



光大水務
Everbright Water

CHINA EVERBRIGHT WATER LIMITED

中國光大水務有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(STOCK CODES 股份代號 : U9E.SG & 1857.HK)

Build Up
Strength for Innovation &
Forge Ahead for Growth

聚力創新
砥礪奮進



ANNUAL REPORT 年度報告

2020



DESIGN CONCEPT 設計概念

This cover design is themed with “**BUILD UP STRENGTH FOR INNOVATION AND FORGE AHEAD FOR GROWTH**”, implying that amid the challenging year 2020, Everbright Water is like the ball that is formed by water droplets and held by a pair of hands, concentrating its focus and gaining momentum to rise. It is poised to become a leading player in China’s water environment management sector.

本封面設計以「**聚力創新、砥礪奮進**」為主題，寓意光大水務在挑戰重重的二零二零年，如同畫面中雙手托起、漸漸凝聚而成的水球般，聚精凝神、蓄勢而發，致力於成長為中國水環境綜合治理領域的翹楚。

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STAY COMMITTED TO
ASPIRATION THROUGH
Dedication

堅守初心
深耕細作



CORPORATE PROFILE

公司簡介

AN **ENVIRONMENTAL PROTECTION** COMPANY
FOCUSING ON **WATER ENVIRONMENT MANAGEMENT**

以**水環境綜合治理**業務
為主業的**環保集團**

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 (the “**SEHK**”) (stock codes: U9E.SG & 1857.HK), with its direct controlling shareholder being China Everbright Environment Group Limited (formerly known as China Everbright International Limited) (stock code: 257.HK, “**Everbright Environment**”).

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, Tianjin, Jiangsu, Zhejiang, Shandong, Shaanxi, Henan, Hubei, Guangxi, Liaoning and Inner Mongolia. As at 31 December 2020, the Company invested in and operated water treatment projects with a designed daily water treatment capacity exceeding 6.5 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.

中國光大水務有限公司（「**光大水務**」或「**本公司**」，連同其附屬公司統稱「**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環境（集團）有限公司（原中國光大國際有限公司）（股份代號：257.HK，「**光大環境**」）。

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、天津、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。於二零二零年十二月三十一日，本公司投資建設及運營管理的水處理項目設計規模逾650萬立方米/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

In 2020, amid the complex and challenging external environment, Everbright Water adhered to its operating philosophy of “PURSUING STABILITY WITH GOOD PROGRESS AND SEEKING OPPORTUNITIES AMID CHANGES”, continued to FORGE AHEAD in development and achieved STEADY operating results.

二零二零年，光大水務在錯綜複雜、充滿挑戰的外部環境中，圍繞「**穩中求進、變中求機**」的經營理念，**堅定前行、砥礪奮進**，取得了**穩健**的經營業績。

Dear Shareholders,

The year 2020 was an exceptional year. In 2020, the novel coronavirus (“COVID-19”) spread rapidly across the world with most countries being hit hard by the pandemic, the road to global economic recovery will be long and challenging. However, thanks to effective pandemic prevention and control measures, various industries in China took lead in resuming work and production and China became the only major economy in the world that achieved positive economic growth. The country also won the battle of “targeted poverty alleviation” and successfully completed the “13th Five-Year Plan”.

The year 2020 was a year to learn from the past and prepare for the future. In 2020, China accomplished the phased goal set for the critical battle of pollution prevention and control. China has recently reiterated the importance of green development in promoting harmony between mankind and nature. In addition, China has included the goals to peak carbon dioxide emissions and achieve carbon neutrality in the “14th Five-Year Plan” and the economic work for the first time, which demonstrates its willingness to undertake the due responsibilities of a major country in pursuing green and low carbon development. As ecological environmental protection has been elevated to the national strategic level, it will bring more growth opportunities to the water environment management industry.

The year 2020 was a year to forge ahead. In 2020, amid the complex and challenging external environment, Everbright Water adhered to its operating philosophy of “pursuing stability with good progress and seeking opportunities amid changes”, continued to forge ahead in development and achieved steady operating results. For the financial year ended 31 December 2020 (“FY2020” or the “**year under review**”), the Group's revenue amounted to approximately HK\$5.66 billion, profit attributable to equity holders of the Company was approximately HK\$1.02 billion and basic earnings per share were 35.80 Hong Kong cents (“**HK cents**”). With its steady performance, the Company was once again recognised as one of the “Top 10 Influential Enterprises in China's Water Industry”; received the “Highest Growth in Profit After Tax Over Three Years Award” from “The Edge Singapore”, an influential financial magazine in Singapore; and was given the “ListCo Excellence Award 2020”, which was jointly presented by multiple institutions including the Hong Kong stocks channel of “ifeng.com” and Hong Kong media “am730”.

尊敬的各位股東：

二零二零年是極不平凡的一年。這一年，新型冠狀病毒引發的疫情（「**新冠疫情**」）席捲全球，各國經濟體遭到重創，全球經濟復甦之路崎嶇而漫長。得益於行之有效的疫情防控措施，中國各個行業率先實現復工復產，並成為全球唯一實現經濟正增長的主要經濟體。同時，中國打贏了精準脫貧攻堅戰，實現了「**十三五**」規劃圓滿收官。

二零二零年是承前啟後的一年。這一年，中國污染防治攻堅戰達成階段性目標。國家近期再次強調推動綠色發展，促進人與自然和諧共生。碳達峰、碳中和首次納入「**十四五**」規劃與經濟工作，彰顯著中國在人類追求綠色低碳發展中的大國擔當。生態環境保護上升至國家戰略高度，給水環境綜合治理行業帶來更多發展機遇。

二零二零年是砥礪前行的一年。這一年，光大水務在錯綜複雜、充滿挑戰的外部環境中，圍繞「**穩中求進、變中求機**」的經營理念，堅定前行、砥礪奮進，取得了穩健的經營業績。截至二零二零年十二月三十一日止的財政年度（「**二零二零財政年度**」或「**回顧年度**」），本集團錄得收入約56.6億港元，本公司權益持有人應佔盈利約為10.2億港元，每股基本盈利35.80港仙。憑藉穩健的業績表現，本公司再度躋身「中國水業十大影響力企業」榜單，榮獲新加坡權威財經媒體《The Edge Singapore》頒發「**三年最高稅後利潤增長獎**」，並獲得《鳳凰網港股》、香港媒體《am730》等機構聯合授予「**傑出上市公司大獎2020**」。

Revenue
**HK\$5.66
BILLION**

收入
**56.6億
港元**

Strive to Develop with **Determination**
and **Dedication**

堅定初心，銳意進取

CHAIRMAN'S STATEMENT

董事長致辭

After twists and turns, the Group made remarkable achievements over the past year. In 2020, Everbright Water shouldered and fulfilled its social responsibilities. During the critical period of the COVID-19 pandemic, the Group adopted scientific pandemic prevention and control measures, and the staff guarded their positions steadfastly, to ensure that all projects operated at full swing and provided high-quality and stable water treatment services to the local communities. At the same time, Everbright Water actively organised various online and offline activities to open up its environmental facilities for public visits, continuing the promotion and popularisation of ecological and environmental concepts and knowledge. The recognition from all social circles which the Company has received is its driving force to move forward. On behalf of the board (the "Board") of directors (the "Directors") of the Company and the senior management, I would like to extend my sincere gratitude to all colleagues who have remained at their posts with hard work, as well as people from all walks of life who have given great support to the Group's development all along!

Adhering to the principle of sharing the operating results with the shareholders, the Board recommended a final dividend of HK6.07 cents (equivalent to 1.04 Singapore cents ("Sing cents")) per ordinary share to the shareholders of the Company (the "Shareholders") for FY2020 (for the financial year ended 31 December 2019 ("FY2019"): HK3.74 cents (equivalent to 0.67 Sing cent) per ordinary share), which makes the total dividend for FY2020 amount to HK9.81 cents (equivalent to 1.71 Sing cents) per ordinary share (FY2019: HK7.48 cents (equivalent to 1.32 Sing cents) per ordinary share).

Only by conquering challenges and adversities through solid actions, could we show our bravery, understand how important determination is and be honed to excellence. Looking to the new year, with challenges and opportunities ahead, Everbright Water will adhere to its corporate mission of being "Devoted to Ecology and Environment for a Beautiful China", strive to develop with determination and dedication, grasp opportunities presented by the national strategies and policies, pursue development led by innovation, carry out in-depth analysis of industry opportunities, and seek flexibility and balance between asset-light and asset-heavy businesses. Additionally, the Group will fully leverage on the advantages of its technology platform, actively explore and develop various investment and financing channels, continue strengthening its corporate governance, and fully enhance its operation and management efficiencies to steadily achieve high-quality growth. Everbright Water will also strive to create sustainable returns for the Shareholders and contribute the "Everbright strength" to the development of the water environment management industry!

Mr. Wang Tianyi
Non-Executive Director and Chairman
11 March 2021

卻願所來徑，蒼蒼橫翠微。這一年，光大水務勇擔社會責任，在疫情嚴峻時期，科學防控、堅守崗位，確保旗下項目全速運轉，為當地社區提供優質、穩定的水處理服務；同時，積極開展各類線上線下公眾開放活動，持續對外宣傳和普及生態環保理念和知識。為此，本公司收獲來自社會各界的高度評價，這是激勵光大水務人勇往直前的不竭動力。本人謹代表本公司董事（「董事」）會（「董事會」）和管理層，向一直以來堅守崗位辛勤耕耘的全體同仁，以及長期為公司發展給予大力支持的各界人士，致以最誠摯的謝意！


基於與股東共享企業發展成果之原則，董事會建議就二零二零財政年度向本公司股東（「股東」）派發末期股息每股普通股6.07港仙（等值1.04新加坡分（「新分」））（截至二零一九年十二月三十一日止的財政年度（「二零一九財政年度」）：每股普通股3.74港仙（等值0.67新分））；據此，二零二零財政年度股息總額為每股普通股9.81港仙（等值1.71新分）（二零一九財政年度：每股普通股7.48港仙（等值1.32新分））。

惟其艱難，方顯勇毅；惟其篤行，彌足珍貴；惟其磨礪，始得玉成。展望新的一年，挑戰與機遇同在，光大水務將秉承「情系生態環境，築夢美麗中國」的企業使命，堅定初心，銳意進取，緊緊把握國家戰略與政策機遇，繼續堅持以創新引領發展，深度研判並動態把握行業機遇，靈活平衡輕重資產業務發展。本集團將充分發揮技術平台優勢，積極探索並開拓各類投融資渠道，持續加強企業綜合治理水平，全面提升經營管理效益，穩步推動高品質發展，勳力同心為股東創造可持續的回報，為水環境綜合治理事業貢獻新的光大力量！

王天義先生
非執行董事兼董事長
二零二一年三月十一日

CHIEF EXECUTIVE OFFICER'S REPORT

總裁報告



In this new year, with the continuous efforts of all the staff who work as a team to overcome challenges, the Group is confident that it will defeat all the obstacles, **FOCUS ON INNOVATION, FORGE AHEAD**, and **SEIZE THE OPPORTUNITIES** to fully **EMBARK ON A NEW JOURNEY** of high-quality development.

新的一年，在全體同仁無懼挑戰、攜手同心的不懈努力下，本集團有信心從容應對各類挑戰，**聚力創新，銳意進取，緊抓機遇**，全力以赴**踏上**高質量發展的**新征程**。

MR. AN XUESONG
安雪松先生

Executive Director and
Chief Executive Officer
("CEO")
執行董事兼總裁

CHIEF EXECUTIVE OFFICER'S REPORT

總裁報告

BUSINESS REVIEW AND PROSPECTS

Operating Results

During FY2020, the unexpected outbreak and spread of COVID-19 added uncertainty to the complex international macro-environment. The government of the People's Republic of China (the "PRC") fostered a new development paradigm with domestic circulation as the mainstay and the domestic and international circulations reinforcing each other. In the meantime, through effective pandemic control and sound progress in economic and social development, China has outshined other major global economies in achieving a stable economic recovery, boosting market vitality and ensuring people's livelihood. During the last year of the "13th Five-Year Plan", China accomplished the phased goal set for pollution prevention and control, significantly improving ecological and environmental quality. In addition, China achieved its 2020 carbon emission target ahead of schedule. During the year under review, despite the impact of the COVID-19 pandemic on various businesses to a varying degree, China reiterated the great attention on ecological and environmental management and protection. It rolled out a series of important policies and plans to further specify the focus of sub-sectors in the ecological and environmental protection industry in order to drive a rational and healthy industrial growth, propel the industry, unleash its potential and break new ground.

Amid the opportunities and challenges in the external environment, the Group, during the year under review, focused on the "Innovation-driven Development" ethos and upheld the business philosophy of "pursuing stability with good progress and seeking opportunities amid changes". It made a concerted effort to steadily forge ahead with market expansion, project construction, operations management and technological R&D. As a result, the Group made good progress in the synergy and development of asset-light and asset-heavy businesses, refined management and expansion of financing channels. In addition, the Group demonstrated a stable progress in its overall business, thereby further strengthening its fully-fledged business coverage and full industry chain in the area of water environment management.

As at 31 December 2020, the Group invested in and held 138 environmental protection projects, commanding a total investment of approximately RMB24.68 billion. In addition, it undertook 3 engineering, procurement and construction ("EPC") projects, the total contract sum of which amounted to approximately RMB207 million, and 2 operation and management ("O&M") projects. A summary of the number of projects and water treatment/supply capacity is set out below:

業務回顧及前景

經營業績

二零二零財政年度，新冠疫情突如其來且持續蔓延，給原本就錯綜複雜的國際宏觀環境再添變數。中華人民共和國（「中國」）政府努力構建起「以國內大循環為主體、國內國際雙循環相互促進」的新發展格局，在統籌疫情防控和經濟社會發展方面取得顯著成效，經濟穩定復甦，市場活力增強，民生得到有力保障，使得中國經濟在全球範圍內一枝獨秀。在國家「十三五」規劃的收官之年，國家污染防治攻堅戰階段性目標任務圓滿完成，生態環境質量明顯改善，中國對外承諾的碳排放強度二零二零目標亦提前實現。儘管新冠疫情對各行業帶來不同程度的衝擊，中國於回顧年度內多次重申對生態環境治理與保護的高度重視，並陸續出台一系列重磅政策和規劃，進一步明確了生態環保行業細分領域的發力重心，引導行業理性健康發展，推動行業繼續挖掘潛力、釋放空間。

在機遇與挑戰並存的外部形勢下，本集團於回顧年度內圍繞「創新引領發展」的發展思路，秉承「穩中求進、變中求機」的經營理念，凝心聚力、砥礪奮進，穩步推進市場拓展、工程建設、運營管理、技術研發等各方面工作，並於輕重資產協同發展、精細化管理、拓寬融資渠道等方面取得良好進展，整體經營情況穩中有升，進一步鞏固本集團於水環境綜合治理領域的全業務覆蓋和全產業鏈佈局。

截至二零二零年十二月三十一日，本集團投資並持有138個環保項目，涉及總投資約246.8億元人民幣，同時承接3個工程總包（「EPC」）項目，涉及合同總金額約2.07億元人民幣，以及2個委託運營（「委託運營」）項目。項目個數及水處理/供水規模摘要如下：

Project Type ⁽¹⁾ 項目類別 ⁽¹⁾		Number of Projects 項目數量	Water Treatment/ Supply Capacity (m ³ /day) 水處理/供水規模 (立方米/日)
Municipal waste water treatment projects ⁽²⁾	市政污水處理項目 ⁽²⁾	107	5,175,000
Industrial waste water treatment projects ⁽²⁾	工業廢水處理項目 ⁽²⁾	13	181,000
Reusable water projects	中水回用項目	7	196,600
River-basin ecological restoration projects	流域治理項目	6	115,000
Water supply projects	供水項目	3	250,000
Raw water protection project	原水保護項目	1	600,000
Leachate treatment project	滲濾液處理項目	1	600
Waste water source heat pump projects	污水源熱泵項目	2	N/A 不適用
Total	總計	140	6,518,200

Notes:

- (1) EPC projects excluded
(2) O&M projects included

附註：

- (1) 不含EPC項目
(2) 含委託運營項目

In terms of operating results, with steady operation in FY2020, the Group's revenue amounted to HK\$5.66 billion, representing an increase of 2% from HK\$5.55 billion in FY2019. Earnings before interest, taxes, depreciation and amortisation ("EBITDA") increased by 17% from HK\$1.65 billion in FY2019 to HK\$1.93 billion in FY2020. Profit attributable to equity holders of the Company for FY2020 was HK\$1,024.27 million, increased by 23% from HK\$833.48 million recorded in FY2019. Basic earnings per share for FY2020 were HK35.80 cents, indicating an increase of HK5.73 cents or 19% from HK30.07 cents in FY2019. Gross profit margin stood at 39%, representing an increase of 5 percentage points ("ppt") from FY2019. The Group has ready access to diverse financing channels, holds quality assets and sufficient funds with a reasonable gearing ratio, and is in a healthy financial position.

In relation to market expansion, during the year under review, the Group focused on traditional business sectors like waste water treatment, and continued solidifying its market position in regions such as the Yangtze River Economic Belt and the Bohai Economic Rim. In FY2020, the Group secured 9 new projects, commanding a total investment of approximately RMB1.19 billion, in addition to 1 EPC project and 1 O&M project. Such projects contribute an additional designed daily waste water treatment capacity (inclusive of the O&M project and exclusive of the EPC project) of 290,000 m³ and an additional daily reusable water supply capacity of 30,000 m³.

經營業績方面，二零二零財政年度，本集團經營情況穩健，錄得收入56.6億港元，較二零一九財政年度之55.5億港元增長2%；除利息、稅項、折舊及攤銷前盈利19.3億港元，較二零一九財政年度之16.5億港元增長17%；本公司權益持有人應佔盈利10.2427億港元，較二零一九財政年度之8.3348億港元增長23%；每股基本盈利35.80港仙，較二零一九財政年度之30.07港仙增加5.73港仙，增幅19%。整體毛利率為39%，較二零一九財政年度上升5個百分點（「百分點」）。本集團融資渠道多元暢通，資產質量優良，資金充裕，負債比例合理，財務狀況持續健康。

市場拓展方面，回顧年度內，本集團深耕污水處理等傳統業務領域的同時，繼續鞏固於長江經濟帶、環渤海經濟圈等區域的市場地位。二零二零財政年度，本集團共取得9個新項目，涉及總投資約11.9億元人民幣，另承接1個EPC項目及1個委託運營項目。新增設計規模（含委託運營項目、不含EPC項目）為日處理污水290,000立方米、日供中水30,000立方米。

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In relation to project construction, during the year under review, the Group was dedicated to implementing the joint prevention and control mechanisms amid the COVID-19 pandemic, to achieve an effective pandemic control and business continuity. By ensuring the staff's health and safety, as well as complying with the relevant regulations of government authorities at all levels, the Group managed to proceed with its construction work in an orderly manner. In FY2020, the Group had 15 projects that commenced construction (inclusive of 1 EPC project), with a designed daily waste water treatment capacity of 340,000 m³, a designed daily reusable water supply capacity of 83,000 m³, and a designed daily water supply capacity of 600,000 m³; a total of 8 projects completed construction and commenced operation, with a designed daily waste water treatment capacity of 230,000 m³, a designed daily reusable water supply capacity of 40,000 m³, and a designed daily sludge treatment capacity of 200 tonnes; 28 projects commenced construction in succession (inclusive of EPC projects), with a designed daily water treatment capacity of 1,371,500 m³. As at 31 December 2020, the Group had 9 projects in the preparatory stage, with a designed daily water treatment capacity of 312,000 m³.

In relation to operations management, during the year under review, the Group set "zero work safety accident and zero excessive discharge of pollutants" as its target, and ensured that its operating projects operated stably and were in compliance with the relevant discharge standards. During the critical period of the COVID-19 pandemic, the Group responded swiftly by carrying out effective pandemic prevention and control measures. Not only did the Group ensure zero infection of its staff, but also it established a multi-level managerial and coordination mechanism involving the headquarter, the regional management centers and the project companies. As a result, the Group's projects operated at full swing, providing high-quality water treatment services to the local communities. In addition, the Group continued undertaking various measures, including improving its rules and guidances, studying relevant policies, and exploring new controlling parameters and models, in order to further standardise its operations and refine its management. It organised various activities related to safe production, such as training and rehearsals, to strengthen the staff's safety awareness and build a strong line of defense for safe production. While enhancing the effort to implement the "Intelligent Water" management system, the Group published the "China Everbright Water Limited Intelligent Water Whitepaper", which analyses and discusses the application scenarios, technical options and implementation methods relating to "Intelligent Water" in the future. During the year under review, a total of 3 waste water treatment plants of the Group received regulatory approval for tariff hikes, ranging from 9% to 26%, and subsidies of RMB125.32 million in total were granted to the Group.

工程建設方面，回顧年度內，面對新冠疫情的蔓延，本集團堅持統籌落實聯防聯控機制，防疫生產兩手抓，在確保員工健康安全、遵守各級政府相關規定的前提下，有序推進各項目工程建設，進展良好。二零二零財政年度，本集團共有15個項目新開工建設（含1個EPC項目），設計規模為日處理污水340,000立方米、日供中水83,000立方米、日供水600,000立方米；8個項目建成投運，新投運設計規模為日處理污水230,000立方米、日供中水40,000立方米、日處理污泥200噸；28個項目先後處於建設階段（含EPC項目），設計日水處理規模1,371,500立方米。截至二零二零年十二月三十一日，本集團共有9個籌建項目，設計日水處理規模312,000立方米。

運營管理方面，回顧年度內，本集團以「零安全事故、零超標排放」為目標，旗下各運營項目穩定運行、達標排放。在新冠疫情形勢嚴峻時期，本集團迅速反應、科學防控，不僅確保員工零感染，亦建立起涵蓋總部、區域管理中心及項目公司的多級聯動管理及協調機制，確保項目全速運轉，為當地社區提供優質的水處理服務。此外，本集團繼續通過改善其制度指引、研判政策方向、探索新型控制參數及模型等多種手段措施，加強運營的標準化水平和管理的精細化水平；通過開展安全生產相關的培訓、演練等活動，強化安全生產意識、築牢安全生產防線；在深入推進「智慧水務」管理平台應用的同時，撰寫並發佈了《中國光大水務有限公司智慧水務白皮書》，分析探討未來「智慧水務」主題的應用場景、技術選擇和實施方法。回顧年度內，本集團共有3個污水處理廠獲批上調水價，幅度介於9%至26%；獲得各類資金補貼合共約1.2532億元人民幣。

In relation to technological R&D, during the year under review, the Group adhered to the philosophy of “Innovation-driven Development” and leveraged on technologies to drive the development of asset-light businesses, boosting the effort in providing technology services and products for external markets. In FY2020, the Group secured a number of projects from internal and external clients to provide its in-house developed technological processes, with a total contract sum of approximately RMB168 million. Meanwhile, the Group proactively participated in the development of multiple industry standards, and constantly applied for the relevant qualifications. The Group’s R&D subsidiary in Nanjing City was recognised as a technological research center for advanced waste water treatment technologies in the city, while the Group’s Shenzhen subsidiary was recognised as a high-tech enterprise. During the year under review, the Group was granted 25 patents (including 22 utility models, 1 invention patent, 1 software copyright and 1 design patent).

In relation to the capital market, during the year under review, the Group achieved good progress in exploring various financing channels to facilitate its business development. In June 2020, the Company issued its first asset-backed securities (“**ABS**”) to qualified investors in mainland China with a size of issue of RMB300 million (including the preference ABS and the subordinate ABS). The proceeds from the ABS issuance were used to replenish the working capital of the Group. In August 2020, the Company issued its first tranche of medium-term notes (“**MTN**”), with a principal amount of RMB1 billion, to institutional investors in the national inter-bank bond market of mainland China. The proceeds from the MTN issuance were used to replenish the working capital of the Company’s subsidiaries. The issuance of the ABS and the first tranche of MTN helped optimise the Group’s financing structure and kept its financial costs within a reasonable range. In addition, the Group continued its regular reviews on the loan structure and financing costs and made appropriate adjustment when necessary, laying a solid capital foundation for the Group’s sustainable development in the future.

In addition to pursuing economic efficiency, the Group strived to fulfill its corporate social responsibility, staying committed to an all-win situation for the economy, society and environment. During the COVID-19 pandemic, the Group put the protection of water environmental safety as its top priority, and mobilised manpower and supplies to support its frontline staff to fight against the pandemic. It provided uninterrupted waste water treatment services in the project service areas and ensured the stable operation of all projects in compliance with the relevant discharge standards. At the same time, the Group helped the local governments to properly treat medical waste water and waste water from quarantined locations, which effectively prevented secondary virus transmission through waste water and other types of waste. In addition, the Group’s project companies actively participated in local voluntary activities in relation to pandemic prevention and control. The Group donated money and supplies, and worked hand-in-hand with the local governments and communities to overcome difficulties.

技術研發方面，回顧年度內，本集團秉承「創新引領發展」的理念，以科技帶動輕資產業務發展，提供外部技術服務及產品，加大科技輸出力度。二零二零財政年度，本集團自內部及外部客戶取得多個項目向其提供自主技術工藝包，涉及合同總金額約1.68億元人民幣。與此同時，本集團積極參與多個行業標準的制定，並持續申請相關資質：本集團於南京市的研發附屬公司獲批南京市污水深度處理工程技術研究中心，深圳附屬公司獲批高新技術企業。回顧年度內，本集團獲得授權專利25項（包括實用新型專利22項、發明專利1項、軟件著作權1項及外觀專利1項）。

資本市場方面，回顧年度內，本集團圍繞業務發展，積極探索研究各類融資渠道，並取得良好進展。二零二零年六月，本公司首次向中國境內合資格投資者發行資產支持證券（「**資產支持證券**」），發行規模為3億元人民幣（包含優先級資產支持證券和次級資產支持證券），募集資金已用於補充本集團的營運資金；二零二零年八月，本公司於中國境內向全國銀行間債券市場機構投資者發行首期中期票據（「**中期票據**」），發行本金為10億元人民幣，募集資金已用於補充本公司附屬公司的營運資金。資產支持證券及首期中期票據的順利發行有助於優化本集團融資結構，合理控制財務成本。此外，本集團持續對其貸款結構及融資成本進行定期檢討，並適時做出調整，為企業未來可持續發展打造堅實的資金後盾。

本集團在追求經濟效益的同時，堅持履行企業公民的社會責任擔當，致力於推動經濟、社會和環境效益的共贏局面。新冠疫情期間，本集團將保障水環境安全放在首位，第一時間調集人力物力投入「**抗疫**」前線，通過確保項目穩定運營、達標排放，保障項目服務地區污水處理的「**生命線**」暢通無阻；同時助力當地政府做好醫療廢水及隔離點廢水的處理工作，有效阻斷病毒通過污水等廢棄物媒介進行二次傳播。此外，本集團旗下各項目公司積極配合及參與當地的疫情防控志願活動，捐款捐物，與當地政府和社區民眾攜手共渡難關。伴隨後疫情時代的新冠疫情防控常態化趨勢，本集團圍繞環保設施公眾開放活動採取了更加靈活、創新性

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Given the regular pandemic control during the post-pandemic period, the Group has been more flexible and innovative in opening up its environmental protection facilities for public visits. Although the on-site public visits were suspended due to the pandemic, the Group's projects launched online activities to promote environmental protection, such as the webcast of the "Poetry Contest Themed with Environmental Protection on World Environment Day" and the "Science Popularisation Webinar about Pandemic". The project companies of the Group also continued to voluntarily organise regular charitable and public welfare activities, such as donations, charitable visits and poverty alleviation, and actively interacted with the local governments and communities to enhance mutual trust and support. During the year under review, the Group continued opening up its operating projects for public visits and received a total of 543 groups of more than 7,000 visitors from all walks of life.

During the year under review, the Group received a number of domestic and international awards through dedicated work and unremitting efforts in all aspects. The Group was recognised as one of the "Top 10 Influential Enterprises in China's Water Industry" for the third consecutive year; "The Edge Singapore's Billion Dollar Club 2020" awarded the Company the "Highest Growth in Profit After Tax Over Three Years Award" under the transportation and utilities sector in the Centurion Club Category; and multiple institutions including the Hong Kong stocks channel of "ifeng.com" and Hong Kong media "am730" jointly presented to the Company the "ListCo Excellence Award 2020". On the project level, several waste water treatment projects of the Group in Jiangsu and Shandong Provinces were listed in the fourth batch of the "National Environmental Protection Facilities and Urban Waste Water and Waste Treatment Facilities Opened to the Public". There were also a number of operating projects selected as the environmental protection facilities opened to the public at the provincial and municipal levels.

The Company is committed to creating value for and sharing fruitful operating results with the Shareholders. The Board recommended a final dividend of HK6.07 cents (equivalent to 1.04 Sing cents) per ordinary share for FY2020 (FY2019: HK3.74 cents (equivalent to 0.67 Sing cent) per ordinary share), which makes the total dividend for FY2020 amount to HK9.81 cents (equivalent to 1.71 Sing cents) per ordinary share (FY2019: HK7.48 cents (equivalent to 1.32 Sing cents) per ordinary share).

Business Prospects

Stepping into 2021, the outlook of the global macroeconomy remains highly uncertain. The COVID-19 pandemic, trade tensions and economic downturn continue posing headwinds to the global macroeconomy. Nonetheless, China has achieved a rapid economic recovery in 2020 thanks to the effective prevention and control of the pandemic, and such momentum is expected to continue this year.

的安排。雖然「線下」公眾開放活動因疫情時而暫停，旗下多個項目積極通過「線上」平台開展如「世界環境日環保詩詞大賽」雲直播、「益對疫公開科普課」直播等環保公眾宣傳活動。本集團旗下各項目公司亦延續過往的日常慈善公益安排，自發組織慈善捐款、慰問、扶貧等各類活動，積極與當地政府及社區民眾互動，增強相互間的信任與支持。二零二零財政年度，本集團累計接待社會各界來訪人士543批次逾7,000人次。

回顧年度內，本集團憑藉各方面的潛心耕耘和不懈努力，贏得了多個國內外獎項殊榮：連續第三年獲認可為「中國水業十大影響力企業」之一；於新加坡權威財經媒體《The Edge Singapore》年度「十億新元俱樂部2020」系列評選活動「百夫長俱樂部」組別中獲頒「三年最高稅後利潤增長」（交通及公用事業行業）殊榮；獲得《鳳凰網港股》、香港媒體《am730》等機構聯合授予「傑出上市公司大獎2020」。項目層面，本集團旗下位於江蘇和山東省的多個污水處理項目入選第四批「全國環保設施和城市污水垃圾處理設施向公眾開放單位」，另有數個項目獲選為省市級環保公眾開放設施。

本著為股東創優增值的目標以及與股東共享公司經營成果的理念，董事會建議就二零二零財政年度向股東派發末期股息每股普通股6.07港仙（等值1.04新分）（二零一九財政年度：每股普通股3.74港仙（等值0.67新分）），據此，二零二零財政年度股息總額為每股普通股9.81港仙（等值1.71新分）（二零一九財政年度：每股普通股7.48港仙（等值1.32新分））。

業務前景

步入二零二一年，新冠疫情、貿易爭端、經濟下行等多重壓力給全球宏觀環境奠定了「充滿變數」的主基調。放眼國內，得益於疫情防控得當有效，中國已於二零二零年實現經濟快速復甦，該勢頭有望於今年繼續保持。

Amid the complicated global trends and the stable and improving domestic environment in China, China's "14th Five-Year Plan" and long-range goals for the year 2035 have clearly specified the requirements on ecological environmental protection. Carrying out works relating to peaking carbon dioxide emissions and achieving carbon neutrality have been recognised as one of the eight major tasks for the year 2021 at the Central Economic Work Conference, in particular the promotion of industrial transformation and upgrading as well as reduction of pollutants and carbon. The water environment management has been elevated to an unprecedented strategic level as an important mission of China's ecological conservation and pollution prevention and control. "High-quality development" will become a key focus for the water environment management industry and the relevant enterprises during the "14th Five-Year Plan" period.

It is undeniable that the world still has a long way to go in the COVID-19 battle. The Group will further improve and optimise the relevant rules, procedures and measures, on top of the existing regular pandemic prevention and control system, in order to be well prepared for any unexpected pandemic situations and also improve its safety management proficiencies at all levels in the long-term. In the meantime, the Group will make full efforts as always to protect the staff's health and safety, ensure stable operations of the projects, and safeguard the smooth progress of all construction works. By carrying out all works in an orderly manner, the Group will continue providing stable and high-quality water services to the local communities to safeguard the local water environment.

In this new year, amid uncertainties of the external environment, the Group will seize opportunities arising from the national policies, focusing on national strategic regions such as the Beijing-Tianjin-Hebei region, Bohai Economic Rim, Guangdong-Hong Kong-Macao Greater Bay Area, and Yangtze River Economic Belt; continue its optimisation of the asset-light and asset-heavy allocation to promote the steady improvement of its operating efficiency; pursue development that is led by innovation, in order to fully harness the strength of its technological R&D platform; and accelerate the development of digitalisation across the Group, strengthen refined management and create value by "resource recovery". The Group will leverage on its dual listing status in Singapore and Hong Kong to drive business integration with capital. With the continuous efforts of all the staff who work as a team to overcome challenges, the Group is confident that it will defeat all the obstacles, focus on innovation, forge ahead, and seize the opportunities to fully embark on a new journey of high-quality development.

在錯綜複雜的國際形勢及穩中向好的國內環境下，國家「十四五」規劃和二零三五年遠景目標建議對生態環境保護提出明確要求。「做好碳達峰、碳中和工作」已被中央經濟工作會議列為二零二一年八項重點任務之一，明確要推進產業轉型和升級，實現減污降碳協同效應。水環境綜合治理作為國家生態文明建設及污染防控的重要任務，已被提升至前所未有的歷史戰略高度。「高質量發展」將成為水環境綜合治理行業及從業企業在「十四五」規劃期間的關鍵詞。

毫無疑問，驅散新冠疫情的陰霾仍然任重而道遠。本集團將在現有常態化疫情防控體系的基礎上，進一步完善和優化相關規則、流程和措施，為可能的突發疫情狀況做好應對準備，更以此為契機長效提升各級安全管理水平。與此同時，本集團還將一如既往，全力保護員工健康安全，確保運營項目穩定運行，保障建設工程平穩推進，在推動公司各項業務工作有序進展的同時，繼續為業務服務區域提供穩定、優質的水務服務，為當地水環境提供良好保障。

新的一年，面對充滿不確定性的外部環境，本集團將緊抓國家政策契機，重點佈局京津冀、環渤海經濟圈、粵港澳大灣區、長江經濟帶等國家戰略區域；持續優化輕重資產配置，推動公司經營效益穩步提升；以創新引領發展，發揮技術研發平台優勢；加快數字化建設，加強精細化管理，以「資源化」提升價值創造；發揮新港兩地上市企業的優勢，以資本推動產業整合。在全體同仁無懼挑戰、攜手同心的不懈努力下，本集團有信心從容應對各類挑戰，聚力創新，銳意進取，緊抓機遇，全力以赴踏上高質量發展的新征程。

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FINANCIAL RESULTS

In FY2020, the revenue of the Group increased by 2% to HK\$5.66 billion compared with the revenue of HK\$5.55 billion in FY2019. Gross profit of the Group increased from HK\$1.89 billion in FY2019 to HK\$2.20 billion in FY2020, representing an increase of 16%. The profit of the Group increased from HK\$884.73 million in FY2019 to HK\$1,086.36 million in FY2020, representing a rise of 23%. The profit attributable to equity holders of the Company in FY2020 amounted to HK\$1,024.27 million, representing an increase of 23% over FY2019. Basic earnings per share for FY2020 were HK35.80 cents, indicating an increase of HK5.73 cents or 19% from HK30.07 cents in FY2019.

FINANCIAL POSITION

As at 31 December 2020, the Group's total assets approximately amounted to HK\$26.91 billion with net assets amounting to HK\$11.41 billion. Net asset value per share attributable to equity holders of the Company was HK\$3.68 per share, representing an increase of 19% as compared to HK\$3.08 per share as at the end of 2019. As at 31 December 2020, gearing ratio (total liabilities over total assets) of the Group was 57.6%, which decreased slightly by 0.3 ppt from 57.9% at the end of 2019.

LIQUIDITY AND 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, ABS and MTN. As at 31 December 2020, the Group had cash and bank balances of HK\$1.72 billion, representing a decrease of HK\$355.27 million as compared to HK\$2.07 billion at the end of FY2019. Most of the Group's cash and bank balances, representing approximately 99%, was denominated in HK\$ and RMB.

BORROWINGS OF THE GROUP

Amounts payable within one year or less, or on demand

At 31 December 2020 於二零二零年十二月三十一日		At 31 December 2019 於二零一九年十二月三十一日	
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
217,228	2,029,445	224,274	1,786,282

財務業績

於二零二零財政年度，本集團的收入由二零一九財政年度的55.5億港元增長2%至56.6億港元。本集團的毛利由二零一九財政年度的18.9億港元增長至二零二零財政年度的22.0億港元，增幅為16%。本集團的盈利由二零一九財政年度的8.8473億港元增長至二零二零財政年度的10.8636億港元，增幅為23%。本公司權益持有人於二零二零財政年度應佔盈利為10.2427億港元，較二零一九財政年度增加23%。每股基本盈利35.80港仙，較二零一九財政年度之30.07港仙增加5.73港仙，增幅19%。

財務狀況

於二零二零年十二月三十一日，本集團的總資產約為269.1億港元，淨資產為114.1億港元。本公司權益持有人應佔每股資產淨值為每股3.68港元，較二零一九年底每股3.08港元增加19%。於二零二零年十二月三十一日，本集團資產負債比率（以總負債除以總資產計算所得）為57.6%，較二零一九年底的57.9%輕微減少0.3個百分點。

流動性及財務資源

本集團對現金及財務管理採取審慎的原則，以確保妥善管理風險及降低資金成本。項目運營的資金來源主要為內部現金流及往來銀行提供之貸款，並以發行公司債券、資產支持證券及中期票據籌集的資金補充。於二零二零年十二月三十一日，本集團持有現金及銀行結餘17.2億港元，較二零一九財政年度末之20.7億港元減少3.5527億港元。本集團大部分現金及銀行結餘均為港元及人民幣，約佔比99%。

本集團的借貸

一年或以內應付或按要求應付款項

Amounts payable after one year

一年後應付款項

At 31 December 2020 於二零二零年十二月三十一日		At 31 December 2019 於二零一九年十二月三十一日	
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
1,658,100	7,173,360	1,307,594	5,761,546

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 2020, the Group had outstanding borrowings of HK\$11.08 billion, representing an increase of HK\$2.00 billion as compared to HK\$9.08 billion as at the end of 2019. The borrowings included secured interest-bearing borrowings of HK\$1.88 billion and unsecured interest-bearing borrowings of HK\$9.20 billion. The borrowings are mainly denominated in RMB, representing approximately 64% 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 2020, the Group had bank loan facilities of HK\$12.79 billion, of which HK\$5.78 billion have not been utilised. The bank loan facilities are of 1 to 21 years terms.

FOREIGN EXCHANGE RISKS

The Group mainly operates in the PRC. Currency exposure arises within entities of the Group when transactions are mainly denominated in foreign currencies such as USD, EUR, Singapore dollars (“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 of HK\$. During FY2020, the Group was affected by the changes in the exchange rates and did not adopt any formal hedging policies nor used any financial instrument for hedging purpose.

Although the Group was exposed to foreign currency exchange risks, the Board believes that the future currency fluctuations will not have any material impact on the Group’s operations.

PLEDGE OF ASSETS

Certain bank loan facilities and ABS of the Group as at 31 December 2020 and 2019 were secured by certain revenue, contract assets, receivables and intangible assets in connection with the Group’s service concession arrangements and the equity interests in certain subsidiaries of the Company. As at 31 December 2020, the aggregate net book value of assets and equity interests in subsidiaries under pledge arrangements amounted to HK\$4.68 billion.

本集團致力完善融資方式及提升銀行貸款額度，儲備資金以發展水環境治理業務。於二零二零年十二月三十一日，本集團尚未償還借貸為110.8億港元，較二零一九年年底之90.8億港元增加20.0億港元。借貸包括有抵押之計息借貸18.8億港元及無抵押之計息借貸92.0億港元。本集團的借貸主要以人民幣為單位，佔總數約64%，其餘則以港元、美元（「美元」）及歐元（「歐元」）為單位。本集團的大部分借貸均按浮動利率計息。於二零二零年十二月三十一日，本集團之銀行融資額度為127.9億港元，其中57.8億港元為尚未動用之額度，銀行貸款融資為一至二十一年期。

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（「新加坡元」）、港元及人民幣）為單位，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為本集團呈列貨幣港元時，本集團面臨貨幣換算風險。於二零二零財政年度內，本集團受匯率變動影響且並無採納任何正式對沖政策，亦未使用任何金融工具作對沖用途。

儘管本集團面臨外幣兌換風險，但董事會認為，未來的匯率波動不會對本集團的經營產生任何重大影響。

資產抵押

於二零二零年及二零一九年十二月三十一日，本集團若干銀行貸款融資及資產支持證券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及本公司若干附屬公司之股權作為抵押。於二零二零年十二月三十一日，已抵押資產及附屬公司股權之賬面淨值總額為46.8億港元。

CHIEF EXECUTIVE OFFICER'S REPORT

總裁報告

COMMITMENTS

As at 31 December 2020, the Group had outstanding purchase commitments of HK\$2.94 billion in connection with the construction contracts and an outstanding capital commitment of HK\$24.73 million in connection with an unlisted equity investment. With the available financial resources and unutilised bank loan facilities mentioned above, the Directors are of the opinion that the working capital available to the Group is sufficient for meeting these commitments.

CONTINGENT LIABILITIES

As at 31 December 2020, the Company provided financial guarantees for two 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 2020 for the provision of the guarantees was HK\$989.14 million. Nonetheless, the Group did not recognise any contingent liabilities at the consolidated level as at 31 December 2020.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As at 31 December 2020, the Group held the following other financial assets:

The Group

		At 31 December 2020 於二零二零年 十二月三十一日 HK\$'000 千港元	At 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元
Unlisted investments, at fair value	以公允價值計量的非上市投資	409,147	431,035
Unlisted equity investment, at fair value	以公允價值計量的非上市股權投資	34,051	31,010
		443,198	462,045

承擔

於二零二零年十二月三十一日，本集團為建造合約而訂約之採購承擔為29.4億港元，及為一項非上市股權投資而訂約之資本承擔為2,473萬港元。根據上述可動用財務資源及尚未動用的銀行融資額度，董事認為本集團可動用的營運資金足以應付其承擔。

或有負債

截至二零二零年十二月三十一日，本公司曾為兩家附屬公司作出財務擔保。董事會認為，有關擔保持有人根據上述擔保向本公司作出申索的可能性較低。於二零二零年十二月三十一日，本公司在上述擔保下之最高負債之撥備為9.8914億港元。儘管如此，本集團於截至二零二零年十二月三十一日在合併層面未確認任何或有負債。

有關附屬公司、聯營公司及合營企業的重大投資、重大收購及出售

截至二零二零年十二月三十一日，本集團持有以下其他金融資產：

本集團

As at 31 December 2020 and 2019, the above unlisted investments were wealth management products issued by financial institutions in Hong Kong and the above unlisted equity investment represents the 6% equity interest in Yancheng CCCC Shanghai Dredging Water Environment Investment Co., Ltd. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest. During FY2020, the dividend received by the Group from other financial assets amounted to HK\$1.93 million. Details of the other financial assets are set out in note 24 to the financial statement.

On 26 April 2020, the Company, Sichuan Lutong Municipal Engineering Co., Ltd. (“**Sichuan Lutong**”) and the Urban-Rural Water Bureau of Zhangqiu District, Ji’nan City entered into the Public-Private Partnership (“**PPP**”) Project Agreement in relation to the Ji’nan Zhangqiu Water Treatment (Plant 4) PPP Project. Pursuant thereto, the Group and Sichuan Lutong has incorporated a joint venture company. For further details, please refer to the announcements released by the Company on 27 April 2020 and 19 May 2020.

TRANSACTION IN THE SECURITIES OF THE COMPANY OR ITS SUBSIDIARIES

On 25 August 2020, the Company has, through its wholly-owned subsidiary, Everbright Water (Nanjing) Limited, increased its shareholding in Everbright Industrial Waste Water Treatment Nanjing Limited (“**Nanjing IWWT**”) from 60% to 100% by acquiring the remaining 40% (the “**Target Equity**”) from an independent third party, Nanjing Zhuohong Environmental Protection Technology Co., Ltd., with whom it had jointly incorporated Nanjing IWWT (the “**Acquisition**”).

The purchase consideration for the Acquisition was RMB26 million (the “**Purchase Consideration**”). The Purchase Consideration was arrived at after good-faith negotiations on a willing-buyer and willing-seller basis, taking into account the net asset value represented by the Target Equity as at 31 March 2020, which was RMB20.336 million. The Purchase Consideration has been paid in full by cash in lump sum and funded entirely through internal resources.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed under the section headed “Future Plans and Use of Proceeds” in the listing document issued by the Company dated 24 April 2019, the Group did not have other future plans for material investments or capital assets during FY2020.

於二零二零年及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及上述非上市股權投資為鹽城中交上航水環境投資有限公司的6%股權。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本金及利息付款。於二零二零財政年度內，本集團自其他金融資產收取的股息為193萬港元。關於其他金融資產的詳情載於財務報表附註24。

於二零二零年四月二十六日，本公司、四川魯通市政工程有限公司（「**四川魯通**」）及濟南市章丘區城鄉水務局就濟南章丘第四水質淨化廠政府和社會資本合作（「**PPP**」）項目訂立PPP項目合同。據此，本集團已經與四川魯通成立合營公司。有關進一步資料，請參閱本公司於二零二零年四月二十七日及二零二零年五月十九日發佈的公告。

涉及本公司的證券或其附屬公司的證券之交易

二零二零年八月二十五日，本公司通過其全資附屬公司光大水務（南京）有限公司從一家獨立第三方南京卓泓環保科技有限公司收購光大工業廢水處理南京有限公司（「**南京工業廢水**」）剩餘的40%股權（「**標的股權**」）（「**收購**」），將其在南京工業廢水中的股權從60%增加至100%。

收購的代價為2,600萬元人民幣（「**購買代價**」）。購買代價是在買賣雙方均為自願的基礎上平等友好協商達成，並參考了標的股權截至二零二零年三月三十一日所代表的淨資產值（即2,033.6萬元人民幣）。購買代價已以現金全額一次性支付，並全部通過內部資金支付。

重大投資或資本資產的未來計劃

除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內「未來計劃及所得款項用途」一節所披露者外，本集團於二零二零財政年度概無任何其他重大投資或資本資產的未來計劃。

CHIEF EXECUTIVE OFFICER'S REPORT

總裁報告

INTERNAL MANAGEMENT

Corporate management and risk control are of paramount importance in ensuring efficient, healthy and sustainable corporate development. The Group has established a sound management structure with five committees under the Board (the “**Board Committees**”), comprising the Audit Committee, the Remuneration Committee, the Nominating Committee, the Strategy Committee and the Management Committee. As the decision-making body for the Company’s daily management, the Management Committee holds a meeting at least once a month to deliberate the matters regarding the Group’s business and management, ensuring sustainable development of the Company. The Company has also set up various functional departments, including 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 & Environmental Management Department and the Investment & Development Department. Moreover, in response to business needs, the Group has also set up four regional management centres, in order to manage the Group’s projects by region and create good synergies. The Group has continuously improved the internal management, established complete management systems and emergency response capacity, and fully implemented the Environmental, Safety, Health and Social Responsibility (“**ESHS**”) Management System (“**ESHS Management System**”) and the Risk Management System at all levels of the Group in order to standardise the management of all aspects in the process of project investment, construction and operations, identify and control risks, and enhance the overall operational efficiency and profitability. During the year under review, when facing the complex situation with diverse projects, a large number of personnel and heavy tasks under the severe COVID-19 pandemic, the Group applied effective and scientific pandemic prevention and control measures, issued targeted policies and strengthened implementation to achieve “zero infection” in the work area; it has overcome various internal and external unfavourable factors in ensuring continuous operations of operating projects to provide waste water treatment services and safeguarding environmental safety and health of residents.

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，董事會下設了五個委員會（「**董事會委員會**」），包括審計委員會、薪酬委員會、提名委員會、戰略委員會及管理委員會。作為本公司日常經營管理的決策機構，管理委員會每月至少召開一次會議，對當期運營和管理情況進行審議，確保本公司可持續發展。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、投資發展部等職能部門。此外，根據業務需求，本公司還設立了四大區域管理中心，對本集團旗下項目按區域進行管理，發揮良好的協同效應。本集團持續完善內部管理，建立了完善的管理體系和應急能力，並在本集團各級全面實施環境、安全、健康及社會責任（「**ESHS**」）管理體系（「**ESHS 管理體系**」）和風險管理體系，實現項目投資、建設及運營過程中各環節的規範化管理，識別和管控風險，促進整體運行效率和效益的提升。回顧年度內，面對疫情形勢嚴峻、公司項目廣、人員多、任務重的複雜局面，本集團科學防控、精準施策、強化落實，實現工作區「零感染」；克服內外部各種不利因素，投運項目無停產，保障污水處理，守護環境安全與居民健康。

HUMAN RESOURCE MANAGEMENT

Talent is the key resource 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 continued optimising the management structures at all levels, vigorously cultivating and selecting outstanding young management personnel, improving the assessment and evaluation as well as the discipline and motivation mechanism, further building the leadership capacity at all levels, improving the quality of candidates and employees, and continuously identifying and cultivating outstanding talents. The Group is dedicated to exploring various management models and carrying out rotation programs for the training purpose in pilot areas. In addition, the Group completed both online and offline training of the members in the “backup talent pool” in the second batch of “Yongquan Programme”, in decentralized and concentrated forms, which achieved satisfying results. The Group also organized lectures and seminars to safeguard the empowerment and sustainable development of the Group.

As at 31 December 2020, the Group had 2,231 employees. Employees within the Group are remunerated according to their qualifications, experience, job nature, performance and with reference to market conditions. Apart from discretionary bonuses, the Group also provides other benefits such as the pension funds as required by the laws and regulations in the relevant jurisdictions. Details of the salaries and other benefits of the employees are set out in note 8 to the financial statement.

PRINCIPAL RISKS AND UNCERTAINTIES

During the year under review, the Group continued enhancing its efforts in improving the risk management system to effectively control the risks that the Group faced. The principal risks that the Group faced during the year under review were policy changing risk, accounts receivable risk, financing management risk, engineering construction and operations management risks, technology and innovation risks, compliance risk, investment and market competition risks, internal control risk, staffing risk and cost control risk. In response to the above principal risks, the Group has implemented risk control measures and currently evaluates that the control measures are effective. During the year under review, due to the impact of the COVID-19 pandemic, the risk levels of accounts receivable risk and investment and market competition risks of the Group are on an upward trend. With reference to the implementation effect of the Group’s internal control during the year under review and in the past, the risk level of compliance risk, internal control risk and staffing risk is each on a downward trend. Taking into account the complexity and diversity of the external factors of other principal risks which are beyond the Group’s control, the risk level of such other principal risks each remains 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，本集團繼續優化管理架構，大力培養選拔優秀年輕管理人員，完善考核評價、約束激勵制度，進一步推進各級領導力建設，提高選人用人品質，不斷發現和培養優秀人才。本集團致力於探索各種管理模式，並在試點區域對人才進行輪崗培養。此外，本集團亦通過分散集中形式完成了「湧泉計劃」第二批「後備幹部」成員線上線下培訓工作並取得預期效果，並開展講堂及研討會，為本集團賦能及可持續發展提供良好保障。

於二零二零年十二月三十一日，本集團合共僱用2,231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。關於僱員薪酬及其他福利的詳情載於財務報表附註8。

主要風險及不確定性

回顧年度內，本集團持續加大力度改善其風險管理體系相關工作，對本集團面臨的風險進行有效管控。本集團在回顧年度內面臨的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、投資與市場競爭風險、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，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。回顧年度內，受新冠疫情影響，本集團應收賬款風險、投資與市場競爭風險的風險等級呈上升趨勢；參考回顧年度及過往本集團內部控制的實施效果，本集團合法合規風險、內部控制風險及人員配置風險的風險等級呈下降趨勢；考慮其他主要風險事項的外部影響因素複雜多樣且本集團不可控，其他主要風險的風險等級不變。

CHIEF EXECUTIVE OFFICER'S REPORT

總裁報告

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	Investment and market competition risks 投資與市場競爭風險	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	→

Note:

Change of trend in risk level:

- means that the risk level remains unchanged;
- ↑ means that the risk level is on an upward trend;
- ↓ means that the risk level is on a downward trend.

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 businesses in the PRC. If the Group fails to effectively respond to the changes in the national policies in a timely manner, its performance will be adversely affected. The Group has been closely monitoring the changes in such policies and adjusting its development roadmap swiftly in accordance with such changes, to ensure achieving the Group's business goal of sustainable and stable development. During the year under review, the existing control measures are effective as a whole. However, the risk level remains unchanged due to the uncontrollability of the risk.

附註：

風險等級變化趨勢：

- 指該風險等級維持不變；
- ↑ 指該風險等級呈上升趨勢；
- ↓ 指該風險等級呈下降趨勢。

1. 政策變動風險

本集團面臨中國污水處理、流域治理、海綿城市建設、中水回用、供水及污水源熱泵業務領域的相關環保法規及政策變動的風險，若本集團未能及時有效應對國家政策調整，將對本集團業績帶來負面影響。本集團一直密切關注該等政策調整，及時順應有關變化而調整本集團發展路線，以確保實現本集團持續穩定發展的經營目標。回顧年度內，本集團管控措施整體有效，但考慮到該風險的不可控性，該風險等級維持不變。

2. Accounts receivable risk

Because of its business model, the Group's business, financial condition, results of operations and prospects are affected by the revenue and creditworthiness of the customers of the Group's environmental water projects to a large extent. The Group's major customers are the local PRC governments where environmental water projects are located. During the year under review, the Group was subject to the increase in accounts receivable risk since the local PRC governments' financial capability was affected by the pandemic. The Group strengthened the management and collection of accounts receivables by analysing the accounts receivables on a regular basis, setting receivables recovery objectives and composing recovery plans, reviewing the recoverability of accounts receivables and actively communicating with various local governments. The existing control measures are effective as a whole. However, the risk level is on an upward trend since the pandemic is not over yet and economic recovery requires an objective process.

3. Financing management risk

Maintaining the Group's competitiveness and implementing growth strategies both require the Group to possess sufficient capital resources. During the year under review, the financial market was affected by the global COVID-19 pandemic with consistent changes in exchange rates, interest rates and financing conditions. During the year under review, the Group continued monitoring the changes in the domestic and overseas financing environment and the trend of the RMB exchange rate. The Group made adjustment to its financing structure in a timely manner and broadened the financing channels through the issuance of ABS and MTN. Through strict control of capital usage, the Group ensured that its capital reserves were sufficient and financing costs were controllable. The existing control measures are effective as a whole. However, the risk level remains unchanged since financing activities are affected by many different factors.

4. Engineering construction and operations management risks

The Group's revenue is mainly generated from the engineering construction and operations management of projects. At the beginning of the year under review, the construction progress of a number of the Group's construction projects was affected by the epidemic prevention and control arrangements imposed by various local PRC governments, and the construction and operation of the projects were burdened with epidemic prevention work. In order to cope with the relevant risks, the Group set up an epidemic response leading team to coordinate the epidemic prevention and control work of the entire company, formulated and issued relevant procedures in a timely manner, actively sourced epidemic prevention supplies through multiple channels

2. 應收賬款風險

受限於業務模式，本集團的業務、財務狀況、經營業績及前景很大程度受本集團環保水務項目客戶的收入和信用情況影響。本集團主要客戶為各環保水務項目所在地的中國地方政府。回顧年度內，受新冠疫情影響，中國各級地方政府財政支付能力減弱，本集團面臨的應收賬款風險等級提高。本集團於回顧年度內加強了應收賬款的管理與催收工作，定期對應收賬款情況進行分析、制定回收目標與工作計劃，將應收賬款回收納入考核，並積極與各地方政府溝通。目前管控措施整體有效，但考慮到新冠疫情尚未結束且經濟恢復存在客觀過程，該風險等級呈上升趨勢。

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本集團具備充足的資金資源。回顧年度內，全球範圍的新冠疫情對金融市場造成影響，導致匯率、利率、融資條件持續發生變化。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，通過資產支持證券發行、中期票據發行等方式拓寬融資渠道，同時嚴控資金使用，確保本集團資金儲備充足與融資成本可控。目前管控措施整體有效，但考慮到融資活動受多類因素影響，該風險等級保持不變。

4. 工程建設與運營管理風險

本集團收益主要來源於項目的工程建設與運營管理。回顧年度初，受制於中國各地方政府防疫安排，本集團多個項目建設進度受到影響，項目建設與運營疫情防控工作任務重。為應對相關風險，本集團成立疫情應對領導小組，統籌調度全公司疫情防控工作，及時制定並下發相關制度，積極多渠道籌措防疫物資，有序促進本集團全面復工。回顧年度內，本集團工程建設進度短暫放緩後有序恢復，運營管理情況

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and resumed construction in all respects in an orderly manner. During the year under review, the Group's construction progress resumed in an orderly manner after a short period of slowdown, and its operation and management were stable and improved with no occurrence of major risk events. The Group has accumulated intensive experience in construction and operations management through years of operation, but considering the Group had a large number of new construction and operation projects during the year under review and the fact that the pandemic is still ongoing, the level of such risk remains unchanged.

5. Technology and innovation risks

Along with the increasing importance of the construction of ecological civilization emphasized by the PRC government and the relevant government measures implemented every year aiming to building a beautiful China, the standards of the environmental water industry in the PRC may rise in the future. Large state-owned enterprises in other fields continued to enter the water environment management industry in the PRC during the year under review, resulting in intensified competition in the industry. To ensure that the Group can maintain its leading position in the water environment management industry, the Group continuously puts efforts on and resources in R&D and the identification of new technologies. During the year under review, the Group attached great importance to technological R&D and innovation, proactively brought in professional and technological talents and fostered the application of technological achievements to its projects, so as to pursue development driven by technology. The existing control measures are effective as a whole. However, the risk level remains unchanged due to the fierce competition in the water environment management industry.

6. Compliance risk

Failure to strictly comply with the relevant laws and regulations of the PRC, the Rules Governing the Listing of Securities on the SEHK (the "SEHK Listing Rules"), the listing manual of SGX (the "SGX Listing Manual") and relevant industry norms, etc., may result in administrative penalties or legal proceedings against the Group in the relevant jurisdictions, which may adversely affect the reputation and operation of the Group. With years of internal and external control, the Group has established relatively comprehensive compliance and approval procedures, including the provision of safeguards through internal legal personnel and external legal experts. During the year under review, the Group strictly complied with the relevant laws and regulations with no occurrence of material compliance risk-related incidents. The existing control measures are effective as a whole with the risk level on a downward trend.

平穩向好，均未發生重大風險事件。本集團通過多年經營，已積累豐富的工程建設與運營管理經驗，但考慮新冠疫情尚未結束，回顧年度內本集團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. 科技與創新風險

隨著中國政府對於生態文明建設日益重視，以打造美麗中國為目標的相關政府舉措逐年落實，中國水環境綜合治理行業的處理標準未來可能進一步提高。中國其他領域大型國有企業於回顧年度內繼續進入水環境綜合治理行業，使得行業競爭加劇，為保持本集團在水環境綜合治理行業內的領先地位，本集團持續投入資金與人力進行科技創新。回顧年度內，本集團十分重視科技研發與創新工作，積極引進專業技術人才、推動技術成果轉化及項目應用，堅持科技引領發展。目前管控措施整體有效，但考慮到水環境綜合治理市場競爭愈發激烈，該風險等級保持不變。

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（「聯交所上市規則」）、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法律程序，從而對本集團的聲譽和經營帶來負面影響。本集團通過多年的內外部控制措施，已建立較為完善的合規審批流程，包括通過內部法律人員與外聘法律專家兩方面提供有效法律保障。回顧年度內，本集團嚴格遵守相關法律法規，沒有發生合法合規方面的重大風險事件。目前管控措施整體有效，風險等級呈下降趨勢。

7. Investment and market competition risks

During the year under review, the COVID-19 pandemic resulted in the restriction of personnel mobility to a certain extent and a decline in fiscal revenue of the local PRC governments, which presented a challenge to the Group's business expansion. Meanwhile, a substantial influx of capital and competitors are seen in the water environment management industry in which the Group operates, causing intensified competition in the market, which may affect its business expansion and investment return of the Group's projects. During the year under review, the Group stepped up its efforts in business expansion through existing projects and achieved positive outcome. In addition, the Group proactively explored innovative business models and continuously focused on quality business expansion so as to achieve sustainable growth of the Group's businesses. The existing control measures are effective as a whole. However, the risk level is on an upward trend due to the macroeconomic environment including the continuance of the COVID-19 pandemic and the intensifying industry competition.

8. Internal control risk

The Group established an efficient and appropriate organisational structure to specify the duties of each level and the functional departments, set up special committees such as Risk Assessment Committee, Engineering and Technology Committee, Budget Management Committee and Procurement Management Committee, and strengthened specialised review of material matters. Through establishing a "three lines of defence" risk management mechanism comprising project companies, functional departments at the headquarters and the Internal Audit Department, effective risk management is achieved. During the year under review, the internal control measures of the Group were effective and no significant internal control risk event occurred. Considering the Group's comprehensive internal control, organisation structure and the relevant mechanisms in place, and that the actual risks are well controlled, the risk level is on a downward trend.

9. Staffing risk

The Group relies on the experience and ability of the Group's key management team and qualified staff to achieve stable and satisfactory operating results. The training of key staff, management and technical personnel is a cyclical process. With more and more new projects put into operation, there might be continual difficulties in the allocation of human resources. Besides, external recruitment can only meet part of the Group's demands for talents. As a result, the Group persists to the approach of the combination of internal training and external recruitment. During the year under review, the control measures are effective as a whole and the risk level is on a downward trend.

7. 投資與市場競爭風險

回顧年度內，受新冠疫情影響，人員流動在一定程度上受到限制，中國地方政府財政收入減少，給本集團業務拓展工作帶來挑戰；同時大量資本和競爭對手進入本集團所在的水環境綜合治理行業，導致市場競爭加劇，可能影響本集團的業務拓展成果及項目投資回報。回顧年度內，本集團依託現有項目加大業務拓展力度，取得積極成果。本集團還將積極探索創新商務模式、持續聚焦高質量項目拓展，以努力實現本集團業務的可持續增長。目前管控措施整體有效，但考慮到新冠疫情尚未結束和行業競爭加劇等宏觀形勢，該風險等級呈上升趨勢。

8. 內部控制風險

本集團已建立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。本集團也建立了項目公司、總部各職能部門、內審部的風險管理「三道防線」，對風險實行了有效管理。回顧年度內，本集團內部控制措施有效，未發生重大內部控制風險事項。考慮到本集團內部控制組織架構與相關機制較為完善、實際控制效果良好，該風險等級呈下降趨勢。

9. 人員配置風險

本集團穩定、良好的經營業績，有賴於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，本集團面臨人員合理配置難度增大的風險，而外部招聘僅能解決本集團對於核心人才的部分需求。對此，本集團堅持人才內部培養和外部招聘相結合的方針。回顧年度內，本集團風險管控措施整體有效，風險等級呈下降趨勢。

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10. Cost control risk

The Group's businesses involve engineering construction and operations of environmental water projects. Substantial changes in the market price of the relevant raw materials, energy, financial and labour costs, etc. would adversely affect the Group's cost control. During the year under review, the Group continuously optimised the tender and procurement systems and procedures and adopted various measures to reduce procurement costs. At the same time, it strengthened budget management, strictly controlled project investment and operation costs and conducted regular evaluation. During the early outbreak of the COVID-19, the prices of certain raw materials fluctuated over the short term but have all returned to the normal level. The control measures are effective as a whole. However, the risk level remains unchanged due to the continuance of the COVID-19 pandemic.

ENVIRONMENTAL AND SOCIAL MANAGEMENT

The Group adheres to the concept of responsible and green operation, as well as attaches great importance to both the environmental and social impacts arising from its operations. During the COVID-19 pandemic, the Group promptly set up an epidemic response leading team, quickly deployed pandemic prevention and control measures and implemented effective and scientific pandemic control measures. It also actively implemented regular prevention and control measures in particular during the autumn and winter seasons and the major festivals and holidays which strengthened the pandemic control measures with unrelenting effort. Under the premise of ensuring the health and safety of its employees at various locations, the Group ensured the safe production, stable operations and compliant discharge of all projects and helped the local communities to prevent secondary virus transmission through waste water and other types of waste.

The Group has been actively evaluating and managing 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 since 2016. Most of the Group's projects have obtained or are actively applying for various related 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. In addition, the Group's "Intelligent Water" information management system makes use of big data to improve the efficiency and accuracy of the operations system, to manage the entire production, management and service processes in a more refined and dynamic manner, and to improve the environmental and social performance of its projects with operations management on the basis of the full life cycle.

10. 成本控制風險

本集團業務涉及環保水務項目的工程建設、運營等事項，如相關原材料、能源、財務、人工成本等市場價格發生較大變化，將對本集團成本控制造成不利影響。回顧年度內，本集團持續完善相關招標採購制度與流程，採取各項措施降低採購成本；同時強化預算管理，嚴控項目投資與運營成本，並實施定期考核。在新冠疫情爆發初期，部分原材料價格出現短期波動，現均已恢復正常。風險管控措施整體有效，但考慮到新冠疫情尚未結束，該風險等級保持不變。

環境與社會管理

本集團秉承負責任和綠色運營的理念，並高度重視其營運帶來的環境和社會影響。新冠疫情期間，本集團迅速成立疫情應對領導小組，及時進行疫情防控部署，採取科學有效措施進行防疫；積極落實疫情常態化防控、秋冬季疫情防控和重大節日期間疫情防護，毫不鬆懈地抓好疫情防護措施；在保障各地員工健康安全的前提下，確保項目安全生產、穩定運營、達標排放，助力當地社區有效阻斷病毒透過污水等廢棄物媒介二次傳播。

本集團積極按照受國際認可的標準去評估和管理其環境與社會表現，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的國際管理證書，包括ISO 9001 質量管理體系、ISO 14001 環境管理體系及OHSAS 18001/ISO45001 職業健康安全體系。此外，本集團的「智慧水務」信息管理系統是指運用大數據以提高運營系統的效率和精準性，以更加精細和動態的方式來管理整個生產、管理和服務流程，以全生命週期的運營管理來提升項目環境與社會表現績效。

The operating and environmental performance of the Group's projects strictly adheres to relevant standards and requirements prescribed in their respective environmental impact assessment reports. The Group also takes into account the expectations of surrounding communities and implements appropriate and sufficient mitigation measures to resolve the "Not in My Back Yard Syndrome". The key regulations and standards which are highly relevant to the Group's business include the *Environmental Protection Law of the 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 Wastes*, *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 such laws and regulations which resulted in any significant loss or impact to the Group was recorded in FY2020.

With the aim of integrating policies and regulatory requirements into the operational practices, improving the entire environmental and social management process, as well as ensuring that the Group undertakes the health and safety responsibility relating to its products and services, the Group has implemented the ESHS Management System since 2016. In FY2020, the Group continued strengthening the implementation of the ESHS Management System and Risk Management System at the group level and across all project companies, standardising the management of all aspects throughout project investment, construction and operation, so as to optimise the environmental and social performance of the Group. The Group at all times abides by the principle of "compliance with discharge standards" to minimise the impact of harmful pollutants to the aquatic and terrestrial ecosystems. In the aspect of occupational health and safety, the Group placed "safe production" as its first priority and continued carrying out "Safe Production Month" initiative and fully implementing the "Three Zeros" goal (zero work safety accident, zero excessive discharge of pollutants and zero case for violation of regulations or discipline) through themed activities, training and education, safety inspection and emergency drills across all project companies. In addition, the Group included climate risks into its Risk Management System to formulate more comprehensive emergency and natural disaster contingency plans. During the COVID-19 pandemic, the Group implemented scientific prevention measures, achieved "zero infection" in the work area, ensured non-stop operations of operating projects to provide waste water treatment services, and safeguarded the environmental safety and health of residents.

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所述的要求，並將周邊社區的期望納入考慮，採取適當與充足的緩解措施以化解「鄰避效應」。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。本集團於二零二零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。

為進一步加強政策與制度要求和運營實踐的有效結合，完善環境與社會管理流程，並確保本集團承擔產品和服務的健康安全責任，本集團於二零一六年起全面實施ESHS管理體系。於二零二零財政年度，本集團繼續加強ESHS管理體系和風險管理體系在集團層面及所有項目公司層面的實施，實現項目投資、建設及運營過程中各環節的規範化管理，優化本集團的環境和社會效益。本集團始終堅守「達標排放」，將有害污染物對水體和陸上生態的污染降到最低。在職業健康與安全方面，本集團將「安全生產」置於首位並繼續開展「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，在所有項目公司深入貫徹「三個零」（零安全事故、零超標排放、零違法違規）目標。此外，本集團將氣候變化風險納入風險管理體系中，從而制定更完善的緊急與自然災害應急方案。新冠疫情期間，本集團實行科學防控措施，實現工作區「零感染」，確保投運項目無停產以保障污水處理，守護環境安全與居民健康。

CHIEF EXECUTIVE OFFICER'S REPORT

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Furthermore, the Group strives to provide the public with transparent, reliable and consistent environmental information associated with its project operations, such as environmental impact assessment reports, annual environmental monitoring plans, environmental assessment monitoring results and acceptance reports for completed projects, environmental emergency preparedness and response plans, monitoring results of waste water/air emissions/noise etc. The Group uploaded such information to its corporate website or the official websites designated by the local governments for public scrutiny.

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, and opened its waste water treatment facilities to the public. The Group is committed to developing itself into an advanced hub open to public for environmental education that provides on-site visits, practical learnings and technical trainings simultaneously. As at 31 December 2020, a total of 27 projects of the Group were officially opened to the public. During FY2020, these projects received in aggregate, 543 groups of visits with more than 7,000 visitors in total. Although the physical public visits were suspended for a while due to the COVID-19 pandemic, the Group's projects launched activities to promote environmental protection via online platforms, aiming to promote environmental protection concepts and relevant scientific knowledge to the public. The Group has implemented specific targets and policies for public opening of facilities. It is also committed to participating in national and international environmental protection and technology activities, as well as aligning with national policies to formulate policies for environmental protection open days, and encourages employees to live a low-carbon lifestyle. In addition, The Group's waste water treatment projects have received various awards and recognitions, such as the “Science Popularisation and Education Hub”, “Environmental Education Hub” and “Practices Base for Ecological Civilisation Development”.

另外，本集團致力為公眾披露具透明度、可靠性及一致性的項目運營環境信息，如環評報告、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、廢水/廢氣/噪聲監測結果等。該等資訊也被上載於本集團網站或當地官方指定網站上供公眾查閱。

同時，本集團積極響應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，致力於把本集團建設成為一個集參觀學習、實踐學習、技能培訓為一體的全國先進公眾開放和環保宣傳基地。截至二零二零年十二月三十一日，本集團已有27個項目向公眾正式開放。於二零二零財政年度，這些項目共接待公眾參觀543批次，逾7,000人次。雖然「線下」公眾開放活動因新冠疫情暫停一段時間，本集團旗下項目積極透過「線上」平台向民眾宣傳環保理念，推廣環保科普知識。本集團在公眾開放方面落實了具體的目標與措施，並致力參與國內和國際的環保科技活動、配合國家政策、制定環保開放日政策與鼓勵員工實行低碳生活。此外，本集團多個污水處理項目被授予「科普教育基地」、「環境教育基地」、「生態文明建設實踐基地」等稱號。

DIVIDEND

(a) Current financial year reported on

Any dividend declared for the current financial year reported on? Yes

As part of the Directors' continuing efforts to enhance the Shareholder's return, the Directors have recommended a final dividend of HK6.07 cents (equivalent to 1.04 Sing cents) per ordinary share for FY2020, which is subject to the approval by the Shareholders at the forthcoming annual general meeting (the "AGM") to be held on or around 27 April 2021 (Tuesday).

Name of Dividend	股息名稱	FY2020 Proposed Final Dividend	二零二零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	HK6.07 cents (equivalent to 1.04 Sing cents) per ordinary share	每股普通股6.07港仙 (等值1.04新分)
Tax Rate	稅率	One-Tier Tax Exempt	一級稅項豁免

(b) Corresponding period of the immediately preceding financial year

Name of Dividend	股息名稱	FY2019 Final Dividend	二零一九財政年度末期股息
Dividend Type	股息種類	Cash	現金
Dividend Amount	股息金額	HK3.74 cents (equivalent to 0.67 Sing cent) per ordinary share	每股普通股3.74港仙 (等值0.67新分)
Tax Rate	稅率	One-Tier Tax Exempt	一級稅項豁免

(c) Date payable

Subject to the Shareholders' approval, the FY2020 Proposed Final Dividend will be paid on or around 17 May 2021 (Monday).

(d) Books closure date

Details on closure of books are set out in the section below entitled "Closure of Register of Transfer and Register of Members – (b) For determining the entitlement to the FY2020 Proposed Final Dividend".

ANNUAL GENERAL MEETING

The forthcoming AGM is expected to be held on or around 27 April 2021 (Tuesday). The notice of the AGM will be published on the SGXNet and the websites of the Company and Hong Kong Exchanges and Clearing Limited and despatched to the Shareholders in due course.

股息

(a) 本報告財政年度

是否就本呈報財政年度宣告任何股息？是

董事會一直致力於提升股東回報，並已推薦就二零二零財政年度派發末期股息每股普通股6.07港仙（等值1.04新分），惟須待股東於二零二一年四月二十七日（星期二）或前後舉行的應屆股東週年大會（「股東週年大會」）上批准。

(b) 上一財政年度的相應期間

(c) 派息日

待股東批准後，二零二零財政年度建議末期股息將於二零二一年五月十七日（星期一）或前後派付。

(d) 登記截止日

關於登記截止日的詳情載於下文「暫停辦理股份過戶登記手續和暫停更新股東登記冊 – (b)釐定享有二零二零財政年度建議末期股息的資格」一節。

應屆股東週年大會

應屆股東週年大會預期將於二零二一年四月二十七日（星期二）或前後舉行。應屆股東週年大會通告將於適當時候在SGXNet和本公司及香港交易及結算所有限公司網站刊發以及寄發予股東。

CHIEF EXECUTIVE OFFICER'S REPORT

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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. (Singapore time) on 22 April 2021 (Thursday) 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 Singapore Share Transfer Agent, 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 21 April 2021 (Wednesday) will be registered to determine Singapore Shareholders' entitlements to attend and vote at the forthcoming AGM.

For Hong Kong Shareholders

The Hong Kong branch register of members of the Company will be closed from 22 April 2021 (Thursday) to 27 April 2021 (Tuesday), 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 Share Registrar and Transfer Office, 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 21 April 2021 (Wednesday), will be registered to determine Hong Kong Shareholders' entitlements to attend and vote at the forthcoming AGM.

(b) For determining the entitlement to the FY2020 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 30 April 2021 (Friday) being the Singapore Books Closure Date for the purpose of determining the entitlement of the Singapore Shareholders to the FY2020 Proposed Final Dividend.

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

本公司將於二零二一年四月二十二日（星期四）下午五時正（新加坡時間）暫停辦理股份過戶登記手續，以釐定新加坡股東出席應屆股東週年大會並於會上投票的資格。本公司的新加坡股份轉讓代理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）於二零二一年四月二十一日（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。

對於香港股東

本公司將於二零二一年四月二十二日（星期四）至二零二一年四月二十七日（星期二）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）於二零二一年四月二十一日（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) 釐定享有二零二零財政年度建議末期股息的資格

對於新加坡股東

本公司將於二零二一年四月三十日（星期五）（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二零二零財政年度建議末期股息的資格。

Duly completed registrable transfers of Shares received by the Company's Singapore Share Transfer Agent, 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 30 April 2021 (Friday) will be registered before entitlements to the FY2020 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 30 April 2021 (Friday) will rank for the FY2020 Proposed Final Dividend.

For Hong Kong Shareholders

The Hong Kong branch register of members of the Company will be closed from 3 May 2021 (Monday) to 5 May 2021 (Wednesday), 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 30 April 2021 (Friday) will be entitled to the FY2020 Proposed Final Dividend.

Duly completed registrable transfers of Shares received by the Hong Kong Share Registrar and Transfer Office, 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 30 April 2021 (Friday), will be registered before entitlements to the FY2020 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 the year ended 31 December 2020.

CONVERTIBLES, PREFERENCE SHARES AND TREASURY SHARES

The Company did not have any outstanding convertibles, preference shares and treasury shares as at 31 December 2020 and 2019. During the year ended 31 December 2020, there were no sales, transfers, disposal, cancellation and/or use of treasury shares.

MR. AN XUESONG

Executive Director and CEO

11 March 2021

本公司的新加坡股份轉讓代理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）於二零二一年四月三十日（星期五）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二零二零財政年度建議末期股息的資格前登記。於二零二一年四月三十日（星期五）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，將獲派二零二零財政年度建議末期股息。

對於香港股東

本公司將於二零二一年五月三日（星期一）至二零二一年五月五日（星期三）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。於二零二一年四月三十日（星期五）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二零二零財政年度建議末期股息。

本公司的香港股份過戶登記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）於二零二一年四月三十日（星期五）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二零二零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截至二零二零年十二月三十一日止年度購買、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

於二零二零年及二零一九年十二月三十一日，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。於截至二零二零年十二月三十一日止年度，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

二零二一年三月十一日

CORPORATE INFORMATION

公司資料

**BOARD OF
DIRECTORS**
董事會**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

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

**AUDIT
COMMITTEE**
審計委員會

Mr. Lim Yu Neng Paul (Chairman)

Mr. Zhai Haitao

Ms. Cheng Fong Yee

Ms. Hao Gang

林御能先生 (主席)

翟海濤先生

鄭鳳儀女士

郝剛女士

**REMUNERATION
COMMITTEE**
薪酬委員會

Ms. Cheng Fong Yee (Chairman)

Mr. Wang Tianyi

Mr. Zhai Haitao

Mr. Lim Yu Neng Paul

鄭鳳儀女士 (主席)

王天義先生

翟海濤先生

林御能先生

**NOMINATING
COMMITTEE**
提名委員會

Mr. Zhai Haitao (Chairman)

Mr. Wang Tianyi

Mr. Lim Yu Neng Paul

翟海濤先生 (主席)

王天義先生

林御能先生

**STRATEGY
COMMITTEE**
戰略委員會

Mr. Wang Tianyi (Chairman)

Mr. An Xuesong

Mr. Luo Junling

Ms. Hao Gang

王天義先生 (主席)

安雪松先生

羅俊嶺先生

郝剛女士

**MANAGEMENT
COMMITTEE**
管理委員會

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

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

**JOINT COMPANY
SECRETARIES**
聯席公司秘書

Ms. Peng Pei (ACG, ACS)

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

彭珮女士 (ACG, ACS)

何詠紫女士 (FCG, FCS(PE))

**REGISTERED
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註冊地址

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Bermuda

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Bermuda

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深圳辦公室26/F., Block A, Oriental Xintiandi Plaza
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Shenzhen, People's Republic of China 518000中國深圳市福田區深南大道1003號
東方新天地廣場A座26樓
郵編：518000

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HONG KONG OFFICE 香港辦公室	Room 3601, 36/F. Far East Finance Centre 16 Harcourt Road, Hong Kong	香港夏慤道16號 遠東金融中心 36樓3601室
BERMUDA SHARE REGISTRAR 百慕達股份過戶登記處	Conyers Corporate Services (Bermuda) Limited Clarendon House, 2 Church Street Hamilton HM 11, Bermuda	Conyers Corporate Services (Bermuda) Limited Clarendon House, 2 Church Street Hamilton HM 11, Bermuda
SINGAPORE SHARE TRANSFER AGENT 新加坡股份轉讓代理	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623	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
HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE 香港股份過戶登記處	Boardroom Share Registrars (HK) Limited 2103B, 21/F. 148 Electric Road North Point, Hong Kong	寶德隆證券登記有限公司 香港北角 電氣道148號 21樓2103B室
AUDITOR 審計師	Ernst & Young LLP (Recognised Public Interest Entity Auditor) One Raffles Quay, North Tower, Level 18 Singapore 048583 Partner-in-charge: Mr. Alvin Phua Chun Yen (Appointed in Financial Year 2017)	Ernst & Young LLP (認可公眾利益實體核數師) 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)
COMPLIANCE ADVISOR 合規顧問	Anglo Chinese Corporate Finance, Limited 40/F Two Exchange Square 8 Connaught Place, Central, Hong Kong (will cease as at the date of this Annual Report)	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 (將於本年度報告日期終止)
LEGAL ADVISORS 法律顧問	Allen & Gledhill LLP Li & Partners China Commercial Law Firm	艾倫格禧律師事務所 李偉斌律師行 華商律師事務所
PRINCIPAL BANKERS 主要銀行	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.	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
PUBLIC RELATIONS 公關顧問	Citigate Dewe Rogerson	哲基傑訊
WEBSITE 電子網站	www.ebwater.com	www.ebwater.com
STOCK CODES 股份代號	U9E.SG 1857.HK	U9E.SG 1857.HK

FINANCIAL HIGHLIGHTS

財務摘要

RESULTS 業績

		FY2020 二零二零 財政年度	FY2019 二零一九 財政年度	PERCENTAGE CHANGE FY2020 VS FY2019 二零二零財政年度 對比 二零一九財政年度 變動百分比
		HK\$'000 千港元	HK\$'000 千港元	
Revenue	收入	5,663,292	5,550,773	2%
Gross Profit	毛利	2,200,536	1,892,441	16%
EBITDA	除利息、稅項、折舊及 攤銷前盈利	1,931,379	1,647,064	17%
Profit Attributable to Equity Holders of the Company	本公司權益持有人 應佔盈利	1,024,271	833,483	23%
Return on Shareholders' Equity (%)	股東資金回報率 (%)	10.6	9.9	0.7ppt
Basic Earnings per Share (HK cents)	每股基本盈利 (港仙)	35.80	30.07	19%
Total Dividend per Share (HK cents)	每股全年股息 (港仙)	9.81	7.48	31%
(equivalent to Sing cents)	(等值新分)	1.71	1.32	30%

FINANCIAL POSITION 財務狀況

		31 DECEMBER 2020 二零二零年 十二月 三十一日	31 DECEMBER 2019 二零一九年 十二月 三十一日	PERCENTAGE CHANGE 31 DECEMBER 2020 VS 31 DECEMBER 2019 二零二零年 十二月三十一日對比 二零一九年 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	26,907,534	22,683,031	19%
Total Liabilities	總負債	15,501,675	13,134,279	18%
Equity Attributable to Equity Holders of the Company	本公司權益持有人 應佔權益	10,534,293	8,810,069	20%
Net Asset Value per Share (HK\$)	每股資產淨值 (港元)	3.68	3.08	19%
Gearing Ratio (Total Liabilities/Total Assets) (%)	資產負債率 (總負債/總資產) (%)	57.6	57.9	(0.3)ppt

REVENUE 收入

HK\$'000 / 千港元



PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

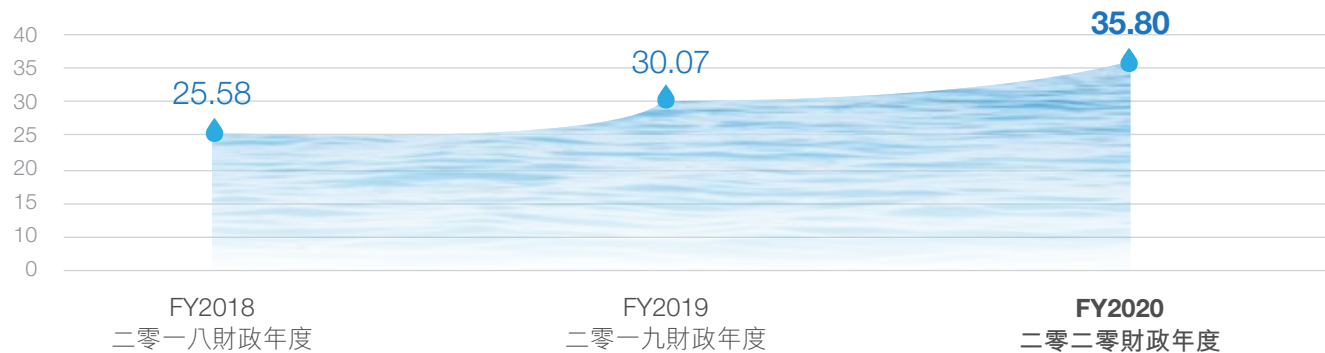
本公司權益持有人應佔盈利

HK\$'000 / 千港元



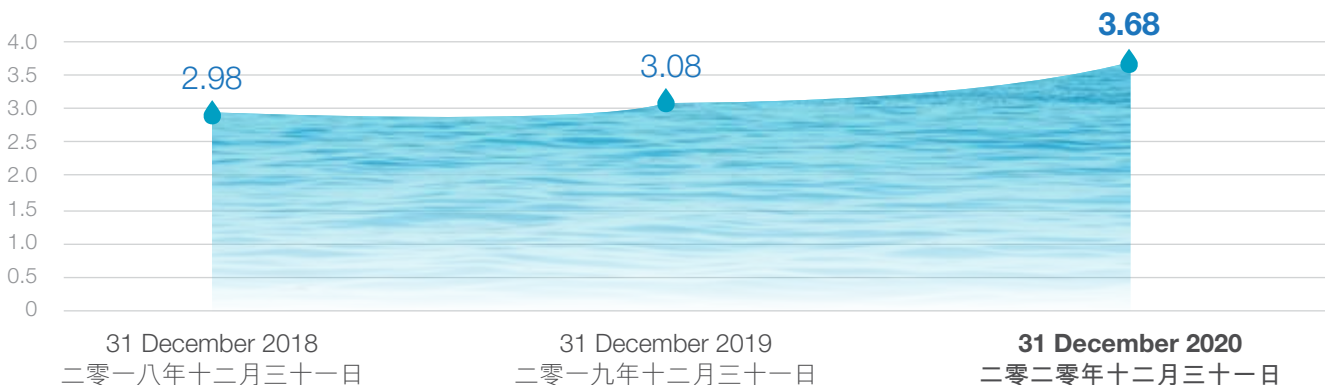
BASIC EARNINGS PER SHARE 每股基本盈利

HK cents / 港仙



NET ASSET VALUE PER SHARE 每股資產淨值

HK\$ / 港元



CORPORATE MILESTONES

企業里程碑



Suzhou Chengnan Waste Water Treatment Project
蘇州吳中城南污水處理項目

FIRST QUARTER OF 2020 二零二零年第一季度

- Announced FY2019 annual results, with profit attributable to the equity holders of the Company up by 23% year on year
- Secured multiple waste water treatment projects in Suzhou City and Lianyungang City of Jiangsu Province, and also in Binzhou City of Shandong Province, in succession, solidifying the Group's advantageous market position in the municipal waste water treatment industry of Jiangsu and Shandong Provinces
- Launched a series of environmental protection promotional campaigns themed with "Living in Harmony with Water", responding to the initiatives of the "World Water Day" and the "Water Week of China"
- 公佈二零一九財政年度全年業績，本公司權益持有人應佔盈利較二零一八財政年度錄得23%增長
- 先後於江蘇省蘇州和連雲港市、山東省濱州市取得多個污水處理項目，鞏固於江蘇省和山東省市政污水處理市場的優勢地位
- 圍繞「世界水日」、「中國水週」倡議，開展主題為「和諧自然 築水而生」的系列環保公益宣傳活動



Binzhou Development Zone Waste Water Treatment Project
濱州經濟開發區污水處理項目



Poetry Contest Themed with Environmental Protection on World Environment Day
世界環境日詩詞大賽雲直播



Lianyungang Xugou Waste
Water Treatment Project
連雲港墟溝污水處理項目

2019 Top Ten
Influential Enterprises in
China's Water Industry
二零一九年度水業十大
影響力企業

SECOND QUARTER OF 2020 二零二零年第二季度

- Recognised as one of the “Top Ten Influential Enterprises in China's Water Industry” for 2019 by E20 Environment Platform for the third consecutive year
- Published “China Everbright Water Limited Intelligent Water Whitepaper”, which analyses and discusses the application scenarios, technical options and implementation methods relating to “Intelligent Water” in the future, based on the Group's relevant experience in the waste water treatment sector over the past few years
- Issued ABS to qualified investors in mainland China for the first time, with a size of issue of RMB300 million
- Secured two waste water treatment projects in Ji'nan City and Dezhou City of Shandong Province in succession, further cementing the Group's market position in the municipal waste water treatment industry of Shandong Province
- Secured two waste water treatment projects in Shenyang City and Dandong City of Liaoning Province in succession, enhancing the Group's market planning in the industrial and municipal waste water treatment industries of Liaoning Province
- 入選E20環境平台二零一九年度「中國水業十大影響力企業」，連續第三年榮登該榜單
- 發佈《中國光大水務有限公司智慧水務白皮書》，基於本集團近年來在污水處理行業的實踐經驗，分析和探討未來「智慧水務」主題的應用場景、技術選擇、實施方法等
- 首次向中國境內合資格投資者發行資產支持證券，發行規模為3億元人民幣
- 先後於山東省濟南和德州市取得污水處理項目，進一步增強本集團於山東省市政污水處理市場的地位
- 先後於遼寧省瀋陽和丹東市取得污水處理項目，增強本集團於遼寧省的工業廢水處理及市政污水處理市場佈局

CORPORATE MILESTONES

企業里程碑

THIRD QUARTER OF 2020 二零二零年第三季度

- Secured Dandong Waste Water Treatment Project Phase II in Liaoning Province, enhancing the Group's market position in Northeast China
- 取得遼寧省丹東污水處理項目二期，提升於東北地區的市場地位
- Issued first tranche of MTN to institutional investors in the national inter-bank bond market of the mainland China, with a principal amount of RMB1 billion, an interest rate of 3.6% and a maturity period of three years
- 於中國境內向全國銀行間債券市場機構投資者發行首期中期票據，本金為10億元人民幣，利率為3.6%，債券期限為3年



Liaoning Dandong Waste Water Treatment Project
遼寧丹東污水處理項目



Awarded the "Highest Growth in Profit After Tax Over Three Years Award" by "The Edge Singapore" 獲頒新加坡《The Edge Singapore》「三年最高稅後利潤增長」殊榮



Video program promoting environmental protection by Everbright Water's project company in Nanjing City 南京水務環保宣傳視頻公益課

FOURTH QUARTER OF 2020 二零二零年第四季度

- Received "ListCo Excellence Award 2020" from multiple institutions including the Hong Kong stocks channel of "ifeng.com" and Hong Kong media "am730"
- Awarded the "Highest Growth in Profit After Tax Over Three Years Award" under the transportation and utilities sector in the Centurion Club Category by "The Edge Singapore's Billion Dollar Club 2020"
- Secured Changzhou Zhenglu Waste Water Treatment Project Phase II in Jiangsu Province, venturing into the water market of Changzhou City and solidifying the Group's market position in Jiangsu Province
- Several waste water treatment projects of the Group in multiple places, including Nanjing, Jiangyin, Suzhou and Zhenjiang of Jiangsu Province, Sanmenxia of Henan Province and Ji'nan of Shandong Province, were shortlisted in the fourth batch of the "National Environmental Protection Facilities and Urban Waste Water and Waste Treatment Facilities Opened to the Public"
- 獲得《鳳凰網港股》、香港媒體《am730》等機構聯合授予「傑出上市公司大獎 2020」
- 於新加坡權威財經媒體《The Edge Singapore》年度「十億新元俱樂部」系列評選活動「百夫長俱樂部」組別中，獲頒「三年最高稅後利潤增長」（交通及公用事業行業）殊榮
- 取得江蘇省常州鄭陸污水處理項目二期，進入常州水務市場，鞏固本集團於江蘇省的市場地位
- 旗下位於江蘇省南京、江陰、蘇州和鎮江市，河南省三門峽市，山東省濟南市的多個污水處理項目入選第四批全國「環保設施和城市污水垃圾處理設施向公眾開放單位」



The opening-up event organised by Everbright Water's project in Ji'nan City 濟南水務項目公眾開放活動



Received "ListCo Excellence Award 2020" from the Hong Kong stocks channel of "ifeng.com" 獲得《鳳凰網港股》「傑出上市公司大獎 2020」

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 58, 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, the Chairman of the board of directors and the Chief Executive Officer of Everbright Environment. He is also the Non-Executive Director and Chairman of the board of directors of China Everbright Greentech Limited (a subsidiary of Everbright Environment, the shares of which are listed on the SEHK).

Prior to joining the Group and Everbright Environment, 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58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。王先生為光大環境的執行董事、董事會主席兼行政總裁。他亦為中國光大綠色環保有限公司（光大環境之附屬公司，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環境前，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 XUESONG

安雪松先生

Executive Director and CEO

執行董事兼總裁



Mr. An, aged 50, 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 Environment.

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 Environment, 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50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。安先生亦為光大環境的副總經理。

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環境以前，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 47, 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 Environment, 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47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環境以前，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 HAITAO

翟海濤先生

Independent Non-Executive Director

獨立非執行董事



Mr. Zhai, aged 52, 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 Environment.

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52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。彼亦為光大環境之獨立非執行董事。

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 58, 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, Salomen 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58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 64, 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64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 62, 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62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程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 52, is the Vice President of the Company. He is also a director and/or the general manager of several subsidiaries of the Group.

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.

Mr. Wang was first appointed as senior management of the Company in February 2016.

王悦興先生 副總裁

王先生，現年52歲，為本公司副總裁。彼亦為本集團若干附屬公司的董事和/或總經理。

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。

王先生於二零一六年二月被首次委任為本公司的高級管理層。

MR. WANG GUANPING Vice President

Mr. Wang, aged 48, is the Vice President of the Company. He is also a director and/or the general manager of several subsidiaries of the Group.

Mr. Wang has rich experience in technology management and R&D. He was granted several invention patents and utility models. 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.

Mr. Wang was first appointed as senior management of the Company in February 2016.

王冠平先生 副總裁

王先生，現年48歲，為本公司副總裁。彼亦為本集團若干附屬公司的董事和/或總經理。

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。

王先生於二零一六年二月被首次委任為本公司的高級管理層。

SENIOR MANAGEMENT

高級管理層

MR. ZHANG GUOFENG Vice President

Mr. Zhang, aged 44, is the Vice President of the Company. He is also a director of several subsidiaries of the Group.

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.

Mr. Zhang was first appointed as senior management of the Company in February 2017.

張國鋒先生 副總裁

張先生，現年44歲，為本公司副總裁。彼亦為本集團若干附屬公司的董事。

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。

張先生於二零一七年二月被首次委任為本公司的高級管理層。

MR. SUN LINBO Vice President

Mr. Sun, aged 50, is the Vice President of the Company. He is also a director and/or the general manager of several subsidiaries of the Group.

Mr. Sun has rich experience in infrastructure construction and project operations management in the environmental protection industry.

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.

Mr. Sun was first appointed as senior management of the Company in February 2017.

孫林波先生 副總裁

孫先生，現年50歲，為本公司副總裁。彼亦為本集團若干附屬公司的董事和/或總經理。

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。

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。

孫先生於二零一七年二月被首次委任為本公司的高級管理層。

MR. NIU KESHENG CEO Assistant

Mr. Niu, aged 57, is the CEO Assistant of the Company. He is also a director and/or the general manager of several subsidiaries of the Group.

Mr. Niu has rich experience in operations management within the environmental protection industry.

牛克勝先生 總裁助理

牛先生，現年57歲，為本公司總裁助理。彼亦為本集團若干附屬公司的董事和/或總經理。

牛先生具有豐富之環保行業運營管理經驗。

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.

Mr. Niu was first appointed as senior management of the Company in May 2018.

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

牛先生於二零一八年五月被首次委任為本公司的高級管理層。

MR. WU ZHIGUO CEO Assistant

Mr. Wu, aged 43, is the CEO Assistant of the Company. He is also a director and/or the general manager of several subsidiaries of the Group.

Mr. Wu has rich experience in waste water treatment and engineering construction management.

Mr. Wu holds a Bachelor's Degree in Civil Engineering from Xuzhou University of Technology. He also holds the titles of Human Resources Professional (Intermediate) and Certified Senior Economist.

Mr. Wu was first appointed as senior management of the Company in March 2021.

吳志國先生 總裁助理

吳先生，現年43歲，為本公司總裁助理。彼亦為本集團若干附屬公司的董事和/或總經理。

吳先生具有豐富之污水處理和工程建設管理經驗。

吳先生持有徐州工程學院土木工程學士學位，彼亦取得人力資源管理中級職稱及國家高級經濟師職稱。

吳先生於二零二一年三月被首次委任為本公司的高級管理層。

MS. PENG PEI Legal Counsel and Joint Company Secretary

Ms. Peng, aged 34, 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 Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators).

Ms. Peng was first appointed as senior management of the Company in January 2017.

彭珮女士 法律顧問兼聯席公司秘書

彭女士，現年34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學位。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特許公司治理公會（原特許秘書及行政人員公會）之會士。

彭女士於二零一七年一月被首次委任為本公司的高級管理層。

WORK HAND IN HAND
FOR
a Better Future

攜手同心
共繪未來



SUSTAINABILITY REPORT

可持續發展報告



**ENVIRONMENTAL AND
SOCIAL POLICIES**
環境及社會政策



**ENHANCE CITIES' RESILIENCE
AGAINST CLIMATE CHANGE**
提升城市應對氣候變化的抗禦能力



**PERSISTENCE ON FRONT-LINE
PANDEMIC CONTROL**
堅守抗疫前線



ENVIRONMENTAL PERFORMANCE
環境表現



**TALENT
DEVELOPMENT**
人才發展



**HEALTH AND
SAFETY**
健康與安全



**COMMUNITY
INVOLVEMENT**
社區參與

This is an abstract of Everbright Water's Sustainability Report for FY2020. The full Sustainability Report for FY2020 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 Group's environmental and social management strategies to align with its core value of "Devoted to Ecology and Environment for a Beautiful China" and to demonstrate its commitment to tackling the world's most pressing issues.

The full report, in both Chinese and English languages, 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.hkexnews.hk) in May 2021.

此章節為光大水務二零二零財政年度可持續發展報告的摘要。二零二零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》）以及聯交所發佈的《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「情繫生態環境，築夢美麗中國」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）可於二零二一年五月通過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.hkexnews.hk）下載及閱覽。

SUSTAINABILITY REPORT

可持續發展報告



ENVIRONMENTAL AND SOCIAL POLICIES

環境及社會政策

Following the increasing public awareness of environmental protection, the PRC government has imposed more stringent industry regulations in the environmental protection field and discharge standards for environmental protection projects. The Group believes that maintaining stable and good corporate operations management is of paramount importance in ensuring efficient, healthy and sustainable corporate development.

The Group has continuously improved its internal management. Apart from establishing a complete management system and enhancing emergency response capacity, the Group has fully implemented the ESHS Management System and the Risk Management System at all levels. Enhanced efforts are made in the further implementation of management platforms such as the "Intelligent Water" system to standardise the internal process for project investment, construction and operations management, as well as to effectively identify, quantify, assess and control risks, and enhance the overall operating efficiency and proficiency. 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 background, qualifications, construction operations and environmental performance.

The Group demonstrates a strong commitment to the concepts of corporate social responsibility and green operation. The Group has 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 since 2016. Such monitoring reports cover all projects of the Group, including projects in the preparatory stage, projects under construction, projects that completed construction and projects in operation. All 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.

隨著中國公眾的環保意識日漸提升，中國政府在環保領域採取更嚴格的監管措施、對環保項目實施更嚴格的排放標準。本集團深信維持穩健良好的企業運營管理是確保企業高效、健康和可持續發展的基礎。

本集團持續加強內部管理，除了構建完善的管理體系和提升應急能力外，本集團亦積極於各級全面實施ESHS管理體系和風險管理體系，進一步落實「智慧水務」等職能管理平台的應用，務求讓項目投資、建設及運營過程中各環節的管理達致規範化，並有效識別、量化、評估和管控風險，提升整體營運效率和效益。本集團擬訂並落實了《承包商ESHS管理標準》，透過審視承包商的公司背景、資質、施工作業及環保等各方面的表現，辨識和監控與環境、社會和安全相關的風險。

本集團堅守企業社會責任和綠色運營理念，積極遵循世界銀行集團《環境、健康和安全管理指南》等國際標準以評估其環境及社會表現，並自二零一六年起定期向國際金融公司提交監測報告。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、建成完工項目及運營項目。本集團旗下所有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。



ENHANCE CITIES' RESILIENCE AGAINST CLIMATE CHANGE

提升城市應對氣候變化的抗禦能力

As consequences of climate change, the global temperature rises, acute natural disasters such as heat waves, floods and extreme weather are becoming more frequent, and chronic natural disasters such as drought, rising sea levels and resource depletion intensify. To improve the projects' resilience against climate change, the Group has included climate change risk into its Risk Management System to formulate more comprehensive emergency and natural disaster contingency plans.

The Group contributes to the development of sustainable cities and communities by providing a series of water environment management services. Its raw water protection, municipal waste water treatment, industrial waste water treatment, water supply, reusable water, and sludge treatment and disposal projects have effectively relieved the pressure on urban water supply and drainage and substantially minimised the impact of harmful substances on the aquatic and terrestrial ecosystems. Through establishing systems for controlling surface runoff and relieving pressure on urban river channels, the Group's river-basin ecological restoration projects enhance the ecological environment, and hence improve the cities' flood prevention ability.

The concept of "Sponge City" was first proposed by China in 2012 Low-Carbon Urban Development and Technology Forum, aiming to achieve flood prevention through effective control of rainwater runoff. The Group's "Sponge City" project aims to improve a city's ability in absorption, infiltration, retention, release and purification of rainwater, and to enhance the function of the water ecosystem in the city through systems that can effectively control surface runoff and relieve pressure on urban river channels. The Group's Zhenjiang Sponge City Construction PPP Project fully implements the "Sponge City" concept in practice, through the integration of a series of water storage tanks, rainwater pump stations, rainwater drainage networks, waste water treatment facilities, as well as ecological restoration works etc. This project will significantly improve the capacity of Zhenjiang City in waterlogging prevention, pollution reduction and rainwater utilisation.

全球氣候變化導致全球暖化，熱浪、洪水及極端天氣等突發性自然災害日趨頻密；乾旱、海平面上升及資源枯竭等慢性自然災害也日益嚴重。為提升項目的氣候變化復原力，本集團將氣候變化風險納入現有的風險管理體系中，以制定更完善的緊急與自然災害應變方案。

本集團透過一系列的水環境綜合治理服務，為建設可持續城市和社區作出貢獻。本集團的原水保護、市政污水處理、工業廢水處理、供水、中水回用及污泥處理處置項目可有效緩減城市供排水的壓力，並將有害污染物對水體和陸上生態的影響降至最低。流域治理項目則透過建立控制表面徑流和防洪排澇的系統，創建更優質的生態環境，整體加強城市應對水患的抗禦能力。

中國在「二零一二低碳城市與區域發展科技論壇」中，首次提出「海綿城市」的概念，以有效控制雨水徑流，達致防洪作用。本集團的「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，提升城市水生態系統功能。本集團的鎮江海綿城市建設PPP項目全面貫徹「海綿城市」的理念，項目包括建立一系列調蓄池、雨水泵站、雨水管網和污水處理設施以及生態治理工程。該項目將大幅提升鎮江市的內澇防治、污染削減以及雨水利用能力。

SUSTAINABILITY REPORT

可持續發展報告



PERSISTENCE ON FRONT-LINE PANDEMIC CONTROL

堅守抗疫前線

Since the COVID-19 outbreak, the Group promptly set up an epidemic response leading team, quickly deployed pandemic prevention and control measures and implemented effective and scientific pandemic control measures. It also actively implemented regular prevention and control measures in particular during the autumn and winter seasons and the major festivals and holidays which strengthened the pandemic control measures with unrelenting effort. Under the premise of ensuring the health and safety of its employees at various locations, the Group ensured the safe production, stable operations and compliant discharge of all projects and helped the local communities to prevent secondary virus transmission through waste water and other types of waste.

During the outbreak, as large amount of disinfectants were discharged into waste water, it increased the difficulty for the Suizhou Water Environment Management Project of the Group (“**Suizhou Project**”) in Hubei Province to achieve a stable effluent standard. To tackle the shortage of chemicals during the early stage of the COVID-19 outbreak, the Suizhou Project actively coordinated supplies, adjusted the waste water treatment processes and used local flour to replace sodium acetate as the carbon source to maintain stable and continuous operation. The Suizhou Project’s staff held fast to their positions and took daily samples of waste water effluent to monitor the waste water treatment performance and ensured the compliance with relevant discharge standards in major epidemic areas.

In February 2020, the situation of the pandemic in Liuhe District and Jiangbei New Area in Nanjing City, Jiangsu Province was critical, and the Group’s Nanjing Liuhe Waste Water Treatment Project (“**Nanjing Liuhe Project**”) received the first batch of municipal waste water from quarantine sites on 10 February 2020. To facilitate effective pandemic control and compliance with effluent discharge standards, the Group implemented five control measures for Nanjing Liuhe Project, including isolated plant control, frequent disinfection and body temperature measurement; prioritised allocation of disinfectants to the Nanjing Liuhe Project; regular inspection and maintenance for facilities; increased chemical storage capacity; as well as strict requirements for laboratory personnel to wear full personal protective equipment.

As an environmental protection enterprise focusing on water environment management, the Group recognises the importance, urgency and challenges of environmental management. To ensure compliance with the applicable discharge standards, the Group adopts suitable waste water treatment processes to precisely remove components harmful to the environment and human health before the water is returned to nature.

二零二零年新冠疫情爆發之後，本集團迅速成立疫情應對領導小組，及時進行疫情防控部署，採取科學有效措施進行防疫；並積極落實疫情常態化防控、秋冬季疫情防控和重大節假日疫情防控等，毫不鬆懈地抓好疫情防控措施；在保障各地員工健康安全的前提下，確保專案安全生產、穩定運營、達標排放，助力當地社區有效阻斷病毒透過污水等廢棄物媒介二次傳播。

在新冠疫情期間，市政污水被投放大量消毒液，增強了本集團位於湖北省的隨州水環境治理項目（「**隨州項目**」）處理穩定達標的難度。與此同時，為應對疫情初期面對藥劑短缺的情況，隨州項目積極協調供貨，調整污水處理工藝流程，用當地麵粉替代乙酸钠做碳源，使運行保持穩定。隨州項目運行班工作人員緊守崗位，每日按時對污水出水進行取樣監測，保障重點疫區污水處理及達標排放。

二零二零年二月，位於江蘇省南京市六合區和臨近的江北新區防控形勢較為嚴峻，而本集團的南京六合污水處理項目（「**南京六合項目**」）在二零二零年二月十日接收第一批隔離觀察點的生活污水。為確保防疫有效與達標排放，本集團對南京六合項目實行五項管控措施，包括在全廠進行隔離管控、每日多次消毒、測量體溫；將防疫消毒物優先分配給南京六合項目；對設備進行排查和檢修；加大藥劑儲備量；及嚴格要求取樣及化驗人員穿戴全套防護裝備等。

作為以水環境綜合治理業務為主業的環保企業，本集團深知環境管理工作的重要性、緊迫性和艱巨性。本集團採用合適的污水處理工藝，在水體回流至大自然之前，精準地去除對環境與人類健康構成傷害的物質，以確保本集團遵守適用的排放標準。



ENVIRONMENTAL PERFORMANCE

環境表現

Waste Water and Waste Management

The Group applies 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 the requirements as stipulated in the environmental impact assessment reports approved by the local governments, whilst majority of the projects complying with Grade 1A standard of *Discharge Standard of Pollutants for Municipal Wastewater Treatment Plants (GB18918-2002)*. During the year under review, the Group treated 1,559,100,000 m³ of waste water and reduced approximately 339,000 tonnes of chemical oxygen demand (COD) discharge.

In addition, the Group's reusable water projects purify effluent from its waste water treatment plants in accordance with the *Reuse of Urban Recycling Water - Water Quality Standard for Industrial Uses (GB/T19923-2005)* or equivalent standards. To reduce freshwater consumption of cities, reusable water produced by reusable water projects can be used as in-plant cooling water or for general industrial use by other corporations. During the year under review, the Group produced 24,330,000 m³ of reusable water.

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1,559,100,000立方米污水，同時減少了大約339,000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旗下中水回用項目，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24,330,000立方米的回用水。



WASTE WATER TREATED

處理污水

approximately
1,559,100,000 m³

約1,559,100,000立方米



CHEMICAL OXYGEN DEMAND (COD)

DISCHARGE REDUCED

化學需氧量排放減少

approximately
339,000 tonnes

約339,000噸

REUSABLE WATER 回用水 approximately **24,330,000 m³** 約**24,330,000**立方米

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 Guideline for Water and Sanitation* to reduce environmental impacts of sludge treatment and disposal.

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. The remaining 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，本集團還將世界銀行集團的《通用環境、健康和安全管理指南》及《水與衛生環境、健康與安全管理指南》等相關國際標準納入考慮，以減少污泥處理與處置對環境的影響。

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。

SUSTAINABILITY REPORT

可持續發展報告



TALENT DEVELOPMENT

人才發展

The Group firmly believes that a sound and outstanding talent pool is a key factor for corporate development. The Group upholds the “People-Oriented” philosophy and pays great attention to talent development. Through a sound human resources management system, the Group provides employees with attractive career development opportunities and a caring working environment.

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, religions, etc.

During the year under review, the Group implemented the following staff development plans to establish a proactive and innovative team.

本集團堅信穩健、優秀的人才隊伍是企業發展的關鍵因素。本集團堅持「以人為本」的理念，高度重視人才隊伍建設，致力透過有效的人力資源管理體系，為員工提供具吸引力的職業發展機會及充滿關愛的工作環境。

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，本集團推行了下列員工發展計劃，務求建立一支積極主動且富有創造力的團隊。



Training to Backup Management Personnel at Everbright Water in 2020
光大水務二零二零年度後備幹部培訓班



TALENT DEVELOPMENT (CONTINUED)

人才發展 (續)

<p>Training Programme for Communications Officers 全系統通訊員培訓活動</p>	<p>Everbright Water launched its first online training programme for communications officers on 18 June 2020 due to the COVID-19 pandemic. The aim of the training was to summarise and share experiences of different divisions of the Group on the establishment of corporate cultures, systematically improve the learning and working abilities of communications officers, and motivate them to better perform their duties on corporate promotion.</p> <p>因新冠疫情影響，光大水務首次以全程線上形式，於二零二零年六月十八日開展通訊員培訓。該次培訓旨在總結本集團旗下各單位企宣工作並分享企業文化建設經驗，系統化提升通訊員的學習及工作能力，促進本集團旗下各單位通訊員在企宣工作中積極履職擔責。</p>
<p>Comprehensive Appraisal System 綜合考核機制</p>	<p>The Group's internal assessment mechanism closely monitored employees' career development by setting practical goals along with on-going evaluation. Such mechanism also helped cultivate outstanding employees who embraced the core values of the Group.</p> <p>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。</p>
<p>Tiered Talent Development Strategy 梯隊式人才佈局</p>	<p>The Group established a managerial and technical backup talent pool to recognise high performing talents by offering them with internal promotion opportunities.</p> <p>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。</p>
<p>Apprenticeship Programme 「師帶徒」計劃</p>	<p>The apprenticeship programme allowed the skillful workers to lead new comers, which effectively passed valuable skills and knowledge to new employees and helped them establish practical career plans.</p> <p>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。</p>
<p>Technical Talent Training Programmes 技術型人才培訓計劃</p>	<p>Through "Industrial-Academic" collaboration, the Group invited local and overseas technical experts to provide trainings to managerial and technical employees of the Group's projects, widening their horizons.</p> <p>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。</p>

SUSTAINABILITY REPORT

可持續發展報告



HEALTH AND SAFETY

健康與安全

All construction and operation projects of the Group stringently comply with the local occupational health regulations. By putting “safe production” as its first priority, the Group is committed to minimising operational and construction risks to safeguard the health and safety of its employees.

The Group has implemented standardised safety and environmental management system to monitor the potential safety issue. Safety and environmental management teams have been established at every project company to enable continuous management on safe production and enhance the awareness on risk prevention. Furthermore, the Group extends the safety and environmental management system to its supply chain by clearly stating the relevant occupational health and safety requirements in the supplier contracts, thus monitoring the health and safety performance of the Group’s key suppliers.

During the year under review, facing critical COVID-19 pandemic situation, the Group issued targeted policies and strengthened implementation to achieve “zero infection” in the work area; it overcame various internal and external unfavourable factors in ensuring continuous operations of operating projects to guarantee compliance with effluent discharge standard and safeguarding environmental safety and health of residents. The Group continued carrying out the “Safe Production Month” initiative and fully implementing the “Three Zeros” goal (zero work safety accident, zero excessive discharge of pollutants and zero case for violation of regulations or discipline) through themed activities, training, safety inspection and emergency drills across all project companies.

In addition, the Group protected its employees’ health by providing annual medical check-ups and occupational disease surveillance. Moreover, the Group set up an Employee Safeguard and Safety Fund, which can be disbursed upon application to provide support to employees who suffer from accidents or diseases, relieving financial burden of their families.

本集團所有建設和運營項目嚴格遵守項目所在地職業健康法規，始終將「安全生產」置於首位，致力降低運營和建設風險以保障員工及公眾的健康與安全。

本集團透過標準化的安全與環境管理體系監督各項安全隱患，並在每個項目公司設立安全與環境管理團隊，務求做好安全生產常態化管理，進一步提高風險防範意識。安全與環境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，面對新冠疫情形勢嚴峻，本集團精準制定並強化落實防控措施，實現工作區「零感染」；克服內外部各種因素，投運項目無停產並保障污水處理達標排放，守護居民環境安全與健康。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（零安全事故、零超標排放、零違法違規）。

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。



COMMUNITY INVOLVEMENT

社區參與

Everbright Water deems environmental protection and environmental education as its responsibility. The Group also leverages on its competitive advantages in technology, resources and talent to join hands with various environmental, technological associations and government organisations in organising numerous activities to promote the importance of environmental protection and green living.

The Group's waste water treatment projects have received various awards and recognitions such as the "Science Popularisation and Education Hub", "Environmental Education Hub" and "Practices Base for Ecological Civilisation Development". 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. The Group is committed to developing itself into an advanced hub for public visits and environmental education that provides on-site visits, practical learnings and technical trainings simultaneously. As at 31 December 2020, a total of 27 projects of the Group had been officially opened to the public. In FY2020, these projects received more than 7,000 visitors in 543 batches in aggregate. Although the physical public visits were suspended for a while due to the COVID-19 pandemic, the Group's projects launched activities to promote environmental protection concepts and relevant scientific knowledge to the public via online platforms. The Group has implemented specific targets and policies for public opening of facilities. The Group is also committed to participating in local and international environmental protection and technology activities, aligning with national policies, formulating policies for environmental protection open days, and encouraging employees to live a low-carbon lifestyle.

During the year under review, the Group launched the new "Cloud Open Day", which was an online platform for virtual tours of waste water treatment facilities. Through various methods, such as: online direct interaction, recording videos and uploading them to the official media and news media, the number of online views exceeded 160,000 during the year under review. In addition, through live streaming with online interactive activities, the public can virtually visit and understand the operation of waste water treatment projects. The "Cloud Open Day" particularly benefits the seniors and individuals with disabilities, allowing them to learn about environmental protection facilities at home through videos.

光大水務義不容辭地承擔環境保護及環保教育的重任，並利用其在技術、資源及人才方面的優勢，積極聯同多個環保、科技協會及政府機構展開各類活動，以宣揚環保生活的重要性。

本集團多個污水處理項目更被授予「科普教育基地」、「環境教育基地」、「生態文明建設實踐基地」等稱號。本集團積極響應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，致力於把本集團建設成為一個集參觀學習、實踐學習、技能培訓為一體的全國先進的公眾開放和環保宣傳基地。截至二零二零年十二月三十一日，本集團已有27個項目向公眾正式開放。於二零二零財政年度，這些項目共接待公眾參觀543批次，逾7,000人次。雖然「線下」公眾開放活動因新冠疫情暫停一段時間，本集團旗下項目積極透過「線上」平台向民眾宣傳環保理念，推廣環保科普知識。本集團在公眾開放方面落實了具體的目標與措施，並致力參與國內和國際的環保科技活動、配合國家政策、制定環保開放日政策與鼓勵員工實行低碳生活。

回顧年度內，本集團開展了全新的「雲開放」環保導賞活動。通過線上直接互動、錄製視頻投放官方媒體及新聞媒體等多種方式，回顧年度內線上流覽觀看人數超過16萬次。另外，本集團也透過線上直播互動的形式，帶領觀眾參觀水務設施，了解污水處理全流程。「雲開放」模式能讓老年人或行動不便的人士可以在家中透過視頻了解環保設施。

SUSTAINABILITY REPORT

可持續發展報告



COMMUNITY INVOLVEMENT (CONTINUED)

社區參與 (續)

22 April 2020 – “Earth Day”

二零二零年四月二十二日 — 「世界地球日」



The National Youth Charity Alliance collaborated with Nanjing Liuhe Project Company under the Group to host the “Science Popularisation Webinar about Pandemic” with the theme of “Human and Nature: Clean Water for Everyone” through online live broadcast interactive mode, and organised a “Cloud Tour” of the Nanjing Liuhe Project through “Cloud Streaming”. The “Cloud Open Day” activity attracted over 1,300 views online and approximately 800 people participated in the online Q&A session.

全國青少年公益聯盟與本集團南京六合項目公司合作，通過線上直播互動的方式推出了主題為「人與環境，淨水寶寶養成記」的「益對疫公開科普課」，更以「雲直播」的方式帶領人們「雲遊」本集團的南京六合項目。該次「雲開放」活動吸引了超過1,300次線上觀看與近800人參與線上答題。

24 May 2020 – “The 20th Science Popularisation Promotion Week”

二零二零年五月二十四日 — 「第二十屆科普宣傳週」



In the “20th Science Popularisation Promotion Week” hosted by the Suzhou (Wuzhong District) Association for Science and Technology, the Suzhou Waste Water Treatment Project (“**Suzhou Project**”) Company under the Group organised a “Cloud Open Day” to allow the public to virtually visit and understand the Suzhou Project, which attracted nearly 800 views online.

蘇州市吳中區科學技術協會舉辦的「第二十屆科普宣傳週」系列活動中，本集團的蘇州污水處理項目（「**蘇州項目**」）公司以「雲開放」模式讓民眾、學生和不同行業人士認識及參觀蘇州項目，共吸引了近800次線上觀看。

5 June 2020 – “World Environment Day”

二零二零年六月五日 — 「世界環境日」



The Group used its Lianyungang Waste Water Treatment Project (“**Lianyungang Project**”) as a demonstration project for science popularisation. A “Cloud Tour” led by the project company representative introduced the operation of the Lianyungang Project, attracting over 3,000 views online and more than 1,000 interactive comments. Lianyungang Project and a group of “little journalists” of Cangwu Evening Newspaper jointly launched “Cloud Visit” named “White Washing of Waste Water” to introduce the process and principles of waste water treatment from children’s perspective to the primary and middle school students in a more intuitive way, attracting more than 60,000 views online.

本集團以其連雲港污水處理項目（「**連雲港項目**」）為科普示例，由項目公司代表帶領觀眾線上「雲遊」連雲港項目，共吸引了逾3,000次線上觀看，超過1,000條互動留言。連雲港項目與《蒼梧晚報》小記者部聯合開展「淨看環保」線上「雲參觀」——環保小主播帶你看之「污水洗白記」。從孩子的視角更直觀地向廣大中小學生闡述污水處理的流程和原理，超過6萬次線上觀看。



COMMUNITY INVOLVEMENT (CONTINUED)

社區參與 (續)

In addition, Everbright Water established a series of offline activities to promote advanced environmental technologies and enhance public awareness on environmental protection, as well as increase participation in various kinds of philanthropic and charitable events.

Ji'nan Waste Water Treatment Project (“**Ji'nan Project**”) Company under the Group organised “Green Tour” for various local schools. During the activities, primary school students visited the treatment plant and understood the waste water treatment processes through live interactions; and they also learnt about every treatment unit through drawing simple flowcharts. Nanjing Liuhe Project Company also organised “Cherish Water Resources, be a Little Pioneer of Water Conservation” themed activities to teach children about waste water treatment processes and water resources, with the aim to raise their awareness of ecological and water resource conservation.

During the Sanmenxia charity event “Poverty Alleviation through Cultural Development • Core Values of Education in Sanmenxia”, the Sanmenxia Waste Water Treatment Project (“**Sanmenxia Project**”) of the Group received recognition as a “Caring Organisation” for donating science books to a local primary school. Through the donation, the local students learnt more about science and emergency response actions when encountering emergency incidents, while the Sanmenxia Project shared their love and care to the local families.

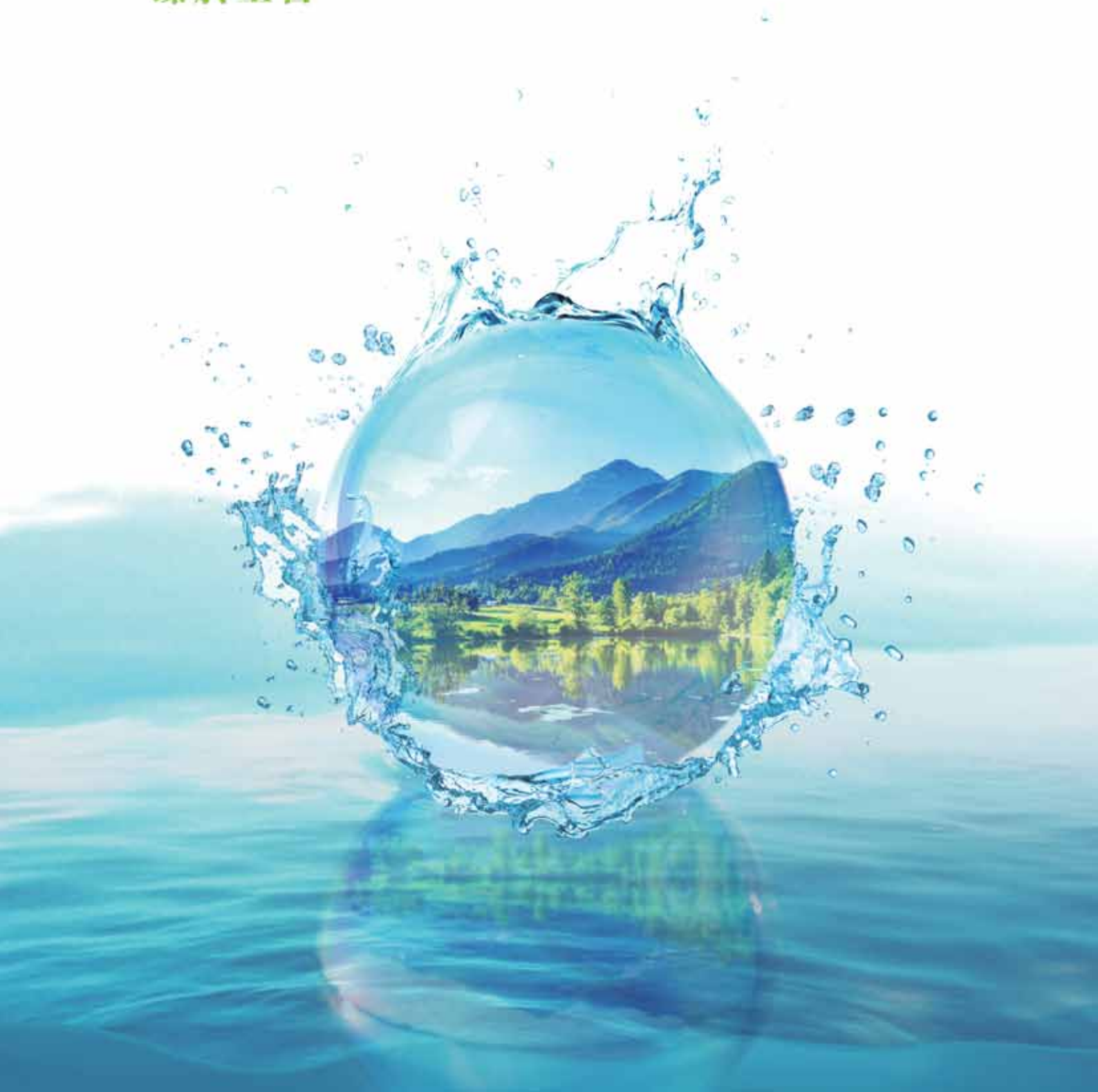
此外，光大水務開展了一系列的線下活動，在推廣先進環保技術及提升公眾環保意識之外，亦參與各個範疇的慈善及公益活動。

本集團的濟南污水處理項目（「**濟南項目**」）公司為不同學校舉辦了「環保之行」。活動當中，小學生參觀廠區了解廠區情況和污水處理工藝的流程，並透過生動的方式學習，畫上簡單的流程圖，紀錄下每個處理單元。南京六合項目公司舉辦了「珍惜水環境，爭做節水小衛士」節水教育主題活動，讓小朋友們了解了污水處理流程及水資源相關的知識，並提升了他們對生態環保和愛水節水的意識。

三門峽市「文化扶貧•核心價值觀教育在三門峽」公益活動中，本集團的三門峽污水處理項目（「**三門峽項目**」）不僅獲授「愛心單位」本集團的榮譽稱號，更將科普圖書捐贈至三門峽市當地的一所小學，讓學生們學習更多科普知識，提升他們在遇到公共安全和突發事件時的自救、互救技能，並把愛心和關懷傳遞到每一個家庭。

PURSUING EXCELLENCE
THROUGH
Continuous Exploration

追求卓越
臻於至善



CORPORATE GOVERNANCE REPORT

企業管治報告

China Everbright Water Limited (“**Everbright Water**” or the “**Company**”, together with its subsidiaries, the “**Group**”) is committed to achieving high standards of corporate governance to ensure investor confidence in the Company as a trusted business enterprise. The board (the “**Board**”) of directors (the “**Directors**”) and the management of the Company (the “**Management**”) will continue to uphold good corporate governance practices to enhance long-term value and returns for the shareholders of the Company (the “**Shareholders**”) and protect the Shareholders’ interests.

This report outlines the Company’s corporate governance practices for the financial year ended 31 December 2020 (“**FY2020**” or the “**year under review**”) 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 listing manual (the “**SGX Listing Manual**”) of Singapore Exchange Securities Trading Limited (“**SGX**” or “**SGX-ST**”). Throughout FY2020, 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 Stock Exchange of Hong Kong Limited (the “**SEHK**”) on 8 May 2019, 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 Rules Governing the Listing of Securities on the SEHK (the “**SEHK 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. Throughout FY2020, 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.

中國光大水務有限公司（「**光大水務**」或「**本公司**」，連同其附屬公司統稱「**本集團**」）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。本公司董事（「**董事**」）會（「**董事會**」）和管理層（「**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本公司股東（「**股東**」）回報，保護股東的權益。

本報告概述了本公司在截至二零二零年十二月三十一日止的財政年度（「**二零二零財政年度**」或「**回顧年度**」）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**」）中持續義務的組成部分。除本報告另有說明外，於二零二零財政年度內，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在香港聯合交易所有限公司（「**聯交所**」）主板上市以來，本公司已採納聯交所證券上市規則（「**聯交所上市規則**」）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。於二零二零財政年度內，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 of the Company;

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）；及
- (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) 檢討及監察本公司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 of the Company; 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、檢討及監察本公司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 the 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放棄表決。

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 FY2020, the Board held four 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）。董事會也可於需要時召開臨時會議，討論可能出現的具體重大問題。在二零二零財政年度中，董事會一共召開了四次會議。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或董事會委員會，以確保各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。

CORPORATE GOVERNANCE REPORT

企業管治報告

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 from 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, the Strategy Committee, the Management Committee and the annual general meeting of the Company (the "AGM"), held during FY2020, 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。

二零二零財政年度董事會、審計委員會、薪酬委員會、提名委員會、戰略委員會及管理委員會所召開的會議及本公司股東週年大會（「股東週年大會」）的召開次數及董事出席情況如下：

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		Strategy Committee 戰略委員會		Management Committee 管理委員會		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	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	4	3	NA	NA	1	0	1	1	1	1	NA	NA	1	1
Mr. An Xuesong 安雪松先生	4	4	NA	NA	NA	NA	NA	NA	1	1	48	47	1	1
Mr. Luo Junling 羅俊嶺先生	4	4	NA	NA	NA	NA	NA	NA	1	1	48	47	1	1
Mr. Zhai Haitao 翟海濤先生	4	4	2	2	1	1	1	1	NA	NA	NA	NA	1	1
Mr. Lim Yu Neng Paul 林御能先生	4	4	2	2	1	1	1	1	NA	NA	NA	NA	1	1
Ms. Cheng Fong Yee 鄭鳳儀女士	4	4	2	2	1	1	NA	NA	NA	NA	NA	NA	1	1
Ms. Hao Gang 郝剛女士	4	4	2	2	NA	NA	NA	NA	1	1	NA	NA	1	1

Note:

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

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

附註：

N.A. – 並非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（「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。

CORPORATE GOVERNANCE REPORT

企業管治報告

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 its various sub-committees (the "**Board Committees**"), namely, the Nominating Committee, the Remuneration Committee, the Audit Committee, the Strategy Committee and the Management Committee. The 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 Hong Kong Exchanges and Clearing Limited ("**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 (the "**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.

董事會權限與授權

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，明確了管理層需要上報董事會審批的事項。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（「**董事會委員會**」）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和本公司及香港交易及結算所有限公司（「**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 FY2020:

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。

以下是董事們在二零二零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
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 A,B,C
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 A,C A,C A,C

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Note:

Types of Trainings:

- 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

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 FY2020, Ms. Ho has undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the SEHK 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 and the relevant rules and regulations. The appointment and removal of any Joint Company Secretary are 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).

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

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。於二零二零財政年度內，何女士接受不少於15小時的相關專業培訓，已遵守了聯交所上市規則第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。

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Board Composition and Balance

The Company has a Board with a balanced composition of Executive and Non-Executive Directors (including Independent Non-Executive Directors). The Board currently comprises seven Directors, with four Directors being Independent Non-Executive Directors. The Directors 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 in all corporate communications that disclose the names of Directors.

In addition, none of the members of the Board is related to one another and there was no change in the composition of Board during FY2020.

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.

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 SEHK 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.

董事會的組成和平衡

本公司由執行董事和非執行董事（包括獨立非執行董事）均衡地組成其董事會。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，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。

此外，董事會成員之間概無任何關聯關係，董事會的組成於二零二零財政年度並無任何變更。

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、新交所上市手冊和聯交所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董事。

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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 SEHK Listing Rules. For FY2020, 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 China Everbright Environment Group Limited (formerly known as China Everbright International Limited) ("**Everbright Environment**"), but he is not involved in the daily management and operation of Everbright Environment. The NC and the Board determined that Mr. Zhai Haitao is independent in conduct, character and judgment and his role as independent non-executive director of Everbright Environment 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 Environment, 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. In addition, when a director who has served the Board beyond nine years seeks for continued appointment as an independent director, his/her re-appointment will also be subject to more stringent Shareholders' resolutions mechanism in accordance with the requirements under the SGX Listing Manual.

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

每名獨立非執行董事須每年填寫董事獨立調查清單，以確認其按照新交所上市手冊和新加坡企業管治守則的要求具有獨立性。根據聯交所上市規則第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。在二零二零財政年度，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中國光大環境（集團）有限公司（原中國光大國際有限公司）（「**光大環境**」）的獨立非執行董事，但他並不參與光大環境的日常經營管理。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，他作為光大環境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環境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。此外，在董事會累計任職超過九年的董事當尋求續聘為獨立董事時，也將根據新交所上市手冊的要求受限於更嚴格的股東決議機制。

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。本公司亦符合聯交所上市規則

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SEHK 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.

Furthermore, the Audit Committee (the “AC”), the Remuneration Committee (the “RC”) and the NC are chaired by 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, review the performance of the Management in achieving targets and objectives, and monitor the reporting of performance. In particular, the Chairman of the Board ensures that each of the Independent Non-Executive Directors is given sufficient time to express his/her opinions during the Board meetings. During FY2020, the Chairman and the Independent Non-Executive Directors met once without the presence of the other Executive Directors and 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.

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。

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。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。在二零二零財政年度內，董事長和獨立非執行董事在其他執行董事和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。

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The NC has responsibility for identifying and nominating candidates for appointment to the Board and recommending the same to the Board for approval. 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.

The current Board members comprise 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 38 to 44 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.

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。

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38頁至第44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。

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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.

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 reference 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) assessing the independence of Independent Non-Executive Directors bearing in mind the circumstances set out in Rule 3.13 of the SEHK Listing Rules and Provision 2.1 of the SG CG Code and other salient factors;

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。

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（尤其是董事長、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) 考慮聯交所上市規則第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 carrying 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 FY2020, 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.

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 in accordance with its nomination policy. 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 SEHK 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 nomination of a Director for re-election for the Shareholders' approval at the AGMs.

於二零二零財政年度內，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)即將告退董事的競選連任。

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，根據其提名政策，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聯交所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）提名該等董事在股東週年大會上重選連任。

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Each Non-Executive Director, including each Independent Non-Executive Director, is appointed for a term of three years until 11 April 2022.

All Directors (including the Chairman of the Board and the CEO) are subject to the provisions of the 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. Zhai Haitao, Mr. Lim Yu Neng Paul, Ms. Cheng Fong Yee and Ms. Hao Gang are subject to retirement pursuant to the Bye-law 86(1) at the forthcoming AGM. In addition, the continued appointment of Mr. Lim Yu Neng Paul and Ms. Cheng Fong Yee as the independent directors of the Company will be subject to a two-tier voting pursuant to Rule 210(5)(d)(iii) of the SGX Listing Manual, which will come into effect on 1 January 2022 (i.e. to be voted by (i) all Shareholders; and (ii) all Shareholders, excluding the Directors or the CEO, and their respective associates at the forthcoming AGM) as they have served as the Company's Directors for more than nine years. 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 38 to 44 of this Annual Report and the Circular to Shareholders dated 23 March 2021. No Director is subject to retirement pursuant to the 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.

每名非執行董事（包括獨立非執行董事）的受聘期限均為三年直至二零二二年四月十一日。

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，可競選連任（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，可競選連任（本公司章程第85(6)條）。

根據本公司章程第86(1)條規定，翟海濤先生、林御能先生、鄭鳳儀女士和郝剛女士應在應屆股東週年大會上告退。另外，由於林御能先生和鄭鳳儀女士擔任本公司董事超過九年，續聘其為本公司獨立董事須根據新交所上市手冊將於二零二二年一月一日起生效的第210(5)(d)(iii)條規定進行兩級投票程序（即於應屆股東週年大會上由(i) 所有股東；及(ii) 除擔任董事或總裁及彼等各自的關聯人士以外的所有股東投票）。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。上述每位董事的相關信息可在本年度報告第38頁至第44頁所載的「董事會成員」一節和於二零二一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在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。

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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.

There is no Alternate Director on the Board.

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:

經審閱，提名委員會認為，在多家公司董事會任職的董事儘管身兼多職，均能對本公司的事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。

董事會中沒有後補董事。

各現任董事的初次聘任、上一次重選/續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 上一次重選日期	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	10 Jun 2020 二零二零年六月十日	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 Environment Group Limited (formerly known as China Everbright International Limited) (listed on SEHK); China Everbright Greentech Limited (listed on SEHK) 現任： 中國光大環境（集團）有限公司（原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	10 Jun 2020 二零二零年六月十日	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

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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 上一次重選日期	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. 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 Environment Group Limited (formerly known as China Everbright International Limited) (listed on SEHK) 現任： 中國光大環境（集團）有限公司（原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
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

Notes:

AC: Audit Committee
RC: Remuneration Committee
NC: Nominating Committee
SC: Strategy Committee
MC: Management Committee

附註：

審計委員會：審計委員會
薪酬委員會：薪酬委員會
提名委員會：提名委員會
戰略委員會：戰略委員會
管理委員會：管理委員會

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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 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 FY2020, 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 FY2020.

董事會的表现

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。

經過對二零二零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。

於二零二零財政年度內沒有使用外部服務。

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(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).

The key terms of reference 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 FY2020, the members of RC reviewed the 2019 remuneration payment and 2020 remuneration framework for the individual Directors and the key management personnel (including senior management) of the Company.

(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）。

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（包括高級管理層）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；和
- (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。

於二零二零財政年度內，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（包括高級管理層）的二零一九年度薪酬發放方案以及二零二零年度薪酬框架。

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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.

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 FY2020.

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.

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。

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。本公司於二零二零財政年度內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。

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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.

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.

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。

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本公司的貢獻。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股東週年大會上批准。

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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's remuneration in this report is appropriate.

A breakdown of the remuneration of the Directors and the senior management (who are not Directors) for FY2020 is set out below.

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

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層薪酬信息的披露較為恰當。

董事和非董事之高級管理層於二零二零財政年度內的薪酬明細表如下。

(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(%)
SGD500,000 to below SGD750,000 500,000新加坡元至750,000新加坡元以下						
Mr. An Xuesong	安雪松先生	-	49	42	9	100
Mr. Luo Junling	羅俊嶺先生	-	29	63	8	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	91	-	-	9	100
Mr. Lim Yu Neng Paul	林御能先生	93	-	-	7	100
Ms. Cheng Fong Yee	鄭鳳儀女士	92	-	-	8	100
Ms. Hao Gang	郝剛女士	92	-	-	8	100

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

(b) 各非董事之高級管理層的薪酬水平和組合如下：

Remuneration Band and Name of Senior Management 薪酬幅度和高級管理層姓名		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	35	55	10	100
Mr. Wang Guanping	王冠平先生	37	52	11	100
Mr. Zhang Guofeng	張國鋒先生	37	52	11	100
Mr. Sun Linbo	孫林波先生	32	59	9	100
Mr. Niu Kesheng	牛克勝先生	39	49	12	100
Ms. Peng Pei	彭珮女士	47	49	4	100

The aggregate amount of the total remuneration paid to the key management personnel (including but not limited to the senior management listed above) is HK\$15,931,000 during FY2020.

二零二零財政年度支付給關鍵管理人員（包括但不限於上述高級管理層）的薪酬總額為15,931,000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 FY2020.

在二零二零財政年度內，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。

(C) ACCOUNTABILITY, AUDIT AND AUDIT COMMITTEE

(C) 責任制、審計和審計委員會

Risk Management and Internal Controls

風險管理和內部控制

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 AC reviews the risk management and internal control systems at least once a year.

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。審計委員會每年不少於一次對風險管理和內部控制體系進行審閱。

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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 Environmental, Safety, Health and Social Responsibility ("ESHS") Management System ("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.

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".

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，即風險管理體系和環境、安全、健康及社會責任（「ESHS」）管理體系（「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。

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。

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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 2020.

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.

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 120 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).

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二零二零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編制的財務報表。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經營能力造成重要影響。

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120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）。

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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 twice in FY2020 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.

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;

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；及在任何情況下，(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。

審計委員會在二零二零財政年度內召開了兩次會議，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。

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；

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| (3) | reviewing and monitoring the adequacy and effectiveness, scope and results of the Group's internal audit function; | (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) | reviewing the scope and results of the external audit, and the independence and objectivity of the external auditors; | (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) | 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; | (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) | reviewing any interested person transactions as defined in the SGX Listing Manual and connected transactions as defined in the SEHK Listing Rules, and to review the procedures; | (6) | 審閱新交所上市手冊中定義的關聯人士交易和聯交所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) | 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 SEHK Listing Rules), interested/ connected persons (as defined in the SEHK 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; | (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（根據聯交所上市規則的定義）、關連人士（根據聯交所上市規則的定義）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) | reviewing the rectification measures and internal control measures relating to regulatory issues involving the Group's licences, permits or certificates etc; | (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； |
| (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; | (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) | 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; | (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) | 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; | (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； |

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- (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 People's Republic of China (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, SEHK Listing Rules or HK CG Code, and by such amendments made thereto from time to time.
- (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) 審閱和監督與中華人民共和國（「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、聯交所上市規則、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 FY2020, the members of the AC reviewed (a) the audited consolidated financial results of the Group for the financial year ended 31 December 2019 ("FY2019"); and (b) the unaudited consolidated financial results of the Group for the six months ended 30 June 2020.

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 SEHK 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 SEHK 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 FY2020 without the presence of the Management to review any matter that might be raised.

於二零二零財政年度內，審計委員會已審閱(a)本集團截至二零一九年十二月三十一日止的財政年度（「二零一九財政年度」）的經審計綜合財務業績；及(b)本集團截至二零二零年六月三十日止六個月的未經審計綜合財務業績。

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（如聯交所上市規則所定義）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、聯交所上市規則和其他規則的變更。

審計委員會在二零二零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。

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The AC and the external auditors have discussed the significant issues in financial reporting throughout FY2020 at the AC meetings. As set out in the “Independent Auditor’s Report” on pages 120 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:

審計委員會及外部審計師已於審計委員會會議上就二零二零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120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
<p>Service concession arrangements and revenue recognition 服務特許權安排及收入確認</p>	<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 recognising 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。審計委員會已獲得管理層確認，本年度收入的確認乃根據國際財務報告詮釋委員會詮釋第12號的規定，並與過往保持一致的會計政策。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做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
Recoverability of trade receivables 應收賬款的可收回性	<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, the current and future economic environment, and the lingering impact and potential fundamental changes on them brought about by the novel coronavirus (“COVID-19”) pandemic.</p> <p>審計委員會及董事會定期收到管理層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匯報。審計委員會對管理層就應收款項回收工作的關注程度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以及因新型冠狀病毒引發的疫情（「新冠疫情」）對上述考量帶來的持續影響及潛在的根本性改變，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 2020 was adequate.</p> <p>審計委員會對於二零二零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>

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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>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, and the lingering impact and potential fundamental changes on them brought about by the COVID-19 pandemic.</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以及因新冠疫情對其帶來的持續影響及潛在的根本性改變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做出主要假設之合理程度表示滿意。</p>

Following the review and discussions, the AC recommended to the Board to approve the full-year financial statements for FY2020.

經審閱及討論後，審計委員會建議董事會批准二零二零財政年度的全年財務報表。

External Auditors

The AC has reviewed the non-audit services provided to the Group by the external auditor, Ernst & Young LLP during FY2020, 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 SEHK Listing Rules.

外部審計師

審計委員會審閱了外部審計師Ernst & Young LLP在二零二零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，本公司已遵守聯交所上市規則第13.88條。

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The aggregate amount of fees paid or payable to the external auditor and its affiliates for FY2020 in respect of the audit and non-audit services is as follows:

在二零二零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：

		FY2020 二零二零年 財政年度 HK\$'000 千港元	FY2019 二零一九年 財政年度 HK\$'000 千港元
Type of services	服務類別		
Audit services	審計服務	3,000	3,080
Non-audit services*	非審計服務*	2,663	1,813
		5,663	4,893

* Non-audit services include tax advisory and other related services.

* 非審計服務包括稅務諮詢及其他相關服務。

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

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表附註8。

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 FY2020 and in making the above-mentioned appointment recommendation.

審計委員會確認，本公司在二零二零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。

Whistle-Blowing Policy

舉報政策

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.

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。

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.

本公司設立了接收舉報的電子信箱和專線電話，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信箱（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。

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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 at least twice in a year 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. Most of such Licenses and/or Permits had been obtained in the financial years ended 31 December 2015, 2016 and 2017, as disclosed in the relevant annual reports. The IA continuously followed up on the status of such Licenses and/or Permits and noted that the Company obtained the following Licenses and/or Permits during FY2020:

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。內審部至少每年兩次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意事項的程序和範圍。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。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。內審部持續跟進了有關狀態，並注意到本公司在二零二零財政年度內取得了以下的許可證和/或批准：

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Project Company (Plant/Project) 項目公司 (工廠/項目)	Licenses and/or Permits obtained 取得的許可證和/或批准
Everbright Water (Ji'nan) Limited 光大水務 (濟南) 有限公司	Land Use Right Certificate 土地使用權證
(Ji'nan Xike Waste Water Treatment Project (Plant 4)) (濟南西客污水處理項目 (四廠))	
Everbright Water (Suzhou) Limited (formerly known as Suzhou Jin Di Water Co., Ltd.) 光大水務 (蘇州) 有限公司 (原蘇州金迪水務有限公司)	Land Use Right Certificate 土地使用權證
(Suzhou Wuzhong Chengnan Waste Water Treatment Project Phase I Stage II) (蘇州吳中城南污水處理項目一期二步)	

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.

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) 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 (CEO Assistant).

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.

(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（總裁助理）。

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。

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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.

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 Meetings

The Company treats all Shareholders fairly and equitably, and recognises, protects and facilitates the exercise of the Shareholders' rights. 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 FY2020, the notices of AGM (including notice of postponed AGM) were despatched to the Shareholders, published in the Business Times as well as uploaded onto the SGXNet and the websites of HKEX and the Company. The Company also uploaded the Management's presentation slides to be used at the general meetings in advance and the minutes of the AGM. 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.

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。

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（「風險評審委員會」）和工程技術委員會（「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給股東。在二零二零財政年度，股東週年大會的通知（包括經延期股東週年大會的通知）已寄發給股東，並刊登在商業時報、SGXNet、港交所及本公司網站上。本公司亦會提前將用於股東週年大會的管理層介紹資料及股東週年大會後準備的會議紀要上載至該等網站。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。

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

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 FY2020, all the seven Directors (including the Chairman of the Board, two Executive Directors and the chairman of all the Board Committees) attended such meeting. In view of the COVID-19 situation, all the Shareholders were allowed to participate the AGM held in FY2020 via electronic means, i.e. live audio-visual webcast or live audio-only webcast or live audio-only stream, submission of questions to the chairman of the AGM in advance of the AGM, submission of questions during the AGM via an online chat box, addressing of substantial and relevant questions at the AGM and voting by appointing the chairman of the AGM as proxy at the AGM and/or voting electronically during the AGM, pursuant to the *COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variables Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020*.

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 general meetings. If any Shareholder is unable to attend general meetings, 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 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.

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。

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。二零二零財政年度舉行的股東週年大會上，全部七位董事（包括董事長、兩位執行董事和所有董事會委員會的主席）均有出席。鑑於新冠疫情，根據《COVID-19（臨時措施）（公司、可變資本公司、商業信託、單位信託和債券持有人會議的替代安排）2020年法令》，所有股東可通過電子方式（即實時視聽網絡直播或實時音頻網絡直播或實時音頻直播）參加二零二零財政年度舉行的股東週年大會，在會議召開前遞交問題，於會議期間通過在線聊天窗口向股東週年大會主席遞交問題，解答重大和相關問題，並委任股東週年大會主席為受委代表以代其投票及/或以電子方式投票。

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。監票人將在股東大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。

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| <p>(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.</p> | <p>(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。</p> |
| <p>(3) The requisition shall be made in writing to the Board or the Joint Company Secretaries.</p> | <p>(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。</p> |
| <p>(4) The special general meeting shall be held within two months after the deposit of the requisition.</p> | <p>(4) 特別股東大會須在提出請求後的兩個月內召開。</p> |
| <p>(5) If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionists, themselves may do so in accordance with the provisions of Section 74(3) of the <i>Companies Act 1981 of Bermuda</i> (the “Bermuda Companies Act”).</p> | <p>(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。</p> |

The written requisition to convene a special general meeting shall be submitted to the Board or the Joint Company Secretaries at 9 Battery Road, MYP Centre, #20-02, Singapore 049910 or Room 3601, 36/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong.

召開特別股東大會的書面請求須提呈給董事會或聯席公司秘書，地址為新加坡百德裏路9號MYP中心#20-02室（郵編：049910）或香港夏慤道16號遠東金融中心36樓3601室。

Dividend Policy

The Group has adopted a policy on payment of dividend (the “**Dividend Policy**”) since 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.

股息政策

本集團自二零一九財政年度已根據香港企業管治守則和新加坡企業管治守則制定股息支付政策（「**股息政策**」），並制定了適當程序來宣佈和推薦本公司的股息派發。

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 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.

本公司將在董事會考慮各方因素後宣佈和/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；本公司現金流及財務情況；本公司章程及有關適用於本公司的法律和規章要求等。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，同時消除可能在同期出現一次性收益或虧損而對現金流造成波動的影響。董事會可全權決定是否支付股息，但須經股東批准（如適用）。

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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 0.67 Singapore cent) per ordinary share for the six months ended 30 June 2020. In addition, the Board recommended a final one-tier tax exempt dividend of 6.07 Hong Kong cents (equivalent to 1.04 Singapore cents) per ordinary share for FY2020, which will be subject to the Shareholders' approval at the forthcoming AGM.

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, SEHK 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;
- (vi) interim reports; and
- (vii) the Company's website at www.ebwater.com, at which the Shareholders can access information on the Group.

董事會定期審閱股息政策。

根據股息政策，本公司已針對截至二零二零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0.67新加坡分）。另外，董事會也推薦針對二零二零財政年度派發一級稅項豁免的末期股息，每股普通股6.07港仙（等值1.04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。

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；
- (vi) 中期報告；和
- (vii) 股東可訪問本公司網站獲取本集團的信息，網址為www.ebwater.com。

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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.

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 (the "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).

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。

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（「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 environmental, social and governance 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 49 to 59 of this Annual Report.

(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 listing on the SEHK, the Company has updated the Internal Code

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49頁至第59頁的「可持續發展報告」中。

(G) 證券交易

本公司已採納內部行為守則（「內部行為守則」），對可能擁有本集團的未公開股價敏感數據的本集團董事、職員及有關僱員買賣證券進行規管。於聯交所上市後，本公司已更新內部行為守則以符合聯交所上市規則的

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to be in line with the requirements of the SEHK 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 SEHK 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.

The Directors, officers and relevant employees of the Group 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 interim results (and quarterly results, if any) or, if shorter, the period from the end of the relevant half-year (and the relevant quarter, if applicable) 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 FY2020.

(H) MATERIAL CONTRACTS

Saved as disclosed in this Annual Report, there are no material contracts of the Group involving the interests of any Director or controlling shareholder subsisting at the end of FY2020, 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. During the year under review, there was no change in the Bye-laws. An up-to-date version of the Bye-laws is also available on the SGXNet and the websites of HKEX and the Company.

規定及香港企業管治守則內有關聯交所上市規則附錄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。

本集團董事、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) 緊接公佈本公司中期業績（及季度業績，如有）當日前30天或相關半年（及相關季度，如適用）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，所有董事均確認在二零二零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。

(H) 重大合同

除於本年度報告披露外，在二零二零財政年度中，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。於回顧年度內，本公司章程並無變動。SGXNet、港交所和本公司網站上均有最新版本公司章程。

DIRECTORS' STATEMENT

董事會聲明

The board (the “**Board**”) of directors (the “**Directors**”) of China Everbright Water Limited (“**Everbright Water**” or the “**Company**”, together with its subsidiaries, the “**Group**”) are pleased to submit this Annual Report to the shareholders of the Company (the “**Shareholders**”) together with the audited financial statements for the financial year ended 31 December 2020 (“**FY2020**” or the “**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 2020 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 FY2020 (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 29 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 24 of this Annual Report. 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 24 to 26 of this Annual Report.

中國光大水務有限公司（「**光大水務**」或「**本公司**」，連同其附屬公司統稱「**本集團**」）董事（「**董事**」）會（「**董事會**」）欣然向本公司股東（「**股東**」）提呈本年度報告以及截至二零二零年十二月三十一日止的財政年度（「**二零二零財政年度**」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二零二零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務到期時進行償還。

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，特別是有關二零二零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29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本年度報告第19頁至第24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本年度報告第24頁至第26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 FY2020 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	20%	
Five largest customers in aggregate	五大客戶合計	50%	
The largest supplier	最大供應商		5%
Five largest suppliers in aggregate	五大供應商合計		17%

None of the Directors, their associates or any Shareholders (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 FY2020 and the Company's financial position at the end of FY2020 are set out in the financial statements on pages 129 to 286 of this Annual Report.

Interim Dividend

An interim dividend of 3.74 Hong Kong cents ("**HK cents**") (equivalent to 0.67 Singapore cent ("**Sing cent**") per ordinary share was paid to the Shareholders on 11 September 2020 (for the financial year ended 31 December 2019 ("**FY2019**"): HK3.74 cents (equivalent to 0.65 Sing cent) per ordinary share).

Final Dividend

Subject to the Shareholders' approval at the forthcoming annual general meeting ("**AGM**"), the Board recommended a final dividend of HK6.07 cents (equivalent to 1.04 Sing cents) per ordinary share for FY2020 (FY2019: HK3.74 cents (equivalent to 0.67 Sing cent) per ordinary share).

主要客戶及供應商

本集團於二零二零財政年度內之主要客戶及供應商之資料如下：

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

本集團二零二零財政年度之財務業績，以及本公司於二零二零財政年度末之財務狀況載於本年度報告第129頁至第286頁之財務報表內。

中期股息

本公司已於二零二零年九月十一日派發中期股息每股普通股3.74港仙（等值0.67新加坡分（「新分」））（截至二零一九年十二月三十一日止的財政年度（「二零一九財政年度」）：每股普通股3.74港仙（等值0.65新分））。

末期股息

待股東於應屆股東週年大會（「股東週年大會」）上批准，董事會建議就二零二零財政年度向股東派發末期股息每股普通股6.07港仙（等值1.04新分）（二零一九財政年度：每股普通股3.74港仙（等值0.67新分））。

DIRECTORS' STATEMENT

董事會聲明

Share Capital

There were no movements in the share capital of the Company during the year under review. Details of the share capital of the Company are set out in note 30 to the financial statements.

Distributable Reserves

As at 31 December 2020, the Company's reserves available for distribution amounted to approximately HK\$7,823,775,000 (31 December 2019: HK\$7,826,197,000).

Charitable Donations

Charitable donations made by the Group during FY2020 amounted to HK\$2,192,000 (FY2019: HK\$968,000).

Directors

The Directors during FY2020 and up to the date of this Annual Report are:

Non-Executive Director
Wang Tianyi (*Chairman*)

Executive Directors
An Xuesong (*Chief Executive Officer*)
Luo Junling (*Chief Financial Officer*)

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 (the "Bye-laws"), Mr. Zhai Haitao, Mr. Lim Yu Neng Paul, Ms. Cheng Fong Yee and Ms. Hao Gang will retire from the Board at the forthcoming AGM and, being eligible, offer themselves for re-election.

In addition, the continued appointment of Mr. Lim Yu Neng Paul and Ms. Cheng Fong Yee as independent directors of the Company will be subject to a two-tier voting (i.e. to be voted by (i) all Shareholders; and (ii) all Shareholders, excluding the Directors or the CEO, and their respective associates at the forthcoming AGM) as they have served as the Company's Directors for more than nine years, pursuant to Rule 210(5)(d)(iii) of the listing manual (the "SGX Listing Manual") of Singapore Exchange Securities Trading Limited ("SGX" or "SGX-ST"), which will come into effect on 1 January 2022.

股本

回顧年度內本公司之股本並無任何變動。本公司之股本詳情載於財務報表附註30。

可供分派儲備

於二零二零年十二月三十一日，本公司可供分派儲備金額約7,823,775,000港元（二零一九年十二月三十一日：7,826,197,000港元）。

慈善捐款

本集團於二零二零財政年度內共捐款2,192,000港元（二零一九財政年度：968,000港元）作慈善用途。

董事

於二零二零財政年度及截至本年度報告日期，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（「本公司章程」）第86(1)條規定，翟海濤先生、林御能先生、鄭鳳儀女士及郝剛女士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。

另外，由於林御能先生和鄭鳳儀女士擔任本公司董事超過九年，繼續聘任彼等擔任本公司獨立董事須根據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」）於二零二二年一月一日起生效的第210(5)(d)(iii)條規定進行兩級投票程序（即於將應屆股東週年大會上由(i)所有股東；及(ii)除擔任董事或總裁及彼等各自的關聯人士以外的所有股東投票）。

DIRECTORS' STATEMENT

董事會聲明

Directors (cont'd)

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 Rules (the “**SEHK Listing Rules**”) Governing the Listing of Securities on the Main Board of the Stock Exchange of Hong Kong Limited (the “**SEHK**”), the change in information of the Directors since the Company's last published 2020 Interim Report is as follows:

Mr. Wang Tianyi (Non-Executive Director & Chairman) was appointed as the chairman of the board of directors of China Everbright Environment Group Limited (formerly known as China Everbright International Limited) (“**Everbright Environment**”) with effect from 25 September 2020.

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 SEHK 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.

董事（續）

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

根據香港聯合交易所有限公司（「聯交所」）證券上市規則（「聯交所上市規則」）第13.51B(1)條，自本公司上一次刊發二零二零年中期報告以來，董事資料變動如下：

王天義先生（非執行董事兼董事長）自二零二零年九月二十五日起獲委任為中國光大環境（集團）有限公司（原中國光大國際有限公司）（「光大環境」）董事會主席。

除上文所披露者外，本公司並不知悉須根據聯交所上市規則第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續管理及行政合約。

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 FY2020 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，於二零二零財政年度末，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 1/1/2020 於二零二零一月一日	As at 31/12/2020 於二零二零年十二月三十一日	As at 1/1/2020 於二零二零年一月一日	As at 31/12/2020 於二零二零年十二月三十一日
The Company 本公司				
<u>Ordinary shares</u> 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)				
<u>Ordinary shares</u> 普通股				
Luo Junling 羅俊嶺	247,514	-	-	-

Note: China Everbright Greentech Limited ("**Everbright Greentech**") is a subsidiary of Everbright Environment, 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環境之附屬公司。

Except as disclosed in this statement, none of the Directors who held office at the end of FY2020 had interests in share options, warrants or debentures of the Company or of related corporations, either at the beginning or at the end of FY2020.

除本聲明另行披露外，於二零二零財政年度期初或期末，在二零二零財政年度期末任職的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 FY2020 and 21 January 2021.

於二零二零財政年度末至二零二一年一月二十一日止期間，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

Directors' Interests (cont'd)

Under Hong Kong Law

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

As at 31 December 2020, 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 SEHK Listing Rules were as follows:

Long position in shares of the Company

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 2020.

Save as disclosed above, as at 31 December 2020, 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.

董事權益 (續)

根據香港法律

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

於二零二零年十二月三十一日，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，或根據聯交所上市規則附錄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：

於本公司股份之好倉

附註：根據於二零二零年十二月三十一日本公司已發行2,860,876,723股普通股計算。

除上文所述者外，於二零二零年十二月三十一日，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條規定備存之登記冊內的權益或淡倉，或根據《標準守則》須知會本公司及聯交所之權益或淡倉。

DIRECTORS' STATEMENT

董事會聲明

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 2020, the following persons (other than any Directors or chief executive of the Company) were Substantial Shareholders (as defined in the SEHK 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:

Long position of Substantial Shareholders in shares of the Company

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%

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，於二零二零年十二月三十一日，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（定義見聯交所上市規則），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：

主要股東於本公司股份之好倉

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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 (cont'd)

主要股東於本公司股份之好倉（續）

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)）
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 Environment (Note (7)) 光大環境（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%

Notes:

- (1) Based on 2,860,876,723 issued ordinary shares of the Company as at 31 December 2020.
- (2) Huijin is indirectly wholly-owned by the State Council of the PRC and holds 63.16% equity interest in 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 interest in 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 interest in Datten. It is deemed to be interested in the 2,084,724,572 shares indirectly held by Datten.
- (5) Datten holds 55% equity interest in Guildford. It is deemed to be interested in the 2,084,724,572 shares indirectly held by Guildford.

附註：

- (1) 根據於二零二零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63.16%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。

DIRECTORS' STATEMENT

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

Notes: (cont'd)

- (6) Guildford holds 39.57% equity interest in Everbright Environment. It is deemed to be interested in the 2,084,724,572 shares indirectly held by Everbright Environment.
- (7) Everbright Environment holds 100% equity interest in CEEPHL. It is deemed to be interested in the 2,084,724,572 shares indirectly held by CEEPHL.
- (8) CEEPHL holds 100% equity interest in 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 2020, 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 FY2020 or at any time during FY2020.

No Competition between Everbright Environment 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 Environment 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 Environment 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").

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：(續)

- (6) Guildford持有光大環境之39.57%股權。其被視為於光大環境所間接持有之2,084,724,572股股份中擁有權益。
- (7) 光大環境持有光大環保之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，於二零二零年十二月三十一日，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二零二零財政年度末或二零二零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。

光大環境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，確保光大環境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。有關光大環境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。

DIRECTORS' STATEMENT

董事會聲明

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 Environment. Everbright Environment is a listed intermediate holding company of the Company and is engaged in environmental protection business. Everbright Environment may be in competition with the Group. However, as stated in the section "No Competition between Everbright Environment and the Company" above, the Company implemented some corporate governance measures to ensure the independence between Everbright Environment 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 FY2020 and subsisted at the end of FY2020.

Warrants

As at the end of FY2020, 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 FY2020.

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環境董事。光大環境為本公司上市中間控股公司，其主要從事環保業務。光大環境或與本集團存有競爭，然而，如上文「光大環境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，確保光大環境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

二零二零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

於二零二零財政年度末，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

本集團於二零二零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 SEHK 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 FY2020.

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 36 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 SEHK Listing Rules, the Company has complied with the relevant disclosure requirements in accordance with Chapter 14A of the SEHK Listing Rules during the year under review.

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聯交所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二零二零財政年度購買、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。

重大關聯方交易

本集團於回顧年度內訂立之重大關聯方交易載於財務報表附註36。就同時構成本集團關連交易或持續關連交易（定義見聯交所上市規則）之關聯方交易而言，本公司於回顧年度內已根據聯交所上市規則第14A章遵行相關披露規定。

DIRECTORS' STATEMENT

董事會聲明

Connected Transactions and/or Continuing Connected Transactions

During FY2020, the Company and the Group had the following connected transactions and/or continuing connected transactions, details of which are disclosed in compliance with the requirements of Chapter 14A of the SEHK Listing Rules.

Underwriting and advisory services

On 15 April 2019, the Company entered into the underwriting and advisory services framework agreement (the “**Underwriting and Advisory Services Framework Agreement**”) with China Everbright Group, a controlling shareholder of Everbright Environment, for a fixed term not exceeding three years from the date of the agreement to 31 December 2021.

Pursuant to the Underwriting and Advisory Services Framework Agreement, China Everbright Group shall procure CEB International Capital Corporation Limited (“**CEB Capital**”) and/or China Everbright Securities International Limited (“**EBSI**”) and/or their respective affiliates to provide the underwriting and advisory services to the Group based on normal commercial terms and after arm's length negotiations between the Group and CEB Capital and/or EBSI and/or their respective affiliates. The underwriting and advisory services to be provided by CEB Capital and/or EBSI and/or their respective affiliates shall be on normal commercial terms and no less favourable than the terms available to the Group from independent third parties.

During FY2020, the Group had no transactions with CEB Capital and/or EBSI and/or their respective affiliates with respect to the receipt of underwriting and advisory services.

Lease of the premises

On 15 April 2019, the Company entered into the property lease framework agreement (the “**Property Lease Framework Agreement**”) with Everbright Environment, a controlling shareholder of the Company, for a fixed term not exceeding three years from the date of the agreement to 31 December 2021.

Pursuant to the Property Lease Framework Agreement, Everbright Environment shall procure its subsidiaries and/or its affiliates to enter into tenancy agreements with the Group in respect of the leasing of office premises, meeting rooms and guest rooms based on normal commercial terms and no less favourable than the terms available to the Group from independent third parties.

關連交易及/或持續關連交易

二零二零財政年度內，本公司及本集團有下列關連交易及/或持續關連交易，有關交易之詳情已遵從聯交所上市規則第14A章之規定作出披露。

承銷及諮詢服務

於二零一九年四月十五日，本公司與光大環境之控股股東中國光大集團訂立承銷及諮詢服務框架協議（「**承銷及諮詢服務框架協議**」），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。

根據承銷及諮詢服務框架協議，中國光大集團將根據正常商業條款並經光銀國際資本有限公司（「**光銀資本**」）及/或中國光大證券國際有限公司（「**光證國際**」）及/或彼等各自的聯屬機構與本集團公平磋商後促使光銀資本及/或光證國際向本集團提供承銷及諮詢服務。有關條款將不遜於本集團自獨立第三方獲得之條款。

於二零二零財政年度內，本集團與光銀資本及/或光證國際及/或彼等各自的聯屬機構概無有關接受承銷及諮詢服務的交易。

租賃物業

於二零一九年四月十五日，本公司與光大環境訂立物業租賃框架協議（「**物業租賃框架協議**」），固定年期自協議日期起計至二零二一年十二月三十一日止不超過三年。

根據物業租賃框架協議，光大環境將根據正常商業條款並且不遜於本集團自獨立第三方獲得之條款促使其附屬公司及/或聯營機構與本集團就租賃辦公室物業、會議室及會客室訂立單獨的租賃協議。

DIRECTORS' STATEMENT

董事會聲明

Connected Transactions and/or Continuing Connected Transactions (cont'd)

Lease of the premises (cont'd)

During FY2020, the aggregate rental paid or payable to Everbright Environmental and its subsidiaries amounted to HK\$7,166,650. The said amount was below the annual cap of HK\$7,565,750 for FY2020 as stated in the HK Listing Document.

Deposit services

On 15 April 2019, the Company entered into the deposit services framework agreement (the “**Deposit 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.

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 People's Republic of China (the “**PRC**”). The deposit services to be provided by CE Bank shall be on normal commercial terms and no less favourable than the terms available to the Group from independent third parties.

During FY2020, the maximum daily closing balance of the Group's deposits (including interests accrued thereon) placed in CE Bank amounted to approximately HK\$253,470,000. This amount was below the maximum daily closing balance of HK\$300,000,000 for FY2020 as stated in the HK Listing Document.

關連交易及/或持續關連交易 (續)

租賃物業 (續)

於二零二零財政年度內，根據以上協議已付或應付光大環境及其附屬公司之租金合共7,166,650港元。此金額低於香港上市文件所述的二零二零財政年度之年度限額7,565,750港元。

存款服務

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存款服務框架協議（「**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。

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/或中華人民共和國（「**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）。光大銀行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。

於二零二零財政年度內，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253,470,000港元。此金額低於香港上市文件所述的二零二零財政年度之最高每日收市存款結餘300,000,000港元。

DIRECTORS' STATEMENT

董事會聲明

Connected Transactions and/or Continuing Connected Transactions (cont'd)

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 (the “**Sludge Treatment and Hazardous Waste Treatment Services Framework Agreement**”) with Everbright Environment, 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 Environment 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 Environment and the Group.

During FY2020, the Group had no transactions with Everbright Environment 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 (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.

Under the Loan Services Framework Agreement, China Everbright Group 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 CE Bank shall be on normal commercial terms and no less favourable than the terms available to the Group from independent third parties.

During FY2020, 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 FY2020, 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 SEHK Listing Rules.

關連交易及/或持續關連交易 (續)

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環境訂立污泥處理及危險廢物處理服務框架協議（「**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，光大環境將根據正常商業條款並經光大環境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。

於二零二零財政年度內，本集團與光大環境及/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（「**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。

根據貸款服務框架協議，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）。光大銀行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。

於二零二零財政年度內，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，於二零二零財政年度內，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聯交所上市規則第14A章規定申報的交易。

DIRECTORS' STATEMENT

董事會聲明

Connected Transactions and/or Continuing Connected Transactions (cont'd)

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 SEHK Listing Rules. A copy of the auditor's letter has been provided by the Company to the SEHK.

關連交易及/或持續關連交易（續）

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已根據聯交所上市規則第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。

DIRECTORS' STATEMENT

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 12 April 2019 pursuant to Rule 920 of SGX Listing Manual. The IPT Mandate was renewed during the Company's AGM held on 10 June 2020. The aggregate value of the IPTs in excess of SGD100,000 during FY2020 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，於二零一九年四月十二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二零二零年六月十日舉行的股東週年大會獲得續期。於二零二零財政年度內，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 FY2020 (excluding transactions less than SGD100,000 and transactions conducted under the IPT Mandate) 二零二零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 FY2020 (excluding transactions less than SGD100,000) 二零二零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）
Everbright Environment 光大環境	Nil 無	HK\$7,166,650 (equivalent to SGD1,273,279) 7,166,650港元 (等值1,273,279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\$1,658,641 (equivalent to SGD294,686) 1,658,641港元 (等值294,686新加坡元)

Use of Proceeds from the Global Offering

The net proceeds from the global offering (the "Global Offering") in connection with the listing of the Company on the SEHK which amounted to HK\$248.61 million (the "Net Proceeds") have been fully utilised and that there is no deviation from the intended use as disclosed in the HK Listing Document. For more details (including the breakdown of the Net Proceeds used for working capital and other general corporate purposes), please refer to the announcements released by the Company on 21 February 2020 and 13 May 2020 and the Company's annual report for FY2019.

全球發售所得款項之用途

本公司於聯交所上市有關的全球發售（「全球發售」）所得款項淨額2.4861億港元（「所得款項淨額」）已悉數動用，且並無偏離香港上市文件中披露的所得款項擬定用途。有關進一步詳情（包括所得款項淨額中用作營運資金及其他一般公司用途之明細），請參閱本公司於二零二零年二月二十一日及二零二零年五月十三日發佈的公告及本公司二零一九財政年度的年度報告。

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 SEHK Listing Rules and Rule 723 of the SGX Listing Manual. For more details, please refer to the section entitled "Statistics of Shareholdings" set out on pages 302 to 307 of this Annual Report.

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，本公司已維持聯交所上市規則第8.08條以及新交所上市手冊第723條所規定之公眾持股量。更多詳情，請參閱本年度報告第302頁至第307頁所載的「股權統計資料」一節。

DIRECTORS' STATEMENT

董事會聲明

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 2020 are set out in notes 27 and 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 287 to 288 of this Annual Report.

Property, Plant and Equipment

Details of the movements in property, plant and equipment of the Group during the year under review are set out in note 14 to the financial statements.

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 the 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 FY2020 amounted to approximately HK\$55,229,000 (FY2019: HK\$64,762,000).

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

本集團於二零二零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27及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度報告第287頁至第288頁。

物業、廠房及設備

本集團之物業、廠房及設備於回顧年內之變動詳情載於財務報表附註14。

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。

本集團於二零二零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約為55,229,000港元（二零一九財政年度：64,762,000港元）。

DIRECTORS' STATEMENT

董事會聲明

Confirmation of Independence

In accordance with the independence guidelines set out in Rule 3.13 of the SEHK 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 SEHK Listing Rules.

Audit Committee

The members of the audit committee of the Company (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 Code of Corporate Governance 2018 (the "SG CG Code") and the SEHK Listing Rules and the Corporate Governance Code (the "HK CG Code") as set out in Appendix 14 to the SEHK Listing Rules.

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 of the Company (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 two 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;
- 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), connected transactions and continuing connected transactions (as defined in SEHK Listing Rules).

獨立性確認書

根據聯交所上市規則第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聯交所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，本公司審計委員會（「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、二零一八年企業管治守則（「新加坡企業管治守則」）、聯交所上市規則及香港上市規則附錄14所載企業管治守則（「香港企業管治守則」）所規定之職能。

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），及本公司管理層（「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。

自上一份董事會聲明簽署日以來，審計委員會已召開兩次會議。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）、關連交易和持續關連交易（定義見聯交所上市規則）。

DIRECTORS' STATEMENT

董事會聲明

Audit Committee (cont'd)

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.

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.

After reviewing the risk management and internal control systems of the Group, the Board and the Audit Committee are satisfied with the adequacy and effectiveness of such systems for FY2020.

Further details of the Risk Management and Internal Controls, Audit Committee, Internal Audit are set out in the Corporate Governance Report on pages 82 to 93 of this Annual Report.

Events after the Reporting Period

Details of the significant events of the Group after the reporting period are set out in note 40 to the financial statements.

Auditor

There has been no change in auditor of the Company in any of the preceding three years.

Ernst & Young LLP will retire and, being eligible, 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.

On behalf of the Board of Directors,

Wang Tianyi
Non-Executive Director and Chairman

An Xuesong
Executive Director and Chief Executive Officer

25 February 2021

審計委員會（續）

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。

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。

在審閱了本集團的風險管理和內部控制體系後，董事會和審計委員會對該等體系在二零二零財政年度的充分性和有效性表示滿意。

關於風險管理和內部控制、審計委員會及內部審計師的更多詳情載於本年度報告第82頁至第93頁之企業管治報告。

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40。

審計師

本公司審計師於過去三年概無任何變動。

Ernst & Young LLP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。

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

二零二一年二月二十五日

INDEPENDENT AUDITOR'S REPORT

獨立審計師報告

For the financial year ended 31 December 2020 截至二零二零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 2020, 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 2020 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.

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，該財務報表包括於二零二零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准則的規定編制，公允反映了於二零二零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准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准則下的責任。根據新加坡會計與企業管理局頒佈的《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。

INDEPENDENT AUDITOR'S REPORT

獨立審計師報告

For the financial year ended 31 December 2020 截至二零二零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

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.

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.

The key audit matter

關鍵審計事項

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 municipals 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。

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。

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。

How the matter was addressed in our audit

我們的審計如何處理該事項

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。

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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 (cont'd) 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)

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。

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餘成本計算、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。

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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 2020, the Group had trade receivables amounting to HK\$ 1,268,075,000, net of expected credit losses ("ECL") allowance of HK\$97,246,000. 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 taking into consideration impact arising from the COVID-19 pandemic.

於二零二零年十二月三十一日，貴集團應收賬款餘額為1,268,075,000港元，已扣除預期信貸虧損（「預期信貸虧損」）撥備97,246,000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，可基於債務人特有的及整體經濟環境（包括新型冠狀病毒疫情的影響）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 including the potential impact of the COVID-19 pandemic. 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（包括新型冠狀病毒潛在影響）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預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。

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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 given the changes in the market and economic conditions brought on by the COVID-19 pandemic. Accordingly, we identified this as a key audit matter.

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考慮由於新型冠狀病毒疫情帶來的市場及經濟環境的變化，進而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。

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.

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。

As at 31 December 2020, the goodwill carried in the Group's financial statements amounted to HK\$1,295,475,000. Disclosures of goodwill are included in notes 2.4, 3 and 18 to the financial statements.

於二零二零年十二月三十一日，貴集團財務報表所載商譽金額為1,295,475,000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. We tested the reasonableness of key assumptions used in the cash flows forecast, which include growth rate, discount rate and long-term growth rate, and taking into account management's consideration of the potential impact that COVID-19 pandemic has on the Group's operations.

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及估值方法。我們檢查了現金流預測的重要假設，包括增長率、折現率以及長期增長率，並考慮了新型冠狀病毒疫情可能對集團運營產生的潛在影響。

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。

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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。

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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.

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。

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Auditor's responsibilities for the audit of the financial statements (cont'd)

- 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.
- 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.

審計師對財務報表審計的責任（續）

- 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，審計准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。
- 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。

INDEPENDENT AUDITOR'S REPORT

獨立審計師報告

For the financial year ended 31 December 2020 截至二零二零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)

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）

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
25 February 2021

Ernst & Young LLP
公共會計師及特許會計師
新加坡
二零二一年二月二十五日

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

		Notes 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
REVENUE	收入	5	5,663,292	5,550,773
Direct costs and operating expenses	直接成本及經營開支		(3,462,756)	(3,658,332)
Gross profit	毛利		2,200,536	1,892,441
Other income and gains, net	其他收入及收益淨額	6	53,068	113,465
Administrative and other operating expenses	行政及其他經營費用		(441,554)	(476,502)
Finance income	財務收入	7	15,807	20,348
Finance costs	財務費用	7	(348,795)	(355,287)
Share of profits of associates	所佔聯營公司盈利		4,224	614
PROFIT BEFORE TAX	除稅前盈利	8	1,483,286	1,195,079
Income tax	所得稅	11	(396,922)	(310,350)
PROFIT FOR THE YEAR	本年度盈利		1,086,364	884,729
OTHER COMPREHENSIVE INCOME	其他全面收益			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:	不會於期後期間重新分類至損益之其他全面收益：			
Exchange differences arising on translation of functional currency to presentation currency	換算功能貨幣至呈報貨幣產生之匯兌差額		956,424	(290,747)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	除所得稅後本年度其他全面收益		956,424	(290,747)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	本年度全面收益總額		2,042,788	593,982

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 2020 截至二零二零年十二月三十一日止的財政年度

		Notes 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 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		1,024,271	833,483
Non-controlling interests	非控股權益		62,093	51,246
			1,086,364	884,729
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		1,927,449	558,139
Non-controlling interests	非控股權益		115,339	35,843
			2,042,788	593,982
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	HK35.80cents 35.80港仙	HK30.07cents 30.07港仙

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2020 於二零二零年十二月三十一日

		As at 31 December 於十二月三十一日		
		Notes 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 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	152,855	141,744
Right-of-use assets	使用權資產	16(a)	16,285	25,609
Investment properties	投資物業	15	12,082	3,138
			181,222	170,491
Intangible assets	無形資產	17	1,880,919	1,658,437
Goodwill	商譽	18	1,295,475	1,213,509
Interests in associates	聯營公司權益	19	8,143	3,588
Contract assets	合約資產	21	17,348,620	14,144,440
Trade and other receivables	應收賬款及其他應收款項	23	289,902	113,892
Other financial assets	其他金融資產	24	443,198	462,045
Total non-current assets	非流動資產總額		21,447,479	17,766,402
CURRENT ASSETS	流動資產			
Contract assets	合約資產	21	1,681,187	1,389,205
Inventories	存貨	22	93,641	37,948
Trade and other receivables	應收賬款及其他應收款項	23	1,965,697	1,414,673
Cash and cash equivalents	現金及現金等價物	25	1,719,530	2,074,803
Total current assets	流動資產總額		5,460,055	4,916,629
CURRENT LIABILITIES	流動負債			
Trade and other payables	應付賬款及其他應付款項	26	2,540,938	2,472,484
Borrowings	借貸	27	2,246,673	2,010,556
Tax payable	應付稅項		69,029	64,930
Lease liabilities	租賃負債	16(b)	8,388	9,534
Total current liabilities	流動負債總額		4,865,028	4,557,504
NET CURRENT ASSETS	流動資產淨額		595,027	359,125
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減 流動負債		22,042,506	18,125,527

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 2020 於二零二零年十二月三十一日

		As at 31 December 於十二月三十一日		
		Notes 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
NON-CURRENT LIABILITIES				
	非流動負債			
Borrowings	借貸	27	8,831,460	7,069,140
Deferred tax liabilities	遞延稅項負債	29	1,801,819	1,496,256
Lease liabilities	租賃負債	16(b)	3,368	11,379
Total non-current liabilities	非流動負債總額		10,636,647	8,576,775
NET ASSETS				
	資產淨額		11,405,859	9,548,752
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	30	2,860,877	2,860,877
Reserves	儲備	31	7,673,416	5,949,192
			10,534,293	8,810,069
Non-controlling interests	非控股權益		871,566	738,683
TOTAL EQUITY	權益總額		11,405,859	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。

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

本公司之財務狀況表

As at 31 December 2020 於二零二零年十二月三十一日

		As at 31 December 於十二月三十一日		
		Notes 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 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	5	11
Interests in subsidiaries	附屬公司權益	20	10,880,417	9,988,163
Other financial assets	其他金融資產	24	409,147	431,035
Total non-current assets	非流動資產總額		11,289,569	10,419,209
CURRENT ASSETS				
	流動資產			
Other receivables	應收賬款其他應收款項	23	6,502,232	4,982,545
Cash and cash equivalents	現金及現金等價物	25	23,128	213,793
Total current assets	流動資產總額		6,525,360	5,196,338
CURRENT LIABILITIES				
	流動負債			
Other payables	其他應付款項	26	99,253	92,881
Borrowings	借貸	27	1,954,648	1,522,919
Total current liabilities	流動負債總額		2,053,901	1,615,800
NET CURRENT ASSETS	流動資產淨額		4,471,459	3,580,538
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		15,761,028	13,999,747
NON-CURRENT LIABILITIES				
	非流動負債			
Borrowings	借貸	27	5,129,809	4,039,303
NET ASSETS	資產淨額		10,631,219	9,960,444
EQUITY				
	權益			
Share capital	股本	30	2,860,877	2,860,877
Reserves	儲備	31	7,770,342	7,099,567
TOTAL EQUITY	權益總額		10,631,219	9,960,444

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 2020 截至二零二零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							Total equity 總權益 HK\$'000 千港元		
	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 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
At 1 January 2020	2,860,877	1,599,765	(777,967)	398,409	1,229,302	(2,181)	3,501,884	8,810,069	738,688	9,548,752
Profit for the year	-	-	-	-	-	-	1,024,271	1,024,271	62,093	1,086,364
Other comprehensive income for the year:										
Income from other comprehensive income for the year:										
Foreign currency translation differences	-	-	903,178	-	-	-	-	903,178	53,246	956,424
Total comprehensive income for the year	-	-	903,178	-	-	-	1,024,271	1,927,449	115,339	2,042,788
Acquisition of a non-controlling interest of a subsidiary	-	-	-	-	-	-	10,384	10,384	(39,374)	(28,990)
2019 final dividend declared	-	-	-	-	-	-	(106,645)	(106,645)	-	(106,645)
2020 interim dividend declared	-	-	-	-	-	-	(106,964)	(106,964)	-	(106,964)
Capital contributions received by non wholly-owned subsidiaries from non-controlling shareholders	-	-	-	-	-	-	-	-	56,918	56,918
Transfer to statutory reserve	-	-	-	126,401	-	-	(126,401)	-	-	-
At 31 December 2020	2,860,877	1,599,765*	125,211*	524,810*	1,229,302*	8,203*	4,186,125*	10,534,293	871,566	11,405,859

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 2020 截至二零二零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 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	30	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	30	(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)	-	(77,476)
2019 interim dividend declared	已宣派二零一九年中期股息	-	-	-	-	-	(105,183)	(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 2020 截至二零二零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
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		

* These reserve accounts comprise the consolidated reserves of HK\$7,673,416,000 and HK\$5,949,192,000 as at 31 December 2020 and 2019 in the consolidated statement of financial position, respectively.
該等儲備賬目包括於二零二零年及二零一九年十二月三十一日之綜合財務狀況表內綜合儲備分別為7,673,416,000港元及5,949,192,000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 2020 截至二零二零年十二月三十一日止的財政年度

	Notes 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 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	1,483,286	1,195,079
Adjustments for:	經調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	8 16,633	16,571
Depreciation of right-of-use assets	使用權資產折舊	8 10,129	6,979
Amortisation of intangible assets	無形資產攤銷	8 72,536	73,148
Loss on disposals of property, plant and equipment	處置物業、廠房及設備虧損	8 406	933
Finance costs	財務費用	7 348,795	355,287
Interest income	利息收入	7 (15,807)	(20,348)
Share of profits of associates	所佔聯營公司盈利	(4,224)	(614)
Provision for impairment of trade receivables	應收賬款減值撥備	8 25,492	17,314
Provision for impairment of other receivables	其他應收賬款減值撥備	8 3,342	–
Provision for impairment of contract assets	合約資產減值撥備	8 12,695	–
Fair value adjustment of contingent consideration receivable	或然代價應收款項之公允價值調整	6 7,814	646
Fair value changes of other financial assets, net	其他金融資產公允價值變動淨額	6 47,746	(28,008)
Dividend received from other financial assets	自其他金融資產收取的股息	(1,929)	–
Effect of foreign exchange rates changes, net	匯率變動的影響淨額	(25,021)	4,355
Operating cash flows before working capital changes	營運資金變動前的經營現金流量	1,981,893	1,621,342
(Increase)/decrease in inventories	存貨（增加）/減少	(50,201)	1,740
Increase in contract assets	合約資產增加	(2,327,398)	(2,755,533)
Increase in trade and other receivables	應收賬款及其他應收款項增加	(635,243)	(397,433)
(Decrease)/increase in trade and other payables	應付賬款及其他應付款項（減少）/增加	(83,802)	607,019
Cash used in operations	經營所動用的現金	(1,114,751)	(922,865)
People's Republic of China (“PRC”) income tax paid	已付中華人民共和國（「中國」）所得稅	(207,594)	(135,257)
Net cash flows used in operating activities	經營活動所動用的現金流量淨額	(1,322,345)	(1,058,122)

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 2020 截至二零二零年十二月三十一日止的財政年度

	Notes 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		15,807	20,348
Purchases of items of property, plant and equipment		(18,478)	(17,885)
Proceeds from disposals of property, plant and equipment		14	1
Payment for additions of intangible assets		(164,513)	(229,313)
Increase in amounts due from an associate		(733)	(4,646)
Decrease in fixed deposits with maturity period of over three months and restricted balances in financial institutions		-	549,040
Increase in other financial assets		-	(451,563)
Dividend received from other financial assets		1,929	-
Net cash flows used in investing activities		(165,974)	(134,018)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares under global offering		-	310,870
Payment for listing expenses		-	(11,643)
Share issue expenses in relation to scrip dividend scheme	30	-	(354)
Proceeds from the issuance of corporate bonds, net of related expenses paid		-	804,235
Proceeds from the issuance of asset-backed securities ("ABS"), net of related expenses paid		320,426	-
Proceeds from the issuance of medium-term notes ("MTN"), net of related expenses paid		1,120,135	-
New bank loans		2,665,730	3,203,420
Repayment of corporate bonds		(337,290)	-
Repayments of ABS		(41,599)	-

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CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

綜合現金流量表 (續)

For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

	Notes 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Repayments of bank and other loans	償還銀行及其他貸款	(2,164,948)	(2,388,854)
Interest paid	已付利息	(334,334)	(332,973)
Principal elements of lease payments	租賃付款的本金部分	(9,605)	(6,430)
Interest elements of lease payments	租賃付款的利息部分	(797)	(777)
Decrease in amounts due to intermediate holding companies	應付中間控股公司款項減少	-	(4)
Decrease/(increase) in pledged bank deposits	已抵押銀行存款減少/(增加)	7,037	(1,397)
Acquisition of a non-controlling interest	收購非控股權益	(28,990)	-
Dividends paid to shareholders of the Company	已付本公司股東股息	(214,002)	(29,279)
Dividends paid to a non-controlling shareholder of subsidiary	已付一名附屬公司非控股股東股息	-	(28,990)
Capital contributions from non-controlling shareholders of subsidiaries	附屬公司的非控股股東注資	51,859	45,368
Net cash flows generated from financing activities	融資活動所產生現金流量淨額	1,033,622	1,563,192
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物(減少)/增加淨額	(454,697)	371,052
Cash and cash equivalents at the beginning of the year	年初之現金及現金等價物	2,052,250	1,706,871
Effect of exchange rate fluctuations on cash and cash equivalents, net	現金及現金等價物的匯率波動影響淨額	105,302	(25,673)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	年末之現金及現金等價物	1,702,855	2,052,250
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	1,719,530	2,074,803
Less: Pledged bank deposits	減：已抵押銀行存款	(16,675)	(22,553)
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	1,702,855	2,052,250

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 2020 截至二零二零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, 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，其詳情如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2020 截至二〇二〇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/registered share capital 已發行普通股/註冊資本	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 2020 截至二〇二〇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/registered share capital 已發行普通股/註冊資本	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	
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)) 大連保稅區光水務有限公司 (前稱「大連保稅區 東達污水處理有限公司」) ^ (附註(5))	PRC/Mainland China 25 January 2013 中國/中國內地 2013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)) 大連光水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 2020 截至二零二零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/registered share capital 已發行普通股/註冊資本	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 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 66,500,000 66,500,000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") ⁺ (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

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2020 截至二零二零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/registered share capital 已發行普通股/註冊資本	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 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)) 丹東光水污水處理有限公司 (前稱「丹東東達污水 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
Dandong EW Water Co., Ltd.** (note (5)) 丹東光水水務有限公司^ (附註(5))	PRC/Mainland China 11 August 2020 中國/中國內地 2020年8月11日	RMB 80,000,000 80,000,000元人民幣	-	100	Waste water treatment and reusable water 污水處理及中水回收
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 Human EW Water Co., Ltd. (formerly known as "Dongda Group (Shenyang) Human Water Co., Ltd.")** (note (5)) 瀋陽渾南光水水務有限公司 (前稱「東達集團 (瀋陽) 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「東達集團通 遼水務有限公司」)^ (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

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2020 截至二〇二〇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/registered share capital 已發行普通股/註冊資本	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") ^(a) (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 ^(a) 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 ^(a) (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	-	100	Waste water treatment 污水處理
Everbright Reusable Water (Jiangyin) Limited ^(a) 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 ^(a) (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

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

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/registered share capital 已發行普通股/註冊資本	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 污水處理和水中回用
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9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11月9日	RMB 92,000,000 92,000,000元人民幣	-	100	River basin ecological restoration 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 95,061,700 95,061,700元人民幣	-	100	Waste water treatment 污水處理

1. CORPORATE INFORMATION (cont'd)

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財務報表附註

For the financial year ended 31 December 2020 截至二零二零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/registered share capital 已發行普通股/註冊資本	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 278,877,000 278,877,000元人民幣	-	70	Waste water treatment 污水處理
Everbright Water (Ji'nan Licheng) Limited** (note (5)) 光大水務(濟南歷城)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 (Ji'nan) 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

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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/registered share capital 已發行普通股/註冊資本	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 (Changzhou) Limited (formerly known as EW Environmental Protection (Changzhou) Co., Ltd.)* (note (5)) 光大水務(常州)有限公司(前稱光大環保(常州)有限公司)* (附註(5))	PRC/Mainland China 22 December 2020 中國/中國內地 2020年12月22日	RMB 40,000,000 40,000,000元人民幣	-	100	Waste water treatment and reusable water 污水處理和可水回用
EW (Zibo Zhangdian) Waste Water Treatment Co., Ltd** (note (5)) 光水(淄博張店)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 污水處理和可水回用
EW (Jinan 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 污水處理和可水回用
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 (Ji'nan Zhangqiu) Limited** (note (5)) 光大水務(濟南章丘)有限公司*(附註(5))	PRC/Mainland China 11 May 2020 中國/中國內地 2020年5月11日	RMB 85,200,000 85,200,000元人民幣	-	99	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

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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/registered share capital 已發行普通股/註冊資本	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 (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
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\$ 18,388,200 18,388,200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* # (「光大水務南寧」) (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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財務報表附註

For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

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/registered share capital 已發行普通股/註冊資本	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 (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 2007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	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/registered share capital 已發行普通股/註冊資本	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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For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

1. 公司資料 (續)

Name 名稱	Everbright Water (Zhangqiu) Limited** (note (5)) 光大水務(章丘)有限公司*(附註(5))	Everbright Water (Zhangqiu) Operating Limited** (note (5)) 光大水務(章丘)運營有限公司*(附註(5))	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))	Everbright Water (Zibo) Holdings Limited 光大水務(淄博)控股有限公司	Everbright Water (Zibo) Limited** (note (5)) 光大水務(淄博)有限公司*(附註(5))	Everbright Water Technology Development (Nanjing) Limited** 光大水務科技發展(南京)有限公司*	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/registered share capital 已發行普通股/註冊資本	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	
							RMB 30,349,700 30,349,700元人民幣	-	100	Waste water treatment 污水處理	
							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	
							HK\$ 74,240,000 74,240,000港元	-	100	Waste water treatment 污水處理	
							HK\$100 100港元	-	100	Investment holding 投資控股	
							US\$ 85,666,900 85,666,900美元	-	100	Waste water treatment 污水處理	
							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	

1. CORPORATE INFORMATION (cont'd)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2020 截至二零二零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/registered share capital 已發行普通股/註冊資本	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** (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\$ 100,000,000 100,000,000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.** 江蘇通用環境工程有限公司^	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** (note (5)) 濟南光大供水有限公司* (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
Ju County EW Water Limited** (note (5)) 莒縣光水務有限公司* (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 污水處理和中之水回用
Ju County EW Waste Water Co., Ltd.** (note (5)) 莒縣光水污水處理有限公司^ (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 污水處理和中之水回用
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

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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/registered share capital 已發行普通股/註冊資本	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	
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 污水處理
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

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財務報表附註

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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/registered share capital 已發行普通股/註冊資本	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	
Shanghai Weiyang Construction Design Co., Ltd. ("Shanghai Weiyang") ⁺ 上海中央建設工程設計有限公司 (「上海中央」) [^]	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
Shenyang Dadong EW Water Co., Ltd. ⁺ (note (5)) 瀋陽大東光水務有限公司 (附註(5)) [^]	PRC/Mainland China 10 July 2020 中國/中國內地 2020年7月10日	RMB 13,000,000 13,000,000元人民幣	-	100	Waste water treatment and reusable water 污水處理和中水回用
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
Sujian 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	RMB 22,107,650 22,107,650元人民幣	-	100	Waste water treatment 污水處理
Sujian 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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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/registered share capital 已發行普通股/註冊資本	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 10,000,000 10,000,000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. ^{^)} 莊河市光水污水處理有限公司 [^]	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)) 淄博光水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 cooperative joint ventures
根據中國法律註冊為中外合作經營企業

⁺ English translation is for identification only
英文譯名僅供識別

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2020 截至二零二零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 2020.
- (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佔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佔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。為免疑義，本集團無聯營公司在截至二零二零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」。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2020 截至二零二零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.

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抵銷。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

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 2020, together with the relevant transitional provisions, have been consistently applied by the Group in the preparation of the financial statements throughout the financial periods.

The principal effects of adopting these revised IFRS are as follows:

(a) Amendments to IFRS 3 *Definition of a Business*

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

(b) Amendments to IFRS 7, IFRS 9 and IAS 39 *Interest Rate Benchmark Reform*

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

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二零二零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。

採納該等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3號之修訂
業務之定義

國際財務報告準則第3號之修訂闡明一系列活動和資產應被視為一項業務，必須至少包括一項投入和一項實質性過程，能共同顯著促進創造產出的能力。此外，其闡明一項業務可以不具備所有創造產出所需的投入及過程。該等修訂並無影響本集團之綜合財務報表，惟可能會影響於未來期間本集團進行任何業務合併。

(b) 國際財務報告準則第7號、國際財務報告準則第9號及國際會計準則第39號之修訂
利率基準改革

國際財務報告準則第9號及國際會計準則第39號之修訂：確認和計量提供若干減免，適用於直接受利率基準改革影響的所有對沖關係。倘改革導致被對沖項目或對沖工具的基準現金流量的時間及/或金額存在不確定性，則對沖關係會受到影響。由於本集團並無任何利率對沖關係，故該等修訂並無對本集團之綜合財務報表造成影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

2.2 BASIS OF PREPARATION (cont'd)

- (c) Amendments to IAS 1 and IAS 8 *Definition of Material*

The amendments provide a new definition of material that states, “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

- (d) Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

2.2 編製基準 (續)

- (c) 國際會計準則第1號及國際會計準則第8號之修訂 *重大之定義*

該等修訂為重大性提供新的定義，指出「倘遺漏、錯誤陳述或隱瞞資料可合理預期會影響一般用途財務報表的主要使用者基於該等財務報表（提供特定報告實體之財務資料）作出之決策，則有關資料屬重大。」該等修訂闡明在財務報表的範圍內，重大性將取決於資料的性質或幅度（單獨或與其他資料結合使用）。倘合理預期資料的錯誤陳述會影響主要使用者的決策，則資料的錯誤陳述屬重大。該等修訂並無對本集團的綜合財務報表產生影響，預計亦不會對本集團產生任何未來影響。

- (d) 二零一八年三月二十九日刊發的財務報告之概念框架

概念框架並非為一項準則，且概無其包含的概念凌駕於任何準則概念或規定。概念框架目的為協助國際會計準則理事會指定準則，有助編製者制定貫徹會計政策（如並無適用準則）及協助各方理解及詮釋準則。根據概念框架指定會計政策的實際將據此受到影響。經修訂概念框架包括若干新概念，提供資產及負債的更新定義及確認標準，並闡明若干重要概念。該等修訂並無對本集團的綜合財務報表產生影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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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 10 and IAS 28
國際財務報告準則第10號及國際會計準則第28號之修訂

Amendments to IFRS 4
國際財務報告準則第4號之修訂

Amendments to IAS 1
國際會計準則第1號之修訂

IFRS 17
國際財務報告準則第17號

Amendments to IFRS 17
國際財務報告準則第17號之修訂

Amendments to IFRS 3
國際財務報告準則第3號之修訂

Amendments to IAS 16
國際會計準則第16號之修訂

Amendments to IAS 37
國際會計準則第37號之修訂

Various IFRS standards
多項國際財務報告準則

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
國際財務報告準則第9號、國際會計準則第39號、國際財務報告準則第7號、國際財務報告準則第4號及國際財務報告準則第16號之修訂

Amendments to IFRS 16
國際財務報告準則第16號之修訂

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。

*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*⁵
投資者與其聯營公司或合營企業之間之資產銷售或注資⁵

*Extension of the Temporary Exemption from Applying IFRS 9*⁵
擴大暫時豁免應用國際財務報告準則第9號⁵

*Classification of Liabilities as Current or Non-current*⁴
將負債分類為流動負債或非流動負債⁴

*Insurance Contracts*⁴
保險合約⁴

*Insurance Contracts*⁴
保險合約⁴

*Reference to the Conceptual Framework*³
概念框架引述³

*Property, Plant and Equipment: Proceeds Before Intended Use*³
物業、廚房及設備：作擬定用途前的所得款項³

*Onerous Contracts – Costs of Fulfilling a Contract*³
虧損性合約 — 履行合約的成本³

*2018-2020 Annual Improvements to IFRS standards*³
二零一八年至二零二零年國際財務報告準則年度改進³

*Interest Rate Benchmark Reform – Phase 2*²
利率基準改革 — 第二階段²

*COVID-19 Related Rental Concessions*¹
新型冠狀病毒相關租金優惠¹

¹ Effective for annual periods beginning on or after 1 June 2020.

² Effective for annual periods beginning on or after 1 January 2021.

³ Effective for annual periods beginning on or after 1 January 2022.

⁴ Effective for annual periods beginning on or after 1 January 2023.

⁵ No mandatory effective date yet determined but available for adoption.

¹ 於二零二零年六月一日或之後開始之年度期間生效。

² 於二零二一年一月一日或之後開始之年度期間生效。

³ 於二零二二年一月一日或之後開始之年度期間生效。

⁴ 於二零二三年一月一日或之後開始之年度期間生效。

⁵ 尚未釐定強制生效日期，但可供採用。

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財務報表附註

For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

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).

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.

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。

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扣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且一般不少於20%的股權投票權，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法核算應佔資產淨值扣減任何減值虧損於綜合財務狀況表列賬。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Investment in associates (cont'd)

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.

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.

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.

2.4 重大會計政策概要 (續)

於聯營公司的投資 (續)

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。

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價值與保留投資及出售所得款項的公允價值之間的任何差異於損益確認。

服務特許經營權安排

本集團已與授予人訂立多項服務特許經營權安排。

根據該等服務特許經營權安排：

- 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。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Service concession arrangements (cont'd)

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.

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 (operating concession) 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)

服務特許經營權安排 (續)

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。

授予人提供之代價

於本集團有無條件權利就所提供建造服務及/或本集團就管理及運營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）按成本扣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算。

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按公允價值計量或然代價。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最符合經濟利益之方式計量。

非金融資產的公允價值計量須考慮市場參與者能否最佳最有效使用該資產而賺取經濟利益，或把該資產售予其他市場參與者，其能最佳最有效地使用該資產。

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)

就經常性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，與其公允價值扣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。

僅當資產的賬面價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，估計未來現金流量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列支扣除。

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價值（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；或
 - (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格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，記入資產賬面價值。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）。

初始確認的物業、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價值的差異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.

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.

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.

2.4 重大會計政策概要 (續)

物業、廠房及設備以及折舊 (續)

在建工程按成本扣減任何減值虧損列賬，且不予計提折舊。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借貸成本。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。

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佔資產淨值。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。

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。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Business combinations and goodwill (cont'd)

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.

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.

2.4 重大會計政策概要 (續)

業務合併及商譽 (續)

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異將於損益內確認為議價收購收益。

於初始確認後，商譽按成本扣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價值有可能減值時，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應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價值時，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。

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價值。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。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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

2.4 重大會計政策概要 (續)

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。

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

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Intangible assets (other than goodwill) (cont'd)

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)

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價值兩者間的差異，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。

研發開支

所有研究開支於發生時計入損益。

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，方可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

本集團在租賃虧損開始日（即標的資產可供使用之日）確認使用權資產。使用權資產按成本扣減累計折舊和減值後的金額計量，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扣減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法計量。

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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）扣減任何應收租賃獎勵、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.

2.4 重大會計政策概要 (續)

租賃 (續)

集團作為承租人 (續)

(iii) 短期租賃和低價值資產租賃

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。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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

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。

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。

就按攤餘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.

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。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial instruments (cont'd)

(i) Financial assets (cont'd)

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
- 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.

2.4 重大會計政策概要 (續)

金融工具 (續)

(i) 金融資產 (續)

終止確認

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
- 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。

以擔保形式對轉讓資產繼續涉入的, 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。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial instruments (cont'd)

(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.

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

初始確認和計量

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、貸款和借貸或應付款項 (視情況而定)。

所有金融負債初始按公允價值確認，如為貸款、借貸和應付款項，扣除直接可歸屬的交易成本後確認。

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借貸。

後續計量

初始確認後，計息貸款和借貸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。攤餘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，兩者賬面價值的差異計入損益。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Impairment of financial assets

IFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVTPL using a forward-looking ECL approach.

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 effective interest rate ("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.

2.4 重大會計政策概要 (續)

金融資產減值

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不可能全數收回未償還合同金額時，本集團亦可能認為金融資產違約。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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)

金融工具的抵銷

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，則金融資產與金融負債抵銷後，以淨額於財務狀況表呈報。

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扣減完成及出售將產生之任何預計成本計算。消耗存貨時，該等存貨的賬面價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，但須按要求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.

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中確認。

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金額計算，基於報告期末已頒佈或已實際頒佈的稅率（及稅法），並已考慮本集團經營所在國家的現行詮釋及慣例。

遞延稅項採用負債法計量，以於報告期末的資產及負債的計稅基礎與其作為財務報告用途的賬面價值之間的所有暫時性差異確認金額。

除下列情況外，對所有應課稅暫時性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課稅損益；
- 與附屬公司及聯營公司的投資有關的應課稅暫時性差異而言，當該暫時性差異的轉回時間可予控制時，且該暫時性差額於可見未來很可能不會轉回。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income tax (cont'd)

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
- 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.

2.4 重大會計政策概要 (續)

所得稅 (續)

所有可扣減暫時性差異、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。在很可能有應課稅利潤可用作抵銷可扣減暫時性差異、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：

- 有關可抵扣暫時性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課稅損益；及
- 與附屬公司及聯營公司的投資有關的可抵扣暫時差異，只有當暫時性差異很可能於可預見未來轉回及有應課稅利潤可用作抵銷該暫時性差異的情況下，方予以確認遞延稅項資產。

遞延稅項資產的賬面價值於各報告期末審核，並減至不可能再有足夠應課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課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佈或已實質頒佈的稅率（及稅法）為基準）計算。

NOTES TO THE FINANCIAL STATEMENTS

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income tax (cont'd)

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.

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

2.4 重大會計政策概要 (續)

所得稅 (續)

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。

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，或者從資產的賬面價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推移確認收入：

- (a) 客戶同時取得及利用本集團履約時所提供之利益

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For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue recognition (cont'd)

Revenue from contracts with customers (cont'd)

- (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.

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.

2.4 重大會計政策概要 (續)

收入確認 (續)

客戶合同收入 (續)

- (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，收入於客戶獲得資產控制權的某一時點確認。

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努力或投入計量，並參考測量師就已進行之工作量所作之評估以及截至報告期末已產生的成本佔合同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時，則有關交易價格將根據各自的獨立售價分配至各履約責任。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。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue recognition (cont'd)

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.

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.

2.4 重大會計政策概要 (續)

收入確認 (續)

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推移確認建造服務收入並參考測量師就已進行之工作量之評估及截至報告期末已產生的成本佔合同之估計總成本之百分比。

來源於服務特許經營權安排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。

運營收入

於提供相關服務時，本集團確認來自水環境項目運營服務的收入，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。服務特許經營權安排其他運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。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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.

2.4 重大會計政策概要（續）

合約資產及合約負債

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，並確認為合約負債。

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。

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地方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。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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.

2.4 重大會計政策概要 (續)

借貸成本

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)而直接應計的借貸成本,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,則有關借貸成本停止資本化。特定借貸於用作合資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借貸成本中扣減。所有其他借貸成本於發生期間費用化。借貸成本包括實體就借入資金產生的利息及其他成本。

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始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異於損益內確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Foreign currencies (cont'd)

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.

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.

2.4 重大會計政策概要 (續)

外幣 (續)

因結算或換算貨幣項目產生的差異於損益確認，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中確認，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。

按曆史成本列賬、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內確認或損益內確認的項目，其換算差額亦分別於其他全面收益內確認或損益內確認）。

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。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Foreign currencies (cont'd)

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.

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.

2.4 重大會計政策概要 (續)

外幣 (續)

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。

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、資產及負債金額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價值作出重大調整。

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**」）、轉讓—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，在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內使用。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

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.

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 contract 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.

3. 重大會計判斷及估計（續）

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。

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，則需將已收或應收代價的各部分分別入賬。各部分的已收或應收代價按公允價值進行初始確認。

合約資產部分和無形資產部分的服務特許權安排對價的分攤，需要本集團對若干因素作出估計，特別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。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

Estimation uncertainty (cont'd)

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.

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 and 25.

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.

3. 重大會計判斷及估計 (續)

估計不確定因素 (續)

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跡象。當有跡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。

按攤餘成本計量的金融資產減值

本集團合約資產，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。在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。

本集團按攤餘成本計量的金融資產的賬面價值披露於附註21、23及25。

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。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

Estimation uncertainty (cont'd)

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.

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.

3. 重大會計判斷及估計 (續)

估計不確定因素 (續)

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。隨著合同的進行，本集團會審閱並修訂每份建造合同的估計。

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應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，並需選擇合適的折現率，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。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

Estimation uncertainty (cont'd)

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.

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 2020 and 2019, 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.

3. 重大會計判斷及估計 (續)

估計不確定因素 (續)

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始確認的金額不同，則有關差額會影響做出有關決定之期間的所得稅、其他稅項以及遞延稅項撥備。

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、計息借貸及有關支出和收入及遞延稅項。本集團經營單一業務分部，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

截至二零二零年及二零一九年十二月三十一日止年度內，本集團只有一個經營分部，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。

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4. OPERATING SEGMENT INFORMATION (cont'd)

Geographical information

(a) Revenue from external customers

		Year ended 31 December 截至十二月三十一日止年度	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Mainland China	中國內地	5,661,365	5,536,089
Germany	德國	1,927	14,684
		5,663,292	5,550,773

The revenue information of continuing operations above is based on the location at which the services were provided.

(b) Non-current assets

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Mainland China	中國內地	20,997,841	17,292,356
Hong Kong	香港	5,647	9,659
Singapore	新加坡	434	2,154
Germany	德國	359	188
		21,004,281	17,304,357

The non-current assets information of continuing operations above is based on the locations of the assets and excludes other financial assets.

4. 經營分部資料 (續)

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	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Mainland China	中國內地	5,661,365	5,536,089
Germany	德國	1,927	14,684
		5,663,292	5,550,773

上述持續經營的收入信息乃基於服務提供地點劃分。

(b) 非流動資產

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Mainland China	中國內地	20,997,841	17,292,356
Hong Kong	香港	5,647	9,659
Singapore	新加坡	434	2,154
Germany	德國	359	188
		21,004,281	17,304,357

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）。

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4. OPERATING SEGMENT INFORMATION (cont'd)

Major customers

		Year ended 31 December 截至十二月三十一日止年度	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Customer 1**	客戶1**	1,136,798	1,139,784
Customer 2**	客戶2**	727,410	N/A*
Customer 3**	客戶3**	588,419	644,862

* 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 customers are local government authorities.

4. 經營分部資料 (續)

主要客戶

		Year ended 31 December 截至十二月三十一日止年度	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Customer 1**	客戶1**	1,136,798	1,139,784
Customer 2**	客戶2**	727,410	N/A*
Customer 3**	客戶3**	588,419	644,862

* 由於該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。

5. REVENUE

		Year ended 31 December 截至十二月三十一日止年度	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Construction service revenue from service concession arrangements	服務特許經營權安排的建造服務收入	2,794,395	3,007,524
Finance income from service concession arrangements	服務特許經營權安排的財務收入	905,676	796,192
Operation income from service concession arrangements	服務特許經營權安排的運營收入	1,825,176	1,547,984
Construction contract revenue and technical service income	建造合約收入及技術服務收入	138,045	199,073
		5,663,292	5,550,773
Timing of revenue recognition:	收入確認時間：		
At a point in time	於某一時間點	103,376	110,731
Over time	於一段時間內	4,654,240	4,643,850
		4,757,616	4,754,581
Finance income from service concession arrangements	服務特許經營權安排的財務收入	905,676	796,192
		5,663,292	5,550,773

5. 收入

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For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

5. REVENUE (cont'd)

The aggregated amount of construction service revenue, finance income and operation income derived from the local government authorities in the PRC amounted to HK\$5,459,209,000 and HK\$5,282,742,000 for the years ended 31 December 2020 and 2019, respectively. Details of concentrations of credit risk arising from these customers are set out in note 39.

Included in the revenue recognised in each of the years ended 31 December 2020 and 2019, HK\$23,602,000 and HK\$62,665,000, 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:

5. 收入（續）

截至二零二零年及二零一九年十二月三十一日止年度內，來自中國當地政府機關之建造服務收入、財務收入及運營收入總額分別為5,459,209,000港元及5,282,742,000港元。由這些客戶所引起的信貸風險集中詳見附註39。

截至二零二零年及二零一九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23,602,000港元及62,665,000港元。

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）的交易金額如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 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成履約責任：		
Expected to be recognised within one year	預期將於一年內確認	7,190,232	5,674,713
Expected to be recognised after one year	預期將於一年後確認	48,983,828	48,910,784
Total transaction price allocated to the unsatisfied performance obligations	分配至未完成履約責任的交易總額	56,174,060	54,585,497

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財務報表附註

For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

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	
		2020 二零二零年	2019 二零一九年
		HK\$'000 千港元	HK\$'000 千港元
Government grants*	政府補助金*	44,947	21,536
Value-added tax ("VAT") refunds**	增值稅（「增值稅」）退稅**	44,762	57,282
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	(7,814)	(646)
Other financial assets – unlisted investments	其他金融資產 – 非上市投資	(48,629)	23,512
Other financial assets – unlisted equity investment	其他金融資產 – 非上市股權投資	883	4,496
Dividend received from other financial assets	自其他金融資產收取的股息	1,929	–
Sundry income	雜項收入	16,990	7,285
		53,068	113,465

* Government grants of HK\$44,947,000 and HK\$21,536,000 were granted during the years ended 31 December 2020 and 2019, 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 receipts of those grants. There is no assurance that the Group will continue to receive such grants in the future.

** VAT refunds of HK\$44,762,000 and HK\$57,282,000 were received/receivable during the years ended 31 December 2020 and 2019, 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 receipts of such tax refunds. There is no assurance that the Group will continue to receive such tax refunds in the future.

* 截至二零二零年及二零一九年十二月三十一日止年度內，本集團分別獲得44,947,000港元及21,536,000港元的政府補助金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金。

** 截至二零二零年及二零一九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44,762,000港元及57,282,000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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For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

7. NET FINANCE COSTS

7. 財務費用淨額

		Year ended 31 December 截至十二月三十一日止年度	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<u>Finance income</u>	<u>財務收入</u>		
Interest income on:	利息收入：		
Bank deposits	銀行存款	15,141	19,697
Amounts due from an associate	應收一家聯營公司款項	666	651
		15,807	20,348
<u>Finance costs</u>	<u>財務費用</u>		
Interest expense on:	利息開支：		
Bank and other loans	銀行及其他貸款	(212,682)	(232,095)
Corporate bonds, ABS and MTN	公司債券、資產支持證券及中期票據	(135,316)	(122,415)
Lease liabilities	租賃負債	(797)	(777)
		(348,795)	(355,287)
Net finance costs	財務費用淨額	(332,988)	(334,939)

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財務報表附註

For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

8. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/
(crediting):

8. 除稅前盈利

本集團之除稅前盈利已扣除/（計入）：

		Year ended 31 December 截至十二月三十一日止年度	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
	Notes 附註		
Depreciation*	折舊*		
- property, plant and equipment	- 物業、廠房及設備	14	16,633
- right-of-use assets	- 使用權資產	16(a)	10,129
Amortisation	攤銷		
- intangible assets*	- 無形資產*	17	72,536
Loss on disposals of property, plant and equipment	處置物業、廠房及設備 之虧損		406
Cost of construction services from service concession arrangement**	來自服務特許經營權安排 之建造服務成本**		2,113,912
Research and development costs	研究及開發成本		47,982
Rental expenses from short-term leases	短期租賃之 租金開支		3,593
Provision for impairment of trade receivables	應收賬款 減值撥備	23	25,492
Provision for impairment of other receivables	其他應收款項 減值撥備	23	3,342
Provision for impairment of contract assets	合約資產 減值撥備	21	12,695
Foreign exchange differences, net	匯兌差額淨額		(7,072)
Listing expenses	上市開支		-
Employee benefit expense (including directors' remuneration (note 9))*:	僱員福利開支 (包括董事酬金 (附註9))*:		
Wages, salaries, allowances and benefits in kind	工資、薪金、福利 及其他福利		269,711
Retirement scheme contributions	退休計劃供款		55,229
			324,940
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
Non-audit fees	非審計費		
- Others	- 其他		270
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		2,320
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)		-
- Others	- 其他		2,393

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財務報表附註

For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

8. PROFIT BEFORE TAX (cont'd)

* Amortisation of intangible assets, depreciation and employee benefit expense in total of HK\$232,419,000 and HK\$242,043,000 for the years ended 31 December 2020 and 2019, 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.

9. DIRECTORS' REMUNERATION

The remuneration of the Company's directors is set out below:

8. 除稅前盈利（續）

* 截至二零二零年及二零一九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232,419,000港元及242,043,000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。

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	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Fees	袍金	1,913	1,952
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及其他福利	3,115	3,122
Discretionary bonuses	酌情花紅	3,726	4,509
Retirement scheme contributions	退休計劃供款	427	412
		7,268	8,043
		9,181	9,995

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財務報表附註

For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

9. DIRECTORS' REMUNERATION (cont'd)

9. 董事酬金 (續)

		Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total	
	Fees 袍金	薪金、津貼及 其他福利	酌情花紅	退休計劃供款	總額	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	
Year ended 31 December 2020	截至二零二零年十二月三十一日止年度					
Executive directors:	執行董事：					
An Xuesong*	安雪松先生*	-	1,876	1,548	242	3,666
Luo Junling	羅俊嶺先生	-	1,071	2,178	185	3,434
		-	2,947	3,726	427	7,100
Non-executive director:	非執行董事：					
Wang Tianyi	王天義先生	-	-	-	-	-
Independent non-executive directors:	獨立非執行董事：					
Zhai Haitao	翟海濤先生	450	45	-	-	495
Lim Yu Neng Paul	林御能先生	563	45	-	-	608
Cheng Fong Yee	鄭鳳儀女士	450	39	-	-	489
Hao Gang	郝剛女士	450	39	-	-	489
		1,913	168	-	-	2,081
		1,913	3,115	3,726	427	9,181

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財務報表附註

For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

9. DIRECTORS' REMUNERATION (cont'd)

9. 董事酬金 (續)

		Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	Fees 袍金	薪金、津貼及 其他福利	酌情花紅	退休計劃供款	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
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	羅俊嶺先生	1,004	1,929	131	3,064
		2,846	4,509	412	7,767
Non-executive director:	非執行董事：				
Wang Tianyi	王天義先生	-	-	-	-
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	郝剛女士	459	63	-	522
		1,952	276	-	2,228
		1,952	3,122	412	9,995

* Mr. An Xuesong was also the chief executive officer of the Group. Starting from 2021, his discretionary bonuses will be paid in two installments.

* 安雪松先生亦是本集團的總裁。自二零二一年起，他的酌情花紅將分兩期發放。

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the financial year.

本財政年度並無董事或最高行政人員放棄或同意放棄任何薪酬的安排。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the years ended 31 December 2020 and 2019 included two directors, respectively, whose remuneration is included in note 9 above. Details of the remuneration for the years ended 31 December 2020 and 2019 of the remaining three highest paid employees who are neither directors nor chief executives of the Company are as follows:

Salaries, allowances and benefits in kind	薪金、津貼及其他福利
Discretionary bonuses	酌情花紅
Retirement scheme contributions	退休計劃供款

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

10. 五名最高薪酬僱員

截至二零二零年及二零一九年十二月三十一日止年度內，五名最高薪酬僱員包括兩名董事，其各自酬金計入上文附註9。截至十二月三十一日止的二零二零年度及二零一九年度餘下三名既非本公司董事亦非最高行政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

2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
2,910	2,662
3,603	3,472
389	388
6,902	6,522

薪酬在以下範圍內的非董事及非最高行政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

2020 二零二零年	2019 二零一九年
–	–
–	–
–	–
3	3
3	3

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財務報表附註

For the financial year ended 31 December 2020 截至二零二零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 2020 and 2019.

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 years ended 31 December 2020 and 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 2020 and 2019, certain PRC subsidiaries of the Group were subject to tax at half of the foregoing statutory rate or fully exempted 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

由於本集團於截至二零二零年及二零一九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。截至二零二零年及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。截至二零二零年及二零一九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	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Current - PRC:	即期－中國：		
Charge for the year	本年度計提	205,721	158,824
Underprovision/(overprovision) in prior years	過往年度撥備不足/（撥備過剩）	1,568	(2,167)
Deferred (note 29)	遞延（附註29）	189,633	153,693
Total tax expense for the year	本年度稅項開支總額	396,922	310,350

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財務報表附註

For the financial year ended 31 December 2020 截至二零二零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	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Profit before tax	除稅前盈利	1,483,286	1,195,079
Tax calculated at tax rate of 25% (2019: 25%)	按25%的稅率計算之 稅項（二零一九：25%）	370,822	298,770
Effect of tax rates in foreign jurisdictions	海外司法權區稅率 影響	45,048	39,215
Tax concession	稅項優惠	(119,598)	(84,325)
Adjustments in respect of current tax of previous periods	就過往期間之即期稅項作 出之調整	1,568	(2,167)
Profits attributable to associates	聯營公司所佔盈利	(1,056)	(154)
Income not subject to tax	無須課稅收入	(6,368)	(962)
Expenses not deductible for tax	不可扣稅開支	43,534	10,369
Tax losses not recognised	未確認稅項虧損	18,823	13,660
Tax losses utilised from previous periods	動用過往期間之稅項 虧損	(9,429)	(10,065)
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	53,578	46,009
Tax expense at the Group's effective rate	按本集團實際稅率計算 之稅項支出	396,922	310,350

The share of tax attributable to associates amounting to HK\$745,000 and HK\$85,000 for the years ended 31 December 2020 and 2019, respectively, is included in "Share of profits of associates" in the consolidated statement of comprehensive income.

截至二零二零年及二零一九年十二月三十一日止年度，所佔聯營公司稅項分別為745,000港元及85,000港元，已計入綜合全面收益表的「所佔聯營公司盈利」。

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財務報表附註

For the financial year ended 31 December 2020 截至二零二零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	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Dividends for the financial year: Interim – HK\$0.0374 (equivalent to SGD0.0067) and HK\$0.0374 (equivalent to SGD0.0065), respectively, per ordinary share	本財政年度股息： 中期一分別為每股普通股0.0374港元（等值0.0067新加坡元）和0.0374港元（等值0.0065新加坡元）	106,964	105,183
Proposed final – HK\$0.0607 (equivalent to SGD0.0104) and HK\$0.0374 (equivalent to SGD0.0067), respectively, per ordinary share	擬派末期一分別為每股普通股0.0607港元（等值0.0104新加坡元）和0.0374港元（等值0.0067新加坡元）	173,655	106,645
		280,619	211,828
Final dividend for the previous financial year which was paid during the financial year – HK\$0.0374 (equivalent to SGD0.0067) and SGD0.0050, respectively, per ordinary share	本財政年度已付的上一個財政年度末期股息一分別為每股普通股0.0374港元（等值0.0067新加坡元）和0.0050新加坡元	106,645	77,476

The proposed final dividend for the year ended 31 December 2020 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.

二零二零財政年度內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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13. EARNINGS PER SHARE

The calculation of the basic earnings per share amount is based on 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	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 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	1,024,271	833,483
		'000 千股	'000 千股
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	2,860,877	2,772,099
		HK cents 港仙	HK cents 港仙
Basic and diluted earnings per share	每股基本及攤薄盈利	35.80	30.07

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For the financial year ended 31 December 2020 截至二零二零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	Plant and machinery	Leasehold improvements, furniture and fixtures	Motor vehicles and office equipment	Total
		樓宇	廠房及機器	租賃物業裝修、傢俬及裝置	汽車及辦公室設備	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
31 December 2020	二零二零年十二月三十一日					
Cost:	成本：					
At 1 January 2020	於二零二零年一月一日	103,553	49,544	12,066	80,719	245,882
Additions	增置	–	2,206	679	15,593	18,478
Disposals	處置	–	(5)	(321)	(9,060)	(9,386)
Exchange realignment	匯兌調整	7,047	3,491	682	5,822	17,042
At 31 December 2020	於二零二零年十二月三十一日	110,600	55,236	13,106	93,074	272,016
Accumulated depreciation:	累計折舊：					
At 1 January 2020	於二零二零年一月一日	31,220	17,055	8,035	47,828	104,138
Charge for the year	本年度折舊	4,600	2,164	1,253	8,616	16,633
Disposals	處置	–	(2)	(305)	(8,660)	(8,967)
Exchange realignment	匯兌調整	2,323	1,277	445	3,312	7,357
At 31 December 2020	於二零二零年十二月三十一日	38,143	20,494	9,428	51,096	119,161
Net carrying amount:	賬面淨值：					
At 31 December 2020	於二零二零年十二月三十一日	72,457	34,742	3,678	41,978	152,855

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For the financial year ended 31 December 2020 截至二零二零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	Plant and machinery 廠房及機器	Leasehold improvements, furniture and fixtures 租賃物業 裝修、傢俬及 裝置	Motor vehicles and office equipment 汽車及辦 公室設備	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
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

The property ownership certificates of certain buildings of the Group in the PRC (the “Buildings”) with aggregate net carrying amounts of HK\$20,296,000 and HK\$20,280,000 as at 31 December 2020 and 2019, 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，該等物業於二零二零年及二零一九年十二月三十一日賬面淨值分別為20,296,000港元及20,280,000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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財務報表附註

For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company

14. 物業、廠房及設備（續）

本公司

		Office equipment 辦公室設備	
		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Cost:	成本：		
At the beginning of the year	年初	38	39
Exchange realignment	匯兌調整	3	(1)
At the end of the year	年末	41	38
Accumulated depreciation:	累計折舊：		
At the beginning of the year	年初	27	21
Charge for the year	本年度折舊	7	7
Exchange realignment	匯兌調整	2	(1)
At the end of the year	年末	36	27
Net carrying amount:	賬面淨值：		
At the end of the year	年末	5	11
At the beginning of the year	年初	11	18

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財務報表附註

For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

15. INVESTMENT PROPERTIES

Group

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Carrying amount at the beginning of the year	年初賬面價值	3,138	-
Additions	增置	8,287	3,211
Exchange realignment	匯兌調整	657	(73)
Carrying amount at the end of the year	年末賬面價值	12,082	3,138

The directors of the Company have determined that the Group's investment properties are commercial investment properties based on the nature, characteristics and risks of each property.

The Group's investment properties were revalued on 31 December 2020 and 2019 by management based on the expected future cash flows.

The investment properties are leased or will be leased to third parties under operating leases, further summary details of which are included in note 16.

15. 投資物業

本集團

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Carrying amount at the beginning of the year	年初賬面價值	3,138	-
Additions	增置	8,287	3,211
Exchange realignment	匯兌調整	657	(73)
Carrying amount at the end of the year	年末賬面價值	12,082	3,138

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。

管理層已於二零二零年及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。

投資物業以經營租賃方式出租予第三方，其進一步資料概要載於財務報表附註16。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

15. INVESTMENT PROPERTIES (cont'd)

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

As at 31 December 2020

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:	下列項目之經常性的公允價值計量：			
Commercial investment properties	商用投資物業		12,082	12,082

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	
Recurring fair value measurement for:	下列項目之經常性的公允價值計量：			
Commercial investment property	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 (2019: nil).

15. 投資物業 (續)

下表說明了本集團投資物業的公允價值計量層級：

於二零二零年十二月三十一日

於二零一九年十二月三十一日

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（二零一九年：無）。

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For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

15. INVESTMENT PROPERTIES (cont'd)

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties together with a quantitative sensitivity analysis:

As at 31 December 2020

15. 投資物業（續）

下表概述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：

於二零二零年十二月三十一日

	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\$105,000 預計租金水平增加（減少）5%會導致公允價值增加（減少）105,000 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\$215,000 or decrease in fair value by HK\$191,000 租金增長率增加（減少）1%會導致公允價值增加215,000港元或公允價值減少191,000港元
		Discount rate 折現率	3%	1% increase (decrease) in discount rate would result in decrease in fair value by HK\$333,000 or increase in fair value by HK\$402,000 折現率增加（減少）1%會導致公允價值減少333,000港元或公允價值增加402,000港元
Commercial investment property 商用投資物業	Market comparison approach 市場比較法	Estimated sales price 預計售價	RMB5,228 per square meter 每平方米5,228元人民幣	5% increase (decrease) in estimated sales price would result in increase (decrease) in fair value by HK\$437,000 預計售價增加（減少）5%會導致公允價值增加（減少）437,000 港元

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15. INVESTMENT PROPERTIES (cont'd)

As at 31 December 2019

15. 投資物業（續）

於二零一九年十二月三十一日

	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.

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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For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

15. INVESTMENT PROPERTIES (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.

Under market comparison approach, fair value of investment properties is determined by reference to recent sales prices of comparable properties on a price per square metre basis, adjusted for a premium or a discount specific to the quality of the Group's buildings compared to the recent sales and the timing on the comparable transactions. Higher premium for higher quality buildings and a favourable adjustment on the timing of comparable transaction will result in higher fair value measurement.

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.

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。

根據市場比較法，投資物業的公允價值乃參考可比物業按每平方米價格計算的最近售價釐定，並再按集團的建築物的質量與最近銷售及交易時間的可比交易得出的溢價或折扣再作調整。較高質量建築物所得的溢價及可比交易時機間以得出的有利調整將導致更高公允價值。

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約。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。

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For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

16. LEASES (cont'd)

The Group as a lessee (cont'd)

(a) 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 and 1 January 2020	於二零一九年十二月 三十一日及二零二零 年一月一日	4,910	20,487	212	25,609
Additions	增置	–	9	77	86
Depreciation charge	折舊支出	(339)	(9,547)	(243)	(10,129)
Exchange realignment	匯兌調整	316	397	6	719
At 31 December 2020	於二零二零年十二月 三十一日	4,887	11,346	52	16,285

16. 租賃 (續)

本集團作為承租人 (續)

(a) 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：

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16. LEASES (cont'd)

The Group as a lessee (cont'd)

(b) Lease liabilities

The carrying amount of the Group's lease liabilities and movements during the year are as follows:

Carrying amount at 1 January	於一月一日賬面價值
New leases	新訂租賃
Accretion of interest recognised during the year	年內確認的利息增加
Payments	付款
Exchange realignment	匯兌調整
Carrying amount at 31 December	於十二月三十一日賬面價值

The non-current portion and current portion of the carrying amount of the Group's lease liabilities are as follows:

Current portion	即期部分
Non-current portion	非即期部分
Total carrying amount at 31 December	於十二月三十一日賬面總價值

16. 租賃 (續)

本集團作為承租人 (續)

(b) 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：

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Carrying amount at 1 January	於一月一日賬面價值	20,913	–
New leases	新訂租賃	86	27,547
Accretion of interest recognised during the year	年內確認的利息增加	797	777
Payments	付款	(10,402)	(7,207)
Exchange realignment	匯兌調整	362	(204)
Carrying amount at 31 December	於十二月三十一日賬面價值	11,756	20,913

本集團租賃負債賬面價值的非即期部分及即期部分如下：

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Current portion	即期部分	8,388	9,534
Non-current portion	非即期部分	3,368	11,379
Total carrying amount at 31 December	於十二月三十一日賬面總價值	11,756	20,913

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16. LEASES (cont'd)

The Group as a lessee (cont'd)

- (c) The amounts recognised in profit or loss in relation to leases are as below:

Interest expense on lease liabilities (note 7)	租賃負債的利息費用 (附註7)
Depreciation charge of right-of-use assets	使用權資產折舊支出
Expense relating to short-term leases (included in "Administrative and other operating expenses")	短期租賃的開支 (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

- (d) The total cash outflow for leases is disclosed in note 33(c).

16. 租賃 (續)

本集團作為承租人 (續)

- (c) 於損益表中確認之租賃相關金額如下：

Year ended 31 December 截至十二月三十一日止年度	
2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
797	777
10,129	6,979
3,593	5,349
14,519	13,105

- (d) 與租賃相關的現金流出披露於附註33(c)。

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16. LEASES (cont'd)

The Group as a lessor

The Group leases one of its investment properties (note 15), consisting of one commercial investment property in PRC. The shop had been rented out for a period of 6 years from 1 November 2019 under operating lease arrangements. The terms of the lease generally require the tenant 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\$41,000 (2019: HK\$31,000).

The undiscounted lease payments receivables by the Group in future periods under non-cancellable operating lease with its tenant are as follows:

16. 租賃 (續)

本集團作為出租人

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，其商舖已根據經營租賃安排從二零一九年十一月一日起租出六年。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41,000港元(二零一九年：31,000港元)。

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	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Within 1 year	1年以內	95	89
After 1 year but within 5 years	1年之後至5年以內	363	355
After 5 years	5年之後	-	74
		458	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 2020	二零二零年十二月三十一日						
Cost:	成本：						
At 1 January 2020	於二零二零年一月一日	1,955,202	24,151	7,194	28,390	12,350	2,027,287
Additions	增置	162,091	-	2,422	-	-	164,513
Write-off	撤銷	-	-	-	(28,782)	-	(28,782)
Exchange realignment	匯兌調整	141,788	1,644	619	392	841	145,284
At 31 December 2020	於二零二零年十二月三十一日	2,259,081	25,795	10,235	-	13,191	2,308,302
Accumulated amortisation:	累計攤銷：						
At 1 January 2020	於二零二零年一月一日	313,370	20,394	2,991	28,390	3,705	368,850
Amortisation provided during the year	年內攤銷撥備	65,627	4,067	755	-	2,087	72,536
Write-off	撤銷	-	-	-	(28,782)	-	(28,782)
Exchange realignment	匯兌調整	12,173	1,334	244	392	636	14,779
At 31 December 2020	於二零二零年十二月三十一日	391,170	25,795	3,990	-	6,428	427,383
Net carrying amount:	賬面淨值：						
At 31 December 2020	於二零二零年十二月三十一日	1,867,911	-	6,245	-	6,763	1,880,919

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17. INTANGIBLE ASSETS (cont'd)

17. 無形資產 (續)

Group (cont'd)

本集團 (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
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

As at 31 December 2020 and 2019, 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\$3,627,759,000 and HK\$2,799,359,000, respectively, were pledged to secure ABS and banking facilities granted to the Group, further details of which are included in notes 27, 28 and 34.

Included in "Concession rights" of the Group as at 31 December 2020 and 2019 are contract assets of HK\$802,437,000 and HK\$591,405,000, respectively, arising from performance under construction contracts in connection with service concession arrangements.

於二零二零年及二零一九年十二月三十一日，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）的賬面總額分別為3,627,759,000港元及2,799,359,000港元已抵押作為資產支持證券及本集團獲授銀行融資之抵押品，進一步詳情載於附註27、28及34。

於二零二零年及二零一九年十二月三十一日，計入本集團的「特許經營權」的合約資產分別為802,437,000港元及591,405,000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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17. INTANGIBLE ASSETS (cont'd)

Group (cont'd)

Impairment testing of concession rights not yet available for use

As at 31 December 2020 and 2019, 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\$802,437,000 million and HK\$591,405,000 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 10.2% for 2020 and 10.3% for 2019, and cash flows beyond the five-year period were extrapolated using a growth rate of 3% (2019: 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 2020 and 2019.

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:

17. 無形資產 (續)

本集團 (續)

尚不可用的特許經營權的減值測試

於二零二零年及二零一九年十二月三十一日，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價值分別為約802,437,000港元及591,405,000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二零二零年為10.2%及二零一九年為10.3%，以及超過五年期的現金流量乃採用增長率3%（二零一九年：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。於二零二零年及二零一九年十二月三十一日，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。

以下敏感性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	
		2020 二零二零年	2019 二零一九年
		HK\$'000 千港元	HK\$'000 千港元
Headroom	超出部分	35,000	26,000

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17. INTANGIBLE ASSETS (cont'd)

Group (cont'd)

Impairment testing of concession rights not yet available for use (cont'd)

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 1%	五年期增長率 提高1%
Five-year period growth rate decreased by 1%	五年期增長率 降低1%

A respective increase in the discount rate from the original rate of 10.2% and 10.3% by 0.3% and 0.2% to 10.5% and 10.5%, respectively, as at 31 December 2020 and 2019, 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）

本集團（續）

尚不可用的特許經營權的減值測試（續）

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		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
		26,000	23,000
		(25,000)	(22,000)
		4,000	6,000
		(4,000)	(5,000)

倘於二零二零年及二零一九年十二月三十一日折現率分別從原折現率10.2%及10.3%各自提高0.3%及0.2%至10.5%及10.5%，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價值。

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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
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 2020 and 2019.

The recoverable amount of the group of cash-generating units within the water environment management segment as at 31 December 2020 and 2019 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 11.2% for 2020 and 11.0% for 2019, 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 2020 and 2019.

18. 商譽

本集團

As at 31 December	
於十二月三十一日	
2020	2019
二零二零年	二零一九年
HK\$'000	HK\$'000
千港元	千港元
1,213,509	1,242,713
81,966	(29,204)
1,295,475	1,213,509

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，於二零二零年及二零一九年十二月三十一日，商譽已被分配至水環境治理分部。

於二零二零年及二零一九年十二月三十一日，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二零二零年為11.2%及二零一九年為11.0%，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，於二零二零年及二零一九年十二月三十一日，並無必要計提減值撥備。

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18. GOODWILL (cont'd)

Group (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:

18. 商譽 (續)

本集團 (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	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Headroom	超出部分	3,102,000	4,298,000

Had the estimated key assumptions been changed as below, the headroom would be increased/(decreased) by:

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	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Pre-tax discount rate increased by 0.2%	稅前折現率提高 0.2%	(555,000)	(529,000)
Pre-tax discount rate decreased by 0.2%	稅前折現率降低 0.2%	577,000	551,000
Five-year period growth rate increased by 1%	五年期增長率 提高1%	1,341,000	1,459,000
Five-year period growth rate decreased by 1%	五年期增長率 降低1%	(1,310,000)	(1,423,000)

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18. GOODWILL (cont'd)

Group (cont'd)

Impairment testing of goodwill (cont'd)

A respective increase in the discount rate from the original rate of 11.2% and 11.0% by 1.3% and 1.9% to 12.5% and 12.9%, respectively; or a decrease in the five-year period growth rate by 60% and 47% of the original five-year period growth rate respectively, as at 31 December 2020 and 2019, would remove the remaining headroom.

19. INTERESTS IN ASSOCIATES

Group

Share of net assets

所佔資產淨值

As at 31 December
於十二月三十一日

2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
----------------------------------	----------------------------------

8,143

3,588

Particulars of the Group's associates during the financial year are as follows:

本集團聯營公司於財務報表期間之詳情如下：

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

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19. INTERESTS IN ASSOCIATES (cont'd)

Group (cont'd)

Note:

- (a) In the financial 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.

As at 31 December 2020 and 2019, 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:

19. 聯營公司權益 (續)

本集團 (續)

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（等值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。

於二零二零年及二零一九年十二月三十一日，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：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Share of the associates' profit for the year	本年聯營公司所佔盈利	4,224	614
Share of the associates' total comprehensive income	本年聯營公司所佔綜合全面收益總額	4,224	614
Aggregate carrying amount of the Group's investments in the associates	本集團對聯營公司投資的賬面總額	8,143	3,588

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財務報表附註

For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

20. INTERESTS IN SUBSIDIARIES

Company

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本	12,263,369	11,481,702
Amounts due from subsidiaries	應收附屬公司款項	3,093,886	2,697,945
		15,357,255	14,179,647
Impairment	減值	(4,476,838)	(4,191,484)
		10,880,417	9,988,163

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.

Management performs impairment testing on the Company's interests in subsidiaries based on the assessment of the subsidiaries' historical and performance and probability of future cash flows. The recoverable amount of each of the subsidiaries was determined based on value-in-use calculations using cash flow projections based on a financial budget covering a five-year period approved by the management.

Movements in the provision for impairment are as follows:

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At the beginning of the year	年初	4,191,484	4,293,153
Exchange realignment	匯兌調整	285,354	(101,669)
At the end of the year	年末	4,476,838	4,191,484

Particulars of the subsidiaries are disclosed in note 1.

20. 附屬公司權益

本公司

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本	12,263,369	11,481,702
Amounts due from subsidiaries	應收附屬公司款項	3,093,886	2,697,945
		15,357,255	14,179,647
Impairment	減值	(4,476,838)	(4,191,484)
		10,880,417	9,988,163

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。

管理層通過評估附屬公司的歷史和現在業績以及未來可能的現金流量，對附屬公司的權益進行減值測試。每個附屬公司的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。

減值撥備變動如下：

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At the beginning of the year	年初	4,191,484	4,293,153
Exchange realignment	匯兌調整	285,354	(101,669)
At the end of the year	年末	4,476,838	4,191,484

該等附屬公司的詳情披露於附註1。

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For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

21. CONTRACT ASSETS

Group

		As at 31 December 於十二月三十一日	
		2020 二零二零年	2019 二零一九年
		HK\$'000 千港元	HK\$'000 千港元
		Notes 附註	
Non-current	非即期		
Service concession assets	服務特許經營權資產	(a) 17,360,815	14,144,440
Less: Impairment	減：減值	(c) (12,195)	–
		17,348,620	14,144,440
Current	即期		
Service concession assets	服務特許經營權資產	(a) 1,679,084	1,360,370
Less: Impairment	減：減值	(c) (1,179)	–
		1,677,905	1,360,370
Other contract assets	其他合約資產	(b) 3,282	28,835
		1,681,187	1,389,205
Total	總額	19,029,807	15,533,645

(a) Included in “Contract assets” as at 31 December 2020 and 2019 are amounts of HK\$549,290,000 and HK\$542,172,000, respectively, which are due from a non-controlling shareholder of a non wholly-owned subsidiary, and amounts of HK\$789,747,000 and HK\$730,733,000, respectively, which are due from a related company of a non wholly-owned subsidiary.

Contract assets as at 31 December 2020 and 2019 totalling HK\$19,039,899,000 and HK\$15,504,810,000, 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 2020 and 2019, HK\$8,677,273,000 and HK\$8,120,095,000, 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).

21. 合約資產

本集團

		As at 31 December 於十二月三十一日	
		2020 二零二零年	2019 二零一九年
		HK\$'000 千港元	HK\$'000 千港元
		Notes 附註	
Non-current	非即期		
Service concession assets	服務特許經營權資產	(a) 17,360,815	14,144,440
Less: Impairment	減：減值	(c) (12,195)	–
		17,348,620	14,144,440
Current	即期		
Service concession assets	服務特許經營權資產	(a) 1,679,084	1,360,370
Less: Impairment	減：減值	(c) (1,179)	–
		1,677,905	1,360,370
Other contract assets	其他合約資產	(b) 3,282	28,835
		1,681,187	1,389,205
Total	總額	19,029,807	15,533,645

(a) 於二零二零年及二零一九年十二月三十一日，計入「合約資產」包括應收一間非全資附屬公司的一名非控股股東款項分別為549,290,000港元及542,172,000港元，以及應收一間非全資附屬公司的一間關聯公司款項分別為789,747,000港元及730,733,000港元。

於二零二零年及二零一九年十二月三十一日，合約資產分別合共19,039,899,000港元及15,504,810,000港元，為分別按年利率介乎4.90%至7.83%及4.90%至7.83%計息。於二零二零年及二零一九年十二月三十一日，與開始運營的服務特許經營權安排有關的款項分別8,677,273,000港元及8,120,095,000港元。服務特許經營權安排的尚未到期付款金額，將以服務特許經營權安排運營期間所產生的收入償付。已開票金額將轉撥至應收賬款（附註23）。

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For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

21. CONTRACT ASSETS (cont'd)

Group (cont'd)

- (b) The balance as at 31 December 2020 and 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.

- (c) Impairment assessment

As at 31 December 2020, HK\$13,374,000 (31 December 2019: nil) was recognised as an allowance for expected credit losses on contract assets. The Group's trading terms and credit policy with customers are disclosed in note 23 to the financial statements.

The movements in the provision for impairment of contract assets are as follows:

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At the beginning of the year	於年初	-	-
Impairment losses recognised (note 8)	已確認減值虧損 (附註8)	12,695	-
Exchange realignment	匯兌調整	679	-
At the end of the year	於年末	13,374	-

An impairment analysis is performed at each reporting date using the probability of default approach to measure expected credit losses. The probabilities of default rates are estimated based on comparable entities with published credit ratings. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forward-looking credit risk information. As at 31 December 2020, the probability of default applied ranging from 0.06% to 0.08% and the loss given default was estimated ranging from 62.47% to 64.87%. The loss allowance was assessed to be minimal as at 31 December 2019 in respect of the contract assets.

21. 合約資產 (續)

本集團 (續)

- (b) 於二零二零年及二零一九年十二月三十一日的結余包括因履行建造管理服務合約而產生的合約資產。該等合約包含於達致裏程碑時須於服務期內分期付款的付款時間表。

- (c) 減值撥備

於二零二零年十二月三十一日，13,374,000港元（二零一九年十二月三十一日：無）確認為合約資產的預期信貸虧損撥備。本集團與客戶的交易條款及信貸政策在財務報表附註23中披露。

合約資產的減值撥備之變動如下：

本集團於各個報告日期使用違約概率法進行減值分析，以計量預期信貸虧損。違約概率乃基於已公佈信貸評級之可供比較實體進行估計。有關計算反映概率加權結果、貨幣時間價值及於報告日期可得之有關過往事件及當前情況之合理且有依據之資料以及前瞻性信貸風險資料。於二零二零年十二月三十一日，所應用之違約概率介乎0.06%至0.08%。而違約損失率估計介乎62.47%至64.87%。於二零一九年十二月三十一日，有關合約資產之虧損撥備被評定為極小。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

21. CONTRACT ASSETS (cont'd)

Group (cont'd)

As at 31 December 2020 and 2019, 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\$3,627,759,000 and HK\$2,799,359,000, respectively, were pledged to secure ABS and banking facilities granted to the Group, further details of which are included in notes 27 and 34.

22. INVENTORIES

Group

Raw materials and consumables 原材料及耗材

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

Cost of inventories consumed

已耗存貨的賬面價值

21. 合約資產 (續)

本集團 (續)

於二零二零年及二零一九年十二月三十一日，本集團若干水環境項目的特許經營權（包括無形資產中的特許經營權、合約資產及應收賬款）的賬面價值分別為3,627,759,000港元及2,799,359,000港元已抵押作為本集團發行資產支持證券及獲授銀行融資之抵押品，進一步詳情載於附註27及附註34。

22. 存貨

本集團

As at 31 December 於十二月三十一日	
2020 二零二零年	2019 二零一九年
HK\$'000 千港元	HK\$'000 千港元
93,641	37,948

已於損益表確認為開支的存貨金額分析如下：

As at 31 December 於十二月三十一日	
2020 二零二零年	2019 二零一九年
HK\$'000 千港元	HK\$'000 千港元
831,595	914,896

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For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

23. TRADE AND OTHER RECEIVABLES

Group

23. 應收賬款及其他應收款項

本集團

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Non-current	非即期		
Trade receivables	應收賬款	–	4,714
VAT receivable	應收增值稅	285,324	93,539
Other receivables	其他應收款項	4,578	7,458
Amount due from an associate	應收一間聯營公司款項	–	8,181
		289,902	113,892
Current	即期		
Trade receivables	應收賬款	1,365,321	971,831
Less: Impairment	減：減值	(97,246)	(65,902)
		1,268,075	905,929
Other receivables and sundry deposits	其他應收款項及雜項按金	355,727	254,116
Less: Impairment	減：減值	(3,521)	–
		352,206	254,116
VAT receivable	應收增值稅	141,426	153,908
Amounts due from an associate	應收一間聯營公司款項	17,614	7,587
Prepayments	預付款項	186,376	85,425
		1,965,697	1,406,965
Contingent consideration receivable	或然代價應收款項	–	7,708
		1,965,697	1,414,673
Total	總額	2,255,599	1,528,565

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

23. TRADE AND OTHER RECEIVABLES (cont'd)

Group (cont'd)

The amounts due from an associate are unsecured and interest-bearing at a rate of 4.75% per annum.

Company

Amounts due from subsidiaries 應收附屬公司款項

The amount due from subsidiaries of the Company as at 31 December 2020 and 2019 is unsecured, interest-free and repayable on demand.

The movements in allowance for expected credit losses of trade receivables are as follows:

Group

At the beginning of the year	年初
Impairment losses recognised (note 8)	已確認的減值虧損 (附註8)
Exchange realignment	匯兌調整
At the end of the year	年末

23. 應收賬款及其他應收款項 (續)

本集團 (續)

應收聯營公司款項為無抵押及按年利率4.75%計息。

本公司

As at 31 December
於十二月三十一日

2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
6,502,232	4,982,545

本公司於二零二零年及二零一九年十二月三十一日的應收附屬公司款項為無抵押、免息及須按的要求償還。

應收賬款預期信貸虧損撥備之變動如下：

本集團

As at 31 December
於十二月三十一日

2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
65,902	49,888
25,492	17,314
5,852	(1,300)
97,246	65,902

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財務報表附註

For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

23. TRADE AND OTHER RECEIVABLES (cont'd)

The movements in allowance for expected credit losses of other receivables are as follows:

Group

At the beginning of the year	年初	
Impairment losses recognised (note 8)	已確認的減值虧損 (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:

Group

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	

23. 應收賬款及其他應收款項 (續)

其他應收款項預期信貸虧損撥備之變動如下：

本集團

As at 31 December 於十二月三十一日		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
		-	-
		3,342	-
		179	-
		3,521	-

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：

本集團

As at 31 December 於十二月三十一日		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
		448,151	517,087
		125,719	80,356
		165,675	71,936
		106,074	73,728
		164,376	56,103
		258,080	111,433
		1,268,075	910,643

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財務報表附註

For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

23. TRADE AND OTHER RECEIVABLES (cont'd)

Group (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 2020 and 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 for 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 2020 and 2019 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 2020:	二零二零年十二月三十一日					
Expected loss rate	預計虧損率	1.2%	3.7%	17.6%	40.3%	7.1%
Gross carrying amount (HK\$'000)	賬面價值 (千港元)	555,451	581,236	102,629	126,005	1,365,321
Impairment (HK\$'000)	減值 (千港元)	6,740	21,740	18,032 [^]	50,734 [*]	97,246
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)	賬面價值 (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

23. 應收賬款及其他應收款項 (續)

本集團 (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，故毋須於二零二零年及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，根據共同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。於二零二零年及二零一九年十二月三十一日的減值釐定如下：

本集團

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23. TRADE AND OTHER RECEIVABLES (cont'd)

Group (cont'd)

- ^ The impairment included an amount of HK\$6,978,000 (2019: 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\$39,383,000 (2019: 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.

Trade receivables are due within 30 to 90 days from the date of billing. Trade receivables past due amounting to HK\$5,035,000 and HK\$4,714,000 as at 31 December 2020 and 2019, respectively, will be settled by instalments during 2021 pursuant to the repayment schedules agreed by certain local government authorities.

Included in "Trade and other receivables" of the Group as at 31 December 2020 and 2019 were trade receivables of HK\$1,268,075,000 and HK\$910,643,000, respectively, of which (a) HK\$25,068,000 and HK\$70,615,000, respectively, were due from a non-controlling shareholder of a non wholly-owned subsidiary, (b) HK\$13,596,000 and HK\$11,072,000, respectively, were due from a related company of a non wholly-owned subsidiary, and (c) HK\$61,525,000 and HK\$57,803,000, respectively, were due from a fellow subsidiary.

Included in "Trade and other receivables" of the Group as at 31 December 2019 was contingent consideration receivable of HK\$7,708,000, in relation to the acquisition of Xuzhou Engineering Design Institute. The contingent consideration receivable constitutes a derivative within the scope of IFRS 9, and was recognised at its fair value as asset on initial recognition and was subsequently remeasured at fair value with changes in fair value recognised in profit or loss.

23. 應收賬款及其他應收款項 (續)

本集團 (續)

- ^ 包括就特定應收賬款作出的減值金額6,978,000港元(二零一九年:7,420,000港元),由於有迹象顯示本集團不可能悉數收回未償還合同金額,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39,383,000港元(二零一九年:48,317,000港元),由於有迹象顯示本集團不可能悉數收回未償還合同金額,故有關特定應收賬款被視為違約。

應收賬款於開票日期後30至90日到期。於二零二零年及二零一九年十二月三十一日,根據若干地方政府機構同意的還款時間表,逾期應收賬款分別合共5,035,000港元及4,714,000港元,將於二零二一年分期支付。

於二零二零年及二零一九年十二月三十一日,本集團「應收賬款及其他應收款項」包括應收賬款分別1,268,075,000港元及910,643,000港元,其中(a)應收一間非全資附屬公司的一名非控股股東款項分別為25,068,000港元及70,615,000港元,(b)應收一間非全資附屬公司的一間關聯公司款項分別為13,596,000港元及11,072,000港元,及(c)應收一間同系附屬公司款項分別為61,525,000港元及57,803,000港元。

於二零一九年十二月三十一日,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為7,708,000港元與收購徐州設計院有關。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。

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23. TRADE AND OTHER RECEIVABLES (cont'd)

Group

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At the beginning of the year	年初	7,708	8,541
Fair value loss recognised in profit or loss (note 6)	於損益內確認之公允價值損益 (附註6)	(7,814)	(646)
Exchange realignment	匯兌調整	106	(187)
At the end of the year, classified as current assets	年末，分類為流動資產之部分	-	(7,708)

Included in "Other receivables and sundry deposits" of the Group as at 31 December 2020 and 2019 were consideration receivables of HK\$11,043,000 and HK\$19,079,000, due from third parties arising from the disposals of service concession rights held by Suqian City Cheng Bei Water Treatment Co., Ltd., and Suqian City Cheng Bei Wastewater Treatment Co., Ltd., for which impairment of HK\$3,521,000 was provided as at 31 December 2020 (31 December 2019: nil). The ageing of which is as follows:

Group

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Current	即期	10,270	9,615
Past due:	已逾期		
- over 2 years	- 超過兩年	773	9,464
Amounts past due	逾期金額	773	9,464
		11,043	19,079

23. 應收賬款及其他應收款項 (續)

本集團

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At the beginning of the year	年初	7,708	8,541
Fair value loss recognised in profit or loss (note 6)	於損益內確認之公允價值損益 (附註6)	(7,814)	(646)
Exchange realignment	匯兌調整	106	(187)
At the end of the year, classified as current assets	年末，分類為流動資產之部分	-	(7,708)

於二零二零年及二零一九年十二月三十一日，「其他應收款項及雜項按金」包括數年前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代價，分別為11,043,000港元及19,079,000港元，其於二零二零年十二月三十一日計提減值撥備3,521,000港元（二零一九年十二月三十一日：無）。其賬齡分析載列如下：

本集團

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Current	即期	10,270	9,615
Past due:	已逾期		
- over 2 years	- 超過兩年	773	9,464
Amounts past due	逾期金額	773	9,464
		11,043	19,079

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For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

23. TRADE AND OTHER RECEIVABLES (cont'd)

Group (cont'd)

As at 31 December 2020 and 2019, 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\$3,627,759,000 and HK\$2,799,359,000, respectively, were pledged to secure ABS and banking facilities granted to the Group, further details of which are included in notes 27, 28 and 34 to the financial statements.

All the current portions of the above balances are expected to be recovered or recognised as expenses within one year.

24. OTHER FINANCIAL ASSETS

Group

Unlisted investments, at fair value	以公允價值計量的非上市投資
Unlisted equity investment, at fair value	以公允價值計量的非上市股權投資

Company

Unlisted investments, at fair value	以公允價值計量的非上市投資
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23. 應收賬款及其他應收款項 (續)

本集團 (續)

於二零二零年及二零一九年十二月三十一日，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3,627,759,000港元及2,799,359,000港元已抵押作為本集團發行資產支持證券及獲授銀行融資之抵押品，進一步詳情載於附註27、28及34。

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。

24. 其他金融資產

本集團

As at 31 December 於十二月三十一日	
2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
409,147	431,035
34,051	31,010
443,198	462,045

本公司

As at 31 December 於十二月三十一日	
2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
409,147	431,035

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24. OTHER FINANCIAL ASSETS (cont'd)

As at 31 December 2020 and 2019, the above unlisted investments were wealth management products issued by financial institutions in Hong Kong and the above unlisted equity investment represents the 6% interest in Yancheng CCCC Shanghai Dredging Water Environment Investment Co., Ltd. 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.

25. CASH AND CASH EQUIVALENTS

Group

Cash on hand and bank balances 手持現金及銀行結餘
Pledged bank deposits 已抵押銀行存款

Company

Cash and cash equivalents 現金及現金等價物

24. 其他金融資產 (續)

於二零二零年及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及上述非上市股權投資為鹽城中交上航水環境投資有限公司的6%股權。該等投資被強制分類為按公允價值計入損益（「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本金及利息付款。

25. 現金及現金等價物

本集團

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Cash on hand and bank balances	手持現金及銀行結餘	1,702,855	2,052,250
Pledged bank deposits	已抵押銀行存款	16,675	22,553
		1,719,530	2,074,803

本公司

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Cash and cash equivalents	現金及現金等價物	23,128	213,793

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25. CASH AND CASH EQUIVALENTS (cont'd)

As at 31 December 2020 and 2019, 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 2020 and 2019 are deposits of HK\$253,470,000 and HK\$81,584,000, respectively, placed with a related party bank, which is a fellow subsidiary of the Company.

As at 31 December 2020 and 2019, the cash and cash equivalents of the Group denominated in RMB amounted to HK\$ 1,675,469,000 and HK\$1,726,832,000, 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 2020 and 2019, 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.

25. 現金及現金等價物 (續)

於二零二零年及二零一九年十二月三十一日，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。

於二零二零年及二零一九年十二月三十一日，本集團「現金及現金等價物」包括存放於本公司關聯方銀行（其為本公司同系附屬公司）之存款，分別為253,470,000港元及81,584,000港元。

於二零二零年及二零一九年十二月三十一日，本集團以人民幣計值的現金及現金等價物分別為1,675,469,000港元及1,726,832,000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。

於二零二零年及二零一九年十二月三十一日，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。

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26. TRADE AND OTHER PAYABLES

Group

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Trade payables	應付賬款	1,796,446	1,959,851
Dividend payable to a non-controlling shareholder of a non wholly-owned subsidiary	應付一間非全資附屬公司之一名非控股股東之股息	17,025	20,931
Interest payable	應付利息	85,745	84,858
Payable for acquisition	應付收購款項	9,713	9,094
Tax payables	應付稅項	23,103	27,690
Other creditors and accrued expenses	其他應付賬款及應計費用	608,906	370,060
Total	總額	2,540,938	2,472,484

Company

本公司

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Amounts due to subsidiaries	應付附屬公司款項	2,695	2,673
Interest payable	應付利息	85,699	84,628
Other creditors and accrued expenses	其他應付賬款及應計費用	10,859	5,580
Total	總額	99,253	92,881

26. 應付賬款及其他應付款項

本集團

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

26. TRADE AND OTHER PAYABLES (cont'd)

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\$1,085,901,000 and HK\$1,627,065,000 as at 31 December 2020 and 2019, 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 2020 and 2019 were trade payables of HK\$1,355,000 and HK\$2,218,000, respectively, due to non-controlling shareholders of non wholly-owned subsidiaries, which are unsecured, interest-free and repayable on credit terms similar to those offered by the non-controlling shareholder to its major customers.

Included in "Trade payables" of the Group as at 31 December 2020 and 2019 were trade payables of HK\$6,962,000 and HK\$8,361,000, 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 2020 and 2019 was a guarantee deposit of HK\$14,148,000 and HK\$14,240,000, respectively, from a former director of a subsidiary.

The amounts due to subsidiaries of the Company as at 31 December 2020 and 2019 were unsecured, interest free and repayable on demand.

26. 應付賬款及其他應付款項 (續)

計入「應付賬款及其他應付款項」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	
2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
1,289,456	1,525,166
506,990	434,685
1,796,446	1,959,851

於二零二零年及二零一九年十二月三十一日，本集團擁有建設—運營—移交、建設—擁有一運營及轉讓—運營—移交安排下之應付賬款合同分別合共1,085,901,000港元及1,627,065,000港元。建造工程應付款項屬未到期款項。

於二零二零年及二零一九年十二月三十一日，計入本集團的「應付賬款」包括應付非全資附屬公司的非控股股東的賬款分別為1,355,000港元及2,218,000港元，相關款項為無抵押、免息及須按與該非控股股東授予其主要客戶信貸期相若的信貸期償還。

於二零二零年及二零一九年十二月三十一日，計入本集團「應付賬款」包括應付一間聯營公司之款項分別為6,962,000港元及8,361,000港元，相關款項為無抵押、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。

於二零二零年及二零一九年十二月三十一日，計入本集團「其他應付款項及應計費用」包括一間附屬公司的一名前任董事之擔保按金分別為14,148,000港元及14,240,000港元。

於二零二零年及二零一九年十二月三十一日，應付本集團中間控股公司之款項為無抵押、免息及須按的要求償還。

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27. BORROWINGS

27. 借貸

Group

本集團

		As at 31 December 2020 於二零二零年十二月三十一日		As at 31 December 2019 於二零一九年十二月三十一日	
		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	2022–2039	1,427,715	2021–2032	1,307,594
Bank loans – unsecured	銀行貸款 – 無抵押	2022–2037	4,334,917	2021–2038	4,104,626
Bonds payable – secured (note 28)	應付債券 – 有抵押 (附註28)	2022–2023	230,385		–
Bonds payable – unsecured (note 28)	應付債券 – 無抵押 (附註28)	2022–2023	2,838,443	2021–2022	1,656,920
			8,831,460		7,069,140
Current	即期				
Bank loans – secured	銀行貸款 – 有抵押	2021	153,857	2020	224,274
Bank loans – unsecured	銀行貸款 – 無抵押	2021	1,087,316	2020	680,674
Bonds payable – secured (note 28)	應付債券 – 有抵押 (附註28)	2021	63,371		–
Bonds payable – unsecured (note 28)	應付債券 – 無抵押 (附註28)	2021	942,129	2020	1,105,608
			2,246,673		2,010,556
			11,078,133		9,079,696

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For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

27. BORROWINGS (cont'd)**27. 借貸 (續)****Company****本公司**

		As at 31 December 2020 於二零二零年十二月三十一日		As at 31 December 2019 於二零一九年十二月三十一日	
		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	528,576	2025	653,516
Bank loans – unsecured	銀行貸款 – 無抵押	2022-2024	1,762,790	2021-2024	1,728,867
Bonds payable – unsecured (note 28)	應付債券 – 無抵押 (附註28)	2022-2023	2,838,443	2021-2022	1,656,920
			5,129,809		4,039,303
Current	即期				
Bank loans – secured	銀行貸款 – 有抵押	2021	120,154	2020	121,039
Bank loans – unsecured	銀行貸款 – 無抵押	2021	892,365	2020	296,272
Bonds payable – unsecured (note 28)	應付債券 – 無抵押 (附註28)	2021	942,129	2020	1,105,608
			1,954,648		1,522,919
			7,084,457		5,562,222

Group**本集團**

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 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	1,241,173	904,948
In the second year	第二年	1,081,372	1,142,786
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	2,865,366	2,941,400
Beyond five years	五年後	1,815,894	1,328,034
		7,003,805	6,317,168
Bonds payable repayable:	須於下列期間償還之應付債券：		
Within one year or on demand	一年內或按要求	1,005,500	1,105,608
In the second year	第二年	1,724,645	883,842
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	1,344,183	773,078
		4,074,328	2,762,528
Total	總額	11,078,133	9,079,696

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For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

27. BORROWINGS (cont'd)

27. 借貸 (續)

Company

本公司

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 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	1,012,519	417,311
In the second year	第二年	846,795	821,439
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	1,444,571	1,391,586
Beyond five years	五年後	-	169,358
		3,303,885	2,799,694
Bonds payable repayable:	須於下列期間償還之應付債券：		
Within one year or on demand	一年內或按要求	942,129	1,105,608
In the second year	第二年	1,657,721	883,842
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	1,180,722	773,078
		3,780,572	2,762,528
Total	總額	7,084,457	5,562,222

Certain banking facilities of the Group are secured by certain revenue, receivables and intangible assets in connection with the Group's service concession arrangements. Such bank loan facilities, amounting to HK\$ 3,193,828,000 and HK\$1,740,494,000 as at 31 December 2020 and 2019, respectively, were utilised to the extent of HK\$1,581,572,000 and HK\$1,531,868,000, respectively.

The unsecured bank loan facilities, amounting to HK\$9,572,153,000 and HK\$8,710,705,000 as at 31 December 2020 and 2019, respectively, were utilised to the extent of HK\$5,422,233,000 and HK\$4,785,300,000, respectively. Among the unsecured banking facilities of the Group, HK\$995,384,000 and HK\$1,558,613,000 are guaranteed by the Company as at 31 December 2020 and 2019, respectively, and were utilised to the extent of HK\$695,384,000 and HK\$1,258,613,000 as at 31 December 2020 and 2019, respectively.

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作抵押。於二零二零年及二零一九年十二月三十一日，該等銀行貸款融資分別為3,193,828,000港元及1,740,494,000港元，分別已動用1,581,572,000港元及1,531,868,000港元。

於二零二零年及二零一九年十二月三十一日，無抵押銀行貸款融資分別為9,572,153,000港元及8,710,705,000港元，分別已動用5,422,233,000港元及4,785,300,000港元。在本集團無抵押銀行融資中，於二零二零年及二零一九年十二月三十一日分別有995,384,000港元及1,558,613,000港元由本公司擔保，於二零二零年及二零一九年十二月三十一日，分別已動用695,384,000港元及1,258,613,000港元。

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財務報表附註

For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

27. BORROWINGS (cont'd)

Bank loan facilities of HK\$7,948,884,000 and HK\$6,421,901,000 as at 31 December 2020 and 2019, 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 2020 and 2019, such facilities were utilised to the extent of HK\$5,227,683,000 and HK\$4,174,640,000 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 39.

Bank loans of HK\$7,003,805,000 and HK\$6,317,168,000 as at 31 December 2020 and 2019, respectively, bear interest at variable rates ranging from 1.21% to 4.66% and 1.30% to 4.90% per annum, and bonds payable of HK\$4,074,328,000 and HK\$2,762,528,000 as at 31 December 2020 and 2019, respectively, bear interest at fixed rates ranging from 2.98% to 4.60% per annum and 3.89% to 4.60% per annum.

The Group's bank loans of HK\$1,221,637,000 as at 31 December 2020 and bank loans of HK\$774,555,000 at 31 December 2019, are denominated in US\$, HK\$3,004,537,000 and HK\$2,591,560,000 as at 31 December 2020 and 2019, respectively, are denominated in RMB, HK\$28,096,000 and HK\$9,132,000 as at 31 December 2020 and 2019, respectively, are denominated in EUR, HK\$2,749,535,000 and HK\$2,941,921,000 as at 31 December 2020 and 2019, respectively, are denominated in HK\$.

27. 借貸 (續)

於二零二零年及二零一九年十二月三十一日，銀行貸款融資分別為7,948,884,000港元及6,421,901,000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。於二零二零年及二零一九年十二月三十一日，有關融資分別已動用5,227,683,000港元及4,174,640,000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。本集團管理流動性風險的進一步詳情載於附註39。

於二零二零年及二零一九年十二月三十一日，銀行貸款分別有7,003,805,000港元及6,317,168,000港元按浮動年利率1.21%至4.66%及1.30%至4.90%計息，及於二零二零年及二零一九年十二月三十一日，應付債券分別有4,074,328,000港元及2,762,528,000港元，按固定年利率介乎2.98%至4.60%計息及3.89%至4.60%計息。

本集團於二零二零年十二月三十一日之銀行貸款1,221,637,000港元及於二零一九年十二月三十一日之銀行貸款774,555,000港元以美元計值；於二零二零年及二零一九年十二月三十一日，分別有3,004,537,000港元及2,591,560,000港元以人民幣計值；及於二零二零年及二零一九年十二月三十一日，分別有28,096,000港元及9,132,000港元以歐元計值；及於二零二零年及二零一九年十二月三十一日，分別有2,749,535,000港元及2,941,921,000港元以港元計值。

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For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

28. BONDS PAYABLE

Group

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Non-current	非即期		
Asset-backed securities - secured	資產支持證券 — 有抵押	230,385	—
Corporate bonds - unsecured	公司債券 — 無抵押	1,657,720	1,656,920
Medium term notes - unsecured	中期票據 — 無抵押	1,180,723	—
		3,068,828	1,656,920
Current	即期		
Asset-backed securities - secured	資產支持證券 — 有抵押	63,371	—
Corporate bonds - unsecured	公司債券 — 無抵押	942,129	1,105,608
		1,005,500	1,105,608
Total	總額	4,074,328	2,762,528

Company

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Non-current	非即期		
Corporate bonds - unsecured	公司債券 — 無抵押	1,657,720	1,656,920
Medium term notes - unsecured	中期票據 — 無抵押	1,180,723	—
		2,838,443	1,656,920
Current	即期		
Corporate bonds - unsecured	公司債券 — 無抵押	942,129	1,105,608
		942,129	1,105,608
Total	總額	3,870,572	2,762,528

On 4 April 2020, the Company obtained the Notice of Acceptance of Registration from National Association of Financial Market Institutional Investors of the People's Republic of China concerning MTN, with registered amount of RMB3 billion, effective for two years since the Notice was issued. On 4 August, 2020, the Company issued the first tranche of MTN of RMB1 billion, before related expenses of RMB3,704,000, with an interest rate at 3.60%, and a maturity period of 3 years from the issuance date. The interest shall be paid annually from 5 August 2020 and up to the maturity date.

於二零二零年四月四日，本公司取得中華人民共和國銀行間市場交易商協會就中期票據發出的接受註冊通知書，註冊金額為30億元人民幣，有效期為自發出通知書起計兩年。於二零二零年八月四日，本公司發行第一批中期票據，金額為人民幣10億元（扣除相關開支3,704,000元人民幣前），年息率為3.60%及期限由發行日期起計為期3年。利息須由二零二零年八月五日起至到期日止每年支付。

28. 應付債券

本集團

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Non-current	非即期		
Asset-backed securities - secured	資產支持證券 — 有抵押	230,385	—
Corporate bonds - unsecured	公司債券 — 無抵押	1,657,720	1,656,920
Medium term notes - unsecured	中期票據 — 無抵押	1,180,723	—
		3,068,828	1,656,920
Current	即期		
Asset-backed securities - secured	資產支持證券 — 有抵押	63,371	—
Corporate bonds - unsecured	公司債券 — 無抵押	942,129	1,105,608
		1,005,500	1,105,608
Total	總額	4,074,328	2,762,528

本公司

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Non-current	非即期		
Corporate bonds - unsecured	公司債券 — 無抵押	1,657,720	1,656,920
Medium term notes - unsecured	中期票據 — 無抵押	1,180,723	—
		2,838,443	1,656,920
Current	即期		
Corporate bonds - unsecured	公司債券 — 無抵押	942,129	1,105,608
		942,129	1,105,608
Total	總額	3,870,572	2,762,528

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For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

28. BONDS PAYABLE (cont'd)

Group and Company (cont'd)

The Company submitted the application to the Shanghai Stock Exchange (“SSE”) on 28 November 2019 for a possible issuance of ABS by Everbright Water (Shenzhen) Limited (“Shenzhen Water”), a wholly-owned subsidiary of the Company, to qualified investors in the PRC pursuant to an asset-backed securities scheme (the “Scheme”). On 26 March 2020, the SSE issued a no-objection letter (the “No-objection Letter”) confirming that it has no objections to the potential issuance of ABS. Pursuant to the No-objection Letter, the issuance size of the ABS shall not be more than RMB300 million and the issuance of ABS shall be completed within 12 months from the date of the No-objection Letter.

On 17 June 2020, the ABS were successfully issued with total amount of RMB300 million, of which the preference ABS amounting to RMB285 million were subscribed by qualified investors in the PRC and the subordinate ABS amounting to RMB15 million was subscribed by Shenzhen Water.

The original beneficiary of the securities is Shenzhen Water. The underlying assets of the ABS are the rights, of three project companies in Liaoning Province in relation to four waste water treatment projects, to receive waste water treatment fees during a specific period of five years starting from 1 March 2020. The relevant project companies have pledged part of the underlying assets in favor of the Scheme.

The preference ABS are classified into five classes based on the maturity dates of such preference ABS, comprising:

- (a) Preference ABS 01 of RMB50,000,000 (“**Preference ABS 1**”);
- (b) Preference ABS 02 of RMB54,500,000 (“**Preference ABS 2**”);
- (c) Preference ABS 03 of RMB57,000,000 (“**Preference ABS 3**”);
- (d) Preference ABS 04 of RMB60,500,000 (“**Preference ABS 4**”); and
- (e) Preference ABS 05 of RMB63,000,000 (“**Preference ABS 5**”).

28. 應付債券（續）

本集團及本公司（續）

本公司於二零一九年十一月二十八日就光大水務（深圳）有限公司（「深圳水務」），本公司之全資附屬公司）根據資產支持證券計劃（「該計劃」）可能發行資產支持證券予中國合資格投資者向上海證券交易所（「上交所」）提交申請。於二零二零年三月二十六日，上交所發出無異議函（「無異議函」）確認其對可能發行資產支持證券並無異議。根據無異議函，資產支持證券的發行規模不得多於3億元人民幣及資產支持證券須於自無異議函日期起計12個月內完成發行。

於二零二零年六月十七日總額3億元人民幣的資產支持證券成功發行，其中2.85億元人民幣優先級資產支持證券由中國合資格投資者認購及1,500萬元人民幣次級資產支持證券則由深圳水務認購。

該等證券之原始權益人為深圳水務。資產支持證券的相關資產為三個位於遼寧省的項目公司就四個污水處理項目所享有自二零二零年三月一日起為期五年的特定期間內的污水處理收費收益權。相關項目公司針對部分相關資產向該計劃提供了質押擔保。

優先級資產支持證券根據有關優先級資產支持證券的到期日分為五個類別，包括：

- (a) 優先級資產支持證券01，為50,000,000元人民幣（「優先級資產支持證券1」）；
- (b) 優先級資產支持證券02，為54,500,000元人民幣（「優先級資產支持證券2」）；
- (c) 優先級資產支持證券03，為57,000,000元人民幣（「優先級資產支持證券3」）；
- (d) 優先級資產支持證券04，為60,500,000元人民幣（「優先級資產支持證券4」）；及
- (e) 優先級資產支持證券05，為63,000,000元人民幣（「優先級資產支持證券5」）。

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28. BONDS PAYABLE (cont'd)

Group and Company (cont'd)

The principal and interest of the preference ABS are repayable pursuant to the repayment schedule of the Scheme, with an interest rate ranging from between 2.98% to 3.99%. The Company has the option to adjust the interest rate of Preference ABS 4 and Preference ABS 5 before 26 March 2023 (the “**12th Repayment Date**”), to increase or decrease interest rate of no more than basis points (1 basis point equals to 0.01%). The holders of Preference ABS 4 and Preference ABS 5 have an option to sell back the notes to the original beneficiary at the nominal price, and the exercisable period of this option is from the 26th day before the 12th Repayment Date to the 17th day before the 12th Repayment Date.

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.

On 24 June 2020, the Company had announced the adjustment of the interest rate in respect of the First Tranche of the Corporate Bond from 4.55% per annum to 3.28% per annum for the period from 24 July 2020 to 23 July 2022. The Company had repurchased the First Tranche of the Corporate Bond totaling RMB650,000,000, of which RMB350,000,000 had been resold and the remaining RMB300,000,000 had been cancelled.

28. 應付債券（續）

本集團及本公司（續）

優先級資產支持證券之本金及利息須根據計劃之還款時間表償還，按介乎2.98%至3.99%之固定年息率計息。本公司可以選擇於二零二三年三月二十六日（「**第12個還款日**」）之前調整優先級資產支持證券4及優先級資產支持證券5的利率，利率調整為增加或減少不超過200個基點（1基點等於0.01%）。優先級資產支持證券4及優先級資產支持證券5持有人擁有一項期權，可按名義價格將票據售回深圳水務。該項期權之行使期為自第12個還款日前的第26日起至第12個還款日前的第17日止。

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年息率。本公司將於首次發行日期後，支付第三年的利息前20個工作日公佈年息率調整詳情（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。

於二零二零年六月二十四日，本公司已公佈有關第一批公司債券的年息率調整，於二零二零年七月二十四日至二零二二年七月二十三日止期間將年息率由4.55%下調至3.28%。於截至二零二零年十二月三十一日止年度，本公司已購回第一批公司債券合共650,000,000元人民幣，其中350,000,000元人民幣已被轉售，而其餘300,000,000元人民幣已被註銷。

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28 BONDS PAYABLE (cont'd)

Group and Company (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 RMB 3,632,000, 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.

28. 應付債券（續）

本集團及本公司（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)本金金額4.00億元人民幣按年息率4.60%計息的債券，(ii)本金金額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年息率。本公司將於第二次發行日期後，支付第三年的利息前20個工作日公佈年息率調整詳情（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年息率。本公司將於第三次發行日期後，支付第三年的利息前20個工作日公佈年息率調整詳情（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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For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

29. DEFERRED TAX LIABILITIES**Group**

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Deferred tax liabilities	遞延稅項負債	1,801,819	1,496,256

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 2019	於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 and 1 January 2020	於二零一九年十二月三十一日及二零二零年一月一日	175,541	1,094,246	239,362	(12,893)	1,496,256
Deferred tax charged/ (credited) to profit or loss	扣除/ (計入) 損益的遞延稅項	(11,624)	135,189	53,578	12,490	189,633
Exchange realignment	匯兌調整	13,897	82,495	19,164	374	115,930
At 31 December 2020	於二零二零年十二月三十一日	177,814	1,311,930	312,104	(29)	1,801,819

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For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

29. DEFERRED TAX LIABILITIES (cont'd)

Group (cont'd)

The Group has estimated tax losses arising in Mainland China of approximately HK\$82,705,000 and HK\$99,977,000 as at 31 December 2020 and 2019, 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.

29. 遞延稅項負債 (續)

本集團 (續)

於二零二零年及二零一九年十二月三十一日，本集團於中國內地產生之估計稅項虧損分別約82,705,000港元及99,977,000港元，有關虧損可用作抵消產生虧損之公司日後應課稅盈利，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承擔預扣所得稅。

本公司向其股東派發股息並不附帶任何所得稅後果。

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For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

30. SHARE CAPITAL

Group and Company

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
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	10,000,000	10,000,000
Issued and fully paid:	已發行及悉數繳足：		
2,860,876,723 ordinary shares of HK\$1.00 each	2,860,876,723 股每股面值 1.00港元的普通股	2,860,877	2,860,877

A summary of movements in share capital is as follows:

Group and Company

		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 2019	於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 (a))	根據全球發售發行股份 (附註(a))	103,970	103,970	206,900	310,870
Share issue expenses in relation to global offering (note (a))	有關全球發售的股份 發行開支 (附註(a))	-	-	(11,643)	(11,643)
Issue of ordinary shares pursuant to scrip dividend scheme (note (b))	根據以股代息計劃發 行普通股 (附註(b))	80,845	80,845	71,681	152,526
Share issue expenses in relation to scrip dividend scheme (note (b))	有關以股代息計劃的股 份發行開支 (附註(b))	-	-	(354)	(354)
At 31 December 2019, 1 January 2020 and 31 December 2020	於二零一九年十二月三 十一日，二零二零年 一月一日及二零二零年 十二月三十一日	2,860,877	2,860,877	1,599,765	4,460,642

30. 股本

本集團及本公司

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
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	10,000,000	10,000,000
Issued and fully paid:	已發行及悉數繳足：		
2,860,876,723 ordinary shares of HK\$1.00 each	2,860,876,723 股每股面值 1.00港元的普通股	2,860,877	2,860,877

股本變動摘要如下：

本集團及本公司

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For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

30. SHARE CAPITAL (cont'd)

Notes:

- (a) 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 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.

- (b) The Company declared a final dividend of HK\$0.0374 (equivalent to SGD0.0067) per ordinary share for the financial year ended 31 December 2019.

The Company declared a interim dividend of HK\$0.0374 (equivalent to SGD0.0067) per ordinary share for the six months ended 30 June 2020.

30. 股本 (續)

附註：

- (a) 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港元後計入股溢價。

- (b) 針對截至二零一九年十二月三十一日止財政年度，本公司已宣派每股普通股0.0374港元（等值0.0067新加坡元）的末期股息。

針對截至二零二零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0.0067新加坡元）的中期股息。

31. RESERVES

31. 儲蓄

		Group 本集團		Company 本公司	
		As at 31 December 於十二月三十一日		As at 31 December 於十二月三十一日	
		2020 二零二零年	2019 二零一九年	2020 二零二零年	2019 二零一九年
		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	1,599,765	389,715	389,715
Foreign currency translation reserve	外幣換算儲備	125,211	(777,967)	(508,101)	(1,181,298)
Statutory reserve	法定儲備	524,810	398,409	-	-
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	8,203	(2,181)	64,953	64,953
Retained earnings	保留盈利	4,186,125	3,501,864	184,693	187,115
		7,673,416	5,949,192	7,770,342	7,099,567

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For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

31. RESERVES (cont'd)

- (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.
- (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.

31. 儲蓄 (續)

- (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。
- (iii) 繳入盈餘儲備
- 繳入盈餘儲備為彌補累計虧損後的股份溢價。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。

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For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

32. ACQUISITION OF A NON-CONTROLLING INTEREST

On 25 August 2020, the Company has, through its wholly-owned subsidiary, Everbright Water (Nanjing) Limited, increased its shareholding in Everbright Industrial Waste Water Treatment Nanjing Limited (“**Nanjing IWWT**”) from 60% to 100% by acquiring the remaining 40% from an independent third party, Nanjing Zhuohong Environmental Protection Technology Co., Ltd., with whom it had jointly incorporated Nanjing IWWT (the “Acquisition”). The purchase consideration for the Acquisition was RMB26,000,000 (equivalent to approximately HK\$28,990,000).

The Group recognised a decrease in non-controlling interests and an increase in other reserves of HK\$39,374,000 and HK\$10,384,000, respectively.

33. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

- (i) During the year ended 31 December 2019, the Company allotted and issued 32,498,492 ordinary shares to settle the final dividends of HK\$68,031,000 for the financial year ended 31 December 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.

During the year ended 31 December 2019, the Company allotted and issued 48,346,045 ordinary shares to settle the interim dividends of HK\$84,494,000 for the six months ended 30 June 2019, 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.

32. 收購一項非控股權益

二零二零年八月二十五日，本公司通過其全資附屬公司光大水務（南京）有限公司自一家獨立第三方公司，南京卓泓環保科技有限公司，收購光大工業廢水處理南京有限公司（「**南京工業廢水**」）剩餘的40%股權（「收購」），將其在南京工業廢水中的股權從60%增加至100%。收購的代價為26,000,000元人民幣（等值約28,990,000港元）。

本集團確認非控股權益減少39,374,000港元及其他儲備增加10,384,000港元。

33. 綜合現金流量表附註

(a) 重大非現金交易

- (i) 截至二零一九年十二月三十一日止年度內，本公司配發及發行32,498,492股普通股以支付截至二零一八年十二月三十一日止年度之末期股息68,031,000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。

截至二零一九年十二月三十一日止年度內，本公司配發及發行48,346,045股普通股以支付截至二零一九年六月三十日止六個月之中期股息84,494,000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。

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For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

33. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS (cont'd)

- (a) Major non-cash transactions (cont'd)
- (ii) During the years ended 31 December 2020 and 2019, the interest expenses on corporate bonds and MTN of HK\$76,418,000 and HK\$65,976,000, 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 2020 and 2019, and have no cash flow impact to the Group.
- (iii) During the year ended 31 December 2020, the non-controlling shareholder of a non-wholly-owned subsidiary made capital contribution of HK\$5,059,000 to the non-wholly-owned subsidiary by using dividends declared in 2019 as mentioned below, and have no cash flow impact to the Group.

During the year ended 31 December 2019, dividends of HK\$20,931,000 declared to the non-controlling shareholder of a non wholly-owned subsidiary were not yet settled by the Group as at 31 December 2019, and recorded in "Trade and other payables" in the consolidated statement of financial position as at 31 December 2019, and have no cash flow impact to the Group.

33. 綜合現金流量表附註 (續)

- (a) 重大非現金交易 (續)
- (ii) 截至二零二零年及二零一九十二月三十一日止年度內，本集團尚未支付公司債券及中期票據的利息開支分別為76,418,000港元及65,976,000港元。於二零二零年及二零一九年十二月三十一日，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。
- (iii) 截至二零二零年十二月三十一日止年度，一間非全資附屬公司的一名非控股股東通過使用下述於2019年宣派的股息向該非全資附屬公司注資5,059,000港元，對本集團並無現金流量影響。

截至二零一九年十二月三十一日止年度內，本集團向一間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為20,931,000港元。於二零一九年十二月三十一日，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。

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33. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS (cont'd)

(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	Bonds Payable 應付債券 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 2019	於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	向一間附屬公司的 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 and 1 January 2020	於二零一九年十二月 三十一日及二零二零 年一月一日	6,317,168	2,762,528	84,858	-	20,931
Changes from financing cash flows	融資現金流量產生的 變動	500,782	1,061,672	(334,334)	-	-
Finance costs	財務費用	-	-	348,795	-	-
Capital contribution by a non-controlling shareholder of a subsidiary by using dividends declared in 2019	一間附屬公司的一名 非控股股東通過 使用於二零一九年 宣派的股息作為 注資款	-	-	-	-	(5,059)
Foreign exchange movement	匯兌變動	185,855	250,128	(13,574)	-	1,153
At 31 December 2020	於二零二零年十二月 三十一日	7,003,805	4,074,328	85,745	-	17,025

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33. 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 consolidated statement of cash flows is as follows:

Within operating activities	在經營活動中
Within financing activities	在融資活動中
Total amount recognised in profit of loss	計入損益的總額

33. 綜合現金流量表附註 (續)

(c) 租賃現金流出總額

綜合現金流量表所載租賃現金流出其總額如下：

As at 31 December 於十二月三十一日		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
		3,593	5,349
		10,402	7,207
		13,995	12,556

34. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's ABS and banking facilities are included in note 27 and 28. The aggregate net book values of assets and equity interests in subsidiaries pledged amounted to HK\$4,677,087,000 and HK\$3,726,957,000 as at 31 December 2020 and 2019, respectively.

34. 資產抵押

就本集團資產支持證券及銀行融資而巳予抵押之本集團資產之詳情載於附註27及28。於二零二零年及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總賬面淨值分別為4,677,087,000港元及3,726,957,000港元。

35. COMMITMENTS

(a) The Group had the following commitments as at the reporting date:

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：

35. 承擔

(a) 本集團於各財務報表期末的承擔如下：

As at 31 December 於十二月三十一日		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
		2,943,346	1,391,652

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35. COMMITMENTS (cont'd)

- (b) As at 31 December 2020, the Group had an outstanding capital commitment of HK\$24,730,000 (31 December 2019: HK\$23,154,000) relating to the capital contribution to an unlisted equity investment.

36. 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 year. Unless stated otherwise, the following related party transactions did not constitute connected transactions or continuing connected transactions:

- (a) The Group entered into the following related party transactions with non-controlling shareholders of non wholly-owned subsidiaries of the Group:

Revenue from project operation service	項目運營服務收入
Finance income	財務收入
Cost of construction service	建造服務成本

Included in revenue from project operation service for the year ended 31 December 2020 was revenue from operation service amounting to HK\$8,745,000, which constituted a continuing connected transaction (“**CCT**”) but was fully exempt from the reporting, annual review, announcement and independent Shareholders’ approval requirements under Rule 14A.76(1) of the SEHK Listing Rules (“**Fully Exempt CCT**”). Included in revenue from project operation service for the year ended 31 December 2019 was revenue from operation service amounting to HK\$4,129,000, which constituted a Fully Exempt CCT.

35. 承擔 (續)

- (b) 於二零二零年十二月三十一日，本集團一項非上市股權投資之資本承擔24,730,000港元（二零一九年十二月三十一日：23,154,000港元）。

36. 關聯方交易

除本報告其他部分所披露之交易及結餘外，於年內，本集團發生了下列重大關聯方交易。除非另有說明，下列關聯方交易不構成關連交易或持續關連交易：

- (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方交易：

Year ended 31 December 截至十二月三十一日止年度

2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
80,282	59,960
17,366	18,813
93,256	162,774

截至二零二零年十二月三十一日止年度，為數8,745,000港元的運營服務收入計入項目運營服務收入，有關服務構成持續關連交易（「**持續關連交易**」），惟全面獲豁免遵守聯交所上市規則第14A.76(1)條的申報、年度審核、公告及獨立股東批准規定（「**全面獲豁免持續關連交易**」）。截至二零一九年十二月三十一日止年度，為數4,129,000港元的運營服務收入計入項目運營服務收入，有關服務構成全面獲豁免持續關連交易。

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36. 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	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Revenue from project operation service	項目運營服務收入	73,181	50,256
Finance income	財務收入	50,550	48,001

- (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	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 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	42,650	42,344

- (d) The Group entered into the following related party transactions with fellow subsidiaries of the Group:

		Year ended 31 December 截至十二月三十一日止年度	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Sales of equipment	銷售設備	–	6,421
Rental expenses	租金開支	13	1,801
Underwriting service fee	承銷服務費用	–	3,971
Listing related fee	上市相關費用	–	6,210
Insurance expenses	保險費用	1,659	1,627

36. 關聯方交易 (續)

- (b) 本集團與本集團的一間關聯公司發生下列關聯方交易：

- (c) 本集團與本集團一間聯營公司發生下列關聯方交易：

- (d) 本集團與本集團同系附屬公司發生下列關聯方交易：

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For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

36. 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. With respect to the rental expenses for the year ended 31 December 2020, this constituted a CCT which was exempt from independent shareholders' approval requirement pursuant to Rule 14A.105 of the SEHK Listing Rules. Further details regarding the relevant framework agreement are provided on pages 112 and 113 of this annual report.

With respect to the rental expenses for the year ended 31 December 2019, this included (a) rental expense amounting to HK\$1,370,000 which constituted a CCT exempt from independent shareholders' approval requirement pursuant to Rule 14A.105 of the SEHK Listing Rules and (b) rental expense amounting to HK\$431,000 which constituted a Fully Exempt CCT. Further details regarding the relevant framework agreement are provided on pages 112 and 113 of this annual report.

- (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. This constituted a CCT which was exempt from independent shareholders' approval requirement pursuant to Rule 14A.105 of the SEHK Listing Rules. Further details regarding the relevant framework agreement are provided on page 112 of this annual report.
- (iv) The listing related fee was charged by a fellow subsidiary of the Group on mutually agreed terms. This constituted a CCT which was exempt from independent shareholders' approval requirement pursuant to Rule 14A.105 of the SEHK Listing Rules. Further details regarding the relevant framework agreement are provided on page 112 of this annual report.
- (v) The insurance expenses were charged by a fellow subsidiary of the Group on mutually agreed terms. This constituted a Fully Exempt CCT.

36. 關聯方交易 (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按雙方協議的條款收取。就截至二零二零年十二月三十一日止年度的租金開支而言，根據聯交所上市規則第14A.105條，此項開支構成持續關連交易，獲豁免遵守獨立股東批准規定。有關相關框架協議的進一步詳情載於本年度報告第112頁至第113頁。

就截至二零一九年十二月三十一日止年度的租金開支而言，此項開支包括：(a)為數1,370,000港元的租金開支，根據聯交所上市規則第14A.105條，有關開支構成持續關連交易，獲豁免遵守獨立股東批准規定；及(b)為數431,000港元的租金開支，有關開支構成全面獲豁免持續關連交易。有關相關框架協議的進一步詳情載於本年度報告第112頁至第113頁。

- (iii) 向本集團同系附屬公司支付的發行第三批公司債券的承銷服務費用乃根據相關承銷協議計算。根據聯交所上市規則第14A.105條，此項費用構成持續關連交易，獲豁免遵守獨立股東批准規定。有關相關框架協議的進一步詳情載於本年度報告第112頁。
- (iv) 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。根據聯交所上市規則第14A.105條，此項費用構成持續關連交易，獲豁免遵守獨立股東批准規定。有關相關框架協議的進一步詳情載於本年度報告第112頁。
- (v) 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。此項開支構成全面獲豁免持續關連交易。

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36. RELATED PARTY TRANSACTIONS (cont'd)

- (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.

- (f) The Group paid compensation of directors and key management personnel as follows:

36. 關聯方交易（續）

- (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方交易。

- (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	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Salaries, bonuses and related benefit	薪金、花紅及相關福利	21,824	19,338
Directors' fees	董事袍金	1,913	1,952
Retirement scheme contributions	退休計劃供款	1,375	1,203
		25,112	22,493
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	9,181	9,995
Other key management personnel	其他關鍵管理人員	15,931	12,498
		25,112	22,493

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36. RELATED PARTY TRANSACTIONS (cont'd)

- (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:

Lease liabilities – current	租賃負債 – 即期
Lease liabilities – non-current	租賃負債 – 非即期

Under such rental contracts, the minimum lease payment during the year was HK\$7,154,000 (2019: HK\$5,526,000), which constituted a CCT that was exempt from independent shareholders' approval requirement pursuant to Rule 14A.105 of the SEHK Listing Rules. Further details regarding the relevant framework agreement are provided on pages 112 and 113 of this annual report. As at 31 December 2020, the Group's right-of-use assets relating to such rental contracts amounted to HK\$8,875,000 (31 December 2019: HK\$15,284,000).

36. 關聯方交易（續）

- (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情況如下：

As at 31 December 於十二月三十一日	
2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
6,664	6,521
2,411	8,856
9,075	15,377

根據該等租賃合約，年度最低租賃付款額為7,154,000港元（二零一九年：5,526,000港元），根據聯交所上市規則第14A.105條，此項付款構成持續關連交易，獲豁免遵守獨立股東批准規定。有關相關框架協議的進一步詳情載於本年度報告第112頁至第113頁。於二零二零年十二月三十一日，本集團與該等租賃合約有關的使用權資產金額為8,875,000港元（二零一九年十二月三十一日：15,284,000港元）。

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37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, current portion of trade receivables and other receivables and trade payables and 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 and 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 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 2020 and 2019 are based on net asset value of the investees which approximate the fair value.

The fair value of unlisted equity investment at FVTPL 31 December 2020 and 2019 is based on the expected future cash flows of the investment.

37. 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、應收賬款及其他應收款項及應付賬款及其他應付款項的即期部分及借貸之公允價值與其賬面價值相若，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：

應收賬款及其他應收款項的非即期部分、其他應付款項及借貸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，就借貸而言，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。

於二零二零年及二零一九年十二月三十一日，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。

於二零二零年及二零一九年十二月三十一日，以公允價值計入損益之非上市股權投資之公允價值乃根據投資的預期未來現金流量釐定。

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37. 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 2020 and 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
Unlisted equity investment at FVTPL 以公允價值計入損益的非上市股權投資	Discount rate 折現率	2020: 2.80% 二零二零年： 2.80%	2020: 1% increase (decrease) in discount rate would result in decrease in fair value by HK\$433,000 or increase in fair value by HK\$442,000 二零二零年：折現率上升（下降）1%將導致公允價值減少433,000港元或增加442,000港元
Unlisted equity investment at FVTPL 以公允價值計入損益的非上市股權投資	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

37. 金融工具的公允價值及公允價值層級（續）

下表概述於二零二零年及二零一九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：

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

Group

As at 31 December 2020

公允價值層級

下表列示本集團金融工具的公允價值計量層級：

按公允價值計量的資產：

本集團

於二零二零年十二月三十一日

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
Unlisted investments at FVTPL 以公允價值計入損益的非上市投資	–	409,147	–	409,147
Unlisted equity investment at FVTPL 以公允價值計入損益的非上市股權投資	–	–	34,051	34,051
	–	409,147	34,051	443,198

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37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (cont'd) 37. 金融工具的公允價值及公允價值層級 (續)

Fair value hierarchy (cont'd)

As at 31 December 2019

公允價值層級 (續)

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)	Significant observable inputs (Level 2) 重大可觀察輸入 數據 (第二級)	Significant unobservable inputs (Level 3) 重大不可觀察輸入 數據 (第三級)	Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	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

Company

本公司

		As at 31 December 2020 於二零二零年十二月三十一日		As at 31 December 2019 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			
		Significant observable inputs (Level 2) 重大可觀察輸入 數據 (第二級)	Total 總額	Significant observable inputs (Level 2) 重大可觀察輸入 數據 (第二級)	Total 總額
Unlisted investments at FVTPL:	以公允價值計入損益 的非上市投資	409,147	409,147	431,035	431,035

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37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (cont'd)

Fair value hierarchy (cont'd)

Group and Company

The movements in fair value measurements within Level 2 during the period are as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Unlisted investments at FVTPL:	以公允價值計入損益的非上市投資：		
At 1 January	於一月一日	431,035	-
Purchases	購買	-	423,913
Fair value (loss)/gain (note 6)	公允價值變動（虧損）/收益（附註6）	(48,629)	23,513
Exchange realignment	匯兌調整	26,741	(16,391)
At 31 December	於十二月三十一日	409,147	431,035

Group

The movements in fair value measurements within Level 3 during the period are as follows:

		2020 二零二零年 HK\$'000 千港元	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	31,010	-
Purchases	購買	-	27,146
Fair value gain (note 6)	公允價值變動收益（附註6）	883	4,496
Exchange realignment	匯兌調整	2,158	(632)
At 31 December	於十二月三十一日	34,051	31,010

The Group and the Company did not have any financial liabilities measured at fair value as at 31 December 2020 and 2019.

During the years ended 31 December 2020 and 2019, 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.

37. 金融工具的公允價值及公允價值層級（續）

公允價值層級（續）

本集團和本公司

第二級公允價值計量於期間內之變動如下：

	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Unlisted investments at FVTPL:		
At 1 January	431,035	-
Purchases	-	423,913
Fair value (loss)/gain (note 6)	(48,629)	23,513
Exchange realignment	26,741	(16,391)
At 31 December	409,147	431,035

本集團

第三級公允價值計量於期間內之變動如下：

	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Unlisted equity investment at FVTPL:		
At 1 January	31,010	-
Purchases	-	27,146
Fair value gain (note 6)	883	4,496
Exchange realignment	2,158	(632)
At 31 December	34,051	31,010

本集團於二零二零年及二零一九年十二月三十一日並無任何按公允價值計量的金融負債。

截至二零二零年及二零一九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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38. 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 2020 於二零二零年十二月三十一日		
Group	本集團	Financial assets at amortised cost 按攤銷成本計量的金融資產 HK\$'000 千港元	Financial assets at FVTPL 按公允價值計入損益的金融資產 HK\$'000 千港元	Total 總額 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	1,642,473	–	1,642,473
Other financial assets	其他金融資產	–	443,198	443,198
Cash and cash equivalents	現金及現金等價物	1,719,530	–	1,719,530
		<u>3,362,003</u>	<u>443,198</u>	<u>3,805,201</u>

		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 按攤銷成本計量的金融資產 HK\$'000 千港元	Financial assets at FVTPL 按公允價值計入損益的金融資產 HK\$'000 千港元	Total 總額 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>

38. 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價值如下：

金融資產

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For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

38. FINANCIAL INSTRUMENTS BY CATEGORY (cont'd)

The carrying amounts of each of the categories of financial instruments as at the end of each financial year are as follows: (cont'd)

Financial liabilities - financial liabilities at amortised cost

Group	本集團
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
Borrowings	借貸

38. 按類別劃分的金融工具 (續)

於各財政年度末，各類別金融工具的賬面價值如下：(續)

金融負債 – 按攤餘成本計量的金融負債

As at 31 December 於十二月三十一日	
2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
2,314,050	2,316,360
11,078,133	9,079,696
13,392,183	11,396,056

Financial assets

金融資產

		As at 31 December 2020 於二零二零年十二月三十一日		
Company	本公司	Financial assets at amortised cost	Financial assets at FVTPL	Total
		按攤餘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 other receivables	計入其他應收款項之金融資產	6,502,231	–	6,502,231
Other financial assets	其他金融資產	–	409,147	409,147
Cash and cash equivalents	現金及現金等價物	23,128	–	23,128
		6,525,359	409,147	6,934,506

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38. FINANCIAL INSTRUMENTS BY CATEGORY (cont'd)

The carrying amounts of each of the categories of financial instruments as at the end of each financial year are as follows: (cont'd)

Financial assets (cont'd)

		金融資產 (續)		
		As at 31 December 2019 於二零一九年十二月三十一日		
Company	本公司	Financial assets at amortised cost 按攤餘成本計量的金融資產 HK\$'000 千港元	Financial assets at FVTPL 按公允價值計入損益的金融資產 HK\$'000 千港元	Total 總額 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	–	4,982,545
Other financial assets	其他金融資產	–	431,035	431,035
Cash and cash equivalents	現金及現金等價物	213,793	–	213,793
		5,196,338	431,035	5,627,373

Financial liabilities – financial liabilities at amortised cost

金融負債 – 按攤餘成本計量的金融負債

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Company	本公司		
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	99,253	92,881
Borrowings	借貸	7,084,457	5,562,222
		7,183,710	5,655,103

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise borrowings and cash. 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.

39. 財務風險管理目標及政策

本集團之主要金融工具包括借貸及現金。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，乃直接源自其業務產生。

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39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

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, 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.

(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.

39. 財務風險管理目標及政策（續）

本集團金融工具產生之主要風險包括利率風險、外幣風險、信貸風險及流動性風險。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、借貸及集團公司間結餘。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)。

(i) 利率概況

下表載列本集團於各財政年度末之借貸淨額（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 2020 於二零二零年十二月三十一日		As at 31 December 2019 於二零一九年十二月三十一日	
		Effective interest rate 實際利率	HK\$'000 千港元	Effective interest rate 實際利率	HK\$'000 千港元
		%		%	
Net fixed rate borrowings/(deposits):	定息借貸/(存款)淨額:				
Borrowings	借貸	2.98–4.60	4,074,328	3.89 - 4.60	2,762,528
Less: Cash and cash equivalents	減：現金及現金等價物	-	-	1.75	(9,537)
Amount due from an associate	應收一間聯營公司款項	4.75	(17,614)	4.75	(8,181)
			4,056,714		2,744,810
Net variable rate borrowings/(deposits):	浮息借貸/(存款)淨額:				
Borrowings	貸款	1.21–4.66	7,003,805	1.30 – 4.90	6,317,168
Less: Cash and cash equivalents	減：現金及現金等價物	0.01–2.03	(1,719,530)	0.01 – 1.76	(2,065,266)
			5,284,275		4,251,902
Total net borrowings	總借貸淨額		9,340,989		6,996,712

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39. 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 2020 and 2019, with all other variables held constant, would decrease/increase the Group's profit before tax by approximately HK\$93,410,000 and HK\$69,967,000 for the year ended 31 December 2020 and 2019, 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.

39. 財務風險管理目標及政策（續）

利率風險（續）

(ii) 敏感性分析

於二零二零年及二零一九年十二月三十一日，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二零二零年及二零一九年十二月三十一日止年度的除稅前盈利分別減少/增加約93,410,000港元及69,967,000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。

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財務報表附註

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39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

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.

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.

39. 財務風險管理目標及政策 (續)

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）計值之借貸、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。

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。換算海外業務財務報表至本集團呈列貨幣時產生之差異，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 2020 於二零二零年十二月三十一日				
		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	EUR 歐元 HK\$'000 千港元
Cash and cash equivalents	現金及現金等價物	2,880	2,919	12,285	9,436	-
Borrowings	借貸	-	-	(2,054,151)	(1,221,637)	(28,096)
Amounts due from/(to) group companies, net	應收/(付)集團公司款項，淨額	393,633	20,002	2,189,945	(860,685)	400
Trade and other payables	應付賬款及其他應付款項	(5,489)	(1,368)	(2,536)	(15,137)	(5)
		391,024	21,553	145,543	(2,088,023)	(27,701)

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39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Foreign currency risk (cont'd)

(i) Exposure to currency risk (cont'd)

39. 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)

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	借貸	-	-	(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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39. 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\$.

39. 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 2020 於二零二零年十二月三十一日		As at 31 December 2019 於二零一九年十二月三十一日	
		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	39,102	10	28,420
RMB	人民幣	(10)	(39,102)	(10)	(28,420)
SGD	新加坡元	10	2,155	10	1,999
SGD	新加坡元	(10)	(2,155)	(10)	(1,999)
HK\$	港元	10	14,554	10	(33,301)
HK\$	港元	(10)	(14,554)	(10)	33,301
US\$	美元	10	(55,527)	10	(12,099)
US\$	美元	(10)	55,527	(10)	12,099
EUR	歐元	10	(2,770)	10	(911)
EUR	歐元	(10)	2,770	(10)	911

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39. 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.

39. 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，包括以借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一移交（「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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39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Credit risk (cont'd)

At 31 December 2020 and 2019, "Trade and other receivables" and "Contract assets" amounted to HK\$21,285,406,000 and HK\$17,062,210,000, respectively, of which HK\$3,022,564,000 and HK\$2,444,112,000 were due from the largest customer and HK\$4,849,227,000 and HK\$5,314,343,000 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 2020 and 2019. 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 2020 and 2019.

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.

39. 財務風險管理目標及政策 (續)

信貸風險 (續)

於二零二零年及二零一九年十二月三十一日，「應收賬款及其他應收款項」及「合約資產」分別為21,285,406,000港元及17,062,210,000港元，其中應收最大客戶款項分別為3,022,564,000港元及2,444,112,000港元，及應收本集團前五大客戶款項總額分別為4,849,227,000港元及5,314,343,000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價值。由於BT、BOT、TOT及BOO安排的交易對方為中國地方政府機關，本集團認為於二零二零年及二零一九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減值而言，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價值為本集團於二零二零年及二零一九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產生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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39. 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 2020, 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 2020 and 2019.

As at 31 December 2020, all 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.

39. 財務風險管理目標及政策（續）

信貸風險（續）

於二零二零年十二月三十一日，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。於二零二零年及二零一九年十二月三十一日，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。

於二零二零年十二月三十一日，所有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。

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39. 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.

39. 財務風險管理目標及政策（續）

流動性風險

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性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性需求。

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 2020
於二零二零年十二月三十一日

	Carrying amount 賬面價值 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	2,314,050	2,314,050	2,314,050	-	-	-
Lease liabilities	11,756	12,397	8,757	3,123	46	471
租賃負債						
Borrowings	11,078,133	12,322,948	2,584,139	3,050,538	4,539,397	2,148,874
借貸						
	<u>13,403,939</u>	<u>14,649,395</u>	<u>4,906,946</u>	<u>3,053,661</u>	<u>4,539,443</u>	<u>2,149,345</u>

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39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Liquidity risk (cont'd)

Included in borrowings are Corporate bonds payables and asset-backed securities with a carrying amount of HK\$2,599,850,000 and HK\$293,756,000, respectively, containing options to sell back the bonds to the Group. For the purpose of the above maturity profile, the total contractual undiscounted cash flow amount of HK\$2,704,648,000 related to the Corporate bonds is presented as: HK\$1,032,713,000 is classified as repayable "within 1 year or on demand", HK\$1,671,935,000 classified as repayable "more than 1 year but within 2 years". The total contractual undiscounted cash flow amount of HK\$311,243,000 related to the asset-backed securities is presented as: HK\$72,787,000 is classified as repayable "within 1 year or on demand", HK\$74,028,000 classified as repayable "more than 1 year but within 2 years" and HK\$164,428,000 classified as "more than 2 years but within 5 years".

The Corporate bonds will be due for repayment on the respective maturity dates unless being sold back to the Group prior to the maturity pursuant to the terms of the Corporate bonds. In accordance with the terms of the Corporate bonds, the maturity terms as at 31 December 2020 are HK\$103,226,000 in 2021, HK\$918,742,000 in 2022 and HK\$1,834,593,000 in 2023 to 2025.

The asset-backed securities will be due for repayment on the respective maturity dates unless being sold back to the Group prior to the maturity pursuant to the terms of the asset-backed securities. In accordance with the terms of the asset-backed securities, the maturity terms as at 31 December 2020 are HK\$72,787,000 in 2021, HK\$74,028,000 in 2022 and HK\$170,360,000 in 2023 to 2025.

39. 財務風險管理目標及政策 (續)

流動性風險 (續)

借貸包括賬面價值分別為2,599,850,000港元和293,756,000港元的應付公司債券及資產支持證券，其中包含將債券回售予本集團的期權。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2,704,648,000港元按以下方式呈列：1,032,713,000港元被分類為「一年內或應要求」償還、1,671,935,000港元被分類為「一年以上但於兩年內」償還。有關資產支持證券的合約未折現現金流總額311,243,000港元按以下方式呈列：72,787,000港元被分類為「一年內或應要求」償還，約74,028,000港元被分類為「一年以上但於兩年內」償還和港幣164,428,000元被分類為「兩年以於但五年內」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，於二零二零年十二月三十一日，還款條件如下：於二零二一年到期償還103,226,000港元、於二零二二年到期償還918,742,000港元及於二零二三年至二零二五年到期償還1,834,593,000港元。

資產支持證券將於相關到期日償還，惟根據資產支持證券之條款於到期前售回予本公司的情况除外。根據資產支持證券之條款，於二零二零年十二月三十一日還款條件如下：於二零二一年到期償還72,787,000港元、於二零二二年到期償還74,028,000港元及於二零二三年至二零二五年到期償還170,360,000港元。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Liquidity risk (cont'd)

39. 財務風險管理目標及政策 (續)

流動性風險 (續)

		As at 31 December 2019 於二零一九年十二月三十一日				
		Total contractual undiscouted cash flow 合約未折現現金流量總額	Within 1 year or on demand 一年內或按 要求	More than 1 year but within 2 years 一年以上但於兩年內	More than 2 years but within 5 years 兩年以上但於五年內	More than 5 years 五年以上
Carrying amount 賬面價值		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
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	租賃負債	20,913	22,308	10,317	8,472	3,519
Borrowings	借貸	9,079,696	10,304,078	2,374,257	2,268,528	4,148,701
		<u>11,416,996</u>	<u>12,642,773</u>	<u>4,700,961</u>	<u>2,277,000</u>	<u>4,152,220</u>

Included in borrowings is Corporate bonds 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 undiscouted cash flow amount of HK\$2,923,069,000 related to the Corporate bonds 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 bonds 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 bonds. In accordance with the terms of the Corporate bonds, 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.

借貸包括賬面值為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，還款條款如下：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港元及於二零二二年至二零二四年到期償還2,922,655,000港元。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

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.

39. 財務風險管理目標及政策（續）

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的借貸。本集團之策略為在充足資本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。

		As at 31 December 於十二月三十一日	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Trade and other payables	應付賬款及其他應付款項	2,540,938	2,472,484
Borrowings	借貸	11,078,133	9,079,696
Less: Cash and cash equivalents	減：現金及現金等價物	(1,719,530)	(2,074,803)
Net debt	債務淨額	11,899,541	9,477,377
Total equity	權益總額	11,405,859	9,548,752
Net debt against equity ratio	債務淨額對權益比率	104%	99%

Except for the banking facilities which require the fulfilment of covenants relating to certain of the Group's financial ratios as disclosed in note 27 to the financial statements, the Group does not subject to externally imposed capital requirements.

除財務報表附註27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。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the financial year ended 31 December 2020 截至二零二零年十二月三十一日止的財政年度

40. SUBSEQUENT EVENTS

On 15 January 2021, the Group announced its completion of the issuance of the second tranche of MTN to institutional investors in the national inter-bank bond market of the mainland China, with a principal amount of RMB1,000,000,000, a maturity period of 3 years and an interest rate of 3.75%. The proceeds from such issuance will be used to replenish working capital of the Company's subsidiaries.

On 21 January 2021, a subsidiary of the Company entered into certain agreements to purchase 65% equity interest in Tianjin Binhai New Area Huantang Sewage Treatment Co., Ltd. ("**Tianjin Huantang**") for a cash consideration of RMB666,335,724 (the "**TJ Transaction**"). After completion of the TJ Transaction, Tianjin Huantang will continue to hold and operate waste water treatment and reusable water projects with an aggregate daily water treatment capacity of 220,000 m³ and will become a non-wholly owned subsidiary of the Company. Further details about the TJ Transaction are provided in the Company's announcement dated 22 January 2021.

On 25 January 2021, the Company announced that its subsidiary had entered into a supplementary agreement to secure the Huaiyin Eastern District Waste Water Treatment Project Phase II (the "**Huaiyin Project Phase II**") based on a build-operate-transfer model with an investment amount of approximately RMB150 million. The Huaiyin Project Phase II has a designed daily waste water treatment capacity of 50,000 m³ and a concession period that will expire in July 2050. Its discharged water will comply with the national Grade 1A standard according to the Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002).

41. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors passed at the Board meeting held on 25 February 2021.

40. 期後事項

二零二一年一月十五日，本公司宣佈其已於中國銀行間債券市場完成向機構投資者發行本金為1,000,000,000元人民幣的第二期中期票據，期限為3年，發行利率為3.75%。該次發行所得的募集資金將用於補充本公司附屬公司的營運資金。

二零二一年一月二十一日，本公司的一家附屬公司簽署特定協議，以666,335,724元人民幣的現金代價購買天津濱海新區環塘污水處理有限公司（「**天津環塘**」）65%股權（「**天津交易**」）。當天津交易完成後，天津環塘將繼續持有和運營累計日水處理規模為220,000立方米的污水處理和中水回用項目，其將成為本公司的非全資附屬公司。關於天津交易的更多詳情載於本公司日期為二零二一年一月二十二日的公告中。

二零二一年一月二十五日，本公司宣佈其附屬公司已簽署補充協議，以建造一運營一移交模式取得淮陰東城污水處理項目二期（「**淮陰項目二期**」），涉及投資約1.5億元人民幣。淮陰項目二期設計日處理污水50,000立方米，特許經營期將於二零五零年七月結束，出水水質執行《城鎮污水處理廠污染物排放標準》（GB18918-2002）一級A排放標準。

41. 財務報表之批准

本截至二零二零年十二月三十一日止的財務報表經本公司董事會於二零二一年二月二十五日舉行的董事會上批准。

FIVE YEAR SUMMARY

五年業績概要

At 31 December
於十二月三十一日

		2020 二零二零年	2019 二零一九年	2018 二零一八年	2017 二零一七年	2016 二零一六年
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Assets and liabilities	資產及負債					
Property, plant and equipment, right-of-use assets, prepaid land lease payments and investment properties	物業、廠房及設備、使用權資產、預付土地租賃款項及投資物業	181,222	170,491	150,151	152,038	147,971
Intangible assets	無形資產	1,880,919	1,658,437	1,536,169	1,489,718	1,259,449
Goodwill	商譽	1,295,475	1,213,509	1,242,713	1,259,922	1,185,478
Interests in associates	聯營公司權益	8,143	3,588	3,011	1,445	1,327
Contract assets	合約資產	17,348,620	14,144,440	11,727,822	10,313,724	8,179,732
Trade and other receivables	應收賬款和其他應收款項	289,902	113,892	159,259	10,515	9,863
Other financial assets	其他金融資產	443,198	462,045	-	-	-
Net current assets	流動資產淨額	595,027	359,125	664,686	1,313,319	825,665
		22,042,506	18,125,527	15,483,811	14,540,681	11,609,485
Non-current liabilities	非流動負債	(10,636,647)	(8,576,775)	(6,820,114)	(5,998,876)	(4,417,783)
NET ASSETS	資產淨額	11,405,859	9,548,752	8,663,697	8,541,805	7,191,702
Share capital	股本	2,860,877	2,860,877	2,676,062	2,625,642	2,609,908
Reserves	儲備	7,673,416	5,949,192	5,307,128	5,231,541	4,188,279
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益	10,534,293	8,810,069	7,983,190	7,857,183	6,798,187
Non-controlling interests	非控股權益	871,566	738,683	680,507	684,622	393,515
TOTAL EQUITY	權益總額	11,405,859	9,548,752	8,663,697	8,541,805	7,191,702

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

		2020 二零二零年	2019 二零一九年	2018 二零一八年	2017 二零一七年	2016 二零一六年
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Results	業績					
Revenue	收入	5,663,292	5,550,773	4,768,318	3,591,633	2,494,037
Profit from operating activities	經營活動所得盈利	1,827,857	1,549,752	1,342,715	1,085,838	742,699
Finance costs	財務費用	(348,795)	(355,287)	(291,398)	(241,391)	(205,223)
Share of profits of associates	所佔聯營公司盈利	4,224	614	422	158	–
Profit before tax	除稅前盈利	1,483,286	1,195,079	1,051,739	844,605	537,476
Income tax	所得稅	(396,922)	(310,350)	(314,984)	(263,812)	(164,861)
Profit for the year	本年度盈利	1,086,364	884,729	736,755	580,793	372,615
Attributable to:	應佔部分：					
Equity holders of the Company	本公司權益持有人	1,024,271	833,483	676,459	513,356	349,343
Non-controlling interests	非控股權益	62,093	51,246	60,296	67,437	23,272
Profit for the year	本年度盈利	1,086,364	884,729	736,755	580,793	372,615
Basic earnings per share (Hong Kong cents)	每股基本盈利 (港仙)	35.80	30.07	25.58	19.61	13.41

PROJECT OVERVIEW

項目概覽

Raw Water Protection Project / 原水保護項目

Project under Construction / 在建項目

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 章丘區城東工業園供水項目	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

PROJECT OVERVIEW

項目概覽

Municipal Waste Water Treatment Supply 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) 濰博污水處理項目 (南郊廠及北廠)	250,000
5 Zibo Waste Water Treatment Project (Upgrading) 濰博污水處理項目 (升級改造項目)	N/A
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 濰博韓廟高新區污水處理項目	100,000
12 Zibo High-tech Zone Waste Water Treatment Project Upgrading 濰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 濰博周村污水處理項目一期	40,000
16 Zibo Zhoucun Waste Water Treatment Project Phase I Upgrading 濰博周村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 (m ³ /day) 污水處理規模 (立方米/日)
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 & 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 & 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 Dezhou Lingcheng Waste Water Treatment Project (Plant 1) 德州陵城區污水處理項目 (一廠)	30,000
25 Dezhou Lingcheng Waste Water Treatment Project (Plant 1) Upgrading 德州陵城區污水處理項目 (一廠) 提標改造	N/A
26 Dezhou Lingcheng Waste Water Treatment Project (Plant 2) 德州陵城區污水處理項目 (二廠)	30,000
27 Dezhou Lingcheng Waste Water Treatment Project (Plant 2) Upgrading 德州陵城區污水處理項目 (二廠) 提標改造	N/A
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

PROJECT OVERVIEW

項目概覽

Project 項目	Waste Water Treatment Capacity (m ³ /day) 污水處理規模 (立方米/日)
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	20,000
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 (m ³ /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 1 st Waste Water Treatment Project 盤錦市第一污水處理項目	100,000
65 Panjin 1 st 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 2 nd 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

PROJECT OVERVIEW

項目概覽

Project 項目	Waste Water Treatment Capacity (m ³ /day) 污水處理規模 (立方米/日)
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
72 Pulandian Waste Water Treatment Project Phase II 普蘭店污水處理項目二期	30,000
73 Pulandian Waste Water Treatment Plant Phase I and Reusable Water Plant Integration Project 普蘭店污水處理廠一期及中水廠一體化項目	40,000
74 Dalian Quanshui Waste Water Treatment Project Upgrading 大連泉水污水處理項目提標改造	N/A
75 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
76 Lvshun Bailanzi Waste Water Treatment Project Upgrading 旅順柏嵐子污水處理項目提標改造	N/A
77 Zhuanghe Waste Water Treatment Project Phase II 莊河市污水處理項目二期	50,000
78 Xinyi City Waste Water Treatment Project 新沂城市污水處理項目	70,000
79 Xinyi City Waste Water Treatment Project Upgrading 新沂城市污水處理項目提標改造	N/A
80 Xinyi City Waste Water Treatment Project Phase III 新沂城市污水處理項目三期	30,000
81 Ju County Shudong Waste Water Treatment Project 莒縣洙東污水處理項目	20,000
82 Jiangyin Chengxi Waste Water Treatment Project Phase III 江陰澄西污水處理項目三期	30,000
83 Jiangyin Chengxi Phase III Pipeline Network Pump Station 江陰澄西三期配套管網泵站	N/A
84 Ji'nan Huashan Waste Water Treatment Project 濟南華山水質淨化項目	30,000

PROJECT OVERVIEW

項目概覽

Project 項目	Waste Water Treatment Capacity (m ³ /day) 污水處理規模 (立方米/日)
85 Dezhou Lingcheng Waste Water Pipeline Network PPP Project 德州陵城區污水管網PPP項目	N/A
86 Dezhou Lingcheng Waste Water Pipeline Network PPP Project Expansion 德州陵城區污水管網PPP項目續建	N/A
87 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
88 Huaiyin Eastern City Waste Water Treatment Project Phase I 淮陰東城污水處理項目一期	50,000
89 Ji'nan Tangye New Area Waste Water Treatment PPP Project Phase I 濟南唐冶新區污水處理PPP項目一期	25,000
90 Ju County Urban Waste Water Treatment Project 莒縣城市污水處理項目	80,000
91 Changzhou Zhenglu Waste Water Treatment Project Phase II 常州鄭陸污水處理項目二期	20,000

Projects under Operation and Management / 委託運營項目

Project 項目	Waste Water Treatment Capacity (m ³ /day) 污水處理規模 (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
2 Shenyang Dadong Zhuertun Waste Water Treatment Plant Operation and Management Project 瀋陽大東區朱爾屯污水處理廠委託運營項目	5,000

Project Completed Construction / 建成完工項目

Project 項目	Waste Water Treatment Capacity (m ³ /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 (m ³ /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 Waste Water Treatment (Binjiang Plant & Chengxi Plant) Upgrading Project 江陰污水處理（濱江廠及澄西廠）提標改造項目	N/A
4 Zibo Northern Waste Water Treatment Plant Expansion Project 淄博北郊污水處理廠擴建項目	20,000
5 Dezhou Lingcheng Waste Water Treatment Project (Plant 2) Expansion 德州陵城區污水處理項目（二廠）擴建	30,000
6 Zhangqiu Waste Water Treatment (Plant 4) PPP Project 章丘第四水質淨化廠PPP項目	50,000
7 Binzhou Development Zone Waste Water Treatment Project Phase II Expansion 濱州開發區污水處理項目二期擴建	40,000
8 Dandong Waste Water Treatment Project Phase II (Stage 1) 丹東市污水處理項目二期（一階段）	100,000
9 Laiyang Waste Water Treatment Sub-project 萊陽污水處理子項目	15,000
10 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

PROJECT OVERVIEW

項目概覽

Projects in Preparatory Stage / 籌建項目

Project 項目	Waste Water Treatment Capacity (m ³ /day) 污水處理規模 (立方米/日)
1 Lianyungang Xugou Waste Water Treatment Project Phase II 連雲港墟溝污水處理項目二期	40,000
2 Suzhou Wuzhong Chengnan Waste Water Treatment Plant Effluent Upgrading Project 蘇州吳中城南污水處理廠尾水提標改造項目	N/A
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) 及配套管廠項目	40,000
4 Yancheng No.3 Flood Control Area Water Environment Treatment PPP Project 鄭城市區第三防洪區水環境綜合治理PPP項目	50,000
* Ji'nan Tangye New Area Waste Water Treatment PPP Project phase II 濟南唐冶新區污水處理PPP項目二期	20,000

* As the second phase of Ji'nan Tangye New Area Waste Water Treatment PPP Project, the municipal waste water treatment project listed above is not regarded as an independent project.

* 以上標記的市政污水處理項目為濟南唐冶新區污水處理PPP項目的第二期，不計為獨立項目。

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 (m ³ /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

PROJECT OVERVIEW

項目概覽

Project 項目	Waste Water Treatment Capacity (m ³ /day) 污水處理規模 (立方米/日)
6 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
7 Suizhou Xihe Town Waste Water Treatment Plant and Ancillary Pipeline Network Project 隨州淅河鎮污水廠及配套管網項目	10,000
8 Zhangdian East Chemical Industry 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 Construction / 在建項目

Project 項目	Waste Water Treatment Capacity (m ³ /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 Shenyang Dadong Zhuertun Waste Water Treatment Plant Retrofitting and Expansion Project 瀋陽大東區朱爾屯污水處理廠改擴建項目	5,000

Project in Preparatory Stage / 籌建項目

Project 項目	Waste Water Treatment Capacity (m ³ /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

PROJECT OVERVIEW

項目概覽

Leachate Treatment Project / 滲濾液處理項目

Project 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 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	Waste Water Treatment Capacity (m ³ /day) 污水處理規模 (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 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

Projects under Construction / 在建項目

Project 項目	Waste Water Treatment Capacity (m ³ /day) 污水處理規模 (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
* Zhangqiu Waste Water Treatment (Plant 4) PPP Project – Reusable Water Project 章丘第四水質淨化廠PPP項目-中水回用項目	30,000

* As a supplementary facility to Zhangqiu Waste Water Treatment (Plant 4) PPP Project, the reusable water project listed above is not regarded as an independent project.

* 以上標記的中水回用項目為章丘第四水質淨化廠PPP項目的配套項目設施，不計為獨立項目。

PROJECT OVERVIEW

項目概覽

Project in Preparatory Stage / 籌建項目

Project 項目	Waste Water Treatment Capacity (m ³ /day) 污水處理規模 (立方米/日)
1 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

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 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	Waste Water Treatment Capacity (m ³ /day) 污水處理規模 (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
3 Laiyang Water Environment Management Sub-Project 萊陽水環境治理子項目	N/A

Projects in Preparatory Stage / 籌建項目

Project 項目	Waste Water Treatment Capacity (m ³ /day) 污水處理規模 (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

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 Treatment Projects / 污泥處理處置項目

Projects in Operation / 投運項目

	Project 項目	Sludge Treatment Capacity (tonnes/day) 污泥處理規模 (噸/日)
*	Zibo Sludge Treatment and Disposal Project 淄博污泥處理處置項目	530
*	Ji'nan Licheng Sludge Treatment Project 濟南歷城污泥減量化項目	200
*	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

* As supplementary facilities to the 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 2021 於二零二一年三月五日

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

股權分佈

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	485	8.28	13,424	0.00
100 ~ 1,000	1,154	19.69	571,079	0.02
1,001 ~ 10,000	2,181	37.22	10,366,093	0.36
10,001 ~ 1,000,000	1,995	34.04	125,764,572	4.40
1,000,001 AND ABOVE	45	0.77	2,724,161,555	95.22
TOTAL 總計	5,860	100.00	2,860,876,723	100.00

As at 5 March 2021, no shares issued in the share capital of the Company (the “Shares”) were held as treasury shares or by any of the Company’s subsidiary.

於二零二一年三月五日，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 SEHK 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。該比例符合聯交所上市規則第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 2021 於二零二一年三月五日

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	344,768,968	12.05
3.	CITIBANK NOMINEES SINGAPORE PTE LTD	63,508,526	2.22
4.	MAYBANK KIM ENG SECURITIES PTE. LTD.	51,156,331	1.79
5.	DBS NOMINEES (PRIVATE) LIMITED	35,848,891	1.25
6.	RAFFLES NOMINEES (PTE.) LIMITED	31,424,093	1.10
7.	HSBC (SINGAPORE) NOMINEES PTE LTD	16,186,766	0.57
8.	PHILLIP SECURITIES PTE LTD	12,321,756	0.43
9.	HENG SIEW ENG	5,705,000	0.20
10.	OCBC SECURITIES PRIVATE LIMITED	5,528,427	0.19
11.	DBSN SERVICES PTE. LTD.	4,902,985	0.17
12.	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	4,051,062	0.14
13.	PANG LIM	3,082,400	0.11
14.	PU WEIDONG	2,991,195	0.10
15.	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	2,954,077	0.10
16.	ABN AMRO CLEARING BANK N.V.	2,856,882	0.10
17.	UOB KAY HIAN PRIVATE LIMITED	2,853,598	0.10
18.	CHIEW CARLTON	2,832,667	0.10
19.	LIM & TAN SECURITIES PTE LTD	2,697,679	0.09
20.	ASDEW ACQUISITIONS PTE LTD	2,573,353	0.09
	TOTAL 總計	2,682,969,228	93.77

STATISTICS OF SHAREHOLDINGS

股權統計資料

As at 5 March 2021 於二零二一年三月五日

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 Environment Group Limited ⁽²⁾ 中國光大環境（集團）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 Environment Group Limited (formerly known as China Everbright International Limited) (“**Everbright Environment**”) 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.
中國光大環境（集團）有限公司（原中國光大國際有限公司）（「**光大環境**」）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 Everbright Environment and is deemed to have an interest in the Shares in which Everbright Environment has an interest.
Guildford Limited 持有光大環境總股份數的 20% 以上（但不超過 50%），並對光大環境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. (“**China 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（「**中國光大集團**」）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 63.16 per cent. of the shares in China Everbright Group and is deemed to have an interest in the Shares in which China Everbright Group has an interest.
中央匯金投資有限責任公司持有中國光大集團總股份數的 63.16%，並對中國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 2021 於二零二一年三月五日

(i) Relationship between the Company and each of China Investment Corporation and Central Huijin Investment Ltd.

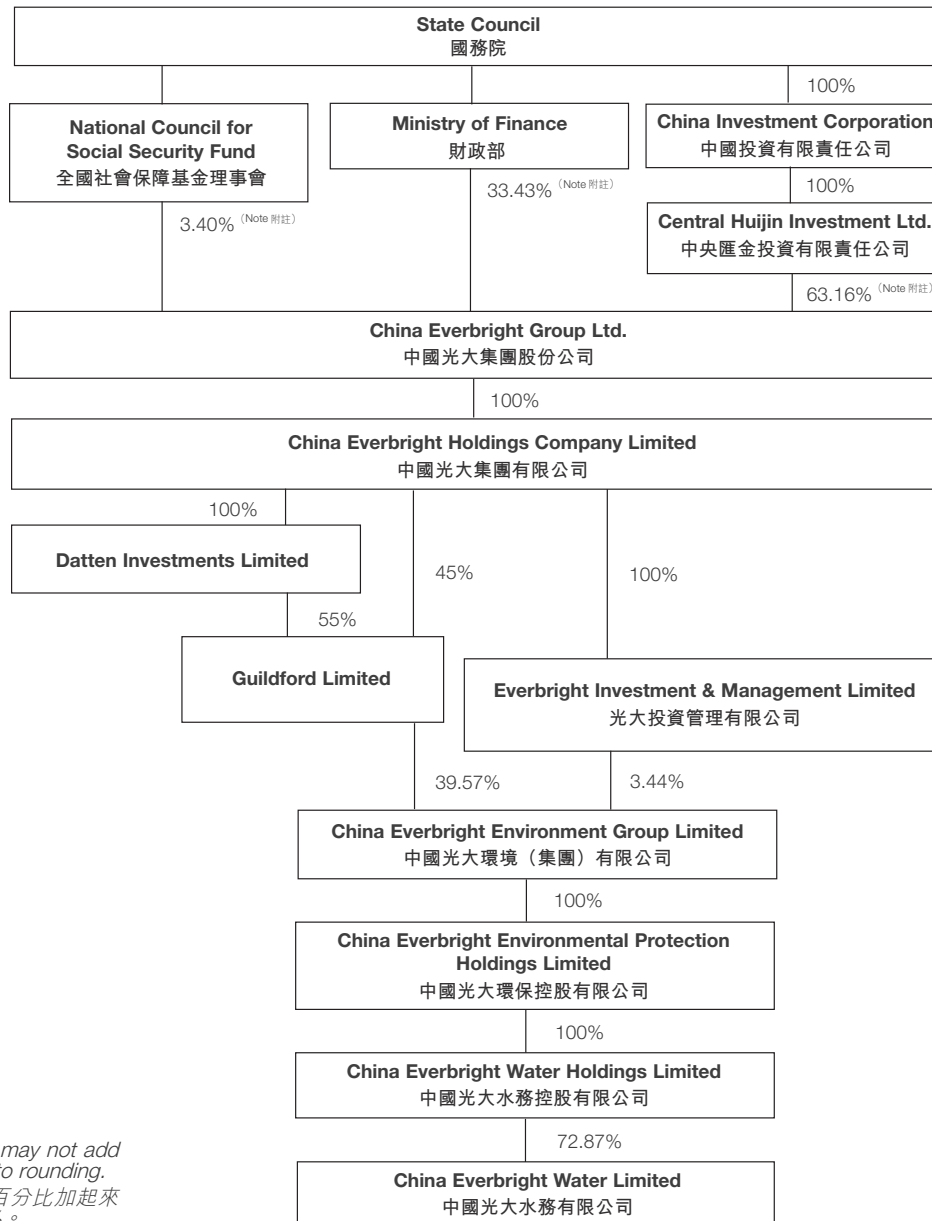
Each of China Investment Corporation and Central Huijin Investment Ltd., which is ultimately owned by the State Council of the People's Republic of China (the "State Council"), is deemed to have a controlling interest (via Everbright Environment) in the issued share capital of the Company.

Based on the information furnished to the Company, below is its 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，中國投資有限責任公司和中央匯金投資有限責任公司通過光大環境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：



Note:

附註：

The percentages may not add up to 100% due to rounding.
由於捨入關係，百分比加起來可能不等於 100%。

STATISTICS OF SHAREHOLDINGS

股權統計資料

As at 5 March 2021 於二零二一年三月五日

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 the 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 Environment and the Company

In addition, neither CIC nor Huijin has any nominees sitting on the board of directors of Everbright Environment. 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「不得干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」。

光大環境及本公司的董事會

此外，中投和匯金均未提名董事參與光大環境的董事會。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 2021 於二零二一年三月五日

(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 China 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, China Everbright Group is regarded as a “controlling shareholder” of the Company for the purposes of the SGX Listing Manual and accordingly, China 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（不包括中國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，中國光大集團將被視為本公司的「控股股東」，因此，中國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 convened and held at 37 Jalan Pemimpin #08-18 Mapex Singapore 577177 on Tuesday, 27 April 2021 at 9.30 a.m. (Singapore time), in compliance with Bermuda law, to transact the businesses below. However, due to the current COVID-19 situation in Singapore, the Annual General Meeting will be convened, and will be held, via electronic means in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, and accordingly, the shareholders of the Company (the “**Shareholders**”) will NOT be able to attend the Annual General Meeting in person, and can only participate in the Annual General Meeting via electronic means.

AS ORDINARY BUSINESS

- To receive and consider the Directors’ Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2020 and the Auditors’ Report thereon.
(Resolution 1)
- To declare and pay a final one-tier tax exempt dividend of 6.07 Hong Kong cents (equivalent to 1.04 Singapore cents) per ordinary share for the financial year ended 31 December 2020 as recommended by the board (the “**Board**”) of directors (the “**Directors**”) of the Company.
(Resolution 2)
- To approve the payment of Directors’ fees of S\$340,000 for the financial year ended 31 December 2020. (2019: S\$340,000)
(Resolution 3)
- To re-elect the following Directors retiring pursuant to Bye-law 86(1) of the Company’s Bye-laws (the “**Bye-laws**”), and who, being eligible, will offer themselves for re-election as the Directors:
 - Mr. Lim Yu Neng Paul;
(Resolution 4a)
(See Explanatory Note i)
 - Ms. Cheng Fong Yee;
(Resolution 4b)
(See Explanatory Note ii)

茲通知，中國光大水務有限公司（「本公司」）股東週年大會將於二零二一年四月二十七日（星期二）上午九時三十分（新加坡時間）根據百慕達法律在37 Jalan Pemimpin #08-18 Mapex Singapore（郵編：577177）召開並舉行，以處理以下事項。然而，由於新加坡現時的COVID-19狀況，股東週年大會將根據《COVID-19（臨時措施）（公司、可變資本公司、商業信託、單位信託和債券持有人會議的替代安排）2020年法令》通過電子方式召開，因此，本公司股東（「股東」）將無法親身出席股東週年大會，且僅能通過電子方式參加股東週年大會。

普通事項

- 審覽及考慮董事會聲明以及截至二零二零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。
(第1項決議)
- 根據本公司董事（「董事」）會（「董事會」）建議，宣佈派發截至二零二零年十二月三十一日止財政年度的每股普通股6.07港仙（等值1.04新加坡分）的一級稅項豁免末期股息。
(第2項決議)
- 批准支付截至二零二零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。（二零一九年：340,000新加坡元整）
(第3項決議)
- 重選根據本公司章程（「本公司章程」）第86（1）條規定即將退任的以下董事，彼等均符合資格，接受重選為本公司董事並將競選連任：
 - 林御能先生；
(第4a項決議)
(見附註說明i)
 - 鄭鳳儀女士；
(第4b項決議)
(見附註說明ii)

NOTICE OF ANNUAL GENERAL MEETING

股東週年大會通知

(c) Mr. Zhai Haitao; and **(Resolution 4c)**

(See Explanatory Note iii)

(d) Ms. Hao Gang. **(Resolution 4d)**

(See Explanatory Note iv)

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.

(Resolution 5)

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions with or without modifications:

6. That for the purposes of Rule 210(5)(d)(iii)(A) of the listing manual (the “**SGX-ST Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX**” or “**SGX-ST**”) (which will take effect from 1 January 2022), and subject to and contingent upon the passing of Resolution 7 by the Shareholders (excluding the Directors and the chief executive officer of the Company (“**CEO**”) and their respective associates (as defined in the SGX-ST Listing Manual)):

(a) the continued appointment of Mr. Lim Yu Neng Paul as an independent director of the Company be and is hereby approved; and

(b) such appointment shall continue in force until (i) the retirement or resignation of Mr. Lim Yu Neng Paul as a Director, or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of this Resolution, whichever is the earlier.

(Resolution 6)

(See Explanatory Notes i and v)

7. That for the purposes of Rule 210(5)(d)(iii)(B) of the SGX-ST Listing Manual (which will take effect from 1 January 2022), and subject to and contingent upon the passing of Resolution 6 by the Shareholders:

(a) the continued appointment of Mr. Lim Yu Neng Paul as an independent director of the Company be and is hereby approved; and

(c) 翟海濤先生；及 **(第4c項決議)**

(見附註說明iii)

(d) 郝剛女士。 **(第4d項決議)**

(見附註說明iv)

5. 續聘Ernst & Young LLP為本公司審計師，任期直至下屆股東週年大會結束為止，並授權董事會釐定其薪酬。

(第5項決議)

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. 根據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」）第210(5)(d)(iii)(A)條（將自二零二二年一月一日起生效），視乎及取決於股東（不包括董事及本公司總裁（「總裁」）以及彼等各自的聯繫人（定義見新交所上市手冊））是否通過第7項決議案：

(a) 批准繼續委任林御能先生為本公司獨立董事；及

(b) 該委任將一直有效，直至(i)林御能先生退任或辭任董事；或(ii)於該決議案獲通過後本公司第三屆股東週年大會結束（以較早者為準）。

(第6項決議案)

(見附註說明i及v)

7. 根據新交所上市手冊第210(5)(d)(iii)(B)條（將自二零二二年一月一日起生效），視乎及取決於股東是否通過第6項決議案：

(a) 批准繼續委任林御能先生為本公司獨立董事；及

NOTICE OF ANNUAL GENERAL MEETING

股東週年大會通知

- (b) such appointment shall continue in force until (i) the retirement or resignation of Mr. Lim Yu Neng Paul as a Director, or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of this Resolution, whichever is the earlier.

(Resolution 7)

(See Explanatory Notes i and v)

8. That for the purposes of Rule 210(5)(d)(iii)(A) of the SGX-ST Listing Manual (which will take effect from 1 January 2022), and subject to and contingent upon the passing of Resolution 9 by the Shareholders (excluding the Directors and the CEO and their respective associates (as defined in the SGX-ST Listing Manual)):

- (a) the continued appointment of Ms. Cheng Fong Yee as an independent director of the Company be and is hereby approved; and

- (b) such appointment shall continue in force until (i) the retirement or resignation of Ms. Cheng Fong Yee as a Director, or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of this Resolution, whichever is the earlier.

(Resolution 8)

(See Explanatory Notes ii and v)

9. That for the purposes of Rule 210(5)(d)(iii)(B) of the SGX-ST Listing Manual (which will take effect from 1 January 2022), and subject to and contingent upon the passing of Resolution 8 by the Shareholders:

- (a) the continued appointment of Ms. Cheng Fong Yee as an independent director of the Company be and is hereby approved; and

- (b) such appointment shall continue in force until (i) the retirement or resignation of Ms. Cheng Fong Yee as a Director, or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of this Resolution, whichever is the earlier.

(Resolution 9)

(See Explanatory Notes ii and v)

- (b) 該委任將一直有效，直至(i)林御能先生退任或辭任董事；或(ii)於該決議案獲通過後本公司第三屆股東週年大會結束（以較早者為準）。

(第7項決議案)

(見附註說明i及v)

8. 根據新交所上市手冊第210(5)(d)(iii)(A)條（將自二零二二年一月一日起生效），視乎及取決於股東（不包括董事及總裁以及彼等各自的聯繫人（定義見新交所上市手冊））是否通過第9項決議案：

- (a) 批准繼續委任鄭鳳儀女士為本公司獨立董事；及

- (b) 該委任將一直有效，直至(i)鄭鳳儀女士退任或辭任董事；或(ii)於該決議案獲通過後本公司第三屆股東週年大會結束（以較早者為準）。

(第8項決議案)

(見附註說明ii及v)

9. 根據新交所上市手冊第210(5)(d)(iii)(B)條（將自二零二二年一月一日起生效），視乎及取決於股東是否通過第8項決議案：

- (a) 批准繼續委任鄭鳳儀女士為本公司獨立董事；及

- (b) 該委任將一直有效，直至(i)鄭鳳儀女士退任或辭任董事；或(ii)於該決議案獲通過後本公司第三屆股東週年大會結束（以較早者為準）。

(第9項決議案)

(見附註說明ii及v)

NOTICE OF ANNUAL GENERAL MEETING

股東週年大會通知

10. Authority to allot and issue shares

- (a) That, pursuant to the Bye-laws, the SGX-ST Listing Manual and the Rules (the “**SEHK Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**SEHK**”), approval be and is hereby given to the Board 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) allot and issue shares in the capital of the Company (the “**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; and/or
 - (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 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, 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

10. 分配和發行股份之權力

- (a) 根據本公司章程、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（「**聯交所上市規則**」），授權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、紅利或其他方式分配及發行本公司股份（「**本公司股份**」）；
 - (ii) 作出或授予可能或將須發行本公司股份的要約、協議或期權，或其他可轉讓的認購或購買本公司股份的權利（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本公司股份的文據；及/或
 - (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本公司股份。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本公司股份總數（包括因根據本決議所作出或授予的文據將予發行的本公司股份）不超過已發行本公司股份總數（不包括本公司庫存股）的百分之五十（50%），其中非按比例向現有股東發行的本公司股份總數（包括根據本決議所作

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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-ST Listing Manual and Chapter 13 of the SEHK 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 SEHK Listing Rules as amended from time to time (unless such compliance has been waived by the SEHK) and the Bye-laws; and
- (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 10)

(See Explanatory Note vi)

出或授予的文據將予發行的本公司股份) 不超過已發行本公司股份總數(不包括本公司庫存股)的百分之二十(20%)，且就本決議而言，已發行本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本公司股份總數計算(不包括本公司庫存股)：

- a) 轉換或行使任何可轉換證券產生的新本公司股份，或
 - b) 行使遵照新交所上市手冊第8章第VIII部分及聯交所上市規則第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本公司股份；及
 - c) 任何其後的紅利發行、本公司股份合併或分拆，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)及本公司章程；及
- (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，直至今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10項決議)

(見附註說明vi)

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11. 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 11)**

(See Explanatory Note vii)

12. 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-ST Listing Manual, satisfy all the conditions prescribed by section 76C of the Companies Act, Chapter 50 of Singapore (the “**Singapore Companies Act**”),

in accordance with the Companies Act 1981 of Bermuda (as amended), all other laws and regulations and rules of the SGX-ST, the SEHK 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**”);

11. 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本公司股份。

(第11項決議)

(見附註說明vii)

12. 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）的已發行本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。

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、聯交所上市規則、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**」）：

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(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;

“**Maximum Limit**” means that number of Shares representing 10 per cent. (10%) 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

(b) 除非本公司在股東大會上更改或撤銷，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本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，本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（「**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本公司股份之日，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；

「**最高限額**」是指代表了通過本決議之日已發行本公司股份總數的百分之十（10%）的本公司股份數量（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本公司股份）；和

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“**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. (5%) above the Average Closing Price; and
 - (ii) in the case of an off-market purchase of a Share, five per cent. (5%) 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 12)

(See Explanatory Note viii)

13. Renewal of the interested person transaction mandate

That:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the SGX-ST 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 2021 (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**”);
- (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

關於購買或收購本公司股份的「**最高限價**」，是指每股購買價格（不含經紀人傭金、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) 在市場上購買本公司股份的情況下，平均收市價的百分之五（5%）；和
 - (ii) 在市場外購買本公司股份的情況下，平均收市價的百分之五（5%）；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12項決議)

(見附註說明viii)

13. 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，與本公司日期為二零二一年三月二十三日的股東通函（「**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**」）；
- (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屆股東週年大會結束為止；及

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- (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 13)

(See Explanatory Note ix)

14. 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

Singapore and Hong Kong, 23 March 2021

Notes:

1. The Annual General Meeting is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Arrangements relating to attendance at the Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast, live audio-only webcast or live audio-only stream), submission of questions to the Chairman of the Annual General Meeting in advance of the Annual General Meeting, submission of questions during the Annual General Meeting via an online chat box, addressing of substantial and relevant questions at the Annual General Meeting and voting by appointing the Chairman of the Annual General Meeting as proxy at the Annual General Meeting and/or voting electronically during the Annual General Meeting, are set out in the accompanying Circular.

- (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13項決議)

(見附註說明ix)

14. 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

新加坡和香港，二零二一年三月二十三日

附註：

1. 股東週年大會現根據《COVID-19（臨時措施）（公司、可變資本公司、商業信託、單位信託和債券持有人會議的替代安排）2020年法令》予以召開，將以電子方式舉行。
2. 關於透過電子方式出席股東週年大會（包括可透過實時視聽網絡直播、實時音頻網絡直播或實時音頻直播以電子方式參與會議的安排）、於股東週年大會舉行前向股東週年大會主席遞交問題、於股東週年大會期間透過在線聊天窗口遞交問題、於股東週年大會上答覆實質性及相關問題及透過委任股東週年大會主席為受委代表於股東週年大會上進行投票及/或於股東週年大會期間以電子方式進行投票的替代安排，均載於隨附的股東通函。

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3. Due to the current COVID-19 situation in Singapore, the Annual General Meeting will be convened, and will be held, via electronic means, and accordingly, Shareholders will NOT be able to attend the Annual General Meeting in person, and can only participate in the Annual General Meeting via electronic means. A Shareholder (whether individual or corporate) must either appoint the Chairman of the Annual General Meeting as his/her/its proxy or (in the case of a Depositor (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore)) nominate the appointment of the Chairman of the Annual General Meeting as the proxy of The Central Depository (Pte) Limited ("CDP") to attend, speak and vote on his/her/its behalf at the Annual General Meeting or pre-register as a Shareholder if such Shareholder or Depositor wishes to exercise his/her/its voting rights at the Annual General Meeting, whether as CDP's proxy or on his/her/its own via electronic means.

Where a Shareholder (whether individual or corporate) appoints the Chairman of the Annual General Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of each of the resolutions set out in the proxy form, failing which the Chairman of the Annual General Meeting may vote or abstain from voting at his/her/their discretion.

Completion and return of an instrument appointing the Chairman of the Annual General Meeting as proxy will not prevent a Shareholder from attending and voting via electronic means at the Annual General Meeting if he/she/it subsequently wishes to do so, provided that in the event of such attendance by the Shareholder via electronic means, the relevant instrument submitted by the Shareholder shall be deemed to be revoked.

4. The instrument appointing the Chairman of the Annual General Meeting as proxy must be signed by the appointer, or his/her attorney duly authorised in writing, or if in the case of a corporation, must be either executed under its common seal or under the hand of an officer or attorney so authorised on that corporation's behalf.
5. The Chairman of the Annual General Meeting, as proxy, need not be a Shareholder of the Company.
6. For Singapore Shareholders, the depositor proxy form appointing the Chairman of the Annual General Meeting as proxy of CDP, duly completed, must be submitted by the Depositor in the following manner:
- (i) if submitted by post, by depositing the duly completed depositor proxy form at the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower Singapore 048623; or
 - (ii) if submitted electronically, by scanning and submitting the duly completed depositor proxy form via email to the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., at CEWLAGM2021@boardroomlimited.com,

in either case, at least 72 hours before the time for holding the Annual General Meeting.

3. 由於新加坡現時的COVID-19狀況，股東週年大會將通過電子方式召開，因此股東將無法親身出席股東週年大會，且僅能通過電子方式參加股東週年大會。股東（無論為個人或公司）須委託股東週年大會主席為其受委代表或（存託人（定義見新加坡法律第289章《證券及期貨法》第81SF條））提名股東週年大會主席為中央託收私人有限公司（「CDP」）的受委代表以代表其出席股東週年大會、於會上發言及投票，或倘有關股東或董事有意（無論作為CDP的受委代表或透過電子方式自行）於股東週年大會上行使其投票權，則須預先登記為股東。

倘股東（無論個人或公司）委任股東週年大會主席為其受委代表，其須就代表委任表格內所載各項決議案進行投票或放棄投票作出具體指示，否則股東週年大會主席可自行酌情投票或放棄投票。

填妥及交回委任股東週年大會主席為受委代表的指示後，股東隨後仍可依願通過電子方式出席股東週年大會並投票，惟倘股東通過電子方式出席，則股東所提交的相關指示將被視作已撤回論。

4. 委任股東週年大會主席為受委代表的文書須由委託人或經其書面妥為授權之受權人簽署，或如委託人為公司，則須加蓋公司公章或由獲授權代表公司之高級人員或受權人親筆簽署。
5. 股東週年大會主席（作為受委代表）毋須為本公司股東。
6. 就新加坡股東而言，委任股東週年大會主席為CDP的受委代表的存託人代表委任表格（已填妥），存託人無論以下列何種方式遞交：
- (i) 倘以郵遞方式遞交，則將填妥的存託人代表委任表格遞交至本公司新加坡股份轉讓代理的辦事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）；或
 - (ii) 倘以電子方式遞交，則掃描填妥的存託人代表委任表格並透過電子郵件遞交至本公司新加坡股份轉讓代理寶德隆企業與諮詢服務有限公司（郵箱地址為 CEWLAGM2021@boardroomlimited.com）。

在各情況下，均須於舉行股東週年大會的時間前至少72小時遞交。

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For Hong Kong Shareholders, the instrument appointing the Chairman of the Annual General Meeting as proxy must be submitted in the following manner:

- (i) if submitted by post, by depositing the duly completed proxy form with the Company's Hong Kong Share Registrar and Transfer Office, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong; or
- (ii) if submitted electronically, by scanning and submitting the duly completed proxy form via email to the Company's Hong Kong Share Registrar and Transfer Office, Boardroom Share Registrars (HK) Limited, at srinfo.hk@boardroomlimited.com,

in either case, at least 72 hours before the time for holding the Annual General Meeting.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for the Shareholders to submit completed proxy forms by post, the Shareholders are strongly encouraged to scan and submit the completed proxy forms electronically via email.

7. The Annual Report for the financial year ended 31 December 2020 (the "2020 Annual Report") and the Circular may be accessed at the Company's website (www.ebwater.com) as follows:

- (i) for the 2020 Annual Report, by going to "Investor Relations" and clicking on the hyperlink "Annual & Interim Reports"; and
- (ii) for the Circular, by going to "Investor Relations" and clicking on the hyperlink "Announcements & Circulars - SGX" or "Announcements & Circulars - HKEX".

Copies of the 2020 Annual Report and the Circular may also be accessed on the SGXNet (www.sgx.com) and the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk).

Explanatory Notes:

- (i) Detailed information relating to Mr. Lim Yu Neng Paul is set out on page 42 of the 2020 Annual Report and in the section entitled "Biographical Details of Directors" of the Circular.
- (ii) Detailed information relating to Ms. Cheng Fong Yee is set out on page 43 of the 2020 Annual Report and in the section entitled "Biographical Details of Directors" of the Circular.
- (iii) Detailed information relating to Mr. Zhai Haitao is set out on page 41 of the 2020 Annual Report and in the section entitled "Biographical Details of Directors" of the Circular.
- (iv) Detailed information relating to Ms. Hao Gang is set out on page 44 of the 2020 Annual Report and in the section entitled "Biographical Details of Directors" of the Circular.
- (v) Resolutions 6 to 9 are to approve the continued appointment of each of Mr. Lim Yu Neng Paul and Ms. Cheng Fong Yee as an independent director of the Company for the purposes of Rule 210(5)(d)(iii) of the SGX-ST Listing Manual which will take effect from 1 January 2022.

就香港股東而言，委任股東週年大會主席為受委代表的指示無論以下列何種方式遞交：

- (i) 倘以郵遞方式遞交，則將填妥的代表委任表格遞交至本公司香港股份過戶登記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）；或
- (ii) 倘以電子方式遞交，則掃描填妥的代表委任表格透過電子郵件遞交至本公司香港股份過戶登記處寶德隆證券登記有限公司（郵箱地址為srinfo.hk@boardroomlimited.com）。

在各情況下，均須於舉行股東週年大會的時間前至少72小時遞交。

鑒於COVID-19當前的形勢及相關社交距離措施使股東難以透過郵遞方式遞交填妥的代表委任表格，強烈鼓勵股東掃描填妥的代表委任表格並透過電子郵件遞交。

7. 截至二零二零年十二月三十一日止年度的年度報告（「二零二零年度報告」）及股東通函可於本公司網站（www.ebwater.com）查閱，如下：

- (i) 就二零二零年度報告而言，前往「投資者關係」並點擊超連結「年報及中期報告」；及
- (ii) 就股東通函而言，前往「投資者關係」並點擊超連結「公告和通函 — 新加坡交易所」或「公告和通函 — 香港交易所」。

二零二零年度報告及股東通函亦可在SGXNet（www.sgx.com）及香港交易及結算有限公司網站（www.hkexnews.hk）。

附註說明：

- (i) 關於林御能先生的詳細信息載於二零二零年度報告第42頁及股東通函中「董事履歷詳情」一節。
- (ii) 關於鄭鳳儀女士的詳細信息載於二零二零年度報告第43頁及股東通函中「董事履歷詳情」一節。
- (iii) 關於翟海濤先生的詳細信息載於二零二零年度報告第41頁及股東通函中「董事履歷詳情」一節。
- (iv) 關於郝剛女士的詳細信息載於二零二零年度報告第44頁及股東通函中「董事履歷詳情」一節。
- (v) 第6至9項決議案旨在根據新交所上市手冊第210(5)(d)(iii)條（將自二零二二年一月一日起生效）批准繼續委任林御能先生及鄭鳳儀女士為本公司獨立董事。

NOTICE OF ANNUAL GENERAL MEETING

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Rule 210(5)(d)(iii) of the SGX-ST Listing Manual provides that a director will not be independent if he has been a director for an aggregate period of more than nine years and his continued appointment as an independent director has not been sought and approved in separate resolutions by (a) all Shareholders; and (b) Shareholders excluding the Directors and the CEO, and their respective associates.

Both Mr. Lim Yu Neng Paul and Ms. Cheng Fong Yee are independent directors who have served an aggregate of more than nine years on the Board of the Company. The Company is accordingly seeking the requisite approvals under Rule 210(5)(d)(iii)(A) and (B) for each of Mr. Lim's and Ms. Cheng's continued appointment as an independent director of the Company from 1 January 2022. If obtained, the requisite approvals will remain in force until the earlier of (a) the retirement or resignation of Mr. Lim, or as the case may be, Ms. Cheng, as a Director, and (b) the conclusion of the third Annual General Meeting following (in the case of Mr. Lim) the passing of Resolutions 6 and 7 and (in the case of Ms. Cheng) Resolutions 8 and 9. Otherwise, Mr. Lim and Ms. Cheng will be regarded as non-independent from 1 January 2022. If Mr. Lim and Ms. Cheng are regarded as non-independent from 1 January 2022, the Company will not be in compliance with Rule 210(5)(c) of the SGX-ST Listing Manual which requires independent directors to comprise at least one-third of the Board. If this is the case, the Company will endeavor to replace Mr. Lim and Ms. Cheng with new independent directors by 1 March 2022, but in any case not later than 1 April 2022.

Mr. Lim abstained from all Nominating Committee and Board deliberations and decisions relating to his continued independence, and Ms. Cheng abstained from all Board deliberations and decisions relating to her continued independence.

Under Rule 210(5)(d)(iii)(A) of the SGX-ST Listing Manual, all the Shareholders may vote on Resolutions 6 and 8.

In compliance with Rule 210(5)(d)(iii)(B) of the SGX-ST Listing Manual, the Directors and the CEO, and their respective associates (as defined in the SGX-ST Listing Manual) will abstain from voting on Resolutions 7 and 9. The Company will disregard any votes cast by the Directors and the CEO, and their respective associates, in respect of their holdings of Shares (if any) on Resolutions 7 and 9. The Chairman of the Annual General Meeting will accept appointment as proxy for any other Shareholder to vote in respect of Resolution 7 and/or 9, where such Shareholder has given specific instructions in a validly completed and submitted proxy form as to voting, or abstentions from voting, in respect of Resolutions 7 and/or 9.

If Resolution 4a is not passed, Resolutions 6 and 7 will be withdrawn. If Resolution 6 is not passed, Resolution 7 will be withdrawn.

If Resolution 4b is not passed, Resolutions 8 and 9 will be withdrawn. If Resolution 8 is not passed, Resolution 9 will be withdrawn.

新交所上市手冊第210(5)(d)(iii)條規定，如一名董事任職累計時間超過九年，且(a)所有股東；及(b)除董事及總裁以及彼等各自的聯繫人以外的所有股東，並未在獨立決議案中要求和批准該董事繼續擔任獨立董事的委任，則該董事將不再是獨立董事。

林御能先生及鄭鳳儀女士均為獨立董事，彼等在本公司董事會累計任職超過九年。因此，本公司將根據第210(5)(d)(iii)(A)及(B)條就林先生及鄭女士各自自二零二二年一月一日起繼續獲委任為本公司獨立董事尋求所需批准。如獲批准，所需批准將一直有效，直至(a)林先生或（視情況而定）鄭女士退任或辭任董事；及(b)於（就林先生而言）第6及7項決議及（就鄭女士而言）第8及9項決議獲通過後第三屆股東週年大會結束（以較早者為準）。否則，林先生及鄭女士將自二零二二年一月一日起被視為非獨立董事。如林先生及鄭女士自二零二二年一月一日起被視為非獨立董事，本公司將不符合新交所上市手冊第210(5)(c)條關於獨立董事必須至少佔董事會三分之一之規定。倘情況如此，本公司將努力於二零二二年三月一日之前但無論如何不遲於二零二二年四月一日，以新的獨立董事替代林先生及鄭女士。

林先生放棄參與所有與其持續獨立性有關的提名委員會及董事會審議及決定，鄭女士放棄參與所有與其持續獨立性有關的董事會審議及決定。

根據新交所上市手冊第210(5)(d)(iii)(A)條，所有股東均可就第6及8項決議案進行投票。

根據新交所上市手冊第210(5)(d)(iii)(B)條，董事及總裁以及彼等各自的聯繫人（定義見新交所上市手冊）將就第7及9項決議案放棄投票。本公司將不會考慮董事及總裁以及彼等各自的聯繫人根據彼等所持本公司股份（如有）就第7及9項決議案所投的任何票數（如有）。倘任何其他股東已在有效填寫及提交的代表委任表格中就第7及/或9項決議案的投票或放棄投票作出具體指示，則股東週年大會主席將接受獲委任為該股東的受委代表，以就第7及/或9項決議案進行投票。

如第4a項決議案未獲通過，第6及7項決議案將被撤銷。如第6項決議案未獲通過，第7項決議案將被撤銷。

如第4b項決議案未獲通過，第8及9項決議案將被撤銷。如第8項決議案未獲通過，第9項決議案將被撤銷。

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- (vi) The Ordinary Resolution 10 proposed in item 10 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 allot and issue Shares and convertible securities in the Company up to an amount not exceeding in aggregate 50 per cent. 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 per cent. 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.
- (vii) 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 11 proposed in item 11, 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.
- (viii) 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 2021, 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 2020 and certain assumptions, are set out in the section entitled "Financial Effects" of the Circular.
- (ix) The Ordinary Resolution 13 proposed in item 13 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-ST 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) 第十條中所提議的第10項普通決議是為授權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分配及發行本公司股份和可轉換證券，發行總數不超過已發行本公司股份總數（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本公司股份總數（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。
- (vii) 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本公司股份的方式代以收取其根據持有本公司股份可獲分配的股息現金。第十一條中所提議的第11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本公司股份。
- (viii) 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本公司股份的資金。本公司購買或收購本公司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、購買或收購的本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二零二一年三月十二日日已發行本公司股份的10%，基於本公司及其附屬公司於二零二零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。
- (ix) 第十三條中所提議的第13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 the Chairman of the Annual General Meeting as a proxy 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 the appointment of the Chairman of the Annual General Meeting as proxy 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.

個人資料隱私權：

通過提交代表委任表格委託股東週年大會主席為其受委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（或其受委代表）收集、使用及披露股東的個人資料，以讓本公司（或其受委代表）能夠就因股東週年大會（包括其任何續會）而委託股東週年大會主席為其受委代表進行處理和管理，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（或其受委代表）能夠遵循適用法律、上市規則、規定和/或指導原則。



CHINA EVERBRIGHT WATER LIMITED
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