committee, the Nominating Committee, the Remuneration Committee, the Strategy Committee and the Management Committee. The Company also sets up various departments, such as: the Legal & Risk Management Department, the Internal Audit Department, the Finance Management Department, the Budget Management Department, the Human Resources Department, the Operations Management Department, the Safety and Environmental Management Department and the Investment & Development Department. The Management Committee holds a meeting at least once in a month to deliberate the matters regarding the Group's business and management, ensuring its sustainable corporate development. During the year under review, the Company attached great importance to its internal control, and the Management responded accordingly upon receiving reports on the weaknesses of its internal control. In order to effectively plan, coordinate and control its operating activities, the Group further optimised its regional management functions and organisational structure in FY2019. Moreover, it implemented the principle of separation of incompatible duties, and defined in details the responsibilities and authority of each organisational unit to form a system of checks and balances. The Group also continued strengthening the implementation of its ESHS Management System across the organisation to standardise the internal process for project investment, construction and operations management, as well as to enhance the overall operating efficiency and proficiency.

或有負債

於二零一九年十二月三十一日，本公司曾為三家全資附屬公司作出財務擔保。董事會認為，有關擔保持有人不大可能根據上述擔保向本公司作出申索。於二零一九年十二月三十一日，本公司在上述財務擔保下之最高負債之撥備為12.6億港元。

內部管理

企業管理和風險管控是確保企業高效、健康和可持續發展的基礎。本集團建立了完善的管理架構，董事會下設了五個專門委員會包括審計委員會、提名委員會、薪酬委員會、戰略委員會、管理委員會，本公司設有法律及風險管理部、內審部、財務管理部、預算管理部、人力資源部、運營管理部、安全與環境管理部、投資發展部等部門。管理委員會每月至少召開一次管理委員會會議，對當期經營和管理情況進行審議，確保企業可持續發展。回顧年度內，本公司對內部控制給予了高度重視，管理層對收到的有關內部控制弱點的報告都及時作出了適當處理。為更有效地計劃、協調和控制經營活動，本集團於二零一九財政年度進一步優化了區域管理職能及機構設置，並貫徹不相容職務相分離的原則，比較科學地劃分了每個組織單位內部的責任權限，形成相互制衡機制。持續推動ESHs管理體系在全組織內的實施，實現項目投資、建設及運營管理過程中各環節管理的規範化，促進整體運行效率和效益的提升。

HUMAN RESOURCES MANAGEMENT

Talents are the key resources for corporate development. The Group highly values its employees and puts great emphasis on talent training and development. During the year under review, the Group established and implemented a more systematic human resources management system covering areas, such as: recruitment, training, appraisal, rewards, punishments and promotion. It also recruited qualified people capable of fulfilling the job responsibilities, and enabled the new employees to complete assigned tasks through induction trainings, apprenticeship programme and job rotations. In order to build up an excellent talent team, the Group improved the admission criteria for its backup talent pool and established the “Yongquan Programme” to provide trainings of various types to the employees who were admitted to the backup talent pool. A total of 76 trainees completed a three-month period of trainings and graduated in November 2019. New intakes will be admitted to this programme each year, so as to better ensure the sustainable development of the Group.

As at 31 December 2019, the Group had more than 2,303 employees. Employees within the Group are remunerated according to their qualifications, experience, job nature, performance and with reference to market conditions. Apart from a discretionary bonus, the Group also provides other benefits such as the pension funds as required by the laws and regulations in the relevant jurisdiction. Details of the salaries and other benefits of the employees can be found in note 8 to the financial statement.

PRINCIPAL RISKS AND UNCERTAINTIES

During FY2019, the Group continuously built and improved its Risk Management System, and carried out risk identification and assessment, and formation and evaluation of risk control measures, in order to effectively control the risks faced by the Group. In accordance with the requirements as set out in the Group's Risk Management Policy and Risk Management Practice Handbook, the Group summarised and performed an analysis on the principal risks faced by it during the year under review. Such principal risks included policy changing risk, accounts receivable risk, financing management risk, engineering construction and operational management risks, technology and innovation risks, compliance risk, competitive advantage risk, internal control risk, staffing risk, and cost control risk. In response to the aforesaid principal risks, the Group had, during the year under review, gradually implemented risk control measures which resulted in a reducing risk level of most of such principal risks. As such, these risk control measures are currently evaluated as effective. However, due to the external uncontrollable factors and diversity of risk exposure, the risk level of policy changing risk, accounts receivable risk, engineering construction and operational management risks and competitive advantage risk remained unchanged.

人力資源管理

人才是企業發展的重要資源，本集團將人才視為寶貴財富，高度重視人才培養與發展工作。回顧年度內，本集團已建立和實施了較科學的聘用、培訓、考核、獎懲、晉升等人力資源管理制度，並聘用與崗位要求相匹配的人員，通過入職培訓、師帶徒、輪崗學習等方式，使新入職人員能完成所分配的任務。為加強人才隊伍建設，本集團於二零一九財政年度內完善了後備幹部選拔要求並成立了「湧泉計劃」後備幹部培訓班，利用多種形式對後備幹部學員開展培訓，第一期共76名學員經過三個月的學習，已於二零一九年十一月畢業。每年將有新的後備人才加入到該計劃中，為本集團可持續發展提供良好保障。

於二零一九年十二月三十一日，本集團合共僱用超過2,303名員工。僱員之薪酬乃根據資歷、經驗、工作性質、表現以及市場情況計算釐定。除了酌情花紅外，本集團亦提供其他福利予僱員，包括根據當地的法律及要求的退休金計劃等。關於僱員工資及薪酬的詳情載於財務報表附註8。

主要風險及不確定性

二零一九財政年度內，本集團持續推進風險管理體系建設、風險識別與評估、風險管控措施落實和評價等相關工作，對本集團面臨的風險進行有效管控。基於本集團《風險管理制度》和《風險管理手冊》要求，本集團已對回顧年度內面臨的主要風險進行匯總、分析。主要風險分別是政策變動風險、應收賬款風險、融資管理風險、工程建設與運營管理風險、科技與創新風險、合法合規風險、競爭優勢風險、內部控制風險、人員配置風險、成本控制風險。針對前述主要風險，回顧年度內，本集團已逐項落實了風險管控措施，當前評估管控措施有效，大部分主要風險等級呈下降趨勢，但由於外部非可控因素和導致風險誘因的多樣性，政策變動風險、應收賬款風險、工程建設與運營管理風險和競爭優勢風險的風險等級不變。

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No. 序號	Risk 風險名稱	Effectiveness of control measures 管控措施是否有效	Change in Risk Level 風險等級變化趨勢
1	Policy changing risk 政策變動風險	Effective 有效	↔
2	Accounts receivable risk 應收賬款風險	Effective 有效	↔
3	Financing management risk 融資管理風險	Effective 有效	↓
4	Engineering construction and operational management risks 工程建設與運營管理風險	Effective 有效	↔
5	Technology and innovation risks 科技與創新風險	Effective 有效	↓
6	Compliance risk 合法合規風險	Effective 有效	↓
7	Competitive advantage risk 競爭優勢風險	Effective 有效	↔
8	Internal control risk 內部控制風險	Effective 有效	↓
9	Staffing risk 人員配置風險	Effective 有效	↓
10	Cost control risk 成本控制風險	Effective 有效	↓

1. Policy changing risk

The Group is subject to risks associated with changes in regulations and policies for waste water treatment, river-basin ecological restoration, sponge city construction, reusable water, water supply and waste water source heat pump projects in China. Any changes in legislative, regulatory or industrial requirements could render certain of the Group's projects or related technologies obsolete or financially unfeasible to operate, which in turn could have a material and adverse impact on the Group's business, financial condition, operating results and prospects. The Group has been closely monitoring the changes to national environmental protection policies, and adjusting its development direction in response to such changes. The relevant management policies and standards have been updated in a timely manner to ensure that each technology and environmental protection indicator satisfies the requirements of national standards, in order for the Group to achieve the pre-determined goal of sustainable growth. The existing control measures are effective as a whole. However, the risk level remained unchanged due to the uncontrollability of the risk.

1. 政策變動風險

本集團面臨中國污水處理、流域生態修復、海綿城市建設、中水回用、供水及污水源熱泵項目的法規及政策變動有關的風險。若立法、監管或行業規定出現任何變動，可能導致本集團若干項目或相關技術過時或本集團的運營於經濟上不可行，進而可能對本集團的業務、財務狀況、經營業績及前景造成不利影響。本集團一直密切關注國家對環保政策的調整，及時順應環保政策的變化而調整本集團發展路線，及時更新對應管理制度和標準，使各項技術、環保指標均符合國家標準要求，實現可持續發展的預定目標。目前管控措施整體有效，但考慮到該風險的不可控性，風險等級維持不變。

2. Accounts receivable risk

The Group's operations are concentrated within the Yangtze River Delta in China and Bohai Economic Rim. The successful operation of its business depends heavily on the environmental water projects of the Group. As such, the Group's business, financial condition, operating results and prospects rely heavily on the economic development, social conditions, government creditworthiness, investment environment, government policies or environmental conditions in the areas where its projects are located. If the local governments or clients faced with financial difficulties which decreased their ability to pay the service fees, the amount of the Group's accounts receivables may be increased. During FY2019, the Group continued to strengthen its communication with relevant local governments and authorities and achieved good results in negotiating and formulating practical and feasible plans to recover the accounts receivables. Internally, the Group periodically analysed the overall status of accounts receivables, and regularly assessed and improved the existing receivable recovery plans. At the same time, the Group strengthened the management of its cash flows to enhance its resilience against the risk of failure in recovering receivables timely in the future. The existing control measures are effective as a whole. However, the risk level remained unchanged due to the slow-down of China's economic growth and increased financial pressure faced by Chinese local governments.

3. Financing management risk

Maintaining the Group's competitiveness and implementing its growth strategies both require sufficient capital resources. Any failure to obtain adequate funding or refinance the existing debt at reasonable rates could adversely affect the Group's business, financial condition and operating results, and prevent the Group from fulfilling its business objectives. During the year under review, the Group continued monitoring the changes in the domestic and overseas financing environment and the trend of RMB exchange rate. The Group also made adjustment to its financing structure as and when appropriate and actively seized the opportunity to secure a low interest rate. By exploring various financing models, the Group ensured that its capital reserves would be sufficient and financing costs would be under control. Meanwhile, based on the capital needs of each project, the Group tailored the financing arrangements according to the project timeline and progress so as to improve the efficiency for obtaining financing approval and making loan drawdowns. The existing control measures are effective as a whole with the risk level on the downward trend.

2. 應收賬款風險

本集團的業務集中在長三角及環渤海經濟圈，本集團業務營運的成功與否很大程度上取決於本集團的環保水務項目，而本集團的業務、財務狀況、經營業績及前景很大程度上取決於項目所在地的經濟發展、社會狀況、政府信用情況、投資環境、政府政策或環境狀況。由於部分地方政府或者客戶財務緊張而造成其支付服務費用的能力下降，導致本集團可能面臨應收賬款增加的影響。二零一九財政年度內，本集團持續加強與有關地方政府、部門的溝通，協商制定切合實際、可行的應收賬款回收方案，取得了良好效果；在內部，本集團定期對應收賬款總體情況進行分析，定期對目前已實施的應收賬款回收機制進行評價、改進，同時加強對本集團現金流的管理，以強化本集團抵抗未來應收賬款不能及時回收風險的能力。目前管控措施整體有效，但考慮中國經濟增長放緩、中國地方政府面臨財政壓力增加，該風險等級保持不變。

3. 融資管理風險

維持本集團的競爭力及實施發展戰略均要求充足的資金資源。未能獲得充足資金或按合理利率為現有債務提供再融資可能對本集團的業務、財務狀況及經營業績造成不利影響，並可能阻礙本集團實現業務目標。回顧年度內，本集團持續關注國內外融資環境的變化情況，持續監測人民幣匯率變動走勢，適時調整本集團貸款結構，積極把握利率低位運行機會，拓展多渠道融資模式，確保本集團資金儲備充足與融資成本可控。同時，本集團根據項目資金需求，將項目融資工作節點與工程進度相匹配，做好資金計劃安排，提升項目融資審批和放款效率。目前管控措施整體有效，風險等級處於下降趨勢。

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4. *Engineering construction and operational management risks*

During the construction and operation period of a project, risks that are difficult to quantify at the initial stage of the project may cause the Group's construction costs, restoration costs, operational costs and actual revenue to deviate from the Group's initial estimates and thus may result in losses. In addition, the construction and operation of the Group's projects, including any new project undertaken by the Group, could be adversely affected by a number of factors which are commonly associated with infrastructure projects and out of the Group's control. The Group's operating projects are running smoothly. Following a large number of new projects commencing operations, the inexperienced workers may not be able to immediately identify equipment deficiencies or potential problems and this may result in environmental and safety incidents. In respect of the engineering construction risk, the Group's existing rules and policies for project construction are comprehensive. Duties of the supervising unit and the approval procedures for on-site workers are sound and discharged effectively. During FY2019, the Group enhanced its supervision on and monitoring of construction sites for its construction projects and carried out safety education and trainings, risk identification, and regular inspections and assessments. The Group identified and assessed potential safety hazards of each project, supervised the implementation of rectification, and assigned the responsibility to the person in charge. As for the operational management risk, the Group further optimised its ESHS Management System, formulated a contingency plan for emergencies and conducted a comprehensive review on the operations to eliminate operational shortcomings and ensure discharge in compliance with the required standards. The existing control measures are effective as a whole. However, the risk level remained unchanged due to the large number of new construction projects and new operating projects.

4. *工程建設與運營管理風險*

於項目建設及運營期間，在項目初期難以量化的風險可能導致本集團的建造成本、修復成本、運營成本及實際收益偏離本集團的初始預測，從而導致損失。此外，項目（包括本集團承接的任何新項目）的建設及運營可能受到與基建項目普遍有關且本集團可能無法控制的多種因素的不利影響。本集團已投運項目均穩定運行，隨著大量新建成項目的投運，可能存在工作人員技能不夠熟練、對設備缺陷或隱患預見性不足，進而發生環境和安全等運營事故。針對工程建設風險，本集團現有工程建設規章制度完善，對監理單位現場履職情況和進場人員審核流程健全且有效執行。二零一九財政年度內，本集團各在建工程項目加大了對施工現場的管控力度，組織開展安全教育培訓、風險識別、定期檢查與考核等活動，排查各項目存在的安全隱患、督促落實整改並責任到人。針對運營管理風險，本集團繼續完善ESHS管理體系，制定了應急預案並對運營情況開展了全面檢查活動，消除運營短板，保證達標排放。目前管控措施整體有效，但考慮到新開工項目和新投運項目數量較多，該風險等級保持不變。

5. Technology and innovation risks

The Group's continued success and competitiveness in the industry depend on its ability to develop and improve the technologies and techniques. The required technologies and techniques are subject to continuous evolution and changes. Such changes may require substantial investments and increase the operating and R&D costs of the Group. Facing the increasingly stringent regulatory requirements on environment imposed by the Chinese government and considering the actual situations of the Group, during FY2019, the Group continued to strengthen its efforts and commitments towards technological innovation. The Group will continue boosting its efforts in technological R&D and innovation, proactively bring in professional technological talents, carry out in-house technological R&D, and foster the application of technological achievements to its projects, so as to adhere to the "Technology-driven Development" ethos. The existing control measures are effective as a whole with the risk level on the downward trend.

6. Compliance risk

Failure to strictly comply with the relevant laws and regulations in China, the Rules Governing the Listing of Securities on the SEHK (the "HK Listing Rules"), the listing manual of SGX ("SGX Listing Manual") and relevant industry policies, etc., may result in administrative penalties or judicial proceedings against the Group in the relevant regions, which may adversely affect the reputation and operation of the Group. The Group places high emphasis on the legality and compliance of its operations, and provides safeguard through internal legal personnel and external legal experts. The Group had formulated its policies and procedures in strict compliance with laws and regulations, implemented reasonable procedures and carried out compliance review. During FY2019, the Group organised numerous legal trainings on various topics by inviting external industry experts to conduct on-site and online trainings, to enhance the legal knowledge of its employees. It also conducted specific inspections on regular or ad hoc basis with regards to material issues so as to strictly control the compliance risk arising from daily affairs and key focuses. The existing control measures are effective as a whole with the risk level on the downward trend.

5. 科技與創新風險

本集團的持續成功及於行業內的競爭力取決於本集團發展及提升科研及技術的能力。所需科研及技術會持續演變，有關變動可能需要大量投資並增加本集團的經營及研發成本。面對中國政府不斷提高的環境監管要求，結合本集團實際情況，本集團於二零一九財政年度持續加強科技創新的投入。本集團亦推動科技研發與創新，積極引進專業技術人才、開展自主技術研發、推動技術成果轉化以及項目應用，堅持科技引領發展。目前管控措施整體有效，風險等級處於下降趨勢。

6. 合法合規風險

若未能嚴格遵守中國有關法律法規、聯交所證券上市規則（「香港上市規則」）、新交所的上市手冊（「新交所上市手冊」）、相關行業規範等要求，本集團可能會受到相關地區的行政處罰或被提起司法程序，從而對本集團的聲譽和經營帶來負面影響。本集團一貫重視經營中的合法合規，通過內部法律人員與外聘法律專家兩方面提供有效保障。本集團規章制度嚴格依法訂立，通過合理設置流程實現合法性審查。二零一九財政年度內，本集團組織開展多專題、多輪次的法律培訓，包括從外部邀請行業專家進行現場與網絡授課，以提升本集團員工法律知識水平；對於重要事項，亦已開展定期或不定期的專項檢查，以確保在日常事務與重點工作中嚴控合法合規風險。目前管控措施整體有效，風險等級處於下降趨勢。

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7. *Competitive advantage risk*

A substantial influx of capital and competitors into the environmental protection industry leads to the rapid change of business model. Under such circumstances, the Group will face intensifying competitions in the industry, which may affect its results of business expansion and the investment return of projects. Leveraging on its extensive practical experience, the Group regularly collects market information of the industry, makes comprehensive analysis and ensures the steady progress on technological R&D. The Group maintains good relationship with the local governments, participates in environmental water projects developed by government authorities at various levels, and ensures the stable operation of projects and discharge in compliance with required standards, so as to achieve a win-win-win situation among the government, corporations and the community in the environmental protection field. During FY2019, the Group continued monitoring market opportunities and actively expanded its business. It successfully secured projects in certain new regions. In addition, the Group has effectively maintained its advantageous industry position in the existing regions, and achieved stable growth in total business volume. The existing control measures are effective as a whole. However, the risk level remained unchanged due to the fierce competition in the environmental water industry.

8. *Internal control risk*

The internal control risk is the material risk which the Group always focuses on. The Group established an efficient and appropriate organisation structure to clearly spell out the duties of each level and functional department. By establishing various special committees, such as: Risk Assessment Committee, Engineering and Technology Committee, Budget Management Committee and Procurement Management Committee, the Group strengthened specialised review on material issues and the effective implementation thereof. Effective risk management is achieved through establishing a three-tier risk control mechanism comprising project companies, functional departments at the headquarters, and the Legal & Risk Management Department and Internal Audit Department. During FY2019, the Internal Audit Department conducted internal audit on a regular basis, discovered the deficiencies in internal control, suggested rectification measures and followed up on the implementation of rectification measures in a timely manner, so as to ensure the continuous improvement of the Group's internal control. The Group effectively managed its internal control risk through the existing structure involving the Management Committee, the Legal & Risk Management Department and the Internal Audit Department. The existing control measures are effective as a whole. During FY2019, there was no event involving significant internal control risk occurred and the risk level is on the downward trend.

7. *競爭優勢風險*

大量資本和競爭對手正在進入環保產業，商業模式快速更迭，本集團將面臨日趨激烈的行業競爭，可能影響本集團的業務拓展成果及項目投資回報。本集團依託自身豐富的實踐經驗，定期蒐集行業市場信息並進行全面分析，穩步推進技術研發工作。本集團一貫保持與地方政府的良好合作關係，積極參與各級政府推出的環保水務項目，確保項目穩定運行、達標排放，在環保領域實現政府、企業、社區的三贏。二零一九財政年度內，本集團持續跟蹤市場機會，積極進行業務拓展，在某些新區域實現了項目零突破，同時有效保持了本集團在原優勢地區的行業地位，實現了本集團業務總量的穩定增長。目前管控措施整體有效，但考慮到環保水務行業的激烈競爭態勢，該風險等級保持不變。

8. *內部控制風險*

內部控制風險是本集團始終關注的重要風險。本集團已經建立了高效合理的組織架構，明確各級架構及職能部門的職責，設立了風險評審委員會、工程技術委員會、預算管理委員會、採購管理委員會等專項委員會，強化了對重點事項的專門審核及有效推進。本集團也建立了項目公司、總部各職能部門、法律及風險管理部和內審部三道風險控制防線，實現了對於風險的有效管理。二零一九財政年度內，內審部定期開展內部審計工作，發現內控不足並及時提出整改措施，適時跟進整改措施的執行情況，保障本集團內部控制的不斷完善。本集團通過管理委員會、法律及風險管理部、內審部等現有架構設置，對內部控制風險實現了有效管理。目前管控措施整體有效，二零一九財政年度內本集團未發生重大的內部控制風險事項，風險等級處於下降趨勢。

9. Staffing risk

The Group relies on the experience and ability of its key management team and qualified staff. The training of key staff, management and technical personnel is a cyclical process. With the large number of new operating projects, the existing management staff and engineers may be redeployed to new project companies, which may result in continual difficulties in reasonable allocation of human resources. Although the Group can expand the talent pool through recruitment, the limited supply of experienced employees in market, with the other restricting factors such as salary level or location of the workplace (i.e. remote areas), may increase the difficulty in recruitment. During the year under review, the Group firmly implemented the “Policy in Managing Backup Talent Pool” and “Policy in Recruiting Professional and Technical Staff” to continually enrich and improve the talent pool, and cooperated with renowned universities in China to arrange CEO Course and Engineering Master Programme for senior management and core technicians, so as to enhance the training and development of staff and improve staff training efficiency. During FY2019, the Group maintained a team of key management and qualified personnel and carried out regular and effective internal staff training and development. The existing control measures are effective as a whole with the risk level on the downward trend.

10. Cost control risk

Amid the macroeconomic policies of the Chinese government, market changes and regulatory requirements and other factors, the Group's raw material costs for related businesses fluctuated, resulting in an external pressure of increasing costs on the engineering construction and operation of the Group, which may affect the Group's financial performance. During FY2019, the Group continued to minimize the risk by clearly stipulating the terms relating to price adjustment mechanism in the project contracts. In addition, the Group emphasised the principle of market risk sharing among parties in legal documents, so as to avoid the Group from suffering excessive market risks. At the same time, the Group strengthened its centralised procurement management and adopted open tender process to ensure the stability of supply prices of relevant raw materials with scale effects to effectively eliminate cost control risk. The existing control measures are effective as a whole with the risk level on the downward trend.

9. 人員配置風險

本集團依賴主要管理團隊及合資格人員的經驗與能力。關鍵崗位和管理與技術人才的培養具有一定週期性，隨著越來越多的新項目投運，本集團可能面臨人員合理配置難度增大的風險。儘管本集團可以通過招聘增加人才儲備，但市場上具備充足經驗的人才有限，同時受薪酬水平或者工作地點的限制（如偏遠地區），可能存在招聘難度較大的情況。回顧年度內本集團堅持執行《後備幹部管理辦法》和《專業技術職務評聘管理辦法》等管理制度，不斷充實和完善後備人才庫，並與中國知名大學合作為高級管理人員和技術骨幹安排參加總裁班和工程碩士班，加強人員培養與培訓工作，提升人員培養效率。二零一九財政年度內，本集團主要管理團隊及合資格人員隊伍穩定，本集團內部人員培養與培訓工作有效、正常推進。風險管控措施整體有效，風險等級處於下降趨勢。

10. 成本控制風險

受中國政府宏觀政策、市場變化、監管要求等因素影響，本集團相關業務原材料成本波動，導致本集團在工程建設、運營等方面受到成本增加的外部壓力，進而可能影響本集團的業績表現。二零一九財政年度內，本集團持續加強與成本相關合同的風險管理，將調價條款明確約定在項目合同中，在法律文件中明確各方市場風險分擔原則，以避免本集團受到過大的市場風險衝擊。同時，本集團強化了統一採購管理，通過公開市場招標採購等方式，以規模效應保證相關原材料供給價格穩定，以有效化解成本控制風險。風險管控措施整體有效，風險等級處於下降趨勢。

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ENVIRONMENTAL AND SOCIAL MANAGEMENT

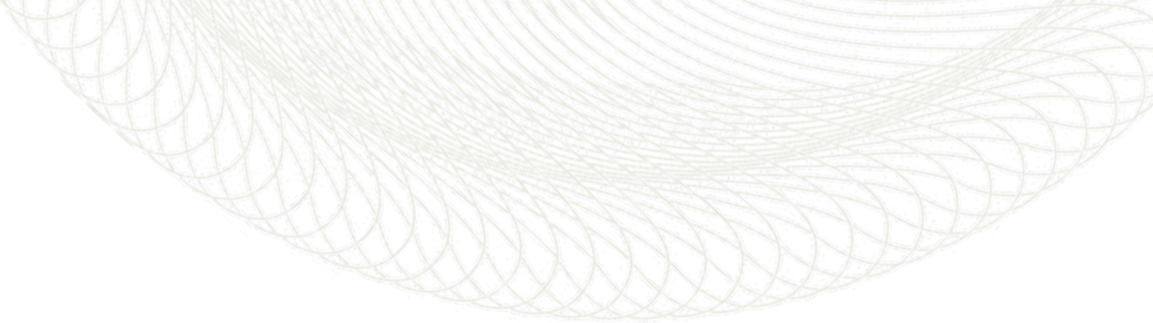
The Group places great importance on the impact of its operations to both the environment and the society. The Group's "Intelligent Water" information management system assists the waste water treatment plants achieve smart management and reduce the overall energy consumption. Meanwhile, "Intelligent Water" also facilitates standardised, normalised and refined operations management, promoting a balanced development of the Group in order to ultimately achieve a green and low-carbon operation goal. Additionally, the Group has also been actively evaluating its environmental and social performance against internationally recognised standards, including the World Bank Group's Environmental, Health, and Safety Guidelines, and has been regularly submitting monitoring reports to International Finance Corporation ("IFC") since 2016. Most of the Group's projects have obtained or are actively applying for international management standard certificates, including ISO 9001 Quality Management System, ISO 14001 Environmental Management System, and OHSAS 18001/ISO 45001 Occupational Health and Safety Management System.

The operating and environmental performance of the Group's projects strictly adheres to the standards and requirements of their respective environmental impact assessment reports. The Group also takes into consideration the expectations of neighbouring communities. The key regulations and standards which are highly relevant to the Group's business include the Environmental Protection Law of the People's Republic of China ("PRC"), Production Safety Law of the PRC, Labour Law of the PRC, Law of the PRC on Environmental Impact Assessment, Water Pollution Prevention and Control Law of the PRC, Marine Environment Protection Law of the PRC, Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste, Law of the PRC on Prevention and Control of Environmental Noise Pollution, Atmospheric Pollution Prevention and Control Law of the PRC, Discharge Standard for Pollutants of Municipal Wastewater Treatment Plants (GB18918-2002) and the applicable discharge standards for pollutants prescribed by local governments, etc. No breach of these laws and regulations which resulted in any significant loss or impact to the Group was recorded in FY2019.

環境與社會管理

本集團十分重視自身運營所帶來的環境與社會影響而本集團的「智慧水務」信息管理體系協助污水處理廠實現智慧型管理，降低整體能源消耗，同時提高運營管理的標準化、規範化和精細化水平，促進本集團的均衡發展，最終實現綠色低碳的運營目標。此外，本集團積極按照受國際認可的標準去評估和管理其環境表現，包括世界銀行集團《環境、健康和安全管理指南》，並自二零一六年起定期向國際金融公司（「IFC」）提交監測報告。本集團旗下多數項目均已獲得或正在積極申請各類相關體系管理證書，包括ISO 9001質量管理體系、ISO 14001環境管理體系及OHSAS 18001/ISO 45001職業健康安全體系。

本集團項目的運營和環境表現嚴格參照相關標準及環境影響評估報告的要求，並將周邊社區的期望納入考慮。適用於本集團項目的主要法規和標準包括：《中華人民共和國環境保護法》、《中華人民共和國安全生產法》、《中華人民共和國勞動法》、《中華人民共和國環境影響評價法》、《中華人民共和國水污染防治法》、《中華人民共和國海洋環境保護法》、《中華人民共和國固體廢物污染環境防治法》、《中華人民共和國環境噪聲污染防治法》、《中華人民共和國大氣污染防治法》、《城鎮污水處理廠污染物排放標準(GB18918-2002)》以及地方政府制定的適用污染物排放標準等。本集團於二零一九財政年度內沒有因違反這些法律法規而導致重大損失和影響的記錄。



With an aim to integrate regulatory requirements into operational practices, the Group has fully implemented its ESHS Management System since 2016. In FY2019, the Group continued to strengthen the implementation of the ESHS Management System and Risk Management System across all levels within the Group. In its ESHS Management System, the Group formulated a contingency plan for emergencies and conducted a comprehensive review on the operation to rectify any identified issues, and proactively accepted the supervision of the general public. Furthermore, the Group attaches great importance to safety management and strict compliance with discharge standards. The Group at all times adheres to the principles of “safe production” and “compliance with environmental standards” by establishing and improving its systems (such as safety management rules and policies) as well as strengthening investigations and rectifications of hidden safety hazards. Besides, the Group continued to carry out the “Safe Operation Month” initiative at all projects and strived to fulfil its “Three Zeros” goal (zero excessive discharge of pollutants, zero work safety accident and zero case for violation of regulations or discipline) through various activities, including themed presentations, trainings, safety inspections and emergency drills.

In addition, the Group uploaded the key environmental information of its projects to the corporate or environmental website for public review, including environmental impacts assessment approvals, annual environmental monitoring plans, environmental assessment monitoring results and acceptance reports for completed projects, environmental emergency response plans, monitoring results of waste water/air emission/noise etc. The information disclosure allows public’s scrutiny and helps enhance the transparency of operating projects.

At the same time, the Group actively responded to the requirements under the “Notice on Further Opening the National Environmental Protection Facilities and Urban Waste Water and Waste Treatment Facilities to the Public” issued by the Ministry of Ecology and Environment and the Ministry of Housing and Urban-Rural Development of the PRC, and opened its waste water treatment facilities to the public. Currently, a total of 20 projects have been officially opened to the public. During FY2019, these projects received, in aggregate, 390 groups of visits with 14,200 visitors in total. The opening of waste water treatment facilities promotes environmental protection knowledge to the public and raises their awareness of environmental protection. In addition, this activity eliminates the “Not in My Backyard Effect” and enhances the corporate image. As of now, the Group has three batches of 11 projects (plants) which have been listed as “National Environmental Protection Facilities and Urban Waste Water and Waste Treatment Facilities Opened to the Public”. A number of waste water treatment projects received various awards and recognitions, such as the “Popular Science Base for Waste Water Treatment”, “Ecological Civilization Construction Practice Base” and “Environmental Education Base”.

為進一步結合制度要求與運營實踐，本集團於二零一六年起全面實施ESHS管理體系。於二零一九財政年度，本集團繼續於各層級強化ESHS管理體系與風險管理體系。在其ESHS管理體系裏，本集團制定了應急預案並對運營情況開展了全面檢查活動，針對發現的問題實現整改並主動接受社會及公眾的監督。本集團高度重視安全管理和達標排放，始終堅守「安全生產」和「環境達標」底線，建立完善了安全管理規程規章制度等標準體系，加強安全隱患排查整改。亦在項目層面上繼續開展「安全生產月」活動，通過主題宣講、培訓教育、安全檢查、應急演練等方式，深入貫徹「三個零」（零超標排放、零安全事故、零違規違紀）目標。

為提升項目運營管理的透明度，本集團更將項目的重要環境信息，如環評批覆、年度環境監測計劃、項目竣工環保驗收監測結果和驗收報告、突發環境事件應急預案、污水/廢氣/噪聲監測結果等上載至本公司或環保網站供公眾查閱，務求使公眾便於掌握、監督本集團的環保表現。

同時，本集團積極響應中國生態環境部與住房和城鄉建設部《關於進一步做好全國環保設施和城市污水垃圾處理設施向公眾開放工作的通知》要求，主動開放轄屬污水處理設施，共有20個項目已向公眾正式開放。於二零一九財政年度，這些項目共接待公眾參觀390批次，1.42萬人次。污水處理廠向公眾的開放，既向公眾宣傳和普及了環保知識，提高社會公眾的環保意識，又化解了「鄰避效應」，並提升了企業形象。迄今，本集團共有11個項目（廠）共三批先後被列入「全國環保設施和城市污水垃圾處理設施向公眾開放單位」。多個污水處理項目被授予「污水處理科普基地」、「生態文明建設實踐基地」、「環境教育基地」等稱號。

CHIEF EXECUTIVE OFFICER'S REPORT

總裁報告

DIVIDEND

As part of the continuing efforts of the Directors to enhance Shareholders' return, the Directors have recommended a final dividend of 3.74 Hong Kong cents (equivalent to 0.67 Singapore cent) per ordinary share for FY2019. Subject to the approval by the Shareholders at the forthcoming annual general meeting (the "AGM") to be held on 24 April 2020 (Friday), the proposed final dividend will be paid on or around 13 May 2020 (Wednesday).

股息

董事們一直致力於提升股東回報，並已推薦就二零一九財政年度派發末期股息每股普通股3.74港仙（等值0.67新加坡分）。待股東於二零二零年四月二十四日（星期五）舉行的應屆股東週年大會（「股東週年大會」）上批准，建議末期股息將於二零二零年五月十三日（星期三）或前後派付。

Name of Dividend 股息名稱	FY2019 Proposed Final Dividend 二零一九財政年度建議末期股息
Dividend Type 股息種類	Cash 現金
Dividend Amount 股息金額	3.74 Hong Kong cents (equivalent to 0.67 Singapore cent) per ordinary share 每股普通股3.74港仙（等值0.67新加坡分）
Tax Rate 稅率	One-Tier Tax Exempt 一級稅項豁免

CLOSURE OF REGISTER OF TRANSFER AND REGISTER OF MEMBERS

(a) *For determining the entitlement to attend and vote at the forthcoming AGM*

For Singapore Shareholders

The Register of Transfer and Register of Members of the Company will be closed at 5:00 p.m. on 21 April 2020 (Tuesday) for the purpose of determining the entitlement of Singapore Shareholders to attend and vote at the forthcoming AGM. Duly completed registrable transfers received by the Company's share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to 5:00 p.m. on 20 April 2020 (Monday) will be registered to determine Singapore Shareholders' entitlements to attend and vote at the forthcoming AGM.

暫停辦理股份過戶登記手續和暫停更新股東登記冊

(a) *釐定出席應屆股東週年大會並於會上投票的資格*

對於新加坡股東

本公司將於二零二零年四月二十一日（星期二）下午五時正暫停辦理股份過戶登記手續，以釐定新加坡股東出席應屆股東週年大會並於會上投票的資格。本公司股份過戶登記處寶德隆企業與諮詢服務有限公司（地址為新加坡萊佛士坊50號新置地大廈#32-01室，郵編048623）於二零二零年四月二十日（星期一）下午五時正前收到的已正式填妥可登記股份過戶文件將予登記，以釐定新加坡股東享有出席應屆股東週年大會並於會上投票的資格。

For Hong Kong Shareholders

The Hong Kong branch register of members of the Company will be closed from 21 April 2020 (Tuesday) to 24 April 2020 (Friday), both days inclusive, for the purpose of determining the entitlement of Hong Kong Shareholders to attend and vote at the forthcoming AGM. Duly completed registrable transfers of Shares received by the Hong Kong branch share registrar of the Company, Boardroom Share Registrars (HK) Limited, 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, up to 4:30 p.m. (Hong Kong time) on 20 April 2020 (Monday), will be registered to determine Hong Kong Shareholders' entitlements to attend and vote at the forthcoming AGM.

(b) For determining the entitlement to the FY2019 Proposed Final Dividend

For Singapore Shareholders

The Register of Transfer and Register of Members of the Company will be closed at 5:00 p.m. (Singapore time) on 29 April 2020 (Wednesday) being the Singapore Books Closure Date for the purpose of determining the entitlement of the Singapore Shareholders to the FY2019 Proposed Final Dividend.

Duly completed registrable transfers of Shares received by the Company's share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to 5:00 p.m. (Singapore time) on 29 April 2020 (Wednesday) will be registered before entitlements to the FY2019 Proposed Final Dividend are determined. Members whose securities accounts with The Central Depository (Pte) Limited are credited with Shares as at 5:00 p.m. (Singapore time) on 29 April 2020 (Wednesday) will be entitled to the FY2019 Proposed Final Dividend.

對於香港股東

本公司將於二零二零年四月二十一日（星期二）至二零二零年四月二十四日（星期五）止期間（首尾兩天包括在內）暫停辦理香港股東名冊分冊的股份過戶登記手續，以釐定香港股東出席應屆股東週年大會並於會上投票的資格。本公司的香港股份過戶登記分處寶德隆證券登記有限公司（地址為香港北角電氣道148號21樓2103B室）於二零二零年四月二十日（星期一）下午四時三十分（香港時間）前收到的已正式填妥可登記股份過戶文件將予登記，以釐定香港股東享有出席應屆股東週年大會並於會上投票的資格。

(b) 釐定享有二零一九財政年度建議末期股息的資格

對於新加坡股東

本公司將於二零二零年四月二十九日（星期三）（即新加坡暫停辦理股份過戶登記日期）下午五時正（新加坡時間）暫停辦理股份過戶登記手續，以釐定新加坡股東享有二零一九財政年度建議末期股息的資格。

本公司股份過戶登記處於寶德隆企業與諮詢服務有限公司（地址為新加坡萊佛士坊50號新置地大廈#32-01室，郵編048623）於二零二零年四月二十九日（星期三）下午五時正（新加坡時間）前收到的已正式填妥可登記股份過戶文件將於釐定享有二零一九財政年度建議末期股息的資格前登記。於二零二零年四月二十九日（星期三）下午五時正（新加坡時間），在中央託收私人有限公司開設的證券戶口記存有股份的股東，將有權獲派二零一九財政年度建議末期股息。

CHIEF EXECUTIVE OFFICER'S REPORT

總裁報告

For Hong Kong Shareholders

The Hong Kong branch register of members of the Company will be closed from 30 April 2020 (Thursday) to 4 May 2020 (Monday), both days inclusive, during this period no transfer of shares will be registered. Shareholders whose names appear on the Hong Kong branch register of members of the Company as at 4:30 p.m. (Hong Kong time) on 29 April 2020 (Wednesday) will be entitled to the FY2019 Proposed Final Dividend.

Duly completed registrable transfers of Shares received by the Hong Kong branch share registrar of the Company, Boardroom Share Registrars (HK) Limited, 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, up to 4:30 p.m. (Hong Kong time) on 29 April 2020 (Wednesday), will be registered before entitlements to the FY2019 Proposed Final Dividend are determined.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of its listed securities for FY2019.

CONVERTIBLES, PREFERENCE SHARES AND TREASURY SHARES

The Company did not have any outstanding convertibles, preference shares and treasury shares as at 31 December 2019 and 2018. During FY2019, there were no sales, transfers, disposal, cancellation and/or use of treasury shares.

MR. AN XUESONG

Executive Director and CEO

12 March 2020

對於香港股東

本公司將於二零二零年四月三十日（星期四）至二零二零年五月四日（星期一）止期間（首尾兩天包括在內）暫停辦理香港股東名冊分冊的股份過戶登記手續，期間將不會進行股份過戶登記。於二零二零年四月二十九日（星期三）下午四時三十分（香港時間）名列本公司香港股東名冊分冊的股東將有權享有二零一九財政年度建議末期股息。

本公司的香港股份過戶登記分處寶德隆證券登記有限公司（地址為香港北角電氣道148號21樓2103B室）於二零二零年四月二十九日（星期三）下午四時三十分（香港時間）前收到的已正式填妥可登記股份過戶文件將於釐定享有二零一九財政年度建議末期股息的資格前登記。

購買、出售或贖回上市證券

本公司或任何其附屬公司概無於二零一九財政年度購買、出售或贖回任何其上市證券。

可轉換權益工具、優先股及庫存股份

於二零一九年及二零一八年十二月三十一日，本公司並無任何尚未行使的可轉換權益工具、優先股及庫存股份。於截至二零一九年財政年度，概無銷售、轉讓、處置、註銷及／或動用庫存股份。

安雪松先生

執行董事兼總裁

二零二零年三月十二日

A dynamic splash of water with numerous bubbles and droplets, set against a light green background with abstract circular patterns. The water is captured in mid-air, creating a sense of movement and freshness.

LEVERAGING INNOVATION
EXPLORING OPPORTUNITIES

創新求變 探索機遇

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Non-Executive Director

Mr. Wang Tianyi (Chairman)

Executive Directors

Mr. An Xuesong (Chief Executive Officer)

Mr. Luo Junling (Chief Financial Officer)

Independent Non-Executive Directors

Mr. Zhai Haitao

Mr. Lim Yu Neng Paul

Ms. Cheng Fong Yee

Ms. Hao Gang

AUDIT COMMITTEE

Mr. Lim Yu Neng Paul (Chairman)

Mr. Zhai Haitao

Ms. Cheng Fong Yee

Ms. Hao Gang

REMUNERATION COMMITTEE

Ms. Cheng Fong Yee (Chairman)

Mr. Wang Tianyi

Mr. Zhai Haitao

Mr. Lim Yu Neng Paul

NOMINATING COMMITTEE

Mr. Zhai Haitao (Chairman)

Mr. Wang Tianyi

Mr. Lim Yu Neng Paul

STRATEGY COMMITTEE

Mr. Wang Tianyi (Chairman)

Mr. An Xuesong

Mr. Luo Junling

Ms. Hao Gang

MANAGEMENT COMMITTEE

Mr. An Xuesong (Chairman)

Mr. Luo Junling

Mr. Wang Yuexing

Mr. Wang Guanping

Mr. Zhang Guofeng

Mr. Sun Linbo

Mr. Niu Kesheng

Mr. An Pinglin

Mr. Wu Zhiguo

JOINT COMPANY SECRETARIES

Ms. Peng Pei (ACIS, ACS)

Ms. Ho Wing Tsz Wendy (FCIS, FCS(PE))

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

董事會

非執行董事

王天義先生 (董事長)

執行董事

安雪松先生 (總裁)

羅俊嶺先生 (首席財務官)

獨立非執行董事

翟海濤先生

林御能先生

鄭鳳儀女士

郝剛女士

審計委員會

林御能先生 (主席)

翟海濤先生

鄭鳳儀女士

郝剛女士

薪酬委員會

鄭鳳儀女士 (主席)

王天義先生

翟海濤先生

林御能先生

提名委員會

翟海濤先生 (主席)

王天義先生

林御能先生

戰略委員會

王天義先生 (主席)

安雪松先生

羅俊嶺先生

郝剛女士

管理委員會

安雪松先生 (主席)

羅俊嶺先生

王悅興先生

王冠平先生

張國鋒先生

孫林波先生

牛克勝先生

安平林先生

吳志國先生

聯席公司秘書

彭珮女士 (ACIS, ACS)

何詠紫女士 (FCIS, FCS(PE))

註冊地址

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Hamilton HM 11

Bermuda

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SINGAPORE OFFICE

9 Battery Road, MYP Centre
#20-02 Singapore 049910

HONG KONG OFFICE

Room 3601, 36/F., Far East Finance Centre
16 Harcourt Road, Hong Kong

BERMUDA SHARE REGISTRAR

Conyers Corporate Services (Bermuda) Limited
Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

SINGAPORE SHARE TRANSFER AGENT

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place, #32-01 Singapore Land Tower
Singapore 048623

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
2103B, 21/F., 148 Electric Road, North Point, Hong Kong

AUDITOR

Ernst & Young LLP
One Raffles Quay, North Tower, Level 18
Singapore 048583
Partner-in-charge: Mr. Alvin Phua Chun Yen
(Appointed in Financial Year 2017)

COMPLIANCE ADVISOR

Anglo Chinese Corporate Finance, Limited
40/F Two Exchange Square
8 Connaught Place, Central, Hong Kong

LEGAL ADVISORS

Allen & Gledhill LLP
Li & Partners
China Commercial Law Firm

PRINCIPAL BANKERS

Agricultural Bank of China Limited
Bank of China (Hong Kong) Limited
Bank of China Limited
Bank of Communications Co., Ltd. Hong Kong Branch
China Construction Bank (Asia) Corporation Limited
China Construction Bank Corporation
DBS Bank Limited
Far Eastern International Bank
Industrial and Commercial Bank of China Limited
Mizuho Bank, Ltd.
Taipei Fubon Commercial Bank Co., Ltd.

PUBLIC RELATIONS

Citigate Dewe Rogerson

WEBSITE

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STOCK CODES

U9E.SG
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新加坡百德裏路9號MYP中心#20-02室
郵編：049910

香港辦公室

香港夏愨道16號
遠東金融中心36樓3601室

百慕達股份過戶登記處

Conyers Corporate Services (Bermuda) Limited
Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

新加坡股份轉讓代理

寶德隆企業與諮詢服務有限公司
新加坡萊佛士坊50號新置地大廈#32-01室
郵編：048623

香港股份過戶登記處

寶德隆證券登記有限公司
香港北角電氣道148號21樓2103B室

審計師

Ernst & Young LLP
新加坡萊佛士碼頭1號北座18樓
郵編：048583
主管合夥人：潘俊彥先生
(於二零一七財政年度獲聘)

合規顧問

英高財務顧問有限公司
香港中環康樂廣場8號
交易廣場第2期40樓

法律顧問

艾倫格禧律師事務所
李偉斌律師行
華商律師事務所

主要銀行

中國農業銀行股份有限公司
中國銀行(香港)有限公司
中國銀行股份有限公司
交通銀行香港分行
中國建設銀行(亞洲)股份有限公司
中國建設銀行股份有限公司
星展銀行
遠東國際商業銀行
中國工商銀行股份有限公司
瑞穗銀行
台北富邦商業銀行股份有限公司

公關顧問

哲基傑訊

電子網站

www.ebwater.com

股份代號

U9E.SG
1857.HK

FINANCIAL HIGHLIGHTS

財務摘要

RESULTS / 業績

	FY2019 二零一九財政年度	FY2018 二零一八財政年度	PERCENTAGE CHANGE FY2019 VS FY2018 二零一九財政年度對比 二零一八財政年度 變動百分比
	HK\$'000 千港元	HK\$'000 千港元	
Revenue 收入	5,550,773	4,768,318	16%
Gross Profit 毛利	1,892,441	1,623,778	17%
EBITDA* 除利息、稅項、折舊及攤銷前盈利	1,647,064	1,432,579	15%
Profit Attributable to Equity Holders of the Company 本公司權益持有人應佔盈利	833,483	676,459	23%
Return on Shareholders' Equity (%) 股東資金回報率 (%)	9.9	8.5	1.4ppt#
Basic Earnings per Share (Hong Kong cents) 每股基本盈利 (港仙)	30.07	25.58	18%
Total Dividend per Share 每股全年股息			
(Hong Kong cents 港仙)	7.48	N/A	
(equivalent to Singapore cents 等值新加坡分)	1.32	0.99	33%

FINANCIAL POSITION / 財務狀況

	31 DECEMBER 2019 二零一九年 十二月三十一日	31 DECEMBER 2018 二零一八年 十二月三十一日	PERCENTAGE CHANGE 31 DECEMBER 2019 VS 31 DECEMBER 2018 二零一九年 十二月三十一日對比 二零一八年 十二月三十一日 變動百分比
	HK\$'000 千港元	HK\$'000 千港元	
Total Assets 總資產	22,683,031	19,584,389	16%
Total Liabilities 總負債	13,134,279	10,920,692	20%
Equity Attributable to Equity Holders of the Company 本公司權益持有人應佔權益	8,810,069	7,983,190	10%
Net Asset Value per Share (HK\$) 每股資產淨值 (港元)	3.08	2.98	3%
Gearing Ratio (Total Liabilities / Total Assets) 資產負債率 (總負債/總資產)	57.9%	55.8%	2.1ppt#

* EBITDA is the profit for the year before deduction of interest, taxes, depreciation and amortisation.
除利息、稅項、折舊及攤銷前盈利為扣除利息、稅項、折舊及攤銷前之本年度盈利。

ppt: percentage point
百分點

REVENUE / 收入

HK\$'000 / 千港元



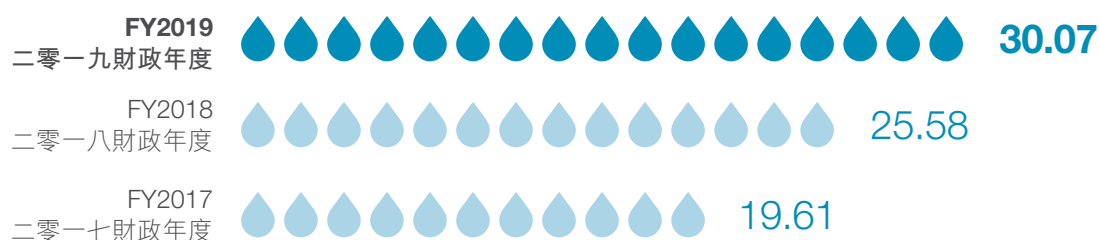
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY / 本公司權益持有人應佔盈利

HK\$'000 / 千港元



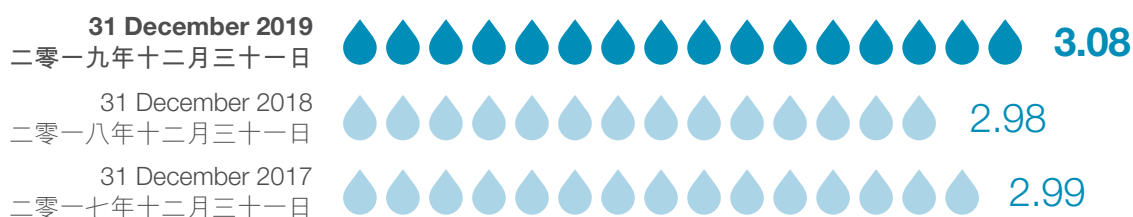
BASIC EARNINGS PER SHARE / 每股基本盈利

Hong Kong cents / 港仙



NET ASSET VALUE PER SHARE / 每股資產淨值

HK\$ / 港元



CORPORATE MILESTONES

企業里程碑

Q1'19



- Secured Jiangsu Zhenjiang Zhengrunzhou Waste Water Treatment Plant Operation and Management Project
取得江蘇鎮江征潤州污水處理廠委託運營項目

FIRST QUARTER 2019

- Issued the third tranche of RMB-denominated corporate bonds with a principal amount of RMB700 million to qualified investors in China
- Announced FY2018 annual results, with profit attributable to the equity holders of the Company up by 32% year on year
- Secured Jiangsu Zhenjiang Zhengrunzhou Waste Water Treatment Plant Operation and Management Project, which enhanced the Group's capability in operation and management services
- Recognised as 2018 "Top Ten Influential Enterprise in China's Water Industry" by E20 Environment Platform



- TOP TEN INFLUENTIAL ENTERPRISE IN CHINA'S WATER INDUSTRY
中國水業十大影響力企業

二零一九年第一季度

- 向中國境內合格投資者發行以人民幣計價本金為7.00億元人民幣的第三期公司債券
- 公佈二零一八財政年度全年業績，本公司權益持有人應佔盈利較去年同期增長32%
- 取得江蘇鎮江征潤州污水處理廠委託運營項目，增強本集團委託運營服務能力
- 入選E20環境平台之二零一八年度「中國水業十大影響力企業」

Q2'19



Listed on the Main Board of the SEHK
於聯交所主板掛牌上市

SECOND QUARTER 2019

- Convened annual general meeting of the Company for FY2018
- Listed on the Main Board of the SEHK, achieving the Company's dual primary listing status in Singapore and Hong Kong
- Secured Zhejiang Tongxiang West Area Drinking Water Sources Protection PPP Project, which was the Group's first project in the area of drinking water sources wetland protection, as well as the Company's first environmental water project in Zhejiang Province
- Ranked the 21st place in the 2019 "China's Top 50 Environmental Enterprise" organised by China Environment Chamber of Commerce of the All-China Federation of Industry and Commerce

二零一九年第二季度

- 召開二零一八財政年度股東週年大會
- 於聯交所主板掛牌上市，成功實現新加坡及香港兩地雙重主要上市
- 取得浙江桐鄉西部飲用水源保護建設工程PPP項目，為本集團首個飲用水源濕地項目以及在浙江省的首個環保水務項目
- 入選全國工商聯環境商會「二零一九中國環境企業五十強」，位居第21位

CORPORATE MILESTONES

企業里程碑

Q3'19



◆ SUSTAINABILITY WINNER 可持續發展大獎

under the category Mid-Cap in the Investors' Choice Awards 2019 organised by the Securities Investors Association (Singapore)

新加坡證券投資者協會二零一九年度「投資者之選」獎項評選頒發（中型股類別）



◆ CENTURION CLUB 百夫長俱樂部

under the service sector organised by The Edge Singapore, an influential financial magazine in Singapore

新加坡權威財經媒體The Edge Singapore頒發（服務類行業）



◆ BEST OF SOCIAL RESPONSIBILITY AWARD 最具社會責任獎

at the 2019 China Corporate Elites Award Ceremony in Hong Kong

香港二零一九年中國企業精英頒獎禮

THIRD QUARTER 2019

- Secured Shandong Zibo Zhangdian East Chemical Industrial Park Industrial Waste Water Treatment Project, marking the Group's first adoption of market-oriented operation model for the industrial park waste water treatment business
- Admitted to the list of "Centurion Club" under the service sector organised by The Edge Singapore, an influential financial magazine in Singapore
- Received the "Best of Social Responsibility Award" at the 2019 China Corporate Elites Award Ceremony in Hong Kong
- Awarded the "Sustainability Winner" under the Mid-Cap category in the Investors' Choice Awards 2019 organised by the Securities Investors Association (Singapore)

二零一九年第三季度

- 取得山東淄博張店東部化工區工業廢水處理項目，開啟了本集團化工園區污水處理市場化運營模式的探索
- 入選新加坡權威財經媒體The Edge Singapore年度「百夫長俱樂部」（服務類行業）
- 獲頒香港二零一九年中國企業精英頒獎禮「最具社會責任獎」
- 獲得新加坡證券投資者協會二零一九年度「投資者之選」獎項評選頒發「可持續發展大獎」（中型股類別）

Q4'19



Urban Waste Water Treatment Facilities Opened to the Public
城市污水處理設施向公眾開放

FOURTH QUARTER 2019

- Multiple waste water treatment projects were included in the list of “National Environmental Protection Facilities and Urban Waste Water and Waste Treatment Facilities Opened to the Public”
- Secured Shandong Ji’nan Tangye New Area Waste Water Treatment PPP project, marking another underground waste water treatment project of the Group
- Secured Shandong Ju County Urban Waste Water Treatment Project, marking the Group’s market share in the waste water treatment market in the urban area of Ju County reaching 100%

二零一九年第四季度

- 旗下多個污水處理項目入選國家級「環保設施和城市污水垃圾處理設施向公眾開放單位」
- 取得山東濟南唐冶新區污水處理PPP項目，為本集團又一個地下式污水處理項目
- 取得山東莒縣城市污水處理項目，標誌著本集團在莒縣城區污水處理市場佔有率達100%

BOARD OF DIRECTORS

董事會成員

MR. WANG TIANYI 王天義先生

Non-Executive Director and Chairman
非執行董事兼董事長



Mr. Wang, aged 57, is the Non-Executive Director and Chairman of the Company. He is also the chairman of the Strategy Committee, a member of the Nominating Committee and the Remuneration Committee, and a director of several subsidiaries of the Group. Mr. Wang is the Executive Director and Chief Executive Officer of Everbright International. He is also the Non-Executive Director and Chairman of China Everbright Greentech Limited (a subsidiary of Everbright International, the shares of which are listed on the SEHK).

Prior to joining the Group and Everbright International, Mr. Wang was formerly the Dean of Shandong Academy of Science and the Deputy Mayor of Ji'nan City, Shandong Province. Mr. Wang had been the Vice President of Yantai University, and the Dean and Professor of the Economic Management Faculty of Yantai University, in Shandong Province.

Mr. Wang is currently a part-time professor of Tsinghua University, the Co-Director of the Center for PPP at Tsinghua University, a member of International Coalition for Green Development on the Belt and Road Advisory Board, a vice chairman of China Ecological Civilization Research and Promotion Association, a vice chairman of All-China Environment Federation, and a vice chairman of Industrial and Academic Union of Ecological Environment of the China Association for Science and Technology. He is also a member of the United Nations Economic Commission for Europe PPP Business Advisory Board, a member of the China Council for International Cooperation on Environment and Development, and a member of China Business Research Centre Advisory Council of the National University of Singapore.

Mr. Wang holds a Doctorate degree in Economics, a Master's degree in Management and a Bachelor's degree in Electronics from Tsinghua University. He had pursued advanced studies at Harvard University and University of California in the United States.

Mr. Wang joined the Board in December 2014 and was re-designated as Non-Executive Director and Chairman of the Company in February 2017.

王先生，現年57歲，為本公司非執行董事兼董事長，戰略委員會主席、提名委員會及薪酬委員會委員，以及本集團若干附屬公司的董事。王先生為光大國際的執行董事兼行政總裁。他亦為中國光大綠色環保有限公司（光大國際之附屬公司，其股份於聯交所上市）的非執行董事兼董事會主席。

在加入本集團及光大國際前，王先生曾任山東省科學院院長，山東省濟南市副市長。彼亦曾任山東省煙台大學副校長、經管學院院長及教授。

王先生現任清華大學兼職教授和清華大學PPP研究中心的共同主任，「一帶一路」綠色發展國際聯盟諮詢委員會委員，中國生態文明研究與促進會副會長，中華環保聯合會副會長，中國科協生態環境產學聯合體副主席，聯合國歐洲經濟委員會PPP專家委員會委員，中國環境與發展國際合作委員會委員，以及新加坡國立大學中國商務研究中心諮詢委員會委員。

王先生持有清華大學經濟學博士、管理學碩士及電子學學士銜。彼亦曾在美國哈佛大學和加州大學學習深造。

王先生於二零一四年十二月加入董事會，並於二零一七年二月調任為本公司非執行董事兼董事長。



Mr. An, aged 49, is the Executive Director and CEO of the Company. He is also the chairman of the Management Committee, a member of the Strategy Committee, and a director of several subsidiaries of the Group. He is also the Deputy General Manager of Everbright International.

Mr. An has comprehensive experience and knowledge in mergers and acquisitions, project investment and management, accounting management and risk management. Prior to joining the Group and Everbright International, Mr. An worked at the Municipal General Office of Jingzhou, Hubei Province, China Everbright Bank Company Limited and Guangdong Technology Venture Capital Group Ltd.

Mr. An holds a Master of Business Administration degree from Jinan University. He is a Certified Public Accountant in China and a Certified International Internal Auditor.

Mr. An joined the Board in December 2014, and was re-designated as Executive Director and CEO of the Company in August 2015.

安先生，現年49歲，為本公司執行董事兼總裁，管理委員會主席，戰略委員會委員，以及本集團若干附屬公司的董事。安先生亦為光大國際的副總經理。

安先生在兼併收購、項目投資與管理、財務管理及風險管理等方面具有豐富的經驗。在加入本集團及光大國際以前，彼曾在湖北省荊州市委辦公室、中國光大銀行股份有限公司、廣東省粵科風險投資集團任職。

安先生持有暨南大學工商管理碩士銜。彼亦為中國註冊會計師及國際註冊內部審計師。

安先生於二零一四年十二月加入董事會，並於二零一五年八月調任為本公司執行董事兼總裁。

BOARD OF DIRECTORS

董事會成員

MR. LUO JUNLING

羅俊嶺先生

Executive Director and Chief Financial Officer
執行董事兼首席財務官



Mr. Luo, aged 46, is the Executive Director and Chief Financial Officer (“**CFO**”) of the Company. He is also a member of the Strategy Committee and the Management Committee, and a director of several subsidiaries of the Group.

Mr. Luo has rich experience in accounting management and operations management. Mr. Luo was formerly the Vice President of the Company. Prior to joining the Group and Everbright International, Mr. Luo worked at China Construction Bank (Fujian Branch), Fuzhou Guang Min Road and Bridge Construction and Development Co., Ltd., and Fujian Min Xing Accounting Firm.

Mr. Luo holds a Bachelor’s degree in International Accounting from Shaanxi Institute of Finance and Economics. He is a Certified Public Accountant and a Certified Tax Agent in China.

Mr. Luo joined the Board in May 2018.

羅先生，現年46歲，為本公司執行董事兼首席財務官，戰略委員會及管理委員會委員，以及本集團若干附屬公司的董事。

羅先生具有豐富之財務管理及運營管理經驗。彼曾任本公司副總裁。在加入本集團及光大國際以前，彼曾任職於中國建設銀行（福建省分行）、福州光閩路橋建設開發有限公司以及福建閩興會計師事務所。

羅先生畢業於陝西財經學院國際會計專業，具有中國註冊會計師和中國註冊稅務師資格。

羅先生於二零一八年五月加入董事會。



Mr. Zhai, aged 51, is the Independent Non-Executive Director of the Company, the chairman of the Nominating Committee and a member of the Audit Committee and the Remuneration Committee. He is also the Independent Non-Executive Director of Everbright International.

Mr. Zhai has extensive experience and knowledge in banking, capital market and management. He is currently the President and Partner of Primavera Capital Group. He is also the Director of China Asset Management Co. Ltd. He was formerly the Managing Director of Goldman Sachs Asia LLC and the Chief Representative of Goldman Sachs Beijing Office. Prior to joining Goldman Sachs, Mr. Zhai worked at the International Department of the People's Bank of China in Beijing, and was the Deputy Representative of the People's Bank of China Representative Office for the Americas based in New York.

Mr. Zhai holds a Master's degree in International Affairs from Columbia University, a Master of Business Administration degree from New York University and a Bachelor of Arts degree in Economics from Peking University.

Mr. Zhai joined the Board in August 2015.

翟先生，現年51歲，為本公司獨立非執行董事，提名委員會主席、審計委員會及薪酬委員會委員。彼亦為光大國際之獨立非執行董事。

翟先生於銀行、資本市場及企業管理方面擁有豐富的經驗及知識。翟先生現任春華資本集團的總裁兼合夥人，以及華夏基金管理有限公司的董事。翟先生曾任職高盛亞洲有限責任公司董事總經理及高盛集團北京代表處首席代表。在任職高盛以前，翟先生曾在北京任職於中國人民銀行總行國際司，並曾擔任中國人民銀行駐美洲代表處（紐約）副代表。

翟先生持有哥倫比亞大學國際關係碩士、紐約大學工商管理碩士以及北京大學經濟學學士銜。

翟先生於二零一五年八月加入董事會。

BOARD OF DIRECTORS

董事會成員

MR. LIM YU NENG PAUL 林御能先生

Independent Non-Executive Director
獨立非執行董事



Mr. Lim, aged 57, is the Independent Non-Executive Director of the Company. He is also the chairman of the Audit Committee and a member of the Nominating Committee and the Remuneration Committee.

Mr. Lim has over 25 years of banking experience with international investment banks including Morgan Stanley, Deutsche Bank, Salomon Smith Barney and Bankers Trust. He is currently the Managing Director and Head of Private Equity of SBI Ven Capital Pte. Ltd., and the Independent Director of Golden Energy and Resources Limited (listed on SGX) and Nippecraft Limited (listed on SGX).

Mr. Lim holds a Master of Business Administration degree in Finance and a Bachelor of Science degree in Computer Science from the University of Wisconsin, Madison, United States. He is also a Chartered Financial Analyst.

Mr. Lim was first appointed as the Independent Director of the Company in July 2007 and continued to be the Independent Non-Executive Director of the Company upon the completion of reverse takeover in December 2014.

林先生，現年57歲，為本公司獨立非執行董事，審計委員會主席、提名委員會及薪酬委員會委員。

林先生具有超過二十五年的銀行業經驗，彼曾在多家國際投資銀行包括摩根士丹利、德意志銀行、所羅門美邦及美國信孚銀行任職。林先生現為SBI Ven Capital Pte Ltd.董事總經理及SBI Ven Capital Pte Ltd.轄屬私募基金主管，Golden Energy and Resources Limited（新交所上市）和Nippecraft Limited（新交所上市）獨立董事。

林先生持有美國威斯康星大學金融工商管理碩士及計算機科學學士銜。彼亦為特許金融分析師。

林先生於二零零七年七月被首次委任為本公司的獨立董事，並於二零一四年十二月反向收購完成後繼續擔任本公司的獨立非執行董事。



MS. CHENG FONG YEE

鄭鳳儀女士

Independent Non-Executive Director

獨立非執行董事

Ms. Cheng, aged 63, is the Independent Non-Executive Director of the Company. She is also the chairman of the Remuneration Committee and a member of the Audit Committee.

Ms. Cheng has more than 20 years of experience in the insurance industry and is an Associate of the Australian Insurance Institute. She has been involved in major overseas insurance projects, particularly in the Asia Pacific region, and is actively involved in utilising insurance as a financial tool for project development. Ms. Cheng is currently the head of the Insurance Division of AsiaOne Insurance Agency Pte. Ltd. in Singapore and Executive Director (Principal Representative) of the Cambodia Branch of AsiaOne Insurance Agency Pte. Ltd. She also headed the Business Development Department of Aon Insurance Brokers, the biggest broking house in Asia, and managed the insurance division of the Singapore Technologies Group.

Ms. Cheng completed her insurance study at the Australian Insurance Institute.

Ms. Cheng was first appointed as the Independent Director of the Company in July 2007 and continued to be the Independent Non-Executive Director of the Company upon the completion of reverse takeover in December 2014.

鄭女士，現年63歲，為本公司獨立非執行董事，薪酬委員會主席及審計委員會委員。

鄭女士具有超過二十年的保險行業從業經驗，是澳州保險協會會員。彼曾參與重大跨國尤其是亞太地區的保險項目並將保險作為金融工具用以支持項目發展。鄭女士現為AsiaOne Insurance Agency Pte. Ltd.新加坡區保險部主管及柬埔寨區執行董事。彼亦曾為亞洲最大保險經紀Aon Insurance Brokers業務發展部主管及Singapore Technologies Group保險部主管。

鄭女士曾於澳州保險學院完成保險課程學習。

鄭女士於二零零七年七月被首次委任為本公司的獨立董事，並於二零一四年十二月反向收購完成後繼續擔任本公司的獨立非執行董事。

BOARD OF DIRECTORS

董事會成員

MS. HAO GANG

郝剛女士

Independent Non-Executive Director
獨立非執行董事



Ms. Hao, aged 61, is the Independent Non-Executive Director of the Company. She is also a member of the Audit Committee and the Strategy Committee.

Ms. Hao is currently an Associate Professor at the Department of Management Sciences, the Assistant Dean of the College of Business, and the Co-Director of CityU-TsinghuaU EMBA/MPA (PPP) dual degree programme at the College of Business, City University of Hong Kong. Prior to that, she took a number of roles at the City University of Hong Kong, mainly responsible for university development and international programme, amongst others. Ms. Hao also worked in Techno-Economic Research Institute of National Economic Commission of the PRC and participated in a number of major national investment and research projects in China.

Ms. Hao holds a Doctorate degree in Decision Sciences and Operations Management from University of Pittsburgh in the United States, a Master's degree in Industrial Administration from Tianjin University and a Bachelor of Science degree in Mathematics from Sichuan University.

Ms. Hao joined the Board in March 2018.

郝女士，現年61歲，為本公司獨立非執行董事，審計委員會及戰略委員會委員。

郝女士現任香港城市大學商學院管理科學系副教授兼任商學院助理院長，以及香港城市大學-清華大學EMBA/MPA (PPP) 雙學位項目聯席主任。此前，彼曾於香港城市大學擔任多個職位，主要負責大學發展、國際項目等領域。郝女士亦曾就職於中國國家經濟委員會技術經濟研究所並參與多項中國國家重大投資課題項目。

郝女士持有美國匹茲堡大學決策科學及運營博士、天津大學工業管理工學碩士以及四川大學數學理學學士銜。

郝女士於二零一八年三月加入董事會。

SENIOR MANAGEMENT

高級管理層

MR. WANG YUEXING

Vice President

Mr. Wang, aged 50, is the Vice President of the Company.

Mr. Wang has rich experience in engineering construction and operations management. Mr. Wang was formerly the Deputy General Manager of Everbright Environmental Protection Technology Development (Beijing) Limited and Everbright Environmental Protection Engineering (Shenzhen) Limited, and the Plant Manager of Ji'nan Waste Water Treatment Project (Plant 1).

Mr. Wang holds a Master's degree in Environmental Engineering from Tsinghua University, a Master of Business Administration degree from Shandong University and a Bachelor's degree in Civil Engineering from South China University of Technology. He also holds the titles of Certified Cost Engineer and Certified Senior Engineer.

王悦興先生

副總裁

王先生，現年50歲，為本公司副總裁。

王先生具有豐富之工程建設及運營管理經驗。彼曾任光大環保科技發展（北京）有限公司副總經理、光大環保工程技術（深圳）有限公司副總經理以及濟南市污水處理一廠廠長。

王先生持有清華大學環境工程碩士、山東大學工商管理碩士及華南理工大學工民建學士銜。彼亦取得國家註冊造價工程師執業證書及高級工程師職稱。

MR. WANG GUANPING

Vice President

Mr. Wang, aged 47, is the Vice President of the Company.

Mr. Wang has rich experience in technology management and R&D. He was granted several invention patents and utility patents. Mr. Wang was formerly the Assistant Dean of Everbright Environmental Research Institute, Chief Technology Officer of China Environmental Protection Science and Technology Holdings Limited, Deputy Chief Engineer of Shenzhen Liyuan Water Design and Consultant Limited and Chief Engineer of Operation Branch of Wuhan Kaidi Water Services Co., Ltd.

Mr. Wang holds a Doctorate degree in Environmental Engineering from Tsinghua University, a Master's degree in Municipal Engineering from Tongji University and a Bachelor's degree in Water Supply and Sewerage Engineering from Huazhong University of Science and Technology. He holds the title of Certified Senior Engineer.

王冠平先生

副總裁

王先生，現年47歲，為本公司副總裁。

王先生具有豐富之科技管理及技術研發經驗，並獲得多項發明及實用新型專利。彼曾任光大環保技術研究院院長助理，中國環保科技控股有限公司技術總監，深圳市利源水務設計諮詢有限公司副總工程師以及武漢凱迪水務有限公司運營分公司總工程師。

王先生持有清華大學環境工程博士、同濟大學市政工程碩士及華南理工大學給排水工程學士銜，彼亦取得高級工程師職稱。

SENIOR MANAGEMENT

高級管理層

MR. ZHANG GUOFENG

Vice President

Mr. Zhang, aged 43, is the Vice President of the Company.

Mr. Zhang has rich experience in project investment, operations management and mergers and acquisitions. He was formerly the General Manager of the Investment Development Department at Everbright Environmental Protection (China) Limited, the Deputy General Manager of Everbright Water (Zibo) Limited and the Supervisor of Everbright Environmental Energy (Xintai) Limited.

Mr. Zhang holds a Master of Business Administration degree from Yunnan University of Finance and Economics and a Bachelor's degree in Engineering from Qingdao University of Science and Technology. He is a Certified International Accountant with the China Association of Chief Accountants, a Certified Management Accountant with the Institute of Certified Management Accountants in the USA and a member of the Association of International Accountants.

張國鋒先生

副總裁

張先生，現年43歲，為本公司副總裁。

張先生具有豐富之項目投資、運營管理及兼並收購經驗。彼曾任光大環保（中國）有限公司投資發展部總經理、光大水務（淄博）有限公司副總經理及光大環保能源（新泰）有限公司監事。

張先生持有雲南財經大學工商管理碩士及青島科技大學工學學士銜，持有中國總會計師協會的註冊國際會計師、美國管理會計師協會的註冊管理會計師資格，彼亦為國際會計師協會成員。

MR. SUN LINBO

Vice President

Mr. Sun, aged 49, is the Vice President of the Company.

Mr. Sun has rich experience in infrastructure construction and project operations management in the environmental protection industry. He is also the General Manager of Everbright Water (Ji'nan) Limited.

Mr. Sun holds a Master's degree in Environmental Engineering from Shandong University and a Bachelor's degree in Hydrology Engineering and Construction from Shandong Industrial University. He holds the titles of Certified Cost Engineer in China and Engineering and Technical Application Researcher.

孫林波先生

副總裁

孫先生，現年49歲，為本公司副總裁。

孫先生具有豐富之環保行業基礎設施建設及項目運營管理經驗。彼亦為光大水務（濟南）有限公司總經理。

孫先生持有山東大學環境工程碩士以及山東工業大學水利工程建築學士銜。彼亦取得國家註冊造價工程師執業證書及工程技術應用研究員職稱。

MR. NIU KESHENG

CEO Assistant

Mr. Niu, aged 56, is the CEO Assistant of the Company.

Mr. Niu has rich experience in operations management within the environmental protection industry. He is also the General Manager of Everbright Water (Zibo) Limited.

Mr. Niu holds a Bachelor's Degree in Engineering on Mechanical Manufacturing Process and Equipment from Shandong University of Technology. He also holds the title of Engineering Researcher on Environmental Protection Engineering.

牛克勝先生

總裁助理

牛先生，現年56歲，為本公司總裁助理。

牛先生具有豐富之環保行業運營管理經驗。彼亦為光大水務（淄博）有限公司總經理。

牛先生持有山東理工大學機械制造工藝及裝備工學學士銜，具有環保工程專業工程技術研究員職稱。

MS. PENG PEI

Legal Counsel and Joint Company Secretary

Ms. Peng, aged 33, is the Legal Counsel and Joint Company Secretary of the Company. She is also the General Manager of the Legal and Risk Management Department of the Company.

Prior to joining the Company, Ms. Peng was a practising lawyer at the Singapore office of Allen & Gledhill LLP. Her areas of practice included mergers and acquisitions and derivatives. She also participated, as a core member, in a major research project of the Supreme People's Court of the PRC on disregarding the corporate entity to propose the relevant judicial interpretations.

Ms. Peng holds Master of Laws degrees from New York University, National University of Singapore and Tsinghua University and a Bachelor of Laws degree from Tianjin University. She is called to the PRC Bar and the State Bar of California, United States. Ms. Peng is also an associate member of Chartered Secretaries Institute of Singapore and The Institute of Chartered Secretaries and Administrators.

彭珮女士

法律顧問兼聯席公司秘書

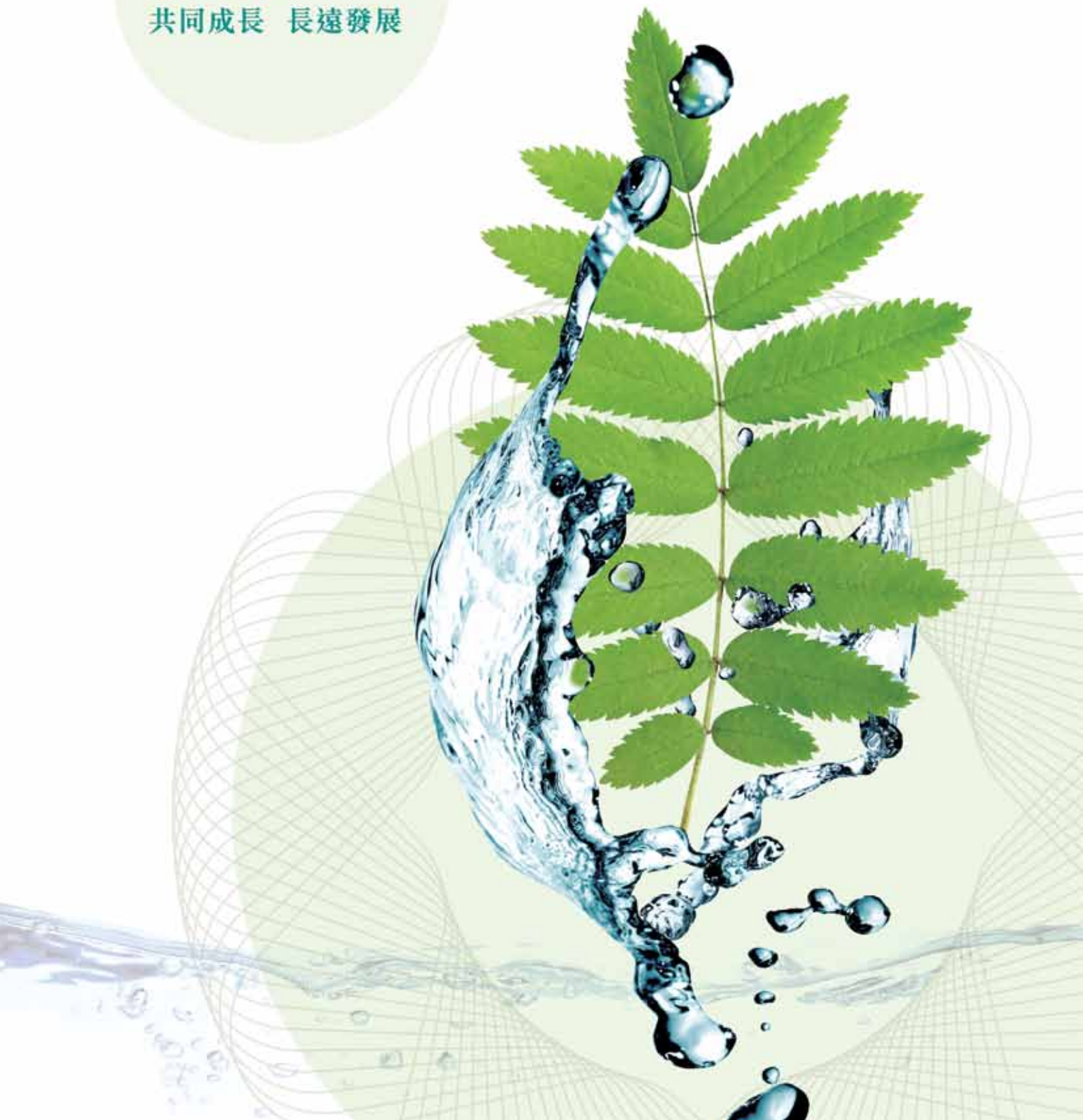
彭女士，現年33歲，為本公司法律顧問兼聯席公司秘書。彼亦為本公司法律及風險管理部總經理。

在加入本公司前，彭女士為艾倫格禧律師事務所新加坡辦公室的執業律師，執業領域涵蓋兼併收購與衍生產品。彼亦曾作為核心成員參與中國最高人民法院的公司法人格否認研究項目，為相關制度提供司法解釋建議。

彭女士持有紐約大學法學碩士、新加坡國立大學法學碩士、清華大學法學碩士和天津大學法學學士銜。彭女士擁有中國法律職業資格證和美國加利福尼亞州律師資格證。彼亦為新加坡特許秘書公會和英國特許秘書及行政人員公會之會士。

SHARING SUSTAINABLE
GROWTH

共同成長 長遠發展



SUSTAINABILITY REPORT

可持續發展報告



This is an abstract of Everbright Water's Sustainability Report for FY2019. The full Sustainability Report for FY2019 is prepared in accordance with the Global Reporting Initiative ("GRI") Standards: Comprehensive Option, the SGX Listing Manual (Rules 711A and 711B and Practice Note 7.6 Sustainability Reporting Guide) and the Environmental, Social and Governance ("ESG") Reporting Guide published by the SEHK. The Sustainable Development Goals ("SDGs") of the United Nations are fully integrated into the Company's environmental and social management strategies to align with its core value of "Creating Better Investment Value and Undertaking More Social Responsibility" and to demonstrate its commitment to tackling the world's most pressing issues.

The full report, in both Chinese and English versions, will be available for download on the SGXNet (www.sgx.com) and the websites of Everbright Water (www.ebwater.com) and Hong Kong Exchanges and Clearing Limited ("HKEX") (www.hkex.com.hk) in May 2020.

此章節為光大水務二零一九財政年度可持續發展報告的摘要。二零一九財政年度可持續發展報告的完整版是依循全球報告倡議組織（「GRI」）準則：全面選項、新交所上市手冊（第711A條、第711B條和第7.6項應用指引《可持續發展報告指引》）以及聯交所發布的《環境、社會及管治報告指引》編制而成。此外，本集團將聯合國可持續發展目標（「SDGs」）全面融入其環境及社會管理策略過程，以呼應本集團「創造更好投資價值，承擔更多社會責任」的核心價值，並展示其應對全球最迫切議題的決心。

完整版報告（備有中英文版本）可於二零二零年五月通過SGXNet（www.sgx.com）、光大水務網站（www.ebwater.com）及香港交易及結算所有限公司（「港交所」）網站（www.hkex.com.hk）下載及閱覽。

SUSTAINABILITY REPORT

可持續發展報告



ENVIRONMENTAL AND SOCIAL POLICY

環境及社會政策

Following the increasingly stringent environmental policy system and regulatory framework in China, the Group believes that maintaining stable and good operations management is an important responsibility as a water environment management company.

The Group implemented advanced management systems such as ESHS Management System, Risk Management System and “Intelligent Water” Information Management System to standardise the management of its environmental and social impact. This is to achieve a more professional, standardised, quantifiable and informative operations management. In order to identify and control the relevant environmental, social and safety risks derived from the contracted work process, the Group has specifically formulated and implemented the Contractors ESHS Management Measures. Such measures require the Company to review the contractors in different aspects, including their background, qualifications, construction operations and environmental performance.

The Group has also been actively evaluating its environmental and social performance against internationally recognised standards, including the World Bank Group’s Environmental, Health, and Safety Guidelines and has been regularly submitting monitoring reports to IFC since 2016. The monitoring reports cover all projects of the Group, including projects in the preparatory stage, projects under construction and projects in operation.

隨著中國環保行業政策體系及監管格局日趨嚴格，本集團深信維持穩定和良好的運營管理是其作為水環境綜合治理環保企業的重要職責。

本集團透過ESHS管理體系、風險管理體系及「智慧水務」信息管理體系等先進的管理體系，對其環境和社會影響進行規範化管理，達致營運專業化、標準化、資料化和資訊化。本集團特別制定並落實了《承包商ESHS管理標準》，旨在透過審視承包商各方面的情況（包括公司背景、資質、施工作業及環保表現等）識別和防控與環境、社會和安全相關的風險。

本集團亦積極按照世界銀行集團《環境、健康和安全管理指南》等國際認可的標準評估其環境及社會表現，並自二零一六年起定期向IFC提交監測報告。監測報告的範圍涵蓋本集團的所有項目，包括籌建項目、在建項目及運營項目。



ENHANCE CITIES' RESILIENCE AGAINST CLIMATE CHANGE

提升城市應對氣候變化的抗禦能力

Natural disasters such as extreme rainfall and water scarcity caused by global climate change can cause significant impact to the Group's business. To improve the projects' resilience against climate change, the Group has included climate change risk into its Risk Management System in order to formulate more comprehensive emergency and natural disaster contingency plans.

The Group contributes to the development of sustainable cities and communities in China by providing a series of water environment management services. Its waste water treatment, water supply, reusable water, and sludge treatment and disposal projects substantially minimise the environmental impact arising from waste water discharge. In addition, the Group's river-basin ecological restoration projects construct a more stable ecological environment, and thus improve, at a macro-level, the cities' flood prevention ability.

In addition, the "Sponge City" as one of the Group's key businesses, aims to improve a city's ability in absorption, infiltration, retention, release and purification of rainwater, and to strengthen the function of the ecosystem in the city through systems that can effectively control surface runoff and relieve pressure on urban river channels. The Group applies the "Sponge City" concept in practice through its Zhenjiang Sponge City Construction PPP Project, which integrates a series of water storage tanks, rainwater pump stations, rainwater drainage networks, waste water treatment facilities, as well as ecological restoration works etc. The project has greatly improved the urban infrastructure and promoted the policies relating to effective resource utilisation and flood prevention. To purify urban water resources, the Group has also revitalised several black and odorous rivers in Zhenjiang city that discharge into the Jinshan lake through various measures such as stabilising river banks and slopes, dredging, controlling the pollution sources, intercepting the polluted flow, enhancing the circulation of water flow and restoring the wetland etc.

The Group has also successfully expanded into a new business area by securing its first drinking water sources wetland protection project (i.e. Zhejiang Tongxiang West Area Drinking Water Sources Protection PPP Project). Once the project completes construction and commences operation, it will effectively improve the quality of water supply in Tongxiang City and strengthen the risk resistance capabilities of the local water plants.

全球氣候變化引致的極端降雨、水資源短缺等自然災害可對本集團業務帶來顯著的影響。為加強項目對氣候變化的應變能力，本集團將氣候變化風險納入現行的風險管理體系中，從而制定更完善的緊急與自然災害應急方案。

本集團透過一系列的水環境綜合治理服務，為中國建設可持續城市和社區作出貢獻。本集團的污水處理、供水、中水回用及污泥處理處置項目可大幅降低污水排放帶來的環境影響。另外，本集團的流域治理項目通過建造更穩固的生態環境，宏觀地提升城市應付水患的抗禦能力。

此外，本集團的重要業務之一「海綿城市」旨在透過建立控制表面徑流和防洪排澇的系統，提升城市對雨水的吸納、蓄滲、緩釋和淨化能力，加強城市生態系統功能。本集團將「海綿城市」概念透過鎮江海綿城市建設PPP項目付諸實行，建立一系列調蓄池、雨水泵站、雨水管網、污水處理設施以及生態治理工程等，大大改善了城市基建，促進了資源有效利用和抵抗水災等相關綜合政策的推廣。本集團還對鎮江市內幾條排入金山湖的黑臭河流進行同步改造，採取了岸坡整治、清淤疏浚、控源截污、活水循環、濕地處理等修復措施，淨化城市水資源。

本集團亦成功拓展新業務領域，取得首個飲用水源濕地保護項目（浙江桐鄉西部飲用水源保護建設工程PPP項目）。該項目建成投運後，將有效提升桐鄉市供水水質，增強當地水廠的抗風險能力。



SUSTAINABILITY REPORT

可持續發展報告



ENVIRONMENTAL PERFORMANCE

環境表現

The demand for water has been increasing continuously in China and this intensifies the problem of water shortage. As a leading water environment management enterprise in China, the Group recognises the importance, urgency and challenges of environmental management. Therefore, the Group firmly adheres to the principle of compliant discharge and builds a comprehensive management system that can minimise the impact of harmful substances on the aquatic and terrestrial ecosystems.

Waste Water and Waste Management

The Group sets stringent discharge standards for all its waste water treatment projects. Through continuous upgrading works, the effluent discharged from all of the Group's waste water treatment projects complies with relevant requirements as stated in the environmental impact assessment reports approved by the local governments, whilst majority of the projects comply with Grade 1A standard of Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002). During the year under review, the Group treated approximately 1,433,805,000 m³ of waste water, and reduced approximately 325,441 tonnes of chemical oxygen demand discharge.

The Group's reusable water projects purify effluent from its waste water treatment plants and turn it into reusable water as cooling water used by the plants or for general industrial use in accordance with the Reuse of Urban Recycling Water – Water Quality Standard for Industrial Uses (GB/T19923-2005) or equivalent standards, in order to reduce the fresh water consumption of cities. During the year under review, the Group's reusable water projects produced approximately 17,652,000 m³ of reusable water.

中國用水需求不斷增長，水資源短缺問題愈發嚴重。作為中國領先的綜合水環境治理企業，本集團深明環境管理工作的重要性、緊迫性和艱巨性。因此，本集團堅守「達標排放」的底線並建立全面的管理體系，把有害物質對水體和陸上生態的污染減到最低。

污水及廢物管理

本集團為旗下所有污水處理項目訂立嚴格的排放標準，透過持續的提標改造工程，在符合政府部門批准的環境影響評估報告相關要求的基礎上，大部分項目的出水水質執行《城鎮污水處理廠污染物排放標準》（GB18918-2002）的一級A標準。於回顧年度內，本集團共處理了約1,433,805,000立方米污水，同時減少了大約325,441噸的化學需氧量排放。

此外，本集團將污水處理廠處理後的出水供給中水回用項目，將其按照《城市污水再生利用工業用水水質》（GB/T19923-2005）或同等標準淨化成回用水，用作廠區冷卻水或供其他企業作一般工業用途，從而減少城市的淡水消耗。於回顧年度內，本集團的中水回用項目共生產了約17,652,000立方米的回用水。





ENVIRONMENTAL PERFORMANCE (CONTINUED)

環境表現 (續)

Sludge Management

Apart from strictly adhering to the national standards such as Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002), the Group also adopts the relevant international standards including the World Bank Group's General Environmental, Health and Safety Guidelines and Environmental, Health, and Safety Guidelines for Water and Sanitation to reduce the environmental impact of sludge.

Most of the treated sludge with satisfactory testing results is sent to qualified third parties for further treatment, reuse and/or utilisation, such as production of compost, utilisation as construction materials, etc. Small amount of sludge that cannot be utilised is sent to designated landfills for disposal after undergoing dewatering process to reduce its water content and volume.

污泥管理

除嚴格按照《城鎮污水處理廠污染物排放標準》(GB18918-2002)等有關國家標準處理污水處理項目所產生的污泥外，本集團還採納世界銀行集團的《通用環境、健康和安全管理指南》及《水與衛生環境、健康與安全指南》等相關國際標準以減少污泥對環境的影響。

大部分經處理並通過檢測的污泥會被送到合格第三方作進一步處理、循環再用及/或作綜合利用，如製作堆肥、建材利用等。少數無法進行綜合利用的污泥則會先進行脫水，在減低含水量及體積後再送到指定填埋場作填埋處理。



TALENT DEVELOPMENT

人才發展

The Group pays great attention to talent development and employee welfare. The Group developed a people-oriented human resource strategy and transparent talent development framework. The Group's Staff Handbook and Code of Conduct cover topics including compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, the prevention of child labour and forced labour, and other benefits and welfare. The policies also advocate a fair and open workplace and ensure that employees are protected from all forms of discrimination against gender, age, race, nationality, marital status, religion, etc.

During the year under review, the Group further enhanced the human resources management system by setting up an internal training team and a backup talent pool training system, and strengthened talent recruitment, to boost corporate development through talent development. In order to develop a positive, proactive and creative team, the Group continued promoting the following employee development programmes during the year under review.

本集團注重人才隊伍建設，對員工的個人發展和福祉高度關注。本集團建立了以人為本的人力資源策略和具透明度的人才發展框架。本集團的《員工手冊》和《行為守則》涵蓋了薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視、防止童工及強制勞動以及其他待遇及福利等議題，更提倡公平公開的就業平台，確保員工在工作中不會因性別、年齡、種族、國籍、婚姻狀況、宗教等因素而受到任何形式的歧視。

回顧年度內，本集團進一步完善人力資源管理制度，建立內部培訓團隊及優化後備人才培養體系，並加大人才引進力度，通過人才發展推動企業發展。回顧年度內，本集團繼續推行下列員工發展促進計劃，務求建立一支積極主動且富有創造力的員工團隊。

SUSTAINABILITY REPORT

可持續發展報告



TALENT DEVELOPMENT (CONTINUED)

人才發展（續）

- **Comprehensive appraisal system:** The internal assessment mechanism closely monitored employees' career development by setting practical goals along with on-going evaluation. The system also helped cultivate outstanding employees who embraced the core values of the Group.
- **Tiered talent development strategy:** The Group established a backup talent pool which recognises high performing talents and offers them with internal promotion opportunities. In November 2019, about 80 backup talents participated in a two-day training programme. The training covered the introduction of major treatment processes in the waste water treatment industry, management of the full scope of engineering processes, the operational management of waste water treatment plants and the compliant discharge and environmental monitoring of waste water treatment projects in operation.
- **Apprenticeship programme:** The apprenticeship programme allowed the skilled workers to lead new staff, so as to effectively pass valuable knowledge to new employees and help them establish practical career plans.
- **Technical talent training programme:** Through industrial-academic collaboration, the Group invited local and overseas technical experts to provide trainings to, and have communications with, managerial and technical employees of the Group's projects, widening the horizons of the Group's talents.
- **Tailored training programmes:** The Group collaborated with leading local and overseas tertiary institutions, such as arranging the Group's management personnel and technical leaders to attend the CEO Course of Tsinghua University and the Engineering Master Programme of Zhejiang University.
- **綜合考核機制：**內部考核機制為員工制定切實的工作目標並進行持續性的評估，以此緊密監察員工的職業發展。通過此機制，本集團能夠培養擁護其核心價值的優秀員工。
- **梯隊式人才佈局：**建立後備幹部人才庫，以表彰高績效人才並優先向他們提供內部晉升機會。於二零一九年十一月，近80名光大水務後備幹部代表參加了為期兩日的課程培訓。培訓內容包括水務行業主要工藝介紹、工程全流程管理、污水處理廠的運營管理、污水運營項目的達標排放與環境監測。
- **「師帶徒」計劃：**讓熟練技工帶領新技工工作，有效地把寶貴的技術知識傳承下去，並協助新人制定可行的職業生涯計劃。
- **技術型人才培訓計劃：**透過「產學研」合作模式，積極組織海內外技術專家對項目管理層及技術人員進行培訓、交流，不斷提升自身人才隊伍的視野水平。
- **特殊培訓計劃：**與國內外一流院校合作，如為本集團高級管理人員及技術骨幹安排參加清華大學總裁班以及浙江大學工程碩士班。



During the year under review, the average number of training hours per employee of the Group was 24.63.

於回顧年度內，本集團每名員工的平均培訓時數為24.63。



Training Seminar for Senior Operations Management Team
高級運營管理培訓班



Human Resources Training
人力資源培訓



HEALTH AND SAFETY 健康與安全

The Group is devoted to minimising the operational risk so as to safeguard the health and safety of its employees. The Group's ESHS Management System monitors the potential safety issue. It also established an ESHS management team at each project company in order to build a regular management mechanism for safe operation, further enhancing employees' awareness of safety precautions. Furthermore, the Group extends the ESHS Management System to its supply chain by expressly providing relevant occupational, health and safety requirements in the suppliers' contracts, continuously monitoring the health and safety performance of its key suppliers. During the year under review, the Group continued carrying out the "Safe Operation Month" initiative at all projects and strived to fulfil its "Three Zeros" goal (zero excessive discharge of pollutants, zero work safety accident and zero case for violation of regulations or discipline) through various activities, such as: themed presentations, trainings, safety inspections and emergency drills.

In addition, the Group provides annual medical check-ups and occupational disease surveillance to its employees. An Employee Safeguard and Safety Fund was established, which can be disbursed upon application to provide support to employees who suffer from accidents or diseases, relieving financial burden of their families.

The injury rate of the Group's employees was 0.09¹ during the year under review.

本集團致力降低運營風險以保障員工的健康與安全。本集團透過ESHS管理體系監督各項安全隱患，並在每個項目公司設立ESHS管理團隊，務求做好安全生產常態化管理，進一步提高風險防範意識。ESHS管理體系亦延伸到供應鏈中，於供應商合約中清楚列明與職業健康安全相關的要求，並深入持續評估主要供應商的健康與安全績效。回顧年度內，本集團亦在項目層面繼續開展「安全生產月」活動，通過主題宣講、培訓、安全檢查、應急演練等方式，深入貫徹「三個零」目標（零超標排放、零安全事故、零違規違紀）。

此外，本集團每年為員工提供醫療檢查及職業病監測，並設立了員工保障及安全基金，在員工不幸遭遇意外或患病時，可以申領基金以緩解員工家庭的經濟壓力。

本集團員工於回顧年度內的工傷率為0.09¹。



¹ Injury rate (IR) = (Total number of work-related injuries / total working hours) x 200,000. Figures are rounded to two decimal places.

¹ 工傷率 (IR) = (工傷個案總計 / 工作總小時數) x 200,000。數字調整至最接近的小數點後兩位表示。

SUSTAINABILITY REPORT

可持續發展報告



COMMUNITY INVOLVEMENT

社區參與

The Group accords high priority in public environmental education. Therefore, with an aim to popularise environmental protection knowledge, the Group has continued opening up its environmental facilities to the public and enhanced collaborations on areas related to teenagers' environmental and science popularisation. The Group's project companies located in different provinces participated in various domestic and international environmental technology popularisation events such as the "World Water Day", "World Environmental Day" and "National Science Popularisation Day". During the "World Environment Day" event on 5 June 2019, the Group's project companies in various cities, including Nanjing, Nanning, Beijing, Sanmenxia and Suzhou, collaborated with the local governments and relevant institutions in organising innovative activities to promote advanced water technologies and enhance public awareness of environmental protection.

In order to progressively open up its facilities to the public, the Group has established a task force at the project companies to formulate a clear goal and timeline on the plan for public opening. The Group strives to develop itself into an advanced hub for public visits and environmental education that provides on-site visit, practical learning and technical training simultaneously. The Group has gained valuable experience in environmental education since opening up the first batch of projects for public visit in 2018, and has been organising "open day" events and free tours on a regular basis. During the year under review, four waste water treatment projects under the Group were included in the list of the "National Environmental Protection Facilities and Urban Waste Water and Waste Treatment Facilities opened to the Public". Its operating projects accumulatively received more than 19,000 visitors from all social circles, during the year under review.

本集團非常重視公眾環保教育，繼續向公眾開放環保設施，強化青少年環保科普教育等領域的深度合作，以普及環保知識為己任。本集團位於各個省份的項目公司以不同形式參與了多項國際性和全國性的環保科普活動，如「世界水日」、「世界環境日」、「全國科普日」等。在二零一九年六月五日的「世界環境日」活動中，本集團旗下位於南京、南寧、北京、三門峽、蘇州等地的項目公司積極聯合當地政府及相關機構，組織別開生面的環保宣傳活動，推廣先進的水務技術，提升公眾的環保意識。

為了循序漸進地做好開放工作，本集團特地於項目公司內成立公眾開放領導小組，為公眾開放計劃制定了明確的目標及時間表，力爭在三年內把本集團建設成為一個集參觀學習、實踐拓展、技能培訓為一體的全國先進的公眾開放和環保宣傳陣地。首批公眾開放的項目已從二零一八年起開展工作，定時舉行開放日及免費講解等活動，令本集團獲得寶貴的環保教育經驗。回顧年度內，本集團旗下四個污水處理項目獲評為國家級「環保設施和城市污水垃圾處理設施向公眾開放單位」。本集團旗下運營項目於回顧年度內累計接待超過1.9萬社會各界人士參觀。



Environmental Promotional Activities
環保宣傳活動



World Water Day Campus Campaign
世界水日校園環保宣傳活動



COMMUNITY INVOLVEMENT (CONTINUED) 社區參與 (續)

In addition, the Group actively collaborates with the local schools to promote the environmental protection awareness of the primary and secondary school students. Students from Zibo Pannan Primary School visited the Zibo Waste Water Treatment Project. During the visit, the senior management of the Zibo Project Company explained the waste water treatment process and sampled the influent and effluent for comparison, to help the students understand the necessity of treasuring water sources. More than 40 students from Nanjing Nanhua Experimental Primary School visited the Nanjing Liuhe Waste Water Treatment Project and joined the “Increasing Blue Sky Days, Protecting Clean Water, and Presenting Gifts to Environmental Pioneers” event. Besides, in response to the “I am the Enabler for a Beautiful China” initiative of the Ministry of Ecology and Environment of the PRC, the Group encourages its employees to actively adopt an environmental-friendly lifestyle, such as promoting paperless working environment and bringing their own shopping bags, to integrate individual efforts into a momentum that strives for a change.

On the Mother's Day, the Ji'nan Waste Water Treatment Project organised a special public visit event with the theme “Joining Hands with Mothers and Devoted to Ecology”. The employees' mothers and spouses were invited to visit the waste water treatment plant. During the visit, they were introduced to the waste water treatment processes, and watched the science popularisation video related to the Ji'nan Project Company.

With the Company's solid operating results and continued efforts in fulfilling social and environmental responsibilities, the Company was admitted to the list of “Centurion Club” under the service sector organised by The Edge Singapore, an influential financial magazine in Singapore. In the meantime, the Company received the “Best of Social Responsibility Award” at the 2019 China Corporate Elites Award Ceremony in Hong Kong and the “Sustainability Winner” under the category Mid-Cap in the Investors' Choice Awards 2019 organised by the Securities Investors Association (Singapore) in recognition of its excellence in sustainability.

另外，本集團還積極與當地學校合作，促進中小學生的環保意識。來自淄博潘南小學的學生參觀了淄博污水處理項目。在參觀過程中，淄博項目公司的高層員工向學生們講解了水處理過程，並取出了進水樣本與出水樣本作對比，希望同學們理解珍惜水資源的必要性。來自南京南化實驗小學的40餘名同學來到南京六合污水處理項目參觀，並參與「增藍天，保清水，獻禮環保先鋒」的主題活動。此外，為響應中國生態環境部「美麗中國，我是行動者」的計劃，本集團積極鼓勵員工在生活中踐行環保理念，例如發起工作環境無紙化和自備購物袋等倡議，以匯聚各人微小的努力而形成一股改變的動力。

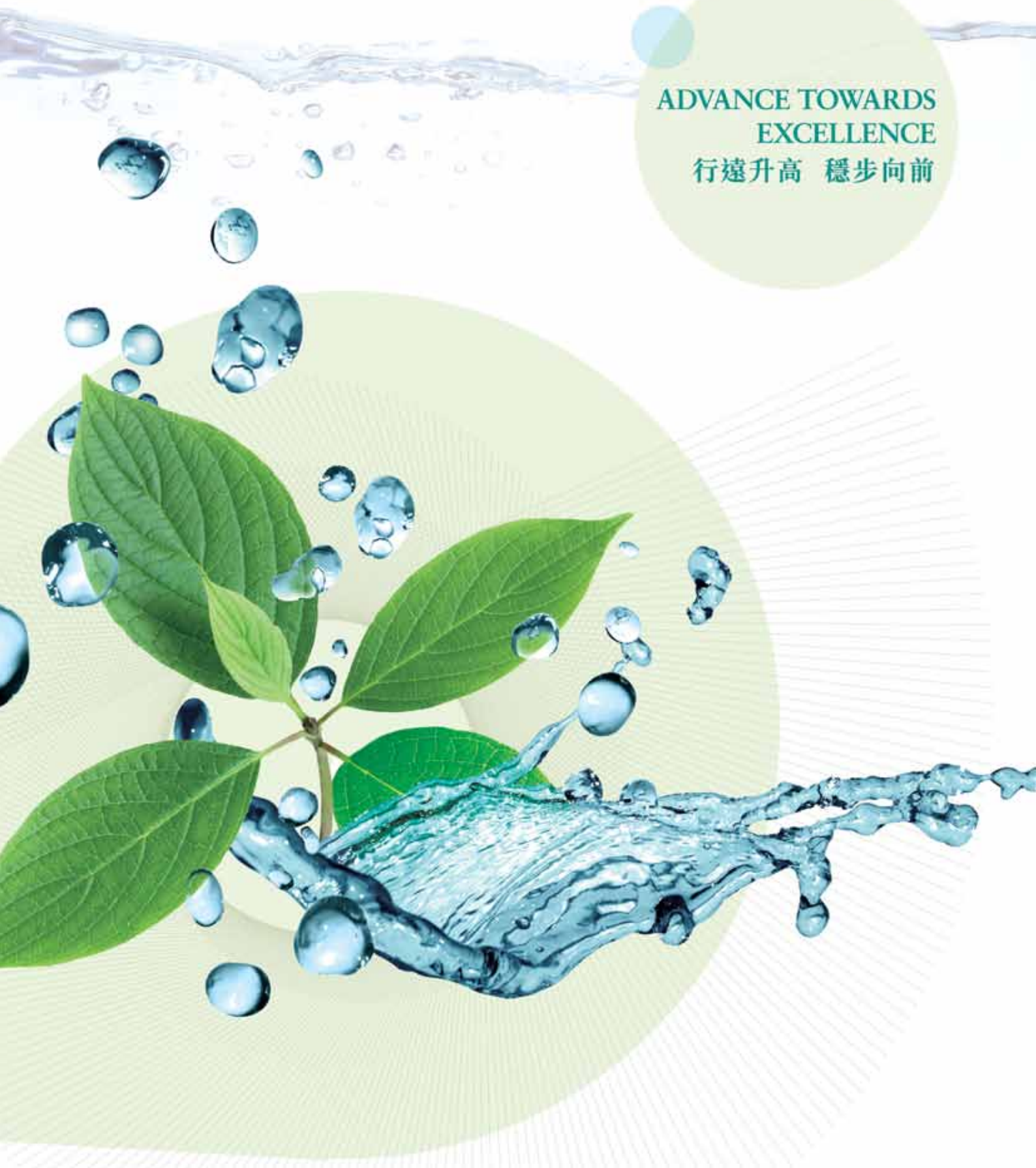
母親節當天，濟南污水處理項目舉辦了以「牽手母親，生態築夢」為主題的特殊公眾開放活動，邀請員工的母親與配偶參觀污水處理廠。在參觀過程中，他們聽員工介紹了污水處理廠的處理工藝，觀看了有關濟南項目公司的科普宣傳片。

本公司憑借穩健的經營業績以及在社會責任和環境責任方面的不懈努力，入選新加坡權威財經媒體The Edge Singapore年度「百夫長俱樂部」（服務類行業）。與此同時，憑藉在可持續發展方面的卓越表現，本公司於香港二零一九年中國企業精英頒獎禮中榮獲「最具社會責任獎」，於新加坡證券投資者協會二零一九年度「投資者之選」獎項評選中獲得「可持續發展大獎」（中型股類別）。





ADVANCE TOWARDS
EXCELLENCE
行遠升高 穩步向前



CORPORATE GOVERNANCE REPORT

企業管治報告

The Company is committed to achieving high standards of corporate governance to ensure investor confidence in the Company as a trusted business enterprise. The Board and the management of the Company (“**Management**”) will continue to uphold good corporate governance practices to enhance long-term value and returns for the Shareholders and protect the Shareholders’ interests.

This report outlines the Company’s corporate governance practices for FY2019 with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the “**SG CG Code**”), which forms part of the continuing obligations of the SGX Listing Manual. Throughout FY2019, the Company has complied with the principles and provisions of the SG CG Code unless otherwise specified herein.

Since the listing of the Company’s ordinary shares on the Main Board of the SEHK on 8 May 2019 (the “**HK Listing Date**”), the Company has adopted the principles and code provisions of the Corporate Governance Code (the “**HK CG Code**”) as set out in Appendix 14 to the HK Listing Rules as part of its governance framework, in addition to the principles and provisions under SG CG Code. In the event of any conflicts between the SG CG Code and the HK CG Code, the Company will comply with the more stringent requirements. From the HK Listing Date to the end of FY2019, the Company has complied with the principles and code provisions of the HK CG Code.

(A) BOARD MATTERS

The Board’s conduct of its affairs

The Board is collectively responsible for the long-term success of the Company. Its key responsibilities include providing leadership and supervision to the Management with a view to protecting the Shareholders’ interests and enhancing long-term Shareholders’ value.

All Directors recognise that they have to discharge their duties and responsibilities at all times as fiduciaries who act objectively in the best interest of the Company and hold the Management accountable for performance, and the Board is accountable to the Shareholders through effective governance of the business.

本公司致力於實現高標準的企業管治，確保投資者對本公司是一家值得信賴的企業充滿信心。董事會和本公司的管理層（「**管理層**」）將繼續維持良好的企業管治常規，以提高本公司的長期價值和股東回報，保護股東的權益。

本報告概述了本公司在二零一九財政年度的企業管治常規，具體參考了二零一八年企業管治守則（「**新加坡企業管治守則**」）的原則和條款，該守則也是新交所上市手冊中持續義務的組成部分。除本報告另有說明外，在二零一九財政年度中，本公司已遵守新加坡企業管治守則的全部原則和條款。

自本公司普通股於二零一九年五月八日（「**香港上市日**」）在聯交所主板上市以來，本公司已採納香港上市規則附錄14所載企業管治守則（「**香港企業管治守則**」）中的原則和守則條文，作為其管治框架的一部分。若新加坡企業管治守則和香港企業管治守則有任何衝突，本集團將遵守更嚴格的要求。自香港上市日起至二零一九財政年度末，本公司已遵守香港企業管治守則的全部原則和守則條文。

(A) 董事會的運作

董事會的運作

董事會集體為本公司的長期成功負責。董事會的主要職責是領導和監督管理層，以保護股東權益和提升股東的長期價值。

所有董事均認可，他們作為受信義務人必須在任何時候都履行其職責和義務，客觀地為本公司利益最大化行事，讓管理層對業績負責。董事會通過對企業的有效管治以此向股東負責。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board's principal functions include the following:

- (1) providing entrepreneurial leadership, setting strategic objectives, and ensuring that the necessary financial and human resources are in place for the Group to meet its objectives;
- (2) reviewing and approving corporate strategies, financial objectives and direction of the Group;
- (3) establishing a prudent and effective control system to assess and manage risks, including safeguarding of the Shareholders' interests and the Group's assets;
- (4) establishing goals for the Management and monitoring the achievement of these goals;
- (5) ensuring the Management's leadership of high quality, effectiveness and integrity;
- (6) reviewing the Management's performance;
- (7) approving annual budgets and investment and divestment proposals;
- (8) reviewing the internal controls, risk management, financial performance and reporting compliance;
- (9) identifying the key stakeholder groups and recognising that their perceptions affect the Company's reputation;
- (10) setting the Group's value and standards (including ethical standards), and ensuring that obligations to the Shareholders and other stakeholders are understood and met;
- (11) considering the sustainability issues, such as environmental, health, safety and social factors, as part of its strategic formulation; and
- (12) assuming responsibility for corporate governance.

In respect of its corporate governance functions, the Board is responsible for the following:

- (a) developing and reviewing the Company's policies and practices on corporate governance and making recommendations;
- (b) reviewing and monitoring the training and continuous professional development of Directors and senior management;

董事會的主要職能包括以下內容：

- (1) 提供企業領導，制定戰略目標，確保本集團擁有實現其目標必要的財力和人力資源；
- (2) 審閱和批准本集團的企業戰略，財務目標和發展方向；
- (3) 建立審慎有效的風險評估和風險管理的控制機制，包括保障股東權益和本集團資產的機制；
- (4) 為管理層設定目標，監督目標的實現；
- (5) 確保管理層的領導優質、有效和誠信廉潔；
- (6) 審閱管理層的績效；
- (7) 批准年度預算和投資、撤資提案；
- (8) 審閱內部控制、風險管理、財務業績和報表的合規性；
- (9) 識別關鍵的持份者群體，認同他們的看法會對本公司聲譽產生影響；
- (10) 制定本集團的價值和標準（包括道德標準），確保本集團理解並履行了對股東和其他持份者的義務；
- (11) 在制定戰略時考慮可持續性問題（如環境、健康、安全和社會因素）；和
- (12) 承擔企業管治的責任。

關於其企業管治職能，董事會負責以下事務：

- (a) 制定及檢討本公司的企業管治政策及常規，並提出建議；
- (b) 檢討及監察各董事及高級管理層的培訓及持續專業發展；

CORPORATE GOVERNANCE REPORT

企業管治報告

- (c) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
 - (d) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; and
 - (e) reviewing the Company's compliance with the SG CG Code, HK CG Code and disclosure in the Corporate Governance Report.
- (c) 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
 - (d) 制定、檢討及監察僱員及董事的操守準則及合規手冊（如有）；及
 - (e) 審閱本公司遵守新加坡企業管治守則、香港企業管治守則的情況以及在企業管治報告中的披露。

The Board performed the above duties during the year under review.

於回顧年度內，董事會已履行上述職責。

The Board has adopted a policy where Directors who are interested in any matter being considered, should recuse themselves from deliberations and abstain from voting in relation to any such resolution(s) relating to such matter.

董事會已採納一項政策，即：若任何董事對於正在審議的事項擁有利益，則其應迴避審議並對該事項的決議投棄權票。

All Directors exercise due diligence and independent judgment, and are obliged to act in good faith and consider at all times the interest of the Company.

所有董事均勤勉盡責，保持獨立的判斷，且必須誠信行事並始終以本公司的利益為出發點。

The Board meets regularly, at least on a quarterly basis (four times a year). Ad-hoc meetings are held at such times, as and when required, to address any specific significant matters that may arise. In FY2019, the Board held six meetings in total. In respect of the regular meetings of the Board, formal notices and agenda are sent to all Directors at least 14 days before the respective meetings. For all other Board and Board Committee (defined below) meetings, a reasonable notice is generally given. In general, the detailed meeting materials for each agenda (including meeting papers and explanatory or background information) are sent to the Board or the Board Committees at least three days before the meeting to ensure that the Directors or the members of the Board Committees have sufficient preparation time for the meetings. The minutes of the Board and the Board Committees are recorded with sufficient details regarding the matters considered and decisions reached. Draft and final versions of the minutes are sent to all Directors or Board Committee members for comments and records within reasonable time after the meetings. The minutes of the Board and the Board Committees are confirmed at the subsequent meetings. The original signed minutes are properly kept at the registered office or principal business address of the Company as required under the relevant laws, rules and regulations, and the minutes are open for inspection by the Directors and the Board Committee members, as the case may be.

董事會定期召開會議，每個季度至少召開一次（每年至少四次）。董事會也可隨時召開特別會議，討論可能出現的具體重大問題。在二零一九財政年度中，董事會一共召開了六次會議。關於董事會召開的定期會議，正式通知和議程至少在會議前十四天發送給所有董事。關於董事會召開的其他會議和董事會委員會（定義如下）召開的會議，本公司通常會在合理期限內提前發出通知。一般而言，每一議程的詳細會議資料（包括會議文件和解釋性或背景資料）均會在會議召開前至少三天發送給董事會和董事會委員會，以確保各名董事或董事會委員會成員有充分的時間準備會議。董事會和董事會委員會的會議紀要中記錄了關於審議事項和決策過程的足夠詳情。會議紀要的草稿與最終版本均在會議召開後的合理時間內分發給所有董事或董事會委員會成員傳閱，供其提供意見和留作保存。董事會和董事會委員會在隨後召開的會議中確認該等會議紀要。經簽署後的會議紀要原件也根據相關法律、法規和規定妥善保管於本公司的註冊地址或主要營業地。會議紀要可供董事和董事會委員會成員（視情況而定）進行查閱。

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During the Board meetings, the relevant Management personnel may be invited to make presentation and answer the Directors' queries on the relevant agenda, and the Directors are free to discuss and openly challenge the views presented by the Management and other Directors. The Chairman of the Board ensures that each agenda is allocated sufficient time for discussion and each Director is given sufficient opportunity to express his/her opinions. Where necessary, the Company also engages external consultants to provide professional opinions on specific projects or corporate exercises to facilitate the Board's decision-making process. The Board's decision-making process is an objective one. The Directors are given separate and independent access to the Management to address any enquiries. When necessary, the Directors can seek independent professional advice, concerning any aspect of the Group's operations or undertakings in order to fulfill their roles and responsibilities as Directors, at the Company's expense. The Company has subscribed appropriate and sufficient insurance coverage on Directors' liabilities in respect of legal actions taken against the Directors arising out of corporate activities.

The number of meetings and the Directors' attendance at the meetings of the Board, the Audit Committee, the Remuneration Committee, the Nominating Committee and the AGM, held during FY2019, are as follows:

在董事會召開會議時，相關管理層人員也將受邀向董事會作出陳述或回答董事會就有關議程提出的問題。董事在董事會會議上可自由發言，對管理層和其他董事的意見公開發表自己的看法。董事長確保會議的每項議程都被分配充足的討論時間，並確保每名董事均享有充分的機會表達他/她的觀點。在必要時，本公司也聘請外部顧問對特定項目或企業行動提供專業意見，以此協助董事會作出決策。董事會的決策過程是客觀的。董事們可各自獨立向管理層徵詢。在必要時，董事們可尋求關於本集團運營或業務任何方面的獨立專業意見，以使董事們履行其相關職責，尋求該種專業意見的相關費用將由本公司承擔。關於董事們因從事企業活動而可能面臨的法律行動和由此承擔的法律責任，本公司已為董事們購買足額的適當保險。

二零一九財政年度董事會、審計委員會、薪酬委員會、提名委員會所召開的會議及股東週年大會的召開次數及出席情況如下：

Directors/ Board Committee members 董事 / 董事會委員會成員	Board 董事會		Audit Committee 審計委員會		Remuneration Committee 薪酬委員會		Nominating Committee 提名委員會		Annual General Meeting 股東週年大會	
	Held 會議次數	Attended 出席次數	Held 會議次數	Attended 出席次數	Held 會議次數	Attended 出席次數	Held 會議次數	Attended 出席次數	Held 會議次數	Attended 出席次數
Mr. Wang Tianyi 王天義先生	6	6	N.A.	N.A.	2	2	1	1	1	1
Mr. An Xuesong 安雪松先生	6	6	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	1	1
Mr. Luo Junling 羅俊嶺先生	6	6	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	1	1
Mr. Zhai Haitao 翟海濤先生	6	6	5	4	2	2	1	1	1	1
Mr. Lim Yu Neng Paul 林御能先生	6	6	5	5	2	2	1	1	1	1
Ms. Cheng Fong Yee 鄭鳳儀女士	6	6	5	5	2	2	N.A.	N.A.	1	1
Ms. Hao Gang 郝剛女士	6	6	5	5	N.A.	N.A.	N.A.	N.A.	1	0

Notes:

N.A. – Not a member of the Board Committee

In lieu of physical meetings, written resolutions were also circulated for approval by members of the Board and the Board Committees. The Company's Bye-laws also provide for meetings by way of telephone, electronic or other communication facilities.

附註：

N.A. – 不是該董事會委員會的成員

董事會和董事會委員會也通過向各董事或成員分發書面決議供其批准的方式取代現場召開的會議。本公司章程也規定了會議可以電話、電子傳訊或其他通訊方式召開。

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Board Authority and Delegation

The Board approves a document, known as the Board Authority Matrix, with guidelines setting forth the matters reserved for the Board's decision and clear directions to the Management on matters that must be approved by the Board. The Board Authority Matrix is reviewed by the Board at least once a year and revised accordingly when necessary. The matters reserved for the Board's decision include but are not limited to changes in share capital, acquisitions and disposals of assets with value exceeding certain threshold, venturing into non-core business, setting up of joint venture with value or shareholding exceeding certain threshold, corporate or financial restructuring, obtaining borrowings exceeding certain threshold, appointment of key management personnel, decision on major legal actions, share issuance and dividends, financial results, annual budget and corporate strategies. The Board will provide directions to the management teams of the Group's business divisions through presentations at Board and Board Committee meetings.

The Board sits at the top of the Company's governance framework. To execute its responsibilities, the Board delegates specific functions to various sub-committees, namely, the Nominating Committee, the Remuneration Committee, the Audit Committee, the Strategy Committee and the Management Committee. These sub-committees ("**Board Committees**") function within written terms of reference and operating procedures, which are reviewed on a regular basis. The terms of reference of each of the Board Committees are available on the SGXNet and the websites of the Company and HKEx. Each of the Board Committees reports its activities regularly to the Board. Please refer to the other sections of this Corporate Governance Report for further information on the activities of the Board Committees.

Directors' Orientations and Trainings

The current members of the Board are familiar with the Group's business operations and corporate governance practices. In particular, a majority of the Directors (including a majority of Independent Non-Executive Directors) have more than eight years' experience serving as an executive officer or a director of a company in the environmental protection industry. The Nominating Committee ("**NC**") ensures that new Board appointees are provided with trainings and information to familiarise themselves with the Group's business, strategic goals and directions and corporate governance practices.

董事權限與授權

董事會批准了一份名為董事會權限清單的文件，其中列明了留待董事會決策的事項。該文件也給予管理層一個清晰的指引，明確了哪些事項管理層需要上報董事會審批。董事會至少每年一次對董事會權限清單進行審閱，並在必要時對該清單作出修改。留待董事會決策的事項包括但不限於：股本變更、超過特定限額的資產收購或處置、開展非核心業務、設立價值超過特定限額或持股比例的合資企業、企業或財務重組、獲得超過特定限額的借貸、委任關鍵管理人員、對重大法律進程的決策、發行股份和派發股息、財務業績、年度預算和企業戰略等。董事會通過在其會議和董事會委員會會議上發表講話的方式指導本集團各業務部門管理團隊的工作。

董事會處於本公司企業管治框架的頂層。董事會下設幾個委員會來行使董事會的具體職能，這些委員會包括提名委員會、薪酬委員會、審計委員會、戰略委員會和管理委員會。各董事會轄下的委員會（「**董事會委員會**」）按照書面規定的職權範圍和程序運作，該等職權範圍和程序運作接受定期審閱，並可在SGXNet和本公司及港交所網站查閱。每個董事會委員會都定期向董事會匯報工作。有關董事會委員會工作的進一步詳情，請參閱本企業管治報告中的其他部分。

董事業務介紹與培訓

董事會的成員均了解本集團的業務運營和企業管治常規。具體而言，本公司超過半數的董事（包括超過半數的獨立非執行董事）曾在環保行業內的公司擔任執行管理人員或董事超過八年。提名委員會（「**提名委員會**」）確保新董事接受相關培訓和信息，使之了解本集團的業務、戰略目標和方向以及企業管治常規。

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Upon the appointment of a new Director, the Company will provide a formal letter to the Director, setting out his/her duties and obligations. Such Directors are given appropriate briefings when they are first appointed to the Board. Appropriate orientations are conducted for all new Directors appointed to the Board to ensure that they are familiar with the Company's business, operations, governance practice and regulatory requirements. The Joint Company Secretaries or the external lawyers also provide trainings to the new Directors on his/her duties and responsibilities as a Director and the Company's ongoing obligations as a company listed on both SGX and SEHK. If the newly-appointed Director has no prior experience as a director of an SGX-listed company, he/she is also required to attend courses and training organised by institutions such as the Singapore Institute of Directors and the SGX-ST.

The Company provides ongoing education on Board procedures, corporate governance practices and industry developments to all Directors. The Company also invites external experts (such as auditors, lawyers, sustainability consultants, technical experts or other professionals) to provide regular trainings to the Directors and the Management on legal, financial, technical and business topics, depending on the Company's development needs. The Management further provides regular updates on changes in the relevant laws, regulations and commercial risks to enable the Directors to make well-informed decisions and to ensure that the Directors are competent in carrying out their respective roles and responsibilities. The Company also arranged project site visits for the Directors. At the same time, the Directors are encouraged to keep themselves abreast of the latest developments relevant to the business of the Group.

Below is a summary of the trainings which the Directors received during FY2019:

在委任新董事時，本公司會向該董事發出一份正式聘任函，其中列明他/她擔任董事所需履行的義務和職責。新任董事在首次加入董事會時將接受培訓。本公司為所有新聘任的董事都提供業務介紹，以此確保他們熟悉本公司的業務、運營、管治常規以及監管要求。聯席公司秘書或外部律師也對新任董事進行培訓，使其了解作為董事應盡的義務和職責以及本公司作為新交所和聯交所上市公司應履行的持續性義務。若新獲委任的董事沒有在新交所上市公司擔任董事的經驗，其還須參加由新加坡董事學會以及新交所等機構舉辦的課程及培訓。

本公司持續向全體董事提供有關董事會程序、企業管治常規和行業發展的培訓。本公司還邀請外部專家（比如審計師、律師、可持續發展顧問、技術專家或其他專業人士）對董事和管理層進行定期培訓，培訓課題涵蓋法律、財務、技術、商業等領域，具體取決於本公司的發展需求。管理層還定期提供相關法律、法規的最新修改以及商業風險的更新，使董事們得以在充分掌握信息的基礎上作出決定，確保董事們能夠履行其各自的角色和職責。本公司也會為董事們安排項目實地考察。同時，本公司鼓勵董事們隨時跟進與本集團業務有關的最新進展。

以下是董事們在二零一九財政年度接受的培訓總結：

Directors 董事		Types of Trainings ^{Note} 培訓種類 ^{附註}
Non-Executive Director Mr. Wang Tianyi	非執行董事 王天義先生	A,B,C,D
Executive Directors Mr. An Xuesong Mr. Luo Junling	執行董事 安雪松先生 羅俊嶺先生	A,B,C,D A,B,C,D
Independent Non-Executive Directors Mr. Zhai Haitao Mr. Lim Yu Neng Paul Ms. Cheng Fong Yee Ms. Hao Gang	獨立非執行董事 翟海濤先生 林御能先生 鄭鳳儀女士 郝剛女士	A,C,D A,C,D A,C,D A,C,D

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Note:

Types of Training:

- A: *Attending seminars/ conferences/ forums*
- B: *Giving talks at seminars/ conferences*
- C: *Reading newspapers, journals and updates relating to the economy, environmental protection business or directors' duties and responsibilities, etc*
- D: *Attending site visit(s) arranged by the Company*

Company Secretaries

The Joint Company Secretaries are accountable to the Board for ensuring that Board policy and procedures are followed and Board activities are efficiently and effectively conducted. They also advise the Board on governance matters and facilitate the induction and professional development of the Directors. Ms. Peng Pei and Ms. Ho Wing Tsz Wendy have been appointed as the Company's Joint Company Secretaries. Ms. Peng Pei has been the Legal Counsel and Company Secretary of the Company since 20 January 2017, and she is a full-time employee of the Company. She is mainly responsible for the legal and company secretarial matters of the Group. Although she reports to the Chairman of the Board and the CEO, all the Directors may call for her assistance and advice at any time in respect of their duties, so as to ensure effective operation of the Board and the Board Committees.

Ms. Ho Wing Tsz Wendy, an executive director of corporate services division of Tricor Services Limited, which is a global professional services provider specialising in integrated business, corporate and investor services, has been engaged by the Company as one of its Joint Company Secretaries. Her primary contact person at the Company is Ms. Peng Pei, the Legal Counsel and Joint Company Secretary of the Company. During FY2019, Ms. Ho has undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the HK Listing Rules.

At least one of the Joint Company Secretaries attends all Board meetings and Board Committee meetings and ensures that they are conducted in accordance with the Bye-laws of the Company and that the applicable rules and regulations are complied with. The appointment and removal of any Joint Company Secretary is subject to approval of the Board. The Joint Company Secretaries, under the direction of the Chairman of the Board, ensure good information flows within the Board and the Board Committees and between the Management and Non-Executive Directors (including the Independent Non-Executive Directors). The Joint Company Secretaries also advise the Board on all governance matters, facilitate orientation to the new Directors, arrange for trainings and professional development of Board members, as required.

附註：

培訓種類：

- A. *參加研討會/會議/討論*
- B. *在研討會/會議上進行演講*
- C. *閱讀有關經濟、環保業務或董事職責等方面的報紙、期刊和最新消息*
- D. *參加本公司安排的實地考察*

公司秘書

聯席公司秘書向董事會負責，確保董事會的政策和程序得到遵守以及董事會工作得以有效開展。聯席公司秘書也向董事會提供關於所有管治事項的意見，協助為新董事安排任職培訓並為董事安排專業發展項目。彭珮女士與何詠紫女士已被聘任為本公司的聯席公司秘書。彭珮女士自二零一七年一月二十日起便擔任本公司的法律顧問兼公司秘書，她是本公司的全職僱員。她主要負責本集團的法律和公司秘書事宜。雖然她向董事長和總裁匯報工作，但所有的董事均可在任何時候聯絡她，讓她協助董事履行職務或對此提供意見，以此確保董事會和董事會委員會的有效運作。

何詠紫女士是卓佳集團企業服務部門的執行董事，並已被本公司聘請為聯席公司秘書。卓佳集團是一家全球專業服務提供商，專注於提供商業、企業和投資者綜合服務。她在本公司的主要聯繫人為本公司法律顧問兼聯席公司秘書彭珮女士。於二零一九財政年度，何女士已完成了不少於15小時的相關專業培訓，遵守了香港上市規則第3.29條的規定。

至少一名聯席公司秘書出席本公司的所有董事會會議和董事會委員會會議，以此確保這些會議的召開符合本公司章程和相關法律法規的規定。聯席公司秘書的任免須經過董事會批准。在董事長的指導下，聯席公司秘書確保董事會、董事會委員會、管理層和非執行董事（包括獨立非執行董事）之間形成良好的信息流通。聯席公司秘書還就所有的企業管治事宜向董事會提供建議，協助新董事進行入職培訓，並根據需要安排董事會成員接受培訓和專業發展。

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Board Composition and Balance

The Board currently comprises seven Directors, with four Directors being Independent Non-Executive Directors. The Directors of the Company as at the date of this Annual Report are:

- (i) Mr. Wang Tianyi (Non-Executive Director & Chairman of Board);
- (ii) Mr. An Xuesong (Executive Director & CEO);
- (iii) Mr. Luo Junling (Executive Director & CFO);
- (iv) Mr. Zhai Haitao (Independent Non-Executive Director);
- (v) Mr. Lim Yu Neng Paul (Independent Non-Executive Director);
- (vi) Ms. Cheng Fong Yee (Independent Non-Executive Director); and
- (vii) Ms. Hao Gang (Independent Non-Executive Director).

An updated list of the Directors with their respective roles and functions is available on the SGXNet and the websites of the Company and HKEx. Independent Non-Executive Directors are identified as such in all corporate communications that disclose the names of Directors.

Independence of Directors

The independence of each Director is assessed and reviewed annually by the NC based on the definition of independence as provided in the SG CG Code, SGX Listing Manual and HK Listing Rules. The Board and the NC consider an independent director as one who is independent in conduct, character and judgement and has no relationship with the Group, its related corporations, its 5% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interest of the Company and the Group.

Each Independent Non-Executive Director is required to complete a Director's Independence Checklist annually to confirm his/her independence based on the guidelines as set out in the SGX Listing Manual and SG CG Code. The Company has also received from each of the Independent Non-Executive Directors an annual confirmation on his/her independence as required under Rule 3.13 of the HK Listing Rules. For FY2019, the NC has determined that all the Independent Non-Executive Directors are independent. In particular, Mr. Zhai Haitao is also an independent non-executive director of the Company's controlling shareholder Everbright International, but he is not involved in the daily management and operation of Everbright International. The NC and the Board determined that Mr. Zhai Haitao is independent in conduct, character

董事會的組成和平衡

董事會目前由七名董事組成，其中包括四名獨立非執行董事。於本年度報告日，本公司的董事會由下列人員組成：

- (i) 王天義先生（非執行董事兼董事長）；
- (ii) 安雪松先生（執行董事兼總裁）；
- (iii) 羅俊嶺先生（執行董事兼首席財務官）；
- (iv) 翟海濤先生（獨立非執行董事）；
- (v) 林御能先生（獨立非執行董事）；
- (vi) 鄭鳳儀女士（獨立非執行董事）；以及
- (vii) 郝剛女士（獨立非執行董事）。

本公司之最新董事名單已載於SGXNet、本公司及港交所的網站上，其中明確了董事角色及職能。本公司在所有載有董事姓名的公司通訊中，已註明獨立非執行董事的身份。

董事的獨立性

提名委員會每年根據新加坡企業管治守則、新交所上市手冊和香港上市規則中的定義評估和審閱各名董事的獨立性。若一名董事在其行為、品格及判斷方面具獨立性且與本集團，或與本集團的關聯企業、擁有本集團5%股份的股東或其管理人員之間的關係不會干擾到或被合理認為不會干擾到該董事為本公司和本集團的最佳利益行使獨立商業判斷，則董事會和提名委員會視該董事為獨立非執行董事。

每名獨立非執行董事須每年填寫董事獨立調查清單，以確認其按照新加坡上市手冊和新加坡企業管治守則的要求具有獨立性。根據香港上市規則第3.13條的規定，本公司亦已收到每名獨立非執行董事關於獨立性的年度確認函。在二零一九財政年度，提名委員會認為所有的獨立非執行董事均是獨立的。其中，翟海濤先生也是本公司的控股股東光大國際的獨立非執行董事，但他並不參與光大國際的日常經營管理。提名委員會和董事會認為，翟海濤先生在行為、品格和判斷方面具有獨立性，他作為光大國際獨立非執行董事的角色不會影響他作為本公司獨立非執行董事的判斷。林御能先生

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and judgment and his role as independent non-executive director of Everbright International will not affect his judgment as Independent Non-Executive Director of the Company. Mr. Lim Yu Neng Paul and Ms. Cheng Fong Yee were appointed as Independent Directors of the Company in July 2007. Since then, the Company experienced changes in controlling shareholders and the management teams twice. The current controlling shareholder, Everbright International, only gained control of the Company in December 2014 and the current management team and executive officers joined the Company following that change. Thus, although Mr. Lim Yu Neng Paul and Ms. Cheng Fong Yee served the Board beyond nine years from the date of their appointment, both the NC and the Board held the view that they remain independent in conduct, character and judgement. In addition, Ms. Hao Gang, who was appointed in March 2018, has no relationship with the Group, its related corporations, its 5% shareholders or its officers that could interfere, or be reasonably perceived to interfere with the exercise of her independent business judgement in the best interest of the Company and the Group. Therefore, the NC and the Board considered Ms. Hao Gang to be independent. The Board and the NC will undertake more rigorous review annually on the independence of any Director who has served the Board beyond nine years, and in doing so, the Board will also take into account the need for progressive refreshing of the Board. The Board has determined that it is of an appropriate size to facilitate effective decision-making, and to meet the objective of having a balance of skills and experiences, taking into account the size and scope of the Company's operations.

The Board is able to exercise objective judgment on corporate affairs independently from the Management. No individual or group of individuals is allowed to dominate the Board's decision-making. Currently, a majority of the Board members are Independent Non-Executive Directors. The Board has complied with the requirements of SG CG Code that the independent directors make up a majority of the Board where the chairman of the Board is not independent. The Company has also met the requirements of Rule 3.10 of the HK Listing Rules relating to the appointment of at least three Independent Non-Executive Directors with at least one of them possessing appropriate professional qualifications, accounting or related financial management expertise. The NC and the Board are thus of the view that there is sufficiently strong independent element on the Board to enable independent exercise of objective judgment on corporate affairs of the Group, taking into account factors such as the number of independent directors and the size and scope of the affairs and operations of the Group.

和鄭鳳儀女士在二零零七年七月被任命為本公司的獨立董事。自那時起，本公司經歷了兩次控股股東和管理團隊的變化。目前的控股股東光大國際在二零一四年十二月才取得本公司的控制權，目前的管理團隊和執行人員也是繼該次變更之後才加入本公司。因此，雖然林御能先生和鄭鳳儀女士在董事會的任期自委任之日起已超過九年，但提名委員會和董事會認為他們在行為、品格和判斷方面仍具有獨立性。此外，郝剛女士自二零一八年三月被聘任為獨立董事，她與本集團或本集團的關聯公司、擁有本集團5%股份的股東或其管理人員之間不存在任何關係會干擾到或被合理認為干擾到她為本公司和本集團的最佳利益而行使獨立的商業判斷。因此，提名委員會和董事會認為郝剛女士也具有獨立性。對於在本公司任職超過九年的董事，董事會在審閱其獨立性時採用更加嚴格的標準，也會考慮到董事會逐步更新其人員組成的需求。董事會認為，考慮到本公司經營的規模和範圍，目前獨立董事的人數是適當的，這有利於董事會作出有效的決策並在各領域擁有平衡兼顧的技能和經驗。

董事會對公司事務能夠行使獨立於管理層的客觀判斷。任何個人或一組人均不可支配董事會的決策。本公司目前的董事會成員中超過半數為獨立非執行董事。董事會已遵守新加坡企業管治守則的要求，即：當董事長不是獨立董事時，半數以上的董事會成員需為獨立董事。本公司亦符合香港上市規則第3.10條的規定，即：聘有至少三名獨立非執行董事，其中至少一名擁有適當的專業資格、會計或財務管理相關的專業知識。提名委員會及董事會因此認為，鑒於獨立董事在董事會中所佔的人數以及本集團業務經營的規模和範圍，董事會目前的組成使董事會具有足夠的獨立性，並讓董事會的成員得以對本集團事務作出獨立客觀的判斷。

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Furthermore, the Audit Committee (“**AC**”), the Remuneration Committee (“**RC**”) and the NC are chaired by Independent Non-Executive Directors, and a majority of the Board currently consist of Independent Non-Executive Directors. The AC comprises only Independent Non-Executive Directors and the majority of the NC and the RC members are also Independent Non-Executive Directors. The Company currently has no Lead Independent Director. Considering the Company’s current business operations and Board size of seven members with a majority being Independent Non-Executive Directors, the Company is of the view that the appointment of a Lead Independent Director for the year under review is not necessary. Nevertheless, the Board will annually examine the need for such appointment.

Non-Executive Directors (including the Independent Non-Executive Directors) play an important role in the Board’s decision-making process. They constructively challenge and assist to develop proposals on strategy, and review the performance of the Management in meeting agreed goals and objectives and monitor the reporting of performance. In particular, the Chairman ensures that each of the Independent Non-Executive Directors is given sufficient time to express his/her opinions during the Board meetings. During FY2019, the Chairman and the Independent Non-Executive Directors met once without the presence of the Management.

Board Diversity

The Company recognises the importance of having a diverse Board in enhancing the Board effectiveness and corporate governance. Therefore, the Company has established the Board Diversity Policy to ensure the diversity of the Board members and balance of skills. A diverse Board will include and make good use of differences in the skills, industry knowledge and professional experience, cultural and education background and other qualities of the Directors and does not discriminate on the ground of race, age, gender or religious belief. These differences will be taken into account in determining the optimum composition of the Board and when possible should be balanced appropriately.

The NC has responsibility for identifying and nominating for approval by the Board, candidates for appointment to the Board. It takes responsibility in assessing the appropriate mix of experience, expertise, skills and diversity required on the Board and assessing the extent to which the required skills are represented on the Board and overseeing the Board succession. The NC is also responsible for reviewing and reporting to the Board in relation to board diversity.

另外，審計委員會（「**審計委員會**」）、薪酬委員會（「**薪酬委員會**」）和提名委員會的主席均由獨立非執行董事擔任，董事會中超過半數的成員是獨立非執行董事。審計委員會全部由獨立非執行董事構成，提名委員會和薪酬委員會的成員中超過半數是獨立非執行董事。本公司目前沒有聘任首席獨立董事。鑒於本公司目前的業務以及董事會七名成員中超過半數是獨立非執行董事，本公司認為在回顧年內並無必要聘任首席獨立董事。但董事會將每年審查是否需要作出該等聘任。

非執行董事（包括獨立非執行董事）對於董事會的決策過程起到非常重要的作用。他們對戰略決策提出具有建設性的意見並協助擬定戰略方案，審閱管理層的表現是否達到預先設定的目標，並對其績效報告進行監督。具體而言，董事長將確保每名獨立非執行董事在每次董事會的會議中都擁有充足的時間表達其觀點。在二零一九財政年度內，董事長和獨立非執行董事在管理層不在場的情況下進行了一次會面。

董事會多元化

本公司認可多元化的董事會對提高董事會效率和企業管治的重要性。因此，本公司制訂了董事會多元化政策，以確保董事會成員的多元化和技能的平衡性。多元化董事會應包括並充分利用董事們在技能、行業知識和專業經驗、文化和教育背景等方面的差異，不因種族、年齡、性別或宗教信仰而有所歧視。在決定董事會的最佳組成時，將考慮並盡可能地適當平衡這些差異。

提名委員會負責物色及提名董事會成員候選人，供董事會審批。提名委員會負責評估董事會所需要的經驗、專業知識、技能和多樣性，評估所需技能應在董事會所佔的比例，並監督董事會的繼任工作。提名委員會還負責審查董事會的多樣性並向董事會作出報告。

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The current Board comprises business leaders, industry experts, professionals and academia experts, with industry, accounting, financial, business, management and academic backgrounds. A majority of the Directors (including a majority of Independent Non-Executive Directors) have more than eight years' experience serving as an executive officer or a director of a company in the environmental protection industry. This composition and diversity of the Board enable the Management to benefit from a diverse and objective external perspective, on issues raised before the Board. Each Director has been appointed based on the strength of his/her caliber, expertise, experience and his/her potential contribution to the Group and its businesses. Profiles of the Directors are set out in the section entitled "Board of Directors" on pages 40 to 46 of this Annual Report.

The NC and the Board had reviewed the Board's composition, expertise and experience and satisfied that the current Board composition is sufficiently diverse and the Board has not set any measurable objectives. The NC will review the Board Diversity Policy, as appropriate, to ensure its effectiveness.

Chairman and CEO

The Board recognises the recommendation of SG CG Code and HK CG Code that the Chairman and the CEO should be separate persons to ensure that there is an appropriate balance of power and authority within the Company.

The Non-Executive Chairman of the Company is Mr. Wang Tianyi and the CEO is Mr. An Xuesong. The Chairman bears the responsibility for the effective conduct of the Board whilst the CEO bears the executive responsibility for the operations of the Group's business. The Chairman and the CEO are not related to each other.

The Chairman is responsible for exercising control over the quality and timeliness of the flow of information between the Management and the Board and ensuring compliance with the Group's guidelines on corporate governance. The Chairman ensures that Board meetings are held regularly in accordance with the agreed schedule and sets the agenda of the Board meetings.

The Chairman also builds constructive relations within the Board and between the Board and the Management, and facilitates the effective participation of Non-Executive Directors (including Independent Non-Executive Directors) by promoting a culture of openness and debate of the Board. The Chairman further ensures effective communication with the Shareholders and promotes high standards of corporate governance.

目前的董事會成員由具有行業、會計、財務、業務管理和學術背景的商界領袖、行業專家、專業人士和學術界專家組成。本公司超過半數的董事（包括超過半數的獨立非執行董事）在環保行業的公司擔任執行管理人員或董事的經驗超過八年。董事會的組成結構和多元化使管理層受益，提交到董事會的議題得以從多元客觀的外部視角接受審閱。每名董事均是按照其能力、專業知識、經驗及其對本集團、本集團的業務可能作出的貢獻而獲得聘任。各董事的背景介紹見本年度報告第40頁至第46頁所載的「董事會成員」一節。

提名委員會和董事會已審閱董事會的組成、專長和經驗，對目前的董事會組成足夠多元化感到滿意。董事會並未針對董事會多元化制定任何量化指標。提名委員會將視情況審視董事會多元化政策，以確保其有效性。

董事長和總裁

董事會認可新加坡企業管治守則和香港企業管治守則中的建議，即董事長和總裁應由不同的人員擔任，以確保本公司內部在權力和授權方面達到適當平衡。

本公司的非執行董事長是王天義先生，總裁是安雪松先生。董事長負責董事會的有效運作，總裁負責本集團業務的具體經營。董事長和總裁彼此沒有關聯關係。

董事長負責控制管理層和董事會之間信息流通的質量和及時性，確保本集團遵守了其企業管治指引。董事長確保董事會按照擬定的會議時間表定期召開會議，並確定董事會會議的議程。

董事長也負責在董事會內部及董事會與管理層之間形成建設性的關係，通過坦率的溝通和董事會討論來鼓勵非執行董事（包括獨立非執行董事）有效參與。董事長還會確保本公司與股東之間進行了有效溝通，並促進高水平的企業管治。

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The CEO is responsible for the day-to-day management of the Group and chairs the Management Committee. The CEO works with the Board for strategic planning, business development and charting the growth of the Group.

The Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision-making by the Board is independent and based on collective decisions without any individual exercising any considerable concentration of power or influence.

Nominating Committee

The NC comprises:

- (i) Mr. Zhai Haitao (NC Chairman & Independent Non-Executive Director);
- (ii) Mr. Wang Tianyi (Non-Executive Director & Chairman of Board); and
- (iii) Mr. Lim Yu Neng Paul (Independent Non-Executive Director).

Majority of the NC, including the NC Chairman, are Independent Non-Executive Directors.

The key terms of references of the NC are as follows:

- (1) reviewing annually the structure, size and composition (including the skills, knowledge and experience) of the Board;
- (2) establishing procedures for, reviewing, assessing and making recommendations to the Board on the review of board succession plans for Directors, in particular, the Chairman, the CEO, and the key management personnel (as defined in the SG CG Code), the process and criteria for evaluation of the performance of the Board, the Board Committees and Directors, the review of training and professional development programmes for the Board and the Directors, and the appointment and re-appointment of Directors;
- (3) accessing the independence of Independent Non-Executive Directors bearing in mind the circumstances set out in Rule 3.13 of the HK Listing Rules and Provision 2.1 of the SG CG Code and other salient factors;

總裁負責本集團的日常管理，並擔任管理委員會的主席。總裁與董事會一起制定本集團的戰略規劃、業務拓展方向和發展藍圖。

董事會認為，本公司具有充分的保障和檢查措施，以確保董事會的決策過程是獨立的，且其決策是經過集體討論而作出的，不受任何個人的嚴重干預或影響。

提名委員會

提名委員會由下列董事組成：

- (i) 翟海濤先生（提名委員會主席、獨立非執行董事）；
- (ii) 王天義先生（非執行董事兼董事長）；和
- (iii) 林御能先生（獨立非執行董事）。

提名委員會的大多數成員（包括提名委員會主席）是獨立非執行董事。

提名委員會的主要職權範圍如下：

- (1) 每年審閱董事會的結構、人數和構成（包括技能、專業知識和經驗）；
- (2) 對董事長、總裁和關鍵管理人員（定義見新加坡企業管治守則）的繼任計劃制定審閱、評估的程序，並向董事會提出建議；對董事會、董事會委員會和董事的績效評估制定流程，審閱董事會和董事的培訓和專業發展方案，董事任命和重新聘任的事宜；
- (3) 考慮香港上市規則第3.13條和新加坡企業管治守則第2.1條規定所載的情況以及其他顯著因素，評估獨立非執行董事的獨立性；

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- (4) deciding whether or not a Director is able to and has been adequately carried out his/her duties as a Director, taking into consideration the Director's number of listed company board representations and other principal commitments;
- (5) developing a process for evaluation of the performance of the Board as a whole, the Board Committees and the Directors and assessing the effectiveness of the Board as a whole and its Board Committees and for assessing the contribution by the chairman and each individual Director to the effectiveness of the Board; and
- (6) reviewing training and professional development programmes for the Board.
- (4) 根據董事在其他上市公司董事會任職的數量和其他主要職責，決定每名董事是否能夠並已充分履行了作為本公司董事的職責；
- (5) 制定評估董事會整體、各董事會委員會和董事們績效表現的程序，評估董事會和董事會委員會的有效性，評估董事長、董事會委員會主席和每名董事為董事會有效性所作出的的貢獻；和
- (6) 審閱董事會的培訓和專業發展方案。

During FY2019, the members of the NC reviewed the (i) independence status of each of the Directors (including the Independent Non-Executive Directors); (ii) performance of each individual Director, Board Committee and the Board as a whole; and (iii) re-election of the retiring Directors.

於二零一九財政年度，提名委員會成員已審閱 (i)各董事（包括獨立非執行董事）的獨立性；(ii)各董事、董事會委員會和董事會整體的表現；以及(iii)即將輪值告退董事的應選連任。

Board Membership

Where a vacancy arises under any circumstances, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the NC, in consultation with the Board, determines the selection criteria and selects candidates with the appropriate expertise and experience for the position. Besides the qualification and experience of each candidate, the NC takes into consideration the candidate's ability to increase the effectiveness and the diversity of the Board and to add value to the Company's business in line with its strategic objectives. Before appointment of any new Director, the NC conducts an interview with the candidate and holds a meeting to discuss the candidacy (and the independence, where applicable) of the candidate. If appropriate, the NC makes recommendation to the Board on the proposed appointment. The Board will then review and discuss the candidacy of the candidate, and if appropriate, approve the appointment of the new Director. The Company makes immediate announcement on any new appointment of Directors in accordance with the HK Listing Rules and SGX Listing Manual.

In considering the re-appointment of a Director, the NC evaluates such Director's contribution and performance, such as his/her attendance at meetings of the Board or the Board Committees (where applicable), participation, candour and any special contributions. Upon the NC's recommendation, the Board will review and if appropriate, approve the re-nomination of a Director for re-appointment for the Shareholders' approval at the AGMs.

董事會成員

在董事會席位出現空缺，或當引進具有某方面特長的新董事將有益於董事會時，提名委員會在與董事會協商後，制定遴選標準並挑選具有適當專業知識和經驗的候選人。除了各候選人的資質和經驗以外，提名委員會也將考慮候選人能否提高董事會的有效性和多樣性並按照本公司的戰略目標為本公司的業務創造價值。在聘請任何新董事前，提名委員會將對候選人進行面試，並且召開一次會議討論候選人的情況（包括獨立性，如適用）。如果認為候選人資歷合適，提名委員會將向董事會作出該項聘任的推薦。董事會隨後將審閱並探討候選人的資歷，在合適的情況下，董事會將批准聘任該候選人作為本公司的董事。本公司在聘請了任何新董事後都將根據香港上市規則和新交所上市手冊的規定立即發佈公告。

在考慮重新聘任一名董事時，提名委員會評估該名董事的貢獻和表現，比如其在董事會會議或各董事會委員會會議（如適用）的出席率、參與度、坦率程度以及任何特殊貢獻。根據提名委員會作出的推薦，董事會審閱和批准（如適當）在股東週年大會上提名該等董事連選連任。

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Each Non-Executive Director, including each Independent Non-Executive Director, is appointed for a specific term.

All Directors (including the Chairman of the Board and the CEO) are subject to the provisions of the Company's Bye-laws whereby:

- (a) each Director shall retire at least once every three years and shall be eligible for re-election (Bye-law 86(1)); and
- (b) any Directors appointed by the Board shall retire at the next AGM of the Company and shall be eligible for re-election (Bye-law 85(6)).

Mr. Wang Tianyi and Mr. An Xuesong are subject to retirement pursuant to the Company's Bye-law 86(1) at the forthcoming AGM. Following a review of their expertise, experience, overall contribution to the Company, the Board and/or Board Committee meetings, the NC and the Board recommended that both of them be nominated for re-election at the forthcoming AGM and accordingly, the above-named Directors will be offering themselves for re-election. The relevant information on each of the above-named Directors can be found in the section entitled "Board of Directors" on pages 40 to 41 of this Annual Report and the Circular to Shareholders dated 23 March 2020. No Director is subject to retirement pursuant to the Company's Bye-law 85(6) at the forthcoming AGM.

All Directors are required to declare their board representations. When a Director has multiple board representations, the NC will consider whether he/she is able to adequately carry out his/her duties as a Director, taking into consideration such Director's number of listed company board representations, the efforts and time required for his/her other board representations and his/her other principal commitments.

The NC has reviewed and is satisfied that all Directors, who sit on multiple boards, have been able to devote sufficient time and attention to the affairs of the Company to adequately discharge their duties as Directors of the Company, notwithstanding their multiple board appointments. The NC did not recommend setting of limit as to the number of listed board representations that every Director can hold, as the time and efforts required for each board representation may vary, depending on the type of directorship (executive or non-executive). The Board will determine the maximum number of listed company board representations which any Director may hold as and when required.

每名非執行董事（包括獨立非執行董事）的受聘期限均為固定期限。

所有董事（包括董事長和總裁）均需遵守本公司章程的下列規定：

- (a) 每名董事每三年應至少告退一次，可連選連任（本公司章程第86(1)條）；和
- (b) 董事會聘任的任何董事應在本公司下一次股東週年大會上告退，可連選連任（本公司章程第85(6)條）。

根據本公司章程第86(1)條規定，王天義先生和安雪松先生應在應屆股東週年大會上告退。在審閱了他們的專業知識、經驗、對本公司、董事會和/或董事會委員會會議的整體貢獻後，提名委員會和董事會建議他們均在應屆股東週年大會上被提名連任，上述董事也將自薦連任。上述兩位董事的相關信息可在本年度報告第40頁至41頁所載的「董事會成員」一節和於二零二零年三月二十三日發出的股東通函中詳覽。根據本公司章程第85(6)條規定，並無任何董事需在應屆股東週年大會告退。

所有董事均需申報其其他公司董事會的任職情況。如果一名董事在多家公司的董事會任職，提名委員會將根據該董事在其他上市公司董事會任職的數量、在該其他上市公司擔任董事所需花費的時間和精力以及他/她的其他主要職責來認定該董事是否能夠充分履行其作為本公司董事的職責。

經審閱，提名委員會認為，在多家上市公司董事會任職的董事儘管身兼多職，均能對本公司的業務貢獻足夠的時間和精力以充分履行其董事職責。由於在其他上市公司任職董事所需花費的時間和精力將根據具體董事席位的性質（執行或非執行）而有所不同，因此，提名委員會並未建議為每名董事在其他上市公司董事會任職的數量設定上限。董事會可隨時視需要規定每名董事可擔任的上市公司董事的數量上限。

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There is no Alternate Director on the Board.

董事會中沒有後補董事。

The dates of initial appointment, last re-election/re-appointment and other listed company board representations of each of the Directors are set out below:

各現任董事的初次聘任、上一次改選/再聘任以及擔任其他上市公司董事職務的詳情如下：

Director 董事	Position 職務	Country of principal Residence 主要居住國	Date of Initial Appointment 初次聘任日期	Date of last Re-election 上一次連任日期	Membership of Board Committees 董事會委員會成員	Directorship/ Chairmanship both present and those held over the preceding three years in other listed companies 目前和前三年擔任董事/董事長的其他上市公司
Mr. Wang Tianyi 王天義先生	Non-Executive Director and Chairman 非執行董事兼董事長	Hong Kong SAR, China 中國香港	12 Dec 2014 二零一四年十二月十二日	25 Apr 2017 二零一七年四月二十五日	SC Chairman RC Member NC Member 戰略委員會主席 薪酬委員會委員 提名委員會委員	Present: China Everbright International Limited (listed on SEHK); China Everbright Greentech Limited (listed on SEHK) 現任： 中國光大國際有限公司（在聯交所上市）； 中國光大綠色環保有限公司（在聯交所上市） Over the preceding three years: None 前三年的任職：無
Mr. An Xuesong 安雪松先生	Executive Director and CEO 執行董事兼總裁	Hong Kong SAR, China 中國香港	12 Dec 2014 二零一四年十二月十二日	25 Apr 2017 二零一七年四月二十五日	MC Chairman SC Member 管理委員會主席 戰略委員會委員	None 無
Mr. Luo Junling 羅俊嶺先生	Executive Director and CFO 執行董事兼首席財務官	China 中國	10 May 2018 二零一八年五月十日	12 Apr 2019 二零一九年四月十二日	SC Member MC Member 戰略委員會委員 管理委員會委員	None 無
Mr. Zhai Haitao 翟海濤先生	Independent Non-Executive Director 獨立非執行董事	Hong Kong SAR, China 中國香港	14 Aug 2015 二零一五年八月十四日	25 Apr 2018 二零一八年四月二十五日	NC Chairman AC Member RC Member 提名委員會主席 審計委員會委員 薪酬委員會委員	Present: China Everbright International Limited (listed on SEHK) 現任： 中國光大國際有限公司（在聯交所上市） Over the preceding three years: None 前三年的任職：無

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Director 董事	Position 職務	Country of principal Residence 主要居住國	Date of Initial Appointment 初次聘任日期	Date of last Re-election 上一次連任日期	Membership of Board Committees 董事會專門委員 會成員	Directorship/ Chairmanship both present and those held over the preceding three years in other listed companies 目前和前三年擔任董事/ 董事長的其他上市公司
Mr. Lim Yu Neng Paul 林御能先生	Independent Non-Executive Director 獨立非執行董事	Singapore 新加坡	31 July 2007 二零零七年七月 三十一日	25 Apr 2018 二零一八年四月 二十五日	AC Chairman NC Member RC Member 審計委員會主席 提名委員會委員 薪酬委員會委員	Present: Golden Energy and Resources Limited (listed on SGX); Nippecraft Limited (listed on SGX) 現任： Golden Energy and Resources Limited (在新交所上市)； Nippecraft Limited (在新交所上市) Over the preceding three years: None 前三年的任職：無
Ms. Cheng Fong Yee 鄭鳳儀女士	Independent Non-Executive Director 獨立非執行董事	Singapore 新加坡	31 July 2007 二零零七年七月 三十一日	25 Apr 2018 二零一八年四月 二十五日	RC Chairman AC Member 薪酬委員會主席 審計委員會委員	None 無
Ms. Hao Gang 郝剛女士	Independent Non-Executive Director 獨立非執行董事	Hong Kong SAR, China 中國香港	16 March 2018 二零一八年三月 十六日	25 Apr 2018 二零一八年四月 二十五日	AC Member SC Member 審計委員會委員 戰略委員會委員	None 無

Board Performance

The Board and the NC have adopted a formal process for the assessment of the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by the chairman and each individual Director to the effectiveness of the Board.

Following the end of each financial year, each of the Directors is requested to complete a Board Evaluation Questionnaire and a Director Self-Appraisal Form. Each of the NC members is also requested to complete a Board Committee Appraisal Form. The performance criteria for the Board as a whole include, amongst others, the Company's financial performance for that financial year, an evaluation of the size and composition of the Board, the Board's access to information, accountability, Board procedures and Board

董事會的表演

董事會和提名委員會採用正式的程序來評估董事會整體和各董事會委員會的有效性，以及董事長、董事會委員會主席和每名董事對董事會有效性的貢獻。

在每個財政年度結束後，每名董事都被要求填寫一份董事會評估問卷和一份董事自評表格。提名委員會的每名成員還被要求填寫一份董事會委員會評估表格。評估董事會整體表現的標準包括但不限於：本公司在該財政年度中的財務表現、董事會的人數和構成、董事會對信息的獲取、責任制、董事會程序以及董事會在履

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performance in relation to discharging its principal responsibilities. The assessment criteria for an individual Director include, amongst others, meeting attendance, adequacy in meeting preparation, generation of constructive ideas, leadership, keeping abreast of industry developments, and contribution in specific areas. The evaluation criteria for the Board Committees include, amongst others, committee composition, the contribution in assisting the Board for better decision-making, sufficiency of expertise of Board members, Board Committee chairman's performance in discharging responsibility, quality of Board Committee's communication with the Board. To facilitate the candour in providing feedback by the Directors in the appraisal process, all completed appraisal forms are sent to the Joint Company Secretaries directly for summarisation, and then the appraisal summaries (on a no-name basis) and findings are circulated to the NC for analysis and discussion during the NC meeting. The NC will then report its findings and recommendations to the Board for discussion with a view to enhancing the effectiveness of the Board. The Board discusses and determines the areas for improvement and enhancement relating to the Board's effectiveness as well as the implementation.

Following the review, the NC assessed the Board's performance as a whole, the Board Committees' performance and the contribution by individual Directors in FY2019, and is of the view that the Board's performance as a whole, the Board Committees' performance and the contribution by individual Directors are satisfactory.

No external facilitator was used in FY2019.

(B) Remuneration Matters and Remuneration Committee

Remuneration Committee

The RC comprises:

- (i) Ms. Cheng Fong Yee (RC Chairman & Independent Non-Executive Director);
- (ii) Mr. Wang Tianyi (Non-Executive Director & Chairman of Board);
- (iii) Mr. Zhai Haitao (Independent Non-Executive Director); and
- (iv) Mr. Lim Yu Neng Paul (Independent Non-Executive Director).

行其主要職責方面的表現等。評估每名董事個人表現的標準包括但不限於：會議出席率、對會議準備的充分性、建設性意見的提出、領導力、與行業發展與時俱進、在特定領域的貢獻。評估各董事會委員會表現的標準包括但不限於董事會委員會的人員組成、協助董事會作出更優決策的貢獻、董事會委員會主席的職責履行情況、董事會委員會與董事會之間的溝通。為了促使董事們在評估過程中坦誠地提供反饋，所有評估表格在填妥後被直接交給聯席公司秘書進行匯總，隨後不記名的評估總結表和評估結論將發給提名委員會，供其在會議上進行分析和討論。提名委員會隨後將其在評估過程中的發現和推薦向董事會進行報告，以加強董事會有效性。董事會將討論和確定董事會有效性需要改進和加強的方面及其落實措施。

經過對二零一九財政年度董事會整體表現、各董事會委員會的表現和每名董事貢獻的評估，提名委員會認為董事會的整體、董事會委員會的表現和每名董事的貢獻均令人滿意。

在二零一九財政年度沒有使用外部服務。

(B) 薪酬事項與薪酬委員會

薪酬委員會

薪酬委員會由下列董事組成：

- (i) 鄭鳳儀女士（薪酬委員會主席、獨立非執行董事）；
- (ii) 王天義先生（非執行董事兼董事長）；
- (iii) 翟海濤先生（獨立非執行董事）；和
- (iv) 林御能先生（獨立非執行董事）。

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The key terms of references of the RC are as follows:

- (1) reviewing and submitting its recommendation to the Board for endorsement by the entire Board, on the policy and general framework of remuneration for the Board and key management personnel (including senior management), and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (2) reviewing and recommending to the Board for endorsement (or determining with delegated responsibility) the remuneration packages and terms of employment for each Director and the key management personnel (including but not limited to, Directors' and key management personnel's fees, salaries, allowances, bonuses and benefits-in-kind);
- (3) reviewing and approving compensation arrangement relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and
- (4) reviewing and recommending to the Board in consultation with the Chairman of the Board for endorsement by the entire Board, share option schemes, share award plans or any long-term incentive schemes which may be set up from time to time, in particular to review whether Directors and key management personnel should be eligible for such schemes and also evaluating the costs and benefits of such schemes and doing all acts necessary in connection therewith.

During FY2019, the members of RC reviewed the 2018 remuneration payment and 2019 remuneration framework for the individual Directors and the key management personnel (including senior management) of the Company.

Procedures for Developing Remuneration Policies

The RC is responsible for ensuring appropriate formality, transparency to the Shareholders and a formal and transparent procedure is in place for developing an appropriate executive remuneration policy and a competitive framework for determining the remuneration packages of Directors and key management personnel. The RC recommends for the Board's endorsement, a framework of remuneration, including but not limited to, fees, salaries, allowances, bonuses, options and benefits-in-kind for the Directors and key management personnel. No Director is involved in any decision-making relating to his/her own compensation.

薪酬委員會的主要職權範圍如下：

- (1) 審閱董事會和關鍵管理人員（包括高級管理人員）的薪酬政策、薪酬框架，為薪酬釐定政策制定正式和透明的程序，並就前述事項向董事會作出推薦；
- (2) 審閱各董事和關鍵管理人員的薪酬配套（包括但不限於董事和關鍵管理人員的袍金、薪金、津貼、獎金和實物福利），並建議董事會予以批准（或根據董事會授權作出決定）；
- (3) 審閱和批准與因行為不當而解僱或免職董事有關的賠償安排，以確保該等安排符合合同條款並且合理適當；
- (4) 經與董事長磋商後，審閱本公司的期權計劃、股份獎勵計劃或任何可能不時設立的長期激勵計劃（尤其是審閱董事和關鍵管理人員是否適格參與該等計劃，並評估該等計劃的成本和益處），向董事會作出推薦，並採取任何其餘相關行動。

於二零一九財政年度內，薪酬委員會成員已經審閱本公司每名董事及關鍵管理人員（包括高級管理人員）的二零一八年度薪酬發放方案以及二零一九年度薪酬框架。

制定薪酬政策的程序

薪酬委員會負責向股東確保薪酬政策擁有正式性和透明性，即：本公司為董事和主要管理人員薪酬的釐定建立了正式透明的程序，並將以此為本公司的執行人員提供適當且具競爭力的薪酬配套。薪酬委員會對董事和關鍵管理人員的薪酬框架向董事會作出推薦供其確認，其中包括但不限於董事和關鍵管理人員的費用、薪金、津貼、獎金和實物福利。任何董事均未參與決定其本人的任何補償。

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The Company will also engage a third-party remuneration consultant, on a regular basis or as requested by the RC, to review and make recommendations on the remuneration framework and level for the Directors and key management personnel. The Company did not engage a third-party remuneration consultant in FY2019.

Level and Mix of Remuneration

Under the framework developed by the RC, the RC uses the following factors to determine the Directors' remuneration:

- (1) qualifications and experience of the Directors required by the Company;
- (2) for Independent Non-Executive Directors, the general level of fees earned by such Director in his/her professional capacity or billed by professionals in their industry;
- (3) time spent in preparing for meetings and actual attendance;
- (4) indirect costs and expenses incurred by the Directors;
- (5) such remuneration as may be considered fair and reasonable, having regard to the nature and size of the business of the Company;
- (6) level of remuneration which is directly linked to the extent of involvement and participation in and contribution to the business of the Company;
- (7) the level of commitment and the ability to devote sufficient time and attention to the business of the Company; and
- (8) where special circumstances justify, the payment of additional remuneration.

Annual reviews are carried out by the RC to ensure that key management personnel are appropriately rewarded, giving due regard to the financial health and business needs of the Group without being excessive and thereby maximise the Shareholders' value. The Group's remuneration framework, remuneration packages and bonus distribution plans for the Directors and key management personnel for each financial year are reviewed and discussed by the RC, which comprises three Independent Non-Executive Directors and one Non-Executive Chairman, before submitting to the Board for endorsement.

本公司也將定期或在薪酬委員會的要求下聘請第三方薪酬顧問，審閱董事及關鍵管理人員的薪酬框架和水平，並就此提供建議。本公司在二零一九財政年度沒有聘請第三方薪酬顧問。

薪酬水平和薪酬組合

按照薪酬委員會制定的框架，薪酬委員會根據下列因素來決定董事的薪酬：

- (1) 本公司要求的董事資質及經驗；
- (2) 對於獨立非執行董事而言，各董事按照其專業能力可賺取的，或按照其領域的專業人士可收取的一般費用水平；
- (3) 為準備會議和實際出席會議所花費的時間；
- (4) 董事產生的間接費用和開支；
- (5) 按照本公司業務的性質和規模可視為公平合理的薪酬；
- (6) 按照對本公司業務參與和貢獻程度的不同而有不同的薪酬水平；
- (7) 對本公司業務投入足夠的時間和精力所需要花費的付出和具備的能力；和
- (8) 在特殊情況下需要支付的額外報酬。

薪酬委員會進行年度審閱，在保證本集團的健康財務狀況和業務需求的前提下，給予關鍵管理人員適當的回報，從而實現股東價值的最大化。本集團在每個財政年度中關於董事和關鍵管理人員的薪酬框架、薪酬配套以及獎金分配方案都提交給薪酬委員會審閱並討論。薪酬委員會目前由三名獨立非執行董事及一名非執行董事長組成。該等薪酬框架、薪酬配套以及獎金分配方案隨後將提供給董事會確認。

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The Executive Directors have entered into service agreements with the Company. Their compensation consists of basic salary, fixed allowance and performance-linked bonus. The bonus of the Executive Directors and the key management personnel are dependent on the Group's performance and such individual's performance and contribution to the Company in that year. In particular, the Company sets up a bonus pool and an objective bonus determination mechanism for the Executive Directors and the key management personnel at the beginning of each financial year, which is reviewed and approved by the RC as delegated by the Board. To incentivise the Executive Directors and the key management personnel to successfully manage the Company, the performance-linked bonus makes up a substantial portion of their total remuneration in a financial year. The amount of the performance-linked bonus for each Executive Director and key management personnel is linked to the achievement of certain key financial indicators of the Company in that financial year and his/her annual appraisal result.

The Group's remuneration policy is to provide remuneration packages appropriate to attract, retain and motivate the Directors and the key management personnel.

The Independent Non-Executive Directors receive directors' fees according to their level of contributions and other factors such as effort and time spent for serving on the Board and the Board Committees, as well as the responsibilities and obligations of the Directors. The Company recognises the need to pay competitive fees to attract, motivate and retain the Directors without being excessive to the extent that their independence might be compromised.

Directors' fees are recommended by the Board for approval by the Shareholders at the AGMs.

Disclosure on Remuneration

The Board believes that it is not in the best interest of the Company to fully disclose precise remuneration given the highly competitive industry conditions for the environmental water sectors, particularly in China. The disclosure of the Directors' and the senior management personnel's remuneration in this report is appropriate.

A breakdown of the remuneration of the Directors and the senior management personnel (who are not Directors) for FY2019 is set out below.

執行董事與本公司簽訂了服務協議。他們的報酬包括基本工資、固定補貼和績效獎金。執行董事和關鍵管理人員的獎金數額取決於本集團的表現以及該人員在當年的表現和對公司的貢獻。具體而言，在每個財政年度初，本公司為執行董事和關鍵管理人員設立一個獎金池並確定一個客觀的獎金確定機制，隨後提交給薪酬委員會由其根據董事會的授權進行審議。為了激勵執行董事和關鍵管理人員成功地管理本公司，績效獎金構成了他們全年總薪酬中的重要組成部分。執行董事和每位關鍵管理人員的績效獎金都與本公司在該財政年度中是否實現了特定關鍵財務指標掛鉤，同時還取決於該人員在當年的年度考評結果。

本集團的薪酬政策是提供適當的薪酬配套以吸引、保留和激勵董事和關鍵管理人員。

獨立非執行董事按照他們的貢獻程度和其他因素（如任職董事會和董事會委員會所投入的精力和時間以及董事的責任和義務）來領取董事袍金。本公司認可有必要支付具有競爭力的董事袍金，以吸引、激勵和留住董事，但不會支付過高的董事袍金而影響他們的獨立性。

董事袍金由董事會建議並經由股東於本公司股東週年大會上批准。

薪酬的披露

董事會相信，鑒於環保水務行業，尤其是在中國的環保水務行業的激烈競爭情況，充分披露具體的薪酬不符合本公司的最大利益。本報告中的董事和高級管理人員薪酬信息的披露較為恰當。

董事和高級管理人員（未擔任董事）在二零一九財政年度的薪酬明細表如下。

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(a) The level and mix of each Director's remuneration are as follows:

(a) 每名董事的薪酬水平和組合如下：

Remuneration Band and Name of Director 薪酬幅度和董事姓名	Directors' Fee 董事袍金(%)	Salary 工資(%)	Bonus 獎金(%)	Benefits in kind 實物福利(%)	Total 總額(%)
SGD750,000 to below SGD1,000,000 750,000新加坡元至1,000,000新加坡元以下					
Mr. An Xuesong 安雪松先生	-	37	55	8	100
SGD500,000 to below SGD750,000 500,000新加坡元至750,000新加坡元以下					
Mr. Luo Junling 羅俊嶺先生	-	31	63	6	100
Below SGD250,000 250,000新加坡元以下					
Mr. Wang Tianyi 王天義先生	-	-	-	-	-
Mr. Zhai Haitao 翟海濤先生	87	-	-	13	100
Mr. Lim Yu Neng Paul 林御能先生	88	-	-	12	100
Ms. Cheng Fong Yee 鄭鳳儀女士	87	-	-	13	100
Ms. Hao Gang 郝剛女士	88	-	-	12	100

(b) The level and mix of each senior management personnel's (who is not a Director) remuneration in bands are as follows:

(b) 各高級管理人員（未擔任董事）的薪酬水平和組合如下：

Remuneration Band and Name of Senior Management Personnel 薪酬幅度和高級管理人員姓名	Salary 工資(%)	Bonus 獎金(%)	Benefits in kind 實物福利(%)	Total 總額(%)
Below SGD500,000 500,000新加坡元以下				
Mr. Wang Yuexing 王悅興先生	36	56	8	100
Mr. Wang Guanping 王冠平先生	37	55	8	100
Mr. Zhang Guofeng 張國鋒先生	30	59	11	100
Mr. Sun Linbo 孫林波先生	33	61	6	100
Mr. Niu Kesheng 牛克勝先生	40	49	11	100
Ms. Peng Pei 彭珮女士	50	45	5	100

The aggregate amount of the total remuneration paid to the key management personnel (including but not limited to the senior management) is HK\$12,498,000 during FY2019.

二零一九財政年度支付給關鍵管理人員（包括但不限於高級管理人員）的薪酬總額為12,498,000港元。

There are no employees of the Group who are immediate family members of a Director or the CEO and whose remuneration exceeds SGD50,000 during FY2019.

在二零一九財政年度內，不存在董事或總裁直系親屬擔任本集團員工並領取超過50,000新加坡元薪酬的情形。

The Company does not have any employee share scheme.

本公司並沒有任何員工期權計劃。

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(C) ACCOUNTABILITY, AUDIT AND AUDIT COMMITTEE

Risk Management and Internal Controls

The Group's internal controls and management systems are designed to provide reasonable, but not absolute assurance to the integrity and reliability of the financial information and to safeguard and maintain the accountability of the assets. While no cost-effective internal control system can provide absolute assurance against loss or misstatement, the AC, with the participation of the Board, has reviewed the adequacy and effectiveness of the Group's internal controls and risk management systems to ensure that they are designed to provide reasonable assurance that assets are safeguarded, operational controls are in place, business risks are suitably managed, proper accounting records are maintained and the integrity of financial information used for business and publication is preserved.

The internal auditors conduct annual review of the adequacy and effectiveness of the Group's key internal controls including management of financial, operational, compliance, information technology and sustainability risks. The external auditors during the conduct of their normal audit procedures may also report on matters relating to internal control. Any material non-compliance and recommendation for improvements are reported to the AC. The AC also reviews and continues to monitor the effectiveness of the actions taken by the Management on the recommendations made by the internal and external auditors in this respect. Based on the work performed by the internal and external auditors, the AC reviews the findings from the internal and external auditors on the Group's internal controls and the Management's responses to the auditors' recommendations for improvement to the Group's internal controls and discussions with the auditors and Management. The Company may, from time to time, appoint external advisers to facilitate the Company to assess and identify the key risks and the related key controls established by the Company.

In addition, the Company has implemented two major management systems to address risks in different aspects of the Company, namely the Risk Management System and the ESHS Management System. The Risk Management System provides the procedures for risk identification and assessment, risk register compilation, risk tactics development, risk event management, risk event reporting, and the review and audit of such system. The Company updates its risk register on a quarterly basis. Any material findings on the risk management will be escalated to the AC and the Board. The ESHS Management System provides a series of standard operating procedures to address the environmental, safety, health and social responsibility risks.

(C) 責任制、審計和審計委員會

風險管理和內部控制

本集團的內部控制和管理體系旨在對財務信息的完整及可靠性提供合理但並非絕對的保證，並保障和維護資產的責任制。儘管任何一個具有成本效益的內控體系都無法絕對保證不出現虧損或不當報表，但審計委員會在董事會的參與下審閱了本集團內部控制和體系的充分性和有效性，認為它們在保障資產、控制運營、適度管理商業風險、適當進行會計記錄、保持業務用途的財務信息和予以發佈的財務信息的準確完整等方面都提供了合理的保證。

內部審計師對本集團的關鍵內部控制（包括財務、運營、合規、信息技術和持續性風險管理）的充分性和有效性進行年度審閱。外部審計師在正常審計工作中也可以對與內部控制相關的事項作出報告。重大的不合規事項和改進建議向審計委員會報告。審計委員會也審閱和繼續監督管理層針對內部和外部審計師所提出的建議所採取的行動。基於內部和外部審計師的工作，審計委員會審查內部和外部審計師對本集團內部控制的審計結果、管理層對審計師改善本集團內部控制之建議的回應、以及其與審計師和管理層進行的討論。本公司不時會聘任外部顧問協助本公司評估和識別關鍵風險和相關控制措施。

另外，本公司實施了兩大管理體系來應對本公司在不同領域所面臨的風險，即風險管理體系和ESHS管理體系。風險管理體系提供了一系列程序進行風險識別和評估、整理風險事件登記簿、制定風險策略、管理風險事件、報告風險事件、審查和審計風險管理體系等。關於風險管理的重大發現將上報給審計委員會和董事會。本公司每季度一次更新風險事件登記簿。ESHS管理體系提供了一系列標準化流程來應對環境、安全、健康和社會責任風險。

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The Board has received assurance from the CEO and the CFO that the financial records of the Company have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and regarding the adequacy and effectiveness of the Company's risk management and internal control systems (including financial, operational, compliance and information technology controls).

The risk management is under the purview of the AC, and no other dedicated committee at the Board level is set up. Nonetheless, a Risk Assessment Committee is set up by the Company to assist the Management Committee in making decisions on new investment projects. In relation to the investment project which is subject to the Board's approval, the Risk Assessment Committee's findings and recommendations will also be submitted to the Board for consideration. More details about the Risk Assessment Committee are set out in paragraphs below in this Corporate Governance Report under sub-section "Internal Management".

The Company's Legal and Risk Management Department is responsible for summarising the risk management results of each department and regional management centre and assessing the potential material risks faced by the Group according to the risk management programme of the Group, formulating and implementing the risk management plans for the next year. The Legal and Risk Management Department is also responsible for maintaining and updating the Company's register of risks. Ms. Peng Pei, the Legal Counsel and Joint Company Secretary, currently heads the Legal and Risk Management Department of the Company.

The Board, with the concurrence of the AC, is satisfied with the adequacy and effectiveness of the Group's risk management and internal control systems in addressing financial, operational, compliance and information technology controls and sustainability risks as at 31 December 2019.

Financial Reporting

The Directors acknowledge the preparation of the Group's financial statements. The Finance Management Department of the Company is supervised by the CFO. With the assistance of the Finance Management Department, the Directors ensure that the Group's financial statements have been properly prepared in accordance with relevant regulations and applicable accounting principles. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

董事會收到了總裁和首席財務官的保證，即本公司的財務記錄得到了妥善保管、財務報表真實公允地反映了本公司的經營和財務狀況，以及本公司的風險管理和內部控制系統（包括財務、運營、合規和信息技術控制）具有效力和效果。

風險管理由審計委員會負責，本公司沒有為此另行在董事會層面設立專門委員會。然而，本公司設立了風險評審委員會來協助管理委員會作出關於新投資項目的決策。對於需要董事會批准的新投資項目，風險評審委員會的結論和推薦會被提交給董事會參考。關於風險評審委員會的更多詳情請見本企業管治報告中「內部管理」一節。

本公司的法律及風險管理部負責總結各部門和區域管理中心的風險管理結果，按照本集團的風險管理計劃評估本集團面臨的潛在重大風險，制定和實施下一年的風險管理計劃。法律及風險管理部同時也負責維持和更新本公司的風險事件登記簿。本公司的法律顧問兼聯席公司秘書彭珮女士，目前主管本公司的法律及風險管理部。

董事會和審計委員會對本集團於二零一九年十二月三十一日在財務、運營、合規及信息技術控制措施和應對可持續性風險方面的風險管理和內部控制體系的充分性和有效性表示滿意。

財務報告

董事們認可本集團所準備的財務報表。本公司的財務管理部由首席財務官負責監管。在財務管理部的協助下，董事們確保本集團的財務報表已根據相關法規和適用的會計原則被妥善編制。董事們並不知悉任何事件或情形中存在重大不確定性而可能對本公司的持續運營能力造成重要影響。

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A statement by Ernst & Young LLP, the external auditor of the Company, about its reporting responsibilities on the financial statements of the Group is included in the “Independent Auditor’s Report” on pages 121 to 128 of this Annual Report.

Audit Committee

The AC comprises:

- (i) Mr. Lim Yu Neng Paul (AC Chairman & Independent Non-Executive Director);
- (ii) Mr. Zhai Haitao (Independent Non-Executive Director);
- (iii) Ms. Cheng Fong Yee (Independent Non-Executive Director); and
- (iv) Ms. Hao Gang (Independent Non-Executive Director)

The Board considers Mr. Lim Yu Neng Paul, who is a Chartered Financial Analyst and has extensive and practical financial management knowledge and experience, well qualified to chair the AC.

Majority of the AC members have accounting or finance background. The members of the AC, collectively, have recent and relevant accounting or related financial management expertise or experience to discharge the AC’s responsibilities.

The AC does not comprise former partners or directors of the Company’s existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

The AC has explicit authority to investigate any matter within its terms of reference. It has full access to, and the co-operation of the Management and full discretion to invite any Director or any key executive to attend its meetings. The AC has adequate resources, including access to external auditors, to enable it to discharge its responsibilities properly.

The AC met five times in FY2019 and the relevant Directors and Management were invited to attend the meetings.

The AC is guided by the terms of reference which stipulate its principal functions.

本公司外部審計師Ernst & Young LLP關於其對本集團財務報表的報告職責的聲明，已載於本年度報告第121頁至第128頁中的「獨立審計師報告」中。

審計委員會

審計委員會由下列董事組成：

- (i) 林御能先生（審計委員會主席、獨立非執行董事）；
- (ii) 翟海濤先生（獨立非執行董事）；
- (iii) 鄭鳳儀女士（獨立非執行董事）；和
- (iv) 郝剛女士（獨立非執行董事）。

林御能先生（特許金融分析師）具有豐富實用的財務管理知識和經驗，董事會認為他完全有資格擔任審計委員會主席。

審計委員會的大多數成員均擁有會計或金融背景。審計委員會成員總體上具有履行審計委員會職責所需的會計或相關財務管理方面的新近知識或經驗。

審計委員會中沒有任何成員是本公司現有審計師事務所或審計公司後述的前任合夥人或董事：(a) 自終止擔任審計事務所合夥人或者審計公司董事之日起兩年內；和在任何情況下，(b) 只要他們在該審計師事務所或審計公司中擁有任何財務利益。

審計委員會具有明確的授權來調查其職權範圍內的任何事項，能全面接觸管理層並得到管理層的配合，可自行決定邀請任何董事或關鍵管理人員出席其會議。審計委員會擁有足夠的資源（包括聘請外部審計師）使之適當地履行職責。

審計委員會在二零一九財政年度內召開了五次會議，相關董事和管理層應邀出席了會議。

審計委員會按其職權範圍履行職責。

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The functions of the AC include:

- (1) reviewing the significant financial reporting issues and judgements and monitoring the integrity of the financial statements of the Group and annual reports and accounts, half-year reports and, if prepared for publication, quarterly reports and any announcements relating to the Company's financial performance;
- (2) reviewing and reporting to the Board at least annually on the adequacy and effectiveness of the Group's internal controls, comprising financial, operational, compliance and information technology controls and risk management systems (such review can be carried out internally or with the assistance of any competent third parties), which shall cover the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting and financial reporting function;
- (3) reviewing and monitoring the adequacy and effectiveness, scope and results of the Group's internal audit function;
- (4) reviewing the scope and results of the external audit, and the independence and objectivity of the external auditors;
- (5) making recommendations to the Board on the proposals to the Shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors, and any questions of its resignation or dismissal;
- (6) reviewing any interested person transactions as defined in the SGX Listing Manual and connected transactions as defined in the HK Listing Rules, and to review the procedures;
- (7) reviewing potential conflicts of interest, if any, including reviewing and considering transactions in which there may be potential conflicts of interests between the major shareholder, controlling shareholder (as defined in the HK Listing Rules), interested/ connected persons (as defined in the HK Listing Rules) and recommending whether those who are in a position of conflict should abstain from participating in any discussions or deliberations of the Board or voting on resolutions of the Board in relation to such transactions as well as ensuring that proper measures to mitigate such conflicts of interest have been put in place;
- (8) reviewing the rectification measures and internal control measures relating to regulatory issues involving the Group's licences, permits or certificates etc;

審計委員會的職能包括：

- (1) 審閱重大的財務報告問題和結論，監察本集團財務報表、年度報告及賬目、半年度報告、季度報告（如擬發佈）以及任何與本公司財務表現有關的任何公告的完整性；
- (2) 每年至少一次審閱並向董事會報告本集團在財務、運營、合規和信息技術控制和風險管理系統的充分性和有效性（此等審閱可以由本公司內部開展或者在有能力的第三方協助下進行），內容應包括本集團會計和財務報告職能的資源、員工資格和經驗、培訓方案和預算的充足性；
- (3) 審閱和監察本集團內部審計職能的充分性和有效性，及其範圍和結果；
- (4) 審閱外部審計的範圍和結果，以及外部審計師的獨立性和客觀性；
- (5) 關於外部審計師的聘任、續聘、罷免事宜，向董事會推薦提交給股東大會審議的議案，並批准外部審計師的服務酬勞、服務條款以及關於外部審計師辭任或解聘的任何事宜；
- (6) 審閱新交所上市手冊中定義的關聯人士交易和香港上市規則所定義的關連交易，並審閱訂立該等交易的程序；
- (7) 審閱潛在的利益衝突（如有），包括審閱和考慮本集團和主要股東、控股股東（根據香港上市規則的定義）、關連人士（根據香港上市規則的定義）之間的潛在利益衝突，並就擁有衝突利益的人士是否應該在董事會會議上放棄參與該等交易的討論、商議或投票作出推薦，以確保本集團設有適當的措施來減少此類利益衝突；
- (8) 審閱與本集團的許可、資質或證照相關監管問題的整改措施和內部控制措施；

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- (9) reviewing the investments in customers, suppliers and competitors made by the Directors, controlling shareholders and their respective associates who are involved in management of the Group or have shareholding interests in similar or related business of the Group and making assessments on whether there are any potential conflicts of interests and ensuring that proper measures to mitigate such conflicts of interests have been put in place;
- (10) reviewing the statements to be included in the annual reports concerning the adequacy and efficiency of internal controls, including financial, operational, compliance and information technology controls, and risk management systems;
- (11) monitoring the implementation of outstanding internal control recommendations and/or observations highlighted by the external auditors in the course of their audit of the statutory financial statements;
- (12) establishing a whistle-blowing policy and system for employees and those who deal with the Company (eg. customers and suppliers) to raise concerns, in confidence, with the AC about possible improprieties in any matter related to the Company, and reviewing whistle-blowing investigations within the Company and ensuring appropriate follow-up action, if required;
- (13) reviewing and overseeing the implementation of the measures in respect of the legal representatives of the subsidiaries incorporated in the PRC;
- (14) undertaking such other reviews and projects as may be requested by the Board, and reporting to the Board its findings from time to time on matters arising and requiring the attention of the AC and matters in the HK CG Code; and
- (15) generally undertaking such other functions and duties as may be required by statutes or the SGX Listing Manual, SG CG Code, HK Listing Rules or HK CG Code, and by such amendments made thereto from time to time.
- (9) 對於參與本集團管理或在本集團類似或相關業務中持有股權的董事、控股股東及其各自的關聯人士而言，審閱其在本集團的客戶、供應商和競爭對手中的投資，評估其是否存在潛在利益衝突，以便確保本集團設有適當的措施來減少此類利益衝突；
- (10) 審閱需要包含在年度報告中的有關內部控制（包括財務、運營、合規、信息技術控制以及風險管理系統）的充分性和有效性的聲明；
- (11) 關於外部審計師在對法定財務報表的審計過程中所提出的尚未落實的內部控制建議和/或發現，監察該等建議或發現的落實或糾正情況；
- (12) 為員工和與本公司打交道的其他人員（如客戶和供應商）建立舉報政策和制度，以便他們能向審計委員會秘密地表示其對本公司相關不當事宜的任何顧慮，審查本公司內部進行的舉報調查，並確保在必要時採取了適當的後續行動；
- (13) 審閱和監督與中國各附屬公司法定代表人相關的落實措施；
- (14) 實施董事會所要求的其他審閱、事項和香港企業治理守則中所要求的其他事項，並向董事會報告審計委員會對此類事項的審查結果；和
- (15) 依照法律、新交所上市手冊、香港上市規則、香港企業管治守則或新加坡企業管治守則（以及前述法律法規不時修訂的版本）的要求，履行其他職能和職責。

During FY2019, the members of the AC reviewed (a) the audited consolidated financial results of the Group for FY2018; (b) the unaudited consolidated financial results of the Group for the first quarter ended 31 March 2019; (c) the unaudited consolidated financial results of the Group for the second quarter and six months ended 30 June 2019; and (d) the unaudited consolidated financial results of the Group for the third quarter and nine months ended 31 September 2019.

於二零一九財政年度內，審計委員會已經審閱 (a)本集團二零一八財政年度的經審計綜合財務業績；(b)本集團截至二零一九年三月三十一日止第一季度的未經審計綜合財務業績；(c)本集團截至二零一九年六月三十日止第二季度及六個月的未經審計綜合財務業績；和(d)本集團截至二零一九年九月三十一日止第三季度及九個月的未經審計綜合財務業績。

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The AC meets regularly with the Management and the external auditors to review auditing and risk management matters and discuss accounting implication of any major transactions including significant financial reporting issues. It also reviews the internal audit functions to ensure the adequacy and that an effective system of control is maintained in the Group.

On a regular basis, the AC also reviews the interested person transactions (as defined in the SGX Listing Manual), connected transactions and continuing connected transactions (as defined in the HK Listing Rules) and the financial results announcements before their submission to the Board for approval.

The AC is well informed by the Management and the external auditors of change to accounting standards, the SGX Listing Manual, the HK Listing Rules and other regulations which could have an impact on the Group's business and financial statements.

The AC met with the internal auditors and external auditors separately twice in FY2019 without the presence of the Management to review any matter that might be raised.

The AC and the external auditors have discussed the significant issues in financial reporting throughout FY2019 at the AC meetings. As set out in the "Independent Auditor's Report" on pages 121 to 128 of this Annual Report, the following significant issues were discussed with the Management and the external auditors and were reviewed by the AC:

審計委員會定期會見管理層和外部審計師，審閱審計和風險管理的事項，討論任何重大交易（包括重大財務報告事項）的會計影響。它還審閱內部審計職能，確保本集團保持充分有效的控制機制。

審計委員會也定期在呈報董事會審批以前先行審閱關聯人士交易（如新交所上市手冊所定義）、關連交易以及持續關連交易（如香港上市規則所定義）和財務業績公告。

管理層和外部審計師向審計委員會及時通報可能會對本集團的業務和財務報表產生影響的會計準則、新交所上市手冊、香港上市規則和其他規則的變更。

審計委員會在二零一九財政年度內與內部和外部審計師進行了兩次單獨會面（在管理層並未出席的情況下），審閱可能會提出的事宜。

審計委員會及外部審計師已於審計委員會會議上就二零一九財政年度財務報告的重大事項進行了討論。誠如本年度報告第121頁至第128頁之「獨立審計師報告」所載，以下重大事項已經由審計委員會與管理層及外部審計師進行了討論，並已經過審計委員會覆核：

Significant issues 重大事項	How the issue was addressed by the AC 審計委員會在有關事項上的解決方法
Service concession arrangements and revenue recognition 服務特許權安排及收入確認	<p>The key area reviewed by the AC on revenue recognition was the service concession arrangements of water environment management projects under IFRIC 12. The AC received confirmation from the Management that consistent accounting policy was applied throughout the year for recognizing revenue under IFRIC 12. The AC assessed the competency, capability and objectivity of the Group's independent financial model consultant. The AC also considered the approach, methodology and key assumptions applied to the financial model for the determination of the fair value of construction services. The AC is satisfied with the appropriateness of the methodology applied and the reasonableness of the key assumptions used.</p> <p>審計委員會根據國際財務報告詮釋委員會詮釋第12號就收入確認覆核的主要範圍為水環境治理項目的服務特許經營權安排。審計委員會已獲管理層確認，其已於本會計年度根據國際財務報告詮釋委員會詮釋第12號就確認採用收入一致的會計政策。審計委員會也評估了本集團獨立財務模型顧問的資格、能力及客觀性。審計委員會還考慮了確定建造服務的公允價值所採用的方式、方法及主要假設。審計委員會對所採用方法之合適程度及所作出主要假設之合理程度表示滿意。</p>

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Significant issues 重大事項	How the issue was addressed by the AC 審計委員會在有關事項上的解決方法
<p>Recoverability of trade receivables 應收賬款的可收回性</p>	<p>The AC and the Board receive regular updates from the Management on the ageing analysis of trade receivables, the progress of trade receivables collection and repayment schedule discussions with customers in the year. The AC is satisfied with the attention and effort taken by the Management on the receivables collection. Besides taking into account the opinion and findings from the Management and the external auditors, the AC also considered and reviewed the methodology used in the estimation of impairment loss of trade receivables and the appropriateness, completeness and reasonableness of the factors used in the estimation based on their knowledge of the business of the Group, the industry, and the current and future economic environment.</p> <p>審計委員會及董事會自管理層定期獲得有關本集團應收賬款的賬齡、回款及就還款與客戶進行協商的進展情況。審計委員會對管理層就應收款項回收工作的關注及所付出的努力表示滿意。除考慮了管理層及外部審計師的意見及發現外，審計委員會也根據其對本集團及行業業務的了解、目前及未來經濟環境的判斷，對應收賬款預期減值準備計提方法及計提所考慮的因素的適用性、全面性及合理性進行了評估。</p> <p>The AC is satisfied that provision for impairment loss of trade receivables as at 31 December 2019 was adequate.</p> <p>審計委員會對於二零一九年十二月三十一日計提應收賬款減值準備的足夠程度表示滿意。</p>
<p>Impairment assessment of goodwill 商譽減值測試</p>	<p>The AC considered the approach and methodology applied by the Management on both the assessment for impairment indicators and the impairment assessment of goodwill. In addition to considering opinion and findings from the Management and the external auditors, the AC also reviewed the approach used in the valuation and the reasonableness of key assumptions used in the cash flows forecast, including future revenue growth rate, operating margin, terminal growth rate and discount rate based on their knowledge of the business of the Group and the industry.</p> <p>審計委員會考慮了管理層在評估減值跡象和商譽減值測試中應用的方式和方法。除考慮了管理層和外部審計師的意見和發現外，審計委員會還根據其對本集團及本行業業務的了解對評估使用的方法和現金流量預測中使用的主要假設包括未來收入增長率、運營利潤率、長期增長率及折現率的合理性進行審閱。</p> <p>The AC is satisfied with the appropriateness of the methodology applied and the reasonableness of the key assumptions used.</p> <p>審計委員會對所採用方法之合適程度及所作出主要假設之合理程度表示滿意。</p>

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Following the review and discussions, the AC recommended to the Board to approve the full-year financial statements for FY2019.

External Auditors

The AC has reviewed the non-audit services provided to the Group by the external auditor, Ernst & Young LLP during FY2019, and is of the opinion that the provision of such services does not affect the independence and objectivity of the external auditor. The AC is pleased to recommend its re-appointment to the Board for the Shareholders' approval at the forthcoming AGM. Accordingly, the Company has complied with Rule 13.88 of the HK Listing Rules.

The aggregate amount of fees paid or payable to the external auditor and its affiliates for FY2019 in respect of the audit and non-audit services is as follows:

		FY2019 二零一九年 財政年度 HK\$'000 千港元
Financial statements audit services and interim review services	財務報表審計服務及中期業績審閱服務	3,080
Other services	其他服務	
- tax advisory services	— 稅務諮詢服務	225
- assurance services and agreed upon procedures in connection with the Company's listing exercise	— 本公司上市活動有關的鑒證服務及商定程序	1,308
- assurance services and agreed upon procedures in connection with the Company's debt financing exercise	— 本公司債務融資活動有關的鑒證服務及商定程序	280
		4,893

Further details on fees paid or payable to the external auditor and its affiliates are included in note 8 to the financial statements.

The AC is satisfied that the Company has complied with Rules 712, 715 and 716 of the SGX Listing Manual in relation to the appointment of its external auditor for FY2019 and in making the above-mentioned appointment recommendation.

Whistle-Blowing Policy

The Company has put in place a whistle-blowing policy to provide an avenue to all Directors and employees to report any concern or complaint regarding financial reporting and questionable accounting practices; criminal offences, unlawful and/or unethical acts, fraud, corruption, bribery and blackmail; failure to comply with legal or regulatory obligations and concealment of any of the abovementioned issues.

經審閱及討論後，審計委員會建議董事會批准二零一九財政年度的全年財務報表。

外部審計師

審計委員會審閱了外部審計師Ernst & Young LLP在二零一九財政年度內向本集團提供的非審計服務，並認為提供這些服務並不影響外部審計師的獨立性和客觀性。審計委員會因此向董事會推薦外部審計師的續聘，並會在應屆股東週年大會上待獲得股東的批准。因此，本公司已遵守香港上市規則第13.88條。

在二零一九財政年度已付或應付給外部審計師及其聯屬機構的審計服務費用和非審計服務費用的總額如下：

關於支付或應付給外部審計師及其聯屬機構的費用的更多詳情載於財務報告附註8。

審計委員會確認，本公司在二零一九財政年度中及作出上述聘任推薦時遵守了新交所上市手冊第712條、第715條和716條有關聘任外部審計師的規定。

舉報政策

本公司制定了舉報政策，為所有董事及員工提供渠道，舉報任何其所關注的問題或有關財務報告和可疑會計行為、刑事犯罪、非法和/或不道德行為、欺詐、貪污、賄賂和勒索或未能遵守法定義務以及針對前述問題的掩蓋行為。

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An e-mail address and a special telephone number are set up to allow whistle-blowers to contact the AC Chairman directly. Whistle-blowers are also able to contact the CEO directly through the CEO e-mail address which is provided on the Company's website. All concerns or irregularities raised will be treated with confidence and every effort will be made to ensure that confidentiality is maintained throughout the process.

Internal Audit

The Company has an Internal Audit Department (“IA”) to strengthen the internal audit function and promote sound risk management, including financial, operational, compliance, information technology controls, sustainability and good corporate governance. The AC approves the recruitment, removal and evaluation of the internal auditors.

The IA reports primarily to the AC and has full access to the documents, records, properties and personnel of the Company and of the Group, and has appropriate standing within the Company. The IA reports to the AC on a quarterly basis regarding the progress and major findings of the internal audit process. The AC reviews at least annually the adequacy and effectiveness of the internal audit function of the Company and ensures that the Company's internal audit team is formed by the sufficient number of personnel with relevant qualifications and experience.

The Board recognises that it is responsible for maintaining a system of internal control to safeguard the Shareholders' investments and the Group's businesses and assets, while the Management is responsible for establishing and implementing the internal control procedures in a timely and appropriate manner.

IA's main scope of work covers the review and evaluation of processes and areas of concerns identified. IA assists the Management in enhancing existing risk management initiatives and carrying out regular independent monitoring of key controls and procedures. The findings and recommendations in relation to the adequacy and effectiveness of internal controls and process improvements will be presented to the AC and the Management.

Material non-compliance and internal control weaknesses noted during reviews are reported together with recommended corrective actions to the AC on a regular basis. In particular, the Company had certain outstanding licenses and/or permits in relation to its business and operations as at November 2014 (“**Licenses and/or Permits**”) as disclosed in the Company's circular dated 12 November 2014. The IA followed up on the status and noted that the Company had obtained most of such Licenses and/or Permits in the financial years ended 31 December 2015, 2016 and 2017, and had disclosed such progress in the relevant annual reports. The Company did not have any further update in FY2019.

本公司設立了接收舉報的電子郵箱和專線電話，舉報人可以直接聯繫審計委員會主席。舉報人也能通過總裁的電子郵箱（已在本公司網站上公佈）直接聯繫他。所提出的所有關注事項或違規行為都將被視為是保密信息，本公司將盡一切努力確保整個舉報過程也是保密的。

內部審計師

本公司設有內審部（「內審部」），以加強內部審計職能，提高健全的風險管理（包括財務、運營、合規、信息技術控制、可持續性和良好的企業管治）。審計委員會批准內部審計師的征聘、撤職和考評。

內審部主要向審計委員會報告工作，可全面接觸到本公司和本集團的所有文件、記錄、物業和人員並在本公司內部有適當的地位。內審部每季度向審計委員會匯報內部審計進展以及在內部審計過程中發現的問題。審計委員會至少每年一次審查本公司的內部審計職能的充分性和有效性，也將確保本公司的內部審計團隊由充足數量的人員組成，並且該等人員均具有相關資質和經驗。

董事會負責維護內部控制機制，以保障股東的投資和本集團的業務和資產；管理層負責及時地並以適當的方式建立和實施內部控制程序。

內審部的主要工作範圍包括審查和評估所關注事項的程序和範圍。內審部協助管理層改善現有的風險管理措施，對關鍵控制和程序進行定期獨立監測。有關內部控制和程序改善是否充分有效的調查結果和建議將提交給審計委員會和管理層。

內審部定期向審計委員會匯報在審閱過程中發現的重大不合規和內部控制的薄弱環節，以及糾正措施的建議。本公司曾在二零一四年十一月十二日的股東通函中披露了本公司於二零一四年十一月尚有某些與其業務相關的許可證和/或批准（「許可證和/或批准」）未能取得。內審部跟進了有關狀態，並注意到本公司已於截至二零一五年、二零一六年、二零一七年十二月三十一日止的財政年度中取得了大多數該等許可證和/或批准，並於相關年度報告中披露了該等進展。在二零一九財政年度中無額外更新。

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The results of the internal audit findings are also shared with the external auditor to assist it in its audit planning and also for it to perform further checks on the weak areas identified.

(D) INTERNAL MANAGEMENT

Management Functions

As mentioned above, the Board approves a document, known as the Board Authority Matrix, with guidelines setting forth the matters reserved for the Board's decision and clear directions to the Management on matters that must be approved by the Board. The matters delegated by the Board to the Management are generally considered and decided by the Management Committee of the Company (the "MC").

The MC comprises:

- (i) Mr. An Xuesong (MC Chairman, Executive Director & CEO);
- (ii) Mr. Luo Junling (Executive Director & CFO);
- (iii) Mr. Wang Yuexing (Vice President);
- (iv) Mr. Wang Guanping (Vice President);
- (v) Mr. Zhang Guofeng (Vice President);
- (vi) Mr. Sun Linbo (Vice President);
- (vii) Mr. Niu Kesheng (CEO Assistant);
- (viii) Mr. An Pinglin (Technical Director); and
- (ix) Mr. Wu Zhiguo (General Manager of Liaoning Regional Management Centre).

The MC is responsible for the management of daily business operations, formulating and implementing annual work tasks and medium-term development plans for the Group. The MC is the decision-making authority for the day-to-day operations, management and personnel matters.

The MC holds meetings on a regular and ad hoc basis. It holds meetings at least once a month and has a weekly communication mechanism. The MC reviews and discusses, the Group's investment proposals on new projects, appointment and removal of key executives at headquarter departments, regional management centres and project companies, performance appraisals, status of financial budget execution and the major works done and progress of the headquarter departments and regional management centres, etc.

內部審計結果也通知了外部審計師，以此協助其制定審計計劃並進一步檢查所發現的薄弱環節。

(D) 內部管理

管理層的職能

如上文所述，董事會已批准一份名為「董事會權限清單」的文件，其中列明須保留給董事會決策事項的指引，也為管理層明確了哪些事項必須獲董事會批准。董事會授權於管理層決策的事項一般由本公司的管理委員會（「管理委員會」）進行考慮和決策。

管理委員會由以下人員組成：

- (i) 安雪松先生（管理委員會主席、執行董事兼總裁）；
- (ii) 羅俊嶺先生（執行董事兼首席財務官）；
- (iii) 王悅興先生（副總裁）；
- (iv) 王冠平先生（副總裁）；
- (v) 張國鋒先生（副總裁）；
- (vi) 孫林波先生（副總裁）；
- (vii) 牛克勝先生（總裁助理）；
- (viii) 安平林先生（技術總監）；和
- (ix) 吳志國先生（遼寧區管理中心總經理）。

管理委員會負責日常業務運營管理，制定並實施本集團年度工作目標及中期發展規劃等，是本集團日常業務活動的決策機構，對於日常運營、管理及人事等重大事項進行集體決策。

管理委員會定期和不定期召開會議。其至少每月一次召開會議，同時也建立了每週的定期溝通機制。管理委員會審閱並討論本集團對新項目的投資方案、對總部的部門及區域管理中心和項目公司的關鍵管理人員的聘任和解聘、績效考核、財務預算的執行情況以及總部部門和區域管理中心的重大工作及進展。

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To assist the MC in decision-making process, the Company also established a Risk Assessment Committee (“**RAC**”) and an Engineering and Technology Committee (“**ETC**”) to assess the risks and make recommendations in undertaking new investment projects and construction works. Any new investment project, before submitted to the MC for consideration, will be reviewed by the RAC and the ETC respectively. The MC will then take into account the findings and recommendations made by the RAC and the ETC. In relation to investment project with investment amount exceeding certain threshold, Board’s approval will be sought before the definitive agreement is executed.

In relation to each meeting held by the MC, minutes duly signed by its chairman (being the CEO) will be retained by the Company as records.

(E) SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meeting

The Company treats all Shareholders fairly and equitably, and recognises, protects and facilitates the exercise of the Shareholder’s right. Shareholders are informed of changes in the Company’s business that are likely to affect their assessment of the Company’s performance, position and prospects.

The Management supports the SG CG Code’s principle to encourage shareholder participation. Shareholders are encouraged to attend the Shareholders’ meetings to ensure a high level of accountability and to stay informed of the Company’s strategy and goals. The Shareholders are informed of general meetings through notices contained in annual reports or circulars sent to all Shareholders. In FY2019, the notice of AGM was despatched to the Shareholders, published in the Business Times as well as uploaded onto the SGXNet. The Company also prepared and uploaded the Management’s presentation slides to be used at the general meetings in advance. The Board welcomes questions from Shareholders who have an opportunity to raise issues either informally or formally before or at the general meetings. To facilitate the Shareholders’ communication with the Directors and the Management, a question and answer session is held at all the general meetings before voting is carried out.

Resolutions at general meetings are on each substantially separate issue. All the resolutions at the general meetings are single item resolutions.

為了協助管理委員會進行決策，本公司還設立了風險評審委員會和工程技術委員會來評估實施新投資或建造工程的風險並作出相關推薦。所有的新投資項目在上報管理委員會決策前，需分別經過風險評審委員會和工程技術委員會的審閱。管理委員會在參考風險評審委員會和工程技術委員會的推薦後再作出決策。關於超過特定投資額度的投資項目，在董事會審議批准以後方能簽署協議。

關於管理委員會召開的每次會議，均由其主席（即總裁）在會議紀要上簽署後由本公司保管並留作記錄。

(E) 股東權利及與股東的互動

股東權利與股東大會的召開

本公司公平、公正地對待全體股東，承認、保護和促進股東行使權利。對於可能影響股東對本公司業績、狀況和前景所作評估的業務發展，本公司也向股東作出及時披露。

管理層支持新加坡企業管治守則中關於鼓勵股東參與的原則。本公司鼓勵股東出席股東大會，以確保高水平的問責制並使其及時了解本公司的戰略和目標。股東大會的通知以年度報告和股東通函的形式發放給股東。在二零一九財政年度，股東週年大會的通知寄發給了股東，並刊登在商業時報和SGXNet上。本公司也提前準備用於股東週年大會的管理層介紹資料，並在會議召開前將其上載至SGXNet。股東有機會在股東大會召開前或會議中以正式或非正式方式提出問題，董事會歡迎股東提問。為了促進股東與董事會及管理層之間的溝通，本公司在其所有股東大會的投票環節前均設有問答環節。

股東大會上的決議都是針對各項單獨議題的決議。股東大會上的所有決議均為單項決議。

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The Company encourages all the Directors to attend its general meetings to address Shareholders' questions relating to the Company's development and the work of the Board Committees. For the AGM held in FY2019, six Directors (including the Chairman of the Board, two Executive Directors and the chairman of all the Board committees) attended such meeting.

The Company's external auditor and the Legal Counsel and Joint Company Secretary are also invited to attend the general meetings and are available to assist the Directors in addressing any relevant queries by the Shareholders relating to the conduct of the audit and the preparation and content of the auditors' report.

The Company conducts poll voting for all resolutions to be passed in its general meetings. The rules, including voting procedures, will be explained by the scrutineers in the forthcoming AGM. If any Shareholder is unable to attend general meetings, the Company's Bye-laws allow each Shareholder to appoint up to two proxies to attend and vote at all general meetings on his/her behalf. Meeting minutes are prepared for all the general meetings (including the details of the question and answer sessions therein) and are uploaded on the Company's website and properly maintained as the Company's records.

Procedures for Shareholders to Convene a Special General Meeting and to Put Forward Proposals

The following procedures for the Shareholders to convene a special general meeting are prepared in accordance with Bye-law 57 of the Company's Bye-laws.

- (1) One or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall have the right, by written requisition to the Board or the Joint Company Secretaries, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition.
- (2) The requisition must state the objects of the meeting, and must be signed by the Shareholder(s) concerned and may consist of several documents in like form, each signed by one or more of those Shareholders.
- (3) The requisition shall be made in writing to the Board or the Joint Company Secretaries.
- (4) The special general meeting shall be held within two months after the deposit of the requisition.

本公司鼓勵全體董事參加股東大會，討論與本公司發展和董事會委員會工作有關的問題。二零一九財政年度舉行的股東週年大會六位董事（包括董事長、兩位執行董事和所有董事會委員會的主席）出席。

本公司的外部審計師、法律顧問兼聯席公司秘書也應邀參加股東週年大會，並協助董事回答股東提出的有關審計的開展、審計報告的編制及其內容等方面的詢問。

本公司在其股東大會上均以累積投票制的方式表決通過所有決議。監票人將在應屆股東週年會上解釋表決的機制（包括投票程序）。若任何股東不能出席股東大會，則本公司章程允許每名股東委派最多兩名代理人代其出席所有的股東大會並表決。所有的股東大會均形成書面紀要（其中載有問答環節的詳情），並上載至本公司網站且作為本公司記錄妥善保管。

股東召開特別股東大會和提呈建議的程序

股東可依據以下程序召開特別股東大會，該等程序係依據本公司章程第57條規定所釐定。

- (1) 於提出請求之日持有不少於本公司已繳足股本（該等股本需在股東大會上擁有表決權）十分之一的一名或多名股東，有權以書面方式向董事會或聯席公司秘書提出請求由董事會召集股東大會以審議該等股東請求審議的任何事項。
- (2) 會議召開請求中須列明會議目的，並且須由相關股東簽署，該請求可由若干載有類似格式的文件組成且每一份文件由一名或多名該等股東簽署。
- (3) 會議召開請求須以書面方式提呈給董事會或聯席公司秘書。
- (4) 特別股東大會須在提出請求後的兩個月內召開。

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(5) If within 21 days of such deposit the Board fails to proceed to convene such meeting the requisitionists, such shareholders themselves may do so in accordance with the provisions of Section 74(3) of the Companies Act 1981 of Bermuda (“**Bermuda Companies Act**”).

(5) 如果董事會在會議請求提出之日的21天內未能跟進召開該股東大會，則提出請求的股東可根據百慕達一九八一年《公司法》（「**百慕達公司法**」）第74(3)條的規定自行召開特別股東大會。

Dividend Policy

The Group has adopted a policy on payment of dividend in FY2019 in compliance with the HK CG Code and SG CG Code, which establishes an appropriate procedure on declaring and recommending the dividend payment of the Company.

The Company will declare and/or recommend the payment of dividends to the Shareholders after the Board considering the factors, such as: the funding needs to the operation and business development of the Company from time to time; the market situation from time to time; the solvency requirements of the Bermuda Companies Act; cash flow and financial condition of the Company; the requirements of the Company's Bye-laws and the relevant laws, rules and regulations applicable to the Company; and so on. When assessing the Company's performance for each financial year or interim financial period, the Board shall seek to maintain a steady dividend depending on the capital expenditure and cash flow for each financial year or interim financial period, while smoothing the effect of any variation in the cash flow that may be due to one-off gains or losses in the same period. The Board shall have the full discretion on whether to pay a dividend, subject to the Shareholders' approval, if applicable.

The Board shall review the Dividend Policy on a regular basis.

In accordance with the Dividend Policy, the Company declared and paid an interim one-tier tax-exempt dividend of 3.74 Hong Kong cents (equivalent to 0.65 Singapore cent) per ordinary share for the six months ended 30 June 2019. In addition, the Board recommended a final one-tier tax exempt dividend of 3.74 Hong Kong cents (equivalent to 0.67 Singapore cent) per ordinary share for FY2019, which will be subject to the Shareholders' approval at the forthcoming AGM.

股息政策

本集團已於二零一九財政年度根據香港企業管治守則和新加坡企業管治守則制定了股息支付政策，並制定了適當程序來宣佈和推薦本公司的股息派發。

本公司將在董事會考慮各方因素後會宣佈和/或推薦向股東派發股息，考慮因素包括：本公司經營和業務發展的不時資金需求；市場情況的不時變化；不時的市場情況；百慕達公司法中對於償債能力的要求；適用的法律、法規以及本公司章程的要求等等。當評估本公司在每個財政年度或中期財政期間的業績表現時，董事會應當根據每個財政年度或中期財政期間的資本開支和現金流情況盡力維持穩定的股息，同時平滑當期一次性利得或虧損而對現金流造成的波動。董事會可全權決定是否支付股息，但須經股東批准（如適用）。

董事會定期審閱股息政策。

根據股息政策，本公司已針對截至二零一九年六月三十日止的六個月期間宣佈並派發了一級稅項豁免的中期股息，每股普通股3.74港仙（等值0.65新加坡分）。另外，董事會也推薦針對二零一九財政年度派發一級稅項豁免的末期股息，每股普通股3.74港仙（等值0.67新加坡分），該股息建議將受限於股東在應屆股東週年大會上予以批准。

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Engagement with Shareholders

The Company recognises the importance of good communications with its Shareholders and the investment community and also recognises the value of providing current and relevant information to the Shareholders and the investors. The Company has established a Shareholders Communication Policy which is available on the SGXNet and the websites of HKEx and the Company.

To facilitate the Shareholders' ownership rights, the Company ensures that all material information is disclosed on a comprehensive, accurate and timely basis on the SGXNet and the websites of HKEx and the Company, especially information pertaining to the Group's business development and financial performance which could have a material impact on the share price of the Company, so as to enable the Shareholders to make informed decisions in respect of their investment in the Company. To ensure a timely and equal disclosure to all its Shareholders, the Company also uploads all its press releases and other disclosure documents which includes material information on the SGXNet and the websites of HKEx and the Company.

In line with continuous disclosure obligations of the Company, and pursuant to the SGX Listing Manual, HK Listing Rules and the Bermuda Companies Act, the Board ensures that the Shareholders are fully informed of all major developments that impact the Group on a timely and equally basis.

Information is disseminated to the Shareholders on a timely basis through:

- (i) SGXNet announcements;
- (ii) HKEx announcements;
- (iii) press releases;
- (iv) results briefings and analyst briefing presentations;
- (v) annual reports; and
- (vi) Company's website at www.ebwater.com, at which the Shareholders can access information on the Group.

The Company does not practise selective disclosure of material information. All the material information is available on the SGXNet and the websites of HKEx and the Company.

與股東的互動

本公司認可與股東和投資界保持良好溝通的重要性，並認可向股東和投資者提供當前相關信息的價值。本公司已制定了股東溝通政策，可在SGXNet、港交所及本公司網站上查閱。

為了便於股東行使所有權，本公司確保所有的重要信息（尤其是對本公司股價有重大影響的業務發展和業績信息）均全面、準確、及時地披露在SGXNet、港交所和本公司的網站上，使股東可在充分掌握信息的基礎上作出投資本公司的相關決定。為了確保本公司向所有股東作出及時和平等的披露，本公司也將新聞稿、分析師簡介會資料和其他包含了重要信息的披露文件上載至SGXNet、港交所和本公司的網站。

為履行本公司的持續披露義務並符合新交所上市手冊、香港上市規則和百慕達公司法的規定，董事會確保股東及時平等地充分獲知對本集團有影響的所有重要情況。

信息通過以下方式向股東進行及時發佈：

- (i) 發佈在SGXNet的公告；
- (ii) 發佈在港交所網站的公告；
- (iii) 新聞稿；
- (iv) 業績簡報和分析師簡介資料；
- (v) 年度報告；和
- (vi) 股東可訪問本公司網站獲取本集團的信息，網址為www.ebwater.com。

本公司未採取選擇性的信息披露政策。所有信息均刊登在SGXNet、港交所和本公司的網站上。

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The Management acknowledges that effective communication with investors is of paramount importance to the Group. In order to reinforce mutual understanding between the Shareholders and the Company, the Company established and maintained a number of ways to strengthen its communication with investors.

Measures that the Company has taken are as follows:

- (a) organising analyst briefings to explain its latest published financial information as well as to provide its business update when necessary;
- (b) attending meetings or telephone conferences requested by investors, Shareholders or analysts on an ongoing basis throughout the year to assist them in understanding the latest updates relating to the Company;
- (c) organising road shows for the investors or potential investors. This may be done solely by Company or coordinated with investment banks;
- (d) organising site visits by investors or potential investors to the Group's projects; and
- (e) ensuring important information of the Group will be announced in a timely manner without delay.

The Shareholders may at any time send their enquiries and concerns to the Board in writing through the investor relations department via ir@ebwater.com.

(F) STRATEGY DEVELOPMENT AND SUSTAINABILITY

Strategy Committee

The Strategy Committee (“SC”) comprises:

- (i) Mr. Wang Tianyi (SC Chairman, Non-Executive Director & Chairman of Board);
- (ii) Mr. An Xuesong (Executive Director & CEO);
- (iii) Mr. Luo Junling (Executive Director & CFO); and
- (iv) Ms. Hao Gang (Independent Non-Executive Director).

管理層認可，與投資者的有效溝通對本集團至關重要。為加強股東與本公司之間的相互理解，本公司建立並保持了多種溝通方式以加強與其投資者的溝通。

本公司採取的措施如下：

- (a) 舉辦分析師簡介會，解釋最新公佈的財務資料，並適時提供最新的業務資料；
- (b) 應投資者、股東或分析師的要求，全年經常性地參加現場會議或電話會議，幫助他們了解本公司的最新動態；
- (c) 為投資者或潛在投資者舉辦路演。路演由本公司自己舉辦或與投資銀行合辦；
- (d) 組織投資者或潛在投資者到本集團的項目現場參觀；和
- (e) 確保本集團沒有延遲地及時公告重要信息。

投資者也可發送電郵至 ir@ebwater.com 通過投資者關係部隨時向董事會以書面形式提出查詢及表達意見。

(F) 戰略發展與可持續發展

戰略委員會

戰略委員會由以下人員組成：

- (i) 王天義先生（戰略委員會主席，非執行董事兼董事長）；
- (ii) 安雪松先生（執行董事兼總裁）；
- (iii) 羅俊嶺先生（執行董事兼首席財務官）；和
- (iv) 郝剛女士（獨立非執行董事）。

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The SC is primarily responsible for assisting the Board in providing strategic direction to the Company and overseeing the strategic planning of the Company and the implementation of such strategies; reviewing the medium-term and long-term strategic objectives proposed by the Management and overseeing the Management's performance in relation to such strategies; considering sustainability issues in formulating strategies and overseeing the monitoring and management of the ESG factors that are material to the business of the Company.

The SC was established in May 2018, with the main objective to assist the Board in oversight responsibilities relating to the planning and implementation of the Company's development strategies. It currently comprises Non-Executive, Executive, and Independent Non-Executive Directors. The SC will hold meetings as and when necessary. During its meetings, the SC may invite the key management personnel to join and discuss on the Company's strategies and development directions. The SC will then report its recommendations on the Company's development strategies to the Board for discussion and approval.

Engagement with Stakeholders

Stakeholder engagement is an indispensable part of the Group's sustainable development strategy. The Board adopts an inclusive approach by considering and balancing the needs and interests of materials stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served. The Group maintained constant interaction and close communication with stakeholders through various communication channels, to gain insights into how its business affects different stakeholders. Through collecting valuable suggestions and expectations from the stakeholders in relation to the Group's sustainable development, the Group pinpoints areas for improvement on business policies and project operations, and identifies issues that have significant impacts on its sustainable development, hence allowing the Group to formulate long-term development strategies.

Further information on engagement with stakeholders is set out in section "Sustainability Report" on pages 51 to 59 of this Annual Report.

戰略委員會的成立旨在協助董事會制訂本公司的戰略發展方向，監督本公司的戰略發展規劃和落實；審閱管理層提議的中期和長期戰略目標，監督管理層與該戰略相關的表現；在制定戰略時考慮可持續發展議題，監督對本公司業務有重大影響的環境、社會和管治因素的實行和管理。

戰略委員會成立於二零一八年五月，主要旨在協助董事會履行其制訂和實施本公司發展戰略相關的職責，目前由非執行董事、執行董事和獨立非執行董事構成。戰略委員會按需召開會議，並可邀請關鍵管理人員一同參與討論本公司的戰略及發展方向。戰略委員會隨後將其關於本公司發展戰略的建議向董事會進行報告，供董事會討論和批准。

與持份者的互動

持份者參與是本集團可持續發展戰略中不可或缺的一環。作為其整體責任的一部分，董事會考慮並平衡重要持份者的需求及利益，以此確保本公司利益的最大化。本集團通過各類溝通渠道，與持份者進行持續互動並保持緊密溝通，以深入了解本集團業務對不同持份者的影響。透過收集他們對本集團可持續發展的寶貴意見和期望，本集團得以了解在商業政策和項目運營上需要改進的地方，並識別對本集團可持續發展有重大影響的事項，從而制定長期的發展戰略。

與持份者互動的進一步詳情載於本年度報告第51頁至第59頁的「可持續發展報告」中。

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企業管治報告

(G) DEALINGS IN SECURITIES

The Company has adopted an internal code (the “**Internal Code**”) governing dealings in securities by Directors, officers and relevant employees of the Group who are likely to be in possession of unpublished price sensitive information of the Group. Following its Dual Primary Listing, the Company has updated the Internal Code to be in line with the requirements of the HK Listing Rules and HK CG Code on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the HK Listing Rules, in addition to the requirements of the SGX Listing Manual and SG CG Code. This revised Internal Code has been disseminated to all the Directors, officers and relevant employees of the Group.

Directors, officers and relevant employees have been informed not to deal in the Company’s securities at all times whilst in possession of unpublished price-sensitive information and during the periods commencing:

- (a) 30 days immediately preceding the publication date of the announcement of the Company’s quarterly results or half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results; and
- (b) 60 days immediately preceding the publication date of the announcement of the Company’s full-year results or, if shorter, end of financial year and up to the publication date of the results.

The Directors, officers and relevant employees of the Group are also expected to observe relevant insider trading laws at all times, even when dealing in securities within permitted trading period or while they are in possession of unpublished price-sensitive information of the Company and they are not to deal in the Company’s securities on short-term considerations.

Having made specific enquiries to the Directors, all Directors confirmed that they had complied with the required standard as set out in the Model Code and the Internal Code throughout the FY2019.

(G) 證券交易

本公司已採納內部行為守則（「**內部行為守則**」），對可能擁有本公司及其附屬公司的未公開股價敏感數據的董事、職員及有關僱員買賣證券進行規管。於雙重主要上市後，本公司已更新內部行為守則以符合香港上市規則的規定及香港企業管治守則內有關香港上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「**標準守則**」），也同時符合新交所上市手冊及新加坡企業管治守則的規定。該經修訂的內部行為守則已經派發予本集團全部董事、職員及有關僱員。

董事、職員及有關僱員已獲告知於擁有未公開股價敏感數據及於下列時間起期間內任何時候不得買賣本公司證券：

- (a) 緊接公佈本公司季度業績或半年業績當日前30天或相關季度或半年期末直至公佈業績日期為止的期間（以較短者為準）；及
- (b) 緊接公佈本公司全年業績當日前60天或財政年度末直至公佈業績當日的期間（以較短者為準）。

本集團董事、職員及有關僱員亦須隨時遵守內幕交易相關法律，即使於允許交易期間買賣證券或管有尚未刊發之本公司價格敏感數據時，其亦於短期內不得買賣本公司證券。

經向全體董事作出具體查詢，所有董事均確認在二零一九財政年度內一直遵守標準守則及內部行為守則所載的規定。

CORPORATE GOVERNANCE REPORT

企業管治報告

(H) MATERIAL CONTRACTS

There are no material contracts of the Group involving the interests of any Director or controlling shareholder subsisting at the end of FY2019, or entered into since the end of the previous financial year.

(I) CONSTITUTIONAL DOCUMENTS

The Company has adopted a set of new Bye-laws with effect from 8 May 2019 pursuant to the special resolution passed at the special general meeting of the Company held on 16 November 2018. An up-to-date version of the Company's Bye-laws is also available on the SGXNet and the websites of HKEx and the Company.

(H) 重大合同

在二零一九財政年度中，本集團並未存續涉及任何董事或控股股東權益的重大合同；自上個財政年度末以來本集團也未簽署任何依然存續的涉及董事或控股股東權益的重大合同。

(I) 章程文件

根據二零一八年十一月十六日召開的特別股東大會上通過的特別決議，本公司採納了一套新的章程，自二零一九年五月八日生效。SGXNet、港交所和本公司網站上均有最新版本的公司章程。

DIRECTORS’ STATEMENT

董事會聲明

The Directors are pleased to submit this Annual Report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2019 (“FY2019” or “year under review”).

In the opinion of the Directors:

- (a) the financial statements are drawn up so as to present fairly, in all material respects, the financial position of the Group and of the Company as at 31 December 2019 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with International Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Principal Activities

The principal activity of the Company is investment holding. The principal activities and other particulars of the Company’s principal subsidiaries are set out in note 1 to the financial statements. There were no significant changes in the nature of the Group’s principal activities during the year under review.

Business Review

A fair review of the business of the Group during the year under review, particulars of important events affecting the Group that have occurred since the end of FY2019 (if any), an analysis of the Group’s performance using financial key performance indicators and a discussion on the Group’s future business development are provided in the “Chairman’s Statement” and the “Chief Executive Officer’s Report” on pages 4 to 30 of this Annual Report. Description of the principal risks and uncertainties faced by the Group is set out in the section headed “Principal Risks and Uncertainties” in the “Chief Executive Officer’s Report” on pages 19 to 25. A discussion on the Group’s environmental policies, relationship with its key stakeholders and compliance with relevant laws and regulations which have a significant impact on the Group is provided in the section headed “Environmental and Social Management” in the “Chief Executive Officer’s Report” on pages 26 to 27.

董事會欣然向本公司股東提呈本年度報告以及截至二零一九年十二月三十一日止財政年度（「二零一九財政年度」或「回顧年度」）之經審計財務報表。

董事會認為：

- (a) 提呈之財務報表已根據國際財務報告準則於所有重大方面公允反映本集團及本公司於二零一九年十二月三十一日之財務狀況，以及本集團截至該日止年度之財務表現、權益變動及現金流量；及
- (b) 於本聲明簽署之日，有合理理由相信本公司有能力於債項到期時進行償還。

主要業務

本公司之主要業務為投資控股。各主要附屬公司之主要業務及其他詳情載於財務報表附註1。本集團主要業務之性質於回顧年度內並無重大變動。

業務回顧

本集團業務之年度回顧、有關二零一九財政年度末以來發生並對本集團構成影響之重要事件（如有）詳情、利用財務關鍵表現指標對本集團年內表現作出之分析以及有關本集團未來業務發展之討論載於本年度報告第4頁至第30頁之「董事長致辭」及「總裁報告」。本集團所面對之主要風險及不確定性之描述載於第19頁至第25頁「總裁報告」之「主要風險及不確定性」一節。有關本集團環境政策、與主要持份者之關係以及對本集團有重大影響之相關法律及法規之遵守情況之討論載於第26頁至第27頁「總裁報告」之「環境與社會管理」一節。

DIRECTORS' STATEMENT

董事會聲明

Major Customers and Suppliers

The information in respect of the major customers and suppliers of the Group respectively during FY2019 is as follows:

		Percentage of the Group's total 佔本集團下列總額之百分比	
		Revenue 收入	Purchases 採購額
The largest customer	最大客戶	21%	
Five largest customers in aggregate	五大客戶合計	46%	
The largest supplier	最大供應商		6%
Five largest suppliers in aggregate	五大供應商合計		13%

None of the Directors, their associates or any Shareholders of the Company (which to the knowledge of the Directors owns more than 5% of the number of issued shares of the Company) had any interest in the Group's five largest customers and suppliers.

Results

The financial results of the Group for FY2019 and the Company's financial position at the end of FY2019 are set out in the financial statements on pages 129 to 285.

Interim Dividend

An interim dividend of 3.74 Hong Kong cents (equivalent to 0.65 Singapore cent) per ordinary share with a scrip alternative was paid to the Shareholders on 18 October 2019 (FY2018: 0.49 Singapore cent per ordinary share).

Final Dividend

Subject to the Shareholders' approval at the forthcoming AGM, the Board recommended a final dividend of 3.74 Hong Kong cents (equivalent to 0.67 Singapore cent) per ordinary share for FY2019 (FY2018: 0.50 Singapore cent per ordinary share).

主要客戶及供應商

本集團於二零一九財政年度之主要客戶及供應商之資料如下：

本公司各董事或彼等之任何聯繫人士或任何股東（據董事所盡悉擁有本公司已發行股份5%以上）概無擁有本集團五大客戶及供應商任何實益權益。

業績

本集團二零一九財政年度之財務業績，以及本公司於二零一九財政年度末之財務狀況載於第129頁至第285頁之財務報表內。

中期股息

本公司已於二零一九年十月十八日派發（可選擇以股票方式領取的）中期股息每股普通股3.74港仙（等值0.65新加坡分）（二零一八財政年度：每股普通股0.49新加坡分）。

末期股息

待股東於應屆股東週年大會上批准，董事會建議就二零一九財政年度向股東派發末期股息每股普通股3.74港仙（等值0.67新加坡分）（二零一八財政年度：每股普通股0.50新加坡分）。

DIRECTORS’ STATEMENT

董事會聲明

Share Capital

Details of movement in the share capital of the Company during the year under review are set out in note 31 to the financial statements.

Distributable Reserves

As at 31 December 2019, the Company’s reserves available for distribution amounted to approximately HK\$782,619,700.

Charitable Donations

Charitable donations made by the Group during FY2019 amounted to HK\$968,000 (FY2018: HK\$680,000).

Directors

The Directors during FY2019 and up to the date of this Annual Report were:

Non-Executive Director

Wang Tianyi (*Chairman*)

Executive Directors

An Xuesong (*CEO*)

Luo Junling (*CFO*)

Independent Non-Executive Directors

Zhai Haitao

Lim Yu Neng Paul

Cheng Fong Yee

Hao Gang

In accordance with Bye-law 86(1) of the bye-laws of the Company (“**Bye-laws**”), Mr. Wang Tianyi and Mr. An Xuesong will retire from the Board at the forthcoming AGM and, being eligible, offer themselves for re-election.

股本

本公司於回顧年度內的股本變動詳情載於財務報表附註31。

可供分派儲備

於二零一九年十二月三十一日，本公司可供分派儲備金額約782,619,700港元。

慈善捐款

本集團於二零一九財政年度內共捐款968,000港元（二零一八財政年度：680,000港元）作慈善用途。

董事

於二零一九財政年度及截至本年度報告日期，本公司的董事如下：

非執行董事

王天義（*董事長*）

執行董事

安雪松（*總裁*）

羅俊嶺（*首席財務官*）

獨立非執行董事

翟海濤

林御能

鄭鳳儀

郝剛

依據本公司章程第86(1)條規定，王天義先生及安雪松先生須於應屆股東週年大會上告退，而彼等符合資格，並已表示願意膺選連任。

DIRECTORS' STATEMENT

董事會聲明

The Independent Non-Executive Directors are appointed for a specific term, subject to re-election. The current four Independent Non-Executive Directors hold office for a term until 11 April 2022. They are all subject to retirement by rotation in accordance with the Bye-laws as indicated above.

Changes in Information of Directors

Pursuant to Rule 13.51B(1) of the HK Listing Rules, the changes in information of the Directors since the Company's last published 2019 Interim Report are as follows:

- (i) Mr. Wang Tianyi (Non-Executive Director & Chairman) was appointed as a vice chairman of All-China Environment Federation with effect from 1 November 2019; and
- (ii) Mr. Zhai Haitao (Independent Non-Executive Director) was appointed as a director of China Asset Management Co., Ltd. with effect from 22 October 2019.

Save as disclosed above, the Company is not aware of other information which is required to be disclosed under Rule 13.51B(1) of the HK Listing Rules.

Directors' Service Contracts

No Director proposed for re-election at the forthcoming AGM has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year under review.

獨立非執行董事獲委任指定年期，並須符合重選之規定。本公司四名現任獨立非執行董事之任期直至二零二二年四月十一日止。彼等須如上文所述根據本公司章程輪值告退。

董事資料變動

根據香港上市規則第13.51B(1)條，自本公司上一次刊發二零一九年中期報告以來，董事資料變動如下：

- (i) 王天義先生（非執行董事兼董事長）自二零一九年十一月一日起獲委任為中華環保聯合會副會長；及
- (ii) 翟海濤先生（獨立非執行董事）自二零一九年十月二十二日起獲委任為華夏基金管理有限公司的董事。

除上文所披露者外，本公司並不知悉須根據香港上市規則第13.51B(1)條予以披露之其他資料。

董事之服務合約

在應屆股東週年大會上獲提名連任之董事概無訂立本公司或其任何附屬公司不可於一年內免付賠償（一般法定賠償除外）予以終止之未屆滿服務合約。

管理合約

回顧年度內，本公司並無就全盤業務或其中任何重要部分簽訂或存有管理及行政合約。

DIRECTORS' STATEMENT

董事會聲明

Directors' Interests

Under Singapore Law

According to the Company's register of Directors' shareholdings, none of the Directors holding office at the end of FY2019 had any interest in the shares or debentures of the Company or its related corporations, except as follows:

董事權益

根據新加坡法律

根據本公司董事股權登記冊所載，於二零一九財政年度末，概無在職董事於本公司或其關聯公司之股份或債券中擁有任何權益，惟以下者除外：

Name of Director and Corporation in which interests are held 持有權益之董事姓名及公司名稱	Holdings registered in the name of Director 以董事名義登記之股權		Holdings in which Director is deemed to have an interest 董事被視為擁有權益之股權	
	As at 1/1/2019 於二零一九年一月一日	As at 31/12/2019 於二零一九年十二月三十一日	As at 1/1/2019 於二零一九年一月一日	As at 31/12/2019 於二零一九年十二月三十一日
The Company 本公司				
Ordinary shares 普通股				
Lim Yu Neng Paul 林御能	–	–	1,608,909	1,608,909
Cheng Fong Yee 鄭鳳儀	622,266	622,266	–	–
China Everbright Greentech Limited (note) 中國光大綠色環保有限公司 (附註)				
Ordinary shares 普通股				
Luo Junling 羅俊嶺	231,514	247,514	–	–

Note: China Everbright Greentech Limited ("Everbright Greentech") is a subsidiary of Everbright International, the controlling shareholder of the Company.

附註: 中國光大綠色環保有限公司 (「光大綠色環保」) 為本公司控股股東光大國際之附屬公司。

Except as disclosed in this statement, none of the Directors who held office at the end of FY2019 had interests in share options, warrants or debentures of the Company or of related corporations, either at the beginning or at the end of FY2019.

除本聲明另行披露外，於二零一九財政年度期初或期末，在職董事概無於本公司或關聯公司之期權、認股權證或債券中擁有權益。

There was no change in any of the above-mentioned interests in the Company and its related corporation between the end of FY2019 and 21 January 2020.

於二零一九財政年度末至二零二零年一月二十一日期間，上述於本公司及其關聯公司之權益概無任何變動。

DIRECTORS' STATEMENT

董事會聲明

Under Hong Kong Law

根據香港法律

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

董事及最高行政人員持有之股份、相關股份及債券之權益及淡倉

As at 31 December 2019, the interests and short positions of the Directors and the chief executive of the Company and their respective associates in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the HK Listing Rules were as follows:

於二零一九年十二月三十一日，董事及本公司之最高行政人員及彼等之各自聯繫人士於本公司及/或其任何相聯法團（定義見（香港法例第五百七十一章）《證券及期貨條例》（「《證券條例》」）第 XV 部）擁有記載於本公司按《證券條例》第352條規定須備存之登記冊內的權益或淡倉，或根據香港上市規則附錄10所載《上市發行人董事進行證券交易的標準守則》（「《標準守則》」），須知會本公司及聯交所的權益或淡倉如下：

(i) Long position in shares of the Company

(i) 於本公司股份之好倉

Name of Director 董事姓名	Capacity 身份	Nature of interest 權益性質	Number of shares (ordinary shares) 股份數目（普通股）	Approximate percentage of total issued shares (Note) 約佔已發行股份總數百分比（附註）
Lim Yu Neng Paul 林御能	Custodian (other than an exempt custodian interest) 保管人（獲豁免保管人權益除外）	Personal 個人	1,608,909	0.06%
Cheng Fong Yee 鄭鳳儀	Beneficial Owner 實益擁有人	Personal 個人	622,266	0.02%

Note: Based on 2,860,876,723 issued ordinary shares of the Company as at 31 December 2019.

附註：根據於二零一九年十二月三十一日本公司已發行2,860,876,723股普通股計算。

(ii) Long position in shares of Everbright Greentech, a listed associated corporation of the Company

(ii) 於本公司之上市相聯法團光大綠色環保股份之好倉

Name of Director 董事姓名	Capacity 身份	Nature of interest 權益性質	Number of shares (ordinary shares) 股份數目（普通股）	Approximate percentage of total issued shares (Note) 約佔已發行股份總數百分比（附註）
Luo Junling 羅俊嶺	Beneficial Owner 實益擁有人	Personal 個人	247,514	0.01%

Note: Based on 2,066,078,000 issued ordinary shares of Everbright Greentech as at 31 December 2019.

附註：根據於二零一九年十二月三十一日光大綠色環保已發行2,066,078,000股普通股計算。

DIRECTORS' STATEMENT

董事會聲明

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures (cont'd)

Save as disclosed above, as at 31 December 2019, none of the Directors and chief executive of the Company and their respective associates had interests or short positions in the shares, underlying shares or debentures of the Company, or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise required to be notified to the Company and the SEHK pursuant to the Model Code.

Directors' Rights to Acquire Shares or Debentures

At no time during the year under review was the Company or any of its subsidiaries, holding companies or fellow subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Substantial Shareholders' and Other Persons' Interests and Short Positions in the Shares and Underlying Shares of the Company

So far as is known to the Directors, as at 31 December 2019, the following persons (other than any Directors or chief executive of the Company) were Substantial Shareholders (as defined in the HK Listing Rules) and had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or as otherwise notified to the Company or the SEHK:

董事及最高行政人員持有之股份、相關股份及債券之權益及淡倉（續）

除上文所述者外，於二零一九年十二月三十一日，本公司各董事及最高行政人員及彼等各自之聯繫人士概無在本公司或其任何相聯法團（定義見《證券條例》第XV部）之股份、相關股份或債券中擁有須根據《證券條例》第352條規定須備存之登記冊內之權益或淡倉，或根據《標準守則》須知會本公司及聯交所之權益或淡倉。

董事認購股份或債券之權利

回顧年度內，本公司、其任何附屬公司、控股公司或同系附屬公司並無參與任何安排，致使董事可藉購買本公司或任何其他法人團體股份或債券而取得利益。

主要股東及其他人士於本公司股份及相關股份的權益及淡倉

據董事所知，於二零一九年十二月三十一日，下列人士（任何董事或本公司最高行政人員除外）為主要股東（定義見香港上市規則），並於本公司的股份及相關股份中擁有根據《證券條例》第336條須備存之登記冊內或已知會本公司或聯交所的權益或淡倉如下：

DIRECTORS' STATEMENT

董事會聲明

Substantial Shareholders' and Other Persons' Interests and Short Positions in the Shares and Underlying Shares of the Company (cont'd)

主要股東及其他人士於本公司股份及相關股份的權益及淡倉（續）

Long position of Substantial Shareholders in shares of the Company

主要股東於本公司股份之好倉

Name of Substantial Shareholder 主要股東姓名	Capacity 身份	Nature of interest 權益性質	Number of shares (ordinary shares) 股份數目（普通股）	Approximate percentage of total issued shares (Note (1)) 約佔已發行股份總數百分比（附註(1)）
Central Huijin Investment Ltd. ("Huijin") (Note (2)) 中央匯金投資有限責任公司 （「匯金」）（附註(2)）	Interest of controlled corporation 受控制公司的權益	Corporate interest 公司權益	2,084,724,572	72.87%
China Everbright Group Ltd. ("China Everbright Group") (Note (3)) 中國光大集團股份公司 （「中國光大集團」） （附註(3)）	Interest of controlled corporation 受控制公司的權益	Corporate interest 公司權益	2,084,724,572	72.87%
China Everbright Holdings Company Limited ("CE Hong Kong") (Note (4)) 中國光大集團有限公司 （「光大香港」）（附註(4)）	Interest of controlled corporation 受控制公司的權益	Corporate interest 公司權益	2,084,724,572	72.87%
Datten Investments Limited ("Datten") (Note (5)) （附註(5)）	Interest of controlled corporation 受控制公司的權益	Corporate interest 公司權益	2,084,724,572	72.87%
Guildford Limited ("Guildford") (Note (6)) （附註(6)）	Interest of controlled corporation 受控制公司的權益	Corporate interest 公司權益	2,084,724,572	72.87%
Everbright International (Note (7)) 光大國際（附註(7)）	Interest of controlled corporation 受控制公司的權益	Corporate interest 公司權益	2,084,724,572	72.87%
China Everbright Environmental Protection Holdings Limited ("CEEPHL") (Note (8)) 中國光大環保控股有限公司 （「光大環保」）（附註(8)）	Interest of controlled corporation 受控制公司的權益	Corporate interest 公司權益	2,084,724,572	72.87%
China Everbright Water Holdings Limited ("CEWHL") 中國光大水務控股有限公司 （「光大水務控股」）	Beneficial Owner 實益擁有人	Corporate interest 公司權益	2,084,724,572	72.87%

DIRECTORS' STATEMENT

董事會聲明

Substantial Shareholders' and Other Persons' Interests and Short Positions in the Shares and Underlying Shares of the Company (cont'd)

Notes:

- (1) Based on 2,860,876,723 issued ordinary shares of the Company as at 31 December 2019.
- (2) Huijin is indirectly wholly-owned by the State Council of the PRC and holds 55.67% equity interests of China Everbright Group. It is deemed to be interested in the 2,084,724,572 shares indirectly held by China Everbright Group.
- (3) China Everbright Group holds 100% equity interests of CE Hong Kong. It is deemed to be interested in the 2,084,724,572 shares indirectly held by CE Hong Kong.
- (4) CE Hong Kong holds 100% equity interests of Datten. It is deemed to be interested in the 2,084,724,572 shares indirectly held by Datten.
- (5) Datten holds 55% equity interests of Guildford. It is deemed to be interested in the 2,084,724,572 shares indirectly held by Guildford.
- (6) Guildford holds 39.57% equity interests of Everbright International. It is deemed to be interested in the 2,084,724,572 shares indirectly held by Everbright International.
- (7) Everbright International holds 100% equity interests of CEEPHL. It is deemed to be interested in the 2,084,724,572 shares indirectly held by CEEPHL.
- (8) CEEPHL holds 100% equity interests of CEWHL. It is deemed to be interested in the 2,084,724,572 shares held by CEWHL.

Save as disclosed above, as at 31 December 2019, the Company had not been notified of any other persons (other than the Directors or chief executive of the Company or Substantial Shareholders) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

Directors' Interests in Transactions, Arrangements or Contracts

No transactions, arrangements or contacts of significance to which the Company, or its holding company or any of its subsidiaries was a party, and in which a Director or any entity connected with a Director had a material interest, subsisted at the end of FY2019 or at any time during FY2019.

主要股東及其他人士於本公司股份及相關股份的權益及淡倉 (續)

附註：

- (1) 根據於二零一九年十二月三十一日本公司已發行股份2,860,876,723股普通股計算。
- (2) 匯金由中國國務院間接全資擁有，並持有中國光大集團之55.67%股權。其被視為於中國光大集團所間接持有之2,084,724,572股股份中擁有權益。
- (3) 中國光大集團持有光大香港之100%股權。其被視為於光大香港所間接持有之2,084,724,572股股份中擁有權益。
- (4) 光大香港持有Datten之100%股權。其被視為於Datten所間接持有之2,084,724,572股股份中擁有權益。
- (5) Datten持有Guildford之55%股權。其被視為於Guildford所間接持有之2,084,724,572股股份中擁有權益。
- (6) Guildford持有光大國際之39.57%股權。其被視為於光大國際所間接持有之2,084,724,572股股份中擁有權益。
- (7) 光大國際持有光大環保之100%股權。其被視為於光大環保所間接持有之2,084,724,572股股份中擁有權益。
- (8) 光大環保持有光大水務控股之100%股權。其被視為於光大水務控股所持有之2,084,724,572股股份中擁有權益。

除上文所述者外，於二零一九年十二月三十一日，本公司並無接獲任何人士（任何董事或本公司最高行政人員或主要股東除外）的通知，表示於本公司的股份及相關股份中擁有根據《證券條例》第336條須置存之登記冊內的權益或淡倉。

董事於交易、安排或合約之權益

本公司或其控股公司或其任何附屬公司概無訂立於二零一九財政年度末或二零一九財政年度內任何時間仍然有效，且董事或與董事有關連之任何實體於當中擁有重大利益之重要交易、安排或合約。

DIRECTORS' STATEMENT 董事會聲明

No Competition between Everbright International and the Company

In connection with the separate listing of the Company on the SEHK, the Company implemented some corporate governance measures to confirm that the directors of both Everbright International and the Company will be able to function and operate independently and effectively in the best interest of the respective companies. Details relating to the non-existence of competition between Everbright International and the Company are set out in the section headed "Relationship with Controlling Shareholder" of the listing document issued by the Company dated 24 April 2019 (the "HK Listing Document").

Directors' Interests in a Competing Business

During the year under review and up to the date of this Annual Report, Mr. Wang Tianyi and Mr. Zhai Haitao are also the directors of Everbright International. Everbright International is a listed intermediate holding company of the Company and is engaged in environmental protection business. Everbright International may be in competition with the Group. However, as stated in the section "No Competition between Everbright International and the Company" above, the Company implemented some corporate governance measures to ensure the independence between Everbright International and the Company. Up to the date of this Annual Report, there is no change in the details previously disclosed in the HK Listing Document.

Save as disclosed above, none of the Directors are considered to have interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

Equity-linked agreements

No equity-linked agreements were entered into during FY2019 and subsisted at the end of FY2019.

Warrants

As at the end of FY2019, there were no warrants issued by the Company to take up any unissued shares of the Company.

Share options

The Company has no share option scheme during FY2019.

光大國際與本公司不存在競爭

關於本公司於聯交所獨立上市，本公司已實施多項企業管治措施，確保光大國際及本公司之董事均能獨立有效地以符合各自公司之最佳利益之方式履行職能及運作。有關光大國際與本公司不存在競爭之詳情已列載於本公司所刊發日期為二零一九年四月二十四日之上市文件（「香港上市文件」）內「與控股股東的關係」一節。

董事於競爭業務之權益

於回顧年度內及直至本年度報告日期，王天義先生及翟海濤先生兼任光大國際董事。光大國際為本公司上市中間控股公司，其主要從事環保業務。光大國際或與本集團存有競爭，然而，如上文「光大國際與本公司不存在競爭」一節所述，本公司已實施多項企業管治措施，確保光大國際與本公司間之獨立性。直至本年度報告日期，香港上市文件披露內容並無變動。

除上文披露者外，概無董事被視為在與本集團業務直接或間接構成或可能構成競爭的業務中擁有權益。

股票掛鈎協議

二零一九財政年度內並無訂立於該財政年度末仍然有效之任何股票掛鈎協議。

認股權證

於二零一九財政年度末，本公司並未發行任何可承購本公司之未發行股份的認股權證。

期權

本集團於二零一九財政年度內並無期權計劃。

DIRECTORS' STATEMENT

董事會聲明

Pre-emptive Rights

Bye-law 12(1) of the Bye-laws provides that (subject to any direction to the contrary that may be given by the Company in general meetings) any issue of shares for cash to existing Shareholders holding shares of any class shall be offered to such Shareholders in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Bye-law 12(2) with such adaptations as are necessary shall apply. Bye-law 12(2) of the Bye-laws provides, *inter alia*, that except permitted by the SGX Listing Manual or the HK Listing Rules or any direction given by the Company in general meetings, all new shares shall before issue be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled. Save for the foregoing, there is no provision for pre-emptive rights under the laws of the Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

Purchase, Redemption or Sale of Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of its listed securities for FY2019.

Tax Relief and Exemption

The Directors are not aware of any tax relief or exemption available to the Shareholders by reason of their holding of the Company's securities.

Material Related Party Transactions

Material related party transactions entered into by the Group during the year under review are set out in note 37 to the financial statements. In relation to those related party transactions that also constituted connected transactions or continuing connected transactions of the Group as defined in the HK Listing Rules, the Company has complied with the relevant disclosure requirements in accordance with Chapter 14A of the HK Listing Rules during the year under review.

Connected Transactions

During FY2019, the Company and the Group had the following connected transactions and continuing connected transactions, details of which are disclosed in compliance with the requirements of Chapter 14A of the HK Listing Rules.

優先購買權

本公司章程第12(1)條規定，（視乎本公司在股東大會上作出的任何相反決定）向持有任何類別股份的股東以現金為代價發行股份時，向該等股東提呈發行的比例須盡量接近彼等當時持有的該等類別股份數目，並須遵照已作出必要調整的本公司章程第12(2)條第二句條款。本公司章程第12(2)條的規定包括：除新交所上市手冊或香港上市規則或本公司在股東大會上作出的任何指示所獲准，所有新股須於發行前向於要約日期有權收到本公司股東大會通知的該等人士提呈，並於情況許可下，按彼等所持有現有股份數目的比例進行。除以上所述者外，百慕達法律並無載列優先購買權條文，規定本公司須按比例向現有股東提呈發售新股份。

購買、出售或贖回上市證券

本公司或其任何附屬公司概無於二零一九財政年度購買、出售或贖回任何其上市證券。

稅務減免

董事並不知悉股東因持有本公司證券而可享有任何稅務減免。

重大關聯交易

本集團於回顧年度內訂立之重大關聯交易載於財務報表附註37。就同時構成本集團關連交易或持續關連交易（定義見香港上市規則）之關聯交易而言，本公司於回顧年度內已根據香港上市規則第14A章遵行相關披露規定。

關連交易

二零一九財政年度內，本公司及本集團有下列關連交易及持續關連交易，有關交易之詳情已遵從香港上市規則第14A章之規定作出披露。

DIRECTORS' STATEMENT 董事會聲明

Connected Transactions (cont'd)

Underwriting and advisory services

The Company entered into the following agreements in respect of its separate listing of the Company on the SEHK:

- (a) Hong Kong underwriting agreement with, *inter alia*, China Everbright Capital Limited (“CEBC”), China Everbright Securities (HK) Limited (“CEBS”) and CEB International Capital Corporation Limited (“CEBI”) on 22 April 2019. All of them are the connected persons of the Company; and
- (b) international underwriting agreement with, *inter alia*, CEBS on 29 April 2019.

Pursuant to such agreements, sponsor fee and underwriting commission of HK\$570,000 and HK\$5,640,000 respectively were paid or payable to CEBC, CEBS and CEBI during FY2019. Further details of the transactions are included in the HK Listing Document and note 37 to the financial statements.

On 21 January 2019, the Company completed the issuance of its third tranche of RMB-denominated corporate bonds (“**Third Tranche Corporate Bonds**”) with a principal amount of RMB700 million. Everbright Securities Company Limited (“**EB Securities**”) was engaged as the lead underwriter for the issuance of Third Tranche Corporate Bonds by way of a standby commitment underwriting. EB Securities is a subsidiary of China Everbright Group, which is the controlling shareholder of Everbright International. The amount of underwriting service fees paid or payable by the Company to EB Securities for the provision of underwriting and other services with respect to the issuance of the Third Tranche Corporate Bonds was RMB3.5 million, being 0.5 per cent of the aggregate principal amount of the Third Tranche Corporate Bonds.

During FY2019, the aggregate fees paid or payable to CEBC, CEBS, CEBI and EB Securities amounted to HK\$9,611,000 (in respect of the underwriting commission) and HK\$570,000 (in respect of the sponsor fees and advisory service fees). As such, they were below the annual cap of HK\$15,000,000 for underwriting commission and the annual cap of HK\$5,000,000 for sponsor fees and advisory service fees for FY2019 as stated in the HK Listing Document.

關連交易（續）

承銷及諮詢服務

本公司就其於聯交所獨立上市訂立以下協議：

- (a) 於二零一九年四月二十二日，與（不限於）中國光大融資有限公司（「**光大融資**」）、中國光大證券（香港）有限公司（「**光證香港**」）及光銀國際資本有限公司（「**光銀國際資本**」）訂立香港承銷協議。彼等均為本公司關連人士；及
- (b) 於二零一九年四月二十九日，與（不限於）光證香港訂立國際承銷協議。

二零一九財政年度內，光大融資、光證香港及光銀國際資本根據該等協議向本集團收取或應收保薦人費用及承銷佣金分別為570,000港元及5,640,000港元。有關交易之進一步詳情載於香港上市文件及財務報表附註37。

於二零一九年一月二十一日，本公司完成發行總規模7.00億元人民幣的第三期人民幣計價公司債券（「**第三期公司債券**」）。光大證券股份有限公司（「**光大證券**」）獲委聘為第三期公司債券的牽頭承銷商，以餘額包銷方式提供承銷服務。光大證券為中國光大集團（其為光大國際之控股股東）的附屬公司。關於光大證券為第三期公司債券發行提供的承銷及其他服務，本公司已付或應付光大證券的承銷服務費為350萬元人民幣，即第三期公司債券本金總額的0.5%。

於二零一九財政年度內，已付或應付光大融資、光證香港、光銀國際資本及光大證券之總費用為9,611,000港元（承銷佣金）及570,000港元（保薦費及財務顧問服務費）。有關金額低於香港上市文件所述的二零一九財政年度關於承銷佣金之年度限額15,000,000港元及關於保薦費及財務顧問服務費之年度限額5,000,000港元。

DIRECTORS' STATEMENT

董事會聲明

Connected Transactions (cont'd)

Lease of the Premise

On 18 May 2019, China Everbright Water Management Limited, an indirect wholly-owned subsidiary of the Company, entered into an agreement with China Everbright Environmental Group Limited, a wholly-owned subsidiary of Everbright International, in relation to the sub-lease of certain office premises for a term of three years commencing from 18 May 2019 to 17 May 2022 (both dates inclusive) at a monthly rent of approximately HK\$350,000.

On 1 June 2019, Everbright Water (Shenzhen) Limited, an indirect wholly-owned subsidiary of the Company, entered into an agreement with Everbright Environmental Protection (China) Company Limited, a wholly-owned subsidiary of Everbright International, in relation to the lease of the office premises in Shenzhen for a term of three years commencing from 1 June 2019 to 31 May 2022 (both dates inclusive) at a monthly rent of approximately RMB127,000.

On 1 July 2017, Everbright Water Technology Development (Nanjing) Limited, an indirect wholly-owned subsidiary of the Company, entered into an agreement with Everbright Envirotech (China) Limited, a wholly-owned subsidiary of Everbright International, in relation to the lease of the meeting rooms and guest rooms in Nanjing for a term of three years commencing from 1 July 2017 to 30 June 2020 (both dates inclusive) in respect of which the rental was charged on a per-use basis.

During FY2019, the aggregate rental paid or payable to China Everbright Environmental Group Limited, Everbright Environmental Protection (China) Company Limited and Everbright Envirotech (China) Limited amounted to HK\$6,896,000. The said amount was below the annual cap of HK\$7,110,500 for FY2019 as stated in the HK Listing Document.

Deposit services

On 15 April 2019, the Company entered into the Deposit Services Framework Agreement with China Everbright Group, a controlling shareholder of Everbright International, for a fixed term not exceeding three years from the date of the agreement to 31 December 2021.

關連交易（續）

租賃物業

於二零一九年五月十八日，本公司間接全資附屬公司中國光大水務管理有限公司與光大國際之全資附屬公司中國光大環境集團有限公司訂立協議，以分租部分辦公室物業，租期自二零一九年五月十八日起至二零二二年五月十七日止（包括首尾兩日），為期三年，月租約350,000港元。

於二零一九年六月一日，本公司間接全資附屬公司光大水務（深圳）有限公司與光大國際全資附屬公司光大環保（中國）有限公司訂立協議，以租賃深圳辦公室物業，租期自二零一九年六月一日起至二零二二年五月三十一日止（包括首尾兩日），為期三年，月租約127,000元人民幣。

於二零一七年七月一日，本公司間接全資附屬公司光大水務科技發展（南京）有限公司與光大國際全資附屬公司光大環境科技（中國）有限公司訂立協議，以租賃南京的會議室及會客室，租期自二零一七年七月一日起至二零二零年六月三十日止（包括首尾兩日），為期三年，按每次使用收費。

於二零一九財政年度內，根據以上協議已付或應付中國光大環境集團有限公司、光大環保（中國）有限公司及光大環境科技（中國）有限公司之租金合共6,896,000港元。此金額低於香港上市文件所述的二零一九財政年度之年度限額7,110,500港元。

存款服務

於二零一九年四月十五日，本公司與光大國際之控股股東中國光大集團訂立存款服務框架協議，固定期限自協議日期起至二零二一年十二月三十一日止不超過三年。

DIRECTORS' STATEMENT 董事會聲明

Connected Transactions (cont'd)

Deposit services (cont'd)

Pursuant to the Deposit Services Framework Agreement, China Everbright Group shall procure China Everbright Bank Company Limited (“**CE Bank**”) to provide the deposit services to the Group (including current and fixed term deposit) in accordance with rules and regulations prescribed by the People’s Bank of China (“**PBOC**”) and/or other relevant rules and regulations within or outside the PRC. The deposit services to be provided by China Everbright Group shall be on normal commercial terms and no less favourable than the terms available to the Group from independent third parties.

During FY2019, the maximum daily closing balance of the Group’s deposits (including interests accrued thereon) placed in CE Bank amounted to approximately HK\$86,732,000. This amount was below the maximum daily closing balance of HK\$300,000,000 for FY2019 as stated in the HK Listing Document.

Sludge treatment and hazardous waste treatment services

On 15 April 2019, the Company entered into the Sludge Treatment and Hazardous Waste Treatment Services Framework Agreement with Everbright International, the controlling shareholder of the Company, for a fixed term not exceeding three years from the date of the agreement to 31 December 2021.

Under the Sludge Treatment and Hazardous Waste Treatment Services Framework Agreement, Everbright International shall procure its subsidiaries to provide sludge treatment and hazardous waste treatment services to the Group based on normal commercial terms, and after arm’s length negotiations between the relevant subsidiary of Everbright International and the Group.

During FY2019, the Group had no transactions with Everbright International and/or its subsidiaries with respect to the receipt of sludge treatment and hazardous waste treatment services.

Loan services

On 15 April 2019, the Company entered into the Loan Services Framework Agreement with China Everbright Group, a controlling shareholder of the Company, for a fixed term not exceeding three years from the date of the agreement to 31 December 2021.

關連交易（續）

存款服務（續）

根據存款服務框架協議，中國光大集團將促使中國光大銀行股份有限公司（「**光大銀行**」）根據中國人民銀行（「**中國人民銀行**」）訂定之規則及規例及/或中國境內或境外其他相關規則及規例，向本集團提供存款服務（包括活期及定期存款）。中國光大集團將提供之存款服務乃按一般商業條款提供，有關條款不遜於本集團自獨立第三方獲得之條款。

於二零一九財政年度內，本集團存放於光大銀行之最高每日存款結餘（包括其應計利息）約為86,732,000港元。此金額低於香港上市文件所述的二零一九財政年度之最高每日收市存款結餘300,000,000港元。

污泥處理及危險廢物處理服務

於二零一九年四月十五日，本公司與本公司之控股股東光大國際訂立污泥處理及危險廢物處理服務框架協議，固定期限自該協議日期起至二零二一年十二月三十一日止不超過三年。

根據污泥處理及危險廢物處理服務框架協議，光大國際將根據正常商業條款並經光大國際相關附屬公司與本集團公平磋商後促使其附屬公司向本集團提供污泥處理及危險廢物處理服務。

於二零一九財政年度內，本集團與光大國際及/或其附屬公司概無有關接受污泥處理及危險廢物處理服務的交易。

貸款服務

於二零一九年四月十五日，本公司與本公司之控股股東中國光大集團訂立貸款服務框架協議，固定期限自該協議日期起至二零二一年十二月三十一日止不超過三年。

DIRECTORS' STATEMENT

董事會聲明

Connected Transactions (cont'd)

Loan services (cont'd)

Under the Loan Services Framework Agreement, China Everbright Group, a controlling shareholder of the Company, shall procure its subsidiary, CE Bank, to provide loans (including revolving credit facilities and fixed term loans) within or outside the PRC in accordance with the rules and regulations prescribed by the PBOC and/or other relevant rules and regulations within or outside the PRC. The loan services to be provided by China Everbright Group shall be on normal commercial terms and no less favourable than the terms available to the Group from independent third parties.

During FY2019, the Group had no transactions with China Everbright Group and/or CE Bank with respect to the receipt of loan services.

Save for the information disclosed above, during FY2019, the Group did not enter into any other transactions which constituted connected transactions or continuing connected transactions that were subject to reporting requirements under Chapter 14A of the HK Listing Rules.

The Independent Non-Executive Directors have reviewed the above continuing connected transactions and confirmed that such transactions were:

- entered into in the ordinary and usual course of business of the Group;
- conducted either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from independent third parties; and
- in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Ernst & Young LLP, the Company's auditor, was engaged to report on the Group's continuing connected transactions in accordance with International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. Ernst & Young LLP has issued its unqualified letter containing the findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the HK Listing Rules. A copy of the auditor's letter has been provided by the Company to the SEHK.

關連交易（續）

貸款服務（續）

根據貸款服務框架協議，本公司之控股股東中國光大集團須促使其附屬公司光大銀行根據中國人民銀行訂定之規則及規例及/或中國境內或境外其他相關規則及規例，向本集團提供貸款服務（包括循環信貸融資及定期貸款）。中國光大集團將提供之貸款服務乃按一般商業條款提供，有關條款不遜於本集團自獨立第三方獲得之條款。

於二零一九財政年度內，本集團與中國光大集團及/或光大銀行概無有關接受貸款服務的交易。

除上文所披露者外，於二零一九財政年度內，本集團並無訂立任何其他構成關連交易或持續關連交易而須根據香港上市規則第14A章規定申報的交易。

獨立非執行董事已審閱上述持續關連交易，並確認有關交易：

- 於本集團日常及一般業務過程中訂立；
- 按一般商業條款進行或倘並無足夠可供比較者以鑑定有關交易是否按一般商業條款進行，則按不遜於本集團給予獨立第三方或獨立第三方提供予本集團之條款訂立；及
- 根據持續關連交易之有關協議訂立，而交易條款屬公平合理，且符合股東之整體利益。

本公司審計師Ernst & Young LLP已獲委聘就本集團之持續關連交易作出匯報，有關匯報乃根據國際會計師公會發出之《香港核證委聘準則》第3000號（經修訂）「審核或審閱過往財務資料以外之核證委聘」，並經參考《實務說明》第740號「關於香港上市規則所述持續關連交易的核數師函件」進行。Ernst & Young LLP已根據香港上市規則第14A.56條之規定，就本集團於上文所披露之持續關連交易發出無保留意見函件，當中載列其發現及結論。本公司已向聯交所提供審計師函件副本。

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董事會聲明

Interested Person Transactions Mandate and Aggregate Value of Such Transactions

The Group obtained a general mandate (the "IPT Mandate") from the Shareholders for interested person transactions (the "IPTs") during its AGM held on 25 April 2018 pursuant to Rule 920 of the SGX Listing Manual. The IPT Mandate was renewed during the Company's AGM held on 12 April 2019. The aggregate value of the IPTs in excess of SGD100,000 during FY2019 are set out as follows:

關聯人士交易授權及該等交易的總價值

根據新交所上市手冊第920條規定，於二零一八年四月二十五日舉行的本公司股東週年大會，本集團自股東獲得有關關聯人士交易（「關聯人士交易」）的一般性授權（「關聯人士交易授權」）。關聯人士交易授權於二零一九年四月十二日舉行的股東週年大會獲得續期。於二零一九財政年度內，超過100,000新加坡元的關聯人士交易的總價值載列如下：

Name of interested person 關聯人士名稱	Aggregate value of all IPTs during FY2019 (excluding transactions less than SGD100,000 and transactions conducted under the IPT Mandate) 二零一九財政年度內所有關聯人士交易的總價值（金額少於100,000新加坡元及根據關聯人士交易授權所進行的交易除外）	Aggregate value of all IPTs conducted under the IPT Mandate during FY2019 (excluding transactions less than SGD100,000) 二零一九財政年度內根據關聯人士交易授權所進行的所有關聯人士交易的總價值（金額少於100,000新加坡元的交易除外）
China Everbright International Limited 中國光大國際有限公司	Nil 無	HK\$6,896,000 (equivalent to SGD1,201,000) 6,896,000 港元 (等值1,201,000 新加坡元)
China Everbright Bank Company Limited 中國光大銀行股份有限公司	Nil 無	HK\$1,425,000 (equivalent to SGD248,000) 1,425,000 港元 (等值248,000 新加坡元)
Everbright Securities Company Limited 光大證券股份有限公司	Nil 無	HK\$8,756,000 (equivalent to SGD1,525,000) 8,756,000 港元 (等值1,525,000 新加坡元)
Sun Life Everbright Life Insurance Co., Ltd. 光大永明人壽保險有限公司	Nil 無	HK\$1,627,000 (equivalent to SGD283,000) 1,627,000 港元 (等值283,000 新加坡元)

DIRECTORS’ STATEMENT

董事會聲明

Use of Proceeds from Global Offering

Under the global offering which was completed on 8 May 2019 in connection with the listing of the Company on the SEHK, the Company allotted and issued a total of 103,970,000 ordinary shares with par value of HK\$1.00 each at an offer price of HK\$2.99 per ordinary share and raised gross proceeds of HK\$310.87 million in total. The net proceeds from the global offering amounted to approximately HK\$248.61 million (the “**Net Proceeds**”) after deduction of related expenses of approximately HK\$62.26 million.

The following table sets out the breakdown of the use of the Net Proceeds from the global offering:

全球發售所得款項之用途

根據於二零一九年五月八日完成的與本公司於聯交所上市有關的全球發售，本公司已按發售價每股普通股2.99港元配發及發行合共103,970,000股（每股面值1.00港元）普通股，並籌集所得款項總額3.1087億港元。扣除相關開支約6,226萬港元後，全球發售所得款項淨額約為2.4861億港元（「**所得款項淨額**」）。

全球發售所得款項淨額之使用明細載列如下：

Purpose of Net Proceeds 所得款項淨額用途	Amount Allocated 金額分配 HK\$'000 千港元	Amount Utilised 已使用金額 HK\$'000 千港元	Balance 結餘 HK\$'000 千港元
1 Expanding the Group's market share in the PRC water industry and diversifying the Group's project portfolio and creating synergies (the “ Expansion Purpose ”)	211,321	211,321	–
2 Enhancing the Group's core technologies through innovative R&D initiatives and acquisitions of advanced technologies (the “ R&D Purpose ”)	24,861	24,861	–
3 Working capital and other general corporate purposes (the “ Working Capital Purpose ”)	12,431	12,431	–
Total	248,613	248,613	–

The amount allocated for the Expansion Purpose was utilised as capital injection to the project companies for the construction and operation of Jiangsu Yangzhou Jiangdu Development Zone Industrial Waste Water Centralised Pre-treatment and Ancillary Pipeline Network Project, Shandong Laiyang Economic Development Zone Water Environment Management PPP Project, Shandong Zibo Zhangdian East Chemical Industrial Park Industrial Waste Water Treatment Project, Shandong Ji'nan East Station Area Underground Waste Water Treatment Project, the relocation and expansion of Zibo Waste Water Treatment Project (Northern Plant) and expansion of Nanjing Pukou Waste Water Treatment and Reusable Water Plant Project Phase II.

分配於業務發展用途的金額已用於江蘇省揚州江都開發區工業污水集中收集前處理及配套管網項目、山東萊陽經濟開發區水環境綜合治理PPP項目、山東淄博張店東部化工區工業廢水處理項目、山東濟南東站片區地下污水處理項目、淄博污水處理項目（北郊廠）遷建及擴建項目及南京浦口污水處理廠中水廠二期擴建項目的注資，用以作為項目的建設及運營資金。

DIRECTORS' STATEMENT

董事會聲明

Use of Proceeds from Global Offering (cont'd)

The amount allocated for the R&D Purpose was utilised for R&D of water environment management technologies and know-hows.

The amount allocated for the Working Capital Purpose was utilised for payment of normal operating expenses such as staff costs, legal and professional fees, rental expenses and other operating expenses.

The above utilisation is in line with the intended use of the Net Proceeds and percentage allocated, as stated in the HK Listing Document.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this Annual Report, the Company has maintained the prescribed public float under Rule 8.08 of the HK Listing Rules and Rule 723 of the SGX Listing Manual.

Permitted Indemnity Provisions

Pursuant to the Bye-laws, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. There is appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group.

Bank Loans and Other Borrowings

Particulars of bank loans and other borrowings of the Group as at 31 December 2019 are set out in note 28 to the financial statements.

Five Year Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 286 to 287 of this Annual Report.

全球發售所得款項的用途（續）

分配於研發用途的款項已用於研發水環境治理技術及訣竅。

分配於營運資金用途的金額已用於支付一般營運費用，如人員成本、法律與專業費用、租金費用及其他營運費用。

上述金額的使用與香港上市文件所述之所得款項淨額的擬定用途及分配百分比一致。

足夠的公眾持股量

根據本公司取得之公開資料，以及就董事所知，於本年度報告日期，本公司已維持香港上市規則第8.08條以及新交所上市手冊第723條所規定之公眾持股量。

獲准許彌償條款

根據本公司章程規定，每名董事均有權以本公司資產彌償所有因彼執行職務或進行與此有關之其他事宜所蒙受或產生之所有虧損或負債。本公司已就本集團之董事及高級職員投購合適之董事及高級職員責任保險。

銀行貸款及其他借貸

本集團於二零一九年十二月三十一日之銀行貸款及其他借貸詳情載於財務報表附註28。

五年業績概要

本集團過去五個財政年度之業績及資產與負債概要載於本年報第286頁至第287頁。

DIRECTORS' STATEMENT

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Retirement Schemes

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the Group's MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, respectively.

The employees of the subsidiaries of the Company in the PRC are members of the retirement schemes operated by the local authorities. The subsidiaries are required to contribute a certain percentage of their payroll to these schemes to fund the benefits.

The Group also makes contributions to Central Provident Fund in Singapore. Pursuant to the Central Provident Fund Act (Chapter 36 of Singapore), both the employer and its employees are required to make regular contributions at certain rate based on the employees' income.

The Group's total contributions to these schemes charged to the consolidated statement of profit or loss during FY2019 amounted to HK\$64,762,000.

Confirmation of Independence

In accordance with the independence guidelines set out in Rule 3.13 of the HK Listing Rules, the Board is of the view that all Independent Non-Executive Directors are independent and satisfy the requirements under Rule 3.13 and the Company has received an annual confirmation of independence from each of the Independent Non-Executive Directors pursuant to the HK Listing Rules.

Audit Committee

The members of the Audit Committee at the date of this statement are as follows:

Lim Yu Neng Paul (Chairman)
Zhai Haitao (Member)
Cheng Fong Yee (Member)
Hao Gang (Member)

All members of the Audit Committee are Independent and Non-Executive Directors. The Audit Committee carried out its functions as required by the SGX Listing Manual, the SG CG Code and the HK Listing Rules and the HK CG Code.

退休計劃

本集團根據《香港強制性公積金計劃條例》為受《香港僱傭條例》管轄之僱員提供強制性公積金計劃（「強積金計劃」）。強積金計劃為由獨立信託人管理之定額供款退休計劃。根據本集團的強積金計劃，僱主及僱員各自須向計劃供款，供款額分別為僱員有關收入之5%。

本公司中國附屬公司之僱員均參與當地政府管理之退休計劃。該等附屬公司須按員工薪金之若干百分比向上述計劃作出供款，為有關福利提供資金。

本集團亦向新加坡中央公積金計劃作出供款。根據新加坡法律第36章《中央公積金法》規定，僱主和僱員須按僱員收入的特定比例作出定期供款。

本集團於二零一九年財政年度向此等計劃所作並已入賬綜合損益表內之總供款額為64,762,000港元。

獨立性確認書

根據香港上市規則第3.13條所載之獨立性指引，董事會認為全體獨立非執行董事均為獨立人士，並符合第3.13條之要求，而每名獨立非執行董事已根據香港上市規則之規定向本公司提供有關其獨立性的年度確認書。

審計委員會

於本聲明簽署之日，審計委員會之成員如下：

林御能（主席）
翟海濤（委員）
鄭鳳儀（委員）
郝剛（委員）

審計委員會全體成員均為獨立及非執行董事。審計委員會已履行新交所上市手冊、新加坡企業管治守則、香港上市規則及香港企業管治守則所規定之職能。

DIRECTORS' STATEMENT 董事會聲明

Audit Committee (cont'd)

Based on the internal control established and maintained by the Group, the work performed by the internal and external auditors (to the extent as required by them to form an opinion on the financial statements), and the reviews conducted by the Management, the Board, with the concurrence of the Audit Committee, is of the opinion that the Group's internal controls addressing financial, operational and compliance risks were adequate as at the date of this statement.

The Audit Committee has held five meetings since the last directors' statement. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following, *inter alia*:

- assistance provided by the Company's officers to the internal and external auditors;
- quarterly, half yearly and annual financial statements of the Group prior to their submission to the Directors for adoption; and
- interested person transactions (as defined in the SGX Listing Manual) and connected transactions (as defined in HK Listing Rules).

The Audit Committee has full access to the Management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any Director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

Further details of the Audit Committee are set out in the Corporate Governance Report on pages 84 to 91 of this Annual Report.

The Audit Committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board that the auditor, Ernst & Young LLP, be nominated for re-appointment as auditor of the Company at the forthcoming AGM of the Company.

審計委員會（續）

根據本集團所設立及維護之內部控制、內部及外部審計師執行之工作（在其對財務報表發表意見所要求的範圍內），及管理層進行之審閱，董事會（與審計委員會意見一致）認為，本集團於本聲明簽署之日已就應對財務、運營及合規風險設立足夠之內部控制。

自上一份董事聲明簽署日以來，審計委員會已召開五次會議。就履行其職能而言，審計委員會與本公司之外部及內部審計師會面，以討論其工作範圍、審查結果及對本公司內部會計控制系統進行評估。

審計委員會亦已審閱（不限於）以下各項：

- 本公司行政人員向內部及外部審計師提供之協助；
- 提請本公司董事採納前，審閱本集團季度、半年度及年度財務報表；及
- 關聯人士交易（定義見新交所上市手冊）及關連交易（定義見香港上市規則）。

審計委員會可以全面接觸管理層，並獲得履行職能所需的資源。審計委員會有權酌情邀請任何董事及管理人員出席其會議。審計委員會亦就聘任外部審計師作出推薦，並審閱審計及非審計服務費用之水平。

關於審計委員會的更多詳情載於本年報第84頁至第91頁之企業管治報告。

審計委員會對外部審計師的獨立性和客觀性感到滿意，審計委員會已向董事會推薦提名 Ernst & Young LLP 在本公司的應屆股東週年大會上被續聘為本公司的審計師。

DIRECTORS' STATEMENT

董事會聲明

Event after the Reporting Period

Details of the significant event of the Group after the reporting period are set out in note 41 to the financial statements.

Auditor

KPMG LLP retired as the auditor of the Company and did not seek for re-appointment at the annual general meeting (“FY2016 AGM”) of the Company held on 25 April 2017.

Ernst & Young LLP was appointed as the auditor of the Company at the FY2016 AGM in place of the retiring auditor, KPMG LLP. Ernst & Young LLP will retire and, being eligible, will offer itself for re-appointment. A resolution for the re-appointment of Ernst & Young LLP as the auditor of the Company is to be proposed at the forthcoming AGM.

Save as disclosed above, there has been no other change in auditor of the Company in any of the preceding three years.

On behalf of the Board of Directors,

Wang Tianyi
Non-Executive Director and Chairman

An Xuesong
Executive Director and Chief Executive Officer

12 March 2020

報告期間後事項

報告期間後發生之重大事項載於財務報表附註41。

審計師

在本公司於二零一七年四月二十五日召開之股東週年大會（「二零一六財政年度股東週年大會」）上，KPMG LLP退任本公司審計師，並不再尋求續聘。

在二零一六財政年度股東週年大會上，Ernst & Young LLP獲委任為本公司審計師，替代退任審計師KPMG LLP。Ernst & Young LLP現將任滿退任，且符合資格並願意膺選連任。本公司將於應屆股東週年大會上提呈續聘Ernst & Young LLP出任本公司審計師之決議案。

除上文所披露者外，本公司審計師於過去三年概無任何其他變動。

代表董事會

王天義
非執行董事兼董事長

安雪松
執行董事兼總裁

二零二零年三月十二日

INDEPENDENT AUDITOR'S REPORT 獨立審計師報告

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

To the Members of China Everbright Water Limited
致中國光大水務有限公司股東

Report on the audit of the financial statements

Opinion

We have audited the financial statements of China Everbright Water Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2019, the consolidated statement of changes in equity of the Group, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with International Financial Reporting Standards (IFRSs) so as to present fairly, in all material respects of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

獨立審計師報告

意見

我們已審計中國光大水務有限公司（「**貴公司**」）及其附屬公司（統稱「**貴集團**」）的財務報表，此財務報表包括於二零一九年十二月三十一日貴集團的綜合財務狀況表及貴公司的財務狀況表與截至該日止年度貴集團的綜合權益變動表，綜合全面收益表和綜合現金流量表，以及財務報表附註，包括主要會計政策概要。

我們認為，該等貴集團之綜合財務報表及貴公司之財務狀況表在所有重大方面按照國際財務報告準則的規定編制，公允反映了於二零一九年十二月三十一日貴集團的綜合財務狀況及貴公司的財務狀況與截至該日止年度貴集團的綜合財務表現、綜合權益變動及綜合現金流量。

意見的基礎

我們已根據國際審計準則的規定執行了審計工作。審計報告的「*審計師對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。根據新加坡會計與企業管理局頒布的《會計師及會計師事務所職業道德守則》（「**守則**」），連同我們審計新加坡財務報表相關之道德要求，我們獨立於貴集團，並履行了職業道德方面的其他責任。我們相信，我們獲取的審計證據是充分、適當的，為發表審計意見提供了基礎。

關鍵審計事項

關鍵審計事項是我們根據專業判斷，認為對我們審計本期綜合財務報表最為重要的事項。該等事項是在我們審計整體綜合財務報表及出具意見時的處理，且我們不對該等事項提供單獨的意見。

INDEPENDENT AUDITOR'S REPORT

獨立審計師報告

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

To the Members of China Everbright Water Limited
致中國光大水務有限公司股東

Key audit matters (cont'd)

We have fulfilled our responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

關鍵審計事項 (續)

我們已經履行了本報告「註冊會計師對財務報表審計的責任」部分闡述的責任，包括與這些關鍵審計事項相關的責任。相應地，我們的審計工作包括執行為應對評估的財務報表重大錯報風險而設計的審計程序。我們執行審計程序的結果，包括應對下述關鍵審計事項所執行的程序，為財務報表整體發表審計意見提供了基礎。

The key audit matter

關鍵審計事項

How the matter was addressed in our audit

我們的審計如何處理該事項

IFRIC 12 – Service Concession Arrangements (“IFRIC 12”) and Revenue Recognition

國際財務報告財務詮釋委員會詮釋第12號 - 服務特許權安排及收入確認

The Group enters into service concession arrangements with municipalities in the People's Republic of China to build and/or operate waste water treatment plants. The Group recognises the consideration for the construction services as contract assets and/or intangible assets for service concession arrangements within the scope of IFRIC 12. As the related amounts are material and the application of IFRIC 12 requires significant management judgement, we identified this as a key audit matter.

貴集團與地方政府部門就污水處理廠的建造及/或運營訂立服務特許權安排。貴集團對在國際財務報告詮釋委員會詮釋第12號範圍內的服務特許經營安排中的建造服務對價確認為合約資產及/或無形資產。由於與國際財務報告詮釋委員會詮釋第12號有關的金額重大且需要管理層作出重大判斷，我們將該事項認定為關鍵審計事項。

The Group applies IFRIC 12 in its recognition of revenue from service concession arrangements, which includes revenue relating to construction services, operation income and finance income. Disclosure of the revenue is included in notes 2.4, 3 and 5 to the financial statements.

貴集團採用國際財務報告詮釋委員會詮釋第12號確認與服務特許權安排有關的收入，包括建造服務收入、運營收入和財務收入。收入的披露列示在財務報表附註2.4，附註3和附註5。

We assessed the appropriateness of the Group's revenue recognition policies, evaluated the Group's process in assessing the applicability of IFRIC 12 and also reviewed the associated agreements to assess whether these agreements are appropriately identified as service concession arrangements to be within the scope of IFRIC 12.

我們評估貴集團的收入確認政策的適當性，評估貴集團判斷國際財務報告詮釋委員會詮釋第12號適用性的程序，並覆核相關協議，以評估該等協議是否被恰當地認定為屬於國際財務報告詮釋委員會詮釋第12號範圍內的服務特許權安排。

We considered the competence, capability and objectivity of the independent consultant and surveyors engaged by management. We reviewed the progress reports for projects under construction and the reasonableness of the revenue recognised over time.

我們考慮了獨立第三方評估顧問及監理公司的勝任性，能力和客觀性。此外，我們還覆核了在建項目的完工進度報告，以及隨時間確認收入的合理性。

INDEPENDENT AUDITOR'S REPORT 獨立審計師報告

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

To the Members of China Everbright Water Limited
致中國光大水務有限公司股東

Key audit matters (cont'd)

關鍵審計事項 (續)

The key audit matter (cont'd)

關鍵審計事項 (續)

How the matter was addressed in our audit (cont'd)

我們的審計如何處理該事項 (續)

IFRIC 12 – Service Concession Arrangements (“IFRIC 12”) and Revenue Recognition

國際財務報告財務詮釋委員會詮釋第12號 - 服務特許權安排及收入確認 (續)

Construction service revenue is measured based on the Group's estimation of the fair value of construction services and the percentage of construction completed during the year. Significant judgement is required in determining the fair value of the construction services and involves estimation of the total construction costs and the margin for each contract. The Group engaged an independent financial modeling consultant to assist in the estimation of the fair value of the construction services. The percentage of construction completed during the year is estimated based on the survey of work performed by independent surveyors with relevant qualifications and industry experience. Judgement is required in estimating the percentage of construction completed.

建造收入的計量乃根據貴集團估計的建造服務的公允價值及年內工程完工百分比計算。確定建造服務的公允價值時需要管理層作出重大判斷，包括評估每項合同的建造總成本和利潤。貴集團聘任獨立財務模型顧問協助估計建造服務的公允價值。工程完工百分比需依據具有相關資質和行業經驗的第三方監理公司的進度報告來評估，該評估也涉及到管理層判斷。

We reviewed management's computation of amortised cost of contract assets and intangible assets and allocation of consideration between contract assets and intangible assets and the related revenue recognised during the year and tested key estimates including discount rates used by management by comparing to the relevant market interest rates to identify any inappropriate estimates.

我們覆核了管理層對合約資產和無形資產的攤銷成本計算、合約資產與無形資產的對價分配以及相關的收入確認；測試管理層作出的重要估計，包括將管理層使用的折現率與市場利率進行比較，確認管理層估計是否恰當合理。

We engaged our internal specialists to review the valuation methodology and the reasonableness of certain key assumptions such as the margin used and the industry comparable companies in the determination of the fair value of the construction services in the financial model.

我們聘任了安永內部專家對估值方法的恰當性以及估值時使用假設（如使用的利潤率和評估建造服務公允價值時選取的業內可比公司）的合理性進行覆核。

We also considered the adequacy of the disclosures related to service concession arrangements in the financial statements.

我們評估了貴集團在財務報表中與服務特許權安排相關披露的適當性和充分性。

INDEPENDENT AUDITOR'S REPORT

獨立審計師報告

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

To the Members of China Everbright Water Limited
致中國光大水務有限公司股東

Key audit matters (cont'd)

關鍵審計事項 (續)

The key audit matter (cont'd)

關鍵審計事項 (續)

How the matter was addressed in our audit (cont'd)

我們的審計如何處理該事項 (續)

Recoverability of trade receivables

應收賬款可收回性

As at 31 December 2019, the Group had trade receivables amounting to HK\$ 910,643,000, net of expected credit losses ("ECL") allowance of HK\$65,902,000. The Group determines impairment losses by making debtor-specific assessment of ECL for credit impaired debtors and has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment for the remaining group of debtors.

於二零一九年十二月三十一日，貴集團應收賬款餘額為910,643,000港元，已扣除預期信貸虧損（「預期信貸虧損」）撥備65,902,000港元。貴集團根據針對債務人的預期信貸損失評估來計算預期信貸虧損。貴集團已建立基於貴集團的過往信貸虧損記錄的撥備矩陣，可就債務人及經濟環境特有的前瞻性因素而予以調整。

The estimation of impairment loss of trade receivables is based on the evaluation of collectability and ageing analysis of trade receivables as well as expectation of forward-looking factors. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, taking into consideration the current creditworthiness and the past collection history of each debtor. Accordingly, we identified this as a key audit matter. Disclosures of the trade receivables are included in notes 2.4, 3 and 23 to the financial statements.

應收賬款減值損失根據對回收性的評估、應收賬款賬齡分析以及前瞻性因素的預期分析作出估計。在評估應收賬款的最終可收回金額時，包括評估目前債務人的可信賴程度以及每個債務人的以往回收歷史，需要大量的判斷，因此我們將該事項認定為關鍵審計事項。應收賬款的披露列示在財務報表附註2.4，附註3及附註23。

We obtained an understanding of management's processes relating to the monitoring of trade receivables.

我們了解了管理層監控應收賬款的相關流程。

In assessing the adequacy of the ECL allowance, we reviewed the ageing analysis of the debtors to identify potential collectability issues, reviewed data used in management's assessment of default rates and assessed the reasonableness of management's assumptions used in establishing the forward-looking adjustments. In addition, we discussed with management about the status of significant overdue individual debtors' balance, management's consideration of the debtors' specific profiles and risks, reviewed settlement history and assessed management's assumptions used to determine the ECL allowance. We also requested direct confirmations and considered receipts subsequent to the year end.

評估預期信貸虧損是否充分，我們覆核了應收賬款的賬齡，以識別潛在的回收性問題；我們覆核了管理層用以計算逾期率的數據，並評估管理層建立前瞻性因素調整時所用的假設的合理性。另外，我們還與管理層就單獨的重大逾期的應收賬款餘額及管理層對該債務人的特殊情況和風險的考慮進行討論。我們還覆核了賬款回收的歷史，並評估了管理層用於確定期信貸虧損撥備的假設。我們還要求應收賬款詢證函的直接回函，並檢查了期後回款的情況。

We further considered the adequacy of the Group's disclosures regarding the estimation uncertainty involved in determining the ECL allowance.

我們進一步評估了貴集團就預期信貸虧損撥備所作出的估計不確定性因素的披露是否充分。

INDEPENDENT AUDITOR'S REPORT 獨立審計師報告

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

To the Members of China Everbright Water Limited
致中國光大水務有限公司股東

Key audit matters (cont'd)

關鍵審計事項 (續)

The key audit matter (cont'd)

關鍵審計事項 (續)

How the matter was addressed in our audit (cont'd)

我們的審計如何處理該事項 (續)

Impairment assessment of goodwill

商譽減值測試

IAS 36 *Impairment of Assets* requires goodwill to be tested annually for impairment or more frequently when there is an indication that the cash-generating unit ("CGU") may be impaired. This assessment requires the exercise of significant judgement about the future market conditions, including future cash flows to be generated from the continuing use of the waste water treatment plants over the service concession period. The determination of the recoverable amount requires judgement in both identification and valuation of the relevant CGU. Accordingly, we identified this as a key audit matter. The Group determined that the water environment management segment was accounted for as a collective CGU for the purpose of impairment testing. The impairment assessment was determined using a value-in-use model based on the discounted cash flows projection. Assumptions such as estimated key financial data, the growth rate and discount rate used to determine the discounted cash flows required significant judgements by the Group. As at 31 December 2019, the goodwill carried in the Group's financial statements amounted to HK\$1,213,509,000. Disclosures of goodwill are included in notes 2.4, 3 and 18 to the financial statements.

國際會計準則第36號 *資產減值* 要求對商譽每年進行減值測試，若有迹象表明現金產出單元（「現金產出單元」）可能出現減值時應更頻繁地進行減值測試。該測試要求對未來市場狀況作出重大判斷，包括在服務特許期內污水處理廠所產生的未來現金流量。可收回金額的釐定需要對現金產出單元的識別及估值作出判斷。因此，我們將該事項認定為關鍵審計事項。貴集團將商譽分配至現金產出單元 - 水環境綜合治理分部，進行減值測試。減值測試乃使用以折現現金流量為基礎的使用價值模型釐定。確定折現現金流量所需要的假設，如估計的關鍵財務數據，增長率和折現率等，均需要貴集團作出重大判斷。於二零一九年十二月三十一日，貴集團財務報表所載商譽金額為1,213,509,000港元。商譽的披露列示在財務報表附註2.4，附註3及附註18。

We reviewed the appropriateness of the Group's determination of the CGU.

我們評估了貴集團釐定現金產出單元的適當性。

We assessed the appropriateness of the discount rate used by assessing the cost of capital of the Company and comparable organisations in the industry, and where relevant, using our internal valuation specialists to independently develop expectations for the discount rate, and comparing the independent expectations to those used by management.

我們評估了貴集團及市場可比公司的資本成本以評價管理層使用的折現率，並由安永內部估值專家對折現率進行獨立測試並將測試結果與管理層使用的折現率進行對比。

We reviewed the cash flow forecasts by comparing them to recent and past performance, taking into consideration the approach used in the valuation and the reasonableness of key assumption used in the cash flows forecast, including growth rate and discount rate. We also assessed the adequacy of the disclosures made in the financial statements on the impairment assessment, specifically on the key assumptions that have the most significant effect on the determination of the recoverable amount of the goodwill.

我們基於貴集團現在及過往的運營表現，覆核了所使用的預測現金流量，同時評估了估值方法及重要假設（如增長率和折現率）的合理性。我們也評估了貴集團就減值測試作出的披露是否充分適當，特別是對確定商譽可收回金額影響最為重大的主要假設。

INDEPENDENT AUDITOR'S REPORT

獨立審計師報告

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

To the Members of China Everbright Water Limited
致中國光大水務有限公司股東

Other information

The other information consists of the information included in the annual report, other than the financial statements and our auditor's report thereon. Management is responsible for other information.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Group's financial reporting process.

其他信息

其他信息包括年度報告中涵蓋的信息，但不包括財務報表和我們的審計報告。管理層對其他信息負責。

我們對財務報表發表的審計意見不涵蓋其他信息，我們也不對其他信息發表任何形式的鑒證結論。

結合我們對財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與財務報表或我們在審計過程中了解到的情況存在重大不一致或者似乎存在重大錯報。基於我們已執行的工作，如果我們確定其他信息存在重大錯報，我們應當報告該事實。在這方面，我們無任何事項需要報告。

管理層和董事對財務報表的責任

管理層負責按照國際財務報告準則的規定編制財務報表，使其真實公允反映，並設計和維護必要的內部會計控制，保障資產不會因未獲授權之使用或處置而產生損失，交易得到適當授權及記錄，以使財務報表真實公允以及保障資產安全。

在編制財務報表時，管理層負責評估貴集團的持續經營能力，披露與持續經營相關的事項（如適用），並運用持續經營假設，除非計劃進行清算、終止運營或別無其他實際的替代方案。

董事的責任包括負責監督貴集團的財務報告過程。

INDEPENDENT AUDITOR'S REPORT 獨立審計師報告

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

To the Members of China Everbright Water Limited
致中國光大水務有限公司股東

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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. 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 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 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 controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

審計師對財務報表審計的責任

我們的目標是對財務報表整體是否不存在由於舞弊或錯誤而導致的重大錯報獲取合理保證，並出具包含審計意見的審計報告。合理保證是高水平的保證，但並不能保證按照國際審計準則執行的審計在某一重大錯報存在時總能發現。錯報可能由於舞弊或錯誤導致，如果合理預期錯報單獨或匯總起來可能影響財務報表使用者依據財務報表所作出的經濟決策，則通常認為錯報是重大的。

在按照國際審計準則執行審計工作的過程中，我們運用職業判斷，並保持職業懷疑。同時，我們也執行以下工作：

- 識別和評估由於舞弊或錯誤而導致的財務報表重大錯報風險，設計及執行審計程序以應對這些風險，並獲取充分、適當的審計證據，作為發表審計意見的基礎。由於舞弊可能涉及串通、偽造、故意遺漏、虛假陳述或凌駕於內部控制之上，未能發現由於舞弊導致的重大錯報的風險高於未能發現由於錯誤導致的重大錯報的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價管理層選用會計政策的恰當性和作出會計估計及相關披露的合理性。
- 對管理層使用持續經營假設的恰當性得出結論。同時，根據獲取的審計證據，就可能導致對貴集團持續經營能力產生重大疑慮的事項或情況是否存在重大不確定性得出結論。如果我們得出結論認為存在重大不確定性，審計準則要求我們在審計報告中提請報表使用者注意財務報表中的相關披露；如果披露不充分，我們應當發表非無保留意見。我們的結論基於截至審計報告日可獲得的信息。然而，未來事項或情況可能導致貴集團不能持續經營。

INDEPENDENT AUDITOR'S REPORT

獨立審計師報告

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

To the Members of China Everbright Water Limited
致中國光大水務有限公司股東

Auditor's responsibilities for the audit of the financial statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the 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.

The engagement partner on the audit resulting in this independent auditor's report is Alvin Phua Chun Yen.

審計師對財務報表審計的責任 (續)

- 評價財務報表的總體列報方式、結構和內容，包括披露資料，並評價財務報表是否公允反映相關交易和事項。
- 就貴集團中實體或業務活動的財務信息獲取充分、適當的審計證據，以對財務報表發表審計意見。我們負責指導、監督和執行集團審計，並對審計意見承擔全部責任。

我們與董事就計劃的審計範圍、時間安排和重大審計發現等事項進行溝通，包括我們在審計中識別出的值得關注的內部控制缺陷。

我們還就已遵守與獨立性相關的職業道德要求向董事提供聲明，並與董事溝通可能被合理認為影響我們獨立性的所有關係和其他事項，以及相關的防範措施（如適用）。

從與董事溝通過的事項中，我們確定哪些事項對本期財務報表審計最為重要，因而構成關鍵審計事項。我們在審計報告中描述這些事項，除非法律法規禁止公開披露這些事項，或在極少數情形下，如果合理預期在審計報告中溝通某事項而造成的負面後果將會超過在公眾利益方面產生的益處，我們確定不應在審計報告中溝通該事項。

出具本獨立審計師報告的審計項目合夥人是潘俊彥。

Ernst & Young LLP
Public Accountants and Chartered Accountants
Singapore
12 March 2020

Ernst & Young LLP
公共會計師及特許會計師
新加坡
二零二零年三月十二日

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
REVENUE	收入	5	5,550,773	4,768,318
Direct costs and operating expenses	直接成本及經營開支		(3,658,332)	(3,144,540)
Gross profit	毛利		1,892,441	1,623,778
Other income and gains, net	其他收入及收益淨額	6	113,465	140,583
Administrative and other operating expenses	行政及其他經營費用		(476,502)	(439,564)
Finance income	財務收入	7	20,348	17,918
Finance costs	財務費用	7	(355,287)	(291,398)
Share of profits of associates	應佔聯營公司盈利		614	422
PROFIT BEFORE TAX	除稅前盈利	8	1,195,079	1,051,739
Income tax	所得稅	11	(310,350)	(314,984)
PROFIT FOR THE YEAR	本年度盈利		884,729	736,755
OTHER COMPREHENSIVE INCOME	其他全面收益			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:	於其後期間可能重新分類至損益的其他全面收益：			
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額		(43,987)	(67,407)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:	於其後期間不會重新分類至損益的其他全面收益：			
Exchange differences on translation of the Company's financial statements into the presentation currency	換算本公司財務報表呈報貨幣的匯兌差額		(246,760)	(441,728)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	除所得稅後本年度其他全面收益		(290,747)	(509,135)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	本年度全面收益總額		593,982	227,620

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.
後附會計政策及附註為本財務報表的組成部分。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)

綜合全面收益表（續）

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
PROFIT ATTRIBUTABLE TO:	應佔盈利部分：			
Equity holders of the Company	本公司權益持有人		833,483	676,459
Non-controlling interests	非控股權益		51,246	60,296
			884,729	736,755
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:	應佔全面收益總額部分：			
Equity holders of the Company	本公司權益持有人		558,139	195,887
Non-controlling interests	非控股權益		35,843	31,733
			593,982	227,620
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	本公司權益持有人應佔 每股盈利			
- Basic and diluted	- 基本及攤薄	13	HK30.07 cents 30.07港仙	HK25.58 cents 25.58港仙

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.
後附會計政策及附註為本財務報表的組成部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2019 於二零一九年十二月三十一日

		As at 31 December 於十二月三十一日		
		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	141,744	144,779
Right-of-use assets	使用權資產	16(b)	25,609	–
Prepaid land lease payments	預付土地租賃款項	16(a)	–	5,372
Investment property	投資物業	15	3,138	–
			170,491	150,151
Intangible assets	無形資產	17	1,658,437	1,536,169
Goodwill	商譽	18	1,213,509	1,242,713
Interests in associates	聯營公司權益	19	3,588	3,011
Trade and other receivables	應收賬款及其他應收款項	23	113,892	159,259
Contract assets	合約資產	21	14,144,440	11,727,822
Other financial assets	其他金融資產	24	462,045	–
Total non-current assets	非流動資產總額		17,766,402	14,819,125
CURRENT ASSETS	流動資產			
Inventories	存貨	22	37,948	40,436
Trade and other receivables	應收賬款及其他應收款項	23	1,414,673	1,025,044
Contract assets	合約資產	21	1,389,205	1,424,161
Fixed deposits with maturity period over three months	到期日為三個月以上的定期存款	25	–	547,050
Cash and cash equivalents	現金及現金等價物	26	2,074,803	1,728,573
Total current assets	流動資產總額		4,916,629	4,765,264
CURRENT LIABILITIES	流動負債			
Trade and other payables	應付賬款及其他應付款項	27	2,472,484	1,895,095
Borrowings	貸款	28	2,010,556	2,160,400
Tax payable	應付稅項		64,930	45,083
Lease liabilities	租賃負債	16(c)	9,534	–
Total current liabilities	流動負債總額		4,557,504	4,100,578
NET CURRENT ASSETS	流動資產淨額		359,125	664,686
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減流動負債		18,125,527	15,483,811

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.
後附會計政策及附註為本財務報表的組成部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

綜合財務狀況表（續）

As at 31 December 2019 於二零一九年十二月三十一日

		As at 31 December 於十二月三十一日		
		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
NON-CURRENT LIABILITIES	非流動負債			
Borrowings	貸款	28	7,069,140	5,440,376
Deferred tax liabilities	遞延稅項負債	30	1,496,256	1,379,738
Lease liabilities	租賃負債	16(c)	11,379	-
Total non-current liabilities	非流動負債總額		8,576,775	6,820,114
NET ASSETS	資產淨額		9,548,752	8,663,697
EQUITY	權益			
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益			
Share capital	股本	31	2,860,877	2,676,062
Reserves	儲備	32	5,949,192	5,307,128
			8,810,069	7,983,190
Non-controlling interests	非控股權益		738,683	680,507
TOTAL EQUITY	權益總額		9,548,752	8,663,697

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.
後附會計政策及附註為本財務報表的組成部分。

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

本公司之財務狀況表

As at 31 December 2019 於二零一九年十二月三十一日

		As at 31 December 於十二月三十一日		
		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
NON-CURRENT ASSETS				
	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	11	18
Interests in subsidiaries	附屬公司權益	20	9,988,163	10,741,587
Other financial assets	其他金融資產	24	431,035	-
Total non-current assets	非流動資產總額		10,419,209	10,741,605
CURRENT ASSETS				
	流動資產			
Other receivables	應收賬款其他應收款項	23	4,982,545	3,663,426
Cash and cash equivalents	現金及現金等價物	26	213,793	31,661
Total current assets	流動資產總額		5,196,338	3,695,087
CURRENT LIABILITIES				
	流動負債			
Trade and other payables	應付賬款及其他應付款項	27	92,881	102,001
Borrowings	貸款	28	1,522,919	1,053,319
Total current liabilities	流動負債總額		1,615,800	1,155,320
NET CURRENT ASSETS			3,580,538	2,539,767
TOTAL ASSETS LESS CURRENT LIABILITIES			13,999,747	13,281,372
NON-CURRENT LIABILITIES				
	非流動負債			
Borrowings	貸款	28	4,039,303	3,511,586
NET ASSETS			9,960,444	9,769,786
EQUITY				
	權益			
Share capital	股本	31	2,860,877	2,676,062
Reserves	儲備	32	7,099,567	7,093,724
TOTAL EQUITY	權益總額		9,960,444	9,769,786

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.
後附會計政策及附註為本財務報表的組成部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

Attributable to the equity holders of the Company 本公司權益持有人應佔											
	Notes 附註	Share capital 股本 HK\$'000 千港元	Share premium 溢價 HK\$'000 千港元	Foreign currency translation reserve 外幣換算儲備 HK\$'000 千港元	Statutory reserve 法定儲備 HK\$'000 千港元	Contributed surplus reserve 繳入盈餘儲備 HK\$'000 千港元	Other reserves 其他儲備 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 總額 HK\$'000 千港元	Non-controlling interests 非控股權益 HK\$'000 千港元	Total equity 總權益 HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日	2,676,062	1,333,181	(502,623)	300,386	1,229,302	(2,181)	2,949,063	7,983,190	680,507	8,663,697
Profit for the year	本年度盈利	-	-	-	-	-	-	833,483	833,483	51,246	884,729
Other comprehensive income for the year:	年內其他全面收益：										
Foreign currency translation differences	外幣換算差額	-	-	(275,344)	-	-	-	-	(275,344)	(15,403)	(290,747)
Total comprehensive income for the year	年內全面收益總額	-	-	(275,344)	-	-	-	833,483	558,139	35,843	593,982
Issue of shares under global offering	根據全球發售發行股份	103,970	206,900	-	-	-	-	-	310,870	-	310,870
Share issue expenses in relation to global offering	有關全球發售的股份發行開支	-	(11,643)	-	-	-	-	-	(11,643)	-	(11,643)
Issue of shares pursuant to scrip dividend scheme	根據以股代息計劃發行股份	80,845	71,681	-	-	-	-	-	152,526	-	152,526
Share issue expenses in relation to scrip dividend scheme	有關以股代息計劃的股份發行開支	-	(354)	-	-	-	-	-	(354)	-	(354)
2018 final dividend declared	已宣派二零一八年末期股息	-	-	-	-	-	-	(77,476)	(77,476)	-	(77,476)
2019 interim dividend declared	已宣派二零一九年中期股息	-	-	-	-	-	-	(105,183)	(105,183)	-	(105,183)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.
後附會計政策及附註為本財務報表的組成部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

綜合權益變動表 (續)

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

		Attributable to the equity holders of the Company 本公司權益持有人應佔																			
		Share capital 股本		Share premium 股份溢價		Foreign currency translation reserve 外幣換算儲備		Statutory reserve 法定儲備		Contributed surplus reserve 繳入盈餘儲備		Other reserves 其他儲備		Retained earnings 保留盈利		Total 總額		Non-controlling interests 非控股權益		Total equity 總權益	
Notes 附註		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Dividend declared to a non-controlling shareholder of a subsidiary 宣告予附屬公司一名非控股股東之股息		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(23,035)	(23,035)	
Capital contributions received by non wholly-owned subsidiaries from non-controlling shareholders 非全資附屬公司非控股股東注資		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	45,368	45,368	
Transfer to statutory reserve 轉撥至法定儲備		-	-	-	-	-	-	98,023	-	-	-	-	-	(98,023)	-	-	-	-	-	-	
At 31 December 2019 於二零一九年十二月三十一日		2,860,877	1,599,765*	(777,967)*	398,409*	1,229,302*	(2,181)*	3,501,864*	8,810,069	738,683	9,548,752										

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.
後附會計政策及附註為本財務報表的組成部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

綜合權益變動表 (續)

For the financial year ended 31 December 2018 截至二零一八年十二月三十一日止的財政年度

		Attributable to the equity holders of the Company 本公司權益持有人應佔																			
		Share capital 股本		Share premium 股份溢價		Foreign currency translation reserve 外幣換算儲備		Statutory reserve 法定儲備		Contributed surplus reserve 繳入盈餘儲備		Other reserves 其他儲備		Retained earnings 保留盈利		Total 總額		Non-controlling interests 非控股權益		Total equity 總權益	
Notes 附註		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
At 1 January 2018	於二零一八年一月一日	2,625,642	1,266,248	(22,051)	200,799	1,229,302	(2,181)	2,559,424	7,857,183	684,622	8,541,805										
Originally stated	初始呈列																				
Effect on adoption of International Financial Reporting Standard 9	採用國際財務報告準則第9號的影響																				
As restated	經重列	2,625,642	1,266,248	(22,051)	200,799	1,229,302	(2,181)	2,523,755	7,821,514	684,622	8,506,136										
Profit for the year	本年度盈利	-	-	-	-	-	-	676,459	676,459		736,755										
Other comprehensive income for the year:	年內其他全面收益：																				
Foreign currency translation differences	外幣換算差額	-	-	(480,572)	-	-	-	-	(480,572)		(509,135)										
Total comprehensive income for the year	年內全面收益總額	-	-	(480,572)	-	-	-	676,459	195,887		227,620										
Issue of shares pursuant to scrip dividend scheme	根據以股代息計劃發行股份	50,420	67,281	-	-	-	-	-	117,701		117,701										
Share issue expenses in relation to scrip dividend scheme	有關以股代息計劃的股份發行開支	-	(348)	-	-	-	-	-	(348)		(348)										
2017 final dividend declared	已宣派二零一七年末期股息	-	-	-	-	-	-	(76,920)	(76,920)		(76,920)										
2018 interim dividend declared	已宣派二零一八年中期股息	-	-	-	-	-	-	(74,644)	(74,644)		(74,644)										

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.
後附會計政策及附註為本財務報表的組成部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

綜合權益變動表 (續)

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

Attributable to the equity holders of the Company 本公司權益持有人應佔											
Notes 附註	Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Foreign currency translation reserve 外幣換算儲備 HK\$'000 千港元	Statutory reserve 法定儲備 HK\$'000 千港元	Contributed surplus 繳入盈餘儲備			Retained earnings 保留盈利 HK\$'000 千港元	Total 總額 HK\$'000 千港元	Non-controlling interests 非控股權益 HK\$'000 千港元	Total equity 總權益 HK\$'000 千港元
					Other reserves 其他儲備 HK\$'000 千港元	Other reserves 其他儲備 HK\$'000 千港元	Other reserves 其他儲備 HK\$'000 千港元				
Capital contribution received by a non wholly-owned subsidiary from a non-controlling shareholder 一名非全資附屬公司非控股股東注資	-	-	-	-	-	-	-	-	-	192	192
Dividends declared to two non-controlling shareholders of two subsidiaries 宣告予兩名附屬公司非控股股東之股息	-	-	-	-	-	-	-	-	-	(36,040)	(36,040)
Transfer to statutory reserve 轉撥至法定儲備	-	-	-	99,587	-	-	(99,587)	-	-	-	-
At 31 December 2018 於二零一八年十二月三十一日	2,676,062	1,333,181*	(502,623)*	300,386*	1,229,302*	(2,181)*	2,949,063*	7,983,190	680,507	8,663,697	

* These reserve accounts comprise the consolidated reserves of HK\$5,949,192,000 and HK\$5,307,128,000 as at 31 December 2019 and 31 December 2018 in the consolidated statement of financial position, respectively.

* 該等儲備賬目包括於二零一九年十二月三十一日及二零一八年十二月三十一日之綜合財務狀況表內綜合儲備分別為5,949,192,000港元及5,307,128,000港元。

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.
後附會計政策及附註為本財務報表的組成部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

	Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動現金流量		
Profit before tax	除稅前盈利	1,195,079	1,051,739
Adjustments for:	經調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	8 16,571	16,736
Depreciation of right-of-use assets	使用權資產折舊	8 6,979	-
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	8 -	357
Amortisation of intangible assets	無形資產攤銷	8 73,148	72,349
Loss on disposals of property, plant and equipment	處置物業、廠房及設備之虧損	8 933	445
Finance costs	財務費用	7 355,287	291,398
Interest income	利息收入	7 (20,348)	(17,918)
Share of profits of associates	所佔聯營公司盈利	(614)	(422)
Provision for impairment of trade receivables	應收賬款減值撥備	8 17,314	16,664
Fair value adjustment of contingent consideration receivable	或然代價應收款項之公允價值調整	6 646	(3,428)
Fair value changes of other financial assets, net	其他金融資產公允價值變動淨額	6 (28,008)	-
Effect of foreign exchange rates changes, net	匯率變動的影響	4,355	45,559
Operating cash flows before working capital changes	營運資金變動前的經營現金流量	1,621,342	1,473,479
Decrease/(increase) in inventories	存貨減少/(增加)	1,740	(27,907)
Increase in contract assets	合約資產增加	(2,755,533)	(2,233,287)
Increase in trade and other receivables	應收賬款及其他應收款項增加	(397,433)	(421,441)
Increase in trade and other payables	應付賬款及其他應付款項增加	607,019	341,840
Cash used in operations	經營所動用的現金	(922,865)	(867,316)
People's Republic of China ("PRC") income tax paid	已付中華人民共和國(「中國」)所得稅	(135,257)	(148,331)
Net cash flows used in operating activities	經營活動所動用的現金流量淨額	(1,058,122)	(1,015,647)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.
後附會計政策及附註為本財務報表的組成部分。

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

綜合現金流量表（續）

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
CASH FLOWS FROM INVESTING ACTIVITIES				
投資活動現金流量				
Payment for acquisition of subsidiaries, net of cash acquired	收購附屬公司的付款，扣除所得現金	33	-	(51,494)
Capital contribution to an associate	向一間聯營公司注資	19	-	(1,168)
Interest received	已收利息		20,348	17,918
Purchases of items of property, plant and equipment	購買物業、廠房及設備		(17,885)	(11,176)
Proceeds from disposals of property, plant and equipment	處置物業、廠房及設備所得款項		1	89
Payment for additions of intangible assets	添置無形資產付款		(229,313)	(181,134)
Increase in amount due from an associate	應收一間聯營公司款項增加		(4,646)	(4,551)
Decrease in fixed deposits with maturity period over three months and restricted balances in financial institutions	到期日為三個月以上的定期存款及受限制金融機構結餘減少		549,040	177,975
Increase in other financial assets	其他金融資產增加		(451,563)	-
Net cash flows used in investing activities	投資活動所動用的現金流量淨額		(134,018)	(53,541)
CASH FLOWS FROM FINANCING ACTIVITIES				
融資活動現金流量				
Proceeds from issue of shares under global offering	全球發售發行股份所得款項		310,870	-
Payment for listing expenses	上市開支款項		(11,643)	-
Share issue expenses in relation to scrip dividend scheme	有關以股代息計劃的股份發行開支	31	(354)	(348)
Proceeds from the issuance of corporate bonds, net of related expenses paid	發行公司債券所得款項，扣除相關已付開支		804,235	944,251
New bank loans	新增銀行貸款		3,203,420	2,418,142
Repayment of bank and other loans	償還銀行及其他貸款		(2,388,854)	(2,229,213)
Interest paid	已付利息		(332,973)	(268,257)
Principal elements of lease payments	租賃付款的本金部分		(6,430)	-
Interest elements of lease payments	租賃付款的利息部分	7	(777)	-

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.
後附會計政策及附註為本財務報表的組成部分。

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

綜合現金流量表（續）

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

	Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
(Decrease)/increase in amounts due to intermediate holding companies	應付中間控股公司款項 (減少) / 增加	(4)	4
Increase in pledged bank deposits	已抵押銀行存款增加	(1,397)	(22,669)
Dividends paid to shareholders of the Company	已付本公司股東之股息	(29,279)	(31,687)
Dividends paid to non-controlling shareholders of subsidiaries	已付附屬公司非控股股東之股息	(28,990)	(28,609)
Capital contributions from non-controlling shareholders of subsidiaries	附屬公司的非控股股東注資	45,368	192
Net cash flows generated from financing activities	融資活動所得現金流量淨額	1,563,192	781,806
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物（增加）/ 減少淨額	371,052	(287,382)
Cash and cash equivalents at beginning of the year	年初之現金及現金等價物	1,706,871	2,074,414
Effect of exchange rate fluctuations on cash and cash equivalents, net	匯率變動的影響，淨額	(25,673)	(80,161)
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	年末之現金及現金等價物	2,052,250	1,706,871
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Cash and cash equivalents as stated in the consolidated statement of financial position	綜合財務狀況表所示的現金及現金等價物	26 2,074,803	1,728,573
Less: Pledged bank deposits	減：已抵押銀行存款	26 (22,553)	(21,702)
Cash and cash equivalents as stated in the consolidated statement of cash flows	綜合現金流量表所示的現金及現金等價物	2,052,250	1,706,871

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.
後附會計政策及附註為本財務報表的組成部分。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in Bermuda and is dual primary listed on the Mainboard of the Singapore Exchange Securities Trading Limited and the Mainboard of the Stock Exchange of Hong Kong Limited. The registered address of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business is located at 26th Floor, Block A, Oriental Xintiandi Plaza, No. 1003 Shennan Avenue, Futian District, Shenzhen, PRC 518000.

The principal activity of the Company is investment holding. The Company's subsidiaries are primarily involved in the water environment management business in the PRC.

The immediate holding company of the Company is China Everbright Water Holdings Limited, a limited liability company incorporated in the British Virgin Islands ("BVI"). In the opinion of the directors, the ultimate holding entity of the Company is China Investment Corporation, an entity established in the PRC.

As at the date of this report, the Company had direct and indirect interests in the following subsidiaries, all of which are private limited liability companies (or, if incorporated/registered outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of which are set out below:

1. 公司資料

本公司為於百慕大註冊成立的有限公司並於新加坡證券交易所有限公司主板和香港聯合交易所有限公司主板雙重主要上市。本公司的註冊地址為Clarendon House, 2 Church Street, Hamilton HM11, Bermuda且其主要營業地點為中國深圳市福田區深南大道1003號東方新天地廣場A座26層（郵編：518000）。

本公司的主要業務為投資控股。本公司之附屬公司主要從事中國境內水環境治理業務。

本公司的直接控股公司為中國光大水務控股有限公司（一間於英屬維爾京群島（「英屬維爾京群島」）註冊成立的有限公司。董事認為，本公司的最終控股實體為中國投資有限責任公司，其為於中國境內成立之實體。

於本報告日期，本公司已於以下附屬公司擁有直接及間接權益，該等附屬公司全部為私營有限責任公司（或倘於香港境外註冊成立/登記，則其特征大致與香港註冊成立的私營公司相若），其詳情如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

1. 公司資料 (續)

1. CORPORATE INFORMATION (cont'd)

Name 名稱	Place and date of incorporation/registration and place of business 註冊成立/登記地點及日期及 營業地點	Issued ordinary share/ paid up capital 已發行普通股/繳足股本	Percentage of equity attributable to the Company 本公司應佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Anshan City Water Operating Co., Ltd. [^] (note (5)) 鞍山城市水務運營有限公司 [^] (附註(5))	PRC/ Mainland China 15 March 2006 中國/中國內地 2006年3月15日	RMB 10,000,000 10,000,000元人民幣	-	100	Waste water treatment 污水處理
Aqua Shine Group Limited	BVI 18 April 2011 英屬維京群島 2011年4月18日	United States dollar ("US\$") 1 1美元 (「美元」)	100	-	Investment holding 投資控股
Beijing Everbright Water Investment Management Co., Ltd. ("BEWI") [^] 北京光大水務投資管理有限公司 (「北京光大水務投資」) [^]	PRC/Mainland China 26 October 2010 中國/中國內地 2010年10月26日	RMB 1,200,000,000 1,200,000,000元人民幣	-	100	Investment and investment management 投資及投資管理
Beijing Hanksen Environmental Technology Co., Ltd. [^] 北京漢柯森環境科技有限公司 [^]	PRC/Mainland China 27 June 2011 中國/中國內地 2011年6月27日	RMB 9,582,816 9,582,816元人民幣	-	100	R&D and consultation on water treatment technology 研發及水治理技術諮詢
Biopower International Limited 生物動能國際有限公司	BVI 15 March 2005 英屬維京群島 2005年3月15日	US\$1 1美元	-	100	Investment holding 投資控股
Bio-Treat International Limited	BVI 11 July 2003 英屬維京群島 2003年7月11日	US\$10,000 10,000美元	-	100	Investment holding 投資控股

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

1. 公司資料 (續)

1. CORPORATE INFORMATION (cont'd)

Name 名稱	Place and date of incorporation/registration and place of business 註冊成立/登記地點及日期及 營業地點	Issued ordinary share/ paid up capital 已發行普通股/繳足股本	Percentage of equity attributable to the Company 本公司應佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
CEW Corporate Services Limited 中國光大水務服務有限公司	Hong Kong 8 December 2016 香港 2016年12月8日	HK\$100 100港元	-	100	Corporate services 公司服務
China Everbright Water International Pte. Ltd. 中國光大水務國際私人有限公司	Singapore 18 July 2011 新加坡 2011年7月18日	Singapore dollars ("SGD") 5,000,000 5,000,000 新加坡元	100	-	Investment holding, technology R&D, business development and management services 投資控股·技術研發· 業務發展及管理服務
China Everbright Water Investments Limited ("CEWIL") 中國光大水務投資有限公司 (「光大水務投資」)	BVI 25 March 2003 英屬維京群島 2003年3月25日	US\$2 2美元	100	-	Investment holding 投資控股
China Everbright Water Management Limited 中國光大水務管理有限公司	Hong Kong 6 January 2015 香港 2015年1月6日	HK\$100 100港元	-	100	Investment holding 投資控股
Dalian Bonded Area EW Water Co., Ltd. (formerly known as "Dalian Bonded Area Dongda Waste Water Treatment Co., Ltd") [^] (note (5)) 大連保稅區光水水務有限公司 (前稱「大連保稅 區東達污水處理有限公司」) [^] (附註(6))	PRC/Mainland China 25 January 2013 中國/中國內地 2003年1月25日	RMB 10,000,000 10,000,000元人民幣	-	100	Waste water treatment 污水處理
Dalian EW Chunliuhe Water Co., Ltd. (formerly known as "Dalian Dongda Environment Group Chunliuhe Waste Water Treatment Co., Ltd") [^] (note (4) & note (5)) 大連光春柳河水務有限公司 (前稱「大連東達 環境集團春柳河污水處理有限公司」) [^] (附註(4)及附註(5))	PRC/Mainland China 28 July 2006 中國/中國內地 2006年7月28日	RMB 10,000,000 10,000,000元人民幣	-	100	Waste water treatment 污水處理

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

1. 公司資料 (續)

1. CORPORATE INFORMATION (cont'd)

Name 名稱	Place and date of incorporation/registration and place of business 註冊成立/登記地點及日期及 營業地點	Issued ordinary share/ paid up capital 已發行普通股/繳足股本	Percentage of equity attributable to the Company 本公司應佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Dalian Pulandian Area EW Reuseable Water Co., Ltd. [^] (note (5)) 大連市普蘭店區光水中有水有限公司 [^] (附註(5))	PRC/Mainland China 30 July 2019 中國/中國內地 2009年7月30日	RMB 22,000,000 22,000,000元人民幣	-	100	Waste water treatment and reusable water 污水處理和可水利用
Dalian EW Malanhe Water Co., Ltd. (formerly known as "Dalian Dongda Environment Group Malanhe Waste Water Treatment Co., Ltd") [^] (note (4) & note (5)) 大連光水馬欄河水務有限公司 (前稱「大連東達環境集團馬欄河污水處理有限公司」) [^] (附註(4)及附註(5))	PRC/Mainland China 28 July 2006 中國/中國內地 2006年7月28日	RMB 10,000,000 10,000,000元人民幣	-	100	Waste water treatment 污水處理
Dalian Pulandian Area EW Water Co., Ltd. (formerly known as "Dalian Dongda Environment Group Pulandian Water Co., Ltd") [^] (note (5)) 大連市普蘭店區光水水務有限公司 (前稱「大連東達環境集團普蘭店水務有限公司」) [^] (附註(5))	PRC/Mainland China 22 June 2006 中國/中國內地 2006年6月22日	RMB 34,500,000 34,500,000元人民幣	-	100	Waste water treatment 污水處理
Everbright Water (Dalian) Co., Ltd (formerly known as "Dalian Dongda Water Co., Ltd") ("Dalian Water") [^] (note (5)) 光大水務 (大連) 有限公司 (前稱「大連東達水務有限公司」) [^] (附註(5))	PRC/Mainland China 19 December 2003 中國/中國內地 2003年12月19日	RMB 120,000,000 120,000,000元人民幣	-	100	Waste water treatment 污水處理
Dalian Lvshun City Waste Water Treatment Co., Ltd. [^] (note (5)) 大連旅順城市污水處理有限公司 [^] (附註(5))	PRC/Mainland China 17 November 2003 中國/中國內地 2003年11月17日	RMB 13,000,000 13,000,000元人民幣	-	100	Waste water treatment 污水處理
Dalian Lvshun Sanjianpu Waste Water Treatment Co., Ltd. [^] (note (5)) 大連旅順三灣堡污水處理有限公司 [^] (附註(5))	PRC/Mainland China 10 September 2009 中國/中國內地 2009年9月10日	RMB 10,000,000 10,000,000元人民幣	-	100	Waste water treatment 污水處理

1. CORPORATE INFORMATION (cont'd)

1. 公司資料 (續)

Name 名稱	Place and date of incorporation/registration and place of business 註冊成立/登記地點及日期及 營業地點	Issued ordinary share/ paid up capital 已發行普通股/繳足股本	Percentage of equity attributable to the Company 本公司應佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Dalian Pulandian Area Texi EW Waste Water Treatment Co., Ltd. (formerly known as "Dalian Puwan New District Dongda Waste Water Treatment Co., Ltd") ^ (note (5)) 大連市普蘭店區鐵西光水污水處理有限公司 (前稱「大連普灣新區東連污水處理有限公司」)^ (附註(5))	PRC/Mainland China 12 July 2011 中國/中國內地 2011年7月12日	RMB 10,000,000 10,000,000元人民幣	-	100	Waste water treatment 污水處理
Dalian Siergou Water Co., Ltd.^ (note (4) & note (5)) 大連寺兒溝水務有限公司^ (附註(4)及附註(5))	PRC/Mainland China 31 July 2009 中國/中國內地 2009年7月31日	RMB 30,000,000 30,000,000元人民幣	-	100	Waste water treatment 污水處理
Dandong EW Waste Water Treatment Co., Ltd.^ (formerly known as "Dandong Dongda Waste Water Treatment Co., Ltd.") (note (5)) 丹東光大污水處理有限公司 (前稱「丹東東連污水處理有限公司」)^ (附註(5))	PRC/Mainland China 15 May 2009 中國/中國內地 2009年5月15日	RMB 10,000,000 10,000,000元人民幣	-	100	Waste water treatment 污水處理
Dezhou Everbright Water Pipeline Limited^ (note (5)) 德州市光大水務管網有限公司^ (附註(5))	PRC/Mainland China 20 March 2018 中國/中國內地 2018年3月20日	RMB 48,000,000 48,000,000元人民幣	-	100	Construction management 工程管理
Shenyang Hunnan EW Water Co., Ltd. (formerly known as "Dongda Group (Shenyang) Hunnan Water Co., Ltd") ^ (note (5)) 沈陽渾南光水水務有限公司 (前稱「東連集團(沈陽)渾南水務有限公司」)^ (附註(5))	PRC/Mainland China 29 July 2010 中國/中國內地 2010年7月29日	RMB 10,000,000 10,000,000元人民幣	-	100	Waste water treatment 污水處理
Tongliao City Northern Waste Water Treatment Co., Ltd. (formerly known as "Dongda Group Tongliao Water Co., Ltd") ^ (note (5)) 通遼市北部污水處理有限公司 (前稱「大連保稅區東連污水處理有限公司」)^ (附註(5))	PRC/Mainland China 25 December 2009 中國/中國內地 2009年12月25日	RMB 60,000,000 60,000,000元人民幣	-	100	Waste water treatment 污水處理

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1. 公司資料 (續)

1. CORPORATE INFORMATION (cont'd)

Name 名稱	Place and date of incorporation/registration and place of business 註冊成立/登記地點及日期及 營業地點	Issued ordinary share/ paid up capital 已發行普通股/繳足股本	Percentage of equity attributable to the Company 本公司應佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Dalian Zhuanghe EW Water Co., Ltd. (formerly known as "Dongda Group Zhuanghe Water Co., Ltd") ^ (note (5)) 大連莊河光水務有限公司 (前稱「東達集團莊河水務有限公司」) ^ (附註(5))	PRC/Mainland China 27 March 2008 中國/中國內地 2008年3月27日	RMB 10,000,000 10,000,000元人民幣	-	100	Waste water treatment 污水處理
E+B Environmental Technology (Nanjing) Co., Ltd* 德嘉碧環保科技(南京)有限公司*	PRC/Mainland China 7 May 2019 中國/中國內地 2019年5月7日	Euro 200,000 200,000歐元	-	80	R&D and consulting on water environmental technologies. 技術研發及水環境技術 諮詢
E+B Umwelttechnik GmbH	Germany 12 February 2018 德國 2018年2月12日	Euro ("EUR") 100,000 100,000歐元	-	80	R&D 技術研發
Everbright Industrial Waste Water Treatment Nanjing Limited" (note (5)) 光大工業廢水處理南京有限公司 ^ (附註(5))	PRC/Mainland China 2 September 2016 中國/中國內地 2016年9月2日	RMB 50,000,000 50,000,000元人民幣	-	60	Waste water treatment 污水處理
Everbright Reusable Water (Jiangyin) Limited* 光大中水利用(江陰)有限公司*	PRC/Mainland China 18 May 2011 中國/中國內地 2011年5月18日	US\$ 20,000,000 20,000,000美元	-	100	Reusable water 中水回用
Everbright Reusable Water (Nanjing) Limited* (note (5)) 光大中水利用(南京)有限公司* (附註(5))	PRC/Mainland China 14 March 2016 中國/中國內地 2016年3月14日	US\$ 11,700,000 11,700,000美元	-	100	Reusable water 中水回用

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1. 公司資料 (續)

1. CORPORATE INFORMATION (cont'd)

Name 名稱	Place and date of incorporation/registration and place of business 註冊成立/登記地點及日期及 營業地點	Issued ordinary share/ paid up capital 已發行普通股/繳足股本	Percentage of equity attributable to the Company 本公司應佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Everbright Water (Tongxiang) Limited* (note (5)) 光大水務(桐鄉)有限公司*(附註(5))	PRC/Mainland China 31 July 2019 中國/中國內地 2019年7月31日	RMB 270,000,000 270,000,000元人民幣	-	79.9	Construction and operation of wetland ecological engineering project 濕地生態工程的建設和 運營
Everbright Water (Haimen) Limited* (note (5)) 光大水務(海門)有限公司*(附註(5))	PRC/Mainland China 3 September 2019 中國/中國內地 2019年9月3日	RMB 70,000,000 70,000,000元人民幣	-	90	Waste water treatment and reusable water 污水處理和中水回用
Everbright Water (Huai'an) Limited* (note (5)) 光大水務(淮安)有限公司*(附註(5))	PRC/Mainland China 23 September 2019 中國/中國內地 2019年11月23日	USD 10,000,000 10,000,000美元	-	100	Waste water treatment 污水處理
Everbright River Basin Remediation (Nanjing) Limited* (note (5)) 光大河道整治(南京)有限公司*(附註(5))	PRC/Mainland China 9 November 2016 中國/中國內地 2016年9月9日	RMB 92,000,000 92,000,000元人民幣	-	100	River basin ecological repair 流域治理
Everbright Sponge City Development (Zhenjiang) Limited* (note (5)) 光大海綿城市發展(鎮江)有限公司*(附註(5))	PRC/Mainland China 1 June 2016 中國/中國內地 2016年6月1日	RMB 462,000,000 462,000,000元人民幣	70	-	Sponge city construction, operation and R&D 海綿城市建設、 運營及研發
Everbright Water (Beijing) Limited* (note (5)) 光大水務(北京)有限公司*(附註(5))	PRC/Mainland China 15 August 2006 中國/中國內地 2006年8月15日	RMB 119,310,000 119,310,000元人民幣	-	100	Waste water treatment 污水處理
Everbright Water (Binzhou) Limited* (note (5)) 光大水務(濱州)有限公司*(附註(5))	PRC/Mainland China 8 November 2007 中國/中國內地 2007年11月8日	RMB 48,220,000 48,220,000元人民幣	-	100	Waste water treatment 污水處理

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1. 公司資料 (續)

1. CORPORATE INFORMATION (cont'd)

Name 名稱	Place and date of incorporation/registration and place of business 註冊成立/登記地點及日期及 營業地點	Issued ordinary share/ paid up capital 已發行普通股/繳足股本	Percentage of equity attributable to the Company 本公司應佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Everbright Water (Boxing) Limited* (note (5)) 光大水務(博興)有限公司*(附註(5))	PRC/Mainland China 21 February 2008 中國/中國內地 2008年2月21日	HK\$ 94,375,000 94,375,000港元	-	100	Waste water treatment 污水處理
Everbright Water (Dezhou) Holdings Limited 光大水務(德州)控股有限公司	Hong Kong 8 November 2007 香港 2007年11月8日	HK\$100 100港元	-	100	Investment holding 投資控股
Everbright Water (Dezhou) Limited* (note (5)) 光大水務(德州)有限公司*(附註(5))	PRC/Mainland China 24 February 2012 中國/中國內地 2012年2月24日	US\$ 12,280,000 12,280,000美元	-	100	Waste water treatment 污水處理
Everbright Water (Jiangyin) Limited* (note (5)) 光大水務(江陰)有限公司*(附註(5))	PRC/Mainland China 26 December 2007 中國/中國內地 2007年12月26日	RMB 263,877,000 263,877,000元人民幣	-	70	Waste water treatment 污水處理
Everbright Water (Jinan Licheng) Limited* (note (5)) 光大水務(濟南曆城)有限公司*(附註(5))	PRC/Mainland China 26 November 2008 中國/中國內地 2008年11月26日	RMB 386,848,000 386,848,000元人民幣	-	100	Waste water treatment 污水處理
Everbright Water (Jinan) Holdings Limited 光大水務(濟南)控股有限公司	Hong Kong 11 June 2007 香港 2007年6月11日	HK\$100 100港元	-	100	Investment holding 投資控股

1. CORPORATE INFORMATION (cont'd)

1. 公司資料 (續)

Name 名稱	Place and date of incorporation/registration and place of business 註冊成立/登記地點及日期及 營業地點	Issued ordinary share/ paid up capital 已發行普通股/繳足股本	Percentage of equity attributable to the Company 本公司應佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
EW (Zibo Zhangdian) Waste Water Treatment Co., Ltd* (note (5)) 光水 (濰博張店) 污水處理有限公司* (附註(5))	PRC/Mainland China 22 August 2019 中國/中國內地 2019年8月22日	USD 4,925,000 4,925,000美元	-	100	Waste water treatment and reusable water 污水處理和中水回用
EW (Ji'nan Tangye) Water Limited* (note (5)) 光水 (濟南唐冶) 水務有限公司* (附註(5))	PRC/Mainland China 17 December 2019 中國/中國內地 2019年12月17日	RMB 104,291,600 104,291,600元人民幣	-	99.9	Waste water treatment and reusable water 污水處理和中水回用
Everbright Water (Ji'nan) Limited* (note (5)) 光大水務 (濟南) 有限公司* (附註(5))	PRC/Mainland China 10 October 2006 中國/中國內地 2006年10月10日	US\$ 106,246,600 106,246,600美元	-	100	Waste water treatment 污水處理
Everbright Water (Juxian) Limited* (note (5)) 光大水務 (莒縣) 有限公司* (附註(5))	PRC/Mainland China 1 July 2015 中國/中國內地 2015年7月1日	RMB 58,200,000 58,200,000元人民幣	-	100	Waste water treatment 污水處理
Everbright Water (Kunshan) Limited* (note (5)) 光大水務 (昆山) 有限公司* (附註(5))	PRC/Mainland China 29 March 2004 中國/中國內地 2004年3月29日	HK\$ 100,000,000 100,000,000港元	-	100	Waste water treatment 污水處理
Everbright Water (Laiyang) Limited# 光大水務 (萊陽) 有限公司#	PRC/Mainland China 4 December 2018 中國/中國內地 2018年12月4日	RMB 169,521,765 169,521,765元人民幣	-	90	Waste water treatment 污水處理

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1. 公司資料 (續)

1. CORPORATE INFORMATION (cont'd)

Name 名稱	Place and date of incorporation/registration and place of business 註冊成立/登記地點及日期及 營業地點	Issued ordinary share/ paid up capital 已發行普通股/繳足股本	Percentage of equity attributable to the Company 本公司應佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Everbright Water (Lianyungang) Limited* (note (5)) 光大水務 (連雲港) 有限公司* (附註(5))	PRC/Mainland China 21 June 2005 中國/中國內地 2005年6月21日	HK\$ 78,980,250 78,980,250港元	-	100	Waste water treatment 污水處理
Everbright Water (Lingxian) Limited* (note (5)) 光大水務 (陵縣) 有限公司* (附註(5))	PRC/Mainland China 10 December 2009 中國/中國內地 2009年12月10日	US\$ 10,962,800 10,962,800美元	-	100	Waste water treatment 污水處理
Everbright Water (Nanjing) Limited* (note (5)) 光大水務 (南京) 有限公司* (附註(5))	PRC/Mainland China 21 March 2006 中國/中國內地 2006年3月21日	RMB 96,186,423 96,186,423元人民幣	-	100	Waste water treatment 污水處理
Everbright Water (Nanning) Limited* (“EB Water Nanning”) (note (4) & note (5)) 光大水務 (南寧) 有限公司* (附註(4)及附註(5))	PRC/Mainland China 30 September 2017 中國/中國內地 2017年9月30日	RMB 488,690,000 488,690,000元人民幣	79.6 note (2) 79.6 附註 (2)	-	River restoration works 河流修復工程
Everbright Water (Qingdao) Holdings Limited (“EW (Qingdao) Holdings”) 光大水務 (青島) 控股有限公司 (「光大水務 (青島) 控股」)	Hong Kong 15 October 2003 香港 2003年10月15日	HK\$ 10,710,680 10,710,680港元	-	100	Investment holding 投資控股
Everbright Water (Qingdao) Limited (“EB Water Qingdao”)* (note (5)) 光大水務 (青島) 有限公司 (「光大水務青島」) * (附註(5))	PRC/Mainland China 13 August 2004 中國/中國內地 2004年8月13日	US\$ 15,257,400 15,257,400美元	-	60 Note (3) 60 附註 (3)	Waste water treatment 污水處理

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1. 公司資料 (續)

1. CORPORATE INFORMATION (cont'd)

Name 名稱	Place and date of incorporation/registration and place of business 註冊成立/登記地點及日期及 營業地點	Issued ordinary share/ paid up capital 已發行普通股/繳足股本	Percentage of equity attributable to the Company 本公司應佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Everbright Water (Shenzhen) Limited* 光大水務 (深圳) 有限公司*	PRC/Mainland China 16 March 2015 中國/中國內地 2015年3月16日	HK\$ 10,000,000 10,000,000港元	-	100	Water investment and management 水務投資及管理
Everbright Water (Suizhou) Holdings Limited 光大水務 (隨州) 控股有限公司	Hong Kong 17 March 2017 香港 2017年3月17日	HK\$100 100港元	-	100	Investment holding 投資控股
Everbright Water (Suzhou) Limited# (note (5)) 光大水務 (蘇州) 有限公司# (附註(5))	PRC/Mainland China 3 July 2006 中國/中國內地 2006年7月3日	HK\$ 258,000,000 258,000,000港元	-	100	Waste water treatment 污水處理
Everbright Water (Wuxi) Holdings Limited 光大水務 (無錫) 控股有限公司	Hong Kong 3 October 2007 香港 2017年10月3日	HK\$100 100港元	-	100	Investment holding 投資控股
Everbright Water (Xianyang) Limited* (note (4) & note (5)) 光大水務 (咸陽) 有限公司* (附註(4)及附註(5))	PRC/Mainland China 19 May 2003 中國/中國內地 2003年5月19日	RMB 94,000,000 94,000,000元人民幣	-	100	Waste water treatment 污水處理
Everbright Water Operating (Xinyi) Limited# (note (5)) 光大水務運營 (新沂) 有限公司# (附註(5))	PRC/Mainland China 24 June 2016 中國/中國內地 2016年6月24日	US\$ 19,496,300 19,496,300美元	-	60.4	Waste water treatment and reusable water 污水處理及中水回用

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1. 公司資料 (續)

1. CORPORATE INFORMATION (cont'd)

Name 名稱	Name 名稱	Place and date of incorporation/registration and place of business 註冊成立/登記地點及日期及 營業地點	Issued ordinary share/ paid up capital 已發行普通股/繳足股本	Percentage of equity attributable to the Company 本公司應佔股權百分比		Principal activities 主要業務
				Direct 直接	Indirect 間接	
Everbright Water Purification Nanjing Limited [^] (note (5)) 光大水質淨化南京有限公司 [^] (附註(5))	PRC/Mainland China 23 November 2006 中國/中國內地 2006年11月23日	RMB 14,750,000 14,750,000元人民幣	-	100	Waste water treatment 污水處理	
Everbright Water Suizhou Water Environment Management Limited [#] (note (5)) 光大水務隨州水環境治理有限公司 [#] (附註(5))	PRC/Mainland China 8 May 2017 中國/中國內地 2017年5月8日	RMB 260,000,000 260,000,000元人民幣	78.4	-	River restoration works 河流修復工程	
Everbright Water (Xinyi) Limited [*] 光大水務(新沂)有限公司 [*]	PRC/Mainland China 4 March 2010 中國/中國內地 2010年3月4日	HK\$ 174,590,000 174,590,000港元	-	100	Waste water treatment 污水處理	
Everbright Water (Xuzhou) Holdings Limited [^] 光大水務(徐州)控股有限公司 [^]	Hong Kong 14 January 2010 香港 2010年1月14日	HK\$100 100港元	-	100	Investment holding 投資控股	
Everbright Water (Xuzhou) Limited [^] 光大水務(徐州)有限公司 [^]	PRC/Mainland China 4 December 2018 中國/中國內地 2018年12月4日	RMB 15,438,000 15,438,000元人民幣	-	100	Leachate and waste water treatment 滲濾液及污水處理	
Everbright Water (Yangzhou) Limited [*] (note (5)) 光大水務(揚州)有限公司 [*] (附註(5))	PRC/Mainland China 14 December 2004 中國/中國內地 2004年12月14日	US\$ 16,000,000 16,000,000美元	-	100	Waste water treatment 污水處理	

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1. 公司資料 (續)

1. CORPORATE INFORMATION (cont'd)

Name 名稱	Place and date of incorporation/registration and place of business 註冊成立/登記地點及日期及 營業地點	Issued ordinary share/ paid up capital 已發行普通股/繳足股本	Percentage of equity attributable to the Company 本公司應佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Everbright Water (Zhangqiu) Limited* (note (5)) 光大水務 (章丘) 有限公司* (附註(5))	PRC/Mainland China 4 June 2013 中國/中國內地 2013年6月4日	RMB 30,349,700 30,349,700元人民幣	-	100	Waste water treatment 污水處理
Everbright Water (Zhangqiu) Operating Limited* (note (5)) 光大水務 (章丘) 運營有限公司* (附註(5))	PRC/Mainland China 14 April 2016 中國/中國內地 2016年4月14日	RMB 65,507,600 65,507,600元人民幣	-	95	Waste water treatment and operation services 污水處理及經營服務
Everbright Water (Zibo Zhoucun) Water Purification Co., Ltd.* (note (5)) 光大水務 (淄博周村) 淨水有限公司* (附註(5))	PRC/Mainland China 5 December 2007 中國/中國內地 2007年12月5日	HK\$ 35,000,000 35,000,000港元	-	100	Waste water treatment 污水處理
Everbright Water (Zibo) Holdings Limited 光大水務 (淄博) 控股有限公司	Hong Kong 11 June 2007 香港 2007年6月11日	HK\$100 100港元	-	100	Investment holding 投資控股
Everbright Water (Zibo) Limited* (note (5)) 光大水務 (淄博) 有限公司* (附註(5))	PRC/Mainland China 15 November 2005 中國/中國內地 2005年11月15日	US\$ 85,666,900 85,666,900美元	-	100	Waste water treatment 污水處理
Everbright Water Technology Development (Nanjing) Limited* 光大水務科技發展 (南京) 有限公司*	PRC/Mainland China 18 April 2017 中國/中國內地 2017年4月18日	RMB 10,000,000 10,000,000元人民幣	-	100	R&D and consultation on technology 技術研發及諮詢

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1. 公司資料 (續)

1. CORPORATE INFORMATION (cont'd)

Name 名稱	Name 名稱	Place and date of incorporation/registration and place of business 註冊成立/登記地點及日期及 營業地點	Issued ordinary share/ paid up capital 已發行普通股/繳足股本	Percentage of equity attributable to the Company 本公司應佔股權百分比		Principal activities 主要業務
				Direct 直接	Indirect 間接	
Everbright Water Treatment (Jiangyin) Limited ^a (note (5)) 光大水處理 (江陰) 有限公司* (附註(5))		PRC/Mainland China 5 September 2017 中國/中國內地 2017年9月5日	US\$ 100,000,000 10,000,000美元	-	100	Waste water treatment and construction and maintenance of pipeline network 污水處理及管網的建造 及維護
Jiangsu Tongyong Environment Engineering Co., Ltd. ^a 江蘇通用環境工程有限公司 ^a		PRC/Mainland China 11 June 2007 中國/中國內地 2007年6月11日	RMB 55,080,000 55,080,000元人民幣	-	100	Construction engineering 建造工程
Ji'nan Everbright Water Supply Limited ^b (note (5)) 濟南光大供水有限公司 ^b (附註(5))		PRC/Mainland China 10 August 2017 中國/中國內地 2017年8月10日	RMB 250,000,000 250,000,000元人民幣	-	80	Water supply, construction and operation of water source and water supply facility 供水、水源及供水設施的 建造及營運
Joyer International Limited 卓越國際有限公司		BVI 7 October 2010 英屬維京群島 2010年10月7日	US\$1 1美元	100	-	Investment holding 投資控股
Ju County EW Water Limited ^c (note (5)) 莒縣光水水務有限公司* (附註(5))		PRC/Mainland China 12 November 2019 中國/中國內地 2019年11月12日	HK\$ 83,130,000 83,130,000港元	-	100	Waste water treatment and reusable water 污水處理和中水回用
Ju County EW Waste Water Co., Ltd. ^c (note (5)) 莒縣光水污水處理有限公司 ^c (附註(5))		PRC/Mainland China 12 June 2019 中國/中國內地 2019年6月12日	RMB 31,523,400 31,523,400元人民幣	-	100	Waste water treatment and reusable water 污水處理和中水回用

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1. 公司資料 (續)

1. CORPORATE INFORMATION (cont'd)

Name 名稱	Place and date of incorporation/registration and place of business 註冊成立/登記地點及日期及 營業地點	Issued ordinary share/ paid up capital 已發行普通股/繳足股本	Percentage of equity attributable to the Company 本公司應佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
New Efficient Limited 新環境有限公司	BVI 22 January 2004 英屬維京群島 2004年1月22日	US\$100 100美元	-	100	Investment holding 投資控股
Newsussex International Limited 新薩西克斯國際有限公司	BVI 15 March 2005 英屬維京群島 2005年3月15日	US\$1 1美元	-	100	Investment holding 投資控股
Ocean Force International Limited	BVI 11 July 2003 英屬維京群島 2003年7月11日	US\$1 1美元	100	-	Investment holding 投資控股
Ocean Master International Limited	BVI 11 July 2003 英屬維京群島 2003年7月11日	US\$1 1美元	-	100	Investment holding 投資控股
Oriental Fortune International Limited	Hong Kong 7 May 2004 香港 2004年5月7日	HK\$10,000 10,000港元	-	100	Investment holding 投資控股
Panjin City Waste Water Treatment Co., Ltd. (note (5)) 盤錦城市污水處理有限公司 [^] (附註(5))	PRC/Mainland China 5 December 2003 中國/中國內地 2003年12月5日	RMB 44,000,000 44,000,000元人民幣	-	100	Waste water treatment 投資控股

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1. 公司資料 (續)

1. CORPORATE INFORMATION (cont'd)

Name 名稱	Place and date of incorporation/registration and place of business 註冊成立/登記地點及日期及 營業地點	Issued ordinary share/ paid up capital 已發行普通股/繳足股本	Percentage of equity attributable to the Company 本公司應佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Sanmenxia Everbright Water Limited* (note (5)) 三門峽光大水務有限公司* (附註(5))	PRC/Mainland China 6 January 2011 中國/中國內地 2011年1月6日	RMB 22,000,000 22,000,000元人民幣	-	100	Waste water treatment 污水處理
Shanghai Weiyang Construction Design Co., Ltd. ("Shanghai Weiyang") ^ 上海未央建設工程設計有限公司 (「上海未央」) ^	PRC/Mainland China 26 April 2011 中國/中國內地 2011年4月26日	RMB 1,000,000 1,000,000元人民幣	-	100	Survey, mapping, design and consultancy for municipal projects 市政府項目的勘察、 測繪、設計及諮詢
Sky Billion Limited 天億有限公司	BVI 14 January 2004 英屬維京群島 2004年1月14日	US\$ 10,000 10,000美元	-	100	Investment holding 投資控股
Suqian City Cheng Bei Wastewater Treatment Co., Ltd.* 宿遷市城北污水處理發展有限公司*	PRC/Mainland China 30 May 2005 中國/中國內地 2005年5月30日	US\$ 3,100,000 3,100,000美元	-	100	Waste water treatment 污水處理
Suqian City Cheng Bei Water Treatment Co., Ltd.* 宿遷市城北水務發展有限公司*	PRC/Mainland China 30 May 2005 中國/中國內地 2005年5月30日	US\$ 3,250,000 3,250,000美元	-	100	Waste water treatment 污水處理
Tianjin Hanquan Environment Technology Limited* 天津漢泉環保科技有限公司*	PRC/Mainland China 7 March 2013 中國/中國內地 2013年3月7日	HK\$ 2,000,000 2,000,000港元	-	100	Investment holding 投資控股

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財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

1. 公司資料 (續)

1. CORPORATE INFORMATION (cont'd)

Name 名稱	Place and date of incorporation/registration and place of business 註冊成立/登記地點及日期及 營業地點	Issued ordinary share/ paid up capital 已發行普通股/繳足股本	Percentage of equity attributable to the Company 本公司應佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Victor Best Holdings Limited	BVI 12 June 2012 英屬維京群島 2012年6月12日	US\$50,000 50,000美元	-	100	Investment holding 投資控股
World Pioneer Investments Limited 國際先鋒有限公司	BVI 11 July 2003 英屬維京群島 2003年7月11日	US\$100 100美元	-	100	Investment holding 投資控股
Xuzhou Municipal Engineering Design Institute Co., Ltd. ("Xuzhou Engineering Design Institute") 徐州市政設計院有限公司 (「徐州設計院」) ^	PRC/Mainland China 30 December 1985 中國/中國內地 1985年12月30日	RMB 6,000,000 6,000,000元人民幣	-	100	Survey, mapping, design and consultancy for municipal projects 市政項目的勘察、測繪、 設計及諮詢
Zhuanghe City EW Waste Water Treatment Co., Ltd.* 莊河市光大污水處理有限公司*	PRC/Mainland China 13 December 2019 中國/中國內地 2019年12月13日	RMB 42,000,000 42,000,000元人民幣	-	95	Waste water treatment 污水處理
Zibo Everbright Water Energy Development Company Limited* (note (4) & note (5)) 淄博光大水務能源開發有限公司^ (附註(4)及 附註(5))	PRC/Mainland China 8 June 2009 中國/中國內地 2009年6月8日	RMB 51,350,000 51,350,000元人民幣	-	100	Waste water source heat pump 污水源熱泵
^	Registered under the laws of the PRC as private companies with limited liability 根據中國法律註冊為私營有限公司				
*	Registered under the laws of the PRC as foreign investment enterprises 根據中國法律註冊為外商投資企業				
#	Registered under the laws of the PRC as Sino-foreign co-operation joint ventures 根據中國法律註冊為中外合資企業				

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財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

1. CORPORATE INFORMATION (cont'd)

Notes:

- (1) All significant subsidiaries are audited by member firm of Ernst & Young Global in China for group consolidation purpose. For this purpose, a subsidiary or an associated company is considered significant, as defined under the Listing Manual of the Singapore Exchange Securities Trading Limited, if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits. For the avoidance of doubt, the Group did not have any associated company which was considered significant for the year ended 31 December 2019.
- (2) The Company is committed to contributing 79.6474% of EB Water Nanning's registered capital. The remaining 20.3526% registered capital is contributed by three PRC joint venture partners. Except for one of the PRC joint venture partners, who is committed to contributing 0.0097% of registered capital and shall not be entitled to the net profit of EB Water Nanning, the Company and other two PRC joint venture partners share the net profit of EB Water Nanning on the basis of their respective proportions of registered capital contribution.
- (3) EW (Qingdao) Holdings, a wholly-owned subsidiary of the Company and the foreign joint venture partner of EB Water Qingdao, is committed to contributing 60% of EB Water Qingdao's registered capital. The remaining 40% registered capital is contributed by a PRC joint venture partner. EW (Qingdao) Holdings is fully entitled to the net profit of EB Water Qingdao for the first 14 years of the joint venture period. From the 15th year of the joint venture period onwards, the net profit of EB Water Qingdao is to be shared by EW (Qingdao) Holdings and the PRC joint venture partner on a 98:2 basis.
- (4) These subsidiaries of the Group entered into service concession arrangements with the local government authorities in the PRC (the "Grantors"). Pursuant to the service concession arrangements, the Group was granted rights to construct, operate and maintain waste water treatment related projects in the PRC for a period of 20 to 32 years. The Group has the obligation to maintain and restore the waste water treatment related projects in good condition. The service fees are based on the extent of services rendered and are subject to approvals from the relevant local government authorities. Upon expiry of the concession periods, the waste water treatment related projects and facilities will be transferred to the local government authorities.

The service concession arrangements do not contain renewal options. Both the Grantors and the Group have the rights to terminate the agreements in the event of a material breach of the terms of the agreements.

Operating rights of the waste water treatment related projects are recognised as "Intangible assets" in the statements of financial position.

1. 公司資料 (續)

附註：

- (1) 所有主要附屬公司均由全球Ernst & Young為集團中國成員所合併之目的而進行審計。就此而言，誠如新加坡證券交易所上市手冊所界定，如果附屬公司或聯營公司的有形資產淨額占本集團綜合有形資產淨額的20%或以上，或如果附屬公司或聯營公司除稅前盈利占本集團綜合除稅前盈利的20%或以上，則該附屬公司或聯營公司則被視為主要附屬公司或主要聯營公司。未免疑義，本集團無聯營公司在截至二零一九年十二月三十一日止年度被視為主要聯營公司。
- (2) 本公司承諾注入光大水務南寧79.6474%註冊資本。餘下20.3526%註冊資本由中國三間合營企業注入。除一間承諾注入0.0097%註冊資本且無權享有光大水務南寧的淨盈利的中國合營企業外，本公司及其他兩間中國合營企業基於彼等各自的註冊資本注入比例分攤光大水務南寧的淨盈利。
- (3) 本公司之全資附屬公司兼光大水務青島之外方合營夥伴—光大水務（青島）控股承諾注入光大水務青島60%註冊資本。餘下40%註冊資本由中方合營夥伴注入。光大水務（青島）控股於合營期首14年可全數享有光大水務青島之淨盈利。而由第15年合營期起，光大水務青島之淨盈利將由光大（青島）控股及中方合營夥伴按98:2之比例攤分。
- (4) 本集團該等附屬公司與中國當地政府機關（「授權人」）訂立服務特許經營安排。根據服務特許經營安排，本集團獲授權在中國建造、運營及維護污水處理相關項目，為期20至32年。本集團有責任維持及恢復污水處理相關項目的良好狀況。服務費按已提供之服務而定，並須待有關當地政府機關批准後方可作實。待特許經營期屆滿後，污水處理相關項目將移交當地政府機關所有。

服務特許經營安排並無續約選擇。授權人及本集團均有權於協議條款遭重大違反之情況下終止有關協議。

污水處理相關項目之運營權在財務狀況表中確認為「無形資產」。

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For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

1. CORPORATE INFORMATION (cont'd)

Notes: (cont'd)

- (5) These subsidiaries of the Group entered into service concession arrangements with the Grantors. Pursuant to the service concession arrangements, the Group has to design, construct and/or upgrade, operate and maintain waste water treatment related projects in the PRC for a period of 10 to 32 years. The Group has the obligation to maintain the waste water treatment related projects in good condition. The Grantors guarantee the Group will receive minimum annual payments in connection with the arrangements. Upon expiry of the concession periods, the waste water treatment related projects and facilities will be transferred to the local government authorities.

The service concession arrangements do not contain renewal options. The standard rights of the Grantors to terminate the agreements include the failure of the Group to construct, upgrade or operate the waste water treatment related projects and in the event of a material breach of the terms of the agreements. The standard rights of the Group to terminate the agreements include failure to receive payments for waste water treatment service from the Grantors and in the event of a material breach of the terms of the agreements.

Revenue relates to the construction services provided in constructing or upgrading the waste water treatment related projects is recognised as "Contract assets" in the statements of financial position.

2.1 BASIS OF PRESENTATION

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. 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.

All intra-group transactions and balances have been eliminated on consolidation.

2.2 BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise all standards and interpretations approved by the International Accounting Standards Board (the "IASB"). All IFRSs effective for the accounting period commencing from 1 January 2019, together with the relevant transitional provisions, have been consistently applied by the Group in the preparation of the financial statements throughout the financial periods.

1. 公司資料 (續)

附註：(續)

- (5) 本集團該等附屬公司與授權人訂立服務特許經營安排。根據服務特許經營安排，本集團須於中國設計、建造及/或提標、運營及維護污水處理相關項目，為期10至32年。本集團有責任維持污水處理相關項目的良好狀況。授權人擔保，就有關安排而言，本集團將可每年收取最低保證款項。待特許經營期屆滿後，污水處理相關項目及設施將移交當地政府機關所有。

服務特許經營安排並無續約選擇。授權人可行使標準權利終止協議之情況包括：本集團未能建造、提標或運營污水處理相關項目以及協議條款遭重大違反。本集團可行使標準權利終止協議之情況包括：未能從授權人取得污水處理服務費，以及協議條款遭重大違反。

因建造或提標污水處理相關項目而提供建造服務所得之相關收入在財務狀況表中確認為「合約資產」。

2.1 呈列基準

附屬公司之財務報表乃使用一致會計政策按本公司同一報告期間編制。附屬公司之業績乃自本集團取得控制權之日起予以合併，並一直納入合併範圍，直至有關控制權終止之日為止。

所有集團內的交易及結餘乃於合併入賬時對銷。

2.2 編製基準

財務報表乃根據國際財務報告準則（「國際財務報告準則」）（包括由國際會計準則委員會（「國際會計準則委員會」）批准的所有準則及詮釋）編制。於編制財務報表的相關期間，本集團已貫徹採用自二零一九年一月一日起之會計期間已生效的所有國際財務報告準則連同相關過渡性條文。

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2.2 BASIS OF PREPARATION (cont'd)

The principal effects of adopting these new and revised IFRSs are as follows:

(a) IFRS 16 Leases

IFRS 16 supersedes IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor. The Group adopted IFRS16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application as an adjustment to the opening balance of retained earnings. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 January 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying IAS17 and IFRIC4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (“**short-term leases**”), and lease contracts for which the underlying asset is of low value (“**low-value assets**”).

The Group's prepaid land lease payments represent right-of-use assets under IFRS 16. These were classified as right-of-use assets as at 1 January 2019.

2.2 編製基準 (續)

採納此等新訂及經修訂國際財務報告準則的主要影響如下：

(a) 國際財務報告準則第16號租賃

國際財務報告準則第16號取代國際會計準則第17號租賃、國際財務報告詮釋委員會詮釋第4號確定一項安排是否包含租賃、準則詮釋委員會詮釋—第15號經營租賃—激勵以及準則詮釋委員會詮釋—第27號評估涉及租賃法律形式的交易實質。該準則已規定租賃確認、計量、呈列和披露原則，並要求承租人在資產負債表內確認大部分租賃。

國際財務報告準則第16號項下規定的出租人會計計量與國際會計準則第17號項下規定的並無實質性改變。出租人將繼續按照與國際會計準則第17號相類似的分類原則對租賃進行分類，並對經營租賃和融資租賃作出區分。因此，國際財務報告準則第16號對本集團作為出租人的租賃並無影響。本集團透過採用經修訂追溯法採納國際財務報告準則第16號，並於二零一九年一月一日首次應用。根據以上方法，已追溯應用該準則，而首次應用該準則的累計影響於首次應用當日確認保留盈餘利期初結餘的調整。本集團選擇應用過渡性的實際權益方法及不會於二零一九年一月一日重新評估合同是否屬於或包括租賃。取而代之，本集團僅對於首次應用日期根據國際會計準則第17號及國際財務報告詮釋委員會詮釋第4號先前確定為租賃之合同應用該準則。本集團亦選擇使用租賃合約的確認豁免，即其於開始日期之租期為十二個月或以下，並不包括購買選擇權（「**短期租賃**」），以及租賃合約中的相關低價值資產（「**低價值資產**」）。

本集團之預付土地租賃款項為國際財務報告準則第16號項下之使用權資產。該等款項於二零一九年一月一日分類為使用權資產。

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2.2 BASIS OF PREPARATION (cont'd)

(a) IFRS 16 Leases (cont'd)

The Group has lease contracts for various items of plant, machinery, vehicles and other equipment. Before the adoption of IFRS 16, the Group has classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under "Prepayments" and "Trade and other payables", respectively.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Group.

Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e. the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under IAS 17). The requirements of IFRS 16 were applied to these leases from 1 January 2019.

2.2 編製基準 (續)

(a) 國際財務報告準則第16號租賃 (續)

本集團擁有各類廠房、機器、車輛及其他設備項目之租賃合約。於採納國際財務報告準則第16號前，本集團於開始日期將其各自的租賃（作為承租人）分類為融資租賃或經營租賃。倘租賃將與本集團租賃的資產所有權有關的絕大部分風險及回報轉移至本集團，則該租賃被歸類為融資租賃；否則則為經營租賃。融資租賃在租賃開始時按照租賃物業的公允價值或最低租賃付款額現值兩者孰低，進行資本化。租賃付款額在利息（確認為財務費用）和減少租賃負債之間分攤。於經營租賃中，租賃物業不會予以資本化，而租賃付款額於租期內按直線法於損益中確認為租金開支。任何預付租金及應計租金分別在「預付款項」以及「應付賬款及其他應付款項」項下確認。

於採納國際財務報告準則第16號時，本集團對所有租賃採用單一確認及計量法，惟短期租賃及低價值資產租賃除外。該準則訂明特定過渡性要求及實際權宜方法，已獲本集團採用。

先前分類為融資租賃的租賃

對於先前分類為融資租賃的租賃（即使用權資產及租賃負債等於根據國際會計準則第17號確認的租賃資產及負債），本集團並未更改於首次應用日期已確認資產及負債的初始賬面價值。國際財務報告準則第16號的規定已自二零一九年一月一日起應用於該等租賃。

NOTES TO THE FINANCIAL STATEMENTS

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For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

2.2 BASIS OF PREPARATION (cont'd)

(a) IFRS 16 Leases (cont'd)

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for the most leases were recognised based on the carrying amount as if the standard has always been applied, using the incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- applied the short-term leases exemption to lease with lease term that ends within 12 months of initial application;
- excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Based on the above, as at 1 January 2019:

- No right-of-use assets were recognised and presented separately in the statement of financial position;
- No additional lease liabilities were recognised.

2.2 編製基準 (續)

(a) 國際財務報告準則第16號租賃 (續)

先前確認為經營租賃的租賃

除短期租賃及低價值資產租賃外，本集團就先前分類為經營租賃的該等租賃確認使用權資產及租賃負債。大部分租賃的使用權資產於首次應用日期使用增量借款利率根據賬面價值予以確認，猶如已一直應用該準則。租賃負債按剩餘租賃款項的現值，經使用首次應用日期的增量借款利率折現後予以確認。

本集團亦應用可供使用的實際權宜方法，當中：

- 對具有合理相似特徵的租賃組合使用單一折現率；
- 對租賃期於首次應用起計十二個月內結束的租賃應用短期租賃確認豁免；
- 於首次應用日期計量使用權資產時撇除初步直接成本；及
- 倘合約包含延長或終止租賃的選擇權，則於事後釐定租賃期。

根據上述情況，於二零一九年一月一日：

- 並無已確認並單獨地於財務狀況表內呈列的使用權資產；
- 並無已確認額外租賃負債。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

2.2 BASIS OF PREPARATION (cont'd)

(a) IFRS 16 Leases (cont'd)

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018 as follows:

		HK\$'000 千港元
Operating lease commitments as at 31 December 2018	二零一八年十二月三十一日的經營租賃承擔	10,678
Weighted average incremental borrowing rate as at 1 January 2019	二零一九年一月一日的加權平均增量借貸利率	4.56%
Discounted operating lease commitments at 1 January 2019	二零一九年一月一日的折現經營租賃承擔	9,315
Less:	減：	
Commitments relating to short-term leases	有關短期租賃的承擔	(9,315)
Lease liabilities as at 1 January 2019	二零一九年一月一日的租賃負債	-

(b) IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 *Income Taxes*. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- whether an entity considers uncertain tax treatments separately;
- the assumptions an entity makes about the examination of tax treatments by taxation authorities;
- how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and
- how an entity considers changes in facts and circumstances.

2.2 編製基準 (續)

(a) 國際財務報告準則第16號租賃 (續)

於二零一九年一月一日的租賃負債與二零一八年十二月三十一日的經營租賃承擔的對賬如下：

(b) 國際財務報告詮釋委員會詮釋第23號所得稅處理之不確定性

倘稅項處理涉及影響應用國際會計準則第12號 *所得稅* 的不確定性，該詮釋處理該情況下的所得稅會計方法。該詮釋不適用於國際會計準則第12號範圍外的稅項或徵稅，尤其亦不包括不確定稅項處理相關的權益及處罰相關規定。該詮釋具體處理以下事項：

- 實體是否考慮對不確定稅項進行單獨處理；
- 實體對稅務機關的稅項處理檢查所作的假設；
- 實體如何釐定應課稅盈利（稅項虧損）、稅基、未動用稅項虧損、未動用稅收抵免及稅率；及
- 實體如何考慮事實及情況變動。

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For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

2.2 BASIS OF PREPARATION (cont'd)

- (b) IFRIC Interpretation 23 Uncertainty over Income Tax Treatment (cont'd)

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex multinational environment, it assessed whether the Interpretation had an impact on its consolidated financial statements.

Upon adoption of the Interpretation, the Group considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Company's and the subsidiaries' tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Group determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The Interpretation did not have an impact on the consolidated financial statements of the Group.

- (c) Amendments to IFRS 9: Prepayment Features with Negative Compensation

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cashflow are "solely payments of principal and interest on the principal amount outstanding" (the "**SPPI criterion**") and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the consolidated financial statements of the Group.

2.2 編製基準 (續)

- (b) 國際財務報告詮釋委員會詮釋第23號所得稅處理之不確定性 (續)

本集團釐定是單獨考慮各項不確定稅項處理，或是結合一項或多項其他不確定稅項處理一併考慮，並採用能更好地預測不確定性的解決方案之方法。

本集團於確定所得稅處理不確定性時運用重大判斷。由於本集團在複雜的跨國環境下經營，本集團已評估該詮釋是否會對其綜合財務報表造成影響。

於採納該詮釋時，本集團考慮其是否存在任何不確定稅務情況（尤其是與轉移定價有關時）。本公司及附屬公司於不同司法權區進行的稅務申報包括有關轉移定價的抵扣，而稅務機關可能質疑有關稅項處理。本集團根據其對稅務合規及轉移定價的研究確定，其稅項處理（包括對附屬公司的稅項處理）可能會獲稅務機關接受。該詮釋對本集團的綜合財務報表並無影響。

- (c) 國際財務報告準則第9號（修訂本）：具有負補償的提前還款特性

根據國際財務報告準則第9號，債務工具可按攤餘成本或以公允價值計入其他綜合收益計量，前題為合約現金流量為「僅支付本金及未償還本金的利息」（「**SPPI 標準**」）且該工具以該分類適用的業務模式而持有。國際財務報告準則第9號（修訂本）澄清，金融資產通過SPPI標準，而不論有關事件或情況導致合同提早終止且不論哪一方因合同提早終止而支付或收取合理補償。該等修訂對本集團的綜合財務報表並無影響。

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2.2 BASIS OF PREPARATION (cont'd)

- (d) Amendments to IAS 19: Plan Amendment, Curtailment or Settlement

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments had no impact on the consolidated financial statements of the Group as it did not have any plan amendments, curtailments, or settlements during the year.

- (e) Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests. The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

These amendments had no impact on the consolidated financial statements as the Group does not have long-term interests in its associates.

2.2 編製基準 (續)

- (d) 國際會計準則第19號 (修訂本) : 計劃修訂、縮減或清償

國際會計準則第19號 (修訂本) 針對於報告期內發生計劃修訂、縮減或清償時的會計處理。該等修訂明確指出，當於年度報告期間發生計劃修訂、縮減或清償時，實體須使用反映該事件後根據計劃及計劃資產所提供利益重新計量界定福利負債 (資產) 淨額所使用的精算假設，釐定計劃修訂、縮減或清償後剩餘期間的當前服務成本。實體亦須使用反映該事件後根據計劃及計劃資產所提供利益的界定福利負債 (資產) 淨額以及重新計量界定福利負債 (資產) 淨額所使用的折現率，釐定計劃修訂、縮減或清償後剩餘期間的淨利息。

該等修訂對本集團綜合財務報表並無影響，原因為年內並無計劃進行修訂、縮減或清償。

- (e) 國際會計準則第28號 (修訂本) : 於聯營公司及合營公司的長期權益

該等修訂澄清，實體將國際財務報告準則第9號應用於未使用權益法但實質上構成於聯營公司或合營公司的淨投資 (長期權益) 一部分的於聯營公司或合營公司的長期權益。該澄清具有相關性，因其說明國際財務報告準則第9號的預期信貸虧損模型適用於該等長期權益。該等修訂亦澄清，應用國際財務報告準則第9號時，實體不考慮將聯營公司或合營公司的任何虧損或淨投資的任何減值虧損確認為對應用國際會計準則第28號於聯營公司及合營公司的投資時產生的聯營公司或合營公司淨投資的調整。

該等修訂對綜合財務報表並無影響，原因為本集團於其聯營公司及合營公司並無長期權益。

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2.2 BASIS OF PREPARATION (cont'd)

- (f) Annual Improvements 2015-2017 Cycle
- (i) IFRS 3 Business Combinations

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted.

These amendments had no impact on the consolidated financial statements of the Group as there is no transaction where joint control is obtained.

- (ii) IFRS 11 Joint Arrangements

An entity that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted.

These amendments had no impact on the consolidated financial statements of the Group as there is no transaction where a joint control is obtained.

2.2 編製基準 (續)

- (f) 二零一五年至二零一七年週期之年度改進
- (i) 國際財務報告準則第3號業務合併

該等修訂澄清，當實體取得共同經營的一項業務的控制權時，其應用分階段實現的業務合併的規定，包括按公允價值重新計量先前於該共同經營業務的資產及負債中所持權益。如此，收購方將重新計量其於該共同經營業務先前所持的全部權益。

實體將該等修訂應用於收購日期為二零一九年一月一日或之後開始的首個年度報告期間開始時或之後的業務合併，惟可提早應用。

該等修訂對本集團綜合財務報表並無影響，因為為並無取得共同控制權的交易。

- (ii) 國際財務報告準則第11號共同安排

參與但並非共同控制一項共同經營業務的實體可能於共同經營之活動構成國際財務報告準則第3號所界定業務的共同經營中取得共同控制權。該等修訂澄清，先前於共同經營業務所持權益不進行重新計量。

實體於二零一九年一月一日或之後開始的首個年度報告期間開始時或之後將該等修訂應用於其取得共同控制權的交易，惟可提早應用。

該等修訂對本集團綜合財務報表並無影響，因為為並無取得共同控制權的交易。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

2.2 BASIS OF PREPARATION (cont'd)

(f) Annual Improvements 2015-2017 Cycle (cont'd)

(iii) IAS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. When the entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period.

Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

(iv) IAS 23 Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted.

Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

2.2 編製基準 (續)

(f) 二零一五年至二零一七年週期之年度改進 (續)

(iii) 國際會計準則第12號所得稅

該等修訂澄清，股息的所得稅影響與產生可分派盈利的過往交易或事件（而非對擁有人的分派）更為直接相關。因此，實體根據其原本確認該等過往交易或事件的項目而於損益、其他全面收益或權益確認股息的所得稅影響。

實體於二零一九年一月一日或之後開始的年度報告期間應用該等修訂，惟可提早應用。當實體首次應用該等修訂，其將應用於最早可比較期間開始時或之後確認股息的所得稅影響。

由於本集團的當前慣例與該等修訂一致，因此該等修訂對本集團綜合財務報表並無影響。

(iv) 國際會計準則第23號借貸成本

該等修訂澄清，當為使合格資產達成擬定用途或出售所必需的絕大部分活動已經完成時，實體將原本用於開發該合格資產的任何借款作為一般借款入賬。

實體對其首次應用該等修訂的年度報告期間開始時或之後產生的借貸成本應用該等修訂。實體於二零一九年一月一日或之後開始的年度報告期間應用該等修訂，惟可提早應用。

由於本集團的當前慣例與該等修訂一致，因此該等修訂對本集團綜合財務報表並無影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

2.2 BASIS OF PREPARATION (cont'd)

The financial statements have been prepared under the historical cost convention, except for investment properties, derivative financial instruments, debt and equity financial assets and contingent consideration that has been measured at fair value.

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in this financial statements.

Amendments to IFRS 3
國際財務報告準則第3號 (修訂本)

Amendments to IFRS 10 and IAS 28
國際財務報告準則第10號及國際會計準則
第28號 (修訂本)

IFRS 17
國際財務報告準則第17號

Amendments to IAS 1 and IAS 8
國際會計準則第1號及國際會計準則第8號
(修訂本)

- 1 Effective for annual periods beginning on or after 1 January 2020.
- 2 Effective for annual periods beginning on or after 1 January 2021.
- 3 No mandatory effective date yet determined but available for adoption.
- 4 Effective for business combination for which the acquisition date is on or after 1 January 2020 and to asset acquisition that occurs on or after the beginning of that period.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

2.2 編製基準 (續)

財務報表乃按歷史成本法編制，而已按公允價值計量的投資物業、衍生金融工具、債務和權益性金融資產及或然代價除外。

2.3 已頒佈但尚未生效的國際財務報告準則

本集團尚未於財務報表中應用以下已頒佈但尚未生效的新訂及經修訂國際財務報告準則。

Definition of a Business⁴
業務的定義⁴

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³
投資者與其聯營公司或合營企業之間之資產銷售或出資³

Insurance Contracts²
保險合約²

Definition of Material¹
重大性之定義¹

- 1 於二零二零年一月一日或之後開始的年度期間生效。
- 2 於二零二一年一月一日或之後開始的年度期間生效。
- 3 尚未釐定強制生效日期，惟可供採納。
- 4 於收購日期為二零二零年一月一日或之後的業務合併及對該期間開始時或之後發生的資產收購生效。

2.4 重大會計政策概要

附屬公司

附屬公司指本公司直接或間接控制的實體（包括結構性實體）。當本集團就參與投資對象業務而承擔可變回報風險或享有可變回報權利以及能透過對投資對象行使權力（即現有權利可讓本集團主導投資對象相關活動）影響該等回報時，即取得控制權。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Subsidiaries (cont'd)

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The results of subsidiaries are included in the Company's profit or loss to the extent of dividends received and receivable. The Company's investments in subsidiaries are stated at cost less any impairment losses.

Investment in associates

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise 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 over those policies.

The Group's investment in an associate is stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of an associate is included in consolidated statement of comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's investment in the associate, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investment in associates.

2.4 重大會計政策概要 (續)

附屬公司 (續)

倘本公司直接或間接擁有投資對象半數或以下的投票權或類似權利，則本集團於評估其是否可對投資對象行使權力時會考慮一切相關事實及情況，包括：

- (a) 與投資對象其他投票持有人訂立的合同安排；
- (b) 根據其他合同安排享有的權利；及
- (c) 本集團的投票權及潛在投票權。

附屬公司業績以已收及應收股息為限計入本公司損益。本公司於附屬公司的投資乃按成本減任何減值虧損列賬。

於聯營公司的投資

聯營公司為本集團長期持有其一般不少於20%的股本投票權，並可對其行使重大影響力。重大影響力指的是參與投資對象的財務和經營決策的權力，但不是控制或共同控制該等決策的權力。

本集團於聯營公司的投資乃按本集團根據權益會計法計算應佔資產淨值減任何減值虧損於綜合財務狀況表列賬。

本集團應佔聯營公司的收購後業績及其他全面收益包括在綜合全面收益表。此外，歸屬於聯營公司的權益確認有變動，當適用時，則本集團會於綜合權益變動表確認其應佔任何變動。本集團與其聯營公司間交易的未變現收益及虧損抵銷以本集團於聯營公司的投資為限，但未變現虧損為證實所轉讓資產減值的則除外。收購聯營公司產生的商譽構成本集團於聯營公司投資的一部分。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Investment in associates (cont'd)

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

2.4 重大會計政策概要 (續)

於聯營公司的投資 (續)

倘於聯營公司的投資轉變為合資企業的投資或出現相反情況，保留權益不會重新計量。反之，該投資繼續採用權益法核算。在所有其他情況下，失去對聯營公司的重大影響力後，本集團按公允價值計量及確認任何保留投資。聯營公司失去重大影響力時的賬面值與保留投資及出售所得款項的公允價值之間的任何差額於損益確認。

業務合併及商譽

業務合併採用收購法核算。所轉讓代價按收購日期的公允價值計量，有關公允價值為本集團所轉讓資產於收購日期的公允價值、本集團對被收購方前擁有人所承擔的負債及本集團發行以換取被收購方控制權的股權的總和。就每項業務合併，本集團會選擇以公允價值或以被收購方可識別資產淨值的應佔比例，計量於被收購方的非控股權益，並賦予其持有人權利可於清盤時按比例分占資產淨值。非控制權益的所有其他組成部分均按公允價值計量。收購相關成本於產生時列為開支。

當本集團收購業務時，須根據合同條款、收購日期的經濟狀況及相關條件，評估須承擔的金融資產及負債，以作出適當分類及確認，其中包括分離被收購方主合同中的嵌入式衍生工具。

倘業務合併分階段進行，先前持有的股權按其於收購日期的公允價值重新計量，所產生的任何收益或虧損在損益中確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Business combinations and goodwill (cont'd)

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

2.4 重大會計政策概要 (續)

業務合併及商譽 (續)

收購方將轉讓的任何或然代價按收購日期的公允價值確認。分類為資產或負債的或然代價按公允價值計量，其公允價值變動確認為損益。分類為權益的或然代價不會重新計量，其後結算會於權益中列賬。

商譽按成本進行初始計量，即所轉讓代價、非控制權益的確認金額及本集團先前持有的被收購方任何股權的公允價值總額，與所收購可識別資產淨值及所承擔負債之間的差額。如果代價與其他項目的總額低於所收購資產淨值的公允價值，則於重新評估後的差額將於損益內確認為議價收購收益。

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽須每年作減值測試，若有事件發生或情況改變顯示賬面值有可能減值時，則會更頻密地進行測試。本集團於十二月三十一日對商譽進行年度減值測試。為進行減值測試，因業務合併而購入的商譽自收購日期起，分配至預期可從合併產生的協同效益中獲益的本集團各現金產出單元（或現金產出單元組別），而無論本集團其他資產或負債是否被分配至該等單位或單位組別。

減值乃通過評估與商譽有關的現金產出單元（現金產出單元組別）的可收回金額釐定。當現金產出單元（現金產出單元組別）的可收回金額低於賬面值時，減值虧損便予以確認。就商譽確認的減值虧損不得於隨後期間轉回。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Business combinations and goodwill (cont'd)

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Service concession arrangements

The Group has entered into a number of service concession arrangements with the Grantors.

Under these service concession arrangements:

- the Grantors control or regulate the services the Group must provide with the infrastructure, to whom it must provide them, and at what price; and
- the Grantors control, through ownership, beneficial entitlement or otherwise, any significant residual interest in the infrastructure at the end of the term of the arrangement, or the infrastructure is used for its entire useful life under the arrangements, or both the Group's practical ability to sell or pledge the infrastructure is restricted and continuing right of use of the infrastructure is given to the Grantors throughout the period of the arrangements.

The Group's infrastructure includes leasehold land, buildings, plant and machinery that are acquired from the Grantors and/or are derecognised by the Group when the directors of the Company consider that the significant risks and rewards of these assets have been passed to the Grantors.

2.4 重大會計政策概要 (續)

業務合併及商譽 (續)

當商譽被分配至現金產出單元(現金產出單元組別)而該單位的部分業務已出售,則在釐定出售損益時,與所出售業務相關的商譽會計入該業務的賬面值。在該等情況下出售的商譽乃根據所出售業務的相對價值及現金產出單元的保留份額進行計量。

服務特許經營安排

本集團已與授予人訂立多項服務特許經營安排。

根據該等服務特許經營安排:

- 授予人控制或監管本集團利用基礎設施所需提供的服務,服務提供的對象以及服務價格;及
- 授予人在安排有效期結束時,通過所有權、實益所有權或其他方式控制基礎設施的任何重大剩餘利益,或基礎設施在該等安排下為於整個可使用年限使用,或限制本集團出售或抵押基礎設施的實際權力,以及整個安排期間的基礎設施持續使用權授予授予人。

本集團的基礎設施包括從授予人收購的租賃土地、樓宇、廠房及機器,並於本公司董事認為該等資產的重大風險及回報已轉移到授予人時終止確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Service concession arrangements (cont'd)

Consideration given by the grantor

A financial asset (receivable under service concession arrangement) is recognised to the extent that the Group has an unconditional right to receive cash or another financial asset from or at the direction of the grantor for the construction services rendered and/or the consideration paid and payable by the Group for the right to manage and operate the infrastructure for public service. The Group has an unconditional right to receive cash if the grantor contractually guarantees to pay the Group (a) specified or determinable amounts or (b) the shortfall, if any, between amounts received from users of the public service and specified or determinable amounts, even if the payment is contingent on the Group ensuring that the infrastructure meets specified requirements. The financial asset (receivable under service concession arrangement) is accounted for in accordance with the policy set out for “Financial assets and liabilities” below.

An intangible asset (concession right) is recognised to the extent that the Group receives a right to charge users of the public service. The intangible asset (concession right) is stated at cost less accumulated amortisation and any accumulated impairment loss. Amortisation is provided on a straight-line basis over the operation phase of the concession periods.

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

Construction of service concession related infrastructure

Revenue relating to construction services is accounted for in accordance with the policy for “Revenue recognition” below.

Operating services

Revenue relating to operating services is accounted for in accordance with the policy for “Revenue recognition” below.

2.4 重大會計政策概要 (續)

服務特許經營安排 (續)

授予人提供之代價

於本集團有無條件權利就所提供建築服務及/或本集團就管理及運作公共服務基礎設施之權利而支付及應付之代價向授予人或按其指示收取現金或其他金融資產時，金融資產（與服務特許經營權相關的金融應收款項）予以確認。倘授予人以合約方式擔保向本集團支付(a)指定或待定金額或(b)已收公共服務用戶之款項與指定或待定金額兩者間之差額（如有），而即使付款須以本集團確保基礎設施符合具體規定為條件，本集團仍擁有無條件收取現金的權利。金融資產（與服務特許經營權相關的金融應收款項）根據下文「金融資產及負債」所載之政策列賬。

無形資產（特許經營權）於本集團獲得向公共服務用戶收費之權利時確認。無形資產（特許經營權）按成本減累計攤銷及任何累計減值虧損列賬。攤銷於特許經營權的運營階段按直線法計提撥備。

若本集團就建造服務分別獲得部分金融資產及無形資產作為報酬，代價各部分會分開列賬，並按代價之公允價值進行初始計量。

建造服務特許經營相關的基礎設施

有關建造服務的收入根據下文「收入確認」所載政策入賬。

運營服務

有關運營服務的收入根據下文「收入確認」所載政策入賬。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Fair value measurement

The Group measures its contingent consideration receivable at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 - based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.4 重大會計政策概要 (續)

公允價值計量

本集團於各報告期末的按公允價值計量其或然代價。公允價值為市場參與者在計量日期進行的有序交易中出售資產所收取或轉移負債所支付的價格。公允價值計量乃基於假設出售資產或轉移負債的交易於資產或負債的主要市場或於未有主要市場的情況下，則於資產或負債的最具優勢市場進行。主要或最具優勢市場須位於本集團能到達的地方。資產或負債的公允價值乃按假設市場參與者為資產或負債定價時會以符合經濟利益之方式行事計量。

非金融資產的公允價值計量須考慮市場參與者能自否最佳最有效使用該資產而賺取經濟利益，或把該資產售予將最佳最有效使用該資產之其他市場參與者而賺取的經濟效益。

本集團使用適用於不同情況且具備充分數據計量公允價值的估值方法，併盡量使用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

於財務報表中計量或披露公允價值的的所有資產及負債，均根據對公允價值計量整體而言屬重大的最低級別輸入數據按下述公允價值層級分類：

- 第一層級 — 基於相同資產或負債於活躍市場之報價（未經調整）
- 第二層級 — 基於對公允價值計量而言屬重大的可觀察（直接或間接）最低級別輸入數據的估值方法
- 第三層級 — 基於對公允價值計量而言屬重大的不可觀察最低級別輸入數據的估值方法

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Fair value measurement (cont'd)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, construction contract assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

2.4 重大會計政策概要 (續)

公允價值計量 (續)

就按經常性基準於財務報表確認的資產及負債而言，本集團透過於各報告期末重新評估分類（基於對公允價值計量整體而言屬重大的最低等級輸入數據）確定是否發生不同層級轉移。

非金融資產減值

倘出現減值迹象，或須每年對資產（存貨、建造合約資產及金融資產除外）作減值測試時，則評估資產的可回收金額。資產的可回收金額乃資產或現金產出單元的使用價值，與其公允價值減出售成本二者的較高者，並就個別資產進行釐定，除非該資產並不產生很大程度上獨立於其他資產或資產組別的現金流入，在此情況下，則按資產所屬的現金產出單元釐定可回收金額。

僅當資產的賬面值超過其可回收金額時，才會確認減值虧損。評估使用價值時，估計未來現金流使用除稅前折現率折現至現值，且該折現率反映市場當時所評估的貨幣時間價值及該資產的特有風險。減值虧損於其產生期間自損益表中與減值資產功能一致的有關開支類別扣除。

於各報告期末均會評估，是否有任何迹象表明過往確認的減值虧損可能不復存在或有所減少。如有任何該等迹象，則會估計可收回金額。先前就資產（不包括商譽）確認的減值虧損，僅於用以釐定該資產可收回金額的估計有變時予以轉回，但轉回後金額不得高於假設過往年度並無就該資產確認減值虧損而應有的賬面值（扣除任何折舊／攤銷）。減值虧損的轉回於產生期間計入損益。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 重大會計政策概要 (續)

關聯方

在下列情況下，一方被認為與本集團有關聯：

- (a) 該方為某人士或其關係密切的家庭成員，且該人士
 - (i) 對本集團有控制權或共同控制權；
 - (ii) 對本集團有重大影響力；
 - (iii) 為本集團或本集團母公司的關鍵管理人員；

或者

- (b) 該方為符合以下任何條件的實體：
 - (i) 該實體與本集團為同一集團的成員公司；
 - (ii) 一個實體為另一實體（或另一實體的母公司、附屬公司或同系附屬公司）的聯營公司或合資企業；
 - (iii) 該實體及本集團均為同一第三方的合資企業；
 - (iv) 一個實體為第三方實體的合資企業，而另一實體為該第三方實體的聯營公司；
 - (v) 該實體有以本集團或與本集團有關聯實體的僱員為受益人的離職後福利計劃；
 - (vi) 該實體由(a)項界定的人士控制或共同控制；
 - (vii) (a)(i)項界定的人士對該實體有重大影響，或為該實體（或該實體的母公司）的關鍵管理人員；及
 - (viii) 該實體或其所屬集團之任何成員公司向本集團或本集團之母公司提供關鍵管理人員服務。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	4%
Plant and machinery	10% to 20%
Leasehold improvements, furniture and fixtures	20% to 25%
Motor vehicles and office equipment	20% to 25%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sale proceeds and the carrying amount of the relevant asset.

2.4 重大會計政策概要 (續)

物業、廠房及設備以及折舊

在建工程以外的物業、廠房及設備按成本扣除累計折舊及任何減值虧損列賬。物業、廠房及設備項目的成本包括購買價及使資產達到擬定用途的運作狀態及地點而直接產生的任何成本。

物業、廠房及設備項目投入運作後產生的維修及保養等開支，通常於費用產生期間在損益中扣除。在達到確認條件的情況下，將重大檢修開支資本化，作為重置成本，記入資產賬面值。倘物業、廠房及設備的重大部分須不時重置，本集團會將該部分作為具特定可使用年期的獨立資產予以確認，並相應計提折舊。

各物業、廠房及設備項目的折舊以直線法估計按可使用年期將其成本攤銷至剩餘價值。就此採用的主要年率如下：

樓宇	4%
廠房及機器	10%至20%
租賃物業裝修、傢俬及裝置	20%至25%
汽車及辦公室設備	20%至25%

倘物業、廠房及設備項目的各部分有不同可使用年期，則在各部分間合理分配該項目的成本，且按各部分單獨計提折舊。剩餘價值、可使用年期及折舊方法至少於每個財政年度結束時覆核及調整（如適用）。

初步確認的物業、廠房及設備項目（包括任何重大部分）於出售或預期使用或出售不會再產生任何未來經濟利益時終止確認。有關資產出售所得款項淨額與賬面值的差額於資產終止的年度在損益中確認相關出售或報廢盈虧。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property, plant and equipment and depreciation (cont'd)

Construction in progress is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment property

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of the retirement or disposal.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2.4 重大會計政策概要 (續)

物業、廠房及設備以及折舊 (續)

在建工程按成本減任何減值虧損列賬，且不予折舊。成本包括建設期間建設的直接成本及相關借入資金的資本化貸款成本。在建工程於竣工且可供使用時重分類至適當物業、廠房及設備類別。

投資物業

投資物業是指持有以用於賺取租金收入及/或資本升值，而非用於生產或供應貨物或服務；或為行政目的；或為於日常業務過程中出售而持有的土地及樓宇中的權益（包括在經營租賃下持有並符合投資物業定義之物業之租賃權益）。該等物業初始按成本值計量，並包括交易成本。於初始確認後，投資物業按能反映報告期末市場情況的公允價值列賬。

投資物業公允值變動而產生之收益或虧損於產生年度計入損益表。

投資物業報廢或出售而產生之任何收益或虧損於報廢或出售年度在損益表確認。

無形資產 (商譽除外)

單獨取得的無形資產於初始確認時按成本計量。通過業務合併取得的無形資產的成本為收購日的公允價值。無形資產的可使用年期分為有限期或無限期。有限期的無形資產後續按可使用經濟年期攤銷，並於有迹象顯示無形資產可能出現減值時評估減值。使用年期有限的無形資產的攤銷期及攤銷方法至少於每個財政年度末覆核一次。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Intangible assets (other than goodwill) (cont'd)

The following intangible assets are amortised from the date they are available for use and their estimated useful lives are as follows:

Concession rights	20 to 32 years
Patents and trademarks	10 to 20 years
Computer software	5 years
Backlog contracts	3 years
Customer relationships	5 years

The useful life of the patents and trademarks of the Group is determined based on the shorter of their statutory validity periods and the expected benefit periods.

The useful life of the customer relationships of the Group is determined based on the expected benefit periods with reference to the historical customer attrition rate.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the intangible assets is derecognised is the difference between the net sale proceeds and the carrying amount of the relevant intangible asset.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new water environment technologies is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Water environment technologies development expenditure which does not meet these criteria is expensed when incurred.

2.4 重大會計政策概要 (續)

無形資產 (商譽除外) (續)

以下無形資產由可供使用日起攤銷，其估計可使用年期如下：

特許經營權	20至32年
專利及商標	10至20年
計算機軟件	5年
未完成合約	3年
客戶關係	5年

本集團的專利及商標之可使用年期根據法定有效期及預期利益期間之間的較短者為準釐定。

本集團的客戶關係之可使用年期經參考過往客戶流失率根據預期利益期間釐定。

無形資產於出售時或預期不能再通過使用或出售取得未來經濟利益時終止確認。無形資產出售所得款項淨額與其賬面值兩者間的差額，於無形資產終止的年度在損益中確認相關出售或報廢盈虧。

研發成本

所有研究成本於發生時計入損益。

開發新水環境技術產生的開支僅於本集團能證明在技術上可形成無形資產供使用或出售、有意完成及有能力使用或出售該資產，該資產將產生未來經濟利益，具有完成項目所需的資源且能夠可靠地計量開發期間的支出時，方會資本化並以遞延方式入賬。未能符合該等標準的水環境技術開發開支概於產生時列作開支。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Buildings	2 to 3 years
Equipment and others	2 to 3 years

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

2.4 重大會計政策概要 (續)

租賃

本集團在合約開始時評估合約是否是或包含租賃。倘合約通過轉讓在一段時間內控制已識別資產使用的權利以換取對價，該合約即為租賃或包含租賃。

集團作為承租人

本集團對所有租賃採用單一的確認和計量方法，短期租賃和低價值資產租賃除外。本集團確認支付租賃款項的租賃負債和代表標的資產使用權的使用權資產。

(i) 使用權資產

本集團在租賃開始日（即標的資產可供使用之日）確認使用權資產。使用權資產按成本減去累計折舊和減值損失後的金額計量，並根據租賃負債的重新計量進行調整。使用權資產的成本包括確認的租賃負債金額、產生的初始直接成本、在開始日期或之前支付的租賃款減去收到的任何租賃激勵。使用權資產在租賃期和資產預計使用壽命較短的期間內按直線法計提折舊，具體如下：

樓宇	2至3年
設備及其他	2至3年

經營租賃項下預付土地租賃款項初始按成本值列賬，後續按租賃年期以直線基準確認。

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For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Leases (cont'd)

Group as a lessee (cont'd)

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2.4 重大會計政策概要 (續)

租賃 (續)

集團作為承租人 (續)

(ii) 租賃負債

在租賃開始日，本集團以租賃期內支付的租賃付款現值計量租賃負債。租賃付款包括固定付款（包括實質上的固定付款）減去任何應收租賃獎勵、取決於指數或利率的可變租賃付款以及預計在剩餘價值擔保下支付的金額。租賃付款還包括合理確定由本集團行使的購買期權的行權價格和終止租賃的罰款（如果租賃期限反映了本集團行使終止期權的情況）。不依賴指數或利率的可變租賃付款在觸發付款的事件或條件發生的期間確認為費用（除非它們是為生產存貨而發生）。

在計算租賃款項的現值時，由於租賃內含利率不易釐定，故此本集團使用租賃開始日期之增量借貸利率計算。於租賃開始日期後，租賃負債金額之增加反映利息之增長，其減少則關乎已作出之租賃付款。此外，如果發生修改、租賃期限的變更、租賃付款的變更（例如，由於用於確定此類租賃付款的指數或利率的變更而導致的未來付款的變更）或購買標的資產的選擇權的評估變更，則重新計量租賃負債的賬面價值。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Leases (cont'd)

Group as a lessee (cont'd)

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

2.4 重大會計政策概要 (續)

租賃 (續)

集團作為承租人 (續)

(iii) 短期租賃和低值資產租賃

本集團將短期租賃確認豁免適用於其機械及設備的短期租賃（即租賃期自生效日期起12個月或更短，且不包含購買選擇權的租賃）。它還將低價值資產確認豁免租賃適用於被視為低價值的辦公室設備租賃。短期租賃及低價值資產租賃之租賃款項按直線法於租期內確認為開支。

集團作為出租人

本集團實質上沒有轉移資產所有權附帶的所有風險和報酬的租賃被歸類為經營租賃。產生的租金收入在租賃期內按直線法核算，並因其經營性質計入損益表的收入。在談判和安排經營租賃時產生的初始直接費用，計入租賃資產的賬面價值，並在租賃期內按與租金收入相同的基礎確認。或有租金在其賺取期間確認為收入。

金融工具

金融工具是指產生一個實體的金融資產和另一個實體的金融負債或權益工具的任何合同。

(i) 金融資產

初始確認和計量

金融資產在初始確認時分類，後續按攤餘成本、公允價值計入其他綜合收益及公允價值計入損益計量。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial instruments (cont'd)

(i) Financial assets (cont'd)

Initial recognition and measurement (cont'd)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

2.4 重大會計政策概要 (續)

金融工具 (續)

(i) 金融資產 (續)

初始確認和測量 (續)

金融資產在初始確認時的分類取決於金融資產的合同現金流特征和集團管理這些資產的業務模式。除不包含重大融資組成部分或本集團已採用可行權宜處理方法的應收款項外，本集團以公允價值初始計量金融資產，如果金融資產的公允價值不計入損益，則加上交易成本計量。不包含重大融資成分或本集團已採用實際權宜之計的應收款項按交易價格計量。

就按攤銷成本或按公允價值計入其他綜合收益分類計量之金融資產而言，其產生之現金流量必需純粹就未償還本金而支付之本金及利息。

本集團管理金融資產的業務模式是指本集團如何管理其金融資產以產生現金流。商業模式決定了現金流是來自於合同現金流的收取，還是來自於金融資產的出售，或者兩者兼而有之。

金融資產的購買或出售於交易日確認，即本集團承諾購買或出售該資產的日期，並要求資產的交付需要在市場上的法規或慣例規定的時間範圍內（常規交易）。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial instruments (cont'd)

(i) Financial assets (cont'd)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

2.4 重大會計政策概要 (續)

金融工具 (續)

(i) 金融資產 (續)

後續計量

金融資產的後續計量取決於其分類，如下所示：

按攤餘成本計算的金融資產 (債務工具)

本集團在滿足下列兩個條件時，按攤餘成本計量金融資產：

- 金融資產是在商業模式下持有的，目的是持有金融資產以收取合同現金流。
- 金融資產的合同條款在指定日期產生的現金流僅為未償本金和利息的支付。

以攤餘成本計量的金融資產，採用實際利率法進行後續計量，並須計提減值。當資產終止確認、修訂或減值時，於損益表中確認損益。

以公允價值計量且其變動計入損益的金融資產

以公允價值計量且其變動計入損益的金融資產，包括交易性金融資產、初始確認時指定為以公允價值計量且其變動計入損益的金融資產，或者強制要求以公允價值計量的金融資產。金融資產在近期內以出售或回購為目的而取得的，歸類為交易性金融資產。衍生工具，包括分離的嵌入衍生工具，也被歸類為交易性金融資產，除非它們被指定為有效的對沖工具。無論業務模式如何，現金流不完全是本金和利息支付的金融資產均按公允價值通過損益進行分類和計量。儘管有上述按攤餘成本分類的債務工具的標準，但如果這樣做可以消除或顯著減少會計不匹配，債務工具可以在初始確認時以公允價值計量且其變動計入當期損益。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial instruments (cont'd)

(i) Financial assets (cont'd)

Subsequent measurement (cont'd)

Financial assets at fair value through profit or loss (cont'd)

This category includes equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the income statement. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

2.4 重大會計政策概要 (續)

金融工具 (續)

(i) 金融資產 (續)

後續計量 (續)

以公允價值計量且其變動計入損益的金融資產 (續)

該類別包括本集團沒有不可撤銷地選擇通過其他綜合收益按公允價值分類的權益投資。股權投資的股息在確認支付權後在損益表中確認為其他收益。

嵌入混合合約的衍生工具（包括財務負債或非金融主體合約），如果其經濟特征和風險與主體合約不緊密相關，則作為單獨的衍生工具入賬；與嵌入衍生工具條款相同的單獨工具將符合衍生工具的定義；混合合約並非以不以公允價值計量且其變動計入損益。嵌入衍生工具按公允價值計量，公允價值變動在損益表中確認。只有當合約條款發生變化，顯著改變其他情況下所須現金流量時，或當按公允價值計算且其變動計入損益之金融資產重新分類時，才進行重新評估。

撤銷承認

金融資產（或金融資產的一部分或一組類似金融資產的一部分，如適用）主要在下列情況下終止確認（即從集團的合併財務狀況表中刪除）：

- 從資產中收取現金流的權利已到期；或

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial instruments (cont'd)

(i) Financial assets (cont'd)

Derecognition (cont'd)

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

2.4 重大會計政策概要 (續)

金融工具 (續)

(i) 金融資產 (續)

撤銷承認 (續)

- 本集團已將其從資產中獲得現金流的權利轉讓給第三方，或已根據「轉手」安排承擔了向第三方全額且沒有重大延誤的支付收到的現金流的義務，且 (a) 本集團已在實質上將資產的所有風險和報酬轉讓，或者 (b) 本集團既沒有轉移也沒有實質上保留資產的全部風險和報酬，而是轉移了對資產的控制。

當本集團已轉讓其從資產中獲得現金流的權利或已訂立轉手安排時，本集團將評估其是否以及在多大程度上保留了所有權的風險和回報。當本集團既沒有實質上轉移也沒有保留資產的全部風險和報酬，也沒有轉移對資產的控制時，本集團在繼續涉入的範圍內繼續確認所轉移的資產。在這種情況下，本集團也確認相關負債。轉讓資產和相關負債的計量基礎應反映本集團保留的權利和義務。

以對轉讓資產的擔保形式繼續涉入的，按資產的原始賬面價值與本集團可能需要償還的對價的最高金額兩者中較低者計量。

(ii) 金融負債

初始確認和測量

金融負債在初始確認時分類為以公允價值計量且其變動計入損益的金融負債、貸款和借款或應付款項 (視情況而定)。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial instruments (cont'd)

(ii) Financial liabilities (cont'd)

Initial recognition and measurement (cont'd)

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include creditors, other payables and accrued expenses, and interest-bearing borrowings.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

2.4 重大會計政策概要 (續)

金融工具 (續)

(ii) 金融負債 (續)

初始確認和測量 (續)

所有金融負債初始按公允價值確認，如為貸款、借款和應付款項，再扣除直接可歸屬的交易成本。

本集團的金融負債包括債權人、其他應付款和應計費用以及計息貸款。

後續計量

初始確認後，計息借款和貸款後續採用實際利率法按攤餘成本計量，除非折現的影響無關緊要，在此情況下，則按成本列示。當負債終止確認以及通過實際利率攤銷過程時，損益在損益表中確認。攤銷成本是通過考慮收購的任何折扣或溢價以及作為實際利率組成部分的費用或成本來計算的。實際利率攤銷計入損益中的財務成本。

終止確認

金融負債於負債的責任已解除或撤銷或屆滿時終止確認。當現有金融負債為同一出借人以大不相同的條款的一項負債取代，或現有負債的條款經大幅修改時，有關替代或修改視為終止確認原有負債及確認新負債，兩者賬面價值的差額計入損益。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Impairment of financial assets

The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking ECL approach.

IFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVTPL.

The ECL allowance is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original EIR.

For contract assets and trade receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Other receivables are assessed for impairment based on 12-month expected credit losses: 12-month ECLs are the portion of lifetime ECLs that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the asset is less than 12 months). However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.4 重大會計政策概要 (續)

金融資產減值

採納國際財務報告準則第9號通過以具前瞻性的預期信貸虧損法替代國際會計準則第39號的已產生虧損法，從根本上改變本集團對金融資產減值虧損的會計處理。

國際財務報告準則第9號要求本集團就並非持作按公允價值計量且其變動計入損益的所有貸款及其他債務金融資產的預期信貸虧損計提撥備。

預期信貸虧損撥備乃基於根據合同到期的合同現金流量與本集團預期收取的所有現金流量之間的差額。該差額後續按與資產原有實際利率相近的數值折現。

對於合約資產及應收賬款，本集團已採用該準則的簡化方法及根據可使用期內預期信貸虧損計算預期信貸虧損。本集團已建立基於本集團的過往信貸虧損記錄的撥備矩陣，可就債務人及經濟環境特有的前瞻性因素而予以調整。

其他應收賬款根據12個月之預期信貸虧損作出減值評估：12個月之預期信貸虧損是指因報告日後12個月內（或倘該資產預計使用年期少於12個月，則以較短期間為準）可能發生之違約事件而導致部分可使用期內預期信貸虧損。然而，如信貸風險自產生以來大幅增加，則將根據可使用期內預期信貸虧損作出撥備。

本集團將合同付款逾期90日時的金融資產視作違約。然而，於若干情況下，當內部或外部信息表明本集團在考慮本集團持有的任何信貸增級前不可能全數收取未償還合同金額時，本集團亦可能認為金融資產違約。

抵銷金融工具

倘現時存在可執行合法權利抵銷已確認金額，且有意以淨額結算，或同時變現資產及清償負債，則抵銷金融資產與金融負債，淨額於財務狀況表呈報。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Inventories

Inventories, mainly comprise raw materials and consumables used in the repairs and maintenance of the waste water treatment plants, are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal. When inventories are consumed, the carrying amount of those inventories is recognised as an expense in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, short-term deposits and short-term balances in financial institutions with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

For the purpose of the consolidated statement of cash flows, restricted bank balances are excluded whilst bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in profit or loss.

2.4 重大會計政策概要 (續)

存貨

存貨（主要包括修理及維護污水處理廠所用的原材料及消耗品）按成本與可變現淨值之較低者列賬。成本為採用先進先出法釐定。可變現淨值根據預計售價減完成及出售將產生之任何預計成本計算。消耗存貨時，該等存貨的賬面值於損益中確認為開支。

現金及現金等價物

現金及現金等價物包括現金結餘、短期存款及金融機構中公允價值變動風險不大且自購買日期起三個月或以內到期的短期結餘，而該等現金及現金等價物被本集團用於管理其短期承擔。

就綜合現金流量表而言，不包括受限制的銀行結餘，但須按要償還且組成本集團現金管理必不可少一部分的銀行透支則計入現金及現金等價物。

撥備

倘因過往事件須承擔現時責任（法定或推定），而履行該責任可能導致未來資源外流，且該責任所涉金額能夠可靠估計，則確認撥備。

倘折現影響重大，則確認撥備的金額為預期履行責任所需未來開支於報告期末的現值。折現現值隨時間而增加的金額計入損益。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and an associate, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

2.4 重大會計政策概要 (續)

所得稅

所得稅包括即期及遞延稅項。與於損益外確認的項目有關的所得稅於損益外確認，即於其他全面收益或直接於權益確認。

即期稅項資產及負債按預期可自稅務機關收回或向其支付的數額計算，基於報告期末已頒布或已實際頒布的稅率（及稅法），並已考慮本集團經營所在國家的現行詮釋及慣例。

遞延稅項為使用負債法就於報告期末的資產及負債的計稅基礎與其作財務報告用途的賬面價值之間的所有暫時差異計提撥備。

除下列情況外，對所有應納稅暫時差異確認遞延稅項負債：

- 遞延稅項負債源於初始確認的商譽或並非業務合併的交易中的資產或負債，且該項交易進行時並不影響會計利潤及應納稅損益；
- 與附屬公司及聯營公司的投資有關的應納稅暫時差異而言，當該暫時差異的轉回時間可予控制時，且該暫時差額於可見未來很可能不會轉回。

所有可扣減暫時差異、結轉未動用稅項抵免及未動用稅項虧損均予以確認遞延稅項資產。在很可能有應納稅利潤可用作抵銷可扣減暫時差異、結轉未動用稅項抵免及未動用稅項虧損能被利用的情況下，方予以確認遞延稅項資產，但下列情況除外：

- 有關可抵扣暫時差異的遞延稅項資產源於初始確認並非業務合併交易中的資產或負債，且該項交易進行時並不影響會計利潤及應納稅損益；及

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income tax (cont'd)

- in respect of deductible temporary differences associated with investments in subsidiaries and an associate, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income tax levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

2.4 重大會計政策概要 (續)

所得稅 (續)

- 與附屬公司及聯營公司的投資有關的可抵扣暫時差異，只有當暫時差異很可能於可預見未來轉回及有應納稅利潤可用作抵銷該暫時差異的情況下，方予以確認遞延稅項資產。

遞延稅項資產的賬面值於各報告期末審核，並減至不可能再有足夠應納稅利潤以利用全部或部分遞延稅項資產的水平。未確認的遞延稅項資產將於各報告期末重新評估，並於很可能將有足夠的應納稅利潤以致可收回全部或部分遞延稅項資產時予以確認。

遞延稅項資產及負債為按預期資產變現或負債清償期間所適用的稅率（以截至報告期末已頒布或已實質頒布的稅率（及稅法）為基準）計算。

當且僅當本集團擁有法定行使權可將即期稅項資產與即期稅項負債相互抵銷，且遞延稅項資產與遞延稅項負債與由同一稅務機關對同一應課稅實體或不同的應課稅實體所征收的所得稅有關，而該等實體有意在日後每個預計有大額遞延稅項負債需要清償或大額遞延稅項資產可以收回的期間內，按淨額基準清償即期稅項負債及資產，或同時變現該等資產及清償該等負債時，遞延稅項資產可與遞延稅項負債相互抵銷。

政府補助

政府補助於可合理保證實體將會收到補助及將遵守相關附帶條件時按公允價值確認。倘補助與開支項目有關，則會有系統地在擬補貼的成本開支期間確認為收入。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Government grants (cont'd)

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

The Group has satisfied a performance obligation and recognises revenue over time, if one of the following criteria is met:

- (a) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs
- (b) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced
- (c) The Group's performance does not create an asset with an alternate use to the Group and the Group has an enforceable right to payment for performance completed to date

If none of the above conditions are met, the Group recognises revenue at the point in time at which the performance obligation is satisfied.

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

2.4 重大會計政策概要 (續)

政府補助 (續)

當政府補助與某個資產項目相關聯時，公允價值先計入遞延收入，並根據相關資產之預期可使用年期以年限平均法計入損益，或者從資產的賬面值中減去並通過減少折舊費用的方式計入損益。

收入確認

客戶合同收入

收入按與客戶於合同中約定的代價計量，並不包括第三方代收的金額款項。本集團於其向客戶轉讓產品或服務的控制權時確認收入。

倘符合以下其中一項條件，本集團會於履行履約責任後並隨時間轉移確認收入：

- (a) 客戶同時取得及利用本集團履約時所提供之利益
- (b) 本集團之履約創建或改良一項於資產被創建或改良時客戶控制之資產
- (c) 本集團之履約並無創建一項可被本集團用於替代用途之資產，且本集團對迄今已完成之履約付款具有可執行權利

倘不符合所有上述條件，本集團於履約責任獲履行時點確認收入。

倘資產的控制權在一段時間內轉移，本集團按在合同期間已完成履約責任的進度確認收入。否則，收入如於客戶獲得資產控制權的某一時點確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue recognition (cont'd)

Revenue from contracts with customers (cont'd)

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

When the Group provides more than one service in a service concession arrangement, the transaction price will be allocated to each performance obligation by reference to their relative stand-alone selling prices. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

Construction service revenue

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

Revenue from the construction services under a service concession agreement is estimated on a cost-plus basis with reference to a prevailing market rate of gross margin at the date of the agreement applicable to similar construction services rendered.

2.4 重大會計政策概要 (續)

收入確認 (續)

客戶合同收入 (續)

完成履約責任的進度根據本集團為完成履約責任而作出的支出或投入計量，並參與測量師就已進行之工程所作之評估以及截至報告期末已產生的成本占合約之估計總成本額之百分比。

當本集團在服務特許經營安排中提供不止一項服務，則有關交易價格將經參考各自的獨立售價後分配至各履約責任。倘獨立售價不可直接觀察，則基於預期成本加利潤率或經調整市場評估法（視乎可觀察數據是否可得）進行估計。

在確定合同交易價格時，若融資成份重大，本集團將根據融資成份的影響調整承諾代價。

建造服務收入

就建造服務而言，本集團之履約行為創造或改良了客戶在資產被創造或改良時已控制的資產或在建工程，因此本集團履行履約責任後隨時間轉移確認建造服務收入並參考測量師就已進行之工程之評估及截至報告期末已產生的成本占合約之估計總成本之百分比。

來源於服務特許經營協議的建造服務收入經參考於協議日期提供類似建造服務適用之現行市場毛利率後以成本加成法進行估計。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue recognition (cont'd)

Operation revenue

The Group recognises revenue from environmental water project operation services when the related services are rendered. The operation revenue from reusable water supply service is recognised at a point in time when the Group has delivered water to the customer; the customer has accepted the water; the Group has the present right to payment and the collection of the consideration is probable. The other operation revenue from service concession arrangements is recognised over the period of time that the services are rendered and the benefits are received and consumed simultaneously by the customers.

Finance and interest income

Finance and interest income is recognised on an accrual basis using the EIR method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract assets and contract liabilities

Upon entering into a contract with a customer, the Group obtains rights to receive consideration from the customer and assumes performance obligations to transfer goods or provide services to the customer. The combination of those rights and performance obligations gives rise to a net asset or a net liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognised as contract assets if the measure of the remaining rights exceeds the measure of the remaining performance obligation. Conversely, the contract is a liability and recognised as contract liabilities if the measure of the remaining performance obligations exceeds the measure of the remaining rights.

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

2.4 重大會計政策概要 (續)

收入確認 (續)

經營收入

於提供相關服務時，本集團確認來自水環境項目經營服務的收入，而中水回用供應服務的收入為於某個時點確認，即本集團已向客戶交付水；客戶已接收水；本集團有現時權利可支付及收取代價時，予以確認。服務特許經營安排其他經營收入均於提供服務的期間及客戶同時收到且消耗利益時確認。

財務及利息收入

財務及利息收入乃按應計基準採用實際利率法透過應用有關利率（即於金融工具預計年期或（倘適用）較短期間內將估計未來現金收入準確貼現至財務資產賬面淨值之利率）計算確認。

合約資產及合同負債

當與客戶訂立合同後，本集團有權收取來自客戶支付的代價，並承擔將貨物或服務轉移至客戶的履約責任。該等權利及履約責任共同產生淨資產或淨負債，並視乎剩餘權利與履約責任之間的關係而定。倘合同計量的剩餘收款權超過剩餘履約責任，則該合同為一項資產，並確認為合約資產。反之，倘剩餘履約責任超過剩餘收款權，則該合同為一項負債，並確認為合同負債。

倘本集團預計為獲得客戶合同而產生的增量成本可收回，則將其確認為合約資產。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Other employee benefits - pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “**MPF Scheme**”) under the Mandatory Provident Fund Schemes Ordinance for those employees employed under the jurisdiction of the Hong Kong Employment Ordinance and are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group’s employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

The employees of the Group’s subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.4 重大會計政策概要 (續)

其他僱員福利—退休金計劃

根據《強制性公積金計劃條例》，本集團為在香港僱傭條例管轄之司法區域受僱並符合資格參與的僱員設立定額供款強制性公積金退休福利計劃（「**強積金計劃**」）。供款額根據有關僱員的基本薪金按一定比例計算，根據強積金計劃的規則在供款應予支付時，將有關費用計入損益。強積金計劃的資產與本集團的資產分開，並由獨立管理基金持有。根據強積金計劃的規定，除了本集團僱主自願性供款部分外，本集團僱主向強積金計劃的供款於供款時全部歸屬於僱員，倘僱員於有權獲得全數僱主自願性供款前離職，則本集團可收回該供款的未歸屬僱員部分。

本集團在中國內地經營的附屬公司的僱員須參與由當地市政府管理的中央退休金計劃。該等附屬公司須就中央退休金計劃作出供款，金額為其工資成本的一定百分比。根據中央退休金計劃的規定，供款於應付時確認為損益。

貸款成本

因收購、建造或生產合格資產（即需要大量時間方可達到擬定用途或出售的資產）而直接應計的貸款成本，一律資本化作為該等資產的部分成本。當資產大致可供擬定用途或出售，則有關貸款成本停止資本化。特定貸款於用作合格資產支出前的臨時投資所賺取的投資收入於已資本化的貸款成本中扣減。所有其他貸款成本於發生期間費用化。貸款成本包括實體就借入資金產生的利息及其他成本。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

The functional currency of the Company is RMB. This financial statements are presented in Hong Kong dollars ("HK\$"), which is the Company's presentation currency. The Company has used Hong Kong dollars as its presentation currency to be consistent with that of China Everbright Water Holdings Limited, the immediate holding company of the Company. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

2.4 重大會計政策概要 (續)

股息

末期股息在股東大會上獲股東批准時確認為負債。擬派末期股息於財務報表附註披露。

中期股息建議及宣派同步進行，此乃由於本公司組織章程大綱及細則授權董事宣派中期股息。因此，中期股息於其建議及宣派時實時確認為負債。

外幣

本公司的功能貨幣為人民幣。財務報表以港元（本公司之呈列貨幣）呈列。本公司已採用與本公司直接控股公司中國光大水務控股有限公司所用一致之港元作為其呈列貨幣。本集團旗下各實體自行確定功能貨幣，且各實體財務報表中的項目均使用該功能貨幣計量。本集團實體已入賬之外幣交易初步按交易日期通行的相關功能貨幣匯率列賬。以外幣計值的貨幣資產與負債按於報告期末按通用的功能貨幣匯率重新換算。結算或換算貨幣項目產生之差額於損益內確認。

因結算或換算貨幣項目產生的差額於損益確認，惟指定作為對衝本集團海外業務投資淨額一部分的貨幣項目則除外。該等貨幣項目於其他全面收益確認，直至該淨投資已出售，此時累計金額應重新分類至損益。該等貨幣項目匯兌差額應佔的稅項支出及抵免亦計入其他全面收益。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Foreign currencies (cont'd)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of the Company, certain overseas subsidiaries and an associate are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of comprehensive income are translated into Hong Kong dollars at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of the Company, certain overseas subsidiaries and an associate are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of these entities which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

2.4 重大會計政策概要 (續)

外幣 (續)

按歷史成本列賬、以外幣計量的非貨幣項目，採用初始交易日期的匯率換算。按公允價值列賬、以外幣計量的非貨幣項目，採用計量公允價值日期的匯率換算。換算按公允價值計量的非貨幣項目產生的收益或虧損按與確認項目公允價值變動的收益或虧損一致的方式處理（即公允價值收益或虧損於其他全面收益或損益內確認的項目的換算差額亦分別於其他全面收益或損益內確認）。

本公司、若干境外附屬公司及聯營公司的功能貨幣為港元以外的貨幣。於報告日期末，該等實體的資產與負債按報告期末的匯率換算為港元，其全面收益表則按年內的加權平均匯率換算為港元。

由此產生的匯兌差額於其他全面收益內確認，在匯兌儲備中累計。出售海外業務時，與該項特定海外業務有關的其他全面收益的部分應轉入損益。

收購海外業務產生的任何商譽及對收購產生的資產及負債賬面金額作出的任何公允價值調整作為海外業務的資產及負債處理，並按收市匯率換算。

就綜合現金流量表而言，本公司、若干境外附屬公司及聯營公司的現金流量按現金流量日期的匯率換算為港元。若該等實體於年內經常產生的現金流量則按該年度的加權平均匯率換算為港元。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Service concession arrangements

The Group entered into Build-Operate-Transfer (“**BOT**”), Transfer-Operate-Transfer (“**TOT**”) and Build-Own-Operate (“**BOO**”) arrangements in respect of its environmental water projects.

The Group has concluded that all the BOT and TOT arrangements and certain BOO arrangements are service concession arrangements under IFRIC 12 *Service Concession Arrangements*, because the local government controls and regulates the services that the Group must provide with the infrastructure at a pre-determined service charge. In respect of BOT and TOT arrangements, upon expiry of concession right agreements, the infrastructure has to be transferred to the local government at nil consideration. Infrastructure for BOO arrangements is used in the service concession arrangements for its entire or substantially entire useful life.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

3. 重大會計判斷及估計

編制財務報表時，管理層須作出判斷、估計及假設，而有關判斷、估計及假設會影響所呈報收入、開支、資產及負債金融以及其隨附披露及或然負債披露。有關該等假設及估計的不確定因素可能會導致須在未來需要對受影響的資產或負債的賬面值作出重大調整。

判斷

在應用本集團的會計政策的過程中，管理層除作出涉及估計的判斷外，亦作出下列對財務報表已確認金額構成重大影響的判斷：

服務特許經營安排

本集團就其水環境項目訂立建設—運營—移交（「**BOT**」）、移交—運營—移交（「**TOT**」）及建設—擁有一運營（「**BOO**」）安排。

本集團已確定所有BOT及TOT安排以及若干BOO安排均屬國際財務報告詮釋委員會第12號 *服務特許經營安排*，乃由於當地政府機關控制並監管本集團利用基礎設施按預定服務費所須提供之服務。就BOT及TOT安排而言，與特許經營協議到期後，有關基礎設施須無償移交當地政府機關所有。就BOO安排而言，有關服務特許經營安排所涉及之基礎設施於其整個或大致上整個可使用年期使用。

估計不確定因素

涉及未來的主要假設，以及於報告期末導致估計出現不確定因素的其他主要緣由（該等因素有可能導致對下個財政年度的資產及負債賬面值作出重大調整的重大風險）於下文載述。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

Estimation uncertainty (cont'd)

Contract assets and/or intangible assets under IFRIC 12 Service Concession Arrangements

The Group recognises the consideration received or receivable in exchange for the construction services as a contract asset and/or an intangible asset under a service concession arrangement. However, if the Group is paid for the construction services partly by a financial asset and partly by an intangible asset, it is necessary to account separately for each component of the operator's consideration. The consideration received or receivable for both components shall be recognised initially at the fair value.

The segregation of the consideration for a service concession arrangement between the contract asset component and the intangible asset component, if any, requires the Group to make an estimate of a number of factors, which include, inter alia, fair value of the construction services, expected future water treatment volume of the relevant water treatment plant over its service concession period, future guaranteed receipts and unguaranteed receipts, and also to choose a suitable discount rate in order to calculate the present value of those cash flows. These estimates, including revenue recognition under the contract asset and intangible asset components are determined by the Group's management based on their experience and assessment on current and future market conditions. The carrying amounts of the intangible assets ("**concession rights**") and contract assets at the end of reporting period are disclosed in notes 17 and 21, respectively.

Impairment of non-financial assets other than interests in subsidiaries and goodwill

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amount may not be recoverable.

Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of property, plant and equipment and intangible assets (other than goodwill) are disclosed in notes 14 and 17.

3. 重大會計判斷及估計 (續)

估計不確定因素 (續)

國際財務報告詮釋委員會第12號服務特許特許經營安排項下的合約資產及/或無形資產

本集團根據服務特許經營安排將以建造服務換取的已收或應收代價確認為合約資產及/或無形資產。然而，倘本集團已就建造服務獲付款部分以合約資產及部分以無形資產支付，則需就經營者已收或應收代價的各部分個別入賬。各部分的已收或應收代價按公允價值進行初始確認。

金融資產部分和無形資產部分的服務特許權安排對價分離，需要本集團對若干因素作出估計，除其他外，包括建造服務的公允價值、有關污水處理廠於其服務特許經營期內的預期未來污水處理量、未來有擔保收款及無擔保收款，並需選擇適當折現率以計算該等現金流量的現值。該等估計（包括合約資產及無形資產部分的收入確認）由本集團管理層按彼等之經驗以及對現有及未來市場狀況的評估而釐定。無形資產（「特許經營權」）及合約資產分別披露於附註17及21。

非金融資產（除附屬公司權益及商譽外）減值

於各報告日期，本集團評估所有非金融資產是否有任何減值迹象。當有迹象表明未必能收回賬面金額時，非金融資產會進行減值測試。

估計使用價值要求本集團對來自現金產生單位之預期未來現金流量作出估計，亦要求選擇合適折現率計算該等現金流量之現值。物業、廠房及設備以及無形資產（除商譽外）之賬面價值披露於附註14及17。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

Estimation uncertainty (cont'd)

Impairment of financial assets at amortised cost

The impairment loss in respect of contract assets, trade and other receivables of the Group is based on the evaluation of collectability and ageing analysis of contract assets, trade and other receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each debtor. If the financial conditions of debtors of the Group were to deteriorate, resulting in an impairment of their abilities to make payments, additional allowances may be required.

The carrying amounts of the Group's financial assets at amortised cost are disclosed in notes 21, 23, 25 and 26.

Impairment of interests in subsidiaries

The Company assesses at each reporting date whether there is any objective evidence that the interests in subsidiaries are impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the industry performance, technology changes, operational and financing cash flows. Management will also consider the financial condition and business prospects of the interest.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on the forecasted performance of the subsidiary. The carrying amounts of the Company's interests in subsidiaries at the reporting date are disclosed in note 20.

Revenue recognition for construction work

The Group recognises contract revenue over time by reference to the progress towards complete satisfaction of the performance obligation at the reporting date. The progress is measured based on the Group's effort or inputs to the satisfaction of the performance obligation, by reference to the surveyors' assessment of work performed and the costs incurred up to the end of the reporting period as a percentage of total estimated costs for each performance obligation in the contract. Significant assumptions are required to estimate the recoverable variation works that will affect the progress towards complete satisfaction of the performance obligation. The Group reviews and revises the estimates in each construction contract as the contract progresses.

3. 重大會計判斷及估計 (續)

估計不確定因素 (續)

按攤銷成本計量的金融資產減值

有關本集團與合約資產，以及應收賬款及其他應收款項的減值虧損基於對合約資產，以及應收賬款及其他應收款項的可收回性及賬齡分析進行評估，同時鑒於管理層之判斷。於評估該等應收賬款的最終收回情況時需作出大量判斷，包括各債務人目前的信譽及過往付款記錄。倘本集團債務人的財務狀況轉差而削弱彼等之付款能力時，則需要作出額外撥備。

本集團按攤銷成本計量的金融資產的賬面價值披露於附註21、23、25及26。

附屬公司權益減值

本公司於各報告日期評估是否存在任何客觀證據顯示附屬公司權益出現減值。為釐定是否存在減值的客觀證據，本公司考慮行業表現、技術變化、經營及財務現金流量等因素。管理層亦將考慮該等權益的財務狀況及業務前景。

倘有客觀證據顯示出現減值，附屬公司未來現金流量的金額及時間乃根據其預測表現估計。於報告日期，本公司的附屬公司權益的賬面價值披露於附註20。

建造工程的收入確認

本集團參考於報告日期已完成履約責任的進度後，隨時間確認收入。該進度的確認基於本集團的投入而完成履約責任的程度，同時參考工作量的測量評估，以及截至報告期末每項履約責任中已發生成本佔預計合同總成本比重。在估計已完成履約責任進度的工作變量時，須作出重大假設。

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For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

Estimation uncertainty (cont'd)

Impairment losses for goodwill

As explained in the accounting policy set out in note 2.4 for “Business combinations and goodwill”, goodwill is allocated to a cash-generating unit or to a group of cash-generating units that are expected to benefit from the synergies of the combination for the purpose of impairment assessment, which requires significant judgement. The Group determined that the group of cash-generating units to which goodwill was allocated reflected the lowest level at which goodwill was monitored for internal reporting and was not larger than an operating segment in accordance with IAS 36 *Impairment of Assets*.

The Group determines whether goodwill is impaired at least on an annual basis. This involves an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at the reporting date is disclosed in note 18.

Income taxes

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The Group carefully evaluates the tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation. Where the final tax outcome is different from the amounts that were initially recognised, such differences will impact the income and other taxes and deferred tax provisions in the period in which such determination is made.

3. 重大會計判斷及估計（續）

估計不確定因素（續）

商譽的減值虧損

如附註2.4載列的「業務合併及商譽」的會計政策所述，商譽被分配至預期可受惠於合併協同效益之現金產出單元或現金產出單元組別以進行減值評估，而此需要作出重大判斷。根據國際會計準則第36號 *資產減值*，本集團釐定獲分配商譽之現金產出單元組別為本集團就內部報告目的而監察商譽的最低層次，且該組別不會大於一個經營分部。

本集團至少每年釐定一次商譽是否出現減值，這需要對獲分配商譽之現金產出單元的使用價值進行估計。在估計使用價值時，本集團需估計來自現金產出單元的預計未來現金流量，並選擇合適的折現率，以便計算有關現金流量的現值。於報告日，商譽的賬面值於附註18披露。

所得稅

釐定所得稅撥備涉及對若干交易之日後稅項處理方法作出判斷。本集團會審慎評估交易之相關稅務影響，從而計提稅項撥備。本集團會定期重新考慮有關交易之稅項處理方法，並會將稅務規例之所有變動列為考慮因素。倘最終稅項結果與初步確認的金額不同，則有關差額會影響須作有關決定之期間的所得稅及其他稅項以及遞延稅項撥備。

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4. OPERATING SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Group's management and the Company's board of directors for the purpose of resource allocation and performance assessment.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and expense, interest-bearing borrowings and related expenses and income and deferred taxes. The Group operates in a single business segment which is the water environment management business in the PRC. No operating segments have been aggregated to form the following reportable operating segment.

Business segment

The Group had only one operating segment for the years ended 31 December 2019 and 2018, namely the water environment management business, the details of which are set out below:

- Water environment management - Engagement in municipal waste water treatment, industrial waste water treatment, water supply, reusable water, sludge harmless treatment, sponge city construction, river-basin ecological restoration, waste water source heat pump, leachate treatment, research and development of water environment technologies and engineering construction.

Geographical information

- (a) Revenue from external customers

Mainland China	中國內地
Germany	德國

The revenue information of continuing operations above is based on the location at which the services were provided.

4. 經營分部資料

經營分部按本集團組成部分的內部報告為基準識別，其由本公司管理層及董事會定期審閱，以分配資源及評估其表現。

分部業績、資產及負債包括直接歸屬某一分部，以及可按合理的基準分配的項目的數額。未被分配的項目主要包括企業資產及支出、計息貸款及有關支出和收入及遞延稅項。本集團經營單一業務分類，其為於中國境內經營水環境治理業務。概無合併經營分部以組成下列經營報告分部。

業務分部

截至二零一九年及二零一八年十二月三十一日止年度內，本集團只有一個營運分部，即水環境治理業務，詳情如下：

- 水環境治理－從事市政污水處理、工業廢水處理、供水、中水回用、污泥處理處置、海綿城市建設、流域治理、污水源熱泵、滲濾液處理以及環保水務技術研發及工程建設。

地域資料

- (a) 來自外界客戶之收入

Year ended 31 December	
截至十二月三十一日止年度	
2019	2018
二零一九年	二零一八年
HK\$'000	HK\$'000
千港元	千港元
5,536,089	4,768,318
14,684	-
5,550,773	4,768,318

上述持續經營的收入信息乃基於服務提供地點劃分。

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4. OPERATING SEGMENT INFORMATION (cont'd)

Geographical information (cont'd)

(b) Non-current assets

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Mainland China	中國內地	17,292,356	14,818,264
Hong Kong	香港	9,659	843
Singapore	新加坡	2,154	18
Germany	德國	188	-
		17,304,357	14,819,125

The non-current asset information of continuing operations above is based on the locations of the assets and excludes other financial assets.

Major customers

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Customer 1**	客戶1**	1,139,784	1,585,196
Customer 2**	客戶2**	644,862	N/A*
Customer 3**	客戶3**	N/A*	490,005

* The corresponding revenue from this customer is not disclosed as such revenue alone did not account for 10% or more of the Group's revenue.

** The customer is local government authority.

4. 經營分部資料 (續)

地域資料 (續)

(b) 非流動資產

上述持續經營的非流動資產資料乃基於資產所在地點劃分 (不包括其他金融資產)。

主要客戶

* 由於此客戶的相關收入單計未佔本集團收入的10%或以上，故並未披露有關收入。

** 客戶為當地政府機關。

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財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

5. REVENUE

5. 收入

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue:	收入：		
Construction service revenue from service concession arrangements	服務特許經營權安排的建造服務收入	3,007,524	2,709,369
Finance income from service concession arrangements	服務特許經營權安排的財務收入	796,192	720,714
Operation income from service concession arrangements	服務特許經營權安排的運營收入	1,520,302	1,208,567
Operation income from reusable water supply services	中水供應服務的運營收入	27,682	29,104
Construction contract revenue and technical service income	建造合約收入及技術服務收入	199,073	100,564
		5,550,773	4,768,318
Timing of revenue recognition:	收入確認時間：		
At a point in time	於某一時間點	110,731	29,104
Over time	於一段時間內	4,643,850	4,018,500
		4,754,581	4,047,604
Finance income from service concession arrangements	服務特許經營權安排的財務收入	796,192	720,714
		5,550,773	4,768,318

The aggregate amount of construction service revenue, finance income and operation income from the local government authorities in the PRC amounted to HK\$5,282,742,000 and HK\$4,597,023,000 for the years ended 31 December 2019 and 2018, respectively. Details of concentrations of credit risk arising from these customers are set out in note 40.

Included in the revenue recognised in each of the years ended 31 December 2019 and 2018, HK\$62,665,000 and HK\$75,101,000, respectively, were related to performance obligations satisfied in previous periods.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

截至二零一九年及二零一八年十二月三十一日止年度內，來自中國當地政府之建造服務收入、財務收入及運營收入總額分別為5,282,742,000港元及4,597,023,000港元。由這些客戶所引起的信貸風險集中詳見附註40。

截至二零一九年及二零一八年十二月三十一日止年度，於過往期間達成的履約責任確認的收入金額分別為62,665,000港元及75,101,000。

於十二月三十一日，已分配至餘下履約責任（未履行或部分未履行）的交易金融如下：

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For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

5. REVENUE (cont'd)

5. 收入 (續)

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Unsatisfied performance obligations related to service concession arrangements:	與服務特許經營安排相關的未完成履約責任：		
Expected to be recognised within one year	預期將於一年內確認	5,674,713	4,827,359
Expected to be recognised after one year	預期將於一年後確認	48,910,784	39,482,401
Total transaction price allocated to the unsatisfied performance obligations	分配至未完成履約責任的交易總價	54,585,497	44,309,760

6. OTHER INCOME AND GAINS, NET

6. 其他收入及收益淨額

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Government grants*	政府補助*	21,536	23,857
Value-added tax ("VAT") refunds**	增值稅(「增值稅」)退稅**	57,282	98,609
Fair value gain/(loss), net:	公允價值收益/(虧損)淨額：		
Contingent consideration receivable	或然代價應收款項	(646)	3,428
Other financial assets – unlisted investments	其他金融資產 – 非上市投資	23,512	–
Other financial assets – unlisted equity investments	其他金融資產 – 非上市股權投資	4,496	–
Sludge landfill site closure subsidy	污泥填埋場關閉補貼	–	2,373
Sundry income	雜項收入	7,285	12,316
		113,465	140,583

* Government grants of HK\$21,536,000 and HK\$23,857,000 were issued during the years ended 31 December 2019 and 2018, respectively, to subsidise certain waste water treatment plants of the Group in the PRC. There were no unfulfilled conditions and other contingencies attached to the receipt of those grants. There is no assurance that the Group will continue to receive such grants in the future.

** VAT refunds of HK\$57,282,000 and HK\$98,609,000 were received/receivable during the years ended 31 December 2019 and 2018, respectively, in relation to certain of the Group's environmental water projects in operation in the PRC. There were no unfulfilled conditions and other contingencies attached to the receipt of such tax refunds. There is no assurance that the Group will continue to receive such tax refunds in the future.

* 截至二零一九年及二零一八年十二月三十一日止年度內，本集團分別獲發21,536,000港元及23,857,000港元的政府補助以補貼本集團於中國的若干污水處理廠。收取該等補助並無尚未達成之條件及其他或然事項。概無保證本集團將於日後繼續收取有關補助。

** 截至二零一九年及二零一八年十二月三十一日止年度內，本集團於中國運營的若干水環境項目的已收/應收增值稅退稅分別為57,282,000港元及98,609,000港元。收取有關退稅並無尚未達成之條件及其他或然事項。概無保證本集團將於日後繼續收取有關退稅。

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7. NET FINANCE COSTS

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<u>Finance income</u>	<u>財務收入</u>		
Interest income on bank deposits	銀行存款利息收入	20,348	17,918
<u>Finance costs</u>	<u>財務費用</u>		
Interest expense on:	利息開支：		
Bank and other loans	銀行及其他借貸	(232,095)	(220,940)
Corporate bonds	公司債券	(122,415)	(70,458)
Lease liabilities	租賃負債	(777)	–
		(355,287)	(291,398)
Net finance costs	財務費用淨額	(334,939)	(273,480)

7. 財務費用淨額

8. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	Notes 附註		
Depreciation*	折舊*		
- property, plant and equipment	- 物業、廠房及設備	14	16,571
- right-of-use assets	- 使用權資產	16(b)	6,979
Amortisation	攤銷		
- prepaid land lease payments	- 預付土地租賃款項	16(a)	–
- intangible assets*	- 無形資產*	17	73,148
Loss on disposals of property, plant and equipment	處置物業、廠房及設備 之虧損		933
Cost of construction services**	建造服務成本**		2,272,345
Research and development costs	研究及開發 成本		41,112
Rental expenses from short-term leases	短期租賃之租金 開支		5,349
Provision for impairment of trade receivables	應收賬款減值 撥備	23	17,314
Foreign exchange differences, net	匯兌差額淨額		13,618
Listing expenses	上市開支		19,065
			31,726

8. 除稅前盈利

本集團之除稅前盈利已扣除：

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8. PROFIT BEFORE TAX (cont'd)

8. 除稅前盈利 (續)

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
		Notes 附註	
Employee benefit expense (including directors' remuneration (note 9))*:	僱員福利開支 (包括董事酬金(附註9)) * :		
Wages and salaries	工資及薪金	243,909	207,549
Defined contribution plans	界定供款計劃	64,762	49,225
Welfare and other benefits	福利及其他福利	34,620	26,466
		343,291	283,240
Fees paid to auditor of the Company:	支付予本公司審計師的費用：		
Audit fees	審計費用	680	460
Non-audit fees	非審計費用	-	-
Fees paid to affiliates of auditor of the Company:	支付予本公司審計師聯屬機構的費用：		
Audit fees	審計費用	2,400	1,920
Non-audit fees	非審計費		
- Reporting accountant fees (included in listing expenses)	- 申報會計師費用 (已計入上市開支)	1,078	6,378
- Others	- 其他	735	691

* Amortisation of intangible assets, depreciation and employee benefit expense in total of HK\$242,043,000 and HK\$226,495,000 for the years ended 31 December 2019 and 2018, respectively, are included in "Direct costs and operating expenses" in the consolidated statement of comprehensive income.

** Included in "Direct costs and operating expenses" in the consolidated statement of comprehensive income.

As at the end of each financial year, the Group had no forfeited contributions available to reduce its contributions to the retirement schemes in future years.

* 截至二零一九年及二零一八年十二月三十一日止年度內，無形資產攤銷、折舊及僱員福利開支總額分別為242,043,000港元及226,495,000港元，已被計入綜合全面收益表內的「直接成本及經營開支」。

** 被計入綜合全面收益表的「直接成本及經營開支」。

於每一財政年度末，本集團並無被沒收供款用以減少其未來年度的退休計劃供款。

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9. DIRECTORS' REMUNERATION

The remuneration of the Company's directors is set out below:

9. 董事酬金

本公司董事酬金載列如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Fees	袍金	1,952	1,880
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物 利益	3,122	2,816
Discretionary bonuses	酌情花紅	4,509	3,607
Defined contribution plans	界定供款計劃	412	327
		8,043	6,750
		9,995	8,630

		Fees 袍金 HK\$'000 千港元	Salaries, allowances and benefits in kind 薪金、津貼及 實物利益 HK\$'000 千港元	Discretionary bonuses 酌情花紅 HK\$'000 千港元	Defined contribution plans 界定供款計劃 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Year ended 31 December 2019	截至二零一九年 十二月三十一日 止年度					
Executive directors:	執行董事：					
An Xuesong [^]	安雪松先生 [^]	–	1,842	2,580	281	4,703
Luo Junling (note (e))	羅俊嶺先生 (附註(e))	–	1,004	1,929	131	3,064
		–	2,846	4,509	412	7,767
Non-executive director:	非執行董事：					
Wang Tianyi (note (a))	王天義先生 (附註(a))	–	–	–	–	–
Independent non-executive directors:	獨立非執行董事：					
Zhai Haitao	翟海濤先生	459	69	–	–	528
Lim Yu Neng Paul	林御能先生	575	75	–	–	650
Cheng Fong Yee	鄭鳳儀女士	459	69	–	–	528
Hao Gang (note (d))	郝剛女士 (附註(d))	459	63	–	–	522
		1,952	276	–	–	2,228
		1,952	3,122	4,509	412	9,995

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9. DIRECTORS' REMUNERATION (cont'd)

9. 董事酬金 (續)

		Fees 袍金 HK\$'000 千港元	Salaries, allowances and benefits in kind 薪金、津貼及 實物利益 HK\$'000 千港元	Discretionary bonuses 酌情花紅 HK\$'000 千港元	Defined contribution plans 界定供款計劃 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Year ended	截至二零一八年					
31 December 2018	十二月三十一日 止年度					
Executive directors:	執行董事：					
An Xuesong [^]	安雪松先生 [^]	–	1,862	2,183	298	4,343
Luo Junling (note (e))	羅俊嶺先生 (附註(e))	–	604	1,424	29	2,057
Cai Shuguang (note (b))	蔡曙光先生 (附註(b))	–	12	–	–	12
Xu Nailing (note (c))	徐乃玲女士 (附註(c))	–	12	–	–	12
		–	2,490	3,607	327	6,424
Non-executive director:	非執行董事：					
Wang Tianyi (note (a))	王天義先生 (附註(a))	–	24	–	–	24
Independent non-executive directors:	獨立非執行董事：					
Zhai Haitao	翟海濤先生	465	93	–	–	558
Lim Yu Neng Paul	林御能先生	581	93	–	–	674
Cheng Fong Yee	鄭鳳儀女士	465	75	–	–	540
Hao Gang (note (d))	郝剛女士 (附註(d))	369	41	–	–	410
		1,880	302	–	–	2,182
		1,880	2,816	3,607	327	8,630

[^] Mr. An Xuesong was also the chief executive officer of the Group.

[^] 安雪松先生也是本集團的總裁。

Notes:

附註：

- (a) Mr. Wang Tianyi was re-designated as a non-executive director and the chairman of the Company with effect from 23 February 2017.
- (b) Mr. Cai Shuguang resigned as an executive director of the Company on 10 May 2018.
- (c) Ms. Xu Nailing resigned as an executive director of the Company on 10 May 2018.
- (d) Ms. Hao Gang was appointed as an independent non-executive director of the Company with effect from 16 March 2018.
- (e) Mr. Luo Junling was appointed as an executive director of the Company with effect from 10 May 2018.

- (a) 自二零一七年二月二十三日起，王天義先生被重新任命為本公司的非執行董事和董事長。
- (b) 蔡曙光先生於二零一八年五月十日辭去本公司執行董事職務。
- (c) 徐乃玲女士於二零一八年五月十日辭去本公司執行董事職務。
- (d) 郝剛女士被任命為本公司獨立非執行董事，自二零一八年三月十六日起生效。
- (e) 羅俊嶺先生被任命為本公司執行董事，自二零一八年五月十日起生效。

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財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

9. DIRECTORS' REMUNERATION (cont'd)

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the financial year.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the years ended 31 December 2019 and 2018 included two directors, respectively, whose remuneration is included in note 9 above. Details of the remuneration for the years ended 31 December 2019 and 2018 of the remaining three highest paid employee who is neither a director nor chief executive of the Company are as follows:

Salaries, allowances and benefits in kind	薪金、津貼及實物利益
Discretionary bonuses	酌情花紅
Defined contribution plans	界定供款計劃

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

Nil to HK\$1,000,000	0至1,000,000港元
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元

9. 董事酬金 (續)

本財政年度並無董事或關鍵管理人員放棄或同意放棄任何薪酬的安排。

10. 五名最高薪酬僱員

截至二零一九年及二零一八年十二月三十一日止年度內，五名最高薪酬僱員分別包括兩名董事，其酬金計入上文附註9。截至十二月三十一日止的二零一九年度及二零一八年度餘下三名既非本公司董事亦非關鍵管理人員之最高薪酬僱員的薪酬詳情如下：

Year ended 31 December 截至十二月三十一日止年度	
2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
2,662	2,705
3,472	2,793
388	312
6,522	5,810

薪酬在以下範圍內的非董事及非關鍵管理人員的最高薪酬僱員人數如下：

Number of employees 僱員人數	
Year ended 31 December 截至十二月三十一日止年度	
2019 二零一九年	2018 二零一八年
-	-
-	-
-	3
3	-
3	3

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

10. FIVE HIGHEST PAID EMPLOYEES (cont'd)

During the financial year, no emoluments were paid by the Group to the directors of the Company or any of the highest paid employees who are not a director of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

11. INCOME TAX

No provision for Singapore or Hong Kong income tax was made, as the Group did not earn any income subject to Singapore or Hong Kong income tax during the years ended 31 December 2019 and 2018.

Tax for the PRC operations is charged at the statutory rate of 25% based on the assessable profits in accordance with the tax rules and regulations in the PRC. During the year ended 31 December 2019, certain PRC subsidiaries of the Group were subject to a preferential tax rate of 15% pursuant to the relevant tax rules and regulations. During the years ended 31 December 2019 and 2018, certain PRC subsidiaries of the Group were subject to tax at half of the foregoing statutory rate or fully exempt from income tax pursuant to the relevant tax rules and regulations.

10. 五名最高薪酬僱員 (續)

於本財政年度，本集團並無向本公司董事或本公司任何最高薪酬非董事僱員支付任何酬金，作為加入或於加入本集團之時的獎勵或離職賠償。

11 所得稅

由於本集團於截至二零一九年及二零一八年十二月三十一日止年度內在新加坡或香港並無賺取任何應課稅盈利，故此並無作出新加坡或香港利得稅撥備。

根據中國稅務法律及法規，中國業務之稅項按應課稅盈利以法定稅率25%計算。截至二零一九年十二月三十一日止年度內，根據相關中國稅務法律及法規，本集團若干中國附屬公司享有15%的優惠稅率。截至二零一九年及二零一八年十二月三十一日止年度內，根據有關稅務法律及法規，本集團若干中國附屬公司須按前述法定稅率之半數繳納稅項或獲所得稅稅項全數豁免。

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current - PRC:	即期－中國：		
Charge for the year	本年度計提	158,824	139,967
(Overprovision)/underprovision in prior years	過往年度（撥備過剩）/ 撥備不足	(2,167)	4,156
Deferred (note 30)	遞延（附註30）	153,693	170,861
Total tax expense for the year	本年度稅項開支總額	310,350	314,984

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For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

11. INCOME TAX (cont'd)

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the country in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

11 所得稅（續）

按適用於本公司及其大部分附屬公司所在國家之法定稅率計算除稅前盈利之稅項支出與按實際稅率計算之稅項支出之對賬如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit before tax	除稅前盈利	1,195,079	1,051,739
Tax calculated at tax rate of 25% (2018: 25%)	按25%的稅率計算之 稅項（二零一八：25%）	298,770	262,935
Effect of tax rates in foreign jurisdictions	海外司法權區稅率 影響	39,215	26,550
Tax concession	稅項優惠	(84,325)	(24,966)
Adjustments in respect of current tax of previous periods	就過往期間之即期稅項 作出之調整	(2,167)	4,156
Profits attributable to associates	聯營公司應佔盈利	(154)	(105)
Income not subject to tax	無須課稅收入	(962)	(13,189)
Expenses not deductible for tax	不可扣稅開支	10,369	8,439
Tax losses not recognised	未確認稅項虧損	13,660	5,005
Tax losses utilised from previous periods	動用過往期間之 稅項虧損	(10,065)	(1,397)
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	本集團中國附屬公司 可供分派盈利之預扣稅 之影響	46,009	47,556
Tax expense at the Group's effective rate	按本集團實際稅率計算之 稅項支出	310,350	314,984

The share of tax attributable to associates amounting to HK\$85,000 and HK\$58,000 for the years ended 31 December 2019 and 2018, respectively, is included in "Share of profits of associates" in the consolidated statement of comprehensive income.

截至二零一九年及二零一八年十二月三十一日止年度，應佔聯營公司稅項分別為85,000港元及58,000港元，已計入綜合全面收益表的「應佔聯營公司盈利」。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

12. DIVIDENDS

12. 股息

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Dividends for the financial year:	本財政年度股息：		
Interim – HK\$0.0374 (equivalent to SGD0.0065) and SGD0.0049, respectively, per ordinary share	中期—分別為每股普通股0.0374港元（等值0.0065新加坡元）和0.0049新加坡元	105,183	74,644
Proposed final – HK\$0.0374 (equivalent to SGD0.0067) and SGD0.0050, respectively, per ordinary share	擬派末期—分別為每股普通股0.0374港元（等值0.0067新加坡元）和0.0050新加坡元	106,997	77,476
		212,180	152,120
Final dividend for the previous financial year which was paid during the financial year – SGD0.0050 and SGD0.0049, respectively, per ordinary share	財政年度已付的上一個財政年度末期股息—分別為每股普通股0.0050新加坡元和0.0049新加坡元	77,476	76,920

The proposed final dividend for the year ended 31 December 2019 is subject to the approval of the Shareholders of the Company at the forthcoming annual general meeting. The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

截至二零一九年十二月三十一日止年度，建議分派之末期股息須待本公司股東於應屆股東週年大會上批准後方可作實。於報告期末後建議分派之末期股息並未在報告期末確認為負債。

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財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

13. EARNINGS PER SHARE

The basic earnings per share is calculated as the Group's profit for the year attributable to equity holders of the Company divided by the weighted average number of ordinary shares of the Company in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the year.

13. 每股盈利

每股基本盈利乃按本公司權益持有人應佔本集團於本年度盈利除以本公司年內已發行普通股加權平均數計算。

年內，本集團並無任何已發行具潛在攤薄影響之普通股。

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit for the year attributable to equity holders of the Company	本年度本公司權益持有人應佔盈利	833,483	676,459
Weighted average number of ordinary shares in issue during the year	本年度內已發行普通股加權平均數	2,772,099	2,644,322
Basic and diluted earnings per share	每股基本及攤薄盈利	30.07 HK cents 港仙	25.58 HK cents 港仙

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財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

Group

本集團

		Buildings 樓宇 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Leasehold improvements, furniture and fixtures 租賃物業 裝修、傢俬及裝置 HK\$'000 千港元	Motor vehicles and office equipment 汽車及辦 公室設備 HK\$'000 千港元	Total 總額 HK\$'000 千港元
31 December 2019	二零一九年十二月三十一日					
Cost:	成本：					
At 1 January 2019	於二零一九年一月一日	105,967	49,570	10,273	72,382	238,192
Additions	增置	98	1,174	2,111	14,502	17,885
Disposals	處置	(1)	-	(84)	(4,248)	(4,333)
Exchange realignment	匯兌調整	(2,511)	(1,200)	(234)	(1,917)	(5,862)
At 31 December 2019	於二零一九年十二月三十一日	103,553	49,544	12,066	80,719	245,882
Accumulated depreciation:	累計折舊：					
At 1 January 2019	於二零一九年一月一日	27,437	15,296	6,589	44,091	93,413
Charge for the year	本年度折舊	4,518	2,170	1,670	8,213	16,571
Disposals	處置	-	-	(83)	(3,316)	(3,399)
Exchange realignment	匯兌調整	(735)	(411)	(141)	(1,160)	(2,447)
At 31 December 2019	於二零一九年十二月三十一日	31,220	17,055	8,035	47,828	104,138
Net carrying amount:	賬面淨值：					
At 31 December 2019	於二零一九年十二月三十一日	72,333	32,489	4,031	32,891	141,744
At 1 January 2019	於二零一九年一月一日	78,530	34,274	3,684	28,291	144,779

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

14. 物業、廠房及設備 (續)

Group (cont'd)

本集團 (續)

		Buildings 樓宇 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Leasehold improvements, furniture and fixtures 租賃物業 裝修、傢俬及裝置 HK\$'000 千港元	Motor vehicles and office equipment 汽車及辦 公室設備 HK\$'000 千港元	Total 總額 HK\$'000 千港元
31 December 2018	二零一八年十二月三十一日					
Cost:	成本：					
At 1 January 2018	於二零一八年一月一日	100,064	51,781	10,028	66,874	228,747
Additions	增置	-	34	635	10,507	11,176
Acquisition of a subsidiary (note 33)	收購附屬公司 (附註33)	10,970	-	39	605	11,614
Disposals	處置	-	-	(68)	(2,328)	(2,396)
Exchange realignment	匯兌調整	(5,067)	(2,245)	(361)	(3,276)	(10,949)
At 31 December 2018	於二零一八年十二月三十一日	105,967	49,570	10,273	72,382	238,192
Accumulated depreciation:	累計折舊：					
At 1 January 2018	於二零一八年一月一日	23,289	13,730	5,119	40,545	82,683
Charge for the year	本年度折舊	5,350	2,268	1,724	7,394	16,736
Disposals	處置	-	-	(26)	(1,836)	(1,862)
Exchange realignment	匯兌調整	(1,202)	(702)	(228)	(2,012)	(4,144)
At 31 December 2018	於二零一八年十二月三十一日	27,437	15,296	6,589	44,091	93,413
Net carrying amount:	賬面淨值：					
At 31 December 2018	於二零一八年十二月三十一日	78,530	34,274	3,684	28,291	144,779
At 1 January 2018	於二零一八年一月一日	76,775	38,051	4,909	26,329	146,064

The property ownership certificates of certain buildings of the Group in the PRC (the “Buildings”) with aggregate net carrying amounts of HK\$20,280,000 and HK\$22,080,000 as at 31 December 2019 and 31 December 2018, respectively, have not yet been issued by the relevant PRC authorities. In the opinion of the directors of the Company, pursuant to the relevant agreements signed with the local government authorities in the PRC and based on the advice from the Company’s PRC legal adviser, Zhong Lun Law Firm, the Group has the proper legal rights to occupy and use the Buildings.

中國相關機關並未發出本集團於中國若干樓宇（「樓宇」）的房產證，該等物業於二零一九年及二零一八年十二月三十一日賬面淨值分別為20,280,000港元及22,080,000港元。本公司董事認為，根據與中國當地政府機關訂立的相關協議及本公司中國法律顧問中倫律師事務所的意見，本集團具有合法權利佔用及使用該等樓宇。

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For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

14. 物業、廠房及設備（續）

Company

本公司

		Motor vehicles and office equipment 汽車及辦公室設備	
		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cost:	成本：		
At the beginning of the year	年初	39	41
Exchange realignment	匯兌調整	(1)	(2)
At the end of the year	年末	38	39
Accumulated depreciation:	累計折舊：		
At the beginning of the year	年初	21	15
Charge for the year	本年度折舊	7	7
Exchange realignment	匯兌調整	(1)	(1)
At the end of the year	年末	27	21
Net carrying amount:	賬面淨值：		
At the end of the year	年末	11	18
At the beginning of the year	年初	18	26

15. INVESTMENT PROPERTY

15. 投資物業

Group

本集團

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Carrying amount at the beginning of the year	年初賬面值	-	-
Additions during the year	年內增置	3,211	-
Exchange realignment	匯兌調整	(73)	-
Carrying amount at the end of the year	年末賬面值	3,138	-

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財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

15. INVESTMENT PROPERTY (cont'd)

The directors of the Company have determined that the Group's investment property is a commercial investment property based on the nature, characteristics and risks of each property.

The Group's investment property was revalued on 31 December 2019 by management based on the expected future cash flows.

The investment property is leased to third parties under operating leases, further summary details of which are included in note 16.

The following table illustrates the fair value measurement hierarchy of the Group's investment property:

As at 31 December 2019

15. 投資物業（續）

根據各項物業之性質、特性及風險，本公司董事確定本集團之投資物業屬商用投資物業。

管理層已於二零一九年十二月三十一日根據預期未來現金流量對本集團的投資物業進行重估。

投資物業根據經營租賃出租予第三方，其進一步資料概要載於財務報表附註16。

下表說明了本集團投資物業的公允價值計量層級：

於二零一九年十二月三十一日

Fair value measurement using 公允價值計量採用以下基準				
	Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一級) HK\$'000 千港元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) HK\$'000 千港元	Total 總額 HK\$'000 千港元
Recurring fair value measurement for: Commercial investment property		下列項目之經常性的公允價值計量： 商用投資物業		
	-	-	3,138	3,138

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2018: Nil).

年內，第一級與第二級公允價值計量並無任何轉移，第三級亦無任何轉入或轉出（二零一八年：無）。

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15. INVESTMENT PROPERTY (cont'd)

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment property together with a quantitative sensitivity analysis as at 31 December 2019:

	Valuation technique 估值技術	Significant unobservable input 重大不可觀察輸入數據	Range 範圍	Sensitivity of fair value to the input 公允價值對輸入數據的敏感性
Commercial investment property 商用投資物業	Discounted cash flow method 現金流折現方法	Estimated rental value 預計租金水平	RMB208 per square meter annually 每年每平方米208元人民幣	5% increase (decrease) in estimated rental value would result in increase (decrease) in fair value by HK\$98,000 預計租金水平增加(減少)5%會導致公允價值增加(減少)98,000港元
		Rent growth 租金增長率	5%	1% increase (decrease) in rent growth would result in increase in fair value by HK\$201,000 or decrease in fair value by HK\$179,000 租金增長率增加(減少)1%會導致公允價值增加201,000港元或公允價值減少179,000港元
		Discount rate 折現率	3%	1% increase (decrease) in discount rate would result in decrease in fair value by HK\$312,000 or increase in fair value by HK\$377,000 折現率增加(減少)1%會導致公允價值減少312,000港元或公允價值增加377,000港元

Under the discounted cash flow method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a property interest. A market-derived discount rate is applied to the projected cash flow in order to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

15. 投資物業 (續)

下表概述於二零一九年十二月三十一日投資物業估值所使用之估值技術及主要輸入數據及其定量敏感性分析：

在現金流量折現方法下，公允價值為根據資產壽命期內所有權的權利和義務（包括退出價值或最終價值）的假設來估算的。這種方法涉及在財產權益上的一系列現金流量的預測。根據市場得出的折現率適用於預計的現金流量，以便確定與資產有關的收入流的現值。退出收益率通常是單獨確定的，與折現率不同。

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15. INVESTMENT PROPERTY (cont'd)

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related reletting, redevelopment or refurbishment. The appropriate duration is driven by market behaviour that is a characteristic of the class of property. The periodic cash flow is estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance costs, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

16. LEASES

The Group as a lessee

The Group has lease contracts for various items of land and buildings, equipment and others used in its operation. Lump sum payments were made upfront to acquire the land lease from the owners with lease periods of fifty years, and no ongoing payments will be made under the terms of these land leases. Lease of land, equipment and others generally have lease terms between two and three years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Prepaid land lease payments (before 1 January 2019)

15. 投資物業 (續)

現金流量的期限和現金流入及流出的具體時點是由諸如租金審查、租約續期和相關的重新出租、重新開發或翻新等事件決定的。適用的期限是由市場行為驅動的，而市場行為是這類房產的一個特征。周期性的現金流量估計等於收入總額減去空缺、不可收回的費用、收款損失、租賃獎勵、維修費用、代理和傭金費用以及其他經營和管理費用。然後，對一系列周期性的淨經營收入以及預測期結束時預計的終值進行折現。

16. 租賃

本集團作為承租人

本集團在經營過程中使用了各類與土地、樓宇、設備及其他項目的租賃合同。本集團已作出一次性前期付款，以向所有者收購租期為五十年的租賃土地，而根據該等土地租賃之條款，無需作出持續性付款。土地、設備及其他項目的租賃期限一般為二年至三年。一般情況下，本集團禁止向本集團以外人士轉讓及分組有關租賃資產。

(a) 預付土地租賃款項 (二零一九年一月一日前)

		HK\$'000 千港元
Carrying amount at 1 January 2018	於二零一八年一月一日賬面值	5,974
Amortisation provided during the year	年內攤銷撥備	(357)
Exchange realignment	匯兌調整	(245)
Carrying amount at 31 December 2018	於二零一八年十二月三十一日賬面值	<u>5,372</u>

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16. LEASES (cont'd)

The Group as a lessee (cont'd)

(b) Right-of-use assets

The carrying amount of the Group's right-of-use assets and movements during the year are as follows:

		Prepaid land lease payments 預付土地租 賃款項 HK\$'000 千港元	Buildings 樓宇 HK\$'000 千港元	Equipment and others 設備及其他 HK\$'000 千港元	Total 總額 HK\$'000 千港元
As at 1 January 2019	於二零一九年一月一日	5,372	-	-	5,372
Additions	增置	-	27,088	459	27,547
Depreciation charge	折舊支出	(342)	(6,394)	(243)	(6,979)
Exchange realignment	匯兌調整	(120)	(207)	(4)	(331)
At 31 December 2019	於二零一九年十二月三十一日	4,910	20,487	212	25,609

(c) Lease liabilities

The carrying amount of the Group's lease liabilities and movements during the year are as follows:

		HK\$'000 千港元
Carrying amount at 1 January 2019	於二零一九年一月一日賬面值	-
New leases	新訂租賃	27,547
Accretion of interest recognised during the year	年內確認的利息增加	777
Payments	付款	(7,207)
Exchange realignment	匯兌調整	(204)
Carrying amount at 31 December 2019	於二零一九年十二月三十一日賬面值	20,913
Analysed into :	分析 :	
Current portion	即期部分	9,534
Non-current portion	非即期部分	11,379

16. 租賃 (續)

本集團作為承租人 (續)

(b) 使用權資產

本集團使用權資產的賬面價值及本年度的變動情況如下：

(c) 租賃負債

本集團租賃負債的賬面價值及本年度的變動情況如下：

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16. LEASES (cont'd)

The Group as a lessee (cont'd)

- (d) The amounts recognised in profit or loss in relation to leases are as below:

Interest expense on lease liabilities	租賃負債的利息費用
Depreciation charge of right-of-use assets	使用權資產折舊支出
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 December 2019 (included in "Administrative and other operating expenses")	於二零一九年十二月三十一日或之前到期的短期租賃和其他租賃的開支 (計入「管理及其他經營費用」)
Total amount recognised in profit or loss	於損益中確認的總金額

- (e) The total cash outflow for leases is disclosed in note 34(c).

The Group as a lessor

The Group leases its investment property (note 15), consisting of one commercial property in PRC, under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the prevailing market conditions. Rental income recognised by the Group during the year was HK\$31,000 (2018: Nil).

At 31 December 2019, the undiscounted lease payments receivables by the Group in future periods under non-cancellable operating lease with its tenant are as follows:

Within 1 year	1年以內
After 1 year but within 5 years	1至5年
After 5 years	5年以上

16. 租賃 (續)

本集團作為承租人 (續)

- (d) 於損益表中確認之租賃相關金額如下：

		2019 二零一九年 HK\$'000 千港元
Interest expense on lease liabilities	租賃負債的利息費用	777
Depreciation charge of right-of-use assets	使用權資產折舊支出	6,979
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 December 2019 (included in "Administrative and other operating expenses")	於二零一九年十二月三十一日或之前到期的短期租賃和其他租賃的開支 (計入「管理及其他經營費用」)	5,349
Total amount recognised in profit or loss	於損益中確認的總金額	13,105

- (e) 與租賃相關的現金流出披露於附註34(c)。

本集團作出租人

本集團根據經營租賃安排租賃其投資物業 (附註15)，該物業由中國境內的一處商業物業組成。租約的條款一般要求承租人支付保證金，並根據當時的市場情況定期調整租金。本集團本年度確認的租金收入為31,000港元 (二零一八年：無)。

於二零一九年十二月三十一日，本集團與承租人訂立的不可撤銷經營租賃協議項下，未來期間未折現的應收租賃款項如下：

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within 1 year	1年以內	89	-
After 1 year but within 5 years	1至5年	355	-
After 5 years	5年以上	74	-
		518	-

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17. INTANGIBLE ASSETS

17. 無形資產

Group

本集團

		Concession rights 特許經營權 HK\$'000 千港元	Patents and trademarks 專利及商標 HK\$'000 千港元	Computer software 計算機軟件 HK\$'000 千港元	Backlog contracts 未完成合約 HK\$'000 千港元	Customer relationships 客戶關係 HK\$'000 千港元	Total 總額 HK\$'000 千港元
31 December 2019	二零一九年十二月三十一日						
Cost:	成本：						
At 1 January 2019	於二零一九年一月一日	1,765,534	24,737	4,753	29,079	12,650	1,836,753
Additions	增置	236,843	-	2,612	-	-	239,455
Exchange realignment	匯兌調整	(47,175)	(586)	(171)	(689)	(300)	(48,921)
At 31 December 2019	於二零一九年十二月三十一日	1,955,202	24,151	7,194	28,390	12,350	2,027,287
Accumulated amortisation:	累計攤銷：						
At 1 January 2019	於二零一九年一月一日	250,538	16,779	2,923	29,079	1,265	300,584
Amortisation provided during the year	年內攤銷撥備	65,992	4,105	524	-	2,527	73,148
Exchange realignment	匯兌調整	(3,160)	(490)	(456)	(689)	(87)	(4,882)
At 31 December 2019	於二零一九年十二月三十一日	313,370	20,394	2,991	28,390	3,705	368,850
Net carrying amount:	賬面淨值：						
At 31 December 2019	於二零一九年十二月三十一日	1,641,832	3,757	4,203	-	8,645	1,658,437
At 1 January 2019	於二零一九年一月一日	1,514,996	7,958	1,830	-	11,385	1,536,169
31 December 2018	二零一八年十二月三十一日						
Cost:	成本：						
At 1 January 2018	於二零一八年一月一日	1,669,343	25,861	4,867	30,400	-	1,730,471
Additions	增置	181,095	-	39	-	-	181,134
Acquisition of a subsidiary (note 33)	收購一間附屬公司 (附註33)	-	-	65	-	13,573	13,638
Exchange realignment	匯兌調整	(84,904)	(1,124)	(218)	(1,321)	(923)	(88,490)
At 31 December 2018	於二零一八年十二月三十一日	1,765,534	24,737	4,753	29,079	12,650	1,836,753

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17. INTANGIBLE ASSETS (cont'd)

17. 無形資產 (續)

		Concession rights 特許經營權 HK\$'000 千港元	Patents and trademarks 專利及商標 HK\$'000 千港元	Computer software 計算機軟件 HK\$'000 千港元	Backlog contracts 未完成合約 HK\$'000 千港元	Customer relationships 客戶關係 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Accumulated amortisation:	累計攤銷：						
At 1 January 2018	於二零一八年一月一日	194,577	13,246	2,530	30,400	-	240,753
Amortisation provided during the year	年內攤銷撥備	66,255	4,292	481	-	1,321	72,349
Exchange realignment	匯兌調整	(10,294)	(759)	(88)	(1,321)	(56)	(12,518)
At 31 December 2018	於二零一八年十二月三十一日	250,538	16,779	2,923	29,079	1,265	300,584
Net carrying amount:	賬面淨值：						
At 31 December 2018	於二零一八年十二月三十一日	1,514,996	7,958	1,830	-	11,385	1,536,169
At 1 January 2018	於二零一八年一月一日	1,474,766	12,615	2,337	-	-	1,489,718

As at 31 December 2019 and 2018, certain of the Group's concession rights of the environmental water projects (comprising concession rights of intangible assets, contract assets and trade receivables) with aggregate carrying amounts of HK\$2,799,359,000 and HK\$4,426,064,000, respectively, were pledged to secure banking facilities granted to the Group, further details of which are included in notes 28 and 35.

於二零一九年及二零一八年十二月三十一日，本集團若干水環境項目之特許經營權（包括無形資產中的特許經營權、合約資產及應收賬款）的賬面總值分別為2,799,359,000港元及4,426,064,000港元已抵押作為本集團獲授銀行融資之抵押品，進一步詳情載於附註28及附註35。

Impairment testing of concession rights not yet available for use

尚不可用的特許經營權的減值測試

As at 31 December 2019 and 2018, certain projects had not commenced operations and the carrying amounts of the concession rights not yet available for use of these projects were approximately HK\$591 million and HK\$390 million, respectively. The recoverable amount of each of these concession rights was determined based on value-in-use calculations using cashflow projections based on a financial budget covering a five-year period approved by the management. Management determined the budgets based on the service concession arrangements governing the relevant operations. The pre-tax discount rates applied to the cashflow projections were 10.3% for 2019 and 10.2% for 2018, and cash flows beyond the five-year period were extrapolated using a growth rate of 3%. The discount rates used are pre-tax and reflect specific risks relating to the relevant operations. No impairment is considered necessary as at 31 December 2019 and 2018. Management believes that any reasonably possible changes to the key assumptions applied is not likely to lead to any impairment of the concession rights not yet available for use.

於二零一九年及二零一八年十二月三十一日，若干項目並未開始營運及尚未可供該等項目使用的特許經營權的賬面值分別為約5.91億港元及3.90億港元。各項特許經營權可收回金額乃根據管理層批准的五年期財務預算的現金流量預測釐定其使用價值。管理層根據規管相關營運的服務特許經營安排釐定預算。適用於現金流量預測的稅前折現率於二零一九年為10.3%及二零一八年為10.2%，以及超過五年期的現金流量乃採用增長率3%予以推測。所用折現率為稅前折現率，並反映與相關營運有關之特定風險。於二零一九年及二零一八年十二月三十一日，並無必要作出減值。管理層認為，所採用主要假設的任何合理可能變動並不可能導致尚不可用的特許經營權的減值。

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17. INTANGIBLE ASSETS (cont'd)

Impairment testing of concession rights not yet available for use (cont'd)

The sensitivity analysis below has been determined based on the exposure to the pre-tax discount rate and five-year period growth rate, representing the key inputs to the determination of the recoverable amount.

The headroom of the concession rights not yet available for use is shown as below:

	超出部分
Headroom	

Had the estimated key assumptions been changed as below, the headroom would be increased/(decreased) by:

Pre-tax discount rate decreased by 0.2%	稅前折現率降低0.2%
Pre-tax discount rate increased by 0.2%	稅前折現率提高0.2%
Five-year period growth rate increased by 5%	五年期增長率提高5%
Five-year period growth rate decreased by 5%	五年期增長率降低5%

A respective increase in the discount rate from the original rate of 10.3% and 10.2% by 0.2% and 0.5% to 10.5% and 10.7%, respectively, as at 31 December 2019 and 2018, would remove the remaining headroom. Even if the five-year period growth rate decreased to 0%, the recoverable amount of the concession rights not yet available for use would still exceed its carrying value.

17. 無形資產 (續)

尚不可用的特許經營權的減值測試 (續)

以下敏感度分析乃根據稅前折現率及五年期增長率釐定，為釐定可收回金額時應用的主要輸入數據。

尚不可用的特許經營權的超出部分列示如下：

As at 31 December 於十二月三十一日	
2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
26,000	63,000

倘估計主要假設變動如下，超出部分則增加/（減少）：

As at 31 December 於十二月三十一日	
2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
23,000	26,000
(22,000)	(24,000)
1,000	2,000
(1,000)	(2,000)

倘於二零一九年及二零一八年十二月三十一日折現率分別從原折現率10.3%及10.2%各自提高0.2%及0.5%至10.5%及10.7%，則可消除剩餘超出部分。此外，即使五年期增長率降至0%，尚不可用的特許經營權的可收回金額將仍超出其賬面值。

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18. GOODWILL

Group

Cost and net carrying amount at the beginning of the year	年初成本及賬面淨值
Acquisition of a subsidiary (note 33)	收購一間附屬公司 (附註33)
Exchange realignment	匯兌調整
Cost and net carrying amount at the end of the year	年末成本及賬面淨值

The goodwill arising from the acquisition is attributable mainly to the expected synergies from combining operations of the acquiree and acquirer. None of the goodwill acquired is expected to be deductible for tax purposes.

Impairment testing of goodwill

For the purpose of impairment testing, goodwill has been allocated to the water environment management segment as at 31 December 2019 and 2018.

The recoverable amount of the group of cash-generating units within the water environment management segment as at 31 December 2019 and 2018 was determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period using a growth rate of 3% to 10% approved by management. The pre-tax discount rates applied to the cash flow projections were 11.0% for 2019 and 11.2% for 2018, and cash flows beyond the five-year period were extrapolated using a growth rate of 3%. Management determined the budgets based on service concession arrangements governing the relevant operations. Based on the assessment, no impairment provision was necessary as at 31 December 2019 and 2018. Management believes that any reasonably possible changes to the key assumptions applied would not lead to impairment of goodwill as at 31 December 2019 and 2018.

18. 商譽

本集團

As at 31 December 於十二月三十一日	
2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
1,242,713	1,259,922
-	39,835
(29,204)	(57,044)
1,213,509	1,242,713

收購產生的商譽主要歸因於被收購方與收購方的業務合併產生的預期協同效應。收購所得商譽皆不可扣稅。

商譽之減值測試

就減值測試而言，於二零一九年及二零一八年十二月三十一日，商譽已被分配至水環境治理分部。

於二零一九年及二零一八年十二月三十一日，水環境治理分部內現金產出單元根據使用價值以基於管理層批准的3%至10%增長率計算的五年期財務預算之現金流量預測釐定其可收回金額。適用於現金流量預測的稅前折現率於二零一九年為11.0%及二零一八年為11.2%，以及超過五年期的現金流量乃採用增長率3%予以推測。管理層根據規管相關營運的服務特許經營安排釐定預算。根據評估，於二零一九年及二零一八年十二月三十一日，並無必要計提減值撥備。管理層認為，於二零一九年及二零一八年十二月三十一日所採用主要假設的任何合理可能變動並不可能導致商譽減值。

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18. GOODWILL (cont'd)

Impairment testing of goodwill (cont'd)

The sensitivity analysis below has been determined based on the exposure to the pre-tax discount rate and five-year period growth rate, representing the key inputs to the determination of the recoverable amount.

The headroom of the Group of cash-generating units within the water environment management segment is shown as below:

Headroom	超出部分
----------	------

Had the estimated key assumptions been changed as below, the headroom would be increased/(decreased) by:

Pre-tax discount rate increased by 0.2%	稅前折現率提高0.2%
Pre-tax discount rate decreased by 0.2%	稅前折現率降低0.2%
Five-year period growth rate increased by 5%	五年期增長率提高5%
Five-year period growth rate decreased by 5%	五年期增長率降低5%

A respective increase in the discount rate from the original rate of 11.0% and 11.2% by 1.9% and 2.5% to 12.9% and 13.7%, respectively; or a decrease in the five-year period growth rate by 47% and 61% of the original five-year period growth rate respectively, as at 31 December 2019 and 2018, would remove the remaining headroom.

18. 商譽 (續)

商譽之減值測試 (續)

以下敏感性分析乃根據確定可收回金額的主要輸入數據：稅前折現率及五年期增長率釐定。

本集團水環境治理分部內現金產出單元的超出部分列示如下：

As at 31 December 於十二月三十一日	
2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
4,298,000	4,459,000

倘估計主要假設變動如下，超出部分則增加／(減少)：

As at 31 December 於十二月三十一日	
2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
(529,000)	(424,000)
551,000	439,000
477,000	384,000
(473,000)	(381,000)

倘於二零一九年及二零一八年十二月三十一日，折現率分別從原折現率11.0%及11.2%各自提高1.9%及2.5%至12.9%及13.7%；或五年期增長率分別較原五年期增長率降低47%及61%，則可消除剩餘超出部分。

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19. INTERESTS IN ASSOCIATES

Group

Share of net assets 所佔資產淨值

Particulars of the Group's associates during the financial year are as follows:

Name 名稱	Particulars of capital 資本詳情	Place of registration and business 登記及營業地點	Percentage of ownership interest attributable to the Group 本集團應佔擁有權 權益百分比	Principal activities 主營業務
Qingdao Haibohe Water Operating Limited ("Qingdao Haibohe") 青島海泊河水務運營有 限公司 ("青島海泊河")	Paid up capital of US\$350,845 實繳資本 350,845美元	PRC/ Mainland China 中國/中國內地	49	Waste water treatment 污水處理
Hebei Xiong'an Huashen Water Engineering Technology Limited ("Hebei Xiong'an") (note (a)) 河北雄安華深水務工程技術 有限公司 ("河北雄安") (附註 (a))	Paid up capital of RMB5,000,000 實繳資本 5,000,000元人民幣	PRC/ Mainland China 中國/中國內地	20	R&D and consultation on water treatment 水務處理的研發 及諮詢

Note:

- (a) In the previous year ended 31 December 2018, the Group made a capital contribution of RMB1,000,000 (equivalent to HK\$1,168,000) to Hebei Xiong'an. Hebei Xiong'an is established with three other entities established in the PRC, in Xiong'an City, the PRC, which enables the Group to further develop R&D and construction services in Xiong'an City.

The Group has significant influence, but not control or joint control, over Hebei Xiong'an, including participation in the financial and operating policy decisions, pursuant to the Articles of Association of Hebei Xiong'an. Accordingly, Hebei Xiong'an is classified as an associate of the Group.

19. 聯營公司權益

本集團

As at 31 December
於十二月三十一日

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
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3,588	3,011
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本集團聯營公司於財務報表期間之詳情如下：

附註：

- (a) 於二零一八年十二月三十一日為止的以前年度，本集團向河北雄安注資1,000,000元人民幣（相當於1,168,000港元）。河北雄安由本集團及在中國的另外三間實體共同設立，便於本集團能在雄安市進一步發展研發及建設服務。

根據河北雄安之公司章程細則，本集團對河北雄安有重大影響（而非控制權或共同控制權），包括參與決定其財務及運營政策。因此，河北雄安被分類為本集團之聯營公司。

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19. INTERESTS IN ASSOCIATES (cont'd)

As at 31 December 2019 and 2018, the above investments were held by the Company's subsidiaries.

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Share of the associates' profit for the year	本年聯營公司應佔盈利	614	422
Share of the associates' total comprehensive income	本年聯營公司應佔綜合收益總額	614	422
Aggregate carrying amount of the Group's investments in the associates	本集團對聯營公司投資的總賬面值	3,588	3,011

19. 聯營公司權益 (續)

於二零一九年及二零一八年十二月三十一日，上述投資由本公司附屬公司持有。

下表載列了本集團個別不屬於重大聯營公司之匯總財務資料：

20. INTERESTS IN SUBSIDIARIES

Company

Unlisted shares, at cost 非上市股份，按成本
Amounts due from subsidiaries 應收附屬公司款項

Impairment 減值

The amounts due from subsidiaries are unsecured, interest-free and have no fixed repayment terms. The balances are considered by the directors as quasi-equity investments in these subsidiaries.

20. 附屬公司權益

本公司

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本	11,481,702	11,760,204
Amounts due from subsidiaries	應收附屬公司款項	2,697,945	3,274,536
		14,179,647	15,034,740
Impairment	減值	(4,191,484)	(4,293,153)
		9,988,163	10,741,587

應收附屬公司款項為無抵押、免息及並無固定還款期。該等結餘被董事視為於該等附屬公司的准股權投資。

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20. INTERESTS IN SUBSIDIARIES (cont'd)

Movements in the provision for impairment are as follows:

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At the beginning of the year	年初	4,293,153	4,488,176
Exchange realignment	匯兌調整	(101,669)	(195,023)
At the end of the year	年末	4,191,484	4,293,153

Particulars of the subsidiaries are disclosed in note 1 to the financial statements.

20. 附屬公司權益 (續)

減值撥備變動如下：

該等附屬公司的詳情披露於附註1。

21. CONTRACT ASSETS

Group

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current	非即期		
Service concession assets	服務特許經營資產	14,144,440	11,727,822
Current	即期		
Service concession assets	服務特許經營資產	1,360,370	1,424,161
Other contract assets	其他合約資產	28,835	-
		1,389,205	1,424,161
Total	總額	15,533,645	13,151,983

(a) Included in "contract assets" as at 31 December 2019 and 2018 are amounts of HK\$542,172,000 and HK\$582,215,000, respectively, which are due from a non-controlling shareholder of a non wholly-owned subsidiary, and amounts of HK\$730,733,000 and HK\$603,995,000, respectively, which are due from a related company of a non wholly-owned subsidiary.

21. 合約資產

本集團

(a) 於二零一九年及二零一八年十二月三十一日，在「合約資產」中列明，應收非全資附屬公司的非控股股東款項分別為542,172,000港元及582,215,000港元，而應收非全資附屬公司的關聯公司款項分別為730,733,000港元及603,995,000港元。

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21. CONTRACT ASSETS (cont'd)

(a) (cont'd)

Contract assets as at 31 December 2019 and 2018 totalling HK\$15,533,645,000 and HK\$13,151,983,000, respectively, bear interest at rates ranging from 4.90% to 7.83% and 4.90% to 7.83%, respectively, per annum. As at 31 December 2019 and 2018, HK\$8,120,095,000 and HK\$5,443,224,000, respectively, related to the service concession arrangements with operation commenced. The amounts for the service concession arrangements are not yet due for payment and will be settled by revenue to be generated during the operating periods of the service concession arrangements. Amounts billed will be transferred to trade receivables (note 23).

(b) The balance as at 31 December 2019 comprised contract assets arising from performance under construction management service contract. Such contracts include payment schedules which require stage payments over the service periods once milestones are reached.

No impairment loss was recognized by the Group at 31 December 2019 and 2018 in respect of the contract assets.

As at 31 December 2019 and 2018, certain of the Group's concession rights of the environmental water projects (comprising concession rights of intangible assets, contract assets and trade receivables) with aggregate carrying amounts of HK\$2,799,359,000 and HK\$4,426,064,000, respectively, were pledged to secure banking facilities granted to the Group, further details of which are included in notes 28 and 35.

Included in "Intangible assets" of the Group (note 17) as at 31 December 2019 and 2018 are contract assets of HK\$591,405,000 and HK\$390,347,000, respectively, arising from performance under construction contracts in connection with service concession arrangements.

21. 合約資產 (續)

(a) (續)

於二零一九年及二零一八年十二月三十一日，合約資產分別為15,533,645,000港元及13,151,983,000港元，為分別按年利率介乎4.90%至7.83%及4.90%至7.83%計息。於二零一九年及二零一八年十二月三十一日，與開始營運的服務特許經營安排有關的款項分別8,120,095,000港元及5,443,224,000港元。服務特許經營安排的尚未到期付款金額，將以服務特許經營安排運營期間所產生的收入。已開票金額將轉至應收賬款（附註23）。

(b) 於二零一九年十二月三十一日的餘額由因履行建造管理服務合約而產生的合約資產組成。有關合約載有付款時間表，其規定於服務期內當達至指定工程進度時，使須支付進度付款。

於二零一九年十二月三十一日和二零一八年十二月三十一日，本集團未就合約資產確認減值虧損。

於二零一九年及二零一八年十二月三十一日，本集團若干水環境項目之特許經營權（包括無形資產中的特許經營權、合約資產及應收賬款）的賬面價值分別2,799,359,000港元及4,426,064,000港元已抵押作為本集團獲授銀行融資之抵押品，進一步詳情載於附註28及附註35。

於二零一九年及二零一八年十二月三十一日計入本集團「無形資產」（附註17）的合約資產分別為591,405,000港元及390,347,000港元，乃產生自與服務特許經營安排有關的建造合約的履約。

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22. INVENTORIES

Group

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Raw materials and consumables	原材料及耗材	37,948	40,436

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cost of inventories consumed	已耗存貨的賬面值	914,896	549,349

已於損益表確認為開支的存貨金額分析如下：

23. TRADE AND OTHER RECEIVABLES

Group

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current	非即期		
Trade receivables	應收賬款	4,714	50,216
VAT receivable	應收增值稅	93,539	92,341
Other receivables	其他應收款項	7,458	10,518
Amount due from an associate	應收一間聯營公司款項	8,181	4,029
		113,892	157,104
Contingent consideration receivable	或然代價應收款項	-	2,155
		113,892	159,259

22. 存貨

本集團

23. 應收賬款及其他應收款項

本集團

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23. TRADE AND OTHER RECEIVABLES (cont'd)

Group (cont'd)

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current	即期		
Trade receivables	應收賬款	971,831	720,953
Less: Impairment	減：減值	(65,902)	(49,888)
		905,929	671,065
VAT receivable	應收增值稅	153,908	131,658
Other receivables and sundry deposits	其他應收款項及 雜項按金	261,703	90,918
Prepayments	預付款項	85,425	125,017
		1,406,965	1,018,658
Contingent consideration receivable	或然代價應收款項	7,708	6,386
		1,414,673	1,025,044
Total	總額	1,528,565	1,184,303

Company

本公司

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Amounts due from subsidiaries	應收附屬公司款項	4,982,545	3,660,270
Prepayments	預付款項	-	3,156
Total	總額	4,982,545	3,663,426

The amounts due from subsidiaries of the Company as at 31 December 2019 and 2018 are unsecured, interest-free and repayable on demand.

本公司於二零一九年及二零一八年十二月三十一日的應收附屬公司款項為無抵押、免息及須按要求償還。

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23. TRADE AND OTHER RECEIVABLES (cont'd)

The movements in provision for impairment of trade receivables are as follows:

Group

At the beginning of the year	年初
Effect on adoption of IFRS 9 (note 2.2)	採納國際財務報告準則第9號的影響 (附註2.2)
Impairment losses recognised (note 8)	已確認的減值損失 (附註8)
Exchange realignment	匯兌調整
At the end of the year	年末

The ageing analysis of trade receivables, based on the date of invoice (or date of revenue recognition, if earlier) and net of provision, as at the end of the reporting period is as follows:

Within 1 month	不多於一個月
More than 1 month but within 2 months	超過一個月但不多於兩個月
More than 2 months but within 4 months	超過兩個月但不多於四個月
More than 4 months but within 7 months	超過四個月但不多於七個月
More than 7 months but within 13 months	超過七個月但不多於十三個月
More than 13 months	超過十三個月

Trade receivables are due within 30 to 90 days from the date of billing. During the year ended 31 December 2019, certain local government authorities agreed on repayment schedules pursuant to which the Group's trade receivables past due amounting to HK\$4,714,000 will be settled by instalments in 2021. Further details on the Group's credit policy are set out in note 40.

23. 應收賬款及其他應收款項 (續)

應收賬款減值撥備之變動如下：

本集團

As at 31 December 於十二月三十一日	
2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
49,888	-
-	35,669
17,314	16,664
(1,300)	(2,445)
65,902	49,888

於報告期末，根據發票日期（或收入確認日期，以較早者為準）及扣除撥備後）之應收賬款賬齡分析如下：

As at 31 December 於十二月三十一日	
2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
517,087	295,894
80,356	67,763
71,936	67,071
73,728	147,661
56,103	53,203
111,433	89,689
910,643	721,281

應收賬款於開票日期後30日至90日到期。截至二零一九年十二月三十一日止年度內，若干地方政府機關就本集團的逾期應收賬款4,714,000港元協議還款時間，即將於二零二一年分期結付。有關本集團的信貸政策的進一步詳情載於附註40。

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23. TRADE AND OTHER RECEIVABLES (cont'd)

Trade receivables mainly represent revenue from the provision of operation services and the billed amounts of the contract assets. There was no recent history of default in respect of the Group's trade receivables. Since most of the debtors are local government authorities in the PRC and based on past experience, management, based on IAS 39's incurred loss approach, believes that no impairment allowance was necessary as at 31 December 2019 in respect of the past due balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

From 1 January 2018, the Group has applied the simplified approach to providing impairment for ECLs prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The ECLs below also incorporate forward looking information. The impairment as of 31 December 2019 and 2018 was determined as follows:

Group

		Current 即期	Past due within 1 year 逾期一年內	Past due more than 1 year but within 2 years 逾期超過一年 但於兩年內	Past due over 2 years 逾期兩年 以上	Total 總額
31 December 2019:	二零一九年十二月三十一日					
Expected loss rate	預計虧損率	0.8%	1.3%	9.5%	65.7%	6.7%
Gross carrying amount (HK\$'000)	賬面總值 (千港元)	569,689	238,646	93,150	75,060	976,545
Impairment (HK\$'000)	減值 (千港元)	4,736	2,984	8,836 [^]	49,346 [*]	65,902
31 December 2018:	二零一八年十二月三十一日					
Expected loss rate	預計虧損率	0.0%	3.3%	11.5%	53.2%	6.5%
Gross carrying amount (HK\$'000)	賬面總值 (千港元)	367,987	293,083	43,907	66,192	771,169
Impairment (HK\$'000)	減值 (千港元)	-	9,649	5,056	35,183	49,888

23. 應收賬款及其他應收款項 (續)

應收賬款主要指提供運營服務產生的收入及合約資產的開票金額。本集團應收賬款並無近期違約記錄。由於大多數債務人為中國當地政府機關且根據過往經驗、管理層基於國際會計準則第39號的產生虧損法，認為由於信貸質量並無重大變動且結餘仍被認為可悉數收回，故毋須於二零一九年十二月三十一日就已逾期結餘作出減值撥備。本集團並不持有該等結餘的任何抵押品。

自二零一八年一月一日起，本集團已應用簡化方法對國際財務報告準則第9號規定的預期信貸虧損作出撥備，其准許對所有應收賬款採用整個存續期的預期虧損撥備。為計算預期信貸虧損，根據共享信貸風險特征及逾期天數將應收賬款分類。下文預期信貸虧損亦納入前瞻性信息。於二零一九年及二零一八年十二月三十一日的減值釐定如下：

本集團

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For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

23. TRADE AND OTHER RECEIVABLES (cont'd)

^ The impairment included an amount of HK\$7,420,000 made for specific trade receivables which were considered in default due to indicators which showed that the Group was unlikely to receive the outstanding contractual amounts in full.

* The impairment included an amount of HK\$48,317,000 made for specific trade receivables which were considered in default due to indicators which showed that the Group was unlikely to receive the outstanding contractual amounts in full.

Included in "Trade and other receivables" of the Group as at 31 December 2019 and 2018 were trade receivables of HK\$910,643,000 and HK\$721,281,000, respectively, of which HK\$70,615,000 and HK\$148,663,000, respectively, were due from a non-controlling shareholder of a non wholly-owned subsidiary, HK\$11,072,000 and HK\$10,612,000, respectively, were due from a related company of a non wholly-owned subsidiary, HK\$57,803,000 and HK\$51,960,000, respectively, were due from fellow subsidiaries.

Included in "Trade and other receivables" of the Group as at 31 December 2019 and 2018 was contingent consideration receivable of HK\$7,708,000 and HK\$8,541,000, respectively, in relation to the acquisition of Xuzhou Engineering Design Institute (note 33). The contingent consideration receivable constitutes a derivative within the scope of IFRS 9, and is recognised at its fair value as asset on initial recognition and is subsequently remeasured at fair value with changes in fair value recognised in profit or loss.

Group

At the beginning of the year	年初	
Additions (note 33)	增置 (附註33)	
Fair value (loss)/gain recognised in profit or loss (note 6)	於損益內確認之公允價值 (虧損) / 收益 (附註6)	
Exchange realignment	匯兌調整	
At the end of the year	年末	
Portion classified as current assets	分類為流動資產之部分	
Non-current portion	非流動部分	

23. 應收賬款及其他應收款項 (續)

^ 包括就特定應收賬款作出的減值金額7,420,000港元，由於有迹象顯示本集團不可能悉數收取未償還合同金額，故有關特定應收賬款被視為違約。

* 包括就特定應收賬款作出的減值金額48,317,000港元，由於有迹象顯示本集團不可能悉數收取未償還合同金額，故有關特定應收賬款被視為違約。

於二零一九年及二零一八年十二月三十一日，本集團「應收賬款及其他應收款項」分別包括應收賬款910,643,000港元及721,281,000港元，其中應收非全資附屬公司的非控股股東款項分別為70,615,000港元及148,663,000港元、應收非全資附屬公司的關聯公司款項分別為11,072,000港元及10,612,000港元以及應收同系附屬公司款項分別為57,803,000港元及51,960,000港元。

於二零一九年及二零一八年十二月三十一日，計入本集團「應收賬款及其他應收款項」的或然代價應收款項分別為7,708,000港元和8,541,000港元與收購徐州設計院 (附註33) 有關。或然代價應收款項構成國際財務報告準則第9號範圍內的衍生工具，並於初始確認時按其公允價值確認為資產，且其後按公允價值重新計量，其公允價值變動於損益內確認。

本集團

As at 31 December 於十二月三十一日	
2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
8,541	-
-	5,643
(646)	3,428
(187)	(530)
7,708	8,541
(7,708)	(6,386)
-	2,155

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23. TRADE AND OTHER RECEIVABLES (cont'd)

Details of the fair value disclosure of the contingent consideration receivable as at 31 December 2019 are set out in note 38 to the financial statements.

Included in "Other receivables and sundry deposits" of the Group as at 31 December 2019 and 2018 were consideration receivables of HK\$19,079,000 and HK\$23,939,000, due from third parties arising from the disposals of service concession rights held by Sujian City Cheng Bei Water Treatment Co., Ltd. and Sujian City Cheng Bei Wastewater Treatment Co., Ltd., and the ageing of which is as follows:

Group

Current	即期
Past due:	已逾期
- within 1 year	- 不多於一年
- more than 1 year but within 2 years	- 超過一年但不多於兩年
- over 2 years	- 超過兩年
Amounts past due	逾期金額

As at 31 December 2019 and 2018, certain of the Group's concession rights of the environmental water projects (comprising concession rights of intangible assets, contract assets and trade receivables) with aggregate carrying amounts of HK\$2,799,359,000 and HK\$4,426,064,000, respectively, were pledged to secure banking facilities granted to the Group, further details of which are included in notes 28 and 35 to the financial statements.

All the current portions of the above balances are expected to be recovered or recognised as expenses within one year.

23. 應收賬款及其他應收款項 (續)

於二零一九年十二月三十一日之或然代價應收款項公允價值披露的詳情載於附註38。

於二零一九年及二零一八年十二月三十一日，處置宿遷市城北水務發展有限公司及宿遷市城北污水處理發展有限公司所持服務特許經營權，計入「其他應收款項及雜項按金」的應收第三方代價分別為19,079,000港元及23,939,000港元，其賬齡分析載列如下：

本集團

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current	即期	9,615	10,871
Past due:	已逾期		
- within 1 year	- 不多於一年	-	-
- more than 1 year but within 2 years	- 超過一年但不多於兩年	-	4,923
- over 2 years	- 超過兩年	9,464	8,145
Amounts past due	逾期金額	9,464	13,068
		19,079	23,939

於二零一九年及二零一八年十二月三十一日，本集團若干水環境項目之特許經營權（包括無形資產中的特許經營權、合約資產及應收賬款）的賬面總值分別為2,799,359,000港元及4,426,064,000港元已抵押作為本集團獲授銀行融資之抵押品，進一步詳情載於附註28及35。

上述結餘之所有即期部分預期可於一年內收回或確認為開支。

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財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

24. OTHER FINANCIAL ASSETS

Group

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Unlisted investments, at fair value	以公允價值計量的非上市投資	431,035	-
Unlisted equity investment, at fair value	以公允價值計量的非上市股權投資	31,010	-
		462,045	-

Company

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Unlisted investments, at fair value	以公允價值計量的非上市投資	431,035	-

The above unlisted investments at 31 December 2019 were wealth management products issued by financial institutions in Hong Kong. They were mandatorily classified as financial assets at fair value through profit or loss ("FVTPL") as their contractual cash flows are not solely payments of principal and interest.

於二零一九年十二月三十一日，上述非上市投資為香港金融機構發行的理財產品。該等投資被強制分類為按公允價值計入損益的金融資產，此乃由於其合約現金流量並非純粹為償付本金及利息。

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財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

25. FIXED DEPOSITS WITH MATURITY PERIOD OVER THREE MONTHS 25 到期日為三個月以上定期存款

Group

本集團

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Pledged bank deposits	已抵押銀行存款	-	547,050
		-	547,050

Deposits with banks with original maturity of more than three months are not included in cash and cash equivalents.

原到期日超過三個月之銀行存款並未計入現金及現金等價物。

As at 31 December 2018, the bank deposits were pledged to secure certain bank and other loans of the Group (note 28).

於二零一八年十二月三十一日，該銀行存款已抵押以取得本集團若干銀行及其他貸款（附註28）。

Pledged bank deposits earn interest at the respective time deposit rates, and are deposited with a creditworthy bank with no recent history of default.

已抵押銀行存款按各自對應的定期存款利率賺取利息，並存放於信譽良好且近期並無違約紀錄之銀行。

During the year ended 31 December 2019, the balance of pledged bank deposits of USD70,000,000 (equivalent to approximately HK\$547,050,000) outstanding as at 31 December 2018 had been redeemed by the Group. Such deposit had an expected rate of return at 2.88% per annum with the maturity of 365 days from the date of acquisition.

截至二零一九年十二月三十一日為止的財政年度內，本集團贖回於二零一八年十二月三十一日之末到期的已抵押銀行存款70,000,000美元（約等值547,050,000港元）。該存款的預期年回報率為2.88%，自購買之日起365天到期。

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財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

26. CASH AND CASH EQUIVALENTS

Group

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cash on hand and bank balances	庫存現金及銀行結餘	2,052,250	1,706,871
Pledged bank deposits	已抵押銀行存款	22,553	21,702
		2,074,803	1,728,573

Company

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cash and cash equivalents	現金及現金等價物	213,793	31,661

As at 31 December 2019 and 2018, the pledged bank deposits are pledged to banks for the issuance of guarantees by the banks to the grantors in respect of the specific performance duties by the Group under certain service concession agreements.

Included in "Cash and cash equivalents" of the Group as at 31 December 2019 and 2018 are deposits of HK\$ 81,584,000 and HK\$6,926,000, respectively, placed with a related party bank, which is a fellow subsidiary of the Company.

26 現金及現金等價物

本集團

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cash on hand and bank balances	庫存現金及銀行結餘	2,052,250	1,706,871
Pledged bank deposits	已抵押銀行存款	22,553	21,702
		2,074,803	1,728,573

本公司

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cash and cash equivalents	現金及現金等價物	213,793	31,661

於二零一九年及二零一八年十二月三十一日，已抵押銀行存款抵押予銀行，就本集團於若干服務特許經營協議項下的特定履約責任而由銀行向授權人發出擔保。

於二零一九年及二零一八年十二月三十一日，本集團「現金及現金等價物」包括存放於本公司同系附屬公司關聯方銀行之存款，分別為81,584,000港元及6,926,000港元。

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For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

26. CASH AND CASH EQUIVALENTS (cont'd)

As at 31 December 2019 and 2018, the cash and cash equivalents of the Group denominated in RMB amounted to HK\$1,726,832,000 and HK\$1,687,447,000, respectively. The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

As at 31 December 2019 and 2018, cash and cash equivalents of the Group and the Company were considered to be of low credit risk, and thus the Group has assessed that the ECL for cash and cash equivalents is immaterial under the 12-month expected losses method.

27. TRADE AND OTHER PAYABLES

Group

Trade payables	應付賬款	1,959,851	1,472,377
Amounts due to intermediate holding companies	應付中間控股公司款項	-	4
Dividend payable to a non-controlling shareholder of a non wholly-owned subsidiary	應付一名非全資附屬公司非控股股東之股息	20,931	28,583
Interest payable	應付利息	84,858	64,776
Payable for acquisition	應付收購款項	9,094	14,994
Tax payables	應付稅項	27,690	42,541
Other creditors and accrued expenses	其他應付賬款及應計費用	370,060	271,820
Total	總額	2,472,484	1,895,095

26 現金及現金等價物 (續)

於二零一九年及二零一八年十二月三十一日，本集團以人民幣計值的現金及現金等價物分別為1,726,832,000港元及1,687,447,000港元。人民幣不能自由兌換成其他貨幣，然而，根據中國內地《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團可透過獲授權經營外匯業務之銀行將人民幣兌換成其他貨幣。

銀行存款按浮動息率計息，而浮動息率乃根據每日銀行存款息率釐定。銀行結餘乃存放於信譽良好且近期並無違約紀錄之銀行。

於二零一九年及二零一八年十二月三十一日，本集團及本公司的現金及現金等價物被視為低信貸風險，因此，本集團已根據12個月的預期虧損法評估現金及現金等價物的預期信貸虧損為不重大。

27. 應付賬款及其他應付款項

本集團

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade payables	應付賬款	1,959,851	1,472,377
Amounts due to intermediate holding companies	應付中間控股公司款項	-	4
Dividend payable to a non-controlling shareholder of a non wholly-owned subsidiary	應付一名非全資附屬公司非控股股東之股息	20,931	28,583
Interest payable	應付利息	84,858	64,776
Payable for acquisition	應付收購款項	9,094	14,994
Tax payables	應付稅項	27,690	42,541
Other creditors and accrued expenses	其他應付賬款及應計費用	370,060	271,820
Total	總額	2,472,484	1,895,095

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27. TRADE AND OTHER PAYABLES (cont'd)

Company

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Amounts due to subsidiaries	應付附屬公司款項	2,673	26,936
Interest payable	應付利息	84,628	62,912
Other creditors and accrued expenses	其他應付賬款及應計費用	5,580	12,153
Total	總額	92,881	102,001

Included in "Trade and other payables" are trade payables with the following ageing analysis based on the date of invoice as at the end of the reporting period:

Group

Within 6 months	不多於六個月
Over 6 months	超過六個月

Trade payables totalling HK\$1,627,065,000 and HK\$1,231,468,000 as at 31 December 2019 and 2018, respectively represent construction payables for the Group's BOT, BOO and TOT arrangements. The construction payables are not yet due for payment.

Included in "Trade payables" of the Group as at 31 December 2019 and 2018 were trade payables of HK\$2,218,000 and HK\$1,136,000, respectively, due to a non-controlling shareholder of a non wholly-owned subsidiary, which are unsecured, interest-free and repayable on credit terms similar to those offered by the non-controlling shareholder to its major customers.

27. 應付賬款及其他應付款項 (續)

本公司

「應付賬款及其他應付款項」中包括應付賬款，按照發票日期計算，其於報告期末之賬齡分析如下：

本集團

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within 6 months	不多於六個月	1,525,166	1,219,776
Over 6 months	超過六個月	434,685	252,601
		1,959,851	1,472,377

於二零一九年及二零一八年十二月三十一日，本集團擁有BOT、BOO和TOT安排下之應付賬款合同分別為1,627,065,000港元及1,231,468,000港元。該建造工程應付款項屬未到期款項。

於二零一九年及二零一八年十二月三十一日，本集團的「應付賬款」分別計入應付賬款2,218,000港元及1,136,000港元。該款項來自一名非全資附屬公司的非控股股東，其為無擔保、免息及須按與非控股股東授予其為主要客戶信貸期相若的信貸期償還。

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For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

27. TRADE AND OTHER PAYABLES (cont'd)

Included in "Trade payables" of the Group as at 31 December 2019 and 2018 were trade payables of HK\$8,361,000 and HK\$6,940,000, respectively, due to an associate, which are unsecured, interest-free and repayable on credit terms similar to those offered by the associate to its major customers.

Included in "Other creditors and accrued expenses" of the Group as at 31 December 2019 and 2018 was a guarantee deposit of HK\$14,240,000 and HK\$14,230,000, respectively, from a former director of a subsidiary.

The amounts due to intermediate holding companies of the Group as at 31 December 2018 were unsecured, interest-free and repayable on demand.

The amounts due to subsidiaries of the Company as at 31 December 2019 and 2018 were unsecured, interest free and repayable on demand.

27. 應付賬款及其他應付款項 (續)

於二零一九年及二零一八年十二月三十一日，本集團「應付賬款」包括應付聯營公司之款項8,361,000港元及6,940,000港元，皆為無抵押、免息及須按該聯營公司授予其主要客戶信貸期相若的信貸期償還。

於二零一九年及二零一八年十二月三十一日，本集團「其他應付款項及應計費用」包括本集團附屬公司的一名前任董事之擔保按金分別為14,240,000港元及14,230,000港元。

於二零一八年十二月三十一日，應付本集團中間控股公司之款項為無抵押、免息及須按要求償還。

於二零一九年及二零一八年十二月三十一日，應付本公司附屬公司之款項為無抵押、免息及須按要求償還。

28. BORROWINGS

Group

28. 貸款

本集團

		As at 31 December 2019 於二零一九年十二月三十一日		As at 31 December 2018 於二零一八年十二月三十一日	
		Maturity 到期日	HK\$'000 千港元	Maturity 到期日	HK\$'000 千港元
Non-current	非即期				
Bank loans – secured	銀行貸款 – 有抵押	2021-2032 二零二一至 二零三二	1,307,594	2020-2032 二零二零至 二零三二	1,453,818
Bank loans – unsecured	銀行貸款 – 無抵押	2021-2038 二零二一至 二零三八	4,104,626	2020-2038 二零二零至 二零三八	1,951,154
Corporate bonds – unsecured (note 29)	公司債券 – 無抵押 (附註29)	2021-2022 二零二一至 二零二二	1,656,920	202-2023 二零二二至 二零二三	2,035,404
			7,069,140		5,440,376
Current	即期				
Bank and other loans – secured	銀行及其他貸款 – 有抵押	2020 二零二零	224,274	2019 二零一九	1,062,132
Bank loans – unsecured	銀行貸款 – 無抵押	2020 二零二零	680,674	2019 二零一九	1,098,268
Corporate bond – unsecured (note 29)	公司債券 – 無抵押 (附註29)	2020 二零二零	1,105,608		–
			2,010,556		2,160,400
			9,079,696		7,600,776

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For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

28. BORROWINGS (cont'd)

28. 貸款 (續)

Company

本公司

		As at 31 December 2019 於二零一九年十二月三十一日		As at 31 December 2018 於二零一八年十二月三十一日	
		Maturity 到期日	HK\$'000 千港元	Maturity 到期日	HK\$'000 千港元
Non-current	非即期				
Bank loans – secured	銀行貸款 – 有抵押	2025 二零二五	653,516	2025 二零二五	775,150
Bank loans – unsecured	銀行貸款 – 無抵押	2021-2024 二零二一至 二零二四	1,728,867	2021 二零二一	701,032
Corporate bonds – unsecured (note 29)	公司債券 – 無抵押 (附註29)	2021-2022 二零二一至 二零二二	1,656,920	2022-2023 二零二二至 二零二三	2,035,404
			4,039,303		3,511,586
Current	即期				
Bank loans – secured	銀行貸款 – 有抵押	2020 二零二零	121,039	2019 二零一九	121,132
Bank loans – unsecured	銀行貸款 – 無抵押	2020 二零二零	296,272	2019 二零一九	932,187
Corporate bond – unsecured (note 29)	公司債券 – 無抵押 (附註29)	2020 二零二零	1,105,608		–
			1,522,919		1,053,319
			5,562,222		4,564,905

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For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

28. BORROWINGS (cont'd)

Group

28. 貸款 (續)

本集團

		As at 31 December 於十二月三十一日	
		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Analysed into:	分析：		
Bank loans repayable:	須於下列期間償還之銀行貸款：		
Within one year or on demand	一年內或按要求	904,948	1,663,126
In the second year	第二年	1,142,786	601,391
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	2,941,400	2,010,762
Beyond five years	五年後	1,328,034	792,819
		6,317,168	5,068,098
Other loans repayable:	須於下列期間償還之其他貸款：		
Within one year or on demand	一年內或按要求	-	497,274
Corporate bonds repayable:	須於下列期間償還之公司債券：		
Within one year or on demand	一年內或按要求	1,105,608	-
In the second year	第二年	883,842	1,131,070
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	773,078	904,334
		2,762,528	2,035,404
Total	總額	9,079,696	7,600,776

Company

本公司

		As at 31 December 於十二月三十一日	
		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Analysed into:	分析：		
Bank loans repayable:	須於下列期間償還之銀行貸款：		
Within one year or on demand	一年內或按要求	417,311	1,053,319
In the second year	第二年	821,439	119,019
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	1,391,586	1,066,543
Beyond five years	五年後	169,358	290,620
		2,799,694	2,529,501
Corporate bonds repayable:	須於下列期間償還之公司債券：		
Within one year or on demand	一年內或按要求	1,105,608	-
In the second year	第二年	883,842	1,131,070
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	773,078	904,334
		2,762,528	2,035,404
Total	總額	5,562,222	4,564,905

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For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

28. BORROWINGS (cont'd)

Note: For the purpose of the above analysis, the corporate bond payables in the amount of HK\$2,762,528,000 and HK\$2,035,404,000 as at 31 December 2019 and 2018, respectively, and containing an option to sell back the bond to the Company which is exercisable after three years from the issuance date (note 29) is analysed as to HK\$1,105,608,000 repayable within one year or on demand and HK\$883,842,000 repayable in the second year and HK\$773,078,000 repayable in the third to fifth years, inclusive as at 31 December 2019 and HK\$1,131,070,000 repayable in the second year and HK\$904,334,000 repayable in the third to fifth years, inclusive as at 31 December 2018.

The corporate bond payables at 31 December 2019 and 2018 will be due for repayment on the respective maturity dates (note 29) unless being sold back to the Company prior to the maturity pursuant to the terms of the Corporate Bond (as defined in note 29). Based on the maturity terms of the Corporate Bond, the amounts repayable in respect of the corporate bond payables are: HK\$1,105,608,000 repayable within one year or on demand and HK\$883,842,000 repayable in the second year and HK\$773,078,000 repayable in the third to fifth years, inclusive as at 31 December 2019 and HK\$1,131,070,000 repayable in the second year and HK\$904,334,000 repayable in the third to fifth years, inclusive as at 31 December 2018.

Certain banking facilities and other loans of the Group are secured by certain revenue, receivables and intangible assets in connection with the Group's service concession arrangements, and bank deposits. Such bank loan facilities and other loans, amounting to HK\$1,740,494,000 and HK\$2,754,489,000 as at 31 December 2019 and 2018, respectively, were utilised to the extent of HK\$1,531,868,000 and HK\$2,515,950,000, respectively. Among the secured banking facilities, no balance was guaranteed and utilised by the Company as at 31 December 2019 while HK\$309,593,000 were guaranteed and utilised to the extent of HK\$309,593,000 as at 31 December 2018.

The unsecured bank loan facilities, amounting to HK\$8,710,705,000 and HK\$6,793,701,000 as at 31 December 2019 and 2018, respectively, were utilised to the extent of HK\$4,785,300,000 and HK\$3,049,422,000, respectively. Among the unsecured banking facilities of the Group, HK\$ 1,558,613,000 and HK\$1,067,055,000 are guaranteed by the Company as at 31 December 2019 and 2018, respectively, and were utilised to the extent of HK\$1,258,613,000 and HK\$830,409,000 as at 31 December 2019 and 2018, respectively.

28. 貸款 (續)

附註：就上述分析而言，應付公司債券於二零一九年及二零一八年十二月三十一日的金額分別為2,762,528,000港元及2,035,404,000港元，均訂明一項有關將債券售回予本公司的期權，可自發行日期起計三年後可行使（附註29），公司債券的分析如下：於二零一九年十二月三十一日，須於一年內或按要求償還1,105,608,000港元，第二年償還883,842,000港元，第三至第五年償還773,078,000港元，以及於二零一八年十二月三十一日，須於第二年內償還的金額為1,131,070,000港元及須於第三至五年內償還的金額為904,334,000港元。

於二零一九年及二零一八年十二月三十一日的應付公司債券將於相關到期日償還（附註29），惟根據公司債券條款（如附註29所定義）之條款於到期前售回予本公司的情况除外。根據公司債券的到期條款，應付公司債券的應償還金額如下：於二零一九年十二月三十一日，須於一年內或按要求償還1,105,608,000港元，第二年償還883,842,000港元，第三至第五年償還773,078,000港元，以及於二零一八年十二月三十一日，須於第二年內償還1,131,070,000港元及須於第三至五年內償還904,334,000港元。

本集團之若干銀行融資及其他貸款授信是以若干與本集團服務特許經營安排相關的收入、應收款項及無形資產以及銀行存款作抵押。於二零一九年及二零一八年十二月三十一日，該等銀行貸款融資及其他貸款分別為1,740,494,000港元及2,754,489,000港元，分別已動用1,531,868,000港元及2,515,950,000港元。在有抵押銀行融資中，於二零一九年十二月三十一日本公司並無已擔保並使用的餘額309,593,000港元，於二零一八年十二月三十一日，已擔保並使用的餘額為309,593,000港元。

於二零一九年及二零一八年十二月三十一日，無抵押銀行貸款融資分別為8,710,705,000港元及6,793,701,000港元，分別已動用4,785,300,000港元及3,049,422,000港元。在本集團無抵押銀行融資中，於二零一九年及二零一八年十二月三十一日分別有1,558,613,000港元及1,067,055,000港元由本公司擔保，於二零一九年及二零一八年十二月三十一日，分別已動用1,258,613,000港元及830,409,000港元。

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For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

28. BORROWINGS (cont'd)

Bank loan facilities of HK\$6,421,901,000 and HK\$5,233,720,000 as at 31 December 2019 and 2018, respectively, are subject to the fulfilment of covenants relating to certain of the Group's financial ratios. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. At 31 December 2019 and 2018, such facilities were utilised to the extent of HK\$ 4,174,640,000 and HK\$3,772,447,000 respectively. The Group regularly monitors its compliance with these covenants. Certain banking facilities also restrict some of the Company's subsidiaries from declaring or paying dividends to shareholders without obtaining prior written approval of the banks or require the Group to process waste water treatment operating fee via respective financial institutions. Further details of the Group's management of liquidity risk are set out in note 40.

As at 31 December 2019, the Group had no outstanding other loan payables, while as at 31 December 2018, such balance was HK\$497,274,000, bearing interest at fixed rates ranging from 2.88% to 2.90% per annum. Bank loans of HK\$6,317,168,000 and HK\$5,068,098,000 as at 31 December 2019 and 2018, respectively, bear interest at variable rates ranging from 1.30% to 4.90% and 2.95% to 5.02% per annum, and corporate bond payables of HK\$2,762,528,000 and HK\$2,035,404,000 as at 31 December 2019 and 2018, respectively, bears interest at fixed rates ranging from 3.89% to 4.60% per annum and 4.55% to 4.60% per annum.

The Group's bank loans of HK\$774,555,000 as at 31 December 2019 and bank and other loans of HK\$1,052,583,000 at 31 December 2018, are denominated in US\$, HK\$2,591,560,000 and HK\$2,309,585,000 as at 31 December 2019 and 2018, respectively, are denominated in RMB, HK\$9,132,000 and nil as at 31 December 2019 and 2018, respectively, are denominated in EUR, HK\$2,941,921,000 and HK\$2,203,204,000 as at 31 December 2019 and 2018, respectively, are denominated in HK\$.

28. 貸款 (續)

於二零一九年及二零一八年十二月三十一日，銀行貸款融資分別為6,421,901,000港元及5,233,720,000港元須符合與本集團若干財務比率有關的契諾。倘本集團違反契諾，所提取的融資須應要求償還。於二零一九年及二零一八年十二月三十一日，有關融資分別已動用4,174,640,000港元及3,772,447,000港元。本集團會定期監察該等契諾的遵行情況。若干銀行融資授信亦限制本公司若干附屬公司不得在未獲銀行事前書面批准下向股東宣派或支付股息，或要求本集團通過指定的財務機構處理污水處理運營費。本集團管理流動資金風險的進一步詳情載於附註40。

於二零一九年十二月三十一日，本集團無其他貸款，於二零一八年十二月三十一日，本集團其他貸款497,274,000港元為按固定年利率介乎2.88%至2.90%。於二零一九年及二零一八年十二月三十一日，銀行貸款分別有6,317,168,000港元及5,068,098,000港元按浮動年利率1.30%至4.90%及2.95%至5.02%計息，及於二零一九年及二零一八年十二月三十一日，應付公司債券分別有2,762,528,000港元及2,035,404,000港元，按固定年利率介乎3.89%至4.60%計息及4.55%至4.60%計息。

本集團於二零一九年十二月三十一日之銀行貸款774,555,000港元及於二零一八年十二月三十一日之銀行有其他貸款1,052,583,000港元以美元計值；於二零一九年及二零一八年十二月三十一日，分別有2,591,560,000港元及2,309,585,000港元以人民幣計值；及於二零一九年及二零一八年十二月三十一日，分別有9,132,000港元及零元以歐元計值；及於二零一九年及二零一八年十二月三十一日，分別有2,941,921,000港元及2,203,204,000港元以港元計值。

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For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

29. CORPORATE BONDS

Group and Company

Non-current	非即期
Corporate bonds - unsecured	公司債券 – 無抵押
Current	即期
Corporate bonds - unsecured	公司債券 – 無抵押

On 21 July 2017, the Company entered into an underwriting agreement with the relevant financial institution in relation to the issue of RMB-denominated corporate bonds with an aggregate principal amount of not exceeding RMB2.5 billion (the “**Corporate Bond**”) to the qualified investors in the PRC.

On 24 July 2017 (the “**First Issue Date**”), the Company issued the first tranche of the Corporate Bond with principal amount of RMB1 billion, before related expenses of RMB5,964,000, with a maturity period of five years from the First Issue Date. The first tranche of the Corporate Bond bears interest at a rate of 4.55% per annum and the interest will be repayable by the Company annually from the First Issue Date and up to the maturity date. According to the terms of the Corporate Bond, after three years from the First Issue Date, the Company is entitled to adjust the interest rate of the first tranche of the Corporate Bond for the remaining two years before the maturity date. The Company will announce the adjustment in interest rate, if any, 20 working days prior to the payment of the interest for the third year after the First Issue Date. The bondholders have an option to sell back the first tranche of the Corporate Bond to the Company at the nominal price, and the exercisable period of this option is five working days immediately after the issuance of the Company’s announcement related to the adjustment in interest rate of the first tranche of the Corporate Bond.

29. 公司債券

本集團及本公司

As at 31 December	
於十二月三十一日	
2019 二零一九年 HK\$’000 千港元	2018 二零一八年 HK\$’000 千港元
1,656,920	2,035,404
1,105,608	–
2,762,528	2,035,404

於二零一七年七月二十一日，本公司就向中國合格投資者發行以人民幣計值本金總額不超過25億元人民幣的公司債券（「**公司債券**」）與相關金融機構訂立承銷協議。

於二零一七年七月二十四日（「**首次發行日期**」），本公司發行第一批本金額為10億元人民幣（扣除相關開支5,964,000元人民幣前）的公司債券，期限由首次發行日期起計為期五年。第一批公司債券按年息率4.55%計息及本公司將於首次發行日期起至到期日止每年支付利息。根據公司債券之條款，自首次發行日期起計三年後，本公司有權調整第一批公司債券於到期日前餘下兩年之息率。本公司將於首次發行日期後，支付第三年的利息前20個工作日公佈息率調整詳情（如有）。債券持有人擁有一項期權，可按名義價格將第一批公司債券售回予本公司。該項期權的行使期為緊隨本公司發出有關調整第一批公司債券息率之公佈後的五個工作日。

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For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

29. CORPORATE BONDS (cont'd)

On 16 August 2018 (the “**Second Issue Date**”), the Company issued the second tranche of the Corporate Bond with principal amount of RMB800 million, before related expenses of RMB4,171,000, with a maturity period of five years from the Second Issue Date. The second tranche of the Corporate Bond comprises two types of bonds: (i) bonds with principal amount of RMB400 million which bear interest at a rate of 4.60% per annum, and (ii) bonds with principal amount of RMB400 million which bear interest at a rate of 4.58% per annum. The interest will be repayable by the Company annually from the Second Issue Date and up to the maturity date. According to the terms of the Corporate Bond, after three years from the Second Issue Date, the Company is entitled to adjust the interest rate of the second tranche of the Corporate Bond for the remaining two years before the maturity date. The Company will announce the adjustment in interest rate, if any, 20 working days prior to the payment of the interest for the third year after the Second Issue Date. The bondholders have an option to sell back the second tranche of the Corporate Bond to the Company at the nominal price, and the exercisable period of this option is five working days immediately after the issuance of the Company's announcement related to the adjustment in interest rate of the second tranche of the Corporate Bond.

On 21 January 2019 (the “**Third Issue Date**”), the Company issued the third tranche of the Corporate Bond with principal amount of RMB700 million, before related expenses of RMB3,632,000, with a maturity period of five years from the Third Issue Date. The third tranche of the Corporate Bond bears interest at a rate of 3.89% per annum. The interest will be repayable by the Company annually from the Third Issue Date and up to the maturity date. According to the terms of the Corporate Bond, after three years from the Third Issue Date, the Company is entitled to adjust the interest rate of the third tranche of the Corporate Bond for the remaining two years before the maturity date. The Company will announce the adjustment in interest rate, if any, 20 working days prior to the payment of the interest for the third year after the Third Issue Date. The bondholders have an option to sell back the third tranche of the Corporate Bond to the Company at the nominal price, and the exercisable period of this option is five working days immediately after the issuance of the Company's announcement related to the adjustment in interest rate of the third tranche of the Corporate Bond.

29. 公司債券（續）

於二零一八年八月十六日（「**第二次發行日期**」），本公司發行第二批本金額為8.00億元人民幣（扣除相關開支4,171,000元人民幣前）的公司債券，期限由第二次發行日期起計為期五年。第二批公司債券包括兩類債券：(i)本金額4.00億元人民幣按年息率4.60%計息的債券，(ii)本金額4.00億元人民幣按年息率4.58%計息的債券。本公司將於第二次發行日期起至到期日止每年支付利息。根據公司債券之條款，自第二次發行日期起計三年後，本公司有權調整第二批公司債券於到期日前餘下兩年之息率。本公司將於第二次發行日期後，支付第三年的利息前20個工作日公佈息率調整詳情（如有）。債券持有人擁有一項期權，可按名義價格將第二批公司債券售回予本公司。該項期權的行使期為緊隨本公司發出有關調整第二批公司債券息率之公佈後的五個工作日。

於二零一九年一月二十一日（「**第三次發行日期**」），本公司發行第三批本金額為7.00億元人民幣（扣除相關開支3,632,000元人民幣前）的公司債券，期限由第三次發行日期起計為期五年。第三批公司債券按年息率3.89%計息及本公司將於首次發行日期起至到期日止每年支付利息。根據公司債券之條款，自第三次發行日期起計三年後，本公司有權調整第三批公司債券於到期日前餘下兩年之息率。本公司將於第三次發行日期後，支付第三年的利息前20個工作日公佈息率調整詳情（如有）。債券持有人擁有一項期權，可按名義價格將第三批公司債券售回予本公司。該項期權的行使期為緊隨本公司發出有關調整第三批公司債券息率之公佈後的五個工作日。

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30. DEFERRED TAX LIABILITIES

Group

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Deferred tax liabilities	遞延稅項負債	1,496,256	1,379,738

The movements in deferred tax liabilities during the financial year are as follows:

遞延稅項負債於財政年度內之變動如下：

Group

本集團

		Fair value adjustments arising from acquisition of subsidiaries 收購附屬公司所產生之公允價值調整	Temporary differences on assets recognised under IFRIC 12 根據國際財務報告詮釋委員會第12號確認之資產之暫時性差異	Undistributed profits of subsidiaries 附屬公司未分配盈利	Others 其他	Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	213,693	910,400	160,559	(13,806)	1,270,846
Deferred tax charged/ (credited) to profit or loss	扣除/ (計入) 損益的遞延稅項	(11,845)	135,150	47,556	-	170,861
Acquisition of a subsidiary (note 33)	收購一間附屬公司 (附註33)	2,269	-	-	-	2,269
Exchange realignment	匯兌調整	(10,865)	(44,968)	(9,005)	600	(64,238)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	193,252	1,000,582	199,110	(13,206)	1,379,738
Deferred tax charged/ (credited) to profit or loss	扣除/ (計入) 損益的遞延稅項	(11,731)	119,415	46,009	-	153,693
Exchange realignment	匯兌調整	(5,980)	(25,751)	(5,757)	313	(37,175)
At 31 December 2019	於二零一九年十二月三十一日	175,541	1,094,246	239,362	(12,893)	1,496,256

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30. DEFERRED TAX LIABILITIES (cont'd)

The Group has estimated tax losses arising in Mainland China of approximately HK\$99,977,000 and HK\$117,783,000 as at 31 December 2019 and 2018, respectively, that will expire in one to five years for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets in respect of such tax losses arising in Mainland China have not been recognised as they have arisen in certain subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5% or 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

31. SHARE CAPITAL

Group and Company

Authorised:	法定：
10,000,000,000 ordinary shares of HK\$1.00 each	10,000,000,000股每股面值1.00港元普通股
Issued and fully paid:	已發行及悉數繳足：
2,860,876,723 and 2,676,062,186 ordinary shares of HK\$1.00 each	2,860,876,723及2,676,062,186股每股面值1.00港元的普通股

30. 遞延稅項負債（續）

於二零一九年及二零一八年十二月三十一日，本集團於中國內地產生之估計稅項虧損分別約99,977,000港元及117,783,000港元，有關虧損可用作抵消產生虧損之公司日後應保稅盈利，其應用限期將於一至五年內屆滿。由於有關虧損來自已出現虧損一段時間之若干附屬公司，且本集團認為應課稅盈利將不可能抵銷該等可動用的稅項虧損，故概無就中國內地產生之該等稅項虧損確認遞延稅項資產。

根據中國企業所得稅法，於中國內地成立的外商投資企業向海外投資者宣派的股息須繳納10%預扣稅。該規定自二零零八年一月一日起生效，並適用於二零零七年十二月三十一日後之盈利。倘中國內地與海外投資者所屬司法權區訂有相關稅務協議，則可採用較低預扣稅率。本集團的適用稅率為5%或10%。因此，本集團須就於中國內地成立的附屬公司分派自二零零八年一月一日起產生之盈利所分派之股息繳納預扣所得稅。

本公司向其股東派發股息並不附帶任何所得稅後果。

31 股本

本集團及本公司

As at 31 December 於十二月三十一日	
2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
10,000,000	10,000,000
2,860,877	2,676,062

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31. SHARE CAPITAL (cont'd)

31 股本 (續)

Group and Company (cont'd)

本集團及本公司 (續)

A summary of movements in share capital is as follows:

股本變動摘要如下：

		Number of shares in issue 已發行股份 數目 '000 千股	Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	2,625,642	2,625,642	1,266,248	3,891,890
Issue of ordinary shares pursuant to scrip dividend scheme (note (a))	根據以股代息計劃發行普通股 (附註(a))	50,420	50,420	67,281	117,701
Share issue expenses in relation to scrip dividend scheme (note (a))	有關以股代息計劃的股份發行開支 (附註(a))	-	-	(348)	(348)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	2,676,062	2,676,062	1,333,181	4,009,243
Issue of shares under global offering (note (b))	根據全球發售發行股份 (附註(b))	103,970	103,970	206,900	310,870
Share issue expenses in relation to global offering (note (b))	有關全球發售的股份發行開支 (附註(b))	-	-	(11,643)	(11,643)
Issue of ordinary shares pursuant to scrip dividend scheme (note (c))	根據以股代息計劃發行普通股 (附註(c))	80,845	80,845	71,681	152,526
Share issue expenses in relation to scrip dividend scheme (note (c))	有關以股代息計劃的股份發行開支 (附註(c))	-	-	(354)	(354)
At 31 December 2019	於二零一九年十二月三十一日	2,860,877	2,860,877	1,599,765	4,460,642

Notes:

附註：

(a) The Company declared a final dividend of SGD0.0049 per ordinary share for the financial year ended 31 December 2017. According to the result of an election between a cash dividend and a scrip dividend by shareholders of the Company, dividends of SGD2,612,855 were settled by the Company in cash and 24,411,431 ordinary shares were issued on 21 June 2018 to settle the remaining dividend payable of SGD10,252,789 (equivalent to approximately HK\$60,068,000).

(a) 本公司宣派截至二零一七年十二月三十一日止財政年度的末期股息每股普通股0.0049新加坡元。根據本公司股東對現金股息及以股代息的選擇結果，本公司以現金結清股息2,612,855新加坡元，及24,411,431股普通股於二零一八年六月二十一日發行以結清剩餘應付股息10,252,789新加坡元（等值約60,068,000港元）。

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For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

31. SHARE CAPITAL (cont'd)

Notes: (cont'd)

(a) (cont'd)

During the financial year ended 31 December 2018, the Company declared an interim dividend of SGD0.0049 per ordinary share for the six months ended 30 June 2018. According to the result of an election between a cash dividend and a scrip dividend by shareholders of the Company, dividends of SGD2,919,823 were settled by the Company in cash and 26,008,884 ordinary shares were issued on 11 October 2018 to settle the remaining dividend payable of SGD10,065,437 (equivalent to approximately HK\$57,633,000).

(b) During the financial year ended 31 December 2019, the Company completed its global offering by issuing 10,398,000 new ordinary shares with par value of HK\$1.00 each under the Hong Kong public offer and 93,572,000 new ordinary shares with par value of HK\$1.00 each under the international offer on 7 and 8 May 2019. The offer price of these new ordinary shares was HK\$2.99 per share. Dealing of these new ordinary shares on the Main Board of the SEHK commenced on 8 May 2019.

The total gross proceeds from the global offering amounted to approximately HK\$310,870,000, among which HK\$103,970,000 was credited to share capital and HK\$206,900,000 was credited to share premium, net of share issue expenses of HK\$11,643,000.

(c) The Company declared a final dividend of SGD0.0050 per ordinary share for the financial year ended 31 December 2018. According to the result of an election between a cash dividend and a scrip dividend by shareholders of the Company, the Company allotted and issued 32,498,492 new ordinary shares to shareholders pursuant to the scrip dividend scheme, with approximately HK\$32,498,000 credited to share capital and HK\$35,533,000 credited to share premium, net of share issue expenses of SGD30,000 (equivalent to approximately HK\$172,000).

The Company declared a interim dividend of HK\$0.0374 (equivalent to SGD0.0065) per ordinary share for the six months ended 30 June 2019. According to the result of an election between a cash dividend and a scrip dividend by shareholders of the Company, the Company allotted and issued 48,346,045 new ordinary shares to shareholders pursuant to the scrip dividend scheme, with approximately HK\$48,346,000 credited to share capital and HK\$36,148,000 credited to share premium, net of share issue expenses of SGD32,000 (equivalent to approximately HK\$182,000).

31 股本 (續)

附註 (續)

(a) (續)

截至二零一八年十二月三十一日止的財政年度內，本公司宣派截至二零一八年六月三十日止六個月的中期股息每股普通股0.0049新加坡元。根據本公司股東對現金股息及以股代息的選擇結果，本公司以現金結清股息2,919,823新加坡元，及於二零一八年十月三十一日發行26,008,884股普通股以結清剩餘應付股息10,065,437新加坡元（等值約57,633,000港元）。

(b) 截至二零一九年十二月三十一日止財政年度內，本公司於二零一九年五月七日及八日分別根據香港公開發售及國際發售發行10,398,000股每股面值1.00港元的新普通股及93,572,000股每股面值1.00港元的新普通股，以完成其全球發售。該等新普通股的發售價為每股2.99港元。該等新普通股在香港聯交所主板的交易買賣自二零一九年五月八日開始。

首次公開發售所得款項總額約為310,870,000港元，其中103,970,000港元計入股本，206,900,000港元經扣除股份發行開支11,643,000港元後計入股份溢價。

(c) 針對截至二零一八年十二月三十一日止財政年度，本公司已宣派每股普通股0.0050新加坡元的末期股息。根據股東對於現金股息與以股代息的選擇結果，本公司根據以股代息計劃配發及發行32,498,492股新普通股予股東，約32,498,000港元計入股本，而35,533,000港元經扣除股份發行開支30,000新加坡元（等值約172,000港元）後計入股份溢價。

針對截至二零一九年六月三十日止六個月本公司已宣派每股普通股0.0374港元（等值0.0065新加坡元）的中期股息。根據股東對於現金股息與以股代息的選擇結果，本公司已根據以股代息計劃配發及發行48,346,045股新普通股予股東，約48,346,000港元計入股本，而36,148,000港元經扣除股份發行開支32,000新加坡元（等值約182,000港元）後計入股份溢價。

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32. RESERVES

32. 儲蓄

		Group 本集團		Company 本公司	
		2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Share premium	股份溢價	1,599,765	1,333,181	389,715	123,131
Foreign currency translation reserve	外幣換算儲備	(777,967)	(502,623)	(1,181,298)	(934,538)
Statutory reserve	法定儲備	398,409	300,386	-	-
Contributed surplus reserve	繳入盈餘儲備	1,229,302	1,229,302	7,639,082	7,639,082
Other reserves	其他儲備	(2,181)	(2,181)	64,953	64,953
Retained earnings	保留盈利	3,501,864	2,949,063	187,115	201,096
		5,949,192	5,307,128	7,099,567	7,093,724

(i) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of the Company and foreign operations whose functional currencies are different from the Group's presentation currency.

(ii) Statutory reserve

In accordance with the Company Law of the People's Republic of China, the subsidiaries in the PRC are required to allocate 10% of the statutory after tax profits to the statutory reserve until the cumulative total of the reserve reaches 50% of the subsidiaries' registered capital. Subject to approval from the relevant PRC authorities, the statutory reserve may be used to offset any accumulated losses or increase the registered capital of the subsidiaries. The statutory reserve is not available for dividend distribution to shareholders of the PRC subsidiaries.

(i) 外幣換算儲備

外幣換算儲備指換算功能貨幣與本集團列報貨幣不同的本公司及其海外業務之財務報表所產生的匯兌差額。

(ii) 法定儲備

根據適用於中國附屬公司的《中華人民共和國公司法》，附屬公司須對法定儲備作出撥備。根據規定，至少10%的法定除稅後盈利須分配至法定儲備，直至累計儲備總額達至附屬公司註冊資本的50%為止。待相關中國機關審批後，法定儲備可用於抵銷任何累計虧損或增加附屬公司的註冊資本。法定儲備不得用於向中國附屬公司之股東派付股息。

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32. RESERVES (cont'd)

(iii) Contributed surplus reserve

Contributed surplus reserve arose from the reduction of share premium. Pursuant to the special resolution at the Special General Meeting of the Company held on 15 December 2015, the entire amount standing to the credit of the Company's share premium was reduced to nil and transferred to the contributed surplus reserve.

(iv) Other reserves

Other reserves comprise capital reserve and other reserve.

33. BUSINESS COMBINATIONS

Acquisition of Xuzhou Engineering Design Institute

On 13 June 2018, BEWI entered into an equity purchase agreement (the “**Xuzhou Agreement**”) with certain individual third parties (the “**Xuzhou Sellers**”), pursuant to which BEWI agreed to acquire the entire equity interest in Xuzhou Engineering Design Institute from the Xuzhou Sellers at a consideration of RMB82,000,000 (equivalent to approximately HK\$99,946,000) in cash (the “**Xuzhou Acquisition**”). Xuzhou Engineering Design Institute and its subsidiary (collectively, “**Xuzhou Engineering Design Institute Group**”) are engaged in the survey, mapping, design and consultancy services for projects relating to roads, bridges, tunnels, water supply, drainage, heat, gas, electricity, construction, landscape, sanitation, highways and water conservancy, as well as the consultancy services for project costs and project management.

Pursuant to the Xuzhou Agreement, the Xuzhou Sellers and Xuzhou Engineering Design Institute guarantee and undertake to BEWI that the amount of new business contracts entered into by Xuzhou Engineering Design Institute Group shall be no less than RMB55,000,000 (the “**Target Amount**”) for each calendar year from 2018 to 2020, and the aggregate amount of the new business contracts entered into by Xuzhou Engineering Design Institute Group shall be no less than RMB165,000,000 (the “**Target Sum**”) during 2018 to 2020 (the “**Performance Guarantee**”). In the event that the Performance Guarantee is unfulfilled, the Xuzhou Sellers undertakes to pay to BEWI a compensation which is determined depending on the amount of shortfall between the actual new business contract amount and the Target Amount and/or the Target Sum.

32. 儲蓄 (續)

(iii) 繳入盈餘儲備

繳入盈餘儲備為彌補累計虧損後結的股份溢價。根據二零一五年十二月十五日本公司舉行的特別股東大會所通過的特別決議案，本公司股份溢價的全部金額減至零並轉撥至繳入盈餘儲備。

(iv) 其他儲備

其他儲備包括資本儲備及其他儲備。

33. 業務合併

收購徐州設計院

於二零一八年六月十三日，北京光大水務投資與若干第三方個人(「**徐州賣方**」)訂立股權購買協議(「**徐州協議**」)，據此，北京光大水務投資同意自徐州賣方收購徐州設計院的全部股權，代價為現金82,000,000元人民幣(等值約99,946,000港元)(「**徐州收購事項**」)。徐州設計院及其附屬公司(統稱「**徐州設計院集團**」)從事道路、橋梁、隧道、給水、排水、熱力、燃氣、電力、建築、園林景觀、環境衛生、公路及水利工程的勘察、測繪、設計及諮詢服務以及工程造價諮詢服務及工程項目管理服務。

根據徐州協議，徐州賣方及徐州設計院向北京光大水務投資擔保及承諾，徐州設計院集團於二零一八年至二零二零年各年訂立的新業務合同金額將不低於55,000,000元人民幣(「**目標金額**」)，及徐州設計院集團於二零一八年至二零二零年訂立的新業務合約總額不少於165,000,000元人民幣(「**目標總額**」)(「**履約保證**」)。倘履約保證未達成，徐州賣方承諾向北京光大水務投資支付補償，該補償視乎實際新業務合同金額與目標金額及/或目標總額的差額釐定。

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33. BUSINESS COMBINATIONS (cont'd)

Acquisition of Xuzhou Engineering Design Institute (cont'd)

The consideration for the Xuzhou Acquisition was satisfied by the Group as follows:

- HK\$99,946,000 in cash;
- contingent consideration receivable of HK\$5,643,000, arising from the Performance Guarantee.

At the date of acquisition, Xuzhou Engineering Design Institute had claims against certain customers for approximately RMB200 million (equivalent to approximately HK\$244 million). Pursuant to the Xuzhou Agreement, any claim amounts recovered from the relevant customers within three years from completion of the Xuzhou Acquisition, after deducting the related recovery costs, tax expenses and commission expenses, will be payable to the Xuzhou Sellers. Having considered all currently available information, the directors of the Company are of the view that the recovery of the claims is not probable.

The Xuzhou Acquisition was completed on 30 June 2018, and thereafter Xuzhou Engineering Design Institute and its subsidiary became indirect wholly-owned subsidiaries of the Company. The cash consideration for the Xuzhou Acquisition of HK\$39,979,000 and HK\$44,973,000 were paid by the Group in June 2018 and September 2018, respectively, and the remaining consideration of HK\$14,994,000 was recorded in "Trade and other payables" in the consolidated statements of financial position as at 31 December 2018.

33. 業務合併 (續)

收購徐州設計院 (續)

本集團支付徐州收購事項的代價如下：

- 現金99,946,000港元;
- 履約保證產生的或然代價應收款項5,643,000港元。

於收購日期，徐州設計院向若干客戶申索約2.00億元人民幣（等值約2.44億港元）。根據徐州協議，自完成徐州收購事項起計三年內自相關客戶收回的任何申索金額（經扣除相關收回成本、稅項開支及傭金開支），將支付予徐州賣方。經考慮目前所得之所有資料後，本公司董事認為不大可能收回申索款項。

徐州收購事項於二零一八年六月三十日完成，其後徐州設計院及其附屬公司成為本公司的間接全資附屬公司。徐州收購事項的現金代價39,979,000港元及44,973,000港元已由本集團分別於二零一八年六月及二零一八年九月支付，而餘下代價14,994,000港元於二零一八年十二月三十一日的綜合財務狀況表「應付賬款及其他應付款項」中列賬。

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33. BUSINESS COMBINATIONS (cont'd)

Acquisition of Xuzhou Engineering Design Institute (cont'd)

The fair values of the identifiable assets and liabilities of Xuzhou Engineering Design Institute Group as at the date of acquisition were as follows:

33. 業務合併 (續)

收購徐州設計院 (續)

於收購日期，徐州設計院集團之可識別資產及負債之公允價值如下：

		Notes 附註	Fair value recognised on acquisition 收購時確認之 公允價值 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	14	11,614
Intangible assets	無形資產	17	13,638
Trade and other receivables	應收賬款及其他應收款項		38,721
Cash and cash equivalents	現金及現金等價物		33,458
Deferred tax liabilities	遞延稅項負債	30	(2,269)
Trade and other payables	應付賬款及其他應付款項		(39,266)
Tax payable	應付稅項		(1,428)
Total identifiable net assets at fair value	按公允價值列賬的可識別資產淨值總額		54,468
Goodwill on acquisition	收購所產生之商譽	18	39,835
			94,303
Satisfied by:	以下列方式結算：		
Cash	現金		99,946
Contingent consideration receivable	或然代價應收款項	23	(5,643)
			94,303

The fair values of the trade and other receivables as at the date of acquisition amounted to HK\$38,721,000. The gross contractual amount of trade and other receivables was HK\$50,569,000, of which HK\$11,848,000 is expected to be uncollectible.

The fair value of contingent consideration receivable as at 30 June 2018 is based on the valuation report issued by Grant Sherman Appraisal Limited, an independent professional qualified valuer, by using a discounted cash flow method with scenario simulation.

於收購日期，應收賬款及其他應收款項的公允價值為38,721,000港元。應收賬款及其他應收款項的總合約金額為50,569,000港元，其中11,848,000港元預期不可收回。

於二零一八年六月三十日，或然代價應收款項的公允價值根據獨立專業合資格估值師中證評估有限公司發出的估值報告採用折現現金流量模式計算。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

33. BUSINESS COMBINATIONS (cont'd)

Acquisition of Xuzhou Engineering Design Institute (cont'd)

Significant unobservable valuation inputs for the fair value measurement of contingent consideration receivable as at 30 June 2018 are as follows:

Significant unobservable inputs

Estimated amounts of the new business contracts entered into by Xuzhou Engineering Design Institute Group during 2018 to 2020

Range

RMB85.6 million to RMB261.4 million

Discount rate: 17.5%

A significant increase (decrease) in the amounts of the new business contracts entered into by Xuzhou Engineering Design Institute Group would result in a significant decrease (increase) in the fair value of the contingent consideration receivable. A significant increase (decrease) in the discount rate would result in a significant decrease (increase) in the fair value of the contingent consideration receivable.

The Group incurred transaction costs of HK\$878,000 for this acquisition. These transaction costs were expensed and included in "Administrative and other operating expenses" in the consolidated statement of comprehensive income for the year ended 31 December 2018.

33. 業務合併 (續)

收購徐州設計院 (續)

於二零一八年六月三十日，或然代價應收款項公允價值計量的重大不可觀察估值輸入數據如下：

重大不可觀察估值輸入數據

徐州設計院集團於二零一八年至二零二零年訂立的新業務合約的估計金額

範圍

8,560萬元人民幣至2.614億元人民幣

折現率: 17.5%

徐州設計院集團訂立的新業務合約金額大幅增加(減少)將導致或然代價應收款項的公允價值大幅減少(增加)。折現率大幅增加(減少)將導致或然代價應收款項的公允價值大幅減少(增加)。

本集團就該項收購產生之交易成本為878,000港元。有關交易成本已於截至二零一八年十二月三十一日止年度的綜合全面收益表支銷，並計入「行政及其他經營費用」。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

33. BUSINESS COMBINATIONS (cont'd)

Acquisition of Xuzhou Engineering Design Institute (cont'd)

An analysis of the cash flows in respect of the acquisition of Xuzhou Engineering Design Institute is as follows:

		2018 二零一八年 HK\$'000 千港元
Cash consideration	現金代價	(84,952)
Cash and cash equivalents acquired	收購所得現金及現金等價物	<u>33,458</u>
Net outflow of cash and cash equivalents included in cash flows from investing activities	計入投資活動現金流量之現金及現金等價物流出淨額	(51,494)
Transaction costs of the acquisition included in cash flows from operating activities	計入經營活動現金流量之收購交易成本	(878)
		<u><u>(52,372)</u></u>

Since the acquisition, Xuzhou Engineering Design Institute Group contributed HK\$53,320,000 to the Group's revenue and a profit of HK\$5,523,000 to the consolidated profit for the year ended 31 December 2018.

Had the acquisition taken place on 1 January 2018, the consolidated revenue and profit after tax for the year ended 31 December 2018 of the Group would have been HK\$4,843,986,000 and HK\$752,686,000, respectively. In determining these amounts, management assumed that the fair value adjustments to the acquired assets and liabilities that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2018.

33. 業務合併 (續)

收購徐州設計院 (續)

有關收購徐州設計院的現金流量分析如下：

		2018 二零一八年 HK\$'000 千港元
Cash consideration	現金代價	(84,952)
Cash and cash equivalents acquired	收購所得現金及現金等價物	<u>33,458</u>
Net outflow of cash and cash equivalents included in cash flows from investing activities	計入投資活動現金流量之現金及現金等價物流出淨額	(51,494)
Transaction costs of the acquisition included in cash flows from operating activities	計入經營活動現金流量之收購交易成本	(878)
		<u><u>(52,372)</u></u>

自收購起，截至二零一八年十二月三十一日止年度，徐州設計院集團向本集團貢獻收入53,320,000港元及貢獻綜合盈利5,523,000港元。

倘收購於二零一八年一月一日進行，本集團截至二零一八年十二月三十一日止年度的綜合收入及盈利將分別為4,843,986,000港元及752,686,000港元。在釐定該等金額時，管理層假設倘該項收購於二零一八年一月一日發生，該項收購所得資產及負債於收購日期所產生之公允價值調整仍然相同。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

34. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

- (i) During the years ended 31 December 2019 and 2018, the Company allotted and issued 32,498,492 and 24,411,431 ordinary shares to settle the final dividends of HK\$68,031,000 and HK\$60,068,000 for the financial years ended 31 December 2019 and 2018, respectively, which were paid to ordinary shareholders who had elected to participate in the scrip dividend scheme, and have no cash flow impact to the Group.

During the year ended 31 December 2019 and 2018, the Company allotted and issued 48,346,045 and 26,008,884 ordinary shares to settle the interim dividends of HK\$84,494,000 and HK\$57,633,000 for the six months ended 30 June 2019 and 2018, which were paid to ordinary shareholders who had elected to participate in the scrip dividend scheme, and have no cash flow impact to the Group.

- (ii) During the years ended 31 December 2019 and 2018, the interest expenses on corporate bonds of HK\$65,976,000 and HK\$40,137,000, respectively, were not yet settled by the Group, and recorded in "Trade and other payables" in the consolidated statements of financial position as at 31 December 2019 and 2018, and have no cash flow impact to the Group.
- (iii) During the years ended 31 December 2019 and 2018, the dividends declared to the non-controlling shareholder of a non wholly-owned subsidiary of HK\$20,931,000 and HK\$29,856,000, respectively, were not yet settled by the Group as at 31 December 2019 and 2018, and recorded in "Trade and other payables" in the consolidated statement of financial position as at 31 December 2019 and 2018, and have no cash flow impact to the Group.

34. 綜合現金流量表附註

(a) 重大非現金交易

- (i) 截至二零一九年及二零一八十二月三十一日止年度內，本公司分別配發及發行32,498,492股及24,411,431股普通股以支付截至二零一九年及二零一八十二月三十一日止年度之末期股息68,031,000港元及60,068,000港元，該等股息已支付予選擇參與以股代息計劃之普通股股東，對本集團並無現金流量影響。

截至二零一九年及二零一八十二月三十一日止年度內，本公司配發及發行48,346,045股及26,008,884股普通股以支付截至二零一九年及二零一八年六月三十日止六個月之中期股息84,494,000港元及57,633,000港元，該等股息已支付予選擇參與以股代息計劃之普通股股東，對本集團並無現金流量影響。

- (ii) 截至二零一九年及二零一八十二月三十一日止年度內，本集團尚未支付公司債券的利息開支分別為65,976,000港元及40,137,000港元。於二零一九年及二零一八年十二月三十一日，有關款項於綜合財務狀況表的「應付賬款及其他應付款項」中記錄，對本集團並無現金流量影響。
- (ii) 截至二零一九年及二零一八十二月三十一日止年度內，本集團向非全資附屬公司的一名非控股股東宣派的股息尚未支付金額分別為20,931,000港元及29,856,000港元。於二零一九年及二零一八年十二月三十一日，有關款項於綜合財務狀況表的「應付賬款及其他應付款項」中記錄，對本集團並無現金流量影響。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

34. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS (cont'd)

34. 綜合現金流量表附註 (續)

(b) Changes in liabilities arising from financing activities

(b) 融資活動所產生的負債變動

		Bank and other loans 銀行及其他 貸款 HK\$'000 千港元	Corporate bonds 公司債券 HK\$'000 千港元	Interest payable 應付利息 HK\$'000 千港元	Amounts due to intermediate holding companies 應付中間控股 公司款項 HK\$'000 千港元	Dividend payable to non-controlling shareholders of non wholly-owned subsidiaries 應付非全資附 屬公司非控股 股東股息 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	5,450,717	1,181,035	43,963	-	22,444
Changes from financing cash flows	融資現金流量產生的變動	188,929	944,251	(268,257)	4	(28,609)
Finance costs	財務費用	-	-	291,398	-	-
Dividends declared to a non-controlling shareholder of a subsidiary	向附屬公司的一名非控股股東宣派的股息	-	-	-	-	36,040
Foreign exchange movement	匯兌變動	(74,274)	(89,882)	(2,328)	-	(1,292)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	5,565,372	2,035,404	64,776	4	28,583
Changes from financing cash flows	融資現金流量產生的變動	814,566	804,235	(332,973)	(4)	(28,990)
Finance costs	財務費用	-	-	355,287	-	-
Dividends declared to a non-controlling shareholder of a subsidiary	向附屬公司的一名非控股股東宣派的股息	-	-	-	-	20,931
Foreign exchange movement	匯兌變動	(62,770)	(77,111)	(2,232)	-	407
At 31 December 2019	於二零一九年十二月三十一日	6,317,168	2,762,528	84,858	-	20,931

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

34. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS (cont'd)

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

		2019 二零一九年 HK\$'000 千港元
Within operating activities	在經營活動中	5,349
Within financing activities	在融資活動中	7,207
Total amount recognised in profit of loss	計入損益的總額	12,556

35. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's banking facilities and other loans are included in note 28. The aggregate net book values of assets and equity interests in subsidiaries pledged amounted to HK\$3,726,957,000 and HK\$5,872,547,000 as at 31 December 2019 and 2018, respectively.

36. COMMITMENTS

(a) The Group had the following commitments as at the reporting date:

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Purchase commitments outstanding in connection with the Group's construction contracts were as follows:	有關本集團建造合約的採購承擔如下：		
Contracted, but not provided for:	已訂約但未撥備	1,391,652	1,936,318

34. 綜合現金流量表附註 (續)

(c) 租賃現金流出總額

現金流量表所載租賃現金流出其總額如下：

35. 資產抵押

就本集團銀行融資及其他貸款而已予抵押之本集團資產之詳情載於附註28。於二零一九年及二零一八年十二月三十一日，已抵押附屬公司資產及股權之總賬面淨值分別為3,726,957,000港元及5,872,547,000港元。

36. 承擔

(a) 本集團於各財務報表期間末的承擔如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

36. COMMITMENTS (cont'd)

(b) As at 31 December 2019, the Group had an outstanding capital commitment of HK\$23,154,000 (31 December 2018: Nil) relating to the capital contribution to an unlisted equity investment not provided.

(c) Operating lease commitment as at 31 December 2018

The Group leases a number of properties under operating leases, with leases negotiated for terms ranging from one to thirty years. None of the leases includes contingent rentals.

At 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2018 二零一八年 HK\$'000 千港元
Within 1 year	不多於一年	7,098
After 1 year but within 5 years	超過一年但不多於五年內	3,073
After 5 years	超過五年	507
		<u>10,678</u>

37. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in this report, the Group entered into the following material related party transactions during the reporting date:

(a) The Group entered into the following related party transactions with non-controlling shareholders of non wholly-owned subsidiaries of the Group:

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue from project operation service	項目運營服務收入	59,960	114,139
Finance income	財務收入	18,813	20,931
Cost of construction service	建造服務成本	162,774	120,644

36. 承擔 (續)

(b) 於二零一九年十二月三十一日，本集團具有有關向非上市股東投資註冊之資本承擔23,154,000港元（二零一八年十二月三十一日：無）。

(c) 於二零一八年十二月三十一日的經營租賃承諾

本集團根據經營租賃租得多項物業，商定租期介乎一年至三十年不等。概無任何租賃包括或然租金。

於各財務報表期間末，根據不可解除經營租賃，本集團日後的最低租賃付款總額到期支付如下：

37. 關聯交易

除本報告其他部分所披露之交易及結餘外，於財務報表期間，本集團發生了下列重大關聯交易：

(a) 本集團與本集團非全資附屬公司的非控股股東訂立下列關聯交易：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

37. RELATED PARTY TRANSACTIONS (cont'd)

- (b) The Group entered into the following related party transactions with a related company of the Group:

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue from project operation service	項目運營服務收入	50,256	53,594
Finance income	財務收入	48,001	46,651

- (c) The Group entered into the following related party transactions with an associate of the Group:

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Service expenses for operation of waste water treatment plants	污水處理廠的運營服務開支	42,344	41,884

- (d) The Group entered into the following related party transactions with fellow subsidiaries and an intermediate holding company of the Group:

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Sales of equipment	銷售設備	6,421	49,279
Rental expenses	租金開支	1,801	6,177
Underwriting service fee	承銷服務費用	3,971	4,746
Costs of operation	運營成本	-	2,490
Listing related fee	上市相關費用	6,210	1,763
Insurance expenses	保險費用	1,627	1,463

37. 關聯交易（續）

- (b) 本集團與本集團的一間關聯公司發生下列關聯交易：

- (c) 本集團與本集團一間聯營公司發生下列關聯交易：

- (d) 本集團與本集團同系附屬公司及中間控股公司發生下列關聯交易：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

37. RELATED PARTY TRANSACTIONS (cont'd)

(d) (cont'd)

Notes:

- (i) The sales of equipment to fellow subsidiaries of the Group were conducted based on mutually agreed terms.
- (ii) The rental expenses were charged by fellow subsidiaries and an intermediate holding company of the Group on mutually agreed terms.
- (iii) The underwriting service fees of the issue of the third tranches of the Corporate Bond paid to a fellow subsidiary were calculated pursuant to the relevant underwriting agreement.
- (iv) The costs of operation were paid for the sludge disposal services provided by fellow subsidiaries of the Group .
- (v) The listing related fee was charged by a fellow subsidiary of the Group on mutually agreed terms.
- (vi) The insurance expenses were charged by a fellow subsidiary of the Group on mutually agreed terms

(e) Transactions with other stated-owned entities in Mainland China:

The Group operates in an economic environment predominated by enterprises directly or indirectly owned and/or controlled by the PRC government through its numerous authorities, affiliates or other organisations (collectively “**Other SOEs**”). During the financial year, the Group had transactions with the Other SOEs including, but not limited to the waste water treatment service, bank deposits and borrowings, and utilities consumption. The directors of the Company consider that the transactions with the Other SOEs are activities in the ordinary course of the Group’s business, and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and the Other SOEs are ultimately controlled or owned by the PRC government. The Group has also established pricing policies for products and services and such pricing policies are not carried out on non-market terms and do not depend on whether or not the customers are the Other SOEs. Having due regard to the substance of the relationships, the directors are of the opinion that none of these transactions is a material related party transaction that would require separate disclosure.

37. 關聯交易（續）

(d) （續）

附註：

- (i) 向本集團同系附屬公司銷售設備乃按雙方協議的條款進行。
- (ii) 租金開支由本集團附屬公司及中間控股公司雙方協議的條款收取。
- (iii) 向本集團同系附屬公司支付的發行第一批及第二批公司債券的承銷服務費用乃根據相關承銷協議計算。
- (iv) 運營成本系支付給本集團同系附屬公司的污泥處置服務費。
- (v) 向本集團同系附屬公司支付的上市相關費用乃按雙方協議的條款收取。
- (vi) 向本集團同系附屬公司支付的保險費用乃按雙方協議的條款收取。

(e) 與中國內地其他國有企業的交易：

本集團運營所在經濟環境由中國政府通過眾多機關、附屬機構或其他組織所直接或間接擁有及/或控制之企業（統稱「**其他國有企業**」）佔主導地位。於本財政年度內，本集團曾與其他國有企業進行之交易包括（但不限於）收入、銀行存款及貸款，以及公共設施消費。本公司董事認為，該等與其他國有企業之交易均屬本集團於日常業務過程中進行之業務，而本集團之交易並無因本集團及其他國有企業均由中國政府最終控制或擁有而受到重大或過度影響。本集團亦已制定產品及服務定價政策，而有關定價政策並非按非市場條款制訂，亦不取決於客戶是否為其他國有企業。經妥為考慮上述關係之本質後，本公司董事認為該等交易並非須作獨立披露之重大關聯交易。

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37. RELATED PARTY TRANSACTIONS (cont'd)

- (f) The Group paid compensation of directors and key management personnel as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries, bonuses and related benefit	薪金、花紅及相關福利	19,338	19,213
Directors' fees	董事袍金	1,952	1,880
Defined contribution plans	界定供款計劃	1,203	1,345
		22,493	22,438
Comprising amounts paid/ payable to:	包括已付/應付下列各方 金額：		
Directors of the Company	本公司董事	9,995	8,630
Other key management personnel	其他關鍵管理人員	12,498	13,808
		22,493	22,438

- (g) The Group has rental contracts with three fellow subsidiaries of the Group. At the reporting date, the Group had total lease liabilities with fellow subsidiaries under non-cancellable leases falling due as follows:

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Lease liabilities – current	租賃負債 – 即期	6,521	–
Lease liabilities – non-current	租賃負債 – 非即期	8,856	–
		15,377	–

Under such rental contracts, the minimum lease payment during the period was HK\$5,526,000. As at 31 December 2019, the Group's right-of-use assets relating to such rental contracts amounted to HK\$15,284,000 (31 December 2018: Nil).

37. 關聯交易（續）

- (f) 本集團已支付予董事及關鍵管理人員之報酬如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries, bonuses and related benefit	薪金、花紅及相關福利	19,338	19,213
Directors' fees	董事袍金	1,952	1,880
Defined contribution plans	界定供款計劃	1,203	1,345
		22,493	22,438
Comprising amounts paid/ payable to:	包括已付/應付下列各方 金額：		
Directors of the Company	本公司董事	9,995	8,630
Other key management personnel	其他關鍵管理人員	12,498	13,808
		22,493	22,438

- (g) 本集團與三間同系附屬公司訂立不可解除經營租賃合約。於報告日，本集團與同系附屬公司之租金承擔到期支付如下：

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Lease liabilities – current	租賃負債 – 即期	6,521	–
Lease liabilities – non-current	租賃負債 – 非即期	8,856	–
		15,377	–

根據該等租賃合約，期間最低租賃付款額為5,526,000港元。於二零一九年十二月三十一日，本集團與該等租賃合約有關的使用權資產金額為15,284,000港元（二零一八年十二月三十一日：無）。

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38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, bank deposits, trade payables, current portion of trade receivables, other receivables, investment property, other financial assets, other payables, and borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's financial management department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the financial management department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of trade receivables, other receivables, other payables, and borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for borrowings as at the end of each of the financial year was assessed to be insignificant.

The fair value of contingent consideration receivable as at 31 December 2019 and 2018 is based on the valuation by the management using a discounted cash flow method with scenario simulation.

The fair values of unlisted investments at FVTPL as at 31 December 2019 and 2018 are based on net asset value of the investees which approximate to the fair value.

The fair value of unlisted equity investment at FVTPL 31 December 2019 and 2018 is based on the expected future cash flows of the investment.

38. 金融工具的公允價值及公允價值層級

管理層評定現金及現金等價物、銀行存款、應付賬款、應收賬款的即期部分、其他應收款項、投資物業、其他金融資產、其他應付款項及貸款之公允價值與其賬面值相若，主要由於該等工具於短期內到期。

本集團之財務管理部門專責釐定金融工具公允價值計量之政策及程序。於各個報告日期，財務管理部門會分析金融工具之價值變動，並釐定估值所應用之主要輸入數據。估值由首席財務官審閱及審批。審計委員會每年兩次討論估值程序及結果，以便作出中期及年度財務報告。

金融資產及負債之公允價值以該工具於自願交易方（而非強迫或清盤出售）當前交易下之可交易金額入賬。下列方法及假設乃用於估計公允價值：

應收賬款的非即期部分、其他應收款項、其他應付款項及貸款之公允價值乃按具有類似條款、信貸風險及剩餘年期之工具之現行適用利率，折現預期未來現金流量之方式計算。於財務報表期末，就貸款而言，本集團本身之不履約風險被評定為甚微。

於二零一九年及二零一八年之十二月三十一日，或然代價應收款項的公允價值是根據管理層以模擬情境採用折現現金流量方式而釐定。

於二零一九年及二零一八年十二月三十一日，以公允價值計入損益之非上市投資之公允價值乃根據被投資公司的資產淨值釐定，有關資產淨值與公允價值相若。

於二零一九年及二零一八年十二月三十一日，以公允價值計入損益之非上市股權投資公允價值乃根據投資的預期未來現金流量釐定。

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38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (cont'd)

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2019 and 2018:

38. 金融工具的公允價值及公允價值層級 (續)

下表概述於二零一九年及二零一八年十二月三十一日金融工具估值之重大不可觀察輸入數據及其定量敏感性分析：

	Valuation technique 估值技術	Significant unobservable input 重大不可觀察輸入數據	Range 範圍	Sensitivity of fair value to the input 公允價值對輸入數據的敏感性
Contingent consideration receivable 或然代價應收款項	Discounted cash flow method with scenario simulation 模擬情境下折現現金流量模式	Estimated amounts of the new business contracts 新業務合約的估計金額	2019: RMB98.2 million to RMB194.2 million 二零一九年： 9,820萬元人民幣至1.942億元人民幣	2019: 5% increase (decrease) in estimated amounts of the new business contracts would result in decrease in fair value by HK\$502,000 or increase in fair value by HK\$540,000 二零一九年：新業務合約的估計金額增加(減少)5%將導致公允價值減少502,000港元或公允價值增加540,000港元
			2018: RMB73.8 million to RMB237.8 million 二零一八年： 7,380萬元人民幣至2.378億元人民幣	2018: 5% increase (decrease) in estimated amounts of the new business contracts would result in decrease in fair value by HK\$593,000 or increase in fair value by HK\$623,000 二零一八年：新業務合約的估計金額增加(減少)5%將導致公允價值減少593,000港元或公允價值增加623,000港元
		Discount rate 折現率	2019: 17.5% 二零一九年： 17.5%	2019: 1% increase (decrease) in discount rate would result in decrease (increase) in fair value by HK\$11,000 二零一九年：折現率上升(下降)1%將導致公允價值減少(增加)11,000港元
			2018: 17.5% 二零一八年： 17.5%	2018: 1% increase (decrease) in discount rate would result in decrease (increase) in fair value by HK\$45,000 二零一八年：折現率上升(下降)1%將導致公允價值減少(增加)45,000港元
Unlisted equity investment at FVTPL 以公允價值計入損益的非上市股權投資	Discounted cash flow method 折現現金流模式	Discount rate 折現率	2019: 2.80% 二零一九年： 2.80%	2019: 1% increase (decrease) in discount rate would result in decrease in fair value by HK\$690,000 or increase in fair value by HK\$712,000 二零一九年：折現率上升(下降)1%將導致公允價值減少690,000港元或增加712,000港元

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38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (cont'd)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2019

		Fair value measurement using 公允價值計量採用以下基準			
		Quoted prices in active markets (Level 1) 於活躍市場的報 價 (第一級) HK\$'000 千港元	Significant observable inputs (Level 2) 重大可觀察輸入 數據 (第二級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 重大不可觀察輸 入數據 (第三級) HK\$'000 千港元	Total 總額 HK\$'000 千港元
Contingent consideration receivable	或然代價應收款項	-	-	7,708	7,708
Unlisted investments at FVTPL	以公允價值計入損益的非上市投資	-	431,035	-	431,035
Unlisted equity investment at FVTPL	以公允價值計入損益的非上市股權投資	-	-	31,010	31,010
		-	431,035	38,718	469,753

As at 31 December 2018

於二零一八年十二月三十一日

		Fair value measurement using 公允價值計量採用以下基準			
		Quoted prices in active markets (Level 1) 於活躍市場的報 價 (第一級) HK\$'000 千港元	Significant observable inputs (Level 2) 重大可觀察輸入 數據 (第二級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 重大不可觀察輸 入數據 (第三級) HK\$'000 千港元	Total 總額 HK\$'000 千港元
Contingent consideration receivable	或然代價應收款項	-	-	8,541	8,541

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38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (cont'd)

Fair value hierarchy (cont'd)

The movements in fair value measurements within Level 3 during the period are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一九年 HK\$'000 千港元
Contingent consideration receivable:	或然代價應收款項：		
At 1 January	於一月一日	8,541	-
Additions during the year	年內增加	-	5,643
Fair value (loss)/gain (note 6)	公允價值（虧損）/收益（附註6）	(646)	3,428
Exchange realignment	匯兌調整	(187)	(530)
At 31 December	於十二月三十一日	7,708	8,541

		2019 二零一九年 HK\$'000 千港元
Unlisted equity investment at FVTPL:	以公允價值計入損益的非上市股權投資	
At 1 January	於一月一日	-
Purchases	購買	27,146
Fair value gain (note 6)	公允價值變動收益（附註6）	4,496
Exchange realignment	匯兌調整	(632)
At 31 December	於十二月三十一日	31,010

The Group did not have any financial liabilities measured at fair value as at 31 December 2019 and 2018.

During the years ended 31 December 2019 and 2018, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

38. 金融工具的公允價值及公允價值層級（續）

公允價值層級（續）

第三級公允價值計量於期間內之變動如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一九年 HK\$'000 千港元
Contingent consideration receivable:	或然代價應收款項：		
At 1 January	於一月一日	8,541	-
Additions during the year	年內增加	-	5,643
Fair value (loss)/gain (note 6)	公允價值（虧損）/收益（附註6）	(646)	3,428
Exchange realignment	匯兌調整	(187)	(530)
At 31 December	於十二月三十一日	7,708	8,541

		2019 二零一九年 HK\$'000 千港元
Unlisted equity investment at FVTPL:	以公允價值計入損益的非上市股權投資	
At 1 January	於一月一日	-
Purchases	購買	27,146
Fair value gain (note 6)	公允價值變動收益（附註6）	4,496
Exchange realignment	匯兌調整	(632)
At 31 December	於十二月三十一日	31,010

本集團於二零一九年及二零一八年十二月三十一日並無任何按公允價值計量的金融負債。

截至二零一九年及二零一八年十二月三十一日止年度內，第一級和第二級公允價值計量之間並無任何轉移。對於金融資產及金融負債，第三級亦無任何轉入或轉出。

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39. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each financial year are as follows:

Financial assets

		As at 31 December 2019 於二零一九年十二月三十一日		
Group	本集團	Financial assets at amortised cost	Financial assets at FVTPL	Total
		按攤銷成本計量的金融資產	按公允價值計入損益的金融資產	總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Financial assets included in trade and other receivables	計入應收賬款及其他應收款項之金融資產	1,273,410	7,708	1,281,118
Other financial assets	其他金融資產	–	462,045	462,045
Cash and cash equivalents	現金及現金等價物	2,074,803	–	2,074,803
		<u>3,348,213</u>	<u>469,753</u>	<u>3,817,966</u>

		As at 31 December 2018 於二零一八年十二月三十一日		
Group	本集團	Financial assets at amortised cost	Financial assets at FVTPL	Total
		按攤銷成本計量的金融資產	按公允價值計入損益的金融資產	總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Financial assets included in trade and other receivables	計入應收賬款及其他應收款項之金融資產	826,746	8,541	835,287
Fixed deposits with maturity period over three months	到期日為三個月以上的定期存款	547,050	–	547,050
Cash and cash equivalents	現金及現金等價物	1,728,573	–	1,728,573
		<u>3,102,369</u>	<u>8,541</u>	<u>3,110,910</u>

39. 按類別劃分的金融工具

於各財政年度末，各類別金融工具的賬面值如下：

金融資產

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39. FINANCIAL INSTRUMENTS BY CATEGORY (cont'd)

Financial liabilities - financial liabilities at amortised cost

Group	本集團	As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Financial liabilities included in trade and other payables	計入應付賬款及其他應付款項之金融負債	2,316,360	1,784,866
Borrowings	貸款	9,079,696	7,600,776
		11,396,056	9,385,642

39. 按類別劃分的金融工具 (續)

金融負債 – 按攤銷成本計量的金融負債

Financial assets - Financial assets at amortised cost

Company	本公司	As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Financial assets included in other receivables	計入其他應收款項之金融資產	4,982,545	3,660,270
Cash and cash equivalents	現金及現金等價物	213,793	31,661
		5,196,338	3,691,931

金融資產 – 按攤銷成本計量的金融資產

Financial liabilities – financial liabilities at amortised cost

Company	本公司	As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Financial liabilities included in trade and other payables	計入應付賬款及其他應付款項之金融負債	92,881	102,001
Borrowings	貸款	5,562,222	4,564,905
		5,655,103	4,666,906

金融負債 – 按攤銷成本計量的金融負債

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40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise borrowings, cash and short-term deposits. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables, contract assets and trade and other payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below. The Group's accounting policies in relation to derivatives are set out in note 2.4.

Interest rate risk

The Group's interest rate risk arises primarily from the Group's cash and cash equivalents, fixed deposits with maturity period over three months, borrowings and balances with group companies. Borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group does not use financial derivatives to hedge against the interest rate risk. The Group's interest rate profile as monitored by management is set out in (i) below.

40. 財務風險管理目標及政策

本集團之主要金融工具包括貸款、現金及短期存款。此等金融工具之主要目的在於為本集團之業務運營提供資金。本集團還有其他金融資產及負債，包括應收賬款及其他應收款項、合約資產及應付賬款及其他應付款項，乃直接自其業務產生。

本集團金融工具產生之主要風險包括利率風險、外幣風險、信貸風險及流動資金風險。董事會覆核及確認管理各項有關風險之政策，有關政策概述於下文。本集團有關衍生工具之會計政策載於附註2.4。

利率風險

本集團之利率風險主要來自本集團之現金及現金等價物、到期日為三個月以上的定期存款、貸款及集團公司間結餘。按浮動利率及固定利率批出之貸款令本集團分別承受現金流量利率風險及公允價值利率風險。本集團並無利用金融衍生工具來對沖利率風險。本集團之利率概況由管理層監察，詳載於下文(i)。

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For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Interest rate risk (cont'd)

(i) Interest rate profile

The following table details the interest rate profile of the Group's net borrowings (being interest-bearing financial liabilities less bank deposits and cash and cash equivalents) at the end of each of the financial year.

40. 財務風險管理目標及政策 (續)

利率風險 (續)

(i) 利率概況

下表載列本集團於各財政年度末之貸款淨額 (即計息金融負債減銀行存款及現金及現金等價物) 之利率概況。

		As at 31 December 2019 於二零一九年十二月三十一日		As at 31 December 2018 於二零一八年十二月三十一日	
		Effective interest rate 實際利率		Effective interest rate 實際利率	
		%	HK\$'000 千港元	%	HK\$'000 千港元
Net fixed rate borrowings/(deposits):	定息貸款/ (存款) 淨額:				
Borrowings	貸款	3.89 - 4.60	2,762,528	2.88 - 4.60	2,532,678
Less: Fixed deposits with maturity period over three months	減: 到期日為三個月以上的定期存款	-	-	0.15	(547,050)
Cash and cash equivalents	現金及現金等價物	1.75	(9,537)	1.75	(9,769)
Amount due from an associate	應收一間聯營公司款項	4.75	(8,181)	4.75	(4,029)
			2,744,810		1,971,830
Net variable rate borrowings/(deposits):	浮息貸款/ (存款) 淨額:				
Borrowings	貸款	1.30 - 4.90	6,317,168	2.95 - 5.02	5,068,098
Less: Cash and cash equivalents	減: 現金及現金等價物	0.01 - 1.76	(2,065,266)	0.01 - 1.76	(1,718,804)
			4,251,902		3,349,294
Total net borrowings	總貸款淨額		6,996,712		5,321,124

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For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Interest rate risk (cont'd)

(ii) Sensitivity analysis

It is estimated that a general increase/decrease of 1% in interest rates at 31 December 2019 and 2018, with all other variables held constant, would decrease/increase the Group's profit before tax by approximately HK\$69,967,000 and HK\$53,211,000 for the year ended 31 December 2019 and 2018, respectively.

The sensitivity analysis above indicates the instantaneous change in the Group's profit before tax that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to remeasure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's profit before tax is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis was performed on the same basis throughout the financial year.

Foreign currency risk

(i) Exposure to currency risk

The Group is exposed to currency risk primarily from borrowings, cash and cash equivalents, fixed deposits with maturity period over three months, receivables and payables that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily HK\$, RMB, US\$, SGD and EUR.

40. 財務風險管理目標及政策 (續)

利率風險 (續)

(ii) 敏感性分析

於二零一九年及二零一八年十二月三十一日，在所有其他變量維持不變的情況下，利率總體上升/下降1%，估計將導致本集團截至二零一九年及二零一八年十二月三十一日止年度的除稅前盈利分別減少/增加約69,967,000港元及53,211,000港元。

上述敏感性分析指出本集團的除稅前盈利可能產生的實時變動。敏感性分析假設利率變動於報告期末已經發生，並已用於重新計量本集團所持有並於報告期末使本集團面臨公允價值利率風險的金融工具。對於由本集團於報告期末所持有的浮動利率非衍生工具所產生的現金流量利率風險，其對本集團的除稅前盈利的影響是基於利率變動而產生的按年計算之利息支出或收入作估計。有關分析在財務報表年度以相同基準進行。

外幣風險

(i) 需承受之貨幣風險

本集團因以外幣（即相關業務之功能貨幣以外之貨幣）計值之貨款、現金及現金等價物、到期日為三個月以上的定期存款、應收款項及應付款項而面臨貨幣風險。引起風險的貨幣主要為港元、人民幣、美元、新加坡元及歐元。

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For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Foreign currency risk (cont'd)

(i) Exposure to currency risk (cont'd)

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in HK\$, translated using the spot rate at the end of the reporting period. Differences resulting from the translation in the financial statement of foreign operations into the Group's presentation currency are excluded.

40. 財務風險管理目標及政策 (續)

外幣風險 (續)

(i) 需承受之貨幣風險 (續)

下表詳列本集團於報告期末由已確認資產或負債（以相關實體之功能貨幣以外之貨幣計值）所產生之貨幣風險。為方便呈報，貨幣風險之金額乃按報告期間結算日之即期匯率兌換為港幣列示。海外業務之財務報表換算為集團呈報貨幣時產生之差異，不會計入貨幣風險。

		Exposure to foreign currencies (expressed in HK\$) 需承受之外幣風險 (以港元列示)				
		As at 31 December 2019 於二零一九年十二月三十一日				
		RMB 人民幣	SGD 新加坡元	HK\$ 港元	US\$ 美元	EUR 歐元
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Cash and cash equivalents	現金及現金等價物	5,362	1,186	284,771	52,065	-
Borrowings	貸款	-	-	(2,016,007)	(774,555)	(9,132)
Amounts due from/(to) group companies, net	應收/(付)集團公司款項，淨額	282,987	19,864	1,404,751	(869,324)	22
Trade and other payables	應付賬款及其他應付款項	(4,153)	(1,062)	(6,520)	(17,710)	-
		284,196	19,988	(333,005)	(1,609,524)	(9,110)

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40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Foreign currency risk (cont'd)

(i) Exposure to currency risk (cont'd)

40. 財務風險管理目標及政策 (續)

外幣風險 (續)

(i) 須承受之貨幣風險 (續)

Exposure to foreign currencies
(expressed in HK\$)
須承受之外幣風險
(以港元列示)

		As at 31 December 2018 於二零一八年十二月三十一日			
		RMB 人民幣 HK\$'000 千港元	SGD 新加坡元 HK\$'000 千港元	HK\$ 港元 HK\$'000 千港元	US\$ 美元 HK\$'000 千港元
Cash and cash equivalents	現金及現金等價物	1,712	1,205	36,998	35,454
Fixed deposits with maturity period over three months	到期日為三個月以上的定期存款	-	-	-	547,050
Borrowings	貸款	-	-	(1,476,918)	(1,052,583)
Amounts due from/(to) group companies, net	應收/(付)集團公司款項，淨額	602,360	(54)	531,732	-
Trade and other payables	應付賬款及其他應付款項	(4,578)	(1,437)	(6,162)	(22,624)
		599,494	(286)	(914,350)	(492,703)

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40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Foreign currency risk (cont'd)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit before tax that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between the HK\$ and the US\$ would be materially unaffected by any changes in movement in value of the US\$ against other currencies. Except for those subsidiaries with their functional currencies other than HK\$, the impact of foreign exchange rate fluctuations with respect to the assets and liabilities denominated in US\$ is insignificant as the HK\$ is pegged to the US\$.

40. 財務風險管理目標及政策 (續)

外幣風險 (續)

(ii) 敏感性分析

下表載列假設於各報告期末本集團面對重大外幣風險的匯率於當日出現變動，而所有其他可變風險因素保持不變，本集團的除稅前盈利將會受到的實時影響。就此而言，假設港元兌美元的掛鈎匯率不會因美元兌其他貨幣之幣值變動而受到重大影響。除了並非以港元作為功能貨幣之附屬公司外，就以美元計值之資產及負債而言，由於港元與美元掛鈎，故此匯率波動對其影響並不重大。

		As at 31 December 2019 於二零一九年十二月三十一日		As at 31 December 2018 於二零一八年十二月三十一日	
		Increase/ (decrease) in foreign exchange rate 匯率上升/ (下降)	Increase/ (decrease) in profit before tax 除稅前盈利 上升/(下降)	Increase/ (decrease) in foreign exchange rate 匯率上升/ (下降)	Increase/ (decrease) in profit before tax 除稅前盈利 上升/(下降)
		%	HK\$'000 千港元	%	HK\$'000 千港元
RMB	人民幣	10	28,420	10	59,949
RMB	人民幣	(10)	(28,420)	(10)	(59,949)
SGD	新加坡元	10	1,999	10	(29)
SGD	新加坡元	(10)	(1,999)	(10)	29
HK\$	港元	10	(33,301)	10	(91,435)
HK\$	港元	(10)	33,301	(10)	91,435
US\$	美元	10	(12,099)	10	101,257
US\$	美元	(10)	12,099	(10)	(101,257)
EUR	歐元	10	(911)	-	-
EUR	歐元	(10)	911	-	-

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40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Foreign currency risk (cont'd)

(ii) Sensitivity analysis (cont'd)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit before tax measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to remeasure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis was performed on the same basis throughout the financial year.

Credit risk

Management has a credit policy in place and the exposures to credit risk are monitored on an ongoing basis. Debts are usually due within 30 to 90 days from the date of billing.

Trade receivables of the Group represent receivables in respect of revenue from environmental water project operation services which are settled on a monthly basis. In addition, the Group has contract assets in respect of the Build-Transfer ("BT"), BOT, TOT and certain BOO arrangements.

40. 財務風險管理目標及政策 (續)

外幣風險 (續)

(ii) 敏感性分析 (續)

上表呈列的分析結果總結了本集團實體按各自的功能貨幣計量的除稅前盈利的實時影響，有關影響按報告期末的適用匯總折算為港元呈報。

敏感性分析假設外匯匯率的變動已用於重新計量各報告期末本集團所持有及使本集團須承受外幣風險的金融工具，包括以貸款人或貸款人的功能貨幣以外的貨幣計值的集團內公司之間應付款項及應收款項。該分析撇除將海外業務的財務報表換算為本集團呈列貨幣所產生的差額。該分析於整個會計年度按同一基準執行。

信貸風險

管理層設定既定的信貸政策，並持續監察集團所面對之信貸風險。債項通常由開票日期起計30日至90日內到期。

本集團之應收賬款指來自水環境項目之運營服務收入之應收賬款，有關款項按月收取。此外，本集團亦有涉及建設—移交（「BT」）、BOT、TOT及若干BOO安排之與服務特許經營權相關的合約資產。

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40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Credit risk (cont'd)

At 31 December 2019 and 2018, "Trade and other receivables" and "Contract assets" amounted to HK\$17,062,210,000 and HK\$14,336,286,000 respectively, of which HK\$2,444,112,000 and HK\$2,869,455,000 were due from the largest customer and HK\$ 5,314,343,000 and HK\$5,368,951,000 were due from the five largest customers in aggregate of the Group, respectively. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statements of financial position. Since the parties to BT, BOT, TOT and BOO arrangements are local government authorities in the PRC, the Group considers the credit risk is low as at 31 December 2019 and 2018. The Group does not hold any collateral over these balances.

From 1 January 2018, upon the adoption of IFRS 9, management groups financial instruments on basis of shared credit risk characteristics, such as instrument type and credit risk ratings for the purpose of determining significant increase in credit risk and calculation of impairment. The carrying amounts of each financial asset in the consolidated statement of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets as at 31 December 2019 and 2018.

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 includes observable data about the following events:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or past due event;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

To manage credit risk arising from trade receivables and contract assets, the credit quality of the debtors is assessed, taking into account their financial position, historical settlement records, past experience and other factors. The Group applies the simplified approach to provide for ECL prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The ECLs also incorporated forward looking information.

40. 財務風險管理目標及政策（續）

信貸風險（續）

於二零一九年及二零一八年十二月三十一日，「應收賬款及其他應收款項」及「合約資產」分別為17,062,210,000港元及14,336,286,000港元，其中應收最大客戶款項分別為2,444,112,000港元及2,869,455,000港元，及應收本集團前五大客戶款項總額分別為5,314,343,000港元及5,368,951,000港元。信貸風險的最大金額為綜合財務狀況表中各項金融資產的賬面值。由於BT、BOT、TOT及BOO安排的交易對方為中國地方政府機關，本集團認為於二零一九年及二零一八年十二月三十一日的信貸風險屬低。本集團並無持有該等結餘的任何抵押品。

自二零一八年一月一日起，於採納國際財務報告準則第9號後，就釐定信貸風險之大幅增加及計算耗損而言，管理層基於共同信貸風險特徵（例如：工具類型及信貸風險評級）分類金融工具。綜合財務狀況表中各項金融資產的賬面值為本集團於二零一九年及二零一八年十二月三十一日就其金融資產承受信貸風險的最高值。

當發生對金融資產估計未來現金流量有不利影響的一個或多個事件時，金融資產發生信貸減值。金融資產信貸減值的證據包括以下可觀察數據：

- 債務人出現嚴重財務困難；
- 違反合同，如拖欠或逾期事件；
- 債務人很有可能將破產或進行其他財務重組。

為管理應收賬款及合約資產產生的信貸風險，須考慮債務人的財務狀況、過往結算記錄、過往經驗及其他因素。本集團應用國際財務報告準則第9號所訂明的簡化方法就預期信貸虧損作出撥備，國際財務報告準則第9號允許對所有應收賬款採用整個存續期的預期虧損撥備。預期信貸虧損亦包含前瞻性信息。

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40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Credit risk (cont'd)

The Group has established a policy to perform an assessment as at 31 December 2019, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Group groups its other receivables into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1 When other receivables are first recognised, the Group recognised an allowance based on 12 months' ECL.

Stage 2 When other receivables have shown a significant increase in credit risk since origination, the Group records an allowance for the lifetime ECLs.

Stage 3 Other receivables considered credit-impaired. The Group records an allowance for the lifetime ECLs.

Management also makes periodic collective assessments for other receivables as well as individual assessment on the recoverability of other receivables based on historical settlement records, past experience and other factors. The Group classified other receivables in stage 1 and continuously monitored their credit risk. Management believes that there is no material credit risk inherent in the Group's outstanding balance of other receivables as at 31 December 2019 and 2018.

As at 31 December 2019, all fixed deposits with maturity period over three months and cash and cash equivalents were deposited with creditworthy financial institutions without significant credit risk.

The Group does not provide any guarantees which would expose the Group to credit risk. Further quantitative disclosures in respect of the Group's exposure to credit risk arising from "Contract assets" as well as "Trade and other receivables" are set out in notes 21 and 23, respectively.

40. 財務風險管理目標及政策 (續)

信貸風險 (續)

於二零一九年十二月三十一日，本集團已制定一項政策，考慮金融工具餘下周期的信貸風險的變動以評估金融工具的信貸風險相較於初次確認後是否已大幅增加。本集團將其他應收款項分為如下所述的第一階段、第二階段及第三階段：

第一階段 當首次確認其他應收款項時，本集團根據12個月的預期信貸虧損確認撥備。

第二階段 當其他應收款項自產生以來顯示信貸風險大幅上升，本集團確認生命周期的預期信貸虧損的撥備。

第三階段 其他應收款項被視為信貸減值。本集團確認生命周期的預期信貸虧損的撥備。

管理層基於過往結算記錄、過往經驗及其他因素對其他應收款項是否可收回定期作出整體評估及個別評估。本集團於第一階段將其他應收款項進行分類並持續監察信貸風險。於二零一九年及二零一八年十二月三十一日，管理層相信本集團未償還的其他應收款項結餘並無重大內在的信貸風險。

於二零一九年十二月三十一日，所有到期日為三個月以上的定期存款及現金及現金等價物存放於無重大信貸風險且信譽良好的金融機構。

本集團並未提供將令本集團面臨信貸風險的任何擔保。有關本集團因「合約資產」及「應收賬款及其他應收款項」而面臨的信貸風險的進一步定量披露分別載於附註21及附註23。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay.

40. 財務風險管理目標及政策（續）

流動資金風險

本集團內的獨立運營實體須自行負責現金管理工作，包括現金盈餘的短期投資及籌措貸款以應對預期現金需求。本集團的政策是定期監察流動資金需求及監察對貸款契諾的遵行情況，確保集團維持充裕的現金儲備及從主要金融機構取得足夠的承諾信貸融資，以應對短期及長期流動資金需求。

下表載列本集團於報告期末的非衍生工具金融負債的剩餘合約期限情況，乃基於合約未折現現金流量（包括按合約利率或（如屬浮息）根據報告期末通行的利率計算的利息）及本集團須償還有關款項的最早日期而列出：

As at 31 December 2019
於二零一九年十二月三十一日

	Carrying amount 賬面值 HK\$'000 千港元	Total contractual undiscounted cash flow 合約未折現現金流量總額 HK\$'000 千港元	Within 1 year or on demand 一年內或按要 求 HK\$'000 千港元	More than 1 year but within 2 years 一年以上但於兩年內 HK\$'000 千港元	More than 2 years but within 5 years 兩年以上但於五年內 HK\$'000 千港元	More than 5 years 五年以上 HK\$'000 千港元
Financial liabilities included in trade and other payables						
計入應付賬款及其他應付款項的金融負債	2,316,387	2,316,387	2,316,387	-	-	-
Lease liabilities	20,913	22,308	10,317	8,472	3,519	-
租賃負債						
Borrowings	9,079,696	10,304,078	2,374,257	2,268,528	4,148,701	1,512,592
貸款						
	11,416,996	12,642,773	4,700,961	2,277,000	4,152,220	1,512,592

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For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Liquidity risk (cont'd)

Included in borrowings is corporate bond payables with a carrying amount of HK\$2,762,528,000 containing an option to sell back the bond to the Company and therefore, for the purpose of the above maturity profile, the total contractual undiscounted cash flow amount of HK\$2,923,069,000 related to the Corporate Bond is presented as: HK\$1,205,413,000 is classified as repayable “within 1 year or on demand”, HK\$941,356,000 classified as repayable “more than 1 year but within 2 years” and HK\$776,300,000 classified as repayable “more than 2 years but within 5 years”.

The Corporate Bond will be due for repayment on the respective maturity dates unless being sold back to the Company prior to the maturity pursuant to the terms of the Corporate Bond. In accordance with the terms of the Corporate Bond, the maturity terms as at 31 December 2019 are HK\$121,297,000 in 2020, HK\$120,883,000 in 2021 and HK\$2,922,655,000 in 2022 to 2024.

40. 財務風險管理目標及政策（續）

流動資金風險（續）

貸款包括賬面值為2,762,528,000港元的應付公司債券，該公司債券訂明將債券售回予本公司的期權，因此，就上述到期情況而言，有關公司債券的合約未折現現金流量總額2,923,069,000港元按以下方式呈列：1,205,413,000港元分類為「一年內或按要求」償還、941,356,000港元分類為「一年以上但於兩年內」償還及776,300,000港元分類為「兩年以上但於五年內」償還。

公司債券將於相關到期日償還，惟根據公司債券之條款於到期前售回予本公司的情况除外。根據公司債券之條款，於二零一九年十二月三十一日，還款條件如下：於二零二零年到期償還121,297,000港元、於二零二一年到期償還120,883,000港元及於二零二年至二零二四年到期償還2,922,655,000港元。

		As at 31 December 2018 於二零一八年十二月三十一日				
		Total contractual undiscounted cash flow	Within 1 year or on demand	More than 1 year but within 2 years	More than 2 years but within 5 years	More than 5 years
Carrying amount	合約未折現現金流量總額	一年內或按要求	一年以上但於兩年內	兩年以上但於五年內	五年以上	
HK\$'000	千港元	千港元	千港元	千港元	千港元	千港元
Financial liabilities included in trade and other payables	計入應付賬款及其他應付款項的金融負債	1,784,866	1,784,866	1,784,866	-	-
Borrowings	貸款	7,600,776	8,097,201	2,433,845	1,978,535	3,226,295
		9,385,642	9,882,067	4,218,711	1,978,535	3,226,295

Included in borrowings is a corporate bond payable with a carrying amount of HK\$2,035,404,000 containing an option to sell back the bond to the Company and therefore, for the purpose of the above maturity profile, the total contractual undiscounted cash flow amount of HK\$2,230,461,000 related to the Corporate Bond is presented as: HK\$93,649,000 is classified as repayable “within 1 year or on demand”, HK\$1,203,637,000 classified as repayable “more than 1 year but within 2 years” and HK\$933,175,000 classified as repayable “more than 2 years but within 5 years”.

貸款包括賬面值為2,035,404,000港元的應付公司債券，該公司債券訂明將債券售回予本公司的期權，因此，就上述到期情況而言，有關公司債券的合約未折現現金流量總額2,230,461,000港元按以下方式呈列：93,649,000港元分類為「一年內或按要求」償還、1,203,637,000港元分類為「一年以上但於兩年內」償還及933,175,000港元分類為「兩年以上但於五年內」償還。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Liquidity risk (cont'd)

The Corporate Bond will be due for repayment on the respective maturity dates unless being sold back to the Company prior to the maturity pursuant to the terms of the Corporate Bond. In accordance with the terms of the Corporate Bond, the maturity terms as at 31 December 2018 are HK\$93,649,000 in 2019, HK\$93,649,000 in 2020 and HK\$2,230,462,000 in 2021 to 2023.

Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value.

In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, issue new shares or obtain new borrowings. The Group's strategies are to maintain a prudent balance between the advantage and flexibility afforded by a sound capital position and the higher return on equity that is possible with greater leverage. There was no change in capital management policies during the reporting period.

Consistently, the Group monitors capital based on a net debt against equity ratio. The net debt against equity ratio is calculated by dividing net debt by total equity. Net debt is calculated as total liabilities (as shown in the consolidated statements of financial position of the Group, excluding tax payables and deferred tax liabilities) less cash and cash equivalents. Total equity comprises share capital, reserves and non-controlling interests.

40. 財務風險管理目標及政策（續）

流動資金風險（續）

公司債券將於相關到期日償還，惟根據公司債券之條款於到期前售回予本公司的情况除外。根據公司債券之條款，於二零一八年十二月三十一日，還款條款如下：二零一九年到期償還93,649,000港元，二零二零年到期償還93,649,000港元及二零二一年至二零二三年到期償還2,230,462,000港元。

資本管理

本集團在管理資本時的主要目標為保障本集團繼續持續經營及維持最佳資本結構的能力，以提升股東價值最大化。

為保持或達致最佳資本結構，本集團會調整股息派付金額、發行新股份或獲得新貸款。本集團之策略為在強勁資金狀況所提供之優勢及靈活性與杠杆較大而可能獲得較高股本回報率兩者之間維持審慎平衡。於財務報表期間，資本管理政策並無變動。

管理層根據債務淨額對權益比率持續監控資本情況。債務淨額對權益比率按債務淨額除以權益總額計算。債務淨額按負債總額（如本集團綜合財務狀況表所示，不包括應付稅項及遞延稅項負債）減現金及現金等價物計算。權益總額包括股本、儲備及非控股權益。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2019 截至二零一九年十二月三十一日止的財政年度

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Capital management (cont'd)

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade and other payables	應付賬款及其他應付款項	2,472,484	1,895,092
Borrowings	貸款	9,079,696	7,600,776
Less: Cash and cash equivalents	減：現金及現金等價物	(2,074,803)	(1,728,573)
Net debt	債務淨額	9,477,377	7,767,295
Total equity	權益總額	9,548,752	8,663,697
Net debt against equity ratio	債務淨額對權益比率	99%	90%

Except for the banking facilities which require the fulfilment of covenants relating to certain of the Group's financial ratios as disclosed in note 28 to the financial statements, the Group does not subject to externally imposed capital requirements.

40. 財務風險管理目標及政策（續）

資本管理（續）

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade and other payables	應付賬款及其他應付款項	2,472,484	1,895,092
Borrowings	貸款	9,079,696	7,600,776
Less: Cash and cash equivalents	減：現金及現金等價物	(2,074,803)	(1,728,573)
Net debt	債務淨額	9,477,377	7,767,295
Total equity	權益總額	9,548,752	8,663,697
Net debt against equity ratio	債務淨額對權益比率	99%	90%

除財務報表附註28所披露之銀行融資須符合有關本集團若干財務比率之契諾外，本集團均無受外界施加之資本規定所限制。

41. SUBSEQUENT EVENT

On 17 February 2020, the Company announced that it secured Jiangsu Suzhou Wuzhong Chengnan Waste Water Treatment Plant Effluent Upgrading Project, which will be invested in, constructed by and operated on a BOT model. The project has a total designed waste water treatment capacity of 150,000 m³/day and commands a total investment of RMB109 million.

42. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the directors on 12 March 2020.

41. 期後事項

本公司於二零二零年二月十七日宣佈，其日前取得江蘇蘇州吳中城南污水處理廠尾水提標改造項目，將以BOT模式投資、建設和運營。該項目的設計污水處理規模為15萬立方米/日，涉及投資約1.09億元人民幣。

42. 財務報表之批准

本截至二零一九年十二月三十一日止的財務報表業經本公司董事會於二零二零年三月十二日決議批准。

FIVE YEAR SUMMARY

五年業績概要

At at 31 December
於十二月三十一日

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Assets and liabilities	資產及負債					
Property, plant and equipment, right-of-use assets, prepaid land lease payments and investment property	物業、廠房及設備，使用權資產，預付土地租賃款項以及投資物業	170,491	150,151	152,038	147,971	162,587
Intangible assets	無形資產	1,658,437	1,536,169	1,489,718	1,259,449	1,440,075
Goodwill	商譽	1,213,509	1,242,713	1,259,922	1,185,478	1,268,925
Interests in associates	聯營公司權益	3,588	3,011	1,445	1,327	-
Trade and other receivables	應收賬款及其他應收款項	113,892	159,259	10,515	9,863	39,525
Contract assets	合約資產	14,144,440	11,727,822	10,313,724	8,179,732	7,713,209
Other financial assets	其他財務資產	462,045	-	-	-	-
Net current assets	流動資產淨額	359,125	664,686	1,313,319	825,665	392,345
		18,125,527	15,483,811	14,540,681	11,609,485	11,016,666
Non-current liabilities	非流動負債	(8,576,775)	(6,820,114)	(5,998,876)	(4,417,783)	(3,719,646)
NET ASSETS	資產淨額	9,548,752	8,663,697	8,541,805	7,191,702	7,297,020
Share capital	股本	2,860,877	2,676,062	2,625,642	2,609,908	2,608,014
Reserves	儲備	5,949,192	5,307,128	5,231,541	4,188,279	4,452,929
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益	8,810,069	7,983,190	7,857,183	6,798,187	7,060,943
Non-controlling interests	非控股權益	738,683	680,507	684,622	393,515	236,077
TOTAL EQUITY	權益總額	9,548,752	8,663,697	8,541,805	7,191,702	7,297,020

FIVE YEAR SUMMARY

五年業績概要

For the year ended 31 December
截至十二月三十一日止年度

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Results	業績					
Revenue	收入	5,550,773	4,768,318	3,591,633	2,494,037	1,815,150
Profit from operating activities	經營活動所得盈利	1,549,752	1,342,715	1,085,838	742,699	724,128
Finance costs	財務費用	(355,287)	(291,398)	(241,391)	(205,223)	(127,998)
Shares of profits associates	所佔聯營公司盈利	614	422	158	-	-
Profit before tax	除稅前盈利	1,195,079	1,051,739	844,605	537,476	596,130
Income tax	所得稅	(310,350)	(314,984)	(263,812)	(164,861)	(172,462)
Profit for the year	本年度盈利	884,729	736,755	580,793	372,615	423,668
Attributable to:	應佔部分：					
Equity holders of the Company	本公司權益持有人	833,483	676,459	513,356	349,343	406,242
Non-controlling interests	非控股權益	51,246	60,296	67,437	23,272	17,426
Profit for the year	本年度盈利	884,729	736,755	580,793	372,615	423,668
Basic earnings per share (Hong Kong cents)	每股基本盈利 (港仙)	30.07	25.58	19.61	13.41	15.80

PROJECT OVERVIEW

項目概覽

Raw Water Protection Project / 原水保護項目

Project in Preparatory Stage / 籌建項目

	Project 項目	Water Supply Capacity (m ³ /day) 供水規模 (立方米/日)
1	Tongxiang West Area Drinking Water Sources Protection PPP Project 桐鄉西部飲用水源保護建設工程PPP項目	600,000

Water Supply Projects / 供水項目

Projects in Operation / 投運項目

	Project 項目	Water Supply Capacity (m ³ /day) 供水規模 (立方米/日)
1	Zhangqiu Yellow River Water Transfer and Water Resource Replenishment Project 章丘引黃調水補源項目	100,000
2	Zhangqiu Chengdong Industrial Water Supply Project 章丘區域東工業園供水項目	50,000

Project in Preparatory Stage / 籌建項目

	Project 項目	Water Supply Capacity (m ³ /day) 供水規模 (立方米/日)
1	Zhangqiu Baiyun Water Plant Water Supply Project Phase I 章丘白雲水廠一期工程項目	100,000

Municipal Waste Water Treatment Projects / 市政污水處理項目

Projects in Operation / 投運項目

	Project 項目	Waste Water Treatment Capacity (m ³ /day) 污水處理規模 (立方米/日)
1	Qingdao Waste Water Treatment Project (Maidao Plant) 青島污水處理項目 (麥島廠)	220,000
2	Qingdao Waste Water Treatment Project (Haibohe Plant) 青島污水處理項目 (海泊河廠)	
3	Qingdao Waste Water Treatment Project (Maidao Plant) Upgrading 青島污水處理項目 (麥島廠) 提標改造	N/A
4	Zibo Waste Water Treatment Project (Southern & Northern Plants) 淄博污水處理項目 (南郊廠及北廠)	250,000
5	Zibo Waste Water Treatment Project (Upgrading) 淄博污水處理項目 (升級改造項目)	N/A

PROJECT OVERVIEW

項目概覽

	Project 項目	Waste Water Treatment Capacity (m³/day) 污水處理規模 (立方米/日)
6	Ji'nan Waste Water Treatment Project (Plant 1 & 2) 濟南污水處理項目 (一廠及二廠)	420,000
7	Ji'nan Waste Water Treatment Project (Plant 1 & 2 Expansion and Upgrading) 濟南污水處理項目 (一廠及二廠擴建升級項目)	80,000
8	Ji'nan Waste Water Treatment Project (Plant 1) Expansion 濟南污水處理項目 (一廠) 擴建	50,000
9	Ji'nan Waste Water Treatment Project (Plant 1) Phase IV Expansion 濟南污水處理項目 (一廠) 四期擴建	100,000
10	Ji'nan Waste Water Treatment Project (Plant 2) Phase III Expansion 濟南污水處理項目 (二廠) 三期擴建	100,000
11	Zibo High-tech Zone Waste Water Treatment Project 淄博韓廟高新區污水處理項目	100,000
12	Zibo High-tech Zone Waste Water Treatment Project Upgrading 淄博韓廟高新區污水處理項目提標改造	N/A
13	Jiangyin Waste Water Treatment Project 江陰污水處理項目	190,000
14	Jiangyin Waste Water Treatment Project (Upgrading) 江陰污水處理項目 (升級改造)	N/A
15	Zibo Zhoucun Waste Water Treatment Project Phase I 淄博周村污水處理項目一期	40,000
16	Zibo Zhoucun Waste Water Treatment Project Phase I Upgrading 淄博周村污水處理項目一期提標改造	N/A
17	Binzhou Boxing Waste Water Treatment Project (Phase I) 濱州博興污水處理項目 (一期)	30,000
18	Binzhou Boxing Waste Water Treatment Project (Upgrading and Phase II Upgrading and Expansion) 濱州博興污水處理項目 (升級改造及二期升級、擴建項目)	30,000
19	Binzhou Boxing Waste Water Treatment Project (Upgrading and Expansion) 濱州博興污水處理項目 (升級改造及擴建項目)	20,000
20	Ji'nan Licheng Waste Water Treatment Project (Plant 3) Phase I 濟南歷城污水處理項目 (三廠) 一期	100,000
21	Ji'nan Licheng Waste Water Treatment Project (Plant 3) Phase II 濟南歷城污水處理項目 (三廠) 二期	100,000
22	Ji'nan Xike Waste Water Treatment Project (Plant 4) 濟南西客污水處理項目 (四廠)	30,000
23	Ji'nan Xike Waste Water Treatment Project (Plant 4) Phase II 濟南西客污水處理項目 (四廠) 二期	70,000
24	Ling County Waste Water Treatment Project (Plant 1) 陵縣污水處理項目 (一廠)	30,000
25	Ling County Waste Water Treatment Project (Plant 1) Upgrading 陵縣污水處理項目 (一廠) 提標改造	N/A
26	Ling County Waste Water Treatment Project (Plant 2) 陵縣污水處理項目 (二廠)	30,000
27	Ling County Waste Water Treatment Project (Plant 2) Upgrading 陵縣污水處理項目 (二廠) 提標改造	N/A

PROJECT OVERVIEW

項目概覽

	Project 項目	Waste Water Treatment Capacity (m³/day) 污水處理規模 (立方米/日)
28	Dezhou Nanyunhe Waste Water Treatment Project Phase I 德州南運河污水處理項目一期	75,000
29	Dezhou Nanyunhe Waste Water Treatment Project Phase II 德州南運河污水處理項目二期	75,000
30	Zhangqiu Waste Water Treatment Project (Plant 3) 章丘污水處理項目 (第三廠)	30,000
31	Zhangqiu Waste Water Treatment Project (Plant 1) 章丘污水處理廠項目 (第一廠)	50,000
32	Zhangqiu Waste Water Treatment Project (Plant 2) 章丘污水處理廠項目 (第二廠)	40,000
33	Binzhou Development Zone Waste Water Treatment Project Phase I 濱州開發區污水處理項目一期	40,000
34	Binzhou Development Zone Waste Water Treatment Project Phase I Upgrading 濱州開發區污水處理項目一期提標改造	N/A
35	Binzhou Development Zone Waste Water Treatment Project Phase II 濱州開發區污水處理項目二期	20000
36	Kunshan Development Zone Waste Water Treatment Project Phase I 昆山開發區污水處理項目一期	25,000
37	Kunshan Development Zone Waste Water Treatment Project Phase II 昆山開發區污水處理項目二期	25,000
38	Lianyungang Dapu Waste Water Treatment Project 連雲港大浦污水處理項目	100,000
39	Lianyungang Xugou Waste Water Treatment Project Phase I 連雲港墟溝污水處理項目一期	40,000
40	Nanjing Pukou Waste Water Treatment Project Phase I 南京浦口區珠江污水處理項目一期	40,000
41	Nanjing Pukou Waste Water Treatment Project Phase II and Upgrading 南京浦口污水處理項目二期及整體提標	40,000
42	Nanjing Liuhe Waste Water Treatment Project Phase I 南京六合污水處理項目一期	20,000
43	Nanjing Liuhe Waste Water Treatment Project Phase II and Upgrading 南京六合污水處理項目一期二階段及提標	20,000
44	Suzhou Wuzhong Chengnan Waste Water Treatment Project Phase I Stage I 蘇州吳中城南污水處理項目一期一步	75,000
45	Suzhou Wuzhong Chengnan Waste Water Treatment Project Phase I Stage II and Upgrading 蘇州吳中城南污水處理項目一期第二步及提標改造	75,000
46	Yangzhou Jiangdu Development Zone Waste Water Treatment Project Phase I 揚州江都開發區污水處理項目一期	12,500
47	Yangzhou Jiangdu Development Zone Waste Water Treatment Project Phase II and Upgrading 揚州江都開發區污水處理項目二期及提標	12,500
48	Sanmenxia Waste Water Treatment Project Phase I 三門峽污水處理項目一期	30,000
49	Sanmenxia Waste Water Treatment Project Phase I Upgrading 三門峽污水處理項目一期提標改造	N/A

PROJECT OVERVIEW

項目概覽

	Project 項目	Waste Water Treatment Capacity (m³/day) 污水處理規模 (立方米/日)
50	Daxing Tiantanghe Waste Water Treatment Project Phase I 大興區天堂河污水處理項目一期	40,000
51	Daxing Tiantanghe Waste Water Treatment Project Phase II and Upgrading 大興區天堂河污水處理項目二期及提標改造	40,000
52	Xianyang Waste Water Treatment Project Phase I 咸陽東郊污水處理項目一期	100,000
53	Xianyang Waste Water Treatment Project Phase I Upgrading 咸陽東郊污水處理項目一期提標改造	N/A
54	Xianyang Waste Water Treatment Project Phase II 咸陽東郊污水處理項目二期	100,000
55	Dalian Quanshui Waste Water Treatment Project 大連市泉水污水處理項目	35,000
56	Dalian Malanhe Waste Water Treatment Project Phase II 大連市馬欄河污水處理項目二期	80,000
57	Dalian Chunliuhe Waste Water Treatment Project Phase II 大連市春柳河污水處理項目二期	120,000
58	Dalian Siergou Waste Water Treatment Project 大連寺兒溝污水處理項目	100,000
59	Lvshun Bailanzi Waste Water Treatment Project Phase I 旅順柏嵐子污水處理項目一期	30,000
60	Lvshun Bailanzi Waste Water Treatment Project Phase II 旅順柏嵐子污水處理項目二期	N/A
61	Lvshun Sanjianpu Waste Water Treatment Project 旅順三澗堡污水處理項目	10,000
62	Pulandian Waste Water Treatment Project Phase I 普蘭店市污水處理項目一期	20,000
63	Zhuanghe Waste Water Treatment Project Phase I 莊河市污水處理項目一期	30,000
64	Panjin 1st Waste Water Treatment Project 盤錦市第一污水處理項目	100,000
65	Panjin 1st Waste Water Treatment Project Upgrading 盤錦市第一污水處理項目提標改造	N/A
66	Anshan West 2nd Waste Water Treatment Project 鞍山市西部第二污水處理項目	100,000
67	Shenyang Hunnan New District Waste Water Treatment Project 瀋陽渾南新區污水處理項目	40,000
68	Dandong Waste Water Treatment Project 丹東市污水處理項目	100,000
69	Inner Mongolia Tongliao Development Zone Waste Water Treatment Project 內蒙古通遼開發區污水處理項目	50,000
70	Inner Mongolia Tongliao Development Zone Waste Water Treatment Project Upgrading 內蒙古通遼開發區污水處理項目提標改造	N/A
71	Pulandian Waste Water Treatment Project Phase I Expansion 普蘭店市污水處理項目一期續建	20,000

PROJECT OVERVIEW

項目概覽

	Project 項目	Waste Water Treatment Capacity (m³/day) 污水處理規模 (立方米/日)
72	Pulandian Waste Water Treatment Project Phase II 普蘭店污水處理項目二期	30,000
73	Dalian Quanshui Waste Water Treatment Project Upgrading 大連泉水污水處理項目提標改造	N/A
74	Dalian Chunliuhe Waste Water Treatment Project Phase II Upgrading 大連春柳河污水處理項目二期提標改造	N/A
75	Lvshun Bailanzi Waste Water Treatment Project Upgrading 旅順柏嵐子污水處理項目提標改造	N/A
76	Xinyi City Waste Water Treatment Project 新沂城市污水處理項目	70,000
77	Xinyi City Waste Water Treatment Project Upgrading 新沂城市污水處理項目提標改造	N/A
78	Xinyi City Waste Water Treatment Project Phase III 新沂城市污水處理項目三期	30,000
79	Ju County Shudong Waste Water Treatment Project 莒縣洙東污水處理項目	20,000
80	Jiangyin Chengxi Phase III Pipeline Network Pump Station 江陰澄西三期配套管網泵站	N/A
81	Ji'nan Huashan Waste Water Treatment Project 濟南華山水質淨化項目	30,000
82	Dezhou Ling County Waste Water Pipeline Network PPP Project 德州陵城區污水管網PPP項目	N/A
83	Dezhou Ling County Waste Water Pipeline Network PPP Project Expansion 德州陵城區污水管網PPP項目續建	N/A

Project under O&M Model / 委託運營項目

	Project 項目	O&M Treatment Capacity (m³/day) 委託運營規模 (立方米/日)
1	Zhenjiang Zhengrunzhou Waste Water Treatment Plant Operation and Management Project 鎮江征潤州污水處理廠委託運營項目	125,000

Project Completed Construction / 建成完工項目

	Project 項目	Waste Water Treatment Capacity (m³/day) 污水處理規模 (立方米/日)
1	Dalian Liangjiadian Waste Water Treatment Project Phase I 大連亮甲店污水處理項目一期	20,000

PROJECT OVERVIEW

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Projects under Construction / 在建項目

	Project 項目	Waste Water Treatment Capacity (m³/day) 污水處理規模 (立方米/日)
1	Zibo Waste Water Treatment Project (Northern Plant) Relocation and Expansion Project 淄博污水處理項目 (北廠) 遷建及擴建項目	50,000
2	Zibo Waste Water Treatment Project (Southern Plant) Upgrading 淄博污水處理項目 (南郊廠) 提標改造項目	N/A
3	Jiangyin Chengxi Waste Water Treatment Project Phase III 江陰澄西污水處理項目三期	30,000
4	Laiyang Waste Water Treatment Sub-project 萊陽污水處理子項目	15,000
5	Ji'nan East Station Area Underground Waste Water Treatment Project 濟南東站片區地下污水處理項目	100,000
6	Huaiyin Eastern City Waste Water Treatment Project Phase I 淮陰東城污水處理項目一期	50,000

Projects in Preparatory Stage / 籌建項目

	Project 項目	Waste Water Treatment Capacity (m³/day) 污水處理規模 (立方米/日)
1	Zibo Northern Waste Water Treatment Plant Expansion Project 淄博北郊污水處理廠擴建項目	20,000
2	Zhuanghe Waste Water Treatment Project Phase II 莊河市污水處理項目二期	50,000
3	Jiangyin Waste Water Treatment Project (Binjiang Plant 2) and Ancillary Pipeline Project 江陰污水處理項目 (濱江二廠) 及配套管網項目	40,000
4	Jiangyin Lingang Economic Development Zone Xili Center Waste Water Treatment and Ancillary Pipeline Network and Pumping Station Project 江陰臨港經濟開發區西利中心污水處理廠及配套管網泵站項目	50,000
5	Yancheng No.3 Flood Control Area Water Environment Treatment PPP Project 鹽城市區第三防洪區水環境綜合治理PPP項目	50,000
6	Ju County Urban Waste Water Treatment Project 莒縣城市污水處理項目	80,000

PROJECT OVERVIEW

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Industrial Waste Water Treatment Projects / 工業廢水處理項目

Projects in Operation / 投運項目

	Project 項目	Waste Water Treatment Capacity (m³/day) 污水處理規模 (立方米/日)
1	Xinyi Economic Development Zone Waste Water Treatment Project Phase I 新沂經濟開發區廢水處理項目一期	10,000
2	Xinyi Economic Development Zone Waste Water Treatment Project Phase II 新沂經濟開發區廢水處理項目二期	10,000
3	Nanjing Pukou Industrial Waste Water Treatment Project Phase I 南京浦口工業廢水處理項目一期	10,000
4	Ju County Chengbei Waste Water Treatment Project 莒縣城北污水處理項目	40,000
5	Ju County Chengbei Waste Water Treatment Project Upgrading 莒縣城北污水處理項目提標改造	N/A
6	Suizhou Xihe Town Waste Water Treatment Plant and Ancillary Pipeline Network Project 隨州浙河鎮污水廠及配套管網項目	10,000

Projects under Construction / 在建項目

	Project 項目	Waste Water Treatment Capacity (m³/day) 污水處理規模 (立方米/日)
1	Yangzhou Jiangdu Development Zone Industrial Waste Water Centralised Pre-treatment and Ancillary Pipeline Network Project 揚州江都開發區工業廢水集中預處理及配套管網項目	6,000
2	Haimen Waste Water Treatment Project and Upgrading 海門污水處理項目及提標改造	10,000
3	Zhangdian East Chemical Industrial Park Industrial Waste Water Treatment Project Phase I 張店東部化工區工業廢水處理項目一期	5,000

Projects under EPC Model / 工程總包項目

	Project 項目	Waste Water Treatment Capacity (m³/day) 污水處理規模 (立方米/日)
1	Weihai Wendeng Chemical Industrial Park Waste Water Treatment Plant and Auxillary Pipeline Network Project 威海文登化工產業園污水處理廠及配套管網項目	10,000
2	Zhongxiang Shuanghe Jiangbei Chemical Industrial Park Waste Water Treatment Project 鐘祥雙河江北工業園污水處理項目	2,500

PROJECT OVERVIEW

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Projects in Preparatory Stage / 籌建項目

	Project 項目	Waste Water Treatment Capacity (m³/day) 污水處理規模 (立方米/日)
1	Nanjing Pukou Industrial Waste Water Treatment Project Phase II 南京浦口工業廢水處理項目二期	50,000
2	Ju County Chengbei Waste Water Treatment Plant Expansion Project Phase I 莒縣城北污水處理廠擴建項目一期	20,000
3	Ji'nan Tangye New Area Waste Water Treatment PPP project 濟南唐冶新區污水處理PPP項目	45,000

Leachate Treatment Project / 滲濾液處理項目

Project in Operation / 投運項目

	Project 項目	Leachate Treatment Capacity (m³/day) 滲濾液處理規模 (立方米/日)
1	Xuzhou Yanqun Household Waste Landfill Leachate Treatment Project 徐州雁群生活垃圾填埋場滲濾液處理項目	600

Reusable Water Projects / 中水回用項目

Projects in Operation / 投運項目

	Project 項目	Reusable Water Supply Capacity (m³/day) 日供中水規模 (立方米/日)
1	Ji'nan Licheng Reusable Water Project 濟南歷城中水項目	42,000
2	Jiangyin Reusable Water Project 江陰中水項目	10,000
3	Zibo Reusable Water Project 淄博中水回用項目	9,600
4	Nanjing Pukou Reusable Water Project Phase I 南京浦口中水項目一期	20,000
5	Pulandian Reusable Water Project 普蘭店中水回用項目	40,000

Project under Construction / 在建項目

	Project 項目	Reusable Water Supply Capacity (m³/day) 日供中水規模 (立方米/日)
1	Nanjing Pukou Waste Water Treatment and Reusable Water Plant Project Phase II 南京浦口污水處理廠中水廠項目二期	40,000

PROJECT OVERVIEW

項目概覽

Projects in Preparatory Stage / 籌建項目

	Project 項目	Reusable Water Supply Capacity (m³/day) 日供中水規模 (立方米/日)
1	Jiangyin Chengxi Waste Water Treatment Plant Reusable Water Project 江陰澄西污水處理廠中水回用項目	33,000
2	Nanjing Pukou Industrial Waste Water Treatment Project Phase II - Reusable Water Project 南京浦口工業廢水處理項目二期-中水回用項目	12,000

River-basin Ecological Restoration Projects / 流域治理項目

Project in Operation / 投運項目

	Project 項目	Water Treatment Capacity Inclusive (m³/day) 包含水處理規模 (立方米/日)
1	Nanjing Municipal Water PPP Project 南京涉水市政工程PPP項目	N/A

Projects under Construction / 在建項目

	Project 項目	Water Treatment Capacity Inclusive (m³/day) 包含水處理規模 (立方米/日)
1	Zhenjiang Sponge City Construction PPP Project 鎮江海綿城市建設PPP項目	75,000
2	Nanning Shuitang River Integrated Restoration PPP Project 南寧水塘江綜合整治工程PPP項目	40,000

Projects in Preparatory Stage / 籌建項目

	Project 項目	Water Treatment Capacity Inclusive (m³/day) 包含水處理規模 (立方米/日)
1	Suizhou Fuhe Riverbanks Landscaping Project 隨州府河兩岸景觀綠化項目	N/A
2	Suizhou Piaoshui Park Phase I Construction Project 隨州漂水公園一期工程項目	N/A
3	Laiyang Water Environment Management Sub-Project 萊陽水環境治理子項目	N/A

PROJECT OVERVIEW

項目概覽

Waste Water Source Heat Pump Projects / 污水源熱泵項目

Projects in Operation / 投運項目

	Project 項目	Service area (m ²) 服務範圍 (平方米)
1	Zibo Waste Water Source Heat Pump Project Phase I 淄博污水源熱泵項目一期	125,000
2	Zibo Ceramic Technology Development Park Heat Pump Project 淄博陶瓷園熱泵項目	170,000

Sludge Treatment and Disposal Projects / 污泥處理處置項目

Projects in Operation / 投運項目

	Project 項目	Sludge Treatment Capacity (tonne/day) 污泥處置規模 (噸/日)
*	Zibo Sludge Treatment and Disposal Project 淄博污泥處理處置項目	530
*	Ji'nan Sludge Treatment Project 濟南污泥減量化項目	430
*	Jiangyin Sludge Treatment and Disposal Project 江陰污泥處理處置項目	340
*	Pulandian Sludge Treatment and Disposal Project Phase I 普蘭店污泥處理處置項目一期	50

Project under Construction / 在建項目

	Project 項目	Sludge Treatment Capacity (tonne/day) 污泥處置規模 (噸/日)
*	Ji'nan Licheng Sludge Treatment Project 濟南歷城污泥減量化項目	200

* As supplementary facilities to respective waste water treatment projects, the above-listed sludge treatment and disposal projects are not regarded as independent projects.

* 污泥處理處置項目作為對應污水處理項目的配套項目設施，不計為獨立項目。

STATISTICS OF SHAREHOLDINGS

股權統計資料

As at 5 March 2020 於二零二零年三月五日

Authorised share capital 法定股本	:	HK\$10,000,000,000 10,000,000,000港元
Issued and fully paid-up capital 已發行並已全額繳足的股本	:	HK\$2,860,876,723 2,860,876,723港元
Class of shares 股票種類	:	Ordinary shares of HK\$1.00 each 普通股，每股票面價值1.00港元
Number of shares 股份數量	:	2,860,876,723
Voting rights 投票權	:	One vote per ordinary share 每股一權

DISTRIBUTION OF SHAREHOLDINGS

股權分布

SIZE OF SHAREHOLDINGS 股權規模	NO. OF SHAREHOLDERS 股東數量	% 百分比	NO. OF SHARES 股份數量	% 百分比
1 ~ 99	462	8.21	12,561	0.00
100 ~ 1,000	1,162	20.64	576,671	0.02
1,001 ~ 10,000	2,216	39.36	10,425,387	0.36
10,001 ~ 1,000,000	1,763	31.31	110,076,898	3.85
1,000,001 AND ABOVE	27	0.48	2,739,785,206	95.77
TOTAL 總計	5,630	100.00	2,860,876,723	100.00

As at 5 March 2020, no shares issued in the share capital of the Company (“Shares”) were held as treasury shares or by any of the Company’s subsidiary.

於二零二零年三月五日，在本公司股本中發行的股份（「本公司股份」）未被作為庫存股持有，也未被本公司的任何附屬公司所持有。

Based on the information available to the Company, approximately 27.05% of the equity securities of the Company are held in the hands of the public. This is in compliance with Rule 8.08 of the HK Listing Rules and Rule 723 of the SGX Listing Manual, which require at least 25% and 10% respectively of a listed issuer’s equity securities to be held by the public.

基於本公司所獲得的信息，本公司約27.05%的股份由公眾持有。該比例符合香港上市規則第8.08條和新交所上市手冊第723條的要求，該等規則分別要求公眾至少須持有上市公司權益性證券的25%和10%以上。

STATISTICS OF SHAREHOLDINGS

股權統計資料

As at 5 March 2020 於二零二零年三月五日

TWENTY LARGEST SHAREHOLDERS

前二十大股東

	NAME 名稱	NO. OF SHARES 持股數量	% 百分比
1.	CHINA EVERBRIGHT WATER HOLDINGS LIMITED 中國光大水務控股有限公司	2,084,724,572	72.87
2.	HKSCC NOMINEES LIMITED	370,973,768	12.97
3.	CITIBANK NOMINEES SINGAPORE PTE LTD	109,945,698	3.84
4.	DBS NOMINEES (PRIVATE) LIMITED	65,306,275	2.28
5.	MAYBANK KIM ENG SECURITIES PTE. LTD.	26,521,435	0.93
6.	RAFFLES NOMINEES (PTE.) LIMITED	18,783,628	0.66
7.	HSBC (SINGAPORE) NOMINEES PTE LTD	18,526,499	0.65
8.	OCBC SECURITIES PRIVATE LIMITED	7,104,511	0.25
9.	DBSN SERVICES PTE. LTD.	6,155,001	0.22
10.	PHILLIP SECURITIES PTE LTD	3,666,843	0.13
11.	CHIEW CARLTON	2,832,667	0.10
12.	HENG SIEW ENG	2,253,000	0.08
13.	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	2,197,020	0.08
14.	TAN SWEE TECK MICHAEL	2,100,000	0.07
15.	WOON TAI MENG	2,041,984	0.07
16.	ASDEW ACQUISITIONS PTE LTD	1,785,353	0.06
17.	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,780,361	0.06
18.	JACQUELINE TAN KIM HOIE	1,693,119	0.06
19.	UOB KAY HIAN PRIVATE LIMITED	1,576,542	0.06
20.	CHEONG SAE PENG	1,529,320	0.05
	TOTAL 總計	2,731,497,596	95.49

STATISTICS OF SHAREHOLDINGS

股權統計資料

As at 5 March 2020 於二零二零年三月五日

SUBSTANTIAL SHAREHOLDERS

主要股東

NAME OF SUBSTANTIAL SHAREHOLDER 主要股東名稱	DIRECT INTEREST 直接權益		DEEMED INTEREST 間接權益	
	NO. OF SHARES HELD 持股數量	% 百分比	NO. OF SHARES HELD 持股數量	% 百分比
China Everbright Water Holdings Limited 中國光大水務控股有限公司	2,084,724,572	72.87	–	–
China Everbright Environmental Protection Holdings Limited ⁽¹⁾ 中國光大環保控股有限公司	–	–	2,084,724,572	72.87
China Everbright International Limited ⁽²⁾ 中國光大國際有限公司	–	–	2,084,724,572	72.87
Guildford Limited ⁽³⁾	–	–	2,084,724,572	72.87
Datten Investments Limited ⁽⁴⁾	–	–	2,084,724,572	72.87
China Everbright Holdings Company Limited ⁽⁵⁾ 中國光大集團有限公司	–	–	2,084,724,572	72.87
China Everbright Group Ltd. ⁽⁶⁾ 中國光大集團股份公司	–	–	2,084,724,572	72.87
Central Huijin Investment Ltd. ⁽⁷⁾ 中央匯金投資有限責任公司	–	–	2,084,724,572	72.87

Notes:

注釋：

- (1) China Everbright Environmental Protection Holdings Limited, which is the holding company of China Everbright Water Holdings Limited, is deemed to have an interest in the Shares held by China Everbright Water Holdings Limited.
中國光大環保控股有限公司為中國光大水務控股有限公司之控股公司，並對中國光大水務控股有限公司持有的本公司股份享有間接權益。
- (2) China Everbright International Limited is the holding company of China Everbright Environmental Protection Holdings Limited and is deemed to have an interest in the Shares in which China Everbright Environmental Protection Holdings Limited has an interest.
中國光大國際有限公司為中國光大環保控股有限公司之控股公司，並對中國光大環保控股有限公司持有的本公司股份享有間接權益。
- (3) Guildford Limited holds more than 20 per cent. but not more than 50 per cent. of the total issued shares in China Everbright International Limited and is deemed to have an interest in the Shares in which China Everbright International Limited has an interest.
Guildford Limited 持有中國光大國際有限公司總股份數的 20% 以上（但不超過 50%），並對中國光大國際有限公司持有的本公司股份享有間接權益。
- (4) Datten Investments Limited is the holding company of Guildford Limited and is deemed to have an interest in the Shares in which Guildford Limited has an interest.
Datten Investments Limited 為 Guildford Limited 之控股公司，並對 Guildford Limited 持有的本公司股份享有間接權益。
- (5) China Everbright Holdings Company Limited is the holding company of Datten Investments Limited and is deemed to have an interest in the Shares in which Datten Investments Limited has an interest.
中國光大集團有限公司為 Datten Investments Limited 之控股公司，並對 Datten Investments Limited 持有的本公司股份享有間接權益。
- (6) China Everbright Group Ltd. (“**Everbright Group**”) is the holding company of China Everbright Holdings Company Limited and is deemed to have an interest in the Shares in which China Everbright Holdings Company Limited has an interest.
中國光大集團股份公司（「**光大集團**」）為中國光大集團有限公司之控股公司，並對中國光大集團有限公司持有的本公司股份享有間接權益。
- (7) Central Huijin Investment Ltd. holds 55.67 per cent. of the shares in Everbright Group and is deemed to have an interest in the Shares in which Everbright Group has an interest.
中央匯金投資有限責任公司持有光大集團總股份數的 55.67%，並對光大集團持有的本公司股份享有間接權益。

STATISTICS OF SHAREHOLDINGS

股權統計資料

As at 5 March 2020 於二零二零年三月五日

(i) Relationship between the Company and each of China Investment Corporation and Central Huijin Investment Ltd.

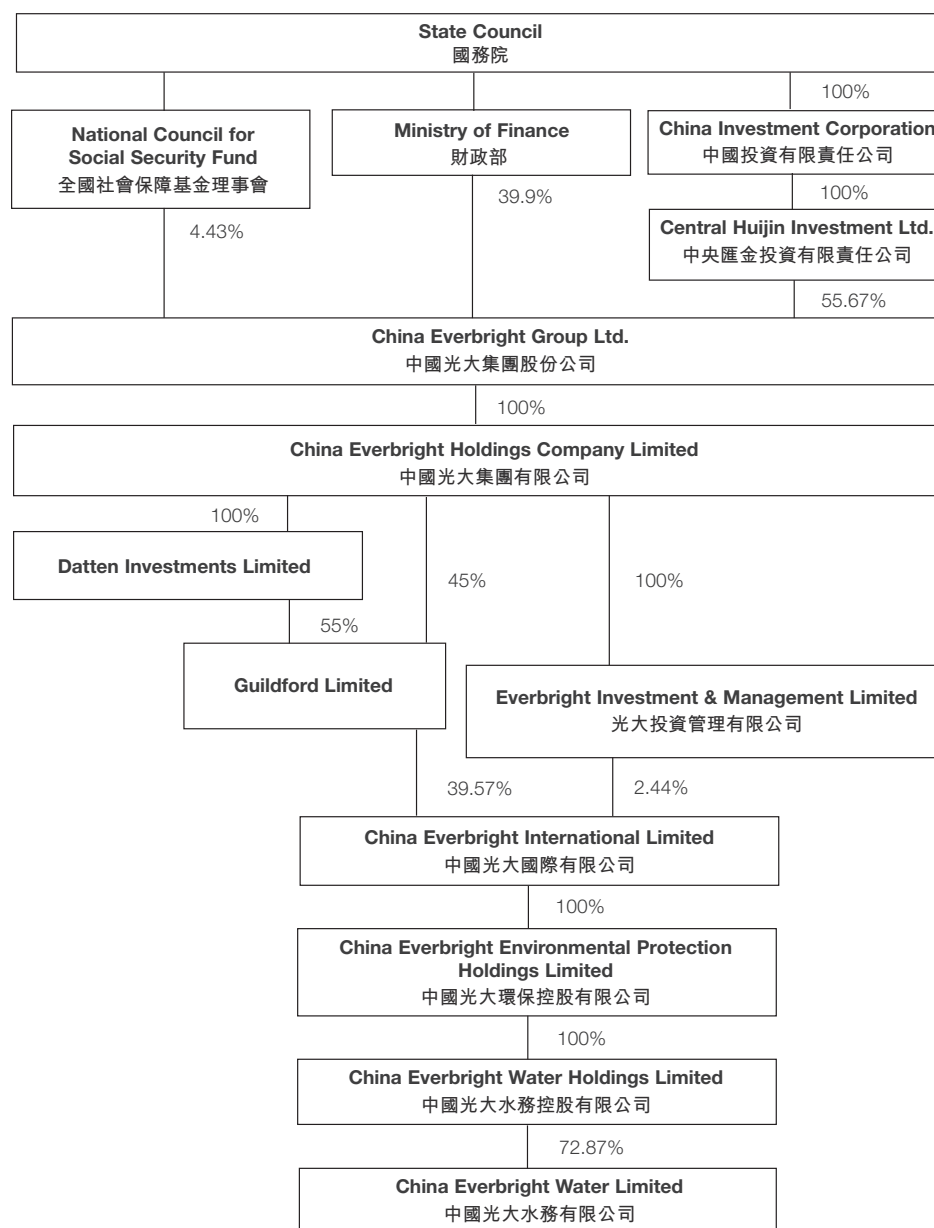
Each of China Investment Corporation and Central Huijin Investment Ltd., which is ultimately owned by the State Council of the People's Republic of China ("State Council"), is deemed to have a controlling interest (via Everbright International) in the issued share capital of the Company.

Based on the information furnished to the Company, below is shareholding structure of the Company:

(i) 本公司與中國投資有限責任公司和中央匯金投資有限責任公司的關係

中國投資有限責任公司和中央匯金投資有限責任公司均最終由中華人民共和國國務院（「國務院」）持有，中投和匯金通過光大國際對本公司的已發行股本享有間接控股權益。

基於提供給本公司的信息，下表反映了本公司的股權結構：



STATISTICS OF SHAREHOLDINGS

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As at 5 March 2020 於二零二零年三月五日

Central Huijin Investment Ltd. (“Huijin”)

Huijin, established in December 2003, is a state-owned investment company incorporated in accordance with the Company Law of the PRC, with a mandate to exercise the rights and the obligations as an investor in major state-owned financial enterprises, on behalf of the PRC. Huijin, in accordance with authorisation by State Council makes equity investments in major state-owned financial enterprises, and shall, to the extent of its capital contribution, exercise the rights and perform the obligations as an investor on behalf of the PRC in accordance with applicable laws, to achieve the goal of preserving and enhancing the value of state-owned financial assets.

China Investment Corporation (“CIC”)

CIC was founded in September 2007 as a wholly state-owned company incorporated in accordance with the Company Law of the PRC. CIC was established as a vehicle to diversify China's foreign exchange holdings and seek maximum returns for its shareholder within acceptable risk tolerance. Huijin is a wholly-owned subsidiary of CIC. However, Huijin's principal shareholder rights are exercised by the State Council. Strict operational firewalls exist among CIC's overseas business and the domestic business run by Huijin.

Extract of the articles of association of Huijin and CIC

The articles of association of each of Huijin and CIC provide that each of Huijin and CIC “shall not interfere in the day-to-day business operations of the state-owned major financial enterprises it controls”. The articles of association of CIC further provide that “*as a matter of principle, [CIC] shall not actively seek investment in domestic non-financial enterprises, except for purchasing overseas listed stocks, passive shareholdings and other circumstances as approved by the relevant governmental authorities*”.

Board of Directors of Everbright International and the Company

In addition, neither CIC nor Huijin has any nominees sitting on the board of directors of Everbright International. Similarly, neither CIC nor Huijin has any nominees sitting on the board of directors of the Company.

中央匯金投資有限責任公司（「匯金」）

匯金於二零零三年十二月成立，是依據《中華人民共和國公司法》由國家出資設立的國有獨資公司。根據國務院授權，對國有重點金融企業進行股權投資，以出資額為限代表國家依法對國有重點金融企業行使出資人權利和履行出資人義務，實現國有金融資產保值增值。

中國投資有限責任公司（「中投」）

中投成立於二零零七年九月，是依照《中華人民共和國公司法》設立的國有獨資公司，組建宗旨是實現國家外匯資金多元化投資，在可接受風險範圍內實現股東權益最大化。匯金是中投的全資附屬公司。匯金的重要股東職責由國務院行使。中投的境外業務與匯金開展的境內業務之間實行嚴格的「防火牆」措施。

匯金和中投的公司章程條款摘錄

匯金和中投的公司章程均規定匯金和中投「不得幹預其控股的國有重點金融企業的日常經營活動」。中投的章程進一步規定「【中投】原則上不主動參股境內非金融企業，但購買境外上市股票、被動持股或經國家有關部門批准的除外」。

光大國際及本公司的董事會

此外，中投和匯金均未提名董事參與光大國際的董事會。同樣，中投和匯金均未提名董事參與本公司的董事會。

STATISTICS OF SHAREHOLDINGS

股權統計資料

As at 5 March 2020 於二零二零年三月五日

(ii) Not regarded as “controlling shareholders”

On the basis that each of Huijin and CIC does not in fact exercise control over the Company, the SGX has confirmed that each of Huijin and CIC will not be regarded as “controlling shareholders” of the Company for the purposes of the SGX Listing Manual.

Accordingly, each of the State Council, Huijin and CIC and their respective associates (other than Everbright Group and its associates) will not be regarded as “interested persons” of the Company and consequently, will not be subject to the rules and requirements under Chapter 9 of the SGX Listing Manual governing interested person transactions. For the avoidance of doubt, Everbright Group is regarded as a “controlling shareholder” of the Company for the purposes of the SGX Listing Manual and accordingly, Everbright Group and its associates are subject to the rules and requirements under Chapter 9 of the SGX Listing Manual governing interested person transactions.

(ii) 匯金和中投不屬於「控股股東」

匯金和中投事實上未對本公司實施控制，因此新交所已依據新交所上市手冊確認，匯金和中投不屬於本公司的（「控股股東」）。

因此，國務院、匯金和中投及其各自的關聯方（不包括光大集團及其關聯方）均不屬於本公司的「關聯人士」，因此均不受新交所上市手冊第9章關於關聯人士交易規範和要求的規制。為免疑義，就新交所上市手冊而言，光大集團將被視為本公司的「控股股東」，因此，光大集團及其關聯方均將受新交所上市手冊第9章關於關聯人士交易規範和要求的規制。

NOTICE OF ANNUAL GENERAL MEETING

股東週年大會通知

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of China Everbright Water Limited (the “**Company**”) will be held at The Ritz-Carlton, Millenia Singapore, Chihuly Room, Level 3, 7 Raffles Avenue, Singapore 039799 on Friday, 24 April 2020 at 9.30 a.m. (Singapore time) to transact the following businesses:

茲通知，中國光大水務有限公司（「**本公司**」）股東週年大會將於二零二零年四月二十四日（星期五）上午九時三十分（新加坡時間）在新加坡萊佛士大道七號新加坡麗思卡爾頓美年酒店三樓Chihuly宴會廳（郵編：039799）召開，以討論通過以下事項：

AS ORDINARY BUSINESS

普通事項

1. To receive and consider the Directors’ Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2019 and the Auditors’ Report thereon.
審覽及考慮董事會聲明以及截至二零一九年十二月三十一日止的財政年度經審計的本公司財務報表及其審計師報告。
(Resolution 1)
(第1項決議)
2. To declare a final one-tier tax exempt dividend of 3.74 Hong Kong cents (equivalent to 0.67 Singapore cent) per ordinary share for the financial year ended 31 December 2019 as recommended by the board of directors (the “**Directors**”) of the Company (the “**Board**”).
根據本公司董事（「**董事**」）會（「**董事會**」）建議，宣布派發截至二零一九年十二月三十一日止財政年度的每股普通股3.74港仙（等值0.67新加坡分）的一級稅項豁免末期股息。
(Resolution 2)
(第2項決議)
3. To approve the payment of Directors’ fees of SGD340,000 for the financial year ended 31 December 2019. (2018: SGD323,556)
批准支付截至二零一九年十二月三十一日止財政年度的董事袍金340,000新加坡元整。（二零一八年：323,556新加坡元整）
(Resolution 3)
(第3項決議)
4. To re-elect the following Directors retiring pursuant to Bye-law 86(1) of the Company’s Bye-laws, and who, being eligible, will offer themselves for re-election as the Directors:
重選以下根據本公司章程第86（1）條規定即將退任的董事，彼等均符合資格，接受重選為本公司董事者將競選連任：
 - (a) Mr. Wang Tianyi; and
王天義先生；和
(See Explanatory Note i)
(Resolution 4a)
(第4a項決議)
(見附註說明i)
 - (b) Mr. An Xuesong.
安雪松先生。
(See Explanatory Note ii)
(Resolution 4b)
(第4b項決議)
(見附註說明ii)
5. To re-appoint Ernst & Young LLP as Auditor of the Company, to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.
續聘Ernst & Young LLP為本公司審計師，任期直下屆股東週年大會結束為止，並授權董事會釐定其薪酬。
(Resolution 5)
(第5項決議)

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AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions with or without modifications:

6. Authority to allot and issue shares
- (a) That, pursuant to the Company's Bye-laws, the Listing Manual ("**SGX Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the Rules ("**HK Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**SEHK**"), approval be and is hereby given to the Board of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:
- (i) issue shares in the capital of the Company ("**Shares**") whether by way of right, bonus or otherwise;
- (ii) make or grant offers, agreements or options that might or would require Shares to be issued or other transferable rights to subscribe for or purchase Shares (collectively, "**Instruments**") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into Shares;
- (iii) issue additional instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and
- (b) (notwithstanding THAT the authority conferred by the shareholders of the Company (the "**Shareholders**") may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Board while the authority was in force.

特別事項

考慮及酌情通過以下普通決議案（無論有否修訂）：

6. 分配和發行股份之權力
- (a) 根據本公司章程、新加坡證券交易所有限公司（「新交所」）上市手冊（「新交所上市手冊」）及香港聯合交易所有限公司（「聯交所」）證券上市規則（「香港上市規則」），授權本公司董事會全權酌情認為適當的條規及目的，向彼等全權酌情認為合適的人士：
- (i) 通過供股、紅利或其他方式發行本公司股份（「股份」）；
- (ii) 作出或授予可能或將須發行股份的要約、協議或期權，或其他可轉讓的認購或購買公司股份的權利（統稱「文據」），包括但不限於創設並發行權證、債券或其他可轉換成公司股份的文據；
- (iii) 關於供股、紅利或資本化發行，因調整之前發行的文據數目而發行額外的文據；和
- (b) （儘管本公司股東（「股東」）授權可能已不再有效）於該授權生效時，根據董事會所作出或授予的任何文據發行股份。

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provided always, that subject to any applicable regulations as may be prescribed by the SGX-ST and the SEHK,

- (i) the aggregate number of Shares to be issued pursuant to this resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed fifty per cent. (50%) of the total number of issued Shares excluding treasury shares of the Company, of which the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to existing Shareholders does not exceed twenty per cent. (20%) of the total number of issued Shares excluding treasury shares of the Company, and for the purpose of this resolution, the issued share capital shall be the Company's total number of issued Shares excluding treasury shares at the time this resolution is passed, after adjusting for:
 - a) new Shares arising from the conversion or exercise of any convertible securities, or
 - b) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the SGX Listing Manual and Chapter 13 of the HK Listing Rules; and
 - c) any subsequent bonus issue, consolidation or subdivision of Shares, and
- (ii) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the SGX-ST Listing Manual as amended from time to time (unless such compliance has been waived by the SGX-ST), the HK Listing Rules as amended from time to time (unless such compliance has been waived by the SEHK) and the Bye-laws; and

須符合新交所及聯交所可能規定的任何適用規例:

- (i) 根據本決議將予發行的股份總數（包括因根據本決議所作出或授予的文據將予發行的股份）不超過已發行股份總數（不包括公司庫存股份）的百分之五十（50%），其中非按比例向現有股東發行的股份總數（包括根據本決議所作出或授予的文據將予發行的股份）不超過已發行股份總數（不包括公司庫存股份）的百分之二十（20%），且就本決議而言，已發行公司股本應為通過本決議案時、經以下各項調整後的已發行公司股份總數計算（不包括庫存股份）：
 - a) 轉換或行使任何可轉換證券產生的新股份，或
 - b) 行使遵照新交所上市手冊第8章第VIII部分及香港上市規則第13章授予的期權或歸屬於本決議通過時尚未行權或存續的股份獎勵產生的新股份；及
 - c) 任何其後的紅利發行、股份合併或分拆，和
- (ii) 行使本決議案所授予之權力時，本公司須遵守經不時修訂之新交所上市手冊之條文（除非已獲新交所豁免遵守）及經不時修訂之聯交所上市規則（除非聯交所豁免遵守已獲）及公司章程；及

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- (iii) such authority shall, unless revoked or varied by the Company at a General Meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

(Resolution 6)

(See Explanatory Note iii)

7. Authority to allot and issue shares under the China Everbright Water Limited Scrip Dividend Scheme (the **“Scrip Dividend Scheme”**)

That authority be and is hereby given to the Board to allot and issue from time to time such number of Shares as may be required to be allotted and issued pursuant to the Scrip Dividend Scheme.

(Resolution 7)

(See Explanatory Note iv)

8. Renewal of the share buy-back mandate

That:

- (a) the Directors be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire issued Shares not exceeding in aggregate the Maximum Limit (as hereinafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

- (i) market purchase(s) on the SGX-ST and/or the SEHK; and/or
- (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST and/or the SEHK, as the case may be) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall, as required under the SGX Listing Manual, satisfy all the conditions prescribed by section 76C of the Companies Act, Chapter 50 of Singapore (**“Singapore Companies Act”**),

- (iii) 除非本公司在股東大會上撤銷或修訂，否則授予的授權將持續有效，直至下屆股東週年大會結束時或法律規定本公司須舉行下屆股東週年大會當日（以較早者為準）為止。

(第6項決議)

(見附註說明iii)

7. 在中國光大水務有限公司以股代息計劃（「**以股代息計劃**」）項下分配和發行股份的權力

授權董事會不時地分配和發行根據以股代息計劃可能需要分配和發行的相應數量的股份。

(第7項決議)

(見附註說明iv)

8. 更新股份回購授權

即：

- (a) 授權董事會行使本公司通過下列方式、以董事會不時決定的不超過最高限價（定義見下文）的價格購買或以其它方式收購總額不超過最高限額（定義見下文）的已發行公司股份的全部權力：

- (i) 在新交所和/或聯交所市場上購買；和/或
- (ii) 按照董事會認為適當而可能決定或制定的任何平等購買計劃進行場外購股（如果購買不是在新交所和/或聯交所市場上實施，視情況而定），該等計劃應如新交所上市手冊所要求、滿足新加坡法律第50章《公司法》（「**新加坡公司法**」）第76C條規定的所有條件。

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in accordance with the Companies Act 1981 of Bermuda (as amended), all other laws and regulations and rules of the SGX-ST, the HK Listing Rules, the Code on Share Buybacks of Hong Kong, and the Code on Takeovers and Mergers of Hong Kong, as may for the time being be applicable (the “**Share Buy-back Mandate**”);

(b) unless varied or revoked by the Company in General Meeting, the authority conferred on the Directors pursuant to the Share Buy-back Mandate may be exercised by the Directors at any time and from time to time during the period commencing on and from the date of the passing of this Resolution and expiring on the earliest of:

- (i) the date on which the next Annual General Meeting of the Company is held;
- (ii) the date on which the next Annual General Meeting of the Company is required by law to be held; and
- (iii) the date on which purchases and acquisitions of Shares pursuant to the Share Buy-back Mandate are carried out to the full extent mandated;

(c) in this Resolution:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) market days on which the Shares were transacted on the SGX-ST or the SEHK (“**Market Days**”), as the case may be, before the date of the market purchase by the Company, or as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs during the relevant five (5) Market Days and the day on which the purchases are made;

“**date of the making of the offer**” means the date on which the Company makes an offer for the purchase or acquisition of Shares from the Shareholders, stating therein the purchase price (which shall not be more than the Maximum Price) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase;

需遵守百慕達一九八一年《公司法》（修訂版）、所有其他法律法規以及屆時適用的新交所規則、香港上市規則、香港《公司股份回購守則》及香港《公司收購及合併守則》（「**股份回購授權**」）；

(b) 除非本公司在股東週年大會上更改或撤銷，否則董事可根據股份回購授權授予董事的權力由本決議案獲通過當日（包括該日）起至下列日期（以較早者為準）隨時及不時進行：

- (i) 本公司下屆股東週年大會舉行之日；
- (ii) 法律規定的最晚舉行本公司下屆股東週年大會之日；和
- (iii) 根據股份回購授權購買和收購的公司股份達到所授權的上限之日；

(c) 在本決議案中：

「**平均收市價**」是指在本公司進行市場購買之日前，或視情況而定，根據市場外購買作出要約之日前，公司股份在新交所或聯交所（視情況而定）交易的近五個交易日的平均收市價，且該等平均收市價視為已經根據新交所上市規則和在相關五日期間內以及購買之日發生的公司行動進行了調整；

「**作出要約之日**」是指本公司作出要約向股東購買或收購公司股份之日，該等要約中需說明每股購買價格（不應超過最高限價）以及實施市場外購買的平等購買計劃的相關條款；

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“**Maximum Limit**” means that number of Shares representing 10 per cent. of the total number of issued Shares as at the date of the passing of this Resolution (excluding any treasury shares and any Shares held by subsidiaries of the Company in the circumstances referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Singapore Companies Act); and

“**Maximum Price**” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses), which shall not exceed:

- (i) in the case of a market purchase of a Share, five per cent. above the Average Closing Price; and
 - (ii) in the case of an off-market purchase of a Share, five per cent. above the Average Closing Price; and
- (d) the Directors and each of them be hereby authorised to complete and do all such acts and things (including, but not limited to, executing all such agreements and documents as may be required in connection with this Resolution and the Share Buy-back Mandate) as they or he/she may consider necessary, desirable or expedient or in the interests of the Company to give effect to this Resolution and the Share Buy-back Mandate.

(Resolution 8)

(See Explanatory Note v)

9. Renewal of the interested person transaction mandate

That:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the SGX Listing Manual (“**Chapter 9**”), for the Company, its subsidiaries and associated companies that are entities at risk (as defined in Chapter 9), or any of them, to enter into any of the transactions falling within the categories of interested person transactions described in Appendix to the Company’s Circular to Shareholders dated 23 March 2020 (the “**Circular**”) with any party who is of the class of interested persons described in Appendix to the Circular, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions (the “**IPT Mandate**”);

「**最高限額**」是指代表了通過本決議之日已發行公司股份總數的10%的公司股份數量（不含任何庫存股以及在《新加坡公司法》第21（4）條；21（4B）條；21（6A）條和21（6C）條描述的情況下，所有由本公司的附屬公司持有的股份）；和

關於購買或收購公司股份的「**最高限價**」，是指每股購買價格（不含經紀人佣金、手續費、適用的商品和服務稅以及其他相關費用），該價格不得超出：

- (i) 在市場上購買公司股份的情況下，平均收盤價的105%；和
- (ii) 在市場外購買股份的情況下，平均收盤價的105%；以及

- (d) 授權董事會完成和作出所有其認為必要、合適或有效或有利於本公司的使本決議和股份回購授權生效的行為（包括但不限於簽署可能需要的關於本決議和股份回購授權的全部協議和文件）。

(第8項決議)

(見附註說明v)

9. 續期關聯人士交易的授權

即：

- (a) 為新交所上市手冊第九章（「**第9章**」）之目的，授權本公司及其附屬公司和聯營公司（當它們是第9章所定義的風險實體時），或其中任何一方，與本公司於二零二零年三月二十三日發出的股東通函（「**股東通函**」）的附件中所載明的任何一類關聯人士進行股東通函中所載明的任何一類關聯人士交易，前提是該等交易是按照正常商業條款進行並已通過相關審閱程序（「**關聯人士交易授權**」）；

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- (b) the renewal of the IPT Mandate above shall unless revoked or varied by the Company in General Meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and
- (c) the Directors and each of them be hereby authorised to complete and do all such acts and things (including, but not limited to, executing all such agreements and documents as may be required in connection with this Resolution and the IPT Mandate) as they or he/she may consider necessary, desirable or expedient or in the interests of the Company to give effect to this Resolution and the IPT Mandate. **(Resolution 9)**

(See Explanatory Note vi)

10. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

AN XUESONG
Executive Director and Chief Executive Officer

23 March 2020
Singapore

Notes:

1. A member of the Company (other than The Central Depository (Pte) Limited) entitled to attend and vote at the Annual General Meeting and who holds two or more Shares shall be entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy needs not be a member of the Company.
2. Where a member appoints two proxies, he/she shall specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy respectively.
3. The instrument appointing a proxy or proxies must be under the hand of the appointer or his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.

- (b) 除非被本公司在股東大會上撤回或更改，該等授權持續有效直至下個股東週年大會結束為止；及

- (c) 授權董事會完成和作出所有其認為必要、合適或有效或有利於本公司的使本決議和關聯人士交易授權生效的行為（包括但不限於簽署可能需要的關於本決議和關聯人士交易授權的全部協議和文件）。

(第9項決議)

(見附註說明vi)

10. 處理任何其他可在股東週年大會妥善處理的普通事項。

承董事會命令

安雪松
執行董事兼總裁

二零二零年三月二十三日
新加坡

附註:

1. 有權出席股東週年大會並投票的本公司股東（中央託收私人有限公司除外），若持有兩股或兩股以上的公司股份，應有權委託不超過兩名代理人代替其出席並投票。代理人無需為本公司股東。
2. 如果股東委託兩名代理人，則該股東應列明各代理人分別代表的其所持股份的分攤比例（以總數的百分比表示）。
3. 委託代理人的文書須由委託人或經其書面妥為授權的人簽發。如果委託代理人的文書由公司簽署，則須加蓋公司公章或由經其妥為授權的人員簽署。

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4. The instrument appointing a proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the Company's share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (in the case of Singapore Shareholders) or the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong (in the case of Hong Kong Shareholders) not later than 48 hours before the time set for the Annual General Meeting.
4. 委託代理人的文書和作為其簽署依據的授權委託書或其他授權書（如有），或公證人簽署證明之副本，必須於不晚於股東週年大會計劃召開前48小時存放於位於寶德隆企業及諮詢服務有限公司（地址為新加坡萊佛士坊50號新置地大廈#32-01室（郵編：048623））的本公司股份過戶登記處（就新加坡股東而言）或位於寶德隆證券登記有限公司（地址為香港北角電氣道148號21樓2103B室）的香港股份過戶登記處（就香港股東而言）。

Explanatory Notes:

- i. Detailed information relating to Mr. Wang Tianyi is set out on page 40 of the Company's annual report for the financial year ended 31 December 2019 and in the section entitled "Biographical Details of Directors" of the Circular.
- ii. Detailed information relating to Mr. An Xuesong is set out on page 41 of the Company's annual report for the financial year ended 31 December 2019 and in the section entitled "Biographical Details of Directors" of the Circular.
- iii. The ordinary resolution 6 proposed in item 6 is to authorise the Directors, subject to the applicable regulations as may be prescribed by the SGX-ST and the SEHK, from the date of the above Meeting until the next Annual General Meeting to issue Shares and convertible securities in the Company up to an amount not exceeding in aggregate 50 percent of the total number of issued Shares excluding treasury shares of the Company, of which the total number of Shares and convertible securities issued other than on a pro-rata basis to existing Shareholders shall not exceed 20 percent of the total number of issued Shares excluding treasury shares of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a General Meeting, expire at the next Annual General Meeting of the Company.
- iv. Pursuant to the Special General Meeting of the Company held on 28 October 2005, the Shareholders approved the passing of the ordinary resolution relating to the Scrip Dividend Scheme. In the circular dated 11 October 2005, the Scrip Dividend Scheme provides members with the option to elect to receive Shares in lieu of the cash amount of any dividend declared on their holding of Shares. The Ordinary Resolution 7 proposed in item 7, if passed, will empower the Directors to allot and issue Shares in the Company pursuant to the terms and conditions of the Scrip Dividend Scheme.
- v. The Company intends to use internal sources of funds, external borrowings or a combination of internal resources and external borrowings, to finance the purchases or acquisitions of its Shares. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on, *inter alia*, the manner in which the purchase or acquisition is funded, the aggregate number of Shares purchased or acquired, and the consideration paid at the relevant time. For illustrative purposes only, the financial effects of an assumed purchase or acquisition by the Company of 10 per cent. of its issued Shares as at 12 March 2020, at a purchase price equivalent to the Maximum Price per Share, based on the audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2019 and certain assumptions, are set out in the section entitled "Financial Effects" of the Circular.
- i. 關於王天義先生的詳細信息載於本公司截至二零一九年十二月三十一日止財政年度的年度報告第40頁及股東通函中「董事履歷詳情」一節。
- ii. 關於安雪松先生的詳細信息載於本公司截至二零一九年十二月三十一日止財政年度的年度報告第41頁及股東通函中「董事履歷詳情」一節。
- iii. 第六條中所提議的第6項普通決議是為授權本公司董事會在符合新交所和聯交所可能規定的任何規例之前提下根據其認為對本公司有利之目的，自上述會議日期開始至下個股東週年大會為止發行本公司股份和可轉換證券，發行總數不超過已發行股份總數（不含本公司庫存股）的50%，其中非按比例向現有股東發行的總數不超過該決議通過時已發行公司股份總數（不含本公司庫存股）的20%。該項授權除非在股東大會上被撤銷或更改，將於本公司下個股東週年大會時期滿終止。
- iv. 根據二零零五年十月二十八日舉行的本公司特別股東大會，股東批准通過了關於以股代息計劃的普通決議。在二零零五年十月十一日的通函中，以股代息計劃為股東提供選擇以收取公司股份的方式代以收取其根據持有公司股份可獲分配的股息現金。第七條中所提議的第7項普通決議如果獲通過，將授權本公司董事會根據以股代息計劃的條款和條件分配和發行公司股份。
- v. 本公司打算使用內部資金來源、外部借款或二者兼而有之的方式作為購買或收購公司股份的資金。本公司購買或收購其股份所需要的資金數額以及對本公司財務狀況的影響在本通知之日尚不能確定，因為該等數額和影響尤其取決於（但不限於）購買或收購資金來源取得方式、購買或收購的公司股份總數以及在相關時間支付的對價。僅為說明之目的，股東通函中「財務影響」一節段列示了，假設以等同於每股最高限價的購買價格購買或收購本公司於二零二零年三月十二日已發行股份的10%，基於本公司及其附屬公司於二零一九年十二月三十一日止的財政年度的已審計財務報表和特定假設，該等購買或收購對本公司的財務影響。

附註說明：

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vi. The ordinary resolution 9 proposed in item 9 is to approve the renewal of the IPT Mandate to enable the Company, its subsidiaries and associated companies that are entities at risk (as defined in Chapter 9 of the SGX Listing Manual), or any of them, to enter into certain interested person transactions with specified classes of interested persons, as described in the Circular. Please refer to the Circular for more details.

vi. 第九條中所提議的第9項普通決議是為批准關聯人士交易授權，使得本公司及其附屬公司和聯營公司（當它們是新交所上市手冊第9章所定義的風險實體時）或其中任何一方，如股東通函中所載，與特定的關聯人士進行特定的關聯人士交易。更多詳情請參見股東通函。

Personal data privacy:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the **"Purposes"**), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

個人資料隱私權：

通過提交代理人表格委託一名或多名代理人和/或代表出席股東週年大會和/或其任何續會並發言和投票，本公司股東 (i) 同意讓本公司（或其代理人）收集、使用及披露股東的個人資料，以讓本公司（或其代理人）能夠就因股東週年大會（包括其任何續會）而受委託的代理人和代表事宜進行處理和管理，並準備和整理出席名單、會議記錄和其他有關股東週年大會（包括其任何續會）的文件，以及讓本公司（或其代理人）能夠遵循適用法律、上市規則、規定和/或指導原則（統稱「目的」），(ii) 就上述目的，保證當本公司股東向本公司（或其代理人）披露其代理人和/或代表的個人資料時，股東已獲得該等代理人和/或代表的事先同意，允許本公司（或其代理人）收集、使用和披露該等代理人和/或代表的個人資料，並且 (iii) 同意將就因股東違反承諾而引致的任何處罰、責任、索賠、要求、損失及損害對本公司作出賠償。



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